

**GROWING
TOGETHER**

ANNUAL REPORT --- 2024

Empowering Lives | Shaping The Future



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I Core Values





Objectives

To run life insurance business on sound lines. To provide more efficient services of policyholders.
To maximize the return to the policyholders by economizing expenses and increasing on investment.
To make life insurance a more effective means of mobilizing national savings.
To widen the area of operations of life insurance and make it available to as large a section of the population as possible, extending if from comparatively more affluent sections of society to the common man in towns and villages. To use policyholders fund in the wider interest of the community.

Mission

To remain a leading insurer in the country by extending the benefits of life insurance to all sections of society and meeting our commitments to our policyholders and nation.

Quality Policy

To ensure satisfaction of our valued policyholders in processing new business, providing after sales services and optimizing return on life fund through a quality culture and to maintain our position as the leading insurer in Pakistan.

CEO Message



I am filled with pride in what we have achieved together at the State Life Insurance Corporation of Pakistan. Backed by the Government of Pakistan and trusted for over five decades, State Life continues to uphold its AAA rating while expanding its role as the country's largest life and health insurer. In just four years, we have transformed our position with a +300% increase in profit, a +181% growth in revenue, and a +100% rise in profit allocated to policyholders—a reflection of bold strategies, digital innovation, and a relentless focus on service.

I extend my deepest gratitude to our policyholders, corporate partners, Board of Directors and our shareholder for their trust and confidence. With their support, State Life continues to stand at the forefront of the evolving life and health insurance landscape.

But numbers alone do not tell our story. State Life is more than a financial institution—it is a national trust. With over five decades of experience and the confidence of millions, we empower individuals and families in every corner of the country, from major cities to the most remote and underserved regions. Our role extends beyond life insurance, as we administer social health programs and invest in Pakistan's capital markets, contributing to both economic development and long-term financial stability.

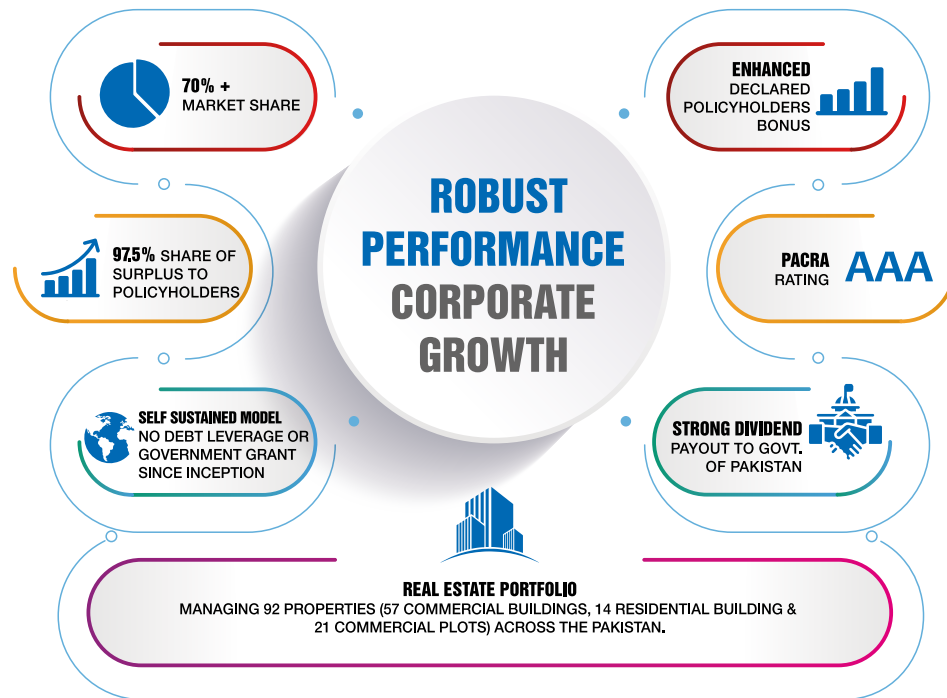
Behind every achievement stands our people; our executives, our officers, staff, and vast field force—whose dedication drives our progress. Your passion and hard work define State Life's success and inspire confidence in our future.

As we move forward, I am certain that together we will continue to innovate, serve with excellence, and uphold our mission of working towards the best advantage of our society. The journey ahead is bright, and our best achievements still lie before us.

Shoaib Javed Hussain
Chief Executive Officer
State Life Insurance Corporation of Pakistan

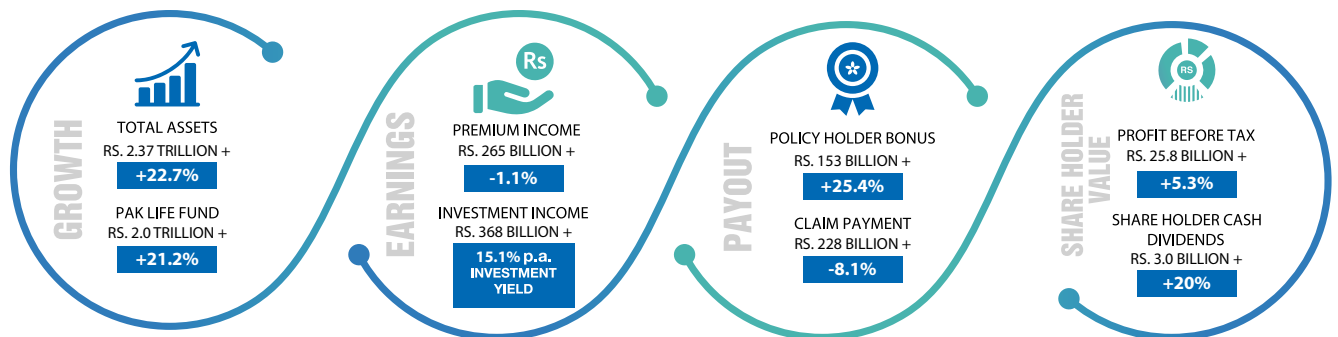
Our Journey

State Life Insurance Corporation of Pakistan (SLIC) was established in 1972 and is Pakistan's largest Life & Health insurer. SLIC's commitment to continuous improvement has contributed to SLIC's impressive achievement of maintaining AAA rating within the insurance industry. Additionally, the Corporation's assets, valued at over Rs. 2.3 trillion, underscore its financial strength and stability. Looking forward, SLIC's strategy is focused on anticipating and embracing emerging opportunities in the insurance landscape. This proactive approach is set to propel the Corporation towards further expansion and innovation. By keeping an eye on unexplored areas and seeking avenues for growth, SLIC aims to continue its legacy of excellence and contribute positively to Pakistan's insurance sector and economy.

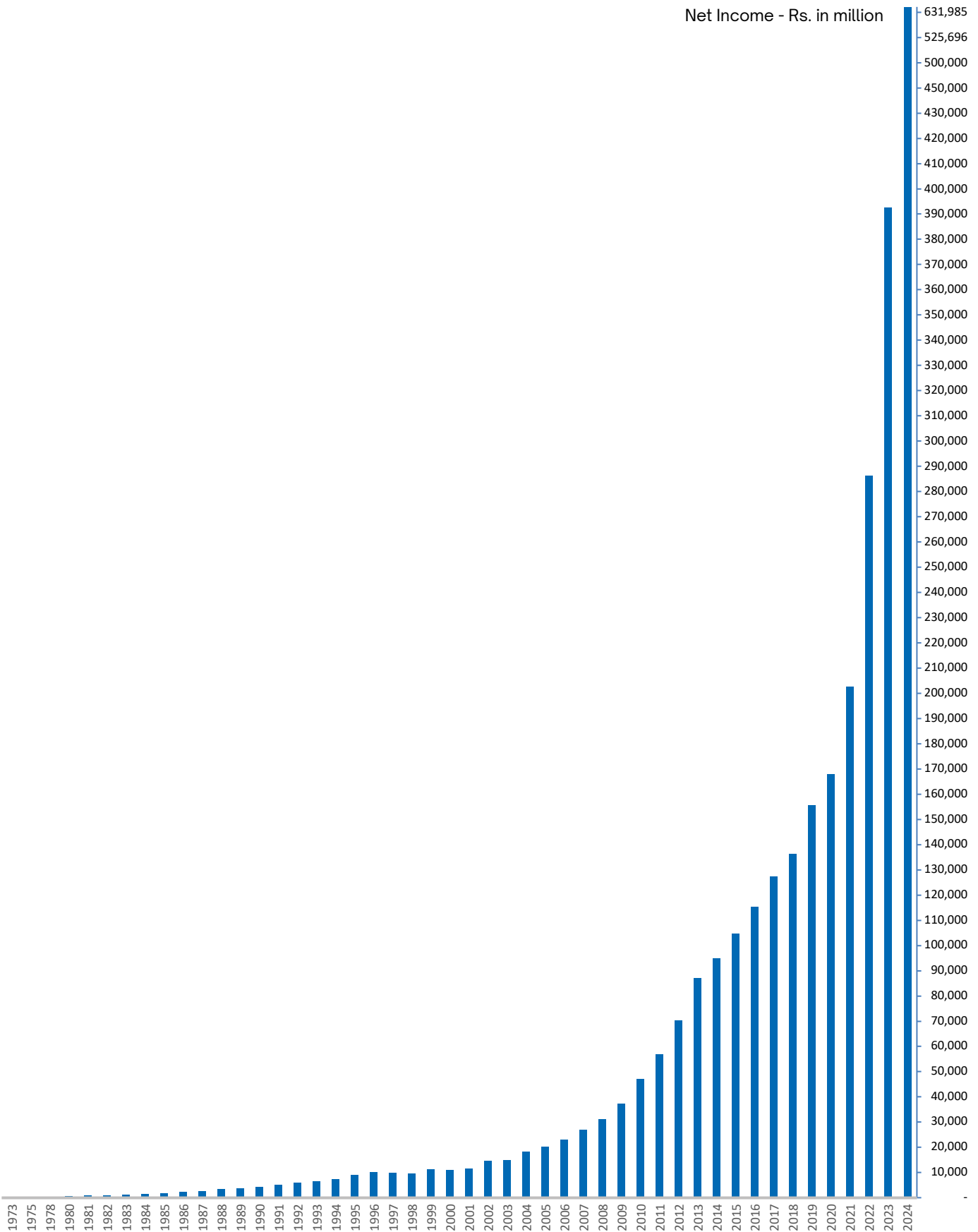


BUSINESS HIGHLIGHTS | CONTINUOUSLY GROWING CONSISTENTLY DELIVERING

2024: SCALING NEW HEIGHTS








SLIC Journey to Success



Serving the entire Pakistan, Protecting more than 200 million Pakistanis



-  14 Regions
-  50 Zones + 1 Zone at UAE
-  302 Sector Offices
-  1357 Area Offices
-  11000 Agency Offices

Over 11,000 Agency Offices Covering Every Part of Pakistan

- | | | | |
|-------------------------------|-------------------------|-----------------------|-----------------------|
| ◆ Abbottabad Zone | ◆ Hyderabad Zone | ◆ Lahore Central Zone | ◆ Rahim Yar Khan Zone |
| ◆ Benazirabad(Nawabshah) Zone | ◆ Islamabad Zone | ◆ Lahore Western Zone | ◆ Sarghodha Zone |
| ◆ Bahawalpur Zone | ◆ Jhang Zone | ◆ Mirpurkhas Zone | ◆ Sahiwal Zone |
| ◆ Dera Ghazi Khan Zone | ◆ Jhelum Zone | ◆ Multan Zone | ◆ Sialokt Zone |
| ◆ Faisalabad Eastern Zone | ◆ Karachi Southern Zone | ◆ Mirpur AK Zone | ◆ Sukkur Zone |
| ◆ Faisalabad Western Zone | ◆ Karachi Eastern Zone | ◆ Narowal Zone | ◆ Swat Zone |
| ◆ Gujranwala Zone | ◆ Karachi Central Zone | ◆ Peshawar Zone | ◆ Vehari Zone |
| ◆ Gujrat Zone | ◆ Kohat Zone | ◆ Quetta Zone | ◆ Sheikhpura Zone |
| ◆ Gilgit Zone | ◆ Larkana Zone | ◆ Rawalpindi Zone | ◆ Gulf Zone |

Corporate Information

Board of Members

Mr. Sulaiman S. Mehdi
Chairman

Mr. Shoaib Javed Hussain
CEO

Mr. Shakeel Ahmed Mangnejo
Non-Independent Director

Mr. Muhammad Iqbal
Non-Independent Director

Mr. Muhammad Asif
Non-Independent Director

Mr. Anwar Mansoor Khan
Independent Director

Mr. Humayun Bashir
Independent Director

Mr. Sheharyar Iftikhar Khan
Independent Director

Mrs. Pouruchisty Sidhwa
Independent Director

Ms. Sarah Saeed
Non-Independent Director (From 19th
September 2023 to 22nd June 2024)

Mr. Muhammad Sheheryar Sultan
Non-Independent Director (From 15th
January 2024 to 10th July 2024)

Company Secretary

Mr. Mushtaq Ahmed

Auditors - Pakistan

Riaz Ahmed & Co
Chartered Accountants

Gulf Countries

M/s. Sajjad Haider & Co
Chartered Accountants

Appointed Actuary

Mr. Shujaat Siddiqui
MA, FIA, FPSA.

Risk Management Compliance, & Litigation Committee

Mr. Anwar Mansoor Khan
Chairman

Mr. Sheharyar Iftikhar Khan
Member

Mr. Muhammad Sheheryar Sultan
Member

Mrs. Pouruchisty Sidhwa
Member

Mr. Abdul Shakoor Shaikh
ED (RE/ PHS/UND/ LAD) / Member

Mr. Mushtaq Ahmed
Non-Member/DH (Risk Management) /
Secretary

I.T Committee

Mr. Humayun Bashir
Chairman

Mr. Muhammad Iqbal
Member

Dr Aftab Imam
ED (IT/IA/G&P) / Member

Mr. Nasir Naqvi
CTO/ Member

Syed Zulfiqar Haider
Non-Member / DH(IT) / Secretary

Investment Committee

Mr. Shoaib Javed Hussain
CEO / Convenor

Mr. Shahid Iqbal Baloch
ED (HR & Admin/ Inv./ H&AI) / Member

Mr. Abdul Shakoor Shaikh
ED (RE/ PHS/UND/ LAD) / Member

Mr. Faisal Mumtaz
DH (Actuarial) / Member

Muhammad Amjad
C.F.O/ Member

Mr. S. Shanawaz Nadir Shah
Non-Member/ C.I.O/ Secretary

Claims Settlement Committee

Mr. Muhammad Iqbal
Chairman

Mr. Abdul Shakoor Shaikh
ED (RE/ PHS/UND/ LAD) / Member

Mr. Ashar Aziz
DH (H&AI) / Member

Mr. Abdul Salam

Underwriting/reinsurance & Co-Insurance Committee

Mr. Muhammad Asif
Chairman

Mr. Faisal Mumtaz
DH (Actuarial) / Member

Mr. Abdul Salam
DH (PHS) / Member

Mr. Mahmood Ahmed
Non-Member/ DGM (PHS) /Secretary

Board Audit Committee

Mr. Sheharyar Iftekhar Khan
Chairman

Mr. Humayun Bashir
Member

Mr. Shakeel Ahmed Mangnejo
Member

Mr. Muhammad Sohaib Usmani
Non-Member/ DH (Audit) / Secretary

Ethics, Human Resource, Remuneration & Nomination Committee

Mrs. Pouruchisty Sidhwa
Chairperson

Mr. Humayun Bashir
Member

Mr. Shakeel Ahmed Mangnejo
Member

Mr. Shahid Iqbal Baloch
ED (HR & Admin/ Inv./ H&AI) / Member

Dr. Nisar Ahmed Shah
Non-Member/DH (Hr & Admin) /Secretary

Standing Committee

Mr. Shoaib Javed Hussain
CEO / Chairman

Mr. Anwar Mansoor Khan
Member

Mrs. Pouruchisty Sidhwa
Member

Dr. Nisar Ahmed Shah
Non-Member/DH (Hr & Admin) /Secretary

Management

Chairman, Board of Directors

Mr. Sulaiman S. Mehdi

Chief Executive Officer (C.E.O)

Mr. Shoaib Javed Hussain

Executive Directors

Mr. Shahid Iqbal Baloch

Dr. Aftab Imam

Mr. Abdul Shakoor Shaikh

Mr. Muhammad Izqar Khan

Chiefs

Mr. Muhammad Amjad

Chief Financial Officer

Mr. Muhammad Sohaib Usmani

Chief Internal Auditor

Mr. Tariq Saeed Ch.

Chief Takaful Officer

Syed Shahnawaz Nadir Shah

Chief Investment Officer

Mr. Imran-ul-Haq Usmani

Chief Engineer Officer

Syed Nasir A, Naqvi

Chief Technology Officer

Mr. Imran Sardar

Chief Human Resources Officer

Mr. Faisal Mumtaz

Chief Actuary

Divisional Heads (Principal Office)

Mr. Kashif Rasheed

Real Estate

Mian Rizwan Majeed

Marketing

Mr. Abdul Salam

PHS

Mr. Mehmood Ahmed

UND

Mr. Zulfiqar Haider

Information Technology (Additional Charge)

Mr. M. Khalid Bashir

Finance & Accounts

Mr. S. Faisal Tazeeb

HRDD

Dr. Nisar Ahmed Shah

HR & Admin

Mr. Tajamul

CPD

Raja Abdul Waheed

Banca

Dr. Arshad H. Iraqj

Compliance

Mr. Attaullah A. Rasheed

Group & Pension

Mr. Mahmood Alam

Legal Affairs

Mr. Muhammad Ashar

Health & Accidental Insurance

Mr. Mushtaq Ahmed

RMD

Ms. Maha Haider

CAD

Secretary Board

Mr. Mushtaq Ahmed

Chief Medical Officer

Dr. Mukkaram Ali Khan

Individual Life

Regional Chiefs

Mr. Siddique Akbar

Central Region (Lahore)

Mr. Munawar Ali Kalhoro

Southern Region (Karachi)

Mr. Noor Muhammad Javed

Northern Region (Islamabad)

Mrs. Shazia Pervez

Multan Region (Multan)

Mr. Asghar Ali Khush

Hyderabad Region (Hyderabad)

Mr. Raja Zafar Iqbal

KPK Region (Peshawar)

Mr. Mahmood ul Hassan

Faisalabad Region (Faisalabad)

Zonal Chief

Gulf Countries

Mr. Anjum Rasheed

Gulf Zone, UAE-Dubai

Zonal Heads

Central Region

Mr. Anis ul Haq

Lahore Zone (Central)

Ms. Fahmeeda Ashraf

Lahore Zone (Western)

Mr. Tariq Mehmood Cheema

Gujranwala Zone

Mr. Saeed Malik

Sialkot Zone

Mr. Wari Ali

Narowal Zone

Mr. Saeed Anjum

Sheikhupura Zone

Faisalabad Region

Mr. Yousuf Tahir

Faisalabad Zone

Mr. Javed Hussain

Faisalabad Zone (Western)

Mr. Muhammad Sarwar

Sargodha Zone

Mr. Noor Muhammad Noori

Jhang Zone

Multan Region

Mr. Tariq Siddiq

Multan Zone

Mr. Munir Ahmed Naz

Sahiwal Zone

Mr. M. Anwar

Rahim Yar Khan Zone

Mr. Saeed Ahmed Daha

Vehari Zone

Mr. Ulfat Mahmood Gohar

Dera Ghazi Khan Zone

Mr. Shahid

Bahawalpur Zone

Northern Region

Syed Asad Ali Shah

Rawalpindi Zone

Mr. Sajjid Iqbal

Mirpur (A.K) Zone

Ch. Abdul Rehman

Islamabad Zone

Mr. M. Imran Abbasi

Gujrat Zone

Mr. Ilyas Shah

Jhelum Zone

Mr. Sakhi Madad

Gilgit Zone

KPK Region

Mr. Muhammad Jan

Peshawar Zone

Mr. Muhammad Khalid

Abbottabad Zone

Mr. Muhammad Muzzaffar Khan

Swat Zone

Mr. Javed Iqbal

Kohat Zone

Southern Region

Mr. Ali Bhutto

Karachi Zone (Southern)

Mr. Abid Masood

Karachi Zone (Eastern)

Mr. Raj Kumar

Karachi Zone (Central)

Mr. Abdul Nabi Lashari

Quetta Zone

Hyderabad Region

Mr. Abdul Hussain Kapri

Hyderabad Zone

Mr. Suhno Khan Mughari

Mirpurkhas Zone

Mr. Imran Danish

Sukkur Zone

Syed Noor Shah Bukhari

Larkana Zone

Syed Anis Ahmed Shah

Benazirabad Zone

Group Life

Zonal Heads

Mr. Ejaz Hussain Soomro

Karachi Zone

Dr. Sajjad Hassan Zaidi

Lahore Zone

Mr. Muhammad Khalil

Rawalpindi Zone

Mr. Fazal Mehmood

Peshawar Zone

Health and Accidental Insurance

Regional Chief

Mr. Hafeezuddin

Karachi

Dr. Saleem Akber

Islamabad

Dr. Noor Ul Haq

Lahore

Zonal Heads

Mr. Fayyaz Noor

Peshawar Zone

Mr. Altaf Hussain

Multan Zone

Mr. Ijaz Ahmed

Swat Zone

Mr. Ubaid ur Rehman

Faisalabad Zone

Mr. Muhammad Jalal udin Akbar

Quetta Zone

Board of Directors



Mr. Sulaiman S. Mehdi
Chairman BoD

Mr. Sulaiman S. Mehdi is the Chairman Board of State Life Insurance Corporation of Pakistan. He holds a Master's degree and is also a Fellow member of the Institute of Corporate Secretaries of Pakistan (FCISP). He has over 14 years' experience of working with leading Financial Services Groups in senior positions in the area of operations, investments, marketing, legal and corporate affairs. He joined Central Insurance (CICL) as the COO & CS on October 01, 2010 and led the insurance license revocation process. The revocation of license and its business restructuring from CICL to Cyan is a landmark transaction, and the first of its kind in Pakistan. He has been made the CEO of Cyan wef August 26, 2014. He is also Chairman of Pebbles Limited.

Before Cyan, he served as the COO and CS for ABL AMCL from January 01, 2008 to September 30, 2010 and during his tenure the assets under management grew from a start-up fund of USD 18 million to USD130 million with four funds. Before ABL AMCL he was also associated with ABL Bank - CIBG as SVP from June 2007 till December 31, 2008, and was primarily responsible for the formation of ABL Asset Management Company Limited. Before joining ABL, he served as the COO and CS of PICIC Asset Management Company Ltd. - one of the leading Asset Management Company of Pakistan from July 2004 to June 2007 and was primarily responsible for the formation of PICIC AMC. During his tenure the assets under management in the form of closed end funds grew from USD 45 million to USD190 million. Sulaiman started his career with Pakistan Industrial Credit and Investment Corporation Limited (PICIC-DFI) in July 2001 as a Management Trainee (OG-II) and was there till June 30, 2004 in the capacity of Manager Corporate Affairs.

Amongst Sulaiman's nascent achievements is the USD 60 million acquisition of Hub Power Company Limited (HUBC) by Dawood Hercules Group that was championed from Cyan's platform on June 13, 2012. As Fund Manager for Cyan's listed equities portfolio, Cyan's portfolio increased by 56% versus 49% of the KSE-100 Index in 2012.



Mr. Shoaib Javed Hussain
Chief Executive Officer

Mr. Shoaib Javed Hussain is the Chief Executive officer of State Life Insurance Corporation of Pakistan. He has over 20 years of management experience at leading Global Insurance Groups & Consultancies in the United Kingdom and in Asia. Through his global engagements across Europe, North America and Asia, he brings on board his deep understanding and knowledge of finance, audit, risk and strategy matters with a proven track record of:

- Proactive, dynamic, driven leadership with effective delivery from the conceptual stage through to successful implementation.
- Expert analysis and decision-making skills; utilizing technical acumen and strategic depth leading and delivering strategic projects including M&A, due diligence and capital and liquidity management.
- In-depth experience of leading financial audits and risk management programs initiating policy and control improvements and driving programs that enhance transparency, governance and control.
- Strong experience of industry and regulatory engagement on global supervisory developments and lobbying with international regulators and supervisory authorities.

Shoaib is a Fellow of the Institute of Actuaries (UK) and holds an MSc in Actuarial Management from Cass Business School, City University, London.

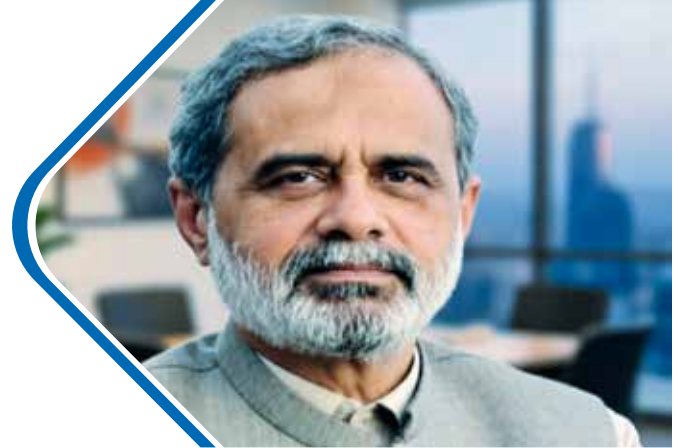


Shakeel Ahmed Mangnejo

Board Member

Mr. Shakeel Ahmed Mangnejo is a Member Board of State Life Insurance Corporation of Pakistan. He is an officer of Pakistan Administrative Service. He joined Civil Services in 1996. Prior to present posting as Special Secretary, Ministry of Commerce, he has served as Chairman Chief Ministers Inspection, Enquiries and Implementation Department in Government of Sindh, Chairman Planning and Development Board Sindh, Additional Secretary to the Prime Minister, Chairman Employees Old Age Benefits Institution, Chairman Pakistan National Shipping Corporation, Director General Ports and Shipping/Additional Secretary Ministry of Maritime Affairs and Chief Executive Officer of Pakistan Reinsurance Company Limited. He has also held the positions of Home Secretary, Secretary Social Welfare, Secretary Implementation, Special Secretary Finance and Managing Director Public Procurement Regulatory Authority in the Government of Sindh and has served the Federal Government as Director General Investments EOBI and Director Finance, Trading Corporation of Pakistan. He has served on the boards of several public sector companies including Sindh Engro Coal Mining Company, Thar Power Company, Karachi Port Trust, Trans Karachi, PNSC, Karachi Dock Labour Board, NESPAK, Sindh Peoples Housing for Flood Affectees, Sindh Infrastructure Development Company, Sindh Land Management Company, Peoples Primary Healthcare Initiative, PPP Support Facility Company, C-ARTS, Sindh Irrigation and Drainage Authority, Sindh Public Procurement Regulatory Authority, Sindh Rural Support Organization, Thar Foundation, PRIMACO, National Investment Trust, Pakistan Steel Mills, Pakistan Industrial Development Corporation, Pakistan Machine Tool Factory, Pakistan Steel Mills Limited, Arabian Sea Country Club, etc.

Mr. Mangnejo has a Master's degree in Management from London School of Economics, UK and a Master's degree in Economics. He also has a degree in Law and Civil Engineering. He has attended different local and international professional training courses, workshops and conferences and has experience in Public Administration, Financial Management, Public Procurement and Human Resource Management.



Mr. Muhammad Iqbal

Board Member

Mr. Muhammad Iqbal is a Member Board of State Life Insurance Corporation of Pakistan. In his over 23 years of active service career as an officer of Secretariat Group, he has served in different Federal Government Organizations i.e. Statistics Division, M/o Housing and Works, Prime Minister's Secretariat (Public) and M/o Industries and Production under various capacities. Nowadays, he has been working as Joint Secretary (Admin & Finance), Ministry of National Health Services, Regulations & Coordination since July, 2019.

He has substantial administrative experience and gifted with the relevant skill sets that remain a prerequisite for policy making at the ex-ante stage, through implementation, monitoring and evaluation of public policy at the ex-post stage in the divisions where he served in different positions. Coupled with his expertise in contractual negotiations at the Bilateral, Plurilateral and Multilateral levels, during his tenure in M/o Industry and Production, he closely liaised with Public Sector Development Programme, CPEC related assignments and dealing with administrative as well as operational matters of the Export Processing Zone Authority, National Industrial Parks Development and Management Company and MD Industry Facilitation Center (IFC). With his vast service experience in administrative, financial, infrastructural Development and Negotiator at the national and international levels.

Mr. Iqbal also participated in multiple local as well as international training Programme namely China Pakistan Economic Corridor China, Agriculture Entrepreneurship in Fiji, International short course on "Strategic Human Resource Management" Queen Margaret University, Edinburg, Scotland, Eastern Mediterranean WHO training programme on Primary Health Care for Universal Health Coverage and Health Security, Egypt.



Mr. Muhammad Asif
Board Member

Mr. Muhammad Asif is a Member Board of State Life Insurance Corporation of Pakistan. He is a distinguished public management expert and legal professional with over two decades of experience in governance, policy formulation, and public administration. He holds a Master's in Public Management from the prestigious Harvard Kennedy School of Government (USA) and LKY School of Public Policy (Singapore), where he specialized in public policy, economic reasoning, leadership, and conflict resolution. His academic background is complemented by a Master's in English (Language & Literature) from Punjab University, Lahore, and an LL.B. from B.Z. University, Multan.

Mr. Asif's broad experience, coupled with his international exposure, equips him to provide valuable insights into governance, policy, and public administration, making him a key asset on the board. He has vast experience of sitting Boards of Public Sector Companies to represent Ministry of Industries and Production and Ministry of Finance. A Civil Servant from 28th Common Training Program (CTP), he has served in various positions like Joint Secretary (Admin & Finance), Industries & Production Division, Joint Secretary (Budget, Expenditure and Investment) in Finance Division, General Manager NHA and Collector Customs, Islamabad. He is certified Director of Boards.



Mr. Anwar Mansoor Khan
Board Member

Mr. Anwar Mansoor Khan is the Member Board of State Life Insurance Corporation of Pakistan. He Joined the Pakistan Army in 1969, Passed out in 1971, participated in the 71 war in the East Pakistan. Resigned from Army in 1974 and completed my law. Eventually in 1999 was elevated as a Judge of the High Court of Sindh and then resigned in 2000. Joined as the Advocate General of Sindh in 2002 and remained as such till 2007.

Mr. Anwar Mansoor Khan Advocate Supreme Court of Pakistan, a retired judge of the High Court, has been associated in the drafting of the Companies Ordinance 1984, the establishment of the Islamic Banking Systems in Pakistan, in drawing up various documentation of the Banking System, the establishment of Lease financing in Pakistan, drafting of the Recovery Laws for Banks. Mr. A. M. Khan has delivered series of lectures on Banking Systems, Corporate matters, Leasing Laws, Taxation Laws, matters relating to Mercantile Laws and other allied subject. Whilst a judge of the High Court of Sindh, Mr. A.M. Khan has delivered numerous judgments on banking practice in Pakistan, Company Law, Trade Marks, Patents and designs, Specific Relief, Rent matters and other subjects of Civil Law. Mr. A.M. Khan has been involved in international negotiation and drawing of various agreements in consequence thereof. He has advised on takeovers, acquisitions and buyouts of various companies and has and continues to conduct various merger proceedings.



Mr. Humayun Bashir

Board Member

Mr. Humayun Bashir is the Member Board of State Life Insurance Corporation of Pakistan. Former IBM PAK CEO, Chairman NCCPL & Eocean, Serving on Corporate Boards. Engaged with Fintechs, Startups, on strategy, Corporate Governance. Independent Director on Boards of Khushali microfinance Bank, NCCPL, SLIC, SME & Advisory for IT strategy, Security, DIGITAL/ AI / Analytics and Payment solutions journey.

He has 40 years of diversified experience with IBM (upto June 2016) for Pakistan, Afghanistan, Iran, and MEA headquarters Dubai. IBM Pakistan CEO for 16 years. Started multiple new lines of services businesses, outsourcing etc. Lead roles in Financial, capital markets automation, and Setup 500 consultants DELIVERY CENTER to serve IBM Middle East Africa and software services export.

In recent past he served as Chair PSX IT Steering committee. Independent Director on Boards of NBP funds, SILKBANK, Linde/POL, Karachi Port- KPT, Export Processing Zone Authority, Foree Fintech, MIT-EP and ICCBS Incubator. Elected President of American Business Council (ABC) 2011 and President of Overseas Investors Chamber of Commerce & industry (OICCI) 2012.



Mr. Sheharyar Iftikhar Khan

Board Member

Mr. Sheharyar is a Member Board of State Life Insurance Corporation of Pakistan. He has nearly 25 years of experience in credit, corporate & investment banking, international trade & supply chain finance. He has worked in Europe & Asia in multiple banking leadership roles. Sheharyar remained a member of the Global Management Team (GMT) of Trade for Royal Bank of Scotland, UK & chaired his own Management Team for Supply Chain Finance.

Prior to returning to Pakistan in 2017, Sheharyar was working as the Global Head - Supply Chain Finance at RBS London, managing a specialized multi geography team of 30 personnel & a book of GBP 20 Billion. Sheharyar joined ABN AMRO Bank (later RBS) in 2005 and lead deal teams on a number of large-ticket, structured transactions in the Telecom, E&P, Real Estate, Energy & Aviation sectors involving ECAs & multilaterals like IFC & Asian Development Bank. Prior to 2005, he was with Citibank managing public sector & MNC clients. Notable transactions/deals include \$535 Mln US EXIM Bank backed aircraft financing for PIA; \$500 Mln EKN backed telecom equipment financing for Warid; \$55 Mln WC facility for Emaar Pakistan; \$56 Mln equity leveraging facility with ADB for Fauji Group & \$104 Mln Structured LC for MOL, Pakistan. He has also successfully executed numerous cross border derivative transactions.

Sheharyar is now heading the Corporate & Investment Banking Group at Askari Bank Ltd. As a key member of the Bank's leadership team, Sheharyar is responsible for an asset book in excess of PKR 400 Billion & with specific focus on re-organizing the Investment Banking, FI & International banking space. Sheharyar has an MBA from the University of Newcastle, Australia. His early education is from UK, Aitchison College & Government College Lahore. Sheharyar was the Chairman of the Board of Directors of Askari Securities Ltd. and is now a Member Board for Foundation Securities Ltd.



Mrs. Pouruchisty Sidhwa

Board Member

Mrs. Pouruchisty Sidhwa is the Member Board of State Life Insurance Corporation of Pakistan. She has an experienced, motivated professional with 35 years of diversified experience in the financial sector ranging from Credit, Risk, Finance to Human Resources. Experienced in Banking, Manufacturing, Pharmaceutical, FMCG, Retail & Textile sectors. She has excellent people and Negotiation Skills and Proven record of change management along with building new teams and refreshing organizational structures.

She is a highly enthusiastic team player with the ability to work steadily under stress and to meet tight deadlines using her well-established technical expertise in the areas of processes and controls. Worked effectively on cross-functional projects across borders while developing exceptional peer and team relationships. Exemplified leadership by fostering a setting that encourages growth and adaptability within the group. She is an exceptional business partner with a track record of delivering leadership in terms of bolstering the human resources of companies. She has also held the position of Senior Banker and shown her ability to work with cross-functional products and regional teams.



Ms. Sarah Saeed

Board Member

(From: 19.09.2023 to 22.06.2024)

Ms. Sarah Saeed served Member Board of State Life Insurance Corporation of Pakistan. She boasts an impressive academic background with degrees from prestigious institutions, including an M.Sc in Economics for Development from the University of Oxford, MA in Economics from the University of Punjab, and a BSc in Mathematics, Statistics, and Economics from the University of Punjab. As a Civil Servant belonging to the 'Pakistan Administrative Service' her professional certification underscores her commitment to public service and her expertise in administrative roles.

With over 26 years of extensive experience, Ms. Saeed has held several key positions in various governmental and international bodies. Currently, she serves as the Special Secretary Commerce, where she manages government's export promotion initiatives under the SIFC, oversees the Commerce Division's insurance portfolio, implements product-specific interventions, and represents the Ministry on Cabinet Committees. Her previous roles include serving as the Special Secretary to the Prime Minister, where she advised on policy and administrative matters, managed the Federal Cabinet's agenda, and oversaw the human resources and budget of the Prime Minister's Office. She also served as Additional Secretary (Expenditure) in the Ministry of Finance, where she was responsible for budgetary expenditures, implementing financial discipline, and spearheading Public Financial Management Reforms.

Ms. Saeed's career is marked by strategic leadership and significant contributions to Pakistan's administrative and economic sectors. She has played pivotal roles in various capacities, including Directing Staff at the National School of Public Policy, Secretary to the Government of Punjab, Director of PAS Campus at the Civil Services Academy Lahore, and Director General of the Benazir Income Support Programme in Punjab. Her contributions have been instrumental in shaping policies and driving initiatives that have significant impacts on Pakistan's socio-economic landscape, demonstrating her deep understanding of public policy, economics, and reform across diverse sectors.



Mr. Mohammad Sheheryar Sultan

Board Member

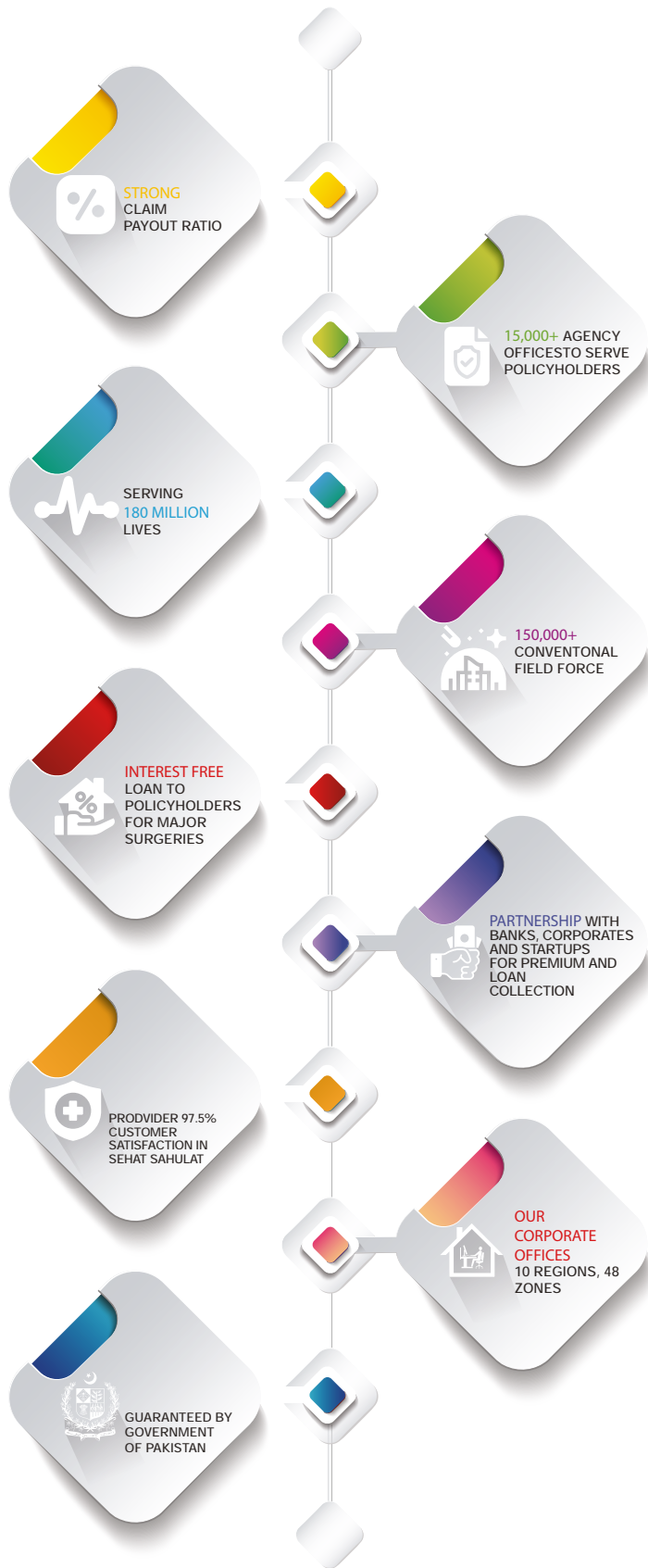
(From 15.01.2024 to 10.07.2024)

Mr. Mohammad Sheheryar Sultan served Member Board of State Life Insurance Corporation of Pakistan. He is a senior civil servant with over 26 years of extensive experience in public administration, governance, and financial management. He currently serves as Additional Finance Secretary/Special Assistant to the finance minister at the Ministry of Finance, where he plays a key role in fiscal policy formulation and strategic financial oversight. Mr. Sultan holds an LLB from the University of the Punjab and an LLM from the University of London, providing a strong legal foundation for his work in the public sector.

Throughout his distinguished career, Mr. Sultan has held numerous leadership roles across key departments in both Punjab and Balochistan. These include serving as Additional Chief Secretary for Irrigation and S&GAD in Punjab, Secretary of departments such as Food, Transport, Agriculture, C&W, Cooperatives, and Auqaf, as well as Commissioner of Sibi and Nasirabad Divisions in Balochistan. His diverse portfolio demonstrates his wide-ranging expertise in policy implementation, infrastructure, agriculture, taxation, and inter-provincial coordination.

Mr. Sultan currently serves as a Director on the Boards of State Life Insurance Corporation of Pakistan, Nadra Technologies Ltd (NTL), and the Private Power Infrastructure Board (PPIB). He has completed the prestigious MCMC, SMC, and NMC training programs, and continues to contribute significantly to Pakistan's administrative and economic landscape through strategic leadership and policy stewardship.

Customer Care



State Life Plans



Individual Life Plans

Whole Life Assurance
Endowment Assurance
Sadabahar Plan
Jeevan Saathi Assurance
Child Education & Marriage Plan
Golden Endowment Plan
Platinum Plus Plan
Single Premium Plan



Group Life & Pension Plans

Term Insurance Scheme
Group Endowment Insurance Scheme
Group Pension Scheme
State Life Ride Protection Plan



Bancassurance Plans

Endowment Plan
Three Payment Plan
Sadabahar Plan



Takaful Plans

Takaful Child Education and Marriage Plan
Takaful Endowment Plan
Group Family Takaful
Group Health Takaful



Health Insurance

Sinf-e-Aahan Cancer Protection (SACP) Plan for Women
Sehat Sehat Health Insurance Plan (Group Health Insurance)
Sahara Family Health Insurance Plan
Sehat Zindagi Corporate Health Insurance Plan
Haari Plan
Sehat Sahulat Program
Social Health Program



STATE LIFE
INSURANCE CORPORATION OF PAKISTAN

NEW AND IMPROVED DIGITAL SERVICES

SLIC AGENT PRO

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Personalized
Dashboard

Team
Management

Payment
Transparency

Real-Time
Notifications

Feedback
and Support



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Support

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Notifications

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Management

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Tracking

Paying
Premiums

Paperless
Insurance
Journey

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Health Insurance

Sehat Sahulat Program

Sehat Sahulat Program is a milestone towards social welfare reforms; ensuring that the identified under-privileged citizens across the country get access to their entitled medical health care in a swift and dignified manner without any financial obligations.

FEDERAL SEHAT SAHULAT PROGRAM
Entire Population ICT, GB, FATA, AJK & Tharparkar

KPK SEHAT SAHULAT PROGRAM
Entire Population of Khyber Pakhtunkhwa

PUNJAB SEHAT SAHULAT PROGRAM
Entire Population of Punjab

Sehat Sahulat Mobile App

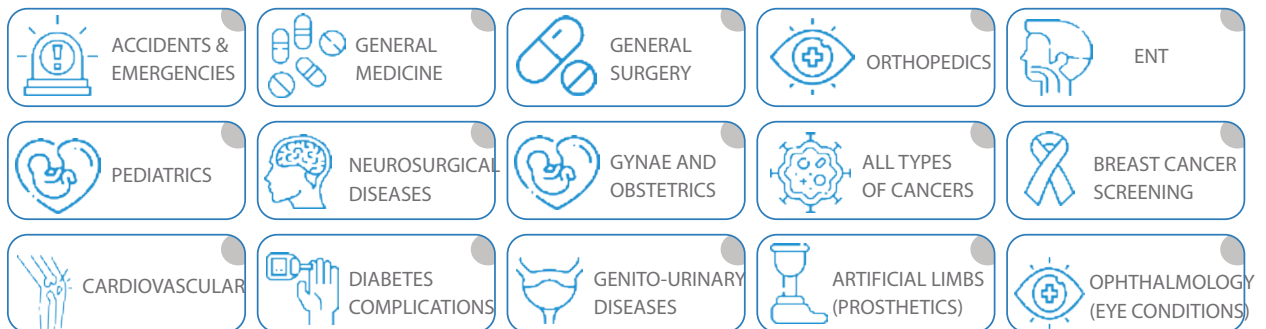
Your Health care Now is in Your Hands



- With User Friendly UI Design
- Find All Empanelled Hospitals Nearby You
- Get All Treatment History
- Send Your Health Related Complaints
- Get All The Updates About The Program
- Regular Animated Videos About Program



Program Coverage



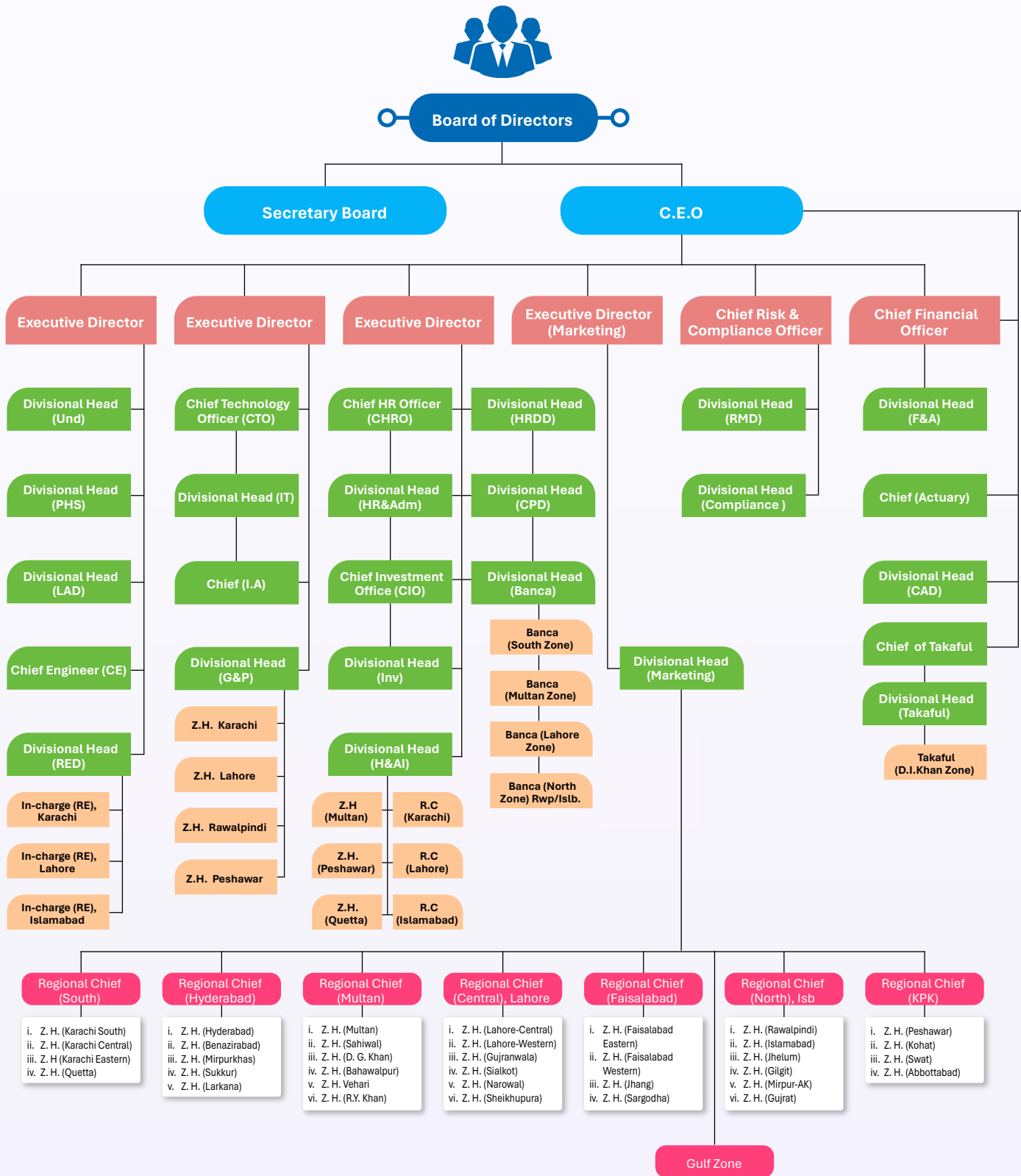
Collaboration Partners of Health Insurance Program



Customer Care for Sehat Sahulat Health Program
Helpline: 0800-09009 0800 89898 Email: info@statehealth.com.pk

State Life Customer Care
Now you can register your Queries/Suggestions/Complaints by using SLIC's "COMPLAINTS MANAGEMENT SYSTEM" at www.statelife.com.pk or Call: 021-99206868 or 0800-09099, (Toll Free Number) by landline Email: complaints@statelife.com.pk Direct Lines: 021-99202800-9, 021-11111888

Organogram



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IOS



Play Store

اسٹیٹ لائف

انسورنس کارپوریشن آف پاکستان



GOLDEN ENDOWMENT

گولڈن انڈوومنٹ



Premium paying term:
7 years



Coverage term:
20 years



Min/Max age at entry:
20-55 years



Plan type:
Conventional Endowment

پریمیم ادائیگی کی مدت: 7 سال

کوریج کی مدت: 20 سال

داخلے کی کم/زیادہ عمر: 20 سے 55 سال

پلان کی قسم: روایتی انڈوومنٹ

Pakistan's Largest Life Insurer

- Only AAA rated insurer in Pakistan with a sovereign guarantee
- Highest policyholder bonus distribution at 97.5% of surplus
- More than 15,000 offices across Pakistan serving policyholders
- Flexible group & individual conventional & Takaful life insurance plans
- Bancassurance plans available through 7 major banks

Pakistan's Largest Health Insurer

- 1000+ empanelled hospitals across Pakistan
- Providing Sehat Sahulat services across more than 130+ districts in Pakistan
- Health app
- Flexible group and individual health insurance plans
- Digital insurance policies available at www.statelife.com.pk



STATE LIFE
INSURANCE CORPORATION OF PAKISTAN



www.statelife.com.pk
051-111-777-542

| Enabling The Future





Directors' Report to the Shareholders For the Period Ending December 31, 2024

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 17.71%, 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. Sarah 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.

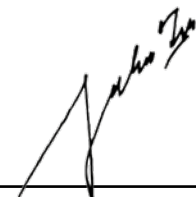
20. Acknowledgment

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 March 2026

Key Operating and Financial Data:

Appendix-A

	Rs. in million					
	2024	2023	2022	2021 (restated)	2020	2019
FIRST YEAR PREMIUM (NET)	30,663	26,611	19,828	16,343	14,019	12,876
RENEWAL PREMIUM (NET)	127,100	117,925	111,540	98,950	93,037	91,087
GROUP PREMIUM INCLUDING HEALTH (NET)	106,611	123,308	111,843	46,468	11,962	8,500
INVESTMENT INCOME (NET)	367,611	257,852	140,059	109,469	105,598	95,802
INSURANCE BENEFITS	228,328	247,513	175,321	98,038	64,688	57,049
SURPLUS APPROPRIATED TO SHAREHOLDERS' FUND	4,401	7,485	2,839	2,339	2,138	1,878
PROFIT BEFORE TAX	25,815	24,480	20,664	9,265	5,927	2,797
TAXATION	10,064	9,760	6,936	2,708	1,720	813
PROFIT AFTER TAX	15,751	14,720	13,728	6,556	4,207	1,984
EARNINGS PER SHARE (in Rs.) Rs. 100 each	196.9	184.00	171.6	141.75	97.78	51.61
BONUS TO POLICY HOLDERS	151,425	119,732	97,491	85,650	75,967	68,566
TOTAL ASSETS	2,365,994	1,930,684	1,602,589	1,366,112	1,203,383	1,058,836

Operating and Financial Highlights

Financial Position

Balance Sheet

Rs. in million

ASSETS	2024	2023	2022	2021 Restated	2020	2019
Cash and Banks	83,965	82,227	48,345	101,002	56,185	91,860
Loans secured against life insurance policies	154,826	159,781	171,823	151,464	129,181	111,874
Loans to employee and field force	1,931	1,519	1,023	1,001	1,009	1,035
Investment properties	3,575	3,448	3,573	3,619	3,638	3,375
Investment in securities	1,741,502	1,386,875	1,229,728	1,011,953	927,273	777,884
Current assets and others	378,280	295,419	147,063	96,192	85,246	71,888
Fixed assets	1,915	1,415	1,034	881	851	920
Total assets	2,365,994	1,930,684	1,602,589	1,366,112	1,203,383	1,058,836
EQUITY AND LIABILITIES						
Issued, subscribed and paid up capital	8,000	8,000	6,200	4,900	4,600	4,300
Reserve and surplus	3,267	3,532	3,022	1,859	1,765	642
Policy holders liability	1,998,113	1,652,947	1,430,742	1,265,619	1,128,152	996,401
Employees Retirement Benefit	5,384	7,104	6,114	6,245	2,096	4,722
Deferred capital grant	3	6	27	16	37	45
Creditors and accruals	351,227	259,095	156,484	87,473	66,733	52,726
Total equity and liability	2,365,994	1,930,684	1,602,589	1,366,112	1,203,383	1,058,836
OPERATING AND FINANCIAL TRENDS						
Profit and Loss (Shareholder)						
Net Investment Income	905	570	490	445	428	356
Surplus appropriated	4,401	7,485	2,839	2,339	2,138	1,878
Profit before Tax	5,306	8,055	3,329	2,784	2,566	2,234
Taxation	2,065	3,345	1,216	829	746	649
Profit After Tax	3,241	4,710	2,113	1,955	1,820	1,585
Comprehensive Income						
Premium net of Reinsurance	264,374	267,844	243,211	161,789	119,035	112,572
Net Investment Income	367,611	257,852	140,059	109,469	105,598	95,802
Total Inflow	631,985	525,696	383,270	271,258	224,633	208,374
Total Outflow	281,780	295,827	212,749	131,106	89,667	84,102
Increase Policyholders liability	324,390	205,389	149,856	130,887	129,040	121,476
Surplus before Tax	25,815	24,480	20,665	9,265	5,926	2,796
Taxation	10,064	9,760	6,936	2,708	1,720	812
Profit After Tax	15,751	14,720	13,729	6,557	4,206	1,984
Surplus transfer to P&L	4,401	7,485	2,839	2,339	2,138	1,878
Cash Flows						
Operating activities	(12,814)	(46,910)	56,968	28,696	30,895	12,636
Investing activities	19,354	76,525	(103,442)	19,720	(64,719)	41,271
Financing activities	(2,500)	(2,000)	(1,720)	(1,461)	(1,047)	(714)
Cash and cash equivalents at the end of the year	76,358	72,318	44,702	92,895	45,939	80,810

Financial Ratios

Profitability	2024	2023	2022	2021 Restated	2020	2019
Profit before tax / Gross Premium	9.73%	9.10%	8.46%	5.70%	4.96%	2.48%
Profit before tax / Net Premium	9.76%	9.14%	8.50%	5.73%	4.98%	2.48%
Profit after tax / Gross Premium	5.94%	5.47%	5.62%	4.04%	3.52%	1.76%
Profit after tax / Net Premium	5.96%	5.50%	5.64%	4.05%	3.53%	1.76%
Net Claims / Net Premium (IL)	88.49%	94.93%	61.55%	54.17%	51.75%	48.38%
Net Claims / Net Premium (GL)	83.23%	89.45%	84.46%	76.54%	77.51%	78.40%
Net Commission / Net Premium (IL)	15.53%	15.37%	12.68%	12.75%	11.06%	12.46%
Net Commission / Net Premium (GL)	0.02%	0.02%	0.01%	0.01%	0.04%	0.07%
Area Managers Costs / Net Premium	1.94%	1.72%	1.52%	2.02%	2.53%	2.04%
Total Acquisition Cost / Net Premium	12.27%	11.02%	9.32%	12.36%	13.94%	14.66%
Administration Expenses / Net Premium	7.95%	7.02%	6.07%	8.08%	7.04%	9.37%
Return to Shareholders						
Return on Equity (ROE) Net income / Avg Equity	33.69%	43.59%	100.10%	51.00%	48.19%	30.46%
Earnings / (Loss per Share) - Pre Tax	Rs 322.68	305.99	420.50	200.29	137.78	72.74
Earnings / (Loss per Share) - After Tax	Rs 196.90	184.00	279.36	141.75	97.78	51.61
Return on Assets (Net Income)/Avg total Assets	0.73%	0.83%	0.93%	0.62%	0.37%	0.20%
Paid up Capital / Total Assets	0.34%	0.41%	0.39%	0.36%	0.38%	0.41%
Market Value						
Face Value per Share	Rs 100	100	100	100	100	100
Break up Value per Share	Rs 667.29	501.65	442.14	314.38	224.10	166.26
Cash Dividend per Share	Rs 37.50	31.25	32.26	35.11	31.75	24.35
Dividend Yield - (DPS/100*100)	37.50%	31.25%	32.26%	35.11%	31.75%	24.35%
Dividend Pay out	19.05%	16.98%	11.55%	24.77%	32.47%	47.17%

Vertical Analysis

Balance Sheet

	2024		2023		2022		2021 Restated		2020		2019	
ASSETS	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
Cash and Banks	83,965	4%	82,227	4.26%	48,345	3.02%	101,002	7.39%	56,185	4.67%	91,860	8.68%
Loans secured against life insurance policies	154,826	7%	159,781	8.28%	171,823	10.72%	151,464	11.09%	129,181	10.73%	111,874	10.57%
Loans to employee and field force	1,931	0%	1,519	0.08%	1,023	0.06%	1,001	0.07%	1,009	0.08%	1,035	0.10%
Investment properties	3,575	0%	3,448	0.18%	3,573	0.22%	3,619	0.26%	3,638	0.30%	3,375	0.32%
Investment in securities	1,741,502	74%	1,386,875	71.83%	1,229,728	76.73%	1,011,953	74.08%	927,273	77.06%	777,884	73.47%
Current assets and others	378,280	16%	295,419	15.30%	147,063	9.18%	96,192	7.04%	85,246	7.08%	71,888	6.79%
Fixed assets	1,915	0%	1,415	0.07%	1,034	0.06%	881	0.06%	851	0.07%	920	0.09%
Total assets	2,365,994	100%	1,930,684	100%	1,602,589	100%	1,366,112	100%	1,203,383	100%	1,058,836	100%
EQUITY AND LIABILITIES												
Issued, subscribed and paid up capital	8,000	0.34%	8,000	0.41%	6,200	0.39%	4,900	0.36%	4,600	0.38%	4,300	0.41%
Reserve and surplus	3,267	0.14%	3,532	0.18%	3,022	0.19%	1,859	0.14%	1,765	0.15%	642	0.06%
Policy holders liability	1,998,113	84.45%	1,652,947	85.61%	1,430,742	89.28%	1,265,619	92.64%	1,128,152	93.75%	996,401	94.10%
Employees retirement benefit	5,384	0.23%	7,104	0.37%	6,114	0.38%	6,245	0.46%	2,096	0.17%	4,722	0.45%
Deferred capital grant	3	0.00%	6	0.00%	27	0.002%	16	0.00%	37	0.00%	45	0.00%
Creditors and accruals	351,227	14.84%	259,095	13.42%	156,484	9.76%	87,473	6.40%	66,733	5.55%	52,726	4.98%
Total equity and liability	2,365,994	100.0%	1,930,684	100%	1,602,589	100%	1,366,112	100%	1,203,383	100%	1,058,836	100%

OPERATING AND FINANCIAL TRENDS

Profit and Loss (Shareholder)

Net Investment Income	905	0%	570	7%	490	15%	445	16%	428	17%	356	16%
Surplus appropriated	4,401	1%	7,485	93%	2,839	85%	2,339	84%	2,138	83%	1,878	84%
Profit before Tax	5,306	1%	8,055	100%	3,329	100%	2,784	100%	2,566	100%	2,234	100%
Taxation	2,065	0%	3,345	42%	1,216	37%	829	30%	746	29%	649	29%
Profit After Tax	3,241	1%	4,710	58%	2,113	63%	1,955	70%	1,820	71%	1,585	71%

Comprehensive Income

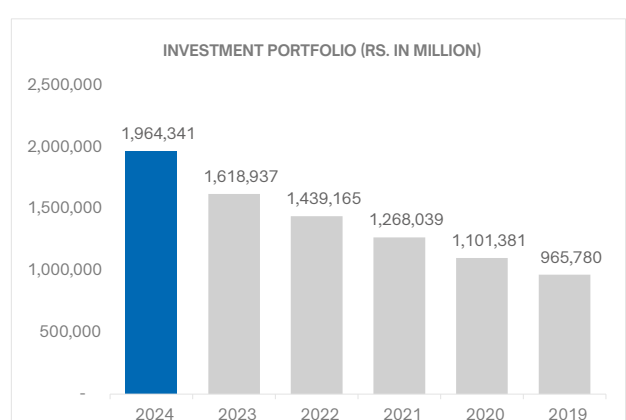
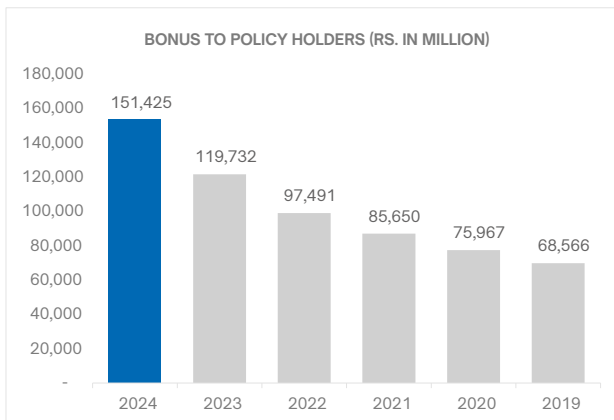
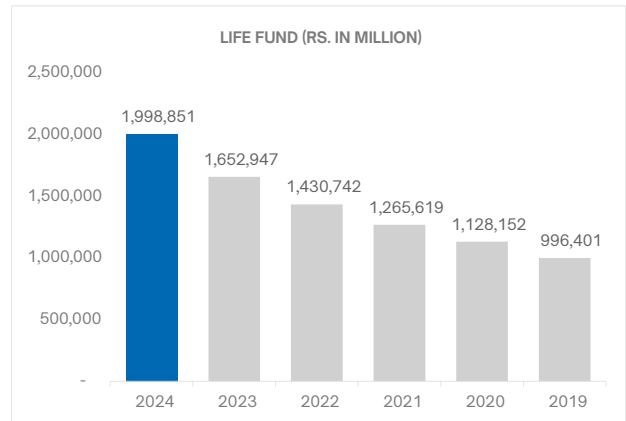
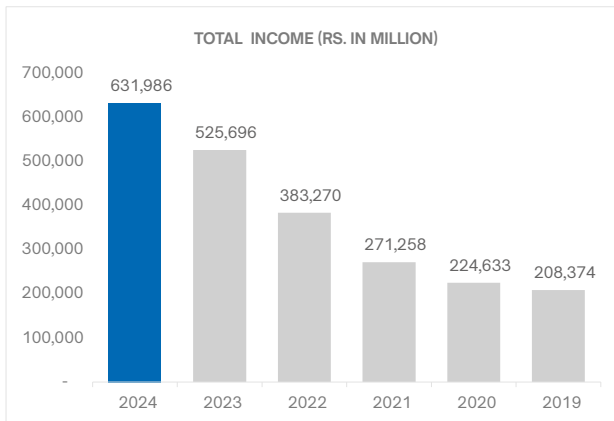
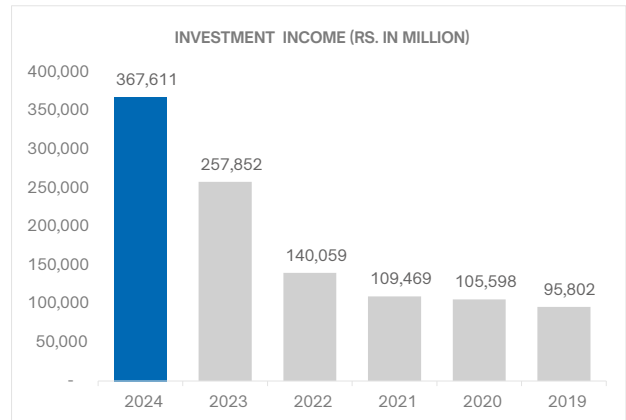
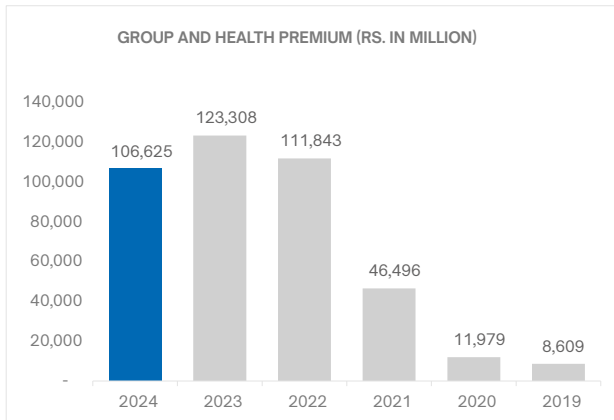
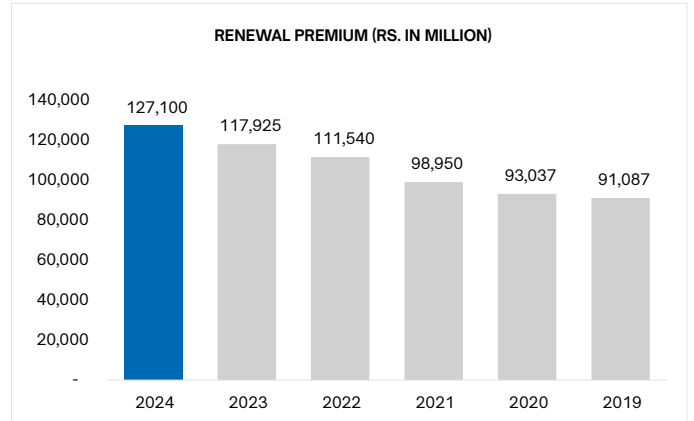
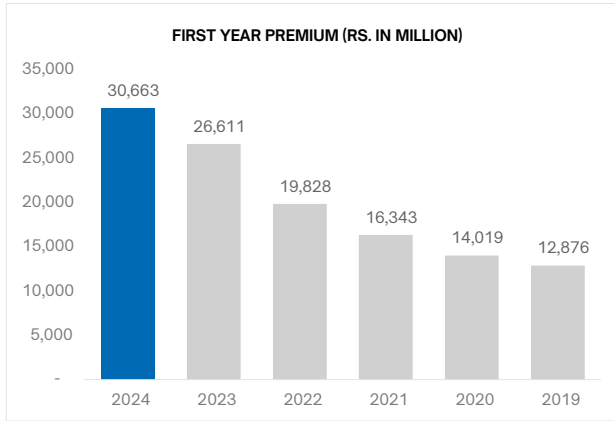
Premium net of Reinsurance	264,374	42%	267,844	51%	243,211	63%	161,789	60%	119,035	53%	112,572	54%
Net Investment Income	367,611	58%	257,852	49%	140,059	37%	109,469	40%	105,598	47%	95,802	46%
Total Inflow	631,985	100%	525,696	100%	383,270	100%	271,258	100%	224,633	100%	208,374	100%
Total Outflow	281,780	45%	295,827	56%	212,749	56%	131,106	48%	89,667	40%	84,102	40%
Increase Policyholders liability	324,390	51%	205,389	39%	149,856	39%	130,887	48%	129,040	57%	121,476	58%
Taxation	10,064	2%	9,760	2%	6,936	2%	2,708	1%	1,720	1%	812	0%
Profit After Tax	15,751	2%	14,720	3%	13,729	4%	6,557	2%	4,206	2%	1,984	1%

Horizontal Analysis

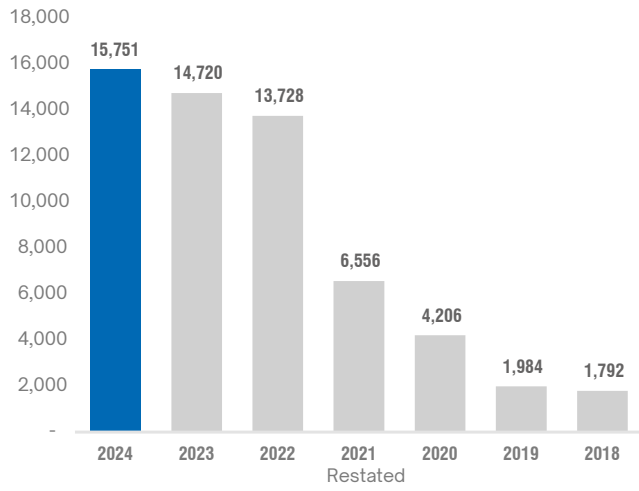
Balance Sheet

	2024	2023	2022	2021 Restated	2020	2019	2024	2023	2022	2021 Restated	2020	2019
	Rs in million						% Increase / Decrease over preceding year					
ASSETS												
Cash and Banks	83,965	82,227	48,345	101,002	56,185	91,860	2%	70%	-52%	80%	-39%	176%
Loans secured against life insurance policies	154,826	159,781	171,823	151,464	129,181	111,874	-3%	-7%	13%	17%	15%	20%
Loans to employees and field force	1,931	1,519	1,023	1,001	1,009	1,035	27%	48%	2%	-1%	-3%	5%
Investment properties	3,575	3,448	3,573	3,619	3,638	3,375	4%	-3%	-1%	-1%	8%	-8%
Investment in securities	1,741,502	1,386,875	1,229,728	1,011,953	927,273	777,884	26%	13%	22%	9%	19%	5%
Current assets and others	378,280	295,419	147,063	96,192	85,246	71,888	28%	101%	53%	13%	19%	20%
Fixed assets	1,915	1,415	1,034	881	851	920	35%	37%	17%	4%	-8%	122%
Total assets	2,365,994	1,930,684	1,602,589	1,366,112	1,203,383	1,058,836						
EQUITY AND LIABILITIES												
Issued, subscribed and paid up capital	8,000	8,000	6,200	4,900	4,600	4,300	-	29%	27%	7%	7%	23%
Reserve and surplus	3,267	3,532	3,022	1,859	1,765	642	-8%	17%	63%	5%	175%	-43%
Policy holders liability	1,998,113	1,652,947	1,430,742	1,265,619	1,128,152	996,401	21%	16%	13%	12%	13%	14%
Employees' retirement benefit	5,384	7,104	6,114	6,245	2,096	4,722	-24%	16%	-2%	198%	-56%	-26%
Deferred capital grant	3	6	27	16	37	45	-50%	-78%	69%	-57%	-18%	221%
Creditors and accruals	351,227	259,095	156,484	87,473	66,733	52,726	36%	66%	79%	31%	27%	16%
Total equity and liability	2,365,994	1,930,684	1,602,589	1,366,112	1,203,383	1,058,836						
OPERATING AND FINANCIAL TRENDS												
Profit and Loss (Shareholder)												
Net Investment Income	905	570	490	445	428	356	59%	16%	10%	4%	20%	14%
Surplus appropriated	4,401	7,485	2,839	2,339	2,138	1,878	-41%	164%	21%	9%	14%	8%
Profit before Tax	5,306	8,055	3,329	2,784	2,566	2,234	-34%	142%	20%	8%	15%	9%
Taxation	2,065	3,345	1,216	829	746	649	-38%	175%	47%	11%	15%	2%
Profit After Tax	3,241	4,710	2,113	1,955	1,820	1,585	-31%	123%	8%	7%	15%	12%
Comprehensive Income												
Premium net of Reinsurance	264,374	267,844	243,211	161,789	119,035	112,572	-1%	10%	50%	36%	6%	-2%
Net Investment Income	367,612	257,852	140,059	109,469	105,598	95,802	30%	84%	28%	4%	10%	36%
Total Inflow	631,986	525,696	383,270	271,258	224,633	208,374	17%	37%	41%	21%	8%	13%
Total Outflow	281,780	295,827	212,749	131,106	89,667	84,102	-5%	39%	62%	46%	7%	-5%
Increase Policyholders liability	324,390	205,389	149,856	130,887	129,040	121,476	37%	37%	14%	1%	6%	29%
Taxation	10,064	9,760	6,936	2,708	1,720	812	3%	41%	156%	57%	112%	-8%
Profit after tax	15,751	14,720	13,729	6,557	4,206	1,984	7%	7%	109%	56%	112%	11%

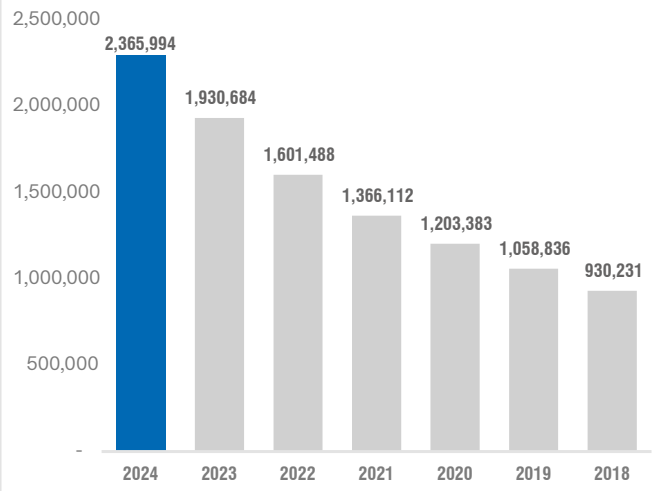
Financial Highlights



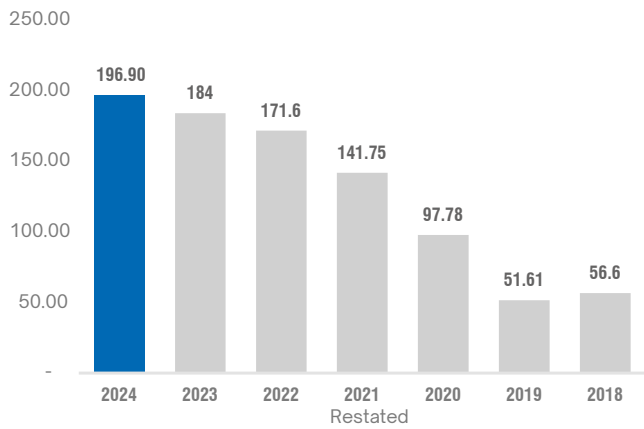
PROFIT AFTER TAX (RS. IN MILLION)



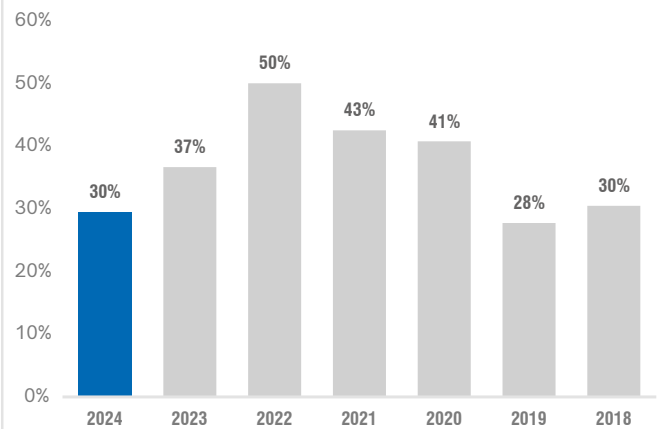
TOTAL ASSETS (RS. IN MILLION)



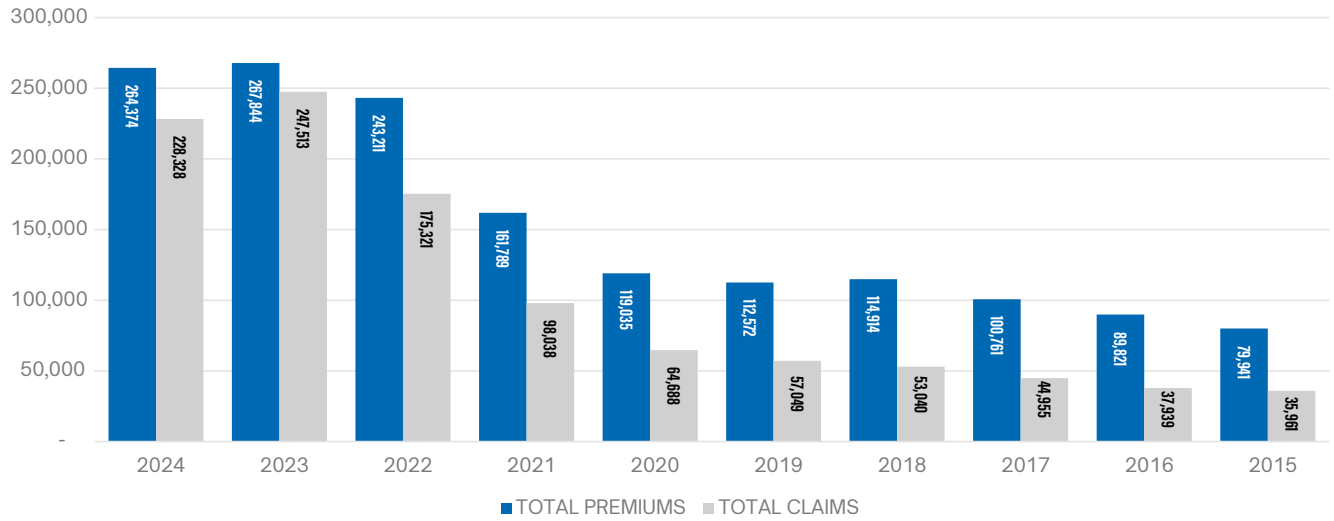
EARNING PER SHARE



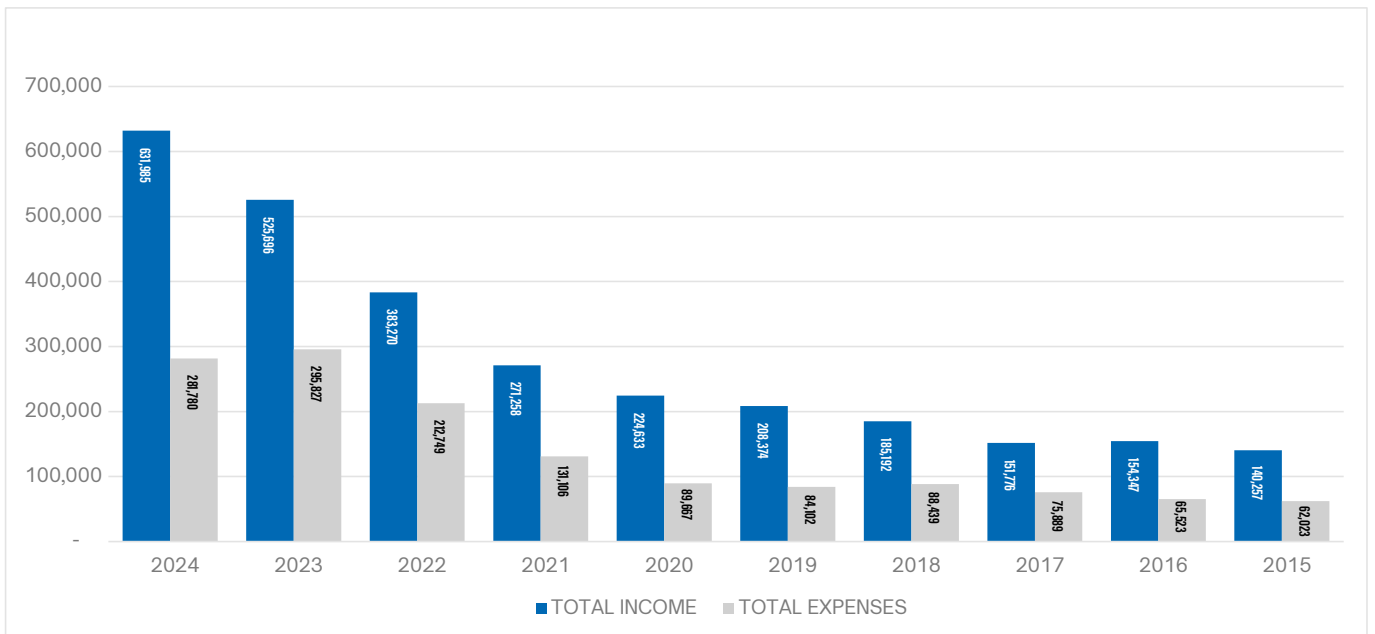
RETURN ON EQUITY %



Total Premium V/S Total Claims (2015-2024)

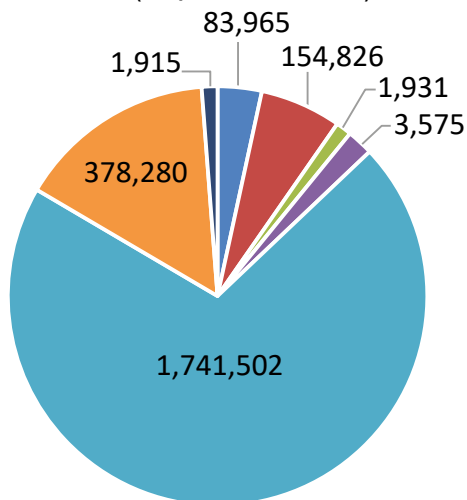


Total Income Vs Total Expenses (2015-2024)



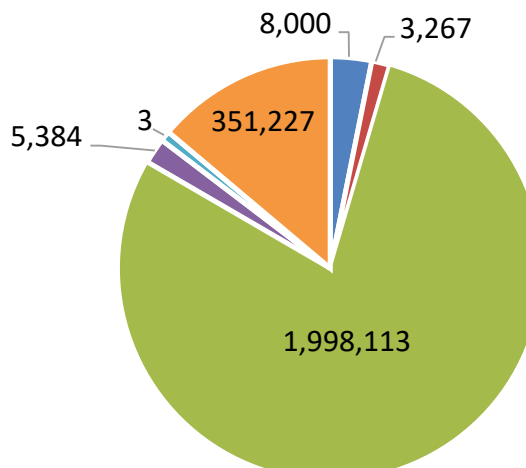
Balance Sheet Composition

ASSETS- 2024
(Rupees in Million)



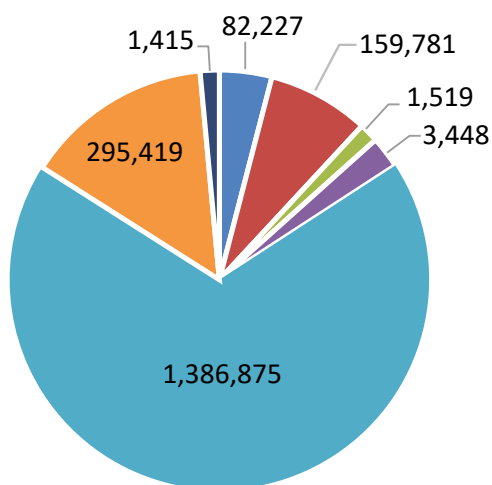
- Cash and Banks
- Loans to employees and field force
- Investment in securities
- Fixed assets
- Loans secured against life insurance policies
- Investment properties
- Current assets and others

EQUITY AND LIABILITIES - 2024
(Rupees in Million)



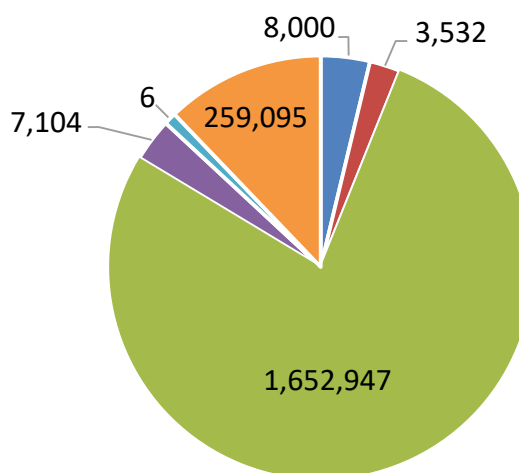
- Issued, subscribed and paid up capital
- Reserve and surplus
- Policy holders liability
- Employees retirement benefit
- Deferred capital grant
- Creditors and accruals

ASSETS- 2023
(Rupees in Million)



- Cash and Banks
- Loans to employees and field force
- Investment in securities
- Fixed assets
- Loans secured against life insurance policies
- Investment properties
- Current assets and others

EQUITY AND LIABILITIES - 2023
(Rupees in Million)



- Issued, subscribed and paid up capital
- Reserve and surplus
- Policy holders liability
- Employees retirement benefit
- Deferred capital grant
- Creditors and accruals

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016

Name of the Insurer: State Life Insurance Corporation of Pakistan (the Corporation)

Year ended: December 31, 2024

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 for the purpose of establishing a framework of good governance, whereby the Corporation is managed in compliance with the best practices of corporate governance.

The Corporation has applied the principles contained in the Code in the following manner:

1. The Corporation ensures representation of independent non-executive directors and facilitates directors representing minority interests on its Board of Directors. As at December 31, 2024 present the Board includes:

Independent Director/Chairman (from 17.08.2023)	i.	Mr. Sulaiman S.Mehdi
Independent Directors	ii.	Mr. Anwar Mansoor Khan
	iii.	Mr. Humayun Bashir
	iv.	Mr. Sheharyar Iftikhar Khan
Female Independent Directors	i.	Mrs. Pouruchisty Sidhwa
Executive Directors	i.	Mr. Shoaib Javed Hussain, CEO
Non – Executive Directors	i.	Mr. Muhammad Iqbal
	ii.	Mr. Muhammad Asif
	iii.	Mr. Shakeel Ahmed Mangnejo

All independent Directors meet the criteria of independence as laid down under the Code of Corporate Governance for Insurers, 2016.

The directors are appointed by the Federal Government in terms of Article 12 (1) of the LINO, 1972.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, excluding the listed subsidiaries of listed holding companies, including the Corporation.
3. All the resident directors of the Corporation have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to banking company, a DFI, or NBF. None of directors has been declared defaulter being member by Stock Exchange.
4. During the year two casual vacancies occurred on the board on 27.06.2024 & 01.07.2024, one vacancy filled within the specified time period i.e 90 days. However, the later one not filled within specified time period of ninety days. (Filled after lapse of 23 days)
5. The Corporation has prepared a Code of Conduct which has been disseminated among all the employees and directors of the Corporation.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Corporation. A complete record of significant policies along with the date on which they were approved has been maintained.
7. All the 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 and the key officers have been taken by the Board of Directors. The decision regarding appointment and determination of remuneration and terms & conditions of Directors are made by the Federal Government.

8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda were circulated at least seven (7) days before the meetings. The Minutes of the meetings are appropriately recorded and circulated.
9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the corporation. The corporation has adopted and complied with all the necessary aspects of internal controls given in the code.
10. The corporation has arranged orientation/training programs for its directors during the year to apprise them of their duties and responsibilities.
11. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of internal audit including their remuneration and terms and conditions of employment.
12. The Directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016 and fully describes the salient matters required to be disclosed.
13. The financial statements of the Corporation are 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 Corporation.
15. The Corporation has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.
16. The Board has formed the following management committees. These committees have been formed under the Code of Corporate Governance for Insurers, 2016 notified vide S.R.O 1045 (I)/2016 dated November 09, 2016.

Underwriting, Re-insurance and Co. Insurance Committee

Name of Member	Category
Mr. Muhammad Asif	Non-Executive Director/Chairman
Chief Actuary	Member
Divisional Head (PHS)	Member

Claim Settlement Committee:

Name of Member	Category
Mr. Muhammad Iqbal	Non-Executive Director/Chairman
Executive Director (PHS)	Member
Divisional Head (H&AI)	Member

Risk Management, Compliance and Litigation Committee:

Name of Member	Category
Mr. Anwar Mansoor Khan	Independent Director/Chairman
Mr. Sheharyar Iftikhar Khan	Independent Director/Member
Mrs. Pouruchisty Sidhwa	Independent Director/Member
Mr. Muhammad Asif	Non-Executive Director/ Member
Executive Director (Legal Affairs Division)	Member

Standing Committee:

Name of Member	Category
Mr. Shoaib Javed Hassan	Chief Executive Officer/Chairman
Mr. Anwar Mansoor Khan	Independent Director/Member
Mrs. Pouruchisty Sidhwa	Independent Director/Member

IT Committee:

Name of Member	Category
Mr. Humayun Bashir	Independent Director/Chairman
Mr. Muhammad Asif	Non-Executive Director/ Member
Mr. Muhammad Iqbal	Non-Executive Director/ Member
Executive Director (Information Tech)	Member

17. The Board has formed the following Board Committees.

Ethics, Human Resources, Remuneration & Nomination Committee:

Name of Member	Category
Mrs. Pouruchisty Sidhwa	Independent Director/Chairperson
Mr. Humayun Bashir	Independent Director/Member
Mr. Shakeel Ahmed Mangnejo	Non-Executive Director/Member
Executive Director (HR&A)	Member

Investment Committee:

Name of Member	Category
Mr. Anwar Mansoor Khan	Independent Director/ Chairman
Mr. Shoaib Javed Hussain	CEO/Member
Mr. Shakeel Ahmed Mangnejo	Non-Executive Director/Member
Mr. Muhammad Iqbal	Non-Executive Director/Member
Executive Director (Investment)	Member
Executive Director (Real Estate)	Member (for Real Estate Matters)
Chief Financial Officer (CFO)	Member
Chief Investment Officer	Member
Appointed Actuary	Member

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

Name of Member	Category
Mr. Sheharyar Iftikhar Khan	Independent Director/Chairman
Mr. Humayun Bashir	Independent Director/Member
Mr. Shakeel Ahmed Mangnejo	Non-Executive Director/Member

19. The terms of the references of the Committees have been formed and advised to the Committees of compliance. The frequency of meetings (Quarterly/Half yearly/yearly) of committees were as follows:

(a)	Ethics, Human Resources, Remuneration & Nomination Committee	Yearly
(b)	Investment Committee	Half Yearly
(c)	Audit Committee	Quarterly*
(d)	Underwriting, Re-insurance and Co. Insurance Committee	Yearly
(e)	Claim Settlement Committee	Yearly
(f)	Risk Management, Compliance and Litigation Committee	Yearly
(g)	IT Committee	Yearly

Note: Management Committees are required to meet on need basis as per COCG-2016.

* The meetings of the Board committees were held as per required frequency.

20. The Board has setup an effective internal audit function and the members of internal audit functions are considered suitably qualified experienced for the purpose and are conversant with policies and procedures of the corporation and they are involved in the internal audit function on a regular basis.
21. The Chief Executive Officer, Chief Financial Officer, Compliance Officer, Head of Internal Audit, Actuary are qualified and experienced as required under the Code of Corporate Governance for Insurers, 2016. The appointed actuary of the insurer meets the condition as laid down in the said Code. Moreover, the person heading the underwriting, claim, reinsurance, risk management and grievance function/department possess qualification and experience of direct relevance to their respective functions as required under section 12 of the Insurance Ordinance, 2000.

Name of Person	Designation
Mr. Shoaib Javed Hussain	Chief Executive Officer
Mr. Muhammad Rashid/ Mr. Muhammad Amjad	Chief Financial Officer
Mr. Faisal Mumtaz	Chief Actuary
Mr. Mushtaq Ahmad	Secretary Board
Mr. Muhammad Sohaib Usmani	Head of Internal audit
Dr. Syed Shahzad Haider Hamdani/ Mr. Mahmood Ahmed	Head of Underwriting
Mr. Abdul Salam	Head of Re-insurance Claims and Re-insurance
Mr. Muhammad Izqar Khan	Chief Risk & Compliance Officer (CR&CO)
Dr. Itret Malik	Head of Grievance Function.

Note: During the year Mr. Muhammad Rashid Chief Financial Officer Retired after attaining the age of 60 years dated: 30.09.2024 for which the casual vacancy for the position of CFO was filled up by Mr. Muhammad Amjad.

During the year Dr. Syed Shahzad Haider Hamdani Head of Underwriting Retired after attaining the age of 60 years dated: 30.04.2024 for which the position of Head of Underwriting was filled up by Mr. Mahmood Ahmed.

During the year the BoD of SLIC designated Mr. Muhammad Izqar Khan as Chief Risk & Compliance Officer.

22. The statutory auditors of the Corporation have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000. The statutory auditors have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountant of Pakistan, that they or any of the partner of the firm, their spouses and minor children do not hold shares of the Corporation and that the firm and all its partner are in compliance with the International Federation of Accountants (IFAC) guideline on Code of the Ethics as adopted by the Institute of Chartered Accountants of Pakistan.

23. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
24. The appointed actuary of Corporation has confirmed that neither he nor his spouse and minor children hold shares of the Corporation.
25. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code of Corporate Governance for Insurers, 2016.
26. Board of Directors in its 305th Meeting, held on 12.03.2024 approved the Investment Policy, 2024 of Pakistan Life Fund.
27. The Board ensures that the risk management system of the insurer is in place as per the requirements of the Code of Corporate Governance for Insurers, 2016.
28. The Corporation has set up a risk management function, which carries out its tasks as covered under the Code of Corporate Governance for Insurer, 2016.
29. The Board ensures that as a part of risk management system, the insurer gets itself rated from Pakistan Credit Rating Agency (PACRA) which is being used by the respective committees as a risk monitoring tool. The rating assigned by the said rating agency at July 18, 2024 is AAA with stable outlook.
30. The Board has set up a Grievance Department. The grievance policy approved by the board.
31. The Corporation has not obtained exemption from the Securities and Exchange Commission of Pakistan in respect of any requirement of the Code of Corporate Governance for Insurers, 2016.
32. We confirm that all other material principles contained in the Code of Corporate Governance for Insurer, 2016 have been complied. Except
 - One casual vacancy was filled after lapse of 23 days
 - The draft Risk Management Policy was deliberated in the steering committee. Committee recommended that the draft policy be reviewed by an external party to ensure its comprehensiveness and alignment with best practices. The review process is in progress.

Dated: 15 March 2026

For and on behalf of the Board of Directors



Shoab Javed Hussain
Chief Executive Officer

Independent Auditors' Review Report

TO THE MEMBERS OF STATE LIFE INSURANCE CORPORATION OF PAKISTAN

REVIEW REPORT ON STATEMENT OF COMPLIANCE CONTAINED IN CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016

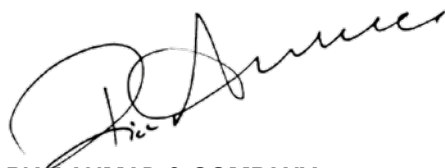
We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance for Insurers, 2016 (the Code) prepared by the Board of Directors (the Board) of State Life Insurance Corporation of Pakistan (the Corporation) for the year ended 31 December 2024 in accordance with the requirements of the Code.

The responsibility for compliance with the Code is that of the Board of the Corporation. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Corporation's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Corporation's personnel and review of various documents prepared by the Corporation to comply with the Code.

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 Corporation's corporate governance procedures and risks.

The Code requires the Corporation to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 Corporation's compliance, in all material respects, with the best practices contained in the Code as applicable to the Corporation for the year ended 31 December 2024.

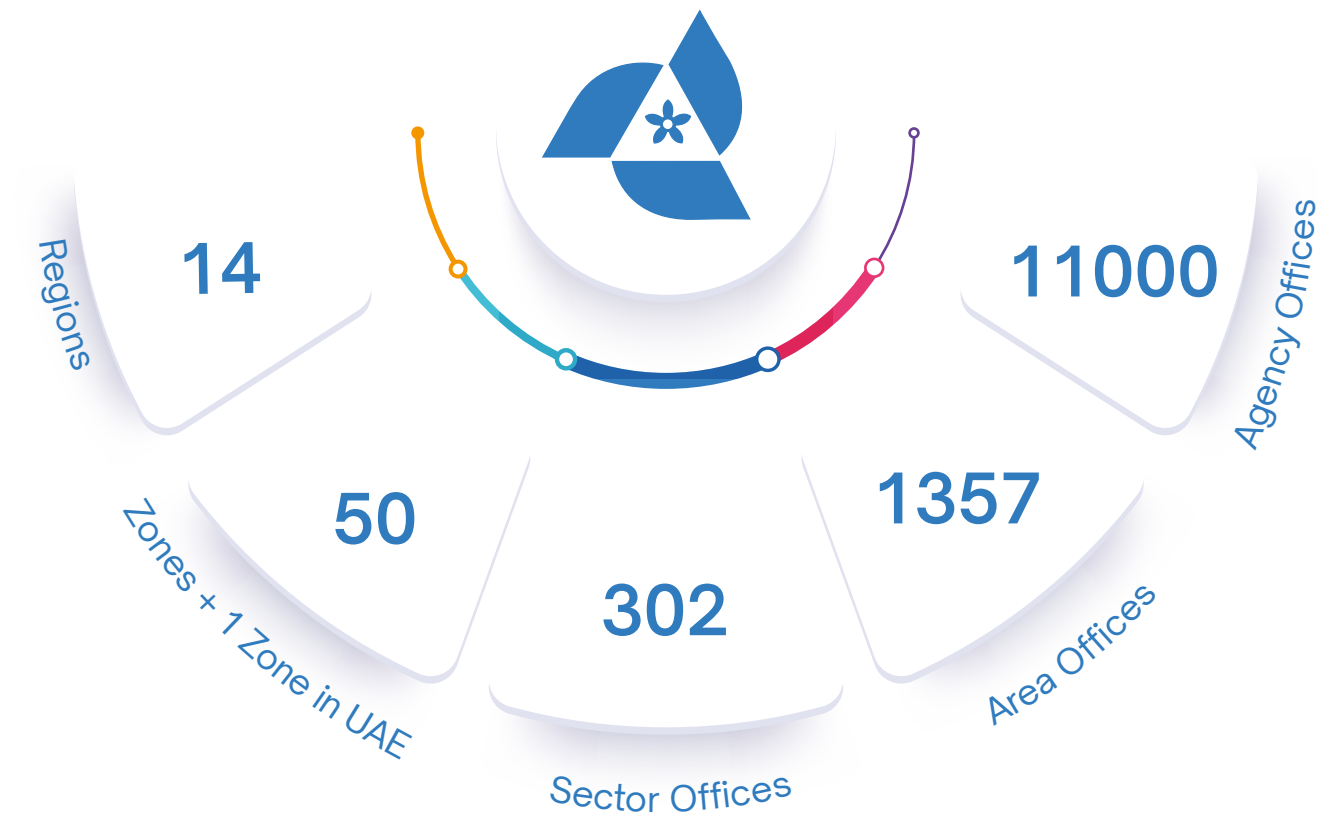


RIAZ AHMAD & COMPANY
Chartered Accountants

Name of the engagement partner:
Junaid Ashraf

Karachi
Dated: 19 March 2026
UDIN: CR202410045V26svUJzN

Our Network



Scan to find our offices across Pakistan

| Financial Statements Unconsolidated





Independent Auditor's Report

To the Members of State Life Insurance Corporation of Pakistan

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of State Life Insurance Corporation of Pakistan ("the Corporation"), which comprise the unconsolidated statement of financial position as at 31 December 2024, and the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Corporation's affairs as at 31 December 2024 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 Corporation 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 unconsolidated financial statements describing the matter related to the provincial sales tax liability on premium charged to the policyholders in respect of health and life insurance. Our opinion is not modified in respect of this matter.

Information Other than the Unconsolidated 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 Corporation and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, the requirements of Insurance Ordinance, 2000, Companies Act, 2017 (XIX of 2017), and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023), and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

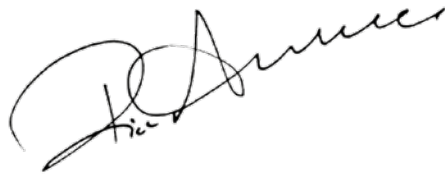
Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Corporation as required by the Insurance Ordinance, 2000 and Companies Act, 2017 (XIX of 2017)
- b) the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and are in agreement with the books of account;
- 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 Corporation's business; and
- e) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Corporation and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The annual financial statements of the Corporation for the year ended 31 December 2023 were audited by Riaz Ahmad & Company and BDO Ebrahim & Co., who expressed an unmodified opinion in their report dated 30 April 2024.

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



RIAZ AHMAD & COMPANY

Chartered Accountants

KARACHI

Dated: 19 March 2026

UDIN: AR202410045kFHWRBvxn

Unconsolidated Statement of Financial Position

AS AT 31 DECEMBER 2024

	Note	2024 -----Rupees in '000-----	2023
ASSETS			
Property and equipment	5	1,915,206	1,415,421
Investment properties	6	3,574,916	3,448,349
Investments in subsidiaries	7	323,618	323,618
Investments			
Equity securities	8	294,971,033	145,611,242
Mutual funds	9	81,786,892	9,458,269
Government securities	10	1,334,312,555	1,218,241,835
Debt securities	11	30,108,018	13,240,251
Loans secured against life insurance policies		154,825,679	159,781,265
Insurance / takaful / reinsurance / retakaful receivables	12	253,327,056	184,565,731
Other loans and receivables	13	96,719,481	95,902,946
Advance taxation		29,840,019	16,183,090
Deposit and prepayments	14	325,269	284,602
Cash and bank balances	15	83,964,531	82,227,016
TOTAL ASSETS		2,365,994,273	1,930,683,635
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Ordinary share capital	16	8,000,000	8,000,000
Ledger account C and D	17	42,115,721	28,600,427
Unappropriated profit		2,235,510	1,869,842
Reserves	18	1,031,761	1,661,919
TOTAL EQUITY		53,382,992	40,132,188
LIABILITIES			
Insurance liabilities [including policyholders' liabilities and ledger account A and B]	19	1,998,113,353	1,665,765,505
Retirement benefit obligations	20	5,384,405	7,103,749
Deferred capital grant		3,237	5,705
Deferred taxation	21	23,614,317	15,615,932
Premium received in advance		6,487,496	5,903,946
Insurance / takaful / reinsurance / retakaful payables	22	2,843,961	1,994,831
Other creditors and accruals	23	274,086,632	190,438,739
Provision for taxation		2,077,880	3,723,040
TOTAL LIABILITIES		2,312,611,281	1,890,551,447
TOTAL EQUITY AND LIABILITIES		2,365,994,273	1,930,683,635
CONTINGENCIES AND COMMITMENTS			
	24		

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

Saleem Zia
Chairman

Khaqan Murtaza
Director

Shoaib Mir
Director

Shoaib Javed Hussain
Chief Executive Officer

Muhammad Amjad
Chief Financial Officer

Unconsolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 -----Rupees in '000-----	2023
Gross premium / contribution revenue		265,268,149	268,878,505
Less: premium / contribution ceded to reinsurers / retakaful operators		(893,914)	(1,034,323)
Net premium revenue / contribution revenue	25	264,374,235	267,844,182
Investment income	26	169,472,259	149,097,627
Net realized fair value gain on financial assets	27	17,936,470	5,344,013
Net fair value gain on financial assets at fair value through profit or loss	28	119,700,888	33,216,279
Net rental income	29	931,648	841,722
Other income	30	59,570,003	69,352,177
		367,611,268	257,851,818
Net income		631,985,503	525,696,000
Insurance benefits		228,829,852	247,853,999
Recoveries from reinsurers		(523,988)	(364,369)
Claim related expense		22,533	23,161
Net insurance benefits	31	228,328,397	247,512,791
Net change in insurance liabilities (other than outstanding claims)		324,390,469	205,389,747
Acquisition expenses	33	32,436,695	29,521,726
Marketing and administration expenses	34	19,790,152	17,849,110
Other expenses	35	1,225,204	943,273
Total expenses		377,842,520	253,703,856
Profit before tax		25,814,586	24,479,353
Income tax expense	36	(10,063,782)	(9,759,630)
Profit for the year		15,750,804	14,719,723
Other comprehensive income		-	-
Total comprehensive income for the year		15,750,804	14,719,723
Earnings per share - Rupees	37	196.89	184.00

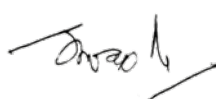
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Saleem Zia
Chairman



Khaqan Murtaza
Director



Shoaib Mir
Director



Shoaib Javed Hussain
Chief Executive Officer



Muhammad Amjad
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the Corporation				
	Share capital	Revenue reserves General reserves	Ledger Account C and D [Refer Note]	Unappropriated profit	Total
	----- Rupees in '000 -----				
Balance as at 01 January 2023	6,200,000	808,314	18,190,546	2,213,605	27,412,465
Dividend paid for the year 31 December 2022	-	-	-	(2,000,000)	(2,000,000)
Transferred to reserve	-	213,605	-	(213,605)	-
Transfer to unappropriated profit	-	-	-	-	-
Total comprehensive income for the year	-	-	-	14,719,723	14,719,723
Surplus for the year retained in statutory funds - net of tax	-	-	10,009,881	(10,009,881)	-
Capital contributed to statutory fund	-	-	400,000	(400,000)	-
Transferred from ledger to shareholder	-	2,440,000	-	(2,440,000)	-
Transfer for the issuance of share capital	1,800,000	(1,800,000)	-	-	-
Balance as at 31 December 2023	8,000,000	1,661,919	28,600,427	1,869,842	40,132,188
Balance as at 01 January 2024	8,000,000	1,661,919	28,600,427	1,869,842	40,132,188
Dividend paid for the year 31 December 2023	-	(630,158)	-	(1,869,842)	(2,500,000)
Transferred to reserve	-	-	-	-	-
Transfer to unappropriated profit	-	-	-	-	-
Total comprehensive income for the year	-	-	-	15,750,804	15,750,804
Surplus for the year retained in statutory funds - net of tax	-	-	12,510,294	(12,510,294)	-
Capital contributed to statutory fund	-	-	1,005,000	(1,005,000)	-
Transferred from ledger to shareholder	-	-	-	-	-
Transferred for the issuance of share capital	-	-	-	-	-
Balance as at 31 December 2024	8,000,000	1,031,761	42,115,721	2,235,510	53,382,992

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 49 form an integral part of these unconsolidated financial statements.



Saleem Zia
Chairman



Khaqan Murtaza
Director



Shoaib Mir
Director



Shoaib Javed Hussain
Chief Executive Officer



Muhammad Amjad
Chief Financial Officer

Unconsolidated Statement of Cash Flow

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
		-----Rupees in '000-----	
Operating Cash flows			
(a) Underwriting activities			
Insurance premiums received		193,728,399	168,035,025
Reinsurance premiums paid		(44,784)	(193,812)
Claims paid		(280,013,421)	(83,745,161)
Surrenders paid		(78,096,551)	(88,549,781)
Reinsurance and other recoveries received		(20,900)	(280,977)
Commissions paid		(23,632,706)	(19,246,189)
Other underwriting payments		(7,908,242)	(7,294,761)
Net cash flow from underwriting activities		(195,988,205)	(31,275,656)
(b) Other operating activities			
Income tax paid		(17,367,490)	(12,269,181)
Other operating payments		(574,639)	(496,124)
General management expense paid		192,584,471	(10,069,871)
Loans secured against life insurance policies - advanced		(16,989,797)	(20,221,872)
Loans secured against life insurance policies - repayments received		25,522,122	27,423,190
Net cash flow used in other operating activities		183,174,667	(15,633,858)
Total cash flow from all operating activities		(12,813,538)	(46,909,514)
Investment activities			
Profit / return received		198,272,244	168,317,115
Dividends received		20,417,194	12,198,229
Rentals received		1,941,483	1,693,005
Payment for investments		(447,317,510)	(390,567,602)
Proceeds from disposal of investments		247,030,838	285,272,821
Fixed capital expenditure		(991,617)	(524,620)
Proceeds from sale of property and equipment		1,400	136,057,000
Total cash flow generated from investing activities		19,354,033	76,525,005
Financing activities			
Dividends paid		(2,500,000)	(2,000,000)
Net cash used in financing activities		(2,500,000)	(2,000,000)
Net cash flow generated from all activities		4,040,495	27,615,491
Cash and cash equivalents at the beginning of the year		72,317,743	44,702,252
Cash and cash equivalents at the end of the year	15.1	76,358,238	72,317,743
Reconciliation to statement of comprehensive income			
Operating cash flows		(12,813,538)	(46,909,514)
Depreciation expense		(234,638)	(133,314)
Investment income		367,611,268	258,823,222
Amortization/capitalization		848,631	72,240
Allocation of surplus		-	4,500,000
Increase in assets other than cash		79,502,667	115,094,583
(Increase)/decrease in liabilities other than running finance		(89,572,851)	(100,532,046)
Change in policy holder liabilities		(324,390,469)	(205,389,747)
Change in deferred tax liabilities		(7,998,384)	(6,405,700)
Other adjustments		2,798,118	(4,400,001)
Profit for the year after taxation		15,750,804	14,719,723

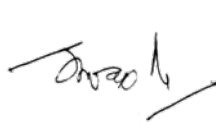
The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.



Saleem Zia
Chairman



Khaqan Murtaza
Director



Shoaib Mir
Director



Shoaib Javed Hussain
Chief Executive Officer



Muhammad Amjad
Chief Financial Officer

Notes to the Unconsolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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 along with 7 Regions, 4 zones for group life business and in the gulf countries comprising United Arab Emirates (UAE) through zonal office located at Dubai (UAE).

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

1.3 Geographical location and addresses of business units of the Corporation are as under:

BUSINESS UNITS	GEOGRAPHICAL LOCATION	ADDRESS
Southern Region	Karachi	State Life Building No. 2, Wallace Road, Karachi.
North Region	Islamabad	State Life Building No. 9, 33-E, Blue Area, Islamabad.
KPK Region	Peshawar	State Life Building No. 34, The Mall, Peshawar.
Central Region	Lahore	15-A, Davis Road, Lahore.
Faisalabad Region	Faisalabad	State Life Building No. 2, Liaquat Road, Faisalabad.
Hyderabad Region	Hyderabad	State Life Building, Thandi Sarak, Hyderabad.
Multan Region	Multan	Chowk Nawan Shaher, Abdali Road, Multan.
Group & Pension Karachi Zone	Karachi	State Life Building No. 2, Wallace Road, Karachi.
Group & Pension Peshawar Zone	Peshawar	State Life Building No. 34, The Mall, Peshawar.
Group & Pension Rawalpindi Zone	Rawalpindi	State Life Building No. 8, Kashmir Road, Rawalpindi.
Group & Pension Lahore Zone	Lahore	15-A, Davis Road, Lahore.
Gulf Zone	Dubai	Saqr Al Qasmi Building, Salah A1 Din Road, P.O. Box 11278, Dubai, UAE.

1.4 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 22 September 2016. For the purpose of carrying on the takaful business, the Corporation has formed an Individual Family Participant Takaful Fund (IFPTF) on 18 August 2017 under the Waqf deed and ceded Rs. 1 million to the IFPTF. The Waqf deed governs the relationship of Corporation and participants for management of takaful operations. The Corporation launched the Window Takaful Operations on 28 January 2021.

1.5 In prior years, Privatization Commission (PC) has envisioned to divest the shares of Government of Pakistan held by Ministry of Commerce through an Initial Public Offer (IPO). For this purpose, PC sent the Term of Reference (ToR) to the Corporation vide letter no. PC/SLIC-IPO/B&U/04 dated 24 June 2015 regarding the appointment of lead manager and book runner for public offering through domestic stock exchange transaction, which was been approved by the Board on 11 August 2015.

Moreover, PC also constituted an Evaluation Committee to evaluate technical and financial proposals of bids received. Based on the evaluation process of the Committee, the Board of PC appointed consortium of Habib Bank Limited, Bank Alfalah Limited, Arif Habib Limited and Elixir Securities Pakistan (Private) Limited as lead manager and book runner for IPO as mentioned in the 243rd meeting of the Board of Directors held on 20 February 2016.

The Presidential Order dated 06 April 2016 in respect of State Life (Reorganization and Conversion), 2016 was issued by Government of Pakistan Ministry of Law and Justice to provide for the re-organization and conversion of the State Life Insurance Corporation of Pakistan into a Public Limited Company.

After the commencement of this Ordinance, the Federal Government established a Company to be known as State Life Insurance Company Limited by shares under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The National Assembly converted the said Ordinance into bill for the conversion of State Life Insurance Corporation to State Life Insurance Company Limited and sent the bill to Senate for approval and the Senate, instead of passing the bill, proposed few amendments in the bill. For the consideration of the proposed amendments, the matter was moved to National Assembly Standing Committee on Commerce.

Ministry of Commerce (MoC), vide letter No.1(7)/2013-SLIC-INS dated 10 September 2020, informed that the Senate of Pakistan passed the Bill with certain amendments. The Bill was forwarded to the National Assembly (the Assembly), however, the Assembly did not pass the amended Bill within 90 days. Therefore, a request was made to the Ministry of Parliamentary Affairs to place the same before the Joint Session of the Parliament for consideration. However, Bill was not passed by the Joint Session due to end of Assembly session that day. Hence, in terms of Article 76(3) of the Constitution of Pakistan said Bill has been lapsed, despite the fact that it had been passed by the Senate.

During the year, on 25 January 2023 in a Committee Room of MoC, it was unanimously decided that now the Finance Division shall draft a new legislation with the technical support of legal advisors, to enable the requisite amendments/changes in the legal/regulatory framework of the five selected State-Owned Entities (SOEs). The draft shall be shared with the Line Ministries/(SOEs) for their views/concurrence before its submission to the Federal Cabinet and subsequently to the Parliament.

- 1.6** The Corporation maintains a shareholders' fund and five statutory funds, separately in respect of its each class of life insurance business. The details relating to each fund has been described in note 4.4.

2. BASIS OF PREPARATION

These unconsolidated financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through the Insurance Rules, 2017 vide its S.R.O. 89(1) / 2017 dated 09 February 2017.

2.1 Statement of compliance

These unconsolidated 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 Standard (IFRS), issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and 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 shall prevail.

As required by Circular 15 of 2019 dated 18 November 2019 issued by the Securities & Exchange Commission of Pakistan (the Commission), the Corporation has prepared and annexed to these financial statements, a standalone set of financial statements for Window Takaful Operations of the Corporation, as if these are carried out by a standalone Takaful Operator. These financial statements for window takaful operations of the Corporation are submitted in compliance under the conditions imposed by the Commission as stated above.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

2.3 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.

3. New standards, interpretations and amendments to published approved accounting standards

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended 31 December 2024

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

	Effective date (annual periods beginning on or after)
- Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	01 January 2024
- Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	01 January 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	01 January 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	01 January 2024
- Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	01 January 2024

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

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

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

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

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

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

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

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

3.3 Temporary exemption from application of IFRS 9

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' to be implemented for annual reporting periods on or after 01 January 2023 as per IASB. 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.

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

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

Description	2024					
	Fails the SPPI Test			Passes the SPPI Test		
	Fair value	Impairment	Changes in unrealized gain / loss during the year	Carrying value	Impairment	Changes in unrealized gain / loss during the year
	----- Rupees in '000 -----					
Investment in equity securities	294,971,034	(219,365)	68,936,946	-	-	-
Investment in government securities	-	-	-	1,334,312,555	-	-
Investment in debt securities	-	-	-	30,108,018	(7,573)	(172,274)
Investment in mutual funds	81,786,892	-	19,114,211	-	-	-

3.4 Applicability of SOE Act, 2023

The Corporation, being a public sector company as defined in Section 2(54) of the Companies Act, 2017, falls within the scope of the State-Owned Enterprises (Governance and Operations) Act, 2023 (“SOE Act”) under Section 3, which required all SOE’s to prepare their financial statements following the requirement of International Financial Reporting Standards.

Section 25(2) of the SOE Act states:

*“The financial statements must be prepared in accordance with International Financial Reporting Standards and the financial statements together with the notes to them must include all information that is necessary to ensure that the financial statements give a true and fair view of the financial position of the state-owned enterprise and the group consisting of the state-owned enterprise and its subsidiaries: **Provided** that where a state-owned enterprise is not following the International Financial Reporting Standards at the time of coming into effect of this Act, the Board shall ensure compliance with this provision within a period of **three years** from coming into effect of this Act.”*

Further, ICAP Circular No. 3/2025 issued pursuant to clarification from the Finance Division, Government of Pakistan confirms that this requirement applies to all public sector companies within the SOE Act’s scope, and that “IFRS as notified by SECP” or the use of SECP-granted exemptions will not be permissible for financial statements issued after 30 January 2026.

Currently, the Corporation is availing SECP’s notified adoption timeframe for IFRS 17 – Insurance Contracts (effective 1 January 2027) and the temporary exemption from IFRS 9 – Financial Instruments under the Amendments to IFRS 4 – Insurance Contracts (“Applying IFRS 9 with IFRS 4”), which permits eligible insurers to defer IFRS 9 application until IFRS 17 becomes effective. While these exemptions remain valid under SECP regulations until their respective adoption dates, the SOE Act requires unreserved compliance with full IFRS (IASB versions) by the statutory deadline i.e. financial statements issued after 30 January 2026.

3.5 Critical accounting estimates and judgements

The preparation of these unconsolidated financial statements in conformity with the 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 judgements 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 judgements were exercised in application of accounting policies relate to:

a) Classification of investments

In investments classified as “held to maturity”, the Corporation has included financial assets with fixed or determinable payments and fixed maturity. In making this judgement, the Corporation evaluates its intention and ability to hold such investments to maturity.

b) Policyholders’ liabilities

Policyholders’ liabilities are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each reporting date. In determining the value, both acquired policy values (which forms the bulk of policyholders’ liabilities) as well as estimated values which will be payable against risks which the Corporation underwrites are taken into account. The basis used are applied consistently from year to year.

Furthermore, shadow accounting is applied where the measurement of policyholders’ liabilities depends directly on the value of investments in equity securities, and the related unrealized gains or losses are recognized in the statement of comprehensive income. A corresponding shadow adjustment to the policyholders’ liabilities is also recognized in the statement of comprehensive income, to the extent that those unrealized gains or losses relate to the policyholders’ liabilities being measured.

The basic liability consists of the estimated actuarial liability against each contract, which is in force. Following elements are added to this amount:

- any reserve required for premiums;
- reserve for incurred but not reported (IBNR) claims;
- reserve for income benefit in course of payment; and
- reserve for potential losses on a policy-to-policy basis.

The deferred premium in respect of group life and health insurance schemes is included in actuarial liability.

c) Provision for taxation

In making estimates for taxation currently payable by the Corporation, the management considers the current income tax laws, the decision of appellate authorities on certain issues in the past and an independent opinion given by the taxation / legal advisor of the Corporation.

d) Impairment of other assets, including premium 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.

f) Staff retirement benefits

Staff retirement benefits are provided as per actuarial valuation or following the actuarial advice which is based upon certain assumptions.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computation adopted in the preparation of these unconsolidated financial statement are same as those applied in the preparation of the annual unconsolidated financial statements of the Corporation for the year ended 31 December 2024.

4.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs

Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Corporation and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to statement of comprehensive income.

Depreciation

Depreciation is calculated on straight-line method to write off the cost of assets over their expected useful lives at the rates specified in note 5 to the unconsolidated financial statements, after taking into account residual values, if any. The useful lives, residual values and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on additions and disposals is charged from the date when the asset becomes available for use to the date of disposal.

Derecognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognized.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment, if any and consist of expenditure incurred and advances made in respect of fixed assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of fixed asset when they are available for use.

4.2 Investment properties

Investment properties are accounted for under the cost model in accordance with International Accounting Standard 40, 'Investment Property' and S.R.O. 938 (1)/2002 dated 12 December 2002 issued by the SECP.

These are carried at cost less accumulated depreciation and impairment losses, if any. Subsequent expenditure, depreciation and gains or losses on disposal are accounted for in the same manner as of operating fixed assets.

4.3 Other assets

Stock of stationery, printed material and maintenance store in hand for investment properties etc. are valued at lower of cost or net realizable value. Cost is determined on 'first in first out' basis.

4.4 Funds

The Corporation maintains a shareholders' fund and five statutory funds, separately in respect of its each class of life insurance business, namely:

- Pakistan Life Fund (ordinary life);
- Overseas Life Fund (ordinary life);
- Pension Fund;
- Accidental and health Insurance Fund; and
- Family Takaful Fund.

Assets, liabilities, revenues and expenses are referable to respective statutory funds or allocated to shareholders' fund.

Expenses of principal office are distributed among all funds on fair and equitable basis.

a) Pakistan Life Fund (ordinary life)

Pakistan Life Fund comprises individual life business and group life business carried out in Pakistan as well as individual life Rupee business conducted outside Pakistan. Policyholders' liabilities as shown in the Pakistan Life Fund are based on an actuarial valuation conducted by the Appointed Actuary as at the reporting date.

Within the Pakistan Life Fund, business can be further classified as individual life conventional business, BANCA business, group insurance business and a small amount of annuity business. Most of the policies contain Discretionary Participation Feature (DPF).

b) Overseas Life Fund (ordinary life)

The Overseas Life Fund entirely consists of individual life conventional business carried out at UAE, Kingdom of Saudi Arabia and Kuwait through zonal office located in Dubai (UAE). Policyholders' liabilities as shown in the Overseas Life Fund are based on an actuarial valuation conducted by the Appointed Actuary as at the reporting date.

Exchange gains and losses on translation of currencies of Overseas Life Fund and Pakistan Life Fund (Rupee business) are taken to revenue account through statement of comprehensive income. Most of the new business written under the Overseas Life Fund contains a Discretionary Participation Feature (DPF).

c) Pension Fund

The Pension Fund consists of funds on account of group pension deposit administration contracts. Policyholders' liabilities as shown in the pension fund are based on an actuarial valuation conducted by the Appointed Actuary as at the reporting date.

d) Accidental and Health Insurance Fund

The Corporation is implementing mega health insurance programs, i.e. Federal Sehat Sahulat Program, Balochistan Sehat Sahulat Program, & KP Sehat Sahulat Program. These programs covered the 150 million population of Pakistan across 90+ districts to provide them with health insurance coverage through a vast network of 1000+ empaneled hospitals. The Federal Sehat Sahulat Program, with expansion to target more than 68 districts across Pakistan, is covering around 30 million families (i.e. 120 million individuals). The growth in the scheme has a massive impact on the quality of health care available to the poor. The scheme is providing the secondary coverage of Rs. 60,000 and Rs. 400,000 under tertiary coverage per annum. The beneficiaries are also paid additional benefits such as cash payments of transportation and funeral charges. Besides pure BISP data, the entire FATA, FR Region, Tharparkar, GB and AJK regions have been covered under this scheme. The coverage was further extended to all the disabled person and registered transgender community of Pakistan. Plans are underway to expand the scheme to cover 100% population of Islamabad and Punjab. The KP Sehat Card Plus Program has covered the entire population of Khyber Pakhtunkhwa, where more than 7 million families would be covered. This scheme has a worth of around 87+ billion in the next five years. The scheme provides inpatient hospitalization secondary coverage of Rs. 80,000 per member and Rs. 800,000 under tertiary coverage per annum. State Life being a public sector organization would strive to extend its services to manage social health programs most efficiently and economically.

e) Family Takaful Fund

The Corporation on receipt of license to start Window Takaful Operations, established a statutory fund namely

'Family Takaful Fund' to offer 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 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 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 surpluses 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.

4.5 Insurance contracts – classification

The Corporation maintains five statutory funds which are as follows:

- Pakistan Life Fund (ordinary life);
- Overseas Life Fund (ordinary life);
- Pension Fund;
- Accidental and health Insurance Fund; and
- Family Takaful Fund.

Within the Pakistan Life Fund the business can be further classified as individual life conventional business, group insurance business and a small amount of annuity business.

Most of the new individual life conventional policies written by the Corporation contain a Discretionary Participation Feature (DPF). DPF indicates policies in which the investor receives an additional payment, the amount or timing of which is contractually at the discretion of the issuer.

The Overseas Life Fund entirely consists of individual life conventional business. Most of the new business written under the overseas life fund contains a DPF.

The Pension Fund consists of funds administered under Group Pension Deposit Administration contracts.

The Accident and Health Insurance Fund consists of Group Health and Accident Insurance Contracts.

Considering all the five statutory funds together, the bulk of Corporation business consists of individual life conventional policies. Most of the remaining business consists of group life insurance business.

The Corporation also offers some supplementary benefits attached in the form of riders to the individual life policies and the group life contracts. Each of these classes of business are described in greater detail below.

Contract details and measurement

The insurance contracts offered by the Corporation are described below:

4.5.1 Individual life policies

Individual life conventional products

These are long term contracts with either level or single premiums. These plans generally provide for some death benefit on death during the currency of the policy and a survival benefit either on the happening of certain contingencies or on the maturity of the policy. The premiums are payable only in the life time of the policyholder. In case of term insurance products there is no survival benefit.

Universal life policies

Under these plans a certain amount is set aside from the premium for expenses and meeting the mortality cost and the remainder of the premium is invested to earn some investment return. Investment return is allocated to these products on an annual basis keeping in view the investment earnings of the Pakistan Life Fund.

Term insurance policies

A few products of the Corporation are term insurance plans providing benefits only in case of death. Under these policies no benefit is due if the policy holder survives the duration of the policy. The Corporation sells both level term insurances and decreasing term insurances also known as mortgage protection plans.

Annuities

The Corporation also has a small number of individual and group life-annuities on its books. Under these contracts a periodic income benefit is payable to the insured life for as long as annuitant is alive. Besides, the Corporation offers annuity-certain plans under which periodic income benefit is payable for a stipulated period and is not dependent on the life of the policyholder.

Supplementary riders

The Corporation offers various types of supplementary riders. Some of these riders offer additional life coverage, in some cases they offer accidental death and disability benefits. The benefits can take various forms such as lump sum payment or an income benefit or waiver of premiums due under the host policy contract.

Insured event

Under the individual life insurance policies in most cases the insured event is either death or survival until the maturity date of the policy, except in case of term insurance where there is no maturity benefit. Under the annuity policies the Corporation is exposed to the risk of longevity. In this case the insured event is survival of the life insured for a long duration, exceeding the period normally expected under standard mortality tables.

In case of supplementary rider, the insured event is either death or just accidental death or disability whether accidental or natural or both.

Distribution channel

The individual life business of the Corporation is sold through its dedicated sales force which is present all over the country. This field force is organized under a three-tier system consisting of sales representatives, sales officers and sales managers. Each sales sector headed by area manager and a sector head. Presently there are 1,096 area managers and 150 sector heads who are working in 33 different zones and 7 regions throughout country in addition to this there is one zone in Gulf region who is head by Zonal Chief, Gulf. The Gulf zone has its own marketing team of sector heads, Area Managers and Sales Force.

The individual life policy holders of the Corporation come from all strata of society, with greater representation of the rural areas due to wider outreach of its field force. New policyholders have an average age of around 34 years.

4.5.2 Group life policies

Basic coverage

The group life policies are generally one-year renewable term insurance contracts. In most cases they provide group coverage to the employees of an employer. Sometimes the coverage is tied up with loans extended by the employer for house building or purchase of motor vehicles or other household items. In some cases, group policies are issued to lending agencies such as banks to provide group coverage to their borrowers. There are also a small number of group endowment policies which provide benefits identical to individual life policies but under the umbrella of a group contract.

Supplementary coverage

In many cases the group policies also provide supplementary coverage which may include accidental or natural disability benefits and additional accidental death benefit. These riders also take the form of one-year renewable term insurance policies.

Insured event

Under the group life insurance policies in most cases the insured event is death due to any cause. In case of supplementary coverage, the insured event can include accidental death or disability or natural disability.

Distribution channel

The group insurance business is sold through four group and pension zones of the Corporation. Each zone has its own marketing force consisting of sector heads who are full time salaried employees of the Corporation, however, some of the group business is also procured through individual life field force of the Corporation.

Most of the lives covered under the group insurance consist of industrial and office workers, civil servants and employees of corporations, banks, other financial institutions, army, navy etc.

4.6 Re-insurance contracts held

4.6.1 Conventional

The Corporation has reinsurance arrangements with Swiss Re. The net retention limit of the Corporation for individual life is Rs. 5 million (2023: Rs. 5 million) per policy and for group life is Rs. 5 million (2023: Rs. 5 million) per person of risk. Reinsurance premiums are recognized in accordance with the pattern of recognition of the related premium. These are measured in line with the terms and conditions of the reinsurance treaty.

Reinsurance liabilities represent balances due to reinsurance companies. Balances payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

4.6.2 Retakaful Contribution

These contracts are entered into by the Corporation 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.

4.6.3 Retakaful Expenses

Retakaful expenses are recognized through liability.

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.

4.7 Claims

The liability in respect of outstanding claims represents the ascertained value of claims incurred and reported before the end of the accounting year. Incurred but not reported (IBNR) cases are provided on the basis of actuarial advice and included in the policyholders' liabilities.

On 19 May 2014, Securities and Exchange Commission of Pakistan (SECP) has issued Circular No. 11 of 2014 in which they have prohibited all life insurers from writing back the unclaimed insurance benefit amount in any circumstances. The unclaimed insurance benefits are the amount which have become payable in accordance

with the terms and conditions of an insurance policy but have not been claimed by the policyholders or their beneficiaries. Such unclaimed amounts include unclaimed maturity benefits, long outstanding claims and un-intimated or unclaimed death or disability claims. The Corporation has a practice of writing back claims which are outstanding for more than three years from the date from which the claims become payable and an equivalent amount has been placed in 'reserve for unpaid insurance benefits' within the policyholders' liabilities. The Corporation has received letter dated 22 May 2015 from SECP clarifying that the practice to retain the unclaimed insurance benefits in its actuarial reserve is in compliance with the clause 3 of the aforementioned Circular.

4.8 Amount due to other insurers / reinsurers

Liabilities for other insurers / reinsurers are carried at cost which is the fair value of consideration to be paid in future for services.

4.9 Premiums due but unpaid

Premiums due but unpaid are recognized at cost, which is the fair value of consideration to be received less provision for impairment, if any.

4.10 Amount due from other insurers / reinsurers

Amount due from other insurers / reinsurers are carried at cost less provision for impairment, if any.

4.11 Acquisition costs

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

4.12 Expenses of management

Expenses of management represent directly attributable expenses and indirect expenses allocated to statutory funds.

4.13 Staff retirement benefits

a) Provident fund

The Corporation operates a defined contribution plan, a recognized contributory provident fund scheme for all its eligible employees. For employees who have opted for the gratuity scheme, monthly contributions at the rate of 8.33% of their basic salaries are made to the fund by the Corporation. However, in respect of employees who have opted for the pension scheme, no contribution is made by the Corporation to the provident fund.

b) Gratuity fund

The Corporation maintains a funded defined benefit plan for those officers who opted for gratuity rules. On retirement, resignation, termination or on death they will be paid last month's drawn salary for each completed year of service. Liability for the fund is based on the advice of appointed actuary.

c) Pension fund

The Corporation operates a defined benefit plan, a funded pension scheme for its employees opting for the pension scheme established in 1984 and payments are made annually to the extent allowed under the Income Tax Rules, 2002 to meet the obligations there-under on the basis of actuarial valuation. From a previous year pursuant to the order of Honorable Supreme Court of Pakistan, the Corporation has restored its pension scheme, as aforesaid, that was in effect before 31 December 1999. Liability for the fund is based on the advice of appointed actuary.

d) Compensated absences

From the year 2002, the un-availed earned leave balance of officers is encashed to the extent of two third of the

leave balance with simultaneously proceeding on leave for one third leave balances, minimum for twelve days. A policy is already in force for the staff on similar lines. For officers leaves up to 60 days can be carried forward up to the date of retirement and can be encashed at retirement. Similarly, in respect of staff leaves up to 180 days can be carried forward up to the date of retirement and can be encashed at retirement.

e) Post retirement medical benefits

The Corporation provides medical facilities to its retired officers and their spouses in accordance with the service regulations. As at 31 December 2024, liability for post-retirement medical benefits as computed by the appointed actuary is estimated at Rs. 4,178 million (2023: Rs. 3,500 million) and the same has been provided in these unconsolidated financial statements.

4.14 Loans secured against life insurance policies

Cash loans

Loans in cash against the security of life insurance policies may be extended to the policyholders to the extent of 80% of surrender value of the respective policy, provided the policy has been in force for at least two years.

Automatic non-forfeiture provisions

- a) Automatic Premium Loans secured against surrender value of the policy may be extended to the extent of the surrender value of the respective policy, provided the policyholder has exercised Automated Premium Loan option.
- b) An advance equal to one year premium may be allowed to the policyholder only once, if the policyholder has exercised Auto Paid-up option provided the respective policy has been in force for at least two years.

4.15 Revenue recognition

4.15.1 Premium

- First year individual life premium is recognized when the policy is issued after receipt of that premium. Subsequent premiums falling due under the policy are recognized if received before expiry of the grace period, or if advanced by the Corporation under the Automatic Premium Loan (APL).
- Single premiums are recognized once the related policies are issued against the receipt of premium. Premiums for group life, accident & health and overseas group life and health business are recognized when due.
- The Corporation continues to provide the cover even if the premium is received after the grace period.

4.15.2 Reinsurance Commission

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

4.15.3 Individual Life Family Takaful

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

4.15.4 Rental income on investment properties

Rental income is recognized on an accrual basis except where dues are more than six months old in which case income is recognized on a receipt basis, except for the cases that are under litigation.

4.16 Investment income

Income on government securities, term finance certificates and other fixed income securities is recognized on an accrual basis for the number of days these are held taking into account effective yield on the instruments. Dividend income is recognized when the Corporation's right to receive dividend is established. Income on debentures is recognized at the prescribed rates, except where recovery is considered doubtful in which case the income is recognized on a receipt basis.

Capital gain / loss arising on sale of listed securities is recognized on settlement date.

Regular way purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognized at the settlement date. Settlement date is the date on which an asset is delivered to or by the Corporation.

4.17 Deferred capital grant

Grants received for capital expenditure is credited to "Deferred liabilities". Amount equal to the depreciation charged during the year as per rate applicable to the respective assets is transferred to other income. Grants received in cash for revenue expenditure are treated as income on the basis of expenditure incurred.

4.18 Others

All other incomes are recognized on accrual basis.

4.19 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with prevailing laws (fourth Schedule to the Income Tax Ordinance, 2001) for taxation of income. All sources of income of the Corporation are taxed as one basket income using prevailing tax rate expected to apply to the profit for the year, if enacted. The charge for the current tax also includes adjustments, where considered necessary, to the provision for tax made in previous years arising from assessments finalized during the current year for such years.

Deferred

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.20 Bad and doubtful debts

Known bad debts are written off and impairment loss is recognized for debts / receivables considered doubtful.

4.21 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.

4.22 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).

4.23 Related party transactions and transfer pricing

Transactions and contracts with the related parties are carried out at arm's length price determined in accordance with comparable uncontrolled price method.

4.24 Cash and cash equivalents

These include cash and bank balances and deposits maturing within twelve months.

4.25 Dividend and appropriation of reserve

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

4.26 Earnings per share

The Corporation presents basic and diluted Earnings Per Share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Corporation by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated if there is any potential dilutive effect on the Corporation's reported net profits.

4.27 Segment reporting

Operating segment is a distinguishable component of the Corporation that is engaged in providing services that are subject to risks and returns that are different from those of other operating segments. The Corporation accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Regulations, 2017.

The Corporation's business segments currently reports five statutory funds, separately in respect of each class of life insurance business.

4.28 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rate approximating those ruling on the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange which approximates those prevailing on the reporting date. Gains and losses on translations are taken to income currently. Non-monetary items that are major in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

4.29 Leases

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on 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 depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Corporation is reasonably certain to exercise that option. 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 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 Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently 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 fixed lease payments or an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option.

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 statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component and not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

4.30 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:

- Other loans and receivables;
- Held to maturity; and
- Fair value through profit or loss.

Other loans and receivables

Other 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.

Fair value through profit or loss

These investments are initially recognized at cost being the fair value the of consideration given and its related transaction cost are charged to statement of comprehensive income. These investments are subsequently measured at their market value with any gain or loss in statement of comprehensive income.

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.

4.31 Investments in associates and subsidiaries

Associates are all entities over which the Corporation has significant influence but no control. Investment in associates that is held through investment-linked insurance funds is measured at fair value through profit or loss.

Subsidiary is an entity over which the Corporation has control. Investment in subsidiaries is carried at cost less accumulated impairment losses, if any.

4.32 Takaful Operator's Fee

The shareholders of the Corporation manage the Window Takaful operations for the participants. Accordingly, the Corporation 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.

5 PROPERTY AND EQUIPMENT

	2024	2023
Note	(Rupees in '000)	
Operating assets	1,898,905	1,397,309
Capital work in progress	16,301	18,112
	1,915,206	1,415,421

5.1 Operating assets

Description	2024								
	Cost				Depreciation			Written down value as at 31 December 2024	Depreciation Rate
	As at 01 January	Additions / (disposals)	Transfer from Investment Property / Capital work in progress	As at 31 December	As at 01 January	For the year / (disposal)	As at 31 December		
(Rupees in '000)									(%)
Building, roads and structure	738,773	71,278	-	810,051	181,102	11,259	192,361	617,690	1
Electric installation and fittings	822,571	55,561 (1,803)	-	876,329	662,577	48,251 (1,773)	709,055	167,274	10
Furniture and fixtures	810,859	160,811 (3,254)	-	968,416	515,123	49,750 (3,122)	561,751	406,665	10
Office equipment	301,363	75,910 (1,062)	-	376,211	198,717	26,459 (466)	224,710	151,501	10 to 30
Computer installations-basic	1,068,791	340,846 (1,576)	-	1,408,061	899,256	101,029 (1,352)	998,933	409,128	30
Computer installations-peripherals	103,465	10,570 (670)	-	113,365	88,311	6,799 (669)	94,441	18,924	30
Vehicles	306,139	65,771 (5,785)	-	366,125	209,566	29,318 (482)	238,402	127,723	20
	4,151,961	780,747 (14,150)	-	4,918,558	2,754,652	272,865 (7,864)	3,019,653	1,898,905	

Description	2023								
	Cost				Depreciation			Written down value as at 31 December 2023	Depreciation Rate
	As at 01 January	Additions / (disposals)	Transfer from Investment Property / Capital work in progress	As at 31 December	As at 01 January	For the year / (disposals)	As at 31 December		
(Rupees in '000)									(%)
Building, roads and structure	648,472	8,966 (213)	81,548	738,773	170,285	11,030 (213)	181,102	557,671	1
Electric installation and fittings	719,727	50,564 (3,877)	56,157	822,571	626,638	39,828 (3,889)	662,577	159,994	10
Furniture and fixtures	729,278	88,739 (7,158)	-	810,859	476,562	40,188 (1,627)	515,123	295,736	10
Office equipment	236,925	66,268 (1,830)	-	301,363	185,803	13,028 (114)	198,717	102,646	10 to 30
Computer installations-basic	994,367	78,833 (4,409)	-	1,068,791	844,698	55,275 (717)	899,256	169,535	30
Computer installations-peripherals	93,822	10,950 (1,307)	-	103,465	85,157	4,441 (1,287)	88,311	15,154	30
Vehicles	201,884	104,276 (21)	-	306,139	201,840	7,747 (21)	209,566	96,573	20
	3,624,475	408,596 (18,815)	137,705	4,151,961	2,590,983	171,537 (7,868)	2,754,652	1,397,309	

5.2 Assets with zero value

Description of Assets	2024			2023		
	Cost	Net book value	No. of item	Cost	Net book value	No. of item
	----Rupees in '000----			----Rupees in '000----		
Electric installation and fittings	102,650	-	3,979	-	-	-
Furniture and fixture	295,736	-	32,610	272,700	-	45,393
Office equipment	124,828	-	6,828	139,822	-	8,025
Computer installation - basic	858,442	-	9,955	703,627	-	10,069
Computer installation - peripheral	84,290	-	1,831	76,555	-	9,232
Vehicles	202,999	-	216	141,351	-	227
	1,668,945	-	55,419	1,334,055	-	72,946

5.3 There are no assets held by third parties as at reporting date.

5.4 Capital work in progress

	2024	2023
Note	----- (Rupees in '000) -----	
Opening balance	18,112	400,264
Less: Provision for impairment	(1,811)	-
Additions	-	77,172
Transfer to investment properties	-	(321,619)
Transfer to property and equipment	-	(137,705)
Closing balance	16,301	18,112

6 INVESTMENT PROPERTIES

	2024	2023
Note	----- (Rupees in '000) -----	
Investment properties	6.1 3,577,807	3,451,021
Less: Provision for impairment	6.4 (2,891)	(2,672)
	3,574,916	3,448,349

6.1 Investment properties

	2024									
	Cost				Depreciation				Written down value as at 31 December 2024	Depreciation Rate
	As at 01 January	Additions/ (Disposals)	Transfer in from Capital work in progress	As at 31 December	As at 01 January	For the year	Transfer to Property and Equipment	As at 31 December		
	----- Rupees in '000 -----									(%)
Freehold land	274,616	1,252	-	275,868	-	-	-	-	275,868	-
Leasehold land	332,697	-	-	332,697	128,811	3,864	-	132,675	200,022	1 to 5
Building, roads and structure	2,924,485	178,259	-	3,102,744	461,738	26,830	-	488,568	2,614,176	1 to 5
Electric installation and fittings	1,787,346	38,054	-	1,825,400	1,277,574	60,085	-	1,337,659	487,741	10
	5,319,144	217,565	-	5,536,709	1,868,123	90,779	-	1,958,902	3,577,807	
	----- Rupees in '000 -----									(%)
	2023									
	Cost				Depreciation				Written down value as at 31 December 2023	Depreciation Rate
	As at 01 January	Additions/ (Disposals)	Transfer in from Capital work in progress	As at 31 December	As at 01 January	For the year	Transfer to Property and Equipment	As at 31 December		
	----- Rupees in '000 -----									(%)
Freehold land	274,616	-	-	274,616	-	-	-	-	274,616	-
Leasehold land	332,697	-	-	332,697	124,946	3,865	-	128,811	203,886	1 to 5
Building, roads and structure	2,713,390	20,635	190,460	2,924,485	435,588	26,150	-	461,738	2,462,747	1 to 5
Electric installation and fittings	1,638,310	17,877	131,159	1,787,346	1,222,946	54,628	-	1,277,574	509,772	10
	4,959,013	38,512	321,619	5,319,144	1,783,480	84,643	-	1,868,123	3,451,021	
	----- Rupees in '000 -----									(%)

- 6.2** The market and forced sale values of the investment properties owned by the Corporation, as determined by independent valuers (RBS Associates (Private) Limited), amounted to Rs. 140,240 million and Rs. 119,224 million respectively as at 31 December 2024 (2023: Rs. 132,750 million and Rs. 119,480 million respectively).
- 6.3** The above includes, title deeds of 61 land/buildings, that were taken over by the Corporation under the Life Insurance (Nationalization) Order, 1972 (LINO) dated 01 November 1972 and have been transferred in the name of the Corporation. The title deeds 13 buildings / plots (2023: 13 buildings / plots) are still in the name of defunct insurance companies that were merged in the Corporation as per the LINO order.
- 6.4** There are properties costing Rs. 4.532 million (2023: Rs. 4.269 million) having written down value of Rs. 2.891 million (2023: Rs. 2.672 million) to which the Corporation's title is disputed. Against this, a provision of Rs. 2.891 million (2023: Rs. 2.715 million) exists.
- 6.5** The Corporation has a plot at Rawalpindi costing Rs. 0.581 million (2023: Rs. 0.581 million) for which execution of title deed is pending due to dispute with the Cantonment Board, Rawalpindi.
- 6.6** The Corporation has a plot at Mirpur (Azad Kashmir) costing Rs. 1.417 million (2023: Rs. 1.417 million) for which execution of title deed remain pending.
- 6.7** The investment properties also include Rs. 25.8 million (2023: Rs. 23 million) paid by the Corporation to the People Media Foundation (PMF) for acquisition of ground floor measuring 13,000 sq. ft. in PMF Complex (Press Club Building) at G-8, Markaz, Islamabad. The Corporation has taken over the possession of ground floor in July 1996, under an irrevocable General Power of Attorney, as the construction of building was incomplete. The management of the Corporation is of the opinion that under irrevocable General Power of Attorney, the Corporation is in a position to freely transfer the title of said property in its own name.

7	INVESTMENTS IN SUBSIDIARIES - at cost	Note	2024	2023
			----- (Rupees in '000) -----	
	Alpha Insurance Company Limited	7.1	298,918	298,918
	State Life (Lakie Road) Properties (Private) Limited	7.1	12,910	12,910
	Less: provision for impairment		(12,910)	(12,910)
	State Life (Abdullah Haroon Road) Properties (Private) Limited	7.1	26,182	26,182
	Less: provision for impairment		(1,482)	(1,482)
			323,618	323,618

7.1 Investment in Subsidiaries

2024		2023		2024		2023	
----- Number of shares -----		Face value		----- Rupees in '000 -----		----- Rupees in '000 -----	
		Rs.		Company Name			
47,574,843	47,574,843	10	Alpha Insurance Company Limited Equity held 95.15% (2023: 95.15%)	298,918	298,918		
414,916	414,916	10	State Life (Lakie Road) Properties (Private) Limited Equity held 100% (2023: 100%)	12,910	12,910		
779,500	779,500	10	State Life (Abdullah Haroon Road) Properties (Private) Limited	26,182	26,182		
-	-	-	Equity held 100% (2023: 100%)				
				338,010	338,010		

7.2 The Corporation's interests in its subsidiaries were as follows:

		2024					
Name	Country of Incorporation	Assets	Liabilities	Break up value per share	Revenues	Profit / (loss)	Interest held (%)
		----- Rupees in '000 -----			----- Rupees in '000 -----		
Alpha Insurance Company Limited	Pakistan	1,652,439	824,511	16.56	369,971	39,669	95.15%
State Life (Lakie Road) Properties (Private) Limited	Pakistan	2,899	9,669	(8.68)	121	(5,348)	100%
State Life (Abdullah Haroon Road) Properties (Private) Limited (Note 7.2.1)	Pakistan	125,653	10,973	276.39	11,491	10,216	100%
Total at the end of 2024		1,780,991	845,153		381,583	44,537	

		2023					
Name	Country of Incorporation	Assets	Liabilities	Break up value per share	Revenues	Profit / (loss)	Interest held (%)
		----- Rupees in '000 -----			----- Rupees in '000 -----		
Alpha Insurance Company Limited	Pakistan	1,270,942	552,803	14.36	246,992	49,571	95.15%
State Life (Lakie Road) Properties (Private) Limited	Pakistan	2,951	9,648	(16.14)	121	(310)	100%
State Life (Abdullah Haroon Road) Properties (Private) Limited	Pakistan	111,504	10,502	129.57	13,140	12,768	100%
Total at the end of 2023		1,385,397	572,953		260,253	62,029	

7.2.1 The Board of Directors in their meeting held on 25 March 2015 decided to liquidate State Life (Abdullah Haroon Road) Properties (Private) Limited. The Board of Directors in their 240th meeting held on 11 August 2015 approved the above said transaction and authorized certain persons to appear in all matters concerning purchase and transfer of property. As of the reporting date, the transaction is in the process of being executed.

8 INVESTMENTS IN EQUITY SECURITIES

		2024			2023		
Note		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		----- Rupees in '000 -----					
FAIR VALUE THROUGH PROFIT OR LOSS (Designated - upon initial recognition)							
Related parties							
Listed shares	8.1	4,687,403	-	54,996,101	3,586,106	-	19,186,769
Unlisted shares		5,000	(4,649)	351	5,000	(4,649)	351
Others							
Listed shares	8.2	102,283,533	-	239,906,130	68,090,035	-	126,354,910
Unlisted shares	8.3	279,425	(210,974)	68,451	279,425	(210,974)	68,451
Unlisted preference shares		3,743	(3,743)	-	3,743	(2,982)	761
		107,259,104	(219,366)	294,971,033	71,964,309	(218,605)	145,611,242

8.1 This includes carrying value of Pakistan Reinsurance Company Limited (associated company) amounting to Rs. 3,451 million (2023: Rs. 1,689 million).

8.2 This includes 653,995 shares (2023: 653,995) owned by Corporation in National Bank of Pakistan on behalf of Life Insurance Corporation of India (LIC) which has a carrying value of Rs. 43.77 million (2023: Rs. 21.00 million).

8.3 Name of the chief executives of companies which forms majority portion of total investment in unlisted equities is given below :

Company	Chief Executive	Shareholding	No of Shares	Carring Value in Rupees
Peoples Steels Mills Limited	Brig. Shuja Hassan	N/A	1,998,967	12,681,714
Al Baraka Bank Pakistan Limited	Mr. Atif Hanif	1.10%	4,941,176	52,522,921
Arabian Sea Country Club Limited	Mr. Arif Ali Khan	N/A	500,000	351,049
State Bank of Pakistan	Mr. Jameel Ahmed	N/A	29,458	3,221,374
Pakistan Emerging Ventures Limited	Mr. Saeed Khan	3.33%	12,500,000	24,771

9 INVESTMENTS IN MUTUAL FUNDS

Note	2024			2023			
	Cost	Impairment / (provision)	Carrying value	Cost	Impairment / (provision)	Carrying value	
FAIR VALUE THROUGH PROFIT OR LOSS							
----- Rupees in '000 -----							
Listed - Others							
Open and close ended mutual fund	9.1	68,047,446	-	77,515,708	3,282,447	-	7,159,700
Unlisted - Others							
Close ended mutual fund	9.2	594,190	-	4,271,184	594,190	-	2,298,569
		68,641,636	-	81,786,892	3,876,637	-	9,458,269

9.1 Open and close ended mutual funds

	2024			2023		
	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
----- Rs. in '000 -----						
Open ended mutual funds						
Pakistan Life Fund						
National Investment Trust Units	75,996,262	2,304,969	10,662,276	75,996,262	2,304,969	5,769,636
Pak Capital Market Fund	137,662	373	3,088	129,297	373	1,983
NIT Government Bond Fund	28,278,954	300,000	311,173	28,278,954	300,000	310,986
NIT Income Fund	9,831,295	100,000	109,712	9,831,295	100,000	110,901
NIT Islamic Equity Fund	27,397,784	200,000	444,666	26,316,595	200,000	258,955
HBL Growth Fund" B"(PICIC Growth Fund)	12,384,663	-	422,317	12,384,663	-	234,937
HBL Investment Fund -Class" B"	1,793,173	-	28,686	1,663,367	-	15,353
HBL Money Market Fund	24,082,117	2,686,000	2,704,422	610,029	50,000	69,354
Al Meezan Mutual Fund	10,288,351	39,311	382,765	9,143,431	39,311	215,694
MCB Pakistan Stock Market Fund	36,758	962	8,351	34,348	962	4,558
JS Growth Fund	284,744	19,867	102,186	281,952	19,867	59,825
HBL Growth Fund" A"(PICIC Growth Fund)	12,024,904	243,312	137,445	12,024,904	243,312	101,971
HBL Investment Fund-Class" A"	1,607,710	23,653	6,736	1,607,710	23,653	5,547
ABL Cash Fund	643,481,845	7,181,000	7,181,000	-	-	-
ABL Government Securities Fund	39,809,483	448,000	448,000	-	-	-
ABL Income Fund	26,630,682	298,000	298,000	-	-	-
AL Habib Cash Fund	44,639,056	4,928,000	4,938,865	-	-	-
AL Habib Income Fund	8,616,649	956,000	959,378	-	-	-
AL Habib Money Fund	19,149,154	2,076,000	2,080,173	-	-	-
Alfalah GHP Cash Fund	1,005,078	551,000	550,994	-	-	-

	2024			2023		
	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
	----- Rs. in '000 -----			----- Rs. in '000 -----		
Open ended mutual funds						
Pakistan Life Fund						
Alfalah GHP Income Multipal Fund	3,041,060	379,000	378,977	-	-	-
Alfalah GHP Sovereign Fund	7,502,941	893,000	893,000	-	-	-
Alfalah GHP Money Market Fund	57,437,993	6,191,000	6,191,241	-	-	-
Atlas Income Fund	1,486,034	864,000	863,995	-	-	-
Atlas Liquid Fund	626,506	342,000	341,997	-	-	-
Atlas Money Market Fund	4,471,408	2,495,000	2,495,001	-	-	-
Atlas Sovereign Fund	12,010,521	1,379,000	1,379,048	-	-	-
HBL Cash Fund	62,271,673	6,987,000	6,986,882	-	-	-
HBL Government Securities Fund	4,391,369	562,000	562,007	-	-	-
HBL Income Fund	5,693,700	709,000	708,980	-	-	-
J.S Cash Fund	12,877,861	1,474,000	1,474,000	-	-	-
J.S Income Fund	5,700,926	634,000	634,000	-	-	-
Lakson Income Fund	9,439,991	1,065,000	1,065,020	-	-	-
Lakson Money Market Fund	32,589,666	3,656,000	3,655,909	-	-	-
MCB DCF Income Fund	14,251,298	1,709,000	1,712,721	-	-	-
MCB Pakistan Sovereign Fund	31,430,948	1,889,000	1,894,658	-	-	-
Nafa Government Securities Savings Fund	50,592,694	586,000	586,000	-	-	-
NBP Government Securities Liquid Fund	112,972,654	1,265,000	1,268,005	-	-	-
NBP Income Opportunity Fund	46,345,184	553,000	554,604	-	-	-
NBP Mahana Amdani Fund	71,853,921	800,000	802,522	-	-	-
NBP Saving Fund	57,714,147	620,000	621,460	-	-	-
Pakistan Income Enhancement Fund	26,862,344	1,636,000	1,640,215	-	-	-
Pakistan Income Fund	3,439,440	209,000	209,361	-	-	-
UBL Cash Fund	26,194,311	2,848,000	2,854,918	-	-	-
UBL Government Securities Fund	6,747,282	792,000	795,100	-	-	-
UBL Growth and Income Fund	3,035,690	327,000	327,005	-	-	-
UBL Income Opportunity Fund	2,511,741	305,000	305,905	-	-	-
UBL Liquidity Plus Fund	26,226,983	2,888,000	2,894,934	-	-	-
UBL Money Market Fund	14,924,951	1,634,000	1,638,013	-	-	-
	68,047,447	77,515,708		3,282,447	7,159,700	

9.2 Close ended mutual funds

	2024			2023		
	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
	----- Rs. in '000 -----			----- Rs. in '000 -----		
Pakistan Life Fund						
NIT Equity Market Opportunity Fund	10,179,666	594,190	4,271,184	10,179,666	594,190	2,298,569

10 INVESTMENTS IN GOVERNMENT SECURITIES

	2024					2023	
	Maturity Year	Effective Yield (%)	Amortized Cost	Principal Payment	Carrying Value	Effective Yield (%)	Carrying Value
	----- Rupees in '000 -----					(Rupees in '000)	
HELD TO MATURITY							
Pakistan Investment Bond							
3 year Pakistan Investment Bonds	2025 - 2026	13.92% - 21.00%	241,513,680	250,600,000	241,513,680	17.92% - 19.39%	227,893,674
5 year Pakistan Investment Bonds	2025 - 2027	9.12% - 13.37%	147,099,643	152,775,000	147,099,643	16.21% - 21.36%	198,903,155
10 year Pakistan Investment Bonds	2025 - 2034	7.50% - 19.08%	502,948,249	521,428,500	502,948,249	14.94% - 21.37%	489,926,970
15 year Pakistan Investment Bonds	2026 - 2035	8.05% - 10.46%	114,075,921	112,353,700	114,075,921	14.63% - 17.11%	114,206,245
20 year Pakistan Investment Bonds	2026 - 2039	9.72% - 16.50%	69,303,270	68,041,300	69,303,270	14.68% - 21.37%	71,252,327
30 year Pakistan Investment Bonds	2036 - 2038	11.51% - 16.22%	37,942,489	40,050,000	37,942,489	13.89% - 14.78%	37,824,081
			1,112,883,252	1,145,248,500	1,112,883,252		1,140,006,452
Sukuk Bonds - Takaful Fund	2025 - 2028	8.51% - 19.20%	2,166,645	2,081,100	2,166,645	8.51% - 19.20%	1,137,444
Islamic Republic of Pakistan Bond	2025 - 2036	14.50% - 18.68%	8,331,676	7,933,009	8,331,676	14.50% - 28.57%	18,686,308

Maturity Year	Effective Yield (%)	2024			2023	
		Amortized Cost	Principal Payment	Carrying Value	Effective Yield (%)	Carrying Value
----- Rupees in '000 -----						
Treasury Bills						
6 month Pakistan Treasury Bills	2025	11.13% - 13.79%	210,930,982	216,102,000	210,930,982	21.40% - 22.85%
			<u>1,334,312,555</u>	<u>1,371,364,609</u>	<u>1,334,312,555</u>	<u>58,411,631</u>
						<u>1,218,241,835</u>

10.1 Government securities include Rs. 1,246.5 million (2023: Rs. 501.5 million) placed with the State Bank of Pakistan, in accordance with Section 29 of the Insurance Ordinance, 2000.

10.2 Market value of government securities carried at amortized cost amounted to Rs. 1,307,949 million (2023: Rs. 1,074,912 million), which has been done based on PKRV valuation technique taken by MUFAP.

11 INVESTMENTS IN DEBT SECURITIES

Note	2024			2023		
	Cost	Impairment / (provision)	Carrying Value	Cost	Impairment / (provision)	Carrying Value
----- Rupees in '000 -----						
HELD TO MATURITY - OTHERS						
Debentures	11.1	7,573	(7,573)	-	7,573	(7,573)
Foreign fixed income securities	11.2	28,322,365	-	28,322,365	13,240,251	-
FAIR VALUE THROUGH PROFIT OR LOSS						
Foreign fixed income securities	11.2	1,785,653	-	1,785,653		
		<u>30,115,591</u>	<u>(7,573)</u>	<u>30,108,018</u>	<u>13,247,824</u>	<u>(7,573)</u>
						<u>13,240,251</u>

11.1 Debentures include an amount of Rs. 7.573 million (2023: Rs. 7.573 million) pertaining to those companies which are in liquidation process since 1974. Further, a court case is in process against the Colony Textile Mills Limited against debenture loan amounting to Rs. 0.678 million (2023: Rs. 0.678 million). The Corporation had made full provision against these debentures.

11.2 It represents investments made by gulf zone of the Corporation.

12	INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL RECEIVABLES	Note	2024	2023
			----- Rupees in '000 -----	
	Unsecured and considered good			
	Due from insurance contract holders		251,441,260	183,224,823
	Due from other insurers / reinsurers / retakaful		1,885,796	1,340,908
			<u>253,327,056</u>	<u>184,565,731</u>

13 OTHER LOANS AND RECEIVABLES

Accrued investment income		73,839,601	75,161,759
Accrued profit on bank deposits		1,464,032	1,425,277
Loans to agents		101,766	98,204
Loans to employees	13.1	1,828,814	1,420,194
Advance to contractors		342,882	365,010
Other receivables		18,589,999	17,080,987
Deposit against bank guarantee		552,387	351,516
		<u>96,719,481</u>	<u>95,902,946</u>

13.1 This includes unsecured, interest-free short-term loans to employees amounting to Rs. 572.335 million (2023: Rs. 427.402 million). It also includes secured employee loans of Rs. 1,256.856 million (2023: Rs. 992.792 million), which carry an interest rate of 8% per annum and are secured against property or vehicle documents. These loans have not been discounted to their present value, as the resulting financial impact is not considered material in the context of these financial statements.

			2024	2023
		Note	(Rupees in '000)	
14	DEPOSIT AND PREPAYMENTS			
	Security deposit		100,385	100,162
	Prepayments		224,884	184,440
			<u>325,269</u>	<u>284,602</u>
15	CASH AND BANK BALANCES			
	- Cash in hand		50,412	61,273
	- Policy and revenue stamps, bond papers		8,072	14,341
	Cash at bank			
	- Savings accounts	15.2	56,831,894	58,923,393
	- Current accounts		19,467,860	13,318,736
	- Fixed deposits maturing after 12 months	15.3	7,606,293	9,909,273
			<u>83,964,531</u>	<u>82,227,016</u>
15.1	Cash and cash equivalents include the following for the purposes of the statement of cash flows:			
	Cash and cash equivalents			
	- Cash in hand		50,412	61,273
	- Policy and revenue stamps, bond papers		8,072	14,341
			<u>58,484</u>	<u>75,614</u>
	Cash at bank			
	- Savings accounts		56,831,894	58,923,393
	- Current accounts		19,467,860	13,318,736
	Cash and cash equivalents		<u>76,358,238</u>	<u>72,317,743</u>
15.2	These carry mark-up ranging from 9% to 11.5% (2023: 14.50% to 20.75%) per annum on outstanding balances.			
15.3	These carry mark-up ranging from 3.92% to 6.80% (2023: 3.90% to 5.05%) per annum on outstanding balances.			
16	ORDINARY SHARE CAPITAL			
16.1	AUTHORIZED SHARE CAPITAL			
			2024	2023
			(Rupees in '000)	
	Number of shares	Note		
	<u>90,000,000</u>		<u>9,000,000</u>	<u>9,000,000</u>
	90,000,000 Ordinary shares of Rs. 100 each			
16.2	Issued, subscribed and paid up share capital			
			2024	2023
			(Rupees in '000)	
	Number of shares			
	<u>80,000,000</u>		<u>8,000,000</u>	6,200,000
	62,000,000 Ordinary shares of Rs. 100 each fully paid in cash			
	- 18,000,000 Issued during the year	16.3	-	1,800,000
	<u>80,000,000</u>		<u>8,000,000</u>	<u>8,000,000</u>
16.3	During the year, the Corporation issued share capital amounting to Rs. Nil (2023: Rs.1,800 million) with the approval of Finance Division wing of Government of Pakistan vide letters dated 17 October 2023.			

17	LEDGER ACCOUNT C AND D	Note	2024 ----- (Rupees in '000) -----	2023 -----
	Opening balance		44,216,359	27,400,780
	Change in solvency margin through statement of comprehensive income		21,513,678	16,815,579
			<u>65,730,037</u>	<u>44,216,359</u>
	Related deferred tax liability on:			
	Opening balance		(15,615,932)	(9,210,234)
	Charge to statement of comprehensive income		(7,998,384)	(6,405,698)
	Closing balance		(23,614,316)	(15,615,932)
	Net of tax		<u>42,115,721</u>	<u>28,600,427</u>
18	RESERVES			
	Revenue reserves			
	General reserve		<u>1,031,761</u>	<u>1,661,919</u>
19	INSURANCE LIABILITIES			
	Reported outstanding claims (including claims in payment)	19.1	64,992,051	57,034,672
	Incurred but not reported claims	19.2	11,309,944	9,398,543
	Investment component of unit-linked and account value policies	19.3	1,963,409	804,216
	Liabilities under individual conventional insurance contracts	19.4	1,905,429,231	1,589,029,838
	Liabilities under group insurance contracts (other than investment linked)	19.5	10,872,336	7,976,153
	Other insurance liabilities (premium deficiency reserve)	19.6	3,546,382	1,522,083
			<u>1,998,113,353</u>	<u>1,665,765,505</u>
19.1	Reported outstanding claims (including claims in payment)			
	Gross of Reinsurance			
	Payable within one year		64,992,051	57,034,672
	Payable over a period of time exceeding one year		-	-
			<u>64,992,051</u>	<u>57,034,672</u>
	Recoverable from Reinsurance			
	Receivable within one year		-	-
	Receivable over a period of time exceeding one year		-	-
			<u>-</u>	<u>-</u>
	Net reported outstanding claims		<u>64,992,051</u>	<u>57,034,672</u>
19.2	Incurred but not reported claims			
	Gross of reinsurance		11,309,944	9,398,543
	Reinsurance recoveries		-	-
	Net of reinsurance		<u>11,309,944</u>	<u>9,398,543</u>
19.3	Investment component of unit-linked and account value policies			
	Investment component of unit-linked policies		<u>1,963,409</u>	<u>804,216</u>
19.4	Liabilities under individual conventional insurance contracts			
	Gross of reinsurance		1,906,916,958	1,590,359,425
	Reinsurance credit		(1,487,727)	(1,329,587)
	Net of reinsurance		<u>1,905,429,231</u>	<u>1,589,029,838</u>

		2024	2023
	Note	(Rupees in '000)	
19.5 Liabilities under group insurance contracts (other than investment linked)			
Gross of reinsurance		10,872,336	7,976,153
Reinsurance credit		-	-
Net of reinsurance		<u>10,872,336</u>	<u>7,976,153</u>
19.6 Other insurance liabilities (premium deficiency reserve)			
Gross of reinsurance		3,651,193	1,553,747
Reinsurance recoveries		(104,811)	(31,664)
Net of reinsurance		<u>3,546,382</u>	<u>1,522,083</u>
20 RETIREMENT BENEFIT OBLIGATIONS			
Post retirement benefits		2,897,207	4,924,749
Accumulated compensation absences		2,487,198	2,179,000
		<u>5,384,405</u>	<u>7,103,749</u>

As stated in note 4.13, the Corporation operates employees' pension fund, officers' gratuity funds and employees' post retirement medical benefits.

The latest actuarial valuation of the schemes, as at 31 December 2024, was carried out by independent actuaries, Akhtar & Hasan (Private) Limited, using the projected unit credit method. The results of the actuarial valuations are as follows:

20.1 Post retirement benefits

	Employees' Pension Fund		Officers Gratuity Fund		Employees' PRMB Scheme	
	2024	2023	2024	2023	2024	2023
	(Rupees in '000)					
Balance Sheet Reconciliation						
Fair value of plan assets	40,446,255	30,859,384	16,668	23,476	-	-
Present value of defined benefit obligations	(39,172,740)	(32,290,269)	(9,076)	(17,218)	(4,178,313)	(3,500,123)
Recognized liability	<u>1,273,515</u>	<u>(1,430,884)</u>	<u>7,592</u>	<u>6,259</u>	<u>(4,178,313)</u>	<u>(3,500,123)</u>
Movement in the fair value of plan assets						
Fair value as at 01 January	30,859,384	27,601,890	23,476	68,621	-	-
Expected return on plan assets	4,646,725	3,917,881	2,875	8,104	-	-
Actuarial gain / (loss)	3,449,588	(727,098)	810	1,751	-	-
Employer contributions	1,490,557	66,712	(9,298)	(45,521)	-	-
Benefits paid	-	-	(1,194)	(9,480)	-	-
Fair value as at 31 December	<u>40,446,255</u>	<u>30,859,384</u>	<u>16,669</u>	<u>23,476</u>	<u>-</u>	<u>-</u>
Movement in the defined benefit obligations						
Obligation as at 01 January	32,290,269	29,328,783	17,218	37,293	3,500,123	2,503,097
Current service cost	843,655	841,843	334	679	129,632	718,920
Interest cost	4,873,698	4,184,034	1,930	3,609	532,351	356,438
Actuarial gain / (loss)	3,580,814	(166,037)	(893)	32,947	183,036	43,284
Benefits paid	(2,415,694)	(1,898,354)	(9,512)	(57,311)	(166,829)	(121,615)
Obligation as at 31 December	<u>39,172,741</u>	<u>32,290,269</u>	<u>9,076</u>	<u>17,218</u>	<u>4,178,313</u>	<u>3,500,123</u>
Cost						
Current service cost	843,655	841,843	334	679	129,632	718,920
Interest cost	4,873,698	4,184,034	1,930	3,609	532,351	356,438
Expected return on plan assets	(4,646,725)	(3,917,881)	(2,875)	(8,104)	-	-
Recognition of actuarial loss	131,226	561,061	(1,703)	31,196	183,036	43,284
Expense	<u>1,201,854</u>	<u>1,669,056</u>	<u>(2,314)</u>	<u>27,381</u>	<u>845,019</u>	<u>1,118,642</u>
Actual return on plan assets	<u>8,096,313</u>	<u>3,190,782</u>	<u>3,685</u>	<u>9,855</u>	<u>-</u>	<u>-</u>
Principal actuarial assumptions used are as follows:						
Discount rate and expected return on plan assets	12.25%	15.50%	12.25%	15.50%	12.25%	15.50%
Salary increase rate	10.25%	12.50%	10.25%	12.50%	10.25%	12.50%
Pension increase rate	7.50%	9.50%	-	-	-	-

Mortality rates

		SLIC (2001-05)-1					
		Employees' Pension Fund		Officers Gratuity Fund		Employees' PRMB Scheme	
Maturity profile of the defined benefit obligation		2024	2023	2024	2023	2024	2023
		Rupees in '000					
Weighted average duration		8.75	7.97	0.45	0.83	8.72	7.83
Distribution of timing of benefit payments (time in years)							
	1	2,971,882	2,601,045	9,733	10,224	253,252	265,739
	2	3,077,623	3,081,337	-	10,070	271,356	282,946
	3	3,290,335	3,245,257	-	-	313,444	327,157
	4	3,978,207	3,560,609	-	-	365,678	371,717
	5	4,551,142	4,141,157	-	-	433,892	423,210
	6-10	25,501,875	26,956,168	-	-	3,200,258	3,423,569

Comparison for five years:

As at 31 December		2024	2023	2022	2021	2020
		Rupees in '000				
Fair value of plan assets		(40,462,923)	(30,882,861)	(27,670,511)	(27,150,514)	(28,095,183)
Benefit obligations		43,360,130	35,807,610	31,869,174	31,553,841	28,578,109
Arrears		-	-	-	36,747	-
Deficit		2,897,207	4,924,749	4,198,662	4,440,074	482,926
Experience adjustments						
Loss on plan assets (as percentage of plan assets)			-7%	-16%	-15%	-16%
Loss on benefit obligations (as percentage of benefit obligations)			7%	14%	13%	14%
						2%

The effect of a 1% movement in actuarial assumptions are as follows:

		Employees' Pension Fund		Officers Gratuity Fund		Employees' PRMB Scheme	
		2024	2023	2024	2023	2024	2023
Impact on the defined benefit obligation							
Increase in assumption of discount rate		35,743,444	29,716,517	9,036	17,077	3,814,171	3,225,908
Decrease in assumption of discount rate		43,250,621	35,307,007	9,117	17,361	4,603,357	3,815,987
Increase in assumption of long term salary increase		40,079,488	32,754,882	-	17,218	4,348,031	3,627,398
Decrease in assumption of long term salary increase		38,339,003	31,859,521	-	17,218	4,024,204	3,385,122
Increase in assumption of pension increase rate		41,906,212	34,324,759	-	-	-	-
Decrease in assumption of pension increase rate		36,807,524	30,511,514	-	-	-	-
Expected contribution for the year.		2025		2025		2025	
Current services cost		1,085,550		116		157,338	
Interest income / (cost) - net		(139,205)		(926)		506,138	
		946,344		(810)		663,476	

Plan assets comprise of the following:

		Employees' Pension Fund				Officers Gratuity Fund			
		2024		2023		2024		2023	
		Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
Equity		-	-	-	-	-	-	-	-
Debt		38,529,202	95%	30,307,404	98%	-	-	-	-
Others (including cash and bank balances)		1,917,053	5%	551,981	2%	16,668	100%	23,476	100%
		40,446,255	100%	30,859,385	100%	16,668	100%	23,476	100%

20.2 Accumulated compensation absences movement in payable

	2024	2023
	(Rupees in '000)	
Opening balance	2,179,000	1,915,000
Addition during the year	308,198	264,000
Closing balance of compensated absences	2,487,198	2,179,000

21	DEFERRED TAXATION	2024	2023
		----- (Rupees in '000) -----	
	Deferred tax credit arising in respect of:		
	On retained balance on Ledger Account D	23,614,317	15,615,932

	Balance as at 01 January 2024	Recognised in the statement of comprehensive income	Balance as at 31 December 2024
	----- (Rupees in '000) -----		
Deferred credit arising in respect of:			
- on retained balance on Ledger Account D	15,615,932	7,998,384	23,614,317
Deferred credit arising in respect of:			
- on retained balance on Ledger Account D	9,210,234	6,405,698	15,615,932

22	INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL PAYABLES	Note	2024	2023
			----- (Rupees in '000) -----	
	Due to other insurers / reinsurers		2,843,961	1,994,831
23	OTHER CREDITORS AND ACCRUALS			
	Agents commission payable		8,754,916	7,859,171
	Accrued expenses		21,479,308	16,311,117
	Profit commission payable to Bureau of Emigration & Overseas Employment	23.1	8,643,141	8,004,744
	Payable to PHIMC	23.2	16,274,469	3,933,105
	Experience refund payable		200,347,222	140,087,218
	Other liabilities		18,587,577	14,243,384
			274,086,632	190,438,739

23.1 This represents the commission payable to the Bureau of Emigration & Overseas Employment under the Emigrant Group Insurance Contract, to be utilized by BOE for emigrant welfare and related initiatives.

23.2 This represents amount payable to Punjab Health Initiative Management Company ('PHIMC') in respect of its share as part of universal health insurance in the territory of Punjab province as identified in the notification vide No. SO(DEV-I)25-69/2020(P-PVI).

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 According to the Sindh Sales Tax on Services Act 2011, sales tax is payable on life and health insurance premium written in the province of Sindh. The Punjab, Baluchistan and KPK Revenue Authorities have also introduced sales tax on life and health insurance premium effective from November 01, 2018 and July 03, 2015 and 2021 respectively.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) actively taken up the matter with the provincial revenue authorities for the exemption on sales tax. The industry's main contention is that life insurance is not a service, but in fact, in sum and substance, a contingent contract under which payment is made on occurrence of an event, specified in the terms of contract or policy and thus is a financial arrangement. Superior courts in foreign jurisdiction have held that insurance is not a service.

In this relation, the legal advisors have also opined that an insurance contract is essentially a financial transaction, which is unrelated to the sale of any identifiable consumer goods or service, and as such, in leading jurisdictions, it has been widely held that insurance is not a service and hence, does not fall within the scope of taxability under the provincial sales tax laws.

Subsequently, insurance companies collectively filed Constitutional Petitions before Hon'ble High Courts of Lahore (writ petition no. 55421/2019), High Court, Sindh (C.P. No. D.7677 of 2019 and 4318 of 2023) and High Court, Peshawar (3521 of 2023). As far as Baluchistan Revenue Authority is concerned, no notice or communication has been received by the Corporation hence, no petition is yet filed before any court.

The SHC, in its judgement dated 14 January 2025, dismissed the petition and referred the case back to the Sindh Revenue Board . State Life Insurance Corporation of Pakistan along with the Insurance Association of Pakistan, recently filed CPLA 1101 of 2025 in the Honorable Supreme Court of Pakistan against the judgement of High Court, Sindh.

In view of the opinion of legal advisor the Corporation has calculated estimated aggregated amount of sales tax liability amounting to Rs. 10,674.46 million (31 December 2023: Rs. 8,233.86 million), which is calculated based on risk premium and excluding the investment amount allocated to policies. The management contends that should the administrative efforts fail, the amount will be charged to the policyholders.

24.1.2 The Corporation filed reference applications before the Honorable High Court of Sindh contesting the decision of the ATIR for assessment years 1992-1993 to 1995-1996 relating to turnover tax. Inland Revenue Department invoked provisions of turnover tax on the ground that the tax paid under Fourth Schedule of the repealed Income Tax Ordinance, 1979 is less than turnover tax and hence, should be paid accordingly. The Corporation filed aforesaid appeals on the ground that Fourth Schedule of the repealed Ordinance restricts taxable income to that portion of actuarial surplus which is attributed to the shareholders fund by the appointed Actuary.

Sindh High Court vide judgement dated 24 November 2020 decided these reference applications against the Corporation. Corporation filed CPLAs before the Honorable Supreme Court of Pakistan against judgement of the Sindh High Court. The CPLAs filed by the Corporation before the Supreme Court of Pakistan (SCP) were heard on 11 March 2025 and were disposed of with a direction to refer the same to the Alternative Dispute Resolution Committee (ADRC) provided under section 134(A) of the Income Tax Ordinance, 2001. The Federal Board of Revenue vide its notice dated 09 April 2025 directed the SLIC to file an application for constitution of ADRC to the Chairman FBR. SLIC is in the process of filing application. Management of the Corporation and its tax advisor are confident that ultimate outcome of these matters will be in favour of the Corporation.

In addition to the above and subsequent to the above mentioned judgement of Sindh High Court, Karachi; Additional Commissioner Inland Revenue, Large Taxpayers Office, Karachi issued notices u/s 122(9) of the Income Tax Ordinance, 2001 for tax years 2018 to 2023, confronting that tax paid by the Corporation under Fourth Schedule for above referred tax years is less than 1.25% of its gross turnover. Hence, in terms of the provisions of section 113 of the Ordinance, Corporation is liable to pay minimum tax @ 1.25% of its gross turnover. Corporation, through its tax consultant furnished replies in which it was argued that owing to the special nature of insurance business, section 99 of the Ordinance states that taxation of insurance business is governed through special statute i.e. Fourth Schedule. Rule 2 of the Fourth Schedule provides that profit and gains of a life insurance business shall be current year's surplus appropriated to statement of comprehensive income as per advice of the appointed Actuary. Further, as per Rule 3 of the Fourth Schedule, amount paid to, reserved for or expanded on behalf of the policyholders shall be allowed as deduction. It is evident that tax can only be levied on shareholder's surplus appropriated to statement of comprehensive income whereas policyholder's surplus is exempt from tax. Major portion of the premium received from policyholders is reserved/invested in the pooled investment account to meet the statutory obligations of claim payments. Levying minimum tax on gross turnover is tantamount to tax on policyholders which is against the intent of the legislature.

Subsequent to the submission of replies, Additional Commissioner passed amended assessment orders for tax years 2018 to 2023 wherein tax demand of Rs. 14,293 million was raised. Being aggrieved from impugned assessment orders, Corporation filed appeals before CIR-A who held Corporation liable for Minimum tax on turnover. The Corporation submitted an application to the Chairman FBR for Alternate Dispute Resolution Committee (ADRC) under Section 134A of the Income Tax Ordinance, 2001, concerning the matter of minimum tax. Subsequently the ADRC held on 05 December 2024. The Committee in principle confirmed that the provisions of Section 113 - Minimum Tax are applicable to SLIC. The committee further decided that 97.5% of the investment income and interest income elements from the turnover are not included in the turnover. Pursuant to this decision, SLIC made a payment of Rs. 8,685 million under protest. Being aggrieved by the outcome and due to certain errors in the calculation in the ADRC's order dated December 6, 2025, SLIC requested reconstitution of the ADRC. Till date, no ADRC yet been constituted by FBR.

In addition to the above, notices u/s 122(5A)/122(9) on 14 April 2025 were issued by the Additional Commissioner for tax years 2003 to 2008 & 2010 to 2017 requiring explanation as to why minimum tax under section 113 may not be charged. The notices also contain an order F.No.3(22)S(IR-Operations)/ 2023 dated 20 March 2025 issued by the Board condoning the time limit specified under section 122(4) of the Ordinance under section 214A in respect of tax years 2003 till 2017 for State Life Insurance Corporation of Pakistan. The Corporation received these notices as on 17 April 2025.

24.1.3 In the year 2010, the IR served legal notices to the Corporation, requiring it to explain why the withholding tax under section 151(1)(d) of the Income Tax Ordinance, 2001 has not been deducted on payments made to the policyholders on the Maturity of the Policy. Those notices were related to tax years 2008 and 2009.

According to those notices, the IR were of opinion that Corporation was required to withhold Income Tax on maturity claims. The department considered that the total amount of a matured policy given to the policy holder consist of bonuses and the sum assured. The bonuses are given to the policy holder on the basis the amount of premium received during the whole term of the policy which is a form of interest or profit on debt. Hence, the Corporation u/s 15 (1)(d) is liable for deducting withholding tax @ 10% on the amount of bonuses paid to policyholder on maturity. Therefore, the IR raised demands of Rs.710.12 million and Rs. 738.51 million as withholding tax for tax year 2008 and 2009 respectively.

The Corporation filed appeals before CIR(A) who decided the subject appeals in favor of Corporation vide order No. 27 and 28, dated 29 September 2011 on the grounds that the provisions of section 151(1)(d) of the Income Tax Ordinance, 2001 are not attracted to the payments made by way of bonuses on the maturity of the policies as the same can not be construed to be interest or profit on debt. The demand raised by the Department has not been enforced after above judgment of CIR(A), therefore, no payment was made against the demand. Inland Revenue filed appeals before the ATIR against the above orders of CIR(A) which were dismissed by learned ATIR vide order No. 506-07/KB/2012 on 17 April 2014. Inland Revenue Department filed appeals before High Court of Sindh, Karachi against the orders of ATIR. Management of the Corporation and its tax advisor are confident that ultimate outcome of this matter will be in favor of the Corporation and accordingly no provision has been made in these financial statements.

24.1.4 In the year 2013, Inland Revenue Department issued similar notices to Corporation regarding withholding of tax on maturity proceeds of insurance policies as described in note 24.1.2. These notices were related to Tax Year 2011 to Tax Year 2012 stating that the Department holds a similar stance as described in the said note. Reply was filed by the Corporation through authorized representative which was not accepted by the Department and order u/s 161 and 205 of the Income Tax Ordinance was passed, resulting in total demand of Rs. 1,577.46 million (Rs. 1,249.14 million as withholding tax and Rs. 328.32 million as default surcharge). In the year 2013, Inland Revenue Department issued similar notices to Corporation regarding withholding of tax on maturity proceeds of insurance policies as described in note 24.1.2. These notices were related to Tax Year 2010 to Tax Year 2012 stating that the Department holds a similar stance as described in the said note. Reply was filed by the Corporation through authorized representative which was not accepted by the Department and order u/s 161 and 205 of the Income Tax Ordinance was passed, resulting in total demand of Rs. 1,577.46 million (Rs. 1,249.14 million as withholding tax and Rs. 328.32 million as default surcharge).

The entire tax demand of Rs. 1,577.46 million was discharged under protest and without prejudice to its legal right to appeal. The Corporation filed appeals before CIR (A) which was not upheld. The Corporation then filed appeal before ATIR against the above order which has been decided in favour of Corporation vide consolidated order dated 21 February 2017. Inland Revenue Department has filed reference applications before Sindh High Court, Karachi against the order of Tribunal. Out of total tax payment of Rs. 1,577.46 million, Inland Revenue Department adjusted Rs. 587.39 million against tax demand pertaining to tax years 2011 and 2017. Balance amount of Rs. 990.08 million has been adjusted against advance tax payment for tax year 2025.

Further, LTU, Karachi had also issued notice u/s 161/205 of the Income Tax Ordinance, 2001 similar to the notices issued in the previous years to invoke the section 151 (1)(d) of the Ordinance to recover withholding tax from the Corporation on the amount of bonus paid to the policyholders on the maturity of the policies during the tax year 2013. Reply was filed through tax consultant which was not agreed by Department and order u/s 161/205 was passed and tax demand amounting to Rs. 609.23 million including default surcharge of Rs. 99.11 million was raised which was discharged without prejudice to legal rights to appeal. Appeal was filed before CIR (A) against said order which was upheld vide order # 34 dated 30 March 2015.

Inland Revenue Department has issued refund amounting to Rs. 500 million from appeal effect of Tax Year 2013 in July, 2015. Further, IR Department has adjusted outstanding demand for tax year 2009, 2010 and 2011 at Rs. 10.8 million, Rs. 12.58 million and Rs. 56.37 million respectively against pending appeal effect of tax year 2013. Balance appeal effect of Rs. 29.48 million has been adjusted against advance tax payment for tax year 2025. Inland Revenue Department has filed an appeal before ATIR against the said order of the CIR (A) which has been decided in favour of the Corporation vide order dated 25 March 2024.

The reference application of the tax department is pending before Sindh High Court. The management and legal counsel are optimistic that ultimate outcome shall be decided in favor of the Corporation as ATIR has decided the appeals related to similar issue in previous years in favour of the Corporation. Therefore no provision has been made in these financial statements.

24.1.5 Additional Commissioner Inland Revenue, Audit Range-B, Zone-III, LTU, Karachi also issued notices u/s 122 of the Ordinance to the Corporation related to tax years 2011, 2013 and 2014. Vide Said notices, ACIR confronted almost similar issues as stated at note 24.1.3 and 24.1.4. The Corporation responded through tax consultant for these notices. Subsequently, ACIR passed amended orders whereby demand of Rs. 520.63 million was raised (Tax Year 2011: Rs. 56.37 million, Tax Year 2013 Rs. 107.12 million and Tax Year 2014: Rs. 357.14 million). Inland Revenue Department adjusted the demand related to tax year 2011 from pending appeal effect related to tax year 2013. Further, demand related to tax years 2013 and 2014 was adjusted by Inland Revenue Department from pending refund related to tax year 2015. the Corporation, being aggrieved from above orders of ACIR, filed appeals before CIR (A). Issues related to subjecting dividend income to normal tax rate, addition on account of inter-office rent expense, provision for diminution in value of investments and tax on Bureau Fund has been decided in favor of the Corporation by CIR (A). However, issues related to deduction claimed on account of real estate expenses and provision for bad and doubtful debts are decided against the Corporation. Further, issues of interest free loans to employees, alleged short withholding of tax on advertisement and training expenses and reduction in tax liability due to reduction in taxable surplus for tax years 2012 and 2013 were remanded back to concerned ACIR for re-adjudication. Inland Revenue Department as well as the Corporation filed appeals before ATIR against the orders of CIR (A). Further, on the directives of CIR (A), ACIR issued notice dated 17 April 2020 in respect of remand back issues in respect of tax year 2014. the Corporation has duly submitted relevant information along with supporting documents to the ACIR. The ACIR has not yet passed an order in respect of the same.

24.1.6 Additional Commissioner Inland Revenue, Audit Range B, Zone-III, LTU Karachi served notice u/s 122(9) of the Ordinance dated 10 December 2020 to the Corporation in respect of tax year 2020. Vide above notice, ACIR confronted certain issues like deduction claimed on account of investment property related expenses, advances to employees at interest rate lower than benchmark rate, difference between profit as per financial statements and as per tax return, alleged short withholding of tax on commission and advertisement/sales promotion, etc. Based on the information/explanation submitted by the Corporation to tax authorities against above notice, ACIR passed an amended assessment order u/s 122 (5A) whereby tax demand of Rs. 458.25 million was raised. Out of aforesaid tax demand, recovery of Rs. 306.04 million was not enforced by Inland Revenue Department as Lahore High Court has granted stay to Field Worker's Federation of Pakistan. Balance tax demand amounting to Rs. 152.21 million has been adjusted against tax refund pertaining to tax year 2012. the Corporation has filed appeal before CIR-A against amended assessment order.

CIR-A vide order dated 09 March 2023 decided the issues of WHT on sales field office expenses, commission paid outside Pakistan, advertisement expenses paid outside Pakistan, electricity and telephone bills, other benefits to insurance intermediaries (group life business) in favour of the Corporation. However, issue related to additions on account of investment property related expenses is decided against the Corporation. Further, issues of adjustment of tax liability against prior year refund, loans/advances to employees are remanded back to the concerned tax officer. Corporation as well as Inland Revenue Department filed cross appeals before the Appellate Tribunal Inland Revenue against the order of the CIR(A), which are still pending for hearing.

- 24.1.7** Returns of taxable income, being a deemed assessment order u/s 120(1) of the Income Tax Ordinance, 2001 were duly submitted by the Corporation to FBR for tax year 2003 and 2006.

Notices dated 12 August 2008 and 22 May 2012 were issued by the ACIR to the Corporation u/s 122(5A)/122(9) of the Ordinance for tax year 2003 and 2006 respectively for amendment of abovementioned deemed assessment orders on the grounds that surplus attributable to the policyholders was not paid within three years from the year of its appropriation and hence it should be added back in the taxable income of the Corporation under the provisions of section 34(5) of the Ordinance.

The Corporation submitted detailed explanation/information along with relevant supporting documents against above notices to the tax authorities. ACIR passed amended assessment orders u/s 122(5A) of the Ordinance dated 29 September 2008 and 30 June 2012 and determined tax demand of Rs. 2,126.25 million and Rs. 1,401.20 million for tax year 2003 and 2006 respectively.

Appeals against amended assessment passed by the ACIR were filed by the Corporation before the CIRA. CIRA deleted the above demands vide orders dated 04 July 2012 and 31 October 2012 for tax years 2003 and 2006 respectively.

Inland Revenue Department filed appeals before Appellate Tribunal Inland Revenue against the orders of CIRA which were also decided in favour of the Corporation vide consolidated order dated 21 September 2016. Inland Revenue Department has filed Income Tax Reference Applications before Honorable High Court of Sindh, Karachi against the order of ATIR which are pending adjudication.

- 24.1.8** Deputy Commissioner (Unit-37), Sindh Revenue Board (SRB) issued demand notice dated 30 July 2024 for deposit of Sindh Workers Welfare Fund (SWWF) under the provisions of The Sindh Workers Welfare Fund Act, 2014 for Financial Years 2022 and 2023 for Rs. Rs. 413 million and Rs. 490 million respectively. SLIC referred these notice for legal opinion on the status of applicability of the SWWF on SLIC being a Statutory Corporation controlled by the Federal Government. And as per the legal opinion, this tax is not applicable on SLIC. SLIC also obtained the comments from its Tax Consultant and the answer was the same is inapplicable. The matter is still pending.
- 24.1.9** Additional Commissioner Inland Revenue, Audit Range B, Zone-III, LTU Karachi served notice u/s 122(9) of the Ordinance dated 29 April 2020 to the Corporation in respect of tax year 2018. Vide above notice, ACIR confronted certain issues like deduction claimed on account of unrealized loss on financial assets and investment property related expenses, advances to employees at interest rate lower than benchmark rate and difference between profit as per financial statements and as per tax return.

Based on the information/explanation submitted by the Corporation to tax authorities against above notice, ACIR passed an amended assessment order u/s 122 (5A) whereby tax refundable position of Rs. 1,007.84 million is determined for tax year 2018.

An appeal against all the above-mentioned assessments made by the ACIR was filed by the Corporation before the CIRA on 29 September 2020. The CIRA, on the basis of the facts of the case and the arguments submitted, passed an order dated 21 December 2021. Through the said order, issue of impairment in value of shares is decided in favour of Corporation whereas issue of investment property related expenses is decided against the Corporation. Further, issues of unrealized loss on investments, investment related expenses and interest on loans / advances to employees were remanded back to the concerned taxation officer for reassessment. Corporation as well as Inland Revenue Department filed cross appeals before the Appellate Tribunal Inland Revenue against the order of the CIRA, which are still pending for hearing. No date for the hearing has been fixed till date.

Other Tax Matters

The Corporation is currently involved in various tax litigations with tax authorities pertaining to withholding taxes and income tax return assessments, with an aggregate exposure of Rs. 1,742 million. Based on the opinion of the Corporation's tax advisors, management believes that the ultimate outcome of these matters will be decided in the Corporation's favor. Accordingly, no provision has been recognized in these financial statements in respect of these matters.

24.2 As of the reporting date, there are several suits in the nature of civil services of employees, rental disputes etc, where the Corporation is defendant. These suits are nominal in value and has no material impact on these unconsolidated financial statements.

24.3 Commitments

The Corporation is committed in respect of capital expenditure contracts aggregating to Rs. 900 million (2023: Rs. 900 million). There were no other commitments at the reporting date.

	2024	2023
	----- (Rupees in '000) -----	
Letter of guarantees	<u>552,387</u>	<u>351,516</u>
25 NET PREMIUM REVENUE / CONTRIBUTION REVENUE	2024	2023
	----- (Rupees in '000) -----	
Gross premiums / contribution:		
Regular premium / contribution individual policies		
First year	29,400,793	24,784,670
Single premium / contribution individual policies	1,376,778	2,165,317
Second year renewal	20,829,244	16,395,897
Subsequent year renewal	106,589,657	101,823,241
Group policies with cash values	64,252	65,176
Group policies without cash values	169,247,308	193,465,524
Less: experience premium refund	<u>(62,239,883)</u>	<u>(69,821,320)</u>
Total gross premiums/ contribution	265,268,149	268,878,505
Less: reinsurance premiums / contribution ceded		
On individual life first year business	(114,678)	(339,069)
On individual life second year business	(65,897)	(61,394)
On individual life renewal business	(266,328)	(233,072)
On group policies	(551,082)	(638,741)
Less: Reinsurance commission on risk premium	104,071	237,953
	<u>(893,914)</u>	<u>(1,034,323)</u>
Net premiums revenue / contribution	264,374,235	267,844,182
26 INVESTMENT INCOME		
Income from equity securities		
Fair value through profit or loss		
- Dividend income	20,417,184	12,198,136
Income from government and debt securities		
Held to maturity		
- Return on government and debt securities	149,045,438	136,899,491
Fair value through profit or loss		
- Return on debt securities	9,637	-
	<u>169,472,259</u>	<u>149,097,627</u>

27	NET REALIZED FAIR VALUE GAIN ON FINANCIAL ASSETS	2024	2023
		----- (Rupees in '000) -----	
	Fair value through profit or loss		
	Realized gain on equity securities	17,936,470	5,344,013
28	NET FAIR VALUE GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
	Net unrealized gain on investments at fair value through profit or loss	119,811,764	33,383,199
	Reversal related to the appreciation on shares held by LIC	-	5,573
	Investment related expenses	(110,876)	(172,493)
		119,700,888	33,216,279
29	NET RENTAL INCOME		
	Rental income	1,957,363	1,813,125
	Less: expenses attributable to investment properties	(1,025,715)	(971,403)
		931,648	841,722
29.1	This includes depreciation expense of Rs. 38.227 million related to property and equipment and Rs. 90.779 million related to investment properties.		
30	OTHER INCOME	Note	2024
			2023
		----- (Rupees in '000) -----	
	Return on bank balances	27,341,724	16,479,311
	Gain on sale of property and equipment	1,857	4,094
	Return on loans to employees	85,042	63,167
	Return on loans to policyholders	31,786,320	44,148,666
	Exchange gain on revaluation	-	8,365,260
	Miscellaneous income	355,060	291,679
		59,570,003	69,352,177
31	NET INSURANCE BENEFITS		
	Gross Claims		
	Claims under individual policies		
	- by death	11,171,598	10,297,340
	- by insured event other than death	229,486	246,476
	- by maturity	50,257,889	38,110,066
	- by surrender	78,096,551	88,549,781
	- annuity payments	15,129	15,295
	- Bonus in cash	-	27
	Total gross individual policy claims	139,770,653	137,218,985
	Claims under group policies		
	- by death	8,232,234	7,350,270
	- by insured event other than death	80,825,885	103,280,593
	- by maturity	-	-
	- by surrender	847	3,684
	- annuity payments	233	467
	Total gross group policy claims	89,059,199	110,635,014
	Total gross claims	228,829,852	247,853,999
	Less: Reinsurance Recoveries		
	-on individual life claims	(204,570)	(32,932)
	-on group life claims	(319,418)	(331,437)
		(523,988)	(364,369)
	Claim related expenses	22,533	23,161
	Net insurance benefit expense	228,328,397	247,512,792

31.1 There are various cases pertaining to policyholders in relation to individual and group insurance policies, claiming amount due as per policy amounting to Rs. 281.58 million (31 December 2023: Rs. 1,030.18 million) but the Corporation is of the view that such claims are not valid based on the criteria provided in the policy issued. In total there are 178 cases out of which 8 cases are in the Supreme Court of Pakistan, 162 cases are pending in different High Courts of Pakistan and remaining in the lower courts.

31.2 Claim Development

Accident years	2020	2021	2022	2023	2024
Estimate of ultimate claims cost: -	(Rupees in '000)				
At the end of accident year	5,492,587	8,621,074	7,663,223	8,284,151	9,308,375
One year later	8,073,977	11,416,349	10,845,731	11,982,175	-
Two years later	8,362,670	11,877,728	11,460,315	-	-
Three years later	8,467,045	12,082,209	-	-	-
Four years later	8,527,961	-	-	-	-
Current estimate of cumulative claims	8,527,961	12,082,209	11,460,315	11,982,175	9,308,375
Cumulative payments	(7,058,046)	(10,390,879)	(10,292,762)	(10,822,324)	(10,275,830)
	1,469,915	1,691,330	1,167,553	1,159,851	(968,455)
Claim prior to 2020					5,524,341
Liability recognized in the statement of financial position					4,554,886

32 UNCLAIMED INSURANCE BENEFIT

Circular 11 of 2014 dated 19 May 2014 issued by the Securities and Exchange Commission of Pakistan (SECP) has established requirement for all insurers to disclose age wise break up of unclaimed insurance benefits in accordance with format prescribed in the annexure to the said circular.

The unclaimed benefits are described in the circular as the amounts which have become payable in accordance with the terms and conditions of an insurance policy but have not been claimed by the policyholders or their beneficiaries. Such unclaimed amounts may fall into the following categories:

Description	Total Amount	1-6 Months	7-12 Months	13-24 Months	25-36 Months	Beyond 36 Months
	(Rupees in '000)					
Unclaimed maturity benefits	9,320,152	4,533,774	1,033,398	2,174,963	1,578,017	-
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
	9,320,152	4,533,774	1,033,398	2,174,963	1,578,017	-

33 ACQUISITION EXPENSES

Remuneration to insurance intermediaries on individual policies:

	Note	2024	2023
- commission to agent on first year premiums		15,171,190	14,763,718
- commission to agent on second year premiums		2,713,223	2,091,861
- commission to agent on subsequent renewal premiums		3,619,270	3,430,965
- other benefits to insurance intermediaries		2,998,445	1,921,747
- branch overhead	33.1	5,121,246	4,596,333
Total		29,623,374	26,804,624

Remuneration to insurance intermediaries on group policies:

- commission		17,731	15,975
- other benefits to insurance intermediaries		8,593	2,699
		26,324	18,674

		2024	2023
	Note	(Rupees in '000)	
Other acquisition costs:			
- Stamp duty		2,678,517	2,583,686
- Initial medical fees		108,480	114,741
		<u>2,786,997</u>	<u>2,698,427</u>
		<u>32,436,695</u>	<u>29,521,726</u>
33.1 Branch overhead			
Employee benefits cost		3,508,366	3,095,585
Traveling expense		1,340,747	1,243,845
Printing and stationery		13,568	15,889
Postage and telephone		40,057	38,511
Electricity, gas and water		47,909	35,747
Rent		92,860	91,565
Prize and awards		17,374	21,723
Conference and meetings		56,870	50,071
Repair and maintenance		3,495	3,397
		<u>5,121,246</u>	<u>4,596,333</u>
34 MARKETING AND ADMINISTRATION EXPENSES			
Employee benefit cost	34.1	14,286,767	12,613,161
Travelling expenses		849,109	748,816
Advertisements and sales promotion		230,877	197,334
Printing and stationery		469,209	269,306
Depreciation		234,638	133,317
Rent, rates and taxes		206,983	168,552
Legal and professional charges - business related		2,388,798	2,711,809
Electricity, gas and water		557,944	449,260
Office repairs and maintenance		85,635	75,035
Bank charges		25,609	41,392
Postages, telegrams and telephone		214,857	167,640
Appointed Actuary fees		10,549	10,040
Training expense		129,177	113,448
Annual supervision fees SECP		100,000	150,000
		<u>19,790,152</u>	<u>17,849,110</u>
34.1 Employee benefit cost			
Salaries, allowances and other benefits		13,246,493	11,086,545
Charges for post employment benefits		1,040,274	1,526,616
		<u>14,286,767</u>	<u>12,613,161</u>
35 OTHER EXPENSES			
Auditors' remuneration	35.1	37,491	23,685
Revenue stamps		42,544	56,115
Exchange loss on revaluation		132,963	-
Conference and meetings		155,579	173,406
Insurance charges		525,148	383,559
Office maintenance		185,094	143,678
Entertainment		43,480	32,154
Other expenses		102,905	130,676
		<u>1,225,204</u>	<u>943,273</u>

35.1 Auditors' remuneration

	2024	2023
Note	----- (Rupees in '000) -----	
Business within Pakistan		
Annual audit and half yearly review fee		
BDO Ebrahim & Co.	-	4,028
Riaz Ahmad & Company	18,900	<u>6,075</u>
	18,900	10,103
Out of Pocket		
BDO Ebrahim & Co.	-	840
Riaz Ahmad & Company	2,160	<u>925</u>
	2,160	1,765
Business Outside Pakistan		
Audit fee		
Sajjad Haider and Co	16,431	<u>11,817</u>
Out of pocket expenses	-	-
	16,431	<u>11,817</u>
	37,491	<u>23,685</u>

36 INCOME TAX EXPENSE

For the year		
Current	2,077,880	3,153,732
Deferred	7,998,384	<u>6,405,698</u>
	10,076,265	9,559,430
For the prior year		
Current	(12,482)	<u>200,200</u>
Total income tax charge for the year	10,063,782	<u>9,759,630</u>

36.1 Relationship between tax expense and accounting profit

Profit before tax	25,814,586	24,479,353
Tax at the applicable rate @ 29% (2023: 29%)	7,486,230	7,099,012
Reconciliation:		
Education cess for the year	8,576	3,188
Impact of super tax @ 10% (2023: 10%)	2,581,459	2,447,935
Effect of prior year changes	(12,482)	200,200
Others	-	9,294
Tax expense for the year	10,063,782	<u>9,759,629</u>

37 Earnings per share - Rupees

Profit for the year	15,750,804	<u>14,719,723</u>
	2024	2023
	----- Numbers in '000 -----	
Weighted average number of ordinary shares outstanding as at year end	80,000	<u>80,000</u>
Earnings per share	196.89	<u>184.00</u>

The Corporation has not issued any instrument which would dilute its basic earnings per share when exercised. Therefore, there is no dilutive effect on earnings per share.

38 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND MANAGEMENT EXECUTIVES

	Chief Executive Officer		Directors		Management Executives	
	2024	2023	2024	2023	2024	2023
	----- Rs in '000 -----					
Fees	-	-	17,080	10,910	-	-
Managerial remuneration	62,307	46,042	-	-	1,293,493	805,963
House rent allowance	-	-	-	-	664,199	417,322
Utilities	-	-	-	-	608,848	333,576
Special allowance	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Car allowance	-	-	-	-	-	-
Others	-	-	-	-	250,051	141,430
Reimbursements	-	-	-	-	-	-
Retirement benefits	-	-	-	-	-	-
Staff provident fund	-	-	-	-	-	-
	62,307	46,042	17,080	10,910	2,816,591	1,698,291
Number of persons	1	1	11	12	739	477

38.1 In addition to the above, Chief Executive Officer and Senior Management Executives are also entitled to the Corporation maintained vehicles and mobile phone facility.

39 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Corporation has related party relationships with provident fund, pension fund scheme, gratuity fund, state owned profit oriented entities and its key management personnel.

Accrual of liability in respect of the funds are made annually. Remuneration to key management personnel are determined in accordance with the terms of their employment / appointment. Certain key management personnel are also provided with free use of the Corporation maintained vehicles and post retirement benefits in accordance with their entitlement under the terms of their employment.

The related parties also comprise subsidiaries, directors, key management personnel and employees' benefits funds. The Corporation in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, amounts due from chairman and executive directors are disclosed in the relevant notes.

Terms and conditions of transactions with related parties

Transactions with related parties are carried out at the agreed terms as approved by the Board of Directors. There have been no guarantees provided or received for any related party receivables or payables.

Other material transactions and balances with related parties are given below:

	2024	2023
	----- (Rupees in '000) -----	
Profit oriented state-controlled entities		
Common ownership		
Investment in shares - State Bank of Pakistan	3,221	3,221
PIBs deposited with State Bank of Pakistan	1,246,500	501,500
Subsidiaries		
Alpha Insurance Company Limited (95.15% holding)		
Rental income received	5,761	6,016
Group insurance	1,614	1,652

	2024	2023
	----- (Rupees in '000) -----	
Staff retirement fund		
Contribution to provident fund	331	1,314
Contribution to pension fund	741,335	705,953
Contribution to funded gratuity	295	1,314
Expense charged for pension fund	2,415,694	1,898,354
Transactions with associated companies - common directorship		
Dividend received during the year		
Pakistan Reinsurance Company Limited (24.41% of holding)	219,697	164,772
Fauji Fertilizer Company Limited	2,399,780	1,698,903
Sui Northern Gas Pipelines Company Limited	114,674	41,225
Security Papers Limited	-	61,171
Pak Data Communication	3,203	8,236
Shahtaj Sugar Mills Limited	10,598	-
Wah-Nobel Chemicals Limited	8,980	8,621
Balances with related parties - common directorship		
Investment in units:		
NIT Islamic Equity Fund	444,666	258,955
Balances with related parties		
Retirement benefit obligation	5,384,405	7,103,749
Investment in shares:		
Fauji Fertilizer Company Limited	44,743,567	13,225,503
Sui Southern Gas Company Limited	2,582,845	654,355
Sui Northern Gas Pipelines Company Limited	2,852,582	2,020,560
Alpha Insurance Company Limited	298,818	298,818
Pakistan Cables Limited	817,715	422,803
Security Papers Limited	-	746,676
Shahtaj Sugar Mills Limited	70,649	65,093
Pak Data Communication Limited	145,182	84,949
Premier Insurance Company Limited	29,727	38,596
Pakistan Reinsurance Company Limited	3,451,434	1,689,467
Arabian Sea Country Club Limited	5,000	5,000
PICIC Insurance Limited	-	3,506
Nina Industries Limited	-	4,500
Mirpurkhas Sugar Mills Limited	36,060	61,819
State Life Abdullah Haroon Road Property (Private) Limited (Subsidiary Company) (100% holding) - net of provision	24,700	24,700
State Life Lackie Road Property (Private) Limited (Subsidiary Company) (100% holding) - net of provision	-	-
Wah-Nobel Chemicals Limited	266,341	168,942

40.2 Segmental results by line of business

Income	Statutory Funds						Aggregate	
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund			2024
					Sub Funds			
				Life	Group	Health		
	Rs in '000							
Gross premiums								
- First year	29,155,527	491,728	-	-	1,130,316	-	30,777,571	
- Second year	19,849,078	372,617	-	-	607,549	-	20,829,244	
- Subsequent year renewal	103,612,703	2,778,237	-	-	198,717	-	106,589,657	
Group policies with cash value	-	-	64,252	-	-	-	64,252	
Group policies without cash value	12,177,355	-	-	156,922,041	-	38,146	169,247,308	
Less: experience premium refund	(734,983)	-	-	(61,504,900)	-	-	(62,239,883)	
Total gross premiums	164,059,680	3,642,582	64,252	95,417,141	1,936,582	38,146	265,268,149	
Less: reinsurance premiums ceded								
On individual life first year business	(68,485)	(3,016)	-	-	(43,177)	-	(114,678)	
On individual life second year business	(63,030)	(2,867)	-	-	-	-	(65,897)	
On individual life renewal business	(209,746)	(56,582)	-	-	-	-	(266,328)	
On group policies	(530,373)	-	-	-	(20,709)	-	(551,082)	
Less : Reinsurance commission on risk premium	90,777	13,294	-	-	-	-	104,071	
	(780,857)	(49,171)	-	-	(43,177)	(20,709)	(893,914)	
Net Premiums	163,278,823	3,593,411	64,252	95,417,141	1,893,405	17,437	264,374,235	
Rental income from investment property	931,648	-	-	-	-	-	931,648	
Net investment income	351,976,554	2,482,119	68,119	10,783,334	450,165	4,244	365,771,251	
Total net income	516,187,025	6,075,530	132,371	106,200,475	2,343,570	21,681	631,077,134	
Insurance benefits and expenditures								
Claims, including bonuses, net of reinsurance recoveries	143,297,108	4,270,611	60,828	80,566,875	13,651	8,540	228,328,398	
Management expenses less recoveries	48,207,964	905,694	2,306	3,446,652	871,806	1,732	53,448,990	
Current tax	-	-	-	-	-	-	-	
Total insurance benefits and expenditures	191,505,072	5,176,305	63,134	84,013,527	885,457	10,272	281,777,388	
Excess of income over insurance benefits	324,681,953	899,225	69,237	22,186,948	1,458,113	11,409	349,299,746	
Add : Policyholder liabilities at the beginning of year	1,494,873,358	35,670,364	165,849	1,037,456	1,122,995	-	1,532,870,022	
Less : Policyholder liabilities at the end of year	1,796,778,743	36,549,040	176,824	2,710,168	2,585,690	10,827	1,838,863,974	
Surplus/(deficit) after tax	22,776,568	20,549	58,262	20,514,236	(4,582)	582	43,305,794	

Segmental results by line of business

Income	Statutory Funds						Aggregate	
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund			2023
					Sub Funds			
				Life	Group	Health		
	Rs in '000							
Gross premiums								
- First year	25,700,817	427,147	-	-	822,023	-	26,949,987	
- Second year	15,904,303	258,667	-	-	232,927	-	16,395,896	
- Subsequent year renewal	98,811,381	2,944,041	-	-	67,819	-	101,823,240	
Group policies with cash value	-	-	65,176	-	-	-	65,176	
Group policies without cash value	11,776,348	-	-	181,689,176	-	-	193,465,523	
Less: experience premium refund	(550,607)	-	-	(69,270,713)	-	-	(69,821,321)	
Total gross premiums	151,642,242	3,629,855	65,176	112,418,463	1,122,769	-	268,878,500	
Less: reinsurance premiums ceded								
On individual life first year business	(79,757)	(3,161)	-	(241,570)	(14,581)	-	(339,069)	
On individual life second year business	(61,394)	-	-	-	-	-	(61,394)	
On individual life renewal business	(175,321)	(57,751)	-	-	-	-	(233,072)	
On group policies	(638,741)	-	-	-	-	-	(638,741)	
Less : Reinsurance commission on risk premium	237,953	-	-	-	-	-	237,953	
	(717,260)	(60,912)	-	(241,570)	(14,581)	-	(1,034,323)	
Net Premiums	150,924,982	3,568,943	65,176	112,176,893	1,108,187	-	267,844,181	
Rental income from investment property	841,722	-	-	-	-	-	841,722	
Net investment income	229,370,680	11,368,166	56,003	15,479,881	162,321	-	256,437,051	
Total net income	381,137,384	14,937,109	121,179	127,656,774	1,270,508	-	525,122,955	
Insurance benefits and expenditures								
Claims, including bonuses, net of reinsurance recoveries	140,851,436	3,416,074	46,632	103,169,065	29,584	-	247,512,791	
Management expenses less recoveries	42,869,510	670,791	1,440	4,220,852	547,998	-	48,310,591	
Current tax	9,294	-	-	-	-	-	9,294	
Total insurance benefits and expenditures	183,730,240	4,086,865	48,072	107,389,917	577,582	-	295,832,676	
Excess of income over insurance benefits	197,407,144	10,850,244	73,107	20,266,857	692,925	-	229,290,279	
Add : Policyholder liabilities at the beginning of year	1,312,427,627	27,743,894	122,320	1,172,392	414,278	-	1,341,880,511	
Less : Policyholder liabilities at the end of year	1,494,873,358	35,670,364	165,849	1,037,456	1,122,995	-	1,532,870,022	
Surplus/(deficit) before tax	14,961,413	2,923,774	29,579	20,401,793	(15,792)	-	38,300,768	

40.3 Segment Statement of financial position

	Statutory Funds	Shareholders Fund	2024	Statutory Funds	Shareholders Fund	2023
	Rs in '000					
Assets						
Property and equipment	1,915,206	-	1,915,206	1,415,421	-	1,397,309
Investment properties	3,574,916	-	3,574,916	3,448,349	-	3,466,461
Investments in subsidiaries	323,618	-	323,618	323,618	-	323,618
Investments	1,732,160,402	9,018,097	1,741,178,498	1,381,114,695	5,436,902	1,386,551,597
Loans secured against life insurance policies	154,825,679	-	154,825,679	159,781,265	-	159,781,265
Insurance / reinsurance receivables	253,327,056	-	253,327,056	184,565,731	-	184,565,731
Other loans and receivables	94,636,790	2,082,691	96,719,481	94,420,205	1,482,741	95,902,946
Taxation - payments less provision	31,956,710	(2,116,691)	29,840,019	16,174,768	8,322	16,183,090
Deposit and prepayments	325,269	-	325,269	284,602	-	284,602
Cash and bank balances	83,964,417	113	83,964,531	82,226,919	97	82,227,016
Total assets	2,357,010,062	8,984,210	2,365,994,273	1,923,755,573	6,928,062	1,930,683,635
Liabilities						
Insurance liabilities net of reinsurance recoveries	1,998,113,353	-	1,998,113,353	1,802,980,473	-	1,802,980,473
Retirement benefit obligations	5,384,405	-	5,384,405	7,103,749	-	7,103,749
Deferred capital grant	3,237	-	3,237	5,705	-	5,705
Premium received in advance	6,487,496	-	6,487,496	5,903,946	-	5,903,946
Insurance / reinsurance payables	2,843,961	-	2,843,961	1,994,831	-	1,994,831
Deferred tax	23,614,317	-	23,614,317	15,615,932	-	15,615,932
Other creditors and accruals	274,086,632	-	274,086,632	53,223,771	484	53,223,771
Taxation - provision less payments	-	2,077,880	2,077,880	-	3,723,040	3,723,040
Total Liabilities	2,310,533,402	2,077,880	2,312,611,281	1,886,828,407	3,723,040	1,890,551,447

41 MOVEMENT IN INVESTMENTS

	Held to Maturity	Fair value through profit and loss	Total
	Rs in '000		
At beginning of previous year	1,144,435,290	84,969,080	1,229,404,370
Additions	343,834,917	40,150,317	383,985,234
Disposals (sale and redemptions)	(288,730,000)	(3,380,580)	(292,110,580)
Unwinding of (premium) / discount	31,941,880	-	31,941,880
Impairment during the year	-	(3,328)	(3,328)
Unrealized fair value gain	-	33,334,021	33,334,021
At beginning of current year	1,231,482,087	155,069,510	1,386,551,597
Additions	327,660,695	119,659,487	447,320,182
Disposals (sale and redemptions)	(227,058,556)	(17,642,893)	(244,701,449)
Unwinding of (premium) / discount	30,550,695	-	30,550,695
Unrealized fair value gain	-	121,457,472	121,457,472
At end of current year	1,362,634,921	378,543,576	1,741,178,497

42 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

42.1 Insurance risk

42.1.1 Insurance contracts - classification

The Corporation maintains five statutory funds which are as follows:

- Pakistan Life Fund
- Overseas Life Fund
- Pension Fund
- Accidental and Health Insurance Fund
- Family Takaful Fund

Within the Pakistan Life Fund the business can be further classified as individual life conventional business, group insurance business and a small amount of annuity business.

Most of the new individual life conventional policies written by the Corporation contain a Discretionary Participation Feature (DPF).

The Overseas Life Fund entirely consists of individual life conventional business. Most of the new business written under the overseas life fund contains a DPF.

The Pension Fund consists of funds administered under Group Pension Deposit Administration contracts.

The Accident and Health Insurance Fund consists of Group Health and Accident Insurance Contracts.

Family Takaful Fund is consist of individual family takaful business.

Considering all the five statutory funds together, the bulk of Corporation business consists of individual life conventional policies. Most of the remaining business consists of group life insurance business. Group Health is a relatively new venture of the Corporation which started in 2012 and has yet to register any significant growth. The Corporation also offers some supplementary benefits attached in the form of riders to the individual life policies and the group life contracts. Each of these classes of business are described in greater detail below.

42.1.2 Contract details and measurement

The insurance contracts offered by the Corporation are described below:

42.1.2.1 Individual life policies

Individual life conventional products

These are long term contracts with either level or single premiums. These plans generally provide death benefit on death during the tenure of the policy and a survival benefit either on the happening of certain contingencies or on the maturity of the policy. The premiums are payable only in the life time of the policyholder. In case of term insurance products there is no survival benefit.

Universal life policies

Under these plans a certain amount is set aside from the premium for expenses and meeting the mortality cost and the remainder of the premium is invested to earn some investment return. Investment return is allocated to these products on an annual basis keeping in view the investment earnings of the Pakistan Life Fund.

Term insurance policies

A few products of the Corporation are term insurance plans providing benefits only in case of death. Under these policies no benefit is due if the policy holder survives the duration of the policy. The Corporation sells both level term insurances and decreasing term insurances also known as mortgage protection plans.

Annuities

The Corporation also has a small number of individual and group life-annuities on its books. Under these contracts a periodic income benefit is payable to the insured life for as long as annuitant is alive. Besides, the Corporation offers annuity-certain plans under which periodic income benefit is payable for a stipulated period and is not dependent on the life of the policyholder.

Supplementary riders

The Corporation offers various types of supplementary riders. Some of these riders offer additional life coverage, in some cases they offer accidental death and disability benefits. The benefits can take various forms such as lump sum payment or an income benefit or waiver of premiums due under the host policy contract.

Insured event

Under the individual life insurance policies in most cases the insured event is either death or survival until the maturity date of the policy, except in case of term insurance where there is no maturity benefit. Under the annuity policies the Corporation is exposed to the risk of longevity. In this case the insured event is survival of the life insured for a long duration, exceeding the period normally expected under standard mortality tables.

In case of supplementary rider the insured event is either death or just accidental death or disability whether accidental or natural or both.

Distribution channel

The individual life business of the Corporation is sold through its dedicated sales force which is present all over the country. This field force is organized under a three tier system consisting of sales representatives, sales officers and sales managers. Each sales sector headed by a sector head is further grouped over 1243 area offices, more than 166 sector offices, 33 zones and 7 regional offices in addition to one zone for the Gulf Region. The Gulf zone has its own marketing team of sector heads, area managers and sales force.

The individual life policy holders of the Corporation come from all strata of society, with greater representation of the rural areas due to wider outreach of its field force. New policyholders have an average age of around 34 years.

42.1.2.2 Group life policies

Basic coverage

The group life policies are generally one year renewable term insurance contracts. In most cases they provide group coverage to the employees of an employer. Some times the coverage is tied up with loans extended by the employer for house building or purchase of motor vehicles or other household items. In some cases group policies are issued to lending agencies such as banks to provide group coverage to their borrowers. There are also a small number of group endowment policies which provide benefits identical to individual life policies but under the umbrella of a group contract.

Supplementary coverage

In many cases the group policies also provide supplementary coverage which may include accidental or natural disability benefits and additional accidental death benefit. These riders also take the form of one year renewable term insurance policies.

Insured event

Under the group life insurance policies in most cases the insured event is death due to any cause. In case of supplementary coverage the insured event can include accidental death or disability or natural disability.

Distribution channel

The group insurance business is sold through four group and pension zones of the Corporation. Each zone has its own marketing force consisting of sector heads who are full time salaried employees of the Corporation. However, some of the group business is also procured through individual life field force of the Corporation.

Most of the lives covered under the group insurance consist of industrial and office workers, civil servants and employees of Corporations, banks, other financial institutions, armed forces etc.

42.1.2.3 Pension business

The pension portfolio of the Corporation consists of group deposit administration pension contracts. These are long-term contracts providing pension benefits to the employees of the policyholder. Under these contracts, the Corporation does not retain any insurance risk apart from a nominal investment return guarantee. The services offered by the Corporation include benefit administration, funding advice and investment of the funds.

These contracts do not transfer any significant insurance risk from the policyholders to the Corporation. These are therefore by nature similar to investment contracts.

The distribution channel employed for the pension business is the same as for the group insurance business.

The target market for this business is also similar to the target market for group insurance business.

42.1.2.4 Group Health Business

In 2012, the Corporation entered the Health Insurance Market by signing an agreement with the Benazir Income Support Program (BISP) authorities for providing Health Insurance to the beneficiaries enrolled under BISP Waseela-e-Sehat Program. This contract terminated on 30 June 2015. However, settlement of the Equalization Reserve Fund (ERF) balance is still pending. Consequently, a provision for this has been kept in the Actuarial Reserves.

In the year 2015, the Corporation entered into two other agreements, namely Prime Minister's National Health Insurance Scheme (PMNHIS) and KPK Micro Health Insurance Scheme. However, no health cards were issued under either scheme in 2015. Therefore, no specific liability was kept for these contracts.

Insured event

The PMNHIS and the KPK schemes are aimed at providing the underprivileged sector of the society the access to health care to cope with a variety of health shocks. The schemes provide in-patient health insurance facilities to enrolled families, subject to Rupee limits prescribed under the respective agreements.

42.1.3 Reserving method

42.1.3.1 Individual life policies

The Corporation values its individual life policy liabilities by a modified net level premium method. Under this method the Corporation's future obligations in respect of guaranteed sums assured and declared bonuses are discounted using a conservative interest basis. The policy liabilities are calculated by deducting from this amount the discounted value of future net premiums receivable under the valued policies, using a conservative basis for calculating the net premiums.

42.1.3.2 Universal life policies

For universal life policies the amount of reserve is equal to the actual accumulated value of the portion of premiums invested in the Pakistan Life Fund after accounting for the investment return allocated to these policies.

42.1.3.3 Group life policies

Group life business consists of short duration one year renewable term insurance policies. Besides, it contains a five year life insurance scheme for emigrants. It is the Corporation's policy to record only the earned premium in the revenue account. The Corporation holds reserve for claims incurred but not reported up to the valuation date and provision for experience refunds where applicable.

The Corporation also holds a premium deficiency reserve for this block of business. This reserve is calculated on the basis of the unearned premium reserve. The amount of this reserve reflects the view of the Appointed Actuary regarding the eventual loss ratio expected under group insurance contracts.

42.1.3.4 Supplementary riders

For the supplementary riders attached to individual life policies the Corporation holds a reserve equal to one full year's premium due under these policies. On the other hand, the supplementary riders attached to the group life policies are valued in the same way as the group life policies themselves.

42.1.3.5 Pension plans

The Corporation holds a reserve equal to the market value of the assets backing the pension business statutory fund. Classification of the Government bonds held by this statutory fund as Held to Maturity means that they are valued on an IRR basis, which is currently less than their market value.

42.1.4 Reserves for outstanding claims

The Corporation holds a reserve for all claims which have been reported but are still outstanding at the reporting date. Another estimated reserve is kept within the actuarial liability for claims which have been incurred but have not yet been reported. The pattern of time lag in reporting of claims observed in previous years is used as a means of estimating as accurately as possible the liability expected to arise from the incurred but not reported claims using the chain ladder method of estimation.

42.1.5 Liability adequacy test

The adequacy of liability held by the Corporation has been tested using an alternative reserving method based upon realistic estimates of future mortality, expenses, lapses and investment return. Based on the results of this test the Appointed Actuary considers that the liability being kept by the Corporation is adequate.

42.1.6 Reinsurance contracts held

The Corporation reinsures its Pakistan business under a surplus treaty arrangement. Under this arrangement any insurance risk on a particular life which exceeds the retention level is automatically ceded to the reinsurer. The retention level is fixed by the Corporation at a level which it considers optimum and safe.

There is a similar surplus treaty arrangement for reinsurance of the Corporation's Gulf business. The retention level of the Gulf business is fixed by the Corporation which it deems to be safe for that business.

Under both these treaties the re-insurer is not under an obligation to reinsure certain high sum assured cases which exceed the obligatory limit of the reinsurer as specified in the respective treaty. Such cases are reinsured by the Corporation on a facultative basis.

The reinsurers of the Corporation are highly rated companies with a sound credit record.

Primarily, reinsurance assets are amounts due from reinsurers with respect to recoveries under claims and profit commission. Reinsurance recoveries are measured according to the terms and conditions of the reinsurance contracts.

Reinsurance liabilities consist of amounts due to reinsurers on account of reinsurance premiums due which are measured according to the terms of the arrangements.

The Corporation assesses impairment on its reinsurance assets on a regular basis to identify any losses in recoveries. As of now, the Corporation's all reinsurance assets are due from re-insurers with a credit rating of "A or above". The reinsurers maintain a sound credit history and hence no impairment provision is required.

42.1.7 Accounting estimates and judgments and process used for deciding assumptions

42.1.7.1 Mortality and disability

Due to nature of its business, the Corporation is exposed to the risk of mortality. The reserving basis utilizes a conservative estimate of mortality. The Corporation carries out a continuous mortality investigation of its individual life and group life business to assess the actual level of mortality experienced by it. The result of this study utilized to ascertain the safety margin built into its reserving basis and the mortality level to be utilized for testing the adequacy of its liability.

The Corporation also has a small exposure to disability risk covered by some of its supplementary contracts. The Corporation constantly monitors its disability experience and an investigation is carried out whenever it assesses that there is an adequate data for arriving at credible results.

42.1.7.2 Investment income

Due to the long term nature of its individual life policies, the Corporation is exposed to the risk of adverse fluctuations in interest rates. In particular a long term declining trend in the interest rates can produce a financial strain for the Corporation. To some extent this risk is mitigated by the Corporation's policy to match the duration of its assets with the duration of its liabilities, whenever this is possible. The reserving basis employed by the Corporation for valuing its liabilities contains adequate safeguards to counter any residual interest rate risk.

The past trend in returns available on Government bonds and the relationship of these returns to other financial variables such as inflation rate and short term interest rates is constantly analyzed to form an opinion regarding the investment returns expected to be earned in the future on a medium term and long term basis. These estimates are utilized in testing the adequacy of liabilities on a realistic basis.

42.1.7.3 Expenses

The Corporation is also exposed to the risk of management expenses being beyond the permissible limits or increase in expenses at a pace faster than expected. The Corporation carries out an annual expense analysis to keep track of its expenses. The result of this study is utilized in the estimation of liability under realistic assumptions to ensure the adequacy of the reserves being held.

42.1.8 Frequency and severity of claims

42.1.8.1 Frequency

Since the Corporation covers a large number of lives from diverse backgrounds, which are geographically spread all over the country, the frequency of claims is normally expected to remain relatively stable over time due to the law of large numbers. However, the frequency can be affected in case there is a variation in the mortality rates experienced by the group of lives insured by the Corporation. An unusual catastrophic event such as a disease epidemic, flash floods or a major earthquake can produce a sudden spike in the frequency.

42.1.8.2 Severity

To some extent, the Corporation is protected from isolated large claims because the liability for any claim exceeding its retention level is automatically passed on to the reinsurer under the existing treaty arrangements. However, there is also the risk of a large number of small claims occurring due to a catastrophic event. Exposure to catastrophic events is also dependent upon the concentration of risk.

The Corporation is represented by 33 zones which are spread out all over the country. However, as the population of the country is concentrated more in the Punjab and Sindh provinces, the business distribution of the Corporation naturally reflects the same pattern. Nearly 87 % of the Corporation's business emanates from these two provinces.

In addition, there is also some concentration of risk due to the nature of group business. These policies are typically issued to an employer for coverage of all the persons in their employment. Normally, the employees of an employer are distributed over one or more establishments maintained by the employer's business. This produces local concentration of risk wherever such establishments happen to exist. Furthermore, a large number of such establishments can exist in a small geographical area such as an industrial zone or the business district of a major city.

42.1.9 Sources of uncertainty in estimation of future benefit payments and premium receipts

There are many theoretical reasons giving rise to uncertainty in estimation of future benefit payments and premium receipts.

Generally, mortality rates for a large segment of the population are quite stable from year to year but mortality is dependent upon a number of factors. Unhygienic living conditions, inadequate health care facilities, prevalence of general stress in society or emergence of epidemic disease are some socio-economic reasons which may give rise to an adverse trend in mortality rates.

Life insurance also serves as a channel for savings. However, in times of economic recession the savings rate can fall. This can reflect upon the Corporation in the form of lower new business growth and higher lapse rates of existing policies.

42.1.10 Management of insurance risk

The insurance law has laid down some minimum criteria for insurance risk management, which is mandatory for all insurers. This includes guidance regarding minimum capital requirement for insurers, requirement to submit a financial condition report on an annual basis, minimum reserving basis for the financial condition report, minimum solvency requirements and requirement to match the currency of assets and liabilities. Also the law lays down certain restrictions on the assets that may be counted as admissible assets, prescribes guidelines for valuation of assets and liabilities, prescribes reinsurance arrangements and prescribes guidelines for investment of funds.

The Corporation's strategy for management of insurance risk meets the minimum standards laid down by the law in addition to certain other practices which are specified by the Corporation.

42.1.10.1 Financial risk

a) Interest risk

The Corporation values its liabilities at the rate of 3.75% per annum, which is a requirement prescribed by the SECP. However, the actual return earned by the Corporation is much more than this. This large gap between the valuation discount rate and the market rate ensures that there is an adequate margin for the Corporation to absorb any impact of adverse fluctuation in the interest rates.

As a further security mechanism all the guaranteed liabilities of the Corporation are fully backed by the combined value of cash in hand, Government bonds and policy loans. The first two of these asset classes are by definition risk free. Also the policy loans are fully backed by the cash values of the underlying policies. Hence this asset class also does not carry any default risk.

The practice of valuing the assets Held to Maturity by the IRR method precludes any possibility of sudden changes in the investment return for which credit is taken in the accounts. This stability in the returns add another layer of security against interest risk.

b) Expense risk

Expense risk is the risk that the actual expenses of the Corporation will exceed the expense margins built in the premium rates. To cover this risk, a specific provision is kept in the actuarial reserves.

c) Mortality risk

The mortality used in the reserving basis is the mortality prescribed by the SECP, which is the SLIC 2001-2005 table. Due to advancement in health care technology the current mortality levels are lower than the mortality rates of this table. Hence, the reserving basis has adequate margins for absorbing the impact of adverse fluctuation in mortality.

d) Surrenders risk

The reserving basis used by the Corporation does not assume any surrenders. However, the Corporation ensures that the reserves kept by it for each policy are more than its surrender value. This ensures that the Corporation does not suffer any adverse impact in case any policies are surrendered.

e) Inflation risk

To a certain extent some inflation risk is already built into the reserving basis, since the average premium size and the average sum assured per policy tends to increase in line with inflation. Also at each actuarial valuation date the Appointed Actuary reviews the special provisions required to be kept as described under the heading Expense risk, keeping in view the expense level of the Corporation on the valuation date. This provides a mechanism of adjusting for any unanticipated movements in the inflation rate.

f) Catastrophe risk

The business of the Corporation is spread all over the country. However the insurance penetration rate in the country is still very low. This means that for any localized segment of the population only a small proportion of the people would be covered under life insurance. The proportion covered by the Corporation's policies is expected to be even smaller. As a result any localized catastrophic event is not expected to have any significant impact on the Corporation.

The situation is a bit different on the group insurance side where there is a higher concentration of risk because by its very nature this business often covers a large number of persons located within a restricted geographical area, such as a building or a factory premises.

This risk is mitigated to an extent due to the presence of reinsurance cover for the individual and group policies. In addition the premium rates of the Corporation are designed to adequately cater for this risk. Premium deficiency reserve held by the Corporation for its group business provides an extra layer of security against this risk.

g) Currency risk

The Corporation deals in only one currency within Pakistan. Hence, this risk is non-existent for the Pakistan Life Fund.

In case of the Gulf business the Corporation writes business in UAE Dirhams and US Dollars. The exchange rate parity between these two currencies is relatively stable. Also, there is a high degree of matching between the assets and liabilities in these two currencies.

The effect of fluctuation of currency risk upto 10% on the net assets to the revenue account will be as follows:

	2024	2023
	----- (Rupees in '000) -----	
UAE Dirhams		
10% increase	1,351,325	1,299,161
10% decrease	(1,351,325)	(1,299,161)
US Dollars		
10% increase	3,284,344	3,228,479
10% decrease	(3,284,344)	(3,228,479)

42.1.10.2 Credit risk and asset risk

Management of credit risk and asset risk deals with risks emanating from the assets side of the statement of financial position. Management of this risk has already been adequately explained under the heading “Financial risk management objectives and policies”. Hence, no further explanation is deemed to be necessary.

42.1.10.3 Operational risk or pricing risk

The Corporation utilizes industry recognized underwriting practices to ensure that only standard risks are written on standard rates. Any sub standard risks identified during the underwriting process are charged suitable extra premiums. This ensures fair and equitable treatment between various risk categories and helps in keeping its standard rates competitive by the insurance industry standards.

This practice also protects the Corporation against the risk of large number of sub-standard impaired lives accumulating on its policy portfolio, since extra premium automatically charged to commensurate with such risk.

For lives which are otherwise uninsurable, the Corporation offers a special product line known as the non-declinature scheme. Individuals who are unable to obtain insurance cover due to their poor state of health can choose to obtain cover under this scheme, which by passes normal underwriting in return for a suitable extra premium and waiting period.

42.1.11 Sensitivity analysis

Mortality rates and the discounting factor are the two most significant variables which can have an impact on the policyholder liabilities. The Corporation has tested the sensitivity of its liabilities to both these variables which is as follows:

Variable	Quantum of Change	% change in liability
Increase in mortality	10%	0.07%
Decrease in mortality	10%	-0.07%
Increase in discount rate	0.5% addition in rate	-3.33%
Decrease in discount rate	0.5% addition in rate	3.48%

According to the Life Insurance (Nationalization) Order, 1972, any increase or decrease in the actuarial surplus is shared by the policyholders and the Government as the sole shareholder in the ratio of 97.5% and 2.5% respectively.

42.2 Financial risk

The Corporation is exposed to variety of financial risks: market risk (comprising interest rate risk, currency risk, and other price risk), credit risk and liquidity risk in relation to the financial statements on its statement of financial position. The Corporation’s risk management program is geared to ensure the survival of the Corporation as a going concern in the face of all sources of significant identifiable financial risks. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation’s financial performance.

The Board of Directors has the overall responsibility for establishment and oversight of the Corporation’s risk management framework and is responsible for developing risk management policies and its monitoring.

42.2.1 Interest rate risk

		2024						
		Interest / Markup bearing			Non-interest / Non-markup bearing			Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
Note		Rupees in '000						
Financial Assets								
Investments								
	8	-	-	-	294,971,033	-	294,971,033	294,971,033
	9	-	-	-	81,786,892	-	81,786,892	81,786,892
	10	552,629,137	781,683,418	1,334,312,555	-	-	-	1,334,312,555
	11	3,187,433	26,920,585	30,108,018	-	-	-	30,108,018
	12	-	154,825,679	154,825,679	-	-	-	154,825,679
	13	-	-	-	251,441,260	1,885,796	253,327,056	253,327,056
	14	76,560,111	-	76,560,111	19,816,487	-	19,816,487	96,376,599
	15	-	-	-	100,385	-	100,385	100,385
	15	56,831,894	7,606,293	64,438,187	19,518,272	-	19,518,272	83,956,459
		689,208,575	971,035,975	1,660,244,551	667,634,329	1,885,796	669,520,125	2,329,764,675
Financial Liabilities								
	19	-	-	-	64,992,051	1,933,121,302	1,998,113,353	1,998,113,353
	22	-	-	-	6,487,496	-	6,487,496	6,487,496
	23	-	-	-	2,843,961	-	2,843,961	2,843,961
	23	-	-	-	274,086,632	-	274,086,632	274,086,632
		-	-	-	348,410,141	1,933,121,302	2,281,531,444	2,281,531,443
		689,208,575	971,035,975	1,660,244,551	319,224,189	(1,931,235,506)	(1,612,011,318)	48,233,233
On Balance Sheet Financial Instruments								
As at 31 December 2024								
		689,208,575	971,035,975	1,660,244,551	319,224,189	(1,931,235,506)	(1,612,011,318)	48,233,233
		2023						
		Interest / Markup bearing			Non-interest / Non-markup bearing			Total
		Maturity upto one year	Maturity after year	Sub total	Maturity upto one year	Maturity after year	Sub total	Total
Note		Rupees in '000						
Financial Assets								
Investments								
	8	-	-	-	145,611,242	-	145,611,242	145,611,242
	9	-	-	-	9,458,269	-	9,458,269	9,458,269
	10	179,505,761	1,038,736,074	1,218,241,835	-	-	-	1,218,241,835
	11	-	13,240,251	13,240,251	-	-	-	13,240,251
	12	-	159,781,265	159,781,265	-	-	-	159,781,265
	13	-	-	-	183,224,823	1,340,908	184,565,731	184,565,731
	14	992,799	-	992,799	94,545,137	-	94,545,137	95,537,936
	15	-	-	-	100,162	-	100,162	100,162
	15	58,923,393	9,909,273	68,832,666	13,380,009	-	13,380,009	82,212,675
		239,421,953	1,221,666,863	1,461,088,816	446,319,642	1,340,908	447,660,551	1,908,749,366
Financial Liabilities								
	19	-	-	-	57,034,672	1,608,730,833	1,665,765,505	1,665,765,505
	22	-	-	-	5,903,946	-	5,903,946	5,903,946
	23	-	-	-	1,994,831	-	1,994,831	1,994,831
	23	-	-	-	190,438,739	-	190,438,739	190,438,739
		-	-	-	255,372,188	1,608,730,833	1,864,103,021	1,864,103,021
		239,421,953	1,221,666,863	1,461,088,816	190,947,455	(1,607,389,924)	(1,416,442,471)	44,646,345,028
On Balance Sheet Financial Instrument								
As at 31 December 2023								
		239,421,953	1,221,666,863	1,461,088,816	190,947,455	(1,607,389,924)	(1,416,442,471)	44,646,345,028

42.2.2 Market risk

Market risk is the risk of adverse financial impact as a consequence of market movements of prices of financial instruments and securities. Such price movements can arise due to variation of market interest rates, currency exchange rates, industry profitability and other economic factors.

The Corporation's investments are primarily in long term Government bonds. In addition, the Corporation also has a significant exposure to the equity market and invests some funds in corporate term finance certificates. Funds awaiting long term investment are kept in short duration fixed deposits with banks.

42.2.3 Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk since it issues insurance policies which are long term in nature. These policies are essentially backed by long term Government bonds and cash at bank.

It is the policy of the Corporation to match the average duration of its investments in Government bonds with the average duration of its policyholders liabilities as much as possible but this is not always possible due to market limitations. This is because sufficient quantities of the Government bonds of longer duration are not available in the market. As a result some mismatch in the average duration of the Corporation's liabilities and assets is possible.

Interest rate risk exposures from options and guarantees embedded in insurance liabilities.

The Corporation's deposit administration pension contracts have certain guarantees that transfer interest rate risk to the Corporation. These guarantees include a minimum guaranteed investment return of 0.375% per month on the pension funds being managed by the Corporation. The pension liabilities of the Corporation are a very insignificant proportion of overall liabilities of the Corporation and historically investment return earned on the assets backing these liabilities has never been below the amount of the guaranteed return.

42.2.4 Currency risk

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. This risk arises if there is a currency mismatch between the assets and liabilities.

All assets and liabilities of the Corporation within Pakistan are in Pakistan rupees. This business is therefore not exposed to any currency risk.

The Corporation's Overseas Life Fund undertakes business in US Dollars and UAE Dirhams. It is policy of the Corporation to ensure the maximum possible currency matching between its assets and liabilities in each currency. Historically, UAE Dirham has remained pegged to US Dollar, hence any inadvertent mismatch between these two currencies is not expected to entail any significant currency risk.

Carrying amounts of the Corporation's foreign currency denominated assets, liabilities and reserves are as follows:

	2024		2023	
	UAE Dirhams	US Dollar	UAE Dirhams	US Dollar
	-----Rupees '000-----			
Assets	244,614	246,543	234,288	229,040
Liabilities	66,424	128,635	63,233	113,212
Reserves	178,190	117,909	171,055	115,828

42.2.5 Other price risk

Other price risk is the risk that equity prices can fluctuate due to speculative investment activity, variations in the profit outlook of industries, interest rates prevailing in the market and general market sentiment, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Corporation's investment in listed securities are exposed to market price risk arising from uncertainties about the future value of investment securities. The Corporation limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity. In addition, the Corporation actively monitors the key factors that affect stock market.

42.2.6 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Corporation. The key areas of exposure to credit risk for the Corporation are in relation to its investment portfolio, reinsurance program and to a lesser extent amounts due from policyholders and intermediaries.

The Corporation has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Corporation only transacts with entities that are rated the equivalent to investment grade and above.

This information is supplied by independent rating agencies where available and if not available the Corporation uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers. The Corporation's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Receivables consist of a large number of policyholders, spread across diverse industries and geographical areas. The Corporation extends policy loans to its policyholders. These loans are entirely backed by the cash values of their policies.

The Corporation does not have any significant credit risk exposure to any single counterparty or any group of counterparties. Concentration of credit did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings. The Corporation does not invest in derivative financial instruments.

The carrying amount of financial assets represents the maximum credit exposure, as specified below:

	Note	2024 ----- Rupees in '000 -----	2023
Cash and bank balances	15	83,906,046	82,151,402
Loans secured against life insurance policies		154,825,679	159,781,265
Investments			
Mutual funds	9	81,786,892	9,458,269
Debt securities	11	30,108,018	13,240,251
Insurance / takaful / reinsurance / retakaful receivables	12	253,327,056	184,565,731
Deposit and prepayments	14	100,385	100,162
Other loans and receivables	13	96,376,599	95,537,936
Total		<u>700,430,675</u>	<u>544,835,016</u>
The age analysis of Insurance / takaful / reinsurance / retakaful receivables:			
Up to 1 year		<u>253,327,056</u>	<u>184,565,731</u>

Subsequent years premium falling due under the policy are recognized if received before expiry of the grace period, or if advanced by the corporation under the Automatic Non-forfeiture provisions. However, premiums due in the month of December but not received are recognized if the grace period is to expire after the next 1st January. Hence the age of outstanding premium is always less than one year.

The credit quality of the Corporation's bank balances can be assessed with reference to external credit ratings as follows:

Bank Name	Long term	Short term	Rating Agency	2024 -----Rupees in '000-----	2023
Allied Bank Limited	AAA	A1+	PACRA	1,384	1,384
Bank Al Habib Limited	AAA	A1+	VIS	6,301,159	4,419,975
Bank Al Falah Limited	AA-	A1+	PACRA	17,125,715	9,130,409
Dubai Islamic Bank	AA	A1+	VIS	469,960	179,105
First Women Bank Limited	A-	A-2	PACRA	7,307	7,435
Habib Bank Limited	AAA	A1+	VIS	20,609,181	14,365,264
MCB Bank Limited	AAA	A1+	PACRA	185,452	238,309
Mobilink Micro Finance Bank Limited	A	A-1	PACRA	199,653	99,563
Barclays Banks	-	-	-	-	28,212
Bank of Punjab	AA	A1+	PACRA	5,740,272	4,048,952
Faysal Bank Limited	AA	A1+	VIS	418,121	4,231,558
Samba Bank Limited	AA	A-1	PACRA	3,891	6,937
Silk Bank Limited	A-	A-2	VIS	12,326	15,262
Sindh Bank Limited	A+	A1+	VIS	1	1
Soneri Bank Limited	AA-	A1+	PACRA	2,762,357	4,338,706
Standard Chartered Bank (Pakistan) Limited	AAA	A1+	PACRA	159	159
Bank Makramah Limited	-	-	VIS	4,927	4,576
United Bank Limited	AAA	A1+	VIS	27,764,338	34,268,429
Julius Bar Bank	-	-	-	118,965	1,057,387
Kuwait Finance Bank	-	-	-	289,173	-
Al Ahli Bank of Kuwait	-	-	-	-	103,176
Bank of Singapore	-	-	-	1,891,705	5,606,603
				83,906,046	82,150,402

The credit quality of amount due from other insurers and reinsurers can be assessed with reference to external credit ratings as follows:

Rating Status	2024 ----- (Rupees in '000) -----	2023
A or above	1,885,796	1,340,908

42.2.7 Liquidity risk

Liquidity risk is the risk that the Corporation cannot meet its obligations associated with financial liabilities as they fall due.

The Corporation has adopted an appropriate liquidity risk management framework for the management of the Corporation's liquidity requirements. The Corporation manages liquidity risk by maintaining banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The Corporation is exposed to liquidity risk arising from clients on its insurance and investment contracts. The Corporation maintains adequate liquid reserves to meet any eventuality arising from a catastrophe.

Liquidity management ensures that the Corporation has sufficient access to funds necessary to cover insurance claims, surrenders, withdrawals and maturing liabilities. In practice, most of the Corporation's assets are marketable securities which could be converted into cash when required.

42.2.8 The fair values of all major financial assets are estimated to be not significantly different from their carrying values except for the following:

	2024	
	Carrying value	Fair value
	----- Rupees in '000 -----	
Government securities	1,334,312,555	1,307,949,330
	2023	
	Carrying value	Fair value
	----- Rupees in '000 -----	
Government securities	1,218,241,835	1,074,911,638

42.2.9 Reinsurance risk

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

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

In order to manage this risk, the Corporation obtains reinsurance cover only from companies with sound financial health.

43 CAPITAL RISK MANAGEMENT

The Corporation manages its capital to ensure that it remains financially solvent while maintaining adequate financial strength to sustain business growth. It also complies with the minimum capital requirements of the SECP. The capital structure of the Corporation consists of equity attributable to the Government which is the sole shareholder of the Corporation and accumulated surplus.

There were no changes made to the objectives, policies and processes for managing capital.

Further details are given in the table below:

	2024	2023
	----- (Rupees in '000) -----	
Accumulated surplus	2,235,510	1,869,842
Ledger account C and D	42,115,721	28,600,427
General reserve	1,031,761	1,661,919
Issued, subscribed and paid-up capital	8,000,000	8,000,000
Shareholders' equity	53,382,992	40,132,188

44 FAIR VALUE OF FINANCIAL INSTRUMENTS

44.1 Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Corporation's financial assets and financial liabilities as at 31 December 2024.

The Corporation considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

	As at 31 December 2024		As at 31 December 2023	
	Carrying amount	Fair Value	Carrying amount	Fair Value
-----Rupees in '000-----				
Financial Assets				
- Cash and bank balances	83,964,531	83,964,531	82,227,016	82,227,016
- Loans secured against life insurance policies	154,825,679	154,825,679	159,781,265	159,781,265
- Deposit and prepayments	100,385	100,385	100,162	100,162
- Other loans and receivables	96,376,599	96,376,599	95,537,936	95,537,936
- Insurance / takaful / reinsurance / retakaful receivables	253,327,056	253,327,056	184,565,731	184,565,731
	588,594,250	588,594,250	522,212,110	522,212,110
Investments:				
Fair value through Profit and loss				
Listed equity securities and mutual fund units	372,417,939	372,417,939	152,701,380	152,701,380
Unlisted equity securities and mutual fund units	4,339,986	4,339,986	2,368,131	2,368,132
Held to maturity				
Government securities	1,334,312,555	1,307,949,330	1,218,241,835	1,074,911,638
Debt securities	30,108,018	30,108,018	13,240,251	13,240,251
	1,741,178,498	1,714,815,273	1,386,551,597	1,243,221,400
	2,329,772,748	2,303,409,523	1,908,763,707	1,765,433,511
Financial Liabilities				
- Balance of statutory funds-including policyholders' liabilities	1,998,113,353	1,998,113,353	1,665,765,505	1,665,765,505
- Creditors and accruals	274,086,632	274,086,632	190,438,739	190,438,739
- Premium received in advance	6,487,496	6,487,496	5,903,946	5,903,946
- Insurance / takaful / reinsurance / retakaful payables	2,843,961	2,843,961	1,994,831	1,994,831
	2,281,531,443	2,281,531,443	1,864,103,021	1,864,103,021

44.2 FAIR VALUE HIERARCHY

The level in the fair value hierarchy within which the asset or liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement.

Assets and liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 categorized:

	As at 31 December 2024	Level 1	Level 2	Level 3
-----Rupees in '000-----				
Financial Assets at carrying value				
<i>Investments at carrying value Fair value through profit or loss</i>				
Listed equity securities and mutual fund units	372,417,939	372,417,939	-	-
Unlisted equity securities and mutual fund units	4,339,986	-	4,339,986	-
	<u>376,757,925</u>	<u>372,417,939</u>	<u>4,339,986</u>	<u>-</u>

	As at 31 December 2023	Level 1	Level 2	Level 3
-----Rupees in '000-----				
Financial Assets at carrying value				
<i>Investments at carrying value Fair value through profit or loss</i>				
Listed equity securities and mutual fund units	152,701,380	152,701,380	-	-
Unlisted equity securities and mutual fund units	2,368,132	-	2,368,132	-
	<u>155,069,512</u>	<u>152,701,380</u>	<u>2,368,132</u>	<u>-</u>

Carrying values of all other financial assets and liabilities approximate their fair value.

44.3 Transfers during the period

During the year to 31 December 2024:

- There were no transfers between Level 1 and Level 2 fair value measurements.
- There were no transfers into or out of Level 3 fair value measurements.

44.4 Valuation techniques

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective stock exchange.
- Unlisted equity securities are carried at cost.
- Fair value of open-ended mutual fund is determined on the basis of closing net assets value taken from MUFAP.

45 CORRESPONDING FIGURES

The corresponding figures in these unconsolidated financial statements have been reclassified for appropriate and improved presentation. The following reclassifications were made during the year:

Reclassification From	Reclassified to	-----Rs in '000'-----
Investment properties	Property and equipment	18,112
Insurance liabilities [including policyholders' liabilities and ledger account A and B]	Other creditors and accruals	137,214,968

46 SUBSEQUENT EVENTS

The Board of Directors of the Corporation in their meeting held on 15 March 2026 declared dividend of Rs. 3,000 million (2023: Rs. 2,500 million).

These unconsolidated financial statements for the year ended 31 December 2024 do not include the effect of these appropriations and these will be accounted for in the unconsolidated financial statements for the year ending 31 December 2025.

47 NUMBER OF EMPLOYEES

2024

2023

The details of number of employees are as follows:

Permanent employees as at year end	3,601	3,546
Contractual employees as at year end	336	180
Area managers	1,357	1,143
	<u>5,294</u>	<u>4,869</u>
Average number of employees during the year	<u>5,082</u>	<u>4,876</u>

48 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Corporation on 15 March 2026.

49 GENERAL

Figures in these unconsolidated financial statements have been rounded off to nearest thousand of Rupees. In narrative notes, certain figures have been rounded off to million of Rupees.

Saleem Zia
Chairman

Khaqan Murtaza
Director

Shoaib Mir
Director

Shoaib Javed Hussain
Chief Executive Officer

Muhammad Amjad
Chief Financial Officer

| Financial Statements Consolidated





Independent Auditor's Report

To the members of State Life Insurance Corporation of Pakistan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of State Life Insurance Corporation of Pakistan and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Auditors' Responsibilities for the Audit of the Consolidated Financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the 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 consolidated financial statements describing the matter related to the provincial sales tax liability on premium charged to the policyholders in respect of health and life insurance. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditors' 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 consolidated financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, the requirements of Insurance Ordinance, 2000, Companies Act, 2017 (XIX of 2017), and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

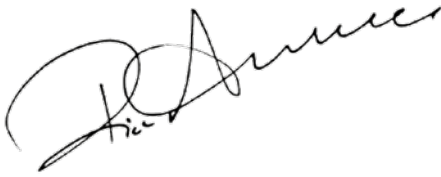
Report on Other Legal and Regulatory Requirements:

Based on our audit, we further report that in our opinion the consolidated financial statements and notes to the consolidated financial statements comply with the requirements of the SOE Act, 2023.

Other Matter:

The annual consolidated financial statements of the Group for the year ended 31 December 2023 were jointly audited by Riaz Ahmad & Company and BDO Ebrahim & Co., who expressed an unmodified opinion vide their report dated 30 April 2024.

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



RIAZ AHMAD & COMPANY

Chartered Accountants

KARACHI

Dated: 19 March 2026

UDIN: AR202410045w5KAGzsSI

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2024

		2024	2023
	Note	----- Rupees in '000 -----	
ASSETS			
Property and equipment	5	1,949,113	1,441,649
Intangible asset	6	474	316
Investment properties	7	3,574,916	3,448,349
Investments			
Equity securities	8	295,232,780	145,776,597
Mutual funds	9	81,786,892	9,458,269
Government securities	10	1,334,899,805	1,218,540,388
Debt securities	11	30,108,018	13,240,251
Loans secured against life insurance policies		154,825,679	159,781,265
Insurance / takaful / reinsurance / retakaful receivables	12	253,519,879	184,703,277
Other loans and receivables	13	96,785,286	95,910,441
Reinsurance recoveries and outstanding claims		122,581	101,276
Deferred commission expense/acquisition cost		26,541	24,952
Advance taxation		29,938,993	16,280,285
Deposit and prepayments	14	384,461	331,888
Cash and bank balances	15	84,109,551	82,542,384
		2,367,264,969	1,931,581,587
Total Assets of Window Takaful Operations (General insurance) - Operator's Fund		81,318	65,197
TOTAL ASSETS		2,367,346,287	1,931,646,784
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO GROUP'S EQUITY HOLDERS			
Ordinary share capital	16	8,000,000	8,000,000
Ledger account C and D	17	42,115,721	28,600,427
Group reserves	18	3,837,231	3,927,386
		53,952,952	40,527,813
Non-controlling interest		41,188	35,915
TOTAL EQUITY		53,994,140	40,563,728
LIABILITIES			
Insurance liabilities [including policyholders' liabilities and ledger account A and B]	19	1,998,565,031	1,666,104,977
Retirement benefit obligations	20	5,385,772	7,103,749
Deferred capital grant		3,237	5,705
Deferred taxation	21	23,647,418	15,614,872
Premium received in advance		6,542,891	5,917,525
Insurance / takaful / reinsurance / retakaful payables	22	3,008,097	2,086,881
Other creditors and accruals	23	274,086,901	190,496,029
Provision for taxation		2,089,152	3,741,004
		2,313,328,499	1,891,070,742
Total Liabilities of Window Takaful Operations (General Insurance) - Operator's Fund		23,648	12,314
TOTAL LIABILITIES		2,313,352,147	1,891,083,056
TOTAL EQUITY AND LIABILITIES		2,367,346,287	1,931,646,784
CONTINGENCIES AND COMMITMENTS			
	24		

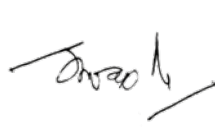
The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.



Saleem Zia
Chairman



Khaqan Murtaza
Director



Shoaib Mir
Director



Shoaib Javed Hussain
Chief Executive Officer



Muhammad Amjad
Chief Financial Officer

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Note	Rupees in '000	
Gross premium / contribution revenue		265,758,916	269,198,435
Less: premium / contribution ceded to reinsurers / retakaful operators		(1,016,324)	(1,107,261)
Net premium revenue / contribution revenue	25	264,742,592	268,091,174
Investment income	26	169,569,296	149,184,899
Net realised fair value gain on financial assets	27	17,998,806	5,393,611
Net fair value loss on financial assets at fair value through profit or loss	28	119,771,007	33,196,648
Net rental income	29	940,840	854,862
Other income	30	59,656,041	69,379,839
		367,935,990	258,009,859
Net income		632,678,582	526,101,033
Insurance benefits		229,107,509	248,058,095
Recoveries from reinsurers		(575,436)	(423,625)
Premium deficiency		9,835	4,082
Claim related expense		22,533	23,161
Net insurance benefits	31	228,564,441	247,661,713
Net change in insurance liabilities (other than outstanding claims)		324,390,469	205,389,747
Acquisition expenses	33	32,530,931	29,575,592
Marketing and administration expenses	34	19,953,724	17,973,928
Other expenses	35	1,233,880	947,072
Total expenses		378,109,004	253,886,339
Results of operating activities		26,005,137	24,552,981
Finance cost	36	(3,178)	(391)
Profit before tax from Window Takaful Operations (General insurance) - Operator's Fund		8,717	4,061
Profit before tax		26,010,676	24,556,651
Income tax expense	37	(10,080,264)	(9,796,364)
Profit for the year		15,930,412	14,760,287
Other comprehensive income		-	-
Total comprehensive income for the year		15,930,412	14,760,287
Profit / (loss) for the year attributable to:			
Equity holder of parent		15,925,139	14,758,835
Non-controlling interest		5,273	1,452
		15,930,412	14,760,287
Earnings per share - Rupees	38	199.06	184.49

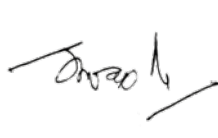
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Director



Shoaib Mir
Director



Shoaib Javed Hussain
Chief Executive Officer



Muhammad Amjad
Chief Financial Officer

Consolidated Statement of Cash Flow

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
Note	Rupees in '000	
Operating Cash flows		
(a) Underwriting activities		
Insurance premiums received	194,319,771	168,356,875
Reinsurance premiums paid	(189,549)	(263,806)
Claims paid	(280,227,272)	(83,942,792)
Surrenders paid	(78,096,551)	(88,549,781)
Reinsurance and other recoveries received / (paid)	9,242	(231,302)
Commissions paid	(23,720,153)	(19,313,084)
Commission received	8,189	2,258
Other underwriting payments	(7,908,242)	(7,416,944)
Net cash flow from underwriting activities	(195,804,565)	(31,358,576)
(b) Other operating activities		
Income tax paid	(17,387,806)	(12,288,444)
Other operating payments	(583,315)	(499,923)
General management expense	192,428,472	(10,134,138)
Other operating receipts	(53,584)	9,955
Other loans	(317)	646
Payments for Window Takaful Operation	3,964	-
Loans secured against life insurance policies - advanced	(16,989,797)	(20,221,872)
Loans secured against life insurance policies - repayments received	25,522,122	27,423,190
Net cash flow generated from / (used in) other operating activities	182,939,739	(15,710,586)
Total cash flow from all operating activities	(12,864,826)	(47,069,162)
Investment activities		
Profit / return received	198,360,745	168,436,830
Dividends received	20,434,970	12,206,563
Rentals received	1,941,483	1,706,145
Payments for investments	(448,086,469)	(391,079,216)
Proceeds from disposal of investments	247,591,070	285,998,871
Fixed capital expenditure	(1,004,069)	(525,899)
Proceeds from sale of intangibles and property and equipment	2,259	136,057
Total cash flow generated from investing activities	19,239,989	76,879,351
Financing activities		
Lease payments	(5,016)	(4,777)
Dividends paid	(2,500,000)	(2,000,000)
Total cash flow used in financing activities	(2,505,016)	(2,004,777)
Net cash flow generated from all activities	3,870,147	27,805,412
Cash and cash equivalents at beginning of the year	72,633,111	44,827,699
Cash and cash equivalents at end of the year	76,503,258	72,633,111
15.1		
Reconciliation to statement of comprehensive income		
Operating cash flows	(12,864,826)	(47,069,162)
Depreciation expense	(365,588)	(138,537)
Financial charges expense	(3,178)	391
Gain on disposal of property and equipment	3,057	4,094
Investment income	307,339,109	258,951,758
Amortization/capitalization	848,448	72,059
Other income	19,777	15,578
Increase in assets other than cash	124,360,846	115,220,926
Increase in liabilities other than running finance	(89,845,444)	(100,501,373)
Other adjustments	2,796,134	(6,405,700)
Change in deferred tax liabilities	8,032,546	-
Change in policy holder liabilities	(324,390,469)	(205,389,747)
Profit for the year after taxation	15,930,412	14,760,287

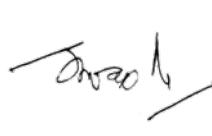
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Shoaib Mir
Director



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Chief Executive Officer



Muhammad Amjad
Chief Financial Officer

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the parent				Total
	Ordinary share capital	Ledger Account C and D [Refer Note]	Group reserves	Non Controlling Interest	
	Rupees in '000				
Balance as at 01 January 2023	6,200,000	18,190,546	3,378,432	34,463	27,803,441
Dividend paid for the year ended 31 December 2022	-	-	(2,000,000)	-	(2,000,000)
Transferred to group reserves	-	-	-	-	-
Total comprehensive income for the year	-	-	14,758,835	1,452	14,760,287
Surplus for the year retained in statutory funds-net of tax	-	10,009,881	(10,009,881)	-	-
Transferred from ledger to shareholder	-	400,000	(400,000)	-	-
Transfer for the issuance of share capital	1,800,000	-	(1,800,000)	-	-
Balance as at 31 December 2023	8,000,000	28,600,427	3,927,386	35,915	40,563,728
Balance as at 01 January 2024	8,000,000	28,600,427	3,927,386	35,915	40,563,728
Dividend paid for the year ended 31 December 2023	-	-	(2,500,000)	-	(2,500,000)
Transferred to group reserves	-	-	-	-	-
Total comprehensive income for the year	-	-	15,925,139	5,273	15,930,412
Surplus for the year retained in statutory funds-net of tax	-	12,510,294	(12,510,294)	-	-
Transferred from ledger to shareholder	-	1,005,000	(1,005,000)	-	-
Transfer for the issuance of share capital	-	-	-	-	-
Balance as at 31 December 2024	8,000,000	42,115,721	3,837,231	41,188	53,994,140

* 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.

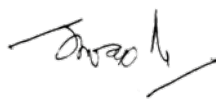
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Muhammad Amjad
Chief Financial Officer

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

The Group consists of:

Holding Corporation: State Life Insurance Corporation of Pakistan

Subsidiary Companies:

- a) State Life (Lakie Road) Properties (Private) Limited
- b) State Life (Abdullah Haroon Road) Properties (Private) Limited
- c) Alpha Insurance Company Limited

State Life Insurance Corporation of Pakistan

State Life Insurance Corporation of Pakistan (“the Holding Corporation”) was incorporated in Pakistan on 01 November 1972 under the Life Insurance Nationalization Order, 1972 (LINO). The Holding 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 along with 7 Regions, 4 zones for group life business and in the gulf countries comprising United Arab Emirates (UAE) through zonal office located at Dubai (UAE).

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

State Life (Lakie Road) Properties (Private) Limited

State Life (Lakie Road) Properties (Private) Limited (“the Company”) was incorporated in Pakistan in the month of July 1979 as Private Limited Company under the Companies Ordinance 1984. The Company was incorporated to deal in Real Estate including Renting, Purchase & Sale of properties. The Company is wholly owned subsidiary of the Holding Corporation.

State Life (Abdullah Haroon Road) Properties (Private) Limited

State Life (Abdullah Haroon Road) Properties (Private) Limited (“the Company”) was incorporated in Pakistan in the month of June 1979 as Private Limited Company under the Companies Ordinance 1984. The Company is wholly owned subsidiary of the Holding Corporation. The Company was incorporated to deal in Real Estate including Renting, Purchase & Sale of properties. The geographical location and address of the Company’s registered office and business unit is situated at 6th Floor State Life Building No. 09, Dr. Ziauddin Road, Karachi.

Alpha Insurance Company Limited

Alpha Insurance Company Limited Alpha Insurance Company Limited (the Company) was incorporated in Pakistan on 24 December 1951 under the Indian Companies Act VII of 1913 as a public limited company and registered as a non-life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. The Company is engaged in providing non-life insurance business comprising fire and property, marine, motor, health, credit and suretyship and miscellaneous. The Company commenced its commercial operations on 23 January 1952.

The Holding Corporation of the Company is State Life Insurance Corporation of Pakistan holding 95.15% (31 December 2023: 95.15%) shares of the Company.

1.1 Geographical location and addresses of business units of the Group are as under:

BUSINESS UNITS	GEOGRAPHICAL LOCATION	ADDRESS
Southern Region	Karachi	State Life Building No. 2, Wallace Road, Karachi.
North Region	Islamabad	State Life Building No. 9, 33-E, Blue Area, Islamabad.
KPK Region	Peshawar	State Life Building No. 34, The Mall, Peshawar.
Central Region	Lahore	15-A, Davis Road, Lahore.

BUSINESS UNITS	GEOGRAPHICAL LOCATION	ADDRESS
Faisalabad Region	Faisalabad	State Life Building No. 2, Liaquat Road, Faisalabad.
Hyderabad Region	Hyderabad	State Life Building, Thandi Sarak, Hyderabad.
Multan Region	Multan	Chowk Nawan Shaher, Abdali Road, Multan.
Group & Pension Karachi Zone	Karachi	State Life Building No. 2, Wallace Road, Karachi.
Group & Pension Peshawar Zone	Peshawar	State Life Building No. 34, The Mall, Peshawar.
Group & Pension Rawalpindi Zone	Rawalpindi	State Life Building No. 8, Kashmir Road, Rawalpindi.
Group & Pension Lahore Zone	Lahore	15-A, Davis Road, Lahore.
Gulf Zone	Dubai	Saqr Al Qasmi Building, Salah A1 Din Road, P.O. Box 11278, Dubai, UAE.
State Life (Lakie Road) Properties (Private) Limited	Karachi	6 th Floor State Life Building No. 09, Dr. Ziauddin Road, Karachi.
State Life (Abdullah Haroon Road) Properties (Private) Limited	Karachi	6 th Floor State Life Building No. 09, Dr. Ziauddin Road, Karachi.
Alpha Insurance Company Limited	Karachi	4 th Floor, Building # 1-B, State Life Square, I. I. Chundrigar Road, Karachi.

1.2 The Holding 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 22 September 2016. For the purpose of carrying on the takaful business, the Holding Corporation has formed an Individual Family Participant Takaful Fund (IFPTF) on 18 August 2017 under the Waqf deed and ceded Rs. 1 million to the IFPTF. The Waqf deed governs the relationship of Holding Corporation and participants for management of takaful operations. The Holding Corporation launched the Window Takaful Operations on 28 January 2021.

1.3 In prior years, Privatization Commission (PC) has envisioned to divest the shares of Government of Pakistan held by Ministry of Commerce through an Initial Public Offer (IPO). For this purpose, PC sent the Term of Reference (ToR) to the Holding Corporation vide letter no. PC/SLIC-IPO/B&U/04 dated 24 June 2015 regarding the appointment of lead manager and book runner for public offering through domestic stock exchange transaction, which was been approved by the Board on 11 August 2015.

Moreover, PC also constituted an Evaluation Committee to evaluate technical and financial proposals of bids received. Based on the evaluation process of the Committee, the Board of PC appointed consortium of Habib Bank Limited, Bank Alfalah Limited, Arif Habib Limited and Elixir Securities Pakistan (Private) Limited as lead manager and book runner for IPO as mentioned in the 243rd meeting of the Board of Directors held on 20 February 2016.

The Presidential Order dated 06 April 2016 in respect of State Life (Reorganization and Conversion), 2016 was issued by Government of Pakistan Ministry of Law and Justice to provide for the re-organization and conversion of the Holding Corporation into a Public Limited Company.

After the commencement of this Ordinance, the Federal Government established a Company to be known as State Life Insurance Company Limited by shares under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The National Assembly converted the said Ordinance into bill for the conversion of State Life Insurance Corporation to State Life Insurance Company Limited and sent the bill to Senate for approval and the Senate, instead of passing the bill, proposed few amendments in the bill. For the consideration of the proposed amendments, the matter was moved to National Assembly Standing Committee on Commerce.

Ministry of Commerce (MoC), vide letter No.1(7)/2013-SLIC-INS dated 10 September 2020, informed that the Senate of Pakistan passed the Bill with certain amendments. The Bill was forwarded to the National Assembly (the Assembly), however, the Assembly did not pass the amended Bill within 90 days. Therefore, a request was made to the Ministry of Parliamentary Affairs to place the same before the Joint Session of the Parliament for consideration. However, Bill was not passed by the Joint Session due to end of Assembly session that day. Hence, in terms of Article 76(3) of the Constitution of Pakistan said Bill has been lapsed, despite the fact that it had been passed by the Senate.

On 25 January 2023 in a Committee Room of MoC, it was unanimously decided that now the Finance Division shall draft a new legislation with the technical support of legal advisors, to enable the requisite amendments/changes in the legal/regulatory framework of the five selected State-Owned Entities (SOEs). The draft shall be shared with the Line Ministries/(SOEs) for their views/concurrence before its submission to the Federal Cabinet and subsequently to the Parliament.

- 1.4 The Group maintains a shareholders' fund and five statutory funds, separately in respect of its each class of life insurance business. The details relating to each fund has been described in note 4.4.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through the Insurance Rules, 2017 vide its S.R.O. 89(1) / 2017 dated 09 February 2017.

Basis of Consolidation

Subsidiaries are those entities over which the Holding Corporation has control. Control is achieved when the Holding Corporation is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Holding Corporation controls an investee if, and only if, the Holding Corporation has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Holding Corporation has less than a majority of the voting or similar rights of an investee, the Holding Corporation considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Holding Corporation's voting rights and potential voting rights.

The Holding Corporation re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one.

Subsidiaries are consolidated from the date on which the Holding Corporation obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed-off during the year are included in the consolidated statement of profit or loss account from the date the Holding Corporation gains control until the date the Holding Corporation ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of comprehensive income.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Holding Corporation's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognized in consolidated statement of comprehensive income and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line-by-line basis and the carrying value of investments held by the Holding Corporation is eliminated against the subsidiaries' shareholders' equity in these consolidated financial statements.

All intra-Group transactions, balances, income, expenses and unrealized gains and losses on transactions between Group companies are eliminated in full.

Subsidiaries have same reporting period as that of the Holding Corporation. The accounting policies of subsidiaries have been changed to confirm with accounting policies of the Holding Corporation, wherever needed.

2.1 Statement of compliance

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

- International Financial Reporting Standard (IFRS), issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and 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 shall prevail.

As required by Circular 15 of 2019 dated 18 November 2019 issued by the Securities & Exchange Commission of Pakistan (the Commission), the Group has prepared and annexed to these financial statements, a standalone set of financial statements for Window Takaful Operations of the Group, as if these are carried out by a standalone Takaful Operator. These financial statements for Window Takaful Operations of the Group are submitted in compliance under the conditions imposed by the Commission as stated above.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

2.3 Functional and presentation currency

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

3. New standards, interpretations and amendments to published approved accounting standards

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended 31 December 2024

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	01 January 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	01 January 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	01 January 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	01 January 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	01 January 2024

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

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

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

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

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

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

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

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

3.3 Temporary exemption from application of IFRS 9

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’ to be implemented for annual reporting periods on or after 01 January 2023 as per IASB. 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 Group has determined that it is eligible for the temporary exemption option since the Group 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 Group does not engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Group 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.

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

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

Description	2024					
	Fails the SPPI Test			Passes the SPPI Test		
	Fair value	Impairment	Changes in unrealized gain / loss during the year	Carrying value	Impairment	Changes in unrealized gain / loss during the year
	-----Rupees in '000 -----					
Investment in equity securities	295,232,780	(221,013)	67,404,104	-	-	-
Investment in government securities	-	-	-	1,334,899,805	-	-
Investment in debt securities	-	-	-	30,108,018	(7,573)	(172,274)
Investment in mutual funds	81,786,892	-	19,114,211	-	-	-

3.4 Applicability of SOE Act, 2023

The Group, being a public sector company as defined in Section 2(54) of the Companies Act, 2017, falls within the scope of the State-Owned Enterprises (Governance and Operations) Act, 2023 (“SOE Act”) under Section 3, which required all SOE’s to prepare their financial statements following the requirement of International Financial Reporting Standards.

Section 25(2) of the SOE Act states:

*“The financial statements must be prepared in accordance with International Financial Reporting Standards and the financial statements together with the notes to them must include all information that is necessary to ensure that the financial statements give a true and fair view of the financial position of the state-owned enterprise and the group consisting of the state-owned enterprise and its subsidiaries: **Provided** that where a state-owned enterprise is not following the International Financial Reporting Standards at the time of coming into effect of this Act, the Board shall ensure compliance with this provision within a period **of three years** from coming into effect of this Act.”*

Further, ICAP Circular No. 3/2025 issued pursuant to clarification from the Finance Division, Government of Pakistan confirms that this requirement applies to all public sector companies within the SOE Act’s scope, and that “IFRS as notified by SECP” or the use of SECP-granted exemptions will not be permissible for financial statements issued after 30 January 2026.

Currently, the Group is availing SECP’s notified adoption timeframe for IFRS 17 – Insurance Contracts (effective 1 January 2027) and the temporary exemption from IFRS 9 – Financial Instruments under the Amendments to IFRS 4 – Insurance Contracts (“Applying IFRS 9 with IFRS 4”), which permits eligible insurers to defer IFRS 9 application until IFRS 17 becomes effective. While these exemptions remain valid under SECP regulations until their respective adoption dates, the SOE Act requires unreserved compliance with full IFRS (IASB versions) by the statutory deadline i.e. financial statements issued after 30 January 2026.

3.5 Critical accounting estimates and judgements

The preparation of these consolidated financial statements in conformity with the 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 judgements 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 judgements were exercised in application of accounting policies relate to:

a) Classification of investments

In investments classified as “held to maturity”, the Group has included financial assets with fixed or determinable payments and fixed maturity. In making this judgement, the Group evaluates its intention and ability to hold such investments to maturity.

b) Policyholders’ liabilities

Policyholders’ liabilities are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each reporting date. In determining the value, both acquired policy values (which forms the bulk of policyholders’ liabilities) as well as estimated values which will be payable against risks which the Group underwrites are taken into account. The basis used are applied consistently from year to year.

Furthermore, shadow accounting is applied where the measurement of policyholders’ liabilities depends directly on the value of investments in equity securities, and the related unrealized gains or losses are recognized in the statement of comprehensive income. A corresponding shadow adjustment to the policyholders’ liabilities is also recognized in the statement of comprehensive income, to the extent that those unrealized gains or losses relate to the policyholders’ liabilities being measured.

The basic liability consists of the estimated actuarial liability against each contract, which is in force. Following elements are added to this amount:

- any reserve required for premiums;
- reserve for incurred but not reported (IBNR) claims;
- reserve for income benefit in course of payment; and
- reserve for potential losses on a policy-to-policy basis.

The deferred premium in respect of group life and health insurance schemes is included in actuarial liability.

c) Provision for taxation

In making estimates for taxation currently payable by the Group, the management considers the current income tax laws, the decision of appellate authorities on certain issues in the past and an independent opinion given by the taxation / legal advisor of the Group.

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

The Group 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 Group. 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 Group 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.

f) Staff retirement benefits

Staff retirement benefits are provided as per actuarial valuation or following the actuarial advice which is based upon certain assumptions.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computation adopted in the preparation of these consolidated financial statement are same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2024.

4.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs

Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to statement of comprehensive income.

Depreciation

Depreciation is calculated on straight-line method to write off the cost of assets over their expected useful lives at the rates specified in note 5 to the financial statements, after taking into account residual values, if any. The useful lives, residual values and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on additions and disposals is charged from the date when the asset becomes available for use to the date of disposal.

Derecognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognized.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment, if any and consist of expenditure incurred and advances made in respect of fixed assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of fixed asset when they are available for use.

4.2 Investment properties

Investment properties are accounted for under the cost model in accordance with International Accounting Standard 40, 'Investment Property' and S.R.O. 938 (1)/2002 dated 12 December 2002 issued by the SECP.

These are carried at cost less accumulated depreciation and impairment losses, if any. Subsequent expenditure, depreciation and gains or losses on disposal are accounted for in the same manner as of operating fixed assets.

4.3 Other assets

Stock of stationery, printed material and maintenance store in hand for investment properties etc. are valued at lower of cost or net realizable value. Cost is determined on 'first in first out' basis.

4.4 Funds

The Group maintains a shareholders' fund and five statutory funds, separately in respect of its each class of life insurance business, namely:

- Pakistan Life Fund (ordinary life);
- Overseas Life Fund (ordinary life);
- Pension Fund;
- Accidental and health Insurance Fund; and
- Family Takaful Fund.

Assets, liabilities, revenues and expenses are referable to respective statutory funds or allocated to shareholders' fund.

Expenses of principal office are distributed among all funds on fair and equitable basis.

a) Pakistan Life Fund (ordinary life)

Pakistan Life Fund comprises individual life business and group life business carried out in Pakistan as well as individual life Rupee business conducted outside Pakistan. Policyholders' liabilities as shown in the Pakistan Life Fund are based on an actuarial valuation conducted by the Appointed Actuary as at the reporting date.

Within the Pakistan Life Fund, business can be further classified as individual life conventional business, BANCA business, group insurance business and a small amount of annuity business. Most of the policies contain Discretionary Participation Feature (DPF).

b) Overseas Life Fund (ordinary life)

The Overseas Life Fund entirely consists of individual life conventional business carried out at UAE, Kingdom of Saudi Arabia and Kuwait through zonal office located in Dubai (UAE). Policyholders' liabilities as shown in the Overseas Life Fund are based on an actuarial valuation conducted by the Appointed Actuary as at the reporting date.

Exchange gains and losses on translation of currencies of Overseas Life Fund and Pakistan Life Fund (Rupee business) are taken to revenue account through statement of comprehensive income. Most of the new business written under the Overseas Life Fund contains a Discretionary Participation Feature (DPF).

c) Pension Fund

The Pension Fund consists of funds on account of group pension deposit administration contracts. Policyholders' liabilities as shown in the pension fund are based on an actuarial valuation conducted by the Appointed Actuary as at the reporting date.

d) Accidental and Health Insurance Fund

The Group is implementing mega health insurance programs, i.e. Federal Sehat Sahulat Program, Balochistan Sehat Sahulat Program, & KP Sehat Sahulat Program. These programs covered the 150 million population of Pakistan across 90+ districts to provide them with health insurance coverage through a vast network of 1000+ empaneled hospitals. The Federal Sehat Sahulat Program, with expansion to target more than 68 districts across Pakistan, is covering around 30 million families (i.e. 120 million individuals). The growth in the scheme has a massive impact on the quality of health care available to the poor. The scheme is providing the secondary coverage of Rs. 60,000 and Rs. 400,000 under tertiary coverage per annum. The beneficiaries are also paid additional benefits such as cash payments of transportation and funeral charges. Besides pure BISP data, the entire FATA, FR Region, Tharparkar, GB and AJK regions have been covered under this scheme. The coverage was further extended to all the disabled person and registered transgender community of Pakistan. Plans are underway to expand the scheme to cover 100% population of Islamabad and Punjab. The KP Sehat Card Plus Program has covered the entire population of Khyber Pakhtunkhwa, where more than 7 million families would be covered. This scheme has a worth of around 87+ billion in the next five years. The scheme provides inpatient hospitalization secondary coverage of Rs. 80,000 per member and Rs. 800,000 under tertiary coverage per annum. State Life being a public sector organization would strive to extend its services to manage social health programs most efficiently and economically.

e) Family Takaful Fund

The Group on receipt of license to start Window Takaful Operations, established a statutory fund namely 'Family Takaful Fund' to offer 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 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 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 surpluses 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.

4.5 Insurance contracts – classification

The Group maintains five statutory funds which are as follows:

- Pakistan Life Fund (ordinary life);
- Overseas Life Fund (ordinary life);
- Pension Fund;
- Accidental and health Insurance Fund; and
- Family Takaful Fund.

Within the Pakistan Life Fund the business can be further classified as individual life conventional business, group insurance business and a small amount of annuity business.

Most of the new individual life conventional policies written by the Group contain a Discretionary Participation Feature (DPF). DPF indicates policies in which the investor receives an additional payment, the amount or timing of which is contractually at the discretion of the issuer.

The Overseas Life Fund entirely consists of individual life conventional business. Most of the new business written under the overseas life fund contains a DPF.

The Pension Fund consists of funds administered under Group Pension Deposit Administration contracts.

The Accident and Health Insurance Fund consists of Group Health and Accident Insurance Contracts.

Considering all the five statutory funds together, the bulk of Group business consists of individual life conventional policies. Most of the remaining business consists of group life insurance business.

The Group also offers some supplementary benefits attached in the form of riders to the individual life policies and the group life contracts. Each of these classes of business are described in greater detail below.

Contract details and measurement

The insurance contracts offered by the Group are described below:

4.5.1 Individual life policies

Individual life conventional products

These are long term contracts with either level or single premiums. These plans generally provide for some death benefit on death during the currency of the policy and a survival benefit either on the happening of certain contingencies or on the maturity of the policy. The premiums are payable only in the life time of the policyholder. In case of term insurance products there is no survival benefit.

Universal life policies

Under these plans a certain amount is set aside from the premium for expenses and meeting the mortality cost and the remainder of the premium is invested to earn some investment return. Investment return is allocated to these products on an annual basis keeping in view the investment earnings of the Pakistan Life Fund.

Term insurance policies

A few products of the Group are term insurance plans providing benefits only in case of death. Under these policies no benefit is due if the policy holder survives the duration of the policy. The Group sells both level term insurances and decreasing term insurances also known as mortgage protection plans.

Annuities

The Group also has a small number of individual and group life-annuities on its books. Under these contracts a periodic income benefit is payable to the insured life for as long as annuitant is alive. Besides, the Group offers annuity-certain plans under which periodic income benefit is payable for a stipulated period and is not dependent on the life of the policyholder.

Supplementary riders

The Group offers various types of supplementary riders. Some of these riders offer additional life coverage, in some cases they offer accidental death and disability benefits. The benefits can take various forms such as lump sum payment or an income benefit or waiver of premiums due under the host policy contract.

Insured event

Under the individual life insurance policies in most cases the insured event is either death or survival until the maturity date of the policy, except in case of term insurance where there is no maturity benefit. Under the annuity policies the Group is exposed to the risk of longevity. In this case the insured event is survival of the life insured for a long duration, exceeding the period normally expected under standard mortality tables.

In case of supplementary rider, the insured event is either death or just accidental death or disability whether accidental or natural or both.

Distribution channel

The individual life business of the Group is sold through its dedicated sales force which is present all over the country. This field force is organized under a three-tier system consisting of sales representatives, sales officers and sales managers. Each sales sector headed by area manager and a sector head. Presently there are 1,096 area managers and 150 sector heads who are working in 33 different zones and 7 regions throughout country in addition to this there is one zone in Gulf region who is head by Zonal Chief, Gulf. The Gulf zone has its own marketing team of sector heads, Area Managers and Sales Force.

The individual life policy holders of the Group come from all strata of society, with greater representation of the rural areas due to wider outreach of its field force. New policyholders have an average age of around 34 years.

4.5.2 Group life policies

Basic coverage

The group life policies are generally one-year renewable term insurance contracts. In most cases they provide group coverage to the employees of an employer. Sometimes the coverage is tied up with loans extended by the employer for house building or purchase of motor vehicles or other household items. In some cases, group policies are issued to lending agencies such as banks to provide group coverage to their borrowers. There are also a small number of group endowment policies which provide benefits identical to individual life policies but under the umbrella of a group contract.

Supplementary coverage

In many cases the group policies also provide supplementary coverage which may include accidental or natural disability benefits and additional accidental death benefit. These riders also take the form of one-year renewable term insurance policies.

Insured event

Under the group life insurance policies in most cases the insured event is death due to any cause. In case of supplementary coverage, the insured event can include accidental death or disability or natural disability.

Distribution channel

The group insurance business is sold through four group and pension zones of the Group. Each zone has its own marketing force consisting of sector heads who are full time salaried employees of the Group, however, some of the group business is also procured through individual life field force of the Group.

Most of the lives covered under the group insurance consist of industrial and office workers, civil servants and employees of corporations, banks, other financial institutions, army, navy etc.

4.6 Re-insurance contracts held

4.6.1 Conventional

The Group has re-insurance arrangements with Swiss Re. The net retention limit of the Group for individual life is Rs. 5 million (2023: Rs. 5 million) per policy and for group life is Rs. 5 million (2023: Rs. 5 million) per person of risk. Reinsurance premiums are recognized in accordance with the pattern of recognition of the related premium. These are measured in line with the terms and conditions of the reinsurance treaty.

Reinsurance liabilities represent balances due to reinsurance companies. Balances payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

4.6.2 Retakaful Contribution

These contracts are entered into by the Group 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.

4.6.3 Retakaful Expenses

Retakaful expenses are recognized through liability.

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.

4.7 Claims

The liability in respect of outstanding claims represents the ascertained value of claims incurred and reported before the end of the accounting year. Incurred but not reported (IBNR) cases are provided on the basis of actuarial advice and included in the policyholders' liabilities.

On 19 May 2014, Securities and Exchange Commission of Pakistan (SECP) has issued Circular No. 11 of 2014 in which they have prohibited all life insurers from writing back the unclaimed insurance benefit amount in any circumstances. The unclaimed insurance benefits are the amount which have become payable in accordance with the terms and conditions of an insurance policy but have not been claimed by the policyholders or their beneficiaries. Such unclaimed amounts include unclaimed maturity benefits, long outstanding claims and un-intimated or unclaimed death or disability claims. The Group has a practice of writing back claims which are outstanding for more than three years from the date from which the claims become payable and an equivalent amount has been placed in 'reserve for unpaid insurance benefits' within the policyholders' liabilities. The Group has received letter dated 22 May 2015 from SECP clarifying that the practice to retain the unclaimed insurance benefits in its actuarial reserve is in compliance with the clause 3 of the aforementioned Circular.

4.8 Amount due to other insurers / reinsurers / takaful / retakaful

Liabilities for other insurers / reinsurers / takaful / retakaful are carried at cost which is the fair value of consideration to be paid in future for services.

4.9 Premium due but unpaid

Premiums due but unpaid are recognized at cost, which is the fair value of consideration to be received less provision for impairment, if any.

4.10 Amount due from other insurers / reinsurers / takaful / retakaful

Amount due from other insurers / reinsurers / takaful / retakaful are carried at cost less provision for impairment, if any.

4.11 Acquisition costs

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

4.12 Expenses of management

Expenses of management represent directly attributable expenses and indirect expenses allocated to statutory funds.

4.13 Staff retirement benefits

a) Provident fund

The Group operates a defined contribution plan, a recognized contributory provident fund scheme for all its eligible employees. For employees who have opted for the gratuity scheme, monthly contributions at the rate of 8.33% of their basic salaries are made to the fund by the Group. However, in respect of employees who have opted for the pension scheme, no contribution is made by the Group to the provident fund.

b) Gratuity fund

The Group maintains a funded defined benefit plan for those officers who opted for gratuity rules. On retirement, resignation, termination or on death they will be paid last month's drawn salary for each completed year of service. Liability for the fund is based on the advice of appointed actuary.

c) Pension fund

The Group operates a defined benefit plan, a funded pension scheme for its employees opting for the pension scheme established in 1984 and payments are made annually to the extent allowed under the Income Tax Rules, 2002 to meet the obligations there-under on the basis of actuarial valuation. From a previous year pursuant to the order of Honorable Supreme Court of Pakistan, the Group has restored its pension scheme, as aforesaid, that was in effect before 31 December 1999. Liability for the fund is based on the advice of appointed actuary.

d) Compensated absences

From the year 2002, the un-availed earned leave balance of officers is encashed to the extent of two third of the leave balance with simultaneously proceeding on leave for one third leave balances, minimum for twelve days. A policy is already in force for the staff on similar lines. For officers leaves up to 60 days can be carried forward up to the date of retirement and can be encashed at retirement. Similarly, in respect of staff leaves up to 180 days can be carried forward up to the date of retirement and can be encashed at retirement.

e) Post retirement medical benefits

The Group provides medical facilities to its retired officers and their spouses in accordance with the service regulations. As at 31 December 2024, liability for post-retirement medical benefits as computed by the appointed actuary is estimated at Rs. 4,178 million (2023: Rs. 3,500 million) and the same has been provided in these consolidated financial statements.

4.14 Loans secured against life insurance policies

Cash loans

Loans in cash against the security of life insurance policies may be extended to the policyholders to the extent of 80% of surrender value of the respective policy, provided the policy has been in force for at least two years.

Automatic non-forfeiture provisions

- a) Automatic Premium Loans secured against surrender value of the policy may be extended to the extent of the surrender value of the respective policy, provided the policyholder has exercised Automated Premium Loan option.
- b) An advance equal to one year premium may be allowed to the policyholder only once, if the policyholder has exercised Auto Paid-up option provided the respective policy has been in force for at least two years.

4.15 Revenue recognition

4.15.1 Premium

Life insurance business

- First year individual life premium is recognized when the policy is issued after receipt of that premium. Subsequent premiums falling due under the policy are recognized if received before expiry of the grace period, or if advanced by the Holding Corporation under the Automatic Premium Loan (APL).
- Single premiums are recognized once the related policies are issued against the receipt of premium.
- Premiums for group life, accident & health and overseas group life and health business are recognized when due.
- The Holding Corporation continues to provide the cover even if the premium is received after the grace period.

Non-life insurance business

Premium income under a policy is recognized over the period of insurance contract from the date of inception of the policy to which it relates till the expiry in case of marine cargo business whereas, for all other cases of premium, income is recognized as a difference between total premium written and provision for unearned premium.

4.15.2 Reinsurance Commission

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

4.15.3 Individual Life Family Takaful

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

4.15.4 Rental income on investment properties

Rental income is recognized on an accrual basis except where dues are more than six months old in which case income is recognized on a receipt basis, except for the cases that are under litigation.

4.16 Investment income

Income on government securities, term finance certificates and other fixed income securities is recognized on an accrual basis for the number of days these are held taking into account effective yield on the instruments.

Dividend income is recognized when the Group's right to receive dividend is established. Income on debentures is recognized at the prescribed rates, except where recovery is considered doubtful in which case the income is recognized on a receipt basis.

Capital gain / loss arising on sale of listed securities is recognized on settlement date.

Regular way purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognized at the settlement date. Settlement date is the date on which an asset is delivered to or by the Group.

4.17 Deferred capital grant

Grants received for capital expenditure is credited to "Deferred liabilities". Amount equal to the depreciation charged during the year as per rate applicable to the respective assets is transferred to other income. Grants received in cash for revenue expenditure are treated as income on the basis of expenditure incurred.

4.18 Others

All other incomes are recognized on accrual basis.

4.19 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with prevailing laws (fourth Schedule to the Income Tax Ordinance, 2001) for taxation of income. All sources of income of the Group are taxed as one basket income using prevailing tax rate expected to apply to the profit for the year, if enacted. The charge for the current tax also includes adjustments, where considered necessary, to the provision for tax made in previous years arising from assessments finalized during the current year for such years.

Deferred

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.20 Bad and doubtful debts

Known bad debts are written off and impairment loss is recognized for debts / receivables considered doubtful.

4.21 Provisions

Provisions are recognized when the Group 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.

4.22 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).

4.23 Related party transactions and transfer pricing

Transactions and contracts with the related parties are carried out at arm's length price determined in accordance with comparable uncontrolled price method.

4.24 Cash and cash equivalents

These include cash and bank balances and deposits maturing within twelve months.

4.25 Dividend and appropriation of reserve

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

4.26 Earnings per share

The Group presents basic and diluted Earnings Per Share ("EPS") for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated if there is any potential dilutive effect on the Group's reported net profits.

4.27 Segment reporting

Operating segment is a distinguishable component of the Group that is engaged in providing services that are subject to risks and returns that are different from those of other operating segments. The Group accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Regulations, 2017.

The Group's business segments currently reports five statutory funds, separately in respect of each class of life insurance business.

4.28 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rate approximating those ruling on the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange which approximates those prevailing on the reporting date. Gains and losses on translations are taken to income currently. Non-monetary items that are major in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

4.29 Leases

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on 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 depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. 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 lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily

determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently 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 fixed lease payments or an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

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 statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component and not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

4.30 Financial instruments

Financial assets and financial liabilities are recognized when the Group 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:

- Other loans and receivables;
- Held to maturity; and
- Fair value through profit or loss.

Other loans and receivables

Other 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 Group has a positive intent and ability to hold these investments till maturity. After initial recognition, these are carried at amortized cost.

Fair value through profit or loss

These are investment are initially recognized at cost being the fair value the of consideration given and its related transaction cost are charged to statement of comprehensive income. These investments are subsequently measured at their market value with any gain or loss in statement of comprehensive income.

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 Group 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 Group 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.

4.31 Investments in associates

Associates are all entities over which the Group has significant influence but no control. Investment in associates that is held through investment-linked insurance funds is measured at fair value through profit or loss.

4.32 Takaful Operator's Fee

The shareholders of the Group manage the Window Takaful operations for the participants. Accordingly, the Group 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.

5	PROPERTY AND EQUIPMENT	Note	2024	2023
			----- Rupees in 000 -----	
	Operating assets	5.1	1,921,497	1,409,393
	Capital work in progress	5.4	16,301	18,112
	Right-of-use assets	5.5	11,315	14,144
			1,949,113	1,441,649

5.1 Operating assets

Description	2024								
	Cost				Depreciation			Written down value as at 31 December 2024	Depreciation Rate
	As at 01 January 2024	Additions/ (disposals)	Transfer from Investment Property / Capital work in progress	As at 31 December 2024	As at 01 January 2024	For the year / (disposals)	As at 31 December 2024		
(Rupees in '000)									%
Building, roads and structure	742,517	71,278	-	813,795	180,438	11,259	191,697	622,098	1
Electric installation and fittings	821,864	55,657 (1,803)	-	875,718	699,077	48,930 (1,773)	746,234	129,484	10 to 15
Furniture and fixture	825,672	160,811 (3,254)	-	983,229	390,920	49,872 (3,122)	437,670	545,559	10
Office equipment	306,558	75,910 (1,062)	-	381,406	234,172	26,462 (466)	260,168	121,238	10 to 30
Computer installations-basic	1,078,558	342,121 (1,576)	-	1,419,103	974,674	101,411 (1,352)	1,074,733	344,370	20 - 30
Computer installations-peripherals	103,848	10,570 (670)	-	113,748	88,504	6,799 (669)	94,634	19,114	30
Vehicles	340,898	76,852 (7,633)	-	410,117	242,737	30,076 (2,330)	270,483	139,634	20
	4,219,915	793,199 (15,998)	-	4,997,116	2,810,522	274,809 (9,712)	3,075,619	1,921,497	
Description	2023								
	Cost				Depreciation			Written down value as at 31 December 2023	Depreciation Rate
	As at 01 January 2023	Additions/ (disposals)	Transfer from Investment Property / Capital work in progress	As at 31 December 2023	As at 01 January 2023	For the year / (disposals)	As at 31 December 2023		
Rupees in '000									%
Building, roads and structure	652,216	8,966 (213)	81,548	742,517	169,621	11,030 (213)	180,438	562,079	1
Electric installation and fittings	718,124	51,460 (3,877)	56,157	821,864	662,675	40,291 (3,889)	699,077	122,787	10 to 15
Furniture and fixture	744,091	88,739 (7,158)	-	825,672	352,135	40,412 (1,627)	390,920	434,752	10
Office equipment	242,120	66,268 (1,830)	-	306,558	221,258	13,028 (114)	234,172	72,386	10 to 30
Computer installations-basic	1,004,617	78,350 (4,409)	-	1,078,558	920,116	55,275 (717)	974,674	103,884	20 - 30
Computer installations-peripherals	93,822	11,333 (1,307)	-	103,848	85,350	4,441 (1,287)	88,504	15,344	30
Vehicles	236,643	104,276 (21)	-	340,898	234,402	8,356 (21)	242,737	98,161	20
	3,691,633	409,392 (18,815)	-	4,219,915	2,645,557	172,833 (7,868)	2,810,522	1,409,393	

5.2 Assets with zero values

Description of Assets	2024			2023		
	Cost	Net book value	Number of items	Cost	Net book value	Number of items
	--- (Rupees in '000) ----			--- (Rupees in '000) ----		
Electric installation and fittings	102,650	-	3,979	-	-	-
Furniture and fixtures	295,736	-	32,610	272,700	-	45,393
Office equipment	124,828	-	6,828	139,822	-	8,025
Computer installation - basic	858,442	-	9,955	703,627	-	10,069
Computer installation - peripheral	84,290	-	1,831	76,555	-	9,232
Vehicles	202,999	-	216	141,351	-	227
	1,668,945	-	55,419	1,334,055	-	72,946

5.3 There are no assets held by third parties as at reporting date.

5.4 Capital work in progress	Note	2024	2023
		Rupees in '000	
Opening balance		18,112	400,264
Less: Provision for impairment		(1,811)	-
Additions		-	77,172
Transfer to investment properties		-	(321,619)
Transfer to property and equipment		-	(137,705)
Closing balance		16,301	18,112

5.5 Right-of-use assets

Balance at 1 January		14,144	3,348
Additions during the year		-	14,144
Depreciation charge		(2,829)	(3,348)
Balance at December 31	5.5.1	11,315	14,144

5.5.1 Description	2024							
	Cost			Depreciation			Written down value as at 31 December 2024	Depreciation Rate
As at 01 January 2024	Additions/ (disposals)	As at 31 December 2024	As at 01 January 2024	For the year / (disposals)	As at 31 December 2024	As at 31 December 2024		
Right-of-use assets	14,144	-	14,144	-	2,829	2,829	11,315	20

Description	2023							
	Cost			Depreciation			Written down value as at 31 December 2023	Depreciation Rate
As at 01 January 2023	Additions	As at 31 December 2023	As at 01 January 2023	For the year	As at 31 December 2023	As at 31 December 2023		
Right-of-use assets	17,225	14,144	14,144	13,877	3,348	-	14,144	20
	-	(17,225)	-	-	(17,225)	-	-	

6 INTANGIBLE ASSET

	2024							
	Cost			Amortization			Written down value as at 31 December 2024	Amortization rate
	As at 01 January 2024	Additions	As at 31 December 2024	As at 01 January 2024	For the year	As at 31 December 2024		
	Rupees in '000							%
Computer software	3,016	341	3,357	2,700	183	2,883	474	30

	2023							
	Cost			Amortization			Written down value as at 31 December 2023	Amortization rate
	As at 01 January 2023	Additions	As at 31 December 2023	As at 01 January 2023	For the year	As at 31 December 2023		
	Rupees in '000							%
Computer software	3,016	-	3,016	2,519	181	2,700	316	30

7 INVESTMENT PROPERTIES

		2024	2023
	Note	Rupees in '000	
Investment properties	7.1	3,577,807	3,451,021
Less: Provision for impairment in value	7.4	(2,891)	(2,672)
		<u>3,574,916</u>	<u>3,448,349</u>

7.1 Investment properties

Description	2024									
	Cost				Depreciation				Written down value as at 31 December 2024	Depreciation Rate
	As at 01 January 2024	Additions adjustments	Transfer in from Capital work in progress	As at 31 December 2024	As at 01 January 2024	For the year / (disposals)	Transfer to Property and Equipment	As at 31 December 2024		
	Rupees in '000									%
Freehold land	274,616	1,252	-	275,868	-	-	-	-	275,868	-
Leasehold land	332,697	-	-	332,697	128,811	3,864	-	132,675	200,022	1 to 5
Building, roads and structure	2,924,485	178,259	-	3,102,744	461,738	26,830	-	488,568	2,614,176	1 to 5
Electric installation and fittings	1,787,346	38,054	-	1,825,400	1,277,574	60,085	-	1,337,659	487,741	10
	<u>5,319,144</u>	<u>217,565</u>	<u>-</u>	<u>5,536,709</u>	<u>1,868,123</u>	<u>90,779</u>	<u>-</u>	<u>1,958,902</u>	<u>3,577,807</u>	

Description	2023									
	Cost				Depreciation				Written down value as at 31 December 2023	Depreciation Rate
	As at 01 January 2023	Additions adjustments	Transfer in from Capital work in progress	As at 31 December 2023	As at 01 January 2023	For the year	Transfer to Property and Equipment	As at 31 December 2023		
	Rupees in '000									%
Freehold land	274,616	-	-	274,616	-	-	-	-	274,616	-
Leasehold land	332,697	-	-	332,697	124,946	3,865	-	128,811	203,886	1 to 5
Building, roads and structure	2,713,390	20,635	190,460	2,924,485	435,588	26,150	-	461,738	2,462,747	1 to 5
Electric installation and fittings	1,638,310	17,877	131,159	1,787,346	1,222,946	54,628	-	1,277,574	509,772	10
	<u>4,959,013</u>	<u>38,512</u>	<u>321,619</u>	<u>5,319,144</u>	<u>1,783,480</u>	<u>84,643</u>	<u>-</u>	<u>1,868,123</u>	<u>3,451,021</u>	

- 7.2** The market and forced sale values of the investment properties owned by the Group, as determined by independent valuers (RBS Associates (Private) Limited), amounted to Rs. 140,240 million and Rs. 119,224 million respectively as at 31 December 2024 (2023: Rs. 132,750 million and Rs. 119,480 million respectively).
- 7.3** The above includes, title deeds of 61 land/buildings, that were taken over by the Group under the Life Insurance (Nationalization) Order, 1972 (LINO) dated 01 November 1972 and have been transferred in the name of the Group. The title deeds 13 buildings / plots (2023: 13 buildings / plots) are still in the name of defunct insurance companies that were merged in the Group as per the LINO order.
- 7.4** There are properties costing Rs. 4.532 million (2023: Rs. 4.269 million) having written down value of Rs. 2.891 million (2023: Rs. 2.672 million) to which the Group's title is disputed. Against this, a provision of Rs. 2.891 million (2023: Rs. 2.715 million) exists.
- 7.5** The Group has a plot at Rawalpindi costing Rs. 0.581 million (2023: Rs. 0.581 million) for which execution of title deed is pending due to dispute with the Cantonment Board, Rawalpindi.
- 7.6** The Group has a plot at Mirpur (Azad Kashmir) costing Rs. 1.417 million (2023: Rs. 1.417 million) for which execution of title deed remain pending.
- 7.7** The investment properties also include Rs. 25.8 million (2023: Rs. 23 million) paid by the Group to the People Media Foundation (PMF) for acquisition of ground floor measuring 13,000 sq. ft. in PMF Complex (Press Club Building) at G-8, Markaz, Islamabad. The Group has taken over the possession of ground floor in July 1996, under an irrevocable General Power of Attorney, as the construction of building was incomplete. The management of the Group is of the opinion that under irrevocable General Power of Attorney, the Group is in a position to freely transfer the title of said property in its own name.

8 INVESTMENTS IN EQUITY SECURITIES

		2024			2023		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
FAIR VALUE THROUGH PROFIT OR LOSS (Designated - upon initial recognition)		Rupees in '000					
Related parties							
Listed shares	8.1	4,687,403	-	54,996,101	3,589,109	-	19,190,871
Unlisted shares		5,000	(4,649)	351	5,000	(4,649)	351
Others							
Listed shares	8.2	102,374,607	(1,647)	240,167,877	68,201,338	(18,559)	126,516,163
Unlisted shares	8.3	279,425	(210,974)	68,451	279,425	(210,974)	68,451
Unlisted preference shares		3,743	(3,743)	-	3,743	(2,982)	761
		107,350,178	(221,013)	295,232,780	72,078,615	(237,164)	145,776,597

- 8.1** This includes carrying value of Pakistan Reinsurance Company Limited (associated company) amounting to Rs. 3,451 million (2023: Rs. 1,689 million).
- 8.2** This includes 653,995 shares (2023: 653,995 shares) owned by the Group in National Bank of Pakistan on behalf of Life Insurance Corporation of India (LIC) which has a carrying value of Rs. 43.77 million (2023: Rs. 21.00 million).
- 8.3** Name of the chief executives of companies which forms majority portion of total investment in unlisted equities is given below :

Company	Chief Executive	Shareholding	No of Shares	Carrying value Rupees
Peoples Steels Mills Limited	Brig. Shuja Hassan	N/A	1,998,967	12,681,714
Al Baraka Bank Pakistan Limited	Mr. Atif Hanif	1.10%	4,941,176	52,522,921

Company	Chief Executive	Shareholding	No of Shares	Carrying value Rupees
Arabian Sea Country Club Limited	Mr. Arif Ali Khan	N/A	500,000	351,049
State Bank of Pakistan	Mr. Jameel Ahmed	N/A	29,458	3,221,374
Pakistan Emerging Ventures Limited	Mr. Saeed Khan	3.33%	12,500,000	24,771

9 INVESTMENTS IN MUTUAL FUNDS

		2024			2023		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
FAIR VALUE THROUGH PROFIT OR LOSS	Note	----- Rupees in '000 -----					
Listed - Others							
Open & close ended mutual fund	9.1	68,047,446	-	77,515,708	3,282,447	-	7,159,700
Unlisted - Others							
Closed end mutual fund	9.2	594,190	-	4,271,184	594,190	-	2,298,569
		68,641,636	-	81,786,892	3,876,637	-	9,458,269

9.1 Open & close ended mutual fund

	2024			2023		
	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
	----- Rs. in '000 -----			----- Rs. in '000 -----		
Pakistan Life Fund						
National Investment Trust Units	75,996,262	2,304,969	10,662,276	75,996,262	2,304,969	5,769,636
Pak Capital Market Fund	137,662	373	3,088	129,297	373	1,983
NIT Government Bond Fund	28,278,954	300,000	311,173	28,278,954	300,000	310,986
NIT Income Fund	9,831,295	100,000	109,712	9,831,295	100,000	110,901
NIT Islamic Equity Fund	27,397,784	200,000	444,666	26,316,595	200,000	258,955
HBL Growth Fund "B" (PICIC Growth Fund)	12,384,663	-	422,317	12,384,663	-	234,937
HBL Investment Fund -Class"B"	1,793,173	-	28,686	1,663,367	-	15,353
HBL Money Market Fund	24,082,117	2,686,000	2,704,422	610,029	50,000	69,354
Al Meezan Mutual Fund	10,288,351	39,311	382,765	9,143,431	39,311	215,694
MCB Pakistan Stock Market Fund	36,758	962	8,351	34,348	962	4,558
JS Growth Fund	284,744	19,867	102,186	281,952	19,867	59,825
HBL Growth Fund"A"(PICIC Growth Fund)	12,024,904	243,312	137,445	12,024,904	243,312	101,971
HBL Investment Fund-Class"A"	1,607,710	23,653	6,736	1,607,710	23,653	5,547
ABL Cash Fund	643,481,845	7,181,000	7,181,000	-	-	-
ABL Government Securities Fund	39,809,483	448,000	448,000	-	-	-
ABL Income Fund	26,630,682	298,000	298,000	-	-	-
AL Habib Cash Fund	44,639,056	4,928,000	4,938,865	-	-	-
AL Habib Income Fund	8,616,649	956,000	959,378	-	-	-
AL Habib Money Fund	19,149,154	2,076,000	2,080,173	-	-	-
Alfalah GHP Cash Fund	1,005,078	551,000	550,994	-	-	-
Alfalah GHP Income Multipal Fund	3,041,060	379,000	378,977	-	-	-
Alfalah GHP Sovereign Fund	7,502,941	893,000	893,000	-	-	-
Alfalah GHP Money Market Fund	57,437,993	6,191,000	6,191,241	-	-	-
Atlas Income Fund	1,486,034	864,000	863,995	-	-	-
Atlas Liquid Fund	626,506	342,000	341,994	-	-	-
Atlas Money Market Fund	4,471,408	2,495,000	2,495,001	-	-	-
Atlas Sovereign Fund	12,010,521	1,379,000	1,379,048	-	-	-
HBL Cash Fund	62,271,673	6,987,000	6,986,882	-	-	-
HBL Government Securities Fund	4,391,369	562,000	562,007	-	-	-
HBL Income Fund	5,693,700	709,000	708,980	-	-	-
JS Cash Fund	12,877,861	1,474,000	1,474,000	-	-	-

	2024			2023		
	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
	----- Rs. in '000 -----			----- Rs. in '000 -----		
J.S Income Fund	5,700,926	634,000	634,000	-	-	-
Lakson Income Fund	9,439,991	1,065,000	1,065,020	-	-	-
Lakson Money Market Fund	32,589,666	3,656,000	3,655,909	-	-	-
MCB DCF Income Fund	14,251,298	1,709,000	1,712,721	-	-	-
MCB Pakistan Sovereign Fund	31,430,948	1,889,000	1,894,658	-	-	-
Nafa Government Securities Savings Fund	50,592,694	586,000	586,000	-	-	-
NBP Government Securities Liquid Fund	112,972,654	1,265,000	1,268,005	-	-	-
NBP Income Opportunity Fund	46,345,184	553,000	554,604	-	-	-
NBP Mahana Amdani Fund	71,853,921	800,000	802,522	-	-	-
NBP Saving Fund	57,714,147	620,000	621,460	-	-	-
Pakistan Income Enhancement Fund	26,862,344	1,636,000	1,640,215	-	-	-
Pakistan Income Fund	3,439,440	209,000	209,361	-	-	-
UBL Cash Fund	26,194,311	2,848,000	2,854,918	-	-	-
UBL Government Securities Fund	6,747,282	792,000	795,100	-	-	-
UBL Growth and Income Fund	3,035,690	327,000	327,005	-	-	-
UBL Income Opportunity Fund	2,511,741	305,000	305,905	-	-	-
UBL Liquidity Plus Fund	26,226,983	2,888,000	2,894,934	-	-	-
UBL Money Market Fund	14,924,951	1,634,000	1,638,013	-	-	-
		<u>68,047,447</u>	<u>77,515,708</u>		<u>3,282,447</u>	<u>7,159,700</u>

9.2 Closed end mutual funds

	2024			2023		
	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
	----- Rs. in '000 -----			----- Rs. in '000 -----		
Pakistan Life Fund						
NIT Equity Market Opportunity Fund	10,179,666	594,190	4,271,184	10,179,666	594,190	2,298,569

10 INVESTMENTS IN GOVERNMENT SECURITIES

	2024					2023	
	Maturity Year	Effective Yield	Amortized Cost	Principal Payment	- Carrying Value	Effective Yield	Carrying Value
		(%)	----- Rupees in '000 -----			(%)	
HELD TO MATURITY							
Pakistan Investment Bond							
3 year Pakistan Investment Bonds	2025 - 2026	13.92% - 21.00%	241,513,680	250,600,000	241,513,680	17.92% - 19.39%	227,893,674
5 year Pakistan Investment Bonds	2025 - 2027	9.12% - 13.37%	147,099,643	152,775,000	147,099,643	16.21% - 21.36%	199,040,849
10 year Pakistan Investment Bonds	2025 - 2034	7.50% - 19.08%	503,042,820	521,428,500	503,044,848	14.94% - 21.37%	490,023,196
15 year Pakistan Investment Bonds	2026 - 2035	8.05% - 10.46%	114,075,921	112,353,700	114,075,921	14.63% - 17.11%	114,206,245
20 year Pakistan Investment Bonds	2026 - 2039	9.72% - 16.50%	69,303,270	68,041,300	69,303,270	14.68% - 21.37%	71,252,327
30 year Pakistan Investment Bonds	2036 - 2038	11.51% - 16.22%	37,942,489	40,050,000	37,942,489	13.89% - 14.78%	37,824,081
Sukuk Bonds (Takaful)	2025 - 2028	8.51% - 19.20%	2,166,645	2,081,100	2,166,645	8.51% - 19.20%	1,137,444
Islamic Republic of Pakistan Bond	2025 - 2036	14.50% - 18.68%	8,331,676	7,933,009	8,331,676	14.50% - 28.57%	18,686,308
Treasury Bills							
6 month Pakistan Treasury Bills	2025	11.13% - 13.79%	210,930,982	216,102,000	210,930,982	21.40% - 22.85%	58,411,631
1 Year Pakistan Treasury Bills	2025	12.20% - 18.70%	465,200	476,604	490,651	22.92%	64,633
			<u>1,334,872,326</u>	<u>1,371,841,213</u>	<u>1,334,899,805</u>		<u>1,218,540,388</u>

10.1 Government securities include Rs. 1,246.5 million (2023: Rs. 501.5 million) placed with the State Bank of Pakistan, in accordance with Section 29 of the Insurance Ordinance, 2000.

10.2 Market value of government securities carried at amortized cost amounted to Rs. 1,308,046 million (2023: Rs. 1,074,912 million), which has been done based on PKRV valuation technique taken by MUFAP.

11 INVESTMENT IN DEBT SECURITIES

Note	2024			2023			
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value	
----- Rupees in '000 -----							
HELD TO MATURITY - OTHERS							
Debentures	11.1	7,573	(7,573)	-	7,573	(7,573)	-
Foreign fixed income securities	11.2	28,322,365	-	28,322,365	13,240,251	-	13,240,251
FAIR VALUE THROUGH PROFIT OR LOSS							
Foreign fixed income securities	11.2	1,785,653	-	1,785,653	-	-	-
		30,115,591	(7,573)	30,108,018	13,247,824	(7,573)	13,240,251

11.1 Debentures include an amount of Rs. 7.573 million (2023: Rs. 7.573 million) pertaining to those companies which are in liquidation process since 1974. Further, a court case is in process against the Colony Textile Mills Limited against debenture loan amounting to Rs. 0.678 million (2023: Rs. 0.678 million). The Group had made full provision against these debentures.

11.2 It represents investments made by gulf zone of the Group.

Note	2024		2023	
	----- Rupees in '000 -----			
12 INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL RECEIVABLES				
Unsecured and considered good				
Due from insurance contract holders		251,487,550		183,277,118
Less: provision for impairment of receivables from insurance contract holders		(19,176)		(25,321)
Due from other insurers / reinsurers / retakaful		2,088,928		1,482,759
Less: provision for impairment of due from other insurers / reinsurers / retakaful		(37,423)		(31,279)
		253,519,879		184,703,277
13 OTHER LOANS AND RECEIVABLES				
Receivables from Window Takaful Operation		6,578		3,167
Accrued investment income		73,842,474		75,168,406
Loans to agents		101,766		98,204
Agent commission receivable		859		23
Loans to employees	13.1	1,829,539		1,420,603
Accrued profit on bank deposits		1,464,032		1,425,277
Other receivables		18,581,227		17,071,681
Federal insurance fees		-		265
Advance to contractors & security deposit		406,424		371,299
Deposit against bank guarantee		552,387		351,516
		96,785,286		95,910,441

13.1 This includes unsecured, interest-free short-term loans to employees amounting to Rs. 573.060 million (2023: Rs. 427.402 million). It also includes secured employee loans of Rs. 1,256.856 million (2023: Rs. 992.792 million), which carry an interest rate of 8% per annum and are secured against property or vehicle documents. These loans have not been discounted to their present value, as the resulting financial impact is not considered material in the context of these financial statements.

		2024	2023
	Note	----- Rupees in '000 -----	
14 DEPOSIT AND PREPAYMENTS			
Prepaid reinsurance premium ceded		59,192	47,286
Security deposit		100,385	168,221
Prepayments		224,884	116,381
		<u>384,461</u>	<u>331,888</u>
15 CASH AND BANK BALANCES			
Cash and cash equivalent			
- Cash in hand		50,425	61,273
- Policy and Revenue stamps, Bond papers		10,150	14,595
Cash at bank			
- Current account		19,471,665	58,960,761
- Saving account	15.2	56,971,018	13,596,482
- Fixed deposits maturing after 12 months	15.3	7,606,293	9,909,273
		<u>84,109,551</u>	<u>82,542,384</u>
15.1 Cash and cash equivalent include the following for the purposes of the cash flow statement:			
Cash and cash equivalent			
- Cash in hand		50,425	61,273
- Policy and revenue stamps, bond papers		10,150	14,595
Cash at bank			
- Current account		19,471,665	58,960,761
- Saving account		56,971,018	13,596,482
Window takaful operations		-	-
Cash and cash equivalent		<u>76,503,258</u>	<u>72,633,111</u>

15.2 These carry mark-up ranging from 9% to 13.5% (2023: 14.50% to 20.75%) per annum on outstanding balances.

15.3 These carry mark-up ranging from 3.92% to 6.80% (2023: 3.90% to 5.05%) per annum on outstanding balances.

16 ORDINARY SHARE CAPITAL

16.1 Authorized share capital

2024	2023		2024	2023
Number of shares			----- Rupees in '000 -----	
<u>90,000,000</u>	<u>90,000,000</u>	Ordinary shares of Rs. 100 each	<u>9,000,000</u>	<u>9,000,000</u>

16.2 Issued, subscribed and paid up share capital

2024	2023		2024	2023
Number of shares				
<u>80,000,000</u>	62,000,000	Ordinary shares of Rs. 100 each fully paid in cash	<u>8,000,000</u>	6,200,000
-	<u>18,000,000</u>	Issued during the year	-	<u>1,800,000</u>
<u>80,000,000</u>	<u>80,000,000</u>		<u>8,000,000</u>	<u>8,000,000</u>

16.3 During the year, the Group issued share capital amounting to Rs. Nil (2023: Rs. 1,800 million) with the approval of Finance Division wing of Government of Pakistan vide letters dated 17 October 2023.

		2024	2023
	Note	----- Rupees in '000 -----	
17 LEDGER ACCOUNT C & D			
Opening balance		44,216,359	27,400,780
Change in solvency margin through statement of comprehensive income		21,513,678	16,815,579
		<u>65,730,037</u>	<u>44,216,359</u>
Related deferred tax liability on:			
Opening balance		(15,615,932)	(9,210,234)
Charge to statement of comprehensive income		(7,998,384)	(6,405,698)
Closing balance		(23,614,316)	(15,615,932)
Net of tax		<u>42,115,721</u>	<u>28,600,427</u>
18 RESERVES			
Group reserves		3,837,231	3,927,386
		<u>3,837,231</u>	<u>3,927,386</u>
19 INSURANCE LIABILITIES			
Life insurance business:			
Reported outstanding claims (including claims in payment)	19.1	64,992,051	57,034,672
Incurred but not reported claims	19.2	11,309,944	9,398,543
Investment component of unit-linked and account value policies	19.3	1,963,409	804,216
Liabilities under individual conventional insurance contracts	19.4	1,905,429,231	1,589,029,838
Liabilities under group insurance contracts (other than investment linked)	19.5	10,872,336	7,976,153
Other insurance liabilities (premium deficiency reserve)	19.6	3,546,382	1,522,083
		<u>1,998,113,353</u>	<u>1,665,765,505</u>
Underwriting provisions - General insurance business:			
Outstanding claims including IBNR	19.7	280,599	216,794
Unearned premium reserves	19.8	151,065	116,172
Premium deficiency reserves		15,050	5,215
Unearned reinsurance commission	19.9	4,964	1,291
		<u>451,678</u>	<u>339,472</u>
		<u>1,998,565,031</u>	<u>1,666,104,977</u>
19.1 Reported outstanding claims (including claims in payment)			
Gross of reinsurance			
Payable within one year		64,992,051	57,034,672
Payable over a period of time exceeding one year		-	-
Recoverable from reinsurance			
Receivable within one year		-	-
Receivable over a period of time exceeding one year		-	-
		<u>-</u>	<u>-</u>
Net reported outstanding claims		<u>64,992,051</u>	<u>57,034,672</u>
19.2 Incurred but not reported claims			
Gross of reinsurance		11,309,944	9,398,543
Reinsurance recoveries		-	-
Net of reinsurance		<u>11,309,944</u>	<u>9,398,543</u>
19.3 Investment component of unit-linked and account value policies			
Investment component of Unit Linked Policies		<u>1,963,409</u>	<u>804,216</u>

	2024	2023
	----- Rupees in '000 -----	
19.4 Liabilities under individual conventional insurance contracts		
Gross of reinsurance	1,906,916,958	1,590,359,425
Reinsurance credit	(1,487,727)	(1,329,587)
Net of reinsurance	1,905,429,231	1,589,029,838
19.5 Liabilities under Group insurance contracts (other than investment linked)		
Gross of reinsurance	10,872,336	7,976,153
Reinsurance credit	-	-
Net of reinsurance	10,872,336	7,976,153
19.6 Other insurance liabilities (premium deficiency reserve)		
Gross of reinsurance	3,651,193	1,553,747
Reinsurance recoveries	(104,811)	(31,664)
Net of reinsurance	3,546,382	1,522,083
19.7 Outstanding claims including IBNR		
Claims paid	213,851	197,631
Add: Outstanding claims including IBNR closing	280,599	216,794
Less: Outstanding claims including IBNR opening	(216,794)	(210,329)
Claims expense	277,656	204,096
Reinsurance and other recoveries received	(30,143)	(49,675)
Add: Reinsurance and other recoveries received in respect of outstanding claims opening	101,276	91,694
Less: Reinsurance and other recoveries received in respect of outstanding claims closing	(111,047)	(101,276)
Reinsurance and other recoveries revenue	(39,914)	(59,257)
	237,742	144,839
19.8 Unearned premium reserves		
Written Gross Premium	527,274	350,778
Add: Unearned premium reserve opening	116,172	85,324
Less: Unearned premium reserve closing	(151,065)	(116,172)
Less: Reinsurance premium ceded	134,317	93,150
Add: Prepaid reinsurance premium opening	47,286	27,074
Less: Prepaid reinsurance premium closing	(59,192)	(47,286)
Reinsurance expense	122,411	72,938
	369,970	246,992
19.9 Unearned reinsurance commission		
Commission paid or payable	100,342	65,147
Add: Deferred commission expense opening	24,952	15,115
Less: Deferred commission expense closing	(26,541)	(24,952)
Net Commission	98,753	55,310
Commission received or recoverable	8,189	2,259
Add: Unearned reinsurance commission opening	1,291	476
Less: Unearned reinsurance commission closing	(4,964)	(1,291)
Commission from reinsurers	4,516	1,444
	94,237	53,866

20	RETIREMENT BENEFIT OBLIGATIONS	Note	2024	2023
			Rupees in '000	
	Post retirement benefit	20.1	2,898,574	4,924,749
	Accumulated Compensation Absences	20.2	2,487,198	2,179,000
			5,385,772	7,103,749

As stated in note 4.13, the Group operates Employees' Pension Fund, Officers' Gratuity Funds, Employees' Unfunded Gratuity Scheme and Employees' Post Retirement Medical benefits.

The latest actuarial valuation of the scheme as at 31 December 2024 was carried out using the projected unit credit method. The results of the actuarial valuation are as follows:

20.1 Post retirement benefits

	2024	2023	2024	2023	2024	2023
	Employees' Pension Funds		Officers Gratuity Funds		Employees' PRMB Scheme	
	Rupees in '000					
Balance Sheet Reconciliation						
Fair value of plan assets	40,446,255	30,859,384	24,351	23,476	-	-
Present value of defined benefit obligations	(39,172,740)	(32,290,269)	(18,126)	(17,218)	(4,178,313)	(3,500,123)
Recognised liability	1,273,515	(1,430,885)	6,225	6,258	(4,178,313)	(3,500,123)
Movement in the fair value of plan assets						
Fair value as at January 1	30,859,384	27,601,890	31,491	68,621	-	-
Expected return on plan assets	4,646,725	3,917,881	4,077	8,104	-	-
Actuarial gain / (losses)	3,449,588	(727,098)	923	1,751	-	-
Employer contributions	1,490,557	66,712	(9,298)	(45,521)	-	-
Benefits paid	-	-	(2,841)	(9,480)	-	-
Fair value as at December 31	40,446,254	30,859,385	24,352	23,475	-	-
Movement in the defined benefit obligations						
Obligation as at January 1	32,290,269	29,328,783	25,028	37,293	3,500,123	2,503,097
Service cost	843,655	841,843	779	679	129,632	718,920
Interest cost	4,873,698	4,184,034	3,102	3,609	532,351	356,438
Experience adjustment	-	-	1,270	-	-	-
Actuarial losses / (gains)	3,580,814	(166,037)	(893)	32,947	183,036	43,284
Benefits paid	(2,415,694)	(1,898,354)	(11,159)	(57,311)	(166,829)	(121,615)
Obligation as at December 31	39,172,742	32,290,269	18,127	17,217	4,178,313	3,500,124
Cost						
Current service cost	843,655	841,843	779	679	129,632	718,920
Interest cost	4,873,698	4,184,034	1,930	3,609	532,351	356,438
Expected return on plan assets	(4,646,725)	(3,917,881)	(4,032)	(8,104)	-	-
Recognition of actuarial gain / (loss)	131,226	561,061	(1,734)	31,196	183,036	43,284
Reversal due to asset ceiling	-	-	204	-	-	-
Expense	1,201,854	1,669,057	(3,057)	27,380	845,019	1,118,642
Actual return on plan assets	8,096,313	3,190,783	5,000	9,855	-	-

Principal actuarial assumptions used are as follows:

	2024	2023	2024	2023	2024	2023
	Employees' Pension Funds		Officers Gratuity Funds		Employees' PRMB Scheme	
Discount rate & expected return on plan assets	12.25%	15.50%	12.25%	15.50%	12.25%	15.50%
Salary increase rate	10.25%	12.50%	10.25%	12.50%	10.25%	12.50%
Pension increase rate	7.50%	9.50%	-	-	-	-

Comparison for five years:

As at December 31	2024	2023	2022	2021	2020
	Rupees in '000				
Fair value of plan assets	(40,470,606)	(30,890,876)	(27,686,548)	(27,158,747)	(28,103,416)
Benefit obligations	43,369,180	35,815,421	31,885,270	31,561,894	28,585,162
Arrears	-	-	-	36,747	-
Deficit	2,898,574	4,924,545	4,198,722	4,439,894	481,746

Experience adjustments

Loss on plan assets (as percentage of plan assets)	-7%	-16%	-15%	-16%	-2%
Gain on plan obligations (as percentage of plan obligations)	7%	14%	13%	14%	2%

The effect of a 1% movement in actuarial assumptions are as follows:

	Employees' Pension Funds		Officers Gratuity Funds		Employees' PRMB Scheme	
	2024	2023	2024	2023	2024	2023
	Rupees in '000					
Impact on the defined benefit obligation						
Increase in assumption of discount rate	35,743,444	29,716,517	9,473	17,077	3,814,171	3,225,908
Decrease in assumption of discount rate	43,250,621	35,307,007	9,618	17,361	4,603,357	3,815,987
Increase in assumption of long term salary increase	40,079,488	32,754,882	-	17,218	4,348,031	3,627,398
Decrease in assumption of long term salary increase	38,339,003	31,859,521	-	17,218	4,024,204	3,385,122
Increase in assumption of pension increase rate	41,906,212	34,324,759	-	-	-	-
Decrease in assumption of pension increase rate	36,807,524	30,511,514	-	-	-	-
	2025		2025		2025	
	Rs. '000		Rs. '000		Rs. '000	
Current services cost	1,085,550		116		157,338	
Interest cost - net	(139,205)		(926)		506,138	
	<u>946,345</u>		<u>(810)</u>		<u>663,476</u>	

Plan assets comprise of the following:

	Employees' Pension Fund				Officers Gratuity Fund			
	2024		2023		2024		2023	
	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%
Equity	-	-	-	-	-	-	-	-
Debt	38,529,202	95%	30,307,404	98%	-	-	-	-
Others (including cash and bank balances)	1,917,053	5%	551,981	2%	24,351	100%	31,491	100%
	<u>40,446,255</u>	<u>100%</u>	<u>30,859,385</u>	<u>100%</u>	<u>24,351</u>	<u>100%</u>	<u>31,491</u>	<u>100%</u>

20.2 Accumulated compensation absences movement in payable

	2024	2023
	Rupees in '000	
Balance at the beginning of the year	2,179,000	1,915,000
Addition during the year	308,198	264,000
Balance at the end of the year	<u>2,487,198</u>	<u>2,179,000</u>

21 DEFERRED TAXATION

Deferred tax asset arising in respect of

Accelerated depreciation on fixed asset	-	(881)
Lease liability	(3,569)	(4,102)
Provision against premium due but unpaid	(5,561)	(7,343)
Provision for diminution in value of investment	(478)	(5,382)
Provision against amount due from other insurers/reinsurers	(10,853)	(9,071)
	<u>(20,461)</u>	<u>(26,779)</u>

Deferred tax liability arising in respect of

On retained balance on Ledger C and D account	23,614,317	15,615,932
Property and equipment	23	-
Right-of-use assets	3,281	4,102
Provision for employees benefit plan	285	561
Unrealized gain or loss on revaluation of AFS	49,973	21,056
	<u>23,667,879</u>	<u>15,641,651</u>
Net deferred tax liability	<u>23,647,418</u>	<u>15,614,872</u>

	Balance as at 01 January 2024	Recognised in the statement of profit or loss	Recognised in other comprehensive income	Balance as at 31 December 2024
	----- Rupees in '000 -----			
Movement in deferred tax	15,614,872	8,032,546	-	23,647,418
	Balance as at 01 January 2023	Recognised in the statement of profit or loss	Recognised in other comprehensive income	Balance as at 31 December 2023
	----- Rupees in '000 -----			
Movement in deferred tax	9,200,076	6,414,796	-	15,614,872

22 INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL PAYABLES

	2024	2023
	----- Rupees in '000 -----	
Due to other insurers / reinsurers	2,962,481	2,048,739
Cash margins against performance bonds	45,616	38,142
	3,008,097	2,086,881

23 OTHER CREDITORS AND ACCRUALS

Agents commission payable		8,820,964	7,912,323
Accrued expenses		21,372,542	16,313,725
Lease liability	23.3	12,305	14,144
Sindh Workers' Welfare Fund	23.4	5,062	2,198
Federal Excise Duty / Sales tax		6,704	11,948
Salaries & wages payable		-	372
Compensated absences		4,988	3,542
Other tax payables		1,046	213
Unpaid and unclaimed dividend		3,001	3,001
Accounts payable for goods & services		783	906
Profit commission payable to Bureau of Emigration & Overseas			
Employment	23.1	8,643,141	8,004,744
Payable to PHIMC	23.2	16,274,469	3,933,105
Experience refund payable		200,347,222	140,087,218
Other liabilities		18,594,674	14,208,590
		274,086,901	190,496,029

23.1 This represents the commission payable to the Bureau of Emigration & Overseas Employment under the Emigrant Group Insurance Contract, to be utilized by BOE for emigrant welfare and related initiatives.

23.2 This represents amount payable to Punjab Health Initiative Management Company ('PHIMC') in respect of its share as part of universal health insurance in the territory of Punjab province as identified in the notification vide No. SO(DEV-I)25-69/2020(P-PVI).

	2024	2023
	----- Rupees in '000 -----	
23.3 Lease liability		
Current	1,991	1,838
Non - current	10,314	12,306
	12,305	14,144

23.4 The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court.

The Honorable Supreme Court of Pakistan vide its judgment dated November 10, 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution.

The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

In view of the above, on prudent basis the management has decided not to reverse charge for WWF recorded for the years up to 2015 amounting to Rs. 2.198 million.

Further, During the year group has made provision for sindh worker welfare amounting to Rs.2.864 million.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 According to the Sindh Sales Tax on Services Act 2011, sales tax is payable on life and health insurance premium written in the province of Sindh. The Punjab and Baluchistan and KPK Revenue Authorities have also introduced sales tax on life and health insurance premium effective from November 01, 2018 and July 03, 2015 and 2021 respectively.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) actively taken up the matter with the provincial revenue authorities for the exemption on sales tax. The industry's main contention is that life insurance is not a service, but in fact, in sum and substance, a contingent contract under which payment is made on occurrence of an event, specified in the terms of contract or policy and thus is a financial arrangement. Superior courts in foreign jurisdiction have held that insurance is not a service.

In this relation, the legal advisors have also opined that an insurance contract is essentially a financial transaction, which is unrelated to the sale of any identifiable consumer goods or service, and as such, in leading jurisdictions, it has been widely held that insurance is not a service and hence, does not fall within the scope of taxability under the provincial sales tax laws.

Subsequently, insurance companies collectively filed Constitutional Petitions before Hon'ble High Courts of Lahore (writ petition no. 55421/2019), High Court, Sindh (C.P. No. D.7677 of 2019 and 4318 of 2023) and High Court, Peshawar (3521 of 2023). As far as Baluchistan Revenue Authority is concerned, no notice or communication has been received by the Group hence, no petition is yet filed before any court.

The SHC, in its judgement dated 14 January 2025, dismissed the petition and referred the case back to the Sindh Revenue Board. State Life Insurance Group of Pakistan along with the Insurance Association of Pakistan, recently filed CPLA 1101 of 2025 in the Honorable Supreme Court of Pakistan against the judgement of High Court, Sindh.

In view of the opinion of legal advisor the Group has calculated estimated aggregated amount of sales tax liability amounting to Rs. 10,674.46 million (31 December 2023: Rs. 8,233.86 million), which is calculated based on risk premium and excluding the investment amount allocated to policies. The management contends that should the administrative efforts fail, the amount will be charged to the policyholders.

24.1.2 The Group filed reference applications before the Honorable High Court of Sindh contesting the decision of the ATIR for assessment years 1992-1993 to 1995-1996 relating to turnover tax. Inland Revenue Department invoked provisions of turnover tax on the ground that the tax paid under Fourth Schedule of the repealed Income Tax Ordinance, 1979 is less than turnover tax and hence, should be paid accordingly. The Group filed aforesaid appeals on the ground that Fourth Schedule of the repealed Ordinance restricts taxable income to that portion of actuarial surplus which is attributed to the shareholders fund by the appointed Actuary.

Sindh High Court vide judgement dated 24 November 2020 decided these reference applications against the Group. Group filed CPLAs before the Honorable Supreme Court of Pakistan against judgement of the Sindh High Court. The CPLAs filed by the Group before the Supreme Court of Pakistan (SCP) were heard on 11 March 2025 and were disposed of with a direction to refer the same to the Alternative Dispute Resolution Committee (ADRC) provided under section 134(A) of the Income Tax Ordinance, 2001. The Federal Board of Revenue vide its notice dated 09 April 2025 directed the SLIC to file an application for constitution of ADRC to the Chairman FBR. SLIC

is in the process of filing application. Management of the Group and its tax advisor are confident that ultimate outcome of these matters will be in favour of the Group.

In addition to the above and subsequent to the above mentioned judgement of Sindh High Court, Karachi; Additional Commissioner Inland Revenue, Large Taxpayers Office, Karachi issued notices u/s 122(9) of the Income Tax Ordinance, 2001 for tax years 2018 to 2023, confronting that tax paid by the Group under Fourth Schedule for above referred tax years is less than 1.25% of its gross turnover. Hence, in terms of the provisions of section 113 of the Ordinance, Group is liable to pay minimum tax @ 1.25% of its gross turnover. Group, through its tax consultant furnished replies in which it was argued that owing to the special nature of insurance business, section 99 of the Ordinance states that taxation of insurance business is governed through special statute i.e. Fourth Schedule. Rule 2 of the Fourth Schedule provides that profit and gains of a life insurance business shall be current year's surplus appropriated to statement of comprehensive income as per advice of the appointed Actuary. Further, as per Rule 3 of the Fourth Schedule, amount paid to, reserved for or expanded on behalf of the policyholders shall be allowed as deduction. It is evident that tax can only be levied on shareholder's surplus appropriated to statement of comprehensive income whereas policyholder's surplus is exempt from tax. Major portion of the premium received from policyholders is reserved/invested in the pooled investment account to meet the statutory obligations of claim payments. Levying minimum tax on gross turnover is tantamount to tax on policyholders which is against the intent of the legislature.

Subsequent to the submission of replies, Additional Commissioner passed amended assessment orders for tax years 2018 to 2023 wherein tax demand of Rs. 14,293 million was raised. Being aggrieved from impugned assessment orders, Group filed appeals before CIR-A who held Group liable for Minimum tax on turnover. The Group submitted an application to the Chairman FBR for Alternate Dispute Resolution Committee (ADRC) under Section 134A of the Income Tax Ordinance, 2001, concerning the matter of minimum tax. Subsequently the ADRC held on 05 December 2024. The Committee in principle confirmed that the provisions of Section 113 - Minimum Tax are applicable to SLIC. The committee further decided that 97.5% of the investment income and interest income elements from the turnover are not included in the turnover. Pursuant to this decision, SLIC made a payment of Rs. 8,685 million under protest. Being aggrieved by the outcome and due to certain errors in the calculation in the ADRC's order dated December 6, 2025, SLIC requested reconstitution of the ADRC. Till date, no ADRC yet been constituted by FBR.

In addition to the above, notices u/s 122(5A)/122(9) on 14 April 2025 were issued by the Additional Commissioner for tax years 2003 to 2008 & 2010 to 2017 requiring explanation as to why minimum tax under section 113 may not be charged. The notices also contain an order F.No.3(22)S(IR-Operations)/ 2023 dated 20 March 2025 issued by the Board condoning the time limit specified under section 122(4) of the Ordinance under section 214A in respect of tax years 2003 till 2017 for State Life Insurance Group of Pakistan. The Group received these notices as on 17 April 2025.

24.1.3 In the year 2010, the IR served legal notices to the Group, requiring it to explain why the withholding tax under section 151(1)(d) of the Income Tax Ordinance, 2001 has not been deducted on payments made to the policyholders on the Maturity of the Policy. Those notices were related to tax years 2008 and 2009.

According to those notices, the IR were of opinion that Group was required to withhold Income Tax on maturity claims. The department considered that the total amount of a matured policy given to the policy holder consist of bonuses and the sum assured. The bonuses are given to the policy holder on the basis the amount of premium received during the whole term of the policy which is a form of interest or profit on debt. Hence, the Group u/s 15 (1)(d) is liable for deducting withholding tax @ 10% on the amount of bonuses paid to policyholder on maturity. Therefore, the IR raised demands of Rs.710.12 million and Rs. 738.51 million as withholding tax for tax year 2008 and 2009 respectively.

The Group filed appeals before CIR(A) who decided the subject appeals in favor of Group vide order No. 27 and 28, dated 29 September 2011 on the grounds that the provisions of section 151(1)(d) of the Income Tax Ordinance, 2001 are not attracted to the payments made by way of bonuses on the maturity of the policies as the same can not be construed to be interest or profit on debt. The demand raised by the Department has not been enforced after above judgment of CIR(A), therefore, no payment was made against the demand. Inland Revenue filed appeals before the ATIR against the above orders of CIR(A) which were dismissed by learned ATIR vide order No. 506-07/KB/2012 on 17 April 2014. Inland Revenue Department filed appeals before High Court of Sindh, Karachi against the orders of ATIR. Management of the Group and its tax advisor are confident that ultimate outcome of this matter will be in favor of the Group and accordingly no provision has been made in these financial statements.

24.1.4 In the year 2013, Inland Revenue Department issued similar notices to Group regarding withholding of tax on maturity proceeds of insurance policies as described in note 24.1.2. These notices were related to Tax Year 2011 to Tax Year 2012 stating that the Department holds a similar stance as described in the said note. Reply was filed by the Group through authorized representative which was not accepted by the Department and order u/s 161 and 205 of the Income Tax Ordinance was passed, resulting in total demand of Rs. 1,577.46 million (Rs. 1,249.14 million as withholding tax and Rs. 328.32 million as default surcharge). In the year 2013, Inland Revenue Department issued similar notices to Group regarding withholding of tax on maturity proceeds of insurance policies as described in note 24.1.2. These notices were related to Tax Year 2010 to Tax Year 2012 stating that the Department holds a similar stance as described in the said note. Reply was filed by the Group through authorized representative which was not accepted by the Department and order u/s 161 and 205 of the Income Tax Ordinance was passed, resulting in total demand of Rs. 1,577.46 million (Rs. 1,249.14 million as withholding tax and Rs. 328.32 million as default surcharge).

The entire tax demand of Rs. 1,577.46 million was discharged under protest and without prejudice to its legal right to appeal. The Group filed appeals before CIR (A) which was not upheld. The Group then filed appeal before ATIR against the above order which has been decided in favour of Group vide consolidated order dated 21 February 2017. Inland Revenue Department has filed reference applications before Sindh High Court, Karachi against the order of Tribunal. Out of total tax payment of Rs. 1,577.46 million, Inland Revenue Department adjusted Rs. 587.39 million against tax demand pertaining to tax years 2011 and 2017. Balance amount of Rs. 990.08 million has been adjusted against advance tax payment for tax year 2025.

Further, LTU, Karachi had also issued notice u/s 161/205 of the Income Tax Ordinance, 2001 similar to the notices issued in the previous years to invoke the section 151 (1)(d) of the Ordinance to recover withholding tax from the Group on the amount of bonus paid to the policyholders on the maturity of the policies during the tax year 2013. Reply was filed through tax consultant which was not agreed by Department and order u/s 161/205 was passed and tax demand amounting to Rs. 609.23 million including default surcharge of Rs. 99.11 million was raised which was discharged without prejudice to legal rights to appeal. Appeal was filed before CIR (A) against said order which was upheld vide order # 34 dated 30 March 2015.

Inland Revenue Department has issued refund amounting to Rs. 500 million from appeal effect of Tax Year 2013 in July, 2015. Further, IR Department has adjusted outstanding demand for tax year 2009, 2010 and 2011 at Rs. 10.8 million, Rs. 12.58 million and Rs. 56.37 million respectively against pending appeal effect of tax year 2013. Balance appeal effect of Rs. 29.48 million has been adjusted against advance tax payment for tax year 2025. Inland Revenue Department has filed an appeal before ATIR against the said order of the CIR (A) which has been decided in favour of the Group vide order dated 25 March 2024.

The reference application of the tax department is pending before Sindh High Court. The management and legal counsel are optimistic that ultimate outcome shall be decided in favor of the Group as ATIR has decided the appeals related to similar issue in previous years in favour of the Group. Therefore no provision has been made in these financial statements.

24.1.5 Additional Commissioner Inland Revenue, Audit Range-B, Zone-III, LTU, Karachi also issued notices u/s 122 of the Ordinance to the Group related to tax years 2011, 2013 and 2014. Vide Said notices, ACIR confronted almost similar issues as stated at note 24.1.3 and 24.1.4. The Group responded through tax consultant for these notices. Subsequently, ACIR passed amended orders whereby demand of Rs. 520.63 million was raised (Tax Year 2011: Rs. 56.37 million, Tax Year 2013 Rs. 107.12 million and Tax Year 2014: Rs. 357.14 million). Inland Revenue Department adjusted the demand related to tax year 2011 from pending appeal effect related to tax year 2013. Further, demand related to tax years 2013 and 2014 was adjusted by Inland Revenue Department from pending refund related to tax year 2015. the Group, being aggrieved from above orders of ACIR, filed appeals before CIR (A). Issues related to subjecting dividend income to normal tax rate, addition on account of inter-office rent expense, provision for diminution in value of investments and tax on Bureau Fund has been decided in favor of the Group by CIR (A). However, issues related to deduction claimed on account of real estate expenses and provision for bad and doubtful debts are decided against the Group. Further, issues of interest free loans to employees, alleged short withholding of tax on advertisement and training expenses and reduction in tax liability due to reduction in taxable surplus for tax years 2012 and 2013 were remanded back to concerned ACIR for re-adjudication. Inland Revenue Department as well as the Group filed appeals before ATIR against the orders of CIR (A). Further, on the directives of CIR (A), ACIR issued notice dated 17 April 2020 in respect of remand back issues in respect of tax year 2014. the Group has duly submitted relevant information along with supporting documents to the ACIR. The ACIR has not yet passed an order in respect of the same.

24.1.6 Additional Commissioner Inland Revenue, Audit Range B, Zone-III, LTU Karachi served notice u/s 122(9) of the Ordinance dated 10 December 2020 to the Group in respect of tax year 2020. Vide above notice, ACIR confronted certain issues like deduction claimed on account of investment property related expenses, advances to employees at interest rate lower than benchmark rate, difference between profit as per financial statements and as per tax return, alleged short withholding of tax on commission and advertisement/sales promotion, etc. Based on the information/explanation submitted by the Group to tax authorities against above notice, ACIR passed an amended assessment order u/s 122 (5A) whereby tax demand of Rs. 458.25 million was raised. Out of aforesaid tax demand, recovery of Rs. 306.04 million was not enforced by Inland Revenue Department as Lahore High Court has granted stay to Field Worker's Federation of Pakistan. Balance tax demand amounting to Rs. 152.21 million has been adjusted against tax refund pertaining to tax year 2012. The Group has filed appeal before CIR-A against amended assessment order.

CIR-A vide order dated 09 March 2023 decided the issues of WHT on sales field office expenses, commission paid outside Pakistan, advertisement expenses paid outside Pakistan, electricity and telephone bills, other benefits to insurance intermediaries (group life business) in favour of the Group. However, issue related to additions on account of investment property related expenses is decided against the Group. Further, issues of adjustment of tax liability against prior year refund, loans/advances to employees are remanded back to the concerned tax officer. Group as well as Inland Revenue Department filed cross appeals before the Appellate Tribunal Inland Revenue against the order of the CIR(A), which are still pending for hearing.

24.1.7 Returns of taxable income, being a deemed assessment order u/s 120(1) of the Income Tax Ordinance, 2001 were duly submitted by the Group to FBR for tax year 2003 and 2006.

Notices dated 12 August 2008 and 22 May 2012 were issued by the ACIR to the Group u/s 122(5A)/122(9) of the Ordinance for tax year 2003 and 2006 respectively for amendment of abovementioned deemed assessment orders on the grounds that surplus attributable to the policyholders was not paid within three years from the year of its appropriation and hence it should be added back in the taxable income of the Group under the provisions of section 34(5) of the Ordinance.

The Group submitted detailed explanation/information along with relevant supporting documents against above notices to the tax authorities. ACIR passed amended assessment orders u/s 122(5A) of the Ordinance dated 29 September 2008 and 30 June 2012 and determined tax demand of Rs. 2,126.25 million and Rs. 1,401.20 million for tax year 2003 and 2006 respectively.

Appeals against amended assessment passed by the ACIR were filed by the Group before the CIRA. CIRA deleted the above demands vide orders dated 04 July 2012 and 31 October 2012 for tax years 2003 and 2006 respectively.

Inland Revenue Department filed appeals before Appellate Tribunal Inland Revenue against the orders of CIRA which were also decided in favour of the Group vide consolidated order dated 21 September 2016. Inland Revenue Department has filed Income Tax Reference Applications before Honorable High Court of Sindh, Karachi against the order of ATIR which are pending adjudication.

24.1.8 Deputy Commissioner (Unit-37), Sindh Revenue Board (SRB) issued demand notice dated 30 July 2024 for deposit of Sindh Workers Welfare Fund (SWWF) under the provisions of The Sindh Workers Welfare Fund Act, 2014 for Financial Years 2022 and 2023 for Rs. 413 million and Rs. 490 million respectively. SLIC referred these notice for legal opinion on the status of applicability of the SWWF on SLIC being a Statutory Group controlled by the Federal Government. And as per the legal opinion, this tax is not applicable on SLIC. SLIC also obtained the comments from its Tax Consultant and the answer was the same is inapplicable. The matter is still pending.

24.1.9 Additional Commissioner Inland Revenue, Audit Range B, Zone-III, LTU Karachi served notice u/s 122(9) of the Ordinance dated 29 April 2020 to the Group in respect of tax year 2018. Vide above notice, ACIR confronted certain issues like deduction claimed on account of unrealized loss on financial assets and investment property related expenses, advances to employees at interest rate lower than benchmark rate and difference between profit as per financial statements and as per tax return.

Based on the information/explanation submitted by the Group to tax authorities against above notice, ACIR passed an amended assessment order u/s 122 (5A) whereby tax refundable position of Rs. 1,007.84 million is determined for tax year 2018.

An appeal against all the above-mentioned assessments made by the ACIR was filed by the Group before the CIRA on 29 September 2020. The CIRA, on the basis of the facts of the case and the arguments submitted, passed an order dated 21 December 2021. Through the said order, issue of impairment in value of shares is decided in favour of Group whereas issue of investment property related expenses is decided against the Group. Further, issues of unrealized loss on investments, investment related expenses and interest on loans / advances to employees were remanded back to the concerned taxation officer for reassessment. Group as well as Inland Revenue Department filed cross appeals before the Appellate Tribunal Inland Revenue against the order of the CIRA, which are still pending for hearing. No date for the hearing has been fixed till date.

24.1.10 Various claims amounting to Rs. 51.58 million (2023: Rs. 74.75 million) has been lodged by various parties against the Group. The Group has not acknowledge these claims as the management considers that the Group is not liable to settle the amount.

24.1.11 The deemed assessment under section 120 of Income Tax Ordinance, 2001 of the Group have been finalised up to tax year 2023. Matters of disagreement exist between the Group and the tax authorities for the tax year 2009, 2011, 2012, 2013, 2014, 2015 and 2016. In prior years, the Commissioner has passed amended assessment orders for the these tax years under section 122(5A), wherein tax on dividend income has been charged at corporate tax rate by treating such income as business income of the Group under Fourth Schedule to the Ordinance. Further, certain disallowances were made in respect of provision for IBNR claims, non-withholding of tax on commission expenses and payment of certain expenses in cash. The management is contesting these matters with the tax authorities and has filed appeals with the Appellate Tribunal Inland Revenue (ATIR), the Honourable High Court of Sindh (the Court) and with the Commissioner Inland Revenue Appeals (CIRA) and is confident that these matters will be decided in favour of the Group. Consequently, no provision has been made in these financial statements in respect of the above matters.

24.1.12 For tax years 2009, 2011, 2012 and 2013, the ACIR has passed amended assessment order under section 122(5A) of the Income Tax Ordinance, 2001 wherein tax on dividend income has been charged at corporate tax rate by treating such income as business income of the Group under Fourth Schedule to the Ordinance. As a result of the amended assessment order for the tax year 2009, demand of Rs. 4.63 million was created, for the tax years 2011 and 2012, demand of Rs. 18.58 million was created against which the Group has paid Rs. 9.74 million and for the tax year 2013, demand of Rs. 1.79 million. The Group has filed appeals before CIRA and if the appeal is decided against the Group, a tax liability of Rs. 15.26 million would arise, however the Tax advisor believes that the case will be decided in favour of the Group.

During 2017, the ACIR issued notice dated 16 May 2017, under section 122(5A) for passing an amended order on certain issues for the tax year 2011. However, the Group has filed a writ petition before the Honourable High Court of Sindh challenging the validity of the notice being barred by limitation of time. The Court has granted an order and the said order is operating. Based on tax advisor opinion the management is confident of favourable outcome of the said appeal. accordingly, no tax provision has been recorded in these financial statements.

For tax years 2015 and 2016, the ACIR passed an amended assessment order under section 122(5A), wherein tax on dividend income has been charged at corporate tax rate by treating such income as business income of the Group under Fourth Schedule to the Ordinance. Further, certain disallowances were made in respect of non-withholding of tax on commission expenses and payment of certain expenses in cash. Consequently, tax demand of Rs. 2.30 million and Rs. 6.83 million was created respectively. Against the amended assessment order, an appeal was filed before the CIRA, who vide combined appellate order dated 21 November 2017 allowed relief in respect chargeability of dividend at corporate tax rates and levy of Worker's Welfare Fund whereas additions on account of non-withholding of tax commission expense and cash expenses made by the Group were confirmed.

The Group has filed a further appeal before the ATIR on the issues confirmed by the CIRA. Moreover, the department has also filed appeal before the ATIR challenging the relief granted by the CIRA. If the appeal is decided against the Group, a tax liability of Rs. 9.12 million would arise, however the tax advisor believes that the case will be decided in favour of the Group.

Moreover, the Deputy Commissioner Inland Revenue (DCIR), Enforcement & Collection Unit-3, Range-B, Zone III, Large tax payers Unit, Karachi finalized the monitoring proceedings 161/205 of the Income Tax Ordinance, 2001 in 2017. The DCIR, while passing the order, levied tax on account of rent, insurance commission, re-insurance premium, insurance claims and payment of various expenses aggregating to Rs.16.64 million including default surcharge and penalty. Against the order, the Group filed an appeal before the CIR(A), wherein the CIR(A) deleted the tax demand against rent payments, remanded back the issues of insurance commission, insurance claims and payment of various expenses. Further, the CIR(A) confirmed the levy of tax in respect of re-insurance premium. Moreover, against the order of CIR(A), the Group filed an appeal before the ATIR which is pending adjudication.

24.1.13 Show-cause notice dated 19 December 2018 was instituted after the Group's audit for the tax periods from January 2016 to December 2016 was carried out under Section 28(2) of the Sindh Sales Tax on Services Act, 2011. The instant notice called upon the Group to show cause as to why not the Sindh sales tax amounting to Rs. 152.26 million may not be assessed as short payment of Sindh sales tax. The Group submitted various arguments, evidence and reconciliations. The Assistant Commissioner SRB vide Order-in-Original dated 13 November 2019 held that the Group has received re-insurance services from foreign re-insurance companies and is, therefore, liable to deposit the Sindh sales tax amount of Rs. 7.56 million along with penalty of Rs. 0.38 million. The Group being aggrieved preferred an appeal before the Commissioner Appeals – SRB. Various hearings have been conducted; however, the case is pending adjudication. The tax advisor is very confident with regard to the merits of the issue involved and suggest favorable outcome for instant case.

24.1.14 During the year 2019, the Assistant Commissioner, Sindh Revenue Board (“ACSRB”) had issued a show cause notice No. SRB-COM-I/Unit- 10/SNC/11/2018/000492 (“SCN”) dated 22th June 2019, to the Group on various issues specified in the SCN including short payment of Sindh sales tax amount of Rs. 7.44 million. These issues pertain to the tax period 2011. In response to the aforesaid notice, the Group through its legal advisor filed a Constitutional Petition # D-4743 of 2019 in the High Court of Sindh (HCS) challenging the aforesaid notice and obtained interim stay order and case was decided in favor of SRB.

Subsequently the ACSRБ fixed the date of hearing on similar SCN on which the Group has decided to challenge the decision of Sindh High Court in the Honorable Supreme Court of Pakistan. Meanwhile, the Group has also requested the ACSRБ to extend the date of compliance for instant case. However, the ACSRБ passed an Order in Original No. 309 of 2021 dated 01 July 2021 in urgency and whimsical manner which created a demand of Rs. 7.82 million inclusive of penalty. In this regard, the Group decided to file an appeal before the Commissioner Appeals, Sindh Revenue Board. The tax advisor cannot predict about its outcome with certainty, but strong believe that the merits of the issue involved suggest favorable outcome for instant case.

24.1.15 During the year 2022, the Sindh Revenue Board through a show cause order No. SRB-COM-I/AC-10/Ins./Alpha/2014-15/2022/27/74688 dated 18th January 2022 (“SCN”), was issued against the Group whereby it was observed that during scrutiny of the financial statements for the calendar years 2014 and 2015 the Group has ceded reinsurance premiums and also received commission from reinsurers. Accordingly, it was alleged that the Group has short paid Sindh Sales Tax of amounting to Rs. 48.39 million under section 23 (1) and (2) of the Sindh Sales Tax on Services Act, 2011.

The Group, being aggrieved by the aforesaid SCN, preferred filing petition before the Honorable High Court of Sindh. The Honorable High Court after hearing the submissions, granted stay against the show cause proceedings and directed SRB not to pass any final adverse order. The interim stay order vide C.P No. D-804 of 2022 dated 14 February 2022 was granted. Although, the tax advisor cannot predict about its outcome with certainty, but believe that the merits of the issue involved suggest favorable outcome for instant case.

24.1.16 During the year 2022, the Sindh Revenue Board through a show cause order No. SRB-COM-I/AC-10/Ins./AIC/2014-15/2022/81757 dated 27th January 2022, (“SCN”) was issued against the Group whereby it was observed during scrutiny of the financial statements of the Group that the Group has written insurance premium worth Rs. 179.99 million which is taxable wherein Sindh Sales Tax (SST) amounting to Rs. 26.10 million for the tax periods from January 2015 to December 2015 is involved. It was further mentioned that the Group has written insurance premium worth Rs. 219.65 million wherein Sindh Sales Tax (SST) amount involved is Rs. 34.05 million for the tax periods from January 2014 to December 2014. The assessing officer alleged that the Group has failed to deposit the Sindh Sales Tax (SST) recoverable against cited taxable services and has also failed to declare the same in the Sindh Sales Tax (SST) returns. Further, it was alleged that the Group has claimed illegal/unlawful input tax adjustment amounting to Rs. 1.32 million on account of certain purchases which are inadmissible according to Section 15 and 15A of the Sindh Sales Tax (SST) on Services Act, 2011 (“the SSTSA, 2011”). Accordingly, the Group was required to show cause as to why Sindh Sales Tax (SST) amounting to Rs. 61.46 million may not be assessed under Section 23(1) and 23(2) of the SSTSA, 2011.

In this regard, the Group, being aggrieved by this SCN, filed petition before Honorable Sindh High Court (SHC) bearing CP No. 1166 of 2022. Sindh High Court (SHC) has suspended operation of impugned order till next date of hearing. The Tax advisor is having a strong believe that the merits of the issue involved suggest favorable outcome for instant case.

24.1.17 The Group has received notice No. SRB/SWWF/SHOPS/A-G/2023-24/323999 dated. January 23, 2024, in which the authority advised the Group to deposit the due amount of Sindh Welfare Fund for the tax year 2023 as being industrial Establishment, as per section 2(g)(vi-a) of the Sindh Workers Welfare Fund Act, 2014. The Group is required to pay SWWF amounts to the government. Furthermore, the management of the Group is viewed as is owned and controlled by the Federal Government having offices all over Pakistan, and as such is not liable for the subject contribution which would be paid to the Federal government.

Other Tax Matters

The Group is currently involved in various tax litigations with tax authorities pertaining to withholding taxes and income tax return assessments, with an aggregate exposure of Rs. 1,742 million. Based on the opinion of the Group's tax advisors, management believes that the ultimate outcome of these matters will be decided in the Group's favor. Accordingly, no provision has been recognized in these financial statements in respect of these matters.

24.2 As of the reporting date, there are several suits in the nature of civil services of employees, rental disputes etc, where the Group is defendant. These suits are nominal in value and has no material impact on these unconsolidated financial statements.

24.3 Commitments

The Group is committed in respect of capital expenditure contracts aggregating to Rs. 900 million (2023: Rs. 900 million). There were no other commitments at the reporting date.

	2024	2023
	----- Rupees in '000 -----	
Letter of guarantees	552,387	351,516
25 NET PREMIUM REVENUE / CONTRIBUTION REVENUE		
Gross premiums / contribution:		
Regular premium / contribution individual policies		
First year	29,400,792	24,784,670
Single premium / contribution individual policies	1,376,778	2,165,317
Second year renewal	20,829,244	16,395,897
Subsequent year renewal	106,589,657	101,823,241
Group policies with cash values	62,638	65,176
Group policies without cash values	169,247,308	193,465,524
Less: experience premium refund	(62,239,883)	(69,821,320)
	265,266,534	268,878,505
Non-life business		
Written Gross Premium	492,382	319,930
Total Gross Premiums	265,758,916	269,198,435
Less: Reinsurance Premiums Ceded		
On individual life first year business	(114,678)	(339,069)
On individual life second year business	(65,897)	(61,394)
On individual life renewal business	(266,328)	(233,072)
On Group policies	(551,082)	(638,741)
Less: Reinsurance commission on risk premium	104,071	237,953
	(893,914)	(1,034,323)

	2024	2023
	----- Rupees in '000 -----	
Non-life business		
Less: Re-insurance premium ceded	(122,410)	(72,938)
Net Premiums	264,742,592	268,091,174
26 INVESTMENT INCOME		
Income from equity securities		
Fair value through profit or loss		
- Dividend income	20,418,048	12,206,469
Income from government and debt securities		
Held to maturity		
- Return on government and debt securities	149,151,248	136,978,430
	169,569,296	149,184,899
27 NET REALISED FAIR VALUE GAIN ON FINANCIAL ASSETS		
Fair value through profit or loss		
Realized gain on equity securities	17,998,806	5,393,611
28 NET FAIR VALUE GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Net unrealized gain on investments at fair value through profit or loss	119,881,883	33,363,568
Reversal related to the appreciation on shares held by LIC	-	5,573
Investment related expenses	(110,876)	(172,493)
	119,771,007	33,196,648
29 NET RENTAL INCOME		
Rental income	1,966,555	1,826,265
Less: Expenses of investment property	(1,025,715)	(971,403)
	940,840	854,862
29.1	This includes depreciation expense of Rs. 38.227 million related to property and equipment and Rs. 90.779 million related to investment properties.	
30 OTHER INCOME	2024	2023
	----- Rupees in '000 -----	
Return on bank balances	27,361,501	16,494,889
Gain on sale of property and equipment	3,057	4,094
Return on loans to employees	85,042	63,167
Return on loans to policyholders	31,786,320	44,148,666
Exchange gain on revaluation	-	8,365,260
Reversal of bad and doubtful debts	-	1,831
Liabilities no longer payable	7,720	10,133
Miscellaneous income	412,401	291,799
	59,656,041	69,379,839

31 NET INSURANCE BENEFITS

2024 2023
----- Rupees in '000 -----

Gross Claims

Claims under individual policies

- by death	11,171,598	10,297,340
- by insured event other than death	229,486	246,476
- by maturity	50,257,889	38,110,066
- by surrender	78,096,551	88,549,781
- annuity payments	15,129	15,295
- bonus in cash	-	27
Total gross individual policy claims	139,770,653	137,218,985

Claims under Group policies

- by death	8,232,234	7,350,270
- by insured event other than death	80,825,885	103,280,593
- by maturity	-	-
- by surrender	847	3,684
- annuity payments	233	467
Total gross Group policy claims	89,059,199	110,635,014

Non-life business

Gross Claims

	277,657	204,096
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Total gross claims

	229,107,509	248,058,095
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Reinsurance Recoveries

-on individual life claims

	(204,570)	(32,932)
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-on Group life claims

	(319,418)	(331,437)
--	-----------	-----------

	(523,988)	(364,369)
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Non-life business

Reinsurance Recoveries

	(51,448)	(59,256)
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Premium deficiency

	9,835	4,082
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Claim related expenses

	22,533	23,161
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Net insurance benefit expense

	228,564,441	247,661,713
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31.1 There are various cases pertaining to policyholders in relation to individual and group insurance policies, claiming amount due as per policy amounting to Rs. 281.58 million (31 December 2023: Rs. 1,030.18 million) but the Corporation is of the view that such claims are not valid based on the criteria provided in the policy issued. In total there are 178 cases out of which 8 cases are in the Supreme Court of Pakistan, 162 cases are pending in different High Courts of Pakistan and remaining in the lower courts.

31.2 Claim Development

Accident years	2020	2021	2022	2023	2024
Estimate of ultimate claims cost: -	----- Rupees in '000 -----				
At the end of accident year	5,584,317	8,621,868	7,687,803	8,331,785	9,597,856
One year later	8,165,707	11,417,191	10,880,001	12,051,333	-
Two years later	8,454,404	11,878,865	11,502,560	-	-
Three years later	8,558,779	12,083,520	-	-	-
Four years later	8,620,216	-	-	-	-
Current estimate of cumulative claims	8,620,216	12,082,209	11,460,315	11,982,175	9,597,856
Cumulative payments	(7,059,902)	(10,391,444)	(10,311,280)	(10,864,410)	(10,426,657)
	1,560,314	1,690,765	1,149,035	1,117,765	(828,801)
Claim prior to 2020					5,524,341
Liability recognized in the statement of financial position					4,695,540

32 UNCLAIMED INSURANCE BENEFIT

Circular 11 of 2014 dated 19 May 2014 issued by the Securities and Exchange Commission of Pakistan (SECP) has established requirement for all insurers to disclose age wise break up of unclaimed insurance benefits in accordance with format prescribed in the annexure to the said circular.

The unclaimed benefits are described in the circular as the amounts which have become payable in accordance with the terms and conditions of an insurance policy but have not been claimed by the policyholders or their beneficiaries. Such unclaimed amounts may fall into the following categories:

Description	Total Amount	1-6	7-12	13-24 Months	25-36 Months	Beyond
		Months	Months	in '000		36 Months
----- Rupees -----						
Unclaimed maturity benefits	9,320,152	4,533,774	1,033,398	2,174,963	1,578,017	-
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
	<u>9,320,152</u>	<u>4,533,774</u>	<u>1,033,398</u>	<u>2,174,963</u>	<u>1,578,017</u>	<u>-</u>

33 ACQUISITION EXPENSES

Note ----- 2024 ----- Rupees in '000 ----- 2023 -----

Remuneration to insurance intermediaries on individual policies:

- commission to agent on first year premiums	15,171,190	14,763,718
- commission to agent on second year premiums	2,713,223	2,091,861
- commission to agent on subsequent renewal premiums	3,619,270	3,430,965
- other benefits to insurance intermediaries	2,998,445	1,921,747
- branch overhead	5,121,246	4,596,333
	<u>29,623,374</u>	<u>26,804,624</u>

Remuneration to insurance intermediaries on Group policies:

- commission	17,731	15,975
- other benefits to insurance intermediaries	8,593	2,699
	<u>26,324</u>	<u>18,674</u>
	<u>29,649,698</u>	<u>26,823,298</u>

Other acquisition costs:

- Stamp duty	2,678,517	2,583,686
- Initial medical fees	108,480	114,741
	<u>2,786,997</u>	<u>2,698,427</u>

Non-Life business

Acquisition expense	94,236	53,867
	<u>32,530,931</u>	<u>29,575,592</u>

33.1 Branch overhead

Employee benefit cost	3,508,366	3,095,585
Traveling expense	1,340,747	1,243,845
Printing & stationary	13,568	15,889
Postage & telephone	40,057	38,511
Electricity, gas and water	47,909	35,747
Rent	92,860	91,565
Prize & awards	17,374	21,723
Conference & meetings	56,870	50,071
Repair & maintenance	3,495	3,397
	<u>5,121,246</u>	<u>4,596,333</u>

34	MARKETING AND ADMINISTRATION EXPENSES	Note	2024	2023
			----- Rupees in '000 -----	
	Employee benefit cost	34.1	14,387,478	12,683,177
	Travelling expenses		850,922	749,892
	Advertisements and sales promotion		232,206	197,973
	Printing and stationery		471,939	271,973
	Depreciation and amortization		239,508	138,537
	Rent, rates and taxes		210,364	173,129
	Legal and professional charges - business related		2,396,763	2,717,097
	Electricity, gas and water		555,321	453,056
	Office repairs and maintenance		87,796	77,831
	Bank charges		25,793	41,804
	Postages, telegrams and telephone		216,957	169,458
	Appointed Actuary fees		10,549	10,040
	Annual Supervision fees SECP		100,200	150,000
	Entertainment		3,628	1,863
	Vehicle running expenses		25,302	19,558
	Insurance expense		80	163
	Training expense		129,178	113,448
	Miscellaneous		9,740	4,929
			19,953,724	17,973,928
	34.1 Employee benefit cost			
	Salaries, allowances and other benefits		13,343,794	11,154,572
	Charges for post employment benefit		1,043,684	1,528,605
			14,387,478	12,683,177
	35 OTHER EXPENSES			
	Auditors' remuneration	35.1	38,674	24,793
	Directors' fee		4,040	1,940
	Revenue stamps		42,544	56,115
	Exchange loss on revaluation		132,963	-
	Conference and meetings		155,579	173,406
	Insurance charges		525,148	383,559
	Office maintenance		185,094	143,678
	Entertainment		43,480	32,154
	Workers' welfare fund		2,864	-
	Other expenses		103,494	131,427
			1,233,880	947,072
	35.1 Auditors' remuneration			
	Business within Pakistan			
	Annual audit and half yearly review fee			
	BDO Ebrahim & Co.		-	4,028
	Riaz Ahmad & Company		18,900	6,075
	Grant Thornton Anjum Rahman		883	883
			19,783	10,986
	Out of pocket			
	BDO Ebrahim & Co.		-	840
	Riaz Ahmad & Company		2,160	925
	Grant Thornton Anjum Rahman		300	225
			2,460	1,990
	Business Outside Pakistan			
	Audit fee			
	Sajjad Haider and Co		16,431	11,817
			38,674	24,793

36	FINANCE COST	Note	2024	2023
			Rupees in '000	
	Lease finance charges		3,178	391
37	INCOME TAX EXPENSE			
	For the year			
	Current		2,088,841	3,171,696
	Deferred		8,003,905	6,423,551
			10,092,746	9,595,247
	For the prior year			
	Current		(12,482)	201,117
	Total income tax charge for the year	37.1	10,080,264	9,796,364
37.1	Relationship between tax expense and accounting profit			
	Profit before tax		26,010,676	24,556,651
	Tax at the applicable rate @ 29% (2023: 29%)		7,543,096	7,121,429
	Reconciliation:			
	Education cess for the year		8,576	3,188
	Impact of super tax @ 10% (2023: 10%)		2,601,068	2,455,665
	Effect of prior year changes		(12,482)	201,117
	Others		(59,994)	14,965
	Tax expense for the year		10,080,264	9,796,364
38	EARNINGS PER SHARE			
	Profit (after tax) for the year (Rupees in '000)		15,925,139	14,758,835
	Number of ordinary shares outstanding as at year end (Numbers in '000)		80,000	80,000
	Earnings per share (Rupees)		199.06	184.49

The Group has not issued any instrument which would dilute its basic earnings per share when exercised. Therefore, there is no dilutive effect on earnings per share.

39 REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Management Executives	
	2024	2023	2024	2023	2024	2023
	Rs in '000					
Fees	-	-	21,120	12,850	-	-
Managerial remuneration	68,333	48,854	-	-	1,303,731	816,051
House rent allowance	-	-	-	-	664,199	417,322
Utilities	3,616	1,687	-	-	614,224	337,627
Leave encashment	-	-	-	-	-	327
Ex-gratia allowance	100	100	-	-	663	664
Rent and house allowance	-	-	-	-	-	-
Medical	603	281	-	-	895	674
Conveyance	-	-	-	-	-	-
Others	-	-	-	-	250,051	141,430
Entertainment	-	-	-	-	46	108
Staff provident fund	-	-	-	-	-	979
	72,652	50,922	21,120	12,850	2,833,809	1,715,182
Number of persons	2	1	17	12	749	477

39.1 In addition to the above, Chief Executive Officer, Chairman, Directors and Executives are also entitled to the Holding Group maintained vehicles and mobile phone facility.

40 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Group has related party relationships with provident fund, pension fund scheme, gratuity fund, state owned profit oriented entities and its key management personnel.

Accrual of liability in respect of the funds are made annually. Remuneration to key management personnel are determined in accordance with the terms of their employment / appointment. Certain key management personnel are also provided with free use of the Group maintained vehicles and post retirement benefits in accordance with their entitlement under the terms of their employment.

The related parties also comprise subsidiaries, directors, key management personnel and employees' benefits funds. The Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, amounts due from chairman and executives directors are disclosed in the relevant notes.

Terms and conditions of transactions with related parties

Transactions with related parties are made at arms length prices. There have been no guarantees provided or received for any related party receivables or payables.

Other material transactions and balances with related parties are given below:

	2024	2023
	----- Rupees in '000 -----	
Profit oriented state-controlled entities		
common ownership		
Investment in shares - State Bank of Pakistan	3,221	3,221
PIBs deposited with State Bank of Pakistan	1,246,500	561,500
Staff retirement fund		
Contribution to provident fund	331	1,314
Contribution to pension fund	741,335	705,953
Contribution to funded gratuity	295	1,314
Expense charged for pension fund	2,415,694	1,898,354
Transactions with associated companies		
common ownership		
Dividend received during the year		
Fauji Fertilizer Company Limited	2,399,780	1,698,903
Sui Northern Gas Pipelines Company Limited	114,674	41,225
Security Papers Limited	-	61,171
Pakistan Reinsurance Company Limited - associated company (24.41%)	219,697	164,772
Pak Data Communication	3,203	8,236
Shahtaj Sugar Mills Limited	10,598	-

	2024	2023
	----- Rupees in '000 -----	
Wah-Nobel Chemicals Limited	8,980	8,621
Reinsurance premium ceded		
Pakistan Reinsurance Company Limited	-	-
Others - Transactions		
Remuneration to key management personnel	30,048	21,453
Directors' remuneration	4,040	1,940
Actuary Fee to M/s Akhtar & Hassan (Private) Limited	-	500
Insurance stamps - PTF	-	21,810
Balances with related parties - common directorship		
Investment in units of NIT Islamic Equity Fund	444,666	258,955
Investment in shares of:		
Fauji Fertilizer Company Limited	44,743,567	13,225,503
Sui Southern Gas Company Limited	2,582,845	654,355
Sui Northern Gas Pipelines Company Limited	2,852,582	2,020,560
Pakistan Cables Limited	817,715	422,803
Security Papers Limited	-	746,676
Shahtaj Sugar Mills Limited	70,649	65,093
Pak Data Communication Limited	145,182	84,949
Premier Insurance Company Limited	29,727	38,596
Pakistan Reinsurance Company Limited	3,451,434	1,689,467
Arabian Sea Country Club Limited	5,000	5,000
PICIC Insurance Limited	-	3,506
Nina Industries Limited	-	4,500
Mirpurkhas Sugar Mills Limited	36,060	61,819
Wah-Nobel Chemicals Ltd	266,341	168,942
Others- Balances		
Pakistan Reinsurance Company Limited - Associate of parent (Common Directorship)		
Payable from Pakistan Reinsurance Company Limited	(32,487)	(12,859)
Payable to retirement benefit obligations - net	(1,367)	-
Payable to M/s Akhtar & Hassan (Private) Limited	-	(500)

41 SEGMENTAL INFORMATION

41.1 Revenue account by statutory fund

	Statutory Funds							Aggregate
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund Sub Funds			2024
					Life	Group	Health	
	(Rupees in '000)							
Income								
Premium less reinsurances	163,278,823	3,593,411	64,252	95,417,141	1,893,405	17,437	109,766	264,374,235
Rental income from investment property	931,648	-	-	-	-	-	-	931,648
Net investment income	351,976,554	2,482,119	68,119	10,783,334	450,165	4,244	6,716	365,771,251
Total net income	516,187,025	6,075,530	132,371	106,200,475	2,343,570	21,681	116,482	631,077,134
Insurance benefits and expenditure								
Insurance benefits, including bonuses, net of reinsurance recoveries	143,297,108	4,270,611	60,828	80,566,875	13,651	8,540	110,785	228,328,398
Management expenses less recoveries	48,207,964	905,694	2,306	3,446,652	871,806	1,732	12,836	53,448,990
Total insurance benefits and expenditure	191,505,072	5,176,305	63,134	84,013,527	885,457	10,272	123,621	281,777,388
Excess of income over insurance benefits and expenditures	324,681,953	899,225	69,237	22,186,948	1,458,113	11,409	(7,139)	349,299,747
Net change in insurance liabilities (other than outstanding claims)	(301,905,384)	(878,676)	(10,977)	(1,672,712)	(1,462,694)	(10,827)	(52,682)	(305,993,952)
Surplus/ (deficit) before tax	22,776,569	20,549	58,260	20,514,236	(4,581)	582	(59,821)	43,305,795
Taxes chargeable to statutory funds								
Prior year(s)	-	-	-	-	-	-	-	-
Surplus/ (deficit) after tax	22,776,569	20,549	58,260	20,514,236	(4,581)	582	(59,821)	43,305,795
Movement in policyholders' liabilities	301,905,384	878,676	10,977	1,672,712	1,462,694	10,827	52,682	305,993,952
Transfers to and from shareholders' fund								
- Surplus appropriated to shareholders' fund	(4,357,314)	(43,284)	-	-	-	-	-	(4,400,598)
- Capital returned to shareholders' fund	-	-	-	-	-	-	-	-
- Fund transferred to general reserve	-	-	-	-	-	-	-	-
- Capital contributions from shareholders' fund	-	-	-	-	-	-	-	-
- Capital contributions from shareholders' fund	-	-	-	-	770,000	75,000	160,000	1,005,000
Net transfer to/from shareholders' fund	(4,357,314)	(43,284)	-	-	770,000	75,000	160,000	(3,395,598)
Balance of statutory fund at beginning of the year	1,561,032,966	45,371,566	668,562	44,339,931	1,534,168	-	-	1,652,947,193
Balance of statutory fund at end of the year	1,881,357,605	46,227,507	737,799	66,526,879	3,762,281	86,409	152,861	1,998,851,342

Revenue account by statutory fund

	Statutory Funds							Aggregate
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund Sub Funds			2023
					Life	Group	Health	
	(Rupees in '000)							
Income								
Premium less reinsurances	150,924,982	3,568,943	65,176	112,176,893	1,108,188	-	-	267,844,182
Rental income from investment property	841,722	-	-	-	-	-	-	841,722
Net investment income	229,370,680	11,368,166	56,003	15,479,881	162,321	-	-	256,437,051
Total net income	381,137,384	14,937,109	121,179	127,656,774	1,270,509	-	-	525,122,955
Insurance benefits and expenditure								
Insurance benefits, including bonuses, net of reinsurance recoveries	140,851,436	3,416,074	46,632	103,169,065	29,584	-	-	247,512,791
Management expenses less recoveries	42,869,510	670,791	1,440	4,220,852	547,998	-	-	48,310,591
Total insurance benefits and expenditure	183,720,946	4,086,865	48,072	107,389,917	577,582	-	-	295,823,382
Excess of income over insurance benefits and expenditures	197,416,438	10,850,244	73,107	20,266,857	692,927	-	-	229,299,573
Net change in insurance liabilities (other than outstanding claims)	(182,445,732)	(7,926,470)	(43,527)	134,936	(708,718)	-	-	(190,989,511)
Surplus/ (deficit) before tax	14,970,706	2,923,774	29,580	20,401,793	(15,791)	-	-	38,310,062
Taxes chargeable to statutory funds								
Prior year(s)	9,294	-	-	-	-	-	-	9,294
Surplus/ (deficit) after tax	14,961,412	2,923,774	29,580	20,401,793	(15,791)	-	-	38,300,768
Movement in policyholders' liabilities	182,445,732	7,926,470	43,527	(134,936)	708,718	-	-	190,989,511
Transfers to and from shareholders' fund								
- Surplus appropriated to shareholders' fund	(3,368,430)	(116,523)	-	(4,000,000)	-	-	-	(7,484,953)
- Capital returned to shareholders' fund	-	-	-	-	-	-	-	-
- Fund transferred to general reserve	-	-	-	-	-	-	-	-
- Capital contributions from shareholders' fund	-	-	-	-	400,000	-	-	400,000
- Capital contributions from shareholders' fund	-	-	-	-	-	-	-	-
Net transfer to/from shareholders' fund	(3,368,430)	(116,523)	-	(4,000,000)	400,000	-	-	(7,084,953)
Balance of statutory fund at beginning of the year	1,366,994,252	34,637,845	595,455	28,073,074	441,241	-	-	1,430,741,867
Balance of statutory fund at end of the year	1,561,032,966	45,371,566	668,562	44,339,931	1,534,168	-	-	1,652,947,193

41.2 Segmental results by line of business

	Statutory Funds						Family Takaful Fund		Aggregate
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Sub Funds			2024	
					Life	Group	Health		
(Rupees in '000)									
Income									
Gross premiums									
- First year	29,155,527	491,728	-	-	1,130,316	-	-	30,777,571	
- Second year	19,849,078	372,617	-	-	607,549	-	-	20,829,244	
- Subsequent year renewal	103,612,703	2,778,237	-	-	198,717	-	-	106,589,657	
Group policies with cash value	-	-	64,252	-	-	-	-	64,252	
Group policies without cash value	12,177,355	-	-	156,922,041	-	38,146	109,766	169,247,308	
Less: experience premium refund	(734,983)	-	-	(61,504,900)	-	-	-	(62,239,883)	
Total gross premiums	164,059,680	3,642,582	64,252	95,417,141	1,936,582	38,146	109,766	265,268,149	
Less: reinsurance premiums ceded									
On individual life first year business	(68,485)	(3,016)	-	-	(43,177)	-	-	(114,678)	
On individual life second year business	(63,030)	(2,867)	-	-	-	-	-	(65,897)	
On individual life renewal business	(209,746)	(56,582)	-	-	-	-	-	(266,328)	
On group policies	(530,373)	-	-	-	-	(20,709)	-	(551,082)	
Less: Reinsurance commission on risk premium	90,777	13,294	-	-	-	-	-	104,071	
	(780,857)	(49,171)	-	-	(43,177)	(20,709)	-	(893,914)	
Net Premiums	163,278,823	3,593,411	64,252	95,417,141	1,893,405	17,437	109,766	264,374,235	
Rental income from investment property	931,648	-	-	-	-	-	-	931,648	
Net investment income	351,976,554	2,482,119	68,119	10,783,334	450,165	4,244	6,716	365,771,251	
Total net income	516,187,025	6,075,530	132,371	106,200,475	2,343,570	21,681	116,482	631,077,134	
Insurance benefits and expenditures									
Claims, including bonuses, net of reinsurance recoveries	143,297,108	4,270,611	60,828	80,566,875	13,651	8,540	110,785	228,328,398	
Management expenses less recoveries	48,207,964	905,694	2,306	3,446,652	871,806	1,732	12,836	53,448,990	
Current tax	-	-	-	-	-	-	-	-	
Total insurance benefits and expenditures	191,505,072	5,176,305	63,134	84,013,527	885,457	10,272	123,621	281,777,388	
Excess of income over insurance benefits	324,681,953	899,225	69,237	22,186,948	1,458,113	11,409	(7,139)	349,299,746	
Add: Policyholder liabilities at the beginning of year	1,494,873,358	35,670,364	165,849	1,037,456	1,122,995	-	-	1,532,870,022	
Less: Policyholder liabilities at the end of year	1,796,778,743	36,549,040	176,824	2,710,168	2,585,690	10,827	52,682	1,838,863,974	
Surplus/(deficit) after tax	22,776,568	20,549	58,262	20,514,236	(4,582)	582	(59,821)	43,305,794	

Segmental results by line of business

	Statutory Funds						Family Takaful Fund		Aggregate
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Sub Funds			2023	
					Life	Group	Health		
(Rupees in '000)									
Income									
Gross premiums									
- First year	25,700,817	427,147	-	-	822,023	-	-	26,949,987	
- Second year	15,904,303	258,667	-	-	232,927	-	-	16,395,896	
- Subsequent year renewal	98,811,381	2,944,041	-	-	67,819	-	-	101,823,240	
Group policies with cash value	-	-	65,176	-	-	-	-	65,175	
Group policies without cash value	11,776,348	-	-	181,689,176	-	-	-	193,465,523	
Less: experience premium refund	(550,607)	-	-	(69,270,713)	-	-	-	(69,821,321)	
Total gross premiums	151,642,242	3,629,855	65,176	112,418,463	1,122,769	-	-	268,878,500	
Less: reinsurance premiums ceded									
On individual life first year business	(79,757)	(3,161)	-	(241,570)	(14,581)	-	-	(339,069)	
On individual life second year business	(61,394)	-	-	-	-	-	-	(61,394)	
On individual life renewal business	(175,321)	(57,751)	-	-	-	-	-	(233,072)	
On group policies	(638,741)	-	-	-	-	-	-	(638,741)	
Less: Reinsurance commission on risk premium	237,953	-	-	-	-	-	-	237,953	
	(717,260)	(60,912)	-	(241,570)	(14,581)	-	-	(1,034,323)	
Net Premiums	150,924,982	3,568,943	65,176	112,176,893	1,108,187	-	-	267,844,181	
Rental income from investment property	841,722	-	-	-	-	-	-	841,722	
Net investment income	229,370,680	11,368,166	56,003	15,479,881	162,321	-	-	256,437,051	
Total net income	381,137,384	14,937,109	121,179	127,656,774	1,270,508	-	-	525,122,955	
Insurance benefits and expenditures									
Claims, including bonuses, net of reinsurance recoveries	140,851,436	3,416,074	46,632	103,169,065	29,584	-	-	247,512,791	
Management expenses less recoveries	42,869,510	670,791	1,440	4,220,852	547,998	-	-	48,310,591	
Current tax	9,294	-	-	-	-	-	-	9,294	
Total insurance benefits and expenditures	183,730,240	4,086,865	48,072	107,389,917	577,582	-	-	295,832,676	
Excess of income over insurance benefits	197,407,144	10,850,244	73,107	20,266,857	692,925	-	-	229,290,279	
Add: Policyholder liabilities at the beginning of year	1,312,427,627	27,743,894	122,320	1,172,392	414,278	-	-	1,341,880,511	
Less: Policyholder liabilities at the end of year	1,494,873,358	35,670,364	165,849	1,037,456	1,122,995	-	-	1,532,870,022	
Surplus/(deficit) before tax	14,961,413	2,923,774	29,579	20,401,793	(15,792)	-	-	38,300,768	

41.3 Segment information of General Insurance

Following segment information prepared in accordance with the requirements of Insurance Ordinance, 2000 and the Insurance Rules, 2017 for Class of business wise revenues, results, assets and liabilities:

The class wise revenues and results are as follows:

2024	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Bond	Miscellaneous	Total
(Rupees'000')							
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	239,364	96,406	90,755	83,868	2,360	57,316	570,069
Less: Federal Excise Duty	13,443	7,688	8,750	-	272	3,939	34,092
Federal Insurance Fee	891	728	590	614	18	266	3,107
Others	76	5,246	124	1	12	135	5,594
Gross written premium (inclusive of administrative surcharge)	224,954	82,744	81,291	83,253	2,058	52,976	527,276
Gross direct premium	86,345	70,480	57,615	83,235	1,736	26,194	325,605
Facultative inward premium	137,115	10,373	22,465	-	264	26,385	196,602
Administrative surcharge	1,494	1,891	1,209	18	59	397	5,068
	224,954	82,744	81,289	83,253	2,059	52,976	527,275
Insurance premium earned	211,236	82,760	74,356	68,111	2,208	53,711	492,382
Insurance premium ceded to reinsurers	(53,122)	(28,328)	(12,303)	-	(1,967)	(26,691)	(122,411)
Net insurance premium	158,114	54,432	62,053	68,111	241	27,020	369,971
Commission income	2,266	977	1,081	-	-	192	4,516
Net underwriting income	160,380	55,409	63,134	68,111	241	27,212	374,487
Insurance claims	(68,654)	(53,063)	(53,785)	(95,220)	-	(6,934)	(277,656)
Insurance claims recovered from reinsurer	6,779	18,948	26,472	-	-	(752)	51,447
Net claims	(61,875)	(34,115)	(27,313)	(95,220)	-	(7,686)	(226,209)
Commission expense	(51,509)	(20,339)	(9,347)	(5,455)	(204)	(11,899)	(98,753)
Management expense	(71,492)	(26,297)	(25,835)	(26,458)	(654)	(16,836)	(167,572)
Premium deficiency expense	-	(208)	-	(9,626)	-	-	(9,834)
Net insurance claims and expenses	(184,876)	(80,959)	(62,495)	(136,759)	(858)	(36,421)	(502,368)
Underwriting result	(24,496)	(25,550)	639	(68,648)	(617)	(9,209)	(127,881)
Net investment income							159,373
Other income							28,697
Other expenses							(8,676)
Finance cost							(3,178)
Profit before tax from Window Takaful Operations - Operator's Fund							6,742
Profit before tax							55,077

2024	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Bond	Miscellaneous	Total
(Rupees'000')							
Segment assets	235,360	42,398	53,717	31,788	2,107	24,232	389,602
Unallocated assets							1,276,125
	235,360	42,398	53,717	31,788	2,107	24,232	1,665,727
Segment liabilities	330,746	74,805	91,514	133,947	1,003	25,777	657,792
Unallocated liabilities	-	-	-	-	-	-	181,082
Unallocated liabilities of Window Takaful Operation - Operator's Fund	-	-	-	-	-	-	-
	330,746	74,805	91,514	133,947	1,003	25,777	838,874

2023	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Bond	Miscellaneous	Total
----- (Rupees'000') -----							
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	199,436	59,070	64,990	27,993	2,242	26,834	380,565
Less: Federal Excise Duty	11,220	4,646	7,087	-	257	2,132	25,342
Federal Insurance Fee	786	472	505	217	19	150	2,149
Others	14	2,237	23	-	6	15	2,295
Gross written premium (inclusive of administrative surcharge)	<u>187,416</u>	<u>51,715</u>	<u>57,375</u>	<u>27,776</u>	<u>1,960</u>	<u>24,537</u>	<u>350,779</u>
Gross direct premium	77,114	45,341	49,246	38,995	1,852	14,690	227,238
Facultative inward premium	108,987	5,019	6,973	(11,233)	75	9,555	119,376
Administrative surcharge	1,316	1,355	1,155	14	33	293	4,166
	<u>187,417</u>	<u>51,715</u>	<u>57,374</u>	<u>27,776</u>	<u>1,960</u>	<u>24,538</u>	<u>350,780</u>
Insurance premium earned	171,949	52,028	52,356	17,587	2,509	23,501	319,930
Insurance premium ceded to reinsurers	(28,785)	(20,020)	(7,256)	-	(1,968)	(14,909)	(72,938)
Net insurance premium	143,164	32,008	45,100	17,587	541	8,592	246,992
Commission income	620	179	451	-	60	135	1,445
Net underwriting income	<u>143,784</u>	<u>32,187</u>	<u>45,551</u>	<u>17,587</u>	<u>601</u>	<u>8,727</u>	<u>248,437</u>
Insurance claims	(115,830)	(19,750)	(14,687)	(34,898)	-	(18,931)	(204,096)
Insurance claims recovered from reinsurer	41,613	4,838	4,231	-	-	8,573	59,255
Net claims	(74,217)	(14,912)	(10,456)	(34,898)	-	(10,358)	(144,841)
Commission expense	(34,986)	(10,588)	(5,643)	(651)	(231)	(3,210)	(55,309)
Management expense	(64,320)	(17,748)	(19,690)	(9,532)	(673)	(11,135)	(123,098)
Premium deficiency expense	665	27	-	(5,092)	-	318	(4,082)
Net insurance claims and expenses	<u>(172,858)</u>	<u>(43,221)</u>	<u>(35,789)</u>	<u>(50,173)</u>	<u>(904)</u>	<u>(24,385)</u>	<u>(327,330)</u>
Underwriting result	<u>(29,074)</u>	<u>(11,034)</u>	<u>9,762</u>	<u>(32,586)</u>	<u>(303)</u>	<u>(15,658)</u>	<u>(78,893)</u>
Net investment income							136,870
Other income							27,542
Other expenses							(3,799)
Finance cost							(391)
Profit before tax from Window Takaful Operations - Operator's Fund							<u>4,061</u>
Profit before tax							<u>85,390</u>

2023	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Bond	Miscellaneous	Total
----- (Rupees'000') -----							
Segment assets	91,427	25,228	27,989	13,550	956	11,970	171,120
Unallocated assets	-	-	-	-	-	-	1,099,822
	<u>91,427</u>	<u>25,228</u>	<u>27,989</u>	<u>13,550</u>	<u>956</u>	<u>11,970</u>	<u>1,270,942</u>
Segment liabilities	142,500	39,321	43,624	21,119	1,490	18,657	266,711
Unallocated liabilities	-	-	-	-	-	-	286,092
Unallocated liabilities of Window Takaful Operation - Operator's Fund	-	-	-	-	-	-	-
	<u>142,500</u>	<u>39,321</u>	<u>43,624</u>	<u>21,119</u>	<u>1,490</u>	<u>18,657</u>	<u>552,803</u>

41.4 Segment Statement of Financial Position

	Statutory Funds	Shareholders Funds	2024	Statutory Funds	Shareholders Funds	2023
-----Rs in '000-----						
Assets						
Property and equipment	1,949,113	-	1,949,113	1,423,537	-	1,423,537
Intangible asset	474	-	474	316	-	316
Investment property	3,574,916	-	3,574,916	3,466,461	-	3,466,461
Investments	1,733,009,397	9,018,098	1,742,027,495	1,382,566,758	4,448,747	1,387,015,505
Loans secured against life insurance policies	154,825,679	-	154,825,679	159,781,265	-	159,781,265
Insurance / reinsurance receivables	253,519,879	-	253,519,879	184,703,277	-	184,703,277
Other loans and receivables	92,485,233	4,300,053	96,785,286	94,853,889	1,056,552	95,910,441
Advance taxation	29,912,105	26,888	29,938,993	16,271,963	8,322	16,280,285
Prepayments	384,461	-	384,461	331,888	-	331,888
Reinsurance recoveries and outstanding claims	122,581	-	122,581	101,276	-	101,276
Salvage recoveries accrued	-	-	-	-	-	-
Deferred commission expense/acquisition cost	26,541	-	26,541	24,952	-	24,952
Cash and bank balances	84,109,438	113	84,109,551	82,542,384	-	82,542,384
Total Assets of Window Takaful Operations - Operator's Fund	81,318	-	81,318	65,197	-	65,197
Total assets	2,354,001,135	13,345,152	2,367,346,287	1,926,133,162	5,513,621	1,931,646,783
Liabilities						
Insurance liabilities net of reinsurance recoveries	1,998,565,031	-	1,998,565,031	1,803,319,945	-	1,803,319,945
Retirement benefit obligations	5,385,772	-	5,385,772	7,103,749	-	7,103,749
Deferred capital grant	3,237	-	3,237	5,705	-	5,705
Deferred taxation	23,647,418	-	23,647,418	9,894,217	5,720,655	15,614,872
Premium received in advance	6,542,891	-	6,542,891	5,917,525	-	5,917,525
Insurance / takaful / reinsurance / retakaful payables	3,008,097	-	3,008,097	2,086,881	-	2,086,881
Other creditors and accruals	274,086,901	-	274,086,901	53,281,061	-	53,281,061
Provision for taxation	-	2,077,881	2,089,152	-	3,741,004	3,741,004
Total Liabilities of Window Takaful Operations - Operator's Fund	23,648	-	23,648	12,314	-	12,314
Total Liabilities	2,311,262,995	2,077,881	2,313,352,147	1,881,621,397	9,461,659	1,891,083,056

42 MOVEMENT IN INVESTMENTS

	Held to Maturity	Fair value through profit or loss	Total
-----Rs in '000-----			
At beginning of previous year	1,144,926,545	85,160,733	1,230,087,278
Additions	344,389,550	40,150,317	384,539,867
Disposals (sale and redemptions)	(289,480,721)	(3,398,929)	(292,879,650)
Amortization of premium- net	3,385	-	3,385
Unwinding of discount	31,941,880	-	31,941,880
Unrealized fair value gain	-	(32,335)	(32,335)
Impairment loss	-	33,355,080	33,355,080
At beginning of current year	1,231,780,639	155,234,866	1,387,015,505
Additions	328,429,654	119,659,487	448,089,141
Disposals (sale and redemptions)	(227,598,556)	(17,663,125)	(245,261,681)
Unwinding of discount	30,610,431	-	30,610,431
Unrealized fair value gain	-	121,557,187	121,557,187
Impairment loss	-	16,912	16,912
At end of current year	1,363,222,168	378,805,327	1,742,027,495

43 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

43.1 Insurance Risk

43.1.1 Insurance contracts - classification

The Group majorly maintains five statutory funds which are as follows:

- Pakistan Life Fund
- Overseas Life Fund
- Pension Fund
- Accidental and Health Insurance Fund
- Family Takaful Fund

Within the Pakistan Life Fund the business can be further classified as individual life conventional business, Group insurance business and a small amount of annuity business.

Most of the new individual life conventional policies written by the Group contain a Discretionary Participation Feature (DPF).

The Overseas Life Fund entirely consists of individual life conventional business. Most of the new business written under the overseas life fund contains a DPF.

The Pension Fund consists of funds administered under Group Pension Deposit Administration contracts.

The Accident and Health Insurance Fund consists of Group Health and Accident Insurance Contracts.

Family Takaful Fund is consist of individual family takaful business.

Considering all the above together, the bulk of Group business consists of individual life conventional policies. Most of the remaining business consists of Group life insurance business. Group Health is a relatively new venture of the Group which started in 2012 and has yet to register any significant growth. The Group also offers some supplementary benefits attached in the form of riders to the individual life policies and the Group life contracts. Each of these classes of business are described in greater detail below.

43.1.2 Contract details and measurement

The insurance contracts offered by the Group are described below:

43.1.2.1 Individual life policies

Individual life conventional products

These are long term contracts with either level or single premiums. These plans generally provide death benefit on death during the tenure of the policy and a survival benefit either on the happening of certain contingencies or on the maturity of the policy. The premiums are payable only in the life time of the policyholder. In case of term insurance products there is no survival benefit.

Universal life policies

Under these plans a certain amount is set aside from the premium for expenses and meeting the mortality cost and the remainder of the premium is invested to earn some investment return. Investment return is allocated to these products on an annual basis keeping in view the investment earnings of the Pakistan Life Fund.

Term insurance policies

A few products of the Group are term insurance plans providing benefits only in case of death. Under these policies no benefit is due if the policy holder survives the duration of the policy. The Group sells both level term insurances and decreasing term insurances also known as mortgage protection plans.

Annuities

The Group also has a small number of individual and Group life-annuities on its books. Under these contracts a periodic income benefit is payable to the insured life for as long as annuitant is alive. Besides, the Group offers annuity-certain plans under which periodic income benefit is payable for a stipulated period and is not dependent on the life of the policyholder.

Supplementary riders

The Group offers various types of supplementary riders. Some of these riders offer additional life coverage, in some cases they offer accidental death and disability benefits. The benefits can take various forms such as lump sum payment or an income benefit or waiver of premiums due under the host policy contract.

Insured event

Under the individual life insurance policies in most cases the insured event is either death or survival until the maturity date of the policy, except in case of term insurance where there is no maturity benefit. Under the annuity policies the Group is exposed to the risk of longevity. In this case the insured event is survival of the life insured for a long duration, exceeding the period normally expected under standard mortality tables.

In case of supplementary rider the insured event is either death or just accidental death or disability whether accidental or natural or both.

Distribution channel

The individual life business of the Group is sold through its dedicated sales force which is present all over the country. This field force is organized under a three tier system consisting of sales representatives, sales officers and sales managers. Each sales sector headed by a sector head is further Grouped over 1000 area offices, more than 1,200 sector offices, 33 zones and 7 regional offices in addition to one zone for the Gulf Region. The Gulf zone has its own marketing team of sector heads, area managers and sales force.

The individual life policy holders of the Group come from all strata of society, with greater representation of the rural areas due to wider outreach of its field force. New policyholders have an average age of around 34 years.

43.1.2.2 Group life policies

Basic coverage

The Group life policies are generally one year renewable term insurance contracts. In most cases they provide Group coverage to the employees of an employer. Some times the coverage is tied up with loans extended by the employer for house building or purchase of motor vehicles or other household items. In some cases Group policies are issued to lending agencies such as banks to provide Group coverage to their borrowers. There are also a small number of Group endowment policies which provide benefits identical to individual life policies but under the umbrella of a Group contract.

Supplementary coverage

In many cases the Group policies also provide supplementary coverage which may include accidental or natural disability benefits and additional accidental death benefit. These riders also take the form of one year renewable term insurance policies.

Insured event

Under the Group life insurance policies in most cases the insured event is death due to any cause. In case of supplementary coverage the insured event can include accidental death or disability or natural disability.

Distribution channel

The Group insurance business is sold through four Group and pension zones of the Group. Each zone has its own marketing force consisting of sector heads who are full time salaried employees of the Group, however, some of the Group business is also procured through individual life field force of the Group.

Most of the lives covered under the Group insurance consist of industrial and office workers, civil servants and employees of Groups, banks, other financial institutions, armed forces etc.

43.1.2.3 Pension business

The pension portfolio of the Group consists of Group deposit administration pension contracts. These are long-term contracts providing pension benefits to the employees of the policyholder. Under these contracts, the Group does not retain any insurance risk apart from a nominal investment return guarantee. The services offered by the Group include benefit administration, funding advice and investment of the funds.

These contracts do not transfer any significant insurance risk from the policyholders to the Group. These are therefore by nature similar to investment contracts.

The distribution channel employed for the pension business is the same as for the Group insurance business.

The target market for this business is also similar to the target market for Group insurance business.

43.1.2.4 Group Health Business

In 2012, the Group entered the Health Insurance Market by signing an agreement with the Benazir Income Support Programme (BISP) authorities for providing Health Insurance to the beneficiaries enrolled under BISP Waseela-e-Sehat Programme. This contract terminated on June 30, 2015. However, settlement of the Equalization Reserve Fund (ERF) balance is still pending. Consequently, a provision for this has been kept in the Actuarial Reserves.

In the year 2015, the Group entered into two other agreements, namely Prime Minister's National Health Insurance Scheme (PMNHIS) and KPK Micro Health Insurance Scheme. However, no health cards were issued under either scheme in 2015. Therefore, no specific liability was kept for these contracts.

Insured event

The PMNHIS and the KPK schemes are aimed at providing the underprivileged sector of the society the access to health care to cope with a variety of health shocks. The schemes provide in-patient health insurance facilities to enrolled families, subject to Rupee limits prescribed under the respective agreements.

43.1.3 Reserving method

43.1.3.1 Individual life policies

The Group values its individual life policy liabilities by a modified net level premium method. Under this method the Group's future obligations in respect of guaranteed sums assured and declared bonuses are discounted using a conservative interest basis. The policy liabilities are calculated by deducting from this amount the discounted value of future net premiums receivable under the valued policies, using a conservative basis for calculating the net premiums.

43.1.3.2 Universal life policies

For universal life policies the amount of reserve is equal to the actual accumulated value of the portion of premiums invested in the Pakistan Life Fund after accounting for the investment return allocated to these policies.

43.1.3.3 Group life policies

Group life business consists of short duration one year renewable term insurance policies. Besides, it contains a two year life insurance scheme for emigrants. It is the Group's policy to record only the earned premium in the revenue account. The Group holds reserve for claims incurred but not reported up to the valuation date and provision for experience refunds where applicable.

The Group also holds a premium deficiency reserve for this block of business. This reserve is calculated on the basis of the unearned premium reserve. The amount of this reserve reflects the view of the Appointed Actuary regarding the eventual loss ratio expected under Group insurance contracts.

43.1.3.4 Supplementary riders

For the supplementary riders attached to individual life policies the Group holds a reserve equal to one full year's premium due under these policies. On the other hand, the supplementary riders attached to the Group life policies are valued in the same way as the Group life policies themselves.

43.1.3.5 Pension plans

The Group holds a reserve equal to the market value of the assets backing the pension business statutory fund. Classification of the Government bonds held by this statutory fund as Held to Maturity means that they are valued on an IRR basis, which is currently less than their market value.

43.1.3.6 Reserves for outstanding claims

The Group holds a reserve for all claims which have been reported but are still outstanding at the reporting date. Another estimated reserve is kept within the actuarial liability for claims which have been incurred but have not yet been reported. The pattern of time lag in reporting of claims observed in previous years is used as a means of estimating as accurately as possible the liability expected to arise from the incurred but not reported claims using the chain ladder method of estimation.

43.1.3.7 Liability adequacy test

The adequacy of liability held by the Group has been tested using an alternative reserving method based upon realistic estimates of future mortality, expenses, lapses and investment return. Based on the results of this test the Appointed Actuary considers that the liability being kept by the Group is adequate.

43.1.3.8 Reinsurance contracts held

The Group reinsures its Pakistan business under a surplus treaty arrangement. Under this arrangement any insurance risk on a particular life which exceeds the retention is automatically ceded to the reinsurer. The retention level is fixed by the Group at a level which it considers optimum and safe.

There is a similar surplus treaty arrangement for reinsurance of the Group's Gulf business. The retention level of the Gulf business is fixed by the Group which it deems to be safe for that business.

Under both these treaties the re-insurer is not under an obligation to reinsure certain high sum assured cases which exceed the obligatory limit of the reinsurer as specified in the respective treaty. Such cases are reinsured by the Group on a facultative basis.

The reinsurers of the Group are highly rated companies with a sound credit record.

Primarily, reinsurance assets are amounts due from reinsurers with respect to recoveries under claims and profit commission. Reinsurance recoveries are measured according to the terms and conditions of the reinsurance contracts.

Reinsurance liabilities consist of amounts due to reinsurers on account of reinsurance premiums due which are measured according to the terms of the arrangements.

The Group assesses impairment on its reinsurance assets on a regular basis to identify any losses in recoveries. As of now, the Group's all reinsurance assets are due from re-insurers with a credit rating of "A or above". The reinsurers maintain a sound credit history and hence no impairment provision is required.

43.1.4 Accounting estimates and judgments and process used for deciding assumptions

43.1.4.1 Mortality and disability

Due to nature of its business the Group is exposed to the risk of mortality. The reserving basis utilizes a conservative estimate of mortality. The Group carries out a continuous mortality investigation of its individual life and Group life business to assess the actual level of mortality experienced by it. The result of this study utilized to ascertain the safety margin built into its reserving basis and the mortality level to be utilized for testing the adequacy of its liability.

The Group also has a small exposure to disability risk covered by some of its supplementary contracts. The Group constantly monitors its disability experience and an investigation is carried out whenever it feels that there is an adequate data for arriving at credible results.

43.1.4.2 Investment income

Due to the long term nature of its individual life policies the Group is exposed to the risk of adverse fluctuations in interest rates. In particular a long term declining trend in the interest rates can produce a financial strain for the Group. To some extent this risk is mitigated by the Group's policy to match the duration of its assets with the duration of its liabilities, whenever this is possible. The reserving basis employed by the Group for valuing its liabilities contains adequate safeguards to counter any residual interest rate risk.

The past trend in returns available on Government bonds and the relationship of these returns to other financial variables such as inflation rate and short term interest rates is constantly analyzed to form an opinion regarding the investment returns expected to be earned in the future on a medium term and long term basis. These estimates are utilized in testing the adequacy of liabilities on a realistic basis.

43.1.4.3 Expenses

The Group is also exposed to the risk of management expenses being beyond the permissible limits or increase in expenses at a pace faster than expected. The Group carries out an annual expense analysis to keep track of its expenses. The result of this study is utilized in the estimation of liability under realistic assumptions to ensure the adequacy of the reserves being held.

43.1.5 Frequency and severity of claims

43.1.5.1 Frequency

Since the Group covers a large number of lives from diverse backgrounds, which are geographically spread all over the country, the frequency of claims is normally expected to remain relatively stable over time due to the law of large numbers. However, the frequency can be affected in case there is a variation in the mortality rates experienced by the Group of lives insured by the Group. An unusual catastrophic event such as a disease epidemic, flash floods or a major earthquake can produce a sudden spike in the frequency.

43.1.5.2 Severity

To some extent the Group is protected from isolated large claims because the liability for any claim exceeding its retention level is automatically passed on to the reinsurer under the existing treaty arrangements. However, there is also the risk of a large number of small claims occurring due to a catastrophic event. Exposure to catastrophic events is also dependent upon the concentration of risk.

The Group is represented by 33 zones which are spread out all over the country. However, as the population of the country is concentrated more in the Punjab and Sindh provinces, the business distribution of the Group naturally reflects the same pattern. Nearly 88 % of the Group's business emanates from these two provinces.

In addition, there is also some concentration of risk due to the nature of Group business. These policies are typically issued to an employer for coverage of all the persons in their employment. Normally, the employees of an employer are distributed over one or more establishments maintained by the employer's business. This produces local concentration of risk wherever such establishments happen to exist. Furthermore, a large number of such establishments can exist in a small geographical area such as an industrial zone or the business district of a major city.

43.1.6 Sources of uncertainty in estimation of future benefit payments and premium receipts

There are many theoretical reasons giving rise to uncertainty in estimation of future benefit payments and premium receipts.

Generally, mortality rates for a large segment of the population are quite stable from year to year but mortality is dependent upon a number of factors. Unhygienic living conditions, inadequate health care facilities, prevalence of general stress in society or emergence of epidemic disease are some socio-economic reasons which may give rise to an adverse trend in mortality rates.

Life insurance also serves as a channel for savings. However, in times of economic recession the savings rate can fall. This can reflect upon the Group in the form of lower new business growth and higher lapse rates of existing policies.

43.1.7 Management of insurance risk

The insurance law has laid down some minimum criteria for insurance risk management, which is mandatory for all insurers. This includes guidance regarding minimum capital requirement for insurers, requirement to submit a financial condition report on an annual basis, minimum reserving basis for the financial condition report, minimum solvency requirements and requirement to match the currency of assets and liabilities. Also the law lays down certain restrictions on the assets that may be counted as admissible assets, prescribes guidelines for valuation of assets and liabilities, prescribes reinsurance arrangements and prescribes guidelines for investment of funds.

The Group's strategy for management of insurance risk meets the minimum standards laid down by the law in addition to certain other practices which are specified by the Group.

43.1.7.1 Financial risk

a) Interest risk

The Group values its liabilities at the rate of 3.75% per annum, which is a requirement prescribed by the SECP.

However, the actual return earned by the Group is much more than this. This large gap between the valuation discount rate and the market rate ensures that there is an adequate margin for the Group to absorb any impact of adverse fluctuation in the interest rates.

As a further security mechanism all the guaranteed liabilities of the Group are fully backed by the combined value of cash in hand, Government bonds and policy loans. The first two of these asset classes are by definition risk free. Also the policy loans are fully backed by the cash values of the underlying policies. Hence this asset class also does not carry any default risk.

The practice of valuing the assets Held to Maturity by the IRR method precludes any possibility of sudden changes in the investment return for which credit is taken in the accounts. This stability in the returns add another layer of security against interest risk.

b) Expense risk

Expense risk is the risk that the actual expenses of the Group will exceed the expense margins built in the premium rates. To cover this risk, a specific provision is kept in the actuarial reserves.

c) Mortality risk

The mortality used in the reserving basis is the mortality prescribed by the SECP, which is the SLIC 2001-2005 table. Due to advancement in health care technology the current mortality levels are lower than the mortality rates of this table. Hence, the reserving basis has adequate margins for absorbing the impact of adverse fluctuation in mortality.

d) Surrenders risk

The reserving basis used by the Group does not assume any surrenders. However, the Group ensures that the reserves kept by it for each policy are more than its surrender value. This ensures that the Group does not suffer any adverse impact in case any policies are surrendered.

e) Inflation risk

To a certain extent some inflation risk is already built into the reserving basis, since the average premium size and the average sum assured per policy tends to increase in line with inflation. Also at each actuarial valuation date the Appointed Actuary reviews the special provisions required to be kept as described under the heading Expense risk, keeping in view the expense level of the Group on the valuation date. This provides a mechanism of adjusting for any unanticipated movements in the inflation rate.

f) Catastrophe risk

The business of the Group is spread all over the country. However the insurance penetration rate in the country is still very low. This means that for any localized segment of the population only a small proportion of the people would be covered under life insurance. The proportion covered by the Group's policies is expected to be even smaller. As a result any localized catastrophic event is not expected to have any significant impact on the Group.

The situation is a bit different on the Group insurance side where there is a higher concentration of risk because by its very nature this business often covers a large number of persons located within a restricted geographical area, such as a building or a factory premises.

This risk is mitigated to an extent due to the presence of reinsurance cover for the individual and Group policies. In addition the premium rates of the Group are designed to adequately cater for this risk. Premium deficiency reserve held by the Group for its Group business provides an extra layer of security against this risk.

g) Currency risk

The Group deals in only one currency within Pakistan. Hence, this risk is non-existent for the Pakistan Life Fund.

In case of the Gulf business the Group writes business in UAE Dirhams and US Dollars. The exchange rate parity between these two currencies is relatively stable. Also, there is a high degree of matching between the assets and liabilities in these two currencies.

The effect of fluctuation of currency risk up to 10% on the net assets to the revenue account will be as follows:

	2024	2023
	----- Rupees in '000 -----	
UAE Dirhams		
10% increase	1,351,325	1,299,161
10% decrease	(1,351,325)	(1,299,161)
US Dollars		
10% increase	3,284,344	3,228,479
10% decrease	(3,284,344)	(3,228,479)

43.1.7.2 Credit risk and asset risk

Management of credit risk and asset risk deals with risks emanating from the assets side of the statement of financial position. Management of this risk has already been adequately explained under the heading "Financial risk management objectives and policies". Hence, no further explanation is deemed to be necessary.

43.1.7.3 Operational risk or pricing risk

The Group utilizes industry recognized underwriting practices to ensure that only standard risks are written on standard rates. Any sub standard risks identified during the underwriting process are charged suitable extra premiums. This ensures fair and equitable treatment between various risk categories and helps in keeping its standard rates competitive by the insurance industry standards.

This practice also protects the Group against the risk of large number of sub-standard impaired lives accumulating on its policy portfolio, since extra premium automatically charged to commensurate with such risk.

For lives which are otherwise uninsurable, the Group offers a special product line known as the non-declature scheme. Individuals who are unable to obtain insurance cover due to their poor state of health can choose to obtain cover under this scheme, which bypasses normal underwriting in return for a suitable extra premium and waiting period.

43.1.8 Sensitivity analysis

Mortality rates and the discounting factor are the two most significant variables which can have an impact on the policyholder liabilities. The Group has tested the sensitivity of its liabilities to both these variables which is as follows:

Variable	Quantum of Change	% Change in Liability
Increase in mortality	10%	0.07%
Decrease in mortality	10%	-0.07%
Increase in discount rate	0.5% addition in rate	-3.33%
Decrease in discount rate	0.5% reduction in rate	3.48%

According to the Life Insurance (Nationalization) Order, 1972, any increase or decrease in the actuarial surplus is shared by the policyholders and the Government as the sole shareholder in the ratio of 97.5% and 2.5% respectively.

43.1.9 Insurance contracts - Non life business

The Group accepts insurance through issuance of general insurance contracts. For these general insurance contracts the most significant risks arise from fire, atmospheric disturbance, earthquakes, transit, theft, third party liabilities and other catastrophes. For health insurance contracts significant risks arise from epidemics.

The Group's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate reinsurance is arranged to mitigate the effect of the potential loss to the Group from individual to large or catastrophic insured events. Further, the Group adopts strict claim review policies including active management and prompt pursuing of the claims and regular detailed review of claim handling procedures.

43.2 Financial risk

The Group is exposed to variety of financial risks: market risk (comprising interest rate risk, currency risk, and other price risk), credit risk and liquidity risk in relation to the financial statements on its balance sheet. The Group's risk management program is geared to ensure the survival of the Group as a going concern in the face of all sources of significant identifiable financial risks. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Board of Directors has the overall responsibility for establishment and oversight of the Group's risk management framework and is responsible for developing risk management policies and its monitoring.

43.2.1 Interest rate risk

		2024						
		Interest / Markup bearing			Non-interest / Non-markup bearing			Total
		Maturity up to one	Maturity after	Sub total	Maturity up to one	Maturity after	Sub total	
		year	year		year	year		
Financial Assets	Note	(Rupees in '000)						
Investments								
Equity securities	8	-	-	-	295,232,780	-	295,232,780	295,232,780
Government securities	9	553,119,788	781,780,017	1,334,899,805	-	-	-	1,334,899,805
Debt securities	10	3,187,433	26,920,585	30,108,018	-	-	-	30,108,018
Mutual funds	11	-	-	-	81,786,892	-	81,786,892	81,786,892
Loans secured against life insurance policies		-	154,825,679	154,825,679	-	-	-	154,825,679
Reinsurance recoveries and outstanding claims		-	-	-	122,581	-	122,581	122,581
Insurance / takaful / reinsurance / retakaful receivables	12	-	-	-	251,430,951	2,088,928	253,519,879	253,519,879
Deposit and prepayments	14	-	-	-	100,385	-	100,385	100,385
Other loans and receivables	13	77,136,045	-	77,136,045	19,242,817	-	19,242,817	96,378,862
Cash and bank balances	15	56,971,018	7,606,293	64,577,311	19,532,240	-	19,532,240	84,109,551
As at 31 December 2024		690,414,284	971,132,574	1,661,546,858	667,448,646	2,088,928	669,537,574	2,331,084,432
Financial Liabilities								
Insurance liabilities	19	-	-	-	64,992,051	1,933,572,980	1,998,565,031	1,998,565,031
Premium received in advance		-	-	-	6,542,891	-	6,542,891	6,542,891
Insurance / takaful / reinsurance / retakaful payables	22	-	-	-	3,008,097	-	3,008,097	3,008,097
Other creditors and accruals	23	-	-	-	274,086,901	-	274,086,901	274,086,901
As at 31 December 2024		-	-	-	348,629,940	1,933,572,980	2,282,202,920	2,282,202,920
Off Balance Sheet Financial Instrument		690,414,284	971,132,574	1,661,546,858	318,818,706	(1,931,484,052)	(1,612,665,346)	48,881,512
		2023						
		Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
		Maturity up to one	Maturity after one	Sub total	Maturity up to one	Maturity after one	Sub total	
		year	year		year	year		
Financial Assets	Note	(Rupees in '000)						
Investments								
Equity securities	8	-	-	-	145,776,597	-	145,776,597	145,776,597
Government securities	9	179,708,088	1,038,832,300	1,218,540,388	-	-	-	1,218,540,388
Debt securities	10	-	13,240,251	13,240,251	-	-	-	13,240,251
Mutual funds	11	-	-	-	9,458,269	-	9,458,269	9,458,269
Loans secured against life insurance policies		-	159,781,265	159,781,265	-	-	-	159,781,265
Insurance / takaful / reinsurance / retakaful receivables	12	-	-	-	183,220,518	1,482,759	184,703,277	184,703,277
Other loans and receivables	13	992,799	-	992,799	94,546,342	-	94,546,343	95,539,142
Cash and bank balances	15	13,596,482	9,909,273	23,505,755	59,036,629	-	59,036,629	82,542,384
As at 31 December 2023		194,297,369	1,221,763,089	1,416,060,458	492,038,355	1,482,759	493,521,114	1,909,581,572
Financial Liabilities								
Insurance liabilities	19	-	-	-	57,034,672	1,609,070,305	1,666,104,977	1,666,104,977
Premium received in advance		-	-	-	5,917,525	-	5,917,525	5,917,525
Insurance / reinsurance payables	22	-	-	-	2,086,881	-	2,086,881	2,086,881
Other creditors and accruals	23	-	-	-	190,496,029	-	190,496,029	190,496,029
As at 31 December 2023		-	-	-	255,535,107	1,609,070,305	1,864,605,412	1,864,605,412
Off balance sheet financial instruments		194,297,369	1,221,763,089	1,416,060,458	236,503,248	(1,607,587,546)	(1,371,084,298)	44,976,160

43.2.2 Market risk

Market risk is the risk of adverse financial impact as a consequence of market movements of prices of financial instruments and securities. Such price movements can arise due to variation of market interest rates, currency exchange rates, industry profitability and other economic factors.

The Group's investments are primarily in long term Government bonds. In addition, the Group also has a significant exposure to the equity market and invests some funds in corporate term finance certificates. Funds awaiting long term investment are kept in short duration fixed deposits with banks.

43.2.3 Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk since it issues insurance policies which are long term in nature. These policies are essentially backed by long term Government bonds and cash at bank.

It is the policy of the Group to match the average duration of its investments in Government bonds with the average duration of its policyholders liabilities as much as possible but this is not always possible due to market limitations. This is because sufficient quantities of the Government bonds of longer duration are not available in the market. As a result some mismatch in the average duration of the Group's liabilities and assets is possible.

Interest rate risk exposures from options and guarantees embedded in insurance liabilities

The Group's deposit administration pension contracts have certain guarantees that transfer interest rate risk to the Group. These guarantees include a minimum guaranteed investment return of 0.375% per month on the pension funds being managed by the Group. The pension liabilities of the Group are a very insignificant proportion of overall liabilities of the Group and historically investment return earned on the assets backing these liabilities has never been below the amount of the guaranteed return.

43.2.4 Currency risk

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. This risk arises if there is a currency mismatch between the assets and liabilities.

All assets and liabilities of the Group within Pakistan are in Pakistan rupees. This business is therefore not exposed to any currency risk.

The Group's Overseas Life Fund undertakes business in US Dollars and UAE Dirhams. It is policy of the Group to ensure the maximum possible currency matching between its assets and liabilities in each currency. Historically, UAE Dirham has remained pegged to US Dollar, hence any inadvertent mismatch between these two currencies is not expected to entail any significant currency risk.

Carrying amounts of the Group's foreign currency denominated assets, liabilities and reserves are as follows:

	2024		2023	
	UAE Dirhams	US Dollar	UAE Dirhams	US Dollar
	----- Rupees '000 -----			
Assets	244,614	246,543	234,288	229,040
Liabilities	66,424	128,635	63,233	113,212
Reserves	178,190	117,909	171,055	115,828

43.2.5 Other price risk

Other price risk is the risk that equity prices can fluctuate due to speculative investment activity, variations in the profit outlook of industries, interest rates prevailing in the market and general market sentiment, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's listed securities are exposed to market price risk arising from uncertainties about the future value of investment securities. The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity. In addition, the Group actively monitors the key factors that affect stock market.

43.2.6 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Group. The key areas of exposure to credit risk for the Group are in relation to its investment portfolio, reinsurance program and to a lesser extent amounts due from policyholders and intermediaries.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent to investment grade and above.

This information is supplied by independent rating agencies where available and if not available the Group uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Receivables consist of a large number of policyholders, spread across diverse industries and geographical areas. The Group extends policy loans to its policyholders. These loans are entirely backed by the cash values of their policies.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties. Concentration of credit did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings. The Group does not invest in derivative financial instruments.

The carrying amount of financial assets represents the maximum credit exposure, as specified below:

		2024	2023
	Note	----- Rupees in '000 -----	-----
Cash and bank balances	15	84,048,976	82,466,516
Loans secured against life insurance policies		154,825,679	159,781,265
Investments		1,742,027,495	1,387,015,505
Insurance / takaful / reinsurance / retakaful receivables	12	253,519,879	184,703,277
Deposits	14	100,385	168,221
Other loans and receivables	13	96,378,862	95,539,142
Total		<u>2,330,901,276</u>	<u>1,909,673,925</u>

Provision is made for receivables against premium due but unpaid in accordance with the Group's policies. The remaining past due balances were not impaired as they relate to a number of policyholders from whom there is no history of default.

The age analysis of insurance / takaful / reinsurance / retakaful receivables:

Up to 1 year	<u>253,519,879</u>	<u>184,703,277</u>
--------------	--------------------	--------------------

Subsequent years premium falling due under the policy are recognized if received before expiry of the grace period, or if advanced by the Group under the Automatic Non-forfeiture provisions. However, premiums due in the month of December but not received are recognized if the grace period is to expire after the next 1st January. Hence the age of outstanding premium is always less than one year.

The credit quality of the Group's bank balances can be assessed with reference to external credit ratings as follows:

Bank Name	Long Term	Short Term	Rating Agency	2024 -----Rupees in '000-----	2023
National Bank of Pakistan Limited	AAA	A1+	VIS	139	71
Allied Bank Limited	AAA	A1+	PACRA	1,642	1,513
Bank Al Habib Limited	AAA	A1+	VIS	6,301,159	4,419,975
Bank Al Falah Limited	AA-	A1+	PACRA	17,125,715	9,130,409
Dubai Islamic Bank	AA	A1+	VIS	469,960	179,105
First Women Bank Limited	A-	A-2	PACRA	7,307	7,435
Habib Bank Limited	AAA	A1+	VIS	20,609,181	14,365,264
MCB Bank Limited	AAA	A1+	PACRA	185,527	238,347
Mobilink Micro Finance Bank Limited	A	A-1	PACRA	199,653	99,563
JS Bank Limited	AA-	A1+	PACRA	4,624	4,718
Bank of Punjab	AA	A1+	PACRA	5,740,272	4,048,952
Faysal Bank Limited	AA	A1+	VIS	418,121	4,231,558
Samba Bank Limited	AA	A-1	PACRA	3,891	6,937
Silk Bank Limited	A-	A-2	VIS	12,326	15,262
Sindh Bank Limited	A+	A1+	VIS	1	1
Soneri Bank Limited	AA-	A1+	PACRA	2,762,541	4,338,798
Standard Chartered Bank (Pakistan) Limited	AAA	A1+	PACRA	159	159
Bank Makramah Limited	-	-	VIS	4,927	4,576
United Bank Limited	AAA	A1+	VIS	27,901,989	34,578,495
Barclays Banks	-	-	-	-	28,212
Bank of Singapore	-	-	-	1,891,705	5,606,603
Julius Bar Bank	-	-	-	118,965	1,057,387
Kuwait Finance Bank	-	-	-	289,172	-
Al Ahli Bank of Kuwait	-	-	-	-	103,176
				84,048,976	82,466,516

The credit quality of amount due from other insurers, reinsurers and retakaful can be assessed with reference to external credit ratings as follows:

Amount due from other insurers / reinsurers	2024 ----- Rupees in '000 -----	2023
A or above	2,088,928	1,482,759

43.2.7 Liquidity risk

Liquidity risk is the risk that the Group cannot meet its obligations associated with financial liabilities as they fall due.

The Group has adopted an appropriate liquidity risk management framework for the management of the Group's liquidity requirements. The Group manages liquidity risk by maintaining banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The Group is exposed to liquidity risk arising from clients on its insurance and investment contracts. The Group maintains adequate liquid reserves to meet any eventuality arising from a catastrophe.

Liquidity management ensures that the Group has sufficient access to funds necessary to cover insurance claims, surrenders, withdrawals and maturing liabilities. In practice, most of the Group's assets are marketable securities which could be converted into cash when required.

43.2.8 The fair values of all major financial assets are estimated to be not significantly different from their carrying values except for the following:

	2024	
	Carrying value	Fair value
	----- Rupees in '000 -----	
Government securities	1,334,899,805	1,308,045,544
	2023	
	Carrying value	Fair value
	----- Rupees in '000 -----	
Government securities	1,218,540,388	1,075,145,558

44 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it remains financially solvent while maintaining adequate financial strength to sustain business growth. It also complies with the minimum capital requirements of the SECP. The capital structure of the Group consists of equity attributable to the Government which is the sole shareholder of the Group and accumulated surplus.

There were no changes made to the objectives, policies and processes for managing capital.

	2024	2023
	----- Rupees in '000 -----	
Further details are given in the table below:		
Issued, subscribed and paid-up capital	8,000,000	8,000,000
Ledger account C and D	42,115,721	28,600,427
Group reserves	3,837,231	3,927,386
Non controlling interest	41,188	35,915
Shareholders' equity	53,994,140	40,563,728

45 FAIR VALUE OF FINANCIAL INSTRUMENTS

45.1 Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Group's financial assets and financial liabilities as at 31 December 2024.

The Group considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

	As at 31 December 2024		As at 31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	-----Rupees in '000-----		-----Rupees in '000-----	
Financial Assets				
Cash and bank balances	84,109,551	84,109,551	82,542,384	82,542,384
Loans secured against life insurance policies	154,825,679	154,825,679	159,781,265	159,781,265
Deposit and prepayments	100,385	100,385	168,221	168,221
Insurance / takaful / reinsurance / retakaful receivables	253,519,879	253,519,879	184,703,277	184,703,277
Other loans and receivables	96,378,862	96,378,862	95,539,142	95,539,142
	588,934,356	588,934,356	522,734,289	522,734,289

	As at 31 December 2024		As at 31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	-----Rupees in '000-----		-----Rupees in '000-----	
Investments				
Fair value through Profit or loss				
Listed equity securities and mutual fund units	372,679,686	372,679,686	152,866,734	152,866,734
Unlisted equity securities and mutual fund units	4,339,986	4,339,986	2,368,132	2,368,132
Held to maturity				
Government securities	1,334,899,805	1,308,045,544	1,218,540,388	1,075,145,558
Debt securities	30,108,018	30,108,018	13,240,251	-
	1,742,027,495	1,715,173,234	1,387,015,505	1,230,380,424
Financial Liabilities				
Insurance liabilities	1,998,565,031	1,998,565,031	1,666,104,977	1,666,104,977
Premium received in advance	6,542,891	6,542,891	5,917,525	5,917,525
Insurance / takaful / reinsurance / retakaful payables	3,008,097	3,008,097	2,086,881	2,086,881
Other creditors and accruals	274,086,901	274,086,901	190,496,029	190,496,029
	2,282,202,920	2,282,202,920	1,864,605,412	1,864,605,412

45.2 FAIR VALUE HIERARCHY

The level in the fair value hierarchy within which the asset or liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement.

Assets and liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 categorized:

	TOTAL	Level 1	Level 2	Level 3
	-----Rupees in '000-----			
31 December 2024				
Financial Assets at carrying value				
Investments at carrying value Fair value through profit or loss				
Listed equity securities and mutual fund units	372,679,686	372,679,686	-	-
Unlisted equity securities and mutual fund units	4,339,986	-	4,339,986	-
	<u>377,019,672</u>	<u>372,679,686</u>	<u>4,339,986</u>	<u>-</u>
31 December 2023				
Financial Assets at carrying value				
Investments at carrying value Fair value through profit or loss				
Listed equity securities and mutual fund units	152,866,734	152,866,734	-	-
Unlisted equity securities and mutual fund units	2,368,132	-	2,368,132	-
	<u>155,234,866</u>	<u>152,866,734</u>	<u>2,368,132</u>	<u>-</u>

Carrying values of all other financial assets and liabilities approximate their fair value.

45.3 Transfers during the period

During the year to 31 December 2024:

- There were no transfers between Level 1 and Level 2 fair value measurements
- There were no transfers into or out of Level 3 fair value measurements

45.4 Valuation techniques

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective stock exchange.
- Unlisted equity securities are carried at cost.
- Fair value of open-ended mutual fund is determined on the basis of closing net assets value taken from MUFAP.

46 CORRESPONDING FIGURES

The corresponding figures of these consolidated financial statements has been reclassified for better presentation. Following reclassification is made during the year.

Reclassification From	Reclassified To	Rs in '000'
- Investment properties	Property and equipment	18,112
- Insurance liabilities [including policyholders' liabilities and ledger account A and B]	Other creditors and accruals	137,214,968

47 SUBSEQUENT EVENTS

The Board of Directors of the Group in their meeting held on 15 March 2026 declared dividend of Rs. 3,000 million (2023: Rs. 2,500 million).

These consolidated financial statements for the year ended 31 December 2024 do not include the effect of these appropriations and these will be accounted in the consolidated financial statements for the year ending 31 December 2025.

48 NUMBER OF EMPLOYEES

2024 2023

The details of number of employees are as follows:

Permanent employees as at year end	3,676	3,622
Contractual employees as at year end	336	180
Area managers	1,357	1,143
	<u>5,369</u>	<u>4,945</u>
Average number of employees during the year	<u>5,157</u>	<u>4,947</u>

49 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue by the Board of Directors of the Group on 15 March 2026.

50 GENERAL

Figures in these consolidated financial statements have been rounded off to nearest thousand of rupees unless stated otherwise. In narrative notes, certain figures have been rounded off to million of rupees.

Saleem Zia
Chairman

Khaqan Murtaza
Director

Shoaib Mir
Director

Shoaib Javed Hussain
Chief Executive Officer

Muhammad Amjad
Chief Financial Officer

Statement by the Appointed Actuary

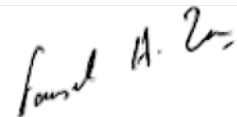
Form LM

Required under Section 52(2) (a) & (b) of the Insurance Ordinance, 2000

In my opinion,

- a. The policyholders liabilities / technical liabilities included in the balance sheet of State Life Insurance Corporation of Pakistan as at December 31, 2024 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- b. Each statutory fund of the State Life Insurance Corporation of Pakistan complies with the solvency requirements of the Insurance Ordinance, 2000.

Dated: 15 March 2026



(Faisal Zia)
Appointed Actuary of the Corporation

Statement of Directors

Form LN

(As per requirement of Section 46(6) and Section 52(2) (C) of the Insurance Ordinance, 2000)

Section 46 (6)

- a. In our opinion the financial statements of the State Life Insurance Corporation of Pakistan for the year ended December 31, 2024, set out in the forms attached to the statement have been drawn up in accordance with the Insurance Ordinance, and any rules made there under;
- b. State Life Insurance Corporation of Pakistan has at all times in the period complied with the provisions of the Insurance Ordinance and the Insurance Rules made there under relating to paid-up-capital, solvency and re-insurance / retakaful arrangements; and
- c. As at December 31, 2024, State Life Insurance Corporation of Pakistan 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 / retakaful arrangements.

Section 52 (2) (C)

In our opinion, each statutory fund of the State Life Insurance Corporation of Pakistan complies with the solvency requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017.

Dated: 15 March 2026



Saleem Zia
Chairman



Khaqan Murtaza
Director



Shoaib Mir
Director



Shoaib Javed Hussain
Chief Executive Officer



Muhammad Amjad
Chief Financial Officer

CONVENIENCE AT YOUR FINGERTIPS

Discover a new era of convenience and security with State Life's enhanced digital platform. From our user-friendly website to three cutting-edge mobile apps, we're transforming how you manage your insurance:



Newly Redesigned Website (statelife.com.pk):

Offers enhanced functionalities and greater accessibility, providing a comprehensive range of top-tier insurance products.



MySLIC Mobile App (FOR POLICYHOLDERS)

Seamlessly manage your policies, track maturities, and stay updated with real-time notifications.



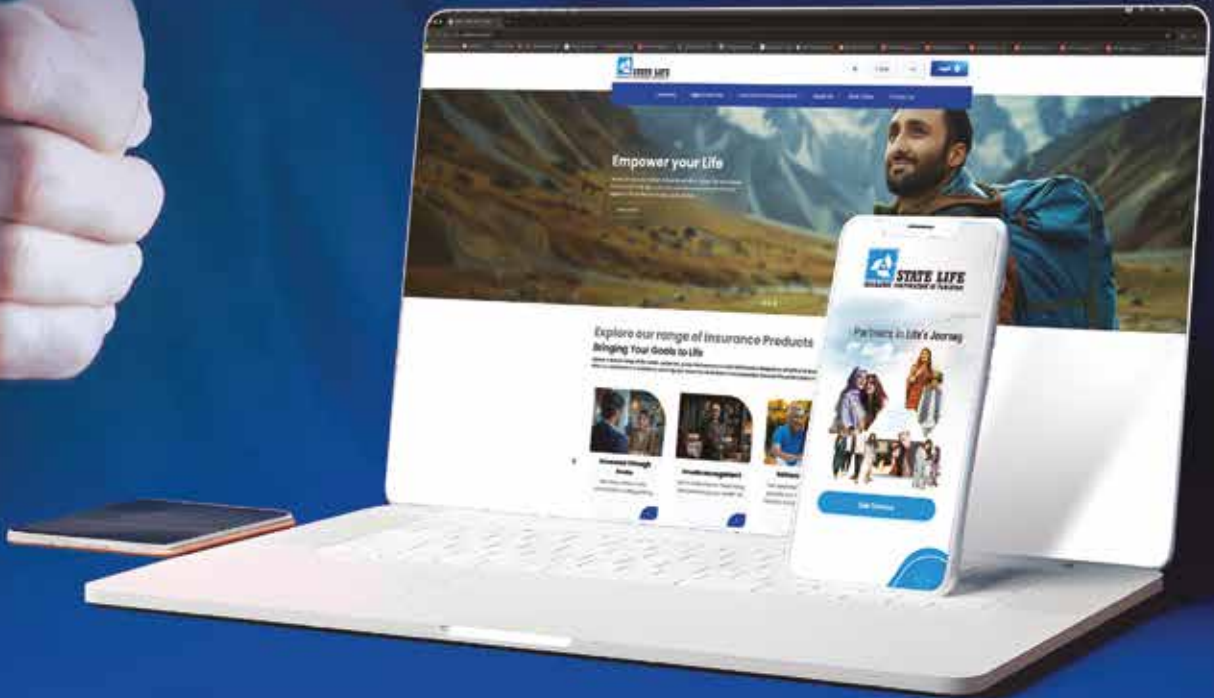
State Life Health Plus (FOR CORPORATE HEALTH CLIENTS)

Simplify claims and access essential health services for corporate clients.



SLIC Agent Pro (FOR SALES FORCE)

Empowering our sales force with easy registration, personalized dashboards, and real-time updates.



Scan to
Download:



MySLIC
App



State Life
Health Plus



SLIC
Agent Pro

Scan to
Visit:



SLIC
Website

Your insurance journey is now just a tap away.

Embrace the future with State Life - where convenience meets security.

| Financial Statements Takaful





Profile of Mufti Muhammad Hassaan Kaleem

Sharia advisor State Life Insurance Corporation of Pakistan - Window Takaful Operations

Mufti Muhammad Hassaan Kaleem is a prominent personality in the Islamic Finance Industry. He has vast experience in matters of Shariah teachings and advisory and has been a faculty member of Darul Uloom Karachi for over 24 years. He is the vice chairman Shariah Board Of Dubai Islamic Bank Pakistan Limited, a Shariah Board Member of the Islamic Development Bank (IsDB Jeddah) and its associate institutions, Chairman Shariah Board of Pak –Qatar Takaful, Shariah Consultant for Deloitte (Global Islamic Finance Team), and a Shariah Council Member of Al Ameen UBL Funds.

In addition, Mufti Hassan is also a Shariah Board Member of Hanover Re-Takaful-Bahrain, A Shariah Board Member of Takaful Emirate- UAE, a Shariah Board Member of Amna Bank Limited-Sri Lanka , a permanent faculty member of the Center for Islamic Economics of Darul Uloom Karachi , a Trainer of Shariah Standards at the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) - Bahrain, a Trainer at institute of Business Administration (IBA-CEIF) and a visiting faculty member of the National Institute of Banking and Finance (NIBAF).

He is also a frequent speaker/trainer on the concept and issues related to Islamic banking and finance, world-wide.

Shariah Advisor's Report to the Board of Directors

For the year ended 31 December 2024

I have reviewed the accompanying financial statements, Takaful products including all related documents, as well as, the Participant Takaful Fund Policy, Investment Policy, Re-Takaful arrangements and the related transactions of State Life Insurance Corporation - Window Takaful Operations (hereafter referred to as "Takaful Operator") for the year ended 31st December 2024.

I acknowledge that as Shariah Advisor of State Life Insurance Corporation - Window Takaful Operations, it is my responsibility to approve the above mentioned documents and ensure that the financial arrangements, Re-Takaful arrangements, contracts and transactions entered into by the Takaful Operator with its participants and stakeholders are in compliance with the requirements of Shariah rules and principles.

It is the responsibility of the Takaful Operator to ensure that the rules, principles and guidelines set by the Shariah Advisor and Takaful Rules 2012 are complied with, and that all investments done, products and services being offered are duly approved by the Shariah Advisor.

The primary objective of Shariah Advisor's report is to inform about the Takaful Operator's compliance with Shariah Guidelines, including the transactions undertaken by the Takaful Operator during the year ended 31 st December 2024 and to express his opinion on the transactions and operational aspects of Window Takaful Operations.

Progress of the Year:

During the year under review;

Slate Life - Window Takaful Operations has achieved significant successes, details of which are as follow:

1. Alhamdulillah, State Life - Window Takaful Operations has also commenced Group Life Takaful and Group Health Takaful Operations in the year 2024.
2. Under the guidance of the undersigned, State Life - Window Takaful Operations has developed & launched different Family Takaful Products, focusing on savings and investment-based plans.
3. The existing agency distribution channel, Banacatakaful Group Life Takaful and Group Health Takaful of State Life have performed well and underwritten significant business in Takaful

Shariah Certification

In my opinion and to the best of my understanding based on the provided information and explanations:

- i. Transactions undertaken by the Takaful Operator for the period ended 31st December 2024 were in accordance with the guidelines issued by Shariah Advisor, as well as the requirements of Takaful Rules 2012:
- ii. The investments have been made from the Participant Takaful Fund (PTF), Participant Investment Fund (PIF) and Operator's Fund, into Shariah Compliant avenues only, including Islamic Banks and Sukuks with prior Shariah approval. Further all bank accounts related to Window Takaful Operations have been opened in Islamic Banking Institutions (IBIs) or Islamic Branches/Windows of conventional banks with prior Shariah approval;
- iii. Segregation of Window Takaful Operations is the essential part of valid Takaful contracts. I am pleased to state that State life - Window Takaful Operations has realized its criticality and Alhamdulillah, all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues are kept completely separate from its conventional insurance business, as per requirement of Shariah and Takaful Rules 2012.
- iv. The transactions and activities of State life Insurance Corporation Window Takaful Operations are in accordance with the Shariah principles, while considering the accompanying financial statements of the Participants' Takaful Fund (Waqf Fund), Participants' Investment Fund, and the Operator's Sub Fund (OSF).

While concluding: I state that the Shariah principles were followed in every aspect of practical implementation of State life - Window Takaful Operations during the year. I am grateful to the Board of Directors of State Life, Management and all relevant departments who cooperated with the Shariah Compliance function and provided every possible support to ensure Shariah Compliance in our Takaful practices.



Mufti Muhammad Hassaan Kaleem
Shariah Advisor

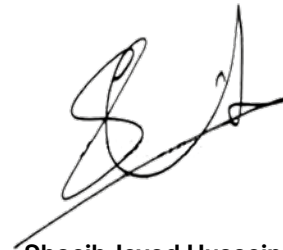
Management's Statement of Compliance with the Shariah Principles

The financial arrangements, contracts, and transactions entered into by State Life Insurance Corporation – Window Takaful Operations for the year ended December 31, 2024 are in compliance with the Takaful Rules, 2012.

Further, we confirm that:

- i. The Corporation has developed and implemented all policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance.
- ii. The governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee/ Shariah Advisor and the Board of Directors have been implemented.
- iii. The Corporation 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.
- iv. All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions, entered into by Window Takaful Operations are in accordance with the polices approved by Shariah Advisor.
- v. The assets and liabilities of Window Takaful Operations (Participant Takaful Fund and Operator's Sub Fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

This has been duly confirmed by the Shariah Advisor of the Corporation.



Shoab Javed Hussain
Chief Executive Officer
State Life Insurance Corporation of Pakistan

Independent Assurance Report

On the Statement of Management’s Assessment of Compliance with the Shariah Principles

To the Board of Directors of State Life Insurance Corporation of Pakistan

We were engaged by the Board of Directors of State Life Insurance Corporation of Pakistan (“the Corporation”) to report on the management’s assessment of compliance of the Window Takaful Operations (“Takaful Operations”) of the Corporation, as set out in the annexed statement of compliance (“statement”) prepared by the management for the year ended 31 December 2024, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholars.

Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Takaful Rules, 2012, issued by the Securities Exchange Commission of Pakistan (SECP).

Management’s Responsibilities

The management of the Corporation is responsible for the preparation and designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012.

The management of the Corporation 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. They are 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 Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. The firm applies International Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities and Summary of Work Performed

Our responsibility is to examine the annexed statement 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, “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents reflects the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

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 control relevant to the Takaful Operations’ compliance with the Takaful Rules, 2012, 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 Corporation’s internal control over the Takaful Operations’ compliance with the Takaful Rules, 2012.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail. Reasonable assurance is less than absolute assurance.

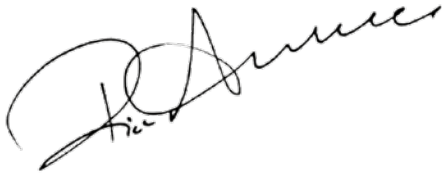
In this connection, we have designed and performed necessary verification procedures on various financial arrangements, contracts, classes of transactions and related policies and procedures based on judgmental and systematic samples with regard to the compliance with the Takaful Rules, 2012 and Shariah guidelines issued by the Shariah Advisor of the

Company. In performing our audit procedures necessary guidance on Shariah matters was provided by independent Shariah scholars.

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.

Conclusion

In our opinion, the annexed statement, for the year ended 31 December 2024, 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: 19 March 2026

Statement of Financial Position

WINDOW TAKFUL OPERATIONS

AS AT 31 DECEMBER 2024

	Note	2024			2023
		Operators' Sub Fund (OSF)	Participant's Fund (PTF)	Total	Total
----- Rupees in '000 -----					
ASSETS					
Property and equipment	5	5,383	-	5,383	2,053
Investments:					
Investment - Government Securities	6	1,172,536	994,109	2,166,645	1,137,444
Other receivables	7	494,973	90,131	585,104	404,345
Receivable from PTF/OSF	8	-	714	714	22,693
Cash and bank balances	9	376,477	1,737,197	2,113,674	552,467
TOTAL ASSETS		2,049,369	2,822,151	4,871,520	2,119,002
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)		(184,126)	-	(184,126)	(128,710)
TOTAL EQUITY		114,874	1,000	115,874	171,290
LIABILITIES					
Takaful liabilities	10	-	2,649,199	2,649,199	1,122,996
Contribution received in advance		-	8,325	8,325	16,199
Takaful / retakaful payables	11	-	60,096	60,096	18,566
Other creditors and accruals	12	1,317,564	103,531	1,421,095	262,141
Inter account balances		616,217	-	616,218	505,117
Payable to PTF/OSF		714	-	714	22,692.66
TOTAL LIABILITIES		1,934,495	2,821,151	4,755,647	1,947,712
TOTAL EQUITY AND LIABILITIES		2,049,369	2,822,151	4,871,520	2,119,002
CONTINGENCIES AND COMMITMENTS	13				

The annexed notes from 1 to 24 form an integral part of these financial statements.

Saleem Zia
Chairman

Khaqan Murtaza
Director

Shoaib Mir
Director

Shoaib Javed Hussain
Chief Executive Officer

Muhammad Amjad
Chief Financial Officer

Statement of Comprehensive Income

WINDOW TAKFUL OPERATIONS

AS AT 31 DECEMBER 2024

	2024			2023		
	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	791,489	1,293,006	2,084,495	527,125	595,643	1,122,769
Contribution ceded to retakaful	-	(63,886)	(63,886)	-	(14,581)	(14,581)
Net contribution revenue	791,489	1,229,120	2,020,609	527,125	581,062	1,108,187
Takaful Operator's Fee / Wakala Fee	31,313	(31,313)	-	16,515	(16,515)	-
Mudarib fees	29,848	(29,848)	-	16,145	(16,145)	-
Claim expenses		(132,977)	(132,977)		(29,330)	(29,330)
Surplus before investment income	852,649	1,034,983	1,887,632	559,785	548,402	1,078,857
Investment income	105,854	239,616	345,470	37,739	48,505	86,243
Other income	30,824	84,831	115,655	13,999	62,080	76,078
Net income	989,327	1,359,430	2,348,757	611,522	658,987	1,241,179
Net changes in takaful liabilities	-	1,526,203	1,526,203	-	708,717	708,717
General administrative and management expenses	197,413	-	197,413	121,037	-	121,037
Acquisition expenses	680,557	-	680,557	467,098	-	467,098
Total expenses	877,970	1,526,203	2,404,173	588,135	708,717	1,296,853
Profit/ (loss) for the year	111,357	(166,773)	(55,416)	23,387	(79,061)	(55,674)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	111,357	(166,773)	(55,416)	23,387	(79,061)	(55,674)

The annexed notes from 1 to 24 form an integral part of these financial statements.



Saleem Zia
Chairman



Khaqan Murtaza
Director



Shoaib Mir
Director



Shoaib Javed Hussain
Chief Executive Officer



Muhammad Amjad
Chief Financial Officer

Statement of Cash Flows

WINDOW TAKFUL OPERATIONS

AS AT 31 DECEMBER 2024

	2024	2023
Operating Cash flows	----- Rupees in '000 -----	
Note		
(a) Takaful Activities		
Takaful contributions received	2,067,550	1,130,464
ReTakaful contributions paid	(3,791)	(14,581)
Claims paid	(182,161)	(14,721)
Surrenders paid	(3,289)	-
ReTakaful and other recoveries received	41,213	-
Commissions paid	(645,711)	(433,905)
Other underwriting payments, if any	(34,829)	(17,802)
Net cash flow from underwriting activities	1,238,982	649,455
(b) Other operating activities		
Income tax paid	(77,260)	(18,661)
General management expense paid	(298,649)	78,149
Other payment on operating assets	241,170	(490,775)
Net cash flow used in other operating activities	(134,739)	(431,287)
Total cash flow from all operating activities	1,104,243	218,168
Investment activities		
Profit / return received	484,911	135,013
Payment for investments	(1,029,201)	(525,000)
Fixed capital expenditure	(3,746)	(300)
Total cash flow used in investing activities	(548,036)	(390,287)
Financing activities		
Dividends paid	-	-
Capital payments received	1,005,000	400,000
Total cash flow used in financing activities	1,005,000	400,000
Net cash flow generated from all activities	1,561,207	227,881
Cash and cash equivalents at beginning of year	552,467	324,586
Cash and cash equivalents at end of year	2,113,674	552,467

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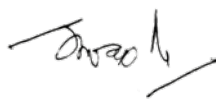
The annexed notes from 1 to 24 form an integral part of these unconsolidated financials statements.



Saleem Zia
Chairman



Khaqan Murtaza
Director



Shoaib Mir
Director



Shoaib Javed Hussain
Chief Executive Officer



Muhammad Amjad
Chief Financial Officer

Statement of Changes in Equity

WINDOW TAKFUL OPERATIONS

AS AT 31 DECEMBER 2024

	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 1 January 2022	-	100,000	13,292	113,292
Transfer from Shareholder's fund	1,000	(1,000)	-	-
Other Comprehensive loss for the year	-	-	(86,328)	(86,328)
Balance as at 31 December 2022	1,000	99,000	(73,036)	26,964
Transfer from Shareholder fund to Waqf fund	-	200,000	-	200,000
Other Comprehensive loss for the year	-	-	(55,674)	(55,674)
Balance as at 31 December 2023	1,000	299,000	(128,710)	171,290
Transfer from Shareholder fund to Waqf fund	-	-	-	-
Other Comprehensive loss for the year	-	-	(55,416)	(55,416)
Balance as at 31 December 2024	1,000	299,000	(184,126)	115,874

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 24 form an integral part of these financial statements.



Saleem Zia
Chairman



Khaqan Murtaza
Director



Shoaib Mir
Director



Shoaib Javed Hussain
Chief Executive Officer



Muhammad Amjad
Chief Financial Officer

Notes to the Financial Statements

WINDOW TAKAFUL OPERATIONS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 State Life Insurance Corporation of Pakistan (the Corporation) was incorporated in Pakistan on 01 November 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 22 September 2016. For the purpose of carrying on the takaful business, the Corporation has formed an Individual Family Participant Takaful Fund (IFPTF) on 18 August 2017 under the Waqf deed and cede Rupees 1 million to the IFPTF. The Waqf deed governs the relationship of Corporation and participants for management of takaful operations. Subsequently to the year end, the Corporation launched the Window Takaful Operations from February 2021.

2. BASIS OF PREPARATION

These financial statements for Window Takaful Operations of the Corporation have been prepared to comply with the requirement of Securities and Exchange Commission of Pakistan (SECP) vide its Circular No. 15 of 2019 dated 18 November 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.

2.1 Statement of compliance

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.

2.2 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).

2.3 Functional and presentation currency

These 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.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended 31 December 2024

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

Standard or Interpretation	Effective Date (Annual period beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	01 January 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	01 January 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	01 January 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	01 January 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	01 January 2024

Adoption of the above standard have no significant effect on the amounts for the year ended 31 December 2024.

3.2 New accounting standards, amendments and IFRS interpretations that are effective for the year ended 31 December 2024

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

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

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

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

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

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

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

3.3 Temporary exemption from application of IFRS 9

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.

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

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.

3.4 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 recognised 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 amortisation

In making estimates of depreciation / amortisation, 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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 31 December 2023 except stated below.

4.1 Window Takaful Operations

Family Takaful Contracts

The Corporation 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 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 the deficit. The loan shall be repayable from the future surpluses 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.

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

Individual Family Takaful Contract Unit Linked

The Corporation 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.

4.2 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 Corporation 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.

4.3 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs

Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Corporation and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to statement of comprehensive income currently.

Depreciation

Depreciation is calculated on straight-line method to write off the cost of assets over their expected useful lives at the rates specified in note 5 to the financial statements, after taking into account residual values, if any. The useful lives, residual values and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on addition is charged from the month in which the asset is available for use while no depreciation is charged in the month of disposal.

Gain and losses on disposal

An item of fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of fixed assets are included in current year's income and expenses respectively.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment, if any and consist of expenditure incurred and advances made in respect of fixed assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of fixed asset when they are available for use.

4.4 Retakaful contracts held

Retakaful Contribution

These contracts are entered into by the Corporation 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 recognised 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.

4.5 Receivable and payable related to takaful contracts

Receivables and payables are recognised when due.

4.6 Cash and cash Equivalent

These include cash and bank balances and deposits maturing within twelve months.

4.7 Revenue recognition

4.7.1 Contributions

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

Premiums for group life and accident & health business are recognised when due. The Corporation continues to provide the cover even if the premium is received after the grace period.

4.7.2 Reinsurance Commission

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

4.8 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.

4.9 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 recognised, 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).

4.10 Financial Instruments

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

- Other loans and receivables;
- Held to maturity; and
- Fair value through profit or loss.

Other loans and receivables

Other 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.

Fair value through profit or loss

These are investment are initially recognized at cost being the fair value the of consideration given and its related transaction cost are charged to profit and loss account. These investments are subsequently measured at their market value with any gain or loss in statement of comprehensive income.

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 amortised 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.

4.11 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.

4.12 Claim Expenses

Claim expenses are recognised on the date the insured event is intimated except for individual life unit linked where claim expenses are recognised 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 recognised after these have been approved in accordance with the Corporation's policy.

Liability for outstanding claims is recognised 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.

4.13 Takaful Operators' Fee

The shareholders of the Corporation manage the Window Takaful operations for the participants. Accordingly, the Corporation 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.

	Note	2024	2023
		----- Rupees in '000 -----	
5. PROPERTY AND EQUIPMENT			
Operating assets	5.1	5,383	2,053

5.1 Operating assets

	OSF									
	2024									
	Cost				Depreciation				Written down value as at 31 December	Depreciation Rate
	As at 1 January	Additions/ (disposals)	Adjustment	As at 31 December	As at 1 January	For the year	Adjustment	As at 31 December		
Rupees in '000										%
Furniture and fixture	1,626	2,779	-	4,405	625	252	-	877	3,528	10
Office equipment	1,473	1,086	300	2,259	421	163	25	560	1,699	10
Computers	2,612	-	-	2,612	2,612	-	-	2,612	-	30
Computer Peripherals	410	156	-	566	410	-	-	410	156	30
	6,121	4,021	300	9,842	4,068	416	25	4,459	5,383	

	OSF									
	2023									
	Cost				Depreciation				Written down value as at 31 December	Depreciation Rate
	As at 1 January	Additions/ (disposals)	Adjustment	As at 31 December	As at 1 January	For the year	Adjustment	As at 31 December		
Rupees in '000										%
Furniture and fixture	1,626	-	-	1,626	462	163	-	625	1,001	10
Office equipment	1,173	300	-	1,473	299	122	-	421	1,052	10
Computers	2,612	-	-	2,612	2,295	317	-	2,612	-	30
Computer Peripherals	410	-	-	410	389	20	-	410	-	30
	5,821	300	-	6,121	3,445	623	-	4,068	2,053	

6. INVESTMENT IN DEBT SECURITIES

Note

Operators' Sub Fund & PTF Held to maturity

GOP Ijarah Sukuks

	2024		
	Cost	Discount	Carrying value
	Rupees in '000		
	2,081,100	85,545	2,166,645

	2023		
	Cost	Discount	Carrying value
	Rupees in '000		
GOP Ijarah Sukuks	1,138,600	1,156	1,137,444

7. OTHER RECEIVABLES

Accrued investment income
 Accrued interest on bank deposit
 Security deposit
 Other receivables - Agents
 Receivables from zones
 Advance tax
 Outstanding contribution receivable
 Other receivables

	2024		2023	
	Operator's Sub Fund	Participants Takaful Fund	Operator's Sub Fund	Participants Takaful Fund
	Rupees in '000			
	14,631	17,569	6,676	13,526
	2,191	5,627	1,735	7,680
	115	185	300	-
	-	-	101	-
	30,041	57,679	149,711	224,616
	95,921	-	-	-
	-	9,071	-	-
	352,073	-	-	-
	494,973	90,131	158,523	245,822

8. RECEIVABLE FROM PIF / PAYABLE TO OSF

Wakala fee receivable/ (payable)
 Modarib share receivable/ (payable)
 Allocated contribution receivable

	31,313	31,313	16,515	16,515
	29,848	29,848	16,145	16,145
	(61,874)	(61,874)	(9,967)	(9,967)
	(714)	(714)	22,693	22,693

9. CASH AND BANK	2024		2023	
	Operator's Sub Fund	Participants Takaful Fund	Operator's Sub Fund	Participants Takaful Fund
----- Rupees in '000 -----				
Cash and cash equivalent				
-Cash in hand	-	-	290	-
-Franking machine deposit	290	-	-	-
Cash at bank				
-Saving accounts	376,187	1,737,197	106,312	445,864
	376,477	1,737,197	106,603	445,864

9.1 These saving accounts carry profit ranging from 6% to 16% per annum.

10. TAKAFUL LIABILITIES	2024		2023	
	Operator's Sub Fund	Participants Takaful Fund	Operator's Sub Fund	Participants Takaful Fund
----- Rupees in '000 -----				
Participant Takaful Fund balance	-	2,649,199	-	1,122,996

10.1 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.

11. TAKAFUL / RETAKAFUL PAYABLES	2024		2023	
	Operator's Sub Fund	Participants Takaful Fund	Operator's Sub Fund	Participants Takaful Fund
----- Rupees in '000 -----				
Retakaful payable	-	60,096	-	18,566

12. OTHER CREDITORS AND ACCRUALS Individual Life

Accrued commission & incentives	81,067	-	200,338	-
Accrued expenses	7,271	1,275	44,960	15,817
Other payable	1,229,226	97,699	1,027	-
Claims payable	-	4,557	-	-
	1,317,564	103,531	246,324	15,817

13. CONTINGENCIES AND COMMITMENT(S)

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

14. NET CONTRIBUTION REVENUE	2024		2023	
	Operator's Sub Fund	Participants Takaful Fund	Operator's Sub Fund	Participants Takaful Fund
----- Rupees in '000 -----				
Individual Life				
Written Contribution	791,489	1,293,006	527,125	595,643
Less: Wakala fee				
Contribution net of wakala fee	791,489	1,293,006	527,125	595,643
Add: Unearned contribution reserve opening	-	-	-	-
Less: Unearned contribution reserve closing	-	-	-	-
Contribution Earned	791,489	1,293,006	527,125	595,643

	2024		2023	
	Operator's Sub Fund	Participants Takaful Fund	Operator's Sub Fund	Participants Takaful Fund
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Retakaful contribution ceded				
Add: Prepaid retakaful contribution opening	-	-	-	-
Less: Prepaid retakaful contribution closing	-	63,886	-	14,581
Retakaful expense	-	63,886	-	14,581
Net contribution	791,489	1,229,120	527,125	581,062
15. INVESTMENT INCOME				
Income from debt securities Held to maturity				
-Return on debt securities	105,854	239,616	37,739	48,505
16. OTHER INCOME				
Return on bank balances	30,824	84,831	13,999	62,080

	2024		2023	
	Operator's Sub Fund		Operator's Sub Fund	
	----- Rupees in '000 -----		----- Rupees in '000 -----	
17. GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSES				
Salaries, allowances and other benefits	112,746		68,430	
Travelling expenses	11,592		5,230	
Advertisements and sales promotion	379		226	
Printing and stationery	1,564		12,808	
Depreciation	416		623	
Rent, rates and taxes	10,563		4,862	
Legal and professional charges - business related	27,837		10,918	
Utilities	3,708		736	
Office repairs and maintenance	2,866		1,791	
Bank charges	37		53	
Postages, telegrams and telephone	1,295		1,038	
Conference and meetings	2,443		2,483	
Training expense	4,666		6,322	
Entertainment	1,289		1,342	
Insurance charges	677		14	
Allocation of expenses from Principal Office	15,336		4,161	
	197,413		121,037	
18. ACQUISITION EXPENSES				
Remuneration to takaful intermediaries on individual policies:				
- Commission to agent on first & 2nd year contributions	Note	568,650	397,525	
- Other benefits to takaful intermediaries		75,680	19,545	
- Other incentive and bonuses		1,381	32,007	
Other Acquisition Cost:				
- Stamp duty		34,674	17,321	
- Initial medical fees		171	700	
		680,557	467,098	
19. WAKALA FEE				
Wakala fee	19.1	31,313	16,515	

19.1 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.

		2024	2023
		----- Rupees in '000 -----	
20. MODARIB'S FEE			
Modarib's fees	20.1	<u>29,848</u>	<u>16,145</u>
20.1	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.		

	Note	Operator's Sub Fund	Participant's Fund	Operator's Sub Fund	Participant's Fund
		2024		2023	
		----- Rupees in '000 -----			
21. CLAIM EXPENSE NET OFF RE-TAKAFUL					
Claim expense		-	<u>132,977</u>	-	<u>29,330</u>

22. MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

The Corporation is responsible for managing 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 Corporation manages them as part of Window Takaful Operations.

The PTF only issues Individual Family Takaful contracts

22.1 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 Corporation 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.

The Corporation 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 claims.

22.2 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.

22.3 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 Corporation limits its risk by maintaining investments in minimal fluctuating securities.

23. NUMBER OF EMPLOYEES

	2024	2023
Number of employees at the end of the year	9	9
Average number of employees	9	9

24. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorised for issue on 15 March 2026 by board of directors of the Corporation.



Saleem Zia
Chairman



Khaqan Murtaza
Director



Shoaib Mir
Director



Shoaib Javed Hussain
Chief Executive Officer



Muhammad Amjad
Chief Financial Officer



STATE LIFE
INSURANCE CORPORATION OF PAKISTAN



PLATINUM PLUS



COVERAGE TERM
10 years



BONUS
50% more than 10-year
Endowment Assurance



PLAN TYPE
Conventional Endowment
with surplus participation
of 97.5%



PREMIUM PAYING TERM
3 years (annual mode only)



MIN/MAX AGE AT ENTRY
1 to 65 years

PAKISTAN'S LARGEST LIFE INSURER

ONLY AAA RATED INSURER IN PAKISTAN
WITH A SOVEREIGN GUARANTEE

HIGHEST POLICYHOLDER BONUS
DISTRIBUTION AT 97.5% OF SURPLUS

POLICYHOLDER CLAIMS PAYOUTS WERE PKR 247
BILLION IN 2023, MARKING A SIGNIFICANT +41%

MORE THAN 15,000 OFFICES ACROSS PAKISTAN
SERVING POLICYHOLDERS

FLEXIBLE GROUP & INDIVIDUAL CONVENTIONAL
& TAKAFUL LIFE INSURANCE PLANS

BANCASSURANCE PLANS AVAILABLE
THROUGH 7 MAJOR BANKS

PAKISTAN'S LARGEST HEALTH INSURER

1000+ EMPANELLED HOSPITALS
ACROSS PAKISTAN

PROVIDING SEHAT SAHULAT SERVICES ACROSS
MORE THAN 130+ DISTRICTS IN PAKISTAN

7000+ DAILY ADMISSIONS ON CASHLESS
HOSPITALIZATIONS

HEALTH APP

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Progress at a Glance Since Inception

(Rs.in Million)

	1973	1975	1978	1980	1981	1983	1985	1988	1990	1993	1995	1996	1997	1998	1999	2000	2001	2002	2003
First Year Premium (Net)	48	50	80	110	135	228	341	678	846	918	2,026	1,698	1,490	1,306	1,275	1,041	1,124	1,350	1,797
Renewal Premium (Net)	219	244	305	365	405	606	847	1,515	2,267	3,284	3,935	4,694	4,364	4,413	4,312	4,538	4,565	5,489	5,790
Group Premium (Net)	50	61	114	164	192	294	347	880	642	930	1,178	1,266	1,413	1,244	1,251	1,102	1,249	1,518	2,281
Pension Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	8	13
Health & Accidental Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium (Net)	317	354	500	638	731	1,128	1,535	3,073	3,755	5,132	7,139	7,658	7,266	6,964	6,838	6,681	6,945	8,364	9,881
Investment Income	81	122	221	279	365	562	767	1,323	1,906	3,675	5,066	5,984	5,901	5,996	8,406	7,873	8,492	11,200	10,202
Total Income	391	504	727	920	1,096	1,690	2,307	4,406	5,674	8,814	12,231	13,650	13,177	12,976	15,286	14,592	15,436	19,564	20,082
Total Outgo	292	307	427	593	740	1,005	1,342	2,597	2,877	4,138	6,245	7,355	7,477	8,451	8,060	8,745	8,342	8,165	9,938
Life Fund	1,494	1,735	2,494	3,111	3,461	4,660	6,422	11,327	16,321	28,333	39,339	45,582	51,010	55,460	62,484	68,127	75,343	86,211	95,957
Yield on Life Fund (%)	6.60	8.00	10.30	10.00	12.10	13.90	13.80	13.50	13.60	15.20	14.90	15.16	13.01	11.94	15.35	12.83	12.58	14.80	11.86
Overall Expense Ratio (%)	33	33	31	34	34	34	36	34	35	34	43	43	43	54	46	54	40	38	39
Renewal Expense Ratio(%)	26	27	26	30	28	28	25	26	22	26	30	35	39	56	45	57	37	34	35
Investment Portfolio	1,401	1,766	2,512	3,155	3,537	4,691	6,367	11,140	15,980	27,601	37,969	43,084	48,289	54,017	59,933	64,829	74,029	86,203	96,415
Policy Benefits (Net)	141	191	271	375	470	596	796	1,560	1,565	2,391	3,146	4,097	4,341	4,715	4,904	5,136	5,572	5,005	6,123
No. of Policies in Force (Individual Life)	357,413	379,083	397,158	413,231	419,109	489,366	599,423	945,258	1,297,879	1,681,946	2,034,969	2,087,919	2,092,404	2,033,388	1,963,723	1,878,139	1,806,476	1,801,919	1,849,125
No. of Lives Covered (Group & Health Assurance)	-	1,500,000	2,340,472	2,585,775	2,610,344	2,802,279	3,003,387	3,767,266	4,308,986	4,250,232	4,190,181	4,341,011	4,198,974	4,456,347	3,501,163	3,259,618	3,295,387	3,443,916	3,632,688
Total Business in Force (Sum Assured and Bonuses)	17,899	17,952	30,055	45,847	47,500	62,277	77,542	117,726	145,626	311,306	407,296	440,762	489,772	539,751	656,776	499,136	506,245	629,011	816,210

(Rs.in Million)

2004	2005	2006	2007	2008	2009	2010	2011	2012 Restated	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	ANNUAL Compound Growth Rates (1973-2024)
2,348	2,806	3,327	3,854	5,159	7,196	9,647	11,990	13,947	15,442	16,156	16,271	17,036	17,688	18,918	12,876	14,019	16,383	19,828	26,852	30,663	14%
6,655	8,454	9,785	12,054	13,993	17,634	22,287	28,144	35,145	43,348	53,363	57,729	66,707	74,462	85,998	91,087	93,051	98,950	111,540	117,925	127,100	14%
1,997	2,548	2,866	2,796	3,532	3,514	3,676	4,645	6,802	6,832	6,728	5,854	5,597	4,634	4,627	3,759	3,944	14,274	10,355	10,825	11,130	11%
15	12	14	14	11	23	29	33	54	20	10	49	59	65	31	45	45	46	63	65	64	10%
-	-	-	-	-	-	-	-	70	104	85	38	422	3,912	2,549	4,805	7,975	32,136	101,425	112,177	95,417	82%
11,014	13,820	15,992	18,717	22,695	28,367	35,639	44,812	56,018	65,745	76,342	79,941	89,821	100,761	112,123	112,572	119,035	161,789	243,211	267,844	264,374	14%
13,610	13,106	14,924	17,505	19,133	21,545	27,434	31,175	37,977	50,949	50,715	60,316	64,526	69,566	70,277	95,802	105,598	109,469	140,059	257,852	367,611	18%
24,624	26,926	30,915	36,222	41,828	49,914	63,073	75,988	93,995	116,694	127,057	140,257	154,347	170,326	182,400	208,374	224,633	271,258	383,270	525,696	631,986	16%
11,544	12,673	15,393	17,049	20,779	27,356	31,489	37,122	47,296	50,663	54,307	62,019	65,523	75,885	85,650	84,102	89,667	131,106	212,749	295,827	281,780	15%
108,808	122,775	137,960	156,737	177,459	199,445	230,422	268,580	313,754	378,608	450,025	526,676	614,177	780,213	873,813	996,401	1,128,152	1,265,619	1,430,742	1,652,947	1,998,851	15%
14.24	12.00	12.14	12.60	12.15	12.13	13.63	13.33	13.95	15.89	13.04	13.16	11.99	10.50	8.87	10.80	10.46	9.58	10.96	18.25	22.39	-
41	36	41	33	35	41	40	39	41	38	31	33	31	31	31	24	21	20	15	18	13	-
34	28	34	9	11	19	18	17	16	17	13	16	15	17	18	15	11	12	12	14	14	-
110,488	124,984	142,159	161,966	182,874	205,804	235,935	275,110	316,878	380,981	445,381	513,293	598,271	688,721	852,043	965,780	1,101,381	1,268,038	1,453,468	1,618,955	1,964,341	16%
7,063	7,654	8,912	10,783	12,779	15,724	17,072	19,420	24,067	25,836	30,505	35,961	37,939	44,955	50,249	57,049	64,688	98,038	175,321	247,513	228,328	16%
1,926,254	2,044,015	2,183,783	2,348,791	2,568,698	2,895,354	3,317,192	3,774,293	4,202,171	4,641,854	4,996,805	5,251,732	5,479,708	5,696,134	5,909,154	5,825,398	5,753,733	5,857,562	5,862,480	5,878,429	5,829,397	6%
3,898,333	3,731,002	3,915,529	4,061,865	3,879,686	3,754,296	3,835,712	6,043,553	8,421,667	8,644,577	8,732,453	5,023,906	4,104,990	3,266,814	2,901,531	2,505,860	3,784,257	105,715,069	167,523,233	181,736,019	202,435,179	-
947,239	1,040,556	1,143,770	1,289,079	1,602,159	1,674,745	2,013,298	2,690,594	3,786,440	4,281,206	4,438,510	4,713,080	4,443,093	4,111,056	4,023,012	4,076,917	4,404,738	6,023,208	6,559,640	7,836,026	8,452,519	13%

State Life Offices in Pakistan and U.A.E

Regional Office South

State Life Building #02 10th Floor
Wallace Road Karachi.
Tel : (021) 99217035-36

Karachi South

State Life Building #02 11th Floor
Wallace Road Karachi.
Tel : (021) 99217023-24 & 26

Karachi Cental

State Life Building #11 7th Floor,
Abdullah Haroon Road.Opp Zainab
Market Saddar, Karachi
Tel : (021) 99205123-24

Karachi Eastern

Bunglow No #02 Block 7 & 8
Maqboolabad Fine House Stop
Sharah-e-faisal,karachi
Tel : (021) 34538095,3457557

Quetta

2nd Floor PIA Building,Hall Road,
Quetta. Tel : (081) 9201520

Regional Office (Hyderabad)

State Life Building 3rd Floor,RC Sectt.
Thandi Sarak,Hyderabad
Tel : (022) 9200352

Hyderabad (Zonal Office)

State Life Building 5th Floor Thandi
Sarak,Hyderabad
Tel : (022) 9200622

Sukkur

State Life Building Minara Road,
Sukkur. Tel : (071) 9310501

Mirpurkhas

State Life Building M.A Jinnah Road
Near D.C Office
Tel : (0233) 9290295

Larkana

State Life Building
Qaim Shah Bukhari Road, Larkana.
Tel : (074) 9410801

Benazirabad Zonal Office

State Life Building Near Ali Resturant
Butchery Road Nawabshah.
Tel : (0244) 9370572

Regional Office (Central)

Groud Floor 15-A Davis Road Lahore
Tel : (042) 99205121-22

Lahore Central

State Life Building 4th Floor Block 7
Ghazi Ilmuddin Shaheed Road, Lahore
Tel : (042) 99210269-70

Lahore Western

State Life Building Ghazi Block 8
Ghazi Ilmuddin Shaheed Road, Lahore
Tel : (042) 99211642-711

Sailkot

Siddique Plaza Paris Road Saikot.
Tel : (052) 9250101-111

Gujranwala

Opp Quaid-e-Azam Divisional Public
School G.T Road Gujranwala.
Tel : (055) 9200282-285

Narowal

City Tower Building 1st Floor New
Lahore Road Narowal.
Tel : (0542) 411901-411902

Shaikhupura

Pahlvi Road, Near HBL Bank Civil
Lines Tel : 0322-8801800

Regional Office (Faisalabad)

State Life Building 2 ,7th floor Liaquat
Road, Faisalabad.
Tel : (041) 9201482

Faisalabad Eastern

State Life Building 2 ,10th floor
Liaquat Road, Faisalabad.
Tel : (041) 9200390

Faisalabad Western

State Life Building 2 ,7th floor Liaquat
Road, Faisalabad.
Tel : (041) 9201190

Sargodha

M.M Plaza Opp Hut's Hotel Queen's
Road, Sargodha
Tel : (048) 9330126-7

Jhang

Katheri Road,Civil Lines Saddar, Jhang
Tel : (047) 9200390

Regional Office (North)

State Life Building 9, 4th Floor 33-E,
Blue Area, Islamabad.
Tel : (051) 9204935-9205047

Rawalpindi

State Life Building # 1, The Mall Road
Saddar, Rawalpindi Cantt.
Tel : (051) 9271351-9272188

Mirpur (A.K)

Bary Mian Plaza Sector F-1, Kotti
Road Mirpur A.K.
Tel : (05827) 927455-927465

Islamabad

State Life Building 9, 33-E 3rd Floor
Blue Area, Islamabad.
Tel : (051) 9205329-9206162

Gujrat

State Life Building Near Service
Industires G.T Road, Gujrat
Tel : (053) 9260242-252

Jhelum

Ch. Ghulam Ahmed Plaza # 01, G.T
Road, Jeddah, Jhelum.
Tel : (0544) 974094

Gilgit

Nazar Shah Plaza, Sharah-e-Quaid e
Azam Jutial, Gilgit.
Tel : (05811) 922621

Regional Office (K.P.K)

State Life Building, 2nd Floor 34-The
Mall, Peshawar Cantt.
Tel : (091) 9210919

Peshawar

State Life Building 3rd Floor 34-The
Mall, Peshawar Cantt.
Tel : (091) 9212314

Abbottabad

Mir Alam Shopping Plaza P.O
Mansehra Road Abbottabad
Tel : (0992) 9310384

Swat

State Life ,Royal Campus Saidu
Shareef, Swat.
Tel : (0946) 710046

Kohat

KCB-5 Adj. PSO Petrol Pump
University Road, Kohat
Tel : (0922) 933600

Regional Office (Multan) 4th Floor

State Life Building, Chowk Nawan
Shaher, Multan.
Tel : (061) 9200670

Multan

State Life Building Chowk Nawan
Shaher Abdali Road, Multan.
Tel : (061) 9200676

Sahiwal

Azaan Heights, 6th Floor, Ahmed
Murad Road, Jahaz Chowk, Sahiwal.
Tel : (040) 9200022

Rahim Yar Khan

State Life Building 4th Floor, Abu
Dahbi Road, Rahim Yar Khan
Tel : (068) 9230027 & 34

Dera Ghazi Khan

Dubai Trade Centre Near Pull Dat
Jampur Road Dera Ghazi Khan.
Tel : (064) 9260048

Bahawalpur

Barq Poly Clinic, Ahmed Pur Road,
Near Dubai Chowk, Bahawalpur.
Tel : (062) 9255717

Vehari

ZTBL Building -V Chowk Vehari
Tel : (067) 9201131-32

Gulf

State Life Office # 503 (5th Floor)
Shaikh Saud Bin Sagar Al Qasimi
Building, Opposite Reef Mall, Salah-
ud-Din Road, Deira Dubai (U.A.E)
P.O. Box No 11278, Tel : 00971-4-
2729061

G&P Division

State Life Building #9 7th Floor, Dr.
Ziauddin A. Road, Karachi
Tel : (021) 99202890

G&P Peshawar

State Life Buikding, 2nd Floor 34-The
Mall Peshawar Cantt
Tel : (091) 9211596

G&P Karachi

G&P Karachi State Life Building#2 6th
Floor Wallace Road Karachi
Tel : (021) 99217060, 99217097

G&P Lahore

State Life Building 15-A, Ground Floor
Divis Road, Lahore
Tel : (042) 99200355-58

G&P Rawalpindi

State Life Building 8 Kashmir Road
Opp. Jahangir Restaurant, Rawalpindi
Cant
Tel : (051) 9272598

Real Estate Division

State Life Building # 09 5th Floor ,Dr
Zaiddin A. Road Karachi.
Tel : (021) 99202816

Real Estate (Islamabad)

State Life buidling 5 Basement Blue
Area , Jinnah Avenue, Islamabad
Tel : (051) 9203347

Real Estate (Lahore)

State Life Building # 11 First Floor
15-A Davis Road, Lahore.
Tel : (042) 99200396

Health & Accident Insurance Division

State Life Building 9, 6th Floor Dr.
Ziauddin Ahmed Road, Karachi Tel :
(021) 99204941

Regional Office H&AI Islamabad

3rd Floor State Life Tower, Near Saudi
Pak Tower, Jinnah Avenue (Blue Area),
Islamabad.
Tel : (051) 9202142

Regional Office H&AI Lahore

State Life Building 15-A, Davis Road
Lahore.
Tel : (042) 9200234

Regional Office H&AI Karachi

State Life Building 3 4th Floor, Dr.
Ziauddin Ahmed. Road, Karachi
Tel : (021) 99204950

Faislabad H&AI Zone

State Life Building, # 2 Liaquat Road,
Faislabad,
Tel : (041) 9200117

Multan H&AI Zone

State Life Building Chowk Nawan,
Shaher Abdali Road, Multan.
Tel : (061) 9201110

Peshawer H&A Zone

State Life Building 1st Floor 34- The
Mall Peshawar Cantt.
Tel : (091) 9213949

Quetta H&AI Zone

Zonal Office, Banglow # 10-B Model
Town Quetta.
Tel : (081) 9204206

Swat H&AI Zone

House#05, ZTB Road College
Colony, Near NBP Regional Office,
Saidu Sharif, Swat
Tel : (0946) 728530-32

Takaful Division




State Life Building#1, 8th Floor I.I
Chundrigherh Road, Karachi
Tel : (021) 99217281-92

Bancassurance Division

State Life Building#09, 2nd Floor Dr.
Ziauddin Ahmed. Road, Karachi
Tel : (021) 99206796



STATE LIFE
INSURANCE CORPORATION OF PAKISTAN

 www.statelife.com.pk  www.digital.statelife.com.pk  www.statehealth.com.pk

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