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ANNUAL REPORT 2025

Pakistan's Largest Life & Health Insurer



**STATE LIFE BUILDING,
BLUE AREA, ISLAMABAD**

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STRATEGIC REPORT



CORE VALUES

Objectives

To run a life insurance business on sound lines. To provide more efficient services to policyholders. To maximize the return to the policyholders by economizing expenses and increasing 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 it from comparatively more affluent sections of society to the common man in towns and villages. To use policyholders' funds 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 the 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's MESSAGE

The year 2025 was a landmark year for State Life Insurance Corporation of Pakistan.

This year, we announced a historic +PKR 181 billion policyholder surplus allocation, the largest in the corporation's history. More than a financial milestone, it reflects our core principle that State Life's success must translate into tangible value for the policyholders who place their trust in us.

Our strong business performance enabled us to deliver this outcome. Total income reached PKR 641 billion, premium income grew to PKR 289 billion, assets under management exceeded PKR 2.5 trillion, and claims and benefits payments amounted to PKR 224 billion.

These results demonstrate the strength, stability, and scale of State Life. More importantly, they demonstrate our ability to fulfill our commitments to millions of policyholders across Pakistan.

Over the past several years, we have focused on strengthening our institution through innovative products and financial protection solutions, digital transformation, operational improvement, stronger governance, and a strong focus on customer service. The results of these efforts are now evident across every aspect of our business.

The historic surplus allocation announced this year is a reminder of what sets State Life apart. Our growth creates value not only for the Corporation but also for the policyholders who have helped build it.

On behalf of the management of State Life, I thank our policyholders for their continued trust, our officers, staff, and marketing field force for their dedication, and our stakeholders for their confidence and support.

For that trust, I extend my deepest gratitude.

**MR. SHOAB
JAVED HUSSAIN**
CHIEF EXECUTIVE OFFICER



OUR JOURNEY

State Life Insurance Corporation of Pakistan (SLIC) was established in 1972 through the consolidation of life insurance business at the national level under the Life Insurance Nationalization Order. This reform centralized life insurance operations under a single state-owned corporation, creating a unified national platform for life insurance services.

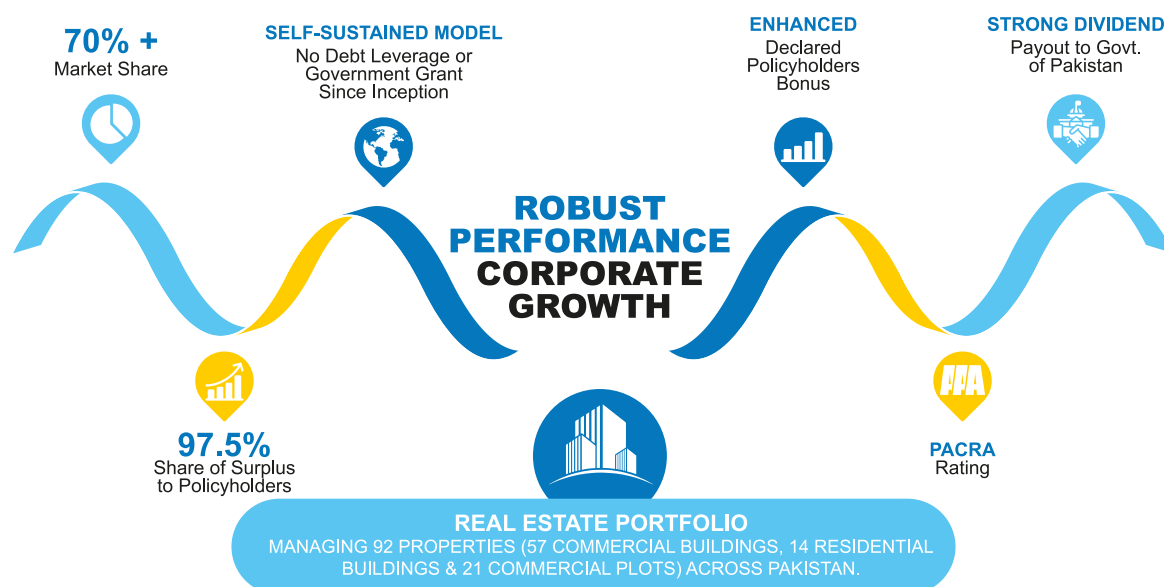
Since its establishment, SLIC has operated under a governance framework defined by the nationalization order and the Insurance Ordinance, 2000. In 2023, the State-Owned Enterprises (Governance and Operations) Act introduced a strengthened governance and performance framework for state-owned enterprises, including State Life.

Under this framework, SLIC continues to operate through an annual and multi-year business planning process, with performance assessed against key financial and operational indicators, including premium growth, claims settlement, investment income, and profitability.

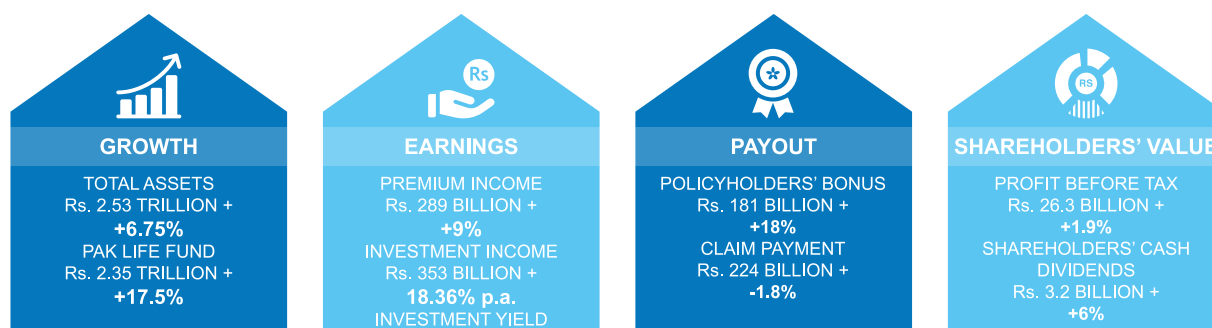
Over time, SLIC has grown into the largest life insurance organization in Pakistan, serving millions of policyholders through a nationwide network. The Corporation maintains an AAA rating within the insurance industry, reflecting its strong financial position and claims-paying ability.

In line with its participating business structure, 97.5 percent of distributable profits are allocated to policyholders, while 2.5 percent is attributable to the Government of Pakistan as the shareholder. This framework reinforces SLIC's core structure, where policyholders remain the primary beneficiaries of its financial performance.

SLIC continues to play a key role in mobilizing long-term savings, providing life insurance coverage, and supporting financial resilience across Pakistan. Its journey reflects institutional continuity, governance evolution, and sustained commitment to policyholder value creation.

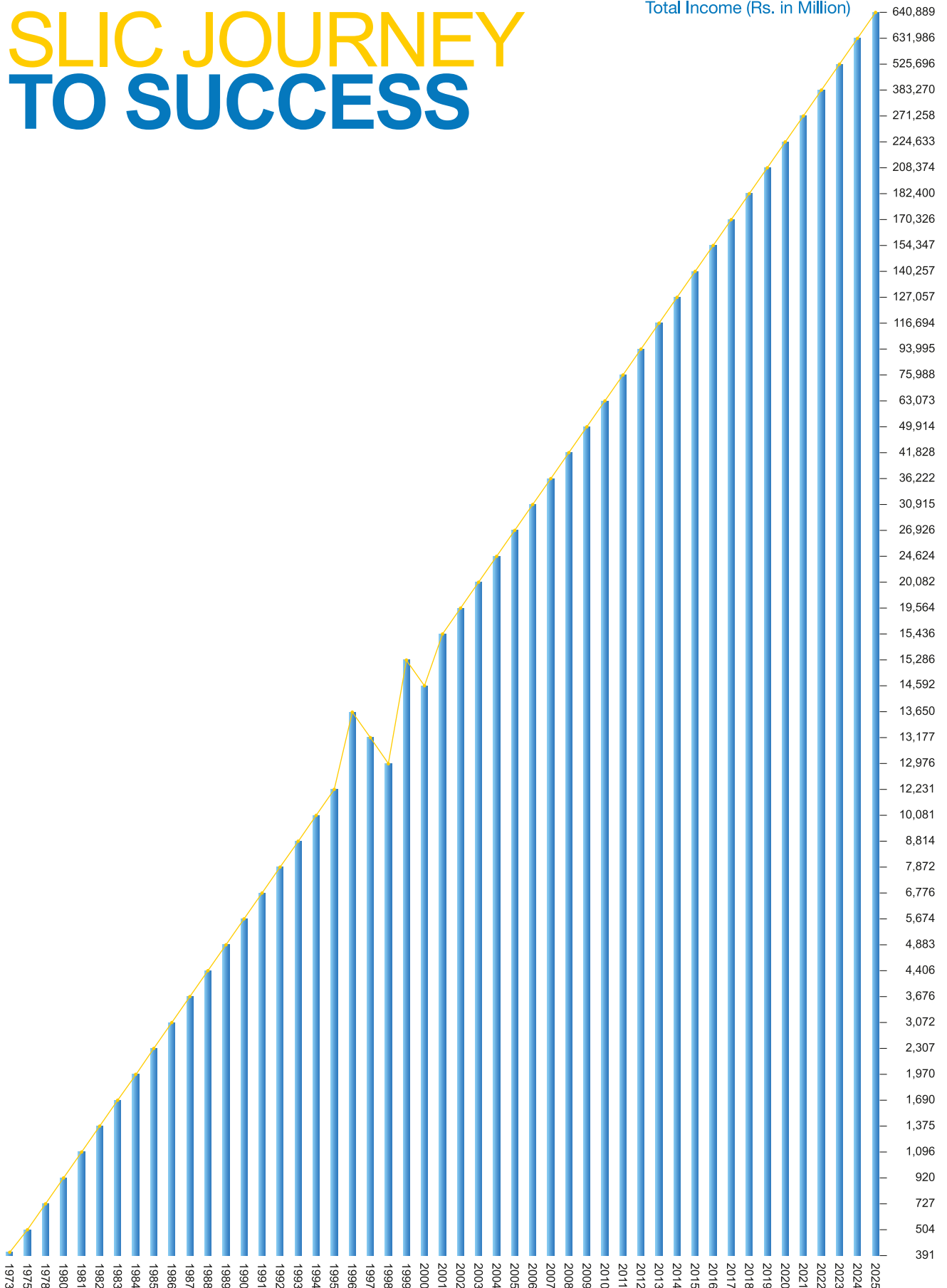


BUSINESS HIGHLIGHTS | CONTINUOUSLY GROWING | CONSISTENTLY DELIVERING 2025: SCALING NEW HEIGHTS

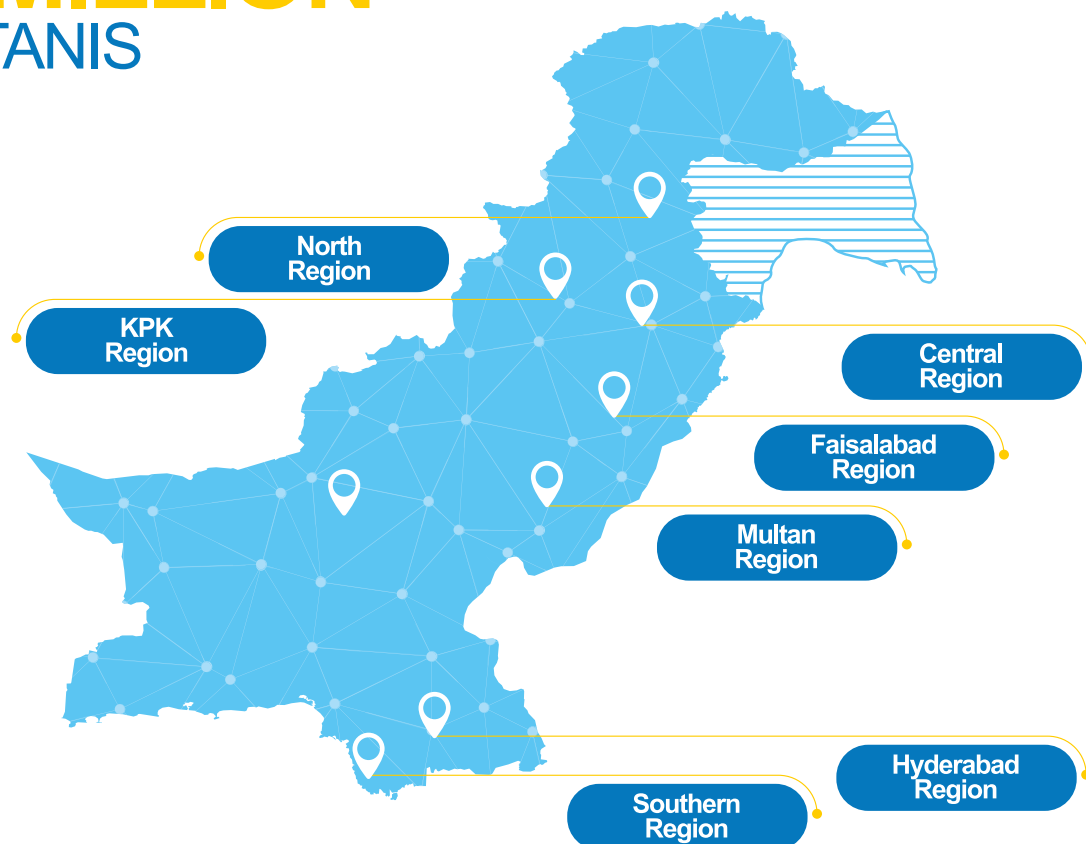


SLIC JOURNEY TO SUCCESS

Total Income (Rs. in Million)



SERVING THE ENTIRE PAKISTAN, PROTECTING MORE THAN **200 MILLION** PAKISTANIS



- 📍 14 Regions (7 for IL, 4 for Banca and 3 for H&AI)
- 📍 46 Zones (36 for IL, 1 for Takaful, 5 for H&AI and 4 for G&P)
- 📍 274 Sector Offices
- 📍 1347 Area Offices
- 📍 11000 Agency Offices in all Individual Life (IL) Zones

Individual Life Zones

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



CORPORATE INFORMATION

Board 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

Company Secretary

Mr. Mushtaq Ahmed

Auditors - Pakistan

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Auditors - Gulf Countries

Crowe Mak
Chartered Accountants

Appointed Actuary

Mr. Shujaat Siddiqui
MA, FIA, FPSA

Real Estate Functional Committee

Mr. Sajjad Hassan Zaidi
DGM (G & P) / Convener

Mr. Shabbir Shah
DGM (RE) / Member

Mr. Mehtabuddin
Off. AGM (RE) / Member

Mr. Afzal Hussain
AGM (RE) / Member

Mr. Muhammad Roshan Gado
Manager (F&A) / Member

Ms. Nina Liza
Manager (RED) / Non-member/Secretary

Risk Management, Compliance & Litigation Committee

Mr. Anwar Mansoor Khan
Chairman

Mr. Sheharyar Iftikhar Khan
Member

Mr. Muhammad Asif
Member

Mrs. Pouruchisty Sidhwa
Member

Mr. Abdul Shakoor Shaikh
ED (RE / PHS / UND / LAD / HRDD / HR & ADMN
CPD/G&P/ INV / BANCA) / Member

Mr. Raheel Abu Ali
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. Abdul Shakoor Shaikh
ED (RE / PHS / UND / LAD / HRDD / HR & ADMN
CPD / G&P/ INV / BANCA) / Member

Mr. Muhammad Izqar Khan
C.R.O. / Member

Mr. Faisal Mumtaz
Chief Actuary / Member

Mr. Muhammad Amjad
C.F.O. / Member

Mr. Mudassir Farooq
AGM Investment / Secretary

Claims Settlement Committee

Mr. Muhammad Iqbal
Chairman

Mr. Abdul Shakoor Shaikh
ED (RE / PHS/UND / LAD / HRDD / HR & ADMN
CPD / G&P / INV / BANCA) / Member

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

Mr. Abdul Salam
Non-Member / DH (PHS) / Secretary

Underwriting/Reinsurance and Co-Insurance Committee

Mr. Muhammad Asif
Chairman

Mr. Faisal Mumtaz
Chief Actuary / Member

Mr. Abdul Salam
DH (PHS) / Member

Mr. Mahmood Ahmed
Non-Member / DH (UND) / Secretary

Board Audit Committee

Mr. Sheharyar Iftikhar Khan
Chairman

Mr. Humayun Bashir
Member

Mr. Shakeel Ahmed Mangnejo
Member

Mr. Muhammad Sohaib Usmani
Non-Member / Chief Internal Auditor / Secretary

Ethics, Human Resources, Remuneration & Nomination Committee

Mrs. Pouruchisty Sidhwa
Chairperson

Mr. Humayun Bashir
Member

Mr. Shakeel Ahmed Mangnejo
Member

Mr. Abdul Shakoor Shaikh
ED (RE / PHS / UND / LAD / HRDD / HR & ADMN / CPD / G&P / INV / BANCA) / Member

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

Standing Committee

Mr. Shoaib Javed Hussain
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 Director

Mr. Abdul Shakoor Shaikh

Chiefs

Mr. Muhammad Amjad

Chief Financial Officer

Syed Shahnawaz Nadir Shah

Chief Investment Officer

Mr. Muhammad Izqar Khan

Chief Risk & Compliance Officer

Mr. Faisal Mumtaz

Chief Actuary Officer

Mr. Muhammad Sohaib Usmani

Chief Internal Audit Officer

Mr. Imran Sardar

Chief Human Resources Officer

Mr. Imran-ul-Haq Usmani

Chief Engineer

Divisional Heads

(Principal Office)

Mr. M. Khalid Bashir

Finance & Accounts

Mr. Abdul Salam

PHS

Mr. S. Faisal Tahzeeb

HRDD

Raja Abdul Waheed

Banca

Dr. Nisar Ahmed Shah

HR & Admin

Mr. Tariq Saeed Chaudhary

Takaful

Dr. Arshad H. Iraqi

Compliance

Mr. Sajjad Zaidi

Group & Pension

Mr. Zulfiqar Haider

Information Technology

Mr. Raheel Abu Ali

RMD

Mr. Tajamul

CPD

Mr. Roop Chand

Real Estate

Mr. Muhammad Ashar

Health & Accidental Insurance

Mr. Mian Rizwan Majeed

Marketing

Mr. Mehmood Ahmed

Underwriting

Mr. Shakeel Baig

Legal Affairs

Ms. Maha Haider

CAD

Secretary Board

Mr. Mushtaq Ahmed

Chief Medical Officer

Dr. Mukkaram Ali Khan

Individual Life

Regional Chiefs

Chaudhary Sarfaraz Ahmed

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 Khushk

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. Waris Ali

Narowal Zone

Mr. Saeed Anjum

Sheikhupura Zone

Faisalabad Region

Mr. Yousuf Tahir

Faisalabad Zone (Eastern)

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. Shahbaz Ali Sian

Sahiwal Zone

Mr. Muhammad Anwar

Rahim Yar Khan Zone

Mr. Muhammad Hanif

Vehari Zone

Mr. Ulfat Mahmood Gohar

Dera Ghazi Khan Zone

Mr. M. Shahid Mehmood

Bahawalpur Zone

Northern Region

Chaudhary Abdul Rahman

Rawalpindi Zone

Mr. Sajid Iqbal

Mirpur (A.K.) Zone

Mr. Zawwar Hussain

Islamabad Zone

Mr. M. Imran Abbasi

Gujrat Zone

Mr. Ilyas Shah

Jehlum Zone

Mr. Sakhi Madad

Gilgit Zone

KPK Region

Mr. Muhammad Jan

Peshawar Zone

Mr. Rashid Qureshi

Abbottabad Zone

Mr. Muzzaffar Khan

Swat Zone

Mr. Bakht Shamin

Kohat Zone

Southern Region

Mr. Ali Bhutto

Karachi Zone (Southern)

Mr. Muhammad Shafi

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 Mugheri

Mirpurkhas Zone

Mr. Gulzar Ali

Sukkur Zone

Syed Noor Shah Bukhari

Larkana Zone

Syed Anis Ahmed Shah

Benazirabad Zone

Group Life

Zonal Heads

Mr. Ejaz Hussain Soomro

Karachi Zone

Mr. Shahid Lateef

Lahore Zone

Mr. Muhammad Khalil

Rawalpindi Zone

Mr. Fazal Mehmood

Peshawar Zone

Health and Accidental Insurance

Regional Chief

Ubaid ur Rehman

Karachi

Mr. Fayyaz Noor

Islamabad

Mr. Khawar Majeed

Lahore

Zonal Heads

Mr. Zaman Khan

Peshawar Zone

Mr. Altaf Hussain

Multan Zone

Mr. Ijaz Ahmed

Swat Zone

Syed Shiraz Ali

Faisalabad Zone

Mr. Muhammad Nadir Khan

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 the 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 w.e.f. 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 USD 130 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 USD 190 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 and 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 of the Board of State Life Insurance Corporation of Pakistan. He is an officer of Pakistan Administrative Service. He joined the Civil Services in 1996. Prior to present posting as Special Secretary, Ministry of Commerce, he has served as Chairman Chief Minister's 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 the 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 ASIF
BOARD MEMBER

Mr. Muhammad Asif is a Member of the 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 on the Boards of Public Sector Companies to represent the Ministry of Industries and Production and the Ministry of Finance. A civil servant from the 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 a certified Director of the Boards.

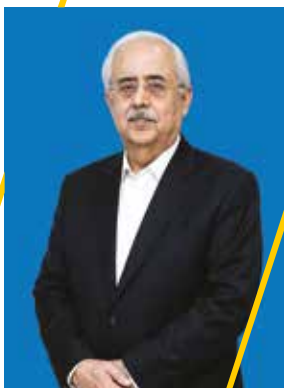


MR. MUHAMMAD IQBAL
BOARD MEMBER

Mr. Muhammad Iqbal is a Member of the Board of State Life Insurance Corporation of Pakistan. In his over 24 years of active service as an officer of the 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 is gifted with the relevant skill sets that remain a prerequisite for policymaking 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 Industries and Production, he closely liaised with the Public Sector Development Programme, CPEC-related assignments, and dealt with administrative as well as operational matters of the Export Processing Zone Authority, National Industrial Parks Development and Management Company and M.D. 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 Programmes namely China Pakistan Economic Corridor, China; Agriculture Entrepreneurship in Fiji; International short course on "Strategic Human Resource Management" Queen Margaret University, Edinburgh, Scotland; Eastern Mediterranean WHO training programme on Primary Health Care for Universal Health Coverage and Health Security, Egypt.



MR. ANWAR MANSOOR KHAN
BOARD MEMBER

Mr. Anwar Mansoor Khan is a Member of the 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 his law degree. 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 documentations 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 a Member of the Board of State Life Insurance Corporation of Pakistan. Former IBM PAK CEO, Chairman NCCPL & Eocean, serving on Corporate Boards, engaged with Fintechs and 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 (up to June 2016) for Pakistan, Afghanistan, Iran, and MEA headquarters Dubai. IBM Pakistan CEO for 16 years. Started multiple new lines of service business, outsourcing etc. Held lead roles in financial & capital markets automation, and Setup 500 consultants delivery center to serve IBM Middle East & Africa and software services export.

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





MRS. POURUCHISTY SIDHWA
BOARD MEMBER

Mrs. Pouruchisty Sidhwa is a Member of the Board of State Life Insurance Corporation of Pakistan. She is an experienced and 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.



MR. SHEHARYAR IFTIKHAR KHAN
BOARD MEMBER

Mr. Sheharyar is a Member of the 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. Mr. 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, Mr. 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. Mr. Sheharyar joined ABN AMRO Bank (later RBS) in 2005 and led 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 million US EXIM Bank backed aircraft financing for PIA; \$500 million EKN-backed telecom equipment financing for Warid; \$55 million WC facility for Emaar Pakistan; \$56 million equity leveraging facility with ADB for Fauji Group & \$104 million Structured LC for MOL, Pakistan. He has also successfully executed numerous cross-border derivative transactions.

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

CUSTOMER CARE



STATE LIFE PLANS



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 of ICT, GB & AJK

SEHAT CARD PLUS PROGRAM KPK

Entire Population of Khyber Pakhtunkhwa

SOCIAL HEALTH PROTECTION INITIATIVE PHASE-II KPK

Pilot of the old insurance scheme in KPK 4 districts (Mardan, Malakand, Chitral & Kohat)



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 the Program



PROGRAM COVERAGE

 ACCIDENTS & EMERGENCIES	 GENERAL MEDICINE
 GENERAL SURGERY	 ORTHOPEDICS
 ENT	 PEDIATRICS
 NEUROSURGICAL DISEASES	 GYNAE AND OBSTETRICS
 ALL TYPES OF CANCERS	 CHRONIC DISEASES
 CARDIOVASCULAR	 ALL TYPES OF TRANSPLANT
 NEPHROLOGY DIALYSIS	 ARTIFICIAL LIMBS (PROSTHETICS)
 OPHTHALMOLOGY (EYE CONDITIONS)	

COLLABORATION PARTNERS OF HEALTH INSURANCE PROGRAM



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

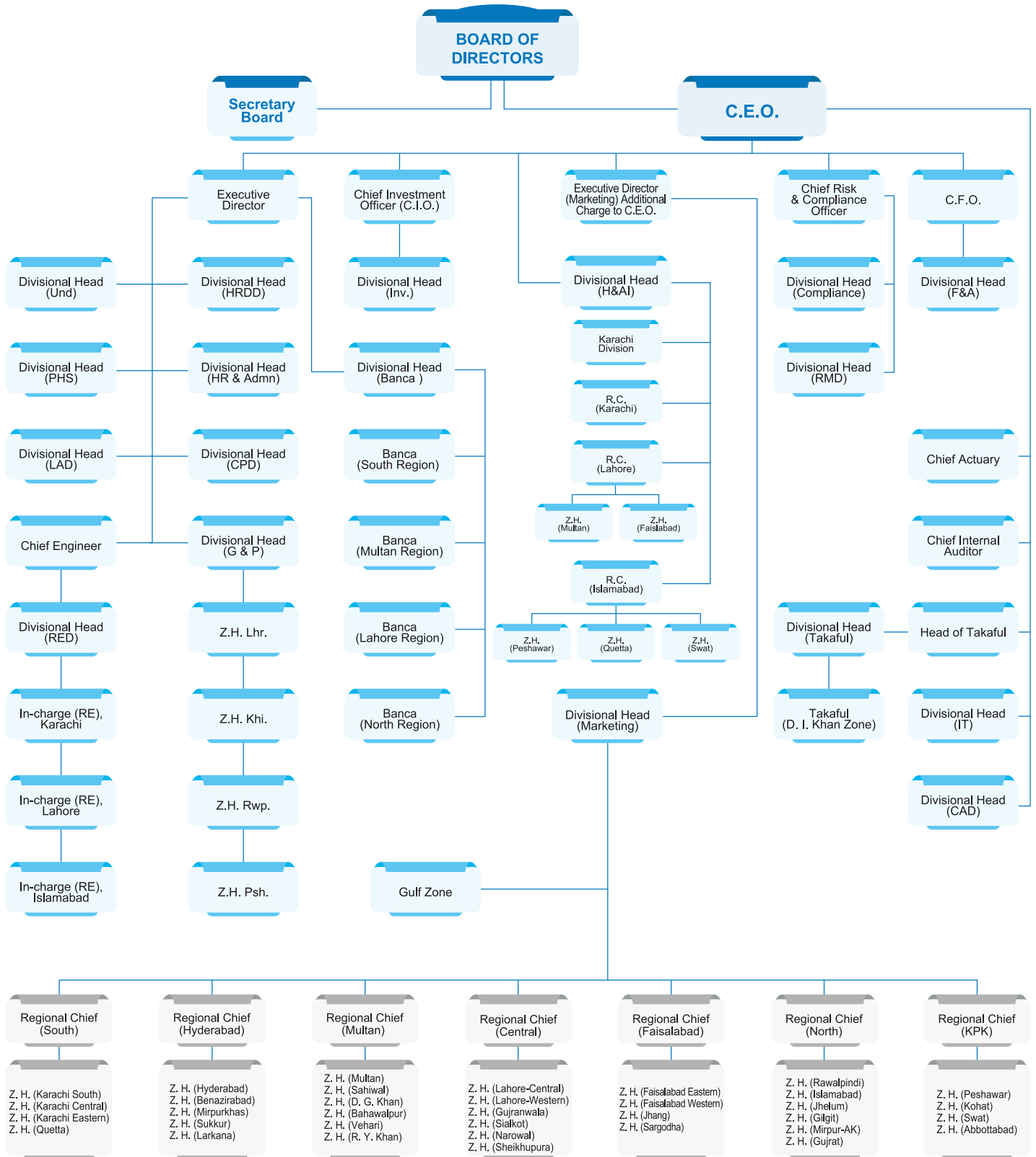
State Life Customer Care



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, 021-111111888



ORGANOGRAM



DIRECTORS' REPORT

TO THE SHAREHOLDERS

The Board of Directors of State Life Insurance Corporation of Pakistan is delighted to present the Audited Financial Statements for the year ended December 31, 2025 in its 53rd Annual Report.

1. Economic Overview

During the year, Pakistan's economy demonstrated signs of gradual stabilization supported by improved external account indicators, easing inflationary pressures, and a relatively stable exchange rate environment. Monetary tightening in prior periods contributed to moderation in inflation. Fiscal consolidation measures and ongoing structural reforms remained key priorities.

For the insurance sector, higher interest rates supported investment income, while improving economic sentiment is expected to enhance business volumes and savings penetration. The Corporation continues to analyze macroeconomic developments and align its strategies to capitalize on emerging opportunities while managing associated risks.

2. Business Performance and Operating Results

The performance of the Corporation remained satisfactory. An overview of the performance for Financial Year 2025 as compared to 2024 is summarized below:

- 2.1. Net revenue for 2025 was Rs. 640,889 million as compared to Rs. 631,986 million in 2024, reflecting a measured increase of 1.41%. Notably, after adjusting for unrealized gains amounting to Rs. 54,904 million in 2025 and Rs. 119,701 million in 2024, the Corporation's core revenue performance demonstrates strong underlying momentum, with adjusted total revenue rising to Rs. 585,985 million from Rs. 512,285 million in the preceding year, registering a robust growth of 14.4%.
- 2.2. Acquisition Expenses were Rs. 36,767 million against Rs. 32,437 million in 2024, an increase of 13.35%. Marketing, administrative and other expenses amounted to Rs. 22,668 million and in 2024 were Rs. 21,015 million, showing an increase of 7.87%.
- 2.3. Overall Management Expense to Gross Premium Ratio was 20.54% compared to 20.15% in 2024.
- 2.4. Net Insurance Benefits paid to the policyholders were Rs. 223,865 million and in 2024 was Rs. 228,328 million, reflecting a 1.95% decrease.

3. Business Portfolio-Wise Performance

- 3.1. **Individual Life Business—Pakistan Operations:** First-year gross premium under Individual Life amounted to Rs. 38,229 million which was Rs. 29,156 million in 2024, showing a growth of 31.12%. The gross renewal premium increased to Rs. 136,613 million compared to Rs. 123,462 million in 2024, marking a rise of 10.65%.
- 3.2. **Individual Life Business—Overseas Operations:** For overseas operations, first-year gross premium under Individual Life was Rs. 690 million (2024: Rs. 492 million), an increase of 40.24%. Renewal premium increased to Rs. 3,456 million (2024: Rs. 3,151 million), an increase of 9.68%.
- 3.3. **Group Life Business:** Group life premium, including unearned premium, amounted to Rs. 11,252 million (2024: Rs. 12,242 million), showing a decrease of 8.09%. Experience refund stood at Rs. 348 million (2024: Rs. 735 million), a decrease of 52.65%.



Net Premium was Rs.10,904 million as compared to Rs.11,507 million last year, a decrease of 5.24%. The decline of 8.09% was primarily attributable to the Government of Sindh fund management arrangement for the uninsured period (2018–2020), under which premium receipts linked to claim payments gradually reduced, resulting in Rs.1 billion lower premium in 2025 compared to 2024. All other major policies remained in force, with an overall persistency ratio of 99% during the year.

- 3.4. Takaful Operations:** Takaful received contributions of Rs. 3,294 million which was Rs. 2,084 million in 2024, registering robust growth of 58.06%.
- 3.5. Health Insurance:** Gross Health Premium was Rs. 125,579 million against Rs. 156,922 million in 2024, reflecting a 19.97% decrease. The decline is mainly due to the reduction of premium from the Government Health Program. Experience refund for the year was Rs. 29,436 million (2024: Rs. 61,505 million), a decrease of 52.14%. Net Premium was Rs. 96,143 million as against Rs. 95,417 million, a 0.76% net increase.
- 3.6. Real Estate:** Gross Rental Income was Rs. 2,336 million in 2025 as against Rs. 1,957 million, an increase of 19.37%. Net Rental Income was Rs. 1,086 million in 2025, as against Rs. 932 million, an increase of 16.52%.
- 3.7. Investment:** Net investment income for the year 2025 amounted to Rs. 352,527 million, (2024: Rs. 367,611 million), a decrease of 4.10%. However, after excluding unrealized gain of Rs. 54,904 million (2024: Rs. 119,701 million), the Core Investment Income was Rs. 297,622 million (2024: Rs. 247,910 million) indicating a strong increase of 20.05%.

4. Profit and Loss Account

Profit after tax for the year stood at Rs. 16,109 million as compared to Rs. 15,751 million in 2024, reflecting a measured increase of 2.27%. This performance underscores the Corporation's continued financial resilience and stability in a dynamic operating environment. In accordance with the statutory framework governing the Pakistan Life Fund, 97.5% of the surplus is apportioned to policyholders, with the remaining 2.5% attributable to shareholders. Consequently, the year's earnings progression primarily reinforces policyholder value, while ensuring consistent and sustainable returns to shareholders.

5. Earning Per Share

Earning Per Share for the year 2025, was Rs. 201.37 compared to Rs. 196.89 in the corresponding period.

6. Commitment

The Corporation is committed in respect of Capital Expenditure Contracts aggregating to Rs. 1,371 million (2024: Rs. 900 million) an increase of 52.33%.

7. Actuarial Valuation

As of December 31, 2025, the actuarial surplus on participating policies amounted to Rs. 233,489 million (2024: Rs. 196,533 million).

8. Financial Strength

The balance of statutory funds as at December 31, 2025 is as under:

Rs. in Million

Pakistan Life Fund	Group Life Fund	Overseas Life Fund	Pension Fund	Accident & Health	Family Takaful Fund			2025
					Life	Group	Health	
2,188,912	27,817	48,072	798	77,773	5,922	264	259	2,349,817



9. Investment Portfolio and Assets

The Investment Portfolio of the Corporation as at December 31, 2025 is as under:

Nature of Investment	Market Value (Rs. in Million)
Investment in Properties	3,159
Investment in Subsidiaries	323
Investment in Equity Securities	347,571
Investment in Mutual Funds	20,595
Investment in Government Securities	1,549,277
Investment in Debt Securities	43,207
Other Assets	562,183
Total Assets	2,526,315

10. Dividends To Shareholders

Profit available for shareholders was Rs. 16,109 million (2024: Rs. 15,751 million), out of which Rs. 12,027 million (2024: Rs. 12,510 million) was transferred to Ledger Account "D" as advised by the Appointed Actuary. Profit available for distribution was Rs. 4,082 million (2024: Rs. 3,241 million). The amount of Rs. 882 million will be retained in the General Reserve (2024: Rs. 241 million), and a dividend of Rs. 3,200 million (2024: Rs. 3,000 million) was proposed to be paid to the Government of Pakistan.

11. 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 S.E.C.P. under the *Code of Corporate Governance for Insurers, 2016*, the Board of Directors is pleased to confirm the following:

- The financial statements, prepared by the State Life Insurance Corporation of Pakistan, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of account of the insurer have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- IAS and IFRS or any other regulation or law (including but not limited to the Shariah guidelines / principles) as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts about the insurer's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance.



12. The Meetings of the Board of Directors and Board Audit Committee

The BOD retired on March 6th, 2025 and attendance of the BoD and BAC remained as under:

Director's Name	Status	Date of Appointment	BOD	BAC
Total No. of Meetings Held During 2025			02	01
Mr. Sulaiman S. Mehdi	Chairman	17-08-2023	02	
Mr. Shoaib Javed Hussain	CEO	17-08-2023	Nil*	
Mr. Shakeel Ahmed Mangnejo	Non-Independent/Member BAC	31-07-2024	02	01
Mr. Muhammad Iqbal	Non-Independent	13-12-2022	02	
Mr. Muhammad Asif	Non-Independent	28-10-2024	02	
Mr. Sheharyar Iftikhar Khan	Independent / Chairman BAC	08-08-2023	02	01
Mr. Anwar Mansoor Khan	Independent	07-03-2022	02	
Mr. Humayun Bashir	Independent/Member BAC	07-03-2022	02	01
Mrs. Pouruchisty Sidhwa	Independent	07-03-2022	02	

*The CEO recused from the meetings.

13. The Board Committees

As per the Code of Corporate Governance, there are following Board Committees:

- Ethics, HR & Remuneration and Nomination Committee
- Board Investment Committee
- Board Audit Committee

14. Management Committees

As per the Code of Corporate Governance, there are following Management Committees:

- Underwriting and Reinsurance & Co-insurance Committee
- Claims Settlement Committee
- Risk Management Committee
- IT Committee
- Board Standing Committee

15. Pattern of Shareholding

As at December 31, 2025:

Category of Shareholders	No. of Shares Held
Government of Pakistan through Ministry of Commerce (100 Percent)	80 million @ Rs. 100 Per Share

16. Insurer Financial Strength Rating

State Life is the only insurer in Pakistan's insurance industry that is continuously maintaining AAA rating by Pakistan Credit Rating Agency (PACRA), representing exceptionally strong capacity to meet policyholders' and contractual obligations.



17. Statutory Auditors

The financial statements for the year ended December 31, 2025 of Pakistan were audited by M/s. Crowe Hussain Chaudhury & Co. Chartered Accountants and Gulf operations were audited by M/s. Crowe MAK. The Auditors Report for the financial year 2025 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

18. Consolidated Accounts

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

19. Other Disclosures

There is no statutory payment outstanding as on December 31, 2025 on account of taxes, duties, levies, and charges except as disclosed in notes to the Financial Statements.

20. Subsidiary Companies

As at December 31, 2025, the Corporation has three subsidiaries:

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

21. Corporate Affairs Division

During 2025, the Corporate Affairs Division advanced the Corporation's strategic positioning through integrated communications and enhanced brand governance. Targeted marketing campaigns and digital outreach initiatives supported product visibility, policyholders' engagement, and the expansion of digital access and payment channels, contributing to improved customer reach and service delivery.

The Division led structured advertisement campaigns and executed industry leadership positioning, reinforcing institutional credibility and supporting the Corporation's visibility across industry and national platforms.

The ESG framework was operationalized through focused, impact-driven corporate initiatives, including large-scale health and outreach programmes and strategic partnerships, expanded engagement across diverse stakeholder segments and strengthened market presence. Overall, the Division contributed to strengthening brand equity, supporting distribution and outreach, mitigating reputational risk, and reinforcing stakeholder trust in line with the Corporation's growth and governance objectives.

Awards and Recognition 2025

14th Annual CSR Awards recognized by the IPO Government of Pakistan 2025:

- Under Public Health and Safety Initiative Award: Women Health Drives
- Under Social Impact Award: Initiating Café Khudee, first café run by the differently-abled CxO Global Forum 2025 Digital Transformation Award:
- Digital Transformation Award: Digital Transformation Award for Excellence in National Life and Health Insurance AM1 Rating
- Received PACRA's Top Pension Fund Manager Rating

22. Human Capital Development

To support the Corporation's vision of developing a future-ready workforce, the Human Resource Development Division conducted 1,995 training sessions, benefiting 71,996 participants. These initiatives focused on key areas including product knowledge, customer service, compliance, ethical sales practices, digital capabilities, and leadership development. In addition, an in-house Middle Management Course was organized to enhance strategic leadership skills, along with comprehensive Anti-Money Laundering (AML) training to strengthen understanding of regulatory requirements.



23. Future Outlook

The Corporation is advancing digital transformation to deliver seamless and efficient services. Key initiatives include the Digital Policy Portal, Online Premium Payments, and a dedicated Call Centre. Large-scale digitization of policy records is underway to strengthen service quality and accessibility. Centralized underwriting is being expanded to improve efficiency and consistency in policy issuance. Planned adoption of biometric verification and electronic signatures will further streamline processes and reduce turnaround time. These efforts, along with integrated digitalization and mobile enablement, reflect SLIC's commitment to becoming a digitally empowered insurer while enhancing customer experience.

23.1. Environment, Social & Governance Footprints

The Corporation remains committed to timely adoption of IFRS S1 and S2 in line with the applicable regulatory timelines, creating sustainable long-term value through responsible business practices and impactful social investments. In line with its ESG framework, the Board has approved a multi-year CSR roadmap for 2026–2028 to support initiatives across environmental stewardship, social development, and governance excellence. Planned environmental initiatives include promotion of resource efficiency, digitization, paperless processes, and awareness programs to foster a greener workplace culture.

On the social front, the Corporation intends to support healthcare, education, skill development, and community well-being programs, with particular focus on underserved segments of the society. Governance priorities will include strengthening compliance culture, enhancing policy frameworks, improving transparency, and advancing sustainability reporting practices in line with evolving international standards. These initiatives reflect the Corporation's commitment to responsible growth, stakeholder trust, and contributing positively to the socio-economic development of Pakistan. Management will continue to review priorities and allocate resources prudently to maximize long impact.

23.2. Voluntary Pension Scheme

Looking ahead, State Life's strategic focus will center on disciplined execution across distribution, institutional penetration, and policy conversion. The Corporation will activate its agency force and corporate channels to drive VPS uptake, while building a structured pipeline of Employer Pension Funds (EPFs) from public and private sectors transitioning to contributory schemes. Simultaneously, targeted conversion initiatives will leverage the existing policyholder base. With both conventional and Shariah-compliant options, State Life aims to rapidly build, scale, enhance customer lifetime value, and secure a leading role in Pakistan's emerging pension ecosystem.

23.3. Health & Accidental Insurance

The Health & Accident Insurance (H&AI) Division is entering a new growth phase focused on product diversification, service accessibility, and digital transformation to enhance customer experience.

- New products, including Sahara Family Plus and Sinf-e-Ahan Premier, will offer comprehensive, segment-specific health solutions.
- Affordability initiatives such as deductibles and digital wallet-based solutions will improve cost efficiency and streamline claims processes.
- The healthcare network will expand through additional laboratories, pharmacies, and partnerships with wellness centres to promote preventive care.
- Technology-driven systems (e.g., Critical Care Management and Bed Tracking) will enhance transparency, governance, and real-time decision-making.
- Greater emphasis on OPD coverage, with targeted programmes in regions like Malakand, Kohat, and Chitral, reflects a shift toward holistic healthcare financing.



23.4. Group Business

Building on the encouraging performance during the year, the Group & Pension Division will focus on expanding the outreach and effectiveness of its business in line with evolving market requirements, while strengthening engagement with existing clients and enhancing value for employers. During the ensuing year, emphasis will be placed on revitalizing key group products, including Group Provident Fund Insurance, Group Loan Insurance, Education Continuation Plans, and House Building Loan Coverage, alongside continued promotion of Group Term Insurance, with a view to repositioning these offerings and extending comprehensive coverage solutions. The Division will also pursue initiatives to expand insurance coverage to broader segments, including the common man and overseas Pakistanis, through improved benefit structures and inclusion of family members, with specific facilitation for NICOP holders. Efforts to promote microinsurance will continue through collaborations with telecom operators and microfinance institutions to extend affordable solutions to underserved segments, thereby enhancing insurance penetration and supporting sustainable growth.

23.5. Family Takaful

Window Takaful will expand its individual wealth management and savings portfolio through a suite of Shariah-compliant Takaful products aimed at long-term wealth accumulation. These offerings will target middle-and-high-income segments, positioning the Corporation to capture growing demand for disciplined savings solutions while strengthening persistence and customer lifetime value. In parallel, the Corporation will introduce Islamic annuity solutions focused on retirement and pension needs, enabling the conversion of accumulated savings into stable, lifetime income streams. This positions State Life uniquely to offer an integrated proposition across the full customer lifecycle from accumulation to decumulation, addressing a critical gap in Shariah-compliant retirement planning.

To accelerate scale, the Corporation will expand its Banca Takaful through strategic partnerships with Islamic banks, leveraging their customer base and distribution infrastructure to drive penetration of both savings and annuity products. This channel will serve as a key driver for accessing higher-income and financially aware segments with lower acquisition costs.

On the institutional front, the Corporation will actively grow its group life and group health Takaful business by targeting SMEs, government entities, and underserved segments. By offering tailored Shariah-compliant employee benefit solutions, State Life will access large customer pools, build recurring contribution streams, and create a pipeline for cross-selling individual savings and retirement products.

23.6. Bancassurance

Looking ahead, we plan to accelerate growth by capitalizing on the following growth engines:

- Deepen relationships with existing banking partners, and onboarding new partners.
- Position Banca-Takaful as a core pillar of growth
- Product Innovation

We are confident that continued alignment with the partner banks and customer-centric innovation will drive sustainable value for the Bancassurance Division.

24. 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: April 30, 2026



KEY OPERATING AND FINANCIAL DATA

APPENDIX-A

	Rs. in Million					
	2025	2024	2023	2022	2021 (restated)	2020
FIRST YEAR PREMIUM (NET)	40,510	30,663	26,611	19,828	16,343	14,019
RENEWAL PREMIUM (NET)	141,196	127,191	117,925	111,540	98,950	93,037
GROUP PREMIUM INCLUDING HEALTH (NET)	106,379	106,521	123,308	111,843	46,468	11,962
INVESTMENT INCOME (NET)	352,527	367,611	257,852	140,059	109,469	105,598
INSURANCE BENEFITS	223,865	228,328	247,513	175,321	98,038	64,688
SURPLUS APPROPRIATED TO SHAREHOLDERS' FUND	5,344	4,401	7,485	2,839	2,339	2,138
PROFIT BEFORE TAX	26,339	25,815	24,480	20,664	9,265	5,927
TAXATION	10,230	10,064	9,760	6,936	2,708	1,720
PROFIT AFTER TAX	16,109	15,751	14,720	13,728	6,556	4,207
EARNINGS PER SHARE (in Rs.) Rs. 100 each	201.37	196.89	184.00	171.60	141.75	97.78
BONUS TO POLICY HOLDERS	181,425	151,425	119,732	97,491	85,650	75,967
TOTAL ASSETS	2,526,315	2,365,994	1,930,684	1,601,488	1,366,112	1,203,383



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, 2025**

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.

*Note: The Board of Directors completed its three-year term and stood retired on 06.03.2025. The board remained un-constituted by the Federal Government till 31.12.2025.

As at March 06, 2025 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 Director	i. Mrs. Pouruchisty Sidhwa
Executive Director	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 a banking company, DFI, or NBF1. None of the directors has been declared defaulter being member by the Stock Exchange.
4. No casual vacancy occurred on the Board during the period 01.01.2025 to 06.03.2025.
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 meeting of the board during the period 01.01.2025 to 06.03.2025 were presided over by the Chairman. 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. Due to non-availability of the board during the remaining period the quarterly meetings could not be convened.
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 had already conducted orientation/training programs for its directors 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 Hussain	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



Name of Member	Category
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 for compliance. The frequency of meetings (Quarterly / Half yearly / yearly) of committees were required by CoCG 2016 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: No committees existed after retirement of the board.

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

* No meeting of the Ethics, Human Resources, Remuneration & Nomination Committee was held during the year 2025 due to the non-availability of the Board.

* The Code of Corporate Governance (CoCG) 2016 requires the Audit Committee to hold four quarterly meetings annually. However, following the retirement of the Board on 06.03.2025, only one quarterly meeting was held, while the remaining three meetings could not be conducted due to the non-constitution of the Board by the Federal Government.

* The Code of Corporate Governance (CoCG) 2016 requires the Investment Committee to convene meetings on a half-yearly basis. However, following the retirement of the Board on 06.03.2025, no meeting of the Investment Committee was held due to the non constitution of the Board by the Federal Government.

20. The Board has setup an effective internal audit function and the members of internal audit functions are considered suitably qualified and 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 Amjad	Chief Financial Officer
Mr. Faisal Mumtaz	Chief Actuary
Mr. Mushtaq Ahmad	Secretary Board
Mr. Muhammad Sohaib Usmani	Chief Internal Auditor
Mr. Mahmood Ahmed	Head of Underwriting
Mr. Abdul Salam	Head of Claims and Re-Insurance
Mr. Muhammad Izqar Khan	Chief Risk & Compliance Officer (CR & CO)
Dr. Itret Malik	Head of Grievance Function

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 Accountants 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 partners are in compliance with the International Federation of Accountants (IFAC) guidelines 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 Insurers, 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 June 30, 2025 is AAA with stable outlook.
30. The Board has set up a grievance function. The grievance policy approved by the board.
31. The Corporation obtained exemption from the Securities and Exchange Commission of Pakistan for submission of approved 1st, 2nd & 3rd quarter of 2025 accounts under the hope and impression that the board shall be constituted shortly.
32. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 have been complied with, except for the following:
- 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.

For and on behalf of the Board of Directors

Dated: April 30, 2026



Shoaib Javed Hussain
Chief Executive Officer



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of State Life Insurance Corporation of Pakistan

Review Report on the Statement of Compliance contained in the Code of Corporate Governance for Insurers, 2016

We have reviewed the enclosed Statement of Compliance with 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 December 31, 2025 in accordance with the requirements of the Code.

The responsibility for compliance with the Code is that of the Board of Directors of the Corporation. Our responsibility is to review 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 of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi.

Dated: May 04, 2026

UDIN: CR2025102070PtdJ1vVs



RISK MANAGEMENT

Risk Governance Framework

State Life Insurance Corporation of Pakistan (“State Life” or “the Corporation”) recognizes effective risk management as a critical component of sound governance, policyholder protection, financial resilience, and sustainable growth.

As a leading life and health insurer, the Corporation operates in an evolving business environment characterized by changing market conditions, regulatory developments, technological transformation, and emerging risk considerations. Accordingly, the Corporation maintains an enterprise-wide risk management framework to support informed decision-making, prudent capital stewardship, and long-term institutional sustainability.

Risk governance is embedded within the Corporation’s oversight framework and is supported by the Board of Directors through Risk Management, Compliance and Litigation Committee, senior management, the Risk Management Division, Compliance Division, Actuarial Division, Internal Audit, and operational management across business functions.

The Risk Management Division is responsible for facilitating enterprise-wide risk identification, monitoring material risk exposures, maintaining the corporate risk register, and promoting a strong risk-aware culture across the organization. Complementing this framework, the Compliance Division oversees adherence to applicable legal, regulatory, and governance requirements, while the Actuarial Division provides independent technical oversight in matters relating to solvency monitoring, actuarial valuation, pricing, and long-term liability management.

The Corporation continues to strengthen its enterprise risk management practices, including the progressive development of formal risk appetite and tolerance frameworks aligned with strategic objectives and evolving regulatory expectations.

Enterprise Risk Management Approach

State Life’s risk management framework adopts an enterprise-wide approach that seeks to identify, assess, monitor, and mitigate material risks across the Corporation’s operations and strategic activities.

Key elements of the framework include:

- Clearly defined governance and accountability structures;
- Periodic risk identification and assessment processes;
- Maintenance and regular review of the corporate risk register;
- Internal control, compliance, and assurance mechanisms;
- Risk escalation and reporting protocols;
- Stress testing and scenario analysis;
- Solvency and capital monitoring;
- Reinsurance risk mitigation arrangements;
- Business continuity and operational resilience measures;
- Monitoring of emerging and external risks;
- Risk based audit across all functions of the Corporation.

The Corporation's Own Risk and Solvency Assessment (ORSA) process further enhances forward-looking risk assessment by evaluating solvency resilience and material risk exposures under a range of stress scenarios, supporting proactive risk-informed decision-making.

Key Risk Categories

Insurance Risk

Insurance risk arises from adverse deviations in mortality, morbidity, persistency, claims experience, expense assumptions, and catastrophic events.

The Corporation manages insurance risk through disciplined underwriting governance, actuarial monitoring, claims oversight, product pricing review, experience analysis, and prudent reinsurance arrangements designed to support financial stability and policyholder protection.

Market and Investment Risk

Market risk arises from movements in interest rates, equity valuations, and broader macroeconomic conditions that may affect investment performance and financial position.

Given the long-term nature of policyholder obligations, investment risk management remains a key strategic priority. Investment decisions are governed through approved policies, regulatory requirements, and oversight mechanisms aimed at preserving capital, supporting liquidity, and generating sustainable returns.

Asset-Liability Management Risk

Effective asset-liability management remains integral to the Corporation's long-term financial stewardship, given the duration profile of policyholder liabilities.

The Corporation actively monitors asset-liability matching, duration positioning, reinvestment exposure, and related balance sheet risks to support alignment between policyholder obligations and investment strategy.

Credit Risk

Credit risk arises from potential default or deterioration in the financial standing of counterparties.

The Corporation manages credit risk through prudent exposure management, counterparty evaluation, diversification measures, and internal approval controls across investment, reinsurance, banking, and other financial relationships.

Liquidity Risk

Liquidity risk represents the potential inability to meet financial obligations as they fall due.

The Corporation maintains liquidity oversight through ongoing cash flow monitoring, investment management, and financial planning to support timely settlement of claims, benefit payments, and operational commitments.



Operational Risk

Operational risk arises from failures in internal processes, systems, human factors, fraud, or external events that may disrupt business operations.

State Life manages operational risk through internal controls, segregation of duties, policy frameworks, well-defined SOPs, internal audit oversight, staff training, and business continuity arrangements designed to support operational resilience.

Technology and Information Security Risk

Technology-enabled operations expose the Corporation to cybersecurity, data protection, information security, and systems resilience risks.

The Corporation continues to strengthen its information security governance, access controls, monitoring capabilities, and operational safeguards in response to the evolving digital risk environment.

Regulatory and Compliance Risk

As a regulated financial institution, the Corporation operates within a dynamic legal and regulatory framework governing insurance operations, solvency, financial reporting, governance, taxation, and compliance obligations.

The Corporation maintains active oversight of regulatory developments to support timely compliance and institutional preparedness.

Legal Risk

Legal risk may arise from litigation, contractual disputes, claims matters, regulatory proceedings, and property-related issues.

Appropriate legal oversight and governance processes are maintained to manage such exposures and support effective resolution where required.

Strategic Risk

Strategic risk arises from changing market conditions, competitive developments, stakeholder expectations, implementation challenges, and broader shifts in the operating environment.

The Corporation periodically reviews its strategic priorities to ensure continued resilience, relevance, and sustainable growth.

Reputation Risk

Maintaining stakeholder confidence remains fundamental to the Corporation's long-standing public mandate and policyholder responsibilities.



Reputation risk is managed through governance discipline, customer service oversight, regulatory compliance, and adherence to ethical business practices.

Emerging Risk Considerations

The Corporation continues to monitor emerging risks that may influence future operating conditions, including:

- Macroeconomic volatility and inflationary pressures;
- Regulatory and accounting transformation;
- Technology disruption and cybersecurity threats;
- Climate-related considerations;
- Third-party dependency risks;
- Talent and succession management;
- Evolving customer expectations and distribution models.

Outlook

State Life remains committed to the continued enhancement of its enterprise risk management framework, governance oversight, and forward-looking risk assessment capabilities.

By embedding disciplined risk management practices across the organization, the Corporation seeks to strengthen resilience, protect policyholder interests, maintain regulatory confidence, and support sustainable long-term growth.



SLIC ESG IDENTITY 2025

ESG Pillars

E ENVIRONMENTAL

Sustainable and conscientious investment and operations
Reducing SLIC's operational footprint by embedding conservative and into everyday corporate operations.



S SOCIAL

Active involvement in and investment within the community
Offering access to preventive healthcare, education, and skills training for Pakistan's underserved communities.



G GOVERNANCE

Effective governance and ethical business practice
Strengthening institutional oversight through risk-based audit frameworks, formalized policies, and structured control systems.



UN SDG'S FOCUS AREAS



INITIATIVES UNDERTAKEN & IMPACT DELIVERED IN 2025

185,000+

Free Diabetes and Health Check Drive

130,000+

Free Breast Cancer Screenings

11,400+

Flood-Effectuated Victims Treated

20M+

Policy Files Digitized

200M

Lives Covered

ENVIRONMENTAL

Solar Energy Upgrade

Solar energy systems installed at the Principal Office, Hyderabad and Rahim Yar Khan offices.

Water Conservation

Implementation of water harvesting and conservation mechanisms at the Principal Office, including the VRF system, to optimize usage and reduce overall water dependence.

Digital Transformation

20 million+ policy files digitized enabling paperless record retrieval for underwriting, servicing and real-time audit access.

SOCIAL

Free Diabetes Campaign

Nationwide campaign with 400+ partner hospitals. Over 185,000 screened.

Free Women Health & Breast Cancer Drive

Over 130,000+ women screened, 4,500+ breast cancer cases diagnosed early.

Disaster Medical Relief

Medical camps for flood-affected populations: KPK, GB & Punjab; 11,400+ patients received free care.

Farmer Insurance Coverage

Partnership with Fauji Fertilizer Company: Cover of up to PKR 1 million per farmer, provided at zero cost to the participants.

Inclusion and Literacy Outreach

Launched KVTC Café Khudee, Pakistan's first café run by differently-abled students, providing a platform for vocational training and skills development.

8 Financial Literacy Camps reaching community members in far-flung areas and persons with disabilities.

GOVERNANCE

Risk-Based Auditing

Nationwide risk-based audit framework deployed with digital GV Audit and cross-region modules, enabling real-time monitoring and centralized oversight.

ORSA Framework

Own Risk and Solvency Assessment framework implemented — strengthening enterprise risk evaluation and alignment with SECP's evolving regulatory expectations.

Policy Formalization

HR Policy, Enterprise Risk Management Framework and Real Estate Policy formalized. Finance & Accounts Manual revised. Compliance & Risk Register operationalized.

Board Portal (BPMS)

Pilot of BPMS for secure digital agenda circulation, documentation management and decision tracking for Board-level governance.



FUTURE OUTLOOK

Voluntary Pension Scheme (VPS)

The Corporation is actively developing a comprehensive Voluntary Pension Scheme (VPS) to address the growing need for long-term retirement planning in Pakistan. The scheme will include built-in insurance protection during the accumulation phase, ensuring financial security for participants and their dependents. At retirement, flexible annuity options will allow individuals to customize their income streams.

Sharia-compliant (takaful-based) variants will also be offered to meet Islamic financial preferences. The VPS will be designed for wide accessibility, catering to salaried individuals, self-employed professionals, small business owners, and informal sector workers.

Expanded Product Suite

The Corporation plans to strengthen its life insurance portfolio through four key focus areas:

- **Wealth Management Solutions:** Combining professional fund management with life protection to support long-term financial growth and security.
- **Single Premium Products:** Offering high-net-worth clients simplified one-time payment plans with comprehensive coverage.
- **Digital Transformation:** Enhancing customer experience through mobile onboarding, real-time policy management, and self-service claims processing.
- **Takaful Expansion:** Introducing new family and group takaful products in full compliance with Sharia principles to meet rising demand for Islamic financial solutions.

Micro Insurance

State Life is committed to expanding financial protection to underserved and low-income segments. A range of micro life insurance products is being developed for rural communities, informal workers, and low-income households, offering affordable coverage without financial strain.

Key initiatives include:

- Group micro life insurance for informal sector workforces;
- Credit life insurance linked to microfinance and small loans;
- Mobile-based enrollment and servicing supported by trained field agents to ensure outreach in remote areas.

Conclusion

Through a comprehensive product innovation strategy encompassing VPS development, expanded life insurance solutions, digital transformation, takaful growth, and inclusive micro insurance, State Life Insurance Corporation reaffirms its commitment to financial inclusion, customer-focused innovation, and sustainable value creation across all segments of Pakistani society.





STATE LIFE
INSURANCE CORPORATION OF PAKISTAN

NEW AND IMPROVED DIGITAL SERVICES

SLIC AGENT PRO

Easy
Registration

Personalized
Dashboard

Team
Management

Payment
Transparency

Real-Time
Notifications

Feedback
and Support

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Support

Real-Time
Notifications

Policy
Management

Maturity
Tracking

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OPERATING AND FINANCIAL HIGHLIGHTS



OPERATING AND FINANCIAL HIGHLIGHTS

Financial Position

Balance Sheet

Rs. in Million

	2025	2024	2023	2022	2021 (Restated)	2020
ASSETS						
Cash and Banks	149,459	76,358	82,227	48,345	101,002	56,185
Loans secured against life insurance policies	156,366	154,826	159,781	171,823	151,464	129,181
Loans to employees and field force	2,019	1,931	1,519	1,023	1,001	1,009
Investment properties	3,159	3,575	3,448	3,573	3,619	3,638
Investment in securities	1,961,754	1,749,109	1,386,875	1,229,728	1,011,953	927,273
Current assets and others	250,405	378,280	295,419	145,962	96,192	85,246
Fixed assets	3,153	1,915	1,415	1,034	881	851
Total assets	2,526,315	2,365,994	1,930,684	1,601,488	1,366,112	1,203,383
EQUITY AND LIABILITIES						
Issued, subscribed and paid up capital	8,000	8,000	8,000	6,200	4,900	4,600
Reserve and surplus	4,349	3,267	3,532	3,022	1,859	1,765
Policy holders liability	2,349,817	1,998,852	1,652,947	1,430,742	1,265,619	1,128,152
Employees Retirement Benefit	7,377	5,384	7,104	6,114	6,245	2,096
Deferred capital grant	-	3	6	27	16	37
Creditors and accruals	156,772	350,488	259,095	155,383	87,473	66,733
Total equity and liability	2,526,315	2,365,994	1,930,684	1,601,488	1,366,112	1,203,383

OPERATING AND FINANCIAL TRENDS

Profit and Loss (Shareholder)

Net Investment Income	1,277	905	570	490	445	428
Surplus appropriated	5,344	4,401	7,485	2,839	2,339	2,138
Profit before Tax	6,621	5,306	8,055	3,329	2,784	2,566
Taxation	2,539	2,065	3,345	1,216	829	746
Profit After Tax	4,082	3,241	4,710	2,113	1,955	1,820

Comprehensive Income

Premium net of Reinsurance	288,363	264,374	267,844	243,211	161,789	119,035
Net Investment Income	352,527	367,611	257,852	140,059	109,469	105,598
Total Inflow	640,889	631,986	525,696	383,270	271,258	224,633
Total Outflow	283,302	281,781	295,827	212,749	131,106	89,667
Increase Policyholders liability	331,249	324,390	205,389	149,856	130,887	129,040
Surplus before Tax	26,339	25,815	24,480	20,665	9,265	5,926
Taxation	10,230	10,064	9,760	6,936	2,708	1,720
Profit After Tax	16,109	15,751	14,720	13,729	6,557	4,206
Surplus transfer to P&L	6,621	5,306	8,054	2,839	2,339	2,138

Cash Flows

Operating activities	(34,593)	(12,814)	(46,910)	56,968	28,696	30,895
Investing activities	110,694	19,354	76,525	(103,442)	19,720	(64,719)
Financing activities	(3,000)	(2,500)	(2,000)	(1,720)	(1,461)	(1,047)
Cash and cash equivalents at the end of the year	149,459	76,358	72,318	44,702	92,895	45,939



OPERATING AND FINANCIAL RATIOS

Rs. in Million

	2025	2024	2023	2022	2021 (Restated)	2020
Profitability						
Profit before tax / Gross Premium	9.10%	9.73%	9.10%	8.46%	5.70%	4.96%
Profit before tax / Net Premium	9.13%	9.76%	9.14%	8.50%	5.73%	4.98%
Profit after tax / Gross Premium	5.57%	5.94%	5.47%	5.62%	4.04%	3.52%
Profit after tax / Net Premium	5.59%	5.96%	5.50%	5.64%	4.05%	3.53%
Net Claims / Net Premium (IL)	69.36%	88.49%	94.93%	61.55%	54.17%	51.75%
Net Claims / Net Premium (GL)	91.74%	83.23%	89.45%	84.46%	76.54%	77.51%
Net Commission / Net Premium (IL)	16.06%	15.53%	15.37%	12.68%	12.75%	11.06%
Net Commission / Net Premium (GL)	0.02%	0.02%	0.02%	0.01%	0.01%	0.04%
Area Managers Costs / Net Premium	2.17%	1.94%	1.72%	1.52%	2.02%	2.53%
Total Acquisition Cost / Net Premium	12.75%	12.27%	11.02%	9.32%	12.36%	13.94%
Administration Expenses / Net Premium	7.86%	7.95%	7.02%	6.07%	8.08%	7.04%
Return to Shareholders						
Return on Equity (ROE) Net income / Avg Equity	26.88%	33.69%	43.59%	100.10%	51.00%	48.19%
Earnings / (Loss per Share) - Pre Tax Rs	329.24	322.68	305.99	420.50	200.29	137.78
Earnings / (Loss per Share) - After Tax Rs	201.37	196.89	184.00	279.36	141.75	97.78
Return on Assets (Net Income)/Avg total Assets	0.66%	0.73%	0.83%	0.93%	0.62%	0.37%
Paid up Capital / Total Assets	0.32%	0.34%	0.41%	0.39%	0.36%	0.38%
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
Cash Dividend per Share Rs	43.75	37.50	31.25	32.26	35.11	31.75
Dividend Yield - (DPS/100*100)	43.75%	37.50%	31.25%	32.26%	35.11%	31.75%
Dividend Pay out	21.72%	19.05%	16.98%	11.55%	24.77%	32.47%



VERTICAL ANALYSIS

Balance Sheet

	2025		2024		2023		2022		2021 (Restated)		2020	
	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%
ASSETS												
Cash and Banks	149,459	6%	76,358	3%	82,227	4.26%	48,345	3.02%	101,002	7.39%	56,185	4.67%
Loans secured against life insurance policies	156,366	6%	154,826	7%	159,781	8.28%	171,823	10.72%	151,464	11.09%	129,181	10.73%
Loans to employees and field force	2,019	0%	1,931	0%	1,519	0.08%	1,023	0.06%	1,001	0.07%	1,009	0.08%
Investment properties	3,159	0%	3,575	0%	3,448	0.18%	3,573	0.22%	3,619	0.26%	3,638	0.30%
Investment in securities	1,961,754	78%	1,749,109	74%	1,386,875	71.83%	1,229,728	76.73%	1,011,953	74.08%	927,273	77.06%
Current assets and others	250,405	10%	378,280	16%	295,419	15.30%	145,962	9.18%	96,192	7.04%	85,246	7.08%
Fixed assets	3,153	0%	1,915	0%	1,415	0.07%	1,034	0.06%	881	0.06%	851	0.07%
Total assets	2,526,315	100%	2,365,994	100%	1,930,684	100%	1,601,488	100%	1,366,112	100%	1,203,383	100%

EQUITY AND LIABILITIES

Issued, subscribed and paid up capital	8,000	0.32%	8,000	0.34%	8,000	0.41%	6,200	0.39%	4,900	0.36%	4,600	0.38%
Reserve and surplus	4,349	0.17%	3,267	0.14%	3,532	0.18%	3,022	0.19%	1,859	0.14%	1,765	0.15%
Policy holders liability	2,349,817	93.01%	1,998,852	84.48%	1,652,947	85.61%	1,430,742	89.28%	1,265,619	92.64%	1,128,152	93.75%
Employees retirement benefit	7,377	0.29%	5,384	0.23%	7,104	0.37%	6,114	0.38%	6,245	0.46%	2,096	0.17%
Deferred capital grant	-	0.00%	3	0.00%	6	0.00%	27	0.002%	16	0.00%	37	0.00%
Creditors and accruals	156,772	6.21%	350,488	14.81%	259,095	13.42%	155,383	9.76%	87,473	6.40%	66,733	5.55%
Total equity and liability	2,526,315	100.0%	2,365,994	100.0%	1,930,684	100%	1,601,488	100%	1,366,112	100%	1,203,383	100%

OPERATING AND FINANCIAL TRENDS

Profit and Loss (Shareholder)

Net Investment Income	1,277	0%	905	0%	570	7%	490	15%	445	16%	428	17%
Surplus appropriated	5,344	1%	4,401	1%	7,485	93%	2,839	85%	2,339	84%	2,138	83%
Profit before Tax	6,621	1%	5,306	1%	8,055	100%	3,329	100%	2,784	100%	2,566	100%
Taxation	2,539	0%	2,065	0%	3,345	42%	1,216	37%	829	30%	746	29%
Profit After Tax	4,082	1%	3,241	1%	4,710	58%	2,113	63%	1,955	70%	1,820	71%

Comprehensive Income

Premium net of Reinsurance	288,363	45%	264,374	42%	267,844	51%	243,211	63%	161,789	60%	119,035	53%
Net Investment Income	352,527	55%	367,611	58%	257,852	49%	140,059	37%	109,469	40%	105,598	47%
Total Inflow	640,889	100%	631,986	100%	525,696	100%	383,270	100%	271,258	100%	224,633	100%
Total Outflow	283,302	44%	281,781	45%	295,827	56%	212,749	56%	131,106	48%	89,667	40%
Increase Policyholders liability	331,249	52%	324,390	51%	205,389	39%	149,856	39%	130,887	48%	129,040	57%
Taxation	10,230	2%	10,064	2%	9,760	2%	6,936	2%	2,708	1%	1,720	1%
Profit After Tax	16,109	3%	15,751	2%	14,720	3%	13,729	4%	6,557	2%	4,206	2%



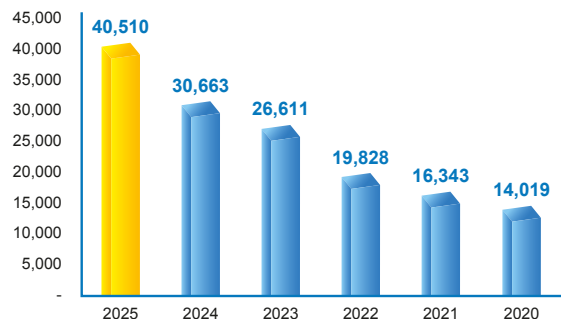
HORIZONTAL ANALYSIS

Balance Sheet	Rs in million %						Increase / Decrease over preceding year					
	2025	2024	2023	2022	2021 (Restated)	2020	2025	2024	2023	2022	2021 (Restated)	2020
ASSETS												
Cash and Banks	149,459	76,358	82,227	48,345	101,002	56,185	96%	-7%	70%	-52%	80%	-39%
Loans secured against life insurance policies	156,366	154,826	159,781	171,823	151,464	129,181	1%	-3%	-7%	13%	17%	15%
Loans to employees and field force	2,019	1,931	1,519	1,023	1,001	1,009	5%	27%	48%	2%	-1%	-3%
Investment properties	3,159	3,575	3,448	3,573	3,619	3,638	-12%	4%	-3%	-1%	-1%	8%
Investment in securities	1,961,754	1,749,109	1,386,875	1,229,728	1,011,953	927,273	12%	26%	13%	22%	9%	19%
Current assets and others	250,405	378,280	295,419	145,962	96,192	85,246	-34%	28%	101%	53%	13%	19%
Fixed assets	3,153	1,915	1,415	1,034	881	851	65%	35%	37%	17%	4%	-8%
Total assets	2,526,315	2,365,994	1,930,684	1,601,488	1,366,112	1,203,383						
EQUITY AND LIABILITIES												
Issued, subscribed and paid up capital	8,000	8,000	8,000	6,200	4,900	4,600	0%	0%	29%	27%	7%	7%
Reserve and surplus	4,349	3,267	3,532	3,022	1,859	1,765	33%	-8%	17%	63%	5%	175%
Policy holders liability	2,349,817	1,998,852	1,652,947	1,430,742	1,265,619	1,128,152	18%	21%	16%	13%	12%	13%
Employees retirement benefit	7,377	5,384	7,104	6,114	6,245	2,096	37%	-24%	16%	-2%	198%	-56%
Deferred capital grant	-	3	6	27	16	37	-100%	-50%	-78%	69%	-57%	-18%
Creditors and accruals	156,772	350,488	259,095	155,383	87,473	66,733	-55%	42%	66%	79%	31%	27%
Total equity and liability	2,526,315	2,365,994	1,930,684	1,601,488	1,366,112	1,203,383						
OPERATING AND FINANCIAL TRENDS												
Profit and Loss (Shareholder)												
Net Investment Income	1,277	905	570	490	445	428	41%	59%	16%	10%	4%	20%
Surplus appropriated	5,344	4,401	7,485	2,839	2,339	2,138	21%	-41%	164%	21%	9%	14%
Profit before Tax	6,621	5,306	8,055	3,329	2,784	2,566	25%	-34%	142%	20%	8%	15%
Taxation	2,539	2,065	3,345	1,216	829	746	23%	-38%	175%	47%	11%	15%
Profit After Tax	4,082	3,241	4,710	2,113	1,955	1,820	26%	-31%	123%	8%	7%	15%
Comprehensive Income												
Premium net of Reinsurance	288,363	264,374	267,844	243,211	161,789	119,035	8%	-1%	10%	50%	36%	6%
Net Investment Income	352,527	367,611	257,852	140,059	109,469	105,598	-4%	30%	84%	28%	4%	10%
Total Inflow	640,889	631,986	525,696	383,270	271,258	224,633	1%	17%	37%	41%	21%	8%
Total Outflow	283,302	281,781	295,827	212,749	131,106	89,667	1%	-5%	39%	62%	46%	7%
Increase Policyholders liability	331,249	324,390	205,389	149,856	130,887	129,040	2%	37%	37%	14%	1%	6%
Taxation	10,230	10,064	9,760	6,936	2,708	1,720	2%	3%	41%	156%	57%	112%
Profit after tax	16,109	15,751	14,720	13,729	6,557	4,206	2%	7%	7%	109%	56%	112%

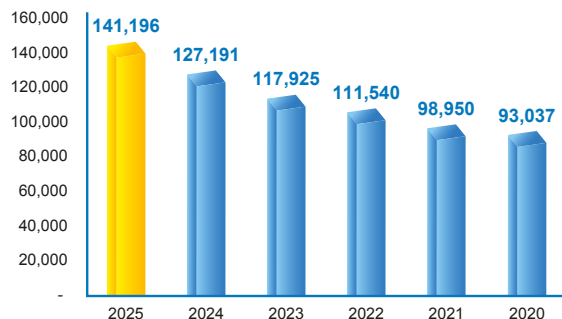


FINANCIAL HIGHLIGHTS

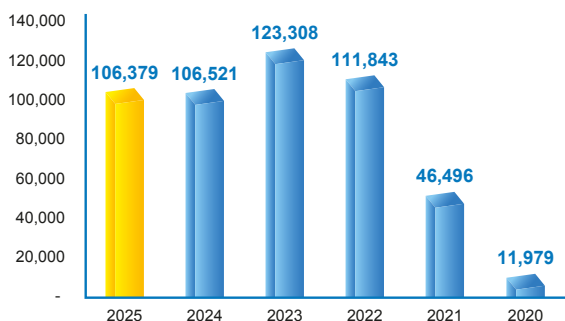
FIRST YEAR PREMIUM (RS. IN MILLION)



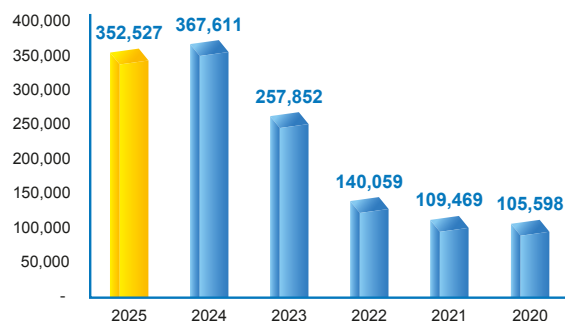
RENEWAL PREMIUM (RS. IN MILLION)



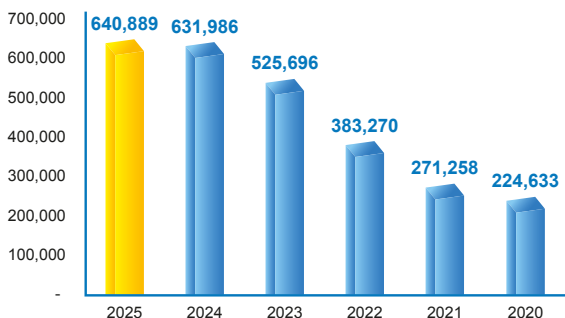
GROUP AND HEALTH PREMIUM (RS. IN MILLION)



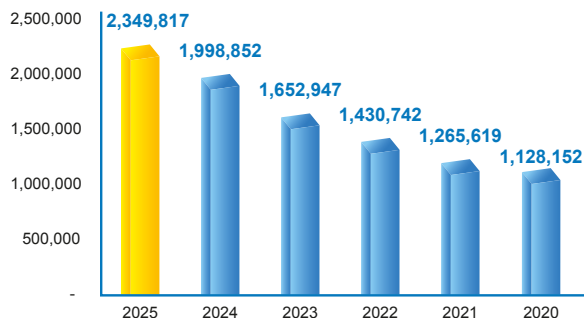
INVESTMENT INCOME (RS. IN MILLION)



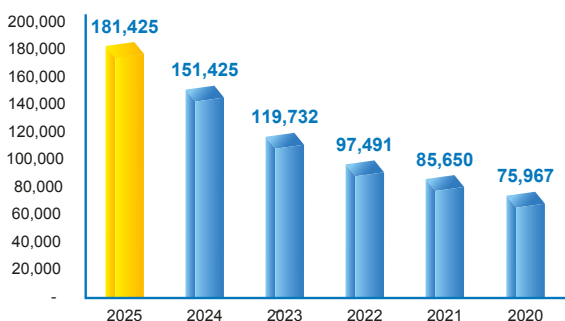
TOTAL INCOME (RS. IN MILLION)



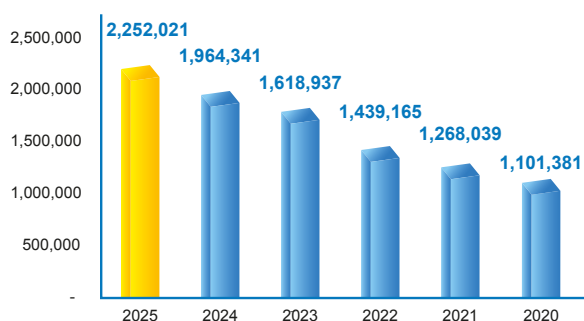
LIFE FUND (RS. IN MILLION)



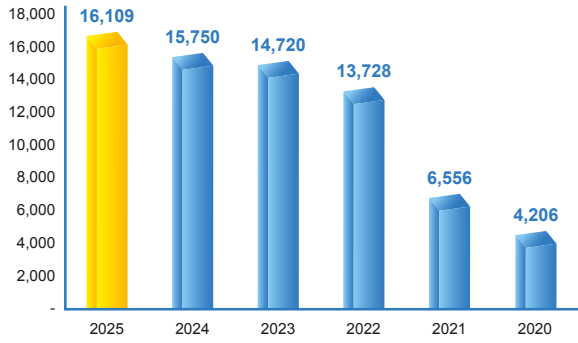
BONUS TO POLICY HOLDERS (RS. IN MILLION)



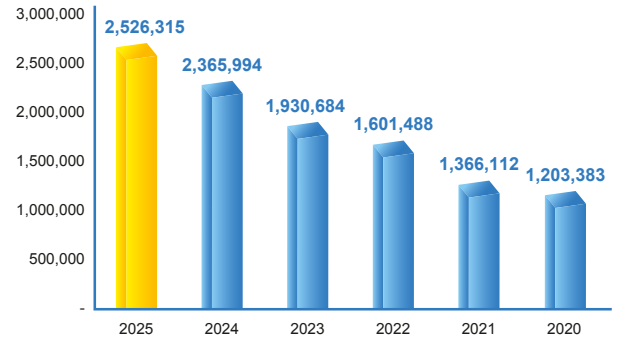
INVESTMENT PORTFOLIO (RS. IN MILLION)



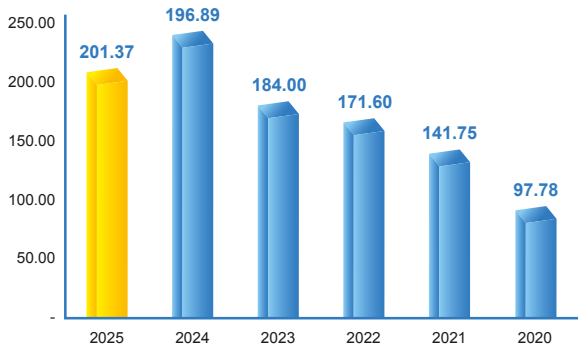
PROFIT AFTER TAX (RS. IN MILLION)



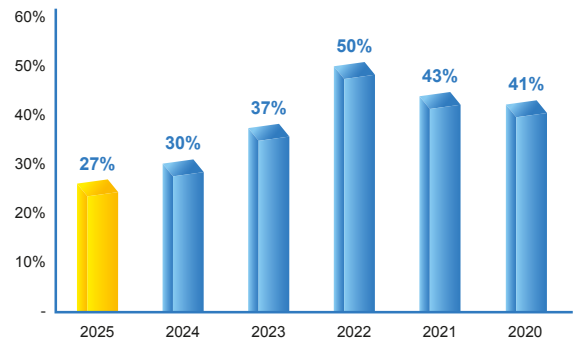
TOTAL ASSETS (RS. IN MILLION)



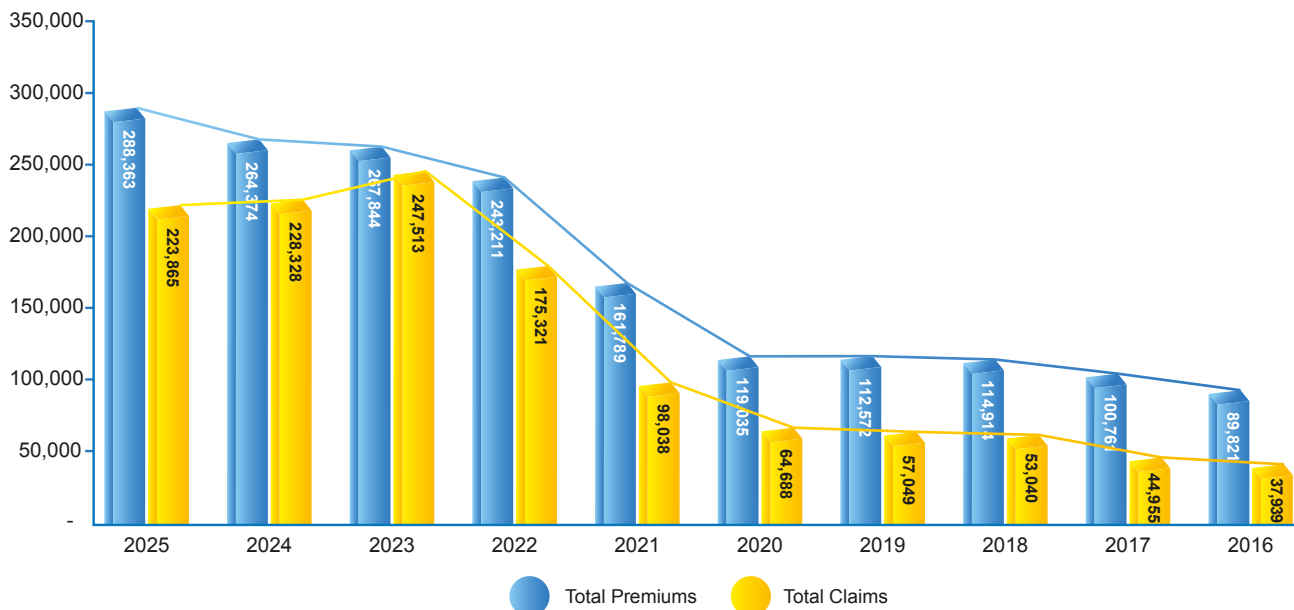
EARNING PER SHARE



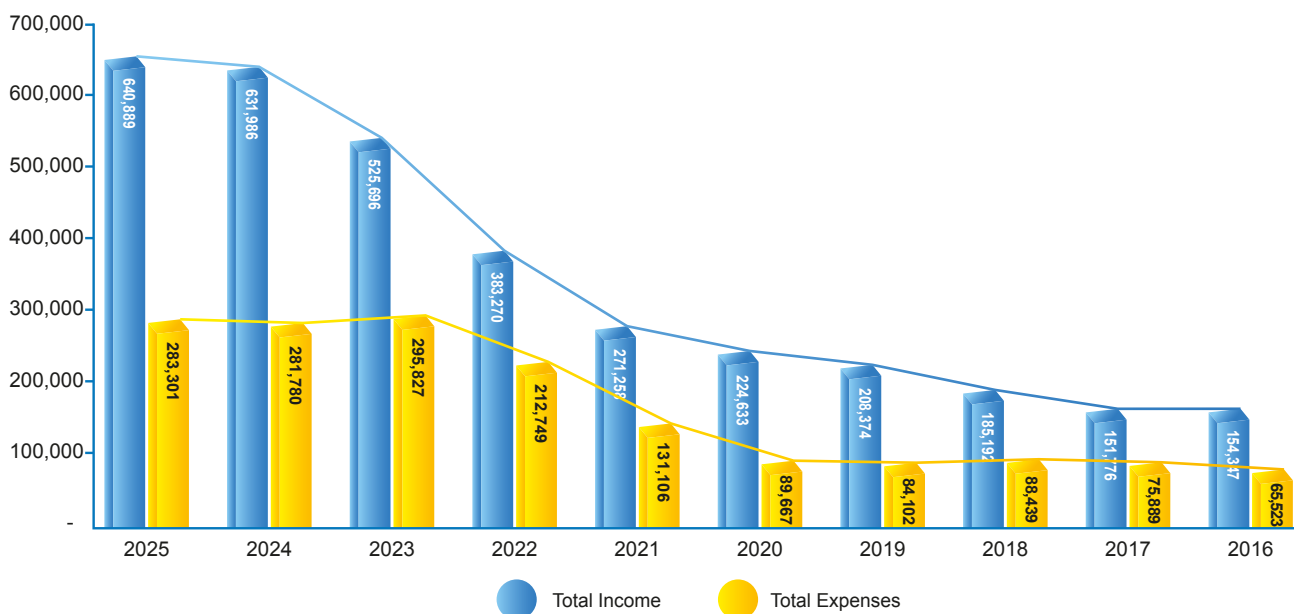
ROE %



TOTAL PREMIUM VS TOTAL CLAIMS (2016-2025)

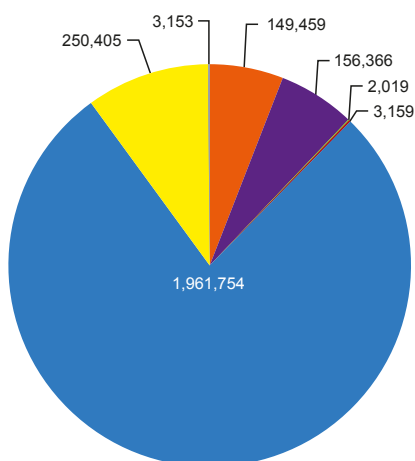


TOTAL INCOME VS TOTAL EXPENSES (2016-2025)



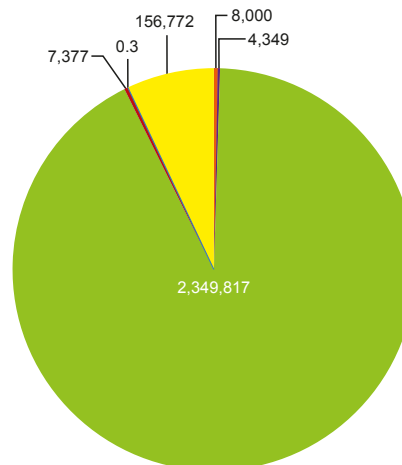
BALANCE SHEET COMPOSITION

ASSETS - 2025
(Rupees in Millions)



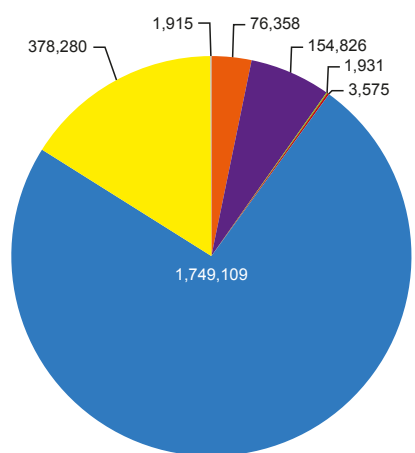
- Cash and Banks
- Loans secured against life insurance policies
- Loans to employees and field force
- Investment properties
- Investment in securities
- Current assets and others
- Fixed assets

EQUITY AND LIABILITIES - 2025
(Rupees in Millions)



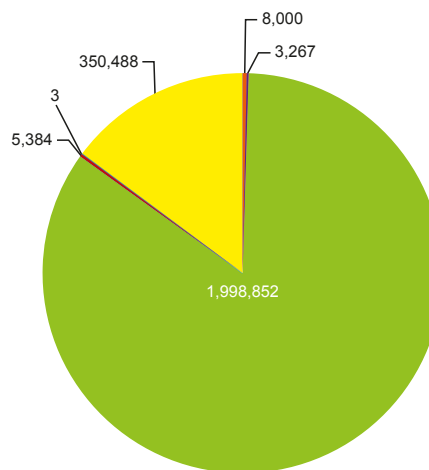
- Issued, subscribed and paid up capital
- Reserve and surplus
- Policy holders liability
- Employees retirement benefit
- Deferred capital grant
- Creditors and accruals

ASSETS - 2024
(Rupees in Millions)



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

EQUITY AND LIABILITIES - 2024
(Rupees in Millions)



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



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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 the **State Life Insurance Corporation of Pakistan ("the Corporation")** which comprise the unconsolidated statement of financial position as at December 31, 2025 and the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, 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 cash flow statement, the unconsolidated statement of changes in equity, 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 December 31, 2025 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 25.1.1 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

The 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 or 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 the 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 cash flow together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) 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 was 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 December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 19, 2026.

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



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Date: May 04, 2026

UDIN: AR202510207VtYsGdP4C



UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024
ASSETS			
Property and equipment	5	3,153,128	1,915,206
Investment properties	6	3,158,570	3,574,916
Investments in subsidiaries	7	323,618	323,618
Investments			
Equity securities	8	347,570,956	294,971,033
Government securities	9	1,549,277,422	1,334,312,555
Debt securities	10	43,207,237	30,108,018
Mutual funds	11	20,595,303	81,786,892
Fixed deposits	12	779,523	7,606,293
Loans secured against life insurance policies		156,365,739	154,825,679
Insurance / takaful / reinsurance / retakaful receivables	13	61,078,819	253,327,056
Other loans and receivables	14	135,514,182	96,719,481
Advance taxation		55,515,642	29,840,019
Deposit and prepayments	15	315,356	325,269
Cash and bank balances	16	149,459,198	76,358,238
TOTAL ASSETS		2,526,314,693	2,365,994,273
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Ordinary share capital	17	8,000,000	8,000,000
Ledger account C and D	18	54,142,720	42,115,721
Unappropriated profit		4,082,292	2,235,510
Reserves	19	267,271	1,031,761
TOTAL EQUITY		66,492,283	53,382,992
LIABILITIES			
Insurance liabilities [including policyholders' liabilities and ledger account A and B]	20	2,329,091,767	1,998,113,353
Retirement benefit obligations	21	7,376,480	5,384,405
Deferred capital grant		289	3,237
Deferred taxation	22	31,304,432	23,614,317
Premium received in advance		7,122,914	6,487,496
Insurance / takaful / reinsurance / retakaful payables	23	1,204,537	2,843,961
Other creditors and accruals	24	81,180,531	274,086,632
Provision for taxation		2,541,460	2,077,880
TOTAL LIABILITIES		2,459,822,410	2,312,611,281
TOTAL EQUITY AND LIABILITIES		2,526,314,693	2,365,994,273
CONTINGENCIES AND COMMITMENTS			
	25		

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


Saleem Zia
Chairman


Khaqan Murtaza
Director


Syed Hamid Ali
Director


Shoaib Javed Hussain
Chief Executive Officer


Muhammad Amjad
Chief Financial Officer



UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

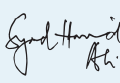
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
Gross premium / contribution revenue		289,329,389	265,268,149
Less: premium / contribution ceded to reinsurers / retakaful operators		(966,606)	(893,914)
Net premium revenue / contribution revenue	26	288,362,783	264,374,235
Investment income	27	189,279,240	169,472,259
Net realized fair value gain on financial assets	28	60,143,213	17,936,470
Net fair value gain on financial assets at fair value through profit or loss	29	54,904,231	119,700,888
Net rental income	30	1,086,301	931,648
Other income	31	47,113,642	59,570,003
		352,526,627	367,611,268
Net income		640,889,410	631,985,503
Insurance benefits		224,538,476	228,829,852
Recoveries from reinsurers		(696,437)	(523,988)
Claim related expense		23,384	22,533
Net insurance benefits	32	223,865,423	228,328,397
Net change in insurance liabilities (other than outstanding claims)		331,248,838	324,390,469
Acquisition expenses	33	36,767,447	32,436,695
Marketing and administration expenses	34	21,870,010	19,790,152
Other expenses	35	798,204	1,225,204
Total expenses		390,684,499	377,842,520
Profit before tax		26,339,488	25,814,586
Income tax expense	36	(10,230,197)	(10,063,782)
Profit for the year		16,109,291	15,750,804
Other comprehensive income		-	-
Total comprehensive income for the year		16,109,291	15,750,804
Earnings per share - Rupees	37	201.37	196.89

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


Saleem Zia
Chairman


Khaqan Murtaza
Director


Syed Hamid Ali
Director


Shoaib Javed Hussain
Chief Executive Officer


Muhammad Amjad
Chief Financial Officer



UNCONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
Operating Cash flows			
(a) Underwriting activities			
Insurance premiums received		475,431,141	193,728,399
Reinsurance premiums paid		(2,606,030)	(44,784)
Claims paid		(170,007,565)	(280,013,421)
Surrenders paid		(36,340,527)	(78,096,551)
Reinsurance and other recoveries received		1,571,032	(20,900)
Commissions paid		(27,155,369)	(23,632,706)
Other underwriting payments		(7,567,428)	(7,908,242)
Net cash flow from underwriting activities		233,325,254	(195,988,205)
(b) Other operating activities			
Income tax paid		(27,750,998)	(17,367,490)
Other operating payments		(153,152)	(574,639)
General management expense paid / adjustments		(231,150,858)	192,584,471
Loans secured against life insurance policies - advanced		(34,120,781)	(16,989,797)
Loans secured against life insurance policies - repayments received		25,257,911	25,522,122
Net cash flow used in other operating activities		(267,917,878)	183,174,667
Total cash flow from all operating activities		(34,592,624)	(12,813,538)
Investment activities			
Profit / return received		278,155,882	198,272,244
Dividends received		25,415,463	20,417,194
Rentals received		2,205,899	1,941,483
Payment for investments		(823,281,549)	(447,317,510)
Proceeds from disposal of investments		629,489,512	247,030,838
Fixed capital expenditure		(1,305,708)	(991,617)
Proceeds from sale of property and equipment		14,085	1,401
Total cash flow generated from investing activities		110,693,584	19,354,033
Financing activities			
Dividends paid		(3,000,000)	(2,500,000)
Net cash used in financing activities		(3,000,000)	(2,500,000)
Net cash flow generated from all activities		73,100,960	4,040,495
Cash and cash equivalents at the beginning of the year		76,358,238	72,317,743
Cash and cash equivalents at the end of the year	16.1	149,459,198	76,358,238
Reconciliation to statement of comprehensive income			
Operating cash flows		(34,592,624)	(12,813,538)
Depreciation expense		(329,459)	(234,638)
Investment income		347,222,448	367,611,268
Amortization/capitalization		1,069,460	848,631
Increase in assets other than cash		(150,046,460)	79,502,667
(Increase)/decrease in liabilities other than running finance		191,724,875	(89,572,851)
Change in policy holder liabilities		(331,248,833)	(324,390,469)
Change in deferred tax liabilities		(7,690,116)	(7,998,384)
Other adjustments		-	2,798,118
Profit for the year after taxation		16,109,291	15,750,804

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

 Saleem Zia Chairman	 Khaqan Murtaza Director	 Syed Hamid Ali Director	 Shoaib Javed Hussain Chief Executive Officer	 Muhammad Amjad Chief Financial Officer
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UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

	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 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	-	-	-	-	-
Transfer to General reserve	-	-	-	-	-
Transfer for the issuance of share capital	-	-	-	-	-
Balance as at 31 December 2024	<u>8,000,000</u>	<u>1,031,761</u>	<u>42,115,721</u>	<u>2,235,510</u>	<u>53,382,992</u>
Balance as at 01 January 2025	8,000,000	1,031,761	42,115,721	2,235,510	53,382,992
Dividend paid for the year 31 December 2024	-	(764,490)	-	(2,235,510)	(3,000,000)
Transferred to reserve	-	-	-	-	-
Transfer to unappropriated profit	-	-	-	-	-
Total comprehensive income for the year	-	-	-	16,109,291	16,109,291
Surplus for the year retained in statutory funds - net of tax	-	-	12,026,999	(12,026,999)	-
Capital contributed to statutory fund	-	-	-	-	-
Transferred from ledger to shareholder	-	-	-	-	-
Transferred for the issuance of share capital	-	-	-	-	-
Balance as at 31 December 2025	<u>8,000,000</u>	<u>267,271</u>	<u>54,142,720</u>	<u>4,082,292</u>	<u>66,492,283</u>

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	 Syed Hamid Ali Director	 Shoaib Javed Hussain Chief Executive Officer	 Muhammad Amjad Chief Financial Officer
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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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 35 zones for individual life business along with 11 regions, 5 zones for health business along with 3 regions, 1 zone for takaful business, 4 zones for group life business, and 1 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.
Khyber Pakhtunkhwa 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 Al 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 September 22, 2016. For the purpose of carrying on the takaful business, the Corporation has formed an Individual Family Participant Takaful Fund (IFPTF) on August 18, 2017 under the Waqf deed and 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 January 28, 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 June 24, 2015 regarding the appointment of lead manager and book runner for public offering through domestic stock exchange transaction, which was approved by the Board on August 11, 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 February 20, 2016.

The Presidential Order dated April 06, 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 September 10, 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 January 25, 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 Enterprise (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 six 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 February 09, 2017.

2.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017;
- Provisions of and directives issued under the Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019;
- Provisions of the State-Owned Enterprises (Governance and Operations) Act, 2023 (the SOE Act) and the State-Owned Enterprises Ownership and Management Policy, 2023 (the SOE Policy) and the directives issued thereunder.

In case requirements differ, the provisions of, directives and notifications issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017, shall prevail.

As required by Circular 15 of 2019 dated November 18, 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 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year:

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any significant effect on the Corporation's operations and therefore, have not been stated in these financial statements.

3.2 Standards, interpretations of and amendments to the accounting and reporting standards that are not yet effective in the current year:

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2026:

	Effective date (period beginning on or after)
- IFRS 9 - 'Financial Instruments'	January 01, 2027
- IFRS 7 - 'Financial Instruments Disclosures' (Amendments)	January 01, 2027
- IFRS 18 - 'Presentation and Disclosure in Financial Statements'	January 01, 2027
- IFRS 17 - 'Insurance Contracts'	January 01, 2027

IFRS 9 'Financial Instruments' when applicable shall replace International Accounting Standard 39: 'Financial Instruments: Recognition and Measurement' requirements related to classification, measurement, impairment, and derecognition of financial assets and financial liabilities.

IFRS 7 'Financial Instruments Disclosures' (amendments) when applicable shall cover all types of financial instruments, except those that are specifically covered by another standard.

IFRS 18 Presentation and Disclosure in Financial Statements, when applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements.

IFRS 17 - 'Insurance Contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However, the Securities and Exchange Commission of Pakistan through S.R.O. 1336 (1)/2025 has directed companies engaged in insurance and reinsurance business for application of IFRS 17 for periods beginning on or after January 1, 2027.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of the above SRO will also be required to adopt requirements of IFRS 9 from the date of transition.

The management is in the process of assessing the impact of these standards and amendments on the financial statements of the Company. There are certain other new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not detailed in these financial statements.



3.2.1 Temporary exemption from application of IFRS 9

The SECP has already notified the adoption of IFRS 9 'Financial Instruments' on companies operating in Pakistan. However, as an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the IASB for entities whose 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 Company doesn't engage in significant activities other than insurance based on historical available information. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below:

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	2025					
	Fails the SPPI Test			Passes the SPPI Test		
	Fair value	Impairment	Change in unrealized gain / loss during the year	Carrying value	Impairment	Change in unrealized gain /loss during the year
	Rupees in '000					
Investment in equity securities	347,570,957	(219,366)	56,139,412	-	-	-
Investment in government securities	-	-	-	1,549,277,422	-	-
Investment in debt securities	-	-	-	43,207,237	(7,573)	-
Investment in mutual funds	20,595,303	-	1,121,298	-	-	-
Loans secured against life insurance policies	-	-	-	156,365,739	-	-

Description	2024					
	Fails the SPPI Test			Passes the SPPI Test		
	Fair value	Impairment	Change in unrealized gain / loss during the year	Carrying value	Impairment	Change in unrealized gain /loss during the year
	Rupees in '000					
Investment in equity securities	294,971,033	(219,366)	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	-	-	-
Loans secured against life insurance policies	-	-	-	154,825,679	-	-

3.3 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 January 30, 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 January 30, 2026.

3.4 Critical accounting estimates and judgments

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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

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

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

(a) Classification of investments

In investments classified as "held to maturity", 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) 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 policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

4.1 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'.

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 six statutory funds, separately in respect of its each class of life insurance business, namely:

- Pakistan Life Fund (Other than Group);
- Group 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 other than Group

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) Group Life Fund (ordinary life)

The Group Life Fund comprises group life insurance business undertaken by the Corporation, providing coverage against death and related risks to members of various schemes and corporate clients.

Policyholders' liabilities are determined on the basis of an actuarial valuation conducted by the Appointed Actuary at the reporting date.

Premiums are recognized over the period of coverage, and claims and related expenses are recognized as incurred.

(c) Overseas Life Fund

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).

(d) 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.



(e) Accidental and Health Insurance Fund

The Health and Accident Fund comprises health and personal accident insurance business undertaken by the Corporation, including individual, group, and government-sponsored schemes.

Policyholders' liabilities are based on estimates of outstanding claims, including claims incurred but not reported (IBNR), determined at the reporting date using actuarial techniques and management judgment.

The business includes health (hospitalization coverage) and personal accident insurance. Premiums are recognized over the coverage period and claims and related expenses are recognized as incurred.

(f) 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 six statutory funds which are as follows:

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

During the year, the Corporation has segregated its life business into separate statutory funds, namely Pakistan Life Fund and Group Life Fund. Accordingly, the classification of business is presented based on these distinct funds.

The Pakistan Life Fund comprises individual life conventional business and a small portion of annuity business. Most of the new individual life conventional policies written by the Corporation contain a Discretionary Participation Feature (DPF).

The Group Life Fund consists of group life insurance business.

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 six 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 1347 area managers and 217 sector heads who are working in 35 different zones and 11 regions throughout country in addition to this there is one zone in Gulf region who is headed 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 (2024: Rs. 5 million) per policy and for group life is Rs. 5 million (2024: 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 unintimated 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 / 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 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 December 31, 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 December 31, 2025, liability for post-retirement medical benefits as computed by the appointed actuary is estimated at Rs. 5,171 million (2024: Rs. 4,178 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.

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.

4.21 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).

4.22 Related party transactions and transfer pricing

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

4.23 Cash and bank

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

4.24 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.

4.25 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.



4.26 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 six statutory funds, separately in respect of each class of life insurance business.

4.27 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.

4.28 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 nonlease 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.

4.29 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 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 Funds 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.

4.30 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.

4.31 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.



	Note	2025	2024
5 PROPERTY AND EQUIPMENT		----- (Rupees in '000) -----	
Operating assets	5.1	2,561,998	1,898,905
Capital work in progress	5.4	591,130	16,301
		<u>3,153,128</u>	<u>1,915,206</u>

5.1 Operating assets

	2025									
Description	Cost				Depreciation					
	As at January 01, 2025	Additions / (disposals)	Adjustment	Transfer from Investment Property / Capital work in progress	As at December 31, 2025	As at January 01, 2025	For the year/ (disposal)	Transfer from Investment Property	As at December 31, 2025	Written down value as at December 31, 2025
	Rupees in '000									
Building, roads and structure	810,051	11,702		522,688	1,344,441	192,361	12,377	73,938	278,676	1,065,765
Electric installation and fittings	876,329	111,599 (778)			987,150	709,055	54,146 (273)		762,928	224,222
Furniture and fixtures	968,416	256,592 (135)			1,224,873	561,751	65,984 (25)		627,710	597,163
Office equipment	376,211	122,605 (8,081)			490,735	224,710	34,435 (4,585)		254,560	236,175
Computer installations-basic	1,408,061	80,926 (2,658)			1,486,329	998,933	164,095 (384)		1,162,644	323,685
Computer installations-peripherals	113,365	12,665			126,030	94,441	10,175 -		104,616	21,414
Vehicles	366,125	69 (2,433)			363,761	238,402	31,898 (113)		270,187	93,574
	4,918,558	596,158 (14,085)	-	522,688	6,023,319	3,019,653	373,110 (5,380)	73,938	3,461,321	2,561,998
	2024									
Description	Cost				Depreciation					
	As at January 01, 2024	Additions / (disposals)	Adjustment	Transfer from Investment Property / Capital work in progress	As at December 31, 2024	As at January 01, 2024	For the year/ (disposal)	Transfer from Investment Property	As at December 31, 2024	Written down value as at December 31, 2024
	Rupees in '000									
Building, roads and structure	738,773	71,278	-	-	810,051	181,102	11,259	-	192,361	617,690
Electric installation and fittings	822,571	55,561 (1,803)	-	-	876,329	662,577	48,251 (1,773)	-	709,055	167,274
Furniture and fixtures	810,859	160,811 (3,254)	-	-	968,416	515,123	49,750 (3,122)	-	561,751	406,665
Office equipment	301,363	75,910 (1,062)	-	-	376,211	198,717	26,459 (466)	-	224,710	151,501
Computer installations-basic	1,068,791	340,846 (1,576)	-	-	1,408,061	899,256	101,029 (1,352)	-	998,933	409,128
Computer installations-peripherals	103,465	10,570 (670)	-	-	113,365	88,311	6,799 (669)	-	94,441	18,924
Vehicles	306,139	65,771 (5,785)	-	-	366,125	209,566	29,318 (482)	-	238,402	127,723
	4,151,961	780,747 (14,150)	-	0	4,918,558	2,754,652	272,865 (7,864)	-	3,019,653	1,898,905



5.2 Assets with zero value

Description of Assets	2025			2024		
	Cost	Net book value	No. of item	Cost	Net book value	No. of item
	Rupees in '000			Rupees in '000		
Electric installation and fittings	114,756	-	7,336	102,650	-	3,979
Furniture and fixture	306,500	-	46,185	295,736	-	32,610
Office equipment	130,759	-	8,909	124,828	-	6,828
Computer installation - basic	485,396	-	9,166	858,442	-	9,955
Computer installation - peripheral	64,903	-	9,471	84,290	-	1,831
Vehicles	130,154	-	146	202,999	-	216
	1,232,468	-	81,213	1,668,945	-	55,419

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

5.4 Capital work in progress

	Note	2025	2024
		(Rupees in '000)	
Opening balance		16,301	18,112
Less: Provision for impairment		-	(1,811)
Additions		574,829	-
Transfer to investment properties		-	-
Transfer to property and equipment		-	-
Closing balance		591,130	16,301

6 INVESTMENT PROPERTIES

Investment properties	6.1	3,161,512	3,577,807
Less: Provision for impairment	6.5	(2,942)	(2,891)
		3,158,570	3,574,916

6.1 Investment properties

2025												
Description	Cost				Depreciation				Written down value as at 31 December 2025	Depreciation Rate (%)		
	As at 01 January	Additions / (disposals)	Transfer/ Adjustments	As at 31 December	As at 01 January	For the year	Transfer/ Adjustments	As at 31 December				
	Rupees in '000											
Freehold land	275,868		(343)	275,525	-	-	-	-	275,525	-		
Leasehold land	332,697		(8,069)	324,628	132,675	3,854	(3,753)	132,776	191,852	1 to 5		
Building, roads and structure	3,102,744	100,630	(514,276)	2,689,098	488,568	28,640	(70,185)	447,023	2,242,075	1 to 5		
Electric installation and fittings	1,825,400	28,715	-	1,854,115	1,337,659	64,396		1,402,055	452,060	10		
	5,536,709	129,345	(522,688)	5,143,366	1,958,902	96,890	(73,938)	1,981,854	3,161,512			
2024												
Description	Cost				Depreciation				Written down value as at 31 December 2025	Depreciation Rate (%)		
	As at 01 January	Additions / (disposals)	Transfer/ Adjustments	As at 31 December	As at 01 January	For the year	Transfer/ Adjustments	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			



- 6.2** The market and forced sale values of the investment properties owned by the Corporation, as determined by independent valuers (KGT (Private) Limited), amounted to Rs. 146,496 million and Rs. 124,522 million respectively as at December 31, 2025 (2024: Rs. 140,240 million and Rs. 119,224 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 November 01, 1972 and have been transferred in the name of the Corporation. The title deeds 13 buildings / plots (2024: 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** Other than the properties disclosed in note 6.3 above, the corporation has 7 investment properties costing Rs. 34.114 million (2024: Rs. 33.134 million) that are under encroachment and subject to pending legal proceedings. Management does not expect any material financial loss beyond existing provisions.
- 6.5** There are properties costing Rs. 5.123 million (2024: Rs. 4.532 million) having written down value of Rs. 3.432 million (2024: Rs. 2.891 million) to which the Corporation's title is disputed. Against this, a provision of Rs. 2.942 million (2024: Rs.2.891 million) exists.
- 6.6** The investment properties also include Rs. 25.8 million (2024: Rs. 25.8 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	2025	2024
			----- (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

2025	2024	Face value Rs.	Company Name		
----- Number of shares -----					
47,547,843	47,547,843	10	Alpha Insurance Company Limited	298,918	298,918
			Equity held 95.15% (2024:95.15%)		
414,916	414,916	10	State Life (Lakie Road) Properties (Private) Limited	12,910	12,910
			Equity held 100% (2024:100%)		
779,500	779,500	10	State Life (Abdullah Haroon Road) Properties (Private) Limited	26,182	26,182
	-		Equity held 100% (2024:100%)		
				338,010	338,010



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

Name	2025						
	Country of Incorporation	Assets	Liabilities	Break up value per share	Revenues	Profit / (loss)	Interest held (%)
	Rupees in '000						
Alpha Insurance Company Limited	Pakistan	2,026,740	1,190,794	16.72	329,146	22,467	95.15%
State Life (Lakie Road) Properties (Private) Limited	Pakistan	2,846	10,453	(9.76)	242	(503)	100%
State Life (Abdullah Haroon Road) Properties (Private) Limited	Pakistan	148,974	16,949	318.20	12,410	11,230	100%
Total at the end of 2025		2,178,560	1,218,196		341,798	33,194	
	2024						
	Country of Incorporation	Assets	Liabilities	Break up value per share	Revenues	Profit / (loss)	Interest held (%)
	Rupees in '000						
Alpha Insurance Company Limited (Restated)	Pakistan	1,744,730	917,874	16.54	369,971	38,598	95.15%
State Life (Lakie Road) Properties (Private) Limited	Pakistan	2,899	9,669	(8.68)	121	(5)	100%
State Life (Abdullah Haroon Road) Properties (Private) Limited	Pakistan	125,653	10,973	276.39	11,491	10,216	100%
Total at the end of 2024		1,873,281	938,517		381,583	48,809	

8 INVESTMENTS IN EQUITY SECURITIES

	Note	2025			2024		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		----- Rupees in '000 -----			----- Rupees in '000 -----		
FAIR VALUE THROUGH PROFIT OR LOSS							
(Designated - upon initial recognition)							
Related parties							
Listed shares	8.1	9,239,442	-	98,056,553	4,687,403	-	54,996,101
Unlisted shares		-	-	-	5,000	(4,649)	351
Others							
Listed shares	8.2	95,026,739	-	249,443,705	102,283,533	-	239,906,130
Unlisted shares	8.3	284,425	(215,623)	68,802	279,425	(210,974)	68,451
Unlisted preference shares		5,639	(3,743)	1,897	3,743	(3,743)	-
		104,556,245	(219,366)	347,570,956	107,259,104	(219,366)	294,971,033

- 8.1** This includes carrying value of Pakistan Reinsurance Company Limited (associated company) amounting to Rs. 4,523 million (2024: Rs. 3,451 million).
- 8.2** This includes 653,995 shares (2024: 653,995) owned by Corporation in National Bank of Pakistan on behalf of Life Insurance Corporation of India (LICI) which has a carrying value of Rs. 158.38 million (2024: Rs.43.77 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 in Rupees
Peoples Steels Mills Limited	Mr. Aqeel Ahmed	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 GOVERNMENT SECURITIES

HELD TO MATURITY	2025					2024	
	Maturity Year	Effective Yield (%)	Amortized Cost	Principal Payment	Carrying Value	Effective Yield (%)	Carrying Value
	----- Rupees in '000 -----					Rupees in '000	
Pakistan Investment Bond							
3 year Pakistan Investment Bonds	2025 - 2026	12.38% - 13.04%	29,702,617	30,125,000	29,702,617	13.92% - 21.00%	241,513,680
5 year Pakistan Investment Bonds	2025 -2027	13.32% - 13.37%	38,439,061	40,500,000	38,439,061	9.12% - 13.37%	147,099,643
10 year Pakistan Investment Bonds	2026 - 2035	7.50% - 16.50%	1,022,413,362	1,058,779,500	1,022,413,362	7.50% - 19.08%	502,948,249
15 year Pakistan Investment Bonds	2026 -2040	8.05% - 12.70%	293,096,208	1,085,353,700	293,096,208	8.05% - 10.46%	114,075,921
20 year Pakistan Investment Bonds	2026 - 2039	9.72% - 16.50%	69,419,657	68,041,300	69,419,657	9.72% - 16.50%	69,303,270
30 year Pakistan Investment Bonds	2036 - 2038	11.52% - 16.23%	37,963,877	40,050,000	37,963,877	11.51% - 16.22%	37,942,489
			<u>1,491,034,782</u>	<u>2,322,849,500</u>	<u>1,491,034,782</u>		<u>1,112,883,252</u>
Sukuk Bonds - Takaful Fund	2025 - 2028	10.40% - 12.49%	5,538,767	5,019,900	5,538,767	8.51% - 19.20%	2,166,645
Islamic Republic of Pakistan Bond	2025 - 2036	14.50% - 18.68%	2,456,539	2,386,035	2,456,539	14.50% - 18.68%	8,331,676
Treasury Bills							
6 month Pakistan Treasury Bills	2026	10.90%	50,247,334	52,000,000	50,247,334	11.13% - 13.79%	210,930,982
			<u>1,549,277,422</u>	<u>2,382,255,435</u>	<u>1,549,277,422</u>		<u>1,334,312,555</u>

- 9.1** Government securities include Rs.1,246.5 million (2024: Rs.501.5 million) placed with the State Bank of Pakistan, in accordance with Section 29 of the Insurance Ordinance, 2000.
- 9.2** Market value of government securities carried at amortized cost amounted to Rs. 1,598,607 million (2024: Rs.1,307,949 million), which has been done based on PKRV valuation technique taken by MUFAP.

10 INVESTMENTS IN DEBT SECURITIES

		2025			2024		
	Note	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		----- Rupees in '000 -----			----- Rupees in '000 -----		
HELD TO MATURITY - OTHERS							
Debentures	10.1	7,573	(7,573)	-	7,573	(7,573)	-
Foreign fixed income securities	10.2	-	-	-	28,322,365	-	28,322,365
FAIR VALUE THROUGH PROFIT OR LOSS							
Foreign fixed income securities	10.2	43,207,237	-	43,207,237	1,785,653	-	1,785,653
		43,214,810	(7,573)	43,207,237	30,115,591	(7,573)	30,108,018



10.1 Debentures include an amount of Rs. 7.573 million (2024: 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 (2024: Rs. 0.678 million). The Corporation had made full provision against these debentures.

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

11 INVESTMENTS IN MUTUAL FUNDS

INVESTMENTS IN MUTUAL FUNDS		2025			2024		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	Note	Rupees in '000			Rupees in '000		
FAIR VALUE THROUGH PROFIT OR LOSS							
Listed - Others							
Open and close ended mutual fund	11.1	8,606,840	-	14,688,246	68,047,446	-	77,515,708
Unlisted - Others							
Close ended mutual fund	11.2	594,190	-	5,907,057	594,190	-	4,271,184
		9,201,030	-	20,595,303	68,641,636	-	81,786,892

11.1 Open and close ended mutual funds

	2025			2024		
	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
	Rupees in '000			Rupees in '000		
Open ended mutual funds - Pakistan Life Fund						
National Investment Trust Units	14,611,875	430,413	2,451,142	75,996,262	2,304,969	10,662,276
Pak Capital Market Fund	-	-	-	137,662	373	3,088
NIT Government Bond Fund	-	-	-	28,278,954	300,000	311,173
NIT Income Fund	-	-	-	9,831,295	100,000	109,712
NIT Islamic Equity Fund	-	-	-	27,397,784	200,000	444,666
HBL Growth Fund"B"(PICIC Growth Fund)	-	-	-	12,384,663	-	422,317
HBL Investment Fund -Class"B"	-	-	-	1,793,173	-	28,686
HBL Money Market Fund	-	-	-	24,082,117	2,686,000	2,704,422
Al Meezan Mutual Fund	10,367,396	39,311	532,892	10,288,351	39,311	382,765
MCB Pakistan Stock Market Fund	2,335,836	599,946	848,438	36,758	962	8,351
JS Growth Fund	-	-	-	284,744	19,867	102,186
HBL Growth Fund"A"(PICIC Growth Fund)	-	-	-	12,024,904	243,312	137,445
HBL Investment Fund-Class"A"	-	-	-	1,607,710	23,653	6,736
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	341,997
Atlas Money Market Fund	-	-	-	4,471,408	2,495,000	2,495,001



Open ended mutual funds - Pakistan Life Fund	2025			2024		
	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
	Rupees in '000			Rupees in '000		
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
NBP Stock Fund	48,389,394	1,446,940	2,210,718	-	-	-
Lakson Equity Fund	649,420	158,898	220,433	-	-	-
ABL Stock Fund	11,696,182	329,232	457,991	-	-	-
UBL Financial Sector Fund	484,564	98,548	168,220	-	-	-
UBL Stock Advantage Fund	5,522,151	1,059,063	1,521,132	-	-	-
Atlas Stock Market Fund	1,047,481	1,584,028	2,281,411	-	-	-
Atlas Islamic Stock Fund	284,236	360,807	467,592	-	-	-
Al Habib Islamic Stock Fund	3,330,259	455,339	614,429	-	-	-
AL Habib Stock Fund	2,351,297	281,818	421,642	-	-	-
Al-Ameen Islamic Energy Fund	1,102,251	284,262	382,626	-	-	-
Al-Ameen Shariah Stock Fund	2,718,839	964,204	1,396,586	-	-	-
Golden Arrow Stock Fund	4,667,177	136,443	178,632	-	-	-
Alfalah GHP Alpha Fund	1,098,041	91,401	130,824	-	-	-
Alfalah GHP Stock Fund	1,960,075	286,187	403,539	-	-	-
	8,606,840	14,688,246		68,047,447	77,515,708	

11.2 Close ended mutual funds - Pakistan Life Fund

Open ended mutual funds - Pakistan Life Fund	2025			2024		
	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
	Rupees in '000			Rupees in '000		
NIT Equity Market Opportunity Fund	10,179,666	594,190	5,907,057	10,179,666	594,190	4,271,184



12 INVESTMENT IN FIXED DEPOSITS		Note	2025	2024
			----- (Rupees in '000) -----	
Deposits maturing within 12 months		12.1	<u>779,523</u>	<u>7,606,293</u>
12.1 These carry mark-up ranging from 3.92% to 6.80% (2024: 3.92% to 6.80%) per annum on outstanding balances.				
13 INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL RECEIVABLES				
Unsecured and considered good				
Due from insurance contract holders			60,067,618	251,441,260
Less: provision for impairment of receivables from insurance contract holders			-	-
Due from other insurers / reinsurers / retakaful			1,011,201	1,885,796
Less: provision for impairment of due from other insurers / reinsurers			-	-
			<u>61,078,819</u>	<u>253,327,056</u>
14 OTHER LOANS AND RECEIVABLES				
Accrued investment income			98,108,789	73,839,601
Accrued profit on bank deposits			993,536	1,464,032
Loans to agents			105,711	101,766
Loans to employees	14.1		1,913,303	1,828,814
Advance to contractors			590,128	342,882
Other receivables			33,300,327	18,589,999
Deposit against bank guarantee			502,387	552,387
			<u>135,514,182</u>	<u>96,719,481</u>
14.1 This includes unsecured, interest-free short-term loans to employees amounting to Rs.573.825 million (2024: Rs. 572.335 million). It also includes secured employee loans of Rs.1,338.203 million (2024: Rs.1,256.204 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.				
15 DEPOSIT AND PREPAYMENTS				
Security deposit			100,000	100,385
Prepayments			215,356	224,884
			<u>315,356</u>	<u>325,269</u>
16 CASH AND BANK BALANCES				
- Cash in hand			59,207	50,412
- Policy and revenue stamps, bond papers			14,038	8,072
Cash at bank				
- Savings accounts	16.1		130,741,748	56,831,894
- Current accounts			18,644,204	19,467,860
			<u>149,459,198</u>	<u>76,358,238</u>
16.1 These carry mark-up ranging from 9% to 12.48% (2024: 9% to 12.78%) per annum on outstanding balances.				
17 ORDINARY SHARE CAPITAL				
17.1 AUTHORIZED SHARE CAPITAL				
2025	2024		2025	2024
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>
17.2 Issued, subscribed and paid up share capital				
2025	2024			
Number of shares				
<u>80,000,000</u>	<u>80,000,000</u>	Ordinary shares of Rs. 100 each fully paid in cash	<u>8,000,000</u>	<u>8,000,000</u>



18 LEDGER ACCOUNT C AND D

Note	2025	2024
	----- (Rupees in '000) -----	
Opening balance	65,730,037	44,216,359
Change in solvency margin through statement of comprehensive income	19,717,115	21,513,678
	<u>85,447,152</u>	<u>65,730,037</u>
Related deferred tax liability on:		
Opening balance	(23,614,316)	(15,615,932)
Charge to statement of comprehensive income	7,690,116	(7,998,384)
Closing balance	<u>31,304,432</u>	<u>(23,614,316)</u>
Net of tax	<u>54,142,720</u>	<u>42,115,721</u>

19 RESERVES**Revenue reserves**

General reserve	<u>267,271</u>	<u>1,031,761</u>
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20 INSURANCE LIABILITIES

Reported outstanding claims (including claims in payment)	20.1	64,721,627	64,992,051
Incurred but not reported claims	20.2	15,429,664	11,309,944
Investment component of unit-linked and account value policies	20.3	3,787,238	1,963,409
Liabilities under individual conventional insurance contracts	20.4	2,230,445,299	1,905,429,231
Liabilities under group insurance contracts (other than investment linked)	20.5	10,558,077	10,872,336
Other insurance liabilities (premium deficiency reserve)	20.6	4,149,862	3,546,382
		<u>2,329,091,767</u>	<u>1,998,113,353</u>

20.1 Reported outstanding claims (including claims in payment)**Gross of Reinsurance**

Payable within one year	64,721,627	64,992,051
Payable over a period of time exceeding one year	-	-
	<u>64,721,627</u>	<u>64,992,051</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>64,721,627</u>	<u>64,992,051</u>

20.2 Incurred but not reported claims

Gross of reinsurance	15,429,664	11,309,944
Reinsurance recoveries	-	-
Net of reinsurance	<u>15,429,664</u>	<u>11,309,944</u>

20.3 Investment component of unit-linked and account value policies

Investment component of unit-linked policies	<u>3,787,238</u>	<u>1,963,409</u>
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20.4 Liabilities under individual conventional insurance contracts

Gross of reinsurance	2,232,179,814	1,906,916,958
Reinsurance credit	(1,734,515)	(1,487,727)
Net of reinsurance	<u>2,230,445,299</u>	<u>1,905,429,231</u>

20.5 Liabilities under group insurance contracts (other than investment linked)

Gross of reinsurance	11,209,108	10,872,336
Reinsurance credit	(651,031)	-
Net of reinsurance	<u>10,558,077</u>	<u>10,872,336</u>



20.6 Other insurance liabilities (premium deficiency reserve)

	2025	2024
	----- (Rupees in '000) -----	
Gross of reinsurance	4,343,816	3,651,193
Reinsurance recoveries	(193,954)	(104,811)
Net of reinsurance	4,149,862	3,546,382

21 RETIREMENT BENEFIT OBLIGATIONS

Post retirement benefits	4,733,360	2,897,207
Accumulated compensation absences	2,643,120	2,487,198
	7,376,480	5,384,405

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 December 31, 2025, 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:

21.1 Post retirement benefits

	Employees' Pension Fund		Officers Gratuity Fund		Employees' PRMB Scheme	
	2025	2024	2025	2024	2025	2024
	----- Rupees in '000 -----					
Balance Sheet Reconciliation						
Fair value of plan assets	45,726,263	40,446,255	5,319	16,668	-	-
Present value of defined benefit obligations	(45,294,312)	(39,172,740)	-	(9,076)	(5,170,629)	(4,178,313)
Recognized liability	431,951	1,273,515	5,319	7,592	(5,170,629)	(4,178,313)
Movement in the fair value of plan assets						
Fair value as at 01 January	40,446,254	30,859,384	16,669	23,476	-	-
Expected return on plan assets	4,825,665	4,646,725	1,464	2,875	-	-
Actuarial gain / (loss)	1,662,752	3,449,588	(634)	810	-	-
Employer contributions	(1,208,408)	1,490,557	(1,099)	(9,298)	-	-
Benefits paid	-	-	(11,081)	(1,194)	-	-
Fair value as at 31 December	45,726,263	40,446,254	5,319	16,669	-	-
Movement in the defined benefit obligations						
Obligation as at 01 January	39,172,741	32,290,269	9,076	17,218	4,178,313	3,500,123
Current service cost	1,085,550	843,655	116	334	157,338	129,632
Interest cost	4,686,460	4,873,698	540	1,930	506,138	532,351
Actuarial gain / (loss)	2,933,079	3,580,814	(914)	(893)	604,115	183,036
Benefits paid	(2,583,517)	(2,415,694)	(8,818)	(9,512)	(275,275)	(166,829)
Obligation as at 31 December	45,294,312	39,172,741	-	9,076	5,170,629	4,178,313
Cost						
Current service cost	1,085,550	843,655	116	334	157,338	129,632
Interest cost	4,686,460	4,873,698	540	1,930	506,138	532,351
Expected return on plan assets	(4,825,665)	(4,646,725)	(1,464)	(2,875)	-	-
Recognition of actuarial loss	1,270,327	131,226	(280)	(1,703)	604,115	183,036
Expense	2,216,671	1,201,854	(1,088)	(2,314)	1,267,591	845,019
Actual return on plan assets	6,488,417	8,096,313	830	3,685	-	-
Principal actuarial assumptions used are as follows:						
Discount rate and expected return on plan assets	11.00%	12.25%	11.00%	12.25%	11.00%	12.25%
Salary increase rate	10.00%	10.25%	10.00%	10.25%	10.00%	10.25%
Pension increase rate	6.25%	7.50%	-	-	-	-



Mortality rates

	SLIC (2001-05)-1					
	Employees' Pension Fund		Officers Gratuity Fund		Employees' PRMB Scheme	
Maturity profile of the defined benefit obligation	2025	2024	2025	2024	2025	2024
	Rupees in '000					
Weighted average duration	8.96	8.75	-	0.45	9.38	8.72
Distribution of timing of benefit payments (time in years)						
1	3,221,895	2,971,882	-	9,733	274,892	253,252
2	3,427,064	3,077,623	-	-	295,479	271,356
3	3,986,972	3,290,335	-	-	351,515	313,444
4	4,771,054	3,978,207	-	-	426,475	365,678
5	4,759,522	4,551,142	-	-	505,916	433,892
6-10	27,095,111	25,501,875	-	-	3,636,028	3,200,258
Comparison for five years:	2025	2024	2023	2022	2021	
As at 31 December	Rupees in '000					
Fair value of plan assets	(45,731,582)	(40,462,923)	(30,882,861)	(27,670,511)	(27,150,514)	
Benefit obligations	50,464,942	43,360,130	35,807,610	31,869,174	31,553,841	
Arrears	-	-	-	-	36,747	
Deficit	4,733,360	2,897,207	4,924,749	4,198,662	4,440,074	
Experience adjustments						
Loss on plan assets (as percentage of plan assets)	-10%	-7%	-16%	-15%	-16%	
Loss on benefit obligations (as percentage of benefit obligations)	9%	7%	14%	13%	14%	

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

	Employees' Pension Fund		Officers Gratuity Fund		Employees' PRMB Scheme	
	2025	2024	2025	2024	2025	2024
Impact on the defined benefit obligation						
Increase in assumption of discount rate	41,237,580	35,743,444	-	9,036	4,685,849	3,814,171
Decrease in assumption of discount rate	50,139,508	43,250,621	-	9,117	5,741,856	4,603,357
Increase in assumption of long term salary increase	46,663,583	40,079,488	-	-	5,407,943	4,348,031
Decrease in assumption of long term salary increase	44,043,131	38,339,003	-	-	4,955,192	4,024,204
Increase in assumption of pension increase rate	48,410,347	41,906,212	-	-	-	-
Decrease in assumption of pension increase rate	42,603,180	36,807,524	-	-	-	-
Expected contribution for the year.	2026		2026		2026	
Current services cost	1,357,021		-		206,359	
Interest income / (cost) - net	(24,138)		-		565,098	
	1,332,884		-		771,457	
	Employees' Pension Fund		Officers Gratuity Fund		Employees' PRMB Scheme	
	2026		2026		2026	
Profit & loss cost for the following year ending 2026						
1. Service cost						
i) Current service cost		1,357,021		-		206,359
ii) Past service cost		-		-		-
iii) Total service cost		1,357,021		-		206,359
2. Net interest cost						
i) Interest cost on defined benefit obligation		4,882,482		-		565,098
ii) Interest income on plan assets		4,906,619		-		-
iii) Net interest cost		24,138		-		565,098
3. Cost to be recognized in P&L for the year 2026		1,332,884		-		771,457

Risk associated with the Scheme:

(a) **Final salary risk:** (linked to inflation risk) - the risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

(b) Demographic risks

i- **Mortality risk** - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

ii- **Withdrawal risk** - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.



Plan assets comprise of the following:

	Employees' Pension Fund				Officers Gratuity Fund			
	2025 Rs. in '000	%	2024 Rs. in '000	%	2025 Rs. in '000	2024 %	2025 Rs. in '000	2024 %
Equity	-	-	-	-	-	-	-	-
Debt	44,612,283	98%	38,529,202	95%	-	-	-	-
Others (including cash and bank balances)	1,113,981	2%	1,917,053	5%	5,319	100%	16,668	100%
	45,726,264	100%	40,446,255	100%	5,319	100%	16,668	100%

21.2 Accumulated compensation absences movement in payable

	2025	2024
	----- (Rupees in '000) -----	
Opening balance	2,487,198	2,179,000
Addition during the year	155,922	308,198
Closing balance of compensated absences	2,643,120	2,487,198

22 DEFERRED TAXATION

Deferred tax credit arising in respect of:

On retained balance on Ledger Account D		31,304,432	23,614,317
	Balance as at 01 January 2025	Recognised in the statement of comprehensive income	Balance as at 31 December 2025

Deferred credit arising in respect of:

- on retained balance on Ledger Account D	23,614,317	7,690,115	31,304,432
	Balance as at 01 January 2024	Recognised in the statement of comprehensive income	Balance as at 31 December 2024

Deferred credit arising in respect of:

- on retained balance on Ledger Account D	15,615,932	7,998,384	23,614,317
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23 INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL PAYABLES

Note	2025	2024
	----- (Rupees in '000) -----	
Due to other insurers / reinsurers	1,204,537	2,843,961

24 OTHER CREDITORS AND ACCRUALS

Agents commission payable		10,799,566	8,754,916
Accrued expenses		15,532,648	21,479,308
Profit commission payable to Bureau of Emigration & Overseas Employment	24.1	10,010,530	8,643,141
Payable to PHIMC	24.2	10,319	16,274,469
Experience refund payable		6,510,482	200,347,222
Other liabilities		38,316,986	18,587,576
		81,180,531	274,086,632

24.1 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.

24.2 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).



25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 According to the Sindh Sales Tax on Services Act, 2011, sales tax is applicable on insurance premium written within the Province of Sindh. Similarly, the revenue authorities of Punjab, Balochistan and Khyber Pakhtunkhwa have introduced sales tax on insurance premium effective from July 03, 2015, November 01, 2018 and 2021, respectively.

The applicability of sales tax on life and health insurance premiums remains a disputed matter across the insurance industry. The industry's position is that insurance contracts represent financial arrangements contingent upon the occurrence of specified events and do not constitute provision of taxable services. Based on this position, the Insurance Association of Pakistan (IAP), along with various insurance companies including the Corporation, has filed constitutional petitions before the Honourable High Courts of Sindh, Lahore, and Peshawar.

The details of key petitions are as follows:

High Court, Karachi (Sindh): C.P. No. D-7677/2019 (Life Insurance Premium)
Supreme Court of Pakistan: CPLA No. 1101/2025 (appeal against Sindh High Court judgment)
High Court, Lahore (Punjab): W.P. No. 55421/2019 (Life & Health Insurance Premium)
High Court, Karachi (Sindh): C.P. No. D-4318/2023 (Health Insurance Premium)
High Court, Peshawar (Khyber Pakhtunkhwa): W.P. No. 3521/2023 (Life Insurance Premium)

In respect of Balochistan Revenue Authority, no demand or notice has been received by the Corporation to date; accordingly, no petition has been filed in this jurisdiction.

During the year, the Honourable High Court of Sindh, in its judgement dated January 14, 2025, dismissed the petition on procedural grounds and referred the matter to the Sindh Revenue Board. Subsequently, the IAP has filed a petition for leave to appeal before the Honourable Supreme Court of Pakistan, which is currently pending adjudication.

The Writ Petition No. 55421/2019 in the Honourable High Courts of Lahore and Peshawar are also pending adjudication. In the case of Balochistan, no formal proceedings have been initiated as no demand or notice has been received by the Corporation to date.

Furthermore, subsequent to the year, dated January 27, 2026 the Punjab Revenue Authority issued a show cause notice raising a demand of Rs. 15,568 million. The Corporation, through the IAP, has challenged the same and filed a contempt petition No. 8119/2026, which is pending adjudication before the Honourable High Court of Lahore.

Based on the opinion of legal advisors and the current status of litigation, the management believes that the matter will be resolved favourably. Accordingly, no provision has been recognised in these financial statements.

However, the Corporation has determined the estimated aggregate exposure in respect of the above matter amounting to Rs. 13,672 million (2024: Rs. 10,674 million), calculated on the basis of risk premium and excluding the investment component of the policies. In the event of an unfavourable outcome, the management expects that the financial impact will be recoverable from policyholders.

25.1.2 The Corporation has been involved in various tax litigations relating to the applicability of turnover tax and minimum tax under the Income Tax Ordinance, 2001.

In respect of assessment years 1992-1993 to 1995-1996, the Inland Revenue Department contended that the tax payable under the Fourth Schedule to the repealed Income Tax Ordinance, 1979 was less than the turnover tax and, accordingly, additional tax was payable. The Corporation challenged this position before the Honourable High Court of Sindh, which decided the matter against the Corporation vide its judgement dated November 24, 2020.

Subsequently, the Corporation filed petitions before the Honourable Supreme Court of Pakistan, which were disposed of with directions to refer the matter to the Alternative Dispute Resolution Committee (ADRC) under section 134A of the Income Tax Ordinance, 2001. The ADRC has since deliberated on the matter and determined in its meeting dated June 17, 2025 that turnover tax is applicable, resulting in a demand of Rs. 681.6 million. Being aggrieved with decision, the Corporation filed Constitutional Petition CPLA D-29/2026 in the Hon'ble High Court, Karachi (Sindh) in respect of denial of access to the Courts or any other appellate forum under section 134A of the Income Tax Ordinance, 2001, which is violation of fundamental right of tax payer to seek judicial determination of its legal rights and obligations in line with the private institutions.



Further, for tax years 2018 to 2023, the Inland Revenue authorities issued notices under section 122(9) of the Income Tax Ordinance, 2001, asserting that the tax paid by the Corporation under the Fourth Schedule was less than 1.25% of its gross turnover and, accordingly, minimum tax under section 113 (turnover tax) was applicable. The Corporation contested these proceedings on the grounds that, in terms of section 99 of the Ordinance, taxation of insurance business is governed by the Fourth Schedule, under which taxable income is determined based on shareholders' surplus, while amounts attributable to policyholders are either deductible or not subject to tax. Accordingly, levy of minimum tax on gross turnover is inconsistent with the statutory framework applicable to life insurance business.

Subsequent to replies, the Additional Commissioner raised a demand of Rs. 14,293 million, which was upheld by the Commissioner (Appeals). The matter was taken to the Alternate Dispute Resolution Committee (ADRC), which confirmed applicability of section 113 but ruled that 97.5% of investment and interest income elements are not included in turnover. Pursuant to this, the Corporation paid Rs. 8,685 million under protest. After the ADRC's order contained material errors and no reconstitution was made, the Corporation filed a Constitutional Petition (CPLA D-29/2026) before the Hon'ble High Court, Karachi (Sindh), challenging denial of access to appellate forum under section 134A. Separately, notices for tax years 2003 to 2017 have also been issued after FBR condoned time limits under section 214A.

In addition, notices under sections 122(5A) and 122(9) dated April 14, 2025 were issued for tax years 2003 to 2008 and 2010 to 2017, following condonation of time limits by the Federal Board of Revenue (FBR) vide order dated March 20, 2025 issued under section 214A of the Ordinance. The Corporation filed replies; however, the Additional Commissioner passed orders under section 122(5A) and raised tax demands under section 137(2) on May 30, 2025. Subsequently, recovery proceedings were initiated through notices under section 138(3A) on June 18, 2025, and the Corporation's bank accounts were attached for an amount of Rs. 4,909.36 million. The Corporation filed an application before the Alternative Dispute Resolution Committee (ADRC) on the same date. Thereafter, the Commissioner Inland Revenue remanded the matter for de novo consideration on July 01, 2025. The Inland Revenue authorities have since approached the FBR for fresh condonation of time for the relevant tax years, and the matter remains under process. The Corporation has also filed a Constitutional Petition (C.P. No. D-6205/2025) before the Honourable High Court of Sindh challenging the legality of condonation of time-barred assessments. The Honourable High Court, vide order dated December 23, 2025, has granted interim relief and restrained the FBR from passing any adverse order. The matter is currently pending adjudication.

Moreover, for tax year 2024, the tax authorities have raised additional demands on account of turnover tax and certain disallowances. The Corporation has obtained a stay order from the Honourable High Court of Sindh against recovery and has also referred the matter to ADRC, which is yet to conclude its proceedings.

Based on the opinion of legal advisors and the current status of the above matters, management believes that the ultimate outcome will be favourable. Accordingly, no provision has been recognised in these financial statements.

25.1.3 In 2010, the Inland Revenue authorities issued notices to the Corporation for tax years 2008 and 2009, alleging non-deduction of withholding tax under section 151(1)(d) of the Income Tax Ordinance, 2001 on payments made to policyholders upon maturity of insurance policies. The tax authorities contended that the bonus component of such payments constituted profit on debt and was therefore subject to withholding tax. Accordingly, tax demands amounting to Rs. 710.12 million and Rs. 738.51 million were raised for tax years 2008 and 2009, respectively.

The Corporation challenged the matter before the Commissioner Inland Revenue (Appeals), who decided in favour of the Corporation vide orders dated September 29, 2011. The appellate authority held that payments made to policyholders on maturity of policies do not constitute profit on debt and are therefore not subject to withholding tax under the aforesaid provisions.

Subsequently, the Inland Revenue authorities filed appeals before the Appellate Tribunal Inland Revenue, which were dismissed vide order dated April 17, 2014. Further appeals have been filed by the tax authorities before the Honourable High Court of Sindh, which are currently pending adjudication.

Based on the opinion of legal advisors and the favourable decisions at the appellate levels, the management believes that the ultimate outcome of the matter will be in favour of the Corporation. Accordingly, no provision has been recognised in these financial statements.

25.1.4 In 2013, the Inland Revenue authorities issued notices to the Corporation for tax years 2010 to 2012, alleging non-deduction of withholding tax under section 151(1)(d) of the Income Tax Ordinance, 2001 on payments made to policyholders on maturity of insurance policies. Orders under sections 161 and 205 were passed, resulting in a cumulative demand of Rs. 1,577.46 million (including default surcharge). The Corporation discharged the demand under protest and filed appeals. The Commissioner Inland Revenue (Appeals) decided against the Corporation, but the Appellate Tribunal Inland Revenue decided in favour of the Corporation vide consolidated order dated February 21, 2017. The Department has filed reference applications before the Sindh High Court, which are pending. Out of the Rs. 1,577.46 million paid, the Department adjusted Rs. 587.39 million against tax years 2011 and 2017, and the balance of Rs. 990.08 million was adjusted against advance tax for tax year 2025.



Separately, for tax year 2013, a similar demand of Rs. 609.23 million (including default surcharge) was raised and discharged under protest. The Department issued a refund of Rs. 500 million in July 2015, adjusted outstanding demands for tax years 2009 (Rs. 10.8 million), 2010 (Rs. 12.58 million), and 2011 (Rs. 56.37 million), and adjusted the balance of Rs. 29.48 million against advance tax for tax year 2025. The Appellate Tribunal decided in favour of the Corporation on March 25, 2024, and the Department's reference is pending before the Sindh High Court. Based on favourable appellate decisions and legal advice, management believes the ultimate outcome will be in favour of the Corporation. Accordingly, no provision has been made in these financial statements.

- 25.1.5** The Additional Commissioner Inland Revenue (ACIR), Large Taxpayers Unit, Karachi issued notices under section 122 of the Income Tax Ordinance, 2001 in respect of tax years 2011, 2013 and 2014, raising various tax-related issues similar to those disclosed in related notes.

Subsequently, amended assessment orders were passed, resulting in an aggregate tax demand of Rs. 520.63 million (Tax Year 2011: Rs. 56.37 million, Tax Year 2013: Rs. 107.12 million and Tax Year 2014: Rs. 357.14 million).

The Corporation filed appeals before the Commissioner Inland Revenue (Appeals), which were partly decided in favour of the Corporation, while certain matters were either decided against the Corporation or remanded back to the ACIR for re-adjudication.

Both the Corporation and the Inland Revenue authorities have filed further appeals before the Appellate Tribunal Inland Revenue against the decisions of the Commissioner Inland Revenue (Appeals), which are pending adjudication. In respect of remanded matters, proceedings before the ACIR are also in progress.

Based on the opinion of legal advisors and the current status of the cases, the management believes that the ultimate outcome of these matters will be favourable. Accordingly, no provision has been recognised in these financial statements.

- 25.1.6** The Additional Commissioner Inland Revenue (ACIR), Large Taxpayers Unit, Karachi issued a notice under section 122(9) of the Income Tax Ordinance, 2001 in respect of tax year 2020, raising various tax-related matters. Subsequently, an amended assessment order under section 122(5A) was passed, resulting in a tax demand of Rs. 458.25 million. 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 filed an appeal before the Commissioner Inland Revenue (Appeals), who vide order dated March 09, 2023 granted partial relief, while certain matters were decided against the Corporation and others were remanded back to the tax authorities for re-adjudication.

Both the Corporation and the Inland Revenue authorities have filed cross appeals before the Appellate Tribunal Inland Revenue against the said order, which are currently pending adjudication. Proceedings in respect of remanded matters are also ongoing. Based on the opinion of legal advisors and the current status of the case, the management believes that the ultimate outcome will be favourable. Accordingly, no provision has been recognised in these financial statements.

- 25.1.7** 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 for tax years 2003 and 2006.

Notices dated August 12, 2008 and May 22, 2012 were issued by the ACIR 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 September 29, 2008 and June 30, 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 orders were filed by the Corporation before the CIR(A). CIR(A) deleted the above demands vide orders dated July 04, 2012 and October 31, 2012 for tax years 2003 and 2006 respectively.

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



25.1.8 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 notices 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.

25.1.9 Additional Commissioner Inland Revenue, Audit Range B, Zone-III, LTU Karachi served notice u/s 122(9) of the Ordinance dated April 29, 2020 for 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, 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 CIR(A) on September 29, 2020. The CIR(A), on the basis of the facts and the arguments submitted, passed an order dated December 21, 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 against the order of the CIR(A), 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 made in these financial statements in respect of these matters.

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.

25.2 Commitments

The Corporation is committed in respect of capital expenditure contracts aggregating to Rs.1,371 million (2024: Rs. 900 million). There were no other commitments at the reporting date.

	2025	2024
	----- (Rupees in '000) -----	
Letter of guarantees	<u>502,387</u>	<u>552,387</u>

26 NET PREMIUM REVENUE / CONTRIBUTION REVENUE

Gross premiums / contribution:

Regular premium / contribution individual policies

First year

37,906,783 29,400,793

Single premium / contribution individual policies

2,768,952 1,376,778

Second year renewal

24,827,535 20,829,244

Subsequent year renewal

116,728,958 106,589,657

Group policies with cash values

61,737 64,252

Group policies without cash values

136,819,422 169,247,308

Less: experience premium refund

(29,783,999) (62,239,883)

Total gross premiums/ contribution

289,329,389 265,268,149

Less: reinsurance premiums / contribution ceded

On individual life first year business

(165,701) (114,678)

On individual life second year business

(73,207) (65,897)

On individual life renewal business

(287,121) (266,328)

On group policies

(718,343) (551,082)

-Less: Reinsurance commission on risk premium

277,767 104,071

(966,606) (893,914)

Net premiums revenue / contribution

288,362,783 264,374,235



27 INVESTMENT INCOME**Income from equity securities**

Fair value through profit or loss

- Dividend income

25,415,448

20,417,184

Income from government and debt securities

Held to maturity

- Return on government and debt securities

163,863,793

149,045,438

Fair value through profit or loss

- Return on debt securities

-

189,279,240

9,637

169,472,259

28 NET REALIZED FAIR VALUE GAIN ON FINANCIAL ASSETS

Note

2025

2024

Fair value through profit or loss

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

Realized gain on equity securities

60,143,213

17,936,470

29 NET FAIR VALUE GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net unrealized gain / (loss) on investments at fair value through profit or loss

55,018,115

119,811,764

Reversal in value

-

-

Reversal related to the (loss) / appreciation on shares held by LIC

-

-

Investment related expenses

(113,885)

(110,876)

54,904,231

119,700,888

30 NET RENTAL INCOME

Rental income

2,335,812

1,957,363

Less: expenses attributable to investment properties

30.1

(1,249,511)

(1,025,715)

1,086,301

931,648

30.1 This includes depreciation expense of Rs. 43.779 million related to property and equipment, and Rs. 96.890 million related to investment properties.

31 OTHER INCOME

Return on bank balances

12,424,854

27,341,724

Gain on sale of property and equipment

729

1,857

Return on loans to employees

102,948

85,042

Return on loans to policyholders

25,256,297

31,786,320

Exchange gain on revaluation

407,746

-

Miscellaneous income

31.1

8,921,067

355,060

47,113,642

59,570,003

31.1 During the year, the Corporation reversed a provision of Rs. 8,372 million (2024: Nil) following a favorable judgment by the Lahore High Court in cases pertaining to revenue and policy stamps.

32 NET INSURANCE BENEFITS**Gross Claims**

Claims under individual policies

- by death

12,769,428

11,171,598

- by insured event other than death

337,182

229,486

- by maturity

58,307,869

50,257,889

- by surrender

54,824,717

78,096,551

- annuity payments

11,776

15,129

- Bonus in cash

-

-

Total gross individual policy claims

126,250,972

139,770,653

Claims under group policies

- by death

9,128,239

8,232,234

- by insured event other than death

89,156,341

80,825,885

- by maturity

-

-

- by surrender

2,833

847

- annuity payments

90

233

Total gross group policy claims

98,287,504

89,059,199

Total gross claims

224,538,476

228,829,852

Less: Reinsurance Recoveries

- on individual life claims

(251,912)

(204,570)

- on group life claims

(444,525)

(319,418)

(696,437)

(523,988)

Claim related expenses

23,384

22,533

Net insurance benefit expense

223,865,423

228,328,397



32.1 There are various cases pertaining to policyholders in relation to individual and group insurance policies, claiming amount due as per policy amounting to Rs. 459.15 million (2024: Rs. 281.58 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 343 cases out of which 13 cases are in the Supreme Court of Pakistan, 172 cases are pending in different High Courts of Pakistan and remaining in the lower courts.

32.2 Claim Development

Life Claims Development

Accident years	2021	2022	2023	2024	2025
Estimate of ultimate claims cost: -	Rupees in '000				
At the end of accident year	6,075,768	5,261,086	5,106,256	5,589,178	5,822,722
One year later	8,629,001	7,982,946	8,136,759	9,131,451	
Two years later	8,986,575	8,384,290	8,633,734		
Three years later	9,128,970	8,535,592			
Four years later	9,254,152				
Current estimate of cumulative claims	9,497,024	8,837,885	9,071,389	10,050,526	9,877,287
Cumulative payments	(9,430,753)	(8,810,434)	(8,710,237)	(9,419,343)	(6,948,286)
Liability recognized in the statement of financial position	66,272	27,451	361,153	631,183	2,929,002

Group Claims Development

Accident years	2021	2022	2023	2024	2025
Estimate of ultimate claims cost: -	Rupees in '000				
At the end of accident year	2,559,992	2,459,507	2,675,068	3,021,997	3,129,018
One year later	5,696,305	5,395,051	5,632,477	6,630,881	-
Two years later	6,841,567	6,423,903	6,803,094	-	-
Three years later	7,383,665	6,940,189	-	-	-
Four years later	7,687,518	-	-	-	-
Current estimate of cumulative claims	8,003,007	7,413,276	7,687,181	8,711,342	8,353,828
Cumulative payments	(7,561,261)	(6,779,197)	(6,990,811)	(7,650,150)	(5,352,443)
Liability recognized in the statement of financial position	441,746	634,079	696,370	1,061,192	3,001,385

32.3 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
	Rupees in '000				
Unclaimed maturity benefits	20,094,138	1,508,650	13,387,133	3,073,095	2,125,260
Unclaimed death benefits	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-
	20,094,138	1,508,650	13,387,133	3,073,095	2,125,260



33 ACQUISITION EXPENSES	Note	2025	2024
		----- (Rupees in '000) -----	
Remuneration to insurance intermediaries on individual policies:			
- commission to agent on first year premiums		18,580,858	15,171,190
- commission to agent on second year premiums		3,330,941	2,713,223
- commission to agent on subsequent renewal premiums		3,934,129	3,619,270
- other benefits to insurance intermediaries		3,334,615	2,998,445
- branch overhead	33.1	6,245,974	5,121,246
Total		35,426,516	29,623,374
Remuneration to insurance intermediaries on group policies:			
- commission		16,146	17,731
- other benefits to insurance intermediaries - GL		3,330	8,593
		19,476	26,324
Other acquisition costs:			
- Stamp duty		1,221,739	2,678,517
- Initial medical fees		99,715	108,480
		1,321,454	2,786,997
		36,767,447	32,436,695
33.1 Branch overhead			
Employee benefits cost		3,960,767	3,508,366
Traveling expense		1,951,587	1,340,747
Printing and stationery		14,380	13,568
Postage and telephone		49,525	40,057
Electricity, gas and water		45,309	47,909
Rent		118,708	92,860
Prize and awards		21,733	17,374
Conference and meetings		79,564	56,870
Repair and maintenance		4,401	3,495
		6,245,974	5,121,246
34 MARKETING AND ADMINISTRATION EXPENSES			
Employee benefit cost	34.1	16,116,059	14,286,767
Travelling expenses		1,022,197	849,109
Advertisements and sales promotion		206,514	230,877
Printing and stationery		374,828	469,209
Depreciation		329,459	234,638
Rent, rates and taxes		195,867	206,983
Legal and professional charges - business related		2,543,946	2,388,798
Electricity, gas and water		465,889	557,944
Office repairs and maintenance		111,406	85,635
Bank charges		26,764	25,609
Postages, telegrams and telephone		196,926	214,857
Appointed Actuary fees		12,742	10,549
Training expense		167,413	129,177
Annual supervision fees SECP		100,000	100,000
		21,870,010	19,790,152
34.1 Employee benefit cost			
Salaries, allowances and other benefits		14,063,900	13,246,493
Charges for post employment benefits		2,052,159	1,040,274
		16,116,059	14,286,767



35 OTHER EXPENSES

Note	2025	2024
	----- (Rupees in '000) -----	
Auditors' remuneration	35.1 21,891	37,491
Revenue stamps	11,452	42,544
Exchange loss on revaluation	-	132,963
Conference and meetings	195,673	155,579
Insurance charges	112,748	525,148
Office maintenance	260,007	185,094
Entertainment	52,539	43,480
Other expenses	143,894	102,905
	<u>798,204</u>	<u>1,225,204</u>

35.1 Auditors' remuneration**Business within Pakistan****Annual audit and half yearly review fee**

Crowe Hussain Chaudhury & Co.

Riaz Ahmad & Company

5,400

-

18,900

5,40018,900**Out of Pocket**

Crowe Hussain Chaudhury & Co.

Riaz Ahmad & Company

972

-

-

2,160

9722,160**Business Outside Pakistan****Audit fee**

Crowe MAK

Sajjad Haider and Co

15,519

-

-

16,431

15,51916,43121,89137,491**36 INCOME TAX EXPENSE****For the year**

Current

2,589,436

2,077,880

Deferred

7,690,115

7,998,384

10,279,55210,076,265**For the prior year**

Current

(49,355)

(12,482)

Total income tax charge for the year

10,230,19710,063,782**36.1 Relationship between tax expense and accounting profit**

Profit before tax

26,339,48825,814,586

Tax at the applicable rate @ 29% (2024: 29%)

7,638,451

7,486,230

Reconciliation:

Education cess for the year

7,152

8,576

Impact of super tax @ 10% (2024: 10%)

2,633,949

2,581,459

Effect of prior year changes

(49,355)

(12,482)

Tax expense for the year

10,230,19710,063,782**37 Earnings per share - Rupees**

Profit for the year

16,109,29115,750,804

----- (Numbers in '000) -----

Weighted average number of ordinary shares outstanding as at year end

80,00080,000

Earnings per share

201.37196.89

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	
	2025	2024	2025	2024	2025	2024
	Rupees in '000					
Fees	-	-	5,040	17,080	-	-
Managerial remuneration	36,540	62,307	-	-	87,377	98,911
House rent allowance	-	-	-	-	21,826	28,026
Utilities	-	-	-	-	20,007	25,691
Special allowance	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Car allowance	-	-	-	-	-	-
Others	-	-	-	-	38,636	48,507
Reimbursements	-	-	-	-	-	-
Retirement benefits	-	-	-	-	-	-
Staff provident fund	-	-	-	-	-	-
	36,540	62,307	5,040	17,080	167,573	201,135
Number of persons	1	1	8	11	19	22

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:

	2025	2024
Profit oriented state-controlled entities	----- (Rupees in '000) -----	
Common ownership		
Investment in shares - State Bank of Pakistan	3,221	3,221
PIBs deposited with State Bank of Pakistan	1,246,500	1,246,500
Subsidiaries		
Alpha Insurance Company Limited (95.15% holding)		
Rental income received	3,503	5,761
Group insurance	200	1,614
Staff retirement fund		
Contribution to provident fund	53	331
Contribution to pension fund	678,714	741,335
Contribution to funded gratuity	53	295
Expense charged for pension fund	2,583,516	2,415,694



Transactions with associated companies - common directorship

	2025	2024
	----- (Rupees in '000) -----	
Dividend received during the year		
Pakistan Reinsurance Company Limited (24.41 % of holding)	439,393	219,697
Fauji Fertilizer Company Limited	6,526,291	2,399,780
Sui Northern Gas Pipelines Company Limited	267,573	114,674
Security Papers Limited	-	-
Pak Data Communication	-	3,203
Pak Cables Limited	-	-
Shahtaj Sugar Mills Limited	-	10,598
Wah-Nobel Chemicals Limited	8,980	8,980
Bank AL-Habib Limited	1,248,398	-

Balances with related parties - common directorship

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

Investment in units:

NIT Islamic Equity Fund	-	444,666
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Balances with related parties

Retirement benefit obligation	7,376,480	5,384,405
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Investment in shares:

Fauji Fertilizer Company Limited	75,610,880	44,743,567
Sui Southern Gas Company Limited	-	2,582,845
Sui Northern Gas Pipelines Company Limited	3,045,745	2,852,582
Alpha Insurance Company Limited	298,818	298,818
Pakistan Cables Limited	872,713	817,715
Shahtaj Sugar Mills Limited	-	70,649
Pak Data Communication Limited	-	145,182
Premier Insurance Company Limited	-	29,727
Pakistan Reinsurance Company Limited	4,523,553	3,451,434
Arabian Sea Country Club Limited	-	5,000
Mirpurkhas Sugar Mills Limited	-	36,060

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

-	-
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Wah-Nobel Chemicals Ltd
Bank Al Habib Limited

297,725	266,341
13,705,937	-



40 SEGMENTAL INFORMATION

40.1 Revenue account by statutory fund

	Statutory fund							Aggregate	
	Pakistan Life Fund	Group Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund			2025
						Sub Funds			
						Life	Group	Health	
	Rupees in '000								
Income									
Premium less reinsurances	174,714,246	10,139,020	4,086,949	61,737	96,143,134	3,182,770	13,338	21,588	288,362,783
Rental income from investment property	1,086,301	-	-	-	-	-	-	-	1,086,301
Net investment income	338,846,871	234,958	2,796,719	77,466	7,649,220	518,652	18,155	16,283	350,158,324
Total net income	514,647,418	10,373,978	6,883,668	139,203	103,792,354	3,701,421	31,492	37,871	639,607,408
Insurance benefits and expenditure									
Insurance benefits, including bonuses, net of reinsurance recoveries	121,880,002	8,773,482	4,089,637	78,883	88,908,865	52,192	11,935	70,427	223,865,423
Management expenses less recoveries	52,891,141	829,525	880,914	363	3,637,077	1,189,282	1,768	1,670	59,431,740
Total insurance benefits and expenditure	174,771,144	9,603,007	4,970,551	79,247	92,545,942	1,241,473	13,703	72,097	283,297,163
Excess of income over insurance benefits and expenditures	339,876,274	770,971	1,913,118	59,956	11,246,412	2,459,947	17,789	(34,226)	356,310,244
Surplus transferred from PLF	(7,630,021)	7,630,021							
Net change in insurance liabilities (other than outstanding claims)	(295,813,831)	-	(916,174)	(14,254)	193,352	(2,616,051)	(3,481)	6,678	(299,163,761)
Surplus/ (deficit) before tax	36,432,422	8,400,992	996,944	45,702	11,439,764	(156,104)	14,308	(27,548)	57,146,483
Taxes chargeable to statutory funds									
Prior year(s)	-	-	-	-	-	-	-	-	-
Surplus/ (deficit) after tax	36,432,422	8,400,992	996,944	45,702	11,439,764	(156,104)	14,308	(27,548)	57,146,483
Movement in policyholders' liabilities	295,813,831	-	916,174	14,254	(193,352)	2,616,051	3,481	(6,678)	299,163,761
Transfers to and from shareholders' fund									
- Surplus appropriated to shareholders' fund	(5,275,847)	-	(68,447)	-	-	-	-	-	(5,344,294)
- Funds transferred from PLF to GLF	(19,415,584)	19,415,584							
- Capital returned to shareholders' fund	-	-	-	-	-	-	-	-	-
- Fund transferred to general reserve	-	-	-	-	-	-	-	-	-
- Funds transferred from Takaful - life to Takaful Group and Health	-	-	-	-	-	(300,000)	160,000	140,000	-
- Capital contributions from shareholders' fund	-	-	-	-	-	-	-	-	-
- Capital contributions from shareholders' fund	-	-	-	-	-	-	-	-	-
Net transfer to/from shareholders' fund	(24,691,431)	19,415,584	(68,447)	-	-	(300,000)	160,000	140,000	(5,344,294)
Balance of statutory fund at beginning of the year	1,881,357,605	-	46,227,507	737,799	66,526,880	3,762,281	86,409	152,861	1,998,851,342
Balance of statutory fund at end of the year	2,188,912,427	27,816,576	48,072,178	797,755	77,773,292	5,922,228	264,198	258,635	2,349,817,292

Revenue account by statutory fund

	Statutory fund							Aggregate	
	Pakistan Life Fund	Group Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund Sub Funds			2024
						Life	Group	Health	
	Rupees in '000								
For the year ended 31 December 2024									
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	2,343,571	21,682	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	63,133	84,013,527	885,457	10,272	123,621	281,777,388
Excess of income over insurance benefits and expenditures									
Net change in insurance liabilities (other than outstanding claims)	324,681,953	-	899,225	69,237	22,186,948	1,458,113	11,409	(7,139)	349,299,747
Surplus/ (deficit) before tax	(301,905,384)	-	(878,676)	(10,977)	(1,672,712)	(1,462,694)	(10,827)	(52,682)	(305,993,952)
Taxes chargeable to statutory funds	22,776,569	-	20,549	58,260	20,514,236	(4,581)	582	(59,821)	43,305,795
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	66,526,880	3,762,281	86,409	152,861	1,998,851,342



40.2 Segmental results by line of business

	Statutory fund							Aggregate
	Pakistan Life Fund	Group Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund Sub Funds		
						Life	Group	Health
	Rupees in '000							
Income								
Gross premiums								
- First year	38,229,077	-	689,988	-	-	1,756,670	-	-
- Second year	23,456,283	-	419,457	-	-	951,795	-	-
- Subsequent year renewal	113,156,854	-	3,036,176	-	-	535,929	-	-
Group policies with cash value	-	-	-	61,737	-	-	-	-
Group policies without cash value	-	11,190,620	-	-	125,579,208	-	28,007	21,588
Less: experience premium refund	-	(347,925)	-	-	(29,436,074)	-	-	-
Total gross premiums	174,842,214	10,842,695	4,145,621	61,737	96,143,134	3,244,393	28,007	21,588
								289,329,389
Less: reinsurance premiums ceded								
On individual life first year business	(97,492)	-	(6,586)	-	-	(61,624)	-	-
On individual life second year business	(70,335)	-	(2,873)	-	-	-	-	-
On individual life renewal business	(237,908)	-	(49,212)	-	-	-	-	-
On group policies	-	(703,674)	-	-	-	-	(14,669)	-
Less : Reinsurance commission on risk premium	277,767	-	-	-	-	-	-	-
	(127,968)	(703,674)	(58,671)	-	-	(61,624)	(14,669)	-
Net Premiums	174,714,246	10,139,020	4,086,949	61,737	96,143,134	3,182,770	13,338	21,588
								288,362,783
Rental income from investment property	1,086,301	-	-	-	-	-	-	-
Net investment income	338,846,871	234,958	2,796,719	77,466	7,649,220	518,652	18,155	16,283
Total net income	514,647,418	10,373,978	6,883,668	139,203	103,792,354	3,701,421	31,492	37,871
								639,607,408
Insurance benefits and expenditures								
Claims, including bonuses, net of reinsurance recoveries	121,880,002	8,773,482	4,089,637	78,883	88,908,865	52,192	11,935	70,427
Management expenses less recoveries	52,891,141	829,525	880,914	363	3,637,077	1,189,282	1,768	1,670
Current tax	-	-	-	-	-	-	-	-
Total insurance benefits and expenditures	174,771,144	9,603,007	4,970,551	79,247	92,545,942	1,241,473	13,703	72,097
Excess of income over insurance benefits	339,876,274	770,971	1,913,118	59,956	11,246,412	2,459,947	17,789	(34,226)
Surplus transferred from PLF	(7,630,021)	7,630,021	-	-	-	-	-	-
Add : Policyholder liabilities at the beginning of year	1,796,778,743	-	36,549,040	176,824	2,710,168	2,585,690	10,827	52,682
Less : Policyholder liabilities at the end of year	2,092,592,574	-	37,465,214	191,078	2,516,816	5,201,741	14,308	46,004
Surplus/(deficit) after tax	36,432,422	8,400,992	996,944	45,703	11,439,764	(156,103)	14,309	(27,548)
								57,146,484

Segmental results by line of business

	Statutory fund							Aggregate
	Pakistan Life Fund	Group Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund Sub Funds		
						Life	Group	Health
	Rupees in '000							
Income								
Gross premiums								
- First year	29,155,527	-	491,728	-	-	1,130,316	-	-
- Second year	19,849,078	-	372,617	-	-	607,549	-	-
- Subsequent year renewal	103,612,703	-	2,778,237	-	-	198,717	-	-
Group policies with cash value	-	-	-	64,252	-	-	-	-
Group policies without cash value	12,177,355	-	-	-	156,922,041	-	38,146	109,766
Less: experience premium refund	(734,983)	-	-	-	(61,504,900)	-	-	-
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)	-	-
On individual life second year business	(63,030)	-	(2,867)	-	-	-	-	-
On individual life renewal business	(209,746)	-	(56,582)	-	-	-	-	-
On group policies	(530,373)	-	-	-	-	-	(20,709)	-
Less : Reinsurance commission on risk premium	90,777	-	13,294	-	-	-	-	-
	(780,857)	-	(49,171)	-	-	(43,177)	(20,709)	-
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	-	-	-	-	-	-	-
Net investment income	351,976,554	-	2,482,119	68,119	10,783,334	450,165	4,244	6,716
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
Management expenses less recoveries	48,207,964	-	905,694	2,306	3,446,652	871,806	1,732	12,836
Current tax	-	-	-	-	-	-	-	-
Total insurance benefits and expenditures	191,505,072	-	5,176,305	63,134	84,013,527	885,457	10,272	123,621
Excess of income over insurance benefits	324,681,953	-	899,225	69,237	22,186,948	1,458,113	11,409	(7,139)
Add : Policyholder liabilities at the beginning of year	1,494,873,358	-	35,670,364	165,849	1,037,456	1,122,995	-	-
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
Surplus/(deficit) before tax	22,776,568	-	20,549	58,262	20,514,236	(4,582)	582	(59,821)
								43,305,794



40.3 Segment Statement of financial position

	Statutory Funds	Shareholders Fund	2025	Statutory Funds	Shareholders Fund	2024
	Rupees in '000			Rupees in '000		
Assets						
Property and equipment	3,153,128	-	3,153,128	1,915,206	-	1,915,206
Investment properties	3,158,570	-	3,158,570	3,574,916	-	3,574,916
Investments in subsidiaries	323,618	-	323,618	323,618	-	323,618
Investments	1,950,730,290	9,920,629	1,960,650,918	1,732,160,402	9,018,097	1,741,178,498
Investment in fixed deposits	779,523	-	779,523	7,606,293	-	7,606,293
Loans secured against life insurance policies	156,365,739	-	156,365,739	154,825,679	-	154,825,679
Insurance / reinsurance receivables	61,078,819	-	61,078,819	253,327,056	-	253,327,056
Other loans and receivables	133,291,065	2,223,118	135,514,182	94,636,790	2,082,691	96,719,481
Taxation - payments less provision	40,441,376	15,074,266	55,515,642	31,956,710	(2,116,691)	29,840,019
Deposit and prepayments	315,356	-	315,356	325,269	-	325,269
Cash and bank balances	149,459,080	117	149,459,198	76,358,124	113	76,358,238
Total assets	2,499,096,565	27,218,130	2,526,314,693	2,357,010,062	8,984,210	2,365,994,273
Liabilities						
Insurance liabilities net of reinsurance recoveries	2,329,091,767	-	2,329,091,767	1,998,113,353	-	1,998,113,353
Retirement benefit obligations	7,376,480	-	7,376,480	5,384,405	-	5,384,405
Deferred capital grant	289	-	289	3,237	-	3,237
Premium received in advance	7,122,914	-	7,122,914	6,487,496	-	6,487,496
Insurance / reinsurance payables	1,204,537	-	1,204,537	2,843,961	-	2,843,961
Deferred tax	31,304,432	-	31,304,432	23,614,317	-	23,614,317
Other creditors and accruals	81,180,531	-	81,180,531	274,086,632	-	274,086,632
Taxation - provision less payments	-	2,541,460	2,541,460	-	2,077,880	2,077,880
Total Liabilities	2,457,280,950	2,541,460	2,459,822,410	2,310,533,402	2,077,880	2,312,611,281

41 MOVEMENT IN INVESTMENTS

	Held to Maturity	Fair value through profit and loss	Total
	Rupees in '000		
At beginning of previous 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 beginning of current year	1,362,634,921	378,543,576	1,741,178,497
Additions	772,202,564	58,929,754	831,132,318
Disposals (sale and redemptions)	(571,561,966)	(122,639,074)	(694,201,040)
Unwinding of (premium) / discount	29,209,141	-	29,209,141
Unrealized fair value gain	-	53,332,003	53,332,003
At end of current year	1,592,484,660	368,166,259	1,960,650,919

42 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

42.1 Insurance risk

42.1.1 Insurance contracts - classification

The Corporation maintains six statutory funds which are as follows:

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

During the year, the Corporation has segregated its life business into separate statutory funds, namely Pakistan Life Fund and Group Life Fund. Accordingly, the classification of business is presented based on these distinct funds.

The Pakistan Life Fund comprises individual life conventional business and a small portion of annuity business. Most of the new individual life conventional policies written by the Corporation contain a Discretionary Participation Feature (DPF).



The Group Life Fund consists of group life insurance business.

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 consists of individual life takaful, group life takaful and health takaful businesses.

Considering all the 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 1347 area offices, more than 217 sector offices, 35 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 35 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:

	2025	2024
	----- (Rupees in '000) -----	
UAE Dirhams		
10% increase	197,235	1,353,353
10% decrease	(197,235)	(1,353,353)
US Dollars		
10% increase	4,671,061	3,286,450
10% decrease	(4,671,061)	(3,286,450)

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	-3.27%
Decrease in discount rate	0.5% reduction in rate	3.42%

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

Interest rate risk

		2025						
		Interest / Markup bearing			Non-interest / Non-markup bearing			
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
Financial Assets	Note	Rupees in '000						
Investments								
Equity securities	8	-	-	-	347,570,956	-	347,570,956	347,570,956
Mutual funds	11	-	-	-	20,595,303	-	20,595,303	20,595,303
Government securities	9	216,573,930	1,332,703,492	1,549,277,422	-	-	-	1,549,277,422
Debt securities	10	-	43,207,238	43,207,238	-	-	-	43,207,238
Loans secured against life insurance policies		-	156,365,739	156,365,739	-	-	-	156,365,739
Insurance / takaful / reinsurance / retakaful receivables	13	-	-	-	60,067,618	1,011,201	61,078,819	61,078,819
Other loans and receivables	14	100,441,803	-	100,441,803	34,482,251	-	34,482,251	134,924,054
Deposit and prepayments	15	-	-	-	100,000	-	100,000	100,000
Cash and bank balances	16	130,741,748	0	130,741,748	18,703,411	-	18,703,411	149,445,159
As at 31 December 2025		447,757,481	1,532,276,469	1,980,033,950	481,519,539	1,011,201	482,530,740	2,462,564,691
Financial Liabilities								
Insurance liabilities [including policyholders' liabilities and ledger account A and B]	20	-	-	-	64,721,627	2,264,370,140	2,329,091,767	2,329,091,767
Premium received in advance		-	-	-	7,122,914	-	7,122,914	7,122,914
Insurance / takaful / reinsurance / retakaful payables	23	-	-	-	1,204,537	-	1,204,537	1,204,537
Other creditors and accruals	24	-	-	-	81,180,532	-	81,180,532	81,180,532
As at 31 December 2025		-	-	-	154,229,610	2,264,370,140	2,418,599,751	2,418,599,750
On Balance Sheet Financial Instruments								
As at 31 December 2025		447,757,481	1,532,276,469	1,980,033,950	327,289,929	(2,263,358,939)	(1,936,069,011)	43,964,941

Interest rate risk

Interest rate risk		2024						
		Interest / Markup bearing			Non-interest / Non-markup bearing			
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
Financial Assets	Note	----- Rupees in '000 -----						
Investments								
Equity securities	8	-	-	-	294,971,033	-	294,971,033	294,971,033
Mutual funds	11	-	-	-	81,786,892	-	81,786,892	81,786,892
Government securities	9	552,629,137	781,683,418	1,334,312,555	-	-	-	1,334,312,555
Debt securities	10	3,187,433	26,920,585	30,108,018	-	-	-	30,108,018
Loans secured against life insurance policies		-	154,825,679	154,825,679	-	-	-	154,825,679
Insurance / takaful / reinsurance / retakaful receivables	13	-	-	-	251,441,260	1,885,796	253,327,056	253,327,056
Other loans and receivables	14	76,560,111	-	76,560,111	19,816,487	-	19,816,487	96,376,599
Deposit and prepayments	15	-	-	-	100,385	-	100,385	100,385
Cash and bank balances	16	56,831,894	7,606,293	64,438,187	19,518,272	-	19,518,272	83,956,459
As at 31 December 2024		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								
Insurance liabilities [including policyholders' liabilities and ledger account A and B]	20	-	-	-	64,992,051	1,933,121,302	1,998,113,353	1,998,113,353
Premium received in advance		-	-	-	6,487,496	-	6,487,496	6,487,496
Insurance / takaful / reinsurance / retakaful payables	23	-	-	-	2,843,961	-	2,843,961	2,843,961
Other creditors and accruals	24	-	-	-	274,086,632	-	274,086,632	274,086,632
As at 31 December 2024		-	-	-	348,410,141	1,933,121,302	2,281,531,444	2,281,531,443
On Balance Sheet Financial Instrument								
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



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:

	2025		2024	
	UAE Dirhams	US Dollar	UAE Dirhams	US Dollar
	Rupees in '000			
Assets	35,878	174,439	244,614	246,543
Liabilities	9,870	6,747	66,424	128,635
Reserves	26,008	167,692	178,190	117,908

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	2025 ----- (Rupees in '000) -----	2024
Cash and bank balances	16	149,385,952	76,299,754
Loans secured against life insurance policies		156,365,739	154,825,679
Investments:			
Mutual funds	11	20,595,303	81,786,892
Debt securities	10	43,207,237	30,108,018
Insurance / takaful / reinsurance / retakaful receivables	13	61,078,819	253,327,056
Deposit and prepayments	15	100,000	100,385
Other loans and receivables	14	134,924,054	96,376,599
Total		<u>565,657,104</u>	<u>692,824,383</u>

The age analysis of Insurance / takaful / reinsurance / retakaful receivables:

Up to 1 year	<u>61,078,819</u>	<u>253,327,056</u>
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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	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Allied Bank Limited	AAA	A1+	PACRA	760	1,384
Bank Al Habib Limited	AAA	A1+	PACRA	6,320,375	6,301,159
Bank Al Falah Limited	AAA	A1+	PACRA	5,884,030	17,125,715
Dubai Islamic Bank	AA	A1+	VIS	504,914	469,960
First Women Bank Limited	A-	A-2	PACRA	11,712	7,307
Habib Bank Limited	AAA	A1+	VIS	23,112,158	20,609,181
MCB Bank Limited	AAA	A1+	PACRA	207,628	185,452
Mobilink Micro Finance Bank Limited	A	A-1	PACRA	411,749	199,653
Barclays Banks	A+	F1	FITCH	36,195	-
Bank of Punjab	AA+	A1+	PACRA	1,825,460	5,740,272
Faysal Bank Limited	AA+	A1+	VIS	53,987,610	418,121
Samba Bank Limited	AA	A1+	PACRA	15,857	3,891
Silk Bank Limited	A-	A-2	VIS	-	12,326
Sindh Bank Limited	AA	A1+	VIS	-	1
Soneri Bank Limited	AA-	A1+	PACRA	8,856,455	2,762,357
Standard Chartered Bank (Pakistan) Limited	AAA	A1+	PACRA	708,385	159
Bank Makramah Limited	A-	A2	VIS	-	4,927
United Bank Limited	AAA	A1+	VIS	47,559,924	27,764,338
JS Bank Limited	AA	A1+	PACRA	33,868	-
Summit Bank	A-	A2	VIS	18,201	-
Julius Bar Bank	A1	Prime-1	MOODY'S	262,106	118,965
Kuwait Finance Bank	A	F1	FITCH	356,683	289,173
National Bank of Pakistan	AAA	A1+	VIS	42,769	-
Bank of Singapore	AA-	F1+	FITCH	8,636	1,891,705
				<u>150,165,475</u>	<u>83,906,046</u>

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

Rating Status	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
A or above	<u>1,011,201</u>	<u>1,885,796</u>

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:

	2025	
	Carrying value	Fair value
	----- (Rupees in '000) -----	
Government securities	<u>1,549,277,422</u>	<u>1,598,606,755</u>
	2024	
	Carrying value	Fair value
	----- (Rupees in '000) -----	
Government securities	<u>1,334,312,555</u>	<u>1,307,949,330</u>

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:

	2025	2024
	----- (Rupees in '000) -----	
Accumulated surplus	4,082,292	2,235,510
Ledger account C and D	54,142,720	42,115,721
General reserve	267,271	1,031,761
Issued, subscribed and paid-up capital	8,000,000	8,000,000
Shareholders' equity	<u>66,492,283</u>	<u>53,382,992</u>

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 December 31, 2025.

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 2025		As at 31 December 2024	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Financial Assets				
- Cash and bank balances	149,459,198	149,459,198	76,358,238	76,358,238
- Loans secured against life insurance policies	156,365,739	156,365,739	154,825,679	154,825,679
- Deposit and prepayments	100,000	100,000	100,385	100,385
- Other loans and receivables	134,924,054	134,924,054	96,376,599	96,376,599
- Insurance / takaful / reinsurance / retakaful receivables	61,078,819	61,078,819	253,327,056	253,327,056
	501,927,810	501,927,810	580,987,957	580,987,957
Investments:				
Fair value through Profit and loss				
Listed equity securities and mutual fund units	362,188,504	362,188,504	372,417,939	372,417,939
Unlisted equity securities and mutual fund units	5,977,756	5,977,756	4,339,986	4,339,986
Held to maturity				
Government securities	1,549,277,422	1,598,606,755	1,334,312,555	1,307,949,330
Debt securities	43,207,238	43,207,238	30,108,018	30,108,018
	1,960,650,920	2,009,980,253	1,741,178,497	1,714,815,273
TOTAL	2,462,578,730	2,511,908,063	2,322,166,454	2,295,803,229
Financial Liabilities				
- Balance of statutory funds-including policyholders' liabilities	2,329,091,767	2,329,091,767	1,998,113,353	1,998,113,353
- Creditors and accruals	81,180,532	81,180,532	274,086,632	274,086,632
- Premium received in advance	7,122,914	7,122,914	6,487,496	6,487,496
- Insurance / takaful / reinsurance / retakaful payables	1,204,537	1,204,537	2,843,961	2,843,961
TOTAL	2,418,599,750	2,418,599,750	2,281,531,443	2,281,531,443

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:

Financial Assets at carrying value	As at	Level 1	Level 2	Level 3
	31 December 2025			
	----- Rupees in '000 -----			
Investments at carrying value Fair value through profit or loss				
Listed equity securities and mutual fund units	362,259,202	362,259,202	-	-
Unlisted equity securities and mutual fund units	5,907,057	-	5,907,057	-
	368,166,259	362,259,202	5,907,057	-
Financial Assets at carrying value	As at	Level 1	Level 2	Level 3
	31 December 2024			
	----- Rupees in '000 -----			
Investments at carrying value Fair value through profit or loss				
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	-
	376,757,925	372,417,939	4,339,986	-



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 2025:

- 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	---- (Rupees in '000) ----
Cash And Bank Balances	Investment In Fixed Deposits	779,523

46 SUBSEQUENT EVENTS

The Board of Directors of the Corporation in their meeting held on 30 Apr 2026 declared dividend of Rs. 3,200 million (2024: Rs. 3,000 million).

These unconsolidated financial statements for the year ended 31 December 2025 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 2026.

47 NUMBER OF EMPLOYEES

The details of number of employees are as follows:

	2025	2024
Permanent employees as at year end	3,452	3,601
Contractual employees as at year end	338	336
Area managers	1,347	1,357
	5,137	5,294
Average number of employees during the year	5,216	5,082

48 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Corporation on April 30, 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	 Syed Hamid Ali Director	 Shoaib Javed Hussain Chief Executive Officer	 Muhammad Amjad Chief Financial Officer
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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 December 31, 2025, 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 December 31, 2025, 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 25.1.1 to the consolidated financial statements that describe the chargeability of sales tax on premium by provincial revenue authorities. Our opinion is not modified in respect of the above 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:

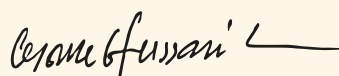
Based on our audit, we further report that in our opinion the consolidated financial statements and notes to the consolidated financial statements comply with the requirements of the SOE Act, 2023.



Other Matter:

The annual consolidated financial statements of the Group for the year ended December 31, 2024 were audited by Riaz Ahmad & Company, who expressed an unmodified opinion vide their report dated March 19, 2026.

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



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Date: May 04, 2026

UDIN: AR202510207hx6iRUPpQ



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

AS AT DECEMBER 31, 2025	Note	2025	2024
		----- (Rupees in '000) -----	
ASSETS			
Property and equipment	5	3,182,417	1,949,113
Intangible asset	6	237	474
Investment properties	7	3,158,570	3,574,916
Investments			
Equity securities	8	347,786,900	295,232,780
Mutual funds	9	20,600,437	81,786,892
Government securities	10	1,549,989,082	1,334,899,805
Debt securities	11	43,207,237	30,108,018
Fixed deposits	12	779,523	7,606,293
Loans secured against life insurance policies		156,365,739	154,825,679
Insurance / takaful / reinsurance / retakaful receivables	13	61,258,066	253,519,879
Other loans and receivables	14	135,552,747	96,785,286
Reinsurance recoveries and outstanding claims		226,867	122,581
Deferred commission expense / acquisition cost		22,652	26,541
Advance taxation		55,605,396	29,938,993
Deposit and prepayments	15	381,521	384,461
Cash and bank balances	16	149,582,695	76,503,258
		2,527,700,086	2,367,264,969
Total Assets of Window Takaful Operations (General insurance) - Operator's Fund		141,042	81,318
Total Assets of Window Takaful Operations - Participants' Takaful Fund		174,845	79,001
TOTAL ASSETS		2,528,015,973	2,367,425,288
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO GROUP'S EQUITY HOLDERS			
Ordinary share capital	17	8,000,000	8,000,000
Ledger account C and D	18	54,142,720	42,115,721
Group reserves	19	4,937,761	3,837,231
		67,080,481	53,952,952
Non-controlling interest		41,814	41,188
TOTAL EQUITY		67,122,295	53,994,140
LIABILITIES			
Insurance liabilities [including policyholders' liabilities and ledger account A and B]	20	2,329,636,506	1,998,565,031
Retirement benefit obligations	21	7,378,356	5,385,772
Deferred capital grant		290	3,237
Deferred taxation	22	31,326,321	23,647,418
Premium received in advance		7,137,454	6,542,891
Insurance / takaful / reinsurance / retakaful payables	23	1,433,948	3,008,097
Other creditors and accruals	24	81,181,746	274,086,901
Provision for taxation		2,547,583	2,089,152
		2,460,642,204	2,313,328,499
Total Liabilities of Window Takaful Operations (General Insurance) - Operator's Fund		76,629	23,648
Total liabilities of Window Takaful Operations - Participants' Takaful Fund		174,845	79,001
TOTAL LIABILITIES		2,460,893,678	2,313,431,148
TOTAL EQUITY AND LIABILITIES		2,528,015,973	2,367,425,288
CONTINGENCIES AND COMMITMENTS	25		

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

 Saleem Zia Chairman	 Khaqan Murtaza Director	 Syed Hamid Ali Director	 Shoaib Javed Hussain Chief Executive Officer	 Muhammad Amjad Chief Financial Officer
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
Gross premium / contribution revenue		289,799,645	265,758,916
Less: premium / contribution ceded to reinsurers / retakaful operators		(1,107,916)	(1,016,324)
Net premium revenue / contribution revenue	26	288,691,729	264,742,592
Investment income	27	189,372,166	169,569,296
Net realized fair value gain on financial assets	28	60,216,481	17,998,806
Net fair value gain on financial assets at fair value through profit or loss	29	54,905,877	119,771,007
Net rental income	30	1,095,208	940,840
Other income	31	47,133,613	59,656,041
		352,723,345	367,935,990
Net income		641,415,074	632,678,582
Insurance benefits		224,939,841	229,107,509
Recoveries from reinsurers		(875,798)	(575,436)
Premium deficiency		14,950	9,835
Claim related expense		23,384	22,533
Net insurance benefits	32	224,102,377	228,564,441
Net change in insurance liabilities (other than outstanding claims)		331,248,838	324,390,469
Acquisition expenses	33	36,839,152	32,530,931
Marketing and administration expenses	34	22,053,394	19,953,724
Other expenses	35	822,846	1,233,880
Total expenses		390,964,230	378,109,004
Results of operating activities		26,348,467	26,005,137
Finance cost	36	(3,025)	(3,178)
Profit before tax from Window Takaful Operations (General insurance) - Operator's Fund		25,130	8,717
Profit before tax		26,370,572	26,010,676
Income tax expense	37	(10,242,417)	(10,080,264)
Profit for the year		16,128,155	15,930,412
Other comprehensive income		-	-
Total comprehensive income for the year		16,128,155	15,930,412
Profit / (loss) for the year attributable to:			
Equity holder of parent		16,127,529	15,925,139
Non-controlling interest		626	5,273
		16,128,155	15,930,412
Earnings per share - Rupees	38	201.59	199.06

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


Saleem Zia
Chairman


Khaqan Murtaza
Director


Syed Hamid Ali
Director


Shoaib Javed Hussain
Chief Executive Officer


Muhammad Amjad
Chief Financial Officer



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025

Operating Cash flows

(a) Underwriting activities

	Note	2025	2024
		----- (Rupees in '000) -----	
Insurance premiums received		475,902,899	194,319,771
Reinsurance premiums paid		(2,754,313)	(189,549)
Claims paid		(170,278,453)	(280,227,272)
Surrenders paid		(36,340,527)	(78,096,551)
Reinsurance and other recoveries received / (paid)		1,646,106	9,242
Commissions paid		(27,240,573)	(23,720,153)
Commission received		14,397	8,189
Other underwriting payments		(7,567,428)	(7,908,242)
Net cash flow from underwriting activities		233,382,109	(195,804,565)

(b) Other operating activities

Income tax paid		(27,770,732)	(17,387,806)
Other operating payments		(177,632)	(583,315)
General management expense paid / adjustments		(231,299,113)	192,428,472
Other operating receipts		62,892	(53,584)
Other loans		(525)	(317)
Payments for Window Takaful Operation		(9,915)	3,964
Loans secured against life insurance policies - advanced		(34,120,781)	(16,989,797)
Loans secured against life insurance policies - repayments received		25,257,911	25,522,122
Net cash flow generated from / (used in) other operating activities		(268,057,895)	182,939,739
Total cash flow from all operating activities		(34,675,786)	(12,864,826)

Investment activities

Profit / return received		278,274,005	198,360,745
Dividends received		25,435,716	20,434,970
Rentals received		2,205,899	1,941,483
Payments for investments		(823,959,571)	(448,086,469)
Proceeds from disposal of investments		630,097,469	247,591,070
Fixed capital expenditure		(1,307,364)	(1,004,069)
Proceeds from sale of intangibles and property and equipment		14,085	2,259
Total cash flow generated from investing activities		110,760,239	19,239,989

Financing activities

Lease payments		(5,016)	(5,016)
Dividends paid		(3,000,000)	(2,500,000)
Total cash flow used in financing activities		(3,005,016)	(2,505,016)

Net cash flow generated from all activities

Cash and cash equivalents at beginning of the year		73,079,437	3,870,147
Cash and cash equivalents at end of the year	15	76,503,258	72,633,111
		149,582,695	76,503,258

Reconciliation to statement of comprehensive income

Operating cash flows		(34,716,942)	(12,864,826)
Depreciation expense		(335,569)	(365,588)
Financial charges expense		(3,025)	(3,178)
Gain on disposal of property and equipment		-	3,057
Investment income		347,370,038	307,339,109
Dividend income		20,252	-
Amortization/capitalization		1,069,223	848,448
Non-Cash Adjustments (APL)		(3,543)	-
Other income		19,730	19,777
Increase in assets other than cash		(149,898,657)	124,360,846
Increase in liabilities other than running finance		191,545,597	(89,845,444)
(Increase) / decrease in assets-PTF		(95,844)	(43,945)
Increase / (decrease) in liabilities and funds-PTF		95,844	43,945
Other adjustments		-	2,796,134
Change in deferred tax liabilities		(7,690,116)	8,032,546
Change in policy holder liabilities		(331,248,833)	(324,390,469)
Profit for the year after taxation		16,128,155	15,930,412

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


Saleem Zia
Chairman


Khaqan Murtaza
Director


Syed Hamid Ali
Director


Shoaib Javed Hussain
Chief Executive Officer


Muhammad Amjad
Chief Financial Officer



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Attributable to equity holders of the parent				
	Ordinary Share Capital	Ledger account C and D [Refer note]	Group Reserves	Non Controlling Interest	Total
	Rupees in '000				
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 2022	-	-	(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	<u>8,000,000</u>	<u>42,115,721</u>	<u>3,837,231</u>	<u>41,188</u>	<u>53,994,140</u>
Balance as at 01 January 2025	8,000,000	42,115,721	3,837,231	41,188	53,994,140
Dividend paid for the year ended 31 December 2024	-	-	(3,000,000)	-	(3,000,000)
Transferred to group reserves	-	-	-	-	-
Total comprehensive income for the year	-	-	16,127,529	626	16,128,155
Surplus for the year retained in statutory funds-net of tax	-	12,026,999	(12,026,999)	-	-
Transferred from ledger to shareholder	-	-	-	-	-
Transfer for the issuance of share capital	-	-	-	-	-
Balance as at 31 December 2025	<u>8,000,000</u>	<u>54,142,720</u>	<u>4,937,761</u>	<u>41,814</u>	<u>67,122,295</u>

* 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 consolidated financial statements.

 Saleem Zia Chairman	 Khaqan Murtaza Director	 Syed Hamid Ali Director	 Shoaib Javed Hussain Chief Executive Officer	 Muhammad Amjad Chief Financial Officer
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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 November 01, 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 35 zones for individual life business along with 11 Regions, 5 zones for health business along with 3 regions, 1 zone for takaful business, 4 zones for group life business and 1 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 December 24, 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 January 23, 1952.

The Holding Corporation of the Company is State Life Insurance Corporation of Pakistan holding 95.15% (December 31, 2024 : 95.15%) shares of the Company.

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

BUSINESS UNITS	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.



BUSINESS UNITS	LOCATION	ADDRESS
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.
State Life (Lakie Road) Properties (Private) Limited	Karachi	6th Floor State Life Building No. 09, Dr. Ziauddin Road, Karachi.
State Life (Abdullah Haroon Road) Properties (Private) Limited	Karachi	6th Floor State Life Building No. 09, Dr. Ziauddin Road, Karachi.
Alpha Insurance Company Limited	Karachi	4th 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 September 22, 2016. For the purpose of carrying on the takaful business, the Holding Corporation has formed an Individual Family Participant Takaful Fund (IFPTF) on August 18, 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 January 28, 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 June 24, 2015 regarding the appointment of lead manager and book runner for public offering through domestic stock exchange transaction, which was approved by the Board on August 11, 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 February 20, 2016.

The Presidential Order dated April 06, 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 September 10, 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 January 25, 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 six 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 February 09, 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 November 18, 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 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year:

There are certain new and amended standards, interpretations and amendments that are mandatory for the Groups accounting period beginning on or after January 01, 2025 but are considered not to be relevant or do not have any significant effect on the Groups operations and therefore, have not been stated in these financial statements.

3.2 Standards, interpretations of and amendments to the accounting and reporting standards that are not yet effective in the current year:

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 01, 2026:



	Effective date (annual periods beginning on or after)
- IFRS 9 - 'Financial Instruments'	January 01, 2027
- IFRS 7 - 'Financial Instruments Disclosures' (Amendments)	January 01, 2027
- IFRS 18 - 'Presentation and Disclosure in Financial Statements'	January 01, 2027
- IFRS 17 - 'Insurance Contracts'	January 01, 2027

3.3 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.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)

IFRS 17 Insurance Contracts

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

IFRS 9 'Financial Instruments' when applicable shall replace International Accounting Standard 39: 'Financial Instruments: Recognition and Measurement' requirements related to classification, measurement, impairment, and derecognition of financial assets and financial liabilities.

IFRS 7 'Financial Instruments Disclosures' (amendments) when applicable shall cover all types of financial instruments, except those that are specifically covered by another standards.

IFRS 18 Presentation and Disclosure in Financial Statements, when applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements.

IFRS 17 - 'Insurance Contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 01, 2023. However, the Securities and Exchange Commission of Pakistan through S.R.O. 1336 (1)/2025 has directed companies engaged in insurance and reinsurance business for application of IFRS 17 for periods beginning on or after January 01, 2027.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standards requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of the above SRO will also be required to adopt requirements of IFRS 9 from the date of transition.

The management is in the process of assessing the impact of these standards and amendments on the financial statements of the Group. There are certain other new and amended standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or will not have any significant effect on the Group's operations and are therefore not detailed in these financial statements.

3.4 Temporary exemption from application of IFRS 9

The SECP has already notified the adoption of IFRS 9 'Financial Instruments' on companies operating in Pakistan. However, as an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the IASB for entities whose 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 Company doesn't engage in significant activities other than insurance based on historical available information. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below:



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	2025					
	Fails the SPPI Test			Passes the SPPI Test		
	Fair value	Impairment	Change in unrealized gain / loss during the year	Carrying value	Impairment	Change in unrealized gain / loss during the year
----- Rupees in '000 -----						
Investment in equity securities	347,570,957	(219,366)	56,141,059	-	-	-
Investment in government securities	-	-	-	1,549,277,422	-	-
Investment in debt securities	-	-	-	43,207,237	(7,573)	-
Investment in mutual funds	20,595,303	-	(1,121,298)	-	-	-
Loans secured against life insurance policies	-	-	-	156,365,739	-	-

Description	2024					
	Fails the SPPI Test			Passes the SPPI Test		
	Fair value	Impairment	Change in unrealized gain / loss during the year	Carrying value	Impairment	Change in unrealized gain / loss during the year
----- Rupees in '000 -----						
Investment in equity securities	294,971,033	(219,366)	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	-	-	-
Loans secured against life insurance policies	-	-	-	154,825,679	-	-

3.5 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 January 30, 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 January 30, 2026.



3.6 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 December 31, 2025.

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 December 12, 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 six statutory funds, separately in respect of its each class of life insurance business, namely:



- Pakistan Life Fund (ordinary life);
- Group 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) Group Life Fund (ordinary life)

The Group Life Fund comprises group life insurance business undertaken by the Corporation, providing coverage against death and related risks to members of various schemes and corporate clients.

Policyholders' liabilities are determined on the basis of an actuarial valuation conducted by the Appointed Actuary at the reporting date.

Premiums are recognized over the period of coverage, and claims and related expenses are recognized as incurred.

(c) Overseas Life Fund

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).

(d) 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.

(e) Accidental and Health Insurance Fund

The Health and Accident Fund comprises health and personal accident insurance business undertaken by the Corporation, including individual, group, and government-sponsored schemes.

Policyholders' liabilities are based on estimates of outstanding claims, including claims incurred but not reported (IBNR), determined at the reporting date using actuarial techniques and management judgment.

The business includes health (hospitalization coverage) and personal accident insurance. Premiums are recognized over the coverage period and claims and related expenses are recognized as incurred.

(f) 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 six statutory funds which are as follows:

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

During the year, the Group has segregated its life business into separate statutory funds, namely Pakistan Life Fund and Group Life Fund. Accordingly, the classification of business is presented based on these distinct funds.

The Pakistan Life Fund comprises individual life conventional business and a small portion of annuity business. Most of the new individual life conventional policies written by the Corporation contain a Discretionary Participation Feature (DPF).

The Group Life Fund consists of group life insurance business.

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 six 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 1347 area managers and 217 sector heads who are working in 35 different zones and 7 regions throughout country in addition to this there is one zone in Gulf region who is headed 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 reinsurance arrangements with Swiss Re. The net retention limit of the Corporation for individual life is Rs. 5 million (2024: Rs. 5 million) per policy and for group life is Rs. 5 million (2024: 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 May 19, 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 May 22, 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 December 31, 2025, liability for post-retirement medical benefits as computed by the appointed actuary is estimated at Rs. 4,735 million (2024: Rs. 4,178 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.

4.20.1 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.

4.21 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).

4.22 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.

4.23 Cash and cash equivalents

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

4.24 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.

4.25 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.

4.26 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 six statutory funds, separately in respect of each class of life insurance business.

4.27 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.



4.28 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.

4.29 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 investments are initially recognized at cost being the fair value of the 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.

4.30 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.

4.31 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.

4.32 Change in Accounting Policy – Window Takaful Operations

During the year, the Group adopted the amendments to the General Takaful Accounting Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 311(I)/2025 dated March 03, 2025.

In accordance with the revised requirements, insurance companies are required to present both the Operator's Fund (OPF) and the Participants' Takaful Fund (PTF) relating to Window Takaful Operations in the statement of financial position. The total assets and total liabilities of the Window Takaful Operations are presented as a single line item. Any surplus in the Participants' Takaful Fund remains attributable to the participants, as the Group does not have any residual interest therein.

The Group has assessed the impact of the above change and concluded that it is not material to the financial statements.



5	PROPERTY AND EQUIPMENT	Note	2025	2024
			----- (Rupees in '000) -----	
	Operating assets	5.1	2,582,665	1,921,497
	Capital work in progress	5.4	591,130	16,301
	Right-of-use assets	5.5	8,622	11,315
			<u>3,182,417</u>	<u>1,949,113</u>

5.1 Operating assets

Operating assets		2025									
		Cost				Depreciation					
		As at January 01, 2025	Additions / (disposals)	Transfer from Investment Property / Capital work in progress	As at December 31, 2025	As at January 01, 2025	For the year / (disposals)	Transfer from Investment Property / Capital work in progress	As at December 31, 2025	Written down value as at December 31, 2025	Depreciation Rate (%)
Rupees in '000											
Building, roads and structure	813,795	11,702	522,688	1,348,185	191,697	12,540	73,938	278,175	1,070,010	1	
		-				-	-				
Electric installation and fittings	875,718	112,429 (778)	-	987,369	746,234	54,692 (273)	-	800,653	186,717	10 to 15	
Furniture and fixture	983,229	256,592 (135)	-	1,239,686	437,670	66,029 (25)	-	503,674	736,012	10	
Office equipment	381,406	122,605 (8,081)	-	495,930	260,168	34,435 (4,585)	-	290,018	205,912	10 to 30	
Computer installations-basic	1,419,103	80,958 (2,658)	-	1,497,403	1,074,733	164,585 (384)	-	1,238,934	258,469	20 - 30	
	-	-	-	-	-	-	-	-	-		
Computer installations-peripherals	113,748	12,665	-	126,413	94,634	10,175	-	104,809	21,604	30	
	-	-	-	-	-	-	-	-	-		
Vehicles	410,117	861 (2,433)	-	408,545	270,483	34,235 (113)	-	304,604	103,941	20	
	-	-	-	-	-	-	-	-	-		
	4,997,116	597,813 (14,085)	522,688	6,103,532	3,075,619	376,691 (5,380)	73,938	3,520,867	2,582,665		
	-	-	-	-	-	-	-	-	-		
2024											
		Cost				Depreciation					
		As at January 01, 2024	Additions / (disposals)	Transfer from Investment Property / Capital work in progress	As at December 31, 2024	As at January 01, 2024	For the year / (disposals)	Transfer from Investment Property / Capital work in progress	As at December 31, 2024	Written down value as at December 31, 2024	Depreciation Rate (%)
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		
								-	-		



5.2 Assets with zero value

Description of Assets	2025			2024		
	Cost	Net book value	No. of items	Cost	Net book value	No. of items
	Rupees in '000			Rupees in '000		
Electric installation and fittings	114,756	-	7,336	102,650	-	3,979
Furniture and fixtures	306,500	-	46,185	295,736	-	32,610
Office equipment	130,759	-	8,909	124,828	-	6,828
Computer installation - basic	485,396	-	9,166	858,442	-	9,955
Computer installation - peripheral	64,903	-	9,471	84,290	-	1,831
Vehicles	130,154	-	146	202,999	-	216
	1,232,468	-	81,213	1,668,945	-	55,419

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

5.4 Capital work in progress

	Note	2025	2024
		(Rupees in '000)	
Opening balance		16,301	18,112
Less: Provision for impairment		-	(1,811)
Additions		574,829	-
Transfer to investment properties		-	-
Transfer to property and equipment		-	-
Closing balance		591,130	16,301

5.5 Right-of-use assets

Balance at 1 January		11,315	14,144
Additions during the year		-	-
Depreciation charge		(2,693)	(2,829)
Balance at December 31	5.5.1	8,622	11,315

5.5.1

	2025							
	Cost			Depreciation				
Description	As at January 01, 2025	Additions / (disposals)	As at December 31, 2025	As at January 01, 2025	For the year / (disposals)	As at December 31, 2025	Written down value as at December 31, 2025	Depreciation Rate (%)
	Rupees in '000							
Right-of-use assets	14,144	-	14,144	2,829	2,693	5,522	8,622	20
Total	14,144	-	14,144	2,829	2,693	5,522	8,622	
	2024							
	Cost			Depreciation				
Description	As at January 01, 2024	Additions / (disposals)	As at December 31, 2024	As at January 01, 2024	For the year / (disposals)	As at December 31, 2024	Written down value as at December 31, 2024	Depreciation Rate(%)
	Rupees in '000							
Right-of-use assets	14,144	-	14,144	-	2,829	2,829	11,315	20
	14,144	-	14,144	-	2,829	2,829	11,315	



6 INTANGIBLE ASSET

	Cost			Amortization			Written down value as at 31 December 2025	Amortization rate %
	As at 01 January 2025	Additions	As at 31 December 2025	As at 01 January 2025	For the year	As at 31 December 2025		
	Rupees in '000							
Computer software	3,357	-	3,357	2,883	237	3,120	237	30

	Cost			Depreciation			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

	Note	2025	2024
		----- (Rupees in '000) -----	
Investment properties	7.1	3,161,512	3,577,807
Less: Provision for impairment in value	7.4	(2,942)	(2,891)
		<u>3,158,570</u>	<u>3,574,916</u>

7.1 Investment properties

Investment properties

	2025									
	Cost				Depreciation					
Description	As at 01 January 2025	Additions adjustment	Transfer in from Capital work in progress	As at 31 December 2025	As at 01 January 2025	For the year / (disposals)	Transfer to Property and Equipment	As at 31 December 2025	Written down value as at 31 December 2025	Deprecia- tion Rate(%)
	Rupees in '000									
Freehold land	275,868	-	(343)	275,525	-	-	-	-	275,525	-
Leasehold land	332,697	-	(8,069)	324,628	132,675	3,854	(3,753)	132,776	191,852	1 to 5
Building, roads and structure	3,102,744	100,630	(514,276)	2,689,098	488,568	28,640	(70,185)	447,023	2,242,075	1 to 5
Electric installation and fittings	1,825,400	28,715	-	1,854,115	1,337,659	64,396	-	1,402,055	452,060	10
	5,536,709	129,345	(522,688)	5,143,366	1,958,902	96,890	(73,938)	1,981,854	3,161,512	

	2024									
	Cost				Depreciation					
Description	As at 01 January 2024	Additions adjustment	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	Written down value as at 31 December 2024	Deprecia- tion Rate(%)
	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	

7.2 The market and forced sale values of the investment properties owned by the Group, as determined by independent valuers (KGT (Private) Limited), amounted to Rs. 146,496 million and Rs. 124,522 million respectively as at December 31, 2025 (2024: Rs. 140,240 million and Rs. 119,224 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 (2024: 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** Other than the properties disclosed in note 7.3 above, the Group has 7 investment properties costing Rs. 34.114 million (2024: Rs. 33.134 million) that are under encroachment and subject to pending legal proceedings. Management does not expect any material financial loss beyond existing provisions.
- 7.5** There are properties costing Rs. 5.123 million (2024: Rs. 4.532 million) having written down value of Rs. 3.432 million (2024: Rs. 2.891 million) to which the Group title is disputed. Against this, a provision of Rs. 2.942 million (2024: Rs.2.891 million) exists.
- 7.6** The investment properties also include Rs. 25.8 million (2024: Rs. 25.8 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

INVESTMENTS IN EQUITY SECURITIES		2025			2024		
	Note	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		----- Rupees in '000 -----			----- Rupees in '000 -----		
FAIR VALUE THROUGH PROFIT OR LOSS (Designated - upon initial recognition)							
Related parties							
Listed shares	8.1	9,239,442	-	98,056,553	4,687,403	-	54,996,101
Unlisted shares		-	-	-	5,000	(4,649)	351
Others							
Listed shares	8.2	95,089,329	-	249,659,648	102,374,607	(1,647)	240,167,877
Unlisted shares	8.3	284,425	(215,623)	68,802	279,425	(210,974)	68,451
Unlisted preference shares		5,639	(3,743)	1,897	3,743	(3,743)	-
		104,618,835	(219,366)	347,786,900	107,350,178	(221,013)	295,232,780

- 8.1** This includes carrying value of Pakistan Reinsurance Company Limited (associated company) amounting to Rs. 4,523 million (2024: Rs. 3,451 million).
- 8.2** This includes 653,995 shares (2024: 653,995) owned by Group in National Bank of Pakistan on behalf of Life Insurance Corporation of India (LICI) which has a carrying value of Rs. 158.38 million (2024: Rs.43.77 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	Mr. Aqeel Ahmed	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

INVESTMENTS IN MUTUAL FUNDS		2025			2024		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	Note	-----	Rupees in '000	-----	-----	Rupees in '000	-----
FAIR VALUE THROUGH PROFIT OR LOSS							
Listed - Others							
Open & close ended mutual fund	9.1	8,611,840	-	14,693,380	68,047,446	-	77,515,708
Unlisted - Others							
Closed end mutual fund	9.2	594,190	-	5,907,057	594,190		4,271,184
		9,206,030	-	20,600,437	68,641,636	-	81,786,892



9.1 Open & close ended mutual fund

Open ended mutual funds - Pakistan Life Fund	2025			2024		
	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
	Rupees in '000			Rupees in '000		
Pakistan Life Fund						
National Investment Trust Units	15,103,870	5,430,413	2,456,276	75,996,262	2,304,969	10,662,276
Pak Capital Market Fund	-	-	-	137,662	373	3,088
NIT Government Bond Fund	-	-	-	28,278,954	300,000	311,173
NIT Income Fund	-	-	-	9,831,295	100,000	109,712
NIT Islamic Equity Fund	-	-	-	27,397,784	200,000	444,666
HBL Growth Fund"B"(PICIC Growth Fund)	-	-	-	12,384,663	-	422,317
HBL Investment Fund -Class"B"	-	-	-	1,793,173	-	28,686
HBL Money Market Fund	-	-	-	24,082,117	2,686,000	2,704,422
Al Meezan Mutual Fund	10,367,396	39,311	532,892	10,288,351	39,311	382,765
MCB Pakistan Stock Market Fund	2,335,836	599,946	848,438	36,758	962	8,351
JS Growth Fund	-	-	-	284,744	19,867	102,186
HBL Growth Fund"A"(PICIC Growth Fund)	-	-	-	12,024,904	243,312	137,445
HBL Investment Fund-Class"A"	-	-	-	1,607,710	23,653	6,736
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
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



	2025			2024		
	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
	Rupees in '000			Rupees in '000		
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
NBP Stock Fund	48,389,394	1,446,940	2,210,718	-	-	-
Lakson Equity Fund	649,420	158,898	220,433	-	-	-
ABL Stock Fund	11,696,182	329,232	457,991	-	-	-
UBL Financial Sector Fund	484,564	98,548	168,220	-	-	-
UBL Stock Advantage Fund	5,522,151	1,059,063	1,521,132	-	-	-
Atlas Stock Market Fund	1,047,481	1,584,028	2,281,411	-	-	-
Atlas Islamic Stock Fund	284,236	360,807	467,592	-	-	-
Al Habib Islamic Stock Fund	3,330,259	455,339	614,429	-	-	-
AL Habib Stock Fund	2,351,297	281,818	421,642	-	-	-
Al-Ameen Islamic Energy Fund	1,102,251	284,262	382,626	-	-	-
Al-Ameen Shariah Stock Fund	2,718,839	964,204	1,396,586	-	-	-
Golden Arrow Stock Fund	4,667,177	136,443	178,632	-	-	-
Alfalah GHP Alpha Fund	1,098,041	91,401	130,824	-	-	-
Alfalah GHP Stock Fund	1,960,075	286,187	403,539	-	-	-
		13,606,840	14,693,380		68,047,447	77,515,708

9.2 Closed end mutual funds

	2025			2024		
Pakistan Life Fund	Number of units	Cost	Carrying value	Number of units	Cost	Carrying value
	Rupees in '000			Rupees in '000		
NIT Equity Market Opportunity Fund	10,179,666	594,190	5,907,057	10,179,666	594,190	4,271,184

10 INVESTMENTS IN GOVERNMENT SECURITIES

	2025					2024	
HELD TO MATURITY	Maturity Year	Effective Yield (%)	Amortized Cost	Principal Payment	Carrying Value	Effective Yield (%)	Carrying Value
	Rupees in '000					Rupees in '000	
Pakistan Investment Bond							
3 year Pakistan Investment Bonds	2025 - 2026	12.38% - 13.04%	29,702,617	30,125,000	29,702,617	13.92% - 21.00%	241,513,680
5 year Pakistan Investment Bonds	2025 - 2027	13.32% - 13.37%	38,439,061	40,500,000	38,439,061	9.12% - 13.37%	147,099,643
10 year Pakistan Investment Bonds	2026 - 2035	7.50% - 16.50%	1,022,836,633	1,059,219,500	1,022,839,995	7.50% - 19.08%	503,044,848
15 year Pakistan Investment Bonds	2026 - 2040	8.05% - 12.70%	293,096,208	1,085,353,700	293,096,208	8.05% - 10.46%	114,075,921
20 year Pakistan Investment Bonds	2026 - 2039	9.72% - 16.50%	69,419,657	68,041,300	69,419,657	9.72% - 16.50%	69,303,270
30 year Pakistan Investment Bonds	2036 - 2038	11.52% - 16.23%	37,963,877	40,050,000	37,963,877	11.51% - 16.22%	37,942,489
			1,491,458,053	2,323,289,500	1,491,461,415		
Sukuk Bonds (Takaful)							
	2025 - 2028	10.40% - 12.49%	5,538,767	5,019,900	5,538,767	8.51% - 19.20%	2,166,645
Islamic Republic of Pakistan Bond							
			2,456,539	2,386,035	2,456,539	14.50% - 18.68%	8,331,676
Treasury Bills							
6 month Pakistan Treasury Bills	2026	10.88% - 11.86%	50,463,361	52,240,000	50,477,931	11.13% - 13.79%	210,930,982
1 Year Pakistan Treasury Bills	-	10.45%	54,353	60,000	54,431	12.20% - 18.70%	490,651
			1,549,971,073	2,382,995,435	1,549,989,082		1,334,899,805

10.1 Government securities include Rs.1,246.5 million (2024: 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. 1,598,607 million (2024: Rs.1,318,977 million), which has been done based on PKRV valuation technique taken by MUFAP.



11 INVESTMENT IN DEBT SECURITIES

INVESTMENT IN DEBT SECURITIES		2025			2024		
	Note	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		----- Rupees in '000 -----			----- 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
FAIR VALUE THROUGH PROFIT OR LOSS							
Foreign fixed income securities	11.2	43,207,237	-	43,207,237	1,785,653	-	1,785,653
		43,214,810	(7,573)	43,207,237	30,115,591	(7,573)	30,108,018

11.1 Debentures include an amount of Rs. 7.573 million (2024: 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 (2024: 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.

12 INVESTMENT IN FIXED DEPOSITS

Note	2025	2024
	----- (Rupees in '000) -----	
12.1	779,523	7,606,293

12.1 These carry mark-up ranging from 3.92% to 6.80% (2024: 3.92% to 6.80%) per annum on outstanding balances.

13 INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL RECEIVABLES

Unsecured and considered good

Due from insurance contract holders	60,119,093	251,487,550
Less: provision for impairment of receivables from insurance contract holders	(27,985)	(19,176)
Due from other insurers / reinsurers / retakaful	1,212,482	2,088,928
Less: provision for impairment of due from other insurers / reinsurers / retakaful	(45,523)	(37,423)
	61,258,066	253,519,879

14 OTHER LOANS AND RECEIVABLES

Receivables from Window Takaful Operation	19,247	6,578
Accrued investment income	98,128,217	73,842,474
Loans to agents	105,711	101,766
Agent commission receivable	72	859
Loans to employees	1,914,554	1,829,539
Accrued profit on bank deposits	993,536	1,464,032
Other receivables	33,295,972	18,581,227
Federal insurance fees	1,727	-
Advance to contractors & security deposit	591,325	406,424
Deposit against bank guarantee	502,387	552,387
	135,552,747	96,785,286

14.1 This includes unsecured, interest-free short-term loans to employees amounting to Rs.573.825 million (2024: Rs. 572.335 million). It also includes secured employee loans of Rs.1,338.203 million (2024: Rs.1,256.204 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.

15 DEPOSIT AND PREPAYMENTS

Prepaid reinsurance premium ceded	65,964	59,192
Security deposit	100,000	100,385
Prepayments	215,557	224,884
	381,521	384,461



16 CASH AND BANK BALANCES	Note	2025	2024
		----- (Rupees in '000) -----	
Cash and cash equivalent			
- Cash in hand		59,207	50,425
- Policy and Revenue stamps, Bond papers		18,859	10,150
- Bank deposits held as Cash Margin		86,772	45,617
Cash at bank			
- Saving account		130,750,061	56,925,401
- Current account	16.1	18,667,796	19,471,665
		<u>149,582,695</u>	<u>76,503,258</u>

16.1 These carry mark-up ranging from 9% to 13.5% (2024: 14.50% to 20.75%) per annum on outstanding balances.

17 ORDINARY SHARE CAPITAL

17.1 Authorized share capital

2025	2024		2025	2024
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>

17.2 Issued, subscribed and paid up share capital

2025	2024		2025	2024
Number of shares				
<u>80,000,000</u>	<u>80,000,000</u>	Ordinary shares of Rs. 100 each fully paid in cash	<u>8,000,000</u>	<u>8,000,000</u>
<u>80,000,000</u>	<u>80,000,000</u>		<u>8,000,000</u>	<u>8,000,000</u>

17.3 All ordinary shares have equal voting rights.

18 LEDGER ACCOUNT C AND D	Note	2025	2024
		----- (Rupees in '000) -----	
Opening balance		65,730,037	44,216,359
Change in solvency margin through statement of comprehensive income		19,717,114	21,513,678
		<u>85,447,151</u>	<u>65,730,037</u>
Related deferred tax liability on:			
Opening balance		(23,614,316)	(15,615,932)
Charge to statement of comprehensive income		(7,690,115)	(7,998,384)
Closing balance		<u>(31,304,431)</u>	<u>(23,614,316)</u>
Net of tax		<u>54,142,720</u>	<u>42,115,721</u>
19 RESERVES			
Group reserves		<u>4,937,761</u>	<u>3,837,231</u>
		<u>4,937,761</u>	<u>3,837,231</u>

20 INSURANCE LIABILITIES

Life insurance business:

Reported outstanding claims (including claims in payment)	20.1	64,721,627	64,992,051
Incurred but not reported claims	20.2	15,429,664	11,309,944
Investment component of unit-linked and account value policies	20.3	3,787,238	1,963,409
Liabilities under individual conventional insurance contracts	20.4	2,230,445,299	1,905,429,231
Liabilities under group insurance contracts (other than investment linked)	20.5	10,558,077	10,872,336
Other insurance liabilities (premium deficiency reserve)	20.6	4,149,862	3,546,382
		<u>2,329,091,767</u>	<u>1,998,113,353</u>

Underwriting provisions - General insurance business:

Outstanding claims including IBNR	20.7	411,076	280,599
Unearned premium reserves	20.8	127,600	151,065
Premium deficiency reserves		100	15,050
Unearned reinsurance commission	20.9	5,962	4,964
		<u>544,739</u>	<u>451,678</u>
		<u>2,329,636,506</u>	<u>1,998,565,031</u>



20.1 Reported outstanding claims (including claims in payment)	2025	2024
	----- (Rupees in '000) -----	
Gross of reinsurance		
Payable within one year	64,721,627	64,992,051
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	-	-
Net reported outstanding claims	64,721,627	64,992,051
20.2 Incurred but not reported claims		
Gross of reinsurance	15,429,664	11,309,944
Reinsurance recoveries	-	-
Net of reinsurance	15,429,664	11,309,944
20.3 Investment component of unit-linked and account value policies		
Investment component of Unit Linked Policies	3,787,238	1,963,409
20.4 Liabilities under individual conventional insurance contracts		
Gross of reinsurance	2,232,179,814	1,906,916,958
Reinsurance credit	(1,734,515)	(1,487,727)
Net of reinsurance	2,230,445,299	1,905,429,231
20.5 Liabilities under group insurance contracts (other than investment linked)		
Gross of reinsurance	11,209,108	10,872,336
Reinsurance credit	(651,031)	-
Net of reinsurance	10,558,077	10,872,336
20.6 Other insurance liabilities (premium deficiency reserve)		
Gross of reinsurance	4,343,816	3,651,193
Reinsurance recoveries	(193,954)	(104,811)
Net of reinsurance	4,149,862	3,546,382
20.7 Outstanding claims including IBNR		
Claims paid	270,887	213,851
Add: Outstanding claims including IBNR closing	411,076	280,599
Less: Outstanding claims including IBNR opening	(280,599)	(216,794)
Claims expense	401,365	277,656
Reinsurance and other recoveries received	(75,074)	(30,143)
Add: Reinsurance and other recoveries received in respect of outstanding claims opening	122,581	101,276
Less: Reinsurance and other recoveries received in respect of outstanding claims closing	(226,867)	(111,047)
Reinsurance and other recoveries revenue	(179,360)	(39,914)
	222,004	237,742
20.8 Unearned premium reserves		
Written Gross Premium	446,992	527,274
Add: Unearned premium reserve opening	151,065	116,172
Less: Unearned premium reserve closing	(127,600)	(151,065)
Less: Reinsurance premium ceded	148,081	134,317
Add: Prepaid reinsurance premium opening	59,192	47,286
Less: Prepaid reinsurance premium closing	(65,964)	(59,192)
Reinsurance expense	141,309	122,411
	329,147	369,970



20.9 Unearned reinsurance commission

	Note	2025	2024
		----- (Rupees in '000) -----	
Commission paid or payable		81,215	100,342
Add: Deferred commission expense opening		26,541	24,952
Less: Deferred commission expense closing		(22,652)	(26,541)
Net Commission		85,104	98,753
Less:			
Commission received or recoverable		14,397	8,189
Add: Unearned reinsurance commission opening		4,964	1,291
Less: Unearned reinsurance commission closing		(5,962)	(4,964)
Commission from reinsurers		13,399	4,516
		71,705	94,237

21 RETIREMENT BENEFIT OBLIGATIONS

Post retirement benefits	21.1	4,735,235	2,898,574
Accumulated Compensation Absences	21.2	2,643,120	2,487,198
		7,378,356	5,385,772

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 December 31, 2025 was carried out using the projected unit credit method. The results of the actuarial valuation are as follows:

21.1 Post retirement benefits

	Employees' Pension Fund		Officers Gratuity Fund		Employees' PRMB Scheme	
	2025	2024	2025	2024	2025	2024
	----- Rupees in '000 -----					
Balance Sheet Reconciliation						
Fair value of plan assets	45,726,263	40,446,255	12,832	16,668	-	-
Present value of defined benefit obligations	(45,294,312)	(39,172,740)	(9,388)	(9,076)	(5,170,629)	(4,178,313)
Recognised liability	431,951	1,273,515	3,443,418	7,592	(5,170,629)	(4,178,313)
Movement in the fair value of plan assets						
Fair value as at 01 January	40,446,254	30,859,384	16,669	23,476	-	-
Expected return on plan assets	4,825,665	4,646,725	1,464	2,875	-	-
Actuarial gain / (loss)	1,662,752	3,449,588	(634)	810	-	-
Employer contributions	(1,208,408)	1,490,557	(1,099)	(9,298)	-	-
Benefits paid	-	-	(11,081)	(1,194)	-	-
Fair value as at 31 December	45,726,263	40,446,254	5,319	16,669	-	-
Movement in the defined benefit obligations						
Obligation as at 01 January	39,172,741	32,290,269	9,076	17,218	4,178,313	3,500,123
Current service cost	1,085,550	843,655	116	334	157,338	129,632
Interest cost	4,686,460	4,873,698	540	1,930	506,138	532,351
Actuarial gain / (loss)	2,933,079	3,580,814	(914)	(893)	604,115	183,036
Benefits paid	(2,583,517)	(2,415,694)	(8,818)	(9,512)	(275,275)	(166,829)
Obligation as at 31 December	45,294,312	39,172,741	-	9,076	5,170,629	4,178,313
Cost						
Current service cost	1,085,550	843,655	116	334	157,338	129,632
Interest cost	4,686,460	4,873,698	540	1,930	506,138	532,351
Expected return on plan assets	(4,825,665)	(4,646,725)	(1,464)	(2,875)	-	-
Recognition of actuarial loss	1,270,327	131,226	(280)	(1,703)	604,115	183,036
Expense	2,216,671	1,201,854	(1,088)	(2,314)	1,267,591	845,019
Actual return on plan assets	6,488,417	8,096,313	830	3,685	-	-
Principal actuarial assumptions used are as follows:						
Discount rate and expected return on plan assets	11.00%	12.25%	11.00%	12.25%	11.00%	12.25%
Salary increase rate	10.00%	10.25%	10.00%	10.25%	10.00%	10.25%
Pension increase rate	6.25%	7.50%	-	-	-	-



Mortality rates

Maturity profile of the defined benefit obligation	SLIC (2001-05)-1					
	Employees' Pension Fund		Officers Gratuity Fund		Employees' PRMB Scheme	
	2025	2024	2025	2024	2025	2024
	Rupees in '000					
Weighted average duration	8.96	8.75	-	0.45	9.38	8.72
Distribution of timing of benefit payments (time in years)						
1	3,221,895	2,971,882	-	9,733	274,892	253,252
2	3,427,064	3,077,623	-	-	295,479	271,356
3	3,986,972	3,290,335	-	-	351,515	313,444
4	4,771,054	3,978,207	-	-	426,475	365,678
5	4,759,522	4,551,142	-	-	505,916	433,892
6-10	27,095,111	25,501,875	-	-	3,636,028	3,200,258
Comparison for five years:	2025	2024	2023	2022	2021	
As at 31 December	Rupees in '000					
Fair value of plan assets	(45,746,607)	(40,462,923)	(30,874,846)	(27,662,492)	(27,142,281)	
Benefit obligations	50,483,718	43,360,130	35,799,799	31,861,125	31,545,788	
Arrears	-	-	-	-	36,747	
Deficit	4,737,111	2,897,207	4,924,953	4,198,632	4,440,255	
Experience adjustments						
Loss on plan assets (as percentage of plan assets)	-10%	-7%	-16%	-15%	-16%	
Loss on benefit obligations (as percentage of benefit obligations)	9%	7%	14%	13%	14%	

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

Impact on the defined benefit obligation	Employees' Pension Fund		Officers Gratuity Fund		Employees' PRMB Scheme	
	2025	2024	2025	2024	2025	2024
Increase in assumption of discount rate	41,237,580	35,743,444	-	9,036	4,685,849	3,814,171
Decrease in assumption of discount rate	50,139,508	43,250,821	-	9,117	5,741,856	4,603,357
Increase in assumption of long term salary increase	46,663,353	40,079,488	-	-	5,407,943	4,348,031
Decrease in assumption of long term salary increase	44,043,131	38,339,003	-	-	4,955,192	4,024,204
Increase in assumption of pension increase rate	48,410,347	41,906,212	-	-	-	-
Decrease in assumption of pension increase rate	42,603,180	36,807,524	-	-	-	-
Expected contribution for the year.	2026		2026		2026	
Current services cost	1,357,021		-		206,359	
Interest income / (cost) - net	(24,138)		-		565,098	
	1,332,884		-		771,457	

Profit & loss cost for the following year ending 2026

	2026	2026	2026
	Rupees in '000		
1. Service cost			
i) Current service cost	1,357,021	-	206,359
ii) Past service cost	-	-	-
iii) Total service cost	1,357,021	-	206,359
2. Net Interest cost			
i) Interest cost on defined benefit obligation	4,882,482	-	565,098
ii) Interest income on plan assets	(4,906,619)	-	-
iii) Net interest cost	(24,138)	-	565,098
3. Cost to be recognized in P&L for the year 2026	1,332,884	-	771,457

Risk associated with the Scheme:

(a) **Final salary risk:** (linked to inflation risk) - the risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

(b) **Demographic risks**

- i- Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- ii- Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Plan assets comprise of the following:

	Employees' Pension Fund				Officers Gratuity Fund			
	2025		2024		2025		2024	
	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
Equity	-	-	-	-	-	-	-	-
Debt	44,612,283	98%	38,529,202	95%	-	-	-	-
Others (including cash and bank balances)	1,113,981	2%	1,917,053	5%	5,319	100%	24,351	100%
	45,726,264	100%	40,446,255	100%	5,319	100%	24,351	100%



21.2 Accumulated compensation absences movement in payable

	2025	2024
	----- (Rupees in '000) -----	
Balance at the beginning of the year	2,487,198	2,179,000
Addition during the year	155,922	308,198
Balance at the end of the year	<u>2,643,120</u>	<u>2,487,198</u>

22 DEFERRED TAXATION

Deferred tax asset arising in respect of

Accelerated depreciation on fixed asset	(232)	-
Lease liability	(2,991)	(3,569)
Provision against premium due but unpaid	(8,116)	(5,561)
Provision for diminution in value of investment	-	(478)
Provision against amount due from other insurers/reinsurers	(13,202)	(10,853)
	<u>(24,540)</u>	<u>(20,461)</u>

Deferred tax liability arising in respect of

On retained balance on Ledger C and D account	31,304,432	23,614,317
Property and equipment	-	23
Right-of-use assets	2,500	3,281
Provision for employees benefit plan	(544)	285
Unrealized gain or loss on revaluation of AFS	44,472	49,973
	<u>31,350,861</u>	<u>23,667,879</u>
Net deferred tax liability	<u>31,326,321</u>	<u>23,647,418</u>

	Balance as at January 01, 2025	Recognised in the statement of profit or loss	Recognised in other comprehen- sive income	Balance as at December 31, 2025
	----- Rupees in '000 -----			
Movement in deferred tax	23,647,418	7,678,903	-	31,326,321

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

23 INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL PAYABLES

Note

	2025	2024
	----- (Rupees in '000) -----	
Due to other insurers / reinsurers	1,349,584	2,962,481
Cash margins against performance bonds	84,365	45,616
	<u>1,433,948</u>	<u>3,008,097</u>

24 OTHER CREDITORS AND ACCRUALS

Agents commission payable		10,861,624	8,820,964
Accrued expenses		15,537,371	21,372,542
Lease liability	24.3	10,314	12,305
Sindh Workers' Welfare Fund	24.4	5,062	5,062
Federal Excise Duty / Sales tax		-	6,704
Salaries & wages payable		-	-
Compensated absences		5,980	4,988
Other tax payables		-	1,046
Unpaid and unclaimed dividend		-	3,001
Accounts payable for goods & services		-	783
Profit commission payable to Bureau of Emigration & Overseas Employment	24.1	10,010,530	8,643,141
Payable to PHIMC	24.2	10,319	16,274,469
Experience refund payable		6,510,482	200,347,222
Other liabilities		38,230,064	18,594,674
		<u>81,181,746</u>	<u>274,086,901</u>

24.1 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.



24.2 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).

	2025	2024
	----- (Rupees in '000) -----	
24.3 Lease liability		
Current	2,883	1,991
Non - current	7,431	10,314
	<u>10,314</u>	<u>12,305</u>

24.4 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. 5.062 million.

25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 According to the Sindh Sales Tax on Services Act, 2011, sales tax is applicable on insurance premium written within the Province of Sindh. Similarly, the revenue authorities of Punjab, Balochistan and Khyber Pakhtunkhwa have introduced sales tax on insurance premium effective from July 03, 2015, November 01, 2018 and 2021, respectively.

The applicability of sales tax on life and health insurance premiums remains a disputed matter across the insurance industry. The industry's position is that insurance contracts represent financial arrangements contingent upon the occurrence of specified events and do not constitute provision of taxable services. Based on this position, the Insurance Association of Pakistan (IAP), along with various insurance companies including the Group, has filed constitutional petitions before the Honourable High Courts of Sindh, Lahore, and Peshawar.

The details of key petitions are as follows:

High Court, Karachi (Sindh): C.P. No. D-7677/2019 (Life Insurance Premium)
 Supreme Court of Pakistan: CPLA No. 1101/2025 (appeal against Sindh High Court judgment)
 High Court, Lahore (Punjab): W.P. No. 55421/2019 (Life & Health Insurance Premium)
 High Court, Karachi (Sindh): C.P. No. D-4318/2023 (Health Insurance Premium)
 High Court, Peshawar (Khyber Pakhtunkhwa): W.P. No. 3521/2023 (Life Insurance Premium)

In respect of Balochistan Revenue Authority, no demand or notice has been received by the Group to date; accordingly, no petition has been filed in this jurisdiction.

During the year, the Honourable High Court of Sindh, in its judgement dated January 14, 2025, dismissed the petition on procedural grounds and referred the matter to the Sindh Revenue Board. Subsequently, the IAP has filed a petition for leave to appeal before the Honourable Supreme Court of Pakistan, which is currently pending adjudication.

The Writ Petition No. 55421/2019 in the Honourable High Courts of Lahore and Peshawar are also pending adjudication. In the case of Balochistan, no formal proceedings have been initiated as no demand or notice has been received by the Group to date.

Furthermore, subsequent to the year, dated January 27, 2026 the Punjab Revenue Authority issued a show cause notice raising a demand of Rs. 15,568 million. The Group, through the IAP, has challenged the same and filed a contempt petition No. 8119/2026, which is pending adjudication before the Honourable High Court of Lahore.

Based on the opinion of legal advisors and the current status of litigation, the management believes that the matter will be resolved favourably. Accordingly, no provision has been recognised in these financial statements.



However, the Group has determined the estimated aggregate exposure in respect of the above matter amounting to Rs. 13,672 million (2024: Rs. 10,674 million), calculated on the basis of risk premium and excluding the investment component of the policies. In the event of an unfavourable outcome, the management expects that the financial impact will be recoverable from policyholders.

25.1.2 The Group has been involved in various tax litigations relating to the applicability of turnover tax and minimum tax under the Income Tax Ordinance, 2001.

In respect of assessment years 1992-1993 to 1995-1996, the Inland Revenue Department contended that the tax payable under the Fourth Schedule to the repealed Income Tax Ordinance, 1979 was less than the turnover tax and, accordingly, additional tax was payable. The Group challenged this position before the Honourable High Court of Sindh, which decided the matter against the Group vide its judgement dated November 24, 2020.

Subsequently, the Group filed petitions before the Honourable Supreme Court of Pakistan, which were disposed of with directions to refer the matter to the Alternative Dispute Resolution Committee (ADRC) under section 134A of the Income Tax Ordinance, 2001. The ADRC has since deliberated on the matter and determined in its meeting dated June 17, 2025 that turnover tax is applicable, resulting in a demand of Rs. 681.6 million. Being aggrieved with decision, the Group filed Constitutional Petition CPLA D-29/2026 in the Hon'ble High Court, Karachi (Sindh) in respect of denial of access to the Courts or any other appellate forum under section 134A of the Income Tax Ordinance, 2001, which is violation of fundamental right of tax payer to seek judicial determination of its legal rights and obligations in line with the private institutions.

Further, for tax years 2018 to 2023, the Inland Revenue authorities issued notices under section 122(9) of the Income Tax Ordinance, 2001, asserting that the tax paid by the Group under the Fourth Schedule was less than 1.25% of its gross turnover and, accordingly, minimum tax under section 113 (turnover tax) was applicable. The Group contested these proceedings on the grounds that, in terms of section 99 of the Ordinance, taxation of insurance business is governed by the Fourth Schedule, under which taxable income is determined based on shareholders' surplus, while amounts attributable to policyholders are either deductible or not subject to tax. Accordingly, levy of minimum tax on gross turnover is inconsistent with the statutory framework applicable to life insurance business.

Subsequent to replies, the Additional Commissioner raised a demand of Rs. 14,293 million, which was upheld by the Commissioner (Appeals). The matter was taken to the Alternate Dispute Resolution Committee (ADRC), which confirmed applicability of section 113 but ruled that 97.5% of investment and interest income elements are not included in turnover. Pursuant to this, the Group paid Rs. 8,685 million under protest. After the ADRC's order contained material errors and no reconstitution was made, the Group filed a Constitutional Petition (CPLA D-29/2026) before the Hon'ble High Court, Karachi (Sindh), challenging denial of access to appellate forum under section 134A. Separately, notices for tax years 2003 to 2017 have also been issued after FBR condoned time limits under section 214A.

In addition, notices under sections 122(5A) and 122(9) dated April 14, 2025 were issued for tax years 2003 to 2008 and 2010 to 2017, following condonation of time limits by the Federal Board of Revenue (FBR) vide order dated March 20, 2025 issued under section 214A of the Ordinance. The Group filed replies; however, the Additional Commissioner passed orders under section 122(5A) and raised tax demands under section 137(2) on May 30, 2025. Subsequently, recovery proceedings were initiated through notices under section 138(3A) on June 18, 2025, and the Group's bank accounts were attached for an amount of Rs. 4,909.36 million. The Group filed an application before the Alternative Dispute Resolution Committee (ADRC) on the same date. Thereafter, the Commissioner Inland Revenue remanded the matter for de novo consideration on July 01, 2025. The Inland Revenue authorities have since approached the FBR for fresh condonation of time for the relevant tax years, and the matter remains under process. The Group has also filed a Constitutional Petition (C.P. No. D-6205/2025) before the Honourable High Court of Sindh challenging the legality of condonation of time-barred assessments. The Honourable High Court, vide order dated December 23, 2025, has granted interim relief and restrained the FBR from passing any adverse order. The matter is currently pending adjudication.

Moreover, for tax year 2024, the tax authorities have raised additional demands on account of turnover tax and certain disallowances. The Group has obtained a stay order from the Honourable High Court of Sindh against recovery and has also referred the matter to ADRC, which is yet to conclude its proceedings.

Based on the opinion of legal advisors and the current status of the above matters, management believes that the ultimate outcome will be favourable. Accordingly, no provision has been recognised in these financial statements.



- 25.1.3** In 2010, the Inland Revenue authorities issued notices to the Group for tax years 2008 and 2009, alleging non-deduction of withholding tax under section 151(1)(d) of the Income Tax Ordinance, 2001 on payments made to policyholders upon maturity of insurance policies. The tax authorities contended that the bonus component of such payments constituted profit on debt and was therefore subject to withholding tax. Accordingly, tax demands amounting to Rs. 710.12 million and Rs. 738.51 million were raised for tax years 2008 and 2009, respectively.

The Group challenged the matter before the Commissioner Inland Revenue (Appeals), who decided in favour of the Group vide orders dated September 29, 2011. The appellate authority held that payments made to policyholders on maturity of policies do not constitute profit on debt and are therefore not subject to withholding tax under the aforesaid provisions.

Subsequently, the Inland Revenue authorities filed appeals before the Appellate Tribunal Inland Revenue, which were dismissed vide order dated April 17, 2014. Further appeals have been filed by the tax authorities before the Honourable High Court of Sindh, which are currently pending adjudication.

Based on the opinion of legal advisors and the favourable decisions at the appellate levels, the management believes that the ultimate outcome of the matter will be in favour of the Group. Accordingly, no provision has been recognised in these financial statements.

- 25.1.4** In 2013, the Inland Revenue authorities issued notices to the Group for tax years 2010 to 2012, alleging non-deduction of withholding tax under section 151(1)(d) of the Income Tax Ordinance, 2001 on payments made to policyholders on maturity of insurance policies. Orders under sections 161 and 205 were passed, resulting in a cumulative demand of Rs. 1,577.46 million (including default surcharge). The Group discharged the demand under protest and filed appeals. The Commissioner Inland Revenue (Appeals) decided against the Group, but the Appellate Tribunal Inland Revenue decided in favour of the Group vide consolidated order dated February 21, 2017. The Department has filed reference applications before the Sindh High Court, which are pending. Out of the Rs. 1,577.46 million paid, the Department adjusted Rs. 587.39 million against tax years 2011 and 2017, and the balance of Rs. 990.08 million was adjusted against advance tax for tax year 2025.

Separately, for tax year 2013, a similar demand of Rs. 609.23 million (including default surcharge) was raised and discharged under protest. The Department issued a refund of Rs. 500 million in July 2015, adjusted outstanding demands for tax years 2009 (Rs. 10.8 million), 2010 (Rs. 12.58 million), and 2011 (Rs. 56.37 million), and adjusted the balance of Rs. 29.48 million against advance tax for tax year 2025. The Appellate Tribunal decided in favour of the Group on March 25, 2024, and the Department's reference is pending before the Sindh High Court. Based on favourable appellate decisions and legal advice, management believes the ultimate outcome will be in favour of the Group. Accordingly, no provision has been made in these financial statements.

- 25.1.5** The Additional Commissioner Inland Revenue (ACIR), Large Taxpayers Unit, Karachi issued notices under section 122 of the Income Tax Ordinance, 2001 in respect of tax years 2011, 2013 and 2014, raising various tax-related issues similar to those disclosed in related notes.

Subsequently, amended assessment orders were passed, resulting in an aggregate tax demand of Rs. 520.63 million (Tax Year 2011: Rs. 56.37 million, Tax Year 2013: Rs. 107.12 million and Tax Year 2014: Rs. 357.14 million).

The Group filed appeals before the Commissioner Inland Revenue (Appeals), which were partly decided in favour of the Group, while certain matters were either decided against the Group or remanded back to the ACIR for re-adjudication.

Both the Group and the Inland Revenue authorities have filed further appeals before the Appellate Tribunal Inland Revenue against the decisions of the Commissioner Inland Revenue (Appeals), which are pending adjudication. In respect of remanded matters, proceedings before the ACIR are also in progress.

Based on the opinion of legal advisors and the current status of the cases, the management believes that the ultimate outcome of these matters will be favourable. Accordingly, no provision has been recognised in these financial statements.

- 25.1.6** The Additional Commissioner Inland Revenue (ACIR), Large Taxpayers Unit, Karachi issued a notice under section 122(9) of the Income Tax Ordinance, 2001 in respect of tax year 2020, raising various tax-related matters. Subsequently, an amended assessment order under section 122(5A) was passed, resulting in a tax demand of Rs. 458.25 million. 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 filed an appeal before the Commissioner Inland Revenue (Appeals), who vide order dated March 09, 2023 granted partial relief, while certain matters were decided against the Group and others were remanded back to the tax authorities for re-adjudication.



Both the Group and the Inland Revenue authorities have filed cross appeals before the Appellate Tribunal Inland Revenue against the said order, which are currently pending adjudication. Proceedings in respect of remanded matters are also ongoing. Based on the opinion of legal advisors and the current status of the case, the management believes that the ultimate outcome will be favourable. Accordingly, no provision has been recognised in these financial statements.

- 25.1.7** 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 for tax years 2003 and 2006.

Notices dated August 12, 2008 and May 22, 2012 were issued by the ACIR 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 September 29, 2008 and June 30, 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 orders were filed by the Group before the CIR(A). CIR(A) deleted the above demands vide orders dated July 04, 2012 and October 31, 2012 for tax years 2003 and 2006 respectively.

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

- 25.1.8** 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 notices 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.

- 25.1.9** Additional Commissioner Inland Revenue, Audit Range B, Zone-III, LTU Karachi served notice u/s 122(9) of the Ordinance dated April 29, 2020 for 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, 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 CIR(A) on September 29, 2020. The CIR(A), on the basis of the facts and the arguments submitted, passed an order dated December 21, 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 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. Corporation as well as Inland Revenue Department filed cross appeals before the Appellate Tribunal against the order of the CIR(A), which are still pending for hearing. No date for the hearing has been fixed till date.

- 25.1.10** Various claims amounting to Rs. 51.58 million (2024: 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.

- 25.1.11** 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.



- 25.1.12** 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.

- 25.1.13** 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.

- 25.1.14** 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.



- 25.1.15** 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.

- 25.1.16** 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.

- 25.1.17** 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.

- 25.2** 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 consolidated financial statements.

25.3 Commitments

The Group is committed in respect of capital expenditure contracts aggregating to Rs. 1,371 million (2024: Rs. 900 million). There were no other commitments at the reporting date.

	2025	2024
	----- (Rupees in '000) -----	
Letter of guarantees	<u>552,387</u>	<u>552,387</u>



26 NET PREMIUM REVENUE / CONTRIBUTION REVENUE**2025** **2024****----- (Rupees in '000) -----****Gross premiums / contribution:**

Regular premium / contribution individual policies

First year

37,906,783

29,400,792

Single premium / contribution individual policies

2,768,952

1,376,778

Second year renewal

24,827,535

20,829,244

Subsequent year renewal

116,728,958

106,589,657

Group policies with cash values

61,737

62,638

Group policies without cash values

136,819,222

169,247,308

Less: experience premium refund

(29,783,999)

(62,239,883)

289,329,189

265,266,534

Non-life business

Written gross premium

470,456

492,382

Total Gross Premiums**289,799,645**

265,758,916

Less: Reinsurance Premiums Ceded

On individual life first year business

(165,701)

(114,678)

On individual life second year business

(73,207)

(65,897)

On individual life renewal business

(287,121)

(266,328)

On Group policies

(718,343)

(551,082)

Less: Reinsurance commission on risk premium

277,767

104,071

(966,606)

(893,914)

Non-life business

Less :Re-insurance premium ceded

(141,310)

(122,410)

Net Premiums**288,691,729**

264,742,592

27 INVESTMENT INCOME**Income from equity securities**

Fair value through profit or loss

- Dividend income

25,435,700

20,418,048

Income from government and debt securities

Held to maturity

- Return on government and debt securities

163,936,467

149,151,248

189,372,166

169,569,296

28 NET REALIZED FAIR VALUE GAIN ON FINANCIAL ASSETS**Fair value through profit or loss**

Realized gain on equity securities

60,216,481

17,998,806

29 NET FAIR VALUE GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net unrealized gain / (loss) on investments at fair value through profit or loss

55,019,761

119,881,883

Investment related expenses

(113,885)

(110,876)

54,905,877

119,771,007

30 NET RENTAL INCOME

Rental income

2,344,720

1,966,555

Less: Expenses of investment property

(1,249,511)

(1,025,715)

1,095,208

940,840

30.1 This includes depreciation expense of Rs. 43.779 million related to property and equipment and Rs. 96.890 million related to investment properties.**31 OTHER INCOME**

Return on bank balances

12,444,583

27,361,501

Gain on sale of property and equipment

729

3,057

Return on loans to employees

102,948

85,042

Return on loans to policyholders

25,256,297

31,786,320

Exchange gain on revaluation

407,746

-

Liabilities no longer payable

-

7,720

Miscellaneous income

8,921,309

412,401

47,133,613

59,656,041



32 NET INSURANCE BENEFITS

Gross Claims

Claims under individual policies

- by death
- by insured event other than death
- by maturity
- by surrender
- annuity payments
- bonus in cash

Total gross individual policy claims

Claims under Group policies

- by death
- by insured event other than death
- by maturity
- by surrender
- annuity payments

Total gross Group policy claims

Non-life business

Gross Claims

Total gross claims

Reinsurance Recoveries

- on individual life claims
- on Group life claims

Non-life business

Reinsurance Recoveries

Premium deficiency

Claim related expenses

Net insurance benefit expense

	2025	2024
	----- (Rupees in '000) -----	
Claims under individual policies		
by death	12,769,428	11,171,598
- by insured event other than death	337,182	229,486
- by maturity	58,307,869	50,257,889
- by surrender	54,824,717	78,096,551
- annuity payments	11,776	15,129
- bonus in cash	-	-
Total gross individual policy claims	126,250,972	139,770,653
Claims under Group policies		
- by death	9,128,239	8,232,234
- by insured event other than death	89,156,341	80,825,885
- by maturity	-	-
- by surrender	2,833	847
- annuity payments	90	233
Total gross Group policy claims	98,287,504	89,059,199
Non-life business		
Gross Claims	401,365	277,657
Total gross claims	224,939,841	229,107,509
Reinsurance Recoveries		
-on individual life claims	(251,912)	(204,570)
-on Group life claims	(444,525)	(319,418)
	(696,437)	(523,988)
Non-life business		
Reinsurance Recoveries	(179,360)	(51,448)
Premium deficiency	14,950	9,835
Claim related expenses	23,384	22,533
Net insurance benefit expense	224,102,377	228,564,441

32.1 There are various cases pertaining to policyholders in relation to individual and group insurance policies, claiming amount due as per policy amounting to Rs. 459.15 million (31 December 2024: Rs. 281.58 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.

32.2 Claim Development

Life Claims Development

Accident years

Estimate of ultimate claims cost: -

	2021	2022	2023	2024	2025
	----- Rupees in '000 -----				
At the end of accident year	6,168,253	5,279,835	5,127,434	5,786,499	6,111,399
One year later	6,721,538	8,009,294	8,160,146	19,380,735	
Two years later	9,079,117	8,410,678	8,658,196	-	
Three years later	9,221,626	8,562,355	-	-	
Four years later	9,346,957	-	-	-	
Current estimate of cumulative claims	9,589,829	8,864,648	9,095,851	10,299,810	10,165,954
Cumulative payments	(9,432,458)	(8,820,252)	(8,719,339)	(9,581,497)	(7,036,412)
	157,371	44,396	376,512	718,313	3,129,542
Claim prior to 2021					7,084,655
Liability recognized in the statement of financial position					10,214,197



Group Claims Development

Accident years	2021	2022	2023	2024	2025
Estimate of ultimate claims cost: -	----- Rupees in '000 -----				
At the end of accident year	2,559,992	2,459,507	2,675,068	3,021,997	3,129,018
One year later	5,696,305	5,395,051	5,632,477	6,630,881	
Two years later	6,841,567	6,423,903	6,803,094	-	
Three years later	7,383,665	6,940,189	-	-	
Four years later	7,687,518	-	-	-	
Current estimate of cumulative claims	8,003,007	7,413,276	7,687,181	8,711,342	8,353,828
Cumulative payments	(7,561,261)	(6,779,197)	(6,990,811)	(7,650,150)	(5,352,443)
	441,746	634,079	696,370	1,061,192	3,001,385
Claim prior to 2021					-
Liability recognized in the statement of financial position					3,001,385

32.3 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
	----- Rupees in '000 -----				
Unclaimed maturity benefits	20,094,138	1,508,650	13,387,133	3,073,095	2,125,260
Unclaimed death benefits	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-
	20,094,138	1,508,650	13,387,133	3,073,095	2,125,260

33 ACQUISITION EXPENSES

	Note	2025	2024
		----- (Rupees in '000) -----	
Remuneration to insurance intermediaries on individual policies:			
- commission to agent on first year premiums		18,580,858	15,171,190
- commission to agent on second year premiums		3,330,941	2,713,223
- commission to agent on subsequent renewal premiums		3,934,129	3,619,270
- other benefits to insurance intermediaries		3,334,615	2,998,445
- branch overhead	33.1	6,245,974	5,121,246
		35,426,516	29,623,374
Remuneration to insurance intermediaries on Group policies:			
- commission		16,146	17,731
- other benefits to insurance intermediaries		3,330	8,593
		19,476	26,324
		35,445,992	29,649,698
Other acquisition costs:			
- Stamp duty		1,221,739	2,678,517
- Initial medical fees		99,715	108,480
		1,321,454	2,786,997
Non-Life business			
Acquisition expense		71,705	94,236
		36,839,152	32,530,931



33.1 Branch overhead

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

Employee benefit cost	34.1	16,227,783	14,387,478
Travelling expenses		1,024,109	850,922
Advertisements and sales promotion		210,318	232,206
Printing and stationery		377,361	471,939
Depreciation and amortization		335,887	239,508
Rent, rates and taxes		194,052	210,364
Legal and professional charges - business related		2,560,393	2,396,763
Electricity, gas and water		471,181	555,321
Office repairs and maintenance		114,367	87,796
Bank charges		26,977	25,793
Postages, telegrams and telephone		199,223	216,957
Appointed Actuary fees		12,742	10,549
Annual Supervision fees SECP		100,676	100,200
Entertainment		3,259	3,628
Vehicle running expenses		25,103	25,302
Insurance expense		218	80
Training expense		167,413	129,178
Miscellaneous		2,332	9,740
		<u>22,053,394</u>	<u>19,953,724</u>

34.1 Employee benefit cost

Salaries, allowances and other benefits	14,170,562	13,343,794
Charges for post employment benefit	2,057,221	1,043,684
	<u>16,227,783</u>	<u>14,387,478</u>

35 OTHER EXPENSES

Auditors' remuneration	35.1	23,608	38,674
Directors' fee		5,720	4,040
Revenue stamps		11,452	42,544
Exchange loss on revaluation		-	132,963
Conference and meetings		195,673	155,579
Insurance charges		112,748	525,148
Office maintenance		260,007	185,094
Entertainment		52,539	43,480
Workers' welfare fund		-	2,864
Other expenses		161,099	103,494
		<u>822,846</u>	<u>1,233,880</u>



35.1 Auditors' remuneration	Note	2025	2024
		----- (Rupees in '000) -----	
Business within Pakistan			
Annual audit and half yearly review fee			
Crowe Hussain Chaudhury & Co.		5,400	-
Riaz Ahmad & Company		-	18,900
Grant Thornton Anjum Rahman		1,394	883
		<u>6,794</u>	<u>19,783</u>
Out of pocket			
Crowe Hussain Chaudhury & Co.		972	-
Riaz Ahmad & Company		-	2,160
BDO Ebrahim & Co.		323	-
Grant Thornton Anjum Rahman		-	300
		<u>1,295</u>	<u>2,460</u>
Business Outside Pakistan			
Audit fee			
Crowe MAK		15,519	-
Sajjad Haider and Co		-	16,431
		<u>15,519</u>	<u>16,431</u>
		<u>23,608</u>	<u>38,674</u>
36 FINANCE COST			
Lease finance charges		<u>3,025</u>	<u>3,178</u>
37 INCOME TAX EXPENSE			
For the year			
Current		2,603,397	2,088,841
Deferred		7,684,342	8,003,905
		<u>10,287,739</u>	<u>10,092,746</u>
For the prior year			
Current		(45,322)	(12,482)
Total income tax charge for the year	37.1	<u>10,242,417</u>	<u>10,080,264</u>
37.1 Relationship between tax expense and accounting profit			
Profit before tax		<u>26,370,572</u>	<u>26,010,676</u>
Tax at the applicable rate @ 29% (2024: 29%)		7,647,466	7,543,096
Reconciliation:			
Education cess for the year		7,152	8,576
Impact of super tax @ 10% (2024: 10%)		2,637,057	2,601,068
Effect of prior year changes		(45,322)	(12,482)
Others		(3,936)	(59,994)
Tax expense for the year		<u>10,242,417</u>	<u>10,080,264</u>
38 EARNINGS PER SHARE			
Profit (after tax) for the year (Rupees in '000)		<u>16,127,529</u>	<u>15,925,139</u>
Number of ordinary shares outstanding as at year end (Numbers in '000)		<u>80,000</u>	<u>80,000</u>
Earnings per share (Rupees)		<u>201.59</u>	<u>199.06</u>

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 Officer		Directors		Management Executives	
	2025	2024	2025	2024	2025	2024
	Rupees in '000					
Fees	-	-	10,760	21,120	-	-
Managerial remuneration	43,599	68,333	-	-	101,333	109,149
House rent allowance	-	-	-	-	21,826	28,026
Utilities	706	603	-	-	20,969	26,586
Leave encashment	-	-	-	-	-	-
Ex-gratia allowance	100	100	-	-	3,530	663
Rent and house allowance	4,235	3,616	-	-	5728	5,376
Medical	-	-	-	-	-	-
Conveyance	-	-	-	-	119	-
Others	50	-	-	-	38,363	48,507
Entertainment	-	-	-	-	-	46
Staff provident fund	-	-	-	-	-	-
	48,690	72,652	10,760	21,120	191,868	218,353
Number of persons	2	2	17	20	29	32

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 arm's 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:

	2025	2024
	----- (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	1,246,500
Staff retirement fund		
Contribution to provident fund	3,128	331
Contribution to pension fund	678,714	741,335
Contribution to funded gratuity	53	295
Expense charged for pension fund	2,583,516	2,415,694



Transactions with associated companies

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

Common ownership**Dividend received during the year**

Fauji Fertilizer Company Limited	6,526,291	2,399,780
Sui Northern Gas Pipelines Company Limited	267,573	114,674
Security Papers Limited	-	-
Pakistan Reinsurance Company Limited - associated company (24.41%)	439,393	219,697
Pak Data Communication	-	3,203
Shahtaj Sugar Mills Limited	-	10,598
Wah-Nobel Chemicals Limited	8,980	8,980
Bank AL-Habib Limited	1,248,398	-

Reinsurance premium ceded

Pakistan Reinsurance Company Limited	4,552,014	239,325
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Others - Transactions

Remuneration to key management personnel	27,129	30,048
Directors' remuneration	5,741	4,040
Actuary Fee to M/s Akhtar & Hassan (Private) Limited.	-	-
Insurance stamps - PTF	-	-

Balances with related parties - Common directorship

Investment in units of NIT Islamic Equity Fund	-	444,666
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Investment in shares of:

Fauji Fertilizer Company Limited	75,610,880	44,743,567
Sui Southern Gas Company Limited	-	2,582,845
Sui Northern Gas Pipelines Company Limited	3,045,745	2,852,582
Pakistan Cables Limited	872,713	817,715
Security Papers Limited	-	-
Shahtaj Sugar Mills Limited	-	70,649
Pak Data Communication Limited	-	145,182
Premier Insurance Company Limited	-	29,727
Pakistan Reinsurance Company Limited	4,523,553	3,451,434
Arabian Sea Country Club Limited	-	5,000
PICIC Insurance Limited	-	-
Nina Industries Limited	-	-
Mirpurkhas Sugar Mills Limited	-	36,060
Wah-Nobel Chemicals Ltd	297,725	266,341

Others Balances**Pakistan Reinsurance Company Limited - Associate of parent
(Common Directorship)**

Payable from Pakistan Reinsurance Company Limited	(60,948)	(32,487)
Payable to retirement benefit obligations - net	(1,876)	(1,367)
Payable to M/s Akhtar & Hassan (Private) Limited.	-	-



41 SEGMENTAL INFORMATION

41.1 Revenue account by statutory fund

	Statutory fund						Aggregate		
	Pakistan Life Fund	Group Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund			2025
						Life	Sub Funds Group	Health	
	Rupees in '000								
Income									
Premium less reinsurances	174,714,246	10,139,020	4,086,949	61,737	96,143,134	3,182,770	13,338	21,588	288,362,782
Rental income from investment property	1,086,301	-	-	-	-	-	-	-	1,086,301
Net investment income	338,846,871	234,958	2,796,719	77,466	7,649,220	518,652	18,155	16,283	350,158,324
Total net income	514,647,418	10,373,978	6,883,668	139,203	103,792,354	3,701,422	31,493	37,871	639,607,407
Insurance benefits and expenditure									
Insurance benefits, including bonuses, net of reinsurance recoveries	121,880,002	8,773,482	4,089,637	78,883	88,908,865	52,192	11,935	70,427	223,865,423
Management expenses less recoveries	52,891,141	829,525	880,914	363	3,637,077	1,189,282	1,768	1,670	59,431,740
Total insurance benefits and expenditure	174,771,143	9,603,007	4,970,551	79,246	92,545,942	1,241,474	13,703	72,097	283,297,163
Excess of income over insurance benefits and expenditures	339,876,275	770,971	1,913,117	59,957	11,246,412	2,459,948	17,790	(34,226)	356,310,244
Surplus transferred from PLF	(7,630,021)	7,630,021	-	-	-	-	-	-	-
Net change in insurance liabilities (other than outstanding claims)	(295,813,831)	-	(916,174)	(14,254)	193,352	(2,616,051)	(3,481)	6,678	(299,163,761)
Surplus/ (deficit) before tax	36,432,422	8,400,992	996,943	45,703	11,439,764	(156,103)	14,309	(27,548)	57,146,483
Taxes chargeable to statutory funds									
Prior year(s)	-	-	-	-	-	-	-	-	-
Surplus/ (deficit) after tax	36,432,422	8,400,992	996,943	45,703	11,439,764	(156,103)	14,309	(27,548)	57,146,483
Movement in policyholders' liabilities	295,813,831	-	916,174	14,254	(193,352)	2,616,051	3,481	(6,678)	299,163,761
Transfers to and from shareholders' fund									
- Surplus appropriated to shareholders' fund	(5,275,847)	-	(68,447)	-	-	-	-	-	(5,344,294)
- Funds transferred from PLF to GLF	(19,415,584)	19,415,584	-	-	-	-	-	-	-
- Capital returned to shareholders' fund	-	-	-	-	-	-	-	-	-
- Fund transferred to general reserve	-	-	-	-	-	-	-	-	-
- Funds transferred from Takaful - life to Takaful Group and Health	-	-	-	-	-	(300,000)	160,000	140,000	-
- Capital contributions from shareholders' fund	-	-	-	-	-	-	-	-	-
- Capital contributions from shareholders' fund	-	-	-	-	-	-	-	-	-
Net transfer to/from shareholders' fund	(24,691,431)	19,415,584	(68,447)	-	-	(300,000)	160,000	140,000	(5,344,294)
Balance of statutory fund at beginning of the year	1,881,357,605	-	46,227,507	737,799	66,526,880	3,762,281	86,409	152,861	1,998,851,342
Balance of statutory fund at end of the year	2,188,912,427	27,816,576	48,072,177	797,756	77,773,292	5,921,229	263,199	258,635	2,349,817,292

Revenue account by statutory fund

	Statutory fund							Aggregate	
	Pakistan Life Fund	Group Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund Sub Funds			2024
						Life	Group	Health	
	Rupees in '000								
For the year ended 31 December 2024									
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



41.2 Segmental results by line of business

	Statutory fund							Aggregate
	Pakistan Life Fund	Group Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund Sub Funds		
						Life	Group	Health
	Rupees in '000							
Income								
Gross premiums								
- First year	38,229,077	-	689,988	-	-	1,756,670	-	-
- Second year	23,456,283	-	419,457	-	-	951,795	-	-
- Subsequent year renewal	113,156,854	-	3,036,176	-	-	535,929	-	-
Group policies with cash value	-	-	-	61,737	-	-	-	-
Group policies without cash value	-	11,190,620	-	-	125,579,208	-	28,007	21,588
Less: experience premium refund	-	(347,925)	-	-	(29,436,074)	-	-	-
Total gross premiums	174,844,214	10,844,695	4,146,621	61,737	96,143,134	3,244,393	28,007	21,588
Less: reinsurance premiums ceded								
On individual life first year business	(97,492)	-	(6,586)	-	-	(61,624)	-	-
On individual life second year business	(70,335)	-	(2,873)	-	-	-	-	-
On individual life renewal business	(237,908)	-	(49,212)	-	-	-	-	-
On group policies	-	(703,674)	-	-	-	-	(14,669)	-
Less: Reinsurance commission on risk premium	277,767	-	-	-	-	-	-	-
	(127,968)	(703,674)	(58,671)	-	-	(61,624)	(14,669)	-
Net Premiums	174,716,246	10,141,020	4,087,949	61,737	96,143,134	3,182,770	13,338	21,588
Rental income from investment property	1,086,301	-	-	-	-	-	-	-
Net investment income	338,846,871	234,958	2,796,719	77,466	7,649,220	518,652	18,155	16,283
Total net income	514,649,418	10,375,978	6,884,668	139,203	103,792,354	3,700,422	30,493	37,871
Insurance benefits and expenditures								
Claims, including bonuses, net of reinsurance recoveries	121,880,002	8,773,482	4,089,637	78,883	88,908,865	52,192	11,935	70,427
Management expenses less recoveries	52,891,141	829,525	880,914	363	3,637,077	1,189,282	1,768	1,670
Current tax	-	-	-	-	-	-	-	-
Total insurance benefits and expenditures	174,771,144	9,603,007	4,970,551	79,246	92,545,942	1,241,473	13,703	72,097
Excess of income over insurance benefits	339,879,274	772,971	1,914,118	59,957	11,246,412	2,458,948	16,790	(34,226)
Surplus transferred from PLF	(7,630,021)	7,630,021	-	-	-	-	-	-
Add: Policyholder liabilities at the beginning of year	1,796,778,743	-	36,549,040	176,824	2,710,168	2,585,690	10,827	52,682
Less: Policyholder liabilities at the end of year	2,092,592,574	-	37,465,214	191,078	2,516,816	5,201,741	14,308	46,004
Surplus/(deficit) after tax	36,435,422	8,402,992	997,944	45,703	11,439,764	(157,103)	13,309	(27,548)

Segmental results by line of business

	Statutory fund							Aggregate
	Pakistan Life Fund	Group Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful Fund Sub Funds		
						Life	Group	Health
	Rupees in '000							
Income								
Gross premiums								
- First year	29,155,527	-	491,728	-	-	1,130,316	-	-
- Second year	19,849,078	-	372,617	-	-	607,549	-	-
- Subsequent year renewal	103,612,703	-	2,778,237	-	-	198,717	-	-
Group policies with cash value	-	-	-	64,252	-	-	-	-
Group policies without cash value	12,177,355	-	-	-	156,922,041	-	38,146	109,766
Less: experience premium refund	(734,983)	-	-	-	(61,504,900)	-	-	-
Total gross premiums	164,059,680	-	3,642,582	64,252	95,417,141	1,936,582	38,146	109,766
Less: reinsurance premiums ceded								
On individual life first year business	(68,485)	-	(3,016)	-	-	(43,177)	-	-
On individual life second year business	(63,030)	-	(2,867)	-	-	-	-	-
On individual life renewal business	(209,746)	-	(56,582)	-	-	-	-	-
On group policies	(530,373)	-	-	-	-	-	(20,709)	-
Less: Reinsurance commission on risk premium	90,777	-	13,294	-	-	-	-	-
	(781,857)	-	(49,171)	-	-	(43,177)	(20,709)	-
Net Premiums	163,278,823	-	3,593,411	64,252	95,417,141	1,893,405	17,437	109,766
Rental income from investment property	931,648	-	-	-	-	-	-	-
Net investment income	351,976,554	-	2,482,119	68,119	10,783,334	450,165	4,244	6,716
Total net income	516,187,025	-	6,075,530	132,371	106,200,475	2,343,570	21,681	116,482
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
Management expenses less recoveries	48,207,964	-	905,694	2,306	3,446,652	871,806	1,732	12,836
Current tax	-	-	-	-	-	-	-	-
Total insurance benefits and expenditures	191,505,072	-	5,176,305	63,134	84,013,527	885,457	10,272	123,621
Excess of income over insurance benefits	324,681,953	-	899,225	69,237	22,186,948	1,458,113	11,409	(7,139)
Add: Policyholder liabilities at the beginning of year	1,494,873,358	-	35,670,364	165,849	1,037,456	1,122,995	-	-
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
Surplus/(deficit) before tax	22,776,568	-	20,549	58,262	20,514,236	(4,582)	582	(59,821)



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:

2025	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Bond	Miscellaneous	Total
Rupees in '000							
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	205,535	62,322	89,298	1,024	6,582	130,923	495,685
Less: Federal Excise Duty	12,597	5,219	8,288	-	845	12,688	39,638
Federal Insurance Fee	802	449	537	8	55	822	2,673
Others	104	5,758	227	-	70	223	6,382
Gross written premium (inclusive of administrative surcharge)	192,032	50,896	80,246	1,016	5,612	117,189	446,992
Gross direct premium	78,354	43,422	52,510	1,014	2,140	116,216	293,656
Facultative inward premium	112,510	6,146	26,789	-	146	35,001	180,592
Administrative surcharge	1,168	1,328	947	2	181	973	4,599
	192,032	50,896	80,246	1,016	2,466	152,191	478,847
Insurance premium earned	195,845	52,170	84,278	32,276	3,292	102,595	470,456
Insurance premium ceded to reinsurers	(81,092)	(16,433)	(16,638)	-	(1,368)	(25,779)	(141,310)
Net insurance premium	114,753	35,737	67,640	32,276	1,924	76,816	329,146
Commission income	6,534	1,068	1,575	-	1	4,221	13,399
Net underwriting income	121,287	36,805	69,215	32,276	1,925	81,036	342,545
Insurance claims	(228,132)	(33,964)	(61,747)	(58,331)	-	(19,191)	(401,365)
Insurance claims recovered from reinsurer	144,769	12,252	19,528	-	-	2,812	179,360
Net claims	(83,363)	(21,713)	(42,218)	(58,331)	-	(16,379)	(222,004)
Commission expense	(45,042)	(11,416)	(9,652)	(1,617)	(307)	(17,070)	(85,104)
Management expense	(79,617)	(21,102)	(33,270)	(421)	(2,327)	(48,587)	(185,325)
Premium deficiency expense	-	319	-	14,631	-	-	14,950
Net insurance claims and expenses	(208,022)	(53,912)	(85,140)	(45,738)	(2,634)	(82,036)	(477,483)
Underwriting result	(86,735)	(17,107)	(15,925)	(13,461)	(709)	(1,000)	(134,938)
Net investment income							167,842
Other income							19,730
Other expenses							(24,479)
Finance cost							(3,025)
Profit before tax from Window Takaful							
Operations - Operator's Fund							9,498
Profit before tax							34,627

2025	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Bond	Miscellaneous	Total
Rupees in '000							
Segment assets	212,627	56,355	88,852	1,125	6,214	129,758	494,932
Unallocated assets							1,215,921
	212,627	56,355	88,852	1,125	6,214	129,758	1,710,853
Segment liabilities	338,829	89,804	141,589	1,792	9,903	206,774	788,691
Unallocated liabilities	-	-	-	-	-	-	150,630
Unallocated liabilities of Window Takaful	-	-	-	-	-	-	-
Operation - Operator's Fund	-	-	-	-	-	-	-
	338,829	89,804	141,589	1,792	9,903	206,774	939,321



2024	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Bond	Miscellaneous	Total
Rupees in '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
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							<u>55,077</u>

2024	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Bond	Miscellaneous	Total
Rupees in '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



41.4 Segment Statement of financial position

	Statutory Funds	Shareholders Fund	2025	Statutory Funds	Shareholders Fund	2024
	Rupees in '000					
Assets						
Property and equipment	3,182,417	-	3,182,417	1,949,113	-	1,949,113
Intangible asset	237	-	237	474	-	474
Investment property	3,158,570	-	3,158,570	3,574,916	-	3,574,916
Investments	1,952,565,558	9,018,098	1,961,583,656	1,733,009,397	9,018,098	1,742,027,495
Investment in fixed deposits	779,523	-	779,523	7,606,293	-	7,606,293
Loans secured against life insurance policies	156,365,739	-	156,365,739	154,825,679	-	154,825,679
Insurance / reinsurance receivables	61,258,066	-	61,258,066	253,519,879	-	253,519,879
Other loans and receivables	131,252,694	4,300,053	135,552,747	92,485,233	4,300,053	96,785,286
Advance taxation	55,578,508	26,888	55,605,396	29,912,105	26,888	29,938,993
Prepayments	381,521	-	381,521	384,461	-	384,461
Reinsurance recoveries and outstanding claims	226,867	-	226,867	122,581	-	122,581
Deferred commission expense/acquisition cost	22,652	-	22,652	26,541	-	26,541
Cash and bank balances	149,582,582	113	149,582,695	76,503,145	113	76,503,258
Total Assets of Window Takaful-Operator's Fund	141,042	-	141,042	81,318	-	81,318
Total Assets of Window Takaful-Participant's Fund	174,845	-	174,845	79,001	-	79,001
Total assets	2,514,670,822	13,345,151	2,528,015,973	2,354,001,135	13,345,152	2,367,425,288
Liabilities						
Insurance liabilities net of reinsurance recoveries	2,329,636,506	-	2,329,636,506	1,998,565,031	-	1,998,565,031
Retirement benefit obligations	7,378,356	-	7,378,356	5,385,772	-	5,385,772
Deferred capital grant	290	-	290	3,237	-	3,237
Deferred taxation	31,326,321	-	31,326,321	23,647,418	-	23,647,418
Premium received in advance	7,137,454	-	7,137,454	6,542,891	-	6,542,891
Insurance / takaful / reinsurance / retakaful payables	1,433,948	-	1,433,948	3,008,097	-	3,008,097
Other creditors and accruals	81,181,746	-	81,181,746	274,086,901	-	274,086,901
Provision for taxation	-	2,547,583	2,547,583	-	2,089,152	2,089,152
Total liabilities of Window Takaful-Operator's Fund	76,629	-	76,629	23,648	-	23,648
Total liabilities of Window Takaful-Participant's Fund	174,845	-	174,845	79,001	-	79,001
Total Liabilities	2,458,346,095	2,547,583	2,460,893,678	2,311,341,996	2,089,152	2,313,431,148

42 MOVEMENT IN INVESTMENTS

	Held to Maturity	Fair value through profit and loss	Total
	Rupees in '000		
At beginning of previous 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 - net	30,610,431	-	30,610,431
	-	-	-
Unrealized fair value loss	-	121,557,187	121,557,187
Impairment loss	-	16,912	16,912
At beginning of current year	1,363,222,168	378,805,327	1,742,027,495
Additions	772,840,979	58,969,361	831,810,340
Disposals (sale and redemptions)	(572,106,966)	(122,702,031)	(694,808,997)
Unwinding of discount - net	29,240,136	-	29,240,136
Unrealized fair value gain	-	53,313,036	53,313,036
Impairment loss	-	1,647	1,647
At end of current year	1,593,196,316	368,387,339	1,961,583,656



43 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

43.1 Insurance Risk

43.1.1 Insurance contracts - classification

The Group majorly maintains six statutory funds which are as follows:

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

During the year, the Corporation has segregated its life business into separate statutory funds, namely Pakistan Life Fund and Group Life Fund. Accordingly, the classification of business is presented based on these distinct funds.

The Pakistan Life Fund comprises individual life conventional business and a small portion of annuity business. Most of the new individual life conventional policies written by the Corporation contain a Discretionary Participation Feature (DPF).

The Group Life Fund consists of group life insurance business.

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 1347 area offices, more than 217 sector offices, 35 zones and 11 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 35 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 87% 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:

	2025	2024
	----- (Rupees in '000) -----	
UAE Dirhams		
10% increase	197,235	1,351,325
10% decrease	(197,235)	(1,351,325)
US Dollars		
10% increase	4,671,061	3,284,344
10% decrease	(4,671,061)	(3,284,344)

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	-3.27%
Decrease in discount rate	0.5% reduction in rate	3.42%

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

		2025						
		Interest / Markup bearing			Non-interest / Non-markup bearing			
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
Financial Assets	Note	Rupees in '000						
Investments								
Equity securities	8	-	-	-	347,570,956	-	347,570,956	347,570,956
Government securities	9	216,573,930	1,333,415,152	1,549,989,082	-	-	-	1,549,989,082
Debt securities	10	-	43,207,238	43,207,238	-	-	-	43,207,238
Mutual funds	11	-	-	-	20,595,303	-	20,595,303	20,595,303
Loans secured against life insurance policies		-	156,365,739	156,365,739	-	-	-	156,365,739
Reinsurance recoveries and outstanding claims		-	-	-	-	-	-	-
Insurance / takaful / reinsurance / retakaful receivables	12	-	-	-	60,067,618	1,011,201	61,078,819	61,078,819
Deposit and prepayments	14	-	-	-	100,000	-	100,000	100,000
Other loans and receivables	13	100,441,803	-	100,441,803	34,482,251	-	34,482,251	134,924,054
Cash and bank balances	15	130,765,339	-	130,765,339	18,703,411	-	18,703,411	149,468,750
As at 31 December 2025		447,781,072	1,532,988,129	1,980,769,202	481,519,539	1,011,201	482,530,740	2,463,299,942
Financial Liabilities								
Insurance liabilities	19	-	-	-	64,721,627	2,264,370,140	2,329,091,767	2,329,091,767
Premium received in advance		-	-	-	7,122,914	-	7,122,914	7,122,914
Insurance / takaful / reinsurance / retakaful payables	22	-	-	-	1,204,537	-	1,204,537	1,204,537
Other creditors and accruals	23	-	-	-	81,180,532	-	81,180,532	81,180,532
As at 31 December 2025		-	-	-	154,229,610	2,264,370,140	2,418,599,750	2,418,599,750
Off Balance Sheet Financial Instrument		447,781,072	1,532,988,129	1,980,769,202	327,289,929	(2,263,358,939)	(1,936,069,010)	44,700,192
		2024						
		Interest / Markup bearing			Non-interest / Non-markup bearing			
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
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 / reinsurance 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 instruments		690,414,284	971,132,574	1,661,546,858	318,818,706	(1,931,484,052)	(1,612,665,346)	48,881,512



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:

	2025		2024	
	UAE Dirhams	US Dollar	UAE Dirhams	US Dollar
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Assets	35,878	174,439	244,614	246,543
Liabilities	9,870	6,747	66,424	128,635
Reserves	26,008	167,692	178,190	117,908

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:

	Note	2025 ----- (Rupees in '000) -----	2024
Cash and bank balances	16	149,417,856	84,048,976
Loans secured against life insurance policies		156,365,739	154,825,679
Investments		1,962,363,179	1,742,027,495
Insurance / takaful / reinsurance / retakaful receivables	13	61,078,819	253,519,879
Deposits	15	100,000	100,385
Other loans and receivables	14	134,924,054	96,378,862
Total		<u>2,464,249,648</u>	<u>2,330,901,276</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>61,078,819</u>	<u>253,519,879</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	2025 ----- (Rupees in '000) -----	2024
National Bank of Pakistan Limited	AAA	A1+	VIS	42,840	139
Allied Bank Limited	AAA	A1+	PACRA	889	1,642
Bank Al Habib Limited	AAA	A1+	VIS	6,327,883	6,301,159
Bank Al Falah Limited	AA-	A1+	PACRA	5,884,030	17,125,715
Dubai Islamic Bank	AA	A1+	VIS	504,914	469,960
First Women Bank Limited	A-	A-2	PACRA	11,712	7,307
Habib Bank Limited	AAA	A1+	VIS	23,112,158	20,609,181
MCB Bank Limited	AAA	A1+	PACRA	207,666	185,527
Mobilink Micro Finance Bank Limited	A	A-1	PACRA	411,749	199,653
JS Bank Limited	AA-	A1+	PACRA	37,577	4,624
Bank of Punjab	AA	A1+	PACRA	1,825,460	5,740,272
Faysal Bank Limited	AA	A1+	VIS	53,987,610	418,121
Samba Bank Limited	AA	A-1	PACRA	15,857	3,891
Silk Bank Limited	A-	A-2	VIS	-	12,326
Sindh Bank Limited	A+	A1+	VIS	-	1
Soneri Bank Limited	AA-	A1+	PACRA	8,856,547	2,762,541
Standard Chartered Bank (Pakistan) Limited	AAA	A1+	PACRA	708,385	159
Bank Makramah Limited	-	-	VIS	-	4,927
United Bank Limited	AAA	A1+	VIS	46,800,758	27,901,989
Barclays Banks	-	-	-	36,195	-
Bank of Singapore	-	-	-	8,636	1,891,705
Julius Bar Bank	-	-	-	262,106	118,965
Kuwait Finance Bank	-	-	-	356,683	289,172
Summit Bank	-	-	-	18,201	-
				149,417,856	84,048,976

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

	2025 ----- (Rupees in '000) -----	2024
Amount due from other insurers / reinsurers		
A or above	1,212,482	2,088,928

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:

	2025	
	Carrying value	Fair value
	----- (Rupees in '000) -----	
Government securities	1,549,989,082	1,598,606,755
	2024	
	Carrying value	Fair value
	----- (Rupees in '000) -----	
Government securities	1,334,899,805	1,308,045,544

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.

Further details are given in the table below:

	2025	2024
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Issued, subscribed and paid-up capital	8,000,000	8,000,000
Ledger account C and D	54,142,720	42,115,721
Group reserves	4,937,761	3,837,231
Non controlling interest	41,814	41,188
Shareholders' equity	67,122,295	53,994,140

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 December 31, 2025.

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 2025		As at 31 December 2024	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Financial Assets				
Cash and bank balances	149,468,750	149,468,750	84,109,551	84,109,551
Loans secured against life insurance policies	156,365,739	156,365,739	154,825,679	154,825,679
Deposit and prepayments	100,000	100,000	100,385	100,385
Insurance/takaful/reinsurance/retakaful receivables	61,078,819	61,078,819	253,519,879	253,519,879
Other loans and receivables	134,924,054	134,924,054	96,378,862	96,378,862
	501,937,363	501,937,363	588,934,356	588,934,356
Investments:				
Fair value through Profit or loss				
Listed equity securities and mutual fund units	362,188,503	362,188,503	372,679,686	372,679,686
Unlisted equity securities and mutual fund units	5,977,756	5,977,756	4,339,986	4,339,986
Held to maturity				
Government securities	1,549,989,082	1,308,045,544	1,334,899,805	1,308,045,544
Debt securities	43,207,237	43,207,237	30,108,018	30,108,018
	1,961,362,578	1,719,419,040	1,742,027,495	1,715,173,234
	2,463,299,941	2,221,356,403	2,330,961,851	2,304,107,590
Financial Liabilities				
Insurance liabilities	2,329,091,767	2,329,091,767	1,998,565,031	1,998,565,031
Premium received in advance	7,122,914	7,122,914	6,542,891	6,542,891
Insurance/takaful/reinsurance/retakaful payables	1,204,537	1,204,537	3,008,097	3,008,097
Other creditors and accruals	81,180,532	81,180,532	274,086,901	274,086,901
	2,418,599,750	2,418,599,750	2,282,202,920	2,282,202,920



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
December 31, 2025	Rupees in '000			
Financial Assets at carrying value				
Investments at carrying value Fair value through profit or loss				
Listed equity securities and mutual fund units	362,188,503	362,188,503	-	-
Unlisted equity securities and mutual fund units	5,977,756	-	5,977,756	-
	368,166,259	362,188,503	5,977,756	-
	Total	Level 1	Level 2	Level 3
December 31, 2024	Rupees in '000			
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	-
	377,019,672	372,679,686	4,339,986	-

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

45.3 Transfers during the period

During the year to December 31, 2025:

- 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	---- (Rupees in '000) ----
- Cash And Bank Balances	Fixed deposits	779,523

47 NUMBER OF EMPLOYEES

The details of number of employees are as follows:

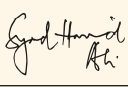
	2025	2024
Permanent employees as at year end	<u>3,533</u>	<u>3,676</u>
Contractual employees as at year end	<u>338</u>	<u>336</u>
Area managers	<u>1,347</u>	<u>1,357</u>
	<u>5,218</u>	<u>5,369</u>
Average number of employees during the year	<u>5,294</u>	<u>5,157</u>

48 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue by the Board of Directors of the Group on April 30, 2026.

49 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	 Syed Hamid Ali Director	 Shoaib Javed Hussain Chief Executive Officer	 Muhammad Amjad Chief Financial Officer
--	--	--	---	---





GOLDEN ENDOWMENT



**Premium paying
term: 7 years**



**Coverage term:
20 years**



**Min/Max age at
entry: 20-55 years**



Plan type:
Conventional
Endowment



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- More than 15,000 offices across Pakistan serving policyholders
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- Bancassurance plans available through 7 major banks

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FINANCIAL STATEMENTS (WINDOW TAKAFUL OPERATION)



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 2025

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 2025.

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 31st December 2025 and to express his opinion on the transactions and operational aspects of Window Takaful Operations.

Progress of the Year:

During the year under review;

State Life - Window Takaful Operations has achieved significant successes, details of which are as follow:

1. 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.
2. The existing agency distribution channel, Bancatakaful 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 December 31, 2025 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)
Sharia 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, 2025 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 policies 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.



Shoaib Javed Hussain
Chief Executive Officer

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 December 31, 2025, 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 noncompliance 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 December 31, 2025, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Date: May 04, 2026



STATEMENT OF FINANCIAL POSITION- WINDOW TAKAFUL OPERATIONS (UN-AUDITED)

AS AT DECEMBER 31, 2025

		2025			2024
		Operator's Sub Fund	Participant's Fund	Total	Total
Note		----- (Rupees in '000) -----			
ASSETS					
Property and equipment	4	5,354	-	5,354	5,383
Investments:					
Investment - Government Securities	5	2,673,105	2,865,661	5,538,767	2,166,645
Other receivables	6	135,757	255,475	391,232	585,104
Receivable from PTF/OSF	7	-	381,555	381,555	714
Cash & bank	8	426,359	2,057,245	2,483,604	2,113,674
TOTAL ASSETS		3,240,576	5,559,936	8,800,512	4,871,520
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)		(353,471)	-	(353,471)	(184,126)
TOTAL EQUITY		(54,471)	1,000	(53,471)	115,874
LIABILITIES					
Takaful Liabilities	9	-	5,262,054	5,262,054	2,649,199
Contribution received in advance		-	64,305	64,305	8,325
Takaful/retakaful payables	10	-	94,500	94,500	60,096
Other creditors and accruals	11	1,348,216	138,077	1,486,293	1,421,095
Inter account balances		1,565,277	-	1,565,277	616,218
Payable to PTF/OSF		381,555	-	381,555	714
TOTAL LIABILITIES		3,295,048	5,558,936	8,853,984	4,755,646
TOTAL EQUITY AND LIABILITIES		3,240,576	5,559,936	8,800,512	4,871,520
CONTINGENCIES AND COMMITMENTS					
	12				

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

 Saleem Zia Chairman	 Khaqan Murtaza Director	 Syed Hamid Ali Director	 Shoaib Javed Hussain Chief Executive Officer	 Muhammad Amjad Chief Financial Officer
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STATEMENT OF COMPREHENSIVE INCOME WINDOW TAKAFUL OPERATION (UN-AUDITED) FOR THE YEAR ENDED DECEMBER 31, 2025

		2025			2024		
		Operator's Sub Fund	Participant's Fund	Total	Operator's Sub Fund	Participant's Fund	Total
Note		(Rupees in '000)			(Rupees in '000)		
		1,151,998	2,141,990	3,293,988	791,489	1,293,006	2,084,495
		-	(76,293)	(76,293)	-	(63,886)	(63,886)
	13	1,151,998	2,065,698	3,217,695	791,489	1,229,120	2,020,609
	18	149,140	(149,140)	-	31,313	(31,313)	-
	19	25,451	(25,451)	-	29,848	(29,848)	-
	20	-	(134,553)	(134,553)	-	(132,977)	(132,977)
		1,326,589	1,756,554	3,083,142	852,649	1,034,983	1,887,631
	15	218,273	234,012	452,285	105,854	239,616	345,470
	16	26,424	74,381	100,806	30,824	84,831	115,655
		1,571,286	2,064,947	3,636,233	989,327	1,359,430	2,348,756
		-	2,612,855	2,612,855	-	1,526,203	1,526,203
	17	978,712	-	978,712	680,557	-	680,557
	14	214,011	-	214,011	197,413	-	197,413
		1,192,723	2,612,855	3,805,578	877,970	1,526,203	2,404,173
		378,563	(547,908)	(169,345)	111,357	(166,773)	(55,416)
		-	-	-	-	-	-
		378,563	(547,908)	(169,345)	111,357	(166,773)	(55,416)

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


Saleem Zia
Chairman


Khaqan Murtaza
Director


Syed Hamid Ali
Director


Shoaib Javed Hussain
Chief Executive Officer


Muhammad Amjad
Chief Financial Officer



CASH FLOW STATEMENT

WINDOW TAKAFUL OPERATION (UN-AUDITED)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
Operating Cash flows			
(a) Takaful Activities			
Takaful contributions received		3,344,383	2,067,550
ReTakaful contributions paid		(41,889)	(3,791)
Claims paid		(92,392)	(182,161)
Surrenders paid		(34,752)	(3,289)
ReTakaful and other recoveries received		8,777	41,213
Commissions paid		(917,259)	(645,711)
Other underwriting payments, if any		(61,453)	(34,829)
Net cash flow from underwriting activities		2,205,415	1,238,982
(b) Other operating activities			
Income tax paid		3,591	(77,260)
General management expense paid		(155,703)	(298,649)
Other payment on operating assets		1,162,449	241,170
Net cash flow used in other operating activities		1,010,337	(134,739)
Total cash flow from all operating activities		3,215,752	1,104,243
Investment activities			
Profit / return received		527,163	484,911
Payment for investments		(3,748,023)	(1,029,201)
Proceeds from disposal of investments		375,900	-
Fixed capital expenditure		(862)	(3,746)
Total cash flow used in investing activities		(2,845,822)	(548,036)
Financing activities			
Dividends paid		-	-
Capital payment received		-	1,005,000
Total cash flow used in financing activities		-	1,005,000
Net cash flow generated from all activities		369,930	1,561,207
Cash and cash equivalents at beginning of year		2,113,674	552,467
Cash and cash equivalents at end of year	9	2,483,604	2,113,674

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

 Saleem Zia Chairman	 Khaqan Murtaza Director	 Syed Hamid Ali Director	 Shoaib Javed Hussain Chief Executive Officer	 Muhammad Amjad Chief Financial Officer
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STATEMENT OF CHANGES IN EQUITY- WINDOW TAKAFUL OPERATION (UN-AUDITED)

FOR THE YEAR ENDED DECEMBER 31, 2025

	Attributable to equity holders of the Corporation			
	Money ceded to waqf fund	Capital contributed from Shareholder Fund	Retained Earning arising from other than participating business (Ledger Account D)	Total
	----- (Rupees in '000) -----			
Balance as at December 31, 2023	1,000	299,000	(128,710)	171,290
Transfer from Shareholder fund to Waqf fund	-	-	-	-
Other Comprehensive Income / (Loss) for the year	-	-	(55,416)	(55,416)
Balance as at December 31, 2024	1,000	299,000	(184,126)	115,874
Transfer from Shareholder fund to Waqf fund	-	-	-	-
Other Comprehensive Income / (Loss) for the year	-	-	(169,345)	(169,345)
Balance as at December 31, 2025	1,000	299,000	(353,471)	(53,471)

Note: This includes balances maintained in accordance with the requirements of Section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 (previously the SEC Insurance Rules, 2002) to meet solvency margins, which are mandatorily maintained for the carrying on of the life insurance business.

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

 Saleem Zia Chairman	 Khaqan Murtaza Director	 Syed Hamid Ali Director	 Shoaib Javed Hussain Chief Executive Officer	 Muhammad Amjad Chief Financial Officer
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NOTES TO THE FINANCIAL STATEMENTS- WINDOW TAKAFUL OPERATION-(UN-AUDITED)

FOR THE YEAR ENDED DECEMBER 31, 2025

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 35 zones for individual life business, 5 zones for health business along with 3 regions, 1 zone for takaful business, 4 zones for group life business and 1 in the gulf countries {comprising United Arab Emirates (UAE) and Kuwait} through zonal office located at Dubai (UAE).
- 1.2 The Corporation is engaged in the life insurance business, health, accident insurance business and takaful business.
- 1.3 The Corporation was issued the certificate of authorization for commencement of Window Takaful Operation under rule 6 of the Takaful rules, 2012 by Securities Exchange Commission of Pakistan vide letter no. 0097, dated September 22, 2016. For the purpose of carrying on the takaful business, the Corporation has formed an Individual Family Participant Takaful Fund (IFPTF) on August 18, 2017 under the Waqf deed and ceded Rs. 1 million to the IFPTF. The Waqf deed governs the relationship of Corporation and participants for management of takaful operations. The Corporation commenced Window Takaful Operations in February 2021.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

These financial statements of the Window Takaful Operations have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan, The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017 and Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012

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

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

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

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

The following temporary exemption has been availed by the Corporation:



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

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

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

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

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

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

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 01, 2025 are considered not to be relevant or to have any significant effect on the Corporation's financial reporting and operations and are therefore not presented here.

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

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

Standard or Interpretation	Effective Date (Annual period beginning on or after)
----------------------------	--

IFRS 17 Insurance Contract (Amendment to Insurance Contract)	January 1, 2027
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The management of the Corporation is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the unconsolidated financial statements of the Corporation.

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

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

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
----------------------------	--

IFRS 18 Presentation and Disclosures in Financial Statements	January 1, 2027
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IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027
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2.7 Critical accounting estimates and judgments

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

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

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

a) Classification of investments

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

b) Provision for outstanding claims (including IBNR)

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

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

c) Provision for taxation

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

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

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

e) Fixed assets, investment properties, depreciation and amortization

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

The assets residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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



3.1 Window Takaful Operations

Family Takaful Contracts

The company offers Family takaful Contracts. Family 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 deficit. The loan shall be repayable from the future surpluses generated in waqf fund, without any excess of actual amount given to it. Repayment of Qard e Hasna shall receive priority over surplus distribution to participant of waqf fund.

Individual Family Takaful Contract Unit Linked

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

3.2 Recognition of Policy Holders' Liability/Technical reserves

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

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

b) Reserve for unearned contribution - Takaful Contracts

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

c) Contribution deficiency reserve - Takaful Contracts

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

3.3 Retakaful contracts held

Retakaful Contribution

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

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

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

Retakaful Expenses

Retakaful expenses are recognized as liabilities.

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



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

3.4 Receivable and payable related to takaful contracts

Receivables and payables are recognized when due.

3.5 Cash and cash Equivalent

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

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

3.6 Revenue recognition

3.6.1 Contributions

Individual Life family Takaful

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

3.6.2 Reinsurance Commission

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

3.7 Provisions

Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

3.8 Impairment of non-financial assets

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

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

3.9 Financial Instruments

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

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

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



Financial assets

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

- Loans and receivables;
- Held to maturity; and

Loans and receivables

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

Held to maturity

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

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

Derecognition

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

Off setting

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

Fair / market value measurements

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

Financial liabilities

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

3.10 Acquisition costs

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



3.11 Claim Expenses

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

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

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

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

3.12 Takaful Operators' Fee

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

4	PROPERTY AND EQUIPMENT	Note	2025	2024
			----- (Rupees in '000) -----	
	Operating assets	4.1	<u>5,354</u>	<u>5,383</u>

4.1 Operating assets

Description	OSF									
	2025									
	Cost				Depreciation				Written down value as at 31 December 2025	Depreciation Rate (%)
	As at January 01 2025	Additions / (disposals)	Adjustment	As at 31 December 2025	As at January 01 2025	For the year	Adjustment	As at 31 December 2025		
	Rupees in '000									
Furniture and fixture	4,405	48	-	4,453	877	442	-	1,319	3,134	10%
Office equipment	2,259	-	-	2,259	560	225	-	785	1,474	10%
Computers	2,612	814	-	3,426	2,612	177	-	2,789	637	30%
Computer Peripherals	566	-	-	566	410	47	-	457	109	30%
	9,842	862	-	10,704	4,459	891	-	5,350	5,354	

	OSF									
	2024									
	Cost				Depreciation				Written down value as at 31 December 2024	Depreciation Rate (%)
Description	01 As at January 2024	Additions / (disposals)	Adjustment	As at 31 December 2024	01 As at January 2024	For the year	Adjustment	As at 31 December 2024		
	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	164	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	



5 INVESTMENT IN DEBT SECURITIES

	2025		Carrying value
	Cost	Discount	
	Rupees in '000		
Operators's Sub Fund & PTF			
Held to maturity			
GOP Ijarah Sukkuks	5,019,900	518,867	5,538,767
	<u>5,019,900</u>	<u>518,867</u>	<u>5,538,767</u>
	2024		
	Cost	Discount	Carrying value
	Rupees in '000		
INVESTMENT IN DEBT SECURITIES			
Operators's Sub Fund			
Held to maturity			
GOP Ijarah Sukkuks	2,081,100	85,545	2,166,645
	<u>2,081,100</u>	<u>85,545</u>	<u>2,166,645</u>

6 OTHER RECEIVABLES

	2025		2024	
	Operator's Sub Fund	Participant's Takaful Fund	Operator's Sub Fund	Participant's Takaful Fund
	Rupees in '000		Rupees in '000	
Accrued Interest on Bank Deposit	28,917	31,003	14,631	17,569
Accrued investment income	1,694	4,332	2,191	5,627
Security Deposit	300	-	115	185
Receivables from Zones	12,515	-	294,024	-
AdvanceTax	92,330	-	91,218	-
	<u>135,757</u>	<u>35,335</u>	<u>402,180</u>	<u>23,382</u>
Group Life				
Receivables from Zones	-	78,184	-	61,470
Outstanding Contribution receivable	-	10,576	-	7,948
AdvanceTax	-	-	-	1,255
	<u>-</u>	<u>88,760</u>	<u>-</u>	<u>70,673</u>
Group Health				
Receivables from Zones	-	127,301	-	84,300
Outstanding Contribution receivable	-	4,079	-	1,123
AdvanceTax	-	-	-	3,448
	<u>-</u>	<u>131,380</u>	<u>-</u>	<u>88,871</u>

7 RECEIVABLE FROM PIF / PAYABLE TO OSF

Wakala fee receivable / (payable)	149,140	149,140	31,313	31,313
Modarib share receivable / (payable)	25,451	25,451	29,848	29,848
Allocated Contribution Receivable	(556,146)	(556,146)	(61,874)	(61,874)
	<u>(381,555)</u>	<u>(381,555)</u>	<u>(714)</u>	<u>(714)</u>



8 CASH AND BANK

CASH AND BANK		2025		2024	
		Operator's Sub Fund	Participant's Takaful Fund	Operator's Sub Fund	Participant's Takaful Fund
Individual Life					
Cash and Cash Equivalent		----- Rupees in '000 -----		----- Rupees in '000 -----	
Franking Machine Deposit		63	-	290	-
Cash at bank					
-Saving Account	8.1	426,296	1,959,245	377,185	1,673,746
		426,359	1,959,245	377,476	1,673,746
Group Life					
Cash at bank					
-Saving Account		-	93,948	-	6,736
Group Health					
Cash at bank					
-Saving Account		-	4,053	-	55,717

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

9 TAKAFUL LIABILITIES

9.1

Participant Takaful Fund balance- Individual Life	-	5,201,741	-	2,570,408
Participant Takaful Fund balance- Group Life	-	14,308	-	25,110
Participant Takaful Fund balance- Group Health	-	46,004	-	53,682
	-	5,262,053	-	2,649,199

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

November 10, 2019.

	2025		2024	
	Operator's Sub Fund	Participant's Takaful Fund	Operator's Sub Fund	Participant's Takaful Fund
	----- Rupees in '000 -----		----- Rupees in '000 -----	
10 TAKAFUL/RETAKAFUL PAYABLES				
Retakful Payables	-	94,500	-	60,096
	-	94,500	-	60,096
11 OTHER CREDITORS AND ACCRUALS				
Individual Life				
Accrued commission & incentives	7,326	-	81,012	-
claims payable	-	4,557	-	4,557
Accrued expenses	15,835	-	5,996	1,275
Misc Payables	1,321,910	-	1,230,501	74,973
	1,345,071	4,557	1,317,509	80,805
Group Life				
Accrued commission & incentives	-	-	55	-
Accrued expenses	1,776	-	-	-
Claims payable	-	7,000	-	-
Misc Payables	-	96,706	-	11,000
	1,776	103,706	55	11,000
Group Health				
Misc. Payable	-	20,628	-	11,726
Accrued expenses	1,369	-	-	-
Claims payable	-	9,186	-	-
	1,369	29,814	-	11,726



12 CONTINGENCIES AND COMMITMENTS

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

13 NET CONTRIBUTION REVENUE

	2025		2024	
	Operator's Sub Fund	Participant's Takaful Fund	Operator's Sub Fund	Participant's Takaful Fund
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Individual Life				
Written Contribution	1,145,564	2,098,829	777,294	1,159,289
Retakaful expense	-	(61,624)	-	(40,300)
Net Contribution	1,145,564	2,037,205	777,294	1,118,989
Group Takaful Contribution				
Written Contribution	1,252	26,754	1,731	36,415
Retakaful contribution ceded	-	(14,669)	-	(23,586)
Net Contribution	1,252	12,085	1,731	12,829
Group Health Takaful Contribution				
Written Contribution	5,181	16,407	12,464	97,302
	5,181	16,407	12,464	97,302

14 GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSES

	2025	2024
	Operator's Sub Fund	Operator's Sub Fund
	----- (Rupees in '000) -----	
Individual Life		
Salaries, allowances and other benefits	112,490	112,746
Travelling expenses	18,423	11,592
Advertisements and sales promotion	43	379
Printing and stationery	5,034	1,564
Depreciation	891	416
Rent, rates and taxes	7,732	10,563
Legal and professional charges - business related	27,703	27,837
Utilities	2,827	3,708
Office repairs and maintenance	2,401	2,866
Bank charges	11	37
Postages, telegrams and telephone	1,266	1,295
Conference and meetings	9,333	2,443
Training expense	2,253	4,666
Entertainment	1,203	1,289
Insurance Charges	1,208	677
Allocation of expenses from PO	21,192	15,336
	214,011	197,414



15	INVESTMENT INCOME	2025		2024	
		Operator's Sub Fund	Participant's Takaful Fund	Operator's Sub Fund	Participant's Takaful Fund
		----- Rupees in '000 -----		----- Rupees in '000 -----	
	Income from debt securities				
	<i>Held to maturity</i>				
	-Return on debt securities	218,273	234,012	105,854	239,616
		<u>218,273</u>	<u>234,012</u>	<u>105,854</u>	<u>239,616</u>
16	OTHER INCOME				
	Individual Life				
	Return on bank balances	26,424	71,443	30,824	84,182
		<u>26,424</u>	<u>71,443</u>	<u>30,824</u>	<u>84,182</u>
	Group Life				
	Return on bank balances	-	305	-	355
		<u>-</u>	<u>305</u>	<u>-</u>	<u>355</u>
	Group health				
	Return on bank balances	-	2,633	-	314
		<u>-</u>	<u>2,633</u>	<u>-</u>	<u>314</u>
17	ACQUISITION EXPENSES			2025	2024
	Individual Life			Operator's Sub Fund	Operator's Sub Fund
	Remuneration to takaful intermediaries on individual policies:			----- (Rupees in '000) -----	
	- commission to agent on 1st & 2nd year contributions			801,683	568,650
	- other benefits to takaful intermediaries			113,655	75,680
	- other incentive and bonuses			1,613	1,381
	Other Acquisition Cost:				
	- Stamp duty			61,263	34,674
	- Initial medical fees			189	171
				<u>978,405</u>	<u>680,556</u>
	Group Life				
	Agency Commission			-	56
				<u>-</u>	<u>56</u>
	Group Health				
	Agency Commission			308	373
				<u>308</u>	<u>373</u>
18	WAKALA FEE				
	Wakala fees		18.1	149,140	31,313
				<u>149,140</u>	<u>31,313</u>

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



19 MODARIB'S FEE

		2025	2024
		----- (Rupees in '000) -----	
Modarib's fees	19.1	25,451	29,848
		25,451	29,848

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

20 Policy Claims-Net of Retakaful

		2025	2024
		Participant's Sub Fund	Participant's Sub Fund
		----- (Rupees in '000) -----	
Individual Life		52,192	13,652
Group Life		11,935	8,540
Group Health		70,427	110,785
		134,553	132,977

21 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

The company 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 company manages them as part of Window Takaful Operations.

The PTF only issues Individual Family Takaful contracts

21.1 Individual Family Takaful

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

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

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

On the claims handling 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.

21.2 Financial Risk**Liquidity risk**

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

Interest rate risk

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



21.3 Market Risk

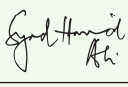
Market risk is the risk that the value of the Financial Instrument will fluctuate as a result of change in market prices, whether those changes are caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market.

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

22	NUMBER OF EMPLOYEES	2025	2024
	Number of employees at the end of the year	14	9
	Average number of employees	11	9

23 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorised for issue on April 30, 2026 by board of directors of the company.

 _____ Saleem Zia Chairman	 _____ Khaqan Murtaza Director	 _____ Syed Hamid Ali Director	 _____ Shoaib Javed Hussain Chief Executive Officer	 _____ Muhammad Amjad Chief Financial Officer
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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)																						ANNUAL Compound Growth Rates
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	(1973-2025)
Restated											Restated											
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	40,510	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	127,087	141,196	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	10,139	11%
15	12	14	14	11	23	29	33	54	20	10	49	59	65	31	45	45	46	63	65	64	62	9%
-	-	-	-	-	-	-	-	70	104	85	38	422	3,912	2,549	4,805	7,975	32,136	101,425	112,177	95,417	96,143	67%
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	264,361	288,050	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	352,527	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	631,972	640,577	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	283,297	14%
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	2,349,817	16%
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	17.64	-
41	36	41	33	35	41	40	39	41	38	31	33	31	31	31	24	21	20	15	18	13	12	-
34	28	34	9	11	19	18	17	16	17	13	16	15	17	18	15	11	12	12	14	14	13	-
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	2,252,021	15%
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	223,865	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	5,886,350	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	219,759,898	-
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	9,458,203	13%



STATE LIFE OFFICES IN PAKISTAN AND U.A.E.

Regional Office (South)

State Life Building # 2,
10th Floor, Wallace Road,
Karachi.

Karachi South

State Life Building # 2,
11th Floor, Wallace Road,
Karachi.
Tel. 021-99217023-24 & 26

Karachi Central

State Life Building # 11,
7th Floor, Abdullah Haroon
Road, Opp. Zainab Market,
Saddar, Karachi.

Karachi Eastern

Bungalow # 2, Block 7 & 8,
Maqboolabad, Fine House Stop,
Shahrah-e-Faisal, Karachi.
Tel. 021-34538095, 34535760

Quetta

2nd Floor, PIA Building,
Hall Road.
Tel. 081-9201520/30

Regional Office (Hyderabad)

State Life Building,
3rd Floor, R.C. Sectt.,
Thandi Sarak, Hyderabad.
Tel. 022-9200352

Hyderabad

State Life Building, 5th Floor,
Thandi Sarak.
Tel. 022-9200622

Sukkur

State Life Building,
Minara Road.
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.
Tel. 074-9410801

Benazirabad

Zonal Office,
State Life Building,
Near Ali Restaurant,
Butchery Road,
Nawabshah.
Tel. 0244-9370572

Gulf

P. O. Box # 11278,
Dubai, U.A.E.
Tel. 0097142729061
Fax: 0097142729051

Regional Office (Central)

Ground Floor, 15-A,
Davis Road, Lahore.
Tel. 042-99205121-22

Lahore Central

State Life,
Ghazi Ilmuddin Shaheed Road,
Lahore.
Tel. 042-99210269-70

Lahore Western

State Life, Ghazi Ilmuddin Shaheed
Road, Lahore.
Tel. 042-99211711-642

Gujranwala

Opp. Quaid-e-Azam Divisional
Public School, G.T. Road.
Tel. 055-9200282-285

Sialkot

Siddique Plaza, Paris Road.
Tel. 052-9250101-111

Narowal

City Tower Building,
1st Floor, New Lahore Road.
Tel. 0542-411902-6

Regional Office (Faisalabad)

State Life Bldg. 2, 7th Floor,
Liaquat Road.
Tel. 041-9201482-83

Faisalabad

State Life Bldg. 2, 10th Floor,
Liaquat Road.
Tel. 041-9200390

Sargodha

M. M. Plaza, Opp. Hut's Hotel,
Queen Road.
Tel. 048-3215517-18

Jhang

New District Courts,
UBL Chowk, Jhang Saddar.
Tel. 047-9200390

Real Estate (Division)

State Life Building # 9,
5th Floor, Ziauddin A. Road,
Karachi.
Tel. 021-99202816

Real Estate (Islamabad)

State Life Building # 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

Regional Office (North)

State Life Building # 9, 4th Floor, 33-E,
Blue Area, Islamabad.
Tel. 051-9205047

Rawalpindi

State Life Building # 1,
The Mall, Saddar, Rawalpindi Cantt.
Tel. 051-9270315

Mirpur (AK)

Barry Mian Plaza,
Sector F-1, Kotli Road.
Tel. 05827-927465

Islamabad

State Life Bldg. No. 9, 3rd Floor,
33-E, Blue Area.
Tel. 051-9206162

Gujrat

State Life Building,
5th Floor, G.T. Road.
Tel. 053-9260252-242

Jhelum

Ch. Ghulam Ahmed Plaza # 1,
G.T. Road, Jada Jhelum.
Tel. 0544-922621

Gilgit

Shahra-e-Quaid Azam,
Jubilee Marketing, Main Road, Gilgit.
Tel. 05811-9260252

Regional Office (KPK)

State Life Building, 3rd Floor,
34-The Mall, Peshawar Cantt.
Tel. 091-9212314

Abbottabad

Mir Alam Shopping Plaza,
P. O. Jhangi, Mansehra Road.
Tel. 0992-9310353

Swat

State Life, Royal Campus,
Saidu Sharif.
Tel. 0946-710046

Kohat

Khan Bab Plaza, Opp. Saif CNG,
University Road, Kohat.
Tel. 292-933600

Health & Accident Ins. (Div.)

State Life Building # 9, 6th Floor,
Ziauddin A. Road, Karachi.
Tel. 021-99204941

Bancassurance Division

State Life Building # 9, 2nd Floor,
Dr. Ziauddin Ahmed Road, Karachi.
Ph: 021-99206796

Regional Office (Multan)

4th Floor, State Life Building,
Chowk Nawan Shaher, Abdali Road.
Tel. 061-9200670

Multan

State Life Building, Chowk Nawan Shaher,
Abdali Road.
Tel. 061-9200676

Sahiwal

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Dera Ghazi Khan

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Tel. 064-9260048

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G&P Peshawar

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Tel. 091-9211596

G&P Karachi

State Life Building # 2,
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Tel. 021-99217060 & 99217097

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State Life Building # 8, Kashmir Road,
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