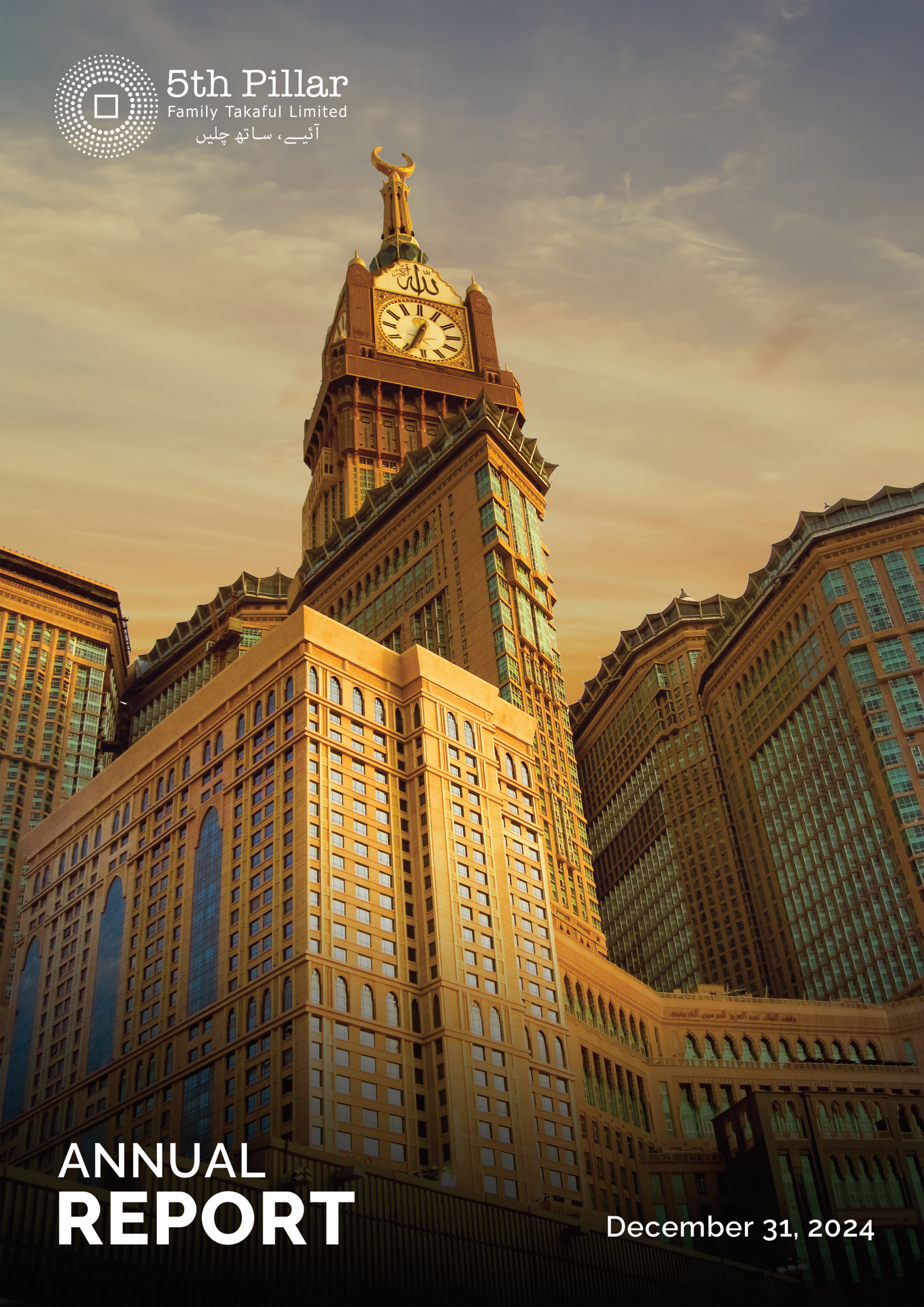
5th Pillar
Family Takaful Limited
آئیے، ساتھ چلیں



ANNUAL REPORT

December 31, 2024

ABOUT US

5th Pillar Family Takaful Limited is a new entrant into the Family Takaful sector of Pakistan which is supported by eminent business houses from Kuwait and Pakistan. The company has set industry records with remarkable milestones such as:

- Largest FDI in Takaful sector of Pakistan
- Foreign shareholders own 68% of 5th Pillar Takaful and 32% is held by Pakistani interests
- Largest initial paid up capital of Rs 2.00 billion in Pakistan's Takaful sector history
- Highest initial credit rating "A+ Stable outlook" from Pakistan Credit Rating Agency (PACRA)
- Licensed by the SECP to underwrite Shariah compliant Family Takaful business in Pakistan
- State of the art IT platform to support business operations throughout the membership lifecycle
- Upcoming customer engagement mobile app/web portal to provide 24/7 information and assistance to members from the comfort of their homes

OUR
VISION

Strengthen the financial capacity of our clients through innovative Shariah compliant Takaful products empowering them to achieve their cherished goals in life.

OUR
MISSION

Provide structured Takaful savings and protection solutions specifically to Muslims in Pakistan to perform Hajj, the 5th Pillar of Islam.

OUR **SPONSORS**

5th Pillar Family Takaful Limited is backed by distinguished sponsors:

Kuwait International Investment Holding Company (KIIC) is a leading investment company headquartered in Kuwait City, Kuwait. Founded in 1973, KIIC is owned by leading business houses of Kuwait including Government of Kuwait owned Kuwait Investment Authority (KIA) which owns 21.91% share of KIIC.

IFA Group Kuwait is a Kuwaiti based company incorporated in 1974. IFA Group is a multi-billion US Dollars consortium of many listed Kuwaiti companies with diverse investments in Takaful, Hospitality, Financial Services and Real Estate. The group owns multiple hotels in the Middle East, Africa, Europe and USA consisting of about 11500 five star room keys in the 4 continents providing them with unmatched experience in hospitality sector in particular.

5th Pillar Holding DIFC Dubai, UAE is a special purpose company which has been set up by renowned business houses from Kuwait to develop Takaful companies and value chain in major Muslim populations countries. Starting with Pakistan, the plan is to set up similar operations in Bangladesh, Indonesia, Turkey and Egypt.

Muhammadi Family & Associates include the Muhammadi Family who have been doing business in the Takaful/Insurance sector for over three generations in Pakistan.

This significant financial backing has allowed the company to invest in cutting-edge technology and develop innovative products in order to provide unparalleled customer service to its clients. Our reputed sponsors possess the necessary financial resources and expertise to deliver their commitment to facilitate our members to perform Hajj from Pakistan and from other selected countries with ease and comfort at an affordable Hajj price in Pakistan.

OUR **BOARD** OF **DIRECTORS**

SALEH SALEH NASER AL-SELMI - CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Saleh Saleh Naser Al-Selmi is a staunch leader in the areas of Finance & Investment, with commendable experience in managing highly reputable insurance projects at the strategic level.

Mr. Al-Selmi is the Vice Chairman & CEO at International Financial Advisors Holding (IFA), Vice Chairman at Umm Al Hayman for Wastewater Treatment Company, Board Member at Automated Systems Company, Board Member at Addax Bank (Kingdom of Bahrain). Mr. Al-Selmi is also currently Chairman at Union of Investment Companies, Kuwait.

He has previously held positions in many high-profile companies including: First Takaful Insurance Company in Kuwait as a Vice Chairman, Neoava Sigorta Insurance Co., the first Takaful company in Turkey as a founding Board Member, former vice-chairman of Kuwait Insurance Federation, Kuwait Clearing Company as a Chairman, International Investment Projects & IFA Aviation as a Chairman, and board member at Bank of Kuwait & the Middle East ("Now" Ahli United Bank) as well as Gulf Bank. Mr. Al-Selmi is a graduate from Kuwait University which is one of the prestigious local educational institutes.

YUSUF ABDUL RAHMAN SALEH AL-SHAYA - NON-EXECUTIVE DIRECTOR

Mr. Yusuf Abdul Rahman Saleh Al-Shaya is the Founder and Chairman of 5th Pillar Holdings Limited. Mr. Al-Shaya is an accomplished businessman involved in developing, funding and managing several projects including Islamic Finance, Technology, Real Estate, Education and Travel & Tourism.

He is also founder and major shareholder in various companies across the region. Mr. Al-Shaya is a member of the renowned Al-Shaya family which currently owns multi-billion business establishments in the region and globally, combining various renowned global brands within the Al-Shaya business.

TARIQ SAYED JAMAL - NON-EXECUTIVE DIRECTOR

Mr. Tariq Sayed Jamal has been involved in the Islamic Banking and Finance sector for over 20 years and is viewed as a leading authority on Islamic investments, private equity, and Sukuk in the region.

He has held several senior management positions at Kuwait Finance House (Kuwait), S&P Dow Jones Indices (Dubai), UIB Capital (a Chicago-based private equity firm), and HSBC Bank's Islamic Finance Program in New York.

RAMI A. HABLI - NON-EXECUTIVE DIRECTOR

Mr. Rami A. Habli is serving as Head of Investment for Al-Bahar Group of Companies for the past 11 years. He has 23 years of experience in Corporate Finance, Business Development, Private Equities & Direct Investments, Post Acquisition Management, Accounting, and Auditing across multiple industries including Insurance, Automotive, FMCG, Retail, Telecommunications, Manufacturing, and Pharmaceuticals.

Mr. Habli is proficient in assessing and formulating business plans, business strategies and the related financial and operational structures, establishing priorities, setting KPIs, performing profound financial analysis and applying advanced financial concepts.

He has vast experience in mergers and acquisitions with an impressive track record of selling private equities. In addition, he has experience in raising funds from banks and investors, including restructuring of bank loans. Mr. Habli serves on the board of directors and audit committees of public and private entities as well. He was a member of the Board of Directors, Head of Audit Committee, and Risk Committee member of First Takaful Insurance Company of Kuwait.

MUHAMMAD ALI - NON-EXECUTIVE DIRECTOR

Mr. Muhammad Ali is the Director and Chief Operating Officer of F&M Ventures (Private) Limited and serving on the board since August 2019. Prior to this, he worked as Head of Sales for Fidelity Insurance Brokers, a network partner of Lockton Global (the world's largest privately held insurance brokerage firm) headquartered in Kansas City, Missouri, United States.

Mr. Ali has also served as the General Manager of Business Development for PICIC Insurance. He completed his graduation from the University of Waterloo, Ontario, Canada.

MIRZA BASEER BAIG - NON-EXECUTIVE DIRECTOR

Mr. Mirza Baseer Baig is a Founder and Executive Director of Business Development in 5th Pillar Holdings Limited (DIFC, UAE) – the holding company of 5th Pillar Family Takaful Limited. He has over 25 years' experience in Pakistan / GCC region with core expertise in financial sector mergers & acquisitions (M&As), start-up business development and subsequent business management.

Earlier, Mr. Baig has held the position of Director Strategy & Investments at Qaf Holdings Limited (UAE) which acquired and managed three regulated investment companies that include:

(a) Bayt-Al Mal Investment Co - Kuwait,
(b) The Investor for Securities - Saudi Arabia and
(c) The Investment House - Qatar.

Earlier, he also held the position of Director Strategic M&As with a Bahrain-based investment bank where he has undertaken several M&A transactions and start-up business developments, including the establishment of a Takaful Co in Bahrain. Earlier, he served as Senior Manager at Ernst & Young (Transaction Advisory Services) in Bahrain and a Financial Consultant in Aldukheil Financial Group in Saudi Arabia. Mr. Baig is an FCMA and FCA (with Grant Thornton International) from Pakistan.

ZULEKHA SOHAIL TABBA - NON-EXECUTIVE/FEMALE DIRECTOR

Ms. Zulekha Sohail Tabba, represents on the Board of Directors of 5th Pillar Family Takaful Limited as a female director Ms. Tabba belongs to the reputed Tabba business family and brings a vast experience of governance and management.

NASAR US SAMAD QURESHI -CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Mr. Nasar us Samad Qureshi is the CEO of 5th Pillar Family Takaful Limited. He is a seasoned insurance professional with a rich insurance industry experience, in Pakistan and UAE.

Mr. Qureshi was the Founding Managing Director and CEO of Alfalah Insurance Company Limited (Pakistan) for 15 years till voluntary retirement in 2019. Mr. Qureshi was instrumental in building Alfalah Insurance in Pakistan, set and executed the strategy securing AA rating for the company.

Prior to joining Alfalah Insurance, he worked at Al Buhaira National Insurance Company, UAE and served at various senior positions in Underwriting, Reinsurance and Claims. He was elected Chairman of Lahore Insurance Institute (2013/14, 2014/15) and elected Vice Chairman (2011), Senior Vice Chairman (2015/2016) and Chairman (2018/2019) of the Insurance Association of Pakistan.

He also served as member of core committee of the National Taskforce for Insurance Sector Reforms established by the Pakistan Ministry of Commerce in 2019. Mr. Qureshi is a graduate from University of the Punjab with Economics and Statistics, as well as Certified Director from Pakistan Institute of Corporate Governance.istan.

SHARIAH ADVISOR REPORT TO THE BOARD OF DIRECTORS

FOR THE YEAR ENDED DECEMBER 31, 2024

SHARIAH ADVISOR REPORT TO THE BOARD OF DIRECTORS

For the year ended 31 December 2024

الحمدالله رب العلمين والصلاة والسلام على سيدالانبيا ء والمرسلين محمد النبى الامى وعلى الہ وصحبہ اجمعين وبعد.

We have reviewed the accompanying financial statements of 5th Pillar Family Takaful Company Limited (hereafter referred as "The Operator") for the year ended 31 December 2024.

We acknowledge that as a Shariah Advisor of the Operator, it is Shariah Department's responsibility to ensure that the financial arrangements, contracts and transactions undertaken by the Operator with its participants and stakeholders are compliant with the requirements of Shariah rules and principles.

As per the charter of the Operator it is mandatory on the management and employees to ensure application of Shariah guidelines issued by the Shariah Advisor and to ensure Shariah compliance in all actives of the Company. The prime responsibility for ensuring Shariah compliance of the Operator's operations thus lies with the managements.

To form our opinion as expressed in this report, we have reviewed all types of business transactions of the Operator during the year 2023. Based on the above, we are of the view that under Takaful Rule 2012.

I. The financial arrangements products and transactions entered into by the Operator and the Waqf, as the case may be for the year ended December 31, 2024, are incompliance with the requirements of the Shariah rules and guidelines as prescribed by the Shariah Advisor.
II. The Operator strived to identify new investment avenues and opted different available options that delivered excellent results. During the year management continuously consulted with the Shariah advisor on the matters and market practices relating to investment activities. The investment avenues and locations selected by the investment manager were periodically reviewed by the Shariah Department and are found Shariah compliant and in conformity with the Shariah guidelines issued by the Shariah Advisor.
III. Few minor cases which had some irregularities from the Shariah perspective were discussed with the management and duly resolved. Furthermore, the management of the Takaful Operator has been advised to strictly follows Shariah compliance in future.
IV. The Shariah Department has provided Basic Takaful training to the staff of the Takaful Company. Meanwhile, the mandatory training on Takaful Concept and practices was also organized for executive level & sales staff as well.
V. The Operator should more focus towards enhancing the skills and knowledge for all the staff of Takaful Company related to the Shariah structure of the company and on Takaful Concept and practices. The Operator should organize the more sessions for executive level & sales staff as well around the country.
VI. Consequently, we have found that the company is in accordance with the Shariah principals with respect to all transactions

May Allah bless us with the best Tawfeeq to achieve this precious task and bestow us with success in this world and in the world hereafter and forgive us for our mistakes. A'ameen.

Mufti Imran Ashraf Usmani
Shariah Advisor
5TH Pillar Family Takaful Limited

شریعہ ایڈوائزر رپورٹ برائے بورڈ آف ڈائریکٹرز

31 دسمبر 2024 کو ختم ہونے والے سال کی

الحمدالله رب العلمين والصلاة والسلام على سيدالانبياء والمرسلين محمد النبى الامى وعلى الہ وصحبہ اجمعين وبعد.

ہم نے ففتھ پلر فیملی تکافل لمیٹڈ (جسے آئندہ ''آپریٹر'' کہا جائے گا) کے 31 دسمبر 2024 کو ختم ہونے والے سال کے مالی گوشواروں کا جائزہ لیا ہے۔

ہم آپریٹر کے شریعہ ایڈوائزر ہونے کی حیثیت سے تسلیم کرتے ہیں کہ آپریٹر کی جانب سے شرکاء تکافل اور اسٹیک ہولڈرز کے ساتھ مالیاتی انتظامات، معاہدے اور معاملات کو شرعی اصولوں سے ہم آنگ رکھنے کو یقینی بنانا شریعہ ڈپارٹمنٹ کی ذمہ داری ہے۔

آپریٹر کے چارٹر کے مطابق مینجمنٹ اور ملازمین پر لازم ہے کہ وہ تمام سرگرمیوں میں شرعی تقاضوں کو پورا کرنے کے لیے شریعہ ایڈوائزر کی طرف سے جاری کردہ ہدایات کے نفاذ کو یقینی بنائیں۔ لہٰذا اس کے مطابق آپریٹر کے انتظامات میں شریعہ کمپلائنس کو یقینی بنانے کی بنیادی ذمہ داری مینجمنٹ کی ہے۔

اس رپورٹ میں موجود اپنی رائے قائم کرنے کے لیے ہم نے کمپنی کی جانب سے سال 2024 میں کیے گئے تمام کاروباری معاملات کا جائزہ لیا۔ اس جائزہ کی روشنی میں ہم اس نتیجے پر پہنچے ہیں کہ تکافل رولز 2012 کے مطابق:

1. 31 دسمبر 2024 کو ختم ہونے والے سال میں آپریٹر اور وقف کی جانب سے کیے گئے تمام مالیاتی انتظامات، پراڈکٹس اور معاملات شریعہ ایڈوائزر کی جانب سے تجویز کردہ اصولوں اور ہدایات کے مطابق ہیں۔
2. اس سال آپریٹر نے نئے سرمایہ کاری مواقع تلاش کیے اور دستیاب آپشنز میں سے مختلف آپشنز کا انتخاب کیا اور خاطر خواہ نتائج حاصل کیے۔ دورانِ سال، سرمایہ کاری کی سرگرمیوں سے متعلق معاملات اور مارکیٹ کے طریقہ کار کے حوالے سے مینجمنٹ کی شریعہ ایڈوائزر کے ساتھ مسلسل مشاورت جاری رہی۔ شریعہ ڈپارٹمنٹ کی جانب سے بھی انویسٹمنٹ مینیجر کے منتخب کردہ سرمایہ کاری مواقع کا وقتاً فوقتاً جائزہ لیا گیا اور انہیں شریعہ سے ہم آہنگ اور شریعہ ایڈوائزر کی جاری کردہ ہدایات اور اصولوں کے مطابق پایا۔
3. شرعی اعتبار سے کچھ چھوٹے معاملات کو مینجنیمنٹ کے ساتھ بات چیت کرکے حل کرلیا گیا۔ مزید یہ کہ تکافل آپریٹر کی انتظامیہ کو مستقبل میں شریعہ کمپلائنس پر سختی سے عمل پیرا ہونے کا مشورہ دیا گیا۔
4. شریعہ کمپلائنس ڈپارٹمنٹ نے تکافل کمپنی کے عملہ کو تکافل کی بنیادی ٹریننگ دی۔ اس کے ساتھ ساتھ ایگزیکٹیو لیول اور سیلز اسٹاف کے لیے بھی تکافل کے تصور اور معاملات کی لازمی ٹریننگ منعقد کی گئی۔
5. آپریٹر کی جانب سے شریعہ اسٹرکچر اور تکافل کے تصور اور معاملات سے متعلق تکافل کمپنی کے تمام عملہ کی معلومات اور مہارت کو بڑھانے پر مزید توجہ دینے کی ضرورت ہے۔ ملک بھر کے ایگزیکٹیو لیول اور سیلز اسٹاف کے لیے مزید سیشنز کے انعقاد کی بھی ضرورت ہے۔
6. لہٰذا ہم اس نتیجے پر پہنچے ہیں کہ کمپنی نے اپنے تمام معاملات میں شرعی اصولوں کی پاسداری کو یقینی بنایا ہے۔

ہم اللہ تعالیٰ سے دعا گو ہیں کہ وہ ہمیں ہمارے مقصد میں کامیاب فرمائے اور دنیا و آخرت کی بھلائیاں نصیب فرمائے اور ہمارے گناہوں سے درگزر فرمائے۔ آمین۔

مفتی عمران اشرف عثمانی
شریعہ ایڈوائزر
ففتھ پلر فیملی تکافل لمیٹڈ

DIRECTORS' REPORT TO THE SHAREHOLDERS'

FOR THE YEAR ENDED DECEMBER 31, 2024

5th Pillar
Family Takaful Limited

DIRECTORS' REPORT

The Directors of your Company take pleasure in presenting to you the Directors' Report of the Company along with the audited financial statements for the year ended December 31, 2024.

PERFORMANCE REVIEW 2023

A. *MARKET OVERVIEW:*

In FY 2024, Pakistan's economy showed resilience with GDP growth of 2.5%, rebounding from a 0.2% contraction in FY 2023. The recovery was led by the agricultural sector, which benefitted from post-flood soil enrichment and other supporting factors and recorded a growth of 6.2% compared with 2.2% in the previous year. The services sector expanded by 2.4%, mainly due to wholesale and retail trade, after remaining flat in FY 2023. The industrial sector posted a decline of 1.7% compared with a decline of 3.8% in the previous year; the improvement came mainly from the manufacturing sector, which recorded a growth of 3.1% compared with a decline of 5.3% in the year before. Fiscal position improved with a decline in fiscal deficit by one percentage point to 6.8% of GDP. During the fiscal year, the current account deficit almost halved to USD 1.7 billion, total foreign exchange reserves rose by over 50% to USD 14.0 billion, and the Rupee stabilized against USD. Inflation came down sharply from 29.4% in June 2023 to 12.6% in June 2024 and 4.1% in December 2024. SBP's Policy/Discount Rate was reduced from 22.00% in June 2023 to 20.50% by June 2024 and 13.0% by December 2024. PSX-100 and KMI-30 Index rose by over 80% and 70% respectively in CY 2024, making PSX one of the best-performing stock markets of the world.

The above developments point to further potential growth in economic activity in CY 2025. In particular, lowering of discount rates and stability of the PKR are expected to encourage expansion of business, trade, and investment. Recent data on quarterly GDP indicate that the economy posted an overall growth of 0.9% in the first quarter of FY 2025 due to positive growth in agriculture and services. However, challenges remain, as indicated by the decline in production of major crops and contraction in industrial and large-scale manufacturing sectors. Moreover, inflation may pick up when the base effect fades later during the year.

B. *BUSINESS PERFORMANCE REVIEW*

Distribution of Shariah compliant ***Hajj*** and ***Umrah*** Savings plan, flagship products of the Company, remained the highlight for the year 2024. Currently, our products are distributed through some reputed banks of Pakistan, and we plan to enter into distribution agreements with more banks in coming years. Further, the company is working to develop processes for digital distribution of its products during 2025 whereby people will be able to purchase the desired plans from the comfort of their homes.

During the first year of the launch, the Company has been able to secure new business of Rs. 310 million under its Individual Family Takaful business segment. The Company has also been able to serve its' corporate customers by underwriting contributions of Rs. 209 million under its Group Family Takaful business segment. These contributions will have a multiplier effect once the renewal contributions start flowing in the system as well as the projects undertaken mature during 2025.

5th Pillar
Family Takaful Limited

C. *PROFIT AND LOSS ANALYSIS*

Initial years of any life insurance / family takaful company consume substantial energies and resources resulting in a negative bottom-line in first few years of operations.

A summarized view of profit and loss statements are as follows:

Summary of Unconsolidated Profit and Loss Statement	**2024**	**2023**
	-----------------Rupees in 000's-----------------	
Gross Contribution	**560,394**	180,437
Wakala Fees	**157,286**	42,781
Investment and Other Incomes (including loss from associate)	**341,087**	296,610
Loss before tax	**(168,377)**	(81,459)
Taxation	**(27,898)**	(9,993)
Loss after tax	**(140,479)**	(71,466)
Loss per share	**(0.70)**	(0.36)

D. *APPROPRIATIONS AND SOLVENCY MANAGEMENT*

The Company is compliant with the requirements of the solvency margins under relevant regulations and had not transferred any surplus from Statutory Fund to Shareholders' Fund.

PRODUCTS AND DISTRIBUTION CHANNELS

The Company is presently offering a wide range of Family Takaful Plans under its Individual Family Takaful business segment with its flagship products ***"Hajj Savings Plan"*** and ***"Umrah Savings Plan"*** supported by end-to-end value chain services offered under 5th Pillar umbrella. In addition, the company also offers Group Family Takaful Plans to its valuable customers through various distribution channels.

For the purpose of setting up aforementioned end-to-end value chain for facilitation of Hajj & Umrah services, the Company had already set-up a travel company named as 5th Pillar Travel (Private) Limited 2023. The 5th Pillar group has also set-up 5th Pillar Arabia in 2024 in Saudi Arabia to provide hospitality arrangement in Saudi Arabia which can be availed by our valued customers.

INFORMATION TECHNOLOGY AND OPERATIONAL EFFICIENCY

The Company is in the process of developing a state-of-the-art IT system. The system has been made available for individual and group family takaful business operations. The new system functionality will not only help the Company to improve operational efficiencies and customer services but also will automate various business processes to reduce turn-around time for business operations. The Company has also developed mobile applications to service our clients in a much more simplified manner which is currently available with limited features. More features of these applications are under development and likely to be added during 2025.

RH

5th Pillar
Family Takaful Limited

RELATED PARTY TRANSACTIONS

At each board meeting, the Board of Directors approves Company's transactions made with associated companies and related parties based on the recommendations of the Audit Committee. All such transactions are executed on an arms' length basis.

HUMAN RESOURCE MANAGEMENT

During the year 2024, the Company focused on the training and development of a team of professionals to strengthen as well retain its human capital in various departments which are aligned with their vision of the sponsors including Sales & Distribution, Underwriting, Finance, Group Operations, Marketing, Claims, Actuarial, Human Resources and Customer Services etc. These efforts will continue to make the 5th Pillar an employer of choice.

INTERNAL AUDIT

The Company has outsourced the internal audit function to Ms. BDO Ebrahim & Co. Chartered Accountants, which is overseen by the Audit Committee. The Internal Audit function also ensures compliance with regulatory obligations.

EXTERNAL AUDITORS

The existing auditors of the Company M/s. KPMG Taseer Hadi & Chartered Accountants are due to be retired after completion of their audit services for the year 2024. Based on the recommendation of the Audit Committee, the Board of Directors has recommended the appointment of M/s. Crowe Hussain Chaudhry & Chartered Accountants as the external auditors of the Company.

INSURER FINANCIAL STRENGTH RATING

The Company's has been able to retain the highest initial IFS rating from PACRA. The Company has been given an ***"A+ with stable outlook"*** which shows the trust and strong financial ability of a rating agency on the financial outlook of the Company as well as sponsors.

FUTURE OUTLOOK

With the stabilization of rupee valuation and controlled inflation after implementation of robust monetary measures implemented by the Government of Pakistan, the economy is expected to gain significant momentum during the next year which had slowed down during past couple of years. SBP is likely to cut the discount rate subject to satisfactory inflation figures to single digit, which may give a boost to business in all sectors.

Despite hardened economic situation, we believe that Pakistani market has a huge potential for growth specifically for our ***"Hajj and Umrah Savings Product"***. We believe that we are in a position to leverage our strengths to take full advantage of the growing family takaful market in Pakistan by introducing vide ranging unique products supported by our complete end-to-end Hajj value chain. In the midst of the current economic situation, the focus of the company is to continue operating prudently on the path of profitability and generating higher value for the participant holders and shareholders.

RH

5th Pillar
Family Takaful Limited

GRATITUDE

The Board of Directors would like to express appreciation of the dedicated hard work and contribution made by the employees. We also take this opportunity to express our gratitude to SECP for their valuable support and guidance. Lastly, our thanks go to our policyholders and shareholders whose continued patronage has been most valuable for the Company.

N. Samad

Nasar us Samad Qureshi
Chief Executive Officer
Dated: March 25, 2025

Saleh Al-Selmi
Chairman
Dated: March 25, 2025

RH

Management's Statement of Compliance with the Shariah Principles

FOR THE YEAR ENDED DECEMBER 31, 2024

The financial arrangements, contracts and transactions entered into by 5th Pillar Family Takaful Limited (the Company) for the year ended December 31, 2024, are in compliance with the Takaful Rules, 2012.

Further we confirm that:

- The Company is currently engaged in the development and implementation of policies and procedures that are aligned with the Takaful Rules, 2012, and the guidance of the Shariah Advisor along with a robust mechanism to ensure unwavering adherence to these rulings. Further, 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;

- The Company has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisor/ Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff and management;

- All the products have been approved by Shariah Advisor and the financial arrangements including investments made, contracts and transactions, entered into by Company are in accordance with the polices approved by Shariah Advisor.

- The assets and liabilities of Participant Takaful Fund and Shareholders' 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 Company.

N. Samad

Nasar us Samad Qureshi
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE, 2016

FOR THE YEAR ENDED DECEMBER 31, 2024

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of 5th Pillar Family Takaful Limited

Review Report on the Statement of Compliance contained in 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 **5th Pillar Family Takaful Limited** ("the Company") for the year ended 31 December 2024 in accordance with the requirements of provision lxxvi of the Code.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the 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 Company's personnel and review of various documents prepared by the Company 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 Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Code as applicable to the Company for the year ended 31 December 2024.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Reference	**Description**
Paragraph 1	As per the S.R.O.1013(I)/2022 dated 5 July 2022, the composition of the Board of Directors of the Company shall mandatorily consist of at least one third of the total members as independent directors, applicable from six months from coming into effect of these amendments after which on expiry of

KPMG

KPMG Taseer Hadi & Co.

Reference	Description
	the current term of board of directors. Accordingly, the Company will appoint the required number of independent directors on expiry of current term of Board of Directors.
Paragraph 6	The Board of Directors shall formulate and approve significant policies having regard to the level of materiality, as may be determined by it. The Company has formed various significant policies while various policies are in the process of approval which will be approved by the Board in due course.
Paragraph 27	The Board of Directors shall be responsible for ensuring that the risk management system is suitable, effective and proportionate for the business and that it is implemented and monitored. The Board is in process of establishing the risk management system.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 4 April 2025

Karachi

UDIN: CR20241010676JgWjFwr

5th Pillar
Family Takaful Limited

STATEMENT OF COMPLIANCE UNDER CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (the Code) for the purpose of establishing a framework of good governance.

The Company, being an unlisted family takaful operator, has applied the principles contained in the Code in following manner:

1. The Board of Directors of the Company comprises of eight (8) members including one (1) female director. The Company also ensures representation of non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

S.No	Name of Director(s)	Category
1	Mr. Saleh Saleh Naser Al-Selmi	Non-Executive Director
2	Mr. Yusuf Abdul Rahman Saleh Al-Shaya	Non-Executive Director
3	Mr. Tariq Sayed Jamal Al-Rifai	Non-Executive Director
4	Mr. Rami A. Habli	Non-Executive Director
5	Mr. Muhammad Ali	Non-Executive Director
6	Mr. Mirza Baseer Baig	Non-Executive Director
7	Ms. Zulekha Sohail Tabba	Non-Executive Director / Female Director
8	Mr. Nasar us Samad Qureshi	Chief Executive Officer & Executive Director

As per clause 20 of the amendments made in the Code vide SRO # 1013(I)/2022 dated July 05, 2023, which requires to appoint independent director for unlisted takaful operator on completion of six months from coming into effect of amendments of this code, after which on the expiry of the current term of board of directors. Accordingly, the Company will appoint the required number of independent directors on the expiry of the current term of its board.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this takaful (excluding the listed subsidiaries of listed holding companies in which each one of them is a director).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.

4. No casual vacancy occurred on the Board during the year.

5. The Company has prepared a Code of Conduct, which has been disseminated among all the directors and employees of the Company.

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Family Takaful Limited

6. The Board has developed a vision/mission statement and overall corporate strategy of the Company. As the Company has been recently incorporated and licensed, the Company has obtained approval on various significant policies while various other significant policies are in the process of approval which will be approved by the Board in due course.

7. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board.

8. The meetings of the Board were presided over the Chairman and, in his/her absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated.

9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.

10. All Board members have attended Orientation course(s) / training programs to acquaint them with their of their duties and responsibilities under this code and relevant laws/regulations.

11. The Board has approved the appointment of the 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 Company were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.

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

15. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.

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16. The Board has formed the following Management Committees:

Underwriting & Retakaful Committee	
Name of Members	**Category**
Nasar-us-Samad Qureshi	Chairman
Adnan Ahmed	Member
Imran Irshad	Member
Aneel Akhtar	Member
Nainta Nazim	Member
Kamran Ali Khan	Secretary

Claims Settlement Committee	
Name of Members	**Category**
Nasar-us-Samad Qureshi	Chairman
Muhammad Nasir Ali Syed	Member
Awais Hanif	Member
Iftikhar Ahmed	Secretary

Risk Management and Compliance Committee	
Name of Members	**Category**
Nasar-us-Samad Qureshi	Chairman
Muhammad Nasir Ali Syed	Member
Awais Hanif	Member
Muhammad Adnan	Member
Imran Irshad	Member
Aneel Akhtar	Secretary

17. The Board has formed the following Board Committees:

Ethics, Human Resource, Remuneration and Nomination Committee	
Name of Members	**Category**
Mirza Baseer Baig	Chairman
Rami A. Habli	Member
Muhammad Ali	Member
Awais Hanif	Secretary

RH

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Investment Committee	
Name of Members	Category
Muhammad Ali	Chairman
Tariq Al Rifai	Member
Rami A. Habli	Member
Mirza Baseer Baig	Member
Nasar-us-Samad Qureshi	Member
Awais Hanif	Member
Sumair Sayani	Member
Awais Hanif	Secretary

18. The Board has formed an Audit Committee. It comprises of three (3) members, of whom all are non-executive directors. The chairman of the Committee is a non-executive director. The composition of the Audit Committee is as follows:

Audit Committee	
Name of Members	Category
Rami A. Habli	Chairman
Muhammad Ali	Member
Mirza Baseer Baig	Member
Aneel Akhtar	Secretary

19. The terms of references of the Committees have been formed and advised to the Committees for compliance. Following meetings were conducted during the period:

Name of Board & Management Committees'	Number of Meetings Held
Audit Committee	Four (4)
Investment Committee	Two (2)
Ethics, Human Resource, Remuneration and Nomination Committee	Two (2)
Underwriting & Retakaful Committee	Four (4)
Claims Settlement Committee	Four (4)
Risk Management and Compliance Committee	Four (4)

20. The Board has outsourced the internal audit function to Ms. BDO & Co, Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a regular basis.

21. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possesses such qualifications and experience as is required under the Code of Corporate Governance for Insurers, 2016. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, reinsurance, risk management

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and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Name of the Persons	Designations
Nasar us Samad Qureshi	Chief Executive Officer
Awais Hanif	Chief Financial Officer / Company Secretary
Aneel Akhtar	Compliance Officer / Head of Internal Audit
Muhammad Nasir Ali Syed	Head of Operations (Individual and Group)
Raja Muhammad Adnan Ali	National Sales Head
Muhammad Adnan	Actuary / Head of Risk Management / Head of Retakaful
Naseer Ahmed	Head of Information Technology
Kamran Ali Khan	Head of Underwriting
Iftikhar Ahmed	Head of Claims
Nainta Nazim	Head of Grievance

*Replaced Mr. Najam us Saqib during the year.

22. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of 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 the Company has confirmed that he/she or his/her spouse and minor children do not hold shares of the Company.

25. The Board ensures that the Appointed Actuary complies with the requirements set out for him/her in the Code of Corporate Governance for Insurers, 2016.

26. The Board ensured that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.

27. The Board is in process of establishing the risk management system of the Company as per the requirements of the Code of Corporate Governance for Insurers, 2016.

28. The Company has set up a risk management function / department, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.

RH

29. The Board ensured that as part of the risk management system, the Company gets itself rated from PACRA (credit rating agency) which is being used by its risk management function/department and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency ***"A+ with Stable Outlook"***.

30. The Board has set up a grievance department/function, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.

31. The Company has not obtained any exemption(s) from the Securities and Exchange Commission of Pakistan in respect of the Code of Corporate Governance for Insurers, 2016.

32. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 have been complied with.

By Order of the Board
Date: March 25, 2025

N. Samad

Nasar us Samad Qureshi
Chief Executive Officer

Saleh Al-Selmi
Chairman

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REPORT

To the members of 5th Pillar Family Takaful Limited

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of **5th Pillar Family Takaful Limited** (the Company), which comprise the statement of financial position as at 31 December 2024, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cashflow statement for the year then ended, and notes to the financial statements, including summary of material accounting polices 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 statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cashflow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at 31 December 2024 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 22 to the accompanying financial statements which describes that certain insurance / takaful companies have challenged the scope and applicability of provincial sales tax on services on premium / contribution from life insurance / family takaful business in provincial high courts.

The Honourable Sindh High Court has dismissed the case with a direction to reapproach Sindh Revenue Board on the matter of taxability of life insurance / family takaful business. However, the insurance / takaful companies, through Insurance Association of Pakistan (IAP), have decided to refer the case to and file a constitutional petition in the Honourable Supreme Court of Pakistan.

The Company has not charged provincial sales tax to its clients, nor has recognized any liability for the impugned sales tax in its accompanying financial statements as the management, based on legal advice, is confident that the final outcome will be in favour of the Company.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The Other Information comprises the information included in the Directors' Report to the Shareholders but does not include the financial statements and our auditor's reports thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

KPMG Taseer Hadi & Co.

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account;

c) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary;

d) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

e) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 4 April 2025

Karachi

UDIN: AR202410106xK2954vYU

5TH PILLAR FAMILY TAKAFUL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	2024 Shareholders' Fund	2024 Participant holders' Fund	2024 Total	2023
		(Rupees in 000)			
Assets					
Property and equipment	5	159,349	-	159,349	175,690
Intangible assets	6	113,561	-	113,561	83,226
Investment in associate	7	5,817	-	5,817	-
Investments					
Equity Securities	8	254,742	28,815	283,557	119,110
Government securities	9	947,836	315,351	1,263,187	983,938
Term deposits		-	-	-	70,000
Mutual Funds	10	288,080	31,414	319,494	200,582
		1,490,658	375,580	1,866,238	1,373,630
Takaful / retakaful receivables	11	-	68,439	68,439	41,912
Deposits and other receivables	12	25,236	917	26,153	40,948
Inter-fund balances		53,423	(53,423)	-	-
Deferred tax asset - net	13	12,966	-	12,966	17,293
Taxation - payments less provision		103,357	-	103,357	46,470
Prepayments	14	19,037	-	19,037	15,809
Cash and bank	15	112,891	54,392	167,283	405,103
Investment classified as held for sale		-	-	-	23,995
Total assets		2,096,295	445,905	2,542,200	2,224,076
Equity and liabilities					
Capital and reserves attributable to the Company's Shareholders'					
Authorised share capital (200,000,000 (2023: 200,000,000) ordinary shares of Rs. 10 each)		2,000,000	-	2,000,000	2,000,000
Ordinary share capital	16	2,000,000	-	2,000,000	2,000,000
Ceded money to waqf fund		-	500	500	500
Ledger account D		(122,834)	-	(122,834)	(44,991)
Surplus / (deficit) on revaluation of available for sale investments - net		91,087	-	91,087	2,653
Accumulated losses		(188,515)	-	(188,515)	(125,125)
Total equity		1,779,738	500	1,780,238	1,833,037
Liabilities					
Takaful liabilities	17	29,668	369,855	399,523	102,006
Retirement benefit obligations	18	15,917	-	15,917	6,798
Contribution received in advance		16,157	-	16,157	3,333
Takaful / retakaful payables	19	-	74,795	74,795	48,043
Other creditors and accruals	20	153,698	755	154,453	137,401
Lease liability against right-of-use assets	21	101,117	-	101,117	93,458
Total liabilities		316,557	445,405	761,962	391,039
Total equity and liabilities		2,096,295	445,905	2,542,200	2,224,076
Contingencies and commitments	22				

The annexed notes 1 to 43 form an integral part of these financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

5TH PILLAR FAMILY TAKAFUL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Shareholders' Fund	2024 Participant holders' Fund	2024 Total	2023 Shareholders' Fund	2023 Participant holders' Fund	2023 Total
		(Rupees in '000)					
Contribution revenue		-	560,394	560,394	-	180,437	180,437
Less: Wakala fee recognised		157,286	(157,286)	-	42,781	(42,781)	-
		157,286	403,108	560,394	42,781	137,656	180,437
Less: Contribution ceded to retakaful operators		-	(115,903)	(115,903)	-	(63,154)	(63,154)
Net contribution revenue	23	157,286	287,205	444,491	42,781	74,502	117,283
Investment income	24	203,589	21,666	225,255	85,714	3,459	89,173
Net realised fair value gain on financial assets	25	70,864	5,710	76,574	19,978	6,394	26,372
Mudarib Share		11,162	(11,162)	-	5,617	(5,617)	-
Other income	26	37,343	3,598	40,941	177,965	3,100	181,065
		322,958	19,812	342,770	289,274	7,336	296,610
Net income		480,244	307,017	787,261	332,055	81,838	413,893
Takaful benefits		-	91,270	91,270	-	76,446	76,446
Recoveries from retakaful operators		-	(44,009)	(44,009)	-	(42,758)	(42,758)
Net takaful benefits	27	-	47,261	47,261	-	33,688	33,688
		480,244	259,756	740,000	332,055	48,150	380,205
Net change in takaful liabilities (other than outstanding claims)		13,202	254,170	267,372	9,953	33,054	43,007
Acquisition expenses	28	172,707	-	172,707	44,625	-	44,625
Marketing and administration expenses	29	461,029	1,703	462,732	358,936	60	358,996
Total expenses		(646,938)	(255,873)	(902,811)	(413,514)	(33,114)	(446,628)
		(166,694)	3,883	(162,811)	(81,459)	15,036	(66,423)
Share of loss from associate		(1,683)	-	(1,683)	-	-	-
Surplus appropriated to Shareholders' Fund from Ledger Account D		-	-	-	-	-	-
		(168,377)	3,883	(164,494)	(81,459)	15,036	(66,423)
Surplus retained in Waqf Fund		-	(3,883)	(3,883)	-	(15,036)	(15,036)
Loss before income and minimum taxation		(168,377)	-	(168,377)	(81,459)	-	(81,459)
Minimum taxes	30	(3,897)	-	(3,897)	(3,545)	-	(3,545)
Loss before income taxation		(172,274)	-	(172,274)	(85,004)	-	(85,004)
Income tax expense	31	31,795	-	31,795	13,538	-	13,538
Loss after taxation		(140,479)	-	(140,479)	(71,466)	-	(71,466)
				(Rupees)			(Rupees)
Loss per share	32			(0.70)			(0.36)

The annexed notes 1 to 43 form an integral part of these financial statements.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

5TH PILLAR FAMILY TAKAFUL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024			2023		
	Shareholders' Fund	Participant holders' Fund	Total	Shareholders' Fund	Participant holders' Fund	Total
	(Rupees in '000)					
Loss after taxation	(140,479)	-	(140,479)	(71,466)	-	(71,466)
Other comprehensive income						
Items that will be reclassified subsequently to profit and loss:						
Change in unrealised gain / (loss) on available-for-sale financial assets	124,556	15,354	139,910	15,168	1,434	16,602
Less: Related deferred tax	(36,122)	-	(36,122)	(4,399)	-	(4,399)
	88,434	15,354	103,788	10,769	1,434	12,203
Less: Surplus retained in Waqf Fund	-	(11,072)	(11,072)		(1,343)	(1,343)
Less: Transfer to investment component of unit linked and account value of participants	-	(4,282)	(4,282)	-	(91)	(91)
Items that will not be reclassified subsequently to profit and loss:						
Actuarial loss on retirement benefit obligation	(754)	-	(754)	-	-	-
	(754)	-	(754)	-	-	-
Total comprehensive loss	(52,799)	-	(52,799)	(60,697)	-	(60,697)

The annexed notes 1 to 43 form an integral part of these financial statements.

N.Sawad

Chairman | **Director** | **Director** | **Chief Executive Officer** | **Chief Financial Officer**

5TH PILLAR FAMILY TAKAFUL LIMITED
CASHFLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		---------- (Rupees in 000) ----------	
Operating Activities			
(a) Takaful activities			
Contribution received		546,691	172,269
Net payment to retakaful operator		(45,142)	-
Claims paid		(75,321)	(55,635)
Commission paid		(94,576)	(13,374)
Net cash inflow from takaful activities		331,652	103,260
(b) Other operating activities			
Income tax paid		(60,784)	(40,613)
Marketing and administrative expenses paid		(490,265)	(251,607)
Other operating receipts		15	228
Net cash outflow from other operating activities		(551,034)	(291,992)
Total cash outflow from all operating activities		(219,382)	(188,732)
Investment activities			
Profit received		348,822	274,324
Dividend received		12,472	62
Payments for purchases of investments - net		(383,242)	(958,274)
Fixed capital expenditure		(6,567)	(32,956)
Proceeds from disposal of fixed assets		54	680
Addition to capital work-in-progress		(31,331)	(45,407)
Total cash outflow from investing activities		(59,792)	(761,571)
Financing activities			
Lease rentals paid		(28,646)	(26,265)
Proceeds from issuance of shares		-	1,300,000
Total cash inflow from financing activities		(28,646)	1,273,735
Net (outflow) / inflow from all activities		(307,820)	323,432
Cash and cash equivalents at beginning of the year		475,103	151,671
Cash and cash equivalents at end of the year	15.2	167,283	475,103
Reconciliation to Profit and Loss Account			
Operating cash flows		(219,382)	(188,732)
Depreciation and amortisation expenses		(44,755)	(39,909)
Finance charges on lease rentals		(14,382)	(15,291)
Gain on disposal of fixed assets		15	228
Net realised fair value gains on financial assets		76,574	26,372
Dividend income		12,472	62
Other investment income		330,298	296,548
Share of loss from associate		(1,683)	-
Increase in assets other than cash		90,612	55,634
Increase in liabilities		(292,405)	(171,410)
Deficit generated on takaful statutory funds		(77,843)	(34,968)
Loss after taxation		(140,479)	(71,466)

The annexed notes 1 to 43 form an integral part of these financial statements.

N Samad

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

5TH PILLAR FAMILY TAKAFUL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Attributable to equity holders of the Company					
			Capital reserve			
	Ordinary share capital	Ceded money to waqf fund	Surplus / (deficit) on revaluation of available for sale investments - net	Ledger account D	Accumulated losses	Total Equity
	(Rupees in '000)					
Balance as at January 01, 2023	700,000	500	(8,116)	(10,023)	(88,627)	593,734
Total comprehensive loss						
Loss for the year ended December 31, 2023	-	-	-	(34,968)	(36,498)	(71,466)
Other comprehensive income for the year ended December 31, 2023	-	-	10,769	-	-	10,769
	-	-	10,769	(34,968)	(36,498)	(60,697)
Transactions with owners recorded directly in equity						
Issuance of right shares	1,300,000	-	-	-	-	1,300,000
Balance as at December 31, 2023	2,000,000	500	2,653	(44,991)	(125,125)	1,833,037
Total comprehensive loss						
Loss for the year ended December 31, 2024	-	-	-	(77,843)	(62,636)	(140,479)
Other comprehensive income for the year ended December 31, 2024	-	-	88,434	-	(754)	87,680
	-	-	88,434	(77,843)	(63,390)	(52,799)
Balance as at December 31, 2024	2,000,000	500	91,087	(122,834)	(188,515)	1,780,238

The annexed notes 1 to 43 form an integral part of these financial statements.

Chairman　　Director　　Director　　Chief Executive Officer　　Chief Financial Officer

5TH PILLAR FAMILY TAKAFUL LIMITED
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FOR THE YEAR ENDED DECEMBER 31, 2024

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The annexed notes 1 to 43 form an integral part of these financial statements.

Chairman **Director** **Director** **Chief Executive Officer** **Chief Financial Officer**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 5th Pillar Family Takaful Limited (the Company) was incorporated in Pakistan on March 05, 2020 as a public unlisted Company under the Companies Act, 2017 (the Act). The Company's registered office is situated at SF-01 to SF-06, 2nd Floor, Emerald Mall, Clifton Block 5, Karachi.

1.2 The Company was granted authorisation on October 04, 2021 under rule 3 of Takaful Rules, 2012 to undertake takaful operations in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP). For the purpose of carrying on takaful business, the Company has established an irrevocable fund called 5th Pillar Family Takaful Limited Waqf Fund (here-in-after referred to as Participant Takaful Fund (PTF) under a waqf deed executed by company with a cede amount of Rs 500,000.

1.3 The Company is a subsidiary of 5th Pillar Holdings Limited, a company registered under the laws of Dubai International Financial Centre, UAE and was incorporated in accordance with the resolution of the Board of Directors of the Holding Company on February 03, 2020.

1.4 In accordance with the requirements of the Insurance Ordinance, 2000, the Company established a Shareholders' Fund and separate Takaful Statutory Funds, in respect of each class of family takaful business. The takaful statutory funds established by the Company, in accordance with the advice of the appointed actuary are as follows:

- Individual Family Takaful
- Group Family Takaful

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These 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.

2.2 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:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- 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; and
- Islamic Finance Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017.

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

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for available for sale investments which are carried at their fair value.

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand unless otherwise stated.

2.5 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current year

The following amendments to published standards are mandatory for the financial year beginning on January 1, 2024 and are relevant to the Company.

Classification of liabilities as current or non-current (Amendments to IAS 1 Presentation of Financial Statements)

Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after January 1, 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)

Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

There are certain other amendments to the published accounting and reporting standards that are mandatory for the Company's annual accounting period beginning on January 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Company's financial statements and have, therefore not been disclosed in these financial statements.

2.6 Standards, interpretations of and amendments to the accounting and reporting standards that are not yet effective

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, 2025:

	Effective date (period beginning on or after)
- Lack of exchangeability - Amendments to IAS 21	January 01, 2025
- Amendments to the classification and measurement of financial instruments - Amendments to IFRS 9 financial instruments IFRS 7	January 01, 2026
- IFRS 17 - Insurance Contracts	January 01, 2026
- Sale or contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28	Not yet finalised

The Company has taken a benefit of temporary exemption of applying IFRS 9 "Financial Instrument" with IFRS 17 "Insurance Contracts" as allowed under IFRS. However, this standard will be applied along with the application of IFRS 17.

2.7 Temporary exemption from application of IFRS-9

IFRS 9 'Financial Instruments' is effective for reporting year ended December 31, 2019. It replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It has also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.

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 July 01, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Company has adopted the temporary exemption which allows the Company to defer the application of IFRS 9.

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.

	2024			
	Other Financial Assets		Financial assets that will pass the SPPI test	
	Fair value	Change in unrealized gain or loss during the year	Fair value	Change in unrealized gain or loss during the year
Financial assets	(Rupees in '000)			
Cash and bank	167,283	-	-	-
Equity securities	283,557	7,532	-	-
Government securities	-	-	1,263,187	26,322
Mutual Funds	319,494	111,226	-	-
Deposits and other receivables	-	-	26,153	-
	770,334	118,758	1,289,340	26,322

	2023			
	Other Financial Assets		Financial assets that will pass the SPPI test	
	Fair value	Change in unrealized gain or loss during the year	Fair value	Change in unrealized gain or loss during the year
Financial assets	(Rupees in '000)			
Cash and bank	405,103	-	-	-
Equity Securities	119,110	551	-	-
Government securities	-	-	983,938	(1,373)
Term deposits	-	-	70,000	-
Mutual Funds	200,582	5,993	-	-
Deposits and other receivables	-	-	40,948	-
	724,795	6,544	1,094,886	(1,373)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards 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 judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates 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 revision and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

	Note
Takaful liabilities and underlying assumptions	4.2 & 17
Classification and valuation of investment in associate	4.5 & 7
Determination and measurement of useful life and residual value of property and equipment (including right-of-use assets)	4.7 & 5
Amortization of Intangible asset	4.7 & 6
Retirement benefit obligations	18
Taxation and levies	4.6, 30 & 31
Lease liability related to right-of-use asset	4.7.2.2 & 21
Provisions, contingent assets and contingent liabilities	4.9

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computations adopted and applied in the preparation of these financial statements are set out below. These have been consistently applied to all the periods presented except mentioned in note 4.1.

4.1 Change in Accounting policy

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been reclassified in these financial statements.

In light of above guidance and its retrospectively applicability results in reclassification of final taxes as disclosed in the profit and loss account. Impact on the Company's profit and loss account is as follows.

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	(Rupees in '000)		
Profit and loss account			
December 31, 2024			
Taxation - minimum taxes	-	(3,897)	(3,897)
Loss before income taxation	(168,377)	(3,897)	(172,274)
Taxation - net	27,898	3,897	31,795
Loss after income taxation	(140,479)	-	(140,479)
December 31, 2023			
Taxation - minimum taxes	-	(3,545)	(3,545)
Loss before income taxation	(81,459)	(3,545)	(85,004)
Taxation - net	9,993	3,545	13,538
Loss after income taxation	(71,466)	-	(71,466)

There is no impact of restatements as mentioned above on the Company's statement of financial position, loss per share, statement of comprehensive income, cashflow statement and statement of changes in equity for the year ended December 31, 2024.

4.2 Takaful contracts

The takaful contracts are based on the principles of Wakala Waqf Model. Takaful is a programme based on Shariah compliant, approved concept funded on the principles of mutual cooperation, solidarity and brotherhood. The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In the event where there are insufficient funds in Waqf to meet their current payments less receipts; the deficit is funded by way of an interest free loan (Qard-e-Hasna) from the shareholders' sub fund to the statutory fund (Takaful Business Statutory Funds). The amount of Qard-e-Hasna is refundable to the shareholders' sub fund.

Technical reserves are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date, in accordance with the requirement of section 50 of the Insurance Ordinance, 2000.

Group takaful contracts

The Company offers Group Family Takaful Contracts to its clients. These contracts are issued typically on yearly renewable term basis.

Individual family takaful contracts - 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 which is determined as per the underlying asset's value. The death benefit design is based on Constant Sum Risk approach i.e. the sum cover is paid in addition to the cash value. The plans offer investment choices to the customer to direct their investment related contribution based on their risk / return objectives. No investment guarantees are offered. The investment risk is borne by the participants. Various type of supplemental benefits (accidental death, disability, income benefit, etc) are also sold along with basic policies.

4.2.1 Revenue Recognition

Contribution Revenue

- First year individual life contribution is recognised when the policy is issued after receipt of that contribution. Subsequent contributions falling due under the policy are recognised if received before expiry of the grace period. Single contributions and top-up contributions are recognised once the related policies are issued against the receipt of contribution.

- Group contributions are recognised as and when due.

Takaful receivables

Receivables under takaful contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is an objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognises it as impairment loss.

4.2.2 Retakaful contracts held

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

Retakaful Contribution

Retakaful contribution is recorded at the time the retakaful is ceded. Surplus from retakaful operator is recognised in the profit and loss account.

Retakaful Expenses

Retakaful expenses are recognised as a liability in accordance with the pattern of recognition of related contribution.

Retakaful Assets and Liabilities

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

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

Retakaful assets are offset against related retakaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related retakaful contracts as required by Insurance Ordinance, 2000.

4.2.3 Receivables and payables related to takaful contract

Receivables and payables are recognised when due. These include amounts due to and from agents and participants.

4.2.4 Claims

Claims expense include all claims occurring during the year, whether reported or not, internal and external claim handling costs that are directly related to the processing and settlement of claims and other recoveries, and any adjustments to claims outstanding from previous years.

The outstanding claims liability includes amounts relating to unpaid reported claims and expected claims settlement costs. Full provision is made for the estimated cost of claims incurred to the date of statement of financial position. The liability for claims expenses relating to "Incurred But Not Reported"(IBNR) is included in the technical reserves.

4.2.5 Participants' liabilities

Participants' liabilities including IBNR are stated at a value determined by the appointed actuary through an actuarial valuation / advice carried out at each reporting date, in accordance with section 50 of the Insurance Ordinance, 2000. In determining the value both acquired policy values as well as estimated values which will be payable against risks which the Company underwrites are considered. The basis used are applied consistently from year to year.

As permitted under IFRS 4, related adjustments to participants' liabilities are recognised in the statement of comprehensive income, if the unrealised gains or losses on investments are recognised in the statement of comprehensive income.

4.2.6 Acquisition cost

These comprise commission and other costs incurred in acquiring and maintaining takaful policies and include without limitation all forms of remuneration paid to takaful intermediaries.

These are recognised as an expense in the earlier of the financial year in which these are paid and in a financial year in which these become due and payable, except those which are directly referable to the acquisition or renewal of specific contracts that are recognised not later than the period in which the contribution to which these refer is recognised as revenue.

4.2.7 Wakala fee

The shareholders of the Company manage the takaful business operations for the participants and act as Wakeel of the Waqf fund. The Company is entitled for the wakala fee for the management of takaful business operations under Waqf fund to meet its management expenses.

4.2.8 Mudarib Fee

The shareholders of the Company manages the PTF's investments as a mudarib and charge a mudarib fee on the investment incomes and profit on bank deposits earned by PTF.

4.2.9 Qard-e-Hasna

When the PTF including reserves are insufficient to meet the current payments less receipts, the deficit is funded by way of contributions (Qard-e-Hasna) from Operators' Sub-Fund.

4.3 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents include the following:

- cash in hand
- cash at bank in saving accounts
- deposits and investments with original maturity of three months or less

4.4 Investments

4.4.1 Classification

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as Held-to-Maturity (HTM). Investments designated at fair value through profit or loss represent investments acquired principally for the purpose of generating profits from short term fluctuations in market prices, interest rate movement, or dealer's margin. Available-for-sale investments are those investments that do not fall under either fair value through profit and loss account or held to maturity categories.

4.4.2 Initial recognition

All investments are initially recognised at cost, being the fair value of the consideration given and includes transaction costs except for investments designated at fair value through profit or loss in which transaction cost is charged to profit and loss account.

4.4.3 Subsequent measurement

Held-to-maturity

Subsequently, these are measured at amortised cost less provision for impairment, if any. Any premium paid or discount received on acquisition of HTM investments is amortised over the remaining term of the investments using effective interest rate method.

Available-for-sale

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

Fair value through profit and loss

Investments classified at 'fair value through profit and loss' category at inception, are subsequently measured at their fair value and gains and losses arising from changes in fair value are included in the profit and loss account.

Fair / market value measurement

For investments in Government securities, fair value / market value (PKISRV) is determined by reference to quotations obtained from the Mutual Funds Association of Pakistan (MUFAP) where applicable. The fair value / market value of mutual fund units and listed equity securities is determined as per the rates announced by the MUFAP and the Pakistan Stock Exchange (PSX) respectively.

Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is a date on which a trade (bonds, equities, foreign exchange, commodities, etc.) is executed i.e. the day when transaction is entered into.

4.5 Investment in associates - equity method

Investments in associates, where the Company has significant influence but not control, are accounted for by using the equity method of accounting. These investments are initially recognised at cost and the carrying amount is adjusted to recognise the investor's share of the profit or loss, distribution received and change in the statement of comprehensive income and statement of changes in equity of the investee at the end of each reporting period.

The carrying amount of investments in associates is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments is estimated which is higher of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount and is charged to the profit and loss account. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of carrying amount that would have been determined if no impairment loss had been recognised. A reversal of impairment loss is recognised in the profit and loss account.

The Company has significant influence over it's associate where it has holding percentage of less than 20% due to power to participate in the investee's policy-making processes via common directorship.

4.6 Taxation

Income tax comprises current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to the items recognised directly in equity in which case it is recognised in equity.

4.6.1 Current tax

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing laws for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

4.6.2 Deferred tax

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising at the reporting date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

4.6.3 Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income, or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax is classified as levy in the unconsolidated statement of profit and loss account as these levies fall under the scope of IFRIC 12 / IAS 37.

4.7 Fixed assets

4.7.1 Tangible

Initial measurement

These are initially stated at cost and subsequently at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to income applying the straight line method at the rates specified in note 5.1 to the financial statements, after taking into account residual value and charged to profit and loss account.

Depreciation on additions is charged from the day in which the asset is available for use and on disposal, upto the day the asset is in use.

Subsequent measurement

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to profit and loss account.

An item of tangible asset is derecognised 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognised.

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

4.7.2 Right-of-use assets and their related lease liability

4.7.2.1 Right-of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure.

Right-of-use assets are depreciated over the expected useful life or lease-term which ever is shorter using the straight-line method. Depreciation on additions (new leases) is charged from the day in which leases are entered into. No depreciation is charged in day in which the leases mature or are terminated.

4.7.2.2 Lease liability against right-of-use assets

The lease liabilities is initially measured at the present value of the remaining lease payments over the period of lease term and that are not paid at the commencement date, discounted using interest rate implicit in the lease or the Company's incremental borrowing rate.

The lease liabilities is subsequently measured at amortised cost using the effective interest rate method. The lease liabilities is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company has elected to apply the practical expedient of not to recognise 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 are recognised as an expense on a straight line basis over the lease term.

4.7.3 Intangible assets

Initial measurement

These are stated at cost less accumulated amortisation and impairment loss, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis to income applying the straight line method at the rates specified in note 6.1 to the financial statements.

Amortisation on additions is charged from the day in which the asset is acquired or capitalised and on disposal up to the day the asset is in use.

Software development costs are only capitalised to the extent that future economic benefits are expected to be derived by the Company.

Capital work in progress

Capital work in progress is stated at cost less any impairment in value. It includes advances to suppliers in respect of intangible assets.

4.8 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account, as appropriate. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

4.9 Provisions, contingent assets and contingent liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until the inflow of economic benefits is virtually certain.

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.10 Investment income

- Income from held to maturity / available is the difference between the redemption value and the purchase price of the held to maturity investments is amortised over the term of the investment and is taken to the profit and loss account.

- Dividend income on investments is recognised when the Company's right to receive the payment is established.

- Gain or loss on sale of investments is included in the profit and loss account.

- Profit on bank deposits and term deposit are recognised as and when due.

- Unrealised gain / loss on investments held at 'fair value through profit or loss' is recognised as income / expense in the profit and loss account.

- Unrealised gain / loss on investments held 'Available-for-sale' is recognised as income / expense in the statement of comprehensive income.

4.11 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.12 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components.

All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The chief operating decision maker has been identified as the Chief Executive Officer.

The Company presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Takaful Rules, 2012. The Company has 2 Operating segments for reporting purposes namely;

36.1 Individual family takaful

The risk under individual takaful contract is death and sometimes disability and or critical illness. The risk of disability or critical illness will vary from region to region. The PTF may get exposed to poor risks due to unexpected experience in terms of claims severity or frequency. This can be a result of anti selection, fraudulent claims, a catastrophe or poor persistency. The PTF may face the risk of poor investment return, and liquidity issues on monies invested in the funds.

a) Frequency and severity of claims

Concentration of risk is not a factor of concern due to spread of risks across various parts of the country. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. However, a risk of concentration of risk on any one Participant of the PTF still exists. The Company caters to this risk by entering into suitable Retakaful arrangements. The Company charges for mortality risk (credited to the PTF) on a monthly basis for all Takaful contracts without fixed term.

Moreover, the Company manages these risks through its underwriting strategy and the results are revised quarterly by the Underwriting and Retakaful Committee.

The table below presents the concentration of covered benefits across five bands of benefits covered. The benefit covered figures are shown gross and net of the retakaful contracts described above.

The amounts presented show total exposure of the PTF including exposure in respect of supplemental benefits attached to the main membership.

	Assured at the end of 2024			
	Total benefits assured			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	11,250	0.54%	5,625	0.72%
200,001 - 400,000	77,839	3.71%	38,920	5.00%
400,001 - 800,000	233,721	11.14%	116,860	15.02%
800,001 - 1,000,000	216,892	10.34%	108,446	13.94%
More than 1,000,000	1,558,230	74.27%	507,946	65.31%
Total	2,097,932	100.00%	777,797	100.00%

	Assured at the end of 2023			
	Total benefits assured			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	-	0.00%	-	0.00%
200,001 - 400,000	4,133	2.01%	2,066	3.00%
400,001 - 800,000	23,158	11.28%	11,579	16.84%
800,001 - 1,000,000	15,486	7.54%	7,743	11.26%
More than 1,000,000	162,487	79.17%	47,370	68.89%
Total	205,264	100.00%	68,758	100.00%

b) Source of uncertainty in the estimate of future benefits payments and contributions receipts

Uncertainty in the estimation of future benefit payments and contribution receipts for long term takaful contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in Participants' behaviour (this primarily impacts persistency).

c) Process used to decide on assumptions

- **Mortality:** The expected mortality used is of SLIC (2001-05) Individual Life Ultimate Mortality Table of the Pakistan Society of Actuaries (PSOA)

- **Persistency:** A periodic analysis of the Company's recent and historic experience is performed and persistency is calculated periodically. Persistency rates vary by products and more importantly the sales distribution channel.

- **Expense levels and inflation:** A periodic study is conducted on the Company's current business expenses and future projections to calculate per membership expenses. Expense inflation is assumed in line with assumed investment return.

- **Investment returns:** The investment returns assumptions are based on the assets backing the portfolio.

d) Changes in assumptions

There has been no change in assumptions.

e) Sensitivity analysis

The experience of the fund is not adequate enough to perform sensitivity analysis.

- The Individual Family Takaful business segment provides family takaful coverage to individuals under unit-linked policies issued by the Company.

- The Group Family Takaful business segments provides family takaful coverage to members of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Company.

Actuarial valuation of life insurance business is required to be carried out annually at the reporting date. Takafulholders' liabilities included in the statutory funds are based on the actuarial valuation carried out by the Appointed Actuary as at December 31, 2024.

The Company reviews the basis of estimation used in respect of allocation of assets, liabilities, income and expenses not referable to specific fund with the consultation of Company's appointed actuary.

4.13 Foreign currency transactions and translations

Foreign currency transactions are translated into Pakistani Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are recorded in profit and loss account.

4.14 Statutory funds

The Company maintains statutory funds in respect of each class of life takaful business. Assets, liabilities, revenues, and expenses of the Company are usually referable to respective statutory funds, however, where these are not referable to statutory funds, these are allocated to shareholders' fund.

Apportionment of assets, liabilities, revenues and expenses, wherever required, between funds are made on a fair and equitable basis in accordance with the written advice of the appointed actuary.

4.15 Financial instruments

Financial instruments carried on the statement of financial position include cash and bank deposits, loans secured against other assets, investment in government securities and listed securities, premiums due but unpaid, amount due from / to agents, sundry receivables, accrued interest, accrued expenses, other creditors and accruals, and dividend payable.

All the financial assets and financial liabilities arising from, other than takaful contracts, are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprises the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. At the time of initial recognition all financial assets and financial liabilities are measured at cost, which is the fair value of the consideration given or received for it. These financial assets and liabilities are subsequently measured at fair market value or amortised cost as the case may be. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the profit and loss account.

4.16 Assets classified as Held for Sale

Financial assets classified as held for sale are recorded at "Fair value less cost to sell" in the statement of financial position at the reporting date.

4.17 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to set-off the recognised amount and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

4.18 Dividend and appropriation of reserves

Dividend and appropriation of reserves except appropriations required by the law or determined by the appointed actuary or allowed by the Insurance Ordinance, 2000, are recognised in the year in which these are approved. Surplus related to investments are not available for distribution.

	Note	2024	2023
		(Rupees in '000)	

5 PROPERTY AND EQUIPMENT

	Note	2024	2023
Operating assets		76,782	95,053
Right-of-use assets		82,567	80,637
	5.1	159,349	175,690

5.1 Operating assets (including right-of-use assets)

	2024							
	Cost			Accumulated depreciation			Net book value as at December 31	Depreciation rate
	As at January 01	Additions / (disposals)	As at December 31	As at January 01	Charge for the year / (disposals)	As at December 31		
	(Rupees in '000)							%
Leasehold improvements	44,729	260	44,989	4,748	4,489	9,237	35,752	10
Computer equipment	23,928	3,227 (78)	27,077	7,812	8,276 (39)	16,049	11,028	33.33
Vehicles owned	23,789	221	24,010	9,370	4,765	14,135	9,875	20
Right-of-use assets	114,130	21,962	136,092	33,493	20,032	53,525	82,567	10 - 20
Furniture and fixtures	21,257	366	21,623	4,782	4,294	9,076	12,547	20
Office equipment	10,553	1,421	11,974	2,491	1,903	4,394	7,580	20
	238,386	27,457 (78)	265,765	62,696	43,759 (39)	106,416	159,349	

	2023							
	Cost			Accumulated depreciation			Net book value as at December 31	Depreciation rate
	As at January 01	Additions / (disposals)	As at December 31	As at January 01	Charge for the year / (disposals)	As at December 31		
	(Rupees in '000)							%
Leasehold improvements	33,163	11,566	44,729	871	3,877	4,748	39,981	10
Computer equipment	11,611	12,451 (134)	23,928	1,782	6,074 (44)	7,812	16,116	33.33
Vehicles owned	23,789	-	23,789	4,612	4,758	9,370	14,419	20
Right-of-use assets	87,528	27,858 (1,256)	114,130	15,234	18,573 (314)	33,493	80,637	10 - 20
Furniture and fixtures	17,905	3,910 (558)	21,257	988	3,896 (102)	4,782	16,475	20
Office equipment	5,558	4,995	10,553	579	1,912	2,491	8,062	20
	179,554	60,780 (1,948)	238,386	24,066	39,090 (460)	62,696	175,690	

		Note	2024	2023
6	**INTANGIBLE ASSETS**		(Rupees in '000)	
	Computer softwares	6.1	2,553	2,476
	Capital work in progress	6.2	111,008	80,750
			113,561	83,226

6.1 Computer softwares

	2024							
	Cost			Accumulated amortisation			Net book value as at December 31	Amortisation rate
	As at January 01	Additions / (disposal)	As at December 31	As at January 01	Charge for the year	As at December 31		
	(Rupees in '000)							%
Computer Licenses	3,696	1,073	4,769	1,220	996	2,216	2,553	20 - 33.33
	3,696	1,073	4,769	1,220	996	2,216	2,553	

	2023							
	Cost			Accumulated amortisation			Net book value as at December 31	Amortisation rate
	As at January 01	Additions / (disposal)	As at December 31	As at January 01	Charge for the year	As at December 31		
	(Rupees in '000)							%
Computer Licenses	2,278	1,418	3,696	401	819	1,220	2,476	20 - 33.33
	2,278	1,418	3,696	401	819	1,220	2,476	

		Note	2024	2023
6.2	**Capital work in progress**		(Rupees in '000)	
	Opening balance		80,750	36,761
	Additions during the year		31,331	45,407
	Transfers during the year		(1,073)	(1,418)
	Closing balance	6.2.1	111,008	80,750

6.2.1 These include capital work in progress pertaining to the softwares being developed by the Company.

7 INVESTMENT IN ASSOCIATE

	Note	Number of Shares	Face value per share	2024	2023
				(Rupees in '000)	
5th Pillar Travel (Private) Limited	7.1 & 7.2	750,000	10	5,817	-
				5,817	-

7.1 The travel Company was incorporated on January 10, 2023, under the requirements of Companies Act, 2017. The travel company was formed with the objective to complete the component of value chain offerings in the Hajj and Umrah product offered by the 5th Pillar Family Takaul Limited.

	Country of incorporation	Assets	Liabilities	Revenues	Loss	% of interest held
		(Rupees in '000)				
5th Pillar Travel (Private) Limited	**Pakistan**	110,344	60,104	32,305	(15,484)	10%

		2024	2023
7.2	**Movement in investment in Associate**	(Rupees in '000)	
	Opening balance	-	-
	Acquired during the year	7,500	-
	Share of loss from associate	(1,683)	-
	Closing balance	5,817	-

8 INVESTMENTS IN EQUITY SECURITIES

	2024			2023		
	Cost	Market value	Surplus on revaluation of investments	Cost	Market value	Surplus on revaluation of investments
	(Rupees in '000)					
Available-for-sale						
Listed Equity Securities	172,331	283,557	111,226	118,559	119,110	551
	172,331	283,557	111,226	118,559	119,110	551

8.1 Details of listed equity securities

	2024	2023
	(Rupees in '000)	
Cement		
Cherat Cement Limited	13,034	-
Fauji Cement Limited	10,740	7,814
Lucky Cement Limited	13,127	11,640
Maple Leaf Cement Limited	16,447	4,637
Commercial Banks		
Meezan Bank Limited	9,582	11,520
Oil and Gas Exploration Companies		
Mari Petroleum Company Limited	27,985	9,390
Oil And Gas Development Company Limited	8,249	12,782
Pakistan Petroleum Limited	39,794	26,061
Oil and Gas Marketing Companies		
Pakistan State Oil Company Limited	29,879	7,295
Sui Northern Gas Pipelines Limited	8,530	-
Power Generations and Distribution		
The Hub Power Company Limited	15,752	15,464
K-Electric Limited	9,498	-
Technology and Telecommunication		
Systems Limited	13,547	4,300
Textile		
Interloop Limited	-	8,207
Fertilizers		
Engro Fertilizers Limited	25,912	-
Engro Corporation Limited	8,015	-
Pharmaceuticals		
Haleon Pakistan Limited	4,725	-
Highnoon Laboratories Limited	9,013	-
GlaxoSmithKline Pakistan Limited	9,945	-
The Searl Company Limited	8,045	-
Automobile Assembler		
Sazgar Engineering Works Limited	1,118	-
Paper, Board & Packaging		
Century Paper & Board Mills Limited	620	-
	283,557	119,110

9 INVESTMENTS IN GOVERNMENT SECURITIES

	2024			2023		
	Cost	Market value	Surplus on revaluation of investments	Cost	Market value	Deficit on revaluation of investments
	(Rupees in '000)					
Available-for-sale						
Government of Pakistan						
Ijarah Sukuk Certificates	1,236,865	1,263,187	26,322	985,311	983,938	(1,373)
	1,236,865	1,263,187	26,322	985,311	983,938	(1,373)

9.1 The effective yield on Government of Pakistan Ijarah Sukuk Certificates ranges from 8.02% to 19.89% (2023: 8.02% to 22.49%) per annum.

9.2 The Company has deposited 5 years Government of Pakistan Ijarah Sukuk Certificates amounting to Rs. 200 million (2023: Rs. 200 million) with State Bank of Pakistan (SBP) under section 29 of the Insurance Ordinance, 2000.

9.3 Particulars of government securities

	Tenure	Maturity year	Rate of return (%) per annum	Profit payment	Market value 2024	Market value 2023
					(Rupees in '000)	
Variables rate of return:						
GOP Ijarah Sukuk Certificates	1 year	2024	22.21%	Semi-annual	-	100,730
GOP Ijarah Sukuk Certificates	1 year	2024	22.49%	Semi-annual	-	199,029
GOP Ijarah Sukuk Certificates	3 years	2026	12.61%	Semi-annual	344,858	350,720
GOP Ijarah Sukuk Certificates	5 years	2027	14.15%	Semi-annual	277,803	274,806
Fixed rate of return:						
GOP Ijarah Sukuk Certificates	1 year	2025	10.99%	Semi-annual	10,192	-
GOP Ijarah Sukuk Certificates	1 year	2025	11.00%	Semi-annual	44,619	-
GOP Ijarah Sukuk Certificates	1 year	2025	11.75%	Semi-annual	278,558	-
GOP Ijarah Sukuk Certificates	1 year	2025	15.74%	Semi-annual	16,036	-
GOP Ijarah Sukuk Certificates	1 year	2025	18.50%	Semi-annual	126,044	-
GOP Ijarah Sukuk Certificates	1 year	2025	19.85%	Semi-annual	64,137	-
GOP Ijarah Sukuk Certificates	3 years	2027	13.89%	Semi-annual	32,396	-
GOP Ijarah Sukuk Certificates	5 years	2025	8.37%	Semi-annual	68,544	58,653
					1,263,187	983,938

10 INVESTMENTS IN MUTUAL FUNDS

	2024 Cost	2024 Market value	2024 Surplus on revaluation of investments	2023 Cost	2023 Market value	2023 Surplus on revaluation of investments
	(Rupees in '000)					
Available-for-sale						
Open-ended mutual funds	311,962	319,494	7,532	194,589	200,582	5,993
	311,962	319,494	7,532	194,589	200,582	5,993

10.1 Details of open-ended mutual funds

	Note	2024	2023
		(Rupees in '000)	
Meezan Islamic Fund		-	26,648
Meezan Sovereign Fund		110,687	70,659
Meezan Daily Income Plan		-	900
Meezan Cash Fund		76,039	-
HBL Islamic Income Fund		32,591	40,617
HBL Islamic Money Market Fund		1,098	-
Al Ameen Islamic Cash Fund		78,167	40,569
Al Ameen Shariah Stock Fund		10,398	10,403
Al Ameen Islamic Energy Fund		10,514	10,786
		319,494	200,582

11 TAKAFUL / RETAKAFUL RECEIVABLES

	2024	2023
Unsecured		
Due from takaful participants' - Considered good	68,439	41,912
Due from retakaful - Considered good	-	-
	68,439	41,912
Less: provision for impairment of receivables from takaful participants'	-	-
	68,439	41,912

12 DEPOSITS AND OTHER RECEIVABLES

	Note	2024	2023
Security deposits		6,485	6,445
Accrued investment income	12.1	14,724	33,263
Other receivables		4,944	1,240
		26,153	40,948

12.1 This represents accrued profit on Government Securities and Term Deposits.

		2024	2023
13	**DEFERRED TAX ASSET - NET**	-------- (Rupees in '000) --------	
	Deferred credits arising in respect of :		
	Unrealised gain on investments classified as available for sale - net	**(37,206)**	(1,084)
	Deferred debits arising in respect of :		
	On Ledger D account balances	**50,172**	18,377
		12,966	17,293

		2024	2023
13.1	**Reconciliation of deferred tax asset**		
	Opening balance	**17,293**	7,409
	Deferred tax recorded in profit and loss account		
	On Ledger D account balances	**31,795**	13,538
	Deferred tax recorded in statement of comprehensive income		
	Unrealised gains on investments classified as available for sale - net	**(36,122)**	(4,399)
		12,966	16,548

13.2 The Company had not recognized a deferred tax asset on taxable temporary difference attributable to the shareholders' fund amounting Rs. 56.63 million (2023: Rs. 36.29 million) due to uncertainty about the availability of sufficient future taxable profits.

		Note	2024	2023
14	**PREPAYMENTS**		-------- (Rupees in '000) --------	
	Prepaid commission		**11,605**	8,025
	Others		**7,432**	7,784
			19,037	15,809
15	**CASH AND BANK**			
	Cash in hand		**38**	62
	Cash at bank			
	- Savings accounts	15.1	**167,245**	405,041
			167,283	405,103

15.1 These accounts carry a profit rates ranging between 5.87% - 7.53% (2023: 11.01% - 20.50%).

		Note	2024	2023
15.2	**Cash and cash equivalents for the purpose of cashflow statement**		-------- (Rupees in '000) --------	
	Cash and bank	15	167,283	405,103
	Term deposit (with original maturity of less than 3 months)		-	70,000
			167,283	475,103

16 **SHARE CAPITAL**

16.1 **Issued, subscribed and paid-up share capital**

2024	2023		2024	2023
(Number of shares)			-------- (Rupees in '000) --------	
200,000,000	70,000,000	Ordinary shares of Rs. 10 each fully paid in cash	**2,000,000**	700,000
-	130,000,000	Issuance of right shares at Rs.10 each fully paid in cash	-	1,300,000
200,000,000	200,000,000		**2,000,000**	2,000,000

16.1.1 There is only one class of ordinary shares issued.

16.1.2 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

17 TAKAFUL LIABILITIES	**Note**	**2024**	2023
		-------- (Rupees in '000) --------	
Reported outstanding claims	17.1	**37,996**	27,088
Investment component of unit-linked and account value of participants	17.2	**269,540**	21,664
Incurred but not reported claims	17.3	**6,361**	3,800
Liabilities under group takaful contracts	17.4	**42,960**	32,928
Other takaful liabilities	17.5	**42,666**	16,526
		399,523	102,006

17.1 Reported outstanding claims

Gross of retakaful	**37,996**	27,088
Payable within one year	**(37,996)**	(27,088)
Payable after one year	**-**	-

17.2 Investment component of unit-linked and account value of participants

Gross of retakaful	**269,540**	21,664
Net of retakaful	**269,540**	21,664

17.3 Incurred but not reported claims

Gross of retakaful	**13,856**	8,574
Retakaful recoveries	**(7,495)**	(4,774)
Net of retakaful	**6,361**	3,800

17.4 Liabilities under group takaful contracts

Gross of retakaful	**88,082**	64,423
Retakaful credit	**(45,122)**	(31,495)
Net of retakaful	**42,960**	32,928

17.5 Other takaful liabilities

Gross of retakaful	**42,666**	16,526
Net of retakaful	**42,666**	16,526

18 RETIREMENT BENEFIT OBLIGATIONS

18.1 Defined Benefit Plan - Gratuity Fund

The Company offers an approved gratuity fund for all eligible employees. Annual contributions are made to the fund on the basis of actuarial recommendations. The gratuity scheme is governed under the Trust Act, 1882, Trust Deed and Rules of the Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Currently, the scheme of the Company is in course of registration and it is expected that registration process will be completed in next few months.

The Company faces the following risks on account of gratuity fund:

Final salary risks

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

18.2 Valuation results

Actuarial valuation is carried out every year and the latest valuation was carried out as at December 31, 2024 using the project unit credit method. The information provided in notes 18.3 to 18.10 has been obtained from the actuarial valuation carried out as at December 31, 2024. The following significant assumptions have been used for valuation of this scheme:

	2024	2023
	Per annum	
a) Expected rate of increase in salary level	15.00%	10.75%
b) Discount rate	12.25%	14.75%
c) Normal retirement age	65 years	65 years
d) Mortality rates	State Life Insurance Corporation (SLIC) 2001-05	State Life Insurance Corporation (SLIC) 2001-05
e) Withdrawal rates	34.07%	0.00%

	2024	2023
	---------- (Rupees in '000) ----------	
18.3 Amounts recognised in the statement of financial position		
Present value of defined benefit obligation	15,917	6,798
Less: Fair value of plan assets	-	-
	15,917	6,798
18.4 Movement in liability during the year		
Obligation at the beginning of the year	6,798	-
Current service cost	7,361	6,798
Profit charged	1,004	-
Actuarial loss on remeasurement of liability	754	-
Obligation at the end of the year	15,917	6,798
18.5 Amounts recognised in the profit and loss account:		
Current service cost	7,361	6,798
Profit charged	1,004	-
Expense for the year	8,365	6,798
18.6 Amounts recognised in the other comprehensive income		
Financial Assumptions	5,156	-
Demographic Assumptions	(2,325)	-
Experience Adjustments	(2,076)	-
Expense for the year	754	-
18.7 Analysis of present value of defined benefit obligation		
Split by vested / non-vested benefits:		
(i) Vested benefits	-	-
(ii) Non-vested benefits	15,917	6,798
	15,917	6,798

18.8 Sensitivity analysis

Particulars	2024			2023		
	Change in assumption	Effect on current service cost and profit charged		Change in assumption	Effect on current service cost and profit charged	
		(%)	(Rupees in '000)		(%)	(Rupees in '000)
Discount rate	+1%	-6.41%	(1,020)	+1%	-12.34%	(839)
	-1%	7.34%	1,168	-1%	15.43%	1,049
Salary increase rate	+1%	7.72%	1,229	+1%	16.12%	1,096
	-1%	-6.86%	(1,092)	-1%	-13.03%	(886)
Withdrawal rates	+10%	-1.41%	(15,694)	+10%	0.10%	6,805
	-10%	1.43%	16,145	-10%	-0.10%	(6,792)
Mortality rates	1 Year	-0.04%	(15,912)	1 Year	0.02%	6,800
	-1 Year	0.04%	15,923	-1 Year	-0.02%	(6,797)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant assumptions, same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

18.9 Based on actuarial advice, the Company intends to charge an amount of Rs. 10.76 million in the financial statements for the year ending December 31, 2025.

18.10 The weighted average duration of defined benefit obligation is 6.87 years (2023: 13.88 years).

18.11 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

	Less than a year	Between 1-2 Years	Between 2-5 years	Over 5 years	Total
	(Rupees in '000)				
Gratuity - at December 31, 2024	3,352	830	4,818	52,768	61,768

19 TAKAFUL / RETAKAFUL PAYABLES

	Note	2024	2023
		(Rupees in '000)	
Due to other takaful / retakaful operators		74,795	48,043

20 OTHER CREDITORS AND ACCRUALS

	2024	2023
Commission payable	28,594	18,242
Payable to employees	1,008	20
Payable to vendors	12,406	10,413
Withholding tax payable	783	3,018
Accrued expenses	54,206	20,013
Payable against equity investments	-	62,339
Provident fund payable	35,929	15,452
Other liabilities	21,527	7,904
	154,453	137,401

21 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS

	Note	2024	2023
Lease liability against right-of-use assets	21.1	101,117	93,458
Present value of minimum lease payments		101,117	93,458
Less: Current portion		(15,498)	(8,933)
		85,619	84,525

21.1 The Company leases out property premises for its head office and branch network.

21.2 The lease liabilities are discounted using incremental borrowing rates ranging between 14.24% to 22.26%.

	2024	2023
	---------- (Rupees in '000) ----------	
Opening balances	**93,458**	77,609
Addition	**-**	25,390
Modification	**21,962**	1,432
Payment	**(28,685)**	(26,264)
Finance charges on lease rentals	**14,382**	15,291
Closing balances	**101,117**	93,458

21.3

	2024			2023		
	Minimum lease payments	**Financial charges for future payments**	**Principal outstanding**	Minimum lease payments	Financial charges for future payments	Principal outstanding
	---------- (Rupees in '000) ----------					
Not later than one year	**29,848**	**(14,350)**	**15,498**	22,606	(13,673)	8,933
Later than one year and not later than five years	**82,321**	**(36,071)**	**46,250**	74,855	(40,205)	34,650
More than five years	**47,229**	**(7,860)**	**39,369**	64,329	(14,454)	49,875
	159,398	**(58,281)**	**101,117**	161,790	(68,332)	93,458

22 CONTINGENCIES AND COMMITMENTS

SRB through notification no. SRB-3-4/17/2021 dated 30th June 2021 has revoked its previous exemption of life insurance, granted through SRB-3-4/5/2019 dated 8th May 2019, which is now taxable at a rate of 3%.

The Insurance Association of Pakistan (IAP) had taken up the matter extensively with SRB and other provincial authorities for restoration of the exemptions that were withdrawn, besides seeking legal advice. The legal advisors of the IAP / Company have confirmed the contention of the Company that insurance is not a service, but infact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy / membership, and is thus a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service.

The legal advisors have also raised the important question of constitutionality of the levy of provincial sales tax on life insurance / family takaful, which is a Federal subject, and have expressed the view that under Article 142 of the Constitution of Pakistan, only those matters which are not enumerated in the Federal Legislative List, may be legislated upon by the provinces. In their view, since the Federation has retained a legislative mandate over all laws relating to insurance / takaful, therefore, only the Federation is entitled to levy any tax in relation to insurance / takaful business.

Without prejudice to the main contentions as stated above, even otherwise, the legal advisors of the IAP / Company have expressed in their opinions a further flaw in the context of the manner in which the entire contribution payment, i.e., Gross Written Contribution (GWC) is being charged to the levy of provincial sales tax. This is despite the fact that there are two distinct elements of GWC (i) the amount allocated towards the participants' investment fund, which belongs to them and (ii) the difference between the GWC charged and the investment amount allocated. Thus, in their view, if the entire GWC is subjected to provincial sales tax, then this is akin in to a direct tax on participants, in the nature of income tax, wealth tax, or capital value tax, all of which fall exclusively within the domain of Federal Legislature.

The Company has not filed any suit in respect of this matter, and is relying on the existing stay orders from the High Courts obtained by the industry participants through the IAP platform. Later on, in January 2025, the case was decided by Honourable Sindh High Court, in the judgement dated January 14, 2025, dismissed the petition on grounds that petition should first seek recourse before the SRB.

The life Insurance / family takaful industry players, are in process of filling a petition in Honourable Supreme Court of Pakistan against the order and believes that since petition earlier filed challenging the verses of the law, the question that has neither been discussed nor decided in the impugned order of the Honourable High Court of Sindh, and such, can be filed with higher appellate forum.

The Company and industry participants are not billing their customers for the provincial sales tax when the exemption was not applicable, nor have they made any provision in the books of account for the year ended December 31, 2024 as the management is confident that the final outcome will be in the favour of the Company based on legal opinion. The amount of provincial sales tax involved in this matter, as of December 31, 2024, computed on risk-based contribution excluding the amount allocated towards the participants' investment fund amounts to Rs. 53.12 million (December 31, 2023: Rs. 25.89 million).

		Note	2024	2023
23	**NET CONTRIBUTION REVENUE**			
			-----------(Rupees in '000)-----------	
	Gross contribution:			
	Regular contribution individual memberships			
	First year		310,570	29,295
	Second year renewal		12,363	-
	Single contribution individual membership		28,445	5,500
	Group policies without cash values		209,016	145,642
	Total gross contributions		560,394	180,437
	Less: retakaful contributions ceded			
	On individual family takaful first year business		840	26
	On group policies		115,063	63,128
			115,903	63,154
			444,491	117,283
24	**INVESTMENT INCOME**			
	Income from equity securities and mutual funds - available for sale			
	Dividend income		12,472	62
	Income from debt securities - available for sale			
	Return on government securities		199,602	85,229
	Income from term deposits			
	Return on term deposits		13,181	3,882
			225,255	89,173
25	**NET REALISED FAIR VALUE GAIN ON FINANCIAL ASSETS**			
	Realised gain - available for sale			
	Equity Securities		27,099	-
	Government securities		49	-
	Mutual Funds		49,426	26,372
			76,574	26,372
26	**OTHER INCOME**			
	Return on bank balances		40,926	180,837
	Gain on disposal of property and equipment		15	134
	Gain on early termination of right-of-use asset		-	94
			40,941	181,065
27	**NET TAKAFUL BENEFITS**			
	Gross claims			
	Claims under individual memberships			
	- by death		5,041	-
	Total gross individual memberships claims		5,041	-
	Claims under group takaful memberships			
	- by death		73,041	69,269
	- by insured event other than death		13,188	7,177
	Total gross group membership claims		86,229	76,446
	Total gross takaful claims		91,270	76,446
	Less: retakaful recoveries			
	On group takaful membership		44,009	42,758
			44,009	42,758
			47,261	33,688

27.1 Claims Development Table

For individual family takaful and group family takaful, claim experience over the past 5 years indicates that claims reported after the end of the year in which the claim event occurred were less than 10% threshold, therefore, the claim development table is not disclosed.

28 ACQUISITION EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Remuneration to takaful intermediaries on individual memberships:			
- Commission on first year contribution		**81,608**	11,343
- Commission on second year contribution		**611**	-
- Commission on single contribution		**900**	170
- Other benefits to takaful intermediaries		**64,057**	20,596
		147,176	32,109
Remuneration to takaful intermediaries on group memberships:			
- Commission		**18,229**	12,097
		18,229	12,097
Other acquisition cost :			
- Membership stamps		**7,302**	419
		172,707	44,625

29 MARKETING AND ADMINISTRATION EXPENSES

	Note	2024	2023
Employee benefit cost	29.1	**273,292**	207,087
Travelling expenses		**16,157**	14,967
Auditor's remuneration	29.2	**8,596**	6,615
Actuary's fees		**10,698**	8,813
Legal and professional charges		**7,861**	11,288
Regulatory Fees		**278**	139
Advertisement and publicity		**15,436**	9,941
Printing and stationery		**3,559**	3,339
Depreciation and amortisation	5.1 & 6.1	**44,755**	39,909
Rental		**543**	110
Utilities		**19,645**	14,661
Vehicle and general repair & maintenance		**21,133**	18,533
Communication		**5,861**	3,266
Entertainment		**6,459**	3,509
Takaful Charges		**957**	606
Finance charges on lease rentals		**14,382**	15,291
Brokerage and fees		**12,325**	417
Miscellaneous expenses		**795**	505
		462,732	358,996

29.1 Employee benefit cost

	2024	2023
Salaries, allowances and other benefits	**251,222**	191,096
Charge for post employment benefits	**22,070**	15,991
	273,292	207,087

29.2 Auditor's remuneration

	2024	2023
Audit fees	**3,750**	3,000
Other certifications	**3,575**	2,200
Out of pocket expenses	**733**	925
Sales tax	**538**	490
	8,596	6,615

30 MINIMUM TAXES

This represents minimum taxes paid under section 113 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/ IAS 37.

31 INCOME TAX EXPENSE

	2024	2023
	(Rupees in '000)	
For the year		
- Current tax	-	-
- Deferred tax	**(31,795)**	(14,283)
For prior year charge	-	745
	(31,795)	(13,538)

31.1 Reconciliation of current tax charge as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2024	2023
	(Rupees in '000)	
Current tax liability for the year as per applicable tax laws	3,897	3,545
Portion of current tax liability as per tax laws, representing income tax under IAS 12	-	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(3,897)	(3,545)
Difference	-	-

31.2 **Reconciliation of tax charge for the year:**

	2024	2023
Loss before tax	(168,377)	(81,459)
Tax at the applicable rate of 29% (2023: 29%)	(48,829)	(23,623)
Effect of:		
- Prior year adjustment	-	745
- Minimum tax under section 113 @ 1.25%	3,897	3,545
- Loss of shareholder's fund	17,034	9,340
Taxation for the year	(27,898)	(9,993)

32 LOSS PER SHARE

	2024	2023
Loss for the year	(140,479)	(71,466)
	(Number of shares)	
Weighted average number of ordinary shares	200,000,000	197,999,400
	(Rupees)	
Loss per share - Basic	(0.70)	(0.36)

32.1 Diluted earnings per share has not been presented as the Company has not issued any instrument which would have any impact on basic earnings per share when exercised.

33 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

	2024			2023		
	Chief Executive	Executives	Total	Chief Executive	Executives	Total
	(Rupees in '000)					
Managerial remuneration	26,301	102,505	128,806	22,440	90,490	112,930
Bonus / Exgratia payments	3,600	6,137	9,737	2,500	4,180	6,680
Contribution to defined contribution plan	1,242	4,082	5,324	2,399	4,785	7,184
	31,143	112,724	143,867	27,339	99,455	126,794
	(Number)					
Number of persons	1	19	20	1	19	20

33.1 In addition to above, the Chief Executive has been provided with two cars maintained by the Company.

33.2 "Executive" means employee (other than CEO and directors) whose basic salary exceeds Rs. 1.2 million per year.

34 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, directors, key management personnel of the Company and staff retirement plans. Remuneration to the key personnel is determined in accordance with the terms of their appointments. All transactions involving related parties are in the normal course of business. Transactions with the key management personnel are made under their terms of employment.

34.1 The details of transactions and balances held with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

Nature of Transaction	5th Pillar Travel (Private) Limited	Kuwait International Investments Holding Company	5th Pillar Holdings Limited	Directors	Key Management Personnel	Total
	2024					
	(Rupees in '000)					
Transactions						
Reimbursement of expenses by the Company	**24,367**	-	-	-	-	**24,367**
Incurred on behalf of by the Company	**13**	-	-	-	-	**13**
Contribution underwritten	-	-	-	-	**184**	**184**
Disposal of shares by the Company	-	-	-	**16,495**	-	**16,495**
Balances						
Receivable / (payable) by the Company	**313**	-	-	-	-	**313**

Nature of Transaction	5th Pillar Travel (Private) Limited	Kuwait International Investments Holding Company	5th Pillar Holdings Limited	Directors	Key Management Personnel	Total
	2023					
	(Rupees in '000)					
Transactions						
Reimbursement of expenses by the Company	27,363	-	-	1,792	-	29,155
Incorporation & Initial expenses paid by the Company	744	-	-	-	-	744
Contribution underwritten	-	-	-	-	138	138
Issuance of share capital by the Company	-	835,000	-	325,000	-	1,160,000
Subscription of share capital by the Company	23,995	-	-	-	-	23,995
Balances						
Receivable by the Company	372	-	-	-	-	372

34.2 Following are the related parties and their relationship with the Company:

S. No.	Name of related party	Basis of relationship
1	5th Pillar Holdings Limited (A DIFC incorporated in UAE)	Parent Company
2	Kuwait International Investments Holdings Company	Associated Company
3	5th Pillar Travel (Private) Limited	Associated Company

35 SEGMENT INFORMATION

Each class of business has been identified as a reportable segment. The following schedule of class of business wise assets, liabilities, revenues and results have been disclosed in accordance with the requirements of the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017.

35.1 Revenue account by statutory funds

	STATUTORY FUNDS		AGGREGATE	
	Individual Family	Group Family	2024	2023
Participants' Investment Fund (PIF)	(Rupees in '000)			
Income				
Allocated Contribution	243,107	-	243,107	21,433
Net Investment Income	16,854	-	16,854	315
Other Income	1,568	-	1,568	29
Total Net Income	261,529	-	261,529	21,777
Less: Claims and Expenditure				
Surrenders / Partial Surrenders	5,041	-	5,041	-
Membership Lapsed	3,514	-	3,514	-
Risk Contributions	1,801	-	1,801	54
Wakalat-ul-Istismar	1,456	-	1,456	21
Membership admin fee	1,253	-	1,253	32
Membership surrender / partial surrender fee	15	-	15	-
Fund Management Expenses	573	-	573	6
	13,653	-	13,653	113
Excess of Income over Claims and expenditure	247,876	-	247,876	21,664
Add: Technical reserves at the beginning of the year	21,664	-	21,664	-
Less: Technical reserves at the end of the year	(269,540)	-	(269,540)	(21,664)
	(247,876)	-	(247,876)	(21,664)
Surplus	-	-	-	-
Movement in technical reserves	247,876	-	247,876	21,664
Balance of PIF at the beginning of the year	21,664	-	21,664	-
Balance of PIF at the end of the period	269,540	-	269,540	21,664

	STATUTORY FUNDS		AGGREGATE	
	Individual Family	Group Family	2024	2023
Participants' Takaful Fund (PTF)	(Rupees in '000)			
Income				
Contribution net of retakaful (including risk contribution)	415	51,722	52,137	53,176
Net investment income	-	25,876	25,876	10,972
Other income	1,153	877	2,030	3,071
Total net income	1,568	78,475	80,043	67,219
Less: Claims and Expenditure				
Claims	-	42,220	42,220	33,688
Mudarib share	461	10,701	11,162	5,617
Administration expenses	-	1,130	1,130	54
Total claims and expenses	461	54,051	54,512	39,359
Excess of Income over Claims and expenditure	1,107	24,424	25,531	27,860
Add: Technical reserves at the beginning of the year	367	36,421	36,788	8,928
Less: Technical reserves at the end of the year	(1,474)	(60,845)	(62,319)	(36,788)
Change in technical reserves	(1,107)	(24,424)	(25,531)	(27,860)
Surplus / (deficit)	-	-	-	-
Movement in technical reserves	1,107	24,424	25,531	27,860
Qard-e-Hasna contributed OSF	5,000	15,000	20,000	9,000
Balance of PTF at the beginning of the year	367	54,421	54,788	17,928
Balance of PTF at the end of the year	6,474	93,845	100,319	54,788

Shareholders' Sub Fund (OSF)	STATUTORY FUNDS Individual Family	STATUTORY FUNDS Group Family	AGGREGATE 2024	AGGREGATE 2023
	(Rupees in '000)			
Income				
Allocation fee	108,196	42,231	150,427	42,731
Mudarib share	461	10,701	11,162	5,617
Membership lapsed	3,514	-	3,514	-
Wakala fee on risk contribution	621	-	621	18
Wakalat-ul-Istismar	1,456	-	1,456	21
Membership surrender / partial surrender fee	15	-	15	-
Membership admin fee	1,253	-	1,253	32
Total net income	115,516	52,932	168,448	48,419
Less: Expenditures				
Acquisition cost	152,922	19,785	172,707	44,625
Administration expenses	45,971	46,206	92,177	43,071
Total expenses	198,893	65,991	264,884	87,696
Excess of expenditure over income	(83,377)	(13,059)	(96,436)	(39,277)
Add: Technical reserves at the beginning of the year	118	16,348	16,466	6,492
Less: Technical reserves at the end of the year	(6,979)	(22,689)	(29,668)	(16,466)
Change in technical reserves	(6,861)	(6,341)	(13,202)	(9,974)
Deficit before tax	(90,238)	(19,400)	(109,638)	(49,251)
Taxation	26,169	5,626	31,795	14,283
Deficit after tax	(64,069)	(13,774)	(77,843)	(34,968)
Movement in technical reserves	6,861	6,341	13,202	9,974
Capital Contribution during the year	95,000	50,000	145,000	58,000
Qard-e-Hasna contributed to the Participants' Takaful Fund	(5,000)	(15,000)	(20,000)	(9,000)
Balance of OSF at the beginning of the year	11,637	33,838	45,475	21,469
Balance of OSF at the end of the year	44,429	61,405	105,834	45,475
Balance of Takaful statutory fund	320,443	155,250	475,693	121,927

36 MANAGEMENT OF TAKAFUL 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 Participant Takaful Fund (PTF). This section summarises the risks and the way the Company manages them, as part of the Company's Takaful Operations.

Takaful risk

The PTF issues takaful contracts that are classified in the following segments:

- Individual Family Takaful
- Group Family Takaful

36.2 Group Life Family Takaful

The main risk written by the Company is mortality. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, and difficulty of verification of claims, fraudulent claims or a catastrophe. The Company also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of contribution in due time.

The Company manages these risks through its:

a) Pricing and Underwriting

All products of this nature are prepared by the Group Underwriting Department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Company. The contribution charged takes into account the actual experience of the client and the nature of mortality exposure the group faces.

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

Furthermore, the Company also maintains various MIS that are shared with relevant management to track the adequacy of the contribution charged.

Also, Underwriting & Retakaful Committee reviews the underwriting performance of the Company on a quarterly basis.

b) Retakaful

Retakaful agreements are in place to limit the mortality exposure. Underwriting & Retakaful Committee reviews every quarter the performance of the treaties to ensure that adequate retakaful coverage is in place.

c) Claims handling policy

The Company has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and apparently doubtful claims is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims department's performance and to make sure that adequate claims controls are in place.

d) Frequency and severity of claims

The Company measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country. To mitigate risk accumulation resulting from catastrophic events, the Company maintains a catastrophe excess of loss retakaful agreement which protects the waqf fund from exposure to the catastrophic events.

	Covered at the end of 2024			
	Total takaful benefits			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	22,781,561	12.50%	11,515,836	19.32%
500,001-1.000,000	11,460,077	6.29%	5,729,144	9.61%
1,000,001-1,500,000	21,987,371	12.06%	10,642,715	17.85%
1,500,001-2,000,000	12,509,320	6.86%	5,639,262	9.46%
2,000,001-2,500,000	6,601,014	3.62%	2,697,516	4.53%
More than 2,500,000	106,963,667	58.67%	23,388,724	39.23%
Total	182,303,010	100.00%	59,613,197	100.00%

	Covered at the end of 2023			
	Total takaful benefits			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	16,025,700	27.58%	8,012,850	39.08%
500,001-1.000,000	15,814,368	27.23%	7,907,184	38.56%
1,000,001-1,500,000	1,765,206	3.04%	713,167	3.48%
1,500,001-2,000,000	2,594,256	4.47%	1,151,794	5.62%
2,000,001-2,500,000	1,002,046	1.73%	216,949	1.06%
More than 2,500,000	20,881,447	35.95%	2,503,506	12.21%
Total	58,083,023	100.00%	20,505,450	100.00%

e) Sources of uncertainty in the estimation of future benefits payments and contribution receipts

Other than conducting a liability adequacy for unearned contribution reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

f) **Process used to decide assumptions**

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

h) **Changes in assumptions**

There has been no material change in assumptions.

i) **Sensitivity analysis**

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

	Change in variable	Increase in Liability 2024 (Rupees in '000)
Worsening of mortality rates	10%	8,005
Increase in reporting lag	10%	1,334

37 **FINANCIAL RISK MANAGEMENT**

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Foreign currency risk

Risk management framework

The Board of Directors meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit function. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

37.1 **Credit risk**

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures and undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

37.1.1 **Concentration of credit risk and credit exposure of financial instruments**

Concentration of credit risk arises when a number of counterparties have similar types of business. As a result, any change in economic, political and other conditions would effect their ability to meet the obligations in a similar manner.

Credit risk of the Company arises principally from the investments (except for government securities), contribution due but unpaid, amount due from retakaful, retakaful recoveries and bank balances. To reduce the credit risk the Company has developed a formal approval process whereby credit limits are applied to its participants' and retakaful operator. The management continuously monitors the credit exposure towards participants' and retakaful operator and makes provision against those balances considered doubtful of recovery.

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

	2024	2023
	(Rupees in '000)	
Bank balances	167,245	405,041
Investments in Term Deposit	-	70,000
Takaful / retakaful receivables	68,439	41,912
Deposits and other receivables	26,153	40,948
	261,837	557,901

The credit quality of Company's Government securities, open ended mutual funds, term deposit receipts and bank balances can be assessed with reference to external credit ratings as follows:

	Rating - 2024		Rating - 2023		Rating Agency
	Short term	Long term	Short term	Long term	
Meezan Bank Limited	A1+	AAA	A1+	AAA	VIS
United Bank Limited	A1+	AAA	A1+	AAA	VIS
MCB Islamic Bank Limited	A1	A+	A1	A+	PACRA
Habib Metropolitan Bank Limited	A1+	AA+	A1+	AA+	PACRA
BankIslami (Pakistan) Limited	A1	AA-	A1	AA-	PACRA
Bank Alfalah Limited	A1+	AAA	A1+	AAA	PACRA
Dubai Islamic Bank (Pakistan) Limited	A1+	AA	A1+	AA	VIS

The credit quality of the Company's bank balances and investment in government securities, debt securities and mutual funds is categorised as follows:

2024

Rating	Government securities	Debt Securities	Open end mutual funds	Term deposit	Bank Balances	Total
	(Rupees in '000)					
AAA	-	-	-	-	112,210	112,210
AA+	-	-	-	-	24,340	24,340
AA-	-	-	-	-	29,730	29,730
A+	-	-	319,494	-	875	320,369
A	-	-	-	-	90	90
Not Rated (Risk Free)	1,263,187	-	-	-	-	1,263,187
	1,263,187	-	319,494	-	167,245	1,749,926

2023

Rating	Government securities	Debt Securities	Open end mutual funds	Term deposit	Bank Balances	Total
	(Rupees in '000)					
AAA	-	-	-	-	161,042	161,042
AA+	-	-	-	-	140,534	140,534
AA-	-	-	-	70,000	208	70,208
A+	-	-	200,582	-	3	200,585
A	-	-	-	-	103,254	103,254
Not Rated (Risk Free)	983,938	-	-	-	-	983,938
	983,938	-	200,582	70,000	405,041	1,659,561

37.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected operational requirements. The Company also manages this risk by investing in deposit accounts that can be readily encashed. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

The following are the contractual maturities of financial liabilities:

	2024			2023		
	Carrying Amount	Contractual cash flows upto one year	Contractual cash flows for more than one year	Carrying Amount	Contractual cash flows upto one year	Contractual cash flows for more than one year
Financial liabilities	(Rupees in '000)					
Outstanding claims	37,996	37,996	-	27,088	27,088	-
Staff retirement benefits	15,917	15,917	-	6,798	6,798	-
Takaful / retakaful payables	74,795	74,795	-	48,043	48,043	-
Other creditors and accruals	153,670	153,670	-	134,383	134,383	-
Lease liabilities	101,117	15,498	85,619	93,458	8,933	84,525
	383,495	297,876	85,619	309,770	225,245	84,525

37.2.1 Maturity profile of financial asset and financial liabilities

	Total	2024			
		Interest bearing financial instruments		Non-interest bearing financial instruments	
		Upto one year	More than one year	Upto one year	More than one year
		(Rupees in '000)			
Financial Assets					
Cash	38	-	-	38	-
Bank Balance	167,245	167,245	-	-	-
Equity securities	283,557	-	-	283,557	-
Government securities	1,263,187	1,263,187	-	-	-
Mutual funds	319,494	-	-	319,494	-
Takaful / retakaful receivables	68,439	-	-	68,439	-
Deposits and other receivables	26,153	-	-	26,153	-
	2,128,113	1,430,432	-	697,681	-
Financial Liabilities					
Outstanding claims	37,996	-	-	37,996	-
Staff retirement benefits	15,917	-	-	15,917	-
Takaful / retakaful payables	74,795	-	-	74,795	-
Other creditors and accruals	153,670	-	-	153,670	-
Lease liabilities	101,117	15,498	85,619	-	-
Takaful liabilities	399,523	-	-	399,523	-
	783,018	15,498	85,619	681,901	-

	Total	2023			
		Interest bearing financial instruments		Non-interest bearing financial instruments	
		Upto one year	More than one year	Upto one year	More than one year
		(Rupees in '000)			
Financial Assets					
Cash	62	-	-	62	-
Bank Balance	405,041	405,041	-	-	-
Equity securities	119,110	-	-	119,110	-
Government securities	983,938	983,938	-	-	-
Term deposits	70,000	70,000	-	-	-
Mutual funds	200,582	-	-	200,582	-
Takaful / retakaful receivables	41,912	-	-	41,912	-
Deposits and other receivables	40,948	-	-	40,948	-
	1,861,593	1,458,979	-	402,614	-
Financial Liabilities					
Outstanding claims	27,088	-	-	27,088	-
Staff retirement benefits	6,798	-	-	6,798	-
Takaful / retakaful payables	48,043	-	-	48,043	-
Other creditors and accruals	134,383	-	-	134,383	-
Lease liabilities	93,458	8,933	84,525	-	-
Takaful liabilities	102,006	-	-	102,006	-
	411,776	8,933	84,525	318,318	-

37.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All transactions are carried in Pak Rupees therefore, the Company is not exposed to any significant foreign exchange risk. The Company is exposed to market risk with respect to its investments.

37.3.1 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market.

The carrying value of investments subject to equity price risk are based on market prices as of the reporting date.

Market prices are subject to fluctuation and consequently the amount realised in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realised in the sale of a particular security may be affected by the relative quantity of the security being sold. The Company has no significant concentration of price risk.

Sensitivity analysis

The table below summarises the Company's equity price risk as of December 31, 2024 and December 31, 2023 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse in the Company's equity investment portfolio because of the nature of equity markets. The impact of hypothetical change would be as follows:

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in profit before tax	Hypothetical increase / (decrease) in other comprehensive income
	(Rupees in '000)				
2024	603,051	10% increase	663,356	-	60,305
		10% decrease	542,746	-	(60,305)
2023	319,692	10% increase	351,661	-	31,969
		10% decrease	287,723	-	(31,969)

37.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from investment in government securities and balances held in profit and loss sharing accounts with reputable banks. At the reporting date the detailed interest rate profile of the Company's is disclosed in note 37.5.1. The table below summarises Company's interest rate risk as of December 31, 2024 and 2023 and shows the effects of a hypothetical 1% increase and a 1% decrease in interest rates as at the year end.

Fair value sensitivity analysis for fixed rate instruments	Carrying Value	Effect on profit before tax	
		Increase	Decrease
		(Rupees in '000)	
As at December 31, 2024			
Fair value sensitivity - fixed rate financial assets	845,070	8,451	(8,451)
As at December 31, 2023			
Fair value sensitivity - fixed rate financial assets	545,041	5,450	(5,450)

Cash flow sensitivity analysis for variable rate instruments	Carrying Value	Effect on profit before tax	
		Increase	Decrease
		(Rupees in '000)	
As at December 31, 2024			
Cash flow sensitivity - variable rate financial assets	607,600	6,076	(6,076)
As at December 31, 2023			
Cash flow sensitivity - variable rate financial assets	91,730	9,173	(9,173)

37.3.2.1 Interest rate profile

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments based on their maturities is:

	2024					
	Effective Yield / Interest rate %	Total	Interest bearing financial instruments		Non-interest bearing financial instruments	
			Upto one year	More than one year	Upto one year	More than one year
		(Rupees in '000)				
Statement of financial position - financial instruments						
Financial Assets						
Cash		38	-	-	38	-
Bank Balance	5.87 - 7.53	167,245	167,245	-	-	-
Equity securities		283,557	-	-	283,557	-
Government securities	8.02 - 19.89	1,263,187	1,263,187	-	-	-
Mutual funds		319,494	-	-	319,494	-
Takaful / retakaful receivables		68,439	-	-	68,439	-
Deposits and other receivables		26,153	-	-	26,153	-
		2,128,113	1,430,432	-	697,681	-
Financial Liabilities						
Outstanding claims		37,996	-	-	37,996	-
Staff retirement benefits		15,917	-	-	15,917	-
Takaful / retakaful payables		74,795	-	-	74,795	-
Other creditors and accruals		153,670	-	-	153,670	-
Lease liabilities	14.24 - 22.26	101,117	15,498	85,619	-	-
		383,495	15,498	85,619	282,378	-
Balance sheet gap		1,744,618	1,414,934	(85,619)	415,303	-
Total yield / interest rate risk sensitivity gap			1,414,934	(85,619)		
Cumulative yield / interest rate risk sensitivity gap			1,414,934	1,329,315		

	2023					
	Effective Yield / Interest rate %	Total	Interest bearing financial instruments		Non-interest bearing financial instruments	
			Upto one year	More than one year	Upto one year	More than one year
		(Rupees in '000)				
Statement of financial position - financial instruments						
Financial Assets						
Cash		62	-	-	62	-
Bank Balance	7.00	405,041	405,041	-	-	-
Equity securities		119,110	-	-	119,110	-
Government securities	8.40 - 15.69	983,938	983,938	-	-	-
Term deposits	14.5	70,000	70,000	-	-	-
Mutual funds		200,582	-	-	200,582	-
Takaful / retakaful receivables		41,912	-	-	41,912	-
Deposits and other receivables		40,948	-	-	40,948	-
		1,861,593	1,458,979	-	402,614	-
Financial Liabilities						
Outstanding claims		27,088	-	-	27,088	-
Staff retirement benefits		6,798	-	-	6,798	-
Takaful / retakaful payables		48,043	-	-	48,043	-
Other creditors and accruals		134,383	-	-	134,383	-
Lease liabilities	14.24 - 22.26	93,458	8,933	84,525	-	-
		309,770	8,933	84,525	216,312	-
Balance sheet gap		1,551,823	1,450,046	(84,525)	186,302	-
Total yield / interest rate risk sensitivity gap			1,450,046	(84,525)		
Cumulative yield / interest rate risk sensitivity gap			1,450,046	1,365,521		

37.4 Foreign Currency Risk

As at reporting date, there are no material financial instruments denominated in foreign currency. Therefore, the Company is not materially exposed to risk from foreign currency exchange rate fluctuation.

37.4.1 Financial instruments by category

	2024	2023
	(Rupees in '000)	
Financial assets and financial liabilities		
Financial assets		
Loans and receivables - amortised cost		
Cash and bank	167,283	405,103
Term deposits	-	70,000
Takaful / retakaful receivables	68,439	41,912
Deposits and other receivables	26,153	40,948
	261,875	557,963
Investments - Available-for-sale		
Equity securities	283,557	119,110
Government securities	1,263,187	983,938
Mutual funds	319,494	200,582
	1,866,238	1,303,630
Financial Liabilities		
Amortised cost		
Outstanding claims	37,996	27,088
Staff retirement benefits	15,917	6,798
Takaful / retakaful payables	74,795	48,043
Other creditors and accruals	153,670	134,383
Lease liabilities	101,117	93,458
	383,495	309,770

38 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

38.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) and;
- **Level 3:** Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table shown below analyses the financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	As at December 31, 2024		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Assets carried at fair value - Available-for-sale			
Equity Securities	283,557	-	-
Government securities	-	1,263,187	-
Mutual Funds	-	319,494	-
	283,557	1,582,681	-

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	As at December 31, 2023		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
Assets carried at fair value - Available-for-sale			
Equity Securities	119,110	-	-
Government securities	-	983,938	-
Mutual Funds	-	200,582	-
	119,110	1,184,520	-

The following table shows the valuation techniques used in measuring Level 2 fair values of financial assets for financial statements.

Type	Valuation Technique	Input Used
Government securities	Government Securities includes GOP Ijarah Sukuk. The fair value of GOP Ijarahs are derived from Pakistan Stock exchange and PKISRV from Mutual Funds Association of Pakistan (MUFAP).	-PKISRV Rates -PSX Debt Market Rates
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.	Net Assets Value as per MUFAP

39 CAPITAL MANAGEMENT

The Company's goals and objectives when managing capital are:

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

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

	2024	2023
40 NUMBER OF EMPLOYEES	(in number)	
Number of employees	113	96
Average Number of Employees during the year	105	65

41 CORRESPONDING FIGURES

Corresponding figures have been re-arranged or re-classified, wherever necessary. There has been no significant reclassification during the year, other than those as disclosed in note 4.1.

42 GENERAL

All figures have been rounded off to the nearest of thousand, except otherwise stated.

43 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on ___________ by the Board of Directors of the Company.

N. Saucad

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer