

Chubb Insurance Pakistan Limited
Financial Statements
For the year ended December 31, 2025



INDEPENDENT AUDITOR'S REPORT

To the members of Chubb Insurance Pakistan Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Chubb Insurance Pakistan Limited** (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2025 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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 Annual Report but does not include the financial statements and our auditor's report 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 this other information, we are required to report that fact. We have nothing to report in this regard.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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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 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.

**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 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) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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 **Khattab Muhammad Akhi Baig**.

A.F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: April 6, 2026

UDIN: AR202510081A0qHCkhoW

CHUBB INSURANCE PAKISTAN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

Assets	Note	2025	2024
		----- (Rupees) -----	
Property and equipment	5	83,769,004	77,007,270
Investments			
Government securities	6	2,841,612,676	2,384,601,859
Term deposits	7	246,870,409	246,870,409
Loans and other receivables	8	143,393,590	141,484,972
Insurance / reinsurance receivables	9	487,727,197	414,240,871
Reinsurance recoveries against outstanding claims	20	2,644,673,769	2,935,900,670
Deferred commission expense / acquisition cost	21	49,445,041	32,227,453
Deferred taxation - net	10	-	7,614,877
Taxation - payments less provision		5,566,916	18,960,728
Prepayments	11	328,749,559	251,077,654
Cash and bank	12	103,547,899	145,984,484
Total assets		<u>6,935,356,060</u>	<u>6,655,971,247</u>
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	13	500,000,000	500,000,000
Reserves	14	42,622,577	35,240,663
Unappropriated profit		1,807,492,515	1,496,469,254
Total equity		<u>2,350,115,092</u>	<u>2,031,709,917</u>
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	20	2,995,582,575	3,233,565,924
Unearned premium reserves	19	924,492,059	871,186,676
Unearned reinsurance commission	21	40,700,656	44,545,219
Deferred taxation - net	10	26,496	-
Retirement benefit obligations	15.1.3	5,537,444	8,444,769
Premium received in advance		32,090,646	3,993,110
Insurance / reinsurance payables	16	429,287,716	312,699,688
Other creditors and accruals	17	157,523,376	149,825,944
Total liabilities		<u>4,585,240,968</u>	<u>4,624,261,330</u>
Total equity and liabilities		<u>6,935,356,060</u>	<u>6,655,971,247</u>
Contingencies and commitments	18		

The annexed notes 1 to 40 form an integral part of these financial statements.

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Chairman



Chief Executive /
Country President



Director



Director

CHUBB INSURANCE PAKISTAN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 ----- (Rupees) -----	2024 -----
Net insurance premium	19	699,095,309	857,738,452
Net insurance claims	20	(117,318,495)	(88,510,016)
Net commission and other acquisition costs	21	3,424,105	20,372,459
Insurance claims and acquisition expenses		(113,894,390)	(68,137,557)
Management expenses	22	(352,622,158)	(325,964,580)
Underwriting results		232,578,761	463,636,315
Investment income	23	274,045,002	380,210,136
Other income	24	34,197,282	10,181,598
Other expenses	25	(27,712,923)	(28,637,630)
Profit before taxation		513,108,122	825,390,419
Income tax expense	26	(200,227,517)	(338,962,189)
Profit after taxation		312,880,605	486,428,230
Other comprehensive loss			
Items that will never be reclassified to profit or loss in subsequent years			
Remeasurement of post employment benefit obligations	15.1.5	(3,044,828)	(6,135,137)
Taxation thereon		1,187,484	2,392,703
		(1,857,344)	(3,742,434)
Items that may be reclassified to profit or loss in subsequent years			
Unrealised gain on revaluation of available-for-sale investments		1,209,465	308,007
Taxation thereon		(471,691)	(120,123)
		737,774	187,884
Other comprehensive loss for the year		(1,119,570)	(3,554,550)
Total comprehensive income for the year		311,761,035	482,873,680
Earnings (after tax) per share - Rupees	27	6.26	9.73

The annexed notes 1 to 40 form an integral part of these financial statements.

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Syed U. Akhshar
Chairman

Huzefa Chaudhry
Chief Executive /
Country President

Ali
Director

[Signature]
Director

CHUBB INSURANCE PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

Issued, subscribed and paid-up share capital	Reserves				Total	
	Capital reserves (note 14.1)			Revenue reserve		
	Advance against future issue of shares	Share based payment contribution reserve	Unrealised (loss) / gain on revaluation of available-for- sale securities net of tax	Unappropriated profit		
----- (Rupees) -----						
Balance as at January 1, 2024	500,000,000	11,450	29,479,375	(538,438)	1,013,783,458	1,542,735,845
Employee benefit cost under IFRS 2 - 'Share-based payment' - note 22.1	-	-	6,100,392	-	-	6,100,392
Total comprehensive income for the year						
Profit after taxation	-	-	-	-	486,428,230	486,428,230
Other comprehensive loss						
Remeasurement of post employment benefit obligations - net of tax	-	-	-	-	(3,742,434)	(3,742,434)
Unrealised gain on the revaluation of available-for-sale investments	-	-	-	187,884	-	187,884
	-	-	-	187,884	482,685,796	482,873,680
Balance as at December 31, 2024	<u>500,000,000</u>	<u>11,450</u>	<u>35,579,767</u>	<u>(350,554)</u>	<u>1,496,469,254</u>	<u>2,031,709,917</u>
Employee benefit cost under IFRS 2 - 'Share-based payment' - note 22.1	-	-	6,644,140	-	-	6,644,140
Total comprehensive income for the year						
Profit after taxation	-	-	-	-	312,880,605	312,880,605
Other comprehensive loss						
Remeasurement of post employment benefit obligations - net of tax	-	-	-	-	(1,857,344)	(1,857,344)
Unrealised gain on the revaluation of available-for-sale investments	-	-	-	737,774	-	737,774
	-	-	-	737,774	311,023,261	311,761,035
Balance as at December 31, 2025	<u>500,000,000</u>	<u>11,450</u>	<u>42,223,907</u>	<u>387,220</u>	<u>1,807,492,515</u>	<u>2,350,115,092</u>

The annexed notes 1 to 40 form an integral part of these financial statements.

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Syed U. Ali Shah

Chairman

Huzefa Chaudhri

Chief Executive /
Country President

Director

Director

Director

Director

CHUBB INSURANCE PAKISTAN LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 ----- (Rupees) -----	Restated 2024
OPERATING CASH FLOWS			
a) Underwriting activities			
Insurance premium received		2,082,887,725	2,267,254,421
Reinsurance premium paid		(1,478,443,019)	(939,094,571)
Claims paid		(1,686,746,605)	(489,211,186)
Reinsurance and other recoveries received		1,740,290,735	335,214,945
Commission paid		(118,487,891)	(82,815,031)
Commission received		121,727,785	76,082,106
Management expenses paid		(295,625,306)	(326,456,489)
Net cash inflow from underwriting activities		365,603,424	840,974,195
b) Other operating activities			
Income tax paid		(178,476,540)	(421,077,969)
Other operating payments		(28,364,289)	(32,802,457)
Net cash outflow on operating activities		(206,840,829)	(453,880,426)
Total cash inflow from all operating activities		158,762,595	387,093,769
INVESTMENT ACTIVITIES			
Interest / return received		41,615,461	55,583,655
Payment for purchase of investments		(7,823,767,026)	(8,127,710,420)
Proceeds from sale of investments		8,108,315,856	8,169,645,943
Proceeds from disposal of operating assets		7,805,000	4,250,000
Fixed capital expenditure		(28,062,088)	(47,229,246)
Total cash inflow from investing activities		305,907,203	54,539,932
Net cash inflow from all activities		464,669,798	441,633,701
Cash and cash equivalents at the beginning of the year		2,256,103,818	1,814,470,117
Cash and cash equivalents at the end of the year	12.1	2,720,773,616	2,256,103,818
Reconciliation to profit after tax in the Statement of Comprehensive Income			
Operating cash flows		158,762,595	387,093,769
Depreciation expense	5.1	(17,147,326)	(14,645,691)
Gain on disposal of property and equipment	24	3,651,972	2,125,418
Amortisation of discount	23	234,164,619	321,845,733
Realised loss on sale of investments	23	(920,819)	5,462
Return on Government securities and term deposits	23	40,801,202	55,583,655
Employee benefit cost under IFRS 2, 'Share based payment'	22.1	(6,644,140)	(6,100,392)
(Increase) / decrease in assets other than cash		(146,730,306)	1,858,882,209
(Decrease) / increase in other liabilities other than borrowings		46,942,808	(2,118,361,933)
Profit after taxation		312,880,605	486,428,230

The annexed notes 1 to 40 form an integral part of these financial statements.

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Syed Uday Meht

Chairman

Huzefa Chaudhri

Chief Executive /
Country President

Hayji

Director

Director

CHUBB INSURANCE PAKISTAN LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Chubb Insurance Pakistan Limited (the Company) is a wholly owned subsidiary of Chubb INA International Holdings Limited U.S.A. (the Holding Company). The Company was incorporated in Pakistan on August 6, 2001 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is engaged in general insurance business. The ultimate parent of the Company is Chubb Limited. The objectives of the Company include providing general insurance services (mainly in the spheres of Fire, Marine, Motor, Health and Liability).

The registered office of the Company is located at 6th Floor, NIC Building, Abbasi Shaheed Road, Off: Shahrah-e-Faisal, Karachi, Pakistan.

1.2 The registered office of the Holding Company is located at 550 Madison Ave, New York, NY 10022, United States, and the registered office of the ultimate parent company is located at Bärengasse 32, 8001 Zürich, Switzerland.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain staff retirement benefits which are carried at present value of defined benefit obligation less fair value of plan assets, certain equity settled share based payments which are measured at their respective fair values at the grant date and certain investments which are carried at fair value.

2.3 Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentational currency.

2.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year

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

2.5 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

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

Standards and amendments	Note	Effective date (period beginning on or after)
- IFRS 7 - 'Financial Instruments Disclosures'	2.5.1	January 1, 2027
- IFRS 9 - 'Financial instruments'	2.5.2	January 1, 2027
- IFRS 17 - 'Insurance contracts'	2.5.3	January 1, 2027
- IFRS 18 - 'Presentation and Disclosure in Financial Statements'	2.5.4	January 1, 2027

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- 2.5.1 IFRS 7 'Financial Instruments Disclosures' when applicable shall cover the disclosure of all types of financial instruments, except those that are specifically covered by other standards.
- 2.5.2 IFRS 9 'Financial Instruments' when applicable shall replace International Accounting Standard 39: 'Financial Instruments: Recognition and Measurement' requirements related to classification, measurement, impairment, and derecognition of financial assets and financial liabilities.
- 2.5.3 IFRS 17 - 'Insurance Contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However, the Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 1336 (1)/2025 has directed companies engaged in insurance and reinsurance business for application of IFRS 17 for periods beginning on or after January 1, 2027.

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

- 2.5.4 IFRS 18 'Presentation and Disclosure in Financial Statements', when applicable shall impact the presentation of 'statement of comprehensive income' with certain additional disclosures in the financial statements.
- 2.5.5 The management is in the process of assessing the impacts of these standards and amendments on the financial statements of the Company.
- 2.5.6 **Temporary exemption from application of IFRS 9**

The SECP has already notified the adoption of IFRS 9 'Financial Instruments' on companies operating in Pakistan. However, as an insurance company, the management has opted for temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Company doesn't engage in significant activities unconnected with insurance based on historical available information. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below.

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

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

(b) All other financial assets. A list of such financial assets is provided as follows:

As at December 31, 2025					
Fail the SPPI test			Pass the SPPI test		
Fair value	Change in unrealised gain for the year	Carrying value	Cost less impairment	Change in unrealised gain for the year	
----- (Rupees) -----					
Cash and bank*	-	-	103,547,899	-	-
Investments in Government securities	2,617,225,717	634,786	224,386,959	-	-
Term deposits*	-	-	246,870,409	-	-
Loans and other receivables*	143,393,590	-	-	-	-
	<u>2,760,619,307</u>	<u>634,786</u>	<u>574,805,267</u>	<u>-</u>	<u>-</u>

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As at December 31, 2024				
Fail the SPPI test		Pass the SPPI test		
Fair value	Change in unrealised gain / (loss) for the year	Carrying value	Cost less impairment	Change in unrealised gain for the year
----- (Rupees) -----				
Cash and bank*	-	145,984,484	-	-
Investments in Government securities	2,110,119,334	(574,679)	274,482,525	-
Term deposits*	-	246,870,409	-	-
Loans and other receivables*	141,484,972	-	-	-
	<u>2,251,604,306</u>	<u>(574,679)</u>	<u>667,337,418</u>	<u>-</u>

*The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies as stated below have been applied consistently to all years presented in these financial statements.

3.1 Property and equipment

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

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted, if appropriate. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of comprehensive income in the period in which they are incurred.

Depreciation is charged to the statement of comprehensive income by applying the reducing balance method at the rates specified in note 5 to the financial statements. Depreciation is charged on additions from the month of acquisition and on disposals before the month of disposal.

An item of fixed assets is derecognised upon disposal and when no economic benefits are expected from its use or disposal. The gain or loss on disposal of an asset, represented by the difference between the sale proceeds and the carrying amount of the asset, is recognised as an income or expense in the statement of comprehensive income in the period in which the asset is sold/disposed off.

3.2 Insurance contracts

Insurance contracts are those contracts where the Company (the Insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

The Company's insurance contracts are classified into the following main categories and are issued to multiple types of policyholders with businesses. The tenure of these insurance contracts depends upon terms of the policies written and vary accordingly:

a) Fire and property damage

Fire and property damage insurance contracts mainly compensate the policyholders for damage suffered to their properties or for the value of property lost due to fires, riots and strikes, explosions, earthquakes and other causes. Policyholders who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities. These contracts are generally one year contracts.

b) Marine, aviation and transport

Marine, aviation and transport insurance covers the loss or damage of vessels, cargo, terminals, and any transport or property by which cargo is transferred, acquired, or held between the points of origin and final destination. These contracts are generally one year contracts.

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c) Motor

Motor insurance provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident. These contracts are generally one year contracts.

d) Accident and health

Accident and health insurance provides coverage for accidental death and disability as a result of an accident, medical expenses attributable to sickness or infirmity and travel insurance. These contracts are generally one year contracts.

e) Liability

Liability insurance contracts protect the insured against the risk of causing harm to third parties as a result of their legitimate activities. This also includes cybersecurity coverage provided to the selected policyholders. Damages covered include both contractual and non-contractual events. These contracts are generally one year contracts.

In addition to direct insurance, the Company also participates in risks under coinsurance contracts from other companies and also accepts risks through reinsurance inward by way of facultative acceptance on a case to case basis provided such risks are within the underwriting policies of the Company. The nature of the risks undertaken under such arrangement are consistent with the risks in each class of business as stated above in direct and other lead insurance contracts.

3.3 Reinsurance contracts held

Insurance contracts entered into by the Company with reinsurers for compensation of losses suffered on insurance contracts issued, are reinsurance contracts. These reinsurance contracts include facultative and treaty arrangement contracts.

Reinsurance assets or liabilities are derecognized when the contractual rights or obligations are extinguished or expired. Furthermore, reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not off set against income or expenses from related insurance assets.

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

The Company assesses its reinsurance assets for impairment on the reporting date. If there is an objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the statement of comprehensive income.

3.4 Prepaid reinsurance premium ceded

Prepaid reinsurance represents the portion of reinsurance premium which is not yet recognised as an expense. Re-insurance premium is recognised as an expense as follows:

- (a) for reinsurance contracts operating on a proportional basis, a liability to the reinsurer is recognised on attachment of the underlying policies reinsured, while an asset is recognised for the unexpired period of reinsurance coverage at the reporting date as prepaid reinsurance premium ceded and the same is expensed over the period of underlying policies.
- (b) for reinsurance contracts operating on a non-proportional basis, and for which the term of the reinsurance contract is not directly referable to the term of any underlying policy or policies, on inception of the reinsurance contract.

3.5 Receivables and payables related to insurance contracts

Insurance / reinsurance receivable and payable including premium due but unpaid, relating to insurance contracts are recognised when due and carried at cost less provision for impairment (if any). The cost is the fair value of the consideration to be received / paid in the future for services rendered / received. These amounts also include due to and due from other insurance companies and brokers.

Premium received in advance is recognised as liability till the time of issuance of insurance contract there against.

AGS

An assessment is made at each reporting date to determine whether there is an objective evidence from external as well as internal sources of information that a financial asset or group of assets may be impaired i.e. recoverable amount at the reporting date is less than the carrying amount of the asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised in the statement of comprehensive income as difference between the recoverable amount and the carrying amount. Provisions for impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in the provisions are recognised as income or expense, in the statement of comprehensive income.

3.6 Provisions for outstanding claims including Incurred But Not Reported (IBNR) claims

Outstanding claims

This represents the amount of claims that have been reported and are yet unpaid or partially unpaid at the end of reporting year for a given accident year.

A liability for outstanding claims (claim incurred) is recognised for all claims incurred which represents the estimates of the claims intimated or assessed before the end of the reporting period and measured at the undiscounted value of expected future payments. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates while taking into consideration the past claims settlement experience including handling costs and the Company's reserving policy. Where applicable, deductions are made for salvage and their recoveries.

Reinsurance recoveries against outstanding claims and salvage recoveries are recognised as an asset and measured at the amount expected to be received.

Incurred But Not Reported (IBNR) claims

General insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

SECP through its circular 9 of 2016 dated March 9, 2016 issued 'SEC guidelines for estimation of incurred but not reported (IBNR) claims reserve 2016' (the Guidelines) for non-life insurance companies and required the non-life insurance companies to comply with all provisions of these guidelines with effect from July 1, 2016. The Guidelines require that estimation for provision for claims incurred but not reported (IBNR) for each class of business should be made by using prescribed method, i.e. 'Chain Ladder Method' and other alternate method as allowed under the provisions of the Guidelines. The Chain Ladder Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level to derive an IBNR estimate.

Provision for IBNR as at December 31, 2025 is based on the actuarial valuation carried out by independent firm of actuaries for determination of IBNR for each class of business in accordance with the method prescribed under SECP guidelines.

3.7 Premium deficiency reserve

The Company is required as per the Insurance Accounting Regulations, 2017 to maintain a provision in respect of premium deficiency for the class of business where the unearned premium liability is not adequate to meet the expected future liability, after reinsurance from claims and other supplementary expenses expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. The movement in the premium deficiency reserve is recorded as an expense / income in the statement of comprehensive income for that year.

At each reporting date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium liability for that class. The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable.

3.8 Deferred commission expense / acquisition cost

Commission expense / acquisition cost incurred in obtaining policies is deferred and brought to statement of comprehensive income as an expense in accordance with the pattern of recognition of the gross premium to which it relates.

3.9 Segment reporting

The Company accounts for segment reporting using the classes of business as specified under the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017. The reported operating segments are also consistent with the internal reporting process of the Company for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment.

AGS

Based on its classification of insurance contracts issued, the Company has five primary business segments for reporting purposes namely fire, marine, aviation and transport, motor, accident and health and liability. The nature and business activities of these segments are disclosed in note 3.2.

Financing, investment and income taxes are managed on an overall basis and are therefore, not allocated to any segment.

Assets, liabilities and capital expenditure are allocated to particular segments on the basis of premium earned. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Further, the management expenses were allocated to each segment on the basis disclosed in note 3.18.

3.10 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement include policy and revenue stamps, cash at bank and Government securities having original maturity within 3 months.

3.11 Revenue recognition

a) Premium

Premium received / receivable including administrative surcharge under all types of insurance contracts is recognised as written from the date of attachment of the risk to the policy to which it relates. The portion of premium written relating to the unexpired period of coverage is recognised as unearned premium by the Company. This liability is calculated by applying 365 days method as specified in the Insurance Accounting Regulations, 2017.

b) Commission income

Commission income from reinsurers is deferred and brought to the statement of comprehensive income as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission.

c) Investment income

- Unrealised gain or loss on revaluation of investments classified as available-for-sale is included in other comprehensive income in the period to which it relates.
- Gain or loss on sale of investments is accounted for in the statement of comprehensive income in the period to which it relates.
- Interest / mark-up on bank balances, term finance certificates, corporate sukuks and government securities is recognised in the statement of comprehensive income on an accrual basis using the effective interest rate method.

d) Other income

Gain or loss on sale of property and equipment is recognised when the asset is derecognised.

e) Survey fee income

Survey fee income is recognised when the surveyor / co-insurer has billed the amount to the Company whether or not the bill has been generated against the broker of insured.

3.12 Financial instruments

3.12.1 Financial assets

3.12.1.1 Classification

All investments are initially recognised at cost, being the fair value of the consideration given and include transaction cost, except for investments at fair value through profit or loss in which case transaction costs are charged to the statement of comprehensive income. Investments are classified into the following categories:

- At fair value through profit or loss;
- Available for sale; and
- Held to maturity

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The classification depends on the purpose for which the financial assets were acquired.

a) At fair value through profit or loss

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short-term profit-taking.

Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in the statement of comprehensive income for the period in which it arises.

Unrealised gains / (losses) arising on remeasurement of investments classified as financial assets at 'fair value through profit or loss' are recorded in the profit or loss account in the period in which these arise.

b) Available-for-sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. Subsequent to initial recognition, these are stated at market value. The unrealised gains / losses on investments are recognised in other comprehensive income and recycled to profit or loss on disposal.

Income from available for sale investments including any premium or discount on purchase is recognised in the statement of comprehensive income on a time proportion basis using the effective yield method.

Gains / (losses) on sale of investments categorised as available for sale are recognised in the statement of comprehensive income in the period in which these investments are sold.

Unrealised gains / (losses) arising on remeasurement of investments are recorded in other comprehensive income in the period in which these arise.

c) Held-to-maturity

Investments with fixed maturity that the management has the intent and ability to hold till maturity are classified as held to maturity and are initially measured at cost being the fair value of the consideration given and include transaction cost. At subsequent reporting dates, these are measured at amortised cost using the effective yield method.

Income from held to maturity investments including any premium or discount on purchase is recognised in the profit or loss account on a time proportion basis using the effective yield method.

Gains / (losses) on sale of investments categorised as held to maturity are recognised in the statement of comprehensive income in the period in which these investments are sold.

d) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition at fair value, these are measured at amortised cost.

3.12.1.2 Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date on which the Company commits to purchase or sell the investment.

3.12.1.3 Impairment of financial assets

The management assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable

3.12.1.4 Derecognition

All financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and are derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the statement of comprehensive income in the period in which financial instrument is derecognised.

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3.12.2 Financial liabilities

Financial liabilities are recognised at the time the Company becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value and subsequently stated at amortised cost. Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of financial liabilities is taken to the statement of comprehensive income in the period in which it is derecognised.

3.13 Offsetting of financial assets and financial liabilities

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

3.14 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

Contingent assets are not recognised and disclosed unless an inflow of economic benefits is virtually certain. Contingent liabilities are also not recognised but are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

3.15 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

Current tax

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law 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 include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed / finalised during the current period for such years.

Deferred tax

Deferred taxation is recognised using the balance sheet liability method on all major temporary differences arising between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the statement of comprehensive income, except in the case of items credited or charged to equity or other comprehensive income in which case it is included in equity or other comprehensive income.

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.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

3.16 Staff benefits

3.16.1 Defined benefit plan

The Company operates an approved gratuity fund for all permanent employees who attain the minimum qualification period for entitlement to gratuity. The liability / asset recognised in the statement of financial position is the present value of defined benefit obligation at the reporting date less fair value of plan assets. The defined benefit obligation is calculated annually using Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in other comprehensive income in the statement of comprehensive income. The Company makes contributions to the plan on the basis of advice of its actuary.

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The Company determines the net interest expense / income on the net defined benefit liability / asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / asset, taking into account any changes in the net defined benefit liability / asset during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognised in profit or loss in the statement of comprehensive income and actuarial gains / losses are recognised in other comprehensive income in the statement of comprehensive income as they occur and are not reclassified to the profit or loss in the statement of comprehensive income in subsequent periods.

The latest actuarial valuation of the Company's defined benefit plan was carried out as of December 31, 2025.

3.16.2 Defined contribution plan

The Company operates a funded contributory provident fund (defined contribution plan) for all permanent employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% of basic salary. The Company has no further payment obligation once the contributions have been paid. The contributions are recognised as employee benefit expense when these are due.

3.16.3 Employees' compensated absences

The Company accounts for the liability in respect of eligible employees' compensated absences in the period in which they are earned.

3.16.4 Share-based compensation benefits

Certain employees of the Company are eligible to participate in Chubb Limited (the ultimate parent company) share based compensation plans. These plans provide for awards of Chubb Limited stock options and restricted stocks to be granted by Chubb Limited to the eligible employees of the Company. Equity settled share based payments are measured at fair value at the grant date. The fair value determined at the grant date is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The provision of stock by Chubb Limited for the settlement of share based compensation plans is accounted for as a capital contribution from Chubb Limited.

3.17 Proposed dividends and transfers between reserves

Dividends, if any, declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the year in which such dividends are declared and transfers are made.

3.18 Management and other expenses

Management expenses allocated to the underwriting business represent directly attributable expenses and indirect expenses are allocated to the various classes of business on the basis of gross premium revenue. Expenses not allocable to the underwriting business are charged as other expenses.

3.19 Foreign currency transactions and translations

Transactions in foreign currencies are translated to rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are translated in rupee terms at the rates of exchange prevailing at the reporting date.

Non-monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the date of initial recognition of the non-monetary assets / liabilities. All exchange differences are routed through the profit or loss in the statement of comprehensive income.

3.20 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 (after taxation) 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 (after taxation) 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.

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3.21 Share capital

Ordinary shares are classified as equity and recognised at their face value and incremental costs, if any, directly attributable to the issuance of shares, are recognised in equity as a deduction, net of tax, from the proceeds.

3.22 Creditors and accruals

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and / or services received, whether or not billed to the Company.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 Use of estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- provision for outstanding claims including IBNR (notes 3.6 and 20);
- provision against premium due but unpaid and amount due from and due to other insurers / reinsurers (notes 3.5 and 9);
- provision against reinsurance recoveries against outstanding claims (notes 3.6 and 20);
- premium deficiency reserve (note 3.7);
- obligation in respect of employee benefits (notes 3.16, 15.1 and 22.2);
- useful lives, residual value and depreciation method for property and equipment (notes 3.1 and 5); and
- provision for taxation and deferred tax (notes 3.15, 10 and 26).

	Note	2025	2024
		----- (Rupees) -----	
5 PROPERTY AND EQUIPMENT			
Operating assets	5.1	83,769,004	77,007,270
		<u>83,769,004</u>	<u>77,007,270</u>
5.1 Operating assets			

	2025									
	Cost				Accumulated depreciation				Written down value as at December 31, 2025	Depreciation rate (% per annum)
	As at January 1, 2025	Additions during the year	Disposals / write-offs during the year	As at December 31, 2025	As at January 1, 2025	Depreciation for the year	Disposals / write-offs during the year	As at December 31, 2025		
	(Rupees)									
Furniture and fixtures	39,664,793	-	-	39,664,793	17,281,383	4,476,682	-	21,758,065	17,906,728	20%
Office equipment	16,916,038	248,000	-	17,164,038	10,293,540	1,357,568	-	11,651,108	5,512,930	20%
Motor vehicles	76,047,705	26,715,000	14,884,205	87,878,500	28,531,972	10,811,203	10,731,177	28,611,998	59,266,502	20%
Computers and related accessories	2,014,141	1,099,088	-	3,113,229	1,528,512	501,873	-	2,030,385	1,082,844	33%
	<u>134,642,677</u>	<u>28,062,088</u>	<u>14,884,205</u>	<u>147,820,560</u>	<u>57,635,407</u>	<u>17,147,326</u>	<u>10,731,177</u>	<u>64,051,556</u>	<u>83,769,004</u>	

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	2024									
	Cost				Accumulated depreciation				Written down value as at December 31, 2024	Depreciation rate (% per annum)
	As at January 1, 2024	Additions during the year	Disposals / write-offs during the year	As at December 31, 2024	As at January 1, 2024	Depreciation for the year	Disposals / write-offs during the year	As at December 31, 2024		
	(Rupees)									
Furniture and fixtures	31,576,277	8,088,516	-	39,664,793	12,929,236	4,352,147	-	17,281,383	22,383,410	20%
Office equipment	15,510,705	1,750,030	344,697	16,916,038	9,308,612	1,297,803	312,875	10,293,540	6,622,498	20%
Motor vehicles	45,633,205	37,096,000	6,681,500	76,047,705	24,352,066	8,768,646	4,588,740	28,531,972	47,515,733	20%
Computers and related accessories	1,719,441	294,700	-	2,014,141	1,301,417	227,095	-	1,528,512	485,629	33%
	<u>94,439,628</u>	<u>47,229,246</u>	<u>7,026,197</u>	<u>134,642,677</u>	<u>47,891,331</u>	<u>14,645,691</u>	<u>4,901,615</u>	<u>57,635,407</u>	<u>77,007,270</u>	

5.2 Details of disposal of fixed assets

The following fixed assets were disposed of by the Company during the year ended December 31, 2025.

Particulars of the assets	Original cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
	(Rupees)							
<i>Fixed assets having book value of five hundred thousand rupees or more disposed of during the year</i>								
Motor vehicles								
Honda Civic	2,998,000	(2,364,908)	633,092	1,800,000	1,166,908	Negotiation	Honda Quaideen	Third party
Honda Civic	3,849,500	(2,809,543)	1,039,957	2,000,000	960,043	Negotiation	Honda Quaideen	Third party
Honda Civic	3,849,500	(2,795,176)	1,054,324	2,000,000	945,676	Negotiation	Salan Automobiles	Third party
Honda Civic	4,139,000	(2,716,332)	1,422,668	2,000,000	577,332	Negotiation	Arsalan Automobile	Third party
<i>Fixed assets having book value of not more than five hundred thousand rupees disposed of during the year</i>								
	48,205	(45,218)	2,987	5,000	2,013	Negotiation	Nawab Autos	Third party
Total - December 31, 2025	<u>14,884,205</u>	<u>(10,731,177)</u>	<u>4,153,028</u>	<u>7,805,000</u>	<u>3,651,972</u>			
Total - December 31, 2024	<u>7,026,197</u>	<u>(4,901,615)</u>	<u>2,124,582</u>	<u>4,250,000</u>	<u>2,125,418</u>			

6 INVESTMENTS IN GOVERNMENT SECURITIES

Note	2025		2024	
	Cost	Carrying / market value	Cost	Carrying / market value
	(Rupees)			
Held-to-maturity				
Pakistan Investment Bonds	6.1	211,667,119	224,386,959	252,541,389
Available-for-sale				
Market Treasury Bills	6.2	<u>2,575,605,843</u>	<u>2,617,225,717</u>	<u>2,103,890,400</u>
		<u>2,787,272,962</u>	<u>2,841,612,676</u>	<u>2,356,431,789</u>

6.1 Pakistan Investment Bonds

Face value (Rupees)	Profit rate %	Profit payment	Type of security	Maturity date	2025		2024	
					Cost	Carrying value	Cost	Carrying value
100,000,000	10.0	Semi annually	Pakistan Investment Bond - 3 years	4-Aug-25	-	-	85,793,750	96,212,845
85,000,000	12.0	Semi annually	Pakistan Investment Bond - 3 years	4-Jul-26	79,569,714	83,562,295	79,569,714	80,710,512
40,000,000	7.5	Semi annually	Pakistan Investment Bond - 5 years	15-Oct-25	-	-	34,324,280	38,664,748
65,000,000*	7.5	Semi annually	Pakistan Investment Bond - 5 years	29-Apr-27	52,853,645	61,522,409	52,853,645	58,894,420
80,000,000	11.0	Semi annually	Pakistan Investment Bond - 5 years	17-Jul-30	79,243,760	79,302,255	-	-
Total - December 31					<u>211,667,119</u>	<u>224,386,959</u>	<u>252,541,389</u>	<u>274,482,525</u>

6.1.1 The market value of these investments amount to Rs. 187.600 million (2024: Rs. 250.714 million).

* Pakistan Investment Bonds (PIBs) having face value of Rs. 65 million (2024: Rs. 65 million) and carrying value of Rs.61.522 million (2024: Rs. 58.894 million) have been placed with the State Bank of Pakistan (SBP) in compliance with the requirements of clause (a) of sub-section 2 of section 29 of the Insurance Ordinance, 2000.

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6.2 Market Treasury Bills

Tenor	Date of issue	Face value				Balance as at December 31, 2025		
		As at January 1, 2025	Purchased during the year	Sold / matured during the year	As at December 31, 2025	Carrying value	Market value	Unrealised gain / (loss)
(Rupees)								
Market Treasury Bills								
- 3 months	December 12, 2024	800,000,000	-	800,000,000	-	-	-	-
- 3 months	December 12, 2024	80,000,000	-	80,000,000	-	-	-	-
- 3 months	December 26, 2024	1,280,000,000	-	1,280,000,000	-	-	-	-
- 3 months	January 6, 2025	-	80,000,000	80,000,000	-	-	-	-
- 3 months	February 13, 2025	-	140,000,000	140,000,000	-	-	-	-
- 3 months	March 6, 2025	-	350,000,000	350,000,000	-	-	-	-
- 3 months	March 20, 2025	-	1,320,000,000	1,320,000,000	-	-	-	-
- 3 months	May 6, 2025	-	100,000,000	100,000,000	-	-	-	-
- 3 months	June 2, 2025	-	790,000,000	790,000,000	-	-	-	-
- 3 months	June 2, 2025	-	140,000,000	140,000,000	-	-	-	-
- 3 months	June 2, 2025	-	640,000,000	640,000,000	-	-	-	-
- 3 months	June 2, 2025	-	120,000,000	120,000,000	-	-	-	-
- 3 months	July 23, 2025	-	1,450,000,000	1,450,000,000	-	-	-	-
- 3 months	July 24, 2025	-	100,000,000	100,000,000	-	-	-	-
- 3 months	August 7, 2025	-	120,000,000	120,000,000	-	-	-	-
- 3 months	August 22, 2025	-	700,000,000	700,000,000	-	-	-	-
- 3 months	August 26, 2025	-	220,000,000	220,000,000	-	-	-	-
- 3 months	October 2, 2025	-	1,670,000,000	1,670,000,000	-	-	-	-
- 3 months	October 30, 2025	-	1,700,000,000	-	1,700,000,000	1,689,618,880	1,689,936,774	317,894
- 3 months	October 30, 2025	-	61,500,000	-	61,500,000	61,124,791	61,135,948	11,157
- 3 months	November 17, 2025	-	300,000,000	-	300,000,000	296,867,832	296,966,741	98,909
- 3 months	November 26, 2025	-	225,000,000	-	225,000,000	222,642,705	222,725,056	82,351
- 3 months	December 8, 2025	-	350,000,000	-	350,000,000	346,336,723	346,461,198	124,475
Total - December 31, 2025		<u>2,160,000,000</u>	<u>10,576,500,000</u>	<u>10,100,000,000</u>	<u>2,636,500,000</u>	<u>2,616,590,931</u>	<u>2,617,225,717</u>	<u>634,786</u>
Total - December 31, 2024		<u>1,395,000,000</u>	<u>10,240,000,000</u>	<u>9,475,000,000</u>	<u>2,160,000,000</u>	<u>2,110,694,013</u>	<u>2,110,119,334</u>	<u>(574,679)</u>

6.2.1 These carry yield at the rates ranging from 10.80% to 10.88% (2024: 11.70% to 11.87%) per annum.

7 INVESTMENTS IN TERM DEPOSITS

Note

2025

2024

----- (Rupees) -----

Held-to-maturity

Deposits maturing within 12 months

Term deposits - local currency

7.1

246,870,409246,870,409

7.1 These term deposits are placed with Habib Bank Limited against the bank guarantee provided to Nazir High Court of Sindh against contingency disclosed in note 18.1.2 and carries interest at the rate of 5.75% (2024: 5.75%) per annum and will mature on March 15, 2026 (2024: March 15, 2025).

8 LOANS AND OTHER RECEIVABLES

Note

2025

2024

----- (Rupees) -----

Considered good

Accrued investment income

10,416,087

11,230,346

Deposit against utilities

1,269,050

1,269,050

Deposit with SRB

18.1.2

128,505,858

128,505,858

Deposit with FBR

2,496,718

-

Other receivables

705,877

479,718

143,393,590141,484,972

9 INSURANCE / REINSURANCE RECEIVABLES

Unsecured and considered good

Due from insurance contract holders

13,684,358

11,674,239

Due from other insurers / reinsurers

9.1

474,042,839402,566,632487,727,197414,240,871

9.1 As at December 31, 2025, the Company has exchanged balance information with other insurer / reinsurers based on the significance of the respective balances. This information corroborates the balance position of the Company in all material respects taking into account the underlying contracts and transactions supported by appropriate evidence.

The reconciliation process of these balances with the respective insurance companies is carried out on ongoing basis. However, as advised by the SECP, this process will be formalised as per the guidelines suggested by Insurance Association of the Pakistan (IAP) for the insurance industry.

A/B

10	DEFERRED TAXATION - NET	Note	2025	2024
			----- (Rupees) -----	
	Deferred debits arising in respect of:			
	- Provision for Sindh Workers' Welfare Fund		3,842,532	6,341,236
	- Defined benefit plan		1,079,802	-
	- Unrealised loss on revaluation of available-for-sale securities		-	224,125
	- Decelerated tax depreciation		-	3,405,328
			4,922,334	9,970,689
	Deferred credits arising due to:			
	- Retirement benefit obligations		-	(2,355,812)
	- Unrealised gain on revaluation of available-for-sale securities		(247,567)	-
	- Accelerated tax depreciation		(4,701,263)	-
			(4,948,830)	(2,355,812)
			(26,496)	7,614,877
10.1	Movement in net deferred tax asset is as follows:			
	Balance as at January 1,		7,614,877	16,474,305
	Credit to the profit or loss	26	(8,357,166)	(11,132,009)
	Debit to the other comprehensive income		715,793	2,272,581
	Balance as at December 31,		(26,496)	7,614,877
11	PREPAYMENTS			
	Prepaid reinsurance premium ceded	19	312,795,802	235,607,254
	Prepaid rent		11,933,827	12,873,601
	Prepaid miscellaneous expenses		4,019,930	2,596,799
			328,749,559	251,077,654
12	CASH AND BANK			
	Cash and cash equivalents			
	- Cash in hand		50,000	50,000
	- Stamps in hand		274,853	850,850
			324,853	900,850
	Cash at bank			
	- Current accounts		103,223,046	145,083,634
			103,547,899	145,984,484
12.1	Cash and cash equivalents for the purpose of cash flow statement are as follows:	Note	2025	(Restated) 2024
			----- (Rupees) -----	
	Cash and bank	12	103,547,899	145,984,484
	Market Treasury Bills			
	Investments having original maturity within 3 months	6.2	2,617,225,717	2,110,119,334
			2,720,773,616	2,256,103,818
13	ORDINARY SHARE CAPITAL			
13.1	Authorised share capital			
	2025 2024		2025	2024
	Number of shares		----- (Rupees) -----	
	<u>50,000,000</u> <u>50,000,000</u>		<u>500,000,000</u>	<u>500,000,000</u>
	Ordinary shares of Rs. 10/- each			
13.2	Issued, subscribed and paid-up share capital			
	2025 2024		2025	2024
	Number of shares		----- (Rupees) -----	
	29,700,000 29,700,000		297,000,000	297,000,000
	<u>20,300,000</u> <u>20,300,000</u>		<u>203,000,000</u>	<u>203,000,000</u>
	<u>50,000,000</u> <u>50,000,000</u>	13.2.1	<u>500,000,000</u>	<u>500,000,000</u>
	Ordinary shares of Rs.10/- each			
	- fully paid in cash			
	- issued as bonus shares			
13.2.1	Chubb INA International Holdings Limited U.S.A. and its nominee directors collectively hold 50,000,000 (2024: 50,000,000) ordinary shares of Rs. 10/- each as at December 31, 2025.			

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14 RESERVES	Note	2025	2024
		----- (Rupees) -----	
14.1 Capital reserves			
Advance against future issue of shares		11,450	11,450
Share-based payment contribution reserve	14.1.1	42,223,907	35,579,767
Unrealised gain / (loss) on revaluation of available-for-sale securities - net of deferred tax		<u>387,220</u>	<u>(350,554)</u>
		<u>42,622,577</u>	<u>35,240,663</u>

14.1.1 Certain employees of the Company are eligible to participate in the Company's share based compensation plans. These plans provide for awards of Chubb Limited (ultimate parent) stock options and restricted stocks to be granted to the eligible employees of the Company. The Company recognises as expense the services acquired over the vesting period and the corresponding increase in equity (as contribution from the ultimate parent) at fair value of the ultimate parent's shares at the grant date.

15 STAFF RETIREMENT BENEFITS

15.1 Retirement Benefit Obligations

15.1.1 Salient features

The Company operates an approved gratuity fund for all employees which is governed under the repealed Trust Act, 1882, the Trust Deed, the Rules of the Fund, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of the defined benefit plan including investment decisions and contribution schedule lies with the Board of Trustees of the Fund and annual contributions therein are made in accordance with actuarial recommendations. An actuarial valuation is carried out every year to determine the liability of the Company in respect of the benefit. The most recent valuation in this regard has been carried out for the year ended December 31, 2025 using the projected unit credit method as allowed under the International Accounting Standard (IAS) 19, 'Employee benefits' for valuation of the Fund.

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

a) Final salary risk

This is 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 basis of the final salary, the benefit amount increases accordingly.

b) Withdrawal risk

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

c) Investment risk

This is the risk of investments underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of the investments.

d) Mortality risk

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

15.1.2 Principal actuarial assumptions

	2025	2024
Discount rate (% per annum)	11.50%	12.25%
Expected rate of increase in salaries (% per annum)	11.50%	12.25%
Mortality rate*	SLIC(2001-05)-1	SLIC (2001-05)-1
Employee turnover rate	Low	Low

* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 ultimate mortality tables rated down one year.

15.1.3 Amounts recognised in the statement of financial position	2025	2024
		----- (Rupees) -----
Reconciliation		
Present value of defined benefit obligations	155,031,424	138,992,947
Less: fair value of plan assets	<u>(149,493,980)</u>	<u>(130,548,178)</u>
Payable to defined benefit plan	<u>5,537,444</u>	<u>8,444,769</u>

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	2025		
	Movement in		
	present value of defined benefit obligations	fair value of plan assets	net liability
	------(Rupees)-----		
As at January 1,	138,992,947	(130,548,178)	8,444,769
Current service cost	11,571,620	-	11,571,620
Interest expense / (income)	17,582,358	(15,992,152)	1,590,206
	<u>168,146,925</u>	<u>(146,540,330)</u>	<u>21,606,595</u>
Remeasurements:			
- Difference in actual and expected return on plan assets	-	5,380,329	5,380,329
- Gain due to change in financial assumptions	(520,532)	-	(520,532)
- Gain due to change in experience adjustment	(1,814,969)	-	(1,814,969)
	<u>(2,335,501)</u>	<u>5,380,329</u>	<u>3,044,828</u>
	<u>165,811,424</u>	<u>(141,160,001)</u>	<u>24,651,423</u>
Contributions made	-	(19,113,979)	(19,113,979)
Benefits paid	(10,780,000)	10,780,000	-
As at December 31,	<u>155,031,424</u>	<u>(149,493,980)</u>	<u>5,537,444</u>

	2024		
	Movement in		
	present value of defined benefit obligations	fair value of plan assets	net liabilities
	------(Rupees)-----		
As at January 1,	105,909,755	(85,383,901)	20,525,854
Current service cost	9,571,223	-	9,571,223
Interest expense / (income)	16,725,723	(13,595,530)	3,130,193
	<u>132,206,701</u>	<u>(98,979,431)</u>	<u>33,227,270</u>
Remeasurements:			
- Difference in actual and expected return on plan assets	-	(651,109)	(651,109)
- Gain due to change in financial assumptions	(1,845,120)	-	(1,845,120)
- Loss due to change in experience adjustment	8,631,366	-	8,631,366
	<u>6,786,246</u>	<u>(651,109)</u>	<u>6,135,137</u>
	<u>138,992,947</u>	<u>(99,630,540)</u>	<u>39,362,407</u>
Contributions made	-	(30,917,638)	(30,917,638)
Benefits paid	-	-	-
As at December 31,	<u>138,992,947</u>	<u>(130,548,178)</u>	<u>8,444,769</u>

	2025	2024
	------(Rupees)-----	
15.1.4 Amounts recognised in the statement of comprehensive income		
Current service cost	11,571,620	9,571,223
Interest expense on defined benefit obligation	17,582,358	16,725,723
Interest income on plan assets	(15,992,152)	(13,595,530)
Expense for the year	<u>13,161,826</u>	<u>12,701,416</u>
15.1.5 Remeasurements recognised in other comprehensive income		
Remeasurement loss on obligations		
- Gain due to change in financial assumptions	(520,532)	(1,845,120)
- (Gain) / loss due to change in experience adjustments	(1,814,969)	8,631,366
	<u>(2,335,501)</u>	<u>6,786,246</u>
Remeasurement gain on plan assets		
- Actual return on plan assets	(10,611,823)	(14,246,639)
- Interest income on plan assets	15,992,152	13,595,530
	<u>5,380,329</u>	<u>(651,109)</u>
	<u>3,044,828</u>	<u>6,135,137</u>

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15.1.6 Analysis of present value of defined benefit obligations	2025		2024	
	(Rupees)			
Vested / non-vested:				
- Vested benefits		155,031,424		138,992,947
- Non-vested benefits		-		-
Total		<u>155,031,424</u>		<u>138,992,947</u>
Types of benefits				
- Accumulated benefit obligations		56,534,955		43,502,479
- Amounts attributed to future salary increases		98,496,469		95,490,468
Total		<u>155,031,424</u>		<u>138,992,947</u>

15.1.7 Composition of plan assets	2025		2024	
	Rupees	%	Rupees	%
Cash in bank	149,493,980	100.00%	130,548,178	100.00%

15.1.8 The sensitivity analysis of the defined benefit obligation to changes in principal actuarial assumptions are as follows:

Change in assumption	As at December 31, 2025		As at December 31, 2024		
	(Decrease) / increase in present value of defined benefit obligations		(Decrease) / increase in present value of defined benefit obligations		
	Rupees	(%)	Rupees	(%)	
Discount rate	+1.00%	(15,072,840)	-9.72%	(14,821,635)	-10.66%
	-1.00%	17,656,764	11.39%	17,561,822	12.64%
Long-term salary increase rate	+1.00%	11,658,499	7.52%	11,803,748	8.49%
	-1.00%	(10,409,076)	-6.71%	(10,390,695)	-7.48%

The above sensitivity analysis is 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.

15.1.9 The weighted average duration of defined benefit obligation is 10.50 years (2024: 11.50 years).

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

	Between 0-1 year	Between 2-4 years	Between 5-10 years	Over 10 years	Total
As at December 31, 2025					
Distribution of timing of payment of benefits	<u>5,009,381</u>	<u>67,805,904</u>	<u>35,671,177</u>	-	<u>108,486,462</u>
As at December 31, 2024					
Distribution of timing of payment of benefits	<u>2,228,775</u>	<u>63,878,419</u>	<u>45,276,131</u>	<u>2,567,408,091</u>	<u>2,678,791,416</u>

15.1.11 Historical information	2025	2024	2023	2022	2021
	(Rupees)				
Present value of defined benefit obligations	155,031,424	138,992,947	105,909,755	66,895,867	52,000,123
Fair value of plan assets	<u>(149,493,980)</u>	<u>(130,548,178)</u>	<u>(85,383,901)</u>	<u>(61,824,312)</u>	<u>(46,932,882)</u>
Deficit	5,537,444	8,444,769	20,525,854	5,071,555	5,067,241
Remeasurements of plan liabilities	<u>(2,335,501)</u>	<u>6,786,246</u>	<u>23,177,897</u>	<u>3,397,369</u>	<u>2,875,254</u>
Remeasurements of defined benefit obligations	<u>5,380,329</u>	<u>(651,109)</u>	<u>(1,047,331)</u>	<u>1,357,562</u>	<u>1,832,167</u>

15.1.12 The plan assets and defined benefit obligation are based in Pakistan.

15.1.13 Funding levels are monitored on an annual basis and are based on actuarial recommendations. Gratuity cost comprising the service cost and the net interest cost for the next year will approximate to Rs. 12.563 million (2024: Rs. 13.162 million) as per the actuarial valuation report of the Fund as of December 31, 2025.

15.1.14 The disclosures made in notes 15.1 to 15.13 are based on the information included in the actuarial valuation report of the Fund for the year ended December 31, 2025.

AT

15.2 Provident fund scheme

In February 2025, the trustees of the provident fund have resolved to transfer the net assets of the provident fund into the voluntary pension scheme managed by Atlas Asset Management Limited against the respective accounts of the individual members. The Company continues the provident fund scheme and contributes 10% of the basic salaries of the staff for each month including Company's share of the equivalent amount in the aforesaid voluntary pension scheme with effect from March 2025.

16	Note	2025	2024
		----- (Rupees) -----	
INSURANCE / REINSURANCE PAYABLES			
Due to other insurers / reinsurers		429,287,716	312,699,688
17 OTHER CREDITORS AND ACCRUALS			
Federal Insurance Fee		460,087	740,264
Sales tax payable		32,575,742	37,167,055
Provision for Workers' Welfare Fund		5,856,130	5,856,130
Provision for Sindh Workers' Welfare Fund		9,852,645	16,259,578
No claim bonus payable		1,340,153	2,884,650
Survey fee received in advance		2,368,800	5,471,310
Commission payable		39,616,705	38,851,227
Accrued expenses		59,023,041	42,441,969
Stamp duties payable		5,941,467	-
Others		488,606	153,761
		<u>157,523,376</u>	<u>149,825,944</u>

17.1 This denotes provision for Workers' Welfare Fund (WWF) for the year ended December 31, 2014 levied by the Federal Government. During the year ended December 31, 2016, the Supreme Court of Pakistan vide its order dated November 10, 2016 had held that the amendments made in the law introduced by the Federal Government for the levy of WWF were unlawful. The Federal Board of Revenue filed review petitions against this order which are currently pending. The management believes that consequent to filing these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Company maintains its provision of Rs. 5.856 million (2024: Rs. 5.856 million) in respect of Federal WWF in these financial statements.

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 A summary of legal cases outstanding as at December 31, 2025 are as follows:

S. No	Brief description	Financial year	Estimated financial impact	Authority / Court and status
1	Engro Fertilizers Limited had filed a claim with respect to replacement cost of its boiler amounting to USD 12.7 million in FY 2018 which was covered under a co-insurance policy in which the Company had 5% share. Based on the findings set out in an independent root cause analysis exercise carried out by the co-insurers, the claim was rejected in February 2021. Subsequently, Engro Fertilizers Limited has filed a recovery suit with the Insurance Tribunal of Sindh against all the co-insurers for USD 12.7 million and USD 21.39 million being the replacement cost of the boiler and damages / loss charges associated therewith respectively which is pending adjudication. The management is confident that the case will be decided in their favour. Accordingly no provision has been recognised in these financial statements.	FY 2018	USD 1.704 million (Company's share)	Appeal filed by the customer is pending before Insurance Tribunal of Sindh.
2	During FY 2021, the SECP issued a Show Cause Notice No. ID/Enf/Chubb/2019/1166 dated May 31, 2021 to the Company against the violation of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018. In this respect, the SECP passed an order dated November 30, 2021 imposing a penalty of Rs 125,000 on the Company. The Company, being aggrieved by the Order, has filed an appeal under Section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 before the SECP's Appellate Bench. The appeal is pending adjudication. The reply to the appeal was filed on December 29, 2023, however, no date is fixed for further proceedings. The management is confident that the above matter will be decided in favour of the Company and has accordingly not made any provision for the aforementioned amount.	FY 2021	Rs. 0.125 million	Appeal filed by the Company is pending before SECP's Appellate Bench.

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18.1.2 A summary of sales tax related cases outstanding as at December 31, 2025 are as follows:

S. No	Brief description	Tax period / Tax year	Estimated financial impact	Authority / Court and status
1	<p>On April 26, 2016, the Company received a show cause notice from the Sindh Revenue Board (SRB) in which it was contended that the Company was liable to pay Sindh sales tax aggregating to Rs. 209.357 million on reinsurance services obtained by the Company from foreign re-insurers for the period from July 1, 2011 to June 30, 2014 under the Sindh Sales Tax on Services Act, 2011 along with penalty and default surcharge. The Company filed an application with the Honourable Sindh High Court highlighting that the reinsurance obtained by the Company is not subject to the Sindh sales tax on services and further the show cause notice served to the Company is without lawful authority as the liability raised in the notice has been computed with a retrospective effect. The Honourable Sindh High Court (the Court) vide its order dated May 31, 2016 restrained the SRB from taking any coercive action against the Company on the basis of the show cause notice issued earlier. In the prior year, on instructions of the Court, the Company deposited 50% of the amount claimed in show cause notice amounting to Rs 104.679 million with the SRB to continue with the suit in the Court. The Company has recorded Rs. 104.679 million as 'loans and other receivables' in these financial statements.</p> <p>Further, in 2020, the Company, along with the Insurance Association of Pakistan (IAP) and other insurance companies, filed a constitutional petition in the Honourable Sindh High Court challenging the levy of Sindh sales tax on reinsurance. The Court has abstained the respondents from passing an adverse order against notices issued to the petitioners.</p> <p>During FY 2024, the Honourable High Court of Sindh has dismissed similar suits on the basis that it does not have jurisdiction to hear civil suits challenging show cause notices of tax authorities and that the taxpayer ought to follow the departmental remedies provided in the relevant statute. The Company have, therefore, voluntarily withdrawn the case from the Honourable High Court of Sindh when it came up for dismissal and currently waiting for the SRB to issue notice for hearing.</p>	July 1, 2011 to June 30, 2014	Rs. 209.357 million	The matter is pending before SRB.
2	<p>During FY 2023, the Company received various show cause notices from SRB in which it was contended that the Company was liable to pay Sindh sales tax amounting to Rs. 43.960 million on gross premium, Rs. 180.651 million on reinsurance premium ceded and Rs. 22.259 million on commission from reinsurers pertaining to the periods from January 1, 2015 till December 31, 2017.</p> <p>The Company has contested the above order on the grounds that reinsurance obtained by the Company is not subject to the Sindh sales tax on services and the Sindh sales tax on gross premium pertains to the premium received under assumed business (re-insurance service) which is also not subject to Sindh sales tax.</p> <p>The Company has filed constitutional petitions before the Honorable Sindh High Court (the Court) against the said notices and has obtained restraining orders whereby the SRB cannot pass any adverse orders in pursuance of these notices until the given matters are decided by the Court. The restraining orders were provided on the grounds that the Company secures these amounts by way of bank guarantees or pay orders with the Nazir of the Court.</p> <p>The Company has secured amounts aggregating to Rs. 246.870 million in the form of bank guarantees with the Nazir of the Court in accordance with the instructions of the Court in the respective orders. The Company has placed term deposits of the equivalent amount with the bank against the guarantees issued in favour of Nazir of the Court as disclosed in note 7.1 to the financial statements.</p>	January 1, 2015 to December 31, 2017	Rs. 246.870 million	The matter is pending before SRB.
3	<p>During FY 2024, the Company received an Order dated June 5, 2024 from SRB to pay Sindh sales tax amounting to Rs. 226.926 million on gross premium pertaining to periods from January 1, 2018 till December 31, 2021 along with a penalty of Rs. 11.346 million and a default surcharge. On July 4, 2024, the Company deposited 10% of the total demand amounting to Rs 23.827 million for obtaining automatic stay.</p> <p>Further, in the current year, the SRB has issued an Order dated October 3, 2025 in which it was contended that the Company was liable to pay Sindh sales tax amounting to Rs. 228.208 million on reinsurance premium ceded and Rs. 25.793 million on commission from reinsurers pertaining to periods from January 1, 2018 till December 31, 2021 alongwith a penalty of Rs. 12.700 million.</p> <p>The Company has filed an appeal with the Commissioner Appeals SRB on the same grounds as above for which the hearing is yet to be fixed.</p>	January 1, 2018 to December 31, 2021	Rs. 480.927 million and penalty of Rs. 24.046 million	Appeal filed by the Company is pending before Commissioner Appeals SRB.

The management and the tax advisor of the Company believe that there are strong grounds of appeal of the Company and all of the above matters will be decided in favour of the Company. Accordingly, the management has not recorded any provision in respect of the above cases in these financial statements.

18.1.3 Contingencies related to the income tax are disclosed in note 26.2 to the financial statements.

18.2 Commitments

There were no commitments outstanding as at December 31, 2025 and December 31, 2024.

19	Note	2025 ----- (Rupees) -----	2024 -----
NET INSURANCE PREMIUM			
Written gross premium		2,166,616,645	2,017,683,444
Add: unearned premium reserve - opening		871,186,676	876,796,159
Less: unearned premium reserve - closing		<u>(924,492,059)</u>	<u>(871,186,676)</u>
Premium earned		<u>2,113,311,262</u>	<u>2,023,292,927</u>
Less: Reinsurance premium ceded		<u>1,491,404,501</u>	<u>1,223,019,178</u>
Add: prepaid reinsurance premium - opening		235,607,254	178,142,551
Less: prepaid reinsurance premium - closing	11	<u>(312,795,802)</u>	<u>(235,607,254)</u>
Reinsurance expense		<u>1,414,215,953</u>	<u>1,165,554,475</u>
		<u>699,095,309</u>	<u>857,738,452</u>
20 NET INSURANCE CLAIMS			
Claims paid		1,686,746,605	489,211,186
Add: outstanding claims including IBNR - closing		2,995,582,575	3,233,565,924
Less: outstanding claims including IBNR - opening		<u>(3,233,565,924)</u>	<u>(1,310,705,922)</u>
Claims expense		<u>1,448,763,256</u>	<u>2,412,071,188</u>
Less: reinsurance and other recoveries received		<u>1,622,671,662</u>	<u>452,146,614</u>
Add: reinsurance and other recoveries against outstanding claims - closing		2,644,673,769	2,935,900,670
Less: reinsurance and other recoveries against outstanding claims - opening		<u>(2,935,900,670)</u>	<u>(1,064,486,112)</u>
Reinsurance and other recoveries revenue		<u>1,331,444,761</u>	<u>2,323,561,172</u>
		<u>117,318,495</u>	<u>88,510,016</u>

20.1 Claims development table

The following table shows the development of fire and property damage claims over a period of time. The disclosure goes back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claim payments. For other classes of business the uncertainty about the amount and timings of claim payments is usually resolved within a year.

Accident year	2021 and prior	2022	2023	2024	2025	Total
-----Rupees-----						
Estimate of ultimate claims cost:						
At end of accident year	23,946,223	465,156,720	221,419,578	2,668,611,487	875,388,921	4,254,522,929
One year later	83,717,745	1,113,662,243	142,784,472	3,208,029,926	-	4,548,194,386
Two years later	72,110,654	774,970,931	125,118,724	-	-	972,200,309
Three years later	71,262,627	718,688,328	-	-	-	789,950,955
Four years later or more	1,372,651,826	-	-	-	-	1,372,651,826
Current estimate of cumulative claims	1,372,651,826	718,688,328	125,118,724	3,208,029,926	875,388,921	6,299,877,725
Cumulative payments to date	<u>1,350,888,422</u>	<u>629,509,447</u>	<u>101,351,524</u>	<u>1,457,458,194</u>	<u>11,664,177</u>	<u>3,550,871,764</u>
Liability recognised in the statement of financial position	<u>21,763,404</u>	<u>89,178,881</u>	<u>23,767,200</u>	<u>1,750,571,732</u>	<u>863,724,744</u>	<u>2,749,005,961</u>

The above effects have been worked out on the assumption that increase / decrease in net claims expense pertains to fire and property damage segment in isolation.

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21	Note	2025	2024
		----- (Rupees) -----	
NET COMMISSION AND OTHER ACQUISITION COSTS			
Commission paid or payable		119,253,369	82,896,151
Add: deferred commission expense - opening		32,227,453	23,457,607
Less: deferred commission expense - closing		(49,445,041)	(32,227,453)
Net commission		<u>102,035,781</u>	<u>74,126,305</u>
Less: commission received or recoverable		<u>101,615,323</u>	<u>105,034,567</u>
Add: unearned reinsurance commission - opening		44,545,219	34,009,416
Less: unearned reinsurance commission - closing		(40,700,656)	(44,545,219)
Commission from reinsurers		<u>105,459,886</u>	<u>94,498,764</u>
		<u><u>(3,424,105)</u></u>	<u><u>(20,372,459)</u></u>
22 MANAGEMENT EXPENSES			
Employee benefit cost	22.1 & 22.2	212,542,907	192,381,185
Travelling expenses		10,485,206	12,445,899
Printing and stationery		2,622,844	2,913,927
Depreciation	5.1	17,147,326	14,645,691
Rent, rates and taxes		25,470,316	25,625,722
Legal and professional charges - business related		1,976,597	713,902
Utilities		2,697,115	3,723,882
Office repairs and maintenance		7,865,031	9,541,111
Education and training		3,934,282	3,264,266
Vehicle running expenses		15,984,184	17,813,190
Communication		2,402,361	2,445,051
Service charges		1,798,593	1,889,235
Registration, subscription and association fees		4,032,160	5,569,978
Annual supervision fee to the SECP		483,747	371,947
Advertisement and sales promotion		26,756,790	15,171,438
Food and entertainment		5,382,274	4,770,779
Bank charges		8,942,067	6,825,699
Others		2,098,358	5,851,678
		<u><u>352,622,158</u></u>	<u><u>325,964,580</u></u>
22.1 Employee benefit cost			
Salaries, allowances and other benefits		179,571,941	161,428,983
Share based compensation		6,644,140	6,100,392
Charges for post employment benefit	22.1.1	26,326,826	24,851,810
		<u><u>212,542,907</u></u>	<u><u>192,381,185</u></u>

22.1.1 These include contributions to defined contribution plan aggregating to Rs. 12.818 million (2024: Rs. 11.831 million).

22.2 Share-based payments

As explained in note 3.17.4, certain employees of the Company are provided share-based compensation benefits. These include the following:

22.2.1 Restricted stock

The restricted stock of Chubb Limited is granted with a 4-year vesting period, based on a graded vesting schedule. The restricted stock vests in equal annual instalments over the respective vesting period, which is also the requisite service period. The restricted stocks are granted at market close price on the grant date and are equity settled.

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The following table shows changes in the restricted stock grants for the years ended December 31, 2025 and December 31, 2024:

	Number of restricted stocks	
	2025	2024
Unvested as at January 1,	226	278
Vested during the year	(97)	(126)
Granted during the year	65	74
Forfeited during the year	-	-
Unvested as at December 31,	194	226

The fair value of restricted stocks granted during the year was USD 289.69 (2024: USD 254.84) per share which was measured on the basis of observable market price of the date on which the restricted stock options were granted.

The Company recognised an expense of Rs. 4.953 million (2024: Rs. 4.538 million) related to equity-settled restricted stock grants.

22.2.2 Non-qualified stock options

The non-qualified stock options are granted at an option price per share of 100 percent of fair market value of Chubb Limited's ordinary share on the grant date. Stock options are granted with a 3-year grant vesting period and 10-year term. The stock options vest in equal instalments over the respective vesting period, which is also the requisite service period.

The following table shows changes in the stock option grants for the years ended December 31, 2025 and December 31, 2024:

	Number of stock options	
	2025	2024
Outstanding as at January 1,	1,464	1,745
Granted during the year	87	99
Exercised during the year	(477)	(380)
Expired during the year	-	-
Forfeited during the year	-	-
Outstanding as at December 31,	1,074	1,464
Exercisable at the end of the year	881	1,232
Unvested at the end of the year	193	232
Outstanding as at December 31,	1,074	1,464
Vested during the year	126	140

	Weighted average exercise price	
	2025	2024
	----- (US Dollar) -----	
Outstanding as at January 1,	78.43	76.86
Granted during the year	289.69	254.84
Exercised during the year	(126.17)	(118.87)
Outstanding as at December 31,	80.06	78.43
Exercisable at the end of the year	76.92	75.31
Vested during the year	216.69	190.56

The fair value of non-qualified stock options are estimated on the grant date using Black-Scholes option valuation model. The Company recognised an expense of Rs. 1.690 million (2024: Rs. 1.563 million) related to equity-settled non-qualified share options vested during the year. The exercise price of these shares varies from USD 164.94 - USD 208.60. Weighted average remaining contractual life of these options is 1 years and 6 months.

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23	INVESTMENT INCOME	Note	2025	2024
			----- (Rupees) -----	
	Income from government securities - held-to-maturity			
	Return on government securities		26,645,044	24,418,867
	Amortisation of discount		10,660,674	13,783,494
	Income from government securities - available-for-sale			
	Amortisation of discount		223,503,945	308,062,239
	Income from term deposits			
	Return on term deposits		14,156,158	33,940,074
			<u>274,965,821</u>	<u>380,204,674</u>
	Net realised (loss) / gain on investments			
	(Loss) / gain on sale of government securities		(920,819)	5,462
			<u>274,045,002</u>	<u>380,210,136</u>
24	OTHER INCOME			
	Exchange gain - net		13,774,821	-
	Liability written off		-	2,444,453
	Gain on sale of property and equipment	5.2	3,651,972	2,125,418
	Survey fee		16,026,495	5,013,813
	Others		743,994	597,914
			<u>34,197,282</u>	<u>10,181,598</u>
25	OTHER EXPENSES			
	Auditors' remuneration	25.1	7,008,723	2,461,497
	Legal and professional charges		8,501,174	9,421,517
	Sindh Workers' Welfare Fund		10,433,735	16,642,967
	Liability written off		1,234,823	-
	Donation	25.2	534,468	-
	Exchange loss - net		-	111,649
			<u>27,712,923</u>	<u>28,637,630</u>
25.1	Auditors' remuneration			
	Audit fee		1,027,591	1,027,591
	Half yearly review fee		395,467	395,467
	Fee for the review of compliance with the Code of Corporate Governance		186,835	186,835
	Fee for regulatory returns		132,860	132,860
	Other services		4,200,750	-
	Sindh Sales Tax on services		519,165	182,333
	Out-of-pocket expenses		546,055	536,411
			<u>7,008,723</u>	<u>2,461,497</u>
25.2	This pertains to a donation made by the Company to Kidney Foundation contributed under corporate social responsibility initiative. One of the directors of the Company is also a director in the donee organisation.			
26	INCOME TAX EXPENSE		2025	2024
			----- (Rupees) -----	
	Current tax			
	- Current year expense		203,311,644	324,537,860
	- Prior year (reversal) / expense		(11,441,293)	3,292,320
			<u>191,870,351</u>	<u>327,830,180</u>
	Deferred tax			
	- Current year expense		8,357,166	7,129,467
	- Prior year		-	4,002,542
			<u>8,357,166</u>	<u>11,132,009</u>
			<u>200,227,517</u>	<u>338,962,189</u>
26.1	Relationship between income tax expense and accounting profit		2025	2024
			----- (Rupees) -----	
		Effective tax rate (%)		
	Profit before taxation		513,108,122	825,390,419
	Tax at the applicable rate of 29% (2024: 29%)	29.00	148,801,355	239,363,222
	Super tax - current year	10.17	52,170,933	84,059,021
	Prior year	(2.23)	(11,441,293)	7,294,862
	Permanent differences	2.09	10,727,866	9,068,920
	Others	(0.01)	(31,344)	(823,836)
			<u>39.02</u>	<u>41.07</u>
			<u>200,227,517</u>	<u>338,962,189</u>

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26.2 A summary of income tax related cases outstanding as at December 31, 2025 are as follows:

S. No	Brief description	Tax year (TY)	Estimated financial impact	Authority / Court and status
1	While finalising the assessment for the assessment years 1999-2000 to 2001-2002, the taxation officer has added back management expenses in excess of the limits laid down in the Insurance Rules, 1958 read with section 40C of the Insurance Act, 1938 by taking recourse to the provisions of Rule 5(c) of the Fourth Schedule to the repealed Income Tax Ordinance, 1979. The gross amounts added back in respect of these assessment years aggregated to Rs. 31.859 million which were disputed by the Company and appeals were filed against these. In respect of assessment years 1999-2000 and 2000-2001, the add backs made by the taxation officer aggregating to Rs. 22.394 million have been maintained by the Income Tax Appellate Tribunal (ITAT) and the Company's appeals are currently pending in the High Court of Sindh. As regards assessment year 2001-2002, the add back amounting to Rs. 9.466 million has been set aside by the ITAT but the set aside proceedings have not commenced so far. No provision has been made in these financial statements in respect of the additional tax liability of Rs. 7.838 million which may arise on account of these add backs as (a) the issue is being contested in appeals, (b) excess management expenses were being regularly condoned by the Controller of Insurance under Section 40C (1) of the Insurance Act, 1938 and (c) the Insurance Ordinance, 2000 provides no limitation on management expenses.	TY 1999-2001 to TY 2001-2002	Rs. 7.838 million	Appeal filed by the Company is pending before the High Court of Sindh.
2	The return of income for Tax Year 2008 was amended by the Federal Board of Revenue (FBR) under section 122(5A) of the Ordinance, by assessing the Company's income at Rs. 56.62 million and raised a tax demand of Rs. 19.75 million. The Company has challenged the decision of the Commissioner Inland Revenue Appeals (CIRA) before the Appellate Tribunal Inland Revenue (ATIR). The ATIR annulled the order of the CIRA on the grounds of being barred by limitation of time. The FBR has challenged the ATIR's order before the Honourable High Court of Sindh which is currently pending adjudication. The management and the legal advisor of the Company are confident that the above matter will be decided in favour of the Company and has accordingly not made any provision for the aforementioned amount in these financial statements.	TY 2008	Rs. 19.747 million	Appeal filed by FBR is pending before High Court of Sindh.
3	The return of income of the Company for Tax Year 2013 was selected for audit under section 214C of the Income Tax Ordinance, 2001 by the Federal Board of Revenue (FBR). Upon finalising the audit proceedings, the taxation officer passed an amended order dated December 28, 2015 thereby raising a tax demand of Rs. 20.791 million by making certain additions aggregating to Rs. 57.275 million including provision for outstanding claims and IBNR. Subsequently, the Company filed an appeal before the ATIR, which decided the matter against the Company. The amount of Rs. 20.791 million was paid by the Company and is currently being treated in the financial statements as balance recoverable from taxation authorities. Against the order of the ATIR, the Company has filed a Reference Application (RA) before the Honourable High Court of Sindh by engaging a lawyer which is currently pending hearing. The management and the legal advisor of the Company are confident that the above matter will be decided in favour of the Company and has accordingly not made any provision for the aforementioned amount in these financial statements.	TY 2013	Rs. 20.791	Appeal filed by the Company is pending before Honourable High Court of Sindh.
4	During the year, the Additional Commissioner Inland Revenue (ACIR) issued show cause notice to the Company and amended the original assessment order for the tax year 2025 vide its order dated January 30, 2026 and raised a demand of Rs. 86.988 million against the income tax refundable of Rs. 12.664 million claimed by the Company. The ACIR in its order has disallowed the advance tax amounting to Rs. 99.652 million claimed by the Company in respect of deductions made against the payment of profit on government securities during the year. Accordingly, the demand for the aforementioned amount was created by the ACIR. The Company has challenged the order of ACIR before the Commissioner Inland Revenue (Appeals) which is pending hearing. The management and the tax advisor of the Company believe that there are strong grounds of the Company to defend the matter. Accordingly, no provision in respect of the above demand has been recorded in these financial statements.	TY 2025	Rs. 99.652 million	Appeal filed by the Company is pending before CIR(A).

27	EARNINGS (AFTER TAX) PER SHARE	Note	2025		2024	
			(Rupees)		(Rupees)	
	Profit after tax for the year		312,880,605	486,428,230		
	Weighted average number of ordinary shares		50,000,000	50,000,000		
	Earnings (after tax) per share - basic and diluted	27.1	6.26	9.73		

ATB

- 27.1 As at December 31, 2025 and December 31, 2024, the Company did not have any convertible instruments in issue which would have had a dilutive effect on the earnings per share if the option to convert was exercised.

28 COMPENSATION OF CHIEF EXECUTIVE / COUNTRY PRESIDENT, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements for the year for remuneration, including benefits to the key management personnel of the Company namely the Chief Executive / Country President, directors and executives of the Company are as follows:

	2025			2024		
	Chief Executive/ Country President	Directors	Executives	Chief Executive/ Country President	Directors	Executives
	(Rupees)					
Short-term employee benefits						
Consultancy fees	-	12,091,920	-	-	10,869,144	-
Managerial remuneration	32,715,171	-	97,330,571	28,923,672	-	90,132,517
Bonus	4,300,000	-	11,045,927	3,684,807	-	9,289,606
Leave encashment	-	-	2,161,083	6,704,928	-	3,255,441
Housing, utilities and others	547,474	-	-	545,464	-	-
Conveyance	-	-	5,051,202	-	-	5,552,851
Medical	3,982,527	-	6,428,553	441,897	-	4,906,486
	<u>41,545,172</u>	<u>12,091,920</u>	<u>122,017,336</u>	<u>40,300,768</u>	<u>10,869,144</u>	<u>113,136,901</u>
Other employee benefits						
Shared-based compensation benefits	6,644,140	-	9,399	6,026,519	-	73,870
Post-employment benefits						
Charge for defined benefit plan	2,867,160	-	10,294,667	3,223,378	-	9,478,037
Contribution to defined contribution plan	3,271,517	-	9,546,332	2,892,366	-	8,938,278
Total	<u>54,327,989</u>	<u>12,091,920</u>	<u>141,867,734</u>	<u>52,443,031</u>	<u>10,869,144</u>	<u>131,627,086</u>
Number of persons	<u>1</u>	<u>2</u>	<u>16</u>	<u>1</u>	<u>2</u>	<u>16</u>

- 28.1 The Company also provides key management personnel the Company maintained cars and monthly subscription of club facilities.
- 28.2 During the year the Chief Executive officer/ Country President and an executive of the Company received dividends on shares in the Holding Company amounting to Rs. 211,472 and Rs. 4,993 (2024: Rs. 226,978 and Rs. 9,335) respectively.
- 28.3 The managerial remuneration includes the 2024 bonus paid in the current year. An estimated accrual in respect of the above bonus was made in the last year financial statements. For the current year, an amount of Rs. 16.107 million (2024: Rs. 15.346 million) has been accrued on an estimated basis. Individual entitlements in respect of this accrual will be determined next year and will then be disclosed accordingly.
- 28.4 Executives mean employees, other than chief executive and directors whose basic salary exceed five hundred thousand rupees in a financial year.

29 RELATED PARTY TRANSACTIONS

Related parties comprise of Holding Company, related group companies, directors of the Company, key management personnel, post employment benefit plans and other related parties. The Company in the normal course of business carries out transactions with various related parties at agreed / commercial terms and conditions.

Amounts due to / from related parties and other significant transactions other than those disclosed elsewhere in these financial statements, are as follows:

	Group / associated companies		Other related parties	
	2025	2024	2025	2024
	(Rupees)			
Balances as at year end				
Loans and other receivables	163,259	57,175	-	-
Due from other insurers / reinsurers	-	12,693,026	-	-
Reinsurance recoveries against outstanding claims	2,479,574,697	2,806,047,747	-	-
Prepaid reinsurance premium ceded	213,957,359	235,607,254	-	-
Provision for outstanding claims	99,505,906	101,935,645	-	-
Due to other insurers / reinsurers	282,830,891	282,976,133	-	-
Retirement benefit obligations	-	-	5,537,444	8,444,769

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Group / associated companies		Other related parties	
2025	2024	2025	2024

Transactions during the year

	(Rupees)			
Gross premium written	-	-	122,483	189,650
Reinsurance premium ceded	1,319,951,842	1,223,019,178	-	-
Claims ceded	1,622,671,662	452,146,614	-	-
Commission on cession	101,615,323	105,034,567	-	-
Remuneration of key management personnel	-	-	92,520,999	80,323,491
Contribution to gratuity fund	-	-	19,113,979	30,917,638
Contribution to provident fund	-	-	12,817,849	11,830,644

29.1 Following is the list of related parties with whom the Company has entered into transaction / business relationship during the year:

S.No.	Name of related party	Basis of association / relationship
1	Chubb Limited (Switzerland)	Ultimate Parent Company
2	Chubb INA International Holdings Limited	Holding Company
3	Chubb Tempest Reinsurance Limited	Group Company
4	Chubb European Group SE	Group Company
5	Chubb INA Overseas Insurance Company	Group Company
6	Chubb Underwriting (DIFC) Limited	Group Company
7	The Kidney Foundation	Common Directorship

30 SEGMENT INFORMATION

The Company has five primary business segments for reporting purposes namely fire and property damage, marine, aviation and transport, motor, accident and health and liability.

Assets and liabilities, wherever possible, have been assigned to the following segments on the basis of specific identification or have been allocated on the basis of the gross premium written by the segments.

Particulars	For the year ended December 31, 2025					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Liability	Total
Premium receivable (inclusive of sales tax, Federal Insurance Fee and administrative surcharge)	1,721,774,057	99,857,994	832,121	51,795,900	303,766,471	2,178,026,543
Less: Sales tax	(8,179,400)	(319,497)	(113,794)	(581,752)	(1,522,180)	(10,716,623)
Federal Insurance Fee	(518,387)	(29,536)	(7,112)	(38,784)	(99,456)	(693,275)
Premium receivable (net of sales tax and federal insurance fee)	1,713,076,270	99,508,961	711,215	51,175,364	302,144,835	2,166,616,645
Gross written premium (inclusive of administrative surcharge)						
Gross direct premium	201,420,168	86,467,069	706,215	45,359,730	163,771,393	497,724,575
Facultative inward premium	1,511,444,847	12,659,334	-	5,710,634	137,782,442	1,667,597,257
Administrative surcharge	211,255	382,558	5,000	105,000	591,000	1,294,813
	1,713,076,270	99,508,961	711,215	51,175,364	302,144,835	2,166,616,645
Insurance premium earned	1,634,629,109	104,876,263	703,023	58,813,747	314,289,120	2,113,311,262
Insurance premium ceded to reinsurers	(1,124,334,216)	(56,577,432)	(698,023)	(44,976,550)	(187,629,732)	(1,414,215,953)
Net insurance premium	510,294,893	48,298,831	5,000	13,837,197	126,659,388	699,095,309
Commission income	37,496,144	4,457,413	260,165	23,395,891	39,850,273	105,459,886
Net underwriting income	547,791,037	52,756,244	265,165	37,233,088	166,509,661	804,555,195
Insurance claims	1,352,397,677	60,026,684	5,409	14,737,108	21,596,378	1,448,763,256
Insurance claims recovered from reinsurers	1,248,489,301	53,654,273	5,409	12,733,743	16,562,035	1,331,444,761
Net claims	103,908,376	6,372,411	-	2,003,365	5,034,343	117,318,495
Commission expense	53,804,929	8,375,225	-	10,955,774	28,899,853	102,035,781
Management expenses	278,807,352	16,195,327	115,752	8,328,916	49,174,811	352,622,158
Net insurance claims and expenses	436,520,657	30,942,963	115,752	21,288,055	83,109,007	571,976,434
Underwriting result	111,270,380	21,813,281	149,413	15,945,033	83,400,654	232,578,761
Net investment income						274,045,002
Other income						34,197,282
Other expenses						(27,712,923)
Profit before tax						513,108,122

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Particulars	As at December 31, 2025					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Liability	Total
	(Rupees)					
Segment assets	3,166,273,412	115,163,416	1,139,460	34,682,075	177,383,446	3,494,641,809
Unallocated assets	-	-	-	-	-	3,440,714,251
Total assets	3,166,273,412	115,163,416	1,139,460	34,682,075	177,383,446	6,935,356,060
Segment liabilities	4,050,549,851	128,254,210	1,312,741	43,507,668	268,787,234	4,492,411,704
Unallocated liabilities	-	-	-	-	-	92,829,264
Total liabilities	4,050,549,851	128,254,210	1,312,741	43,507,668	268,787,234	4,585,240,968
Net assets						2,350,115,092
Depreciation	13,557,856	787,547	5,629	405,019	2,391,275	17,147,326
Unallocated capital expenditure	-	-	-	-	-	28,062,088

Particulars	For the year ended December 31, 2024					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Liability	Total
	(Rupees)					
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	1,619,882,561	84,559,450	820,614	62,976,491	311,539,027	2,079,778,143
Less: Sales tax	(24,426,992)	(7,836,034)	(112,221)	(2,109,770)	(23,436,688)	(57,921,705)
Federal insurance fee	(1,604,571)	(538,091)	(7,014)	(439,927)	(1,583,391)	(4,172,994)
Premium receivable (net of sales tax and federal insurance fee)	1,593,850,998	76,185,325	701,379	60,426,794	286,518,948	2,017,683,444
Gross written premium (inclusive of administrative surcharge)						
Gross direct premium	159,647,927	68,970,481	696,379	43,584,733	158,538,056	431,437,576
Facultative inward premium	1,434,048,231	6,976,552	-	16,737,061	127,425,142	1,585,186,986
Administrative surcharge	154,840	238,292	5,000	105,000	555,750	1,058,882
	1,593,850,998	76,185,325	701,379	60,426,794	286,518,948	2,017,683,444
Insurance premium earned	1,665,151,839	60,513,410	753,395	61,539,682	235,334,601	2,023,292,927
Insurance premium ceded to reinsurers	(902,593,645)	(48,251,400)	(748,395)	(46,590,770)	(167,370,265)	(1,165,554,475)
Net insurance premium	762,558,194	12,262,010	5,000	14,948,912	67,964,336	857,738,452
Commission income	41,379,921	3,980,548	246,661	22,720,797	26,170,837	94,498,764
Net underwriting income	803,938,115	16,242,558	251,661	37,669,709	94,135,173	952,237,216
Insurance claims	2,261,819,022	132,436,776	260,144	11,420,871	6,134,375	2,412,071,188
Insurance claims recovered from reinsurers	2,175,257,686	134,275,485	385,759	10,974,825	2,667,417	2,323,561,172
Net claims	86,561,336	(1,838,709)	(125,615)	446,046	3,466,958	88,510,016
Commission expense	43,957,029	1,144,808	(13,946)	12,286,393	16,752,021	74,126,305
Management expenses	257,492,806	12,308,035	113,310	9,762,183	46,288,246	325,964,580
Net insurance claims and expenses	388,011,171	11,614,134	(26,251)	22,494,622	66,507,225	488,600,901
Underwriting result	415,926,944	4,628,424	277,912	15,175,087	27,627,948	463,636,315
Net investment income						380,210,136
Other income						10,181,598
Other expenses						(28,637,630)
Profit before tax						825,390,419

At

Particulars	As at December 31, 2024					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Liability	Total
	(Rupees)					
Segment assets	3,297,537,708	135,106,322	1,109,754	39,252,579	144,969,885	3,617,976,248
Unallocated assets	-	-	-	-	-	3,037,994,999
Total assets	<u>3,297,537,708</u>	<u>135,106,322</u>	<u>1,109,754</u>	<u>39,252,579</u>	<u>144,969,885</u>	<u>6,655,971,247</u>
Segment liabilities	4,103,883,842	142,171,527	1,333,906	52,218,230	252,039,156	4,551,646,661
Unallocated liabilities	-	-	-	-	-	72,614,669
Total liabilities	<u>4,103,883,842</u>	<u>142,171,527</u>	<u>1,333,906</u>	<u>52,218,230</u>	<u>252,039,156</u>	<u>4,624,261,330</u>
Net assets						<u>2,031,709,917</u>
Depreciation	<u>11,569,233</u>	<u>553,004</u>	<u>5,091</u>	<u>438,618</u>	<u>2,079,745</u>	<u>14,645,691</u>
Unallocated capital expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,229,246</u>

31 MOVEMENT IN INVESTMENTS

	Held-to-maturity	Available-for-sale	Total
	(Rupees)		
As at January 1, 2024	487,999,726	1,364,621,577	1,852,621,303
Additions	79,569,714	9,911,389,570	9,990,959,284
Disposals (sales and redemptions)	(60,000,000)	(9,474,262,059)	(9,534,262,059)
Fair value net losses (excluding net realised gains)	-	308,007	308,007
Effect of unwinding of discount	13,783,494	308,062,239	321,845,733
As at December 31, 2024	<u>521,352,934</u>	<u>2,110,119,334</u>	<u>2,631,472,268</u>
Additions	79,243,760	10,358,547,041	10,437,790,801
Disposals (sales and redemptions)	(140,000,000)	(10,076,154,068)	(10,216,154,068)
Fair value net losses (excluding net realised gains)	-	1,209,465	1,209,465
Effect of unwinding of discount	10,660,674	223,503,945	234,164,619
As at December 31, 2025	<u>471,257,368</u>	<u>2,617,225,717</u>	<u>3,088,483,085</u>

32 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's activities expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

32.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates or market price of securities arising due to changes in credit rating of the issuer of the instrument, changes in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Company manages market risk by monitoring exposure in marketable securities and by following the internal risk management policies and regulations laid down by the SECP.

Market risk comprises of three types of risk namely currency risk, yield / interest rate risk and price risk.

32.1.1 Currency risk

Currency risk is the risk that the value of a financial asset or liability will fluctuate due to changes in foreign currency rates. Foreign exchange risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As of the reporting date, the Company does not have material assets or liabilities which are exposed to foreign currency risk.

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32.1.2 Yield 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. The Company invests in securities and has deposits that are subject to yield / interest rate risk. The Company limits the yield / interest rate risk by monitoring changes in yield / interest rates in the currencies in which its cash and investments are denominated.

The Company's interest rate profile of financial assets and liabilities is as follows:

2025							
Effective yield / mark-up rate (% per annum)	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
(Rupees)							
Financial assets							
Investments							
- Government securities	10.80% - 16.00%	2,700,788,012	140,824,664	2,841,612,676	-	-	2,841,612,676
- Term deposits	5.75%	246,870,409	-	246,870,409	-	-	246,870,409
Loans and other receivables		-	-	-	12,391,014	-	12,391,014
Insurance / reinsurance receivables		-	-	-	487,727,197	-	487,727,197
Reinsurance recoveries against outstanding claims		-	-	-	2,644,673,769	-	2,644,673,769
Cash and bank		-	-	-	103,547,899	-	103,547,899
		<u>2,947,658,421</u>	<u>140,824,664</u>	<u>3,088,483,085</u>	<u>3,248,339,879</u>	<u>-</u>	<u>6,336,822,964</u>
Financial liabilities							
Outstanding claims including IBNR		-	-	-	2,995,582,575	-	2,995,582,575
Insurance / reinsurance payables		-	-	-	429,287,716	-	429,287,716
Other creditors and accruals		-	-	-	102,837,305	-	102,837,305
		-	-	-	3,527,707,596	-	3,527,707,596
On-balance sheet gap (a)		<u>2,947,658,421</u>	<u>140,824,664</u>	<u>3,088,483,085</u>	<u>(279,367,717)</u>	<u>-</u>	<u>2,809,115,368</u>
Off-balance sheet financial instruments		-	-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-	-
Total interest rate sensitivity gap (a+b)		<u>2,947,658,421</u>	<u>140,824,664</u>	<u>3,088,483,085</u>			
Cumulative interest rate sensitivity gap		<u>2,947,658,421</u>	<u>3,088,483,085</u>				

2024							
Effective yield / mark-up rate (% per annum)	Interest / mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
(Rupees)							
Financial assets							
Investments							
- Government securities	12.85% - 19.70%	2,244,996,927	139,604,932	2,384,601,859	-	-	2,384,601,859
- Term deposits	5.75%	246,870,409	-	246,870,409	-	-	246,870,409
Loans and other receivables		-	-	-	12,979,114	-	12,979,114
Insurance / reinsurance receivables		-	-	-	414,240,871	-	414,240,871
Reinsurance recoveries against outstanding claims		-	-	-	-	-	-
Cash and bank		-	-	-	2,935,900,670	-	2,935,900,670
		<u>2,491,867,336</u>	<u>139,604,932</u>	<u>2,631,472,268</u>	<u>3,509,105,139</u>	<u>-</u>	<u>6,140,577,407</u>
Financial liabilities							
Outstanding claims including IBNR		-	-	-	3,233,565,924	-	3,233,565,924
Insurance / reinsurance payables		-	-	-	312,699,688	-	312,699,688
Other creditors and accruals		-	-	-	89,802,917	-	89,802,917
		-	-	-	3,636,068,529	-	3,636,068,529
On-balance sheet gap (a)		<u>2,491,867,336</u>	<u>139,604,932</u>	<u>2,631,472,268</u>	<u>(126,963,390)</u>	<u>-</u>	<u>2,504,508,878</u>
Off-balance sheet financial instruments		-	-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-	-
Total interest rate sensitivity gap (a+b)		<u>2,491,867,336</u>	<u>139,604,932</u>	<u>2,631,472,268</u>			
Cumulative interest rate sensitivity gap		<u>2,491,867,336</u>	<u>2,631,472,268</u>				

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Sensitivity analysis

(a) Sensitivity analysis for variable rate instruments

Presently, the Company does not hold any variable rate instrument.

(b) Sensitivity analysis for fixed rate instruments

The Company does not account for fixed rate financial assets at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect the statement of comprehensive income and equity of the Company.

32.1.3 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 interest 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. As at December 31, 2025 and December 31, 2024, the Company did not have any financial instrument which exposed it to equity price risk.

32.2 Credit risk

Credit risk is the risk, which 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, limiting transactions with specific counterparties and continually assessing the creditworthiness of counter parties.

32.2.1 Concentration of credit risk exposure

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political and / or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

The management monitors exposures to credit risk through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. Due to the Company's long outstanding business relationships with its counterparties and after giving due consideration to their sound financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company.

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

	2025	2024
	----- (Rupees in '000) -----	
Financial assets		
Term deposits	246,870,409	246,870,409
Loans and other receivables	12,391,014	12,979,114
Insurance / reinsurance receivables	487,727,197	414,240,871
Reinsurance recoveries against outstanding claims	2,644,673,769	2,935,900,670
Cash and bank	103,547,899	145,984,484
	<u>3,248,339,879</u>	<u>3,509,105,139</u>

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

Rating	Rating Agency	% of bank balances exposed to credit risk	
		2025	2024
AAA	Moody's / VIS / PACRA	100%	100%

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32.2.1.1 An age analysis of amounts due from insurance contract holders and amount due from other insurer / reinsurer that are past due but not impaired are as under:

	2025	2024
	----- (Rupees) -----	
Not yet due	138,198,285	130,260,045
Upto 30 days	146,477,892	145,087,929
31 to 180 days	115,193,474	33,424,494
Over 180 days	<u>87,857,546</u>	<u>105,468,403</u>
	<u>487,727,197</u>	<u>414,240,871</u>

32.2.1.3 Sector wise analysis of amounts due from insurance contract holders is as follows:

Financial sector	13,018,996	8,949,331
Food and beverages	519,823	1,555,011
Other	<u>145,539</u>	<u>1,169,897</u>
	<u>13,684,358</u>	<u>11,674,239</u>

32.2.1.4 The credit quality of receivables in respect of insurance contract which can be assessed with reference to external credit ratings is as follows:

	-----2025-----				
Prepaid reinsurance ceded	Insurance / reinsurance receivables		Reinsurance recoveries against outstanding claims	Aggregate	
	Due from insurance contract holders	Amount due from other insurers / reinsurers			
	----- (Rupees) -----				
A or above	312,795,802	5,820,518	474,042,839	2,644,673,769	3,124,537,126
BBB or B+	-	-	-	-	-
Others	-	7,863,840	-	-	7,863,840
Total	<u>312,795,802</u>	<u>13,684,358</u>	<u>474,042,839</u>	<u>2,644,673,769</u>	<u>3,132,400,966</u>

	-----2024-----				
Prepaid reinsurance ceded	Insurance / reinsurance receivables		Reinsurance recoveries against outstanding claims	Aggregate	
	Due from insurance contract holders	Amount due from other insurers / reinsurers			
	----- (Rupees) -----				
A or above	235,607,254	5,065,789	402,566,632	2,935,900,670	3,343,533,091
BBB or B+	-	4,643,152	-	-	4,643,152
Others	-	1,965,298	-	-	1,965,298
Total	<u>235,607,254</u>	<u>11,674,239</u>	<u>402,566,632</u>	<u>2,935,900,670</u>	<u>3,350,141,541</u>

Assets that pass the SPPI test include Government securities and term deposits. Government securities are unrated while credit quality of term deposits have been given in bank-wise ratings in note 32.2.1.

32.3 Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. To guard against the risk, the Company maintains balance of cash and other equivalents and readily marketable securities. The maturity profile of assets and liabilities are also monitored to ensure adequate liquidity is maintained.

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The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date on an undiscounted cash flow basis.

	2025			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	(Rupees)			
Outstanding claims including IBNR	2,995,582,575	2,995,582,575	2,995,582,575	-
Insurance / reinsurance payables	429,287,716	429,287,716	429,287,716	-
Other creditors and accruals	102,837,305	102,837,305	102,837,305	-
	<u>3,527,707,596</u>	<u>3,527,707,596</u>	<u>3,527,707,596</u>	<u>-</u>

	2024			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	(Rupees)			
Outstanding claims including IBNR	3,233,565,924	3,233,565,924	3,233,565,924	-
Insurance / reinsurance payables	312,699,688	312,699,688	312,699,688	-
Other creditors and accruals	89,802,917	89,802,917	89,802,917	-
	<u>3,636,068,529</u>	<u>3,636,068,529</u>	<u>3,636,068,529</u>	<u>-</u>

33 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31, 2025			
	Loans and receivables	Available-for-sale	Held-to-maturity	Total
	(Rupees)			
Financial assets				
Investments				
- Government securities	-	2,617,225,717	224,386,959	2,841,612,676
- Term deposits	-	-	246,870,409	246,870,409
Loans and other receivables	12,391,014	-	-	12,391,014
Insurance / reinsurance receivables	487,727,197	-	-	487,727,197
Reinsurance recoveries against outstanding claims	2,644,673,769	-	-	2,644,673,769
Cash and bank	103,547,899	-	-	103,547,899
	<u>3,248,339,879</u>	<u>2,617,225,717</u>	<u>471,257,368</u>	<u>6,336,822,964</u>

	As at December 31, 2025	
	At amortised cost	Total
	(Rupees)	
Financial liabilities		
Outstanding claims including IBNR	2,995,582,575	2,995,582,575
Insurance / reinsurance payables	429,287,716	429,287,716
Other creditors and accruals	102,837,305	102,837,305
	<u>3,527,707,596</u>	<u>3,527,707,596</u>

	As at December 31, 2024			
	Loans and receivables	Available-for-sale	Held-to-maturity	Total
	(Rupees)			
Financial assets				
Investments				
- Government securities	-	2,110,119,334	274,482,525	2,384,601,859
- Term deposits	-	-	246,870,409	246,870,409
Loans and other receivables	12,979,114	-	-	12,979,114
Insurance / reinsurance receivables	414,240,871	-	-	414,240,871
Reinsurance recoveries against outstanding claims	2,935,900,670	-	-	2,935,900,670
Cash and bank	145,984,484	-	-	145,984,484
	<u>3,509,105,139</u>	<u>2,110,119,334</u>	<u>521,352,934</u>	<u>6,140,577,407</u>

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As at December 31, 2024	
At amortised cost	Total
----- (Rupees) -----	
Outstanding claims including IBNR	3,233,565,924
Insurance / reinsurance payables	312,699,688
Other creditors and accruals	89,802,917
	3,636,068,529

Financial liabilities

Outstanding claims including IBNR
Insurance / reinsurance payables
Other creditors and accruals

34 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty in the amount of compensation to the insured. Generally, most insurance contracts carry the insurance risk for a period of one year (refer note 3.2).

34.1 Insurance risk

The Company accepts insurance risk through issuance of general insurance contracts. For these general insurance contracts the most significant risks arise from fire, atmospheric disturbance, earthquake, terrorist activities and other catastrophes. For health insurance contracts, significant risks arise from epidemics.

The Company's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate reinsurance is arranged to mitigate the effect of the potential loss to the Company from individual to large or catastrophic insured events. Further, the Company adopts strict claim review policies including active management and prompt pursuing of the claims, regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

As is common with other insurance companies, in order to minimise the financial exposure arising from large claims, the Company, in the normal course of business, enters into agreement with other parties for reinsurance purposes. To minimise its exposure to significant losses from reinsurer insolvencies, the Company obtains reinsurance cover only from companies with sound financial position.

The greatest likelihood of significant losses on the contracts underwritten by the Company mainly arises from earthquakes or floods. The Company's estimated exposure on account of such perils for any given single loss event and maximum re-insurance cover against those perils are summarised below:

	-----2025-----		
	Maximum gross exposure	Reinsurance cover	Highest net liability
	----- (Rupees in million) -----		
Earthquake	612,751	612,745	6
Flood / windstorm	562,270	562,264	6
	-----2024-----		
	Maximum gross exposure	Reinsurance cover	Highest net liability
	----- (Rupees in million) -----		
Earthquake	608,131	608,125	6
Flood / windstorm	289,245	289,239	6

34.2 Frequency and severity of claims

For the Company's insurance contracts, climatic changes give rise to frequent and severe extreme weather events (for example river flooding) and their consequences. The Company has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the contents insured. Claims payment limits are always included to cap the amount payable on occurrence of the insured event.

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Claims on general insurance contracts are payable on a claim occurrence basis. The Company is liable for all insured events that occur during the term of the insurance contract including the event reported after the expiry of the insurance contract term.

The Company's insurance contracts are sub-divided into risk segments fire and property damage, marine aviation and transport, motor, accident & health and liability. The Company manages these risk segments through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

34.3 Sources of uncertainty in the estimation of future claim payments

An estimated amount of the claim is recorded immediately on intimation to the Company. The estimation of the amount is based on the amount notified by the policy holder, management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. The estimation of provision for claims incurred but not reported (IBNR) is determined on the basis of actuarial recommendation for all classes of business.

The Company takes all reasonable measures to identify and account for the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from the amounts recognised initially.

34.4 Process used to decide on assumptions

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for insurance claims recognised in the statement of financial position is adequate. However, actual experience will differ from the expected outcome.

34.5 Changes in assumptions

The Company has not changed its assumptions for the insurance contracts as disclosed in paragraphs 34.4 and 34.5 above.

34.6 Sensitivity analysis

The analysis of exposure described in paragraph 34.5 above is also used to test the sensitivity of the selected assumptions to changes in the key underlying factors. Assumptions of different levels have been used to assess the relative severity of subsidence claims given past experience. The key material factor in the Company's exposure to subsidence claims is the risk of more permanent changes in geographical location in which Company is exposed.

	Total comprehensive income		Shareholders' equity	
	2025	2024	2025	2024
	----- (Rupees) -----			
10% increase in net claims (i.e. loss)				
Fire and property damage	(10,390,838)	(8,656,134)	(6,338,411)	(5,280,242)
Marine, aviation and transport	(637,241)	183,871	(388,717)	112,161
Motor	-	12,562	-	7,663
Accident and health	(200,337)	(44,605)	(122,206)	(27,209)
Liability	(503,433)	(346,695)	(307,094)	(211,484)
	<u>(11,731,849)</u>	<u>(8,851,001)</u>	<u>(7,156,428)</u>	<u>(5,399,111)</u>
10% decrease in net claims (i.e. gain)				
Fire and property damage	10,390,838	8,656,134	6,338,411	5,280,242
Marine, aviation and transport	637,241	(183,871)	388,717	(112,161)
Motor	-	(12,562)	-	(7,663)
Accident and health	200,337	44,605	122,206	27,209
Liability	503,433	346,695	307,094	211,484
	<u>11,731,849</u>	<u>8,851,001</u>	<u>7,156,428</u>	<u>5,399,111</u>

34.7 Reinsurance arrangements

Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional reinsurance arrangements are in place to protect the net account in case of a major catastrophe. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional treaty, accumulated losses on net account can also be recovered from the non-proportional treaty which is very much in line with the risk management philosophy of the Company. The details of the reinsurance coverage obtained by the Company are disclosed in note 34.1 and the credit rating of reinsurers is provided in note 32.2.1.4 of the financial statements.

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Item	Valuation approach and input used
Market Treasury Bills	The fair value of Market Treasury Bills have been derived using PKRV rates as on December 31, 2025. The PKRV rates are announced by FMA (Financial Market Association) daily through Reuters.
Pakistan Investment Bonds - Fixed Rate	The fair value of Pakistan Investment Bonds have been derived using PKRV rates as on December 31, 2025. The PKRV rates are announced by FMA (Financial Market Association) daily through Reuters.

37	STAFF STRENGTH	2025	2024
		(Number of employees)	
	Number of employees as at December 31	17	17
	Average number of employees during the year	16	16

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Figures in these financial statements have been rounded off to the nearest Rupee, unless otherwise stated.

39 CORRESPONDING FIGURES

Corresponding figures (including the following) has been re-arranged, whenever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison.

Description of item	Nature	Rupees	From	To
Term deposits receipts	Asset	246,870,409	Cash and cash equivalents	Payment for purchase of investments

40 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on _____ by the Board of Directors of the Company.

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Syed Wali Shah

Chairman

Huzefa Chaudhri

Chief Executive /
Country President

Rajvi

Director

[Signature]

Director