

**PUNJAB LIFE INSURANCE
COMPANY LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

DECEMBER 31, 2025

March 27, 2026

The Board of Directors
Punjab Life Insurance Company Limited
50-F, Gulberg-II
Lahore.

Honorable Board members,

**FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2025
PUNJAB LIFE INSURANCE COMPANY LIMITED**

We are pleased to enclose herewith the draft financial statements of Punjab Life Insurance Company Limited prepared by the management for the period ended December 31, 2025 together with our draft report thereon duly initialed by us for identification purposes. We shall be pleased to sign and issue our enclosed report, with or without modifications, after:

- 1) The enclosed financial statements are considered and approved by the Board of Directors and signed by the Chief Executive and at least one Director; and we have received:
 - a) Certified true copy of the minutes of your meeting approving these financial statements;
 - b) Specific approvals of the Board of Directors for the following items:

<i>Particulars</i>	<i>Rupees</i>
- Additions in property and equipment including capital work in progress	477,861
- Addition in right of use assets	34,422,247
- Investment In Pakistan Investment bonds made during the period at face value	300,000,000
- Adoption of accounting policies in accordance with International Accounting and Financial Reporting Standards	
- Contingencies and commitments as disclosed in note 12 to the financial statements;	
- Details of related parties and transactions with related parties as disclosed in note 18 and / or elsewhere in the financial statements; and	

- 2) We have received the draft directors report of the Company containing other financial and non-financial information along with the financial statements for the purpose of our review in terms of the requirements of International Standard on Auditing 720 'Other information in Documents Containing Audited Financial Statements' to consider whether it is materially consistent with the information appearing in the enclosed financial statements, including the manner of its presentation;
- 3) We have received the representation letter duly signed by the Chief Executive and Chief Financial Officer on the lines of draft provided to the management.

Responsibilities of the Board of Directors and Auditors in relation to the Financial Statements The duties of the independent auditors, in an audit of financial statements, are explained in Section 249 of the Companies Act, 2017 and International Standard on Auditing 200 "Overall objectives of the independent auditor and the conduct of an audit in accordance with international standards on auditing."

While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for the preparation of the financial statements is primarily that of the management in accordance with applicable financial reporting framework, which includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error. The management's responsibilities include to provide the auditor with:

- (i) all information, such as records and documentation, and other matters that are relevant to the preparation and presentation of the financial statements;
- (ii) any additional information that the auditor may request from the company and, where appropriate, those charged with governance; and
- (iii) unrestricted access to those within the entity from whom the auditor determines it necessary to obtain audit evidence.

The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of accounts and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements.

Significant matters highlighted during the audit

We have described in the ensuing paragraphs our significant observations and findings resulting from our audit that we believe require your attention on priority basis. This letter also includes some important communications to you that we are required to make under the ISA 260 - Communication with Those Charged with Governance.

Incorporation Expenses We would like to highlight that authorised capital of the Company is Rupees 3,000 million whereas corresponding fee of Rupees 25.415 million along with other incorporation expenses have been borne by the Government of Punjab.

Minimum Statutory Deposit The Company is required to maintain minimum statutory deposit at the rate of 10% of paid up capital of the Company with State Bank of Pakistan in form deposit or approved securities. It has been noted that fair market value of investment in Pakistan investment Bond was Rupees 299.965 million (having face value of Rupees 300 million) that was marginally less than the required amount of Rupees 300 million. The Board is requested to look into the matter and ensure that fair market value of investments should not be less than required amount of Rupees 300 million.

Subsequent events We have been informed by the management that there were no subsequent events having an impact on amount and /or a disclosure in the financial statements.

Internal Control Our review of the Company's system of internal control was carried out as part of our audit. In case, if there is any internal control and/or other matter which merit to be brought to your attention we will share with you in a separate management letter.

Frauds and errors We have been informed by the management of the Company that to the best of their knowledge there have been no instances of frauds or irregularities during the period that could have a material effect on the financial statements of the Company. We trust the Board is in concurrence with the management assertion on the above.

Contingencies and commitments We have been informed by the management regarding contingencies and commitments as of reporting date that are required to be disclosed in the enclosed financial statements, has been disclosed in note 12 to these financial statements. We trust the Board is in concurrence with the management assertion on the above.

Related party transactions We have been informed by the management that there were transactions with related parties during the period other than those disclosed in note 18 or elsewhere in these financial statements. We trust the Board is in concurrence with the management assertion on the above.

Independence Listed in 'Annexure – A', key firm-wide policies and processes to maintain independence and objectivity

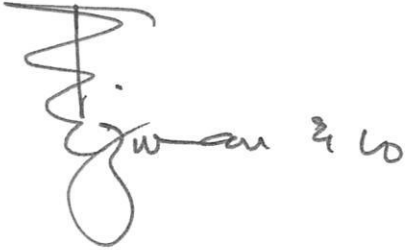
We confirm that in our professional judgment, the Firm is independent with the meaning of regulatory and professional requirements and the objectivity of the audit engagement and audit staff has not been compromised.

The enclosed financial statements shall remain and be deemed un-audited unless these have been approved by the Board and signed by the Chief Executive, the Chairman, the Chief Financial Officer and a Directors authorized to do so on its behalf and the audit report on these financial statements has been signed by us.

This letter has been prepared for the sole use of the Board of Directors and management of the Company. It must not be disclosed to a third party or quoted / referred to without our prior written consent. No responsibility is assumed by the Firm.

Finally, we wish to place on record our appreciation for the courtesies and cooperation extended to us by the management and staff of the company at all levels during our audit.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'Rizwan & Co', with a stylized flourish above the text.

Annexure A

Rizwan & Company Chartered Accountants has the policies and procedures that inculcate professional values as part of our Firm's culture and ensures the highest standards of objectivity, independence and integrity are maintained. Listed below are some of key policies and processes in place within firm for maintaining objectivity and independence:

<i>Financial Interests</i>	Our partners and assurance staff are prohibited from investing in all clients. Our partners and staff are required to confirm their compliance each period with our Firm's independence policies.
<i>Staff Training</i>	Our partners and staff are required to attend regular training sessions on our independence and ethical policies and processes.
<i>Independent Consultations</i>	The firm requires the audit team to consult both internally and externally with independent partners and professionals, respectively, on complex accounting and auditing matters.
<i>Non-audit services</i>	Our audit engagement partners approve any non-audit assurance services offered to their clients to ensure that all threats to our objectivity and independence, if any, were mitigated by applying appropriate safeguards Where no satisfactory safeguards exist, we do not carry out the non-audit services.
<i>Ethics</i>	Our global code of conduct provides an ethical framework in which we base our decisions and our actions-as individuals and as members of our global organization

Independent Auditor's Report

To the members of Punjab Life Insurance Company Limited

Report on the Audit for the Financial Statements

Opinion

We have audited the annexed financial statements of Punjab Life Insurance Company Limited (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies 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 profit or loss, the statement of comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2025 and of the profit, total comprehensive income, the changes in equity and its cash flows for the period 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 directors 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.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 auditors' 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 auditors' 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 profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- c) the apportionment of assets, liabilities, revenue and expenses between two or more funds is not required to be performed in accordance with the advice of the appointed actuary as of reporting date;
- d) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the company's business; and
- e) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other matter

The Company was incorporated on August 12, 2025 and was in the process of obtaining regulatory authorisation from Securities and Exchange Commission of Pakistan to operate as a life insurance under the provisions of Insurance Ordinance, 2000 subsequent to reporting date.

The Engagement partner on the audit resulting in this independent auditors' report is Imran Bashir.

Lahore: **16 APR 2026**
UDIN: AR202510140IVSgflHag



Rizwan & Company
Chartered Accountants

Punjab Life Insurance Company Limited
Statement of financial position
As at December 31, 2025

		2025 Rupees
Assets	Note	
Non-current assets		
Property and equipment	4	34,294,041
Investment in government securities	5	299,299,387
		<u>333,593,429</u>
Current assets		
Other receivables	6	25,041,278
Advance income tax	7	1,703,919
Cash and bank balances	8	2,684,091,059
		<u>2,710,836,256</u>
Total assets		<u><u>3,044,429,685</u></u>
Equity and liabilities		
Share capital	9	3,000,000,000
Unappropriated profit		1,856,389
		<u>3,001,856,389</u>
Non-current liabilities		
Lease liabilities	10	29,612,650
Deferred taxation	17	95,451
		<u>29,708,101</u>
Current liabilities		
Trade and other payables	11	8,919,129
Current portion of lease liabilities	10	3,946,066
		<u>12,865,195</u>
Total equity and liabilities		<u><u>3,044,429,685</u></u>
Contingencies and commitments		

The annexed notes from 1 to 25 form an integral part of these financial statements.



Chief Executive



Director

Punjab Life Insurance Company Limited
Statement of profit or loss
For the period ended December 31, 2025

		From August 12, 2025 to December 31, 2025
	Note	Rupees
Investment income	13	21,639,785
Administration expenses	14	(14,485,396)
Other operating expenses	15	(3,472,237)
Profit before finance costs		3,682,152
Finance costs	16	(1,070,293)
Profit before taxation		2,611,859
Income tax	17	(755,470)
Profit after taxation		1,856,389

The annexed notes from 1 to 25 form an integral part of these financial statements.



Chief Executive



Director

Punjab Life Insurance Company Limited
Statement of comprehensive income
For the period ended December 31, 2025

From August
12, 2025 to
December 31,
2025
Rupees

Profit after taxation	1,856,389
Other comprehensive income	
Items that will not be reclassified to statement of profit or loss	-
Items that will may be reclassified to statement of profit or loss	-
Total comprehensive income for the period	<u>1,856,389</u>

The annexed notes from 1 to 25 form an intergral part of these financial statements.

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Chief Executive



Director

Punjab Life Insurance Company Limited
Statement of changes in equity
For the period ended December 31, 2025

	<i>Revenue reserve</i>	
Share capital	Unappropriated profit	Total
(Rupees)		

Balance as at August 12, 2025

- - -

Transaction with owners

Issuance of shares

3,000,000,000 - 3,000,000,000

Total comprehensive income

Profit after taxation

Other comprehensive income

-	1,856,389	1,856,389
-	-	-
-	1,856,389	1,856,389

Balance as at December 31, 2025

3,000,000,000	1,856,389	3,001,856,389
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The annexed notes from 1 to 25 form an integral part of these financial statements.

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Chief Executive



Director

Punjab Life Insurance Company Limited
Statement of cash flows
For the period ended December 31, 2025

		From August 12, 2025 to December 31, 2025 Rupees
	Note	
Cash flow from operating activities		
Profit before taxation		2,611,859
Depreciation on equipment	4	3,664
Depreciation on right of use assets	4	602,403
Amortised during the period on investment in government securities	5	(6,787)
Finance costs	16	1,070,293
Operating cash flows before working capital changes		4,281,431
Effect on cash flows due to working capital changes		
<i>(Increase) / decrease in current assets:</i>		
Other receivables	6	(25,041,278)
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	11	8,919,129
Net cash used in working capital changes		(16,122,149)
Cash (used in) operating activities		(11,840,718)
Income tax paid	7	(2,363,938)
Finance costs paid	16	(1,070,293)
Net cash (used in) operating activities		(15,274,949)
Cash flow from investing activities		
Additions in operating fixed assets	4	(477,861)
Investment in government securities	5	(299,292,600)
Net cash (used in) investing activities		(299,770,461)
Cash flow from financing activities		
Proceeds against issuance of shares		3,000,000,000
Lease liabilities paid	10	(863,531)
Net cash generated from financing activities		2,999,136,469
Net increase in cash and cash equivalents		2,684,091,059
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	8	2,684,091,059

The annexed notes from 1 to 25 form an integral part of these financial statements.

no



Chief Executive



Director

Punjab Life Insurance Company Limited
Notes to the financial statements
For the period ended December 31, 2025

1 Legal status and nature of business

- 1.1** Punjab Life Insurance Company Limited (the "Company") was incorporated in Pakistan on August 12, 2025 as a public limited company under the Companies Act, 2017. The registered office of the Company is located at 50 F, Gulberg II, Lahore.

The Company was in the process of obtaining regulatory authorization to operate as a life insurance entity from the Securities and Exchange Commission of Pakistan (the Commission) under the Insurance Ordinance, 2000. Subsequent to reporting date, an application for a license to undertake life and related lines of insurance business was filed with the Commission and accordingly the Commission issued license to the Company on March 24, 2026 to carry out all classes of life insurance business in accordance with Insurance Ordinance, 2000.

- 1.2** These financial statements have been prepared from date of incorporation, i.e. August 12, 2025 to December 31, 2025.

- 1.3** Section 46 of the Insurance Ordinance, 2000 ("the Ordinance") sets out the accounting and reporting requirements of an "insurer" and lays down the requirement to prepare various statements based on whether the insurer is carrying on business of life insurance or non-life insurance. Rule 19 of the Insurance Rules, 2017 ("the Rules") read with Annexure II to the Rules sets out the details of statements.

Section 46 read with Rule 19 of the Rules and Annexure II to the Rules, oblige the Insurers to prepare and submit statements thereunder. The term "insurer" has been defined in Section 2(XXXI) of the Ordinance and the term insurer only covers a company which is carrying on the business of insurance in Pakistan.

The Company was incorporated with the object to carry on life insurance business. The Company was granted licence as an insurer subsequent to reporting date and remains in the pre-operating stage. Accordingly, these financial statements have not been prepared in accordance with the requirements of the Insurance Ordinance, 2000, Insurance Rules, 2017 and Statement of Compliance for insurers as mentioned in the Circular No. 04 / 2018 dated March 26 , 2018 issued by the Institute of Chartered Accountants of Pakistan. Therefore, financial statements of the Company would be prepared in accordance with the requirements of the Insurance Ordinance, 2000, Insurance Rules, 2017 once the Company has been granted licence by the Securities and Exchange Commission of Pakistan.

2 Basis of preparation

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except investment in government securities which is carried at fair market value.

2.2 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The Company was incorporated with the view to carry on insurance business. The Company was issued insurers' license subsequent to reporting date and is yet to undertake the business of insurance in Pakistan.

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Accordingly, these financial statements have not been prepared in accordance with the requirements of Insurance Ordinance, 2000, Insurance Rules, 2017 and statement of compliance for insurers as mentioned in the circular no. 4 / 2018 dated 26 March 2018 issued by the Institute of Chartered Accountants of Pakistan

2.3 Functional and presentation currency

These financial statements are presented in Pak rupee, which is the functional and presentation currency for the Company.

2.4 Standards, interpretations and amendments to published accounting and reporting standards that are effective during the period

There were certain amendments to accounting and reporting standards which became effective on the Company for the current period. However, since the Company has not yet commenced its operations, these amendments have no impact on the Company's financial reporting and, accordingly, have not been disclosed in these financial statements.

2.5 Standards, interpretations and amendments to published accounting and reporting standards that are not effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2025:

- Amendments to IAS 21 - Lack of exchangeability: This amendments provides guidance to help entities when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments: These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2026:

- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17).
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments.
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7).
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' - Contracts Referencing Nature-dependent Electricity.

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2027:

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- IFRS 19 Subsidiaries without Public Accountability- Disclosures and Basis for Conclusions.
- IFRS 18 Presentation and Disclosure in Financial Statements- Disclosures and Basis for Conclusions.

The above standards, interpretations and amendments are not likely to have an impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards.
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures
- IFRS S1 – General Requirements for Disclosure of Sustainability - Related Financial Information
- IFRS S2 – Climate - Related Disclosures

2.6 Applicability of IFRS 17 and IFRS 9

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1336 (I)/2025 dated July 23, 2025 IFRS 17 'Insurance Contracts', is applicable to the companies engaged in insurance/takaful and re-insurance/re-takaful business from financial years commencing on or after January 01, 2027 and the Commission has directed that the applicability period of optional temporary exemption from applying IFRS 9 Financial Instrument as given in para 20A of IFRS 4 - Insurance Contracts is extended for annual periods beginning before January 01, 2027, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS-17.

The companies subject to the requirement of SRO will also be required to adopt requirements of IFRS-9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

2.7 Significant accounting judgments and critical accounting estimates / assumptions

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are relevant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

	Note
- Residual value and useful lives of property, plant and equipment	3.1
- Measurement and recognition of investments	3.3
- Income tax	3.4

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2.8 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Material accounting policies information

3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation.

Depreciation is charged to the statement of profit or loss using the reducing balance method over the estimated useful lives of the assets at the rates disclosed in note 4 to the financial statements. A full month's depreciation is charged in the month of acquisition, whereas no depreciation is charged in the month of disposal.

Maintenance and routine repairs are expensed as incurred. Major renewals and improvements that extend the useful life of an asset are capitalized. Any gain or loss arising on the disposal of property and equipment is recognized in the income of the current period.

3.2 Leases

- At the inception of a contract, the Company assesses whether a contract is or contains lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.
- The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct cost incurred less any lease incentive received. The right of use asset is subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability, if any. The right of use assets is depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or cost of the right of use asset reflects that the Company will exercise a purchase option.

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- In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. Right of use asset is disclosed in the property, plant and equipment as referred to in note 6 of the financial statements.
- The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company has used its incremental borrowing rate as the discount rate for leases where rate is not readily available. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.
- The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.
- When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero. Refer note 12 to these financial statements for disclosure of lease liability.

3.3 Investments

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

Initial recognition

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

Subsequent measurement

Held to maturity

Subsequently, these are measured at amortised cost less provision for impairment, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortised over the term of investment using the effective interest method.

Available-for-sale

Investments classified as available-for-sale are subsequently measured at market value in accordance with the requirements of the Insurance Accounting Regulations, 2017 and the unrealised gain or loss is recognised in other comprehensive income.

Fair value through profit or loss

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

Fair / market value measurement

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

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Date of recognition

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

3.4 Taxation

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

Current taxation

Current tax is the amount of tax payable on taxable income for the period, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous periods. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred taxation

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of all deferred tax assets 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 assets to be utilized. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

3.5 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash at bank in current and saving accounts and cash in hand from the date of acquisition.

3.6 Other 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 the goods and/or services received, whether or not billed to the Company.

3.7 Financial Instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual right to future cash flows from the asset expires or is transferred along with the risks and rewards of the asset. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of the financial assets and liabilities is recognized in the profit and loss account of the current period.

Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set off and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.8 Investment Income

- Come from held to maturity investments is recognized on a time proportion basis taking into account the effective yield on the investments. The difference between the redemption value and the purchase price of the held to maturity investments is amortized and taken to the profit and loss account over the term of the investment.
- Income on profit and loss sharing bank accounts are recognised on accrual basis using the effective interest rate method.

4 Property and equipment

Operating fixed assets
Right-of-use assets

Note	2025 Rupees
	474,197
	<u>33,819,844</u>
4.1	<u><u>34,294,041</u></u>

FD

4.1 Operating fixed assets

Description	Tangible							Depreciation rate	
	Cost			Depreciation			Written down value as at December		
	As at January 01, 2025	Additions	Disposal	As at December 31, 2025	Charge for the period	Disposal			As at December 31, 2025
							Rupees		
Owned assets									
Office equipment	-	477,861	-	477,861	-	3,664	3,664	474,197	20%
Right-of-use assets									
Office premises	-	34,422,247	-	34,422,247	-	602,403	602,403	33,819,844	20%
	-	34,900,108	-	34,900,108	-	606,067	606,067	34,294,041	

4.2 Depreciation on has been allocated to "Marketing and administration expenses". *TH*

		2025	
		Note	Rupees
5	Investment in government securities		
	<i>Investment in Pakistan investment bonds - at held to maturity</i>		
	Face value of investment		300,000,000
	Less: Discount on investments	5.5	(700,613)
	Carrying value of investment		<u>299,299,387</u>
5.1	Particulars of government securities		
		Maturity year	Tenure
		Effective yield (%)	Profit payment
	Pakistan investment bonds	<u>2028</u>	<u>3 years</u>
		<u>10.6%</u>	<u>Semi-annual</u>
5.2	This represents accrued profit / return on Pakistan Investment Bonds at the time making investments, i.e. July 17, 2025 to December 22, 2025.		
5.3	The Company has deposited / made investments in Pakistan investment bonds for a period of three years having face value of Rupees 300 million with State Bank of Pakistan to comply with the statutory requirements of Section 29 of the Insurance Ordinance, 2000.		
5.4	Investments in Pakistan Investment Bonds are classified as Held to Maturity. Accordingly, fair value gain of Rupees 666,581 has not been recognised in these financial statements. The fair value of investment as at reporting date was Rupees 299,965,976.		
5.5	Discount on investments		2025 Rupees
	Discount on investments at the beginning of the period		-
	Discount on investments originated during the period		<u>707,400</u>
			<u>707,400</u>
	Amortised during the period		<u>(6,787)</u>
	Discount on investments at the end of the period		<u>700,613</u>
6	Other receivables		
	Security deposit against office premises		1,286,200
	Accrued return on deposits		9,455,753
	Accrued return on investment in Pakistan Investment bond		<u>14,299,325</u>
			<u>25,041,278</u>
7	Advance income tax		
	Balance at the beginning of the period		-
	Paid during the period		<u>2,363,938</u>
			<u>2,363,938</u>
	Adjustment against income tax payable		<u>(660,019)</u>
	Balance at the end of the period		<u>1,703,919</u>
8	Cash and bank balances		
	Cash in hand		153,606
	Cash at bank:		
	- Current accounts		96,277
	- Savings accounts	8.1	<u>2,683,841,176</u>
			<u>2,683,937,453</u>
			<u>2,684,091,059</u>

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9.4 The shareholdings of the Company is as follows:

	2025 Rupees
10 Lease liabilities	
Lease liabilities against right-of-use assets	33,558,716
Current portion of lease liabilities	(3,946,066)
	<u>29,612,650</u>

10.1 Movement of lease liabilities is as follows:

Set out below are the carrying amounts of lease liabilities recognized and the movements during the

Balance at the beginning of the period	
Liabilities recognized during the period	
Accretion of interest	
Payments made during the period	
Balance at the end of the period	

	2025
	Rupees
	33,558,716
	(3,946,066)
	29,612,650
	-
	34,422,247
	1,065,769
	(1,929,300)
	33,558,716

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- 10.2** The Company has entered into lease arrangement with owner of rented premise under operating lease. The liabilities under the arrangement is payable in quarterly instalments and below mentioned mark-up rate has been used as discounting factor to determine the present value of minimum lease payments. The effective interest rate used as the discounting factor was 13.12% (2024: NA) per annum for rented premises.

10.3 Maturity analysis of lease liabilities

A reconciliation between the total of future minimum lease payments and their present values at reporting date is as follows:

2025		
Minimum lease payments	Future finance cost	Present value of minimum lease payment
Rupees		
Not later than one year	7,910,130	3,964,064
Later than one year and not later than five years	37,274,850	7,662,200
Over five years	-	-
	<u>45,184,980</u>	<u>33,558,716</u>

	Note	2025 Rupees
11 Trade and other payables		
Accrued liabilities	11.1	6,391,658
Withholding income tax payable		2,475,234
Workers' welfare fund payable		52,237
		<u>8,919,129</u>

- 11.1** This includes Rupees 4,929,249 payable to the Bank of Punjab against shared expenses paid by the Bank during the period.

	2025 Rupees
11.2 Workers' welfare fund payable	
Opening balance	-
Charge for the year	52,237
	<u>52,237</u>
Less: Payments made during the year	-
Closing balance	<u>52,237</u>

12 Contingencies and commitments

- 12.1** There was no contingency or commitment to report as at reporting date.

	From August 12, 2025 to December 31, 2025 Rupees
13 Investment income	
Return on government securities	689,271
Return on bank balances	20,943,727
Amortisation of discount on investments	6,78
	<u>21,639,7</u>

		From August 12, 2025 to December 31, 2025	
		Note	Rupees
14	Administration expenses		
	Salaries, wages and other benefits	14.1	12,429,249
	Travelling and conveyance		380,768
	Brokerage commission		321,550
	Transportation		480,000
	Repair and maintenance		246,394
	Printing and stationery		21,369
	Depreciation of owned assets	4	3,664
	Depreciation of right of use assets	4	602,403
			<u>14,485,396</u>
14.1	Salaries, Wages and other benefits for the period which includes Rupees 4.9 million charged by the Bank of Punjab against shared expenses, i.e. Personnel costs during the period under an agreement executed with the Bank of Punjab.		
			From August 12, 2025 to December 31, 2025
		Note	Rupees
15	Other operating expenses		
	Legal and professional		3,000,000
	Auditors' remuneration	15.1	420,000
	Workers' welfare fund	11.0	52,237
			<u>3,472,237</u>
15.1	Auditors' remuneration		
	Statutory audit fee		315,000
	Certificates and other services		105,000
			<u>420,000</u>
16	Finance costs		
	Markup on lease liabilities		1,065,769
	Bank commission and other charges		4,524
			<u>1,070,293</u>
17	Income tax expense		
	Current taxation		
	For the period	17.1	660,019
	Deferred taxation	17.4	95,451
			<u>755,470</u>
17.1	Current period's provision for taxation has been charged on the basis of tax on taxable income by applying applicable income tax rate. During the year, owing to application of normal tax; the liability in respect to income tax expense has been classified as Income tax payable owing to application of normal tax in terms of the requirements of interpretation issued by International Financial Reporting Interpretation Committee (IFRIC) 21.		
17.2	Reconciliation of current tax charge charged as per tax laws for the period with current tax recognised in statement of profit of loss is as follows:		

120

From August 12,
2025 to
December 31,
2025
Rupees

Current tax liability for the period as per applicable tax laws	660,019
Portion of current tax liability as per tax laws, representing income tax	(660,019)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of International Financial Reporting Interpretation Committee 21/International Accounting Standard 37, Provision, contingent liabilities and contingent assets.	-
	-

17.3 Relationship between tax expense and accounting profit

Profit before taxation / result of operating activities	2,611,859
Tax at the applicable rate at the rate of 29%	757,439
Effect of income/expenses not allowed for tax	484,832
Effect of income / expenses allowed under tax	(582,252)
Tax expense for the period	660,019

17.4 Deferred taxation

Deferred tax liability	95,451
Taxable / (deductible) temporary differences	
Accelerated tax depreciation	19,724
Right of use assets	9,807,755
Lease liabilities	(9,732,028)
	95,451

18 Related parties

Related parties comprise of directors of the Company, associated undertakings, key management personnel and relative of the key management personnel and directors of the company. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Name and nature of related parties

Name of related party	Basis of relationship
Government of the Punjab	Parent
The Bank of Punjab	Associate

18.2 Detail of transactions with related parties are as follows:

From August 12,
2025 to
December 31,
2025
Rupees

Nature of Transaction	Relationship	Rupees
Transactions with related parties during the period are as follows:		
Proceeds against issuance of shares	Parent	2,714,999,960
Proceeds against issuance of shares	Associate	285,000,000
Investment in Pakistan Investment Bonds made	Associate	(312,902,654)
Return on bank balances	Associate	20,943,727
Bank commission and other charges	Associate	(4,524)

Nature of Transaction

Relationship

Balances with related parties during the period are as follows:

Bank balances	Associate	2,683,937,453
Payable relating to expenses	Associate	(4,929,249)
Accrued profit on bank balances	Associate	9,455,753

19 Fair value measurement

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

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

19.1 Fair value hierarchy

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

- Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2).
- Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (Level 3).

As at reporting date, the Company does not hold any financial assets measured at fair value. All financial assets, including investments in Pakistan Investment Bonds, are classified as Held to Maturity in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'.

20 Financial Risk Management Objectives and Policies**20.1 Financial risk factors**

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

20.1.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Credit risk of the Company arises principally from trade debts, advances, deposits, other receivables and bank balances.

20.1.1. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk before any credit enhancements at the reporting date was:

22

		2025 Rupees
	Note	
Other receivables	6	15,585,525
Balances with banks	8	2,683,937,453
		<u>2,707,587,060</u>

20.1.1. Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance for developments affecting a particular industry. Maximum exposure to credit risk by type of counterparty is as follows:

		2025 Rupees
	Note	
Other receivables	6	14,299,325
Balances with banks	8	2,683,937,453
		<u>2,698,236,778</u>

Out of the total financial assets, credit risk is concentrated in balances with banks they constitutes 99.98% of total financial assets.

20.1.1. Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or historical information about the counterparty default rates. All counterparties, with the exception of customers and utility Companies, have external credit ratings determined by various credit rating agencies and other regulatory authorities. Credit quality of customer is assessed by reference to historical default rates and present ages.

None of the financial assets of the Company are secured or impaired except as those mentioned in these financial statements.

(b) Balances with banks

These include banking companies and financial institutions, which are counterparties to bank balances and deposits. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects the short maturities of the exposures. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Banks	Rating		Rating agency	2025 Rupees
	Short term	Long term		
The Bank of Punjab	A-1+	AA+	PACRA	<u>2,683,937,453</u>

20.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's liquidity management involves forecasting future cash flow requirements, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

no

20.2.1 Exposure to liquidity risk

Following are the contractual maturities of the financial liabilities (based on the remaining period as of the period-end), including interest obligations:

	Carrying amount	Contractual cash flows	One year or less	One to two years	Two to five years
	(Rupees)				
December 31, 2025					
Financial liabilities					
Lease liabilities	33,558,716	(33,558,716)	(3,946,066)	(5,346,860)	(24,265,790)
Trade and other payables	6,391,658	(6,391,658)	(6,391,658)	-	-
	<u>39,950,373</u>	<u>(39,950,373)</u>	<u>(10,337,724)</u>	<u>(5,346,860)</u>	<u>(24,265,790)</u>

20.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. The Company is exposed to interest rate risk.

20.3.1 Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

The Company has significant long-term and short-term interest-bearing assets. The Company's interest rate risk arises from lease liabilities. At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Note	2025 Rupees
Fixed rate instruments		
Financial asset		
Investment in government securities	5	299,299,387
Financial liabilities		
Lease liabilities	10	33,558,716
Floating rate instruments		
Financial assets		
Bank balances	8	2,683,841,176

Cash flow sensitivity analysis for floating rate instruments

The following analysis demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the company's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the whole period.

		Changes in interest rate %	Effects on profit before tax Rupees
Financial assets			
Bank balances	2025	+1.5	40,257,618
		-1.5	(40,257,618)

- Fair value sensitivity analysis for fixed rate instruments

Fixed rate financial assets are carried in held to maturity category. Therefore, a change in interest rates at reporting date would not affect profit and loss account.

TW

20.4 Fair values of financial assets and liabilities

Financial assets and liabilities	Available for sale	Fair value through profit or loss	Held to maturity	Loan and receivables	Other financial liabilities	Total
	Rupees					
December 31, 2025						
Investment in government securities	-	-	299,299,387	-	-	299,299,387
Other receivables	-	-	-	15,585,525	-	15,585,525
Bank balances	-	-	-	2,683,937,453	-	2,683,937,453
	-	-	299,299,387	2,699,522,978	-	2,998,822,366
Lease liabilities	-	-	-	-	(29,612,650)	(29,612,650)
Trade and other payables	-	-	-	-	(6,391,658)	(6,391,658)
	-	-	-	-	(36,004,307)	(36,004,307)
	-	-	299,299,387	2,699,522,978	(36,004,307)	2,962,818,058

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20.5 Capital Management

The Company goals and objectives when managing capital are:

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

As prescribed by SECP, the Company is required to maintain the minimum capital and to comply with the solvency requirements both for shareholders' and statutory funds in accordance with the Insurance Ordinance, 2000 and Insurance Rules, 2017. The Company has not yet commenced its commercial operations, these funds have not been formally established as of December 31, 2025.

	2025 Rupees
Debt	-
Equity	3,001,856,389
Total capital employed	3,001,856,389
Debt to equity ratio	-

21 Remuneration of directors and executives

- 21.1** The aggregate amount charged to statement of profit or loss in respect of Chief Executive on account of managerial remuneration, allowances and perquisites with respective number of is as follows.

	From August 12, 2025 to December 31, 2025 Rupees
Managerial remuneration	7,500,000
Other benefits	316,768
	7,816,768

- 21.2** No remuneration was paid to directors of the Company whereas the Company does not employ any executive during the period.

	2025 Number
22 Number of employees	
Number of persons at period end	1
Average number of employees at the end of period	1

23 Subsequent event

Subsequent to reporting date, an application for a license to undertake life and related lines of insurance business was filed with Securities and Exchange Commission of Pakistan (the Commission) and accordingly the Commission has issued license to the Company on March 18, 2026 to carry out all classes of life insurance business in accordance with Insurance Ordinance, 2000.

Two

24 Date of authorisation of issue

24.1 These financial statements were authorised for issue on 13 APR 2026 by the Board of Directors of the Company.

25 General

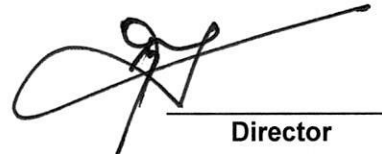
25.1 Figures have been rounded off to the nearest rupees, unless otherwise stated.

25.2 There are no corresponding figures as the Company was incorporated during the current period.

Two



Chief Executive



Director