



Habib Insurance
Est. 1942

Habib Insurance Company Limited

**Accounts for the Half Year ended
June 30, 2023
(Unaudited)**

Habib Insurance Company Limited

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Habib Insurance Company Limited

Company Information

Board of Directors

Chairman	:	Rafiq M. Habib
Directors	:	Mansoor G. Habib Muhammad Hyder Habib Qumail R. Habib Aun Mohammad A. Habib Shahid Ghaffar Ali Fadoo Maleeha Humayun Bangash Shabbir Gulamali
Chief Executive	:	Syed Ather Abbas
Chief Financial Officer	:	Murtaza Hussain
Company Secretary	:	Muhammad Maaz Akbar
Auditors	:	M/s. Grant Thornton Anjum Rahman Chartered Accountants
Share Registrar	:	M/s. CDC Share Registrar Services Limited CDC House, 99-B, Block-B SMCHS, Main Shahrah-e-Faisal Karachi-74400
Registered Office	:	1st Floor, State Life Bldg. No. 6 Habib Square, M. A. Jinnah Road P.O. Box 5217, Karachi-74000 Pakistan Tel : (92-21) 32424030/38/39 Fax : (92-21) 32421600 UAN : (92-21) 111 03 03 03 Website : www.habibinsurance.net

Habib Insurance Company Limited

DIRECTORS' REVIEW

The Directors are pleased to present the unaudited accounts of the Company for the period ended June 30, 2023.

Reviewing the underwriting results for the 1st half of the year, by the Grace of Allah, the written gross premium grew by 15% from Rs. 1.16 billion to Rs. 1.3 billion with net premium revenue also rising from Rs. 639.6 million to Rs. 914.9 million, an increase to 43%. The underwriting loss of the Company for the period was Rs. 102.5 million primarily due higher claims in marine & motor class of business and higher expenses recorded in the period.

Investment Income for the period under review was Rs. 139.6 million as compared to Rs. 29.6 million of last year. A positive factor has been the growth of the KSE 100 Index rising to 47000 points.

As a result, the profit after tax was Rs. 59.1 million with an earning of Rs. 0.48 per share after tax.

We pray to Allah for peace and prosperity within the Country and also for successful year closing of the Company with improvement in underwriting results and with stable investment income.

On behalf of the Board of Directors

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

Karachi: August 29, 2023

حبیب انشورنس کمپنی لمیٹڈ ڈائریکٹرز کا جائزہ

ڈائریکٹرز ۳۰ جون ۲۰۲۳ء کو ختم ہونے والی مدت کے لئے کمپنی کے غیر آڈٹ شدہ حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

سال کی پہلی ششماہی کے لئے زیر تحریر نتائج کا جائزہ لیتے ہوئے اللہ تعالیٰ کے فضل و کرم سے زیر تحریر مجموعی پریمنٹم 15 فیصد تک بڑھ کر 1.16 بلین روپے سے 1.30 بلین روپے ہو گیا اس کے ساتھ خالص پریمنٹم آمدنی بھی 639.6 ملین روپے سے بڑھ کر 914.9 ملین روپے ہو گئی اور اس طرح 43 فیصد کا اضافہ ہوا۔ اس مدت کیلئے کمپنی کے زیر تحریر خسارہ 102.5 ملین روپے رہا جس کی بنیادی وجہ کاروبار کے میرین اور موٹر کلاس میں بلند تر گلیمز کا آنا اور مدت میں بھاری اخراجات کا ہونا تھا۔

زیر جائزہ مدت کے لئے سرمایہ کاری کی آمدنی 139.6 ملین روپے رہی جو اس کے مقابلے میں گزشتہ مدت کے دوران 29.6 ملین روپے رہی۔ ایک مثبت عنصر KSE 100 انڈیکس کی گروتھ تھا جو بڑھ کر 47000 پوائنٹس ہو گیا۔

اس کے نتیجے میں منافع بعد از ٹیکس 59.1 ملین روپے رہا، 0.48 روپے فی شیئر کی آمدنی کے ساتھ۔ ہم اللہ تعالیٰ سے ملک میں امن اور خوشحالی کیلئے دعا گو ہیں اور اس کے ساتھ زیر تحریر نتائج میں بہتری مع مستحکم سرمایہ کاری کی آمدنی کے ساتھ کمپنی کے کامیاب سال کے اختتام کی بھی دعا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

سید اطہر عباس
چیف ایگزیکٹو

عون محمد اے۔ حبیب
ڈائریکٹر

کراچی:
۲۹ اگست ۲۰۲۳ء

Habib Insurance Company Limited

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Habib Insurance Company Limited

Report on review of condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Habib Insurance Company Limited** ("the Company") as at June 30, 2023 and the related condensed interim of profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flows statement and condensed interim statement of changes in equity, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the three months period ended June 30, 2023 and June 30, 2022 in the condensed interim financial statements have not been reviewed and we do not express a conclusion on them.

The condensed interim financial statement of the Company for the six months period ended June 30, 2022 and the annual financial statements for the year ended December 31, 2022 were reviewed and audited by another firm of Chartered Accountant who in their report dated August 30, 2022 and May 08, 2023 expressed unqualified conclusion and unmodified opinion thereon respectively.

The engagement partner on the audit resulting in this independent auditors' report is **Muhammad Khalid Aziz**.

Chartered Accountants

Place: Karachi

Date: August 29, 2023

UDIN: RR202310154jBxuaorw1

Habib Insurance Company Limited

Condensed Interim Statement of Financial Position (Unaudited) As at June 30, 2023

	Note	(Unaudited) June 30, 2023	(Audited) December 31, 2022
(Rupees in '000)			
Assets			
Property and equipment	7	67,159	56,102
Intangible assets		340	449
Investments			
Equity securities	8	760,591	821,124
Government securities	9	744,902	715,268
Term finance certificate	10	150,000	100,573
Loans, deposits and other receivables	11	136,764	182,727
Insurance/ reinsurance receivables	12	826,561	886,380
Reinsurance recoveries against outstanding claims	21	683,257	637,543
Salvage recoveries accrued		81,810	38,933
Deferred commission expense	22	135,116	146,080
Prepayments	13	358,153	525,417
Deferred taxation - net		8,615	—
Taxation - payment less provision		11,498	5,835
Cash and bank	14	25,242	306,241
		3,990,008	4,422,672
Total Assets of Window Takaful Operations - Operator's Fund		155,822	120,967
Total assets		4,145,830	4,543,639
EQUITIES AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	15	619,374	619,374
Reserve	16	416,632	414,961
Unappropriated profit		65,630	133,967
Total Equity		1,101,636	1,168,302
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	21	1,103,166	959,567
Unearned premium reserves	20	907,548	1,202,472
Premium deficiency reserves		976	6,188
Unearned reinsurance commission	22	95,371	156,637
Retirement benefit obligations		144,544	130,311
Deferred taxation - net		—	17,290
Lease Liability against right of use assets		40,507	30,908
Borrowings	14.1	105,970	—
Premium received in advance		66,418	60,189
Insurance/ reinsurance payables	17	249,945	425,363
Other creditors and accruals	18	239,287	303,447
Total liabilities of conventional		2,953,732	3,292,372
Total liabilities of Window Takaful Operations - Operator's Fund		90,462	82,965
Total liabilities		3,044,194	3,375,337
Total Equity and Liabilities		4,145,830	4,543,639
Contingencies and commitments	19		

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the six months period ended June 30, 2023

	Note	(Unaudited) Three months period ended June 30,		(Unaudited) Six months period ended June 30,	
		2023	2022	2023	2022
		(Rupees in '000)		(Rupees in '000)	
Net insurance premium	20	349,095	287,713	764,559	556,786
Net insurance claims	21	(221,916)	(138,309)	(485,392)	(279,811)
Reversal of premium deficiency		5,212	6,324	5,212	6,324
Net commission revenue	22	408	14,855	11,302	34,258
Insurance claims and acquisition expenses		(216,296)	(117,130)	(468,878)	(239,229)
Management expenses		(205,835)	(161,094)	(398,216)	(300,819)
Underwriting results		(73,036)	9,489	(102,535)	16,738
Investment income - net	23	78,521	(31,491)	139,618	29,565
Other income	24	9,230	3,641	20,072	5,542
Other expenses		(5,591)	(3,305)	(7,935)	(5,263)
Results of operating activities		9,124	(21,666)	49,220	46,582
Finance costs		(2,017)	(1,050)	(2,738)	(2,058)
Profit / (loss) before tax from Window Takaful Operations - Operator's Fund		16,856	779	38,533	(1,628)
Profit / (loss) before tax		23,963	(21,937)	85,015	42,896
Income tax expense		(9,765)	5,888	(25,930)	(10,379)
Profit / (loss) after tax		14,198	(16,049)	59,085	32,517
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit and loss account</i>					
Unrealised (loss) / gain on revaluation of available-for-sale investments		7,713	104,737	(74,948)	(83,597)
Less: Net (loss) / gain transferred to profit and loss on disposal / redemption / impairment of investments		(268)	35,377	(654)	19,632
Related tax impact		7,445	140,114	(75,602)	(63,965)
		1,528	18,866	27,273	18,550
		8,973	158,980	(48,329)	(45,415)
Other comprehensive income / (loss) from window takaful operations - Operator's		-	-	-	-
Other comprehensive (loss) / income for the period		8,973	158,980	(48,329)	(45,415)
Total comprehensive income / (loss) for the period		23,171	142,931	10,756	(12,898)
Earning / (loss) per share - Rupees	25	Rupees		Rupees	
		0.11	(0.13)	0.48	0.26

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Changes in Equity (Unaudited) For the six months period ended June 30, 2023

	Attributable to equity holders of the Company					Total Equity
	Share capital	Capital Reserves Reserve for exceptional losses	Revenue Reserves		Unappropriated profit	
			General reserve	Available for sale reserve		
	(Rupees in '000)					
Balance as at January 01, 2022	619,374	9,122	255,000	228,932	142,646	1,255,074
Profit after tax for the period	-	-	-	-	32,517	32,517
Other comprehensive income for the period (net unrealized loss on revaluation of available for sale investments)	-	-	-	(45,415)	-	(45,415)
Total comprehensive income for the period	-	-	-	(45,415)	32,517	(12,898)
Final dividend of Rs. 0.625 per share for the year ended December 31, 2021	-	-	-	-	(77,422)	(77,422)
Transfer to general reserve	-	-	50,000	-	(50,000)	-
Balance as at June 30, 2022	619,374	9,122	305,000	183,517	47,741	1,164,754
Balance as at January 01, 2023	619,374	9,122	305,000	100,839	133,967	1,168,302
Profit after tax for the period	-	-	-	-	59,085	59,085
Other comprehensive income for the period-net of tax (net unrealized loss on revaluation of available for sale investments)	-	-	-	(48,329)	-	(48,329)
Total comprehensive income for the period	-	-	-	(48,329)	59,085	10,756
Transactions with owners directly recorded in equity						
Final dividend of Rs. 0.625 per share for the year ended December 31, 2022	-	-	-	-	(77,422)	(77,422)
Transfer to general reserve	-	-	50,000	-	(50,000)	-
Balance as at June 30, 2023	619,374	9,122	355,000	52,510	65,630	1,101,636

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Cash Flow (Unaudited) For the six months period ended June 30, 2023

	(Unaudited) June 30, 2023	(Unaudited) June 30, 2022
Note	(Rupees in '000)	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	1,185,877	1,113,427
Reinsurance premium paid	(662,888)	(480,083)
Claims paid	(869,581)	(577,644)
Reinsurance and other recoveries received	439,197	364,270
Commission paid	(195,060)	(142,360)
Commission received	122,762	122,371
Net cash flows from underwriting activities	20,307	399,981
(b) Other operating activities		
Income tax paid	(18,727)	(25,883)
Other operating payments	(354,819)	(213,447)
Other operating receipts	5,161	2,030
Loans advanced	(4,327)	(3,894)
Loan repayment received	2,322	7,303
Net cash flow from other operating activities	(370,390)	(233,891)
Total cash flow from all operating activities	(350,083)	166,090
Investment activities		
Profit / return received	36,392	12,808
Dividend received	66,955	85,841
Payment for investments	(376,065)	(715,854)
Proceeds from investments	324,922	514,914
Fixed capital expenditure	(7,886)	(6,325)
Proceeds from sale of property, plant and equipment	319	2,067
Total cash flow from investing activities	44,637	(106,549)
Financing activities		
Rentals paid	(6,921)	(2,388)
Dividends paid	(74,602)	(74,134)
Total cash flows from financing activities	(81,523)	(76,522)
Net cash flows from all activities	(386,969)	(16,981)
Cash and cash equivalents at beginning of year	306,241	88,566
Cash and cash equivalents at end of period	14.1 (80,728)	71,585
Reconciliation to profit and loss account		
Operating cash flows	(350,083)	166,090
Depreciation and amortisation expense	(10,770)	(9,399)
Income tax paid	18,727	25,883
Provision for gratuity	(15,057)	(12,414)
Reversal / (provision) for impairment	80	(46,172)
Gratuity paid	825	-
Profit/ return received	36,392	12,808
Dividends received	66,955	85,841
Gain / (loss) on sale of investments	654	(19,632)
Financial charges expense	(2,738)	(2,058)
Profit on disposal of property, plant and equipment	12	220
Provision of taxation	(25,930)	(13,979)
Profit/ (loss) from window Takaful Operations - Operator's Fund	38,533	(1,628)
Increase / (decrease) in assets other than cash	(181,140)	(252,617)
(Increase) / decrease in liabilities other than borrowings	482,625	99,574
Profit after taxation	59,085	32,517

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Notes to the Condensed Interim Financial Statements for the six month period ended June 30, 2023 (Unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Habib Insurance Company Limited (the Company) was incorporated as a Public Limited Company in the year 1942 under the Companies Act, 1913 (now the Companies Act, 2017). The registered office of the Company is situated at Habib Square, M.A. Jinnah Road, Karachi and the shares of the Company are quoted on the Pakistan Stock Exchange Limited. The Company is engaged in general insurance business comprising of Fire and property, Marine and transport, Motor, Group hospitalization and other classes.

The Company, as an Operator, was allowed to work as Window Takaful Operator on July 18, 2018 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations (WTO) in Pakistan. The registered office of the Operator is situated at Habib Square, M.A. Jinnah Road, Karachi.

- 1.2 The Company operates through the following locations in Pakistan;

Locations	Address
Head Office	State Life Building No. 6, Habib Square, M.A. Jinnah Road, Karachi.
Karachi Branches	Head Office: State Life Building No. 6A Habib Square, M.A. Jinnah Road, Karachi.
Rawalpindi Branch	1st Floor, Majeed Plaza, Bank Road, Rawalpindi Cantt.
Dera Ghazi Khan Branch	Block No. 17, Jampur Road, Dera Ghazi Khan.
Faisalabad Branch	Fatima Tower, 2nd Floor, Kohinoor Plaza, Faisalabad. P-6161, West Canal Road.,
Multan Branch	Fiesta Gardens, OPP Income, Tax Office, L.M.Q. Road, Multan.
Lahore Branch	320-G3, Main Boulevard, Johar Town, Lahore.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017, Takaful Rules 2012 and General Takaful Accounting Regulations 2019.

Where the provisions and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017, Takaful Rules 2012, General Takaful Accounting regulations 2019 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017, Takaful Rules 2012 and General Takaful Accounting Regulations 2019 have been followed.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31 2022.

- 2.3 As required under regulations 6(3) of the General Takaful Accounting Regulations, 2019, total assets, liabilities and profit of the Window Takaful Operations - Operator's fund are disclosed as a single line item in condensed interim statement of financial position and condensed interim profit and loss account respectively. Supporting notes where considered necessary for the understanding of the users of these condensed interim financial statements are enclosed as part of notes to these financial statements.

A separate set of financial statements of the Window Takaful operations has been annexed to these condensed interim financial statements as per the requirements of the SECP General Takaful Accounting Regulation 2019.

Habib Insurance Company Limited

2.4 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for the investments which are stated at their fair values.

3. FUNCTIONAL AND PRESENTATION CURRENCY

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

The preparation of these condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2022.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the annual financial statements of the Company for the year ended December 31, 2022.

5. NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATION AND FORTHCOMING REQUIREMENTS

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2023 but are considered not to be relevant or do not have any significant effect on the Company and therefore not stated in these condensed interim financial statements.

5.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective at period end.

There are various amendments to existing accounting and reporting standards that are not yet effective. These are not likely to have a material effect on the company's financial statements except for the following:

Application of IFRS 9 and IFRS 17

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

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

Habib Insurance Company Limited

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

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

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

The table 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.

Financial assets	June 30, 2023 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the year	Carrying value	Cost less Impairment	Change in unrealized gain / (loss) during the year
			(Rupees in '000)		
Cash and bank*	-	-	8,365	-	-
Investment in equity securities - available for sale	760,591	(60,613)	-	-	-
Investments in debt securities - held to maturity	-	-	894,902	-	14,989
Loans and other receivables*	-	-	88,708	-	-
Insurance / reinsurance receivables*	-	-	826,561	-	-
Reinsurance recoveries against outstanding claims*	-	-	683,257	-	-
Salvage recoveries accrued	-	-	81,810	-	-
Window takaful operations - Operator's fund*	-	-	135,986	-	-
	<u>760,591</u>	<u>(60,613)</u>	<u>2,719,589</u>	<u>-</u>	<u>14,989</u>

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Financial assets	December 31, 2022 (Audited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the year	Carrying value	Cost less Impairment	Change in unrealized gain / (loss) during the year
					(Rupees in '000)
Cash and bank*	-	-	303,456	-	-
Investment in equity securities - available for sale	1,210,429	(170,748)	-	-	-
Investments in debt securities - held to maturity	-	-	183,188	-	(5,589)
Loans and other receivables*	-	-	179,781	-	-
Insurance / reinsurance receivables*	-	-	886,380	-	-
Reinsurance recoveries against outstanding claims*	-	-	637,543	-	-
Salvage recoveries accrued	-	-	38,933	-	-
Window takaful operations - Operator's fund*	-	-	97,004	-	-
	<u>1,210,429</u>	<u>(170,748)</u>	<u>2,326,285</u>	<u>-</u>	<u>(5,589)</u>

Gross carrying amounts of debt instruments that pass the SPPI test	June 30, 2023 (Unaudited)					
	AAA	AA+	AA-	Other*	Sovereign Bonds	Unrated/ Unavailable
	(Rupees in '000)					
Cash and bank*	23,514	50	-	-	-	-
Investments in debt securities - held to maturity	-	50,000	100,000	-	744,902	-
Loans and other receivables*	-	-	-	-	-	88,708
Insurance / reinsurance receivables*	-	-	-	-	-	826,561
Reinsurance recoveries against outstanding claims*	-	683,257	-	-	-	-
Salvage recoveries accrued	-	-	-	-	-	81,810
	<u>23,514</u>	<u>733,307</u>	<u>100,000</u>	<u>-</u>	<u>744,902</u>	<u>997,079</u>

Gross carrying amounts of debt instruments that pass the SPPI test	December 31, 2022 (Audited)					
	AAA	AA+	AA-	Other*	Sovereign Bonds	Unrated/ Unavailable
	(Rupees in '000)					
Cash and bank*	303,212	50	-	-	-	-
Investments in debt securities - available for sale	-	-	100,573	-	715,268	-
Loans, deposit and other receivables*	-	-	-	-	-	156,413
Insurance / reinsurance receivables*	-	-	-	-	-	886,380
Reinsurance recoveries against outstanding claims*	-	110,464	-	496,347	-	30,732
Salvage recoveries accrued	-	-	-	-	-	38,933
	<u>303,212</u>	<u>110,514</u>	<u>100,573</u>	<u>496,347</u>	<u>715,268</u>	<u>1,112,458</u>

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

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, IASB issued amendments to IFRS 4 Insurance Contracts in 2017. The two optional solutions raised some considerations which required detailed analysis and management judgement. On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to January 01, 2023 aligned with the effective date of IFRS 17. SECP vide its letter no. ID/MDPRD/IFRS-17/2021/1716 dated June 15, 2021, has intimated a roadmap for the implementation of IFRS 17 – Insurance Contracts and has specified a four-phased approach for the implementation of IFRS 17.

The said four phase approach is as follows:

- a) Phase One: Gap Analysis.
- b) Phase Two: Financial Impact Assessment.
- c) Phase Three: System Design and Methodology.
- d) Phase Four: Parallel Run and Implementation.

Timeline for completion of "Phase One i.e. Gap Analysis" was set at September 30, 2021. The company has submitted Management report over Gap Analysis to SECP within the stipulated time.

SECP vide its letter no. ID/MDPRD/IFRS-17/2022/2392 has set December 31, 2022 as a deadline for the completion of "Phase Two" and also requires the insurers and takaful operators to submit interim submissions for June 30, 2022 and September 30, 2022 demonstrating the progress made in undertaking of Financial Impact Assessment. The company has submitted the first interim submission of FIA on June 30, 2022 however the impact of the application of the IFRS is still in assessment stage.

6. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

Insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2022.

	Note	(Unaudited) June 30, 2023	(Audited) December 31, 2022
		(Rupees in '000)	
7. Property and equipment			
Tangible operating assets		33,372	30,319
Right-of-use assets		33,787	25,783
		67,159	56,102
7.1 Tangible operating Assets			
Opening written down value		30,319	32,702
Additions during the period / year	7.1.1	7,887	9,758
Disposals during the period / year	7.1.2	(307)	(3,547)
Depreciation for the period / year		(4,527)	(8,594)
Closing written down value		33,372	30,319
7.1.1	The following additions were made to tangible-property and equipment during the period / year:		
Furniture and fixtures		3,956	1,898
Computer equipment		481	3,246
Office equipment		1,870	2,422
Motor Vehicles - owned		1,580	2,192
		7,887	9,758

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	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
7.1.2	The following disposals of tangible - operating assets were made during the period / year:	
Furniture and fixtures	–	200
Computer equipment	2	108
Office equipment	22	253
Motor Vehicles - owned	283	2,986
	307	3,547
7.2	Right-of-use assets	
Balance at January 01, 2023	25,783	36,190
Additions during the period / year	14,138	–
Disposals during the period / year	–	(591)
Depreciation charge for the period / year	(6,134)	(9,816)
Balance at June 30, 2023	33,787	25,783

8. INVESTMENT IN EQUITY SECURITIES

	June 30, 2023 (Unaudited)				December 31, 2022 (Audited)			
	Cost	Impairment / provision	Revaluation surplus	Carrying value	Cost	Impairment / provision	Revaluation surplus	Carrying value
	(Rupees in '000)				(Rupees in '000)			
Related Parties								
Listed shares	350,635	–	(38,890)	311,745	350,635	–	11,725	362,360
Others								
Listed shares	322,694	(38,380)	124,335	408,649	322,694	(38,460)	132,668	416,902
Listed preference shares	19,331	–	3,063	22,394	19,331	–	3,921	23,252
Mutual funds	540	–	1,344	1,884	540	–	1,576	2,116
Modaraba certificate								
Others	15,014	–	905	15,919	15,014	–	1,480	16,494
	357,579	(38,380)	129,647	448,846	357,579	(38,460)	139,645	458,764
	708,214	(38,380)	90,757	760,591	708,214	(38,460)	151,370	821,124

9. INVESTMENT IN GOVERNMENT SECURITIES

	Note	(Unaudited) June 30, 2023	(Audited) December 31, 2022
		(Rupees in '000)	
Available for sale			
Pakistan Investment Bonds (PIBs)	9.1	60,587	62,295
Treasury Bills	9.2	684,315	652,973
		744,902	715,268

9.1 This represents PIBs having face value of Rs.70.0 million (market value of Rs.60.587 million) [December 31, 2022: Rs. 70.0 million (market value of Rs.62.295 million)]. These carry mark-up ranging from 10.45% to 13.46% (December 31, 2022: 10.45% to 13.46%) per annum and will mature between August 05, 2024 to September 09, 2024. These PIBs have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance, 2000 and circular No. 15 of 2008 dated July 07, 2008 issued by the SECP.

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9.2 Treasury Bills (T-Bills) have face value of Rs. 728.7 million (market value of Rs. 684.315 million) (December 31, 2022: Rs. 739.7 million (market value of Rs. 652.973 million). It carries yield at 16.81% (December 31, 2022: 16.81%) and will mature between July 2023 to October 2023. Treasury bills are held in the IPS account maintained with Bank AL Habib Limited (related party).

10. INVESTMENT IN TERM FINANCE CERTIFICATES

Name of Company	Name of Chief Executive	Term/ Profit Payment	No. of Certificates	Cost	June 30, 2023 (Unaudited) (Rupees in '000)	December 31, 2022 (Audited)
Bank Alfalah Limited	Mr. Atif Bajwa	Perpetual and 6 monthly Non- cumulative KIBOR + 2%	20,000	100,000	100,000	100,573
Bank AL Habib Limited	Mr. Mansoor Ali Khan	Perpetual and 6 monthly KIBOR + 1.65%	10,000	52,065	50,000	-
					<u>150,000</u>	<u>100,573</u>
					(Unaudited) June 30, 2023	(Audited) December 31, 2022
					(Rupees in '000)	

11. LOANS SECURITY DEPOSITS AND OTHER RECEIVABLES - Considered good

Accrued investment income	5,938	6,137
Security Deposits	18,494	16,413
Advances	48,056	2,946
Agents Commission receivable (advance)	9,763	13,151
Loan to employees	39,699	40,319
Receivable from Window Takaful Operations	2,754	-
Receivable against sale of investments	-	85,483
Receivable from employees - parents insurance policy	548	1,472
Input sales tax	11,314	9,901
Receivable from a Trust	-	6,905
Other receivables	198	-
	<u>136,764</u>	<u>182,727</u>

12. INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good

Due from insurance contract holders		
Considered good	372,316	615,037
Considered doubtful	20,488	20,488
Less: Provision for impairment of receivables from insurance contract	(20,488)	(20,488)
	<u>372,316</u>	<u>615,037</u>
Due from other insurers / reinsurers		
Considered good	454,245	271,343
Considered doubtful	16,895	16,894
Less: provision for impairment of due from other insurers / reinsurers	(16,895)	(16,894)
	<u>454,245</u>	<u>271,343</u>
	<u>826,561</u>	<u>886,380</u>

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	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
13. PREPAYMENTS		
Prepaid reinsurance premium ceded	338,548	501,272
Prepaid employees group / health insurance	3,053	9,154
Others	16,552	14,991
	<u>358,153</u>	<u>525,417</u>
14. CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	1,108	194
Policy stamps	570	2,785
	1,678	2,979
Cash at bank		
Current accounts	15,199	32,301
Savings accounts	8,365	270,961
	<u>23,564</u>	<u>303,262</u>
	<u>25,242</u>	<u>306,241</u>
14.1 Cash and short term borrowing include the following for the purposes of the cash flow statement:		
Cash and cash equivalents	25,242	306,241
Short term borrowings of upto three months (running finance)	14.1.1 (105,970)	-
	<u>(80,728)</u>	<u>306,241</u>
14.1.1 This represents overdrawn bank balance for the period. The Company has a running finance facility from a Bank of Rs. 200 million valid for 1 year from November 29, 2022 at interest rate of 6 months KIBOR plus 0.5%. The facility is secured against Lien / Pledge of Treasury bills of 1 year for Rs. 115.5 million in favor of the Bank with 10% margin held in IPS account of the company.		
15. SHARE CAPITAL		
Authorized Capital		
(Unaudited) June 30, 2023	(Audited) December 31, 2022	(Unaudited) June 30, 2023
(Number)		(Rupees in '000)
<u>130,000,000</u>	<u>130,000,000</u>	Ordinary shares of Rs. 5 each
		<u>650,000</u>
		<u>650,000</u>
15.1 Issued, subscribed and paid - up share capital		
<u>123,874,755</u>	<u>123,874,755</u>	Ordinary shares of Rs. 5 each at the beginning and end of the period / year
		<u>619,374</u>
		<u>619,374</u>
16. RESERVES		
Capital Reserves		
Reserve for exceptional losses	9,122	9,122
Revenue Reserves		
General reserves	355,000	305,000
Available-for-sale reserve	52,510	100,839
	407,510	405,839
	<u>416,632</u>	<u>414,961</u>

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	Note	(Unaudited) June 30, 2023	(Audited) December 31, 2022
(Rupees in '000)			
17. INSURANCE / REINSURANCE PAYABLES			
Due to other insurers / reinsurers	17.1	<u>249,945</u>	<u>425,363</u>
17.1 Due to other insurers / reinsurers			
Foreign reinsurers		22,464	166,350
Local reinsurers		121,328	230,959
Co-insurers payable		106,153	28,054
		<u>249,945</u>	<u>425,363</u>
18. OTHER CREDITORS AND ACCRUALS			
Agents commission payable		81,765	118,451
Federal excise duty		19,663	37,739
Federal insurance fee		1,434	2,677
Accrued expenses		24,323	30,172
Payable for the purchase of listed equity shares		—	13,380
Withholding tax payable		2,930	4,689
Unclaimed dividend		67,878	65,058
Sundry creditors		29,777	30,090
Payable to Window Takaful Operations		—	415
Others		11,517	776
		<u>239,287</u>	<u>303,447</u>

19. CONTINGENCIES & COMMITMENTS

19.1 Contingencies

There is no contingency as at June 30, 2023 other than those disclosed in the annual financial statements as at December 31, 2022 and note 19.1.1.

19.1.1 In respect of tax year 2020 the Deputy Commissioner Inland Revenue through their order dated June 17, 2023, has given the Appeal Effect of Honourable Appellate Tribunal Inland Revenue, Karachi's order dated March 29, 2022, whereby order passed u/s 161/205 of the Income Tax Ordinance, 2001, for the Tax Year 2020, was annulled by the ATIR. As per order passed u/s 124/161/205 dated June 17, 2023, the tax demand originally raised at Rs. 69,804,739 has now been reduced to Rs. 503,201/-. The demanded tax had already been paid by the Company.

19.2 Commitments

There are no commitments as at June 30, 2023 (December 31, 2022: Nil).

	(Unaudited) Three months period ended June 30,		(Unaudited) Six months period ended June 30,	
	2023	2022	2023	2022
	(Rupees in '000)		(Rupees in '000)	
20. NET INSURANCE PREMIUM				
Written gross premium	484,041	522,562	1,119,829	1,013,549
Add: Unearned premium reserve - opening	1,104,489	943,414	1,202,472	1,002,575
Less: Unearned premium reserve - closing	(907,548)	(907,309)	(907,548)	(907,309)
Premium earned	680,982	558,667	1,414,753	1,108,815
Less: Reinsurance premium ceded	210,649	150,473	487,470	378,929
Add: Prepaid reinsurance premium - opening	459,786	411,321	501,272	463,940
Less: Prepaid reinsurance premium - closing	(338,548)	(290,840)	(338,548)	(290,840)
Reinsurance expense	331,887	270,954	650,194	552,029
Net insurance premium	<u>349,095</u>	<u>287,713</u>	<u>764,559</u>	<u>556,786</u>

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	(Unaudited) Three months period ended June 30,		(Unaudited) Six months period ended June 30,	
	2023	2022	2023	2022
	(Rupees in '000)		(Rupees in '000)	
21. NET INSURANCE CLAIMS EXPENSE				
Claims paid	505,652	291,227	869,581	577,644
Add: Outstanding claims including IBNR - closing	1,103,166	914,268	1,103,166	914,268
Less: Outstanding claims including IBNR - opening	(1,015,749)	(816,676)	(959,567)	(786,589)
Claims expense	593,069	388,819	1,013,180	705,323
Reinsurance and other recoveries received	283,724	185,580	439,197	364,270
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	765,067	665,489	765,067	665,489
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(677,638)	(600,559)	(676,476)	(604,247)
Reinsurance and other recoveries revenue	371,153	250,510	527,788	425,512
Net insurance claims expense	221,916	138,309	485,392	279,811
22. NET COMMISSION INCOME				
Commissions paid or payable	71,083	59,461	158,374	134,893
Add: Deferred commission - opening	151,415	135,638	146,080	131,216
Less: Deferred commission - closing	(135,116)	(120,399)	(135,116)	(120,399)
Commission expense	87,382	74,700	169,338	145,710
Less: Commission from reinsurers				
Commission received or receivable	58,621	59,785	119,374	122,371
Add: Unearned reinsurance commission - opening	124,540	132,959	156,637	160,786
Less: Unearned reinsurance commission - closing	(95,371)	(103,189)	(95,371)	(103,189)
Commission from reinsurers	87,790	89,555	180,640	179,968
Net commission income	408	14,855	11,302	34,258
23. INVESTMENT INCOME				
Income from equity securities and mutual fund units - available-for-sale				
- Dividend income	31,476	14,020	67,619	85,970
Income from debt securities - available-for-sale				
- Pakistan Investment Bonds	1,891	4,616	3,770	9,581
- Treasury Bills	26,835	-	53,807	-
- Term Finance Certificates	7,569	-	13,842	-
	36,295	4,616	71,419	9,581
Net realised gain / (loss) on investments				
- Equity securities	-	(6,202)	-	(21,947)
- Mutual funds units	-	2,315	922	2,315
- Debt securities	(268)	-	(268)	-
	(268)	(3,887)	654	(19,632)
Total investment income	67,503	14,749	139,692	75,919
Less Impairment in value of available-for-sale investments equity securities	11,018	(46,172)	80	(46,172)
Less: Investment related expenses	-	(68)	(154)	(182)
	78,521	(31,491)	139,618	29,565

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	Three months period ended June 30,		Six months period ended June 30,	
	2023 (Unaudited) (Rupees in '000)	2022 (Unaudited) (Rupees in '000)	2023 (Unaudited) (Rupees in '000)	2022 (Unaudited) (Rupees in '000)
24. OTHER INCOME				
Return on bank balances	7,687	2,147	17,917	3,188
(Loss) / gain on sale of fixed assets	(56)	220	17	220
Return on loan to employees	1,794	1,227	2,323	2,087
Miscellaneous	(195)	47	(185)	47
	<u>9,230</u>	<u>3,641</u>	<u>20,072</u>	<u>5,542</u>
25. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	14,198	(16,049)	59,085	32,517
	(Number of Shares)	(Number of Shares)		
Weighted average number of ordinary shares of Rs. 5 each	<u>123,874,755</u>	<u>123,874,755</u>	<u>123,874,755</u>	<u>123,874,755</u>
	(Rupees)	(Rupees)		
Basic earnings per share	<u>0.11</u>	<u>(0.13)</u>	<u>0.48</u>	<u>0.26</u>

25.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

26. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, Companies with common directors, major shareholders, staff retirement funds, directors and key management personnel. Compensation to key management personnel are at employment terms. Dividend income is recorded at the amount declared by the investee company. Contribution to the provident fund is in accordance with the Provident Fund Rules. Other transactions are at agreed rates.

The balances with / due from and transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

	(Unaudited) Three months period ended June 30,		(Unaudited) Six months period ended June 30,	
	2023	2022	2023	2022
	(Rupees in '000)			
Transactions and balances with associated companies (under the Companies Act, 2017).				
Transactions during the year with associated companies				
Premium written	<u>93,058</u>	<u>96,980</u>	<u>163,593</u>	<u>163,073</u>
Claims paid	<u>100,775</u>	<u>(8,819)</u>	<u>146,678</u>	<u>14,972</u>
Dividend received	<u>22,381</u>	<u>626</u>	<u>36,625</u>	<u>30,235</u>
Dividend paid	<u>2,868</u>	<u>6,930</u>	<u>7,555</u>	<u>6,930</u>
Investment made	<u>(52,065)</u>	<u>54,953</u>	<u>-</u>	<u>98,906</u>
Interest received on bank accounts	<u>7,687</u>	<u>2,147</u>	<u>17,917</u>	<u>3,188</u>
Bank charges	<u>255</u>	<u>88</u>	<u>418</u>	<u>161</u>
Fees paid	<u>280</u>	<u>240</u>	<u>280</u>	<u>240</u>
Donations	<u>800</u>	<u>-</u>	<u>1,600</u>	<u>-</u>
Premium ceded to reinsurers	<u>55,383</u>	<u>-</u>	<u>123,440</u>	<u>-</u>
Commission income	<u>14,895</u>	<u>-</u>	<u>36,117</u>	<u>-</u>
Reinsurance recoveries received	<u>50,654</u>	<u>-</u>	<u>81,517</u>	<u>-</u>
Interest expense	<u>353</u>	<u>76</u>	<u>353</u>	<u>76</u>
Brokerage expenses paid	<u>-</u>	<u>28</u>	<u>128</u>	<u>86</u>

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	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
Balances with associated companies		
Premium due but unpaid	42,613	44,194
Claims outstanding	69,587	92,889
Bank balances	13,203	286,127
Bank overdraft	(105,970)	–
Investment held	361,745	362,359
Reinsurance payable	33,668	(73,921)

	(Unaudited) Three months period ended June 30, 2023	(Unaudited) Six months period ended June 30, 2022
	(Rupees in '000)	

Transactions during the year with other related parties including key management personnel

Remuneration of key management personnel	63,975	57,839	137,156	110,560
Repayment of loans by key management personnel (secured)	2,156	2,298	4,236	4,411
Dividend paid	1,691	1,691	–	–
Contribution to the provident fund	3,181	2,817	5,978	5,408

	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	

Balances with other related parties including key management personnel

Loans to key management personnel	35,865	41,325
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26.1 Following are the particulars of the related parties other than employee retirement benefit obligations, key management personnel and Directors of the company at the period date.

Name of Related Party	Basis of Relationship	Aggregate % of Shareholding in the Company
Shabbir Tiles & Ceramics Limited	Common Directorship	–
Thal Limited	Common Directorship	–
Thal Boshoku Pakistan (Private) Limited	Wholly owned subsidiary of Thal Limited	–
Noble Computer	Wholly owned subsidiary of Thal Limited	–
Indus Motor Company Limited	Common Directorship	–
Bank AL Habib Limited	Common Directorship	–
AL Habib Capital Markets (Private) Limited	Wholly owned subsidiary of Bank AL Habib Limited	–
Habib Metropolitan Bank Limited	Common Directorship	–
Habib Metro Pakistan (Private) Limited	Wholly owned subsidiary of Thal Limited	–
AL Habib Asset Management Services (Private) Limited	Wholly owned subsidiary of Bank AL Habib Limited	–
Habib Metropolitan Financial Services Limited	Wholly owned subsidiary of Habib Metropolitan Bank Limited	–
Elevation Ventures (Private) Limited	Common Directorship	–

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27. SEGMENT REPORTING

	June 30, 2023 (Unaudited)					
	Fire and property	Marine and transport	Motor	Group hospitalisation	Other Classes	Aggregate
	(Rupees in '000)					
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative surcharge)	342,547	185,953	546,950	4,332	208,723	1,288,505
Less: Federal Excise Duty	43,752	20,570	65,755	510	26,751	157,338
Federal Insurance Fee	2,953	1,662	4,778	39	1,906	11,338
Gross Written Premium (inclusive of administrative Surcharge)	295,842	163,721	476,417	3,783	180,066	1,119,829
Gross direct premium	291,847	158,179	458,787	3,777	177,919	1,090,509
Facultative inward premium	1,350	–	(53)	–	–	1,297
Administrative surcharge	2,644	5,543	17,682	6	2,148	28,023
	295,841	163,722	476,416	3,783	180,067	1,119,829
Insurance premium earned	513,160	169,653	569,099	8,056	154,785	1,414,753
Insurance premium ceded to reinsurers	(393,282)	(78,250)	(94,298)	–	(84,364)	(650,194)
Net insurance premium	119,878	91,403	474,801	8,056	70,421	764,559
Premium deficiency reserve	–	–	–	5,212	–	5,212
Commission income	122,375	19,660	23,269	–	15,336	180,640
Net underwriting income	242,253	111,063	498,070	13,268	85,757	950,411
Insurance claims	203,961	285,071	443,142	9,731	71,275	1,013,180
Insurance claims recovered from reinsurers	(186,112)	(209,062)	(94,687)	–	(37,927)	(527,788)
Net Claims	17,849	76,009	348,455	9,731	33,348	485,392
Commission expense	(79,527)	(17,819)	(54,901)	(87)	(17,004)	(169,338)
Management expenses	(105,203)	(58,220)	(169,416)	(1,345)	(64,032)	(398,216)
Net insurance claims and expenses	(184,730)	(76,039)	(224,317)	(1,432)	(81,036)	(567,554)
Underwriting result	39,674	(40,985)	(74,702)	2,105	(28,627)	(102,535)
Net Investment income						139,618
Other income						20,072
Other expenses						(7,935)
Results of operating activities						49,220
Finance cost						(2,738)
Profit from Window Takaful Operations - Operator's Fund						38,533
Profit before tax						85,015

Habib Insurance Company Limited

June 30, 2023 (Unaudited)

	Fire and property	Marine and transport	Motor	Group hospitalisation	Other Classes	Aggregate
(Rupees in '000)						
Segment assets						
Allocated Assets						
Premium due but unpaid	67,836	67,022	160,129	9,711	67,618	372,316
Prepaid reinsurance premium ceded	182,388	14,853	56,075	–	85,232	338,548
Reinsurance recoveries against outstanding claims	494,592	43,293	38,336	–	107,036	683,257
Salvage recoveries accrued	167	69,864	11,714	–	65	81,810
Deferred commission expense	61,884	5,175	51,573	10	16,474	135,116
	<u>806,867</u>	<u>200,207</u>	<u>317,827</u>	<u>9,721</u>	<u>276,425</u>	<u>1,611,047</u>
Unallocated Assets						
Fixed assets at cost less depreciation						67,499
Amount due from others insurers/ reinsurers						454,245
Cash and cash equivalents						25,242
Loans-secured, considered good						39,699
Investments						1,655,493
Accrued investment income						5,938
Deferred taxation						8,615
Advances, deposits and prepayments						91,127
Taxation - provision less payments						11,498
Prepayments						19,605
						<u>2,378,961</u>
Total Assets						<u>3,990,008</u>
Unallocated assets of General Takaful Operations - Operator's						155,822
						<u>4,145,830</u>
Allocated Liabilities						
Outstanding Claims	539,935	170,546	206,272	5,542	180,871	1,103,166
Unearned Premium	257,012	26,267	488,437	4,751	131,081	907,548
Unearned Reinsurance Commission	57,610	4,855	18,689	–	14,217	95,371
Premium Deficiency Reserve	–	–	–	976	–	976
	<u>854,557</u>	<u>201,668</u>	<u>713,398</u>	<u>11,269</u>	<u>326,169</u>	<u>2,107,061</u>
Unallocated Liabilities						
Premium received in advance						66,418
Amount due from others insurers/ reinsurers						249,945
Staff retirement benefits						144,544
Borrowing						105,970
Finance lease liability						40,507
Other creditors and accruals						239,287
						<u>846,671</u>
Total Liabilities						<u>2,953,732</u>
Unallocated liabilities of General Takaful Operations - Operator's Fund						90,462
						<u>3,044,194</u>

Habib Insurance Company Limited

27. SEGMENT REPORTING

	June 30, 2022 (Unaudited)					
	Fire and property	Marine and transport	Motor	Group hospitalisation	Other Classes	Aggregate
	(Rupees in '000)					
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative surcharge)	278,513	245,770	576,243	4,782	85,642	1,190,950
Less: Federal Excise Duty	49,014	27,828	73,536	558	14,440	165,376
Federal Insurance Fee	3,355	2,194	5,382	43	1,051	12,025
Gross Written Premium (inclusive of administrative Surcharge)	226,144	215,748	497,325	4,181	70,151	1,013,549
Gross direct premium	220,371	208,708	476,162	4,170	68,215	977,626
Facultative inward premium	2,842	—	276	—	—	3,118
Administrative surcharge	2,931	7,040	20,887	11	1,936	32,805
	226,144	215,748	497,325	4,181	70,151	1,013,549
Insurance premium earned	361,554	209,808	453,807	6,678	76,968	1,108,815
Insurance premium ceded to reinsurers	(302,645)	(120,653)	(88,287)	—	(40,444)	(552,029)
Net insurance premium	58,909	89,155	365,520	6,678	36,524	556,786
Premium deficiency reserve	—	—	—	6,324	—	6,324
Commission income	92,436	40,562	36,912	—	10,058	179,968
Net underwriting income	151,345	129,717	402,432	13,002	46,582	743,078
Insurance claims	170,653	124,441	350,358	8,411	51,460	705,323
Insurance claims recovered from reinsurers	(151,142)	(87,677)	(158,427)	—	(28,266)	(425,512)
Net Claims	19,511	36,764	191,931	8,411	23,194	279,811
Commission expense	(64,360)	(22,913)	(47,212)	(118)	(11,107)	(145,710)
Management expenses	(67,119)	(64,034)	(147,604)	(1,241)	(20,821)	(300,819)
Net insurance claims and expenses	(131,479)	(86,947)	(194,816)	(1,359)	(31,928)	(446,529)
Underwriting result	355	6,006	15,685	3,232	(8,540)	16,738
Investment income						29,565
Other income						5,542
Other expenses						(5,263)
Results of operating activities						46,582
Finance cost						(2,058)
Loss from Window Takaful Operations - Operator's Fund						(1,628)
Profit before tax						42,896

Habib Insurance Company Limited

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	June 30, 2022 (Unaudited)					
	Fire and property	Marine and transport	Motor	Group hospitalisation	Other Classes	Aggregate
	(Rupees in '000)					
Segment assets						
Allocated Assets						
Premium due but unpaid	261,863	71,812	193,872	13,492	73,998	615,037
Prepaid reinsurance premium ceded	352,659	10,945	75,310	–	62,358	501,272
Reinsurance recoveries against outstanding claims	426,257	79,327	42,009	–	89,950	637,543
Salvage recoveries accrued	956	31,256	6,663	–	58	38,933
Deferred commission expense	73,689	3,646	53,280	97	15,368	146,080
	<u>1,115,424</u>	<u>196,986</u>	<u>371,134</u>	<u>13,589</u>	<u>241,732</u>	<u>1,938,865</u>
Unallocated Assets						
Fixed assets at cost less depreciation						56,551
Amount due from others insurers/ reinsurers						271,343
Cash and cash equivalents						306,241
Loans-secured, considered good						40,319
Investments						1,636,965
Accrued investment income						6,137
Receivable against sale of investments						85,483
Advances, deposits and prepayments						50,788
Taxation - provision less payments						5,835
Prepayments						24,145
						<u>2,483,807</u>
						<u>4,422,672</u>
Total Assets						
Unallocated assets of General Takaful Operations - Operator's Fund						<u>120,967</u>
						<u>4,543,639</u>
Allocated Liabilities						
Outstanding Claims	475,379	183,739	143,207	4,358	152,884	959,567
Unearned Premium	474,329	32,199	581,119	9,025	105,800	1,202,472
Unearned Reinsurance Commission	110,753	4,436	24,751	–	16,697	156,637
Premium Deficiency Reserve	–	–	–	6,188	–	6,188
	<u>1,060,461</u>	<u>220,374</u>	<u>749,077</u>	<u>19,571</u>	<u>275,381</u>	<u>2,324,864</u>
Unallocated Liabilities						
Premium received in advance						60,189
Amount due to others insurers/ reinsurers						425,363
Staff retirement benefits						130,311
Deferred tax						17,290
Finance lease liability						30,908
Other creditors and accruals						303,447
						<u>967,508</u>
						<u>3,292,372</u>
Total Liabilities						<u>82,965</u>
Unallocated liabilities of General Takaful Operations - Operator's Fund						<u>3,375,337</u>

Habib Insurance Company Limited

28. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

Insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2022.

29. Fair value of financial instruments

IFRS 13 defines fair value as an exit price. 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.

All assets and liabilities for which fair value is measured or disclosed in the condensed interim financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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	June 30, 2023 (Unaudited)				Fair value measurement using			
	Available- for-sale	Loans & receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
Equity securities - quoted	723,146	-	-	-	723,146	723,146	-	-
Mutual Funds Units	2,196	-	-	-	2,196	-	2,196	-
Modaraba certificates	15,918	-	-	-	15,918	15,918	-	-
Debt securities	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Investments								
Loans and other receivable	-	88,708	-	-	88,708	-	-	-
Insurance / reinsurance receivable	-	826,561	-	-	826,561	-	-	-
Reinsurance recoveries against outstanding claims	-	685,299	-	-	685,299	-	-	-
Salvage recoveries accrued	-	38,718	-	-	38,718	-	-	-
Cash and bank balances	-	-	25,242	-	25,242	-	-	-
Total assets of Window Takaful Operations - Operator's Fund	2,250	21,929	41,050	-	65,229	-	2,250	-
	743,510	1,661,215	66,292	-	2,471,017	739,064	446	-
Financial liabilities not measured at fair value								
Outstanding claims including IBNR	-	-	-	(1,104,290)	(1,104,290)	-	-	-
Lease liability against right of use asset	-	-	-	(40,507)	(40,507)	-	-	-
Retirement benefit obligation	-	-	-	-	-	-	-	-
Premium received in Advance	-	-	-	(66,418)	(66,418)	-	-	-
Insurance / reinsurance payables	-	-	-	(249,945)	(249,945)	-	-	-
Other creditors and accruals	-	-	-	(239,287)	(239,287)	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund	-	-	-	(90,462)	(90,462)	-	-	-
	-	-	-	(1,790,909)	(1,790,909)	-	-	-

Habib Insurance Company Limited

December 31, 2022 (Audited)

	Available- for-sale	Loans & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
(Rupees in '000)								
Financial assets measured at fair value								
Investments								
Equity securities - quoted	802,514	-	-	-	802,514	802,514	-	-
Mutual fund units	2,116	-	-	-	2,116	-	2,116	-
Modaraba certificates	16,494	-	-	-	16,494	16,494	-	-
Debt securities	715,268	-	-	-	715,268	-	715,268	-
Other debt securities	100,573	-	-	-	100,573	-	100,573	-
Financial assets not measured at fair value								
Investments								
Debt securities	-	-	-	-	-	-	-	-
Loans, deposits and other receivable	-	156,729	-	-	156,729	-	-	-
Insurance / reinsurance receivables	-	886,380	-	-	886,380	-	-	-
Reinsurance recoveries against outstanding claims	-	637,543	-	-	637,543	-	-	-
Salvage recoveries accrued	-	38,933	-	-	38,933	-	-	-
Cash and bank balances	-	-	306,241	-	306,241	-	-	-
Total assets of window takaful operations - Operator's Fund	-	-	97,004	-	97,004	-	-	-
	1,636,965	1,719,585	403,245	-	3,759,795	819,008	817,957	-
Financial liabilities not measured at fair value								
Outstanding claims including IBNR	-	-	-	(959,567)	(959,567)	-	-	-
Lease liability against right of use assets	-	-	-	(30,908)	(30,908)	-	-	-
Retirement benefits obligation	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	-	-	-
Insurance / reinsurance payables	-	-	-	(425,363)	(425,363)	-	-	-
Other creditors and accruals	-	-	-	(258,343)	(258,343)	-	-	-
Total Liabilities of Window Takaful Operations - Operator's Fund	-	-	-	(34,760)	(34,760)	-	-	-
	-	-	-	(1,708,941)	(1,708,941)	-	-	-

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* The Company has not disclosed the fair value of these items as these are either short term in nature or repriced frequently and as such their carrying amounts are a reasonable approximation of their fair values.

Habib Insurance Company Limited

30. CORRESPONDING FIGURES

Corresponding figures have been rearranged wherever necessary, for purposes of comparison. However, there were no material reclassifications to report.

31. GENERAL

Figures have been rounded off to the nearest Thousand Rupee.

32. DATE OF AUTHORISATION FOR ISSUE

These Condensed interim financial statements have been authorised for issue on August 29, 2023 by the Board of Directors of the Company.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Financial Statements

Window Takaful Operations

Habib Insurance Company Limited

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Habib Insurance Company Limited – Window Takaful Operations

Report on review of condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Habib Insurance Company Limited Window Takaful Operation** as at June 30, 2023 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flows statement and condensed interim statement of changes in equity, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the three months period ended June 30, 2023 and June 30, 2022 in the condensed interim financial statements have not been reviewed and we do not express a conclusion on them.

The condensed interim financial statement of the Company for the six months period ended June 30, 2022 and the annual financial statements for the year ended December 31, 2022 were reviewed and audited by another firm of Chartered Accountant who in their report dated August 30, 2022 and May 08, 2023 expressed unqualified conclusion and unmodified opinion thereon respectively.

The engagement partner on the audit resulting in this independent auditors' report is **Muhammad Khalid Aziz**.

Chartered Accountants

Place: Karachi

Date: August 29, 2023

UDIN: RR202310154ra8TNpEuh

Habib Insurance Company Limited

Condensed Interim Statement of Financial Position (Unaudited) As at June 30, 2023

Note	Operator's Fund		Participant's Fund	
	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	(Rupees in '000)			
Assets				
	7	80	–	2,823
	8	–	194,965	130,585
	14	–	42,811	61,818
		–	3,680	25
	16	–	48,588	44,221
		–	7,911	5,640
	15	19,278	23,498	–
	17	26,477	7,469	–
		558	465	40,915
	9	109,429	89,535	168,540
				211,907
		<u>155,822</u>	<u>120,967</u>	<u>507,410</u>
				<u>513,017</u>
Equities and liabilities				
Capital and reserves attributable to company's shareholders				
		50,000	50,000	–
		15,360	(11,998)	–
		65,360	38,002	–
Participants' Takaful Fund (PTF)				
		–	–	500
		–	–	(342)
		–	–	97,514
		–	–	100,534
		–	–	97,672
		–	–	100,692
Liabilities				
PTF Underwriting Provisions				
	14	–	–	140,406
	12	–	–	169,460
	13	–	–	8,218
		–	–	318,084
		–	–	312,059
	16	48,588	44,221	–
		–	–	16,661
	11	–	–	43,021
	10	27,795	35,168	5,495
	17	–	–	26,477
		2,191	1,956	–
		11,888	1,620	–
		90,462	82,965	91,654
		90,462	82,965	409,738
		<u>155,822</u>	<u>120,967</u>	<u>507,410</u>
				<u>513,017</u>
Contingency and commitment				
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The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the six months period ended June 30, 2023

	Note	(Unaudited)		(Unaudited)	
		Three months period ended June 30, 2023 (Rupees in '000)	2022 (Rupees in '000)	Six months period ended June 30, 2023 (Rupees in '000)	2022 (Rupees in '000)
Participant's Fund					
Contributions earned	12	80,175	63,560	174,021	127,730
Less: Contributions ceded to retakaful		(44,587)	(35,724)	(85,286)	(63,595)
Net contributions revenue		35,588	27,836	88,735	64,135
Retakaful rebate earned	13	7,056	4,006	13,933	10,391
Net underwriting income		42,644	31,842	102,668	74,526
Net claims - reported / settled - IBNR	14	(47,784) (15,422)	(31,103) (1,707)	(100,604) (15,422)	(53,918) (7,961)
		(63,206)	(32,810)	(116,026)	(61,879)
(Deficit)/ surplus before investment income		(20,562)	(968)	(13,358)	12,647
Investment income	18	5,969	3,755	10,674	6,514
Other expenses		(86)	-	(336)	-
(Deficit)/ surplus transferred to accumulated surplus		(14,679)	2,787	(3,020)	19,161
Other comprehensive income for the period		-	-	-	-
Total comprehensive (loss)/ income for the period		(14,679)	2,787	(3,020)	19,161
Operator's Fund					
Wakala fee	16	29,788	11,418	61,699	18,672
Commission expense	15	(12,559)	(9,567)	(24,848)	(18,133)
General administrative and management expense		(5,768)	(2,986)	(8,488)	(5,142)
		11,461	(1,135)	28,363	(4,603)
Investment income	18	6,117	2,278	10,994	3,397
Other expenses		(722)	(364)	(824)	(422)
Profit / (loss) before taxation		16,856	779	38,533	(1,628)
Taxation		(4,889)	-	(11,175)	-
Profit / (loss) after taxation attributable to shareholders		11,967	779	27,358	(1,628)
Others comprehensive loss for the period		-	-	-	-
Total comprehensive income / (loss) for the period		11,967	779	27,358	(1,628)

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Changes in Funds (Unaudited) For the six months period ended June 30, 2023

	Operator's Fund			Total
	Share Capital	Available for sale reserve	Un-appropriated profit	
	(Rupees in '000)			
Balance as at January 01, 2022	50,000	–	(20,957)	29,043
Profit for the period	–	–	(1,628)	(1,628)
Other comprehensive income				
Balance as at June 30, 2022	<u>50,000</u>	<u>–</u>	<u>(22,585)</u>	<u>27,415</u>
Balance as at January 01, 2023	50,000	–	(11,998)	38,002
Profit for the period	–	–	27,358	27,358
Other comprehensive income				
Balance as at June 30, 2023	<u>50,000</u>	<u>–</u>	<u>15,360</u>	<u>65,360</u>
	Attributable to participants of the PTF			Total
	Ceded money	Available for sale reserve	Accumulated surplus	
	(Rupees in '000)			
Balance as at January 01, 2022	500	–	75,669	76,169
Surplus for the period	–	–	19,161	19,161
Other comprehensive income	–	–	–	–
Balance as at June 30, 2022	<u>500</u>	<u>–</u>	<u>94,830</u>	<u>95,330</u>
Balance as at January 01, 2023	500	(342)	100,534	100,692
Deficit for the period	–	–	(3,020)	(3,020)
Other comprehensive income	–	–	–	–
Balance as at June 30, 2023	<u>500</u>	<u>(342)</u>	<u>97,514</u>	<u>97,672</u>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Cash Flow (Unaudited) For the six months period ended June 30, 2023

	Note	(Unaudited) Operator's Fund		(Unaudited) Participant's Fund	
		June 30,		June 30,	
		2023	2022	2023	2022
(Rupees in '000)					
Operating Activities					
(a) Takaful activities					
Contribution received		–	–	155,033	149,260
Retakaful contribution paid		–	–	(92,895)	(42,514)
Claims paid		–	–	(135,752)	(47,620)
Retakaful and other recoveries received		–	–	57,410	12,738
Commission paid		(26,767)	(18,434)	–	–
Commission received		–	–	10,897	8,700
Wakala fees received		51,632	21,285	–	–
Wakala fee paid		–	–	(51,632)	(21,285)
Net cash flow from takaful activities		24,865	2,851	(56,939)	59,279
(b) Other Operating activities					
Other operating receipts		–	–	–	–
Other operating payments		(11,391)	(5,516)	(1,676)	(5,350)
Net cash flow from other operating activities		(11,391)	(5,516)	(1,676)	(5,350)
Total cash flow from all operating activities		13,474	(2,665)	(58,615)	53,929
Investment activities					
Profit / return received		6,148	2,425	14,715	6,887
Dividend received		272	294	533	239
Proceeds from investments		85,232	43,000	190,453	105,203
Payments for investments		(85,232)	(10,250)	(190,453)	(25,203)
Total cash flow from investing activities		6,420	35,469	15,248	87,126
Total cash flow from financing activities		–	–	–	–
Net cash flow from all activities		19,894	32,804	(43,367)	141,055
Cash and cash equivalents at beginning of year		89,535	8,246	211,907	45,081
Cash and cash equivalents at end of period	9	109,429	41,050	168,540	186,136
Reconciliation to profit and loss account					
Operating cash flows		13,474	(2,665)	(58,615)	53,929
Profit / return received		6,148	2,425	14,715	6,887
Dividends received		272	294	533	239
Increase in assets other than cash		4,419	(17,155)	37,760	52,109
Increase in liabilities		3,045	15,473	2,587	(94,003)
(Loss)/ profit after taxation		27,358	(1,628)	(3,020)	19,161
Attributed to:					
Operator's Fund		27,358	(1,628)	–	–
Participants' Takaful Fund		–	–	(3,020)	19,161
		27,358	(1,628)	(3,020)	19,161

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Notes to the Condensed Interim Financial Statements (Unaudited) For the six months period ended June 30, 2023

1 STATUS AND NATURE OF BUSINESS

- 1.1 Habib Insurance Company Limited (the Operator) was incorporated in Pakistan in 1942 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Operator was allowed to work as Window Takaful Operator on July 18, 2018 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations (WTO) in Pakistan. The Operator is listed at Pakistan Stock Exchange Limited. The registered office of the Operator is situated at Habib Square, M.A. Jinnah Road, Karachi.
- 1.2 The Operator transferred statutory fund of Rs. 50 million in a separate bank account for the Window Takaful Operations as per the requirement of circular 8 of 2014. The Operator has formed a Waqf for Participants' Fund by executing the Waqf deed dated June 12, 2018 and deposited a cede money of Rs. 0.5 million. The cede money is required to be invested in Shari'ah compliant remunerative instrument which may be used to acquire immovable Waqf property if Shari'ah and law so warrants. Waqf Deed governs the relationship of Operator and participants for management of takaful operations, investments of participants' funds and investments of the Operator's funds approved by the shari'ah advisor of the Operator.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, General Takaful Accounting Regulations 2019 and Takaful Rules 2012

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017 and General Takaful Accounting Regulations 2019, Takaful Rules 2012 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance 2000, Insurance Rules, 2017, General Takaful Accounting Regulations 2019 and Takaful Rules 2012 have been followed.

- 2.2 These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participant Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of OPF and PTF remain separately identifiable.
- 2.3 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Operator's annual financial statements for the year ended December 31, 2022.

2.4 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for investments that has been measured at fair values.

3 FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in Pakistani Rupees, which is the Operator's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest Thousand Rupees.

Habib Insurance Company Limited

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements are in conformity with accounting and reporting standards as applicable in Pakistan which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Operator's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2022.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in preparation of the annual financial statements of the Operator for the year ended December 31, 2022.

6 NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATION AND FORTHCOMING REQUIREMENTS

There are certain new and amended standards, interpretations and amendments that are mandatory for the Operator's and Takaful Operations accounting periods beginning on or after January 01, 2023 but are considered not to be relevant or do not have any significant effect on the operations of Operator (including the Takaful Operations) and therefore not stated in these condensed interim financial statements.

6.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective at period end

There are various amendments to existing accounting and reporting standards that are not yet effective. These are not likely to have a material impact on the company's financial statements except for the following:

Application of IFRS 9 and IFRS 17

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

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

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

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

Habib Insurance Company Limited

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

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

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

	June 30, 2023 (Unaudited)		December 31, 2022 (Audited)	
	AAA	Unrated/ Unavailable	AAA	Unrated/ Unavailable
Gross carrying amounts of financial instruments that pass the SPPI test (Rupees in '000)				
Operator's Fund				
Bank balances	109,429	–	89,535	–
Receivable from PTF	–	–	–	7,469
Total	109,429	–	89,535	7,469
	AAA	Unrated/ Unavailable	AAA	Unrated/ Unavailable
(Rupees in '000)				
Participant's Fund				
Bank balances	168,527	–	211,901	–
Takaful / retakaful receivable	–	–	–	130,585
Loans and other receivables	–	–	–	2,823
Retakaful recoveries against outstanding claims	42,811	–	–	61,818
Salvage recoveries accrued	–	–	–	25
Total	211,338	–	211,901	195,251

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

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, IASB issued amendments to IFRS 4 Insurance Contracts in 2017. The two optional solutions raised some considerations which required detailed analysis and management judgement. On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to January 01, 2023 aligned with the effective date of IFRS 17.

SECP vide its letter no. ID/MDPRD/IFRS-17/2021/1716 dated June 15, 2021, has intimated a roadmap for the implementation of IFRS 17 – Insurance Contracts and has specified a four-phased approach for the implementation of IFRS 17.

The said four phase approach is as follows:

- Phase One: Gap Analysis.
- Phase Two: Financial Impact Assessment.
- Phase Three: System Design and Methodology.
- Phase Four: Parallel Run and Implementation.

Timeline for completion of “Phase One i.e. Gap Analysis” was set at September 30, 2021. The company has submitted Management report over Gap Analysis to SECP within the stipulated time.

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SECP vide its letter no. ID/MDPRD/IFRS-17/2022/2392 has set December 31, 2022 as a deadline for the completion of "Phase Two" and also requires the insurers and takaful operators to submit interim submissions for June 30, 2022 and September 30, 2022 demonstrating the progress made in undertaking of Financial Impact Assessment. The company has submitted the first interim submission of FIA on June 30, 2022 however the impact of the application of the IFRS is still in assessment stage.

7. LOANS AND OTEHR RECEIVABLES

	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	OPF	PTF	Total	OPF	PTF	Total
	(Rupees in '000)			(Rupees in '000)		
Receivable from conventional	-	-	-	-	2,823	2,823
Others	80	-	80	-	-	-
	<u>80</u>	<u>-</u>	<u>80</u>	<u>-</u>	<u>2,823</u>	<u>2,823</u>
				(Unaudited) June 30, 2023	(Audited) December 31, 2022	
				(Rupees in '000)		

8. TAKAFUL/ RETAKAFUL RECEIVABLE

Due from Takaful contract holders					
Considered good				114,961	79,223
Considered doubtful				20,602	20,602
Less: Provision for impairment of receivables from takaful contract holders				(20,602)	(20,602)
				114,961	79,223
Due from other takaful/ retakaful operators - Considered good				80,004	51,362
				<u>194,965</u>	<u>130,585</u>

9. CASH AND BANK

	June 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	OPF	PTF	Total	OPF	PTF	Total
	(Rupees in '000)			(Rupees in '000)		
Cash and cash Equivalent						
- Policy stamps	-	13	13	-	6	6
Cash at bank						
- Profit and Loss Sharing (PLS) accounts	109,429	168,527	277,956	89,535	211,901	301,436
	<u>109,429</u>	<u>168,540</u>	<u>277,969</u>	<u>89,535</u>	<u>211,907</u>	<u>301,442</u>

10. OTHER CREDITORS AND ACCRUALS

Federal insurance fee	-	286	286	-	475	475
Federal excise duty	-	3,981	3,981	-	6,658	6,658
Commission payable	23,990	-	23,990	30,129	-	30,129
Provision for compensated clearance	459	-	459	408	-	408
Payable to Habib Insurance Company Limited (related party)-conventional operations	2,754	-	2,754	2,407	-	2,407
Other creditors	265	-	265	228	254	482
Other accrued expenses	327	1,228	1,555	1,996	-	1,996
	<u>27,795</u>	<u>5,495</u>	<u>33,290</u>	<u>35,168</u>	<u>7,387</u>	<u>42,555</u>

Habib Insurance Company Limited

	(Unaudited) June 30, 2023	(Audited) December 31, 2022		
	(Rupees in '000)			
11. TAKAFUL/ RETAKAFUL PAYABLE				
Due to other takaful/ retakaful	43,021	65,713		
Due to other takaful/ retakaful				
Foreign retakaful	14,541	16,735		
Local retakaful	15,575	46,482		
Co-takaful	12,905	2,496		
	<u>43,021</u>	<u>65,713</u>		
	PTF			
	Three months period ended June 30,		Six months period ended June 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
	(Rupees in '000)		(Rupees in '000)	
12. NET CONTRIBUTION				
Written gross contribution	80,532	74,042	222,449	152,026
Less: Wakala Fee	(29,788)	(11,418)	(61,699)	(18,672)
Contribution Net of Wakala Fee	<u>50,744</u>	<u>62,624</u>	<u>160,750</u>	<u>133,354</u>
Add: Unearned contribution reserve opening	198,891	136,744	182,731	130,184
Less: Unearned contribution reserve closing	(169,460)	(135,808)	(169,460)	(135,808)
Contribution Earned	<u>80,175</u>	<u>63,560</u>	<u>174,021</u>	<u>127,730</u>
Retakaful contribution ceded	<u>35,595</u>	<u>32,103</u>	<u>70,203</u>	<u>55,386</u>
Add: Prepaid retakaful contribution opening	49,907	38,555	55,998	43,143
Less: Prepaid retakaful contribution closing	(40,915)	(34,934)	(40,915)	(34,934)
Retakaful expense	<u>44,587</u>	<u>35,724</u>	<u>85,286</u>	<u>63,595</u>
Net Contribution	<u>35,588</u>	<u>27,836</u>	<u>88,735</u>	<u>64,135</u>
13. RETAKAFUL REBATE EARNED				
Retakaful rebate received	5,199	4,283	10,897	8,700
Add: Unearned retakaful rebate opening	10,075	7,754	11,254	8,646
Less: Unearned retakaful rebate closing	(8,218)	(8,031)	(8,218)	(6,955)
	<u>7,056</u>	<u>4,006</u>	<u>13,933</u>	<u>10,391</u>
14. TAKAFUL CLAIMS EXPENSE				
Claims Paid	73,589	32,339	135,752	47,620
Add: Outstanding claims including IBNR closing	140,406	107,352	140,406	107,352
Less: Outstanding claims including IBNR opening	(161,323)	(73,310)	(118,074)	(48,618)
Claims Expense	<u>52,672</u>	<u>66,381</u>	<u>158,084</u>	<u>106,354</u>
Retakaful and other recoveries received	<u>27,948</u>	<u>8,414</u>	<u>57,410</u>	<u>12,738</u>
Add: Retakaful and other recoveries in respect of outstanding claims - Closing	46,491	53,355	46,491	53,355
Less: Retakaful and other recoveries in respect of outstanding claims - Opening	(84,973)	(28,198)	(61,843)	(21,618)
Retakaful and other recoveries revenue	<u>10,534</u>	<u>33,571</u>	<u>42,058</u>	<u>44,475</u>
Net Claim Expensse	<u>63,206</u>	<u>32,810</u>	<u>116,026</u>	<u>61,879</u>

Habib Insurance Company Limited

	Three months period ended June 30,		Six months period ended June 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
	(Rupees in '000)		(Rupees in '000)	
15. COMMISSION EXPENSE				
Commission paid or payable	9,175	9,925	20,628	21,121
Add: Deferred commission expense opening	22,662	17,053	23,498	14,423
Less: Deferred commission expense closing	(19,278)	(17,411)	(19,278)	(17,411)
	<u>12,559</u>	<u>9,567</u>	<u>24,848</u>	<u>18,133</u>
16. WAKALA FEE				
Gross Wakala Fee	23,918	18,298	66,066	32,684
Add: Deferred wakala fee - opening	54,458	20,151	44,221	13,019
Less: Deferred wakala fee - closing	(48,588)	(27,031)	(48,588)	(27,031)
Net wakala fee	<u>29,788</u>	<u>11,418</u>	<u>61,699</u>	<u>18,672</u>
			(Unaudited) June 30, 2023	(Audited) December 31, 2022
			(Rupees in '000)	
17. RECEIVABLE FROM PTF/ (PAYABLE TO OTF)				
Opening balance			7,469	7,577
Wakala fee income			66,066	88,959
Wakala fees received			(51,632)	(92,032)
Mudarib fees			4,574	2,965
			<u>26,477</u>	<u>7,469</u>
18. INVESTMENT INCOME - NET				
			OPF	PTF
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	(Rupees in '000)		(Rupees in '000)	
Income from mutual fund units - available-for-sale				
Dividend income	272	294	533	239
Income from mutual fund units - available-for-sale				
Profit on certificate of Musharika	-	2,194	-	5,651
Return on bank balances	6,148	231	14,715	1,302
Mudarib Fees	4,574	678	(4,574)	(678)
	<u>10,994</u>	<u>3,397</u>	<u>10,674</u>	<u>6,514</u>
19. CONTINGENCY & COMMITMENT				
There is no contingency and commitment as at June 30, 2023 (December 31, 2022: Nil).				
20. TRANSACTIONS WITH RELATED PARTIES				
Related parties comprise of directors, major share holders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. These transactions are recorded at the approved rates. The transactions and balances with related parties are as follows:				

Habib Insurance Company Limited

	(Unaudited) June 30, 2023	(Unaudited) June 30, 2022
	(Rupees in '000)	
20.1 Operator's Fund		
Transactions		
Wakala fee charged during the period	<u>61,699</u>	<u>18,672</u>
Interest on bank accounts	<u>6,148</u>	<u>231</u>
Balance		
Associated companies		
- Bank balance	<u>104,696</u>	<u>41,050</u>
20.2 Participants' Takaful Fund		
Transactions		
Associated companies		
- Contribution written	<u>10,152</u>	<u>4,200</u>
- Claim paid	<u>2,998</u>	<u>1,645</u>
- Profit on bank accounts	<u>14,715</u>	<u>896</u>
	(Unaudited) June 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
Balances		
Associated companies		
- Contribution due but unpaid	<u>1,331</u>	<u>2,441</u>
- Claim outstanding	<u>6,665</u>	<u>4,411</u>
- Bank balance	<u>157,891</u>	<u>186,557</u>
20.3	Following are the particulars of the related parties other than employee retirement benefit obligations, key management personnel and Directors of the company at the period date.	

Name of Related Party	Basis of Relationship	Aggregate % of Shareholding in the Company
Shabbir Tiles & Ceramics Limited	Common Directorship	–
Thal Limited	Common Directorship	–
Thal Boshoku Pakistan (Private) Limited	Wholly owned subsidiary of Thal Limited	–
Noble Computer	Wholly owned subsidiary of Thal Limited	–
Indus Motor Company Limited	Common Directorship	–
Bank AL Habib Limited	Common Directorship	–
AL Habib Capital Markets (Private) Limited	Wholly owned subsidiary of Bank AL Habib Limited	–
Habib Metropolitan Bank Limited	Common Directorship	–
Habib Metro Pakistan (Private) Limited	Wholly owned subsidiary of Thal Limited	–
AL Habib Asset Management Services (Private) Limited	Wholly owned subsidiary of Bank AL Habib Limited	–
Habib Metropolitan Financial Services Limited	Wholly owned subsidiary of Habib Metropolitan Bank Limited	–
Elevation Ventures (Private) Limited	Common Directorship	–

Habib Insurance Company Limited

21. SEGMENT INFORMATION

	Six months period ended June 30, 2023 (Unaudited)				
	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
21.1 Participants' Takaful Fund					
Contribution receivable (inclusive of federal excise duty and administrative surcharge)	50,497	21,340	182,037	1,132	255,006
Less: Federal Excise Duty	(6,519)	(2,274)	(21,368)	(166)	(30,327)
Federal Insurance Fee	(437)	(189)	(1,594)	(10)	(2,230)
Gross written contribution (inclusive of administrative surcharge)	<u>43,541</u>	<u>18,877</u>	<u>159,075</u>	<u>956</u>	<u>222,449</u>
Wakala fees	(16,610)	(5,774)	(38,762)	(553)	(61,699)
Takaful contribution earned	<u>64,245</u>	<u>20,169</u>	<u>149,089</u>	<u>2,217</u>	<u>235,720</u>
Takaful contribution ceded to retakaful operators	(53,180)	(13,482)	(16,981)	(1,643)	(85,286)
Net takaful contribution	(5,545)	913	93,346	21	88,735
Retakaful rebate	10,640	2,906	37	350	13,933
Net underwriting income	<u>5,095</u>	<u>3,819</u>	<u>93,383</u>	<u>371</u>	<u>102,668</u>
Takaful claims	(26,791)	(5,953)	(117,781)	(7,559)	(158,084)
Takaful claims recovered from retakaful	23,165	5,050	8,619	5,224	42,058
Net claims	<u>(3,626)</u>	<u>(903)</u>	<u>(109,162)</u>	<u>(2,335)</u>	<u>(116,026)</u>
Surplus before investment income	<u>1,469</u>	<u>2,916</u>	<u>(15,779)</u>	<u>(1,964)</u>	<u>(13,358)</u>
Net investment income	(1,174)	(2,330)	12,608	1,569	10,674
Other expenses	37	73	(397)	(49)	(336)
Surplus transferred to balance of PTF	<u>332</u>	<u>659</u>	<u>(3,568)</u>	<u>(444)</u>	<u>(3,020)</u>
Allocated Assets					
Premium due but unpaid	10,104	7,180	97,579	98	114,961
Premium reinsurance premium ceded	36,369	3,669	131	746	40,915
Reinsurance recoveries against outstanding claims	17,666	13,166	5,250	6,729	42,811
Deferred Wakala expense	10,585	686	37,078	239	48,588
Salvage recoveries outstanding	80	-	3,600	-	3,680
	<u>74,804</u>	<u>24,701</u>	<u>143,638</u>	<u>7,812</u>	<u>250,955</u>
Unallocated Assets					
Amount due from other insurers/ reinsurers					80,004
Cash and cash equivalents					168,540
Loan - secured considered good					-
Taxation - provision less payment					7,911
					<u>256,455</u>
Total Assets					<u>507,410</u>
Allocated Liabilities					
Outstanding Claims	20,173	15,280	95,255	9,698	140,406
Unearned Premium	37,305	2,285	129,049	821	169,460
Rserve for unearned retakaful rebate	7,252	802	7	157	8,218
	<u>64,730</u>	<u>18,367</u>	<u>224,311</u>	<u>10,676</u>	<u>318,084</u>
Unallocated liabilities					
Contribution received in advance					16,661
Amount due to other insurers/ reinsurers					43,021
Other creditors and accruals					5,495
Payable to OPF					26,477
					<u>91,654</u>
Total Liabilities					<u>409,738</u>

Habib Insurance Company Limited

Six months period ended June 30, 2023 (Unaudited)

	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
21.2 Operator's Fund					
Wakala fee					61,699
Commission expense					(24,848)
Management expenses					(8,488)
Underwriting result					28,363
Investment income					10,994
Other expenses					(824)
Profit before taxation					38,533
Taxation					(11,175)
Profit after tax for the period					27,358
Segment assets					155,822
Segment liabilities					90,462

Habib Insurance Company Limited

21. SEGMENT INFORMATION

	Six months period ended June 30, 2022 (Unaudited)				
	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
21.1 Participants' Takaful Fund					
Contribution receivable (inclusive of federal excise duty and administrative surcharge)	37,561	19,568	117,750	1,088	175,967
Less: Federal Excise Duty	(5,634)	(2,363)	(14,179)	(163)	(22,339)
Federal Insurance Fee	(373)	(178)	(1,040)	(11)	(1,602)
Gross written contribution (inclusive of administrative surcharge)	<u>31,554</u>	<u>17,027</u>	<u>102,531</u>	<u>914</u>	<u>152,026</u>
Wakala fees	(4,805)	(2,849)	(10,716)	(302)	(18,672)
Takaful contribution earned	40,508	16,458	86,677	2,759	146,402
Takaful contribution ceded to retakaful operators	(34,997)	(13,650)	(12,639)	(2,309)	(63,595)
Net takaful contribution	706	(41)	63,322	148	64,135
Retakaful rebate	6,946	2,920	50	475	10,391
Net underwriting income	<u>7,652</u>	<u>2,879</u>	<u>63,372</u>	<u>623</u>	<u>74,526</u>
Takaful claims	(34,535)	(13,059)	(58,153)	(607)	(106,354)
Takaful claims recovered from retakaful	30,546	11,343	2,106	480	44,475
Net claims	(3,989)	(1,716)	(56,047)	(127)	(61,879)
Surplus before investment income	3,663	1,163	7,325	496	12,647
Net investment income	1,887	599	3,698	255	6,514
Surplus transferred to balance of PTF	<u>5,550</u>	<u>1,762</u>	<u>11,023</u>	<u>751</u>	<u>19,161</u>
Allocated Assets					
Premium due but unpaid	11,202	11,927	55,886	208	79,223
Premium reinsurance premium ceded	51,002	2,948	480	1,568	55,998
Reinsurance recoveries against outstanding claims	47,438	11,650	256	2,474	61,818
Deferred Wakala expense	14,263	854	28,595	509	44,221
Salvage recoveries outstanding	-	25	-	-	25
	<u>123,905</u>	<u>27,404</u>	<u>85,217</u>	<u>4,759</u>	<u>241,285</u>
Unallocated Assets					
Amount due from other insurers/ reinsurers					51,362
Investment					-
Cash and cash equivalents					211,907
Loan - secured considered good					2,823
Taxation - provision less payment					5,640
					<u>271,732</u>
Total Assets					<u>513,017</u>
Allocated Liabilities					
Outstanding Claims	52,504	13,500	48,662	3,408	118,074
Unearned Premium	58,010	3,577	119,062	2,083	182,731
Rserve for unearned retakaful rebate	10,235	645	42	332	11,254
	<u>120,749</u>	<u>17,722</u>	<u>167,766</u>	<u>5,822</u>	<u>312,059</u>
Contribution received in advance					19,697
Amount due to other insurers/ reinsurers					65,713
Other creditors and accruals					7,387
Payable to OPF					7,469
					<u>100,266</u>
Total Liabilities					<u>412,325</u>

Habib Insurance Company Limited

Participant Takaful Fund

June 30, 2023 (Unaudited)

	Available for sale	Loans & receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
(Rupees in '000)								
Financial assets not measured at fair value								
Loans and other receivables	-	-	-	-	-	-	-	-
Takaful/retakaful receivables	-	194,965	-	-	194,965	-	-	-
Retakaful recoveries against outstanding claims	-	42,811	-	-	42,811	-	-	-
Salvage recoveries accrued	-	3,680	-	-	3,680	-	-	-
Cash and bank balances	-	-	168,527	-	168,527	-	-	-
	-	241,456	168,527	-	409,983	-	-	-
Financial liabilities not measured at fair value*								
Outstanding claims including IBNR	-	-	-	140,406	140,406	-	-	-
Takaful/retakaful payables	-	-	-	43,021	43,021	-	-	-
Payable to OPF	-	-	-	26,477	26,477	-	-	-
	-	-	-	209,904	209,904	-	-	-

December 31, 2022 (Audited)

	Available for sale	Loans & receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
(Rupees in '000)								
Financial assets not measured at fair value								
Loans and other receivables	-	2,823	-	-	2,823	-	-	-
Takaful/retakaful receivables	-	130,585	-	-	130,585	-	-	-
Retakaful recoveries against outstanding claims	-	61,818	-	-	61,818	-	-	-
Salvage recoveries accrued	-	25	-	-	25	-	-	-
Cash and bank balances	-	-	211,901	-	211,901	-	-	-
	-	195,251	211,901	-	407,152	-	-	-
Financial liabilities not measured at fair value*								
Outstanding claims including IBNR	-	-	-	118,074	118,074	-	-	-
Takaful/retakaful payables	-	-	-	65,713	65,713	-	-	-
Other creditors and accruals	-	-	-	255	255	-	-	-
Payable to OPF	-	-	-	7,469	7,469	-	-	-
	-	-	-	191,511	191,511	-	-	-

Habib Insurance Company Limited

* The Operator has not disclosed the fair value of these items as these are either short term in nature or repriced frequently and as such their carrying amounts are a reasonable approximation of their fair values.

25. CORRESPONDING FIGURES

Corresponding figures have been rearranged wherever necessary, for purposes of comparison. However, there were no material reclassifications to report.

26. GENERAL

Figures have been rounded off to the nearest thousand rupee.

27. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on August 29, 2023 by the Board of Directors of the Operator.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer