



Habib Insurance
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Habib Insurance Company Limited
Accounts for the Quarter ended
March 31, 2024
(Unaudited)

Habib Insurance Company Limited

Contents

Company Information	1
Directors' Review	2
Condensed Interim Statement of Financial Position	4
Condensed Interim Statement of Profit or Loss Account and Comprehensive Income	5
Condensed Interim Statement of Changes in Equity	6
Condensed Interim Statement of Cash Flow	7
Notes to the Condensed Interim Financial Statements	8
Financial Statements – Window Takaful Operations	
Condensed Interim Statement of Financial Position	21
Condensed Interim Statement of Comprehensive Income	22
Condensed Interim Statement of Changes in Fund	23
Condensed Interim Statement of Cash Flow	24
Notes to the Condensed Interim Financial Statements	25

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 Asif
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 March 31, 2024.

By the Grace of Allah, the profit after tax of the Company for the period under review was Rs. 76.4 million as compared to Rs. 44.9 million of March 2023 resulting in an earning per share of Rs. 0.62 as compared to Rs. 0.36 of March 2023.

Reviewing the underwriting results for the first three months of the year, the gross written premium for the period was Rs. 659.3 million, a decline of 15%. There was an underwriting loss of Rs. 33.6 million as compared to a loss of Rs. 29.5 million of the same period last year primarily due to higher claims reported during the quarter.

Investment and other Income for the period under review was Rs. 125.1 million as against Rs. 71.9 million of March 2023, largely due to higher dividend income recorded during the period.

This is yet early part of the year and we look forward that the period to follow will be successful with improvement in underwriting results and sustained investment income. We pray to Allah for stability and economic progress of our Country and particularly for the safety and welfare of the people.

On behalf of the Board of Directors

Karachi: April 25, 2024

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

حبیب انشورنس کمپنی لمیٹڈ ڈائریکٹرز کا جائزہ

ڈائریکٹرز ۳۱ مارچ ۲۰۲۳ء کو ختم ہونے والی مدت کے لئے کمپنی کے غیر آڈٹ شدہ حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

اللہ تعالیٰ کے فضل و کرم سے زیر جائزہ مدت کے لئے کمپنی کا منافع بعد از ٹیکس مارچ ۲۰۲۳ء میں 44.9 ملین روپے کے مقابلے میں 76.4 ملین روپے رہا جس کے نتیجے میں 0.62 روپے فی شیئر کی آمدنی حاصل ہوئی جو اس کے مقابلے میں مارچ ۲۰۲۳ء میں 0.36 روپے فی شیئر تھی۔

سال کے پہلے 3 ماہ کے لئے زیر تحریر نتائج کے جائزے کے مطابق اس مدت کیلئے مجموعی زیر تحریر پر بیٹیم 659.3 ملین روپے رہا اس طرح 15 فیصد کمی ہوئی۔ اس سے 33.6 ملین کا زیر تحریر خسارہ ہوا جبکہ گزشتہ سال کی اس مدت کے مقابلے میں 29.5 ملین روپے کا خسارہ ہوا تھا جس کی بنیادی وجہ سہ ماہی کے دوران بلند تر کلیئر کا ہونا تھا۔

زیر جائزہ مدت کیلئے سرمایہ کاری اور دیگر آمدنی 125.1 ملین روپے رہی جو اس کے مقابلے میں مارچ ۲۰۲۳ء میں 71.9 ملین روپے تھی جس کی بڑی وجہ اس مدت کے دوران بلند تر منافع منقسمہ کی آمدنی کا ریکارڈ کیا جانا تھا۔

یہ ابھی سال کا ابتدائی حصہ ہے اور ہم آگے بڑھتے ہوئے دیکھ رہے ہیں کہ زیر تحریر نتائج میں بہتری اور پائیدار و مستحکم سرمایہ کاری آمدنی کے ساتھ کامیابی حاصل ہوگی۔ ہم اللہ تعالیٰ سے اپنے ملک کے استحکام، معاشی بہتری اور بالخصوص عوام کے تحفظ اور خوشحالی کے لئے دعا گو ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

سید اطہر عباس
چیف ایگزیکٹو

عمون محمد اے۔ حبیب
ڈائریکٹر

کراچی:
۲۵ اپریل ۲۰۲۳ء

Habib Insurance Company Limited

Condensed Interim Statement of Financial Position as at March 31, 2024 (Unaudited)

	Note	(Unaudited) March 31, 2024 (Rupees in '000)	(Audited) December 31, 2023
Assets			
Property and equipment	5	108,257	114,021
Intangible assets		182	235
Investments			
Equity securities	6	1,333,656	1,252,546
Debt securities	7	316,456	314,674
Loans, deposits and other receivables	8	151,542	92,469
Insurance/ reinsurance receivables	9	1,077,196	1,352,698
Reinsurance recoveries against outstanding claims	16	697,297	670,203
Salvage recoveries accrued		50,350	46,402
Deferred commission expense	17	141,271	184,408
Prepayments	10	506,936	681,913
Taxation - provision less payment		59,475	71,881
Cash and bank	11	603,785	471,369
		<u>5,046,403</u>	<u>5,252,819</u>
Total Assets of Window Takaful Operations - Operator's Fund		<u>245,642</u>	<u>241,241</u>
Total Assets		<u>5,292,045</u>	<u>5,494,060</u>
Equities and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		619,374	619,374
Reserves		812,950	749,067
Unappropriated profit		211,441	135,012
Total Equity		<u>1,643,765</u>	<u>1,503,453</u>
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	16	1,140,852	1,055,320
Unearned premium reserves	15	1,104,008	1,390,472
Premium deficiency reserves		3,346	3,346
Unearned reinsurance commission	17	117,435	149,584
Retirement benefit obligations		99,379	93,716
Deferred taxation		164,002	142,074
Lease liability against right of use assets		36,513	40,766
Premium received in advance		7,246	41,463
Insurance/ reinsurance payables	12	550,841	553,586
Other creditors and accruals	13	282,725	366,669
		<u>3,506,347</u>	<u>3,836,996</u>
Total Liabilities of Window Takaful Operations - Operator's Fund		<u>141,933</u>	<u>153,611</u>
Total Liabilities		<u>3,648,280</u>	<u>3,990,607</u>
Total Equity and Liabilities		<u>5,292,045</u>	<u>5,494,060</u>
Contingencies and commitments	14		

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

RAFIQ M. HABIB MANSOOR G. HABIB AUN MOHAMMAD A. HABIB SYED ATHER ABBAS MURTAZA HUSSAIN
Chairman *Director* *Director* *Chief Executive* *Chief Financial Officer*

Habib Insurance Company Limited

Condensed Interim Statement of Profit or Loss Account and Comprehensive Income for the quarter ended March 31, 2024 (Unaudited)

	Note	(Unaudited) March 31, 2024 (Rupees in '000)	(Unaudited) March 31, 2023 (Rupees in '000)
Net insurance premium	15	395,866	415,464
Net Insurance claims	16	(242,447)	(263,476)
Net commission and other acquisition cost	17	(10,505)	10,894
Insurance claims and acquisition expense		(252,952)	(252,582)
Management expenses		(176,534)	(192,381)
Underwriting results		(33,620)	(29,499)
Investment income	18	92,884	61,097
Other income		32,167	10,842
Other expenses		(2,656)	(2,344)
Results of operating activities		122,395	69,595
Finance cost		(1,361)	(721)
Profit/ (loss) before tax from Window Takaful			
Operations - Operator's Fund		22,646	21,677
Profit for the period before tax		110,060	61,052
Income tax expense		(33,631)	(16,165)
Profit for the period		76,429	44,887
Other comprehensive income:			
<i>Items that may be classified subsequently to profit and loss account</i>			
Unrealised gain / (loss) on available-for-sale investments during the period		89,976	(82,126)
Less: Net gain transferred to profit and loss on disposal/ redemption/ impairment of investments		—	(922)
		89,976	(83,048)
Related tax impact		(26,093)	25,745
Other comprehensive income/ (loss) for the period		63,883	(57,303)
Total comprehensive income/ (loss) for the period		140,312	(12,416)
Earning per share - rupees	19	0.62	0.36

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

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Changes in Equity for the quarter ended March 31, 2024 (Unaudited)

	Attributable to equity holders of the Company					Total
	Capital Reserves		Revenue Reserves			
	Share capital	Reserve for exceptional losses	General reserve	Available-for-sale reserves (Rupees in '000)	Unappropriated profit	
Balance as at January 01, 2023	619,374	9,122	305,000	100,839	133,967	1,168,302
Comprehensive income for the period						
Net profit after tax for the period	-	-	-	-	44,887	44,887
Other comprehensive income for the period - net of tax	-	-	-	(57,303)	-	(57,303)
Total comprehensive income for the period	-	-	-	(57,303)	44,887	(12,416)
Balance as at March 31, 2023	619,374	9,122	305,000	43,536	178,854	1,155,886
Balance as at January 01, 2024	619,374	9,122	355,000	384,945	135,012	1,503,453
Comprehensive income for the period						
Net profit after tax for the period	-	-	-	-	76,429	76,429
Other comprehensive income for the period - net of tax	-	-	-	63,883	-	63,883
Total comprehensive income for the period	-	-	-	63,883	76,429	140,312
Balance as at March 31, 2024	619,374	9,122	355,000	448,828	211,441	1,643,765

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

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Cash Flow for the quarter ended March 31, 2024 (Unaudited)

	(Unaudited) March 31 2024	(Unaudited) March 31 2023
	(Rupees in '000)	
Operating cash flow		
(a) Underwriting activities		
Insurance premium received	807,366	369,500
Reinsurance premium paid	(292,104)	(106,418)
Claims paid	(337,402)	(363,929)
Reinsurance and other recoveries received	149,445	155,473
Commission paid	(102,124)	(102,975)
Commission received	66,508	60,512
Net cash flows from underwriting activities	291,689	12,163
(b) Other operating activities		
Income tax paid	(103,729)	(26,830)
Other operating payments	(177,169)	(177,720)
Other operating receipts	47,268	3,805
Loans advanced	(970)	(1,085)
Loan repayment received	5,863	2,613
Net cash flows from other operating activities	(228,737)	(199,217)
Total cash flows from all operating activities	62,952	(187,054)
Investment activities		
Profit/ return received	34,502	50,559
Dividend received	42,448	34,972
Payment for investments	-	(376,065)
Proceeds from investments	-	324,922
Fixed capital expenditure	(1,980)	(3,867)
Proceeds from sale of property, plant and equipment	108	239
Total cash flows from investing activities	75,078	30,760
Financing activities		
Payment against leased liabilities	(5,614)	(4,211)
Dividends paid	-	(689)
Total cash flows from financing activities	(5,614)	(4,900)
Net cash flows from all activities	132,416	(161,194)
Cash and cash equivalents at beginning of year	471,369	306,241
Cash and cash equivalents at end of the period	603,785	145,047
Reconciliation to profit and loss account		
Operating cash flows	62,952	(187,054)
Depreciation and amortisation expense	(7,769)	(4,682)
Income tax paid	103,729	26,830
Provision for gratuity	(5,912)	(7,529)
Gratuity paid	251	553
Profit/ return received	34,502	50,559
Dividends income	42,448	34,972
Capital gain	-	922
Financial charges expense	(1,361)	(721)
Profit on disposal of property and equipment	79	15
Provision of taxation	(33,631)	(16,165)
Decrease in assets other than cash	228,524	(111,439)
Decrease in liabilities other than borrowings	(370,029)	236,949
Profit after tax from conventional insurance operations	53,783	23,210
Profit/ (Loss) from window Takaful Operations - Operator's Fund	22,646	21,677
Profit after taxation	76,429	44,887

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

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Notes to the Condensed Interim Financial Statements for the quarter ended March 31, 2024 (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, MA, 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 Karachi Region	State Life Building No. 6, Habib Square, M.A. Jinnah Road, Karachi. P&O Plaza, Survey No. 3/2, Sheet No. R.4.5, Railway Quarter, I.I. Chundrigar 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, adjacent to Toyota Faisalabad Motors & behind HBL Canal Road Branch, Faisalabad.
Multan Branch	Room No. 401, 403, Plot No. 74, United Mall, Abdali Road, Multan.
Lahore Branches	Plot No. 320, Block No. G/3, M.A. Johar Town, Lahore.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial information has been prepared in accordance with the format prescribed by Securities and Exchange Commission of Pakistan (SECP) through Insurance Rules, 2017, vide SRO 89 (I) / 2017 dated February 09, 2017.

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards 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, the Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012. Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, and Insurance Accounting Regulations, 2017, and Takaful Rules, 2012 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, and Insurance Accounting Regulations, 2017, and Takaful Rules, 2012 have been followed.

In terms of the requirements of the Takaful Rules, 2012, read with SECP circular 25 of 2015 dated July 09, 2015, the assets, liabilities and profit and loss of the Operator's Fund of the Company have been presented as a single line item in the statement of financial position and profit and loss account of the Company respectively.

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan vide SRO 89(I)/2017 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information and disclosures required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2023.

Habib Insurance Company Limited

2.1 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain investments which are carried at fair value and obligations under certain employment benefits which are measured at present value.

2.2 Functional and presentation currency

These financial statements are presented in Pak Rupees which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to nearest Thousand Rupees, unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The significant accounting policies and method of computation adopted in preparation of these condensed interim financial statements are consistent with those followed in preparation of the annual financial statements of the Company for the year ended December 31, 2023.

4. ESTIMATES AND JUDGEMENTS

The preparation of the financial statements for the quarter requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key source of estimation uncertainty were the same as those that were applied to the annual financial statements for the year ended December 31, 2023.

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
(Rupees in '000)			
5. Property and equipment			
Property and equipment	5.1	74,957	76,970
Right-of-use assets	5.2	33,300	37,051
		108,257	114,021
5.1 Property and Equipment			
Opening written down value		76,970	30,319
Additions during the period / year	5.1.1	1,980	59,571
Disposals during period / year	5.1.2	(28)	(649)
Depreciation for the period / year		(3,965)	(12,271)
Closing written down value		74,957	76,970
5.1.1 The following additions were made to tangible-property and equipment during the period/ year			
Furniture and fixtures		–	43,723
Computer equipment		1,669	1,852
Office equipment		186	12,171
Motor Vehicles - owned		125	1,825
		1,980	59,571
5.1.2 The following disposals of tangible - operating assets were made during the period / year			
Furniture and fixtures		6	–
Computer equipment		–	2
Office equipment		22	234
Motor Vehicles - owned		–	413
		28	649

Habib Insurance Company Limited

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
(Rupees in '000)			
5.2 Right-of-use assets			
Opening written down value		37,051	25,783
Additions during the period / year		–	25,215
Disposals Adjustments during the period / year		–	424
Depreciation charge for the period / year		(3,751)	(14,371)
Closing written down value		<u>33,300</u>	<u>37,051</u>

6. INVESTMENT IN EQUITY SECURITIES

	March 31, 2024 (Unaudited)				December 31, 2023 (Audited)			
	Cost	Impairment / provision	Revaluation surplus	Carrying value	Cost	Impairment / provision	Revaluation surplus	Carrying value
(Rupees in '000)								
Available-for-sale								
Related Parties								
Listed shares	350,634	–	241,396	592,030	350,635	–	210,233	560,868
Others								
Listed shares	322,695	(8,247)	386,671	701,119	322,694	(763)	329,100	651,031
Listed preference shares	19,331	–	1,812	21,143	19,331	–	2,876	22,207
Mutual funds	605	–	1,809	2,414	605	–	2,100	2,705
Modaraba certificate	15,014	–	1,936	16,950	15,014	–	721	15,735
	<u>357,645</u>	<u>(8,247)</u>	<u>392,228</u>	<u>741,626</u>	<u>357,644</u>	<u>(763)</u>	<u>334,797</u>	<u>691,678</u>
	<u>708,279</u>	<u>(8,247)</u>	<u>633,624</u>	<u>1,333,656</u>	<u>708,279</u>	<u>(763)</u>	<u>545,030</u>	<u>1,252,546</u>

7. INVESTMENT IN GOVERNMENT SECURITIES

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
(Rupees in '000)			
Available-for-sale			
Pakistan Investment Bonds (PIBs)	7.1	66,456	64,674
Term finance certificates	7.2	250,000	250,000
		<u>316,456</u>	<u>314,674</u>

7.1 This represents Pakistan Investment Bonds having face value of Rs. 70.0 million (market value of Rs. 66.456 million) [December 31, 2023: face value Rs.70.0 million (market value of Rs.64.67 million)]. These carry mark-up ranging from 10.45% to 13.46% (December 31, 2023: 10.45% to 13.46%) per annum and will mature between August 05, 2024 to September 19, 2024. PIBs having face value of Rs. 70.0 million 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.

7.2 INVESTMENT IN TERM FINANCE CERTIFICATES - Unsecured (available for sale)

Name of Company	Name of Chief Executive	Term/ Profit Payment	No. of Certificateaes	Cost	(Unaudited) March 31, 2024	(Audited) December 31, 2023
(Rupees in '000)						
Bank Alfalah	Mr. Atif Bajwa	Parpetual and 6 monthly Non-cumulative KIBOR + 2%	<u>20,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Bank AL Habib Limited	Mr. Mansoor Ali Khan	Perpetual and 6 monthly KIBOR + 1.65%	<u>30,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

Habib Insurance Company Limited

		(Unaudited) March 31, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
8.	LOANS AND OTHER RECEIVABLES - Considered good		
	Accrued investment income	63,609	9,164
	Security Deposits	17,777	17,777
	FED Receivable	578	-
	Advances	14,260	5,639
	Agents Commission receivable	15,172	10,014
	Loan to employees	30,604	33,652
	Receivable from Window Takaful Operations	-	249
	Receivable from employees - parents insurance policy	1,464	2,160
	Input sales tax	8,078	13,814
		151,542	92,469
9.	INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good		
	Due from insurance contract holders		
	Considered good	453,098	611,586
	Considered doubtful	20,488	20,488
	Less: Provision for impairment of receivables from insurance contract holders	(20,488)	(20,488)
		453,098	611,586
	Due from other insurers / reinsurers		
	Considered good	624,098	741,112
	Considered doubtful	30,164	30,165
	Less: provision for impairment of due from other insurers / reinsurers	(30,164)	(30,165)
		624,098	741,112
		1,077,196	1,352,698
9.1	Movement of balance due from the contract holders considered doubtful		
	Opening balance	20,488	20,488
	Provision for impairment of balances due from insurance contract holders	-	-
	Closing balance	20,488	20,488
9.2	Movement of balance due from other insurer/ reinsurer considered doubtful		
	Opening balance	30,165	16,894
	Provision for impairment of balances due from insurance contract holders	-	13,271
	Closing balance	30,165	30,165

Habib Insurance Company Limited

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
(Rupees in '000)			
10. PREPAYMENTS			
Prepaid reinsurance premium ceded		487,360	654,680
Prepaid employees group / health insurance		6,047	9,498
Others		13,529	17,735
		506,936	681,913
11. CASH AND BANK			
Cash and cash equivalents			
Cash in hand		1,109	271
Policy Stamps		1,923	76
		3,032	347
Cash at bank			
Current accounts		28,482	19,165
Savings accounts		572,271	451,857
		600,753	471,022
		603,785	471,369
12. INSURANCE / REINSURANCE PAYABLES			
Due to other insurers / reinsurers	12.1	550,841	553,586
12.1 Due to other insurers / reinsurers			
Foreign reinsurers		194,239	155,411
Local reinsurers		170,190	182,054
Co insurers		186,412	216,121
		550,841	553,586
13. OTHER CREDITORS AND ACCRUALS			
Agents commission payable		137,296	168,237
Federal excise duty		16,571	59,160
Federal insurance fee		1,228	4,054
Accrued expenses		24,635	25,614
Withholding tax payable		2,356	2,942
Unclaimed dividend		66,446	66,446
Sundry creditors		27,731	29,584
Others		6,462	10,632
		282,725	366,669
14. CONTINGENCIES & COMMITMENTS			
14.1 Contingencies			
There is no contingency as at March 31, 2024 other than those disclosed in the financial statement as at December 31, 2023.			
14.2 Commitments			
There is no commitment as at March 31, 2024 (December 31, 2023: Nil).			

Habib Insurance Company Limited

	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
	(Rupees in '000)	
15. NET INSURANCE PREMIUM		
Written gross premium	566,081	635,788
Add: Unearned premium reserve opening	1,390,472	1,202,472
Less: Unearned premium reserve closing	(1,104,008)	(1,104,489)
Premium earned	<u>852,545</u>	<u>733,771</u>
Less: Reinsurance premium ceded	289,359	276,821
Add: Prepaid reinsurance premium opening	654,680	501,272
Less: Prepaid reinsurance premium closing	(487,360)	(459,786)
Reinsurance expense	<u>456,679</u>	<u>318,307</u>
Net insurance premium	<u><u>395,866</u></u>	<u><u>415,464</u></u>
16. NET INSURANCE CLAIMS		
Claims paid	337,402	363,929
Add: Outstanding claims including IBNR closing	1,140,852	1,015,749
Less: Outstanding claims including IBNR opening	(1,055,320)	(959,567)
Claims expense	<u>422,934</u>	<u>420,111</u>
Reinsurance and other recoveries received	149,445	155,473
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	747,647	677,638
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(716,605)	(676,476)
Reinsurance and other recoveries revenue	<u>180,487</u>	<u>156,635</u>
Net insurance claims	<u><u>242,447</u></u>	<u><u>263,476</u></u>
17. NET COMMISSION INCOME		
Commissions paid or payable	71,183	87,291
Add: Deferred commission - opening	184,408	146,080
Less: Deferred commission - closing	(141,271)	(151,415)
Commission expense	<u>114,320</u>	<u>81,956</u>
Less: Commission from reinsurers		
Commission received or receivable	71,666	60,753
Add: Unearned reinsurance commission - opening	149,584	156,637
Less: Unearned reinsurance commission - closing	(117,435)	(124,540)
Commission from reinsurers	<u>103,815</u>	<u>92,850</u>
Net commission income	<u><u>(10,505)</u></u>	<u><u>10,894</u></u>

Habib Insurance Company Limited

	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
	(Rupees in '000)	
18. INVESTMENT INCOME		
Income from equity securities - 'available-for-sale'		
- Dividend income	83,805	36,143
Income from debt securities - 'available-for-sale'		
- Pakistan Investment Bonds	1,933	1,879
- Treasury Bills	-	26,972
- Term Finance Certificates	14,629	6,273
	16,562	35,124
Net realised gain on investments - 'available-for-sale'		
- Mutual funds units	-	922
Net realised loss on investments		
- Equity securities	-	-
Total investment income	100,367	72,189
Less: Impairment in value of available-for-sale investments	(7,483)	(10,938)
Less: Investment related expenses	-	(154)
	<u>92,884</u>	<u>61,097</u>
19. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax for the period	<u>76,429</u>	<u>44,887</u>
	(Number of Shares)	
Weighted average number of ordinary shares of Rs.5 each	<u>123,874,755</u>	<u>123,874,755</u>
	(Rupees)	
Basic earnings per share	<u>0.62</u>	<u>0.36</u>

19.1 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.

20. 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. The Company in the normal course of business carries out transactions with related parties at commercial terms and conditions except for compensation to key management personnel which are on employment terms.

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:

Habib Insurance Company Limited

	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
	(Rupees in '000)	
Transactions and balances with associated companies		
Transactions during the year with associated companies		
Premium written	60,871	70,535
Claims paid	18,128	45,903
Dividend received	47,200	14,244
Investment made	–	52,065
Interest received on bank accounts	31,027	10,230
Bank charges	107	163
Donations	800	800
Premium ceded to reinsurer	36,654	68,057
Commission income	12,439	21,222
Reinsurance recoveries received	37,321	30,863
Remuneration of key management personnel	56,317	73,181
	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Balances with associated companies		
Premium due but unpaid	33,380	95,834
Claims outstanding	170,229	129,397
Bank balances	28,540	442,491
Investment held	–	560,868
Reinsurance Receivable/ (payable)	31,326	(31,819)
	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
	(Rupees in '000)	
Transactions during the year with other related parties including key management personnel		
Repayment of loans to employees (secured)	3,469	2,080
Brokerage expenses paid	–	128
Contribution to the provident fund	2,873	2,797
	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Balance with other related parties including key management personnel		
Loans to employees (secured)	19,044	30,604

Habib Insurance Company Limited

21. SEGMENT REPORTING

	March 31, 2024 (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)	140,495	193,527	228,848	(75)	88,801	651,596
Less: Federal Excise Duty	18,553	21,429	30,035	8	9,822	79,847
Federal Insurance Fee	1,208	1,703	1,976	(1)	782	5,668
Gross written premium (inclusive of Administrative surcharge)	120,734	170,395	196,837	(82)	78,197	566,081
Gross direct premium	119,622	168,063	190,306	(79)	77,785	555,697
Facultative inward premium	–	–	566	–	–	566
Administrative surcharge	1,112	2,332	5,965	(3)	412	9,818
	120,734	170,395	196,837	(82)	78,197	566,081
Insurance premium earned	311,376	146,897	290,214	2,071	101,987	852,545
Insurance premium ceded to reinsurers	(261,606)	(88,315)	(40,911)	–	(65,847)	(456,679)
Net insurance premium	49,770	58,582	249,303	2,071	36,140	395,866
Commission income	57,892	25,961	7,679	–	12,283	103,815
Net underwriting income	107,662	84,543	256,982	2,071	48,423	499,681
Insurance claims	66,623	17,085	271,104	2,997	65,125	422,934
Insurance claims recovered from reinsurers	(60,738)	(10,128)	(83,975)	–	(25,646)	(180,487)
Net Claims	5,885	6,957	187,129	2,997	39,479	242,447
Commission expense	(47,404)	(21,281)	(33,264)	(64)	(12,307)	(114,320)
Management expenses	(37,651)	(53,138)	(61,385)	26	(24,386)	(176,534)
Net insurance claims and expenses	(85,055)	(74,419)	(94,649)	(38)	(36,693)	(290,854)
Underwriting result	16,722	3,167	(24,796)	(964)	(27,749)	(33,620)
Investment income						92,884
Other income						32,167
Other expenses						(2,656)
Results of operating activities						88,775
Finance cost						(1,361)
Profit from Window Takaful Operations - Operator's Fund						22,646
Profit before tax						110,060

Habib Insurance Company Limited

March 31, 2024 (Unaudited)

Segment assets

Allocated Assets

Premium due but unpaid	164,300	67,158	143,248	7,613	70,779	453,098
Prepaid reinsurance premium ceded	334,644	46,220	41,447	–	65,049	487,360
Reinsurance recoveries against outstanding claims	447,022	51,365	75,231	813	122,866	697,297
Salvage recoveries accrued	2,675	25,025	22,459	138	53	50,350
Deferred commission expense	61,022	8,038	55,353	12	16,846	141,271
	<u>1,009,663</u>	<u>197,806</u>	<u>337,738</u>	<u>8,576</u>	<u>275,593</u>	<u>1,829,376</u>

Unallocated Assets

Fixed assets at cost less depreciation						108,439
Amounts due from others insurers/ reinsurers						624,098
Cash and cash equivalents						603,785
Loans-secured, considered good						30,604
Investments						1,650,112
Accrued investment income						63,609
Deferred taxation						–
Advances, deposits and prepayments						57,329
Taxation - provisions and prepayments						59,475
Prepayments						19,576
						<u>3,217,027</u>
Total Assets						<u>5,046,403</u>
Unallocated assets of General Takaful Operations - Operator's Fund						<u>245,642</u>
						<u>5,292,045</u>

Allocated Liabilities

Outstanding Claims	490,933	118,293	295,226	9,633	226,767	1,140,852
Unearned Premium	424,054	53,339	488,917	2,620	135,078	1,104,008
Unearned Reinsurance Commission	73,276	14,157	13,510	–	16,492	117,435
Premium Deficiency Reserve	–	–	–	3,346	–	3,346
	<u>988,263</u>	<u>185,789</u>	<u>797,653</u>	<u>15,599</u>	<u>378,337</u>	<u>2,365,641</u>

Unallocated Liabilities

Premiums received in advance						7,246
Amounts due to other insurers/ reinsurers						550,841
Staff retirements benefits						99,379
Deferred tax						164,002
Finance lease liability						36,513
Other creditors and accruals						282,725
						<u>1,140,706</u>
Total Liabilities						<u>3,506,347</u>
Unallocated liabilities of General Takaful Operations - Operator's Fund						<u>141,933</u>
						<u>3,648,280</u>

Habib Insurance Company Limited

SEGMENT REPORTING

	March 31, 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)	152,401	94,239	317,493	1,254	167,607	732,994
Less: Federal Excise Duty	20,185	10,725	38,128	157	21,590	90,785
Federal Insurance Fee	1,304	835	2,775	12	1,495	6,421
Gross written premium (inclusive of Administrative surcharge)	130,912	82,679	276,590	1,085	144,522	635,788
Gross direct premium	128,170	80,227	266,885	1,085	143,330	619,697
Facultative inward premium	1,350	–	(53)	–	–	1,297
Administrative surcharge	1,392	2,452	9,758	–	1,192	14,794
	130,912	82,679	276,590	1,085	144,522	635,788
Insurance premium earned	271,050	89,542	297,473	4,625	71,081	733,771
Insurance premium ceded to reinsurers	(201,780)	(35,982)	(50,775)	–	(29,770)	(318,307)
Net insurance premium	69,270	53,560	246,698	4,625	41,311	415,464
Commission income	65,508	10,543	11,841	–	4,958	92,850
Net underwriting income	134,778	64,103	258,539	4,625	46,269	508,314
Insurance claims	63,005	86,175	242,348	4,009	24,574	420,111
Insurance claims recovered from reinsurers	(58,949)	(31,366)	(53,476)	–	(12,844)	(156,635)
Net Claims	4,056	54,809	188,872	4,009	11,730	263,476
Commission expense	(37,788)	(8,552)	(27,589)	(34)	(7,993)	(81,956)
Management expenses	(39,611)	(25,018)	(83,693)	(328)	(43,731)	(192,381)
Net insurance claims and expenses	(77,399)	(33,570)	(111,282)	(362)	(51,724)	(274,337)
Underwriting result	53,323	(24,276)	(41,615)	254	(17,185)	(29,499)
Investment income						61,097
Other income						10,842
Other expenses						(2,344)
Results of operating activities						40,096
Finance cost						(721)
Profit from Window Takaful Operations - Operator's Fund						21,677
Profit before tax						61,052

Habib Insurance Company Limited

December 31, 2023 (Audited)

Segment assets

Allocated Assets

Premium due but unpaid	205,074	72,072	219,174	7,296	107,970	611,586
Prepaid reinsurance premium ceded	493,351	5,447	54,811	–	101,071	654,680
Reinsurance recoveries against outstanding claims	445,853	55,320	52,220	951	115,859	670,203
Salvage recoveries accrued	13,161	18,461	14,701	–	79	46,402
Deferred commission expense	92,319	3,948	62,442	84	25,615	184,408
	<u>1,249,758</u>	<u>155,248</u>	<u>403,348</u>	<u>8,331</u>	<u>350,594</u>	<u>2,167,279</u>

Unallocated Assets

Fixed assets at cost less depreciation						114,256
Amounts due from others insurers/ reinsurers						741,112
Cash and cash equivalents						471,369
Loans-secured, considered good						33,652
Investments						1,567,220
Accrued investment income						9,164
Receivable against sale of investments						–
Advances, deposits and prepayments						49,653
Taxation - provisions less payments						71,881
Prepayments						27,233
						<u>3,085,540</u>

Total Assets

Unallocated assets of General Takaful Operations - Operator's Fund

	<u>5,252,819</u>
	<u>241,241</u>
	<u>5,494,060</u>

Allocated Liabilities

Outstanding Claims	497,227	137,660	222,106	7,828	190,499	1,055,320
Unearned Premium	614,698	29,842	582,292	4,773	158,867	1,390,472
Unearned Reinsurance Commission	106,936	1,887	16,863	–	23,898	149,584
Premium Deficiency Reserve	–	–	–	3,346	–	3,346
	<u>1,218,861</u>	<u>169,389</u>	<u>821,261</u>	<u>15,947</u>	<u>373,264</u>	<u>2,598,722</u>

Unallocated Liabilities

Premiums received in advance						41,463
Amounts due to other insurers/ reinsurers						553,586
Staff retirements benefits						93,716
Deferred tax						142,074
Finance lease liability						40,766
Other creditors and accruals						366,669
						<u>1,238,274</u>

Total Liabilities

Unallocated liabilities of General Takaful Operations - Operator's Fund

	<u>153,611</u>
	<u>3,990,607</u>

Habib Insurance Company Limited

22. GENERAL

Figures have been rounded off to the nearest Thousand Rupee.

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on April 25, 2024 by the Board of Directors of the Company.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Financial Statements

Window Takaful Operations

Habib Insurance Company Limited

Condensed Interim Statement of Financial Position as at March 31, 2024 (Unaudited)

	Operator's Fund		Participant's Fund		
	(Unaudited) March 31, 2024	(Audited) December 31, 2023	(Unaudited) March 31, 2024	(Audited) December 31, 2023	
Note	(Rupees in '000)		(Rupees in '000)		
ASSETS					
Loans and other receivables	5	15	25	119	3,398
Takaful / retakaful receivable	6	–	–	179,230	190,987
Retakaful recoveries against outstanding claims	13	–	–	52,692	23,890
Salvage recoveries accrued		–	–	4,782	3,330
Deferred Wakala expense	16	–	–	61,509	75,636
Deferred commission expense	14	26,337	32,661	–	–
Receivable from PTF	11	31,297	18,063	–	–
Taxation - payments less provision		–	–	8,088	6,954
Prepayments	7	1,815	–	72,150	96,064
Cash and bank	8	186,178	190,492	300,176	284,219
Total assets		<u>245,642</u>	<u>241,241</u>	<u>678,746</u>	<u>684,478</u>
EQUITIES AND LIABILITIES					
CAPITAL RESERVES ATTRIBUTABLE TO COMPANY'S SHAREHOLDERS					
Share capital		50,000	50,000	–	–
Retained earnings		53,709	37,630	–	–
Total Shareholders Equity		103,709	87,630	–	–
PARTICIPANT'S TAKAFUL FUND (PTF)					
Ceded money		–	–	500	500
Accumulated surplus		–	–	92,765	102,373
Balance of Participants' Takaful Fund		–	–	93,265	102,873
LIABILITIES					
PTF underwriting provisions					
Outstanding claims including IBNR	13	–	–	184,164	126,625
Unearned contribution reserve	12	–	–	205,028	252,121
Reserve for unearned retakaful rebate	15	–	–	13,284	18,561
		–	–	402,476	397,307
Unearned Wakala Fee	16	61,509	75,636	–	–
Contribution received in advance		–	–	15,626	19,026
Takaful / retakaful payable	10	–	–	130,060	135,162
Payable to OTF	11	–	–	31,297	18,063
Retirement benefit obligation		13,620	12,812	–	–
Taxation - payments less provision		21,615	16,285	–	–
Other creditors and accrual	9	45,189	48,878	6,022	12,047
Total liabilities		<u>141,933</u>	<u>153,611</u>	<u>183,005</u>	<u>184,298</u>
Total Equity and Liabilities		<u>245,642</u>	<u>241,241</u>	<u>678,746</u>	<u>684,478</u>
Contingencies and commitments	18				

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Comprehensive Income for the quarter ended March 31, 2024 (Unaudited)

	Note	(Unaudited) Quarter ended March 31, 2024	(Unaudited) Quarter ended March 31, 2023
(Rupees in '000)			
Participants' Takaful Fund			
Contribution earned	12	98,697	93,846
Less: Contribution ceded to retakaful	12	(68,311)	(40,699)
Net contribution revenue		<u>30,386</u>	<u>53,147</u>
Retakaful rebate	15	<u>11,516</u>	<u>6,877</u>
Net underwriting income		41,902	60,024
Net claims - reported/ settled -IBNR	13	<u>(20,634)</u> <u>(38,870)</u>	<u>(37,398)</u> <u>(15,422)</u>
		<u>(59,504)</u>	<u>(52,820)</u>
(Deficit)/ surplus before investment income		(17,602)	7,204
Investment income	17	8,444	4,705
Other expenses		<u>(450)</u>	<u>(250)</u>
(Deficit)/ surplus transferred to accumulated surplus		<u>(9,608)</u>	<u>11,659</u>
Other Comprehensive income		-	-
Total comprehensive (loss)/ income for the period		<u><u>(9,608)</u></u>	<u><u>11,659</u></u>
Operator's Fund			
Wakala fee	16	41,805	31,911
Commission expense	14	(17,957)	(12,289)
General administrative and management expenses		<u>(13,427)</u>	<u>(2,720)</u>
		10,421	16,902
Investment income	17	12,225	4,877
Other expense		-	(102)
Profit before taxation		<u>22,646</u>	<u>21,677</u>
Income tax expense		<u>(6,567)</u>	<u>(6,286)</u>
Profit after taxation for the period		<u>16,079</u>	<u>15,391</u>
Other comprehensive income		-	-
Total comprehensive income for the period		<u><u>16,079</u></u>	<u><u>15,391</u></u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Changes in Fund for the Quarter ended March 31, 2024 (Unaudited)

	Operator's Fund			Total
	Statutory Fund	Available-for sale reserve	Accumulated (deficit)/surplus	
	(Rupees in '000)			
Balance as at January 01, 2023	50,000	–	(11,998)	38,002
Comprehensive income for the period				
Profit for the period	–	–	15,391	15,391
Other Comprehensive income for the period	–	–	–	–
Total Comprehensive income for the period	–	–	15,391	15,391
Balance as at March 31, 2023	50,000	–	3,393	53,393
Balance as at January 01, 2024	50,000	–	37,630	87,630
Comprehensive income for the period				
Profit for the period	–	–	16,079	16,079
Other Comprehensive income for the period	–	–	–	–
Total Comprehensive income for the period	–	–	16,079	16,079
Balance as at March 31, 2024	50,000	–	53,709	103,709
	Participants' Takaful Fund			
	Ceded money	Available-for sale reserve	Accumulated (deficit)/surplus	Total
	(Rupees in '000)			
Balance as at January 01, 2023	500	(342)	100,534	100,692
Comprehensive income for the period				
Surplus for the period	–	–	11,659	11,659
Other Comprehensive income for the period	–	–	–	–
Total Comprehensive income for the period	–	–	–	–
Balance as at March 31, 2023	500	(342)	112,193	112,351
Balance as at January 01, 2024	500	–	102,373	102,873
Comprehensive income for the period				
Deficit for the period	–	–	(9,608)	(9,608)
Other Comprehensive income for the period	–	–	–	–
Total Comprehensive loss for the period	–	–	(9,608)	(9,608)
Balance as at March 31, 2024	500	–	92,765	93,265

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Cash flow for the Quarter ended March 31, 2024 (Unaudited)

	OPF		PTF	
	(Unaudited)		(Unaudited)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31 2023
	(Rupees in '000)			
Operating activities				
(a) Takaful activities				
Contribution received	–	–	101,766	72,539
Retakaful contribution paid	–	–	(46,170)	(55,169)
Claims paid	–	–	(37,238)	(62,163)
Retakaful and other recoveries received	–	–	5,019	29,462
Commission paid	(15,075)	(14,309)	–	–
Wakala/ Mudarib fee	18,063	4,596	(18,063)	(4,596)
Commission received	–	–	6,239	5,698
Net cash inflows from takaful activities	2,988	(9,713)	11,553	(14,229)
(b) Other operating activities				
Other operating payments	(15,908)	(3,540)	(7,659)	(3,298)
Other operating receipts	–	–	–	–
Net cash flow from other operating activities	(15,908)	(3,540)	(7,659)	(3,298)
Total cash flow from operating activities	(12,920)	(13,253)	3,894	(17,527)
Investment activities				
Profit / return received	8,606	2,589	12,063	6,188
Dividend received	–	272	–	533
Proceeds from investments	–	85,232	–	190,453
Payments for investments	–	(85,232)	–	(190,453)
Total cash flow from investing activities	8,606	2,861	12,063	6,721
Cash flows from financing activities	–	–	–	–
Net cash flow from all activities	(4,314)	(10,392)	15,957	(10,806)
Cash and cash equivalents at beginning of year	190,492	89,535	284,219	211,907
Cash and cash equivalents at end of period	186,178	79,143	300,176	201,101
Reconciliation to profit and loss account				
Operating cash flows	(12,920)	(13,253)	3,894	(17,527)
Profit / return received	8,606	2,589	12,063	6,188
Dividends received	–	272	–	533
(Increase)/ decrease in assets other than cash	7,951	37,821	(28,898)	57,088
(Decrease)/ Increase in liabilities	12,442	(12,038)	3,333	(34,623)
Profit/ (Loss) after taxation	16,079	15,391	(9,608)	11,659
Attributed to:				
Operator's Fund	16,079	15,391	–	–
Participants' Takaful Fund	–	–	(9,608)	11,659
	<u>16,079</u>	<u>15,391</u>	<u>(9,608)</u>	<u>11,659</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB MANSOOR G. HABIB AUN MOHAMMAD A. HABIB SYED ATHER ABBAS MURTAZA HUSSAIN
Chairman *Director* *Director* *Chief Executive* *Chief Financial Officer*

Habib Insurance Company Limited

Notes to the Condensed Interim Financial Statements for the quarter ended March 31, 2024 (Unaudited)

1 LEGAL 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

These financial statements have been prepared in line with the format issued by the SECP through Insurance Rules, 2017, and SECP Circular No. 25 of 2015 dated July 09, 2015.

These financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements for the quarter ended March 31, 2024 are unaudited and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

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

- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, General Takaful Accounting Regulations, 2019 and SECP Takaful Rules, 2012.

In case requirement differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the General Takaful Accounting Regulations, 2019 and Takaful Rules, 2012, shall prevail.

- 2.1.2 This condensed interim financial statements reflect the financial statements reflect the financial position and results of operations of both the Operator's Fund and Participants' Takaful Fund in a manner that the assets, liabilities, income and expenses of the Operator and Participants' Takaful Fund remain separately identifiable.

Habib Insurance Company Limited

2.1.3 In terms of the requirements of the Takaful Rules 2012, read with SECP Circular No. 25 of 2015 dated July 09, 2015, the assets, liabilities and profit and loss and other comprehensive income of the Operator's Fund have been presented as a single line item in the balance sheet and statement of comprehensive income of the Operator respectively.

2.1.4 This condensed interim financial statements does not include all the information and disclosures required in the annual financial statements. Accordingly these condensed interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2023.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for available for sale investments that have been measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is also the Operator's functional currency. All financial information presented in Pak Rupees has been rounded to nearest Thousand Rupees, unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The significant accounting policies and method of computation adopted in 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, 2023.

4 ESTIMATE AND JUDGEMENTS

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Operations' accounting policies and the key source of estimation uncertainty were the same as those that were applied to the annual financial statements as at and for the year ended December 31, 2023.

Habib Insurance Company Limited

5. LOANS AND OTHER RECEIVABLES

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Operator's Fund	Participant Takaful Fund	Total	Operator's Fund	Participant Takaful Fund	Total
	(Rupees in '000)			(Rupees in '000)		
Receivable from conventional operations	–	–	–	–	111	111
Others	15	119	134	25	3,287	3,312
	<u>15</u>	<u>119</u>	<u>134</u>	<u>25</u>	<u>3,398</u>	<u>3,423</u>
			Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023	(Rupees in '000)

6. TAKAFUL/ RETAKAFUL RECEIVABLE

Due from Takaful contract holders					
Considered good				54,412	57,835
Considered doubtful				20,602	20,602
Less: Provision for impairment of receivables from takaful contract holders				(20,602)	(20,602)
				<u>54,412</u>	<u>57,835</u>
Due from other takaful/ retakaful operators - Considered good				124,818	133,152
				<u>179,230</u>	<u>190,987</u>

7. PREPAYMENTS

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Operator's Fund	Participant Takaful Fund	Total	Operator's Fund	Participant Takaful Fund	Total
	(Rupees in '000)			(Rupees in '000)		
Retakaful contribution ceded	–	68,601	68,601	–	95,844	95,844
Others	1,815	3,549	5,364	–	220	220
	<u>1,815</u>	<u>72,150</u>	<u>73,965</u>	<u>–</u>	<u>96,064</u>	<u>96,064</u>

Habib Insurance Company Limited

8. CASH AND BANK

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Operator's Fund	Participant Takaful Fund	Total	Operator's Fund	Participant Takaful Fund	Total
	(Rupees in '000)			(Rupees in '000)		
Cash and cash equivalent						
- Policy stamps	-	71	71	-	38	38
Cash at bank						
Profit and loss sharing (PLS) accounts	186,178	300,105	486,283	190,492	284,181	474,673
	<u>186,178</u>	<u>300,176</u>	<u>486,354</u>	<u>190,492</u>	<u>284,219</u>	<u>474,711</u>

9. OTHER CREDITORS AND ACCRUALS

Federal insurance fee	-	216	216	-	581	581
Federal Excise Duty	-	4,076	4,076	-	9,243	9,243
Commission payable	39,429	-	39,429	42,871	-	42,871
Taxes and duties payable	283	382	665	-	-	-
Provision for compensated clearance Payable to Habib Insurance Company Limited - Conventional Operations	3,058	-	3,058	3,058	-	3,058
Other creditors	624	-	624	557	-	557
Other accrued expenses	175	1,348	1,523	499	2,223	2,722
	<u>1,620</u>	<u>-</u>	<u>1,620</u>	<u>1,893</u>	<u>-</u>	<u>1,893</u>
	<u>45,189</u>	<u>6,022</u>	<u>51,211</u>	<u>48,878</u>	<u>12,047</u>	<u>60,925</u>
			(Unaudited) March 31, 2024	(Audited) December 31, 2023		
			(Rupees in '000)			

10. TAKAFUL/ RETAKAFUL PAYABLE

Due to other takaful/ retakaful	130,060	135,162
Due to other takaful/ retakaful		
Foreign retakaful	73,759	55,338
Local retakaful	35,266	55,894
Co-takaful	21,035	23,930
	<u>130,060</u>	<u>135,162</u>

11. RECEIVABLE FROM PTF / PAYABLE TO PTF

Opening balance	18,063	7,469
Wakala / Mudarib fee income	31,297	183,734
Wakala / Mudarib fee received	(18,063)	(173,140)
Closing balance	<u>31,297</u>	<u>18,063</u>

12. NET CONTRIBUTION

Written gross contribution	93,409	141,917
Less: Wakala Fee	(41,805)	(31,911)
Contribution Net of Wakala Fee	<u>51,604</u>	<u>110,006</u>
Add: Unearned contribution reserve opening	252,121	182,731
Less: Unearned contribution reserve - closing	(205,028)	(198,891)
Contribution earned	<u>98,697</u>	<u>93,846</u>
Reinsurance contribution ceded	41,068	34,608
Add: Prepaid retakaful contribution opening	95,844	55,998
Less: Prepaid retakaful contribution closing	(68,601)	(49,907)
Retakaful expense	<u>68,311</u>	<u>40,699</u>
Net contribution	<u>30,386</u>	<u>53,147</u>

Habib Insurance Company Limited

	(Unaudited) March 31, 2024	(Audited) December 31, 2023	(Rupees in '000)	
13. TAKAFUL CLAIMS EXPENSE				
Claims paid	37,238	62,163		
Add: Outstanding claims including IBNR closing	184,164	161,323		
Less: Outstanding claims including IBNR opening	(126,625)	(118,074)		
Claims expense	94,777	105,412		
Retakaful and other recoveries received	5,019	29,462		
Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing	57,474	84,973		
Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening	(27,220)	(61,843)		
Retakaful and other recoveries revenue	35,273	52,592		
Net claim expense	59,504	52,820		
14. COMMISSION EXPENSE				
Commission paid or payable	11,633	11,453		
Add: Deferred commission - opening	32,661	23,498		
Less: Deferred commission - closing	(26,337)	(22,662)		
Commission expense	17,957	12,289		
15. RETAKAFUL REBATE				
Retakaful rebate received	6,239	5,698		
Add: Unearned retakaful - opening	18,561	11,254		
Less: Unearned retakaful - closing	(13,284)	(10,075)		
Retakaful rebate	11,516	6,877		
16. WAKALA FEE				
Gross Wakala Fee	27,678	42,148		
Add: Deferred wakala fee - opening	75,636	44,221		
Less: Deferred wakala fee - closing	(61,509)	(54,458)		
Net wakala fee	41,805	31,911		
17. INVESTMENT INCOME				
	(Unaudited)		(Unaudited)	
	Three months period ended March 31,		Three months period ended March 31,	
	2024	2023	2024	2023
	Operator's Fund		Participant Takaful Fund	
Income from mutual fund units - available-for-sale'				
Dividend income	-	272	-	533
Income from mutual fund units - held to maturity'				
Profit on certificate of Musharika	-	-	-	-
Return on bank balances	8,606	2,589	12,063	6,188
Mudarib fees	3,619	2,016	(3,619)	(2,016)
Total investment income	12,225	4,877	8,444	4,705

Habib Insurance Company Limited

18. CONTINGENCIES & COMMITMENTS

18.1 Contingencies

There is no contingency outstanding as at March 31, 2024 (December 31, 2023: Nil).

18.2 Commitments

There is no commitment as at March 31, 2024 (December 31, 2023: Nil).

19. 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. The transactions with related parties are carried out at commercial terms and conditions. The transactions and balances with related parties are as follows:

	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
	(Rupees in '000)	
19.1 Operator's Fund		
Transaction		
Wakala fee charged during the period	<u>27,678</u>	<u>42,148</u>
Mudarib fees charged during the period	<u>3,619</u>	<u>2,016</u>
Transactions during the period with associated companies		
Profit on bank accounts during the period	<u>8,606</u>	<u>2,589</u>
	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Balance with associated companies		
Bank balance	<u>184,688</u>	<u>184,706</u>
<i>Transactions during the period with other related parties including key management personnel</i>		
Contribution to the provident fund	<u>129</u>	<u>183</u>
	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
	(Rupees in '000)	
19.2 Participants' Takaful Fund		
Transactions		
Associated companies		
- Contribution written	<u>1,689</u>	<u>1,877</u>
- Claim paid	<u>2,454</u>	<u>1,309</u>
- Profit on bank accounts	<u>12,063</u>	<u>6,188</u>
Others		
- Mudarib fee charged during the period	<u>3,619</u>	<u>2,016</u>
Commission income	<u>3,283</u>	<u>3,756</u>
	(Unaudited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Balances		
<i>Associated companies</i>		
- Contribution due but unpaid	<u>259</u>	<u>7,714</u>
- Claim outstanding	<u>8,301</u>	<u>5,884</u>
- Bank balance	<u>280,927</u>	<u>271,743</u>

Habib Insurance Company Limited

20. SEGMENT INFORMATION

	For the quarter ended March 31, 2024 (Unaudited)				
	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
20.1 Participants' Takaful Fund					
Contribution receivable (inclusive of federal excise duty and administrative surcharge)	26,634	13,385	67,274	330	107,623
Less: Federal Excise Duty	(3,326)	(1,439)	(8,478)	(39)	(13,282)
Federal Insurance Fee	(226)	(119)	(584)	(3)	(932)
Gross written contribution (inclusive of administrative surcharge)	<u>23,082</u>	<u>11,827</u>	<u>58,212</u>	<u>288</u>	<u>93,409</u>
Wakala fees	(10,330)	(5,293)	(26,053)	(129)	(41,805)
Takaful contribution earned	51,910	13,185	72,619	2,788	140,502
Takaful contribution ceded to retakaful operators	(47,651)	(10,104)	(8,246)	(2,310)	(68,311)
Net takaful contribution	(6,071)	(2,212)	38,320	349	30,386
Retakaful rebate	8,767	2,178	236	335	11,516
Net underwriting income	<u>2,696</u>	<u>(34)</u>	<u>38,556</u>	<u>684</u>	<u>41,902</u>
Takaful claims	(23,440)	(15,795)	(54,660)	(882)	(94,777)
Takaful claims recovered from retakaful	19,634	8,422	5,976	1,241	35,273
Net claims	<u>(3,806)</u>	<u>(7,373)</u>	<u>(48,684)</u>	<u>359</u>	<u>(59,504)</u>
Surplus before investment income	<u>(1,110)</u>	<u>(7,407)</u>	<u>(10,128)</u>	<u>1,043</u>	<u>(17,602)</u>
Investment income	532	3,553	4,859	(500)	8,444
Other expenses					(450)
Surplus transferred to balance of PTF	<u>(578)</u>	<u>(3,854)</u>	<u>(5,269)</u>	<u>543</u>	<u>(9,608)</u>
Allocated Assets					
Premium due but unpaid	19,108	9,093	26,053	158	54,412
Prepaid reinsurance premium ceded	59,229	2,177	5,046	2,149	68,601
Reinsurance recoveries against outstanding claims	28,675	14,647	6,300	3,070	52,692
Deferred Wakala expense	21,094	899	38,716	800	61,509
Salvage recoveries outstanding	-	80	4,702	-	4,782
	<u>128,106</u>	<u>26,896</u>	<u>80,817</u>	<u>6,177</u>	<u>241,996</u>
Unallocated Assets					
Amount due from other insurers/ reinsurers					124,818
Cash and cash equivalents					300,176
Loan - secured considered good					119
Others					3,549
Taxation - provision less payment					8,088
					<u>436,750</u>
Total Assets					<u>678,746</u>
Allocated Liabilities					
Outstanding Claims	33,836	23,122	122,812	4,394	184,164
Unearned Premium	70,311	2,997	129,052	2,668	205,028
Rserve for unearned retakaful rebate	11,765	424	768	327	13,284
	<u>115,912</u>	<u>26,543</u>	<u>252,632</u>	<u>7,389</u>	<u>402,476</u>
Unallocated liabilities					
Contribution received in advance					15,626
Amount due to other insurers/ reinsurers					130,060
Other creditors and accruals					6,022
Payable to OPF					31,297
					<u>183,005</u>
Total Liabilities					<u>585,481</u>

Habib Insurance Company Limited

For the quarter ended March 31, 2024 (Unaudited)

	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
20.2 Operator's Fund					
Wakala fee					41,805
Commission expense					(17,957)
Management expenses					(13,427)
Underwriting result					10,421
Investment income					12,225
Other expenses					-
Profit before taxation					22,646
Taxation					(6,567)
Profit after tax for the period					16,079
Segment assets					245,642
Segment liabilities					141,933

Habib Insurance Company Limited

SEGMENT INFORMATION

	For the quarter ended March 31, 2023 (Unaudited)				
	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
Participants' Takaful Fund					
Contribution receivable (inclusive of federal excise duty and administrative surcharge)	27,812	10,392	124,061	258	162,523
Less: Federal Excise Duty	(3,583)	(1,050)	(14,493)	(56)	(19,182)
Federal Insurance Fee	(241)	(93)	(1,088)	(2)	(1,424)
Gross written contribution (inclusive of administrative surcharge)	23,988	9,249	108,480	200	141,917
Wakala fees	(5,394)	(2,080)	(24,392)	(45)	(31,911)
Takaful contribution earned	35,656	10,661	64,281	15,158	125,756
Takaful contribution ceded to retakaful operators	(25,484)	(7,340)	(7,162)	(713)	(40,699)
Net takaful contribution	4,778	1,241	32,727	14,400	53,146
Retakaful rebate	5,104	1,591	25	157	6,877
Net underwriting income	9,882	2,832	32,752	14,557	60,023
Takaful claims	(45,527)	(2,327)	(50,409)	(7,149)	(105,412)
Takaful claims recovered from retakaful	41,169	1,987	1,584	7,852	52,592
Net claims	(4,358)	(340)	(48,825)	703	(52,820)
Surplus before investment income	5,524	2,492	(16,073)	15,260	7,203
Investment income	3,608	1,628	(10,499)	9,968	4,705
Other expenses					(250)
Surplus transferred to balance of PTF	9,132	4,120	(26,572)	25,228	11,658
	December 31, 2023 (Audited)				
Allocated Assets					
Premium due but unpaid	18,355	9,568	29,549	363	57,835
Prepaid reinsurance premium ceded	84,275	4,259	3,060	4,250	95,844
Reinsurance recoveries against outstanding claims	9,115	7,709	4,302	2,764	23,890
Deferred Wakala expense	29,742	1,306	43,038	1,550	75,636
Salvage recoveries outstanding	-	30	3,300	-	3,330
	141,487	22,872	83,249	8,927	256,535
Unallocated Assets					
Amount due from other insurers/ reinsurers					133,152
Cash and cash equivalents					284,219
Loan - secured considered good					3,398
Others					220
Taxation - provision less payment					6,954
					427,943
Total Assets					684,478
Allocated Liabilities					
Outstanding Claims	10,486	9,078	102,271	4,790	126,625
Unearned Premium	99,138	4,355	143,460	5,168	252,121
Reserve for unearned retakaful rebate	16,645	903	394	619	18,561
	126,269	14,336	246,125	10,577	397,307
Unallocated liabilities					
Contribution received in advance					19,026
Amount due to other insurers/ reinsurers					135,162
Other creditors and accruals					12,047
Payable to OPF					18,063
					184,298
Total Liabilities					581,605

