



Habib Insurance
Est.1942

Habib Insurance Company Limited
Accounts for the Nine months ended
September 30, 2023
(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 and Other 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	28
Condensed Interim Statement of Profit and Loss and Comprehensive Income	29
Condensed Interim Statement of Changes in Fund	30
Condensed Interim Statement of Cash Flow	31
Notes to the Condensed Interim Financial Statements	32

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 September 30, 2023.

Reviewing the underwriting results for the nine months of the year, by the Grace of Allah, the written gross premium grew by 20% from Rs. 2.26 billion to Rs. 2.7 billion with net premium revenue also rising from Rs. 1.04 billion to Rs. 1.39 billion, an increase of 34%. There was however an underwriting loss of Rs. 181.6 million for the period primarily due to higher claims in marine & motor class of business.

Investment Income for the period under review was Rs. 223.8 million as compared to Rs. 70.4 million of last year mainly due to higher income recorded in fixed income securities. A positive factor has also been the KSE 100 Index rising to 51000 points.

As a result, the profit after tax was Rs. 74.9 million with an earning of Rs. 0.61 per share.

We are now into the last quarter of the year and are actively working towards improvement in underwriting results. We pray to Allah for the peace and prosperity around the globe.

On behalf of the Board of Directors

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

Karachi: October 26, 2023

حبیب انشورنس کمپنی لمیٹڈ ڈائریکٹرز کا جائزہ

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

سال کی ۹ ماہ کی مدت کے لئے زیر تحریر نتائج کا جائزہ لیتے ہوئے اللہ تعالیٰ کے فضل و کرم سے زیر تحریر مجموعی پرمیٹیم 20 فیصد تک بڑھ کر 2.26 بلین روپے سے 2.7 بلین روپے ہو گیا اس کے ساتھ خالص پرمیٹیم آمدنی بھی 1.04 بلین روپے سے بڑھ کر 1.39 بلین روپے ہو گئی اور اس طرح 34 فیصد کا اضافہ ہوا۔ تاہم اس مدت کے دوران 181.6 بلین روپے کا زیر تحریر خسارہ بنیادی طور پر کاروبار کے میرین اور موٹر کلاس میں بلند تر کیمیز کی شرح کے باعث ہوا۔

زیر جائزہ مدت کے لئے سرمایہ کاری کی آمدنی 223.8 بلین روپے رہی جو اس کے مقابلے میں گزشتہ سال 70.4 بلین روپے تھی اور اس کی بنیادی وجہ فکسڈ انکم سیکورٹیز میں ریکارڈ کی گئی بلند تر آمدنی تھی۔ KSE 100 انڈیکس میں بھی ایک مثبت عنصر 51000 پوائنٹس کے اضافے کی صورت میں ظاہر ہوا۔

اس کے نتیجے میں منافع بعد از ٹیکس 74.9 بلین روپے رہا، 0.61 روپے فی شیئر کی آمدنی کے ساتھ۔

اب ہم سال کی آخری سہ ماہی میں ہیں اور زیر تحریر نتائج میں بہتری کے لئے کام کرنے کے لئے سرگرم ہیں۔ ہم اللہ تعالیٰ سے دنیا بھر میں امن و استحکام کے لئے دعا گو ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

سید اطہر عباس
چیف ایگزیکٹو

عون محمد اے۔ حبیب
ڈائریکٹر

کراچی:
۲۶ اکتوبر ۲۰۲۳ء

Habib Insurance Company Limited

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

	Note	(Unaudited) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)			
Assets			
Property and equipment	8	101,874	56,102
Intangible assets		287	449
Investments			
Equity securities	9	837,791	821,124
Government securities	10	745,455	715,268
Term finance certificate	11	150,000	100,573
Loans, deposits and other receivables	12	116,023	182,727
Insurance/ reinsurance receivables	13	1,318,536	886,380
Reinsurance recoveries against outstanding claims	22	652,936	637,543
Salvage recoveries accrued		82,806	38,933
Deferred commission expense	23	170,605	146,080
Prepayments	14	695,444	525,417
Taxation - payment less provision		27,543	5,835
Cash and bank	15	26,077	306,241
		4,925,377	4,422,672
Total Assets of Window Takaful Operations - Operator's Fund		213,344	120,967
Total assets		5,138,721	4,543,639
EQUITIES AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	16	619,374	619,374
Reserve	17	475,399	414,961
Unappropriated profit		81,512	133,967
Total Equity		1,176,285	1,168,302
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	22	1,118,649	959,567
Unearned premium reserves	21	1,346,172	1,202,472
Premium deficiency reserves		976	6,188
Unearned reinsurance commission	23	167,549	156,637
Retirement benefit obligations		118,807	130,311
Deferred taxation - net		21,120	17,290
Lease Liability against right of use assets		35,427	30,908
Borrowings	15.1	120,544	-
Premium received in advance		71,489	60,189
Insurance/ reinsurance payables	18	501,534	425,363
Other creditors and accruals	19	329,291	303,447
Total liabilities of conventional		3,831,558	3,292,372
Total liabilities of Window Takaful Operations - Operator's Fund		130,878	82,965
Total liabilities		3,962,436	3,375,337
Total Equity and Liabilities		5,138,721	4,543,639
Contingencies and commitments	20		

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 nine months period ended September 30, 2023

	Note	(Unaudited) Three months period ended September 30,		(Unaudited) Nine months period ended September 30,	
		2023	2022	2023	2022
		(Rupees in '000)		(Rupees in '000)	
Net insurance premium	21	393,260	350,515	1,157,819	907,301
Net insurance claims	22	(254,428)	(185,488)	(739,820)	(465,299)
Reversal of premium deficiency		-	-	5,212	6,324
Net commission revenue	23	(55,778)	6,218	(44,476)	40,476
Insurance claims and acquisition expenses		(310,206)	(179,270)	(779,084)	(418,499)
Management expenses		(162,096)	(149,833)	(560,312)	(450,652)
Underwriting results		(79,042)	21,412	(181,577)	38,150
Investment income - net	24	84,156	40,857	223,774	70,422
Other income	25	1,598	4,475	21,670	10,017
Other expenses		(3,588)	(2,972)	(11,523)	(8,235)
Results of operating activities		3,124	63,772	52,344	110,354
Finance costs		(3,741)	(913)	(6,479)	(2,971)
Profit before tax from Window Takaful Operations - Operator's Fund		24,093	6,116	62,626	4,488
Profit before tax		23,476	68,975	108,491	111,871
Income tax expense		(7,594)	(20,315)	(33,524)	(30,694)
Profit after tax		15,882	48,660	74,967	81,177
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		90,304	(101,802)	15,356	(146,135)
Less: Net (loss)/ gain transferred to profit and loss on disposal / redemption / impairment of investments		-	44,805	(654)	25,173
Related tax impact		90,304	(56,997)	14,702	(120,962)
		(31,537)	16,529	(4,264)	35,079
		58,767	(40,468)	10,438	(85,883)
Other comprehensive income from window takaful operations - Operator's fund		-	-	-	-
Other comprehensive income / (loss) for the period		58,767	(40,468)	10,438	(85,883)
Total comprehensive income / (loss) for the period		74,649	8,192	85,405	(4,706)
		(Rupees)		(Rupees)	
Earning per share - Rupees	26	0.13	0.39	0.61	0.66

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 nine months period ended September 30, 2023

	Attributable to equity holders of the Company					Total Equity
	Share capital	Capital Reserves	Revenue Reserves		Unappropriated profit	
		Reserve for exceptional losses	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	-	-	-	-	81,177	81,177
Other comprehensive income for the period - net of tax (net unrealized loss on revaluation of available for sale investments)	-	-	-	(85,883)	-	(85,883)
Total comprehensive income for the period	-	-	-	(85,883)	81,177	(4,706)
Transactions with owners directly recorded with equity						
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 September 30, 2022	619,374	9,122	305,000	143,049	96,401	1,172,946
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	-	-	-	-	74,967	74,967
Other comprehensive income for the period-net of tax (net unrealized loss on revaluation of available for sale investments)	-	-	-	10,438	-	10,438
Total comprehensive income for the period	-	-	-	10,438	74,967	85,405
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 September 30, 2023	619,374	9,122	355,000	111,277	81,512	1,176,285

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 nine months period ended September 30, 2023

	(Unaudited) September 30, 2023	(Unaudited) September 30, 2022
	(Rupees in '000)	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	1,849,301	1,685,234
Reinsurance premium paid	(1,064,746)	(785,166)
Claims paid	(1,305,788)	(922,028)
Reinsurance and other recoveries received	665,784	540,604
Commission paid	(286,117)	(231,860)
Commission received	266,308	285,105
Net cash flows from underwriting activities	124,742	571,889
(b) Other operating activities		
Income tax paid	(22,775)	(47,208)
Other operating payments	(520,261)	(401,911)
Other operating receipts	2,407	2,030
Loans advanced	(3,477)	(4,590)
Loan repayment received	14,781	17,141
Net cash flow from other operating activities	(529,325)	(434,538)
Total cash flow from all operating activities	(404,583)	137,351
Investment activities		
Profit / return received	40,528	21,207
Dividend received	112,890	112,171
Payment for investments	(376,130)	(960,891)
Proceeds from investments	364,422	1,193,773
Fixed capital expenditure	(49,206)	(7,278)
Proceeds from sale of property, plant and equipment	697	2,971
Total cash flow from investing activities	93,201	361,953
Financing activities		
Rentals paid	(13,337)	(5,784)
Dividends paid	(75,989)	(74,361)
Total cash flows from financing activities	(89,326)	(80,145)
Net cash flows from all activities	(400,708)	419,159
Cash and cash equivalents at beginning of year	306,241	88,566
Cash and cash equivalents at end of period	(94,467)	507,725
Reconciliation to profit and loss account		
Operating cash flows	(404,583)	137,351
Depreciation and amortisation expense	(17,258)	(14,158)
Income tax paid	22,775	47,208
Provision for gratuity	(22,586)	(18,620)
Provision for impairment	616	(30,562)
Gratuity paid	34,090	208
Profit/ return received	40,528	21,207
Dividends received	112,890	112,171
Gain / (loss) on sale of investments	654	(25,173)
Financial charges expense	(6,479)	(2,971)
Profit on disposal of property, plant and equipment	221	528
Provision of taxation	(33,524)	(30,694)
Profit from window Takaful Operations - Operator's Fund	62,626	4,488
Increase / (decrease) in assets other than cash	712,006	519,329
(Increase) / decrease in liabilities other than borrowings	(427,009)	(639,135)
Profit after taxation	74,967	81,177

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 nine months period ended September 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.

Habib Insurance Company Limited

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.

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.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

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 the preparation of the annual financial statements of the Company 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 Company's accounting periods beginning on or after January 01, 2021 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.

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 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	September 30, 2023 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain during the year	Carrying value	Cost less Impairment	Change in unrealized loss during the year
	(Rupees in '000)				
Cash and bank*	-	-	24,915	-	-
Investment in equity securities - available for sale	837,791	15,985	-	-	-
Investments in debt securities - held to maturity	-	-	150,000	-	(1,283)
Loans and other receivables*	-	-	85,797	-	-
Insurance / reinsurance receivables*	-	-	1,318,536	-	-
Reinsurance recoveries against outstanding claims*	-	-	652,936	-	-
Salvage recoveries accrued	-	-	82,806	-	-
Window takaful operations - Operator's fund*	-	-	84,420	-	-
	<u>837,791</u>	<u>15,985</u>	<u>2,399,410</u>	<u>-</u>	<u>(1,283)</u>

Habib Insurance Company Limited

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	September 30, 2023 (Unaudited)				
	AAA	AA+	AA	A	Unrated
	(Rupees in '000)				
Investments in debt securities- held to maturity	-	-	-	-	-
Cash and bank*	(10,759)	50	-	-	1,257
Investments in debt securities - held to maturity	-	-	-	-	150,000
Loans and other receivables*	-	-	-	-	85,797
Insurance / reinsurance receivables*	-	-	1,318,536	-	-
Reinsurance recoveries against outstanding claims*	652,936	-	-	-	-
Salvage recoveries accrued	-	-	-	-	38,718
Window takaful operations - Operator's fund*	55,818	-	-	-	28,602
	<u>697,995</u>	<u>50</u>	<u>1,318,536</u>	<u>-</u>	<u>304,374</u>

Gross carrying amounts of debt instruments that pass the SPPI test	December 31, 2022 (Audited)					
	AAA	AA+	AA-	Other	Sovereign Bonds	Unrated
	(Rupees in '000)					
Cash and bank*	303,212	50	-	-	-	486
Investments in debt securities - available for sale	-	-	100,573	-	715,268	183,188
Loans and other receivables*	-	-	-	-	-	171,264
Insurance / reinsurance receivables*	-	-	-	-	-	1,067,785
Reinsurance recoveries against outstanding claims*	-	110,464	-	496,347	-	51,077
Window takaful operations - Operator's fund*	-	-	-	-	-	42,628
	<u>303,212</u>	<u>110,514</u>	<u>100,573</u>	<u>496,347</u>	<u>715,268</u>	<u>1,516,428</u>

Habib Insurance Company Limited

- * 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 and also submitted the impact assessment of the application of the IFRS on September 30, 2022.

7. 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) September 30, 2023	(Audited) December 31, 2022
(Rupees in '000)			
8. Property and equipment			
Tangible operating assets	8.1	71,179	30,319
Right-of-use assets	8.2	30,695	25,783
		101,874	56,102
8.1 Tangible operating Assets			
Opening written down value		30,319	32,702
Additions during the period / year	8.1.1	49,206	9,758
Disposals during the period / year	8.1.2	(476)	(3,547)
Depreciation for the period / year		(7,870)	(8,594)
Closing written down value		71,179	30,319
8.1.1 The following additions were made to tangible-property and equipment during the period / year:			
Furniture and fixtures		34,234	1,898
Computer equipment		1,661	3,246
Office equipment		11,605	2,422
Motor Vehicles - owned		1,706	2,192
		49,206	9,758

Habib Insurance Company Limited

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
8.1.2	The following disposals of tangible - operating assets were made during the period / year:	
Furniture and fixtures	–	200
Computer equipment	2	108
Office equipment	61	253
Motor Vehicles - owned	413	2,986
	476	3,547
8.2	Right-of-use assets	
Balance at January 01, 2023	25,783	36,190
Additions during the period / year	14,138	–
Deletion during the period / year	–	(591)
Depreciation charge for the period / year	(9,226)	(9,816)
Balance at September 30, 2023	30,695	25,783

9. INVESTMENT IN EQUITY SECURITIES

	September 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	–	3,875	354,510	350,635	–	11,725	362,360
Others								
Listed shares	322,694	(37,843)	157,403	442,254	322,694	(38,460)	132,668	416,902
Listed preference shares	19,331	–	2,690	22,021	19,331	–	3,921	23,252
Mutual funds	605	–	1,686	2,291	540	–	1,576	2,116
Modaraba certificate								
Others	15,014	–	1,701	16,715	15,014	–	1,480	16,494
	357,644	(37,843)	163,480	483,281	357,579	(38,460)	139,645	458,764
	708,279	(37,843)	167,355	837,791	708,214	(38,460)	151,370	821,124

10. INVESTMENT IN GOVERNMENT SECURITIES

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
Available for sale		
Pakistan Investment Bonds (PIBs)	10.1 63,096	62,295
Treasury Bills	682,359	652,973
	745,455	715,268

10.1 This represents PIBs having face value of Rs.70.0 million (market value of Rs.63.096 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 19, 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.

Habib Insurance Company Limited

10.2 Treasury Bills (T-Bills) have face value of Rs. 689.2 million (market value of Rs. 682.359 million) (December 31, 2022: Rs. 739.7 million (market value of Rs. 684.315 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).

11. INVESTMENT IN TERM FINANCE CERTIFICATES

Name of Company	Name of Chief Executive	Term/ Profit Payment	No. of Certificates	Cost	September 30, 2023 (Unaudited)	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) September 30, 2023	(Audited) December 31, 2022
					(Rupees in '000)	(Rupees in '000)

12. LOANS SECURITY DEPOSITS AND OTHER RECEIVABLES - Considered good

Accrued investment income	14,326	6,137
Security Deposits	18,252	16,413
Advances	30,226	2,946
Agents Commission receivable (advance)	5,878	13,151
Loan to employees	29,336	40,319
Receivable from Window Takaful Operations	2,754	-
Receivable against sale of vehicle to employees	-	85,483
Receivable from employees - parents insurance policy	146	1,472
Input sales tax	14,402	9,901
Receivable from a Trust	-	6,905
Other receivables	703	-
	<u>116,023</u>	<u>182,727</u>

13. INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good

Due from insurance contract holders		
Considered good	614,137	615,037
Considered doubtful	20,488	20,488
Less: Provision for impairment of receivables from insurance contract holders	(20,488)	(20,488)
	614,137	615,037
Due from other insurers / reinsurers		
Considered good	704,399	271,343
Considered doubtful	16,895	16,894
Less: provision for impairment of due from other insurers / reinsurers	(16,895)	(16,894)
	<u>704,399</u>	<u>271,343</u>
	<u>1,318,536</u>	<u>886,380</u>

Habib Insurance Company Limited

	(Unaudited) September 30, 2023	(Audited) December 31, 2022	
	(Rupees in '000)		
14. PREPAYMENTS			
Prepaid reinsurance premium ceded	673,551	501,272	
Prepaid employees group / health insurance	6,802	9,154	
Others	15,091	14,991	
	<u>695,444</u>	<u>525,417</u>	
15. CASH AND BANK BALANCES			
Cash and cash equivalents			
Cash in hand	1,257	194	
Policy stamps	1,162	2,785	
	2,419	2,979	
Cash at bank			
Current accounts	15,266	32,301	
Savings accounts	8,392	270,961	
	<u>23,658</u>	<u>303,262</u>	
	<u>26,077</u>	<u>306,241</u>	
15.1 Cash and short term borrowing include the following for the purposes of the cash flow statement:			
Cash and cash equivalents	26,077	306,241	
Short term borrowings of upto three months (running finance)	15.1.1 (120,544)	-	
	<u>(94,467)</u>	<u>306,241</u>	
15.1.1 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. 284.7 million in favor of the Bank with 10% margin held in IPS account of the company.			
16. SHARE CAPITAL			
Authorized Capital			
(Unaudited) September 30, 2023	(Audited) December 31, 2022	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Number)		(Rupees in '000)
<u>130,000,000</u>	<u>130,000,000</u>	<u>650,000</u>	<u>650,000</u>
	Ordinary shares of Rs. 5 each		
16.1 Issued, subscribed and paid - up share capital			
<u>123,874,755</u>	<u>123,874,755</u>	<u>619,374</u>	<u>619,374</u>
	Ordinary shares of Rs. 5 each at the beginning and end of the period / year		
17. RESERVES			
Capital Reserves			
Reserve for exceptional losses	9,122	9,122	
Revenue Reserves			
General reserves	355,000	305,000	
Available-for-sale reserve	111,277	100,839	
	<u>466,277</u>	<u>405,839</u>	
	<u>475,399</u>	<u>414,961</u>	

Habib Insurance Company Limited

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
18. INSURANCE / REINSURANCE PAYABLES		
Due to other insurers / reinsurers	<u>501,535</u>	<u>425,363</u>
18.1 Due to other insurers / reinsurers		
Foreign reinsurers	93,250	166,350
Local reinsurers	233,479	230,959
Co-insurers payable	<u>174,805</u>	<u>28,054</u>
	<u>501,534</u>	<u>425,363</u>
19. OTHER CREDITORS AND ACCRUALS		
Agents commission payable	149,458	118,451
Federal excise duty	47,760	37,739
Federal insurance fee	3,276	2,677
Accrued expenses	18,553	30,172
Payable for the purchase of listed equity shares	-	13,380
Withholding tax payable	2,010	4,689
Unclaimed dividend	66,491	65,058
Sundry creditors	29,252	30,090
Payable to Window Takaful Operations	-	415
Others	<u>12,491</u>	<u>776</u>
	<u>329,291</u>	<u>303,447</u>

20. CONTINGENCIES & COMMITMENTS

20.1 Contingencies

There were no changes in tax contingencies as disclosed in financial statements for the year ended December 31, 2022 except as follows:

20.1.1 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

20.2 Commitments

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

	(Unaudited) Three months period ended September 30,		(Unaudited) Nine months period ended September 30,	
	2023	2022	2023	2022
	(Rupees in '000)		(Rupees in '000)	
21. NET INSURANCE PREMIUM				
Written gross premium	1,150,328	970,019	2,270,157	1,983,568
Add: Unearned premium reserve - opening	907,548	907,309	1,202,472	1,002,575
Less: Unearned premium reserve - closing	<u>(1,346,172)</u>	<u>(1,229,576)</u>	<u>(1,346,172)</u>	<u>(1,229,576)</u>
Premium earned	711,704	647,752	2,126,457	1,756,567
Less: Reinsurance premium ceded	<u>653,447</u>	<u>592,365</u>	<u>1,140,917</u>	<u>971,294</u>
Add: Prepaid reinsurance premium - opening	338,548	290,840	501,272	463,940
Less: Prepaid reinsurance premium - closing	<u>(673,551)</u>	<u>(585,968)</u>	<u>(673,551)</u>	<u>(585,968)</u>
Reinsurance expense	318,444	297,237	968,638	849,266
Net insurance premium	<u>393,260</u>	<u>350,515</u>	<u>1,157,819</u>	<u>907,301</u>

Habib Insurance Company Limited

	(Unaudited) Three months period ended September 30,		(Unaudited) Nine months period ended September 30,	
	2023	2022	2023	2022
	(Rupees in '000)		(Rupees in '000)	
22. NET INSURANCE CLAIMS EXPENSE				
Claims paid	436,207	344,384	1,305,788	922,028
Add: Outstanding claims including IBNR - closing	1,118,649	983,664	1,118,649	983,664
Less: Outstanding claims including IBNR - opening	(1,103,166)	(914,268)	(959,567)	(786,589)
Claims expense	451,690	413,780	1,464,870	1,119,103
Reinsurance and other recoveries received	226,587	176,334	665,784	540,604
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	735,742	717,447	735,742	717,447
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(765,067)	(665,489)	(676,476)	(604,247)
Reinsurance and other recoveries revenue	197,262	228,292	725,050	653,804
Net insurance claims expense	254,428	185,488	739,820	465,299
23. NET COMMISSION INCOME				
Commissions paid or payable	158,750	138,148	317,124	273,041
Add: Deferred commission - opening	135,116	120,399	146,080	131,216
Less: Deferred commission - closing	(170,605)	(172,916)	(170,605)	(172,916)
Commission expense	123,261	85,631	292,599	231,341
Less: Commission from reinsurers				
Commission received or receivable	139,661	168,673	259,035	291,044
Add: Unearned reinsurance commission - opening	95,371	103,189	156,637	160,786
Less: Unearned reinsurance commission - closing	(167,549)	(180,013)	(167,549)	(180,013)
Commission from reinsurers	67,483	91,849	248,123	271,817
Net commission income	(55,778)	6,218	(44,476)	40,476
24. INVESTMENT INCOME				
Income from equity securities and mutual fund units - available-for-sale				
- Dividend income	46,748	28,794	114,367	114,764
Income from debt securities - available-for-sale				
- Pakistan Investment Bonds	1,941	2,059	5,711	11,640
- Treasury Bills	25,647	-	79,454	-
- Term Finance Certificates	9,284	-	23,126	-
	36,872	2,059	108,291	11,640
Net realised (loss) / gain on investments				
- Equity securities	-	(5,541)	-	(27,488)
- Mutual funds units	-	-	922	2,315
- Government securities	-	-	(268)	-
	-	(5,541)	654	(25,173)
Total investment income	83,620	25,312	223,312	101,231
Less: reversal / (Impairment) in value of available-for-sale investments equity securities	536	15,610	616	(30,562)
Less: Investment related expenses	-	(65)	(154)	(247)
	84,156	40,857	223,774	70,422

Habib Insurance Company Limited

	Three months period ended September 30,		Nine months period ended September 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
	(Rupees in '000)		(Rupees in '000)	
25. OTHER INCOME				
Return on bank balances	486	3,227	18,403	6,415
Gain on sale of fixed assets	204	308	221	528
Return on loan to employees	902	906	3,225	2,993
Miscellaneous	6	34	(179)	81
	<u>1,598</u>	<u>4,475</u>	<u>21,670</u>	<u>10,017</u>
26. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	15,882	48,660	74,967	81,177
	(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>0.13</u>	<u>0.39</u>	<u>0.61</u>	<u>0.66</u>

26.1 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.

27. 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)		(Unaudited)	
	Three months period ended September 30,	2022	Nine months period ended September 30,	2022
	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>152,568</u>	<u>84,928</u>	<u>316,161</u>	<u>248,001</u>
Claims paid	<u>43,440</u>	<u>117,435</u>	<u>190,118</u>	<u>132,407</u>
Dividend received	<u>42,530</u>	<u>12,620</u>	<u>79,155</u>	<u>42,855</u>
Dividend paid	<u>-</u>	<u>-</u>	<u>7,555</u>	<u>6,930</u>
Investment made	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,906</u>
Interest received on bank accounts	<u>486</u>	<u>3,227</u>	<u>18,403</u>	<u>6,415</u>
Bank charges	<u>100</u>	<u>120</u>	<u>518</u>	<u>281</u>
Donations	<u>800</u>	<u>-</u>	<u>2,400</u>	<u>-</u>
Premium ceded to reinsurers	<u>206,431</u>	<u>134,607</u>	<u>329,871</u>	<u>259,560</u>
Fees paid	<u>90</u>	<u>170</u>	<u>370</u>	<u>410</u>
Commission income	<u>90,665</u>	<u>44,798</u>	<u>90,665</u>	<u>85,948</u>
Reinsurance recoveries received	<u>125,337</u>	<u>-</u>	<u>125,337</u>	<u>-</u>
Interest expense	<u>2,389</u>	<u>-</u>	<u>2,742</u>	<u>76</u>
Brokerage expenses paid	<u>-</u>	<u>65</u>	<u>128</u>	<u>151</u>

Habib Insurance Company Limited

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
Balances with associated companies		
Premium due but unpaid	<u>128,677</u>	<u>44,194</u>
Claims outstanding	<u>68,133</u>	<u>92,889</u>
Bank balances	<u>13,655</u>	<u>286,127</u>
Investment held	<u>354,509</u>	<u>362,359</u>
Bank overdraft	<u>(120,544)</u>	<u>–</u>
Reinsurance payable	<u>(49,481)</u>	<u>(73,921)</u>

	(Unaudited) Three months period ended September 30,		(Unaudited) Nine months period ended September 30,	
	2023	2022	2023	2022
	(Rupees in '000)			
Transactions during the year with other related parties including key management personnel				
Remuneration of key management personnel	<u>92,800</u>	<u>18,935</u>	<u>203,360</u>	<u>129,495</u>
Repayment of loans by key management personnel (secured)	<u>10,766</u>	<u>4,093</u>	<u>15,177</u>	<u>8,504</u>
Contribution to the provident fund	<u>3,394</u>	<u>2,847</u>	<u>8,802</u>	<u>8,255</u>

	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
Balances with other related parties including key management personnel		
Loans to key management personnel	<u>27,366</u>	<u>41,325</u>

Habib Insurance Company Limited

28. SEGMENT REPORTING

	September 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)	1,019,477	301,963	907,841	7,529	379,563	2,616,373
Less: Federal Excise Duty	130,204	33,550	110,598	874	48,112	323,338
Federal Insurance Fee	8,804	2,682	7,909	67	3,416	22,878
Gross Written Premium (inclusive of administrative Surcharge)	880,469	265,731	789,334	6,588	328,035	2,270,157
Gross direct premium	873,182	256,936	763,063	6,581	323,879	2,223,641
Facultative inward premium	1,350	-	(53)	-	-	1,297
Administrative surcharge	5,935	8,796	26,324	7	4,157	45,219
	880,467	265,732	789,334	6,588	328,036	2,270,157
Insurance premium earned	764,112	268,700	828,790	12,142	252,713	2,126,457
Insurance premium ceded to reinsurers	(588,429)	(115,676)	(130,858)	-	(133,675)	(968,638)
Net insurance premium	175,683	153,024	697,932	12,142	119,038	1,157,819
Premium deficiency reserve	-	-	-	5,212	-	5,212
Commission income	156,928	32,750	31,619	-	26,826	248,123
Net underwriting income	332,611	185,774	729,551	17,354	145,864	1,411,154
Insurance claims	383,605	353,763	632,282	15,282	79,938	1,464,870
Insurance claims recovered from reinsurers	(342,178)	(236,886)	(124,496)	-	(21,490)	(725,050)
Net Claims	41,427	116,877	507,786	15,282	58,448	739,820
Commission expense	(144,452)	(32,976)	(85,955)	(226)	(28,990)	(292,599)
Management expenses	(217,313)	(65,587)	(194,821)	(1,626)	(80,965)	(560,312)
Net insurance claims and expenses	(361,765)	(98,563)	(280,776)	(1,852)	(109,955)	(852,911)
Underwriting result	(70,581)	(29,666)	(59,011)	220	(22,539)	(181,577)
Net Investment income						223,774
Other income						21,670
Other expenses						(11,523)
Results of operating activities						52,344
Finance cost						(6,479)
Profit from Window Takaful Operations - Operator's Fund						62,626
Profit before tax						108,491

Habib Insurance Company Limited

September 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	213,745	89,561	208,388	7,802	94,641	614,137
Prepaid reinsurance premium ceded	486,705	14,981	55,334	-	116,531	673,551
Reinsurance recoveries against outstanding claims	514,160	18,190	40,758	(49)	79,877	652,936
Salvage recoveries accrued	20,253	50,841	11,614	49	49	82,806
Deferred commission expense	97,325	3,672	47,863	152	21,593	170,605
	<u>1,332,188</u>	<u>177,245</u>	<u>363,957</u>	<u>7,954</u>	<u>312,691</u>	<u>2,194,035</u>
Unallocated Assets						
Fixed assets at cost less depreciation						102,161
Amount due from others insurers/ reinsurers						704,399
Cash and cash equivalents						26,077
Loans-secured, considered good						29,336
Investments						1,733,246
Accrued investment income						14,326
Advances, deposits and prepayments						72,361
Taxation - provision less payments						27,543
Prepayments						21,893
						<u>2,731,342</u>
Total Assets						<u>4,925,377</u>
Unallocated assets of General Takaful Operations - Operator's						213,344
						<u>5,138,721</u>
Allocated Liabilities						
Outstanding Claims	584,922	122,146	235,156	6,088	170,337	1,118,649
Unearned Premium	590,683	29,231	541,664	3,471	181,123	1,346,172
Unearned Reinsurance Commission	123,084	5,043	16,840	-	22,582	167,549
Premium Deficiency Reserve	-	-	-	976	-	976
	<u>1,298,689</u>	<u>156,420</u>	<u>793,660</u>	<u>10,535</u>	<u>374,042</u>	<u>2,633,346</u>
Unallocated Liabilities						
Premium received in advance						71,489
Amount due from others insurers/ reinsurers						501,534
Staff retirement benefits						118,807
Borrowing						120,544
Finance lease liability						35,427
Deferred tax						21,120
Other creditors and accruals						329,291
						<u>1,198,212</u>
Total Liabilities						<u>3,831,558</u>
Unallocated liabilities of General Takaful Operations - Operator's Fund						130,878
						<u>3,962,436</u>

Habib Insurance Company Limited

	September 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)	835,602	349,644	878,879	5,513	210,614	2,280,252
Less: Federal Excise Duty	105,288	39,113	105,211	641	26,533	276,786
Federal Insurance Fee	7,215	3,076	7,667	49	1,891	19,898
Gross Written Premium (inclusive of administrative Surcharge)	723,099	307,455	766,001	4,823	182,190	1,983,568
Gross direct premium	714,123	297,690	736,803	4,812	178,921	1,932,349
Facultative inward premium	3,012	–	276	–	–	3,288
Administrative surcharge	5,966	9,764	28,922	11	3,268	47,931
	723,101	307,454	766,001	4,823	182,189	1,983,568
Insurance premium earned	580,550	326,221	701,418	10,071	138,307	1,756,567
Insurance premium ceded to reinsurers	(478,177)	(170,172)	(131,397)	–	(69,520)	(849,266)
Net insurance premium	102,373	156,049	570,021	10,071	68,787	907,301
Premium deficiency reserve	–	–	–	6,324	–	6,324
Commission income	143,850	59,471	51,143	–	17,353	271,817
Net underwriting income	246,223	215,520	621,164	16,395	86,140	1,185,442
Insurance claims	209,895	287,149	515,644	11,890	94,525	1,119,103
Insurance claims recovered from reinsurers	(171,993)	(229,527)	(211,704)	–	(40,580)	(653,804)
Net Claims	37,902	57,622	303,940	11,890	53,945	465,299
Commission expense	(103,467)	(36,640)	(72,076)	(163)	(18,995)	(231,341)
Management expenses	(164,283)	(69,851)	(174,030)	(1,096)	(41,392)	(450,652)
Net insurance claims and expenses	(267,750)	(106,491)	(246,106)	(1,259)	(60,387)	(681,993)
Underwriting result	(59,429)	51,407	71,118	3,246	(28,192)	38,150
Investment income						70,422
Other income						10,017
Other expenses						(8,235)
Results of operating activities						110,354
Finance cost						(2,971)
Loss from Window Takaful Operations - Operator's Fund						4,488
Profit before tax						111,871

Habib Insurance Company Limited

	December 31, 2022 (Audited)					
	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
Deferred taxation						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						120,967
						<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
Borrowing						17,290
Finance lease liability						30,908
Other creditors and accruals						303,447
						<u>967,508</u>
						<u>3,292,372</u>
Total Liabilities						
Unallocated liabilities of General Takaful Operations - Operator's Fund						82,965
						<u>3,375,337</u>

Habib Insurance Company Limited

29. 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.

30. 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.

	September 30, 2023 (Unaudited)							
	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	796,764	-	-	-	796,764	796,764	-	-
Mutual funds units	2,291	-	-	-	2,291	-	2,291	-
Modaraba certificates	16,715	-	-	-	16,715	16,715	-	-
Debt securities	150,000	-	-	-	150,000	-	150,000	-
Financial assets not measured at fair value								
Loans and other receivables	-	85,797	-	-	85,797	-	-	-
Insurance / reinsurance receivable	-	1,318,536	-	-	1,318,536	-	-	-
Reinsurance recoveries against outstanding claims	-	652,936	-	-	652,936	-	-	-
Salvage recoveries accrued	-	38,718	-	-	38,718	-	-	-
Cash and bank balances	-	-	26,077	-	26,077	-	-	-
Total assets of Window Takaful Operations - Operator's Fund	-	126	259,004	-	259,130	-	-	-
	<u>965,770</u>	<u>2,096,113</u>	<u>285,081</u>	<u>-</u>	<u>3,346,964</u>	<u>813,479</u>	<u>152,291</u>	<u>-</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR	-	-	-	(1,118,649)	(1,118,649)	-	-	-
Lease liability against right of use asset	-	-	-	(35,427)	(35,427)	-	-	-
Premium received in Advance	-	-	-	(71,489)	(71,489)	-	-	-
Insurance / reinsurance payables	-	-	-	(501,534)	(501,534)	-	-	-
Other creditors and accruals	-	-	-	(329,291)	(329,291)	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund	-	-	-	(130,878)	(130,878)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,187,268)</u>	<u>(2,187,268)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Habib Insurance Company Limited

	Decemeber 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	-	-	-
	<u>1,636,965</u>	<u>1,719,585</u>	<u>403,245</u>	<u>-</u>	<u>3,759,795</u>	<u>819,008</u>	<u>817,957</u>	<u>-</u>
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)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,708,941)</u>	<u>(1,708,941)</u>	<u>-</u>	<u>-</u>	<u>-</u>

* 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

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 October 26, 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

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

	Note	Operator's Fund		Participant's Fund	
		September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
			(Rupees in '000)		
Assets					
Loans and other receivables	7	–	–	126	2,823
Takaful / retakaful receivables	8	–	–	277,349	130,585
Retakaful recoveries against outstanding claims	14	–	–	36,725	61,818
Salvage recoveries accrued		–	–	4,110	25
Deferred Wakala expense	16	–	–	73,911	44,221
Taxation - payments less provision		–	–	9,365	5,640
Deferred commission expense	15	26,520	23,498	–	–
Receivable from PTF	17	91,508	7,469	–	–
Prepayments		954	465	120,129	55,998
Cash and bank balances	9	94,362	89,535	259,004	211,907
Total assets		213,344	120,967	780,719	513,017
Equities and liabilities					
Capital and reserves attributable to company's shareholders					
Share capital		50,000	50,000	–	–
Accumulated deficit surplus/ (deficit)		32,466	(11,998)	–	–
Total shareholders equity		82,466	38,002	–	–
Participants' Takaful Fund (PTF)					
Ceded money		–	–	500	500
Reserves		–	–	(342)	(342)
Accumulated surplus		–	–	117,652	100,534
Balance of Participants' Takaful Fund		–	–	117,810	100,692
Liabilities					
PTF Underwriting Provisions					
Outstanding claims including IBNR	14	–	–	134,030	118,074
Unearned contribution reserve	12	–	–	248,173	182,731
Reserve for unearned retakaful rebate	13	–	–	23,231	11,254
		–	–	405,434	312,059
Unearned wakala fee	16	73,911	44,221	–	–
Contribution received in advance		–	–	27,793	19,697
Takaful / retakaful payables	11	–	–	126,846	65,713
Other creditors and accrual	10	38,388	35,168	10,197	7,387
Payable to OPF	17	–	–	91,508	7,469
Retirement benefit obligation		2,309	1,956	–	–
Taxation - provision less payments		16,270	1,620	1,131	–
Total liabilities		130,878	82,965	257,475	100,266
Total equity and liabilities		213,344	120,967	780,719	513,017
Contingency and commitment	19				

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB AUN MOHAMMAD A. HABIB SHABBIR GULAMALI SYED ATHER ABBAS MURTAZA HUSSAIN
Chairman Director Director Chief Executive Chief Financial Officer

Habib Insurance Company Limited

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

	Note	(Unaudited)		(Unaudited)	
		Three months period ended September 30, 2023 (Rupees in '000)	2022	Nine months period ended September 30, 2023 (Rupees in '000)	2022
Participant's Fund					
Contributions earned	12	93,548	68,384	267,569	196,114
Less: Contributions ceded to retakaful		(44,333)	(36,529)	(129,619)	(100,124)
Net contributions revenue		49,215	31,855	137,950	95,990
Retakaful rebate earned	13	6,656	6,123	20,589	16,514
Net underwriting income		55,871	37,978	158,539	112,504
Net claims - reported / settled - IBNR	14	(41,297)	(27,062)	(141,901)	(80,980)
		-	-	(15,422)	(7,961)
		(41,297)	(27,062)	(157,323)	(88,941)
Surplus before investment income		14,574	10,916	1,216	23,563
Investment income - net	18	6,891	5,607	17,565	12,121
Other expenses		(1,327)	(1,988)	(1,663)	(1,988)
Surplus transferred to accumulated surplus		20,138	14,535	17,118	33,696
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		20,138	14,535	17,118	33,696
Operator's Takaful Fund					
Wakala fee		36,754	16,234	98,453	34,906
Commission expense		(16,598)	(10,685)	(41,446)	(28,818)
Management expense		(3,234)	(1,623)	(11,722)	(6,765)
		16,922	3,926	45,285	(677)
Investment income - net	18	7,638	2,253	18,632	5,650
Other expenses		(467)	(63)	(1,291)	(485)
Profit before taxation		24,093	6,116	62,626	4,488
Taxation		(6,987)	-	(18,162)	-
Profit after taxation attributable to shareholders		17,106	6,116	44,464	4,488
Others comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		17,106	6,116	44,464	4,488

The annexed notes from 1 to 26 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 nine months period ended September 30, 2023

	Operator's Fund			Total
	Share Capital	Available for sale reserve	Un-appropriated loss	
	(Rupees in '000)			
Balance as at January 01, 2022	50,000	–	(20,957)	29,043
Profit for the period	–	–	4,488	4,488
Other comprehensive income	–	–	–	–
Balance as at September 30, 2022	<u>50,000</u>	<u>–</u>	<u>(16,469)</u>	<u>33,531</u>
Balance as at January 01, 2023	50,000	–	(11,998)	38,002
Profit for the period	–	–	44,464	44,464
Other comprehensive income	–	–	–	–
Balance as at September 30, 2023	<u>50,000</u>	<u>–</u>	<u>32,466</u>	<u>82,466</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	–	–	33,696	33,696
Balance as at September 30, 2022	<u>500</u>	<u>–</u>	<u>109,365</u>	<u>109,865</u>
Balance as at January 01, 2023	500	(342)	100,534	100,692
Surplus for the period	–	–	71,118	17,118
Other comprehensive income	–	–	–	–
Balance as at September 30, 2023	<u>500</u>	<u>(342)</u>	<u>117,652</u>	<u>117,810</u>

The annexed notes from 1 to 26 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 nine months period ended September 30, 2023

	Operator's Fund		Participant's Fund	
	September 30, 2023	2022	September 30, 2023	2022
	(Rupees in '000)			
Operating Cash flows				
(a) Takaful activities				
Contribution received	–	–	296,856	211,266
Retakaful contribution paid	–	–	(132,617)	(96,636)
Claims paid	–	–	(191,238)	(86,464)
Retakaful and other recoveries received	–	–	70,879	26,658
Commission paid	(39,999)	(25,498)	–	–
Commission received	–	–	32,566	20,043
Wakala fees received	51,632	41,685	–	–
Wakala fee paid	–	–	(51,632)	(41,685)
Net cash flow from takaful activities	11,633	16,187	24,814	33,182
(b) Other Operating activities				
Other operating receipts	–	–	–	–
Other operating payments	(17,910)	(9,984)	(2,810)	(2,526)
Net cash flow from other operating activities	(17,910)	(9,984)	(2,810)	(2,526)
Total cash flow from all operating activities	(6,277)	6,203	22,004	30,656
Investment activities				
Profit / return received	10,832	2,777	24,560	8,527
Dividend received	272	1,526	533	4,941
Proceeds from investments	85,232	126,381	190,453	332,557
Payments for investments	(85,232)	(89,315)	(190,453)	(391,002)
Total cash flow from investing activities	11,104	41,369	25,093	(44,977)
Net cash flow from all activities	4,827	47,572	47,097	(14,321)
Cash and cash equivalents at beginning of year	89,535	8,246	211,907	45,081
Cash and cash equivalents at end of period	94,362	55,818	259,004	30,760
Reconciliation to profit and loss account				
Operating cash flows	(6,277)	6,203	22,004	30,656
Profit / return received	10,832	2,777	24,560	8,527
Dividends received	272	1,526	533	4,941
Increase in assets other than cash	(3,511)	(43,205)	219,474	148,590
Increase in liabilities	43,148	37,187	(249,453)	(159,018)
Profit before taxation	44,464	4,488	17,118	33,696
Attributed to:				
Operator's Fund	44,464	4,488	–	–
Participants' Takaful Fund	–	–	17,118	33,696
	44,464	4,488	17,118	33,696

The annexed notes from 1 to 26 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 nine months period ended September 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.

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.

Habib Insurance Company Limited

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.

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.

Habib Insurance Company Limited

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

	September 30, 2023 (Unaudited)		December 31, 2022 (Audited)	
	AAA	Unrated/ Unavailable (Rupees in '000)	AAA	Unrated/ Unavailable
Operator's Fund				
Gross carrying amounts of financial instruments that pass the SPPI test				
Financial assets				
Bank balances	94,362	–	89,535	–
Receivable from PTF	–	91,508	–	7,469
Total	<u>94,362</u>	<u>91,508</u>	<u>89,535</u>	<u>7,469</u>
	AAA	Unrated/ Unavailable (Rupees in '000)	AAA	Unrated/ Unavailable
Participant's Fund				
Financial assets				
Bank balances	258,975	–	211,901	–
Takaful / retakaful receivable	–	–	–	130,585
Loans and other receivables	–	–	–	2,823
Retakaful recoveries against outstanding claims	36,725	–	–	61,818
Salvage recoveries accrued	–	–	–	25
Total	<u>295,700</u>	<u>–</u>	<u>211,901</u>	<u>195,251</u>

*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.

Habib Insurance Company Limited

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 and also submitted the impact of the application of the IFRS on September 30, 2022.

7. LOANS AND OTEHR RECEIVABLES

	September 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	-	126	126	-	-	-
	<u>-</u>	<u>126</u>	<u>126</u>	<u>-</u>	<u>2,823</u>	<u>2,823</u>
				(Unaudited)	(Audited)	
				September 30,	December 31,	
				2023	2022	
				(Rupees in '000)		

8. TAKAFUL/ RETAKAFUL RECEIVABLE

Due from Takaful contract holders					
Considered good				151,273	79,223
Considered doubtful				20,602	20,602
Less: Provision for impairment of receivables from takaful contract holders				(20,602)	(20,602)
				151,273	79,223
Due from other takaful/ retakaful operators - Considered good				126,076	51,362
				<u>277,349</u>	<u>130,585</u>

9. CASH AND BANK

	September 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	-	29	29	-	6	6
Cash at bank						
- Profit and Loss Sharing (PLS) accounts	94,362	258,975	353,337	89,535	211,901	301,436
	<u>94,362</u>	<u>259,004</u>	<u>353,366</u>	<u>89,535</u>	<u>211,907</u>	<u>301,442</u>

10. OTHER CREDITORS AND ACCRUALS

Federal insurance fee	-	226	226	-	475	475
Federal excise duty	-	8,393	8,393	-	6,658	6,658
Commission payable	34,598	-	34,598	30,129	-	30,129
Provision for leave encashment	468	-	468	408	-	408
Payable to Habib Insurance Company Limited (related party)-conventional operations	2,754	-	2,754	2,407	-	2,407
Other creditors	568	1,578	2,146	228	254	482
Other accrued expenses	-	-	-	1,996	-	1,196
	<u>38,388</u>	<u>10,197</u>	<u>48,585</u>	<u>35,168</u>	<u>7,387</u>	<u>42,555</u>

Habib Insurance Company Limited

	(Unaudited) September 30, 2023	(Unaudited) September 30, 2022	(Audited) December 31, 2022
(Rupees in '000)			
11. TAKAFUL/ RETAKAFUL PAYABLE			
Due to other takaful/ retakaful	126,846		65,713
Due to other takaful/ retakaful			
Foreign retakaful	52,967		16,735
Local retakaful	52,007		46,482
Co-takaful	21,872		2,496
	<u>126,846</u>		<u>65,713</u>
	PTF		
	Three months period ended September 30, 2023	2022	Nine months period ended September 30, 2023
	(Unaudited)		(Unaudited)
	(Rupees in '000)		(Rupees in '000)
12. NET CONTRIBUTION			
Written gross contribution	209,015	119,778	431,464
Less: Wakala Fee	(36,754)	(16,234)	(98,453)
Contribution Net of Wakala Fee	<u>172,261</u>	<u>103,544</u>	<u>333,011</u>
236,898			
Add: Unearned contribution reserve opening	169,460	135,808	182,731
Less: Unearned contribution reserve closing	(248,173)	(170,968)	(248,173)
Contribution Earned	<u>93,548</u>	<u>68,384</u>	<u>267,569</u>
196,114			
Retakaful contribution ceded	123,547	62,137	193,750
Add: Prepaid retakaful contribution opening	40,915	34,934	55,998
Less: Prepaid retakaful contribution closing	(120,129)	(60,542)	(120,129)
Retakaful expense	<u>44,333</u>	<u>36,529</u>	<u>129,619</u>
100,124			
Net Contribution	<u>49,215</u>	<u>31,855</u>	<u>137,950</u>
95,990			
13. RETAKAFUL REBATE EARNED			
Retakaful rebate received	21,669	11,343	32,566
Add: Unearned retakaful rebate opening	8,218	6,955	11,254
Less: Unearned retakaful rebate closing	(23,231)	(12,175)	(23,231)
	<u>6,656</u>	<u>6,123</u>	<u>20,589</u>
16,514			
14. TAKAFUL CLAIMS EXPENSE			
Claims Paid	55,486	38,844	191,238
Add: Outstanding claims including IBNR closing	134,030	130,816	134,030
Less: Outstanding claims including IBNR opening	(140,406)	(107,352)	(118,074)
Claims Expense	<u>49,110</u>	<u>62,308</u>	<u>207,194</u>
168,662			
Retakaful and other recoveries received	13,469	13,920	70,879
Add: Retakaful and other recoveries in respect of outstanding claims - Closing	40,835	74,681	40,835
Less: Retakaful and other recoveries in respect of outstanding claims - Opening	(46,491)	(53,355)	(61,843)
Retakaful and other recoveries revenue	<u>7,813</u>	<u>35,246</u>	<u>49,871</u>
79,721			
Net Claim Expensse	<u>41,297</u>	<u>27,062</u>	<u>157,323</u>
88,941			

Habib Insurance Company Limited

	Three months period ended September 30,		Nine months period ended September 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
	(Rupees in '000)		(Rupees in '000)	
15. COMMISSION EXPENSE				
Commission paid or payable	23,840	15,611	44,468	36,732
Add: Deferred commission expense opening	19,278	17,411	23,498	14,423
Less: Deferred commission expense closing	(26,520)	(22,337)	(26,520)	(22,337)
	<u>16,598</u>	<u>10,685</u>	<u>41,446</u>	<u>28,818</u>
16. WAKALA FEE				
Gross Wakala Fee	62,077	29,638	128,143	62,322
Add: Deferred wakala fee - opening	48,588	27,031	44,221	13,019
Less: Deferred wakala fee - closing	(73,911)	(40,435)	(73,911)	(40,435)
Net wakala fee	<u>36,754</u>	<u>16,234</u>	<u>98,453</u>	<u>34,906</u>
			(Unaudited) September 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		128,143	88,959	
Wakala fees received		(51,632)	(92,032)	
Mudarib fees		7,528	2,965	
		<u>91,508</u>	<u>7,469</u>	
18. INVESTMENT INCOME - NET				
		OPF	PTF	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	September 30,	September 30,	September 30,	September 30,
	2023	2022	2023	2022
		(Rupees in '000)		
Dividend income	272	1,526	533	4,941
Profit on certificate of Musharika	-	2,194	-	6,095
Return on bank balances	10,832	583	24,560	2,432
Mudarib Fees	7,528	1,347	(7,528)	(1,347)
	<u>18,632</u>	<u>5,650</u>	<u>17,565</u>	<u>12,121</u>
19. CONTINGENCY & COMMITMENT				
There are no contingencies and commitments outstanding as at September 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) September 30, 2023	(Unaudited) September 30, 2022
	(Rupees in '000)	
20.1 Operator's Fund		
Transactions		
Wakala fee charged during the period	<u>98,453</u>	<u>34,906</u>
Wakala fee paid during the period	<u>51,632</u>	<u>43,032</u>
Profit on bank accounts	<u>10,832</u>	<u>583</u>
Balance		
Associated companies		
- Bank balance	<u>90,794</u>	<u>55,818</u>
20.2 Participants' Takaful Fund		
Transactions		
Associated companies		
- Contribution written	<u>15,892</u>	<u>6,536</u>
- Claim paid	<u>2,431</u>	<u>6,327</u>
- Wakala fee received during the period	<u>51,632</u>	<u>43,032</u>
- Profit on bank accounts	<u>24,560</u>	<u>583</u>
	(Unaudited) September 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
Balances		
Associated companies		
- Contribution due but unpaid	<u>1,030</u>	<u>2,441</u>
- Claim outstanding	<u>5,624</u>	<u>4,411</u>
- Bank balance	<u>246,148</u>	<u>186,557</u>

Habib Insurance Company Limited

21. SEGMENT INFORMATION

	Nine months period ended September 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)	171,142	39,432	273,901	11,388	495,863
Less: Federal Excise Duty	(21,576)	(4,471)	(32,656)	(1,375)	(60,078)
Federal Insurance Fee	(1,482)	(347)	(2,393)	(99)	(4,321)
Gross written contribution (inclusive of administrative surcharge)	<u>148,084</u>	<u>34,614</u>	<u>238,852</u>	<u>9,914</u>	<u>431,464</u>
Wakala fees	(27,795)	(10,179)	(58,988)	(1,491)	(98,453)
Takaful contribution earned	104,276	35,006	221,285	5,455	366,022
Takaful contribution ceded to retakaful operators	(79,340)	(22,719)	(24,046)	(3,514)	(129,619)
Net takaful contribution	(2,859)	2,108	138,251	450	137,950
Retakaful rebate	15,048	4,884	89	568	20,589
Net underwriting income	<u>12,189</u>	<u>6,992</u>	<u>138,340</u>	<u>1,018</u>	<u>158,539</u>
Takaful claims	(29,562)	(2,911)	(168,178)	(6,543)	(207,194)
Takaful claims recovered from retakaful	25,607	2,451	16,984	4,829	49,871
Net claims	<u>(3,955)</u>	<u>(460)</u>	<u>(151,194)</u>	<u>(1,714)</u>	<u>(157,323)</u>
Surplus before investment income	<u>8,234</u>	<u>6,532</u>	<u>(12,854)</u>	<u>(696)</u>	<u>1,216</u>
Net investment income	118,978	94,385	(185,736)	(10,057)	17,565
Co-Insurance expenses paid	-	-	-	-	(1,663)
Surplus transferred to balance of PTF	<u>127,212</u>	<u>100,917</u>	<u>(198,590)</u>	<u>(10,753)</u>	<u>17,118</u>
Allocated Assets					
Premium due but unpaid	29,581	10,113	110,602	977	151,273
Premium retakaful contribution ceded	104,656	6,364	2,890	6,219	120,129
Reinsurance recoveries against outstanding claims	15,394	8,772	6,297	6,262	36,725
Deferred Wakala expense	30,449	955	40,545	1,962	73,911
Salvage recoveries outstanding	80	30	4,000	-	4,110
	<u>180,160</u>	<u>26,234</u>	<u>164,334</u>	<u>15,420</u>	<u>386,148</u>
Unallocated Assets					
Amount due from other insurers/ reinsurers					126,076
Cash and cash equivalents					259,004
Loan and other receivables					126
Taxation - provision less payment					9,365
					<u>394,571</u>
Total Assets					<u>780,719</u>
Allocated Liabilities					
Outstanding Claims	17,446	10,162	97,831	8,591	134,030
Unearned Premium	101,818	3,185	136,629	6,541	248,173
Rserve for unearned retakaful rebate	20,613	1,391	345	882	23,231
	<u>139,877</u>	<u>14,738</u>	<u>234,805</u>	<u>16,014</u>	<u>405,434</u>
Unallocated liabilities					
Contribution received in advance					27,793
Amount due to other insurers/ reinsurers					126,846
Other creditors and accruals					10,197
Taxation - provision less payment					1,131
Payable to OPF					91,508
					<u>257,475</u>
Total Liabilities					<u>662,909</u>

Habib Insurance Company Limited

Nine months period ended September 30, 2023 (Unaudited)

	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
21.2 Operator's Fund					
Wakala fee					98,453
Commission expense					(41,446)
Management expenses					(11,722)
Underwriting result					45,285
Investment income					18,632
Other expenses					(1,291)
Profit before taxation					62,626
Taxation					(18,162)
Profit after tax for the period					44,464
Segment assets					213,344
Segment liabilities					130,878

Habib Insurance Company Limited

SEGMENT INFORMATION

	Nine months period ended September 30, 2022 (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)	98,452	28,686	179,892	5,143	312,173
Less: Federal Excise Duty	(12,565)	(3,316)	(21,178)	(623)	(37,682)
Federal Insurance Fee	(851)	(252)	(1,539)	(45)	(2,687)
Gross written contribution (inclusive of administrative surcharge)	85,036	25,118	157,175	4,475	271,804
Wakala fees	(9,103)	(5,241)	(20,046)	(516)	(34,906)
Takaful contribution earned	63,731	26,216	136,987	4,086	231,020
Takaful contribution ceded to retakaful operators	(55,555)	(21,734)	(19,478)	(3,357)	(100,124)
Net takaful contribution	(927)	(759)	97,463	213	95,990
Retakaful rebate	11,076	4,663	82	693	16,514
Net underwriting income	10,149	3,904	97,545	906	112,504
Takaful claims	(69,591)	(13,837)	(84,511)	(723)	(168,662)
Takaful claims recovered from retakaful	62,915	12,010	4,212	584	79,721
Net claims	(6,676)	(1,827)	(80,299)	(139)	(88,941)
Surplus before investment income	3,473	2,077	17,246	767	23,563
Net investment income	1,786	1,068	8,872	395	12,121
Provision for impairment	-	-	-	-	(1,988)
Surplus transferred to balance of PTF	5,259	3,145	26,118	1,162	33,696
	December 31, 2022 (Audited)				
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
	123,905	27,404	85,217	4,759	241,285
Unallocated Assets					
Amount due from other insurers/ reinsurers					51,362
Cash and cash equivalents					211,907
Loan - secured considered good					2,823
Taxation - provision less payment					5,640
					271,732
Total Assets					513,017
Allocated Liabilities					
Outstanding Claims	52,504	13,500	48,662	3,408	118,074
Unearned Premium	58,010	3,577	119,062	2,083	182,732
Reserve for unearned retakaful rebate	10,235	645	42	332	11,254
	120,749	17,722	167,766	5,823	312,060
Unallocated liabilities					
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
					100,266
Total Liabilities					412,326

Habib Insurance Company Limited

Nine months period ended September 30, 2022 (Unaudited)

	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
Operator's Fund					
Wakala fee					34,906
Commission expense					(28,818)
Management expenses					(6,765)
Underwriting result					(677)
Investment income					5,650
Other expenses					(485)
Profit before taxation					4,488
Segment assets					120,967
Segment liabilities					82,965

22. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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

23. MOVEMENT IN INVESTMENTS

	OPF		
	Held to Maturity	Available for sale	Total
	(Rupees in '000)		
As at January 01, 2022	35,051	–	35,051
Additions	–	–	–
Disposals (sale and redemption)	(35,000)	–	(35,000)
Fair value net gains (excluding net realised gains)	(51)	–	(51)
Amortisation of premium / discount	–	–	–
As at December 31, 2022	–	–	–
Additions	–	–	–
Disposals (sale and redemption)	–	–	–
Amortisation of premium/discount	–	–	–
As at September 30, 2023	–	–	–
	PTF		
	Held to Maturity	Available for sale	Total
	(Rupees in '000)		
As at January 01, 2022	80,116	–	80,116
Additions	(80,000)	–	(80,000)
Amortisation of premium / discount	(116)	–	(116)
As at December 31, 2022	–	–	–
Additions	–	–	–
Disposals (sale and redemption)	–	–	–
As at September 30, 2023	–	–	–

Habib Insurance Company Limited

24. 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 financial statements are categorised with in the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

The following table shows financial instruments recognized at fair value, analysed between those whose fair value is based on:

- 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.

Following are the assets where fair value is only disclosed and different from their carrying value.

Operators Fund

	September 30, 2023 (Unaudited)					Fair value measurement using		
	Available for sale	Loans & receivable	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)							
Financial assets not measured at fair value								
Receivable from PTF	-	91,508	-	-	91,508	-	-	-
Cash and bank balances	-	94,362	-	-	94,362	-	-	-
	-	185,870	-	-	185,870	-	-	-
Financial liabilities not measured at fair value*								
Other creditors and accruals	-	-	-	37,920	-	-	-	-
	-	185,870	-	37,920	185,870	-	-	-

	December 31, 2022 (Audited)					Fair value measurement using		
	Available for sale	Loans & receivable	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)							
Financial assets measured at fair value								
Salvage recoveries accrued	-	7,469	-	-	7,469	-	-	-
Cash and bank balances	-	-	89,535	-	89,535	-	-	-
	-	7,469	89,535	-	97,004	-	-	-
Financial liabilities not measured at fair value*								
Other creditors and accruals	-	-	34,760	-	34,760	-	-	-
	-	-	34,760	-	34,760	-	-	-

Habib Insurance Company Limited

Participant Takaful Fund

	September 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	-	126	-	-	126	-	-	-
Takaful/retakaful receivables	-	277,349	-	-	277,349	-	-	-
Retakaful recoveries against outstanding claims	-	36,725	-	-	36,725	-	-	-
Cash and bank balances	-	-	259,004	-	259,004	-	-	-
	-	314,200	259,004	-	573,204	-	-	-
Financial liabilities not measured at fair value*								
Outstanding claims including IBNR	-	-	-	134,030	134,030	-	-	-
Takaful/retakaful payables	-	-	-	126,846	126,846	-	-	-
Payable to OPF	-	-	-	91,508	91,508	-	-	-
	-	314,200	259,004	352,384	925,588	-	-	-
	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	-	-	-	-
Takaful/retakaful payables	-	-	-	65,713	-	-	-	-
Other creditors and accruals	-	-	-	255	-	-	-	-
Payable to OPF	-	-	-	7,469	-	-	-	-
	-	-	-	191,511	-	-	-	-

* 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.

Habib Insurance Company Limited

25. GENERAL

Figures have been rounded off to the nearest thousand rupee.

26. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on October 26, 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