



Habib Insurance
Est.1942

Habib Insurance Company Limited

**Accounts for the Half Year ended
June 30, 2024
(Unaudited)**

Habib Insurance Company Limited

Contents

Company Information	1
Directors' Review	2
Independent Auditor's Review Report	4
Condensed Interim Statement of Financial Position	5
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	6
Condensed Interim Statement of Changes in Equity	7
Condensed Interim Statement of Cash Flow	8
Notes to the Condensed Interim Financial Statements	9
Financial Statements - Window Takaful Operations	
Independent Auditor's Review Report	27
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 Asif
Auditors	:	M/s. Grant Thornton Anjum Rahman Chartered Accountants
Share Registrar	:	M/s. CDC Share Registrar Services Limited CDC House, 99-B, Block-B SMCHS, Main Shahrah-e-Faisal Karachi-74400
Registered Office	:	1st Floor, State Life Bldg. No. 6 Habib Square, M. A. Jinnah Road P.O. Box 5217, Karachi-74000 Pakistan Tel : (92-21) 32424030/38/39 Fax : (92-21) 32421600 UAN : (92-21) 111 03 03 03 Website : www.habibinsurance.net

Habib Insurance Company Limited

DIRECTORS' REVIEW

The Directors are pleased to present the unaudited accounts of the Company for the period ended June 30, 2024.

Reviewing the results for the first half of the year, by the Grace of Allah, the profit after tax doubled and was Rs. 118.6 million as against Rs. 59.09 million of the same period last year.

The written gross premium also grew by 7.3% from Rs. 1.34 billion to Rs. 1.44 billion with net premium revenue of Rs. 915.0 million compared to Rs. 903.9 million of the corresponding period. However, there was an underwriting loss of Rs. 76.04 million. There was a significant amount placed in reserves, the benefit of which will accrue in the future.

Investment & Other Income for the period under review grew from Rs. 159.70 of last year to Rs. 214.55 million. This was primarily due to increase in dividend income. As a result, the earning per share rose to Rs. 0.96 per share from Rs. 0.48 per share.

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

On behalf of the Board of Directors

Karachi: August 29, 2024

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

حبیب انشورنس کمپنی لمیٹڈ ڈائریکٹرز کا جائزہ

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

اللہ تعالیٰ کے فضل و کرم سے سال کی پہلی ششماہی کے لئے نتائج کے جائزے کے مطابق منافع بعد از ٹیکس ڈگنا ہو گیا اور 118.6 ملین روپے رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں 59.09 ملین روپے تھا۔

زیر تحریر مجموعی پریئم بھی 7.3 فیصد تک بڑھ کر 1.34 بلین روپے سے 1.44 بلین روپے ہو گیا اس کے ساتھ خالص پریئم کی آمدنی 915.0 ملین روپے ہو گیا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں 903.9 ملین روپے تھا۔ تاہم 76.04 ملین روپے کا ایک زیر تحریر خسارہ بھی ہوا۔ یہاں ریزروز میں نمایاں رقم موجود تھی جس کا فائدہ مستقبل میں حاصل ہوگا۔

زیر جائزہ مدت کیلئے سرمایہ کاری اور دیگر آمدنی گزشتہ سال کی 159.70 ملین روپے کے مقابلے میں بڑھ کر 214.55 ملین روپے ہو گئی۔ یہ بنیادی طور پر منافع منقسمہ کی آمدنی میں اضافے کے سبب ممکن ہوئی۔ اس کے نتیجے میں آمدنی فی شیئر 0.48 روپے فی شیئر سے بڑھ کر 0.96 روپے فی شیئر ہو گئی۔

ہم اللہ تعالیٰ سے ملک میں امن و امان اور استحکام کے لئے دعا گو ہیں اور اس کے ساتھ کمپنی کے کامیاب اختتامی سال زیر تحریر نتائج میں بہتری معہ بڑھتی ہوئی سرمایہ کاری کی آمدنی کے لئے بھی دعا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

سید اطہر عباس
چیف ایگزیکٹو

عون محمد اے۔ حبیب
ڈائریکٹر

کراچی:
۲۹ اگست ۲۰۲۳ء

Habib Insurance Company Limited

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Habib Insurance Company Limited

Report on review of condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Habib Insurance Company Limited** ("the Company") as at June 30, 2024 and the related condensed interim of profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flows statement and condensed interim statement of changes in equity, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures for the three months period ended June 30, 2024 and June 30, 2023 in the condensed interim financial statements have not been reviewed and we do not express a conclusion on them.

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

Chartered Accountants

Place: Karachi
Date: August 29, 2024
UDIN: RR2024101544jfnq3LVi

Habib Insurance Company Limited

Condensed Interim Statement of Financial Position as at June 30, 2024 (Unaudited)

	Note	(Unaudited) June 30, 2024 (Rupees in '000)	(Audited) December 31, 2023 (Rupees in '000)
Assets			
Property and equipment	7	105,041	114,021
Intangible assets		129	235
Investments			
Equity securities	8	1,534,781	1,252,546
Debt securities	9	318,560	314,674
Loans, deposits and other receivables	10	90,134	92,469
Insurance/ reinsurance receivables	11	992,764	1,352,698
Reinsurance recoveries against outstanding claims	20	652,339	670,203
Salvage recoveries accrued		111,998	46,402
Deferred commission expense	21	116,783	184,408
Prepayments	12	384,223	681,913
Taxation - provision less payment		72,745	71,881
Cash and bank	13	601,552	471,369
		4,981,049	5,252,819
Total Assets of Window Takaful Operations - Operator's Fund		262,521	241,241
Total Assets		5,243,570	5,494,060
Equities and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	14	619,374	619,374
Reserves	15	952,202	749,067
Unappropriated profit		141,176	135,012
Total Equity		1,712,752	1,503,453
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	20	1,125,618	1,055,320
Unearned premium reserves	19	938,063	1,390,472
Premium deficiency reserves		3,232	3,346
Unearned reinsurance commission	21	92,123	149,584
Retirement benefit obligations		101,748	93,716
Deferred taxation - net		207,777	142,074
Lease liability against right of use assets		35,429	40,766
Premium received in advance		80,595	41,463
Insurance/ reinsurance payables	16	543,287	553,586
Other creditors and accruals	17	259,986	366,669
		3,387,858	3,836,996
Total liabilities of conventional		142,960	153,611
Total Liabilities of Window Takaful Operations - Operator's Fund		3,530,818	3,990,607
Total Liabilities		5,243,570	5,494,060
Total Equity and Liabilities		5,243,570	5,494,060
Contingencies and commitments	18		

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the six months period ended June 30, 2024

	Note	(Unaudited) Three months period ended June 30,		(Unaudited) Six months period ended June 30,	
		2024	2023	2024	2023
		(Rupees in '000)		(Rupees in '000)	
Net insurance premium	19	354,644	349,095	750,510	764,559
Net insurance claims	20	(191,108)	(221,916)	(433,555)	(485,392)
Reversal of premium deficiency		113	5,212	113	5,212
Net commission revenue	21	(4,184)	408	(14,689)	11,302
Insurance claims and acquisition expenses		(195,179)	(216,296)	(448,131)	(468,878)
Management expenses		(201,880)	(205,835)	(378,414)	(398,216)
Underwriting results		(42,415)	(73,036)	(76,035)	(102,535)
Investment income - net	22	54,096	78,521	146,980	139,618
Other income	23	35,405	9,230	67,572	20,072
Other expenses		(4,188)	(5,591)	(6,844)	(7,935)
Results of operating activities		42,898	9,124	131,673	49,220
Finance costs		(2,118)	(2,017)	(3,479)	(2,738)
Profit before tax from Window Takaful Operations - Operator's Fund		22,327	16,856	44,973	38,533
Profit before tax		63,107	23,963	173,167	85,015
Income tax expense		(20,950)	(9,765)	(54,581)	(25,930)
Profit after tax		42,157	14,198	118,586	59,085
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit and loss account</i>					
Unrealised gain / (loss) on revaluation of available-for-sale investments		146,834	7,713	236,810	(74,948)
Less: Net loss transferred to profit and loss on disposal / redemption / impairment of investments		-	(268)	-	(654)
Related tax impact		(42,582)	1,528	(68,675)	27,273
		104,252	8,973	168,135	(48,329)
Other comprehensive income / (loss) from window takaful operations - Operator's		-	-	-	-
Other comprehensive income / (loss) for the period		104,252	8,973	168,135	(48,329)
Total comprehensive income for the period		146,409	23,171	286,721	10,756
Earning per share - Rupees	24	Rupees		Rupees	
		0.34	0.11	0.96	0.48

The annexed notes from 1 to 31 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 for the six months period ended June 30, 2024 (Unaudited)

	Attributable to equity holders of the Company					Total
	Share capital	Capital Reserves	Revenue Reserves			
		Reserve for exceptional losses	General reserve	Available-for-sale reserves (Rupees in '000)	Unappropriated profit	
Balance as at January 01, 2023	619,374	9,122	305,000	100,839	133,967	1,168,302
Profit after tax for the period	–	–	–	–	59,085	59,085
Other comprehensive loss for the period (net unrealized loss on revaluation of available for sale investments)	–	–	–	(48,329)	–	(48,329)
Total comprehensive loss for the period	–	–	–	(48,329)	59,085	10,756
Final dividend of Rs. 0.625 Per share for the year ended December 31, 2022	–	–	–	–	(77,422)	(77,422)
Transfer to general reserve	–	–	50,000	–	(50,000)	–
Balance as at June 30, 2023	<u>619,374</u>	<u>9,122</u>	<u>355,000</u>	<u>52,510</u>	<u>65,630</u>	<u>1,101,636</u>
Balance as at January 01, 2024	619,374	9,122	355,000	384,945	135,012	1,503,453
Profit after tax for the period	–	–	–	–	118,586	118,586
Other comprehensive income for the period - net of tax (net unrealized loss on revaluation of available for sale investments)	–	–	–	168,135	–	168,135
Total comprehensive income for the period	–	–	–	168,135	118,586	286,721
Transactions with owners directly recorded in equity						
Final dividend of Rs. 0.625 Per share for the year ended December 31, 2023	–	–	–	–	(77,422)	(77,422)
Transfer to general reserve	–	–	35,000	–	(35,000)	–
Balance as at June 30, 2024	<u>619,374</u>	<u>9,122</u>	<u>390,000</u>	<u>553,080</u>	<u>141,176</u>	<u>1,712,752</u>

The annexed notes from 1 to 31 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 for the Six months period ended June 30, 2024 (Unaudited)

	(Unaudited) June 30 2024	(Unaudited) June 30 2023
	(Rupees in '000)	
Operating cash flow		
(a) Underwriting activities		
Insurance premium received	1,608,630	1,185,877
Reinsurance premium paid	(634,404)	(662,888)
Claims paid	(753,701)	(869,581)
Reinsurance and other recoveries received	342,712	439,197
Commission paid	(215,389)	(195,060)
Commission received	153,947	122,762
Net cash flows from underwriting activities	501,795	20,307
(b) Other operating activities		
Income tax paid	(39,426)	(18,727)
Other operating payments	(416,920)	(354,819)
Other operating receipts	557	5,161
Loans advanced	(1,535)	(4,327)
Loan repayment received	11,694	2,322
Net cash flows from other operating activities	(445,630)	(370,390)
Total cash flows from all operating activities	56,165	(350,083)
Investment activities		
Profit/ return received	98,134	36,392
Dividend received	115,012	66,955
Payment for investments	(49,885)	(376,065)
Proceeds from investments	-	324,922
Fixed capital expenditure	(6,700)	(7,886)
Proceeds from sale of property, plant and equipment	594	319
Total cash flows from investing activities	157,155	44,637
Financing activities		
Rentals paid	(7,940)	(6,921)
Dividends paid	(75,197)	(74,602)
Total cash flows from financing activities	(83,137)	(81,523)
Net cash flows from all activities	130,183	(386,969)
Cash and cash equivalents at beginning of year	471,369	306,241
Cash and cash equivalents at end of the period	13.1 601,552	(80,728)
Reconciliation to profit and loss account		
Operating cash flows	56,165	(350,083)
Depreciation and amortisation expense	(15,405)	(10,770)
Income tax paid	39,426	18,727
Provision for gratuity	(11,825)	(15,057)
Reversal/ (provision) for impairment	(1,366)	80
Gratuity paid	3,794	825
Profit/ return received	98,134	36,392
Dividends income	115,012	66,955
Gain/ (loss) on sale of investments	-	654
Financial charges expense	(3,479)	(2,738)
Profit on disposal of property, plant and equipment	214	12
Provision of taxation	(54,581)	(25,930)
Profit/ (loss) from window Takaful Operations - Operator's Fund	44,973	38,533
Increase/ (decrease) in assets other than cash	(678,988)	(181,140)
(increase)/ decrease in liabilities other than borrowings	526,512	482,625
Profit after taxation	118,586	59,085

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Notes to the Condensed Interim Financial Statements for the six months period ended June 30, 2024 (Unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Habib Insurance Company Limited (the Company) was incorporated as a Public Limited Company in the year 1942 under the Companies Act, 1913 (now the Companies Act, 2017). The registered office of the Company is situated at Habib Square, 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 Branches	320-G/3, 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 2023.
- 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

2.4 Basis of measurement

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

3. FUNCTIONAL AND PRESENTATION CURRENCY

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

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2023.

4. MATERIAL 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, 2023.

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or do not have any significant effect on the Company and therefore not stated in these condensed interim financial statements.

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

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

SECP vide its SRO 1715 dated 21 November 2023 directed the application of IFRS 17 for the period commencing from 1 January 2026.

- IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023, however it is yet to be notified by the Securities and Exchange Commission of Pakistan. In addition, the Company has opted for the temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Further details relating to the temporary exemption from the application of IFRS 9 are given in the notes below.

Habib Insurance Company Limited

The management is in the process of assessing the impacts of these standards and amendments on the financial statements of the Company.

- Temporary Exemption from the Application of IFRS 9 (Financial Instruments)

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

Financial assets	June 30, 2024 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the year	Carrying value	Cost less Impairment	Change in unrealized gain / (loss) during the year
			(Rupees in '000)		
Cash and bank*	-	-	393,899	-	-
Investment in equity securities - available for sale	1,534,781	233,716	-	-	-
Investments in debt securities - held to maturity	-	-	318,560	-	(3,094)
Loans and other receivables*	-	-	88,768	-	-
Insurance / reinsurance receivables*	-	-	992,764	-	-
Reinsurance recoveries against outstanding claims*	-	-	652,339	-	-
Salvage recoveries accrued	-	-	111,998	-	-
Window takaful operations - Operator's fund*	-	-	135,986	-	-
	<u>1,534,781</u>	<u>233,716</u>	<u>2,694,314</u>	<u>-</u>	<u>(3,094)</u>

Financial assets	December 31, 2023 (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*	-	-	451,857	-	-
Investment in equity securities - available for sale	1,252,546	(393,660)	-	-	-
Investments in debt securities - held to maturity	-	-	250,000	-	(886)
Loans and other receivables*	-	-	86,830	-	-
Insurance / reinsurance receivables*	-	-	1,352,698	-	-
Reinsurance recoveries against outstanding claims*	-	-	670,203	-	-
Salvage recoveries accrued	-	-	46,402	-	-
Window takaful operations - Operator's fund*	-	-	208,580	-	-
	<u>1,252,546</u>	<u>(393,660)</u>	<u>3,066,570</u>	<u>-</u>	<u>(886)</u>

Habib Insurance Company Limited

June 30, 2024 (Unaudited)						
Gross carrying amounts of debt instruments that pass the SPPI test						
Rating	AAA	AA+	AA-	Other*	Sovereign Bonds	Unrated/ Unavailable
(Rupees in '000)						
Cash and bank*	600,947	50	-	-	-	-
Investments in debt securities - held to maturity	-	150,000	100,000	-	318,560	-
Loans and other receivables*	-	-	-	-	-	88,768
Insurance / reinsurance receivables*	-	-	-	-	-	992,764
Reinsurance recoveries against outstanding claims*	-	652,339	-	-	-	-
Salvage recoveries accrued	-	-	-	-	-	111,998
	<u>600,947</u>	<u>802,389</u>	<u>100,000</u>	<u>-</u>	<u>318,560</u>	<u>1,193,530</u>
December 31, 2023 (Audited)						
Gross carrying amounts of debt instruments that pass the SPPI test						
Rating	AAA	AA+	AA-	Other*	Sovereign Bonds	Unrated/ Unavailable
(Rupees in '000)						
Cash and bank*	470,972	50	-	-	-	-
Investments in debt securities - available for sale	-	-	250,000	-	64,674	-
Loans, deposit and other receivables*	-	-	-	-	-	60,878
Insurance / reinsurance receivables*	-	-	-	-	-	1,352,698
Reinsurance recoveries against outstanding claims*	-	323,779	-	346,167	-	257
Salvage recoveries accrued	-	-	-	-	-	46,402
	<u>470,972</u>	<u>323,829</u>	<u>250,000</u>	<u>346,167</u>	<u>64,674</u>	<u>1,460,235</u>

6. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

Insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2023.

	Note	(Unaudited) June 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
7. Property and equipment			
Tangible operating assets	7.1	75,491	76,970
Right-of-use assets	7.2	29,550	37,051
		<u>105,041</u>	<u>114,021</u>
7.1 Tangible operating assets			
Opening written down value		76,970	30,319
Additions during the period / year	7.1.1	6,699	59,571
Disposals during the period / year	7.1.2	(379)	(649)
Depreciation for the period / year		(7,799)	(12,271)
Closing written down value		<u>75,491</u>	<u>76,970</u>

Habib Insurance Company Limited

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
7.1.1	The following additions to tangible - operating assets were made during the period / year:	
Furniture and fixtures	212	43,723
Computer equipment	2,353	1,852
Office equipment	1,651	12,171
Motor Vehicles - owned	2,483	1,825
	<u>6,699</u>	<u>59,571</u>
7.1.2	The following disposals of tangible - operating assets were made during the period / year:	
Furniture and fixtures	6	-
Computer equipment	40	2
Office equipment	333	234
Motor Vehicles - owned	-	413
	<u>379</u>	<u>649</u>
7.2	Right-of-use assets	
Balance at January 01, 2024	37,051	25,783
Additions during the period / year	-	25,215
Disposals during the period / year	-	424
Depreciation charge for the period / year	(7,501)	(14,371)
Balance at June 30, 2024	<u>29,550</u>	<u>37,051</u>

8. INVESTMENT IN EQUITY SECURITIES

	June 30, 2024 (Unaudited)				December 31, 2023 (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	-	372,165	722,800	350,635	-	210,233	560,868
Others								
Listed shares	372,580	(2,130)	399,908	770,358	322,694	(763)	329,100	651,031
Listed preference shares	19,331	-	1,775	21,106	19,331	-	2,876	22,207
Mutual funds	605	-	2,301	2,906	605	-	2,100	2,705
Modaraba certificate	15,014	-	2,597	17,611	15,014	-	721	15,735
Others	407,530	(2,130)	406,581	811,981	357,644	(763)	334,797	691,678
	<u>758,165</u>	<u>(2,130)</u>	<u>778,746</u>	<u>1,534,781</u>	<u>708,279</u>	<u>(763)</u>	<u>545,030</u>	<u>1,252,546</u>

9. INVESTMENT IN DEBT SECURITIES

		(Unaudited) June 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in '000)	
Government securities - (available for sale)	9.1	68,560	64,674
Term finance certificates - unsecured (available for sale)	9.2	250,000	250,000
		<u>318,560</u>	<u>314,674</u>

Habib Insurance Company Limited

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

9.2 TERM FINANCE CERTIFICATES - Unsecured (available for sale)					(Unaudited) June 30, 2024	(Audited) December 31, 2023
Name of Company	Name of Chief Executive	Term/ Profit Payment	No. of Certificates	Cost	(Rupees in '000)	
Bank Alfalah Limited	Mr. Atif Bajwa	Parpetual and 6 monthly Non-cumulative KIBOR + 2%	20,000	100,000	100,000	100,000
Bank AL Habib Limited	Mr. Mansoor Ali Khan	Perpetual and 6 monthly KIBOR + 1.65%	10,000	52,065	150,000	150,000
					<u>250,000</u>	<u>250,000</u>

(Unaudited)
June 30,
2024
(Rupees in '000)

(Audited)
December 31,
2023

10. LOANS, SECURITY DEPOSIT AND OTHER RECEIVABLES - Considered good

Accrued investment income	9,114	9,164
Security Deposits	17,844	17,777
Advances	1,366	5,639
Agents Commission receivable (advance)	10,744	10,014
Loan to employees	28,554	33,652
Receivable from Window Takaful Operations	3,049	249
Receivable from employees - parents insurance policy	967	2,160
Input sales tax	17,157	13,814
Other receivables	1,339	-
	<u>90,134</u>	<u>92,469</u>

11. INSURANCE / REINSURANCE RECEIVABLES - Unsecured

Due from insurance contract holders		
Considered good	415,195	611,586
Considered doubtful	20,488	20,488
Less: Provision for impairment of receivables from insurance contract	(20,488)	(20,488)
	<u>415,195</u>	<u>611,586</u>
Due from other insurers / reinsurers		
Considered good	577,569	741,112
Considered doubtful	30,165	30,165
Less: provision for impairment of due from other insurers / reinsurers	(30,165)	(30,165)
	<u>577,569</u>	<u>741,112</u>
	<u>992,764</u>	<u>1,352,698</u>

Habib Insurance Company Limited

	Note	(Unaudited) June 30, 2024	(Audited) December 31, 2023	
		(Rupees in '000)		
12. PREPAYMENTS				
Prepaid reinsurance premium ceded		367,322	654,680	
Prepaid employees group / health insurance		2,704	9,498	
Others		14,197	17,735	
		384,223	681,913	
13. CASH AND BANK BALANCES				
Cash and cash equivalents				
Cash in hand		494	271	
Policy stamps		61	76	
		555	347	
Cash at bank				
Current accounts		207,098	19,165	
Savings accounts		393,899	451,857	
		600,997	471,022	
		601,552	471,369	
13.1 Cash and short term borrowing include the following for the purposes of the cash flow statement:				
Cash and cash equivalents		601,552	25,242	
Short term borrowings of upto three months (running finance)	13.1.1	-	(105,970)	
		601,552	(80,728)	
13.1.1 This represents overdrawn bank balance for the period. The Company has a running finance facility from a Bank of Rs. 200 million valid for 1 year from November 29, 2022 at interest rate of 6 months KIBOR plus 0.5%. The facility is secured against Lien / Pledge of Treasury bills of 1 year for Rs. 115.5 million in favor of the Bank with 10% margin held in IPS account of the company.				
14. SHARE CAPITAL				
Authorized Capital				
(Unaudited) June 30, 2024	(Audited) December 31, 2023	(Unaudited) June 30, 2024	(Audited) December 31, 2023	
	(Number)		(Rupees in '000)	
130,000,000	130,000,000	650,000	650,000	Ordinary shares of Rs. 5 each
14.1 Issued, subscribed and paid - up share capital				
123,874,755	123,874,755	619,374	619,374	Ordinary shares of Rs. 5 each at the beginning and end of the period / year
15. RESERVES				
Capital Reserves				
Reserve for exceptional losses		9,122	9,122	
Revenue Reserves				
General reserves		390,000	355,000	
Available-for-sale reserve		553,080	384,945	
		943,080	739,945	
		952,202	749,067	

Habib Insurance Company Limited

	Note	(Unaudited) June 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
16. INSURANCE / REINSURANCE PAYABLES			
Due to other insurers / reinsurers	16.1	<u>543,287</u>	<u>553,586</u>
16.1 Due to other insurers / reinsurers			
Foreign reinsurers		241,613	155,411
Local reinsurers		146,042	182,054
Co-insurers payable		155,632	216,121
		<u>543,287</u>	<u>553,586</u>
17. OTHER CREDITORS AND ACCRUALS			
Agents commission payable		112,050	168,237
Federal excise duty		15,379	59,160
Federal insurance fee		1,775	4,054
Accrued expenses		22,980	25,614
Withholding tax payable		2,688	2,942
Unclaimed dividend		68,671	66,446
Sundry creditors		28,429	29,584
Others		8,014	10,632
		<u>259,986</u>	<u>366,669</u>
18. CONTINGENCIES & COMMITMENTS			
18.1 Contingencies			

There is no contingency as at June 30, 2024 other than those disclosed in the annual financial statements as at December 31, 2023 and note 21.1.1.

	(Unaudited) Three months period ended June 30,		(Unaudited) Six months period ended June 30,	
	2024	2023	2024	2023
(Rupees in '000)				
19. NET INSURANCE PREMIUM				
Written gross premium	643,483	484,041	1,209,564	1,119,829
Add: Unearned premium reserve - opening	1,104,008	1,104,489	1,390,472	1,202,472
Less: Unearned premium reserve - closing	(938,063)	(907,548)	(938,063)	(907,548)
Premium earned	<u>809,428</u>	<u>680,982</u>	<u>1,661,973</u>	<u>1,414,753</u>
Less: Reinsurance premium ceded	334,746	210,649	624,105	487,470
Add: Prepaid reinsurance premium - opening	487,360	459,786	654,680	501,272
Less: Prepaid reinsurance premium - closing	(367,322)	(338,548)	(367,322)	(338,548)
Reinsurance expense	<u>454,784</u>	<u>331,887</u>	<u>911,463</u>	<u>650,194</u>
Net insurance premium	<u>354,644</u>	<u>349,095</u>	<u>750,510</u>	<u>764,559</u>

Habib Insurance Company Limited

	(Unaudited) Three months period ended June 30,		(Unaudited) Six months period ended June 30,	
	2024	2023	2024	2023
	(Rupees in '000)		(Rupees in '000)	
20. NET INSURANCE CLAIMS EXPENSE				
Claims paid	416,299	505,652	753,701	869,581
Add: Outstanding claims including IBNR - closing	1,125,618	1,103,166	1,125,618	1,103,166
Less: Outstanding claims including IBNR - opening	(1,140,852)	(1,015,749)	(1,055,320)	(959,567)
Claims expense	401,065	593,069	823,999	1,013,180
Reinsurance and other recoveries received	193,267	283,724	342,712	439,197
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	764,337	765,067	764,337	765,067
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(747,647)	(677,638)	(716,605)	(676,476)
Reinsurance and other recoveries revenue	209,957	371,153	390,444	527,788
Net insurance claims expense	<u>191,108</u>	<u>221,916</u>	<u>433,555</u>	<u>485,392</u>
21. NET COMMISSION INCOME				
Commissions paid or payable	88,019	71,083	159,202	158,374
Add: Deferred commission - opening	141,271	151,415	184,408	146,080
Less: Deferred commission - closing	(116,783)	(135,116)	(116,783)	(135,116)
Commission expense	112,507	87,382	226,827	169,338
Less: Commission from reinsurers				
Commission received or receivable	83,011	58,621	154,677	119,374
Add: Unearned reinsurance commission - opening	117,435	124,540	149,584	156,637
Less: Unearned reinsurance commission - closing	(92,123)	(95,371)	(92,123)	(95,371)
Commission from reinsurers	108,323	87,790	212,138	180,640
Net commission income	<u>(4,184)</u>	<u>408</u>	<u>(14,689)</u>	<u>11,302</u>
22. INVESTMENT INCOME				
Income from equity securities and mutual fund units - available-for-sale				
- Dividend income	31,207	31,476	115,012	67,619
Income from debt securities - available-for-sale				
- Pakistan Investment Bonds	1,926	1,891	3,859	3,770
- Treasury Bills	-	26,835	-	53,807
- Term Finance Certificates	14,846	7,569	29,475	13,842
	16,772	36,295	33,334	71,419
Net realised gain / (loss) on investments				
- Equity securities	-	-	-	-
- Mutual funds units	-	-	-	922
- Debt securities	-	(268)	-	(268)
	-	(268)	-	654
Total investment income	<u>47,979</u>	<u>67,503</u>	<u>148,346</u>	<u>139,692</u>
Less Impairment in value of available-for-sale investments equity securities	6,117	11,018	(1,366)	80
Less: Investment related expenses	-	-	-	(154)
	<u>54,096</u>	<u>78,521</u>	<u>146,980</u>	<u>139,618</u>

Habib Insurance Company Limited

	Three months period ended June 30,		Six months period ended June 30,	
	2024	2023	2024	2023
	(Unaudited)		(Unaudited)	
	(Rupees in '000)		(Rupees in '000)	
23. OTHER INCOME				
Return on bank balances	33,723	7,687	64,750	17,917
(Loss) / gain on sale of fixed assets	134	(56)	214	17
Return on loan to employees	988	1,794	2,048	2,323
Miscellaneous	560	(195)	560	(185)
	<u>35,405</u>	<u>9,230</u>	<u>67,572</u>	<u>20,072</u>
24. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	42,157	14,198	118,586	59,085
	(Number of Shares)		(Number of Shares)	
Weighted average number of ordinary shares of Rs. 5 each	123,874,755	123,874,755	123,874,755	123,874,755
	(Rupees)		(Rupees)	
Basic earnings per share	<u>0.34</u>	<u>0.11</u>	<u>0.96</u>	<u>0.48</u>

24.1 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.

25. 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 June 30,	2023	2024	Six months period ended June 30,
	2024		2024	2023
	(Rupees in '000)			

Transactions and balances with associated companies

(under the Companies Act, 2017).

Transactions during the year with associated companies

Premium written	164,761	93,058	225,632	163,593
Claims paid	114,561	100,775	132,689	146,678
Dividend received	24,581	22,381	71,781	36,625
Dividend paid	2,868	2,868	7,015	7,555
Investment made	-	(52,065)	-	-
Interest received on bank accounts	33,723	7,687	64,750	17,917
Bank charges	174	255	281	418
Fees paid	280	280	280	280
Donations	800	800	1,600	1,600
Premium ceded to reinsurers	82,591	55,383	119,245	123,440
Commission income	16,509	14,895	28,948	36,117
Reinsurance recoveries received	45,286	50,654	82,607	81,517
Interest expense	3,479	353	3,479	353
Brokerage expenses paid	-	-	-	128
Remuneration of key management personnel	68,958	-	125,275	137,156

Habib Insurance Company Limited

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Balances with associated companies		
Premium due but unpaid	<u>37,766</u>	<u>95,834</u>
Claims outstanding	<u>75,320</u>	<u>129,397</u>
Bank balances	<u>593,123</u>	<u>442,491</u>
Investment held	<u>722,800</u>	<u>560,868</u>
Reinsurance payable	<u>44,544</u>	<u>31,819</u>

	(Unaudited) Three months period ended June 30, 2024	(Unaudited) Six months period ended June 30, 2024	(Unaudited) Six months period ended June 30, 2023
	(Rupees in '000)		

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

Remuneration of key management personnel	<u>63,975</u>	<u>63,975</u>	<u>137,156</u>	<u>137,156</u>
Repayment of loans by key management personnel (secured)	<u>2,693</u>	<u>2,156</u>	<u>4,773</u>	<u>4,236</u>
Contribution to the provident fund	<u>3,181</u>	<u>3,181</u>	<u>5,978</u>	<u>5,978</u>

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	

Balances with other related parties including key management personnel

Loans to key management personnel	<u>18,968</u>	<u>41,325</u>
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25.1 Following are the particulars of the related parties other than employee retirement benefit obligations, key management personnel and Directors of the company at the period date.

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

Habib Insurance Company Limited

26. SEGMENT REPORTING

	June 30, 2024 (Unaudited)					
	Fire and property	Marine and transport	Motor	Group hospitalisation	Other Classes	Aggregate
	(Rupees in '000)					
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative surcharge)	420,553	309,272	477,496	3,045	181,284	1,391,650
Less: Federal Excise Duty	52,490	34,012	62,001	363	21,159	170,025
Federal Insurance Fee	3,605	2,724	4,118	27	1,587	12,061
Gross Written Premium (inclusive of administrative Surcharge)	364,458	272,536	411,377	2,655	158,538	1,209,564
Gross direct premium	357,702	266,519	395,729	2,652	157,639	1,180,241
Facultative inward premium	4,397	190	1,962	–	–	6,549
Administrative surcharge	2,359	5,827	13,686	3	899	22,774
	364,458	272,536	411,377	2,655	158,538	1,209,564
Insurance premium earned	625,702	275,037	550,178	3,971	207,085	1,661,973
Insurance premium ceded to reinsurers	(525,628)	(171,031)	(81,508)	–	(133,296)	(911,463)
Net insurance premium	100,074	104,006	468,670	3,971	73,789	750,510
Premium deficiency reserve	–	–	–	113	–	113
Commission income	115,702	50,472	15,198	–	30,766	212,138
Net underwriting income	215,776	154,478	483,868	4,084	104,555	962,761
Insurance claims	138,496	104,379	470,007	5,585	105,532	823,999
Insurance claims recovered from reinsurers	(115,688)	(73,929)	(145,879)	951	(55,899)	(390,444)
Net Claims	22,808	30,450	324,128	6,536	49,633	433,555
Commission expense	(93,200)	(37,986)	(61,466)	(92)	(34,083)	(226,827)
Management expenses	(114,020)	(85,264)	(128,700)	(831)	(49,599)	(378,414)
Net insurance claims and expenses	(207,220)	(123,250)	(190,166)	(923)	(83,682)	(605,241)
Underwriting result	(14,252)	778	(30,426)	(3,375)	(28,760)	(76,035)
Net Investment income						146,980
Other income						67,572
Other expenses						(6,844)
Results of operating activities						131,673
Finance cost						(3,479)
Profit from Window Takaful Operations - Operator's Fund						44,973
Profit before tax						173,167

Habib Insurance Company Limited

	June 30, 2024 (Unaudited)					
	Fire and property	Marine and transport	Motor	Group hospitalisation	Other Classes	Aggregate
	(Rupees in '000)					
Segment assets						
Allocated Assets						
Premium due but unpaid	118,079	86,015	125,191	10,734	75,176	415,195
Prepaid reinsurance premium ceded	266,091	7,438	39,820	–	53,973	367,322
Reinsurance recoveries against outstanding claims	450,111	10,234	60,445	–	131,549	652,339
Salvage recoveries accrued	4,072	77,386	30,223	–	317	111,998
Deferred commission expense	45,390	3,112	52,981	–	15,300	116,783
	<u>883,743</u>	<u>184,185</u>	<u>308,660</u>	<u>10,734</u>	<u>276,315</u>	<u>1,663,637</u>
Unallocated Assets						
Fixed assets at cost less depreciation						105,170
Amount due from others insurers/ reinsurers						577,569
Cash and cash equivalents						601,552
Loans-secured, considered good						28,554
Investments						1,853,341
Accrued investment income						9,114
Advances, deposits and prepayments						52,466
Taxation - provision less payments						72,745
Prepayments						16,901
						<u>3,317,412</u>
Total Assets						<u>4,981,049</u>
Unallocated assets of General Takaful Operations - Operator's Fund						<u>262,521</u>
						<u>5,243,570</u>
Allocated Liabilities						
Outstanding Claims	504,349	108,918	270,577	7,859	233,915	1,125,618
Unearned Premium	353,453	27,342	443,491	3,457	110,320	938,063
Unearned Reinsurance Commission	62,345	2,569	13,760	–	13,449	92,123
Premium Deficiency Reserve	–	–	–	3,232	–	3,232
	<u>920,147</u>	<u>138,829</u>	<u>727,828</u>	<u>14,548</u>	<u>357,684</u>	<u>2,159,036</u>
Unallocated Liabilities						
Premium received in advance						80,595
Amount due from others insurers/ reinsurers						543,287
Staff retirement benefits						101,748
Deferred taxation - net						207,777
Finance lease liability						35,429
Other creditors and accruals						259,986
						<u>1,228,822</u>
Total Liabilities						<u>3,387,858</u>
Unallocated liabilities of General Takaful Operations - Operator's Fund						<u>142,960</u>
						<u>3,530,818</u>

Habib Insurance Company Limited

27. SEGMENT REPORTING

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

Habib Insurance Company Limited

	December 31, 2023 (Audited)					Aggregate
	Fire and property	Marine and transport	Motor	Group hospitalisation	Other Classes	
	(Rupees in '000)					
Segment assets						
Allocated Assets						
Premium due but unpaid	205,074	72,072	219,174	7,296	107,970	611,586
Prepaid reinsurance premium ceded	493,351	5,447	54,811	–	101,071	654,680
Reinsurance recoveries against outstanding claims	445,853	55,320	52,220	951	115,859	670,203
Salvage recoveries accrued	13,161	18,461	14,701	–	79	46,402
Deferred commission expense	92,319	3,948	62,442	84	25,615	184,408
	<u>1,249,758</u>	<u>155,248</u>	<u>403,348</u>	<u>8,331</u>	<u>350,594</u>	<u>2,167,279</u>
Unallocated Assets						
Fixed assets at cost less depreciation						114,256
Amount due from others insurers/ reinsurers						741,112
Cash and cash equivalents						471,369
Loans-secured, considered good						33,652
Investments						1,567,220
Accrued investment income						9,164
Advances, deposits and prepayments						49,653
Taxation - provision less payments						71,881
Prepayments						27,233
						<u>3,085,540</u>
Total Assets						<u>5,252,819</u>
Unallocated assets of General Takaful Operations - Operator's Fund						<u>241,241</u>
						<u>5,494,060</u>
Allocated Liabilities						
Outstanding Claims	497,227	137,660	222,106	7,828	190,499	1,055,320
Unearned Premium	614,698	29,842	582,292	4,773	158,867	1,390,472
Unearned Reinsurance Commission	106,936	1,887	16,863	–	23,898	149,584
Premium Deficiency Reserve	–	–	–	3,346	–	3,346
	<u>1,218,861</u>	<u>169,389</u>	<u>821,261</u>	<u>15,947</u>	<u>373,264</u>	<u>2,598,722</u>
Unallocated Liabilities						
Premium received in advance						41,463
Amount due from others insurers/ reinsurers						553,586
Staff retirement benefits						93,716
Deferred tax						142,074
Finance lease liability						40,766
Other creditors and accruals						366,669
						<u>1,238,274</u>
Total Liabilities						<u>3,836,996</u>
Unallocated liabilities of General Takaful Operations - Operator's Fund						<u>153,611</u>
						<u>3,990,607</u>

Habib Insurance Company Limited

	December 31, 2023 (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								
Ijara Sukuk								
Corporate sukuk								
Equity securities - quoted	1,001,022	-	-	-	1,001,022	1001,022	-	-
Mutual fund units	2,116	-	-	-	2,116	-	2,116	-
Modaraba certificates	15,735	-	-	-	15,735	16,494	-	-
Debt securities	314,674	-	-	-	314,674	-	314,674	-
Financial assets not measured at fair value								
Investments								
Debt securities	-	-	-	-	-	-	-	-
Loans, deposits and other receivables	-	60,878	-	-	60,878	-	-	-
Insurance / reinsurance receivable	-	1,352,698	-	-	1,352,698	-	-	-
Reinsurance recoveries against outstanding claims	-	670,203	-	-	670,203	-	-	-
Salvage recoveries accrued	-	46,402	-	-	46,402	-	-	-
Cash and bank balances	-	-	471,369	-	471,369	-	-	-
Total assets of window takaful operations - Operator's Fund	-	-	208,580	-	208,580	-	-	-
	<u>1,333,547</u>	<u>2,130,181</u>	<u>679,949</u>	<u>-</u>	<u>4,143,677</u>	<u>1,017,516</u>	<u>316,790</u>	<u>-</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR	-	-	-	(1,055,320)	(1,055,320)	-	-	-
Lease liability against right of use assets	-	-	-	(40,766)	(40,766)	-	-	-
Retirement benefits obligation	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	-	-	-
Insurance / reinsurance payables	-	-	-	(553,586)	(553,586)	-	-	-
Other creditors and accruals	-	-	-	(300,513)	(300,513)	-	-	-
Total Liabilities of Window Takaful Operations - Operator's Fund	-	-	-	(45,512)	(45,512)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,995,697)</u>	<u>(1,995,697)</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

29 CORRESPONDING FIGURES

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

30 GENERAL

Figures have been rounded off to the nearest thousand rupee.

31 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on August 29, 2024 by the Board of Directors of the Company.

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Financial Statements

Window Takaful Operations

Habib Insurance Company Limited

INDEPENDENT AUDITORS' REVIEW REPORT

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

Report on review of condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Habib Insurance Company Limited Window Takaful Operation** as at June 30, 2024 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flows statement and condensed interim statement of changes in equity, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures for the three months period ended June 30, 2024 and June 30, 2023 in the condensed interim financial statements have not been reviewed and we do not express a conclusion on them.

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

Chartered Accountants

Place: Karachi

Date: August 29, 2024

UDIN: RR2024101540jVbhDS5

Habib Insurance Company Limited

Condensed Interim Statement of Financial Position (Unaudited) As at June 30, 2024

Note	Operator's Fund		Participant's Fund	
	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	(Rupees in '000)			
Assets				
Loans and other receivables	7	908	25	3,466
Takaful / retakaful receivables	8	–	–	172,932
Retakaful recoveries against outstanding claims	15	–	–	78,474
Salvage recoveries accrued	–	–	–	11,885
Deferred Wakala expense	17	–	–	52,990
Taxation - payments less provision	–	–	–	10,834
Deferred commission expense	16	24,747	32,661	–
Receivable from PTF	18	19,871	18,063	–
Prepayments	9	885	–	67,096
Cash and bank	10	216,110	190,492	289,476
Total assets		<u>262,521</u>	<u>241,241</u>	<u>687,153</u>
Equities and liabilities				
Capital and reserves attributable to company's shareholders				
Share capital		50,000	50,000	–
Accumulated surplus		69,561	37,630	–
Total shareholders equity		<u>119,561</u>	<u>87,630</u>	<u>–</u>
Participants' Takaful Fund (PTF)				
Ceded money		–	–	500
Reserves		–	–	–
Accumulated surplus		–	–	116,437
Balance of Participants' Takaful Fund		<u>–</u>	<u>–</u>	<u>116,937</u>
Liabilities				
PTF Underwriting Provisions				
Outstanding claims including IBNR	15	–	–	192,192
Unearned contribution reserve	13	–	–	176,633
Reserve for unearned retakaful rebate	14	–	–	13,848
		–	–	382,673
Unearned wakala fee	17	52,990	75,636	–
Contribution received in advance	–	–	–	28,486
Takaful / retakaful payables	12	–	–	127,813
Other creditors and accrual	11	51,192	48,878	11,373
Payable to OPF	18	–	–	19,871
Retirement benefit obligation	–	14,427	12,812	–
Taxation - provision less payments	–	24,351	16,285	–
		<u>142,960</u>	<u>153,611</u>	<u>187,543</u>
Total liabilities		<u>142,960</u>	<u>153,611</u>	<u>581,605</u>
Total equity and liabilities		<u>262,521</u>	<u>241,241</u>	<u>687,153</u>
Contingency and commitment	20			

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

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the six months period ended June 30, 2024

	Note	(Unaudited)		(Unaudited)	
		Three months period ended June 30, 2024 (Rupees in '000)	2023 (Rupees in '000)	Six months period ended June 30, 2024 (Rupees in '000)	2023 (Rupees in '000)
Participant's Fund					
Contributions earned	13	116,560	80,175	215,257	174,021
Less: Contributions ceded to retakaful		(84,725)	(44,587)	(153,036)	(85,286)
Net contributions revenue		31,835	35,588	62,221	88,735
Retakaful rebate earned	14	13,604	7,056	25,120	13,933
Net underwriting income		45,439	42,644	87,341	102,668
Net claims - reported / settled - IBNR	15	(25,257) (5,011)	(47,784) (15,422)	(45,891) (43,881)	(100,604) (15,422)
		(30,268)	(63,206)	(89,772)	(116,026)
Surplus / (deficit) before investment income		15,171	(20,562)	(2,431)	(13,358)
Investment income	19	9,566	5,969	18,010	10,674
Other expenses		(1,065)	(86)	(1,515)	(336)
Surplus / (deficit) transferred to accumulated surplus		23,672	(14,679)	14,064	(3,020)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income / (loss) for the period		23,672	(14,679)	14,064	(3,020)
Operator's Fund					
Wakala fee	17	49,290	29,788	91,095	61,699
Commission expense	16	(20,433)	(12,559)	(38,390)	(24,848)
General administrative and management expense		(18,892)	(5,768)	(32,319)	(8,488)
		9,965	11,461	20,386	28,363
Investment income	19	12,831	6,117	25,056	10,994
Other expenses		(469)	(722)	(469)	(824)
Profit before taxation		22,327	16,856	44,973	38,533
Taxation		(6,475)	(4,889)	(13,042)	(11,175)
Profit after taxation attributable to shareholders		15,852	11,967	31,931	27,358
Others comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		15,852	11,967	31,931	27,358

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

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Changes in Funds (Unaudited) For the six months period ended June 30, 2024

	Operator's Fund			Total
	Share Capital	Available for sale reserve	Un-appropriated profit	
	(Rupees in '000)			
Balance as at January 01, 2023	50,000	–	(11,998)	38,002
Profit for the period	–	–	27,358	27,358
Other comprehensive income				
Balance as at June 30, 2023	<u>50,000</u>	<u>–</u>	<u>15,360</u>	<u>65,360</u>
Balance as at January 01, 2024	50,000	–	37,630	87,630
Profit for the period	–	–	31,931	31,931
Other comprehensive income				
Balance as at June 30, 2024	<u>50,000</u>	<u>–</u>	<u>69,561</u>	<u>119,561</u>
	Attributable to participants of the PTF			Total
	Ceded money	Available for sale reserve	Accumulated surplus	
	(Rupees in '000)			
Balance as at January 01, 2023	500	(342)	100,534	100,692
Deficit for the period	–	–	(3,020)	(3,020)
Other comprehensive income	–	–	–	–
Balance as at June 30, 2023	<u>500</u>	<u>(342)</u>	<u>97,514</u>	<u>97,672</u>
Balance as at January 01, 2024	500	–	102,373	102,873
Surplus for the period	–	–	14,064	14,064
Other comprehensive income	–	–	–	–
Balance as at June 30, 2024	<u>500</u>	<u>–</u>	<u>116,437</u>	<u>116,937</u>

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

RAFIQ M. HABIB
Chairman

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Director

SYED ATHER ABBAS
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Cash Flow (Unaudited) For the six months period ended June 30, 2024

	Note	(Unaudited) Operator's Fund		(Unaudited) Participant's Fund	
		June 30, 2024	2023	June 30, 2024	2023
(Rupees in '000)					
Operating Activities					
(a) Takaful activities					
Contribution received		–	–	250,644	155,033
Retakaful contribution paid		–	–	(130,955)	(92,895)
Claims paid		–	–	(99,635)	(135,752)
Retakaful and other recoveries received		–	–	12,291	57,410
Commission paid		(30,689)	(26,767)	–	–
Commission received		–	–	20,407	10,897
Wakala / Mudarib fees received		74,359	51,632	–	–
Wakala fee paid		–	–	(74,359)	(51,632)
Net cash flow from takaful activities		43,670	24,865	(21,607)	(56,939)
(b) Other Operating activities					
Other operating receipts		–	–	–	–
Other operating payments		(35,390)	(11,391)	1,136	(1,676)
Net cash flow from other operating activities		(35,390)	(11,391)	1,136	(1,676)
Total cash flow from all operating activities		8,280	13,474	(20,471)	(58,615)
Investment activities					
Profit / return received		17,338	6,148	25,728	14,715
Dividend received		–	272	–	533
Proceeds from investments		–	85,232	–	190,453
Payments for investments		–	(85,232)	–	(190,453)
Total cash flow from investing activities		17,338	6,420	25,728	15,248
Total cash flow from financing activities					
		–	–	–	–
Net cash flow from all activities		25,618	19,894	5,257	(43,367)
Cash and cash equivalents at beginning of year		190,492	89,535	284,219	211,907
Cash and cash equivalents at end of period	10	216,110	109,429	289,476	168,540
Reconciliation to profit and loss account					
Operating cash flows		8,280	13,474	(20,471)	(58,615)
Profit / return received		17,338	6,148	25,728	14,715
Dividends received		–	272	–	533
Increase / (decrease) in assets other than cash		4,338	4,419	(2,582)	37,760
(Increase) / decrease in liabilities		1,975	3,045	11,389	2,587
Profit / (loss) after taxation		31,931	27,358	14,064	(3,020)
Attributed to:					
Operator's Fund		31,931	27,358	–	–
Participants' Takaful Fund		–	–	14,064	(3,020)
		31,931	27,358	14,064	(3,020)

The annexed notes from 1 to 27 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

Notes to the Condensed Interim Financial Statements (Unaudited) For the six months period ended June 30, 2024

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, 2023.

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.

Habib Insurance Company Limited

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Operator's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2023.

5 MATERIAL 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, 2023.

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, 2024 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:

SECP vide its SRO 1715 dated 21 November 2023 directed the application of IFRS 17 for the period commencing from January 01, 2026.

The management is in the process of assessing the impacts of these standards and amendments on the Operators' financial statements.

Temporary Exemption from the Application of IFRS 9 (Financial Instruments)

As an insurance entity, the management has opted for the temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the entity doesn't engage in significant activities unconnected with insurance based on historical available information. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are as follows:

Habib Insurance Company Limited

	June 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
	AAA	Unrated/ Unavailable	AAA	Unrated/ Unavailable
Gross carrying amounts of financial instruments that pass the SPPI test (Rupees in '000)				
Operator's Fund				
Bank balances	216,110	–	190,492	–
Receivable from PTF	–	19,871	–	18,063
Total	216,110	19,871	190,492	18,063
(Rupees in '000)				
Participant's Fund				
Bank balances	289,441	–	211,901	–
Takaful / retakaful receivable	–	172,932	–	190,987
Loans and other receivables	–	3,466	–	3,398
Retakaful recoveries against outstanding claims	–	78,474	–	23,890
Salvage recoveries accrued	–	11,885	–	3,330
Total	289,441	266,757	211,901	221,605

7. LOANS AND OTEHR RECEIVABLES

	June 30, 2024 (Unaudited)			December 31, 2023 (Audited)		
	OPF	PTF	Total	OPF	PTF	Total
(Rupees in '000)						
FED Receivable	–	–	–	–	111	111
Others	908	3,466	4,374	25	3,287	3,312
	<u>908</u>	<u>3,466</u>	<u>4,374</u>	<u>25</u>	<u>3,398</u>	<u>3,423</u>
				(Unaudited)	(Audited)	
				June 30,	December 31,	
				2024	2023	
				(Rupees in '000)		

8. TAKAFUL/ RETAKAFUL RECEIVABLE

Due from Takaful contract holders		
Considered good	50,034	57,835
Considered doubtful	20,602	20,602
Less: Provision for impairment of receivables from takaful contract holders	(20,602)	(20,602)
	50,034	57,835
Due from other takaful/ retakaful operators - Considered good	122,898	133,152
	<u>172,932</u>	<u>190,987</u>

Habib Insurance Company Limited

9. PREPAYMENTS

	June 30, 2024 (Unaudited)			December 31, 2023 (Audited)		
	OPF	PTF	Total	OPF	PTF	Total
	(Rupees in '000)			(Rupees in '000)		
Retakaful contribution ceded	–	66,414	66,414	–	95,844	95,844
Others	885	682	1,567	–	220	220
	<u>885</u>	<u>67,096</u>	<u>67,981</u>	<u>–</u>	<u>96,064</u>	<u>96,064</u>

10. CASH AND BANK

Cash and cash Equivalent						
– Policy stamps	–	35	35	–	38	38
Cash at bank						
– Profit and Loss Sharing (PLS) accounts	216,110	289,441	505,551	190,492	284,181	474,673
	<u>216,110</u>	<u>289,476</u>	<u>505,586</u>	<u>190,492</u>	<u>284,219</u>	<u>474,711</u>

11. OTHER CREDITORS AND ACCRUALS

Federal insurance fee	–	643	643	–	581	581
Federal excise duty	–	9,063	9,063	–	9,243	9,243
Commission payable	42,658	–	42,658	42,871	–	42,871
Provision for compensated clearance	2,871	–	2,871	3,058	–	3,058
Payable to Habib Insurance Company Limited (related party)-conventional operations	3,049	–	3,049	557	–	557
Other creditors	1,923	341	2,264	499	2,223	2,722
Other accrued expenses	691	1,326	2,017	1,893	–	1,893
	<u>51,192</u>	<u>11,373</u>	<u>62,565</u>	<u>48,878</u>	<u>12,047</u>	<u>60,925</u>

12. TAKAFUL/ RETAKAFUL PAYABLE

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Due to other takaful/ retakaful	<u>127,813</u>	<u>135,162</u>
Due to other takaful/ retakaful		
Foreign retakaful	49,298	55,338
Local retakaful	58,567	55,894
Co-takaful	19,948	23,930
	<u>127,813</u>	<u>135,162</u>

Habib Insurance Company Limited

	PTF			
	Three months period ended June 30,		Six months period ended June 30,	
	2024 (Unaudited) (Rupees in '000)	2023 (Unaudited) (Rupees in '000)	2024 (Unaudited) (Rupees in '000)	2023 (Unaudited) (Rupees in '000)
13. NET CONTRIBUTION				
Written gross contribution	137,455	80,532	230,864	222,449
Less: Wakala Fee	(49,290)	(29,788)	(91,095)	(61,699)
Contribution Net of Wakala Fee	<u>88,165</u>	<u>50,744</u>	<u>139,769</u>	<u>160,750</u>
Add: Unearned contribution reserve opening	205,028	198,891	252,121	182,731
Less: Unearned contribution reserve closing	(176,633)	(169,460)	(176,633)	(169,460)
Contribution Earned	<u>116,560</u>	<u>80,175</u>	<u>215,257</u>	<u>174,021</u>
Retakaful contribution ceded	<u>82,538</u>	<u>35,595</u>	<u>123,606</u>	<u>70,203</u>
Add: Prepaid retakaful contribution opening	68,601	49,907	95,844	55,998
Less: Prepaid retakaful contribution closing	(66,414)	(40,915)	(66,414)	(40,915)
Retakaful expense	<u>84,725</u>	<u>44,587</u>	<u>153,036</u>	<u>85,286</u>
Net Contribution	<u>31,835</u>	<u>35,588</u>	<u>62,221</u>	<u>88,735</u>
14. RETAKAFUL REBATE EARNED				
Retakaful rebate received	14,168	5,199	20,407	10,897
Add: Unearned retakaful rebate opening	13,284	10,075	18,561	11,254
Less: Unearned retakaful rebate closing	(13,848)	(8,218)	(13,848)	(8,218)
	<u>13,604</u>	<u>7,056</u>	<u>25,120</u>	<u>13,933</u>
15. TAKAFUL CLAIMS EXPENSE				
Claims Paid	62,397	73,589	99,635	135,752
Add: Outstanding claims including IBNR closing	192,192	140,406	192,192	140,406
Less: Outstanding claims including IBNR opening	(184,164)	(161,323)	(126,625)	(118,074)
Claims Expense	<u>70,425</u>	<u>52,672</u>	<u>165,202</u>	<u>158,084</u>
Retakaful and other recoveries received	7,272	27,948	12,291	57,410
Add: Retakaful and other recoveries in respect of outstanding claims - Closing	90,359	46,491	90,359	46,491
Less: Retakaful and other recoveries in respect of outstanding claims - Opening	(57,474)	(84,973)	(27,220)	(61,843)
Retakaful and other recoveries revenue	40,157	(10,534)	75,430	42,058
Net Claim Expense	<u>30,268</u>	<u>63,206</u>	<u>89,772</u>	<u>116,026</u>
16. COMMISSION EXPENSE				
Commission paid or payable	18,843	9,175	30,476	20,628
Add: Deferred commission expense opening	26,337	22,662	32,661	23,498
Less: Deferred commission expense closing	(24,747)	(19,278)	(24,747)	(19,278)
	<u>20,433</u>	<u>12,559</u>	<u>38,390</u>	<u>24,848</u>
17. WAKALA FEE				
Gross Wakala Fee	40,771	23,918	68,449	66,066
Add: Deferred wakala fee - opening	61,509	54,458	75,636	44,221
Less: Deferred wakala fee - closing	(52,990)	(48,588)	(52,990)	(48,588)
Net wakala fee	<u>49,290</u>	<u>29,788</u>	<u>91,095</u>	<u>61,699</u>

Habib Insurance Company Limited

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
18. RECEIVABLE FROM PTF/ (PAYABLE TO OTF)		
Opening balance	18,063	7,469
Wakala fee income	68,449	183,734
Wakala fees received	(74,359)	(173,140)
Mudarib fee income	7,718	-
	<u>19,871</u>	<u>18,063</u>
19. INVESTMENT INCOME - NET		
	OPF	PTF
	(Unaudited) June 30, 2024	(Unaudited) June 30, 2023
	(Rupees in '000)	(Rupees in '000)
Income from mutual fund units - available-for-sale		
Dividend income	-	272
Income from mutual fund units - available-for-sale		
Profit on certificate of Musharika	-	-
Return on bank balances	17,338	6,148
Mudarib Fees	7,718	4,574
	<u>25,056</u>	<u>10,994</u>
	<u>18,010</u>	<u>10,674</u>
20. CONTINGENCY & COMMITMENT		
There is no contingency and commitment as at June 30, 2024 (December 31, 2023: Nil).		
21. 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:		
	(Unaudited) June 30, 2024	(Unaudited) June 30, 2023
	(Rupees in '000)	
21.1 Operator's Fund		
Transactions		
Wakala fee charged during the period	<u>91,095</u>	<u>61,699</u>
Interest on bank accounts	<u>17,338</u>	<u>6,148</u>
Balance		
Associated companies		
- Bank balance	<u>214,790</u>	<u>104,696</u>
21.2 Participants' Takaful Fund		
Transactions		
Associated companies		
- Contribution written	<u>19,976</u>	<u>10,152</u>
- Claim paid	<u>6,467</u>	<u>2,998</u>
- Profit on bank accounts	<u>25,728</u>	<u>14,715</u>

Habib Insurance Company Limited

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Balances		
<i>Associated companies</i>		
- Contribution due but unpaid	<u>1,478</u>	<u>7,714</u>
- Claim outstanding	<u>10,361</u>	<u>5,884</u>
- Bank balance	<u>272,505</u>	<u>271,743</u>

21.3 Following are the particulars of the related parties other than employee retirement benefit obligations, key management personnel and Directors of the company at the period date.

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

Habib Insurance Company Limited

22. SEGMENT INFORMATION

	Six months period ended June 30, 2024 (Unaudited)				
	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
22.1 Participants' Takaful Fund					
Contribution receivable (inclusive of federal excise duty and administrative surcharge)	79,758	47,169	125,443	13,693	266,063
Less: Federal Excise Duty	(9,979)	(5,312)	(16,014)	(1,583)	(32,888)
Federal Insurance Fee	(690)	(415)	(1,086)	(120)	(2,311)
Gross written contribution (inclusive of administrative surcharge)	69,089	41,442	108,343	11,990	230,864
Wakala fees	(33,551)	(11,891)	(41,329)	(4,324)	(91,095)
Takaful contribution earned	112,747	40,053	139,020	14,532	306,352
Takaful contribution ceded to retakaful operators	(92,536)	(30,364)	(17,218)	(12,918)	(153,036)
Net takaful contribution	(13,340)	(2,202)	80,473	(2,710)	62,221
Retakaful rebate	16,939	6,541	587	1,053	25,120
Net underwriting income	3,599	4,339	81,060	(1,657)	87,341
Takaful claims	(50,741)	(16,934)	(88,081)	(9,446)	(165,202)
Takaful claims recovered from retakaful	45,298	9,107	13,405	7,620	75,430
Net claims	(5,443)	(7,827)	(74,676)	(1,826)	(89,772)
Surplus before investment income	(1,844)	(3,488)	6,384	(3,483)	(2,431)
Net investment income	13,662	25,837	(47,288)	25,799	18,010
Other expenses	(1,150)	(2,173)	3,978	(2,170)	(1,515)
Surplus transferred to balance of PTF	10,668	20,176	(36,926)	20,146	14,064
Allocated Assets					
Premium due but unpaid	8,214	23,159	18,312	349	50,034
Premium reinsurance premium ceded	55,989	4,394	4,422	1,609	66,414
Reinsurance recoveries against outstanding claims	52,153	11,201	6,563	8,557	78,474
Deferred Wakala expense	16,644	1,723	33,835	788	52,990
Salvage recoveries outstanding	5	80	11,800	-	11,885
	133,005	40,557	74,932	11,303	259,797
Unallocated Assets					
Amount due from other insurers/ reinsurers					122,898
Cash and cash equivalents					289,476
Loan - secured considered good					3,466
Taxation - provision less payment					10,834
Others					682
					427,356
Total Assets					687,153
Allocated Liabilities					
Outstanding Claims	58,343	19,045	103,023	11,781	192,192
Unearned Premium	55,479	5,745	112,783	2,626	176,633
Rserve for unearned retakaful rebate	11,801	986	709	352	13,848
	125,623	25,776	216,515	14,759	382,673
Unallocated liabilities					
Contribution received in advance					28,486
Amount due to other insurers/ reinsurers					127,813
Other creditors and accruals					11,373
Payable to OPF					19,871
					187,543
Total Liabilities					570,216

Habib Insurance Company Limited

Six months period ended June 30, 2024 (Unaudited)

	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
22.2 Operator's Fund					
Wakala fee					91,095
Commission expense					(38,390)
Management expenses					(32,319)
Underwriting result					20,386
Investment income					25,056
Other expenses					(469)
Profit before taxation					44,973
Taxation					(13,042)
Profit after tax for the period					31,931
Segment assets					262,521
Segment liabilities					142,960

Habib Insurance Company Limited

SEGMENT INFORMATION

	Six months period ended June 30, 2023 (Unaudited)				
	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
Participants' Takaful Fund					
Contribution receivable (inclusive of federal excise duty and administrative surcharge)	50,497	21,340	182,037	1,132	255,006
Less: Federal Excise Duty	(6,519)	(2,274)	(21,368)	(166)	(30,327)
Federal Insurance Fee	(437)	(189)	(1,594)	(10)	(2,230)
Gross written contribution (inclusive of administrative surcharge)	43,541	18,877	159,075	956	222,449
Wakala fees	(16,610)	(5,774)	(38,762)	(553)	(61,699)
Takaful contribution earned	64,245	20,169	149,089	2,217	235,720
Takaful contribution ceded to retakaful operators	(53,180)	(13,482)	(16,981)	(1,643)	(85,286)
Net takaful contribution	(5,545)	913	93,346	21	88,735
Retakaful rebate	10,640	2,906	37	350	13,933
Net underwriting income	5,095	3,819	93,383	371	102,668
Takaful claims	(26,791)	(5,953)	(117,781)	(7,559)	(158,084)
Takaful claims recovered from retakaful	23,165	5,050	8,619	5,224	42,058
Net claims	(3,626)	(903)	(109,162)	(2,335)	(116,026)
Surplus before investment income	1,469	2,916	(15,779)	(1,964)	(13,358)
Net investment income	(1,173)	(2,330)	12,608	1,569	10,674
Other expenses	37	73	(397)	(49)	(336)
Surplus transferred to balance of PTF	333	659	(3,568)	(444)	(3,020)
	December 31, 2023 (Audited)				
Allocated Assets					
Premium due but unpaid	18,355	9,568	29,549	363	57,835
Premium reinsurance premium ceded	84,275	4,259	3,060	4,250	95,844
Reinsurance recoveries against outstanding claims	9,115	7,709	4,302	2,764	23,890
Deferred Wakala expense	29,742	1,306	43,038	1,550	75,636
Salvage recoveries outstanding	-	30	3,300	-	3,330
	141,487	22,872	83,249	8,927	256,535
Unallocated Assets					
Amount due from other insurers/ reinsurers					133,152
Cash and cash equivalents					284,219
Loan - secured considered good					3,398
Other					220
Taxation - provision less payment					6,954
					427,943
Total Assets					684,478
Allocated Liabilities					
Outstanding Claims	10,486	9,078	102,271	4,790	126,625
Unearned Premium	99,138	4,355	143,460	5,168	252,121
Rserve for unearned retakaful rebate	16,645	903	394	619	18,561
	126,269	14,336	246,125	10,577	397,307
Unallocated Liabilities					
Contribution received in advance					19,026
Amount due to other insurers/ reinsurers					135,162
Other creditors and accruals					12,047
Payable to OPF					18,063
					184,298
Total Liabilities					581,605

Habib Insurance Company Limited

December 31, 2023 (Audited)					
	Fire and property	Marine and transport	Motor	Other classes	Aggregate
(Rupees in '000)					
Operator's Fund					
Wakala fee					61,699
Commission expense					(24,848)
Management expenses					(8,488)
Underwriting result					28,363
Investment income					10,994
Other expenses					(824)
Profit before taxation					38,533
Taxation					(11,175)
Profit after tax for the period					27,358
Segment assets					241,241
Segment liabilities					153,611

23. 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, 2023.

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 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:

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.

Habib Insurance Company Limited

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

25. CORRESPONDING FIGURES

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

26. GENERAL

Figures have been rounded off to the nearest thousand rupee.

27. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on August 29, 2024 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