



Habib Insurance
Est. 1942

Habib Insurance Company Limited
Accounts for the Nine months ended
September 30, 2024
(Unaudited)

Habib Insurance Company Limited

Contents

Company Information	1
Directors' Review	2
Condensed Interim Statement of Financial Position	4
Condensed Interim Statement of Profit or Loss 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 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 September 30, 2024.

Reviewing the results for the nine months of the year, by the Grace of Allah, the profit after tax was Rs. 126.68 million as against Rs. 74.96 million of the same period last year, an increase of 69%.

The written gross premium also grew by 7.3% from Rs. 2.70 billion to Rs. 2.89 billion with net premium revenue of Rs. 1.30 billion compared to Rs. 1.39 billion of the corresponding period. There was an underwriting loss of Rs. 135.62 million as compared to a loss of Rs. 181.57 million of the same period last year. 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. 245.44 of last year to Rs. 296.37 million. As a result, the earning per share rose to Rs. 1.02 per share from Rs. 0.61 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: October 29, 2024

AUN MOHAMMAD A. HABIB
Director

SYED ATHER ABBAS
Chief Executive

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 کے ۹ ماہ کیلئے نتائج کا جائزہ لیتے ہوئے اللہ تعالیٰ کے فضل و کرم سے 126.68 ملین روپے کا منافع بعد از ٹیکس ریکارڈ کیا گیا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں 74.96 ملین روپے تھا اور اس طرح 69 فیصد کا اضافہ حاصل ہوا۔

زیر تحریر مجموعی پرمیٹم بھی 7.3 فیصد تک بڑھ کر 2.70 ملین روپے سے 2.89 ملین روپے ہو گیا اس کے ساتھ خالص پرمیٹم کی آمدنی 1.30 ملین روپے ہو گئی جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں 1.39 ملین روپے تھی۔ اس مدت میں 135.62 ملین روپے کا زیر تحریر خسارہ ہوا جبکہ گزشتہ سال کی اس مدت میں یہ خسارہ 181.57 ملین روپے تھا۔ ریزروز میں مناسب رقم موجود رہی جس کا فائدہ مستقبل میں حاصل ہوگا۔

زیر جائزہ مدت کے لئے سرمایہ کاری اور دیگر آمدنی گزشتہ سال کی 245.44 ملین روپے کے مقابلے میں بڑھ کر 296.37 ملین روپے ہو گئی۔ اس کے نتیجے میں آمدنی فی شیئر 0.61 روپے فی شیئر سے بڑھ کر 1.02 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 اکتوبر ۲۰۲۳ء

Habib Insurance Company Limited

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

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
Assets			
Property and equipment	8	107,374	114,021
Intangible assets		14,106	235
Investments			
Equity securities	9	1,772,870	1,252,546
Government securities	10	274,349	64,674
Term finance certificate	11	250,000	250,000
Loans, deposits and other receivables	12	199,541	92,469
Insurance/ reinsurance receivables	13	1,410,073	1,352,698
Reinsurance recoveries against outstanding claims	22	752,917	670,203
Salvage recoveries accrued		85,074	46,402
Deferred commission expense	23	187,303	184,408
Prepayments	14	728,451	681,913
Taxation - payment less provision		88,571	71,881
Cash and bank	15	46,346	471,369
		5,916,975	5,252,819
Total Assets of Window Takaful Operations - Operator's Fund		309,455	241,241
Total assets		6,226,430	5,494,060
EQUITIES AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	16	619,374	619,374
Reserve	17	935,846	749,067
Unappropriated profit		149,274	135,012
Total Equity		1,704,494	1,503,453
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	22	1,195,053	1,055,320
Unearned premium reserves	21	1,403,625	1,390,472
Premium deficiency reserves		3,232	3,346
Unearned reinsurance commission	23	194,442	149,584
Retirement benefit obligations		106,759	93,716
Deferred taxation - net		205,521	142,074
Lease Liability against right of use assets		29,218	40,766
Borrowings	15.1	145,711	-
Premium received in advance		18,942	41,463
Insurance/ reinsurance payables	18	684,002	553,586
Other creditors and accruals	19	347,876	366,669
Total liabilities of conventional		4,334,381	3,836,996
Total liabilities of Window Takaful Operations - Operator's Fund		187,555	153,611
Total liabilities		4,521,936	3,990,607
Total Equity and Liabilities		6,226,430	5,494,060
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, 2024

	Note	(Unaudited) Three months period ended September 30,		(Unaudited) Nine months period ended September 30,	
		2024	2023	2024	2023
		(Rupees in '000)		(Rupees in '000)	
Net insurance premium	21	342,852	393,260	1,093,362	1,157,819
Net insurance claims	22	(234,663)	(254,428)	(668,218)	(739,820)
Reversal of premium deficiency		–	–	113	5,212
Net commission revenue	23	(4,061)	(55,778)	(18,750)	(44,476)
Insurance claims and acquisition expenses		(238,724)	(310,206)	(686,855)	(779,084)
Management expenses		(163,718)	(162,096)	(542,132)	(560,312)
Underwriting results		(59,590)	(79,042)	(135,625)	(181,577)
Investment income - net	24	57,200	84,156	204,180	223,774
Other income	25	24,619	1,598	92,191	21,670
Other expenses		(3,300)	(3,588)	(10,144)	(11,523)
Results of operating activities		18,929	3,124	150,602	52,344
Finance costs		(2,652)	(3,741)	(6,131)	(6,479)
Profit before tax from Window Takaful Operations - Operator's Fund		3,294	24,093	48,267	62,626
Profit before tax		19,571	23,476	192,738	108,491
Income tax expense		(11,473)	(7,594)	(66,054)	(33,524)
Profit after tax		8,098	15,882	126,684	74,967
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		(23,037)	90,304	213,773	15,356
Less: Net (loss)/ gain transferred to profit and loss on disposal / redemption / impairment of investments		–	–	–	(654)
		(23,037)	90,304	213,773	14,702
Related tax impact		6,681	(31,537)	(61,994)	(4,264)
		(16,356)	58,767	151,779	10,438
Other comprehensive income from window takaful operations - Operator's fund		–	–	–	–
Other comprehensive (loss) / income for the period		(16,356)	58,767	151,779	10,438
Total comprehensive (loss) / income for the period		(8,258)	74,649	278,463	85,405
		(Rupees)		(Rupees)	
Earning per share - Rupees	26	0.07	0.13	1.02	0.61

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, 2024

	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, 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 with 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
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	-	-	-	-	126,684	126,684
Other comprehensive income for the period-net of tax (net unrealized loss on revaluation of available for sale investments)	-	-	-	151,779	-	151,779
Total comprehensive income for the period	-	-	-	151,779	126,684	278,463
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 September 30, 2024	619,374	9,122	390,000	536,724	149,274	1,704,494

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, 2024

	(Unaudited) September 30, 2024	(Unaudited) September 30, 2023
	(Rupees in '000)	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	2,363,259	1,849,301
Reinsurance premium paid	(1,250,597)	(1,064,746)
Claims paid	(1,245,653)	(1,305,788)
Reinsurance and other recoveries received	595,782	665,784
Commission paid	(305,967)	(286,117)
Commission received	356,343	266,308
Net cash inflows from underwriting activities	513,167	124,742
(b) Other operating activities		
Income tax paid	(61,345)	(22,775)
Other operating payments	(592,267)	(520,261)
Other operating receipts	3,605	2,407
Loans advanced	(2,917)	(3,477)
Loan repayment received	16,244	14,781
Net cash outflow from other operating activities	(636,680)	(529,325)
Total cash outflow from all operating activities	(123,513)	(404,583)
Investment activities		
Profit / return received	125,060	40,528
Dividend received	142,471	112,890
Payment for investments	(594,078)	(376,130)
Proceeds from investments	-	364,422
Fixed capital expenditure	(31,707)	(49,206)
Proceeds from sale of property, plant and equipment	906	697
Total cash (outflow) / inflow from investing activities	(357,348)	93,201
Financing activities		
Rentals paid	(14,676)	(13,337)
Dividends paid	(75,197)	(75,989)
Total cash outflows from financing activities	(89,873)	(89,326)
Net cash flows from all activities	(570,734)	(400,708)
Cash and cash equivalents at beginning of year	471,369	306,241
Cash and cash equivalents at end of period	(99,365)	(94,467)
Reconciliation to profit and loss account		
Operating cash flows	(123,513)	(404,583)
Depreciation and amortisation expense	(23,497)	(17,258)
Income tax paid	61,345	22,775
Provision for gratuity	(17,737)	(22,586)
Provision for impairment	(9,042)	616
Gratuity paid	4,696	34,090
Profit/ return received	125,060	40,528
Dividends received	142,471	112,890
Gain / (loss) on sale of investments	-	654
Financial charges expense	(6,131)	(6,479)
Profit on disposal of property, plant and equipment	304	221
Provision of taxation	(66,054)	(33,524)
Profit from window Takaful Operations - Operator's Fund	48,267	62,626
Increase / (decrease) in assets other than cash	244,884	712,006
(Increase) / decrease in liabilities other than borrowings	(254,369)	(427,009)
Profit after taxation	126,684	74,967

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, 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 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, 2023.

Habib Insurance Company Limited

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

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

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, 2023.

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, 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 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.

Habib Insurance Company Limited

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.

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, 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*	-	-	12,303	-	-
Investment in equity securities - available for sale	1,772,870	203,014	-	-	-
Investments in debt securities - held to maturity	-	-	524,349	-	10,759
Loans and other receivables*	-	-	192,268	-	-
Insurance / reinsurance receivables*	-	-	1,410,073	-	-
Reinsurance recoveries against outstanding claims*	-	-	752,917	-	-
Salvage recoveries accrued	-	-	85,074	-	-
Window takaful operations - Operator's fund*	-	-	274,439	-	-
	<u>1,772,870</u>	<u>203,014</u>	<u>3,251,423</u>	<u>-</u>	<u>10,759</u>

Habib Insurance Company Limited

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>

	September 30, 2024 (Unaudited)				
	AAA	AA+	AA	A	Unrated
	(Rupees in '000)				
Investments in debt securities- held to maturity	-	-	-	-	-
Cash and bank*	45,186	50	-	-	250,000
Investments in debt securities - held to maturity	-	150,000	100,000	524,349	192,268
Loans and other receivables*	-	-	-	-	1,410,073
Insurance / reinsurance receivables*	-	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	752,917	-	-	-
Salvage recoveries accrued	-	-	-	-	85,074
	<u>45,186</u>	<u>902,967</u>	<u>100,000</u>	<u>524,349</u>	<u>1,937,415</u>

	December 31, 2023 (Audited)					
	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 and other receivables*	-	-	-	-	-	60,878
Insurance / reinsurance receivables*	-	-	-	-	-	1,352,698
Reinsurance recoveries against outstanding claims*	-	323,779	-	346,167	-	257
Window takaful operations - Operator's fund*	-	-	-	-	-	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>

* 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.

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:

- 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.

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 submitted the first interim FIA submission on June 30, 2022, the impact assessment for IFRS application on September 30, 2022, and also submitted Phase Three to the Securities and Exchange Commission of Pakistan on September 30, 2024.

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, 2023.

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
8. Property and equipment			
Tangible operating assets	8.1	81,575	76,970
Right-of-use assets	8.2	25,799	37,051
		107,374	114,021
8.1 Tangible operating assets			
Opening written down value		76,970	30,319
Additions during the period / year	8.1.1	17,445	59,571
Disposals during the period / year	8.1.2	(985)	(649)
Depreciation for the period / year		(11,855)	(12,271)
Closing written down value		81,575	76,970

Habib Insurance Company Limited

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
8.1.1	The following additions to tangible - operating assets were made during the period / year:	
Furniture and fixtures	245	43,723
Computer equipment	2,809	1,852
Office equipment	3,028	12,171
Motor Vehicles - owned	11,363	1,825
	<u>17,445</u>	<u>59,571</u>
8.1.2	The following disposals of tangible - operating assets were made during the period / year:	
Furniture and fixtures	334	-
Computer equipment	49	2
Office equipment	500	234
Motor Vehicles - owned	102	413
	<u>985</u>	<u>649</u>
8.2	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	(11,252)	(14,371)
Balance at September 30, 2024	<u>25,799</u>	<u>37,051</u>

9. INVESTMENT IN EQUITY SECURITIES

	September 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	350,634	-	338,971	689,605	350,635	-	210,233	560,868
Others								
Listed shares	648,948	(9,805)	403,096	1,042,239	322,694	(763)	329,100	651,031
Listed preference shares	19,331	-	320	19,651	19,331	-	2,876	22,207
Mutual funds	704	-	1,817	2,521	605	-	2,100	2,705
Modaraba certificate	15,014	-	3,840	18,854	15,014	-	721	15,735
Others	683,997	(9,805)	409,073	1,083,265	357,644	(763)	334,797	691,678
	<u>1,034,631</u>	<u>(9,805)</u>	<u>748,044</u>	<u>1,772,870</u>	<u>708,279</u>	<u>(763)</u>	<u>545,030</u>	<u>1,252,546</u>

10. INVESTMENT IN GOVERNMENT SECURITIES

		(Unaudited) September 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in '000)	
Available for sale			
Pakistan Investment Bonds (PIBs)	10.1	274,349	64,674
		<u>274,349</u>	<u>64,674</u>

Habib Insurance Company Limited

10.1 This represents PIBs having face value of Rs.70.0 million (market value of Rs.274.35 million) [December 31, 2023: Rs. 70.0 million (market value of Rs.60.587 million)]. These carry mark-up ranging from 13.1% to 13.75% (December 31, 2023:10.45% to 13.46%) per annum and will mature between July 04, 2026 to November 10, 2033. 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.

					(Unaudited)	(Audited)
					September 30,	December 31,
					2024	2023
					(Rupees in '000)	
11 INVESTMENT IN TERM FINANCE CERTIFICATES						
Name of Company	Name of Chief Executive	Term/ Profit Payment	No. of Certificates	Cost		
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)	(Audited)
					September 30,	December 31,
					2024	2023
					(Rupees in '000)	

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

Accrued investment income	43,167	9,164
Security Deposits	17,878	17,777
Advances	7,273	5,639
Agents Commission receivable (advance)	3,247	10,014
Loan to employees	27,037	33,652
Receivable against sale of investments	70,000	-
Receivable from Window Takaful Operations	2,580	249
Receivable from employees - parents insurance policy	3,827	2,160
Input sales tax	23,115	13,814
Other receivables	1,417	-
	<u>199,541</u>	<u>92,469</u>

13. INSURANCE / REINSURANCE RECEIVABLES - Unsecured

Due from insurance contract holders		
Considered good	585,778	611,586
Considered doubtful	20,488	20,488
Less: Provision for impairment of receivables from insurance contract holders	(20,488)	(20,488)
	585,778	611,586
Due from other insurers / reinsurers		
Considered good	824,295	741,112
Considered doubtful	30,165	30,165
Less: provision for impairment of due from other insurers / reinsurers	(30,165)	(30,165)
	<u>824,295</u>	<u>741,112</u>
	<u>1,410,073</u>	<u>1,352,698</u>

Habib Insurance Company Limited

	Note	(Unaudited) September 30, 2024	(Audited) December 31, 2023	
		(Rupees in '000)		
14. PREPAYMENTS				
Prepaid reinsurance premium ceded		699,053	654,680	
Prepaid employees group / health insurance		16,228	9,498	
Others		13,170	17,735	
		728,451	681,913	
15. CASH AND BANK BALANCES				
Cash and cash equivalents				
Cash in hand		610	271	
Policy stamps		500	76	
		1,110	347	
Cash at bank				
Current accounts		32,933	19,165	
Savings accounts		12,303	451,857	
		45,236	471,022	
		46,346	471,369	
15.1	Cash and short term borrowing include the following for the purposes of the cash flow statement:			
	Cash and cash equivalents	46,346	-	
	Short term borrowings of upto three months (running finance)	15.1.1 (145,711)	-	
		(99,365)	-	
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. 115.5 million in favor of the Bank with 10% margin held in IPS account of the company.			
16. SHARE CAPITAL				
	Authorized Capital			
	(Unaudited) September 30, 2024	(Audited) December 31, 2023	(Unaudited) September 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		
16.1	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		
17. RESERVES				
	Capital Reserves			
	Reserve for exceptional losses	9,122	9,122	
	Revenue Reserves			
	General reserves	390,000	355,000	
	Available-for-sale reserve	536,724	384,945	
		926,724	739,945	
		935,846	749,067	

Habib Insurance Company Limited

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
Note	(Rupees in '000)	
18. INSURANCE / REINSURANCE PAYABLES		
Due to other insurers / reinsurers	<u>684,002</u>	<u>553,586</u>
18.1 Due to other insurers / reinsurers		
Foreign reinsurers	177,257	155,411
Local reinsurers	329,218	182,054
Co-insurers payable	177,527	216,121
	<u>684,002</u>	<u>553,586</u>
19. OTHER CREDITORS AND ACCRUALS		
Agents commission payable	188,633	168,237
Federal excise duty	30,306	59,160
Federal insurance fee	1,982	4,054
Accrued expenses	19,724	25,614
Withholding tax payable	1,385	2,942
Unclaimed dividend	68,671	66,446
Sundry creditors	27,406	29,584
Others	9,769	10,632
	<u>347,876</u>	<u>366,669</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, 2023 except as follows:

20.2 Commitments

There are no commitments as at September 30, 2024 (December 31, 2023: Nil).

	(Unaudited) Three months period ended September 30, 2024		(Unaudited) Nine months period ended September 30, 2023	
	(Rupees in '000)		(Rupees in '000)	
21. NET INSURANCE PREMIUM				
Written gross premium	1,233,591	1,150,328	2,443,155	2,270,157
Add: Unearned premium reserve - opening	938,063	907,548	1,390,472	1,202,472
Less: Unearned premium reserve - closing	(1,403,625)	(1,346,172)	(1,403,625)	(1,346,172)
Premium earned	<u>768,029</u>	<u>711,704</u>	<u>2,430,002</u>	<u>2,126,457</u>
Less: Reinsurance premium ceded	756,908	653,447	1,381,013	1,140,917
Add: Prepaid reinsurance premium - opening	367,322	338,548	654,680	501,272
Less: Prepaid reinsurance premium - closing	(699,053)	(673,551)	(699,053)	(673,551)
Reinsurance expense	<u>425,177</u>	<u>318,444</u>	<u>1,336,640</u>	<u>968,638</u>
Net insurance premium	<u>342,852</u>	<u>393,260</u>	<u>1,093,362</u>	<u>1,157,819</u>

Habib Insurance Company Limited

	(Unaudited) Three months period ended September 30,		(Unaudited) Nine months period ended September 30,	
	2024	2023	2024	2023
	(Rupees in '000)		(Rupees in '000)	
22. NET INSURANCE CLAIMS EXPENSE				
Claims paid	491,952	436,207	1,245,653	1,305,788
Add: Outstanding claims including IBNR - closing	1,195,053	1,118,649	1,195,053	1,118,649
Less: Outstanding claims including IBNR - opening	(1,125,618)	(1,103,166)	(1,055,320)	(959,567)
Claims expense	561,387	451,690	1,385,386	1,464,870
Reinsurance and other recoveries received	253,070	226,587	595,782	665,784
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	837,991	735,742	837,991	735,742
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(764,337)	(765,067)	(716,605)	(676,476)
Reinsurance and other recoveries revenue	326,724	197,262	717,168	725,050
Net insurance claims expense	234,663	254,428	668,218	739,820
23. NET COMMISSION INCOME				
Commissions paid or payable	167,161	158,750	326,363	317,124
Add: Deferred commission - opening	116,783	135,116	184,408	146,080
Less: Deferred commission - closing	(187,303)	(170,605)	(187,303)	(170,605)
Commission expense	96,641	123,261	323,468	292,599
Less: Commission from reinsurers				
Commission received or receivable	194,899	139,661	349,576	259,035
Add: Unearned reinsurance commission - opening	92,123	95,371	149,584	156,637
Less: Unearned reinsurance commission - closing	(194,442)	(167,549)	(194,442)	(167,549)
Commission from reinsurers	92,580	67,483	304,718	248,123
Net commission income	(4,061)	(55,778)	(18,750)	(44,476)
24. INVESTMENT INCOME				
Income from equity securities and mutual fund units - available-for-sale				
- Dividend income	39,670	46,748	154,682	114,367
Income from debt securities - available-for-sale				
- Pakistan Investment Bonds	11,111	1,941	14,970	5,711
- Treasury Bills	-	25,647	-	79,454
- Term Finance Certificates	14,095	9,284	43,570	23,126
	25,206	36,872	58,540	108,291
Net realised (loss)/ gain on investments				
- Equity securities	-	-	-	-
- Mutual funds units	-	-	-	922
- Government securities	-	-	-	(268)
	-	-	-	654
Total investment income	64,876	83,620	213,222	223,312
Less (reversal)/impairment in value of available-for-sale investments equity securities	(7,676)	536	(9,042)	616
Less: Investment related expenses	-	-	-	(154)
	57,200	84,156	204,180	223,774

Habib Insurance Company Limited

	Three months period ended September 30,		Nine months period ended September 30,	
	2024	2023	2024	2023
	(Unaudited)		(Unaudited)	
	(Rupees in '000)		(Rupees in '000)	
25. OTHER INCOME				
Return on bank balances	23,562	486	88,312	18,403
Gain on sale of fixed assets	90	204	304	221
Return on loan to employees	898	902	2,946	3,225
Miscellaneous	69	6	629	(179)
	<u>24,619</u>	<u>1,598</u>	<u>92,191</u>	<u>21,670</u>
26. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	8,098	15,882	126,684	74,967
	(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>0.07</u>	<u>0.13</u>	<u>1.02</u>	<u>0.61</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,	2023	Nine months period ended September 30,	2023
	2024		2024	
	(Rupees in '000)			

Transactions and balances with associated companies

(under the Companies Act, 2017).

Transactions during the year with associated companies

Premium written	<u>69,209</u>	<u>152,568</u>	<u>294,841</u>	<u>316,161</u>
Claims paid	<u>568</u>	<u>43,440</u>	<u>133,257</u>	<u>190,118</u>
Dividend received	<u>24,797</u>	<u>42,530</u>	<u>96,578</u>	<u>79,155</u>
Dividend paid	<u>-</u>	<u>-</u>	<u>7,015</u>	<u>7,555</u>
Interest received on bank accounts	<u>23,562</u>	<u>486</u>	<u>88,312</u>	<u>18,403</u>
Bank charges	<u>188</u>	<u>100</u>	<u>469</u>	<u>518</u>
Donations	<u>800</u>	<u>800</u>	<u>2,400</u>	<u>2,400</u>
Premium ceded to reinsurers	<u>200,856</u>	<u>206,431</u>	<u>320,101</u>	<u>329,871</u>
Fees paid	<u>160</u>	<u>90</u>	<u>440</u>	<u>370</u>
Commission income	<u>58,382</u>	<u>90,665</u>	<u>87,330</u>	<u>90,665</u>
Reinsurance recoveries received	<u>78,314</u>	<u>125,337</u>	<u>160,921</u>	<u>125,337</u>
Interest expense	<u>(1,137)</u>	<u>2,389</u>	<u>2,342</u>	<u>2,742</u>
Brokerage expenses paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>128</u>

Habib Insurance Company Limited

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Balances with associated companies		
Premium due but unpaid	<u>95,892</u>	<u>95,834</u>
Claims outstanding	<u>142,981</u>	<u>129,397</u>
Bank balances	<u>31,605</u>	<u>442,491</u>
Investment held	<u>689,605</u>	<u>560,868</u>
Bank overdraft	<u>(145,711)</u>	<u>560,868</u>
Reinsurance payable	<u>24,802</u>	<u>31,819</u>

	(Unaudited) Three months period ended September 30,		(Unaudited) Nine months period ended September 30,	
	2024	2023	2024	2023
	(Rupees in '000)			

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

Remuneration of key management personnel	<u>39,871</u>	<u>92,800</u>	<u>177,027</u>	<u>203,360</u>
Principal repayment of loans by key management personnel (secured)	<u>966</u>	<u>10,766</u>	<u>4,914</u>	<u>15,177</u>
Interest income received	<u>346</u>	<u>486</u>	<u>1,171</u>	<u>1,834</u>
Contribution to the provident fund	<u>2,703</u>	<u>3,394</u>	<u>8,681</u>	<u>8,802</u>

	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Balances with other related parties including key management personnel		
Loans to key management personnel	<u>18,003</u>	<u>41,325</u>

Habib Insurance Company Limited

28. SEGMENT REPORTING

	September 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)	1,142,069	422,930	861,577	3,064	397,472	2,827,112
Less: Federal Excise Duty	148,355	47,920	113,713	366	49,210	359,564
Federal Insurance Fee	9,776	3,713	7,426	27	3,451	24,393
Gross Written Premium (inclusive of administrative Surcharge)	983,938	371,297	740,438	2,671	344,811	2,443,155
Gross direct premium	971,927	362,330	715,342	2,668	341,429	2,393,696
Facultative inward premium	6,810	190	1,962	–	–	8,962
Administrative surcharge	5,201	8,777	23,134	3	3,382	40,497
	983,938	371,297	740,438	2,671	344,811	2,443,155
Insurance premium earned	936,529	376,810	805,135	5,512	306,016	2,430,002
Insurance premium ceded to reinsurers	(796,683)	(208,885)	(145,286)	–	(185,786)	(1,336,640)
Net insurance premium	139,846	167,925	659,849	5,512	120,230	1,093,362
Premium deficiency reserve	–	–	–	113	–	113
Commission income	178,475	61,143	22,614	–	42,486	304,718
Net underwriting income	318,321	229,068	682,463	5,625	162,716	1,398,193
Insurance claims	378,762	173,202	681,001	8,871	143,550	1,385,386
Insurance claims recovered from reinsurers	(331,807)	(111,486)	(206,019)	951	(68,807)	(717,168)
Net Claims	46,955	61,716	474,982	9,822	74,743	668,218
Commission expense	(133,506)	(50,538)	(90,607)	(92)	(48,725)	(323,468)
Management expenses	(218,334)	(82,390)	(164,302)	(593)	(76,513)	(542,132)
Net insurance claims and expenses	(351,840)	(132,928)	(254,909)	(685)	(125,238)	(865,600)
Underwriting result	(80,474)	34,424	(47,428)	(4,882)	(37,265)	(135,625)
Net Investment income						204,180
Other income						92,191
Other expenses						(10,144)
Results of operating activities						150,602
Finance cost						(6,131)
Profit from Window Takaful Operations - Operator's Fund						48,267
Profit before tax						192,738

Habib Insurance Company Limited

September 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	202,447	112,276	176,510	6,633	87,912	585,778
Prepaid reinsurance premium ceded	548,640	5,314	35,563	–	109,536	699,053
Reinsurance recoveries against outstanding claims	572,927	38,562	14,419	–	127,009	752,917
Salvage recoveries accrued	4,505	31,796	48,598	–	175	85,074
Deferred commission expense	95,564	3,073	58,954	–	29,712	187,303
	<u>1,424,083</u>	<u>191,021</u>	<u>334,044</u>	<u>6,633</u>	<u>354,344</u>	<u>2,310,125</u>
Unallocated Assets						
Fixed assets at cost less depreciation						121,480
Amount due from others insurers/ reinsurers						824,295
Cash and cash equivalents						46,346
Loans-secured, considered good						27,037
Investments						2,297,219
Accrued investment income						43,167
Receivable against sale of investments						70,000
Advances, deposits and prepayments						59,337
Taxation - provision less payments						88,571
Prepayments						29,398
						<u>3,606,850</u>
Total Assets						<u>5,916,975</u>
Unallocated assets of General Takaful Operations - Operator's Fund						309,455
						<u>6,226,430</u>
Allocated Liabilities						
Outstanding Claims	633,260	129,509	181,114	7,744	243,426	1,195,053
Unearned Premium	662,106	24,329	517,595	1,933	197,662	1,403,625
Unearned Reinsurance Commission	151,851	1,841	12,517	–	28,233	194,442
Premium Deficiency Reserve	–	–	–	3,232	–	3,232
	<u>1,447,217</u>	<u>155,679</u>	<u>711,226</u>	<u>12,909</u>	<u>469,321</u>	<u>2,796,352</u>
Unallocated Liabilities						
Premium received in advance						18,942
Amount due from others insurers/ reinsurers						684,002
Staff retirement benefits						106,759
Borrowing						145,711
Finance lease liability						29,218
Deferred tax						205,521
Other creditors and accruals						347,876
						<u>1,538,029</u>
Total Liabilities						<u>4,334,381</u>
Unallocated liabilities of General Takaful Operations - Operator's Fund						187,555
						<u>4,521,936</u>

Habib Insurance Company Limited

	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

	December 31, 2023 (Audited)					
	Fire and property	Marine and transport	Motor	Group hospitalisation	Other Classes	Aggregate
	(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
Deferred taxation						–
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						241,241
						<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						153,611
						<u>3,990,607</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, 2023.

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.

	Participant Fund September 30, 2024 (Unaudited)				Fair value measurement using			
	Available- for-sale	Loans & receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
Equity securities - quoted	1,731,844	-	-	-	1,731,844	1,731,844	-	-
Mutual Funds Units	2,521	-	-	-	2,521	-	2,521	-
Modaraba certificates	18,854	-	-	-	18,854	18,854	-	-
Debt securities	250,000	-	-	-	250,000	-	250,000	-
Financial assets not measured at fair value								
Loans and other receivable	-	192,268	-	-	192,268	-	-	-
Insurance / reinsurance receivable	-	1,410,073	-	-	1,410,073	-	-	-
Reinsurance recoveries against outstanding claims	-	752,917	-	-	752,917	-	-	-
Salvage recoveries accrued	-	85,074	-	-	85,074	-	-	-
Cash and bank balances	-	-	46,346	-	46,346	-	-	-
Total assets of Window Takaful Operations - Operator's Fund	-	-	274,439	-	274,439	-	-	-
	<u>2,003,219</u>	<u>2,440,332</u>	<u>320,785</u>	<u>-</u>	<u>4,764,336</u>	<u>1,750,698</u>	<u>252,521</u>	<u>-</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR	-	-	-	(1,195,053)	(1,195,053)	-	-	-
Lease liability against right of use asset	-	-	-	(29,218)	(29,218)	-	-	-
Premium received in Advance	-	-	-	(18,942)	(18,942)	-	-	-
Insurance / reinsurance payables	-	-	-	(684,002)	(684,002)	-	-	-
Other creditors and accruals	-	-	-	(347,876)	(347,876)	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund	-	-	-	(187,555)	(187,555)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,462,646)</u>	<u>(2,462,646)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Habib Insurance Company Limited

	Participant Fund							
	December 31, 2023 (Audited)					Fair value measurement using		
	Available- for-sale	Loans & receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
Equity securities - quoted	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

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 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

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

	Note	Operator's Fund		Participant's Fund	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
		(Rupees in '000)			
Assets					
Loans and other receivables	7	5,990	25	316	3,398
Takaful / retakaful receivables	8	–	–	272,459	190,987
Retakaful recoveries against outstanding claims	15	–	–	54,882	23,890
Salvage recoveries accrued		–	–	6,655	3,330
Deferred Wakala expense	17	–	–	81,815	75,636
Taxation - payments less provision		–	–	8,080	6,954
Deferred commission expense	16	35,016	32,661	–	–
Receivable from PTF	18	70,881	18,063	–	–
Prepayments	9	538	–	119,000	96,064
Cash and bank balances	10	197,030	190,492	347,675	284,219
Total assets		309,455	241,241	890,882	684,478
Equities and liabilities					
Capital and reserves attributable to company's shareholders					
Share capital		50,000	50,000	–	–
Accumulated surplus		71,900	37,630	–	–
Total shareholders equity		121,900	87,630	–	–
Participants' Takaful Fund (PTF)					
Ceded money		–	–	500	500
Accumulated surplus		–	–	114,679	102,373
Balance of Participants' Takaful Fund		–	–	115,179	102,873
Liabilities					
PTF Underwriting Provisions					
Outstanding claims including IBNR	15	–	–	170,315	126,625
Unearned contribution reserve	13	–	–	272,717	252,121
Reserve for unearned retakaful rebate	14	–	–	26,930	18,561
		–	–	469,962	397,307
Unearned wakala fee	17	81,815	75,636	–	–
Contribution received in advance		–	–	25,304	19,026
Takaful / retakaful payables	12	–	–	197,628	135,162
Other creditors and accrual	11	56,607	48,878	11,928	12,047
Payable to OPF	18	–	–	70,881	18,063
Retirement benefit obligation		15,235	12,812	–	–
Taxation - provision less payments		33,898	16,285	–	–
Total liabilities		187,555	153,611	305,741	184,298
Total equity and liabilities		309,455	241,241	890,882	684,478
Contingency and commitment	20				

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 Profit or Loss and Other Comprehensive Income (Unaudited) For the nine months period ended September 30, 2024

	Note	(Unaudited)		(Unaudited)	
		Three months period ended September 30, 2024 (Rupees in '000)	2023	Nine months period ended September 30, 2024 (Rupees in '000)	2023
Participant's Fund					
Contributions earned	13	91,262	93,548	306,519	267,569
Less: Contributions ceded to retakaful		(75,393)	(44,333)	(228,429)	(129,619)
Net contributions revenue		15,869	49,215	78,090	137,950
Retakaful rebate earned	14	13,428	6,656	38,548	20,589
Net underwriting income		29,297	55,871	116,638	158,539
Net claims - reported / settled - IBNR	15	(37,677) -	(41,297) -	(83,568) (43,881)	(141,901) (15,422)
		(37,677)	(41,297)	(127,449)	(157,323)
(Deficit) / Surplus before investmen income		(8,380)	14,574	(10,811)	1,216
Investment income - net	19	9,221	6,891	27,231	17,565
Other expenses		(2,599)	(1,327)	(4,114)	(1,663)
(Deficit) / Surplus transferred to accumulated surplus		(1,758)	20,138	12,306	17,118
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(1,758)	20,138	12,306	17,118
Operator's Takaful Fund					
Wakala fee		38,098	36,754	129,193	98,453
Commission expense		(19,666)	(16,598)	(58,056)	(41,446)
Management expense		(28,501)	(3,234)	(60,820)	(11,722)
		(10,069)	16,922	10,317	45,285
Investment income - net	19	13,346	7,638	38,402	18,632
Other expenses		17	(467)	(452)	(1,291)
Profit before taxation		3,294	24,093	48,267	62,626
Taxation		(955)	(6,987)	(13,997)	(18,162)
Profit after taxation attributable to shareholders		2,339	17,106	34,270	44,464
Others comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		2,339	17,106	34,270	44,464

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, 2024

	Operator's Fund			
	Share Capital	Available for sale reserve	Un-appropriated profit	Total
	(Rupees in '000)			
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>
Balance as at January 01, 2024	50,000	–	37,630	87,630
Profit for the period	–	–	34,270	34,270
Other comprehensive income				
Balance as at September 30, 2024	<u>50,000</u>	<u>–</u>	<u>71,900</u>	<u>121,900</u>
	Attributable to participants of the PTF			
	Ceded money	Available for sale reserve	Accumulated surplus	Total
	(Rupees in '000)			
Balance as at January 01, 2023	500	(342)	100,534	100,692
Deficit for the period	–	–	17,118	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>
Balance as at January 01, 2024	500	–	102,373	102,873
Surplus for the period	–	–	12,306	12,306
Other comprehensive income	–	–	–	–
Balance as at September 30, 2024	<u>500</u>	<u>–</u>	<u>114,679</u>	<u>115,179</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, 2024

	(Unaudited) Operator's Fund		(Unaudited) Participant's Fund	
	September 30,		September 30,	
Note	2024	2023	2024	2023
	(Rupees in '000)			
Operating Activities				
(a) Takaful activities				
Contribution received	-	-	381,114	296,856
Retakaful contribution paid	-	-	(188,657)	(132,617)
Claims paid	-	-	(156,334)	(191,238)
Retakaful and other recoveries received	-	-	38,258	70,879
Commission paid	(54,185)	(39,999)	-	-
Commission received	-	-	46,917	32,566
Wakala / Mudarib fees received	94,230	51,632	-	-
Wakala fee paid	-	-	(94,230)	(51,632)
Net cash flow from takaful activities	40,045	11,633	27,068	24,814
(b) Other Operating activities				
Other operating receipts	-	-	-	-
Other operating payments	(60,233)	(17,910)	(2,532)	(2,810)
Net cash flow from other operating activities	(60,233)	(17,910)	(2,532)	(2,810)
Total cash flow from all operating activities	(20,188)	(6,277)	24,536	22,004
Investment activities				
Profit / return received	26,726	10,832	38,920	24,560
Dividend received	-	272	-	533
Proceeds from investments	-	85,232	-	190,453
Payments for investments	-	(85,232)	-	(190,453)
Total cash flow from investing activities	26,726	11,104	38,920	25,093
Net cash flow from all activities	6,538	4,827	63,456	47,097
Cash and cash equivalents at beginning of year	190,492	89,535	284,219	211,907
Cash and cash equivalents at end of period	197,030	94,362	347,675	259,004
Reconciliation to profit and loss account				
Operating cash flows	(20,188)	(6,277)	24,536	22,004
Profit / return received	26,726	10,832	38,920	24,560
Dividends received	-	272	-	533
(Decrease) / Increase in assets other than cash	(8,858)	(3,511)	139,623	219,474
Increase / (Decrease) in liabilities	36,590	43,148	(190,773)	(249,453)
Profit after taxation	34,270	44,464	12,306	17,118
Attributed to:				
Operator's Fund	34,270	44,464	-	-
Participants' Takaful Fund	-	-	12,306	17,118
	34,270	44,464	12,306	17,118

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, 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.

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, 2023.

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, 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, 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, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Gross carrying amounts of financial instruments that pass the SPPI test			
Operator's Fund	AAA	Unrated/ Unavailable	AAA	Unrated/ Unavailable
	(Rupees in '000)			
Financial assets				
Bank balances	197,030	–	190,492	–
Receivable from PTF	–	70,881	–	18,063
Total	<u>197,030</u>	<u>70,881</u>	<u>190,492</u>	<u>18,063</u>
Participant's Fund	AAA	Unrated/ Unavailable	AAA	Unrated/ Unavailable
	(Rupees in '000)			
Financial assets				
Bank balances	347,607	–	211,901	–
Takaful / retakaful receivable	–	272,459	–	190,987
Loans and other receivables	–	316	–	3,398
Retakaful recoveries against outstanding claims	–	54,882	–	23,890
Salvage recoveries accrued	–	6,655	–	3,330
Total	<u>347,607</u>	<u>334,312</u>	<u>211,901</u>	<u>221,605</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 submitted the first interim FIA submission on June 30, 2022, the impact assessment for IFRS application on September 30, 2022, and also submitted Phase Three to the Securities and Exchange Commission of Pakistan on September 30, 2024.

7. LOANS AND OTEHR RECEIVABLES

	September 30, 2024 (Unaudited)			December 31, 2023 (Audited)		
	OPF	PTF	Total	OPF	PTF	Total
	(Rupees in '000)			(Rupees in '000)		
Advance to commission agents	5,368	–	5,368	–	111	111
FED Receivable	–	1	1	–	–	–
Others	622	315	937	25	3,287	3,312
	<u>5,990</u>	<u>316</u>	<u>6,306</u>	<u>25</u>	<u>3,398</u>	<u>3,423</u>
				(Unaudited)	(Audited)	
				September 30,	December 31,	
				2024	2023	
				(Rupees in '000)		

8. TAKAFUL/ RETAKAFUL RECEIVABLE

Due from Takaful contract holders					
Considered good				85,067	57,835
Considered doubtful				20,602	20,602
Less: Provision for impairment of receivables from takaful contract holders				(20,602)	(20,602)
				85,067	57,835
Due from other takaful/ retakaful operators - Considered good				187,392	133,152
				<u>272,459</u>	<u>190,987</u>

9. PREPAYMENTS

	September 30, 2024 (Unaudited)			December 31, 2023 (Audited)		
	OPF	PTF	Total	OPF	PTF	Total
	(Rupees in '000)			(Rupees in '000)		
Retakaful contribution ceded	–	118,538	118,538	–	95,844	95,844
Others	538	462	1,000	–	220	220
	<u>538</u>	<u>119,000</u>	<u>119,538</u>	<u>–</u>	<u>96,064</u>	<u>96,064</u>

10. CASH AND BANK

Cash and cash Equivalent					
– Policy stamps	–	68	68	–	38
Cash at bank					
– Profit and Loss Sharing (PLS) accounts	197,030	347,607	544,637	190,492	284,181
	<u>197,030</u>	<u>347,675</u>	<u>544,705</u>	<u>190,492</u>	<u>284,219</u>
					<u>474,711</u>

Habib Insurance Company Limited

	September 30, 2024 (Unaudited)			December 31, 2023 (Audited)		
	OPF	PTF	Total	OPF	PTF	Total
	(Rupees in '000)			(Rupees in '000)		
11. OTHER CREDITORS AND ACCRUALS						
Federal insurance fee	–	426	426	–	581	581
Federal excise duty	–	9,195	9,195	–	9,243	9,243
Commission payable	49,097	–	49,097	42,871	–	42,871
Provision for leave encashment	2,880	–	2,880	3,058	–	3,058
Sales tax payable	–	360	360	–	–	–
Payable to Habib Insurance Company Limited (related party)-conventional operations	2,580	–	2,580	557	–	557
Other creditors	1,029	1,413	2,442	499	2,223	2,722
Other accrued expenses	1,021	534	1,555	1,893	–	1,893
	<u>56,607</u>	<u>11,928</u>	<u>68,535</u>	<u>48,878</u>	<u>12,047</u>	<u>60,925</u>
				(Unaudited) September 30, 2024	(Audited) December 31, 2023	
				(Rupees in '000)		
12. TAKAFUL/ RETAKAFUL PAYABLE						
Due to other takaful/ retakaful				<u>197,628</u>	<u>135,162</u>	
Due to other takaful/ retakaful						
Foreign retakaful				91,683	55,338	
Local retakaful				85,412	55,894	
Co-takaful				20,533	23,930	
				<u>197,628</u>	<u>135,162</u>	
				PTF		
				Three months period ended September 30, 2024	Nine months period ended September 30, 2024	2023
				(Unaudited)	(Unaudited)	
				(Rupees in '000)		
13. NET CONTRIBUTION						
Written gross contribution	225,444	209,015	456,308	431,464		
Less: Wakala Fee	<u>(38,098)</u>	<u>(36,754)</u>	<u>(129,193)</u>	<u>(98,453)</u>		
Contribution Net of Wakala Fee	<u>187,346</u>	<u>172,261</u>	<u>327,115</u>	<u>333,011</u>		
Add: Unearned contribution reserve opening	176,633	169,460	252,121	182,731		
Less: Unearned contribution reserve closing	<u>(272,717)</u>	<u>(248,173)</u>	<u>(272,717)</u>	<u>(248,173)</u>		
Contribution Earned	<u>91,262</u>	<u>93,548</u>	<u>306,519</u>	<u>267,569</u>		
Retakaful contribution ceded	<u>127,517</u>	<u>123,547</u>	<u>251,123</u>	<u>193,750</u>		
Add: Prepaid retakaful contribution opening	66,414	40,915	95,844	55,998		
Less: Prepaid retakaful contribution closing	<u>(118,538)</u>	<u>(120,129)</u>	<u>(118,538)</u>	<u>(120,129)</u>		
Retakaful expense	<u>75,393</u>	<u>44,333</u>	<u>228,429</u>	<u>129,619</u>		
Net Contribution	<u>15,869</u>	<u>49,215</u>	<u>78,090</u>	<u>137,950</u>		

Habib Insurance Company Limited

	PTF			
	Three months period ended September 30,		Nine months period ended September 30,	
	2024	2023	2024	2023
	(Unaudited)		(Unaudited)	
	(Rupees in '000)		(Rupees in '000)	
14. RETAKAFUL REBATE EARNED				
Retakaful rebate received	26,510	21,669	46,917	32,566
Add: Unearned retakaful rebate opening	13,848	8,218	18,561	11,254
Less: Unearned retakaful rebate closing	(26,930)	(23,231)	(26,930)	(23,231)
	<u>13,428</u>	<u>6,656</u>	<u>38,548</u>	<u>20,589</u>
15. TAKAFUL CLAIMS EXPENSE				
Claims Paid	56,699	55,486	156,334	191,238
Add: Outstanding claims including IBNR closing	170,315	134,030	170,315	134,030
Less: Outstanding claims including IBNR opening	(192,192)	(140,406)	(126,625)	(118,074)
Claims Expense	<u>34,822</u>	<u>49,110</u>	<u>200,024</u>	<u>207,194</u>
Retakaful and other recoveries received	25,967	13,469	38,258	70,879
Add: Retakaful and other recoveries in respect of outstanding claims - Closing	61,537	40,835	61,537	40,835
Less: Retakaful and other recoveries in respect of outstanding claims - Opening	(90,359)	(46,491)	(27,220)	(61,843)
Retakaful and other recoveries revenue	(2,855)	7,813	72,575	49,871
Net Claim Expense	<u>37,677</u>	<u>41,297</u>	<u>127,449</u>	<u>157,323</u>
16. COMMISSION EXPENSE				
Commission paid or payable	29,935	23,840	60,411	44,468
Add: Deferred commission expense opening	24,747	19,278	32,661	23,498
Less: Deferred commission expense closing	(35,016)	(26,520)	(35,016)	(26,520)
	<u>19,666</u>	<u>16,598</u>	<u>58,056</u>	<u>41,446</u>
17. WAKALA FEE				
Gross Wakala Fee	66,923	62,077	135,372	128,143
Add: Deferred wakala fee - opening	52,990	48,588	75,636	44,221
Less: Deferred wakala fee - closing	(81,815)	(73,911)	(81,815)	(73,911)
Net wakala fee	<u>38,098</u>	<u>36,754</u>	<u>129,193</u>	<u>98,453</u>
18. RECEIVABLE FROM PTF/ (PAYABLE TO OTF)				
Opening balance		18,063		7,469
Wakala fee income		135,372		183,734
Wakala/Mudarib fees received		(94,230)		(173,140)
Mudarib fee		11,676		-
		<u>70,881</u>		<u>18,063</u>
			(Unaudited) September 30, 2024	(Audited) December 31, 2023
			(Rupees in '000)	

Habib Insurance Company Limited

19. INVESTMENT INCOME - NET

	OPF		PTF	
	(Unaudited) September 30, 2024 (Rupees in '000)	(Unaudited) September 30, 2023	(Unaudited) September 30, 2024 (Rupees in '000)	(Unaudited) September 30, 2023
Dividend income	-	272	-	533
Return on bank balances	26,726	10,832	38,920	24,560
Mudarib Fees	11,676	7,528	(11,676)	(7,528)
Others	-	-	(13)	-
	<u>38,402</u>	<u>18,632</u>	<u>27,231</u>	<u>17,565</u>

20. CONTINGENCY & COMMITMENT

There is no contingency and commitment outstanding as at September 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) September 30, 2024 (Rupees in '000)	(Unaudited) September 30, 2023
21.1 Operator's Fund		
Transactions		
Wakala fee charged during the period	<u>129,193</u>	<u>98,453</u>
Wakala fee paid during the period	<u>94,230</u>	<u>51,632</u>
Profit on bank accounts	<u>26,726</u>	<u>10,832</u>
Balance		
Associated companies		
- Bank balance	<u>196,801</u>	<u>90,794</u>
21.2 Participants' Takaful Fund		
Transactions		
Associated companies		
- Contribution written	<u>27,995</u>	<u>15,892</u>
- Claim paid	<u>11,234</u>	<u>2,431</u>
- Wakala fee received the period	<u>94,230</u>	<u>51,632</u>
- Profit on bank accounts	<u>38,920</u>	<u>24,560</u>
	(Unaudited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Balances		
Associated companies		
- Contribution due but unpaid	<u>687</u>	<u>7,714</u>
- Claim outstanding	<u>10,844</u>	<u>5,884</u>
- Bank balance	<u>336,371</u>	<u>271,743</u>

Habib Insurance Company Limited

22. SEGMENT INFORMATION

	Nine months period ended September 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)	209,709	65,730	225,855	27,274	528,568
Less: Federal Excise Duty	(27,288)	(7,659)	(29,393)	(3,352)	(67,692)
Federal Insurance Fee	(1,806)	(576)	(1,949)	(237)	(4,568)
Gross written contribution (inclusive of administrative surcharge)	<u>180,615</u>	<u>57,495</u>	<u>194,513</u>	<u>23,685</u>	<u>456,308</u>
Wakala fees	(45,230)	(17,146)	(61,141)	(5,676)	(129,193)
Takaful contribution earned	152,791	57,728	206,037	19,156	435,712
Takaful contribution ceded to retakaful operators	(141,741)	(43,774)	(26,717)	(16,197)	(228,429)
Net takaful contribution	(34,180)	(3,192)	118,179	(2,717)	78,090
Retakaful rebate	26,408	9,644	950	1,546	38,548
Net underwriting income	<u>(7,772)</u>	<u>6,452</u>	<u>119,129</u>	<u>(1,171)</u>	<u>116,638</u>
Takaful claims	(40,852)	(14,617)	(135,617)	(8,938)	(200,024)
Takaful claims recovered from retakaful	35,924	11,574	17,660	7,417	72,575
Net claims	<u>(4,928)</u>	<u>(3,043)</u>	<u>(117,957)</u>	<u>(1,521)</u>	<u>(127,449)</u>
Surplus before investment income	<u>(12,700)</u>	<u>3,409</u>	<u>1,172</u>	<u>(2,692)</u>	<u>(10,811)</u>
Net investment income	31,989	(8,587)	(2,952)	6,781	27,231
Co-Insurance expenses paid	-	-	-	-	(4,114)
Surplus transferred to balance of PTF	<u>19,289</u>	<u>(5,178)</u>	<u>(1,780)</u>	<u>4,089</u>	<u>12,306</u>
Allocated Assets					
Premium due but unpaid	11,770	15,878	57,145	274	85,067
Premium retakaful contribution ceded	105,731	2,081	3,144	7,582	118,538
Reinsurance recoveries against outstanding claims	33,966	6,097	6,921	7,898	54,882
Deferred Wakala expense	38,088	1,237	39,581	2,909	81,815
Salvage recoveries outstanding	55	-	6,600	-	6,655
	<u>189,610</u>	<u>25,293</u>	<u>113,391</u>	<u>18,663</u>	<u>346,957</u>
Unallocated Assets					
Amount due from other insurers/ reinsurers					187,392
Cash and cash equivalents					347,675
Loan and other receivables					316
Taxation - provision less payment					8,080
Others					462
					543,925
Total Assets					<u>890,882</u>
Allocated Liabilities					
Outstanding Claims	38,514	7,392	113,871	10,538	170,315
Unearned Premium	126,961	4,122	131,936	9,698	272,717
Rserve for unearned retakaful rebate	24,652	520	567	1,191	26,930
	<u>190,127</u>	<u>12,034</u>	<u>246,374</u>	<u>21,427</u>	<u>469,962</u>
Unallocated liabilities					
Contribution received in advance					25,304
Amount due to other insurers/ reinsurers					197,628
Other creditors and accruals					11,928
Taxation - provision less payment					-
Payable to OPF					70,881
					305,741
Total Liabilities					<u>775,703</u>

Habib Insurance Company Limited

Nine months period ended September 30, 2024 (Unaudited)

	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
22.2 Operator's Fund					
Wakala fee					129,193
Commission expense					(58,056)
Management expenses					(60,820)
Underwriting result					10,317
Investment income					38,402
Other expenses					(452)
Profit before taxation					48,267
Taxation					(13,997)
Profit after tax for the period					34,270
Segment assets					309,455
Segment liabilities					187,555

Habib Insurance Company Limited

SEGMENT INFORMATION

	Nine months period ended September 30, 2023 (Unaudited)				Aggregate
	Fire and property	Marine and transport	Motor	Other classes	
	(Rupees in '000)				
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
Provision for impairment	-	-	-	-	(1,668)
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>
December 31, 2023 (Audited)					
	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
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
	<u>141,487</u>	<u>22,872</u>	<u>83,249</u>	<u>8,927</u>	<u>256,535</u>
Unallocated Assets					
Amount due from other insurers/ reinsurers					133,152
Cash and cash equivalents					284,219
Loan secured considered good					3,398
Others					220
Taxation - provision less payment					6,954
					<u>427,943</u>
Total Assets					<u>684,478</u>
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
	<u>126,269</u>	<u>14,336</u>	<u>246,125</u>	<u>10,577</u>	<u>397,307</u>
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
					<u>184,298</u>
Total Liabilities					<u>581,605</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)				
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

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 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.

Habib Insurance Company Limited

Participant Takaful Fund

	September 30, 2024 (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	-	316	-	-	316	-	-	-
Takaful/retakaful receivables	-	272,459	-	-	272,459	-	-	-
Salvage recoveries accrued	-	6,655	-	-	6,655	-	-	-
Retakaful recoveries against outstanding claims	-	54,882	-	-	54,882	-	-	-
Cash and bank balances	-	-	347,675	-	347,675	-	-	-
	-	<u>334,312</u>	<u>347,675</u>	-	<u>681,987</u>	-	-	-
Financial liabilities not measured at fair value*								
Outstanding claims including IBNR	-	-	-	170,315	170,315	-	-	-
Takaful/retakaful payables	-	-	-	197,628	197,628	-	-	-
Payable to OPF	-	-	-	70,881	70,881	-	-	-
	-	-	-	<u>438,824</u>	<u>438,824</u>	-	-	-
	December 31, 2023 (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	-	3,423	-	-	3,423	-	-	-
Takaful/retakaful receivables	-	190,987	-	-	190,987	-	-	-
Retakaful recoveries against outstanding claims	-	23,890	-	-	23,890	-	-	-
Salvage recoveries accrued	-	3,330	-	-	3,330	-	-	-
Cash and bank balances	-	-	284,181	-	284,181	-	-	-
	-	<u>221,630</u>	<u>284,181</u>	-	<u>505,811</u>	-	-	-
Financial liabilities not measured at fair value*								
Outstanding claims including IBNR	-	-	-	126,625	126,625	-	-	-
Takaful/retakaful payables	-	-	-	135,162	135,162	-	-	-
Payable to OPF	-	-	-	18,063	18,063	-	-	-
	-	-	-	<u>279,850</u>	<u>279,850</u>	-	-	-

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. 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 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