Habib Insurance
Est.1942

# Habib Insurance Company Limited

**Accounts for the Nine months ended**
**September 30, 2026**
**(Unaudited)**

# Habib Insurance Company Limited

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# Habib Insurance Company Limited

## Company Information

**Board of Directors**

| | | |
|---|---|---|
| **Chairman** | : | Mansoor G. Habib |
| **Directors** | : | Muhammad Hyder Habib |
| | | Qumail R. Habib |
| | | Aun Mohammad A. Habib |
| | | Zahida Habib |
| | | Ujala Mir Masood |
| | | Shahid Ghaffar |
| | | Adil Nazim Haji |
| **Chief Executive** | : | Murtaza Hussain |
| **Chief Financial Officer & Company Secretary** | : | Muhammad Asif |
| **Auditors** | : | M/s. Grant Thornton Anjum Rahman<br>Chartered Accountants |
| **Share Registrar** | : | M/s. CDC Share Registrar Services Limited<br>CDC House, 99-B, Block-B<br>SMCHS, Main Shahrah-e-Faisal<br>Karachi-74400 |
| **Shariah Advisory Board** | : | Mufti Imtiaz Alam<br>Mufti Muhammad Ashraf Alam<br>Taj Muhammad |
| **Registered Office** | : | 1st Floor, State Life Bldg. No. 6<br>Habib Square, M. A. Jinnah Road<br>P.O. Box 5217, Karachi-74000<br>Pakistan<br>Tel : (92-21) 32424030/38/39<br>Fax : (92-21) 32421600<br>UAN : (92-21) 111 03 03 03<br>Website : www.habibinsurance.net |

# Habib Insurance Company Limited

## DIRECTORS' REVIEW

By Allah's Grace, the Directors are pleased to present the unaudited accounts of the Company for the period ended September 30, 2026.

The overall performance of your Company for the nine months of the year has been very encouraging with profit before tax rising to Rs. 532.7 million from Rs. 230.3 million for the same period last year.

On the underwriting performance for the period under review, the gross written premium grew substantially from Rs. 3.0 billion to Rs. 4.1 billion, an increase of 36% with a profit from underwriting activities of Rs. 77.0 million as compared to a loss of Rs. 94.7 million of the same period last year.

The Investment and other income for the period has also increased from Rs. 325.0 million to Rs. 455.7 million.

Consequently, the net profit after tax grew from Rs. 158.3 million to Rs. 372.8 million resulting in an earning per share of Rs. 1.86 as compared to Rs. 0.79 of the corresponding period.

As we enter the final phase of the year we look forward to meet the exciting challenges for the last quarter 2026 and Inshallah for all round satisfactory performance. We are indeed hopeful that Inshallah the progress achieved till now will follow through towards a successful closing of the year.

On behalf of the Board of Directors

AUN MOHAMMAD A. HABIB
*Director*

MURTAZA HUSSAIN
*Chief Executive*

Karachi: October 29, 2026

# حبیب انشورنس کمپنی لمیٹڈ

## ڈائریکٹرز کا جائزہ

اللہ تعالیٰ کے فضل و کرم سے ڈائریکٹرز ۳۰ ستمبر ۲۰۲۶ء کو ختم ہونے والی مدت کے لئے کمپنی کے غیر آڈٹ شدہ حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

سال کے نو ماہ کے دوران آپ کی کمپنی کی مجموعی کارکردگی نہایت حوصلہ افزا رہی۔ قبل از ٹیکس منافع گزشتہ سال کی اسی مدت کے 230.3 ملین روپے سے بڑھ کر 532.7 ملین روپے ہوگیا۔

زیر جائزہ مدت کے دوران انڈر رائٹنگ کی کارکردگی کے حوالے سے مجموعی تحریری پریمیئم میں نمایاں اضافہ ہوا اور یہ 3.0 بلین روپے سے بڑھ کر 4.1 بلین روپے ہوگیا، جو 36 فیصد اضافہ ہے۔ انڈر رائٹنگ کی سرگرمیوں سے 77.0 ملین روپے کا منافع حاصل ہوا، جبکہ گزشتہ سال کی اسی مدت کے دوران 94.7 ملین روپے کا خسارہ ہوا تھا۔

زیر جائزہ مدت کے دوران سرمایہ کاری اور دیگر آمدنی میں بھی اضافہ ہوا اور یہ 325.0 ملین روپے سے بڑھ کر 455.7 ملین روپے ہوگئی۔

نتیجتاً، بعد از ٹیکس خالص منافع 158.3 ملین روپے سے بڑھ کر 372.8 ملین روپے ہوگیا، جس کے نتیجے میں فی شیئر آمدنی 1.86 روپے رہی، جبکہ گزشتہ سال کی اسی مدت کے دوران یہ 0.79 روپے تھی۔

سال کے آخری مرحلے میں داخل ہوتے ہوئے، ہم سال 2026 کی آخری سہ ماہی میں درپیش چیلنجز کا سامنا کرنے کیلئے پُرعزم ہیں اور انشاءاللہ، مجموعی طور پر اطمینان بخش کارکردگی کی امید رکھتے ہیں۔ ہمیں پوری امید ہے کہ اب تک حاصل ہونے والی پیش رفت برقرار رہے گی اور انشاءاللہ، سال کے اختتام پر کمپنی کی کارکردگی کامیابی سے ہم کنار ہوگی۔

بورڈ آف ڈائریکٹرز کی جانب سے

| | | |
|---|---|---|
| کراچی: | **عون محمد اے۔ حبیب** | **مرتضیٰ حسین** |
| ۲۹ اکتوبر ۲۰۲۶ء | ڈائریکٹر | چیف ایگزیکٹو |

# Habib Insurance Company Limited

## Condensed Interim Statement of Financial Position as at September 30, 2026 (Unaudited)

| | Note | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Assets** | | | |
| Property and equipment | 8 | 244,946 | 105,228 |
| Intangible assets | | 15,408 | 10,460 |
| Investments | | | |
| Equity securities | 9 | 2,039,182 | 2,660,531 |
| Debt securities | 10 | 472,579 | 686,143 |
| Loans, deposits and other receivables | 11 | 177,207 | 98,983 |
| Insurance/ reinsurance receivables | 12 | 2,785,286 | 1,565,466 |
| Reinsurance recoveries against outstanding claims | 21 | 904,600 | 1,211,344 |
| Salvage recoveries accrued | | 134,537 | 185,379 |
| Deferred commission expense | 22 | 268,297 | 236,264 |
| Prepayments | 13 | 696,816 | 541,515 |
| Taxation - provision less payment | | 19,265 | 86,706 |
| Cash and bank | 14 | 25,951 | 42,138 |
| | | 7,784,074 | 7,430,157 |
| **Total Assets of Window Takaful Operations - Operator's Fund** | | 439,299 | 339,399 |
| **Total Assets** | | 8,223,373 | 7,769,556 |
| **Equities and Liabilities** | | | |
| **Capital and reserves attributable to Company's equity holders** | | | |
| Ordinary share capital | 15 | 1,000,000 | 619,374 |
| Reserves | 16 | 1,192,759 | 1,587,084 |
| Unappropriated profit | | 151,264 | 161,538 |
| **Total Equity** | | 2,344,023 | 2,367,996 |
| **Liabilities** | | | |
| **Underwriting provisions** | | | |
| Outstanding claims including IBNR | 21 | 1,619,555 | 1,883,852 |
| Unearned premium reserves | 20 | 1,883,219 | 1,563,020 |
| Premium deficiency reserves | | 3,721 | 1,944 |
| Unearned reinsurance commission | 22 | 194,460 | 151,683 |
| Retirement benefit obligations | | 95,523 | 104,774 |
| Deferred taxation - net | | 300,979 | 445,644 |
| Lease liability against right of use assets | | 52,917 | 14,355 |
| Borrowings | 14.1 | 259,780 | – |
| Premium received in advance | | 176,532 | 154,286 |
| Insurance/ reinsurance payables | 17 | 614,803 | 409,697 |
| Other creditors and accruals | 18 | 386,231 | 461,490 |
| **Total Liabilities of conventional** | | 5,587,720 | 5,190,745 |
| **Total Liabilities of Window Takaful Operations - Operator's Fund** | | 291,630 | 210,815 |
| **Total Liabilities** | | 5,879,350 | 5,401,560 |
| **Total Equity and Liabilities** | | 8,223,373 | 7,769,556 |
| **Contingencies and commitments** | 19 | | |

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

| MANSOOR G. HABIB | AUN MOHAMMAD A. HABIB | QUMAIL R. HABIB | MURTAZA HUSSAIN | MUHAMMAD ASIF |
|---|---|---|---|---|
| *Chairman* | *Director* | *Director* | *Chief Executive* | *Chief Financial Officer* |

# Habib Insurance Company Limited

## Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
## For the nine months period ended September 30, 2026

| | Note | (Unaudited) Three months period ended September 30, 2026 | 2025 | (Unaudited) Nine months period ended September 30, 2026 | 2025 |
|---|---|---|---|---|---|
| | | (Rupees in '000) | | (Rupees in '000) | |
| Net insurance premium | 20 | 607,801 | 439,139 | 1,845,136 | 1,297,174 |
| Net insurance claims | 21 | (354,531) | (316,120) | (979,255) | (797,555) |
| Reversal of premium deficiency | | – | – | (1,777) | 7,139 |
| Net commission expense | 22 | (44,796) | (27,152) | (146,332) | (50,569) |
| Insurance claims and acquisition expenses | | (399,327) | (343,272) | (1,127,364) | (840,985) |
| Management expenses | | (182,348) | (157,484) | (649,974) | (503,659) |
| Underwriting results | | 26,126 | (61,617) | 67,798 | (47,470) |
| Investment income - net | 23 | 99,603 | 53,294 | 450,868 | 315,786 |
| Other income | 24 | 1,369 | 2,387 | 4,824 | 9,207 |
| Other expenses | | (6,093) | (6,725) | (17,031) | (30,673) |
| **Results of operating activities** | | 121,005 | (12,661) | 506,459 | 246,850 |
| Finance costs | | (1,766) | (985) | (10,226) | (3,703) |
| **Profit/(loss) before tax from window takaful operations - Operator's Fund** | | 17,711 | 26,136 | 36,441 | (12,833) |
| **Profit before tax** | | 136,950 | 12,490 | 532,674 | 230,314 |
| Income tax expense | | (28,194) | (3,131) | (159,900) | (71,971) |
| **Profit after tax** | | 108,756 | 9,359 | 372,774 | 158,343 |
| **Other comprehensive income:** | | | | | |
| *Items that may be reclassified subsequently to profit and loss account* | | | | | |
| Unrealised (loss) / gain on revaluation of available-for-sale investments | | (181,070) | 528,491 | (212,273) | 647,155 |
| Less: Net (loss) / gains transferred to profit and loss on disposal / redemption / impairment of investments | | (56,684) | – | (249,488) | (114,643) |
| | | (237,754) | 528,491 | (461,761) | 532,512 |
| Related tax impact | | 82,022 | (153,262) | 149,224 | (154,428) |
| | | (155,732) | 375,229 | (312,537) | 378,084 |
| Other comprehensive loss from window takaful operations - Operator's Fund | | (4,613) | – | (6,788) | – |
| **Other comprehensive (loss)/ income for the period** | | (160,345) | 375,229 | (319,325) | 378,084 |
| **Total comprehensive (loss) / income for the period** | | (51,589) | 384,588 | 53,449 | 536,427 |
| | | Rupees | | Rupees | |
| | | | Restated | | Restated |
| Earning per share - Rupees | 25 | 0.54 | 0.05 | 1.86 | 0.79 |

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

MANSOOR G. HABIB *Chairman* | AUN MOHAMMAD A. HABIB *Director* | QUMAIL R. HABIB *Director* | MURTAZA HUSSAIN *Chief Executive* | MUHAMMAD ASIF *Chief Financial Officer*

# Habib Insurance Company Limited

## Condensed Interim Statement of Changes in Equity
## for the nine months period ended September 30, 2026 (Unaudited)

| | Attributable to equity holders of the Company | | | | | |
|---|---|---|---|---|---|---|
| | | Capital Reserves | Revenue Reserves | | | |
| | Share capital | Reserve for exceptional losses | General reserve | Available-for-sale reserves | Unappropriated profit | Total equity |
| | | | (Rupees in '000) | | | |
| **Balance as at January 01, 2025** | 619,374 | 9,122 | 390,000 | 751,697 | 285,227 | 2,055,420 |
| Profit after tax for the period | – | – | – | – | 158,343 | 158,343 |
| Other comprehensive income for the period net of tax (net unrealized loss on revaluation of available for sale investments | | | – | 378,084 | | 378,084 |
| Total comprehensive income for the period | – | – | | 378,084 | 158,343 | 536,427 |
| **Transactions with owners directly recorded in equity** | | | | | | |
| Final dividend of Rs. 1.0 per share for the year ended December 31, 2024 | – | – | – | – | (123,875) | (123,875) |
| Transfer to general reserve | – | – | 115,000 | | (115,000) | – |
| Balance as at September 30, 2025 | 619,374 | 9,122 | 505,000 | 1,129,781 | 204,695 | 2,467,972 |
| **Balance as at January 01, 2026** | 619,374 | 9,122 | 505,000 | 1,072,962 | 161,538 | 2,367,996 |
| Profit after tax for the period | – | – | – | – | 372,774 | 372,774 |
| Other comprehensive income for the period - net of tax (net unrealized loss on revaluation of available for sale investments | – | – | – | (312,537) | – | (312,537) |
| Other comprehensive loss for the period - net of tax | – | – | – | (6,788) | – | (6,788) |
| Total comprehensive income for the period | – | – | – | (319,325) | 372,774 | 53,449 |
| **Transactions with owners directly recorded in equity** | | | | | | |
| Final dividend of Rs. 0.625 per share for the year ended December 31, 2025 | – | – | – | – | (77,422) | (77,422) |
| Interim bonus shares issued @ 61.45% | 380,626 | – | (115,000) | | (265,626) | – |
| Transfer to general reserve | – | – | 40,000 | | (40,000) | – |
| **Balance as at September 30, 2026** | 1,000,000 | 9,122 | 430,000 | 753,637 | 151,264 | 2,344,023 |

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

| MANSOOR G. HABIB | AUN MOHAMMAD A. HABIB | QUMAIL R. HABIB | MURTAZA HUSSAIN | MUHAMMAD ASIF |
|---|---|---|---|---|
| *Director* | *Director* | *Director* | *Chief Executive* | *Chief Financial Officer* |

# Habib Insurance Company Limited

## Condensed Interim Statement of Cash Flow
## for the nine months ended September 30, 2026 (Unaudited)

| | | (Unaudited) September 30 2026 | (Unaudited) September 30 2025 |
|---|---|---|---|
| | | (Rupees in '000) | |
| | **Operating cash flow** | | |
| **(a)** | Underwriting activities | | |
| | Insurance premium received | 2,039,181 | 2,520,147 |
| | Reinsurance premium paid | (1,077,329) | (1,148,548) |
| | Claims paid | (2,879,108) | (1,521,251) |
| | Reinsurance and other recoveries received | 1,993,142 | 890,204 |
| | Commission paid | (452,158) | (352,671) |
| | Commission received | 316,702 | 249,966 |
| | Net cash flows from underwriting activities | (59,570) | 637,847 |
| **(b)** | Other operating activities | | |
| | Income tax paid | (77,107) | (64,228) |
| | Other operating payments | (751,931) | (537,229) |
| | Other operating receipts | 7,412 | 8,989 |
| | Loans advanced | (6,540) | (5,792) |
| | Loan repayment received | 11,271 | 11,271 |
| | **Net cash flows from other operating activities** | (816,895) | (586,989) |
| | **Total cash flows from all operating activities** | (876,465) | 50,858 |
| | **Investment activities** | | |
| | Profit/ return received | 58,017 | 62,632 |
| | Dividend received | 138,093 | 126,656 |
| | Payment for investments | (73,617) | (978,971) |
| | Proceeds from investments | 699,948 | 548,434 |
| | Fixed capital expenditure | (128,400) | (14,960) |
| | Proceeds from sale of property, plant and equipment | 484 | 550 |
| | **Total cash flows from investing activities** | 694,525 | (255,659) |
| | **Financing activities** | | |
| | Rentals paid | (18,860) | (17,330) |
| | Dividends paid | (75,167) | (120,689) |
| | **Total cash flows from financing activities** | (94,027) | (138,019) |
| | **Net cash flows from all activities** | (275,967) | (342,820) |
| | Cash and cash equivalents at beginning of year | 42,138 | 250,601 |
| | **Cash and cash equivalents at end of the period** | (233,829) | (92,219) |
| | **Reconciliation to profit and loss account** | | |
| | Operating cash flows | (876,465) | 50,858 |
| | Depreciation and amortisation expense | (35,101) | (25,560) |
| | Income tax paid | 77,107 | 64,228 |
| | Provision for gratuity | (4,909) | (13,814) |
| | Provision for impairment | 2,247 | (403) |
| | Gratuity paid | 16,615 | 661 |
| | Profit/ return received | 58,017 | 62,632 |
| | Dividends received | 138,093 | 126,656 |
| | Gain / (loss) on sale of investments | 249,488 | 114,643 |
| | Financial charges expense | (10,226) | (3,703) |
| | Profit on disposal of property and equipment | 89 | 60 |
| | Provision of taxation | (159,900) | (71,971) |
| | Profit from window Takaful Operations - Operator's Fund | 36,441 | (12,833) |
| | Increase / (decrease) in assets other than cash | 1,124,336 | 31,520 |
| | Increase / (decrease) in liabilities other than borrowings | (243,058) | (164,631) |
| | **Profit after taxation** | 372,774 | 158,343 |

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

| MANSOOR G. HABIB | AUN MOHAMMAD A. HABIB | QUMAIL R. HABIB | MURTAZA HUSSAIN | MUHAMMAD ASIF |
|---|---|---|---|---|
| *Chairman* | *Director* | *Director* | *Chief Executive* | *Chief Financial Officer* |

## Notes to the Condensed Interim Financial Statements for the nine months period ended September 30, 2026 (Unaudited)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

| Locations | Address |
|---|---|
| Head Office | State Life Building No. 6, Habib Square, M.A. Jinnah Road, Karachi. |
| Karachi Region | P&O Plaza, Survey No. 3/2, Sheet No. R.4.5, Railway Quarter, I.I. Chundrigar Road Karachi. |
| Rawalpindi Branch | 1st Floor, Majeed Plaza, Bank Road, Rawalpindi Cantt. |
| Dera Ghazi Khan Branch | Block No. 17, Jampur Road, Dera Ghazi Khan. |
| Faisalabad Branch | Fatima Tower, 2nd Floor, Kohinoor Plaza, Faisalabad. P-6161, West Canal Road, |
| Multan Branch | Fiesta Garden OPP Income, Tax Office, L.M.Q. Road, Multan. |
| Lahore Branches | 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, 2025.

**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, 2025.

**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, 2025.

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or do not have any significant effect on the Company and therefore not stated in these condensed interim financial statements.

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

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

Application of IFRS 9 and IFRS 17

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

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

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 followiing two groups of financial assets separately:

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

b) all other financial assets

| | September 30, 2026 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | Fail the SPPI test | | Pass the SPPI test | | |
| **Financial assets** | 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* | – | – | 1,636 | – | – |
| Investment in equity securities - available for sale | 2,039,182 | (446,720) | – | – | – |
| Investments in debt securities - available for sale | – | – | 472,579 | – | (15,041) |
| Loans and other receivables* | – | – | 134,414 | – | – |
| Insurance / reinsurance receivables* | – | – | 2,785,286 | – | – |
| Reinsurance recoveries against outstanding claims* | – | – | 904,600 | – | – |
| Salvage recoveries accrued | – | – | 134,537 | – | – |
| Window takaful operations - Operator's fund* | – | – | 127,190 | – | – |
| | 2,039,182 | (446,720) | 4,560,242 | – | (15,041) |

| Financial assets | December 31, 2025 (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* | – | – | 18,145 | – | – |
| Investment in equity securities - available for sale | 2,660,531 | (393,660) | – | – | – |
| Investments in debt securities - available for sale | – | – | 250,000 | – | (886) |
| Loans and other receivables* | – | – | 84,419 | – | – |
| Insurance / reinsurance receivables* | – | – | 1,565,466 | – | – |
| Reinsurance recoveries against outstanding claims* | – | – | 1,211,344 | – | – |
| Salvage recoveries accrued | – | – | 185,379 | – | – |
| Window takaful operations - Operator's fund* | – | – | 208,580 | – | – |
| | 2,660,531 | (393,660) | 3,520,333 | – | (886) |

| | September 30, 2026 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | Gross carrying amounts of debt instruments that pass the SPPI test | | | | |
| | AAA | AA+ | AA- | A | Unrated |
| | (Rupees in '000) | | | | |
| Cash and bank* | 25,351 | 51 | – | – | – |
| Investments in debt securities - available for sale | – | 150,000 | 100,000 | 222,579 | – |
| Loans and other receivables* | – | – | – | – | 134,414 |
| Insurance / reinsurance receivables* | – | – | – | – | 2,785,286 |
| Reinsurance recoveries against outstanding claims* | – | 904,600 | – | – | – |
| Salvage recoveries accrued | – | – | – | – | 134,537 |
| | 25,351 | 1,054,651 | 100,000 | 222,579 | 3,054,237 |

| | December 31, 2025 (Audited) | | | | | |
|---|---|---|---|---|---|---|
| | Gross carrying amounts of debt instruments that pass the SPPI test | | | | | |
| Rating | AAA | AA+ | AA– | Other* | Government securities | Unrated |
| | (Rupees in '000) | | | | | |
| Cash and bank* | 41,586 | 50 | – | – | – | – |
| Investments in debt securities - available for sale | – | – | 250,000 | – | 436,143 | – |
| Loans and other receivables* | – | – | – | – | – | 1,565,466 |
| Insurance / reinsurance receivables* | – | – | – | – | – | 67,258 |
| Reinsurance recoveries against outstanding claims* | – | 228,503 | – | 250,223 | – | 917,997 |
| Salvage recoveries accrued | – | – | – | – | – | 185,379 |
| | 41,586 | 228,553 | 250,000 | 250,223 | 436,143 | 2,736,100 |

* 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.

**Implementation of IFRS 17 – Insurance Contracts**

SECP, vide its letter no. ID/MDPRD/IFRS-17/2021/1716 dated June 15, 2021, communicated a roadmap for the implementation of IFRS 17 – Insurance Contracts, specifying a four-phased approach as follows:

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

The Company has successfully completed the first three phases of the IFRS 17 implementation roadmap, while Phase Four, i.e., Parallel Run and Implementation, is currently in progress. In compliance with SECP requirements, the Company has submitted its audited financial statements prepared under IFRS 17 for the year ended December 31, 2024, along with the dry-run financial statements for the year ended December 31, 2025, to SECP.

## 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, 2025.

| | | Note | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| **8.** | **Property and equipment** | | | |
| | Tangible operating assets | 8.1 | 194,507 | 91,799 |
| | Right-of-use assets | 8.2 | 50,439 | 13,429 |
| | | | 244,946 | 105,228 |
| **8.1** | **Tangible operating assets** | | | |
| | Opening written down value | | 91,799 | 79,206 |
| | Additions during the period / year | 8.1.1 | 120,061 | 29,332 |
| | Disposals during the period / year | 8.1.2 | (395) | (600) |
| | Depreciation for the period / year | | (16,958) | (16,139) |
| | Closing written down value | | 194,507 | 91,799 |
| **8.1.1** | The following additions were made to tangible - property and equipment during the period / year | | | |
| | Furniture and fixtures | | 5,185 | 2,626 |
| | Computer equipment | | 3,787 | 6,378 |
| | Office equipment | | 2,826 | 3,608 |
| | Motor Vehicles - owned | | 108,263 | 16,720 |
| | | | 120,061 | 29,332 |

| | | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **8.1.2** | The following disposals of tangible - operating assets were made during the period / year: | | |
| | Furniture and fixtures | 23 | 2 |
| | Computer equipment | 6 | 46 |
| | Office equipment | 366 | 538 |
| | Motor Vehicles - owned | – | 14 |
| | | 395 | 600 |
| **8.2** | **Right-of-use assets** | | |
| | Balance at January 01, 2026 | 13,429 | 20,208 |
| | Additions during the period / year | 51,763 | 7,028 |
| | Depreciation charge for the period / year | (14,753) | (13,807) |
| | Balance at September 30, 2026 | 50,439 | 13,429 |

## 9. INVESTMENT IN EQUITY SECURITIES

| | September 30, 2026 (Unaudited) | | | | December 31, 2025 (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 | 330,298 | – | 346,255 | 676,553 | 385,974 | – | 512,401 | 898,375 |
| **Others** | | | | | | | | |
| Listed shares | 605,905 | (1,726) | 701,023 | 1,305,202 | 727,120 | (4,004) | 974,377 | 1,697,493 |
| Listed preference shares | 19,331 | – | – | 19,331 | 19,331 | – | 3,063 | 22,394 |
| Mutual funds | 895 | – | 4,345 | 5,240 | 805 | – | 4,611 | 5,416 |
| **Modaraba certificate** | | | | | | | | |
| Others | 14,908 | – | 17,948 | 32,856 | 15,014 | – | 21,839 | 36,853 |
| | 641,039 | (1,726) | 723,316 | 1,362,629 | 762,270 | (4,004) | 1,003,890 | 1,762,156 |
| | 971,337 | (1,726) | 1,069,571 | 2,039,182 | 1,148,244 | (4,004) | 1,516,291 | 2,660,531 |

## 10. INVESTMENT IN DEBT SECURITIES

| | Note | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Available for sale** | | | |
| Government securities | 10.1 | 222,579 | 436,143 |
| Term finance certificates | 10.2 | 250,000 | 250,000 |
| | | 472,579 | 686,143 |

**10.1** This represents PIBs having face value of Rs.220.0 million (market value of Rs.222.578 million) [December 31, 2025: Rs. 420.0 million (market value of Rs.436.143 million)]. These carry mark-up ranging from 11.81% to 13.10% (December 31, 2025:11.81% to 13.75%) per annum and will mature between January 16, 2028 to November 10, 2033. PIBs having face value of Rs. 70.0 million have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance, 2000 and circular No. 15 of 2008 dated July 07, 2008 issued by the SECP.

**10.2 INVESTMENT IN TERM FINANCE CERTIFICATES**

| Name of Company | Name of Chief Executive | Term/ Profit Payment | No. of Certificates | Cost | (Unaudited) September 30, 2026 (Rupees in '000) | (Audited) December 31, 2025 (Rupees in '000) |
|---|---|---|---|---|---|---|
| Bank Alfalah Limited | Mr. Atif Bajwa | Parpetual and 6 monthly Non-cumulative KIBOR + 2% | 20,000 | 100,000 | 100,000 | 100,000 |
| Bank AL Habib Limited | Mr. Mansoor Ali Khan | Perpetual and 6 monthly KIBOR + 1.65% | 30,000 | 150,000 | 150,000 | 150,000 |
| | | | | | 250,000 | 250,000 |

| | (Unaudited) September 30, 2026 (Rupees in '000) | (Audited) December 31, 2025 (Rupees in '000) |
|---|---|---|
| **11. LOANS, SECURITY DEPOSIT AND OTHER RECEIVABLES** | | |
| **- Considered good** | | |
| Accrued investment income | 33,643 | 27,107 |
| Security Deposits | 15,687 | 15,475 |
| Advances | 42,793 | 14,564 |
| Loan to employees | 20,241 | 21,245 |
| Receivable from Window Takaful Operations | 3,144 | 2,202 |
| Receivable from employees - parents insurance policy | 3,388 | 2,140 |
| Input sales tax | 50,532 | 16,250 |
| Other receivables | 7,779 | – |
| | 177,207 | 98,983 |
| **12. INSURANCE / REINSURANCE RECEIVABLES** | | |
| **- Unsecured and considered good** | | |
| Due from insurance contract holders | | |
| Considered good | 996,380 | 522,451 |
| Considered doubtful | 20,488 | 20,488 |
| Less: Provision for impairment of receivables from insurance contract holders | (20,488) | (20,488) |
| | 996,380 | 522,451 |
| Due from other insurers / reinsurers | | |
| Considered good | 1,788,906 | 1,043,015 |
| Considered doubtful | 30,165 | 30,165 |
| Less: provision for impairment of due from other insurers / reinsurers | (30,165) | (30,165) |
| | 1,788,906 | 1,043,015 |
| | 2,785,286 | 1,565,466 |

| | Note | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **13. PREPAYMENTS** | | | |
| Prepaid reinsurance premium ceded | | 676,834 | 529,048 |
| Prepaid employees group / health insurance | | 11,519 | 5,225 |
| Others | | 8,463 | 7,242 |
| | | 696,816 | 541,515 |
| **14. CASH AND BANK BALANCES** | | | |
| **Cash and cash equivalents** | | | |
| Cash in hand | | 68 | 227 |
| Policy stamps | | 481 | 275 |
| | | 549 | 502 |
| **Cash at bank** | | | |
| Current accounts | | 23,766 | 23,491 |
| Savings accounts | | 1,636 | 18,145 |
| | | 25,402 | 41,636 |
| | | 25,951 | 42,138 |
| **14.1** Cash and short term borrowing include the following for the purposes of the cash flow statement: | | | |
| Cash and cash equivalents | | 25,951 | 42,138 |
| Over drawn | 14.1.1 | (259,780) | (57,996) |
| | | (233,829) | (15,858) |

**14.1.1** This represents overdrawn bank balance for the period. The Company has a running finance facility from a Bank of Rs. 200 million valid for 1 year from December 01, 2025 at interest rate of 6 months average KIBOR. The facility is secured against Lien / Pledge of Pakistan investment bonds.

**15. SHARE CAPITAL**

**Authorized Capital**

| (Unaudited) September 30, 2026 | (Audited) December 31, 2025 | | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|---|
| (Number) | | | (Rupees in '000) | |
| 200,000,000 | 130,000,000 | Ordinary shares of Rs. 5 each | 1,000,000 | 650,000 |

**15.1 Issued, subscribed and paid - up share capital**

| | | | | |
|---|---|---|---|---|
| 199,999,880 | 123,874,755 | Ordinary shares of Rs. 5 each at the beginning and end of the period / year | 1,000,000 | 619,374 |

**16. RESERVES**

| | | |
|---|---|---|
| **Capital Reserves** | | |
| Reserve for exceptional losses | 9,122 | 9,122 |
| **Revenue Reserves** | | |
| General reserves | 430,000 | 505,000 |
| Available-for-sale reserve | 753,637 | 1,072,962 |
| | 1,183,637 | 1,577,962 |
| | 1,192,759 | 1,587,084 |

| | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|
| | (Rupees in '000) | |
| **17. INSURANCE / REINSURANCE PAYABLES** | | |
| Due to other insurers / reinsurers | 614,803 | 409,697 |
| **17.1 Due to other insurers / reinsurers** | | |
| Foreign reinsurers | 78,027 | 38,858 |
| Local reinsurers | 208,778 | 162,297 |
| Co-insurers payable | 327,998 | 208,542 |
| | 614,803 | 409,697 |
| **18. OTHER CREDITORS AND ACCRUALS** | | |
| Agents commission payable | 206,408 | 206,276 |
| Federal excise duty | 46,234 | 56,281 |
| Federal insurance fee | 4,018 | 4,215 |
| Accrued expenses | 15,662 | 21,849 |
| Withholding tax payable | 8,614 | 1,297 |
| Unclaimed dividend | 73,940 | 71,685 |
| Sundry creditors | 1,322 | 13,461 |
| Workers' welfare fund | 15,475 | 15,475 |
| Tracker payable | 14,391 | 9,299 |
| Others | 167 | 61,652 |
| | 386,231 | 461,490 |

**19. CONTINGENCIES & COMMITMENTS**

**19.1 Contingencies**

There were no changes in tax contingencies as disclosed in financial statements for the year ended December 31, 2025 except as follows:

**19.2 Commitments**

There are no commitments as at September 30, 2026 (December 31, 2025: Nil)

| | | (Unaudited) Three months period ended September 30, | | (Unaudited) Nine months period ended September 30, | |
|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 |
| | | (Rupees in '000) | | (Rupees in '000) | |
| **20.** | **NET INSURANCE PREMIUM** | | | | |
| Written gross premium | | 1,421,829 | 1,147,140 | 3,299,984 | 2,454,232 |
| Add: | Unearned premium reserve - opening | 1,449,220 | 1,162,900 | 1,563,020 | 1,517,647 |
| Less: | Unearned premium reserve - closing | (1,883,219) | (1,479,514) | (1,883,219) | (1,479,514) |
| Premium earned | | 987,830 | 830,526 | 2,979,785 | 2,492,365 |
| Less: | Reinsurance premium ceded | 551,262 | 538,792 | 1,282,435 | 1,108,996 |
| Add: | Prepaid reinsurance premium - opening | 505,601 | 443,390 | 529,048 | 676,990 |
| Less: | Prepaid reinsurance premium - closing | (676,834) | (590,795) | (676,834) | (590,795) |
| Reinsurance expense | | 380,029 | 391,387 | 1,134,649 | 1,195,191 |
| Net insurance premium | | 607,801 | 439,139 | 1,845,136 | 1,297,174 |

| | | (Unaudited) Three months period ended September 30, | | (Unaudited) Nine months period ended September 30, | |
|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 |
| | | (Rupees in '000) | | (Rupees in '000) | |
| **21.** | **NET INSURANCE CLAIMS EXPENSE** | | | | |
| | Claims paid | 1,068,431 | 628,555 | 2,879,108 | 1,521,251 |
| | Add: Outstanding claims including IBNR - closing | 1,619,555 | 1,375,777 | 1,619,555 | 1,375,777 |
| | Less: Outstanding claims including IBNR - opening | (1,930,907) | (1,216,884) | (1,883,852) | (1,044,318) |
| | Claims expense | 757,079 | 787,448 | 2,614,811 | 1,852,710 |
| | Reinsurance and other recoveries received | 664,055 | 418,379 | 1,993,142 | 890,204 |
| | Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing | 1,039,137 | 855,533 | 1,039,137 | 855,533 |
| | Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening | (1,300,644) | (802,584) | (1,396,723) | (690,582) |
| | Reinsurance and other recoveries revenue | 402,548 | 471,328 | 1,635,556 | 1,055,155 |
| | Net insurance claims expense | 354,531 | 316,120 | 979,255 | 797,555 |
| **22.** | **NET COMMISSION EXPENSE** | | | | |
| | Commissions paid or payable | 212,629 | 145,445 | 452,290 | 323,604 |
| | Add: Deferred commission - opening | 197,530 | 166,366 | 236,264 | 212,519 |
| | Less: Deferred commission - closing | (268,297) | (199,288) | (268,297) | (199,288) |
| | Commission expense | 141,862 | 112,523 | 420,257 | 336,835 |
| | Less: Commission from reinsurers | | | | |
| | Commission received or receivable | 172,715 | 122,006 | 316,702 | 248,399 |
| | Add: Unearned reinsurance commission - opening | 118,811 | 116,673 | 151,683 | 191,175 |
| | Less: Unearned reinsurance commission - closing | (194,460) | (153,308) | (194,460) | (153,308) |
| | Commission from reinsurers | 97,066 | 85,371 | 273,925 | 286,266 |
| | Net commission expense | (44,796) | (27,152) | (146,332) | (50,569) |
| **23.** | **INVESTMENT INCOME** | | | | |
| | **Income from equity securities and mutual fund units - available-for-sale** | | | | |
| | - Dividend income | 24,126 | 23,449 | 142,693 | 127,975 |
| | **Income from debt securities - available-for-sale** | | | | |
| | - Pakistan Investment Bonds | 8,263 | 19,554 | 32,892 | 47,064 |
| | - Term Finance Certificates | 8,484 | 8,576 | 24,509 | 26,877 |
| | | 16,747 | 28,130 | 57,401 | 73,941 |
| | **Net realised (loss) / gain on investments** | | | | |
| | - Equity securities | 56,684 | – | 249,488 | 107,287 |
| | - Mutual funds Units | – | – | – | 7,356 |
| | | 56,684 | – | 249,488 | 114,643 |
| | Total investment income | 97,557 | 51,579 | 449,582 | 316,559 |
| | **Less reversal / (impairment) in value of available-for-sale investments equity securities** | 2,263 | 1,715 | 2,247 | (403) |
| | **Less: Investment related expenses** | (217) | – | (961) | (370) |
| | | 99,603 | 53,294 | 450,868 | 315,786 |

| | | Three months period ended September 30, | | Nine months period ended Septmber 30, | |
|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 |
| | | (Unaudited) (Rupees in '000) | | (Unaudited) (Rupees in '000) | |
| **24.** | **OTHER INCOME** | | | | |
| | Return on bank balances | 727 | 962 | 2,552 | 5,442 |
| | Gain on sale of fixed assets | – | (36) | 82 | 60 |
| | Return on loan to employees | 662 | 837 | 2,055 | 2,611 |
| | Miscellaneous | (20) | 624 | 135 | 1,094 |
| | | 1,369 | 2,387 | 4,824 | 9,207 |
| **25.** | **EARNINGS PER SHARE - BASIC AND DILUTED** | | | | |
| | Profit after tax for the period | 108,756 | 9,359 | 372,774 | 158,343 |
| | | (Number of Shares) | | (Number of Shares) | |
| | Weighted average number of ordinary shares of Rs. 5 each | 199,999,880 | 199,999,880 | 199,999,880 | 199,999,880 |
| | | (Rupees) | | (Rupees) | |
| | | | Restated | | Restated |
| | Basic earnings per share | 0.54 | 0.05 | 1.86 | 0.79 |

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

**26. TRANSACTIONS WITH RELATED PARTIES**

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

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

| | (Unaudited) Three months period ended September 30, | | (Unaudited) Nine months period ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | (Rupees in '000) | | | |
| **Transactions and balances with associated companies** (under the Companies Act, 2017). | | | | |
| **Transactions during the year with associated companies** | | | | |
| Premium written | 64,142 | 159,168 | 326,137 | 313,032 |
| Claims paid | 32,070 | 67,224 | 308,582 | 180,631 |
| Dividend received | 16,940 | 18,408 | 68,080 | 63,163 |
| Dividend paid | – | – | 3,647 | 4,360 |
| Investment made | – | – | – | 177,644 |
| Interest received on bank accounts | 331 | 962 | 2,156 | 5,442 |
| Bank charges | 225 | 324 | 343 | 642 |
| Donations | 800 | 775 | 2,400 | 2,400 |
| Premium ceded to reinsurers | 193,832 | 153,779 | 341,974 | 252,949 |
| Fees paid | – | – | 260 | 250 |
| Commission income | 57,794 | 44,656 | 93,623 | 69,683 |
| Reinsurance recoveries received | 285,353 | 73,507 | 749,093 | 133,626 |
| Interest expense | – | – | 4,567 | 740 |
| Brokerage expenses paid | – | – | 430 | 257 |

| | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|
| | (Rupees in '000) | |
| **Balances with associated companies** | | |
| Premium due but unpaid | 115,230 | 37,880 |
| Claims outstanding | 219,549 | 182,332 |
| Bank balances | 20,235 | 22,600 |
| Investment held | 676,554 | 898,375 |
| Bank overdraft | 224,767 | – |
| Reinsurance receivable | 584,574 | 132,656 |

| | (Unaudited) Three months period ended September 30, | | (Unaudited) Nine months period ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | (Rupees in '000) | | | |
| **Transactions during the year with other related parties including key management personnel** | | | | |
| Remuneration of key management personnel | 59,684 | 52,513 | 209,219 | 192,845 |
| Principal Repayment of loans by key management personnel (secured) | 668 | 863 | 1,302 | 3,732 |
| Interest income received | 206 | 383 | 557 | 1,299 |
| Contribution to the provident fund | 3,191 | 2,501 | 8,719 | 6,984 |

| | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|
| | (Rupees in '000) | |
| **Balances with other related parties including key management personnel** | | |
| Loans to key management personnel | 4,680 | 7,638 |

## 26. SEGMENT REPORTING

| | September 30, 2026 (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) | 1,247,418 | 463,492 | 1,705,237 | 41,334 | 376,871 | 3,834,352 |
| Less: Federal Excise Duty | 166,922 | 57,242 | 226,418 | 2,837 | 48,433 | 501,852 |
| Federal Insurance Fee | 10,725 | 4,025 | 14,446 | 202 | 3,118 | 32,516 |
| Gross Written Premium (inclusive of administrative Surcharge) | 1,069,771 | 402,225 | 1,464,373 | 38,295 | 325,320 | 3,299,984 |
| Gross direct premium | 1,063,837 | 389,307 | 1,395,042 | 38,273 | 322,001 | 3,208,460 |
| Facultative inward premium | – | – | 20,881 | – | – | 20,881 |
| Administrative surcharge | 5,934 | 12,918 | 48,450 | 22 | 3,319 | 70,643 |
| | 1,069,771 | 402,225 | 1,464,373 | 38,295 | 325,320 | 3,299,984 |
| Insurance premium earned | 985,057 | 389,821 | 1,287,448 | 23,016 | 294,443 | 2,979,785 |
| Insurance premium ceded to reinsurers | (695,607) | (179,102) | (104,693) | – | (155,247) | (1,134,649) |
| **Net insurance premium** | 289,450 | 210,719 | 1,182,755 | 23,016 | 139,196 | 1,845,136 |
| Premium deficiency reserve | – | – | – | (1,777) | – | (1,777) |
| Commission income | 162,071 | 49,262 | 23,066 | – | 39,526 | 273,925 |
| **Net underwriting income** | 451,521 | 259,981 | 1,205,821 | 21,239 | 178,722 | 2,117,284 |
| Insurance claims | 604,502 | 749,415 | 1,073,406 | 17,323 | 170,165 | 2,614,811 |
| Insurance claims recovered from reinsurers | (571,831) | (679,980) | (267,896) | – | (115,849) | (1,635,556) |
| **Net Claims** | 32,671 | 69,435 | 805,510 | 17,323 | 54,316 | 979,255 |
| Commission expense | (139,217) | (53,810) | (181,569) | (973) | (44,688) | (420,257) |
| Management expenses | (210,705) | (79,223) | (288,427) | (7,543) | (64,076) | (649,974) |
| Net insurance claims and expenses | (349,922) | (133,033) | (469,996) | (8,516) | (108,764) | (1,070,231) |
| **Underwriting result** | 68,928 | 57,513 | (69,685) | (4,600) | 15,642 | 67,798 |
| Net Investment income | | | | | | 450,868 |
| Other income | | | | | | 4,824 |
| Other expenses | | | | | | (17,031) |
| **Results of operating activities** | | | | | | 506,459 |
| Finance cost | | | | | | (10,226) |
| Profit from Window Takaful Operations - Operator's Fund | | | | | | 36,441 |
| **Profit before tax** | | | | | | 532,674 |

| | September 30, 2026 (Unaudited) | | | | | |
|---|---|---|---|---|---|---|
| | Fire and property | Marine and transport | Motor | Group hospitalisation | Other Classes | Aggregate |
| | (Rupees in '000) | | | | | |
| **Segment assets** | | | | | | |
| **Allocated Assets** | | | | | | |
| Premium due but unpaid | 399,784 | 176,290 | 286,823 | 11,455 | 122,028 | 996,380 |
| Prepaid reinsurance premium ceded | 500,767 | 20,471 | 47,719 | – | 107,877 | 676,834 |
| Reinsurance recoveries against outstanding claims | 466,537 | 226,713 | 50,112 | – | 161,238 | 904,600 |
| Salvage recoveries accrued | 12,186 | 38,470 | 83,411 | – | 470 | 134,537 |
| Deferred commission expense | 93,140 | 6,184 | 138,566 | 578 | 29,829 | 268,297 |
| | 1,472,414 | 468,128 | 606,631 | 12,033 | 421,442 | 2,980,648 |
| **Unallocated Assets** | | | | | | |
| Fixed assets at cost less depreciation | | | | | | 260,354 |
| Amount due from others insurers/ reinsurers | | | | | | 1,788,906 |
| Cash and cash equivalents | | | | | | 25,951 |
| Loans-secured, considered good | | | | | | 20,241 |
| Investments | | | | | | 2,511,761 |
| Accrued investment income | | | | | | 33,643 |
| Advances, deposits and prepayments | | | | | | 123,323 |
| Taxation - provision less payments | | | | | | 19,265 |
| Prepayments | | | | | | 19,982 |
| | | | | | | 4,803,426 |
| **Total Assets** | | | | | | 7,784,074 |
| Unallocated assets of General Takaful Operations - Operator's | | | | | | 439,299 |
| | | | | | | 8,223,373 |
| **Allocated Liabilities** | | | | | | |
| Outstanding Claims | 533,206 | 341,034 | 480,420 | 16,745 | 248,150 | 1,619,555 |
| Unearned Premium | 603,125 | 47,983 | 1,013,213 | 20,529 | 198,369 | 1,883,219 |
| Unearned Reinsurance Commission | 139,699 | 7,042 | 18,032 | – | 29,687 | 194,460 |
| Premium Deficiency Reserve | – | – | – | 3,721 | – | 3,721 |
| | 1,276,030 | 396,059 | 1,511,665 | 40,995 | 476,206 | 3,700,955 |
| **Unallocated Liabilities** | | | | | | |
| Premium received in advance | | | | | | 176,532 |
| Amount due from others insurers/ reinsurers | | | | | | 614,803 |
| Staff retirement benefits | | | | | | 95,523 |
| Borrowings | | | | | | 259,780 |
| Finance lease liability | | | | | | 52,917 |
| Deferred tax | | | | | | 300,979 |
| Other creditors and accruals | | | | | | 386,231 |
| | | | | | | 1,886,765 |
| | | | | | | 5,587,720 |
| **Total Liabilities** | | | | | | |
| Unallocated liabilities of General Takaful Operations - Operator's Fund | | | | | | 291,630 |
| | | | | | | 5,879,350 |

# Habib Insurance Company Limited

| | September 30, 2025 (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) | 1,091,075 | 363,883 | 1,125,082 | 21,985 | 256,419 | 2,858,444 |
| Less: Federal Excise Duty | 146,726 | 43,697 | 152,008 | 2,853 | 34,344 | 379,628 |
| Federal Insurance Fee | 9,362 | 3,170 | 9,659 | 189 | 2,204 | 24,584 |
| Gross Written Premium (inclusive of administrative Surcharge) | 934,987 | 317,016 | 963,415 | 18,943 | 219,871 | 2,454,232 |
| Gross direct premium | 929,821 | 306,981 | 932,129 | 18,931 | 217,139 | 2,405,001 |
| Facultative inward premium | – | – | – | – | – | – |
| Administrative surcharge | 5,166 | 10,035 | 31,286 | 12 | 2,732 | 49,231 |
| | 934,987 | 317,016 | 963,415 | 18,943 | 219,871 | 2,454,232 |
| Insurance premium earned | 974,603 | 316,132 | 888,610 | 16,754 | 296,266 | 2,492,365 |
| Insurance premium ceded to reinsurers | (803,889) | (126,977) | (94,038) | – | (170,287) | (1,195,191) |
| **Net insurance premium** | 170,714 | 189,155 | 794,572 | 16,754 | 125,979 | 1,297,174 |
| Premium deficiency reserve | – | – | – | 7,139 | – | 7,139 |
| Commission income | 187,781 | 36,642 | 18,625 | – | 43,218 | 286,266 |
| **Net underwriting income** | 358,495 | 225,797 | 813,197 | 23,893 | 169,197 | 1,590,579 |
| Insurance claims | 387,806 | 479,734 | 772,720 | 14,417 | 198,033 | 1,852,710 |
| Insurance claims recovered from reinsurers | (309,819) | (350,236) | (266,067) | – | (129,033) | (1,055,155) |
| **Net Claims** | 77,987 | 129,498 | 506,653 | 14,417 | 69,000 | 797,555 |
| Commission expense | (135,529) | (35,869) | (113,262) | (575) | (51,600) | (336,835) |
| Management expenses | (191,878) | (65,058) | (197,713) | (3,888) | (45,122) | (503,659) |
| Net insurance claims and expenses | (327,407) | (100,927) | (310,975) | (4,463) | (96,722) | (840,494) |
| **Underwriting result** | (46,899) | (4,628) | (4,431) | 5,013 | 3,475 | (47,470) |
| Net Investment income | | | | | | 315,786 |
| Other income | | | | | | 9,207 |
| Other expenses | | | | | | (30,673) |
| **Results of operating activities** | | | | | | 246,850 |
| Finance cost | | | | | | (3,703) |
| Loss from Window Takaful Operations - Operator's Fund | | | | | | (12,833) |
| **Profit before tax** | | | | | | 230,314 |

| | December 31, 2025 (Audited) | | | | | |
|---|---|---|---|---|---|---|
| | Fire and property | Marine and transport | Motor | Group hospitalisation | Other Classes | Aggregate |
| | (Rupees in '000) | | | | | |
| **Segment assets** | | | | | | |
| **Allocated Assets** | | | | | | |
| Premium due but unpaid | 203,981 | 93,751 | 134,804 | 2,511 | 87,404 | 522,451 |
| Prepaid reinsurance premium ceded | 380,941 | 10,767 | 42,825 | – | 94,515 | 529,048 |
| Reinsurance recoveries against outstanding claims | 923,184 | 160,230 | 27,874 | – | 100,056 | 1,211,344 |
| Salvage recoveries accrued | 18,549 | 97,711 | 68,743 | – | 376 | 185,379 |
| Deferred commission expense | 78,977 | 3,670 | 119,880 | 34 | 33,703 | 236,264 |
| | 1,605,632 | 366,129 | 394,126 | 2,545 | 316,054 | 2,684,486 |
| **Unallocated Assets** | | | | | | |
| Fixed assets at cost less depreciation | | | | | | 115,688 |
| Amount due from others insurers/ reinsurers | | | | | | 1,043,015 |
| Cash and cash equivalents | | | | | | 42,138 |
| Loans-secured, considered good | | | | | | 21,245 |
| Investments | | | | | | 3,346,674 |
| Accrued investment income | | | | | | 27,107 |
| Deferred taxation | | | | | | – |
| Advances, deposits and prepayments | | | | | | 50,631 |
| Taxation - provision less payments | | | | | | 86,706 |
| Prepayments | | | | | | 12,467 |
| | | | | | | 4,745,671 |
| **Total Assets** | | | | | | 7,430,157 |
| Unallocated assets of General Takaful Operations - Operator's Fund | | | | | | 339,399 |
| | | | | | | 7,769,556 |
| **Allocated Liabilities** | | | | | | |
| Outstanding Claims | 1,007,853 | 330,703 | 352,248 | 13,895 | 179,153 | 1,883,852 |
| Unearned Premium | 518,409 | 35,580 | 836,288 | 5,251 | 167,492 | 1,563,020 |
| Unearned Reinsurance Commission | 103,124 | 3,718 | 13,639 | – | 31,202 | 151,683 |
| Premium Deficiency Reserve | – | – | – | 1,944 | – | 1,944 |
| | 1,629,386 | 370,001 | 1,202,175 | 21,090 | 377,847 | 3,600,499 |
| **Unallocated Liabilities** | | | | | | |
| Premium received in advance | | | | | | 154,286 |
| Amount due from others insurers/ reinsurers | | | | | | 409,697 |
| Staff retirement benefits | | | | | | 104,774 |
| Deferred tax | | | | | | 445,644 |
| Finance lease liability | | | | | | 14,355 |
| Other creditors and accruals | | | | | | 461,490 |
| | | | | | | 1,590,246 |
| | | | | | | 5,190,745 |
| **Total Liabilities** | | | | | | |
| Unallocated liabilities of General Takaful Operations - Operator's Fund | | | | | | 210,815 |
| | | | | | | 5,401,560 |

## 28. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

Insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2025.

## 29. Fair value of financial instruments

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

| | September 30, 2026 (Unaudited) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Available-for-sale | Loans & receivables | Other financial assets | Other financial liabilities | Total | Fair value measurement using | | |
| | | | | | | Level 1 | Level 2 | Level 3 |
| | (Rupees in '000) | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | |
| **Investments** | | | | | | | | |
| Equity securities - quoted | 2,001,086 | – | – | – | 2,001,086 | 2,001,086 | – | – |
| Mutual Funds Units | 5,240 | – | – | – | 5,240 | – | 5,240 | – |
| Modaraba certificates | 32,856 | – | – | – | 32,856 | 32,856 | – | – |
| Debt securities | 472,579 | – | – | – | 472,579 | – | 472,579 | – |
| **Financial assets not measured at fair value** | | | | | | | | |
| Loans and other receivable | – | 134,414 | – | – | 134,414 | – | – | – |
| Insurance / reinsurance receivable | – | 2,785,286 | – | – | 2,785,286 | – | – | – |
| Reinsurance recoveries against outstanding claims | – | 904,600 | – | – | 904,600 | – | – | – |
| Salvage recoveries accrued | – | 134,537 | – | – | 134,537 | – | – | – |
| Cash and bank balances | – | – | 25,951 | – | 25,951 | – | – | – |
| Total assets of Window Takaful Operations - Operator's Fund | – | – | 221,554 | – | 221,554 | – | – | – |
| | 2,511,761 | 3,958,837 | 247,505 | – | 6,718,103 | 2,033,942 | 477,819 | – |
| **Financial liabilities not measured at fair value** | | | | | | | | |
| Outstanding claims including IBNR | – | – | – | (1,619,555) | (1,619,555) | – | – | – |
| Lease liability against right of use asset | – | – | – | (52,917) | (52,917) | – | – | – |
| Premium received in Advance | – | – | – | (176,532) | (176,532) | – | – | – |
| Insurance / reinsurance payables | – | – | – | (614,803) | (614,803) | – | – | – |
| Other creditors and accruals | – | – | – | (386,231) | (386,231) | – | – | – |
| Total liabilities of Window Takaful Operations - Operator's Fund | – | – | – | (291,630) | (291,630) | – | – | – |
| | – | – | – | (3,141,668) | (3,141,668) | – | – | – |

| | December 31, 2025 (Audited) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Available-for-sale | Loans & receivables | Other financial assets | Other financial liabilities | Total | Fair value measurement using | | |
| | | | | | | Level 1 | Level 2 | Level 3 |
| | (Rupees in '000) | | | | | | | |
| **Financial assets measured at fair value** | | | | | | | | |
| **Investments** | | | | | | | | |
| Equity securities - quoted | 2,618,262 | – | – | – | 2618,262 | 2,618,262 | – | – |
| Mutual fund units | 5,416 | – | – | – | 5,416 | – | 5,416 | – |
| Modaraba certificates | 36,853 | – | – | – | 36,853 | 16,494 | – | – |
| Debt securities | 686,143 | – | – | – | 686,143 | – | 686,143 | – |
| **Financial assets not measured at fair value** | | | | | | | | |
| **Investments** | | | | | | | | |
| Loans, deposits and other receivables | – | 67,258 | – | – | 67,258 | – | – | – |
| Insurance / reinsurance receivable | – | 1,565,466 | – | – | 1,565,466 | – | – | – |
| Reinsurance recoveries against outstanding claims | – | 1,211,344 | – | – | 1,211,344 | – | – | – |
| Salvage recoveries accrued | – | 185,379 | – | – | 185,379 | – | – | – |
| Cash and bank balances | – | – | 42,138 | – | 42,138 | – | – | – |
| Total assets of window takaful operations - Operator's Fund | – | – | 298,927 | – | 298,927 | – | – | – |
| | 3,346,674 | 3,029,447 | 341,065 | – | 6,717,186 | 2,634,756 | 691,559 | – |
| **Financial liabilities not measured at fair value** | | | | | | | | |
| Outstanding claims including IBNR | – | – | – | (1,883,852) | (1,883,852) | – | – | – |
| Lease liability against right of use assets | – | – | – | (14,355) | (14,355) | – | – | – |
| Retirement benefits obligation | – | – | – | – | – | – | – | – |
| Premium received in advance | – | – | – | – | – | – | – | – |
| Insurance / reinsurance payables | – | – | – | (409,697) | (409,697) | – | – | – |
| Other creditors and accruals | – | – | – | (399,697) | (399,697) | – | – | – |
| Total Liabilities of Window Takaful Operations - Operator's Fund | – | – | – | (57,091) | (57,091) | – | – | – |
| | – | – | – | (2,764,692) | (2,764,692) | – | – | – |

* 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.

**30. GENERAL**

Figures have been rounded off to the nearest Thousand Rupee.

**31. DATE OF AUTHORISATION FOR ISSUE**

These Condensed interim financial statements have been authorised for issue on October 29, 2026 by the Board of Directors of the Company.

| MANSOOR G. HABIB | AUN MOHAMMAD A. HABIB | QUMAIL R. HABIB | MURTAZA HUSSAIN | MUHAMMAD ASIF |
|---|---|---|---|---|
| *Chairman* | *Director* | *Director* | *Chief Executive* | *Chief Financial Officer* |

Habib Insurance Company Limited

# Financial Statements

# Window Takaful Operations

## Condensed Interim Statement of Financial Position as at September 30, 2026 (Unaudited)

| | Note | Operator's Fund (Unaudited) September 30, 2026 | Operator's Fund (Audited) December 31, 2025 | Participant's Fund (Unaudited) September 30, 2026 | Participant's Fund (Audited) December 31, 2025 |
|---|---|---|---|---|---|
| | | (Rupees in '000) | | (Rupees in '000) | |
| **ASSETS** | | | | | |
| Investment | | | | | |
| Sukuk Bonds | 7 | 150,960 | 159,045 | – | – |
| Loans and other receivables | 8 | 8,132 | 6,630 | 9,198 | 2,369 |
| Takaful / retakaful receivable | 9 | – | – | 445,975 | 253,785 |
| Retakaful recoveries against outstanding claims | 16 | – | – | 87,293 | 163,190 |
| Salvage recoveries accrued | | – | – | 30,375 | 9,765 |
| Deferred Wakala expense | 18 | – | – | 152,068 | 104,771 |
| Taxation - payments less provision | | – | – | 8,548 | 6,680 |
| Deferred commission expense | 17 | 64,013 | 40,472 | – | – |
| Deferred taxation | | 2,772 | – | – | – |
| Receivable from PTF | 19 | 116,718 | 69,743 | – | – |
| Prepayments | 10 | 2,340 | 608 | 167,738 | 122,510 |
| Cash and bank balances | 11 | 94,364 | 62,901 | 243,900 | 257,303 |
| **Total assets** | | 439,299 | 339,399 | 1,145,095 | 920,373 |
| **EQUITIES AND LIABILITIES** | | | | | |
| **Capital Reserves Attributable to Company's Shareholders** | | | | | |
| Share capital | | 50,000 | 50,000 | – | – |
| Reserves | | (5,224) | 1,564 | – | – |
| Accumulated surplus | | 102,893 | 77,020 | – | – |
| **Total Shareholders Equity** | | 147,669 | 128,584 | – | – |
| **Participant's Takaful Fund (PTF)** | | | | | |
| Ceded money | | – | – | 500 | 500 |
| Accumulated surplus | | – | – | 1,907 | 40,719 |
| **Balance of Participants' Takaful Fund** | | – | – | 2,407 | 41,219 |
| **Liabilities** | | | | | |
| **PTF underwriting provisions** | | | | | |
| Outstanding claims including IBNR | 16 | – | – | 205,843 | 328,617 |
| Unearned contribution reserve | 14 | – | – | 434,481 | 303,667 |
| Reserve for unearned retakaful rebate | 15 | – | – | 41,187 | 29,612 |
| | | – | – | 681,511 | 661,896 |
| Unearned Wakala Fee | 18 | 152,068 | 104,771 | – | – |
| Contribution received in advance | | – | – | 23,015 | 11,493 |
| Takaful / retakaful payable | 13 | – | – | 294,261 | 117,352 |
| Other creditors and accrual | 12 | 87,862 | 62,922 | 27,183 | 18,670 |
| Payable to OPF | 19 | – | – | 116,718 | 69,743 |
| Retirement benefit obligation | | 11,987 | 11,139 | – | – |
| Taxation - payments less provision | | 39,713 | 31,983 | – | – |
| **Total liabilities** | | 291,630 | 210,815 | 461,177 | 217,258 |
| **Total Equity and Liabilities** | | 439,299 | 339,399 | 1,145,095 | 920,373 |
| **Contingencies and commitments** | 21 | | | | |

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

MANSOOR G. HABIB *Chairman* | AUN MOHAMMAD A. HABIB *Director* | QUMAIL R. HABIB *Director* | MURTAZA HUSSAIN *Chief Executive* | MUHAMMAD ASIF *Chief Financial Officer*

## Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
## For the nine months period ended September 30, 2026

| | Note | (Unaudited) Three months period ended September 30, 2026 | 2025 | (Unaudited) Nine months period ended September 30, 2026 | 2025 |
|---|---|---|---|---|---|
| | | (Rupees in '000) | | (Rupees in '000) | |
| **Particiapnt's Takaful Fund** | | | | | |
| Contributions earned | 14 | 164,272 | 103,905 | 443,072 | 346,354 |
| Less: Contributions ceded to retakaful | | (101,222) | (114,306) | (319,648) | (313,051) |
| Net contributions revenue | | 63,050 | (10,401) | 123,424 | 33,303 |
| Retakaful rebate earned | 15 | 23,080 | 21,681 | 63,083 | 63,595 |
| Net underwriting income | | 86,130 | 11,280 | 186,507 | 96,898 |
| Net claims - reported / settled | 16 | (57,436) | (95,746) | (198,346) | (149,959) |
| - IBNR | | – | – | (22,568) | (42,442) |
| | | (57,436) | (95,746) | (220,914) | (192,401) |
| Deficit before investment income | | 28,694 | (84,466) | (34,407) | (95,503) |
| Investment income - net | 20 | 2,642 | 2,687 | 7,623 | 11,280 |
| Other expenses | | (10,480) | (2,026) | (12,028) | (3,353) |
| (Deficit) / surplus transferred to accumulated surplus | | 20,856 | (83,805) | (38,812) | (87,576) |
| **Other Comprehensive income for the period** | | | | | |
| - Unrealised gain on revaluation of available-for-sale investments during the period | | – | 2,885 | – | 2,885 |
| - Net gain transferred to profit and loss on disposal / redemption / impairment of investments | | – | (1,961) | – | (1,961) |
| | | – | 924 | – | 924 |
| **Total Comprehensive (loss) / income for the period** | | 20,856 | (82,881) | (38,812) | (86,652) |
| **Operators's Takaful Fund** | | | | | |
| Wakala fee | | 69,543 | 78,605 | 212,556 | 182,741 |
| Commission expense | | (33,425) | (25,971) | (93,191) | (75,371) |
| Management expenses | | (24,699) | (34,476) | (101,434) | (145,966) |
| | | 11,419 | 18,158 | 17,931 | (38,596) |
| Investment income - net | 20 | 6,845 | 8,438 | 20,412 | 27,278 |
| Other expenses | | (553) | (460) | (1,902) | (1,515) |
| **Profit / (loss) before taxation** | | 17,711 | 26,136 | 36,441 | (12,833) |
| Taxation | | (5,136) | – | (10,568) | – |
| **Profit / (loss) after taxation attributable to shareholders** | | 12,575 | 26,136 | 25,873 | (12,833) |
| **Other Comprehensive income for the period** | | | | | |
| - Unrealised loss on revaluation of available-for-sale investments during the period | | (6,496) | – | (9,560) | – |
| - Net gain transferred to profit and loss on disposal / redemption / impairment of investments | | – | – | – | – |
| | | (6,496) | – | (9,560) | – |
| Related tax impact | | 1,883 | – | 2,772 | – |
| Others comprehensive loss for the period | | (4,613) | – | (6,788) | – |
| **Total comprehensive income / (loss) for the period** | | 7,962 | 26,136 | 19,085 | (12,833) |

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

MANSOOR G. HABIB *Chairman* | AUN MOHAMMAD A. HABIB *Director* | QUMAIL R. HABIB *Director* | MURTAZA HUSSAIN *Chief Executive* | MUHAMMAD ASIF *Chief Financial Officer*

## Condensed Interim Statement of Changes in Funds (Unaudited)
## For the nine months ended September 30, 2026

| | Operator's Takaful Fund | | | |
|---|---|---|---|---|
| | Share Capital | Available for sale reserve | Accumulated Surplus / (Deficit) | Total |
| | (Rupees in '000) | | | |
| Balance as at January 01, 2025 | 50,000 | – | 76,644 | 126,644 |
| Deficit for the period | – | – | (12,833) | (12,833) |
| Other comprehensive income | – | – | – | – |
| Balance as at September 30, 2025 | 50,000 | – | 63,811 | 113,811 |
| **Balance as at January 01, 2026** | 50,000 | 1,564 | 77,020 | 128,584 |
| Profit for the period | – | – | 25,873 | 25,873 |
| Other comprehensive loss | – | – | – | – |
| Less: Net loss transferred to profit and loss on disposal of investments | – | (9,560) | – | (9,560) |
| Related tax impact | – | 2,772 | – | 2,772 |
| | – | (6,788) | – | (6,788) |
| **Balance as at September 30, 2026** | 50,000 | (5,224) | 102,893 | 147,669 |

| | Attributable to participants of the PTF | | | |
|---|---|---|---|---|
| | Ceded money | Available for sale reserve | Accumulated surplus | Total |
| | (Rupees in '000) | | | |
| Balance as at January 01, 2025 | 500 | – | 108,411 | 108,911 |
| Deficit for the period | – | – | (87,576) | (87,576) |
| Other comprehensive income | – | – | 924 | 924 |
| Balance as at September 30, 2025 | 500 | – | 21,759 | 22,259 |
| **Balance as at January 01, 2026** | 500 | – | 40,719 | 41,219 |
| Deficit for the period | – | – | (38,812) | (38,812) |
| Other comprehensive income | – | – | – | – |
| **Balance as at September 30, 2026** | 500 | – | 1,907 | 2,407 |

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

MANSOOR G. HABIB *Chairman* | AUN MOHAMMAD A. HABIB *Director* | QUMAIL R. HABIB *Director* | MURTAZA HUSSAIN *Chief Executive* | MUHAMMAD ASIF *Chief Financial Officer*

# Habib Insurance Company Limited

## Condensed Interim Statement of Cash flow
## for the nine months ended September 30, 2026 (Unaudited)

| | OPF | | PTF | |
|---|---|---|---|---|
| | (Unaudited) | | (Unaudited) | |
| | September 30, 2026 | September 30, 2025 | September 30, 2026 | September 30 2025 |
| | (Rupees in '000) | | | |
| **Operating activities** | | | | |
| (a) Takaful activities | | | | |
| Contribution received | – | – | 572,883 | 483,110 |
| Retakaful contribution paid | – | – | (188,041) | (344,071) |
| Claims paid | – | – | (437,724) | (224,117) |
| Retakaful and other recoveries received | – | – | 149,323 | 85,973 |
| Commission paid | (94,023) | (75,437) | – | – |
| Commission received | – | – | 74,658 | 64,894 |
| Wakala/ Mudarib fees received | 217,945 | 162,340 | – | – |
| Wakala/ Mudarib fee paid | – | – | (217,945) | (162,340) |
| Net cash flows from takaful activities | 123,922 | 86,903 | (46,846) | (96,551) |
| (b) Other operating activities | | | | |
| Other operating receipts | – | – | – | – |
| Other operating payments | (107,805) | (159,448) | 20,754 | (555) |
| **Net cash flow from other operating activities** | (107,805) | (159,448) | 20,754 | (555) |
| **Total cash flow from all operating activities** | 16,117 | (72,545) | (26,092) | (97,106) |
| **Investment activities** | | | | |
| Profit / return received | 15,346 | 10,833 | 9,136 | 8,619 |
| Dividend received | – | 2,508 | – | 12,875 |
| Proceeds from investments | – | 183,617 | 353,553 | 434,799 |
| Payments for investments | – | (340,832) | (350,000) | (684,595) |
| **Total cash flow from investing activities** | 15,346 | (143,874) | 12,689 | (228,302) |
| **Net cash flow from all activities** | 31,463 | (216,419) | (13,403) | (325,408) |
| Cash and cash equivalents at beginning of year | 62,901 | 224,438 | 257,303 | 424,859 |
| **Cash and cash equivalents at end of period** | 94,364 | 8,019 | 243,900 | 99,451 |
| **Reconciliation to profit and loss account** | | | | |
| Operating cash flows | 16,117 | (72,545) | (26,092) | (97,106) |
| Profit / return received | 15,346 | 10,833 | 9,136 | 8,619 |
| Dividends received | – | 2,508 | – | 12,875 |
| Capital gain | – | 1,762 | 3,553 | 1,961 |
| Increase/ (Decrease) in assets other than cash | 67,495 | 55,296 | 217,515 | 186,895 |
| Increase/ (Decrease) in liabilities | (73,085) | (10,687) | (242,924) | (200,820) |
| **Profit before taxation** | 25,873 | (12,833) | (38,812) | (87,576) |
| **Attributed to:** | | | | |
| Operator's Fund | 25,873 | (12,833) | – | – |
| Participants' Takaful Fund | – | – | (38,812) | (87,576) |
| | 25,873 | (12,833) | (38,812) | (87,576) |

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

MANSOOR G. HABIB *Chairman* | AUN MOHAMMAD A. HABIB *Director* | QUMAIL R. HABIB *Director* | MURTAZA HUSSAIN *Chief Executive* | MUHAMMAD ASIF *Chief Financial Officer*

## Notes to the Condensed Interim Financial Statements for the nine months ended September 30, 2026 (Unaudited)

### 1 LEGAL STATUS AND NATURE OF BUSINESS

**1.1** Habib Insurance Company Limited (the Operator) was incorporated in Pakistan in 1942 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Operator was allowed to work as Window Takaful Operator on July 18, 2018 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations (WTO) in Pakistan. The Operator is listed at Pakistan Stock Exchange Limited. The registered office of the Operator is situated at Habib Square, M.A. Jinnah Road, Karachi.

**1.2** The Operator transferred statutory fund of Rs. 50 million in a separate bank account for the Window Takaful Operations as per the requirement of circular 8 of 2014. The Operator has formed a Waqf for Participants' Fund by executing the Waqf deed dated June 12, 2018 and deposited a cede money of Rs. 0.5 million. The cede money is required to be invested in Shari'ah compliant remunerative instrument which may be used to acquire immovable Waqf property if Shari'ah and law so warrants. Waqf Deed governs the relationship of Operator and participants for management of takaful operations, investments of participants' funds and investments of the Operator's funds approved by the shari'ah advisor of the Operator.

### 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

**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, 2025.

**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.

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, 2025.

## 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, 2025.

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

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.

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 followiing two groups of financial assets separately:

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

| | September 30, 2026 (Unaudited) | | December 31, 2025 (Audited) | |
|---|---|---|---|---|
| | Gross carrying amounts of financial instruments that pass the SPPI test | | | |
| | AAA | Unrated/ Unavailable | AAA | Unrated/ Unavailable |
| | (Rupees in '000) | | | |
| **Operator's Fund** | | | | |
| **Financial assets** | | | | |
| Bank balances | 94,364 | – | 62,901 | – |
| Receivable from PTF | – | 116,718 | – | 69,743 |
| Total | 94,364 | 116,718 | 62,901 | 69,743 |
| | AAA | Unrated/ Unavailable | AAA/AA- | Unrated/ Unavailable |
| | (Rupees in '000) | | | |
| **Participant's Fund** | | | | |
| **Financial assets** | | | | |
| Bank balances | 243,794 | – | 256,942 | – |
| Takaful / retakaful receivable | – | 445,975 | – | 253,785 |
| Loans and other receivables | – | 9,198 | – | 2,369 |
| Retakaful recoveries against outstanding claims | – | 87,293 | – | 163,190 |
| Salvage recoveries accrued | – | 30,375 | – | 9,765 |
| Total | 243,794 | 572,841 | 256,942 | 429,109 |

* 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.

**Implementation of IFRS 17 – Insurance Contracts**

SECP, vide its letter no. ID/MDPRD/IFRS-17/2021/1716 dated June 15, 2021, communicated a roadmap for the implementation of IFRS 17 – Insurance Contracts, specifying a four-phased approach as follows:

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

The Company has successfully completed the first three phases of the IFRS 17 implementation roadmap, while Phase Four, i.e., Parallel Run and Implementation, is currently in progress. In compliance with SECP requirements, the Company has submitted its audited financial statements prepared under IFRS 17 for the year ended December 31, 2024, along with the dry-run financial statements for the year ended December 31, 2025, to SECP.

| | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|
| | (Rupees in '000) | |
| **7. Investment in Sukuks** | | |
| Sukuks - (available-for-sale) | 150,960 | 159,045 |
| | 150,960 | 159,045 |

**8. LOANS AND OTHER RECEIVABLES**

| | September 30, 2026 (Unaudited) | | | December 31, 2025 (Audited) | | |
|---|---|---|---|---|---|---|
| | OPF | PTF | Total | OPF | PTF | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| Advance to commission agents | – | – | – | 1,388 | – | 1,388 |
| FED Receivable | – | 6 | 6 | – | – | – |
| Others | 419 | 9,192 | 9,611 | 1,862 | 2,369 | 4,231 |
| Accrued investment income | 7,713 | – | 7,713 | 3,380 | – | 3,380 |
| | 8,132 | 9,198 | 17,330 | 6,630 | 2,369 | 8,999 |

| | | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **9.** | **TAKAFUL/ RETAKAFUL RECEIVABLE** | | |
| | Due from Takaful contract holders | | |
| | Considered good | 207,722 | 116,463 |
| | Considered doubtful | 3,298 | 3,298 |
| | Less: Provision for impairment of receivables from takaful contract holders | (3,298) | (3,298) |
| | | 207,722 | 116,463 |
| | Due from other takaful/ retakaful operators - Considered good | | |
| | Considered good | 238,253 | 137,322 |
| | Considered doubtful | 21,911 | 21,911 |
| | Less: Provision for impairment of receivables from other takaful/ retakaful operators | (21,911) | (21,911) |
| | | 238,253 | 137,322 |
| | | 445,975 | 253,785 |

**10. PREPAYMENTS**

| | September 30, 2026 (Unaudited) | | | December 31, 2025 (Audited) | | |
|---|---|---|---|---|---|---|
| | OPF | PTF | Total | OPF | PTF | Total |
| | (Rupees in '000) | | | (Rupees in '000) | | |
| Retakaful contribution ceded | – | 167,738 | 167,738 | – | 122,436 | 122,436 |
| Others | 2,340 | – | 2,340 | 608 | 74 | 682 |
| | 2,340 | 167,738 | 170,078 | 608 | 122,510 | 123,118 |

**11. CASH AND BANK**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Cash and cash Equivalent** | | | | | | |
| – Policy stamps | – | 106 | 106 | – | 360 | 360 |
| **Cash at bank** | | | | | | |
| – Profit and Loss Sharing (PLS) accounts | 94,364 | 243,794 | 338,158 | 62,901 | 256,943 | 319,844 |
| | 94,364 | 243,900 | 338,264 | 62,901 | 257,303 | 320,204 |

**12. OTHER CREDITORS AND ACCRUALS**

| | | | | | | |
|---|---|---|---|---|---|---|
| Federal insurance fee | – | 865 | 865 | – | 727 | 727 |
| Federal Excise Duty | – | 12,792 | 12,792 | – | 11,464 | 11,464 |
| Commission payable | 76,035 | – | 76,035 | 53,326 | – | 53,326 |
| Provision for compensated clearance | 1,222 | – | 1,222 | 1,235 | – | 1,235 |
| Payable to Habib Insurance Company Limited (related party) | | | | | | |
| - Conventional Operations | 3,144 | – | 3,144 | 2,202 | – | 2,202 |
| Other creditors | 4,674 | 10,627 | 15,301 | 3,126 | 2,900 | 6,026 |
| Other accrued expenses | 2,787 | 2,899 | 5,686 | 3,033 | 3,579 | 6,612 |
| | 87,862 | 27,183 | 115,045 | 62,922 | 18,670 | 81,592 |

| | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|
| | (Rupees in '000) | |
| **13. TAKAFUL/ RETAKAFUL PAYABLE** | | |
| Due to other takaful/ retakaful | 294,261 | 117,352 |
| **Due to other takaful/ retakaful** | | |
| Foreign retakaful | 136,004 | 48,823 |
| Local retakaful | 121,771 | 63,732 |
| Co-takaful | 36,486 | 4,797 |
| | 294,261 | 117,352 |

| | PTF | | | |
|---|---|---|---|---|
| | Three months period ended September 30, | | Nine months period ended September 30, | |
| | 2026 | 2025 | 2026 | 2025 |
| | (Unaudited) (Rupees in '000) | | (Unaudited) (Rupees in '000) | |
| **14. NET CONTRIBUTION** | | | | |
| **Written gross contribution** | 363,616 | 273,834 | 786,442 | 543,368 |
| Less: Wakala Fee | (69,543) | (78,605) | (212,556) | (182,741) |
| **Contribution Net of Wakala Fee** | 294,073 | 195,229 | 573,886 | 360,627 |
| Add: Unearned contribution reserve opening | 304,680 | 207,857 | 303,667 | 284,908 |
| Less: Unearned contribution reserve closing | (434,481) | (299,181) | (434,481) | (299,181) |
| **Contribution Earned** | 164,272 | 103,905 | 443,072 | 346,354 |
| **Retakaful contribution ceded** | 178,212 | 156,089 | 364,950 | 320,395 |
| Add: Prepaid retakaful contribution opening | 90,748 | 82,421 | 122,436 | 116,860 |
| Less: Prepaid retakaful contribution closing | (167,738) | (124,204) | (167,738) | (124,204) |
| **Retakaful expense** | 101,222 | 114,306 | 319,648 | 313,051 |
| **Net Contribution** | 63,050 | (10,401) | 123,424 | 33,303 |
| **15. RETAKAFUL REBATE EARNED** | | | | |
| Retakaful rebate received | 40,222 | 31,866 | 74,658 | 64,894 |
| Add: Unearned retakaful rebate opening | 24,045 | 19,478 | 29,612 | 28,364 |
| Less: Unearned retakaful rebate closing | (41,187) | (29,663) | (41,187) | (29,663) |
| | 23,080 | 21,681 | 63,083 | 63,595 |
| **16. TAKAFUL CLAIMS EXPENSE** | | | | |
| Claims Paid | 164,605 | 94,065 | 437,724 | 224,117 |
| Add: Outstanding claims including IBNR closing | 205,843 | 322,351 | 205,843 | 322,351 |
| Less: Outstanding claims including IBNR opening | (251,429) | (190,574) | (328,617) | (163,142) |
| Claims Expense | 119,019 | 225,842 | 314,950 | 383,326 |
| **Retakaful and other recoveries received** | 51,225 | 51,436 | 149,323 | 85,973 |
| Add: Retakaful and other recoveries in respect of outstanding claims - Closing | 117,668 | 150,734 | 117,668 | 150,734 |
| Less: Retakaful and other recoveries in respect of outstanding claims - Opening | (107,310) | (72,074) | (172,955) | (45,782) |
| Retakaful and other recoveries revenue | 61,583 | 130,096 | 94,036 | 190,925 |
| Net Claim Expense | 57,436 | 95,746 | 220,914 | 192,401 |

| | Three months period ended September 30, | | Nine months period ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | (Unaudited) (Rupees in '000) | | (Unaudited) (Rupees in '000) | |
| **17. COMMISSION EXPENSE** | | | | |
| Commission paid or payable | 55,566 | 35,985 | 116,732 | 74,388 |
| Add: Deferred commission expense opening | 41,872 | 27,407 | 40,472 | 38,404 |
| Less: Deferred commission expense closing | (64,013) | (37,421) | (64,013) | (37,421) |
| | 33,425 | 25,971 | 93,191 | 75,371 |
| **18. WAKALA FEE** | | | | |
| Gross Wakala Fee | 114,973 | 114,883 | 259,853 | 197,711 |
| Add: Deferred wakala fee - opening | 106,638 | 64,165 | 104,771 | 85,473 |
| Less: Deferred wakala fee - closing | (152,068) | (100,443) | (152,068) | (100,443) |
| Net wakala fee | 69,543 | 78,605 | 212,556 | 182,741 |

| | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|
| | (Rupees in '000) | |
| **19. RECEIVABLE FROM PTF/ (PAYABLE TO OTF)** | | |
| Opening balance | 69,763 | 55,550 |
| Wakala fee income | 259,853 | 251,553 |
| Wakala Mudarib fees received | (217,944) | (237,340) |
| Mudarib fees | 5,066 | – |
| | 116,718 | 69,763 |

**20. INVESTMENT INCOME - NET**

| | (Unaudited) Sept. 30, 2026 | (Unaudited) Sept. 30, 2025 | (Unaudited) Sept. 30, 2026 | (Unaudited) Sept. 30, 2025 |
|---|---|---|---|---|
| | OPF (Rupees in '000) | | PTF (Rupees in '000) | |
| Dividend income | – | 2,508 | – | 12,875 |
| Profit on investment bonds | 12,998 | 6,746 | – | – |
| Return on bank balances | 2,348 | 4,087 | 9,136 | 8,619 |
| **Net realised gain on investments** | | | | |
| Capital gain | – | 1,762 | 3,553 | 1,961 |
| Mudarib Fees | 5,066 | 12,175 | (5,066) | (12,175) |
| | 20,412 | 27,278 | 7,623 | 11,280 |

**21. CONTINGENCY & COMMITMENT**

There are no contingencies and commitments outstanding as at September 30, 2026 (December 31, 2025: Nil).

**22. 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, 2026 | (Unaudited) September 30, 2025 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **22.1** | **Operator's Fund** | | |
| | **Transactions** | | |
| | Wakala fee charged during the period | 212,556 | 182,741 |
| | Wakala/ Mudarib fee paid during the period | 217,944 | 162,340 |
| | Profit on bank accounts | 2,348 | 4,087 |
| | **Balance** | | |
| | Associated companies | | |
| | - Bank balance | 97,065 | 8,644 |
| **22.2** | **Participants' Takaful Fund** | | |
| | **Transactions** | | |
| | Associated companies | | |
| | - Contribution written | 25,476 | 23,528 |
| | - Claim paid | 25,193 | 23,938 |
| | - Wakala fee received during the period | 217,944 | 162,340 |
| | - Profit on bank accounts | 9,136 | 8,619 |

| | (Unaudited) September 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|
| | (Rupees in '000) | |
| **Balances** | | |
| *Associated companies* | | |
| - Contribution due but unpaid | 2,411 | 13,710 |
| - Claim outstanding | 14,211 | 16,859 |
| - Bank balance | 177,545 | 215,519 |

| | Nine months period ended September 30, 2026 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | Fire and property | Marine and transport | Motor | Other classes | Aggregate |
| | (Rupees in '000) | | | | |
| **23. SEGMENT INFORMATION** | | | | | |
| **23.1 Participants' Takaful Fund** | | | | | |
| Contribution receivable (inclusive of federal excise duty and administrative surcharge) | 263,897 | 94,127 | 436,232 | 104,099 | 898,355 |
| Less: Federal Excise Duty | (30,748) | (11,723) | (56,215) | (5,708) | (104,394) |
| Federal Insurance Fee | (1,973) | (822) | (3,745) | (979) | (7,519) |
| Gross written contribution (inclusive of administrative surcharge) | 231,176 | 81,582 | 376,272 | 97,412 | 786,442 |
| Wakala fees | (54,128) | (28,252) | (104,883) | (25,293) | (212,556) |
| Takaful contribution earned | 192,880 | 81,698 | 307,484 | 73,566 | 655,628 |
| Takaful contribution ceded to retakaful operators | (181,056) | (61,847) | (60,847) | (15,898) | (319,648) |
| Net takaful contribution | (42,304) | (8,401) | 141,754 | 32,375 | 123,424 |
| Retakaful rebate | 41,421 | 15,402 | 2,939 | 3,321 | 63,083 |
| **Net underwriting income** | (883) | 7,001 | 144,693 | 35,696 | 186,507 |
| Takaful claims | 63,250 | (56,519) | (292,998) | (28,683) | (314,950) |
| Takaful claims recovered from retakaful | (54,037) | 46,094 | 79,675 | 22,304 | 94,036 |
| **Net claims** | 9,213 | (10,425) | (213,323) | (6,379) | (220,914) |
| **Surplus before investment income** | 8,330 | (3,424) | (68,630) | 29,317 | (34,407) |
| Net investment income | – | – | – | – | 7,623 |
| Other expenses paid | – | – | – | – | (12,028) |
| **Surplus transferred to balance of PTF** | 8,330 | (3,424) | (68,630) | 29,317 | (38,812) |
| **Allocated Assets** | | | | | |
| Premium due but unpaid | 27,690 | 28,079 | 127,229 | 24,724 | 207,722 |
| Premium retakaful contribution ceded | 128,244 | 7,352 | 17,797 | 14,345 | 167,738 |
| Reinsurance recoveries against outstanding claims | 23,389 | 40,727 | 8,644 | 14,533 | 87,293 |
| Deferred Wakala expense | 55,251 | 2,977 | 82,558 | 11,282 | 152,068 |
| Salvage recoveries outstanding | 595 | 571 | 29,209 | – | 30,375 |
| | 235,169 | 79,706 | 265,437 | 64,884 | 645,196 |
| **Unallocated Assets** | | | | | |
| Amount due from other insurers/ reinsurers | | | | | 238,253 |
| Cash and cash equivalents | | | | | 243,900 |
| Loan and other receivables | | | | | 9,198 |
| Taxation - provision less payment | | | | | 8,548 |
| | | | | | 499,899 |
| **Total Assets** | | | | | 1,145,095 |
| **Allocated Liabilities** | | | | | |
| Outstanding Claims | 29,994 | 51,321 | 105,862 | 18,666 | 205,843 |
| Unearned Premium | 157,863 | 8,505 | 235,879 | 32,234 | 434,481 |
| Reserve for unearned retakaful rebate | 35,585 | 1,822 | 892 | 2,888 | 41,187 |
| | 223,442 | 61,648 | 342,633 | 53,788 | 681,511 |
| **Unallocated Liabilities** | | | | | |
| Contribution received in advance | | | | | 23,015 |
| Amount due to other insurers/ reinsurers | | | | | 294,261 |
| Other creditors and accruals | | | | | 27,183 |
| Payable to OPF | | | | | 116,718 |
| | | | | | 461,177 |
| **Total Liabilities** | | | | | 1,142,688 |

| | | Nine months period ended September 30, 2026 (Unaudited) | | | | |
|---|---|---|---|---|---|---|
| | | Fire and property | Marine and transport | Motor | Other classes | Aggregate |
| | | (Rupees in '000) | | | | |
| **23.2** | **Operator's Fund** | | | | | |
| | Wakala fee | | | | | 212,556 |
| | Commission expense | | | | | (93,191) |
| | Management expenses | | | | | (101,434) |
| | **Underwriting result** | | | | | 17,931 |
| | Investment income | | | | | 20,412 |
| | Other expenses | | | | | (1,902) |
| | **Profit before taxation** | | | | | 36,441 |
| | Taxation | | | | | (10,568) |
| | Profit after tax for the period | | | | | 25,873 |
| | Segment assets | | | | | 439,299 |
| | Segment liabilities | | | | | 291,630 |

| | Nine months period ended September 30, 2025 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | Fire and property | Marine and transport | Motor | Other classes | Aggregate |
| | | | (Rupees in '000) | | |
| **SEGMENT INFORMATION** | | | | | |
| **Participants' Takaful Fund** | | | | | |
| Contribution receivable (inclusive of federal excise duty and administrative surcharge) | 201,985 | 78,930 | 279,588 | 69,961 | 630,464 |
| Less: Federal Excise Duty | (27,037) | (9,658) | (37,970) | (6,994) | (81,659) |
| Federal Insurance Fee | (1,733) | (686) | (2,395) | (623) | (5,437) |
| Gross written contribution (inclusive of administrative surcharge) | 173,215 | 68,586 | 239,223 | 62,344 | 543,368 |
| Wakala fees | (58,446) | (24,556) | (75,422) | (24,317) | (182,741) |
| Takaful contribution earned | 169,791 | 69,489 | 219,738 | 70,077 | 529,095 |
| Takaful contribution ceded to retakaful operators | (157,723) | (50,882) | (51,913) | (52,533) | (313,051) |
| Net takaful contribution | (46,378) | (5,949) | 92,403 | (6,773) | 33,303 |
| Retakaful rebate | 33,827 | 12,572 | 3,838 | 13,358 | 63,595 |
| **Net underwriting income** | (12,551) | 6,623 | 96,241 | 6,585 | 96,898 |
| Takaful claims | (32,608) | (92,547) | (234,052) | (24,119) | (383,326) |
| Takaful claims recovered from retakaful | 25,728 | 73,858 | 73,119 | 18,220 | 190,925 |
| **Net claims** | (6,880) | (18,689) | (160,933) | (5,899) | (192,401) |
| **Surplus before investment income** | (19,431) | (12,066) | (64,692) | 686 | (95,503) |
| Net investment income | – | – | – | – | 11,280 |
| Other expense | – | – | – | – | (3,353) |
| **Surplus transferred to balance of PTF** | (19,431) | (12,066) | (64,692) | 686 | (87,576) |

| | December 31, 2025 (Audited) | | | | |
|---|---|---|---|---|---|
| | Fire and property | Marine and transport | Motor | Other classes | Aggregate |
| | | | (Rupees in '000) | | |
| **Allocated Assets** | | | | | |
| Premium due but unpaid | 23,197 | 23,355 | 58,351 | 11,560 | 116,463 |
| Paypaid retakaful contribution ceded | 99,629 | 7,086 | 9,545 | 6,176 | 122,436 |
| Reinsurance recoveries against outstanding claims | 107,464 | 34,419 | 9,605 | 11,702 | 163,190 |
| Deferred Wakala expense | 41,289 | 3,017 | 57,614 | 2,851 | 104,771 |
| Salvage recoveries outstanding | 565 | 300 | 8,900 | – | 9,765 |
| | 272,144 | 68,177 | 144,015 | 32,289 | 516,625 |
| **Unallocated Assets** | | | | | |
| Amount due from other insurers/ reinsurers | | | | | 137,322 |
| Cash and cash equivalents | | | | | 257,303 |
| Loan secured considered good | | | | | 2,369 |
| Other | | | | | 74 |
| Taxation - provision less payment | | | | | 6,680 |
| | | | | | 403,748 |
| **Total Assets** | | | | | 920,373 |
| **Allocated Liabilities** | | | | | |
| Outstanding Claims | 131,030 | 43,802 | 139,128 | 14,657 | 328,617 |
| Unearned Premium | 119,565 | 8,621 | 167,093 | 8,388 | 303,667 |
| Rserve for unearned retakaful rebate | 24,801 | 1,772 | 1,878 | 1,161 | 29,612 |
| | 275,396 | 54,195 | 308,099 | 24,206 | 661,896 |
| **Unallocated Liabilities** | | | | | |
| Contribution received in advance | | | | | 11,493 |
| Amount due to other insurers/ reinsurers | | | | | 117,352 |
| Other creditors and accruals | | | | | 18,670 |
| Payable to OPF | | | | | 69,743 |
| | | | | | 217,258 |
| **Total Liabilities** | | | | | 879,154 |

| | (Unaudited) September 30, 2025 (Rupees in '000) |
|---|---|
| **Operator's Fund** | |
| Wakala fee | 182,741 |
| Commission expense | (75,371) |
| Management expenses | (145,966) |
| **Underwriting result** | (38,596) |
| Investment income | 27,278 |
| Other expenses | (1,515) |
| Loss before taxation | (12,833) |
| Loss after tax for the period | (12,833) |

| | (Audited) December 31, 2025 (Rupees in '000) |
|---|---|
| Segment assets | 339,399 |
| Segment liabilities | 210,815 |

**25. FAIR VALUE OF FINANCIAL INSTRUMENTS**

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

**Operators Fund**

| | September 30, 2026 (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** | | | | | | | | |
| Investments - Sukuk Bonds | 150,960 | – | – | – | 150,960 | 150,960 | – | – |
| Modaraba certificiate | – | – | – | – | – | – | – | – |
| **Financial assets not measured at fair value*** | | | | | | | | |
| Loans and other receivables | – | 8,132 | – | – | 8,132 | – | – | – |
| Receivable from PTF | – | 116,718 | – | – | 116,718 | – | – | – |
| Cash and bank balances | – | – | 94,364 | – | 94,364 | – | – | – |
| | 150,960 | 124,850 | 94,364 | – | 370,174 | 150,960 | – | – |
| **Financial liabilities not measured at fair value*** | | | | | | | | |
| Other creditors and accruals | – | – | – | 86,640 | 86,640 | – | – | – |
| | – | – | – | 86,640 | 86,640 | – | – | – |

| | December 31, 2025 (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 | – | 1,862 | – | – | 1,862 | – | – | – |
| Receivable from PTF | – | 69,743 | – | – | 69,743 | – | – | – |
| Balance with banks | – | – | 62,901 | – | 62,901 | – | – | – |
| | – | 71,605 | 62,901 | – | 134,506 | – | – | – |
| **Financial assets not measured at fair value*** | | | | | | | | |
| Other creditors and accruals | – | – | – | 61,687 | 61,687 | – | – | – |
| | – | – | – | 61,687 | 61,687 | – | – | – |

**Participant Takaful Fund**

| | September 30, 2026 (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 | – | 9,198 | – | – | 9,198 | – | – | – |
| Takaful/retakaful receivables | – | 445,975 | – | – | 445,975 | – | – | – |
| Salvage recoveries accrued | – | 30,375 | – | – | 30,375 | – | – | – |
| Retakaful recoveries against outstanding claims | – | 87,293 | – | – | 87,293 | – | – | – |
| Cash and bank balances | – | – | 243,900 | – | 243,900 | – | – | – |
| | – | 572,841 | 243,900 | – | 816,741 | – | – | – |
| **Financial liabilities not measured at fair value*** | | | | | | | | |
| Outstanding claims including IBNR | – | – | – | 205,843 | 205,843 | – | – | – |
| Takaful/retakaful payables | – | – | – | 294,261 | 294,261 | – | – | – |
| Payable to OPF | – | – | – | 116,718 | 116,718 | – | – | – |
| | – | – | – | 616,822 | 616,822 | – | – | – |

| | December 31, 2025 (Audited) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Available for sale | Loans & receivable | Other financial assets | Other financial liabilities | Total | Fair value measurement using | | |
| | | | | | | Level 1 | Level 2 | Level 3 |
| | (Rupees in '000) | | | | | | | |
| **Financial assets not measured at fair value*** | | | | | | | | |
| Loans and other receivables | – | 2,369 | – | – | 2,369 | – | – | – |
| Takaful/retakaful receivables | – | 253,785 | – | – | 253,785 | – | – | – |
| Retakaful recoveries against outstanding claims | – | 163,190 | – | – | 163,190 | – | – | – |
| Salvage recoveries accrued | – | 9,765 | – | – | 9,765 | – | – | – |
| Cash and bank balances | – | – | 256,943 | – | 256,943 | – | – | – |
| | – | 429,109 | 256,943 | – | 686,052 | – | – | – |
| **Financial liabilities not measured at fair value*** | | | | | | | | |
| Outstanding claims including IBNR | – | – | – | 328,617 | 328,617 | – | – | – |
| Takaful/retakaful payables | – | – | – | 117,352 | 117,352 | – | – | – |
| Payable to OPF | – | – | – | 6,479 | 6,479 | – | – | – |
| | – | – | – | 452,448 | 452,448 | – | – | – |

* 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 such their carrying amounts are a reasonable approximation of their fair values.

**26. GENERAL**

Figures have been rounded off to the nearest Thousand Rupee.

**27. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements have been authorised for issue on October 29, 2026 by the Board of Directors of the Operator.

| MANSOOR G. HABIB | AUN MOHAMMAD A. HABIB | QUMAIL R. HABIB | MURTAZA HUSSAIN | MUHAMMAD ASIF |
|---|---|---|---|---|
| *Chairman* | *Director* | *Director* | *Chief Executive* | *Chief Financial Officer* |