

Habib Insurance Company Limited

Contents

Company Information	1
Directors' Review	2
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flow	7
Notes to the Financial Statements	8
Financial Statements – Window Takaful Operations	
Statement of Financial Position	18
Statement of Comprehensive Income	19
Statement of Changes in Fund	20
Statement of Cash Flow	21
Notes to the Financial Statements	22

Habib Insurance Company Limited

Company Information

Board of Directors

Chairman	:	Rafiq M. Habib
Directors	:	Abbas D. Habib Mansoor G. Habib Muhammad Hyder Habib Qumail R. Habib Aun Mohammad A. Habib Shahid Ghaffar Ali Fadoo Maleeha Humayun Bangash
Chief Executive	:	Shabbir Gulamali
Chief Financial Officer	:	Murtaza Hussain
Company Secretary	:	Muhammad Maaz Akbar
Auditors	:	KPMG Taseer Hadi & Co. Chartered Accountants
Share Registrar	:	M/s. CDC Share Registrar Services Limited CDC House, 99-B, Block-B SMCHS, Main Shahrah-e-Faisal Karachi-74400
Registered Office	:	1st Floor, State Life Bldg. No. 6 Habib Square, M. A. Jinnah Road P.O. Box 5217, Karachi-74000 Pakistan Tel : (92-21) 32424030/38/39 Fax : (92-21) 32421600 UAN : (92-21) 111 03 03 03 Website : www.habibinsurance.net

Habib Insurance Company Limited

DIRECTORS' REVIEW

The Shareholders,

The Directors are pleased to present the unaudited accounts of the Company for the period ended March 31, 2020.

By the Grace of Allah the underwriting performance of your Company for the first three months of 2020 has been impressive, recording a profit of Rs. 19.8 million compared to Rs. 13.1 million for the corresponding period last year. The written gross premium for the period was Rs. 318.4 million, a rise of 2% and net insurance premium increased from Rs. 168.1 million to Rs. 199.1 million.

The Investment Income for the period under review has reduced from Rs. 30.7 million to Rs. 14.9 million. As a result, the profit after tax reduced from Rs. 17.0 million to Rs. 6.7 million, resulting in earnings of Rs. 0.05 per share.

Your Board is well cognizant of local and international conditions in these challenging times and our strategy would be to focus on underwriting business without compromising on quality, proactively manage investment portfolio and to further strengthen our internal control systems.

On behalf of the Board of Directors

Karachi: May 28, 2020

RAFIQ M. HABIB
Chairman

SHABBIR GULAMALI
Chief Executive

Habib Insurance Company Limited

حبیب انشورنس کمپنی لمیٹڈ ڈائریکٹرز کا جائزہ

معزز شیئر ہولڈرز،

ڈائریکٹرز ۳۱ مارچ ۲۰۲۰ء کو ختم ہونے والی مدت کے لئے کمپنی کے غیر آڈٹ شدہ حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

۲۰۲۰ء کی پہلی سہ ماہی کے لئے کمپنی کے انڈر رائٹنگ نتائج اللہ تعالیٰ کے فضل و کرم سے نہایت حوصلہ افزاء رہے اور 19.8 ملین روپے کا منافع حاصل کیا گیا جبکہ اس کے مقابلے میں گزشتہ سال کی اسی مدت میں 13.1 ملین روپے کا منافع ریکارڈ کیا گیا تھا۔ اس اضافے میں پریمیئم میں اضافے سے وسیع تر منافع ہوا۔ اس مدت کے لئے زیر تحریر مجموعی پریمیئم 318.4 ملین روپے رہا اور اس طرح 2 فیصد کا اضافہ ہوا اور خالص انشورنس پریمیئم 199.1 ملین روپے رہا جو گزشتہ سال اس کے مقابلے میں 168 ملین روپے تھا۔

زیر جائزہ مدت کیلئے سرمایہ کاری کی آمدنی 17.2 ملین روپے رہی جبکہ اس کے مقابلے میں گزشتہ سال 35 ملین روپے تھی جس کی بنیادی وجہ سہ ماہی کے دوران پی ایس ایکس 100 انڈیکس میں کمی کے باعث کیپٹل خسارے کا ریکارڈ کیا جانا تھا۔ اس کے نتیجے میں منافع بعد از ٹیکس 17.0 ملین روپے سے کم ہو کر 6.7 ملین روپے ہو گیا جس کے نتیجے میں 0.05 روپے فی شیئر کی آمدنی حاصل ہوئی۔

آپ کا بورڈ اس کٹھن اور مشکل صورتحال میں مقامی اور بین الاقوامی منظر نامے سے بخوبی آگاہ ہے اور ہماری حکمت عملی معیار کے ساتھ فعال سرمایہ کاری کے پورٹ فولیو اور اپنے اندرونی کنٹرول کے نظام کو مزید مستحکم بنانے پر مرکوز رہے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے

شبیر غلام علی
چیف ایگزیکٹو

رفیق ایم حبیب
چیئر مین

کراچی:
۲۸ مئی ۲۰۲۰ء

Habib Insurance Company Limited

Condensed Interim Statement of Financial Position as at March 31, 2020

	Note	(Unaudited) March 31, 2020 (Rupees in '000)	(Audited) December 31, 2019
Assets			
Property and equipment	5	161,507	164,825
Intangible assets		2,687	3,095
Investments			
Equity securities and mutual fund units	6	674,875	987,699
Government securities	7	329,441	277,867
Loans and other receivables	8	174,525	157,604
Insurance/ reinsurance receivables	9	1,036,933	1,045,702
Reinsurance recoveries against outstanding claims	16	447,673	355,901
Salvage recoveries accrued		20,546	8,304
Deferred commission expense	17	65,488	74,039
Prepayments	10	345,563	377,555
Cash and bank	11	7,560	121,116
		<u>3,266,798</u>	<u>3,573,707</u>
Total Assets of Window Takaful Operations - Operator's Fund		<u>77,957</u>	<u>66,960</u>
Total assets		<u>3,344,755</u>	<u>3,640,667</u>
EQUITIES AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		619,374	619,374
Reserve for exceptional losses		9,122	9,122
General reserves		255,000	255,000
Unappropriated profit		98,082	91,407
Available-for-sale reserve		107,151	274,278
Total Equity		<u>1,088,729</u>	<u>1,249,181</u>
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	16	668,721	594,636
Unearned premium reserves	15	663,391	778,636
Premium deficiency reserves		2,236	2,236
Unearned reinsurance commission	17	87,674	105,979
Retirement benefit obligations		107,335	102,396
Deferred taxation - net		31,324	101,949
Borrowings		224,381	208,558
Premium received in advance		68,829	20,605
Insurance/ reinsurance payables	12	193,997	261,265
Other creditors and accruals	13	179,853	191,942
Taxation - provision less payment		5,880	9,611
		<u>2,233,621</u>	<u>2,377,813</u>
Total Liabilities of Window Takaful Operations - Operator's Fund		<u>22,405</u>	<u>13,673</u>
Total Liabilities		<u>2,256,026</u>	<u>2,391,486</u>
Total Equity and Liabilities		<u>3,344,755</u>	<u>3,640,667</u>
Contingencies and commitments	14		

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

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

SHAHID GHAFFAR
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Comprehensive Income for the quarter ended March 31, 2020

	Note	(Unaudited) March 31, 2020 (Rupees in '000)	(Unaudited) March 31, 2019
Net insurance premium	15	199,125	168,094
Net Insurance claims	16	(113,880)	(92,581)
Net commission income	17	13,484	10,933
Insurance claims and commission expense		(100,396)	(81,648)
Management expenses		(78,978)	(73,368)
Underwriting results		19,751	13,078
Investment income - net	18	14,907	30,742
Other income		2,368	4,264
Other expenses		(34,055)	(26,068)
Results of operating activities		(16,780)	8,938
Profit before tax from General Insurance Operations		2,971	22,016
Profit before tax from Window Takaful Operations - Operator's Fund		6,597	2,041
Profit before tax for the period		9,568	24,057
Income tax expense		(2,893)	(7,104)
Profit after tax for the period		6,675	16,953
Other comprehensive income:			
Unrealised (loss) / gain on available-for-sale investments during the year		(210,831)	4,793
Less: Net (loss) / gain transferred to profit and loss on disposal/redemption/impairment of investments		(24,559)	(974)
		(235,390)	3,819
Related tax impact		68,263	(4,415)
Other comprehensive income for the period		(167,127)	(596)
Total comprehensive income for the period		(160,452)	16,357
Earning (after tax) per share - rupees	19	0.05	0.14

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

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

SHAHID GHAFAR
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Changes in Equity for the quarter ended March 31, 2020 (Unaudited)

	Capital Reserves		Reserves			Total	Total
	Share capital	Reserve for exceptional losses	General reserve	Unappropriated profit (Rupees in '000)	Available-for sale reserves		
Balance as at January 01, 2019	619,374	9,122	255,000	110,676	344,387	710,063	1,338,559
Net profit after tax for the quarter	-	-	-	16,953	-	16,953	16,953
Other comprehensive income for the period	-	-	-	-	(596)	(596)	(596)
Total comprehensive income for the period	-	-	-	16,953	(596)	16,357	16,357
Balance as at March 31, 2019	<u>619,374</u>	<u>9,122</u>	<u>255,000</u>	<u>127,629</u>	<u>343,791</u>	<u>726,420</u>	<u>1,354,916</u>
Balance as at January 01, 2020	619,374	9,122	255,000	91,407	274,278	620,685	1,249,181
Net profit after tax for the quarter	-	-	-	6,675	-	6,675	6,675
Other comprehensive income for the period	-	-	-	-	(167,127)	(167,127)	(167,127)
Total comprehensive income for the period	-	-	-	6,675	(167,127)	(160,452)	(160,452)
Balance as at March 31, 2020	<u>619,374</u>	<u>9,122</u>	<u>255,000</u>	<u>98,082</u>	<u>107,151</u>	<u>460,233</u>	<u>1,088,729</u>

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

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

SHAHID GHAFFAR
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Cash Flow for the quarter ended March 31, 2020

	(Unaudited) March 31 2020	(Unaudited) March 31 2019
Note	(Rupees in '000)	
Operating cash flow		
(a) Underwriting activities		
Insurance premium received	340,907	320,922
Reinsurance premium paid	(221,674)	(174,793)
Claims paid	(287,965)	(117,169)
Reinsurance and other recoveries received	144,156	29,932
Commission paid	(37,971)	(30,107)
Commission received	20,958	39,793
Net cash flows from underwriting activities	(41,589)	68,578
(b) Other operating activities		
Income tax paid	(7,538)	(11,412)
Other operating payments	(140,839)	(88,397)
Other operating receipts	29,049	21,101
Loans advanced	(1,618)	(1,249)
Loan repayment received	3,892	6,526
Net cash flows from other operating activities	(117,054)	(73,431)
Total cash flows from all operating activities	(158,643)	(4,853)
Investment activities		
Profit/ return received	17,842	6,897
Dividend received	13,397	16,501
Payment for investments	(210,612)	(299,295)
Proceeds from investments	215,631	211,090
Fixed capital expenditure	(1,124)	(3,938)
Proceeds from sale of property, plant and equipment	20	2,148
Total cash flows from investing activities	35,154	(66,597)
Financing activities		
Rentals paid	(4,640)	-
Loan received	95,537	-
Loan paid	(80,941)	-
Dividends paid	(23)	(130)
Total cash flows from financing activities	9,933	(130)
Net cash flows from all activities	(113,556)	(71,580)
Cash and cash equivalents at beginning of year	121,116	102,396
Cash and cash equivalents at end of the period	7,560	30,816
Reconciliation to profit and loss account		
Operating cash flows	(158,643)	(4,853)
Depreciation and amortisation expense	(6,246)	(5,852)
Income tax paid	7,538	11,412
Provision for gratuity	(4,989)	(4,983)
Gratuity paid	50	240
Profit/ return received	17,842	6,897
Dividends received	13,397	16,501
Capital gain	(24,559)	974
Profit/ (loss) on disposal of property, plant and equipment	(40)	390
Provision for taxation	(2,893)	(7,096)
Profit from window Takaful Operations - Operator's Fund	6,597	2,041
Decrease in assets other than cash	68,023	(83,438)
Increase in liabilities other than borrowings	90,598	84,720
Profit after taxation	6,675	16,953

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

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

SHAHID GHAFAR
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Notes to the Financial Statements for the quarter ended March 31, 2020 (Unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

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 Company is engaged in general insurance business. The registered office of the Company is situated at Habib Square, M.A. Jinnah Road, Karachi and the shares of the Company are quoted on the Pakistan Stock Exchange Limited.

2. BASIS OF PREPARATION

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

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of: International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012. Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, and Insurance Accounting Regulations, 2017, and Takaful Rules, 2012 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, and Insurance Accounting Regulations, 2017, and Takaful Rules, 2012 have been followed.

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

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan vide SRO 89(I)/2017 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information and disclosures required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2019.

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

Habib Insurance Company Limited

3. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The significant accounting policies and method of computation adopted in preparation of these condensed interim financial statements are consistent with those followed in preparation of the annual financial statements of the Company for the year ended December 31, 2019.

4. ESTIMATES AND JUDGEMENTS

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

The significant judgements made by management in applying the Company's accounting policies and the key source of estimation uncertainty were the same as those that were applied to the annual financial statements for the year ended December 31, 2019.

	Note	(Unaudited) March 31, 2020	(Audited) December 31, 2019
(Rupees in '000)			
5. Property and equipment			
Operating assets	5.1	23,853	24,734
Right-of-use assets	5.2	137,654	140,091
		<u>161,507</u>	<u>164,825</u>
5.1 Operating Assets			
Opening written down value		24,734	29,322
Additions during the period / year	5.1.1	1,125	11,737
Disposals during period / year	5.1.2	(60)	(1,862)
Write off during the period / year		-	(2)
Depreciation for the period / year		(1,946)	(14,461)
		<u>23,853</u>	<u>24,734</u>
5.1.1	The following additions were made to tangible-property and equipment during the period/ year		
	Furniture and fixtures	17	2,567
	Computer equipment	657	2,568
	Office equipment	402	1,802
	Motor Vehicles - owned	49	4,800
		<u>1,125</u>	<u>11,737</u>
5.1.2	The following disposals of tangible - operating assets were made during the period / year		
	Computer equipment	-	36
	Office equipment	47	25
	Motor Vehicles - owned	13	1,801
		<u>60</u>	<u>1,862</u>
5.2 Right-of-use assets			
	Balance at January 01, 2019	140,091	130,876
	Additions during the period / year	3,243	25,937
	Depreciation charge for the period / year	(5,680)	(16,722)
	Balance at March 31, 2020	<u>137,654</u>	<u>140,091</u>

Habib Insurance Company Limited

6. INVESTMENT IN EQUITY SECURITIES

	March 31, 2020 (Unaudited)			December 31, 2019 (Audited)		
	Cost	Impairment / provision (Rupees in '000)	Carrying value	Cost	Impairment / provision (Rupees in '000)	Carrying value
Related Party						
Listed share	285,735	-	285,735	355,996	-	355,996
Others						
Listed share	222,681	-	222,681	232,818	(2,760)	230,058
Mutual funds	2,119	-	2,119	1,915	-	1,915
Modaraba certificate	15,014	-	15,014	15,014	-	15,014
	239,814	-	239,814	249,747	(2,760)	246,987
Surplus on revaluation	-	-	149,326	-	-	384,716
	<u>525,549</u>	<u>-</u>	<u>674,875</u>	<u>605,743</u>	<u>(2,760)</u>	<u>987,699</u>

7. INVESTMENT IN DEBT SECURITIES

	Note	March 31, 2020 (Unaudited)			December 31, 2019 (Audited)		
		Cost	Impairment / provision (Rupees in '000)	Carrying value	Cost	Impairment / provision (Rupees in '000)	Carrying value
Government securities	7.1	329,441	-	329,441	277,867	-	277,867
		<u>329,441</u>	<u>-</u>	<u>329,441</u>	<u>277,867</u>	<u>-</u>	<u>277,867</u>

- 7.1 This represents Pakistan Investment Bonds having face value of Rs. 370.0 million (market value of Rs. 336.28 million) [December 31, 2019: face value Rs.320.0 million (market value of Rs.259.479 million)]. These carry mark-up ranging from 7% to 12% (December 31, 2019: 7% to 12%) per annum and will mature between July 19, 2022 to July 12, 2028. 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.

	(Unaudited) March 31, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
8. LOANS AND OTHER RECEIVABLES - Considered good		
Accrued investment income	23,159	13,518
Security Deposits	34,463	33,832
Advances	7,437	6,690
Agents Commission receivable	15,077	8,850
Loan to employees	55,395	53,765
Receivable against sale of investments	-	18,582
Other receivables	38,994	22,367
	<u>174,525</u>	<u>157,604</u>

Habib Insurance Company Limited

	(Unaudited) March 31, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
9. INSURANCE / REINSURANCE RECEIVABLES		
- Unsecured and considered good		
Due from insurance contract holders	531,983	607,147
Less: Provision for impairment of receivables from insurance	(15,912)	(15,912)
	516,071	591,235
Due from other insurers / reinsurers	527,362	460,967
Less: Provision for impairment of due from other insurers / reinsurers	(6,500)	(6,500)
	520,862	454,467
	1,036,933	1,045,702
10. PREPAYMENTS		
Prepaid reinsurance premium ceded	320,947	366,576
Prepaid insurance on leased vehicles	3,643	2,729
Others	20,973	8,250
	345,563	377,555
11. CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	1,856	201
Policy Stamps	1,241	147
	3,097	348
Cash at bank		
Current accounts	4,463	21,946
Savings accounts	-	98,822
	4,463	120,768
	7,560	121,116
12. INSURANCE / REINSURANCE PAYABLES		
Due to other insurers / reinsurers		
Foreign reinsurers	114,129	175,904
Local reinsurers	15,358	24,793
Co insurers payable	64,510	60,568
	193,997	261,265
13. OTHER CREDITORS AND ACCRUALS		
Agents commission payable	38,791	44,457
Federal excise duty	16,042	32,654
Federal insurance fee	1,153	2,386
Accrued expenses	24,659	25,693
Accrued investments	11,355	-
Withholding tax payable	2,773	1,055
Unclaimed dividend	59,987	60,010
Sundry creditors	22,606	24,746
Others	2,487	941
	179,853	191,942

Habib Insurance Company Limited

14. CONTINGENCIES & COMMITMENTS

There is no contingency and commitments as at March 31, 2020 (December 31, 2019: Nil).

	(Unaudited) March 31, 2020	(Unaudited) March 31, 2019
	(Rupees in '000)	
15. NET INSURANCE PREMIUM		
Written gross premium	283,915	293,564
Add: Unearned premium reserve opening	778,636	631,754
Less: Unearned premium reserve closing	(663,391)	(581,749)
Premium earned	<u>399,160</u>	<u>343,569</u>
Less: Reinsurance premium ceded	154,406	143,458
Add: Prepaid reinsurance premium opening	366,576	281,792
Less: Prepaid reinsurance premium closing	(320,947)	(249,775)
Reinsurance expense	<u>200,035</u>	<u>175,475</u>
Net insurance premium	<u><u>199,125</u></u>	<u><u>168,094</u></u>
16. NET INSURANCE CLAIMS		
Claims paid	287,965	117,169
Add: Outstanding claims including IBNR closing	668,721	660,021
Less: Outstanding claims including IBNR opening	(594,636)	(543,938)
Claims expense	<u>362,050</u>	<u>233,252</u>
Reinsurance and other recoveries received	144,156	29,932
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	468,219	526,498
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(364,205)	(415,759)
Reinsurance and other recoveries revenue	<u>248,170</u>	<u>140,671</u>
Net insurance claims	<u><u>113,880</u></u>	<u><u>92,581</u></u>
17. NET COMMISSION INCOME		
Commissions paid or payable	32,305	25,611
Add: Deferred commission - opening	74,039	61,071
Less: Deferred commission - closing	(65,488)	(53,891)
Commission expense	<u>40,856</u>	<u>32,791</u>
Less: Commission from reinsurers		
Commission received or receivable	36,035	39,793
Add: Unearned reinsurance commission - opening	105,979	77,002
Less: Unearned reinsurance commission - closing	(87,674)	(73,071)
Commission from reinsurers	<u>54,340</u>	<u>43,724</u>
Net commission income	<u><u>13,484</u></u>	<u><u>10,933</u></u>

Habib Insurance Company Limited

	(Unaudited) March 31, 2020 (Rupees in '000)	(Unaudited) March 31, 2019
18. INVESTMENT INCOME		
Income from equity securities and mutual fund units - 'available-for-sale'		
- Dividend income	29,600	28,426
Income from debt securities - 'held-to-maturity'		
- Return on government securities - PIB's	10,106	1,797
Net realised (loss) / gain on investments		
- Equity securities	(24,559)	774
- Mutual funds units	-	200
Total investment income	<u>15,147</u>	<u>31,197</u>
Less: Investment related expenses	(240)	(455)
	<u><u>14,907</u></u>	<u><u>30,742</u></u>
19. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax for the period	<u>6,675</u>	<u>16,953</u>
	(Number of Shares)	
Weighted average number of ordinary shares of Rs.5 each	<u>123,874,755</u>	<u>123,874,755</u>
	(Rupees)	
Basic earnings per share	<u>0.05</u>	<u>0.14</u>

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

20. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, companies with common directors, major shareholders, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with related parties at commercial terms and conditions except for compensation to key management personnel which are on employment terms.

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

Habib Insurance Company Limited

	(Unaudited) March 31, 2020	(Unaudited) March 31, 2019
	(Rupees in '000)	
Transactions and balances with associated companies		
Transactions during the year with associated companies		
Premium written	<u>49,550</u>	<u>55,673</u>
Claims paid	<u>100,672</u>	<u>49,231</u>
Dividend received	<u>15,109</u>	<u>13,593</u>
Investment made	<u>18,308</u>	<u>8,304</u>
Interest received on bank accounts	<u>1,173</u>	<u>3,532</u>
Bank charges	<u>178</u>	<u>89</u>
Fees paid	<u>–</u>	<u>180</u>
Lease rental paid	<u>4,640</u>	<u>4,668</u>
Security deposit paid	<u>631</u>	<u>–</u>
Interest expense	<u>1,771</u>	<u>1,303</u>
Remuneration of key management personnel	<u>27,015</u>	<u>24,944</u>
	(Unaudited) March 31, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
Balances with associated companies		
Premium due but unpaid	<u>103,588</u>	<u>137,000</u>
Claims outstanding	<u>107,381</u>	<u>162,653</u>
Bank balances	<u>7,560</u>	<u>117,838</u>
Investment held	<u>340,716</u>	<u>586,456</u>
Security deposit	<u>20,868</u>	<u>20,237</u>
Finance lease liability	<u>81,981</u>	<u>81,695</u>
Borrowings	<u>164,365</u>	<u>80,000</u>
	(Unaudited) March 31, 2020	(Unaudited) March 31, 2019
	(Rupees in '000)	
Transactions during the year with other related parties including key management personnel		
Repayment of loans to employees (secured)	<u>1,855</u>	<u>–</u>
Brokerage expenses paid	<u>240</u>	<u>140</u>
Contribution to the provident fund	<u>2,182</u>	<u>2,072</u>
	(Unaudited) March 31, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
Balance with other related parties including key management personnel		
Premium due but unpaid	<u>–</u>	<u>15</u>
Loans to employees (secured)	<u>21,164</u>	<u>21,454</u>

Habib Insurance Company Limited

21. SEGMENT REPORTING

	March 31, 2020 (Unaudited)					Aggregate
	Fire and property	Marine and transport	Motor	Group hospitalisation	Other Classes	
Gross Written Premium (inclusive of administrative Surcharge)	91,798	53,582	121,647	2,575	14,313	283,915
	(Rupees in '000)					
Insurance premium earned	155,533	58,446	141,219	2,161	41,800	399,159
Insurance premium ceded to reinsurers	(124,208)	(22,905)	(30,631)	–	(22,290)	(200,034)
Net insurance premium	31,325	35,541	110,588	2,161	19,510	199,125
Commission income	31,476	7,214	9,873	–	5,777	54,340
Net underwriting income	62,801	42,755	120,461	2,161	25,287	253,465
Insurance claims	246,881	45,457	56,480	2,852	10,380	362,050
Insurance claims recovered from reinsurers	(223,900)	(21,383)	(7,036)	–	4,149	(248,170)
Net Claims	22,981	24,074	49,444	2,852	14,529	113,880
Commission expense	(20,911)	(7,970)	(5,803)	25	(6,197)	(40,856)
Management expenses	(25,537)	(14,905)	(33,839)	(716)	(3,981)	(78,978)
Net insurance claims and expenses	(46,448)	(22,875)	(39,642)	(691)	(10,178)	(119,834)
Underwriting result	(6,628)	(4,194)	31,375	(1,382)	580	19,751
Investment income						14,907
Other income						2,368
Other expenses						(34,055)
Results of operating activities						2,971
Profit from Window Takaful Operations - Operator's Fund						6,597
Profit before tax						9,568
Segment assets	801,039	301,013	727,318	11,130	215,282	2,055,782
Unallocated assets						1,211,016
Unallocated assets of General Takaful Operations - Operator's Fund						77,957
						3,344,755
Segment liabilities	656,504	246,700	596,084	9,122	176,437	1,684,847
Unallocated liabilities						548,773
Unallocated assets of General Takaful Operations - Operator's Fund						22,406
						2,256,026

Habib Insurance Company Limited

21. SEGMENT REPORTING

	March 31, 2019 (Unaudited)				
	Fire and property	Marine and transport	Motor	Other Classes	Aggregate
Gross Written Premium (inclusive of administrative Surcharge)	<u>101,443</u>	<u>54,970</u>	<u>113,073</u>	<u>24,078</u>	<u>293,564</u>
Insurance premium earned	121,104	58,491	124,449	39,525	343,569
Insurance premium ceded to reinsurers	(102,407)	(22,864)	(28,728)	(21,476)	(175,475)
Net insurance premium	<u>18,697</u>	<u>35,627</u>	<u>95,721</u>	<u>18,049</u>	<u>168,094</u>
Commission income	25,302	7,345	8,297	2,780	43,724
Net underwriting income	<u>43,999</u>	<u>42,972</u>	<u>104,018</u>	<u>20,829</u>	<u>211,818</u>
Insurance claims	106,825	41,780	66,189	18,458	233,252
Insurance claims recovered from reinsurers	(101,695)	(15,197)	(23,853)	74	(140,671)
Net Claims	<u>5,130</u>	<u>26,583</u>	<u>42,336</u>	<u>18,532</u>	<u>92,581</u>
Commission expense	(15,455)	(6,530)	(6,875)	(3,931)	(32,791)
Management expenses	(25,354)	(13,738)	(28,259)	(6,017)	(73,368)
Net insurance claims and expenses	(40,809)	(20,268)	(35,134)	(9,948)	(106,159)
Underwriting result	<u>(1,940)</u>	<u>(3,879)</u>	<u>26,548</u>	<u>(7,651)</u>	<u>13,078</u>
Investment income					30,742
Other income					4,264
Other expenses					(26,068)
Results of operating activities					<u>22,016</u>
Profit from Window Takaful Operations - Operator's Fund					2,041
Profit before tax					<u>24,057</u>
Segment assets	650,351	314,108	668,314	212,257	1,845,030
Unallocated assets					1,439,735
Total assets of General Takaful Operations - Operator's Fund					<u>58,927</u> <u>3,343,692</u>
Segment liabilities	533,910	257,868	548,656	174,253	1,514,687
Unallocated liabilities					465,211
Total assets of General Takaful Operations - Operator's Fund					<u>8,878</u> <u>1,988,776</u>

Habib Insurance Company Limited

22. GENERAL

Figures have been rounded off to the nearest Thousand Rupee.

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on May 28, 2020 by the Board of Directors of the Company.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

SHAHID GHAFAR
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Financial Statements

Window Takaful Operations

Habib Insurance Company Limited

Condensed Interim Statement of Financial Position as at March 31, 2020

	Note	(Uaudited) March 31, 2020			(Audited) December 31, 2019		
		Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants Takaful Fund	Aggregate
		(Rupees in '000)			(Rupees in '000)		
ASSETS							
Investments							
Equity securities	5	58,028	21,105	79,133	36,809	20,481	57,290
Loans and other receivables	6	13,318	288	13,606	24,911	334	25,245
Takaful / retakaful receivable		–	58,932	58,932	–	42,277	42,277
Retakaful recoveries against outstanding claims	9	–	7,292	7,292	–	10,521	10,521
Deferred Wakala expense	11	–	2,561	2,561	–	10,518	10,518
Deferred commission expense	10	5,286	–	5,286	4,122	–	4,122
Taxation - payments less provision		75	181	256	–	557	557
Prepayments	8	825	21,358	22,183	300	20,810	21,110
Cash and bank	7	425	4,528	4,953	193	21,133	21,326
Total assets		77,957	116,245	194,202	66,335	126,631	192,966

EQUITIES AND LIABILITIES

CAPITAL AND RESERVES ATTRIBUTABLE TO COMPANY'S EQUITY HOLDERS

Statutory Fund	50,000	–	50,000	50,000	–	50,000
Accumulated surplus	4,268	–	4,268	(416)	–	(416)
Available-for-sale reserve	841	–	841	607	–	607
	55,109	–	55,109	50,191	–	50,191

WAQF / PARTICIPANT'S TAKAFUL FUND (PTF)

Ceded money	–	500	500	–	500	500
Accumulated deficit	–	(12,230)	(12,230)	–	(4,510)	(4,510)
Available-for-sale reserve	443	–	443	–	–	–
Balance of WAQF / PTF	443	(11,730)	(11,287)	–	(4,010)	(4,010)

LIABILITIES

PTF underwriting provisions

Outstanding claims including IBNR	9	–	23,760	23,760	–	17,825	17,825
Unearned contribution reserve	8	–	51,214	51,214	–	42,069	42,069
Unearned retakaful commission	10	–	3,795	3,795	–	3,535	3,535
Unearned Wakala Fee	11	2,561	–	2,561	10,518	–	10,518
Qard-e-Hasna		–	3,652	3,652	–	3,652	3,652
Contribution received in advance		–	2,619	2,619	–	1,802	1,802
Takaful / retakaful payable		–	31,177	31,177	–	38,422	38,422
Taxation - payments less provision		–	–	–	539	–	539
Deferred tax liability		549	95	644	454	–	454
Other creditors and accrual		19,295	11,663	30,958	4,633	23,336	27,969
Total liabilities		22,405	127,975	150,380	16,144	130,641	146,785
Total fund and liabilities		77,957	116,245	194,202	66,335	126,631	192,966

Contingencies and commitments

12

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

SHAHID GHAFAR
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Comprehensive Income (Unaudited) for the quarter ended March 31, 2020

		(Unaudited) Quarter ended March 31,	(Unaudited) Quarter ended March 31,
	Note	2020	2019
(Rupees in '000)			
Participants' Takaful Fund			
Net takaful contribution	8	10,894	3,508
Net takaful claims	9	(11,698)	(1,347)
Wakala fee	11	(9,666)	(2,297)
Retakaful rebate		2,424	1,071
Underwriting result		(8,046)	935
Profit on bank accounts		326	111
(Loss) / profit for the period		(7,720)	1,046
Other Comprehensive income			
Items that may be reclassified subsequently to profit and loss account			
Unrealised gain on available for sale investments		624	-
Related tax impact		(181)	-
		443	-
Total comprehensive (loss) / income for the period		(7,277)	1,046
Operator's Fund			
Wakala fee		9,666	2,297
Commission expense		(2,670)	(980)
Management expenses		(854)	(752)
Other expenses		(646)	(865)
Investment income		1,047	666
Profit on bank balances		54	604
Profit before taxation		6,597	970
Income tax expense		(1,913)	-
Profit after tax for the period		4,684	970
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss account			
Unrealised gain on available for sale investments		329	-
Related tax impact		(95)	-
		234	-
Total comprehensive income for the period		4,918	970

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

SHAHID GHAFFAR
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Changes in Fund for the Quarter ended March 31, 2020

	Operator's Fund			Total
	Statutory Fund	Available-for sale reserve	Accumulated deficit surplus	
	(Rupees in '000)			
Balance as at January 01, 2019	50,000	(2,947)	521	47,574
Surplus for the period	–	2,041	–	2,041
Less: Transferred to profit and loss	–	–	(521)	(521)
Balance as at March 31, 2019	<u>50,000</u>	<u>(906)</u>	<u>–</u>	<u>49,094</u>
Balance as at January 1, 2020	50,000	607	(416)	50,191
Surplus for the period	–	–	4,684	4,684
Unrealized gain on revaluations of - available-for-sale investments	–	329	–	329
Related tax impact	–	(95)	–	(95)
Balance as at March 31, 2020	<u>50,000</u>	<u>841</u>	<u>4,268</u>	<u>55,109</u>
	Participants' Takaful Fund			
	Ceded money	Available-for sale reserve	Accumulated deficit	Total
	(Rupees in '000)			
Balance as at January 01, 2019	500	–	(1,689)	(1,189)
Deficit for the period	–	–	(25)	(25)
Balance as at March 31, 2019	<u>500</u>	<u>–</u>	<u>(1,714)</u>	<u>(1,214)</u>
Balance as at January 1, 2020	500	–	(4,510)	(4,010)
Deficit for the period	–	–	(7,720)	(7,720)
Unrealized gain on revaluations of - available-for-sale investments	–	624	–	624
Related tax impact	–	(181)	–	(181)
Balance as at March 31, 2020	<u>500</u>	<u>443</u>	<u>(12,230)</u>	<u>(11,287)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

SHAHID GHAFFAR
Director

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Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Cash flow Statement for the Quarter ended March 31, 2020

	March 31, 2020			March 31, 2019		
	Operator's Fund	Participants' Takaful Fund	Aggregate	Operator's Fund	Participants Takaful Fund	Aggregate
	(Rupees in '000)					
Operating Cash flows						
(a) Takaful activities						
Contribution received	–	18,668	18,668	–	17,893	17,893
Retakaful contribution paid	–	(22,260)	(22,260)	–	(2,041)	(2,041)
Claims paid	–	(5,792)	(5,792)	–	(955)	(955)
Retakaful and other recoveries received	–	3,258	3,258	–	21	21
Commission paid	(2,352)	–	(2,352)	–	(1,209)	(1,209)
Commission received	2,684	–	2,684	–	1,660	1,660
Net cash inflows from takaful activities	332	(6,126)	(5,794)	–	15,369	15,369
(b) Other operating activities	–	–	–	(966)	(1,302)	(2,268)
Other operating payments	19,680	(10,949)	8,731	3,000	–	3,000
Net cash flows from other operating activities	19,680	(10,949)	8,731	2,034	(1,302)	732
Total cash flows from operating activities	20,012	(17,075)	2,937	2,034	14,067	16,101
Investment activities						
Profit / return received	63	470	533	1,175	111	1,286
Dividend received	1,047	–	1,047	95	–	95
Proceeds from investments	–	–	–	20,745	–	20,745
Payments for investments	(20,890)	–	(20,890)	(10,080)	–	(10,080)
Total cash flows from investing activities	(19,780)	470	(19,310)	11,935	111	12,046
Net cash flows from all activities	232	(16,605)	(16,373)	13,969	14,178	28,147
Cash and cash equivalents at beginning of year	193	21,133	21,326	25,401	6,260	31,661
Cash and cash equivalents at end of period	425	4,528	4,953	39,370	20,438	59,808
Reconciliation to profit and loss account						
Operating cash flows	20,012	(17,075)	2,937	2,034	14,067	16,101
Profit / return received	63	470	533	1,175	111	1,286
Dividends received	1,047	–	1,047	95	–	95
Capital gain	–	–	–	571	–	571
Increase in assets other than cash	(23,239)	19,230	(4,009)	1,525	9,175	10,700
Increase in liabilities	6,801	(10,345)	(3,544)	(3,359)	(23,378)	(26,737)
Profit after taxation	4,684	(7,720)	(3,036)	2,041	(25)	2,016
Attributed to:	4,684	–	4,684	2,041	–	2,041
Operator's Fund	–	(7,720)	(7,720)	–	(25)	(25)
Participants' Takaful Fund	4,684	(7,720)	(3,036)	2,041	(25)	2,016

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

SHAHID GHAFAR
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Notes to the Financial Statements for the quarter ended March 31, 2020 (Unaudited)

1 STATUS AND NATURE OF BUSINESS

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.

2 BASIS OF PREPARATION

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

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

2.1 Statement of compliance

2.1.1 These condensed interim financial statements for the quarter ended March 31, 2020 are unaudited and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

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

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

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

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

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

2.1.4 This condensed interim financial statements does not include all the information and disclosures required in the annual financial statements. Accordingly these condensed interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2019.

Habib Insurance Company Limited

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The significant accounting policies and method of computation adopted in preparation of these condensed interim financial statements are consistent with those followed in preparation of the annual financial statements of the Operator for the year ended December 31, 2019.

4 ESTIMATE AND JUDGEMENTS

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

The significant judgements made by management in applying the Operations' accounting policies and the key source of estimation uncertainty were the same as those that were applied to the annual financial statements as at and for the year ended December 31, 2019.

Habib Insurance Company Limited

5. INVESTMENT IN EQUITY SECURITIES

	March 31, 2020 (Unaudited)			December 31, 2019 (Audited)				
	Cost	Impairment / Provision	Revaluation surplus	Carrying Value	Cost	Impairment / Provision	Revaluation surplus	Carrying Value
Available-for-sale								
Mutual funds OPF								
Meezan Rozana Amdani Fund	47,119	–	–	47,119	26,229	–	–	26,229
Meezan Sovereign Fund	10,000	–	909	10,909	10,000	–	580	10,580
Total	57,119	–	909	58,028	36,229	–	580	36,809
Mutual funds PTF								
NBP Islamic Mahana Amdani Fund	20,000	–	1,105	21,105	20,000	–	481	20,481

6. LOANS AND OTHER RECEIVABLES

	Note	March 31, 2020 (Unaudited)			December 31, 2019 (Audited)		
		OPF	PTF	Total	OPF	PTF	Total
(Rupees in '000)							
Wakala fee		9,666	–	9,666	21,250	–	21,250
Qard e Hasna	6.1	3,652	–	3,652	3,652	–	3,652
Profit receivable on bank accounts		–	–	–	9	144	153
Other receivables		–	288	288	–	190	190
		13,318	288	13,606	24,911	334	25,245

6.1 In accordance with the Takaful Rules, 2012, if at any point in time, assets in participant takaful fund are not sufficient to cover its liabilities, the deficit shall be funded by way of an interest free loan (Qard-e-Hasna) from Operator Fund. In the event of future surplus in the Participant Takaful Fund to which a Qard-e-Hasna has been made, the Qard-e-Hasna shall be repaid prior to distribution of surplus to participants.

Habib Insurance Company Limited

	(Unaudited) Three months period ended March 31, 2020	(Unaudited) Three months period ended March 31, 2019
	(Rupees in '000)	
10. NET COMMISSION INCOME - PTF		
Commission paid or payable	3,834	1,946
Add: Deferred commission - opening	4,122	1,255
Less: Deferred commission - closing	(5,286)	(2,221)
Commission expense	2,670	980
Less: Commission from reinsurers		
Commission received or receivable	2,684	1,660
Add: Unearned retakaful commission - opening	3,535	1,568
Less: Unearned retakaful commission - closing	(3,795)	(2,157)
Commission from reinsurers	2,424	1,071
Net commission income	<u>(246)</u>	<u>91</u>
11. NET WAKALA FEE		
Gross Wakala Fee	1,710	4,655
Add: Deferred wakala fee - opening	10,517	3,922
Less: Deferred wakala fee - closing	(2,561)	(6,280)
Net wakala fee	<u>9,666</u>	<u>2,297</u>
12. CONTINGENCIES & COMMITMENTS		
There is no contingency and commitment as at March 31, 2020 (December 31, 2019: Nil).		
13. TRANSACTIONS WITH RELATED PARTIES		
Related parties comprise of directors, major share holders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions. The transactions and balances with related parties are as follows:		
	(Unaudited) March 31, 2020	(Unaudited) March 31, 2019
	(Rupees in '000)	
13.1 Operator's Fund		
Wakala fee charged during the period	<u>9,666</u>	<u>2,297</u>
Bank balance	<u>425</u>	<u>39,370</u>
13.2 Participants' Takaful Fund		
Transactions		
Associated companies		
- Contribution written	<u>2,465</u>	<u>401</u>
- Claim paid	<u>755</u>	<u>935</u>
- Profit on bank accounts	<u>326</u>	<u>715</u>
	(Unaudited) March 31, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
Balances		
Associated companies		
- Contribution due but unpaid	<u>2,095</u>	<u>1,307</u>
- Claim outstanding	<u>1,481</u>	<u>1,741</u>
- Bank balance	<u>4,528</u>	<u>59,808</u>

Habib Insurance Company Limited

14 SEGMENT INFORMATION

14.1 Participants' Takaful Fund

	For the quarter ended March 31, 2020 (Unaudited)				
	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
Gross Written Contribution (inclusive of Administrative Surcharge)	<u>9,384</u>	<u>5,190</u>	<u>17,997</u>	<u>1,935</u>	<u>34,506</u>
Takaful contribution earned	9,284	5,626	9,925	527	25,362
Takaful contribution ceded to retakaful operators	(7,663)	(4,651)	(1,716)	(438)	(14,468)
Net takaful contribution	1,621	975	8,209	89	10,894
Net underwriting income	<u>1,621</u>	<u>975</u>	<u>8,209</u>	<u>89</u>	<u>10,894</u>
Takaful claims	118	185	(11,974)	(56)	(11,727)
Retakaful claims and other recoveries	159	(29)	(144)	43	29
Net claims	<u>277</u>	<u>156</u>	<u>(12,118)</u>	<u>(13)</u>	<u>(11,698)</u>
Commission income	1,279	1,016	32	97	2,424
Wakala expensed during the period	(1,438)	(865)	(7,284)	(79)	(9,666)
Underwriting result	<u>1,739</u>	<u>1,282</u>	<u>(11,161)</u>	<u>94</u>	<u>(8,046)</u>
Profit on bank balances					326
Deficit for the period					<u>(7,720)</u>
Segment assets	25,179	15,258	26,918	1,429	68,784
Unallocated assets					47,461
Total assets					<u>116,245</u>
Segment liabilities	41,206	24,970	44,050	2,339	112,565
Unallocated liabilities					15,410
Total liabilities					<u>127,975</u>
14.2 Operator's Fund					
Wakala fee	3,538	2,144	3,783	201	9,666
Commission expense	(1,416)	(826)	(501)	73	(2,670)
Management expenses	(232)	(128)	(446)	(48)	(854)
Underwriting result	<u>1,890</u>	<u>1,190</u>	<u>2,836</u>	<u>226</u>	<u>6,142</u>
Investment income					1,047
Profit on bank balances					54
Other expenses					(646)
Loss before taxation					<u>6,597</u>
Income tax expense					(1,913)
Profit after tax for the period					<u>4,684</u>
Segment assets	1,935	1,173	2,069	110	5,287
Unallocated assets					72,670
Total assets					<u>77,957</u>
Segment liabilities	938	568	1,002	53	2,561
Unallocated liabilities					19,844
Total liabilities					<u>22,405</u>

Habib Insurance Company Limited

14 SEGMENT INFORMATION

14.1 Participants' Takaful Fund

For the quarter ended March 31, 2019 (Unaudited)

	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
Gross Written Contribution (inclusive of Administrative Surcharge)	<u>6,207</u>	<u>4,078</u>	<u>8,047</u>	<u>249</u>	<u>18,581</u>
Takaful contribution earned	3,511	2,767	2,756	113	9,147
Takaful contribution ceded to retakaful operators	(2,967)	(2,000)	(580)	(92)	(5,639)
Net takaful contribution	544	767	2,176	21	3,508
Net underwriting income	<u>544</u>	<u>767</u>	<u>2,176</u>	<u>21</u>	<u>3,508</u>
Takaful claims	47	78	(1,498)	7	(1,366)
Retakaful claims and other recoveries	(39)	(56)	116	(2)	19
Net claims	<u>8</u>	<u>22</u>	<u>(1,382)</u>	<u>5</u>	<u>(1,347)</u>
Wakala expensed during the period	(901)	(700)	(667)	(29)	(2,297)
Underwriting result	<u>(349)</u>	<u>89</u>	<u>127</u>	<u>(3)</u>	<u>(136)</u>
Profit on bank balances					111
Deficit for the period					<u>(25)</u>
Segment assets	17,660	2,500	6,872	536	27,568
Unallocated assets					6,581
Total assets					<u>34,149</u>
Segment liabilities	19,319	2,735	7,517	587	30,158
Unallocated liabilities					4,838
Total liabilities					<u>34,996</u>
14.2 Operator's Fund					
Wakala fee	901	700	667	29	2,297
Commission income	529	512	9	21	1,071
Commission expense	(412)	(470)	(77)	(21)	(980)
Management expenses	(251)	(165)	(326)	(10)	(752)
Underwriting result	<u>767</u>	<u>577</u>	<u>273</u>	<u>19</u>	<u>1,636</u>
Investment income					666
Profit on bank balances					604
Other expenses					(865)
Loss before taxation					<u>2,041</u>
Segment assets	804	114	313	24	1,255
Unallocated assets					54,048
Total assets					<u>55,303</u>
Segment liabilities	2,513	356	978	76	3,922
Unallocated liabilities					4,271
Total liabilities					<u>8,193</u>

Habib Insurance Company Limited

15 GENERAL

Figures have been rounded off to the nearest Thousand Rupee.

16 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on May 28th 2020 by the Board of Directors of the Company.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

SHAHID GHAFAR
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

TO ALL MEMBERS OF THE COMPANY

STATEMENT UNDER SECTION 213 OF THE COMPANIES ACT, 2017

This is to inform you that the Board of Directors of the Company in their meeting held on May 28, 2020 approved appointment and remuneration of Mr. Aun Mohammad A. Habib as an Executive Director of the Company for the term of three years from May 10, 2020 to May 10, 2023.

He will be entitled to a salary of Rs. 1,650,000 per month, subject to an increment not exceeding 20% per annum. In addition, he shall be entitled for all other benefits incidental or relating to such office.

By order of the Board

Karachi: May 28, 2020

Muhammad Maaz Akbar
Company Secretary