

Habib Insurance Company Limited

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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 September 30, 2020.

By the Grace of Allah, the underwriting performance of your Company for the first nine months of 2020 has been impressive rising to Rs. 91.3 million compared to Rs. 62.1 million for the corresponding period of last year, supported by favourable claim experience and improvement on commission earnings. The gross written premium for the period under review grew to Rs. 1,264.1 million from Rs. 1,236.6 million of last year, an increase of 2%.

The Investment Income for the period was Rs. 36.7 million as compared to Rs. 69.1 million of last year. As explained in our earlier report that this was mainly due to capital loss realized owing to uncertain market conditions prevailing in the earlier part of the year.

Consequently, the profit before tax was Rs. 39.5 million against Rs. 66.1 million of corresponding period last year. The profit after tax was Rs. 27.6 million resulting in an earning of Rs. 0.22 per share.

We are now well into the last quarter of the year, and are hopeful that Inshaallah the year 2020 will close successfully. We pray to Allah for the peace and prosperity in the Country and particularly for the safety of the people from this COVID-19 pandemic.

On behalf of the Board of Directors

Karachi: October 27, 2020

RAFIQ M. HABIB
Chairman

SHABBIR GULAMALI
Chief Executive

Habib Insurance Company Limited

حبیب انشورنس کمپنی لمیٹڈ ڈائریکٹرز کا جائزہ

معزز شیئر ہولڈرز،

ڈائریکٹرز بمسرت ۳۰ ستمبر ۲۰۲۰ء کو ختم ہونے والی مدت کیلئے کمپنی کے غیر آڈٹ شدہ حسابات پیش کر رہے ہیں۔ اللہ تعالیٰ کے فضل و کرم سے آپ کی کمپنی کی انڈر رائٹنگ کارکردگی 2020 کے پہلے 9 ماہ کے دوران متاثر کن رہی اور 91.3 ملین روپے کا اضافہ ہوا اس کے مقابلے میں گزشتہ سال کی اس مدت کیلئے یہ حجم 62.1 ملین روپے تھا، اس اضافے کی وجہ کلیم کاموزوں تجربہ اور کمیشن کی آمدنی میں بہتری تھا۔ زیر جائزہ مدت کیلئے مجموعی زیر تحریر پرمیٹیم گزشتہ سال کے 1,236.6 ملین روپے کے مقابلے میں بڑھ کر 1,264.1 ملین روپے ہو گیا اور اس طرح 2 فیصد کا اضافہ ہوا۔

اس مدت کیلئے سرمایہ کاری کی آمدنی 36.7 ملین روپے رہی جو گزشتہ سال اس کے مقابلے میں 69.1 ملین روپے تھی۔ اس سے قبل ہماری ایک رپورٹ میں وضاحت پیش کی گئی تھی کہ یہ بنیادی طور پر سال کے ابتدائی حصے میں موجود مارکیٹ کی غیر یقینی صورتحال کے باعث سرمائے کو ہونے والے خسارے کے باعث ہوا۔

اس کے ساتھ منافع قبل از ٹیکس 39.5 ملین روپے رہا اس کے مقابلے میں گزشتہ سال کی اس مدت میں یہ رقم 66.1 ملین روپے تھی۔ منافع بعد از ٹیکس 27.6 ملین روپے رہا جس کے نتیجے میں 0.22 فی شیئر کی آمدنی حاصل ہوئی۔

ہم اب سال کی آخری سہ ماہی میں بہتر صورتحال میں ہیں اور پُر امید ہیں کہ انشاء اللہ سال 2020 کا اختتام کامیابی کے ساتھ ہوگا۔ ہم اللہ تعالیٰ سے ملک میں امن و استحکام کے لئے دعا گو ہیں اور بالخصوص کوویڈ-19 کی اس وبائی صورتحال سے عوام کے محفوظ رہنے کی دعا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

شبیر غلام علی
چیف ایگزیکٹو

رفیق ایم۔ حبیب
چیرمین

کراچی:
۲۷ اکتوبر ۲۰۲۰ء

Habib Insurance Company Limited

Condensed Interim Statement of Financial Position (Unaudited) as at September 30, 2020

	Note	September 30, 2020 (Unaudited) (Rupees in '000)	December 31, 2019 (Audited)
Assets			
Property and equipment	5	166,430	164,825
Intangible assets		2,597	3,095
Investments			
Equity securities	6	935,807	987,699
Debt securities	7	400,810	277,867
Loans and other receivables	8	151,587	157,604
Insurance/ reinsurance receivables	9	1,092,448	1,045,702
Reinsurance recoveries against outstanding claims	16	613,545	355,901
Salvage recoveries accrued		12,720	8,304
Deferred commission expense	17	80,625	74,039
Prepayments	10	465,023	377,555
Cash and bank	11	18,407	121,116
		<u>3,939,999</u>	<u>3,573,707</u>
Total Assets of Window Takaful Operations - Operator's Fund		<u>78,434</u>	<u>66,960</u>
Total assets		<u>4,018,433</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		557,656	538,400
Unappropriated profit		57,039	91,407
Total Equity		<u>1,234,069</u>	<u>1,249,181</u>
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	16	884,183	594,636
Unearned premium reserves	15	753,550	778,636
Premium deficiency reserves		2,236	2,236
Unearned reinsurance commission	17	135,554	105,979
Retirement benefit obligations		115,428	102,396
Deferred taxation - net		109,510	101,949
Borrowings		124,141	208,558
Bank Overdraft		81,537	-
Premium received in advance		1,711	20,605
Insurance/ reinsurance payables	12	350,164	261,265
Other creditors and accruals	13	197,153	191,942
Taxation - provision less payment		2,523	9,611
		<u>2,757,690</u>	<u>2,377,813</u>
Total Liabilities of Window Takaful Operations - Operator's Fund		<u>26,674</u>	<u>13,673</u>
Total Liabilities		<u>2,784,364</u>	<u>2,391,486</u>
Total Equity and Liabilities		<u>4,018,433</u>	<u>3,640,667</u>
Contingencies and commitments	14		

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Comprehensive Income (Unaudited) for the nine months period ended September 30, 2020

	Note	Three months period ended September 30,		Nine months period ended September 30,	
		2020 (Unaudited) (Rupees in '000)	2019 (Unaudited) (Rupees in '000)	2020 (Unaudited) (Rupees in '000)	2019 (Unaudited) (Rupees in '000)
Net insurance premium	15	175,489	204,726	559,558	561,934
Net insurance claims	16	(104,297)	(128,637)	(291,864)	(318,520)
Net commission income	17	23,887	12,700	59,012	33,947
Insurance claims and acquisition expenses		(80,410)	(115,937)	(232,852)	(284,573)
Management expenses		(82,682)	(71,468)	(235,360)	(215,219)
Underwriting results		12,397	17,321	91,346	62,142
Investment income - net	18	9,545	19,009	36,749	69,101
Other income	20	1,052	6,689	4,036	18,140
Other expenses		(27,667)	(21,228)	(81,325)	(79,519)
Results of operating activities		(4,673)	21,791	50,806	69,864
Finance costs		(3,327)	(3,361)	(13,398)	(10,330)
Profit before tax from Window Takaful Operations - Operator's Fund		(3,361)	2,952	2,106	6,612
Profit before tax		(11,361)	21,382	39,514	66,146
Income tax expense	19	1,324	(9,543)	(11,945)	(13,027)
Profit after tax		(10,037)	11,839	27,569	53,119
Other comprehensive income:					
Total items that may be reclassified subsequently to profit and loss account					
Unrealised gain / (losses) on available-for-sale investments		180,283	(166,424)	51,576	(327,842)
Less: Net gain / (loss) transferred to profit and loss on disposal / redemption / impairment of investments		-	11,818	(24,559)	25,813
		180,283	(154,606)	27,017	(302,029)
Related tax impact		(52,282)	44,835	(7,835)	82,808
		128,001	(109,771)	19,182	(219,221)
Other comprehensive income from Window Takaful Operations - Operator's Fund - net of tax		85	-	74	-
Other comprehensive income for the period		128,086	(109,771)	19,256	(219,221)
Total comprehensive income for the period		118,049	(97,932)	46,825	(166,102)
		(Rupees)		(Rupees)	
Earning (after tax) per share - Rupees	21	(0.08)	0.10	0.22	0.43

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB MANSOOR G. HABIB AUN MOHAMMAD A. HABIB SHABBIR GULAMALI MURTAZA HUSSAIN
Chairman Director Director Chief Executive Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Changes in Equity (Unaudited) for the nine months period ended September 30, 2020

	Attributable to equity holders of the Company					Total Equity
	Share capital	Reserves	Revenue Reserves		Unappropriated profit	
		Reserve for exceptional losses	General reserve	Available for sale reserve		
	(Rupees in '000)					
Balance as at January 01, 2019	619,374	9,122	255,000	344,387	110,676	1,338,559
Profit after tax for the nine months period ended September 30, 2019	-	-	-	-	53,119	53,119
Other comprehensive income for the nine months period ended September 30, 2019	-	-	-	(219,221)	-	(219,221)
Total comprehensive income for the period	-	-	-	(219,221)	53,119	(166,102)
Final dividend of Rs. 0.75 per share for the year ended December 31, 2018	-	-	-	-	(92,906)	(92,906)
Balance as at September 30, 2019	<u>619,374</u>	<u>9,122</u>	<u>255,000</u>	<u>125,166</u>	<u>70,889</u>	<u>1,079,551</u>
Balance as at January 01, 2020	619,374	9,122	255,000	274,278	91,407	1,249,181
Profit after tax for the nine months period ended September 30, 2020	-	-	-	-	27,569	27,569
Other comprehensive income for the nine months period ended September 30, 2020	-	-	-	19,182	-	19,182
Other comprehensive income for the nine months period ended September 30, 2020 from Window Takaful Operations	-	-	-	74	-	74
Total comprehensive income for the nine months period ended September 30, 2020	-	-	-	19,256	27,569	46,825
Final dividend of Rs. 0.5 per share for the year ended December 31, 2019	-	-	-	-	(61,937)	(61,937)
Balance as at September 30, 2020	<u>619,374</u>	<u>9,122</u>	<u>255,000</u>	<u>293,534</u>	<u>57,039</u>	<u>1,234,069</u>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Condensed Interim Statement of Cash Flow (Unaudited) for the nine months period ended September 30, 2020

	September 30, 2020	September 30, 2019
	(Unaudited) (Rupees in '000)	
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	1,100,069	1,188,330
Reinsurance premium paid	(622,800)	(575,852)
Claims paid	(636,410)	(688,606)
Reinsurance and other recoveries received	372,033	427,037
Commission paid	(118,780)	(101,473)
Commission received	205,832	174,230
Net cash flow from underwriting activities	299,944	423,666
(b) Other operating activities		
Income tax paid	(19,306)	(55,871)
Other operating payments	(295,023)	(246,799)
Other operating receipts	-	5,008
Loans advanced	(10,262)	(10,903)
Loan repayment received	11,928	14,568
Net cash flow from other operating activities	(312,663)	(293,997)
Total cash flow from all operating activities	(12,719)	129,669
Investment activities		
Profit / return received	32,937	9,068
Dividend received	34,532	37,017
Payment for investments	(315,704)	(722,479)
Proceeds from investments	245,631	568,976
Fixed capital expenditure	(11,055)	(10,897)
Proceeds from sale of property, plant and equipment	1,507	2,241
Total cash flow from investing activities	(12,152)	(116,074)
Financing activities		
Rentals paid	(18,069)	(14,727)
Loan paid	(80,941)	-
Dividends paid	(60,365)	(90,358)
Total cash flows from financing activities	(159,375)	(105,085)
Net cash flows from all activities	(184,246)	(91,490)
Cash and cash equivalents at beginning of year	121,116	102,396
Cash and cash equivalents at end of the period	(63,130)	10,906
Reconciliation to profit and loss account		
Operating cash flows	(12,719)	129,669
Depreciation and amortisation expense	(24,890)	(25,105)
Income tax paid	19,306	55,871
Provision for gratuity	(14,967)	(14,950)
Provision for impairment	1,034	3,603
Gratuity paid	1,935	1,318
Profit / return received	32,937	9,068
Dividends received	34,532	37,017
(Loss) / Gain on sale of investments	(24,559)	25,813
Financial charges expense	(13,398)	(10,330)
(Loss) / Profit on disposal of property, plant and equipment	329	386
Provision of taxation	(11,945)	(13,027)
Profit from window Takaful Operations - Operator's Fund	2,106	6,612
Increase / (decrease) in assets other than cash	407,120	140,299
(Increase) / decrease in liabilities other than borrowings	(369,252)	(293,125)
Profit after taxation	27,569	53,119

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

AUN MOHAMMAD A. HABIB
Director

SHABBIR GULAMALI
Chief Executive

MURTAZA HUSSAIN
Chief Financial Officer

Habib Insurance Company Limited

Notes to the Condensed Interim Financial Statements for the nine months period ended September 30, 2020 (Unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

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

1.2 The Company operates through the following locations in Pakistan;

Locations	Address
Head Office	State Life Building No. 6, Habib Square, M.A. Jinnah Road, Karachi.
Karachi Branches	Head Office: State Life Building No. 6A Habib Square, M.A. Jinnah Road, Karachi.
Rawalpindi Branch	1st Floor, Majeed Plaza, Bank Road, Rawalpindi Cantt.
Dera Ghazi Khan Branch	Block No. 17, Jampur Road, Dera Ghazi Khan.
Faisalabad Branch	Fatima Tower, 2nd Floor, Kohinoor Plaza, Faisalabad. P-6161, West Canal Road, adjacent to Toyota Faisalabad Motors & behind HBL Canal Road Branch, Faisalabad.
Multan Branch	Fiesta Gardens, OPP Income, Tax Office, L.M.Q. Road, Multan.
Multan Central	Fiesta Gardens, OPP Income, Tax Office, L.M.Q. Road, Multan.
Lahore Branch	Room No. 01, 3rd Floor, Leeds Centre, Main Boulevard, Gulberg III, Lahore. 43, Ground Floor, Al-Noor Building, Bank Square, Lahore.

1.3 During the period, the novel coronavirus (COVID 19) emerged and since then, the condition has continued to deteriorate. On January 30, 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a "Public Health Emergency of International Concern". The COVID-19 pandemic has significantly impacted the market around the world to date and may continue to do so in the coming months of 2020 whereby potentially impacting the earnings and cash flows of the Company. The scale and duration of this outbreak remains uncertain and as it evolves globally in 2020, the company based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of operations and financial condition of the company.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019. Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, and Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019 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, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019 have been followed.

Habib Insurance Company Limited

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.

Further, a separate set of financial statements on the general takaful operations for the nine months period ended September 30, 2020 has been annexed to these condensed interim financial statements as per requirements of General Takaful Accounting Regulations, 2019.

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 condensed interim 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 condensed interim 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.

2.3 Amendments to approved accounting standards that are effective in the current period

There are certain amendments to existing accounting standards that have become applicable to the company for accounting periods beginning on or after January 1, 2020. These are considered either not to be relevant or not to have any significant impact on the Company's condensed interim financial statements.

2.4 Standards interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2020;

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past condensed interim financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after January 01, 2020). The amendments are intended to make the definition of materiality in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose condensed interim financial statements in accordance with IFRS Standards.
- On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS

Habib Insurance Company Limited

Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.

- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the condensed interim financial statements of the Company.
- Amendments to IFRS-16- IASB has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:
 - the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
 - any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
 - there is no substantive change to the other terms and conditions of the lease.
- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after January 01, 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after January 01, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

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- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after January 01, 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the condensed interim financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Annual Improvements to IFRS standards 2018-2020:

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the 'amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after 30 June 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 on financial assets, and 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 01 July 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.

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- 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 tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:
 - a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
 - b) all other financial assets.

September 30, 2020 (Unaudited)					
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less Impairment	Change in unrealized gain / (loss) during the period
(Rupees in '000)					
Financial assets					
Cash and bank*	18,407	-	-	-	-
Investment in equity securities - available for sale	935,807	27,017	-	-	-
Investments in debt securities - held to maturity	-	-	400,810	400,810	-
Loans and other receivables*	-	-	151,587	151,587	-
	<u>954,214</u>	<u>27,017</u>	<u>552,397</u>	<u>552,397</u>	<u>-</u>
December 31, 2019 (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)					
Financial assets					
Cash and bank*	121,116	-	-	-	-
Investment in equity securities - available for sale	987,699	(93,278)	-	-	-
Investments in debt securities - held to maturity	-	-	277,867	277,867	-
Loans and other receivables*	-	-	157,604	157,604	-
	<u>1,108,815</u>	<u>(93,278)</u>	<u>435,471</u>	<u>435,471</u>	<u>-</u>

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September 30, 2020 (Un-audited)					
Gross carrying amounts of debt instruments that pass the SPPI test					
	AAA	AA+	AA	A	Unrated
	(Rupees in '000)				
Investments in debt securities					
- held to maturity	-	-	-	-	400,810
Loans and other receivables*	-	-	-	-	151,587
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552,397</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552,397</u>
December 31, 2019 (Audited)					
Gross carrying amounts of debt instruments that pass the SPPI test					
	AAA	AA+	AA	A	Unrated
	(Rupees in '000)				
Investments in debt securities					
- held to maturity	-	-	-	-	277,867
Loans and other receivables*	-	-	-	-	157,604
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,471</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,471</u>

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 CRITICAL ACCOUNTING ESTIMATES 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 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) September 30, 2020	(Audited) December 31, 2019
		(Rupees in '000)	
5. Property and equipment			
Operating assets	5.1	34,500	31,426
Right-of-use assets	5.2	131,930	133,399
		<u>166,430</u>	<u>164,825</u>
5.1 Operating Assets			
Opening written down value		31,426	29,322
Additions during the period	5.1.1	10,330	11,737
Disposals during the period	5.1.2	(1,171)	(1,862)
Write off during the period		-	(2)
Depreciation for the period		(6,085)	(7,769)
		<u>34,500</u>	<u>31,426</u>

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(Unaudited) (Audited)
September 30, December 31,
2020 2019
(Rupees in '000)

5.1.1 The following additions were made to tangible-property and equipment during the period/ year:

Furniture and fixtures	485	2,567
Computer equipment	2,581	2,568
Office equipment	1,481	1,802
Motor Vehicles - owned	5,783	4,800
	10,330	11,737

5.1.2 The following disposals of tangible - operating assets were made during the period / year:

Computer equipment	48	36
Office equipment	78	25
Motor Vehicles - owned	1,045	1,801
	1,171	1,862

5.2 Right-of-use assets

Balance at January 01, 2020	133,399	110,260
Additions during the period / year	16,113	46,554
Depreciation charge for the period / year	(17,582)	(23,415)
Balance at September 30, 2020	131,930	133,399

6. INVESTMENT IN EQUITY SECURITIES

	September 30, 2020 (Unaudited)			December 31, 2019 (Audited)		
	Cost	Impairment / provision (Rupees in '000)	Carrying value	Cost	Impairment / provision value (Rupees in '000)	Carrying value
Related Party						
Listed share	285,735	-	285,735	355,996	-	355,996
Others						
Listed share	222,683	(1,726)	220,957	232,818	(2,760)	230,058
Mutual funds	2,368	-	2,368	1,915	-	1,915
Modaraba certificate	15,014	-	15,014	15,014	-	15,014
	240,065	(1,726)	238,339	249,747	(2,760)	246,987
Surplus on revaluation	-	-	411,733	-	-	384,716
	525,800	(1,726)	935,807	605,743	(2,760)	987,699

7. INVESTMENT IN DEBT SECURITIES

	Note	September 30, 2020 (Unaudited)			December 31, 2019 (Audited)		
		Cost	Impairment / provision (Rupees in '000)	Carrying value	Cost	Impairment / provision value (Rupees in '000)	Carrying value
Government securities	7.1	400,810	-	400,810	277,867	-	277,867

7.1 This represents PIBs having face value of Rs.440.0 million (market value of Rs.434.525 million) [December 31, 2019: Rs. 320.0 million (market value of Rs.259.479 million)]. These carry mark-up ranging from 7.00% to 12% (December 31, 2019: 7.00% to 12%) per annum and will mature between July 19, 2022 to July 12, 2028. PIBs having face value of Rs. 90.0 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.

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	(Unaudited) September 30, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
8. LOANS AND OTHER RECEIVABLES - Considered good		
Accrued investment income	7,891	13,518
Security Deposits	39,130	33,832
Advances	6,852	6,690
Agents Commission receivable	12,652	8,850
Loan to employees	54,419	53,765
Other receivables	30,643	40,949
	<u>151,587</u>	<u>157,604</u>
9. INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good		
Due from insurance contract holders	538,989	607,147
Less: Provision for impairment of receivables from insurance contract holders	(15,912)	(15,912)
	523,077	591,235
Due from other insurers / reinsurers	575,871	460,967
Less: Provision for impairment of due from other insurers / reinsurers	(6,500)	(6,500)
	569,371	454,467
	<u>1,092,448</u>	<u>1,045,702</u>
10. PREPAYMENTS		
Prepaid reinsurance premium ceded	447,039	366,576
Prepaid insurance on leased vehicles	6,625	2,729
Others	11,359	8,250
	<u>465,023</u>	<u>377,555</u>
11. CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	2,576	201
Policy Stamps	46	147
	2,622	348
Cash at bank		
Current accounts	3,455	21,946
Savings accounts	12,330	98,822
	15,785	120,768
	<u>18,407</u>	<u>121,116</u>
Cash and short term borrowing include the following for the purposes of the cash flow statement:		
Cash and cash equivalents	18,407	121,116
Short term borrowings of upto three months including running finance	(81,537)	-
	<u>(63,130)</u>	<u>121,116</u>

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	(Unaudited) September 30, 2020	(Audited) December 31, 2019		
	(Rupees in '000)			
12. INSURANCE / REINSURANCE PAYABLES				
Due to other insurers / reinsurers				
Foreign reinsurers	208,014	175,904		
Local reinsurers	50,072	24,793		
Co insurers payable	92,078	60,568		
	<u>350,164</u>	<u>261,265</u>		
13. OTHER CREDITORS AND ACCRUALS				
Agents commission payable	53,310	44,457		
Federal excise duty	22,251	32,654		
Federal insurance fee	1,596	2,386		
Accrued expenses	19,963	25,693		
Withholding tax payable	1,459	1,055		
Unclaimed dividend	61,582	60,010		
Sundry creditors	30,203	24,746		
Others	6,789	941		
	<u>197,153</u>	<u>191,942</u>		
14. CONTINGENCIES & COMMITMENTS				
14.1 Contingencies				
There are no contingencies outstanding as at September 30, 2020 other than those reported in note 30.2 to the annual financial statements for the year ended December 31, 2019.				
14.2 Commitments				
There are no commitments as at September 30, 2020 (December 31, 2019: Nil)				
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Three months period ended September 30,		Nine months period ended September 30,	
	2020	2019	2020	2019
	(Rupees in '000)		(Rupees in '000)	
15. NET INSURANCE PREMIUM				
Written gross premium	433,353	398,828	1,165,708	1,182,267
Add: Unearned premium reserve - opening	723,418	713,571	778,636	631,754
Less: Unearned premium reserve - closing	(753,550)	(726,034)	(753,550)	(726,034)
Premium earned	403,221	386,365	1,190,794	1,087,987
Less: Reinsurance premium ceded	273,465	232,981	711,699	635,185
Add: Prepaid reinsurance premium - opening	401,306	339,582	366,576	281,792
Less: Prepaid reinsurance premium - closing	(447,039)	(390,924)	(447,039)	(390,924)
Reinsurance expense	227,732	181,639	631,236	526,053
Net insurance premium	<u>175,489</u>	<u>204,726</u>	<u>559,558</u>	<u>561,934</u>

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	(Unaudited) Three months period ended September 30,		(Unaudited) Nine months period ended September 30,	
	2020	2019	2020	2019
	(Rupees in '000)		(Rupees in '000)	
16. NET INSURANCE CLAIMS EXPENSE				
Claims paid	222,448	184,983	636,410	688,606
Add: Outstanding claims including IBNR - closing	884,183	607,752	884,183	607,752
Less: Outstanding claims including IBNR - opening	(809,548)	(482,507)	(594,636)	(543,938)
Claims expense	297,083	310,228	925,957	752,420
Reinsurance and other recoveries received	145,797	97,352	372,033	427,037
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	626,265	422,622	626,265	422,622
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(579,276)	(338,383)	(364,205)	(415,759)
Reinsurance and other recoveries revenue	192,786	181,591	634,093	433,900
Net insurance claims expense	104,297	128,637	291,864	318,520
17. NET COMMISSION INCOME				
Commissions paid or payable	51,028	44,017	127,633	116,889
Add: Deferred commission - opening	70,894	66,924	74,039	61,071
Less: Deferred commission - closing	(80,625)	(72,540)	(80,625)	(72,540)
Commission expense	41,297	38,401	121,047	105,420
Less: Commission from reinsurers				
Commission received or receivable	80,715	63,821	209,634	174,230
Add: Unearned reinsurance commission - opening	120,023	99,145	105,979	77,002
Less: Unearned reinsurance commission - closing	(135,554)	(111,865)	(135,554)	(111,865)
Commission from reinsurers	65,184	51,101	180,059	139,367
Net commission income	23,887	12,700	59,012	33,947

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	Three months period ended September 30,		Nine months period ended September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
	(Rupees in '000)		(Rupees in '000)	
18. INVESTMENT INCOME				
Income from equity securities and mutual fund units - available-for-sale				
- Dividend income	1,151	1,125	35,548	37,743
Income from debt securities - held-to-maturity				
- Return on debt securities	8,414	2,543	24,992	5,779
Net realised gain / (losses) on investments				
- Equity securities	-	11,559	(24,760)	23,409
- Mutual funds units	-	259	201	2,404
	-	11,818	(24,559)	25,813
Total investment income	9,565	15,486	35,981	69,335
Add/ (Less): Reversal / (Impairment) in value of available-for-sale investments equity securities	-	3,603	1,034	-
Less: Investment related expenses	(20)	(80)	(266)	(234)
	9,545	19,009	36,749	69,101
19. TAXATION				
For the period				
Current	(3,230)	(9,227)	12,218	(23,889)
Deferred	1,906	(316)	(273)	10,862
	(1,324)	(9,543)	11,945	(13,027)

There are no changes in the tax contingencies from those reported as at the end of latest audited financial statements i.e. December 31, 2019 except for the case mentioned below on which proceedings initiated after year end.

- A show cause no 1490668 dated January 30, 2020 for short payment of sales tax Rs. 36.1 million has been issued from the office of Assistant Commissioner Sindh Revenue Board Karachi, for commission received from re-insurers, by Habib Insurance Company Limited during the period January to December 2012 to January to December 2013, the adjudication proceeding are under process, and the tax advisor is confident the outcome of favour to be decided in our favour, hence no provision is recorded in the financial statements.

The Company has filed return of total income for the tax year 2019 (financial year ended December 31, 2018) against which a notice under section 122(5A) has been served on the Company for amendments in the return filed by the Company for the said tax year, the amendments mainly relate to non withholding of tax on commission paid, addition on amount of cash withdrawal and admissibility of various provision / expenses / credits etc. The return was filed declaring income for the year at Rs. 128,594,162 with tax chargeable at Rs. 36,346,907 and claiming refund at 42,498,350. The order creates demand of Rs. 35,277,590 against which the Company submitted its reply through its legal advisor. The tax advisor believes that modification will be made by the department therefore no provision has been made in the financial statements for the nine months ended September 30, 2020.

	Three months period ended September 30,		Nine months period ended September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
	(Rupees in '000)		(Rupees in '000)	
20. OTHER INCOME				
Return on bank balance	62	1,870	1,302	6,924
(Loss) / gain on sale of fixed assets	391	(2)	329	386
Return on loan to employees	591	2,291	2,376	3,035
Miscellaneous	8	2,530	29	7,795
	1,052	6,689	4,036	18,140

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	Three months period ended September 30,		Nine months period ended September 30,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
	(Rupees in '000)			
21. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax for the period	<u>(10,037)</u>	<u>11,839</u>	<u>27,569</u>	<u>53,119</u>
	(Number of Shares)		(Number of Shares)	
Weighted average number of ordinary shares of Rs. 5 each	<u>123,874,755</u>	<u>123,874,755</u>	<u>123,874,755</u>	<u>123,874,755</u>
	(Rupees)		(Rupees)	
Basic earnings per share	<u>(0.08)</u>	<u>0.10</u>	<u>0.22</u>	<u>0.43</u>

21.1 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.

22. 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:

	(Unaudited)		(Unaudited)	
	Three months period ended September 30,	2019	Nine months period ended September 30,	2019
	2020		2020	
	(Rupees in '000)			
Transactions and balances with associated companies				
Transactions during the year with associated companies				
Premium written	<u>69,426</u>	<u>29,378</u>	<u>191,189</u>	<u>140,723</u>
Claims paid	<u>22,923</u>	<u>31,597</u>	<u>115,031</u>	<u>130,059</u>
Dividend received	<u>1,078</u>	<u>-</u>	<u>17,136</u>	<u>14,883</u>
Dividend paid	<u>-</u>	<u>4,172</u>	<u>2,868</u>	<u>8,474</u>
Investment made	<u>-</u>	<u>7,814</u>	<u>18,308</u>	<u>16,118</u>
Interest received on bank accounts	<u>62</u>	<u>1,870</u>	<u>1,302</u>	<u>6,924</u>
Bank charges	<u>7</u>	<u>132</u>	<u>357</u>	<u>271</u>
Fees paid	<u>220</u>	<u>150</u>	<u>640</u>	<u>450</u>
Lease rentals paid	<u>7,213</u>	<u>5,690</u>	<u>18,069</u>	<u>14,727</u>
Security deposit paid	<u>335</u>	<u>1,251</u>	<u>2,798</u>	<u>4,320</u>
Interest expense	<u>4,242</u>	<u>3,019</u>	<u>10,041</u>	<u>6,091</u>
Remuneration of key management personnel	<u>29,417</u>	<u>24,944</u>	<u>85,557</u>	<u>64,454</u>

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	(Unaudited) September 30, 2020	(Audited) December 31, 2019		
	(Rupees in '000)			
Balances with associated companies				
Premium due but unpaid	<u>66,559</u>	<u>137,000</u>		
Claims outstanding	<u>176,610</u>	<u>162,653</u>		
Bank balances	<u>12,205</u>	<u>117,838</u>		
Investment held	<u>347,528</u>	<u>586,456</u>		
Security deposit	<u>23,035</u>	<u>20,237</u>		
Finance lease liability	<u>79,575</u>	<u>81,695</u>		
Borrowings	<u>164,365</u>	<u>80,000</u>		
	Three months period ended September 30, 2020	Nine months period ended September 30, 2020		
	2019	2019		
	(Unaudited)			
	(Rupees in '000)			
Transactions during the period with other related parties including key management personnel				
Repayment of loans to employees (secured)	<u>1,424</u>	<u>-</u>	<u>3,932</u>	<u>4,979</u>
Brokerage expenses paid	<u>(4)</u>	<u>-</u>	<u>236</u>	<u>484</u>
Dividend paid	<u>1,691</u>	<u>4,172</u>	<u>1,691</u>	<u>4,172</u>
Contribution to the provident fund	<u>2,708</u>	<u>2,072</u>	<u>7,238</u>	<u>6,580</u>
	(Unaudited) September 30, 2020	(Audited) December 31, 2019		
	(Rupees in '000)			
Balances with other related parties including key management personnel				
Premium due but unpaid	<u>-</u>	<u>15</u>		
Loans to employees (secured)	<u>23,099</u>	<u>21,454</u>		

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23. SEGMENT REPORTING

	September 30, 2020 (Unaudited)					
	Fire and property	Marine and transport	Motor	Group hospitalisation	Other Classes	Aggregate
Gross Written Premium (inclusive of administrative Surcharge)	491,404	177,801	372,813	9,098	114,593	1,165,709
	(Rupees in '000)					
Insurance premium earned	465,096	176,592	417,906	8,096	123,105	1,190,795
Insurance premium ceded to reinsurers	(373,879)	(86,916)	(105,115)	-	(65,327)	(631,237)
Net insurance premium	91,217	89,676	312,791	8,096	57,778	559,558
Commission income	100,403	29,432	35,551	-	14,673	180,059
Net underwriting income	191,620	119,108	348,342	8,096	72,451	739,617
Insurance claims	530,168	92,364	239,196	8,194	56,035	925,957
Insurance claims recovered from reinsurers	(476,352)	(54,023)	(82,289)	(107)	(21,322)	(634,093)
Net Claims	53,816	38,341	156,907	8,087	34,713	291,864
Commission expense	(64,020)	(23,350)	(17,340)	(15)	(16,322)	(121,047)
Management expenses	(99,215)	(35,899)	(75,272)	(1,837)	(23,137)	(235,360)
Net insurance claims and expenses	(163,235)	(59,249)	(92,612)	(1,852)	(39,459)	(356,407)
Underwriting result	(25,431)	21,518	98,823	(1,843)	(1,721)	91,346
Net Investment income						36,749
Other income						4,036
Other expenses						(81,325)
Results of operating activities						50,806
Finance cost						(13,398)
Profit from Window Takaful Operations - Operator's Fund						2,106
Profit before tax						39,514
Segment assets	943,398	358,198	847,679	16,422	249,706	2,415,403
Unallocated assets						1,524,596
Unallocated assets of General Takaful Operations - Operator's Fund						78,434
						4,018,433
Segment liabilities	830,910	315,488	746,604	14,464	219,932	2,127,398
Unallocated liabilities						630,292
Total liabilities of General Takaful Operations - Operator's Fund						26,674
						2,784,364

Habib Insurance Company Limited

	September 30, 2019 (Unaudited)				
	Fire and property	Marine and transport	Motor	Other Classes	Aggregate
	(Rupees in '000)				
Gross Written Premium (inclusive of administrative Surcharge)	509,040	176,331	373,366	123,530	1,182,267
Insurance premium earned	396,789	183,701	388,083	119,414	1,087,987
Insurance premium ceded to reinsurers	(314,801)	(65,388)	(80,392)	(65,472)	(526,053)
Net insurance premium	81,988	118,313	307,691	53,942	561,934
Commission income	81,862	22,409	24,170	10,926	139,367
Net underwriting income	163,850	140,722	331,861	64,868	701,301
Insurance claims	248,431	173,170	261,612	69,207	752,420
Insurance claims recovered from reinsurers	(222,262)	(116,061)	(65,152)	(30,425)	(433,900)
Net Claims	26,169	57,109	196,460	38,782	318,520
Commission expense	(51,271)	(20,889)	(19,918)	(13,342)	(105,420)
Management expenses	(92,666)	(32,099)	(67,967)	(22,487)	(215,219)
Net insurance claims and expenses	(143,937)	(52,988)	(87,885)	(35,829)	(320,639)
Underwriting result	(6,256)	30,625	47,516	(9,743)	62,142
Investment income					69,101
Other income					18,140
Other expenses					(79,519)
Results of operating activities					69,864
Finance cost					(10,330)
Profit from Window Takaful Operations - Operator's Fund					6,612
Profit before tax					66,146
Segment assets	754,957	322,074	720,494	220,917	2,018,442
Unallocated assets					1,555,265
Total assets of General Takaful Operations - Operator's Fund					66,960
					3,640,667
Segment liabilities	659,548	281,371	629,440	192,998	1,763,357
Unallocated liabilities					614,456
Total liabilities of General Takaful Operations - Operator's Fund					13,673
					2,391,486

Habib Insurance Company Limited

24 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, 2019.

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price). Adoption of IFRS 13 has not affected the condensed interim financial information.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

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

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	September 30, 2020 (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	506,692	-	-	-	506,692	506,692	-	-
Mutual Funds Units	2,368	-	-	-	2,368	2,368	-	-
Modaraba certificates	15,014	-	-	-	15,014	15,014	-	-
Financial assets not measured at fair value								
Investments								
Debt Securities	-	400,810	-	-	400,810	-	453,336	-
Loans and other receivable	-	151,587	-	-	151,587	-	-	-
Insurance / reinsurance receivables	-	1,092,448	-	-	1,092,448	-	-	-
Reinsurance recoveries against outstanding claims	-	613,545	-	-	613,545	-	-	-
Cash and bank balances	-	-	18,407	-	18,407	-	-	-
Total Assets of Window Takaful Operations - Operator's Fund	55,610	14,578	7,530	-	77,718	-	-	-
	579,684	2,272,968	25,937	-	2,878,589	524,074	453,336	-
Financial liabilities not measured at fair value								
Outstanding claims including IBNR	-	-	-	(884,183)	(884,183)	-	-	-
Premium received in advance	-	-	-	(1,711)	(1,711)	-	-	-
Insurance / reinsurance payables	-	-	-	(350,164)	(350,164)	-	-	-
Other creditors and accruals	-	-	-	(197,153)	(197,153)	-	-	-
Total Liabilities of Window Takaful Operations - Operator's Fund	-	-	-	(26,674)	(26,674)	-	-	-
	579,684	2,272,968	25,937	(1,459,885)	1,418,704	524,074	453,336	-

Habib Insurance Company Limited

	December 31, 2019 (Audited)							
	Available- for-sale	Loans & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Listed equity securities	962,613	-	-	-	962,613	962,613	-	-
Mutual Funds Units	3,738	-	-	-	3,738	-	3,738	-
Modaraba certificates	21,348	-	-	-	21,348	21,348	-	-
Financial assets not measured at fair value								
Investments								
Debt Securities	-	277,867	-	-	277,867	-	259,479	-
Loans and other receivable	-	157,604	-	-	157,604	-	-	-
Insurance / reinsurance receivables	-	1,045,702	-	-	1,045,702	-	-	-
Reinsurance recoveries against outstanding claims	-	355,901	-	-	355,901	-	-	-
Cash and bank balances	-	-	121,116	-	121,116	-	-	-
Total Assets of Window Takaful Operations - Operator's Fund	36,809	25,211	193	-	62,213	-	-	-
	<u>1,024,508</u>	<u>1,862,285</u>	<u>121,309</u>	<u>-</u>	<u>3,008,102</u>	<u>983,961</u>	<u>263,217</u>	<u>-</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR	-	-	-	(594,636)	(594,636)	-	-	-
Premium received in advance	-	-	-	(20,605)	(20,605)	-	-	-
Insurance / reinsurance payables	-	-	-	(261,265)	(261,265)	-	-	-
Other creditors and accruals	-	-	-	(191,942)	(191,942)	-	-	-
Total Liabilities of Window Takaful Operations - Operator's Fund	-	-	-	(15,120)	(15,120)	-	-	-
	<u>1,024,508</u>	<u>1,862,285</u>	<u>121,309</u>	<u>(1,083,568)</u>	<u>1,924,534</u>	<u>983,961</u>	<u>263,217</u>	<u>-</u>

The carrying values of remaining financial assets and liabilities reflected in these financial statements approximate to their fair value

Habib Insurance Company Limited

	Held to Maturity	Available- for-sale (Rupees in '000)	Total
26. MOVEMENT IN INVESTMENTS			
As at January 01, 2019	70,763	1,129,856	1,200,619
Additions	206,419	553,144	759,563
Disposals (sale and redemption)	–	(600,020)	(600,020)
Fair value net gains (excluding net realised gains)	–	(93,278)	(93,278)
Impairment of investments	–	(2,003)	(2,003)
Amortisation of premium / discount	685	–	685
As at December 31, 2019	<u>277,867</u>	<u>987,699</u>	<u>1,265,566</u>
Additions	151,056	160,199	311,255
Disposals (sale and redemption)	(30,000)	(215,631)	(245,631)
Fair value net gains (excluding net realised gains)	–	2,506	2,506
Reversal of impairment of investments	–	1,034	1,034
Amortisation of premium / discount	1,887	–	1,887
As at September 30, 2020	<u><u>400,810</u></u>	<u><u>935,807</u></u>	<u><u>1,336,617</u></u>

27. CORRESPONDING FIGURES

Corresponding figures have been rearranged wherever necessary, for purposes of comparison. There were no material reclassification to report.

28. GENERAL

Figures have been rounded off to the nearest Thousand Rupee.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on October 27, 2020 by the Board of Directors of the Company.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

AUN MOHAMMAD A. HABIB
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 of OPF and PTF as at September 30, 2020 (Unaudited)

	Note	OPF		PTF	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		September 30, 2020 (Rupees in '000)	December 31, 2019 (Rupees in '000)	September 30, 2020 (Rupees in '000)	December 31, 2019 (Rupees in '000)
Assets					
Investments					
Equity	5	55,850	36,809	20,309	20,481
Loans and other receivables	6	3,652	3,661	143	334
Takaful / retakaful receivable		-	-	84,506	42,277
Retakaful recoveries against outstanding claims	10	-	-	22,486	10,521
Deferred Wakala expense	12	-	-	3,142	10,518
Taxation - payments less provision		966	-	349	557
Deferred commission expense	11	7,367	4,122	-	-
Receivable from PTF		1,372	21,250	-	-
Prepayments		750	300	30,664	20,810
Cash and Bank	7	8,477	193	13,780	21,133
Total assets		78,434	66,335	175,379	126,631
Equities and Liabilities					
Capital Reserves Attributable to Company's Shareholders					
Share capital		50,000	50,000	-	-
Reserves		681	607	-	-
Retained earnings		1,079	(416)	-	-
Total Shareholders Equity		51,760	50,191	-	-
Participants' Takaful Fund (PTF)					
Seed money		-	-	500	500
Reserves		-	-	(268)	-
Accumulated surplus / (deficit)		-	-	2,974	(4,510)
Balance of Participants' Takaful Fund		-	-	3,206	(4,010)
Qard-e-Hasna		-	-	3,652	3,652
Liabilities					
PTF underwriting provisions					
Outstanding claims including IBNR	10	-	-	42,565	17,825
Unearned contribution reserve	8	-	-	62,918	42,069
Reserve for unearned retakaful rebate	9	-	-	5,778	3,535
		-	-	111,261	63,429
Unearned Wakala Fee	12	3,142	10,518	-	-
Contribution received in advance		-	-	4,676	1,802
Takaful / retakaful payable		-	-	48,147	38,422
Other creditors and accrual		23,450	4,633	2,955	2,086
Payable to OPF		-	-	1,372	21,250
Taxation - provision less payments		-	539	-	-
Deferred taxation		82	454	110	-
Total liabilities		26,674	16,144	57,260	63,560
Total Equity and liabilities		78,434	66,335	175,379	126,631
Contingency and commitment	14				

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB MANSOOR G. HABIB AUN MOHAMMAD A. HABIB SHABBIR GULAMALI MURTAZA HUSSAIN
Chairman *Director* *Director* *Chief Executive* *Chief Financial Officer*

Habib Insurance Company Limited

Condensed Interim Statement of Comprehensive Income (Unaudited) for the nine months period ended September 30, 2020

	Note	(Unaudited) Three months period ended September 30,		(Unaudited) Nine months period ended September 30,	
		2020	2019	2020	2019
		(Rupees in '000)		(Rupees in '000)	
PTF					
Contributions earned	8	29,884	4,791	65,337	29,667
Less: Contributions ceded to retakaful		(15,235)	(9,255)	(41,815)	(26,941)
Net contributions revenue		14,649	(4,464)	23,522	2,726
Retakaful rebate earned	9	2,093	1,289	6,924	3,966
Net underwriting income		16,742	(3,175)	30,446	6,692
Net claims - reported / settled	10	(756)	(7,787)	(23,398)	(9,117)
- IBNR		(2,010)	-	(2,010)	-
		(2,766)	(7,787)	(25,408)	(9,117)
Surplus / (deficit) before investment income		13,976	(10,962)	5,038	(2,425)
Investment income		259	615	2,446	726
Surplus transferred to accumulated surplus / (deficit)		14,235	(10,347)	7,484	(1,699)
Other Comprehensive income:					
- Unrealised loss on available-for-sale		(2,406)	-	(1,782)	-
- investments during the period					
- Net gain transferred to profit and loss on		1,404	-	1,404	-
- disposal / redemption / impairment of investments		(1,002)	-	(378)	-
Related tax impact		291	-	110	-
Others comprehensive loss for the period		(711)	-	(268)	-
Total comprehensive income for the period		13,524	(10,347)	7,216	(1,699)
OPF					
Wakala fee		1,375	4,042	12,251	9,245
Commission expense		(2,543)	(1,230)	(8,166)	(3,860)
General administrative and management expenses		(1,198)	(1,956)	(2,932)	(2,821)
		(2,366)	856	1,153	2,564
Investment income		938	1,251	3,833	2,521
Direct expenses		(661)	(641)	(2,880)	(1,393)
(Loss) / profit before taxation		(2,089)	1,466	2,106	3,692
Taxation		-	(425)	(611)	(1,071)
(Loss) / profit after taxation attributable to shareholders		(2,089)	1,041	1,495	2,621
Other Comprehensive income:					
- Unrealised loss on available-for-sale		(1,710)	-	(1,381)	-
- investments during the period					
- Net gain transferred to profit and loss on		1,083	-	1,083	-
- disposal / redemption / impairment of investments		(627)	-	(298)	-
Related tax impact		467	-	372	-
Others comprehensive loss for the period		(160)	-	74	-
Total comprehensive (Loss) / income for the period		(2,249)	1,041	1,569	2,621

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB MANSOOR G. HABIB AUN MOHAMMAD A. HABIB SHABBIR GULAMALI MURTAZA HUSSAIN
Chairman *Director* *Director* *Chief Executive* *Chief Financial Officer*

Habib Insurance Company Limited

Condensed Interim Statement of Changes in Shareholders Equity and Participates' Takaful Fund (Unaudited) for the nine months period ended September 30, 2020

	Attributable to share holders of the Company			
	Share capital	Reserves	Unappropriated profit	Total
	(Rupees in '000)			
Balance as at January 01, 2019	50,000	(2,947)	521	47,574
Profit for the period	-	3,660	-	3,660
Other comprehensive income				
Less: Net loss transferred to profit and loss on disposal of investments	-	-	(521)	(521)
Balance as at September 30, 2019	<u>50,000</u>	<u>713</u>	<u>-</u>	<u>50,713</u>
Balance as at January 01, 2020	50,000	607	(416)	50,191
Profit for the period	-	-	1,495	1,495
Other comprehensive income				
Less: Net loss transferred to profit and loss on disposal of investments	-	74	-	74
Balance as at September 30, 2020	<u>50,000</u>	<u>681</u>	<u>1,079</u>	<u>51,760</u>

	Attributable to participants of the PTF			
	Seed money	Reserves	Accumulated surplus / (deficit)	Total
	(Rupees in '000)			
Balance as at January 01, 2019	500	-	(1,689)	(1,189)
Deficit for the period	-	-	(652)	(652)
Balance as at September 30, 2019	<u>500</u>	<u>-</u>	<u>(2,341)</u>	<u>(1,841)</u>
Balance as at January 01, 2020	500	-	(4,510)	(4,010)
Surplus for the period	-	-	7,484	7,484
Other comprehensive income	-	-	-	-
Less: Net loss transferred to profit and loss on disposal of investments	-	(268)	-	(268)
Balance as at September 30, 2020	<u>500</u>	<u>(268)</u>	<u>2,974</u>	<u>3,206</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB MANSOOR G. HABIB AUN MOHAMMAD A. HABIB SHABBIR GULAMALI MURTAZA HUSSAIN
Chairman *Director* *Director* *Chief Executive* *Chief Financial Officer*

Habib Insurance Company Limited

Condensed Interim Cash Flow Statement (Unaudited) for the nine months period ended September 30, 2020

	OPF		PTF	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in '000)			
Operating Cash flows				
(a) Takaful activities				
Contribution received	–	–	83,815	38,553
Retakaful contribution paid	–	–	(41,944)	(17,918)
Claims paid	–	–	(29,998)	(7,432)
Retakaful and other recoveries received	–	–	17,365	729
Commission paid	(5,479)	(2,862)	–	–
Commission received	9,167	5,229	–	–
Wakala fees received	31,127	–	–	–
Wakala fee paid	–	–	(21,250)	–
Net cash flow from takaful activities	34,815	2,367	7,988	13,932
(b) Other operating activities				
Other operating receipts	–	–	–	–
Other operating payments	(11,800)	(13,185)	(17,672)	5,064
Net cash flow from other operating activities	(11,800)	(13,185)	(17,672)	5,064
Total cash flow from all operating activities	23,015	(10,818)	(9,684)	18,996
Investment activities				
Profit / return received	179	2,066	943	1,327
Dividend received	2,823	657	–	–
Proceeds from investments	58,937	20,746	21,404	–
Payments for investments	(76,670)	(20,559)	(20,016)	–
Total cash flow from investing activities	(14,731)	2,910	2,331	1,327
Net cash flow from all activities	8,284	(7,908)	(7,353)	20,323
Cash and cash equivalents at beginning of year	193	25,401	21,133	6,260
Cash and cash equivalents at end of period	8,477	17,493	13,780	26,583
Reconciliation to profit and loss account				
Operating cash flows	23,015	(10,818)	(9,684)	18,996
Profit / return received	179	2,066	943	1,327
Dividends received	2,823	657	–	–
Capital gain	1,083	572	1,404	–
Increase in unearned contribution	–	–	20,849	–
Increase in assets other than cash	(36,674)	8,652	33,666	30,120
Increase in liabilities	11,069	1,492	(39,694)	(52,142)
Profit after taxation	1,495	2,621	7,484	(1,699)
Attributed to:				
Operator's Fund	1,495	2,621	–	–
Participants' Takaful Fund	–	–	7,484	(1,699)
	1,495	2,621	7,484	(1,699)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

RAFIQ M. HABIB MANSOOR G. HABIB AUN MOHAMMAD A. HABIB SHABBIR GULAMALI MURTAZA HUSSAIN
Chairman Director Director Chief Executive Chief Financial Officer

Habib Insurance Company Limited

Notes to the Condensed Interim Financial Statements for the nine months period ended September 30, 2020 (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 During the period, the novel coronavirus (COVID 19) emerged and since then, the condition has continued to deteriorate. On January 30, 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a "Public Health Emergency of International Concern". The COVID-19 pandemic has significantly impacted the market around the world to date and may continue to do so in the coming months of 2020 whereby potentially impacting the earnings and cash flows of the Company. The scale and duration of this outbreak remains uncertain and as it evolves globally in 2020, the company based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of operations and financial condition of the company.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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, Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019. Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules, 2017, and Insurance Accounting Regulations, 2017, Takaful Rules, 2012, and the General Takaful Accounting Regulations, 2019 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 and the General Takaful Accounting Regulations, 2019 have been followed. These condensed interim financial statements reflect the financial position and results of operations of both the company and PTF in a manner that the assets, liabilities, income and expense of the company and PTF remain separately identifiable.

Change in accounting policy

Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 1416(I)/2019 dated 20 November 2019 has issued General Takaful Accounting Regulations 2019. Accordingly, the operator has changed the format for preparation and presentation of condensed interim financial statements to comply with requirements of the regulations. The application of these regulations for the purpose of preparation and presentation of the condensed interim financial statements are effective from January 01, 2020.

2.1 Basis of measurement

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

Habib Insurance Company Limited

2.2 Functional and presentation currency

These condensed interim 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.

2.3 Amendments to approved accounting standards that are effective in the current period

There are certain amendments to existing accounting standards that have become applicable to the company for accounting periods beginning on or after January 1, 2020. These are considered either not to be relevant or not to have any significant impact on the Company's condensed interim financial statements.

2.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2020:

- Amendment to IFRS 3 'Business Combinations' — Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past condensed interim financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after January 01, 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose condensed interim financial statements in accordance with IFRS Standards.
- On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process — this means that the overall impact on standard setting may take some time to crystallise.
- The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 01, January 2020, unless the new guidance contains specific scope outs. Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the condensed interim financial statements of the Company.

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- IFRS 14 Regulatory Deferral Accounts - (effective for annual periods beginning on or after July 01, 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the interim standard, an entity has to be rate regulated - i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and/or approved by an authorized body. The term 'regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability under other IFRSs. The standard is not likely to have any effect on Company's financial statements.
- IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after June 30, 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 on financial assets, and 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 tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:
 - a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and

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b) all other financial assets.

Financial assets	September 30, 2020 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain or loss during the period	Carrying value	Cost less Impairment	Change in unrealized gain or loss during the period
	(Rupees in '000)				
Cash and bank*	22,257	–	–	–	–
Investment					
- Equity	76,159	385	–	–	–
Other receivables*	–	–	3,795	3,795	–
	<u>98,416</u>	<u>385</u>	<u>3,795</u>	<u>3,795</u>	<u>–</u>

Loans and other receivables*	September 30, 2020 (Unaudited)			
	Gross carrying amounts of debt instruments that pass the SPPI test			
	AAA	AA+	A+	Unrated
	(Rupees in '000)			
	–	–	–	3,795

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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.

5. INVESTMENT IN EQUITY SECURITIES AVAILABLE-FOR-SALE

OPF	September 30, 2020 (Unaudited)				December 31, 2019 (Audited)			
	Cost	Impairment / provision	Revaluation surplus	Carrying value	Cost	Impairment / provision	Revaluation surplus	Carrying value
	(Rupees in '000)				(Rupees in '000)			
Others								
Habib Islamic Income Fund	55,568	–	282	55,850	26,229	–	–	26,229
Meezan Sovereign Fund	–	–	–	–	10,000	–	580	10,580
Total	<u>55,568</u>	<u>–</u>	<u>282</u>	<u>55,850</u>	<u>36,229</u>	<u>–</u>	<u>580</u>	<u>36,809</u>

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	September 30, 2020 (Unaudited)			December 31, 2019 (Audited)		
	Cost	Impairment / Revaluation provision / surplus (Rupees in '000)	Carrying value	Cost	Impairment / Revaluation provision / surplus (Rupees in '000)	Carrying value
PTF						
Others						
NBP Islamic Mahana Amdani Fund	-	-	-	20,000	-	481
Habib Islamic Income Fund	20,206	-	103	20,309	-	-
Total	20,206	-	103	20,000	-	481

6. LOANS AND OTHER RECEIVABLES

	Note	September 30, 2020 (Unaudited)			December 31, 2019 (Audited)		
		OPF	PTF	Total	OPF	PTF	Total
		(Rupees in '000)			(Rupees in '000)		
Qard e Hasna	6.1	3,652	-	3,652	3,652	-	3,652
Profit receivable on bank accounts		-	-	-	9	144	153
Other receivables		-	143	143	-	190	190
		3,652	143	3,795	3,661	334	3,995

- 6.1 In accordance with the Takaful Accounting Regulation 2019, 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.

7. CASH AND BANK

	September 30, 2020 (Unaudited)			December 31, 2019 (Audited)		
	OPF	PTF	Total	OPF	PTF	Total
	(Rupees in '000)			(Rupees in '000)		
Cash and cash equivalent						
- Policy stamps	-	-	-	-	95	95
Cash at bank						
- Saving accounts	8,477	13,780	22,257	193	21,038	21,231
	8,477	13,780	22,257	193	21,133	21,326

Three months period ended September 30,		Nine months period ended September 30,	
2020	2019	2020	2019
(Unaudited)		(Unaudited)	
(Rupees in '000)		(Rupees in '000)	

8. NET CONTRIBUTION

Written gross contribution	42,963	14,857	98,437	54,370
Less: Wakala Fee	(1,375)	(4,042)	(12,251)	(9,245)
Contribution Net of Wakala Fee	41,588	10,815	86,186	45,125
Add: Unearned contribution reserve opening	51,214	25,121	42,069	15,687
Less: Unearned contribution reserve closing	(62,918)	(31,145)	(62,918)	(31,145)
Contribution Earned	29,884	4,791	65,337	29,667
Retakaful contribution ceded	24,541	12,977	51,669	34,690
Add: Prepaid retakaful contribution opening	21,358	12,815	20,810	8,788
Less: Prepaid retakaful contribution closing	(30,664)	(16,537)	(30,664)	(16,537)
Retakaful expense	15,235	9,255	41,815	26,941
Net Contribution	14,649	(4,464)	23,522	2,726

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	Three months period ended September 30,		Nine months period ended September 30,	
	2020 (Unaudited) (Rupees in '000)	2019 (Unaudited) (Rupees in '000)	2020 (Unaudited) (Rupees in '000)	2019 (Unaudited) (Rupees in '000)
9. RETAKAFUL REBATE				
Retakaful rebate received	1,977	1,972	9,167	5,229
Add: Unearned retakaful rebate opening	3,795	2,157	3,535	1,568
Less: Unearned retakaful rebate closing	(3,679)	(2,840)	(5,778)	(2,831)
	<u>2,093</u>	<u>1,289</u>	<u>6,924</u>	<u>3,966</u>
10. TAKAFUL CLAIMS EXPENSE				
Claims Paid	11,859	2,883	29,998	7,432
Add: Outstanding claims including IBNR closing	42,565	10,359	42,565	10,359
Less: Outstanding claims including IBNR opening	(23,760)	(2,025)	(17,825)	(1,615)
Claims Expense	<u>30,664</u>	<u>11,217</u>	<u>54,738</u>	<u>16,176</u>
Retakaful and other recoveries received	12,704	(2,903)	17,365	729
Add: Retakaful and other recoveries in respect of outstanding claims - Closing	22,486	6,628	22,486	6,628
Less: Retakaful and other recoveries in respect of outstanding claims - Opening	(7,292)	(295)	(10,521)	(298)
Retakaful and other recoveries revenue	<u>27,898</u>	<u>3,430</u>	<u>29,330</u>	<u>7,059</u>
Net Claim Expense	<u>2,766</u>	<u>7,787</u>	<u>25,408</u>	<u>9,117</u>
11. COMMISSION EXPENSE				
Commission paid or payable	2,265	2,216	11,411	5,805
Add: Deferred commission expense opening	5,286	2,221	4,122	1,255
Less: Deferred commission expense closing	(5,008)	(3,207)	(7,367)	(3,200)
	<u>2,543</u>	<u>1,230</u>	<u>8,166</u>	<u>3,860</u>
12. WAKALA FEE				
Gross Wakala Fee	2,129	3,585	4,875	13,109
Add: Deferred wakala fee - opening	2,388	8,243	10,518	3,922
Less: Deferred wakala fee - closing	(3,142)	(7,786)	(3,142)	(7,786)
Net wakala fee	<u>1,375</u>	<u>4,042</u>	<u>12,251</u>	<u>9,245</u>
			OPF	PTF
	September 30, 2020 (Rupees in '000)	September 30, 2019 (Rupees in '000)	September 30, 2020 (Rupees in '000)	September 30, 2019 (Rupees in '000)
13. INVESTMENT INCOME				
Income from equity securities - Dividend income	2,580	1,229	243	-
Return on bank balances	170	1,947	799	1,170
Net realised gains on investments				
Available for sale financial assets				
Realised gains on:				
- Equity securities	1,083	-	1,404	-
	<u>3,833</u>	<u>3,176</u>	<u>2,446</u>	<u>1,170</u>

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14 CONTINGENCY & COMMITMENT

There is no contingency and commitment as at September 30, 2020 (December 31, 2019: Nil).

15 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) September 30, 2020	(Unaudited) September 30, 2019
	(Rupees in '000)	
15.1 Operator's Fund		
Transactions		
Wakala fee charged during the period	12,251	9,245
	<u>12,251</u>	<u>9,245</u>
Balances		
<i>Associated companies</i>		
- Bank balances	8,477	25,401
	<u>8,477</u>	<u>25,401</u>
15.2 Participants' Takaful Fund		
Transactions		
<i>Associated companies</i>		
- Contribution written	8,346	966
	<u>8,346</u>	<u>966</u>
- Claim paid	2,429	2,681
	<u>2,429</u>	<u>2,681</u>
- Profit on bank accounts	799	1,170
	<u>799</u>	<u>1,170</u>
	(Unaudited) September 30, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
Balances		
<i>Associated companies</i>		
- Contribution due but unpaid	1,305	6,544
	<u>1,305</u>	<u>6,544</u>
- Claim outstanding	5,245	1,227
	<u>5,245</u>	<u>1,227</u>
- Bank balance	13,780	6,260
	<u>13,780</u>	<u>6,260</u>

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16 SEGMENT INFORMATION

16.1 Participants' Takaful Fund

	Nine months period ended September 30, 2020 (Unaudited)				
	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
Contribution receivable (inclusive of federal excise duty and administrative surcharge)	44,279	12,390	50,230	5,796	112,695
Less: Federal Excise Duty	(5,440)	(1,454)	(5,933)	(484)	(13,311)
Federal Insurance Fee	(379)	(108)	(427)	(33)	(947)
Gross written contribution (inclusive of administrative surcharge)	38,460	10,828	43,870	5,279	98,437
Wakala fees	(4,787)	(1,348)	(5,460)	(657)	(12,251)
Takaful contribution earned	30,251	11,639	32,991	2,707	77,588
Takaful contribution ceded to retakaful operators	(24,915)	(9,492)	(5,204)	(2,204)	(41,815)
Net takaful contribution	549	799	22,327	(154)	23,522
Retakaful rebate	4,305	2,077	74	468	6,924
Net underwriting income	4,854	2,876	22,401	314	30,446
Takaful claims	(22,866)	(5,092)	(26,038)	(742)	(54,738)
Takaful claims recovered from retakaful	20,550	4,274	3,947	559	29,330
Net claims	(2,316)	(818)	(22,091)	(183)	(25,408)
Surplus before investment income	2,538	2,058	310	131	5,038
Net investment income	1,232	999	151	64	2,446
Surplus transferred to balance of PTF	3,770	3,057	461	195	7,484
Segment assets	42,940	16,521	46,830	3,843	110,134
Unallocated assets					65,245
Total assets					175,379
Segment liabilities	21,131	8,130	23,045	1,891	54,197
Unallocated liabilities					3,063
Total liabilities					57,260
16.2 Operator's Fund					
Wakala fee	4,777	1,838	5,209	427	12,251
Commission expense	(4,617)	(1,708)	(1,666)	(175)	(8,166)
Management expenses	(1,144)	(323)	(1,308)	(157)	(2,932)
Underwriting result	(984)	(193)	2,235	95	1,153
Investment income					3,833
Direct expenses					(2,880)
Profit before taxation					2,106
Income tax expense					(611)
Profit after tax for the period					1,495
Segment assets	3,407	1,311	3,716	305	8,739
Unallocated assets					69,695
Total assets					78,434
Segment liabilities	1,225	471	1,336	110	3,142
Unallocated liabilities					23,532
Total liabilities					26,674

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16 SEGMENT INFORMATION

16.1 Participants' Takful Fund

	Nine months period ended September 30, 2019 (Unaudited)				
	Fire and property	Marine and transport	Motor	Other classes	Aggregate
	(Rupees in '000)				
Contribution receivable (inclusive of federal excise duty and administrative surcharge)	26,885	10,503	23,475	1,744	62,607
Less: Federal Excise Duty	(3,420)	(1,262)	(2,790)	(221)	(7,693)
Federal Insurance Fee	(233)	(91)	(205)	(15)	(544)
Gross Written Contribution (inclusive of Administrative Surcharge)	<u>23,232</u>	<u>9,150</u>	<u>20,480</u>	<u>1,508</u>	<u>54,370</u>
Wakala fees	(3,990)	(1,905)	(3,206)	(144)	(9,245)
Takaful contribution earned	8,829	5,533	7,579	288	22,229
Takaful contribution ceded to retakaful operators	(14,044)	(7,041)	(5,346)	(510)	(26,941)
Net takaful contribution	<u>(7,331)</u>	<u>(2,831)</u>	<u>534</u>	<u>(287)</u>	<u>(9,401)</u>
Retakaful rebate	1,316	963	28	53	2,360
Net underwriting income	<u>(6,015)</u>	<u>(1,868)</u>	<u>562</u>	<u>(234)</u>	<u>(7,555)</u>
Takaful claims	(3,090)	(1,936)	(4,274)	(101)	(9,401)
Takaful claims recovered from retakaful	2,500	1,547	119	78	4,244
Net claims	<u>(590)</u>	<u>(389)</u>	<u>(4,155)</u>	<u>(23)</u>	<u>(5,157)</u>
Surplus before investment income	(6,605)	(2,257)	(3,593)	(257)	(12,712)
Net investment income	377	129	205	15	726
Surplus transferred to balance of PTF	<u>(6,228)</u>	<u>(2,128)</u>	<u>(3,388)</u>	<u>(242)</u>	<u>(11,986)</u>
Segment assets	14,611	9,158	12,544	478	36,791
Unallocated assets					34,797
Total assets					<u>71,588</u>
Segment liabilities	21,519	13,488	18,475	702	54,184
Unallocated liabilities					19,245
Total liabilities					<u>73,429</u>
Operator's Fund					
Wakala fee	2,116	1,323	1,699	65	5,203
Commission expense	(1,118)	(812)	(227)	(53)	(2,210)
Management expenses	(1,087)	(487)	(1,167)	(80)	(2,821)
Underwriting result	<u>(89)</u>	<u>24</u>	<u>305</u>	<u>(68)</u>	<u>172</u>
Investment income					2,521
Direct expenses					(1,393)
Profit before taxation					1,300
Income tax expense					(377)
Profit after tax for the period					<u>923</u>
Segment assets	9,093	6,656	5,036	250	21,035
Unallocated assets					42,118
Total assets					<u>63,153</u>
Segment liabilities	3,564	2,608	1,973	98	8,243
Unallocated liabilities					4,197
Total liabilities					<u>12,440</u>

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17 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, 2019.

	OPF	PTF
	(Rupees in '000)	
18. MOVEMENT IN INVESTMENTS		
As at January 01, 2019	20,695	–
Additions	56,311	20,000
Disposals (sale and redemption)	(40,777)	–
Fair value net gains (excluding net realised gains)	580	481
Impairment of investments	–	–
Amortisation of premium / discount	–	–
As at December 31, 2019	–	–
	<u>36,809</u>	<u>20,481</u>
Additions	76,669	20,016
Disposals (sale and redemption)	(58,937)	(21,403)
Fair value net gains (excluding net realised gains)	1,309	1,215
As at September 30, 2020	<u>55,850</u>	<u>20,309</u>

19. 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.

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

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	September 30, 2020 (Unaudited)				Total	Fair value measurement using		
	Available- for-sale	Loans & receivables	Other financial assets	Other financial liabilities		Level 1	Level 2	Level 3
	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
Equity	-	76,159	-	-	76,159	76,159	-	-
Financial assets not measured at fair value								
Takaful / retakaful receivables	-	84,506	-	-	84,506	-	-	-
Loans and other receivable	-	3,795	-	-	3,795	-	-	-
Retakaful recoveries against outstanding claims	-	22,486	-	-	22,486	-	-	-
Cash and bank balances	-	-	22,257	-	22,257	-	-	-
	-	186,946	22,257	-	209,203	76,159	-	-
Financial liabilities not measured at fair value								
Outstanding claims including IBNR	-	-	-	(42,565)	(42,565)	-	-	-
Contribution received in advance	-	-	-	(4,677)	(4,677)	-	-	-
Takaful / retakaful payables	-	-	-	(48,147)	(48,147)	-	-	-
Other creditors and accruals	-	-	-	(26,405)	(26,405)	-	-	-
	-	186,946	22,257	(121,794)	87,409	76,159	-	-

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	December 31, 2019 (Audited)				Fair value measurement using			
	Available- for-sale	Loans & receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
Equity	57,290	-	-	-	57,290	-	57,290	-
Financial assets not measured at fair value								
Loans and other receivable	-	-	25,245	-	25,245	-	-	-
Retakaful recoveries against outstanding claims	-	10,521	-	-	10,521	-	-	-
Cash and bank balances	-	-	21,326	-	21,326	-	-	-
	<u>57,290</u>	<u>10,521</u>	<u>46,571</u>	<u>-</u>	<u>114,382</u>	<u>-</u>	<u>57,290</u>	<u>-</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR	-	-	-	(17,825)	(17,825)	-	-	-
Contribution received in advance	-	-	-	(1,802)	(1,802)	-	-	-
Takaful / retakaful payables	-	-	-	(38,422)	(38,422)	-	-	-
Other creditors and accruals	-	-	-	(27,969)	(27,969)	-	-	-
	<u>57,290</u>	<u>10,521</u>	<u>46,571</u>	<u>(86,018)</u>	<u>28,364</u>	<u>-</u>	<u>57,290</u>	<u>-</u>

The carrying values of remaining financial assets and liabilities reflected in these financial statements approximate to their fair value.

Habib Insurance Company Limited

20 GENERAL

Figures have been rounded off to the nearest Thousand Rupee.

21 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on October 27, 2020 by the Board of Directors of the Company.

RAFIQ M. HABIB <i>Chairman</i>	MANSOOR G. HABIB <i>Director</i>	AUN MOHAMMAD A. HABIB <i>Director</i>	SHABBIR GULAMALI <i>Chief Executive</i>	MURTAZA HUSSAIN <i>Chief Financial Officer</i>
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