

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
		Mazher Ali Jumani
		Mansoor G. Habib
		Mohamedali R. Habib
		Sajjad Hussain Habib
		Aun Mohammad A. Habib

**Managing Director
& Chief Executive** : Ali Raza D. Habib

Company Secretary : Shabbir Gulamali

Auditors : M/s. KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrar : M/s. Noble Computer Services (Pvt.) Ltd.
First Floor, House of Habib Building,
Siddiqsons Tower, 3 Jinnah Cooperative
Housing Society, Main Shahrah-e-Faisal,
Karachi-75350

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 for the period ended 30th September 2013.

By the Grace of Allah, the overall performance of the Company for the nine months ended 30th September 2013 have been very encouraging with impressive results in underwriting as well as on investment returns.

The net premium at Rs. 337.2 million stands sustained at around the same level as the previous year but the underwriting results have shown a marked improvement rising to Rs. 48.5 million, an increase of 36%, mainly because of the favourable claims experience as compared to last year. The investment income has remarkably risen to Rs. 168.9 million as against Rs. 115.9 million largely due to the factor of capital gains with marginal improvement on the dividend income.

Consequently, the net profit after tax has been Rs. 166.7 million as against Rs. 106.2 million for the same period last year, thus recording an earnings of Rs. 1.68 per share upto the third quarter 2013 as against Rs. 1.07 of the corresponding period last year.

We pray to Allah for the safety and welfare of the people and the stability and economic progress of the Nation. We also look forward to meet the exciting challenges for the last quarter 2013 and Inshallah for all round satisfactory performance.

On behalf of the Board of Directors

Karachi: October 29, 2013

ALI RAZA D. HABIB
*Managing Director
& Chief Executive*

Habib Insurance Company Limited

Condensed Interim Balance Sheet as at September 30, 2013 (Unaudited)

Note	Unaudited September 30, 2013	Audited December 31, 2012 Restated	Note	Unaudited September 30, 2013	Audited December 31, 2012 Restated
				(Rupees in '000)	
Share Capital and Reserves			Cash and Bank Deposits		
Authorised share capital 100,000,000 ordinary shares of Rs. 5 each	500,000	500,000	Cash and other equivalents Current and other accounts	1,279 127,489	848 77,750
Paid-up share capital	495,499	495,499		128,768	78,598
Retained earnings	199,794	206,644	Loans to employees		
Reserves	254,122	254,122	Secured and considered good	30,234	29,221
Total Equity	949,415	956,265	Investments	8	986,765
			Deferred Taxation		26,494
Underwriting Provisions			Current Assets - others		
Provision for outstanding claims (including IBNR)	219,286	184,482	Premiums due but unpaid - unsecured	378,560	224,697
Provision for unearned premium	406,935	380,692	Amounts due from other insurers/ reinsurers	134,102	153,310
Commission income unearned	53,445	42,213	Accrued investment income	4,593	4,450
Total underwriting provisions	679,666	607,387	Reinsurance recoveries against outstanding claims	116,521	113,480
			Salvage recoveries outstanding	21,043	11,110
Deferred Liability			Deferred commission expense	45,591	50,120
Staff retirement benefits	32,463	29,473	Advances, deposits and prepayments	234,120	209,335
			Sundry receivables	9	3,606
Creditors and Accruals				938,136	801,648
Premiums received in advance	7,560	8,287	Fixed Assets		
Amounts due to other insurers/ reinsurers	188,736	137,958			
Accrued expenses	7,049	9,843	Tangible and intangible		
Taxation – provision less payments	37,218	40,098	Furniture, fixtures and office equipment	5,425	5,987
Other creditors and accruals	184,313	185,380	Computer and related equipment	1,446	1,109
	424,876	381,566	Motor vehicles	726	829
Other Liabilities			Computer software	4,358	3,904
Unclaimed dividends	35,932	29,277		11,955	11,829
TOTAL LIABILITIES	1,172,937	1,047,703			
			TOTAL ASSETS	2,122,352	2,003,968
TOTAL EQUITY AND LIABILITIES	2,122,352	2,003,968			

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

RAFIQ M. HABIB
Chairman

ABBAS D. HABIB
Director

MANSOOR G. HABIB
Director

ALI RAZA D. HABIB
Managing Director
& Chief Executive

Habib Insurance Company Limited

Condensed Interim Profit and Loss Account for the nine months ended September 30, 2013 (Unaudited)

(Rupees in '000)

	Quarter ended September 30					
	Fire and Property	Marine and Transport	Motor	Other Classes	2013 Aggregate	2012 Aggregate
Revenue Account						
Net premium revenue	22,057	40,807	31,628	19,123	113,615	120,644
Net claims	(425)	(11,989)	(29,497)	(21,747)	(63,658)	(60,654)
Expenses	(13,248)	(8,491)	(5,115)	(9,215)	(36,069)	(35,266)
Net commission	5,888	(2,400)	(3,541)	(187)	(240)	(3,186)
Underwriting result	14,272	17,927	(6,525)	(12,026)	13,648	21,538
Investment income					14,270	35,808
Other income					2,964	1,650
General and administration expenses					(10,991)	(14,187)
					6,243	23,271
Profit before tax					19,891	44,809
Provision for taxation - Current					(6,249)	(6,506)
- Deferred					(411)	1,433
					(6,660)	(5,073)
Profit after tax					13,231	39,736
Other comprehensive income					-	-
Total comprehensive income					13,231	39,736

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Habib Insurance Company Limited

Condensed Interim Profit and Loss Account for the nine months ended September 30, 2013 (Unaudited)

(Rupees in '000)

	Note	Nine months ended September 30					2012 Aggregate Restated
		Fire and Property	Marine and Transport	Motor	Other Classes	2013 Aggregate	
Revenue Account							
Net premium revenue		67,311	116,618	93,304	59,979	337,212	337,911
Net claims		(5,896)	(39,129)	(74,218)	(53,978)	(173,221)	(192,470)
Expenses		(49,552)	(28,288)	(14,274)	(16,709)	(108,823)	(104,427)
Net commission		14,774	(9,318)	(10,471)	(1,624)	(6,639)	(5,482)
Underwriting result		26,637	39,883	(5,659)	(12,332)	48,529	35,532
Investment income						168,859	115,871
Other income						8,638	5,583
General and administration expenses						(40,224)	(41,768)
						137,273	79,686
Profit before tax						185,802	115,218
Provision for taxation	- Current - Deferred					(19,134) 31	(12,874) 3,843
						(19,103)	(9,031)
Profit after tax						166,699	106,187
Other comprehensive income						(124)	(1,159)
Total comprehensive income						166,575	105,028
Profit and loss appropriation account							
Balance at commencement of the year						210,834	173,504
Issue of bonus shares @ Nil (2011: 10%)						-	(45,045)
Final dividend for the year ended December 31, 2012 at Rs. 1.75 per share (2011: Rs. 1.25 per share)						(173,425)	(112,613)
Profit after tax for the period						(173,425) 166,699	(157,658) 106,187
Balance unappropriated profit at end of the nine months						204,108	122,033
Earnings per share of Rs. 5/- each	12					Rupees 1.68	1.07

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

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Habib Insurance Company Limited

Condensed Interim Statement of Cash Flows for the nine months ended September 30, 2013 (Unaudited)

	September 30, 2013 (Rupees in '000)	September 30, 2012 (Rupees in '000)	September 30, 2013 (Rupees in '000)	September 30, 2012 (Rupees in '000)
Operating activities			Reconciliation to Profit and Loss Account	
a) Underwriting activities			Operating cash flows	(24,366)
Premiums received	603,121	630,661	Depreciation expense	(2,578)
Reinsurance premiums paid	(330,532)	(397,640)	Profit on disposal of fixed assets	22
Claims paid	(286,758)	(325,165)	Increase in assets other than cash	144,277
Reinsurance and other recoveries	135,366	133,713	Increase in liabilities	(125,120)
Commissions paid	(98,651)	(51,594)		(7,765)
Commissions received	97,348	84,938	Other adjustments	
Other underwriting receipts	1,390	–	Income tax paid	22,015
Net cash inflow from underwriting activities	121,284	74,913	Provision for gratuity	(3,754)
b) Other operating activities			Gratuity paid	763
Income tax paid	(22,015)	(24,635)	Profit/ Return received	11,519
General management expenses paid	(155,046)	(149,746)	Dividends received	74,927
Other operating receipts	32,423	169,143	Capital gain	88,097
Loans advanced	(6,966)	(6,810)	Provision for taxation	(19,103)
Loans repayments received	5,954	9,733		174,464
Net cash outflow from other operating activities	(145,650)	(2,315)	Profit after taxation	166,699
Total cash (outflow) / inflow from all operating activities	(24,366)	72,598		106,187
Investment activities			Definition of cash	
Profit / return received	11,519	10,279	Cash comprises of cash in hand, policy stamps, bank balances which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.	
Dividends received	74,927	67,454	Cash for the purpose of the Statement of Cash Flows consists of:	
Payments for investments	(903,120)	(801,297)	Cash and other equivalents	
Proceeds from disposal of investments	1,060,660	735,907	Cash in hand	575
Fixed capital expenditure	(2,725)	(675)	Stamps in hand	704
Proceeds from disposal of fixed assets	45	353		1,279
Total cash inflow from investing activities	241,306	12,021	Current and other accounts	
Financing activities			Current accounts	1,300
Dividends paid	(166,770)	(105,037)	PLS accounts	126,189
Total cash outflow from financing activities	(166,770)	(105,037)		127,489
Net cash inflow / (outflow) from all activities	50,170	(20,418)		128,768
Cash and cash equivalent at beginning of the year	78,598	50,432		30,014
Cash and cash equivalent at end of the period	128,768	30,014		

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

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Habib Insurance Company Limited

Condensed Interim Statement of Changes in Equity for the nine months ended September 30, 2013 (Unaudited)

	Share Capital	Capital Reserves	Revenue Reserves		Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	General reserve	Retained earnings	
	(Rupees in '000)				
Balance as at January 1, 2012 - as previously reported	450,454	9,122	245,000	173,504	878,080
Restatement due to change in accounting policy on recognition of actuarial losses on defined benefit obligations - net of tax (refer note 3.1)	-	-	-	(1,872)	(1,872)
Balance as at January 1, 2012 - restated	450,454	9,122	245,000	171,632	876,208
Total comprehensive income for the period					
Profit for the nine month period ended September 2012	-	-	-	106,187	106,187
Other comprehensive income - restated	-	-	-	(1,159)	(1,159)
	-	-	-	105,028	105,028
Transactions with owners recorded directly in equity					
Bonus share distribution for the year ended December 31, 2011 at 10%	45,045	-	-	(45,045)	-
Final dividend for the year ended December 31, 2011 of Rs. 1.25 per share	-	-	-	(112,613)	(112,613)
	45,045	-	-	(157,658)	(112,613)
Balance as at September 30, 2012 - restated	495,499	9,122	245,000	119,002	868,623
Balance as at January 1, 2013 - restated	495,499	9,122	245,000	206,644	956,265
Total comprehensive income for the period					
Profit for the nine month period ended Sept. 30, 2013	-	-	-	166,699	166,699
Other comprehensive income - net of tax	-	-	-	(124)	(124)
	-	-	-	166,575	166,575
Transaction with owners recorded directly in equity					
Final dividend for the year ended December 31, 2012 of Rs. 1.75 per share	-	-	-	(173,425)	(173,425)
	-	-	-	(173,425)	(173,425)
Balance as at September 30, 2013	495,499	9,122	245,000	199,794	949,415

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Habib Insurance Company Limited

Condensed Interim Statement of Premiums for the nine months ended September 30, 2013 (Unaudited)

(Rupees in '000)

Business underwritten inside Pakistan Quarter ended September 30

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2013 Net premium revenue	2012 Net premium revenue
		Opening	Closing			Opening	Closing			
Direct and facultative										
1. Fire and Property	94,051	243,255	232,735	104,571	70,555	181,163	169,204	82,514	22,057	25,662
2. Marine and Transport	59,887	32,286	25,580	66,593	23,805	12,776	10,795	25,786	40,807	41,406
3. Motor	35,760	67,515	69,683	33,592	2,196	844	1,076	1,964	31,628	33,304
4. Other Classes	63,393	44,652	78,937	29,108	17,161	17,885	25,061	9,985	19,123	20,272
Total	253,091	387,708	406,935	233,864	113,717	212,668	206,136	120,249	113,615	120,644

Nine months ended September 30

Direct and facultative										
1. Fire and Property	336,272	201,270	232,735	304,807	261,516	145,184	169,204	237,496	67,311	76,733
2. Marine and Transport	191,973	23,024	25,580	189,417	76,350	7,244	10,795	72,799	116,618	102,545
3. Motor	96,871	72,048	69,683	99,236	5,746	1,262	1,076	5,932	93,304	100,918
4. Other Classes	113,390	84,350	78,937	118,803	37,698	46,187	25,061	58,824	59,979	57,715
Total	738,506	380,692	406,935	712,263	381,310	199,877	206,136	375,051	337,212	337,911

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

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Habib Insurance Company Limited

Condensed Interim Statement of Claims for the nine months ended September 30, 2013 (Unaudited)

(Rupees in '000)

Business underwritten inside Pakistan	Quarter ended September 30										
	Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2013 Net claims expense	2012 Net claims expense
			Opening	Closing			Opening	Closing			
Direct and facultative											
1. Fire and Property	6,694	69,816	90,290	27,168	6,296	60,719	81,166	26,743	425	1,539	
2. Marine and Transport	15,567	23,394	35,085	27,258	7,920	10,461	17,810	15,269	11,989	22,904	
3. Motor	26,491	35,074	42,660	34,077	4,388	9,039	9,231	4,580	29,497	23,978	
4. Other Classes	21,334	41,148	51,251	31,437	4,034	23,701	29,357	9,690	21,747	12,233	
Total	70,086	169,432	219,286	119,940	22,638	103,920	137,564	56,282	63,658	60,654	
	Nine months ended September 30										
Direct and facultative											
1. Fire and Property	69,416	91,320	90,290	68,386	63,794	82,470	81,166	62,490	5,896	14,014	
2. Marine and Transport	72,884	26,558	35,085	81,411	38,114	13,642	17,810	42,282	39,129	65,776	
3. Motor	77,857	33,578	42,660	86,939	11,423	7,933	9,231	12,721	74,218	68,138	
4. Other Classes	66,601	33,026	51,251	84,826	22,036	20,545	29,357	30,848	53,978	44,542	
Total	286,758	184,482	219,286	321,562	135,367	124,590	137,564	148,341	173,221	192,470	

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

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Habib Insurance Company Limited

Condensed Interim Statement of Expenses for the nine months ended September 30, 2013 (Unaudited)

(Rupees in '000)

Business underwritten inside Pakistan		Quarter ended September 30							
Class	Commissions paid or payable	Opening deferred commission	Closing deferred commission	Net commission expense	Other management expenses	Underwriting expense	*Commissions from reinsurers	2013 Net underwriting expense	2012 Net underwriting expense
Direct and facultative									
1. Fire and Property	13,987	31,841	31,451	14,377	13,248	27,625	20,265	7,360	8,890
2. Marine and Transport	9,607	5,677	4,411	10,873	8,491	19,364	8,473	10,891	14,109
3. Motor	1,898	7,976	6,255	3,619	5,115	8,734	78	8,656	8,149
4. Other Classes	761	4,605	3,474	1,892	9,215	11,107	1,705	9,402	7,304
Total	26,253	50,099	45,591	30,761	36,069	66,830	30,521	36,309	38,452
Nine months ended September 30									
Direct and facultative									
1. Fire and Property	44,695	29,286	31,451	42,530	49,552	92,082	57,304	34,778	27,893
2. Marine and Transport	30,802	5,781	4,411	32,172	28,288	60,460	22,854	37,606	33,893
3. Motor	7,400	9,548	6,255	10,693	14,274	24,967	222	24,745	21,329
4. Other Classes	5,330	5,505	3,474	7,361	16,709	24,070	5,737	18,333	26,794
Total	88,227	50,120	45,591	92,756	108,823	201,579	86,117	115,462	109,909

*Commission from reinsurers is arrived at after taking the impact of the opening and closing balances of unearned commission.

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Habib Insurance Company Limited

Condensed Interim Statement of Investment Income for the nine months ended September 30, 2013 (Unaudited)

	Quarter ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
(Rupees in '000)				
Income from Non-Trading Investments				
Held-to-maturity				
Return on Government Securities	459	1,706	4,053	5,017
Available-for-sale				
Dividend income	30,289	16,385	76,791	70,079
Return on fixed income securities	185	161	495	822
Gain on sale of available-for-sale investments	11,140	28,802	88,097	40,370
	41,614	45,348	165,383	111,271
Provision for impairment in the value of available-for-sale investments - net	(27,735)	(11,087)	-	-
Investment related expenses	(68)	(159)	(577)	(417)
	(27,803)	(11,246)	(577)	(417)
Net investment income	14,270	35,808	168,859	115,871

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Habib Insurance Company Limited

Notes to the Condensed Interim Financial Information for the nine months ended September 30, 2013 (Unaudited)

1. STATUS AND NATURE OF BUSINESS

Habib Insurance Company Limited (the Company) was incorporated as a Public Limited Company in the year 1942 under the Companies Act, 1913 (now the Companies Ordinance, 1984). 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 Karachi and Lahore Stock Exchanges. The Company is engaged in general insurance business.

2. BASIS OF PRESENTATION

This condensed interim financial information of the Company for the nine months period ended September 30, 2013 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, and SEC (Insurance) Rules, 2002, have been followed.

The disclosures made in this condensed interim financial information has been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 7 of 2003 and IAS 34 - Interim Financial Reporting and do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2012.

The SECP has allowed the insurance companies to defer the application of IAS 39 - Financial Instruments: Recognition and Measurement in respect of valuation of "available for sale investments". Accordingly, the requirements of IAS 39, to the extent allowed by SECP as aforesaid, have not been considered in the preparation of this condensed interim financial information.

3. ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of the condensed interim financial information are consistent with those followed in the preparation of the annual financial statements of the Company for the year ended December 31, 2012 except for adoption of IAS 19 (revised) as referred to in note 3.1.

3.1 CHANGES IN ACCOUNTING POLICIES

During the period the Company has adopted IAS 19 (Revised) effective from January 1, 2013. The significant changes to IAS 19 are as follows:

- For defined benefit plans, the option to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, actuarial gains and losses are recognised in other comprehensive income when they occur. Amounts recorded in the profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income / expense. All other changes in the net defined benefit obligation are recognised directly in other comprehensive income with no subsequent recycling through the profit and loss account.
- The distinction between short-term and long-term employee benefits is based on the expected timing of settlement rather than the employee's entitlement to the benefits.
- The revised standard has new or revised disclosure requirements. The disclosures now include quantitative information regarding the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption.

The adoption of the said amendments has resulted in a change in the Company's accounting policy related to recognition of actuarial gains and losses (note 6.4 to the financial statements for the year ended December 31, 2012). Consequently the Company now recognises all actuarial gains and losses directly in other comprehensive income with no subsequent recycling through the profit and loss account.

Habib Insurance Company Limited

Had the said change not been made, the Company's equity as at September 30, 2013 would have been higher by Rs.4.314 million (December 31, 2012: Rs.4.190 million), and staff retirement benefits would have been lower by Rs. 4.314 million (December 31, 2012: Rs.4.190 million)

4. ESTIMATES AND JUDGEMENTS

The preparation of the condensed interim financial information 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 sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2012.

5. FINANCIAL AND INSURANCE RISK MANAGEMENT

The Company's financial and insurance risk management objectives and policies are consistent with those that were disclosed in the annual financial statements as at and for the year ended December 31, 2012.

	Note	Unaudited September 30, 2013 (Rupees in '000)	Audited December 31, 2012
6. AMOUNT DUE TO OTHER INSURERS/ REINSURERS			
Foreign reinsurers		58,788	11,984
Local reinsurers		57,393	73,582
Co-insurers		72,555	52,392
		<u>188,736</u>	<u>137,958</u>
7. OTHER CREDITORS AND ACCRUALS			
Federal excise duty		10,766	14,366
Federal insurance fee		1,353	865
Agents commission payable		135,047	145,472
Workers welfare fund payable		19,295	15,588
Sundry creditors		17,852	9,089
		<u>184,313</u>	<u>185,380</u>
8. INVESTMENTS			
Held-to-maturity			
Government securities			
Pakistan Investment Bonds	8.1	54,084	52,429
Available-for-sale			
8.2			
Units of open end mutual funds deposited with the State Bank of Pakistan - quoted		97	97
Units of open end mutual funds		5,252	5,252
Term Finance Certificates - quoted		4,839	4,784
Modaraba Certificates - quoted		14,840	14,840
Ordinary shares of quoted/ unquoted companies		278,593	283,519
Ordinary shares of quoted companies/ units of open end mutual funds (related parties)		629,060	695,287
		<u>932,681</u>	<u>1,003,779</u>
		<u>986,765</u>	<u>1,056,208</u>

Habib Insurance Company Limited

- 8.1 This represents Pakistan Investment Bonds having face value of Rs. 53.50 million (December 31, 2012: Rs. 53.50 million). These carry mark-up ranging from of 11.25% to 11.75% (December 31, 2012: 11.25% to 11.75%) and will mature between August 30, 2015 to July 17, 2022. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Circular No. 15 of 2008 dated July 7, 2008 issued by the Securities and Exchange Commission of Pakistan.
- 8.2 The aggregate market value of the above available-for-sale investments is Rs. 1,201.217 million (December 31, 2012: Rs. 1,180.565 million).

Unaudited September 30, 2013 (Rupees in '000)	Audited December 31, 2012
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9. SUNDRY RECEIVABLES

Receivable against sale of investments	–	31,444
Other receivables	3,606	3,702
	3,606	35,146
	3,606	35,146

10. FIXED ASSETS

Opening written down value	11,829	10,375
Add: Additions during the period/ year - at cost		
- Furniture, fixtures and office equipment	520	239
- Computer and related equipment	952	803
- Motor vehicles	38	198
- Computer software	1,216	3,750
	2,726	4,990
Less: Written down value of deletions during the period/ year	(22)	(90)
Depreciation/ amortisation for the period/ year	(2,578)	(3,446)
	(2,600)	(3,536)
Closing written down value	11,955	11,829

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11. TRANSACTIONS WITH RELATED PARTIES

11.1 Related parties of the Company comprise of associated companies, companies with common directors, major shareholders, staff retirement funds, directors and key management personnel. Transaction with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms.

Details of balances and transactions with related parties during the nine months ended September 30, 2013 are as follows:

	Quarter ended		Nine months ended	
	September 30,		September 30,	
	2013	2012	2013	2012
	(Rupees in '000)			
Transactions with related parties				
Premium written	83,323	44,296	265,762	350,331
Claims paid	25,320	23,514	83,381	123,265
Dividends received	22,022	7,700	59,769	44,978
Dividend paid	–	–	15,681	10,401
Investments made	225,000	217,068	709,058	690,332
Investments sold	217,731	190,000	753,572	560,500
Interest received on bank accounts	2,206	982	5,250	3,188
Bank charges	26	46	148	185
Share registrar fees paid	108	72	266	351
Brokerage expenses paid	186	160	1,073	784
Contribution to the provident fund	1,037	824	2,688	2,532
Remuneration of key management personnel	4,468	8,103	15,665	22,048
	(Number of shares)			
Bonus shares received	–	–	–	270,519
Bonus shares issued	–	–	–	832,090

11.1.1 Remuneration to the key management personnel are in accordance with the terms of their employment. Contribution to the provident fund is in accordance with the Company's staff services rules and other transactions with the related parties are in accordance with the agreed terms.

12. BASIC AND DILUTED EARNINGS PER SHARE

	Quarter ended		Nine months ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Profit after tax for the period (Rupees in '000)	13,231	39,736	166,699	106,187
Weighted average number of ordinary shares in issue during the period (in '000)	99,100	99,100	99,100	99,100
Earnings per share (Rupees)	0.13	0.40	1.68	1.07

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.

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13. OPERATING SEGMENTS

Class of business wise revenue and results have been disclosed in the condensed interim profit and loss account prepared in accordance with the requirements of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets and liabilities as at September 30, 2013 and December 31, 2012.

	Fire and Property		Marine and Transport		Motor		Other Classes		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012 Restated
	(Rupees in '000)									
Segment assets	391,099	311,810	243,042	192,434	127,330	114,298	152,437	145,881	913,908	764,423
Unallocated corporate assets									1,208,444	1,239,545
Consolidated corporate assets									<u>2,122,352</u>	<u>2,003,968</u>
Segment liabilities	432,653	366,747	268,865	226,338	140,859	134,436	168,633	171,583	1,011,010	899,104
Unallocated corporate liabilities									161,927	148,599
Consolidated corporate liabilities									<u>1,172,937</u>	<u>1,047,703</u>

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14. RECLASSIFICATION

Following reclassifications have been made in these financial statements in order to give better and more appropriate presentation.

	From	To	December 31, 2012 (Rupees in '000)
Salvage recoveries outstanding	Reinsurance recoveries against outstanding claims	Salvage recoveries outstanding	11,110

15. AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on October 29, 2013 by the Board of Directors of the Company.

16. GENERAL

16.1 Figures have been rounded off to the nearest thousand rupees.

RAFIQ M. HABIB
Chairman

ABBAS D. HABIB
Director

MANSOOR G. HABIB
Director

ALI RAZA D. HABIB
*Managing Director
& Chief Executive*