

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
Mohamedali R. Habib
Sajjad Hussain Habib
Aun Mohammad A. Habib
Ali Fadoo

Managing Director & Chief Executive : Ali Raza D. Habib

Deputy Managing Director : Zeeshan Raza

Company Secretary / Executive Director : Shabbir Gulamali

Auditors : M/s. Ernst & Young Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Share Registrar : M/s. Noble Computer Services (Pvt.) Ltd.
Mezzanine 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 have pleasure to present the unaudited accounts for the period ended 30th September 2015.

By the Grace of Allah, the performance of the Company has been commendable with underwriting profits rising to Rs. 82.6 million as compared to Rs. 53.4 million for the previous year, supported by favourable claims experience and improvement on commission earning. The gross written premium has risen to Rs. 863.8 million as compared to Rs. 778.0 million of the corresponding period last year.

Investment Income for the period reduced from Rs. 216.9 million to Rs. 183.4 million, due to lesser capital gains recorded with reduction in dividend income owing to changes in tax laws on dividend received from Funds.

Consequently, the profit after tax reduced to Rs. 190.0 million resulting in an earnings of Rs. 1.53 per share.

We pray to Allah for the Peace and Prosperity in the Country and particularly for the Safety and Welfare of the People and for a successful closing for 2015.

On behalf of the Board of Directors

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

Karachi: October 13, 2015

Habib Insurance Company Limited

Condensed Interim Balance Sheet as at September 30, 2015 (Unaudited)

		Unaudited September 30, 2015 (Rupees in '000)	Audited December 31, 2014			Unaudited September 30, 2015 (Rupees in '000)	Audited December 31, 2014
	Note				Note		
Share Capital and Reserves				Cash and Bank Deposits			
Authorised share capital 130,000,000 (December 31, 2014: 130,000,000) ordinary shares Rs. 5 each		650,000	650,000	Cash and other equivalents		470	372
				Current and other accounts		65,133	74,186
						65,603	74,558
Paid-up share capital		619,374	619,374	Loans to employees			
Retained earnings		218,794	286,551	Secured and considered good		31,633	27,453
Reserves		264,122	254,122				
Total Equity		1,102,290	1,160,047	Investments	9	851,225	1,043,878
Underwriting Provisions				Deferred Taxation		18,705	21,201
Provision for outstanding claims (including IBNR)		727,663	868,747	Current Assets - others			
Provision for premium deficiency		263	263	Premiums due but unpaid - unsecured		389,069	284,948
Provision for unearned premium		478,234	432,293	Amounts due from other insurers/ reinsurers		399,938	282,282
Commission income unearned		56,953	49,476	Accrued investment income		13,978	3,424
				Reinsurance recoveries against outstanding claims		635,133	794,592
Total underwriting provisions		1,263,113	1,350,779	Salvage recoveries outstanding		26,795	30,076
Deferred Liability				Deferred commission expense		49,055	45,363
Staff retirement benefits		52,986	46,854	Advance, deposits and prepayments		292,803	222,234
Creditors and Accruals				Sundry receivables	10	5,871	7,297
Amounts due to other insurers/ reinsurers	6	123,610	55,416			1,812,642	1,670,216
Accrued expenses		9,708	8,528	Fixed Assets	11		
Taxation – provision less payments		55,862	44,843	Tangible and intangible			
Other creditors and accruals	7	153,661	146,305	Furniture, fixtures and office equipment		13,553	6,800
		342,841	255,092	Computer and related equipment		2,688	1,570
Other Liabilities				Motor vehicles		6,260	2,401
Unclaimed dividends		44,319	38,227	Computer software		3,240	2,922
TOTAL LIABILITIES		1,703,259	1,690,952			25,741	13,693
TOTAL EQUITY AND LIABILITIES		2,805,549	2,850,999	TOTAL ASSETS		2,805,549	2,850,999
CONTINGENCIES AND COMMITMENTS	8						

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

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

ALI FADOO
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, 2015 (Unaudited)

(Rupees in '000)

Note	Quarter ended September 30,					
	Fire and Property	Marine and Transport	Motor	Other Classes	2015 Aggregate	2014 Aggregate
Revenue Account						
Net premium revenue	27,769	41,775	35,235	22,727	127,506	121,987
Net claims	(1,670)	(16,042)	(24,887)	(15,147)	(57,746)	(65,848)
Expenses	(22,376)	(11,799)	(6,851)	(7,996)	(49,022)	(40,956)
Net commission	5,045	1,828	(3,079)	1,243	5,037	3,687
Underwriting result	8,768	15,762	418	827	25,775	18,870
Net investment income					39,713	29,848
Other income					1,654	1,928
General and administration expenses					(16,955)	(11,854)
					24,412	19,922
Profit before tax					50,187	38,792
Provision for taxation - Current					(8,000)	(6,000)
- Prior					-	-
- Deferred					(273)	(389)
					(8,273)	(6,389)
Profit after tax					41,914	32,403
Other comprehensive income - net of tax					-	-
Total comprehensive income					41,914	32,403
Earnings per share of Rs. 5/- each	13			Rupees	0.34	0.26

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

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Habib Insurance Company Limited

Condensed Interim Profit and Loss Account for the nine months ended September 30, 2015 (Unaudited)

(Rupees in '000)

Nine months ended September 30,						
Note	Fire and Property	Marine and Transport	Motor	Other Classes	2015 Aggregate	2014 Aggregate
Revenue Account						
	80,933	118,500	105,529	82,053	387,015	344,593
	(8,347)	(34,705)	(74,894)	(52,809)	(170,755)	(177,047)
	(68,235)	(34,223)	(19,029)	(27,750)	(149,237)	(126,908)
	17,980	4,756	(9,616)	2,440	15,560	12,783
	22,331	54,328	1,990	3,934	82,583	53,421
					183,361	216,923
					5,822	6,379
					(51,277)	(41,989)
					137,906	181,313
					220,489	234,734
					(26,176)	(17,000)
					(1,824)	-
					(2,496)	(6,331)
					(30,496)	(23,331)
					189,993	211,403
					286,551	275,414
					189,993	211,403
					(247,750)	(123,875)
					-	(123,875)
					(10,000)	-
					(257,750)	(247,750)
					218,794	239,067
					1.53	1.71

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

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Habib Insurance Company Limited
Condensed Interim Statement of Comprehensive Income
for the nine months ended September 30, 2015 (Unaudited)

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	(Rupees in '000)			
Net profit for the period	41,914	32,403	189,993	211,403
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	41,914	32,403	189,993	211,403

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

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Habib Insurance Company Limited

Condensed Interim Statement of Changes in Equity for the nine months ended September 30, 2015 (Unaudited)

	Share Capital Issued, subscribed and paid-up	Capital Reserves Reserve for exceptional losses	Revenue Reserves		Total
			General reserve	Retained earnings	
	(Rupees in '000)				
Balance as at January 1, 2014	495,499	9,122	245,000	275,414	1,025,035
Changes in equity for the nine months period ended Sept. 30, 2014					
Profit for the nine months period ended Sept. 30, 2014	-	-	-	211,403	211,403
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the nine months period ended Sept. 30, 2014	-	-	-	211,403	211,403
Issue of bonus shares at Rs.1.25 (25%) for the year ended December 31, 2013	123,875	-	-	(123,875)	-
Final dividend of Rs. 1.25 per share for the year ended December 31, 2013	-	-	-	(123,875)	(123,875)
	123,875	-	-	(247,750)	(123,875)
Balance as at Sept. 30, 2014	<u>619,374</u>	<u>9,122</u>	<u>245,000</u>	<u>239,067</u>	<u>1,112,563</u>
Balance as at January 1, 2015	619,374	9,122	245,000	286,551	1,160,047
Changes in equity for the nine months period ended Sept. 30, 2015					
Profit for the nine months ended Sept. 30, 2015	-	-	-	189,993	189,993
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the nine months period ended Sept. 30, 2015	-	-	-	189,993	189,993
Transfer to general reserve	-	-	10,000	(10,000)	-
Final dividend of Rs.2.0 per share for the year ended December 31, 2014	-	-	-	(247,750)	(247,750)
	-	-	10,000	(257,750)	(247,750)
Balance as at Sept. 30, 2015	<u>619,374</u>	<u>9,122</u>	<u>255,000</u>	<u>218,794</u>	<u>1,102,290</u>

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

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Habib Insurance Company Limited

Condensed Interim Statement of Cash Flows for the nine months ended September 30, 2015 (Unaudited)

	September 30, 2015	September 30, 2014		September 30, 2015	September 30, 2014
	(Rupees in '000)			(Rupees in '000)	
Operating activities			Reconciliation to Profit and Loss Account		
a) Underwriting activities			Operating cash flows	(121,431)	(220,623)
Premiums received	642,021	558,785	Depreciation expense	(4,323)	(2,861)
Reinsurance premiums paid	(417,805)	(433,841)	Profit on disposal of fixed assets	189	27
Claims paid	(635,779)	(404,935)	Increase in assets other than cash	402,688	996,547
Reinsurance and other recoveries	486,680	231,736	Increase in liabilities	(245,150)	(765,343)
Commissions paid	(78,725)	(76,034)		31,973	7,747
Commissions received	102,230	97,438	Other adjustments		
Net cash inflow from underwriting activities	98,622	(26,851)	Income tax paid	16,982	14,441
b) Other operating activities			Provision for gratuity	(6,455)	(5,970)
Income tax paid	(16,982)	(14,441)	Gratuity paid	323	1,486
General management expenses paid	(198,943)	(172,391)	Profit/ Return received	11,937	10,880
Other operating receipts	(15,029)	(7,435)	Dividends received	56,374	73,653
Loans advanced	10,849	(8,943)	Capital gain	109,355	132,497
Loans repayments received	52	9,438	Provision for taxation	(30,496)	(23,331)
Net cash outflow from other operating activities	(220,053)	(193,772)		158,020	203,656
Total cash outflow from all operating activities	(121,431)	(220,623)	Profit after taxation	189,993	211,403
Investment activities			Definition of cash		
Profit / return received	11,937	10,880	Cash comprises of cash in hand, policy stamps, bank balances which are readily convertible to cash in hand and are used in the cash management function on a day-to-day basis.		
Dividends received	56,374	73,653	Cash for the purpose of the Statement of Cash Flows consists of:		
Payments for investments	(856,893)	(656,669)	Cash and other equivalents		
Proceeds from disposal of investments	1,158,901	920,054	Cash in hand	422	34
Fixed capital expenditure	(16,410)	(3,990)	Stamps in hand	48	5
Proceeds from disposal of fixed assets	228	72		470	39
Total cash inflow from investing activities	354,137	344,000	Current and other accounts		
Financing activities			Current accounts	6,912	11,434
Dividends paid	(241,661)	(121,277)	PLS accounts	58,221	51,245
Total cash outflow from financing activities	(241,661)	(121,277)		65,133	62,679
Net cash inflow from all activities	(8,955)	2,100		65,603	62,718
Cash and cash equivalent at beginning of the year	74,558	60,618			
Cash and cash equivalent at end of the period	65,603	62,718			

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

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& Chief Executive

Habib Insurance Company Limited

Condensed Interim Statement of Premiums for the nine months ended September 30, 2015 (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		Reinsurance expense	2015 Net premium revenue	2014 Net premium revenue
		Opening	Closing			Opening	Closing			
Direct and facultative										
1. Fire and Property	123,449	266,533	269,802	120,180	90,823	201,448	199,860	92,411	27,769	20,798
2. Marine and Transport	65,323	41,513	32,674	74,162	30,101	16,869	14,583	32,387	41,775	40,411
3. Motor	38,042	80,355	79,055	39,342	2,348	6,163	4,404	4,107	35,235	33,466
4. Other Classes	43,669	100,757	96,703	47,723	21,278	52,417	48,699	24,996	22,727	27,312
Total	270,483	489,158	478,234	281,407	144,550	276,897	267,546	153,901	127,506	121,987

Nine months ended September 30,

Direct and facultative										
1. Fire and Property	394,950	222,484	269,802	347,632	303,144	163,415	199,860	266,699	80,933	61,185
2. Marine and Transport	198,082	38,885	32,674	204,293	82,852	17,524	14,583	85,793	118,500	110,496
3. Motor	110,142	86,417	79,055	117,504	12,198	4,181	4,404	11,975	105,529	99,414
4. Other Classes	160,620	84,507	96,703	148,424	87,804	27,266	48,699	66,371	82,053	73,498
Total	863,794	432,293	478,234	817,853	485,998	212,386	267,546	430,838	387,015	344,593

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Habib Insurance Company Limited

Condensed Interim Statement of Claims for the nine months ended September 30, 2015 (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	2015 Net claims expense	2014 Net claims expense
		Opening	Closing			Opening	Closing			
Direct and facultative										
1. Fire and Property	12,890	589,550	586,068	9,408	11,638	580,322	576,422	7,738	1,670	4,110
2. Marine and Transport	61,223	26,166	32,345	67,402	50,305	27,419	28,474	51,360	16,042	15,083
3. Motor	22,698	27,175	33,036	28,559	1,869	4,805	6,608	3,672	24,887	21,468
4. Other Classes	32,779	70,433	76,214	38,560	17,230	44,241	50,424	23,413	15,147	25,187
Total	129,590	713,324	727,663	143,929	81,042	656,787	661,928	86,183	57,746	65,848
Nine months ended September 30,										
Direct and facultative										
1. Fire and Property	255,911	742,254	586,068	99,725	247,580	732,624	576,422	91,378	8,347	9,303
2. Marine and Transport	188,317	44,106	32,345	176,556	156,222	42,845	28,474	141,851	34,705	29,319
3. Motor	73,405	28,727	33,036	77,714	8,177	11,965	6,608	2,820	74,894	69,800
4. Other Classes	118,146	53,660	76,214	140,700	74,701	37,234	50,424	87,891	52,809	68,625
Total	635,779	868,747	727,663	494,695	486,680	824,668	661,928	323,940	170,755	177,047

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

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Habib Insurance Company Limited

Condensed Interim Statement of Expenses for the nine months ended September 30, 2015 (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	2015 Net underwriting expense	2014 Net underwriting expense
Direct and facultative									
1. Fire and Property	13,250	34,531	33,072	14,709	22,376	37,085	19,754	17,331	9,807
2. Marine and Transport	6,034	4,165	3,216	6,983	11,799	18,782	8,811	9,971	8,444
3. Motor	2,530	7,128	6,238	3,420	6,851	10,271	341	9,930	9,586
4. Other Classes	3,883	5,726	6,529	3,080	7,996	11,076	4,323	6,753	9,433
Grand Total	<u>25,697</u>	<u>51,550</u>	<u>49,055</u>	<u>28,192</u>	<u>49,022</u>	<u>77,214</u>	<u>33,229</u>	<u>43,985</u>	<u>37,270</u>
Nine months ended September 30,									
Direct and facultative									
1. Fire and Property	48,760	26,079	33,072	41,767	68,235	110,002	59,747	50,255	36,129
2. Marine and Transport	17,167	4,191	3,216	18,142	34,223	52,365	22,898	29,467	27,615
3. Motor	7,393	9,313	6,238	10,468	19,029	29,497	852	28,645	26,028
4. Other Classes	9,565	5,780	6,529	8,816	27,750	36,566	11,256	25,310	24,353
Grand Total	<u>82,885</u>	<u>45,363</u>	<u>49,055</u>	<u>79,193</u>	<u>149,237</u>	<u>228,430</u>	<u>94,753</u>	<u>133,677</u>	<u>114,125</u>

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

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& Chief Executive

Habib Insurance Company Limited
Condensed Interim Statement of Investment Income
for the nine months ended September 30, 2015 (Unaudited)

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	(Rupees in '000)			
Income from Non-Trading Investments				
Held-to-maturity				
Return on Government Securities	1,932	1,683	6,118	5,029
Available-for-sale				
Dividend income				
– Related parties	11,522	6,574	50,195	69,578
– Others	9,362	1,981	18,543	10,045
	20,884	8,555	68,738	79,623
Return on fixed income securities	–	160	–	472
Gain on sale of available-for-sale investments	17,338	19,630	109,355	132,497
Investment related expenses	(441)	(180)	(850)	(698)
Net investment income	39,713	29,848	183,361	216,923

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

RAFIQ M. HABIB
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Habib Insurance Company Limited

Notes to the Condensed Interim Financial Statements for the nine months ended September 30, 2015 (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. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the nine months period ended September 30, 2015 are unaudited and have 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 these condensed interim financial statements have 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 for 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, 2014.

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under historical cost convention.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial statements requires management to make judgments, 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 judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2014.

5. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the annual financial statements of the Company for the year ended December 31, 2014. The Company's financial and insurance risk management objectives and policies are consistent with those that were disclosed in the annual financial statements of the Company as at and for the year ended December 31, 2014 except as follows:

Habib Insurance Company Limited

5.1 New, amended and revised International Financial Reporting Standards (IFRSs) and interpretations

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

New / Revised Standards, Interpretations and Amendments

The Company has adopted the following amendment to IFRSs which became effective for the current period:

IFRS 10 – Consolidated Financial Statements
 IFRS 11 – Joint Arrangements
 IFRS 12 – Disclosure of Interests in Others Entities
 IFRS 13 – Fair Value Measurement

The adoption of the above revision and amendments of the standards did not have any effect on the condensed interim financial statements.

	Unaudited September 30, 2015	Audited December 31, 2014
	(Rupees in '000)	
6. AMOUNT DUE TO OTHER INSURERS/ REINSURERS		
Foreign reinsurers	62,869	13,786
Local reinsurers	28,228	22,517
Co-insurers	32,513	19,113
	123,610	55,416
7. OTHER CREDITORS AND ACCRUALS		
Federal excise duty	14,848	13,438
Federal insurance fee	1,033	976
Withholding tax payable	1,476	1,373
Agents commission payable	80,100	75,941
Workers welfare fund payable	31,680	27,381
Sundry creditors	24,524	27,196
	153,661	146,305

8. CONTINGENCIES AND COMMITMENTS

Contingencies

During the period, the Company received orders under section 122(5A) passed by the Additional Commissioner Inland Revenue for the Tax Year 2009 & 2012 wherein prior year assessments were revised by treating dividend income as single basket income and taxing it at 35% instead of fixed rate of 10% resulting in aggregate demand of Rs.16.0 million. The Company has filed appeals against the said orders with CIT (Appeals) which are pending adjudication. The Company is confident that the ultimate outcome of the appeal will be in its favor. Therefore, no provision for the said demand is made in these financial statements.

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Commitments

There are no commitments as at September 30, 2015.

	Note	Unaudited September 30, 2015	Audited December 31, 2014
(Rupees in '000)			
9. INVESTMENTS			
Held-to-maturity			
Government securities (deposited with SBP)			
Pakistan Investment Bonds	9.1	55,157	68,803
Available-for-sale			
	9.2		
Units of open end mutual funds - quoted		349	349
Modaraba Certificates - quoted		14,840	14,840
Ordinary shares of quoted/ unquoted companies		204,340	247,217
Ordinary shares of quoted companies/ units of open end mutual funds (related parties)		576,539	712,669
		796,068	975,075
		<u>851,225</u>	<u>1,043,878</u>

9.1 This represents Pakistan Investment Bonds having face value of Rs.55.0 million (market value of Rs.60.13 million) [December 31, 2014: face value Rs.68.5 million (market value of Rs.72.21 million)]. These carry mark-up ranging from 11.25% to 12.00% (December 31, 2014: 11.25% to 12%) per annum and will mature between July 17, 2016 to July 19, 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 07, 2008 issued by the Securities and Exchange Commission of Pakistan.

9.2 The aggregate market value of the above investments is Rs.1370.266 million (December 31, 2014: Rs.1,763.860 million). Had these investments been measured at fair value as required by International Accounting Standard (IAS) - 39, the carrying value of investments and equity of the Company as at September 30, 2015 would have been higher by Rs.574.197 million (December 31, 2014: higher by Rs.788.804 million).

10. SUNDRY RECEIVABLES

Federal Excise Duty recoverable	589	-
Sales tax recoverable	1,701	3,946
Other receivables	3,581	3,351
	<u>5,871</u>	<u>7,297</u>

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	Unaudited September 30, 2015	Audited December 31, 2014
	(Rupees in '000)	
11. FIXED ASSETS		
Opening written down value	13,693	11,017
Add: Additions during the period/ year - at cost		
– Furniture, fixtures and office equipment	8,270	3,259
– Computer and related equipment	2,117	1,074
– Motor vehicles	4,792	2,328
– Computer software	1,231	–
	16,410	6,661
Less: Written down value of deletions during the period/ year	(39)	(81)
Depreciation/ amortisation for the period/ year	(4,323)	(3,904)
	(4,362)	(3,985)
Closing written down value	25,741	13,693

12. TRANSACTIONS WITH RELATED PARTIES

12.1 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 half year ended September 30, 2015 are as follows:

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	(Rupees in '000)			
Transactions with related parties				
Premium written	67,082	83,245	248,250	224,464
Claims paid	51,561	43,699	163,447	126,208
Dividends received	11,521	6,574	50,194	69,579
Dividend paid	–	–	20,594	16,098
Investments made	104,958	193,428	853,009	450,748
Investments sold	90,731	248,852	1,088,652	638,005
Interest received on bank accounts	959	1,501	4,008	4,722
Bank charges	73	61	175	180
Share registrar fees paid	151	148	482	421
Brokerage expenses paid	41	180	450	698
Contribution to the provident fund	1,273	1,273	3,499	3,171
Remuneration of key management personnel	19,067	6,452	56,283	27,356
			(Number of shares)	
Bonus shares received	–	–	–	406,200
Bonus shares issued	–	–	–	2,288,250

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	Unaudited June 30, 2015	Audited December 31, 2014
	(Rupees in '000)	
Balances with related parties		
Bank balances	62,458	73,092
Investment held	576,539	712,669
Premiums due but unpaid	122,180	103,766
Outstanding claims	63,280	52,339
Due to the provident fund	5	23

12.1.1 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.

13. BASIC AND DILUTED EARNINGS PER SHARE

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Profit after tax for the period (Rupees in '000)	<u>41,914</u>	<u>32,403</u>	<u>189,993</u>	<u>211,403</u>
Weighted average number of ordinary shares in issue during the period (in '000)	<u>123,875</u>	<u>123,875</u>	<u>123,875</u>	<u>123,875</u>
Earnings per share (Rupees)	<u>0.34</u>	<u>0.26</u>	<u>1.53</u>	<u>1.71</u>

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.

Habib Insurance Company Limited

14. OPERATING SEGMENT

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, 2015 and December 31, 2014.

	Fire and Property		Marine and Transport		Motor		Other Classes		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	Unaudited September 30, 2015	Audited December 31, 2014
	(Rupees in '000)									
Segment assets	762,241	739,118	447,946	416,920	257,647	245,762	325,444	261,539	1,793,278	1,663,339
Unallocated corporate assets									1,012,271	1,187,660
Consolidated corporate assets									<u>2,805,549</u>	<u>2,850,999</u>
Segment liabilities	623,480	658,599	366,400	371,501	210,744	218,989	266,199	233,047	1,466,823	1,482,136
Unallocated corporate liabilities									236,436	208,816
Consolidated corporate liabilities									<u>1,703,259</u>	<u>1,690,952</u>

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15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements were authorised for issue on October 13, 2015 by the Board of Directors of the Company.

16. GENERAL

Figures have been rounded off to the nearest thousand rupee.

RAFIQ M. HABIB
Chairman

MANSOOR G. HABIB
Director

ALI FADOO
Director

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