

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 : Shabbir Gulamali

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

Share Registrar : M/s. Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B,
SMCHS, Main Shahrah-e-Faisal,
Karachi-74400

Registered Office : 1st Floor, State Life Bldg. No. 6,
Habib Square, M. A. Jinnah Road,
P.O. Box 5217, Karachi-74000,
Pakistan
Tel : (92-21) 32424030/38/39
Fax : (92-21) 32421600
UAN : (92-21) 111 03 03 03
Website : www.habibinsurance.net

Habib Insurance Company Limited

DIRECTORS' REVIEW

The Shareholders,

The Directors are pleased to present the unaudited accounts of the Company for the period ended March 31, 2016.

The underwriting performance of your Company for the first three months of 2016 has been by the Grace of Allah very encouraging with underwriting profits rising to Rs. 21.8 million from Rs. 17.5 million, an increase of 24.4% with an impressive contribution from commission earnings of Rs. 12.6 million compared to Rs. 5.3 million. The gross written premium for the quarter grew to Rs 327.6 million, an increase of 23.4%.

The investment income for the period under review has reduced from Rs. 107.7 million to Rs. 51.6 million though the dividend income, a primary and key factor increased from Rs. 36.4 million to Rs. 43.0 million, a rise of 18.1% over last year. However, capital gains has reduced to Rs. 8.2 million compared to Rs. 69.5 million of last year which gained advantage of timely transaction that took place through prevailing opportunities at that time.

Consequently the net profit after tax was Rs. 49.5 million from Rs. 99.9 million of last year resulting in an earnings per share of Rs. 0.40 as compared to Rs. 0.81 of the corresponding period.

This is early part of the year and we are hopeful that the period to follow Inshallah will be successful with rising underwriting profits.

On behalf of the Board of Directors

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

Karachi: April 27, 2016

حبیب انشورنس کمپنی لمیٹڈ

ڈائریکٹرز کا جائزہ

بنام شیئر ہولڈرز،

ڈائریکٹرز بمسرت کمپنی کے غیر آڈٹ شدہ حسابات برائے مدت تختہ ۳۱ مارچ ۲۰۱۶ء پیش کرتے ہیں۔

الحمد للہ ۲۰۱۶ء کے پہلے تین ماہ میں کمپنی کی انڈر رائٹنگ کی کارکردگی بڑی حوصلہ افزا رہی اور انڈر رائٹنگ کا منافع ۵۷۵ ملین روپے سے ۲۴۴ فیصد اضافے کے ساتھ بڑھ کر ۲۱۸۸ ملین روپے ہو گیا۔ کمیشن سے حاصل ہونے والی ۱۲۶۶ ملین روپے کی آمدنی ۵۳۳ ملین روپے کے مقابلے میں بہت متاثر کن ہے۔ اس سہ ماہی کا مجموعی تحریر شدہ پریمیم ۳۳۴ فیصد اضافہ کے ساتھ بڑھ کر ۶۶۳۲ ملین روپے ہو گیا۔

زیر جائزہ مدت میں سرمایہ کاری کی مد میں ہونے والی آمدنی ۷۷۰ ملین روپے سے کم ہو کر ۵۱۶ ملین روپے ہو گئی۔ اگرچہ ابتدائی اور بنیادی عنصر یعنی ڈیویڈنڈ کی آمدنی گزشتہ سال کے ۳۶۳۶ ملین روپے میں ۱۸۱ فیصد اضافہ کے ساتھ ۴۳۶۰ ملین روپے ہو گئی۔ تاہم کمپنیل کے حصول کی رقم گزشتہ سال کے ۶۹۵ ملین روپے کے مقابلے میں کم ہو کر ۸۶۲ ملین روپے ہو گئی جس سے بروقت منتقلی کا فائدہ حاصل ہوا تھا جو اُس وقت موجود مواقع سے عمل میں لائی گئی تھی۔

اس سلسلے میں بعد از ٹیکس خالص منافع ۴۹۵ ملین روپے رہا جب کہ گزشتہ سال یہ منافع ۹۹۹ ملین روپے تھا جس کے نتیجے میں گزشتہ سال اسی مدت کی فی شیئر آمدنی مبلغ ۸۱ روپے کے مقابلے میں فی شیئر آمدنی ۴۰ روپے رہی۔

ابھی سال کا ابتدائی حصہ ہے اور ہمیں امید ہے کہ انڈر رائٹنگ کے منافع میں اضافہ ہونے سے انشا اللہ سال کی بقیہ مدت میں کامیابیاں حاصل ہوں گی۔

بجانب بورڈ آف ڈائریکٹرز

علی رضا ڈی حبیب

ٹیچنگ ڈائریکٹر اور چیف ایگزیکٹو

کراچی: ۱۲ اپریل ۲۰۱۶ء

Habib Insurance Company Limited

Condensed Interim Balance Sheet as at March 31, 2016 (Unaudited)

	Note	Unaudited March 31, 2016 (Rupees in '000)	Audited December 31, 2015 (Rupees in '000)		Note	Unaudited March 31, 2016 (Rupees in '000)	Audited December 31, 2015 (Rupees in '000)
Share Capital and Reserves				Cash and Bank Deposits			
Authorised share capital 130,000,000 (December 31, 2015: 130,000,000) ordinary shares Rs. 5 each		650,000	650,000	Cash and other equivalents		360	139
Paid-up share capital		619,374	619,374	Current and other accounts		126,862	136,225
Retained earnings		300,195	250,712			127,222	136,364
Reserves		264,122	264,122	Loans to employees			
Total Equity		1,183,691	1,134,208	Secured and considered good		46,226	45,258
Underwriting Provisions				Investments			
Provision for outstanding claims (including IBNR)		511,736	688,411		9	922,877	895,064
Provision for premium deficiency		6,125	6,125	Deferred Taxation			
Provision for unearned premium		499,098	463,255			19,265	19,172
Commission income unearned		64,960	55,631	Current Assets - others			
Total underwriting provisions		1,081,919	1,213,422	Premiums due but unpaid - unsecured		404,007	319,230
Deferred Liability				Amounts due from other insurers/ reinsurers		292,921	341,179
Staff retirement benefits		64,538	62,270	Accrued investment income		29,022	3,274
Creditors and Accruals				Reinsurance recoveries against outstanding claims		431,767	597,207
Amounts due to other insurers/ reinsurers	6	131,787	102,631	Salvage recoveries outstanding		19,531	43,124
Accrued expenses		11,470	12,595	Deferred commission expense		38,173	49,716
Taxation – provision less payments		41,471	39,325	Advance, deposits and prepayments		311,890	256,985
Other creditors and accruals	7	120,880	134,096	Sundry receivables	10	12,604	11,863
		305,608	288,647			1,539,915	1,622,578
Other Liabilities				Fixed Assets			
Unclaimed dividends		43,381	44,318	Tangible and intangible			
Total Liabilities		1,495,446	1,608,657	Furniture, fixtures and office equipment		12,906	13,119
				Computer and related equipment		2,293	2,479
				Motor vehicles		5,687	5,901
				Computer software		2,746	2,930
						23,632	24,429
TOTAL EQUITY AND LIABILITIES		2,679,137	2,742,865	TOTAL ASSETS		2,679,137	2,742,865
CONTINGENCIES AND COMMITMENTS	8						

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

RAFIQ M. HABIB
Chairman

ABBAS D. 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 quarter ended March 31, 2016 (Unaudited)

(Rupees in '000)

Note	Quarter ended March 31,					
	Fire and Property	Marine and Transport	Motor	Other Classes	2016 Aggregate	2015 Aggregate
Revenue Account						
Net premium revenue	27,229	32,843	39,186	27,264	126,522	128,557
Net claims	(3,990)	(20,026)	(25,418)	(12,651)	(62,085)	(64,079)
Expenses	(22,177)	(10,666)	(7,015)	(15,428)	(55,286)	(52,282)
Net commission	6,157	3,645	(2,967)	5,813	12,648	5,327
Underwriting result	7,219	5,796	3,786	4,998	21,799	17,523
Net investment income					51,605	107,719
Other income					1,206	2,435
General and administration expenses					(17,893)	(17,496)
					34,918	92,658
Profit before tax					56,717	110,181
Provision for taxation - Current					(7,327)	(10,100)
- Deferred					93	(220)
					(7,234)	(10,320)
Profit after tax					49,483	99,861
Other comprehensive income - net of tax					-	-
Total comprehensive income					49,483	99,861
Profit and loss appropriation account						
Balance at commencement of the year					250,712	286,551
Transfer to general reserve					-	(10,000)
Final dividend of Rs. 1.75 (35%) for the year ended December 31, 2015 [Dec 31, 2014: 40%]					-	(247,750)
					-	(257,750)
Profit after tax for the period					49,483	99,861
Other Comprehensive income - net of tax					-	-
Balance unappropriated profit at end of the period					300,195	128,662
Earnings per share of Rs. 5/- each	13				Rupees 0.40	0.81

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

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Director

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& Chief Executive

Habib Insurance Company Limited
Condensed Interim Statement of Comprehensive Income
for the quarter ended March 31, 2016 (Unaudited)

	<u>Quarter ended March 31,</u>	
	2016	2015
	(Rupees in '000)	
Net profit for the period	49,483	99,861
Other comprehensive income		
Actuarial loss on employee benefit obligation	-	-
Total comprehensive income for the period	<u>49,483</u>	<u>99,861</u>

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

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Director

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*Managing Director
& Chief Executive*

Habib Insurance Company Limited

Condensed Interim Statement of Cash Flows for the quarter ended March 31, 2016 (Unaudited)

	March 31, 2016	March 31, 2015		March 31, 2016	March 31, 2015
	(Rupees in '000)			(Rupees in '000)	
Operating activities			Reconciliation to Profit and Loss Account		
a) Underwriting activities			Operating cash flows	(7,908)	(156,744)
Premiums received	291,098	164,594	Depreciation expense	(1,610)	(1,079)
Reinsurance premiums paid	(181,666)	(139,729)	Profit on disposal of fixed assets	(22)	4
Claims paid	(140,781)	(330,799)	(Decrease)/ Increase in assets other than cash	(82,625)	129,215
Reinsurance and other recoveries	91,054	286,827	Increase in liabilities	117,621	48,508
Commissions paid	(31,545)	(22,310)		25,456	19,904
Commissions received	46,117	31,646	Other adjustments		
Other underwriting payments	–	(103,291)	Income tax paid	5,182	4,550
Net cash inflow/ (outflow) from underwriting activities	74,277	(113,062)	Provision for gratuity	(2,298)	(2,152)
b) Other operating activities			Gratuity paid	29	236
Income tax paid	(5,182)	(4,550)	Profit/ Return received	4,581	5,966
General management expenses paid	(80,310)	(21,947)	Dividends received	15,556	12,188
Other operating receipts/ (payments)	4,278	(12,403)	Capital gain	8,211	69,489
Loans advanced	(4,920)	(8,678)	Provision for taxation	(7,234)	(10,320)
Loans repayments received	3,949	3,896		24,027	79,957
Net cash outflow from other operating activities	(82,185)	(43,682)	Profit after taxation	49,483	99,861
Total cash outflow from all operating activities	(7,908)	(156,744)	Definition of cash		
Investment activities			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.		
Profit/ return received	4,581	5,966	Cash for the purpose of the Statement of Cash Flows consists of:		
Dividends received	15,556	12,188	Cash and other equivalents		
Payments for investments	(347,425)	(199,832)	Cash in hand	313	300
Proceeds from disposal of investments	327,823	557,150	Stamps in hand	47	638
Fixed capital expenditure	(853)	(1,607)		360	938
Proceeds from disposal of fixed assets	18	6	Current and other accounts		
Total cash (outflow)/ inflow from investing activities	(300)	373,871	Current accounts	5,565	89,959
Financing activities			PLS accounts	121,297	130,296
Dividends paid	(934)	(70,492)		126,862	220,255
Total cash outflow from financing activities	(934)	(70,492)		127,222	221,193
Net cash (outflow)/ inflow from all activities	(9,142)	146,635			
Cash and cash equivalent at beginning of the year	136,364	74,558			
Cash and cash equivalent at end of the period	127,222	221,193			

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

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Chairman

ABBAS D. HABIB
Director

ALI FADOO
Director

ALI RAZA D. HABIB
Managing Director
& Chief Executive

Habib Insurance Company Limited

Condensed Interim Statement of Changes in Equity for the quarter ended March 31, 2016 (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, 2015	619,374	9,122	245,000	286,551	1,160,047
Total comprehensive income for the period					
Profit for the quarter ended March 31, 2015	-	-	-	99,861	99,861
Other comprehensive income - net of tax	-	-	-	-	-
Transfer to general reserve	-	-	10,000	(10,000)	-
Final dividend for the year ended December 31, 2014 of Rs. 2.0 per share	-	-	-	(247,750)	(247,750)
	-	-	10,000	(157,889)	(147,889)
Balance as at March 31, 2015	<u>619,374</u>	<u>9,122</u>	<u>255,000</u>	<u>128,662</u>	<u>1,012,158</u>
Balance as at January 1, 2016	619,374	9,122	255,000	250,712	1,134,208
Total comprehensive income for the period					
Profit for the quarter ended March 31, 2016	-	-	-	49,483	49,483
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	49,483	49,483
Balance as at March 31, 2016	<u>619,374</u>	<u>9,122</u>	<u>255,000</u>	<u>300,195</u>	<u>1,183,691</u>

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

RAFIQ M. HABIB
Chairman

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Director

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Director

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*Managing Director
& Chief Executive*

Habib Insurance Company Limited

Condensed Interim Statement of Premiums for the quarter ended March 31, 2016 (Unaudited)

									(Rupees in '000)	
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2016	2015
		Opening	Closing			Opening	Closing		Net premium revenue	Net premium revenue
Business underwritten inside Pakistan										
Direct and facultative										
1. Fire and Property	131,419	245,225	253,389	123,255	111,830	186,375	202,179	96,026	27,229	25,394
2. Marine and Transport	63,204	37,563	32,068	68,699	33,000	18,606	15,750	35,856	32,843	38,891
3. Motor	41,571	98,869	95,647	44,793	15,086	6,936	16,415	5,607	39,186	34,537
4. Other Classes	91,423	81,598	117,994	55,027	50,905	34,002	57,144	27,763	27,264	29,735
Total	327,617	463,255	499,098	291,774	210,821	245,919	291,488	165,252	126,522	128,557

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

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*Managing Director
& Chief Executive*

Habib Insurance Company Limited

Condensed Interim Statement of Claims for the quarter ended March 31, 2016 (Unaudited)

(Rupees in '000)

Business underwritten inside Pakistan

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	2016 Net claims expense	2015 Net claims expense
		Opening	Closing			Opening	Closing			
Direct and facultative										
1. Fire and Property	29,105	548,220	388,189	(130,926)	26,865	540,002	378,221	(134,916)	3,990	3,554
2. Marine and Transport	37,638	24,594	23,590	36,634	32,792	38,540	22,356	16,608	20,026	19,035
3. Motor	27,052	32,969	33,882	27,965	1,834	4,488	5,201	2,547	25,418	26,226
4. Other Classes	46,986	82,628	66,075	30,433	29,563	57,301	45,520	17,782	12,651	15,264
Grand Total	140,781	688,411	511,736	(35,894)	91,054	640,331	451,298	(97,979)	62,085	64,079

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Habib Insurance Company Limited

Condensed Interim Statement of Expenses for the quarter ended March 31, 2016 (Unaudited)

Class	Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	*Commissions from reinsurers	(Rupees in '000)	
		Opening	Closing					2016	2015
								Net underwriting expense	Net underwriting expense
Business underwritten inside Pakistan									
Direct and facultative									
1. Fire and Property	13,719	29,584	28,271	15,032	22,177	37,209	21,189	16,020	15,047
2. Marine and Transport	5,610	3,712	3,055	6,267	10,666	16,933	9,912	7,021	9,160
3. Motor	1,571	10,006	7,915	3,662	7,015	10,677	695	9,982	8,048
4. Other Classes	(8,303)	6,414	(1,068)	(821)	15,428	14,607	4,992	9,615	14,700
Grand Total	12,597	49,716	38,173	24,140	55,286	79,426	36,788	42,638	46,955

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

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Director

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Director

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*Managing Director
& Chief Executive*

Habib Insurance Company Limited

Condensed Interim Statement of Investment Income for the quarter ended March 31, 2016 (Unaudited)

	Quarter ended March 31,	
	2016	2015
	(Rupees in '000)	
Income from Non-Trading Investments		
Held-to-maturity		
Return on Government Securities	2,123	2,087
Available-for-sale		
Dividend income	42,972	36,426
Gain on sale of available-for-sale investments	8,211	69,489
	51,183	105,915
	53,306	108,002
Investment related expenses	(1,701)	(283)
Net investment income	51,605	107,719

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

RAFIQ M. HABIB
Chairman

ABBAS D. HABIB
Director

ALI FADOO
Director

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

Habib Insurance Company Limited

Notes to the Condensed Interim Financial Statements for the quarter ended March 31, 2016 (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 Pakistan Stock Exchange Limited. The Company is engaged in general insurance business.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the quarter ended March 31, 2016 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, 2015.

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under historical cost convention except for certain investments which are stated at their fair values.

4. 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, 2015.

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, 2015. 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, 2015.

Habib Insurance Company Limited

	Unaudited March 31, 2016	Audited December 31, 2015
(Rupees in '000)		
6. AMOUNT DUE TO OTHER INSURERS/ REINSURERS		
Foreign reinsurers	53,705	50,288
Local reinsurers	28,144	24,569
Co-insurers	49,938	27,774
	131,787	102,631
7. OTHER CREDITORS AND ACCRUALS		
Federal excise duty	18,880	17,147
Federal insurance fee	1,371	1,187
Withholding tax payable	1,512	1,352
Agents commission payable	46,327	65,274
Workers welfare fund payable	33,787	32,657
Sundry creditors	19,003	16,479
	120,880	134,096
8. CONTINGENCIES AND COMMITMENTS		
8.1 CONTINGENCIES		
The company has received orders u/s. 122 (5A) passed by the Additional Commissioner Inland Revenue for the tax year 2009 and 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, based on its tax advisor's opinion, is confident that the ultimate outcome of the appeal will be in its favour. Therefore, no provision for the said demand has been made in these financial statements.		
8.2 COMMITMENTS		
As at March 31, 2016 there is no commitment.		
9. INVESTMENTS		
Held-to-maturity		
Government securities (deposited with SBP)		
Pakistan Investment Bonds	9.1 69,339	69,384
Available-for-sale		
Units of open end mutual funds - quoted	9.2 349	349
Modaraba Certificates - quoted	14,840	14,840
Ordinary shares of quoted/ unquoted companies	428,398	287,380
Ordinary shares of quoted companies/ units of open end mutual funds (related parties)	409,951	523,111
	853,538	825,680
	922,877	895,064

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9.1 This represents Pakistan Investment Bonds having face value of Rs.68.50 million (December 31, 2015: Rs.68.5 million). These carry mark-up ranging from 8.75% to 12.00% (December 31, 2015: 8.75% to 12%) per annum and will mature between July 18, 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.1,367.766 million (December 31, 2015: Rs.1,391.389 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 March 31, 2016 would have been higher by Rs. 514.35 million (December 31, 2015: higher by Rs. 565.83 million).

	Unaudited March 31, 2016	Audited December 31, 2015
	(Rupees in '000)	
10. SUNDRY RECEIVABLES		
Receivable against sale of investments	1,631	-
FED receivables	54	-
Sales tax recoverable	8,207	7,966
Other receivables	2,712	3,897
	12,604	11,863
	12,604	11,863
11. FIXED ASSETS		
Opening written down value	24,429	13,693
Add: Additions during the period/ year - at cost		
- Furniture, fixtures and office equipment	423	8,478
- Computer and related equipment	215	2,293
- Motor vehicles	85	4,792
- Computer software	130	1,231
	853	16,794
Less: Written down value of deletions during the period/ year		
Depreciation/ amortisation for the period/ year	(40)	(55)
	(1,610)	(6,003)
	(1,650)	(6,058)
Closing written down value	23,632	24,429

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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 quarter ended March 31, 2016 are as follows:

	<u>Quarter ended March 31,</u>	
	<u>2016</u>	<u>2015</u>
	<u>(Rupees in '000)</u>	
Transactions with related parties		
Premium written	165,113	113,478
Claims paid	29,337	45,067
Dividend received	36,322	34,038
Dividend paid	–	20,594
Investments made	308,682	199,135
Investments sold	327,822	500,222
Interest received on bank accounts	790	1,876
Bank charges	92	61
Share registrar fees paid	76	108
Investment related expenses paid	1,701	283
Contribution to the provident fund	1,288	1,105
Remuneration of key management personnel	18,145	16,123

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	Unaudited March 31, 2016	Audited December 31, 2015
	(Rupees in '000)	
Balances with related parties		
Bank balances	125,874	134,568
Profit receivable on bank accounts	–	2
Investment held	409,951	523,111
Premiums due but unpaid	152,001	106,667
Outstanding claims	58,509	34,274
Investment related expenses	–	716
Due to the provident fund	891	82

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

	<u>Quarter ended March 31,</u>	
	2016	2015
Profit after tax for the period (Rupees in '000)	<u>49,483</u>	<u>99,861</u>
	(Number of shares)	
Weighted average number of ordinary shares in issue during the period (in '000)	<u>123,875</u>	<u>123,875</u>
Earnings per share (Rupees)	<u>0.40</u>	<u>0.81</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.

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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 March 31, 2016 and December 31, 2015.

	Fire and Property		Marine and Transport		Motor		Other Classes		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	Unaudited March 31, 2016	Audited December 31, 2015
	(Rupees in '000)									
Segment assets	634,290	693,588	353,538	404,428	230,513	234,275	283,178	288,512	1,501,519	1,620,803
Unallocated corporate assets									1,177,618	1,122,062
Consolidated corporate assets									<u>2,679,137</u>	<u>2,742,865</u>
Segment liabilities	532,278	591,109	296,679	344,673	193,441	199,661	237,635	245,884	1,260,033	1,381,327
Unallocated corporate liabilities									235,413	227,330
Consolidated corporate liabilities									<u>1,495,446</u>	<u>1,608,657</u>

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15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements were authorised for issue on April 27, 2016 by the Board of Directors of the Company.

16. GENERAL

Figures have been rounded off to the nearest thousand rupee.

RAFIQ M. HABIB
Chairman

ABBAS D. HABIB
Director

ALI FADOO
Director

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