

Habib Insurance Company Limited

Contents

Company Information	1
Directors' Review	2
Balance Sheet	3
Profit and Loss Account	4
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Statement of Premiums	9
Statement of Claims	10
Statement of Expenses	11
Statement of Investment Income	12
Notes to the Financial Statements	13

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
- * SECP's approval for his appointment as Director is awaited

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

- Company Secretary** : 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 are pleased to present the unaudited accounts for the period ended 30th September 2014.

By the Grace of Allah, the Company has recorded good progress with net profit after tax increasing to Rs. 211.4 million for the nine months of the year as against Rs. 166.7 million of the same period of 2013, recording an earnings of Rs. 1.71 per share against Rs. 1.35 (restated) for the last year.

The underwriting profit of Rs. 53.4 million has shown improvement to the last year's profit of Rs. 48.5 million, which appears more impressive considering Rs.19.2 million, placed in reserves, as excess against the corresponding period of 2013.

The remarkable increase of Rs. 48.0 million in investment income was largely contributed by higher capital gains recorded in the period, which rose to Rs. 132.5 million from Rs. 88.1 million of the previous year. The dividend income for the year till now has been consistent but may reflect a decrease for the last quarter owing to change in tax laws which will affect further dividend to be received from Funds.

We are now well into the last quarter of the year, and are hopeful that Inshallah the year 2014 will close successfully.

On behalf of the Board of Directors

Karachi: October 25, 2014

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, 2014 (Unaudited)

(Rupees in '000)

	Note	Quarter ended September 30,					
		Fire and Property	Marine and Transport	Motor	Other Classes	2014 Aggregate	2013 Aggregate
Revenue Account							
Net premium revenue		20,798	40,411	33,466	27,312	121,987	113,615
Net claims		(4,110)	(15,083)	(21,468)	(25,187)	(65,848)	(63,658)
Expenses		(16,246)	(9,025)	(6,662)	(9,023)	(40,956)	(36,069)
Net commission		6,439	582	(2,924)	(410)	3,687	(240)
Underwriting result		6,881	16,885	2,412	(7,308)	18,870	13,648
Net investment income						29,848	14,270
Other income						1,928	2,964
General and administration expenses						(11,854)	(10,991)
						19,922	6,243
Profit before tax						38,792	19,891
Provision for taxation - Current						(6,000)	(6,249)
- Deferred						(389)	(411)
						(6,389)	(6,660)
Profit after tax						32,403	13,231
Other comprehensive income - net of tax						-	-
Total comprehensive income						32,403	13,231
							Restated
Earnings per share of Rs. 5/- each	13				Rupees	0.26	0.11

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, 2014 (Unaudited)

(Rupees in '000)

Note	Nine months ended September 30,					
	Fire and Property	Marine and Transport	Motor	Other Classes	2014 Aggregate	2013 Aggregate
Revenue Account						
Net premium revenue	61,185	110,496	99,414	73,498	344,593	337,212
Net claims	(9,303)	(29,319)	(69,800)	(68,625)	(177,047)	(173,221)
Expenses	(55,814)	(30,046)	(17,064)	(23,984)	(126,908)	(108,823)
Net commission	19,685	2,431	(8,964)	(369)	12,783	(6,639)
Underwriting result	15,753	53,562	3,586	(19,480)	53,421	48,529
Net investment income					216,923	168,859
Other income					6,379	8,638
General and administration expenses					(41,989)	(40,224)
					181,313	137,273
Profit before tax					234,734	185,802
Provision for taxation - Current					(17,000)	(19,134)
- Deferred					(6,331)	31
					(23,331)	(19,103)
Profit after tax					211,403	166,699
Other comprehensive income - net of tax					-	(124)
Total comprehensive income					211,403	166,575
Profit and loss appropriation account						
Balance at commencement of the year					275,414	210,834
Issue of bonus shares for the year ended December 31, 2013 @ 25% (2012: Nil)					(123,875)	(173,425)
Final dividend for the year ended December 31, 2013 at Rs. 1.25 per share (2012: Rs. 1.75 per share)					(123,875)	-
					(247,750)	(173,425)
Profit after tax for the period					211,403	166,699
Other Comprehensive income - net of tax					-	(124)
Balance unappropriated profit at end of the nine months					239,067	203,984
Earnings per share of Rs. 5/- each	13				Rupees 1.71	1.35

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 Statement of Comprehensive Income
for the nine months ended September 30, 2014 (Unaudited)

	Quarter ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
	(Rupees in '000)			
Net profit for the period	32,403	13,231	211,403	166,699
Other comprehensive income				
Actuarial loss on employee benefit obligation	-	-	-	(124)
Total comprehensive income for the period	32,403	13,231	211,403	166,575

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 Statement of Changes in Equity for the nine months ended September 30, 2014 (Unaudited)

	Share Capital Issued, subscribed and paid-up	Capital Reserves Reserve for exceptional losses	Revenue Reserves		Total
			General reserve	Retained earnings	
Balance as at January 1, 2013	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
Final dividend for the year ended December 31, 2012 of Rs. 1.75 per share	-	-	-	(173,425)	(173,425)
Balance as at September 30, 2013	495,499	9,122	245,000	199,794	949,415
Balance as at January 1, 2014	495,499	9,122	245,000	275,414	1,025,035
Profit for the nine month period ended Sept. 30, 2014	-	-	-	211,403	211,403
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	211,403	211,403
Issue to bonus shares at 25% for the year ended December 31, 2013	123,875	-	-	(123,875)	-
Final dividend for the year ended December 31, 2013 of Rs. 1.25 per share	-	-	-	(123,875)	(123,875)
	123,875	-	-	(247,750)	(123,875)
Balance as at September 30, 2014	619,374	9,122	245,000	239,067	1,112,563

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 Statement of Cash Flows for the nine months ended September 30, 2014 (Unaudited)

	September 30, 2014	September 30, 2013		September 30, 2014	September 30, 2013
	(Rupees in '000)			(Rupees in '000)	
Operating activities			Reconciliation to Profit and Loss Account		
a) Underwriting activities			Operating cash flows	(220,623)	(24,366)
Premiums received	558,785	603,121	Depreciation expense	(2,861)	(2,578)
Reinsurance premiums paid	(433,841)	(330,532)	Profit on disposal of fixed assets	27	22
Claims paid	(404,935)	(286,758)	Increase in assets other than cash	996,547	144,277
Reinsurance and other recoveries	231,736	135,366	Increase in liabilities	(765,343)	(125,120)
Commissions paid	(76,034)	(98,651)		7,747	(7,765)
Commissions received	97,438	97,348	Other adjustments		
Other underwriting receipts	-	1,390	Income tax paid	14,441	22,015
Net cash (outflow)/ inflow from underwriting activities	(26,851)	121,284	Provision for gratuity	(5,970)	(3,754)
b) Other operating activities			Gratuity paid	1,486	763
Income tax paid	(14,441)	(22,015)	Profit/ Return received	10,880	11,519
General management expenses paid	(172,391)	(155,046)	Dividends received	73,653	74,927
Other operating receipts	(7,435)	32,423	Capital gain	132,497	88,097
Loans advanced	(8,943)	(6,966)	Provision for taxation	(23,331)	(19,103)
Loans repayments received	9,438	5,954		203,656	174,464
Net cash outflow from other operating activities	(193,772)	(145,650)	Profit after taxation	211,403	166,699
Total cash outflow from all operating activities	(220,623)	(24,366)	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	10,880	11,519	Cash for the purpose of the Statement of Cash Flows consists of:		
Dividends received	73,653	74,927	Cash and other equivalents		
Payments for investments	(656,669)	(903,120)	Cash in hand	34	575
Proceeds from disposal of investments	920,054	1,060,660	Stamps in hand	5	704
Fixed capital expenditure	(3,990)	(2,725)		39	1,279
Proceeds from disposal of fixed assets	72	45	Current and other accounts		
Total cash inflow from investing activities	344,000	241,306	Current accounts	11,434	1,300
Financing activities			PLS accounts	51,245	126,189
Dividends paid	(121,277)	(166,770)		62,679	127,489
Total cash outflow from financing activities	(121,277)	(166,770)		62,718	128,768
Net cash inflow from all activities	2,100	50,170			
Cash and cash equivalent at beginning of the year	60,618	78,598			
Cash and cash equivalent at end of the period	62,718	128,768			

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 Statement of Premiums for the nine months ended September 30, 2014 (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	2014 Net premium revenue	2013 Net premium revenue
		Opening	Closing			Opening	Closing			
Direct and facultative										
1. Fire and Property	120,666	223,047	238,482	105,231	95,252	167,127	177,946	84,433	20,798	22,057
2. Marine and Transport	66,520	32,186	34,895	63,811	27,620	10,393	14,613	23,400	40,411	40,807
3. Motor	46,381	67,694	77,482	36,593	5,909	3,067	5,849	3,127	33,466	31,628
4. Other Classes	63,278	85,764	108,640	40,402	32,644	17,229	36,783	13,090	27,312	19,123
Total	296,845	408,691	459,499	246,037	161,425	197,816	235,191	124,050	121,987	113,615

Nine months ended September 30,

Direct and facultative										
1. Fire and Property	342,155	220,008	238,482	323,681	261,183	179,259	177,946	262,496	61,185	67,311
2. Marine and Transport	184,187	26,055	34,895	175,347	70,620	8,844	14,613	64,851	110,496	116,618
3. Motor	104,607	80,253	77,482	107,378	12,510	1,303	5,849	7,964	99,414	93,304
4. Other Classes	147,025	73,817	108,640	112,202	49,887	25,600	36,783	38,704	73,498	59,979
Total	777,974	400,133	459,499	718,608	394,200	215,006	235,191	374,015	344,593	337,212

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 Statement of Claims for the nine months ended September 30, 2014 (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	2014 Net claims expense	2013 Net claims expense
		Opening	Closing			Opening	Closing			
Direct and facultative										
1. Fire and Property	118,867	999,759	914,136	33,244	117,636	991,074	902,572	29,134	4,110	425
2. Marine and Transport	15,205	28,429	39,679	26,455	3,275	23,882	31,979	11,372	15,083	11,989
3. Motor	27,290	25,171	31,599	33,718	7,265	3,204	8,189	12,250	21,468	29,497
4. Other Classes	29,373	63,841	64,138	29,670	9,543	45,190	40,130	4,483	25,187	21,747
Total	190,735	1,117,200	1,049,552	123,087	137,719	1,063,350	982,870	57,239	65,848	63,658

Nine months ended September 30,

Direct and facultative										
1. Fire and Property	163,271	222,315	914,136	855,092	157,064	213,847	902,572	845,789	9,303	5,896
2. Marine and Transport	58,160	31,807	39,679	66,032	24,704	19,970	31,979	36,713	29,319	39,129
3. Motor	92,434	34,420	31,599	89,613	18,521	6,897	8,189	19,813	69,800	74,218
4. Other Classes	91,070	47,972	64,138	107,236	31,447	32,966	40,130	38,611	68,625	53,978
Total	404,935	336,514	1,049,552	1,117,973	231,736	273,680	982,870	940,926	177,047	173,221

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 Statement of Expenses for the nine months ended September 30, 2014 (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	2014 Net underwriting expense	2013 Net underwriting expense
Direct and facultative									
1. Fire and Property	15,290	27,468	30,132	12,626	16,246	28,872	19,065	9,807	7,360
2. Marine and Transport	7,767	3,504	4,099	7,172	9,025	16,197	7,753	8,444	10,891
3. Motor	3,070	6,585	6,543	3,112	6,662	9,774	188	9,586	8,656
4. Other Classes	4,378	5,881	7,673	2,586	9,023	11,609	2,176	9,433	9,402
Grand Total	<u>30,505</u>	<u>43,438</u>	<u>48,447</u>	<u>25,496</u>	<u>40,956</u>	<u>66,452</u>	<u>29,182</u>	<u>37,270</u>	<u>36,309</u>
Nine months ended September 30,									
Direct and facultative									
1. Fire and Property	43,282	25,916	30,132	39,066	55,814	94,880	58,751	36,129	34,778
2. Marine and Transport	20,226	3,152	4,099	19,279	30,046	49,325	21,710	27,615	37,606
3. Motor	11,609	4,348	6,543	9,414	17,064	26,478	450	26,028	24,745
4. Other Classes	10,335	3,927	7,673	6,589	23,984	30,573	6,220	24,353	18,333
Grand Total	<u>85,452</u>	<u>37,343</u>	<u>48,447</u>	<u>74,348</u>	<u>126,908</u>	<u>201,256</u>	<u>87,131</u>	<u>114,125</u>	<u>115,462</u>

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

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 Statement of Investment Income
for the nine months ended September 30, 2014 (Unaudited)

	Quarter ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
	(Rupees in '000)			
Income from Non-Trading Investments				
Held-to-maturity				
Return on Government Securities	1,683	459	5,029	4,053
Available-for-sale				
Dividend income	8,555	30,289	79,623	76,791
Return on fixed income securities	160	185	472	495
Gain on sale of available-for-sale investments	19,630	11,140	132,497	88,097
Reversal of impairment in the value of available-for-sale investments - net	-	(27,735)	-	-
Investment related expenses	(180)	(68)	(698)	(577)
Net investment income	29,848	14,270	216,923	168,859

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

Notes to the Condensed Interim Financial Statements for the nine months ended September 30, 2014 (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, 2014 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, 2013.

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, 2013.

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, 2013. 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, 2013 except as follows:

Habib Insurance Company Limited

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

The Company has adopted the following revised standards, amendments and interpretations of IFRSs which became effective during the current period:

IAS 32 – Financial Instruments: Presentation – (Amendment)
– Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)
– Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)
– Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

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

5.2 Change in accounting policy

With effect from the current period, the Company has elected to present a separate Statement of Comprehensive Income, as required by IAS-1 (Revised). Previously, the Company presented a single statement of profit and loss account and other comprehensive income.

The change has no impact on these financial statements.

	Unaudited September 30, 2014	Audited December 31, 2013
	(Rupees in '000)	
6. AMOUNT DUE TO OTHER INSURERS/ REINSURERS		
Foreign reinsurers	34,186	32,943
Local reinsurers	79,629	83,965
Co-insurers	23,527	60,075
	137,342	176,983
7. OTHER CREDITORS AND ACCRUALS		
Federal excise duty	13,609	11,461
Federal insurance fee	913	776
Withholding tax payable	2,950	3,817
Agents commission payable	87,944	78,527
Workers welfare fund payable	26,043	21,105
Sundry creditors	17,312	13,010
	148,771	128,696
8. CONTINGENCIES AND COMMITMENTS		

There are no contingencies and commitments as at September 30, 2014.

Habib Insurance Company Limited

	Note	Unaudited September 30, 2014	Audited December 31, 2013
(Rupees in '000)			
9. INVESTMENTS			
Held-to-maturity			
Government securities (deposited with SBP)			
Pakistan Investment Bonds	9.1	68,733	53,794
Available-for-sale			
Units of open end mutual funds - quoted	9.2	349	5,349
Term Finance Certificates - quoted		4,889	4,867
Modaraba Certificates - quoted		14,840	14,840
Ordinary shares of quoted/ unquoted companies		208,334	217,352
Ordinary shares of quoted companies/ units of open end mutual funds (related parties)		689,332	821,165
		917,744	1,063,573
		986,477	1,117,367

9.1 This represents Pakistan Investment Bonds having face value of Rs.68.50 million (market value of Rs.67.13 million) [December 31, 2013: face value of Rs.53.5 million (market value of Rs.52.189 million)]. These carry mark-up ranging from 11.25% to 12.00% (December 31, 2013: 11.75% to 12%) per annum and will mature between August 30, 2015 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.1,576.228 million (December 31, 2013: Rs.1,416.662 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, 2014 would have been higher by Rs. 658.48 million (December 31, 2013: higher by Rs. 353.089 million).

10. SUNDRY RECEIVABLES

Receivable against sale of investments	501	–
Sales tax recoverable	1,703	2,970
Advance to employees	56	50
Advance for subscription of EPQL shares	9,926	–
Other receivables	8,698	3,808
	20,884	6,828

Habib Insurance Company Limited

	Unaudited September 30, 2014	Audited December 31, 2013
	(Rupees in '000)	
11. FIXED ASSETS		
Opening written down value	11,017	11,829
Add: Additions during the period/ year - at cost		
– Furniture, fixtures and office equipment	829	637
– Computer and related equipment	833	1,190
– Motor vehicles	2,327	86
– Computer software	–	1,216
	3,989	3,129
Less: Written down value of deletions during the period/ year	(44)	(550)
Depreciation/ amortisation for the period/ year	(2,861)	(3,391)
	(2,905)	(3,941)
Closing written down value	12,101	11,017

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 nine months ended September 30, 2014 are as follows:

	Quarter ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
	(Rupees in '000)			
Transactions with related parties				
Premium written	83,245	83,323	224,464	265,762
Claims paid	43,699	25,320	126,208	83,381
Dividends received	6,574	22,022	69,579	59,769
Dividend paid	–	–	16,098	15,681
Investments made	193,428	225,000	450,748	709,058
Investments sold	248,852	217,731	638,005	753,572
Interest received on bank accounts	1,501	2,206	4,722	5,250
Bank charges	61	26	180	148
Share registrar fees paid	148	108	421	266
Brokerage expenses paid	180	186	698	1,073
Contribution to the provident fund	1,273	1,037	3,171	2,688
Remuneration of key management personnel	6,452	4,468	27,356	15,665
	(Number of shares)			
Bonus shares received	–	–	406,200	–
Bonus shares issued	–	–	2,288,250	–

Habib Insurance Company Limited

	Unaudited September 30, 2014	Audited December 31, 2013
	(Rupees in '000)	
Balances with related parties		
Bank balances	61,177	57,365
Profit receivable on bank accounts	1	4
Investment held	689,332	821,165
Premiums due but unpaid	202,369	165,285
Outstanding claims	54,546	36,186
Due to the provident fund	1,105	252

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,	
	2014	2013	2014	2013
Profit after tax for the period (Rupees in '000)	<u>32,403</u>	<u>13,231</u>	<u>211,403</u>	<u>166,699</u>
		Restated		Restated
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>
		Restated		Restated
Earnings per share (Rupees)	<u>0.26</u>	<u>0.11</u>	<u>1.71</u>	<u>1.35</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.

Earnings per share for the year 2013 has been restated for the effect of bonus shared issued during the period.

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, 2014 and December 31, 2013.

	Fire and Property		Marine and Transport		Motor		Other Classes		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	Unaudited September 30, 2014	Audited December 31, 2013
	(Rupees in '000)									
Segment assets	876,178	432,792	474,653	253,695	290,663	139,246	303,722	157,425	1,945,216	983,158
Unallocated corporate assets									1,152,365	1,254,512
Consolidated corporate assets									<u>3,097,581</u>	<u>2,237,670</u>
Segment liabilities	807,384	457,813	437,386	268,362	267,841	147,296	279,875	166,526	1,792,486	1,039,997
Unallocated corporate liabilities									192,532	172,638
Consolidated corporate liabilities									<u>1,985,018</u>	<u>1,212,635</u>

Habib Insurance Company Limited

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements were authorised for issue on October 25, 2014 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*