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Company Information

Board of Directors

Chairman : Rafiq M. Habib

Directors : Abbas D. Habib
Mansoor G. Habib
Mohamedali R. Habib
Qumail R. Habib *
Munawar Ali Habib *
Shahid Ghaffar *

*Approval from SECP is awaited

Chief Executive : Shabbir Gulamali

**Chief Financial Officer
& Company Secretary** : Murtaza Hussain

Auditors : EY Ford Rhodes
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



DIRECTORS' REVIEW

The Shareholders,

The Directors have pleasure to present the unaudited accounts for the period ended 30th September 2017.

The underwriting results for the period under review was Rs. 18.3 million as compared to Rs. 93.0 million for the corresponding period last year. As mentioned in the preceding report, we have taken necessary measures towards careful selection of business. As a result, there was a reduction in premium underwritten in health class of business, whereas claims are being reported on the unexpired period of the policies.

The investment income for the period increased from Rs. 142.0 million to Rs. 160.1 million.

Consequently, the overall profit after tax for the period under review was Rs. 85.6 million as against Rs. 126.9 million of the previous year with an earning of Rs. 0.69 per share.

As we enter the last quarter of the year, with corrective measures in place, we are hopeful that Inshallah, by the end of the year we will close 2017 with improved underwriting results.

We pray to Allah for the safety and welfare of the people and the stability and economic progress of the Nation.

On behalf of the Board of Directors

Karachi: October 26, 2017

SHABBIR GULAMALI
Chief Executive

ڈائریکٹرز کا جائزہ

بنام شیئر ہولڈرز،

ڈائریکٹرز ۳۰ ستمبر ۲۰۱۷ء کو ختم ہونے والی مدت کیلئے غیر آڈٹ شدہ حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ مدت کیلئے انڈر رائٹنگ نتائج ۱۸ء ۳۰۳ ملین روپے رہے جو اس کے مقابلے میں گزشتہ سال اسی مدت کے دوران ۹۳ء ۰۰ ملین روپے رہے تھے۔ جیسا کہ اس سے قبل رپورٹ میں واضح کیا جا چکا ہے کہ ہم کاروبار کے محتاط انتخاب کے ضمن میں ضروری اقدامات بروئے کار لا رہے ہیں۔ جس کے نتیجے میں کاروبار کے شعبہ صحت میں انڈر رائٹنگ پریئم میں کمی واقع ہوئی جبکہ گلیمز بھی پالیسیوں کی غیر مختتمہ مدت پر رپورٹ کئے جا رہے ہیں۔

اس مدت کے لئے سرمایہ کاری کی آمدنی ۱۳۲ء ۰۰ ملین روپے سے بڑھ کر ۱۶۰ ملین روپے ہو گئی۔

زیر جائزہ مدت کے لئے مجموعی منافع جات بعد از ٹیکس ۸۵ء ۶۰ ملین روپے رہے جو اس کے برخلاف گزشتہ سال ۶۹ء ۰۰ روپے فی شیئر کی آمدنی کے ساتھ ۹ ملین ۱۲۶ء ۰۰ روپے رہے تھے۔

جیسا کہ ہم اب سال کی آخری سہ ماہی میں درست اقدامات کے ساتھ داخل ہو چکے ہیں لہذا ہم کو امید ہے کہ انشاء اللہ سال کے آخر تک ہم ۲۰۱۷ء کا اختتام بہتر انڈر رائٹنگ نتائج کے ساتھ کریں گے۔

ہم اللہ تعالیٰ سے قوم کے استحکام اور معاشی ترقی کے ساتھ عوام کے تحفظ اور خوشحالی کے لئے دعا گو ہیں۔

منجانب بورڈ آف ڈائریکٹرز

شیر نظام علی
چیف ایگزیکٹو

کراچی: ۲۶ اکتوبر ۲۰۱۷ء

Condensed Interim Profit and Loss Account for the nine months ended September 30, 2017 (Unaudited)

(Rupees in '000)

	Note	Quarter ended September 30,					2017 Aggregate	2016 Aggregate
		Fire and Property	Marine and Transport	Motor	Group Hospitalisation	Other Classes		
Revenue Account								
Net premium revenue		11,427	28,240	55,015	26,023	12,759	133,464	128,754
Net claims		(401)	(8,397)	(38,605)	(34,610)	(4,824)	(86,837)	(78,458)
Expenses		(30,200)	(8,119)	(16,231)	(1,436)	(5,292)	(61,278)	(53,989)
Net commission		10,000	2,227	4,546	372	(748)	16,397	33,579
Underwriting result		(9,174)	13,951	4,725	(9,651)	1,895	1,746	29,886
Net investment income							41,386	33,180
Other income							1,511	2,434
General and administration expenses							(19,661)	(17,053)
							23,236	18,561
Profit before tax							24,982	48,447
Provision for taxation - Current							(7,289)	(14,870)
- Deferred							73	79
							(7,216)	(14,791)
Profit after tax							17,766	33,656
Other comprehensive income - net of tax							-	-
Total comprehensive income							17,766	33,656
Earnings per share of Rs. 5/- each	13						Rupees 0.14	0.27

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

RAFIQ M. HABIB
Chairman

ABBAS D. HABIB
Director

MANSOOR G. HABIB
Director

SHABBIR GULAMALI
Chief Executive

Condensed Interim Profit and Loss Account for the nine months ended September 30, 2017 (Unaudited)

(Rupees in '000)

Note	Nine months ended ended September 30,						2017	2016
	Fire and Property	Marine and Transport	Motor	Group Hospitalisation	Other Classes	Aggregate	Aggregate	
Revenue Account								
Net premium revenue	43,971	96,863	162,608	87,212	47,136	437,790	398,670	
Net claims	(12,209)	(29,406)	(99,249)	(115,297)	(26,802)	(282,963)	(195,834)	
Expenses	(72,815)	(37,645)	(48,336)	(20,945)	(11,379)	(191,120)	(168,864)	
Net commission	33,735	8,063	10,188	5,307	(2,708)	54,585	58,995	
Underwriting result	(7,318)	37,875	25,211	(43,723)	6,247	18,292	92,967	
Investment income						160,084	141,940	
Other income						5,390	6,056	
General and administration expenses						(61,241)	(56,241)	
						104,233	91,755	
Profit before tax						122,525	184,722	
Provision for taxation - Current						(36,870)	(57,855)	
- Deferred						(78)	(15)	
						(36,948)	(57,870)	
Profit after tax						85,577	126,852	
Profit and loss appropriation account								
Balance at commencement of the year						216,152	250,712	
Profit after tax for the period						85,577	126,852	
Final cash dividend of Rs. 1.75 (35%) for the year ended December 31, 2016 (2015: Rs. 1.75 per share)						(216,781)	(216,781)	
Balance unappropriated profit at end of the nine months						84,948	160,783	
Earnings per share of Rs. 5/- each	13				Rupees	0.69	1.02	

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

SHABBIR GULAMALI
Chief Executive

**Condensed Interim Statement of Comprehensive Income
for the nine months ended September 30, 2017 (Unaudited)**

	Quarter ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	(Rupees in '000)			
Net profit for the period	17,766	33,656	85,577	126,852
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>17,766</u>	<u>33,656</u>	<u>85,577</u>	<u>126,852</u>

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

RAFIQ M. HABIB
Chairman

ABBAS D. HABIB
Director

MANSOOR G. HABIB
Director

SHABBIR GULAMALI
Chief Executive

**Condensed Interim Statement of Changes in Equity for
the nine months ended September 30, 2017 (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, 2016	619,374	9,122	255,000	250,712	1,134,208
Changes in equity for the nine months period ended September 30, 2016					
Profit for the nine months period ended Sept. 30, 2016	-	-	-	126,852	126,852
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the nine months period ended September 30, 2016	-	-	-	126,852	126,852
Final dividend of Rs. 1.75 per share for the year ended December 31, 2015	-	-	-	(216,781)	(216,781)
	-	-	-	(216,781)	(216,781)
Balance as at September 30, 2016	<u>619,374</u>	<u>9,122</u>	<u>255,000</u>	<u>160,783</u>	<u>1,044,279</u>
Balance as at January 1, 2017	619,374	9,122	255,000	216,152	1,099,648
Changes in equity for the nine months period ended September 30, 2017					
Profit for the nine months ended September 30, 2017	-	-	-	85,577	85,577
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the nine months period ended September 30, 2017	-	-	-	85,577	85,577
Final dividend of Rs. 1.75 per share for the year ended December 31, 2016	-	-	-	(216,781)	(216,781)
	-	-	-	(216,781)	(216,781)
Balance as at September 30, 2017	<u>619,374</u>	<u>9,122</u>	<u>255,000</u>	<u>84,948</u>	<u>968,444</u>

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

SHABBIR GULAMALI
Chief Executive

Condensed Interim Statement of Cash Flows for the nine months ended September 30, 2017 (Unaudited)

	September 30, 2017	September 30, 2016		September 30, 2017	September 30, 2016
	(Rupees in '000)			(Rupees in '000)	
Operating activities			Reconciliation to Profit and Loss Account		
a) Underwriting activities			Operating cash flows	(102,819)	80,354
Premiums received	778,102	988,570	Depreciation expense	(5,889)	(5,113)
Reinsurance premiums paid	(389,323)	(529,446)	Loss on disposal of fixed assets	(316)	5
Claims paid	(538,099)	(419,829)	Increase in assets other than cash	103,180	327,006
Reinsurance and other recoveries	289,437	251,656	Decrease in liabilities	(55,939)	(400,487)
Commissions paid	(81,018)	(90,774)		(61,783)	1,765
Commissions received	135,897	166,175	Other adjustments		
Net cash inflow from underwriting activities	194,996	366,352	Income tax paid	33,207	46,761
b) Other operating activities			Provision for gratuity	(9,311)	(6,829)
Income tax paid	(33,207)	(46,761)	Gratuity paid	2,276	275
General management expenses paid	(254,718)	(227,102)	Profit/ Return received	10,096	11,422
Other operating (payments) / receipts	(13,721)	215	Dividends received	59,183	64,981
Loans advanced	(17,313)	(25,318)	Capital gain	88,857	66,347
Loans repayments received	21,144	12,968	Provision for taxation	(36,948)	(57,870)
Net cash outflow from other operating activities	(297,815)	(285,998)		147,360	125,087
Total cash (outflow) / inflow from all operating activities	(102,819)	80,354	Profit after taxation	85,577	126,852
Investment activities			Definition of cash		
Profit/ return received	10,096	11,422	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	59,183	64,981	Cash for the purpose of the Statement of Cash Flows consists of:		
Payments for investments	(295,724)	(643,271)	Cash and other equivalents		
Proceeds from disposal of investments	402,788	678,589	Cash in hand	643	570
Fixed capital expenditure	(4,439)	(5,578)	Stamps in hand	1,339	25
Proceeds from disposal of fixed assets	231	79		1,982	595
Total cash inflow from investing activities	172,135	106,222	Current and other accounts		
Financing activities			Current accounts	2,515	11,160
Dividends paid	(211,033)	(211,905)	PLS accounts	1,802	99,280
Total cash outflow from financing activities	(211,033)	(211,905)		4,317	110,440
Net cash outflow from all activities	(141,717)	(25,329)		6,299	111,035
Cash and cash equivalent at beginning of the year	148,016	136,364			
Cash and cash equivalent at end of the period	6,299	111,035			

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

RAFIQ M. HABIB
Chairman

ABBAS D. HABIB
Director

MANSOOR G. HABIB
Director

SHABBIR GULAMALI
Chief Executive

Condensed Interim Statement of Premiums for the nine months ended September 30, 2017 (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	2017	2016
		Opening	Closing			Opening	Closing		Net premium revenue	Net premium revenue
Direct and facultative										
1. Fire and Property	153,004	191,921	236,527	108,398	151,503	167,986	222,518	96,971	11,427	15,436
2. Marine and Transport	45,738	32,524	21,084	57,178	21,286	16,833	9,181	28,938	28,240	32,221
3. Motor	84,578	152,950	156,402	81,126	21,756	54,676	50,321	26,111	55,015	42,350
4. Group hospitalisation	11,722	65,740	47,222	30,240	(88)	5,855	1,550	4,217	26,023	21,642
5. Other Classes	26,458	36,709	40,322	22,845	13,502	13,898	17,314	10,086	12,759	17,105
Total	321,500	479,844	501,557	299,787	207,959	259,248	300,884	166,323	133,464	128,754
Nine months ended September 30,										
Direct and facultative										
1. Fire and Property	342,759	259,722	236,527	365,954	316,611	227,890	222,518	321,983	43,971	75,608
2. Marine and Transport	177,207	36,048	21,084	192,171	87,145	17,344	9,181	95,308	96,863	99,546
3. Motor	227,531	161,142	156,402	232,271	81,839	38,145	50,321	69,663	162,608	127,358
4. Group hospitalisation	98,592	72,079	47,222	123,449	591	37,196	1,550	36,237	87,212	50,100
5. Other Classes	53,562	72,805	40,322	86,045	17,726	38,497	17,314	38,909	47,136	46,058
Total	899,651	601,796	501,557	999,890	503,912	359,072	300,884	562,100	437,790	398,670

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

RAFIQ M. HABIB
Chairman

ABBAS D. HABIB
Director

MANSOOR G. HABIB
Director

SHABBIR GULAMALI
Chief Executive

Condensed Interim Statement of Claims for the nine months ended September 30, 2017 (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	2017 Net claims expense	2016 Net claims expense
		Opening	Closing			Opening	Closing			
Direct and facultative										
1. Fire and Property	31,865	466,766	451,972	17,071	29,641	453,414	440,443	16,670	401	5,809
2. Marine and Transport	42,944	22,997	24,274	44,221	34,030	9,426	11,220	35,824	8,397	9,809
3. Motor	36,220	35,212	51,326	52,334	8,524	10,862	16,067	13,729	38,605	32,216
4. Group hospitalisation	41,579	21,138	25,208	45,649	8,730	1,951	4,260	11,039	34,610	23,224
5. Other Classes	17,455	110,279	103,363	10,539	13,289	89,142	81,568	5,715	4,824	7,400
Total	170,063	656,392	656,143	169,814	94,214	564,795	553,558	82,977	86,837	78,458
Nine months ended September 30,										
Direct and facultative										
1. Fire and Property	105,228	385,514	451,972	171,686	93,358	374,324	440,443	159,477	12,209	13,145
2. Marine and Transport	94,381	25,436	24,274	93,219	75,812	23,219	11,220	63,813	29,406	34,546
3. Motor	124,878	47,218	51,326	128,986	31,139	17,469	16,067	29,737	99,249	78,586
4. Group hospitalisation	154,663	32,925	25,208	146,946	51,940	24,551	4,260	31,649	115,297	50,013
5. Other Classes	58,949	107,967	103,363	54,345	37,188	91,213	81,568	27,543	26,802	19,544
Total	538,099	599,060	656,143	595,182	289,437	530,776	553,558	312,219	282,963	195,834

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

RAFIQ M. HABIB
Chairman

ABBAS D. HABIB
Director

MANSOOR G. HABIB
Director

SHABBIR GULAMALI
Chief Executive

Condensed Interim Statement of Expenses for the nine months ended September 30, 2017 (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	2017 Net underwriting expense	2016 Net underwriting expense
Direct and facultative									
1. Fire and Property	20,489	22,784	29,463	13,810	30,200	44,010	23,810	20,200	(6,922)
2. Marine and Transport	5,089	4,411	2,306	7,194	8,119	15,313	9,421	5,892	5,726
3. Motor	2,840	4,889	5,202	2,527	16,231	18,758	7,073	11,685	11,504
4. Group hospitalisation	420	682	631	471	1,436	1,907	843	1,064	202
5. Other Classes	3,397	5,509	6,447	2,459	5,292	7,751	1,711	6,040	9,900
Grand Total	<u>32,235</u>	<u>38,275</u>	<u>44,049</u>	<u>26,461</u>	<u>61,278</u>	<u>87,739</u>	<u>42,858</u>	<u>44,881</u>	<u>20,410</u>
Nine months ended September 30,									
Direct and facultative									
1. Fire and Property	42,520	32,984	29,463	46,041	72,815	118,856	79,776	39,080	23,967
2. Marine and Transport	20,996	4,448	2,306	23,138	37,645	60,783	31,201	29,582	18,610
3. Motor	7,321	5,875	5,202	7,994	48,336	56,330	18,182	38,148	34,507
4. Group hospitalisation	703	1,868	631	1,940	20,945	22,885	7,247	15,638	12,005
5. Other Classes	8,875	6,059	6,447	8,487	11,379	19,866	5,779	14,087	20,780
Grand Total	<u>80,415</u>	<u>51,234</u>	<u>44,049</u>	<u>87,600</u>	<u>191,120</u>	<u>278,720</u>	<u>142,185</u>	<u>136,535</u>	<u>109,869</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

ABBAS D. HABIB
Director

MANSOOR G. HABIB
Director

SHABBIR GULAMALI
Chief Executive

**Condensed Interim Statement of Investment Income
for the nine months ended September 30, 2017 (Unaudited)**

	Quarter ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	(Rupees in '000)			
Income from Non-Trading Investments				
Held-to-maturity				
Return on Government Securities	1,744	1,493	4,985	5,286
Available-for-sale				
Dividend income				
– Related parties	9,370	3,602	54,056	48,565
– Others	5,492	6,298	17,011	25,205
	14,862	9,900	71,067	73,770
Gain on sale of available-for-sale investments	24,847	22,234	88,857	66,347
Provision for impairment in value of available-for-sale securities - net	1,543	759	–	–
Investment related expenses	(1,610)	(1,206)	(4,825)	(3,463)
Net investment income	41,386	33,180	160,084	141,940

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

RAFIQ M. HABIB
Chairman

ABBAS D. HABIB
Director

MANSOOR G. HABIB
Director

SHABBIR GULAMALI
Chief Executive

**Notes to the Condensed Interim Financial Statements for the
nine months ended September 30, 2017 (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

2.1 These condensed interim financial statements of the Company for the nine months period ended September 30, 2017 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.

2.2 The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. However, as allowed by the Securities Exchange Commission of Pakistan (SECP) these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.3 During the period, the SECP has issued the Insurance Rules, 2017 including the new Insurance Accounting Regulations, 2017 and format for the preparation of the financial statements. The new Insurance Rules are effective for the current period financial statements. However, SECP vide letter no. ID/OSM/Habib/2017/12213 dated October 09, 2017, granted exemption to the Company from application of the above mentioned rules and regulations and accordingly, these condensed interim financial statements have been prepared under the framework mentioned in note 2.1 above.

2.4 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 International Accounting Standard 34 - Interim Financial Reporting. They do not include all the information required for annual financial statements and these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2016.

2.5 These condensed interim financial statements have been presented in Pakistani rupees, which is the functional currency of the Company.

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, 2016.

5. SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

5.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2016 except as follows:

New / Revised Standards, Interpretations and Amendments

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

IAS 7: Statement of Cash Flows – Disclosure Initiative - (Amendment)

IAS 12: Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements.

5.2 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, 2016.

	Unaudited September 30, 2017	Audited December 31, 2016
	(Rupees in '000)	
6. AMOUNT DUE TO OTHER INSURERS/ REINSURERS		
Foreign reinsurers	122,886	28,902
Local reinsurers	22,591	30,974
Co-insurers	35,482	6,494
	180,959	66,370
7. OTHER CREDITORS AND ACCRUALS		
Federal excise duty	13,044	19,943
Federal insurance fee	992	1,466
Withholding tax payable	2,352	1,561
Agents commission payable	35,727	36,331
Sundry creditors	22,397	27,383
	74,512	86,684
8. CONTINGENCIES AND COMMITMENTS		
8.1 Contingencies		
There is no change in the status of contingencies as disclosed in note 9 to the annual financial statements of the Company for the year ended December 31, 2016.		
8.2 Commitments		
There are no commitments as at September 30, 2017.		

	Note	Unaudited September 30, 2017	Audited December 31, 2016
(Rupees in '000)			
9. INVESTMENTS			
Held-to-maturity			
Government securities (deposited with SBP)			
	9.1	69,627	54,263
Available-for-sale			
Ordinary shares of quoted/ unquoted companies		267,127	253,890
Modaraba Certificates - quoted		14,840	14,840
Ordinary shares of quoted companies/ units of open end mutual funds (related parties)		431,356	478,164
Units of open end mutual funds - quoted		349	349
		713,672	747,243
		783,299	801,506

9.1 This represents Pakistan Investment Bonds having face value of Rs.68.50 million [December 31, 2016: face value Rs.53.50 million (market value of Rs.61.79 million)]. These carry mark-up ranging from 7% to 12.00% (December 31, 2016: 8.75% to 12%) per annum and will mature between March 26, 2018 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.1,442.36 million (December 31, 2016: Rs.1,671.521 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, 2017 would have been higher by Rs.728.60 million (December 31, 2016: higher by Rs.924.298 million).

10. SUNDRY RECEIVABLES

Sales tax recoverable	10,775	8,286
Other receivables	3,817	2,607
Receivable against sale of investments	-	2,102
Current portion of loans to employees	8,759	13,740
	23,351	26,735
	23,351	26,735

	Unaudited September 30, 2017 (Rupees in '000)	Audited December 31, 2016
11. FIXED ASSETS		
Opening written down value	25,635	24,429
Add: Additions during the period/ year - at cost		
– Furniture, fixtures and office equipment	609	2,152
– Computer and related equipment	457	1,036
– Motor vehicles	48	2,255
– Computer software	3,325	2,880
	4,439	8,323
Less: Written down value of deletions during the period/ year		
Depreciation/ amortisation for the period/ year	(547)	(113)
	(5,889)	(7,004)
	(6,436)	(7,117)
Closing written down value	23,638	25,635

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, 2017 are as follows:

	Quarter ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	(Rupees in '000)			
Transactions with related parties				
Premium written	39,843	50,268	246,293	331,383
Claims paid	45,327	40,796	172,224	103,240
Dividends received	9,369	3,602	54,056	48,565
Dividend paid	–	–	30,063	30,639
Investments made	48,886	108,959	190,886	642,642
Investments sold	43,140	106,036	304,627	678,589
Interest received on bank accounts	1,056	1,484	3,875	3,803
Bank charges	70	231	179	392
Share registrar fees paid	–	–	–	76
Brokerage expenses paid	1,599	866	4,814	3,122
Contribution to the provident fund	1,941	1,501	5,298	4,336
Remuneration of key management personnel	22,484	26,540	60,921	67,774

	Unaudited September 30, 2017	Audited December 31, 2016
	(Rupees in '000)	
Balances with related parties		
Bank balances	3,525	146,576
Investment held	431,356	478,043
Premiums due but unpaid	134,407	137,650
Outstanding claims	73,856	47,027
Investment related expenses	520	-
Due to the provident fund	789	432

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,	
	2017	2016	2017	2016
Profit after tax for the period (Rupees in '000)	17,766	33,656	85,577	126,852
Weighted average number of ordinary shares in issue during the period (in '000)	123,875	123,875	123,875	123,875
Earnings per share (Rupees)	0.14	0.27	0.69	1.02

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.

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, 2017 and December 31, 2016.

	Fire and Property		Marine and Transport		Motor		Group Hospitalisation		Other Classes		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	Unaudited September 30, 2017	Audited December 31, 2016
	(Rupees in '000)											
Segment assets	646,788	705,435	339,640	345,155	410,514	286,206	218,182	202,071	152,076	151,370	1,767,200	1,690,237
Unallocated corporate assets											928,111	1,069,641
Consolidated corporate assets											<u>2,695,311</u>	<u>2,759,878</u>
Segment liabilities	539,651	588,451	283,382	287,917	342,516	238,744	182,042	168,561	126,886	126,264	1,474,477	1,409,937
Unallocated corporate liabilities											252,390	250,293
Consolidated corporate liabilities											<u>1,726,867</u>	<u>1,660,230</u>
Capital Expenditure												
Capital expenditure	<u>1,625</u>	<u>3,474</u>	<u>853</u>	<u>1,700</u>	<u>1,031</u>	<u>1,409</u>	<u>548</u>	<u>995</u>	<u>382</u>	<u>745</u>	<u>4,439</u>	<u>8,323</u>
Depreciation / amortisation	<u>2,155</u>	<u>2,924</u>	<u>1,132</u>	<u>1,430</u>	<u>1,368</u>	<u>1,186</u>	<u>727</u>	<u>837</u>	<u>507</u>	<u>627</u>	<u>5,889</u>	<u>7,004</u>



15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements were authorised for issue on October 26, 2017 by the Board of Directors of the Company.

16. GENERAL

Figures have been rounded off to the nearest thousand rupees.

RAFIQ M. HABIB
Chairman

ABBAS D. HABIB
Director

MANSOOR G. HABIB
Director

SHABBIR GULAMALI
Chief Executive