

# First Quarterly Report 2016



A Sign of protection

**Shaheen Insurance**

A Project of Shaheen Foundation  
(Pakistan Air Force)

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First Quarter  
2016

02

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Air Marshal Muhammad Jamshed Khan (Retd.)  
Air Vice Marshal Syed Razi Ul Hassan Nawab (Retd.)  
Air Commodore Zafar Yasin (Retd.)  
Air Commodore Mahmood Ahmed (Retd.)  
Air Commodore Muhammad Masud Akhter (Retd.)  
Group Captain Ehsan-ur-Rauf Sheikh (Retd.)  
Mr. Aamir Shahzad Mughal

### **AUDIT COMMITTEE**

Mr. Aamir Shahzad Mughal - Chairman  
Air Commodore Mahmood Ahmed (Retd.) - Member  
Air Commodore Muhammad Masud Akhter (Retd.) - Member

### **HUMAN RESOURCE & REMUNERATION COMMITTEE**

Air Commodore Mahmood Ahmed (Retd.) - Chairman  
Air Commodore Muhammad Masud Akhter (Retd.) - Member  
Mr. Sohel N. Kidwai (CEO) - Member

### **INVESTMENT COMMITTEE**

Air Marshal Muhammad Jamshed Khan (Retd.) - Chairman  
Mr. Aamir Shahzad Mughal - Member  
Air Commodore Mahmood Ahmed (Retd.) - Member  
Mr. Sohel N. Kidwai (CEO) - In attendance  
Mr. Nisar Ahmed Almani

### **CHIEF EXECUTIVE OFFICER**

Mr. Sohel N. Kidwai

### **CFO & COMPANY SECRETARY**

Mr. Nisar Ahmed Almani

## **COMPANY INFORMATION**

### **COUNTRY HEAD BUSINESS**

Mr. Naveed Y. Butt

### **LEGAL ADVISOR**

Surridge & Beecheno

### **AUDITORS**

Riaz Ahmed & Company  
Chartered Accountants

### **COORDINATOR INTERNAL CONTROLS**

Air Commodore Hussain Bux Uner (Retd.)

### **ADMIN & HR**

Khalid Bin Wasi

### **REGISTERED OFFICE**

10th Floor, Shaheen Complex, M.R Kayani Road, Karachi.

### **HEAD OFFICE**

10th Floor, Shaheen Complex, M.R Kayani Road, Karachi.

### **SHARE REGISTRAR**

M/s. Corplink (PVT) Ltd.  
Wings Arcade, 1-K, Commercial Model Town, Lahore

## OFFICES

### Head Office

10th Floor, Shaheen Complex  
M. R. Kayani Raod, Karachi-74200  
Tel # 32630370-75, 322139850-51 Fax # 32626674  
E-mail: [sihife@cyber.net.pk](mailto:sihife@cyber.net.pk)  
URL: [www.shaheeninsurnce.com](http://www.shaheeninsurnce.com)  
UAN: (021) 111-765-111

### Karachi

Branch Manager.Mr.M.Iftikhar Alam  
10th Floor, Shaheen Complex  
M.R Kayani Road, Karachi -74200  
Tel # 32630370-75,32213950-51,  
Fax # 32626674  
E-mail :[iftikhar.alam@shaheeninsurance.com](mailto:iftikhar.alam@shaheeninsurance.com)  
Direct # 32272595

### Hyderabad

Acting Branch Manager-Syed Shakir Ali  
Upper 2nd Floor  
House # 75, Soldier Bazar, Hyderabad  
Tel # (022) 2720487  
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E-mail:[hyd@shaheeninsurance.com](mailto:hyd@shaheeninsurance.com)  
UAN: (021-111-765-111)

### Lahore Zonal Office

Country Head Business Mr. Naveed Y. Butt  
Office # 4, 6th Floor, Shaheen Complex  
Opp. PTV Station 38, Abbott Road,  
Tel # 042-36376270,36376274,  
36376278, 36376279  
Fax # 042-36376276  
E-mail: [lhr\\_zone@shaheeninsurance.com](mailto:lhr_zone@shaheeninsurance.com)

### Lahore Corporate

Branch Manager / GM Mr. Sohaib Ansar Khan  
Office # 6, 6th Floor , Shaheen Complex,  
Opp. PTV Station 38, Abbott Road,Lahore.  
Lahore.  
Tel # 042-36370384, 36370741, 36370742  
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E-mail: [lhr\\_corporate@shaheeninsurance.com](mailto:lhr_corporate@shaheeninsurance.com)

### Islamabad

Acting Branch Manager – Mr. Mohammad Bilal Khan  
Office # 6, 1st Floor VIP Plaza,  
I-8 Markaz Islamabad  
Tel: 051-4938283  
Fax: 051-4938284  
Email: [isb@shaheeninsurance.com](mailto:isb@shaheeninsurance.com)

### Faisalabad

Branch Manager Mr.Mohsin Khan  
Office No2, 4th Floor, Ahmed Plaza,  
Bilal Road, Civil Lines, Faisalabad  
Tel. # (041) 2614112, 2621370, 2634658  
Fax # (041) 2613514  
Email: [fsd@shaheeninsurance.com](mailto:fsd@shaheeninsurance.com)

### Multan

Branch Manager – Mr.Arshad Mehmood Kkhan  
Office No A-1717 & 1718, 2nd Floor, Kachari Road,  
Opp. Hajveri Arcade, Multan  
E-mail: [mul@shaheeninsurance.com](mailto:mul@shaheeninsurance.com)

### Peshawar

Branch Manager – Mr. Amir Shahzad  
Upper Basement, State Life Building  
34 – The Mall, Peshawar Cantt.  
Tel # (091) 5273122 Fax # (091) 5273106  
E-mail: [psw@shaheeninsurance.com](mailto:psw@shaheeninsurance.com)

### Sialkot

Branch Manager – Mr. Mian Waheed Akhter  
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Near Iqbal Town,Sialkot  
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Fax # (052) 3257412  
E-mail: [sil@shaheeninsurance.com](mailto:sil@shaheeninsurance.com)

### Gujranwala

AGM / Branch Manager Mr. Faisal Jamil  
Office # 12/B, 5th Floor  
Bhutta Centre  
Gujranwala  
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E-mail: [faisal.jamil@shaheeninsurance.com](mailto:faisal.jamil@shaheeninsurance.com)

## DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to announce the results of the Company for the first quarter ended March 31, 2016.

The Results are summarized below;

All Figures Rs in 'Million'				
	March 2016	March 2015	% Age	December 2015
Gross Premium Written	69.75	60.75	14.81	308.99
Net Premium Revenue	63.69	53.09	19.97	225.23
Net Claims	30.34	25.68	18.12	100.36
Underwriting Results	10.00	7.08	41.22	43.32
Investment and Rental Income	3.91	4.19	(6.55)	19.02
Other Income	0.20	2.58	(92.14)	6.80
Profit Before Tax	2.48	1.66	49.25	5.72
Profit After Tax	1.85	1.13	62.99	26.18
Earnings Per Share	0.04	0.03	33.33	0.58

Our company continue to perform better as it posted a net profit after tax of Rs 1.85 Million during the first quarter of 2016 against Rs 1.13 Million during the corresponding period of 2015 (i.e. increase of 62.99%). Premium written during the period under review increased by 14.81% to Rs 69.75 Million against Rs 60.75 Million during the first quarter of 2015. Net claims of the Company increased to Rs 30.34 Million during the first quarter of 2016 against Rs 25.68 Million during first quarter of 2015. This was mainly due to higher level of claims in the accident and health segment of the company. Other income of the company reduced during the period under review compared with the corresponding period of 2015, mainly due to higher levels of vehicles sold during 2015. Major operational indicators of the company continue to look promising, and it is expected that the performance / profitability will improve during the remaining months of the financial year.

Investment and Rental income of the company decreased to Rs 3.91 Million during quarter under review against Rs 4.19 Million during the first quarter of 2015. This was mainly due to declining interest rate scenario in the country, as handsome balance of cash was placed in secured government bonds and short term bank deposits with large commercial banks to maintain liquidity, and to generate regular and assured returns.

Management and General Administrative Expenses of the company rightfully increased to Rs 24.025 Million during the first quarter of 2016 against Rs 23.10 Million during corresponding quarter of 2015 because of inflationary trends, and increased business.

Despite constraints, your company would continue to pursue growth, and performance will improve in times to come.

Your Directors would like to place on record their appreciation to the field force, officers and staff of the Company for their dedicated contributions.

Your Directors would also like to thank the Securities and Exchange Commission of Pakistan, Pakistan Re-insurance Company Limited and all our re-insurers for their continued guidance and support.



**Air Marshal Muhammad Jamshed Khan (Retd.)  
Chairman**

April 28, 2016



## Condensed Interim Balance Sheet

As At March 31, 2016

	Note	31 March 2016 (Unaudited)	31 December 2015 (Audited)
-----Rupees-----			
<b>Share capital and reserves</b>			
<b>Authorized share capital</b>			
60,000,000 (2014: 60,000,000) ordinary shares of Rupees 10 each		<u>600,000,000</u>	<u>600,000,000</u>
Issued, subscribed and paid-up share capital		<b>450,000,000</b>	450,000,000
General reserve		<b>20,000,000</b>	20,000,000
Accumulated loss		<b>(101,886,046)</b>	(103,731,911)
<b>Shareholders' equity</b>		<b>368,113,954</b>	366,268,089
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		<b>179,903,382</b>	164,713,923
Provision for unearned premium		<b>139,430,439</b>	145,921,759
Premium deficiency reserve		<b>1,000,000</b>	1,000,000
Commission income unearned		<b>410,743</b>	1,128,257
<b>Total underwriting provisions</b>		<b>320,744,564</b>	312,763,939
<b>Creditors and Accruals</b>			
Premium received in advance		<b>1,645,083</b>	279,627
Amounts due to other insurers / reinsurers		<b>26,872,162</b>	31,500,364
Accrued expenses		<b>7,283,156</b>	9,540,166
Agent balances		<b>19,382,337</b>	18,130,920
Current portion of liabilities against assets subject to finance lease		<b>1,433,882</b>	1,147,106
Other creditors and accruals	5	<b>39,117,770</b>	39,258,509
		<b>95,734,390</b>	99,856,692
<b>Borrowings</b>			
Liabilities against assets subject to finance lease		<b>3,530,593</b>	1,616,512
<b>Other liabilities</b>			
Unclaimed dividend		<b>398,934</b>	398,934
<b>TOTAL LIABILITIES</b>		<b>420,408,481</b>	414,636,077
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>788,522,436</b>	780,904,166
<b>CONTINGENCIES AND COMMITMENTS</b>			

The annexed notes from 1 to 9 form an integral part of these financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

## Condensed Interim Balance Sheet

As At March 31, 2016

	Note	31 March 2016 (Unaudited)	31 December 2015 (Audited)
-----Rupees-----			
<b>Cash and bank deposits</b>			
Cash and other equivalents		2,657,355	2,660,953
Current and saving accounts		22,502,992	21,762,061
Deposits maturing within 12 months		<u>150,000,000</u>	<u>150,000,000</u>
		<b>175,160,348</b>	<b>174,423,014</b>
<b>Loans - secured</b>			
To employees		<b>3,000</b>	3,000
<b>Investments</b>			
		<b>279,774,355</b>	280,449,544
<b>Investment properties</b>			
		<b>21,905,282</b>	22,365,241
<b>Current Assets-Others</b>			
Premiums due but unpaid - net	6	<b>95,320,770</b>	87,575,473
Amounts due from other insurers / reinsurers		<b>34,350,716</b>	35,893,450
Accrued investment income		<b>1,087,035</b>	2,669,387
Reinsurance recoveries against outstanding claims		<b>43,713,685</b>	41,681,383
Taxation - provisions less payments		<b>22,567,311</b>	21,962,868
Deferred commission expense		<b>22,373,784</b>	22,114,864
Advances, deposits and prepayments		<b>41,661,798</b>	37,392,350
Other receivables		<b>5,614,086</b>	5,716,567
		<b>266,689,184</b>	255,006,342
<b>Fixed assets - Tangible and intangible</b>			
<b>Owned</b>			
Furniture, fixtures and office equipment		<b>4,679,504</b>	5,505,369
Motor vehicles		<b>736,130</b>	774,873
Computer software - intangible		-	-
Capital work in progress - tangible		<b>34,750,008</b>	34,750,008
		<b>40,165,642</b>	41,030,250
<b>Leased</b>			
Motor vehicles		<b>4,824,625</b>	7,626,775
<b>TOTAL ASSETS</b>		<b><u>788,522,436</u></b>	<b><u>780,904,166</u></b>

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

## Condensed Interim Profit and Loss Account (Unaudited)

For the three months period ended March 31, 2016

	Note	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Miscellaneous	2016 Aggregate	2015 Aggregate
Rupees								
<b>Revenue Account</b>								
Net Premium Revenue		4,818,125	957,091	51,140,909	1,835,962	4,940,736	63,692,822	53,090,527
Net Claims		(30,375)	(484,973)	(24,017,800)	(5,524,054)	(279,699)	(30,336,901)	(25,682,587)
Management Expenses		(1,756,007)	(450,967)	(8,180,932)	(534,856)	(1,466,944)	(12,389,706)	(10,908,010)
Net Commission		(2,646,759)	(634,146)	(6,611,573)	(43,936)	(1,025,661)	(10,962,075)	(9,415,078)
Net Underwriting expenses		(4,402,767)	(1,085,113)	(14,792,505)	(578,792)	(2,492,605)	(23,351,782)	(20,323,088)
<b>Underwriting results</b>		<b>384,983</b>	<b>(612,995)</b>	<b>12,330,604</b>	<b>(4,266,884)</b>	<b>2,168,432</b>	<b>10,004,140</b>	<b>7,084,852</b>
Investment Income							3,148,638	3,583,864
Rental Income							762,573	601,260
Other Income							202,759	2,588,636
General and Administrative Expenses							(11,635,316)	(12,194,760)
<b>Profit for the period before Taxation</b>							<b>2,482,794</b>	<b>1,663,851</b>
Provision for Taxation							(636,928)	(530,905)
Profit / (Loss) after Tax							<b>1,845,866</b>	<b>1,132,946</b>
Balance at commencement of the year							(103,731,911)	(129,916,865)
Profit (Loss) for the three months period							1,845,866	1,132,946
Balance of accumulated (loss) at end of the year							<b>(101,886,046)</b>	<b>(128,783,919)</b>
<b>Earnings per share-basic and diluted</b>	8						<b>0.04</b>	<b>0.03</b>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial information.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
 For the three months period ended March 31, 2016

	<b>For the three months period ended March 31, 2016</b>	For the three months period ended March 31, 2015
Profit/ (Loss) for the period	<b>1,845,866</b>	1,132,946
Other comprehensive income	-	-
<b>Total Comprehensive Income/(Loss) for the Period</b>	<u><u><b>1,845,866</b></u></u>	<u><u>1,132,946</u></u>

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.

  
 Chairman

  
 Director

  
 Director

  
 Chief Executive Officer

## Statement Of Cash Flows

For the three months period ended March 31, 2016

	Note	31 March 2016	31 March 2015
-----Rupees-----			
<b>OPERATING ACTIVITIES</b>			
<b>a) Underwriting activities</b>			
Premiums received		63,367,694	67,886,424
Reinsurance premiums paid		(6,655,319)	(14,900,189)
Claims paid		(19,563,364)	(42,696,305)
Reinsurance and other recoveries received		2,383,620	17,738,042
Commissions paid		(10,380,322)	(7,296,376)
Commissions received		410,743	429,312
Net cash used in underwriting activities		29,563,052	21,160,908
<b>b) Other operating activities</b>			
Income tax paid		(962,221)	(987,860)
Management and Administrative expenses paid		(30,725,535)	(23,197,532)
Loan to employees recovered		-	(20,000)
Net cash used in other operating activities		(31,687,756)	(24,205,392)
<b>Total cash used in all operating activities</b>		<b>(2,124,704)</b>	<b>(3,044,484)</b>
<b>INVESTING ACTIVITIES</b>			
Profit / return received		5,081,609	3,583,864
Rentals received		525,000	860,108
Payments for investments - net		(2,062,038)	-
Proceeds from disposal of investments		435,246	-
Fixed capital expenditure		(2,460,350)	-
Proceeds from disposal of fixed assets		1,700,000	1,750,000
<b>Total cash used in all investing activities</b>		<b>3,219,467</b>	<b>6,193,972</b>
<b>FINANCING ACTIVITIES</b>			
Financial charges paid		(114,168)	(115,726)
Payments of finance lease liability		(243,261)	(360,916)
<b>Total cash (used in) / flows from all financing activities</b>		<b>(357,429)</b>	<b>(476,642)</b>
<b>Net cash (used in) / flows from all activities</b>		<b>737,334</b>	<b>2,672,846</b>
Cash and cash equivalents at the beginning of year		174,423,014	230,399,166
<b>Cash and cash equivalents at end of the year</b>		<b>175,160,348</b>	<b>233,072,012</b>

	31 March 2016	31 March 2015
-----Rupees-----		
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	<b>(2,124,704)</b>	(3,044,484)
Depreciation on fixed assets	<b>(1,289,808)</b>	(2,282,799)
Depreciation on investment property	<b>(459,959)</b>	(775,475)
(Loss) / Gain on disposal of fixed assets	<b>(343,556)</b>	1,652,943
Taxes paid	<b>(962,221)</b>	(987,860)
Financial charges	<b>(84,732)</b>	(115,726)
(Decrease) / increase in assets other than cash	<b>9,406,208</b>	(17,794,315)
Decrease / (increase) in liabilities	<b>(5,772,404)</b>	20,492,010
Investment and other income	<b>4,113,970</b>	4,519,557
Provision for tax	<b>(636,928)</b>	(530,905)
<b>(Loss) / Profit before taxation</b>	<b><u>1,845,866</u></b>	<b><u>1,132,946</u></b>

**Definition of cash**

Cash comprises of cash in hand, policy stamps, cheques in hand, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

Cash for the purpose of the statement of cash flows consists of:

	2016	2015
-----Rupees-----		
<b>Cash and other equivalents</b>		
- Cash in hand	<b><u>2,657,355</u></b>	<u>3,488,860</u>
	<b>2,657,355</b>	3,488,860
<b>Current and saving accounts</b>		
- Current accounts	<b><u>1,522,417</u></b>	<u>1,034,803</u>
- Savings accounts	<b><u>20,980,576</u></b>	<u>36,158,349</u>
	<b>22,502,993</b>	37,193,152
<b>Deposits maturing within 12 months</b>		
Term Deposit- local currency	<b><u>150,000,000</u></b>	<u>192,389,999</u>
	<b><u>175,160,348</u></b>	<u>233,072,012</u>

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

## Condensed Interim Statement of Changes in Equity (Unaudited)

For the period ended 31 March 2016

	Share Capital	General Reserve	Unappropriated Loss	Total
----- Rupees -----				
Balance as at 1 January 2015	450,000,000	20,000,000	(129,916,865)	340,083,135
<b>Changes in equity for the period ended 31 March 2015</b>				
Profit after tax for the period ended 31 March 2015	-	-	1,132,946	1,132,946
<b>Balance as at 31 March 2015</b>	<b>450,000,000</b>	<b>20,000,000</b>	<b>(128,783,919)</b>	<b>341,216,081</b>
<b>Unappropriated profit months ended 31 December 2015</b>				
Net Profit after tax for the nine months ended 31 December 2015	-	-	25,052,008	25,052,008
Profit after tax for the period ended 31 March 2016	450,000,000	20,000,000	(103,731,911)	366,268,089
Issue of right shares during the year	-	-	1,845,866	1,845,866
<b>Balance as at 31 March 2015</b>	<b>450,000,000</b>	<b>20,000,000</b>	<b>(101,886,045)</b>	<b>368,113,955</b>

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

## Condensed Interim Statement of Premium (Unaudited)

For the period ended 31 March 2016

Business underwritten inside Pakistan

Class	Three Months Period Ended March 31													
	Premium written (Note 26)		Unearned premium reserve		*Premium earned		Reinsurance ceded		Prepaid reinsurance premium ceded		Reinsurance expense		2016 Net premium revenue	
	a	b	c	d=a+b-c	e	f	g	h=e+f-g	i=d-h	2015 Net premium revenue	2016 Net premium revenue			
----- Rupees -----														
<b>Direct and facultative</b>														
Fire and property damage	7,788,697	20,803,573	18,577,909	10,014,362	2,063,972	13,298,596	10,166,331	5,196,237	4,818,125	5,244,727				
Marine, aviation and transport	3,260,371	932,280	1,716,479	2,476,173	1,350,000	844,082	675,000	1,519,082	957,091	388,732				
Motor	35,399,277	105,293,942	87,613,832	53,079,387	2,387,389	3,899,158	4,348,069	1,938,478	51,140,909	37,528,851				
Accident and health	5,541,862	1,463,989	5,169,889	1,835,962	-	-	-	-	1,835,962	5,533,683				
Others	17,757,327	17,427,975	26,352,331	8,832,972	2,602,097	9,809,558	8,519,419	3,892,236	4,940,736	4,394,534				
<b>Total</b>	<b>69,747,534</b>	<b>145,921,759</b>	<b>139,430,439</b>	<b>76,238,854</b>	<b>8,403,458</b>	<b>27,851,394</b>	<b>23,708,820</b>	<b>12,546,032</b>	<b>63,692,822</b>	<b>53,090,527</b>				
Treaty	-	-	-	-	-	-	-	-	-	-				
<b>Grand Total</b>	<b>69,747,534</b>	<b>145,921,759</b>	<b>139,430,439</b>	<b>76,238,854</b>	<b>8,403,458</b>	<b>27,851,394</b>	<b>23,708,820</b>	<b>12,546,032</b>	<b>63,692,822</b>	<b>53,090,527</b>				

Note: The Company does not underwrite business outside Pakistan.  
The annexed notes from 1 to 9 form an integral part of these financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer



## Condensed Interim Statement of Claims (Unaudited)

For the three months period ended March 31, 2016

Business underwritten inside Pakistan

Three Months Period Ended March 31

Class	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 i=d-h	2015 Net claims expense
	Opening	Closing			Opening	Closing			
a	b	c	d=a+b-c	e	f	g	h=e+f-g		
----- Rupees -----									
<b>Direct and facultative</b>									
Fire and property damage	837,176	83,388,179	84,082,028	1,175,194	36,396,110	36,721,566	1,500,650	30,375	7,661,183
Marine, aviation and transport	384,973	4,861,691	4,961,691	-	1,918,547	1,918,547	-	484,973	100,038
Motor	16,989,693	56,306,279	66,027,957	16,755	1,447,733	4,124,549	2,693,571	24,017,800	13,873,599
Accident and health	939,251	17,431,214	22,016,017	-	-	-	-	5,524,054	2,062,871
Miscellaneous	412,271	2,726,560	2,815,689	1,191,671	1,918,993	949,023	221,701	279,699	1,984,896
Total	19,563,364	164,713,923	179,903,382	2,383,620	41,681,383	43,713,685	4,415,922	30,336,901	25,682,587
<b>Treaty - Proportional</b>	-	-	-	-	-	-	-	-	-
Grand total	19,563,364	164,713,923	179,903,382	2,383,620	41,681,383	43,713,685	4,415,922	30,336,901	25,682,587

Note: The Company does not underwrite business outside Pakistan.

The annexed notes from 1 to 9 form an integral part of these financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

# Condensed Interim Statement of Expenses (Unaudited)

For the period ended March 31, 2016

Business underwritten inside Pakistan

Three Months Period Ended March 31

Class	Commissions paid or payable		Deferred Commission		Net Commission expense	Other Management expenses (Note 21)	Underwriting expense	*Commission from reinsurers	2016 Net underwriting expenses	2015 Net underwriting expenses
	a	b	c	c						
<b>Direct and facultative</b>										
Fire and property damage	2,341,665	5,882,703	5,577,009	2,647,359	1,756,007	4,403,367	600	4,402,767	7,661,183	
Marine, aviation and transport	787,387	245,527	398,768	634,146	450,967	1,085,113	-	1,085,113	100,038	
Motor	5,189,670	13,203,629	11,773,446	6,619,853	8,180,932	14,800,785	8,280	14,792,505	13,873,599	
Accident and health	2,420	57,096	15,579	43,936	534,856	578,792	-	578,792	2,062,871	
Miscellaneous	3,310,596	2,725,909	4,608,981	1,427,524	1,466,944	2,894,468	401,863	2,492,605	1,984,896	
Treaty	11,631,738	22,114,864	22,373,784	11,372,818	12,389,706	23,762,525	410,743	23,351,782	25,682,587	
Grand total	11,631,738	22,114,864	22,373,784	11,372,818	12,389,706	23,762,525	410,743	23,351,782	25,682,587	

Note: The Company does not underwrite business outside Pakistan. The annexed notes from 1 to 9 form an integral part of these financial statements.

  
Chairman

  
Director

  
Chief Executive Officer

**Condensed Interim Statement of Investment Income (Unaudited)**  
For the Quarter Ended March 31, 2016

	For the Quarter ended March 31, 2016	For the Quarter ended March 31, 2015
<b>Income from trading investment</b>		
Capital Gain on sale of held for trading investments	-	-
Dividend Income	-	-
	-	-
<b>Income from non-trading investment</b>		
<i>Held to maturity</i>		
Return on other fixed income securities	2,353,772	3,988,588
Return on PIBs	1,145,485	425,342
Dividend income	-	-
	3,499,257	4,413,930
<b>Unrealized gain on revaluation of held-for-trading investments</b>	<b>(350,619)</b>	<b>(830,046)</b>
<b>Investment related expenses</b>	<b>-</b>	<b>-</b>
<b>Total investment income</b>	<b>3,148,638</b>	<b>3,583,884</b>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial information.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

## Notes to Condensed Interim Financial Statements (Unaudited)

For the three months period ended March 31, 2016

### 1 STATUS AND NATURE OF BUSINESS

Shaheen Insurance Company Limited was incorporated in March 1995 under the Companies Ordinance, 1984, as a Public Company and obtained the certificate for commencement of business in July 1995. It was registered with the Controller of Insurance in November 1995 to carry out non-life insurance business comprising fire, marine, motor, aviation, engineering, transportation, etc. The shares of the company are listed on Karachi, Lahore and Islamabad Stock Exchanges.

Its registered office is located at 10th floor, Shaheen Commercial Complex, Karachi.

### 2 BASIS OF PRESENTATION

These condensed interim financial information are unaudited and are being submitted to shareholders in accordance with the listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984 and are being presented in condensed form in accordance with the requirements of the approved accounting standard International Accounting Standard- Interim Financial Reporting (IAS-34) as applicable in Pakistan and in the format prescribed by Insurance Division of Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 dated August 27, 2003.

These condensed interim financial information do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2015.

### 3 SIGNIFICANT ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2015.

### 4 INSURANCE RISK MANAGEMENT

The insurance risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2015.

March 31,      December 31,  
2016              2015  
-----Rupees-----

**5 OTHER CREDITORS AND ACCRUALS**

Federal excise duty payable	28,489,558	27,824,699
Withholding tax payable	2,482,949	2,418,411
Workers welfare fund payable	612,453	612,453
Unearned rental income	237,582	475,155
Payable to provident fund	4,899,429	5,248,643
Others	2,395,800	2,679,148
	<b>39,117,770</b>	<b>39,258,509</b>

**6 PREMIUMS DUE BUT UNPAID-unsecured**

Considered good	95,320,770	87,575,473
Considered doubtful	30,310,430	30,310,430
	<b>125,631,200</b>	<b>117,885,903</b>
Provision against doubtful receivables	(30,310,430)	(30,310,430)
	<b>95,320,770</b>	<b>87,575,473</b>

**7 TRANSACTIONS WITH RELATED PARTIES**

The Company has related party relationship with its employees' provident fund, key management personnel, entities with substantial holdings in the Company and Companies with common directors.

Transactions with related parties during the period and balances with them as at the period end are as follows:

March 31,      December 31,  
2016              2015  
-----Rupees-----

**Transactions and balances  
with related party**

Insurance premium		
Balance at beginning of the period	1,379,000	3,547,504
Gross insurance premium written (including administrative surcharge, government levies and policies stamps)	5,837,488	57,849,543
Received / Adjusted during the period	(5,000,000)	(60,018,047)
Balance at end of the period	<b>2,216,488</b>	<b>1,379,000</b>

	March 31, 2016	December 31, 2015
	-----Rupees-----	
Insurance claim expense		
Outstanding claims at beginning of the period	<b>763,076</b>	1,511,759
Gross claim expense for the period	<b>59,534</b>	1,073,997
Claim paid during the period	<b>(280,992)</b>	(1,822,680)
	<b>541,618</b>	763,076
Outstanding claims at end of the period	<u><u>541,618</u></u>	<u><u>763,076</u></u>
<b>Other transactions for the period with associated companies</b>		
Rental expense	<b>2,426,763</b>	10,179,094
Advertisement expenses	<b>55,510</b>	826,255
<b>Other balances with associated companies</b>		
Premiums received in advance	<b>147,110</b>	147,110
Rent paid in advance	<b>-</b>	1,046,952
Security deposits	<b>4,147,200</b>	4,147,200
<b>Transactions for the period with other related parties</b>		
Remuneration of key management personnel	<b>4,818,960</b>	<b>19,851,063</b>
Contribution to the Provident Fund	<b>110,880</b>	592,277
<b>Balances with other related parties</b>		
Payable to Provident Fund	<b>(4,899,429)</b>	5,248,643

- 7.1** Remuneration to the key management personnel are in accordance with the terms of their employment.
- 7.2** Contribution to the provident fund is in accordance with the Company's staff service rules.
- 7.3** Other transactions with the related parties are in accordance with the agreed terms.

**8 EARNINGS/(LOSS) PER SHARE - basic and diluted**

	March 31, 2016	December 31, 2015
	-----Rupees-----	
Profit/(Loss) after tax for the period	<u>1,845,866</u>	<u>26,184,954</u>
	Number of Shares	
Weighted average number of ordinary shares	<u>45,000,000</u>	<u>45,000,000</u>
Earnings/(Loss) per share	<u>0.04</u>	<u>0.58</u>

**9 GENERAL**

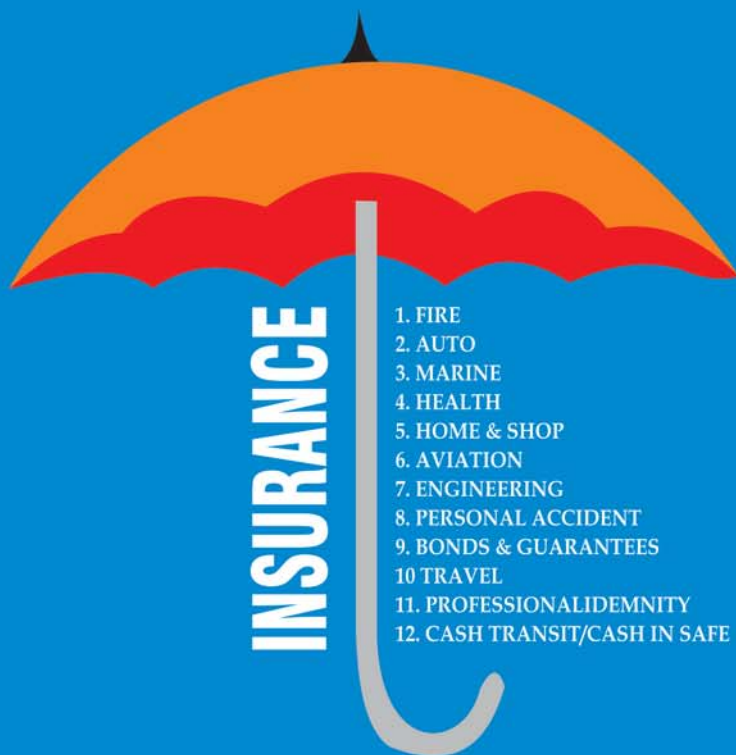
**9.1** These financial statements were authorized for issue in the Board of Directors meeting held on April 28, 2016.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer



# INSURANCE

1. FIRE
2. AUTO
3. MARINE
4. HEALTH
5. HOME & SHOP
6. AVIATION
7. ENGINEERING
8. PERSONAL ACCIDENT
9. BONDS & GUARANTEES
10. TRAVEL
11. PROFESSIONAL IDEMUNITY
12. CASH TRANSIT/CASH IN SAFE

**Shaheen Insurance**

10th Floor, Shaheen Complex M.R. Kayani Road, Karachi-74200  
Tel # (9221) 3263 0370-75 (06 Lines) 32213950-51 (02 Lines)  
Fax # (9221) 32626674, Web: [www.shaheeninsurance.com](http://www.shaheeninsurance.com)



## ڈائریکٹرز کی رپورٹ برائے ممبران

ڈائریکٹرز انتہائی مسرت کے ساتھ 31 مارچ 2016 کو اختتام پذیر ہونے والی پہلی سہ ماہی کے اختتام پر کمپنی کے نتائج کا اعلان کر رہے ہیں۔

نتائج کا خلاصہ درج ذیل ہے۔

(تمام رقوم ملین روپوں میں)				
دسمبر	فیصد	مارچ	مارچ	
2015		2015	2016	
308.99	14.81	60.75	69.75	مجموعی پریمیم
225.23	19.97	53.09	63.69	پریمیم کی صافی آمدنی
100.36	18.12	25.68	30.34	صافی دعوے
43.32	41.22	7.08	10.00	ذمہ نویسی کے نتائج
19.02	(6.55)	4.19	3.91	سرمایہ کاری اور کرایہ داری کی آمدنی
6.80	(92.14)	2.58	0.20	دیگر آمدنی
5.72	49.25	1.66	2.48	ٹیکس سے قبل نفع
26.18	62.99	1.13	1.85	ٹیکس کی ادائیگی کے بعد نفع
0.58	33.33	0.03	0.04	فی شیئر آمدنی

ہماری کمپنی کی کارکردگی میں بہتری جاری ہے اور کمپنی نے 2016 کی پہلی سہ ماہی کے دوران ٹیکس کے بعد 1.85 ملین روپے کا نفع حاصل کیا جبکہ 2015 میں اسی عرصے کے دوران نفع 1.13 ملین روپے تھا (یعنی نفع میں %62.99 اضافہ)۔ اس عرصے کے دوران تحریر کردہ پریمیم میں %14.81 اضافہ ہوا جس کی رقم 60.75 بنتی ہے جبکہ 2015 کی پہلی سہ ماہی کے دوران یہ رقم 60.75 ملین روپے تھی۔ 2016 کی پہلی سہ ماہی کے دوران کمپنی کے صافی دعوے

کی رقم بڑھ کر 30.34 ملین روپے تک جا پہنچی جبکہ 2015 کی پہلی سہ ماہی کے دوران یہ رقم 25.68 ملین روپے تھی۔ اس کی بنیادی وجہ کمپنی کے صحت اور حادثات کے شعبوں میں دعووں کی تعداد میں اضافہ تھا۔ زیر جائزہ مدت کا 2015 کی اسی مدت سے موازنہ کیا جائے تو اس دوران کمپنی کی دیگر آمدنی میں کمی واقع ہوئی جس کی وجہ یہ تھی کہ 2015 میں گاڑیوں کی فروخت زیادہ تھی۔ کمپنی کے بڑے آپریشنل انڈیکسٹرز بدستور حوصلہ افزا ہیں اور یہ امید ہے کہ مالیاتی سال کے بقیہ مہینوں میں کارکردگی/منافع میں مزید بہتری آئیگی۔

زیر جائزہ مدت کے دوران کمپنی کی سرمایہ کاری اور کرایہ داری کی آمدنی کم ہو کر 3.91 ملین روپے رہ گئی جبکہ 2015 کی اسی مدت کے دوران یہ رقم 4.19 ملین روپے تھی۔ اس کی بنیادی وجہ ملک میں شرح سود میں کمی کے حالات ہیں، چونکہ نقد رقم کی معقول تعداد کو محفوظ حکومتی بانڈز اور بڑے معاشی بینکوں میں قلیل المدت ڈپازٹ کے طور پر رکھا جاتا ہے تاکہ سیالیت کو برقرار رکھا جاسکے اور مستقل بنیاد پر نفع کو یقینی بنایا جاسکے۔

2016 کی پہلی سہ ماہی کے دوران انتظامی اور عام انتظامی اخراجات بڑھ کر 24.025 ملین روپے ہو گئے جبکہ 2015 میں اسی مدت کے دوران یہ رقم 23.10 ملین روپے تھی جس کی بنیادی وجہ افراط زر اور کاروبار میں اضافہ ہے۔ آپ کی کمپنی مشکلات کے باوجود ترقی کی جدوجہد جاری رکھے گی اور آنے والے وقت میں کارکردگی میں مزید بہتری آئیگی۔

آپ کے ڈائریکٹرز فیلڈ میں موجود عملے، افسران اور کمپنی کے عملے کی انتھک جدوجہد کو تسلیم کرتے ہوئے انہیں خراج تحسین پیش کرتے ہیں۔

اسی طرح آپ کے ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور ہمارے تمام ری انشوررز کے شکر گزار ہیں جو مسلسل کمپنی کی رہنمائی و معاونت میں مصروف عمل ہیں۔

ایئر مارشل محمد جمشید خان (ر)

چیئر مین

28 اپریل، 2016