

# **Shaheen Insurance**

**FIRST QUARTERLY REPORT 2015**

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## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Air Marshal Muhammad Arif Pervaiz (Retd.)  
Air Commodore Zafar Yasin (Retd.)  
Air Commodore Mahmood Ahmad (Retd.)  
Air Commodore Shahid Jamil Hashmi (Retd.)  
Air Commodore Muhammad Masud Akhtar (Retd.)  
Group Captain Ehsan-ur-Rauf Sheikh (Retd.)  
Mr. Aamir Shahzad Mughal

### **CHIEF EXECUTIVE OFFICER**

Mr. Sohail N. Kidwai

### **CFO & COMPANY SECRETARY**

Mr. Nisar Ahmed Almani

### **AUDIT COMMITTEE**

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

### **Human Resource & Remuneration Committee**

Air Commodore Mahmood Ahmad (Retd.) - Chairman  
Air Commodore Muhammad Masud Akhtar (Retd.) - Member  
Air Commodore Shahid Jamil Hashmi (Retd.) - Member  
Mr. Sohail N. Kidwai (CEO) - Member

### **INVESTMENT COMMITTEE**

Air Marshal Muhammad Arif Pervaiz (Retd.) - Chairman  
Mr. Aamir Shahzad Mughal - Member  
Air Commodore Mahmood Ahmad (Retd.) - Member  
Mr. Sohail N. Kidwai - CEO - In attendance  
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**

Hussain Bux Uner

### **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 Road, Karachi-74200  
Tel. # 32630370-75, 322139850-51 Fax # 32626674  
E-mail: [sihife@cyber.net.pk](mailto:sihife@cyber.net.pk)  
URL: [www.shaheeninsurance.Com](http://www.shaheeninsurance.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  
UAN: (021-111-765-111)

### Hyderabad

Agency Manager - Syed Shakir Ali  
Upper 2nd Floor  
House # 75, Soldier Bazar,  
Tel. # (022) 2720487  
Fax # (022) 2720489  
E-mail: [hyd@shaheeninsurance.com](mailto:hyd@shaheeninsurance.com)

### Lahore Zone Office

Branch Head / GM Mr. Muhammad Saleem  
Office # 4, 6th Floor, Shaheen Complex  
Opp. PTV Station 38, Abbott Road,  
Lahore.  
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.  
Tel # 042-36370384, 36370741, 36370742  
Fax # 042-36370385  
E-mail: [lhr\\_corporate@shaheeninsurance.com](mailto:lhr_corporate@shaheeninsurance.com)

### Islamabad

Branch Manager – Syed Kashif Raza  
Office # 6, 1<sup>st</sup> 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. Gulshan Ali Ansari  
Office No.2, 4<sup>th</sup> Floor, Ahmed Plaza,  
Bilal Road, Civil Line, Faisalabad.  
Tel. # (041) 2614112, 2634658  
Fax # (041) 2613514  
E-mail: [fsd@shaheeninsurance.com](mailto:fsd@shaheeninsurance.com)

### Multan

Branch Manger - Mr.Arshad Mehmood Khan  
Shalimar Colony Near Madrasa Khair-ul-Muarif,  
Bosan Road, Multan.  
Tel # (061) 6750001-3  
Fax # (061) 6750004  
E-mail: [mul@shaheeninsurane.com](mailto:mul@shaheeninsurane.com)

### Peshawar

Branch Manager - Mr. Aamir 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  
104, First Floor, Kareem Plaza,  
Defence Road, Near Allama Iqbal Town,  
Sialkot.  
Tel :(052) 3250982, 3550131  
Fax :(052) 3257412  
E-mail:[sil@shaheeninsurance.com](mailto:sil@shaheeninsurance.com)

## DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to announce the results of your Company for the first quarter ended March 31, 2015.

The Results are summarized below;

	All Figures Rs. in '000'			
	March	March	% Age	Dec-14
	2015	2014		(Full Year)
Gross Premium Written	60.750	66.249	(8.30)	284.182
Net Premium Revenue	53.090	62.500	(15.05)	229.620
Net Claims	25.682	8.225	212.24	73.395
Underwriting Results	7.084	32.867	(78.44)	67.626
Investment Income	3.583	0.871	311.36	15.897
Management ,General & Administration Expenses	23.102	31.544	(26.72)	160.208
Profit/(Loss) Before Tax	1.663	19.501	(91.47)	11.817
Profit /(Loss) After Tax	1.132	19.403	(94.16)	12.962
Earnings Per Share	0.030	0.59	(94.91)	0.310

Your company continues to perform better as it posted a net profit after tax of Rs 1.132 million during the first quarter of 2015. Net profit after tax of the company during the first quarter of 2015 was restricted to Rs 1.132 million mainly due to higher net claims of Rs 25.682 million against Rs 8.225 million during the corresponding quarter of 2014 coupled with lower level of premium underwritten during the quarter. Decrease in premium underwritten is however temporary, which is likely to pick up in coming months, as our company gets listed with various commercial banks and other governmental agencies due to improved credit rating. It would be worthwhile to mention here that year 2015 would be year of stabilization for the company along with gradual growth in the premium underwritten. Further, severe shortage of electricity and gas continue to pose major challenge for the overall economic environment of the country affecting the insurance industry as well.

Investment income of the company increased to Rs 3.583 million during quarter under review against Rs 0.871 million during the first quarter of 2014. This was mainly due to better liquidity position of the company as handsome balance of cash was placed with highly reputed commercial banks at competitive rates of return.

Management, General & Administration Expenses of the company however decreased to Rs 23.10 million during the first quarter of 2015 against Rs 31.54 million during corresponding quarter of 2014. Decrease is mainly due to prudent controls instituted at various levels of the company.

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, officer 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 Arif Pervaiz (Retd.)**

Chairman

April 28, 2015



**CONDENSED INTERIM BALANCE SHEET (UNAUDITED)  
AS AT MARCH 31, 2015**

	March 31, 2015 (Unaudited)	December 31, 2014 (Audited)
Note	----- Rupees -----	
<b>SHARE CAPITAL and RESERVES</b>		
<b>Authorized share capital</b>		
60,000,000 (2014: 60,000,000) ordinary shares of Rs. 10 each	<u>600,000,000</u>	<u>600,000,000</u>
Issued, subscribed and paid-up capital	450,000,000	450,000,000
Accumulated loss	(128,783,919)	(129,916,865)
Reserves	20,000,000	20,000,000
<b>Shareholders' equity</b>	<b>341,216,081</b>	<b>340,083,135</b>
<b>Underwriting provisions</b>		
Provision for outstanding claims (including IBNR)	219,019,896	228,704,455
Provision for unearned premiums	117,121,957	125,728,997
Premium deficiency reserve	3,764,066	3,764,066
Commission income unearned	366,485	743,862
<b>Total underwriting provisions</b>	<b>340,272,405</b>	<b>358,941,380</b>
<b>Creditors and accruals</b>		
Premiums received in advance	3,838,136	3,854,296
Amounts due to other insurers / reinsurers	11,443,681	13,356,119
Accrued expenses	6,707,267	10,639,373
Agent balances	13,555,639	11,997,063
Taxation - provisions less payments	1,142,194	1,599,149
Current portion of liabilities against assets subject to finance lease	191,420	552,335
Other creditors and accruals	46,923,228	45,335,080
	<b>83,801,564</b>	<b>87,333,415</b>
<b>Borrowings</b>		
Liabilities against assets subject to finance lease	928,500	-
<b>Other liabilities</b>		
Unclaimed dividend	398,934	398,934
<b>TOTAL LIABILITIES</b>	<b>425,401,403</b>	<b>446,673,729</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>766,617,484</b>	<b>786,756,864</b>

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

**CONDENSED INTERIM BALANCE SHEET (UNAUDITED)  
AS AT MARCH 31, 2015**

	March 31, 2015 (Unaudited)	December 31, 2014 (Audited)
Note	----- Rupees -----	
<b>Cash and bank deposits</b>		
Cash and other equivalents	3,488,860	1,333,342
Current and saving accounts	37,193,152	39,775,824
Deposits maturing within 12 months	192,389,999	189,290,000
	233,072,012	230,399,166
<b>Loans - secured and considered good</b>		
To Employees	74,314	54,314
<b>Investments</b>	237,823,863	238,653,910
<b>Investment properties</b>	58,179,611	58,955,085
<b>Current Assets - Others</b>		
Premiums due but unpaid - net	7 120,685,149	127,690,441
Amounts due from other insurers / reinsurers	6,679,261	15,057,279
Accrued investment income	1,447,937	1,837,735
Reinsurance recoveries against outstanding claims	31,299,593	30,089,146
Deferred commission expense	16,800,055	16,787,150
Advances, deposits and prepayments	43,231,656	45,682,240
Other receivables	10,249,702	10,343,677
	230,393,353	247,487,668
<b>Fixed assets</b>		
<b>Owned</b>		
Furniture, fixtures and office equipment	5,242,988	6,624,788
Motor vehicles	1,831,343	3,503,697
Computer software intangible	-	317,036
	7,074,331	10,445,521
<b>Leased</b>		
Motor vehicles	-	761,200
<b>TOTAL ASSETS</b>	766,617,484	786,756,864

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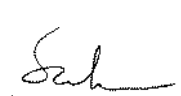
**Chairman**



**Director**



**Director**



**Chief Executive Officer**

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the three months period ended March 31, 2015

Three Months Period Ended March 31							
Note	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Miscellaneous	2015 Aggregate	2014 Aggregate
----- Rupees -----							
<b>Revenue Account</b>							
Net Premium Revenue	5,244,727	388,732	37,528,850	5,533,683	4,394,534	53,090,527	62,500,352
Net Claims	(7,661,183)	(100,038)	(13,873,599)	(2,062,871)	(1,984,896)	(25,682,587)	(8,224,956)
Management Expenses	(1,825,499)	(494,321)	(6,533,715)	(816,881)	(1,237,594)	(10,908,010)	(12,830,287)
Net Commission	(1,945,711)	(576,228)	(5,053,157)	(200,105)	(1,639,877)	(9,415,078)	(8,578,147)
Net Underwriting expenses	(3,771,210)	(1,070,550)	(11,586,872)	(1,016,986)	(2,877,470)	(20,323,088)	(21,408,434)
<b>Underwriting results</b>	<b>(6,187,666)</b>	<b>(781,855)</b>	<b>12,068,380</b>	<b>2,453,826</b>	<b>(467,832)</b>	<b>7,084,852</b>	<b>32,866,962</b>
Investment Income						3,583,864	870,692
Rental Income						601,260	549,018
Other Income						2,588,636	3,928,415
General and Administrative Expenses						(12,194,760)	(18,713,959)
<b>Profit for the period before Taxation</b>						<b>1,663,851</b>	<b>19,501,128</b>
Provision for Taxation						(530,905)	(97,506)
Profit / (Loss) after Tax						<b>1,132,946</b>	<b>19,403,622</b>
Balance at commencement of the year						(129,916,865)	(142,879,328)
Profit / (Loss) for the three months period						1,132,946	19,403,622
Balance of accumulated (loss) at end of the year						<b>(128,783,919)</b>	<b>(123,475,706)</b>
<b>Earnings per share-basic ar</b>	<b>9</b>					<b>0.03</b>	<b>0.59</b>

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.



**Chairman**

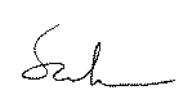
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**Director**



**Director**



**Chief Executive Officer**

First Quarterly Report 2015

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**For the three months period ended March 31, 2015**

	<b>For the three months period ended March 31, 2015</b>	<b>For the three months period ended March 31, 2014</b>
Profit/ (Loss) for the period	1,132,946	19,403,622
Other comprehensive income	-	-
<b>Total Comprehensive Income/(Loss) for the Period</b>	<u><u>1,132,946</u></u>	<u><u>19,403,622</u></u>

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.



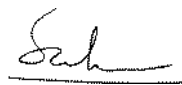
**Chairman**



**Director**



**Director**



**Chief Executive Officer**

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)**  
For the three months period ended March 31, 2015

	March 31, 2015	March 31, 2014
	----- Rupees -----	
<b>OPERATING ACTIVITIES</b>		
<b>a) Underwriting activities</b>		
Premiums received	67,886,424	61,234,172
Reinsurance premiums paid	(14,900,189)	(5,278,773)
Claims paid	(42,696,305)	(51,716,713)
Reinsurance and other recoveries received	17,738,042	20,563,511
Commissions paid	(7,296,376)	(9,820,468)
Commissions received	429,312	(34,218)
Other underwriting receipts	-	7,550,197
Net cash flows from underwriting activities	<u>21,160,908</u>	<u>22,497,708</u>
<b>b) Other operating activities</b>		
Income tax paid	(987,860)	(86,790)
Management and administrative expenses paid	(23,197,532)	(34,607,094)
Loans advanced - net	(20,000)	596,310
Net cash flows used in other operating activities	<u>(24,205,392)</u>	<u>(34,097,574)</u>
<b>Total Cash used in all operating activities</b>	<u>(3,044,484)</u>	<u>(11,599,866)</u>
<b>Investing Activities</b>		
Profit / return received	3,583,864	-
Rentals received	860,108	549,018
Payments for investments	-	-
Proceeds from disposal of investments	-	215,385
Fixed capital expenditure	-	-
Proceeds from disposal of fixed assets	1,750,000	5,236,100
<b>Total cash flows from / (used in) all investing activities</b>	<u>6,193,972</u>	<u>6,000,503</u>
<b>FINANCING ACTIVITIES</b>		
Financial charges paid	(115,726)	-
Payments of finance lease liability	(360,916)	(306,750)
Issue of Right Shares	-	150,000,000
<b>Total cash inflows from all financing activities</b>	<u>(476,642)</u>	<u>149,693,250</u>
<b>Net cash flows from / (used in) all activities</b>	<u>2,672,846</u>	<u>145,515,174</u>
Exchange gain on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of year	230,399,166	71,531,639
<b>Cash and cash equivalents at end of the three months period</b>	<u><u>233,072,012</u></u>	<u><u>217,046,813</u></u>

	<b>March 31,</b> 2015	<b>March 31,</b> 2014
	----- Rupees -----	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	<b>(3,044,484)</b>	(11,599,866)
Depreciation on fixed assets	<b>(2,282,799)</b>	(2,846,942)
Depreciation on investment property	<b>(775,475)</b>	(459,959)
Gain on disposal of fixed assets	<b>1,652,943</b>	-
Taxes paid	<b>(987,860)</b>	(86,790)
Financial charges	<b>(115,726)</b>	-
Increase in assets other than cash	<b>(17,794,315)</b>	9,000,443
Increase/ Decrease in liabilities	<b>20,492,010</b>	20,146,128
Investment and other income	<b>4,519,557</b>	5,348,125
Provision for tax	<b>(530,905)</b>	(97,506)
<b>(Loss)/Profit after taxation</b>	<b><u>1,132,946</u></b>	<b><u>19,403,633</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:

#### Cash and other equivalents

- Cash in hand	<b>3,488,860</b>	2,133,531
	<b><u>3,488,860</u></b>	<u>2,133,531</u>

#### Current and saving accounts

- Current accounts	<b>1,034,803</b>	71,729,804
- Savings accounts	<b>36,158,349</b>	18,183,478
	<b>37,193,152</b>	89,913,282

#### Deposits maturing within 12 months

Term Deposit- Local Currency	<b>192,389,999</b>	125,000,000
<b>Cash and bank deposits</b>	<b><u>233,072,012</u></b>	<u>217,046,813</u>

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2015**

	<b>Share Capital</b>	<b>General Reserve</b>	<b>Unappropriated Loss</b>	<b>Total</b>
	------(Rupees)-----			
Balance as at 1 January 2014	300,000,000	20,000,000	(142,879,328)	177,120,672
<b>Changes in equity for the period ended 31 March 2014</b>				
Profit after tax for the period ended 31 March 2014	-	-	19,403,622	19,403,622
Issue of rights shares during the period	<u>150,000,000</u>			<u>150,000,000</u>
Balance as at 31 December 2014	<u>450,000,000</u>	<u>20,000,000</u>	<u>(123,475,706)</u>	<u>346,524,294</u>
<b>Unappropriated loss months ended 31 December 2014</b>				
Net Profit / (Loss) after tax for the nine months ended 31 December 2014	-	-	<u>(6,441,159)</u>	<u>(6,441,159)</u>
	<u>450,000,000</u>	<u>20,000,000</u>	<u>(129,916,865)</u>	<u>340,083,135</u>
Profit after tax for the period ended 31 March 2015	-	-	1,132,946	1,132,946
Issue of right shares during the year	-	-	-	-
Balance as at 31 March 2015	<u><u>450,000,000</u></u>	<u><u>20,000,000</u></u>	<u><u>(128,783,919)</u></u>	<u><u>341,216,081</u></u>

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

**Condensed Interim Statement of Premium (Unaudited)**  
For the period ended March 31, 2015

**Business underwritten inside Pakistan**

Three Months Period Ended March 31

Class	Premium written (Note 26) a	Unearned premium reserve		Premium earned d=a+b-c	Reinsurance ceded e	Prepaid reinsurance premium ceded		Reinsurance expense h=e+f-g	2015 Net premium revenue i=d-h	2014 Net premium revenue
		Opening b	Closing c			Opening f	Closing g			
----- Rupees -----										
<b>Direct and facultative</b>										
Fire and property damage	3,289,925	22,225,559	14,827,319	10,688,165	5,098,808	10,041,251	9,696,620	5,443,438	5,244,727	3,888,192
Marine, aviation and transport	3,292,258	817,757	1,627,201	2,482,814	1,688,163	1,250,000	844,082	2,094,081	388,732	1,749,432
Motor	44,931,770	76,452,681	80,196,046	41,188,405	2,321,766	6,673,576	6,083,017	3,659,555	37,528,850	48,425,790
Accident and health	3,960,406	6,109,851	4,536,574	5,533,683	-	-	-	-	5,533,683	4,706,324
Others	5,275,823	20,123,149	15,934,818	9,464,153	3,299,589	11,580,749	9,810,718	5,069,620	4,394,534	3,730,614
<b>Total</b>	<u>60,750,182</u>	<u>125,728,996</u>	<u>117,121,957</u>	<u>69,357,221</u>	<u>12,408,326</u>	<u>29,545,576</u>	<u>26,434,437</u>	<u>16,266,694</u>	<u>53,090,527</u>	<u>62,500,352</u>
Treaty	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<u>60,750,182</u>	<u>125,728,996</u>	<u>117,121,957</u>	<u>69,357,221</u>	<u>12,408,326</u>	<u>29,545,576</u>	<u>26,434,437</u>	<u>16,266,694</u>	<u>53,090,527</u>	<u>62,500,352</u>

**Note: The Company does not underwrite business outside Pakistan.**

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.



**Chairman**



**Director**



**Director**



**Chief Executive Officer**



**Condensed Interim Statement of Claims (Unaudited)**  
For the three months period ended March 31, 2015

Business underwritten inside Pakistan

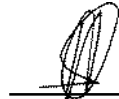
Three Months Period Ended March 31

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	2015 Net claims expense	2014 Net claims expense
		Opening	Closing			Opening	Closing			
	a	b	c	d=a+c-b	e	f	g	h=e+g-f	i=d-h	
----- Rupees -----										
<b>Direct and facultative</b>										
Fire and property damage	12,319,225	93,453,666	92,264,966	11,130,525	3,893,119	21,499,489	21,075,712	3,469,342	<b>7,661,183</b>	482,152
Marine, aviation and transport	699,791	8,392,532	8,199,913	507,172	75,000	3,144,797	3,476,931	407,134	<b>100,038</b>	(1,671,984)
Motor	26,940,661	86,028,260	76,671,514	17,583,915	2,659,874	-	1,050,442	3,710,316	<b>13,873,599</b>	6,069,274
Accident and health	1,766,854	28,847,104	29,143,121	2,062,871	-	-	-	-	<b>2,062,871</b>	2,991,272
Miscellaneous	2,280,028	11,982,893	12,740,382	3,037,517	800,973	5,444,860	5,696,508	1,052,621	<b>1,984,896</b>	1,102,435
	44,006,559	228,704,455	219,019,896	34,322,000	7,428,966	30,089,146	31,299,593	8,639,413	25,682,587	8,973,149
Treaty	-	-	-	-	-	-	-	-	-	-
Grand Total	44,006,559	228,704,455	219,019,896	34,322,000	7,428,966	30,089,146	31,299,593	8,639,413	25,682,587	8,973,149

Note: The Company does not underwrite business outside Pakistan.  
The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.



Chairman



Director



Director



Chief Executive Officer

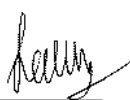
**Condensed Interim Statement of Expenses (Unaudited)**  
For the period ended March 31, 2015

Three Months Period Ended March 31


**Business underwritten inside Pakistan**

Class	Commissions paid or payable	Deferred Commission		Net Commission expense	Other Management expenses (Note 21)	Underwriting expense	*Commission from reinsurers	2015 Net underwriting expenses	2014 Net underwriting expenses
		Opening	Closing						
	a	b	c	d=a+b-c	e	f=d+e	g	h=f-g	
----- Rupees -----									
<b>Direct and facultative</b>									
Fire and property damage	1,281,607	3,249,130	2,390,486	2,140,251	1,825,499	3,965,750	194,540	3,771,210	4,341,274
Marine, aviation and transport	769,868	196,402	390,042	576,228	494,321	1,070,550	-	1,070,550	1,458,405
Motor	6,683,532	9,344,823	10,888,010	5,140,345	6,533,715	11,674,060	87,188	11,586,872	12,808,000
Accident and health	7,480	320,032	127,407	200,105	816,881	1,016,986	-	1,016,986	556,913
Miscellaneous	1,114,809	3,676,763	3,004,111	1,787,461	1,237,594	3,025,054	147,584	2,877,470	2,243,842
	<u>9,857,296</u>	<u>16,787,149</u>	<u>16,800,055</u>	<u>9,844,390</u>	<u>10,908,010</u>	<u>20,752,400</u>	<u>429,312</u>	<u>20,323,088</u>	<u>21,408,434</u>
Treaty	-	-	-	-	-	-	-	-	-
Grand total	<u>9,857,296</u>	<u>16,787,149</u>	<u>16,800,055</u>	<u>9,844,390</u>	<u>10,908,010</u>	<u>20,752,400</u>	<u>429,312</u>	<u>20,323,088</u>	<u>21,408,434</u>

Note: The Company does not underwrite business outside Pakistan.  
The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.



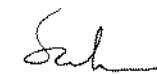
**Chairman**



**Director**



**Director**



**Chief Executive Officer**


**Condensed Interim Statement of Investment Income (Unaudited)**  
**For the Quarter Ended March 31, 2015**

	For the Quarter ended March 31, 2015	For the Quarter ended March 31, 2014
<b>Income from trading investment</b>		
Capital Gain on sale of held for trading investments	-	57,370
Dividend Income	-	-
	-	57,370
<b>Income from non-trading investment</b>		
<i>Held to maturity</i>		
Return on other fixed income securities	3,988,568	891,263
Return on PIBs	425,342	-
Dividend income	-	-
	<b>4,413,910</b>	<b>891,263</b>
<b>Unrealized gain on revaluation of held-for-trading investments</b>	<b>(830,046)</b>	<b>(75,081)</b>
<b>Investment related expenses</b>	<b>-</b>	<b>(2,860)</b>
<b>Total investment income</b>	<b><u>3,583,864</u></b>	<b><u>870,692</u></b>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial information.



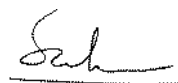
**Chairman**



**Director**



**Director**



**Chief Executive Officer**

**Notes to Condensed Interim Financial Statements (Unaudited)**  
**For the three months period ended March 31, 2015**

**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.

The registered office of the company is located at 10th floor, Shaheen Commercial Complex, M.R Kayani Road, 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, 2014.

**4 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, 2014.

**5 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, 2014.

	March 31, 2015	December 31, 2014
	------(Rupees)-----	
<b>6 OTHER CREDITORS AND ACCRUALS</b>		
Federal excise duty payable	33,613,246	32,575,984
Withholding tax payable	2,048,086	1,853,536
Workers welfare fund payable	710,725	710,725
Unearned rental income	258,848	485,108
Payable to provident fund	5,143,963	5,294,410
Others	5,148,361	4,415,317
	<u>46,923,228</u>	<u>45,335,080</u>
<b>7 PREMIUMS DUE BUT UNPAID-unsecured</b>		
Considered good	120,685,149	127,690,441
Considered doubtful	25,310,430	25,310,430
	<u>145,995,579</u>	<u>153,000,871</u>
Provision against doubtful receivables	<u>(25,310,430)</u>	<u>(25,310,430)</u>
	<u>120,685,149</u>	<u>127,690,441</u>

#### 8 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, 2015	Dec 31, 2014
	----- Rupees -----	
<b>Transactions and balances with related party</b>		
Insurance premium		
Balance at beginning of the period	3,547,504	3,680,584
Gross insurance premium written (including administrative surcharge, government levies and policies stamps)	4,119,084	60,177,608
Received / Adjusted during the period	-	(60,310,688)
Balance at end of the period	<u>7,666,588</u>	<u>3,547,504</u>
Insurance claim expense		
Outstanding claims at beginning of the period	1,511,759	1,880,081
Gross claim expense for the period	212,227	1,079,825
Claim paid during the period	(472,794)	(1,448,147)
Outstanding claims at end of the period	<u>1,251,192</u>	<u>1,511,759</u>

**Other transactions for the period with associated companies**

Rental expense	<u>2,471,541</u>	<u>8,299,647</u>
Advertisement expenses	<u>111,740</u>	<u>887,726</u>

**Other balances with associated companies**

Premiums received in advance	<u>147,110</u>	<u>147,110</u>
Rent paid in advance	<u>5,510,080</u>	<u>6,957,736</u>
Security deposits	<u>4,147,200</u>	<u>4,147,200</u>

**Transactions for the period with other related parties**

Remuneration of key management personnel	<u>5,078,490</u>	<u>17,860,437</u>
Contribution to the Provident Fund	<u>300,894</u>	<u>770,694</u>

**Balances with other related parties**

Payable to Provident Fund	<u>5,143,963</u>	<u>5,294,410</u>
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- 8.1 Remuneration to the key management personnel are in accordance with the terms of their employment.
- 8.2 Contribution to the provident fund is in accordance with the Company's staff service rules.
- 8.3 Other transactions with the related parties are in accordance with the agreed terms.

March 31,                      Dec 31,  
2015                              2014  
----- Rupees -----

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

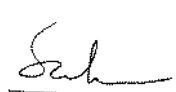
Profit/(Loss) after tax for the period	<u>1,132,946</u>	<u>12,962,463</u>
	<b>Number of Shares</b>	
Weighted average number of ordinary shares	<u>45,000,000</u>	<u>42,041,096</u>
Earnings/(Loss) per share	<u>0.03</u>	<u>0.31</u>

**10 GENERAL**

- 10.1 These financial statements were authorized for issue in the Board of Directors meeting held on April 28, 2015


**Chairman**

**Director**

**Director**

**Chief Executive Officer**