

# Shaheen Insurance

FIRST QUARTERLY REPORT 2014

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# ***COMPANY INFORMATION***

## **BOARD OF DIRECTORS**

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

## **AUDIT COMMITTEE**

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

## **Human Resource & Remuneration Committee**

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

## **INVESTMENT COMMITTEE**

Air Marshal (R) Muhammad Arif Pervaiz (MDSF) - Chairman  
Mr. Aamir Shahzad Mughal (Director Fin. SF) - Member  
Air Commodore Mahmood Ahmad (Dir. Admin. SF) - Member  
Mr. Sohel N. Kidwai - CEO - In attendance  
Mr. Muhammad Farhan Janjuah (Secretary)

## **CHIEF EXECUTIVE OFFICER**

Mr. Sohel N. Kidwai

## **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Farhan Janjuah

# ***COMPANY INFORMATION***

## **COMPANY INFORMATION**

Mr. Muhammad Farhan Janjuah

## **HEAD OF OPERATIONS**

Mr. Aijaz Ali Khan

## **COUNTRY HEAD MARKETING**

Mr. Naveed Y. Butt

## **LEGAL ADVISOR**

SurrIDGE & Beecheno

## **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. # (021) 32630370-75, 32213950-51, Fax # (021) 32626674  
E-mail: [sihifc@cyber.net.pk](mailto:sihifc@cyber.net.pk)  
URI: [www.shaheeninsurance.com](http://www.shaheeninsurance.com)  
UAN: (021) 111-765-111

## Karachi

Branch Manager-Muhammad Iftikhar Alam  
10th Floor, Shaheen Complex  
M.R. Kayani Road, Karachi - 74200  
Tel. # 32630370-75, 32213950-51, Fax # 32626674  
E-mail: [sihifc@cyber.net.pk](mailto:sihifc@cyber.net.pk)  
URI: [www.shaheeninsurance.com](http://www.shaheeninsurance.com)  
UAN: (021) 111-765-111

## Lahore

Branch Head / AGM 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)

## Islamabad

Branch Manager-Syed Kashif Raza  
House No. 351, Street No. 15,  
Sector G-10/2, Islamabad  
Tel: 051-2105009, 2105010, 2105011  
Fax: 051-2105012  
Email: [isb@shaheeninsurance.com](mailto:isb@shaheeninsurance.com)

## Multan

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

## Sialkot

Branch Manager-Zulfiqar Ali  
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)

## Hyderabad

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

## Faisalabad

2nd Floor, Sitara Towers, Bilal Chowk  
Civil Lines, Faisalabad  
Tel. # (041) 2614112, 2621370, 2630644-5  
Fax # (041) 2631514  
E-mail: [fsd@shaheeninsurance.com](mailto:fsd@shaheeninsurance.com)

## Peshawar

Branch Manager - Mr. Muhammad Shoab Khan  
6th Floor, State Life Building  
34 - The Mall, Peshawar Cantt.  
Tel. # (091) 5273122  
Fax # (091) 5273106  
E-mail: [psw@shaheeninsurance.com](mailto:psw@shaheeninsurance.com)

## DIRECTORS' REPORT TO THE MEMBERS FOR THE FIRST QUARTER ENDED MARCH 31, 2014

The Board of Directors is pleased to present before you the unaudited financial statements of the Company for the first quarter ended March 31, 2014.

The Results are summarized below:-

	All Figures Rupees in 'Millions'		
	March 2014	March 2013	% age December 2013
Gross Premium Written	66.249	99.190	(33)
Net Premium Revenue	62.500	108.043	(42)
Net Claims	8.225	91.534	(91)
Underwriting Results	32.867	(21.992)	2.5 times
Investment Income	0.871	(0.564)	2.5 times
Profit/ (Loss) before tax	19.501	(40.507)	148
Profit/ (Loss) after tax	19.403	(41.047)	147
Earning per share	0.59	(1.37)	143

This has been astounding results of the Company. Board already gave guidelines to streamline business and policies in each area. After a long time Company has shown first profitable results of more than Rs. 19 million. This is due to hard work of your Board, Management, producers and employees of the Company. Through Right Shares issuance injection of Rs. 150 million funds had been made to improve liquidity of the Company.

Although continuing severe shortage of power and gas and deteriorating law and order situation in the country is putting pressure on already thin margins of the general insurance sector and your company was no exception to it, due to which gross premium written was down by 33%.

There was decrease in net claims of 91% from March 31, 2014 as compared to March 31, 2013. SICL is able to achieve break-even in it's underwriting operations, no doubt a big achievement in the current scenario.

Due to stringent investment measures SICL was able to put positive Investment income of more than Rs. 871,000/- despite the fact SICL had no room for profitable investments as the major investment is in illiquid shares.

Pre-tax and after tax profits for the three months period under review increased considerably. Both profit before and after tax is more than Rs. 19 million.

The Directors working on strategy to turn around SICL in profit and settlement of losses has started yielding results and hope to maintain in future as well.. The Company is geared up to counter the macro economic challenges which are currently faced by our economy and are focus on to continue to strive hard to further improve our performance in the coming months of 2014.

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

Your Directors would also like to thank the Securities and Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all our reinsurers for their continued guidance and support.

A handwritten signature in black ink, appearing to read 'Arif Pervaiz', with a long horizontal stroke underneath.

**Muhammad Arif Pervaiz**

Air Marshal (Retd.)

Chairman

April 30, 2014



**CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2014**

	<b>March 31, 2014 (Unaudited)</b>	<b>December 31, 2013 (Audited)</b>
Note	----- Rupees -----	
<b>SHARE CAPITAL and RESERVES</b>		
<b>Authorized share capital</b>		
60,000,000 (2012: 30,000,000) ordinary shares of Rs. 10 each	<u><b>600,000,000</b></u>	<u>300,000,000</u>
Issued, subscribed and paid-up capital	<b>450,000,000</b>	300,000,000
Accumulated loss	<b>(123,475,706)</b>	(142,879,328)
Reserves	<b>20,000,000</b>	20,000,000
<b>Shareholders' equity</b>	<b>346,524,294</b>	177,120,672
<b>Underwriting provisions</b>		
Provision for outstanding claims (including IBNR)	<b>323,620,629</b>	347,857,817
Provision for unearned premiums	<b>127,944,549</b>	143,404,901
Premium deficiency reserve	<b>3,764,066</b>	3,764,065
Commission income unearned	<b>4,133,598</b>	4,133,598
<b>Total underwriting provisions</b>	<b>459,462,842</b>	499,160,381
<b>Creditors and accruals</b>		
Premiums received in advance	<b>8,233,350</b>	10,100,691
Amounts due to other insurers / reinsurers	<b>104,480,369</b>	76,120,706
Accrued expenses	<b>5,402,121</b>	11,269,789
Agent balances	<b>37,003,970</b>	36,737,482
Taxation - provisions less payments	<b>4,457,071</b>	4,359,565
Current portion of Liabilities against assets subject to finance lease	<b>807,360</b>	603,672
Other creditors and accruals	<b>46,879,913</b>	48,010,400
	<b>207,264,154</b>	<b>187,202,305</b>
<b>Borrowings</b>		
Liabilities against assets subject to finance lease	-	510,438
<b>Other liabilities</b>		
Unclaimed dividend	<b>398,934</b>	398,934
<b>TOTAL LIABILITIES</b>	<b>667,125,930</b>	687,272,058
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,013,650,224</b>	864,392,730

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

**CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2014**

	March 31, 2014 (Unaudited)	December 31, 2013 (Audited)
Note	----- Rupees -----	
<b>Cash and bank deposits</b>		
Cash and other equivalents	2,133,531	2,173,746
Current and saving accounts	89,913,282	37,563,938
Deposits maturing within 12 months	125,000,000	31,793,955
	217,046,813	71,531,639
<b>Loans - secured and considered good</b>		
To Employees	174,758	771,068
<b>Investments</b>	229,734,568	229,970,516
<b>Investment properties</b>	59,913,540	60,373,499
<b>Current Assets - Others</b>		
Premiums due but unpaid - net	7 227,864,383	219,085,622
Amounts due from other insurers / reinsurers	76,799,567	66,606,611
Accrued investment income	296,016	15,408
Reinsurance recoveries against outstanding claims	92,550,318	94,607,453
Deferred commission expense	23,179,831	23,298,473
Advances, deposits and prepayments	56,820,374	63,313,951
Other receivables	8,466,598	9,523,218
	485,977,087	476,450,736
<b>Fixed assets</b>		
<b>Owned</b>		
Furniture, fixtures and office equipment	9,321,481	10,204,547
Motor vehicles	7,630,319	10,357,338
Capital work-in-progress	-	-
	16,951,800	20,561,885
<b>Intangible</b>		
Computer software	2,006,105	2,687,684
<b>Leased</b>		
Motor vehicles	1,845,553	2,045,703
<b>TOTAL ASSETS</b>	1,013,650,224	864,392,730

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



Chairman



Director



Director



Chief Executive Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2014**

Three Months Period Ended March 31

Note	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Miscellaneous	2014 Aggregate	2013 Aggregate
	Rupees						
<b>Revenue Account</b>							
Net Premium Revenue	3,888,192	1,749,432	48,425,790	4,706,324	3,730,614	<b>62,500,352</b>	108,042,907
Net Claims	(482,152)	1,671,984	(5,321,081)	(2,991,272)	(1,102,435)	<b>(8,224,956)</b>	(91,534,843)
Management Expenses	(2,175,646)	(652,500)	(7,977,873)	(739,006)	(1,285,262)	<b>(12,830,287)</b>	(24,774,028)
Net Commission	(2,165,628)	(805,905)	(4,830,127)	182,092	(958,580)	<b>(8,578,147)</b>	(13,726,033)
Net Underwriting expenses	(4,341,274)	(1,458,405)	(12,808,000)	(556,914)	(2,243,842)	<b>(21,408,434)</b>	<b>(38,500,061)</b>
<b>Underwriting results</b>	<b>(935,234)</b>	<b>1,963,011</b>	<b>30,296,709</b>	<b>1,158,138</b>	<b>384,337</b>	<b>32,866,962</b>	(21,991,997)
Investment Income						<b>870,692</b>	(564,303)
Rental Income						<b>549,018</b>	538,701
Other Income						<b>3,928,415</b>	466,761
General and Administrative Expenses						<b>(18,713,959)</b>	(18,956,182)
<b>Profit for the period before Taxation</b>						<b>19,501,128</b>	(40,507,020)
Provision for Taxation						<b>(97,506)</b>	(540,215)
Profit / (Loss) after Tax						<b>19,403,622</b>	<b>(41,047,235)</b>
Balance at commencement of the year						<b>(142,879,328)</b>	(36,626,704)
Profit (Loss) for the three months period						<b>19,403,622</b>	(41,047,235)
Balance of accumulated (loss) at end of the year						<b>(123,475,706)</b>	<b>(77,673,939)</b>
<b>Earnings per share-basic and diluted</b>	9					<b>0.59</b>	(1.37)

The annexed notes from 1 to 10 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, 2014**

	<b>For the three months period ended March 31, 2014</b>	For the three months period ended March 31, 2013
Profit/ (Loss) for the period	19,403,622	(41,047,235)
Other comprehensive income	-	-
<b>Total Comprehensive Income/(Loss) for the Period</b>	<u><u>19,403,622</u></u>	<u><u>(41,047,235)</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, 2014**

	<b>March 31, 2014</b>	March 31, 2013
	----- Rupees -----	
<b>OPERATING ACTIVITIES</b>		
<i>a) Underwriting activities</i>		
Premiums received	61,234,172	104,094,043
Reinsurance premiums paid	(5,278,773)	(11,774,243)
Claims paid	(51,716,713)	(57,795,421)
Reinsurance and other recoveries received	20,563,511	7,624,710
Commissions paid	(9,820,468)	(13,654,937)
Commissions received	(34,218)	2,298,330
Other underwriting receipts	7,550,197	5,413,730
Net cash flows from underwriting activities	<u>22,497,708</u>	<u>36,206,212</u>
<i>b) Other operating activities</i>		
Income tax paid	<u>(86,790)</u>	(130,636)
Management and administrative expenses paid	<u>(34,607,094)</u>	(37,875,195)
Loans advanced - net	<u>596,310</u>	(1,344,989)
Net cash flows used in other operating activities	<u>(34,097,574)</u>	<u>(39,350,820)</u>
<b>Total cash used in all operating activities</b>	<b>(11,599,866)</b>	<b>(3,144,608)</b>
Rentals received	<u>549,018</u>	538,701
Payments for investments	-	-
Proceeds from disposal of investments	<u>215,385</u>	557,555
Fixed capital expenditure	-	(2,331,932)
Proceeds from disposal of fixed assets	<u>5,236,100</u>	-
<b>Total cash flows from / (used in) all investing activities</b>	<b>6,000,503</b>	<b>(315,704)</b>
<b>FINANCING ACTIVITIES</b>		
Financial charges paid	<u>-</u>	<u>-</u>
Payments of finance lease liability	<u>(306,750)</u>	(306,750)
Issue of Right Shares	<u>150,000,000</u>	-
<b>Total cash inflows from all financing activities</b>	<b>149,693,250</b>	<b>(306,750)</b>
<b>Net cash flows from / (used in) all activities</b>	<b>145,515,174</b>	<b>(3,767,062)</b>
Exchange gain on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of year	71,531,639	48,490,177
<b>Cash and cash equivalents at end of the three months period</b>	<b><u>217,046,813</u></b>	<b><u>44,723,115</u></b>

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2014**

	<b>March 31, 2014</b>	March 31, 2013
	----- Rupees -----	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	<b>(11,599,866)</b>	(3,144,608)
Depreciation on fixed assets	<b>(2,846,942)</b>	(3,433,794)
Depreciation on investment property	<b>(459,959)</b>	(459,959)
Taxes paid	<b>(86,790)</b>	130,636
Financial charges	-	-
Increase in assets other than cash	<b>9,000,443</b>	127,341,964
Increase/ Decrease in liabilities	<b>20,146,128</b>	(161,917,808)
Investment and other income	<b>5,348,125</b>	976,549
Provision for tax	<b>(97,506)</b>	(540,215)
<b>(Loss)/Profit after taxation</b>	<b><u>19,403,633</u></b>	<b><u>(41,047,235)</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>2,133,531</b>	50,834
	<b><u>2,133,531</u></b>	<u>50,834</u>

**Current and saving accounts**

- Current accounts	<b>71,729,804</b>	2,412,968
- Savings accounts	<b>18,183,478</b>	42,259,313
	<b>89,913,282</b>	44,672,281

**Deposits maturing within 12 months**

Term Deposit- Local Currency	<b>125,000,000</b>	-
<b>Cash and bank deposits</b>	<b><u>217,046,813</u></b>	<u>44,723,115</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 CHANGES IN EQUITY (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2014**

	Share Capital	General Reserve	Unappropriated Loss	Total
	----- (Rupees) -----			
Balance as at January 01, 2013	300,000,000	20,000,000	(36,626,704)	283,373,296
<b>Changes in equity for the period ended March 31, 2013</b>				
Profit / (loss) after tax for the period ended March 31, 2013	-	-	(41,047,235)	(41,047,235)
Balance as at March 31, 2013	<u>300,000,000</u>	<u>20,000,000</u>	<u>(77,673,939)</u>	<u>242,326,061</u>
<b>Unappropriated loss months ended December 31, 2013</b>				
Net Profit / (loss) after tax for the nine months ended December 31, 2013	-	-	(65,205,389)	(65,205,389)
Balance as at January 01, 2014	<u>300,000,000</u>	<u>20,000,000</u>	<u>(142,879,328)</u>	<u>177,120,672</u>
Profit after tax for the period ended March 31, 2014	-	-	19,403,622	19,403,622
Issue of right shares during the year	150,000,000	-	-	150,000,000
Balance as at March 31, 2014	<u><b>450,000,000</b></u>	<u><b>20,000,000</b></u>	<u><b>(123,475,706)</b></u>	<u><b>346,524,294</b></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 PREMIUM (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2014**

Business underwritten inside Pakistan

Class	Three Months Period Ended March 31										
	Premium written (Note 26)	Unearned premium reserve		*Premium earned	Reinsurance ceded		Prepaid reinsurance		2014		2013 Net premium revenue
		Opening	Closing		Reinsurance ceded	Reinsurance ceded	Opening premium	Closing	Reinsurance expense	premium revenue	
a	b	c	d=a+b-c	e	f	g	h=e+f-g	i=d-h	Rupees		
<b>Direct and facultative</b>											
Fire and property damage	5,028,900	28,665,697	19,839,093	13,855,504	4,480,981	17,130,512	9,967,312	3,888,192	16,682,812		
Marine, aviation and transport	3,868,211	2,243,122	1,955,914	4,155,419	2,499,999	1,250,000	2,405,987	1,749,432	(2,362,308)		
Motor	50,102,295	89,212,029	88,507,596	50,806,728	2,405,001	4,779,063	2,380,938	48,425,790	55,156,694		
Accident and health	115,164	6,934,856	2,343,696	4,706,324	-	-	-	4,706,324	29,695,374		
Others	7,134,186	16,349,197	15,298,250	8,185,133	3,501,953	10,416,597	4,454,519	3,730,614	8,870,335		
<b>Total</b>	<b>66,248,756</b>	<b>143,404,901</b>	<b>127,944,550</b>	<b>81,709,107</b>	<b>12,887,934</b>	<b>33,576,171</b>	<b>19,208,755</b>	<b>62,500,352</b>	<b>108,042,907</b>		
Treaty	-	-	-	-	-	-	-	-	-		
<b>Grand Total</b>	<b>66,248,756</b>	<b>143,404,901</b>	<b>127,944,550</b>	<b>81,709,107</b>	<b>12,887,934</b>	<b>33,576,171</b>	<b>19,208,755</b>	<b>62,500,352</b>	<b>108,042,907</b>		

\* This include Administrative Surcharge collected from customers alongwith premium but have not been deferred as this surcharge is levied to recover the administrative cost relating to policies issued during the period.

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

  
**Chairman**

  
**Director**

  
**Chief Executive Officer**



**CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2014**

Business underwritten inside Pakistan

Three Months Period Ended March 31

Class	a		b		c		d=a+c-b		e	f		g	h=e+g-f	i=d-h
	Claims paid		Outstanding claims		Claims expense		Reinsurance and other recoveries received			Reinsurance and other recoveries in respect of outstanding claims				
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Net claims expense	Net claims expense
<b>Direct and facultative</b>	<b>Rupees</b>													
Fire and property damage	5,120,177	127,419,045	124,075,690	1,776,822	1,776,822	51,688,037	73,383,364	22,989,997	1,294,670	482,152	55,217,381			
Marine, aviation and transport	1,467,717	11,892,559	7,335,707	(3,089,135)	571,085	4,690,867	(1,417,151)	2,702,631	2,289,172					
Motor	39,784,979	131,469,840	116,878,394	25,193,533	18,340,683	1,948,499	2,732,075	19,124,259	6,069,274	112,144,700				
Accident and health	3,319,961	51,187,622	50,858,933	2,991,272	-	-	-	-	2,991,272	61,850,436				
Miscellaneous	2,023,879	25,888,751	24,471,905	607,033	(50,036,294)	14,584,723	64,125,615	(495,402)	1,102,435	3,501,737				
Treaty	51,716,713	347,857,817	323,620,629	27,479,525	20,563,511	94,607,453	92,550,318	18,506,376	8,973,149	235,003,426				
Grand Total	51,716,713	347,857,817	323,620,629	27,479,525	20,563,511	94,607,453	92,550,318	18,506,376	8,973,149	235,003,426				

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

  
Chairman

  
Director

  
Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2014**

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	2014 Net underwriting expenses	2013 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	1,390,699	7,662,505	5,642,089	3,411,115	2,175,646	5,586,761	1,245,487	4,341,274	6,808,579
Marine, aviation and transport	976,787	502,856	489,678	989,965	652,500	1,642,465	184,060	1,458,405	1,217,890
Motor	6,186,754	12,022,972	13,379,599	4,830,127	7,977,873	12,808,000	-	12,808,000	18,905,920
Accident and health	6,819	1,046,441	1,037,449	15,811	739,006	754,816	197,903	556,913	7,921,336
Miscellaneous	1,525,897	2,063,699	2,631,016	958,580	1,285,262	2,243,842	-	2,243,842	3,646,335
	10,086,956	23,298,472	23,179,831	10,205,597	12,830,287	23,035,884	1,627,450	21,408,434	38,500,060
Treaty	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>10,086,956</b>	<b>23,298,472</b>	<b>23,179,831</b>	<b>10,205,597</b>	<b>12,830,287</b>	<b>23,035,884</b>	<b>1,627,450</b>	<b>21,408,434</b>	<b>38,500,060</b>

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

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

  
Chairman

  
Director

  
Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2014**

	<b>For the Quarter ended March 31, 2014</b>	<b>For the Quarter ended March 31, 2013</b>
<b>Income from trading investment</b>		
Capital Gain on sale of held for trading investments	57,370	-
Dividend Income	-	-
	<b>57,370</b>	<b>-</b>
<b>Income from non-trading investment</b>		
<b>Held to maturity</b>		
Return on other fixed income securities	891,263	453,211
<b>Available for sale</b>	-	-
Dividend income	-	-
	<b>891,263</b>	<b>453,211</b>
<b>Unrealized gain on revaluation of held-for-trading investments</b>	<b>(75,081)</b>	<b>(557,555)</b>
<b>Investment related expenses</b>	<b>(2,860)</b>	<b>(459,959)</b>
<b>Total investment income</b>	<b>870,692</b>	<b>(564,303)</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, 2014**

**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, 2013.

financial statements of the Company for the year ended December 31, 2013.

**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, 2013.

**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, 2013.

**6 OTHER CREDITORS AND ACCRUALS**

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
	----- <b>(Rupees)</b> -----	
Federal excise duty payable	<b>33,724,440</b>	33,015,941
Withholding tax payable	<b>1,608,799</b>	2,634,856
Workers welfare fund payable	<b>215,074</b>	215,074
Unearned rental income	<b>206,606</b>	380,624
Payable to provident fund	<b>5,100,291</b>	5,433,745
Others	<b>6,024,703</b>	6,330,160
	<b><u>46,879,913</u></b>	<b><u>48,010,400</u></b>

## 7 PREMIUMS DUE BUT UNPAID-unsecured

Considered good	227,864,383	219,085,622
Considered doubtful	<u>13,742,644</u>	<u>13,742,644</u>
	<u>241,607,027</u>	<u>232,828,266</u>
Provision against doubtful receivables	<u>(13,742,644)</u>	<u>(13,742,644)</u>
	<u><u>227,864,383</u></u>	<u><u>219,085,622</u></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:

<b>Transactions and balances with related party</b>	<b>March 31, 2014</b>	<b>Dec 31, 2013</b>
	----- Rupees -----	
Insurance premium		
Balance at beginning of the period	3,680,584	5,456,496
Gross insurance premium written (including administrative surcharge, government levies and policies stamps)	4,744,611	28,231,323
Received / Adjusted during the period	<u>(21,608)</u>	<u>(30,007,235)</u>
Balance at end of the period	<u><u>8,403,587</u></u>	<u><u>3,680,584</u></u>
Insurance claim expense		
Outstanding claims at beginning of the period	1,880,081	596,023
Gross claim expense for the period	426,610	2,449,798
Claim paid during the period	<u>(566,801)</u>	<u>(1,165,740)</u>
Outstanding claims at end of the period	<u><u>1,739,890</u></u>	<u><u>1,880,081</u></u>

### Other transactions for the period with associated companies

Rental income-net	-	-
Rental expense	<u>2,238,468</u>	<u>8,535,984</u>
Brokrage Commision and Advisory Expenses	<u>-</u>	<u>-</u>
Advertisement Expenses	<u>361,876</u>	<u>620,110</u>
Addition to Investment Held for Trading	<u>-</u>	<u>-</u>
Addition to Investment Available for Sales	<u>-</u>	<u>-</u>
Gain on Sales of Vehicles	<u>-</u>	<u>685,833</u>

	March 31, 2014	Dec 31, 2013
	----- Rupees -----	
<b>Other balances with associated companies</b>		
Other receivables	<u>                    </u>	<u>                    -</u>
Premium Received in Advance	<u>                    </u>	<u>                    -</u>
Rent Paid in Advance	<u>10,892,968</u>	<u>12,393,952</u>
Security Deposit	<u>4,147,200</u>	<u>4,147,200</u>
Purchase of Office Premises Under Consideration	<u>                    -</u>	<u>                    -</u>
 <b>Transactions for the period with other related parties</b>		
Remuneration of key management personnel	<u>5,164,215</u>	<u>23,948,757</u>
Contribution to the Provident Fund	<u>474,404</u>	<u>2,287,834</u>
 <b>Balances with other related parties</b>		
Payable to Provident Fund	<u>5,433,745</u>	<u>5,433,745</u>

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.

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

	March 31, 2014	Dec 31, 2013
	----- Rupees -----	
Profit/(Loss) after tax for the period	<u>19,403,623</u>	<u>(41,047,235)</u>
<b>Number of Shares</b>		
Weighted average number of ordinary shares	<u>33,166,667</u>	<u>30,000,000</u>
Earnings/(Loss) per share	<u>0.59</u>	<u>(1.37)</u>

#### 10 GENERAL

10.1 these financial statements were authorized for issue in the Board of Directors meeting held on April 30, 2014



Chairman



Director



Director



Chief Executive Officer

# Shaheen Insurance

10th Floor, Shaheen Complex, M.R. Kayani Road, Karachi - 74200  
Tel: (9221) 32630370-75 (06 Lines) 32213950-51 (02 Lines)  
Fax: (9221) 32626674 Website: [www.shaheeninsurance.com](http://www.shaheeninsurance.com)  
UAN: (021) 111-765-111