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COMPANY INFORMATION

BOARD OF DIRECTORS

Air Marshal (R) M. Arif Pervaiz
Air Commodore (R) Mahmood Ahmad
Mr. Shahid Hameed
Air Commodore (R) Zafar Yaseen
Air Commodore (R) Muhammad Masud Akhtar
Air Commodore (R) Shahid Jamil Hashmi
Group Capt. (R) Ehsan-ur-Rauf Sheikh

CHIEF OPERATING OFFICER

Sohel Najam Kidwai

CHIEF FINANCIAL OFFICER

Muhammad Farhan Janjuah

COMPANY SECRETARY

Muhammad Farhan Janjuah

AUDITORS

Anjum Asim Shahid Rehman
Chartered Accountants

LEGAL ADVISOR

Shaukat Law Associates

REGISTERED OFFICE

10th Floor, Shaheen Complex, M.R.Kayani Road, Karachi 74200.

HEAD OFFICE

10th Floor, Shaheen Complex, M.R.Kayani Road, Karachi 74200.

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, 32213950-51, Fax # 32626674
E-mail: sihifc@cyber.net.pk
URI: www.shaheeninsurance.com
UAN: (021) 111-765-111

Lahore

Zonal Head - Mr. Naveed Butt

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

Karachi

Clifton Branch

Branch Manager - Mr. Aijaz Tufail
Office No. 112, 1st Floor, Plot No. G-7, Block-9,
The Plaza Kehkashan Clifton Karachi.
Tel # (021)35308351-52,35308359
Fax # (021) 35308353

Lahore Corporate

Branch Manager 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

Islamabad

Zonal Head - Mr. Khalid Sarwar

H. # 46, Khayban-e-Suhurwardy, G-6/4, Islamabad
Tel. # (051)2829590, 2873204,2829552
Fax # (051) 2829515
E-mail: isb@shaheeninsurance.com

Plaza Branch

Branch Manager-Mr. Asad Hassan
Office No. 112, 1st Floor, Plot No. G-7, Block-9,
The Plaza Kehkashan Clifton Karachi.
Tel # (021) 35308351-52,35308359
Fax # (021) 35308353

Faisalabad

Branch Manager - Mr. Attiq Siddiqui

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

Peshawar

Branch Manager - Mr. Muhammad Shoaib Khan

6th Floor, State Life Building
34 - The Mall, Peshawar Cantt.
Tel. # (091) 5273122, Fax # (091) 5273106
E-mail: psw@shaheeninsurance.com

Rawalpindi Branch

Branch Manager - Mr. Mujahid Raza

House No. 02-A/2, Block 'A', Near 6th Road,
Satellite Town, Rawalpindi
Tel # (051) 4581354,4581355,4580096
Fax # (051) 4581353
E-mail: rwp@shaheeninsurance.com

Sialkot

Branch Manager - Mr. Muhammad Mujahid 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

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

Hyderabad

Branch Manager - Syed Shaukat Ali

Upper 2nd Floor
House # 75, Soldier Bazar
Tel. # (022) 2720487
Fax # (022) 2720489
E-mail: hyd@shaheeninsurance.com

DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors is pleased to present before you the unaudited financial statements of the Company for the first quarter ended March 31, 2013.

The Results are summarized below:-

	All Figures Rs. in '000'			
	March 2013	March 2012	% Age	December 2012
Gross Premium Written	99,190	152,471	(35)	562,846
Net Premium Revenue	108,043	135,740	(20.50)	508,120
Net Claims	91,534	80,561	13.62	303,950
Underwriting Results	(21,992)	12,840	171	40,378
Investment Income	(564)	8,131	(7)	7,335
Profit/ (Loss) before tax	(40,507)	1,116	(3,630)	(29,245)
Profit/ (Loss) after tax	(41,047)	116	-	(32,092)
Earning per share	(1.37)	0.005	(274)	(1.15)

Last year trend continued in this quarter. Premium written has decreased by 35% which resulted in loss before tax. 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. Company is restructuring its operations by closing down loss making units. There was a major fire loss in cotton bales. Fire erupted at TCP godowns in Karachi. SICL along with other insurance companies were hit by huge losses. The amount of Claim settled is Rs. 153 million. SICL is sufficiently covered in reinsurance market against this loss. There were increase in net claims of 53% in Marine, 23% in motor and decrease of 24.50% in Health business.

Due to investment of Rs. 188 million in shares of First Capital Equities Limited, an associated company witnessed a downfall in Investment income and negative impact on Solvency margin.

Pre-tax and after tax profits for the three months period under review has decreased considerably. Recently Board has given guidelines for running operations of the Company in order to stem losses and create new opportunities.

The Directors are working on a strategy to turnaround SICL in profit and settlement of losses. 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 2013.

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.

Air Marshal M. Arif Pervaiz (Retd)
CHAIRMAN

Dated: September 30, 2013


**Condensed Interim Balance Sheet
As at March 31, 2013**

	<i>Note</i>	31 March 2013 (Unaudited)	31 December 2012 (Audited)
SHARE CAPITAL AND RESERVES ----- (Rupees) -----			
Authorised share capital 30,000,000 (31 December 2012: 30,000,000) ordinary shares of Rs. 10 each		<u><u>300,000,000</u></u>	<u><u>300,000,000</u></u>
Issued, subscribed and paid-up capital share capital [30,000,000 (2012: 30,000,000) Ordinary shares of Rs. 10 each]		<u>300,000,000</u>	300,000,000
Retained earnings		<u>(77,673,939)</u>	(36,626,704)
Reserves		<u>20,000,000</u>	20,000,000
Shareholders' equity		242,326,061	283,373,296
LIABILITIES			
Underwriting provisions			
Provision for outstanding claims (including IBNR)		<u>413,912,610</u>	236,223,065
Provision for unearned premium		<u>187,790,332</u>	214,835,890
Premium Deficiency Reserve		<u>3,278,626</u>	3,278,626
Commission income unearned		<u>5,493,739</u>	7,806,009
Total underwriting provisions		610,475,307	462,143,590
Creditors and Accruals			
Premium received in advance		<u>14,020,864</u>	12,939,961
Amounts due to other insurers / reinsurers		<u>55,397,631</u>	53,309,193
Accrued expenses		<u>4,439,552</u>	3,848,390
Agent Balances		<u>38,120,294</u>	33,443,746
Taxation - Provisions Less Payments		<u>1,953,782</u>	1,544,203
Other creditors and accruals	6	<u>29,819,086</u>	25,079,625
		<u>143,751,209</u>	130,165,118
Borrowings			
Liabilities against assets subject to finance lease		<u>2,689,985</u>	2,996,194
Unclaimed dividend		<u>398,934</u>	398,934
Total liabilities		<u><u>757,315,435</u></u>	<u><u>595,703,836</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>999,641,496</u></u>	<u><u>879,077,132</u></u>

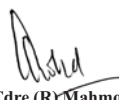
Condensed Interim Balance Sheet
As at March 31, 2013

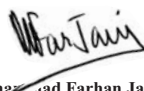
	<i>Note</i>	31 March 2013 (Unaudited)	31 December 2012 (Audited)
----- (Rupees) -----			
ASSETS			
Cash and bank deposits			
Cash and other equivalent		50,834	125,625
Current and other accounts		44,672,281	48,364,552
Deposits maturing within 12 months		-	-
		<hr/>	<hr/>
		44,723,115	48,490,177
Loans - Secured and considered good			
To Employees		4,901,258	3,556,269
Investments			
		240,390,873	240,948,429
Investment Properties			
		27,003,369	27,463,328
Other Assets			
Premiums due but unpaid - Net	7	258,377,267	262,200,458
Amounts due from other insurers/ reinsures		63,064,581	61,672,193
Accrued investment income		48,408	29,753
Reinsurance recoveries against outstanding claims		184,759,598	48,434,185
Deferred commission expense		34,320,973	34,314,746
Advances, Deposits and prepayments		66,229,334	69,542,850
Other receivables		4,643,534	9,624,703
		611,443,695	485,818,888
Fixed assets - tangible and intangible			
Owned			
Furniture, Fixture and Office Equipment		12,613,529	11,138,726
Motor Vehicles		16,284,070	18,890,819
Capital Work In Progress		34,750,008	34,750,008
Computer Software		5,119,847	5,208,456
		68,767,454	69,988,009
Leased			
Motor Vehicles		2,411,732	2,812,032
TOTAL ASSETS		999,641,496	879,077,132

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


Air-Marshall (R) M. Arif Pervaiz
Chairman


Shahid Hameed
Director


Air Cdre (R) Mahmood Ahmad
Director


Muhsin Farhan Janjua
Chief Financial Officer


**Condensed Interim Profit and Loss Account (Unaudited)
For the three months period ended March 31, 2013**


Note	Three months period ended March 31, 2013					2013	2012
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Accident and Health	Miscellaneous	Aggregate	Aggregate
	Rupees						
Revenue Account							
Net Premium Revenue	16,682,812	(2,362,308)	55,156,694	29,695,374	8,870,335	108,042,907	135,740,153
Net Claims	(12,068,117)	(5,214,962)	(45,263,878)	(25,406,919)	(3,580,967)	(91,534,843)	(80,560,638)
Management Expenses	(4,576,042)	(848,920)	(11,276,814)	(5,827,790)	(2,244,461)	(24,774,028)	(22,943,098)
Net Commission	(2,232,537)	(368,970)	(7,629,106)	(2,093,546)	(1,401,874)	(13,726,033)	(19,756,290)
Net Underwriting expenses	(6,808,579)	(1,217,890)	(18,905,920)	(7,921,336)	(3,646,335)	(38,500,061)	(42,699,388)
Underwriting results						(21,991,997)	12,480,127
Investment Income						(564,303)	8,131,278
Rental Income						538,701	523,818
Other Income						466,761	126,797
General and Administrative Expenses						(18,956,182)	(20,145,820)
Profit for the period before Taxation						(40,507,020)	1,116,200
Provision for Taxation						(540,215)	(1,000,000)
Profit / (Loss) after Tax						(41,047,235)	116,200
Balance at commencement of the year						(36,626,704)	(4,535,102)
Profit (Loss) for the three months period						(41,047,235)	116,200
Balance at end of the year						(77,673,939)	(4,418,902)
Earnings per share-basic and diluted 9						(1.37)	0.005

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


Air-Marshall (R) M. Arif Pervaiz
Chairman


Shahid Hameed
Director



Air Cdre (R) Mahmood Ahmad
Director


Muhammad Farhan Janjua
Chief Financial Officer


Condensed Interim Statement of Comprehensive Income (Unaudited)
For the three months period ended March 31, 2013

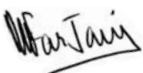
	Three months period ended March	
	2013	2012
	Rupees	
Net (Loss)/ Profit for the period	(41,047,235)	116,200
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>(41,047,235)</u>	<u>116,200</u>

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


Air-Marshal (R) M. Arif Pervaiz
Chairman


Shahid Hameed
Director


Air Cdre (R) Mahmood Ahmad
Director


Muhammad Farhan Janjua
Chief Financial Officer

**Condensed Interim Statement of Cash Flow (Unaudited)
For the three months period ended March 31, 2013**

	Quarter year ended 31 March	
	2013	2012
	----- (Rupees) -----	
OPERATING ACTIVITIES		
<i>a) Underwriting activities</i>		
Premiums received	104,094,043	122,733,961
Reinsurance premiums paid	(11,774,243)	(19,374,013)
Claims paid	(57,795,421)	(62,354,775)
Reinsurance and other recoveries received	7,624,710	15,752,304
Commissions paid	(13,654,937)	(19,261,495)
Commissions received	2,298,330	7,705,788
Other underwriting receipts	5,413,730	-
Net cash flows from underwriting activities	36,206,212	45,201,770
<i>b) Other operating activities</i>		
Income tax paid	(130,636)	(161,360)
Management and administrative expenses paid	(37,875,195)	(42,779,073)
Loans advanced - net	(1,344,989)	(82,992)
Net cash flows used in other operating activities	(39,350,820)	(43,023,425)
Total cash used in all operating activities	(3,144,608)	2,178,345
INVESTING ACTIVITIES		
Profit / Return received	919,972	1,459,364
Rentals received	538,701	375,000
Payments for investments	-	(1,228,500)
Proceeds from disposal of investments	557,555	12,759,975
Fixed capital expenditure	(2,331,932)	(1,729,401)
Proceeds from disposal of fixed assets	-	-
Total cash flows from / (used in) all investing activities	(315,704)	11,636,438
FINANCING ACTIVITIES		
Financial charges paid	-	(140,165)
Payments of finance lease liability	(306,750)	(166,585)
Total cash inflows from all financing activities	(306,750)	(306,750)
Net cash flows from / (used in) all activities	(3,767,062)	13,508,033
Exchange gain on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of year	48,490,177	26,323,815
Cash and cash equivalents at end of the year	44,723,115	39,831,848

Condensed Interim Statement of Cash Flow (Unaudited)
For the three months period ended March 31, 2013

Quarter year ended 31 March

	2013	2012
	----- (Rupees) -----	
Reconciliation to profit and loss account		
Operating cash flows	(3,144,608)	2,178,345
Depreciation on fixed assets	(3,433,794)	(4,153,562)
Depreciation on investment property	(459,959)	-
Taxes paid	130,636	161,360
Financial charges	-	(140,165)
Increase in assets other than cash	127,341,964	(10,343,511)
Increase in liabilities	(161,917,808)	4,631,840
Investment and other income	976,549	8,781,893
Provision for tax	(540,215)	(1,000,000)
(Loss)/Profit after taxation	(41,047,235)	116,200

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	50,834	1,824
	50,834	1,824

Current and saving accounts

- Current accounts	2,412,968	22,028,520
- Savings accounts	42,259,313	17,801,504
	44,672,281	39,830,024

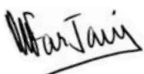
Cash and bank deposits	44,723,115	39,831,848
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The annexed notes from 1 to 10 form an integral part of these condensed interim financial information.


Air-Marshal (R) M. Arif Pervaiz
Chairman



Shahid Hameed
Director


Air Cdre (R) Mahmood Ahmad
Director



Muhsin Farhan Janjua
Chief Financial Officer

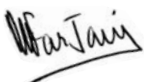
Condensed Interim Statement of Changes in Equity (Unaudited)
For the three months period ended March 31, 2013

	Issued, subscribed and paid-up capital	Revenue Reserves		Total
		General reserve	Accumulated Loss	
----- (Rupees) -----				
Balance as at January 01, 2012	250,000,000	20,000,000	(4,535,102)	265,464,898
Changes in equity for the period ended March 31, 2012				
Profit after tax for the period	-	-	116,200	116,200
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	116,200	116,200
Balance as at March 31, 2012	250,000,000	20,000,000	(4,418,902)	265,581,098
Net Loss after tax for the nine months ended December 31, 2012	-	-	(32,207,802)	(32,207,802)
Issue of right shares during the year	50,000,000			
Balance as at January 01, 2013	300,000,000	20,000,000	(36,626,704)	283,373,296
Changes in equity for the period ended March 31, 2013				
Profit / (Loss) after tax for the period	-	-	(41,047,235)	(41,047,235)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(41,047,235)	(41,047,235)
Balance as at March 31, 2013	300,000,000	20,000,000	(77,673,939)	242,326,061


 Air-Marshal (R) M. Arif Pervaiz
 Chairman


 Shahid Hameed
 Director


 Air Cdre (R) Mahmood Ahmad
 Director


 Muhsin Farhan Janjua
 Chief Financial Officer

Condensed Interim Statement of Premium (Unaudited)
For the three months period ended March 31, 2013


Business underwritten inside Pakistan

Quarter ended March 31

Class	Premium written		Unearned premium reserve		* Premium earned	Reinsurance ceded		Prepaid reinsurance premium ceded		Reinsurance expense	2013 Net premium revenue	2012 Net premium revenue
	a	b	c	d=a+b-c	e	f	g	h=e+f-g	i=d-h	Rupees		
Direct and facultative												
Fire and property damage	11,747,268	40,308,289	28,738,434	23,317,123	6,902,739	24,334,008	24,602,435	6,634,312	16,682,812		16,682,812	16,264,234
Marine, aviation and transport	5,785,904	1,388,877	2,849,127	4,325,654	3,789,206	4,621,566	1,722,811	6,687,961	(2,362,308)		11,096,306	11,096,306
Motor	58,106,811	103,609,019	104,255,074	57,460,756	2,377,500	3,708,577	3,782,015	2,304,062	55,156,694		65,852,266	65,852,266
Accident and health	18,024,645	46,356,037	34,685,308	29,695,374	-	-	-	-	29,695,374		29,695,374	29,212,728
Others	5,525,521	23,173,668	17,262,389	11,436,600	2,185,624	7,678,964	7,298,323	2,566,265	8,870,335		13,314,619	13,314,619
Total	99,189,949	214,835,890	187,790,332	126,235,507	15,255,069	40,343,115	37,405,584	18,192,600	108,042,907		135,740,153	135,740,153
Treaty	-	-	-	-	-	-	-	-	-		-	-
Grand Total	99,189,949	214,835,890	187,790,332	126,235,507	15,255,069	40,343,115	37,405,584	18,192,600	108,042,907		135,740,153	135,740,153

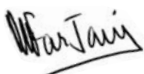
* This include Administrative Surcharge collected from customers alongwith premium but have not been deferred as this surcharge is levied to recover the administrative cost relating to policies issued during the period.

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


 Air-Marshal (R) M. Arif Pervaiz
Chairman


 Shahid Hameed
Director


 Air Cdre (R) Mahmood Ahmad
Director


 Muhammad Farhan Janjua
Chief Financial Officer

Condensed Interim Statement of Claims (Unaudited)
For the three months period ended March 31, 2013


Business underwritten inside Pakistan

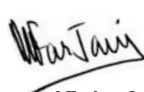
Class	Quarter ended March 31, 2013											
	Claims paid		Outstanding claims		Claims expense		Reinsurance and other recoveries		Reinsurance and other recoveries in respect of outstanding claims		2012	
	a	b	c	d=a+c-b	e	f	g	h=e+g-f	i=d-h	Net claims expense		
Direct and facultative												
Fire and property damage	570,646	23,035,127	178,785,552	156,321,071	206,032	17,501,474	161,548,396	144,252,954	12,068,117	3,696,849		
Marine, aviation and transport	2,723,115	13,897,753	17,268,019	6,093,381	1,333,198	7,335,069	6,880,290	878,419	5,214,962	3,418,547		
Motor	39,932,053	136,947,641	142,880,746	45,865,158	5,934,156	8,514,426	3,181,550	601,280	45,263,878	36,803,025		
Accident and health	14,484,391	35,392,631	46,315,159	25,406,919	-	-	-	-	25,406,919	33,642,908		
Miscellaneous	85,216	26,949,913	28,663,134	1,798,437	151,324	15,083,216	13,149,362	(1,782,530)	3,580,967	2,999,309		
Total Treaty	57,795,421	236,223,065	413,912,610	235,484,966	7,624,710	48,434,185	184,759,598	143,950,123	91,534,843	80,560,638		
Total	57,795,421	236,223,065	413,912,610	235,484,966	7,624,710	48,434,185	184,759,598	143,950,123	91,534,843	80,560,638		

The annexed notes from 1 to 10 form an integral part of these financial statements.


Air-Marshall (R) M. Arif Pervaiz
Chairman


Shahid Hameed
Director



Air Cdre (R) Mahmood Ahmad
Director


Muhsin Farhan Janjua
Chief Financial Officer


Condensed Interim Statement of Expenses (Unaudited)
For the three months period ended March 31, 2013

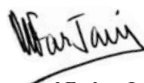
Class	Quarter ended March 31, 2013									
	Commissions paid or payable		Deferred Commission		Net Commission expense	Other Management expenses (Note 21)	Underwriting expense	*Commission from reinsurers	2013	
	a	b	c	d=a+b-c					e	f=d+e
Rupees										
Direct and facultative										
Fire and property damage	4,299,098	10,894,859	9,918,092	5,275,865	4,576,043	9,851,908	3,043,328	6,808,579	7,164,133	
Marine, aviation and transport	1,436,598	377,885	737,352	1,077,131	848,920	1,926,051	708,161	1,217,890	5,119,134	
Motor	8,181,445	14,454,635	15,002,227	7,633,853	11,276,814	18,910,667	4,747	18,905,920	20,301,428	
Accident and health	3,544,872	5,264,771	5,860,654	2,948,989	5,827,790	8,776,779	855,443	7,921,336	7,609,835	
Miscellaneous	881,926	3,322,596	2,802,648	1,401,874	2,244,461	3,646,335	-	3,646,335	2,504,858	
Total	18,343,939	34,314,746	34,320,973	18,337,712	24,774,028	43,111,740	4,611,680	38,500,061	42,699,388	
Treaty	-	-	-	-	-	-	-	-	-	
Grand total	18,343,939	34,314,746	34,320,973	18,337,712	24,774,028	43,111,740	4,611,680	38,500,061	42,699,388	

* 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 these financial statements.


Air-Marshal (R) M. Arif Pervaiz
Chairman


Shahid Hameed
Director



Air Cdre (R) Mahmood Ahmad
Director


Muhsin Farhan Janjua
Chief Financial Officer


Condensed Interim Statement of Investment Income (Unaudited)
For the three months period ended March 31, 2013

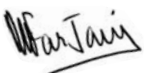
	For the quarter ended	
	31 March 2013	31 March 2012
----- (Rupees) -----		
Income from trading investments		
Capital loss on sale of held for trading investments - net	-	-
Dividend income	-	-
Income from non-trading investments		
<i>Held-to-maturity</i>		
Return on other fixed income securities	453,211	127,078
<i>Available-for-sale</i>		
Dividend income	-	1,367,926
Gain on sale of non-trading investments (available-for-sale)	-	-
	-	1,367,926
Unrealized gain/ (Loss) on revaluation of held-for-trading investments	(557,555)	7,127,901
Income from reverse repo transactions in listed equity securities	-	-
Investment related expenses	(459,959)	(491,627)
Net investment income	(564,303)	8,131,278

The annexed notes from 1 to 10 form an integral part of these financial statements.


Air-Marshal (R) M. Arif Pervaiz
Chairman


Shahid Hameed
Director


Air Cdre (R) Mahmood Ahmad
Director


Muhammad Farhan Janjua
Chief Financial Officer

**Notes to Condensed Interim Financial Report (Unaudited)
For the three months period ended March 31, 2013**

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, 2012.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of financial statements of the Company for the year ended December 31, 2012.

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, 2012.

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, 2012

	31 March 2013	31 December 2012
	------(Rupees)-----	
6 OTHER CREDITORS AND ACCRUALS		
Federal excise duty payable	20,687,024	13,434,267
Withholding tax payable	1,747,874	2,421,086
Workers welfare fund payable	-	2,532,715
Unearned rental income	359,988	359,988
Payable to provident fund	2,891,325	2,166,952
Others	3,954,162	4,164,617
	<u>29,640,373</u>	<u>25,079,625</u>

31 March 31 December
2013 2012
------(Rupees)-----

7 PREMIUMS DUE BUT UNPAID-unsecured

Considered good	258,377,267	262,200,458
Considered doubtful	<u>13,742,644</u>	<u>13,742,644</u>
	<u>272,119,911</u>	<u>275,943,102</u>
Provision against doubtful receivables	<u>(13,742,644)</u>	<u>(13,742,644)</u>
	<u><u>258,377,267</u></u>	<u><u>262,200,458</u></u>

8 TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with its employee provident fund, key management personnel, entities indicated in note 5 to the financial statements and companies with common directors.

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

Transactions and balances with associated companies

31 March 31 December
2013 2012
------(Rupees)-----

Insurance premium

Balance at beginning of the year	143,606,784	215,612,173
Gross insurance premium written (i levies, administrative surcharge and policies stamps)	<u>7,997,749</u>	86,031,289
Received / Adjusted during the year	-	<u>(158,036,678)</u>
Balance at end of the year	<u><u>151,604,533</u></u>	<u><u>143,606,784</u></u>

Insurance claim expense

Outstanding claims at beginning of the year	21,230,599	16,297,522
Gross claim expense for the year	14,158,051	63,707,990
Claims paid during the year	<u>(4,507,287)</u>	<u>(58,774,913)</u>
Outstanding claims at end of the year	<u><u>30,881,363</u></u>	<u><u>21,230,599</u></u>

Other transactions for the period with associated companies

Rental income-net	-	<u>375,000</u>
Rental expense	<u>2,189,796</u>	<u>1,088,640</u>
Other balances with associated companies		
Other receivables	<u>957,648</u>	<u>1,153,524</u>
Advisory fee payable	-	<u>301,947</u>
Prepaid Rent	<u>16,059,510</u>	<u>20,601,632</u>
Capital work in progress/ Advance for purchase	<u><u>34,750,008</u></u>	<u><u>141,489,930</u></u>

Transactions for the period with other related parties

Remuneration of key management personnel	<u>4,685,037</u>	<u>4,223,889</u>
Contribution to the Provident Fund	-	<u>783,036</u>
Balances with other related parties		
Payable to Provident Fund	<u><u>2,891,325</u></u>	<u><u>2,060,048</u></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 **(LOSS)/EARNINGS PER SHARE - basic and diluted**

	March 31 2013	March 31 2012
(Loss)/Profit after tax for the period	<u><u>(41,047,235)</u></u>	<u><u>116,200</u></u>
	Number of Shares	
Weighted average number of ordinary shares	<u><u>30,000,000</u></u>	<u><u>25,000,000</u></u>
	Rupees	
(Loss)/Earnings per share	<u><u>(1.37)</u></u>	<u><u>0.005</u></u>

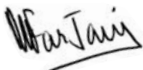
10 **GENERAL**

10.1 these financial statements were authorized for issue in the Board of Directors meeting held on September 30, 2013.


Air-Marshal (R) M. Arif Pervaiz
Chairman


Shahid Hameed
Director


Air Cdre (R) Mahmood Ahmad
Director


Muhammad Farhan Janjua
Chief Financial Officer