

	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)		September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Note	----- Rupees -----		Note	----- Rupees -----	
SHAREHOLDERS' EQUITY AND LIABILITIES			CASH AND BANK DEPOSITS		
Share capital and reserves			Cash and other equivalents		
Authorised share capital				52,582	46,984
25,000,000 (December 31, 2010: 30,000,000)			Current and other accounts	<u>77,377,804</u>	<u>136,923,235</u>
ordinary shares of Rs. 10 each	<u>300,000,000</u>	<u>300,000,000</u>		<u>77,430,386</u>	136,970,219
Issued, subscribed and paid-up share capital			LOANS - secured, considered good		
25,000,000 (December 31, 2010: 20,000,000)			To employees	3,332,671	2,136,673
ordinary shares of Rs. 10 each fully paid in cash	250,000,000	200,000,000	INVESTMENTS		
Retained earnings	(2,760,207)	(23,780,007)	9	90,973,544	155,721,299
General reserve	<u>20,000,000</u>	<u>20,000,000</u>	INVESTMENT PROPERTIES		
Shareholders' equity	<u>267,239,793</u>	196,219,993	10	29,871,659	4,551,912
UNDERWRITING PROVISIONS			CURRENT ASSETS - OTHERS		
Provision for outstanding claims			Premiums due but unpaid	11 255,004,903	166,082,545
(including IBNR)	156,648,401	185,190,944	Amounts due from other insurers / reinsurers	45,973,031	28,463,767
Provision for unearned premium	312,743,405	245,048,397	Accrued investment income	30,043	89,921
Commission income unearned	14,714,884	13,236,622	Reinsurance recoveries against		
Total underwriting provisions	<u>484,106,690</u>	443,475,963	outstanding claims	32,980,102	59,012,056
CREDITORS AND ACCRUALS			Taxation - payments less provisions	1,863,848	1,137,729
Premium received in advance	13,552,534	8,425,048	Deferred commission expense	48,477,001	37,330,920
Amount due to other insurers / reinsurers	37,080,702	29,395,613	Advances, deposits and prepayments	106,043,345	65,717,735
Accrued expenses	2,056,793	9,866,168	Sundry receivables	-	-
Agents' balances	35,276,754	17,646,088		<u>490,372,272</u>	357,834,673
Deferred gain on disposal of assets under sale			FIXED ASSETS		
and lease back	-	183,048	Tangible and Intangible		
Other creditors and accruals	7 28,639,122	11,022,354	Furniture, fixtures and office equipment		
	<u>116,605,905</u>	76,538,319	12 7,908,593		
BORROWINGS			Motor vehicles		
Liabilities against assets subject to finance lease	1,979,918	1,072,822	27,588,587		
OTHER LIABILITIES			Capital work in progress - shops		
Dividend payable - unclaimed	398,934	398,934	101,039,922		
TOTAL LIABILITIES			Capital work in progress - office premises		
	<u>603,091,447</u>	521,486,038	171,287,110		
TOTAL EQUITY AND LIABILITIES			Intangible		
	<u>870,331,241</u>	<u>717,706,031</u>	Computer software		
CONTINGENCIES AND COMMITMENTS			896,835		
			Capital work in progress - Integrated		
			General Insurance System		
			6,166,764		
			7,063,599		
			TOTAL ASSETS		
			<u>870,331,241</u>		
			<u>717,706,031</u>		

The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.

Chairman

Chief Executive Officer

Director

Chief Financial Officer

Shaheen Insurance Company Limited
Condensed Interim Profit and Loss Account (Unaudited)
For the quarter and nine month period ended September 30, 2011

	Quarter ended September 30,						2010 Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health Rupees	Others	2011 Aggregate	
REVENUE ACCOUNT							
Net premium revenue	14,123,766	4,859,691	63,348,811	29,482,552	7,955,645	119,770,465	119,201,678
Net claims	(1,506,977)	(315,250)	(30,490,409)	(21,706,197)	(4,203,660)	(58,222,493)	(67,689,196)
Management expenses	(2,731,963)	(982,375)	(12,403,978)	(5,694,532)	(1,544,163)	(23,357,012)	(25,032,996)
Net commission	(2,634,806)	(1,332,835)	(8,938,894)	(2,513,068)	60,050	(15,359,554)	(14,994,652)
Net underwriting expenses	(5,366,769)	(2,315,211)	(21,342,872)	(8,207,601)	(1,484,113)	(38,716,566)	(40,027,648)
Underwriting result	7,250,020	2,229,230	11,515,530	(431,245)	2,267,872	22,831,406	11,484,834
Investment income						1,574,477	6,368,481
Rental income						523,818	525,000
Other (charges) / income						578,103	336,595
General and administrative expenses						(17,529,788)	(7,449,820)
Profit before tax						7,978,016	11,265,090
Provision for taxation - current						(693,281)	(786,240)
Profit after tax						7,284,735	10,478,850
Earnings per share - basic and diluted	14					0.29	0.50

	nine month period ended September 30,						2010 Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health Rupees	Others	2011 Aggregate	
REVENUE ACCOUNT							
Net premium revenue	37,744,295	20,067,169	194,429,125	77,404,569	22,146,564	351,791,721	324,920,049
Net claims	(2,404,462)	(1,689,613)	(102,663,090)	(70,640,505)	(4,938,971)	(182,336,641)	(217,679,020)
Management expenses	(6,923,185)	(3,680,787)	(35,662,841)	(14,197,805)	(4,062,197)	(64,526,816)	(53,220,954)
Net commission	(7,417,993)	(5,554,378)	(26,735,578)	(6,575,736)	953,012	(45,330,674)	(54,544,845)
Net underwriting expenses	(14,341,178)	(9,235,166)	(62,398,419)	(20,773,542)	(3,109,185)	(109,857,490)	(107,765,799)
Underwriting result	20,998,655	9,142,390	29,367,616	(14,009,478)	14,098,408	59,597,591	(524,770)
Investment income						13,255,412	9,389,834
Rental income						1,571,454	1,562,601
Other income						2,047,188	2,004,321
General and administrative expenses						(51,933,927)	(42,563,934)
Profit / (Loss) before tax						24,537,718	(30,131,948)
Provision for taxation - current						(3,517,917)	(3,249,200)
Profit / (Loss) after tax						21,019,800	(33,381,148)
Profit and loss appropriation account:							
Balance at commencement of the period						(23,780,007)	5,252,930
Profit / (Loss) after tax						21,019,800	(33,381,148)
Balance of accumulated (loss) / unappropriated profit at end of the period						(2,760,207)	(28,128,218)
Earnings / (Loss) per share - basic and diluted	14					0.89	(1.58)

The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.

Chairman

Chief Executive Officer

Director

Chief Financial Officer

Shaheen Insurance Company Limited
Condensed Interim Statement of Cash Flow (Unaudited)
For the nine month period ended September 30, 2011

	2011	2010
	----- Rupees -----	
OPERATING ACTIVITIES		
<i>a) Underwriting activities</i>		
Premiums received	430,869,745	365,183,324
Reinsurance premium paid	(114,526,378)	(96,388,405)
Claims paid	(287,467,725)	(244,733,502)
Reinsurance and other recoveries received	102,620,495	68,770,036
Commissions paid	(60,207,525)	(60,789,107)
Commissions received	22,839,698	20,921,565
Net cash flows from underwriting activities	<u>94,128,310</u>	<u>52,963,911</u>
<i>b) Other operating activities</i>		
Income tax paid	(4,244,036)	(3,100,115)
General management expenses paid	(128,104,353)	(96,014,371)
Loans advanced / (refunded)	(1,195,998)	837,186
Net cash flows (used in) other operating activities	<u>(133,544,387)</u>	<u>(98,277,300)</u>
Total cash flows (used in) operating activities	(39,416,077)	(45,313,389)
INVESTING ACTIVITIES		
Profit / Return received	17,329,601	6,514,202
Rentals received	1,571,454	1,700,202
Payments for investments	(183,483,607)	(268,823,563)
Proceeds from disposal of investments	148,972,710	271,083,322
Purchase of investment properties	(25,321,435)	
Fixed capital expenditure	(26,551,638)	(19,039,205)
Proceeds from disposal of fixed assets	2,580,000	3,440,000
Total cash flows (used in) investing activities	(64,902,915)	(5,125,042)
FINANCING ACTIVITIES		
Amount received against issue of right shares	50,000,000	-
Financial charges paid	(206,023)	(229,054)
Lease payments	(771,233)	(550,396)
Total cash flows (used in) financing activities	49,022,744	(779,450)
Net cash flows (used in) all activities	(55,296,248)	(51,217,881)
Cash and cash equivalents at beginning of the period	132,726,634	132,726,634
Cash and cash equivalents at end of the period	<u>77,430,386</u>	<u>81,508,753</u>

Shaheen Insurance Company Limited
Condensed Interim Statement of Cash Flow (Unaudited)
For the nine month period ended September 30, 2011

	2011	2010
	----- Rupees -----	
Reconciliation to profit and loss account		
Operating cash flows	(39,416,077)	(45,313,388)
Depreciation expense	(9,353,099)	(6,346,839)
Gain on disposal of fixed assets	1,462,637	1,205,167
Amortization of gains on assets under sale and lease back	183,018	183,018
Taxes paid	4,244,036	3,100,115
Financial charges	(206,023)	(229,054)
Increase in assets other than cash	132,537,599	82,594,376
Increase in liabilities	(81,605,410)	(78,099,080)
Investment and other income	16,691,036	12,773,738
Provision for tax	(3,517,917)	(3,249,200)
Profit / (Loss) after taxation	<u>21,019,800</u>	<u>(33,381,145)</u>

Definition of cash

Cash comprises 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:

	2011	2010
	----- Rupees -----	
Cash and other equivalents	252,068	252,068
Current and saving accounts	<u>77,377,804</u>	<u>81,256,686</u>
	<u>77,629,872</u>	<u>81,508,754</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.

Chairman

Chief Executive Officer

Director

Chief Financial Officer

Shaheen Insurance Company Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For the nine month period ended September 30, 2011

	Paid-up share capital	Revenue reserves		Total
		General reserve	Retained earnings	
----- Rupees -----				
Balance as at January 01, 2010	200,000,000	20,000,000	5,252,930	225,252,930
<i>Changes in equity for the nine month period ended September 30, 2010</i>				
Loss after tax for the nine month period ended September 30, 2010	-	-	(33,381,148)	(33,381,148)
Balance as at September 30, 2010	200,000,000	20,000,000	(28,128,218)	191,871,782
<i>Changes in equity for the three month period ended December 31, 2010</i>				
Profit after tax for the three month period ended December 31, 2010	-	-	4,348,211	4,348,211
Balance as at January 01, 2011	200,000,000	20,000,000	(23,780,007)	196,219,993
Profit after tax for the nine month period ended September 30, 2011	-	-	21,019,800	21,019,800
Issue of right shares during the period	50,000,000	-	-	50,000,000
Balance as at September 30, 2011	250,000,000	20,000,000	(2,760,207)	267,239,793

The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.

Chairman

Chief Executive Officer

Director

Chief Financial Officer

Shaheen Insurance Company Limited
Condensed Interim Statement of Premium (Unaudited)
For the quarter and nine month period ended September 30, 2011

Business underwritten inside Pakistan

Class	Quarter ended September 30,									
	Premium written a	Unearned premium reserve		*Premium earned d=a+b-c	Reinsurance ceded e	Prepaid reinsurance premium ceded		Reinsurance expense h=e+f-g	Net premium revenue	
		Opening b	Closing c			Opening f	Closing g		2011 i=d-h	2010
Rupees										
Direct and Facultative										
Fire and property damage	33,844,173	62,522,451	70,214,059	26,152,565	14,291,672	28,371,788	30,634,661	12,028,799	14,123,766	28,038,600
Marine, aviation and transport	7,600,093	5,362,131	3,816,946	9,145,278	4,114,856	2,310,432	2,139,701	4,285,587	4,859,691	3,191,183
Motor	49,108,718	138,323,944	122,644,283	64,788,379	1,467,000	2,930,958	2,958,390	1,439,568	63,348,811	64,144,841
Accident and health	7,695,826	84,445,863	62,069,142	30,072,547	-	1,643,027	1,053,032	589,995	29,482,552	17,981,252
Others	20,916,701	52,371,736	53,998,975	19,289,463	9,559,815	31,896,130	30,122,128	11,333,817	7,955,645	5,845,802
Total	119,165,511	343,026,125	312,743,405	149,448,231	29,433,343	67,152,335	66,907,912	29,677,766	119,770,465	119,201,678
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	119,165,511	343,026,125	312,743,405	149,448,231	29,433,343	67,152,335	66,907,912	29,677,766	119,770,465	119,201,678

Class	Nine month period ended September 30,									
	Premium written a	Unearned premium reserve		*Premium earned d=a+b-c	Reinsurance ceded e	Prepaid reinsurance premium ceded		Reinsurance expense h=e+f-g	Net premium revenue	
		Opening b	Closing c			Opening f	Closing g		2011 i=d-h	2010
Rupees										
Fire and property damage	99,820,723	44,186,526	70,214,059	73,793,190	42,557,086	24,126,470	30,634,661	36,048,895	37,744,295	57,142,076
Marine, aviation and transport	26,909,205	21,951,389	3,816,946	45,043,648	14,068,724	13,047,456	2,139,701	24,976,479	20,067,169	8,826,964
Motor	199,042,640	122,165,587	122,644,283	198,563,944	4,401,000	2,692,209	2,958,390	4,134,819	194,429,125	194,148,451
Accident and health	112,780,056	28,077,594	62,069,142	78,788,508	2,328,131	108,841	1,053,032	1,383,939	77,404,569	47,195,816
Others	76,111,993	28,667,301	53,998,975	50,780,320	41,347,262	17,408,621	30,122,128	28,633,755	22,146,564	17,606,742
Total	514,664,617	245,048,397	312,743,405	446,969,609	104,702,203	57,383,597	66,907,912	95,177,888	351,791,721	324,920,049
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	514,664,617	245,048,397	312,743,405	446,969,609	104,702,203	57,383,597	66,907,912	95,177,888	351,791,721	324,920,049

* This includes administrative surcharge collected from customers along with 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 17 form an integral part of this condensed interim financial report.

Chairman

Chief Executive Officer

Director

Chief Financial Officer

Shaheen Insurance Company Limited
Condensed Interim Statement of Claims (Unaudited)
For the quarter and nine month period ended September 30, 2011

Business underwritten inside Pakistan

Class	Quarter ended September 30,									
	Claims paid a	Outstanding claims		Claims expense d=a+c-b	Reinsurance and other recoveries received e	Reinsurance and other recoveries against outstanding claims		Reinsurance and other recoveries revenue (net) h=e+g-f	Net claims expense	
		Opening	Closing			Opening	Closing		2011	2010
		b	c			f	g		i=d-h	
----- Rupees -----										
Direct and Facultative										
Fire and property damage	14,183,690	18,154,937	14,609,749	10,638,502	12,364,909	14,159,139	10,925,755	9,131,525	1,506,977	2,456,543
Marine, aviation and transport	1,120,527	3,476,656	3,057,255	701,126	472,547	1,526,369	1,439,698	385,876	315,250	1,816,125
Motor	44,993,478	107,058,831	104,696,311	42,630,958	15,441,783	6,785,640	3,484,406	12,140,549	30,490,409	50,159,877
Accident and health	21,750,108	7,964,983	7,921,072	21,706,197	225,000	225,000	-	-	21,706,197	11,879,731
Others	16,685,275	36,286,312	26,364,014	6,762,977	12,129,686	26,700,612	17,130,243	2,559,317	4,203,660	1,376,920
Total	98,733,078	172,941,719	156,648,401	82,439,760	40,633,925	49,396,760	32,980,102	24,217,267	58,222,493	67,689,196
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	<u>98,733,078</u>	<u>172,941,719</u>	<u>156,648,401</u>	<u>82,439,760</u>	<u>40,633,925</u>	<u>49,396,760</u>	<u>32,980,102</u>	<u>24,217,267</u>	<u>58,222,493</u>	<u>67,689,196</u>

Class	Nine month period ended September 30,									
	Claims paid a	Outstanding claims		Claims expense d=a+c-b	Reinsurance and other recoveries received e	Reinsurance and other recoveries against outstanding claims		Reinsurance and other recoveries revenue (net) h=e+g-f	Net claims expense	
		Opening	Closing			Opening	Closing		2011	2010
		b	c			f	g		i=d-h	
----- Rupees -----										
Direct and Facultative										
Fire and property damage	32,041,373	23,190,231	14,609,749	23,460,891	26,329,835	16,199,161	10,925,755	21,056,429	2,404,462	6,646,219
Marine, aviation and transport	7,582,014	10,198,116	3,057,255	441,153	4,991,444	7,679,602	1,439,698	(1,248,460)	1,689,613	5,239,048
Motor	144,403,384	107,491,361	104,696,311	141,608,334	41,637,017	6,176,179	3,484,406	38,945,244	102,663,090	158,930,288
Accident and health	65,094,820	2,150,387	7,921,072	70,865,505	225,000	-	-	225,000	70,640,505	41,127,202
Others	38,346,134	42,160,849	26,364,014	22,549,299	29,437,199	28,957,114	17,130,243	17,610,328	4,938,971	5,736,263
Total	287,467,725	185,190,944	156,648,401	258,925,182	102,620,495	59,012,056	32,980,102	76,588,541	182,336,641	217,679,020
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	<u>287,467,725</u>	<u>185,190,944</u>	<u>156,648,401</u>	<u>258,925,182</u>	<u>102,620,495</u>	<u>59,012,056</u>	<u>32,980,102</u>	<u>76,588,541</u>	<u>182,336,641</u>	<u>217,679,020</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.

Chairman

Chief Executive Officer

Director

Chief Financial Officer

Shaheen Insurance Company Limited
Condensed Interim Statement of Expenses (Unaudited)
For the quarter and nine month period ended September 30, 2011

Business underwritten inside Pakistan

Class	Quarter ended September 30,								
	Commission	Deferred commission		Net	Management	Underwriting	* Commission	Net underwriting expense	
	paid /	Opening	Closing	commission	expenses	expenses	from	2011	2010
	payable	b	c	expense	e	f=d+e	reinsurers	h=f-g	
a			d=a+b-c			g			
----- Rupees -----									
Direct and Facultative									
Fire and property damage	9,704,250	13,847,178	17,280,168	6,271,260	2,731,963	9,003,223	3,636,453	5,366,769	10,194,774
Marine, aviation and transport	1,999,929	1,413,674	1,065,614	2,347,989	982,375	3,330,364	1,015,154	2,315,211	1,682,121
Motor	6,821,633	19,993,682	17,876,421	8,938,894	12,403,978	21,342,872	-	21,342,872	22,526,168
Accident and health	692,624	7,600,128	5,364,502	2,928,250	5,694,532	8,622,783	415,182	8,207,601	4,276,666
Others	4,854,989	3,652,590	6,890,295	1,617,284	1,544,163	3,161,447	1,677,334	1,484,113	1,347,919
Total	24,073,425	46,507,252	48,477,001	22,103,676	23,357,012	45,460,688	6,744,123	38,716,566	40,027,648
Treaty	-	-	-	-	-	-	-	-	-
Grand total	24,073,425	46,507,252	48,477,001	22,103,676	23,357,012	45,460,688	6,744,123	38,716,566	40,027,648

Class	Nine month period ended September 30,								
	Commission	Deferred commission		Net	Management	Underwriting	* Commission	Net underwriting expense	
	paid /	Opening	Closing	commission	expenses	expenses	from	2011	2010
	payable	b	c	expense	e	f=d+e	reinsurers	h=f-g	
a			d=a+b-c			g			
----- Rupees -----									
Direct and Facultative									
Fire and property damage	23,912,246	11,974,116	17,280,168	18,606,194	6,923,185	25,529,379	11,188,200	14,341,178	30,202,270
Marine, aviation and transport	7,069,252	4,257,750	1,065,614	10,261,388	3,680,787	13,942,175	4,707,010	9,235,166	4,343,271
Motor	27,974,122	16,638,444	17,876,421	26,736,145	35,662,841	62,398,986	567	62,398,419	58,204,183
Accident and health	10,150,205	2,205,215	5,364,502	6,990,918	14,197,805	21,188,724	415,182	20,773,542	12,648,014
Others	8,732,366	2,255,395	6,890,295	4,097,466	4,062,197	8,159,663	5,050,478	3,109,185	2,368,061
Total	77,838,191	37,330,920	48,477,001	66,692,110	64,526,816	131,218,926	21,361,437	109,857,490	107,765,799
Treaty	-	-	-	-	-	-	-	-	-
Grand total	77,838,191	37,330,920	48,477,001	66,692,110	64,526,816	131,218,926	21,361,437	109,857,490	107,765,799

* 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 17 form an integral part of this condensed interim financial report.

Chairman

Chief Executive Officer

Director

Chief Financial Officer

Shaheen Insurance Company Limited
Condensed Interim Statement of Investment Income (Unaudited)
For the quarter and nine month period ended September 30, 2011

	For the quarter ended		For the nine month period ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
	----- Rupees -----			
Income from trading investments - net				
Capital gain on sale of held for trading investments	(864,705)	(6,789)	(7,780,526)	884,847
Dividend income	349,082	-	812,497	1,186,375
Income from non-trading investments				
<i>Held to maturity</i>				
Return on other fixed income securities and bank deposits	346,623	704,804	1,496,984	3,821,990
<i>Available for sale</i>				
Dividend income	2,897,414	5,669,338	6,780,591	7,890,728
	3,244,037	6,374,142	8,277,575	11,712,718
Gain on sale of non-trading investments (available-for-sale)	171,179	-	447,289	316,540
Unrealized loss on revaluation of held for trading investments	(688,901)	(3,509,413)	4,958,803	(13,681,809)
Income from reverse repo transactions in listed equity securities	-	3,521,096	8,179,651	11,186,321
Impairment in available for sale securities	-	-	-	-
Investment related expenses	(636,215)	(10,555)	(1,639,877)	(2,215,158)
Net investment income	1,574,477	6,368,481	13,255,412	9,389,834

The annexed notes from 1 to 17 form an integral part of this condensed interim financial report.

Chairman

Chief Executive Officer

Director

Chief Financial Officer

Shaheen Insurance Company Limited
Notes to the Condensed Interim Financial Report (Unaudited)
For the nine month period ended September 30, 2011

1. STATUS AND NATURE OF BUSINESS

Shaheen Insurance Company Limited (the company) was incorporated in March 1995 under the Companies Ordinance, 1984, as a Public Company and obtained certificate of 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.

It's registered office is located at 10th Floor, Shaheen Commercial Complex, Karachi.

2. STATEMENT OF COMPLIANCE

This condensed interim financial report of the company for the nine months period ended September 30, 2011 has been prepared in accordance with the requirements of the International Accounting Standard 34 – (IAS 34): Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 have been followed.

As the company follows the format of financial statements prescribed by the Securities and Exchange Commission of Pakistan (SECP) through SEC (Insurance) Rules, 2002 vide its Circular No.7 of 2003 dated August 27, 2003, the changes introduced through IAS 1 (revised): Presentation of Financial Statements have not been taken into consideration in preparation of this condensed interim financial report. Other new standards, amendments and interpretations that were mandatory for accounting periods beginning on or after January 01, 2011 and are not considered to be relevant or to have any significant effect on the company, are not detailed in this condensed interim financial report.

3. BASIS OF PRESENTATION

This condensed interim financial report has been prepared under the historical cost convention, except that 'held to maturity' investments are stated at amortised cost and investment 'at fair value through profit or loss – held for trading investments' are stated at fair value.

This condensed interim financial report has been prepared following accrual basis of accounting except for cash flow information.

This condensed interim financial report has been prepared and presented in Pakistan Rupees, which is the company's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended December 31, 2010.

Shaheen Insurance Company Limited
Notes to the Condensed Interim Financial Report (Unaudited)
For the nine month period ended September 30, 2011

5. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial report, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended December 31, 2010.

6. FINANCIAL AND 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, 2010.

7. SHARE CAPITAL AND RESERVES

During the period, Board of Directors of the company in its meeting held on January 24, 2011 resolved to issue right shares in the ratio of 1 right share for every 4 right share at Rs. 10 per share which has been fully subscribed by the shareholders & underwriters and the company has issued the shares accordingly.

8. OTHER CREDITORS AND ACCRUALS

	September 30 2011	December 31 2010
	----- Rupees -----	
Amount payable to policy holders in respect of cancelled policies	-	886,474
Federal excise duty payable	21,064,429	5,883,025
Withholding tax payable	1,985,930	451,917
Workers welfare fund payable	815,074	815,074
Security deposit	33,520	33,520
Unearned rental income	446,454	297,638
Provident fund payable	1,810,792	874,631
Payable in respect of dealing in securities	-	697,617
Others	2,482,923	1,082,458
	<u>28,639,122</u>	<u>11,022,354</u>

9. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

The status of contingencies is same as disclosed in the financial statements for the year ended December 31, 2010.

COMMITMENTS

There are no commitments as at September 30, 2011 (December 31, 2010: Nil)

10. INVESTMENTS

	September 30 2011	December 31 2010
	----- Rupees -----	
10.1 Type of investments		
Held-to-maturity		
Certificate of Investments	612,130	582,721
Term Finance Certificates {Market value: Rs. 0.545 million (as per the rates quoted by the Mutual Fund Association of Pakistan) (December 31, 2010: Rs. 1.671 million)}	545,000	1,795,000
	<u>1,157,130</u>	<u>2,377,721</u>

Shaheen Insurance Company Limited
Notes to the Condensed Interim Financial Report (Unaudited)
For the nine month period ended September 30, 2011

	September 30 2011	December 31 2010
	----- Rupees -----	
At fair value through profit or loss - Held for trading	18,189,904	22,818,839
Available-for-sale		
Investments in ordinary shares of listed companies	-	762,000
Mutual Funds		
Open-end funds	71,455,510	125,405,795
Closed-end funds	171,000	4,356,944
	71,626,510	129,762,739
	90,973,544	155,721,299

10.2 Market value of quoted available for sale securities is Rs. 71.960 million (December 31, 2010: Rs. 130.946 million).

10.3 Had the company adopted International Accounting Standard (IAS) 39 "Financial instruments-recognition and measurement" in respect of recognition of gain / (loss) on measurement of available for sale securities directly into equity, the investments of the company would have been higher by Rs. 0.328 million (2010: higher by Rs. 0.421 million) and the net equity would have decreased by the same amount.

11. INVESTMENT PROPERTIES - at cost less accumulated depreciation

11.1 Shop and Office Premises (leasehold properties) have been valued under the market value basis by Ali Murtuza & Company (Private) Limited and MJ Surveyors (Private) Limited. Market value of shop and office premises based on the valuations as of February 21, 2011 and February 14, 2011 amounted to Rs. 55 million and Rs. 12.53 million (2010: February 08, 2010 and January 28, 2010 amounted to Rs. 53.34 million and Rs. 11.73 million) respectively.

11.2 During the period the company purchased shops amounting to Rs. 25,874,814 which are carried at cost and will be depreciated at the rate of 5%.

	September 30 2011	December 31 2010
	----- Rupees -----	
Considered good	255,004,903	166,082,545
Considered doubtful	13,742,644	13,742,644
	268,747,547	179,825,189
Provision against doubtful debts	(13,742,644)	(13,742,644)
	255,004,903	166,082,545

13. ADDITIONS AND DELETIONS IN FIXED ASSETS

Details of the cost of operating assets that have been acquired and disposed off during the nine month period ended September 30, 2011 are as follows:

	September 30, 2011		September 30, 2010	
	Additions	Disposals	Additions	Disposals
	----- Rupees -----		----- Rupees -----	
Furniture, fixtures and office equipment	3,159,927	69,000	3,358,705	-
Motor vehicles	16,150,893	3,042,130	15,680,500	4,337,012
Computer software	1,074,054	-	-	-
	20,384,874	3,111,130	19,039,205	4,337,012

Shaheen Insurance Company Limited
Notes to the Condensed Interim Financial Report (Unaudited)
For the nine month period ended September 30, 2011

14. TRANSACTIONS WITH RELATED PARTIES

The company has related party relationship with its employee provident funds, 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:

<i>Transactions and balances with associated companies</i>	Nine month period ended		Quarter ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
	----- Rupees -----		----- Rupees -----	
Insurance premium				
Balance at beginning of the period	136,592,081	73,710,751	162,526,630	161,787,564
Gross insurance premium written (including administrative surcharge, government levies and policies stamps)	127,457,825	138,032,977	2,675,484	29,367,367
Received / Adjusted during the period	(125,746,264)	(58,438,125)	(26,898,472)	(37,849,328)
Balance at end of the period	<u>138,303,642</u>	<u>153,305,603</u>	<u>138,303,642</u>	<u>153,305,603</u>
Insurance claim expense				
Outstanding claims at beginning of the period	16,799,137	16,168,937	19,383,851	19,041,314
Gross claim expense for the period	52,888,709	49,219,008	13,074,006	6,233,295
Claim paid during the period	(62,847,017)	(49,287,980)	(25,617,028)	(9,174,644)
Outstanding claims at end of the period	<u>6,840,829</u>	<u>16,099,965</u>	<u>6,840,829</u>	<u>16,099,965</u>
<i>Other transactions for the period with associated companies</i>				
Rental income - net	<u>1,125,000</u>	<u>1,125,000</u>	<u>375,000</u>	<u>375,000</u>
Rental expense	<u>3,013,661</u>	<u>2,299,968</u>	<u>1,036,800</u>	<u>766,656</u>
Brokerage, commission and advisory expenses	<u>832,721</u>	<u>1,763,507</u>	<u>151,946</u>	<u>29,467</u>
<i>Other balances with associated companies</i>			September 30, 2011	December 31, 2010
			----- Rupees -----	
Receivable / (payable) against purchase of shares			<u>2,180,460</u>	<u>(697,617)</u>
Premium received in advance			<u>-</u>	<u>266,160</u>
Advisory fee payable			<u>558,907</u>	<u>1,858,907</u>
Prepaid rent			<u>22,727,072</u>	<u>2,529,963</u>
Advance for the purchase of office premises in Lahore			<u>34,750,008</u>	<u>34,750,008</u>
Purchase of shops in Lahore			<u>25,874,814</u>	<u>-</u>
Adjustment of receivable against shops - net			<u>99,334,708</u>	<u>-</u>
<i>Transactions for the period with other related parties</i>	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
	----- Rupees -----		----- Rupees -----	
Contribution to the provident fund	<u>2,329,931</u>	<u>1,846,080</u>	<u>776,644</u>	<u>638,223</u>
Remuneration of key management personnel	<u>12,340,926</u>	<u>9,077,760</u>	<u>4,113,642</u>	<u>3,025,920</u>

Shaheen Insurance Company Limited
Notes to the Condensed Interim Financial Report (Unaudited)
For the nine month period ended September 30, 2011

	September 30,	December 31,
	2011	2010
	----- Rupees -----	
<i>Balances with other related parties</i>		
Payable to provident fund	<u>1,810,792</u>	<u>874,631</u>

14.1 Remuneration to the key management personnel are in accordance with the terms of their employment.

14.2 Contribution to the provident fund is in accordance with the company's staff services rules.

14.3 Other transactions with the related parties are in accordance with the agreed terms.

16. EARNINGS PER SHARE - basic and diluted

	Nine month period ended		Quarter ended	
	September 30,	September 30,	September 30,	September 30,
	2011	2010	2011	2010
	----- Rupees -----		----- Rupees -----	
(Loss) / Profit for the period	<u>21,019,800</u>	<u>(33,381,148)</u>	<u>7,284,735</u>	<u>10,478,850</u>
	Number of Shares		Number of Shares	
Weighted average number of shares of Rs. 10 each	<u>23,694,653</u>	<u>21,083,960</u>	<u>25,000,000</u>	<u>21,083,960</u>
	----- Rupees -----		----- Rupees -----	
(Loss) / Earnings per share	<u>0.89</u>	<u>(1.58)</u>	<u>0.29</u>	<u>0.50</u>

The company has not issued any instrument which would dilute its basic earnings per share when exercised.

Earnings per share for the corresponding period have been adjusted for the effect of subsequent issue of bonus shares.

17. GENERAL

17.1 This condensed interim financial report was authorised for issue in the board of directors meeting held on 31 October

17.2 The figures for the quarter and nine month period ended September 30, 2011 have been rounded off to the nearest rupee.

Chairman

Chief Executive Officer

Director

Chief Financial Officer

Shaheen Insurance Company Limited
Notes to the Condensed Interim Financial Report (Unaudited)
For the nine month period ended September 30, 2011

15. SEGMENT REPORTING

	Fire & Property Damage		Iarine, Aviation & Transpo		Motor		Accident and Health		Miscellaneous		Total	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
----- Rupees -----												
SEGMENT ASSETS												
Segment assets	<u>123,135,843</u>	<u>105,881,617</u>	<u>38,828,292</u>	<u>37,705,973</u>	<u>355,518,166</u>	<u>275,662,910</u>	<u>138,271,812</u>	<u>64,885,134</u>	<u>91,868,079</u>	<u>72,159,457</u>	<u>747,622,191</u>	<u>556,295,091</u>
Unallocated corporate assets											<u>122,709,051</u>	<u>161,410,940</u>
Total assets											<u>870,331,241</u>	<u>717,706,031</u>
SEGMENT LIABILITIES												
Segment liabilities	<u>106,458,120</u>	<u>84,775,419</u>	<u>14,002,083</u>	<u>36,520,338</u>	<u>291,786,636</u>	<u>274,461,957</u>	<u>95,646,957</u>	<u>41,202,187</u>	<u>92,818,799</u>	<u>78,618,478</u>	<u>600,712,595</u>	<u>515,578,379</u>
Unallocated corporate liabilities											<u>2,378,852</u>	<u>5,907,659</u>
Total liabilities											<u>603,091,447</u>	<u>521,486,038</u>
Capital expenditure	<u>2,187,126</u>	<u>2,642,896</u>	<u>1,162,809</u>	<u>627,464</u>	<u>11,266,363</u>	<u>12,338,810</u>	<u>4,485,274</u>	<u>3,091,652</u>	<u>1,283,302</u>	<u>1,155,647</u>	<u>20,384,874</u>	<u>19,856,470</u>
Depreciation / Amortisation	<u>1,003,509</u>	<u>1,109,689</u>	<u>533,527</u>	<u>263,457</u>	<u>5,169,294</u>	<u>5,180,771</u>	<u>2,057,958</u>	<u>1,298,111</u>	<u>588,811</u>	<u>485,228</u>	<u>9,353,099</u>	<u>8,337,257</u>