

CONTENTS

Company Information	02
Offices.....	03
Directors' Report to the Members.....	05
Balance Sheet.....	06
Profit & Loss Account	08
Statement of Changes in Equity.....	09
Statement of Cash Flows	10
Statement of Premiums.....	12
Statement of Claims.....	13
Statement of Expenses.....	14
Statement of Investment Income.....	15
Notes to the Financial Statements.....	16

COMPANY INFORMATION

BOARD OF DIRECTORS

Air Vice Marshal (R) M.Ikramullah Bhatti
Air Commodore (R) Zafar Iqbal Mir
Air Commodore (R) Tanweer Muhammad Sheikh
Shahid Hameed
Imran Hafeez
Aamna Taseer
Shehryar Ali Taseer

CHIEF EXECUTIVE OFFICER

Asif Suleman

CHIEF FINANCIAL OFFICER

Tariq Rafi Khan

COMPANY SECRETARY

Tariq Rafi Khan

AUDITORS

Anjum Asim Shahid Rehman
Chartered Accountants

LEGAL ADVISOR

Shaukat Law Associates

REGISTERED OFFICE

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

HEAD OFFICE

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

SHARE REGISTRAR

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

OFFICES

Head Office

10th Floor, Shaheen Complex
M.R. Kayani Road, Karachi - 74200
Tel. # 32630370-75, 32213950-51, Fax # 32626674
E-mail: sihife@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

Progressive Plaza Branch

Branch Manager - Mr. Aijaz Tufail
705, 7th Floor, Progressive Plaza,
Beaumont Road, Near P.I.D.C
Tel. # (021) 35653041-2, 35658251-2
Fax # (021) 35653043
E-mail: ppb@shaheeninsurance.com

Lahore Corporate

Branch Manager Mr. Shoaib Ansar
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. Mustufa Zafar Dada
Room 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 - M. Akhtar Rao
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

Mirpur Azad Kashmir

Branch Manager - Mr. Sikandar

Shaheen House
House No. 81, Sector F-2,
Mirpur Azad Kashmir
Tel# (05827) 434559
E-mail: mpajk@shaheeninsurance.com

Sargodha

Branch Manager - Mr. Nadeem Awan

66-Civil Lines, First Floor, Khan Arcade
Court Road, Sargodha
Tel.# (048) 3741018
Fax.# (048) 3741208

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
H # 75, Soldier Bazar
Tel. # (022) 2720487
Fax # (022) 2720489
E-mail: hyd@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

DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to announce the results of your Company for the nine months ended on September 30, 2012.

The Results are summarized below:

	All Figures Rs. in '000'			
	September 2012	September 2011	% Age	December 2011
Gross Premium Written	504,037	514,665	(2.07)	644,325
Net Premium Revenue	385,318	351,792	9.53	482,963
Net Claims	235,424	182,336	29.12	247,642
Underwriting Profits	38,513	59,597	(35.38)	83,565
Investment Income	11,604	13,225	(12.26)	11,654
Profit Before Tax	(16,411)	24,537	(166.88)	25,199
Profit After Tax	(17,411)	21,019	(182.83)	19,244
Earning Per Share	(0.58)	0.89	(165.17)	0.79

The Gross Written Premiums of your Company has shown a slight decrease of 2.0% from Rs. 514.665 million in nine months of year 2011 to Rs. 504.037 million in the current period whilst the net premium revenue has increased by 9.53% as compared to the corresponding period. Net claims of your Company have increased by 29.12% as compared to the corresponding period due to law and order situation in the country giving rise to claim incidents especially on motor business for the Company.

Due to higher claim experience your Company's underwriting profitability has decreased to Rs. 38.513 million as compared to Rs. 59.597 million in the corresponding period. Accident and health business underwriting results has shown a loss of Rs. 15.753 million during the period This decrease is mainly due to the fact that a substantial increase in unearned premium reserve of this line of business of Rs. 72.946 million was set aside in accordance with the company's revenue recognition policy of 1/ 24th method. This unearned premium reserve will be recognized in income account for the next periods to come.

Investment Income of your Company has shown a decrease of 12.26% as compared to the corresponding period mainly due to drop in interest rate during the period.

Our progress is the result of constructive contribution made by our dedicated officers and staff members, our field force and of the cooperation and understanding extended towards us by our Reinsurers, Securities and Exchange Commission of Pakistan, the State Bank of Pakistan and above all, by our satisfied clients.

M. Ikramullah Bhatti

M. Ikramullah Bhatti
Air Vice Marshal R.
CHAIRMAN

Dated: 31 October 2012

**Condensed Interim Balance Sheet
As at September 30, 2012**

	September 30, 2012 (Unaudited)	December 31, 2011 (Audited)
Note	----- Rupees -----	
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised share capital 30,000,000 (December 31, 2011: 30,000,000) ordinary shares of Rs. 10 each	<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid-up share capital 30,000,000 (December 31, 2011: 25,000,000) ordinary shares of Rs. 10 each	7 <u>300,000,000</u>	250,000,000
Accumulated loss	<u>(19,067,952)</u>	(4,535,102)
General reserve	<u>20,000,000</u>	20,000,000
Shareholders' equity	300,932,048	265,464,898
UNDERWRITING PROVISIONS		
Provision for outstanding claims (including IBNR)	<u>202,441,868</u>	146,407,523
Provision for unearned premiums	<u>297,656,372</u>	282,506,788
Commission income unearned	<u>11,401,588</u>	12,260,024
Total underwriting provisions	511,499,828	441,174,335
CREDITORS AND ACCRUALS		
Premium received in advance	<u>14,199,220</u>	9,044,804
Amount due to other insurers / reinsurers	<u>86,911,447</u>	46,792,721
Accrued expenses	<u>1,519,609</u>	2,250,243
Agents' balances	<u>40,493,568</u>	35,112,971
Taxation - Provisions less payments	<u>-</u>	402,025
Other creditors and accruals	8 <u>18,597,436</u>	28,162,722
	161,721,280	121,765,486
BORROWINGS		
Liabilities against assets subject to finance lease	<u>3,190,916</u>	3,717,845
OTHER LIABILITIES		
Dividend payable - unclaimed	<u>398,384</u>	398,934
TOTAL LIABILITIES	676,810,408	567,056,600
TOTAL EQUITY AND LIABILITIES	977,742,456	832,521,498
CONTINGENCIES AND COMMITMENTS		
9		

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

**Condensed Interim Balance Sheet
As at September 30, 2012**

		September 30, 2012 (Unaudited)	December 31, 2011 (Audited)
	Note	----- Rupees -----	
CASH AND BANK DEPOSITS			
Cash and other equivalents		172,358	115,874
Current and other accounts		<u>64,324,994</u>	<u>26,207,941</u>
		64,497,352	26,323,815
LOANS - secured, considered good			
To employees		2,752,549	2,774,059
Others - un-secured	10	95,643,105	-
INVESTMENTS	11	55,670,407	51,782,068
INVESTMENT PROPERTIES	12	27,923,287	29,303,165
CURRENT ASSETS - others			
Premiums due but unpaid	13	406,398,220	305,080,051
Amounts due from other insurers / reinsurers		89,912,187	71,538,937
Accrued investment income		4,312,232	30,045
Reinsurance recoveries against outstanding claims		32,663,920	22,719,570
Taxation - payments less provisions		107,252	-
Deferred commission expense		39,750,909	47,749,478
Advances, deposits and prepayments		80,586,534	88,017,883
Sundry receivable		2,215,399	2,891,763
		655,946,653	538,027,727
FIXED ASSETS			
Tangible	14		
Owned			
Furniture, fixtures and office equipment		10,708,501	12,591,694
Motor vehicles		20,674,693	26,546,696
Capital work in progress - office premises		34,750,008	135,789,930
		66,133,202	174,928,320
Intangible			
Computer software		6,163,718	969,712
Capital work in progress - Integrated General Insurance System		-	4,800,000
		6,163,718	5,769,712
Leased			
Motor vehicles		3,012,183	3,612,632
TOTAL ASSETS		<u>977,742,456</u>	<u>832,521,498</u>

M. Gulam - Abbas

Chairman

[Signature]

Director

[Signature]

Director

[Signature]

Chief Executive Officer

Condensed Interim Profit and Loss Account (Unaudited)
For the quarter and nine month period ended September 30, 2012

	Quarter ended September 30,						2011 Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident and Health	Others	2012 Aggregate	
REVENUE ACCOUNT							
Net premium revenue	17,462,830	4,697,788	63,490,759	35,844,718	10,836,965	132,333,059	119,770,465
Net claims	(7,536,580)	(3,896,585)	(30,683,153)	(25,833,908)	2,525,536	(65,424,690)	(58,222,493)
Management expenses	(1,942,664)	(287,197)	(6,780,563)	(4,285,319)	(1,067,880)	(14,363,623)	(23,357,012)
Net commission	(2,940,327)	(1,125,845)	(8,679,677)	(2,483,836)	(1,380,694)	(16,610,379)	(15,359,554)
Net underwriting expenses	(4,882,991)	(1,413,042)	(15,460,240)	(6,769,155)	(2,448,574)	(30,974,002)	(38,716,566)
Underwriting result	5,043,259	(611,839)	17,347,366	3,241,655	10,913,926	35,934,367	22,831,406
Investment income						2,328,476	1,574,477
Rental income						226,182	523,818
Other income						11,837	578,103
General and administrative expenses						(29,246,031)	(17,529,788)
(Loss) / Profit before tax						9,254,831	7,978,016
Provision for taxation - current						(1,000,000)	(693,281)
(Loss) / Profit after tax						8,254,831	7,284,735
(Loss) / Earnings per share - basic and diluted	17					0.29	Restated 0.29

	Nine month period ended September 30,						2011 Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident and Health	Others	2012 Aggregate	
REVENUE ACCOUNT							
Net premium revenue	49,634,293	23,537,815	192,681,698	88,998,232	36,758,807	391,610,845	351,791,722
Net claims	(12,824,803)	(7,903,102)	(115,345,623)	(84,129,338)	(15,221,112)	(235,423,978)	(182,336,641)
Management expenses	(7,635,033)	(3,620,722)	(29,639,408)	(13,690,220)	(5,654,451)	(60,239,834)	(64,526,816)
Net commission	(11,300,746)	(6,505,623)	(26,573,965)	(6,932,402)	(3,120,971)	(54,433,707)	(45,330,674)
Net underwriting expenses	(18,935,779)	(10,126,345)	(56,213,373)	(20,622,622)	(8,775,422)	(114,673,541)	(109,857,490)
Underwriting result	17,873,711	5,508,368	21,122,702	(15,753,728)	12,762,273	41,513,326	59,597,591
Investment income						11,604,419	13,255,412
Rental income						1,273,818	1,571,454
Other income						463,393	2,047,188
General and administrative expenses						(68,387,806)	(51,933,927)
(Loss) / Profit before tax						(13,532,850)	24,537,718
Provision for taxation - current						(1,000,000)	(3,517,917)
(Loss) / Profit after tax						(14,532,850)	21,019,801
Profit and loss appropriation account:							
Balance at commencement of the period						(4,535,102)	(23,780,007)
(Loss) / Profit after tax						(14,532,850)	21,019,800
Balance of accumulated loss at end of the period						(19,067,952)	(2,760,207)
(Loss) / Earnings per share - basic and diluted	17					(0.48)	Restated 0.83

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

M. Gnanam - Pillai

Chairman

[Signature]

Director

[Signature]

Director

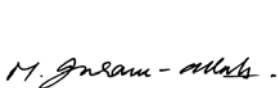
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Chief Executive Officer

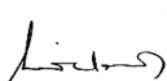
Condensed Interim Statement of Changes in Equity (Unaudited)
For the nine month period ended September 30, 2012

	Paid-up share capital	Revenue reserves		Total
		Accumulated loss	General reserve	
-----Rupees-----				
Balance as at January 01, 2011	200,000,000	(23,780,007)	20,000,000	196,219,993
<i>Changes in equity for the nine month period ended September 30, 2011</i>				
Issue of right shares during the period	50,000,000	-	-	50,000,000
Total comprehensive income for the period	-	21,019,800	-	21,019,800
Balance as at September 30, 2011	<u>250,000,000</u>	<u>(2,760,207)</u>	<u>20,000,000</u>	<u>267,239,793</u>
<i>Changes in equity for the three month period ended December 31, 2011</i>				
Total comprehensive income for the period	-	(1,774,895)	-	(1,774,895)
Balance as at January 01, 2012	<u>250,000,000</u>	<u>(4,535,102)</u>	<u>20,000,000</u>	<u>265,464,898</u>
<i>Changes in equity for the nine month period ended September 30, 2012</i>				
Issue of right shares during the period	50,000,000	-	-	50,000,000
Total comprehensive income for the period	-	(14,532,850)	-	(14,532,850)
Balance as at September 30, 2012	<u><u>300,000,000</u></u>	<u><u>(19,067,952)</u></u>	<u><u>20,000,000</u></u>	<u><u>300,932,048</u></u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



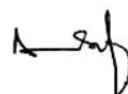
Chairman



Director



Director



Chief Executive Officer

**Condensed Interim Statement of Cash Flow (Unaudited)
For the nine month period ended September 30, 2012**

	September 30, 2012	September 30, 2011
	----- Rupees -----	
OPERATING ACTIVITIES		
<i>a) Underwriting activities</i>		
Premiums received	393,737,209	430,869,745
Reinsurance premium paid	(68,721,813)	(114,526,378)
Claims paid	(238,688,431)	(287,467,725)
Reinsurance and other recoveries received	49,354,448	102,620,495
Commissions paid	(62,954,637)	(60,207,525)
Commissions received	21,900,096	22,839,698
Net cash flows from underwriting activities	<u>94,626,872</u>	<u>94,128,310</u>
<i>b) Other operating activities</i>		
Income tax paid	(1,509,277)	(4,244,036)
General management expenses paid	(114,608,456)	(128,104,353)
Loans refunded	21,510	(1,195,998)
Net cash flows (used in) other operating activities	<u>(116,096,223)</u>	<u>(133,544,387)</u>
Total cash flows (used in) operating activities	(21,469,351)	(39,416,077)
INVESTING ACTIVITIES		
Profit / Return received	7,731,642	17,329,601
Rentals received	1,125,000	1,571,454
Payments for investments	(7,736,252)	(183,483,607)
Proceeds from disposal of investments	10,455,382	148,972,710
Purchase of investment properties	-	(25,321,435)
Fixed capital expenditure	(1,534,641)	(26,551,638)
Proceeds from disposal of fixed assets	522,000	2,580,000
Total cash flows from / (used in) investing activities	10,563,131	(64,902,915)
FINANCING ACTIVITIES		
Amount received against issue of right shares	50,000,000	50,000,000
Financial charges paid	(399,642)	(206,023)
Lease payments	(520,601)	(771,233)
Total cash flows from financing activities	49,079,757	49,022,744
Net cash flows from / (used in) all activities	38,173,537	(55,296,248)
Cash and cash equivalents at beginning of the period	26,323,815	132,726,634
Cash and cash equivalents at end of the period	64,497,352	77,430,386

Condensed Interim Statement of Cash Flow (Unaudited)
For the nine month period ended September 30, 2012

	September 30, 2012	September 30, 2011
	----- Rupees -----	
Reconciliation to profit and loss account		
Operating cash flows	(21,469,351)	(39,416,077)
Depreciation expense	(12,753,595)	(9,353,099)
Gain on disposal of fixed assets	294,668	1,462,637
Amortization of gains on assets under sale and lease back	-	183,018
Taxes paid	1,509,277	4,244,036
Financial charges	(399,642)	(206,023)
Increase in assets other than cash	114,579,394	132,537,599
Increase in liabilities	(111,433,122)	(81,605,410)
Investment and other income	11,604,419	16,691,036
Provision for tax	(1,000,000)	(3,517,917)
(Loss) / Profit after taxation	(19,067,952)	21,019,800

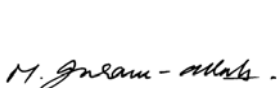
Definition of cash

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.

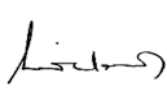
Cash for the purpose of the Statement of Cash Flows consists of:

	September 30, 2012	September 30, 2011
	----- Rupees -----	
Cash and other equivalents		
- Cash in hand	172,358	52,582
- Current and other accounts	64,324,994	77,377,804
	<u>64,497,352</u>	<u>77,430,386</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



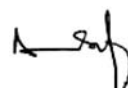
Chairman



Director



Director



Chief Executive Officer

**Condensed Interim Statement of Premium (Unaudited)
For the quarter and nine month period ended September 30, 2012**

Business underwritten inside Pakistan

Class	Quarter ended September 30,									
	2012					2011				
	Premium written a	Unearned premium reserve Opening b	Closing c	*Premium earned d=a+b-c	Reinsurance ceded e	Prepaid reinsurance premium ceded Opening f	Closing g	Reinsurance expense h=e+f-g	Net premium revenue i=d-h	Net premium revenue
Rupees										
Direct and Facultative										
Fire and property damage	21,628,683	78,646,788	70,007,412	30,268,059	8,481,057	30,211,415	25,887,243	12,805,229	17,462,830	14,123,766
Marine, aviation and transport	9,144,447	5,377,088	4,619,644	9,901,891	5,538,839	2,424,308	2,759,044	5,204,103	4,697,788	4,859,691
Motor	48,788,539	139,831,906	123,459,990	65,160,455	1,790,001	3,418,502	3,538,807	1,669,696	63,490,759	63,348,811
Accident and health	32,946,588	75,866,112	72,946,144	35,866,556	-	21,838	-	21,838	35,844,718	29,482,552
Others	10,169,804	36,555,251	26,623,181	20,101,874	3,407,064	23,522,283	17,664,438	9,264,909	10,836,965	7,955,645
Total	122,678,061	336,277,145	297,656,372	161,298,834	19,216,961	59,598,346	49,849,532	28,965,775	132,333,059	119,770,465

Nine month period ended September 30,

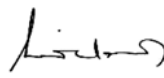
Class	Nine month period ended September 30,									
	2012					2011				
	Premium written a	Unearned premium reserve Opening b	Closing c	*Premium earned d=a+b-c	Reinsurance ceded e	Prepaid reinsurance premium ceded Opening f	Closing g	Reinsurance expense h=e+f-g	Net premium revenue i=d-h	Net premium revenue
Rupees										
Direct and Facultative										
Fire and property damage	98,734,401	57,352,764	70,007,412	86,079,753	35,999,421	26,333,282	25,887,243	36,445,460	49,634,293	37,744,295
Marine, aviation and transport	44,629,735	5,293,162	4,619,644	45,303,253	22,787,341	1,737,141	2,759,044	21,765,438	23,537,815	20,067,169
Motor	201,387,918	119,518,966	123,459,990	197,446,894	5,370,003	2,934,000	3,538,807	4,765,196	192,681,698	194,429,125
Accident and health	117,844,308	44,498,815	72,946,144	89,396,979	-	398,747	-	398,747	88,998,232	77,404,569
Others	41,440,454	55,843,081	26,623,181	70,660,354	26,310,524	25,255,461	17,664,438	33,901,547	36,758,807	22,146,564
Total	504,036,816	282,506,788	297,656,372	488,887,232	90,467,289	56,658,631	49,849,532	97,276,388	391,610,844	351,791,722

* 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 18 form an integral part of this condensed interim financial information.



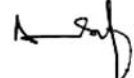
Chairman



Director



Director



Chief Executive Officer

Condensed Interim Statement of Claims (Unaudited) For the quarter and nine month period ended September 30, 2012

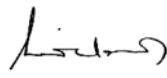
Business underwritten inside Pakistan

Class	Quarter ended September 30,									
	Claims paid		Outstanding claims		Reinsurance and other recoveries		Reinsurance and other recoveries against outstanding claims		2012 Net claims expense	
	a	b	c	d=a+c-b	e	f	g	h=e+g-f	i=d-h	2011 Net claims expense
Direct and Facultative										
Fire and property damage	16,786,559	14,047,898	21,492,862	24,231,523	10,303,625	6,257,437	12,648,755	16,694,943	7,536,580	1,506,977
Marine, aviation and transport	2,547,804	9,306,408	11,866,750	5,108,146	1,284,216	4,860,470	4,787,815	1,211,561	3,896,585	315,250
Motor	24,269,172	120,064,867	136,672,608	40,876,913	6,243,500	-	3,950,260	10,193,760	30,683,153	30,490,409
Accident and health	22,530,108	6,899,320	10,203,120	25,833,908	-	-	-	-	25,833,908	21,706,197
Others	13,631,526	33,569,335	22,206,528	2,268,719	6,346,419	12,829,254	11,277,090	4,794,255	(2,825,536)	4,203,660
Total	79,765,169	183,887,828	202,441,868	98,319,209	24,177,760	23,947,161	32,663,920	32,894,519	65,424,690	58,222,493

Class	Nine month period ended September 30,									
	Claims paid		Outstanding claims		Reinsurance and other recoveries		Reinsurance and other recoveries against outstanding claims		2012 Net claims expense	
	a	b	c	d=a+c-b	e	f	g	h=e+g-f	i=d-h	2011 Net claims expense
Direct and Facultative										
Fire and property damage	23,001,942	14,283,747	21,492,862	30,211,057	14,633,157	9,895,658	12,648,755	17,386,254	12,824,803	2,404,462
Marine, aviation and transport	4,630,637	3,602,935	11,866,750	12,894,452	2,046,382	1,842,847	4,787,815	4,991,350	7,903,102	1,689,613
Motor	114,463,965	107,914,140	136,672,608	143,222,433	23,926,550	-	3,950,260	27,876,810	115,345,623	102,663,090
Accident and health	76,134,669	2,208,451	10,203,120	84,129,338	-	-	-	-	84,129,338	70,640,505
Others	20,457,218	18,398,250	22,206,528	24,265,496	8,748,359	10,981,065	11,277,090	9,044,384	15,221,112	4,938,971
Total	238,688,431	146,407,523	202,441,868	294,722,776	49,354,448	22,719,570	32,663,920	59,298,798	235,423,978	182,336,641



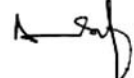
Chairman



Director



Director



Chief Executive Officer

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

Condensed Interim Statement of Expenses (Unaudited)
For the quarter and nine month period ended September 30, 2012

Business underwritten inside Pakistan

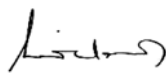
Class	Quarter ended September 30,									
	Commission			Net			* Commission			2011
	paid / payable a	Deferred Opening b	Closing c	commission expense d=a+b-c	Management expenses e	Underwriting expenses f=d+e	from reinsurers g	2012 Net underwriting expense h=f-g		
Direct and Facultative										
Fire and property damage	5,631,970	13,095,362	11,984,622	6,742,710	1,942,664	8,685,374	3,802,383	4,882,991	5,366,769	
Marine, aviation and transport	2,055,429	1,389,682	1,077,407	2,367,704	287,197	2,654,901	1,241,859	1,413,042	2,315,211	
Motor	7,302,410	18,092,860	16,715,593	8,679,677	6,780,563	15,460,240	-	15,460,240	21,342,872	
Accident and health	4,679,434	4,692,811	6,881,611	2,490,634	4,285,319	6,775,953	6,798	6,769,155	8,207,601	
Others	954,381	5,086,930	3,091,676	2,949,635	1,067,880	4,017,515	1,568,941	2,448,574	1,484,113	
Total	20,623,624	42,357,645	39,750,909	23,230,360	14,363,623	37,593,983	6,619,981	30,974,002	38,716,566	

Class	Nine month period ended September 30,									
	Commission			Net			* Commission			2011
	paid / payable a	Deferred Opening b	Closing c	commission expense d=a+b-c	Management expenses e	Underwriting expenses f=d+e	from reinsurers g	2012 Net underwriting expense h=f-g		
Direct and Facultative										
Fire and property damage	16,824,681	17,147,051	11,984,622	21,987,110	7,635,033	29,622,143	10,686,364	18,935,779	14,341,178	
Marine, aviation and transport	11,355,600	1,627,695	1,077,407	11,905,888	3,620,722	15,526,610	5,400,265	10,126,345	9,235,166	
Motor	26,467,760	16,821,798	16,715,593	26,573,965	29,639,408	56,213,373	-	56,213,373	62,398,419	
Accident and health	9,565,246	4,368,638	6,881,611	7,052,273	13,690,220	20,742,493	119,871	20,622,622	20,773,542	
Others	4,121,947	7,784,296	3,091,676	8,814,567	5,654,451	14,469,018	5,693,596	8,775,422	3,109,185	
Total	68,335,234	47,749,478	39,750,909	76,333,803	60,239,834	136,573,637	21,900,096	114,673,541	109,857,490	
Treaty										
Total	68,335,234	47,749,478	39,750,909	76,333,803	60,239,834	136,573,637	21,900,096	114,673,541	109,857,490	

* 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 18 form an integral part of this condensed interim financial information.



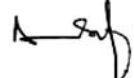
Chairman



Director



Director

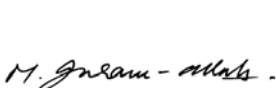


Chief Executive Officer

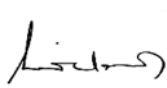
Condensed Interim Statement of Investment Income (Unaudited)
For the quarter and nine month period ended September 30, 2012

	For the quarter ended		For the nine month period ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
-----Rupees-----				
Income from trading investments - net				
Capital loss on sale of held for trading investments	-	(864,705)	-	(7,780,526)
Dividend income	-	349,082	1,028,909	812,497
	-	(515,623)	1,028,909	(6,968,029)
Income from non-trading investments				
<i>Held to maturity</i>				
Return on other fixed income securities and bank deposits	1,165,459	346,623	2,360,456	1,496,984
<i>Available for sale</i>				
Dividend income	698,880	2,897,414	3,085,609	6,780,591
	1,864,339	3,244,037	5,446,065	8,277,575
(Loss) / Gain on sale of non-trading investments (available-for-sale)	(13,989)	171,179	-	447,289
Unrealized (loss) / gain on revaluation of held for trading investments	938,086	(688,901)	6,540,991	4,958,803
Income from reverse repo transactions in listed equity securities	-	-	-	8,179,651
Investment related expenses	(459,960)	(636,215)	(1,411,546)	(1,639,877)
Net investment income	2,328,476	1,574,477	11,604,419	13,255,412

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



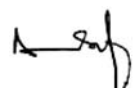
Chairman



Director



Director



Chief Executive Officer

Notes to the Condensed Interim Financial Report (Unaudited)
For the nine month period ended September 30, 2012

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.

Its 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 month period ended September 30, 2012 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.

This condensed interim financial information not include all the disclosure required for annual financial statements and these interim condensed financial report should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2011.

This condensed interim financial information is unaudited but has been reviewed by the external auditors of the Company.

3 BASIS OF PRESENTATION

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

This condensed interim financial information has been prepared and presented in Pakistani 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 information are the same as those applied in the preparation of the financial statements for the year ended December 31, 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 information, 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, 2011.

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, 2011.

7 SHARE CAPITAL AND RESERVES

7.1 Authorised share capital

September 30, 2012	December 31, 2011		September 30, 2012	December 31, 2011
Number of shares			----- Rupees -----	
<u>30,000,000</u>	<u>30,000,000</u>	Ordinary shares of Rs. 10 each	<u>300,000,000</u>	<u>300,000,000</u>

7.2 Issued, subscribed and paid-up capital

September 30, 2012	December 31, 2011		September 30, 2012	December 31, 2011
Number of shares			----- Rupees -----	
		Ordinary shares of Rs. 10 each fully paid in cash		
<u>13,000,000</u>	<u>8,000,000</u>	As at January 01,	<u>130,000,000</u>	<u>80,000,000</u>
<u>5,000,000</u>	<u>5,000,000</u>	Issued during the period	<u>50,000,000</u>	<u>50,000,000</u>
<u>18,000,000</u>	<u>13,000,000</u>		<u>180,000,000</u>	<u>130,000,000</u>
		Ordinary shares of Rs. 10 each issued as fully paid bonus shares		
<u>12,000,000</u>	<u>12,000,000</u>		<u>120,000,000</u>	<u>120,000,000</u>
<u>30,000,000</u>	<u>25,000,000</u>		<u>300,000,000</u>	<u>250,000,000</u>

During the period, Board of Directors of the Company in its meeting held on February 07, 2012 resolved to issue right shares in the ratio of 1 right share for every 5 right share at Rs. 10 per share which has been fully subscribed by the shareholders & underwriters and the Company has issued the shares accordingly.

	September 30, 2012	December 31, 2011
8 OTHER CREDITORS AND ACCRUALS	----- Rupees -----	
Amount payable to policy holders in respect of cancelled policies	-	5,207,024
Federal excise duty payable	12,880,743	18,333,360
Withholding tax payable	1,640,987	1,891,592
Workers welfare fund payable	815,074	815,074
Unearned rental income	182,338	331,158
Provident fund payable	1,228,368	418,976
Others	1,849,926	1,165,538
	<u>18,597,436</u>	<u>28,162,722</u>

9 CONTINGENCIES AND COMMITMENTS

9.1 CONTINGENCIES

The status of contingencies is same as disclosed in the financial statements for the year ended December 31, 2011.

		September 30, 2012	December 31, 2011
		----- Rupees -----	
9.2 COMMITMENTS			
Capital work in progress - intangible		-	<u>1,700,000</u>
10 OTHERS			
Placements - un-secured	10.1	<u>95,643,105</u>	<u>-</u>
10.1	Last year, the Company carried out reverse repo transactions, with First Capital Equities Limited against shares of Media Times Limited (related party). However, upon maturity, the transaction was settled through acquisition of property under construction, which was classified under 'capital work in progress' at year end. During the period the Company has reversed the settlement and now the amount has been shown under 'others - placement' in the normal manner.		
11 INVESTMENTS		September 30, 2012	December 31, 2011
11.1 Type of investments		----- Rupees -----	
Held-to-maturity			
Certificate of Investments		677,307	644,068
Term Finance Certificates	11.1.1	<u>545,000</u>	<u>545,000</u>
		<u>1,222,307</u>	1,189,068
At fair value through profit or loss		<u>19,299,763</u>	11,530,272
Available-for-sale			
Mutual Funds			
Open-end funds		<u>35,148,337</u>	<u>39,062,728</u>
		<u>55,670,407</u>	<u>51,782,068</u>

11.1.1 As at September 30, 2012, the market value of Term Finance Certificate (TFC) was Rs. 0.520 million (December 31, 2011: Rs. 0.409 million) based on the rates quoted by Mutual Fund Association of Pakistan under SECP Circular 1 dated January 6, 2009.

11.2 Market value of quoted available for sale securities is Rs. 35.618 million (December 31, 2011: Rs. 40 million).

11.3 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. 0.470 million (2011: Rs. 0.938 million) and the net equity would have increased by the same amount.

12 INVESTMENT PROPERTIES - at cost less accumulated depreciation

12.1 Shop and Office Premises (leasehold properties) have been valued under the market value basis by Masud Associates (Private) Limited and M.J. Surveyors (Private) Limited. Market value of shop and office premises based on the valuations as of March 01, 2012, May 25, 2012 and February 02, 2012 amounted to Rs. 55.3 million, Rs. 25.9 million and Rs. 13 million (2010: February 21, 2011 and February 14, 2011 amounted to Rs. 55 million and Rs. 12.53 million) respectively.

	September 30, 2012	December 31, 2011
	----- Rupees -----	
13 PREMIUMS DUE BUT UNPAID - unsecured		
Considered good	406,398,220	305,080,051
Considered doubtful	<u>13,742,644</u>	<u>13,742,644</u>
	420,140,864	318,822,695
Provision against doubtful debts	<u>(13,742,644)</u>	<u>(13,742,644)</u>
	<u>406,398,220</u>	<u>305,080,051</u>

14 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 are as follows:

	September 30, 2012		September 30, 2011	
	Additions	Disposals	Additions	Disposals
	----- Rupees -----		----- Rupees -----	
Furniture, fixtures and office equipment	1,246,141	345,000	3,159,927	69,000
Motor vehicles	288,500	849,500	16,150,893	3,042,130
Computer Software	-	-	1,074,054	-
	<u>1,534,641</u>	<u>1,194,500</u>	<u>20,384,874</u>	<u>3,111,130</u>

15 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:

<i>Transactions and balances with associated companies</i>	Nine month period ended		Quarter ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
	----- Rupees -----		----- Rupees -----	
Insurance premium				
Balance at beginning of the period	215,612,173	136,592,081	259,143,509	162,526,630
Gross insurance premium written (including administrative surcharge, government levies and policies stamps)	113,353,746	127,457,825	19,362,800	2,675,484
Received / Adjusted during the period	<u>(86,841,416)</u>	<u>(125,746,264)</u>	<u>(36,381,806)</u>	<u>(26,898,472)</u>
Balance at end of the period	<u>242,124,503</u>	<u>138,303,642</u>	<u>242,124,503</u>	<u>138,303,642</u>
Insurance claim expense				
Outstanding claims at beginning of the period	16,297,522	16,799,137	19,588,951	19,383,851
Gross claim expense for the period	48,235,488	52,888,709	24,667,928	13,074,006
Claim paid during the period	<u>(49,931,689)</u>	<u>(62,847,017)</u>	<u>(29,655,558)</u>	<u>(25,617,028)</u>
Outstanding claims at end of the period	<u>14,601,321</u>	<u>6,840,829</u>	<u>14,601,321</u>	<u>6,840,829</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>3,631,974</u>	<u>3,013,661</u>	<u>1,158,480</u>	<u>1,036,800</u>
Brokerage, commission and advisory expenses	<u>4,312,232</u>	<u>832,721</u>	<u>4,244,982</u>	<u>151,946</u>

Other balances with associated companies

	September 30, 2012	December 31, 2011
	----- Rupees -----	
Sundry receivables	-	2,413,692
Premium received in advance	1,211,229	917,676
Advisory fee payable	-	-
Prepaid rent	18,313,672	21,690,272
Advance for the purchase of office premises (capital work in progress)	34,750,008	135,789,930
Security deposit	4,923,000	4,147,200

<i>Transactions for the period with other related parties</i>	Nine month period ended		Quarter ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
	----- Rupees -----		----- Rupees -----	
Contribution to the provident fund	2,130,178	2,329,931	580,424	776,644
Remuneration of key management personnel	10,185,150	12,340,926	3,395,050	4,113,642
Payable to provident fund			1,228,368	418,976

15.1 Insurance and claim related transactions with related parties are carried in normal course of business.

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

15.3 Contribution to the provident fund is in accordance with the Company's staff services rules.

15.4 Other transactions are at agreed terms.

16 SEGMENT REPORTING

	Fire & Property Damage		Marine, Aviation & Transport		Motor		Accident and Health		Miscellaneous		Total	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
	----- Rupees -----											
SEGMENT ASSETS												
Segment assets	148,057,892	122,755,402	54,878,864	43,326,201	402,847,046	349,107,212	181,773,691	141,984,410	104,268,619	87,140,967	891,826, III	744,314,192
Unallocated corporate assets											85,916,345	88,207,306
Total assets											977,742,456	832,521,498
SEGMENT LIABILITIES												
Segment liabilities	118,943,271	92,425,223	26,527,170	16,464,680	336,890,505	289,667,800	118,602,920	72,752,211	66,540,550	86,605,545	667,504,415	557,915,459
Unallocated corporate liabilities											9,305,993	9,141,141
Total liabilities											676,810,408	567,056,600
Capital expenditure	1,069,601	3,481,793	507,231	1,912,971	4,152,220	1,528,438	1,917,879	6,917,079	792,139	2,164,106	8,439,071	31,004,386
Depreciation / Amortisation	1,616,441	1,334,555	766,536	733,233	6,275,067	6,335,275	2,898,406	2,651,284	1,197,125	829,492	12,753,595	11,883,839

17 (LOSS) / EARNINGS PER SHARE - basic and diluted

	Nine month period ended		Quarter ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
	----- Rupees -----		----- Rupees -----	
(Loss) / Profit for the period	<u>(14,532,850)</u>	<u>21,019,801</u>	<u>8,254,831</u>	<u>7,284,735</u>
	Number of Shares		Number of Shares	
	Restated		Restated	
Weighted average number of ordinary shares of Rs. 10 each	<u>30,000,000</u>	<u>25,337,995</u>	<u>28,445,998</u>	<u>25,337,995</u>
	----- Rupees -----		----- Rupees -----	
(Loss) / Earnings per share	<u>(0.48)</u>	<u>0.83</u>	<u>0.29</u>	<u>0.29</u>

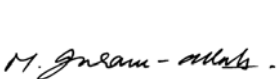
17.1 The Company has not issued any instrument which would dilute its basic earnings per share when exercised.

17.2 Weighted average number of ordinary shares and earning per share for the period ended to September 30, 2011 have been restated due to issuance of 5 million right shares during the period.

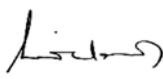
18 GENERAL

18.1 This condensed interim financial information was authorised for issue by the board of directors on October 31, 2012.

18.2 The figures have been rounded off to the nearest rupee.



Chairman



Director



Director



Chief Executive Officer