

HALF YEARLY REPORT 2016



A Sign of protection

Shaheen Insurance

A Project of Shaheen Foundation
(Pakistan Air Force)

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COMPANY INFORMATION

BOARD OF DIRECTORS

Air Marshal Muhammad Jamshed Khan (Retd.)
Air Vice Marshal Syed Rizi ul Hassan Nawab (Retd.)
Air Commodore Zafar Yasin (Retd.)
Air Commodore Mahmood Ahmad (Retd.)
Group Captain Ehsan-ur-Rauf Sheikh (Retd.)
Mr. Aamir Shahzad Mughal

AUDIT COMMITTEE

Air Vice Marshal Syed Rizi ul Hassan Nawab (Retd.) - Chairman
Air Commodore Mahmood Ahmad (Retd.) - Member
Mr. Aamir Shahzad Mughal – Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Air Vice Marshal Syed Rizi ul Hassan Nawab (Retd.) –Chairman
Air Commodore Mahmood Ahmad (Retd.) - Member
Mr. Sohel N. Kidwai (CEO) – Member

INVESTMENT COMMITTEE

Air Marshal Muhammad Jamsheed Khan (Retd.) - Chairman
Air Vice Marshal Syed Rizi ul Hassan Nawab (Retd.) - Member
Air Commodore Mahmood Ahmad (Retd.) - Member
Mr. Aamir Shahzad Mughal - Member
Mr. Sohel N. Kidwai (CEO) - In attendance
Mr. Nisar Ahmed Almani

CHIEF EXECUTIVE OFFICER

Mr. Sohel N. Kidwai

CFO & COMPANY SECRETARY

Mr. Nisar Ahmed Almani

COMPANY INFORMATION

HEAD OF OPERATIONS

Mr. Zia Mehdi

COUNTRY HEAD BUSINESS

Mr. Naveed Y. Butt

LEGAL ADVISOR

Surridge & Beecheno

AUDITORS

Riaz Ahmed & Company
Chartered Accountants

COORDINATOR INTERNAL CONTROLS

Mr. Mahmood A. Mirza

ADMIN & HR

Khalid Bin Wasi

REGISTERED OFFICE

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

HEAD OFFICE

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

SHARE REGISTRAR

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

OFFICES

Head Office
10th Floor, Shaheen Complex
M. R. Kayani Road, Karachi-74200
Tel # 32630370-75, 322139850-51 Fax # 32626674
E-mail: sihifc@cyber.net.pk
URL: www.shaheeninsurance.com
UAN: (021) 111-765-111

Karachi

Branch Manager.Mr M. Iftikhar Alam
10th Floor, Shaheen Complex
M.R Kayani Road, Karachi -74200
Tel # 32630370-75,32213950-51, Fax # 32626674
E-mail :Iftikhar.alam@shaheeninsurance.com
Direct # 32272595

Hyderabad

Acting Branch Manager - Syed Shakir Ali
Upper 2nd Floor
House # 75, Soldier Bazar, Hyderabad
Tel # (022) 2720487
Fax # (022) 2720489
E-mail: hyd@shaheeninsurance.com
UAN: (021-111-765-111)

Lahore Zonal Office

Country Head Business Mr.Naveed Y. 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

Lahore Corporate

Branch Manager / GM Mr. Sohaib Ansar Khan
Office # 6, 6th Floor, Shaheen Complex,
Opp. PTV Station 38, Abbott Road,
Lahore.
Tel # 042-36370384, 36370741, 36370742
Fax # 042-36370385
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Islamabad

Acting Branch Manager – Mohammad Bilal Khan
Office # 6, 1st Floor VIP Plaza,
I-8 Markaz Islamabad
Tel: 051-4938283
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Email: isb@shaheeninsurance.com

Faisalabad

Branch Manager/ AGM Mr. Mohsin Khan
Office No2, 4th Floor, Ahmed Plaza,
Bilal Road, Civil Lines, Faisalabad
Tel. # (041) 2614112, 2621370, 2634658
Fax # (041) 2613514
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Multan

GM Marketing – Mr.Naeem Baig
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Nawa Sher Chowk, Multan
[Tel:- 061-4008171](tel:061-4008171)
E-mail: naeem.baig@shaheeninsurance.com

Peshawar

Branch Manager – Mr. Amir Shahzad
Upper Basement, State Life Building
34 – The Mall, Peshawar Cantt.
Tel # (091) 5273122 Fax # (091) 5273106
E-mail: psw@shaheeninsurance.com

Sialkot

Zonal Manager – Mr. Faisal Jamil
Office # 210 Karim Plaza Defence Road,
Near Allama Iqbal Town, Sialkot
Tel # (052) 3250982, 3550131
Fax # (052) 3257412
E-mail: sil@shaheeninsurance.com

Gujranwala

Zonal Manager – Mr.Faisal Jamil
Office # 12-B 5th Floor Bhutta Center
Gujranwala.
Tel # 055-4294269 - 4274269
Email: faisal.jamil@shaheeninsurance.com

Abbotabad

Branch Manager – Mr.Ejaz Raffique
Office # 9 1st Floor Silk Plaza Supply Manshara
Road Abbotabad. Mobile # 0301-8177155

DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to present the unaudited accounts of the company for the half year ended June 30, 2016.

The results are summarized below;

	Rupees in million	
	June	June
	2016	2015
Gross Premium Written	170.28	133.99
Net Premium Revenue	130.97	106.20
Underwriting Results	33.97	27.19
Investment Income	9.09	6.03
Profit before tax	14.35	5.91
Profit after tax	13.04	4.84
Earnings Per Share	0.29	0.11

Our company demonstrated a significant growth during the first half of 2016 compared with the same period of 2015. Profit after tax of the company increased by **169% to Rs 13.05 Million** during the six months ended June 30, 2016 against Rs 4.84 Million during the corresponding period of 2015. Underwriting profits of the company also increased manifold from Rs 27.19 Million in 2015 to Rs 33.97 Million in 2016 (**an increase of 25%**). Gross premium written during the first half of 2016 also **increased by 27.02% to Rs 170.29 Million** compared to Rs 133.99 Million during the first half of 2015.

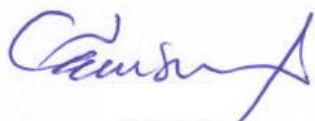
Investment income of company also depicted healthy growth of 51% mainly due to better dividend yield on investments of the company.

Major operational indicators of the company continue to look promising, and it is expected that the performance / profitability trend will continue during remaining months of the financial year.

Despite constraints, our company would continue to pursue growth, and performance will improve in times to come.

Directors would like to place on record, their appreciation to the field force, officers and staff of the Company for their commitment and contributions and urge to maintain the tempo for further growth.

Directors would also like to thank the Securities and Exchange Commission of Pakistan, Pakistan Re-insurance Company Limited and all our re-insurers for their continued guidance and support.



Air Marshal Muhammad Jamshed Khan (Retd.)
Chairman

August 30, 2016

شاپن انشورنس

ڈائریکٹرز کی رپورٹ برائے ممبران!

ڈائریکٹرز مسرت کے ساتھ 30 جون 2016 کو اختتام پذیر ششماہی کی غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔

نتائج کا خلاصہ درج ذیل ہے۔

روپے ملین میں		
جون 2015	جون 2016	
133.99	170.28	تحریر کردہ مجموعی پریمیم
106.20	130.97	پریمیم کی صافی آمدنی
27.19	33.97	ذمہ نویسی کے نتائج
6.03	9.09	سرمایہ کاری کی آمدنی
5.91	14.35	ٹیکس سے قبل نفع
4.84	13.04	ٹیکس کے بعد نفع
0.11	0.29	آمدنی فی شیئر

2015 کی پہلی ششماہی سے موازنہ کیا جائے تو ہماری کمپنی نے موجودہ سال اس عرصے میں اہم نمو کا مظاہرہ کیا۔ 30 جون 2016 کو اختتام پذیر ششماہی میں کمپنی کے ٹیکس کے بعد نفع میں 169 فیصد اضافہ ہو کر 13.05 ملین روپے تک جا پہنچا جبکہ 2015 کے اسی عرصے کے دوران یہ رقم 4.84 ملین روپے تھی۔ کمپنی کے تحریر کردہ نفع میں کئی گنا اضافہ دیکھنے میں آیا جو 2015 میں 27.19 ملین روپے تھا جبکہ 2016 میں 33.97 ملین روپے ہو گیا (25 فیصد اضافہ)۔ 2016 کی پہلی ششماہی میں تحریر کردہ مجموعی پریمیم بھی 27.02 فیصد اضافے کے بعد 170.29 ملین روپے جا پہنچا جبکہ 2015 کی پہلی ششماہی میں یہ رقم 133.99 ملین روپے تھی۔

کمپنی کی سرمایہ کاری کی آمدنی میں بھی 51 فیصد کی صحت مند نمو ہوئی جس کی بنیادی وجہ کمپنی کی سرمایہ کاری پر بہتر ڈیویڈنڈ کا حصول ہے۔

کمپنی کے اکثریتی عملکاری اشارے امید افزا ہیں اور امید ہے کہ کارکردگی / منافع کے یہ رجحانات معاشی سال کے باقی مہینوں میں بھی جاری رہیں گے۔

آپ کی کمپنی مشکلات کے باوجود ترقی کی جدوجہد جاری رکھے گی اور آنے والے وقت میں کارکردگی میں مزید بہتری آئے گی۔

آپ کے ڈائریکٹرز فیلڈ میں موجود عملے، افسران اور کمپنی کے عملے کی انتھک جدوجہد کو تسلیم کرتے ہوئے انہیں خراج تحسین پیش کرتے ہیں اور تاکید کرتے ہیں کہ نمو کا سفر جاری رہے گا۔

اسی طرح آپ کے ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور ہمارے تمام ری انشوررز کے شکر گزار ہیں جو مسلسل کمپنی کی رہنمائی و معاونت میں مصروف عمل ہیں۔

ایز مارشل محمد جمشید خان (ریٹائرڈ)

چیئرمین

30 اگست 2016

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying:

- I. condensed interim balance sheet;
- II. condensed interim profit and loss account;
- III. condensed interim statement of comprehensive income;
- IV. condensed interim statement of changes in equity;
- V. condensed interim statement of cash flows;
- VI. condensed interim statement of premiums;
- VII. condensed interim statement of claims;
- VIII. condensed interim statement of expenses; and
- IX. condensed interim statement of investment income;

of SHAHEEN INSURANCE COMPANY LIMITED ("the Company") together with notes forming part thereof for the six-months period then ended 30 June 2016 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Pursuant to a settlement agreement dated 29 November 2012 with First Capital Equities Limited and FCSC Group and Pace (Pakistan) Limited (previously, the related parties) {Note 10.5}, the Company acquired 4.7 million ordinary shares of First Capital Equities Limited (FCEL) at an agreed price of Rupees 40 per ordinary share which are carried in the balance sheet as 'available-for-sale investment' at Rupees 188 million. We noted that the quoted market value (Rupees 27.75 per share as at 30 June 2016) of this available for sale investment remained lower than the carrying amount (Rupees 40 per share) for last two and half year which indicates a prolonged decline in market value. However, the management of the Company has not made provision for impairment amounting to Rupees 57.575 million against this investment. Had this provision been made, profit for the period and investments would have been lower by the same amount.

We further noted that the quoted market price of Rupees 27.75 per ordinary share of FCEL as at the reporting date may not appear to have been derived by an active trade pattern (almost no transaction during the period), as its free float is not significant and equity of FCEL has almost been fully eroded due to continuous losses. The management could not so far dispose of this investment due to non-availability of active willing buyer. These factors indicate that the investment may be further impaired.

Qualified Conclusion

Based on our review, except for the effects of matter mentioned in the basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the six-month period ended 30 June 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We also draw attention to note 13.2 which states that the Company made an advance amounting to Rupees 34.750 million against property located at D-1, 1st Floor 27H, Gulberg II, Lahore measuring 3,475 Square Feet during the years 2007 to 2009 which is under development and its title and possession will be transferred to the Company upon completion which is expected during the year.

Our conclusion is not further qualified in respect of this matter.

Other Matter

The figures of the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income for the quarters ended 30 June 2016 and 30 June 2015 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the six-month period ended 30 June 2016.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
MUHAMMAD HAMID JAN

Date: August 30, 2016

KARACHI

SHAHEEN INSURANCE COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 30 JUNE 2016

	Note	30 June 2016	31 December 2015
		-----Rupees-----	
		Un-audited	Audited
SHARE CAPITAL AND RESERVES			
Authorized share capital			
60,000,000 (31 December 2015: 60,000,000) ordinary shares of Rupees 10 each	6.1	600,000,000	600,000,000
Issued, subscribed and paid-up share capital	6.2	450,000,000	450,000,000
General reserve		20,000,000	20,000,000
Accumulated loss		(90,685,199)	(103,731,911)
Shareholders' equity		379,314,801	366,268,089
Underwriting provisions			
Provision for outstanding claims (including IBNR)		166,891,511	164,713,923
Provision for unearned premium		157,913,410	145,921,759
Premium deficiency reserve		1,000,000	1,000,000
Commission income unearned		669,688	1,128,257
Total underwriting provisions		326,474,609	312,763,939
Creditors and Accruals			
Premium received in advance		663,794	279,627
Amounts due to other insurers / reinsurers		28,168,241	31,500,364
Accrued expenses		10,199,854	9,540,166
Agent balances		25,928,725	18,130,920
Current portion of liabilities against assets subject to finance lease		882,977	1,147,106
Other creditors and accruals	7	43,082,452	39,258,509
		108,926,043	99,856,692
Borrowings			
Liabilities against assets subject to finance lease		684,460	1,616,512
Other liabilities			
Unclaimed dividend		398,934	398,934
TOTAL LIABILITIES		436,484,046	414,636,077
TOTAL EQUITY AND LIABILITIES		815,798,847	780,904,166

CONTINGENCIES AND COMMITMENTS

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

SHAHEEN INSURANCE COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 30 JUNE 2016

	Note	30 June 2016	31 December 2015
		-----Rupees-----	
		Un-audited	Audited
Cash and bank deposits	9		
Cash and other equivalents		2,806,238	2,660,953
Current and saving accounts		16,136,663	21,762,061
Deposits maturing within 12 months		150,850,000	150,000,000
		169,792,901	174,423,014
Loans - secured			
To employees		3,000	3,000
Investments	10	281,230,776	280,449,544
Investment properties	11	21,445,323	22,365,241
Current Assets-Others			
Premiums due but unpaid - net	12	135,494,380	87,575,473
Amounts due from other insurers / reinsurers		32,984,019	35,893,450
Accrued investment income		2,533,661	2,669,387
Reinsurance recoveries against outstanding claims		35,435,149	41,681,383
Taxation - provisions less payments		22,258,379	21,962,868
Deferred commission expense		27,704,416	22,114,864
Advances, deposits and prepayments		35,145,797	37,392,350
Other receivables		5,249,042	5,716,567
		296,804,843	255,006,342
Fixed assets - Tangible and intangible			
Owned			
Furniture, fixtures and office equipment		5,549,882	5,505,369
Motor vehicles		1,397,848	774,873
Capital work in progress - tangible	13.2	34,750,008	34,750,008
		41,697,738	41,030,250
Leased			
Motor vehicles		4,824,266	7,626,775
TOTAL ASSETS		815,798,847	780,904,166



SHAHEEN INSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

Note	Quarter ended 30 June, 2016						2015 Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Others	2016 Aggregate	
	Rupees						
Revenue Account							
Net premium revenue	4,616,145	1,763,520	51,106,100	2,361,257	7,431,499	67,278,521	53,114,491
Net claims	(491,397)	(2,100,001)	(15,268,366)	(829,330)	(372,045)	(19,061,139)	(13,156,929)
Management expenses	(1,634,774)	(445,003)	(7,615,040)	(337,485)	(1,695,823)	(11,728,125)	(11,131,789)
Net commission	(2,109,389)	(689,438)	(7,054,061)	(27,234)	(2,639,834)	(12,519,956)	(8,718,752)
Underwriting results	380,585	(1,470,922)	21,168,633	1,167,208	2,723,797	23,969,301	20,107,021
Investment income						5,945,383	2,454,051
Rental income						762,582	476,260
Other income						9,687,462	490,788
General and administration expenses						(28,198,106)	(19,157,730)
Provision for Workers' Welfare Fund						(292,988)	(120,685)
Profit for the period before taxation						11,873,634	4,249,705
Provision for taxation							
-Current						(672,785)	(541,030)
-Prior						-	-
Profit after tax						11,200,849	3,708,675
Earnings per share-basic and diluted	17					0.25	0.08

Note	Six months period ended 30 June						2015 Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Others	2016 Aggregate	
	Rupees						
Revenue Account							
Net premium revenue	9,434,269	2,720,610	102,247,009	4,197,219	12,372,233	130,971,340	106,205,018
Net claims	(521,772)	(2,584,974)	(39,286,166)	(6,353,384)	(651,744)	(49,398,040)	(38,839,516)
Management expenses	(3,268,444)	(851,639)	(16,204,738)	(639,484)	(3,153,527)	(24,117,832)	(22,039,799)
Net commission	(4,756,147)	(1,323,584)	(13,665,633)	(71,171)	(3,665,495)	(23,482,030)	(18,133,830)
Underwriting results	887,906	(2,039,587)	33,090,472	(2,866,820)	4,901,467	33,973,438	27,191,873
Investment income						9,094,021	6,037,915
Rental income						1,525,155	1,077,520
Other income						9,890,221	3,079,424
General and administration expenses						(39,833,422)	(31,352,490)
Provision for Workers' Welfare Fund						(292,988)	(120,685)
Profit for the period before taxation						14,356,425	5,913,557
Provision for taxation							
-Current						(1,309,713)	(1,071,935)
-Prior						-	-
Profit after tax						13,046,712	4,841,622

Accumulated loss account

Balance of accumulated loss at commencement of the period		(103,731,911)	(129,916,865)
Profit for the six months period		13,046,712	4,841,622
Balance of accumulated loss at end of the period		(90,685,199)	(125,075,243)
Earnings per share-basic and diluted	17	0.29	0.11

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

Air Marshal Muhammad Jamshed
khan (Retd.) - Chairman

Air Vice Marshal Syed Razi Ul
Hassan Nawab (Retd.) - Director

Mr. Aamir Shahzad Mughal
Director

Mr. Sohail N. Kidwai
Chief Executive Officer



SHAHEEN INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

	Three months period ended		Six months period ended	
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	----- Rupees -----			
Profit for the period	11,200,849	3,708,675	13,046,712	4,841,622
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>11,200,849</u>	<u>3,708,675</u>	<u>13,046,712</u>	<u>4,841,622</u>

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

Air Marshal Muhammad Jamshed
khan (Retd.) - Chairman

Air Vice Marshal Syed Razi Ul
Hassan Nawab (Retd.) - Director

Mr. Aamir Shahzad Mughal
Director

Mr. Sohel N. Kidwai
Chief Executive Officer



SHAHEEN INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

	30 June 2016	30 June 2015
	----- Rupees -----	
OPERATING ACTIVITIES		
a) Underwriting activities		
Premiums received	143,063,534	141,679,771
Reinsurance premiums paid	(26,705,993)	(25,189,008)
Claims paid	(60,627,302)	(86,827,890)
Reinsurance and other recoveries received	19,653,084	20,061,240
Commissions paid	(29,790,098)	(17,440,438)
Commissions received	259,947	362,485
Net cash flows from underwriting activities	45,853,172	32,646,160
b) Other operating activities		
Income tax paid	(1,898,212)	(1,033,156)
Management and administration expenses paid	(54,326,100)	(43,079,000)
Loans advanced - net	-	(4,680)
Net cash used in other operating activities	(56,224,312)	(44,116,836)
Total cash used in all operating activities	(10,371,140)	(11,470,676)
INVESTING ACTIVITIES		
Profit / Return received	9,229,747	5,238,000
Rentals received	1,050,000	625,000
Payments for investments	(1,861,608)	(43,361,037)
Fixed capital expenditure	(3,258,582)	(369,750)
Proceeds from disposal of fixed assets	1,700,000	2,882,000
Total cash flow from / (used in) all investing activities	6,859,557	(34,985,787)
FINANCING ACTIVITIES		
Financial charges paid	(185,726)	(190,824)
Payments of finance lease liability	(932,052)	(803,647)
Total cash used in all financing activities	(1,117,778)	(994,471)
Net cash used in all activities	(4,629,361)	(47,450,934)
Exchange loss on cash and cash equivalents	(752)	5,706
Cash and cash equivalents at the beginning of year	174,423,014	230,399,166
Cash and cash equivalents at end of the period	169,792,901	182,953,938

Reconciliation to profit and loss account

Operating cash flows	(10,371,140)	(11,470,676)
Exchange loss on cash and cash equivalents	(752)	5,706
Depreciation on fixed assets	(3,313,228)	(3,213,678)
Depreciation on investment property	(919,918)	(919,919)
Loss / gain on disposal of fixed assets	(380,375)	1,998,346
Taxes paid	1,898,212	1,033,156
Financial charges	(185,726)	(190,824)
Increase / (decrease) in assets other than cash	38,713,495	(19,413,570)
(Increase) / decrease in liabilities	(21,847,968)	30,009,188
Investment and other income	11,056,813	8,196,513
Provision for Workers' Welfare Fund	(292,988)	(120,685)
Provision for tax	(1,309,713)	(1,071,935)
Profit after taxation	13,046,712	4,841,622

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	44,799	43,462
- Policy stamps in hand	2,761,439	2,046,537
	<u>2,806,238</u>	<u>2,089,999</u>

Current and saving accounts

- Current accounts	956,193	4,567,431
- Savings accounts	15,180,470	26,296,508
	<u>16,136,663</u>	<u>30,863,939</u>

Deposits maturing within 12 months

Term Deposit- local currency	150,850,000	150,000,000
	<u>169,792,901</u>	<u>182,953,938</u>

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

Air Marshal Muhammad Jamshed
khan (Retd.) - Chairman

Air Vice Marshal Syed Razi Ul
Hassan Nawab (Retd.) - Director

Mr. Aamir Shahzad Mughal
Director

Mr. Sohail N. Kidwai
Chief Executive Officer



SHAHEEN INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

	Revenue reserves			
	Paid-up share capital	General reserve	Accumulated loss	Total
	Rupees			
Balance as at 31 December 2014	450,000,000	20,000,000	(129,916,865)	340,083,135
Total comprehensive income for the six months period ended 30 June 2015				
Profit for the six months period ended 30 June 2015	-	-	4,841,622	4,841,622
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	4,841,622	4,841,622
Balance as at 30 June 2015	450,000,000	20,000,000	(125,075,243)	344,924,757
Total comprehensive income for the six months period ended 31 December 2015				
Profit for the six months period ended 31 December 2015	-	-	21,343,332	21,343,332
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	21,343,332	21,343,332
Balance as at 31 December 2015	450,000,000	20,000,000	(103,731,911)	366,268,089
Total comprehensive income for the six months period ended 30 June 2016				
Profit for the six months period ended 30 June 2016	-	-	13,046,712	13,046,712
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	13,046,712	13,046,712
Balance as at 30 June 2016	450,000,000	20,000,000	(90,685,199)	379,314,801

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

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khan (Retd.) - Chairman

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Hassan Nawab (Retd.) - Director

Mr. Aamir Shahzad Mughal
Director

Mr. Sohail N. Kidwai
Chief Executive Officer



SHAHEEN INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

Business underwritten inside Pakistan

Class	Three months period ended 30 June 2016									
	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2016 Net premium revenue i=d-h	2015 Net premium revenue
		Opening	Closing			Opening	Closing			
	a	b	c	d=a+b-c	e	f	g	h=e+f-g		
	----- Rupees -----									
Direct and facultative										
Fire and property damage	23,301,018	18,577,909	30,441,017	11,437,910	11,412,491	10,166,331	14,757,057	6,821,765	4,616,145	7,344,366
Marine, aviation and transport	3,774,125	1,716,479	2,377,084	3,113,520	1,350,000	675,000	675,000	1,350,000	1,763,520	992,831
Motor	57,981,379	87,613,832	92,315,602	53,279,609	2,375,000	4,348,069	4,549,560	2,173,509	51,106,100	39,134,438
Accident and health	2,141,807	5,169,889	4,950,439	2,361,257	-	-	-	-	2,361,257	2,852,362
Others	13,341,982	26,352,331	27,829,267	11,865,046	2,742,352	8,519,419	6,828,224	4,433,547	7,431,499	2,790,494
Total	100,540,311	139,430,440	157,913,409	82,057,342	17,879,843	23,708,819	26,809,841	14,778,821	67,278,521	53,114,491
Treaty - proportional & non proportioal	-	-	-	-	-	-	-	-	-	-
Grand total	100,540,311	139,430,440	157,913,409	82,057,342	17,879,843	23,708,819	26,809,841	14,778,821	67,278,521	53,114,491

Business underwritten inside Pakistan

Class	Six months period ended 30 June 2016									
	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2016 Net premium revenue	2015 Net premium revenue
		Opening	Closing			Opening	Closing			
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	31,089,715	20,803,573	30,441,017	21,452,271	13,476,463	13,298,596	14,757,057	12,018,002	9,434,269	12,589,093
Marine, aviation and transport	7,034,496	932,280	2,377,084	5,589,692	2,700,000	844,082	675,000	2,869,082	2,720,610	1,381,564
Motor	93,380,656	105,293,942	92,315,602	106,358,996	4,762,389	3,899,158	4,549,560	4,111,987	102,247,009	76,663,288
Accident and health	7,683,669	1,463,989	4,950,439	4,197,219	-	-	-	-	4,197,219	8,386,045
Others	31,099,308	17,427,975	27,829,267	20,698,016	5,344,449	9,809,558	6,828,224	8,325,783	12,372,233	7,185,028
Total	170,287,844	145,921,759	157,913,409	158,296,194	26,283,301	27,851,394	26,809,841	27,324,854	130,971,340	106,205,018
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-	-
Grand total	170,287,844	145,921,759	157,913,409	158,296,194	26,283,301	27,851,394	26,809,841	27,324,854	130,971,340	106,205,018

Note: The Company does not underwrite business outside Pakistan.

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

Air Marshal Muhammad Jamshed
khan (Retd.) - Chairman

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Hassan Nawab (Retd.) - Director

Mr. Aamir Shahzad Mughal
Director

Mr. Sohail N. Kidwai
Chief Executive Officer



SHAHEEN INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016
Business underwritten inside Pakistan

Class	Three months period ended 30 June 2016									
	Claims paid a	Outstanding claims		Claims expense d=a+c-b	Reinsurance and other recoveries received e	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue h=e+g-f	2016 Net claims expense i=d-h	2015 Net claims expense
		Opening b	Closing c			Opening f	Closing g			
----- Rupees -----										
Direct and facultative										
Fire and property damage	15,127,875	84,082,028	68,818,927	(135,226)	4,834,386	36,721,566	31,260,557	(626,623)	491,397	4,651,625
Marine, aviation and transport	1,221,079	4,961,691	5,840,613	2,100,001	-	1,918,547	1,918,547	-	2,100,001	1,161,199
Motor	17,849,097	66,027,957	66,512,933	18,334,073	5,845,031	4,124,549	1,345,225	3,065,707	15,268,366	7,824,203
Accident and health	1,265,850	22,016,017	21,579,497	829,330	-	-	-	-	829,330	255,592
Others	5,600,037	2,815,689	4,139,541	6,923,889	6,590,047	949,023	910,820	6,551,844	372,045	(735,690)
Total	41,063,938	179,903,382	166,891,511	28,052,067	17,269,464	43,713,685	35,435,149	8,990,928	19,061,139	13,156,929
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-	-
Grand total	41,063,938	179,903,382	166,891,511	28,052,067	17,269,464	43,713,685	35,435,149	8,990,928	19,061,139	13,156,929

Business underwritten inside Pakistan

Class	Six months period ended 30 June 2016									
	Claims paid a	Outstanding claims		Claims expense d=a+c-b	Reinsurance and other recoveries received e	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue h=e+g-f	2016 Net claims expense i=d-h	2015 Net claims expense
		Opening b	Closing c			Opening f	Closing g			
----- Rupees -----										
Direct and facultative										
Fire and property damage	15,965,051	83,388,179	68,818,927	1,395,799	6,009,580	36,396,110	31,260,557	874,027	521,772	12,312,808
Marine, aviation and transport	1,606,052	4,861,691	5,840,613	2,584,974	-	1,918,547	1,918,547	-	2,584,974	1,261,237
Motor	34,838,790	56,306,279	66,512,933	45,045,444	5,861,786	1,447,733	1,345,225	5,759,278	39,286,166	21,697,802
Accident and health	2,205,101	17,431,214	21,579,497	6,353,384	-	-	-	-	6,353,384	2,318,463
Others	6,012,308	2,726,560	4,139,541	7,425,289	7,781,718	1,918,993	910,820	6,773,545	651,744	1,249,206
Total	60,627,302	164,713,923	166,891,511	62,804,890	19,653,084	41,681,383	35,435,149	13,406,850	49,398,040	38,839,516
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-	-
Grand total	60,627,302	164,713,923	166,891,511	62,804,890	19,653,084	41,681,383	35,435,149	13,406,850	49,398,040	38,839,516

Note: The Company does not underwrite business outside Pakistan.
The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

Air Marshal Muhammad Jamshed
khan (Retd.) - Chairman

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Hassan Nawab (Retd.) - Director

Mr. Aamir Shahzad Mughal
Director

Mr. Sohail N. Kidwai
Chief Executive Officer



SHAHEEN INSURANCE COMPANY LIMITED
STATEMENT OF EXPENSES (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

Business underwritten inside Pakistan

Class	Three months period ended 30 June 2016								
	Commissions paid or payable a	Deferred Commission		Net Commission expense d=a+b-c	Other Management expenses e	Underwriting expense f=d+e	*Commission from reinsurers g	2016 Net underwriting expenses h=f-g	2015 Net underwriting expenses
		Opening b	Closing c						
----- Rupees -----									
Direct and facultative									
Fire and property damage	4,938,824	5,577,009	7,507,144	3,008,689	1,634,774	4,643,463	899,301	3,744,162	2,879,529
Marine, aviation and transport	739,744	398,768	449,074	689,438	445,003	1,134,441	-	1,134,441	972,354
Motor	10,133,512	11,773,446	14,774,558	7,132,401	7,615,040	14,747,441	78,340	14,669,101	12,104,577
Accident and health	110	15,579	(11,545)	27,234	337,485	364,719	-	364,719	632,330
Others	2,346,170	4,608,981	4,985,185	1,969,966	1,695,823	3,665,789	(669,868)	4,335,657	3,261,751
Total	18,158,360	22,373,783	27,704,416	12,827,728	11,728,125	24,555,853	307,773	24,248,080	19,850,541
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-
Grand total	18,158,360	22,373,783	27,704,416	12,827,728	11,728,125	24,555,853	307,773	24,248,080	19,850,541

Business underwritten inside Pakistan

Six months period ended 30 June 2016									
Class	Commissions paid or payable a	Deferred Commission		Net Commission expense d=a+b-c	Other Management expenses e	Underwriting expense f=d+e	*Commission from reinsurers g	2016 Net underwriting expenses h=f-g	2015 Net underwriting expenses
		Opening b	Closing c						
		----- Rupees -----							
Direct and facultative									
Fire and property damage	7,280,489	5,882,703	7,507,144	5,656,048	3,268,444	8,924,492	899,901	8,024,591	6,650,739
Marine, aviation and transport	1,527,131	245,527	449,074	1,323,584	851,639	2,175,223	-	2,175,223	2,042,903
Motor	15,323,182	13,203,629	14,774,558	13,752,253	16,204,738	29,956,991	86,620	29,870,371	23,691,449
Accident and health	2,530	57,096	(11,545)	71,171	639,484	710,655	-	710,655	1,649,316
Others	5,656,766	2,725,909	4,985,185	3,397,490	3,153,527	6,551,017	(268,005)	6,819,022	6,139,222
Total	29,790,098	22,114,864	27,704,416	24,200,546	24,117,832	48,318,378	718,516	47,599,862	40,173,629
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-
Grand total	29,790,098	22,114,864	27,704,416	24,200,546	24,117,832	48,318,378	718,516	47,599,862	40,173,629

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

Note: The Company does not underwrite business outside Pakistan.

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

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khan (Retd.) - Chairman

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Hassan Nawab (Retd.) - Director

Mr. Aamir Shahzad Mughal
Director

Mr. Sohail N. Kidwai
Chief Executive Officer



SHAHEEN INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

	Three months period ended		Six months period ended	
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	----- Rupees -----			
Income from trading investments - net				
Gain on sale of held for trading investments	-	-	-	-
Dividend income	-	-	-	-
	-	-	-	-
Income from non-trading investments				
Held-to-maturity				
Return on other fixed income securities	2,257,207	3,094,580	4,610,979	7,083,148
Return on PIBs	1,317,099	732,224	2,462,584	1,157,566
	3,574,306	3,826,804	7,073,563	8,240,714
Available for sale				
Dividend income	2,491,262	39,539	2,491,262	39,539
Unrealized loss on revaluation of held-for-trading investments	(120,185)	(1,412,292)	(470,804)	(2,242,338)
Investment related expenses	-	-	-	-
Net investment income	5,945,383	2,454,051	9,094,021	6,037,915

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

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khan (Retd.) - Chairman

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Hassan Nawab (Retd.) - Director

Mr. Aamir Shahzad Mughal
Director

Mr. Sohail N. Kidwai
Chief Executive Officer



SHAHEEN INSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

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 Limited 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, health, etc. The shares of the Company are listed on Pakistan Stock Exchange.

Its registered office is located at 10th floor, Shaheen Commercial Complex, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

This condensed interim financial report (condensed interim financial information) of the Company for the six months period ended 30 June 2016 has been prepared in accordance with the requirements of International Accounting Standard (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.

2.2 This condensed interim financial information is unaudited but subject to limited review by the statutory auditors and is being submitted to the shareholders in accordance with the Section 245 to the Companies Ordinance, 1984. This condensed interim financial information does not include all the information and disclosures required in annual financial statements, and should therefore be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2015.

2.3 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 amortized cost, investment 'at fair value through profit or loss- held for trading investments' are stated at fair value and certain investments classified as available-for-sale are stated at lower of cost or market 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.

3. SIGNIFICANT ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and the methods of computation applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements of the Company for the year ended 31 December 2015.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 31 December 2015.

5. FINANCIAL AND INSURANCE RISK MANAGEMENT

The Company's financial risk management and insurance risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended 31 December 2015.

6. SHARE CAPITAL

6.1 Authorized share capital

30 June 2016	31 December 2015		30 June 2016	31 December 2015
		<i>Number of shares</i>		
60,000,000	60,000,000	Ordinary shares of Rs. 10 each	600,000,000	600,000,000

6.2 Issued, subscribed and paid - up share capital

30 June 2016	31 December 2015		30 June 2016	31 December 2015
Number of shares			Rupees	
			Un-audited	Audited
8,000,000	8,000,000	Ordinary shares of Rs. 10 each, fully paid in cash	80,000,000	80,000,000
12,000,000	12,000,000	Ordinary shares of Rs. 10 each, issued as bonus shares	120,000,000	120,000,000
10,000,000	10,000,000	Ordinary shares of Rs. 10 each, issued as right shares fully paid in cash	100,000,000	100,000,000
15,000,000	15,000,000	Ordinary shares of Rs. 10 each, issued as right shares fully paid in cash	150,000,000	150,000,000
45,000,000	45,000,000		450,000,000	450,000,000

7. OTHER CREDITORS AND ACCRUALS

Provincial services tax	33,852,241	27,824,699
Withholding tax payable	2,715,373	2,418,411
Workers welfare fund payable	905,441	612,453
Unearned rental income	-	475,155
Payable to provident fund	3,596,429	5,248,643
Others	2,012,968	2,679,148
	43,082,452	39,258,509

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 Securities and Exchange Commission of Pakistan (SECP) has conducted the hearing on show cause notices issued under section 208 of the Companies Ordinance 1984 and section 39 read with section 156 and section 158 of the Insurance Ordinance 2000. Decisions in this regard are awaited.

8.1.2 The Company was served a show cause notice on April 27, 2016 under regulation 16(1)(a) of part B of Annexure II of the Securities and Exchange Commission (Insurance) Rules, 2002, and section 34 and section 46(1)(b) read with section 156 of Insurance Ordinance, 2000 for not recording the investment in FCEL shares at fair value. Hearing in this regard was conducted and decision in this regard is awaited.

8.1.3 M/s. New Lal Enterprise (Pvt.) Ltd. and M/s. Zahid Enterprises (Pvt.) Ltd have filed 4 suits against the Company in the Insurance Tribunal, Karachi. 3 suits pertain to claim of damages on delayed claims settlement, while one suit relates to marine claim. Total amount involved is approximately Rs 28 Million. As the legal advisor of the Company is confident about favorable outcome of these suits, no provision has been made in the condensed interim financial information of the Company.

8.1.4 The income tax assessments of the Company have been finalized up to and including the assessment year 2014-15 (financial year ended December 31, 2014), unless amended.

However, assessments for tax years 2004, 2006 and 2007 had been amended by the taxation officer, against which the Company had preferred an appeal before the Commissioner Inland Revenue (Appeal) (CIR(A)). Subsequently, CIR(A) confirmed the order of taxation officer, against which the Company preferred to file an appeal before the Appellate Tribunal Inland Revenue (ATIR). ATIR decided the case in favour of the Company. Case was decided in favour of the Company in High Court as well, through the order dated September 5, 2013. However, taxation officer has filed civil petition against the order with the Supreme Court of Pakistan; the decision of which is pending. The demand raised was of Rs 2.045 million for the tax year 2004, Rs 8.22 million for the tax year 2006, and Rs 9.689 million for tax year 2007 against Apportionment of Expenditure. As it is expected that the matter will be decided in favour of the Company, no provision has been made in the condensed interim financial information of the Company.

8.2 Commitments

There were no commitments as at 30 June 2016 (31 December 2015: Nil)

9. CASH AND BANK DEPOSITS

Cash and other equivalents

- Cash in hand
- Policy stamps and bond papers in hand

Current and saving accounts

- Current accounts
- Saving accounts

Deposits maturing within 12 months

Term deposit - local currency

Note	30 June 2016	31 December 2015
	----- Rupees -----	
	Un-audited	Audited
	44,799	2,681
	2,761,439	2,658,272
	2,806,238	2,660,953
	956,193	1,908,778
9.1	15,180,470	19,853,283
	16,136,663	21,762,061
9.2	150,850,000	150,000,000
	169,792,901	174,423,014

9.1 These carry profit rates ranging between 3% to 5.5% (2015: 5% to 7%) per annum.

9.2 The rate of return on term deposits with various banks range from 5.25% to 6.30% per annum (2015: 5.93% to 9.80% per annum) due on maturity. These term deposits have maturities upto 17 February 2017 (2015: upto 22 January 2016).

10. INVESTMENTS

10.1 Type of investments

Held-to-maturity

- Government Securities
- Term finance certificates - Listed

At fair value through profit or loss - Held for trading

Available-for-sale investments

- First Capital Equities Limited
- Mutual Funds
- Open-end funds

	30 June 2016	31 December 2015
	----- Rupees -----	
	Un-audited	Audited
10.2	55,152,161	55,760,802
10.3	-	-
	55,152,161	55,760,802
	1,497,556	1,968,360
10.5	188,000,000	188,000,000
	36,581,059	34,720,382
	281,230,776	280,449,544

10.2 Government Securities

Type of security	Maturity date	Profit (%)	Face value	30 June 2016	31 December 2015
				----- Rupees -----	
Pakistan Investment Bonds	18 July 2018	11.50%	15,000,000	14,781,819	14,736,238
Pakistan Investment Bonds	18 July 2018	11.50%	8,600,000	9,232,673	9,372,887
Pakistan Investment Bonds	18 July 2017	11.50%	3,000,000	3,117,602	3,170,338
Pakistan Investment Bonds	30 August 2018	12.00%	25,800,000	28,020,067	28,481,339
				55,152,161	55,760,802

10.3 At 31 December 2012, the TFC was classified as non-performing as per the valuation report of debt securities by the Mutual Fund Association of Pakistan under SECP Circular 33 of 2012 dated 24 October 2012.

10.4 On 30 June 2016, the fair value of available-for-sale securities was Rupees 176.945 million (31 December 2015: Rupees 176.514 million). As per the Company's accounting policy and requirements of Insurance Ordinance, 2000, available-for-sale investments are stated at lower of cost or market value (market value being taken as lower if the reduction is other than temporary). However, International Accounting Standard (IAS) 39, 'Financial Instruments Recognition and Measurement' requires that these instruments should be measured at fair value. Accordingly, had these instruments been measured at fair value, the carrying value as at 30 June 2016 would have been lowered by Rupees 47.637 million (31 December 2015: lowered by Rupees 46.205 million).

10.5 On 29 November 2012, the Company through an agreement settled balance of 'reverse repo' and 'premium due but unpaid' amounting to Rs. 99.89 million (reverse repo and associated mark-up) and Rs. 88.859 million of FCSC Group and Pace (Pakistan) Limited respectively against 4.7 million shares of First Capital Equities Limited (a related party) at Rs. 40 per share against the market value of Rs. 69 per share as at that date. The agreement was subsequently amended on 07 March 2013 to make the clause of restriction on holding period and SWAP against property null and void.

The Company has filed a petition in Honorable Civil Court, Lahore on 4 April 2015 against the First Capital Equities Limited praying the recovery of Rupees 188 million. Regular hearings have been conducted during the period.

The Company has been served a show cause notice dated 02 May 2013 by the SECP stating that investment with FCEL is creating difficulty for the Company with respect to the liquidity and solvency. Further, it appears that the Company has not followed the requirements of section 208 of the Companies Ordinance, 1984 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulation, 2012. The SECP has conducted hearing on this matter. The decision of SECP is awaited.

11. INVESTMENT PROPERTIES - at cost less accumulated depreciation

		30 June 2016 (Un-audited)							
Note		Cost			Depreciation			Written down value as at 30 June 2016	Depreciation rate %
		As at 1 January 2016	Addition/ (Deletion)	As at 30 June 2016	As at 1 January 2016	For the period	As at 30 June 2016		
		----- Rupees -----							
Shop premises	11.1	33,948,414	-	33,948,414	11,927,346	848,710	12,776,056	21,172,358	5
Office premises	11.1	2,848,320	-	2,848,320	2,504,147	71,208	2,575,355	272,965	5
		36,796,734	-	36,796,734	14,431,493	919,918	15,351,411	21,445,323	
		31 December 2015 (Audited)							
Note		Cost			Depreciation			Written down value as at 31 December 2015	Depreciation rate %
		As at 1 January 2015	Addition/ (Deletion)	As at 31 December 2015	As at 1 January 2015	For the year	As at 31 December 2015		
		----- Rupees -----							
Shop premises	11.1	33,948,414	-	33,948,414	10,229,925	1,697,421	11,927,346	22,021,068	5
Office premises	11.1	2,848,320	-	2,848,320	2,361,732	142,415	2,504,147	344,173	5
		36,796,734	-	36,796,734	12,591,657	1,839,836	14,431,493	22,365,241	

11.1 Valuation of the shops and office premises (leasehold properties) have been made under the market value basis by Maqsood Ahmed (Private) Limited and GIP Surveyors (Private) Limited. Market value of shop and office premises as of 31 December 2015 amounted to Rs. 80.596 million, and Rs. 13.4 million respectively.

12	PREMIUMS DUE BUT UNPAID - NET	Note	30 June 2016	31 December 2015
			----- Rupees -----	
			Un-audited	Audited
	Considered good		135,494,380	87,575,473
	Considered doubtful		40,310,430	30,310,430
			175,804,810	117,885,903
	Provision for doubtful receivables	12.1	(40,310,430)	(30,310,430)
			135,494,380	87,575,473
12.1	Reconciliation of provision for doubtful balances			
	Opening provision		30,310,430	25,310,430
	Charged for the period / year		10,000,000	5,000,000
	Written off during the period / year		-	-
	Closing provision		40,310,430	30,310,430
12.2	Premiums due but unpaid from related parties include:			
	Shaheen Airport Services (SAPS)		334,457	885,370
	Shaheen Foundation, PAF		2,751,387	255,288
	Shaheen Aero Traders		80,990	42,846
	Shaheen Knitwear		-	56,011
	Shaheen Complex		9,416,475	-
	Hawks Advertising and Communication		-	139,485
			12,583,309	1,379,000

13. ADDITIONS AND DELETIONS IN FIXED ASSETS

13.1 Details of the cost of operating assets that have been acquired and disposed of during the six months period are as follows:

	30 June 2016		30 June 2015	
	Additions	Disposals	Additions	Disposals
	----- Rupees -----		----- Rupees -----	
	-----Un-audited-----			
Furniture, fixtures and office equipment	843,082	-	369,750	1,180,989
Motor vehicles	2,415,500	-	-	1,535,000
Motor vehicles Leased	-	2,447,500	8,853,000	2,076,000
	3,258,582	2,447,500	9,222,750	4,791,989

13.2 Capital work in progress represents advance against the purchase of property from Pace Pakistan Limited (previously a related party) situated at First floor of Pace tower project, 27-H, Gulberg II, Lahore. The property has been valued under the market value basis by Maqsood Ahmed (Private) Limited, as of 31 December 2015 at Rs. 47.955 million {As of 03 April 2014 at Rs. 37.53 million}. No depreciation has been charged during the period (2015: Nil) as the property is not yet completed and available for use for the purpose intended by management.



14. SEGMENT REPORTING

Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets, liabilities as at 30 June 2016 and 31 December 2015, unallocated capital expenditures and non-cash expenses during the current and last period:

	Fire & Property Damage		Marine, Aviation & Transport		Motor		Accident and Health		Others		Total	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	Rupees											
SEGMENT ASSETS												
Segment assets	59,865,528	56,438,964	25,796,454	24,319,924	254,340,550	239,782,686	119,994,790	113,126,567	47,876,384	45,136,051	507,873,706	472,372,814
Unallocated corporate assets											307,925,141	308,531,352
Total assets											815,798,847	780,904,166
SEGMENT LIABILITIES												
Segment liabilities	46,244,442	47,072,202	19,927,037	20,283,725	196,470,944	199,987,709	92,692,612	94,351,779	36,983,165	37,645,151	392,318,200	373,362,123
Unallocated corporate liabilities											44,165,846	41,273,954
Total liabilities											436,484,046	414,636,077
Capital expenditure	384,105	47,763	165,513	20,581	1,631,881	202,922	769,902	95,736	307,181	38,198	3,258,582	9,445,650
Depreciation / Amortization	498,982	1,431,865	215,014	617,000	2,119,938	6,083,321	1,000,161	2,870,037	399,051	1,145,109	4,233,146	5,678,244

15. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is, to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to the shareholders and benefits to other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares. The Securities and Exchange Commission of Pakistan (SECP) through its S.R.O No. 828(I)/2015 dated August 18, 2015 required the minimum paid up capital for Insurance Companies to be raised to Rs. 350 million by 30 June 2016. The Company is in compliance with the requirements as at 30 June 2016.

16. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise major shareholders, key management personnel, employees' provident funds and Companies with common directors. The transactions and balances with related parties, other than those disclosed elsewhere, are summarized as follows:

Transactions:	Six months period ended	
	30 June 2016	30 June 2015
	----- Rupees -----	
Associated companies		
Premium Written	17,264,873	4,740,555
Premium received	6,060,564	7,799,888
Claims paid	361,598	1,495,940
Claims incurred	947,041	942,083
Other transactions		
- Rental expense	5,274,184	4,890,480
Other related Parties		
- Contribution to Provident Fund	202,974	292,473
- Remuneration of key management personnel	9,637,920	9,013,764
Balances:		
	30 June 2016	31 December 2015
	Un-audited	Audited
	----- Rupees -----	
Associated companies		
Premium receivable	12,583,309	1,379,000
Claims outstanding	1,348,519	763,076
Prepaid rent	-	1,046,952
Security deposits	4,147,200	4,147,200
Other related Parties		
- Provident fund payable	3,596,429	5,248,643

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

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

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



16.4 Other transactions are at agreed terms.

17 EARNINGS PER SHARE - BASIC AND DILUTED

	Three months period ended		Six months period ended	
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	----- Rupees -----		----- Rupees -----	
	-----Un-audited-----			
Profit for the period	11,200,849	3,708,675	13,046,712	4,841,622
	Number of Shares		Number of Shares	
Weighted average number of ordinary shares of Rs. 10 each	45,000,000	45,000,000	45,000,000	45,000,000
	----- Rupees -----		----- Rupees -----	
Earnings per share	0.25	0.08	0.29	0.11

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

18. GENERAL

18.1 This condensed interim financial information was approved and authorized for issue in the board of directors meeting held on August 30, 2016

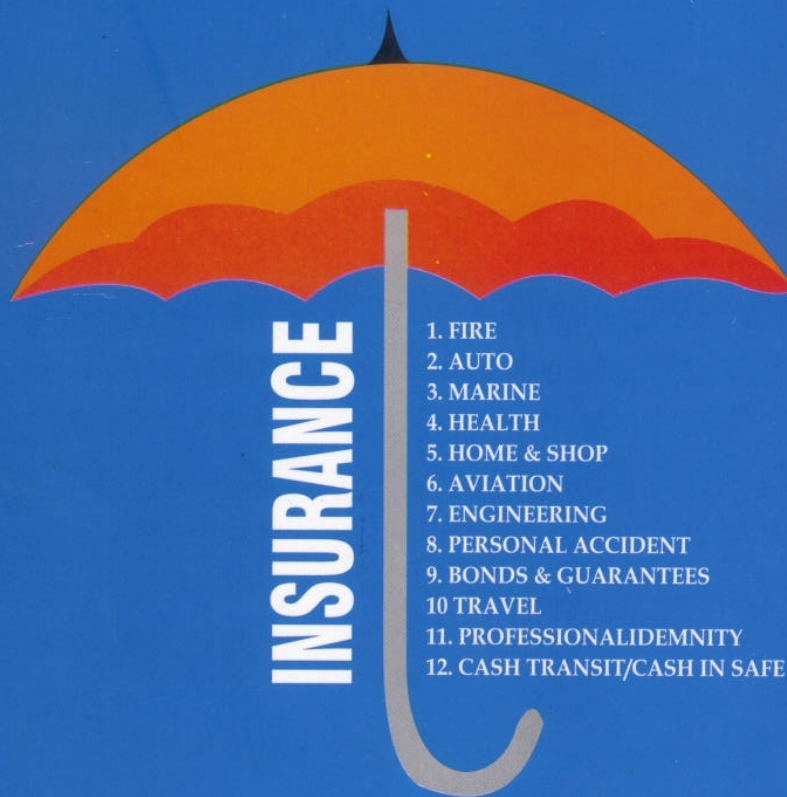
18.2 The figures have been rounded off to the nearest rupee.

Air Marshal Muhammad Jamshed
khan (Retd.) - Chairman

Air Vice Marshal Syed Razi Ul
Hassan Nawab (Retd.) - Director

Mr. Aamir Shahzad Mughal
Director

Mr. Sohel N. Kidwai
Chief Executive Officer



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