

# HALF YEARLY REPORT 2017



A Sign of protection

**Shaheen Insurance**

A Project of Shaheen Foundation  
(PAF)

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## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Air Marshal Muhammad Jamshed Khan (Retd.)  
Air Vice Marshal Syed Razi Ul Hassan Nawab (Retd.)  
Air Commodore Zafar Yasin (Retd.)  
Mr. Aamir Shahzad Mughal  
Air Commodore Jamshed Iqbal (Retd.)  
Group Captain Javed Akhtar Khan (Retd.)

### **AUDIT COMMITTEE**

Air Vice Marshal Syed Razi Ul Hassan Nawab (Retd.) - Chairman  
Air Commodore Jamshed Iqbal (Retd.)- Member  
Mr. Aamir Shahzad Mughal – Member

### **ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE**

Air Vice Marshal Syed Razi Ul Hassan Nawab (Retd.) –Chairman  
Air Commodore Jamshed Iqbal (Retd.) - Member  
Mr. Sohel N. Kidwai (CEO) – Member

### **INVESTMENT COMMITTEE**

Air Marshal Muhammad Jamshed Khan (Retd.) - Chairman  
Air Vice Marshal Syed Razi Ul Hassan Nawab (Retd.) - Member  
Air Commodore Jamshed Iqbal (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

### **CHIEF FINANCIAL OFFICER & COMPANY SECRETARY**

Mr. Nisar Ahmed Almani

## **COMPANY INFORMATION**

### **HEAD OF OPERATIONS, UNDERWRITING, CLAIMS AND REINSURANCE**

Mr. Zia Mehdi

### **COUNTRY HEAD BUSINESS**

Mr. Naveed Y. Butt

### **COORDINATOR INTERNAL CONTROLS & HEAD OF INTERNAL AUDIT**

Mr. Mahmood A. Mirza

### **LEGAL ADVISOR**

Shaukat Law Associates

### **AUDITORS**

Riaz Ahmed & Company  
Chartered Accountants

### **REGISTERED OFFICE**

10<sup>th</sup> Floor, Shaheen Complex, M.R Kayani Road, Karachi.

### **HEAD OFFICE**

10<sup>th</sup> 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

10<sup>th</sup> Floor, Shaheen Complex  
M. R. Kayani Raod, Karachi-74200  
Tel # 021-32630370-75, 322139850-51 Fax # 021-32626674  
E-mail: [info@shaheeninsurance.com](mailto:info@shaheeninsurance.com)  
URL: [www.shaheeninsurance.com](http://www.shaheeninsurance.com)  
UAN: (021) 111-765-111

### Karachi

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

### Hyderabad

Branch Manager - Gulshan Ali Ansari  
Upper 2<sup>nd</sup> Floor  
House # 75, Soldier Bazar, Hyderabad  
Tel # (022) 2720487  
Fax # (022) 2720489  
E-mail: [hyd@shaheeninsurance.com](mailto:hyd@shaheeninsurance.com)  
UAN: (021-111-765-111)

### Lahore Zonal Office

Country Head Business Mr.Naveed Y. Butt  
Office # 4, 6<sup>th</sup> Floor, Shaheen Complex  
Opp. PTV Station 38, Abbott Road,  
Lahore.  
Tel # 042-36376270,36376274,36376278,36376279  
Fax # 042-36376276  
E-mail: [lhr\\_zone@shaheeninsurance.com](mailto:lhr_zone@shaheeninsurance.com)

### Lahore Corporate

Branch Manager / GM Mr. Sohaib Ansar Khan  
Office # 6, 6<sup>th</sup> Floor, Shaheen Complex,  
Opp. PTV Station 38, Abbott Road,  
Lahore.  
Tel # 042-36370384, 36370741, 36370742  
Fax # 042-36370385  
E-mail: [lhr\\_corporate@shaheeninsurance.com](mailto:lhr_corporate@shaheeninsurance.com)

### Islamabad

Branch Manager – Mujahid Raza Syed  
Office # 4, 1<sup>st</sup> Floor Zaki Centre,  
I-8 Markaz Islamabad  
Tel: 051-4938283  
Fax: 051-4938284  
Email: [isb@shaheeninsurance.com](mailto:isb@shaheeninsurance.com)

### Faisalabad

Branch Manager/ AGM Mr. Mohsin Khan  
Office No2, 4<sup>th</sup> Floor, Ahmed Plaza,  
Bilal Road, Civil Lines, Faisalabad  
Tel. # (041) 2614112, 2621370, 2634658  
Fax # (041) 2613514  
Email: [fsd@shaheeninsurance.com](mailto:fsd@shaheeninsurance.com)

### Multan

GM Marketing – Mr. Muhammad Naeem Baig  
Office no 103-B Fista Garden RTO office ,  
Nawa Sher Chowk, Multan  
Tel # 061-4580190, 4580191, 4580192  
E-mail: [naeem.baig@shaheeninsurance.com](mailto: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)  
E-mail: [psw@shaheeninsurance.com](mailto: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](mailto:sil@shaheeninsurance.com)

### Gujranwala

Zonal Manager – Mr.Faisal Jamil  
Office # 12-B 5<sup>th</sup> Floor Bhutta Center  
Gujranwala.  
Tel # 055-4294269 - 4274269  
Email: [faisal.jamil@shaheeninsurance.com](mailto:faisal.jamil@shaheeninsurance.com)

### Abbottabad

Branch Manager – Mr.Ejaz Raffique  
Office # 9 1<sup>st</sup> Floor Silk Plaza Supply Manshara  
Road Abbottabad. Mobile # 0301-8177155  
Email: [abt@shaheeninsurance.com](mailto:abt@shaheeninsurance.com)

## DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to present the unaudited accounts of the company for the half year ended June 30, 2017.

The results are summarized below;

	Rupees in million	
	June	June
	2017	2016
Gross Premium Written	175.11	170.28
Net Premium Revenue	142.67	130.97
Underwriting Results	30.03	33.97
Investment Income	14.70	9.09
Profit before tax	24.00	14.36
Profit after tax	22.58	13.05
Earnings Per Share	0.38	0.29

Our company demonstrated a robust growth during the first half of 2017 compared with the same period of 2016. Profit after tax of the company increased by **73.03% to Rs22.58 Million** during the period under review against Rs13.05 Million during the corresponding period of 2016. Gross premium written during the first half of 2017 also increased by 2.83% to **Rs175.11 Million** from Rs170.28 Million during the first half of 2016.

Investment income of company also increased significantly and depicted a healthy growth of 61.7%.

During the period under review, 15.00 Million shares of Rs 10 each were issued to Shaheen Foundation PAF by way of otherwise than Right Issue after approval from shareholders of the company and SECP. Further, seven directors of the company were also elected unopposed at an Extra Ordinary General Meeting of the Company held on June 9, 2017.

We take pride in informing the shareholders of the Company that Pakistan Credit Rating Agency (PACRA) has upgraded the Insurer Financial Strength (IFS) Rating of the Company to **A with stable outlook** from A minus. **The rating is unprecedented and highest ever in the history 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.

Keeping in view the improved Credit Rating and financial strength, our company is well poised to pursue growth aggressively, 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.

A handwritten signature in black ink, appearing to read "Jamshed Khan".

**Air Marshal Muhammad Jamshed Khan (Retd.)**  
Chairman

August 24, 2017



# شاہین انشورنس

ڈائریکٹرز رپورٹ برائے ممبران!

ڈائریکٹرز مسرت کے ساتھ 30 جون 2017 کو اختتام پذیر ششماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔  
نتائج کا خلاصہ درج ذیل ہے۔

روپے ملین میں		
جون 2016	جون 2017	
170.28	175.11	قلمزد مجموعی پریمیم
130.97	142.67	پریمیم کی صافی آمدنی
33.97	30.03	ذمہ نویسی کے نتائج
9.09	14.70	سرمایہ کاری کی آمدنی
14.36	24.00	ٹیکس سے قبل نفع
13.05	22.58	ٹیکس کے بعد نفع
0.29	0.38	آمدنی فی شیئر

2016 کی پہلی ششماہی سے موازنہ کیا جائے تو ہماری کمپنی نے موجودہ سال 2017 کے اس عرصے میں مضبوط نمو کا مظاہرہ کیا۔ 30 جون 2017 کے اختتام پذیر ششماہی میں کمپنی کے ٹیکس کے بعد نفع میں 73.3 فیصد اضافہ ہو کر 22.58 ملین روپے تک جا پہنچا جبکہ 2016 کے اسی عرصے کے دوران یہ رقم 13.05 ملین روپے تھی۔ 2017 کی ششماہی میں تحریر کردہ مجموعی پریمیم بھی 2.83 فیصد اضافے کے بعد 175.11 ملین روپے جا پہنچا جبکہ 2016 کی ششماہی میں یہ رقم 170.28 ملین روپے تھی۔ کمپنی کی سرمایہ کاری کی آمدنی میں بھی کافی اضافہ ہوا، جس میں 61.7 فیصد کی صحت مند نمو ہوئی۔

اس عرصے کے دوران کمپنی کے حصص یافتگان اور ایس ای سی پی سے منظوری حاصل کرنے کے بعد رائٹ ایشو کے علاوہ 10 روپے کے 15.00 ملین شیئرز شاہین فاؤنڈیشن پی اے ایف کو جاری کئے گئے۔ اس کے علاوہ کمپنی کی منعقد کردہ 9 جون 2017 کے غیر معمولی اجلاس عام میں کمپنی کے ساتھ ڈائریکٹرز کا انتخاب کیا گیا جو بلا مقابلہ منتخب ہوئے۔ ڈائریکٹرز اور انتظامیہ نہایت فخر کے ساتھ یہ بیان کرتے ہیں کہ پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے کمپنی کی انشورر فنانشل اسٹریٹنٹھ (آئی ایف ایس) ریٹنگ، جو 2016 میں "A-" تھی، کو بہتر کرتے ہوئے اسٹیبیل آؤٹ لک کے ساتھ "A" قرار دیا ہے۔ ریٹنگ میں یہ اضافہ بے مثال اور کمپنی کی اب تک کی سب سے بہترین ریٹنگ 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۔ کمپنی کی موجودہ کریڈٹ ریٹنگ اور مالی طاقت کو مد نظر رکھتے ہوئے یہ متوقع ہے کہ ہماری کمپنی ترقی کا جارحانہ تعاقب کرے گی اور آئندہ آنے والے وقت میں کارکردگی بہتر ہوگی 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 طرے 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۔

ایئر مارشل محمد جمشید خان (ریٹائرڈ)

چیئر مین

24 اگست 2017



## **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 2017 (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. The figures of 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 2017 and 30 June 2016 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 2017.

### **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 10.4}, 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 9.00 per share as at 30 June 2017) of this available for sale investment remained lower than the carrying amount (Rupees 40 per share) for last three 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 145.7 million against this investment. Had this provision been made, profit for the period, equity and investments would have been lowered by the same amount.

We further noted that the quoted market price of Rupees 9.00 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 2017 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 draw attention to Note 2.2 to the condensed interim financial information which states that the Company has prepared and presented the condensed interim financial information following the repealed Companies Ordinance, 1984 and repealed Securities and Exchange Commission (Insurance) Rules, 2002 in accordance with the exemptions granted by

Securities and Exchange Commission of Pakistan as more fully disclosed in the aforesaid note.

**RIAZ AHMAD & COMPANY**  
**Chartered Accountants**

**Name of engagement partner:**  
**Muhammad Waqas**  
**Date: 24 August, 2017**

**KARACHI**

**SHAHEEN INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT 30 JUNE 2017**



	Note	30 June 2017	31 December 2016
		-----Rupees-----	
		Un-audited	Audited
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
100,000,000 (31 December 2016: 100,000,000) ordinary shares of Rupees 10	6.1	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up share capital	6.2	600,000,000	450,000,000
General reserve		20,000,000	20,000,000
Accumulated loss		(41,018,601)	(63,596,058)
<b>Shareholders' equity</b>		<u>578,981,399</u>	<u>406,403,942</u>
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		115,889,786	109,983,753
Provision for unearned premium		157,107,050	149,407,509
Premium deficiency reserve		3,371,984	3,371,984
Commission income unearned		308,371	1,340,523
<b>Total underwriting provisions</b>		<u>276,677,191</u>	<u>264,103,769</u>
<b>Creditors and accruals</b>			
Premium received in advance		983,675	677,367
Amounts due to other insurers / reinsurers		44,789,470	38,431,355
Accrued expenses		9,897,563	11,005,401
Agent balances		17,025,215	11,378,919
Current portion of liabilities against assets subject to finance lease		503,232	930,389
Other creditors and accruals	7	<u>53,294,260</u>	<u>37,095,622</u>
		<b>126,493,415</b>	<b>99,519,053</b>
<b>Borrowings</b>			
Liabilities against assets subject to finance lease		183,260	209,083
<b>Other liabilities</b>			
Unclaimed dividend		398,934	398,934
<b>TOTAL LIABILITIES</b>		<u>403,752,800</u>	<u>364,230,839</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>982,734,199</u>	<u>770,634,781</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

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

Aamir Shahzad Mughal  
Director

Sohel N. Kidwai  
Chief Executive Officer

Note	30 June 2017	31 December 2016
	-----Rupees-----	
	Un-audited	Audited
<b>Cash and bank deposits</b>		
9		
Cash and other equivalents	125,051	179,675
Current and saving accounts	19,659,983	22,226,398
Deposits maturing within 12 months	369,030,742	195,850,000
	<b>388,815,776</b>	<b>218,256,073</b>
<b>Loans - secured</b>		
To employees	3,000	3,000
<b>Investments</b>	10	281,339,378
281,301,716		
<b>Investment properties</b>	11	33,370,487
20,525,405		
<b>Current Assets-Others</b>		
12		
Premiums due but unpaid - net	136,413,967	77,253,692
Amounts due from other insurers / reinsurers	39,152,061	29,619,596
Accrued investment income	2,565,977	2,585,453
Reinsurance recoveries against outstanding claims	3,339,555	5,749,279
Taxation - provisions less payments	22,874,200	21,350,296
Deferred commission expense	25,110,699	25,571,859
Advances, deposits and prepayments	27,577,819	34,155,767
Other receivables	13,200,038	7,948,214
	<b>270,234,316</b>	<b>204,234,156</b>
<b>Fixed assets - Tangible and intangible</b>		
<b>Owned</b>		
13.2		
Furniture, fixtures and office equipment	4,195,551	5,261,201
Motor vehicles	1,583,393	2,119,506
Capital work in progress - tangible	-	34,750,008
	<b>5,778,944</b>	<b>42,130,715</b>
<b>Leased</b>		
Motor vehicles	3,192,298	4,183,716
<b>TOTAL ASSETS</b>	<b>982,734,199</b>	<b>770,634,781</b>

Air Marshal Muhammad Jamshed  
khan (Retd.) - Chairman

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

Aamir Shahzad Mughal  
Director

Sohel N. Kidwai  
Chief Executive Officer

**SHAHEEN INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**



Note	Three months period ended 30 June					2017 Aggregate	2016 Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous		
----- Rupees -----							
<b>Revenue Account</b>							
Net premium revenue	9,421,178	3,733,049	52,045,302	3,339,206	3,425,414	<b>71,964,149</b>	67,278,521
Net claims	(4,516,183)	(69,331)	(14,673,274)	(1,487,856)	(2,047,970)	<b>(22,794,614)</b>	(19,061,139)
Management expenses	(3,190,815)	(1,112,637)	(12,413,102)	(759,873)	(1,692,572)	<b>(19,168,999)</b>	(11,728,125)
Net commission	(3,677,495)	(1,125,280)	(6,541,854)	130,640	(2,697,188)	<b>(13,911,177)</b>	(12,519,956)
<b>Underwriting results</b>	<b>(1,963,315)</b>	<b>1,425,801</b>	<b>18,417,072</b>	<b>1,222,117</b>	<b>(3,012,316)</b>	<b>16,089,359</b>	23,969,301
Investment income						<b>10,340,453</b>	5,945,383
Rental income						<b>801,549</b>	762,582
Other income						<b>5,411,540</b>	9,687,462
General and administration expenses						<b>(14,873,053)</b>	(28,198,106)
Provision for Workers' Welfare Fund						<b>(476,099)</b>	(292,988)
<b>Profit for the period before taxation</b>						<b>17,293,749</b>	11,873,634
Provision for taxation							
-Current						<b>(719,641)</b>	(672,785)
Profit after tax						<b>16,574,108</b>	11,200,849
<b>Earnings per share-basic and diluted</b>	<b>17</b>					<b>0.28</b>	0.25

Note	Six months period ended 30 June					2017 Aggregate	2016 Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous		
	----- Rupees -----						
<b>Revenue Account</b>							
Net premium revenue	18,002,025	5,282,744	102,879,285	5,671,958	10,843,195	<b>142,679,207</b>	130,971,340
Net claims	(7,906,816)	(958,340)	(36,633,125)	(2,356,220)	(2,680,333)	<b>(50,534,834)</b>	(49,398,040)
Management expenses	(5,616,582)	(1,582,064)	(22,203,568)	(1,166,547)	(3,862,842)	<b>(34,431,603)</b>	(24,117,832)
Net commission	(7,153,712)	(1,727,835)	(13,323,535)	136,639	(5,612,396)	<b>(27,680,839)</b>	(23,482,030)
<b>Underwriting results</b>	<b>(2,675,085)</b>	<b>1,014,505</b>	<b>30,719,057</b>	<b>2,285,830</b>	<b>(1,312,376)</b>	<b>30,031,931</b>	33,973,438
Investment income						<b>14,705,051</b>	9,094,021
Rental income						<b>1,603,089</b>	1,525,155
Other income						<b>5,798,885</b>	9,890,221
General and administration expenses						<b>(27,658,608)</b>	(39,833,422)
Provision for Workers' Welfare Fund						<b>(476,099)</b>	(292,988)
<b>Profit for the period before taxation</b>						<b>24,004,249</b>	14,356,425
Provision for taxation							
-Current						<b>(1,426,792)</b>	(1,309,713)
Profit after tax						<b>22,577,457</b>	13,046,712
<b>Accumulated loss account</b>							
Balance of accumulated loss at commencement of the period						<b>(63,596,058)</b>	(103,731,911)
Profit for the six months period						<b>22,577,457</b>	13,046,712
Balance of accumulated loss at end of the period						<b>(41,018,601)</b>	(90,685,199)

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 2017**



	<b>Three months period ended</b>		<b>Six months period ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>----- Rupees -----</b>			
Profit for the period	<b>16,574,108</b>	11,200,849	<b>22,577,457</b>	13,046,712
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>16,574,108</b>	<b>11,200,849</b>	<b>22,577,457</b>	<b>13,046,712</b>

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**

**Aamir Shahzad  
Mughal - Director**

**Sohel N. Kidwai  
Chief Executive Officer**



**SHAHEEN INSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**



	Paid-up share capital	Revenue reserves		Total
		General reserve	Accumulated loss	
		----- Rupees -----		
Balance as at 31 December 2015 (Audited)	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 (Un-audited)	450,000,000	20,000,000	(90,685,199)	379,314,801
Total comprehensive income for the six months period ended 31 December 2016				
Profit for the six months period ended 31 December 2016	-	-	27,089,141	27,089,141
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	27,089,141	27,089,141
<b>Balance as at 31 December 2016 (Audited)</b>	<b>450,000,000</b>	<b>20,000,000</b>	<b>(63,596,058)</b>	<b>406,403,942</b>
Total comprehensive income for the six months period ended 30 June 2017				
Profit for the six months period ended 30 June 2017	-	-	22,577,457	22,577,457
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	22,577,457	22,577,457
Issue of shares otherwise than right issue	150,000,000	-	-	150,000,000
<b>Balance as at 30 June 2017 (Un-audited)</b>	<b>600,000,000</b>	<b>20,000,000</b>	<b>(41,018,601)</b>	<b>578,981,399</b>

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

Aamir Shahzad  
Mughal - Director

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 2017**



	30 June 2017	30 June 2016
	----- Rupees -----	-----
<b>OPERATING ACTIVITIES</b>		
<b>a) Underwriting activities</b>		
Premiums received	116,258,112	143,063,534
Reinsurance premiums paid	(21,245,349)	(26,705,993)
Claims paid	(54,438,773)	(60,627,302)
Reinsurance and other recoveries received	12,219,696	19,653,084
Commissions paid	(22,605,535)	(29,790,098)
Commissions received	-	259,947
Net cash flows from underwriting activities	30,188,151	45,853,172
<b>b) Other operating activities</b>		
Income tax paid	(2,950,696)	(1,898,212)
Management and administration expenses paid	(45,963,872)	(54,326,100)
Net cash used in other operating activities	(48,914,568)	(56,224,312)
<b>Total cash used in all operating activities</b>	<b>(18,726,417)</b>	<b>(10,371,140)</b>
<b>INVESTING ACTIVITIES</b>		
Profit / Return received	20,524,937	9,229,747
Rentals received	1,603,089	1,050,000
Payments for investments	(16,430,600)	(1,861,608)
Fixed capital expenditure	(120,205)	(3,258,582)
Proceeds from disposal of fixed assets	34,345,530	1,700,000
<b>Total cash flow from all investing activities</b>	<b>39,922,751</b>	<b>6,859,557</b>
<b>FINANCING ACTIVITIES</b>		
Financial charges paid	(182,126)	(185,726)
Issue right shares	150,000,000	-
Payments of finance lease liability	(452,980)	(932,052)
<b>Total cash flows from / (used in) all financing activities</b>	<b>149,364,894</b>	<b>(1,117,778)</b>
<b>Net cash flow from / (used in) all activities</b>	<b>170,561,228</b>	<b>(4,629,361)</b>
Exchange loss on cash and cash equivalents	(1,525)	(752)
Cash and cash equivalents at the beginning of year	218,256,073	174,423,014
<b>Cash and cash equivalents at end of the period</b>	<b>388,815,776</b>	<b>169,792,901</b>

30 June 2017                      30 June 2016  
----- Rupees -----

### Reconciliation to profit and loss account

Operating cash flows	(18,726,417)	(10,371,140)
Exchange loss on cash and cash equivalents	(1,525)	(752)
Depreciation on fixed assets	(2,713,382)	(3,313,228)
Depreciation on investment property	(919,918)	(919,918)
Loss / gain on disposal of fixed assets	5,217,992	(380,375)
Taxes paid	2,950,696	1,898,212
Financial charges	(182,126)	(185,726)
Increase / (decrease) in assets other than cash	64,495,732	38,713,495
(Increase) / decrease in liabilities	(40,926,648)	(21,847,968)
Investment and other income	15,285,944	11,056,813
Provision for Workers' Welfare Fund	(476,099)	(292,988)
Provision for tax	(1,426,792)	(1,309,713)
<b>Profit after taxation</b>	<b>22,577,457</b>	<b>13,046,712</b>

### Definition of cash

Cash comprises of cash in hand, policy stamps, cheques in hand, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

Cash for the purpose of the statement of cash flows consists of:

### Cash and other equivalents

- Cash in hand	125,051	44,799
- Policy stamps in hand	-	2,761,439
	<b>125,051</b>	<b>2,806,238</b>

### Current and saving accounts

- Current accounts	1,239,342	956,193
- Savings accounts	18,420,641	15,180,470
	<b>19,659,983</b>	<b>16,136,663</b>

### Deposits maturing within 12 months

Term Deposit- local currency	369,030,742	150,850,000
	<b>388,815,776</b>	<b>169,792,901</b>

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**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**



	Paid-up share capital	Revenue reserves		Total
		General reserve	Accumulated loss	
	----- Rupees -----			
Balance as at 31 December 2015 (Audited)	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 (Un-audited)	450,000,000	20,000,000	(90,685,199)	379,314,801
Total comprehensive income for the six months period ended 31 December 2016				
Profit for the six months period ended 31 December 2016	-	-	27,089,141	27,089,141
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	27,089,141	27,089,141
<b>Balance as at 31 December 2016 (Audited)</b>	<b>450,000,000</b>	<b>20,000,000</b>	<b>(63,596,058)</b>	<b>406,403,942</b>
Total comprehensive income for the six months period ended 30 June 2017				
Profit for the six months period ended 30 June 2017	-	-	22,577,457	22,577,457
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	22,577,457	22,577,457
Issue of shares otherwise than right issue	150,000,000	-	-	150,000,000
<b>Balance as at 30 June 2017 (Un-audited)</b>	<b>600,000,000</b>	<b>20,000,000</b>	<b>(41,018,601)</b>	<b>578,981,399</b>

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

Aamir Shahzad  
Mughal - Director

Sohel N. Kidwai  
Chief Executive Officer

SHAHEEN INSURANCE COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017



Business underwritten inside Pakistan

Class	Three months period ended 30 June 2017								2016 Net premium revenue	
	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense		2017 Net premium revenue i=d-h
		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	24,027,484	22,521,007	32,526,679	14,021,812	2,890,887	8,336,692	6,626,945	4,600,634	9,421,178	4,616,145
Marine, aviation and transport	4,350,195	2,363,935	1,824,727	4,889,403	1,156,354	578,177	578,177	1,156,354	3,733,049	1,763,520
Motor	55,692,220	88,655,949	89,799,669	54,548,500	2,097,375	4,889,046	4,483,223	2,503,198	52,045,302	51,106,100
Accident and health	2,031,096	7,472,532	6,164,422	3,339,206	-	-	-	-	3,339,206	2,361,257
Miscellaneous	8,983,641	25,245,798	26,791,553	7,437,886	2,890,884	7,791,764	6,670,176	4,012,472	3,425,414	7,431,499
Total	95,084,636	146,259,221	157,107,050	84,236,807	9,035,500	21,595,679	18,358,521	12,272,658	71,964,149	67,278,521
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-	-
Grand total	95,084,636	146,259,221	157,107,050	84,236,807	9,035,500	21,595,679	18,358,521	12,272,658	71,964,149	67,278,521

Business underwritten inside Pakistan

Six months period ended 30 June 2017										
Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2017 Net premium revenue i=d-h	2016 Net premium revenue
		Opening	Closing			Opening	Closing			
		a	b			c	d=a+b-c			
----- Rupees -----										
Direct and facultative										
Fire and property damage	35,813,751	24,021,744	32,526,679	27,308,816	5,781,771	10,151,965	6,626,945	9,306,791	18,002,025	9,434,269
Marine, aviation and transport	8,575,637	941,365	1,824,727	7,692,275	2,312,708	675,000	578,177	2,409,531	5,282,744	2,720,610
Motor	92,112,432	105,644,907	89,799,669	107,957,670	4,194,750	5,366,858	4,483,223	5,078,385	102,879,285	102,247,009
Accident and health	10,315,512	1,520,868	6,164,422	5,671,958	-	-	-	-	5,671,958	4,197,219
Miscellaneous	28,294,747	17,278,625	26,791,553	18,781,819	5,781,770	8,827,030	6,670,176	7,938,624	10,843,195	12,372,233
Total	175,112,079	149,407,509	157,107,050	167,412,538	18,070,999	25,020,853	18,358,521	24,733,331	142,679,207	130,971,340
Treaty - proportional & non proportional										
Grand total	175,112,079	149,407,509	157,107,050	167,412,538	18,070,999	25,020,853	18,358,521	24,733,331	142,679,207	130,971,340

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

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 CLAIMS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017



Business underwritten inside Pakistan

Class	Three months period ended 30 June 2017									2016 Net claims expense
	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	2017 Net claims expense i=d-h	
		Opening b	Closing c			Opening f	Closing g			
----- Rupees -----										
Direct and facultative										
Fire and property damage	1,489,783	17,875,412	20,931,145	4,545,516	580,498	1,222,860	671,695	29,333	4,516,183	491,397
Marine, aviation and transport	713,944	2,895,585	2,325,729	144,088	74,757	651,521	651,521	74,757	69,331	2,100,001
Motor	21,631,202	64,969,729	63,942,422	20,603,895	5,251,276	438,415	1,117,760	5,930,621	14,673,274	15,268,366
Accident and health	1,254,743	19,123,636	19,356,749	1,487,856	-	-	-	-	1,487,856	829,330
Miscellaneous	32,213	7,312,964	9,333,741	2,052,990	(334,612)	558,947	898,579	5,020	2,047,970	372,045
Total	25,121,885	112,177,326	115,889,786	28,834,345	5,571,919	2,871,743	3,339,555	6,039,731	22,794,614	19,061,139
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-	-
Grand total	25,121,885	112,177,326	115,889,786	28,834,345	5,571,919	2,871,743	3,339,555	6,039,731	22,794,614	19,061,139

Business underwritten inside Pakistan

Class	Six months period ended 30 June 2017									2016 Net claims expense
	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	2017 Net claims expense i=d-h	
		Opening b	Closing c			Opening f	Closing g			
----- Rupees -----										
Direct and facultative										
Fire and property damage	3,908,895	16,926,604	20,931,145	7,913,436	1,717,437	2,382,512	671,695	6,620	7,906,816	521,772
Marine, aviation and transport	1,587,983	2,855,585	2,325,729	1,058,127	175,665	727,399	651,521	99,787	958,340	2,584,974
Motor	46,616,055	64,227,797	63,942,422	46,330,680	10,453,010	1,873,215	1,117,760	9,697,555	36,633,125	39,286,166
Accident and health	2,106,520	19,107,049	19,356,749	2,356,220	-	-	-	-	2,356,220	6,353,384
Miscellaneous	219,320	6,866,718	9,333,741	2,686,343	(126,416)	766,153	898,579	6,010	2,680,333	651,744
Total	54,438,773	109,983,753	115,889,786	60,344,806	12,219,696	5,749,279	3,339,555	9,809,972	50,534,834	49,398,040
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-	-
Grand total	54,438,773	109,983,753	115,889,786	60,344,806	12,219,696	5,749,279	3,339,555	9,809,972	50,534,834	49,398,040

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

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  
STATEMENT OF EXPENSES (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017



Business underwritten inside Pakistan

	Three months period ended 30 June 2017								
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	2017 Net underwriting expenses h=f-g	2016 Net underwriting expenses
		Opening	Closing						
		b	c						
Rupees									
Direct and facultative									
Fire and property damage	4,509,233	7,150,009	7,660,428	3,998,814	3,190,815	7,189,629	321,319	6,868,310	3,744,162
Marine, aviation and transport	1,236,422	368,740	479,882	1,125,280	1,112,637	2,237,917	-	2,237,917	1,134,441
Motor	7,939,148	11,140,727	12,513,248	6,566,627	12,413,102	18,979,729	24,773	18,954,956	14,669,101
Accident and health	114,329	5	90,510	23,824	759,873	783,697	154,464	629,233	364,719
Miscellaneous	763,570	6,300,249	4,366,631	2,697,188	1,692,572	4,389,760	-	4,389,760	4,335,657
Total	14,562,702	24,959,730	25,110,699	14,411,733	19,168,999	33,580,732	500,556	33,080,176	24,248,080
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-
Grand total	14,562,702	24,959,730	25,110,699	14,411,733	19,168,999	33,580,732	500,556	33,080,176	24,248,080

Business underwritten inside Pakistan

	Six months period ended 30 June 2017								
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	2017 Net underwriting expenses h=f-g	2016 Net underwriting expenses
		Opening	Closing						
		b	c						
----- Rupees -----									
Direct and facultative									
Fire and property damage	8,434,291	7,047,022	7,660,428	7,820,885	5,616,582	13,437,467	667,173	12,770,294	8,024,591
Marine, aviation and transport	1,998,204	209,513	479,882	1,727,835	1,582,064	3,309,899	-	3,309,899	2,175,223
Motor	13,102,118	12,784,534	12,513,248	13,373,404	22,203,568	35,576,972	49,869	35,527,103	29,870,371
Accident and health	114,329	188	90,510	24,007	1,166,547	1,190,554	160,646	1,029,908	710,655
Miscellaneous	4,602,889	5,530,602	4,366,631	5,766,860	3,862,842	9,629,702	154,464	9,475,238	6,819,022
Total	28,251,831	25,571,859	25,110,699	28,712,991	34,431,603	63,144,594	1,032,152	62,112,442	47,599,862
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-
Grand total	28,251,831	25,571,859	25,110,699	28,712,991	34,431,603	63,144,594	1,032,152	62,112,442	47,599,862

\* 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.

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 INVESTMENT INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**



	<b>Three months period</b>		<b>Six months period ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>----- Rupees -----</b>			
<b>Income from trading investments - net</b>				
Gain on sale of held for trading investments	<b>157,948</b>	-	<b>770,718</b>	-
Dividend income	-	-	-	-
	<b>157,948</b>	-	<b>770,718</b>	-
<b>Income from non-trading investments</b>				
<b>Held-to-maturity</b>				
Return on other fixed income securities	<b>5,272,575</b>	2,257,207	<b>8,379,488</b>	4,610,979
Return on PIBs	<b>1,752,896</b>	1,317,099	<b>2,397,811</b>	2,462,584
	<b>7,025,471</b>	3,574,306	<b>10,777,299</b>	7,073,563
<b>Available for sale</b>				
Dividend income	<b>3,157,034</b>	2,491,262	<b>3,157,034</b>	2,491,262
<b>Unrealized loss on revaluation of held-for-trading investments</b>	-	(120,185)	-	(470,804)
<b>Investment related expenses</b>	-	-	-	-
<b>Net investment income</b>	<b>10,340,453</b>	5,945,383	<b>14,705,051</b>	9,094,021

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

## **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 AND STATEMENT OF COMPLIANCE**

- 2.1** This condensed interim financial report (condensed interim financial information) of the Company for the six months period ended 30 June 2017 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the Securities Exchange Commission [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 shall prevail.

The disclosures made in this condensed interim financial information have, however, been made on format prescribed under SEC (Insurance) Rules, 2002.

- 2.2** The SEC (Insurance) Rules, 2002 have been replaced by Insurance Rules, 2017 through SECP's S.R.O 89(1)/2017 which has changed the disclosure requirements of the financial statements, however, the Company has been granted exemption by SECP from the application of Insurance Rules, 2017 vide its letter no ID/OSM/Shahen/2017/10755 dated 18 August 2017 . Furthermore, the Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. SECP vide its Circular 17 of 2017 and its press release dated 20 July 2017 has clarified that the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Company's operations and has also enhanced the definition of related parties. Accordingly, this condensed interim financial information has been prepared under repealed Companies Ordinance, 1984 and repealed SEC (Insurance) Rules, 2002. The financial impact on valuation of 'available-for-sale investments' in accordance with Insurance Rules, 2017 is disclosed in Note 10.4.
- 2.3** This condensed interim financial information does not include all the information and disclosures required in the full financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2016.
- 2.4** 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 requirements of Code of Corporate Governance for Insurers, 2016.
- 2.5** 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.
- 2.6** This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.
- 2.7** 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 2016.

### 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 2016.

### 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 2016.

### 6. SHARE CAPITAL

#### 6.1 Authorized share capital

30 June 2017	31 December 2016		30 June 2017	31 December 2016	
<i>Number of shares</i>			<i>Rupees</i>		
			Un-audited	Audited	
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rs. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>	

#### 6.2 Issued, subscribed and paid - up share capital

30 June 2017	31 December 2016		30 June 2017	31 December 2016	
<i>Number of shares</i>			<i>Rupees</i>		
			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	
15,000,000	-	Ordinary shares of Rs. 10 each, issued otherwise than right issue	150,000,000	-	
<u>60,000,000</u>	<u>45,000,000</u>		<u>600,000,000</u>	<u>450,000,000</u>	

	30 June 2017	31 December 2016
	----- Rupees -----	
	Un-audited	Audited
7. OTHER CREDITORS AND ACCRUALS		
Provincial services tax	39,879,192	30,314,283
Withholding tax payable	3,348,367	2,919,484
Workers welfare fund payable	2,514,438	2,038,339
Unearned rental income	-	553,089
Payable to provident fund	161,142	-
Others	7,391,121	1,270,427
	<b>53,294,260</b>	<b>37,095,622</b>

## 8. CONTINGENCIES AND COMMITMENTS

### 8.1 Contingencies

**8.1.1** Securities and Exchange Commission of Pakistan (SECP) has concluded the hearings 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 of SECP in this regard are awaited.

**8.1.2** 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 Rupees 28 Million. Another suit bearing No. 11 of 2013 for recovery of Rupees 1.086 million has been filed against the Company. As the legal advisor of the Company is confident about favorable outcome of these suits, no provision has been made in the condensed financial information of the Company.

**8.1.3** A suit bearing No. 133 of 2014 for recovery of salary by an employee has been filed against the Company which is at the stage of evidence of the defendant pending adjudication before Honourable Court of IInd Senior Civil Judge Karachi South. As the legal advisor of the Company is confident about favorable outcome therefore no provision has been made in the condensed 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 2015-16 (financial year ended 31 December 2015), 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 5 September 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 Rupees 2.045 million for the tax year 2004, Rupees 8.22 million for the tax year 2006, and Rupees 9.689 million for tax year 2007 against Apportionment of Expenditure.

Assessments for the tax years 2015 and 2016 were also amended by the taxation officer under section 122 (9) read with section 122(5A) of the Income Tax Ordinance 2001, creating a demand of Rupees 1.49 million and Rupees 2.70 million respectively. The Company has filed an appeal against these orders with CIR (A).

Further, the Company has received show cause notice to amend assessments for the tax years 2012, 2013 and 2014 under section 122(5A) of the Income Tax ordinance 2001. The case is in hearing / compliance stage.

The Company has also received a notice for further amending the assessment of tax year 2011 under section 122 (9) read with section 122(5A) of the Income Tax Ordinance 2011 against which a constitutional petition has been filed in the High Court of Sindh. High Court has granted the stay in favor of the Company.

The Company expects that all the matters will be decided in its favour of the Company. Accordingly, no provision has been made in this condensed interim financial information.

8.2 Commitments	Note	30 June 2017	31 December 2016
		----- Rupees -----	
<b>Lease commitments</b>		<b>Un-audited</b>	<b>Audited</b>
Not later than 1 year		529,398	1,006,466
Later than 1 year and not later than 5 year		194,434	213,699
		<b>723,832</b>	<b>1,220,165</b>

## 9. CASH AND BANK DEPOSITS

### Cash and other equivalents

- Cash in hand		125,051	33,835
- Policy stamps and bond papers in hand		-	145,840
		<b>125,051</b>	<b>179,675</b>

### Current and saving accounts

- Current accounts		1,239,342	9,136,210
- Saving accounts	9.1	18,420,641	13,090,188
		<b>19,659,983</b>	<b>22,226,398</b>

### Deposits maturing within 12 months

Term deposit - local currency	9.2	369,030,742	195,850,000
		<b>388,815,776</b>	<b>218,256,073</b>

9.1 These carry profit rates ranging between 3% to 5% (2016: 3% to 4%) per annum.

9.2 The rate of return on term deposits with various banks range from 6.30% to 6.35% per annum (2016: 5.25% to 6.35% per annum) due on maturity. These term deposits have maturities upto 30 January 2018 (2016: 29 June 2017).

## 10. INVESTMENTS

### 10.1 Type of investments

#### Held-to-maturity

Government Securities	10.2	53,859,730	54,514,125
Term finance certificates - Listed	10.3	-	-
		<b>53,859,730</b>	<b>54,514,125</b>

#### At fair value through profit or loss - Held for trading

		500,107	2,203,894
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#### Available-for-sale investments

First Capital Equities Limited	10.5	188,000,000	188,000,000
Mutual Funds		38,979,541	36,583,697
		<b>281,339,378</b>	<b>281,301,716</b>

### 10.2 Government Securities

Type of security	Maturity date	Profit (%)	Face value	30 June 2017	31 December 2016
----- Rupees -----					
Pakistan Investment Bonds	18 July 2018	11.50%	15,000,000	14,881,941	14,830,311
Pakistan Investment Bonds	18 July 2018	11.50%	8,600,000	8,935,926	9,086,853
Pakistan Investment Bonds	19 July 2017	11.50%	3,000,000	3,005,677	3,062,753
Pakistan Investment Bonds	30 August 2018	12.00%	25,800,000	27,036,186	27,534,208
				<b>53,859,730</b>	<b>54,514,125</b>

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 and hence they were fully provided.

- 10.4** On 30 June 2017, the fair value of available-for-sale securities was Rupees 91.590 million (31 December 2016: Rupees 127.900 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 2017 would have been lowered by Rupees 135.390 million (31 December 2016: lowered by Rupees 96.683 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 Rupees 40 per share against the market value of Rupees 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 2017 (Un-audited)						Written down value as at 30 June 2017	Depreciation rate %
Note		Cost			Depreciation				
		As at 1 January 2017	Addition/ (Deletion)	As at 30 June 2017	As at 1 January 2017	For the period	As at 30 June 2017		
		----- Rupees -----							
Shop premises	11.1	33,948,414	-	33,948,414	13,624,767	848,710	14,473,477	19,474,937	5
Office premises	11.1	2,848,320	-	2,848,320	2,646,562	71,208	2,717,770	130,550	5
Free hold land	11.2	-	13,765,000	13,765,000	-	-	-	13,765,000	-
		36,796,734	13,765,000	50,561,734	16,271,329	919,918	17,191,247	33,370,487	
		31 December 2016 (Audited)						Written down value as at 31 December 2016	Depreciation rate %
		Cost			Depreciation				
		As at 1 January 2016	Addition/ (Deletion)	As at 31 December 2016	As at 1 January 2016	For the year	As at 31 December 2016		
		----- Rupees -----							
Shop premises	11.1	33,948,414	-	33,948,414	11,927,346	1,697,421	13,624,767	20,323,647	5
Office premises	11.1	2,848,320	-	2,848,320	2,504,147	142,415	2,646,562	201,758	5
		36,796,734	-	36,796,734	14,431,493	1,839,836	16,271,329	20,525,405	

**11.1** As per latest available valuation conducted by KBN (Private) Limited, assessed value of shop premises as of 31 December 2016 amounted to Rupees 81.165 million (2015: 80.596 million) and office premises valued by I.Hussain Associates (Private) Limited as of 31 Decemebr 2016 amounted to Rupees 14.07 million (2015: 13.4 million).

**11.2** This represents two open plots of land measuring 300 square yards each acquired during the period for capital appreciation purposes. Cost model has been adopted for valuation of investment property and no depreciation is charged, being immovable property with indefinite life.



12	PREMIUMS DUE BUT UNPAID - NET	Note	31 December	
			2017	2016
			----- Rupees -----	
			Un-audited	Audited
	Considered good		136,413,967	77,253,692
	Considered doubtful		59,479,528	59,479,528
			195,893,495	136,733,220
	Provision for doubtful receivables	12.1	(59,479,528)	(59,479,528)
			136,413,967	77,253,692
12.1	<b>Reconciliation of provision for doubtful balances</b>			
	Opening provision		59,479,528	30,310,430
	Charged for the period / year		-	29,169,098
	Written off during the period / year		-	-
	Closing provision		59,479,528	59,479,528
12.2	<b>Premiums due but unpaid from related parties include:</b>			
	Shaheen Airport Services (SAPS)		3,717,468	3,345,708
	Shaheen Foundation, PAF		10,278,878	62,001
	Shaheen Aero Traders		680,752	132,363
	Shaheen Knitwear		422,990	221,188
	Shaheen Complex		9,352,701	-
			24,452,789	3,761,260

### 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 2017		30 June 2016	
	Additions	Disposals	Additions	Disposals
	----- Rupees -----		----- Rupees -----	
	-----Un-audited-----			
Furniture, fixtures and office equipment	120,205	446,155	843,082	-
Motor vehicles	-	-	2,415,500	-
Motor vehicles Leased	-	-	-	2,447,500
Capital work in progress	-	34,750,008	-	-
	120,205	35,196,163	3,258,582	2,447,500

13.2 Capital work in progress represented advance against the purchase of property from Pace Pakistan Limited (previously a related party), the title to which was not transferred to the Company and has been settled with Pace Pakistan Limited during the period for Rupees 39,962,500.

#### 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 2017 and 31 December 2016, unallocated capital expenditures and non-cash expenses during the current and last period:

	Fire & Property Damage		Marine, Aviation & Transport		Motor		Accident and Health		Miscellaneous		Total	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	Rupees											
SEGMENT ASSETS												
Segment assets	83,882,743	54,323,730	24,615,621	23,408,456	479,379,201	230,796,049	26,429,215	108,886,780	50,525,256	43,444,431	664,832,036	460,859,446
Unallocated corporate assets											317,902,163	309,775,335
Total assets											982,734,199	770,634,781
SEGMENT LIABILITIES												
Segment liabilities	64,963,614	38,489,339	7,526,862	16,585,312	219,496,218	163,523,149	29,146,339	77,148,241	43,055,599	30,781,160	364,188,632	326,527,201
Unallocated corporate liabilities											39,564,168	37,703,638
Total liabilities											403,752,800	364,230,839
Capital expenditure	15,166	384,105	4,451	165,513	86,674	1,631,881	4,779	769,902	9,135	307,181	120,205	3,258,582
Depreciation / Amortization	458,418	498,982	134,524	215,014	2,619,802	2,119,938	144,435	1,000,161	276,121	399,051	3,633,300	4,233,146

## 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 Rupees 450 million by 30 June 2017. The Company is in compliance with the requirements as at 30 June 2017.

## 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**                      30 June  
**2017**                              2016  
**----- Rupees -----**

#### Associated companies

Premium Written	<b>20,691,529</b>	17,264,873
Premium received	-	6,060,564
Claims paid	<b>2,825,294</b>	361,598
Claims incurred	<b>1,189,371</b>	947,041

#### Other transactions

- Rental expense	<b>5,949,362</b>	5,274,184
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#### Other related Parties

- Contribution to Provident Fund	<b>1,276,837</b>	202,974
- Remuneration of key management personnel	<b>6,759,547</b>	9,637,920

### Balances:

**30 June**                      31 December  
**2017**                              2016  
**Un-audited**                      Audited

#### Associated companies

Premium receivable	<b>24,452,789</b>	3,761,260
Claims outstanding	<b>1,322,193</b>	2,958,116
Prepaid rent	<b>282,422</b>	1,164,845
Security deposits	<b>2,321,937</b>	2,321,937

#### Other related Parties

- Provident fund payable	<b>161,142</b>	-
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**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
	2017	2016	2017	2016
	----- Rupees -----		----- Rupees -----	
	-----Un-audited-----			
Profit for the period	16,574,108	11,200,849	22,577,457	13,046,712
	Number of Shares		Number of Shares	
Weighted average number of ordinary shares of Rs. 10 each	60,000,000	45,000,000	60,000,000	45,000,000
	----- Rupees -----		----- Rupees -----	
Earnings per share	0.28	0.25	0.38	0.29

**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 Aug 24, 2017

**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



# INSURANCE

1. FIRE
2. AUTO
3. MARINE
4. HEALTH
5. HOME & SHOP
6. AVIATION
7. ENGINEERING
8. PERSONAL ACCIDENT
9. BONDS & GUARANTEES
10. TRAVEL
11. PROFESSIONAL IDEMNITY
12. CASH TRANSIT/CASH IN SAFE

**Shaheen Insurance**

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