

Third Quareterly Report 2017



A Sign of Perfection

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
Mr. Aamir Shahzad Mughal – Member
Air Commodore Jamshed Iqbal (Retd.)- 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
Mr. Aamir Shahzad Mughal - Member
Air Commodore Jamshed Iqbal (Retd.) - 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

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 Raod, Karachi-74200
Tel # 32630370-75, 322139850-51 Fax # 32626674
E-mail: info@shaheeninsurance.com
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

Branch Manager - Gulshan Ali Ansari
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
E-mail: lhr_corporate@shaheeninsurance.com

Islamabad

Branch Manager – Mujahid Raza Syed
Office # 4, 1st Floor Zaki Centre,
I-8 Markaz Islamabad
Tel: 051-4938283
Fax: 051-4938284
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
Email: 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

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

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

Sarghoda

Branch Manager – Mr.Nadeem Awan
Office # 63 1st Floor Advance Book shop
Rehman Complex Ibne Seena Hospital Market
Kanchi More Sarghoda Mobile# 0300-86802723
Email: nadeemawan1975@gmail.com

Abbottabad

Branch Manager – Mr.Ejaz Raffique
Office # 9 1st Floor Silk Plaza Supply Manshara
Road Abbottabad. Mobile # 0301-8177155
Email: abt@shaheeninsurance.com

DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to present the unaudited accounts of the company for the period ended September 30, 2017.

The results are summarized below;

	Rupees in million	
	September	September
	2017	2016
Gross Premium Written	275.77	286.63
Net Premium Revenue	214.88	197.54
Underwriting Results	51.49	53.52
Investment Income	21.42	12.67
Profit before tax	36.79	21.00
Profit after tax	34.64	19.03
Earnings Per Share	0.64	0.42

Our company demonstrated a robust growth during the nine months of financial year 2017 compared with the same period of 2016. Profit after tax of the company increased by **82.07% to Rs 34.64 Million** during the period under review against Rs 19.03 Million during the corresponding period of 2016. Net Premium Revenue during the period also increased by 8.78% to Rs214.88 Million from Rs197.54 Million during the corresponding period of 2016.

Investment income of company also increased significantly and depicted a strong growth of 69.08%.

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 **Single A with stable outlook** from Single 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. We are pleased to inform that SICL branches have increased to 12 providing services in all major cities of Pakistan, and continue to perform to the entire satisfaction of the stakeholders.



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 and all our re-insurers for their continued guidance and support.

Air Marshal Muhammad Jamshed Khan (Retd.)
Chairman

October 27, 2017

شاہین انشورنس

ڈائریکٹر رپورٹ برائے ممبران!

ڈائریکٹر مسرت کے ساتھ 30 ستمبر 2017 کو اختتام پذیر نو ماہ کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔
نتائج کا خلاصہ درج ذیل ہے۔

روپے ملین میں		
ستمبر 2016	ستمبر 2017	
286.63	275.77	قلمرد مجموعی پر بیم
197.54	214.88	پر بیم کی صافی آمدنی
53.52	51.49	ذمہ نویسی کے نتائج
12.67	21.42	سرمایہ کاری کی آمدنی
21.00	36.79	ٹیکس سے قبل نفع
19.03	34.64	ٹیکس کے بعد نفع
0.42	0.64	آمدنی فی شیئر

2016 کے پہلے نو ماہ سے موازنہ کیا جائے تو ہماری کمپنی نے موجودہ سال اس عرصے میں مضبوط نمو کا مظاہرہ کیا۔ 30 ستمبر 2017 سے اختتام پذیر نو ماہ میں کمپنی کے ٹیکس کے بعد نفع میں **82.07 فیصد اضافہ** ہو کر **34.64** ملین روپے تک جا پہنچا جبکہ 2016 سے اسی عرصے کے دوران یہ رقم **19.03** ملین روپے تھی۔ 2017 کے نو ماہ میں پر بیم کی صافی آمدنی **8.78 فیصد اضافہ** کے بعد **214.88** ملین روپے جا پہنچا جبکہ 2016 کے نو ماہ میں یہ رقم **197.54** ملین روپے تھی۔
کمپنی کی سرمایہ کاری کی آمدنی میں بھی **69.08 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 رائلٹی 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 سات 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 اسٹریسٹھ (آئی ایف ایس) ریٹنگ، جو "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۔ ہم مسرت کے ساتھ یہ بیان کرتے ہیں کہ کمپنی کی برانچز کی تعداد بارہ تک ہو گئی ہے جو کہ ملک کے بڑے شہروں میں اپنی خدمات فراہم کر رہی ہیں اور ان کی کارکردگی جسے داروں کو مکمل مطمئن کر رہی ہے۔
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۔
آپ کے ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان 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)

27 اکتوبر 2017

چیرمین

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



	Note	30 September 2017	31 December 2016
		-----Rupees-----	
		Un-audited	Audited
SHARE CAPITAL AND RESERVES			
Authorized share capital			
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		(28,954,231)	(63,596,058)
Shareholders' equity		<u>591,045,769</u>	<u>406,403,942</u>
Underwriting provisions			
Provision for outstanding claims (including IBNR)		119,467,141	109,983,753
Provision for unearned premium		173,900,004	149,407,509
Premium deficiency reserve		3,371,984	3,371,984
Commission income unearned		1,041,148	1,340,523
Total underwriting provisions		<u>297,780,277</u>	<u>264,103,769</u>
Creditors and accruals			
Premium received in advance		2,008,944	677,367
Amounts due to other insurers / reinsurers		47,227,104	38,431,355
Accrued expenses		12,677,939	11,005,401
Agent balances		14,440,311	11,378,919
Current portion of liabilities against assets subject to finance lease		349,587	930,389
Other creditors and accruals	7	<u>58,592,799</u>	<u>37,095,622</u>
		<u>135,296,683</u>	<u>99,519,053</u>
Borrowings			
Liabilities against assets subject to finance lease		101,334	209,083
Other liabilities			
Unclaimed dividend		398,934	398,934
TOTAL LIABILITIES		<u>433,577,228</u>	<u>364,230,839</u>
TOTAL EQUITY AND LIABILITIES		<u>1,024,622,997</u>	<u>770,634,781</u>
CONTINGENCIES AND COMMITMENTS			
	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
Thirty Quarterly Report 2017

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

Aamir Shahzad Mughal
Director

Sohel N. Kidwai
Chief Executive Officer

Note	30 September 2017	31 December 2016
	-----Rupees-----	
	Un-audited	Audited
Cash and bank deposits		
9		
Cash and other equivalents	64,920	179,675
Current and saving accounts	23,454,826	22,226,398
Deposits maturing within 12 months	378,844,469	195,850,000
	402,364,214	218,256,073
Loans - secured		
To employees	3,000	3,000
Investments	10	277,844,666
		281,301,716
Investment properties	11	32,910,528
		20,525,405
Current Assets-Others		
12		
Premiums due but unpaid - net	177,227,540	77,253,692
Amounts due from other insurers / reinsurers	39,152,061	29,619,596
Accrued investment income	860,145	2,585,453
Reinsurance recoveries against outstanding claims	3,372,555	5,749,279
Taxation - provisions less payments	23,426,606	21,350,296
Deferred commission expense	20,975,529	25,571,859
Advances, deposits and prepayments	30,222,887	34,155,767
Other receivables	7,531,260	7,948,214
	302,768,583	204,234,156
Fixed assets - Tangible and intangible		
Owned		
Furniture, fixtures and office equipment	4,311,798	5,261,201
Motor vehicles	1,548,184	2,119,506
Capital work in progress - tangible	-	34,750,008
13.2	5,859,982	42,130,715
Leased		
Motor vehicles	2,872,024	4,183,716
TOTAL ASSETS	1,024,622,997	770,634,781

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

Note	Three months period ended 30 Sep					2017 Aggregate	2016 Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous		
	----- Rupees -----						
Revenue Account							
	9,192,966	2,059,261	48,435,607	74,284	12,437,117	72,199,235	66,570,074
	(2,128,026)	(481,991)	(19,293,081)	(964,088)	706,972	(22,160,214)	(22,919,313)
	(2,661,081)	(620,916)	(9,806,612)	(14,344)	(3,090,488)	(16,193,440)	(11,738,602)
	(3,302,431)	(811,110)	(5,749,536)	(28,582)	(2,492,812)	(12,384,471)	(12,363,510)
	<u>1,101,428</u>	<u>145,245</u>	<u>13,586,378</u>	<u>1,222,117</u>	<u>7,560,789</u>	21,461,110	19,548,649
						6,710,044	3,571,840
						672,804	976,540
						1,007,804	11,283
						(16,810,687)	(17,450,597)
						(730,810)	(12,012)
						12,310,265	6,645,703
						(245,895)	(665,701)
						12,064,370	5,980,002
Earnings per share-basic and diluted	17					0.20	0.13

Note	Nine months period ended 30 Sep					2017 Aggregate	2016 Aggregate
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous		
	----- Rupees -----						
Revenue Account							
Net premium revenue	27,194,991	7,342,005	151,314,892	5,746,242	23,280,311	214,878,441	197,541,414
Net claims	(9,954,842)	(1,520,331)	(55,926,206)	(3,320,308)	(1,973,361)	(72,695,048)	(72,317,353)
Management expenses	(8,278,512)	(2,197,636)	(31,982,588)	(1,157,708)	(7,008,598)	(50,625,043)	(35,856,434)
Net commission	(10,456,143)	(2,538,945)	(19,073,071)	108,057	(8,105,208)	(40,065,310)	(35,845,540)
Underwriting results							
	(1,494,506)	1,085,092	44,333,026	1,376,283	6,193,144	51,493,040	53,522,087
Investment income						21,415,095	12,665,861
Rental income						2,275,893	2,501,695
Other income						6,806,689	9,901,504
General and administration expenses						(44,469,296)	(57,284,019)
Provision for Workers' Welfare Fund						(730,810)	(305,000)
Profit for the period before taxation						36,790,611	21,002,128
Provision for taxation							
-Current						(2,148,784)	(1,975,414)
Profit after tax						34,641,827	19,026,714
Accumulated loss account							
Balance of accumulated loss at commencement of the period						(63,596,058)	(103,731,911)
Profit for the six months period						34,641,827	19,026,714
Balance of accumulated loss at end of the period						(28,954,231)	(84,705,197)
Earnings per share-basic and diluted	17					0.64	0.42

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 COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

	Three months period ended		Six months period ended	
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	----- Rupees -----			
Profit for the period	12,064,370	5,980,002	34,641,827	19,026,714
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	12,064,370	5,980,002	34,641,827	19,026,714

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 CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

	30 September 2017	30 September 2016
	----- Rupees -----	
OPERATING ACTIVITIES		
a) Underwriting activities		
Premiums received	172,715,144	206,600,297
Reinsurance premiums paid	(36,397,130)	(46,266,793)
Claims paid	(76,276,990)	(96,352,059)
Reinsurance and other recoveries received	13,698,049	40,520,445
Commissions paid	(37,031,887)	(43,475,116)
Commissions received	1,263,532	2,099,097
Net cash flows from underwriting activities	37,970,718	63,125,871
b) Other operating activities		
Income tax paid	(4,225,094)	(2,342,694)
Management and administration expenses paid	(47,938,728)	(78,055,842)
Net cash used in other operating activities	(52,163,822)	(80,398,536)
Total cash used in all operating activities	(14,193,104)	(17,272,665)
INVESTING ACTIVITIES		
Profit / Return received	29,210,339	14,450,759
Rentals received	2,275,893	2,026,540
Payments for investments	(16,430,600)	(2,409,198)
Fixed capital expenditure	(120,205)	(3,358,582)
Proceeds from disposal of fixed assets	34,345,530	1,700,000
Total cash flow from all investing activities	49,280,957	12,409,519
FINANCING ACTIVITIES		
Financial charges paid	(289,636)	(1,680,523)
Issue right shares	150,000,000	-
Payments of finance lease liability	(688,551)	(1,188,321)
Total cash flows from / (used in) all financing activities	149,021,813	(2,868,844)
Net cash flow from / (used in) all activities	184,109,666	(7,731,990)
Exchange loss on cash and cash equivalents	(1,525)	(1,509)
Cash and cash equivalents at the beginning of year	218,256,073	174,423,014
Cash and cash equivalents at end of the period	402,364,214	166,689,515

30 September 2017 30 September 2016

----- Rupees -----

Reconciliation to profit and loss account

Operating cash flows	(14,193,104)	(17,272,665)
Exchange loss on cash and cash equivalents	(1,525)	(1,509)
Depreciation on fixed assets	(3,545,803)	(5,530,872)
Depreciation on investment property	(1,379,877)	(919,918)
Loss / gain on disposal of fixed assets	5,228,492	(380,375)
Taxes paid	4,225,094	2,342,694
Financial charges	(289,636)	(1,680,523)
Increase / (decrease) in assets other than cash	64,495,732	94,939,710
(Increase) / decrease in liabilities	(40,926,648)	(75,732,891)
Investment and other income	23,908,696	25,238,476
Provision for Workers' Welfare Fund	(730,810)	-
Provision for tax	(2,148,784)	(1,975,414)
Profit after taxation	34,641,827	19,026,713

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	64,920	125,051
- Policy stamps in hand	-	-
	64,920	125,051

Current and saving accounts

- Current accounts	10,245,102	1,239,342
- Savings accounts	13,209,724	18,420,641
	23,454,826	19,659,983

Deposits maturing within 12 months

Term Deposit- local currency	378,844,469	369,030,742
	402,364,214	388,815,776

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

	Revenue reserves			Total
	Paid-up share capital	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 nine months period ended 30 September 2016				
Profit for the nine months period ended 30 Sep 2016	-	-	19,026,714	19,026,714
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	19,026,714	19,026,714
Balance as at 30 Sep 2016 (Un-audited)	450,000,000	20,000,000	(84,705,197)	385,294,803
Total comprehensive income for the three months period ended 31 Dec 2016				
Profit for the three months period ended 31 Dec 2016	-	-	21,109,139	21,109,139
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	21,109,139	21,109,139
Balance as at 31 December 2016 (Audited)	450,000,000	20,000,000	(63,596,058)	406,403,942
Changes in equity for the nine months period ended 30 Sep 2017				
Profit for the nine months period ended 30 Sep 2017	-	-	34,641,827	34,641,827
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	34,641,827	34,641,827
Issue of shares otherwise than right issue	150,000,000	-	-	150,000,000
Balance as at 30 Sep 2017 (Un-audited)	600,000,000	20,000,000	(28,954,231)	591,045,769

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 PREMIUMS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

Business underwritten inside Pakistan

Class	Three months period ended 30 September 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			
Rupees										
Direct and facultative										
Fire and property damage	3,707,972	32,526,679	22,453,370	13,781,281	7,655,086	6,626,945	9,693,716	4,588,315	9,192,966	4,616,145
Marine, aviation and transport	2,669,289	1,824,727	1,278,402	3,215,614	1,156,353	578,177	578,177	1,156,353	2,059,261	1,763,520
Motor	74,578,460	89,799,669	113,591,378	50,786,751	2,097,375	4,483,223	4,229,454	2,351,144	48,435,607	51,106,100
Accident and health	58,980	6,164,422	6,149,118	74,284	-	-	-	-	74,284	2,361,257
Miscellaneous	19,641,285	26,791,553	30,427,736	16,005,103	2,890,884	6,670,176	5,993,074	3,567,986	12,437,117	7,431,499
Total	100,655,986	157,107,051	173,900,003	83,863,033	13,799,698	18,358,521	20,494,420	11,663,798	72,199,235	67,278,521
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-	-
Grand total	100,655,986	157,107,051	173,900,003	83,863,033	13,799,698	18,358,521	20,494,420	11,663,798	72,199,235	67,278,521

Business underwritten inside Pakistan

Class	Nine months period ended 30 September 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			
Rupees										
Direct and facultative										
Fire and property damage	39,521,723	24,021,744	22,453,370	41,090,097	13,436,857	10,151,965	9,693,716	13,895,106	27,194,991	9,434,269
Marine, aviation and transport	11,244,926	941,365	1,278,402	10,907,889	3,469,061	675,000	578,177	3,565,884	7,342,005	2,720,610
Motor	166,690,892	105,644,907	113,591,378	158,744,421	6,292,125	5,366,858	4,229,454	7,429,529	151,314,892	102,247,009
Accident and health	10,374,492	1,520,868	6,149,118	5,746,242	-	-	-	-	5,746,242	4,197,219
Miscellaneous	47,936,032	17,278,625	30,427,736	34,786,921	8,672,654	8,827,030	5,993,074	11,506,611	23,280,311	12,372,233
Total	275,768,065	149,407,509	173,900,003	251,275,571	31,870,697	25,020,853	20,494,420	36,397,130	214,878,440	130,971,340
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-	-
Grand total	275,768,065	149,407,509	173,900,003	251,275,571	31,870,697	25,020,853	20,494,420	36,397,130	214,878,440	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
Thirty Quarterly Report 2017

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 CLAIMS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017



Business underwritten inside Pakistan

Class	Three months period ended 30 September 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		
Direct and facultative									
Fire and property damage	736,363	20,931,145	22,542,808	2,348,026	220,000	671,695	671,695	220,000	2,128,026
Marine, aviation and transport	7,001	2,325,729	2,800,727	481,999	8	651,521	651,521	8	481,991
Motor	19,700,289	63,942,422	65,250,564	21,008,431	2,782,350	1,117,760	50,760	1,715,350	19,293,081
Accident and health	1,436,888	19,356,749	18,883,949	964,088	-	-	-	-	964,088
Miscellaneous	(42,324)	9,333,741	9,989,093	613,028	220,000	898,579	1,998,579	1,320,000	(706,972)
Total	21,838,217	115,889,786	119,467,141	25,415,572	3,222,358	3,339,555	3,372,555	3,255,358	22,160,214
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-
Grand total	21,838,217	115,889,786	119,467,141	25,415,572	3,222,358	3,339,555	3,372,555	3,255,358	22,160,214

Business underwritten inside Pakistan

Class	Nine months period ended 30 September 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		
Direct and facultative									
Fire and property damage	4,645,258	16,926,604	22,542,808	10,261,462	2,017,437	2,382,512	671,695	306,620	9,954,842
Marine, aviation and transport	1,594,984	2,855,585	2,800,727	1,540,126	95,673	727,399	651,521	19,795	1,520,331
Motor	66,316,344	64,227,797	65,250,564	67,339,111	13,235,360	1,873,215	50,760	11,412,905	55,926,206
Accident and health	3,543,408	19,107,049	18,883,949	3,320,308	-	-	-	-	3,320,308
Miscellaneous	176,996	6,866,718	9,989,093	3,299,371	93,584	766,153	1,998,579	1,326,010	1,973,361
Total	76,276,990	109,983,753	119,467,141	85,760,378	15,442,054	5,749,279	3,372,555	13,065,330	72,695,048
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-
Grand total	76,276,990	109,983,753	119,467,141	85,760,378	15,442,054	5,749,279	3,372,555	13,065,330	72,695,048

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.

SHAHEEN INSURANCE COMPANY LIMITED
STATEMENT OF EXPENSES (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017



Business underwritten inside Pakistan

Class	Three months period ended 30 September 2017							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	2017 Net underwriting expenses h=f-g	Net underwriting expenses
		Opening	Closing						
		b	c						
----- Rupees -----									
Direct and facultative									
Fire and property damage	1,330,832	7,660,428	5,286,269	3,704,991	2,661,081	6,366,073	402,561	5,963,512	2,879,529
Marine, aviation and transport	671,022	479,882	339,794	811,110	620,916	1,432,026	-	1,432,026	972,354
Motor	4,749,650	12,513,248	11,497,807	5,765,091	9,806,612	15,571,702	15,554	15,556,148	12,104,577
Accident and health	-	90,510	61,928	28,582	14,344	42,926	-	42,926	632,330
Miscellaneous	2,028,552	4,366,631	3,789,731	2,605,452	3,090,488	5,695,940	112,641	5,583,299	3,261,751
Total	8,780,056	25,110,699	20,975,529	12,915,226	16,193,440	29,108,666	530,755	28,577,911	19,850,541
Treaty - proportional & non proportional	-	-	-	-	-	-	-	-	-
Grand total	8,780,056	25,110,699	20,975,529	12,915,226	16,193,440	29,108,666	530,755	28,577,911	19,850,541

Business underwritten inside Pakistan

Nine months period ended 30 September 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	9,765,123	7,047,022	5,286,269	11,525,876	8,278,512	19,804,389	1,069,734	18,734,655	6,650,739
Marine, aviation and transport	2,669,226	209,513	339,794	2,538,945	2,197,636	4,736,581	-	4,736,581	2,042,903
Motor	17,851,768	12,784,534	11,497,807	19,138,495	31,982,588	51,121,083	65,423	51,055,660	23,691,449
Accident and health	114,329	188	61,928	52,589	1,157,708	1,210,297	160,646	1,049,651	1,649,316
Miscellaneous	6,631,441	5,530,602	3,789,731	8,372,312	7,008,598	15,380,910	267,105	15,113,805	6,139,222
Total	37,031,887	25,571,859	20,975,529	41,628,217	50,625,043	92,253,260	1,562,907	90,690,352	40,173,629
Treaty - proportional & non proportional									
Grand total	37,031,887	25,571,859	20,975,529	41,628,217	50,625,043	92,253,260	1,562,907	90,690,352	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.

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 INVESTMENT INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

	Three months period ended		Nine months period ended	
	30 September	30 September	30 September	30 September
	2017	2016	2017	2016
	----- Rupees -----			
Income from trading investments - net				
Gain on sale of held for trading investments	-	-	654,189	-
Dividend income	-	-	-	-
	-	-	654,189	-
Income from non-trading investments				
Held-to-maturity				
Return on other fixed income securities	5,837,390	2,301,527	14,216,878	6,912,506
Return on PIBs	989,183	1,150,100	3,386,994	3,612,684
	6,826,573	3,451,627	17,603,872	10,525,190
Available for sale				
Dividend income	-	-	3,157,034	2,491,261
Unrealized loss on revaluation of held-for-trading investments	(116,529)	120,212	-	(350,591)
Investment related expenses	-	-	-	-
Net investment income	6,710,044	3,571,839	21,415,095	12,665,860

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
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

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 nine months period ended 30 Sep 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/2017/12362 dated 18 October 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 Sep 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.

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

6.2 Issued, subscribed and paid - up share capital

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

	30 September 2017	31 December 2016
	----- Rupees -----	
	Un-audited	Audited
Provincial services tax	43,165,499	30,314,283
Withholding tax payable	3,837,265	2,919,484
Workers welfare fund payable	3,070,248	2,038,339
Unearned rental income	968,410	553,089
Payable to provident fund	160,257	-
Others	7,391,120	1,270,427
	58,592,799	37,095,622

7. OTHER CREDITORS AND ACCRUALS

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.

Assessment for the years 2015 and 2016 were also amended by 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 assessments of tax years 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

There were no commitments as at 30 September 2017 (31 December 2016: Nil)

9. CASH AND BANK DEPOSITS

Cash and other equivalents

- Cash in hand		64,920	33,835
- Policy stamps and bond papers in hand		-	145,840
		64,920	179,675

Current and saving accounts

- Current accounts		10,245,102	9,136,210
- Saving accounts	9.1	13,209,724	13,090,188
		23,454,826	22,226,398

Deposits maturing within 12 months

Term deposit - local currency	9.2	378,844,468	195,850,000
		402,364,214	218,256,073

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

		2017	2016
		----- Rupees -----	
Government Securities	10.2	50,481,547	54,514,125
Term finance certificates - Listed	10.3	-	-
		50,481,547	54,514,125
		383,577	2,203,894

At fair value through profit or loss - Held for trading

Available-for-sale investments

First Capital Equities Limited	10.5	188,000,000	188,000,000
Mutual Funds		38,979,541	36,583,697
		277,844,666	281,301,716

10.2 Government Securities

Type of security	Maturity date	Profit (%)	Face value	30 September 2017	31 December 2016
				----- Rupees -----	
Pakistan Investment Bonds	18 July 2018	11.50%	15,000,000	14,921,751	14,830,311
Pakistan Investment Bonds	18 July 2018	11.50%	8,600,000	8,858,093	9,086,853
Pakistan Investment Bonds	19 July 2017	11.50%	3,000,000	-	3,062,753
Pakistan Investment Bonds	30 August 2018	12.00%	25,800,000	26,701,703	27,534,208
				50,481,547	54,514,125

- 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 Sep 2017, the fair value of available-for-sale securities was Rupees 99.287 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 Sep 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 Sep 2017 (Un-audited)						Written down value as at 30 Sep 2017	Depreciation rate %
Note		Cost			Depreciation				
		As at 1 January 2017	Addition/ (Deletion)	As at 30 Sep 2017	As at 1 January 2017	For the period	As at 30 Sep 2017		
----- Rupees -----									
Shop premises	11.1	33,948,414	-	33,948,414	13,624,767	1,273,066	14,897,833	19,050,581	5
Office premises	11.1	2,848,320	-	2,848,320	2,646,562	106,812	2,753,374	94,946	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	1,379,878	17,651,207	32,910,527	
		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 Decemembr 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	31 December 2016
			----- Rupees -----	
			Un-audited	Audited
	Considered good		177,227,540	77,253,692
	Considered doubtful		63,479,528	59,479,528
			240,707,068	136,733,220
	Provision for doubtful receivables	12.1	(63,479,528)	(59,479,528)
			177,227,540	77,253,692

12.1 Reconciliation of provision for doubtful balances

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 Premiums due but unpaid from related parties include:

Shaheen Airport Services (SAPS)	56,047,446	3,345,708
Shaheen Foundation, PAF	11,784,077	62,001
Shaheen Aero Traders	1,305,438	132,363
Shaheen Housing Complex	36,851	-
Fazia Education Sysytem School	55,153	-
Shaheen Medical Services	1,130,952	-
Shaheen Splash	22,573	-
Hawk Advertising & Communication	166,123	-
Shaheen Knitwear	869,173	221,188
Shaheen Complex	9,625,121	-
	81,042,907	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 nine months period are as follows:

	30 Sep 2017		30 Sep 2016	
	Additions	Disposals	Additions	Disposals
	----- Rupees -----		----- Rupees -----	
	-----Un-audited-----			
Furniture, fixtures and office equipment	120,205	446,155	943,082	-
Motor vehicles	-	-	2,415,500	-
Motor vehicles Leased	-	-	-	2,447,500
Capital work in progress	-	34,750,008	-	-
	120,205	35,196,163	3,358,582	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 Sep 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 Sep 2017	31 December 2016	30 Sep 2017	31 December 2016	30 Sep 2017	31 December 2016	30 Sep 2017	31 December 2016	30 Sep 2017	31 December 2016	30 Sep 2017	31 December 2016
	----- Rupees -----											
SEGMENT ASSETS												
Segment assets	83,259,302	54,323,730	35,876,986	23,408,456	353,729,722	230,796,049	166,885,398	108,886,780	66,585,136	43,444,431	706,336,543	460,859,446
Unallocated corporate assets											318,286,454	309,775,335
Total assets											1,024,622,997	770,634,781
SEGMENT LIABILITIES												
Segment liabilities	44,142,258	38,489,339	19,021,192	16,585,312	187,539,750	163,523,149	88,478,982	77,148,241	35,301,980	30,781,160	374,484,162	326,527,201
Unallocated corporate liabilities											59,093,065	37,703,638
Total liabilities											433,577,228	364,230,839
Capital expenditure	14,169	443,497	6,106	191,106	60,198	1,884,213	28,401	888,949	11,332	354,679	120,205	3,762,444
Depreciation / Amortization	580,614	686,468	250,190	295,804	2,466,755	2,916,482	1,163,785	1,375,961	464,335	548,992	4,925,680	5,823,707

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 Sep 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:	Quarter ended		Nine months period ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	----- Rupees -----		----- Rupees -----	
Associated companies				
Insurance premium				
Balance at beginning of the period	24,452,789	12,583,309	3,761,260	1,379,000
Gross insurance premium written (including administrative surcharge, government levies and policies stamps)	56,590,118	61,751,078	77,281,647	72,955,387
Received / Adjusted during the period	-	(7,496,557)		(7,496,557)
Balance at end of the period	81,042,907	66,837,830	81,042,907	66,837,830
	Quarter ended		Nine months period ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	----- Rupees -----		----- Rupees -----	
Insurance claim expense				
Outstanding claims at beginning of the period	1,322,193	1,252,890	2,958,116	763,076
Gross claim expense for the period	5,166,698	1,574,319	6,356,069	2,462,501
Claim paid during the period	(4,359,274)	(678,007)	(7,184,568)	(1,076,375)
Outstanding claims at end of the period	2,129,617	2,149,202	2,129,617	2,149,202
Other transactions for the period associated companies				
- Rental expense	1,334,542	2,637,092	7,283,904	7,911,276
Other balances with associated companies				
			30 September 2017	31 December 2016
			----- Rupees -----	
Prepaid rent			348,480	1,164,845
Rent payable			4,237,877	
Security deposits			2,321,937	2,321,937
Transactions for the preiod with other related parties	Quarter ended		Nine months period ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	----- Rupees -----		----- Rupees -----	
Contribution to Provident Fund	438,757	86,094	1,715,594	289,068
Remuneration of key management personnel	3,379,774	4,818,960	10,139,321	14,456,880
Providend fund payable				

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

	Quarter ended		Nine months period ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	----- Rupees -----		----- Rupees -----	
	-----Un-audited-----			
Profit for the period	12,064,370	5,980,002	34,641,827	19,026,714
	Number of Shares		Number of Shares	
Weighted average number of ordinary shares of Rs. 10 each	60,000,000	45,000,000	54,287,671	45,000,000
	----- Rupees -----		----- Rupees -----	
Earnings per share	0.20	0.13	0.64	0.42

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 October 27, 2017

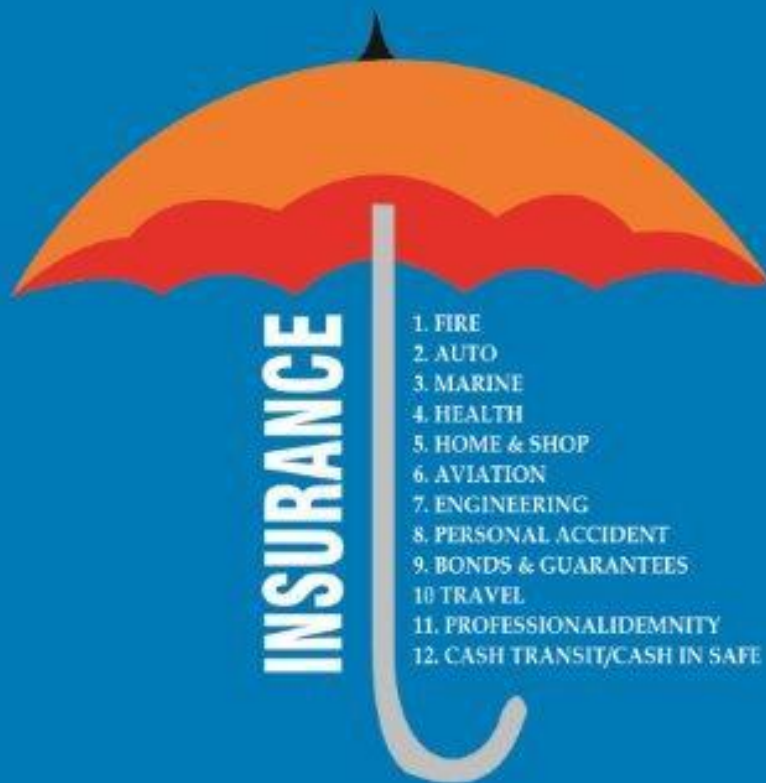
18.2 The figures have been rounded off to the nearest rupee.

Air Marshal Muhammad Jamshed Khan (Retd.) - Chairman

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

Aamir Shahzad Mughal
Director

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

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