

SAUDI PAK
INSURANCE

SAUDI PAK INSURANCE COMPANY LIMITED

الشركة التامين السعودية الباكستانية المحدودة

What is inside?



Contents



Business review

2 Company Information



Governance

5 Directors' Report to the Members



Financial Statements

8 Balance Sheet
10 Profit and Loss Account
11 Statement of Comprehensive Income
12 Statement of Cash Flows
14 Statement of Changes in Equity
15 Statement of Premiums
16 Statement of Claims
17 Statement of Expenses
18 Statement of Investment Income
19 Notes to the Financial Statements

Company Information

Chairman

Mr. Adnan Afridi

Managing Director & Chief Executive

Mian M. A. Shahid

Directors

Ms. Parveen Akhter Malik

Mr. Muhammad Saeed Akhter

Mr. Abdul Majeed

Syed Ammar Ali Zaidi

Sheikh Aftab Ahmed

Chief Financial Officer

Mr. Naeem Tariq

Company Secretary

Mr. Noshad Ahmed

Legal Advisors

M/s Mandviwalla & Zafar

M/s Abdullah Associates

Human Resources Committee

Ms. Parveen Akhter Malik (Chairperson)

Mian M. A. Shahid (Member)

Syed Ammar Ali Zaidi (Member)

Risk Management Committee

Mr. Adnan Afridi (Chairman)

Mian M. A. Shahid (Member)

Ms. Parveen Akhter Malik (Member)

Audit Committee

Syed Ammar Ali Zaidi (Chairman)

Mr. Muhammad Saeed Akhter (Member)

Mr. Abdul Majeed (Member)

Chief Internal Auditor

Mian Mohsin Aslam

Auditors

M/s Avais Hyder Liaquat Nauman

Chartered Accountants

Tax Consultant

M/s Muhammad Bilal & Company

Chartered Accountants

Registered Office

Suite # 204-A, Second Floor,

Madina City Mall, Abdullah Haroon Road,

Karachi.

Phone # (021) 37010190, 35221805-6

Fax # (021) 37010191

Head Office

1st Floor, UIG House,

6 - D, Upper Mall

Lahore.

Phone # (042) 35776561-64

Fax # (042) 35776560

E-mail: info@saudipakinsurance.com.pk

Website: www.saudipakinsurance.com.pk

Key Management Personnel

Managing Director & Chief Executive Officer	Mian M. A. Shahid
Deputy Managing Director	Mr. Shaheryar Akbar Raja
Advisors	Maj. Gen (R) Asif Duraiz Akhter
	Mr. Naseer Ahmed (Former Member Revenue CBR) (Former Additional Secretary Military Finance) (Former Additional Secretary Finance)
	Mr. Azizullah Memon (Former President Bolan Bank & UBL)
General Manager Admin	Mr. Jamil Ahmed
Chief Manager Underwriting	Mr. Imtiaz Ali
Deputy G.M Health	Mr. Muneer Khan
Chief Manager Claims	Mr. Khalid Nazeer Bajwa
Manager Claims Non Motor	Mr. Naveed ul Haq Nomani
Chief Manager Accounts	Mr. Faisal Akbar (FCA)
Manager I.T	Mr. Munir Ahmed
Manager Re-Insurance	Mr. Asif Azeem

Company Information

Bankers

Apna Microfinance Bank
Bank Al-Falah Limited
Bank Al-Falah Islamic
Bank Al-Habib Limited
Habib Bank Limited
HSBC Bank Limited
KASB Bank Limited
National Bank of Pakistan
NIB Bank
SILKBANK Limited
Sindh Bank Limited
Soneri Bank Limited
Standard Chartered Bank Limited
State Bank of Pakistan
Tameer Microfinance Bank
The Bank Of Punjab
United Bank Limited
Allied Bank Limited
Askari Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Summit Bank Limited
MCB Bank Limited
SME Bank Limited
Dubai Islamic Bank Limited
Samba Bank Limited

Directors' Review to the Members

Dear Fellow Members!

The directors of "SPICL" have pleasure in submitting the quarterly review report of the company together with the un-audited financial statements for the quarter ended March 31, 2013.

	March 31, 2013	March 31, 2012
	(Rupees in thousands)	
The overall business figures are:		
Premium Written	89,994	57,872
Net Premium	79,316	36,245
Net Claims	30,346	14,827
Investment and other Income	3,071	2,222
Net Commission	(1,875)	(1,453)
Expenses of Management	20,165	17,145
Financial results are as follows:		
Underwriting Result	26,929	4,819
Profit / (Loss) before tax	19,329	4,016
Less: Provision for taxation	7,022	362
Profit / (Loss) after tax	12,306	3,653
E.P.S	0.38	0.11

The Company Results

The company performed well during the period under review. The gross premium stands at Rs. 89.994 million during 1st quarter 2013 as against Rs. 57.872 million for the same period during 2012 which is an increase of 55.50%. The net premium increased to Rs. 79.316 million as against Rs. 36.245 million for the same period during last year. The underwriting profit stands at Rs. 26.929 million as against Rs. 4.819 million for the corresponding period last year.

The investment and other income for the 1st quarter 2013 is Rs. 3.071 million, as against Rs. 2.222 million for the corresponding period last year. The cash and bank deposit for 2013 stood at Rs. 78.475 million and investment at Rs. 95.752 million respectively as against Rs. 57.335 million and Rs. 83.273 million for the period 2012.

The profit before tax is posted at Rs. 19.329 million as against Rs. 4.016 million for the same period last year. After provision for tax, the profit after tax stands at Rs. 12.306 million as against Rs. 3.653 million of for the corresponding period last year.

Future Outlook

Future economic environment will remain challenging; however the Management remains confident that SPICL will continue to grow despite current conditions on the back of investments made in infrastructure, human resources and improvement in credit rating. The Management will strive to further improve the risk management measures and diversify risk to achieve its financial targets.

Acknowledgement

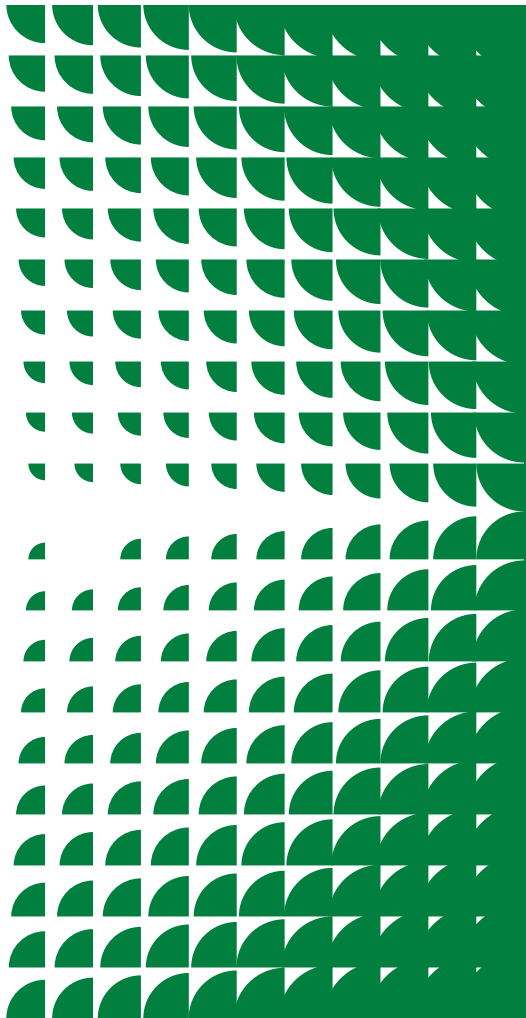
I would like to thank the Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their professional guidance. I also thank to the banks and our valued customers for their continued support. I would also commend the efforts of the Board of Directors and appreciate the management and staff for their commitment and hard work.

For and on behalf of the Board



Adnan Afridi
Chairman

Karachi: April 30, 2013



Financial Statement

For the quarter ended March 31, 2013

Condensed Interim Balance Sheet (Un-Audited)

As At March 31, 2013

	Note	Unaudited March 31, 2013 Rupees	Audited December 31, 2012 Rupees
Share capital and reserves			
Authorized share capital	8	500,000,000	500,000,000
Paid-up share capital	8.1	325,000,000	325,000,000
Accumulated loss		(55,205,049)	(67,510,963)
Total equity		269,794,951	257,489,037
Underwriting provisions			
Provision for outstanding claims (including IBNR)		81,079,293	80,911,792
Provision for unearned premium		136,380,569	145,874,535
Additional provision for unexpired risks		6,741,166	6,741,166
Commission income unearned		981,319	12,250,183
Total underwriting provisions		225,182,347	245,777,676
Deferred Liabilities			
Staff retirement gratuity		2,729,218	2,294,644
Creditors and accruals			
Premium received in advance		1,119,431	1,660,784
Amounts due to other insurers/reinsurers		7,002,433	7,576,658
Accrued expenses	9	5,901,573	6,790,489
Other creditors and accruals	10	7,002,547	8,235,495
		21,025,984	24,263,426
TOTAL LIABILITIES		248,937,549	272,335,746
TOTAL EQUITY AND LIABILITIES		518,732,500	529,824,783
CONTINGENCIES AND COMMITMENTS	11	-	-

The annexed notes form an integral part of these condensed interim financial statements.



Mian M.A. Shahid
Chief Executive Officer



Adnan Afridi
Chairman

Condensed Interim Balance Sheet (Un-Audited)

As At March 31, 2013

	Note	Unaudited March 31, 2013 Rupees	Audited December 31, 2012 Rupees
Cash & bank deposits			
Cash and other equivalents		882,767	918,117
Current and other accounts		37,536,915	28,434,551
Deposits maturing within 12 months		39,966,000	40,966,000
Cash with State Bank of Pakistan		89,639	89,639
		78,475,321	70,408,307
LOANS TO EMPLOYEES			
		748,295	501,116
Investments	12	95,752,252	93,659,604
Deferred Tax Asset		45,377,361	52,003,623
CURRENT ASSETS - OTHERS			
Premium due but unpaid	13	42,488,462	48,702,076
Amount due from other insurers/reinsurers	14	53,951,807	45,544,938
Prepaid reinsurance premium ceded		43,543,948	49,466,557
Accrued investment income		3,986,113	3,758,916
Reinsurance recoveries against outstanding claims		63,301,089	71,288,878
Taxation-payment less provision		4,861,910	4,541,771
Deferred commission expense		16,651,640	20,759,255
Prepayments		6,586,556	5,801,962
Sundry receivables		8,101,894	6,777,826
		243,473,419	256,642,179
FIXED ASSETS			
Tangible			
Office improvements		10,138,644	10,330,878
Furniture and fixtures		2,785,412	2,892,391
Office equipment		4,648,478	4,645,249
Computer equipment		2,066,945	2,124,800
Motor vehicles		35,023,695	36,361,369
		54,663,174	56,354,687
Intangible			
Computer software		242,678	255,267
TOTAL ASSETS		518,732,500	529,824,783



Muhammad Saeed Akhter
Director



Syed Ammar Ali Zaidi
Director

Condensed Interim Profit And Loss Account (Un-Audited)

For The Quarter Ended March 31, 2013

For the quarter ended March 31, 2013						
Note	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Quarter ended March 31, 2013 Aggregate	Quarter ended March 31, 2012 Aggregate
.....Rupees.....						
Revenue account						
	24,852,550	4,212,196	38,528,129	11,722,934	79,315,810	36,245,284
Net premium revenue						
	(8,827,196)	(1,817,157)	(17,459,092)	(2,242,825)	(30,346,270)	(14,827,851)
Net claims						
	-	-	-	-	-	2,000,656
Premium deficiency reversal						
	(2,537,408)	(1,564,709)	(8,731,115)	(7,331,885)	(20,165,117)	(17,145,300)
Management expenses						
	3,435,426	(893,287)	(3,248,164)	(1,169,417)	(1,875,441)	(1,453,116)
Net commission						
Underwriting results	16,923,372	(62,957)	9,089,759	978,807	26,928,982	4,819,673
Investment income					3,053,057	855,487
					17,685	1,366,854
Other income					(10,670,968)	(3,025,641)
General & administration expenses						
Profit/ (loss) before tax					19,328,755	4,016,373
Less : Taxation	16					
Current					(396,579)	(362,453)
Prior year					-	-
Deferred					(6,626,262)	-
					(7,022,841)	(362,453)
Profit/ (loss) after Tax					12,305,914	3,653,920
Profit and loss appropriation account						
					(67,510,963)	(142,455,661)
Balance at commencement of period					12,305,914	3,653,920
Profit after tax for the period					(55,205,049)	(138,801,741)
Profit available for appropriation					(55,205,049)	(138,801,741)
Balance un-appropriated profit at end of period						
					0.38	0.11
Basic earning per share						

The annexed notes form an integral part of these condensed interim financial statements.



Mian M.A. Shahid
Chief Executive Officer



Adnan Afridi
Chairman



Muhammad Saeed Akhter
Director



Syed Ammar Ali Zaidi
Director

Condensed Interim Statement Of Comprehensive Income (Un-Audited)

For The Quarter Ended March 31, 2013

	Quarter ended	
	March 31, 2013	March 31, 2012
Profit for the period	12,305,914	3,653,920
Other comprehensive income	-	-
Total comprehensive profit / (loss) for the period	12,305,914	3,653,920

The annexed notes form an integral part of these condensed interim financial statements.



Mian M.A. Shahid
Chief Executive Officer



Adnan Afridi
Chairman



Muhammad Saeed Akhter
Director



Syed Ammar Ali Zaidi
Director

Condensed Interim Cash Flow Statement (Un-Audited)

For The Quarter Ended March 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
Operating cash flows:		
a) Underwriting activities:		
Premiums received	95,666,468	63,750,285
Reinsurance premiums paid	(14,823,979)	(14,616,777)
Claims paid	(44,738,272)	(16,151,341)
Commission paid	(9,415,428)	(7,809,402)
Reinsurance and other recoveries received	14,140,423	8,149,577
Other underwriting payments	(17,664,695)	(17,550,905)
Commission received	378,737	3,646,747
Net cash flow from underwriting activities	23,543,254	19,418,184
b) Other operating activities:		
Income tax paid	(716,718)	(461,218)
General and management expenses paid	(10,670,968)	(3,025,641)
Other operating receipts / (payments)	(2,108,662)	(2,185,529)
Other operating receipts	(2,121,864)	659,309
Loans and advances paid	(247,179)	(191,752)
Net cash outflow from other operating activities	(15,865,391)	(5,204,831)
Total cash flow from operating activities	7,677,863	14,213,353
Investment activities:		
Profit/ return received	2,825,860	744,746
Dividend received	-	16,500
Payments for investments	(2,092,648)	(931,925)
Fixed capital expenditure	(344,061)	(21,693,633)
Total cash flow from investing activities	389,151	(21,864,312)
Net cash inflow / (outflow) from all activities	8,067,014	(7,650,959)
Cash and cash equivalents at beginning of the period	70,408,307	62,986,038
Cash and cash equivalents at end of the period	78,475,321	55,335,079

Condensed Interim Cash Flow Statement (Un-Audited)

For The Quarter Ended March 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
Reconciliation to Profit and Loss Account		
Operating cash flows	7,677,863	14,213,353
Depreciation / amortisation expense	(2,048,163)	(1,865,367)
Investment and other income	3,053,057	2,222,341
Provision for doubtful debts	(4,125,000)	-
Dividend income	-	16,500
(Decrease) / increase in assets other than cash	(8,627,199)	(26,311,081)
Decrease / (Increase) in liabilities other than running finance	23,398,197	15,740,627
Reversal/ (Provision) for taxation	(7,022,841)	(362,453)
Profit/(loss) after Taxation	12,305,914	3,653,920

Definition of cash

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

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

Cash and cash equivalents

Cash and other equivalents	882,767	726,632
Current and saving accounts	37,536,915	14,127,447
Deposits maturing within 3 months	39,966,000	42,481,000
Cash with State Bank of Pakistan	89,639	-
	78,475,321	57,335,079

The annexed notes form an integral part of these condensed interim financial statements.



Mian M.A. Shahid
Chief Executive Officer



Adnan Afridi
Chairman



Muhammad Saeed Akhter
Director



Syed Ammar Ali Zaidi
Director

Condensed Interim Statement Of Changes In Equity (Un-Audited)

For The Quarter Ended March 31, 2013

Description	Share capital	ACCUMULATED LOSS	TOTAL
	RUPEES.....	
Balance as at January 01, 2012	325,000,000	(142,455,661)	182,544,339
Net profit/(loss) for the period	-	3,653,920	3,653,920
Balance as at March 31, 2012	325,000,000	(138,801,741)	186,198,259
Balance as at January 01, 2013	325,000,000	(67,510,963)	257,489,037
Net profit /(loss) for the period	-	12,305,914	12,305,914
Balance as at March 31, 2013	325,000,000	(55,205,049)	269,794,951

The annexed notes form an integral part of these condensed interim financial statements.



Mian M.A. Shahid
Chief Executive Officer



Adnan Afridi
Chairman



Muhammad Saeed Akhter
Director



Syed Ammar Ali Zaidi
Director

Condensed Interim Statement Of Premiums (Un-Audited)

For The Quarter Ended March 31, 2013

For the quarter ended March 31, 2013										Quarter ended March 31, 2012
Business Underwritten Inside Pakistan										
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance premium ceded	Prepaid reinsurance premium ceded		Reinsurance expenses	Net premium revenue	Net premium revenue
		Opening	Closing			Opening	Closing			
-----Rupees-----										
Direct & facultative										
Fire and property damage	11,324,110	73,838,960	49,813,612	35,349,458	8,869,881	40,644,734	39,017,707	10,496,908	24,852,550	743,030
Marine, aviation and transport	6,983,084	3,544,637	3,626,893	6,900,828	2,454,390	1,509,010	1,274,768	2,688,632	4,212,196	2,947,828
Motor	38,965,794	47,670,398	47,339,720	39,296,472	540,339	884,464	656,460	768,343	38,528,129	12,313,967
Miscellaneous	32,721,219	20,820,540	35,600,344	17,941,415	2,385,144	6,428,349	2,595,012	6,218,481	11,722,934	20,240,459
GRAND TOTAL	89,994,207	145,874,535	136,380,569	99,488,173	14,249,754	49,466,557	43,543,948	20,172,363	79,315,810	36,245,284

The annexed notes form an integral part of these condensed interim financial statements.



Mian M.A. Shahid
Chief Executive Officer



Adnan Afridi
Chairman



Muhammad Saeed Akhter
Director



Syed Ammar Ali Zaidi
Director

Condensed Interim Statement Of Claims (Un-Audited)

For The Quarter Ended March 31, 2013

Class	Quarter ended March 31, 2013						Quarter ended March 31, 2012			
	Claims paid		Outstanding claims		Claims expense	Reinsurances and other recoveries received	Reinsurances and other recoveries in respect of outstanding claims	Reinsurances and other recoveries revenue	Net claims expenses	Net claims expenses
	Opening	Closing	Opening	Closing		Opening	Closing			
-----Rupees-----										
Direct & facultative										
1. Fire and property damage	27,295,012	43,581,634	40,730,022	24,443,400	21,984,586	41,403,413	35,035,031	15,616,204	8,827,196	1,181,716
2. Marine, aviation and transport	2,915,414	4,097,521	4,118,997	2,936,890	319,725	1,579,008	2,379,016	1,119,733	1,817,157	1,290,398
3. Motor	10,684,915	11,375,686	12,468,777	11,778,006	162,914	6,838,000	994,000	(5,681,086)	17,459,092	8,696,740
4. Miscellaneous	3,842,931	21,856,951	23,761,497	5,747,477	80,067	21,468,457	24,893,042	3,504,652	2,242,825	3,658,997
GRAND TOTAL	44,738,272	80,911,792	81,079,293	44,905,773	22,547,292	71,288,878	63,301,089	14,559,503	30,346,270	14,827,851

The annexed notes form an integral part of these condensed interim financial statements.



Mian M.A. Shahid
Chief Executive Officer



Adnan Afridi
Chairman



Muhammad Saeed Akhter
Director



Syed Ammar Ali Zaidi
Director

Condensed Interim Statement Of Expenses (Un-Audited)

For The Quarter Ended March 31, 2013

Class	Quarter ended march 31, 2013										Quarter ended March 31, 2012								
	Commissions paid or payable		Deferred commission		Net commission expense		Other management expenses		Underwriting expenses		Commission received from re-insurers		Unearned commission		Commission from re-insurers		Net underwriting expenses		
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	
-----Rupees-----																			
Direct & facultative																			
1. Fire and property damage	2,056,621	13,303,430	9,046,867	6,313,184	2,537,408	8,850,591	172,147	10,333,720	757,257	9,748,610	(898,018)	2,514,360							
2. Marine, aviation and transport	1,360,807	692,560	706,780	1,346,587	1,564,709	2,911,296	1,242	452,703	645	453,300	2,457,996	3,037,864							
3. Motor	2,932,931	3,888,866	3,563,231	3,258,566	8,731,115	11,989,681	-	10,402	-	10,402	11,979,279	9,871,669							
4. Miscellaneous	3,065,068	2,874,400	3,334,762	2,604,706	7,331,885	9,936,591	205,348	1,453,358	223,416	1,433,290	8,501,302	3,174,524							
GRAND TOTAL	9,415,427	20,759,256	16,651,640	13,523,043	20,165,117	33,688,160	378,737	12,250,183	981,319	11,647,601	22,040,559	18,598,417							

The annexed notes form an integral part of these condensed interim financial statements.



Mian M.A. Shahid
Chief Executive Officer



Adnan Afridi
Chairman



Muhammad Saeed Akhter
Director



Syed Ammar Ali Zaidi
Director

Condensed Interim Statement Of Investment Income (Un-Audited)

For The Quarter Ended March 31, 2013

	Quarter ended	
	March 31, 2013	March 31, 2012
	Rupees	Rupees
Income from non-trading investments:		
Held-to-maturity		
Return on government securities	1,797,369	842,607
Return on TDRs	1,187,349	-
Return on treasury bills	73,142	-
Available-for-sale		
Dividend income	-	16,500
	3,057,860	859,107
Investment related expenses	(4,803)	(3,620)
Net investment income	3,053,057	855,487

The annexed notes form an integral part of these condensed interim financial statements.



Mian M.A. Shahid
Chief Executive Officer



Adnan Afridi
Chairman



Muhammad Saeed Akhter
Director



Syed Ammar Ali Zaidi
Director

Notes To The Condensed Interim Financial Statements

For The Quarter Ended March 31, 2013

1 STATUS AND NATURE OF BUSINESS

Saudi Pak Insurance Company Limited (the Company) is an unquoted public limited Company incorporated in Islamabad, Pakistan on February 15, 2005 under the Companies Ordinance, 1984. The Company is engaged in the non-life insurance business comprising fire, marine, motor and miscellaneous. The Company commenced its commercial operations on April 13, 2005. The registered office of the Company is situated at Suite # 204-A, Second Floor, Madina City Mall, Abdullah Haroon Road, Karachi, and principal office of the Company is situated at UIG House 6-D, 1st Floor, Upper Mall, Lahore, Pakistan.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 and the directives issued by SECP. Wherever the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 or the requirements of the said directives take precedence.

3 BASIS OF PREPARATION

The accounting policies and the methods of computation of preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2012.

4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that certain financial instruments are carried at fair value and staff retirement benefits are stated at present value.

These financial informations have been presented in Pakistan rupee, which is also the Company's functional currency.

5 SIGNIFICANT ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management and the key sources of estimating uncertainty in preparation of these condensed interim financial statements were same as those applied to the annual financial statements for the year ended December 31, 2012.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2012. During the year 2013 the Company follows arrangement of "XOL Treaty".

7 FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company's financial risk management and capital management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended December 31, 2012.

Notes To The Condensed Interim Financial Statements

For The Quarter Ended March 31, 2013

	March 31, 2013	Dec 31, 2012		March 31, 2013	December 31, 2012
	(Number of Shares)			(Rupees)	
8 AUTHORIZED SHARE CAPITAL					
	50,000,000	50,000,000	Ordinary shares of Rs. 10/- each	500,000,000	500,000,000
8.1 PAID-UP SHARE CAPITAL					
Issued, subscribed and paid up capital:					
	25,000,000	25,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	250,000,000	250,000,000
	7,500,000	7,500,000	Ordinary shares of Rs. 10/- each issued as fully paid right shares	75,000,000	75,000,000
	32,500,000	32,500,000		325,000,000	325,000,000
9 ACCRUED EXPENSES					
Audit fee payable				450,000	450,000
Salaries wages and benefits payable				4,465,028	5,485,622
Utilities payable				232,069	430,870
Others				754,476	423,997
				5,901,573	6,790,489
10 OTHER CREDITORS AND ACCRUALS					
Commission				721,046	1,969,467
Rent				362,496	18,000
Government levies payable				4,806,151	5,344,242
Liabilities against cancelled policies				81,614	81,614
Withholding Tax				390,576	183,187
Others				640,664	638,985
				7,002,547	8,235,495
11 CONTINGENCIES AND COMMITMENTS					

There have been no changes in the contingencies and commitments as disclosed in the annual financial statements of the company for the year ended December 31, 2012.

Notes To The Condensed Interim Financial Statements

For The Quarter Ended March 31, 2013

		March 31, 2013	December 31, 2012
(Rupees)			
12 INVESTMENTS			
The investments comprise the following:			
Held to maturity			
Pakistan Investment Bonds	12.1	49,294,191	46,131,543
Treasury Bills	12.2	1,000,000	2,070,000
Available for sale			
Ordinary shares of listed companies	12.3	684,686	684,686
Ordinary shares of unlisted companies		45,000,000	45,000,000
Provision for diminution in value of investments		(226,625)	(226,625)
		45,458,061	45,458,061
		95,752,252	93,659,604

12.1 The above bonds are held in favour of the State Bank of Pakistan and National Bank of Pakistan's subsidiary ledger with the State Bank of Pakistan in accordance with the requirement of section 29 of the Insurance Ordinance, 2000. These above bonds have a face value of Rs. 50.03 million (December 31, 2012: 48 million) and carry markup ranging from 9% to 12% (December 31, 2012: 9% to 12%) per annum and would mature on July 2022.

12.2 The above bills are held in National Bank of Pakistan's subsidiary ledger maintained with the State Bank of Pakistan in accordance with the requirement of section 29 of the Insurance Ordinance, 2000. These above bills have a face value of Rs. 1.00 million (December 31, 2012: 2.07 million) and carry markup of 9.85% (December 31, 2012: 11.85%) per annum and would mature on December 2013.

12.3 The market value of available for sale - equity securities as at March 31, 2013 is Rs. 743,045/- (December 31, 2012: 805,230).

13 PREMIUM DUE BUT UNPAID

Unsecured			
-Considered good		42,488,462	48,702,076
-Considered doubtful		4,013,267	2,563,267
		46,501,729	51,265,343
Provision for doubtful balances	13.1	(4,013,267)	(2,563,267)
		42,488,462	48,702,076
13.1 Provision for doubtful balances			
Opening provision		(2,563,267)	(2,745,354)
Charge for the period / year		(1,450,000)	182,087
Closing provision		(4,013,267)	(2,563,267)

Notes To The Condensed Interim Financial Statements

For The Quarter Ended March 31, 2013

	March 31, 2013	December 31, 2012
	(Rupees)	
14 AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS		
Unsecured		
-Considered good	53,951,807	45,544,938
-Considered doubtful	14,567,492	11,892,492
	68,519,299	57,437,430
Provision for doubtful balances 14.1	(14,567,492)	(11,892,492)
	53,951,807	45,544,938
14.1 Provision for doubtful balances		
Opening provision	(11,892,492)	(5,453,409)
Charge for the period / year	(2,675,000)	(6,439,083)
Closing provision	(14,567,492)	(11,892,492)

15 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of Saudi Pak Industrial & Agricultural Investment Company Limited, Silk Bank Limited, Saudi Pak Leasing Company Limited, and United Track Systems (Pvt.) Limited on the basis of related group companies, entities under common control, entities with common directors, major shareholders, directors, key management personnel and employee retirement benefit fund. Amount due to/from and other significant transactions, other than those disclosed elsewhere in these financial statements, are as follows:

Transactions and balances with parent and associated companies

Insurance premium

Balance at beginning of the period	1,545,517	32,421,665
Gross insurance premium written (including administrative surcharge, government levies and policies stamps)	11,422,645	19,729,050
Received / adjusted during the period	(6,958,089)	(50,605,198)
Balance at end of the period	6,010,073	1,545,517

Insurance claim expense

Outstanding claims at beginning of the period	5,097,579	6,946,040
Gross claims expense for the period	849,653	9,980,483
Claim paid during the period	(2,387,823)	(11,828,944)
Outstanding claims at end of the period	3,559,409	5,097,579

Other transactions for the period with parent and other associated companies

Rental expense	499,500	1,887,000
Bank charges	39,647	74,989
Tracker charges	156,600	828,000

Notes To The Condensed Interim Financial Statements

For The Quarter Ended March 31, 2013

	March 31, 2013	December 31, 2012
	(Rupees)	
Profit on term deposit receipts	1,170,089	4,944,193
Profit on bank deposits	15,199	79,168
Other balances with associated companies		
Term deposits	39,966,000	39,966,000
Profit & Loss Sharing Accounts	696,288	1,026,666
Current account	3,742,537	5,552,784
Accrued investment income	3,161,854	2,006,052
Transaction during The period with other related parties (Key management personnel)		
Contribution defined benefit plans	-	564,355
Remuneration of key management personnel	6,070,507	20,382,966
Balances with other related parties (Key management personnel)		
(Payable) / receivable from defined benefit plan	(2,729,218)	(2,294,644)
Loan to key management personnel	-	20,000

16 TAXATION

Provision in respect of taxation, for the period under review, is estimated only and final liability will be determined on the basis of annual results.

17 DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements have been authorized for issue on **April 30, 2013** in accordance with a resolution of board of directors of the company.

18 CORRESPONDING FIGURES

Corresponding figures have been reclassified and re-arranged, wherever necessary to confirm with the current classification. However, there are no material classification to report.



Mian M.A. Shahid
Chief Executive Officer



Adnan Afridi
Chairman



Muhammad Saeed Akhter
Director



Syed Ammar Ali Zaidi
Director

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