



INSURANCE



SPI SALAMA WINDOW TAKAFUL OPERATOR

## PASSION OF GROWTH

SPI INSURANCE COMPANY LIMITED  
QUARTERLY REPORT

As at September 30, 2015





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## WINDOW TAKAFUL OPERATIONS

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CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

## Company Information

### Chairman

Mr. Aziz Ullah Memon

### Managing Director & Chief Executive

Mian M. A. Shahid

### Directors

Mr. Abdul Majeed

Mr. Jameel A. Khan

Mr. Muhammed Moazzam Khan

Mr. Muhammed Saleem Sheikh

Mr. Uzman Naveed Chaudhary

### Chief Financial Officer & Chief Operating Officer

Mr. Naeem Tariq

### Company Secretary

Mr. Noshad Ahmed

### Legal Advisors

M/s Mandviwalla & Zafar

M/s Zeeshan Abdullah

### Human Resources & Remuneration Committee

Mr. Jameel A. Khan (Member)

Mian M. A. Shahid (Member)

Mr. Muhammed Saleem Sheikh (Member)

### Investment Committee

Mian M. A. Shahid (Member)

Mr. Muhammed Saleem Sheikh (Member)

Mr. Muhammed Moazzam Khan (Member)

### Risk Management Committee

Mian M. A. Shahid (Member)

Mr. Muhammed Saleem Sheikh (Member)

Mr. Uzman Naveed Chaudhary (Member)

### Audit Committee

Mr. Jameel A. Khan (Chairman)

Mr. Abdul Majeed (Member)

Mr. Muhammed Moazzam Khan (Member)

### Chief Internal Auditor

Mian Mohsin Aslam

### Auditors

M/s Ilyas Saeed & Co

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

Fax # (021) 37010191

### Head Office

UIG House,

6 - D, Upper Mall

Lahore.

Phone # (042) 35776561-62-67-68,  
35756563

Fax # (042) 35776560

E-mail: [info@spiinsurance.com.pk](mailto:info@spiinsurance.com.pk)

Website: [www.spiinsurance.com.pk](http://www.spiinsurance.com.pk)

## Key Management Personnel

### CONVENTIONAL

Managing Director & Chief Executive	Mian M. A. Shahid
Deputy Managing Director	Mr. Shaheryar Akbar Raja
Advisors	Mr. Naseer Ahmed (Former Member Revenue CBR) (Former Additional Secretary Military Finance) (Former Additional Secretary Finance)
General Manager Health	Mr. Muneer Khan
General Manager Re-Insurance	Mr. Faisal Akbar (FCA)
Chief Manager Underwriting	Mr. Imtiaz Ali
Chief Manager Claims / Motor	Mr. Khalid Nazeer Bajwa
Chief Manager Accounts	Mr. Saleem Akhter (FCMA)
Manager I.T	Mr. Munir Ahmed
Manager Claims Non Motor	Mr. Naveed ul Haq Noman
Manager Admin	Mr. Shahid Malik
Manager Travel Care	Mr. Iqbal Hashmi

### TAKAFUL

Shariah Advisor	Mufti Muhammed Iftikhar Baig
Chief Operating Officer	Syed Waqar Azeem
Head of Takaful	Mr. Muzammil Bashir (ACII)
Chief Manager Accounts	Mr. Ghulam Hassan Chaudhary

## BANKERS

Allied Bank Limited  
Apna Microfinance Bank Limited  
Bank Islami Limited  
Bank Al-Falah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Finca Microfinance Bank Limited  
Habib Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
SILKBANK Limited  
Sindh Bank Limited  
Soneri Bank Limited  
State Bank of Pakistan  
Tameer Microfinance Bank Limited  
The Bank of Punjab  
United Bank Limited  
Zarai Taraqiati Bank Limited

## DIRECTORS' REVIEW REPORT TO THE MEMBERS

I take the privilege to present on behalf of the Board the third quarter review report of the Company together with the un-audited financial statements for the period ended September 30, 2015.

The overall performance of the company has remained satisfactory showing a sustainable growth in all sphere of business activities in line with the projected figures for the year ending December 31, 2015. There is an increase of 22.48% in the premium written which has increased from Rs.376.24 million as on September 30, 2014 to Rs.460.81 million as on September 30, 2015. Accordingly, net premium also increased by 16.86% from Rs.302.21 million as on September 30, 2014 to Rs.353.17 million as on September 30, 2015. The pretax profit inclusive of the Window Takaful Operations registered a rise of 61.80% showing an increase from 38.60 million to 62.45 million. The earning per share has also registered a significant growth from Rs.0.69 as on September 30, 2014 to Rs.1.22 as on September 30, 2015. The Window Takaful Operations figures are also mentioned separately hereunder:

### Financial Highlights

			(Rupees in '000)
	September 30, 2015	September 30, 2014	Inc./.(Dec) in %
<b>Conventional Insurance</b>			
Premium Written	460,810	376,245	22.48
Net Premium revenue	353,179	302,215	16.86
Net Claims	101,809	113,056	(9.95)
Management & other expenses	147,328	124,406	18.43
Underwriting results	111,994	74,722	49.88
Investment and other Income	14,271	9,973	43.11

### Window Takaful Operations for the Nine months ended September 30, 2015

Contributions written	120,798	-	-
Net Contributions revenue	8,595	-	-
Wakala fee	48,319	-	-
Net Claims	7,100	-	-
Management & other expenses	48,578	-	-
Investment and other income	3,564	-	-
Benefits paid/Payable to Participants	-	-	-
Surplus in PTF	1,100	-	-
Surplus/(Deficit) in OPF	(7,823)	-	-

### Consolidated Results (Conventional & Window Takaful Operations)

Profit before Tax	62,458	38,602	61.80
Profit after Tax	39,811	22,455	77.29
E.P.S.	1.22	0.69	0.53

### Looking forward

The journey towards a sustainable growth is continuing with an accelerated pace and results achieved so far are highly commendable. The Window Takaful Operations is passing through an expansion phase and good business mobilization is expected in the time ahead. We are confident to achieve best possible results by the end of the year 2015.

### Election of Directors

The Company's existing Directors have been re-elected for the next term of three years commencing from August 10, 2015 in the EOGM held on August 26, 2015.

### Appreciation and Acknowledgement

I would like to express my sincere gratitude to the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, our Reinsurers and Bankers for their continued guidance and support.

I would also like to take this opportunity to thank on behalf of the Board to our shareholders for entrusting their confidence towards management policies and also express their appreciation towards clients patronage.

I also recognize and commend the efforts of the Board of Directors, management and staff for their contribution for rapid progress of SPI, now a trusted Company in insurance sector.

For and on behalf of the Board



**Azizullah Memon**  
Chairman

Karachi: October 22, 2015

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# FINANCIAL STATEMENTS

For the nine months ended  
September 30, 2015

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**

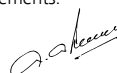
As at September 30, 2015

	Note	Unaudited September 30, 2015 Rupees	Audited December 31, 2014 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital	3	1,000,000,000	1,000,000,000
Paid-up share capital		325,000,000	325,000,000
Accumulated profit		43,340,290	3,529,262
		368,340,290	328,529,262
<b>UNDERWRITING PROVISIONS</b>			
Provision for outstanding claims (including IBNR)		45,645,229	78,382,858
Provision for unearned premium		243,362,759	211,050,937
Commission income unearned		4,730,681	710,026
Total underwriting provisions		293,738,669	290,143,821
<b>DEFERRED LIABILITIES</b>			
Staff retirement benefits		8,287,045	8,054,660
Liability against leased assets		12,902,578	-
		21,189,623	8,054,660
<b>CREDITORS AND ACCRUALS</b>			
Premiums received in advance		-	55,041
Amount due to other insurers/ reinsurers		4,770,724	9,120,452
Taxation-payments less provision		12,149,619	-
Accrued expenses	4	-	9,939,767
Other creditors and accruals	5	6,732,428	9,374,465
		23,652,771	28,489,725
<b>TOTAL LIABILITIES</b>		338,581,062	326,688,206
<b>TOTAL EQUITY AND LIABILITIES</b>		706,921,352	655,217,468
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Mian M.A. Shahid  
Chief Executive Officer



Aziz Ullah Memon  
Chairman

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**

As at September 30, 2015

	Note	Unaudited September 30, 2015 Rupees	Audited December 31, 2014 Rupees
<b>CASH AND BANK DEPOSITS</b>			
Cash and other equivalents		955,390	404,482
Current and other accounts		40,759,173	46,622,689
Deposits maturing within 12 months		17,530,000	15,930,000
		59,244,563	62,957,171
<b>LOANS TO EMPLOYEES</b>			
		1,649,759	1,863,064
<b>INVESTMENTS</b>	7	92,578,574	67,129,827
<b>DEFERRED TAX ASSET</b>		14,444,753	19,268,482
<b>INVESTMENT IN WINDOW TAKAFUL OPERATIONS</b>	8	41,466,062	49,288,984
<b>CURRENT ASSETS - OTHERS</b>			
Premiums due but unpaid	9	111,669,299	104,407,687
Amount due from other insurers/reinsurers	10	107,610,473	127,590,867
Accrued investment income		2,296,037	3,877,932
Reinsurance recoveries against outstanding claims		31,025,380	54,940,880
Taxation-payments less provision		-	1,130,406
Deferred commission expense		28,269,019	26,692,087
Prepayments			
-Prepaid reinsurance premium ceded		47,887,166	30,214,133
-Others		5,170,350	8,653,219
Sundry receivables		73,176,576	49,704,657
		407,104,301	407,211,868
<b>FIXED ASSETS</b>			
<b>Tangible</b>			
Office improvements		9,791,505	8,752,864
Furniture and fixtures		3,577,888	3,340,150
Office equipment		7,235,553	5,302,603
Computer equipment		3,306,928	2,286,707
Tracking devices		21,112,061	-
Motor vehicles		27,676,765	27,652,377
		72,700,700	47,334,701
<b>LEASED ASSETS</b>		17,592,342	-
<b>INTANGIBLE</b>			
Computer software		140,298	163,371
<b>TOTAL ASSETS</b>		706,921,352	655,217,468

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


M. Moazzam Khan  
Director

Abdul Majeed  
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

For the quarter and nine months ended September 30, 2015

	Quarter ended September 30				2015 Aggregate	2014 Aggregate
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous		
	.....Rupees.....					
<b>Revenue account</b>						
Net premium revenue	12,243,188	6,626,210	37,970,002	45,419,344	102,258,744	115,888,256
Net claims	(2,276,082)	(2,384,993)	(15,265,175)	(4,819,516)	(24,745,766)	(46,915,156)
Premium deficiency reversal	-	-	-	-	-	-
Management expenses	(5,727,374)	(2,196,637)	(10,945,529)	(12,292,521)	(31,162,061)	(32,175,510)
Net commission	(3,918,052)	(1,765,306)	(3,586,256)	(4,819,006)	(14,088,620)	(14,861,968)
Net underwriting expenses	(9,645,426)	(3,961,944)	(14,531,785)	(17,111,527)	(45,250,681)	(47,037,478)
<b>Underwriting results</b>	<b>321,679</b>	<b>279,273</b>	<b>8,173,042</b>	<b>23,488,302</b>	<b>32,262,297</b>	<b>21,935,622</b>
				Note		
Investment income					3,105,800	3,227,801
Other income					2,466,438	82,996
General and administration expenses					(19,099,328)	(12,590,417)
Profit /(Loss) before taxation from Window Takaful Operations				14	(11,745,268)	-
<b>Profit before tax</b>					<b>6,989,939</b>	<b>12,656,002</b>
<b>Less: Provision for taxation</b>						
Current					(1,015,646)	(1,158,883)
Deferred					(109,118)	(2,526,936)
					(1,124,764)	(3,685,819)
<b>Profit after tax</b>					<b>5,865,175</b>	<b>8,970,183</b>
<b>Basic and diluted earning per share</b>					<b>0.18</b>	<b>0.28</b>

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

For the quarter and nine months ended September 30, 2015

	Nine months ended September 30				2015 Aggregate	2014 Aggregate
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous		
	Rupees.....					
<b>Revenue account</b>						
Net premium revenue	62,921,414	20,613,955	140,572,931	129,071,295	353,179,594	302,215,789
Net claims	(22,234,674)	(8,110,760)	(53,777,008)	(17,687,431)	(101,809,873)	(113,056,938)
Premium deficiency reversal	-	-	-	-	-	3,586,787
Management expenses	(16,788,301)	(6,438,868)	(32,083,957)	(36,032,312)	(91,343,437)	(78,313,642)
Net commission	(16,074,151)	(5,560,303)	(13,669,318)	(12,727,574)	(48,031,346)	(39,709,879)
Net underwriting expenses	(32,862,452)	(11,999,171)	(45,753,274)	(48,759,886)	(139,374,783)	(118,023,521)
<b>Underwriting results</b>	<b>7,824,288</b>	<b>504,023</b>	<b>41,042,649</b>	<b>62,623,978</b>	<b>111,994,939</b>	<b>74,722,117</b>
				Note		
Investment income					8,423,381	9,789,914
Other income					5,847,867	182,731
General and administration expenses					(55,984,688)	(46,092,462)
Profit /(Loss) before taxation from Window Takaful Operations				14	(7,822,922)	-
<b>Profit before tax</b>					<b>62,458,577</b>	<b>38,602,300</b>
<b>Less : Provision for taxation</b>						
Current					(17,823,820)	(3,022,158)
Deferred					(4,823,729)	(13,124,782)
					(22,647,549)	(16,146,940)
<b>Profit / (loss) after Tax</b>					<b>39,811,028</b>	<b>22,455,360</b>
<b>Profit and loss appropriation account</b>						
Balance at commencement of the period					3,529,262	(35,626,047)
Profit after tax for the period					39,811,028	22,455,360
Accumulated Profit / (loss) at end of the period					43,340,290	(13,170,687)
<b>Basic and diluted earning per share</b>					<b>1.22</b>	<b>0.69</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Mian M.A. Shahid  
Chief Executive Officer

Aziz Ullah Memon  
Chairman

M. Moazzam Khan  
Director

Abdul Majeed  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

For the quarter and nine months ended September 30, 2015

	Quarter ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	(Rupees)			
Profit for the period	5,865,175	8,970,183	39,811,028	22,455,360
<b>Other comprehensive income</b>				
Items that may be subsequently reclassified to profit or loss	-	-	-	-
Items that may not be subsequently reclassified to profit or loss	-	-	-	-
<b>Total comprehensive profit for the period</b>	<b>5,865,175</b>	<b>8,970,183</b>	<b>39,811,028</b>	<b>22,455,360</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Mian M.A. Shahid  
Chief Executive Officer

Aziz Ullah Memon  
Chairman

M. Moazzam Khan  
Director

Abdul Majeed  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

For the quarter and nine months ended September 30, 2015

	Share Capital	Accumulated Loss	Total
	(Rupees)		
Balance at January 1, 2014	325,000,000	(35,626,047)	289,373,953
Net profit for the period	-	22,455,360	22,455,360
Balance at September 30, 2014	325,000,000	(13,170,687)	311,829,313
Balance at January 1, 2015	325,000,000	3,529,262	328,529,262
Net profit for the period	-	39,811,028	39,811,028
Balance at September 30, 2015	325,000,000	43,340,290	368,340,290

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Mian M.A. Shahid  
Chief Executive OfficerAziz Ullah Memon  
ChairmanM. Moazzam Khan  
DirectorAbdul Majeed  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**

For the Nine months ended September 30, 2015

	Nine months ended	
	September 30, 2015	September 30, 2014
	(Rupees)	
<b>Operating cash flows</b>		
<b>a) Underwriting activities</b>		
Premiums received	453,494,053	349,726,382
Reinsurance premiums paid	(97,342,051)	(32,854,913)
Claims paid	(164,800,647)	(134,046,068)
Reinsurance and other recoveries received	74,149,039	(11,233,733)
Commissions paid	(54,635,993)	(43,173,536)
Commission received	9,048,370	-
Other underwriting payments	(75,640,047)	(66,842,194)
Net cash flow from underwriting activities	144,272,724	61,575,938
<b>b) Other operating activities</b>		
Income tax paid	(4,543,795)	(1,605,762)
General and administration expenses paid	(55,984,688)	(46,092,462)
Other operating payments	(19,989,050)	(318,441)
Other operating receipts	(1,580,445)	(1,363,854)
Loans and advances paid	213,305	146,629
Net cash outflow from other operating activities	(81,884,673)	(49,233,890)
<b>Total cash flow from all operating activities</b>	<b>62,388,051</b>	<b>12,342,048</b>
<b>Investment activities</b>		
Profit/ return received	10,005,276	11,287,731
Payments for investments	(19,636,238)	(9,629,735)
Fixed capital expenditure	(50,301,260)	(4,268,158)
<b>Total cash flow from investing activities</b>	<b>(59,932,222)</b>	<b>(2,610,162)</b>
<b>Financing activities</b>		
Lease hold Payments	(6,168,437)	-
	(6,168,437)	-
<b>Net cash inflow / (outflow) from all activities</b>	<b>(3,712,608)</b>	<b>9,731,887</b>
Cash and cash equivalents at beginning of the period	62,957,171	70,147,224
Cash and cash equivalents at end of the period	59,244,563	79,879,111



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**

For the Nine months ended September 30, 2015

	Nine months ended	
	September 30, 2015	September 30, 2014
	(Rupees)	
<b>Reconciliation to condensed interim profit and loss account</b>		
Operating cash flows	62,388,051	12,342,048
Depreciation / amortisation expense	(7,365,993)	(5,492,415)
Investment and other income	8,423,381	9,789,914
Leasehold expenses	(560,515)	
Provision for doubtful debts	(1,696,631)	(3,809,516)
(Decrease) / increase in assets other than cash	6,935,223	57,546,755
Takaful Income / (Loss)	(7,822,922)	-
Decrease in liabilities other than running finance	2,157,982	(31,774,486)
Reversal/ (provision) for taxation	(22,647,547)	(16,146,940)
<b>Profit/ (loss) after taxation</b>	<b>39,811,028</b>	<b>22,455,360</b>

**Definition of cash**

Cash comprises of cash in hand, policy stamps, bond papers cheques in hand, bank balances and other deposits 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	955,390	865,187
Current and other accounts	40,759,173	51,483,924
Deposits maturing within 3 months	17,530,000	27,530,000
	<b>59,244,563</b>	<b>79,879,111</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Mian M.A. Shahid  
Chief Executive Officer



Aziz Ullah Memon  
Chairman



M. Moazzam Khan  
Director



Abdul Majeed  
Director

**CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)**

For the quarter and nine months ended September 30, 2015

**Business underwritten inside Pakistan**

Class	Quarter ended September 30									
	Premiums written	Unearned premium reserve	Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded	Reinsurance expenses	2015 Net premium revenue	2014 Net premium revenue		
	Opening	Closing		Opening	Closing	Opening	Closing	Opening	Closing	
<b>Direct &amp; facultative</b>										
Fire and Property/Damage	25,688,518	59,073,549	51,919,070	32,842,997	13,921,212	35,972,951	29,294,354	20,599,809	12,243,188	22,541,705
Marine, Aviation and Transport	10,834,445	4,164,852	5,509,644	9,489,653	3,129,617	2,236,254	2,502,428	2,863,443	6,626,210	13,948,775
Motor	48,123,962	82,454,819	90,973,374	39,605,407	3,225,372	991,775	2,581,742	1,635,405	37,970,002	40,919,802
Miscellaneous	54,414,038	90,729,857	94,960,671	50,183,224	4,599,864	13,672,658	13,508,643	4,763,880	45,419,344	38,477,973
<b>Grand Total</b>	<b>139,060,963</b>	<b>236,423,077</b>	<b>243,362,759</b>	<b>132,121,281</b>	<b>24,876,065</b>	<b>52,873,638</b>	<b>47,887,166</b>	<b>29,862,537</b>	<b>102,258,744</b>	<b>115,888,255</b>

Rupees-----

## Nine months ended September 30

Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expenses	2015 Net premium revenue	2014 Net premium revenue
		Opening	Closing			Opening	Closing			
<b>Rupees-</b>										
<b>Direct &amp; facultative</b>										
Fire and Property/Damage	84,693,864	64,472,319	51,919,070	97,247,113	47,786,912	15,833,141	29,294,354	34,325,699	62,921,414	63,901,829
Marine, Aviation and Transport	32,482,897	7,071,250	5,509,644	34,044,503	14,753,423	1,179,553	2,502,428	13,430,548	20,613,955	32,887,095
Motor	161,857,612	72,787,762	90,973,374	143,672,000	4,593,372	1,087,439	2,581,742	3,099,069	140,572,931	110,277,928
Miscellaneous	181,776,333	66,719,606	94,960,671	153,535,268	25,858,616	12,114,000	13,508,643	24,463,973	129,071,295	95,148,937
<b>Grand Total</b>	<b>460,810,706</b>	<b>211,050,937</b>	<b>243,362,759</b>	<b>428,498,884</b>	<b>92,992,323</b>	<b>30,214,133</b>	<b>47,887,166</b>	<b>75,319,290</b>	<b>353,179,594</b>	<b>302,215,789</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Mian M.A. Shahid  
Chief Executive Officer



Aziz Ullah Memon  
Chairman



M. Moazzam Khan  
Director



Abdul Majeed  
Director

**CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)**

For the quarter and nine months ended September 30, 2015

Business underwritten inside Pakistan

Class	Quarter ended September 30											
	Claims paid		Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2015 Net claims expense	2014 Net claims expense	
	Opening	Closing	Opening	Closing			Opening	Closing				
-----Rupees-----												
<b>Direct &amp; facultative</b>												
Fire and Property Damage	5,845,235	22,225,770	19,558,687	3,178,152	1,102,063	16,571,480	16,371,487	902,070	2,276,082	9,192,012		
Marine, Aviation and Transport	9,731,269	8,691,618	3,444,843	4,484,494	6,451,203	5,950,459	1,598,757	2,099,501	2,384,993	6,043,327		
Motor	14,591,320	7,842,462	8,734,935	15,483,793	218,618	-	-	218,618	15,265,175	18,804,697		
Miscellaneous	15,274,371	16,063,702	13,906,764	13,117,433	7,561,952	12,319,171	13,055,136	8,297,917	4,819,516	12,875,120		
<b>Grand Total</b>	<b>45,442,195</b>	<b>54,823,552</b>	<b>45,645,229</b>	<b>36,263,872</b>	<b>15,333,836</b>	<b>34,841,110</b>	<b>31,025,380</b>	<b>11,518,106</b>	<b>24,745,766</b>	<b>46,915,156</b>		

Nine months ended September 30

Class	Claims paid		Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2015 Net claims expense	2014 Net claims expense
	Opening	Closing	Opening	Closing			Opening	Closing			
<b>Direct &amp; facultative</b>											
Fire and Property Damage	45,068,557	36,443,940	19,558,687	16,371,487	28,183,304	17,775,568	28,198,425	5,948,630	22,234,674	20,117,134	
Marine, Aviation and Transport	24,960,923	18,264,311	3,444,843	1,598,757	10,141,455	14,301,208	13,869,270	2,030,695	8,110,760	7,870,305	
Motor	53,097,503	6,661,948	8,734,935	-	55,170,490	1,394,377	895	1,393,482	53,777,008	47,646,636	
Miscellaneous	41,673,664	17,012,659	13,906,764	13,055,136	38,567,769	20,697,492	12,872,290	20,880,338	17,687,431	37,422,863	
<b>Grand Total</b>	<b>164,800,647</b>	<b>78,382,858</b>	<b>45,645,229</b>	<b>31,025,380</b>	<b>132,063,018</b>	<b>54,168,645</b>	<b>54,940,880</b>	<b>30,253,145</b>	<b>101,809,873</b>	<b>113,056,938</b>	

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Mian M.A. Shahid  
Chief Executive Officer



Aziz Ullah Memon  
Chairman



M. Moazzam Khan  
Director



Abdul Majeed  
Director

Rupees

**CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)**

For the quarter and nine months ended September 30, 2015

Business underwritten inside Pakistan

Class	Quarter ended September 30											
	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission received from reinsurers	Unearned commission		Commission from reinsurers	2015 Net underwriting expenses	2014 Net underwriting expenses
		Opening	Closing					Opening	Closing			
-----Rupees-----												
<b>Direct and facultative</b>												
Fire and Property Damage	6,885,940	7,549,577	8,843,924	5,591,593	5,727,374	11,318,968	1,033,788	3,284,828	2,645,075	1,673,541	9,645,426	12,759,219
Marine, Aviation and Transport	2,061,640	788,591	1,044,950	1,805,281	2,196,637	4,001,919	17,748	213,243	191,016	39,975	3,961,944	6,995,506
Motor	4,584,847	7,518,673	8,405,967	3,697,553	10,945,529	14,643,082	254,137	-	142,840	111,297	14,531,785	15,239,995
Miscellaneous	6,477,701	8,986,729	9,974,178	5,490,251	12,292,521	17,782,772	118,980	2,304,016	1,751,750	671,246	17,111,527	12,042,758
<b>Grand Total</b>	<b>20,010,128</b>	<b>24,843,570</b>	<b>28,269,019</b>	<b>16,584,679</b>	<b>31,162,061</b>	<b>47,746,740</b>	<b>1,424,653</b>	<b>5,802,087</b>	<b>4,730,681</b>	<b>2,496,059</b>	<b>45,250,681</b>	<b>47,037,478</b>

Nine months ended September 30

Class	Commission paid or payable		Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission received from reinsurers	Unearned commission		2015 Net underwriting expenses	2014 Net underwriting expenses
	Closing	Opening	Closing	Opening					Closing	Opening		
<b>Direct and facultative</b>												
Fire and Property Damage	14,426,801	12,210,100	8,843,924	17,792,977	16,788,301	34,581,278	4,314,824	49,077	2,645,075	1,718,826	32,862,452	30,404,542
Marine, Aviation and Transport	6,160,653	1,390,709	1,044,950	6,506,412	6,438,868	12,945,280	1,126,160	10,965	191,016	946,109	11,999,171	16,197,212
Motor	14,955,692	7,230,890	8,405,967	13,780,615	32,083,957	45,864,572	254,137	-	142,840	111,297	45,753,274	38,687,398
Miscellaneous	19,092,847	5,860,388	9,974,178	14,979,057	36,032,312	51,011,369	3,353,249	649,984	1,751,750	2,251,483	48,759,886	32,734,369
<b>Grand Total</b>	<b>54,635,993</b>	<b>26,692,087</b>	<b>28,269,019</b>	<b>53,059,061</b>	<b>91,343,438</b>	<b>144,402,499</b>	<b>9,048,370</b>	<b>710,026</b>	<b>4,730,681</b>	<b>5,027,715</b>	<b>139,374,784</b>	<b>118,023,521</b>

Rupees

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Mian M.A. Shahid  
Chief Executive Officer

Aziz Ullah Memon  
Chairman

M. Moazzam Khan  
Director

Abdul Majeed  
Director

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)**

For the quarter and nine months ended September 30, 2015

	For the quarter ended		For the nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
------(Rupees)-----				
<b>Income from held for trading investments</b>				
Gain on sale of trading	(2,360)	10,450	(4,726)	139,381
Dividend income	-	-	-	-
	(2,360)	10,450	(4,726)	139,381
<b>Income from non-trading investments</b>				
<b>Held to maturity</b>				
Return on government securities	2,359,612	2,854,186	6,349,892	8,057,267
Return on TDR's	753,562	373,378	2,096,425	1,638,312
<b>Available for sale</b>				
Dividend income	-	-	-	-
	3,113,174	3,227,564	8,446,317	9,695,579
Gain / (loss) on sale of non-trading investments	-	-	-	-
Unrealised gain/(loss) on revaluation of held for trading investments	-	-	-	-
Provision for impairment in value of available-for-sale	-	-	-	-
Investment related expenses	(5,014)	(10,214)	(18,210)	(45,046)
	3,105,800	3,227,800	8,423,381	9,789,914

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Mian M.A. Shahid  
Chief Executive Officer

Aziz Ullah Memon  
Chairman

M. Moazzam Khan  
Director

Abdul Majeed  
Director



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine months ended September 30, 2015

### 1 STATUS AND NATURE OF BUSINESS

SPI 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 non-life insurance business mainly comprising of 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.

The Company has been allowed to work as Window Takaful Operator through License No.3 on November 20, 2014 by Securities and Exchange Commission of Pakistan under Window Takaful Rules, 2012 to carry on Islamic General Insurance in Pakistan. It has not transacted any business outside 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.

#### 2.1 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, 2014.

#### 2.2 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 information's have been presented in Pakistan rupee, which is also the Company's functional currency.

#### 2.3 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, 2014.

#### 2.4 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, 2014.

#### 2.5 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, 2014.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the Nine months ended September 30, 2015

September 30, (Un-audited) 2015 (Number of Shares)	December 31, (Audited) 2014	Note	September 30, (Un-audited) 2015	December 31, (Audited) 2014
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**3 AUTHORIZED SHARE CAPITAL**

100,000,000	100,000,000	Ordinary shares of Rs. 10/- each	1,000,000,000	1,000,000,000
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**3.1 PAID-UP SHARE CAPITAL**

Issued, subscribed and paid up capital:

		Paid up capital for general insurance	200,000,000	200,000,000
		Statutory fund for window takaful operations	3.1.1 50,000,000	50,000,000
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

3.1.1 Amount of Rs 50 million is deposited as statutory reserves to comply with provisions of para 4 of Circular No 8 of 2014 read with section 11(c) of Takaful Rules, 2012 issued by Securities and Exchange Commission.

**4 ACCRUED EXPENSES**

Audit fee payable	-	800,000
Salaries wages and benefits payable	-	7,111,786
Utilities payable	-	873,698
Others	-	1,154,283
	-	9,939,767

**5 OTHER CREDITORS AND ACCRUALS**

Commission	928,741	4,177,484
Rent	-	976,848
Government levies payable	4,181,769	3,061,801
Withholding tax	438,107	104,457
Others	1,183,811	1,053,875
	6,732,428	9,374,465

**6 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, 2014.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the Nine months ended September 30, 2015

		September 30, (Un-audited) 2015	December 31, (Audited) 2014
(Rupees)			
<b>7 INVESTMENTS</b>			
The investments comprise the following:			
<b>Held to maturity</b>			
Pakistan Investment Bonds	7.1	74,829,252	67,129,827
NBP Fullerton asset management limited		16,287,997	-
Ordinary shares of listed companies			
<b>Available for sale</b>			
Ordinary shares of listed companies	7.2	1,687,950	226,625
Provision for diminution in value of investments		(226,625)	(226,625)
		1,461,325	-
		92,578,574	67,129,827

7.1 These bonds are held in favour of State Bank of Pakistan in accordance with the requirement of Section 29 of the Insurance Ordinance, 2000. These bonds have a face value of Rs. 74.0 million (2014: Rs. 33.7 million with SBP and Rs. 33.3 million with NBP) and carry mark-up ranging from 9.75% to 12% (2014: 12.0% to 12.0%) per annum and would mature up to March 2025.

7.2 The market value of available for sale - equity securities as at September 30, 2015 is Rs.1,178,576 /- (December 31, 2014: Rs. 40,163/-).

**8 INVESTMENT IN WINDOW TAKAFUL OPERATIONS**

Total assets of window takaful operations	66,053,832	50,961,842
Total liabilities of window takaful operations	(24,587,770)	(1,672,858)
	41,466,062	49,288,984

**9 PREMIUM DUE BUT UNPAID - UNSECURED**

-Considered good	111,669,299	104,407,687
-Considered doubtful	6,136,101	5,704,136
	117,805,400	110,111,823
Provision for doubtful balances	9.1 (6,136,101)	(5,704,136)
	111,669,299	104,407,687

**9.1 Provision for doubtful balances**

Opening provision	(5,704,136)	(4,206,777)
Charge for the period	(431,965)	(2,221,850)
Reversal for the period	-	724,491
Closing provision	(6,136,101)	(5,704,136)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the Nine months ended September 30, 2015

	September 30, (Un-audited) 2015	December 31, (Audited) 2014
	(Rupees)	
<b>10 AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS - UNSECURED</b>		
- Considered good	107,610,473	127,590,867
- Considered doubtful	16,501,980	15,237,314
	124,112,453	142,828,181
Provision for doubtful balances	10.1 (16,501,980)	(15,237,314)
	107,610,473	127,590,867

**10.1 Provision for doubtful balances**

Opening provision	(15,237,314)	(11,059,258)
Charge for the period	(1,264,666)	(4,178,056)
Closing provision	(16,501,980)	(15,237,314)

**11 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of United Track Systems (Pvt.) Limited and Apna Micro Finance Bank Limited and Silk Bank 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 benefits 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 United Track Systems (Pvt.) Limited- associated company**

Tracking devices	22,424,496	3,368,675
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**Transactions and balances with Apna Micro Finance Bank Limited-associated company****Other transactions during the year**

Bank charges	2,844	9,192
Profit on bank deposits	80,829	88,447

**Other balances with associated company**

Profit and loss sharing accounts	954,792	1,571,652
Current accounts	15,377	15,377

**Transactions and balances with Silk Bank Limited- associated company****Insurance premium**

Balance at beginning of the period	12,294,584	7,750,140
Gross insurance premium written (including administrative surcharge, government levies and policies stamps)	26,532,534	24,903,282
Received / adjusted during the period	(27,578,999)	(20,358,838)
Balance at end of the period	11,248,119	12,294,584

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the Nine months ended September 30, 2015

	September 30, (Un-audited) 2015	December 31, (Audited) 2014
(Rupees)		
<b>Insurance claim expenses</b>		
Outstanding claims at beginning of the period	2,945,489	2,897,868
Gross claim expense for the period	5,115,373	6,034,689
Claim paid during the period	(4,394,996)	(5,987,068)
Outstanding claims at end of the period	3,665,866	2,945,489
<b>Other transactions during the year</b>		
Bank charges	13,297	46,969
Profit on term deposit receipts	1,175,642	1,457,808
Profit on bank deposits	24,219	18,120
<b>Other balances with associated company</b>		
Term deposits	11,030,000	9,430,000
Profit & Loss Sharing Accounts	286,030	51,223
Current account	4,373,804	4,883,230
Accrued investment income	258,160	233,878
<b>Staff retirement gratuity fund</b>		
Contribution to defined benefit plan	2,500,000	500,000
Payable from defined benefit plan	(8,287,045)	(8,054,660)
<b>Transaction with Key management personnel</b>		
Remuneration of key management personnel	25,230,000	35,883,553
Loan to key management personnel	466,266	579,117

**12 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.

**13 DATE OF AUTHORIZATION FOR ISSUE**

These interim condensed financial statements have been authorized for issue on **October 22, 2015** in accordance with a resolution of board of directors of the company.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine months ended September 30, 2015

### 14 GENERAL

Separate set of statements representing assets, liabilities, revenues and expenses of window takaful operations has been annexed to these financial statement as per the requirement of Takaful Rules, 2012.



Mian M.A. Shahid  
Chief Executive Officer



Aziz Ullah Memon  
Chairman



M. Moazzam Khan  
Director



Abdul Majeed  
Director



Window Takaful Operations

# FINANCIAL STATEMENTS

For the nine months ended  
September 30, 2015

WINDOW TAKAFUL OPERATIONS  
**CONDENSED INTERIM BALANCE SHEET**  
As At September 30, 2015

	Note	September 30,	September 30,	September 30,	December 31,
		2015	2015	2015	2014
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
		-----Rupees-----		-----Rupees-----	
		PTF	SHF	Consolidated	Consolidated
<b>SHAREHOLDERS' FUND -(SHF)</b>					
Statutory reserve	3	-	50,000,000	50,000,000	50,000,000
Accumulated profit / (loss)		-	(8,533,938)	(8,533,938)	(711,016)
		-	41,466,062	41,466,062	49,288,984
<b>WAQF/PARTICIPANTS' TAKAFUL EQUITY -(PTF)</b>					
Ceded money	4	500,000	-	500,000	500,000
Accumulated surplus / (deficit)		1,129,672	-	1,129,672	29,582
		1,629,672	-	1,629,672	529,582
<b>UNDERWRITING PROVISIONS</b>					
Provision for outstanding claims (including IBNR) - (PTF)		5,041,187	-	5,041,187	-
Provision for unearned contribution - (PTF)		50,507,901	-	50,507,901	680,374
Commission income unearned - (SHF)		-	206,257	206,257	-
<b>Total underwriting provisions</b>		55,549,088	206,257	55,755,345	680,374
<b>CREDITORS AND ACCRUALS</b>					
Amount due to other takaful / retakaful		10,748,336	-	10,748,336	-
Accrued expenses	5	-	7,311,184	7,311,184	762,625
Other creditors and accruals	6	24,475,266	17,070,329	41,545,595	905,773
		35,223,602	24,381,513	59,605,115	1,668,398
<b>TOTAL LIABILITIES</b>		90,772,690	24,587,770	115,360,460	2,348,772
<b>TOTAL EQUITY AND LIABILITIES</b>		92,402,362	66,053,832	158,456,194	52,167,338
<b>CONTINGENCIES AND COMMITMENTS</b>		-	-	-	-

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



Mian M.A. Shahid  
Chief Executive Officer



Aziz Ullah Memon  
Chairman



WINDOW TAKAFUL OPERATIONS  
**CONDENSED INTERIM BALANCE SHEET**  
As At September 30, 2015

Note	September 30,	September 30,	September 30,	December 31,
	2015	2015	2015	2014
	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
	-----Rupees-----		-----Rupees-----	
	PTF	SHF	Consolidated	Consolidated
<b>Cash and bank deposits</b>				
Cash and other equivalents	-	163,810	163,810	-
Current and other accounts	3,756,283	202,850	3,959,133	51,247,304
Deposits maturing within 12 months	1,001,676	-	1,001,676	-
	4,757,959	366,660	5,124,619	51,247,304
<b>Investments</b>	7	-	50,393,452	50,393,452
<b>Current assets- others</b>				
Contribution due but unpaid-(PTF)	22,243,703	-	22,243,703	-
Amount due from other takaful/retakaful-(PTF) 8	56,989,693	-	56,989,693	117,743
Prepaid re-takaful Contribution ceded-(PTF)	7,894,091	-	7,894,091	-
Deferred commission expense-(SHF)	-	7,867,114	7,867,114	214,860
Advances, deposits and prepayments	296,742	2,144,362	2,441,105	-
Sundry receivables	220,174	810,383	1,030,557	587,431
	87,644,403	10,821,859	98,466,263	920,034
<b>Fixed assets</b>				
<b>Tangible</b>				
Office improvements	-	1,612,383	1,612,383	-
Furniture and fixture	-	873,311	873,311	-
Office equipment	-	994,982	994,982	-
Computer equipment	-	806,451	806,451	-
Motor vehicles	-	184,734	184,734	-
	-	4,471,861	4,471,861	-
<b>Total assets</b>	<b>92,402,362</b>	<b>66,053,832</b>	<b>158,456,194</b>	<b>52,167,338</b>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



**M. Moazzam Khan**  
Director



**Abdul Majeed**  
Director

## WINDOW TAKAFUL OPERATIONS

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**

For the quarter and nine months ended September 30, 2015

	Quarter ended September 30				2015 Aggregate	2014 Aggregate
	Fire property damage	Marine Aviation and Transport	Motor	Miscellaneous		
	.....Rupees.....					
<b>PTF Revenue Account</b>						
Net contribution revenue	(1,380,381)	(1,661,500)	3,541,205	3,639,571	<b>4,138,895</b>	-
Net claims	465,200	(85,936)	(930,857)	(3,265,588)	<b>(3,817,181)</b>	-
Direct expenses	(141,338)	(31,839)	(241,794)	(210,448)	<b>(625,418)</b>	-
Net rebate on re-takaful	36,441	-	-	41,528	<b>77,969</b>	-
<b>Surplus / (Deficit) before investment income</b>	<b>(1,020,078)</b>	<b>(1,779,274)</b>	<b>2,368,554</b>	<b>205,064</b>	<b>(225,735)</b>	-
Investment income					-	-
Other income					<b>10,914</b>	-
<b>Surplus / (deficit) for the period</b>					<b>(214,821)</b>	-
<b>SHF REVENUE ACCOUNT</b>						
Wakala fee					15,116,832	-
Commission expense					<b>(4,274,894)</b>	-
Management expenses					<b>(320,000)</b>	-
					10,521,938	-
Investment income					<b>1,646,317</b>	-
Other income					97,533	-
General & administrative expenses					<b>(24,011,055)</b>	-
<b>Profit / (loss) for the period</b>					<b>(11,745,268)</b>	-

## WINDOW TAKAFUL OPERATIONS

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**

For the quarter and nine months ended September 30, 2015

	Nine months ended September 30				2015 Aggregate	2014 Aggregate
	Fire property damage	Marine Aviation and Transport	Motor	Miscellaneous		
	.....Rupees.....					
<b>PTF Revenue Account</b>						
Net Contribution revenue	(1,802,488)	(3,821,437)	6,301,999	7,917,885	<b>8,595,959</b>	-
Net claims	(30,000)	(85,936)	(1,554,524)	(5,430,236)	<b>(7,100,696)</b>	-
Direct expenses	(154,780)	(33,764)	(272,350)	(255,105)	<b>(715,998)</b>	-
Net rebate on re-takaful	36,441	-	-	273,470	<b>309,911</b>	-
<b>Surplus / (Deficit) before investment income</b>	<b>(1,950,827)</b>	<b>(3,941,136)</b>	<b>4,475,125</b>	<b>2,506,015</b>	<b>1,089,176</b>	-
Investment income					-	-
Other income					<b>10,914</b>	-
<b>Surplus / (deficit) for the period</b>					<b>1,100,090</b>	-
<b>Surplus / (deficit) appropriation account:</b>						
Balance at the beginning of the period					<b>29,582</b>	-
Surplus / (deficit) for the period					<b>1,100,090</b>	-
<b>Balance at the end of the period</b>					<b>1,129,672</b>	-
<b>SHF Revenue Account</b>						
Wakala fee					<b>48,319,442</b>	-
Commission expense					<b>(11,128,789)</b>	-
Management expenses					<b>(1,694,854)</b>	-
					<b>35,495,799</b>	-
Investment income					<b>2,995,315</b>	-
Other income					<b>569,252</b>	-
General & administrative expenses					<b>(46,883,287)</b>	-
<b>Profit / (loss) for the period</b>					<b>(7,822,922)</b>	-
<b>Profit / (loss) appropriation account:</b>						
Balance at the beginning of the period					<b>(711,016)</b>	-
Profit / (loss) for the period					<b>(7,822,922)</b>	-
<b>Accumulated profit / (loss) for the period</b>					<b>(8,533,938)</b>	-

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.


Mian M.A. Shahid  
Chief Executive Officer

Aziz Ullah Memon  
Chairman

M. Moazzam Khan  
Director

Abdull Majeed  
Director

## WINDOW TAKAFUL OPERATIONS

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

For the quarter and nine months ended September 30, 2015

	Quarter ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	(Rupees)			
Profit / (loss) for the period	(214,821)	-	1,100,090	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit for the period</b>	<b>(214,821)</b>	<b>-</b>	<b>1,100,090</b>	<b>-</b>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.


Mian M.A. Shahid  
Chief Executive Officer

Aziz Ullah Memon  
Chairman

M. Moazzam Khan  
Director

Abdul Majeed  
Director

## WINDOW TAKAFUL OPERATIONS

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

For the quarter and nine months ended September 30, 2015

	Stutory fund	Accumulated Surplus/ (deficit)	Total
	-----Rupees-----		
Balance at January 1, 2015	50,000,000	(711,016)	49,288,984
Profit/ (Loss) for the period	-	(7,822,922)	(7,822,922)
Other comprehensive income for the period	-	-	-
	-	(7,822,922)	(7,822,922)
Balance at September 30, 2015	50,000,000	(8,533,938)	41,466,062

	Ceded money	Accumulated Surplus/ (deficit)	Total
	-----Rupees-----		
Balance at January 1, 2015	500,000	29,582	529,582
Surplus/ (deficit) for the period	-	1,100,090	1,100,090
Balance at September 30, 2015	50,000,000	1,129,672	1,629,672

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.


Mian M.A. Shahid  
Chief Executive Officer

Aziz Ullah Memon  
Chairman

M. Moazzam Khan  
Director

Abdul Majeed  
Director

## WINDOW TAKAFUL OPERATIONS

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**

For the Nine months ended September 30, 2015

	September 30, 2015 (Rupees)		
	Un-Consolidated		Consolidated
	PTF	SHF	
<b>Operating cash flows</b>			
<b>a) Underwriting activities</b>			
Contribution received	50,235,459	-	50,235,459
Waqala Fees Received	-	48,319,442	48,319,442
Reinsurance premiums paid	(11,201,431)	-	(11,201,431)
Claims paid	(2,059,509)	-	(2,059,509)
Reinsurance and other recoveries received	(56,871,950)	-	(56,871,950)
Commissions paid	-	(18,781,043)	(18,781,043)
Commission received	309,911	206,257	516,168
Other underwriting payments	(705,084)	(849,556)	(1,554,640)
<b>Net cash flow from underwriting activities</b>	<b>(20,292,604)</b>	<b>28,895,100</b>	<b>8,602,496</b>
<b>b) Other operating activities</b>			
General and management expenses paid	-	(46,883,287)	(46,883,287)
Other operating payments	(78,811)	(2,805,419)	(2,884,230)
Other operating receipts	24,041,621	23,146,760	47,188,381
<b>Net cash outflow from other operating activities</b>	<b>23,962,810</b>	<b>(26,541,946)</b>	<b>(2,579,136)</b>
<b>Total cash flow from all operating activities</b>	<b>3,670,206</b>	<b>2,353,153</b>	<b>6,023,360</b>
<b>Investment activities</b>			
Profit/ return received	-	2,995,315	2,995,315
Payments for investments	-	(50,393,452)	(50,393,452)
Fixed capital expenditure	-	(4,747,907)	(4,747,907)
<b>Total cash flow from investing activities</b>	<b>-</b>	<b>(52,146,044)</b>	<b>(52,146,044)</b>
<b>Net cash inflow / (outflow) from all activities</b>	<b>3,670,206</b>	<b>(49,792,891)</b>	<b>(46,122,685)</b>
Cash and cash equivalents at beginning of the period	1,087,753	50,159,551	51,247,304
Cash and cash equivalents at end of the period	4,757,959	366,660	5,124,619

## WINDOW TAKAFUL OPERATIONS

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**

For the Nine months ended September 30, 2015

	September 30, 2015 (Rupees)		
	Un-Consolidated		Consolidated
	PTF	SHF	
<b>Reconciliation to condensed interim profit and loss account</b>			
Operating cash flows	3,670,206	2,353,153	6,023,360
Depreciation / amortisation expense	-	(276,046)	(276,046)
Investment and other income	-	2,995,315	2,995,315
(Decrease) / increase in assets other than cash	87,088,555	10,457,673	97,546,228
Decrease in liabilities other than running finance	(89,658,671)	(23,353,017)	(113,011,688)
<b>Profit/ (loss) or the Period</b>	<b>1,100,090</b>	<b>(7,822,921)</b>	<b>(6,722,831)</b>

**Definition of cash**

Cash comprises of cash in hand, policy stamps, bond papers cheques in hand, bank balances and other deposits 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	-	163,810	163,810
Current and saving accounts	3,756,283	202,850	3,959,133
Deposits maturing within 3 months	1,001,676	-	1,001,676
	<b>4,757,959</b>	<b>366,660</b>	<b>5,124,619</b>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



Mian M.A. Shahid  
Chief Executive Officer



Aziz Ullah Memon  
Chairman



M. Moazzam Khan  
Director



Abdul Majeed  
Director

WINDOW TAKAFUL OPERATIONS  
**CONDENSED INTERIM STATEMENT OF CONTRIBUTIONS (UN-AUDITED)**  
For the quarter and nine months ended September 30, 2015

Business underwritten inside Pakistan

Class	Quarter ended September 30									
	Contribution written	Wakala fee	Unearned contribution reserve		retakaful ceded	Prepaid retakaful contribution ceded		retakaful expenses	2015 Net contribution revenue	2014 Net contribution revenue
			Opening	Closing		Opening	Closing			
<b>Direct &amp; facultative</b>										
Fire and Property Damage	13,795,395	5,518,158	5,291,759	12,014,165	1,554,831	5,745,467	2,352,243	5,162,497	2,935,213	(1,380,382)
Marine, Aviation and Transport	3,932,545	1,573,018	503,179	1,073,411	1,789,295	3,798,750	1,083,702	1,431,658	3,450,794	(1,661,499)
Motor	17,947,675	7,179,070	13,781,217	20,613,627	3,936,195	663,934	326,761	595,705	394,990	3,541,205
Miscellaneous	2,116,463	846,585	19,347,830	16,806,698	3,811,010	43,688	831,981	704,230	171,439	3,639,571
<b>Grand Total</b>	<b>37,792,078</b>	<b>15,116,831</b>	<b>38,923,985</b>	<b>50,507,901</b>	<b>11,091,331</b>	<b>10,251,839</b>	<b>4,594,687</b>	<b>7,894,091</b>	<b>6,952,435</b>	<b>4,138,895</b>

-----Rupees-----



Nine months ended September 30

Class	Contribution written	Wakala fee		Unearned contribution reserve		contribution earned	retakaful ceded	Prepaid retakaful contribution ceded		retakaful expenses	2015 Net contribution revenue	2014 Net contribution revenue
		Opening	Closing	Opening	Closing							
<b>Direct &amp; facultative</b>												
Fire and Property/Damage	26,113,427	10,445,371	602,086	12,014,165	4,255,977	11,220,963	-	5,162,497	6,058,466	(1,802,488)	-	
Marine, Aviation and Transport	5,696,361	2,278,544	-	1,073,411	2,344,406	7,597,500	-	1,431,658	6,165,842	(3,821,437)	-	
Motor	45,949,166	18,379,666	78,288	20,613,627	7,034,161	1,327,867	-	595,705	732,162	6,301,999	-	
Miscellaneous	43,039,650	17,215,860	-	16,806,698	9,017,092	1,803,437	-	704,230	1,099,207	7,917,885	-	
<b>Grand Total</b>	<b>120,798,604</b>	<b>48,319,442</b>	<b>680,374</b>	<b>50,507,901</b>	<b>22,651,635</b>	<b>21,949,767</b>	<b>-</b>	<b>7,894,091</b>	<b>14,055,676</b>	<b>8,595,959</b>	<b>-</b>	

-----Rupees-----

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.


Mian M.A. Shahid  
Chief Executive Officer

Aziz Ullah Memon  
Chairman

M. Moazzam Khan  
Director

Abdul Majeed  
Director

WINDOW TAKAFUL OPERATIONS  
**CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)**

For the quarter and nine months ended September 30, 2015

Business underwritten inside Pakistan

Class	Quarter ended September 30										
	Claims paid		Outstanding claims		Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries	2015 Net claims expense	2014 Net claims expense
	Opening	Closing	Opening	Closing			Opening	Closing			
Fire and Property Damage	-	495,200	30,000	(465,200)	-	-	-	-	(465,200)	-	
Marine, Aviation and Transport	-	-	85,936	85,936	-	-	-	-	85,936	-	
Motor	91,690	562,803	1,401,970	930,857	-	-	-	-	930,857	-	
Miscellaneous	1,850,925	2,108,618	3,523,281	3,265,588	-	-	-	-	3,265,588	-	
<b>Grand Total</b>	<b>1,942,615</b>	<b>3,166,621</b>	<b>5,041,187</b>	<b>3,817,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,817,181</b>	<b>-</b>	

-----Rupees-----

Nine months ended September 30

Class	Claims paid		Outstanding claims		Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue	2015 Net claims expense	2014 Net claims expense
	Opening	Closing	Opening	Closing			Opening	Closing			
<b>Direct &amp; facultative</b>											
Fire and Property Damage	-	-	30,000	30,000	30,000	-	-	-	-	30,000	-
Marine, Aviation and Transport	-	-	85,936	85,936	85,936	-	-	-	-	85,936	-
Motor	152,554	-	1,401,970	1,554,524	1,554,524	-	-	-	-	1,554,524	-
Miscellaneous	1,906,955	-	3,523,281	5,430,236	5,430,236	-	-	-	-	5,430,236	-
<b>Grand Total</b>	<b>2,059,509</b>	<b>-</b>	<b>5,041,187</b>	<b>7,100,696</b>	<b>7,100,696</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,100,696</b>	<b>-</b>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



Mian M.A. Shahid  
Chief Executive Officer



Aziz Ullah Memon  
Chairman



M. Moazzam Khan  
Director



Abdul Majeed  
Director

-----Rupees-----

WINDOW TAKAFUL OPERATIONS  
**CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)**  
For the quarter and nine months ended September 30, 2015

Business underwritten inside Pakistan

Class	Quarter ended September 30											
	Commission paid or payable	Deferred commission		Net commission expense	Direct expenses	Underwriting expenses	Rebate on retakaful	Unearned retakaful Rebate		Net rebate on retakaful	2015 Net Takaful expenses	2014 Net Takaful expenses
		Opening	Closing					Opening	Closing			
<b>Direct and facultative</b>												
Fire and Property Damage	3,388,940	1,076,992	2,712,580	1,753,352	141,338	1,894,690	67,493	-	31,052	36,441	1,858,249	-
Marine, Aviation and Transport	869,043	98,678	228,941	738,780	31,839	770,618	-	-	-	-	770,618	-
Motor	1,914,545	2,177,697	2,843,933	1,248,309	241,794	1,490,103	-	-	-	-	1,490,103	-
Miscellaneous	181,660	2,434,453	2,081,660	534,453	210,448	744,901	8,738	207,994	175,205	41,527	703,373	-
<b>Grand Total</b>	<b>6,354,188</b>	<b>5,787,820</b>	<b>7,867,114</b>	<b>4,274,894</b>	<b>625,418</b>	<b>4,900,312</b>	<b>76,231</b>	<b>207,994</b>	<b>206,257</b>	<b>77,968</b>	<b>4,822,344</b>	<b>-</b>

-----Rupees-----

Nine months ended September 30

Class	Commission paid or payable	Deferred commission		Net commission expense	Direct expenses	Underwriting expenses	Rebate on retakaful	Unearned retakaful Rebate		Net rebate on retakaful	2015 Net takaful expenses	2014 Net Takaful expenses
		Opening	Closing					Opening	Closing			
<b>Direct and facultative</b>												
Fire and Property Damage	5,895,936	203,145	2,712,580	3,386,501	154,780	3,541,281	67,493	-	31,052	36,441	3,504,840	-
Marine, Aviation and Transport	1,214,942	-	228,941	986,001	33,764	1,019,764	-	-	-	-	1,019,764	-
Motor	6,339,319	11,715	2,843,933	3,507,101	272,350	3,779,451	-	-	-	-	3,779,451	-
Miscellaneous	5,330,846	-	2,081,660	3,249,186	255,105	3,504,291	448,675	-	175,205	273,470	3,230,820	-
<b>Grand Total</b>	<b>18,781,043</b>	<b>214,860</b>	<b>7,867,114</b>	<b>11,128,789</b>	<b>715,998</b>	<b>11,844,787</b>	<b>516,168</b>	<b>-</b>	<b>206,257</b>	<b>309,911</b>	<b>11,534,876</b>	<b>-</b>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



Mian M.A. Shahid  
Chief Executive Officer



Aziz Ullah Memon  
Chairman



M. Moazzam Khan  
Director



Abdul Majeed  
Director

Rupees

## WINDOW TAKAFUL OPERATIONS

**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS**

For the Nine months ended September 30, 2015

**1 STATUS AND NATURE OF BUSINESS**

SPI 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 non-life insurance business mainly comprising of 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.

The Company has been allowed to work as Window Takaful Operator through License No.3 on November 20, 2014 by Securities and Exchange Commission of Pakistan under Window Takaful Rules, 2012 to carry on Islamic General Insurance in Pakistan. It has not transacted any business outside Pakistan.

For the purpose of carrying on the takaful business, the company has formed a waqf for participants' equity fund. The Waqf namely SPI Insurance Company Limited (Window Takaful Operations)-Waqf Fund (hereafter referred to as participant takaful fund (PTF)) on October 29, 2014 under a trust deed executed by the Company with a ceded money of Rs.500,000/- . Waqf deed also governs the relationship of shareholders and policy holders for management of takaful operations, investment policy holders funds and investment of shareholders' funds approved by shariah advisor of the company.

**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.

**2.1 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, 2014.

**2.2 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.

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

These financial informations have been presented in Pakistan rupee, which is also the Company's functional currency. All financial information presented in Pakistan rupees are rounded off to nearest rupees unless otherwise stated.

**2.4 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, 2014.

## WINDOW TAKAFUL OPERATIONS

**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS**

For the Nine months ended September 30, 2015

**2.5 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, 2014.

**2.6 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, 2014.

	Note	September 30, 2015	December 31, 2014
<b>3 STATUTORY RESERVES</b>			
Statutory reserves	3.1	50,000,000	50,000,000
3.1 Amount of Rs 50 million is deposited as statutory reserves to comply with provisions of para 4 of Circular No 8 of 2014 read with section 11(c) of Takaful Rules, 2012 issued by Securities and Exchange Commission which states that "Every insurer who is interested to commence window takaful business shall transfer an amount of not less than 50.million Rupees to be deposited in a separate bank account for window takaful business duly maintained in a scheduled bank" .			
<b>4 CEDED MONEY</b>			
Waqf money	4.1	500,000	500,000
4.1 The amount of Rs.500,000/- has been set a part for Waqf Fund/Participant Takaful Fund as Waqf money according to the Waqf deed prepared for the purpose of creation of Waqf Fund/Participant Takaful Fund.			
<b>5 ACCRUED EXPENSES - (SHF)</b>			
Salaries and wages		5,594,088	85,000
Auditor's fee		-	120,000
Shariah advisor fee		-	210,000
Utilities		166,515	-
Advertisement expense		-	347,625
Others		1,550,581	-
		7,311,184	762,625
<b>6 OTHER CREDITORS AND ACCRUALS</b>			
Commission -SHF		2,646,953	119,893
Government levies payable		5,557,369	181,140
SPI insurance company		29,100,883	278,471
WHT payable		61,611	-
Wakala fee payable to SHF		-	313,752
Others		4,178,779	12,517
		41,545,595	905,773

## WINDOW TAKAFUL OPERATIONS

**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS**

For the Nine months ended September 30, 2015

	Note	September 30, 2015	December 31, 2014
<b>7 INVESTMENTS</b>			
The investments comprise the following:			
<b>Held to maturity</b>			
NAFA funds	7.1	24,403,053	-
MEZAN funds		25,990,399	-
		50,393,452	-

7.1 These Investments comprise of NAFA Funds (NAFA Islamic Income Fund, NAFA Islamic Stock Fund) and Meezan Funds (Meezan Balance Fund, Meezan Preservation Fund, Meezan Mutal Fund). These funds have face value of Rs. 22.50 million (2014: NIL) and Rs. 25.00 million (2014: NIL), respectively. Since these funds are Islamic in nature, so markup percentage is not pre-decided.

**8 AMOUNT DUE FROM OTHER TAKAFUL/RETAKAFUL - (PTF)**

Unsecured			
Considered good		56,989,693	117,743
Considered doubtful		-	-
		56,989,693	117,743

**9 GENERAL**

Figures have been rounded off to the nearest rupee for better presentation.

**10 DATE OF AUTHORIZATION OF ISSUE**

The financial statements have been authorized for issue on **October 22, 2015** by the board of directors of the company.



Mian M.A. Shahid  
Chief Executive Officer



Aziz Ullah Memon  
Chairman



M. Moazzam Khan  
Director



Abdul Majeed  
Director











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