

SAUDI PAK
INSURANCE

SAUDI PAK INSURANCE COMPANY LIMITED

الشركة التامين السعودية الباكستانية المحدودة

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Company Information

Chairman

Mr. Aziz Ullah Memeon

Managing Director & Chief Executive

Mian M. A. Shahid

Directors

Ms. Parveen Akhter Malik

Mr. Adnan Afridi

Mr. Abdul Majeed

Sheikh Aftab Ahmed

Mr. Jameel A. Khan

Chief Financial Officer

Mr. Naeem Tariq

Company Secretary

Mr. Noshad Ahmed

Legal Advisors

M/s Mandviwalla & Zafar

M/s Zeeshan Abdullah Associates

M/s M. A. Hamdani Law Associates

Human Resources Committee

Ms. Parveen Akhter Malik (Chairperson)

Mr. Jameel A. Khan (Member)

Mian M. A. Shahid (Member)

Risk Management Committee

Mr. Adnan Afridi (Chairman)

Mian M. A. Shahid (Member)

Ms. Parveen Akhter Malik (Member)

Audit Committee

Mr. Abdul Majeed (Member)

Mr. Jameel A. Khan (Member)

Sheikh Aftab Ahmed (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,

Fax # (021) 37010191

Head Office

1st Floor, UIG House,

6 - D, Upper Mall

Lahore.

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

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	Mr. Naseer Ahmed (Former Member Revenue CBR) (Former Additional Secretary Military Finance) (Former Additional Secretary Finance)
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

Al-Baraka Bank Limited
Apna Microfinance Bank
Askari Commercial Bank
Bank Al-Falah Limited
Bank Al-Habib Limited
Barclays Bank
Burj Bank
Faysal Bank
Habib Bank Limited
Habib Metropolitan Bank
HSBC Bank Limited
IDBP
KASB Bank Limited
Meezan Bank
National Bank of Pakistan
NIB Bank
SILKBANK Limited
Sindh Bank Limited
SME Bank
Soneri Bank Limited
Standard Chartered Bank Limited
Summit Bank
Tameer Microfinance Bank
The Bank Of Punjab
United Bank Limited

Directors' Review to the Members

Dear Fellow Members!

The directors of "SPICL" have pleasure in submitting the half yearly view report of the company together with the un-audited financial statement for the half year ended 30, 2013.

	June 30, 2013	June 30, 2012
	(Rupees in thousands)	
Key performance highlights are:		
Premium Written	186,983	156,193
Net Premium	130,765	83,267
Net Claims	46,970	14,827
Investment Income	5,710	4,660
Net Commission	16,598	5,451
Expenses of Management	39,125	40,236
Underwriting Result	28,080	16,648
Profit / (Loss) before tax	16,328	14,721
Less: Provision for taxation	6,368	836
Profit / (Loss) after tax	9,959	13,885
E.P.S	0.31	0.43

The company performed well during the period under review. The gross premium of the company stand at Rs. 186.983 million during the half year ended June 30, 2013 as against RS. 156.193 million of the same period during 2012. During the first half 2013, 19.71% increase in premium was achieved, the net premium increased to Rs. 130.765 million as against Rs. 83.267 million during the same period of last year which is 56.37% increase in premium . The under writing profit stand as 16.589 million as against Rs. 16.648 million for the corresponding period last year.

The investment income for the half year ended June 30, 2013 is Rs. 5.710 million, as against Rs 4.660 million for the corresponding period of last year. The profit before tax is posted as Rs. 16.328 million as against Rs 14.721 for the Corresponding period of last year.

The cash and bank deposit stood as at Rs.66.035 million and investment as Rs.97884 million respectively as against Rs.58.737 million and Rs 84.574 million for the period ended on June 30, 2012.

Future Outlook

While realizing that there will be further challenges in the coming period, the spirit to strive hard and achieve against odd makes us believe that In the coming period we will be able to improve Company's performance further.

Acknowledgement

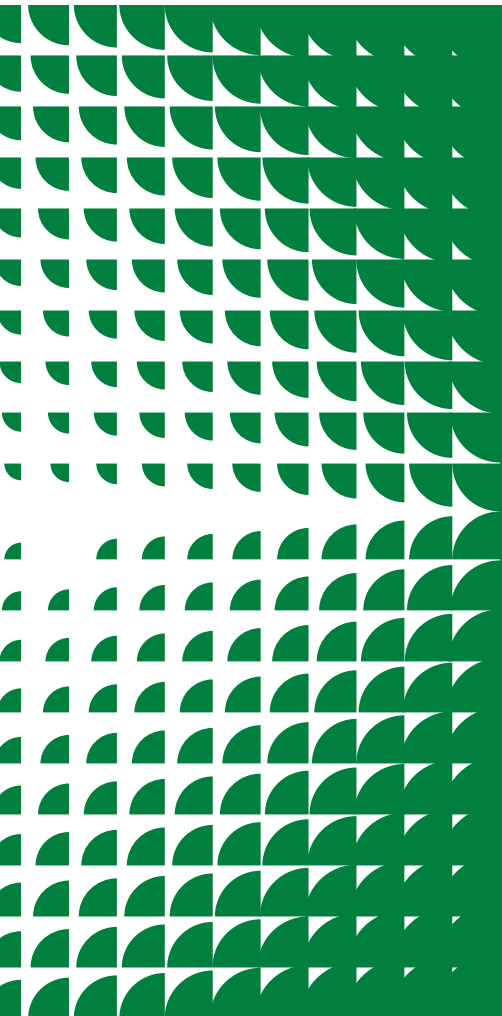
We would like to thanks the Board of directors, valued customers, employees and development staff for their sustained support in ensuring the continued success of our Company and Saudi Pak Insurance as their choice. We are also grateful to Insurance Division, Securities and Exchange Commission of Pakistan for their continued guidance and assistance.

We also appreciate the effort and services of the outgoing director of SPICL Mr. Muhammad Saeed Akhter and Syed Ammar Ali Zaidi. The board welcomes Mr. Aziz Ullah Memon and Mr. Jameel A. Khan as the newly appointed director of SPICL.

For and on behalf of the Board



Aziz Ullah Memeon
Chairman



Financial Statement

For the Half Yearly ended June 30, 2013

Avais Hyder Liaquat Nauman
(Chartered Accountants)

Avais Chambers, 1/C-5, Sikander Malhi Road, Canal Park, Gulberg II, Lahore - Pakistan
Telephone: (92-42) 35872731/2/3, Telefax: (92-42) 35872734, E-mail: lahore@ahln.com.pk

Independent Auditors' Report on Review of Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Saudi Pak Insurance Company Limited** as at June 30, 2013 and the related:

- (a) condensed interim profit and loss Account;
- (b) condensed interim statement of comprehensive income;
- (c) condensed interim statement of changes in equity;
- (d) condensed interim cash flow statement;
- (e) condensed interim statement of premiums;
- (f) condensed interim statement of claims;
- (g) condensed interim statement of expenses;
- (h) condensed interim statement of investment income; and

notes forming part thereof for the six-month period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for the quarter ended June 30, 2013 and June 30, 2012 in condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income have not been reviewed by us as we are required to review only the cumulative figures for the half year ended June 30, 2013.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



AVAIS HYDER LIAQUAT NAUMAN
Chartered Accountants
Engagement Partner: Syed Ali Adnan Tirmizey

Place: Lahore
Date: August 30, 2013

Condensed Interim Balance Sheet (Un-Audited)

As At June 30, 2013

	Note	Unaudited June 30, 2013 Rupees	Audited December 31, 2012 Rupees
Share capital and reserves			
Authorized share capital	5	500,000,000	500,000,000
Paid-up share capital	5	325,000,000	325,000,000
Accumulated loss		(57,551,566)	(67,510,963)
Total equity		267,448,434	257,489,037
Underwriting provisions			
Provision for outstanding claims (including IBNR)		68,992,827	80,911,792
Provision for unearned premium		156,921,275	145,874,535
Additional provision for unexpired risks		6,741,166	6,741,166
Commission income unearned		5,818,121	12,250,183
Total underwriting provisions		238,473,389	245,777,676
Deferred liabilities			
Staff retirement gratuity		3,163,792	2,294,644
Creditors and accruals			
Premium received in advance		758,710	1,660,784
Amounts due to other insurers/reinsurers		6,686,961	7,576,658
Accrued expenses	6	4,195,821	6,790,489
Other creditors and accruals	7	2,758,901	8,235,495
		14,400,393	24,263,426
TOTAL LIABILITIES		256,037,574	272,335,746
TOTAL EQUITY AND LIABILITIES		523,486,008	529,824,783
Contingencies and commitments	8	-	-

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



Mian M.A. Shahid
Chief Executive Officer



Aziz Ullah Memeon
Chairman

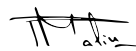
Condensed Interim Balance Sheet (Un-Audited)

As At June 30, 2013

	Note	Unaudited June 30, 2013 Rupees	Audited December 31, 2012 Rupees
Cash & bank deposits			
Cash and other equivalents		528,365	918,117
Current and other accounts		25,451,421	28,434,551
Deposits maturing within 12 months		39,966,000	40,966,000
Cash with State Bank of Pakistan		89,639	89,639
		66,035,425	70,408,307
Loans to employees		759,373	501,116
Investments	9	97,884,238	93,659,604
Deferred tax asset		46,288,809	52,003,623
Current assets - others			
Premium due but unpaid	10	47,867,810	48,702,076
Amount due from other insurers/reinsurers	11	80,275,902	45,544,938
Prepaid reinsurance premium ceded		31,313,170	49,466,557
Accrued investment income		6,525,541	3,758,916
Reinsurance recoveries against outstanding claims		54,403,571	71,288,878
Taxation-payment less provision		4,393,440	4,541,771
Deferred commission expense		19,699,205	20,759,255
Prepayments		6,728,663	5,801,962
Sundry receivables		8,057,787	6,777,826
		259,265,089	256,642,179
Fixed assets			
Tangible			
Office improvements		9,890,191	10,330,878
Furniture and fixtures		2,687,390	2,892,391
Office equipment		4,571,672	4,645,249
Computer equipment		2,078,425	2,124,800
Motor vehicles		33,794,686	36,361,369
		53,022,364	56,354,687
Intangible			
Computer software		230,710	255,267
TOTAL ASSETS		523,486,008	529,824,783



Adnan Afridi
Director



Parveen Akhter Malik
Director

Condensed Interim Profit And Loss Account (Un-Audited)

For The Half Year Ended June 30, 2013

Quarter ended June 30, 2013						
Note	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	Quarter ended June 30, 2013 Aggregate	Quarter ended June 30, 2012 Aggregate
.....Rupees.....						
Revenue account						
Net premium revenue	12,264,854	5,209,130	18,424,372	15,551,498	51,449,855	47,382,459
Net claims	(2,878,145)	(2,581,295)	(761,762)	(10,402,624)	(16,623,826)	(8,488,200)
Management expenses	(7,997,621)	(1,343,279)	(5,281,708)	(4,337,431)	(18,960,038)	(23,091,022)
Net commission	(4,529,800)	(1,271,778)	(1,739,047)	578,556	(6,962,069)	(3,998,592)
Underwriting results	(3,140,713)	12,779	10,641,856	1,389,999	8,903,922	11,804,645
Investment income					2,657,398	2,443,318
Other income					8,027	617,945
General & administration expenses					(6,817,918)	(4,184,887)
Profit/ (loss) before tax					4,751,428	10,681,021
Less : Taxation						
Current					(257,249)	(473,825)
Deferred					911,448	-
					654,199	(473,825)
Profit/ (loss) after Tax					5,405,629	10,207,196
Basic and diluted earning per share					0.17	0.31



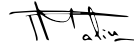
Mian M.A. Shahid
Chief Executive Officer



Aziz Ullah Memeon
Chairman



Adnan Afridi
Director



Parveen Akhter Malik
Director

Condensed Interim Profit And Loss Account (Un-Audited)

For The Half Year Ended June 30, 2013

Note	Six months ended June 30, 2013				Half Year ended June 30, 2013 Aggregate	Half Year ended June 30, 2012 Aggregate
	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous		
.....Rupees.....						
Revenue account						
Net premium revenue	37,117,404	9,421,326	56,952,501	27,274,432	130,765,663	83,627,743
Net claims	(11,705,341)	(4,398,452)	(18,220,854)	(12,645,449)	(46,970,096)	(23,291,723)
Premium deficiency reversal	-	-	-	-	-	2,000,656
Management expenses	(10,535,029)	(2,907,988)	(14,012,823)	(11,669,316)	(39,125,155)	(40,236,323)
Net commission	(7,048,521)	(2,510,739)	(4,987,210)	(2,043,184)	(16,589,654)	(5,451,706)
Underwriting results	7,828,513	(395,852)	19,731,614	916,483	28,080,758	16,648,647
Investment income					5,710,455	4,660,080
Other income					25,712	623,524
General & administration expenses					(17,488,886)	(7,210,528)
Profit/ (loss) before tax					16,328,039	14,721,723
Less : Taxation						
Current					(653,828)	(836,277)
Deferred					(5,714,814)	-
					(6,368,642)	(836,277)
Profit/ (loss) after Tax					9,959,397	13,885,446
Profit and (loss) appropriation account						
Balance at commencement of period					(67,510,963)	(142,455,661)
Profit after tax for the period					9,959,397	13,885,446
Accumulated (loss)					(57,551,566)	(128,570,215)
Balance of accumulated (loss) at end of period					(57,551,566)	(128,570,215)
Basic and diluted earning per share					0.31	0.43

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



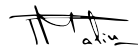
Mian M.A. Shahid
Chief Executive Officer



Aziz Ullah Memeon
Chairman



Adnan Afridi
Director



Parveen Akhter Malik
Director

Condensed Interim Statement Of Comprehensive Income (Un-Audited)

For The Half Year Ended June 30, 2013

	Quarter ended		Half Year ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Rupees.....			
Profit for the period	5,405,629	10,207,196	9,959,397	13,885,446
Other comprehensive income	-			-
Total comprehensive profit for the period	5,405,629	10,207,196	9,959,397	13,885,446

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



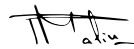
Mian M.A. Shahid
Chief Executive Officer



Aziz Ullah Memeon
Chairman



Adnan Afridi
Director



Parveen Akhter Malik
Director

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

For The Half Year Ended June 30 , 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 for the period	-	13,885,446	13,885,446
Balance as at June 30, 2012	325,000,000	(128,570,215)	196,429,785
Balance as at January 01, 2013	325,000,000	(67,510,963)	257,489,037
Net profit for the period	-	9,959,397	9,959,397
Balance as at June 30, 2013	325,000,000	(57,551,566)	267,448,434

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




Mian M.A. Shahid
Chief Executive Officer



Aziz Ullah Mameon
Chairman



Adnan Afridi
Director



Parveen Akhter Malik
Director

Condensed Interim Cash Flow Statement (Un-Audited)

For The Half Year Ended June 30, 2013

	June 30, 2013 Rupees	June 30, 2012 Rupees
Operating cash flows:		
a) Underwriting activities:		
Premiums received	186,915,385	143,827,802
Reinsurance premiums paid	(27,907,100)	(57,090,528)
Claims paid	(82,884,623)	(57,818,752)
Commission paid	(22,326,021)	(20,877,814)
Reinsurance and other recoveries received	6,149,905	46,514,580
Commission received	364,354	13,223,686
Other underwriting payments	(34,212,552)	(42,897,308)
Net cash flow from underwriting activities	26,099,348	24,881,667
b) Other operating activities:		
Income tax paid	(505,497)	(658,962)
General and management expenses paid	(17,488,886)	(7,210,528)
Other operating payments	(2,206,663)	(2,607,822)
Other operating receipts	(8,071,262)	(49,832)
Loans and advances paid	(258,257)	(245,257)
Net cash outflow from other operating activities	(28,530,565)	(10,772,401)
Total cash flow from operating activities	(2,431,217)	14,109,266
Investment activities:		
Profit/ return received	2,921,405	4,646,881
Dividend received	22,425	17,850
Payments for investments	(4,224,634)	(2,232,938)
Proceeds from disposal of investments	-	8,859,086
Fixed capital expenditure	(660,862)	(29,648,730)
Total cash flow from investing activities	(1,941,667)	(18,357,851)
Net cash inflow / (outflow) from all activities	(4,372,882)	(4,248,585)
Cash and cash equivalents at beginning of the period	70,408,307	62,986,038
Cash and cash equivalents at end of the period	66,035,425	58,737,453

Condensed Interim Cash Flow Statement (Un-Audited)

For The Half Year Ended 30, 2013

	June 30, 2013 Rupees	June 30, 2012 Rupees
Reconciliation to Profit and Loss Account		
Operating cash flows	(2,431,217)	14,109,266
Depreciation / amortisation expense	(4,017,743)	(3,061,835)
Investment and other income	5,688,030	5,270,405
Provision for doubtful debts	(3,127,637)	(495,994)
Dividend income	22,425	17,850
(Decrease) / increase in assets other than cash	3,896,008	(1,688,560)
Decrease / (Increase) in liabilities other than running finance	16,298,172	570,591
Reversal/ (Provision) for taxation	(6,368,642)	(836,277)
Profit/(loss) after Taxation	9,959,397	13,885,446

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	528,365	487,039
Current and saving accounts	25,451,421	14,819,414
Deposits maturing within 3 months	39,966,000	35,931,000
Cash with State Bank of Pakistan	89,639	7,500,000
	66,035,425	58,737,453

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



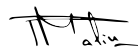
Mian M.A. Shahid
Chief Executive Officer



Aziz Ullah Memeon
Chairman



Adnan Afridi
Director



Parveen Akhter Malik
Director

Condensed Interim Statement Of Premiums (Un-Audited)

For The Half Year Ended June 30 , 2013

Business Underwritten Inside Pakistan	Quarter ended June 30, 2013										Quarter ended June 30, 2012				
	Class	Premium written		Unearned premium reserve		Premium earned		Reinsurance premium ceded		Prepaid reinsurance premium ceded		Reinsurance expenses		Net premium revenue	
		Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing
-----Rupees-----															
Direct & facultative															
Fire and property damage	39,023,890	49,813,612	53,982,052	34,855,450	8,308,878	39,017,707	24,735,989	22,590,596	12,264,854	6,681,942					
Marine, aviation and transport	6,914,492	3,626,893	2,452,060	8,089,325	2,445,944	1,274,768	840,517	2,880,195	5,209,130	4,391,934					
Motor	28,002,948	47,339,720	56,718,817	18,623,851	540,339	656,460	997,320	199,479	18,424,372	20,027,023					
Miscellaneous	23,047,656	35,600,344	43,768,346	14,879,654	1,472,488	2,595,012	4,739,344	(671,844)	15,551,498	16,281,560					
GRAND TOTAL	96,988,986	136,380,569	156,921,275	76,448,280	12,767,649	43,543,948	31,313,170	24,998,426	51,449,855	47,382,459					

Class	Six Months ended June 30, 2013										Six Months ended June 30, 2012	
	Business Underwritten Inside Pakistan											
	Premium written	Unearned premium reserve		Premium earned	Reinsurance premium ceded	Prepaid reinsurance premium ceded		Reinsurance expenses	Net premium revenue	Net premium revenue		
	Opening	Closing			Opening	Closing	Opening	Closing				
-----Rupees-----												
Direct & facultative												
Fire and property damage	50,348,000	73,838,960	53,982,052	70,204,908	17,178,759	40,644,734	24,735,989	33,087,504	37,117,404			7424,972
Marine, aviation and transport	13,897,576	3,544,637	2,452,060	14,990,153	4,900,334	1,509,010	840,517	5,568,827	9,421,326			7,339,762
Motor	66,968,742	47,670,398	56,718,817	57,920,323	1,080,678	884,464	997,320	967,822	56,952,501			32,340,990
Miscellaneous	55,768,875	20,820,540	43,768,346	32,821,069	3,857,632	6,428,349	4,739,344	5,546,637	27,274,432			36,522,019
GRAND TOTAL	186,983,193	145,874,535	156,921,275	175,936,453	27,017,403	49,466,557	31,313,170	45,170,790	130,765,663			83,627,743

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



Mian M.A. Shahid
Chief Executive Officer



Aziz Ullah Memeon
Chairman



Adnan Afridi
Director



Parveen Akhter Malik
Director

Condensed Interim Statement Of Claims (Un-Audited)

For The Half Year Ended June 30, 2013

Class	Quarter ended June 30, 2013						Quarter ended June 30, 2012			
	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	Net claims expenses	Net claims expenses
		Opening	Closing			Opening	Closing			
-----Rupees-----										
Direct & facultative										
Fire and property damage	21,421,163	40,730,022	33,242,249	13,933,390	16,078,068	35,035,031	30,012,208	11,055,245	2,878,145	1,690,646
Marine, aviation and transport	2,404,565	4,118,997	4,135,303	2,420,871	11,800	2,379,016	2,206,792	(160,424)	2,581,295	1,158,060
Motor	7529,166	12,468,777	11,404,494	6,464,883	1,778,121	994,000	4,919,000	5,703,121	761,762	4,662,816
Miscellaneous	6,791,457	23,761,497	20,210,781	3,240,741	465,588	24,893,042	17,265,571	(7,161,883)	10,402,624	976,678
GRAND TOTAL	38,146,351	81,079,293	68,992,827	26,059,885	18,333,577	63,301,089	54,403,571	9,436,059	16,623,826	8,488,200

Class	Six months ended June 30, 2013						Six Months ended June 30, 2012		
	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance recoveries and other revenues	Net claims expenses	
	Opening	Closing			Opening	Closing			
-----Rupees-----									
Direct & facultative									
Fire and property damage	48,716,175	43,581,634	38,376,790	38,062,654	41,403,413	30,012,208	26,671,449	11,705,341	2,848,036
Marine, aviation and transport	5,319,979	4,097,521	5,357,761	331,525	1,579,008	2,206,792	959,309	4,398,452	2,448,458
Motor	18,214,081	11,375,686	18,242,889	1,941,035	6,838,000	4,919,000	22,035	18,220,854	13,359,554
Miscellaneous	10,634,388	21,856,951	8,988,218	545,655	21,468,457	17,265,571	(3,657,231)	12,645,449	4,635,675
GRAND TOTAL	82,884,623	80,911,792	68,992,827	40,880,869	71,288,878	54,403,571	23,995,562	46,970,096	23,291,723

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



Mian M.A. Shahid
Chief Executive Officer



Aziz Ullah Memon
Chairman



Adnan Afridi
Director



Parveen Akhter Malik
Director

Condensed Interim Statement Of Expenses (Un-Audited)

For The Half Year Ended June 30, 2013

Class	Quarter ended June 30, 2013										Quarter ended June 30, 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	Net underwriting expenses
	Opening	Closing	Opening	Closing	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Closing	Closing
-----Rupees-----															
Direct & facultative															
Fire and property damage	7646,034	9,046,867	10,464,601	6,228,300	7,997,621	14,225,921	(13,091)	6,711,404	4,999,813	1,698,500	12,527,421	12,586,655			
Marine, aviation and transport	1,252,260	706,780	463,134	1,495,906	1,343,279	2,839,185	(1,292)	346,320	120,899	224,128	2,615,056	1,929,179			
Motor	3,162,337	3,563,231	4,986,522	1,739,046	5,281,708	7,020,754	-	-	-	-	7,020,755	8,805,486			
Miscellaneous	849,962	3,334,762	3,784,948	399,776	4,337,431	4,737,207	199,998	1,475,742	697,408	978,332	3,758,875	3,768,293			
GRAND TOTAL	12,910,593	16,651,640	19,699,205	9,863,028	18,960,038	28,823,066	185,615	8,533,466	5,818,121	2,900,960	25,922,106	27,069,613			

Class	Six Months ended June 30, 2013										Six months ended June 30, 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	Net underwriting expenses
		Opening	Closing					Opening	Closing			
-----Rupees-----												
Direct & Facultative												
Fire and property damage	9,702,655	13,303,430	10,464,601	12,541,484	10,535,029	23,076,513	159,056	10,333,720	4,999,813	5,492,963	17,583,550	15,101,015
Marine, aviation and transport	2,613,067	692,560	463,134	2,842,493	2,907,988	5,750,481	(50)	452,703	120,899	331,754	5,418,727	4,967,043
Motor	6,095,268	3,888,866	4,986,522	4,997,612	14,012,823	19,010,435	-	10,402	-	10,402	19,000,033	18,677,154
Miscellaneous	3,915,030	2,874,400	3,784,948	3,004,482	11,669,316	14,673,798	205,348	1,453,358	697,408	961,298	13,712,500	6,942,818
GRAND TOTAL	22,326,020	20,759,255	19,699,205	23,386,071	39,125,155	62,511,227	364,354	12,250,183	5,818,121	6,796,416	55,714,811	45,688,030

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



Mian M.A. Shahid
Chief Executive Officer



Aziz Ullah Mameon
Chairman



Adnan Afridi
Director



Parveen Akhter Malik
Director

Condensed Interim Statement Of Investment Income (Un-Audited)

For The Half Year Ended June 30, 2013

	Quarter ended		Six months ended	
	June 30, 2013	June 30, 2012	June 30, 2103	June 30, 2012
Rupees.....			
Income from held for trading investments				
Gain on sale of trading	-	-	-	-
Dividend income	-	-	-	-
Income from non-trading investments:				
Held-to-maturity				
Return on government securities	1,374,356	1,112,411	3,171,725	1,955,018
Return on TDRs	1,189,967	1,290,850	2,377,316	2,652,125
Return on treasury bills	70,650	39,738	143,792	39,738
Available-for-sale				
Dividend income	22,425	1,350	22,425	17,850
	2,657,398	2,444,349	5,715,258	4,664,731
Gain/(loss) on sale of non-trading investments				
Available-for-sale	-	-	-	-
Impairment (loss) on non-trading investments				
Available-for-sale	-	-	-	-
Investment related expenses	-	(1,031)	(4,803)	(4,651)
Net investment income	2,657,398	2,443,318	5,710,455	4,660,080

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



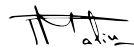
Mian M.A. Shahid
Chief Executive Officer



Aziz Ullah Memeon
Chairman



Adnan Afridi
Director



Parveen Akhter Malik
Director

Notes To The Condensed Interim Financial Statements

For The Half Year Ended June 30, 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 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, Upper Mall, Lahore, Pakistan.

2 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.

2.1 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 provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 shall prevail.

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 statements are presented in Pakistan Rupees, which is also the Company's functional and presentation currency. All financial information presented in Pakistan rupees are rounded off to nearest rupees unless otherwise stated.

2.4 Use of estimates and judgments

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.

3 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".

4 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 Half Year Ended June 30, 2013

			June 30, 2013	December 31, 2012
(Rupees)				
5	AUTHORIZED SHARE CAPITAL			
		June 30, 2013	December 31, 2012	
		(Number of Shares)		
		50,000,000	50,000,000	Ordinary shares of Rs. 10/- each
			500,000,000	500,000,000
5.1	PAID-UP SHARE CAPITAL			
	Issued, subscribed and paid up capital:			
		June 30, 2013	December 31, 2012	
		(Number of Shares)		
		25,000,000	25,000,000	Ordinary shares of Rs. 10/- each fully paid in cash
		7,500,000	7,500,000	Ordinary shares of Rs. 10/- each issued as fully paid right shares
		32,500,000	32,500,000	
			325,000,000	325,000,000
6	ACCRUED EXPENSES			
	Audit fee payable		176,000	450,000
	Salaries wages and benefits payable		3,620,430	5,485,622
	Utilities payable		329,139	430,870
	Others		70,252	423,997
			4,195,821	6,790,489
7	OTHER CREDITORS AND ACCRUALS			
	Commission		-	1,969,467
	Rent		18,000	18,000
	Government levies payable		1,887,521	5,344,242
	Liabilities against cancelled policies		81,614	81,614
	Withholding Tax		128,148	183,187
	Others		643,618	638,985
			2,758,901	8,235,495

8 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 Half Year Ended June 30, 2013

		June 30, 2013	December 31, 2012
(Rupees)			
9 INVESTMENTS			
The investments comprise the following:			
Held to maturity			
Pakistan Investment Bonds	9.1	52,426,177	48,201,543
Available for sale			
Ordinary shares of listed companies	9.2	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
		97,884,238	93,659,604
9.1	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. 52 million (Rs. 32.7 million with SBP and Rs. 19.3 million with NBP) and carry mark-up ranging from 9.10% to 13.5% (2012: 9% to 12%) per annum and would mature up to July 2022.		
9.2	The market value of available for sale – equity securities as at June 30, 2013 is Rs. 1,011,545/- (December 31, 2012: 805,230)..		
10 PREMIUM DUE BUT UNPAID			
Unsecured			
-Considered good		47,867,810	48,702,076
-Considered doubtful		4,922,476	2,563,267
		52,790,286	51,265,343
Provision for doubtful balances	10.1	(4,922,476)	(2,563,267)
		47,867,810	48,702,076
10.1	Provision for doubtful balances		
Opening provision		(2,563,267)	(2,745,354)
Charge for the period / year		(2,359,209)	182,087
Closing provision		(4,922,476)	(2,563,267)
11 AMOUNTS DUE FROM OTHER INSURERS/REINSURERS			
Unsecured			
-Considered good		80,275,902	45,544,938
-Considered doubtful		12,642,492	11,892,492
		92,918,394	57,437,430
Provision for doubtful balances	11.1	(12,642,492)	(11,892,492)
		80,275,902	45,544,938

Notes To The Condensed Interim Financial Statements

For The Half Year Ended 30, 2013

	June 30, 2013	December 31, 2012
	(Rupees)	
11.1 Provision for doubtful balances		
Opening provision	(11,892,492)	(5,453,409)
Charge for the period / year	(750,000)	(6,439,083)
Closing provision	(12,642,492)	(11,892,492)

12 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 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)	31,756,352	19,729,050
Received / adjusted during the period	30,714,151	50,605,198
Balance at end of the period	2,587,718	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	2,481,552	9,980,483
Claim paid during the period	3,425,389	11,828,944
Outstanding claims at end of the period	4,153,742	5,097,579

Other transactions for the period with associated companies

Rental expense	832,500	1,887,000
Bank charges	69,767	74,989
Tracker charges	608,705	828,000
Profit on term deposit receipts	2,360,056	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	282,478	1,026,666
Current account	7,939,683	5,552,784
Accrued investment income	4,331,274	2,006,052

Notes To The Condensed Interim Financial Statements

For The Half Year Ended June 30, 2013

	June 30, 2013	December 31, 2012
	(Rupees)	
Transaction during The period with other related parties (Key management personnel)		
Contribution to provident fund	-	-
Contribution defined benefit plans	-	564,355
Remuneration of key management personnel	12,520,000	20,382,966
Balances with other related parties (Key management personnel)		
(Payable) / receivable from defined benefit plan	(3,163,793)	(2,294,644)
Loan to key management personnel	-	20,000

13 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.

14 DATE OF AUTHORIZATION FOR ISSUE

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

15 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.



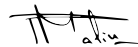
Mian M.A. Shahid
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