

Third Quarter Report 2020



SHAHEEN FOUNDATION
PAKISTAN AIR FORCE

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Air Marshal Muhammad Arif Pervaiz (Retd.)
Air Vice Marshal Salman Ahsan Bokhari (Retd.)
Air Commodore Ahsan Muhammad Khan (Retd.)
Air Commodore Mahmood Ahmad (Retd.)
Air Commodore Jamshed Iqbal (Retd.)
Group Captain Javed Akhtar Khan (Retd.)
Mr. Khalid Saeed Mirza

AUDIT COMMITTEE

Air Commodore Ahsan Muhammad Khan (Retd.) - Chairman
Group Captain Javed Akhtar Khan (Retd.) - Member
Mr. Khalid Saeed Mirza

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

Air Vice Marshal Salman Ahsan Bokhari (Retd.) - Chairman
Air Commodore Mahmood Ahmad (Retd.)
Mr. Sohel N. Kidwai (CEO) - Member

INVESTMENT COMMITTEE

Air Marshal Muhammad Arif Perviaz (Retd.) - Chairman
Air Vice Marshal Salman Ahsan Bokhari (Retd.) - Member
Air Commodore Jamshed Iqbal (Retd.) - Member
Mr. Khalid Saeed Mirza - Member
Mr. Sohel N. Kidwai - Chief Executive Officer
Mr. Nisar Ahmed Almani - Chief Financial Officer

CHIEF EXECUTIVE OFFICER

Mr. Sohel N. Kidwai

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Nisar Ahmed Almani



CORPORATE INFORMATION

HEAD OF OPERATIONS, UNDERWRITING, CLAIMS AND REINSURANCE

Mr. Zia Mehdi

COUNTRY HEAD BUSINESS

Mr. Naveed Y. Butt

LEGAL ADVISOR

Iftikhar Hussain Law Associates

AUDITORS

Deloitte Yousuf Adil
Chartered Accountants

SHARIAH ADVISOR

Mufti Bilal Ahmed Qazi

COMPLIANCE OFFICER

Mr. Muhammad Hasnain

SHARIAH COMPLIANCE OFFICER

Mr. Kashif Naeem

REGISTERED OFFICE

10th Floor, Shaheen Complex, M.R Kayani Road, Karachi.

HEAD OFFICE

10th Floor, Shaheen Complex, M.R Kayani Road, Karachi.

SHARE REGISTRAR

M/s. Corplink (Pvt.) Ltd.
Wings Arcade, 1-K, Commercial, Model Town, Lahore.



OFFICES

Head Office

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

Karachi

Branch Manager - Mr. M. Iftikhar Alam
10th Floor, Shaheen Complex
M.R Kayani Road, Karachi -74200
Tel # 32630370-75, 32213950-51, Fax # 32626674
E-mail :iftikhar.alam@shaheeninsurance.com
Direct # 32272595

Lahore Zonal Office

Country Head Business - Mr. Naveed Y. Butt
Office # 4-B, 6th Floor, Shaheen Complex
38, Abbott Road,
Lahore.
Tel # 042-36376270, 36376274, 36376278, 36376279
Fax # 042-36376276
E-mail: lhr_zone@shaheeninsurance.com

Multan

General Manager Marketing - Mr. Muhammad Naeem Baig
Office no 21, 1st Floor Nadra office Ali Arcade,
Court Kachery Road, Multan
Phone: 061-4580190.91,92
E-mail: naeem.baig@shaheeninsurance.com

Sialkot

Branch Manager Faisal jamil
Office # 210 Karim Plaza Defence Road,
Near Allama Iqbal Town, Sialkot
Tel # (052) 3250982, 3550131
Fax # (052) 3257412
E-mail: sil@shaheeninsurance.com

Faisalabad

Branch Manager/ Assistant General Manager - Mr. Mohsin Khan
Office No 2, 4th Floor, Ahmed Plaza,
Bilal Road, Civil Lines, Faisalabad
Tel. # (041) 2614112, 2621370, 2634658
Fax # (041) 2613514
Email: fsd@shaheeninsurance.com

Abbottabad

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

Rahim Yar Khan

Branch Manager - Mr. Muhammad Naveed
Al Baraka Plaza, 1st Floor, Abu Dhabi Road,
Rahim Yar Khan.
Email: naveed.hussain@shaheeninsurance.com

Hyderabad

Branch Manager - Mr. Shakir Ali
Upper 2nd Floor
House # 75, Soldier Bazar, Hyderabad
Tel # (022) 2720487
Fax # (022) 2720489
E-mail: hyd@shaheeninsurance.com

Lahore Corporate

Regional Head - Mr. Sohaib Ansar Khan
Office # 6, 6th Floor, Shaheen Complex, Opp. PTV Station
Opp. PTV Station 38, Abbott Road,
Lahore.
Tel # 042-36370384, 36370741, 36370742
Fax # 042-36370385
E-mail: lhr_corporate@shaheeninsurance.com

Peshawar

Branch Manager - Mr. Amir Shahzad
Upper Basement, State Life Building
34 - The Mall, Peshawar Cantt.
Tel # (091) 5273122
E-mail: psw@shaheeninsurance.com

Gujranwala

Office # 04, Yousuf Center, 99 Commercial
Neelum DC Colony GT Road Gujranwala.

Islamabad

Branch Manager - Mr. Abdul Hameed
Office # 4, 1st Floor Zaki Centre,
I-8 Markaz Islamabad
Tel: 051-4938283
Fax: 051-4938284
Email: isb@shaheeninsurance.com

Sargodha

Branch Manager - Mr. Nadeem Awan
Office # 63 1st Floor Advance Book shop
Rehman Complex Ibne Seena Hospital Market
Kanchi More Sargodha Mobile# 0300-8602723
Email: nadeemawan1975@gmail.com

DIRECTORS' REVIEW

The Directors are pleased to present the unaudited Condensed Interim Financial Statements of the company for the nine months ended September 30, 2020.

Company Performance

The results of Insurance are summarized below;

	Rupees in million	
	September 2020	September 2019
Gross Premium Written	213	291
Net Insurance Premium	191	234
Underwriting Results	50	69
Investment and rental income	50	50
Profit before tax	48	67
Profit after tax	34	47
Earnings Per Share	0.56	0.78

Domestic economic activity witnessed a sharp decline in the last quarter of fiscal year 2020 with GDP contracting by 0.4% for the first time in 70 years. However, since August, business confidence and growth prospects have started to revive, reflecting the declining number of new COVID cases, the easing of lockdown restrictions and effects of the Government's stimulus and relief measures. Resultantly, profit after tax of the company decreased to Rs 34 Million during the period under review compared with Rs 47 Million during the corresponding period of 2019. Gross Written Premium for insurance business also decreased to Rs.213 Million during first nine months of 2020 from Rs 291 Million during the same period of 2019.

Investment and rental income of company on the other hand remained the same despite steep decline in interest rates during the period under consideration, mainly due to better fund management.

Company commenced its Window Takaful Operations in April, 2018.

The results of Window Takaful are summarized below;

	Rupees in million	
	September 2020	September 2019
Gross Contribution	6.8	3.5
Net Contribution Revenue	2.4	(0.024)
Underwriting Results	(0.22)	(2.05)
Investment Income	3.6	3.7
Operator's Fund - Revenue Account	1.15	1.71
Operator's Profit / (loss)	1.60	1.73



Due to initial year of operations, this business segment is progressing gradually. However, going forward, Company is confident to penetrate this market by procuring takaful business.

Outlook

COVID 19 outbreak has brought the economy to a near standstill causing huge impact on income, consumption, production and trade flows. The next quarter is expected to be critical, both globally and in Pakistan. While economic activity has started to resume, the threat of a second wave, with winter approaching, is real and growing. In this uncertain and unprecedented backdrop, it is extremely difficult to predict. However, it is certain that year 2020 would be a challenging year, and the insurance industry is likely to be affected.

Directors would like to place on record their appreciation to the field force, officers and staff of the Company for their commitment and contributions and urge to maintain the tempo for further growth.

Directors would also like to thank the Securities and Exchange Commission of Pakistan, PACRA, Pakistan Stock Exchange Limited, all clients, banks / financial institutions and re-insurers for their continued guidance and support.

Sohail N. Kidwai
Chief Executive Officer

Air Marshal Muhammad Arif Pervaiz
(Retd.) - Chairman

October 28, 2020

کمپنی نے ونڈ وٹکافل آپریشنز کا آغاز 11 اپریل 2018 سے کر دیا ہے۔

ونڈ وٹکافل آپریشنز کے نتائج کا خلاصہ درج ذیل ہے:-

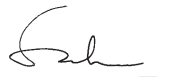
روپے ملین میں		
ستمبر 2019	ستمبر 2020	
3.5	6.8	مجموعی کنٹری بیوشن
(0.024)	2.4	خالص کنٹری بیوشن
(2.05)	(0.22)	ذمہ نویسی کے نتائج
3.7	3.6	سرمایہ کاری کی آمدنی
1.71	1.15	آپریٹنگ فٹڈ ریویو کاؤنٹ
1.73	1.60	آپریٹنگ منافع

ٹکافل کاروبار کے شروعاتی سال ہونے کی وجہ سے یہ کاروبار آہستہ آہستہ ترقی کر رہا ہے۔ اور کمپنی آگے آنے والے سالوں میں ٹکافل کا زیادہ بزنس حاصل کر کے اپنی جگہ بنانے کے لیے پرامید ہے۔

کوویڈ 19 کے پھیلاؤ نے معیشت کو ٹھہرا دیا ہے جس کی وجہ سے آمدنی، کھپت، پیداوار اور تجارت کے بہاؤ پر بہت زیادہ اثر پڑا ہے۔ اگلی سہ ماہی عالمی اور پاکستان دونوں سطح پر نازک ثابت ہونے کا امکان ہے۔ اگرچہ معاشی سرگرمیوں کا دوبارہ آغاز ہو رہا ہے، لیکن موسم سرما کی آمد کے ساتھ ہی دوسری لہر کا خطرہ حقیقی ہے، جو بڑھ رہا ہے۔ اس غیر یقینی اور بے مثال پس منظر میں، کوئی پیشن گوئی کرنا انتہائی مشکل ہے۔ تاہم، یہ یقینی ہے کہ سال 2020 ایک چیلنجنگ سال ہوگا اور انشورنس صنعت متاثر ہونے کا امکان ہے۔

ڈائریکٹرز فیلڈ میں موجود عملے، افسران اور کمپنی کے عملے کی انتھک جدوجہد کو تسلیم کرتے ہوئے انہیں خراج تحسین پیش کرتے ہیں اور تاکید کرتے ہیں کہ نموکا سفر جاری رہے۔

اسی طرح آپ کے ڈائریکٹرز سیکریٹریز اینڈ ایکسچینج کمیشن آف پاکستان، (PACRA)، پاکستان اسٹاک ایکسچینج لمیٹڈ، تمام صارفین، بینکوں اور تمام ری انشوررز کے شکرگزار ہیں جو مسلسل کمپنی کی رہنمائی و معاونت میں مصروف عمل ہیں۔



سہیل (ن) کدوائی

چیف ایگزیکٹو آفیسر



ایمر مارشل محمد عارف پرویز (ریٹائرڈ)

چیرمین

28 اکتوبر 2020

ڈائریکٹرز کا تبصرہ

ڈائریکٹرز مسرت کے ساتھ 30 ستمبر 2020 کو اختتام پذیر نو ماہ کے غیر آڈٹ شدہ مختصر عبوری مجموعی مالیاتی گوشوارے پیش کر رہے ہیں۔

کمپنی کی کارکردگی

انشورنس کے نتائج کا خلاصہ درج ذیل ہے۔

روپے ملین میں		
ستمبر 2019	ستمبر 2020	
291	213	قلمزد مجموعی پرییم
234	191	پرییم کی صافی آمدنی
69	50	ذمہ نویسی کے نتائج
50	50	سرمایہ کاری اور کرایہ کی آمدنی
67	48	ٹیکس سے قبل نفع
47	34	ٹیکس کے بعد نفع
0.78	0.56	آمدنی فی شیئر


مقامی معاشی سرگرمی مالی سال 2020 کی آخری سہ ماہی میں تیزی سے کم ہو گئی، جس کے ساتھ 70 سالوں میں GDP پہلی بار 0.4% سے سمٹ گئی۔ تاہم، اگست سے کاروباری اعتبار اور نمونہ کے امکانات میں احیا کا رجحان ہے، جو نئے COVID کیسوں کی گرتی ہوئی تعداد، لاک ڈاؤن پابندیوں میں نرمی اور حکومت کے محرکات اور امدادی اقدامات کے اثرات کی عکاسی کرتا ہے۔ نتیجے کے طور پر، کمپنی کے ٹیکس کے بعد منافع 30 ستمبر 2020 کو ختم ہونے والے عرصے کے دوران کم ہو کر 34 ملین روپے رہ گیا جبکہ اس کے مقابلے میں 2019 کے اسی عرصے کے دوران یہ منافع 47 ملین روپے کا تھا۔ 2020 کے پہلے نو ماہ کے دوران مجموعی تحریری پرییم بھی گھٹ کر 213 ملین روپے رہا جو کہ 2019 کے اسی عرصے کے دوران 291 ملین روپے تھا۔

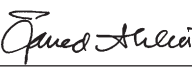
کمپنی کی سرمایہ کاری اور کرائے کی آمدنی، دوسری طرف، شرح سود میں کھڑی کمی کے باوجود وہی رہی، جس کی بنیادی وجہ بہتر فنڈ مینجمنٹ ہے۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 Un-audited	December 31, 2019 Audited
		-----Rupees-----	
Assets			
Property and equipment	6	20,868,834	82,318,416
Investment properties	7	130,423,000	130,423,000
Investments			
Equity securities	8.1	61,914,537	57,897,916
Debt securities	8.2	166,943,790	78,239,583
Term deposits	8.3	390,531,433	427,570,597
Loans and other receivables	9	7,643,711	10,828,408
Insurance / reinsurance receivables	10	258,753,102	252,529,338
Reinsurance recoveries against outstanding claims		7,975,138	12,744,301
Salvage recoveries accrued		366,100	4,421,100
Deferred commission expense / acquisition cost		21,716,812	26,394,193
Taxation-payment less provision		-	1,096,139
Advances deposits and prepayments		40,171,877	10,928,649
Cash and bank balances	11	3,254,469	23,318,700
Total assets of takaful operations - operator's fund		57,571,563	55,497,832
Total Assets		1,168,134,366	1,174,208,172
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Share capital	12	600,000,000	600,000,000
Reserves	13	31,225,146	33,102,778
Unappropriated profit / (loss)	13	21,860,231	(11,991,078)
Total equity		653,085,377	621,111,700
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		123,791,329	128,202,751
Unearned premium reserves		122,770,958	133,134,440
Premium deficiency reserve		231,534	231,534
Unearned reinsurance commission		2,000,466	1,052,225
Lease liabilities		21,871,689	77,959,648
Insurance/ reinsurance payables		92,843,710	61,895,461
Other creditors and accruals	14	144,980,753	146,205,383
Unclaimed dividend		1,839,867	1,911,962
Taxation - provision less payments		1,739,280	-
Total liabilities of takaful operations - operator's fund		2,979,404	2,503,068
Total liabilities		515,048,989	553,096,472
Total Equity and Liabilities		1,168,134,366	1,174,208,172
Contingencies and commitments	15		

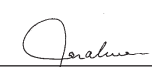
The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Group Captain Javed Akhtar
Khan (Retd.)-Director


Khalid Saeed Mirza
Director


Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UN-AUDITED) FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020


		Quarter ended		Nine months ended	
		Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019
Note		-----Rupees-----			
Net insurance premium	16	71,965,256	71,341,242	191,266,042	233,599,497
Net Insurance claims	17	(17,997,939)	(18,193,912)	(54,126,034)	(63,589,064)
Net commission and other acquisition cost	18	(13,484,700)	(16,414,304)	(41,494,322)	(49,615,080)
		(31,482,639)	(34,608,216)	(95,620,356)	(113,204,144)
Management expenses		(15,269,591)	(16,452,744)	(45,352,472)	(51,862,077)
Underwriting results		25,213,026	20,280,282	50,293,214	68,533,276
Investment income	19	12,540,584	15,071,368	45,988,845	43,627,943
Rental income		861,452	910,149	2,156,750	2,649,453
Other income		236,691	1,107,737	1,889,488	3,880,870
Other expenses		(21,434,347)	(14,329,001)	(51,807,641)	(46,503,942)
Finance charges / income on right-of-use assets		(655,277)	(2,391,778)	(2,399,307)	(7,301,333)
Profit before tax from window takaful operations - OPF		(89,572)	247,575	1,597,395	1,730,421
Profit before tax		16,672,557	20,896,331	47,718,744	66,616,687
Provision for taxation - current		(7,290,706)	(7,257,815)	(13,867,436)	(20,074,266)
Profit after tax		9,381,851	13,638,516	33,851,308	46,542,421
Earning per share - basic and diluted	22	0.16	0.23	0.56	0.78

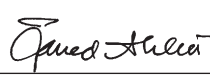
The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Quarter ended		Nine months ended	
	Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019
	-----Rupees-----			
Profit after tax	9,381,851	13,638,516	33,851,308	46,542,421
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss:				
Unrealised loss on available-for-sale Investment-net	(5,133,482)	(1,451,530)	(1,877,632)	(309,165)
Total comprehensive income for the period	4,248,369	12,186,986	31,973,676	46,233,256

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Group Captain Javed Akhtar
Khan (Retd.)-Director


Khalid Saeed Mirza
Director


Sohail N. Kidwai
Chief Executive Officer



Nisar Ahmed Almani
Chief Financial Officer

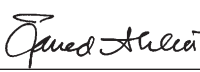


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR NINE MONTHS ENDED SEPTEMBER 30, 2020

	Share Capital	General Reserves	Available for Sale Investment Revaluation Reserve	Unappropriated Profit	Total
	------(Rupees)-----				
Balance as at January 01, 2019	600,000,000	20,000,000	11,367,066	(56,991,186)	574,375,880
Total comprehensive income for nine months ended September 30, 2019					
Profit for nine months ended September 30, 2019	-	-	-	46,542,421	46,542,421
Other comprehensive income	-	-	(309,165)	-	(309,165)
Total comprehensive income for the period	-	-	(309,165)	46,542,421	46,233,256
Balance as at September 30, 2019 (Un-audited)	<u>600,000,000</u>	<u>20,000,000</u>	<u>11,057,901</u>	<u>(10,448,765)</u>	<u>620,609,136</u>
Balance as at January 1, 2020	600,000,000	20,000,000	13,102,778	(11,991,078)	621,111,700
Total comprehensive income for the nine months ended September 30, 2020					
Profit for nine months ended September 30, 2020	-	-	-	33,851,308	33,851,308
Other comprehensive loss	-	-	(1,877,632)	-	(1,877,632)
Total comprehensive income for the period	-	-	(1,877,632)	33,851,308	31,973,676
Balance as at September 30, 2020 (Un-audited)	<u>600,000,000</u>	<u>20,000,000</u>	<u>11,225,146</u>	<u>21,860,230</u>	<u>653,085,376</u>

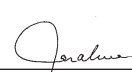
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Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Group Captain Javed Akhtar
Khan (Retd.)-Director


Khalid Saeed Mirza
Director


Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	-----Rupees-----	
OPERATING ACTIVITIES		
a) Underwriting activities		
Premiums received	191,327,569	291,794,980
Reinsurance premiums paid	(16,289,085)	(32,680,747)
Claims paid	(89,389,493)	(89,565,834)
Reinsurance and other recoveries received	30,852,037	30,403,891
Commissions paid	(38,655,793)	(41,687,210)
Commissions received	1,838,852	962,113
Net cash flows from underwriting activities	79,684,088	159,227,195
b) Other operating activities		
Income tax paid	(8,878,671)	(12,714,070)
Finance cost paid	(2,399,307)	(7,364,332)
Management and administration expenses paid	(62,555,259)	(86,367,230)
Net cash used in other operating activities	(73,833,237)	(106,445,632)
Total cash used in all operating activities	5,850,851	52,781,563
INVESTING ACTIVITIES		
Profit / Return received	41,550,870	47,508,813
Rentals received	2,065,598	2,649,453
Payments for investments	(968,680,005)	(605,142,984)
Proceeds from investments	862,138,452	636,188,543
Fixed capital expenditure	(770,152)	(78,878,317)
Proceeds from disposal of fixed assets	825,000	41,500
Total cash flow used in all investing activities	(62,870,238)	2,367,007
FINANCING ACTIVITIES		
Financial charges paid	(46,101)	(153,619)
Dividend paid	(72,095)	(13,486,972)
Total cash flows used in all financing activities	(118,196)	(13,640,591)
Net cash flow from used in all activities	(57,137,583)	41,507,979
Exchange gain on cash and cash equivalents	34,188	55,158
Cash and cash equivalents at the beginning of year	450,889,297	457,740,355
Cash and cash equivalents at end of the period	393,785,902	499,303,492

September 30, 2020 September 30, 2019
-----Rupees-----

Reconciliation to condensed statement of comprehensive income

Operating cash flows	5,850,851	52,781,563
Exchange gain / (loss) on cash and cash equivalents	34,188	55,158
Finance charges on right-of-use assets	(2,399,307)	(7,301,333)
Depreciation on fixed assets	(2,955,706)	(4,634,457)
Depreciation on right-of-use asset	(9,035,079)	-
Loss / gain on disposal of fixed assets	825,000	(6,000)
Taxes paid	8,878,671	12,714,070
Provision for doubtful premium due but unpaid	(13,000,000)	-
Financial charges	(46,101)	(153,619)
Increase / (decrease) in assets other than cash	40,152,055	128,347,050
(Increase) / decrease in liabilities	(31,257,399)	(163,015,570)
Investment and other income	50,035,083	47,199,648
Profit from window takaful operations - OPF	1,597,395	1,730,421
Provision for Workers' Welfare Fund	(960,907)	(1,100,244)
Provision for tax	(13,867,436)	(20,074,266)
Profit after taxation	<u>33,851,308</u>	<u>46,542,421</u>

Definition of cash

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

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

September 30, 2020 September 30, 2019
-----Rupees-----

Cash and other equivalents

- Cash in hand	167,941	146,710
- Policy stamps in hand	40,300	-
Current and saving accounts	208,241	146,710
- Current accounts	2,979,403	3,203,605
- Savings accounts	66,825	9,806,731
	<u>3,046,228</u>	<u>13,010,336</u>

Deposits maturing within 12 months

Term Deposit- local currency	390,531,433	486,146,446
	<u>393,785,902</u>	<u>499,303,493</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

1. STATUS AND NATURE OF BUSINESS

Shaheen Insurance Company Limited (the Company) was incorporated in March 1995 in Pakistan. The Company is a Public Limited Company and obtained the certificate for commencement of business in July 1995. It was registered with the Controller of Insurance in November 1995 to carry out non-life insurance business comprising fire, marine, motor, aviation, engineering, transportation, health, etc. On March 14, 2018 the Company was awarded license to commence Window Takaful Operations. The Company is listed on Pakistan Stock Exchange Limited. Its registered office is located at 10th Floor, Shaheen Commercial Complex, Karachi. The company operates only in Pakistan through 13 Branches. Shaheen Foundation (the parent) holds approximately 69.3% shares in Shaheen Insurance Company Limited.

Following are the geographical location and address of all the business units of the Company:

Head office - Registered Office

10th Floor, Shaheen Complex, M.R. Kiyani Road, Karachi, Province of Sindh, Pakistan.

Branches

- 10th Floor, Shaheen Complex, M.R. Kiyani Road, Karachi, Sindh, Pakistan.
- Upper 2nd floor, House # 75, Soldier Bazar, Hyderabad, Sindh, Pakistan.
- Office # 4, 6th Floor, Shaheen Complex, Opp. PTV Station 38, Abbott Road, Lahore, Punjab, Pakistan.
- Office # 6, 6th Floor, Shaheen Complex, Opp. PTV Station 38, Abbott Road, Lahore, Punjab, Pakistan.
- Office # 4, 1st Floor, Zaki Centre, I-8 Markaz, Islamabad Capital Territory, Pakistan.
- Office # 2, 4th Floor, Ahmed Plaza, Bilal Road, Civil Lines, Faisalabad, Punjab, Pakistan.
- Office # 21, First floor, Nadra Office, Ali Arcade, Court Kachery Road, Multan Pakistan.
- Upper Basement, State Life Building 34 - The Mall, Peshawar Cantt., Khyber Pakhtunkhwa, Pakistan.
- Office # 210, Karim Plaza, Defence Road, Near Allama Iqbal Town, Sialkot, Punjab, Pakistan.
- Office # 4, Yousuf Centre, 99 Commercial, Neelum DC Colony, GT Road, Gujranwala, Punjab, Pakistan.
- Office # 63, 1st Floor, Advance Book Shop, Rehman Complex, Ibne Seena Hospital Market, Kanchi More, Sarghoda, Punjab, Pakistan.
- Office # 9, 1st Floor, Silk Plaza Supply Manshara Road, Abbottabad, Khyber Pantunkhwa, Pakistan.
- Al Baraka Plaza, 1st floor, Abu Dhabi Road, Rahim Yar Khan, Pakistan.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017 and Insurance Accounting Regulations, 2017.

In case requirements differ, the provision or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 shall prevail.

The SECP, as per S.R.O 229 (I)/2019, dated February 14, 2019, has allowed the companies to defer the application of International Financial Reporting Standard (IFRS 9) "Financial Instruments".

- 2.2 The condensed interim financial information does not include all the information required in the annual financial statements. Accordingly, the condensed interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2019 and condensed interim financial information for the half yearly ended June 30, 2020. Comparative figures for condensed interim statement of financial position are stated from annual audited financial statements of the Company for the year ended December 31, 2019, whereas comparatives for interim profit and loss account, interim statement of comprehensive income, interim statement of changes in equity and interim cash flow statement and related notes are extracted from condensed interim financial information of the Company for the nine months ended September 30, 2019.

- 2.3 IFRS 9 "Financial Instruments" became applicable, however as insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 given below:

The tables below set out the fair values at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately.

September 30, 2020			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain loss	Fair value	Change in unrealised gain loss
-----Rupees-----			
Bank	-	3,254,469	-
Equity Securities	229,418	-	-
Debt Securities	-	166,943,790	-
Term Deposit	-	390,531,433	-
Mutual Funds	61,685,119	(1,877,632)	-
	61,914,537	560,729,692	-

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computations adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended December 31, 2019. Certain new IFRS and amendments to existing IFRS's and effective for period beginning on or after January 01, 2020 which do not have any impact on the company's financial reporting and therefore have not been detailed in this condensed interim financial information.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended December 31, 2019.

5. FINANCIAL AND INSURANCE RISK MANAGEMENT

- 5.1 The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2019, except for the following additional considerations due to the COVID-19 Pandemic.

The COVID-19 Pandemic outbreak has resulted in consequences on economy, health and society. The COVID-19 pandemic has significantly impacted the markets around the globe and may continue to do so in the coming months of 2020, affecting the earnings and cash flows of businesses. The scale and duration of the COVID-19 pandemic remains uncertain till date. In this connection, SECP also issued various circulars allowing certain regulatory relief, including relaxation in the timeline for filing first quarterly financial statements, convening of board meetings through video conferencing instead of physical meetings, etc., to dampen the effect of the COVID-19. The management is monitoring the situation very closely, to estimate the overall impact on the business.

6. PROPERTY AND EQUIPMENT

	Note	(Unaudited) September 30, 2020	(Audited) December 31, 2019
		Rupees	
Operating assets	6.1	7,659,732	10,005,785
Right of use of assets		13,209,102	72,312,631
		<u>20,868,834</u>	<u>82,318,416</u>

This includes addition / disposals with following details:

	September 30, 2020		September 30, 2019	
	Additions	Disposals	Additions	Disposals
	Rupees			
	Un-audited			
6.1 Cost				
Right-of-use assets	-	-	78,217,961	-
Furniture, fixtures and office equipment	186,068	238,900	53,450	-
Computers	218,100	-	216,500	-
Motor vehicles	365,984	1,607,000	390,406	41,500
	<u>770,152</u>	<u>1,845,900</u>	<u>78,878,317</u>	<u>41,500</u>

	(Unaudited) September 30, 2020	(Audited) December 31, 2019
	Rupees	
7. INVESTMENT PROPERTIES		
Opening net book value	130,423,000	109,653,000
Unrealized fair value gain	-	20,770,000
Closing net book value	<u>130,423,000</u>	<u>130,423,000</u>

- 7.1 This consist of freehold land, shops and office premises. The covered area of the freehold land, shops and office premises is 5400 sq. ft., 2,187 sq. ft. and 1,676 sq. ft. respectively.

Market value of this investment property was Rs. 130.423 million based on the valuation carried out by independent valuers as at December 31, 2019 which then agreed to become approximate value of investment property as at September 30, 2020.

The fair value measurement for all of the investment properties has been categorised as a level 3 fair value based on the inputs to the valuation techniques used.

Valuation Technique

The valuer has arranged enquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilization, and current trends in prices of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the best estimates of the fair value.

8. INVESTMENTS

8.1 EQUITY SECURITIES

		September 30, 2020			December 31, 2019		
		COST	Impairment	Carrying value	COST	Impairment	Carrying value
		(Un-audited)			(Audited)		
Note		Rupees					
Available for sale							
Listed shares							
- First Capital Equities Limited	8.1.1	188,000,000	-	-	188,000,000	-	-
Mutual funds	8.1.2	50,122,345	-	61,685,119	44,316,658	-	57,757,109
Investment at fair value through profit and loss - held for trading							
Listed shares (Summit Bank)		99,536	-	229,418	99,536	-	140,807
		238,221,881	-	61,914,537	232,416,194	-	57,897,916

- 8.1.1 On November 29, 2012, the Company through an agreement settled balance of 'reverse repo' and 'premium due but unpaid' amounting to Rs. 99.89 million (reverse repo and associated mark-up) and Rs. 88.859 million of FCSC Group and Pace (Pakistan) Limited respectively, against 4.7 million shares of First Capital Equities Limited (FCEL) calculated at Rs. 40 per share against the market value of Rs. 69 per share as at that date. The agreement was subsequently amended on March 07, 2013 to make the clause of restriction on holding period and swap against property null and void.

The Company has filed a civil suit in Civil Court Lahore in April 2015 against First Capital Equities Limited and five others for recovery of Rs.188 million and cancellation of documents. Company is aggressively following up the case, and regular hearings are taking place. Further, management strongly believe that the company has irrefutable evidences / arguments to win this litigation, and is deploying every possible resource for expeditious disposal of the case.

8.1.2 Name of Fund

	Units		September 30, 2020		December 31, 2019	
	September 30, 2020	December 31, 2019	Cost	Carrying value	Cost	Carrying value
	-----Number-----		Rupees			
Atlas Islamic Income Fund	849,515	849,515	43,083,617	547,266	37,926,896	396,399
Pakistan Income Fund	7,365	7,365	436,890	52,244,015	301,153	48,748,085
Pakistan Cash Fund	8,249	8,249	338,743	414,613	656,438	890,389
Faysal Saving & Growth Fund	139,068	139,068	739,456	947,019	1,018,760	1,487,622
ABL Income Fund	974	974	1,218,380	1,577,638	389,275	521,989
HBL Cash Fund	166,308	166,308	2,135,119	2,595,538	819,013	1,702,996
Lakson Money Market Fund	23,916	23,916	522,483	622,638	1,996,633	2,435,928
HBL Money Market Fund	5,809	5,809	812,136	1,045,388	493,096	584,644
Alhamra Islamic Stock Fund	9,105	9,105	835,521	1,690,526	715,394	989,057
			<u>50,122,345</u>	<u>61,684,641</u>	<u>44,316,658</u>	<u>57,757,109</u>

8.3 INVESTMENTS IN DEBT SECURITIES

	September 30, 2020			December 31, 2019		
	COST	(Impairment) / provision	Carrying value	COST	(Impairment) / provision	Carrying value
	(Un-audited)			(Audited)		
	Rupees					
Held to maturity						
<i>Government securities</i>	-	-	-	-	-	-
Pakistan Investment Bond	166,943,790	-	166,943,790	78,239,583	-	78,239,583
	166,943,790	-	166,943,790	78,239,583	-	78,239,583



Pakistan Investment Bond

Face value Rupees	Units		September 30, 2020		December 31, 2019	
	Yield on profit	Maturity date	Cost	Carrying value	Cost	Carrying value
----- Rupees -----						
65,000,000	11.35% (Semi-annually)	September 19, 2024	61,395,592	61,395,592	61,486,257	61,486,257
20,000,000	12.7% (Semi-annually)	July 12, 2023	18,051,963	18,051,963	16,753,326	16,753,326
87,000,000	8.53% (Semi-annually)	September 19, 2022	87,496,235	87,496,235	-	-
<u>172,000,000</u>			<u>166,943,790</u>	<u>166,943,790</u>	<u>78,239,583</u>	<u>78,239,583</u>

8.4 TERM DEPOSITS	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		----- Rupees -----	
Held to maturity			
Deposits maturing within 12 months	8.4.1	<u>390,531,433</u>	<u>427,570,597</u>
8.4.1 This include term deposits with various banks having maturities within 12 months (i.e. upto April 30, 2021) The rate of return on these term deposits ranging between 5% to 8.25% (December 31, 2019: 11.25% to 13.25%) per annum.			

9. LOANS AND OTHER RECEIVABLES	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		----- Rupees -----	
Accrued investment income		844,770	4,721,867
Other receivables	9.1	<u>6,798,940</u>	<u>6,106,541</u>
		<u>7,643,711</u>	<u>10,828,408</u>
9.1 This includes balance receivable of Rs. 5.664 million (2019: Rs. 5.654 million) from Pace Pakistan Limited in respect of sale of property located at 1-D first floor of Pace Tower, 27-H College Road, Gulberg II, Lahore.			

10. INSURANCE / REINSURANCE RECEIVABLES unsecured, considered good	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		----- Rupees -----	
Due from insurance contract holders		230,147,194	211,224,469
less: provision for impairment		<u>(52,962,994)</u>	<u>(44,962,495)</u>
		<u>177,184,200</u>	<u>166,261,974</u>
Due from other insurers / reinsurers		81,568,902	86,267,364
		<u>258,753,102</u>	<u>252,529,338</u>

11. CASH AND BANK BALANCES		September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		----- Rupees -----	
Cash and other equivalents			
- Cash in hand		167,941	55,104
- Policy stamps and bond papers in hand		<u>40,300</u>	<u>239,826</u>
		<u>208,241</u>	<u>294,930</u>
Current and saving accounts			
- Current accounts		2,979,403	8,558,959
- Saving accounts	11.1	<u>66,825</u>	<u>14,464,811</u>
		<u>3,046,228</u>	<u>23,023,770</u>
		<u>3,254,469</u>	<u>23,318,700</u>

11.1. These carry mark-up at rates ranging between 4% to 6% (December 31, 2019: 7% to 9%) per annum.



12. SHARE CAPITAL

12.1 Authorized share capital

September 30, 2020	December 31, 2019		(Unaudited) September 30, 2020	(Audited) December 31, 2019
Number of shares			-----Rupees-----	

100,000,000	100,000,000	Ordinary shares of Rs. 10 each	1,000,000,000	1,000,000,000
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12.2 Issued, subscribed and paid - up share capital

8,000,000	8,000,000	Ordinary shares of Rs. 10 each, fully paid in cash	80,000,000	80,000,000
12,000,000	12,000,000	Ordinary shares of Rs. 10 each, issued as bonus shares	120,000,000	120,000,000
10,000,000	10,000,000	Ordinary shares of Rs. 10 each, issued as right shares fully paid in cash	100,000,000	100,000,000
15,000,000	15,000,000	Ordinary shares of Rs. 10 each, issued as right shares fully paid in cash	150,000,000	150,000,000
15,000,000	15,000,000	Ordinary shares of Rs. 10 each, issued otherwise than right issue	150,000,000	150,000,000
60,000,000	60,000,000		600,000,000	600,000,000

12.3 As at September 30, 2020 44.066 million (December 31, 2019: 44.066 million) shares of the company are held by the associated undertakings. Details of these holdings are as follows:

			(Unaudited) September 30, 2020	(Audited) December 31, 2019
		Percentage	Number of shares	
Shaheen Foundation	Holding undertaking	69.3%	41,565,848	41,565,422
Central Non Public Fund	Associate	4.2%	2,500,000	2,500,000
			44,065,848	44,065,422
Percentage of shareholding by associated companies / undertakings			73.44%	73.44%

12.4 The Company has only one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.



	(Unaudited) September 30, 2020	(Audited) December 31, 2019
	-----Rupees-----	
13. RESERVES		
General reserves	20,000,000	20,000,000
Capital reserve / Unrealised loss on available for sale investment - net	11,225,146	13,102,778
Revenue reserve / Unappropriated profit / loss	21,860,230	(11,367,066)
	<u>53,085,376</u>	<u>21,735,712</u>
14. OTHER CREDITORS AND ACCRUALS		
Agent balances	42,830,845	45,013,842
Accrued expenses	10,001,511	8,539,839
Provincial services tax	63,659,567	63,452,590
Withholding tax payable	6,562,140	9,890,563
Workers welfare fund payable	6,097,649	5,904,834
Unearned rental income	1,271,856	770,300
Payable to provident fund	205,543	18,395
Security deposit against bond issuance	6,089,023	6,393,461
Others	8,262,619	6,221,559
	<u>144,980,753</u>	<u>146,205,383</u>

15. CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments as reported in the annual financial statements of the Company for the year ended December 31, 2019.

	Quarter ended Un-audited		Nine month ended Un-audited	
	Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019
	-----Rupees-----			
16. NET INSURANCE PREMIUM				
Written gross premium	72,986,109	70,492,395	212,613,277	290,908,016
Add: Unearned premium reserve opening	122,546,589	177,684,751	133,134,440	147,009,635
Less: Unearned premium reserve closing	(122,770,958)	162,424,780	(122,770,958)	162,424,780
Premium earned	72,761,740	85,752,366	222,976,759	275,492,871
Less:				
Reinsurance premium ceded	21,743,685	10,910,939	51,935,795	34,443,153
Add: Prepaid reinsurance premium opening	4,259,547	5,802,848	4,981,670	9,752,883
Less: Prepaid reinsurance premium closing	(25,206,748)	(2,302,662)	(25,206,748)	(2,302,662)
Reinsurance expense	796,484	14,411,126	31,710,717	41,893,374
Net Premium	71,965,256	71,341,240	191,266,042	233,599,497

	Quarter ended Un-audited		Nine month ended Un-audited	
	Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019
-----Rupees-----				
17. NET INSURANCE CLAIMS EXPENSE				
Claims paid	48,780,033	25,783,567	89,389,493	89,565,834
Add: Outstanding claims including IBNR closing	123,791,329	116,033,468	123,791,329	142,243,738
Less: Outstanding claims including IBNR opening	(134,219,039)	95,002,089	(128,202,751)	116,033,468
Claims expense	38,352,323	46,814,946	84,978,071	115,776,104
Less:				
Reinsurance and other recoveries received	24,535,000	7,970,636	39,676,200	30,403,891
Less: Reinsurance and other recoveries receivable in respect of outstanding claims opening	(12,521,854)	7,658,694	(17,165,401)	6,525,943
Add: Reinsurance and other recoveries receivable in respect of outstanding claims closing	8,341,238	28,309,092	8,341,238	28,309,092
Reinsurance and other recoveries revenue	20,354,384	28,621,034	30,852,037	52,187,040
Net claim	17,997,939	18,193,912	54,126,034	63,589,064
18. NET COMMISSION EXPENSE				
Commission paid or payable	9,205,144	25,930,225	38,655,793	44,530,679
Add: Deferred commission expense opening	26,571,953	14,304,902	26,394,193	29,502,011
Less: Deferred commission expense closing	(21,716,812)	23,455,497	(21,716,812)	23,455,497
Net Commission	14,060,285	16,779,630	43,333,174	50,577,193
Less:				
Commission received or recoverable	1,432,682	365,326	3,610,408	974,258
Add: Unearned reinsurance commission opening	1,966,751	1,140,203	1,052,292	1,128,058
Less: Unearned reinsurance commission closing	(2,823,848)	1,140,203	(2,823,848)	1,140,203
Commission from reinsurers	575,585	365,326	1,838,852	962,113
	13,484,700	16,414,304	41,494,322	49,615,080
19. INVESTMENT INCOME				
Dividend income on investment				
Dividend income securities held for trading	-	-	-	-
Dividend income on available for sale investments	-	-	6,829,506	3,834,694
Held-to-maturity				
Return on other fixed income securities	7,286,464	14,575,270	29,145,403	38,496,250
Return on Government Securities	5,180,364	784,627	9,925,326	1,606,164
Unrealized gain / (loss) on revaluation of held-for-trading	73,756	(288,529)	88,611	(309,165)
Total investment income	12,540,584	15,071,368	45,988,845	43,627,943

20. SEGMENT INFORMATION
20.1 Segment profit and loss (Un-audited)
For nine month ended September 30, 2020

Current period	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
	Rupees					
Premium receivable (inclusive of Federal excise duty, Federal insurance fee and Administrative surcharge)	41,502,777	13,539,355	143,779,041	6,109,981	58,515,462	263,446,616
Less: Federal excise duty	(5,212,108)	(1,668,456)	(18,510,946)	(70)	(20,085,783)	(45,477,363)
Less: Federal insurance fee	(359,340)	(117,486)	(1,239,418)	(60,496)	(3,579,233)	(5,355,973)
Gross written Premium (inclusive of Administrative Surcharge)	35,931,329	11,753,413	124,028,677	6,049,415	34,850,446	212,613,280
Gross direct premium	35,384,888	11,413,558	120,721,141	6,039,410	33,633,732	207,192,729
Administrative surcharge	546,441	339,855	3,307,536	10,005	1,216,714	5,420,551
Insurance premium earned	35,931,329	11,753,413	124,028,677	6,049,415	34,850,446	212,613,280
Insurance premium ceded to reinsurers	35,953,735	12,235,838	132,446,925	4,946,572	37,393,689	222,976,759
	11,888,132	4,122,981	6,750,789	-	8,948,815	31,710,717
Net Insurance premium	24,065,603	8,112,857	125,696,136	4,946,572	28,444,874	191,266,042
Commission income	987,749	68	789,825	-	61,210	1,838,852
Net underwriting income	25,053,352	8,112,926	126,485,961	4,946,572	28,506,084	193,104,895
Insurance claims	3,355,521	4,568,939	70,299,509	6,293,386	460,716	84,978,071
Insurance claims recovered from reinsurance	433	70,450	30,781,154	-	-	30,852,037
Net Claim	3,355,088	4,498,489	39,518,355	6,293,386	460,716	54,126,034
Commission expense	12,328,953	3,633,547	20,432,972	176,248	6,761,456	43,333,175
Management expense	7,312,828	2,488,715	26,939,110	1,006,111	7,605,709	45,352,472
Net insurance claims and expenses	22,996,869	10,620,750	86,890,438	7,475,744	14,827,880	142,811,682
Underwriting result	2,056,483	(2,507,825)	39,595,523	(2,529,172)	13,678,204	50,293,213
Net investment income						45,988,845
Rental income						2,156,750
Other income						1,889,488
Other expenses						(51,807,641)
Finance charges on right-of-use assets						(2,399,307)
Profit before tax from window takaful operations - OPF						1,597,395
Profit before tax						47,718,744



SEGMENT INFORMATION

Segment profit and loss (Un-audited) #

For nine month ended September 30, 2019

	Prior period				
	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous
Premium receivable (inclusive of Federal excise duty, Federal insurance fee and Administrative surcharge)	45,653,802	12,974,830	200,147,255	5,687,905	91,833,195
Less: Federal excise duty	(5,758,672)	(1,657,078)	(26,119,901)	(60)	(27,666,206)
Less: Federal insurance fee	(395,022)	(111,978)	(1,723,629)	(56,596)	(1,899,819)
Gross written premium (inclusive of administrative surcharge)	39,500,108	11,205,774	172,303,725	5,631,249	62,267,170
Gross direct premium	38,984,098	10,892,894	168,265,323	67,141,809	5,623,892
Administrative surcharge	516,010	312,870	4,038,402	3,408,114	7,357
Insurance premium earned	37,771,954	10,340,392	157,280,424	8,385,660	61,714,442
Insurance premium ceded to reinsurers	15,044,722	3,828,834	6,668,064	-	16,351,754
Net Insurance premium	22,727,231	6,511,558	150,612,361	8,385,660	45,362,687
Commission income	319,412	-	-	-	642,701
Net underwriting income	23,046,643	6,511,558	150,612,361	8,385,660	46,005,388
Insurance claims	16,072,620	483,051	82,499,992	6,481,416	10,239,025
Insurance claims recovered from reinsurance	17,207,947	363,133	30,866,477	-	3,749,483
Net Claim	(1,135,327)	119,918	51,633,515	6,481,416	6,489,542
Commission expense	10,969,647	2,839,567	20,668,727	988,884	15,110,369
Management expense	7,089,314	1,940,760	29,674,544	1,573,882	11,583,578
Net insurance claims and expenses	16,923,635	4,900,245	101,976,786	9,044,181	33,183,488
Underwriting result	6,123,009	1,611,313	48,635,575	(658,521)	12,821,900
Net investment income					
Rental income					43,627,943
Other income					2,649,452
Other expenses					3,880,870
Finance charges on right-of-use assets					(46,503,942)
Profit before tax from window takaful operations - OPF					(7,301,333)
Profit before tax					1,730,421
					66,616,687

20.2 Segment Assets & Liabilities

September 30, 2020 (Un-audited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
Rupees -----						
SEGMENT ASSETS						
Segment assets	38,997,925	10,804,287	197,393,577	10,900,739	67,958,708	326,055,236
Unallocated corporate assets						842,079,130
Total assets						<u>1,168,134,366</u>
SEGMENT LIABILITIES						
Segment liabilities	37,687,724	10,441,299	190,761,803	10,534,511	65,692,866	315,118,201
Unallocated corporate liabilities						199,930,788
Total liabilities						<u>515,048,989</u>

Segment Assets & Liabilities

December 31, 2019 (Audited)

	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Miscellaneous	Total
Rupees -----						
SEGMENT ASSETS						
Segment assets	44,922,707	12,138,723	166,685,947	5,904,032	71,419,193	301,070,602
Unallocated corporate assets						873,137,570
Total assets						<u>1,174,208,172</u>
SEGMENT LIABILITIES						
Segment liabilities	70,233,156	6,974,953	193,284,493	18,946,809	35,784,840	325,224,251
Unallocated corporate liabilities						227,872,221
Total liabilities						<u>553,096,472</u>





21. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise major shareholders, key management personnel, employees' provident funds and Companies with common directors. The transactions and balances with related parties, other than those disclosed elsewhere, are summarized as follows:

		(Unaudited) Sep 30, 2020	(Audited) Dec 31, 2019
		----- Rupees -----	
Relationship with the company	Nature of transaction		
Parent undertaking			
Shaheen Foundation	Premium due but unpaid	50,194,172	54,769,383
Shaheen Foundation	Outstanding claim	2,356,445	1,455,576
Shaheen Foundation	Commission payable	14,031,814	14,031,814
Shaheen Foundation	Security deposit	3,317,246	3,317,246

Other transactions during the period with related parties

	(Unaudited) Sep 30, 2020	(Audited) Dec 31, 2019
	----- Rupees -----	
Remuneration of key management personnel	15,945,659	15,596,442
Contribution to provident fund	1,429,764	1,785,529
Advertisement expense	276,000	519,203
Claim expense	5,083,449	6,993,796

21.1 Insurance and claim related transactions with related parties are carried in normal course of business.

21.2 Remuneration to the key management personnel are in accordance with the terms of their employment.

21.3 Contribution to the provident fund is in accordance with the Company's staff services rules.

21.4 Other transactions are at agreed terms.

22. EARNINGS PER SHARE - BASIC AND DILUTED


	Quarter ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Un-audited-----			
	----- Rupees -----			
Profit for the period	9,381,851	13,638,516	33,851,308	46,542,421
	Number of Shares		Number of Shares	
Weighted average number of ordinary shares of Rs. 10 each	60,000,000	60,000,000	60,000,000	60,000,000
	----- Rupees -----		----- Rupees -----	
Earnings per share	0.16	0.23	0.56	0.78

22.1 The company has not issued any instrument which would dilute its basic earnings per share when exercised.

23. GENERAL

23.1 This condensed interim financial information was approved and authorized for issue in the board of directors meeting held on October 28, 2020.

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


Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman


Group Captain Javed Akhtar
Khan (Retd.)-Director


Khalid Saeed Mirza
Director


Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer



Window Takaful Operations Financial Statements

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at September 30, 2020

		September 30, 2020		December 31, 2019	
		Operator's Fund (OPF)	Participants' Takaful Fund (PTF)	Aggregate	Aggregate Audited
Note		----- Unaudited -----			
		----- Rupees -----			
ASSETS					
Qard-e-Hasna to Participants' Takaful Fund	4	20,000,000	-	20,000,000	-
Property and equipment	5	5,558	-	5,558	11,807
Intangible assets	6	44,460	-	44,460	94,455
Investments in TDRs	7	27,000,000	20,000,000	47,000,000	47,000,000
Takaful / retakaful receivables	8	-	1,819,598	1,819,598	934,221
Receivable from OPF / PTF		795,598	-	795,598	345,976
Deferred wakala fee		-	1,292,344	1,292,344	1,392,456
Deferred commission expense		690,190	-	690,190	770,811
Prepayments	9	1,603,323	102,239	1,705,562	1,098,364
Other receivable	10	937,509	29,166	966,675	1,304,608
Cash and bank	11	5,507,312	(2,255,734)	3,251,578	8,789,356
		36,583,950	20,987,613	57,571,563	61,742,054
TOTAL ASSETS		56,583,950	20,987,613	77,571,563	61,742,054
EQUITY AND LIABILITIES					
Operator's fund					
Statutory fund		50,000,000	-	50,000,000	50,000,000
Accumulated profit / deficit		4,592,159	-	4,592,159	2,994,764
		54,592,159	-	54,592,159	52,994,764
Waqf / Participants' takaful fund					
Ceded money		-	500,000	500,000	500,000
Accumulated profit / deficit		-	(10,173,453)	(10,173,453)	(9,530,365)
		-	(9,673,453)	(9,673,453)	(9,030,365)
Qard-e-Hasna from Operator's Fund	4	-	20,000,000	20,000,000	-
LIABILITIES					
Underwriting provisions					
Outstanding claims including IBNR		-	2,023,067	2,023,067	2,513,667
Unearned contribution reserve		-	3,614,353	3,614,353	3,892,234
Unearned wakala fees		1,292,344	-	1,292,344	1,392,456
Takaful / Retakaful payables		-	3,656,519	3,656,519	8,268,732
Payable to OPF / PTF		-	795,598	795,598	345,976
Other creditors and accruals	12	699,447	571,528	1,270,975	1,364,590
		1,991,791	10,661,065	12,652,856	17,777,655
TOTAL FUND AND LIABILITIES		56,583,950	20,987,613	77,571,563	61,742,054


Contingencies and commitments


The annexed notes from 1 to 25 form an integral part of these condensed interim financial information.

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

		Quarter ended		For the period ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Note	-----Unaudited-----			
		-----Rupees-----			
PTF revenue account					
Net Takaful contribution	14	830,318	(140,036)	2,351,060	(164,893)
Wakala expense	15	(860,235)	(498,298)	(2,567,675)	(1,889,696)
Underwriting result		(29,917)	(638,334)	(216,615)	(2,054,589)
Net claims	16	(644,888)	(390,602)	(1,127,766)	(2,758,133)
Deficit before investment income		(674,805)	(1,028,936)	(1,344,381)	(4,812,722)
Other income	17	418,089	41,890	701,293	175,530
Less: Modarib's share of investment income		-	-	-	-
Loss for the period		(256,716)	(987,046)	(643,088)	(4,637,192)
Operator's revenue account					
Wakala fee		860,235	498,298	2,567,675	1,889,696
Commission expenses	18	(453,720)	(191,364)	(1,364,853)	(1,016,619)
Management expenses	19	(871,123)	(849,295)	(2,347,959)	(2,580,921)
		(464,608)	(542,361)	(1,145,137)	(1,707,844)
Modarib's share of PTF investment income		-	-	-	-
Other expenses	20	(163,315)	(99,800)	(190,554)	(106,413)
Other Income	17	538,350	889,735	2,933,086	3,544,678
Profit for the period		(89,573)	247,574	1,597,395	1,730,421

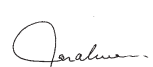
The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


Air Marshal Muhammad Arif
Pervais (Retd.) Chairman


Group Captain Javed Akhtar
Khan (Retd.)-Director


Khalid Saeed Mirza
Director


Sohail N. Kidwai
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Quarter ended		For the period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Unaudited-----			
	-----Rupees-----			
PARTICIPANTS' TAKAFUL FUND				
Loss for the period	(531,195)	(987,046)	(643,088)	(4,637,192)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>(531,195)</u>	<u>(987,046)</u>	<u>(643,088)</u>	<u>(4,637,192)</u>
OPERATORS' FUND				
Profit for the period	1,003,582	247,574	1,597,395	1,730,421
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,003,582</u>	<u>247,574</u>	<u>1,597,395</u>	<u>1,730,421</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

-----Unaudited-----				
September 30, 2020				December 31, 2019
Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate	
-----Rupees-----				
OPERATING ACTIVITIES				
a) Takaful activities				
Contribution received	-	5,866,738	5,866,738	1,885,636
Re-takaful contributions paid	-	(9,464,066)	(9,464,066)	(475,452)
Claims paid	-	(1,618,366)	(1,618,366)	(1,125,312)
Commissions paid	(994,654)	-	(994,654)	(371,997)
Wakala fees received	2,017,941	-	2,017,941	1,862,696
Wakala fees paid	-	(2,017,941)	(2,017,941)	(1,862,696)
Net cash generated from underwriting activities	1,023,287	(7,233,635)	(6,210,348)	(87,125)
b) Other operating activities				
Management and other expenses paid	(2,380,439)	-	(2,380,439)	(1,694,130)
Prepayments	(1,014,352)	407,154	(607,198)	(1,352,674)
Other receivables	328,518	9,415	337,933	(1,352,664)
Other creditors and accruals	(293,179)	(18,926)	(312,105)	273,857
Qard-e-hasna contributions	-	-	-	-
Net cash used in other operating activities	(3,359,453)	397,643	(2,961,810)	(4,125,611)
Total cash (used in) / generated from operating activities	A	(2,336,166)	(9,172,158)	(4,212,736)
INVESTING ACTIVITIES				
Investment and other income received	2,933,086	701,293	3,634,380	2,773,938
Addition to fixed assets	-	-	-	-
Addition to intangibles	-	-	-	-
Total cash generated from investing activities	B	2,933,086	3,634,380	2,773,938
FINANCING ACTIVITIES				
Capital injected during the period	-	-	-	-
Ceded money to waqf fund	-	-	-	-
Qrad-e-hasna received / (repaid)	(20,000,000)	20,000,000	-	-
Total cash generated from financing activities	C	20,000,000	-	-
Net increase in cash and cash equivalents	A+B+C	(19,403,080)	(5,537,778)	(1,438,798)
Cash and cash equivalents at the beginning of period		51,910,392	55,789,356	51,969,955
Cash and cash equivalents at end of the period		32,507,312	50,251,578	50,531,157
Reconciliation to profit and loss account				
Operating cash flows	(2,336,166)	(6,835,992)	(9,172,158)	(4,212,736)
Increase in assets other than cash	545,442	368,696	914,138	(91,662)
Increase in liabilities	511,277	5,122,915	5,634,192	(613,718)
Depreciation / amortisation expense	(56,244)	(56,244)	2,788,583	
Investment and other income - net	2,933,086	701,293	3,634,380	(37,496)
(Deficit) / profit for the period	1,597,395	(643,088)	954,308	(2,167,029)

The annexed notes from 1 to 25 form an integral part of these condensed interim financial information.

 Air Marshal Muhammad Arif Pervaiz (Retd.) Chairman	 Group Captain Javed Akhtar Khan (Retd.)-Director	 Khalid Saeed Mirza Director	 Sohail N. Kidwai Chief Executive Officer	 Nisar Ahmed Almani Chief Financial Officer
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CONDENSED INTERIM STATEMENT OF CHANGES IN FUND (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Operator's Fund		
	Statutory fund	Accumulated Profit / (loss)	Total
	-----Rupees-----		
Balance as at January 01, 2019	50,000,000	(226,869)	49,773,131
Profit after tax for the period ended September 30, 2019	-	1,730,421	1,730,421
Balance as at September 30, 2019	50,000,000	1,503,552	51,503,552
Balance as at January 01, 2020	50,000,000	2,994,764	52,994,764
Profit / (Loss) for the period ended September 30, 2020	-	1,597,395	1,597,395
Balance as at September 30, 2020	50,000,000	4,592,159	54,592,159

	Participants' Takaful Fund		
	Cede Money	Accumulated Deficit	Total
	-----Rupees-----		
Balance as at January 01, 2019	500,000	(3,683,430)	(3,183,430)
Deficit for the period ended September 30, 2019	-	(4,637,192)	(4,637,192)
Balance as at September 30, 2019	500,000	(8,320,622)	(7,820,622)
Balance as at January 01, 2020	500,000	(9,530,365)	(9,030,365)
Deficit for the period ended September 30, 2020	-	(643,088)	(643,088)
Balance as at September 30, 2020	500,000	(10,173,453)	(9,673,453)

The annexed notes from 1 to 25 form an integral part of these condensed interim financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

1. STATUS AND NATURE OF BUSINESS

Shaheen Insurance Company Limited (the Operator) has been authorised to undertake Window Takaful Operations (WTO) on March 14, 2018 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on March 20, 2018 under the Waqf Deed with a Cede money of Rs. 500,000. The Waqf Deed and PTF Policies (Waqf Rules) govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund as approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of Waqf remain separately identifiable. The condensed interim financial statements of the Operator are prepared such that the financial position and results from the operations of Waqf and the Operator are shown separately.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting standard (IAS) 34 - ' Interim Financial Reporting as applicable in Pakistan, provisions and Directives issued under Companies Act 2017, the Insurance Ordinance 2000, Insurance Rules 2017, the Insurance Accounting Regulations 2017 and Takaful Rules 2012. In case where requirements differ the provisions of or directives issued under Companies Act 2017 the Insurance Ordinance 2000, Insurance Rules 2017 the Insurance Accounting Regulations 2017 and Takaful Rules 2012 shall prevail.

The condensed interim statement of financial position, statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in fund for the period does not include all the information and disclosures required in the annual financial statements.

The condensed interim financial information reflect the financial position and result of operations of both OPF and PTF in a manner that the assets, liabilities, income and expenses of the OPF and PTF remain separately identifiable.

The financial statements are prepared and presented in Pakistani Rupees, which is the Operation's functional and presentation currency.

The condensed interim financial information for the period ended September 30, 2020 has been prepared under historic cost basis except for the available for sale investments, that have been measured at market value. However, the Operator has no available for sale investments as at reporting date.

The statement of profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity for the period ended September 30, 2020 does not represent the full period operation therefore the comparatives are not entirely comparable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Operator for the year ended December 31, 2019.

4. QARD-E-HASANA TO PARTICIPANTS' TAKAFUL FUND

	September 30, 2020		December 31, 2019	
	OPF	PTF	OPF	PTF
	-----Rupees-----		-----Rupees-----	
Opening balance of Qard-e-Hasna	-	-	-	-
Qard-e-Hasna transferred from OPF				
during the period / year	20,000,000	(20,000,000)	1,653,750	(1,653,750)
Closing balance of Qard-e-Hasna	20,000,000	(20,000,000)	1,653,750	(1,653,750)



5. PROPERTY AND EQUIPMENT

	<u>Cost</u>		<u>Depreciation</u>		
	As at December 31, 2019	Addition / (Disposals)	As at September 30, 2020	As at December 31, 2019	As at September 30, 2020
Particulars					Written down value as at September 30, 2020
				Rupees -----	
					%
Computer hardware	25,000	-	25,000	13,193	6,249
				19,442	5,558
					33.33

Comparative

Particulars	Cost		Depreciation		Written down value as at December 31, 2019	Depreciation Rate		
	As at January 01, 2019	Addition / (Disposals)	As at December 31, 2019	As at January 01, 2019 Depreciation for the year				
						%		
Computer hardware	25,000	-	25,000	4,961	8,332	13,193	11,807	33.33

6. INTANGIBLE ASSETS

Particulars	Cost		Depreciation		Written down value as at September 31, 2020	Depreciation Rate
	As at December 31, 2019	Addition / (Disposals)	As at September 30, 2020	As at December 31, 2019		
						%
			Rupees			
Computer software	200,000	-	200,000	105,545	49,995	155,540
						44,460
						33.33

Comparatives

Particulars	Cost		Depreciation		Written down value as at December 31, 2019	Depreciation Rate
	As at January 01, 2019	Addition / (Disposals)	As at January 01, 2019	Depreciation for the year		
						%
Computer software	200,000	-	200,000	66,660	105,545	33.33



September
30, 2020

December
31, 2019

-----'Rupees-----

7. INVESTMENT IN TDRS

Held to maturity

Deposits maturing within 12 months

47,000,000

47,000,000

- 7.1** This includes term deposits with an Islamic Bank having maturities within 12 months (i.e. upto September 30, 2020). The rate of return on these term deposits is 7.15% (December 31, 2019 : 11.9%) per annum.

September 30, 2020			December 31, 2019
Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
(Unaudited)			(Audited)

----- Rupees -----

8. TAKAFUL / RETAKAFUL RECEIVABLES

Due from takaful participant holders

- 970,730 970,730 398,082

Due from other takaful / retakaful

- 848,868 848,868 1,126,184

- 1,819,598 1,819,598 1,524,266

9. PREPAYMENTS

Advance tax

1,273,323 102,239 1,375,562 (2,503)

Other

330,000 - 330,000 -

1,603,323 102,239 1,705,562 (2,503)

- 9.1** This includes tax deducted on profit on savings accounts.

September 30, 2020			December 31, 2019
Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
(Unaudited)			(Audited)

----- Rupees -----

10. OTHER RECEIVABLES

Sindh sales tax receivable

415,290 - 415,290 322,460

Accrued profit on bank deposits

322,219 20,618 342,837 375,400

Advance commission

200,000 - 200,000 2,500,000

GTS receivable claims

- 8,548 8,548 -

937,509 29,166 966,675 3,197,860

11. CASH AND BANK

Savings accounts

5,507,312 (2,255,734) 3,251,578 3,967,948

- 11.1** These carry mark-up at rates ranging between 3% to 5% (December 31, 2019: 10.5% to 13%) per annum.

September 30, 2020			December 31, 2019
Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
(Unaudited)			(Audited)

----- Rupees -----

12. OTHER CREDITORS AND ACCRUALS

Federal Takaful fee

- 11,358 11,358 12,003

FED payable

- 152,168 152,168 127,172

Sales tax on services

- 71,526 71,526 64,402

Commission payable

684,947 - 684,947 395,369

Auditors fee

- - - 298,750

Others

14,500 336,476 350,976 116,674

699,447 571,528 1,270,975 1,014,370

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on June 30, 2020 and 2019.

	Quarter ended		For the period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Unaudited-----			
	-----Rupees-----			
14. NET TAKAFUL CONTRIBUTION				
Written gross contribution	1,085,501	4,277,656	6,874,679	3,482,297
Add: Unearned contribution reserve opening	4,933,045	2,424,280	3,892,234	3,314,877
Less: Unearned contribution reserve closing	(3,614,353)	(3,331,699)	(3,614,353)	(3,514,261)
Contribution earned	2,404,193	3,370,237	7,152,560	3,282,913
Less: Re-takaful Contribution ceded	(1,523,875)	(3,307,500)	(4,801,500)	(3,307,500)
Add: Prepaid re-takaful contribution opening	-	-	-	-
Less: Prepaid re-takaful contribution closing	-	-	-	-
Re-takaful expense	(1,523,875)	(3,307,500)	(4,801,500)	(3,307,500)
Net contribution revenue	880,318	62,737	2,351,060	(24,587)

15. WAKALA EXPENSE

Gross wakala fee	347,452	1,545,752	2,467,563	1,782,594
Add: Deferred wakala opening	1,805,128	481,795	1,392,456	1,174,418
Less: Deferred wakala closing	(1,292,344)	(1,067,316)	(1,292,344)	(1,067,316)
Wakala expense	860,236	960,231	2,567,675	1,889,696

16. NET CLAIMS

Claims paid	906,160	1,311,987	1,618,367	1,796,213
Less: Outstanding claims including IBNR opening	(2,284,338)	(959,551)	(2,513,668)	(1,149,688)
Add: Outstanding claims including IBNR closing	2,023,067	2,111,466	2,023,067	2,111,466
Claims expense	644,889	2,463,902	1,127,766	2,757,991

September 30, 2020			September 30, 2019
Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
	(Unaudited)		(Audited)
-----Rupees-----			

17. OTHER INCOME

Return on bank deposits	2,931,215	698,313	3,629,529	3,699,953
Others	1,871	2,980	4,851	20,255
	2,933,086	701,293	3,634,380	3,720,208

	Quarter ended		For the period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Unaudited-----			
	-----Rupees-----			
18. COMMISSION EXPENSES				
Commission paid or payable	258,375	840,629	1,284,232	875,135
Add: Deferred commission opening	885,535	496,248	770,811	735,604
Less: Deferred commission closing	(690,190)	(594,120)	(690,190)	(594,120)
Commission expense	453,720	742,757	1,364,853	1,016,619



For the period ended
September **September**
30, 2020 **30, 2019**
-----'Unaudited'-----
-----Rupees-----

19. MANAGEMENT EXPENSES

Salaries, wages and benefits	690,200	680,400
Depreciation / amortization	56,244	37,496
Shariah advisory fee	850,005	850,005
Software maintenance	660,000	990,000
Others	91,510	23,020
	<u>2,347,959</u>	<u>2,580,921</u>

20. OTHER EXPENSES

Auditor's remuneration	127,375	82,500
Printing and stationery	19,150	17,300
Others	44,029	6,613
	<u>190,554</u>	<u>106,413</u>

21. SEGMENT REPORTING

For the period ended September 30, 2020

	Unaudited					
	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	Aggregate
	Rupees					
Participants' Takaful Fund						
Contribution written (inclusive of federal Eexcise duty, federal insurance fee, and administrative surcharge)	1,276,025	846,084	5,686,789	-	196,872	8,005,770
Less : Federal excise duty	(166,806)	(105,148)	(745,827)	-	(26,920)	(1,044,701)
Less : Federal insurance fee	(11,772)	(19,241)	(53,674)	-	(1,703)	(86,390)
Gross written contribution (inclusive of Administrative Surcharges)	1,097,447	721,695	4,887,288	-	168,249	6,874,679
Gross contribution direct	1,065,248	687,328	4,708,964	-	166,250	6,627,790
Admin surcharge	32,199	34,367	178,324	-	1,999	246,889
Takaful contribution earned	1,159,660	654,616	5,246,702	-	91,582	7,152,560
Re-takaful expense	(2,104,200)	(1,202,400)	(1,044,000)	-	(450,900)	(4,801,500)
Net takaful contribution	(944,540)	(547,784)	4,202,702	-	(359,318)	2,351,060
Rebate earned	-	-	-	-	-	-
Operation income	(944,540)	(547,784)	4,202,702	-	(359,318)	2,351,060
Claim expense	-	-	(1,127,766)	-	-	(1,127,766)
Re-takaful & other recoveries revenue	-	-	-	-	-	-
Net claims	-	-	(1,127,766)	-	-	(1,127,766)
Wakala expense	330,390	(166,367)	(1,374,892)	-	(1,356,807)	(2,567,675)
Direct expense	-	-	-	-	-	-
Net takaful claim & expense	330,390	(166,367)	(2,502,658)	-	(1,356,807)	(3,695,441)
Surplus/(deficit) before investment income	(614,150)	(714,151)	1,700,044	-	(1,716,125)	(1,344,381)
Net investment income						701,293
Deficit for the period						(643,088)
The following presents segments assets and liabilities as at June 30, 2019						
Segment assets	496,779	326,689	2,212,315	-	76,160	3,111,943
Unallocated assets						17,875,670
						20,987,613
Segment liabilities	7,339,731	4,056,442	6,024,114	-	(4,821,478)	12,598,809
Unallocated liabilities						18,062,257
						30,661,065
Operator's Fund						
Wakala fee income	(330,390)	166,366	1,374,892	-	1,356,807	2,567,675
Commission expense	(624,456)	(67,054)	(419,971)	-	(253,372)	(1,364,853)
Management expense	(380,680)	(214,890)	(1,722,326)	-	(30,064)	(2,347,959)
						(1,145,137)
Investment income						-
General and administration expenses						(190,554)
Other Income						2,933,086
Profit before taxation						1,597,395
Segment assets	237,185	155,976	1,056,264	-	36,363	1,485,788
Unallocated assets						55,098,162
						56,583,950
Segment liabilities	206,305	135,669	918,742	-	31,628	1,292,344
Unallocated liabilities						699,447
						1,991,791

SEGMENT REPORTING

For the period ended September 30, 2019

	Unaudited					
	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	Aggregate
	Rupees					
Participants' Takaful Fund						
Contribution written (inclusive of federal Excise duty, federal insurance fee, and administrative surcharge)	697,150	253,236	5,073,350	-	(426,600)	5,597,136
Less : Federal excise duty	(81,679)	(27,524)	(684,997)	-	58,339	(735,861)
Less : Federal insurance fee	(6,095)	(2,233)	(43,417)	-	3,649	(48,096)
Gross written contribution (inclusive of Administrative Surcharges)	609,376	223,479	4,344,936	-	(364,612)	4,813,179
Gross contribution direct	1,065,248	687,328	4,708,964	-	166,250	6,627,790
Admin surcharge	32,199	34,367	178,324	-	1,999	246,889
Takaful contribution earned	1,159,660	654,616	5,246,702	-	91,582	7,152,560
Re-takaful expense	(2,104,200)	(1,202,400)	(1,044,000)	-	(450,900)	(4,801,500)
Net takaful contribution	(944,540)	(547,784)	4,202,702	-	(359,318)	2,351,060
Rebate earned	-	-	-	-	-	-
Operation income	(944,540)	(547,784)	4,202,702	-	(359,318)	2,351,060
Claim expense	-	-	(482,878)	-	-	(482,878)
Re-takaful & other recoveries revenue	-	-	-	-	-	-
Net claims	-	-	(482,878)	-	-	(482,878)
Wakala expense	330,390	(166,367)	(1,374,892)	-	(1,356,807)	(2,567,676)
Direct expense	-	-	-	-	-	-
Net takaful claim & expense	330,390	(166,367)	(1,857,770)	-	(1,356,807)	(3,050,554)
Surplus/(deficit) before investment income	(614,150)	(714,151)	2,344,932	-	(1,716,125)	(699,494)
Net investment income						175,530
Deficit for the period						(523,964)
Operator's Fund						
Wakala fee income	477,394	57,989	2,033,322	-	(741,705)	1,889,696
Commission expense	(451,807)	(34,050)	(488,632)	-	3,914	(1,016,619)
Management expense	(729,943)	(90,514)	(1,724,865)	-	(35,599)	(2,580,921)
						(1,707,844)
Investment income						3,544,678
General and administration expenses						(106,413)
Other Income						-
Profit before taxation						1,730,421
The following presents segments assets and liabilities as at Sept 30, 2019						
Segment assets	432,184	158,496	3,081,530	-	(258,590)	3,413,620
Unallocated assets						54,637,061
						58,050,681
Segment liabilities	1,080,129	414,000	1,147,823	-	155,250	2,797,202
Unallocated liabilities						11,570,548
						14,367,750

22. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, entities under common control, entities with common directors, major shareholders, directors, key management personnel and funded employee retirement benefit scheme.

The Operator has not incurred any transactions with related parties during the period and in the prior period.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair values of all the financial instruments are estimated to be not significantly different from their carrying values.

The Operator's accounting policy on fair value measurements of its investments is discussed in note 3 to these financial statements.

The Operator measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Operator does not have any financial instrument measured at fair value as at September 30, 2019 .


24. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial information were authorized for issue on October 28, 2020 by the Board of Directors of the Operator.

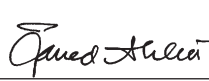
25. GENERAL

25.1 Corresponding figures have been rearranged and reclassified for better presentation, where considered necessary.

25.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.



Air Marshal Muhammad Arif
Pervaiz (Retd.) Chairman



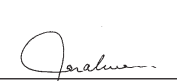
Group Captain Javed Akhtar
Khan (Retd.)-Director



Khalid Saeed Mirza
Director



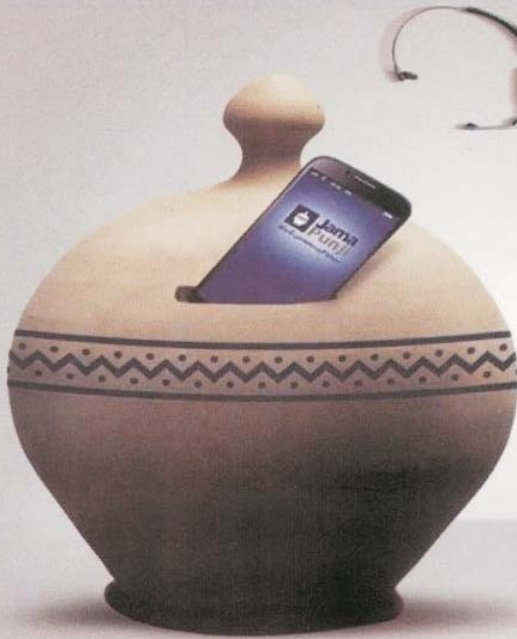
Sohail N. Kidwai
Chief Executive Officer



Nisar Ahmed Almani
Chief Financial Officer

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



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