

Third Quarter Report 2021



SHAHEEN FOUNDATION
PAKISTAN AIR FORCE

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Air Marshal Muhammad Arif Pervaiz (Retd.) - Chairman
Air Vice Marshal Salman Ahsan Bokhari (Retd.) - Member
Air Commodore Wasim Ahmed Khan (Retd.) - Member
Mr. Adeel Ali - Member
Mr. Khalid Saeed Mirza - Member
Ms. Farrah Azeem Khan - Member

AUDIT COMMITTEE

Mr. Adeel Ali - Chairman
Air Commodore Wasim Ahmed Khan (Retd.) - Member
Mr. Khalid Saeed Mirza - Member

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

Air Vice Marshal Salman Ahsan Bokhari (Retd.) - Chairman
Ms. Farrah Azeem Khan - Member

INVESTMENT COMMITTEE

Air Marshal Muhammad Arif Perviaz (Retd.) - Chairman
Air Vice Marshal Salman Ahsan Bokhari (Retd.) - Member
Mr. Adeel Ali - Member
Mr. Khalid Saeed Mirza - Member
Mr. Nisar Ahmed Almani - Chief Financial Officer

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Nisar Ahmed Almani

CORPORATE INFORMATION

HEAD OF OPERATIONS, UNDERWRITING, CLAIMS AND REINSURANCE

Mr. Zia Mehdi

INTERNAL AUDITORS

Rizwan Ahmed & Company,
Chartered Accountants.

COUNTRY HEAD BUSINESS

Mr. Naveed Y. Butt

LEGAL ADVISOR

Iftikhar Hussain Law Associates

AUDITORS

Yousuf Adil
Chartered Accountants

SHARIAH ADVISOR

Mufti Bilal Ahmed Qazi

COMPLIANCE OFFICER

Mr. Aneel Tahir

SHARIAH COMPLIANCE OFFICER

Mr. Kashif Naeem

HEAD OF INTERNAL AUDIT (COORDINATOR)

Mr. Sayyam Maqsood

REGISTERED & 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
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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
Office No. 606, 6th floor Q.M House
I. I. Chundrigar Road, Karachi
Tel # 32650032, 32650033, 32650031
E-mail: Iftikhar.alam@shaheeninsurance.com

Lahore Zonal Office

Country Head Business - Mr. Naveed Y. Butt
Office # 4-B, 6th Floor, Shaheen Complex
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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
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Sialkot

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Near Allama Iqbal Town, Sialkot
Tel # (052) 3250982, 3550131
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Islamabad

Branch Manager - Mr. Abdul Hameed
Office # 4, 1st Floor Zaki Centre,
I-8 Markaz Islamabad
Tel: 051-4938283
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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
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Hyderabad

Branch Manager - Mr. Shakir Ali
Upper 2nd Floor
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Tel # (022) 2720487
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Lahore Corporate

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

Peshawar

Upper Basement, State Life Building
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Tel # (091) 5273122
E-mail: psw@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
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Abbottabad

Branch Manager - Mr. Ejaz Raffique
Office # 9 1st Floor Silk Plaza Supply Manshara
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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

DIRECTORS' REVIEW

Your Directors are pleased to present the Third Quarter (Un-audited) Accounts of the company for the nine months period ended September 30, 2021.

During the period under review, your Company underwrote gross premium of Rs.183.5 million inclusive of Takaful Contribution of Rs.7.5 million as against Rs.219.8 million including Takaful Contribution of Rs.6.8 million for the corresponding period of last year. The net premium revenue inclusive of Takaful for the 9 months period stood at Rs.136.6 million against Rs.193.4 million of previous year. The reduction in premium is mainly because of low business activities due to Covid-19 pandemic and fall of personal lines financing by the financial institutions. Resultantly underwriting profits for the nine months period declined to Rs.20.7 million from Rs.50 million of last year. Profit after tax of the company however decreased to Rs. 20.5 million during the period under review compared with Rs. 33.8 million during the corresponding period. The investment income of the Company also registered a decrease mainly due to steep decline in the interest rates by the State Bank of Pakistan to counter Covid-19 related exigencies.

Company commenced its Window Takaful Operations in April, 2018. Due to initial years of operations, this business segment is progressing gradually. However, going forward, Company is confident to penetrate this market by procuring takaful business.

Future Outlook

It is expected that the impact of Covid would reduce in coming months because of the thrust by the government to contain the pandemic. This would also enable in increased interaction with banks and clients resulting in increased business.

Business development in current scenario is quite challenging. Inflation is likely to remain high in the coming months mainly due to rising of fuel & food prices, energy tariff hikes, and potential geo political worsening situation of our country and the region. Although the times are challenging, but we are confident that our team will leave no stone unturned and will go all out to fight and give their best to turn this uncertain and tough situation to an opportunity to grow.

Directors would like to apprise the members about a change in Chief Executive Officer (CEO) of the Company. Mr. Rizwan Akhtar, a seasoned insurance professional has joined the company w-e-f October 25, 2021 in place of outgoing CEO – Mr. Sohel Najam Kidwai. Company is completing necessary formalities with regard to seeking approval for the appointment of Mr. Rizwan Akhtar from Securities and Exchange Commission of Pakistan.

Acknowledgements

Directors would like to thank its valued customers for their continued patronage, all reinsurers, Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their guidance and necessary assistance to the Company.

Khalid Saeed Mirza
Director

Adeel Ali
Director

October 30, 2021

ڈائریکٹر کا تبصرہ

ڈائریکٹر مسرت کے ساتھ 30 ستمبر 2021 کو اختتام پذیر نو ماہ کے غیر آڈٹ شدہ مختصر عبوری مجموعی مالیاتی گوشوارے پیش کر رہے ہیں۔

زیر جائزہ مدت کے دوران، آپ کی کمپنی نے 7.5 ملین روپے تکفل کنٹریبیوٹن سمیت 183.5 ملین روپے کا مجموعی پریکیم تحریر کیا جو کہ گزشتہ سال کی اسی مدت کے لیے 6.8 ملین روپے تکفل کنٹریبیوٹن سمیت 219.8 ملین روپے تھا۔ تکفل کی خالص پریکیم آمدنی بشمول 9 ماہ کی مدت کے لیے 136.6 ملین روپے رہی جو پچھلے سال کے 193.4 ملین روپے تھی۔ پریکیم میں کمی بنیادی طور پر COVID-19 وبائی امراض کی وجہ سے کم کاروباری سرگرمیوں اور مالیاتی اداروں کی طرف سے ذاتی لائسنس کی مالی اعانت میں کمی کی وجہ سے ہے۔ نتیجتاً نو ماہ کی مدت کے لیے انڈر رائٹنگ منافع پچھلے سال کے 50 ملین روپے سے کم ہو کر 20.7 ملین رہ گیا۔ کمپنی کا بعد از ٹیکس منافع تاہم کم ہو کر روپے رہ گیا۔ زیر نظر مدت کے دوران 20.5 ملین روپے کے مقابلے میں اسی مدت کے دوران 33.8 ملین کمپنی کی سرمایہ کاری کی آمدنی میں بھی بنیادی طور پر اسٹیٹ بینک آف پاکستان کی جانب سے کووڈ 19 سے متعلقہ ہنگامی حالات کا مقابلہ کرنے کے لیے شرح سود میں زبردستی کی وجہ سے کمی درج کی گئی۔ کمپنی نے اپنا ونڈ تکفل آپریٹنگ اپریل 2018 میں شروع کیا۔ ابتدائی سالوں کے آپریٹنگ کی وجہ سے، یکا رو باری طبقہ بتدریج ترقی کر رہا ہے۔ تاہم، آگے بڑھتے ہوئے، کمپنی تکفل کاروبار کی خریداری کے ذریعے اس مارکیٹ میں داخل ہونے کے لیے پراعتماد ہے۔

مستقبل کا آؤٹ لک

توقع ہے کہ آنے والے مہینوں میں کووڈ کا اثر کم ہو جائے گا کیونکہ حکومت کی جانب سے وبائی مرض پر قابو پانے کے لیے زور دیا گیا ہے۔ اس سے بینکوں اور کلائنٹس کے ساتھ بات چیت میں اضافہ ہوگا جس کے نتیجے میں کاروبار میں اضافہ ہوگا۔

موجودہ حالات میں کاروبار کی ترقی کافی مشکل ہے۔ آنے والے مہینوں میں افراط زر کے بلند رہنے کا امکان ہے جس کی بنیادی وجہ ایندھن اور خوراک کی قیمتوں میں اضافہ، توانائی کے نرخوں میں اضافہ اور ہمارے ملک اور خطے کی ممکنہ جغرافیائی سیاسی بگڑتی ہوئی صورتحال ہے۔ اگرچہ وقت مشکل ہے، لیکن ہمیں یقین ہے کہ ہماری ٹیم کوئی کسر نہیں چھوڑے گی اور لڑنے کے لیے ہر ممکن کوشش کرے گی اور اس غیر یقینی اور مشکل صورتحال کو آگے بڑھنے کا موقع فراہم کرنے کے لیے اپنی پوری کوشش کرے گی۔

ڈائریکٹر ممبران کو کمپنی کے چیف ایگزیکٹو آفیسر (CEO) میں تبدیلی کے بارے میں آگاہ کرنا چاہیں گے۔ مسٹر رضوان اختر، ایک تجربہ کار انشورنس پروفیشنل نے 25 اکتوبر 2021 کو سبکدوش ہونے والے سی (CEO) سہیل نجم قدوائی کی جگہ کمپنی میں شمولیت اختیار کی۔ کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے مسٹر رضوان اختر کی تقرری کے لیے منظوری حاصل کرنے کے حوالے سے ضروری رسمی کارروائیاں مکمل کر رہی ہے۔

اعترافات

ڈائریکٹر قابل قدر صارفین کا شکریہ ادا کرنا چاہیں گے کہ ان کی مسلسل سرپرستی، تمام ری بیہ کنڈ گان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کا کمپنی کے لیے ان کی رہنمائی اور ضروری مدد کے لیے۔

خالد سعید مرزا
ڈائریکٹر


عدیل علی
ڈائریکٹر

30 اکتوبر 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT SEPTEMBER 30, 2021


		September 30, 2021	December 31, 2020
		Un-Audited	Audited
Assets	Note	-----Rupees-----	
Property and equipment	6	37,387,969	22,016,984
Investment properties	7	135,385,106	135,385,104
Investments			
Equity securities	8.1	65,832,226	62,967,878
Debt securities	8.2	168,300,685	167,285,802
Term deposits	8.3	373,139,478	372,619,866
Loans and other receivables	9	3,357,581	35,473,037
Insurance / reinsurance receivables	10	200,038,134	178,150,469
Reinsurance recoveries against outstanding claims		20,288,677	14,562,758
Salvage recoveries accrued		637,200	2,185,000
Deferred commission expense / acquisition cost		14,493,203	15,494,786
Taxation - provision less payments		13,009,656	3,103,815
Advances deposits and prepayments		14,378,703	13,642,832
Cash and bank balances	11	12,097,520	14,685,842
Total assets of takaful operations		55,325,933	56,402,768
Total Assets		1,113,672,071	1,093,976,941
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Share capital	12	600,000,000	600,000,000
Reserves	13	31,449,107	32,200,104
Unappropriated profit		44,096,923	23,617,540
Total equity		675,546,030	655,817,644
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		101,511,108	127,305,856
Unearned premium reserves		97,145,589	92,605,542
Premium deficiency reserve		536,451	536,451
Unearned reinsurance commission		1,948,992	2,374,551
Lease liabilities		35,260,532	17,164,141
Insurance/ reinsurance payables		79,730,577	76,467,277
Premium received in advance		293,618	1,671,626
Other creditors and accruals	14	116,380,127	112,271,565
Unclaimed dividend		1,840,186	1,840,186
Taxation - provision less payments		-	-
Total liabilities of takaful operations - operator's fund		3,478,861	5,922,102
Total liabilities		438,126,041	438,159,297
Total Equity and Liabilities		1,113,672,071	1,093,976,941
Contingencies and commitments	15		

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


Air Vice Marshal Salman
Ahsan Bokari (Retd.) Director


Adeel Ali
Director


Kahlid Saeed Mirza
Director


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, 2021


		Quarter ended		Nine months ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Note		-----Rupees-----			
Net insurance premium	16	36,065,422	71,965,256	133,247,874	191,266,042
Net Insurance claims	17	(10,059,129)	(17,997,939)	(41,266,042)	(54,126,034)
Net commission and other acquisition cost	18	(8,093,963)	(13,484,700)	(27,917,138)	(41,494,322)
		(18,153,092)	(31,482,639)	(69,183,180)	(95,620,356)
Management expenses		(15,309,495)	(15,269,591)	(44,358,129)	(45,352,472)
Underwriting results		2,602,835	25,213,026	19,706,565	50,293,214
Investment income	19	11,540,697	12,540,584	37,335,449	45,988,845
Rental income		1,047,670	861,452	3,050,575	2,156,750
Other income		140,033	236,691	451,746	1,889,488
Other expenses		(16,375,400)	(21,434,347)	(42,765,768)	(51,807,641)
Finance charges on right-of-use assets		(854,203)	(655,277)	(2,562,609)	(2,399,307)
Profit before tax from window takaful operations - OPF		1,771,924	(89,572)	1,366,406	1,597,395
Profit before tax		(126,444)	16,672,557	16,582,364	47,718,744
Income tax expense-net		6,084,841	(7,290,706)	3,897,019	(13,867,436)
Profit after tax		5,958,397	9,381,851	20,479,383	33,851,308
Earning per share - basic and diluted	22	0.10	0.16	0.34	0.56

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, 2021


	Quarter ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	-----Rupees-----			
Profit after tax	5,958,397	9,381,851	20,479,383	33,851,308
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss:				
Unrealised loss on available-for-sale Investment- net	1,075,329	(5,133,482)	(750,997)	(1,877,632)
Total comprehensive income for the period	7,033,726	4,248,369	19,728,386	31,973,676

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


Air Vice Marshal Salman
Ahsan Bokari (Retd.) Director


Adeel Ali
Director


Kahlid Saeed Mirza
Director


Nisar Ahmed Almani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Share Capital	General Reserves	Available for Sale Investment Revaluation Reserve	Unappropriated Profit	Total
	------(Rupees)-----				
Balance as at January 01, 2020	600,000,000	20,000,000	13,102,778	(11,991,078)	621,111,700
Profit for nine months ended Sep 30, 2020	-	-	-	33,851,309	33,851,309
Other comprehensive income	-	-	(1,877,632)	-	(1,877,632)
Total comprehensive income for the period	-	-	(1,877,632)	33,851,309	31,973,677
Balance as at Sep 30, 2020 (Un-audited)	600,000,000	20,000,000	11,225,146	21,860,231	653,085,377
Balance as at January 1, 2021	600,000,000	20,000,000	12,200,104	23,617,540	655,817,644
Total comprehensive income for the half year ended Sep 30, 2020					
Profit for nine months ended Sep 30, 2021	-	-	-	20,479,383	20,479,383
Other comprehensive loss	-	-	(750,997)	-	(750,997)
Total comprehensive income for the period	-	-	(750,997)	20,479,383	19,728,386
Balance as at Sep 30, 2021 (Un-audited)	600,000,000	20,000,000	11,449,107	44,096,923	675,546,030

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	September 30, 2021 Un-audited	September 30, 2020 Un-audited
	----- Rupees -----	
OPERATING ACTIVITIES		
a) Underwriting activities		
Premiums received	188,076,320	191,327,569
Reinsurance premiums paid	(35,359,351)	(16,289,085)
Claims paid	(93,233,450)	(89,389,493)
Reinsurance and other recoveries received	17,816,422	30,852,037
Commissions paid	(26,381,052)	(38,655,793)
Commissions received	2,726,726	1,838,852
Net cash flows from underwriting activities	53,645,616	79,684,088
b) Other operating activities		
Income tax paid	(12,039,849)	(8,878,671)
Management and administration expenses paid	(74,865,109)	(64,954,566)
Net cash used in other operating activities	(86,904,958)	(73,833,237)
Total cash (used in) / generated from all operating activities	(33,259,342)	5,850,851
INVESTING ACTIVITIES		
Profit / Return received	40,542,207	41,550,870
Rentals received	3,613,173	2,065,598
Payments for investments	(4,398,843)	(106,541,553)
Fixed capital expenditure	(1,261,317)	(770,152)
Proceeds from disposal of fixed assets	-	825,000
Total cash flow used in all investing activities	38,495,220	(62,870,238)
FINANCING ACTIVITIES		
Financial charges paid	(43,920)	(46,101)
Lease rentals	(7,260,668)	(37,907)
Total cash flows used in all financing activities	(7,304,588)	(84,008)
Net cash flow from used in all activities	(2,068,710)	(57,103,395)
Cash and cash equivalents at the beginning of year	387,305,708	450,889,297
Cash and cash equivalents at end of the period	385,236,998	393,785,902

	September 30, 2021	September 30, 2020
	Un-audited	Un-audited
	----- Rupees -----	
Reconciliation to condensed statement of profit or loss		
Operating cash flows	(33,259,342)	5,850,851
Finance charges on right-of-use assets	2,562,609	(2,399,307)
Depreciation on fixed assets	(274,054)	(2,955,706)
Depreciation on right-of-use asset	(3,238,954)	(9,035,079)
Loss / gain on disposal of fixed assets	-	825,000
Taxes paid	12,039,849	8,912,859
Provision for doubtful premium due but unpaid	-	(13,000,000)
Financial charges	(43,920)	(46,101)
Increase / (decrease) in assets other than cash	(438,315)	40,152,055
(Increase) / decrease in liabilities	23,594	(31,257,399)
Investment and other income	37,844,492	50,035,083
Profit from window takaful operations - OPF	1,366,406	1,597,395
Provision for Workers' Welfare Fund	-	(960,907)
Provision for tax	3,897,019	(13,867,436)
Profit after taxation	20,479,383	33,851,308

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:	Note	September 30, 2021 Un-audited	September 30, 2020 Un-audited
		----- Rupees -----	

Cash and other equivalents

- Cash in hand	128,871	167,941
- Policy stamps	200,700	40,300


Current and saving accounts

- Current accounts	52,619	2,979,403
- Savings accounts	11,715,330	66,825
	11,767,949	3,046,228

Deposits maturing within 12 months


Term Deposit- local currency	8.3.1	373,139,478	390,531,433
		385,236,998	393,785,902

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


Air Vice Marshal Salman
Ahsan Bokari (Retd.) Director


Adeel Ali
Director


Khalid Saeed Mirza
Director


Nisar Ahmed Almani
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

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 12 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

- Office No. 606, 6th floor Q.M House I. I. Chundrigar 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 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, 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, 2020, 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, 2020.
- 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, 2021			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain loss	Fair value	Change in unrealised gain loss
-----Rupees-----			
Bank	-	12,097,520	-
Equity Securities	303,341	-	-
Debt Securities	-	168,300,685	-
Term Deposit	-	373,139,478	-
Mutual Funds	65,528,885	(750,997)	-
65,832,226	(750,997)	553,537,683	-

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, 2020. Certain new IFRS and amendments to existing IFRS's and effective for period beginning on or after January 01, 2021 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, 2020.

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, 2020, 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

- 6.1 Details of the operating assets that have been acquired and disposed of during the period are as follows:

	Note	September 30, 2021 Un-audited ----- Rupees -----	December 31, 2020 Audited
Operating assets	6.2	9,822,424	10,894,894
Right of use of assets		27,565,546	11,122,090
		37,387,969	22,016,984

This includes addition / disposals with following details:

Nine months ended September 30, 2021		Nine months ended September 30, 2020	
Additions	Disposals	Additions	Disposals
----- Rupees -----			
-----Un-audited-----			
Right-of-use assets - Buildings	-	-	-
Furniture, fixtures and office equipment	-	186,068	238,900
Computers	249,382	218,100	-
Motor vehicles	1,011,935	365,984	1,607,000
	1,261,317	770,152	1,845,900

6.2 Cost:

Right-of-use assets - Buildings	-	-	-
Furniture, fixtures and office equipment	-	186,068	238,900
Computers	249,382	218,100	-
Motor vehicles	1,011,935	365,984	1,607,000
	1,261,317	770,152	1,845,900

7. INVESTMENT PROPERTIES

	Note	(Un-audited) September 30, 2021 ----- Rupees -----	(Audited) December 31, 2020
Opening net book value		135,385,106	130,423,000
Unrealized fair value gain		-	4,962,106
Closing net book value	7.1	135,385,106	135,385,106

- 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. 135.385 million based on the valuation carried out by independent valuers as at December 31, 2020 which then agreed to become approximate value of investment property as at September 30, 2021.

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

	(Un-audited) September 30, 2021			(Audited) December 31, 2020		
	Cost	Fair value (loss)	Carrying value	Cost	Fair value gain / (loss)	Carrying value
	----- Rupees -----			----- Rupees -----		
Available for sale						
Listed shares						
- First Capital Equities Limited	188,000,000	-	-	188,000,000	-	-
Mutual funds	65,528,885		65,528,885	50,203,203	-	62,740,888
Investment at fair value through profit and loss						
-summit Bank Limited	303,341	-	303,341	140,807	-	226,990
	253,832,226	-	65,832,226	238,344,010	-	62,967,878

8.2 DEBT SECURITIES

	(Un-audited) September 30, 2021			(Audited) December 31, 2020		
	Cost	(Impairment) / provision	Carrying value	Cost	(Impairment) / provision	Carrying value
	----- Rupees -----			----- Rupees -----		
Held to maturity						
Treasury Bill	-	-	-	-	-	-
Pakistan Investment Bond	168,300,685	-	168,300,685	167,285,802	-	167,285,802
	168,300,685	-	168,300,685	167,285,802	-	167,285,802

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		-----Rupees-----	
9. LOANS AND OTHER RECEIVABLES	Note		
Accrued investment income		1,515,109	4,467,046
Security deposits		-	25,751,008
Advances		-	17,183
Other receivables	9.1	1,842,472	5,237,800
		<u>3,357,581</u>	<u>35,473,037</u>

- 9.1** This includes balance receivable of Rs. 0.540 million (2020: Rs. 0.540 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.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		-----Rupees-----	
10. INSURANCE / REINSURANCE RECEIVABLES			
unsecured, considered good			
Due from insurance contract holders		133,732,993	112,910,455
less: provision for impairment		(2,937,665)	(5,500,000)
		<u>130,795,328</u>	<u>107,410,455</u>
Due from other insurers / reinsurers		69,242,805	80,285,505
Balance written off during the year		-	(9,545,491)
		<u>200,038,134</u>	<u>178,150,469</u>

10.1 Reconciliation of provision against doubtful receivables

Balance as at beginning of the year	5,500,000	44,962,495
Charge for the period	-	13,500,000
Balance written off during the period	(2,562,335)	(52,962,495)
Balance as at end of the year	<u>2,937,665</u>	<u>5,500,000</u>

- 10.2** This includes premium due but unpaid from Shaheen Foundation (Parent undertaking) of Rs. 14.2 million (December 2020: Rs.5.202 million)

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
11. CASH AND BANK BALANCES			
Cash and other equivalents			
- Cash in hand		128,871	14,710
- Policy stamps and bond papers in hand		200,700	179,192
		329,571	193,902
Current and saving accounts	11.1		
- Current accounts		52,619	9,825,294
- Savings accounts		11,715,330	4,666,646
		11,767,949	14,491,940
		12,097,520	14,685,842

11.1. These carry mark-up at rates ranging between 3% to 5% (December 31, 2020: 3% to 5%) per annum.

12. SHARE CAPITAL

12.1 Authorized share capital

(Un-audited) September 30, 2021	(Audited) December 31, 2020		(Un-audited) September 30, 2021	(Audited) December 31, 2020
Number of shares			----- Rupees -----	
100,000,000	100,000,000	Ordinary shares of Rs. 10 each	1,000,000,000	1,000,000,000

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, 2021 44.066 million (December 31, 2020: 44.066 million) shares of the company are held by the associated companies / undertakings. Details of these holdings are as follows:

Related Party Name	Percentage	September 30, 2021	December 31, 2020
		Number of shares	
Shaheen Foundation Holding undertaking	69.3%	41,565,973	41,565,973
Central Non Public Fund Associate	4.2%	2,500,000	2,500,000
		44,065,973	44,065,973
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.

13. RESERVES	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	-----Rupees-----	
Share capital	600,000,000	600,000,000
Reserves	31,449,107	32,200,104
Unappropriated profit / (loss)	44,096,923	23,617,540
	675,546,030	655,817,644

14. OTHER CREDITORS AND ACCRUALS

Agent balances	29,962,422	26,275,634
Accrued expenses	8,892,169	11,260,214
Provincial services tax	55,848,563	48,104,593
Withholding tax payable	4,502,835	10,533,861
Workers welfare fund payable	6,135,125	6,135,125
Unearned rental income	1,410,503	847,905
Payable to provident fund	351,824	33,600
Securitey deposit against bond issuance	8,256,914	8,106,750
Others	1,019,773	973,883
	116,380,127	112,271,565

15. CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments as reported in the annual audited financial statements of the Company for the year ended December 31, 2020.

	Quarter ended		Nine months period ended	
	September 30, 2021 Un-audited	September 30, 2020 Un-audited	September 30, 2021 Un-audited	September 30, 2020 Un-audited
-----Rupees-----				
16. NET INSURANCE PREMIUM				
Written gross premium	65,088,285	72,986,109	176,886,634	212,613,277
Add: Unearned premium reserve opening	83,729,867	122,546,589	92,605,542	133,134,440
Less: Unearned premium reserve closing	(97,145,588)	(122,770,958)	(97,145,588)	(122,770,958)
Premium earned	51,672,564	72,761,740	172,346,588	222,976,759
Less:				
Reinsurance premium ceded	8,743,637	21,743,685	29,077,160	51,935,795
Add: Prepaid reinsurance premium opening	10,484,783	4,259,547	13,642,832	4,981,670
Less: Prepaid reinsurance premium closing	(3,621,278)	(25,206,748)	(3,621,278)	(25,206,748)
Reinsurance expense	(15,607,142)	796,484	(39,098,714)	31,710,717
Net Premium	36,065,422	71,965,256	133,247,874	191,266,042
17. NET INSURANCE CLAIMS				
Claim paid	23,647,423	48,780,033	93,233,451	89,389,493
Add: Outstanding claims including IBNR closing	101,511,108	123,791,329	101,511,108	123,791,329
Less: Outstanding claims including IBNR opening	(104,527,364)	(134,219,039)	(127,305,857)	(128,202,751)
Claim expense	20,631,167	38,352,323	67,438,702	84,978,071
Less:				
Reinsurance and other recoveries received	6,871,846	24,535,000	21,994,541	39,676,200
Less: Reinsurance and other recoveries receivable in respect of outstanding claims opening	(17,225,686)	(12,521,854)	(16,747,758)	(17,165,401)
Add: Reinsurance and other recoveries receivable in respect of outstanding claims closing	20,925,877	8,341,238	20,925,877	8,341,238
Reinsurance and other recoveries revenue	(10,572,037)	20,354,384	(26,172,660)	30,852,037
Net claims	10,059,130	17,997,939	41,266,042	54,126,034
-----Rupees-----				
	Quarter ended		Nine months period ended	
	September 30, 2021 Un-audited	September 30, 2020 Un-audited	September 30, 2021 Un-audited	September 30, 2020 Un-audited
18. NET COMMISSION AND OTHER ACQUISITION COST				
Commission paid or payable	7,716,154	9,205,144	30,067,839	38,655,793
Add: Deferred commission expense opening	15,840,126	26,571,953	15,494,786	26,394,193
Less: Deferred commission expense closing	(14,493,202)	(21,716,812)	(14,493,202)	(21,716,812)
Net Commission	9,063,078	14,060,285	31,069,423	43,333,174
Less:				
Commission received or recoverable	1,306,212	1,432,682	2,726,727	3,610,408
Add: Unearned reinsurance commission opening	1,611,896	1,966,751	2,374,550	1,052,292
Less: Unearned reinsurance commission closing	(1,948,992)	(2,823,848)	(1,948,992)	(2,823,848)
Commission from reinsurers	(969,116)	575,585	(3,152,285)	1,838,852
	8,093,962	13,484,700	27,917,138	41,494,322
19. INVESTMENT INCOME				
Dividend income on investment				
Dividend income securities held for trading	-	-	-	-
Dividend income on available for sale investments	93,358	-	4,163,524	6,829,506
Held-to-maturity				
Return on other fixed income securities	6,748,868	7,286,464	19,966,832	29,145,403
Return on Government Securities	4,677,955	5,180,364	13,128,741	9,925,326
Unrealized loss on revaluation of held-for-trading investments	20,515	73,756	76,351	88,611
Total investment income	11,540,697	12,540,584	37,335,449	45,988,845

20. SEGMENT INFORMATION

20.1 Segment profit or loss

September 30, 2021 (Un-audited)	Rupees				
	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)	35,660,383	12,237,164	108,852,561	8,132,700	60,282,047
Less: Federal excise duty	(4,513,278)	(1,267,801)	(13,940,808)	-	(22,678,546)
Less: Federal insurance fee	(318,315)	(332,552)	(1,055,951)	(80,520)	(4,090,450)
Gross written Premium (inclusive of Administrative Surcharge)	30,828,790	10,636,811	93,855,802	8,052,180	33,513,051
Gross direct premium	30,508,900	10,283,897	90,882,468	19,691,321	20,716,168
Administrative surcharge	319,890	352,914	2,973,334	20,000	1,154,609
Insurance premium earned	26,334,521	10,116,593	93,364,140	7,815,878	34,715,454
Insurance premium ceded to reinsurers	16,222,523	1,753,990	12,720,624	-	8,401,577
Net Insurance premium	10,111,998	8,362,603	80,643,517	7,815,878	26,313,878
Commission income	885,257	-	1,959,943	-	307,085
Net underwriting income	10,997,255	8,362,603	82,603,459	7,815,878	26,620,963
Insurance claims	90,823	3,380,525	52,696,293	9,602,900	1,668,161
Insurance claims recovered from reinsurance	9,397,698	216,798	16,648,448	-	(90,284)
Net Claim	(9,306,875)	3,163,727	36,047,845	9,602,900	1,758,445
Commission expense	7,159,842	2,931,901	13,174,452	919,552	6,883,676
Management expense	6,777,913	2,603,783	24,029,826	2,011,631	8,934,976
Net insurance claims and expenses	4,630,880	8,699,411	73,252,124	12,534,083	17,577,097
Underwriting result	6,366,376	(336,807)	9,351,336	(4,718,205)	9,043,866
Net investment income					37,335,449
Rental income					3,050,575
Other income					451,746
Other expenses					(42,765,768)
Finance charges on right-of-use assets					(2,562,609)
Profit before tax from window takaful operations - OPF					1,366,406
Profit before tax					16,582,364





September 30, 2020 (Un-audited)	Rupees					Total
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)						
	13,539,355	143,779,041	6,109,981	58,515,462		263,446,616
Less: Federal excise duty	(5,212,108)	(18,510,946)	(70)	(20,085,783)		(45,477,363)
Less: Federal Insurance fee	(359,340)	(117,486)	(60,496)	(3,579,233)		(5,355,973)
Gross written premium (inclusive of administrative surcharge)	11,753,413	124,028,677	6,049,415	34,850,446		212,613,280
Gross direct premium	11,413,558	120,721,141	6,039,410	33,633,732		207,192,729
Administrative surcharge	339,855	3,307,536	10,005	1,216,714		5,420,551
Insurance premium earned	12,235,838	132,446,925	4,946,572	37,393,689		222,976,759
Insurance premium ceded to reinsurers	4,122,981	6,750,789	-	8,948,815		31,710,717
Net Insurance premium	5,618,928	80,358,612	2,935,234	14,937,603		191,266,042
Commission income	68	789,825	-	61,210		1,838,852
Net underwriting income	5,618,996	80,784,069	2,935,234	15,101,207		193,104,895
Insurance claims	4,568,939	70,299,509	6,293,386	460,716		84,978,071
Insurance claims recovered from reinsurance	433	30,781,154	-	-		30,852,037
Net Claim	4,498,489	39,518,355	6,293,386	460,716		54,126,034
Commission expense	3,633,547	20,432,972	176,248	6,761,456		43,333,175
Management expense	2,488,715	26,939,110	1,006,111	7,605,709		45,352,472
Net Insurance claims and expenses	6,122,261	47,372,083	1,182,358	14,367,164		142,811,682
Underwriting result	(2,507,825)	39,595,523	(2,529,172)	13,678,204		50,293,214
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

20.2 Segment Assets & Liabilities

September 30, 2021 (Un-audited)

	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident and Health	Miscellaneous	Total
Rupees						
SEGMENT ASSETS						
Segment assets	41,779,176	14,415,007	127,193,379	10,912,193	45,417,006	239,716,760
Unallocated corporate assets						873,955,311
Total assets						1,113,672,071
SEGMENT LIABILITIES						
Segment liabilities	48,858,570	16,857,599	148,746,033	12,761,240	53,112,824	280,336,264
Unallocated corporate liabilities						157,789,777
Total liabilities						438,126,041

Segment Assets & Liabilities

December 31, 2020 (Audited)

	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident and Health	Miscellaneous	Total
Rupees						
SEGMENT ASSETS						
Segment assets	35,895,260	14,861,118	134,540,001	8,543,833	39,741,124	233,581,336
Unallocated corporate assets						860,395,605
Total assets						1,093,976,941
SEGMENT LIABILITIES						
Segment liabilities	45,910,454	19,007,542	172,078,214	10,927,661	50,829,355	298,753,236
Unallocated corporate liabilities						139,406,071
Total liabilities						438,159,297



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:

Relationship with the company	Nature of transaction	Un-audited	Audited
		September 30,	December 31,
		2021	2020
		----- Rupees -----	
Parent Company			
Shaheen Foundation	Premium due but unpaid	14,245,784	5,202,858
Shaheen Foundation	Outstanding claim	1,710,672	1,493,453
Shaheen Foundation	Security deposit	3,317,246	3,317,246

Other transactions during the year with associated undertakings

	Note	Un-audited September 30, 2021	Un-audited September 30, 2020
		----- Rupees -----	
Rental expense	21.1	8,348,186	7,879,113
Remuneration of key management personnel	21.2	15,031,911	15,945,659
Contribution to provident fund	21.3	1,315,051	1,429,767

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 All other transactions are at agreed terms.

22. EARNING PER SHARE - BASIC AND DILUTED

	Quarter ended		Nine month preiod ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- Rupees -----		----- Rupees -----	
	-----Un-audited-----			
Profit for the period	5,958,397	9,381,851	20,479,383	33,851,308
	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	0.10	0.16	0.34	0.56

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 30, 2021 .

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



Air Vice Marshal Salman
Ahsan Bokari (Retd.) Director



Adeel Ali
Director



Kahlid Saeed Mirza
Director



Nisar Ahmed Almani
Chief Financial Officer




Window Takaful Operations Financial Statements

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021

		Operator's Fund		Participants' Takaful Fund	
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	Note	Rupees			
ASSETS		Un-Audited	Audited	Un-Audited	Audited
Qard-e-Hasna to Participants' Takaful Fund	4	22,827,311	21,000,000	-	-
Property and equipment	5	-	3,474	-	-
Intangible assets	6	-	27,795	-	-
Investments in TDRs	7	27,000,000	27,000,000	20,000,000	20,000,000
Takaful / retakaful receivables	8	-	-	2,358,088	1,636,441
Receivable from OPF / PTF	9	869,559	2,285,032	-	-
Deferred wakala fee		-	-	1,668,545	-
Deferred commission expense		783,713	744,434	-	1,493,084
Taxation - provision less payments		1,474,927	1,343,722	317,482	156,565
Prepayments	10	-	-	23,866	453,449
Other receivable	11	182,328	78,514	6,524	66,836
Cash and bank	12	2,188,095	3,919,797	124,986	713,560
		32,498,622	35,402,768	24,499,491	24,519,935
TOTAL ASSETS		55,325,933	56,402,768	24,499,491	24,519,935
EQUITY AND LIABILITIES					
Operator's fund					
Statutory fund		50,000,000	50,000,000	-	-
Accumulated profit / deficit		1,847,072	480,666	-	-
		51,847,072	50,480,666	-	-
Waqf / Participants' takaful fund					
Ceded money		-	-	500,000	500,000
Accumulated profit / deficit		-	-	(12,124,159)	(12,081,273)
		-	-	(11,624,159)	(11,581,273)
Qard-e-Hasna from Operator's Fund	4	-	-	22,827,311	21,000,000
LIABILITIES					
Underwriting provisions					
Outstanding claims including IBNR		-	-	2,487,505	2,174,370
Unearned contribution reserve		-	-	4,524,529	4,088,524
Unearned commission		1,690	32,104	-	-
Unearned wakala fees		1,668,545	1,493,084	-	-
Contribution received in advance		-	-	31,541	117,630
Takaful / Retakaful payables	13	-	-	4,679,699	5,728,702
Payable to OPF / PTF	14	-	-	869,559	2,285,032
Other creditors and accruals	15	1,808,626	4,396,914	703,507	706,950
		3,478,861	5,922,102	13,296,340	15,101,208
TOTAL FUND AND LIABILITIES		55,325,933	56,402,768	24,499,491	24,519,935


Contingencies and commitments

The annexed notes from 1 to 30 form an integral part of these condensed interim financial information.


Air Vice Marshal Salman
Ahsan Bokari (Retd.) Director


Adeel Ali
Director


Khalid Saeed Mirza
Director


Nisar Ahmed Almani
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2021

		Quarter ended		For the period ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	Note				
PTF revenue account					
Net Takaful contribution	17	2,785,367	830,318	3,591,732	2,351,060
Wakala expense	18	(1,665,537)	(860,235)	(2,544,010)	(2,567,675)
Underwriting result		1,119,830	(29,917)	1,047,722	(216,615)
Net claims	19	(675,512)	(644,888)	(1,734,024)	(1,127,766)
Deficit before investment income		444,318	(674,805)	(686,302)	(1,344,381)
Investment Income	20	567,674	-	912,641	-
Other income	21	77,972	418,089	105,831	701,293
Other Expenses	22	(10,000)	-	(10,000)	-
Less: Modarib's share of investment income	26	(227,069)	-	(365,056)	-
Loss for the period		852,895	(256,716)	(42,886)	(643,088)
Operator's revenue account					
Wakala fee	18	1,665,537	860,235	2,544,010	2,567,675
Commission expenses	23	(819,712)	(453,720)	(1,281,511)	(1,364,853)
Management expenses	24	(90,833)	(871,123)	(897,562)	(2,347,959)
		754,992	(464,608)	364,937	(1,145,137)
Modarib's share of PTF investment income	26	227,069	-	365,056	-
Investment Income	20	795,013	-	1,260,718	-
Other Income	21	72,104	538,350	83,222	2,933,086
Other expenses	25	(679,163)	(163,315)	(680,000)	(190,554)
Profit for the period		1,170,016	(89,573)	1,393,934	1,597,395
Taxation	27	-	-	(27,528)	-
(Loss) / profit after taxation		1,170,016	(89,573)	1,366,406	1,597,395

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN FUND FOR THE PERIOD ENDED SEPTEMBER 30, 2021


	Operator's Fund		
	Statutory fund	Accumulated Profit / (loss)	Total
		-----Rupees-----	
Balance as at January 01, 2020	50,000,000	2,994,764	52,994,764
Profit after tax 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
Balance as at January 01, 2021	50,000,000	480,666	50,480,666
Profit / (Loss) for the period ended September 30, 2021	-	1,366,406	1,366,406
Balance as at September 30, 2021	50,000,000	1,847,072	51,847,072
	Participants' Takaful Fund		
	Cede Money	Accumulated Deficit	Total
		-----Rupees-----	
Balance as at January 01, 2020	500,000	(9,530,365)	(9,030,365)
Profit after tax 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)
Balance as at January 01, 2021	500,000	(12,081,273)	(11,581,273)
Profit / (Loss) for the period ended September 30, 2021	-	(42,886)	(42,886)
Balance as at September 30, 2021	500,000	(12,124,159)	(11,624,159)

The annexed notes from 1 to 30 form an integral part of these condensed interim financial information.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
OPERATING ACTIVITIES	----- (Rupees) -----			
a) Takaful activities				
Contribution received	-	-	6,696,330	5,866,738
Re-takaful contributions paid	-	-	(4,525,334)	(9,464,066)
Claims paid	-	-	(1,420,889)	(1,618,366)
Commissions paid	(1,258,996)	(994,654)	-	-
Wakala fees received	4,642,327	2,017,941	-	-
Wakala fees paid	-	-	(4,642,327)	(2,017,941)
Net cash generated from underwriting activities	3,383,331	1,023,287	(3,892,220)	(7,233,635)
b) Other operating activities				
Management and other expenses paid	(4,342,530)	(2,380,439)	(10,000)	-
Taxes Paid	(367,647)	-	(160,917)	-
Prepayments	-	(1,014,352)	571,911	407,154
Other receivables	-	328,518	60,312	9,415
Other creditors and accruals	-	(293,179)	(3,443)	(18,926)
Net cash used in other operating activities	(4,710,176)	(3,359,452)	457,863	397,643
Total cash (used in) / generated from operating activities	(1,326,845)	(2,336,165)	(3,434,357)	(6,835,992)
INVESTING ACTIVITIES				
Investment and other income received	1,422,454	2,933,086	1,018,472	701,293
Addition to fixed assets	-	-	-	-
Addition to intangibles	-	-	-	-
Total cash generated from investing activities	1,422,454	2,933,086	1,018,472	701,293
FINANCING ACTIVITIES				
Capital injected during the period	-	-	-	-
Ceded money to waqf fund	-	-	-	-
Qrad-e-hasna received / (repaid)	(1,827,311)	-	1,827,311	-
Total cash generated from financing activities	(1,827,311)	-	1,827,311	-
Net increase in cash and cash equivalents	(1,731,702)	596,921	(588,574)	(6,134,699)
Cash and cash equivalents at the beginning of period	30,919,797	51,910,392	20,713,560	3,878,964
Cash and cash equivalents at end of the period	29,188,095	52,507,313	20,124,986	(2,255,735)
Reconciliation to profit and loss account				
Operating cash flows	(1,326,845)	(1,481,019)	(3,434,357)	1,342,346
Increase in assets other than cash	(1,062,661)	1,479,356	568,131	1,748,209
Increase in liabilities	2,443,241	(454,781)	1,804,868	(182,702)
Depreciation / amortisation expense	(31,269)	(18,748)	-	-
Investment and other income - net	1,708,996	1,568,345	653,416	125,169
Mudarib fee	(365,056)	-	365,056	-
(Deficit) / profit for the period	1,366,406	1,093,153	(42,886)	3,033,023

The annexed notes from 1 to 30 form an integral part of these condensed interim financial information.


Air Vice Marshal Salman
Ahsan Bokari (Retd.) Director


Adeel Ali
Director


Kahlid Saeed Mirza
Director


Nisar Ahmed Almani
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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, 2021 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.

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, 2020.

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

	September 30, 2021		December 31, 2020	
	OPF	PTF	OPF	PTF
	-----Rupees-----		-----Rupees-----	
Opening balance of Qard-e-Hasna			-	-
Qard-e-Hasna transferred from OPF during the period / year	22,827,311	(22,827,311)	21,000,000	(21,000,000)
	-	-	-	-
Closing balance of Qard-e-Hasna	22,827,311	(22,827,311)	21,000,000	(21,000,000)

5. PROPERTY AND EQUIPMENT
2021

Particulars	Cost		Depreciation		Written down value as at September 30, 2021	Depreciation Rate %
	As at January 01, 2021	Addition / (Disposals) As at September 30, 2021	As at January 01, 2021	Depreciation for the period As at September 30, 2021		
Computer hardware	25,000	-	21,526	3,474	25,000	33.33

Comparative
2020

Particulars	Cost		Depreciation		Written down value as at December 31, 2020	Depreciation Rate %
	As at January 01, 2020	Addition / (Disposals) As at December 31, 2020	As at January 01, 2020	Depreciation for the year As at December 31, 2020		
Computer hardware	25,000	-	13,193	8,333	3,474	33.33

6. INTANGIBLE ASSETS
2021

Particulars	Cost		Depreciation		Written down value as at September 30, 2021	Amortisation Rate %
	As at January 01, 2021	Addition / (Disposals) As at September 30, 2021	As at January 01, 2021	Depreciation for the period As at September 30, 2021		
Computer software	200,000	-	172,205	27,795	200,000	33.33

Comparatives
2020

Particulars	Cost		Depreciation		Written down value as at December 31, 2020	Depreciation Rate %
	As at January 01, 2020	Addition / (Disposals) As at December 31, 2020	As at January 01, 2020	Depreciation for the year As at December 31, 2020		
Computer software	200,000	-	105,545	66,660	27,795	33.33

	OPF		PTF	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	----- Rupees-----			
7. INVESTMENT IN TDRS				
Held to maturity				
Deposits maturing within 12 months	27,000,000	27,000,000	20,000,000	20,000,000
7.1	This includes term deposits with an Islamic Bank having maturities within 12 months (i.e. upto December 31, 2020). The rate of return on these term deposits is 7.15% (December 31, 2020 : 11.9%) per annum.			
	OPF		PTF	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	----- Rupees-----			
8. TAKAFUL / RETAKAFUL RECEIVABLES				
Due from takaful participant holders	-	-	1,263,543	754,467
Due from other takaful / retakaful	-	-	1,094,545	881,974
	-	-	2,358,088	1,636,441
9. RECEIVABLE FROM PTF				
Wakala Fee	642,327	1,922,856	-	-
Modarib Fee	227,232	362,176	-	-
	869,559	2,285,032	-	-
10. PREPAYMENTS				
Prepaid Re-Takaful Ceeded	-	-	23,866	453,449
Advance to OPF	-	-	-	-
Other	-	-	-	-
	-	-	23,866	453,449
	OPF		PTF	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	----- Rupees-----			
11. OTHER RECEIVABLES				
Sales tax receivable	182,328	-	-	-
Accrued profit on bank deposits	-	78,514	-	58,158
GTS receivable claims	-	-	6,524	8,678
	182,328	78,514	6,524	66,836
12. CASH AND BANK				
Savings accounts	2,188,095	3,919,797	124,986	713,560
12.1	These carry mark-up at rates ranging between 3% to 5% (December 31, 2020: 3% to 5%) per annum.			
13. TAKAFUL RETAKAFUL PAYABLES			PTF	
			September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
Payable to re-takaful			4,679,699	5,728,702
14. PAYABLE TO OPF				
Wakala fee receivable from PTF			642,327	1,922,856
Modarib's share of investment income receivable from PTF			227,232	362,176
			869,559	2,285,032

15. OTHER CREDITORS AND ACCRUALS

	OPF		PTF	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	Rupees-----			
Federal Takaful fee	-		21,952	23,788
FED payable	-		283,801	307,443
Sales tax on services	28,050		-	3,009
Commission payable	831,904	739,696	-	-
Auditors fee	202,335	403,650	-	-
Others	211,399	527,988	397,754	372,710
Payable against common expenses - Conventional	534,938	2,670,944	-	-
	<u>1,808,626</u>	<u>4,342,278</u>	<u>703,507</u>	<u>706,950</u>

16. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on September 30, 2021 and 2020

	Quarter Ended		Nine month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	Rupees-----			
17. NET TAKAFUL CONTRIBUTION				
Written gross contribution	2,425,659	1,085,501	7,504,068	6,874,679
Add: Unearned contribution reserve opening	4,397,330	4,933,045	4,088,524	3,892,234
Less: Unearned contribution reserve closing	(4,524,529)	(3,614,353)	(4,524,529)	(3,614,353)
Contribution earned	<u>2,298,460</u>	<u>2,404,193</u>	<u>7,068,063</u>	<u>7,152,560</u>
Less: Re-takaful Contribution ceded	1,486,486	(1,523,875)	3,046,748	(4,801,500)
Add: Prepaid re-takaful contribution opening	167,059	-	453,449	-
Less: Prepaid re-takaful contribution closing	(23,866)	-	(23,866)	-
Re-takaful expense	<u>1,629,679</u>	<u>(1,523,875)</u>	<u>3,476,331</u>	<u>(4,801,500)</u>
Net contribution revenue	<u>668,781</u>	<u>880,318</u>	<u>3,591,732</u>	<u>2,351,060</u>

18. WAKALA EXPENSE

The shareholders of the company manage the general takaful operations for the participants and charges 30% for fire, 30% for marine, 40% for motor, 20% for health and 35% for miscellaneous of the gross contribution written as wakala fee against the services.

	Quarter Ended		Nine month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	Rupees-----			
Gross wakala fee	884,282	347,452	2,719,471	2,467,563
Add: Deferred wakala opening	1,629,233	1,805,128	1,493,084	1,392,456
Less: Deferred wakala closing	(1,668,545)	(1,292,344)	(1,668,545)	(1,292,344)
Wakala expense	<u>844,970</u>	<u>860,236</u>	<u>2,544,010</u>	<u>2,567,675</u>

	Quarter Ended		Nine month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- Rupees-----			
19. NET CLAIMS				
Claims paid	2,141,097	906,160	3,108,983	1,618,367
Less: Outstanding claims including IBNR opening	(2,600,509)	(2,284,338)	(2,174,370)	(2,513,668)
Add: Outstanding claims including IBNR closing	2,487,505	2,023,067	2,487,505	2,023,067
Claims expense	2,028,093	644,889	3,422,118	1,127,766
Less:				
Re-Takaful and Other Recoveries received	1,688,094	-	1,688,094	-
Less: Re-Takaful and other recoveries receivable in respect of outstanding claims closing	-	-	-	-
Add: Re-Takaful and other recoveries receivable in respect of outstanding claims closing	-	-	-	-
Re-Takaful and other recoveries revenue	1,688,094	-	1,688,094	-
Net Claims Expense	339,999	644,889	1,734,024	1,127,766
	----- Rupees-----			
	Operator's Fund		Participant's Takaful Fund	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
20. INVESTMENT INCOME				
Profit on TDR	1,260,718	2,931,205	912,641	698,313
	1,260,718	2,931,205	912,641	698,313
21. OTHER INCOME				
Return on bank deposits	83,222	-	101,978	-
Others	-	1,871	853	2,980
	83,222	1,871	105,831	2,980

21. SEGMENT REPORTING

For the period ended September 30, 2021						
	Unaudited					Aggregate
	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	
Participants' Takaful Fund	Rupees					
Contribution written (inclusive of federal Excise duty, federal insurance fee, and administrative surcharge)	1,433,256	765,863	6,538,332	-	-	8,737,451
Less : Federal excise duty	(195,704)	(95,167)	(852,786)	-	-	(1,143,657)
Less : Federal insurance fee	(12,551)	(18,350)	(58,825)	-	-	(89,726)
Gross written contribution (inclusive of Administrative Surcharges)	1,225,001	652,346	5,626,721	-	-	7,504,068
Gross contribution direct	1,204,196	621,480	5,429,361	-	-	7,255,037
Admin surcharge	20,805	30,866	197,360	-	-	249,031
Takaful contribution earned	943,655	902,771	5,160,641	-	60,996	7,068,063
Re-takaful expense	(1,185,972)	(825,919)	(1,042,584)	-	(421,857)	(3,476,331)
Net takaful contribution	(242,317)	76,852	4,118,057	-	(360,861)	3,591,732
Rebate earned	-	-	-	-	-	-
Operation income	(242,317)	76,852	4,118,057	-	(360,861)	3,591,732
Claim expense	(200,727)	(4,949)	(3,216,442)	-	-	(3,422,118)
Re-takaful & other recoveries revenue	-	-	1,688,094	-	-	1,688,094
Net claims	(200,727)	(4,949)	(1,528,348)	-	-	(1,734,024)
Wakala expense	(276,259)	(258,003)	(1,989,326)	-	(20,422)	(2,544,010)
Other Expenses	(10,000)	-	-	-	-	(10,000)
Net takaful claim & expense	(486,986)	(262,952)	(3,517,674)	-	(20,422)	(4,288,034)
Surplus/(deficit) before investment income	(729,303)	(186,100)	600,384	-	(381,282)	(696,302)
Net investment income						1,018,472
Less: Modarib's share of investment income						(365,056)
Deficit for the period						(42,886)
The following presents segments assets and liabilities as at September 30, 2021						
Segment assets	657,327	350,045	3,019,261	-	-	4,026,633
Unallocated assets						20,472,858
						24,499,491
Segment liabilities	1,709,393	560,211	7,789,188	-	14,996	10,073,787
Unallocated liabilities						26,049,864
						36,123,651
Operator's Fund						
Wakala fee income	276,259	258,003	1,989,326	-	20,422	2,544,010
Commission expense	(318,639)	(247,270)	(703,934)	-	(11,668)	(1,281,511)
Management expense	(119,833)	(114,641)	(655,342)	-	(7,746)	(897,562)
						364,937
Investment income						1,260,718
Modarib's share of PTF investment income						365,056
General and administration expenses						(680,000)
Other Income						83,222
Profit before taxation						1,393,934
Segment assets	269,888	143,723	1,239,661	-	-	1,653,272
Unallocated assets						53,672,661
						55,325,933
Segment liabilities	272,381	145,050	1,251,113	-	-	1,668,544
Unallocated liabilities						1,810,317
						3,478,861

SEGMENT REPORTING

For the period ended September 30, 2020

	Unaudited					Aggregate
	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	
Participants' Takaful Fund						
Contribution written (inclusive of federal excise 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	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	(166,366)	(1,374,892)	-	(1,356,807)	(2,567,675)
Direct expense	-	-	-	-	-	-
Net takaful claim & expense	330,390	(166,366)	(2,502,658)	-	(1,356,807)	(3,695,441)
Surplus/(deficit) before investment income	(614,150)	(714,150)	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 September 30, 2020						
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)	166,365	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
The following presents segments assets and liabilities as at December 31, 2019						
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

	Operator's Fund		Participant's Takaful Fund	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- Rupees-----			
22. OTHER EXPENSES PTF				
Others	-	-	10,000	-
	Quarter Ended		Nine month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- Rupees-----			
23. COMMISSION EXPENSES				
Commission paid or payable	400,275	258,375	1,351,204	1,284,232
Add: Deferred commission opening	790,019	885,535	744,434	770,811
Less: Deferred commission closing	(783,713)	(690,190)	(783,713)	(690,190)
Commission expense	406,581	453,720	1,311,925	1,364,853
Less:				
Commission received or recoverable	-	-	-	-
Add: Unearned reinsurance commission opening	11,828	-	32,104	-
Less: Unearned reinsurance commission closing	(1,690)	-	(1,690)	-
Commission from reinsurance	10,138	-	30,414	-
Commission expense	396,443	453,720	1,281,511	1,364,853
OPERATOR'S FUND				
	Quarter Ended		Nine month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- Rupees-----			
24. MANAGEMENT EXPENSES				
Salaries, wages and benefits	257,137	229,800	770,734	690,200
Depreciation / amortization	-	18,748	31,269	56,244
Shariah advisory fee	283,335	283,335	850,005	850,005
Software maintenance	285,000	330,000	660,000	660,000
Others	6,160	9,240	21,560	91,510
Common expenses - Conventional	(1,829,215)	-	(1,436,006)	-
	(997,583)	871,123	897,562	2,347,959
25. OTHER EXPENSES OPF				
Auditor's remuneration	-	-	89,100	127,375
Sharia Audit Fee	-	-	585,000	-
Printing and stationery	-	-	-	19,150
Others	4,483	35,940	5,900	44,029
	4,483	35,940	680,000	190,554



26. MODARIB'S FEE

The shareholders of the company manage the participants' investment as a Modarib and charge 40% Modarib's share of PTF investment income.

27. TAXATION

Current tax	27,528	-
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28. 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.


29. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial information were authorized for issue on October 30, 2021 by the Board of Directors of the company.


30. GENERAL

All amount have been rounded off to the nearest rupees.


Air Vice Marshal Salman
Ahsan Bokari (Retd.) Director


Adeel Ali
Director


Kahlid Saeed Mirza
Director


Nisar Ahmed Almani
Chief Financial Officer

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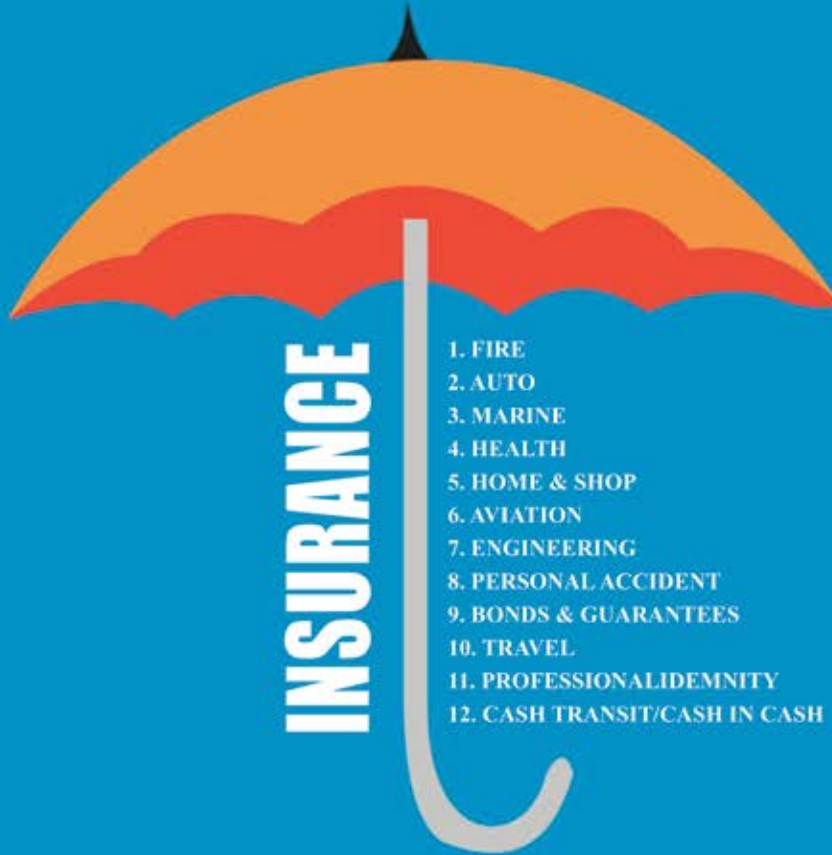


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6. AVIATION
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