

SIGN OF PROTECTION

# HALF YEARLY REPORT

Half Year Ended June 30, 2022  
(Un-audited)

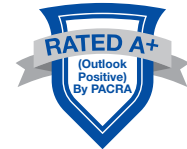


**SHAHEEN INSURANCE COMPANY LIMITED**



Company Information	02
Company Profile	03
Services	04
Directors' Review	05
Directors' Review in Urdu ڈائریکٹرز کا جائزہ	06
<b>CONVENTIONAL FINANCIAL STATEMENTS</b>	
Independent Auditor's Review Report	07
Condensed Interim Statement of Financial Position	08
Condensed Interim Statement of Profit & Loss Account	09
Condensed Interim Statement of Comprehensive Income	10
Condensed Interim Statement of Cash Flow	11
Condensed Interim Statement of Changes in Equity	13
Notes to the Condensed Interim Financial Statements	14
<b>WINDOW TAKAFUL OPERATIONS FINANCIAL STATEMENTS</b>	
Independent Auditor's Review Report	36
Condensed Interim Statement of Financial Position	37
Condensed Interim Profit & Loss Account	38
Condensed Interim Statement of Changes in Fund	39
Condensed Interim Statement of Cash Flow	40
Notes to the Condensed Interim Financial Statements	42
Head Offices & Branch Network	31

# COMPANY INFORMATION



## BOARD OF DIRECTORS

### CHAIRMAN

Air Marshal Muhammad Arif Pervaiz (Retd.)

### DIRECTORS

Air Vice Marshal Salman Ahsan Bokhari (Retd.)

Air Commodore Tausif Sadiq (Retd.)

Air Commodore Wasim Ahmed Khan (Retd.)

Mr. Adeel Ali

Ms. Farrah Azeem Khan

Mr. Jehangir Shah

### CHIEF EXECUTIVE OFFICER

Mr. Rizwan Akhtar

### CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Nisar Ahmed Almani

### AUDIT COMMITTEE

Ms. Farrah Azeem Khan

Air Commodore Wasim Ahmed Khan (Retd.)

Mr. Adeel Ali

Mr. Sayyam Maqsood

Chairperson

Member

Member

Secretary

### INVESTMENT COMMITTEE

Air Marshal Muhammad Arif Perviaz (Retd.)

Air Vice Marshal Salman Ahsan Bokhari (Retd.)

Mr. Adeel Ali

Mr. Rizwan Akhtar

Mr. Nisar Ahmed Almani

Mr. Nasir Jamal

Chairman

Member

Member

Chief Executive Officer

Chief Financial Officer

Secretary

### ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Farrah Azeem Khan

Mr. Adeel Ali

Mr. Rizwan Akhtar

Mr. Nisar Ahmed Almani

Mr. Khalid Saeed Mirza

Chairperson

Member

Member

Secretary

Member

### BANKS CONVENTIONAL

- Allied Bank Limited
- Askari Bank Limited
- Bank Alfalah Limited
- Bank Al Habib Limited
- Bank of Punjab
- Faysal Bank Limited

- JS Bank Limited
- MCB Bank Limited
- Soneri Bank Limited
- Summit Bank Limited
- National Bank of Pakistan

## LEGAL ADVISOR

Iftikhar Hussain Law Associates

## AUDITORS

Yousuf Adil

Chartered Accountants

## SHARIAH ADVISOR

Mufti Bilal Ahmed Qazi

## HEAD OF WINDOW TAKAFUL OPERATIONS

Mr. Abdul Hamid

## COMPLIANCE OFFICER

Mr. Nisar Muhammad Khan

## SHARIAH COMPLIANCE OFFICER

Mr. Zafar Husnain

## HEAD OF INTERNAL AUDIT (COORDINATOR)

Mr. Sayyam Maqsood

## INTERNAL AUDITOR

Rizwan Ahmed & Company

Chartered Accountants

## 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.

## BANKS TAKAFUL

- Bank Islami Limited
- Meezan Bank Limited
- Dubai Islamic Bank Pakistan Limited



## COMPANY PROFILE

**Shaheen Insurance Company Ltd. (SICL)** is a group company of **Shaheen Foundation, PAF** which owns major shareholding of the Company. **Shaheen Insurance** was incorporated as a Public Limited Company in 1995. The company is listed with Pakistan Stock Exchange (PSX) and also registered with the Central Depository Company of Pakistan (CDC).

**Shaheen Insurance** is one of the most reputable and brightest names in the insurance sector. Its sustained growth over the years has secured a prominent place among the reputed insurers of Pakistan. **SICL** is catering the insurance needs of business fraternity through its branch network spread across all major cities of Pakistan.

**Shaheen Insurance** is also providing Shariah Compliant Islamic covers through its **Window Takaful Operations (WTO)** under the license and guidelines of Securities and Exchange Commission of Pakistan. In order to give more strength to its WTO, Company has formed Shariah Board comprising of qualified scholars, having vast experience and knowledge about Islamic Banking & Takaful. A wide range of Shariah compliant Takaful Products are offered through WTO, serving customers from all walks of life, on a much larger scale.

The Company's financial results are consistently improving; authorized capital of the Company is Rs.1 billion, while Paid-up Capital is Rs.600 million. Shareholder's Equity as at March 31, 2022 rose to Rs.695.49 million.

Since its formation, Company has progressed smoothly and steadily. Its gross premiums stood at to Rs.69.29 million (including Takaful) for the 1Q22 and the technical reserves stood at Rs.194.53 million. The Company is on a sound footings and intends to continue enhancing its capital base in the coming years. The operations of the Company are run by a team of professionals.

In view of strong backing of sponsors, capital base, prudent underwriting, efficient claims management and consistently sound financial position of the Company, PACRA has harmonized IFS Rating of the Company to **"A+"** with **'Positive'** Outlook which denotes "Strong capacity to meet policy holders and contractual obligations. Risk factors are low, and the impact of any adverse business and economic factors is expected to be small."

**SICL** has excellent reinsurance & retakaful treaty arrangements with financially sound foreign reinsurers of outstanding repute. Besides treaty arrangements, the Company also has back to back arrangements with foreign and domestic "A" rated insurers, reinsurers and world renowned brokers for placements of large and specialized risks abroad and locally on facultative basis.

**SICL** underwrites all classes of general insurance & general takaful. Company is fully equipped with technical and managerial skills supported by strong reinsurance treaty arrangements for smooth operations for both traditional and specialized insurance & takaful covers.

SICL is fully geared up to take on challenges with a vision to play its role in the development of insurance industry, country's economic development and to be recognized as one of the most professional and respected insurance company of Pakistan.



## OUR SERVICES

Shaheen Insurance underwrites all classes of General Insurance and enjoys excellent reputation. Apart from Conventional Insurance Shaheen Insurance has also commenced its Takaful operations in 2018.



### General Insurance (Conventional)

Shaheen Insurance commenced its general insurance business in 1995 and it underwrites in all classes of traditional and non-traditional lines.

Shaheen Insurance offering a wide range of covers such as Fire & Property, Marine Cargo, Motor Vehicles (Commercial & Private), Personal Accident, Money Insurance, Burglary & Liability (Public & Product) and Workmen Compensation while non-traditional covers such as Engineering Risks (MBD, CAR, EAR), Aviation Insurance, Terrorism and Bonds are also being offered.



### General Takaful (Islamic)

Takaful is an Islamic substitute of Insurance and is growing steadily. Shaheen Insurance commenced its Window Takaful Operations in April 2018 under the guidance of renowned, qualified and certified Sharia Board.

Shaheen Takaful is offering a wide range of Sharia Compliant Takaful Products such as Fire & Property Takaful, Marine Cargo Takaful, Motor Takaful (Private / Commercial Vehicles), Engineering Takaful, Terrorism & Political Violence Takaful and Miscellaneous Accident Takaful.



## DIRECTORS' REVIEW

The Shareholders  
Shaheen Insurance Company Limited,

Your Directors are pleased to present the Half Yearly (Un-audited) Accounts for the half year ended June 30, 2022 duly reviewed by the auditors. These Accounts have been prepared according to the Insurance Rules and Accounting Regulations 2017 as prescribed by SECP.

### Operating Results/Performance:

During the period under review, your Company underwrote a Gross Premium of Rs.187 million (inclusive of Takaful Contribution Rs.15 million) compared to Rs.117 million (inclusive of Takaful Contribution Rs.5 million) during corresponding period of the last year – showing an overall increase of 60%.

The investment income of your Company during the six months' period 2022 contributed Rs.33 million (half year 2021: Rs.26 million) showing an increase of 26% mainly due to steadily increasing mark-up rates by the banks corresponding to increased policy rate by SBP.

Profit from Window Takaful Operations (WTO) contributed Rs.0.94 million during the six months period 2022 against loss of (Rs.0.43 million) during half year 2021.

During the half year ended June 30, 2022 the profit before tax rose to Rs.36 million against Rs.18 million during corresponding half year of 2021. Net profit after tax also grew to Rs.27 million from Rs.15 million during preceding half year 2021.

We are pleased to apprise you that the Earnings Per Share (EPS) of your Company during the half year ended June 30, 2022 rose to Rs.0.45 compared to Rs.0.24 during corresponding half year of 2021.

### Current Scenario:

The economic condition of our country continues to be challenging in the wake of prolonging uncertainty at policy level, weak law & order situation, political instability, lower than expected GDP, high inflation, wobbly exchange rate fluctuations and inconsistent policies both short term and long term, directly impacting the insurance industry as well.

Besides stiff competition among insurance companies, the fixing of so called 'Bank Limits' and Delisting and Non-Listing by few Banks and FIs/DFIs is not providing level playing field to all the players. This continuous inequitable policy of the Bank limits favors only few insurers, while rest of the players left deprived although they are fully operative professional insurance companies conducting their business under the license & guidelines of SECP, having sufficient treaty capacities and strong financial position. This discriminatory scenario needs to be addressed by the relevant quarters for the larger and best interest of the insurance industry of Pakistan.

### Future Outlook:

Despite all the challenges, your company is taking various measures in respect of its business expansion. Your management will continue to work-hard to improve performance of the Company with the hope that the Government would formulate long term and consistent policies to gain the confidence of business community and to boost economic activities.

We thank our valued customers for their patronage & unflinching support and are also thankful to the SECP, SBP, PACRA, Reinsurers for their continued cooperation, guidance & assistance. We also appreciate "Team Shaheen" for their dedicated services, hard-work & commitment.

**Rizwan Akhtar**  
Chief Executive Officer

29th August, 2022

**Air Marshal Muhammad Arif Pervaiz (Retd.)**  
Chairman

### موجودہ منظر نامہ:

پالیسی میں طویل غیر یقینی صورتحال کے باعث ہمارے ملک کی معاشی حالت بدستور مشکل ہے جس کی پالیسی سطح پر غیر یقینی، کمزور امن وامان کی صورتحال، سیاسی عدم استحکام، متوقع جی ڈی پی سے کم، مہنگائی میں اضافہ، شرح مبادلہ اتار چڑھاؤ اور متضاد پالیسیاں قلیل مدتی اور طویل مدتی، براہ راست انشورنس انڈسٹری کو بھی متاثر کرتی ہیں۔

انشورنس کمپنیوں کے درمیان سخت مسابقت کے علاوہ بینک کی حدود کا تعین اور ڈی لسٹنگ اور چند بینکوں اور DFIs / FIs کی فہرست میں شامل نہ ہونا تمام شراکت داروں کو برابری کا میدان فراہم نہیں کر رہا ہے۔ یہ مسلسل بینک کی غیر مساوی پالیسی صرف چند بیمہ کنندگان کے حق میں ہے، جبکہ باقی شراکت دار محروم رہ گئے حالانکہ وہ ہیں مکمل طور پر آپریٹو پروفیشنل انشورنس کمپنیاں جو SECP کے لائسنس اور رہنما خطوط کے تحت اپنا کاروبار کر رہی ہیں۔

پاکستان کی انشورنس انڈسٹری کے وسیع تر اور بہترین مفاد کے لیے متعلقہ حلقوں کی طرف سے۔ اس امتیازی منظر نامے پر توجہ دینے کی ضرورت ہے۔

### مستقبل کا آؤٹ لک:

تمام چیلنجوں کے باوجود کمپنی اپنے کاروبار کی توسیع کے سلسلے میں مختلف اقدامات کر رہی ہے۔ انتظامیہ کمپنی کی کارکردگی کو بہتر بنانے کے لیے سخت محنت کرتی رہے گی۔ اس اُمید کے ساتھ کہ حکومت کاروباری برادری کا اعتماد حاصل کرنے اور اقتصادی سرگرمیاں فروغ دینے کے لیے طویل مدتی اور مستقل پالیسیاں مرتب کرے گا۔

ہم اپنے قابل قدر صارفین کی سرپرستی اور غیر متزلزل حمایت کا شکریہ ادا کرتے ہیں اور SECP، SBP، PACRA، ری بیمہ کنندگان مسلسل تعاون، رہنمائی اور مدد کے لیے شکرگزار ہیں۔ ہم "ٹیم شاہین" کو ان کی وقف خدمات، محنت اور عزم کے لیے بھی سراہتے ہیں۔



رضوان اختر  
چیف ایگزیکٹو آفیسر



ایمر مارشل محمد عارف پرویز (ریٹائرڈ)  
چیئر مین

29 اگست 2022



## ڈائریکٹرز کا تبصرہ

شیئر ہولڈرز

شاہین انشورنس کمپنی لمیٹڈ

ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے ششماہی (غیر آڈٹ شدہ) اکاؤنٹس پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں جن کا آڈیٹرز نے نظر ثانی کی یہ اکاؤنٹس ایس ای سی پی کے تجویز کردہ انشورنس رولز اور اکاؤنٹنگ 2017 کے مطابق تیار کیے گئے ہیں۔

### آپریٹنگ نتائج/کارکردگی:

زیر جائزہ مدت کے دوران کمپنی نے 187 ملین روپے کا مجموعی پریمیم بشمول پچاس لاکھ تکافل انڈر رائیٹ کیا جو پچھلے سال کی اس مدت میں 117 ملین روپے کے مقابلے میں 60 فیصد زیادہ ہے چھ ماہ کی مدت 2022 کے دوران کمپنی کی سرمایہ کاری کی آمدنی نے 33 ملین روپے (آدھے سال) 2021: 26 ملین روپے) کا حصہ ڈالا جو 26 فیصد زیادہ ہے جس کی بنیادی وجہ بینکوں کی جانب سے مارک اپ کی شرح میں مسلسل اضافہ اسٹیٹ بینک کی طرف سے پالیسی کی شرح میں اضافہ کے مطابق۔

ونڈو تکافل آپریشنز (ڈبلیو ٹی او) کے منافع نے 2022 کے مقابلے میں چھ ماہ کی مدت کے دوران 0.94 ملین روپے کا حصہ ڈالا جب کہ 2021 کے نصف کے دوران (0.43 ملین روپے) کا نقصان رہا 30 جون 2022 کو ختم ہونے والے ششماہی کے دوران ٹیکس سے پہلے کا منافع بڑھ کر 36 ملین روپے ہو گیا جبکہ 2021 میں دوران 15 ملین روپے تھا۔

2021 کی اسی ششماہی میں ٹیکس کے بعد کا خالص منافع بھی گزشتہ 2021 کے چھ مہینے میں 16 ملین روپے سے بڑھ کر 27 ملین روپے ہو گیا۔

ہم اس بات کا پر مسرت اظہار کرتے ہیں کہ 30 جون 2022 کو ختم ہونے والے ششماہی کے دوران کمپنی کی فی شیئر آمدنی (EPS) 2021 کی اسی ششماہی کے دوران 0.26 روپے کے مقابلے میں بڑھ کر 0.45 روپے ہو گیا۔



# INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SHAHEEN INSURANCE COMPANY LIMITED

## Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Shaheen Insurance Company Limited as at June 30, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statement based on our review.

### Scope of Review

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

### Conclusion

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

### Other Matters

The figures of the three months period ended June 30, 2022 and 2021 in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and related notes have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2022.

The engagement partner on the review resulting in this independent auditor's review report is Hena Sadiq

Chartered Accountants

Place: Karachi

Date: September 06, 2022

UDIN: RR202210057SVZIECPqB



## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION ( UN-AUDITED)

AS AT JUNE 30, 2022

		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees)	
<b>ASSETS</b>			
Property and equipment	5	42,733,067	39,929,171
Intangible assets			-
Investment properties	6	154,950,569	154,950,569
Investments			
Equity securities	7	69,425,229	67,083,272
Debt securities	8	169,315,568	168,642,696
Term deposits	9	369,779,289	324,039,478
Loans and other receivables	10	13,542,514	14,676,314
Insurance / reinsurance receivables	11	190,889,608	142,195,994
Reinsurance recoveries against outstanding claims		15,702,762	13,936,448
Salvage recoveries accrued		2,800,000	1,600,000
Deferred commission expense		22,754,645	15,505,767
Taxation - payment less provision		11,676,946	15,383,662
Prepayments		8,985,867	6,316,945
Cash and bank	12	39,195,625	72,588,456
Total assets of window takaful operations - operator's fund		60,056,655	56,895,930
<b>Total Assets</b>		<b>1,171,808,344</b>	<b>1,093,744,702</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Share capital	13	600,000,000	600,000,000
Reserves	14	30,138,214	32,604,759
Unappropriated profit		81,669,877	54,622,464
<b>Total Equity</b>		<b>711,808,091</b>	<b>687,227,223</b>
<b>Liabilities</b>			
Underwriting provisions			
Outstanding claims including IBNR	19	77,663,968	85,850,667
Unearned premium reserves	18	115,958,841	98,158,900
Premium deficiency reserve		337,245	337,245
Unearned reinsurance commission	20	1,160,824	1,365,356
Premium received in advance		4,900,054	-
Lease liabilities	15	20,573,908	26,459,898
Insurance/ reinsurance payables		96,834,225	64,974,861
Other creditors and accruals	16	133,367,445	122,391,892
Unclaimed dividend		1,840,186	1,840,186
Total liabilities of window takaful operations - operator's fund		7,363,558	5,138,474
<b>Total liabilities</b>		<b>460,000,253</b>	<b>406,517,479</b>
<b>Total equity and liabilities</b>		<b>1,171,808,344</b>	<b>1,093,744,702</b>
<b>Contingencies and commitments</b>	17		

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

Air Vice Marshal Salman  
Ahsan Bokhari (Retd) - Director

Adeel Ali  
Director

Rizwan Akhtar  
Chief Executive Officer

Nisar Ahmed Almani  
Chief Financial Officer




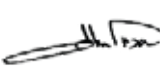
## CONDENSED INTERIM STATEMENT OF PROFIT & LOSS ACCOUNT ( UN-AUDITED)


FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2022

		Three months period ended		Six months period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note		(Rupees)			
Net insurance premium	18	62,018,760	48,955,539	105,904,616	97,182,452
Net Insurance claims	19	(11,790,962)	(11,882,569)	(23,515,711)	(31,206,913)
Net commission expense / acquisition costs	20	(14,385,845)	(10,080,373)	(21,964,842)	(19,823,175)
Insurance claim and acquisition expenses		(26,176,807)	(21,962,942)	(45,480,553)	(51,030,088)
Management expenses		(30,784,830)	(23,437,474)	(62,061,275)	(54,539,288)
Underwriting results		5,057,123	3,555,123	(1,637,212)	(8,386,924)
Investment income	21	21,155,227	14,354,290	32,595,691	25,794,752
Rental income		470,167	1,092,756	1,325,335	2,002,905
Other income		855,707	(1,040,403)	3,793,939	311,713
Other expenses		(368,418)	(966,214)	(368,418)	(899,714)
Profit / (loss) from window takaful operations - OPF		265,591	(1,498,671)	935,641	(425,794)
Results of operating activities		27,435,396	15,496,881	36,644,975	18,396,938
Finance charges against lease liabilities		(1,720,077)	(762,134)	(1,179,425)	(1,708,406)
Profit before tax		25,715,319	14,734,747	35,465,550	16,688,532
Taxation	22	(6,121,554)	3,264,530	(8,418,137)	(2,187,822)
Profit after tax		19,593,765	17,999,277	27,047,413	14,500,710
Earnings per share - basic and diluted	26	0.33	0.30	0.45	0.24

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

  
Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

  
Air Vice Marshal Salman  
Ahsan Bokhari (Retd) - Director

  
Adeel Ali  
Director

  
Rizwan Akhtar  
Chief Executive Officer

  
Nisar Ahmed Almani  
Chief Financial Officer



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

FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2022

	Three months period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees)			
<b>Profit after tax</b>	<b>19,593,765</b>	17,999,277	<b>27,047,413</b>	14,500,710
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit and loss</b>				
Unrealised loss on available-for-sale Investment	(3,842,186)	(362,046)	(2,466,545)	(1,826,326)
<b>Total comprehensive income for the period</b>	<b>15,751,579</b>	17,637,231	<b>24,580,868</b>	12,674,384

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

Air Vice Marshal Salman  
Ahsan Bokhari (Retd) - Director

Adeel Ali  
Director

Rizwan Akhtar  
Chief Executive Officer

Nisar Ahmed Almani  
Chief Financial Officer



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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021
	----- (Rupees) -----	
<b>OPERATING CASH FLOWS</b>		
<b>a) Underwriting activities</b>		
Insurance premiums received	165,797,512	95,017,079
Reinsurance premiums paid	(56,696,073)	(8,195,292)
Claims paid	(52,325,968)	(69,586,028)
Reinsurance and other recoveries received	17,657,244	15,122,695
Commissions paid	(25,951,306)	(18,531,995)
Commissions received	1,844,061	1,420,515
Net cash generated from underwriting activities	50,325,470	15,246,974
<b>b) Other operating activities</b>		
Income tax paid	(4,554,145)	(8,763,262)
Management and administration expenses paid	(45,151,671)	(22,959,252)
Net cash used in other operating activities	(49,705,816)	(31,722,514)
<b>Total cash generated from (used in) operating activities</b>	619,654	(16,475,540)
<b>INVESTMENT ACTIVITIES</b>		
Investment income received	26,361,697	21,111,969
Rentals received	385,000	1,155,000
Payments for investments - net	(2,734,155)	(1,763,982)
Fixed capital expenditure	(11,768,605)	(1,064,089)
Proceeds from disposal of property and equipment	6,295,581	-
<b>Total cash generated from investing activities</b>	18,539,518	19,438,898
<b>FINANCING ACTIVITIES</b>		
Financial charges paid	(135,832)	(31,402)
Principal repayments of lease liabilities against right-of-use assets	(6,676,359)	(6,246,295)
<b>Total cash used in all financing activities</b>	(6,812,191)	(6,277,698)
<b>Net cash generated from / (used in) all activities</b>	12,346,981	(3,314,340)
Cash and cash equivalents at the beginning of the period	396,627,934	387,305,708
<b>Cash and cash equivalents at the end of the period</b>	408,974,915	383,991,368



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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021
	(Rupees)	
<b>Reconciliation to condensed interim statement of profit and loss</b>		
Operating cash flows	619,654	(16,475,540)
Finance charges on right-of-use assets	(1,179,425)	(1,708,406)
Depreciation on property and equipment	(1,845,954)	(2,016,436)
Depreciation on right-of-use asset	(4,389,383)	(6,120,853)
Gain on disposal of property and equipment	2,875,465	-
Rental income	1,325,335	-
Financial charges	(135,832)	(31,402)
Increase in assets other than cash	51,669,466	1,288,753
(Increase) / decrease in liabilities	(56,748,580)	12,192,732
Investment and other income	33,921,026	27,797,657
Profit / (loss) before tax from window takaful operations	935,641	(425,794)
<b>Profit after taxation</b>	<b>27,047,413</b>	<b>14,500,710</b>

### Definition of cash

Cash comprises of cash in hand, policy stamps, bank balances and term 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 condensed interim statement of cash flows consists of:

	June 30, 2022	June 30, 2021
	(Rupees)	
<b>Cash and other equivalents</b>		
- Cash in hand	46,458	31,944
- Policy stamps in hand	-	144,415
<b>Bank balances</b>		
- Current accounts	19,168,253	9,875,979
- Savings accounts	19,980,914	1,479,552
	39,149,167	11,355,531
<b>Deposits having original maturing within 3 months</b>		
Term Deposit- local currency	9 369,779,289	372,459,478
	<b>408,974,915</b>	<b>383,991,368</b>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

Air Vice Marshal Salman  
Ahsan Bokhari (Retd) - Director

Adeel Ali  
Director

Rizwan Akhtar  
Chief Executive Officer

Nisar Ahmed Almani  
Chief Financial Officer





## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

### ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY


	Share capital	Revenue reserves	Unrealised gain on available-for-sale investments	Unappropriated (loss) / profit	Total Equity
	(Rupees)				
Balance as at January 01, 2021	600,000,000	20,000,000	12,200,104	23,617,540	655,817,644
Total comprehensive income for six months period ended June 30, 2021					
Profit for six months period ended June 30, 2021	-	-	-	14,500,710	14,500,710
Other comprehensive loss	-	-	(1,826,326)	-	(1,826,326)
<b>Total comprehensive income for the period</b>	-	-	(1,826,326)	14,500,710	12,674,384
<b>Balance as at June 30, 2021 (Un-audited)</b>	<b>600,000,000</b>	<b>20,000,000</b>	<b>10,373,778</b>	<b>38,118,250</b>	<b>668,492,028</b>
<b>Balance as at January 01, 2022</b>	<b>600,000,000</b>	<b>20,000,000</b>	<b>12,604,759</b>	<b>54,622,464</b>	<b>687,227,223</b>
<b>Total comprehensive income for six months period ended June 30, 2022</b>					
Profit for six months period ended June 30, 2022	-	-	-	27,047,413	27,047,413
Other comprehensive loss	-	-	(2,466,545)	-	(2,466,545)
<b>Total comprehensive income for the period</b>	-	-	(2,466,545)	27,047,413	24,580,868
<b>Balance as at June 30, 2022 (Un-audited)</b>	<b>600,000,000</b>	<b>20,000,000</b>	<b>10,138,214</b>	<b>81,669,877</b>	<b>711,808,091</b>

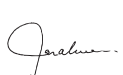
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Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

  
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Adeel Ali  
Director

  
Rizwan Akhtar  
Chief Executive Officer

  
Nisar Ahmed Almani  
Chief Financial Officer



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 69.28% (Dec 2021: 69.28%) shares in the company.

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 1001 & 1014, Block B 10th Floor Saima Tower ,I.I Chundrigar Road, Karachi;
- 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 , 1st Floor Anali Arcade Near Chowk Kachary LMQ Road, Multan , Pakistan;
- Office C3, Jasmine Arcade Fakhr-e-Alam Road 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 Pakhtunkhwa, Pakistan; and
- Ghousia Sultania Town, Sakhi Sarwar Colony, Rahim Yar Khan, Punjab, Pakistan.

## 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements have 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.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

**2.1** The condensed interim financial statements does not include all the information required in the annual financial statements. Accordingly, the condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2021. 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, 2021, whereas comparatives for condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and related notes are extracted from condensed interim financial statements of the Company for the six months period ended June 30, 2021.

### 2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except that 'held to maturity' investments are stated at amortised cost, investment classified at 'fair value through profit or loss- held for trading' and 'available for sale' and investment properties are stated at fair value.

### 2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

**2.4** IFRS 9 " Financial Instruments" became applicable in 2019, 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.

		June 30 ,2022				
		Fail the SPPI test		Pass the SPPI test		
		Fair value	Change in unrealised gain loss	Carrying value	Fair value	Change in unrealised gain loss
Note		(Rupees)				
Cash and bank balances	12	-	-	-	39,195,625	-
Equity securities	7	271,902	(27,919)	-	-	-
Debt securities	8	-	-	-	169,315,568	-
Term deposits	9	-	-	-	369,779,289	-
Mutual funds	7.2	69,153,327	(2,466,545)	-	-	-
Loan and other	10	-	-	13,542,514	-	-
		<u>69,425,229</u>	<u>(2,494,464)</u>	<u>13,542,514</u>	<u>578,290,482</u>	<u>-</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

		December 31 ,2021				
		Fail the SPPI test		Pass the SPPI test		
		Fair value	Change in unrealised gain loss	Carrying value	Fair value	Change in unrealised gain loss
Note		(Rupees)				
Cash and bank balances	12	-	-	-	72,583,456	-
Equity securities	7	299,821	-	-	-	-
Debt securities	8	-	-	-	168,642,696	-
Term deposits	9	-	-	-	324,039,478	-
Mutual funds	7.2	66,783,451	404,655	-	-	-
Loan and other	10	-	-	14,676,314	-	-
		<u>67,083,272</u>	<u>404,655</u>	<u>14,676,314</u>	<u>565,270,630</u>	<u>-</u>

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computations adopted in the preparation of this condensed interim financial statements 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, 2021.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements 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 these condensed interim financial statements, 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, 2021 except for the following:

#### 4.1 Property and equipment

##### 4.1.1 Operating fixed assets and right-of-use assets

During the period, the company changed its accounting estimate from straight line method to reducing balance method. Depreciation is charged using reducing balance method from the date the asset is available for use till the date the asset is disposed off. The effect of change in accounting estimate is applied prospectively as required under the International Accounting standard - 8 "Accounting Policies, Changes In Accounting Estimates and Errors".



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

#### 4.2 Revenue recognition estimate

During the period, the Company changed its computation of calculating unearned portion of the premium to number of the days from the date of issuance of insurance policy i.e. 365 days as against the previous method of 1/24th.

The said change is accounted for as change in estimate and is prospectively applied as per the requirements of IAS 8 "Accounting Policies, Changes In Accounting Estimates and Errors". The said change has impact on unearned premium reserves, unearned re-insurance commission, prepaid reinsurance premium and deferred commission.

#### 4.3 FINANCIAL AND INSURANCE RISK MANAGEMENT

4.4 The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year period June 30, 2022.

#### 5. PROPERTY AND EQUIPMENT

5.1 Property and equipment includes:

	Note	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
		(Rupees)	
Operating fixed assets	5.2	21,525,887	13,076,112
Right of use-of-assets	5.3	19,980,800	24,653,059
Capital work-in-progress	5.4	1,226,380	2,200,000
		<u>42,733,067</u>	<u>39,929,171</u>

5.2 This includes additions / disposals with following details:

	(Un-audited)			
	Six months period ended			
	June 30, 2022		June 30, 2021	
	Additions	Disposals	Additions	Disposals
	(Rupees)			
<b>Cost:</b>				
Furniture, fixtures and office equipment	438,934	71,204	-	-
Computers	489,455	-	190,948	-
Motor vehicles	9,657,080	3,348,912	873,141	-
	<u>10,585,469</u>	<u>3,420,116</u>	<u>1,064,089</u>	<u>-</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	Note	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
<b>5.3 Right-of-use assets</b>			
Buildings			
Opening balance		24,653,059	11,122,090
Increase during the period / year		-	25,700,453
Impact of modification of leases		(282,876)	-
Depreciation expense		(4,389,383)	(12,169,484)
Closing balance		19,980,800	24,653,059
<b>5.4 Capital work-in-progress</b>			
Advances to suppliers		1,226,380	2,200,000
<b>6. INVESTMENT PROPERTIES</b>			
Opening balance - net book value		154,950,569	135,385,104
Unrealised fair value gain	6.2	-	19,565,465
Closing Balance - net book value		154,950,569	154,950,569

### 6.1 Investment properties consists of the following:

		----- (Audited)-----		----- (Un-audited) -----	
Particulars	Location	Fair value as at December 31, 2021	Un-realised gain for December 31, 2021	Fair value as at June 30, 2021	Un-realised gain for June 30, 2021
<hr/>					
<div>(Rupees)</div> <hr/>					
Freehold land	Islamabad	19,150,000	4,150,000	19,150,000	-
Shop premises	Lahore	86,519,150	7,596,150	86,519,150	-
Office premises	Karachi	49,281,419	7,819,315	49,281,419	-
		154,950,569	19,565,465	154,950,569	-

**6.2** The fair value of the shop premises and office premises was determined by Anderson Consulting (Pvt.) Ltd, whereas land has been valued by Industrial Consultants & Machinery Linkers (ICML), both are external, independent property valuers having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

**6.3** The fair value measurement for all of the investment properties has been categorised as a level 2 fair value based on the inputs to the valuation techniques used. The inputs used to the valuation techniques are average rental growth rate, yield on property, current market rates, occupancy rate and rent free period of the properties.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

**6.4** The Company earned rental income from the above mentioned properties amounting to Rs. 1.32 million (December 31, 2021: Rs. 4.09 million).

**6.5** 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.

### Valuation technique

The valuer has arranged enquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilisation, 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.

**6.6** The cost of freehold land, shop premises and office premises is amounting to Rs. 14.02 million (December 31, 2021: Rs. 14.02 million), Rs. 33.95 million (December 31, 2021: Rs. 33.95 million) and Rs. 2.85 million (December 31, 2021: Rs. 2.85 million) respectively.

**6.7** As at June 30, 2022, the fair values of the investment properties approximate its market values.

## 7. INVESTMENT IN EQUITY SECURITIES

		(Un-audited)			(Audited)		
		June 30, 2022			December 31, 2021		
Note	Cost	Impairment	Carrying value	Cost	Impairment	Carrying value	
	----- (Rupees) -----			----- (Rupees) -----			
<b>Available for sale</b>							
<i>Listed shares</i>							
- First Capital Equities Limited	7.1	188,000,000	(188,000,000)	-	188,000,000	(188,000,000)	-
<i>Unlisted shares</i>							
Mutual funds	7.2	58,738,682	-	69,153,327	53,841,556	-	66,783,451
<b>Investment at fair value through profit or loss</b>							
<i>Listed shares</i>							
- Summit Bank Limited		299,821	-	271,902	226,990	-	299,821
		247,038,503	(188,000,000)	69,425,229	242,068,546	(188,000,000)	67,083,272



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

**7.1** 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. However, being prudent an impairment provision equal to the carrying value is included in these condensed interim financial statements.

### 7.2 Mutual funds

Name of Funds	Units		June 30, 2022		December 31, 2021	
	June 30, 2022	December 31, 2021	Cost	Carrying Value	Cost	Carrying Value
	(Number)		(Rupees)			
Pakistan cash management fund	9,379	8,913	402,558	473,350	379,156	449,818
Faysal saving growth fund	10,235	9,533	860,248	1,053,785	788,125	1,019,174
ABL income fund	175,509	166,520	1,450,964	1,772,224	1,344,236	1,691,607
HBL cash fund	29,210	27,611	2,531,905	2,964,764	2,370,084	1,137,022
Lakson money market fund	7,008	6,673	613,945	710,618	569,616	674,844
HBL money market fund	11,519	10,614	962,723	1,187,142	869,801	2,816,097
Al hamra islamic stock fund	168,213	168,213	835,524	1,529,052	835,524	1,772,960
Pakistan income fund	1,082,455	1,002,338	50,571,274	58,848,447	46,219,918	56,630,583
Atlas islamic income fund	1,212	1,124	509,541	613,945	465,096	591,346
			<u>58,738,682</u>	<u>69,153,327</u>	<u>53,841,556</u>	<u>66,783,451</u>

### 8. INVESTMENTS IN DEBT SECURITIES

Name of investment	Face value	Number of certificates	Profit rate	Profit payment	Maturity date	June 30, 2022		December 31, 2021	
						Cost	Carrying Value	Cost	Carrying Value
	(Rupees)		(%)			(Rupees)			
5 Years Pakistan Investment Bonds	65,000,000	650,000	9.5	Semi annually	September 19, 2024	60,587,150	19,277,651	60,587,150	62,532,386
5 Years Pakistan Investment Bonds	20,000,000	200,000	8	Semi annually	July 12, 2023	16,868,540	62,982,625	16,868,540	18,929,924
3 Years Pakistan Investment Bonds	87,000,000	870,000	9	Semi annually	September 19, 2022	87,865,302	87,055,292	87,865,302	87,180,386
	<u>172,000,000</u>	<u>1,720,000</u>				<u>165,320,992</u>	<u>169,315,568</u>	<u>165,320,992</u>	<u>168,642,696</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

- 8.1** The rate of return of PIBs is between 8% to 9.5% (December 31, 2021: 8% to 9.5%) per annum. They are pledged with the State Bank of Pakistan under the provisions of Insurance Rules 2017.

	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
Note		(Rupees)

### 9. INVESTMENT IN TERM DEPOSITS

#### Held to maturity

Deposits maturing within seven months	9.1	<u>369,779,289</u>	<u>324,039,478</u>
---------------------------------------	-----	--------------------	--------------------

- 9.1** This include term deposits with various commercial banks having maturities within 7 months (i.e. upto January 30, 2023). The rate of return on these term deposits ranging between 10.00 % to 14.50% (December 31, 2021: 5.55% to 11%) per annum.

	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
Note		(Rupees)

### 10. LOANS AND OTHER RECEIVABLES unsecured, considered good

Accrued investment income		<u>5,412,532</u>	4,899,603
Other receivables		<u>870,198</u>	1,029,387
Security deposits	10.2 & 10.3	<u>7,224,601</u>	8,512,141
Advances		<u>35,183</u>	235,183
		<u>13,542,514</u>	<u>14,676,314</u>

- 10.1** This includes balance receivable from Window takaful operations against common expenses amounting to Rs. 0.73 million (December 31, 2021: Rs. 0.73 million).
- 10.2** This includes Rs. 3.3 million (December 31, 2021: Rs. 3.3 million) in respect of security deposits paid against rental arrangements to Shaheen foundation (the Parent company).
- 10.3** This includes a sum of Rs 2.53 million deposited with the district and session Judge, Multan as security deposit, in respect of an Insurance appeal filed by the Company in the Lahore high court Multan bench.



HALF YEARLY REPORT JUNE 2022 23



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

#### 13. SHARE CAPITAL

##### 13.1 Authorised share capital

June 30, 2022	December 31, 2021		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
----- (Number of shares) -----			----- (Rupees) -----	
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rs. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>

##### 13.2 Issued, subscribed and paid - up share capital

June 30, 2022	December 31, 2021		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
----- (Number of shares) -----			----- (Rupees) -----	
<u>8,000,000</u>	<u>8,000,000</u>	Ordinary shares of Rs. 10 each, fully paid in cash	<u>80,000,000</u>	<u>80,000,000</u>
<u>12,000,000</u>	<u>12,000,000</u>	Ordinary shares of Rs. 10 each, issued as bonus shares	<u>120,000,000</u>	<u>120,000,000</u>
<u>25,000,000</u>	<u>25,000,000</u>	Ordinary shares of Rs. 10 each, issued as right shares fully paid in cash	<u>250,000,000</u>	<u>250,000,000</u>
<u>15,000,000</u>	<u>15,000,000</u>	Ordinary shares of Rs. 10 each, issued otherwise than right issue	<u>150,000,000</u>	<u>150,000,000</u>
<u>60,000,000</u>	<u>60,000,000</u>		<u>600,000,000</u>	<u>600,000,000</u>

##### 13.3 As at June 30, 2022, details of shares held by the related parties undertaking are as follows:

Related party name	Basis of relationship	Percentage (%)	June 30, 2022 (Rupees)	December 31, 2021 (Rupees)
Shaheen foundation	Parent company	69.28%	<u>41,565,473</u>	<u>41,565,473</u>
Central non public fund	Associate	4.17%	<u>2,500,000</u>	<u>2,500,000</u>
			<u>44,065,473</u>	<u>44,065,473</u>
			----- (%) -----	
Percentage of shareholding held by related parties.			<u>73.44%</u>	<u>73.44%</u>

##### 13.4 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.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees)	
<b>14. RESERVES</b>			
General reserves		20,000,000	20,000,000
Unrealised gain on available-for-sale investments		10,138,214	12,604,759
		<u>30,138,214</u>	<u>32,604,759</u>
<b>15. LEASE LIABILITIES</b>			
Lease liability - buildings	15.1	<u>20,573,908</u>	<u>26,459,898</u>
<b>15.1</b> Opening balance		26,459,898	17,164,141
Increase in lease liability		-	25,700,453
Impact of modification of leases	15.3	(389,056)	-
Rental payments		(6,676,359)	(18,567,305)
Interest expense		1,179,425	2,162,609
Closing balance		<u>20,573,908</u>	<u>26,459,898</u>
<b>15.2 Tenure analysis</b>			
Current period		6,614,394	6,814,184
Non-current period		13,959,514	19,645,714
		<u>20,573,908</u>	<u>26,459,898</u>
<b>15.3</b> The Company during the period have decreased its scope of lease resulting in decrease in future rentals to be paid. The management of the company have accounted the decrease in scope as modification of lease liabilities as per IFRS 16 "Leases". Consequently lease liability have been decreased by Rs. 389,056/- during the period.			
		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees)	
<b>16. OTHER CREDITORS AND ACCRUALS</b>			
Agent commission payable		32,995,233	27,684,225
Provincial service taxes		53,681,222	46,606,749
Federal insurance fee payable		5,858,395	4,950,671
Workers' welfare fund payable		6,653,645	6,653,646
Accrued expenses		10,454,059	13,645,788
Withholding tax payable		4,520,518	4,363,242
Unearned rental income		-	940,335
Payable to provident fund		871,821	401,553
Security deposit against bond issuance	16.1	16,131,698	15,807,111
Others		2,200,855	1,338,572
		<u>133,367,445</u>	<u>122,391,892</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

**16.1** As required by the Companies Act, 2017 these are held by the Company in a separately maintained bank account.

### 17. CONTINGENCIES AND COMMITMENTS

#### 17.1 Contingencies

There is no change in contingencies as reported in the annual audited financial statements of the Company for the year ended December 31, 2021 except for the following:

The company received notice for rectification of mistake in assessment order for the tax year(s) 2017, 2018 and 2019 under section 221 and 137(2) of the Income tax ordinance, 2001 (the Ordinance) whereby, and raised demand of Rs. 0.3 million; Rs. 6.11 million and Rs.13.59 million for the above tax years respectively. Taxation officer passed the order by disallowing the refund adjustment claimed against the tax liabilities in these years from the preceding years. The Company filed appeals before Commissioner Appeals Inland revenue's (CIR-A), who remanded back the orders with the strict direction to department to process the application(s) under section 170(1) for the tax year 2017 (refund application pertains to tax year 2005), for tax year 2018 (refund application Tax year 2010) and for tax year 2019 (refund applications tax year 2005, 2008 to 2012).

#### 17.2 Commitments

There are no commitments as at June 30, 2022.

	Three months period ended		Six months period ended	
	June 30, 2022 (Un-audited)	June 30, 2021 (Un-audited)	June 30, 2022 (Un-audited)	June 30, 2021 (Un-audited)
Note	(Rupees)			
<b>18. NET INSURANCE PREMIUM</b>				
Written gross premium	107,766,850	57,015,983	172,364,138	111,798,349
Add: Unearned premium reserve opening	106,896,661	87,620,845	98,158,900	92,605,542
Unearned premium reserve closing	(115,958,841)	(83,729,867)	(115,958,841)	(83,729,867)
<b>Premium earned</b>	<b>98,704,670</b>	<b>60,906,961</b>	<b>154,564,197</b>	<b>120,674,024</b>
Reinsurance premium ceded	(40,492,322)	(12,721,542)	(51,328,503)	(20,333,523)
Prepaid reinsurance premium opening	(5,179,455)	(9,714,663)	(6,316,945)	(13,642,832)
Prepaid reinsurance premium closing	8,985,867	10,484,783	8,985,867	10,484,783
<b>Reinsurance expense</b>	<b>(36,685,910)</b>	<b>(11,951,422)</b>	<b>(48,659,581)</b>	<b>(23,491,572)</b>
	<b>62,018,760</b>	<b>48,955,539</b>	<b>105,904,616</b>	<b>97,182,452</b>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	Three months period ended		Six months period ended	
	June 30, 2022 (Un-audited)	June 30, 2021 (Un-audited)	June 30, 2022 (Un-audited)	June 30, 2021 (Un-audited)
Note	(Rupees)			
<b>19. NET INSURANCE CLAIMS</b>				
Claim paid	31,785,308	22,515,253	52,325,968	69,586,028
Outstanding claims including IBNR opening	(85,851,150)	(108,144,913)	(85,850,667)	(127,305,856)
Outstanding claims including IBNR closing	77,663,968	104,527,364	77,663,968	104,527,364
<b>Claim expense</b>	<b>23,598,126</b>	<b>18,897,704</b>	<b>44,139,269</b>	<b>46,807,536</b>
Reinsurance and other recoveries received	(9,851,615)	(2,001,596)	(17,657,244)	(15,122,695)
Reinsurance and other recoveries receivable in respect of outstanding claims opening	16,547,213	12,212,147	15,536,448	16,747,758
Reinsurance and other recoveries receivable in respect of outstanding claims closing	(18,502,762)	(17,225,686)	(18,502,762)	(17,225,686)
<b>Reinsurance and other recoveries revenue</b>	<b>(11,807,164)</b>	<b>(7,015,135)</b>	<b>(20,623,558)</b>	<b>(15,600,623)</b>
<b>Net Insurance claims</b>	<b>11,790,962</b>	<b>11,882,569</b>	<b>23,515,711</b>	<b>31,206,913</b>
<b>20. NET COMMISSION EXPENSE / ACQUISITION COSTS</b>				
Commission paid or payable	18,646,978	12,319,240	31,262,313	22,351,685
Deferred commission expense opening	18,992,465	14,662,757	15,505,767	15,494,786
Deferred commission expense closing	(22,754,645)	(15,840,126)	(22,754,645)	(15,840,126)
<b>Net commission</b>	<b>14,884,798</b>	<b>11,141,871</b>	<b>24,013,435</b>	<b>22,006,345</b>
Commission received or recoverable	1,652,085	876,816	1,844,061	1,420,515
Unearned reinsurance commission opening	7,692	1,796,578	1,365,356	2,374,551
Unearned reinsurance commission closing	(1,160,824)	(1,611,896)	(1,160,824)	(1,611,896)
<b>Commission from reinsurers</b>	<b>498,953</b>	<b>1,061,498</b>	<b>2,048,593</b>	<b>2,183,170</b>
	<b>14,385,845</b>	<b>10,080,373</b>	<b>21,964,842</b>	<b>19,823,175</b>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	Three months period ended		Six months period ended	
	June 30, 2022 (Un-audited)	June 30, 2021 (Un-audited)	June 30, 2022 (Un-audited)	June 30, 2021 (Un-audited)
Note	(Rupees)			
<b>21. INVESTMENT INCOME</b>				
Income from equity securities - held for trading				
Dividend income on available for sale investments	5,678,899	4,000,082	5,748,984	4,070,166
Income from debt securities - held to maturity				
Return on other fixed income securities	11,425,217	6,162,152	18,481,029	13,217,964
Return on government securities	4,046,256	4,103,445	8,393,597	8,450,786
	15,471,473	10,265,597	26,874,626	21,668,750
Unrealised gain / (loss) on revaluation of held-for-trading investments	4,855	88,610	(27,919)	55,836
	<u>21,155,227</u>	<u>14,354,289</u>	<u>32,595,691</u>	<u>25,794,752</u>
<b>22. TAXATION</b>				
Current	(6,121,554)	494,561	(8,418,137)	(4,957,791)
Prior year	-	-	-	2,769,969
Deferred	-	2,769,969	-	-
22.1	<u>(6,121,554)</u>	<u>3,264,530</u>	<u>(8,418,137)</u>	<u>(2,187,822)</u>

#### 22.1 Deferred

Deferred tax asset on deductible temporary differences amounting to Rs. 79.16 million (December 31, 2021: Rs. 73.16 million) has not been recognized in view of the uncertainty about its realisation.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

#### 23. SEGMENT INFORMATION

##### 23.1 Segment profit or loss - June 30, 2022 (Un-audited)

	Fire and property damages	Marine, aviation & transport	Motor	Accident and health	Miscellaneous	Total
	(Rupees)					
<b>Premium receivable ( inclusive of federal excise duty, federal insurance fee and administrative surcharge)</b>	46,445,336	47,234,539	87,565,968	1,958,973	17,854,171	201,058,987
Federal excise duty	(4,585,758)	(9,165,078)	(9,674,183)	-	(2,979,360)	(26,404,379)
Federal insurance fee	(329,605)	(905,521)	(692,172)	(19,646)	(343,526)	(2,290,470)
<b>Gross written premium ( inclusive of Administrative surcharge)</b>	41,529,972	37,163,940	77,199,613	1,939,327	14,531,285	172,364,138
Gross direct premium	41,212,093	36,715,368	75,272,673	1,934,327	14,358,449	169,492,910
Administrative surcharge	317,880	448,572	1,926,941	5,000	172,836	2,871,229
 Insurance premium earned	36,162,740	35,750,293	69,294,316	2,160,839	11,196,009	154,564,197
Insurance premium ceded to reinsurers	10,565,391	21,323,599	12,908,427	-	3,862,164	48,659,581
<b>Net insurance premium</b>	25,597,348	14,426,695	56,385,889	2,160,839	7,333,845	105,904,616
Commission income	535,199	4,776	1,552,781	-	(44,162)	2,048,593
<b>Net underwriting income</b>	26,132,547	14,431,471	57,938,670	2,160,839	7,289,683	107,953,209
Insurance claims	223,790	192,848	40,944,540	2,478,057	300,034	44,139,269
Insurance claims recovered from reinsurance	(203,616)	(78,064)	20,921,293	-	(16,055)	20,623,558
<b>Net claim</b>	427,406	270,912	20,023,247	2,478,057	316,089	23,515,711
Commission expense	8,481,710	3,905,402	9,021,981	272,199	2,332,143	24,013,435
Management expense	14,520,217	14,354,610	27,823,349	867,629	4,495,469	62,061,275
<b>Net insurance claims and expenses</b>	23,429,334	18,530,925	56,868,577	3,617,886	7,143,701	109,590,421
<b>Underwriting result</b>	2,703,213	(4,099,454)	1,070,093	(1,457,047)	145,982	(1,637,212)
 Net investment income						32,595,691
Rental income						1,325,335
Other income						3,793,939
Other expenses						(368,418)
Finance charges against lease liabilities						(1,179,425)
Profit after tax from window takaful operations - OPF						935,641
Profit before tax						35,465,550



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

### Segment profit or loss - June 30, 2021 (Un-audited)

	Fire and property damages	Marine, aviation & transport	Motor	Accident and health	Miscellaneous	Total
	----- (Rupees) -----					
<b>Premium receivable ( inclusive of Federal excise duty, federal insurance fee and administrative surcharge)</b>	21,153,551	42,509,693	63,352,131	7,951,464	9,949,888	144,916,727
Federal excise duty	(2,810,220)	(16,692,179)	(8,222,211)	-	(1,324,956)	(29,049,566)
Federal insurance fee	(187,424)	(3,105,977)	(606,470)	(78,797)	(90,144)	(4,068,812)
<b>Gross written premium ( inclusive of administrative surcharge (restated))</b>	18,155,907	22,711,537	54,523,450	7,872,667	8,534,788	111,798,349
Gross direct premium	22,642,764	21,701,985	52,607,003	7,857,667	3,727,634	108,537,053
Administrative surcharge	279,915	1,009,552	1,916,447	15,000	57,573	3,278,487
 Insurance premium earned	18,036,925	22,573,010	66,011,505	5,096,466	8,956,118	120,674,024
Insurance premium ceded to reinsurers	9,431,740	1,289,055	8,018,653	-	4,752,124	23,491,572
<b>Net insurance premium</b>	8,605,185	21,283,955	57,992,852	5,096,466	4,203,994	97,182,452
Commission income	605,478	-	1,368,453	-	209,238	2,183,170
<b>Net underwriting income</b>	9,210,663	21,283,955	59,361,305	5,096,466	4,413,233	99,365,622
Insurance claims	(40,077)	2,521,964	36,124,611	6,979,507	1,221,531	46,807,536
Insurance claims recovered from reinsurance	3,897,698	332,342	11,460,867	-	(90,284)	15,600,623
<b>Net claim</b>	(3,937,775)	2,189,622	24,663,744	6,979,507	1,311,815	31,206,913
Commission expense	5,023,099	5,407,570	9,432,334	525,710	1,617,632	22,006,345
Management expense	8,151,887.33	10,201,995.86	29,834,262.28	2,303,375.80	4,047,766.73	54,539,288
<b>Net insurance claims and expenses</b>	9,237,211	17,799,188	63,930,340	9,808,593	6,977,214	107,752,546
<b>Underwriting result</b>	(26,548)	3,484,767	(4,569,035)	(4,712,127)	(2,563,981)	(8,386,924)
 Net investment income						25,794,752
Rental income						2,002,905
Other income						311,713
Other expenses						(899,714)
Finance charges on right-of-use assets						(1,708,406)
Profit after tax from window takaful operations - OPF						(425,794)
Profit before tax						16,688,532



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

### 23.2 Segment Assets & Liabilities

	June 30, 2022 (Un-audited)				
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident and Health	Miscellaneous
<b>SEGMENT ASSETS</b>					
Segment assets	59,063,107	57,158,340	109,791,771	2,758,073	16,361,592
Segment assets - Takatful OPF	848,121	279,361	3,043,483	-	387,426
Unallocated assets - Takatful OPF					55,498,264
Unallocated corporate assets					866,618,807
Total assets					<u>1,171,808,344</u>

#### SEGMENT LIABILITIES

Segment liabilities	70,263,348	67,997,375	130,611,775	3,281,091	19,464,268
Segment liabilities - Takatful OPF	716,582	236,034	2,571,456	-	327,341
Unallocated liabilities - Takatful OPF					3,512,145
Unallocated corporate liabilities					161,018,837
Total liabilities					<u>460,000,253</u>

June 30, 2021

	June 30, 2021				
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident and Health	Miscellaneous
<b>SEGMENT ASSETS</b>					
Segment assets	30,702,229	13,115,526	98,267,840	6,206,689	31,262,868
Segment assets - Takatful OPF	336,233	192,107	2,076,809	-	13,412
Unallocated assets - Takatful OPF					54,277,369
Unallocated corporate assets					857,293,620
Total assets					<u>1,093,744,703</u>

#### SEGMENT LIABILITIES

Segment liabilities	42,807,440	18,286,689	137,012,678	8,653,849	43,589,128
Segment liabilities - Takatful OPF	294,223	168,105	1,817,332	-	11,738
Unallocated liabilities - Takatful OPF					2,847,076
Unallocated corporate liabilities					151,029,221
Total liabilities					<u>406,517,479</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

#### 24. Fair value of financial and non financial assets

Fair value is 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. Consequently, difference may arise between the carrying values and the fair value estimates.

#### Fair value hierarchy

The following table provides an analysis of financial and non-financial assets or liabilities that are carried at fair value. The different levels are defined as below:

**Level 1:** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** fair value measurements are those derived from 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 are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Following are the assets where fair value is only disclosed and is different from their carrying value:

	June 30, 2022 (Un-audited)								
	Carrying value					Fair value measurement			
	Available for- sale	Held-to maturity	Loan and other receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	----- (Rupees) -----								
<b>Financial assets measured at Fair value</b>									
Investments									
Equity securities	69,153,327	-	-	271,902	-	69,425,229	69,425,229	-	-
Debt securities	-	169,315,568	-	-	-	169,315,568	-	-	-
Term deposits	-	369,779,289	-	-	-	369,779,289	-	-	-
Loans and other receivables*	-	-	13,542,514	-	-	13,542,514	-	-	-
Insurance / re-insurance receivables*	-	-	190,889,608	-	-	190,889,608	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	15,702,762	-	-	15,702,762	-	-	-
Cash and bank	-	-	-	39,195,625	-	39,195,625	-	-	-
	69,153,327	539,094,857	220,134,884	39,467,527	-	867,850,595	69,425,229	-	-
Outstanding claims including IBNR*	-	-	-	-	(77,663,968)	(77,663,968)	-	-	-
Insurance / re-insurance payables*	-	-	-	-	(96,834,225)	(96,834,225)	-	-	-
Other creditors and accruals*	-	-	-	-	(133,367,445)	(133,367,445)	-	-	-
	-	-	-	-	(307,865,638)	(307,865,638)	-	-	-





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

#### 25. RELATED PARTY TRANSACTIONS

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 summarised as follows:

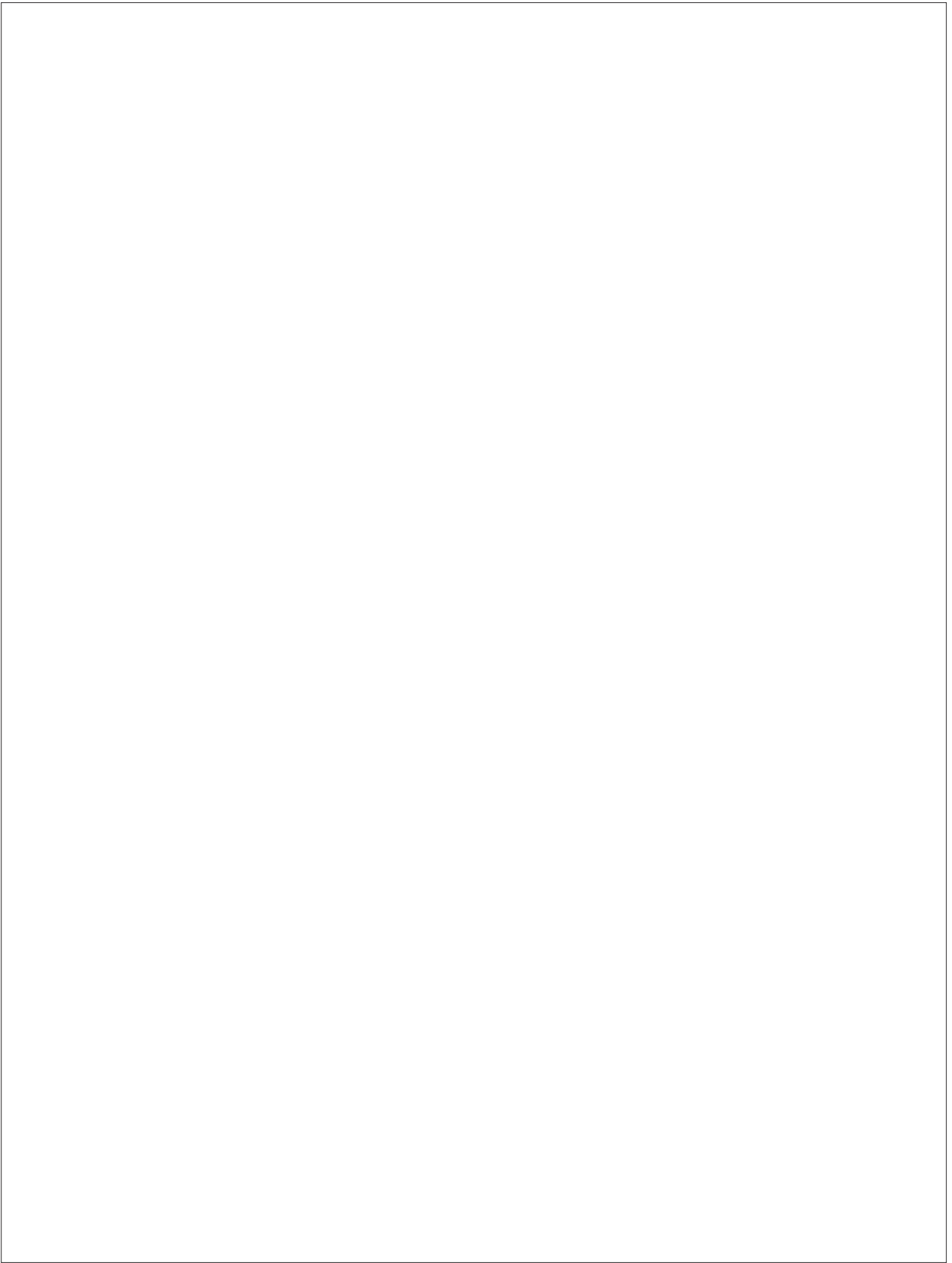
Name	Relationship	Nature of transactions	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
			(Rupees)	
Shaheen foundation	Parent undertaking	Premium due but unpaid	40,076	6,859,740
Shaheen foundation	Parent undertaking	Outstanding claims	975,438	1,543,685
Shaheen foundation	Parent undertaking	Rent payable	-	8,959,055
Shaheen foundation	Parent undertaking	Security deposits	3,317,246	3,317,246
Air Eagle (Private) Limited	Associate company	Premium written	1,076,533	1,059,409
Other transactions during the period with associated undertakings				
			June 30, 2022 (Un-audited)	June 30, 2021 (Audited)
			(Rupees)	
Claim expense			331,326	2,721,995
Lease rentals			-	5,565,457
Remuneration of key management personnel			10,621,632	10,021,274
Contribution to provident fund			719,912	981,107
Advertisement expense			134,900	84,555

25.1 Insurance and claim related transactions with related parties have been carried in normal course of business.

25.2 Other transactions are executed at agreed terms.

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







# **Window Takaful Operations Financial Statements**



# INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SHAHEEN INSURANCE COMPANY LIMITED WINDOW TAKAFUL OPERATIONS

## Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Shaheen Insurance Company Limited - Window Takaful Operations as at June 30, 2022 and the related condensed interim statement of profit or loss, condensed interim statements of comprehensive income, condensed interim statement of changes in fund, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statement based on our review.

### Scope of Review

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

### Conclusion

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

### Other Matters

The figures of the three months period ended June 30, 2022 and 2021 in the condensed interim statement of comprehensive income and related notes have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2022.

The engagement partner on the review resulting in this independent auditor's review report is Hena Sadiq.

Chartered Accountants

Place: Karachi

Date: September 06, 2022

UDIN: RR202210057SVZIECPqB




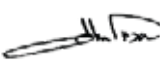
## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - (UN-AUDITED)

AS AT JUNE 30, 2022

Note	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)	June 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
(Rupees)				
<b>ASSETS</b>				
Qard-e-Hasna to PTF	6	22,827,311	22,827,311	-
Equipment-OPF	7	526,693	-	-
Intangible asset-OPF	8	-	-	-
Investment in term deposits	9	27,000,000	27,000,000	20,000,000
Other receivables	10	828,934	457,627	179,778
Takaful / retakaful receivables	11	-	-	2,124,217
Retakaful recoveries against outstanding benefits	12	-	8,094	8,094
Receivable from PTF	12	2,276,315	1,587,478	-
Deferred wakala fee	13	-	3,851,413	2,291,398
Deferred commission expense	14	2,282,079	1,031,083	-
Advance tax	13	1,784,595	1,631,930	515,970
Prepayments	13	-	-	370,947
Bank balances	14	2,530,728	2,360,501	83,556
		37,229,344	34,068,619	4,038,936
		37,229,344	34,068,619	26,351,489
<b>TOTAL ASSETS</b>		<b>60,056,655</b>	<b>56,895,930</b>	<b>37,280,356</b>
<b>FUNDS AND LIABILITIES</b>				
<b>Operator's fund</b>				
Statutory fund		50,000,000	-	-
Accumulated profit		2,693,097	1,757,456	-
<b>Total Operator's fund</b>		<b>52,693,097</b>	<b>51,757,456</b>	<b>-</b>
<b>Participants' takaful fund</b>				
Ceded money		-	500,000	500,000
Accumulated deficit		-	(11,650,484)	(13,866,978)
		-	(11,150,484)	(13,366,978)
Qard-e-hasna from operator's fund	6	-	-	22,827,311
		-	-	22,827,311
<b>LIABILITIES</b>				
<b>Underwriting provisions</b>				
Outstanding claims including IBNR		-	4,206,360	2,736,126
Unearned contribution reserve		-	12,189,886	6,133,249
Unearned commission		-	8,797	19,712
Unearned wakala fees		3,851,413	2,291,398	-
Contribution received in advance	15	-	-	27,424
Takaful / retakaful payables	16	-	-	5,986,449
Payable to OPF	17	-	-	2,276,315
Other creditors and accruals	17	3,512,144	2,727,548	908,298
Provision for taxation		-	119,528	-
		7,363,558	5,138,474	25,603,529
		7,363,558	5,138,474	16,891,156
<b>TOTAL FUND AND LIABILITIES</b>		<b>60,056,655</b>	<b>56,895,930</b>	<b>37,280,356</b>
<b>Contingencies and commitments</b>				
	18			

The annexed notes from 1 to 34 forms an integral part of these condensed interim financial statements.

  
Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

  
Air Vice Marshal Salman  
Ahsan Bokhari (Retd) - Director

  
Adeel Ali  
Director

  
Rizwan Akhtar  
Chief Executive Officer

  
Nisar Ahmed Almani  
Chief Financial Officer



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

### FOR THE THREE MONTHS AND SIX PERIOD ENDED JUNE 30, 2022

		Three months period ended		Six months period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note		(Rupees)			
<b>PTF revenue account</b>					
Contribution earned		4,014,031	1,425,601	6,068,391	3,070,563
Re-takaful contribution ceded		(1,936,451)	(129,632)	(3,490,876)	(1,846,702)
Net contributions revenue	19	2,077,580	1,295,969	2,577,515	1,223,861
Re-takaful rebate earned	20	19,522	10,138	26,520	20,276
Net underwriting income		2,097,102	1,306,107	2,604,035	1,244,137
Net claims - reported / settled - IBNR	21	(399,098)	(335,493)	(1,127,072)	(1,394,025)
Other direct expenses	22	(68,621)	-	(84,609)	-
Surplus / (deficit) before investment income		1,629,383	970,614	1,392,354	(149,888)
Investment income	23	275,400	383,370	802,867	728,337
Other income	24	50,620	47,291	107,231	75,150
Modarib's share of PTF's investment income		-	-	(85,958)	(291,335)
Surplus for the period transferred to accumulated deficit		1,955,403	1,401,275	2,216,494	362,264
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		1,955,403	1,401,275	2,216,494	362,264

The annexed notes from 1 to 34 forms an integral part of these condensed interim financial statements.

Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

Air Vice Marshal Salman  
Ahsan Bokhari (Retd) - Director

Adeel Ali  
Director

Rizwan Akhtar  
Chief Executive Officer

Nisar Ahmed Almani  
Chief Financial Officer



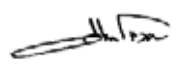
## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2022

		Three months period ended		Six months period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note		(Rupees)			
<b>OPF revenue account</b>					
Wakala fee	25	1,556,223	877,776	2,767,864	1,699,040
Commission expense	26	(982,130)	(433,407)	(1,549,864)	(905,344)
Management expenses	27	(776,107)	(1,088,416)	(1,595,483)	(1,895,145)
		(202,014)	(644,047)	(377,483)	(1,101,449)
Modarib's share of PTF's investment income		-	-	85,958	291,335
Investment income	23	509,341	546,203	1,221,421	1,011,908
Direct expenses	28	(86,670)	(674,680)	(100,170)	(675,517)
Other income	24	51,176	64,339	105,915	75,457
Profit / (loss) before taxation		271,833	(708,185)	935,641	(398,266)
Taxation		-	(10,245)	-	(27,528)
Profit / (loss) after taxation		271,833	(718,430)	935,641	(425,794)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the period		271,833	(718,430)	935,641	(425,794)

The annexed notes from 1 to 34 forms an integral part of these condensed interim financial statements.

  
Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

  
Air Vice Marshal Salman  
Ahsan Bokhari (Retd) - Director


  
Adeel Ali  
Director

  
Rizwan Akhtar  
Chief Executive Officer

  
Nisar Ahmed Almani  
Chief Financial Officer



	Participants' Takaful Fund		
	Ceded Money	Accumulated deficit	Total
	(Rupees)		
Balance as at January 01, 2021	500,000	(12,081,273)	(11,581,273)
Surplus for the period	-	362,264	362,264
Other comprehensive income for the period	-	-	-
Balance as at June 30, 2021	500,000	(11,719,009)	(11,219,009)
<b>Balance as at January 01, 2022</b>	<b>500,000</b>	<b>(13,866,978)</b>	<b>(13,366,978)</b>
Surplus for the period	-	2,216,494	2,216,494
Other comprehensive income for the period	-	-	-
<b>Balance as at June 30, 2022</b>	<b>500,000</b>	<b>(11,650,484)</b>	<b>(11,150,484)</b>

  
Nisar Ahmed Almani  
Chief Financial Officer



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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

		Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		(Rupees)			
OPERATING ACTIVITIES					
a) Takaful activities					
Contribution received		-	-	8,782,314	4,292,403
Re-takaful contributions paid		-	-	(2,909,650)	(286,390)
Claims paid				(2,020,641)	(967,886)
Commissions paid		(1,921,585)	(757,651)	-	-
Re-takaful rebate / commissions received				15,605	-
Re-takaful and other recoveries received		-	-	2,118,542	
Wakala fees received		3,725,000	3,758,045	-	-
Mudarib fee received		-	-	-	-
Wakala fees paid		-	-	(3,725,000)	(3,758,045)
Net cash generated from / (used in) takaful activities		1,803,415	3,000,394	2,261,170	(719,918)
b) Other operating activities					
Management and other expenses paid		(2,498,283)	(2,703,374)	(68,198)	-
Taxes paid		(152,666)	(235,286)	(148,849)	(105,083)
Prepayments		-	-	-	44,435
Other receivables		-	-	-	(104,727)
Other creditors and accruals		-	-	-	84,581
Net cash used in from other operating activities		(2,650,949)	(2,938,660)	(217,047)	(80,794)
Total cash (used in) / generated from operating activities		A	(847,534)61,734	2,044,123	(800,712)
INVESTMENT ACTIVITIES					
Profit / return received		1,017,761	948,400	859,579	803,487
Total cash generated from investing activities		B	1,017,761948,400	859,579	803,487
FINANCING ACTIVITIES					
Qard-e-hasna received / (paid)		-	(1,827,311)	-	1,827,311
Total cash (used in) / generated from financing activities		C	-(1,827,311)	-	1,827,311
Net cash flow from all activities		A+B+C	170,227(817,177)	2,903,702	1,830,086
Cash and cash equivalents at beginning of the period			29,360,50130,919,797	21,135,234	20,713,560
Cash and cash equivalents at end of the period			29,530,72830,102,620	24,038,936	22,543,646



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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	June 30, 2022	June 31, 2021	June 30, 2022	June 31, 2021
	----- (Rupees) -----			
Reconciliation to condensed interim statement of Comprehensive income				
Operating cash flows	(847,534)	61,734	2,044,122	(800,712)
Depreciation / amortisation expense	(263,307)	(31,269)	-	-
Increase / (decrease) in assets other than cash	3,000,735	(1,395,475)	8,126,116	1,019,465
(Increase) / decrease in liabilities	2,281,590	(148,149)	(8,863,842)	(659,976)
Investment and other income - net	1,413,294	1,378,700	824,140	512,152
Modarib's share of investment income	(85,958)	(291,335)	85,958	291,335
Surplus / (deficit) for the period	935,640	(425,794)	2,216,493	362,264

### Definition of cash:

Cash comprise of cash at bank and short term placements with banks which are readily convertible to cash.

### Cash for the purpose of the condensed interim statement of cash flows consist of:

	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	June 30, 2022	June 31, 2021	June 30, 2022	June 31, 2021
	(Rupees)			
Cash and other equivalents	27,000,000	27,000,000	20,000,000	20,000,000
Saving accounts	2,530,728	3,102,620	4,038,936	2,543,646
	<b>29,530,728</b>	<b>30,102,620</b>	<b>24,038,936</b>	<b>22,543,646</b>

The annexed notes from 1 to 32 forms an integral part of these condensed interim financial statements.

Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

Air Vice Marshal Salman  
Ahsan Bokhari (Retd.) - Director

Adeel Ali  
Director

Rizwan Akhtar  
Chief Executive Officer

Nisar Ahmed Almani  
Chief Financial Officer



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

### 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 statements of WTO have 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, General takaful accounting regulation, 2019 and Takaful Rules 2012 shall prevail.

The condensed interim statement of financial position, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in fund for the period does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the WTO for the year ended December 31, 2021.

The condensed interim financial statements 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. Comparative figures of statement of financial position are taken from annual financial statements for the year ended December 31, 2021 and comparatives of statement of comprehensive income, statement of cash flows and statement of changes in equity are taken from unaudited condensed interim financial statement for the period ended June 30, 2021.

#### 2.1 Basis of measurement

The condensed interim financial statements for the period ended June 30, 2022 have been prepared under historic cost basis.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

### 2.2 Functional and presentation currency

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FINANCIAL AND INSURANCE RISK MANAGEMENT

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of annual financial statements of the window takaful operations for the year ended December 31, 2021.

### 4. CRITICAL ACCOUNTING ESTIMATES

In preparing these condensed interim financial statements, the management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the financial statements for the year ended December 31, 2021 except for the following:

#### 4.1 PROPERTY AND EQUIPMENT

##### 4.1.1 Operating fixed assets and right-of-use assets

During the period, the company changed its accounting estimate from straight line method to reducing balance method. Depreciation is charged using reducing balance method from the date the asset is available for use till the date the asset is disposed off. The effect of change in accounting estimate is applied prospectively as required under the International Accounting standard - 8 "Accounting Policies, Changes In Accounting Estimates and Errors".

#### 4.2 Revenue recognition estimate

During the period, the Company changed its computation of calculating unearned portion of the premium to number of the days from the date of issuance of insurance policy i.e. 365 days as against the previous method of 1/24th.

The said change is accounted for as change in estimate and is prospectively applied as per the requirements of IAS 8 "Accounting Policies, Changes In Accounting Estimates and Errors". The said change has impact on unearned contribution reserve, prepaid retakaful contribution, unearned retakaful rebate and deferred commission.

5. 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, 2021.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

June 30,  
2022      December 31,  
2021  
(Rupees)

### 6. QARD-E-HASNA TO PTF

Opening balance of qard-e-hasna	22,827,311	21,000,000
Qard-e-hasna transferred from OPF	-	1,827,311
Closing balance of qard-e-hasna	<u>22,827,311</u>	<u>22,827,311</u>

### 7. EQUIPMENT - OPF

Particulars	Cost			Depreciation				
	As at January 01, 2022	Addition / (disposals)	As at June 30, 2022	As at January 01, 2022	Depreciation for the period	As at June 30, 2022	Written down value as at June 30, 2022	Depreciation Rate
	(Rupees)				(%)			
Motor Vehicle	-	790,000	790,000	-	263,307	263,307	526,693	33.33
Computer hardware	25,000	-	25,000	25,000	-	25,000	-	33.33
	25,000	790,000	815,000	25,000	263,307	288,307	526,693	

	Cost			Depreciation				
Particulars	As at January 01, 2021	Addition / (disposals)	As at December 31, 2021	As at January 01, 2021	Depreciation for the period	As at December 31, 2021	Written down value as at December 31, 2021	Depreciation Rate
	(Rupees)				(%)			
Computer hardware	25,000	-	25,000	21,526	3,474	25,000	-	33.33

### 8. INTANGIBLE ASSET-OPF

	Cost				Depreciation			
Particulars	As at January 01, 2022	Addition / (disposals)	As at June 30, 2022	As at January 01, 2022	Amortization for the period	As at June 30, 2022	Written down value as at June 30, 2022	Depreciation Rate
	(Rupees)				(%)			
Computer software	200,000	-	200,000	200,000	-	200,000	-	33.33

	Cost			Depreciation				
Particulars	As at January 01, 2021	Addition / (disposals)	As at December 31, 2021	As at January 01, 2021	Amortization for the period	As at December 31, 2021	Written down value as at December 31, 2021	Depreciation Rate
	(Rupees)				(%)			
Computer software	200,000	-	200,000	172,205	27,795	200,000	-	33.33



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	OPF		PTF	
	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees)			

### 9. INVESTMENT IN TERM DEPOSITS

#### Held to maturity

Deposits	27,000,000	27,000,000	20,000,000	20,000,000
----------	------------	------------	------------	------------

- 9.1 This represents term deposits with an Islamic Bank having maturities within 6 months and 1 month respectively (i.e. up to October 24, 2022 and July 13, 2022). The rate of return on these term deposits is 11.75% (December 31, 2021 : 7.25%) per annum.

	OPF		PTF	
	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees)			

### 10. OTHER RECEIVABLES

Sindh sales tax	272,660	210,928	-	-
Accrued profit on bank deposits	556,274	246,699	126,027	182,739
GST receivable claims	-	-	13,198	17,024
Other	-	-	40,553	40,553
	828,934	457,627	179,778	240,316

### 11. TAKAFUL / RETAKAFUL RECEIVABLES

#### - Unsecured and considered good

Due from takaful participant holders	-	-	308,892	789,237
Due from other takaful / retakaful operators	-	-	8,293,717	1,334,980
	-	-	8,602,609	2,124,217

### 12. RECEIVABLE FROM PTF

Wakala fee	1,751,856	1,148,977	-	-
Modarib fee	524,459	438,501	-	-
	2,276,315	1,587,478	-	-





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

#### 18. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2022 and as at December 31, 2021.

		PTF	
		Three months period ended	Six months period ended
		June 30, 2022	June 30, 2021
		June 30, 2022	June 30, 2021
		(Un Audited)	
		(Rupees)	

#### 19. NET CONTRIBUTION EARNED

Written gross contribution -PTF	10,196,854	1,982,714	14,892,892	5,078,409
Less: Wakala fee	(1,556,223)	(877,776)	(2,767,864)	(1,699,040)
Contribution net of wakala fee	8,640,631	1,162,147	12,125,028	3,379,369
Add: Unearned contribution reserve opening	7,563,286	4,660,784	6,133,249	4,088,524
Less: Unearned contribution reserve closing	12,189,886	4,397,330	12,189,886	4,397,330
Contribution earned	4,014,031	1,425,601	6,068,391	3,070,563
Less:				
Re-takaful contribution ceded	1,818,277	(13,563)	3,393,148	1,560,262
Add: Prepaid re-takaful contribution opening	201,730	310,254	181,284	453,499
Less: Prepaid re-takaful contribution closing	83,556	167,059	83,556	167,059
Re-takaful expense	1,936,451	129,632	3,490,876	1,846,702
	2,077,580	1,295,969	2,577,515	1,223,861

		PTF	
		Three months period ended	Six months period ended
		June 30, 2022	June 30, 2021
		June 30, 2022	June 30, 2021
		(Un Audited)	
		(Rupees)	

#### 20. RETAKAFUL REBATE EARNED

Commission received or recoverable	8,497	-	15,605	-
Unearned reinsurance commission opening	19,822	21,966	19,712	32,104
Unearned reinsurance commission closing	(8,797)	(11,828)	(8,797)	(11,828)
	19,522	10,138	26,520	20,276

#### 21. NET CLAIMS - REPORTED / SETTLED - IBNR

Claims paid	1,061,319	566,198	1,775,380	967,886
Outstanding claims including IBNR opening	(2,750,039)	(2,831,214)	(2,736,126)	(2,174,370)
Outstanding claims including IBNR closing	4,206,360	2,600,509	4,206,360	2,600,509
Claims expense	2,517,640	335,493	3,245,614	1,394,025



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	PTF			
	Three months period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Un Audited)			
	(Rupees)			
Re-Takaful and Other Recoveries received	2,118,542	-	2,118,542	-
Re-takaful and other recoveries in respect of outstanding claims - opening balance	(8,094)	-	(8,094)	-
Re-takaful and other recoveries in respect of outstanding claims - closing balance	8,094	-	8,094	-
<b>Re-Takaful and other recoveries revenue</b>	<b>2,118,542</b>	<b>-</b>	<b>2,118,542</b>	<b>-</b>
<b>Net Claims Expense</b>	<b>399,098</b>	<b>335,493</b>	<b>1,127,072</b>	<b>1,394,025</b>

### 22. OTHER DIRECT EXPENSES

	Note	(Un Audited)			
		Three months period ended		Six months period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		(Rupees)			
Coinsurance surcharge others	22.1	16,093	-	24,789	-
		52,528	-	59,820	-
		<b>68,621</b>		<b>84,609</b>	

- 22.1** This is the service charges deducted by reinsurers at 2.5% of gross premium revenue on policies in which the Operator is a reinsurer.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

#### 23. INVESTMENT INCOME

	PARTICIPANTS' FUND			
	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees)			
<b>Income from TDRs - held to maturity</b>				
Return on term deposit receipts	<u>275,400</u>	<u>383,370</u>	<u>802,867</u>	<u>728,337</u>

	OPERATOR'S FUND			
	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees)			
Return on term deposit receipts	<u>509,341</u>	<u>546,203</u>	<u>1,221,421</u>	<u>1,011,908</u>

#### 24. OTHER INCOME

	PARTICIPANTS' FUND			
	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees)			
Return on saving accounts	<u>50,620</u>	<u>47,291</u>	<u>107,231</u>	<u>75,150</u>

	OPERATOR'S FUND			
	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees)			
Return on saving accounts	<u>51,176</u>	<u>64,339</u>	<u>105,915</u>	<u>71,963</u>
Others	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,494</u>
	<u>51,176</u>	<u>64,339</u>	<u>105,915</u>	<u>75,457</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

		OPF	
		(Un-audited)	
		Three months period ended	Six months period ended
		June 30, 2022	June 30, 2021
		(Rupees)	
25. <b>WAKALA FEE</b>			
Gross wakala fee		2,428,536	1,835,189
Unearned wakala fee opening		2,979,100	1,493,084
Unearned wakala fee closing		(3,851,413)	(1,629,233)
<b>Wakala expense</b>		<b>1,556,223</b>	<b>1,699,040</b>

		OPF	
		(Un-audited)	
		Three months period ended	Six months period ended
		June 30, 2022	June 30, 2021
		(Rupees)	
26. <b>COMMISSION EXPENSE</b>			
Commission paid or payable		1,963,199	950,929
Deferred commission opening		1,301,010	744,434
Deferred commission closing		(2,282,079)	(790,019)
		<b>982,130</b>	<b>905,344</b>

27. <b>MANAGEMENT EXPENSES</b>			
Salaries, wages and benefits		195,600	513,597
Depreciation / amortisation		263,307	31,269
Shariah advisory fee		1	566,670
Software maintenance		220,000	375,000
Business acquisition cost		97,200	-
Others		-	15,400
Common expenses - conventional		-	393,209
		<b>776,107</b>	<b>1,895,145</b>

28. <b>DIRECT EXPENSES</b>			
Auditor's remuneration		86,670	674,100
Printing and stationery		-	-
Others		-	1,417
		<b>86,670</b>	<b>675,517</b>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

#### 29. SEGMENT INFORMATION

For the six months period ended June 30, 2022

	Fire and property damages	Marine, aviation & transport	Motor	Miscellaneous	Aggregate
	(Un-audited)				
	(Rupees)				
<b>29.1 Participants' Takaful Fund (PTF)</b>					
Contribution written (inclusive of federal) Excise duty, federal insurance fee, and administrative surcharge)	3,114,370	1,014,855	11,043,062	1,449,249	16,621,536
Federal excise duty	(322,437)	(71,203)	(1,028,259)	(168,032)	(1,589,931)
Federal insurance fee	(20,507)	(5,493)	(65,596)	(10,610.00)	(102,206)
Stamp duty	(500)	(25,448)	(2,220)	(2,560.00)	(30,728)
Advance tax	-	-	(3,514)	-	(3,514)
Gross written contribution (inclusive of Administrative Surcharges)	2,770,926	912,711	9,943,473	1,268,047	14,895,157
Gross contribution direct	2,735,170	886,546	9,728,721	1,217,215	14,567,652
Admin surcharge	35,756	26,165	214,752	48,567	325,240
Net contribution earned	1,475,262	671,270	6,393,263	296,460	8,836,255
Wakala fees	(390,885)	(188,933)	(2,130,075)	(57,972)	(2,767,864)
Re-takaful contribution ceded	(1,592,003)	(774,345)	(829,142)	(295,386)	(3,490,876)
Net takaful contribution	(507,627)	(292,008)	3,434,046	(56,897)	2,577,515
Re-takaful rebate earned	18,427	-	8,094	-	26,520
Operation income	(489,200)	(292,008)	3,442,140	(56,897)	2,604,035
Claim expense	-	-	(3,245,614)	-	(3,245,614)
Re-takaful & other recoveries revenue	-	-	2,118,542	-	2,118,542
Net claims	-	-	(1,127,072)	-	(1,127,072)
Direct expense	(14,126)	(6,428)	(61,217)	(2,839)	(84,609)
Net takaful claim & expense	(14,126)	(6,428)	(1,188,289)	(2,839)	(1,211,681)
Surplus before investment income	(503,326)	(298,436)	2,253,851	(59,736)	1,392,354
Net investment income					802,867
Other income					107,231
Mudarib fee					(85,958)
Surplus for the period					2,216,494
The following presents segments assets and liabilities as at June 30, 2022 of PTF:					
<b>Segment assets</b>	2,317,157	763,245	8,315,123	1,058,497	12,454,022
<b>Unallocated assets</b>					24,826,334
					37,280,356
<b>Segment liabilities</b>	2,317,157	763,245	8,315,123	1,058,497	12,454,022
<b>Unallocated liabilities</b>					13,149,507
					25,603,529



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

### 29.2 Operator's fund

For the six months period ended June 30, 2022

	Fire and property damages	Marine, aviation & transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Wakala fee	390,885	188,933	2,130,075	57,972	2,767,864
Commission expense	(436,512)	(146,685)	(898,404)	(68,264)	(1,549,864)
Management expense	(266,375)	(121,205)	(1,154,374)	(53,529)	(1,595,483)
					(377,483)
Investment income					1,221,421
General and administration expenses					(100,170)
Other Income					105,915
Mudarib fee					85,958
Profit before taxation					935,641
<b>The following presents segments assets and liabilities as at June 30, 2022</b>					
	848,121	279,361	3,043,483	387,426	4,558,391
Segment assets					55,498,264
Unallocated assets					60,056,655
	716,582	236,034	2,571,456	327,341	3,851,413
Segment liabilities					3,512,145
Unallocated liabilities					7,363,558



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

#### SEGMENT INFORMATION

	For the six months period ended June 30, 2021 (un-Audited)				
	Fire and property damages	Marine, aviation & transport	Motor	Miscellaneous	Aggregate
	<b>(Rupees)</b>				
Participants' Takaful Fund (PTF)	1,007,302	580,373	4,328,460	-	5,916,135
Contribution written (inclusive of federal Excise duty, federal insurance fee, and administrative surcharge)					
Federal excise duty	(137,730)	(76,129)	(567,480)	-	(781,339)
Federal insurance fee	(8,608)	(4,954)	(37,206)	-	(50,768)
Stamp duty	(150)	(3,999)	(1,470)	-	(5,619)
Gross written contribution (inclusive of Administrative Surcharges)	860,814	495,291	3,722,304	-	5,078,409
Gross contribution direct	847,099	471,903	3,598,680	-	4,917,682
Admin surcharge	13,715	23,388	123,624	-	160,727
Takaful contribution earned	611,353	707,350	3,407,899	43,001	4,769,603
Wakala fee	(178,550)	(202,140)	(1,303,926)	(14,424)	(1,699,040)
Re-takaful expense	(487,911)	(535,059)	(576,390)	(247,342)	(1,846,702)
Net takaful contribution	(55,108)	(29,849)	1,527,583	(218,765)	1,223,860
Retakaful rebate earned	-	-	-	-	-
Operation income	(55,108)	(29,849)	1,527,583	(218,765)	1,223,860
Claim expense	(415,000)	-	(979,025)	-	(1,394,025)
Re-takaful & other recoveries revenue	-	-	-	-	-
Net Claims	(415,000)	-	(979,025)	-	(1,394,025)
Direct expense	-	-	-	-	-
Net takaful claim & expense	(415,000)	-	(979,025)	-	(1,394,025)
Surplus/(deficit) before investment income (restated)	(470,108)	(29,849)	548,558	(218,765)	(170,164)
Net investment income					728,337
Other income					75,150
Mudarib fee					291,335
Surplus for the period					924,658
The following presents segments assets and liabilities as at December 31, 2021 of PTF:					
Segment assets	566,590	323,946	3,502,071	22,619	4,415,226
Unallocated assets					21,936,236
					26,351,489
Segment liabilities	1,672,608	654,879	10,899,337	94,581	13,321,405
Unallocated liabilities					13,569,751
					16,891,156



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

### FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

	For the six months period ended June 30, 2021 (un-Audited)				
	Fire and property damages	Marine, aviation & transport	Motor	Miscellaneous	Aggregate
	(Rupees)				
<b>Operator's fund</b>					
Wakala fee income	178,550	202,140	1,303,926	14,424	1,699,040
Commission expense	(217,867)	(201,216)	(457,745)	(8,240)	(885,068)
Management expense	(242,914)	(281,057)	(1,354,088)	(17,086)	(1,895,145)
					(1,081,173)
Investment income					1,011,908
General and administration expenses					(675,517)
Other Income					75,457
Mudarib fee					291,335
Profit before taxation					(377,990)
The following presents segments assets and liabilities as at December 30, 2021					
Segment assets	336,223	192,107	2,076,809	13,412	2,618,551
Unallocated assets					54,277,379
					56,895,930
Segment liabilities	294,223	168,105	1,817,332	11,738	2,291,398
Unallocated liabilities					2,847,076
					5,138,474

### 30. 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.

### 31. 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 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).



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022

As at June 30, 2022 there were no financial assets or liabilities which can be classified under the above levels. The carrying value of financial instruments approximate their fair values.

### 32. DATE OF AUTHORISATION OF ISSUE

These condensed interim financial statement were authorised for issue on August 29, 2022 by the Board of Directors of the Operator.

### 33. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, to facilitate comparisons.

### 34. GENERAL

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

Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

Air Vice Marshal Salman  
Ahsan Bokhari (Retd) - Director

Adeel Ali  
Director

Rizwan Akhtar  
Chief Executive Officer

Nisar Ahmed Almani  
Chief Financial Officer



## HEAD OFFICE & BRANCH NETWORK

### Head Office

10th Floor, Shaheen Complex M. R. Kayani Raod, Karachi-74200

Tel # 32630370-75, 322139850-51 Fax # 32626674

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

URL: [www.shaheeninsurance.com](http://www.shaheeninsurance.com)

UAN: (021) 111-765-111

### Karachi Corporate Branch

Branch Head - Mr. Sohail N. Kidwai, Chief Marketing Officer

Office No. 1001, 1014, Block B, 10th Floor,

Saima Trade Tower, I.I Chundrigar Road, Karachi

Tel: 021 32650031-3

Email: [sohail.kidwai@shaheeninsurance.com](mailto:sohail.kidwai@shaheeninsurance.com)

### 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: [lah\\_zone@shaheeninsurance.com](mailto:lah_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](mailto: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](mailto: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: [fad@shaheeninsurance.com](mailto:fad@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](mailto: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](mailto: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](mailto: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: [lah\\_corporate@shaheeninsurance.com](mailto:lah_corporate@shaheeninsurance.com)

### Peshawar

Branch Manager - Gauhar Aziz

Office # C3, Jasmine Arcade

Fakhr-e-Alam Road, Peshawar, Cantt.

Email: [psw@shaheeninsurance.com](mailto:psw@shaheeninsurance.com)

Tel: 091 5273122, Mobile # 0333 9201088

### 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](mailto: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

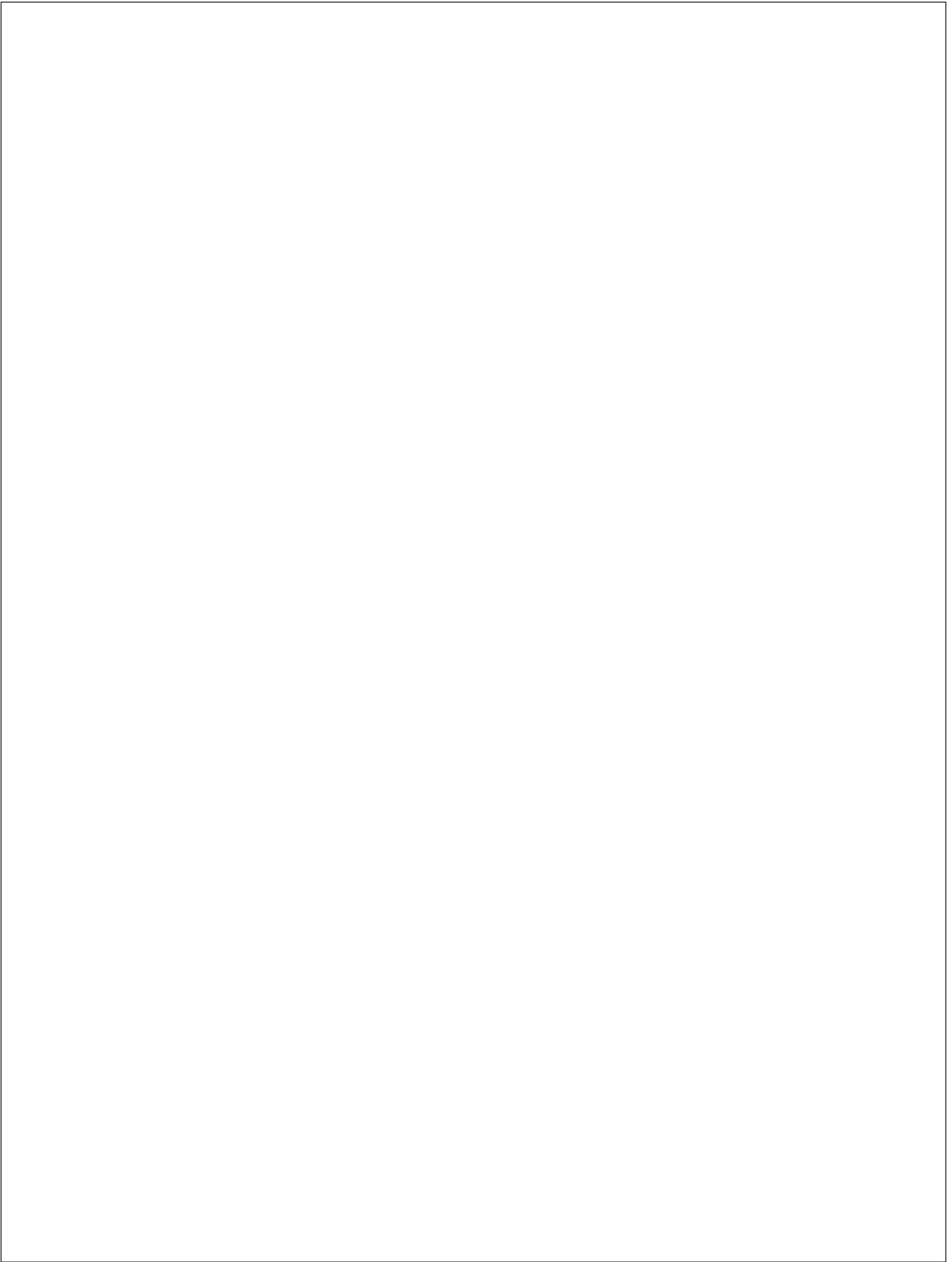
Email: [nadeemawan1975@gmail.com](mailto:nadeemawan1975@gmail.com)

### Lahore Takaful

Office # 4-B, 6th Floor, Shaheen Complex

38, Abbott Road, Lahore.

Mobile # 0300 9670624





10th Floor, Shaheen Complex  
M.R. Kayani Road, Karachi-74200

Tel: (9221) 3263 0370-75 (06 Lines)  
(9221) 32213950-51 (02 Lines)

Fax: (9221) 32626674  
Web: [www.shaheeninsurance.com](http://www.shaheeninsurance.com)