



# HALF YEARLY REPORT

Half Year Ended June 30, 2023  
(Un-audited)

SIGN OF PROTECTION

**SHAHEEN INSURANCE COMPANY LIMITED**



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# 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. Muhammad 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

Chairperson

Member

Member

Secretary

## LEGAL ADVISOR

Allied Law Group

## AUDITORS

BDO Ebrahim & Co.

Chartered Accountants

## SHARIAH ADVISOR

Mufti Bilal Ahmed Qazi

## COMPLIANCE OFFICER

Mr. Danish Khalid

## SHARIAH COMPLIANCE OFFICER

Mr. Zafar Husnain

## HEAD OF INTERNAL AUDIT (COORDINATOR)

Mr. Sayyam Maqsood

## INTERNAL AUDITOR

Shaheen Foundation

## 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 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

Dubai Islamic Bank Pakistan Ltd.

## BANKS TAKAFUL

Bank Islami Limited

Meezan Bank Limited

Dubai Islamic Bank Pakistan Ltd.



## 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 it 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 June 30, 2023 rose to Rs.782.51 million.

In view of strong backing of sponsors, capital base, prudent underwriting, efficient claims management and consistently sound financial position of the Company, PACRA has reiterated 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,

The Directors of the Company are pleased to present the half yearly Report together with the financial statements (unaudited) for the half year ended June 30, 2023.

### GENERAL ECONOMIC REVIEW

Pakistan is suffering severely from the prolonged weakening economic conditions, lowering GDP, weak law & order situation, political instability and continued high inflation. Pakistan, with all its resources and opportunities, cannot afford to continue to muddle through economically any longer, but needs a better, functioning, and a prosperous economy. And our country needs this without any further delay and in our view, Pakistan requires an independent economic policy with loyalty which should be free from politics and party affiliation, if we want to see Pakistan flourish.

Conditions for the insurance industry also continues to be challenging viz-a-viz our economy but industry is growing steadily. We are fully aware of the challenges & changes taking place in the insurance industry, and are fully equipped to benefit from all such environment.

### COMPANY'S PERFORMANCE – OPERATIONAL RESULTS FOR THE HALF YEAR 2023

Despite poor economic & political conditions and long prevailing uncertainty during the 1st half year ended June 30, 2023 your Company's overall business has demonstrated a robust growth of 108% compared with the previous corresponding period as described below;

Business Segment	Gross Premium 1H 2023 Rs. in Thousand	Gross Premium 1H 2022 Rs. in Thousand	%age Growth
Conventional Business	359,693	172,364	109%
Takaful (WTO) Business	28,997	14,892	95%
Total Business	388,690	187,256	108%

Your Company underwrote gross premium of Rs.388.69 Million inclusive of Takaful Contribution of Rs.28.99 million during the 1st half year ended June 30, 2023 as against Rs.187.26 million including Takaful Contribution of Rs.14.89 million of 1H 2022 showing an overall increase of 108%.

The net premium revenue from conventional business increased to Rs.216.84 million during the 1st half under review against Rs.105.91 million during the corresponding period of 2022. Net claims incurred during the 1H period of 2023 were Rs.72.46 million against Rs.23.52 million in 1H 2022 and expenses rose from Rs.62.06 million to Rs.91.45 million in the 1H 2023 mainly due to inflation and increase in expenses related to increase in business volumes.

Your Company has earned profits from its core lines of business showing an underwriting profit of Rs.10.29 million during the 1st half year ended 30 June 2023 in comparison of underwriting loss of (Rs.1.63) million during corresponding period of 2022.

Investment Income of the company registered an increase of more than 60% mainly due to rise in interest rates by the SBP. Profit from Window Takaful Operations contributed profit before tax of Rs.3.56 million during the 1st half 2023 (1H 2022: Rs.0.93 million).



During the 1st half ended 30th June 2023 profit before tax rose to Rs.70.80 million against Rs.35.46 million during corresponding period of last year. The net profit after tax also grew to Rs.51.45 million in the 1H 2023 from Rs.27.04 million of 1H 2022 showing an increase of 90% if compared with the preceding period. Earnings per share (EPS) stood at Rs.0.86 per share as at 30th June 2023 (1H 2022: Rs.0.45 per share).

The comparative financial highlights of your Company for the period ended June 30, 2023 are as under:-

Profit & Loss Account	1H 2023 Rs. in Million	1H 2022 Rs. in Million	%age Inc/(Dec)
Gross Premium (including window takaful operations)	<b>388.69</b>	187.26	108%
Net Premium	<b>216.83</b>	105.90	105%
Net Incurred Claims (including IBNR)	<b>72.45</b>	23.51	208%
Management Expenses	<b>91.45</b>	62.06	47%
Underwriting Profit	<b>10.29</b>	(1.63)	731%
Profit from WTO	<b>3.56</b>	0.93	283%
Investment Income	<b>61.26</b>	37.71	62%
Profit before tax	<b>70.80</b>	35.46	100%
Profit after tax	<b>51.45</b>	27.04	90%
Earnings per share (EPS)	<b>0.86</b>	0.45	91%

Your Company is taking all possible measures for business expansion and we look forward with confidence in meeting the challenges and opportunities in the coming periods.

#### Future Outlook & Challenges

Although, overall economic conditions are adverse especially in wake of worsening economic & political situation but we are hopeful that this difficult times will end soon and our country will be back on the development track. General elections are expected to be held soon and till the time new government gets in power, uncertainty will prevail and economic conditions continues to remain challenging.

Despite all the challenges your company is steadily growing. We look forward with confidence in meeting the challenges and new opportunities. We are confident that your company will perform well and will capitalize the opportunities to excel its performance during the upcoming periods.

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 personalized services, hard-work, dedication & commitment for the best of your Company.

**Rizwan Akhtar**  
Chief Executive Officer

August 18, 2023

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



آپ کی کمپنی کاروبار کی توسیع کے لیے تمام ممکنہ اقدامات کر رہی ہے جس میں کنسورشیم کی بنیاد پر ہماری صلاحیتیں فراہم کر کے دوسرے تجارتی اداروں کے ساتھ ہاتھ ملانے تک محدود نہیں ہے۔ ہم آنے والے ادوار میں چیلنجوں اور مواقع کا مقابلہ کرنے کے لیے اعتماد کے ساتھ منتظر ہیں۔

### مستقبل کا آؤٹ لک اور چیلنجز:

اگرچہ مجموعی بگڑتے ہوئے معاشی اور سیاسی حالات کے پیش نظر اثرات منفی ہیں لیکن ہمیں امید ہے کہ یہ مشکل وقت جلد ختم ہو جائے گا اور ہمارا ملک دوبارہ ترقی کی راہ پر گامزن ہو جائے گا۔ عام انتخابات جلد ہونے کی توقع ہے اور نئی حکومت کے اقتدار میں آنے تک غیر یقینی صورتحال برقرار رہے گی اور معاشی حالات بدستور چیلنجنگ رہیں گے۔

انشورنس کمپنیوں کے درمیان مسابقت کے علاوہ، بینکوں کی جانب سے متعصبانہ بینک لمیٹڈ پالیسیاں نام نہاں بینک لمیٹڈ اور ڈی لسٹنگ اور نان لسٹنگ کی پالیسیاں تمام کمپنیوں کو برابری کا میدان فراہم نہیں کر رہیں اور شاہین انشورنس کو بھی اس غیر مساوی پالیسی سے محروم رکھا جا رہا ہے۔ بینکوں اور مالیاتی اور غیر مالیاتی اداروں کی طرف سے مگر آپ کی انتظامیہ مشکل وقت میں کمپنی کی کارکردگی کو بہتر بنانے کے لیے سخت محنت کر رہی ہے اس امید کے ساتھ کہ نئی حکومت کاروباری برادری کا اعتماد حاصل کرنے اور معاشی سرگرمیوں کو فروغ دینے کے لیے طویل مدتی اور مستقل پالیسیاں بنائے گی۔

تمام چیلنجوں کے باوجود آپ کی کمپنی مسلسل ترقی کر رہی ہے اور اپنے کاروبار کی توسیع کے لیے تمام ممکنہ اقدامات کر رہی ہے۔ ہم چیلنجوں اور نئے مواقع کا مقابلہ کرنے کے لیے اعتماد کے ساتھ منتظر ہیں۔ ہمیں یقین ہے کہ آپ کی کمپنی اچھی کارکردگی کا مظاہرہ کرے گی اور آنے والے ادوار میں اپنی کارکردگی کو بہتر بنانے کے مواقع سے فائدہ اٹھائے گی۔

ہم اپنے قابل قدر کسٹمرز کی سرپرستی اور غیر متزلزل حمایت کے لیے ان کا شکریہ ادا کرتے ہیں اور ایس ای سی پی، ایس بی پی، پیکرا، ری انشوررز کے مسلسل تعاون، رہنمائی اور مدد کے لیے ان کے شکر گزار ہیں۔ ہم ٹیم شاہین گوان کی ذاتی خدمات، محنت، لگن اور کمپنی کے لیے بہترین عزم کے لیے بھی سراہتے ہیں۔

رضوان اختر  
چیف ایگزیکٹو آفیسر

ایمر ریشل محمد عارف پرویز (ریٹائرڈ)  
چیرمین

18 اگست 2023





طور پر 108 فیصد اضافہ دکھا رہا ہے۔

قلمرو پر بیمہ کی آمدنی پہلی ششماہی 2022 کی اسی مدت کے دوران 105.91 لین روپے کے مقابلے میں بڑھ کر 216.84 ملین روپے تک پہنچ گئی۔ 2023 کی پہلی ششماہی کی مدت کے دوران ہونے والے صافی دعوے 23.52 روپے کے مقابلے میں 72.46 ملین روپے تھے۔ 2022 کی پہلی ششماہی کے مقابلے میں اخراجات 2023 کی اسی مدت میں 91.45 لین سے بڑھ کر 62.06 ملین روپے تک پہنچ گئے جس کی بنیادی وجہ افراط زر اور اور کاروباری حجم میں اضافہ ہے۔

آپ کی کمپنی نے 30 جون 2023 کو ختم ہونے والی پہلی ششماہی کی مدت کے دوران 10.29 ملین روپے کا انڈر رائٹنگ منافع اپنے بنیادی کاروبار سے کمایا ہے جو کہ 2022 کی اسی مدت کے دوران (1.63) ملین کے انڈر رائٹنگ نقصان تھا۔

کمپنی کی سرمایہ کاری کی آمدنی میں 70 فیصد سے زیادہ کا اضافہ ہوا جس کی بنیادی وجہ اسٹیٹ بینک کی جانب سے شرح سود میں اضافہ ہے۔ ونڈ وٹکافل آپریشنز کے منافع نے پہلی ششماہی 2023 کے دوران 3.56 ملین روپے کے ٹیکس سے پہلے منافع کمایا۔ (2022 پہلی ششماہی 0.93 ملین روپے)۔ 30 جون 2023 کو ختم ہونے والی پہلی ششماہی کے دوران ٹیکس سے پہلے کا منافع گزشتہ سال کی اسی مدت کے 35.46 ملین روپے کے مقابلے میں بڑھ کر 70.80 ملین روپے ہو گیا۔ ٹیکس کے بعد کا خالص منافع بھی پہلی ششماہی 2023 میں 51.45 ملین روپے تک بڑھ گیا جو کہ 2022 کی پہلی ششماہی 27.04 ملین روپے تھا جو کہ گزشتہ مدت کے مقابلے میں 90 فیصد کی بڑھوتری ظاہر کرتا ہے۔ 30 جون 2023 تک فی حصص آمدنی (ای پی ایس) 0.86 روپے فی شیئر رہی (2022 فی حصص آمدنی 0.45 فی شیئر)۔

30 جون 2023 کو ختم ہونے والی پہلی ششماہی کے لیے آپ کی کمپنی کے انشورنس کے نتائج کا خلاصہ درج ذیل ہے۔

منافع اور نقصان کا حساب	پہلی ششماہی 2023 (ملین)	پہلی ششماہی 2022 (ملین)	مجموعی اضافہ/کمی
قلمرو مجموعی پر بیمہ	388.69	187.26	108%
پر بیمہ کی صافی آمدنی	216.83	105.90	105%
صافی دعوے (بشمول آئی بی این آر)	72.45	23.51	47%
انتظامی اخراجات	91.45	62.06	47%
انڈر رائٹنگ سے نفع	10.29	(1.63)	731%
ونڈ وٹکافل آپریشنز سے نفع	3.56	0.93	283%
سرمایہ کاری کی آمدنی	61.26	37.71	62%
نفع قبل از ٹیکس	70.80	35.46	100%
نفع بعد از ٹیکس	51.45	27.04	90%
آمدنی فی شیئر (روپے)	0.86	0.45	91%



## ڈائریکٹرز کا تبصرہ

شیر ہولڈرز

شاہین انشورنس کمپنی لمیٹڈ،

ڈائریکٹرز مسرت کے ساتھ 30 جون 2023 کو اختتام پذیر ششماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔

### عمومی اقتصادی جائزہ:

پاکستان طویل عرصے سے کمزور معاشی حالات، جی ڈی پی میں کمی، امن و امان کی کمزور صورتحال، سیاسی عدم استحکام اور مسلسل بلند افراط زر سے شدید متاثر ہے۔ پاکستان اپنے تمام وسائل اور مواقع کے ساتھ معاشی طور پر مزید اچھے کا تحمل نہیں ہو سکتا لیکن اسے ایک بہتر، فعال اور خوشحال معیشت کی ضرورت ہے۔ اور ہمارے ملک کو بغیر کسی تاخیر کے اس کی ضرورت ہے اور ہماری نظر میں پاکستان کو وفاداری کے ساتھ ایک آزاد معاشی پالیسی کی ضرورت ہے جو سیاست اور جماعتی وابستگی سے پاک ہو، اگر ہم پاکستان کو پھلتا پھولتا دیکھنا چاہتے ہیں۔

انشورنس انڈسٹری کے حالات بھی ہماری معیشت کے لیے بدستور چیلنجنگ ہیں لیکن صنعت مسلسل ترقی کر رہی ہے۔ ہم انشورنس انڈسٹری میں ہونے والے چیلنجوں اور تبدیلیوں سے پوری طرح واقف ہیں، اور ایسے تمام ماحول سے فائدہ اٹھانے کے لیے پوری طرح لیس ہیں۔

### کمپنی کی کارکردگی - سال 2023 کے آپریشنل نتائج:

30 جون 2023 کو ختم ہونے والی پہلی ششماہی کے دوران خراب معاشی اور سیاسی حالات اور طویل غیر یقینی صورتحال کے باوجود آپ کی کمپنی کے مجموعی کاروبار نے گزشتہ اسی مدت کے مقابلے میں 108 فیصد کی مضبوط ترقی کا مظاہرہ کیا ہے جیسا کہ ذیل میں بیان کیا گیا ہے۔

کاروبار	مجموعی پربیم پہلی ششماہی 2023 (ہزار)	مجموعی پربیم پہلی ششماہی 2022 (ہزار)	مجموعی اضافہ
کنٹریٹل کاروبار	359,693	172,634	109%
ونڈ وٹکافل کاروبار	28,997	14,892	95%
کل کاروبار	388,690	187,256	108%

آپ کی کمپنی نے 30 جون 2023 کو ختم ہونے والی پہلی ششماہی کے دوران 28.99 ملین روپے کے تکافل کنٹریبیوشن سمیت 388.69 ملین روپے کا مجموعی پربیم لکھا جبکہ 187.26 ملین روپے کا تکافل کنٹریبیوشن بھی شامل ہے جس میں 2022 کی پہلی ششماہی میں 14.89 ملین روپے کا ہے جو کہ مجموعی



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## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of SHAHEEN INSURANCE COMPANY LIMITED ("the Company") as at June 30, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed Interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the six month period then ended (here-in-after referred as the "interim financial statement"). Management is responsible for the preparation and presentation of this interim financial statement in accordance with accounting and reporting standards as applicable in Pakistan for Interim financial reporting. Our responsibility is to express a conclusion on this 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 Statement Performed by the Independent Auditor of the Entity." A review of interim financial statement 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 interim financial statement as at and for the six month period ended June 30, 2023 is not prepared, in all material respects, in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matter

The figures of the unconsolidated condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended June 30, 2023 and June 30, 2022 have not been reviewed, and we do not express a conclusion on them.

The financial statements of the Company for the year ended December 31, 2022 were audited and the condensed Interim financial statement for the half year ended June 30, 2022 were reviewed by another firm of chartered accountants who have expressed an unmodified opinion and unmodified conclusion thereon vide their reports dated March 30, 2023 and August 29, 2022 respectively.

The engagement partner on the review resulting in this Independent, auditor's review report is Zulfikar Ali Causer.

Karachi  
Date: August 18, 2023  
UDIN: RR202310067bftVR41m3

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**BDO EBRAHIM & CO.**  
**CHARTERED ACCOUNTANTS**



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

AS AT JUNE 30, 2023

	Note	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
		(Rupees)	
<b>ASSETS</b>			
Property and equipment	6	68,779,411	55,078,741
Investment properties	7	167,050,569	167,050,569
Investments			
Equity securities	8	120,942,116	164,245,041
Debt securities	9	136,578,542	83,071,470
Term deposits	10	382,779,290	364,779,290
Advances, deposits and other receivables	11	22,683,429	17,596,161
Insurance / reinsurance receivables	12	218,144,691	122,577,054
Reinsurance recoveries against outstanding claims		62,099,353	46,299,007
Deferred commission expense	22	28,560,219	26,062,948
Taxation-payment less provision		-	4,089,774
Prepaid reinsurance premium ceded		21,609,179	14,560,355
Cash and bank	13	197,150,650	105,704,583
Total assets of Window Takaful Operations - Operator's Fund		73,199,894	66,323,667
<b>Total Assets</b>		<b>1,499,577,343</b>	<b>1,237,438,660</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to the company's equity holders</b>			
Share capital	14	600,000,000	600,000,000
Reserves	15	22,999,172	23,863,126
Unappropriated profit		159,515,428	108,063,726
<b>Total Equity</b>		<b>782,514,600</b>	<b>731,926,852</b>
<b>LIABILITIES</b>			
Underwriting provisions			
Outstanding claims including IBNR	21	166,748,376	128,962,567
Unearned premium reserves	20	173,577,645	156,749,372
Premium deficiency reserves		337,245	337,245
Unearned reinsurance commission	22	1,680,046	2,323,817
		342,343,312	288,373,002
Lease liabilities against right-of-use-asset	16	20,741,655	19,315,492
Premium received in advance		2,812,698	1,095,173
Insurance / reinsurance payables	17	107,038,459	54,770,246
Other creditors and accruals	18	219,060,871	128,053,459
Unclaimed dividend		1,823,901	1,840,186
Taxation - provision less payments		7,863,359	-
Total liabilities of window takaful operations - Operator's Fund		15,378,488	12,064,251
<b>TOTAL LIABILITIES</b>		<b>717,062,743</b>	<b>505,511,808</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,499,577,343</b>	<b>1,237,438,660</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	19		

The annexed notes from 1 to 32 form an integral part of these financial statements

Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

Air Cdre. Tausif Sadiq  
(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 SIX MONTHS PERIOD ENDED JUNE 30, 2023

Note	Three months period ended		Six months period ended		
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	
	Un-audited (Rupees)				
Net insurance premium	20	127,740,009	62,018,760	216,837,064	105,904,616
Net insurance claims	21	(45,492,473)	(11,790,962)	(72,459,327)	(23,515,711)
Net commission expense	22	(22,906,975)	(14,385,845)	(42,634,559)	(21,964,842)
Insurance claims and acquisition expenses		(68,399,448)	(26,176,807)	(115,093,886)	(45,480,553)
Management expenses		(51,295,727)	(30,784,830)	(91,451,479)	(62,061,275)
Underwriting results		8,044,834	5,057,123	10,291,700	(1,637,212)
Investment income	23	31,481,203	21,155,227	53,784,150	32,595,691
Rental income		517,183	470,167	1,034,365	1,325,335
Other income		2,768,059	855,707	6,444,480	3,793,939
Other expenses	24	(2,475,974)	(368,418)	(2,987,022)	(368,418)
Profit before tax from window takaful operations - OPF		1,721,918	265,591	3,561,990	935,641
<b>Results of operating activities</b>		<b>42,057,223</b>	<b>27,435,396</b>	<b>72,129,663</b>	<b>36,644,975</b>
Finance charges against lease liabilities		(851,422)	(1,720,077)	(1,324,458)	(1,179,425)
<b>Profit before tax</b>		<b>41,205,801</b>	<b>25,715,319</b>	<b>70,805,205</b>	<b>35,465,550</b>
Taxation	25	(11,437,164)	(6,121,554)	(19,353,503)	(8,418,137)
<b>Profit after tax</b>		<b>29,768,637</b>	<b>19,593,765</b>	<b>51,451,702</b>	<b>27,047,413</b>
Earnings per share - basic and diluted	29	0.50	0.33	0.86	0.45

The annexed notes from 1 to 32 form an integral part of these financial statements

Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

Air Cdre. Tausif Sadiq  
(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 SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Un-audited			
	(Rupees)			
Profit after tax	29,768,637	19,593,765	51,451,702	27,047,413
Items that may be reclassified subsequently to profit and loss:				
Unrealised loss on available-of-sale investment	(1,419,127)	(3,842,186)	(863,954)	(2,466,545)
Total comprehensive income for the period	<u>28,349,510</u>	<u>15,751,579</u>	<u>50,587,748</u>	<u>24,580,868</u>

The annexed notes from 1 to 32 form an integral part of these financial statements

Air Marshal Muhammad Arif Pervaiz (Retd.) - Chairman

Air Cdre. Tausif Sadiq (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, 2023

### ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS

	Share capital	Revenue reserves	Unrealised gain on available-for-sale investments	Unappropriated profit	Total Equity
	----- (Rupees) -----				
Balance as at January 1, 2022	600,000,000	20,000,000	12,604,759	54,622,464	687,227,223
Profit for the 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</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>
Balance as at January 1, 2023	600,000,000	20,000,000	3,863,126	108,063,726	687,227,223
Profit for the period ended June 30, 2023	-	-	-	51,451,702	51,451,702
Other comprehensive loss	-	-	(863,954)	-	(863,954)
<b>Total comprehensive income for the period</b>	-	-	(863,954)	51,451,702	50,587,748
Balance as at June 30, 2023	<b>600,000,000</b>	<b>20,000,000</b>	<b>2,999,172</b>	<b>159,515,428</b>	<b>737,814,971</b>

The annexed notes from 1 to 32 form an integral part of these financial statements

Air Marshal Muhammad Arif Pervaiz (Retd.) - Chairman

Air Cdre. Tausif Sadiq (Retd.) - Director

Adeel Ali  
Director

Rizwan Akhtar  
Chief Executive Officer

Nisar Ahmed Almani  
Chief Financial Officer



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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

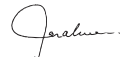
	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
<b>OPERATING CASHFLOW</b>		
<b>a) Underwriting activities</b>		
Insurance premiums received	352,758,906	165,797,512
Reinsurance premiums paid	(80,808,352)	(56,696,073)
Claims paid	(236,567,064)	(52,325,968)
Reinsurance and other recoveries received	186,093,200	17,657,244
Commission paid	(48,844,489)	(25,951,306)
Commission received	5,711,906	1,844,061
Net cash flows generated from underwriting activities	178,344,108	50,325,470
<b>b) Other operating activities</b>		
Income tax paid	(6,809,567)	(4,554,145)
Finance cost paid	-	-
Management and administration expenses paid	(76,803,370)	(45,151,671)
Net cash used in other operating activities	(83,612,937)	(49,705,816)
<b>Total cash generated from all operating activities</b>	<b>94,731,171</b>	<b>619,654</b>
<b>INVESTMENT ACTIVITIES</b>		
Investment income received	55,837,054	26,361,697
Rentals received	-	385,000
Payments for investments - net	(10,204,147)	(2,734,155)
Fixed capital expenditure	(23,503,426)	(11,768,605)
Proceeds from disposal of property and equipment	14,500	6,295,581
<b>Total cash generated from investing activities</b>	<b>22,143,981</b>	<b>18,539,518</b>
<b>FINANCING ACTIVITIES</b>		
Financial charges paid	-	(135,832)
Dividend Paid	(16,285)	-
Principal repayment of lease liabilities against right-of-use-assets	(7,412,800)	(6,676,359)
<b>Total cash (used in) / generated from financing activities</b>	<b>(7,429,085)</b>	<b>(6,812,191)</b>
<b>Net cash generated from all activities</b>	<b>109,446,067</b>	<b>12,346,981</b>
Cash and cash equivalents at beginning of period	470,483,873	396,627,934
<b>Cash and cash equivalents at end of period</b>	<b>579,929,940</b>	<b>408,974,915</b>

  
Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

  
Air Cdre. Tausif Sadiq  
(Retd.) - Director

  
Adeel Ali  
Director

  
Rizwan Akhtar  
Chief Executive Officer

  
Nisar Ahmed Almani  
Chief Financial Officer





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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	94,731,171	619,654
Depreciation on property and equipment	(4,339,441)	(1,845,954)
Depreciation on right-of-use-asset	(6,449,818)	(4,389,383)
Finance charges on right-of-use-asset	(1,190,588)	(1,179,425)
Gain on disposal of property and equipment	14,500	2,875,465
Rental income	1,034,365	1,325,335
Financial charges	(133,870)	(135,832)
Increase in assets other than cash	117,482,793	51,669,466
Decrease in liabilities	(207,043,550)	(56,748,580)
Investment and other income	53,784,150	33,921,026
Profit from window takaful operations - OPF	3,561,990	935,641
<b>Profit after tax</b>	<b>51,451,702</b>	<b>27,047,413</b>

### Definition of cash and cash equivalent

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

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

	June 30, 2023	June 30, 2022
	----- (Rupees) -----	
<b>Cash and other equivalents</b>		
- Cash in hand	53,929	46,458
- Policy stamps in hand	52,214	-
	<b>106,143</b>	<b>46,458</b>
<b>Current and saving accounts</b>		
- Current accounts	81,274,255	19,168,253
- Savings accounts	115,770,252	19,980,914
	<b>197,044,507</b>	<b>39,149,167</b>
<b>Deposits maturing within 1 month</b>		
Term Deposit- local currency	382,779,290	369,779,289
	<b>579,929,940</b>	<b>408,974,915</b>

The annexed notes from 1 to 32 form an integral part of these financial statements

Air Marshal Muhammad Arif  
Pervaz (Retd.) - Chairman

Air Cdre. Tausif Sadiq  
(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, 2023

### 1. STATUS AND NATURE OF BUSINESS

Shaheen Insurance Company Limited (the Company) was incorporated in March 1995 in Pakistan. The Company is a public limited company listed on Pakistan Stock Exchange 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. Its registered office is located at 10th Floor, Shaheen Complex, Karachi. The company operates only in Pakistan through 12 Branches. Shaheen Foundation (the Parent) holds approximately 69.28% (Dec 2022: 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-B, 6th Floor, Shaheen Complex, Opp. PTV Station 38, Abbott Road, Lahore, Punjab, Pakistan;
- Office No. 6, 6th Floor, Shaheen Complex, Opp. PTV Station 38, Abbott Road, Lahore, Punjab, Pakistan;
- Office # 4, Mezzanine Floor Black Horse Plaza, Fazal-e-Haq Road Blue Area, Islamabad.
- Office 2, 4th Floor, Ahmed Plaza, Bilal Road, Civil Lines, Faisalabad, Punjab, Pakistan;
- Office 21, 1st Floor Anali Archade Near Chowk Kachary LMQ Road, Multan , Pakistan;
- Office C3, Jasmine Arcade Fakh-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 4-B, 6th Floor, Shaheen Complex, 38, Abbott Road, Lahore
- 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 format prescribed under Insurance Rules, 2017 and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2022. Further, 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



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

In case requirements differ, the provision or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019 shall prevail.

**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, 2022. 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, 2022, whereas comparatives for condensed interim statement of profit or loss, 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, 2022.

### **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.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

June 30, 2023

		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	81,380,398	-	-	115,770,252	-
Equity securities	8	212,424	6,069	-	-	-
Debt securities	9	-	-	-	136,578,542	-
Term deposits	10	-	-	-	382,779,290	-
Mutual funds	8	120,729,692	(863,954)	-	-	-
Loan and other receivable	11	-	-	22,683,429	-	-
		<u>202,322,514</u>	<u>(857,885)</u>	<u>22,683,429</u>	<u>635,128,084</u>	<u>-</u>

December 31, 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	78,769,364	-	-	26,935,219	-
Equity securities	8	206,355	(93,466)	-	-	-
Debt securities	9	-	-	-	83,071,470	-
Term deposits	10	-	-	-	364,779,290	-
Mutual funds	8	164,038,686	(8,741,633)	-	-	-
Loan and other receivable	11	-	-	17,596,161	-	-
		<u>243,014,405</u>	<u>(8,835,099)</u>	<u>17,596,161</u>	<u>474,785,979</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, 2022.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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, 2022.

### 5. FINANCIAL AND INSURANCE RISK MANAGEMENT

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, 2022.

		June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	Note	(Rupees)	
<b>6. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	6.1	51,093,017	31,929,032
Right of-use-of-assets	6.2	17,686,394	16,621,709
Capital work-in-progress	6.3	-	6,528,000
		<u>68,779,411</u>	<u>55,078,741</u>

6.1 This includes additions / disposals with following details:

	Six months period ended			
	June 30, 2023 (Unaudited)		June 30, 2022 (Unaudited)	
	Additions	Disposals	Additions	Disposals
	(Rupees)			
<b>Cost:</b>				
Furniture, fixtures and office equipment	674,600	58,289	438,934	71,204
Computers	533,457	-	489,455	-
Motor vehicles	22,295,368	-	9,657,080	3,348,912
	<u>23,503,425</u>	<u>58,289</u>	<u>10,585,469</u>	<u>3,420,116</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	(Rupees)	
<b>6.2 Right-of-use assets</b>		
Buildings		
Opening balance	<b>16,621,709</b>	24,653,059
Additions during the period / year	<b>7,514,503</b>	885,673
Impact of modification of leases	-	2,391,856
Depreciation expense	<b>(6,449,818)</b>	(11,308,879)
Closing balance	<b><u>17,686,394</u></b>	<u>16,621,709</u>

### 6.3 Capital work-in-progress

Advances to suppliers	-	6,528,000
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## 7. INVESTMENT PROPERTIES

Opening balance - fair value	<b>167,050,569</b>	154,950,569
Unrealised fair value gain	-	12,100,000
Closing balance - fair value	<b><u>167,050,569</u></b>	<u>167,050,569</u>

### 7.1 Investment properties consists of the following:

Particulars	Location	---- (Un-audited) ----		----- (Audited)-----	
		Fair value as at June 30, 2022	Un-realised gain for June 30, 2023	Fair value as at December 31, 2022	Un-realised gain for December 31, 2022
(Rupees)					
Freehold land	Islamabad	19,775,000	-	<b>19,775,000</b>	<b>625,000</b>
Shop premises	Lahore	90,894,150	-	<b>90,894,150</b>	<b>4,375,000</b>
Office premises	Karachi	56,381,419	-	<b>56,381,419</b>	<b>7,100,000</b>
		<u>167,050,569</u>	-	<b><u>167,050,569</u></b>	<b><u>12,100,000</u></b>

**7.2** 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.

**7.3** 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.

**7.4** The Company earned rental income from the above mentioned properties amounting to Rs. 1.03 million (December 31, 2022: Rs. 2.35 million).



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

### 7.5 The covered area of the properties are:

Freehold land	5400 sq. ft.
Shops	2187 sq. ft.
Office premises	1676 sq. ft.

### 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.

7.6 The cost of freehold land, shop premises and office premises is amounting to Rs. 14.02 million (December 31, 2022: Rs. 14.02 million), Rs. 33.95 million (December 31, 2022: Rs. 33.95 million) and Rs. 2.85 million (December 31, 2022: Rs. 2.85 million) respectively.

7.7 As at June 30, 2023, the fair values of the investment properties approximate its market values.

## 8. INVESTMENT IN EQUITY SECURITIES

Note	(Un-audited)			(Audited)		
	June 30, 2023			December 31, 2022		
	Cost	Impairment	Carrying value	Cost	Impairment	Carrying value
	----- (Rupees) -----			----- (Rupees) -----		
<b>Available for sale</b>						
<i>Listed shares</i>						
- First Capital Equities Limited	8.1	188,000,000	188,000,000	-	188,000,000	188,000,000
<i>Unlisted shares</i>						
Mutual funds	8.2	117,666,045	-	120,729,692	160,175,558	-
		305,666,045	188,000,000	120,729,692	348,175,558	188,000,000
					164,038,686	164,038,686
<b>Investment at fair value through profit or loss</b>						
<i>Listed shares</i>						
- Summit Bank Limited		206,355	-	212,424	299,821	-
		305,872,400	188,000,000	120,942,116	348,475,379	188,000,000
						164,245,041



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

**8.1** 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 Rs. 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.

### 8.2 Mutual funds

Name of Funds	Units		June 30, 2023		December 31, 2022	
	June 30, 2023 (Number)	December 31, 2022	Cost (Rupees)	Fair Value (Rupees)	Cost (Rupees)	Fair Value (Rupees)
Pakistan Cash Management Fund	42,044	2,857,470	2,049,775	2,118,327	144,142,119	144,210,222
Faysal Saving Growth Fund	11,504	10,235	991,271	1,196,080	860,248	1,124,764
ABL Income Fund	195,234	183,435	1,680,740	1,977,113	1,545,115	1,845,206
HBL Cash Fund	33,344	30,783	2,950,973	3,393,679	2,691,389	3,153,277
Lakson Money Market FFund	7,978	7,380	695,597	818,150	651,750	757,945
HBL Money Market Fund	13,128	11,519	1,128,190	1,349,922	962,723	1,269,901
Al Hamra Islamic Stock Fund	963,911	-	97,523,144	97,523,143	-	-
Pakistan Income Fund	213,646	188,650	10,058,267	11,656,774	8,812,672	11,020,144
Atlas Islamic Income Fund	1,367	1,212	588,089	696,502	509,541	657,223
			<b>117,666,045</b>	<b>120,729,690</b>	<b>160,175,558</b>	<b>164,038,682</b>

### 9. INVESTMENTS IN DEBT SECURITIES

Name of investment	Face value (Rupees)	Number of certificates	Profit rate (%)	Profit payment	Maturity date	June 30, 2023		December 31, 2022	
						Cost (Rupees)	Carrying Value (Rupees)	Cost (Rupees)	Carrying Value (Rupees)
5 Years Pakistan Investment Bonds	65,000,000	650,000	11.35	Semi annually	September 19, 2024	60,587,150	63,890,569	60,587,150	63,440,329
5 Years Pakistan Investment Bonds	20,000,000	200,000	12.7	Semi annually	July 12, 2023	16,868,540	19,978,867	16,868,540	19,631,141
3 Years Pakistan Investment Bonds	62,000,000	620,000	19.01	Semi annually	August 4, 2025	52,587,656	52,709,106	-	-
	<b>147,000,000</b>	<b>1,470,000</b>				<b>130,043,346</b>	<b>136,578,542</b>	<b>77,455,690</b>	<b>83,071,470</b>

**9.1** The rate of return of PIBs is between 11.35% to 19.01% (2022: 11.35% to 12.70%) per annum. They are pledged with the State Bank of Pakistan under the provisions of Insurance Rules 2017.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees)	
<b>10. INVESTMENT IN TERM DEPOSITS</b>			
<b>Held to maturity</b>			
Deposits maturing within one months	9.1	<u>382,779,290</u>	<u>364,779,290</u>
<b>10.1</b>			
The balance includes term deposits with various commercial banks having maturities within 1 months i.e. upto July 05, 2023. The rate of return on these term deposits range between 10% to 18.75% (December 31, 2022: 10% to 16%) per annum.			
		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees)	
<b>11. ADVANCES, DEPOSITS AND OTHER RECEIVABLES (unsecured, considered good)</b>			
Advances		698,978	876,978
Security deposits	11.1	7,619,114	7,579,357
Accrued investment income		10,000,461	5,608,885
Other receivables	11.2	4,364,876	3,530,941
		<u>22,683,429</u>	<u>17,596,161</u>
<b>11.1</b>			
This includes Rs. 3.33 million (2022: Rs. 3.33 million) in respect of security deposits paid against rental arrangements to Shaheen Foundation (Parent undertaking).			
<b>11.2</b>			
This includes balance receivable from Window takaful operations against expenses amounting to Rs. 0.73 million (December 31, 2022: 0.73).			
		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees)	
<b>12. INSURANCE / REINSURANCE RECEIVABLES (unsecured, considered good)</b>			
Due from insurance contract holders			
Less: Provision for impairment	12.1	57,747,387 (5,500,000)	27,392,481 (5,500,000)
Due from other insurers / reinsurers		52,247,387	21,892,481
Less: Provision for impairment		192,511,178 (26,613,874)	127,298,447 (26,613,874)
		<u>165,897,304</u>	<u>100,684,573</u>
		<u>218,144,691</u>	<u>122,577,054</u>
<b>12.1</b>			
This includes premium due but unpaid from shaheen foundation, a related party of Rs. 0.25 million (December 31, 2022: Rs. 10.80).			





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees)	
<b>13. CASH AND BANK</b>			
- Cash in hand		53,929	23,508
- Policy stamps and bond papers in hand		52,214	86,455
		<b>106,143</b>	109,963
<b>Cash at bank</b>			
- Current accounts	13.1	81,274,255	78,659,401
- Savings accounts	13.2	115,770,252	26,935,219
		<b>197,044,507</b>	105,594,620
		<b>197,150,650</b>	105,704,583

13.1 These includes foreign currency amounting to Rs. 0.717 million.

13.2 These carry mark-up at rates ranging between 5% to 19.5% (December 31, 2022: 5% to 15%) per annum.

### 14. SHARE CAPITAL

#### 14.1 Authorised share capital

June 30, 2023	December 31, 2022		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
----- (Number of shares) -----			----- (Rupees) -----	
<b>100,000,000</b>	100,000,000	Ordinary shares of Rs. 10 each	<b>1,000,000,000</b>	1,000,000,000

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

June 30, 2023	December 31, 2022		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
----- (Number of shares) -----			----- (Rupees) -----	
<b>8,000,000</b>	8,000,000	Ordinary shares of Rs. 10 each, fully paid in cash	<b>80,000,000</b>	80,000,000
<b>12,000,000</b>	12,000,000	Ordinary shares of Rs. 10 each, issued as bonus shares	<b>120,000,000</b>	120,000,000
<b>25,000,000</b>	25,000,000	Ordinary shares of Rs. 10 each, issued as right shares fully paid in cash	<b>250,000,000</b>	250,000,000
<b>15,000,000</b>	15,000,000	Ordinary shares of Rs. 10 each, issued otherwise than right issue	<b>150,000,000</b>	150,000,000
<b>60,000,000</b>	60,000,000		<b>600,000,000</b>	600,000,000



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

14.3 As at June 30, 2023, details of shares held by the related parties undertaking are as follows:

Related party name	Basis of relationship	Percentage (%)	June 30, 2023	December 31, 2022
			(Rupees)	
Shaheen foundation	Parent company	69.28%	41,565,473	41,565,473
Central non public fund	Associate	4.17%	2,500,000	2,500,000
			<u>44,065,473</u>	<u>44,065,473</u>
			2023	2022
			(%)	
	Percentage of shareholding held by related parties.		<u>73.44%</u>	<u>73.44%</u>

14.4 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.

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	(Rupees)	
<b>15. RESERVES</b>			
General reserves		20,000,000	20,000,000
Unrealised gain on available-for-sale investments		2,999,172	3,863,126
		<u>22,999,172</u>	<u>23,863,126</u>
<b>16. LEASE LIABILITIES AGAINST RIGHT OF-USE-ASSET</b>			
Lease liability - buildings		<u>20,741,655</u>	<u>19,315,492</u>
<b>16.1</b>			
Opening balance		19,315,492	26,459,898
Addition in lease liability	16.3	7,514,503	885,673
Impact of modification of leases		-	2,255,939
Rental payments		(7,412,800)	(12,733,014)
Interest expense		1,324,460	2,446,996
Closing balance	16.2	<u>20,741,655</u>	<u>19,315,492</u>
<b>16.2 Tenure analysis</b>			
Current period		6,488,705	6,831,274
Non-current period		14,252,950	12,484,218
		<u>20,741,655</u>	<u>19,315,492</u>
<b>16.3</b>			
The amount represents the office space that company has acquired in Islamabad on lease for the period of two years.			



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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	(Rupees)	
<b>17. INSURANCE / REINSURANCE PAYABLES</b>		
Due to other insurers / re-insurers	<u>107,038,459</u>	<u>54,770,246</u>
<b>18. OTHER CREDITORS AND ACCRUALS</b>		
Agent commission payable	11,125,428	8,482,409
Provincial service taxes	91,405,618	66,819,133
Federal insurance fee payable	9,090,554	7,279,640
Workers' welfare fund payable	9,919,801	8,515,858
Accrued expenses	11,935,541	13,204,100
Withholding tax payable	4,849,359	5,062,072
Unearned rental income	-	1,034,365
Payable to provident fund	509,762	523,397
Security deposit against bond issuance	18.1 77,606,692	15,504,200
Others	2,618,116	1,628,285
	<u>219,060,871</u>	<u>128,053,459</u>

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

### 19. CONTINGENCIES AND COMMITMENTS

#### 19.1 Contingencies

There is no change in contingencies as reported in the annual audited financial statements of the Company for the year ended December 31, 2022 except for the following:

**19.1.1** During the current period, the Assistant Commissioner – Sindh Revenue Board (SRB) has issued an Order under section 3,8,9,17,30,43 and 44 of Sindh Sales Tax on Services Act, 2011 and 11,12,13,14 and 31 of the Sindh Sales Tax on Services Rules, 2011 and has created a demand of Rs. 9,232,204 by charging sales tax on re-insurance premium ceded and commission received by the Company during the period from January 2015 to December 2015. The Company has filed an appeal against the Order with Commissioner – SRB which is pending adjudication. Based on the tax advisor's opinion, the management is confident of a favorable outcome of the appeal. Hence, no provision has been made in these condensed interim financial statements.

#### 19.2 Commitments

There are no commitments as at June 30, 2023.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Three months period ended		Six months period ended	
	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
Note <b>(Rupees)</b>				
<b>20. NET INSURANCE PREMIUM</b>				
Written gross premium	198,789,614	107,766,850	359,693,078	172,364,138
Add: Unearned premium reserve opening	176,967,304	106,896,661	156,749,372	98,158,900
Less: Unearned premium reserve closing	(173,577,645)	(115,958,841)	(173,577,645)	(115,958,841)
<b>Premium earned</b>	<b>202,179,273</b>	<b>98,704,670</b>	<b>342,864,805</b>	<b>154,564,197</b>
Re-insurance premium ceded	87,211,879	40,492,322	133,076,565	51,328,503
Add: Prepaid reinsurance premium opening	8,836,564	5,179,455	14,560,355	6,316,945
Less: Prepaid reinsurance premium closing	(21,609,179)	(8,985,867)	(21,609,179)	(8,985,867)
<b>Reinsurance expense</b>	<b>74,439,264</b>	<b>36,685,910</b>	<b>126,027,741</b>	<b>48,659,581</b>
	<b>127,740,009</b>	<b>62,018,760</b>	<b>216,837,064</b>	<b>105,904,616</b>
<b>21. NET INSURANCE CLAIMS</b>				
Claims paid	46,872,819	31,785,308	236,567,064	52,325,968
Less: Outstanding claims including IBNR opening	(148,171,993)	(85,851,150)	(128,962,567)	(85,850,667)
Add: Outstanding claims including IBNR closing	166,748,376	77,663,968	166,748,376	77,663,968
<b>Claims expense</b>	<b>65,449,202</b>	<b>23,598,126</b>	<b>274,352,873</b>	<b>44,139,269</b>
Less: Re-takaful and other recoveries received	11,678,571	9,851,615	186,093,200	17,657,244
Less: Re-insurance and other recoveries receivable in respect of outstanding claims opening	(53,821,195)	(16,547,213)	(46,299,007)	(15,536,448)
Add: Re-insurance and other recoveries receivable in respect of outstanding claims closing	62,099,353	18,502,762	62,099,353	18,502,762
<b>Re-insurance and other recoveries revenue</b>	<b>19,956,729</b>	<b>11,807,164</b>	<b>201,893,546</b>	<b>20,623,558</b>
	<b>45,492,473</b>	<b>11,790,962</b>	<b>72,459,327</b>	<b>23,515,711</b>
<b>22. NET COMMISSION EXPENSE</b>				
Commission paid or payable	23,405,134	18,646,978	51,487,507	31,262,313
Deferred commission expense opening	31,960,395	18,992,465	26,062,948	15,505,767
Deferred commission expense closing	(28,560,219)	(22,754,645)	(28,560,219)	(22,754,645)
<b>Net Commission</b>	<b>26,805,310</b>	<b>14,884,798</b>	<b>48,990,236</b>	<b>24,013,435</b>
Commission received or recoverable	3,832,139	1,652,085	5,711,906	1,844,061
Unearned reinsurance commission opening	1,746,242	7,692	2,323,817	1,365,356
Unearned reinsurance commission closing	(1,680,046)	(1,160,824)	(1,680,046)	(1,160,824)
Commission from reinsurers	3,898,335	498,953	6,355,677	2,048,593
	<b>22,906,975</b>	<b>14,385,845</b>	<b>42,634,559</b>	<b>21,964,842</b>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Three months period ended		Six months period ended	
	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
Note	(Rupees)			
<b>23. INVESTMENT INCOME</b>				
<b>Income from equity securities</b>				
Available for sale investments				
Dividend income	10,673,987	5,678,899	6,249,969	5,748,984
Realized gain on sale mutual funds	-	-	10,874,356	-
	<u>10,673,987</u>	<u>5,678,899</u>	<u>17,124,325</u>	<u>5,748,984</u>
<b>Income from debt securities</b>				
Held to maturity				
Return on other fixed income securities	18,208,902	11,425,217	31,714,751	18,481,029
Return on government securities	2,617,735	4,046,256	4,939,005	8,393,597
	<u>20,826,637</u>	<u>15,471,473</u>	<u>36,653,756</u>	<u>26,874,626</u>
Unrealised gain / (loss) on revaluation of held-for-trading investments	(19,421)	4,855	6,069	(27,919)
	<u>31,481,203</u>	<u>21,155,227</u>	<u>53,784,150</u>	<u>32,595,691</u>
<b>24. OTHER EXPENSES</b>				
Fee and subscription	829,030	166,188	1,340,078	166,188
Auditor's remuneration	243,000	202,230	243,000	202,230
Workers' welfare fund	1,403,944	-	1,403,944	-
	<u>2,475,974</u>	<u>368,418</u>	<u>2,987,022</u>	<u>368,418</u>
<b>24.1. Auditor's remuneration</b>				
Interim review fee	175,000	145,639	175,000	145,639
Out of pocket expense	50,000	41,611	50,000	41,611
Sales tax @ 8%	18,000	14,980	18,000	14,980
	<u>243,000</u>	<u>202,230</u>	<u>243,000</u>	<u>202,230</u>
<b>25. TAXATION</b>				
Current	(11,437,164)	(6,121,554)	(19,353,503)	(8,418,137)
Deferred	-	-	-	-
	<u>(11,437,164)</u>	<u>(6,121,554)</u>	<u>(19,353,503)</u>	<u>(8,418,137)</u>
<b>25.1. Deferred</b>				
Deferred tax asset on deductible temporary differences amounting to Rs. 62.899 million (December 31, 2022: Rs. 63.10 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, 2023

### 26. SEGMENT INFORMATION

#### 26.1 Segment of profit or loss - June 30, 2023 (Un-audited)

For the six months period ended June 30, 2023 (Un-audited)

	Fire and property damages	Marine, aviation & transport	Motor	Accident and health	Miscellaneous	Total
	----- (Rupees) -----					
<b>Premium receivable / received ( inclusive of Federal excise duty, Federal insurance fee and administrative surcharge)</b>	127,256,339	160,808,011	94,258,337	1,902,723	35,376,583	419,601,993
Less: Federal excise duty	(8,917,295)	(32,258,552)				
Less: Federal insurance fee	(638,921)	(3,040,058)	(10,574,408)	-	(3,552,494)	(55,302,749)
			(725,417)	(18,858)	(182,912)	(4,606,166)
<b>Gross written premium ( inclusive of administrative Surcharge)</b>	117,700,123	125,509,401	82,958,512	1,883,865	31,641,177	359,693,078
Gross direct premium	117,072,489	124,517,110	80,986,305	1,878,865	31,484,487	355,939,256
Administrative surcharge	627,634	992,291	1,972,207	5,000	156,690	3,753,822
<b>Insurance premium earned</b>	107,973,580	119,640,596	89,400,748	934,191	24,915,690	342,864,805
Less: Insurance premium ceded to reinsurers	(18,099,102)	(93,619,050)	(12,116,502)	-	(2,193,087)	(126,027,741)
<b>Net insurance premium</b>	89,874,478	26,021,545	77,284,246	934,191	22,722,603	216,837,064
Commission income	508,797	3,466,382	2,372,980	-	7,518	6,355,677
<b>Net underwriting income</b>	90,383,275	29,487,927	79,657,226	934,191	22,730,121	223,192,741
Insurance claims	31,593,078	174,613,178	64,418,599	(72,997)	3,801,015	274,352,873
Less: Insurance claims recovered from reinsurance	(5,417,841)	(171,919,457)	(24,556,248)	-	-	(201,893,546)
<b>Net claim</b>	26,175,237	2,693,721	39,862,351	(72,997)	3,801,015	72,459,327
Add: Commission expense	22,544,990	9,858,786	11,538,192	93,171	4,955,097	48,990,236
Add: Management expenses	28,799,525	31,911,439	23,845,640	249,174	6,645,700	91,451,479
<b>Net insurance claims and expenses</b>	77,519,752	44,463,947	75,246,183	269,348	15,401,812	212,901,042
<b>Underwriting result</b>	12,863,523	(14,976,020)	4,411,043	664,843	7,328,309	10,291,700
Net investment income						53,784,150
Rental income						1,034,365
Other income						6,444,480
Other expenses						(2,987,022)
Finance charges on right-of-use assets						(1,324,458)
Loss after tax from window takaful operations - OPF						3,561,990
Profit before tax						70,805,205





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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

For the six months period ended June 30, 2022 (Un-audited)

	Fire and property damages	Marine, aviation & transport	Motor	Accident and health	Miscellaneous	Total
----- (Rupees) -----						
Premium receivable / received ( inclusive of Federal excise duty, Federal insurance fee and administrative surcharge)	46,445,336	47,234,539	87,565,968	1,958,973	17,854,171	201,058,987
Less: Federal excise duty	(4,585,758)	(9,165,078)	(9,674,183)	-	(2,979,360)	(26,404,379)
Less: 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>	<b>41,529,973</b>	<b>37,163,940</b>	<b>77,199,613</b>	<b>1,939,327</b>	<b>14,531,285</b>	<b>172,364,138</b>
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)
Net insurance premium	25,597,349	14,426,694	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
Net underwriting income	26,132,548	14,431,470	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
Net claim	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 expenses	14,520,217	14,354,610	27,823,349	867,629	4,495,469	62,061,275
Net insurance claims and expenses	23,429,333	18,530,924	56,868,577	3,617,885	7,143,701	109,590,421
Underwriting result	2,703,215	(4,099,454)	1,070,093	(1,457,046)	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 on right-of-use assets						(1,179,425)
Loss 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, 2023

### 27. 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, 2023 (Un-audited)					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	120,729,692	-	-	212,424	-	120,942,116	120,942,116	-	-
<b>Financial assets not measured at fair value</b>									
Debt securities	-	136,578,542	-	-	-	136,578,542	-	-	-
Term deposits	-	382,779,290	-	-	-	382,779,290	-	-	-
Loans and other receivables*	-	-	18,318,553	-	-	18,318,553	-	-	-
Insurance / re-insurance receivables*	-	-	218,144,691	-	-	218,144,691	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	62,099,353	-	-	62,099,353	-	-	-
Cash and bank	-	-	-	197,150,650	-	197,150,650	-	-	-
	120,729,692	519,357,832	298,562,597	197,363,074	-	1,136,013,195	120,942,116	-	-
<b>Financial liabilities not measured at fair value</b>									
Outstanding claims including IBNR*	-	-	-	-	(166,748,376)	(166,748,376)	-	-	-
Insurance / re-insurance payables*	-	-	-	-	(107,038,459)	(107,038,459)	-	-	-
Other creditors and accruals*	-	-	-	-	(219,060,871)	(219,060,871)	-	-	-
	-	-	-	-	(492,847,706)	(492,847,706)	-	-	-



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	December 31, 2022 (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	164,038,686	-	-	206,355	-	164,245,041	164,245,041	-	-
Debt securities	-	83,071,470	-	-	-	83,071,470	-	77,493,110	-
<b>Financial assets not measured at fair value</b>									
Investments									
Term deposits	-	364,779,290	-	-	-	364,779,290	-	-	-
Loans and other receivables*	-	-	16,719,183	-	-	16,719,183	-	-	-
Insurance / re-insurance receivables*	-	-	122,577,054	-	-	122,577,054	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	46,299,007	-	-	46,299,007	-	-	-
Cash and bank	-	-	-	105,704,583	-	105,704,583	-	-	-
	164,038,686	447,850,760	185,595,244	105,910,938	-	903,395,628	164,245,041	77,493,110	-
<b>Financial liabilities not measured at fair value</b>									
Outstanding claims including IBNR*	-	-	-	-	(128,962,567)	(128,962,567)	-	-	-
Insurance / re-insurance payables*	-	-	-	-	(54,770,246)	(54,770,246)	-	-	-
Other creditors and accruals*	-	-	-	-	(128,053,459)	(128,053,459)	-	-	-
	-	-	-	-	(311,786,272)	(311,786,272)	-	-	-

\*The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

### Valuation techniques used in determination of fair values within Level 2

Items	Valuation technique
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 2 fair value measurements:

Description	Fair value	Unobserved-able inputs	Range of inputs	Relationship of unobservable inputs to fair value
Investment properties	167,050,569	yield	5% to 6%	The higher the terminal yield, the higher the fair value
		Expected rent growth rate	10%	The higher the rental growth rate, the higher the fair value
		Occupancy rate	90% to 95%	The higher the occupancy rate, the higher the fair value
		Rent free period	1 year on new leases	The higher the rent free period, the lower the fair value

The Company engages external, independent and qualified valuers to determine the fair value of the investment properties at the end of every financial year. As at 31 December 2022, the fair values of the investment properties have been determined by Anderson Consulting (Pvt.) Ltd. The latest independent valuation exercise of these land and buildings has been undertaken as at December 31, 2022.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

### 28. 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, 2023 (Un-audited)	December 31, 2022 (Audited)
			----- (Rupees) -----	
Shaheen foundation	Parent undertaking	Premium due but unpaid	259,861	10,797,116
Shaheen foundation	Parent undertaking	Outstanding claims	15,139	507,452
Shaheen foundation	Parent undertaking	Security deposits	3,317,246	3,317,246
Shaheen foundation	Parent undertaking	Rent of premises	-	9,547,356
Air Eagle (Private) Limited	Associate company	Premium written	31,983,653	1,059,409
Other transactions during the period with associated undertakings				
Claim expense			280,514	1,507,248
Remuneration of key management personnel			7,565,394	18,134,298
Contribution to provident fund			-	2,204,323
Advertisement expense			433,480	269,800

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

28.2 Other transactions are executed at agreed terms.

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

### 29. EARNINGS PER SHARE - BASIC AND DILUTED

	----- (Un-audited) -----			
	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- (Rupees) -----			
Profit for the period	<u>29,768,637</u>	19,593,765	<u>51,451,702</u>	<u>27,047,413</u>
	----- (Number of shares) -----			
Weighted average number of ordinary shares of Rs. 10 each	<u>60,000,000</u>	60,000,000	<u>60,000,000</u>	<u>60,000,000</u>
	----- (Rupees) -----			
Earnings per share - basic	<u>0.50</u>	0.33	<u>0.86</u>	<u>0.45</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

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

### 30. ROUNDING OFF

The figures have been rounded off to the nearest rupee.

### 31. CORRESPONDING FIGURES

Corresponding figures and balances have been reclassified, wherever considered necessary, for the purpose of comparison.

### 32. GENERAL

These financial statements have been approved and authorised for issue in the Board of Directors meeting held on 18 August, 2023.

Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

Air Cdre. Tausif Sadiq  
(Retd.) - Director

Adeel Ali  
Director

Rizwan Akhtar  
Chief Executive Officer

Nisar Ahmed Almani  
Chief Financial Officer





# **Window Takaful Operations Financial Statements**



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## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENT TO THE MEMBERS

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of SHAHEEN INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATION) ("the Operator") as at June 30, 2023 and the related condensed interim statement of comprehensive income and, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the six month period then ended (here-in-after referred as the "Interim financial statement"). Management is responsible for the preparation and presentation of this interim financial statement in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this 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 Statement Performed by the Independent Auditor of the Entity." A review of interim financial statement 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 interim financial statement as at and for the six month period ended June 30, 2023 is not prepared, in all material respects, in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matter

The figures of the unconsolidated condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended June 30, 2023 and June 30, 2022 have not been reviewed, and we do not express a conclusion on them.

The financial statements of the operator for the year ended December 31, 2022 were audited and the condensed interim financial statement for the half year ended June 30, 2022 were reviewed by another firm of chartered accountants who have expressed an unmodified opinion and unmodified conclusion thereon vide their reports dated March 30, 2023 and August 29, 2022 respectively.

The engagement partner on the review resulting in this independent, auditor's review report is Zulfikar Ali Causer.

KARACHI  
DATE: August 18, 2023  
UDIN: RR202310067ZkBy2lqUF

BDO Ebrahim & Co, Chartered Accountants  
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

  
**BDO EBRAHIM & CO.**  
**CHARTERED ACCOUNTANTS**



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

AS AT JUNE 30, 2023

Note	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	June 30, 2023 (Un-Audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
(Rupees)				
<b>ASSETS</b>				
Qard-e-Hasna to PTF	5	20,000,000	20,000,000	-
Property and equipment-OPF	6	630,356	700,395	-
Intangible asset-OPF	7	-	-	-
Investments in term deposits	8	-	27,188,360	20,000,000
Other receivables	9	479,600	605,520	704,862
Takaful / retakaful receivables	10	-	-	14,242,912
Retakaful recoveries against outstanding / benefits	19	-	-	493,159
Deferred commission expense	24	3,918,616	3,084,232	-
Receivable from PTF	11	10,512,223	6,389,333	-
Deferred wakala fee	23	-	-	6,044,200
Advance tax	-	1,523,749	1,021,712	675,633
Prepaid retakaful contribution ceded	12	-	-	53,471
Bank balances	13	36,135,350	7,334,115	3,682,548
<b>TOTAL ASSETS</b>		<b>53,199,894</b>	<b>46,323,667</b>	<b>45,896,785</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Operator's fund</b>				
Statutory fund		50,000,000	50,000,000	-
Accumulated profit		7,821,406	4,259,416	-
<b>WAQF / PARTICIPANTS' TAKAFUL FUND</b>		<b>57,821,406</b>	<b>54,259,416</b>	<b>-</b>
Cede money		-	-	500,000
Accumulated deficit		-	-	(12,830,126)
				(14,345,071)
Qard-e-Hasna from Operator's Fund	5	-	-	20,000,000
<b>LIABILITIES</b>				
<b>Underwriting provisions</b>				
Outstanding claims including IBNR	19	-	-	11,956,658
Unearned contribution reserve	17	-	-	21,756,624
Unearned commission	18	-	-	24,103
				33,737,385
Contribution received in advance	14	-	-	134,197
Takaful / Re-takaful payables	23	8,876,043	6,044,200	3,836,967
Unearned wakala fee	23	-	-	5,895,224
Payable to OPF	12	-	-	6,389,333
Other creditors and accruals	15	6,502,445	6,020,051	2,811,594
<b>TOTAL LIABILITIES</b>		<b>15,378,488</b>	<b>12,064,251</b>	<b>51,032,366</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>73,199,894</b>	<b>66,323,667</b>	<b>45,896,785</b>
<b>CONTINGENCIES AND COMMITMENTS</b>				
	16			

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

  
Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

  
Air Cdre. Tausif Sadiq  
(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, 2023

	Note	Three months period ended		Six months period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
(Rupees)					
<b>PTF revenue account</b>					
Contributions earned		7,598,808	4,014,031	13,805,008	6,068,391
Less: Re-takaful contribution ceded		(2,205,397)	(1,936,451)	(3,548,009)	(3,490,876)
Net contributions revenue	17	5,393,411	2,077,580	10,256,999	2,577,515
Re-takaful rebate earned	18	2,145	19,522	11,121	26,520
Net underwriting income		5,395,556	2,097,102	10,268,120	2,604,035
Net claims - reported / settled - IBNR	19	(5,727,361)	(399,098)	(9,593,661)	(1,127,072)
Other direct expenses	20	(102,689)	(68,621)	(254,243)	(84,609)
Surplus / (Deficit) before investment income		(434,494)	1,629,383	420,216	1,392,354
Investment income	21	897,358	275,400	1,541,929	802,867
Other income	22	129,138	50,620	206,993	107,231
Less: Modarib's share of PTF's investment income		(89,736)	-	(154,193)	(85,958)
Surplus for the period transferred to accumulated surplus		502,266	1,955,403	2,014,945	2,216,494
<b>Total comprehensive income for the period</b>		<b>502,266</b>	<b>1,955,403</b>	<b>2,014,945</b>	<b>2,216,494</b>

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

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

**Air Cdre. Tausif Sadiq (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, 2023

	Note	Three months period ended		Six months period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
(Rupees)					
<b>OPF revenue account</b>					
Wakala fee	23	4,857,708	1,556,223	8,556,988	2,767,864
Commission expense	24	(2,455,694)	(982,130)	(4,521,683)	(1,549,864)
Management expenses	25	(2,053,258)	(776,107)	(3,038,304)	(1,595,483)
		348,756	(202,014)	997,001	(377,483)
Modarib's share of PTF investment income		89,736	-	154,193	85,958
Investment income	21	1,236,439	509,341	2,121,414	1,221,421
Direct expenses	26	(272,846)	(86,670)	(277,407)	(100,170)
Other income	22	319,833	51,176	566,789	105,915
Profit before taxation		1,721,918	271,833	3,561,990	935,641
Taxation		-	-	-	-
Profit after taxation		1,721,918	271,833	3,561,990	935,641
<b>Total comprehensive income for the period</b>		<b>1,721,918</b>	<b>271,833</b>	<b>3,561,990</b>	<b>935,641</b>

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

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

**Air Cdre. Tausif Sadiq (Retd.) - Director**

**Adeel Ali Director**

**Rizwan Akhtar Chief Executive Officer**

**Nisar Ahmed Almani Chief Financial Officer**



## CONDENSED INTERIM STATEMENT OF CHANGES IN FUND (UN-AUDITED)

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023

	Operator's Fund		
	Statutory fund	Accumulated profit	Total
	----- (Rupees) -----		
Balance as at January 01, 2022	50,000,000	1,757,456	51,757,456
Profit for the period	-	935,641	935,641
Balance as at June 30, 2022	50,000,000	2,693,097	52,693,097
<b>Balance as at January 01, 2023</b>	<b>50,000,000</b>	<b>4,259,416</b>	<b>54,259,416</b>
Profit for the period	-	3,561,990	3,561,990
<b>Balance as at June 30, 2023</b>	<b>50,000,000</b>	<b>7,821,406</b>	<b>57,821,406</b>

	Participants' Takaful Fund		
	Ceded Money	Accumulated deficit	Total
	----- (Rupees) -----		
Balance as at January 01, 2022	500,000	(13,866,978)	(13,366,978)
Surplus for the period	-	2,216,494	2,216,494
Balance as at June 30, 2022	500,000	(11,650,484)	(11,150,484)
<b>Balance as at January 01, 2023</b>	<b>500,000</b>	<b>(14,845,071)</b>	<b>(14,345,071)</b>
Surplus for the period	-	2,014,945	2,014,945
<b>Balance as at June 30, 2023</b>	<b>500,000</b>	<b>(12,830,126)</b>	<b>(12,330,126)</b>

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

Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

Air Cdre. Tausif Sadiq  
(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 MONTH PERIOD ENDED JUNE 30, 2023

	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- (Rupees) -----			
<b>Operating activities</b>				
<b>(a) Takaful activities</b>				
Contributions received	-	-	24,683,832	8,782,314
Retakaful contribution paid	-	-	(5,731,205)	(2,909,650)
Claims paid	-	-	(9,582,916)	(2,020,641)
Retakaful and other recoveries received	-	-	703,318	2,118,542
Commission paid	(4,366,759)	(1,921,585)	-	-
Retakaful rebate / commissions received	-	-	24,624	15,605
Wakala fees received	7,420,134	3,725,000	-	-
Wakala fees paid	-	-	(7,420,134)	(3,725,000)
Net cash generated from / (used in) takaful activities	3,053,375	1,803,415	2,677,519	2,261,170
<b>(b) Other operating activities</b>				
Management and other expenses paid	(3,755,535)	(2,498,283)	(198,228)	(68,198)
Income tax paid	(600,357)	(152,666)	(514,084)	(148,849)
Net cash (outflow) / inflow from other operating activities	(4,355,892)	(2,650,949)	(712,312)	(217,047)
<b>Total cash (used in) / generated from all operating activities</b>	<b>(1,302,517)</b>	<b>(847,534)</b>	<b>1,965,207</b>	<b>2,044,123</b>
<b>Investment activities</b>				
Profit / return received	2,915,392	1,017,761	1,916,047	859,579
<b>Total cash generated from investing activities</b>	<b>2,915,392</b>	<b>1,017,761</b>	<b>1,916,047</b>	<b>859,579</b>
<b>Financing activities</b>				
Qard-e-hasna received / (repaid)	-	-	-	-
<b>Total cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash generated (used in) / generated from all activities</b>	<b>1,612,875</b>	<b>170,227</b>	<b>3,881,254</b>	<b>2,903,702</b>
Cash and cash equivalent at beginning of the period	34,522,475	29,360,501	23,682,548	21,135,234
<b>Cash and cash equivalent at end of the period</b>	<b>36,135,350</b>	<b>29,530,728</b>	<b>27,563,802</b>	<b>24,038,936</b>



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

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023

Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022

(Rupees)

### Reconciliation to profit and loss account

Operating cash flows	(1,302,517)	(847,534)	1,965,207	2,044,122
Increase / (decrease) in assets other than cash	5,560,580	3,000,735	9,091,327	8,126,116
Increase / (decrease) in liabilities	(3,314,237)	(2,281,590)	(10,790,510)	(8,863,842)
Depreciation / amortisation expense	(70,039)	(263,307)	-	-
Modarib's share of investment income	-	(85,958)	-	85,958
Investment and other income - net	2,688,203	1,413,294	1,748,922	824,140
<b>Surplus for the period</b>	<b>3,561,990</b>	<b>935,640</b>	<b>2,014,945</b>	<b>2,216,494</b>

### Definition of cash:

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

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

Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022

(Rupees)

Cash and other equivalents	-	27,000,000	-	20,000,000
Saving accounts	36,135,350	2,530,728	27,563,802	4,038,936
	<b>36,135,350</b>	<b>29,530,728</b>	<b>27,563,802</b>	<b>24,038,936</b>

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

Air Marshal Muhammad Arif Pervaiz (Retd.) - Chairman

Air Cdre. Tausif Sadiq (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, 2023

### 1. STATUS AND NATURE OF BUSINESS

Shaheen Insurance Operator 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 PTF remain separately identifiable. The financial statements of the Operator are prepared in such a manner that the financial position and results from the operations of PTF and the Operator are shown separately.

### 2. BASIS OF PREPARATION 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, 2022.

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, 2022 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, 2022.

#### 2.1 Basis of measurement

The condensed interim financial statements for the period ended June 30, 2023 have been prepared under historic cost basis.

#### 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.



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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

### 3 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, 2022.

### 4 FINANCIAL AND INSURANCE RISK MANAGEMENT

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, 2022.

	June 30, 2023	December 31, 2022
	(Rupees)	
<b>5. QARD-E-HASNA TO PTF</b>		
Opening balance of Qard-e-Hasna	20,000,000	22,827,311
Qard-e-Hasna transferred from OPF	-	(2,827,311)
Closing balance of Qard-e-Hasna	<u>20,000,000</u>	<u>20,000,000</u>

### 6. PROPERTY AND EQUIPMENT-OPF

Particulars	Cost			Depreciation				
	As at January 01, 2023	Addition / (disposals)	As at June 30, 2023	As at January 01, 2023	Depreciation for the period	As at June 30, 2023	Written down value as at June 30, 2023	Depreciation Rate
	(Rupees) (Rupees) (%)							
Motor Vehicle	790,000	-	790,000	89,605	70,039	159,644	630,356	20
Computer hardware	25,000	-	25,000	25,000	-	25,000	-	33.33
	<u>815,000</u>	<u>-</u>	<u>815,000</u>	<u>114,605</u>	<u>70,039</u>	<u>184,644</u>	<u>630,356</u>	

Particulars	Cost			Depreciation				
	As at January 01, 2022	Addition / (disposals)	As at December 31, 2022	As at January 01, 2022	Depreciation for the period	As at December 31, 2022	Written down value as at December 31, 2022	Depreciation Rate
	(Rupees) (Rupees) (%)							
Motor Vehicle	-	790,000	790,000	-	89,605	89,605	700,395	20
Computer hardware	25,000	-	25,000	25,000	-	25,000	-	33.33
	<u>25,000</u>	<u>790,000</u>	<u>815,000</u>	<u>25,000</u>	<u>89,605</u>	<u>114,605</u>	<u>700,395</u>	



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

**7. INTANGIBLE ASSET-OPF**

Particulars	Cost			Depreciation				
	As at January 01, 2023	Addition / (disposals)	As at June 30, 2023	As at January 01, 2023	Amortization for the period	As at June 30, 2023	Written down value as at June 30, 2023	Depreciation Rate

Computer software	200,000	-	200,000	200,000	-	200,000	-	33.33
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Particulars	Cost			Depreciation				
	As at January 01, 2022	Addition / (disposals)	As at December 31, 2022	As at January 01, 2022	Amortization for the period	As at December 31, 2022	Written down value as at December 31, 2022	Depreciation Rate

Computer software	200,000	-	200,000	172,205	27,795	200,000	-	33.33
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Note	OPF		PTF	
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)

**8 INVESTMENTS IN TERM DEPOSITS**

**Held to maturity**

Deposits	8.1	-	27,188,360	-	20,000,000
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8.1 The rate of return on these term deposits is 15.25% to 19.50% (December 31, 2022: 15.25%) per annum.

	OPF		PTF	
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)

**9. OTHER RECEIVABLES**

Sindh sales tax receivable	475,330	377,010	-	-
Accrued profit on bank deposits	-	227,190	-	167,123
GST receivable claims	-	-	317,481	90,698
Others	4,270	1,320	-	447,041
	<b>479,600</b>	<b>605,520</b>	<b>317,481</b>	<b>704,862</b>



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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	OPF		PTF	
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	<b>(Rupees)</b>			
<b>10 TAKAFUL / RETAKAFUL RECEIVABLES</b>				
- Unsecured and considered good				
Due from takaful participant holders	-	-	145,151	148,989
Due from other takaful / retakaful operators	-	-	20,510,346	14,093,923
	<u>-</u>	<u>-</u>	<u>20,655,497</u>	<u>14,242,912</u>

### 11 RECEIVABLE / PAYABLE FROM / TO PTF / OPF

	OPF	PTF	OPF	PTF
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Wakala Fee	9,742,401	5,773,704	9,742,401	5,773,704
Modarib Fee	769,822	615,629	769,822	615,629
	<u>10,512,223</u>	<u>6,389,333</u>	<u>10,512,223</u>	<u>6,389,333</u>

	OPF		PTF	
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	<b>(Rupees)</b>			

### 12. PREPAYMENTS

	OPF	PTF	OPF	PTF
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Prepaid re-takaful contribution ceded	-	-	178,410	53,471
	<u>-</u>	<u>-</u>	<u>178,410</u>	<u>53,471</u>

### 13. BANK BALANCES

	OPF	PTF	OPF	PTF
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Cash at bank - savings accounts	13.1	36,135,350	7,334,115	27,563,802
		<u>36,135,350</u>	<u>7,334,115</u>	<u>27,563,802</u>

13.1 These carry mark-up at rates ranging between 5% to 17.5% (December 31, 2022: 3% to 5%) per annum.

	PTF	PTF
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	<b>(Rupees)</b>	

### 14 TAKAFUL / RE-TAKAFUL PAYABLES

	PTF	PTF
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Due to re-takaful operators	3,836,967	5,895,224
	<u>3,836,967</u>	<u>5,895,224</u>





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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	OPF		PTF	
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	<b>(Rupees)</b>			
<b>15 OTHER CREDITORS AND ACCRUALS</b>				
Federal insurance fee payable	-	-	172,976	67,360
FED payable	-	-	2,153,466	709,725
Sales tax on services	432,978	285,778	-	-
Agent commission payable	4,831,300	3,841,992	-	-
Auditors fee	275,865	414,856	-	-
Other payables	962,302	749,638	485,152	429,137
Payable against common expenses conventional	-	727,787	-	-
	<u>6,502,445</u>	<u>6,020,051</u>	<u>2,811,594</u>	<u>1,206,222</u>

### 16 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on June 30, 2023 and as at December 31, 2022.

	PTF			
	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	<b>(Un Audited)</b>			
	<b>(Rupees)</b>			
<b>17 NET CONTRIBUTION EARNED</b>				
<b>Written gross contribution</b>	17,531,504	10,196,854	28,997,830	14,892,892
Less: wakala fee	(4,857,708)	(1,556,223)	(8,556,988)	(2,767,864)
<b>Contribution net of wakala fee</b>	<u>12,673,796</u>	<u>8,640,631</u>	<u>20,440,842</u>	<u>12,125,028</u>
Add: unearned contribution reserve - opening	16,681,636	7,563,286	15,120,790	6,133,249
Less: unearned contribution reserve - closing	(21,756,624)	(12,189,886)	(21,756,624)	(12,189,886)
<b>Contribution earned</b>	<u>7,598,808</u>	<u>4,014,031</u>	<u>13,805,008</u>	<u>6,068,391</u>
Less: Re-takaful contribution ceded	<u>2,372,961</u>	<u>1,818,277</u>	<u>3,672,948</u>	<u>3,393,148</u>
Prepaid re-takaful contribution ceded-opening	10,846	201,730	53,471	181,284
Prepaid re-takaful contribution ceded-closing	(178,410)	(83,556)	(178,410)	(83,556)
Re-takaful contribution expense	<u>2,205,397</u>	<u>1,936,451</u>	<u>3,548,009</u>	<u>3,490,876</u>
	<u>5,393,411</u>	<u>2,077,580</u>	<u>10,256,999</u>	<u>2,577,515</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	PTF				
	Three months period ended		Six months period ended		
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	
	<b>(Un Audited)</b>				
	<b>(Rupees)</b>				
<b>18. RETAKAFUL REBATE EARNED</b>					
Commission received or recoverable	24,624	8,497	24,624	15,605	
Add: Unearned reinsurance commission opening	1,624	19,822	10,600	19,712	
Less: Unearned reinsurance commission closing	(24,103)	(8,797)	(24,103)	(8,797)	
Commission from reinsurance	<u>2,145</u>	<u>19,522</u>	<u>11,121</u>	<u>26,520</u>	
<b>19. NET CLAIMS - REPORTED / SETTLED - IBNR</b>					
Claims paid	6,560,556	1,061,319	9,582,916	1,775,380	
Less: Outstanding claims including IBNR opening	(12,512,538)	(2,750,039)	(11,587,681)	(2,736,126)	
Add: Outstanding claims including IBNR closing	11,956,658	4,206,360	11,956,658	4,206,360	
Claim expense	<u>6,004,676</u>	<u>2,517,640</u>	<u>9,951,893</u>	<u>3,245,614</u>	
Less: Re-takaful and other recoveries received	359,959	2,118,542	703,318	2,118,542	
Re-takaful and other recoveries in respect of outstanding claims - opening	(230,717)	(8,094)	(493,159)	(8,094)	
Re-takaful and other recoveries in respect of outstanding claims - closing	148,073	8,094	148,073	8,094	
Re-takaful and other recoveries revenue	<u>277,315</u>	<u>2,118,542</u>	<u>358,232</u>	<u>2,118,542</u>	
Net takaful claims expense	<u>5,727,361</u>	<u>399,098</u>	<u>9,593,661</u>	<u>1,127,072</u>	
<b>20. OTHER DIRECT EXPENSES</b>					
	<b>(Un Audited)</b>				
	Three months period ended		Six months period ended		
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	
	<b>(Rupees)</b>				
Coinsurance surcharge	21.1	134,905	16,093	226,516	24,789
Others		(32,216)	52,528	27,727	59,820
		<u>102,689</u>	<u>68,621</u>	<u>254,243</u>	<u>84,609</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

**20.1** This is the service charges deducted by coinsurers at 2.5% of gross premium revenue on policies in which the Operator is a coinsurer.

### 21. INVESTMENT INCOME

#### Income from TDRs - held to maturity

	OPERATOR'S FUND			
	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees)			
Return on term deposit receipts	<u>1,236,439</u>	<u>509,341</u>	<u>2,121,414</u>	<u>1,221,421</u>

#### PARTICIPANT'S TAKAFUL FUND

	PARTICIPANT'S TAKAFUL FUND			
	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees)			
Return on term deposit receipts	<u>897,358</u>	<u>275,400</u>	<u>1,541,929</u>	<u>802,867</u>

### 22. OTHER INCOME

	OPERATOR'S FUND			
	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees)			
Return on saving accounts	<u>128,400</u>	<u>50,620</u>	<u>206,255</u>	<u>107,231</u>
Others	<u>738</u>	<u>-</u>	<u>738</u>	<u>-</u>
	<u>129,138</u>	<u>50,620</u>	<u>206,993</u>	<u>107,231</u>

	OPERATOR'S FUND			
	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees)			
Return on saving accounts	<u>319,833</u>	<u>51,176</u>	<u>566,789</u>	<u>105,915</u>

### 23. WAKALA FEE

	OPERATOR'S FUND			
	(Un-audited)			
	Three months period ended		Six months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees)			
Gross wakala fee	<u>6,898,426</u>	<u>2,428,536</u>	<u>11,388,831</u>	<u>4,327,879</u>
Unearned wakala fee opening	<u>6,835,325</u>	<u>2,979,100</u>	<u>6,044,200</u>	<u>2,291,398</u>
Unearned wakala fee closing	<u>(8,876,043)</u>	<u>(3,851,413)</u>	<u>(8,876,043)</u>	<u>(3,851,413)</u>
Wakala expense	<u>4,857,708</u>	<u>1,556,223</u>	<u>8,556,988</u>	<u>2,767,864</u>



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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

		<b>OPERATOR'S FUND</b>			
		(Un-audited)			
		Three months period ended		Six months period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		(Rupees)			
<b>24</b>	<b>COMMISSION EXPENSE</b>				
	Commission paid or payable	3,151,251	1,963,199	5,356,067	2,800,860
	Deferred commission opening	3,223,059	1,301,010	3,084,232	1,031,083
	Deferred commission closing	<u>(3,918,616)</u>	<u>(2,282,079)</u>	<u>(3,918,616)</u>	<u>(2,282,079)</u>
	Commission expense	<u>2,455,694</u>	<u>982,130</u>	<u>4,521,683</u>	<u>1,549,864</u>
<b>25</b>	<b>MANAGEMENT EXPENSES</b>				
	Salaries, wages and benefits	486,178	195,600	935,778	722,400
	Depreciation / amortization	35,019	263,307	70,039	263,307
	Shariah advisory fee	377,781	-	566,670	283,336
	Software maintenance	195,000	220,000	390,000	220,000
	Business acquisition cost	146,230	97,200	248,817	97,200
	Others	813,050	-	827,000	9,240
		<u>2,053,258</u>	<u>776,107</u>	<u>3,038,304</u>	<u>1,595,483</u>
<b>26</b>	<b>DIRECT EXPENSES</b>				
	Auditor's remuneration	117,828	86,670	121,539	86,670
	Sharia Audit Fee	154,325	-	154,325	-
	Printing and stationery	-	-	850	13,500
	Others	693	-	693	-
		<u>272,846</u>	<u>86,670</u>	<u>277,407</u>	<u>100,170</u>
<b>26.1</b>	<b>Auditor's remuneration</b>				
	Interim review fee	89,100	65,539	89,100	65,539
	Out of pocket expense	20,000	14,711	20,000	14,711
	Sales tax @ 8%	8,728	6,420	12,439	6,420
		<u>117,828</u>	<u>86,670</u>	<u>121,539</u>	<u>86,670</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

### 27 SEGMENT REPORTING

For the six months period ended June 30, 2023 (Un-audited)

	Fire and property damages	Marine, aviation & transport	Motor	Miscellaneous	Aggregate
	(Un-audited)				
	(Rupees)				
<b>27.1 Participants' Takaful Fund</b>					
Contribution written (inclusive of federal excise duty, federal insurance fee, and administrative surcharge)	8,082,435	1,955,955	21,001,337	1,847,080	32,886,807
Federal excise duty	(762,726)	(218,113)	(2,384,809)	(226,867)	(3,592,515)
Federal insurance fee	(50,808)	(15,583)	(158,981)	(14,441)	(239,813)
Stamp duty	(1,200)	(43,963)	(2,844)	(3,330)	(51,337)
Advance tax	(78)	-	(4,006)	(1,228)	(5,312)
Gross written contribution (inclusive of administrative surcharges)	<u>7,267,623</u>	<u>1,678,296</u>	<u>18,450,697</u>	<u>1,601,214</u>	<u>28,997,830</u>
Gross contribution direct	7,216,258	1,627,220	18,090,670	1,537,960	28,472,108
Admin surcharge	51,365	51,076	360,027	63,254	525,722
Net contribution earned	6,634,521	1,747,352	12,963,537	1,016,586	22,361,996
Wakala fees	(2,551,486)	(681,648)	(4,830,420)	(493,433)	(8,556,988)
Re-takaful contribution ceded	(1,392,328)	(806,048)	(1,148,119)	(201,513)	(3,548,008)
Net takaful contribution	2,690,707	259,655	6,984,998	321,639	10,256,999
Re-takaful rebate earned	4,130	-	6,991	-	11,121
Net underwriting income	2,694,836	259,655	6,991,990	321,639	10,268,120
Claim expense	(2,178,032)	(187,572)	(7,468,725)	(117,564)	(9,951,893)
Re-takaful & other recoveries revenue	-	-	358,232	-	358,232
Net claims	(2,178,032)	(187,572)	(7,110,493)	(117,564)	(9,593,661)
Direct Expenses	(75,431)	(19,866)	(147,388)	(11,558)	(254,243)
Net takaful claim and expense	(2,253,463)	(207,438)	(7,257,881)	(129,122)	(9,847,904)
Surplus/(deficit) before investment income	<u>441,374</u>	<u>52,217</u>	<u>(265,891)</u>	<u>192,517</u>	<u>420,216</u>
Net investment income					1,541,929
Other income					206,993
Less: Modarib's share of investment income					(154,193)
Surplus for the period					<u>2,014,945</u>
<b>The following presents segments assets and liabilities as at June 30, 2023</b>					
Segment assets	7,401,385	1,709,186	18,790,286	1,630,685	29,531,542
Unallocated assets					29,170,698
					<u>58,702,240</u>
Segment liabilities	8,772,156	1,310,517	23,842,820	2,180,321	36,105,814
Unallocated liabilities					14,926,552
					<u>51,032,366</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

### 27.2 Operator's Fund

For the six months period ended June 30, 2023 (Un-audited)

	Fire and property damages	Marine, aviation & transport	Motor	Miscellaneous	Aggregate
	----- (Rupees) -----				
Wakala fee	2,551,486	681,648	4,830,420	493,433	8,556,988
Commission expense	(2,149,195)	(441,278)	(1,732,265)	(198,946)	(4,521,683)
Management expense	(901,426)	(237,411)	(1,761,344)	(138,123)	(3,038,304)
	<u>(499,135)</u>	<u>2,960</u>	<u>1,336,811</u>	<u>156,365</u>	<u>997,001</u>
Modarib's share of PTF investment income					154,193
Investment income					2,121,414
Direct expenses					(277,407)
Other Income					566,789
Profit before taxation					<u>3,561,990</u>
<b>The following presents segments assets and liabilities as at June 30, 2023</b>					
Segment assets	3,616,750	835,208	9,182,033	796,848	14,430,839
Unallocated assets					58,769,055
					<u>73,199,894</u>
Segment liabilities	2,224,571	513,715	5,647,636	490,121	8,876,043
Unallocated liabilities					6,502,445
					<u>15,378,488</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

### SEGMENT INFORMATION

For the six months period ended June 30, 2022  
(un-Audited)

	Fire and property damages	Marine, aviation & transport	Motor	Miscellaneous	Aggregate
----- (Rupees) -----					
<b>Participants' Takaful Fund</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)	(102,206)
Stamp duty	(500)	(25,448)	(2,220)	(2,560)	(30,728)
Advance tax	-	-	(3,514)	-	(3,514)
Gross written contribution (inclusive of Administrative Surcharges)	<u>2,771,426</u>	<u>938,159</u>	<u>9,949,207</u>	<u>1,270,607</u>	<u>14,895,157</u>
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
Takaful contribution earned	1,475,262	671,270	6,393,263	296,460	8,836,255
Wakala fee	(390,885)	(188,933)	(2,130,075)	(57,972)	(2,767,864)
Re-takaful contribution ceded	<u>(1,592,003)</u>	<u>(774,345)</u>	<u>(829,142)</u>	<u>(295,386)</u>	<u>(3,490,876)</u>
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
Net underwriting 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 and expense	<u>(14,126)</u>	<u>(6,428)</u>	<u>(1,188,289)</u>	<u>(2,839)</u>	<u>(1,211,681)</u>
Surplus/(deficit) before investment income	<u>(503,326)</u>	<u>(298,436)</u>	<u>2,253,851</u>	<u>(59,736)</u>	<u>1,392,354</u>
Net investment income					802,867
Other income					107,231
Less: Modarib's share of investment income					(85,958)
Surplus for the period					<u>2,216,494</u>
The following presents segments assets and liabilities as at June 30, 2022					
Segment assets	2,317,157	763,245	8,315,123	1,058,497	12,454,022
Unallocated assets					24,826,334
					<u>37,280,356</u>
Segment liabilities	2,317,157	763,245	8,315,123	1,058,497	12,454,022
Unallocated liabilities					13,149,507
					<u>25,603,529</u>





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

For the six months period ended June 30, 2022  
(un-Audited)

	Fire and property damages	Marine, aviation & transport	Motor	Miscellaneous	Aggregate
----- (Rupees) -----					
<b>Operator's fund</b>					
Wakala fee income	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)
	(312,001)	(78,958)	77,297	(63,821)	(377,483)
Modarib's share of PTF's investment income					85,958
Investment income					1,221,421
Direct expenses					(100,170)
Other income					105,915
Profit before taxation					<u>935,641</u>
The following presents segments assets and liabilities as at June 30, 2022					
Segment assets	3,848,121	279,361	3,043,483	387,426	2,458,391
Unallocated assets					<u>55,498,264</u>
					<u>60,056,655</u>
Segment liabilities	716,582	236,034	2,571,456	327,341	3,851,413
Unallocated liabilities					<u>3,512,145</u>
					<u>7,363,558</u>

### 28 TRANSACTIONS WITH RELATED PARTIES

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

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

### 29 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, 2023

As at June 30, 2023 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.

### 30. DATE OF AUTHORISATION OF ISSUE

These condensed interim financial statement were authorised for issue on 18 August 2023 by the Board of Directors of the Operator.

### 31. CORRESPONDING FIGURES

Corresponding figures and balances have been reclassified, wherever considered necessary, for the purpose of comparison.

### 32. GENERAL

All amount have been rounded off to the nearest rupees.

Air Marshal Muhammad Arif  
Pervaiz (Retd.) - Chairman

Air Cdre. Tausif Sadiq  
(Retd.) - Director

Adeel Ali  
Director

Rizwan Akhtar  
Chief Executive Officer

Nisar Ahmed Almani  
Chief Financial Officer



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Rehman Complex Ibne Seena Hospital Market

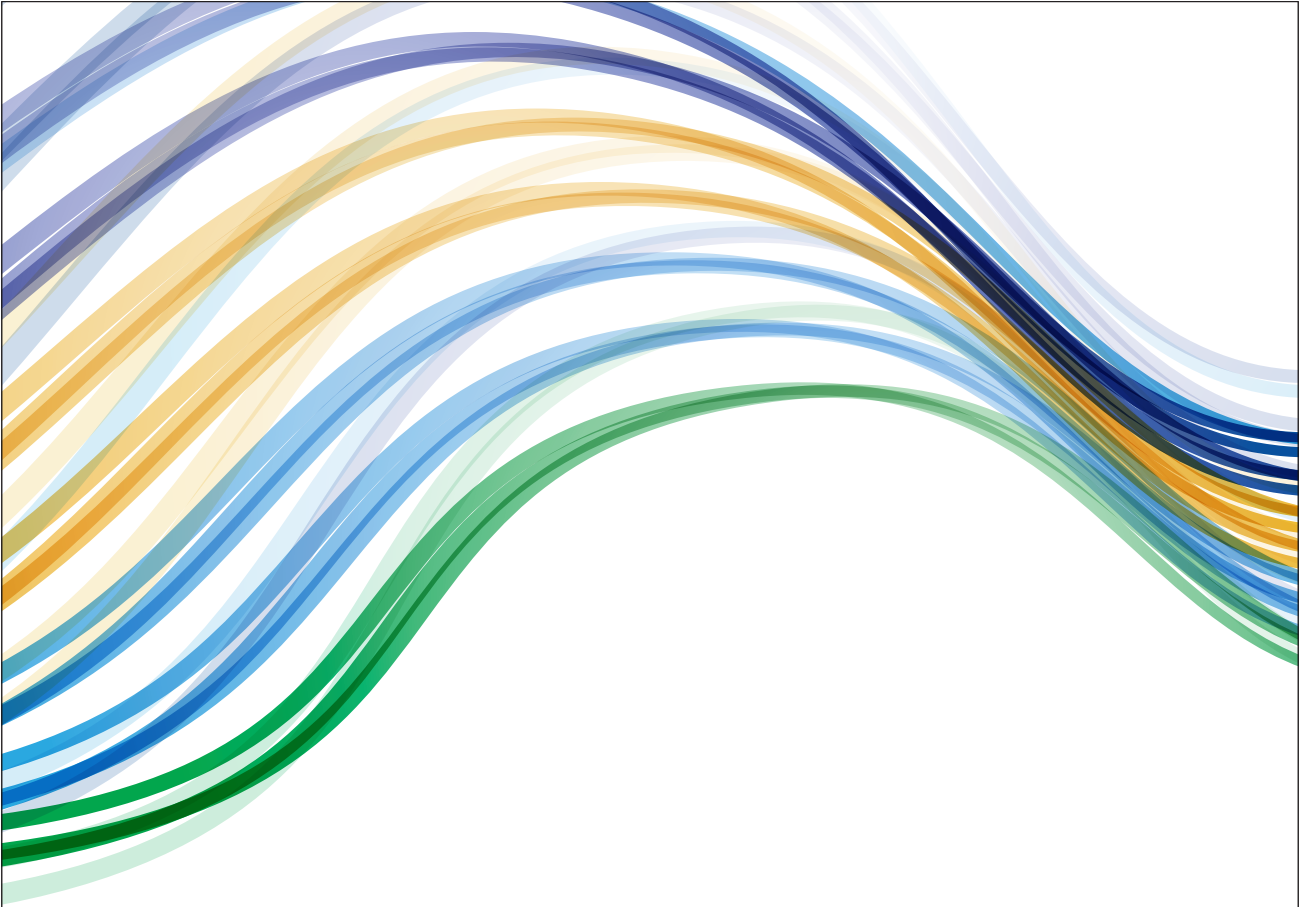
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