



NINE MONTHS REPORT

Period Ended September 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. Kashif Naeem

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 September 30, 2023 rose to Rs. 805.99 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 **'Stable'** 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 Quarterly Report together with the financial statements (unaudited) for the nine months period ended September 30, 2023.

GENERAL ECONOMIC REVIEW

Pakistan's economy is suffering from political instability and continued high inflation. Rupee depreciation against USD and high interest rate also impacted the economic and business environment. However, a ray of hope has sighted in the later part of this quarter vis a vis improvement in economic indicators and recovery has started. Situation in the insurance industry also continue to follow overall economic landscape of the country.

COMPANY'S PERFORMANCE – OPERATIONAL RESULTS FOR THE NINE MONTHS PERIOD ENDED 2023

Despite challenging environment during the period under review your Company's business has demonstrated a growth of 80% compared with the previous corresponding period as described below;

Business Segment	Gross Premium 9M 2023 Rs. in (000)	Gross Premium 9M 2022 Rs. in (000)	%age Growth
Conventional Business	589,997	330,836	78%
Takaful (WTO) Business	49,333	24,388	102%
Total Business	639,330	355,224	80%

The net premium revenue from conventional business increased to Rs.316.08 million during the first nine months of FY 2023 against Rs.185.82 million during the corresponding period of 2022. Net claims incurred during the period under review were Rs.107.67 million against Rs.42.21 million during corresponding period of 2022 and management expenses rose from Rs.97.83 million to Rs.139.66 million during the nine-months period ended September 30, 2023 mainly due to inflation, and increase in expenses relating to increase in business volumes.

Your Company has earned profits from its core lines of business showing an underwriting profit of Rs.10.44 million during the nine months period ended September 30, 2023 against underwriting profit of Rs.8.03 million during corresponding period of 2022.

Investment Income of the company registered an increase of more than 58% mainly due to rise in interest rates by the SBP. Profit from Window Takaful Operations contributed profit before tax of Rs.7.39 million during the subject period (9M 2022: Rs.3.00 million) showing an increase of 146.57%

During the nine months period ended September 30, 2023 profit before tax rose to Rs.104.28 million against Rs.65.78 million during corresponding period of last year. The net profit after tax also grew to Rs.74.04 million during 9M 2023, from Rs.46.70 million during similar period of 2022 showing an increase of 59%. Earnings per share (EPS) stood at Rs.1.23 per share during the nine months period ended September 30, 2023 (9M 2022: Rs.0.78 per share).



The comparative financial highlights of your Company for the period ended September 30, 2023 are as under;

Profit & Loss Account	9M 2023 Rs. in (Million)	9M 2022 Rs. in (Million)	%age Inc/(Ded)
Gross Premium (including window takaful operations)	639.33	355.24	80%
Net Premium	316.08	185.82	70%
Net Incurred Claims (including IBNR)	107.67	42.21	155%
Management Expenses	139.45	97.83	43%
Underwriting Profit	10.44	8.03	30%
Profit from WTO	7.39	3.00	147%
Investment Income	79.51	50.25	58%
Profit before tax	104.28	65.78	59%
Profit after tax	74.04	46.70	59%
Earning per share (EPS)	1.23	0.78	59%

Future Outlook & Challenges

Although, overall economic conditions are not favorable 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, although current interim government taking necessary measures to stabilize the economic situation.

Despite all the challenges, your company is steadily growing. 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 continued patronage & support. We are also thankful to the SECP, SBP, PACRA, Reinsurers for their continued guidance & assistance. We also appreciate "Team Shaheen" for their hard-work, dedication & commitment for the betterment of the company.

Rizwan Akhtar
Chief Executive Officer
25 October 2023

Air Marshal Muhammad Arif Pervaiz (Retd.)
Chairman



58%	50.25	79.51	سرمایہ کاری کی آمدنی
59%	65.78	104.28	نفع قبل از ٹیکس
59%	46.70	74.04	نفع بعد از ٹیکس
59%	0.78	1.23	آمدنی فی شیئر (روپے)

مستقبل کا آؤٹ لک اور چیلنجز:

اگرچہ مجموعی طور پر معاشی حالات سازگار نہیں ہیں خاص طور پر بگڑتی ہوئی معاشی اور سیاسی صورتحال کے پیش نظر 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 چیلنجزنگ رہیں گے، حالانکہ موجودہ عبوری حکومت معاشی صورتحال کو مستحکم کرنے کے لیے ضروری اقدامات کر رہی ہے۔

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' کو ان 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)

چیئرمین

25 اکتوبر 2023



2023 کے اختتام پذیر نو ماہ کی مدت کے دوران ہونے والے صافنی دعوے 2022 کی اسی مدت 42.21 ملین روپے کے مقابلے میں 107.67 ملین روپے تھے۔ 2023 کے اختتام پذیر نو ماہ کی مدت کے مقابلے میں اخراجات 2022 کی اسی مدت میں 97.83 ملین روپے سے بڑھ کر 139.66 ملین روپے تک پہنچ گئے جس کی بنیادی وجہ افراط زرا اور کاروباری حجم میں اضافہ ہے۔

آپ کی کمپنی نے 30 ستمبر 2023 کو ختم ہونے والی نو ماہ کی مدت کے دوران 10.44 ملین روپے کا انڈر رائٹنگ منافع اپنے بنیادی انشورنس کاروبار سے کمایا ہے جو کہ 2022 کی اسی مدت کے دوران 8.03 ملین روپے کا انڈر رائٹنگ منافع تھا۔

کمپنی کی سرمایہ کاری کی آمدنی میں 58 فیصد سے زیادہ کا اضافہ ہوا جس کی بنیادی وجہ اسٹیٹ بینک کی جانب سے شرح سود میں اضافہ ہے۔ ونڈو تکافل آپریشنز کے منافع نے نو ماہ کی مدت 2023 کے دوران 7.39 ملین روپے کے ٹیکس سے پہلے منافع کمایا۔ (2022 نو ماہ کی مدت کے دوران 3 ملین روپے) 146.57 فیصد اضافہ۔

30 ستمبر 2023 کو ختم ہونے والی نو ماہ کی مدت کے دوران ٹیکس سے پہلے کا منافع گزشتہ سال کی اسی مدت کے 65.78 ملین روپے کے مقابلے میں بڑھ کر 104.28 ملین روپے ہو گیا۔ ٹیکس کے بعد کا خالص منافع بھی نو ماہ کی مدت کے دوران 2023 میں 74.04 ملین روپے تک بڑھ گیا جو کہ 2022 کی اسی مدت کے دوران 46.70 ملین روپے تھا جو کہ گزشتہ مدت کے مقابلے میں 59 فیصد کی بڑھوتری ظاہر کرتا ہے۔ 30 ستمبر 2023 کو ختم ہونے والی نو ماہ کی مدت تک فی حصص آمدنی (ای پی ایس) 1.23 روپے فی شیئر رہی (2022 فی حصص آمدنی 0.78 فی شیئر)

30 ستمبر 2023 کو ختم ہونے والی مدت سے لیے آپ کی کمپنی کے انشورنس کے نتائج کا خلاصہ درج ذیل ہے۔

منافع اور نقصان کا حساب	تیسری سہ ماہی 2023 (روپے ملین میں)	تیسری سہ ماہی 2022 (روپے ملین میں)	مجموعی اضافہ/کمی
قلمرو مجموعی پرییم	639.33	355.24	80%
پرییم کی صافنی آمدنی	316.08	185.82	70%
صافنی دعوے (بشمول آئی بی این آر)	107.67	42.21	155%
انتظامی اخراجات	139.45	97.83	43%
انڈر رائٹنگ سے نفع	10.44	8.03	30%
ونڈو تکافل آپریشنز سے نفع	7.39	3.00	147%



ڈائریکٹرز کا تبصرہ

شیر ہولڈرز

شاہین انشورنس کمپنی لمیٹڈ،

ڈائریکٹرز مسرت کے ساتھ 30 ستمبر 2023 کے اختتام پذیر نو ماہ کی مدت کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔

عمومی اقتصادی جائزہ:

پاکستان کی معیشت سیاسی عدم استحکام اور مسلسل مہنگائی کا شکار ہے۔ امریکی ڈالر کے مقابلے روپے کی قدر میں کمی اور سود کی بلند شرح نے بھی اقتصادی اور کاروباری ماحول کو متاثر کیا۔ تاہم، اس سہ ماہی کے آخر میں معاشی اشاریوں میں بہتری اور بحالی شروع ہونے سے امید کی کرن نظر آئی ہے۔ انشورنس انڈسٹری کی صورتحال بھی ملک کے مجموعی اقتصادی منظر نامے کی پیروی کرتی رہتی ہے۔

کمپنی کی کارکردگی۔ سال 2023 کے اختتام پذیر نو ماہ کی مدت کے آپریشنل نتائج:

30 ستمبر 2023 کے اختتام پذیر نو ماہ کی مدت 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 80 فیصد کی مضبوط ترقی کا مظاہرہ کیا ہے جیسا کہ ذیل میں بیان کیا گیا ہے۔

کاروبار	مجموعی پرییم نو ماہ کی مدت 2023 (روپے 000)	مجموعی پرییم نو ماہ کی مدت 2022 (روپے 000)	مجموعی اضافہ
کنوشنل کاروبار	589,997	330,836	78%
ونڈو تکافل کاروبار	49,333	24,388	102%
کل کاروبار	639,330	355,224	80%

آپ کی کمپنی نے 30 ستمبر 2023 کے اختتام پذیر نو ماہ کی مدت کے دوران 316.08 بلین روپے کا مجموعی پرییم لکھا جبکہ 2022 میں اسی مدت کے دوران 185.82 بلین روپے کا مجموعی پرییم لکھا گیا۔



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2023

		September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	Note	(Rupees)	
ASSETS			
Property and equipment	6	69,948,634	55,078,741
Intangible assets		-	-
Investment properties	7	167,050,569	167,050,569
Investments			
Equity securities	8	126,479,169	164,245,041
Debt securities	9	137,924,729	83,071,470
Term deposits	10	398,779,290	364,779,290
Advances, deposits and other receivables	11	17,629,213	17,596,161
Insurance / re-insurance receivables	12	265,402,157	122,577,054
Re-insurance recoveries against outstanding claims		107,702,073	46,299,007
Salvage recoveries accrued		-	-
Deferred commission expense		36,423,643	26,062,948
Taxation-payment less provision		-	4,089,774
Prepayments		93,382,383	14,560,355
Cash and bank	13	189,383,715	105,704,583
Total assets of Window Takaful Operations - Operator's Fund		<u>80,362,965</u>	<u>66,323,667</u>
Total Assets		<u>1,690,468,538</u>	<u>1,237,438,660</u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Share capital	14	600,000,000	600,000,000
Reserves	15	23,886,462	23,863,126
Unappropriated profit		182,102,627	108,063,726
Total Equity		<u>805,989,089</u>	<u>731,926,852</u>
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	21	219,555,366	128,962,567
Unearned premium reserves	20	292,681,471	156,749,372
Premium deficiency reserves		337,245	337,245
Unearned reinsurance commission	22	2,582,188	2,323,817
Lease liabilities	16	17,405,027	19,315,492
Premium received in advance	17	2,011,475	1,095,173
Insurance / re-insurance payables	18	107,038,459	54,770,246
Other creditors and accruals		209,956,791	128,053,459
Unclaimed dividend		1,823,901	1,840,186
Taxation - provision less payments		12,377,056	-
Total liabilities of window takaful operations - Operator's Fund		<u>18,710,469</u>	<u>12,064,251</u>
Total Liabilities		<u>884,479,449</u>	<u>505,511,808</u>
Total Equity and Liabilities		<u>1,690,468,538</u>	<u>1,237,438,660</u>
Contingencies and commitments	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 THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Note	Three months period ended		Nine months period ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		Un-audited			
		(Rupees)			
Net insurance premium	20	99,245,221	79,913,268	316,082,286	185,817,884
Net insurance claims	21	(35,212,136)	(18,692,498)	(107,671,462)	(42,208,209)
Premium deficiency - net		-	-	-	-
Net commission expense / acquisition cost	22	(15,888,629)	(15,782,059)	(58,523,188)	(37,746,901)
Insurance claims and acquisition expenses		(51,100,765)	(34,474,558)	(166,194,650)	(79,955,110)
Management expenses		(47,994,516)	(35,772,140)	(139,445,995)	(97,833,415)
Underwriting results		149,941	9,666,570	10,441,640	8,029,359
Investment income	23	25,728,984	17,652,674	79,513,134	50,248,365
Rental income		568,896	517,183	1,603,261	1,842,518
Other income		6,085,273	1,004,546	12,529,753	4,798,485
Other expenses	24	(2,344,761)	(52,950)	(5,331,783)	(421,370)
Profit before tax from window takaful operations - OPF		3,831,090	2,024,053	7,393,080	2,998,328
Results of operating activities		34,019,423	30,812,075	106,149,085	67,495,683
Finance charges against lease liabilities		(544,484)	(534,776)	(1,868,942)	(1,714,201)
Profit before tax		33,474,938	30,277,299	104,280,143	65,781,482
Provision for taxation - net	25	(10,887,738)	(10,658,493)	(30,241,241)	(19,076,630)
Profit after tax		22,587,200	19,618,806	74,038,901	46,704,852
Earnings per share - basic and diluted	29	0.38	0.33	1.23	0.78

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 THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Three months period ended		Nine months period ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	Un-audited			
	(Rupees)			
Profit after tax	22,587,200	19,618,806	74,038,901	46,704,852
Other comprehensive income :				
Items that may be subsequently classified to profit and loss account				
Unrealised gain / (loss) on available for sale investments	887,290	2,259,107	23,336	(207,438)
Total comprehensive income for the period	23,474,490	21,877,913	74,062,237	46,497,414

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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Attributable to equity holders of the Company				
	Share capital	Revenue reserves	Unrealised (loss) / gain on available-for-sale investments	Unappropriated (loss) / 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 September 30, 2022	-	-	-	46,704,852	46,704,852
Other comprehensive Income	-	-	(207,438)	-	(207,438)
Total comprehensive income for the period	-	-	(207,438)	46,704,852	46,497,414
Balance as at September 30, 2022	600,000,000	20,000,000	12,397,321	101,327,316	733,724,637
Balance as at January 1, 2023	600,000,000	20,000,000	3,863,126	108,063,726	731,926,852
Profit for the period ended September 30, 2023	-	-	-	74,038,901	74,038,901
Other comprehensive income	-	-	23,336	-	23,336
Total comprehensive income for the period	-	-	23,336	74,038,901	74,062,237
Balance as at September 30, 2023	600,000,000	20,000,000	3,886,462	182,102,627	805,989,089

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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023	September 30, 2022
Note	(Rupees)	
OPERATING CASHFLOW		
Underwriting activities		
Insurance premiums received	505,294,265	253,604,433
Reinsurance premiums paid	(164,536,727)	(82,716,568)
Claims paid	(276,461,612)	(67,769,047)
Reinsurance and other recoveries received	197,979,883	23,640,963
Commission paid	(80,357,004)	(45,807,181)
Commission received	14,993,953	6,708,624
Net cash flows generated from underwriting activities	196,912,758	87,661,224
Other operating activities		
Income tax paid	(10,367,931)	(8,409,314)
Finance cost paid		
Management and administration expenses paid	(115,236,815)	(90,497,613)
Loans advanced - net		
Net cash flow from other operating activities	(125,604,746)	(98,906,927)
Total cash used in from operating activities	71,308,012	(11,245,703)
INVESTMENT ACTIVITIES		
Investment income received	94,585,707	47,026,506
Rentals received	2,275,586	2,453,730
Payments for investments - net	(17,087,386)	(35,588)
Fixed capital expenditure	(24,277,399)	(14,787,461)
Proceeds from disposal of property and equipment	1,972,491	6,865,881
Total cash generated from / (used in) investing activities	57,468,999	41,523,068
FINANCING ACTIVITIES		
Financial charges paid	-	(186,890)
Dividend Paid	(16,285)	-
Principal repayment of lease liabilities against right-of-use-assets	(11,081,594)	(10,115,803)
Total cash used in financing activities	(11,097,879)	(10,302,693)
Net cash generated from / (used in) all activities	117,679,132	19,974,672
Exchange gain on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of year	470,483,873	396,627,934
Cash and cash equivalents at end of the period	588,163,005	416,602,606

Air Marshal Muhammad Arif
Pervaiz (Retd.) - Chairman

Air Cdre. Tausif Sadiq
(Retd) - Director

Adeel Ali
Director

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Chief Executive Officer

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Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023	September 30, 2022
	----- (Rupees) -----	
Reconciliation to profit and loss account		
Operating cash flows	71,308,012	(11,245,703)
Depreciation	(16,700,002)	(8,904,305)
Finance charges against lease liabilities	(1,868,942)	(1,714,201)
Gain on disposal of property and equipment	277,299	2,896,765
Unrealised gain on investment properties	-	-
Rental income	1,603,261	1,842,518
Increase / (decrease) in assets other than cash	291,843,142	106,648,574
(Increase) / decrease in liabilities	(359,330,083)	(100,863,973)
Investment and other income	79,513,134	55,046,849
Profit from window takaful operations - OPF	7,393,080	2,998,327
Profit after tax	74,038,901	46,704,852

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 cash flow statement consists of:

	September 30, 2023	September 30, 2022
	----- (Rupees) -----	
Cash and other equivalents		
- Cash in hand	221,928	112,621
- Policy stamps in hand	-	-
	221,928	112,621
Current and saving accounts		
- Current accounts	145,858,208	20,022,964
- Savings accounts	43,303,578	31,687,730
	189,161,786	51,710,694
Deposits maturing within 5 months		
Term deposits - local currency	398,779,290	364,779,291
	588,163,005	416,602,606

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
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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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 No. 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 Fakhre-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;
- 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



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

accounting standards board (IASB) as notified under the Companies Act, 2017; and

- 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 nine months period ended September 30, 2022.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for certain investments and investment properties which are carried at fair values, held to maturity investments are stated at amortised cost and right of use of assets and related liabilities which are measured at their present values. Investment classified as held for trading, 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 Temporary exemption from application of IFRS 9

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 AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

September 30, 2023

	Note	Fail the SPPI test		Pass the SPPI test		
		Fair value	Change in unrealised gain / (loss)	Carrying value	Fair value	Change in unrealised gain / (loss)
----- (Rupees) -----						
Cash and bank balances	13	146,080,137	-	-	43,303,578	-
Equity securities	8	229,418	23,063	-	-	-
Debt securities	9	-	-	-	137,924,729	-
Term deposits	10	-	-	-	398,779,290	-
Mutual funds	8	126,249,751	23,336	-	-	-
Loan and other receivable	11	-	-	17,629,213	-	-
		<u>272,559,305</u>	<u>46,398</u>	<u>17,629,213</u>	<u>580,007,597</u>	<u>-</u>

December 31, 2022

	Note	Fail the SPPI test		Pass the SPPI test		
		Fair value	Change in unrealised gain / (loss)	Carrying value	Fair value	Change in unrealised gain / (loss)
----- (Rupees) -----						
Cash and bank balances	13	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>243,014,406</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 AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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.

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Note	—————	—————
	(Rupees)	

6. PROPERTY AND EQUIPMENT

6.1 Property and equipment includes:

PROPERTY AND EQUIPMENT

Furniture and fixtures		3,729,611	3,771,402
Office and electrical equipment	6.2	1,765,941	1,105,801
Computer equipment		1,649,155	1,226,255
Motor vehicles		48,255,543	25,825,574
Right-of-use assets	6.3	14,384,381	16,621,709
Capital work-in-progress	6.4	164,004	6,528,000
		<u>69,948,634</u>	<u>55,078,741</u>

6.2 This includes additions / disposals with following details:

(Un-Audited)			
September 30, 2023			
Nine months period ended			
September 30, 2023		September 30, 2022	
Additions	Disposals	Additions	Disposals
(Rupees)			

Cost:

Furniture, fixtures and office equipment	1,145,970	750,795	3,242,428	71,204
Computers	859,157	444,397	1,022,207	-
Motor vehicles	28,636,268	500,000	12,650,577	3,897,912
	<u>30,641,395</u>	<u>1,695,192</u>	<u>16,915,212</u>	<u>3,969,116</u>



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)			
Note	(Rupees)				
6.3 Right-of-use assets					
Buildings					
Opening balance	16,621,709	24,653,059			
Increase during the period / year	7,514,503	885,673			
Impact of modification of leases	(151,306)	2,391,856			
Depreciation expense	(9,600,525)	(11,308,879)			
Closing balance	<u>14,384,381</u>	<u>16,621,709</u>			
6.4 Capital work-in-progress					
Advances to suppliers	<u>164,004</u>	<u>6,528,000</u>			
7. INVESTMENT PROPERTIES					
Opening balance - net book value	167,050,569	154,950,569			
Unrealised fair value gain	-	12,100,000			
Closing balance - net book value	<u>167,050,569</u>	<u>167,050,569</u>			
7.1 Investment properties consists of the following:					
	---- (Un-audited) ----	----- (Audited)-----			
Particulars	Location	Fair value as at September 30, 2023	Un-realised gain for September 30, 2023	Fair value as at December 31, 2022	Un-realised gain for December 31, 2022
		(Rupees)			
Freehold land	Islamabad	19,775,000	-	19,775,000	625,000
Shop premises	Lahore	90,894,150	-	90,894,150	4,375,000
Office premises	Karachi	56,381,419	-	56,381,419	7,100,000
		<u>167,050,569</u>	<u>-</u>	<u>167,050,569</u>	<u>12,100,000</u>
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 AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

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

Valuation technique

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

- 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 September 30, 2023, the fair values of the investment properties approximate its market values.

8. INVESTMENT IN EQUITY SECURITIES

Note	(Un-audited)			(Audited)		
	September 30, 2023			December 31, 2022		
	Cost	Impairment	Carrying value	Cost	Impairment	Carrying value
	----- (Rupees) -----			----- (Rupees) -----		
Available for sale						
<i>Listed shares</i>						
- First Capital Equities Limited"	8.1	188,000,000	(188,000,000)	-	188,000,000	(188,000,000)
Mutual funds	8.2	122,301,195	-	126,249,751	160,175,558	-
		<u>310,301,195</u>	<u>(188,000,000)</u>	<u>126,249,751</u>	<u>348,175,558</u>	<u>(188,000,000)</u>
Investment at fair value through profit or loss						
<i>Listed shares</i>						
- Summit Bank Limited		206,355	-	229,418	299,821	-
		<u>310,507,550</u>	<u>(188,000,000)</u>	<u>126,479,169</u>	<u>348,475,379</u>	<u>(188,000,000)</u>



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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 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		September 30, 2023		December 31, 2022	
	September 30, 2023	December 31, 2022	Cost	Fair Value	Cost	Fair Value
	(Number)	(Number)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Pakistan Cash Management Fund	44,806	2,857,470	2,168,919	2,261,246	144,142,119	144,210,222
Faysal Saving Growth Fund	11,504	10,235	991,271	1,267,406	860,248	1,124,764
ABL Income Fund	202,477	183,435	1,762,917	2,051,112	1,545,115	1,845,206
HBL Cash Fund	34,626	30,783	3,081,727	3,561,054	2,691,389	3,153,277
Lakson Money Market FFund	8,236	7,380	722,121	858,122	651,750	757,945
HBL Money Market Fund	13,128	11,519	1,128,190	1,424,162	962,723	1,269,901
HBL Islamic Money Market Fund	1,006,650	-	101,799,694	101,847,169	-	-
Pakistan Income Fund	213,646	188,650	10,058,267	12,247,613	8,812,672	11,020,144
Atlas Islamic Income Fund	1,367	1,212	588,089	731,867	509,541	657,223
			<u>122,301,195</u>	<u>126,249,751</u>	<u>160,175,558</u>	<u>164,038,682</u>

9. INVESTMENTS IN DEBT SECURITIES

Name of investment	Face value	Number of certificates	Profit rate	Profit payment	Maturity date	September 30, 2023		December 31, 2022	
						Cost	Carrying Value	Cost	Carrying Value
						(Rupees)	(Rupees)	(Rupees)	(Rupees)
5 Years Pakistan Investment Bonds	65,000,000	650,000	11.35	Semi annually	19-Sep-24	60,587,150	64,119,420	60,587,150	63,440,329
5 Years Pakistan Investment Bonds	20,000,000	200,000	12.7	Semi annually	12-Jul-23	16,868,540	20,000,000	16,868,540	19,631,141
3 Years Pakistan Investment Bonds	62,000,000	620,000	19.01	Semi annually	04-Aug-25	52,587,656	53,805,309	-	-
	<u>147,000,000</u>	<u>1,470,000</u>				<u>130,043,346</u>	<u>137,924,729</u>	<u>77,455,690</u>	<u>83,071,470</u>

The rate of return of PIBs is between 11.35% to 19.01% (December 31, 2022: 8% to 9.5%) per annum. They are pledged with the State Bank of Pakistan under the provisions of Insurance Rules 2017.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	—————(Rupees)—————	
10. INVESTMENT IN TERM DEPOSITS			
Held to maturity			
Deposits maturing within five months	10.1	<u>398,779,290</u>	<u>364,779,290</u>
10.1	The balance includes term deposits with various commercial banks having maturities within 5 months (i.e. upto February 01, 2024). The rate of return on these term deposits range between 15% to 20.75% (December 31, 2022: 10% to 16%) per annum.		
		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	—————(Rupees)—————	
11. ADVANCES, DEPOSITS AND OTHER RECEIVABLES (unsecured, considered good)			
Accrued investment income		3,066,065	5,608,885
Other receivables		5,972,672	3,530,941
Security deposits	11.1	7,926,898	7,579,357
Advances		663,578	876,978
		<u>17,629,213</u>	<u>17,596,161</u>
11.1	This includes Rs. 3.3 million (December 31, 2022: Rs. 3.3 million) in respect of security deposits paid against rental arrangements to Shaheen foundation (the Parent Undertaking).		
		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	—————(Rupees)—————	
12. INSURANCE / REINSURANCE RECEIVABLES (unsecured, considered good)			
Due from insurance contract holders		73,660,941	27,392,481
Less: Provision for impairment		(5,500,000)	(5,500,000)
		68,160,941	21,892,481
Due from other insurers / reinsurers		223,855,090	127,298,447
Less: Provision for impairment		(26,613,874)	(26,613,874)
		<u>197,241,216</u>	<u>100,684,573</u>
		<u>265,402,157</u>	<u>122,577,054</u>



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	(Rupees)	
13. CASH AND BANK		
Cash and cash equivalents		
- Cash in hand	221,928	23,508
- Policy stamps and bond papers in hand	-	86,455
	221,928	109,963
Cash at bank		
- Current accounts	145,858,208	78,659,401
- Savings accounts	43,303,578	26,935,219
13.1	189,161,786	105,594,620
	189,383,715	105,704,583

13.1 These carry mark-up at rates ranging between 7% to 19.5% (December 31, 2022: 5% to 15%) per annum.

14. SHARE CAPITAL

14.1 Authorised share capital

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

14.2 Issued, subscribed and paid - up share capital

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



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

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

Related party name	Basis of relationship	Percentage (%)	September 30, 2023 (Rupees)	December 31, 2022 (Rupees)
Shaheen foundation	Undertaking	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>
				(%)
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.

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	(Rupees)	(Rupees)

15. RESERVES

General reserves	20,000,000	20,000,000
Unrealised gain on available-for-sale investments	3,886,462	3,863,126
	<u>23,886,462</u>	<u>23,863,126</u>

16. LEASE LIABILITIES

Lease liability - buildings	16.1	17,405,027	19,315,492
16.1 Opening balance		19,315,492	26,459,898
Increase in lease liability	16.3	7,514,503	885,673
Impact of modification of leases	16.4	(212,316)	2,255,939
Rental payments		(11,081,594)	(12,733,014)
Interest expense		1,868,942	2,446,996
Closing balance		<u>17,405,027</u>	<u>19,315,492</u>
16.2 Tenure analysis			
Current period		11,081,594	6,831,274
Non-current period		6,323,433	12,484,218
		<u>17,405,027</u>	<u>19,315,492</u>

16.3 The amount represents the office space that company has acquired in Islamabad on lease for the period of two years.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Note	(Rupees)	
17. INSURANCE / REINSURANCE PAYABLES		
Due to other insurers / re-insurers	<u>107,038,459</u>	<u>54,770,246</u>
	<u>107,038,459</u>	<u>54,770,246</u>
18. OTHER CREDITORS AND ACCRUALS		
Agent commission payable	11,744,871	8,482,410
Provincial service taxes	103,525,386	66,819,133
Federal insurance fee payable	9,917,808	7,279,640
Workers' welfare fund payable	10,601,458	8,515,857
Accrued expenses	12,189,280	13,204,100
Withholding tax payable	5,830,383	5,062,071
Unearned rental income	1,706,690	1,034,365
Payable to provident fund	492,826	523,397
Security deposit against bond issuance	50,195,634	15,504,200
Others	3,752,456	1,628,285
	<u>209,956,791</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 September 30, 2023.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Three months period ended		Nine months period ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)

(Rupees)

20. NET INSURANCE PREMIUM

Written gross premium	230,304,218	158,472,319	589,997,296	330,836,457
Add: Unearned premium reserve opening	173,577,645	115,958,841	156,749,372	98,158,900
Less: Unearned premium reserve closing	292,681,471	155,255,474	292,681,471	155,255,474
Premium earned	111,200,392	119,175,686	454,065,197	273,739,883
Re-insurance premium ceded	83,728,375	49,802,523	216,804,940	101,131,026
Add: Prepaid reinsurance premium opening	21,609,179	8,985,867	14,560,355	6,316,945
Less: Prepaid reinsurance premium closing	93,382,383	19,525,972	93,382,383	19,525,972
Reinsurance expense	11,955,171	39,262,418	137,982,912	87,921,999
	99,245,221	79,913,268	316,082,286	185,817,884

21. NET INSURANCE CLAIMS

Claims paid	39,894,548	15,443,079	276,461,612	67,769,047
Less: Outstanding claims including IBNR opening	166,748,376	77,663,968	128,962,567	85,850,667
Add: Outstanding claims including IBNR closing	219,555,366	82,832,076	219,555,366	82,832,076
Claims expense	92,701,538	20,611,187	367,054,411	64,750,456
Less: Re-takaful and other recoveries received	11,886,683	5,983,719	197,979,883	23,640,963
Less: Re-insurance and other recoveries receivable in respect of outstanding claims opening	62,099,353	18,502,762	46,299,007	15,536,448
Add: Re-insurance and other recoveries receivable in respect of outstanding claims closing	107,702,073	14,437,732	107,702,073	14,437,732
Re-insurance and other recoveries revenue	57,489,403	1,918,689	259,382,949	22,542,247
	35,212,136	18,692,498	107,671,462	42,208,209

22. NET COMMISSION EXPENSE / ACQUISITION COST

Commission paid or payable	32,131,958	20,592,989	83,619,465	51,855,302
Add: Deferred commission expense opening	28,560,219	22,754,645	26,062,948	15,505,767
Less: Deferred commission expense closing	36,423,643	23,437,934	36,423,643	23,437,934
Net Commission	24,268,534	19,909,700	73,258,770	43,923,135
Less: Commission received or recoverable	9,282,047	4,864,563	14,993,953	6,708,624
Add: Unearned reinsurance commission opening	1,680,046	1,160,824	2,323,817	1,365,356
Less: Unearned reinsurance commission closing	2,582,188	1,897,746	2,582,188	1,897,746
Commission from reinsurers	8,379,905	4,127,641	14,735,582	6,176,234
	15,888,629	15,782,059	58,523,188	37,746,901



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Three months period ended		Nine months period ended	
	September 30, 2023 (Un-audited)	September 30, 2022 (Un-audited)	September 30, 2023 (Un-audited)	September 30, 2022 (Un-audited)
(Rupees)				
23. INVESTMENT INCOME				
Income from equity securities				
Available for sale investments				
Dividend income	5,450,737	500,178	22,575,062	6,249,162
Income from debt securities securities				
- Held to maturity				
Income from term deposits	16,080,662	12,804,171	47,795,413	31,285,200
Return on Pakistan Investment Bonds	4,180,592	4,450,288	9,119,597	12,843,885
	20,261,253	17,254,459	56,915,009	44,129,084
Investment related expenses	-	-	-	-
Unrealised gain / (loss) on revaluation of held-for-trading investments	16,994	(101,963)	23,063	(129,882)
	25,728,984	17,652,674	79,513,134	50,248,365
24. OTHER EXPENSES				
Fee and subscription	781,104	52,950	2,121,182	219,140
Auditor's remuneration	882,000	-	1,125,000	202,230
Workers' welfare fund	681,657	-	2,085,601	-
	2,344,761	52,950	5,331,783	421,370
25. PROVISION FOR TAXATION - NET				
Current	(10,887,738)	(10,658,493)	(30,241,241)	(19,076,630)
Prior period	-	-	-	-
Deferred	-	-	-	-
	(10,887,738)	(10,658,493)	(30,241,241)	(19,076,630)
25.1 Deferred				
Deferred tax asset on deductible temporary differences amounting to Rs. 62.89 million (December 31, 2022: Rs. 63.10 million) has not been recognized in view of the uncertainty about its realisation.				



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

26. SEGMENT INFORMATION

Following segment information prepared in accordance with the requirements of Insurance Ordinance, 2000 and the Insurance Rules, 2017 for class of business wise revenues, results, assets and liabilities:

For the nine months period ended September 30, 2023 (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)	216,068,583	264,476,312	158,207,674	1,902,723	46,151,990	686,807,282
Less: Federal excise duty	(15,575,480)	(51,867,878)	(17,208,723)	-	(4,788,324)	(89,440,405)
Less: Federal insurance fee	(1,125,927)	(4,757,414)	(1,183,805)	(18,858)	(283,577)	(7,369,581)
Gross written premium (inclusive of administrative Surcharge)	199,367,176	207,851,020	139,815,146	1,883,865	41,080,089	589,997,296
Gross direct premium	198,093,488	206,275,892	136,909,344	1,878,865	40,852,552	584,010,141
Administrative surcharge	1,273,688	1,575,128	2,905,802	5,000	227,537	5,987,155
Insurance premium earned	161,396,536	128,660,645	131,463,548	1,409,028	31,135,441	454,065,198
Less: Insurance premium ceded to reinsurers	32,127,786	83,329,867	19,260,658	-	3,264,601	137,982,912
Net insurance premium	129,268,750	45,330,778	112,202,890	1,409,028	27,870,839	316,082,285
Add: Commission income	309,749	11,277,871	3,139,358	-	8,603	14,735,582
Net underwriting income (A)	129,578,499	56,608,649	115,342,248	1,409,028	27,879,443	330,817,867
Insurance claims	120,648,083	174,948,696	67,249,874	844,372	3,363,386	367,054,411
Less: Insurance claims recovered from reinsurance	70,213,600	171,919,457	17,249,892	-	-	259,382,949
Net claim	50,434,483	3,029,239	49,999,982	844,372	3,363,386	107,671,462
Commission expense	34,256,747	16,015,606	16,717,636	140,529	6,128,251	73,258,769
Management expenses	49,565,791	39,512,413	40,373,200	432,720	9,561,870	139,445,995
Premium deficiency expense	-	-	-	-	-	-
Net insurance claims and expenses (B)	134,257,021	58,557,259	107,090,819	1,417,621	19,053,507	320,376,227
Underwriting result C=A-B	(4,678,522)	(1,948,609)	8,251,429	(8,593)	8,825,936	10,441,640
Net investment income						79,513,134
Rental income						1,603,261
Other income						12,529,753
Other expenses						(5,331,783)
Unrealised gain on investment properties						-
Finance charges on right-of-use assets						(1,868,942)
Loss after tax from window takaful operations - OPF						7,393,080
Profit before tax						104,280,143



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

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

For the nine months period ended September 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)	99,638,937	119,778,529	142,109,102	1,967,778	20,755,101	384,249,447
Less: Federal excise duty	(7,842,340)	(22,533,831)	(15,504,642)	-	(3,387,252)	(49,268,065)
Less: Federal insurance fee	(568,797)	(2,066,077)	(1,112,114)	(19,733)	(378,204)	(4,144,925)
Gross written premium (inclusive of administrative Surcharge)	91,227,800	95,178,621	125,492,346	1,948,045	16,989,645	330,836,457
Gross direct premium	90,636,070	94,220,945	122,698,970	1,943,045	16,887,419	326,386,450
Administrative surcharge	591,730	957,676	2,793,376	5,000	102,226	4,450,008
Insurance premium earned	64,045,187	82,039,916	109,797,112	3,802,263	14,055,405	273,739,883
Less: Insurance premium ceded to reinsurers	18,445,986	53,173,695	11,743,488	-	4,558,829	87,921,999
Net insurance premium	45,599,202	28,866,221	98,053,624	3,802,263	9,496,575	185,817,884
Add: Commission income	461,203	3,460,565	2,302,397	-	(47,931)	6,176,234
Net underwriting income (A)	46,060,404	32,326,786	100,356,021	3,802,263	9,448,644	191,994,118
Insurance claims	7,811,909	113,879	52,606,922	2,873,711	1,344,035	64,750,456
Less: Insurance claims recovered from reinsurance	(7,980)	(86,725)	22,701,012	-	(64,060)	22,542,247
Net claim	7,819,889	200,604	29,905,910	2,873,711	1,408,095	42,208,209
Commission expense	15,422,364	9,970,380	14,169,698	418,768	3,941,925	43,923,135
Management expenses	22,889,465	29,320,701	39,240,999	1,358,912	5,023,339	97,833,415
Premium deficiency expense	-	-	-	-	-	-
Net insurance claims and expenses (B)	46,131,718	39,491,685	83,316,607	4,651,391	10,373,359	183,964,759
Underwriting result C=A-B	(71,314)	(7,164,899)	17,039,414	(849,128)	(924,714)	8,029,359
Net investment income						50,248,365
Rental income						1,842,518
Other income						4,798,485
Other expenses						(421,370)
Unrealised gain on investment properties						-
Finance charges on right-of-use assets						(1,714,201)
Profit after tax from window takaful operations - OPF						2,998,327
Profit after tax						65,781,481



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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:

	September 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)								
Financial assets measured at fair value									
Investments	126,249,751	-	-	229,418	-	126,479,169	126,479,169	-	-
Equity securities	-	137,924,729	-	-	-	137,924,729	-	-	-
Debt securities	-	398,779,290	-	-	-	398,779,290	-	-	-
Term deposits	-	-	17,629,213	-	-	17,629,213	-	-	-
Advances, deposits and other receivables*	-	-	265,402,157	-	-	265,402,157	-	-	-
Insurance / re-insurance receivables*	-	-	-	-	-	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	107,702,073	-	-	107,702,073	-	-	-
Salvage recoveries accrued	-	-	-	-	-	-	-	-	-
Deferred commission expense	-	-	-	-	-	-	-	-	-
Taxation-payment less provision	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	189,383,715	-	189,383,715	-	-	-
Cash and bank	126,249,751	536,704,019	390,733,442	189,613,132	-	1,243,300,345	126,479,169	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	-	(219,555,366)	(219,555,366)	-	-	-
Insurance / re-insurance payables*	-	-	-	-	(107,038,459)	(107,038,459)	-	-	-
Other creditors and accruals*	-	-	-	-	(209,956,791)	(209,956,791)	-	-	-
	-	-	-	-	(536,550,616)	(536,550,616)	-	-	-



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	December 31, 2022 (Audited)					Fair value measurement			
	Carrying value					Total	Level 1	Level 2	Level 3
	Available for-sale	Held-to-maturity	Loan and other receivables	Other financial assets	Other financial liabilities				
----- (Rupees) -----									
Financial assets measured									
Fair value									
Investments									
Equity securities	164,038,686	-	-	206,355	-	164,245,041	164,245,041	-	-
Debt securities	-	83,071,470	-	-	-	83,071,470	-	-	-
Term deposits	-	364,779,290	-	-	-	364,779,290	-	-	-
Loans and other receivables*	-	-	17,596,161	-	-	17,596,161	-	-	-
Insurance / re-insurance receivables*	-	-	122,577,054	-	-	122,577,054	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	46,299,007	-	-	46,299,007	-	-	-
Salvage recoveries accrued	-	-	-	-	-	-	-	-	-
Deferred commission expense	-	-	-	-	-	-	-	-	-
Taxation-payment less provision	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-
Cash and bank	-	-	-	72,588,456	-	72,588,456	-	-	-
	164,038,686	447,850,760	186,472,222	72,794,811	-	871,156,479	164,245,041	-	-
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

Units of mutual funds

Valuation technique

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 3 fair value measurements:

Description	Fair value	Unobservable 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



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

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.

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	September 30,	December 31,
			2023 (Un-audited)	2022 (Audited)
			----- (Rupees) -----	
Shaheen foundation	Parent undertaking	Premium from contract holders	63,306,595	10,797,116
Shaheen foundation	Parent undertaking	Outstanding claims	280,109	507,452
Shaheen foundation	Parent undertaking	Rent payable	-	-
Shaheen foundation	Parent undertaking	Security deposits	3,317,246	3,317,246
Other transactions during the period with associated undertakings				
Shaheen foundation	Parent undertaking	Premium underwritten	33,097,610	30,917,220
Air Eagle (Private) Limited	Associate company	Premium underwritten	54,505,013	90,895
Claim expense			364,430	1,439,197
Lease rentals			7,449,775	5,881,923
Remuneration of key management personnel			11,370,096	15,932,448
Contribution to provident fund			1,392,226	839,782
Advertisement expense			468,959	642,400

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.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

29. EARNINGS PER SHARE - BASIC AND DILUTED

	----- (Un-audited) -----			
	Three months period ended September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	----- (Rupees) -----			
Profit for the period	<u>22,587,200</u>	19,618,806	<u>74,038,901</u>	46,704,852
	----- (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>	60,000,000
	----- (Rupees) -----			
Earnings per share - basic	<u>0.38</u>	0.33	<u>1.23</u>	0.78

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 October 25, 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



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION OF OPF AND PTF AS AT SEPTEMBER 30, 2023

Note	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
	----- (Rupees) -----			
Assets				
	Qard-e-Hasna to Participants' Takaful Fund			
5	20,000,000	20,000,000	-	-
6	595,336	700,395	-	-
7	29,185,000	27,188,360	21,065,000	20,000,000
9	-	-	34,338,803	14,242,912
10	709,160	605,520	650,576	704,862
20	-	-	202,073	493,159
25	4,025,637	3,084,232	-	-
10	11,758,494	6,389,333	-	-
18	-	-	11,058,316	6,044,200
10	1,728,216	1,021,712	1,096,999	675,633
11	-	-	122,199	53,471
12	12,361,122	7,334,115	4,563,200	3,682,548
	60,362,965	46,323,667	73,097,166	45,896,785
	80,362,965	66,323,667	73,097,166	45,896,785
Funds and Liabilities				
Operator's Fund (OPF)				
	50,000,000	50,000,000	-	-
	11,652,495	4,259,416	-	-
	61,652,495	54,259,416	-	-
Participants' Takaful Fund (PTF)				
	-	-	500,000	500,000
	-	-	(7,962,762)	(14,845,071)
	-	-	(7,462,762)	(14,345,071)
	60,362,965	46,323,667	73,097,166	45,896,785
	80,362,965	66,323,667	73,097,166	45,896,785
Liabilities				
	Qard-e-Hasna from Operator's Fund			
5	-	-	20,000,000	20,000,000
Liabilities				
	PTF Underwriting provisions			
20	-	-	11,114,022	11,587,681
17	-	-	27,950,687	15,120,790
19	-	-	16,416	10,600
	-	-	134,197	32,006
13	-	-	5,585,318	5,895,224
14	11,058,316	6,044,200	-	-
15	7,652,153	6,020,051	11,758,494	6,389,333
	18,710,469	12,064,251	60,559,929	40,241,856
	18,710,469	12,064,251	60,559,929	40,241,856
	80,362,965	66,323,667	73,097,166	45,896,785
	80,362,965	66,323,667	73,097,166	45,896,785

Contingencies and commitments

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 PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

Note	Three months period ended		Nine months period ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(Rupees)				
Participants' Takaful Fund (PTF)				
Net Takaful contribution	8,371,140	3,399,271	22,176,148	9,467,662
Less: Contributions ceded to retakaful	(2,206,158)	37,934	(5,754,167)	(3,452,942)
Net contributions revenue	17 6,164,982	3,437,205	16,421,982	6,014,720
Retakaful rebate earned	19 7,687	7,082	18,808	33,602
Net underwriting income	6,172,669	3,444,287	16,440,790	6,048,322
Net claims reported / settled - IBNR	20 (2,200,349)	(2,898,272)	(11,794,010)	(4,025,344)
Other direct expenses	21 (50,127)	(18,331)	(304,370)	(102,940)
Surplus/(Deficit) before investment income	3,922,194	527,684	4,342,410	1,920,038
Investment Income	22 814,309	443,036	2,356,238	1,245,903
Other income	24 212,292	249,023	419,285	356,254
Less: Modarib's share of investment income	(81,431)	-	(235,624)	(124,590)
(Deficit) / surplus transferred to accumulated surplus	4,867,364	1,219,743	6,882,309	3,397,605
Operator's Fund (OPF)				
Wakala fee	5,770,044	3,648,119	14,327,032	6,415,983
Commission expense	25 (2,446,407)	(1,448,667)	(6,968,089)	(2,998,531)
General, administrative and management expense	26 (1,118,681)	(237,420)	(4,156,985)	(1,832,902)
	2,204,957	1,962,033	3,201,958	1,584,551
Modarib's share of PTF investment income	81,431	-	235,624	124,590
Investment Income	22 1,127,445	-	3,248,859	1,221,421
Direct Expenses	23 (903)	-	(278,310)	(100,170)
Other Income	24 418,160	62,021	984,949	167,936
Profit / (Loss) before taxation	3,831,089	2,024,053	7,393,080	2,998,327
Taxation	-	-	-	-
Profit / (Loss) after taxation	3,831,089	2,024,053	7,393,080	2,998,327

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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Three months period ended		Nine months period ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
----- (Rupees) -----				
PARTICIPANTS' TAKAFUL FUND				
Surplus / (deficit) during the period	4,867,364	1,219,743	6,882,309	3,397,605
Other comprehensive income for the period			-	-
Total comprehensive income / (loss) for the period	<u>4,867,364</u>	<u>1,219,743</u>	<u>6,882,309</u>	<u>3,397,605</u>
OPERATORS' FUND				
Profit / (loss) after tax for the period	3,831,089	2,024,053	7,393,080	2,998,327
Other comprehensive income for the period			-	-
Total comprehensive income for the period	<u>3,831,089</u>	<u>2,024,053</u>	<u>7,393,080</u>	<u>2,998,327</u>

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 OPERATOR'S FUND AND PARTICIPANTS' TAKAFUL FUND

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Operator's Fund		
	Statutory fund	Accumulated profit	Total
	----- (Rupees) -----		
Balance as at January 01, 2022 (audited)	50,000,000	1,757,456	51,757,456
Profit / (Loss) after tax for the period	-	2,998,327	2,998,327
Other comprehensive profit / (loss) for the period			
Balance as at September 30, 2022 (un-audited)	<u>50,000,000</u>	<u>4,755,783</u>	<u>54,755,783</u>
Balance as at January 01, 2023 (audited)	50,000,000	4,259,416	54,259,416
Profit / (Loss) after tax for the period	-	7,393,080	7,393,080
Other comprehensive profit / (loss) for the period			
Balance as at September 30, 2023 (un-audited)	<u>50,000,000</u>	<u>11,652,496</u>	<u>61,652,496</u>
	Participants' Takaful Fund		
	Ceded Money	Accumulated deficit	Total
	----- (Rupees) -----		
Balance as at January 01, 2022 (audited)	500,000	(13,866,978)	(13,366,978)
Surplus for the period	-	3,397,605	3,397,605
Other comprehensive profit / (loss) for the period			
Balance as at September 30, 2022 (un-audited)	<u>500,000</u>	<u>(10,469,373)</u>	<u>(9,969,373)</u>
Balance as at January 01, 2023 (audited)	500,000	(14,845,071)	(14,345,071)
Surplus for the period	-	6,882,309	6,882,309
Other comprehensive profit / (loss) for the period			
Balance as at September 30, 2023 (un-audited)	<u>500,000</u>	<u>(7,962,762)</u>	<u>(7,462,762)</u>

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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
----- (Rupees) -----				
OPERATING ACTIVITIES				
a) Takaful activities				
Contribution received	-	-	31,465,836	11,767,868
Re-takaful contributions paid	-	-	(6,132,801)	(3,868,261)
Claims paid / benefits paid	-	-	(12,679,901)	(4,787,353)
Commissions paid	(5,994,983)	(2,709,926)	-	-
Re-takaful rebate / commissions received	-	-	24,624	33,602
Re-takaful and other recoveries received	-	-	703,318	2,718,542
Wakala fees received	13,769,111	5,760,000	-	-
Wakala fees paid	-	-	(13,769,111)	(5,760,000)
Modarib share received	438,501	-	-	-
Modarib share paid	-	-	438,501	-
Net cash generated from underwriting activities	8,212,629	3,050,074	50,466	104,398
b) Other operating activities				
Management and other expenses paid	(4,629,501)	(3,244,085)	(229,492)	(75,992)
Taxes Paid	(837,974)	(161,968)	(686,240)	(189,767)
Net cash used in other operating activities	(5,467,475)	(3,406,053)	(915,732)	(265,759)
Total cash (used in) / generated from operating activities A	2,745,154	(355,979)	(865,266)	(161,361)
INVESTING ACTIVITIES				
Profit / return received	4,278,492	1,079,782	2,810,918	1,658,869
Addition to equipment	-	-	-	-
Total cash generated from investing activities B	4,278,492	1,079,782	2,810,918	1,658,869
FINANCING ACTIVITIES				
Grad-e-hasna received / (repaid)	-	1,500,000	-	(1,500,000)
Total cash generated from financing activities C	-	1,500,000	-	(1,500,000)
Net increase in cash and cash equivalents A+B+C	7,023,646	2,223,803	1,945,652	(2,492)
Cash and cash equivalents at the beginning of period	34,522,475	29,360,501	23,682,548	21,135,234
Cash and cash equivalents at end of the period	41,546,122	31,584,304	25,628,200	21,132,742



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

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

Reconciliation to profit and loss account

	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Operating cash flows	2,745,154	(355,979)	(865,266)	(161,361)
Increase / (decrease) in assets other than cash	7,165,396	5,981,010	25,290,126	17,131,404
Increase / (decrease) in liabilities	(6,646,219)	(3,752,754)	(20,318,074)	(15,174,595)
Depreciation / amortisation expense	(105,059)	(263,307)	-	-
Investment and other income - net	4,233,808	1,389,357	2,775,523	1,602,157
Mudarib fee	-	-	-	-
(Deficit) / profit for the period	<u>7,393,080</u>	<u>2,998,327</u>	<u>6,882,309</u>	<u>3,397,605</u>

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 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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 September 30, 2022.

2.1 Basis of measurement

The condensed interim financial statements for the period ended September 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.



CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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 TAKAFUL 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.

5. QARD-E-HASNA TO PARTICIPANTS' TAKAFUL FUND

	September 30, 2023	December 31, 2022
	(Rupees)	
Opening balance of Qard-e-Hasna	20,000,000	22,827,311
Qard-e-Hasna transferred from OPF during the period	-	(2,827,311)
Qard-e-Hasna returned by PTF during the period	-	-
Closing balance of Qard-e-Hasna	<u>20,000,000</u>	<u>20,000,000</u>

6. PROPERTY AND EQUIPMENT

6.1 Property and equipment includes:

	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
	(Rupees)	
PROPERTY AND EQUIPMENT		
Motor Vehicle	595,336	700,395
Computer Equipment	-	-
	<u>595,336</u>	<u>700,395</u>

6.2 Movement of property and equipment during the period / year is as follows:

Opening book value	700,395	25,000
Add: Additions during the period / year in owned assets	-	790,000
	<u>700,395</u>	815,000
Less: Net book value of assets disposed off during the period / year	-	-
Less: Depreciation for the period / year	<u>105,059</u>	114,605
	<u>595,336</u>	<u>700,395</u>



CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

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

7. INVESTMENTS IN TDRS

Held to maturity

Deposits maturing within 1 months	7.1	<u>29,185,000</u>	<u>27,188,360</u>	<u>21,065,000</u>	<u>20,000,000</u>
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7.1 The rate of return on these term deposits is 20.75% (December 31, 2022: 15.25%).

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

8. LOANS AND OTHER RECEIVABLES

Sindh sales tax receivable	508,480	377,010	-	-
Accrued profit on bank deposits	182,506	227,190	131,728	167,123
GTS receivable claims	-	-	355,572	90,698
Others	18,174	1,320	163,276	447,041
	<u>709,160</u>	<u>605,520</u>	<u>650,576</u>	<u>704,862</u>

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

9. TAKAFUL / RETAKAFUL RECEIVABLES

Due from takaful participant holders	-	-	83,069	148,989
Due from other takaful / retakaful	-	-	34,255,734	14,093,923
	<u>-</u>	<u>-</u>	<u>34,338,803</u>	<u>14,242,912</u>

10. RECEIVABLE / PAYABLES FROM / TO PTF/OPF

Wakala Fee	11,345,742	5,773,704	11,345,742	5,773,704
Modarib Fee	412,752	615,629	412,752	615,629
	<u>11,758,494</u>	<u>6,389,333</u>	<u>11,758,494</u>	<u>6,389,333</u>

11. PREPAID RETAKAFUL CONTRIBUTION CEDED

Prepaid Re-Takaful Contribution Ceded	-	-	122,199	53,471
	<u>-</u>	<u>-</u>	<u>122,199</u>	<u>53,471</u>



CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

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

12. CASH AND BANK

Savings accounts	12.1	<u>12,361,122</u>	<u>7,334,115</u>	<u>4,563,200</u>	<u>3,682,548</u>
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12.1 These carry mark-up at rates ranging between 7% to 18% (December 31, 2022: 3% to 5%) per annum.

13. TAKAFUL / RE-TAKAFUL PAYABLES

Due to re-takaful operators				<u>5,585,318</u>	<u>5,895,224</u>
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14. PAYABLE TO OPF

Wakala fee				<u>11,345,742</u>	5,773,704
Mudarib fee				<u>412,752</u>	615,629
				<u>11,758,494</u>	<u>6,389,333</u>

15. OTHER CREDITORS AND ACCRUALS

	OPF		PTF	
	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Federal Takaful fee	-	-	<u>259,128</u>	67,360
FED payable	-	-	<u>3,237,653</u>	709,725
Sales tax on services	<u>522,819</u>	285,778	-	-
Commission payable	<u>5,756,504</u>	3,841,992	-	-
Auditors fee	<u>364,067</u>	414,856	-	-
Others creditors	<u>1,008,763</u>	749,638	<u>504,015</u>	429,137
Payable against common expenses - Conventional	-	727,787	-	-
	<u>7,652,153</u>	<u>6,020,051</u>	<u>4,000,796</u>	<u>1,206,222</u>

16. CONTINGENCIES AND COMMITMENTS

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



CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	PTF			
	Three months period ended September 30, 2023	September 30, 2022	Nine months period ended September 30, 2023	September 30, 2022
	(Un Audited)			
	(Rupees)			
17. CONTRIBUTION EARNED				
Written gross contribution	20,335,249	9,494,757	49,333,079	24,387,649
Less: wakala fee	(5,770,046)	(3,648,119)	(14,327,034)	(6,415,983)
Contribution net of wakala fee	14,565,203	5,846,638	35,006,045	17,971,666
Unearned contribution reserve opening	21,756,624	12,189,886	15,120,790	6,133,249
Unearned contribution reserve closing	27,950,687	14,637,253	27,950,687	14,637,253
Contribution earned	8,371,140	3,399,271	22,176,148	9,467,662
Less: Re-takaful Contribution ceded	2,149,947	6,646	5,822,895	3,399,794
Prepaid re-takaful contribution opening	178,410	83,556	53,471	181,284
Prepaid re-takaful contribution closing	122,199	128,136	122,199	128,136
Re-takaful expense	2,206,158	(37,934)	5,754,167	3,452,942
Net contribution revenue	6,164,982	3,437,205	16,421,982	6,014,720
18. WAKALA EXPENSE				
Gross wakala fee	7,952,318	6,283,852	19,341,149	10,611,731
Add: Deferred wakala opening	8,876,043	3,851,413	6,044,200	2,291,398
Less: Deferred wakala closing	11,058,316	6,487,146	11,058,316	6,487,146
Wakala expense	5,770,045	3,648,119	14,327,034	6,415,983
19. REBATE ON RE-TAKAFUL - PTF				
Commission received or recoverable	-	24,406	24,624	40,011
Add: Unearned reinsurance commission opening	24,103	8,797	10,600	19,712
Less: Unearned reinsurance commission closing	16,416	26,121	16,416	26,121
Commission from reinsurance	7,687	7,082	18,808	33,602



CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	PTF			
	Three months period ended September 30, 2023	September 30, 2022	Nine months period ended September 30, 2023	September 30, 2022
	(Un Audited)			
	(Rupees)			
20. NET CLAIMS - REPORTED / SETTLED - IBNR				
Claims paid	3,096,985	3,011,973	12,679,901	4,787,353
Less: Outstanding claims including IBNR opening	11,956,658	4,206,360	11,587,681	2,736,126
Add: Outstanding claims including IBNR closing	11,114,022	4,693,659	11,114,022	4,693,659
Claim expense	2,254,349	3,499,272	12,206,242	6,744,886
Less:				
Re-Takaful and Other Recoveries received	-	600,000	703,318	2,718,542
Less: Re-Takaful and other recoveries receivable in respect of outstanding claims opening	148,073	8,094	493,159	8,094
Add: Re-Takaful and other recoveries receivable in respect of outstanding claims closing	202,073	8,094	202,073	9,094
Re-Takaful and other recoveries revenue	54,000	601,000	412,232	2,719,542
Net Claims Expense	2,200,349	2,898,272	11,794,010	4,025,344
20 OTHER DIRECT EXPENSES				
Coinsurance surcharge	49,390	12,281	275,906	37,070
Others	737	6,050	28,464	65,870
	50,127	18,331	304,370	102,940
20	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				
	OPERATOR'S FUND			
	Three months period ended September 30, 2023	September 30, 2022	Nine months period ended September 30, 2023	September 30, 2022
	(Rupees)			
Income from TDR - held to maturity	1,127,445	-	3,248,859	1,221,421
Return on term deposits	1,127,445	-	3,248,859	1,221,421



CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

PARTICIPANT'S TAKAFUL FUND

Three months period ended		Nine months period ended	
September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022

(Rupees)

Return on term deposits

814,309	443,036	2,356,238	1,245,903
<u>814,309</u>	<u>443,036</u>	<u>2,356,238</u>	<u>1,245,903</u>

OPERATOR'S FUND

Three months period ended		Nine months period ended	
September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022

(Rupees)

23. OTHER EXPENSES

Auditor's remuneration	-	-	121,539	86,670
Sharia Audit Fee	-	-	154,325	-
Printing and stationery	-	-	850	13,500
Others	903	-	1,596	-
	<u>903</u>	<u>-</u>	<u>278,310</u>	<u>100,170</u>

24. OTHER INCOME

PARTICIPANT'S TAKAFUL FUND

Three months period ended		Nine months period ended	
September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022

(Rupees)

Return on bank balances

211,179	238,561	417,434	345,792
1,113	10,462	1,851	10,462
<u>212,292</u>	<u>249,023</u>	<u>419,285</u>	<u>356,254</u>

OPERATOR'S FUND

Three months period ended		Nine months period ended	
September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022

(Rupees)

Return on bank deposits

418,160	62,021	984,949	167,936
-	-	-	-
<u>418,160</u>	<u>62,021</u>	<u>984,949</u>	<u>167,936</u>



CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	OPERATOR'S FUND			
	Three months period ended		Nine months period ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Rupees)			
25. COMMISSION EXPENSES				
Commission paid or payable	2,553,428	1,722,786	7,909,495	4,523,646
Add: Deferred commission opening	3,918,616	2,282,079	3,084,232	1,031,083
Less: Deferred commission closing	4,025,637	2,556,199	4,025,637	2,556,199
Commission expense	<u>2,446,407</u>	<u>1,448,667</u>	<u>6,968,089</u>	<u>2,998,531</u>
26. MANAGEMENT EXPENSES				
Salaries, wages and benefits	450,000	220,000	1,385,778	942,400
Depreciation / amortization	35,020	-	105,059	263,307
Shariah advisory fee	188,890	-	755,560	283,335
Software maintenance	255,000	-	645,000	220,000
Business acquisition cost	179,520	-	428,337	97,200
Others	10,251	17,420	837,251	26,660
	<u>1,118,681</u>	<u>237,420</u>	<u>4,156,985</u>	<u>1,832,902</u>
27. MODARIB'S FEE				
	The shareholders of the company manage the participants' investment as a Modarib and charge 10% Modarib's share of PTF investment income.			
28. TRANSACTIONS WITH RELATED PARTIES				
	Related parties comprise of associated companies entities under common control, entities with common directors, major shareholders, directors, key management personnel and funded employee retirement benefit scheme.			



CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

29. SEGMENT REPORTING

Segment information is prepared in accordance with the requirements of Insurance Ordinance, 2000 and General Takaful Accounting Regulations, 2019 for class wise revenues, results, assets and liabilities:

The class wise revenues and results are as follows:

For the nine months period ended September 30, 2023 (Un-audited) - PTF

	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	Aggregate
	(Un-audited)					
	(Rupees)					
Participants' Takaful Fund						
Written gross contribution (inclusive of federal excise duty, federal insurance fee, and administrative surcharge)	17,524,391	2,819,988	32,421,978	-	2,892,440	55,658,797
Less : Federal excise duty	(1,476,199)	(314,786)	(3,715,597)	-	(354,860)	(5,861,442)
Less : Federal insurance fee	(104,772)	(72,830)	(257,239)	-	(29,435)	(464,276)
Gross written contribution (inclusive of Administrative Surcharges)	15,943,420	2,432,372	28,449,142	-	2,508,145	49,333,079
Gross contribution direct	15,832,756	2,361,323	27,944,555	-	2,409,286	48,547,920
Admin surcharge	110,664	71,049	504,587	-	98,859	785,159
Written gross contribution	15,943,420	2,432,372	28,449,142	-	2,508,145	49,333,079
Takaful contribution earned	11,136,603	2,465,444	21,123,898	-	1,777,236	36,503,182
Wakala expense	(4,281,121)	(960,416)	(8,286,609)	-	(798,887)	(14,327,034)
	6,855,482	1,505,028	12,837,289	-	978,349	22,176,148
Re-takaful contribution ceded	(2,224,550)	(1,249,484)	(1,967,761)	-	(312,372)	(5,754,167)
Net takaful contribution	4,630,932	255,544	10,869,528	-	665,977	16,421,981
Re-takaful rebate earned	11,719	-	7,089	-	-	18,808
Operation income	4,642,651	255,544	10,876,617	-	665,977	16,440,790
Claim expense	(2,876,261)	(187,572)	(8,989,445)	-	(152,964)	(12,206,242)
Re-takaful & other recoveries revenue	54,000	-	358,232	-	-	412,232
Net claims reported / settled - IBNR	(2,822,261)	(187,572)	(8,631,213)	-	(152,964)	(11,794,010)
Other Expenses	(92,859)	(20,557)	(176,135)	-	(14,819)	(304,370)
Surplus/(deficit) before investment income	1,727,532	47,415	2,069,269	-	498,194	4,342,410
Net investment income						2,356,238
Other income						419,285
Less: Modarib's share of investment income						(235,624)
Deficit for the period						6,882,309
The following presents segments assets and liabilities as at September 30, 2023						
Segment assets	14,671,400	2,238,309	26,179,374	-	2,308,036	45,397,119
Unallocated assets						27,700,047
						73,097,166
Segment liabilities	14,954,742	1,371,156	26,552,560	-	2,416,039	45,294,498
Unallocated liabilities						15,265,431
						60,559,929



CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

For the nine months period ended September 30, 2023 (Un-audited) - OPF

	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	Aggregate
	(Un-audited)					
	(Rupees)					
Operator's Fund						
Wakala fee income	4,281,121	960,416	8,286,609	-	798,887	14,327,034
Commission expense	(3,276,902)	(637,954)	(2,744,804)	-	(308,430)	(6,968,090)
Management expense	(1,268,237)	(280,765)	(2,405,591)	-	(202,392)	(4,156,985)
						3,201,959
Modarib's share of PTF investment income						235,624
Investment income						3,248,859
Direct expenses						(278,310)
Other Income						984,949
Profit before taxation						7,393,080
Provision for taxation						-
Profit after tax						7,393,080
The following presents segments assets and liabilities as at September 30, 2023						
Segment assets	5,101,101	778,238	9,102,310	-	802,482	15,784,131
Unallocated assets						64,578,834
						80,362,965
Segment liabilities	3,573,816	545,231	6,377,052	-	562,216	11,058,315
Unallocated liabilities						7,652,154
						18,710,469



CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

29.1 SEGMENT REPORTING

For the nine months period ended September 30, 2022 (Un-audited) - PTF

	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	Aggregate
	(Un-audited)					
	(Rupees)					
Participants' Takaful Fund						
Contribution written (inclusive of federal excise duty, federal insurance fee, and administrative surcharge)						
Less : Federal excise duty	5,887,011	1,698,349	17,662,077	-	1,853,913	27,101,350
Less : Federal insurance fee	(479,529)	(151,211)	(1,643,172)	-	(216,548)	(2,490,460)
Gross written contribution (inclusive of Administrative Surcharges)	(31,918)	(60,153)	(111,778)	-	(19,392)	(223,241)
	5,375,564	1,486,985	15,907,127	-	1,617,973	24,387,649
Gross contribution direct						
Admin surcharge	5,319,826					23,911,204
	55,738	1,439,045	15,597,068	-	1,555,265	476,445
	5,375,564	47,940	310,059	-	62,708	24,387,649
Takaful contribution earned		1,486,985	15,907,127	-	1,617,973	
Wakala expense	2,963,865	1,243,180				15,883,645
	(1,197,474)	(502,790)	11,028,631	-	647,969	(6,415,983)
	1,766,391	740,390	(4,406,685)	-	(309,034)	9,467,662
Re-takaful contribution ceded			6,621,946	-	338,935	
Net takaful contribution	(1,480,534)	(846,096)	(914,785)	-	(211,527)	(3,452,942)
	285,857	(105,706)	5,707,161	-	127,408	6,014,720
Re-takaful rebate earned	20,077	-	13,525	-	-	33,602
Net underwriting income						
	305,934	(105,706)	5,720,686	-	127,408	6,048,322
Claim expense						
Re-takaful & other recoveries revenue	(2,035,240)	7,577	(4,589,047)	-	(128,176)	(6,744,886)
	-	-	2,719,542	-	-	2,719,542
Net claims reported / settled - IBNR						
Direct expense	(2,035,240)	7,577	(1,869,505)	-	(128,176)	(4,025,344)
	(19,208)	(8,075)	(71,475)	-	(4,199)	(102,940)
Net takaful claim & expense						
	(2,054,448)	(408)	(1,940,980)	-	(132,375)	(4,128,284)
Surplus/(deficit) before investment income						
	(1,748,514)	(106,185)	3,779,706	-	(4,967)	1,920,038
Net investment income						1,245,903
Other income						356,254
Less: Modarib's share of investment income						(124,590)
Deficit for the period						3,397,605
The following presents segments assets and liabilities as at September 30, 2023						
Segment assets	4,679,579	1,294,463	13,847,599	-	1,408,491	21,230,132
Unallocated assets						22,125,679
						43,355,811
Segment liabilities	5,785,421	1,081,235	17,671,022	-	1,742,437	26,280,115
Unallocated liabilities						27,045,069
						53,325,184



CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

For the nine months period ended September 30, 2022 (Un-audited) - OPF

	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	Aggregate
	(Un-audited)					
	(Rupees)					
Operator's fund						
Wakala fee income	1,197,474	502,790	4,406,685	-	309,034	6,415,983
Commission expense	(897,691)	(412,577)	(1,527,101)	-	(161,161)	(2,998,530)
Management expense	(342,017)	(143,457)	(1,272,655)	-	(74,773)	(1,832,902)
						1,584,551
Modarib's share of PTF's investment income						124,590
Investment income						1,221,421
Direct expenses						(100,170)
Other income						167,936
Loss before taxation						2,998,327
Provision for taxation						-
Loss after taxation						2,998,327
The following presents segments assets and liabilities as at September 30, 2023						
Segment assets	2,010,244	556,073	5,948,624	-	605,056	9,119,997
Unallocated assets						56,105,337
						65,225,334
Segment liabilities	1,429,907	395,540	4,231,316	-	430,383	6,487,146
Unallocated liabilities						3,982,405
						10,469,551

30. DATE OF AUTHORISATION OF ISSUE

These financial statements have been authorised for issue on October 25, 2023 by the Board of Directors of the Operator.

31. CORRESPONDING FIGURES

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

32. GENERAL

32.1 All amount have been rounded off to the nearest rupees.



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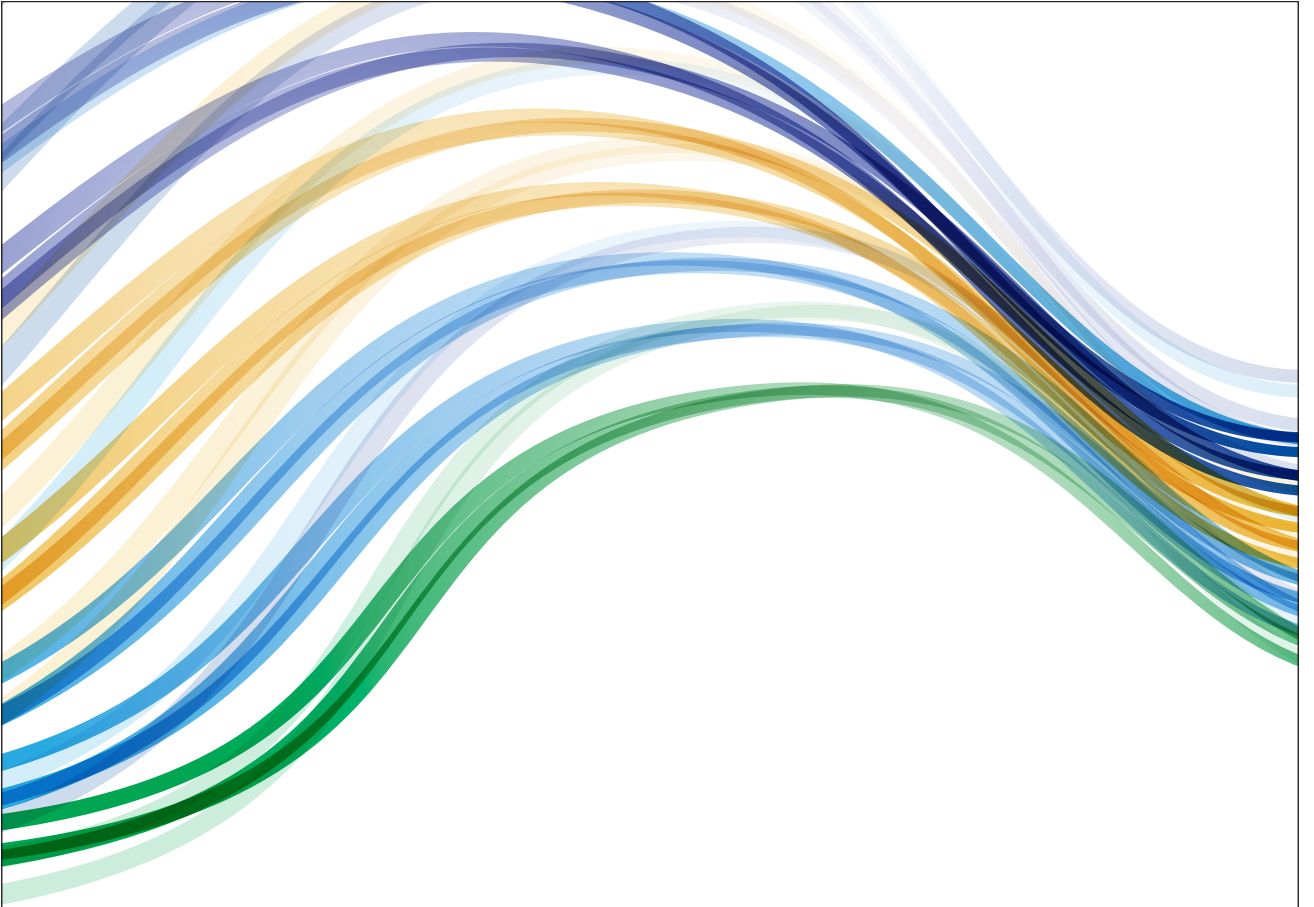
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