

HALF YEARLY REPORT

Half Year Ended June 30, 2024
(Un-audited)

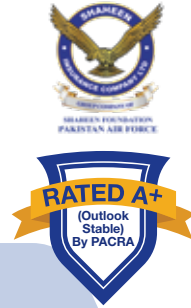


SHAHEEN INSURANCE COMPANY LIMITED



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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Air Vice Marshal Junaid Ahmed Siddiqui (Retd.)

DIRECTORS

Air Vice Marshal Muhammad Qaiser Janjua (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

Chairperson

Air Commodore Wasim Ahmed Khan (Retd.)

Member

Mr. Adeel Ali

Member

Mr. Muhammad Junaid

Secretary (Acting)

INVESTMENT COMMITTEE

Air Vice Marshal Junaid Ahmed Siddiqui (Retd.)

Chairman

Air Vice Marshal Muhammad Qaiser Janjua (Retd.)

Member

Mr. Adeel Ali

Member

Mr. Rizwan Akhtar

Chief Executive Officer

Mr. Nisar Ahmed Almani

Chief Financial Officer

Mr. Muhammad Nasir Jamal

Secretary

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Farrah Azeem Khan

Chairperson

Mr. Adeel Ali

Member

Mr. Rizwan Akhtar

Member

Mr. Nisar Ahmed Almani

Secretary

LEGAL ADVISOR

Allied Law Group

AUDITORS

BDO Ebrahim & Co.

Chartered Accountants

SHARIAH ADVISOR

Mufti Muhammad Hanif

HEAD OF WINDOW TAKAFUL OPERATIONS

Mr. Abdul Hamid

SHARIAH COMPLIANCE OFFICER

Mr. Zafar Husnain

COMPLIANCE OFFICER

Mr. Kashif Naeem

HEAD OF INTERNAL AUDIT (COORDINATOR)

Mr. Muhammad Junaid (Acting)

INTERNAL AUDITOR

Arqum Naveed & Co.

Chartered Accountants

REGISTERED OFFICE

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

HEAD OFFICE

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

SHARE REGISTRAR

M/s. Corplink (Pvt.) Ltd.

Wings Arcade, 1-K, Commercial, Model Town, Lahore.

BANKS CONVENTIONAL

Allied 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

Bankislami Pakistan Ltd.

Dubai Islamic Bank Pakistan Ltd.

Habib Metropolitan Bank Ltd.

BANKS TAKAFUL

Bankislami Pakistan Ltd.

Meezan Bank Limited

Dubai Islamic Bank Pakistan Ltd.

Habib Metropolitan Bank 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 in 1995 as a public limited company, listed with Pakistan Stock Exchange (PSX) and also registered with the Central Depository Company of Pakistan (CDC). The shares of the Company are quoted and traded on PSX.

Shaheen Insurance is one of the most reputable and brightest names in the insurance sector. Its sustained growth over the years has secured it prominent place among the reputed insurers of Pakistan. SICL also commenced Takaful operations in 2018 through its Window Takaful Operations (WTO) under the guidelines of Shariah Board having vast experience and knowledge about Islamic Banking, Finance & Takaful.

Shaheen Insurance underwrites all classes of general insurance & general takaful. The Company provides a full range of insurance services through its branch network spread across all Pakistan to meet the needs of business fraternity, banks, financial institutions, corporate, commercial and individual clients. Our product portfolio includes:

- Fire and Property Damage
- Marine, Aviation and Transport
- Motor Vehicles (Personal & Commercial)
- Health
- Miscellaneous Classes
- Window Takaful Operations (full range of takaful products)

The Company's financial results are consistently improving; Authorized Capital of the Company is Rs.1 billion, while Paid-Up Capital has grown to Rs.645 million after issuance of Bonus Share @7.50%. Shareholder's Equity has also grown to Rs.912.39 million as at June 30, 2024. Strong backing of sponsors, capital base, prudent underwriting, efficient claims management, strong reinsurance & retakaful arrangements and sound financial position place Shaheen Insurance at par with any quality insurer in Pakistan.

In addition, rating of the Company was reaffirmed to "A+" with 'Stable' outlook by PACRA 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."

Shaheen Insurance has excellent reinsurance & retakaful treaty arrangements with sound & well reputed international reinsurer. Besides treaty backup, the Company 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 also locally on facultative basis.

The Company is managed by a team of professionals who are fully equipped with technical and managerial skills for smooth operations for both traditional and specialized insurance & takaful covers.

Shaheen Insurance is fully geared up to take on challenges with a vision to play its role in the development of insurance industry, country's economy and to be recognized as one of the most professional, preferred and reputed insurance Company of Pakistan.



Our Services



General Insurance (Conventional)

Shaheen Insurance commenced its general insurance business in 1995 and it underwrites 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, Bonds, Health and Travel Insurance are also being offered.



General Takaful (Islamic)

Takaful is an Islamic form of Insurance. Based on principle of cooperation mutual assistance shared responsibility 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, Miscellaneous Accident Takaful, Health Takaful and Travel Takaful.



DIRECTORS' REVIEW

The Shareholders
Shaheen Insurance Company Limited

Directors of the company are pleased to present the Half Yearly (Un-audited) Accounts for the period ended June 30, 2024 duly reviewed by the auditors.

General Economic Review of Pakistan:

Although Pakistan's economy is getting stable and coming out of long prevailed critical situation but it is still under pressure mainly due to high inflation and war like situation around our geographical region. The government is taking tough decisions including restricting non-essential imports to tackle macroeconomic imbalances and efforts are afoot to start barter trade and reliance on consumption of local production for food, beverages, power & other necessities are additional measures.

The Insurance industry acted with responsibility and provided maximum support to country's economy and performed better viz-a-viz the economy in these challenging conditions during the HY2024.

Operating Results/Performance:

Our Company grew steadily during the HY2024 despite unabated tough conditions and the growth remained over 65% when compared with the corresponding half year as tabulated below;

Business Segment	Gross Premium HY 2024 Rs. in (000)	Gross Premium HY 2023 Rs. in (000)	%age Growth
Conventional Business	604,635	359,693	68%
Takaful (WTO) Business	46,281	28,998	60%
Total Business	650,916	388,691	67%

During the half year period under review Gross Premium of the Company grew to Rs 604.63 million and Gross Takaful Contributions to Rs.46.28 million. Due to increase in business, net claims of the Company have also increased to Rs. 174.36 million from Rs. 72.46 million and, accordingly business acquisition and management expenses also increased to Rs. 170.34 million during half year period of 2024 from Rs.134.09 million during same period of 2023.

Investment and Other Income of the Company during the half year period contributed Rs. 97.71 million (HY2023: Rs.61.26 million mainly due to high mark-up rates by the banks. Profit from Window Takaful Operations (WTO) contributed Rs 7.77 million during HY2024 (HY2023: Rs.3.56 million) showing more than 100% increase YoY. Accumulated Surplus of Participant's Takaful Fund grew to Rs 26.36 Million as of June 30, 2024 from Rs 2.88 million as of December 31, 2024. As the profits are growing; therefore, tax provisions of the Company also increased to Rs 33.81 million during the half year ended June 30, 2024 against Rs.19.35 million during comparable period of 2023.

During the HY2024, profit before tax rose to Rs 116.31 million against Rs 70.81 million of corresponding HY2023 and net profit after tax increased to Rs.82.50 million from Rs.51.45 million showing an increase of 60% when compared with the same half year's period of last year. We are pleased to apprise you that the Earnings Per Share (EPS) of the Company for the half year ended June 30, 2024 rose to Rs 1.29 compared to Rs 0.80 during first half year period of 2023.

You will also be pleased to note that overall performance of the Company is satisfactory with significant improvements both in top line and bottom line, while we are confident that the conventional business and takaful operations will grow further in line with the government supported initiative of growth in Islamic banking and SECP's directions, policies & support towards increase in insurance penetration in the years to come.



Future Outlook:

We are optimistic about the future business prospects and believe that Shaheen Insurance will continue to grow in years to come. The general economic environment of the country is improving while overall economic outlook is being shaped largely by the restoration of political stability and the continued implementation of reforms to stabilize the economy and to restore fiscal discipline.

We hope that the government would continue to concentrate on improving law and order and economy of the country. We are optimistic that going forward political & economic scenario would improve and looking forward to meeting the new opportunities in coming period. Business development in this scenario will be challenging, but since now our economy is getting momentum thus we are looking forward with confidence for taking all advantage from the new opportunities that the future will offer.

Shaheen Insurance is fully aware of the challenges and changes taking place in the economy and are fully equipped to benefit from all such conditions. We are taking all necessary steps for Company's business expansion including development of new business through direct & indirect channels, development of new lines of business and participation in mega projects on consortium basis with renowned insurers.

Our emphasis will remain for improving overall risk architecture, balancing the portfolios and focusing on safe and sustainable growth. Significant contributions from investment activities is also expected in the wake of prevailing policy rate by the SBP.

Shaheen Insurance is taking all necessary steps for increasing its market share with the caution that not only the top line grow but also the bottom line to remain healthy.

Acknowledgments:

We would like to thank our valued customers for their continued patronage and support and are also thankful to the Securities & Exchange Commission of Pakistan, SBP, PRCL, PACRA our reinsurance / re-takaful partners for their guidance, assistance, cooperation and support.

We also appreciate **"Team Shaheen – field force and office staff"** for their services, hard-work, dedication & commitment for the Company.

For and on behalf of Board

Rizwan Akhtar
Chief Executive Officer

August 28, 2024

Air Vice Marshal Junaid Ahmed Siddiqui (Retd.)
Chairman



شاہین انشورنس معیشت میں رونما ہونے والے چیلنجز اور تبدیلیوں سے پوری طرح آگاہ ہے اور ایسی تمام شرائط سے مستفید ہونے کے لیے پوری طرح لیس ہے۔ ہم کمپنی کے کاروبار کی توسیع کے لیے تمام ضروری اقدامات کر رہے ہیں جن میں براہ راست اور بالواسطہ چینلز کے ذریعے نئے کاروبار کی ترقی، کاروبار کی نئی لائنوں کی ترقی اور معروف بیمہ کنندگان کے ساتھ کنسورشیم کی بنیاد پر میگا پروڈیکٹس میں شرکت شامل ہے۔

ہمارا زور مجموعی طور پر رسک آرکٹیکچر کو بہتر بنانے، محکموں کو متوازن کرنے اور محفوظ اور پائیدار ترقی پر توجہ مرکوز کرنے پر ہے گا۔ اسٹیٹ بینک کی جانب سے مروجہ پالیسی ریٹ کے تناظر میں سرمایہ کاری کی سرگرمیوں سے بھی اہم شراکت کی توقع ہے۔

اعترافات:

شاہین انشورنس اپنے مارکیٹ شیئر کو بڑھانے کے لیے تمام ضروری اقدامات اس احتیاط کے ساتھ کر رہی ہے کہ نہ صرف ٹاپ لائن بڑھے بلکہ نیچے کی لائن بھی صحت مندر ہے۔

ہم اپنے قابل قدر صارفین کی مسلسل سرپرستی اور حمایت کے لیے ان کا شکریہ ادا کرنا چاہیں گے اور سیکورٹیز اینڈ اینڈ اینڈ کمیشن آف پاکستان، ایس بی پی، پی آر سی ایل، پی اے سی آرا سے اپنے ری انشورنس/ری کافل پارٹنرز کی رہنمائی، مدد، تعاون اور تعاون کے لیے بھی شکرگزار ہیں۔

ہم ٹیم شاہین گوان کی ذاتی خدمات، محنت، لگن اور کمپنی کے لیے بہترین عزم کے لیے بھی سراہتے ہیں۔

رضوان اختر
چیف ایگزیکٹو آفیسر

ایزوان مارشل جنید احمد صدیقی (ریٹائرڈ)
چیئر مین

28 اگست 2024



170.34 کر 174.36 ملین روپے ہو گئے ہیں اور اس کے مطابق کاروباری حصول اور انتظامی اخراجات بھی 2024 کی ششماہی کے دوران 134.09 ملین روپے تھے۔

ششماہی کی مدت کے دوران کمپنی کی سرمایہ کاری اور دیگر آمدنی نے 97.71 ملین روپے کا حصہ ڈالا (2023 کی ششماہی: 61.26 ملین روپے بنیادی طور پر بینکوں کی جانب سے مارک اپ کی بلند شرحوں کی وجہ سے۔ ونڈ وٹکافل آپریشنز (ونڈ وٹکافل آپریشن) سے منافع نے 7.77 روپے کا حصہ ڈالا۔ 2024 کی ششماہی کے دوران ملین (ششماہی 2023: 3.56 ملین روپے) 100 فیصد سے زیادہ اضافہ ظاہر کرتا ہے کہ شرکت کنندگان کے کفائل فنڈ میں 30 جون 2024 تک 2.88 ملین روپے سے بڑھ کر 26.36 ملین روپے ہو گیا۔ جیسا کہ منافع بڑھ رہا ہے؛ اس لیے، 30 جون 2024 کو ختم ہونے والے ششماہی کے دوران کمپنی کے ٹیکس کی دفعات بھی 2023 کے مقابلے میں 19.35 ملین روپے تک بڑھ گئیں۔

ششماہی 2024 کے دوران ٹیکس سے پہلے کا منافع 2023 کے اسی ششماہی کے 70.81 ملین روپے کے مقابلے بڑھ کر 116.31 ملین روپے ہو گیا اور ٹیکس کے بعد کا خالص منافع 51.45 ملین روپے سے بڑھ کر 82.50 ملین روپے ہو گیا جو کہ اسی کے مقابلے میں 60 فیصد کا اضافہ ظاہر کرتا ہے۔ گزشتہ سال کی نصف سال کی مدت ہمیں آپ کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ 30 جون 2024 کو ختم ہونے والی ششماہی کے لیے کمپنی کی فی شیئر آمدنی (EPS) 2023 کی پہلی ششماہی کی مدت کے دوران 0.80 روپے کے مقابلے بڑھ کر 1.29 روپے ہو گئی۔

آپ کو یہ جان کر بھی خوشی ہوگی کہ کمپنی کی مجموعی کارکردگی ٹاپ لائن اور باٹم لائن دونوں میں نمایاں بہتری کے ساتھ تسلی بخش ہے، جب کہ ہمیں یقین ہے کہ روایتی کاروبار اور کفائل آپریشنز حکومت کے تعاون سے ترقی کے اقدام کے مطابق مزید ترقی کریں گے۔ آنے والے سالوں میں انشورنس کی رسائی میں اضافے کے لیے اسلامی بینکاری اور ایس ای سی پی کی ہدایات، پالیسیاں اور تعاون جاری رہے گا۔

مستقبل کا آؤٹ لک:

ہم مستقبل کے کاروباری امکانات کے بارے میں پرامید ہیں اور یقین رکھتے ہیں کہ شاہین انشورنس آنے والے سالوں میں ترقی کرتی رہے گی۔ ملک کا عمومی اقتصادی ماحول بہتر ہو رہا ہے جبکہ مجموعی اقتصادی نقطہ نظر بڑی حد تک سیاسی استحکام کی بحالی اور معیشت کے استحکام اور مالیاتی نظم و ضبط کی بحالی کے لیے اصلاحات کے مسلسل نفاذ سے تشکیل پا رہا ہے۔

ہمیں امید ہے کہ حکومت ملک میں امن و امان اور معیشت کی بہتری پر اپنی توجہ مرکوز رکھے گی۔ ہم پرامید ہیں کہ آگے بڑھتے ہوئے سیاسی اور اقتصادی منظر نامے میں بہتری آئے گی اور آنے والے دور میں نئے مواقع ملنے کے منتظر ہیں۔ اس منظر نامے میں کاروباری ترقی مشکل ہوگی، لیکن چونکہ اب ہماری معیشت تیزی سے آگے بڑھ رہی ہے اس لیے ہم مستقبل میں پیش کیے جانے والے نئے مواقع سے فائدہ اٹھانے کے لیے اعتماد کے ساتھ منتظر ہیں۔



ڈائریکٹرز کا تبصرہ

شیر ہولڈرز

شاہین انشورنس کمپنی لمیٹڈ،

ڈائریکٹرز مسرت کے ساتھ 30 جون 2024 کو اختتام پذیر ششماہی کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔

عمومی اقتصادی جائزہ:

اگرچہ پاکستان کی معیشت مستحکم ہو رہی ہے اور طویل عرصے سے جاری نازک صورتحال سے باہر آرہی ہے لیکن اس کی بنیادی وجہ افراط زر اور ہمارے جغرافیائی خطے میں جنگ جیسی صورتحال ہے۔ حکومت میکرو اکنامک عدم توازن سے نمٹنے کے لیے غیر ضروری درآمدات کو محدود کرنے سمیت سخت فیصلے لے رہی ہے اور بارٹریڈ شروع کرنے کی کوششیں جاری ہیں اور خوراک، مشروبات، بجلی اور دیگر ضروریات کے لیے مقامی پیداوار کی کھپت پر انحصار اضافی اقدامات ہیں۔

انشورنس انڈسٹری نے ذمہ داری کے ساتھ کام کیا اور ملک کی معیشت کو زیادہ سے زیادہ مدد فراہم کی اور 2024 کے ششماہی کے دوران ان مشکل حالات میں معیشت کو بہتر طور پر کارکردگی کا مظاہرہ کیا۔

کمپنی کی کارکردگی - سال 2023 کے آپریشنل نتائج:

ہماری کمپنی نے ششماہی 2024 کے دوران مسلسل سخت حالات کے باوجود مسلسل ترقی کی اور اسی ششماہی کے مقابلے میں ترقی 65 فیصد سے زیادہ رہی جیسا کہ ذیل میں بیان کیا گیا ہے۔

کاروبار	مجموعی پریمیم پمپلی ششماہی 2024 (ملین)	مجموعی پریمیم پمپلی ششماہی 2023 (ملین)	مجموعی اضافہ
کنوشنل کاروبار	604,635	359,693	68%
ونڈ وٹکافل کاروبار	46,281	28,997	60%
کل کاروبار	650,916	388,691	67%

آپ کی کمپنی نے 30 جون 2024 کو ختم ہونے والی پہلی ششماہی کے دوران 46.28 ملین روپے کے تکافل کنٹریبیوشن سمیت 604.63 ملین روپے کا مجموعی پریمیم لکھا، کاروبار میں اضافے کی وجہ سے کمپنی کے خالص دعوے بھی 72.46 ملین روپے سے بڑھ



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Pakistan

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of SHAHEEN INSURANCE COMPANY LIMITED ("the Company") as at June 30, 2024 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the period then ended (here-in-after referred as the "interim financial statement"). Management is responsible for the preparation and presentation of this interim financial statement in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statement based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statement as at and for the six-month period ended June 30, 2024 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarter ended June 30, 2024 and June 30, 2023 in the condensed interim statement of profit or loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditors' report is Zulfikar Ali Causer

Place: Karachi
Date: August 30, 2024
UDIN: RR202410067fnQEVx1ai

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

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)


AS AT JUNE 30, 2024

	Note	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
(Rupees)			
ASSETS			
Property and equipment	6	90,326,649	75,697,353
Intangible Assets		500,000	-
Investment properties	7	167,050,569	167,050,569
Investments			
Equity securities	8	124,701,939	115,018,363
Debt securities	9	164,392,225	119,292,049
Term deposits	10	442,429,291	448,879,290
Advances, deposits and other receivables	11	26,993,646	22,617,001
Insurance / reinsurance receivables	12	419,771,352	241,444,093
Reinsurance recoveries against outstanding claims	21	7,894,530	8,006,239
Salvage recoveries accrued		1,328,775	28,200
Deferred commission expense	22	64,813,929	38,205,966
Prepaid reinsurance premium ceded		48,763,990	48,477,102
Cash and bank	13	287,376,310	252,188,790
Total assets of Window Takaful Operations - Operator's Fund		96,147,134	83,724,066
TOTAL ASSETS		1,942,490,339	1,620,629,081
EQUITY AND LIABILITIES			
Capital and reserves attributable to the company's equity holders			
Share capital	14	640,500,000	600,000,000
Reserves	15	25,024,489	20,237,792
Unappropriated profit		246,869,636	224,368,048
TOTAL EQUITY		912,394,125	844,605,840
LIABILITIES			
Underwriting provisions			
Outstanding claims including IBNR	21	276,783,142	207,559,987
Unearned premium reserves	20	349,238,050	249,264,266
Premium deficiency reserves		337,245	337,245
Unearned reinsurance commission	22	3,319,601	2,880,777
		629,678,038	460,042,275
Lease liabilities against right of-use-asset	16	10,339,953	19,415,330
Premium received in advance		2,210,162	11,144,220
Insurance / reinsurance payables	17	78,341,918	32,297,866
Other creditors and accruals	18	237,716,877	206,837,955
Unclaimed dividend		3,117,351	1,823,901
Taxation - provision less payments		39,329,289	22,003,846
Total liabilities of window takaful operations - Operator's Fund		29,362,626	22,457,848
TOTAL LIABILITIES		1,030,096,214	776,023,241
TOTAL EQUITY AND LIABILITIES		1,942,490,339	1,620,629,081
CONTINGENCIES AND COMMITMENTS			
	19		


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


Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman


Air Vice Marshal Muhammad Qaiser
Janjua (Retd) - Director


Adeel Ali
Director


Rizwan Akhtar
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer



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

FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Note	Three months period ended		Six months period ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		(Rupees)			
Net insurance premium	20	207,089,677	127,740,009	360,883,824	216,837,064
Net insurance claims	21	(118,081,804)	(45,492,473)	(174,364,940)	(72,459,327)
Net commission expense	22	(31,772,016)	(22,906,975)	(63,502,281)	(42,634,559)
Insurance claims and acquisition expenses		(149,853,820)	(68,399,448)	(237,867,221)	(115,093,886)
Management expenses		(56,892,703)	(51,295,727)	(106,833,896)	(91,451,479)
Underwriting results		343,154	8,044,834	16,182,707	10,291,700
Investment income	23	30,531,769	31,481,203	61,024,096	53,784,150
Rental income		568,895	517,183	1,137,793	1,034,365
Other income		19,520,611	2,768,059	35,554,670	6,444,480
Other expenses	24	(2,002,063)	(2,475,974)	(4,506,306)	(2,987,022)
Profit before tax from window takaful operations - OPF		3,882,671	1,721,918	7,772,239	3,561,990
Results of operating activities		52,785,037	42,057,223	117,165,199	72,129,663
Finance charges against lease liabilities		(327,524)	(851,422)	(853,683)	(1,324,458)
Profit before tax		52,457,513	41,205,801	116,311,516	70,805,205
Taxation	25	(15,212,679)	(11,437,164)	(33,809,928)	(19,353,503)
Profit after tax		37,244,835	29,768,637	82,501,588	51,451,702
Earnings per share - basic and diluted (Restated)	29	0.58	0.46	1.29	0.80

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

Air Vice Marshal Junaid Ahmed Siddiqui (Retd.) - Chairman	Air Vice Marshal Muhammad Qaiser Janjua (Retd.) - Director	Adeel Ali Director	Rizwan Akhtar Chief Executive Officer	Nisar Ahmed Almani Chief Financial Officer



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024


	Three months period ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees)			
Profit after tax	37,244,835	29,768,637	82,501,588	51,451,702
Items that may be reclassified subsequently to profit and loss:				
Unrealised gain / (loss) on available-of-sale investment	556,801	(1,419,127)	286,697	(863,954)
Total comprehensive income for the period	37,801,636	28,349,510	82,788,285	50,587,748


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


Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman


Air Vice Marshal Muhammad Qaiser
Janjua (Retd) - Director


Adeel Ali
Director


Rizwan Akhtar
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Attributable to equity holders of the Company					Total Equity
	Share capital	Revenue reserves	Reserve for issue of bonus shares	Unrealised (loss) / gain on available-for-sale investments	Unappropriated (loss) / profit	
	----- (Rupees) -----					
Balance as at January 1, 2023	600,000,000	20,000,000	-	3,863,126	108,063,726	687,227,223
Profit for the period ended June 30, 2023	-	-	-	-	51,451,702	51,451,702
Other comprehensive loss	-	-	-	(863,954)	-	(863,954)
Total comprehensive income for the period	-	-	-	(863,954)	51,451,702	50,587,748
Balance as at June 30, 2023	<u>600,000,000</u>	<u>20,000,000</u>	<u>-</u>	<u>2,999,172</u>	<u>159,515,428</u>	<u>737,814,971</u>
Balance as at January 1, 2024	600,000,000	20,000,000	-	237,792	224,368,048	844,605,840
Total comprehensive income for the period						
Profit for the period ended June 30, 2024	-	-	-	-	82,501,588	82,501,588
Other comprehensive income	-	-	-	286,697	-	286,697
Total comprehensive income for the period	-	-	-	286,697	82,501,588	82,788,285
Transactions with the owners:						
Bonus shares issued for the year ended December 31, 2023 @ 10	40,500,000	-	4,500,000	-	(45,000,000)	-
Dividend for the year ended December 31, 2023 @ Rupees per share 7.50	-	-	-	-	(15,000,000)	(15,000,000)
Balance as at June 30, 2024	<u>40,500,000</u>	<u>-</u>	<u>4,500,000</u>	<u>-</u>	<u>(60,000,000)</u>	<u>(15,000,000)</u>
	<u>640,500,000</u>	<u>20,000,000</u>	<u>4,500,000</u>	<u>524,489</u>	<u>246,869,636</u>	<u>912,394,125</u>

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

 Air Vice Marshal Junaid Ahmed Siddiqui (Retd.) - Chairman	 Air Vice Marshal Muhammad Qaiser Janjua (Retd) - Director	 Adeel Ali Director	 Rizwan Akhtar Chief Executive Officer	 Nisar Ahmed Almani Chief Financial Officer
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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023
	----- (Rupees) -----	
OPERATING CASHFLOW		
a) Underwriting activities		
Insurance premiums received	417,373,436	352,758,906
Reinsurance premiums paid	(181,319,545)	(80,808,352)
Claims paid	(108,278,627)	(236,567,064)
Reinsurance and other recoveries received	3,248,551	186,093,200
Commission paid	(10,981,039)	(48,844,489)
Commission received	8,566,303	5,711,906
Net cash flows generated from underwriting activities	<u>128,609,078</u>	<u>178,344,108</u>
b) Other operating activities		
Income tax paid	(5,373,667)	(6,809,567)
Management and administration expenses paid	(56,306,329)	(76,803,370)
Net cash used in other operating activities	<u>(61,679,996)</u>	<u>(83,612,937)</u>
Total cash generated from all operating activities	<u>66,929,082</u>	<u>94,731,171</u>
INVESTMENT ACTIVITIES		
Investment income received	61,264,713	55,837,054
Rentals received	599,795	-
Payments for investments - net	(54,778,745)	(10,204,147)
Fixed capital expenditure	(33,869,594)	(23,503,426)
Proceeds from disposal of property and equipment	11,633,911	14,500
Total cash (used in) /generated from investing activities	<u>(15,149,920)</u>	<u>22,143,981</u>
FINANCING ACTIVITIES		
Financial charges paid	(289,935)	-
Dividend Paid	(12,822,649)	(16,285)
Principal repayment of lease liabilities against right-of-use-assets	(9,929,061)	(7,412,800)
Total cash used in financing activities	<u>(23,041,645)</u>	<u>(7,429,085)</u>
Net cash generated from all activities	<u>28,737,517</u>	<u>109,446,067</u>
Cash and cash equivalents at beginning of period	<u>701,068,080</u>	<u>470,483,873</u>
Cash and cash equivalents at end of period	<u>729,805,600</u>	<u>579,929,940</u>
Reconciliation to profit and loss account		
Operating cash flows	66,929,082	94,731,171
Depreciation on property and equipment	(7,918,356)	(4,339,441)
Depreciation on right-of-use-asset	(6,612,947)	(6,449,818)
Finance charges on right-of-use-asset	(853,683)	(1,190,588)
Gain on disposal of property and equipment	6,138,411	14,500
Rental income	1,137,793	1,034,365
Financial charges	(289,935)	(133,870)
Increase in assets other than cash	201,575,688	117,482,793
Decrease in liabilities	(246,400,801)	(207,043,550)
Investment and other income	61,024,096	53,784,150
Profit from window takaful operations - OPF	7,772,239	3,561,990
Profit after tax	<u>82,501,588</u>	<u>51,451,702</u>



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

Definition of cash and cash equivalent

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


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


	June 30, 2024	June 30, 2023
	(Rupees)	
Cash and other equivalents	320,513	53,929
Cash in hand	105,284	52,214
Policy stamps in hand	425,797	106,143
Bank balances	172,525,261	81,274,255
Current accounts	114,425,251	115,770,252
Savings accounts	286,950,512	197,044,507
Deposits maturing within 1 month	442,429,291	382,779,290
Term deposits - local currency	729,805,600	579,929,940


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


Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman


Air Vice Marshal Muhammad Qaiser
Janjua (Retd.) - Director


Adeel Ali
Director


Rizwan Akhtar
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

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 13 Branches. Shaheen Foundation (the Parent) holds approximately 69.28% (Dec 2023: 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 Sindh;
- Upper 2nd floor, House No. 75, Soldier Bazar, Hyderabad, Sindh;
- Office 4-B, 6th Floor, Shaheen Complex, Opp. PTV Station 38, Abbott Road, Lahore, Punjab,
- Office No. 6, 6th Floor, Shaheen Complex, Opp. PTV Station 38, Abbott Road, Lahore;
- Office No. 23, Second Floor, Plot No. 14, Executive complex, G-8 Markaz Islamabad;
- Office 2, 4th Floor, Ahmed Plaza, Bilal Road, Civil Lines, Faisalabad, Punjab;
- Office 21 , 1st Floor Anali Arcade Near Chowk Kachary LMQ Road, Multan;
- Office C3, Jasmine Arcade Fakh-e-Alam Road Peshawar Cantt, Khyber Pakhtunkhwa;
- Office 210, Karim Plaza, Defence Road, Near Allama Iqbal Town, Sialkot, Punjab;
- Office 63, 1st Floor, Advance Book Shop, Rehman Complex, Ibne Seena Hospital Market, Kanchi More, Sarghoda Punjab;
- Ghousia Sultania Town, Sakhi Sarwar Colony, Rahim Yar Khan, Punjab;
- Banglow No. 498. Block.A Revenue Employees Co-operatives Housing Society, Lahore, Punjab;
- Office No. 110, 1st Floor, Falak Corporate opp. Chamber of Commerce, Talpur Road, Karachi Sindh;

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, 2023. 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:



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

- International Accounting Standard (IAS) 34, interim financial reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, 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, 2023. 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, 2023, whereas comparatives for condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and related notes are extracted from condensed interim financial statements of the Company for the six months period ended June 30, 2023.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 IFRS 9 'Financial Instruments'

IFRS 9 " Financial Instruments" became applicable in 2019, however as insurance company , the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 given below:

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



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

June 30, 2024

	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	12	172,951,059	-	-	114,425,251	-
Equity securities	8	220,921	(55,837)	-	-	-
Debt securities	9	-	-	-	164,392,225	-
Term deposits	10	-	-	-	442,429,291	-
Mutual funds	8	124,481,019	286,697	-	-	-
Loan and other receivable	11	-	-	26,993,646	-	-
		<u>297,652,998</u>	<u>230,860</u>	<u>26,993,646</u>	<u>721,246,767</u>	<u>-</u>

December 31, 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	12	922,656	-	-	251,266,134	-
Equity securities	8	276,758	70,403	-	-	-
Debt securities	9	-	-	-	119,292,049	-
Term deposits	10	-	-	-	448,879,290	-
Mutual funds	8	114,741,605	(3,625,334)	-	-	-
Loan and other receivable	11	-	-	22,617,001	-	-
		<u>115,941,019</u>	<u>(3,554,931)</u>	<u>22,617,001</u>	<u>819,437,473</u>	<u>-</u>

3. MATERIAL ACCOUNTING POLICIES INFORMATION

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, 2023.

3.1 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

3.1.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2023

The following standards, amendments and interpretations are effective for the year ended December 31, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements-Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

3.1.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' Supplier finance arrangements	January 01, 2023
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2023



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 standard has been issued by IASB effective from 01, July 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

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 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, 2023.

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, 2023.

6. PROPERTY AND EQUIPMENT

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Note	(Rupees)	
Operating fixed assets	6.1 80,423,940	59,026,691
Right of-use-of-assets	6.2 9,902,709	16,515,657
Capital work-in-progress	6.3 -	155,005
	<u>90,326,649</u>	<u>75,697,353</u>



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

6.1 This includes additions / disposals with following details:

	Six months period ended			
	June 30, 2024 (Unaudited)		June 30, 2023 (Unaudited)	
	Additions	Disposals	Additions	Disposals
	(Rupees)			
Cost:				
Leasehold Improvements	2,694,093	-	-	-
Furniture, fixtures and office equipment	810,142	-	-	-
Computers	1,103,060	-	674,600	58,289
Motor vehicles	806,004	15,428	533,457	-
	28,456,295	9,612,200	22,295,368	-
	<u>33,869,594</u>	<u>9,627,628</u>	<u>23,503,425</u>	<u>58,289</u>

6.2 Right of-use-of assets

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	(Rupees)	
Buildings		
Opening balance	16,515,657	16,621,709
Additions during the period / year	-	12,836,233
Impact of modification of leases	-	(151,306)
Depreciation expense	(6,612,947)	(12,790,979)
Closing balance	<u>9,902,709</u>	<u>16,515,657</u>

Note (Rupees)

6.3 Capital work-in-progress

Advances to suppliers	-	155,004
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7. INVESTMENT PROPERTIES

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	(Rupees)	
Opening balance - fair value	167,050,569	167,050,569
Unrealised fair value gain	-	-
Closing balance - fair value	<u>167,050,569</u>	<u>167,050,569</u>



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

7.1 Investment properties consists of the following:

Particulars	Location	Fair value as at June 30, 2024	Un-realised gain for June 30, 2024	Fair value as at December 31, 2023	Un-realised gain for December 31, 2023
(Rupees)					
Freehold land	Islamabad	19,775,000	-	19,775,000	-
Shop premises	Lahore	90,894,150	-	90,894,150	-
Office premises	Karachi	56,381,419	-	56,381,419	-
		<u>167,050,569</u>	<u>-</u>	<u>167,050,569</u>	<u>-</u>

7.2 The fair value of investment properties was determined by Anderson Consulting (Pvt.) Ltd, who is external, independent property valuer 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. 1.138 million (December 31, 2023: Rs. 2.172 million).

7.5 The covered area of the properties are:

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

Valuation technique

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

7.6 The cost of freehold land, shop premises and office premises is Rs. 14.02 million (December 31, 2023: Rs.14.02 million), Rs. 33.95 million (December 31, 2023: Rs. 33.95 million) and Rs. 2.85 million (December 31, 2023: Rs. 2.85 million) respectively.

7.7 As at June 30, 2024, the fair values of the investment properties approximate its market values.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

8. INVESTMENT IN EQUITY SECURITIES

Note	(Un-audited)			(Audited)		
	June 30, 2024			December 31, 2023		
	Cost	Impairment	Carrying value	Cost	Impairment	Carrying value
----- (Rupees) -----			----- (Rupees) -----			
Available for sale						
<i>Listed shares</i>						
7.1	188,000,000	(188,000,000)	-	188,000,000	(188,000,000)	-
<i>Unlisted shares</i>						
	123,947,051	-	124,481,019	114,503,813	-	114,741,605
7.2	311,947,051	(188,000,000)	124,481,019	302,503,813	(188,000,000)	114,741,605
Investments - held for trading						
<i>Listed shares</i>						
	276,758	-	220,921	206,355	-	276,758
	312,223,809	(188,000,000)	124,701,939	302,710,168	(188,000,000)	115,018,363

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

The Company has filed a civil suit in Civil Court Lahore in April 2015 against First Capital Equities Limited and five others for recovery of Rs.188.00 million and cancellation of documents. Company is aggressively following up the case, and regular hearings are taking place.

Further, management strongly believe that the company has irrefutable evidences / arguments to win this litigation, and is deploying every possible resource for expeditious disposal of the case. However, being prudent an impairment provision equal to the carrying value is included in these condensed interim financial statements.

8.2 Mutual funds

Name of Funds	Units		June 30, 2024		December 31, 2023	
	June 30, 2024	December 31, 2023	Cost	Fair Value	Cost	Fair Value
	----- (Number) -----		----- (Rupees) -----			
HBL Cash Fund	33,344	500	50,970	55,978	50,970	51,578
HBL Islamic Money Market Fund	1,229,753	1,131,715	123,896,081	124,425,041	114,452,843	114,690,026
			123,947,051	124,481,019	114,503,813	114,741,604

9. INVESTMENTS IN DEBT SECURITIES

Name of investment	Face value (Rupees)	Certificates (Number)	Profit rate (%)	Profit payment	Maturity date	June 30, 2024		December 31, 2023	
						Cost	Carrying value	Cost	Carrying value
						----- (Rupees) -----			
Held to maturity									
5 Years Pakistan Investment Bonds	65,000,000	650,000	11.35	Semi annually	September 19, 2024	60,587,150	64,800,999	60,587,150	64,348,271
3 Years Pakistan Investment Bonds	62,000,000	620,000	19.01	Semi annually	August 4, 2025	52,587,656	57,154,161	52,587,656	54,943,778
Treasury Bills	49,630,000		19.00	Annually	May 29, 2025	41,999,834	42,437,066	-	-
	176,630,000	1,270,000				155,174,640	164,392,225	113,174,806	119,292,049



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

- 9.1** The rate of return of PIBs is between 11.35% to 19.01% (2023: 11.35% to 19.01%) per annum. They are pledged with the State Bank of Pakistan under the provisions of Insurance Rules 2017.

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Note	(Rupees)	

10. INVESTMENTS IN TERM DEPOSITS

Held to maturity

Deposits maturing within one months	9.1	<u>442,429,291</u>	<u>448,879,290</u>
-------------------------------------	-----	--------------------	--------------------

- 10.1** The balance includes term deposits with various commercial banks having maturities within 1 months i.e. upto July 01, 2024. The rate of return on these term deposits range between 10% to 20.25% (December 31, 2023: 15% to 20.75%) per annum.

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Note	(Rupees)	

11. ADVANCES, DEPOSITS AND OTHER RECEIVABLES (unsecured, considered good)

Advances		2,185,479	616,978
Security deposits	11.1	8,500,935	8,096,898
Accrued investment income		12,229,780	12,475,406
Other receivables		4,077,453	1,427,719
		<u>26,993,647</u>	<u>22,617,001</u>

- 11.1** This includes Rs. 3.33 million (December 31, 2023: Rs. 3.33 million) in respect of security deposits paid against rental arrangements to Shaheen Foundation (Parent undertaking).

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Note	(Rupees)	

12. INSURANCE / REINSURANCE RECEIVABLES (unsecured, considered good)

Due from insurance contract holders	12.1	22,541,936	20,816,504
Less: Provision for impairment		(96,219)	(96,219)
		<u>22,445,717</u>	<u>20,720,285</u>

Due from other insurers / reinsurers		423,939,509	247,337,682
Less: Provision for impairment		(26,613,874)	(26,613,874)
		<u>397,325,635</u>	<u>220,723,808</u>
		<u>419,771,352</u>	<u>241,444,093</u>

- 12.1** This includes premium due but unpaid from Shaheen Foundation, a related party of Rs. 0.960 million (December 31, 2023: Rs. 18.779 million).



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
13. CASH AND BANK		
- Cash in hand	320,513	34,756
- Policy stamps and bond papers in hand	105,284	133,956
	425,797	168,712
Cash at bank		
- Current accounts	172,525,261	753,944
- Savings accounts	114,425,250	251,266,134
	286,950,511	252,020,078
	287,376,309	252,188,790

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

13.2 These carry mark-up at rates ranging between 7% to 17.50% (December 31, 2023: 7% to 19.50%) per annum.

14. SHARE CAPITAL

14.1 Authorised share capital

June 30, 2024	December 31, 2023		June 30, 2024 (Un-audited)	December 31, 2023 (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

June 30, 2024	December 31, 2023		June 30, 2024 (Un-audited)	December 31, 2023 (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
4,050,000	-	Ordinary shares of Rs. 10 each, issued as bonus shares	40,500,000	-
64,050,000	60,000,000		640,500,000	600,000,000



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

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

Related party name	Basis of relationship	Percentage (%)	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
			(Rupees)	
Shaheen Foundation	Parent 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>
			2024 (%)	2023
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.

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
		(Rupees)	
15. RESERVES			
General reserves		20,000,000	20,000,000
Unrealised gain on available-for-sale investments		524,489	237,792
		<u>20,524,489</u>	<u>20,237,792</u>
16. LEASE LIABILITIES AGAINST RIGHT OF-USE-ASSET			
Lease liability - buildings		<u>10,339,953</u>	<u>19,415,330</u>
16.1 Opening balance		19,415,330	19,315,492
Addition in lease liability	16.3	-	12,836,233
Impact of modification of leases		-	(212,316)
Rental payments		(9,929,061)	(14,846,696)
Interest expense		853,683	2,322,617
Closing balance	16.2	<u>10,339,953</u>	<u>19,415,330</u>
16.2 Tenure analysis			
Current period		3,234,693	14,355,097
Non-current period		7,105,260	5,060,233
		<u>10,339,953</u>	<u>19,415,330</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 THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Note	(Rupees)	
17. INSURANCE / REINSURANCE PAYABLES		
Due to other insurers / re-insurers	<u>78,341,918</u>	<u>32,297,866</u>
18. OTHER CREDITORS AND ACCRUALS		
Agent commission payable	20,176,715	11,612,199
Provincial service taxes	123,777,616	100,675,604
Federal insurance fee payable	11,096,352	10,086,351
Workers' welfare fund payable	13,045,815	11,794,513
Accrued expenses	9,868,755	12,227,821
Withholding tax payable	6,472,667	3,606,896
Unearned rental income	-	1,137,793
Payable to provident fund	677,288	517,275
Security deposit against bond issuance	18.1 49,566,405	51,993,778
Others	3,035,266	3,185,725
	<u>237,716,877</u>	<u>206,837,955</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, 2023 except for the following:

19.1.1 Taxation Officer issued notice for amendment of assessment for tax year 2018 u/s122(9)/122(5A) of Income Tax Ordinance 2001. In response thereof, certain information, details, documents and explanations were provided. Despite our submissions, ADCIR passed the amended order and raised the tax demand. Against the order passed, rectification application was filed, which is pending. Further, aggrieved with the order passed, Company filed an appeal before ATIR, and the main appeal is pending. However, Taxation Officer has not issued the recovery notice under section 138 of the Ordinance, till to date. In case recovery notice is received u/s 138 of the Ordinance application will be filed before the ATIR to halt the recovery proceeding, till the appeal is decided by the ATIR. However, Company and its tax consultants has strong grounds to believe that the aforesaid issues will be decided in favour of the Company.

19.2 Commitments

There are no commitments as at June 30, 2024



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Three months period ended		Six months period ended	
	June 30, 2024 (Un-audited)	June 30, 2023 (Un-audited)	June 30, 2024 (Un-audited)	June 30, 2023 (Un-audited)
(Rupees)				
20. NET INSURANCE PREMIUM				
Written gross premium	313,964,617	198,789,614	604,634,752	359,693,078
Add: Unearned premium reserve opening	274,642,372	176,967,304	249,264,266	156,749,372
Less: Unearned premium reserve closing	(349,238,050)	(173,577,645)	(349,238,050)	(173,577,645)
Premium earned	239,368,939	202,179,273	504,660,968	342,864,805
Re-insurance premium ceded	63,216,309	87,211,879	144,064,032	133,076,565
Add: Prepaid reinsurance premium opening	17,826,943	8,836,564	48,477,102	14,560,355
Less: Prepaid reinsurance premium closing	(48,763,990)	(21,609,179)	(48,763,990)	(21,609,179)
Reinsurance expense	32,279,262	74,439,264	143,777,144	126,027,741
	207,089,677	127,740,009	360,883,824	216,837,064
21. NET INSURANCE CLAIMS				
Claims paid	12,541,241	46,872,819	108,278,627	236,567,064
Less: Outstanding claims including IBNR opening	(166,908,543)	(148,171,993)	(207,559,987)	(128,962,567)
Add: Outstanding claims including IBNR closing	276,783,142	166,748,376	276,783,142	166,748,376
Claims expense	122,415,840	65,449,202	177,501,782	274,352,873
Less: Re-takaful and other recoveries received	2,248,084	11,678,571	3,248,551	186,093,200
Less: Re-insurance and other recoveries receivable in respect of outstanding claims opening	(5,808,578)	(53,821,195)	(8,006,239)	(46,299,007)
Add: Re-insurance and other recoveries receivable in respect of outstanding claims closing	7,894,530	62,099,353	7,894,530	62,099,353
Re-insurance and other recoveries revenue	4,334,036	19,956,729	3,136,842	201,893,546
	118,081,804	45,492,473	174,364,940	72,459,327
22. NET COMMISSION EXPENSE				
Commission paid or payable	48,849,264	23,405,134	98,237,723	51,487,507
Add: Deferred commission expense opening	50,872,357	31,960,395	38,205,966	26,062,948
Less: Deferred commission expense closing	(64,813,929)	(28,560,219)	(64,813,929)	(28,560,219)
Net Commission	34,907,692	26,805,310	71,629,760	48,990,236
Less: Commission received or recoverable	3,997,963	3,832,139	8,566,303	5,711,906
Add: Unearned reinsurance commission opening	2,457,314	1,746,242	2,880,777	2,323,817
Less: Unearned reinsurance commission closing	(3,319,601)	(1,680,046)	(3,319,601)	(1,680,046)
Commission from reinsurers	3,135,676	3,898,335	8,127,479	6,355,677
	31,772,016	22,906,975	63,502,281	42,634,559



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Three months period ended		Six months period ended	
	June 30, 2024 (Un-audited)	June 30, 2023 (Un-audited)	June 30, 2024 (Un-audited)	June 30, 2023 (Un-audited)
23. NET COMMISSION EXPENSE	(Rupees)			
Income from equity securities				
Available for sale investments				
Dividend income	5,866,214	10,673,987	11,114,952	6,249,969
Realized gain on sale mutual funds	-	-	-	10,874,356
	<u>5,866,214</u>	<u>10,673,987</u>	<u>11,114,952</u>	<u>17,124,325</u>
Income from debt securities				
Held to maturity				
Return on other fixed income securities	19,839,259	18,208,902	40,723,999	31,714,751
Return on government securities	4,854,062	2,617,735	9,235,974	4,939,005
	<u>24,693,321</u>	<u>20,826,637</u>	<u>49,959,973</u>	<u>36,653,756</u>
Unrealised gain / (loss) on revaluation of held-for-trading investments	(32,774)	(19,421)	(55,837)	6,069
	<u>30,526,761</u>	<u>31,481,203</u>	<u>61,019,088</u>	<u>53,784,150</u>
24. OTHER EXPENSES				
Fee and subscription	750,450	829,030	2,975,243	1,340,078
Auditor's remuneration	24.1 -	243,000	279,450	243,000
Workers' welfare fund	1,251,613	1,403,944	1,251,613	1,403,944
	<u>2,002,063</u>	<u>2,475,974</u>	<u>4,506,306</u>	<u>2,987,022</u>
24.1. Auditor's remuneration				
Interim review fee	201,250	175,000	201,250	175,000
Out of pocket expense	57,500	50,000	57,500	50,000
Sales tax @ 8%	20,700	18,000	20,700	18,000
	<u>279,450</u>	<u>243,000</u>	<u>279,450</u>	<u>243,000</u>
25. TAXATION				
Current	(25,893,589)	(11,437,164)	(33,809,928)	(19,353,503)
Deferred	25.1 -	-	-	-
	<u>(25,893,589)</u>	<u>(11,437,164)</u>	<u>(33,809,928)</u>	<u>(19,353,503)</u>
25.1. Deferred				

Deferred tax asset on deductible temporary differences amounting to Rs. 57.41 million (December 31, 2023: Rs. 63.867 million) has not been recognized in view of the uncertainty about its realisation.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

26. SEGMENT INFORMATION

26.1 Segment of profit or loss - June 30, 2024 (Un-audited)

	For the six months period ended June 30, 2024 (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)	140,784,554	184,339,506	150,614,164	104,167,143	91,591,042	671,496,409
Less: Federal excise duty	(7,501,999)	(2,892,551)	(15,828,835)	-	(36,348,199)	(62,571,584)
Less: Federal insurance fee	(511,265)	(1,288,075)	(1,070,207)	-	(1,420,526)	(4,290,073)
Gross written premium (inclusive of administrative Surcharge)	<u>132,771,290</u>	<u>180,158,880</u>	<u>133,715,122</u>	<u>104,167,143</u>	<u>53,822,317</u>	<u>604,634,752</u>
Gross direct premium	130,415,613	146,864,445	131,187,143	104,167,143	87,439,253	600,073,597
Administrative surcharge	911,556	945,933	2,527,979	-	143,218	4,528,686
Insurance premium earned	<u>161,791,315</u>	<u>139,500,548</u>	<u>110,202,121</u>	<u>51,958,961</u>	<u>41,208,022</u>	<u>504,660,968</u>
Less: Insurance premium ceded to reinsurers	(22,946,891)	(104,138,200)	(11,513,743)	-	(5,178,309)	(143,777,143)
Net insurance premium	<u>138,844,425</u>	<u>35,362,348</u>	<u>98,688,378</u>	<u>51,958,961</u>	<u>36,029,713</u>	<u>360,883,824</u>
Commission income	580,231	6,596,842	855,287	-	95,117	8,127,479
Net underwriting income	<u>165,870,202</u>	<u>44,746,817</u>	<u>102,083,286</u>	<u>62,701,197</u>	<u>48,984,603</u>	<u>424,386,105</u>
Insurance claims	62,661,048	15,844,099	50,168,689	41,461,470	7,366,476	177,501,782
Less: Insurance claims recovered from reinsurance	(4,015)	-	(3,132,827)	-	-	(3,136,842)
Net claim	<u>62,657,033</u>	<u>15,844,099</u>	<u>47,035,862</u>	<u>41,461,470</u>	<u>7,366,476</u>	<u>174,364,940</u>
Add: Commission expense	27,606,009	4,002,189	14,926,549	10,742,236	14,352,777	71,629,760
Add: Management expenses	22,806,498	41,497,071	19,896,334	64,432	22,569,561	106,833,896
Net insurance claims and expenses	<u>109,880,514</u>	<u>61,343,359</u>	<u>81,858,745</u>	<u>52,268,138</u>	<u>39,350,361</u>	<u>344,701,117</u>
Underwriting result	<u>55,989,688</u>	<u>(16,596,542)</u>	<u>20,224,541</u>	<u>10,433,059</u>	<u>9,634,242</u>	<u>16,182,707</u>
Net investment income						61,019,088
Rental income						1,137,793
Other income						35,554,670
Other expenses						(4,506,306)
Finance charges on right-of-use assets						(853,683)
Loss after tax from window takaful operations - OPF						7,772,239
Profit before tax						<u>116,306,508</u>



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

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

	For the six months period ended June 30, 2023 (Un-audited)					
	Fire and property damages	Marine, aviation & transport	Motor	Accident and health	Miscellaneous	Total
	----- (Rupees) -----					
Premium receivable / received (inclusive of Federal excise duty, Federal insurance fee and administrative surcharge)	127,256,339	160,808,011	94,258,337	1,902,723	35,376,583	419,601,993
Less: Federal excise duty	(8,917,295)	(32,258,552)	(10,574,408)	-	(3,552,494)	(55,302,749)
Less: Federal insurance fee	(638,921)	(3,040,058)	(725,417)	(18,858)	(182,912)	(4,606,166)
Gross written premium (inclusive of administrative Surcharge)	117,700,123	125,509,401	82,958,512	1,883,865	31,641,177	359,693,078
Gross direct premium	117,072,489	124,517,110	80,986,305	1,878,865	31,484,487	355,939,256
Administrative surcharge	627,634	992,291	1,972,207	5,000	156,690	3,753,822
Insurance premium earned	107,973,580	119,640,596	89,400,748	934,191	24,915,690	342,864,805
Insurance premium ceded to reinsurers	(18,099,102)	(93,619,050)	(12,116,502)	-	(2,193,087)	(126,027,741)
Net insurance premium	89,874,478	26,021,545	77,284,246	934,191	22,722,603	216,837,064
Commission income	508,797	3,466,382	2,372,980	-	7,518	6,355,676
Net underwriting income	90,383,275	29,487,927	79,657,226	934,191	22,730,121	223,192,740
Insurance claims	31,593,078	174,613,178	64,418,599	(72,997)	3,801,015	274,352,873
Insurance claims recovered from reinsurance	(5,417,841)	(171,919,457)	(24,556,248)	-	-	(201,893,546)
Net claim	37,010,919	346,532,635	88,974,847	(72,997)	3,801,015	72,459,327
Commission expense	22,544,990	9,858,786	11,538,192	93,171	4,955,097	48,990,235
Management expenses	28,799,525	31,911,439	23,845,640	249,174	6,645,700	91,451,478
Net insurance claims and expenses	88,355,434	388,302,861	124,358,679	269,348	15,401,812	212,901,040
Underwriting result	2,027,841	(358,814,934)	(44,701,452)	664,843	7,328,309	10,291,700
Net investment income						53,784,150
Rental income						1,034,365
Other income						6,444,480
Other expenses						(2,987,022)
Finance charges on right-of-use assets						(1,324,458)
Loss after tax from window takaful operations - OPF						3,561,990
Profit before tax						<u>70,805,204</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

26.2 Segment Assets & Liabilities

	As at June 30, 2024 (Un-audited)					
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident and Health	Miscellaneous	Total
SEGMENT ASSETS						
Segment assets	117,486,084	132,345,408	119,724,898	93,268,438	78,418,972	541,243,799
Segment assets - Takatul OPF	5,248,377	2,328,645	11,434,761	-	1,358,313	20,370,096
Unallocated assets - Takatul OPF						75,777,038
Unallocated corporate assets						1,305,099,406
Total assets						<u>1,942,490,339</u>
SEGMENT LIABILITIES						
Segment liabilities	153,614,454	173,043,197	156,541,729	121,949,593	102,533,739	707,682,711
Segment liabilities - Takatul OPF	2,404,904	1,067,029	5,239,621	-	622,404	9,333,958
Unallocated liabilities - Takatul OPF						20,028,667
Unallocated corporate liabilities						293,050,878
Total liabilities						<u>1,030,096,214</u>

	As at June 30, 2023 (Un-audited)					
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Accident and Health	Miscellaneous	Total
SEGMENT ASSETS						
Segment assets	108,049,599	115,328,782	76,229,383	1,731,056	29,074,623	330,413,442
Segment assets - Takatul OPF	3,616,750	835,208	9,182,033	-	796,848	14,430,839
Unallocated assets - Takatul OPF						58,769,055
Unallocated corporate assets						1,095,964,007
Total assets						<u>1,499,577,343</u>
SEGMENT LIABILITIES						
Segment liabilities	146,843,544	156,736,233	103,598,651	2,352,572	39,513,525	449,044,526
Segment liabilities - Takatul OPF	2,224,571	513,715	5,647,635	-	490,121	8,876,042
Unallocated liabilities - Takatul OPF						6,502,445
Unallocated corporate liabilities						252,639,730
Total liabilities						<u>717,062,743</u>



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

27. FAIR VALUE OF FINANCIAL AND NON-FINANCIAL ASSETS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, difference may arise between the carrying values and the fair value estimates.

Fair value hierarchy

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

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

Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

	June 30, 2024 (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									
Equity securities	124,481,019	-	-	220,921	-	124,701,940	124,701,940	-	-
Financial assets not measured at fair value									
Debt securities	-	164,392,225	-	-	-	164,392,225	-	-	-
Term deposits	-	442,429,291	-	-	-	442,429,291	-	-	-
Loans and other receivables*	-	-	26,993,647	-	-	26,993,647	-	-	-
Insurance / re-insurance receivables*	-	-	419,771,352	-	-	419,771,352	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	7,894,530	-	-	7,894,530	-	-	-
Cash and bank	-	-	-	287,376,310	-	287,376,310	-	-	-
	<u>124,481,019</u>	<u>606,821,516</u>	<u>454,659,529</u>	<u>287,597,231</u>	<u>-</u>	<u>1,473,559,294</u>	<u>124,701,940</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	-	(276,783,142)	(276,783,142)	-	-	-
Insurance / re-insurance payables*	-	-	-	-	(78,341,918)	(78,341,918)	-	-	-
Other creditors and accruals*	-	-	-	-	(237,716,877)	(237,716,877)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(592,841,937)</u>	<u>(592,841,937)</u>	<u>-</u>	<u>-</u>	<u>-</u>



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	December 31, 2023 (Audited)								
	Fair value					Fair value measurement			
	Available for- sale	Held-to maturity	Loan and other receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees)								
Financial assets measured at fair value									
Investments									
Equity securities	114,741,605	-	-	276,758	-	115,018,363	115,018,363	-	-
Debt securities	-	119,292,049	-	-	-	119,292,049	-	-	-
Financial assets not measured at fair value									
Term deposits	-	136,578,542	-	-	-	-	-	-	-
Advances, deposits and other receivables*	-	448,879,290	22,617,001	-	-	448,879,290	-	-	-
Insurance / re-insurance receivables*	-	-	241,444,093	-	-	241,444,093	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	8,006,239	-	-	8,006,239	-	-	-
Salvage recoveries accrued	-	-	-	-	-	-	-	-	-
Deferred commission expense	-	-	-	-	-	-	-	-	-
Taxation-payment less provision	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-
Cash and bank	-	-	-	252,188,790	-	252,188,790	-	-	-
	114,741,605	704,749,881	272,067,333	252,465,548	-	1,207,445,825	115,018,363	-	-
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	-	(207,559,987)	(207,559,987)	-	-	-
Insurance / re-insurance payables*	-	-	-	-	(32,297,866)	(32,297,866)	-	-	-
Other creditors and accruals*	-	-	-	-	(206,837,955)	(206,837,955)	-	-	-
	-	-	-	-	(446,695,808)	(446,695,808)	-	-	-

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

Valuation techniques used in determination of fair values within Level 2

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

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

Description	Fair value	Unobservable- able inputs	Range of inputs	Relationship of unobservable inputs to fair value
Investment properties	167,050,569	yield	5% to 6%	The higher the terminal yield, the higher the fair value
		Expected rent	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 THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

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 2023, 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, 2023.

28. RELATED PARTY TRANSACTIONS

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

Name	Relationship	Nature of transactions	June 30, 2024 (Un-audited)	June 30, 2023 (Un-Audited)
			----- (Rupees) -----	
Shaheen Foundation	Parent Undertaking	Advertisement expense	109,200	433,480
Shaheen Foundation	Parent Undertaking	Claim expense	-	280,514
Shaheen Foundation	Parent Undertaking	Lease rentals	7,127,127	-
Shaheen Foundation	Parent Undertaking	Premium written	1,139,500	-
Air Eagle (Private) Limited	Associated Company	Premium written	64,435,440	31,983,653

Name	Relationship	Nature of transactions	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
			----- (Rupees) -----	
Shaheen Foundation	Parent undertaking	Due from Insurance contract holder	960,503	18,779,284
Shaheen Foundation	Parent undertaking	Outstanding claims	859,000	91,250
Shaheen Foundation	Parent undertaking	Security deposits	3,317,248	3,317,246

Other transactions during the period with associated undertakings	June 30, 2024 (Un-audited)	June 30, 2023 (Un-Audited)
	----- (Rupees) -----	
Remuneration of key management personnel	10,402,438	7,565,394
Contribution to provident fund	318,647	-

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 THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

29. EARNINGS PER SHARE - BASIC AND DILUTED

	----- (Un-audited) -----			
	Three months period ended		Six months period ended	
	June 30, 2024	June 30, 2023 (Restated)	June 30, 2024	June 30, 2023 (Restated)
	----- (Rupees) -----			
Profit for the period	<u>37,244,835</u>	29,768,637	<u>82,501,588</u>	51,451,702
	----- (Number of shares) -----			
Weighted average number of ordinary shares of Rs. 10 each	<u>64,050,000</u>	64,050,000	<u>64,050,000</u>	64,050,000
	----- (Rupees) -----			
Earnings per share - basic	<u>0.58</u>	0.46	<u>1.29</u>	0.80

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

30. ROUNDING OFF

The figures have been rounded off to the nearest rupee.

31. CORRESPONDING FIGURES


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


32. GENERAL


These financial statements have been approved and authorised for issue in the Board of Directors meeting held on August 28, 2024


Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman


Air Vice Marshal Muhammad Qaiser
Janjua (Retd) - Director


Adeel Ali
Director


Rizwan Akhtar
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer



Window Takaful Operations Financial Statements



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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF SHAHEEN INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATIONS)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of SHAHEEN INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATION) ("the Operator") as at June 30, 2024 and condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and fair presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review..

Scope of review

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

Conclusion

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

Other matter

The figures for the quarter ended June 30, 2024 and June 30, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

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

Place: Karachi
Date: August 30, 2024
UDIN:RR202410067Lazm8ruES

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


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

Note	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	Un-Audited	Audited	Un-Audited	Audited
(Rupees)				
ASSETS				
Qard-e-Hasna to PTF	12,500,000	12,500,000	-	-
Property and equipment -OPF	497,281	560,316	-	-
Investments in term deposits	40,600,000	30,100,000	15,500,000	21,700,000
Takaful / retakaful receivables	-	-	56,033,332	33,256,315
Other receiveables	1,404,577	1,289,212	3,568,126	2,953,130
Retakaful recoveries against outstanding / benefits	-	-	2,784,539	172,841
Deferred commission expense	4,879,276	4,365,156	-	-
Receivable from PTF/OPF	19,758,479	13,217,811	-	-
Deferred wakala fee	-	-	11,289,480	10,357,962
Taxation less provision	-	-	1,686,999	1,282,444
Prepaid retakaful contribution ceded	-	-	103,475	285,951
Bank balances	16,481,840	21,691,571	24,840,800	10,664,610
	83,621,453	71,224,066	115,806,751	80,673,254
TOTAL ASSETS	96,121,453	83,724,066	115,806,751	80,673,254
FUNDS AND LIABILITIES				
OPERATOR'S FUND				
Statutory fund	50,000,000	50,000,000	-	-
Accumulated profit / deficit	16,784,509	11,266,218	-	-
	66,784,509	61,266,218	-	-
WAQF / PARTICIPANT'S TAKAFUL FUND				
Ceded money	-	-	500,000	500,000
Accumulated profit / deficit	-	-	26,364,633	2,881,618
	-	-	26,864,633	3,381,618
Qard-e-Hasna from Operator's Fund	-	-	12,500,000	12,500,000
LIABILITIES				
Underwriting provisions				
Outstanding claims including IBNR	-	-	15,190,105	12,792,820
Unearned contribution reserve	-	-	31,073,530	29,302,317
Reserve for unearned retakaful rebate	-	-	22,548	68,558
	-	-	46,286,183	42,163,695
Contribution received in advance	-	-	225,884	509,149
Takaful / retakaful payables	-	-	6,178,131	5,242,858
Unearned wakala fee	11,289,480	10,357,962	-	-
Payable to OPF/PTF	-	-	19,758,479	13,217,811
Taxation - provision less payments	2,320,950	935,437	-	-
Other creditors and accruals	15,726,513	11,164,449	3,993,442	3,658,124
Total Liabilities	29,336,943	22,457,848	76,442,118	64,791,636
Total Funds and Liabilities	96,121,453	83,724,066	115,806,751	80,673,254
Contingencies and commitments	-	-	-	-

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


Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman


Air Vice Marshal Muhammad Qaiser
Janjua (Retd.) - Director


Adeel Ali
Director


Rizwan Akhtar
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer



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


FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2024

Note	Three months period ended		Six months period ended		
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	
	(Rupees)				
PTF revenue account					
Contributions earned	16	15,926,306	7,598,808	30,727,283	13,805,008
Less: Re-takaful contribution ceded	16	(3,207,626)	(2,205,397)	(5,230,932)	(3,548,009)
Net contributions revenue		12,718,680	5,393,411	25,496,352	10,256,999
Retakaful rebate earned	17	(9,316)	2,145	49,531	11,121
Net underwriting income		12,709,364	5,395,556	25,545,883	10,268,120
Net claims reported / settled - IBNR	18	(3,693,361)	(5,727,361)	(4,374,678)	(9,593,661)
Other direct expenses	19	(179,110)	(102,689)	(252,381)	(254,243)
Surplus / (Deficit) before investment income		8,836,894	(434,494)	20,918,824	420,216
Investment Income	20	605,435	897,358	1,157,265	1,541,929
Other income	21	845,450	129,138	1,484,045	206,993
Less: Modarib's share of PTF's investment income		(21,936)	(89,736)	(77,119)	(154,193)
Surplus for the period transferred to accumulated surplus		10,265,843	502,266	23,483,014	2,014,945
Total comprehensive income for the period		10,265,843	502,266	23,483,014	2,014,945


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


Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman


Air Vice Marshal Muhammad Qaiser
Janjua (Retd) - Director


Adeel Ali
Director


Rizwan Akhtar
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer



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


FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2024


Note	Three months period ended		Six months period ended		
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	
	(Rupees)				
OPF revenue account					
Wakala fee	22	7,042,396	4,857,708	13,782,030	8,556,988
Commission expense	23	(3,883,339)	(2,455,694)	(7,089,518)	(4,521,683)
Management expenses	24	(1,743,601)	(2,053,258)	(3,835,422)	(3,038,304)
		1,415,456	348,756	2,857,090	997,001
Modarib's share of PTF investment income		21,936	89,736	77,119	154,193
Investment income	20	2,069,829	1,236,439	3,585,240	2,121,414
Direct expenses	25	(310,404)	(272,846)	(311,214)	(277,407)
Other income	21	625,855	319,833	1,564,005	566,789
Profit before taxation		3,822,671	1,721,918	7,772,240	3,561,990
Taxation (Restated)	26	(1,108,575)	(499,356)	(2,253,949)	(1,032,977)
Profit / (Loss) after taxation		2,714,097	1,222,562	5,518,291	2,529,013


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


Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman


Air Vice Marshal Muhammad Qaiser
Janjua (Retd.) - Director


Adeel Ali
Director


Rizwan Akhtar
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer



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

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Operator's Fund		
	Statutory fund	Accumulated profit/Loss	Total
	----- (Rupees) -----		
Balance as at January 01, 2023	50,000,000	4,259,416	54,259,416
Profit for the period	-	3,561,990	3,561,990
Balance as at June 30, 2023	50,000,000	7,821,406	57,821,406
Balance as at January 01, 2024	50,000,000	11,266,218	61,266,218
Profit for the period	-	5,518,291	5,518,291
Balance as at June 30, 2024	50,000,000	16,784,509	66,784,509

	Participants' Takaful Fund		
	Ceded Money	Accumulated surplus/deficit	Total
	----- (Rupees) -----		
Balance as at January 01, 2023	500,000	(14,845,071)	(14,345,071)
Surplus for the period	-	2,014,945	2,014,945
Balance as at June 30, 2023	500,000	(12,830,126)	(12,330,126)
Balance as at January 01, 2024	500,000	2,881,618	3,381,618
Surplus for the period	-	23,483,014	23,483,014
Balance as at June 30, 2024	500,000	26,364,632	26,864,632

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

 Air Vice Marshal Junaid Ahmed Siddiqui (Retd.) - Chairman	 Air Vice Marshal Muhammad Qaiser Janjua (Retd) - Director	 Adeel Ali Director	 Rizwan Akhtar Chief Executive Officer	 Nisar Ahmed Almani Chief Financial Officer
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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees)			
OPERATING ACTIVITIES				
(a) Takaful activities				
Contribution received	-	-	23,565,931	24,683,832
Re-takaful contributions paid	-	-	(12,134,359)	(5,731,205)
Claims paid / benefits paid	-	-	(12,645,319)	(9,582,916)
Commissions paid	(42,604,417)	(4,366,759)	-	-
Re-takaful rebate / commissions received	-	-	3,521	24,624
Re-takaful and other recoveries received	-	-	(35,052)	703,318
Wakala fees received	8,249,999	7,420,134	-	-
Wakala fees paid	-	-	(8,249,999)	(7,420,134)
Net cash (used in) / generated from underwriting activities	(34,354,418)	3,053,375	(9,425,173)	2,677,519
(b) Other operating activities				
Management and other expenses paid	(3,772,808)	(3,755,535)	(133,431)	(198,228)
Taxes Paid	(2,331,075)	(600,357)	(535,908)	(514,084)
Net cash used in other operating activities	(6,103,883)	(4,355,892)	(669,339)	(712,312)
Total cash (used in) / generated from operating activities	(40,458,301)	(1,302,517)	(10,094,512)	1,965,207
INVESTING ACTIVITIES				
Profit / return received	5,122,887	2,915,392	2,916,385	1,916,047
Total cash generated from investing activities	5,122,887	2,915,392	2,916,385	1,916,047
Net cash (used in) / generated from all activities	(35,335,414)	1,612,875	(7,178,127)	3,881,254
Cash and cash equivalents at the beginning of period	51,791,571	34,522,475	32,018,927	23,682,548
Cash and cash equivalents at end of the period	16,481,840	36,135,350	24,840,800	27,563,802


Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman


Air Vice Marshal Muhammad Qaiser
Janjua (Retd) - Director


Adeel Ali
Director


Rizwan Akhtar
Chief Executive Officer


Nisar Ahmed Almani
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
----- (Rupees) -----				
Reconciliation to profit and loss account				
Operating cash flows	(40,458,301)	(1,302,517)	(10,094,512)	1,965,207
Increase / (decrease) in assets other than cash	47,743,795	4,527,603	42,586,699	9,091,327
Increase / (decrease) in liabilities	(6,879,095)	(3,314,237)	(11,650,482)	(10,790,510)
Depreciation / amortisation expense	(37,354)	(70,039)	-	-
Investment and other income - net	5,149,245	2,688,203	2,641,310	1,748,922
Surplus for the period	5,518,290	2,529,013	23,483,014	2,014,944

Definition of cash:

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

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

	Operator's Fund (OPF)		Participants' Takaful Fund (PTF)	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
----- (Rupees) -----				
Savings accounts	16,481,840	36,135,350	24,840,800	27,563,802
	16,481,840	36,135,350	24,840,800	27,563,802

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

Air Vice Marshal Junaid Ahmed Siddiqui (Retd.) - Chairman	Air Vice Marshal Muhammad Qaiser Janjua (Retd) - Director	Adeel Ali Director	Rizwan Akhtar Chief Executive Officer	Nisar Ahmed Almani Chief Financial Officer



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

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, 2023.

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, 2023 and comparatives of statement of comprehensive income, statement of cash flows and statement of changes in equity are taken from unaudited condensed interim financial statement for the period ended June 30, 2023.

2.1 Basis of measurement

The condensed interim financial statements for the period ended June 30, 2024 have been prepared under historic cost basis.

2.2 Functional and presentation currency

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

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, 2023.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

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, 2023.

4.1 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

4.1.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2023

The following standards, amendments and interpretations are effective for the year ended December 31, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements-Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

4.1.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 standard has been issued by IASB effective from 01, July 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

5. 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, 2023.

	June 30, 2024	December 31, 2023
	(Rupees)	
6. QARD-E-HASNA TO PARTICIPANTS' TAKAFUL FUND		
Opening balance of Qard-e-Hasna	12,500,000	20,000,000
Qard-e-Hasna transferred from OPF during the period	-	-
Qard-e-Hasna returned by PTF during the period	-	(7,500,000)
Closing balance of Qard-e-Hasna	<u>12,500,000</u>	<u>12,500,000</u>

7. PROPERTY AND EQUIPMENT-OPF

Particulars	Cost			Depreciation				
	As at January 01, 2024	Addition / (disposals)	As at June 30, 2024	As at January 01, 2024	Depreciation for the period	As at June 30, 2024	Written down value as at June 30, 2024	Depreciation Rate
	(Rupees)				(%)			
Motor Vehicle	790,000	-	790,000	229,684	63,035	292,719	497,281	20%
Computer hardware	25,000	-	25,000	25,000	-	25,000	-	33.33%
	<u>815,000</u>	<u>-</u>	<u>815,000</u>	<u>254,684</u>	<u>63,035</u>	<u>317,719</u>	<u>497,281</u>	

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	OPF		PTF	
	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)

Note (Rupees)

8. INVESTMENTS IN TERM DEPOSITS

Held to maturity				
Deposits maturing within 1 months	7.1	<u>40,600,000</u>	<u>30,100,000</u>	<u>15,500,000</u>
			<u>21,700,000</u>	

8.1 The rate of return on these term deposits is 20.75% (December 31, 2023: 15.25% to 20.75%).

	OPF		PTF	
	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)

(Rupees)

9. OTHER RECEIVABLES

Sindh sales tax receivable	641,506	564,380	-	-
Punjab sales tax receivable	11,880	-	-	-
Accrued profit on bank deposits	733,017	706,659	279,846	554,922
GST receivable claims	-	-	577,921	446,568
Others	18,174	18,173	2,710,359	1,951,640
	<u>1,404,577</u>	<u>1,289,212</u>	<u>3,568,126</u>	<u>2,953,130</u>

	OPF		PTF	
	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)

(Rupees)

10. TAKAFUL / RETAKAFUL RECEIVABLES - Unsecured and considered good

Due from takaful participant holders	-	-	277,164	57,715
	-	-	55,756,168	33,198,600
Due from other takaful / retakaful operators	-	-	56,033,332	33,256,315



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	OPF		PTF	
	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rupees)				
11. RECEIVABLE / PAYABLE FROM / TO PTF / OPF				
Wakala Fee	19,348,265	12,884,717	19,348,265	12,884,717
Modarib Fee	410,213	333,094	410,213	333,094
	<u>19,758,479</u>	<u>13,217,811</u>	<u>19,758,479</u>	<u>13,217,811</u>
12. PREPAID RETAKAFUL CONTRIBUTION CEDED				
Prepaid Re-Takaful Contribution Ceded	-	-	103,475	285,951
	<u>-</u>	<u>-</u>	<u>103,475</u>	<u>285,951</u>
13. BANK BALANCES				
Savings accounts	12.1 <u>16,481,840</u>	<u>21,691,571</u>	<u>24,840,800</u>	<u>10,664,610</u>
13.1 These carry mark-up at rates ranging between 7% to 18% (December 31, 2023: 10% to 18.5%) per annum.				
			PTF	
			June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
			(Rupees)	
14. TAKAFUL / RE-TAKAFUL PAYABLES				
Due to re-takaful operators			<u>6,178,131</u>	<u>5,242,858</u>
			OPF	PTF
	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	(Rupees)			
15. OTHER CREDITORS AND ACCRUALS				
Federal Takaful fee	-	-	266,533	233,998
Sales tax Payable	-	-	3,149,604	2,965,771
Sales tax on services	574,259	568,642	-	-
Agent commission payable	11,470,305	7,244,716	-	-
Auditors fee	865,783	565,783	-	-
Others payables	2,816,166	2,785,308	577,305	458,355
	<u>15,726,513</u>	<u>11,164,449</u>	<u>3,993,442</u>	<u>3,658,124</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

16. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on June 30, 2024 and as at December 31, 2023

	PTF			
	Three months period ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Un Audited)			
	(Rupees)			
17. NET CONTRIBUTION EARNED				
Written gross contribution	24,199,866	17,531,504	46,280,526	28,997,830
Less: wakala fee	(7,042,396)	(4,857,708)	(13,782,030)	(8,556,988)
Contribution net of wakala fee	17,157,470	12,673,796	32,498,496	20,440,842
Add: Unearned contribution reserve - opening	29,842,366	16,681,636	29,302,317	15,120,790
Less: Unearned contribution reserve - closing	(31,073,530)	(21,756,624)	(31,073,530)	(21,756,624)
Contribution earned	15,926,306	7,598,808	30,727,283	13,805,008
Less: Re-takaful Contribution ceded	2,875,034	2,372,961	5,048,456	3,672,948
Prepaid re-takaful contribution ceded - opening	229,117	10,846	285,951	53,471
Prepaid re-takaful contribution ceded - closing	103,475	(178,410)	(103,475)	(178,410)
Re-takaful expense	3,207,626	2,205,397	5,230,932	3,548,009
Net contribution revenue	12,718,680	5,393,411	25,496,352	10,256,999

	PTF			
	Three months period ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Un Audited)			
	(Rupees)			
18. RETAKAFUL REBATE EARNED				
Commission received or recoverable	-	24,624	3,521	24,624
Add: Unearned reinsurance commission opening	13,232	1,624	68,558	10,600
Less: Unearned reinsurance commission closing	(22,548)	(24,103)	(22,548)	(24,103)
Commission from reinsurance	(9,316)	2,145	49,531	11,121



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	PTF			
	Three months period ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Un Audited)			
	(Rupees)			
19. NET CLAIMS REPORTED / SETTLED - IBNR				
Claims paid	1,953,389	6,560,556	4,624,142	9,582,916
Less: Outstanding claims including IBNR opening	13,416,981	(12,512,538)	12,792,819	11,587,681
Add: Outstanding claims including IBNR closing	15,190,105	11,956,658	15,190,105	11,956,658
Claims expense	<u>3,726,513</u>	<u>6,004,676</u>	<u>7,021,428</u>	<u>9,951,893</u>
Less:				
Re-Takaful and Other Recoveries received	10,960	359,959	35,052	703,318
Less: Re-Takaful and other recoveries receivable in respect of outstanding claims opening	(2,762,347)	(230,717)	(172,841)	(493,159)
Add: Re-Takaful and other recoveries receivable in respect of outstanding claims closing	2,784,539	148,073	2,784,539	148,073
Re-Takaful and other recoveries revenue	<u>33,152</u>	<u>277,315</u>	<u>2,646,750</u>	<u>358,232</u>
Net Claims Expense	<u>3,693,361</u>	<u>5,727,361</u>	<u>4,374,678</u>	<u>9,593,661</u>
20. OTHER DIRECT EXPENSES				
Coinsurance surcharge	168,451	134,905	230,741	226,516
Others	10,659	(32,216)	21,640	27,727
	<u>179,110</u>	<u>102,689</u>	<u>252,381</u>	<u>254,243</u>
20.1	This is the service charges deducted by reinsurers at 2.5% of gross premium revenue on policies in which the Operator is a reinsurer.			
21. INVESTMENT INCOME				
	OPERATOR'S FUND			
	Three months period ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Un-audited)			
	(Rupees)			
Income from TDRs - held to maturity				
Return on term deposits receipts	2,069,829	1,236,439	3,585,240	2,121,414
	<u>2,069,829</u>	<u>1,236,439</u>	<u>3,585,240</u>	<u>2,121,414</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

PARTICIPANT'S TAKAFUL FUND

Three months period ended		Six months period ended	
June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		(Un-audited)	
(Rupees)			

Income from TDRs - held to maturity

Return on term deposits receipts	605,435	897,358	1,157,265	1,541,929
	<u>605,435</u>	<u>897,358</u>	<u>1,157,265</u>	<u>1,541,929</u>

22. OTHER INCOME

Return on bank balances	845,450	128,400	1,484,045	206,255
Others	-	738	-	738
	<u>845,450</u>	<u>129,138</u>	<u>1,484,045</u>	<u>206,993</u>

OPERATOR'S FUND

Three months period ended		Six months period ended	
June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		(Un-audited)	
(Rupees)			

Return on saving accounts	625,855	319,833	1,564,005	566,789
	<u>625,855</u>	<u>319,833</u>	<u>1,564,005</u>	<u>566,789</u>

23. WAKALA FEE

Gross wakala fee	7,791,198	6,898,428	14,713,548	11,388,831
Unearned wakala fee opening	10,540,678	6,835,325	10,357,962	6,044,200
Unearned wakala fee closing	(11,289,480)	(8,876,043)	(11,289,480)	(8,876,043)
Wakala expense	<u>7,042,396</u>	<u>4,857,708</u>	<u>13,782,030</u>	<u>8,556,988</u>

24. COMMISSION EXPENSES

Commission paid or payable	4,018,294	3,151,251	7,603,639	5,356,067
Deferred commission opening	4,744,321	3,223,059	4,365,155	3,084,232
Deferred commission closing	4,879,276	3,918,616	4,879,276	3,918,616
Commission expense	<u>3,883,339</u>	<u>2,455,694</u>	<u>7,089,518</u>	<u>4,521,683</u>

25. MANAGEMENT EXPENSES

Salaries, wages and benefits	586,000	486,178	1,126,000	935,778
Depreciation / amortization	9,338	35,019	37,354	70,039
Shariah advisory fee	283,335	377,781	472,225	566,670
Software maintenance	305,000	195,000	635,000	390,000
Business acquisition cost	552,264	146,230	1,314,112	248,817
Others	7,664	813,050	250,731	827,000
	<u>1,743,601</u>	<u>2,053,258</u>	<u>3,835,422</u>	<u>3,038,304</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

OPERATOR'S FUND

NOTE	Three months period ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Restated)	(Un-audited)	(Restated)	
	(Rupees)			
26. DIRECT EXPENSES				
Auditor's remuneration	25.1 300,000	117,828	300,000	121,539
Sharia Audit Fee	-	154,325	-	154,325
Printing and stationery	9,600	-	9,600	850
Others	804	693	1,614	693
	<u>310,404</u>	<u>272,846</u>	<u>311,214</u>	<u>277,407</u>
26.1 Auditor's remuneration				
Interim review fee	252,525	89,100	252,525	89,100
Out of pocket expenses	25,253	20,000	25,253	20,000
Sales tax @ 8%	22,222	8,728	22,222	12,439
	<u>300,000</u>	<u>117,828</u>	<u>300,000</u>	<u>121,539</u>
27. PROVISION FOR TAXATION				
Current tax for the year	<u>1,108,575</u>	<u>499,356</u>	<u>2,253,949</u>	<u>1,032,977</u>
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.				

PARTICIPANT'S TAKAFUL FUND

	Three months period ended		Six months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Un-audited)			
	(Rupees)			
Contribution to provident fund	<u>14,419</u>	<u>-</u>	<u>23,659</u>	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

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:

	June 30, 2024 - PTF					
	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	Aggregate
	----- (Un-audited) -----					
	----- (Rupees) -----					
29.1. Participants' Takaful Fund						
Written gross contribution (inclusive of federal excise duty, federal insurance fee, and administrative surcharge)	8,210,607	4,455,285	24,603,498	6,186,984	4,720,982	48,177,356
Less : Federal excise duty	(304,267)	(80,360)	(898,930)	(297,716)	(163,287)	(1,744,560)
Less : Federal insurance fee	(21,153)	(18,478)	(58,987)	(38,597)	(15,055)	(152,270)
Gross written contribution (inclusive of Administrative Surcharges)	7,885,187	4,356,447	23,645,581	5,850,671	4,542,640	46,280,526
Gross contribution direct	7,821,689	4,356,447	23,645,581	5,850,671	3,994,386	45,668,774
Admin surcharge	63,498	51,872	352,967	19,671	123,744	611,752
Written gross contribution	7,885,187	4,408,319	23,998,548	5,870,342	4,118,130	46,280,526
Takaful contribution earned	11,776,216	3,992,012	20,778,349	3,225,745	4,736,991	44,509,313
Wakala expense	(2,737,603)	(1,506,611)	(8,152,429)	(1,166,201)	(219,186)	(13,782,030)
	9,038,613	2,485,401	12,625,920	2,059,544	4,517,805	30,727,283
Re-takaful contribution ceded	(2,156,774)	(742,157)	(1,839,518)	-	(492,483)	(5,230,932)
Net takaful contribution	6,881,839	1,743,244	10,786,402	2,059,544	4,025,322	25,496,351
Re-takaful rebate earned	3,840	-	45,691	-	-	49,531
Operation income	6,885,679	1,743,244	10,832,093	2,059,544	4,025,322	25,545,882
Claim expense	(824,978)	(319,500)	(4,626,041)	(1,250,909)	-	(7,021,428)
Re-takaful & other recoveries revenue	11,500	-	2,635,250	-	-	2,646,750
Net claims reported / settled - IBNR	(813,478)	(319,500)	(1,990,791)	(1,250,909)	-	(4,374,678)
Other Expenses	(66,775)	(22,636)	(117,819)	(18,291)	(26,860)	(252,381)
Surplus/(deficit) before investment income	6,005,426	1,401,108	8,723,482	790,344	3,998,462	20,918,823
Net investment income						1,157,265
Other income						1,484,045
Less: Modarib's share of investment income						(77,119)
Surplus for the period						23,483,013
Segment assets	14,341,220	6,363,039	31,245,553	9,705,881	3,711,598	65,367,291
Unallocated assets						50,439,460
						115,806,751
Segment liabilities	14,250,795	4,015,973	28,303,772	6,035,683	3,172,753	55,778,974
Unallocated liabilities						20,663,144
						76,442,118



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

June 30, 2024 - OPF

	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	Aggregate
	----- (Un-audited) -----					
	----- (Rupees) -----					
29.2. Operator's Fund						
Wakala fee income	2,737,603	1,506,611	8,152,429	1,166,201	219,186	13,782,030
Commission expense	(2,259,180)	(1,133,750)	(3,233,587)	(435,149)	(27,852)	(7,089,518)
Management expense	(1,014,771)	(343,997)	(1,790,496)	(277,966)	(408,192)	(3,835,422)
						<u>2,857,090</u>
Modarib's share of PTF investment income						77,119
Investment income						3,585,240
Direct expenses						(311,216)
Other Income						<u>1,564,005</u>
Profit before taxation						<u>7,772,238</u>
Provision for taxation						<u>(2,253,949)</u>
Profit after tax						<u><u>5,518,289</u></u>
The following presents segments assets and liabilities as at June, 2024						
Segment assets	5,248,377	2,328,645	11,434,761	-	1,358,313	20,370,096
Unallocated assets						<u>75,751,357</u>
						<u>96,121,453</u>
Segment liabilities	2,404,904	1,067,029	5,239,621	-	622,404	9,333,958
Unallocated liabilities						<u>20,002,985</u>
						<u>29,336,943</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

SEGMENT INFORMATION

	June 30, 2023 - PTF					Aggregate
	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	
	----- (Un-audited) -----					
	----- (Rupees) -----					
Participants' Takaful Fund						
Contribution written (inclusive of federal excise duty, federal insurance fee, and administrative surcharge)	8,082,435	1,955,955	21,001,337	-	1,847,080	32,886,807
Less : Federal excise duty	(762,726)	(218,113)	(2,384,809)	-	(226,867)	(3,592,515)
Less : Federal insurance fee	(50,808)	(15,583)	(158,981)	-	(14,441)	(239,813)
Stamp duty	(1,200)	(43,963)	(2,844)	-	(3,330)	(51,337)
Advance tax	(78)	-	(4,006)	-	(1,228)	(5,312)
Gross written contribution (inclusive of Administrative Surcharges)	7,267,623	1,678,296	18,450,697	-	1,601,214	28,997,830
Gross contribution direct	7,216,258	1,627,220	18,090,670	-	1,537,960	28,472,108
Admin surcharge	51,365	51,076	360,027	-	63,254	525,722
	7,267,623	1,678,296	18,450,697	-	1,601,214	28,997,830
Takaful contribution earned	6,634,521	1,747,352	12,963,537	-	1,016,586	22,361,996
Wakala expense	(2,551,486)	(681,648)	(4,830,420)	-	(493,433)	(8,556,988)
	4,083,035	1,065,704	8,133,117	-	523,153	13,805,008
Re-takaful contribution ceded	(1,392,328)	(806,048)	(1,148,119)	-	(201,513)	(3,548,008)
Net takaful contribution	2,690,707	259,656	6,984,998	-	321,639	10,256,999
Re-takaful rebate earned	4,130	-	6,991	-	-	11,121
Net underwriting income	2,694,836	259,655	6,991,990	-	321,639	10,268,120
Claim expense	(2,178,032)	(187,572)	(7,468,725)	-	(117,564)	(9,951,893)
Re-takaful & other recoveries revenue	-	-	358,232	-	-	358,232
Net claims reported / settled - IBNR	(2,178,032)	(187,572)	(7,110,493)	-	(117,564)	(9,593,661)
Direct expense	(75,431)	(19,866)	(147,388)	-	(11,558)	(254,243)
Net takaful claim & expense	(2,253,463)	(207,438)	(7,257,881)	-	(129,122)	(9,847,904)
Surplus/(deficit) before investment income	441,373	52,217	(265,891)	-	192,517	420,216
Net investment income						1,541,929
Other income						206,993
Less: Modarib's share of investment income						(154,193)
Surplus for the period						2,014,945
The following presents segments assets and liabilities as at June 30, 2023						
Segment assets	7,401,385	1,709,186	18,790,286	-	1,630,685	29,531,542
Unallocated assets						29,170,698
						58,702,240
Segment liabilities						36,105,814
Unallocated liabilities	8,772,156	1,310,517	23,842,820	-	2,180,321	14,926,552
						51,032,366



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

June 30, 2023 - OPF

	Fire and property damages	Marine, aviation & transport	Motor	Accident and Health	Miscellaneous	Aggregate
	----- (Un-audited) -----					
	----- (Rupees) -----					
Operator's Fund						
Wakala fee income	2,551,486	681,648	4,830,420	-	493,433	8,556,988
Commission expense	(2,149,195)	(441,278)	(1,732,265)	-	(198,946)	(4,521,683)
Management expense	(901,426)	(237,411)	(1,761,344)	-	(138,123)	(3,038,304)
	(499,135)	2,960	1,336,811	-	156,365	997,001
						154,193
Modarib's share of PTF investment income						2,121,414
Investment income						(277,407)
Direct expenses						566,789
Other Income						3,561,990
Profit before taxation						(1,032,977)
Provision for taxation						2,529,012
Profit after tax						
The following presents segments assets and liabilities as at June, 2023						
Segment assets	3,616,750	835,208	9,182,033	-	796,848	14,430,839
Unallocated assets						58,769,055
						73,199,894
Segment liabilities	2,224,571	513,715	5,647,636	-	490,121	8,876,043
Unallocated liabilities						6,502,445
						15,378,488



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2024 there were no financial assets or liabilities which can be classified under the above levels. The carrying value of financial instruments approximate their fair values.

30. DATE OF AUTHORISATION OF ISSUE

These financial statements have been authorised for issue on August 28, 2024 by the Board of Director's of the Operator.

31. CORRESPONDING FIGURES

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

32. GENERAL

All amount have been rounded off to the nearest rupees.

Air Vice Marshal Junaid
Ahmed Siddiqui (Retd.) - Chairman

Air Vice Marshal Muhammad Qaiser
Janjua (Retd.) - Director

Adeel Ali
Director

Rizwan Akhtar
Chief Executive Officer

Nisar Ahmed Almani
Chief Financial Officer



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