



## SHAHEEN INSURANCE COMPANY LTD.

### Head Office:

10th Floor, Shaheen Complex,

M.R. Kayani Road, Karachi - 74200

Tel : (9221) 32630370-75 (06 Lines), 32213950-51 (02 Lines)

Fax : (9221) 32626674 UAN : 111 765 111

E-mail : info@shaheeninsurance.com

Website : www.shaheeninsurance.com

April 08, 2019

The General Manager,  
Pakistan Stock Exchange Limited  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi

Subject:-**Financial Results for the year ended December 31, 2018**

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on April 08, 2019 at 10:00 a.m. at Karachi, recommended the following:

(I) **CASH DIVIDEND**

A Final Cash Dividend for the year ended December 31, 2018 at Rs. 0.25 per share i.e 2.5%

(II) **BONUS SHARES**

NIL

The above entitlement will be paid to the shareholders whose name will appear in the register of members at the close of business on April 23, 2019.

|  |                          |
|--|--------------------------|
| The amount available for appropriation is:                                       |                          |
| Unappropriated profit / (loss) brought forward from last year (Restated)         | (16,331,519)             |
| Profit after tax for the year  | 68,641,137               |
| Profit available for appropriation   | <b><u>52,309,618</u></b> |
| Proposed final cash dividend @ Rs 0.25 per share (2.5%) (2017: Rs Nil per share) | (15,000,000)             |
| Unappropriated profit carried forward  | 37,309,618               |



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The auditors have mentioned following qualification in their audit report;

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the statement of financial position, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2018 and the profit or loss, total comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

### Basis for Qualified Opinion

Pursuant to a settlement agreement dated November 29, 2012 with First Capital Equities Limited (FCEL) and First Capital Securities Corporation Limited (FCSC) Group and Pace (Pakistan) Limited (previously, the related parties) Note 9.1.3, the Company acquired 4.7 million ordinary shares of FCEL at an agreed price of Rupees 40 per ordinary share which are carried in the balance sheet at cost as 'available for sale investment' at Rupees 188 million. We noted that the quoted market value (Rupees 5.41 per share as at December 31, 2018) of this available for sale investment remained lower than the carrying amount (Rupees 40 per share) for the whole year which indicates a prolonged decline in market value. However, the management of the Company has not made provision for impairment amounting to Rupees 162.573 million against this investment. Had this provision been made, profit for the year and the value of investment would have been lower by the same amount.

We further noted that the quoted market price of Rupees 5.41 per ordinary share of FCEL as at the reporting date may not have been derived by an active trade pattern (almost no transaction during the year), as its free float is not significant and equity of FCEL has almost been fully eroded due to continuous losses. The management could not so far dispose of this investment due to non-availability of active willing buyer. These factors indicate that the investment may be further impaired.



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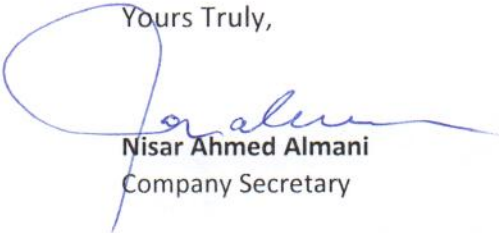
The Annual General Meeting (AGM) of the company will be held on Tuesday April 30, 2019 at 02:00 PM at the at the head office of Shaheen Airport Services (SAPS) situated at SAPS Complex, Malir Avenue, Jinnah International Airport, Karachi.

The Share transfer books of the Company shall remain closed from April 24, 2019 to April 30, 2019 (both days inclusive). Transfers received at M/s Corplink (Pvt.) Ltd., Wings Arcade, 1-K, Commercial, Model Town, Lahore, the Registrar and Share Registrar Office of the Company, by the close of business on April 23, 2019 will be considered in time for the purpose of Annual General Meeting

The financial results of the Company are given on next page.

Thanking you,

Yours Truly,



**Nisar Ahmed Almani**  
Company Secretary



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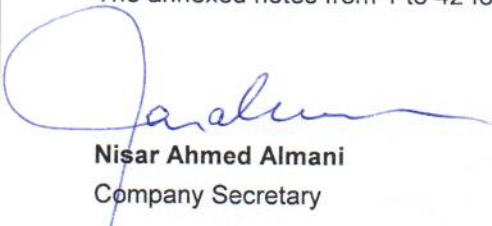
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|  | Note | 2018              | 2017<br>(Restated) |
|--|------|-------------------|--------------------|
| -----Rupees-----   |      |                   |                    |
| Net insurance premium  | 19   | 366,913,974       | 299,202,338        |
| Net insurance claims expense                                     | 20   | (84,888,793)      | (80,411,749)       |
| Premium deficiency reversal                                      | 22   | 35,356            | 3,328,943          |
| Net commission and other acquisition cost                        | 21   | (99,568,541)      | (61,530,235)       |
| Insurance claims and acquisition expenses                        |      | (184,421,978)     | (138,613,041)      |
| Management expenses  | 23   | (72,411,832)      | (65,073,593)       |
| Underwriting results   |      | 110,080,164       | 95,515,704         |
| Investment income  | 24   | 33,037,257        | 29,143,078         |
| Rental income  |      | 3,434,913         | 3,298,696          |
| Other income   | 25   | 2,688,608         | 7,468,996          |
| Other expenses   | 26   | (60,392,832)      | (61,478,464)       |
| Loss before tax from window takaful operations - OPF             | 27   | (226,869)         | -                  |
| <b>Profit before tax</b>   |      | <b>88,621,241</b> | <b>73,948,010</b>  |
| Provision for taxation - current                                 | 28   | (19,980,104)      | (10,458,468)       |
| <b>Profit after tax</b>  |      | <b>68,641,137</b> | <b>63,489,542</b>  |
| <b>Other comprehensive income</b>                                |      |                   |                    |
| Unrealised gain / (loss) on available-for-sale investments - net |      | 324,721           | (373,727)          |
| <b>Total comprehensive income for the year</b>                   |      | <b>68,965,858</b> | <b>63,115,815</b>  |
| Earning per share basic and diluted                              | 34   | 1.14              | 1.13               |

The annexed notes from 1 to 42 form an integral part of these financial statements.

  
Nisar Ahmed Almani  
Company Secretary



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|  | Note | Rupees                    |
|--|------|---------------------------|
| <b>PTF revenue account</b>                 |      |                           |
| Net contribution revenue                   | 17   | (1,325,540)               |
| Wakala expense                             | 18   | <u>(1,217,318)</u>        |
| Underwriting result                        |      | (2,542,858)               |
| Net claims                                 | 19   | (1,172,158)               |
| Direct expenses                            |      | <u>(39,762)</u>           |
| Deficit before investment income           |      | (3,754,778)               |
| Other income                               | 24   | 118,914                   |
| Less: Modarib's share of investment income |      | <u>(47,566)</u>           |
| Loss for the period                        |      | <u><u>(3,683,430)</u></u> |
| <b>Operator's revenue account</b>          |      |                           |
| Wakala fee                                 | 18   | 1,217,318                 |
| Commission expenses                        | 21   | (797,945)                 |
| Management expenses                        | 22   | <u>(2,660,526)</u>        |
|  |      | (2,241,153)               |
| Modarib's share of PTF investment income   |      | 47,566                    |
| Other expenses                             | 23   | (1,276,606)               |
| Other income                               | 24   | <u>3,243,324</u>          |
| Loss for the period                        |      | <u><u>(226,869)</u></u>   |

The annexed notes from 1 to 31 form an integral part of these financial statements.

  
Nisar Ahmed Almani  
Company Secretary