



Quarterly Report March 31,

2021

تکافل

TAKAFUL

Window Operation

2021

Cotents

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Company Information

Board of Directors

Iftikhar H. Shirazi
Chairman / Non-Executive Director

Ali H. Shirazi
Non-Executive Director

Frahim Ali Khan
Non-Executive Director

Hasan Reza ur Rahim
Independent Director

Muhammad Habib-ur-Rahman
Non-Executive Director

Roohi R. Khan
Independent Director

Babar Mahmood Mirza
Chief Executive / Executive Director

Muhammad Afzal
Company Secretary

Audit Committee

Hasan Reza ur Rahim
Chairman

Ali H. Shirazi
Member

Frahim Ali Khan
Member

Muhammad Afzal
Secretary

Saleem Mahmood Akhtar
Chief Internal Auditor

Ethics, Human Resource & Remuneration Committee

Roohi R. Khan
Chairperson

Ali H. Shirazi
Member

Babar Mahmood Mirza
Member

Qudsia Naheed
Secretary

Investment Committee

Ali H. Shirazi
Chairman

Frahim Ali Khan
Member

Muhammad Habib-ur-Rahman
Member

Babar Mahmood Mirza
Member

Muhammad Aasim Gul
Member

Muhammad Afzal
Secretary

Underwriting, Reinsurance & Co-Insurance Committee

Ali H. Shirazi
Chairman

Babar Mahmood Mirza
Member

Rashid Amin
Member

Syed Nasir Hussain
Member

Syed Irtiza Kazmi
Secretary

Claims Settlement Committee

Frahim Ali Khan
Chairman

Babar Mahmood Mirza
Member

Muhammad Saeed
Member

Muhammad Aasim Gul
Member

Athar Maqsood Paracha
Secretary

Company Information

Risk Management & Compliance Committee

Babar Mahmood Mirza
Chairman

Rashid Amin
Member

Muhammad Saeed
Member

Muhammad Aasim Gul
Member

Athar Maqsood Paracha
Secretary

Information Technology (IT) Committee

Babar Mahmood Mirza
Chairman

Rashid Amin
Member

Abdul Razzaq Ghauri
Member

Muhammad Aasim Gul
Member

Wasim Ahmed
Secretary

Management Committee

Babar Mahmood Mirza
Chief Executive Officer

Rashid Amin
GM Underwriting & Compliance

Abbas Sajjad
General Manager Sales & Marketing

Muhammad Aasim Gul
Chief Financial Officer

Muhammad Saeed
Head of Claims

Qudsia Naheed
Head of HR & Admin

Abdul Razzaq Ghauri
Head of IT

Syed Irtiza Kazmi
Head of Underwriting

Syed Nasir Hussain
Head of Reinsurance

Shariah Advisor

Mufti Zeeshan Abdul Aziz

Head of Compliance

Rashid Amin

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Agha Faisal Barrister at Law
Haroon Dughal Law Chambers

Tax Advisor

EY Ford Rhodes
Chartered Accountants

Share Registrar

Hameed Majeed Associates (Pvt) Limited
H. M. House, 7-Bank Square,
Shahrah-e-Quaid-e-Azam, Lahore
Tel: (92-42) 37235081-82
Fax: (92-42) 37358817

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NRSP Microfinance Bank
Sindh Bank Limited
Soneri Bank Limited
Summit Bank Limited
The Bank of Punjab
FINCA Microfinance Bank Limited
Mobilink Microfinance Bank Limited

Registered & Head Office

63/A, Block - XX, Phase III (Commercial),
Khyaban-e-Iqbal, DHA, Lahore.
Tel: (92-42) 37132611-18,
Fax: (92-42) 37132622
E mail: info@ail.atlas.pk
Website: www.ail.atlas.pk

Chairman's Review

It gives me great pleasure to present the un-audited accounts of your Company for the first quarter ended March 31, 2021.

The Economy

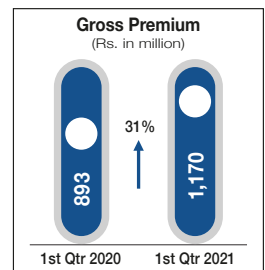
The global economy is emerging from one of its deepest recessions and has started to demonstrate modest recovery after the economic crisis caused by COVID-19. Despite recent momentum, risks remain due to the emergence of a third more virulent wave of the virus in Pakistan just as the vaccine roll-out has begun. Inflationary pressures are real and likely to pose a challenge to purchasing power of the consumers. The recent increase in electricity tariffs, sugar and wheat are of particular concern. These increases will continue to manifest and keep average inflation on the higher end. The recently negotiated IMF (Extended Fund Facility) tranche of USD 500 million is likely to trigger a fresh wave of taxes, moderate hike in interest rates and a steady state of devaluation. In addition, higher international commodity prices, including both food and oil could continue to feed into domestic inflation.

The external position continued to strengthen as the country posted current account (CA) surplus of USD 0.9 billion (0.5% of GDP) for 8M FY-21 as compared to deficit of USD 2.7 billion (1.5% of GDP), on the back of record remittances, relatively subdued domestic demand and a nascent recovery in exports. During Jul-Feb (FY-21), exports reached to USD 16.1 billion as compared to USD 16.4 billion in the same period of last year, down by 2.3%. Imports reached to USD 32.1 billion this year against USD 29.6 billion last year, up 8.6%. Exports are expected to increase following export-oriented government policies, while imports are also expected to increase further on the back of recovery of the domestic economy, recent increases in international commodity prices and imports of food items to stabilize domestic food markets. Thus, the trade imbalance is expected to slightly deteriorate but expected strong inflows of remittances will be able to cover the trade deficit. The current account deficit in FY-21 is still expected to remain below 1% of GDP thanks to strong prospects for remittances – which have remained above USD 2 billion for the last 10 months – and the on-going pickup in exports, especially high value-added textiles. Pakistan's agriculture sector is targeted to grow by 2.7%. All major Kharif crops except cotton have surpassed production levels in FY-20. Targets for FY-21 and indicators of inputs such as tractor sales, fertilizer usage, water availability and weather suggest strong production and liquidity prospects, especially for wheat.

The large-scale manufacturing (LSM) recorded growth of 7.9% during 7M FY-21 against corresponding period's contraction of 3.2%. A wide range of other high-frequency indicators signal robust growth, including sales of fast-moving consumer goods, automobiles, cement, POL and electricity. This recovery is being supported by stimulus provided by the government and SBP's rounds of policy rate cuts together with other timely measures. Rising noise in the domestic politics and fear of spread of Coronavirus have caused lackluster stock market performance during the last few weeks. Although the market has delivered modest returns of 2% in 1st quarter CY21, but it is expected to perform better over medium to long-term given improving economic outlook, supportive financial conditions, attractive market valuations, and promising corporate earnings prospects.

The Company

During the period under review the Company performed quite well and underwrote gross premium along with gross contribution aggregating to Rs. 1,170 million against Rs. 893.41 million of the same period last year, up 31%. Similarly the net premium increased to Rs. 424.50 million against Rs. 336.35 million of the same period last year, up, 26%. Underwriting profit increased by 24% to



Rs. 175.32 million compared to Rs. 140.80 million of the corresponding period last year. The Company earned investment income of Rs. 53.77 against Rs. 53.47 million of the corresponding period last year. The Company earned profit before tax of Rs. 246.13 million against Rs. 222.19 million of the same period last year, up 11%. After providing for tax, the profit after tax stood at Rs. 172.29 million compared to Rs. 153.31 million of the same period last year, up 12%.

Election of Directors

The three years term of the previous Board was completed on April 10, 2021. All the retiring directors namely; Mr. Iftikhar H. Shirazi, Mr. Ali H. Shirazi, Mr. Fahim Ali Khan, Mr. Hasan Reza ur Rahim, Mr. M. Habib-ur-Rahman, Mrs. Roohi Raees Khan and Mr. Babar Mahmood Mirza were re-elected for a term of next three years in the Annual general Meeting held on April 9, 2021. I welcome all the Board members and hope that the Company will continue to benefit from their rich and varied experience.

Future Outlook

After GDP contraction of 0.4% in FY20, the economy is expected to grow during FY21 driven by unleashing of the pent-up demand, strong rebound in manufacturing and services sectors, recovery in agriculture sector, and policy induced pick-up in construction activity. However, macroeconomic stability and sustainable economic growth entails painful yet necessary reforms of the economy such as privatization / restructuring of loss-making State-owned Enterprises, broadening of tax base, and rationalization of government expenditures, to name a few.

To rebuild the positive momentum that COVID-19 interrupted, bolder and more creative thinking is necessary. As insurers look to initiate growth in a new era, they must view their core value propositions, distribution approaches, workforce strategies and data and technology infrastructure as one unified environment. They must continue their pandemic-inspired shift to digital, retain their focus on new and ever-evolving customer needs and become more agile in their thinking and operations. However, in this complex and dynamic market, the most significant risks and largest growth opportunities are closely intertwined, requiring new strategies and approaches to transformation. The impacts of macroeconomic conditions, geopolitical developments, technology advancements, demographic changes and rising customer expectations must be viewed holistically. The recent resurgence in the infrastructure sector, revitalization of CPEC projects and incentives offered to construction industry offer exciting growth prospects. The management of your Company is fully capable of seizing these opportunities:

سے ستاروں سے آگے جہاں اور بھی ہیں

(Always strive for the best)

Acknowledgement

I would like to thank the Board of Directors, Mr. Babar Mahmood Mirza, Chief Executive Officer and his team for their efforts, dedication and sincerity of purpose. I would also express my gratitude to all the reinsurers, our valued clients, banks and SECP for their support and guidance to the Company.



Iftikhar H. Shirazi

53.77 بلین روپے رہی جو کہ گزشتہ سال کی اسی مدت میں 53.47 بلین روپے تھی۔ کمپنی کی قبل از ٹیکس آمدنی 246.13 بلین روپے رہی جو کہ گزشتہ سال کی اسی مدت کے دوران 222.19 بلین روپے کے مقابلے میں 11 فیصد زیادہ ہے۔ ٹیکس ادا کیوں کے بعد، بعد از ٹیکس منافع 172.29 بلین روپے رہا جو کہ گزشتہ سال کی اسی مدت کی 153.31 بلین روپے کے مقابلے میں 12 فیصد زیادہ ہے۔

ڈائریکٹرز کا انتخاب

بورڈ کی تین سالہ مدت 10 اپریل 2021 کو مکمل ہوئی۔ تمام سبکدوش ہونے والے ڈائریکٹرز جناب افتخار ایچ شیرازی، جناب علی ایچ شیرازی، جناب فراہیم علی خان، جناب حسن رضا الرحیم، جناب ایم حبیب الرحمان، محترمہ روجی رئیس خان اور جناب بابر محمود مرزا کو 9 اپریل 2021 کو منعقد سالانہ اجلاس میں آئندہ آنے والی تین سالہ مدت کے لیے دوبارہ منتخب کر لیا گیا ہے۔ میں تمام بورڈ ممبران کو خوش آمدید کہتا ہوں اور امید رکھتا ہوں کہ وہ کمپنی کو اپنے گراں قدر تجربے سے مستفید کرتے رہیں گے۔

مستقبل کے خدو خال

مالی سال 2020 میں شرح نمو سیکٹر کو 0.4 فیصد رہ گئی تھی، تاہم مالی سال 2021 میں طلب میں اضافے، ہینڈ نیچنگ اور خدمات کے شعبوں میں صحت افزاء صورت حال، زرعی شعبے میں بحالی اور تعمیرات کے شعبے میں مثبت پالیسی اصلاحات کے سبب معیشت میں ترقی متوقع ہے۔ تاہم معاشی استحکام اور پائیدار معاشی نمو کے لیے تکلیف دہ لیکن ضروری اصلاحات کا نفاذ نہایت ضروری ہے جیسے کہ حکومتی تحویل میں موجود خسارے میں چلنے والے اداروں کی نجکاری/تنظیم نو، ٹیکس کے دائرہ کار کو وسیع کرنا اور سرکاری اخراجات کو قابو میں کرنا وغیرہ۔

COVID-19 کی رکاوٹ سے معاشی ترقی کی رفتار میں جو کمی واقع ہوئی ہے اس سے نبرد آزما ہونے کے لیے تخلیقی سوچ کی اشد ضروری ہے۔ چونکہ انشوررز ایک نئے دور میں ترقی کا آغاز کرنے کے خواہاں ہیں، لہذا انہیں لازمی طور پر اپنی ممول قیمت، تجارتی نقطہ نظر، افرادی قوت کی حکمت عملی اور ڈیٹا اور ٹیکنالوجی کے بنیادی ڈھانچے کو ایک متحد ماحول کے طور پر دیکھنا ہوگا، انہیں اس عالمی مرض کی وجہ سے ڈیجیٹل سازی کی جانب جو اقدامات اٹھائے گئے ہیں انہیں اسی طرح جاری و ساری رکھنا ہوگا، کسٹمرز کی تیزی سے تبدیل ہوتی ضروریات اور طلب پر توجہ مرکوز رکھتے ہوئے اپنی خدمات اور آپریشنز کو مزید بہتر بنانا ہوگا۔ تاہم، اس پیچیدہ اور متحرک مارکیٹ میں اہم خطرات اور ترقی کے مواقع آپس میں جڑے ہوئے ہیں، جس میں مثبت تبدیلی اور ترقی کے لیے نئی حکمت عملی اور نقطہ نظر کی ضرورت ہے۔ معاشی حالات، جغرافیائی سیاسی پیش رفت، ٹیکنالوجی کی ترقی، آبادیاتی تبدیلیاں اور صارفین کی بڑھتی ہوئی توقعات کے اثرات کو اجتماعی طور پر دیکھنا چاہئے۔ انفراسٹرکچر سیکٹر میں حالیہ بحالی، پاکستان چین معاشی راہداری کے پروجیکٹس کی بحالی و پیش رفت اور تعمیراتی شعبے کو پیش کی جانے والی مراعات ترقی کے واضح امکانات کو پیش کرتی ہیں۔ آپ کی کمپنی ان مواقعوں سے فائدہ اٹھانے کے لیے پوری صلاحیتوں سے لیس ہے؛

ستاروں سے آگے جہاں اور بھی ہیں

اظہار تشکر

میں اس موقع پر بورڈ آف ڈائریکٹرز، چیف ایگزیکٹو آفیسر جناب بابر محمود مرزا، اور ان کی ٹیم کی کاوشوں، لگن اور خلوص کا تہہ دل سے مشکور ہوں۔ اس کے ساتھ میں اپنے تمام ری انشوررز، معزز کلائنٹس، بینکوں اور سپیکورٹرز، اینڈ ایکسیچ کمیشن آف پاکستان کا مسلسل تعاون اور راہنمائی فراہم کرنے پر بھی شکریہ ادا کرتا ہوں۔

Ahmed

افتخار ایچ شیرازی

چیمبرین کی جانب سے جائزہ

میں نہایت مسرت کے ساتھ 31 مارچ 2021 کو ختم ہونے والی پہلی سہ ماہی کے لیے کمپنی کے غیر پڑتال شدہ حسابات پیش کر رہا ہوں۔

معیشت

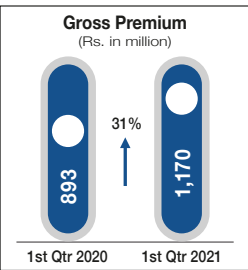
عالمی معیشت اپنی گہری کساد بازاری سے ابھر رہی ہے اور کوویڈ 19 کے نتیجے میں پیدا ہونے والے معاشی بحران کے بعد معمولی بحالی کا مظاہرہ شروع کر دیا ہے۔ حالیہ بہتری کے باوجود پاکستان میں وائرس کی تیسری اور خطرناک لہر کے ابھرنے کی وجہ سے خطرات اپنی جگہ برقرار ہیں، اگرچہ ویکسین کا عمل شروع ہو چکا ہے۔ افراط زر کا دباؤ حقیقی چیلنج ہے اور اس کے سبب صارفین کی قوت خرید کو دباؤ کا سامنا کرنا پڑ سکتا ہے۔ بجلی کے نرخوں، چینی اور گندم کی قیمتوں میں حالیہ اضافہ بطور خاص باعث تشویش ہے۔ یہ اضافہ وقت کے ساتھ بڑھتا رہے گا اور وسط افراط زر بلند سطح پر برقرار رہے گی۔ امکان ہے کہ حال ہی میں آئی ایم ایف (توسعتی فنڈ کی سہولت) کے لیے جاری بات چیت کے سبب 500 ملین امریکی ڈالر کی قسط سے ٹیکسوں کی ایک نئی لہر، شرح سود میں معتدل اضافہ اور روپے کی قدر میں استحکام کی لہر آئے گی۔ اس کے ساتھ، عالمی سطح پر ایشیائے خورد نوش اور تیل کی قیمتوں میں اضافے سے مقامی افراط زر میں اضافہ ہو سکتا ہے۔

مالی سال 2021 کے آٹھ ماہ کے دوران ترسیلات زر میں ریکارڈ اضافے، محدود مقامی طلب اور برآمدات میں معمولی اضافے سے کرنٹ اکاؤنٹ سرپلس 0.9 بلین (شرح نمو کا 0.5%) رہا جو گزشتہ سال کی اسی مدت کے دوران 2.7 بلین ڈالر کا خسارہ (شرح نمو کا 1.5 فیصد) تھا، جس کے سبب بیرونی سطح پر پوزیشن مستحکم رہی۔ مالی سال 2021 کے ماہ جولائی تا فروری کے دوران برآمدات 16.1 بلین ڈالر رہیں جو کہ گزشتہ سال کی اسی مدت کے دوران 16.4 بلین ڈالر کے مقابلے میں 2.3 فیصد کم ہیں۔ درآمدات 32.1 بلین ڈالر رہیں جو کہ گزشتہ سال کی اسی مدت کے دوران 29.6 بلین ڈالر کے مقابلے میں 8.6 فیصد زیادہ ہیں۔ حکومت کی جانب سے برآمدات کو سپورٹ مہیا کرنے والی پالیسیوں کے باعث توقع ہے کہ برآمدات میں اضافہ ہوگا جبکہ

مقامی معیشت میں بحالی، بین الاقوامی کموڈٹیز کی قیمتوں میں حالیہ اضافے، اور مقامی فوڈ مارکیٹس میں استحکام کے لیے ایشیائے خورد نوش کی درآمد سے بھی درآمدات میں بھی اضافے کی توقع ہے۔ اسی طرح تجارتی عدم توازن میں تھوڑا بگاڑ متوقع ہے لیکن افراط زر میں متوقع اضافے سے تجارتی خسارے کو پورا کیا جا سکا۔ ترسیلات زر میں قومی اضافے کے روشن امکانات کے سبب مالی سال 2021 میں کرنٹ اکاؤنٹ خسارہ شرح نمو کا 1 فیصد سے کم رہنے کی توقع ہے جس کی بنیادی وجہ گزشتہ 10 ماہ سے موصول ہونے والی 2 بلین ڈالر سے اوپر ترسیلات زر ہیں، اس کے ساتھ ساتھ اعلیٰ قدر کی ٹیکسٹائل مصنوعات کی برآمدات میں بھی اضافہ ہو رہا ہے۔ پاکستان کے زرعی شعبے میں ترقی کا ہدف 2.7 فیصد ہے۔ تمام اہم خریف کی فصلیں سوائے کپاس نے مالی سال 2020 میں پیداواری ہدف پورا کیا۔ مالی سال 2021 کے ہدف اور اشارے جیسے کہ ٹریڈنگ کی فروخت، فرٹیلائزرز کا استعمال، پانی کی دستیابی اور موسم کی صورتحال بطور خاص گندم کے لیے مضبوط پیداوار اور لیکویڈٹی کے امکانات کو پیش کرتے ہیں۔

مالی سال 2021 کے سات ماہ کے دوران بڑے پیمانے پر مینوفیکچرنگ کے شعبے میں 7.9 فیصد ترقی ریکارڈ کی گئی جو کہ گزشتہ سال کی اسی مدت میں 3.2 فیصد تھی۔ فاسٹ مووگ کنزومر مصنوعات، گاڑیوں، سینٹ، POL اور بجلی کی فروخت میں اضافے جیسے عوامل عمدہ ترقی کی نشاندہی کر رہے ہیں۔ اس بحالی کو حکومت کی جانب سے فراہم کردہ محرک اور اسٹیٹ بینک آف پاکستان کی پالیسی کی شرح میں کمی کے بروقت اقدامات کے ساتھ حمایت حاصل رہی ہے۔ مقامی سیاست میں بڑھتی سرگرمیوں اور کرونا وائرس کے پھیلاؤ کے خوف نے پچھلے ہفتوں کے دوران اسٹاک مارکیٹ میں غیر تسلی بخش کارکردگی دکھانے میں کردار ادا کیا۔ اگرچہ مالی سال 2021 کی پہلی سہ ماہی میں مارکیٹ نے 2 فیصد کی معمولی بحالی کا مظاہرہ کیا ہے لیکن توقع ہے کہ معاون مالی حالات، پرمکشن مارکیٹ ویلیوشن اور کارپوریٹ آمدنیوں میں اضافے کے روشن امکانات کے سبب مارکیٹ درمیانی تا طویل المدت میں بہتر کارکردگی کا مظاہرہ کرے گی۔

کمپنی



زیر جائزہ مدت کے دوران کمپنی نے بہتر کارکردگی کا مظاہرہ کیا اور گروس کٹری بیزنس کے ساتھ گروس پریمیم 1,170 ملین روپے پر پہنچ گیا جو کہ گزشتہ سال کے 893.41 ملین روپے کے مقابلے میں 31 فیصد زیادہ ہے۔ اسی طرح سے نیٹ پریمیم گزشتہ سال کے 336.35 ملین روپے کے مقابلے میں 26 فیصد اضافے کے ساتھ 424.50 ملین روپے رہا۔ انڈر رائٹنگ پرافٹ گزشتہ سال کی اسی مدت کے 140.80 ملین روپے کے مقابلے میں 24 فیصد اضافے کے ساتھ 175.32 ملین روپے رہا۔ کمپنی کی سرمایہ کاری سے آمدنی

Directors' Review

The directors have pleasure in submitting the quarterly report of the Company together with the un-audited financial statements for the period ended March 31, 2021

| | <u>March 31,</u> 2021 | <u>March 31,</u> 2020 |
|--|--------------------------|--------------------------|
| | (Rupees in thousand) | |
| The overall business figures are: | | |
| Net premium | 424,496 | 336,349 |
| Net claims | 130,095 | 89,289 |
| Investment and other income | 89,076 | 72,879 |
| Net commission | 37,862 | 39,555 |
| Expenses of management | 163,205 | 145,812 |
| Financial results are as follows: | | |
| Profit before tax | 246,133 | 222,193 |
| Less: Provision for taxation | 73,840 | 68,880 |
| Profit after tax | <u>172,293</u> | <u>153,313</u> |

Contribution of Rs. 99.932 million (2020: Rs. 68.426 million) was written in Participants' Fund account during the period ended March 31, 2021.

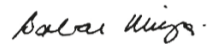
Chairman's Review:

The accompanying Chairman's Review deals with the performance of the company during the period and future outlook. The directors of the Company endorse the contents of the review.

We express our deep appreciation and thanks to our valued clients, bankers, reinsurers and SECP for the cooperation extended to us.

We also commend the dedicated services rendered by the company's officers, staff and field force.

For the Board of Directors



Babar Mahmood Mirza
Chief Executive

Lahore: April 28, 2021

ڈائریکٹرز کی جانب سے جائزہ

ڈائریکٹرز نہایت مسرت کے ساتھ 31 مارچ 2021 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کی رپورٹ بمعہ غیر پڑتال شدہ مالیاتی حسابات کی رپورٹ پیش کر رہے ہیں۔

| 31 مارچ 2020 | 31 مارچ 2021 | |
|-----------------|-----------------|--|
| | | (روپے ہزاروں میں) |
| 336,349 | 424,496 | خالص پربیم |
| 89,289 | 130,095 | خالص کلیئر |
| 72,879 | 89,076 | سرمایہ کاری اور دیگر ذرائع سے حاصل آمدنی |
| 39,555 | 37,862 | خالص کمیشن |
| 145,812 | 163,205 | انتظامی امور کے اخراجات |

مجموعی کاروباری اعداد و شمار یہ ہیں:

| 31 مارچ 2020 | 31 مارچ 2021 | |
|-----------------|-----------------|-------------------|
| 222,193 | 246,133 | قبل از ٹیکس منافع |
| 68,880 | 73,840 | کم: ٹیکس تصرفات |
| 153,313 | 172,293 | بعد از ٹیکس منافع |

مالیاتی نتائج درج ذیل ہیں:

31 مارچ 2021 کو ختم ہونے والی مدت کے دوران 99.932 ملین روپے (سال 2020: 68.426 ملین روپے) کی مکافلت شراکت داری پارٹسینٹ فنڈ کاؤنٹ میں کی گئی۔

چیئرمین کی جانب سے جائزہ

چیئرمین کا جائزہ اس مدت کے دوران کمپنی کی کارکردگی اور مستقبل کے خدوخال کو ظاہر کرتا ہے۔ کمپنی کے ڈائریکٹرز اس رپورٹ کی مندرجات کی توثیق کرتے ہیں۔

ہم اپنے معزز کسٹمرز، بینکرز، ری انشوررز اور سیکورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان کے تعاون پر تہہ دل سے شکرگزار ہیں۔

ہم کمپنی کے آفیسرز، اسٹاف اور فیلڈ فورس کی وقف کردہ خدمات کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

Balraj Menon

باہر محمود مرزا

چیف ایگزیکٹو

لاہور: 28 اپریل 2021

Pattern of Shareholding

As at March 31, 2021

| Number of shareholders | Shareholding | | Shares held |
|------------------------|--------------|----------|-------------------|
| | From | To | |
| 243 | 1 | 100 | 5,596 |
| 185 | 101 | 500 | 57,024 |
| 146 | 501 | 1000 | 119,095 |
| 385 | 1001 | 5000 | 1,000,487 |
| 130 | 5001 | 10000 | 943,067 |
| 56 | 10001 | 15000 | 702,213 |
| 48 | 15001 | 20000 | 836,977 |
| 18 | 20001 | 25000 | 407,775 |
| 5 | 25001 | 30000 | 142,989 |
| 23 | 30001 | 35000 | 753,879 |
| 12 | 35001 | 40000 | 448,318 |
| 9 | 40001 | 45000 | 379,832 |
| 6 | 45001 | 50000 | 285,670 |
| 4 | 50001 | 55000 | 215,740 |
| 3 | 55001 | 60000 | 172,933 |
| 5 | 65001 | 70000 | 335,908 |
| 3 | 70001 | 75000 | 217,927 |
| 3 | 75001 | 80000 | 230,201 |
| 3 | 80001 | 85000 | 252,976 |
| 1 | 85001 | 90000 | 90,000 |
| 2 | 90001 | 95000 | 187,779 |
| 7 | 95001 | 100000 | 683,847 |
| 4 | 100001 | 105000 | 408,934 |
| 1 | 110001 | 115000 | 112,125 |
| 1 | 115001 | 120000 | 116,842 |
| 2 | 135001 | 140000 | 277,541 |
| 2 | 140001 | 145000 | 282,422 |
| 1 | 155001 | 160000 | 157,954 |
| 1 | 160001 | 165000 | 165,000 |
| 2 | 165001 | 170000 | 339,418 |
| 2 | 170001 | 175000 | 342,165 |
| 1 | 175001 | 180000 | 180,000 |
| 1 | 180001 | 185000 | 181,102 |
| 2 | 190001 | 195000 | 384,026 |
| 1 | 195001 | 200000 | 200,000 |
| 1 | 205001 | 210000 | 205,700 |
| 1 | 210001 | 215000 | 213,931 |
| 1 | 215001 | 220000 | 220,000 |
| 2 | 245001 | 250000 | 496,749 |
| 1 | 285001 | 290000 | 289,000 |
| 1 | 290001 | 295000 | 292,500 |
| 1 | 315001 | 320000 | 317,007 |
| 1 | 440001 | 445000 | 441,650 |
| 1 | 475001 | 480000 | 476,740 |
| 1 | 1640001 | 1645000 | 1,643,606 |
| 1 | 2335001 | 2340000 | 2,335,101 |
| 1 | 2390001 | 2395000 | 2,394,486 |
| 1 | 63950001 | 63955000 | 63,951,038 |
| | <u>1,332</u> | | <u>84,895,270</u> |

Shareholders' Information

As at March 31, 2021

| Categories of Shareholders | Shares held | Percentage |
|---|-------------|------------|
| Director, Chief Executive and their spouse and minor children | 39,221 | 0.05% |
| Associated Companies, undertakings and related parties | 66,286,140 | 78.08% |
| NIT and ICP | 94 | 0.00% |
| Banks, Development Finance Institutions Non-Banking Financial Institutions | 616,710 | 0.73% |
| Insurance Companies | 2,588,086 | 3.05% |
| Modaraba and Mutual Funds | - | 0.00% |
| Shareholders holding 5% and above | 63,951,038 | 75.33% |
| General Public : | | |
| a. Local | 13,556,491 | 15.97% |
| b. Foreign | - | 0.00% |
| Others : | | |
| Joint Stock Companies | 108,432 | 0.13% |
| Others | 1,700,096 | 2.00% |

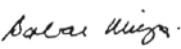
Condensed Interim Statement of Financial Position (Unaudited)

As at March 31, 2021

| | Note | March 31, 2021 (Unaudited) (Rupees in thousand) | December 31, 2020 (Audited) |
|---|------|--|-----------------------------------|
| Assets | | | |
| Property and equipment | 8 | 175,308 | 159,789 |
| Investments | | | |
| Equity securities | 9 | 5,513,020 | 5,643,357 |
| Debt securities | 10 | 518,902 | 436,058 |
| Term deposits | 11 | - | 150,000 |
| Loan and other receivables | | 42,339 | 22,029 |
| Insurance / reinsurance receivables | | 443,106 | 311,009 |
| Reinsurance recoveries against outstanding claims | 15 | 880,955 | 1,087,723 |
| Retirement benefits | | 6,530 | 9,266 |
| Salvage recoveries accrued | | 8,626 | 8,627 |
| Deferred commission expense / acquisition cost | 16 | 111,411 | 92,418 |
| Prepayments | | 813,535 | 652,126 |
| Taxation - provision less payment | | - | 11,220 |
| Cash and bank | 12 | 839,578 | 882,778 |
| | | 9,353,310 | 9,466,400 |
| Total assets from window takaful operations - Operator's fund | | 217,548 | 195,345 |
| Total assets | | 9,570,858 | 9,661,745 |
| Equity and Liabilities | | | |
| Capital and reserves attributable to Company's equity holders | | | |
| Ordinary share capital | | 848,953 | 848,953 |
| Reserves | | 3,075,833 | 3,277,641 |
| Unappropriated profit | | 820,926 | 648,633 |
| Total equity | | 4,745,712 | 4,775,227 |
| Liabilities | | | |
| Underwriting provisions | | | |
| Outstanding claims including IBNR | 15 | 1,195,424 | 1,412,100 |
| Unearned premium reserves | 14 | 1,424,080 | 1,197,061 |
| Unearned reinsurance commission | 16 | 181,672 | 138,404 |
| Retirement benefits | | - | - |
| Deferred taxation | | 750,590 | 833,774 |
| Premium received in advance | | 15,424 | 137,351 |
| Borrowings | 13 | 86,731 | 73,016 |
| Insurance / reinsurance payable | | 466,444 | 511,309 |
| Other creditors and accruals | | 643,590 | 537,097 |
| Taxation - provision less payment | | 5,185 | - |
| Total liabilities | | 4,769,140 | 4,840,112 |
| Total liabilities from window takaful operations - Operator's fund | | 56,006 | 46,406 |
| Total equity and liabilities | | 9,570,858 | 9,661,745 |
| Contingencies and commitments | 7 | | |

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


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Fahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

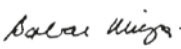
Condensed Interim Profit and Loss Account (Unaudited)

For the three months ended March 31, 2021

| | <u>Note</u> | <u>March 31,</u> <u>2021</u> <u>(Rupees in thousand)</u> | <u>March 31,</u> <u>2020</u> <u>(Rupees in thousand)</u> |
|--|-------------|--|--|
| Net insurance premium | 14 | 424,495 | 336,349 |
| Net insurance claim expense | 15 | (130,094) | (89,289) |
| Net commission and other acquisition income | 16 | 37,862 | 39,555 |
| Insurance claims and acquisition expenses | | (92,232) | (49,734) |
| Management expenses | | (156,946) | (145,812) |
| Underwriting results | | 175,317 | 140,803 |
| Investment income | 17 | 53,770 | 53,470 |
| Other income | | 10,701 | 19,409 |
| Other expenses | | (3,967) | (3,797) |
| Results of operating activities | | 235,821 | 209,885 |
| Finance cost | | (2,292) | (8) |
| Profit before tax from window takaful operations - Operator's fund | 19 | 12,603 | 12,316 |
| Profit before tax for the period | | 246,133 | 222,193 |
| Income tax expense | | (73,840) | (68,880) |
| Profit after tax for the period | | 172,293 | 153,313 |
| | | | Restated |
| | | | (Rupees) |
| Earnings (after tax) per share | 18 | 2.03 | 1.81 |

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


Muhammad Aasim Gul
Chief Financial Officer


Babar Mahmood Mirza
Chief Executive


Ali H. Shirazi
Director


Fahim Ali Khan
Director


Iftikhar H. Shirazi
Chairman

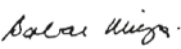
Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months ended March 31, 2021

| | March 31, 2021 (Rupees in thousand) | March 31, 2020 |
|---|---|-------------------|
| Profit after tax for the period | 172,293 | 153,313 |
| Other comprehensive (loss) for the period: | | |
| <i>Items that may be subsequently reclassified to profit and loss account:</i> | | |
| Un-realized loss on available for sale investments - net of deferred tax | (201,808) | (486,331) |
| Other comprehensive income / (loss) from window takaful operations - Operator's fund | - | - |
| Other comprehensive (loss) / income for the period | (201,808) | (486,331) |
| Total comprehensive loss for the period | (29,515) | (333,018) |

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


Muhammad Aasim Gul
Chief Financial Officer


Babar Mahmood Mirza
Chief Executive


Ali H. Shirazi
Director


Fahim Ali Khan
Director


Iftikhar H. Shirazi
Chairman

Condensed Interim Cash Flow Statement (Unaudited)

For the three months ended March 31, 2021

| | March 31, 2021 (Rupees in thousand) | March 31, 2020 |
|--|---|-------------------|
| Operating cash flows | | |
| a) Underwriting activities | | |
| Insurance premium received | 877,327 | 661,927 |
| Reinsurance premiums paid | (707,755) | (400,852) |
| Claims paid | (305,457) | (135,013) |
| Reinsurance and other recoveries received | 161,062 | 32,570 |
| Commissions paid | (68,395) | (33,997) |
| Commissions received | 140,841 | 146,977 |
| Management expenses paid | (160,153) | (150,979) |
| Other underwriting payments | 2,840 | (714) |
| Other underwriting receipts | 10,866 | 18,113 |
| Net cash (used in) / generated from underwriting activities | (48,824) | 138,032 |
| b) Other operating activities | | |
| Income tax paid | (57,438) | (38,027) |
| Other operating payments | (6,259) | (1,597) |
| Loan repayment received | 150,674 | 2 |
| Net cash generated / (used in) other operating activities | 86,977 | (39,622) |
| Total cash generated from all operating activities | 38,153 | 98,410 |
| Investment activities | | |
| Profit / return received | 21,209 | 25,486 |
| Dividend received | 28,015 | 20,520 |
| Payments for investments | (881,971) | (1,099,996) |
| Proceeds from investments | 767,947 | 1,154,410 |
| Fixed capital expenditure | (5,240) | (11,483) |
| Proceeds from sale of property and equipment | 780 | 908 |
| Total cash used in investing activities | (69,260) | 89,845 |
| Financing activities | | |
| Dividends paid | (891) | (100) |
| Payment of lease liability against right-of-use assets | (11,202) | (7,587) |
| Total cash used in financing activities | (12,093) | (7,687) |
| Net cash (used in) / generated all activities | (43,200) | 180,568 |
| Cash and cash equivalents at the beginning of the period | 882,778 | 650,207 |
| Cash and cash equivalents at the end of the period | 839,578 | 830,775 |

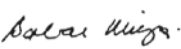
Condensed Interim Cash Flow Statement (Unaudited)

For the three months ended March 31, 2021

| | March 31, 2021 | March 31, 2020 |
|--|----------------------|-------------------|
| | (Rupees in thousand) | |
| Reconciliation to condensed interim profit and loss account | | |
| Operating cash flows | 38,153 | 98,410 |
| Depreciation expense | (4,787) | (5,257) |
| Depreciation right-of-use assets | (5,461) | (3,088) |
| Profit on disposal of fixed assets | - | 3 |
| Financial charges | (2,292) | (8) |
| Other income | 24,018 | 7,340 |
| Increase in assets other than cash | 47,391 | 31,114 |
| Decrease in liabilities other than borrowings | 117,729 | 39,939 |
| Other adjustment | | |
| Provision for impairment of receivable from insurance contract holders | (10,400) | (11,251) |
| (Increase) in provision for unearned premium | (60,839) | (2,578) |
| Increase in commission income unearned | (43,268) | (29,752) |
| Income in investments and current and other deposits | 40,453 | 20,786 |
| Increase / (Decrease) in provision for deferred commission expense | 18,993 | (4,660) |
| Profit from window takaful operations for the period - Operator's fund | 12,603 | 12,316 |
| Profit after tax for the period | 172,293 | 153,313 |

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


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Frahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

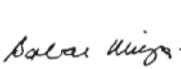
Condensed Interim Statement of Changes in Equity (Unaudited)

For the three months ended March 31, 2021

| | Attributable to equity holders of the Company | | | | | |
|--|---|-------------------------------------|--------------------|--------------------------------------|----------------------------|-----------|
| | Issued, subscribed and paid-up share capital | Capital Reserve | Revenue Reserve | | Unappropri- ated profit | Total |
| | | Investment fair value reserve | General reserve | Investment fluctuation reserve | | |
| (Rupees in thousand) | | | | | | |
| Balance as at December 31, 2019 (audited) | 771,775 | 1,124,191 | 1,186,064 | 3,000 | 621,710 | 3,706,740 |
| Profit after taxation for the three months ended March 31, 2020 | - | - | - | - | 153,313 | 153,313 |
| Net unrealised loss on revaluation of available for sale investments - net of deferred tax | - | (486,331) | - | - | - | (486,331) |
| Other comprehensive income from window takaful operations (OPF) | - | - | - | - | - | - |
| Total comprehensive loss for the three months ended March 31, 2020 | - | (486,331) | - | - | 153,313 | (333,018) |
| Balance as at March 31, 2020 (unaudited) | 771,775 | 637,860 | 1,186,064 | 3,000 | 775,023 | 3,373,722 |
| Profit after taxation for the nine months ended December 31, 2020 | - | - | - | - | 492,114 | 492,114 |
| Re-measurement loss on defined benefit obligation - net of tax | - | - | - | - | 4,917 | 4,917 |
| Net unrealised loss on revaluation of available for sale investments - net of deferred tax | - | 1,444,717 | - | - | - | 1,444,717 |
| Other comprehensive loss from window takaful operations (OPF) | - | - | - | - | - | - |
| Total comprehensive loss for the nine months ended December 31, 2020 | - | 1,444,717 | - | - | 497,031 | 1,941,748 |
| Transferred to general reserve | - | - | 6,000 | - | (6,000) | - |
| Bonus shares issued for the year ended December 31, 2019 @ 10% per share | 77,178 | - | - | - | (77,178) | - |
| Final dividend for the year ended December 31, 2019 @ 70% (Rs. 7.0 per share) | - | - | - | - | (540,243) | (540,243) |
| Balance as at December 31, 2020 (audited) | 848,953 | 2,082,577 | 1,192,064 | 3,000 | 648,633 | 4,775,227 |
| Profit after taxation for the three months ended March 31, 2021 | - | - | - | - | 172,293 | 172,293 |
| Net unrealised loss on revaluation of available for sale investments - net of deferred tax | - | (201,808) | - | - | - | (201,808) |
| Other comprehensive income from window takaful operations (OPF) | - | - | - | - | - | - |
| Total comprehensive loss for the three months ended March 31, 2021 | - | (201,808) | - | - | 172,293 | (29,515) |
| Balance as at March 31, 2021 (unaudited) | 848,953 | 1,880,769 | 1,192,064 | 3,000 | 820,926 | 4,745,712 |

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


Muhammad Aasim Gul
Chief Financial Officer


Babar Mahmood Mirza
Chief Executive


Ali H. Shirazi
Director


Fahrim Ali Khan
Director


Iftikhar H. Shirazi
Chairman

Notes to the Condensed Interim Financial Statement (Unaudited)

For the three months ended March 31, 2021

1. Legal status and nature of business

Atlas Insurance Limited (the Company) was incorporated as a public limited company on September 06, 1934 under the Companies Act, 1913 (now the Companies Act, 2017) and is listed on the Pakistan Stock Exchange. The Company is engaged in general insurance business. The registered office of the Company is situated at 63/A, Block - XX, Phase III (Commercial), Khyaban-e-Iqbal, Defence Housing Authority, Lahore, Pakistan. The Company is a subsidiary of Shirazi Investments (Private) Limited.

The Company was granted license to work as Window Takaful Operator (WTO) dated March 02, 2016 by the Securities and Exchange Commission of Pakistan (SECP) under Takaful Rules, 2012 to carry on Window Takaful Operations in Pakistan.

1.2 Impact of COVID-19 on the financial statements

The COVID-19 pandemic had spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. This crisis continues to have a significant impact on individuals, society, business and the wider economy across the globe. The Company has not escaped its impact but has responded quickly to the crisis by providing the facilities to its employees to work from home, informing employees regularly about the risk of infection, good hygiene standards and ways to manage customer contact at Company offices. Consequently, at this stage, impact on the Company's business and results is limited. Gross premium for the period ended March 31, 2021 stood at Rs. 1,070 million with a 30% increase from the last year of Rs. 825 million. Similarly, an increase is also witnessed in profit before tax of Rs. 246 million against Rs. 222 million of the last year.

Company believes their current liquidity availability provides them with sufficient financial resources to meet their obligations as they come due and no such indication exists for the Company that triggered impairment of its assets.

Potential valuation adjustments to asset / liability base, as a result of the possible impact of COVID-19 on Company's future profitability and cash flow generation, were assessed and no significant adjustments were required.

According to management's assessment, there is no material accounting impact of the effects of COVID-19 in these financial statements.

2. Basis of preparation and statement of compliance

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the General Takaful Accounting Regulations, 2019.

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

2.2 Basis of preparation

The disclosures made in these condensed interim financial statements have been limited based on the requirements of the International Accounting Standard 34 'Interim Financial Reporting'. Accordingly these condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2020.

Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company referred to as the Operator's Fund (OPF) have been presented in these financial statements in accordance with the requirements of General Takaful Accounting Regulations, 2019 issued by the SECP vide S.R.O. 1416 (I)/2019 dated November 20, 2019.

Further, a separate set of the financial statements of the Window Takaful Operations has been annexed to these financial statements as per the requirements of General Takaful Accounting Regulations, 2019.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under historical cost convention, except that certain investments that are carried at fair market value and the recognition of certain employee retirement benefits that are measured at present value.

2.4 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees (Rs.), which is the Company's functional and presentation currency.

3. Standards, amendments and interpretations to accounting and reporting standards

3.1 Standards, amendments and interpretations to accounting and reporting standards that are effective in the current period

There are certain new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

4. Summary of significant accounting policies

The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2020.

5. Temporary exemption from application of IFRS 9

As an 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 disclosure, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given in note 22.1 to these condensed interim financial statements.

6. Critical accounting estimates and judgments

The preparation of condensed interim financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the annual audited financial statements of the Company as at and for the year ended December 31, 2020.

7. Contingencies and commitments

7.1 Contingencies

- 7.1.1** The tax authorities had raised demand amounting to Rs. 117,817 (thousand) against the Company for the tax years 2009 to 2014, that primarily pertained to the rate of tax on dividend, rental income and WWF. Commissioner Inland Revenue (Appeals) [CIR (A)] partially upheld the decision and reduced the demand to Rs. 59,722 (thousand). The Company filed appeals against the CIR(A) decision before the Appellate Tribunal Inland Revenue (ATIR) wherein the decision of CIR(A) was upheld. The Company has filed a reference application against the decision of ATIR before the Honorable Lahore High Court which is currently pending adjudication. No provision has been recognized in these financial statements since the management in consultation with their tax advisor believes that there are meritorious grounds that the case will be decided in favor of the Company.

7.1.2 For the tax year 2017, the Deputy Commissioner Inland Revenue (DCIR) created a tax demand of Rs. 654.473 million pertaining to disallowances due to need of underlying evidences and disallowance of certain expenses due to non-deduction of withholding tax. Being aggrieved, the Company filed appeal before the CIR (A) against the aforesaid order which is currently pending adjudication. No provision has been recognized in these financial statements since the management in consultation with their tax advisor believes that there are meritorious grounds that the case will be decided in favor of the Company.

7.1.3 For tax year 2005, the Tax authorities disputed the Company's treatment on certain issues disallowing expenses, creating a demand of Rs. 70,698 (thousand). The Company filed appeal before CIR(A) which was decided in favor of the Company. Department filed appeal against CIR(A) before ATIR which is pending adjudication. No provision has been recognized in these financial statements since the management in consultation with their tax advisor believes that there are meritorious grounds that the case will be decided in favor of the Company.

7.2 Commitments

7.2.1 Commitments in respect of operating leases

These represent commitments arising from short-term and immaterial leases recognised on a straight-line basis as expense under the practical expedients applied by the Company with respect to IFRS-16. The amount of future payments under these operating leases and the period in which these payments will become due are as follows:

| | <u>Note</u> | <u>March 31,</u> <u>2021</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u> | <u>December 31,</u> <u>2020</u> <u>(Audited)</u> <u>(Rupees in thousand)</u> |
|---|-------------|--|---|
| Not later than one year | | 2,420 | 15,002 |
| Later than one year and not later than five years | | 4,688 | 14,066 |
| | | <u>7,108</u> | <u>29,068</u> |

8. Property and equipment

| | | | |
|--------------------------|-----|----------------|----------------|
| Operating assets | 8.1 | 86,956 | 87,190 |
| Capital work in progress | 8.5 | 6,528 | - |
| Right-of-use asset | 8.6 | 81,824 | 72,599 |
| | | <u>175,308</u> | <u>159,789</u> |

8.1 The breakup of operating assets as at the period / year end is given below:

| | <u>Note</u> | <u>March 31,</u> <u>2021</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u> | <u>December 31,</u> <u>2020</u> <u>(Audited)</u> <u>(Rupees in thousand)</u> |
|-------------------------|-------------|--|---|
| Freehold building | | 1,715 | 1,736 |
| Lease hold improvements | | 9,077 | 9,553 |
| Furniture and fixtures | | 6,054 | 6,058 |
| Office equipment | | 11,159 | 11,506 |
| Computers equipment | | 11,912 | 10,873 |
| Vehicles | | 47,039 | 47,464 |
| | | <u>86,956</u> | <u>87,190</u> |

8.2 Movement of operating assets during the period / year

| | | | |
|---|-----|----------------|-----------------|
| Opening book value | | 87,190 | 93,490 |
| Add: Additions during the period / year | 8.3 | 5,240 | 21,947 |
| | | <u>92,430</u> | <u>115,437</u> |
| Less: Disposal during the period / year (at book value) | 8.4 | (1,536) | (16,467) |
| Depreciation charged for the period / year | | (3,938) | (11,780) |
| | | <u>(5,474)</u> | <u>(28,247)</u> |
| Closing book value | | <u>86,956</u> | <u>87,190</u> |

| | March 31, 2021 (Unaudited) (Rupees in thousand) | December 31, 2020 (Audited) |
|---|--|-----------------------------------|
| 8.3 Additions during the period / year | | |
| Lease hold improvements | - | - |
| Furniture and fixtures | 292 | 1,135 |
| Office equipment | 210 | 1,360 |
| Computers equipment | 2,039 | 3,870 |
| Vehicles | 2,699 | 15,582 |
| | <u>5,240</u> | <u>21,947</u> |
| 8.4 Disposals during the period / year | | |
| Furniture and fixtures | - | 438 |
| Office equipment | - | 6,937 |
| Computers equipment | - | 4,719 |
| Vehicles | 1,536 | 4,373 |
| | <u>1,536</u> | <u>16,467</u> |
| 8.5 Capital work in progress | | |
| Advances to suppliers | <u>6,528</u> | - |
| 8.6 Right-of-use asset | | |
| Opening book value | 72,599 | 24,531 |
| Impact of initial adoption of IFRS 16 | - | - |
| Additions during the year | 9,225 | 70,484 |
| Disposals during the year | - | (572) |
| Depreciation charged during the year | - | (21,844) |
| Closing book value | <u>81,824</u> | <u>72,599</u> |

9. Investments in equity securities

| | Note | March 31, 2021 - (Unaudited) | | | December 31, 2020 - (Audited) | | |
|--------------------------------------|------|------------------------------|--------------|------------------|-------------------------------|--------------|------------------|
| | | Cost | Impairment / | Carrying value | Cost | Impairment / | Carrying value |
| (Rupees in thousand) | | | | | | | |
| Available for sale | | | | | | | |
| Related parties | | | | | | | |
| Listed shares | 9.1 | 643,711 | - | 643,711 | 643,711 | - | 643,711 |
| Mutual funds | | 437,225 | - | 437,225 | 467,407 | - | 467,407 |
| | | 1,080,936 | - | 1,080,936 | 1,111,118 | - | 1,111,118 |
| Unrealized gain on revaluation as on | | | | 2,183,096 | | | 2,552,425 |
| | | | | <u>3,264,032</u> | | | <u>3,663,543</u> |
| Others | | | | | | | |
| Listed shares | 9.1 | 1,769,998 | (47,805) | 1,722,193 | 1,572,732 | (35,304) | 1,537,428 |
| Unlisted shares | | 500 | (500) | - | 500 | (500) | - |
| Mutual funds | 9.2 | 60,921 | - | 60,921 | 61,604 | - | 61,604 |
| | | 1,831,419 | (48,305) | 1,783,114 | 1,634,836 | (35,804) | 1,599,032 |
| Unrealized gain on revaluation as on | | | | 465,874 | | | 380,781 |
| | | | | <u>2,248,988</u> | | | <u>1,979,813</u> |
| | | | | <u>5,513,020</u> | | | <u>5,643,356</u> |

9.1 Listed securities include an amount of Rs. 2,824,513 thousand (2020: Rs. 1,876,647 thousand) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 1,661,689 thousand (2020: Rs. 879,313 thousand).

9.2 Mutual funds include an amount of Rs. 350,015 (2020: Rs. 122,580 thousand) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 254,651 (2020: Rs. 120,000 thousand).

| | Note | March 31, 2021 (Unaudited) (Rupees in thousand) | December 31, 2020 (Audited) |
|---|--|--|-----------------------------------|
| 10. Investments in debt securities | | | |
| Held to maturity | | | |
| Pakistan Investment Bonds | 10.1 | 90,536 | 90,536 |
| Market treasury bills (T-Bills) | | 408,366 | 325,522 |
| Available for sale | | | |
| Term Finance Certificates | | 20,000 | 20,000 |
| | | <u>518,902</u> | <u>436,058</u> |
| 10.1 | This represents carrying amount of government securities placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Section 29(2)(a) of the Insurance Ordinance, 2000. | | |
| | Note | March 31, 2021 (Unaudited) (Rupees in thousand) | December 31, 2020 (Audited) |
| 11. Investments in term deposits | | | |
| Held to maturity | | | |
| Deposits maturing within 12 months | | - | 150,000 |
| | | <u>-</u> | <u>150,000</u> |
| 12. Cash and bank | | | |
| Cash at bank | | | |
| Current & saving accounts | 12.1 | 839,578 | 882,778 |
| | | <u>839,578</u> | <u>882,778</u> |
| 12.1 | The balance in savings accounts bears mark-up which ranges from 2.95% to 6.25% (2020:4% to 12.25%) per annum. | | |
| | | March 31, 2021 (Unaudited) (Rupees in thousand) | December 31, 2020 (Audited) |
| 13. Borrowings | | | |
| Lease liabilities against right-of-use asset | | 86,731 | 73,016 |
| | | <u>86,731</u> | <u>73,016</u> |
| | | March 31, 2021 (Rupees in thousand) | March 31, 2020 |
| 14. Net insurance premium | | | |
| Written gross premium | | 1,069,954 | 825,141 |
| Add: Unearned premium reserve - opening | | 1,197,061 | 1,139,098 |
| Less: Unearned premium reserve - closing | | (1,424,080) | (1,255,234) |
| Premium earned | | 842,935 | 709,005 |
| Less: Reinsurance premium ceded | | 584,620 | 486,215 |
| Add: Prepaid reinsurance premium - opening | | 648,553 | 659,317 |
| Less: Prepaid reinsurance premium - closing | | (814,733) | (772,876) |
| Reinsurance expense | | 418,440 | 372,656 |
| | | <u>424,495</u> | <u>336,349</u> |
| 15. Net insurance claims expense | | | |
| Claims paid | | 305,458 | 135,012 |
| Add: Outstanding claims including IBNR - closing | | 1,195,424 | 543,164 |
| Less: Outstanding claims including IBNR - opening | | (1,412,100) | (545,169) |
| Claims expense | | 88,782 | 133,007 |
| Less: Reinsurance and other recoveries received | | 165,456 | 34,701 |
| Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing | | 880,955 | 255,599 |
| Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening | | (1,087,723) | (246,582) |
| Reinsurance and other recoveries revenue | | (41,312) | 43,718 |
| | | <u>130,094</u> | <u>89,289</u> |

| | March 31, 2021 | March 31, 2020 |
|---|----------------------|-------------------|
| | (Rupees in thousand) | |
| 16. Net commission and other acquisition expense / (income) | | |
| Commission paid or payable | 78,704 | 43,260 |
| Add: Deferred commission expense - opening | 92,418 | 81,519 |
| Less: Deferred commission expense - closing | (111,411) | (76,860) |
| Net Commission expense | 59,711 | 47,919 |
| Less: Commission received or recoverable | 140,841 | 117,226 |
| Add: Unearned Reinsurance commission - opening | 138,404 | 152,959 |
| Less: Unearned Reinsurance commission - closing | (181,672) | (182,711) |
| Commission from reinsurers | 97,573 | 87,474 |
| | (37,862) | (39,555) |
| 17. Investment income | | |
| Income from equity securities | | |
| Available for sale | | |
| Dividend income | 40,237 | 38,512 |
| Income from debt securities | | |
| Held to maturity | | |
| Return on debt securities | 13,317 | 11,060 |
| Net realised gain on investments | 53,554 | 49,572 |
| Available for sale financial assets | | |
| Realised gain on equity securities | 12,569 | 3,912 |
| Total investment income | 66,123 | 53,484 |
| Less: Impairment in value of available for sale securities - Equity securities | 12,002 | - |
| Less: Investment related expenses | 351 | 14 |
| | 53,770 | 53,470 |
| 18. Earnings per share | | |
| Profit after tax for the period | 172,293 | 153,313 |

**Number of shares
(thousand)
Restated**

| | | |
|--|--------|--------|
| Weighted average number of ordinary shares | 84,895 | 84,895 |
|--|--------|--------|

**Restated
(Rupees)**

| | | |
|--|------|------|
| Earnings per share - (basic / diluted) | 2.03 | 1.81 |
|--|------|------|

- 18.1** There is no dilutive effect on the basic earnings per share of the Company. Number of shares in issue and earnings per share for the period (ended March 31, 2020 have been restated, taking the effect of bonus shares at the rate of 10% issued during the current period.)

| | March 31, 2021 | March 31, 2020 |
|--|----------------------|-------------------|
| | (Rupees in thousand) | |
| 19. Window takaful operations - Operator's fund | | |
| Wakala fee | 19,055 | 14,069 |
| Management expenses | (3,298) | (3,634) |
| Net commission and other acquisition costs | (5,076) | (5,062) |
| Investment income | 2,205 | 7,200 |
| Other expenses | (283) | (258) |
| Profit for the period | 12,603 | 12,315 |

20. Transactions with related parties

Related parties comprises of associated entities, entities under common control, entities with common directors, major shareholders, post employment benefit plans and key management personnel, inclusive of directors, and their close family members. Transactions with related parties are carried out on mutually agreed terms and conditions.

Amounts due to / from and other significant transactions, other than those disclosed elsewhere in this condensed interim financial statements, are as follows:

| | | <u>March 31,</u> 2021 (Unaudited) (Rupees in thousand) | <u>December 31,</u> 2020 (Audited) (Rupees in thousand) |
|--------------------------------------|--|---|---|
| Parent company | Period / year end balances | | |
| | Provision for outstanding claims (including IBNR) | - | 1,600 |
| | Premium received in advance | - | - |
| | Due from insurance contract holders | 271 | 3,461 |
| | | <u>March 31,</u> 2021 (Rupees in thousand) | <u>March 31,</u> 2020 (Rupees in thousand) |
| | Transactions during the period | | |
| | Premium underwritten | 138 | 32 |
| | Claims paid | - | 2 |
| | Premium collected | 3,336 | 2,069 |
| | Rent paid | - | - |
| Lease liability paid | 677 | 677 | |
| | <u>March 31,</u> 2021 (Unaudited) (Rupees in thousand) | <u>December 31,</u> 2020 (Audited) (Rupees in thousand) | |
| Associated companies | Period / year end balances | | |
| | Provision for outstanding claims (including IBNR) | 34,399 | 93,111 |
| | Premium received in advance | 3,792 | 33,447 |
| | Due from insurance contract holders | 111,315 | 119,864 |
| | Lease liability | 387 | 1,934 |
| | <u>March 31,</u> 2021 (Rupees in thousand) | <u>March 31,</u> 2020 (Rupees in thousand) | |
| Associated companies | Transactions during the period | | |
| | Premium underwritten | 411,701 | 275,992 |
| | Premium collected | 491,793 | 312,074 |
| | Claims paid | 106,217 | 28,285 |
| | Assets purchased | 1,421 | 11,084 |
| | Rent paid | - | - |
| | Expenses paid | 3,898 | 125 |
| | Finance cost charged | - | 106 |
| | Donations paid | - | - |
| | Dividends received | 13,641 | 13,641 |
| | Investments purchased | - | 761,595 |
| | Investments sold | 40,000 | 650,000 |
| | | <u>March 31,</u> 2021 (Unaudited) (Rupees in thousand) | <u>December 31,</u> 2020 (Audited) (Rupees in thousand) |
| Post employment benefit plans | Transactions during the period | | |
| | Contributions in respect of retirement benefit plans | 5,113 | 4,572 |
| | <u>March 31,</u> 2021 (Unaudited) (Rupees in thousand) | <u>December 31,</u> 2020 (Audited) (Rupees in thousand) | |
| Key management personnel | Period / year end balances | | |
| | Provision for outstanding claims (including IBNR) | - | 30 |
| | Due from insurance contract holders | - | 82 |
| | | <u>March 31,</u> 2021 (Rupees in thousand) | <u>March 31,</u> 2020 (Rupees in thousand) |
| | Transactions during the period | | |
| | Compensation paid | 37,138 | 42,586 |
| | Premium underwritten | 41 | - |
| | Premium collected | - | - |
| | Claims paid | - | - |
| | Assets sold | - | - |

21. Segment reporting

The Company has identified four (2020: four) primary operating / business segments for reporting purposes in accordance with the requirements of the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulations, 2017. These include fire and property damage, marine, aviation and transport, motor and miscellaneous class of operating / business segments. As per Insurance Rules, 2017, information for other segments under which business is less than 10%, is classified under miscellaneous class of operating / business segment.

Assets and liabilities, wherever possible, have been assigned to each reportable segment based on specific identification or allocated on the basis of the gross premium written by the segments.

| (Unaudited) Three months ended March 31, 2021 | | | | | |
|--|---|---|--------------|----------------------|--------------|
| | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Total |
| (Rupees in thousand) | | | | | |
| Premium receivable (inclusive of Federal Insurance Fee and Administrative surcharge) | 433,819 | 315,645 | 241,824 | 236,794 | 1,228,082 |
| Less: Federal Excise Duty | 52,581 | 38,264 | 30,617 | 26,489 | 147,951 |
| Federal Insurance Fee | 3,435 | 2,711 | 1,945 | 2,086 | 10,177 |
| Gross written premium (inclusive of Administrative Surcharge) | 377,803 | 274,670 | 209,262 | 208,219 | 1,069,954 |
| Gross direct premium | 371,910 | 269,307 | 192,325 | 206,450 | 1,039,992 |
| Facultative inward premium | 1,321 | 5,268 | 2,509 | 1,769 | 10,867 |
| Administrative surcharge | 4,572 | 95 | 14,428 | - | 19,095 |
| | 377,803 | 274,670 | 209,262 | 208,219 | 1,069,954 |
| Insurance premium earned | 291,058 | 254,610 | 161,813 | 135,454 | 842,935 |
| Insurance premium ceded to reinsurers | (236,556) | (90,651) | (36,857) | (54,376) | (418,440) |
| Net insurance premium | 54,502 | 163,959 | 124,956 | 81,078 | 424,495 |
| Commission income | 48,075 | 24,176 | 7,570 | 17,752 | 97,573 |
| Net underwriting income | 102,577 | 188,135 | 132,526 | 98,830 | 522,068 |
| Insurance claims | (75,260) | (26,227) | (77,064) | 89,769 | (88,782) |
| Insurance claims recovered from reinsurers | 69,547 | 14,968 | 17,112 | (142,939) | (41,312) |
| Net claims | (5,713) | (11,259) | (59,952) | (53,170) | (130,094) |
| Commission expense | (30,666) | (10,648) | (11,023) | (7,374) | (59,711) |
| Management expenses | (52,917) | (39,565) | (34,132) | (30,332) | (156,946) |
| Net insurance claims and expenses | (89,296) | (61,472) | (105,107) | (90,876) | (346,751) |
| Underwriting results | 13,281 | 126,663 | 27,419 | 7,954 | 175,317 |
| Investment income | | | | | 53,770 |
| Other income | | | | | 10,701 |
| Other expenses | | | | | (3,967) |
| Finance cost | | | | | (2,292) |
| Profit before taxation from window takaful operations - Operator's fund | | | | | 12,603 |
| Profit before tax for the period | | | | | 246,133 |
| Segment assets - Conventional | 790,172 | 586,985 | 451,527 | 428,950 | 2,257,634 |
| Segment assets - Takaful OPF | 5,039 | 2,380 | 21,007 | 2,061 | 30,487 |
| Unallocated assets - Conventional | | | | | 7,175,238 |
| Unallocated assets - Takaful OPF | | | | | 107,499 |
| | | | | | 9,570,858 |
| Segment liabilities - Conventional | 1,149,065 | 853,591 | 656,609 | 623,778 | 3,283,043 |
| Segment liabilities - Takaful OPF | 9,257 | 4,373 | 38,590 | 3,786 | 56,006 |
| Unallocated liabilities - Conventional | | | | | 1,486,097 |
| Unallocated liabilities - Takaful OPF | | | | | - |
| | | | | | 4,825,146 |

(Unaudited) Three months ended March 31, 2020

| | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Total |
|--|---------------------------------|---------------------------------------|--------------|----------------------|------------------------------|
| (Rupees in thousand) | | | | | |
| Premium receivable (inclusive of Federal Insurance Fee and Administrative surcharge) | 391,618 | 186,361 | 192,507 | 178,644 | 949,130 |
| Less: Federal Excise Duty | 48,019 | 21,398 | 26,015 | 20,665 | 116,097 |
| Federal Insurance Fee | 3,219 | 1,587 | 1,650 | 1,436 | 7,892 |
| Gross written premium (inclusive of Administrative Surcharge) | 340,380 | 163,376 | 164,842 | 156,543 | 825,141 |
| Gross direct premium | 337,697 | 160,119 | 162,924 | 155,544 | 816,284 |
| Facultative inward premium | 1,489 | - | - | 5 | 1,494 |
| Administrative surcharge | 1,194 | 3,257 | 1,918 | 994 | 7,363 |
| | 340,380 | 163,376 | 164,842 | 156,543 | 825,141 |
| Insurance premium earned | 248,827 | 145,746 | 166,411 | 148,021 | 709,005 |
| Insurance premium ceded to reinsurers | (191,840) | (54,449) | (53,849) | (72,518) | (372,656) |
| Net insurance premium | 56,987 | 91,297 | 112,562 | 75,503 | 336,349 |
| Commission income | 45,288 | 16,078 | 15,293 | 10,815 | 87,474 |
| Net underwriting income | 102,275 | 107,375 | 127,855 | 86,318 | 423,823 |
| Insurance claims | 5,806 | (14,215) | (63,014) | (61,584) | (133,007) |
| Insurance claims recovered from reinsurers | 12,559 | 6,677 | 12,063 | 12,419 | 43,718 |
| Net claims | 18,365 | (7,538) | (50,951) | (49,165) | (89,289) |
| Commission expense | (18,771) | (7,341) | (14,324) | (7,483) | (47,919) |
| Management expenses | (57,757) | (27,637) | (34,015) | (26,403) | (145,812) |
| Net insurance claims and expenses | (58,163) | (42,516) | (99,290) | (83,051) | (283,020) |
| Underwriting results | 44,112 | 64,859 | 28,565 | 3,267 | 140,803 |
| Investment income | | | | | 53,470 |
| Other income | | | | | 19,409 |
| Other expenses | | | | | (3,797) |
| Finance cost | | | | | (8) |
| Profit before taxation from window takaful operations - Operator's fund | | | | | 12,316 |
| Profit before tax for the period | | | | | 222,193 |
| | | | | | December 31, 2020 |
| | | | | | (Audited) |
| | | | | | (Rupees in thousands) |
| Segment assets - Conventional | 784,140 | 480,152 | 441,267 | 442,771 | 2,148,330 |
| Segment assets - Takaful OPF | 9,989 | 4,371 | 46,824 | 1,249 | 62,433 |
| Unallocated assets - Conventional | | | | | 7,318,070 |
| Unallocated assets - Takaful OPF | | | | | 132,912 |
| | | | | | 9,661,745 |
| Segment liabilities - Conventional | 1,303,212 | 797,993 | 733,368 | 735,868 | 3,570,441 |
| Segment liabilities - Takaful OPF | 7,424 | 3,249 | 34,805 | 928 | 46,406 |
| Unallocated liabilities - Conventional | | | | | 1,269,671 |
| Unallocated liabilities - Takaful OPF | | | | | - |
| | | | | | 4,886,518 |

22. Fair value of financial instruments

The Company 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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The fair value measurement of available for sale investments is based on quoted market prices i.e. level 1 inputs and is equal to the carrying amount. In case of other financial assets and financial liabilities that are expected to be settled within one year, carrying amounts are considered to be a reasonable approximation of their fair values.

22.1 Fair value measurement of financial instruments

Following is the fair value of financial assets as on March 31, 2021 and the change in their fair value during the period ended March 31, 2021:

| | Financial instruments with contractual cash | | | |
|--|---|----------|---------------|-----------------------------|
| | Amortised cost | FVOCI | Total | Other financial Instrument* |
| | (Rupees in thousand) | | | |
| Pakistan Investment Bonds | | | | |
| Opening fair value - December 31, 2020 | 90,536 | - | 90,536 | - |
| Additions | - | - | - | - |
| Unwinding on debt securities | - | - | - | - |
| Closing fair value - March 31, 2021 | 90,536 | - | 90,536 | - |
| Term Finance Certificates | | | | |
| Opening fair value - December 31, 2020 | - | - | - | 20,000 |
| Additions | - | - | - | - |
| Closing fair value - March 31, 2021 | - | - | - | 20,000 |
| Shares in listed / unlisted equity securities | | | | |
| Opening fair value - December 31, 2020 | - | - | - | 4,995,133 |
| Additions | - | - | - | 389,540 |
| Decrease in fair value | - | - | - | (322,787) |
| Disposals | - | - | - | (192,785) |
| Closing fair value - March 31, 2021 | - | - | - | 4,869,101 |
| Mutual fund investments | | | | |
| Opening fair value - December 31, 2020 | - | - | - | 648,224 |
| Additions | - | - | - | 330 |
| Increase in fair value | - | - | - | 5,546 |
| Disposals | - | - | - | (30,181) |
| Closing fair value - March 31, 2021 | - | - | - | 623,919 |
| Total | 90,536 | - | 90,536 | 5,513,020 |

* Other financial instruments are measured at fair value through other comprehensive income.

23.1.1 The fair value of the remaining financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate.

23. Movement in investments

| | <u>Held to maturity</u> | <u>Available for sale</u> | <u>Total</u> |
|---|-------------------------|---------------------------|------------------|
| | (Rupees in thousand) | | |
| As at beginning of previous year - 2020 | 613,571 | 4,161,871 | 4,775,442 |
| Additions | 1,790,135 | 2,282,008 | 4,072,143 |
| Disposals (Sales and redemptions) | (1,840,451) | (2,157,298) | (3,997,749) |
| Fair value net losses (excluding net realised losses) | - | 1,349,841 | 1,349,841 |
| Unwinding on debt securities | 2,803 | - | 2,803 |
| Reversal of impairment | - | 26,935 | 26,935 |
| As at beginning of current period - 2021 | 566,058 | 5,663,357 | 6,229,415 |
| Additions | 102,844 | 389,870 | 492,714 |
| Disposals (Sales and redemptions) | (150,000) | (222,966) | (372,966) |
| Fair value net losses (excluding net realised losses) | - | (305,240) | (305,240) |
| Unwinding on debt securities | - | - | - |
| Impairment | - | (12,001) | (12,001) |
| As at end of current period | <u>518,902</u> | <u>5,513,020</u> | <u>6,031,922</u> |

24. Financial and insurance risk management

The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended December 31, 2020.

25. Corresponding figures

Corresponding figures have been restated, rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant rearrangements have been made.

26. Subsequent events

There are no significant subsequent events that need to be disclosed for the period ended March 31, 2020.

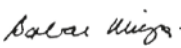
27. Date of authorization for issue

The condensed interim financial statements were authorised for issue on April 28, 2021 by the Board of Directors of the Company.

28. General

Figures in this interim financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.


Muhammad Aasim Gul
Chief Financial Officer


Babar Mahmood Mirza
Chief Executive


Ali H. Shirazi
Director


Fahim Ali Khan
Director


Iftikhar H. Shirazi
Chairman

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Window Takaful Operations

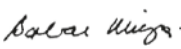
Condensed Interim Statement of Financial Position (Unaudited)

As at March 31, 2021

| | Note | OPF | | PTF | |
|---|------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| | | March 31, 2021 (Unaudited) | December 31, 2020 (Audited) | March 31, 2021 (Unaudited) | December 31, 2020 (Audited) |
| (Rupees in thousand) | | | | | |
| Assets | | | | | |
| Property and equipment | 5 | 937 | 987 | - | - |
| Intangible assets | 6 | - | - | - | - |
| Investments | | | | | |
| Term deposits | 7 | - | - | 50,000 | 100,000 |
| Loans and other receivables | | - | - | - | - |
| Takaful / retakaful receivables | | - | - | 33,837 | 16,210 |
| Deferred wakala fees | | - | - | 45,253 | 36,610 |
| Receivable from OPF / PTF | | 60,602 | 46,050 | - | - |
| Accrued investment income | | 426 | 622 | 357 | 853 |
| Retakaful recoveries against outstanding claims | | - | - | 31,994 | 29,784 |
| Deferred commission expense / acquisition cost | | 10,313 | 8,376 | - | - |
| Prepayments | | 19,749 | 7,382 | 35,691 | 31,952 |
| Cash and bank | 8 | 125,521 | 131,928 | 202,457 | 118,042 |
| | | 217,548 | 195,345 | 399,589 | 333,451 |
| Total assets | | 217,548 | 195,345 | 399,589 | 333,451 |
| Equity and Liabilities | | | | | |
| Capital reserve | | 50,000 | 50,000 | - | - |
| Accumulated profit | | 111,542 | 98,939 | - | - |
| Total Shareholders Equity | | 161,542 | 148,939 | - | - |
| Participants' Takaful Fund (PTF) | | | | | |
| Cede money | | - | - | 500 | 500 |
| Accumulated surplus | | - | - | 32,512 | 31,112 |
| Balance of Participants' Takaful Fund | | - | - | 33,012 | 31,612 |
| Liabilities | | | | | |
| PTF Underwriting provisions | | | | | |
| Outstanding claims (including IBNR) | 12 | - | - | 72,065 | 67,372 |
| Unearned contribution reserves | 10 | - | - | 155,518 | 132,865 |
| Unearned retakaful rebate | 11 | - | - | 6,634 | 5,552 |
| | | - | - | 234,217 | 205,789 |
| Retirement benefit obligations | | 931 | 681 | - | - |
| Unearned wakala fee | 13 | 45,253 | 36,610 | - | - |
| Contribution received in advance | | - | - | 453 | 4,538 |
| Takaful / retakaful payables | | - | - | 56,630 | 41,157 |
| Other creditors and accruals | | - | 9,115 | 14,675 | 4,305 |
| Payable to OPF / PTF | | 9,822 | - | 60,602 | 46,050 |
| Total liabilities | | 56,006 | 46,406 | 132,360 | 96,050 |
| Total Equity and Liabilities | | 217,548 | 195,345 | 399,589 | 333,451 |
| Contingencies and commitments | 9 | | | | |

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Fahrim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

Window Takaful Operations

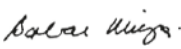
Condensed Interim Profit and Loss Account (Unaudited)

For the three months ended March 31, 2021

| | Note | March 31, 2021 (Rupees in thousand) | March 31, 2020 |
|---|------|---|---------------------|
| PTF | | | |
| Contributions earned | | 53,404 | 44,691 |
| Less: Contributions cede to retakaful | | (19,055) | (14,069) |
| Net contributions revenue | 10 | 34,349 | 30,622 |
| Retakaful rebate earned | 11 | 3,244 | 3,022 |
| Net underwriting income | | 37,594 | 33,644 |
| Net claims - Reported / Settled - IBNR | | (30,870) (4,000) | (13,773) (9,496) |
| | 12 | (34,870) | (23,269) |
| Other direct expenses | | (3,251) | (4,402) |
| Surplus before investment income | | (527) | 5,973 |
| Investment income | 14 | 2,573 | 7,859 |
| Less: Modarib's sahare of investment income | | (646) | (1,965) |
| Finance cost | | - | (2) |
| Surplus transferred to accumulated surplus | | 1,400 | 11,865 |
| OPF | | | |
| Wakala fee | 13 | 19,055 | 14,069 |
| Commission expense | | (5,076) | (5,062) |
| Management expenses | | (3,298) | (3,634) |
| | | 10,681 | 5,373 |
| Modarib's share of PTF investment income | | 646 | 1,965 |
| Investment income | 14 | 1,559 | 5,235 |
| Other expenses | | (283) | (258) |
| Profit for the period | | 12,603 | 12,315 |

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Fahim Ali Khan
 Director

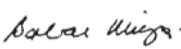

Iftikhar H. Shirazi
 Chairman

Window Takaful Operations
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the three months ended March 31, 2021

| | <u>March 31,</u> <u>2021</u> (Rupees in thousand) | <u>March 31,</u> <u>2020</u> |
|---|---|---------------------------------|
| PTF | | |
| Surplus transferred to accumulated surplus | 1,400 | 11,865 |
| Other comprehensive income: | | |
| Unrealized gains / (losses) on available for sale investments - net of deferred tax | - | - |
| Total comprehensive income for the period | <u>1,400</u> | <u>11,865</u> |
| OPF | | |
| Profit for the period | 12,603 | 12,315 |
| Other comprehensive income | | |
| Unrealized gains / (losses) on available for sale investments - net of deferred tax | - | - |
| Total comprehensive income for the period | <u>12,603</u> | <u>12,315</u> |

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Fahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

Window Takaful Operations

Condensed Interim Cash Flow Statement (Unaudited)

For the three months ended March 31, 2021

| | OPF | | PTF | |
|--|----------------------|-------------------|-------------------|-------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| | (Rupees in thousand) | | | |
| Operating activities | | | | |
| a) Takaful activities | | | | |
| Contributions received | - | - | 78,034 | 57,132 |
| Retakaful contributions paid | - | - | (12,099) | (25,420) |
| Retakaful and other recoveries received | - | - | 5,382 | 3,277 |
| Claims paid | - | - | (35,164) | (22,926) |
| Commissions paid | (6,947) | (5,329) | - | - |
| Management and other expenses paid | (5,951) | (5,063) | (1,006) | (2,753) |
| Other underwriting receipts | - | - | 2,323 | 1,726 |
| Other operating payments | - | - | - | - |
| Wakala fees received / (paid) | 5,000 | - | (5,000) | - |
| Net cash (used in) / generated from takaful activities | (7,898) | (10,392) | 32,470 | 11,036 |
| b) Other operating activities | | | | |
| Income tax paid | (263) | (286) | (464) | (867) |
| Net cash used in other operating activities | (263) | (286) | (464) | (867) |
| c) Total cash (used in) / generated from all operating activities | (8,161) | (10,678) | 32,006 | 10,169 |
| Investment activities | | | | |
| Profit / return received | 1,754 | 3,254 | 2,425 | 3,939 |
| Payments for investments | (130,000) | (100,000) | (145,000) | (230,000) |
| Proceeds from investments | 130,000 | 25,000 | 195,000 | 275,000 |
| Fixed capital expenditure | - | - | - | - |
| Total cash generated / (used in) from investing activities | 1,754 | (71,746) | 52,425 | 48,939 |
| d) Financing activities | | | | |
| Financial charges paid | - | - | (16) | - |
| Total cash used in financing activities | - | - | (16) | - |
| Total cash (used in) / generated from all activities | (6,407) | (82,424) | 84,415 | 59,108 |
| Cash and cash equivalents at the beginning of the period | 131,928 | 88,520 | 118,042 | 21,021 |
| Cash and cash equivalents at the end of the period | 125,521 | 6,096 | 202,457 | 80,129 |

Window Takaful Operations

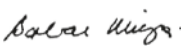
Condensed Interim Cash Flow Statement (Unaudited)

For the three months ended March 31, 2021

| | OPF | | PTF | |
|--|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| (Rupees in thousand) | | | | |
| Reconciliation to profit and loss account | | | | |
| Operating cash flows | (8,161) | (10,678) | 32,006 | 10,169 |
| Depreciation / amortization expense | (50) | (63) | - | - |
| Investment income | 2,205 | 7,200 | 1,927 | 5,894 |
| Dividend income | - | - | - | - |
| Profit on sale of investment | - | - | - | - |
| Finance cost | - | - | - | - |
| Increase in assets other than cash | 28,209 | 19,698 | 33,200 | 19,482 |
| (Increase) in liabilities other than running finance | (9,600) | (3,842) | (65,733) | (23,679) |
| Other adjustments | | | | |
| Provision for impairment of receivable from takaful contract holders | - | - | - | - |
| Profit / surplus for the period | 12,603 | 12,315 | 1,400 | 11,865 |

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Fahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

Window Takaful Operations

Condensed Interim Statement of Changes in Fund (Unaudited)

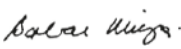
For the three months ended March 31, 2021

| | Attributable to Operator fund | | |
|--|-------------------------------|--------------------|---------|
| | Statutory fund | Accumulated profit | Total |
| | (Rupees in thousand) | | |
| Balance as at December 31, 2019 (audited) | 50,000 | 54,517 | 104,517 |
| Profit for the year ended December 31, 2020 | - | 44,422 | 44,422 |
| Net unrealized loss on revaluation of available for sale investments - net of deferred tax | - | - | - |
| Total comprehensive income for the period | - | 44,422 | 44,422 |
| Balance as at December 31, 2020 (audited) | 50,000 | 98,939 | 148,939 |
| Profit for the three months ended March 31, 2021 | - | 12,603 | 12,603 |
| Net unrealized loss on revaluation of available for sale investments - net of deferred tax | - | - | - |
| Total comprehensive income for the period | - | 12,603 | 12,603 |
| Balance as at March 31, 2021 (unaudited) | 50,000 | 111,542 | 161,542 |

| | Attributable to Participant's Takaful Fund PTF | | |
|---|--|---------------------|--------|
| | Seed Money | Accumulated Surplus | Total |
| | (Rupees in thousand) | | |
| Balance as at December 31, 2019 (audited) | 500 | 4,107 | 4,607 |
| Surplus for the year ended December 31, 2020 | - | 27,005 | 27,005 |
| Total comprehensive income for the year | - | 27,005 | 27,005 |
| Balance as at December 31, 2020 (audited) | 500 | 31,112 | 31,612 |
| Surplus for the three months ended March 31, 2021 | - | 1,400 | 1,400 |
| Total comprehensive income for the period | - | 1,400 | 1,400 |
| Balance as at March 31, 2021 (unaudited) | 500 | 32,512 | 33,012 |

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Fahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

Window Takaful Operations

Notes to and Forming Part of the Condensed Interim Financial Statements (Unaudited)

For the three months ended March 31, 2021

1. Legal status and nature of business

Atlas Insurance Limited (the Operator) was granted a license to undertake Window Takaful Operations (WTO) in Pakistan on March 02, 2016 by the Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012.

For the purpose of carrying on the takaful business, as per requirement of circular 8 of 2014 the Operator transferred Rs. 50,000 thousand in a separate bank account and thereafter, formed a Waqf / Participants' Takaful Fund (PTF) on March 12, 2016 under a Waqf deed with the ceded money of Rs. 500 thousand. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

1.2 Impact of COVID-19 on the financial statements

The COVID-19 pandemic had spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. This crisis continues to have a significant impact on individuals, society, business and the wider economy across the globe. The Company has not escaped its impact but has responded quickly to the crisis by providing the facilities to its employees to work from home, informing employees regularly about the risk of infection, good hygiene standards and ways to manage customer contact at Company offices. Consequently, at this stage, impact on the Operator's business and results is limited. Gross contribution for the period ended March 31, 2021 stood at Rs. 99.9 million with a 46% increase from the last year of Rs. 68.4 million. A decrease is witnessed in surplus of Rs. 1.4 million against Rs. 11.19 million of the last year.

Company believes their current liquidity availability provides them with sufficient financial resources to meet their obligations as they come due and no such indication exists for the Company that triggered impairment of its assets.

Potential valuation adjustments to asset / liability base, as a result of the possible impact of COVID-19 on Operator's future profitability and cash flow generation, were assessed and no significant adjustments were required.

According to Operator's assessment, there is no material accounting impact of the effects of COVID-19 in these financial statements.

2. Basis of preparation and statement of compliance

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board (IASB) as are 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 and General Takaful Accounting Regulations, 2019.

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

2.2 Basis of preparation

These financial statements have been presented on the format of financial statements issued by the SECP through Insurance Rules, 2017 vide S.R.O. 89(I)/2017 dated February 9, 2017 and General Takaful Accounting Regulations, 2019 vide S.R.O. 1416 (I)/2019 dated November 20, 2019.

These financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful (PTF) in a manner that the assets, liabilities, income and expenses of the OPF and PTF remain separately identifiable.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34 'Interim Financial Reporting'. This condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the operator for the year ended December 31, 2020.

2.3 Basis of measurement

This condensed interim financial information has been prepared under historical cost convention, except that certain investments that are carried at fair market value and recognition of certain employee retirement benefits that are measured at present value. All transactions reflected in these financial statements are on accrued basis except for those reflected in the cash flow statements

2.4 Functional and presentation currency

These condensed interim financial information are presented in Pakistani Rupees which is the Operator's functional and presentation currency.

2.5 Standards, amendments and interpretations to accounting and reporting standards that are effective in the current period

There are certain new and amended standards and interpretations that are mandatory for the Operator's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or to have any significant effect on the Operator's operations and are therefore not detailed in these condensed interim financial statements.

3 Summary of significant accounting policies

The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Operator for the year ended December 31, 2020.

4. Critical accounting estimates and judgments

The preparation of condensed interim financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the annual audited financial statements of the Operator as at and for the year ended December 31, 2020.

| | <u>Note</u> | <u>March 31,</u> <u>2021</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u> | <u>December 31,</u> <u>2020</u> <u>(Audited)</u> |
|---|-------------|--|--|
| 5. Property and equipment - OPF | | | |
| Operating assets - tangible | 5.1 | 937 | 987 |
| 5.1 | | | |
| The breakup of operating assets as at the period / year end is given below: | | | |
| Computers | | - | 28 |
| Vehicles | | 937 | 959 |
| | | 937 | 987 |
| 5.2 Movement during the period / year: | | | |
| Opening book value | | 987 | 1,240 |
| Additions during the period / year | 5.3 | - | - |
| | | 987 | 1,240 |
| Disposal during the period / year (at book value) | 5.4 | - | - |
| Depreciation charged for the period / year | | (50) | (253) |
| | | (50) | (253) |
| Closing book value | | 937 | 987 |

| | Note | March 31, 2021 (Unaudited) (Rupees in thousand) | December 31, 2020 (Audited) |
|---|------|--|-----------------------------------|
| 5.3 Additions during the period / year | | | |
| Computers | | - | - |
| Vehicles | | - | - |
| | | - | - |
| 5.4 Disposals during the period / year | | | |
| Computers | | - | - |
| Vehicles | | - | - |
| | | - | - |
| 6. Intangible assets - OPF | | | |
| Computer software | 6.1 | - | - |
| 6.1 Movement of intangible assets during the period / year | | | |
| Opening book value | | - | 245 |
| Additions during the period / year | | - | - |
| | | - | 245 |
| Amortization charged for the period / year | | - | (245) |
| Closing book value | | - | - |

| | | OPF | | PTF | |
|--|------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| | Note | March 31, 2021 (Unaudited) | December 31, 2020 (Audited) | March 31, 2021 (Unaudited) | December 31, 2020 (Audited) |
| 7. Investments in term deposits | | | | | |
| Held to maturity | | | | | |
| Deposits maturing within 12 months | | - | - | 50,000 | 100,000 |
| 8. Cash and bank | | | | | |
| Cash at bank | | | | | |
| - Current accounts | | - | - | - | - |
| - Saving accounts | 8.1 | 125,521 | 131,928 | 202,457 | 118,042 |
| | | 125,521 | 131,928 | 202,457 | 118,042 |

8.1 The rate of profit and loss sharing accounts range from 1.93 % to 6.01 % (2020: 3.94% to 11.57%) per annum, depending on the size of average deposits.

9. Contingencies and commitments

9.1 Contingencies

There are no outstanding contingencies of Atlas Insurance Limited - Window Takaful Operations (WTO) as on March 31, 2021.

9.2 Commitments

The amount of future payments under operating leases and the period in which these payments will become due are as follows:

| | March 31, 2021 (Unaudited) (Rupees in thousand) | December 31, 2020 (Audited) |
|---|--|-----------------------------------|
| Not later than one year | 2,030 | 7,452 |
| Later than one year and not later than five years | 3,832 | 7,168 |
| | 5,862 | 14,620 |

| | March 31, 2021 (Rupees in thousand) | March 31, 2020 (Rupees in thousand) |
|--|---|---|
| | PTF | |
| 10. Net contribution | | |
| Written gross contribution | 99,932 | 68,426 |
| Less: Wakala fee | (19,055) | (14,069) |
| Contribution net of wakala fee | 80,877 | 54,357 |
| Add: Unearned contribution reserve - opening | 132,865 | 127,278 |
| Less: Unearned contribution reserve - closing | (155,518) | (124,039) |
| Contributions earned | 58,224 | 57,596 |
| Retakaful contribution ceded | 27,148 | 24,329 |
| Add: Prepaid retakaful contribution - opening | 31,646 | 24,739 |
| Less: Prepaid retakaful contribution - closing | (34,919) | (22,094) |
| Retakaful expense | 23,875 | 26,974 |
| Net contribution | 34,349 | 30,622 |

11. Retakaful rebate

| | PTF | |
|---|------------|---------|
| Retakaful rebate / commission received | 4,326 | 2,539 |
| Add: Retakaful rebate / commission - opening | 5,552 | 4,339 |
| Less: Retakaful rebate / commission - closing | (6,634) | (3,856) |
| | 3,244 | 3,022 |

12. Takaful claims expense

| | PTF | |
|---|------------|----------|
| Benefits / Claims paid | 35,164 | 22,925 |
| Add: Outstanding benefits/claims including IBNR - closing | 72,065 | 52,086 |
| Less: Outstanding benefits/claims including IBNR - opening | (67,372) | (51,704) |
| Claims expense | 39,857 | 23,307 |
| Retakaful and other recoveries received | 2,777 | 1,305 |
| Add: Retakaful and other recoveries in respect of outstanding - closing | 31,994 | 8,314 |
| Less: Retakaful and other recoveries in respect of outstanding claims - opening | (29,784) | (9,581) |
| Retakaful and other recoveries revenue | 4,987 | 38 |
| Net claims expense | 34,870 | 23,269 |

13. Wakala fee

The operator manage the Window Takaful Operations for the participants and charges 25% for motor, 35% for fire and property damage, 35% for mrine, aviation and transport and 30% for misc. of the gross contribution written net off administrative surcharge on cotakaful inward as wakala fee against the service.

| | OPF | | PTF | |
|-------------------------|----------------------|-------------------|-------------------|-------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| | (Rupees in thousand) | | | |
| 14. Investment income | | | | |
| Profit on bank deposits | 1,559 | 5,235 | 2,573 | 7,859 |

15. Transactions with related parties

Related parties comprises of associated entities, entities under common control, entities with common directors, major shareholders, post employment benefit plans and key management personnel, inclusive of directors, and their close family members. The operator in the normal course of business carries out transactions with various related parties. The period end balances and transactions with related parties are as follows:

Amounts due to / from and other significant transactions, other than those disclosed elsewhere in these condensed interim financial statements, are as follows:

| | Period end balances | March 31, | December 31, |
|--------------------------------------|---------------------------------------|----------------------|---------------------|
| | | 2021 (Unaudited) | 2020 (Audited) |
| | | (Rupees in thousand) | |
| Associated companies | | | |
| | Provision for outstanding claims | 407 | 421 |
| | Due from contract holders | 974 | 296 |
| | | March 31, | March 31, |
| | | 2021 | 2020 |
| | | (Rupees in thousand) | |
| | Transactions during the period | | |
| | Contribution underwritten | 111 | 446 |
| | Contribution collected | 647 | 723 |
| | Claims paid | 446 | 455 |
| | Dividend received | - | - |
| | Investment purchased | - | - |
| | Investment sold | - | - |
| Post employment benefit plans | Transactions during the period | | |
| | Contributions to fund | 86 | 73 |
| | | March 31, | December 31, |
| | | 2021 | 2020 |
| | | (Unaudited) | (Audited) |
| | | (Rupees in thousand) | |
| Key management personnel | Period end balances | | |
| | Provision for outstanding claims | - | 25 |
| | | March 31, | March 31, |
| | | 2021 | 2020 |
| | | (Rupees in thousand) | |
| | Transactions during the period | | |
| | Contribution underwritten | 39 | 9 |
| | Contribution collected | - | 9 |

16. Segment Information

The Operator has four (2020: four) primary business segments for reporting purposes namely fire and property damage, marine, aviation and transport, motor and miscellaneous.

Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of the gross contribution written by the segments.

16.1 Current year OPF & PTF

16.1.1 Participant's Takaful Fund (PTF)

| | (Unaudited) March 31, 2021 | | | | |
|---|----------------------------|--------------------------------|----------|---------------|------------------------------|
| | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Total |
| | (Rupees in thousand) | | | | |
| Contributin receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and administrative surcharge) | 18,634 | 9,555 | 70,541 | 7,122 | 105,851 |
| Less: Federal Excise Duty | 1,979 | 972 | 997 | 299 | 4,247 |
| Federal Takaful Fee | 137 | 780 | 688 | 67 | 1,672 |
| Gross written contribution (inclusive of administrative surcharge) | 16,518 | 7,803 | 68,856 | 6,756 | 99,932 |
| Gross direct contribution | 15,129 | 7,466 | 66,921 | 6,707 | 96,223 |
| Facultative inward contribution | 1,160 | - | 228 | - | 1,387 |
| Administrative surcharge | 229 | 337 | 1,707 | 49 | 2,322 |
| | 16,518 | 7,803 | 68,856 | 6,756 | 99,932 |
| Wakala fee | (4,260) | (2,958) | (11,307) | (529) | (19,055) |
| Takaful contribution earned | 11,669 | 8,418 | 54,966 | 2,225 | 77,279 |
| Takaful contribution ceded to retakaful | (9,315) | (5,994) | (6,719) | (1,847) | (23,875) |
| Net takaful contribution | (1,906) | (534) | 36,940 | (151) | 34,349 |
| Retakaful rebate | 1,611 | 1,236 | 237 | 160 | 3,244 |
| Net underwriting (loss) / income | (294) | 702 | 37,177 | 9 | 37,594 |
| Takaful Claims | 77 | (3,262) | (36,112) | (560) | (39,857) |
| Takaful claims recovered from retakaful | 264 | 3,065 | 1,668 | (10) | 4,987 |
| Net Claims | 341 | (197) | (34,444) | (570) | (34,870) |
| Other direct expenses | (3) | (1) | (3,246) | (1) | (3,251) |
| (Deficit) / surplus before investment income | 44 | 504 | (513) | (562) | (527) |
| Investment income | | | | | 2,573 |
| Modarib's share of investment income | | | | | (646) |
| Finance cost | | | | | - |
| Surplus transferred to balance of PTF | | | | | 1,400 |
| | | | | | March 31, 2020 |
| | | | | | (Unaudited) |
| | | | | | (Rupees in thousands) |
| Corporate segment assets | 24,261 | 11,460 | 101,132 | 9,922 | 146,775 |
| Corporate unallocated assets | | | | | 252,814 |
| Total assets | | | | | 399,589 |
| Corporate segment liabilities | 60,593 | 28,620 | 252,582 | 24,782 | 366,578 |
| Corporate unallocated liabilities | | | | | - |
| Total liabilities | | | | | 366,577 |

16.1.2 Operator's Fund (OPF)

| | (Unaudited) March 31, 2021 | | | | |
|--|----------------------------|--------------------------------|---------|---------------|------------------------------|
| | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Total |
| | (Rupees in thousand) | | | | |
| Wakala fee | 4,260 | 2,958 | 11,307 | 529 | 19,055 |
| Commission expenses | (1,382) | (1,193) | (2,419) | (83) | (5,076) |
| Management expenses | (240) | (294) | (2,522) | (241) | (3,298) |
| | 2,638 | 1,471 | 6,366 | 205 | 10,681 |
| Modarib share of PTF investment income | | | | | 646 |
| General and administrative expenses | | | | | (283) |
| Other income | | | | | 1,559 |
| Profit before tax | | | | | 12,603 |
| | | | | | March 31, 2020 |
| | | | | | (Unaudited) |
| | | | | | (Rupees in thousands) |
| Corporate segment assets | 4,969 | 2,347 | 20,714 | 2,032 | 30,062 |
| Corporate unallocated assets | | | | | 187,486 |
| Total assets | | | | | 217,548 |
| Corporate segment liabilities | 9,257 | 4,373 | 38,590 | 3,786 | 56,006 |
| Corporate unallocated liabilities | | | | | - |
| Total liabilities | | | | | 56,006 |

16.2 Prior year OPF & PTF

16.2.1 Participant's Takaful Fund (PTF)

| | (Unaudited) March 31, 2020 | | | | |
|---|----------------------------|--------------------------------|----------|---------------|----------|
| | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Total |
| | (Rupees in thousand) | | | | |
| Contributin receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and administrative surcharge) | 11,233 | 5,595 | 60,433 | 2,159 | 79,420 |
| Less: Federal Excise Duty | 1,297 | 540 | 7,610 | 41 | 9,488 |
| Federal Takaful Fee | 911 | 50 | 524 | 21 | 1,506 |
| Gross written contribution (inclusive of administrative surcharge) | 9,025 | 5,005 | 52,299 | 2,097 | 68,426 |
| Gross direct contribution | 8,877 | 4,764 | 50,987 | 2,072 | 66,700 |
| Facultative inward contribution | - | - | - | - | - |
| Administrative surcharge | 148 | 241 | 1,312 | 25 | 1,726 |
| | 9,025 | 5,005 | 52,299 | 2,097 | 68,426 |
| Wakala fee | (2,575) | (1,761) | (9,326) | (407) | (14,069) |
| Takaful contribution earned | 9,535 | 5,506 | 54,956 | 1,668 | 71,665 |
| Takaful contribution ceded to retakaful | (8,823) | (4,943) | (12,548) | (660) | (26,974) |
| Net takaful contribution | (1,863) | (1,198) | 33,082 | 601 | 30,622 |
| Retakaful rebate | 1,563 | 1,013 | 313 | 133 | 3,022 |
| Net underwriting (loss) / income | (300) | (185) | 33,395 | 734 | 33,644 |
| Takaful Claims | (598) | (67) | (21,962) | (680) | (23,307) |
| Takaful claims recovered from retakaful | 563 | 59 | (585) | 1 | 38 |
| Net Claims | (35) | (8) | (22,547) | (679) | (23,269) |
| Other direct expenses | (9) | (5) | (4,386) | (2) | (4,402) |
| (Deficit) / surplus before investment income | (344) | (198) | 6,462 | 53 | 5,973 |
| Investment income | | | | | 7,859 |
| Modarib's share of investment income | | | | | (1,965) |
| Finance cost | | | | | (2) |
| Surplus for the period | | | | | 11,865 |

| | | | | | December 31, 2020 (Audited) (Rupees in thousands) |
|-----------------------------------|--------|--------|---------|-------|--|
| Corporate segment assets | 18,329 | 8,020 | 85,918 | 2,291 | 114,558 |
| Corporate unallocated assets | | | | | 218,893 |
| Total assets | | | | | 333,451 |
| Corporate segment liabilities | 48,292 | 21,130 | 226,381 | 6,036 | 301,839 |
| Corporate unallocated liabilities | | | | | - |
| Total liabilities | | | | | 301,839 |

16.2.2 Operator's Fund (OPF)

| | (Unaudited) March 31, 2020 | | | | |
|--|--------------------------------|--------------------------------------|---------|---------------|---------|
| | Fire and property damage | Marine, aviation and transport | Motor | Miscellaneous | Total |
| | (Rupees in thousand) | | | | |
| Wakala fee | 2,575 | 1,761 | 9,326 | 407 | 14,069 |
| Commission expenses | (1,269) | (790) | (2,898) | (105) | (5,062) |
| Management expenses | (479) | (266) | (2,778) | (111) | (3,634) |
| | 827 | 705 | 3,650 | 191 | 5,373 |
| Modarib share of PTF investment income | | | | | 1,965 |
| General and administrative expenses | | | | | (258) |
| Other income | | | | | 5,235 |
| Profit before tax | | | | | 12,315 |

| | | | | | December 31, 2020 (Audited) (Rupees in thousands) |
|-----------------------------------|-------|-------|--------|-------|--|
| Corporate segment assets | 9,989 | 4,371 | 46,824 | 1,249 | 62,433 |
| Corporate unallocated assets | | | | | 132,912 |
| Total assets | | | | | 195,345 |
| Corporate segment liabilities | 7,424 | 3,249 | 34,805 | 928 | 46,406 |
| Corporate unallocated liabilities | | | | | - |
| Total liabilities | | | | | 46,406 |

17. Fair value measurement of financial instruments

The Company 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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The fair value measurement of available for sale investments is based on quoted market prices i.e. level 1 inputs and is equal to the carrying amount. In case of other financial assets and financial liabilities that are expected to be settled within one year, carrying amounts are considered to be a reasonable approximation of their fair values.

| | <u>Held to maturity</u> | <u>Available for sale</u> | <u>Total</u> |
|---|-----------------------------|-------------------------------|--------------|
| | (Rupees in thousand) | | |
| 18. Movement in investment - OPF | | | |
| As at beginning of current year | | | |
| Additions | 130,000 | - | 130,000 |
| Disposals (sale and redemptions) | (130,000) | - | (130,000) |
| Fair value net gains (excluding net realize gain) | - | - | - |
| Impairment losses | - | - | - |
| As at end of current year | - | - | - |
| Movement in investment - PTF | | | |
| As at beginning of current year | 100,000 | - | 100,000 |
| Additions | 145,000 | - | 145,000 |
| Disposals (sale and redemptions) | (195,000) | - | (195,000) |
| Fair value net gains (excluding net realize gain) | - | - | - |
| Impairment losses | - | - | - |
| As at end of current year | 50,000 | - | 50,000 |

19. Financial risk management

The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the operator for the year ended December 31, 2020.

20. Subsequent events - non adjusting event

There are no significant events that need to be disclosed for the period ended March 31, 2021.

21. Corresponding figures

There has been no significant re-classifications / restatements in this condensed interim financial statements.

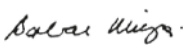
22. Date of authorization for issue

These condensed interim financial statements were authorized for issue on April 28, 2021 by the Board of Directors of the Operator.

23. General

Figures in these interim financial information have been rounded off to the nearest thousand rupees.


Muhammad Aasim Gul
Chief Financial Officer


Babar Mahmood Mirza
Chief Executive


Ali H. Shirazi
Director


Fahim Ali Khan
Director


Iftikhar H. Shirazi
Chairman

Company Offices

HEAD OFFICE

| | | |
|--|-----------------------|---|
| 63/A, Block - XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore. | UAN: PABX: Fax: | 111-245-000 (042) 37132611-18, (042) 37132622 |
| BABAR MAHMOOD MIRZA Chief Executive Officer | Direct: Fax: | (042) 37132600 - 01 (042) 37132623 |
| RASHID AMIN General Manager Underwriting & Compliance | Direct: Extension: | (042) 37132607 737 |
| MUHAMMAD AASIM GUL Chief Financial Officer | Direct: Extension: | (042) 37132630 758 |
| MUHAMMAD SAEED General Manager Claims | Direct: Extension: | (042) 37132608 777 |
| QUDSIA NAHEED General Manager HR & Admin | Direct: Extension: | (042) 37132606 717 |
| ABDUL RAZZAQ GHAURI Head of IT & CISO | Direct: Extension: | (042) 37132605 738 |
| SYED IRTIZA KAZMI Head of Underwriting | Direct: Extension: | (042) 37132604 718 |
| SYED NASIR HUSSAIN Head of Reinsurance | Direct: Extension: | (042) 37132603 715 |
| SALEEM MEHMOOD Chief Internal Auditor | Extension: | 762 |

NORTH ZONE OFFICES & BRANCHES

LAHORE

| | | |
|---|---|---|
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| KH. MUHAMMAD NADEEM Senior Manager-Branch Head | Napier Road Branch Nairobi Mansion Napier Road, Lahore. | (042) 37358190 Fax: (042) 37352560 |
| MUHAMMAD WASEEM PURI Chief Manager-Branch Head | Mall Road Branch Hafeez Chambers, 85 - Shahrah-e-Quaid-e-Azam, Lahore. | (042) 36305595, 36370838 Fax: (042) 36369576 |
| CH. ZEESHAN AHMED Chief Manager-Branch Head | Main Boulevard Branch Office No-6, 2nd Floor, Al-Hafeez View, 67-D/1, Sir Syed Road, Gulberg-III, Lahore | (042) 35784309 Fax: (042) 35784310 |

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SYED MANZAR ALI NAQVI
Senior Manager

FAWAD HABIB
Senior Manager-Branch Head

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MUHAMMAD ASIF AKRAM
Assistant General Manager-Branch Head

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IRSHAD FARRUKH BHATTI
Chief Manager-Branch Head

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