



Half Yearly Report June 30,

2022

تکافل

TAKAFUL

Window Operation

2022

Contents

Company Overview

| 02 | Company Information

Corporate Governance

04	Chairman's Review (English)
07	Chairman's Review (Urdu)
08	Directors' Review (English)
09	Directors' Review (Urdu)

Condensed Interim Financial Statements

10	Independent Auditor's Review Report
11	Condensed Interim Statement of Financial Position
12	Condensed Interim Profit and Loss Account
13	Condensed Interim Statement of Comprehensive Income
14	Condensed Interim Statement of Changes in Equity
15	Condensed Interim Statement of Cash Flow
17	Notes to and Forming Part of the Condensed Interim Financial Statements

Condensed Interim Financial Statements - Window Takaful Operations

34	Independent Auditor's Review Report
35	Condensed Interim Statement of Financial Position
36	Condensed Interim Profit and Loss Account
37	Condensed Interim Statement of Comprehensive Income
38	Condensed Interim Statement of Changes in Funds
39	Condensed Interim Statement of Cash Flow
41	Notes to and Forming Part of the Condensed Interim Financial Statements

Other Information

| 53 | Company Offices

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

M. Habib-ur-Rahman
Non-Executive Director

Roohi Raees 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 Raees Khan
Chairperson

Ali H. Shirazi
Member

Frahim Ali Khan
Member

Babar Mahmood Mirza
Member

Qudsia Naheed
Secretary

Investment Committee

Ali H. Shirazi
Chairman

Frahim Ali Khan
Member

M. 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 Aasim Gul
Member

Muhammad Saeed
Member

Athar Maqsood Paracha
Secretary

Company Information

Risk Management & Compliance Committee

Babar Mahmood Mirza
Chairman

Rashid Amin
Member

Muhammad Aasim Gul
Member

Muhammad Saeed
Member

Athar Maqsood Paracha
Secretary

Information Technology (IT) Committee

Babar Mahmood Mirza
Chairman

Rashid Amin
Member

Muhammad Saeed
Member

Abdul Razzaq Ghauri
Member

Wasim Ahmed
Secretary

Management Committee

Babar Mahmood Mirza
Chief Executive Officer

Rashid Amin
GM Reinsurance & Compliance

Abbas Sajjad
General Manager Sales & Marketing

Muhammad Aasim Gul
Chief Financial Officer

Muhammad Saeed
General Manager Claims

Qudsia Naheed
General Manager 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

GM Compliance

Rashid Amin

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Haroon Dugal 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

Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib 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
FINCA 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 half year ended June 30, 2022.

The Economy

The economy is currently undergoing a severe correction, triggered by both internal and external factors. Although, revival of domestic activities remained on track during the preceding quarter, the deteriorating balance of payment position and surging inflation necessitated a tighter fiscal stance and tightening of monetary policy. The GDP growth of nearly 6%, therefore, appears unrealistic for ensuing quarters. On the external front, the current account deficit for FY-22 stood at USD 17.4 billion as compared to USD 2.8 billion of last year. It was primarily driven by higher trade deficit as growth in imports picked up sharply by 32.8%. The rise in imports was due to a significant surge in global commodity (food and energy) prices on account of geopolitical situation and higher machinery imports under Temporary Economic Refinance Facility. The trade deficit was partially offset by workers' remittances, which was recorded at USD 31.2 billion, up 6.1% as compared to the last year. Import led pressures, along with concerns of approaching debt repayments, caused decline in PKR which lost value to close at PKR 206 / USD by June 30, 2022, touching a peak of Rs. 240 to a USD in July 2022. The recent withdrawal of energy and fuel subsidies and significant increase in food and commodity prices caused inflation to reach a 14-year high of 21.3% in June 2022. To curb inflation, the Central bank has raised the policy rate to 15%, an increase of 800 basis points since September 2021.

Revenue collections for the year stood at Rs.6.1 trillion, a healthy growth of 29.1% over the last year, driven by broad based and above target increase in tax collections. Going forward, in an attempt to narrow the fiscal deficit, the Government through Finance Act, 2022 has proposed imposition of further taxes and withdrawal of certain tax credits. Fiscal containment measures deployed by the Central Bank, inflows from China and the conclusion of agreement with IMF are expected to provide much needed respite to the external position.

During the last quarter of FY-22, the agriculture sector recorded a steady growth of 4.4% with encouraging production of major crops. The growth is mainly driven by a comfortable input situation due to better supply of improved seeds, agriculture credit, fertilizers, and insecticides / pesticides. Moreover, surge in prices of agricultural products and timely subsidies have contributed to surplus liquidity with improved farm incomes.

Large Scale Manufacturing (LSM) grew by an encouraging 13% as major sectors posted an increase in output as compared to 2.7% last year. Looking ahead, growth is expected to moderate on the back of monetary tightening and fiscal consolidation, helping to close the positive output gap and diminish demand-side pressures. This will pave the way for higher growth on a more sustainable basis.

The political instability and pressure on economy did impact the country's capital markets as well, and the KSE-100 index settled at 41,540 points in June 2022, a decline of 12% over June 2021.

The Company

Your Company performed well during the period under review. Gross premium and contribution for the half year ended June 30, 2022 stood at Rs. 2.511 billion against Rs. 1.913 billion of the same period last year, up 31%. Net premium increased to Rs. 1.009 billion against Rs. 866.027 million of the same period last year, up 16%. Underwriting profit registered 21% growth and increased to Rs. 436.058 million against Rs. 359.826 million of the same period last year. Investment income

was Rs. 95.440 million compared to Rs. 152.751 million of the same period last year, down 38% mainly due to charge of impairment in value of available for sale equity securities owing to declining trend in the stock market. The Company earned profit before tax of Rs. 601.462 million against Rs. 554.553 million of the corresponding period last year, mainly due to increase in underwriting profit. Due to the impact of Super Tax of Rs. 75.99 million, the provision for taxation increased to Rs. 249.802 million. After providing for tax, the profit after tax was Rs. 351.660 million compared to Rs. 396.841 million of the same period last year, down 11%.

Future Outlook

The economy, over the years, has shown strong resilience despite unexpected volatility and uncertainty. The macro-economic outlook seems challenging on account of rising inflation, fiscal slippages and drying up of financial inflows. Moving forward, it is essential to sustain the reform momentum and focus on policies for securing stability and promoting sustainable growth. Macroeconomic adjustment measures, specifically fiscal consolidation to complement the ongoing monetary tightening and exports, will help relieve pressure on PKR. Accordingly, there is a need to strike an appropriate balance between supporting the economy, ensuring debt sustainability and advancing structural reforms while maintaining social cohesion.

Insurers are increasingly dependent on emerging technologies and data sources to drive efficiency, enhance cybersecurity, and expand capabilities across the organization. However, they must also focus on improving the customer experience by both streamlining processes with automation, as well as providing customized service where needed and preferred. Your Company is well poised and has demonstrated its ability to avail new opportunities and handle adversity with an aim to keep building a long-term business proposition that increases stakeholder value. In this regard, the "Atlas Way" continue to remain the corner stone of our business philosophy:

ہیو پوسٹہ رہ شجر سے امید بہار رکھ

(Hard work and determination are keys to success)

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

آپ کی کمپنی نے زیر جائزہ مدت کے دوران اچھی کارکردگی کا مظاہرہ کیا۔ 30 جون 2022 کو ختم ہونے والی ششماہی کے لیے مجموعی پرییم اور شراکت 2.511 بلین روپے رہی جو گزشتہ سال کی اسی مدت کے دوران 1.913 بلین روپے کے مقابلے میں 31 فیصد زیادہ ہے۔ نیٹ پرییم گزشتہ سال کی اسی مدت کے دوران 866.027 روپے کے مقابلے میں 16 فیصد بڑھ کر 1.009 بلین ہو گیا۔ انڈر رائٹنگ منافع میں 21 فیصد اضافہ ہوا جو گزشتہ سال کی اسی مدت کے دوران 359.826 بلین روپے کے مقابلے میں بڑھ کر 436.058 بلین روپے ہو گیا۔ سرمایہ کاری کی آمدنی گزشتہ سال کی اسی مدت کے دوران 152.751 بلین روپے کے مقابلے میں 95.440 بلین روپے رہی جو کہ 38 فیصد کمی کو ظاہر کرتا ہے جس کی بنیادی وجہ اسٹاک مارکیٹ میں گرتے ہوئے رجحان کے باعث فروخت کے لیے دستیاب ایکویٹی سکیورٹیز کی مالیت میں فراہم کردہ تصرفات ہیں۔ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 553.553 بلین روپے کے مقابلے میں 601.462 بلین روپے کا قبل از ٹیکس منافع حاصل کیا جس کی بنیادی وجہ انڈر رائٹنگ منافع میں اضافہ ہے۔ سپرنٹیکس کے 75.99 بلین روپے کے اثرات کے باعث ٹیکس بڑھ کر 249.802 بلین روپے ہو گیا اور بعد از ٹیکس منافع 351.660 بلین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے دوران 396.841 روپے کے مقابلے میں 11 فیصد کمی کو ظاہر کرتا ہے۔

مستقبل کے خدو خال

غیر یقینی کی صورتحال کے باوجود بھی معیشت نے کئی سالوں میں برقراری دکھائی ہے۔ افراط زر کی بڑھتی ہوئی سطح، روپے کی قدر میں کمی اور مالیاتی سرگرمیوں میں رکاوٹوں کے باعث میکرو اکنامک آؤٹ لک چیلنجنگ لگتا ہے، مزید یہ کہ اصلاحات برقرار رکھنا اور استحکام کے ساتھ ساتھ پائیدار ترقی کو فروغ دینے کے لیے پالیسیوں پر توجہ مرکوز رکھنا بھی ضروری ہے۔ میکرو اکنامک اقدامات کے نتیجے میں مالیاتی مضبوطی اور برآمدات کی تھیل کے لیے مالی استحکام کے ساتھ ساتھ پاکستانی روپے پر دباؤ کو کم کرنے میں بھی مدد ملے گی۔ اس کے مطابق، معیشت کو سہارا دیتے ہوئے قرضوں کی ادائیگیوں کو یقینی بنانے کے ساتھ ساتھ سماجی ہم آہنگی کو برقرار رکھتے ہوئے ساخت کو مزید اجاگر کرنے کے لیے ایک مناسب توازن قائم کرنے کی ضرورت ہے۔

بیمہ کنندگان کارکردگی کو بڑھانے، سائبر سیکورٹی کو عمل میں لانے اور کمپنی کی مجموعی صلاحیتوں کو بروکار لاتے ہوئے نیکینا لوجی کی جدت اور ڈیٹا کے ذرائع پر زیادہ سے زیادہ انحصار کر رہے ہیں۔ تاہم، آٹومیشن کے اس عمل کے ساتھ ساتھ کسٹمر کے تجربے کو بہتر بنانے پر بھی توجہ دیتے ہوئے ترقیاتی بنیادوں پر خدمات فراہم کرنی چاہیے۔ آپ کی کمپنی نے خود کو اس انداز میں راستہ کیا ہے کہ نئے مواقع سے فائدہ اٹھانے اور مشکلات سے نمٹنے کے لیے اپنی بہترین صلاحیت کا مظاہرہ کرے۔ اس مقصد کے ساتھ طویل مدتی کاروباری تجویز پر عمل جاری رکھنا ہے جس کے باعث اسٹیک ہولڈر کی قدر میں اضافہ ہوگا اسی سلسلے میں، ”اٹلس وے“ ہمارے کاروباری فلسفے کا سنگ بنیاد بنا ہوا ہے۔

ۛ بیوستہ رہ شجر سے اُمید بہار رکھ

اظہار تشکر

میں اس موقع پر یورڈ آف ڈائریکٹرز، جناب بابر محمود مرزا، چیف ایگزیکٹو آفیسر اور ان کی ٹیم کو ان کی کوششوں، لگن اور مقصد کے حصول کے لیے شکر یہ ادا کرنا چاہوں گا۔ میں تمام دوہرے بیمہ کنندگان، ہمارے قابل قدر کلائنٹس، بینکوں اور SECP کا بھی شکر یہ ادا کروں گا کہ انہوں نے کمپنی کے لیے تعاون اور رہنمائی کی۔

Shiraz

افتخار ایچ شی رازی

چیرمین کی جانب سے جائزہ

میں نہایت مسرت کے ساتھ 30 جون 2022 کو ختم ہونے والی ششماہی کے لیے آپ کی کمپنی کے غیر پڑھل شدہ عبوری مالیاتی رپورٹ پیش کر رہا ہوں۔

معیشت

معیشت اس وقت اندرونی و بیرونی دباؤ کے باعث شدید کشش سے گزر رہی ہے۔ اگرچہ گزشتہ سہ ماہی کے دوران مقامی سرگرمیوں میں بحالی دیکھی گئی مگر ادائیگیوں میں عدم توازن، خسارے اور افراط زر کے تیزی سے اضافے کے باعث مانیٹری پالیسی کو سخت کرنے کی ضرورت پیش آئی جس کے نتیجے میں آنے والی سہ ماہیوں کے لیے تقریباً 6 فیصد کی GDP غیر حقیقی دکھائی دے رہی ہے۔ بیرونی سطح پر، مالی سال 2022 کے لیے کرنٹ اکاؤنٹ خسارہ 17.4 بلین امریکی ڈالر رہا جو گزشتہ سال کی اسی مدت کے دوران 2.8 بلین امریکی ڈالر تھا۔ یہ بنیادی طور پر زیادہ تجارتی خسارے کے باعث پیش آیا کیونکہ درآمدات میں تیزی کے ساتھ 32.8 فیصد اضافہ اور چھوٹے پیمانے پر تجارتی خسارے کو جزوی طور پر ملا زمین کی ترسیلات زر سے پورا کیا باعث عالمی اجناس (بالخصوص خوراک اور توانائی) کی قیمتوں میں اضافہ دیکھنے میں آیا۔ تجارتی خسارے کو جزوی طور پر ملا زمین کی ترسیلات زر سے پورا کیا گیا، جو گزشتہ سال کے مقابلے میں 6.1 فیصد اضافے کے ساتھ 31.2 بلین امریکی ڈالر ریکارڈ کی گئی۔ درآمدی دباؤ، قرض کی ادائیگی پاکستانی روپے کی قدر میں کمی کا سبب بنی، جو 30 جون 2022 تک امریکی ڈالر کے مقابلے میں 206 روپے پر بند ہوئی اور جولائی 2022 میں 240 روپے فی ڈالر کی بلند سطح پر پہنچ گئی۔ توانائی اور ایندھن کی سبسڈی میں حالیہ خاتمہ اور خوراک کے ساتھ دیگر اجناس کی قیمتوں میں نمایاں اضافہ دیکھنے میں آیا جس کے باعث جون 2022 میں افراط زر 14 سال کی بلند ترین سطح کے ساتھ 21.3 فیصد تک پہنچ گئی۔ افراط زر کے اس دباؤ کو کم کرنے کے لیے مرکزی بینک نے حال ہی میں پالیسی ریٹ کو بڑھا کر 15 فیصد کر دیا ہے جو ستمبر 2021 سے 800 بیس پوائنٹس کے اضافے کو ظاہر کرتا ہے۔

سال کے لیے محصولات کی وصولی 6.1 ٹریلین روپے رہی جو گزشتہ سال کے مقابلے میں 29.1 فیصد کی مستحکم نمو کو ظاہر کرتا ہے جو ٹیکس وصولیوں میں وسیع بنیادوں پر اور ہدف سے زائد اضافے کی وجہ سے ہوا۔ اس کے علاوہ مالیاتی خسارے کو کم کرنے کی کوشش میں حکومت نے حال ہی میں فنانس ایکٹ 2022 منظور کیا ہے جس میں ٹارگٹڈ سیکمینٹس پر مزید ٹیکس لگانے اور مخصوص ٹیکس کریڈٹس واپس لینے کی تجویز دی گئی ہے۔ جبکہ مرکزی بینک سے حال ہی میں مالیاتی روک تھام کے اقدامات کو بغور رکھا گیا۔ مزید برآں، چین سے آنے والی درآمد اور IMF کے ساتھ حالیہ معاہدے کے نتیجے میں بیرونی سطح پر بیلن کا امکان ہے۔

مالی سال 2022 کے دوران، زراعت کے شعبے نے فصلوں کی حوصلہ افزا پیداوار کے ساتھ 4.4 فیصد کی مستحکم نمو ریکارڈ کی ہے۔ یہ ترقی، بنیادی طور پر بہتر بیجوں، زری قرضوں، کھادوں اور کیڑے مار ادویات کی بہتر فراہمی کی وجہ سے ایک مثبت ان پٹ کی صورت حال سے چلتی ہے مزید برآں، زری مصنوعات کی قیمتوں میں اضافے اور بروقت سبسڈیز نے بہتر زری آمدنی کے ساتھ اضافی لیکویڈیٹی میں بھی کردار ادا کیا ہے۔

سال کے دوران ایل ایس ایم میں 13.0 فیصد تک کا اضافہ دیکھنے میں آیا جو گزشتہ سال 2.7 فیصد تھا۔ اس کے علاوہ سخت مانیٹری پالیسی اور مالیاتی استحکام کے باعث ترقی میں اعتدال آنے کی توقع ہے، جس سے پیداوار کے فرق کو ختم کرنے اور ڈیماڈ سائڈ پر دباؤ کو کم کرنے میں مدد ملے گی۔ یہ زیادہ بہتر بنیادوں پر اعلیٰ ترقی کی راہیں ہموار کرے گا۔

سیاسی اور اقتصادی عدم استحکام کی رواں صورتحال نے ملک کی کینیڈا کے لیے سرمایہ کاری کو بھی متاثر کیا ہے جس کے باعث KSE-100 انڈیکس جون 2022 میں 41,540 پوائنٹس کی سطح تک آ گیا جو کہ جون 2021 کے مقابلے میں 12 فیصد کی کوٹا ہر کرتا ہے۔

Directors' Review

The Directors have pleasure in submitting the half yearly report of the Company together with the un-audited accounts reviewed by the auditors and the auditor's review report for the period ended June 30, 2022.

	<u>June 30,</u> 2022	<u>June 30,</u> 2021
	(Rupees in thousand)	
The overall business figures are:		
Net premium	1,008,780	866,027
Net claims	345,548	269,789
Investment and other income	139,327	175,573
Net commission	126,985	82,697
Expenses of management	354,159	319,108
Financial results are as follows:		
Profit before tax	601,462	554,553
Less: Provision for taxation	249,802	157,712
Profit after tax	<u>351,660</u>	<u>396,841</u>

Contribution of Rs. 247.450 million (2021: Rs. 174.264 million) was written in Participants' Fund account during the period ended June 30, 2022.

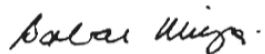
Chairman's Review

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, banks, 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 and on behalf of the
Board of Directors



Babar Mahmood Mirza
Chief Executive

Lahore: August 25, 2022

ڈائریکٹر کی جانب سے جائزہ

ڈائریکٹرز نہایت مسرت کے ساتھ 30 جون 2022 کو ختم ہونے والی ششماہی کے لیے کمپنی کی رپورٹ بمعہ آڈیٹرز کی جانب سے نظر ثانی شدہ کمپنی کے غیر پڑتال شدہ مالیاتی حسابات اور آڈیٹرز کی رپورٹ پیش کر رہے ہیں۔

30 جون
2021

30 جون
2022

(روپے ہزاروں میں)

مجموعی کاروباری اعداد و شمار یہ ہیں:

866,027	1,008,780	خالص پرییم
269,789	345,548	خالص کلیمز
175,573	139,327	سرمایہ کاری اور دیگر ذرائع سے حاصل آمدنی
82,697	126,985	خالص کمیشن
319,108	354,159	انتظامی امور کے اخراجات

مالیاتی نتائج درج ذیل ہیں:

554,553	601,462	قبل از ٹیکس منافع
157,712	249,802	کم ٹیکس تصرفات
396,841	351,660	بعد از ٹیکس منافع

30 جون 2022 کو مکمل ہونے والی مدت کے دوران 247.450 ملین روپے (174.2642021 ملین روپے) کی کٹری بیوشن پارٹیشننگس تکافل فنڈ اکاؤنٹ میں تحریر 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 ایس ای سی پی (SECP) کے تعاون پر تہ دل سے شکر گزار ہیں۔

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

منجانب بورڈ آف ڈائریکٹرز

Balraj Mehta

بابر محمود مرزا

چیف ایگزیکٹو

لاہور: 25 اگست 2022

Independent Auditor's Review Report

To the members of Atlas Insurance Limited

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Atlas Insurance Limited (the Company) as at 30 June 2022 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the 'condensed interim financial statements'). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three-month period ended 30 June 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 30 June 2022.

The engagement partner on the review resulting in this independent auditor's report is Abdullah Fahad Masood.



EY Ford Rhodes
Chartered Accountants

Lahore: August 29, 2022
UDIN: RR202210177oR2eg67z8

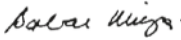
Condensed Interim Statement of Financial Position (Unaudited)

As at June 30, 2022

	Note	June 30, 2022 (Unaudited) (Rupees in thousand)	December 31, 2021 (Audited)
Assets			
Property and equipment	7	189,204	147,626
Intangible assets		-	-
Investments			
Equity securities	8	4,663,340	5,514,093
Debt securities	9	161,566	347,476
Loans and other receivables	10	58,116	38,147
Insurance / reinsurance receivables	11	550,625	431,689
Reinsurance recoveries against outstanding claims	18	1,202,866	772,137
Salvage recoveries accrued		8,085	8,375
Retirement benefits		-	2,265
Deferred commission expense / acquisition cost	19	111,459	95,197
Taxation - provision less payment		-	1,121
Prepayments	12	772,221	711,215
Cash and bank	13	1,054,042	974,543
		8,771,524	9,043,884
Total assets of Window Takaful Operations - Operator's Fund		321,202	273,912
Total Assets		9,092,726	9,317,796
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	14	933,848	848,953
Reserves	15	2,293,908	2,705,977
Unappropriated profits		350,269	621,533
Total Equity		3,578,025	4,176,463
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	18	1,636,881	1,170,215
Unearned premium reserves	17	1,365,320	1,234,056
Unearned reinsurance commission	19	208,644	152,624
Retirement benefit obligations		897	-
Deferred taxation		391,863	546,293
Premium received in advance		109,538	333,082
Lease liabilities	16	63,972	60,183
Insurance / reinsurance payables		741,561	780,521
Other creditors and accruals		807,850	793,582
Taxation - provision less payment		109,860	-
Total Liabilities		5,436,386	5,070,556
Total liabilities of Window Takaful Operations - Operator's Fund		78,315	70,777
Total Equity and Liabilities		9,092,726	9,317,796
Contingencies and Commitments	6		

The annexed notes from 1 to 30 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

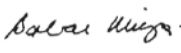
Condensed Interim Statement of Profit and Loss (Unaudited)

For the six months period ended June 30, 2022

	Note	Six months ended		Three months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(Rupees in thousand)					
Net insurance premium	17	1,008,780	866,027	498,667	441,532
Net insurance claims	18	(345,548)	(269,789)	(168,150)	(139,694)
Net commission and other acquisition income	19	126,985	82,697	67,244	44,835
Insurance claims and acquisition expenses		(218,563)	(187,092)	(100,906)	(94,859)
Management expenses	20	(354,159)	(319,108)	(177,308)	(162,162)
Underwriting results		436,058	359,826	220,453	184,511
Investment income	21	95,440	152,751	36,127	98,981
Other income		43,887	22,822	30,452	12,121
Other expenses	22	(7,810)	(7,869)	(3,664)	(3,903)
Results of operating activities		567,575	527,531	283,368	291,710
Finance cost		(5,865)	(4,093)	(4,301)	(1,802)
Profit before tax from window takaful operations - Operator's fund	24	39,752	31,115	23,183	18,512
Profit before tax		601,462	554,553	302,250	308,420
Income tax expense		(249,802)	(157,712)	(162,921)	(83,872)
Profit after tax		351,660	396,841	139,329	224,548
----- (Rupees) -----					
			Restated		Restated
Earnings (after tax) per share - basic and diluted	23	3.77	4.25	1.49	2.40

The annexed notes from 1 to 30 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

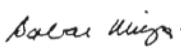
Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months period ended June 30, 2022

	Six months ended		Three months ended	
	June 30, 2022	June 30, 2021 (Restated)	June 30, 2022	June 30, 2021 (Restated)
	(Rupees in thousand)			
Profit after tax	351,660	396,841	139,329	224,548
Other comprehensive (loss) / income for the period:				
<i>Items that may be subsequently reclassified to profit and loss account (net of tax):</i>				
Un-realized (loss) / gain on available for sale investments	(568,069)	11,507	(483,851)	213,315
Other comprehensive income from window takaful operations - Operator's fund	-	-	-	-
	(568,069)	11,507	(483,851)	213,315
<i>Items that will not be subsequently reclassified to profit and loss account (net of tax):</i>				
Other comprehensive (loss) / income for the period	(568,069)	11,507	(483,851)	213,315
Total comprehensive (loss) / income for the period	(216,409)	408,349	(344,522)	437,863

The annexed notes from 1 to 30 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)

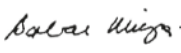
For the six months period ended June 30, 2022

Attributable to equity holders of the Company

	Issued, subscribed and paid-up share capital	Revenue Reserve			Unappropriated profits	Total
		Investment fair value reserve	General reserve	Investment fluctuation reserve		
(Rupees in thousand)						
Balance as at December 31, 2020 (audited)	848,953	2,082,577	1,192,064	3,000	648,633	4,775,227
Profit for the period ended June 30, 2021	-	-	-	-	396,841	396,841
Other comprehensive income for the period ended June 30, 2021	-	11,507	-	-	-	11,507
Total comprehensive income for the six months period ended June 30, 2021	-	11,507	-	-	396,841	408,348
Transferred to general reserve	-	-	50,000	-	(50,000)	-
Final dividend for the year ended December 31, 2020 @ 70% (Rs. 7.0 per share)	-	-	-	-	(594,268)	(594,268)
Balance as at June 30, 2021 (un-audited)	848,953	2,094,084	1,242,064	3,000	401,206	4,589,307
Balance as at December 31, 2021 (audited)	848,953	1,460,913	1,242,064	3,000	621,533	4,176,463
Profit for the period ended June 30, 2022	-	-	-	-	351,660	351,660
Other comprehensive loss for the period ended June 30, 2022	-	(568,069)	-	-	-	(568,069)
Total comprehensive (loss) / income for the six months period ended June 30, 2022	-	(568,069)	-	-	351,660	(216,409)
Transferred to general reserve	-	-	156,000	-	(156,000)	-
Bonus shares issued for the year ended December 31, 2021 @ 10% per share	84,895	-	-	-	(84,895)	-
Final dividend for the year ended December 31, 2021 @ 45% (Rs. 4.5 per share)	-	-	-	-	(382,029)	(382,029)
Balance as at June 30, 2022 (un-audited)	933,848	892,844	1,398,064	3,000	350,269	3,578,025

The annexed notes from 1 to 30 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 Cash Flow (Unaudited)

For the six months period ended June 30, 2022

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Operating cash flows		
a) Underwriting activities		
Insurance premium received	1,819,271	1,616,154
Reinsurance premiums paid	(1,183,848)	(1,119,602)
Claims paid	(647,195)	(610,655)
Reinsurance and other recoveries received	337,874	341,116
Commissions paid	(156,164)	(130,576)
Commissions received	319,577	227,779
Other underwriting payments	(9,072)	(6,142)
Other underwriting receipts	40,793	19,269
Management expenses paid	(325,205)	(265,677)
Net cash generated from underwriting activities	196,031	71,666
b) Other operating activities		
Income tax paid	(140,071)	(133,398)
Other operating payments	(14,025)	(7,869)
Other operating receipts	35,708	136,548
Loan repayment received	149	-
Net cash used in other operating activities	(118,239)	(4,719)
Total cash generated from all operating activities	77,792	66,947
Investment activities		
Profit / return received	50,412	40,581
Dividend received	136,152	153,628
Payments for investments	(698,777)	(1,295,288)
Proceeds from investments	953,311	1,420,203
Operating assets purchased	(52,525)	(15,157)
Proceeds from sale of property and equipment	8,774	1,821
Total cash generated from investing activities	397,347	305,788
Financing activities		
Dividends paid	(374,206)	(581,477)
Payment of lease liability against right-of-use assets	(21,434)	(12,973)
Total cash used in financing activities	(395,640)	(594,450)
Total cash generated from / (used in) all activities	79,499	(221,715)
Cash and cash equivalents at beginning of the period	974,543	882,778
Cash and cash equivalents at end of the period	1,054,042	661,063

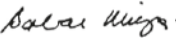
Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended June 30, 2022

	June 30, 2022	June 30, 2021
	(Rupees in thousand)	
Reconciliation to condensed interim profit and loss account		
Operating cash flows	77,792	66,947
Depreciation of operating assets	(12,250)	(9,989)
Depreciation of right-of-use assets	(12,482)	(11,961)
Gain on disposal of property and equipment	1,179	72
Finance cost	(3,843)	(4,032)
Impairment in value of available for sale securities	(66,402)	(23,915)
Profit on disposal of investments	5,522	2,615
Dividend income	142,102	154,361
Other investment income	56,926	42,440
Increase / (decrease) in assets other than cash	616,522	(294,745)
(Increase) / decrease in liabilities other than borrowings	(322,136)	386,420
Other adjustments		
(Increase) / decrease in provision for unearned premium	(131,264)	67,213
Increase in commission income unearned	(56,020)	(28,444)
Increase in provision for deferred commission expense	16,262	18,744
Profit from window takaful operations for the period - Operator's fund	39,752	31,115
Profit after tax for the period	351,660	396,841

The annexed notes from 1 to 30 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


Frahm Ali Khan
Director


Iftikhar H. Shirazi
Chairman

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

For the six months period ended June 30, 2022

1. Legal status and nature of business

- 1.1 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.

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, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019 have been followed.

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, 2021.

As per the requirements of Takaful Rules, 2012, read with SECP Circular 25 of 2015 dated July 09, 2015, the assets, liabilities and profit / loss of the Operator's Fund (OPF) of the Window Takaful Operations of the Operator have been presented as a single line item in the condensed interim statement of financial position, condensed interim statement of profit or loss and condensed interim statement of comprehensive income of the Company respectively.

Further, a separate set of the condensed interim financial statements of the Window Takaful Operations has been annexed to these condensed interim financial statements as per the requirements of Takaful Rules, 2012.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors of the Company in accordance with the requirements of the Code of Corporate Governance for Insurers, 2016 issued by the SECP.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under historical cost convention except for certain foreign currency translation adjustments, certain financial instruments carried at fair value, and defined benefit obligations under employees benefits carried at present value as described in respective notes. All transactions reflected in these condensed interim financial statements are on accrual basis except for those reflected in cash flow statement.

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

3. Summary of significant accounting policies

The accounting policies and methods of computation adopted in the presentation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2021, except as follows:

3.1 New standards, interpretations, amendments and improvements effective during current period

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations effective for annual period beginning on January 01, 2022, as listed below. The Company has not early-adopted any other standard, interpretation, amendment and improvement that has been issued but is not yet effective.

New Standards, Interpretations and Amendments

IFRS 3 Reference to conceptual framework — (Amendments)

IAS 16 Property, plant and equipment: Proceeds before intended use — (Amendments)

IAS 37 Onerous contracts - costs of fulfilling a contract — (Amendments)

AIP IAS 41 Taxation in fair value measurements

AIP IFRS 9 Fees in the '10 per cent' test for derecognition of financial liabilities

AIP IFRS 1 First-time adoption of International Financial Reporting Standard - Subsidiary as a first-time adopter

The adoption of above standards and amendments, will not have any material impact on the Company's condensed interim financial statements.

3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IAS 1	Classification of liabilities as current or non-current — (Amendments)	January 01, 2023
IAS 8	Definition of accounting estimates — (Amendments)	January 01, 2023
IFRS 10 & IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – (Amendment)	Not yet finalized
IAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction — (Amendments)	January 01, 2023
IAS 1 & IFRS Practice Statement 2	Disclosure of accounting policies — (Amendments)	January 01, 2023

The Company expects that such improvements to the standards will not have any material impact on the Company's condensed interim financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 1, 2023. The Company expects that such improvements to the standards will not have any material impact on the Company's condensed interim financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17	Insurance Contracts	January 01, 2023

The management is currently in the process of assessing the impact of changes laid down by the standard on its financial statements.

4. Temporary exemption from application of IFRS 9

The Company meets the eligibility criteria of the temporary exemption from IFRS 9 and intends to defer the application of IFRS 9 until the effective date of the new insurance contracts standard (IFRS 17) of annual reporting periods beginning on or after January 1, 2023, as allowed by the amendments contained in Annual Improvements to IFRS Standards 2015-2017 Cycle.

The temporary exemption enables eligible entities to defer the implementation date of IFRS 9 for annual periods beginning before January 1, 2023 and continue to apply IAS 39 to financial assets and liabilities.

An entity may apply the temporary exemption from IFRS 9 if:

- (i) it has not previously applied any version of IFRS 9, other than only the requirements for the presentation of gains and losses on financial liabilities designated as FVPL; and
- (ii) its activities are predominantly connected with insurance on its annual reporting date.

5. Critical accounting estimates and judgments

5.1 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, 2021.

5.2 Figures for tax, WWF and IBNR are provisional and subject to adjustment at year end.

6. Contingencies and commitments

6.1 Tax contingencies

There has been no significant change in the status of contingencies as reported in the annual financial statements of the Company for the year ended December 31, 2021.

	<u>June 30,</u> <u>2022</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2021</u> <u>(Audited)</u> <u>(Rupees in thousand)</u>
6.2 Other contingencies		
Claims against the Company not acknowledged as debt	33,480	34,693

6.3 Commitments

6.3.1 Commitments in respect of operating leases

These represent commitments arising from short-term and immaterial leases recognized 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>June 30,</u> <u>2022</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2021</u> <u>(Audited)</u> <u>(Rupees in thousand)</u>
Not later than one year		2,678	8,732
Later than one year and not later than five years		1,896	8,825
		4,574	17,557
7. Property and equipment			
Operating assets	7.1	128,100	95,420
Right-of-use asset	7.5	61,104	52,206
		189,204	147,626

	Note	June 30, 2022 (Unaudited) (Rupees in thousand)	December 31, 2021 (Audited)
7.1 The breakup of operating assets as at the period / year end is given below:			
Freehold building		846	1,649
Lease hold improvements		7,642	7,642
Furniture and fixtures		5,159	5,227
Office equipment		10,069	9,789
Computer equipment		13,328	12,200
Vehicles		91,056	58,913
		128,100	95,420
7.2 Movement of operating assets during the period / year			
Opening book value		95,420	87,190
Add: Additions during the period / year	7.3	52,525	34,763
		147,945	121,953
Less: Disposal during the period / year (at book value)		(7,595)	(5,176)
Depreciation charged for the period / year	7.4	(12,250)	(21,357)
		(19,845)	(26,533)
Closing book value		128,100	95,420
7.3 Additions during the period / year			
Furniture and fixtures		460	372
Office equipment		1,303	607
Computer equipment		3,886	6,067
Vehicles		46,876	27,717
		52,525	34,763
7.4 Disposals during the period / year			
Furniture and fixtures		-	3
Office equipment		18	41
Computer equipment		399	492
Vehicles		7,178	4,640
		7,595	5,176
7.5 Right-of-use asset - buildings			
Opening book value		52,206	72,599
Additions during the period		21,380	4,898
Disposals during the prior period / year		-	(988)
Depreciation charged during the period / year		(12,482)	(24,303)
Closing book value		61,104	52,206

8. Investments in equity securities

	Note	June 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
(Rupees in thousand)							
Available for sale							
Related parties							
Listed shares	8.1	643,711	-	643,711	643,711	-	643,711
Mutual funds	8.2	575,542	-	575,542	629,021	-	629,021
		1,219,253	-	1,219,253	1,272,732	-	1,272,732
Unrealized gain on revaluation as at				1,321,106			1,640,937
				2,540,359			2,913,669
Others							
Listed shares	8.3	2,265,413	(159,037)	2,106,376	2,226,579	(92,635)	2,133,944
Unlisted shares		500	(500)	-	500	(500)	-
Mutual funds		1,068	-	1,068	49,794	-	49,794
		2,266,981	(159,537)	2,107,444	2,276,873	(93,135)	2,183,738
Unrealized gain on revaluation as at				15,537			416,686
				2,122,981			2,600,424
				4,663,340			5,514,093

8.1 Listed securities include an amount of Rs. 2,019,683 thousand (December 31, 2021: Rs. 2,275,645 thousand) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 643,711 thousand (December 31, 2021: Rs. 643,711 thousand).

8.2 Mutual funds include an amount of Rs. 332,374 thousand (December 31, 2021: Rs. 370,212 thousand) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 368,130 thousand (December 31, 2021: Rs. 368,130 thousand).

8.3 Listed securities include an amount of Rs. 1,633,066 thousand (December 31, 2021: Rs. 1,955,904 thousand) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 1,571,242 thousand (December 31, 2021: Rs. 1,579,553 thousand).

Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
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9. Investments in debt securities

Held to maturity

Pakistan Investment Bonds	9.1	141,566	141,566
Treasury Bills		-	185,910

Available for Sale

Term Finance Certificates		20,000	20,000
		161,566	347,476

9.1 Pakistan Investment Bonds having cost of Rs. 136,935 thousand (December 31, 2021: 88,400 thousand) are 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	June 30, 2022 (Unaudited) (Rupees in thousand)	December 31, 2021 (Audited)
10. Loan and other receivables - considered good			
Loan to related parties	10.1	2,952	786
Accrued investment income		16,778	6,336
Security deposits		7,970	7,340
Loans to employees		374	523
Advances to suppliers	10.2	10,122	3,173
Receivable from Operator's Fund	10.3	6,000	12,000
Other receivable		13,920	7,989
		58,116	38,147

10.1 This represent interest free amounts due from executives / key management personnel. Loans and other receivables are carried at amortized cost using the effective interest rate method.

10.2 This includes advances given to related parties amounting to Rs. 6,641 thousand (December 31, 2021: 91 thousand).

10.3 This represents receivable in respect of common expenses incurred by the Company on behalf of the Window Takaful Operations.

11. Insurance / reinsurance receivables - unsecured and considered good

	Note	June 30, 2022 (Unaudited) (Rupees in thousand)	December 31, 2021 (Audited)
Due from insurance contract holders		307,126	196,789
Less: Provision for impairment of receivable from insurance contract holders		(24,705)	(2,859)
		282,421	193,930
Due from other insurers / reinsurers		270,163	239,718
Less: Provision for impairment of due from other insurers / reinsurers		(1,959)	(1,959)
		268,204	237,759
		550,625	431,689

12. Prepayments

Prepaid reinsurance premium ceded		770,692	710,151
Prepaid rent		221	335
Prepaid miscellaneous expenses		1,308	729
		772,221	711,215

13. Cash and bank

Cash at bank			
Current accounts		-	-
Saving accounts	13.1	1,054,042	974,543
		1,054,042	974,543

13.1 The balance in savings accounts bears mark-up which ranges from 2.82% to 13.24% (December 31, 2021: 2.82% to 7.83%) per annum.

14. Ordinary share capital

14.1 Authorised share capital

June 30, 2022 (Unaudited) (Number of shares)	December 31, 2021 (Audited)		June 30, 2022 (Unaudited) (Rupees in thousand)	December 31, 2021 (Audited)
150,000,000	150,000,000	Ordinary shares of Rs. 10/- each	1,500,000	1,500,000

14.2 Issued, subscribed and paid up share capital

June 30, 2022 (Unaudited) (Number of shares)	December 31, 2021 (Audited)		June 30, 2022 (Unaudited) (Rupees in thousand)	December 31, 2021 (Audited)
250,000	250,000	Ordinary shares of Rs. 10/- each fully paid in cash	2,500	2,500
93,134,797	84,645,270	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	931,348	846,453
93,384,797	84,895,270		933,848	848,953

15. Reserves

Revenue reserves

	Note	June 30, 2022 (Unaudited) (Rupees in thousand)	December 31, 2021 (Audited)
Investment fair value reserve	15.1	892,844	1,460,913
General reserve		1,398,064	1,242,064
Investment fluctuation reserve		3,000	3,000
		2,293,908	2,705,977

15.1 This represents net unrealized gain on re-measurement of available for sale investments at fair value and is not available for distribution. This shall be transferred to statement of profit or loss on de-recognition of investments.

16. Borrowings

	June 30, 2022 (Unaudited) (Rupees in thousand)	December 31, 2021 (Audited)
Lease liabilities against right-of-use asset	63,972	60,183

	Six months ended		Three months ended	
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)

(Rupees in thousand)

17. Net insurance premium

Written gross premium	2,263,350	1,738,719	802,765	668,765
Add: Unearned premium reserve - opening	1,234,056	1,197,061	1,658,943	1,424,080
Less: Unearned premium reserve - closing	(1,365,320)	(1,198,281)	(1,365,320)	(1,198,281)
Premium earned	2,132,086	1,737,499	1,096,388	894,564
Less: Reinsurance premium ceded	1,183,848	939,906	425,298	355,286
Add: Prepaid reinsurance premium - opening	710,150	648,553	943,115	814,733
Less: Prepaid reinsurance premium - closing	(770,692)	(716,987)	(770,692)	(716,987)
Reinsurance expense	1,123,306	871,472	597,721	453,032
	1,008,780	866,027	498,667	441,532

18. Net insurance claims

Claims paid	647,485	610,906	269,423	305,448
Add: Outstanding claims including IBNR - closing	1,636,881	1,147,727	1,636,881	1,147,727
Less: Outstanding claims including IBNR - opening	(1,170,215)	(1,412,100)	(1,520,615)	(1,195,424)
Claims expense	1,114,151	346,533	385,689	257,751
Less: Reinsurance and other recoveries received	337,874	341,118	122,116	175,662
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	1,202,866	823,350	1,202,866	823,350
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(772,137)	(1,087,723)	(1,107,443)	(880,955)
Reinsurance and other recoveries revenue	768,603	76,744	217,539	118,057
	345,548	269,789	168,150	139,694

19. Net commission and other acquisition income

Commission paid or payable	152,834	135,382	58,966	56,678
Add: Deferred commission expense - opening	95,197	92,418	124,626	111,411
Less: Deferred commission expense - closing	(111,459)	(111,162)	(111,459)	(111,162)
Net Commission expense	136,572	116,638	72,133	56,927
Less: Commission received or recoverable	319,577	227,779	115,588	86,938
Add: Unearned Reinsurance commission - opening	152,624	138,404	232,433	181,672
Less: Unearned Reinsurance commission - closing	(208,644)	(166,848)	(208,644)	(166,848)
Commission from reinsurers	263,557	199,335	139,377	101,762
	(126,985)	(82,697)	(67,244)	(44,835)

Note	Six months ended		Three months ended	
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)

(Rupees in thousand)

20. Management expenses

Employee benefit cost	20.1	203,102	196,993	102,096	102,842
Travelling expenses		5,327	2,204	2,336	993
Advertisements and sales promotion		8,391	9,230	1,047	1,483
Printing and stationery		4,347	3,617	2,811	2,377
Depreciation of operating assets		12,250	9,989	6,766	5,202
Depreciation of right-of-use assets		12,482	11,961	7,352	6,500
Rent, rates and taxes		3,344	2,763	1,042	1,330
Electricity, gas and water		4,544	3,332	2,639	1,807
Entertainment		1,157	802	408	308
Vehicle running expenses		16,336	11,610	9,414	6,467
Office repairs and maintenance		2,754	1,503	1,541	562
Bank charges		269	449	169	185
Postages, telegrams and telephone		5,798	5,187	2,745	2,522
Annual supervision fee SECP		2,500	2,500	1,250	1,250
Trackers expense		7,952	7,592	5,070	4,203
Fee and subscriptions		17,148	11,738	9,579	3,538
Insurance expense		353	662	301	1,358
Office expenses		4,700	3,448	2,778	1,582
Service charges		9,072	6,142	7,714	6,482
Miscellaneous		32,333	27,386	10,250	11,171
		<u>354,159</u>	<u>319,108</u>	<u>177,308</u>	<u>162,162</u>

20.1 Employee benefit cost

Salaries, allowances and other benefits		190,209	187,714	95,973	97,292
Charges for post employment benefit		12,893	9,279	6,123	5,550
		<u>203,102</u>	<u>196,993</u>	<u>102,096</u>	<u>102,842</u>

21. Investment income

Income from equity securities

Available for sale

Dividend income		142,102	154,361	92,009	114,124
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Income from debt securities

Held to maturity

Return on debt securities		13,233	15,738	2,392	2,421
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Available for sale

Interest on term finance certificates		985	873	464	873
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Income from term deposits

Return on term deposits		-	3,078	-	3,078
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Net realized gain on investments

		<u>156,320</u>	<u>174,050</u>	<u>94,865</u>	<u>120,496</u>
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Available for sale financial assets

Realized gain on equity securities		<u>6,480</u>	<u>4,054</u>	<u>1,893</u>	<u>(8,515)</u>
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Total investment income

		<u>162,800</u>	<u>178,104</u>	<u>96,758</u>	<u>111,981</u>
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Less: Charge of impairment in value
of available for sale securities
- Equity securities

		<u>(66,402)</u>	<u>(23,915)</u>	<u>(59,919)</u>	<u>(11,913)</u>
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Less: Investment related expenses

		<u>(958)</u>	<u>(1,438)</u>	<u>(712)</u>	<u>(1,087)</u>
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		<u>95,440</u>	<u>152,751</u>	<u>36,127</u>	<u>98,981</u>
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Note	Six months ended		Three months ended	
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)

22. Other expenses

Legal and professional fee other than

business related	423	1,201	-	590
Donations	22.1 5,600	5,000	2,800	2,800
Auditor's remuneration	1,487	1,368	714	363
Director's fee	300	300	150	150
	<u>7,810</u>	<u>7,869</u>	<u>3,664</u>	<u>3,903</u>

- 22.1 This amount represents Rs. 5,600 thousand (June 30, 2021: Rs. 5,000 thousand) donation to Atlas Foundation, a related party, situated at 2nd Floor, Federation House, Clifton, Karachi - 74000. The following Directors of the Company are members of its Board of Directors:

Name of Directors

Mr. Iftikhar H. Shirazi
Mr. Frahim Ali Khan
Mr. M. Habib-ur-Rahman
Mr. Ali H. Shirazi

With the exception of their directorship, the directors and their spouses have no interest in the donee.

	Six months ended		Three months ended	
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)

23. Earnings per share

Profit after tax for the period	<u>351,660</u>	<u>396,841</u>	<u>139,329</u>	<u>224,548</u>
	Number of shares (thousand)			
		Restated		Restated
Weighted average number of ordinary shares	<u>93,385</u>	<u>93,385</u>	<u>93,385</u>	<u>93,385</u>
		(Rupees)		
		Restated		Restated
Earnings per share - (basic / diluted)	<u>3.77</u>	<u>4.25</u>	<u>1.49</u>	<u>2.40</u>

- 23.1 There is no dilution in basic earnings per share as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

	Six months ended		Three months ended	
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)

24. Window takaful operations - Operator's fund

Wakala fee	57,355	43,122	29,771	24,067
Commission expense	(15,248)	(10,644)	(7,628)	(5,568)
General, administrative and management expenses	(13,266)	(6,307)	(7,115)	(2,767)
Modarib's share of PTF investment income	3,608	1,807	1,813	1,161
Investment income	7,443	3,332	6,319	1,773
Direct expenses	(483)	(508)	(233)	(225)
Other income	343	313	256	71
Profit for the period	<u>39,752</u>	<u>31,115</u>	<u>23,183</u>	<u>18,512</u>

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

		<u>June 30,</u> 2022 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2021 (Audited)
Parent company	Period / year end balances		
	Provision for outstanding claims	842	745
	Premium received in advance	-	178
	Due from insurance contract holders	-	1,942
		<u>June 30,</u> 2022 (Unaudited) (Rupees in thousand)	<u>June 30,</u> 2021 (Unaudited)
	Transactions during the period		
	Premium underwritten	212	335
	Premium collected	2,224	3,548
	Claims paid	4,405	3,370
	Rent paid	-	2,675
	Dividend paid	287,779	447,657
	IT support service charges paid	12,543	2,675
		<u>June 30,</u> 2022 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2021 (Audited)
Associated companies	Period / year end balances		
	Provision for outstanding claims	122,641	130,434
	Premium received in advance	683	197,684
	Due from insurance contract holders	189,213	115,824
	Donation payable	5,755	11,970
		<u>June 30,</u> 2022 (Unaudited) (Rupees in thousand)	<u>June 30,</u> 2021 (Unaudited)
	Transactions during the period		
	Premium underwritten	1,295,955	667,458
	Premium collected	1,047,291	781,493

		<u>June 30,</u> 2022 (Unaudited) (Rupees in thousand)	<u>June 30,</u> 2021 (Unaudited) (Rupees in thousand)
Associated Companies	Transactions during the period		
	Claims paid	135,516	138,337
	Assets purchased	31,142	1,532
	Expenses paid	3,400	6,309
	Dividends received	62,633	84,731
	Donations paid	11,832	9,078
	Investments purchased	-	91,450
	Investments sold at sale price	57,990	80,000
	Lease liability paid	-	775
	Dividend paid	10,508	16,346
Post employment benefit plans	Transactions during the period		
	Contributions in respect of retirement benefit plans	12,282	10,215
		<u>June 30,</u> 2022 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2021 (Audited) (Rupees in thousand)
Key management personnel	Period / year end balances		
	Due from insurance contract holders	155	673
		<u>June 30,</u> 2022 (Unaudited) (Rupees in thousand)	<u>June 30,</u> 2021 (Unaudited) (Rupees in thousand)
	Transactions during the period		
	Compensation paid	118,818	87,254
	Claims paid	50	-
	Premium underwritten	265	311
	Premium collected	611	134
	Dividend Paid	81	-
	Assets sold	4,238	-

26. Segment reporting

The Company has identified four (2021: 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) Six months ended June 30,

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)									
Premium receivable (inclusive of Federal Insurance Fee and Administrative surcharge)	866,954	609,953	895,560	616,062	492,079	381,263	347,605	386,139	2,592,198	1,993,417
Less: Federal Excise Duty	105,202	78,752	105,877	74,396	61,998	45,729	34,562	39,039	307,639	237,916
Federal Insurance Fee	7,118	5,360	7,422	5,257	3,932	2,913	2,737	3,252	21,209	16,782
Gross written premium (inclusive of Administrative Surcharge)	744,634	525,842	782,261	536,409	426,149	332,620	310,306	343,848	2,263,350	1,738,719
Gross direct premium	724,427	514,035	769,607	525,002	384,807	286,964	305,819	341,212	2,184,660	1,667,213
Facultative inward premium	17,523	9,295	405	1,275	35,269	41,669	2,297	-	55,494	52,239
Administrative surcharge	2,684	2,512	12,249	10,132	6,073	3,987	2,190	2,636	23,196	19,267
	744,634	525,842	782,261	536,409	426,149	332,620	310,306	343,848	2,263,350	1,738,719
Insurance premium earned	732,893	596,320	698,732	507,794	397,828	328,287	302,633	305,098	2,132,086	1,737,499
Insurance premium ceded to reinsurers	(581,815)	(473,636)	(278,323)	(174,848)	(95,971)	(75,160)	(167,197)	(147,828)	(1,123,306)	(871,472)
Net insurance premium	151,078	122,684	420,409	332,945	301,857	253,127	135,436	157,270	1,008,780	866,027
Commission income	122,251	96,665	81,115	46,981	21,386	16,464	38,805	39,227	263,557	199,335
Net underwriting income	273,329	219,348	501,524	379,927	323,243	269,591	174,241	196,498	1,272,337	1,065,362
Insurance claims	(642,807)	(211,832)	(156,568)	(43,579)	(158,171)	(143,542)	(156,605)	52,421	(1,114,151)	(346,533)
Insurance claims recovered from reinsurers	601,831	193,660	119,258	24,245	16,256	24,294	31,258	(165,456)	768,603	76,744
Net claims	(40,976)	(18,172)	(37,310)	(19,334)	(141,915)	(119,248)	(125,347)	(113,035)	(345,548)	(269,789)
Commission expense	(72,554)	(60,205)	(24,371)	(17,197)	(25,061)	(23,129)	(14,586)	(16,109)	(136,572)	(116,638)
Management expenses	(117,756)	(96,576)	(118,607)	(95,137)	(71,677)	(66,144)	(46,119)	(61,251)	(354,159)	(319,108)
Net insurance claims and expenses	(231,286)	(174,953)	(180,288)	(131,668)	(238,653)	(208,521)	(186,052)	(190,396)	(836,279)	(705,535)
Underwriting results	42,043	44,395	321,236	248,259	84,590	61,070	(11,811)	6,102	436,058	359,826
Investment income									95,440	152,751
Other income									43,887	22,822
Finance cost									(5,865)	(4,093)
Other expenses									(7,810)	(7,869)
Profit before taxation from window takaful operations - Operator's fund									39,752	31,115
Profit before tax for the period									601,462	554,553

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	June 30 2022	December 31 2021	June 30 2022	December 31 2021	June 30 2022	December 31 2021	June 30 2022	December 31 2021	June 30 2022	December 31 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in thousand)									
Segment assets - Conventional	869,787	713,405	913,671	583,677	497,814	393,017	362,455	327,450	2,643,727	2,017,549
Segment assets - Takaful OPF	23,167	21,134	13,139	10,777	88,942	93,297	21,425	13,948	146,673	139,156
Unallocated assets - Conventional									6,127,797	7,026,335
Unallocated assets - Takaful OPF									174,529	134,756
									<u>9,092,726</u>	<u>9,317,796</u>
Segment liabilities - Conventional	1,463,891	1,422,306	1,537,751	1,163,669	837,844	783,555	610,028	652,830	4,449,514	4,022,360
Segment liabilities - Takaful OPF	3,114	4,068	1,759	2,070	11,941	17,947	60,063	45,995	76,877	70,080
Unallocated liabilities - Conventional									986,872	1,048,196
Unallocated liabilities - Takaful OPF									1,438	697
									<u>5,514,701</u>	<u>5,141,333</u>

27. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy and has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

June 30, 2022	Note	Carrying amount						Fair value				
		Available for sale	Fair value through profit or loss	Held to Maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)										
Financial assets - measured at fair value												
Investment - equity	8	4,663,340	-	-	-	-	-	4,663,340	4,663,340	-	-	4,663,340
		4,663,340	-	-	-	-	-	4,663,340	4,663,340	-	-	4,663,340
Financial assets - not measured at fair value												
Investment - debt securities	9	20,000	-	141,566	-	-	-	161,566	161,566	-	-	161,566
Loans and other receivables*	10	-	-	-	58,116	-	-	58,116	-	-	-	-
Insurance / reinsurance receivables - unsecured and considered good*	11	-	-	-	550,625	-	-	550,625	-	-	-	-
Reinsurance recoveries against outstanding claims*	18	-	-	-	1,202,866	-	-	1,202,866	-	-	-	-
Cash and bank*	13	-	-	-	-	1,054,042	-	1,054,042	-	-	-	-
Total assets of Window Takaful Operations - Operator's Fund*		-	-	-	321,202	-	-	321,202	-	-	-	-
		20,000	-	141,566	2,132,809	1,054,042	-	3,348,417	161,566	-	-	161,566

	Carrying amount						Fair value					
	Note	Available for sale	Fair value through profit or loss	Held to Maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in thousand)												
Financial liabilities - not measured at fair value												
Underwriting provisions: Outstanding claims including IBNR*	18	-	-	-	-	-	1,636,881	1,636,881	-	-	-	-
Insurance / reinsurance payables*		-	-	-	-	-	741,561	741,561	-	-	-	-
Other creditors and accruals*		-	-	-	-	-	807,850	807,850	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*		-	-	-	-	-	78,315	78,315	-	-	-	-
		-	-	-	-	-	3,264,607	3,264,607	-	-	-	-
December 31, 2021												
Financial assets - measured at fair value												
Investment-Equity/ debt securities	8	5,514,093	-	-	-	-	-	5,514,093	5,514,093	-	-	5,514,093
		5,514,093	-	-	-	-	-	5,514,093	5,514,093	-	-	5,514,093
Financial assets - not measured at fair value												
Investment -Debt Securities	9	20,000	-	327,476	-	-	-	347,476	347,476	-	-	347,476
Loans and other receivables*	10	-	-	-	38,147	-	-	38,147	-	-	-	-
Insurance / reinsurance receivables - unsecured and considered good*	11	-	-	-	431,689	-	-	431,689	-	-	-	-
Reinsurance recoveries against outstanding claims*	18	-	-	-	772,137	-	-	772,137	-	-	-	-
Cash and bank*	13	-	-	-	-	974,543	-	974,543	-	-	-	-
Total assets of Window Takaful Operations - Operator's Fund*		-	-	-	273,912	-	-	273,912	-	-	-	-
		20,000	-	327,476	1,515,885	974,543	-	2,837,904	347,476	-	-	347,476
Financial liabilities - not measured at fair value												
Underwriting provisions: Outstanding claims including IBNR*	18	-	-	-	-	-	1,170,215	1,170,215	-	-	-	-
Insurance / reinsurance payables*		-	-	-	-	-	780,521	780,521	-	-	-	-
Other creditors and accruals*		-	-	-	-	-	793,582	793,582	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*		-	-	-	-	-	70,777	70,777	-	-	-	-
		-	-	-	-	-	2,815,095	2,815,095	-	-	-	-

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

28. 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, 2021.

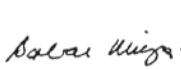
29. Corresponding figures

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

30. Date of authorization for issue

The condensed interim financial statements were authorised for issue on August 25, 2022 by the Board of Directors of the Company.


Muhammad Aasim Gul
Chief Financial Officer


Babar Mahmood Mirza
Chief Executive


Ali H. Shirazi
Director


Fahim Ali Khan
Director


Iftikhar H. Shirazi
Chairman

تكاافل

TAKAFUL



Atlas Insurance

Window Takaful Operations

Half Yearly Report

June 30, 2022

Independent Auditor's Review Report

To the members of Atlas Insurance Limited – Window Takaful Operations

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Atlas Insurance Limited (the Operator) – Window Takaful Operations (the Operations) as at 30 June 2022 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in funds, condensed interim cash flow statement, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the 'condensed interim financial statements'). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income and related notes for the three-month period ended 30 June 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 30 June 2022.

The engagement partner on the review resulting in this independent auditor's report is Abdullah Fahad Masood.



EY Ford Rhodes
Chartered Accountants

Lahore: August 29, 2022
UDIN: RR202210177oR2eg67z8

Window Takaful Operations

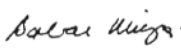
Condensed Interim Statement of Financial Position (Unaudited)

As at June 30, 2022

Note	OPF		PTF		
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	
(Rupees in thousand)					
Assets					
Property and equipment	6	707	787	-	-
Investments					
- Term Deposits	7	190,000	130,000	270,000	280,000
Loans and other receivables		435	-	-	-
Takaful / retakaful receivables	8	-	-	75,595	48,603
Deferred wakala fee	17	-	-	55,374	45,385
Receivable from PTF	9	95,211	116,257	-	-
Accrued investment income		3,765	1,618	7,155	3,479
Retakaful recoveries against outstanding claims	16	-	-	19,252	8,883
Deferred commission expense	18	14,149	10,551	-	-
Prepayments	10	16,776	10,730	51,704	43,142
Cash and bank	11	159	3,969	115,768	69,917
Total Assets		321,202	273,912	594,848	499,409
Fund and Liabilities					
Capital reserve		50,000	50,000	-	-
Accumulated profits		192,887	153,135	-	-
Total Operator's Fund		242,887	203,135	-	-
Participants' Takaful Fund					
Seed Money		-	-	500	500
Accumulated surplus		-	-	65,903	50,389
Balance of Participants' Takaful Fund		-	-	66,403	50,889
Liabilities					
PTF Underwriting Provisions					
Outstanding claims including IBNR	16	-	-	79,031	58,824
Unearned contribution reserves	14	-	-	202,857	164,012
Contribution deficiency reserve		-	-	-	1,629
Reserve for unearned retakaful rebate	15	-	-	10,132	8,307
		-	-	292,020	232,772
Retirement benefit obligations		807	697	-	-
Unearned wakala fee	17	55,374	45,385	-	-
Contribution received in advance		-	-	25,768	16,117
Takaful / retakaful payables		-	-	106,660	76,463
Other creditors and accruals	12	22,134	24,695	8,786	6,911
Payable to OPF	9	-	-	95,211	116,257
Total liabilities		78,315	70,777	528,445	448,520
Total fund and liabilities		321,202	273,912	594,848	499,409
Contingencies and commitments	13				

The annexed notes from 1 to 25 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

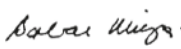
Condensed Interim Statement of Profit or Loss (Unaudited)

For the six months period ended June 30, 2022

	Note	Six months ended		Three months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Participants' Takaful Fund (PTF)					
(Rupees in thousand)					
Contribution earned		151,250	113,857	76,150	60,453
Less: Contribution ceded to retakaful		(71,158)	(50,722)	(32,151)	(31,667)
Net contributions revenue	14	80,092	63,135	43,999	28,786
Retakaful rebate earned	15	11,265	7,384	4,893	4,140
Net underwriting income		91,357	70,519	48,892	32,926
Net claims reported / settled - IBNR		(85,533) (1,080)	(57,876) (4,861)	(42,755) (240)	(27,006) (861)
	16	(86,613)	(62,737)	(42,995)	(27,867)
Charge of contribution deficiency reserve		1,629	-	-	-
Other direct expenses		(3,446)	(6,438)	(1,774)	(3,187)
Surplus before investment income		2,927	1,344	4,123	1,872
Investment income	19	16,195	6,872	8,599	4,299
Less: Modarib's share of investment income		(3,608)	(1,807)	(1,813)	(1,161)
Surplus transferred to accumulated surplus		15,514	6,409	10,909	5,010
Operator's Takaful Fund (OPF)					
Wakala fee	17	57,355	43,122	29,771	24,067
Commission expense	18	(15,248)	(10,644)	(7,628)	(5,568)
General, administrative and management expenses		(13,266)	(6,307)	(7,115)	(2,767)
		28,841	26,171	15,028	15,732
Modarib's share of PTF investment income		3,608	1,807	1,813	1,161
Investment income	19	7,443	3,332	6,319	1,773
Direct expenses		(483)	(508)	(233)	(225)
Other income		343	313	256	71
Profit for the period		39,752	31,115	23,183	18,512

The annexed notes from 1 to 25 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

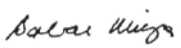

Iftikhar H. Shirazi
Chairman

Window Takaful Operations
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the six months period ended June 30, 2022

	Note	Six months ended		Three months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Participants' Takaful Fund					
(Rupees in thousand)					
Surplus for the period		15,514	6,409	10,909	5,010
Other comprehensive income:					
<i>Items that may be subsequently reclassified to profit and loss account (net of tax):</i>					
Un-realized gain on available for sale investments - net of tax		-	-	-	-
		-	-	-	-
Total comprehensive income for the period		15,514	6,409	10,909	5,010
Operator's Takaful Fund					
Profit for the period		39,752	31,115	23,183	18,512
Other comprehensive income:					
<i>Items that may be subsequently reclassified to profit and loss account (net of tax):</i>					
Un-realized gain on available for sale investments - net of tax		-	-	-	-
		-	-	-	-
Total comprehensive income for the period		39,752	31,115	23,183	18,512

The annexed notes from 1 to 25 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 Funds (Unaudited)

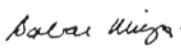
For the six months period ended June 30, 2022

	Attributable to Operator's Fund (OPF)		
	Statutory fund	Accumulated profits	Total
	(Rupees in thousand)		
Balance as at December 31, 2020 (audited)	50,000	98,939	148,939
Profit for the for six months period ended June 30, 2021	-	31,115	31,115
Total comprehensive income for the period	-	31,115	31,115
Balance as at June 30, 2021 (un-audited)	50,000	130,054	180,054
Balance as at December 31, 2021 (audited)	50,000	153,135	203,135
Profit for the for six months period ended June 30, 2022	-	39,752	39,752
Total comprehensive income for the period	-	39,752	39,752
Balance as at June 30, 2022 (un-audited)	50,000	192,887	242,887

	Attributable to Participants of the PTF		
	Seed Money	Accumulated surplus	Total
	(Rupees in thousand)		
Balance as at December 31, 2020 (audited)	500	31,112	31,612
Surplus for the for six months period ended June 30, 2021	-	6,409	6,409
Total comprehensive income for the period	-	6,409	6,409
Balance as at June 30, 2021 (un-audited)	500	37,521	38,021
Balance as at December 31, 2021 (audited)	500	50,389	50,889
Surplus for the for six months period ended June 30, 2022	-	15,514	15,514
Total comprehensive income for the period	-	15,514	15,514
Balance as at June 30, 2022 (un-audited)	500	65,903	66,403

The annexed notes from 1 to 25 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

Window Takaful Operations

Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended June 30, 2022

	OPF		PTF	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(Rupees in thousand)				
Operating cash flows				
a) Takaful activities				
Contributions received	-	-	239,092	154,228
Retakaful contributions paid	-	-	(64,165)	(63,266)
Claims paid	-	-	(80,130)	(82,017)
Retakaful and other recoveries received	-	-	16,445	28,767
Commissions paid	(16,213)	(11,841)	-	-
Wakala fees received / (paid)	79,998	138	(79,998)	-
Modarib share received / (paid)	12,000	-	(12,000)	-
Management expenses paid	(23,369)	(5,693)	(1,881)	(7,295)
Other underwriting receipts	343	-	6,042	3,246
Net cash generated from / (used in) takaful activities	52,759	(17,396)	23,405	33,663
b) Other operating activities				
Income tax paid	(1,865)	(1,587)	(73)	(1,275)
Net cash used in other operating activities	(1,865)	(1,587)	(73)	(1,275)
Net cash generated from / (used in) all operating activities	50,894	(18,983)	23,332	32,388
c) Investing activities				
Profit / return received	5,296	5,183	12,519	1,634
Payments for investments	(320,000)	-	(590,000)	(50,000)
Proceeds from investments	260,000	-	600,000	-
Net cash (used in) / generated from investing activities	(54,704)	5,183	22,519	(48,366)
Total cash (used in) / generated from all activities	(3,810)	(13,800)	45,851	(15,978)
Cash and cash equivalents at the beginning of the period	3,969	131,928	69,917	118,042
Cash and cash equivalents at the end of the period	159	118,128	115,768	102,064

Window Takaful Operations

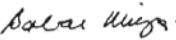
Condensed Interim Statement of Cash Flow (Unaudited)

For the six months period ended June 30, 2022

	OPF		PTF	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(Rupees in thousand)				
Reconciliation to Condensed Interim profit and loss account				
Operating cash flows	50,894	(18,983)	23,332	32,388
Depreciation / amortization expense	(80)	(99)	-	-
Gain on disposal of investments	-	-	-	1,192
Other investment income	7,443	5,139	16,195	2,066
(Decrease) / Increase in assets other than cash	(10,967)	51,245	55,912	27,814
Increase in liabilities other than borrowings	(7,538)	(6,187)	(79,925)	(57,051)
Profit / surplus for the period	39,752	31,115	15,514	6,409

The annexed notes from 1 to 25 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 six months period ended June 30, 2022

1. Legal status and nature of business

- 1.1 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 seed money of Rs. 500 thousand. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

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 Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

In case the requirements differ, the provisions and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019 shall prevail. These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the OPF and PTF remain separately identifiable.

2.2 Basis of preparation

The disclosures made in these condensed interim financial statements have been limited based on the requirements of the IAS 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 Operator for the year ended December 31, 2021.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors of the Operator.

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 or amortized cost and the recognition of certain employee retirement benefits that are measured at present value. All transactions reflected in these condensed interim financial statements are on accrual basis except for those reflected in cash flow statements.

2.4 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani rupees, which is the Operator's functional and presentation currency. Figures in these condensed interim financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

3. Summary of significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2021, except as follows:

3.1 New standards, interpretations, amendments and improvements effective during current period

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations effective for annual period beginning on January 1, 2022, as listed below. The Company has not early-adopted any other standard, interpretation, amendment and improvement that has been issued but is not yet effective.

New Standards, Interpretations and Amendments

IFRS 3	Reference to conceptual framework — (Amendments)
IAS 16	Property, plant and equipment: Proceeds before intended use — (Amendments)
IAS 37	Onerous contracts - costs of fulfilling a contract — (Amendments)
AIP IAS 41	Taxation in fair value measurements
AIP IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities
AIP IFRS 1	First-time adoption of International Financial Reporting Standard - Subsidiary as a first-time adopter

The adoption of above standards and amendments, will not have any material impact on the Operator's condensed interim financial statements.

3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IAS 1 Classification of liabilities as current or non-current — (Amendments)	January 01, 2023
IAS 8 Definition of accounting estimates — (Amendments)	January 01, 2023
IFRS 10 & IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture — (Amendment)	Not yet finalized
IAS 12 Deferred tax related to Assets and Liabilities arising from a Single Transaction — (Amendments)	January 01, 2023
IAS 1 & IFRS Practice Statement 2 Disclosure of accounting policies — (Amendments)	January 01, 2023

The Operator expects that such improvements to the standards will not have any material impact on the Operator's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 1, 2023. The Operator expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17	Insurance Contracts	January 01, 2023

4. Temporary exemption from application of IFRS 9

The Operator meets the eligibility criteria of the temporary exemption from IFRS 9 and intends to defer the application of IFRS 9 until the effective date of the new insurance contracts standard (IFRS 17) of annual reporting periods beginning on or after January 1, 2023, as allowed by the amendments contained in Annual Improvements to IFRS Standards 2015-2017 Cycle.

The temporary exemption enables eligible entities to defer the implementation date of IFRS 9 for annual periods beginning before January 1, 2023 and continue to apply IAS 39 to financial assets and liabilities. An entity may apply the temporary exemption from IFRS 9 if:

- (i) it has not previously applied any version of IFRS 9, other than only the requirements for the presentation of gains and losses on financial liabilities designated as FVPL; and
- (ii) its activities are predominantly connected with insurance on its annual reporting date.

5. 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, 2021.

5.1 Figures for IBNR are provisional and subject to adjustment at annual.

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
(Rupees in thousand)			
6. Property and equipment - OPF			
Operating assets - tangible	6.1	707	787
6.1 The breakup of operating assets as at the period / year end is given below:			
Computers equipment		17	20
Vehicles		690	767
		707	787

	Note	June 30, 2022 (Unaudited) (Rupees in thousand)	December 31, 2021 (Audited)
6.2 Movement of property and equipment during the period / year:			
Opening book value		787	987
Additions during the period / year		-	-
		787	987
Disposal during the period / year (at book value)		-	-
Depreciation charged for the period / year		(80)	(200)
		(80)	(200)
Closing book value		707	787

OPF		PTF	
June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
(Rupees in thousand)			

7. Investments in term deposits

Held to maturity

Deposits maturing within 12 months

190,000	130,000	270,000	280,000
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June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
(Rupees in thousand)	

8. Takaful / retakaful receivables PTF

Unsecured and considered good

Due from takaful participants holders

Less: Provision for impairment of receivables from takaful participants holders

40,299	28,479
(546)	(546)
39,753	27,933

Due from other insurers/ retakaful operators

Less: Provision for impairment of due from other insurers / retakaful operators

35,842	20,670
-	-
35,842	20,670
75,595	48,603

OPF		PTF	
June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
(Rupees in thousand)			

9. Receivable / (payable) - current account between OPF and PTF

Wakala fee

Modaraba fee

91,571	104,225	(91,571)	(104,225)
3,640	12,032	(3,640)	(12,032)
95,211	116,257	(95,211)	(116,257)

Note	OPF		PTF	
	June 30,	December 31,	June 30,	December 31,
	2022 (Unaudited)	2021 (Audited)	2022 (Unaudited)	2021 (Audited)
	(Rupees in thousand)			
10. Prepayments				
Prepaid retakaful contribution ceded 14	-	-	51,289	43,110
Tax deducted at source	12,595	10,730	73	-
Prepaid miscellaneous expenses	4,181	-	342	32
	16,776	10,730	51,704	43,142
	16,776	10,730	51,704	43,142

11 Cash and bank

Cash at bank

- Current accounts		-	-	-
- Saving accounts	11.1	159	3,969	115,768
		159	3,969	115,768
		159	3,969	115,768

11.1 The rate of profit and loss sharing accounts range from 2.60% to 11.75% (December 31, 2021: 1.93% to 6.26%) per annum, depending on the size of average deposits.

	OPF		PTF	
	June 30,	December 31,	June 30,	December 31,
	2022 (Unaudited)	2021 (Audited)	2022 (Unaudited)	2021 (Audited)
	(Rupees in thousand)			
12. Other creditors and accruals				
Agent commission payable	11,127	8,494	-	-
Federal Excise Duty / Sales tax	-	-	5,615	3,430
Federal Insurance Fee	-	-	342	188
Other tax payable	733	455	1,353	578
Leave encashment	589	573	-	-
Bonus payable to staff	420	748	-	-
Audit fee payable	639	833	-	-
Payable to Atlas Insurance Limited	6,000	12,000	-	-
Others	2,626	1,592	1,476	2,715
	22,134	24,695	8,786	6,911
	22,134	24,695	8,786	6,911

13. Contingencies and commitments

13.1 Contingencies

There are no outstanding contingencies as at June 30, 2022 (December 31, 2021: Nil)

13.2 Commitments

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

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	(Rupees in thousand)	
Not later than one year	2,254	6,422
Later than one year and not later than five years	2,254	6,392
	4,508	12,814

PTF (unaudited)

Note	Six months ended		Three months ended	
	June 30,	June 30,	June 30,	June 30,
	2022	2021	2022	2021

(Rupees in thousand)

14. Net takaful contribution

Written gross contribution		247,450	174,264	99,561	74,332
Less: Wakala fee	17	(57,355)	(43,122)	(29,771)	(24,067)
<hr/>					
Contribution earned net of wakala fee		190,095	131,142	69,790	50,265
Add: Unearned contribution reserve - opening		164,012	132,865	209,217	160,338
Less: Unearned contribution reserve - closing		(202,857)	(150,150)	(202,857)	(150,150)
<hr/>					
Contribution earned		151,250	113,857	76,150	60,453
<hr/>					
Less: Retakaful contribution ceded		79,337	48,618	34,865	21,470
Add: Prepaid retakaful contribution - opening		43,110	31,646	48,575	39,739
Less: Prepaid retakaful contribution - closing		(51,289)	(29,542)	(51,289)	(29,542)
<hr/>					
Retakaful expense		71,158	50,722	32,151	31,667
<hr/>					
		80,092	63,135	43,999	28,786
<hr/>					

15. Net rebate on retakaful

Retakaful rebate received		13,090	7,453	5,312	3,127
Add: Retakaful rebate - opening		8,307	5,552	9,713	6,634
Less: Retakaful rebate - closing		(10,132)	(5,621)	(10,132)	(5,621)
<hr/>					
Net retakaful rebate		11,265	7,384	4,893	4,140
<hr/>					

16. Net takaful claims expense

Claims paid		80,130	82,017	44,349	46,853
Add: Outstanding claims including IBNR - closing		79,031	46,791	79,031	46,791
Less: Outstanding claims including IBNR - opening		(58,824)	(67,372)	(77,054)	(72,065)
<hr/>					
Claims expense		100,337	61,436	46,326	21,579
<hr/>					
Less: Retakaful and other recoveries received		3,355	21,328	2,646	18,551
Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing		19,252	7,155	19,252	7,155
Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening		(8,883)	(29,784)	(18,567)	(31,994)
<hr/>					
Retakaful and other recoveries received		13,724	(1,301)	3,331	(6,288)
<hr/>					
Net claim expense		86,613	62,737	42,995	27,867
<hr/>					

PTF (unaudited)					
		Six months ended		Three months ended	
Note	June 30,	June 30,	June 30,	June 30,	June 30,
	2022	2021	2022	2021	2021

17. Wakala fee / expense

(Rupees in thousand)				
Gross wakala fee / expense	67,344	47,984	25,937	20,286
Add: Deferred wakala expense / unearned wakala fee - opening	45,385	36,610	59,208	45,253
Less: Deferred wakala expense / unearned wakala fee - closing	(55,374)	(41,472)	(55,374)	(41,472)
	57,355	43,122	29,771	24,067

OPF (unaudited)					
		Six months ended		Three months ended	
Note	June 30,	June 30,	June 30,	June 30,	June 30,
	2022	2021	2022	2021	2021

18. Commission expense

(Rupees in thousand)				
Commission paid / payable	18,846	12,284	7,152	5,271
Add: Deferred commission expense - opening	10,551	8,376	14,625	10,313
Less: Deferred commission expense - closing	(14,149)	(10,016)	(14,149)	(10,016)
Net commission expense	15,248	10,644	7,628	5,568

OPF (Unaudited)		PTF (Unaudited)	
June 30,	June 30,	June 30,	June 30,
2022	2021	2022	2021

19. Investment income

Income from term deposits

- Profit on term deposits	6,617	1,589	12,302	2,999
Profit on bank balances	826	1,743	3,893	3,873
	7,443	3,332	16,195	6,872

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

Parent Company	Period / year end balances	June 30,	December 31,
		2022	2021
		(Unaudited)	(Audited)
		(Rupees in thousand)	
	Due from contract holders	-	-

		<u>Six months ended</u>	
		<u>June 30,</u>	<u>June 30,</u>
		2022	2021
		(Unaudited)	(Unaudited)
		(Rupees in thousand)	
	Transactions during the period		
	Contribution collected	-	278
		<u>June 30,</u>	<u>December 31,</u>
		2022	2021
		(Unaudited)	(Audited)
		(Rupees in thousand)	
Associated companies	Period / year end balances		
	Provision for outstanding claims	1,234	1,045
	Due from takaful participant holders	1,534	5,222
		<u>Six months ended</u>	
		<u>June 30,</u>	<u>June 30,</u>
		2022	2021
		(Unaudited)	(Unaudited)
		(Rupees in thousand)	
	Transactions during the period		
	Contribution underwritten	3,924	28,190
	Contribution collected	7,716	1,187
	Claims paid	1,838	876
Post employment benefit plans	Transactions during the period		
	Contributions in respect of retirement benefit plans	189	72
		<u>Six months ended</u>	
		<u>June 30,</u>	<u>June 30,</u>
		2022	2021
		(Unaudited)	(Unaudited)
		(Rupees in thousand)	
	Transactions during the period		
	Contribution underwritten	-	39
	Contribution collected	-	37

21. Segment reporting

The Operator has identified four (2020: four) primary operating / business segments for reporting purposes in accordance with the requirements of the Insurance Ordinance, 2000, Insurance Accounting Regulations, 2017 and the Insurance Rules, 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 the following segments based on specific identification or allocated on the basis of the gross contribution written by the segments.

21.1 Participants' Takaful Fund (PTF)

(Unaudited) Six months ended June 30,

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)									
Contribution receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and administrative surcharge)	47,471	29,554	25,588	17,360	195,069	145,375	14,976	7,173	283,104	199,462
Less: Federal Excise Duty	6,087	3,348	2,732	1,916	24,230	18,176	175	121	33,224	23,561
Federal Insurance Fee	412	227	216	151	1,656	1,255	146	4	2,430	1,637
Gross written contribution (inclusive of administrative surcharge)	40,972	25,979	22,640	15,293	169,183	125,944	14,655	7,048	247,450	174,264
Gross direct contribution	40,298	23,639	21,644	14,521	164,553	121,804	14,532	6,994	241,027	166,958
Facultative inward contribution	160	1,971	52	132	167	1,018	-	-	379	3,121
Administrative surcharge	514	369	944	640	4,463	3,122	123	54	6,044	4,185
	40,972	25,979	22,640	15,293	169,183	125,944	14,655	7,048	247,450	174,264
Wakala fees	(11,915)	(8,743)	(7,383)	(5,503)	(36,500)	(27,619)	(1,557)	(1,258)	(57,355)	(43,122)
Takaful Contribution earned	34,235	24,442	21,150	15,697	146,842	112,195	6,378	4,646	208,605	156,979
Takaful contribution ceded to retakaful	(29,527)	(20,476)	(19,061)	(14,256)	(19,620)	(13,032)	(2,950)	(2,959)	(71,158)	(50,722)
Net takaful contribution	(7,207)	(4,777)	(5,294)	(4,062)	90,722	71,544	1,871	429	80,092	63,135
Retakaful rebate	5,803	3,630	3,993	2,950	876	463	593	341	11,265	7,384
Net underwriting income	(1,404)	(1,147)	(1,301)	(1,112)	91,598	72,007	2,464	770	91,357	70,519
Takaful claims	(6,911)	9,494	(113)	(5,345)	(89,720)	(62,817)	(3,593)	(2,768)	(100,337)	(61,436)
Takaful claims recovered from retakaful	5,313	(9,582)	102	4,901	8,108	3,277	201	104	13,724	(1,301)
Net claims	(1,598)	(88)	(11)	(444)	(81,612)	(59,540)	(3,392)	(2,664)	(86,613)	(62,737)
Contribution deficiency expense	-	-	1,362	-	-	-	267	-	1,629	-
Direct expenses	(50)	(1)	(3)	(1)	(3,391)	(6,433)	(2)	(3)	(3,446)	(6,438)
(Deficit) / surplus before investment income	(3,052)	(1,236)	47	(1,557)	6,595	6,034	(663)	(1,897)	2,927	1,344
Investment income									16,195	6,872
Modarib's share of investment income									(3,608)	(1,807)
Surplus transferred to balance of PTF									15,514	6,409
	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in thousand)									
Corporate segment assets	13,754	8,595	7,578	4,372	56,641	37,829	131,107	98,696	209,080	149,492
Corporate unallocated assets									385,768	349,917
Total assets									594,848	499,409
Corporate segment liabilities	40,873	36,844	22,565	18,781	168,792	162,712	296,215	228,554	528,445	446,891
Corporate unallocated liabilities									-	1,629
Total liabilities									528,445	448,520

21.2 Operator's Fund (OPF)

(Unaudited) Six months ended June 30,

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)									
Wakala fee	11,915	8,743	7,383	5,503	36,500	27,619	1,557	1,257	57,355	43,122
Commission expense	(4,692)	(2,985)	(3,067)	(2,186)	(7,152)	(5,254)	(337)	(219)	(15,248)	(10,644)
General, administrative and management expenses	(2,197)	(940)	(1,214)	(553)	(9,070)	(4,559)	(785)	(255)	(13,266)	(6,307)
	5,026	4,818	3,102	2,764	20,278	17,806	435	783	28,841	26,171
Modarib's share of PTF investment income									3,608	1,807
Investment income									7,443	3,332
Direct expenses									(483)	(508)
Other income									343	313
Profit before tax									39,752	31,115
	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2022 (Unaudited)	2021 (Audited)	2022 (Unaudited)	2021 (Audited)	2022 (Unaudited)	2021 (Audited)	2022 (Unaudited)	2021 (Audited)	2022 (Unaudited)	2021 (Audited)
	(Rupees in thousand)									
Segment assets	19,174	21,134	10,591	10,777	79,148	93,297	20,988	13,948	129,901	139,156
Unallocated assets									191,301	134,756
Total assets									321,202	273,912
Segment liabilities	3,678	4,068	2,026	2,070	15,172	17,947	56,632	45,995	77,508	70,080
Unallocated liabilities									807	697
Total liabilities									78,315	70,777

22. Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Operator is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy and has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

June 30, 2022	Carrying amount						Fair value					
	Note	Available for sale	Fair value through profit or loss	Held to Maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in thousand)												
Financial assets - not measured at fair value												
Investments												
- Term deposits	7	-	-	-	460,000	-	-	460,000	-	-	-	-
Loans and other receivables*		-	-	-	435	-	-	435	-	-	-	-
Takaful / retakaful receivables												
- unsecured and considered good*	8	-	-	-	75,595	-	-	75,595	-	-	-	-
Retakaful recoveries against												
outstanding claims*	16	-	-	-	19,252	-	-	19,252	-	-	-	-
Cash and bank*	11	-	-	-	-	115,927	-	115,927	-	-	-	-
		-	-	-	555,282	115,927	-	671,209	-	-	-	-
Financial liabilities - not measured at fair value												
Underwriting provisions:												
Outstanding claims including IBNR*	16	-	-	-	-	-	79,031	79,031	-	-	-	-
Takaful / retakaful payables*		-	-	-	-	-	106,660	106,660	-	-	-	-
Other creditors and accruals*	12	-	-	-	-	-	30,920	30,920	-	-	-	-
		-	-	-	-	-	216,611	216,611	-	-	-	-
December 31, 2021												
Financial assets - not measured at fair value												
Investments												
- Term deposits	7	-	-	-	410,000	-	-	410,000	-	-	-	-
Loans and other receivables*		-	-	-	-	-	-	-	-	-	-	-
Takaful / retakaful receivables												
- unsecured and considered good*	8	-	-	-	48,603	-	-	48,603	-	-	-	-
Retakaful recoveries against												
outstanding claims*	16	-	-	-	8,883	-	-	8,883	-	-	-	-
Cash and bank*	11	-	-	-	-	73,886	-	73,886	-	-	-	-
		-	-	-	467,486	73,886	-	541,372	-	-	-	-
Financial liabilities - not measured at fair value												
Underwriting provisions:												
Outstanding claims including IBNR*	16	-	-	-	-	-	58,824	58,824	-	-	-	-
Takaful / retakaful payables*		-	-	-	-	-	76,463	76,463	-	-	-	-
Other creditors and accruals*	12	-	-	-	-	-	31,606	31,606	-	-	-	-
		-	-	-	-	-	166,893	166,893	-	-	-	-

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

23. Financial risk management

The financial and takaful 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, 2021.

24. Corresponding figures

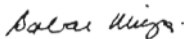
The corresponding figures have been reclassified or rearranged, wherever considered necessary, to comply with the requirements of General Takaful Accounting Regulations, 2019. Accordingly, no other significant reclassification or rearrangement have been made during the period.

25. Date of authorization for issue

These condensed interim financial statements were authorized for issue on August 25, 2022 by the Board of Directors of the Operator.



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

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Direct:
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(042) 37132623

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General Manager Reinsurance,
Business Development / Compliance

Direct:
Extension:

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MUHAMMAD AASIM GUL
Chief Financial Officer

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Extension:

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MUHAMMAD SAEED
General Manager Claims

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777

QUDSIA NAHEED
General Manager HR & Admin

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717

ABDUL RAZZAQ GHAURI
Head of IT & CISO

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738

SYED IRTIZA KAZMI
Head of Underwriting

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718

SYED NASIR HUSSAIN
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SALEEM MEHMOOD
Chief Internal Auditor

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762

NORTH ZONE OFFICES & BRANCHES

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CH. TAYYAB HUSSAIN
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KH. MUHAMMAD NADEEM
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MUSHTAQ AHMED
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MUBASHIR EHSAN
Senior Manager

MM Alam Road Branch
Office No.311, 3rd Floor
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RAWALPINDI

SALMAN MUZAFFAR SHAIKH
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SYED MANZAR ALI NAQVI
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FAWAD HABIB
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MUHAMMAD ASIF AKRAM
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IRSHAD FARRUKH BHATTI
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ASIM MAJEED
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OMAR JAVID
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(051) 2810362

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RANA MUHAMMAD AAMIR NAZ
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Fax: (040) 4222267

MULTAN

Hamid Ali Janjua
Manager

Atlas Honda Building
Azmat Wasti Road, Multan.

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DERA GHAZI KHAN

Nisar Ahmed
Office Incharge
Jampur Road, Dera Ghazi Khan.

1st Floor Mohib Traders,
Opposite Ghazi Medical College,

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PESHAWAR

Sardar Muahmmad Asad
Manager

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Peshawar.

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SOUTH ZONE OFFICE

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BABAR MAHMOOD MIRZA Chief Executive Officer	Direct:	(021) 35378757
ABBAS SAJJAD General Manager Sales & Marketing	Direct: Extension:	(021) 35369447 215
M. WAQARUDDIN RAUF Vice President	Extension:	216
MUHAMMAD AFZAL Company Secretary	Extension:	202

SOUTH ZONE BRANCHES

KARACHI

M. FAROOQ KANDLAWALA Assistant General Manager	Tower Branch State Life Building No. 7 Room No. 101, 1st Floor G. Allana Road, Karachi.	(021) 32316503, 32201471 Fax: (021) 32315248
ABDUL AZIZ Assistant General Manager	Corporate Branch Room No. 1501, 15th Floor, K.S. Trade Tower, Shahrah-e-Liaqat Karachi	(021) 32462131, 32422911 Fax: (021) 32462132
IMRAN SATTAR Assistant General Manager	Plaza Branch 3/3 Rimpa Plaza M.A. Jinnah Road, Karachi.	(021) 32729339, 32720852 Fax: (021) 32749004
INAYATULLAH Manager	New Challi Branch Office No. 910, 9th Floor, UNI Tower, I. I. Chundrighar Road, Karachi.	(021) 32412796-7 Fax: (021) 32412795
MUHAMMAD ASHRAF KHAN Manager	New Challi Branch II Office No. 910, 9th Floor, UNI Tower, I. I. Chundrighar Road, Karachi.	(021) 32412798 Fax: (021) 32412799
NOUMAN UDDIN Assistant General Manager	DHA Branch Office No. 18-C, 2nd Floor, Phase - VII, Kayaban-e-Jami, DHA, Karachi.	(021) 35319393-94 Fax: (021) 35319395

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