



Atlas Insurance

Quarterly Report
March 31, 2016

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Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Feroz Rizvi
Director

Isphanyar M. Bhandara
Director

Tariq Amin
Director

Ali H. Shirazi
Director

Jawaid Iqbal Ahmed
Director

Arshad P. Rana
Chief Executive

Muhammad Afzal
Company Secretary

Audit Committee

Feroz Rizvi
Chairman

Ali H. Shirazi
Member

Jawaid Iqbal Ahmed
Member

Muhammad Afzal
Secretary

Saleem Mahmood Akhtar
Chief Internal Auditor

Human Resource & Remuneration Committee

Isphanyar M. Bhandara
Chairman

Ali H. Shirazi
Member

Arshad P. Rana
Member

Qudsia Naheed
Secretary

Investment Committee

Ali H. Shirazi
Chairman

Arshad P. Rana
Member

Rashid Amin
Member

Muhammad Afzal
Secretary

Information Technology (IT) Committee

Ali H. Shirazi
Chairman

Arshad P. Rana
Member

Abdul Razzaq Ghauri
Secretary

Underwriting Committee

Ali H. Shirazi
Chairman

Arshad P. Rana
Member

Muhammad Saeed
Member

Syed Irtiza Kazmi
Secretary

Company Information

Claims Settlement Committee

Ali H. Shirazi
Chairman

Arshad P. Rana
Member

Syed Irtiza Kazmi
Member

Muhammad Saeed
Secretary

Reinsurance & Co-insurance Committee

Ali H. Shirazi
Chairman

Arshad P. Rana
Member

Syed Irtiza Kazmi
Member

Syed Nasir Hussain
Secretary

Management Committee

Arshad P. Rana
Chief Executive

Nisar Zaman Khan
Head of Marketing & Sales

Rashid Amin
Chief Financial Officer

Muhammad Saeed
Head of Claims

Qudsia Naheed
Head of HR & Admin.

Abdul Razzaq Ghauri
Head of Window Takaful Operations

Syed Irtiza Kazmi
Vice President (Underwriting)

Shariah Advisor

Mufti Zeeshan Abdul Aziz

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Agha Faisal Barrister at Law
RIAA Barker Gillette

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Share Registrar

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

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Sindh Bank Limited
Summit Bank Limited
The Bank of Punjab

Registered & Head Office

3-Bank Square,
Shahrah-e-Quaid-e-Azam, Lahore
Tel: (92-42) 37320542-43,
37322271, 73, 37310658
Fax: (92-42) 37234742
E mail: info@atlasinsurance.com.pk
Website: www.atlasinsurance.com.pk

Chairman's Review

It gives me great pleasure to present the un-audited accounts of your Company for the quarter ended March 31, 2016.

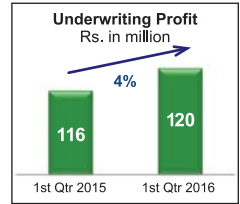
The Economy

Pakistan's GDP growth is expected to edge up to 4.5% in FY16 against 4.2% of FY15, assuming continued low prices for oil and other commodities and some alleviation of power shortages. The economy will continue to pick up as reform and stabilization measures provide a lift, with higher foreign exchange reserves and softer inflation with oil prices supporting the overall macroeconomic outlook. Large scale manufacturing grew 3.9% in the first half of FY16 compared to rise of 2.7% in the same period last year boosted by low raw material prices, expanded construction and low interest rates. However, textile production grew by only 1% over the same period last year due to weaker demand in export markets and increased competition. Agriculture sector is expected to experience slower growth mainly due to plunge in commodity prices that has taken a heavy toll on growth of the country's agriculture sector. Falling oil prices have helped efforts to bolster foreign exchange reserves, which improved to USD 20.88 billion at the end of March, 2016 from USD 16.66 billion at the end of the same period last year. In March 2016, IMF completed the tenth review of Pakistan's economic performance under a three-year program supported by an Extended Fund Facility (EFF) arrangement and approved further disbursement of USD 502.6 million bringing the total disbursement to USD 5.53 billion under a 36-months IMF-supported loan.

The KSE-100 index performance remained subdued during January-March 2016 mainly due to overseas divestment. Country's exports during July 2015 to March 2016 reduced by 13% from USD 17.92 billion to USD 15.61 billion and imports too decreased to USD 32.55 billion from USD 33.95 billion in the same period last year. Overseas Pakistani workers remitted USD 14.16 billion in the first nine months of FY16, showing a growth of 4% compared with USD 13.59 billion received during the same period in the preceding year. Building on the progress achieved, sustained reform efforts are required over the medium to long term to boost productivity and potential growth including the formulation of a well-coordinated industrial policy to support faster growth and revive exports.

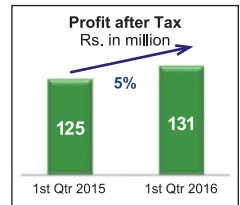
The Company

The Company performed well during the period under review. The gross premium underwritten grew to Rs. 725.22 million against Rs. 545.49 million for the same period last year, up 33%. The net premium increased to Rs. 241.88 million against Rs. 237.40 million of the same period last year. Continued sound underwriting policies followed by the Company resulted in increased underwriting profit of Rs. 120.43 million compared to Rs. 115.85 million in the same period last year, up 4%. Investment at cost stood at Rs. 2.20 billion (market value Rs. 4.36 billion as at March 31, 2016). Investment income during the period under review increased by 16% to Rs. 64.69 million compared to Rs. 55.41 million in the same period last year. The Company earned profit before tax of Rs. 174.00 million against Rs. 165.05 million in the same period last year, up 5%. After providing tax, the profit after tax stood at Rs. 131.13 million compared to Rs. 125.02 million in the same period last year, up 5%.



Future Outlook

The ongoing implementation of the China-Pakistan Economic Corridor (CPEC) as well as other regional cooperation initiatives are spurring development activity and market optimism. Sustained economic reforms and improvement in the security environment should further boost business confidence. The key challenges impending stronger economic growth include inadequate infrastructure, transport connectivity, law and order situation, power shortages, which needs to be addressed by the government through long term decisions. Widening the tax net and ensuring the fairness of the tax system, together with prudent management of budgetary spending will further help improve country's economy. The Company is poised to avail all the opportunities existing in the market to maintain its growth momentum and give consistent return to the shareholders:



چلتے ہیں جس کے لیے تیری آنکھوں کے دینے
ڈھونڈھ لایا ہوں وہی گیت میں تیرے لیے

Acknowledgement

I would like to thank the Board of Directors, Mr. Arshad P. Rana, 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.

Yusuf H. Shirazi

Directors' Review

The directors have pleasure in submitting the quarterly review of the Company together with the un-audited condensed interim financial information for the period ended March 31, 2016.

	<u>March 31,</u> <u>2016</u> (Rupees in thousand)	<u>March 31,</u> <u>2015</u>
The overall business figures are:		
Net premium	241,878	237,399
Net claims	(48,155)	(52,352)
Investment, rental and other income	69,628	62,949
Net commission	15,381	13,616
Expenses of management	(88,676)	(82,816)
Financial results are as follows:		
Profit before tax	174,000	165,049
Less: Provision for taxation	(42,867)	(40,030)
Profit after tax	131,133	125,019
Un-appropriated profit brought forward	599,221	544,824
* Appropriation:		
Final dividend Rs. 6 (2014: Rs. 6) per share	(420,968)	(420,968)
Transfer to general reserve	(181,000)	(124,000)
Un-appropriated profit carried forward	128,386	124,875

* The Board of directors has recommended and members in the Annual General Meeting of the Company held on April 15, 2016 approved the cash dividend of Rs. 6 per share i.e. 60% for the year ended December 31, 2015. The financial statements do not reflect these appropriations in compliance with the Fourth Schedule of the Companies Ordinance, 1984.

The Securities and Exchange Commission of Pakistan, in March, 2016, issued license to the Company to undertake Window Takaful Operations (WTO). During the period ended March 31, 2016 contribution aggregating to Rs. 9.039 million was written by the Company. We are confident that WTO will contribute towards overall growth in volume and profit of the Company.

Chairman's Review

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

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

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

For and on behalf of the
Board of Directors



Arshad P. Rana
Chief Executive

Lahore: April 27, 2016

Condensed Interim

As at

Note	March 31, 2016 (Unaudited) (Rupees in thousand)	December 31, 2015 (Audited) (Rupees in thousand)
Share capital and reserves		
Authorized share capital 80,000,000 (2015: 80,000,000) ordinary shares of Rs.10 each	800,000	800,000
Issued, subscribed and paid up capital 70,161,381 (2015: 70,161,381) ordinary shares of Rs.10 each	701,614	701,614
Reserves	545,064	545,064
Retained earnings	730,354	599,221
	1,977,032	1,845,899
Underwriting provisions		
Provision for outstanding claims (including IBNR)	447,469	503,360
Provision for unearned premium	1,009,578	762,255
Commission income unearned	100,835	82,253
Total underwriting provisions	1,557,882	1,347,868
Creditors and accruals		
Premiums received in advance	8,020	51,695
Amounts due to other insurers / reinsurers	221,831	266,036
Accrued expenses	104,842	107,672
Other creditors and accruals	159,624	106,110
	494,317	531,513
Other liabilities		
Deposits against performance bonds	18,401	18,721
Unclaimed dividend	52,864	53,013
	71,265	71,734
TOTAL LIABILITIES	2,123,464	1,951,115
TOTAL LIABILITIES FROM GENERAL TAKAFUL OPERATIONS - OPF	3,392	-
CONTINGENCIES AND COMMITMENTS	7	
TOTAL EQUITY AND LIABILITIES	4,103,888	3,797,014

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

Balance Sheet


March 31, 2016

Note	March 31, 2016 (Unaudited) (Rupees in thousand)	December 31, 2015 (Audited) (Rupees in thousand)
Cash and bank deposits		
Cash and other equivalents	293	90
Current and other accounts	227,619	428,194
	227,912	428,284
Loans to employees - secured considered good	135	150
Investments	8	2,202,113
Deferred taxation	18,379	26,168
Current assets - other		
Premiums due but unpaid	269,897	148,090
Amounts due from other insurers / reinsurers	155,198	107,278
Salvage recoveries accrued	3,885	4,110
Accrued investment income	17,111	4,142
Reinsurance recoveries against outstanding claims	346,014	400,562
Deferred commission expense	104,037	70,325
Prepayments	636,669	419,221
Sundry receivables	5,644	7,095
Taxation - payments less provision	7,479	881
	1,545,934	1,161,704
Fixed assets		
Tangible		
Freehold land	1,168	1,168
Buildings on freehold land	10,525	10,657
Furniture and fixtures	2,519	2,513
Office equipments	9,022	9,501
Computers - owned	8,064	7,897
Motor vehicles - owned	24,312	23,501
	55,610	55,237
Intangible		
Computer software	598	994
TOTAL ASSETS FROM GENERAL TAKAFUL OPERATIONS - OPF	53,207	-
TOTAL ASSETS	4,103,888	3,797,014


Arshad P. Rana
Chief Executive


Ali H. Shirazi
Director


Feroz Rizvi
Director


Yusuf H. Shirazi
Chairman

Condensed Interim Profit and Loss Account (Unaudited)

For the financial period ended March 31, 2016

	Quarter ended March 31						2016	2015
	Note	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Misc.		
	(Rupees in thousand)							
Revenue account								
Net premium revenue		41,492	74,179	81,288	8,021	36,898	241,878	237,399
Net claims		(4,665)	(7,810)	(16,835)	340	(19,185)	(48,155)	(52,352)
Expenses		(14,066)	(12,635)	(22,958)	(31,817)	(7,200)	(88,676)	(82,816)
Net commission		8,251	9,929	(6,809)	2,029	1,981	15,381	13,616
Underwriting result		<u>31,012</u>	<u>63,663</u>	<u>34,686</u>	<u>(21,427)</u>	<u>12,494</u>	<u>120,428</u>	<u>115,847</u>
Investment income							64,685	55,405
Rental income							2,028	1,716
Other income							2,915	5,828
Financial charges							(331)	(50)
General and administration expenses							(15,540)	(13,697)
							<u>53,757</u>	<u>49,202</u>
Profit before tax from general insurance operations							174,185	165,049
Loss before tax from general takaful operations							(185)	-
Profit before tax for the period							<u>174,000</u>	<u>165,049</u>
Provision for taxation	10						(42,867)	(40,030)
Profit after tax							<u>131,133</u>	<u>125,019</u>
Profit and loss appropriation account								
Balance at commencement of the year							599,221	544,824
Profit after tax for the period							131,133	125,019
Balance unappropriated profit at the end of the period							<u>730,354</u>	<u>669,843</u>
Basic earnings per share - Rupees							<u>1.87</u>	<u>1.78</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director

Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the financial period ended March 31, 2016

	Quarter Ended	
	March 31, 2016	March 31, 2015
Profit for the period ended March 31	131,133	125,019
Other comprehensive income for the period	-	-
Total comprehensive income for the period	131,133	125,019

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director

Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Changes In Equity (Unaudited)

Financial period ended March 31, 2016

	Issued, subscribed and paid-up capital	Reserves					Retained earnings	Total
		Capital reserve	Reserve for exceptional losses	Reserve for issue of bonus shares	General reserve	Investment fluctuation reserve		
(Rupees in thousand)								
Balance as on January 01, 2015	701,614	2,251	2,164	-	413,649	3,000	544,824	1,667,502
Profit after tax for the year	-	-	-	-	-	-	601,157	601,157
Other comprehensive income	-	-	-	-	-	-	(1,792)	(1,792)
Total comprehensive income	-	-	-	-	-	-	599,365	599,365
Final dividend for the year ended December 31, 2014 @ 60% (Rs. 6 per share)	-	-	-	-	-	-	(420,968)	(420,968)
Transfer to general reserve	-	-	-	-	124,000	-	(124,000)	-
Balance as at December 31, 2015	701,614	2,251	2,164	-	537,649	3,000	599,221	1,845,899
Net profit for the period	-	-	-	-	-	-	131,133	131,133
Balance as at March 31, 2016	701,614	2,251	2,164	-	537,649	3,000	730,354	1,977,032

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director

Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Cash Flow Statement (Unaudited)

For the financial period ended March 31, 2016

	March 31, 2016 (Rupees in thousand)	March 31, 2015
Operating cash flows		
Underwriting activities		
Premiums received	449,557	335,549
Reinsurance premiums paid	(323,368)	(300,905)
Claims paid	(191,149)	(75,636)
Reinsurance and other recoveries received	26,829	7,422
Commissions paid	(56,705)	(37,156)
Commissions received	70,258	58,518
Other underwriting payments	(372)	(292)
Other underwriting receipts	4,254	4,061
Net cash outflow from underwriting activities	(20,696)	(8,439)
Other operating activities		
Income tax paid	(41,676)	(50,827)
General management expenses paid	(69,187)	(141,949)
Loans repayments received	15	46
Other deposits	(320)	(38)
Net cash outflow from other operating activities	(111,168)	(192,768)
Total cash used in all operating activities	(131,864)	(201,207)
Investment activities		
Profit / return received	7,163	9,798
Dividends received	15,302	8,882
Rentals income received	7,764	849
Payments for purchase of investments	(415,894)	(535,724)
Proceeds from disposal of investments	320,422	367,527
Payments against purchase of assets	(2,972)	(894)
Proceeds from disposal of fixed assets	187	1,975
Total cash used in investing activities	(68,028)	(147,587)
Financing activities		
Dividends paid	(149)	(98)
Financial charges paid	(331)	(50)
Total cash used in financing activities	(480)	(148)
Net cash outflow from all activities	(200,372)	(348,942)
Cash at the beginning of the year	428,284	433,170
Cash at the end of the period	227,912	84,228



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director

Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Premiums (Unaudited)

For the financial period ended March 31, 2016

Business underwritten inside Pakistan	Q u a r t e r e n d e d				M a r c h 3 1 , 2 0 1 6				Quarter ended March 31, 2015 net premium revenue	
	Premiums written	Unearned premium reserve Opening	Unearned premium reserve Closing	Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded Opening	Prepaid reinsurance premium ceded Closing	Reinsurance expense		Net premium revenue
Class	(R u p e e s i n				t h o u s a n d)					
Direct and facultative										
Fire and property damage	130,868	318,426	307,620	141,674	117,208	215,371	232,397	100,182	41,492	42,020
Marine, aviation and transport	117,424	37,662	37,648	117,438	43,317	15,302	15,360	43,259	74,179	79,650
Motor	111,057	232,167	221,441	121,783	19,812	90,063	69,380	40,495	81,288	83,319
Engineering	298,324	90,592	344,973	43,943	236,053	74,596	274,727	35,922	8,021	5,785
Miscellaneous	67,547	83,408	97,896	53,059	35,826	20,206	39,871	16,161	36,898	26,625
Total	<u>725,220</u>	<u>762,255</u>	<u>1,009,578</u>	<u>477,897</u>	<u>452,216</u>	<u>415,538</u>	<u>631,735</u>	<u>236,019</u>	<u>241,878</u>	<u>237,399</u>
Treaty										
Fire and property damage	-	-	-	-	-	-	-	-	-	-
Marine, aviation and transport	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>725,220</u>	<u>762,255</u>	<u>1,009,578</u>	<u>477,897</u>	<u>452,216</u>	<u>415,538</u>	<u>631,735</u>	<u>236,019</u>	<u>241,878</u>	<u>237,399</u>


Note:


Premiums written include administration surcharge amounting to Rs. 4,254 (2015: Rs. 4,061) thousand.

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


Arshad P. Rana
 Chief Executive


Ali H. Shirazi
 Director


Feroz Rizvi
 Director


Yusuf H. Shirazi
 Chairman

Condensed Interim Statement of Claims (Unaudited)

For the financial period ended March 31, 2016


Business underwritten inside Pakistan	Q u a r t e r e n d e d M a r c h 3 1 , 2 0 1 6										
	Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	Quarter ended March 31, 2015 Net claims expense
			Opening	Closing			Opening	Closing			
			(R u p e e s i n			t h o u s a n d)					
Direct and facultative											
Fire and property damage	48,229	104,109	102,630	46,750	44,761	99,830	97,154	42,085	4,665	2,921	
Marine, aviation and transport	9,745	32,030	45,285	23,000	5,944	24,118	33,364	15,190	7,810	3,515	
Motor	34,584	92,343	86,420	28,661	14,713	23,519	20,632	11,826	16,835	34,306	
Engineering	75,878	252,471	193,954	17,361	75,766	249,359	191,294	17,701	(340)	489	
Miscellaneous	22,938	18,627	15,400	19,711	691	3,736	3,571	526	19,185	11,121	
Total	<u>191,374</u>	<u>499,580</u>	<u>443,689</u>	<u>135,483</u>	<u>141,875</u>	<u>400,562</u>	<u>346,015</u>	<u>87,328</u>	<u>48,155</u>	<u>52,352</u>	
Treaty											
Fire and property damage	-	1,755	1,755	-	-	-	-	-	-	-	
Marine, aviation and transport	-	1,939	1,939	-	-	-	-	-	-	-	
Miscellaneous	-	86	86	-	-	-	-	-	-	-	
Total	<u>-</u>	<u>3,780</u>	<u>3,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Grand Total	<u>191,374</u>	<u>503,360</u>	<u>447,469</u>	<u>135,483</u>	<u>141,875</u>	<u>400,562</u>	<u>346,015</u>	<u>87,328</u>	<u>48,155</u>	<u>52,352</u>	

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


Arshad P. Rana
 Chief Executive


Ali H. Shirazi
 Director


Feroz Rizvi
 Director


Yusuf H. Shirazi
 Chairman

Condensed Interim Statement of Expenses (Unaudited)

For the financial period ended March 31, 2016


Business underwritten inside Pakistan	Quarter ended								Quarter ended March 31, 2015 net underwriting expense
	Commission paid or payable	Deffered commission		Net commission expense	Other management expense	Underwriting expense	Commission from reinsurers	Net underwriting expense	
Class		Opening	Closing						
(Rupees in thousands)									
Direct and facultative									
Fire and property damage	20,247	22,295	29,619	12,923	14,066	26,989	21,174	5,815	3,288
Marine, aviation and transport	3,927	1,469	1,542	3,854	12,635	16,489	13,783	2,706	8,406
Motor	7,618	34,488	27,763	14,343	22,958	37,301	7,534	29,767	30,662
Engineering	35,419	9,579	41,272	3,726	31,817	35,543	5,755	29,788	21,388
Miscellaneous	2,795	2,494	3,841	1,448	7,200	8,648	3,429	5,219	5,456
Total	<u>70,006</u>	<u>70,325</u>	<u>104,037</u>	<u>36,294</u>	<u>88,676</u>	<u>124,970</u>	<u>51,675</u>	<u>73,295</u>	<u>69,200</u>
Treaty									
Fire and property damage	-	-	-	-	-	-	-	-	-
Marine, aviation and transport	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>70,006</u>	<u>70,325</u>	<u>104,037</u>	<u>36,294</u>	<u>88,676</u>	<u>124,970</u>	<u>51,675</u>	<u>73,295</u>	<u>69,200</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.


Arshad P. Rana
 Chief Executive


Ali H. Shirazi
 Director


Feroz Rizvi
 Director


Yusuf H. Shirazi
 Chairman

Condensed Interim Statement of Investment Income (Unaudited)

For the financial period ended March 31, 2016

	Quarter Ended	
	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
Income from non-trading investments		
Held to maturity		
Return on government securities	2,553	2,094
Available for sale		
Dividend income		
- from others	29,966	21,709
Gain on sale of available for sale investments	33,110	41,214
Less: Provision for impairment in value of available for sale investments	804	9,462
Less: Investment related expenses	140	150
Net investment income	64,685	55,405

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Notes to the Condensed Interim Financial Information (Unaudited)

For the financial period ended March 31, 2016

1. The Company and its operations

Atlas Insurance Limited (the Company) was incorporated as a public limited Company on September 6, 1934 and is listed on Pakistan Stock Exchange (formerly Karachi Stock Exchange and Lahore Stock Exchange). The Company is engaged in general insurance business. The Company has been granted permission to transact Window Takaful Operation in respect of General Takaful products by the Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012, on March 02, 2016. The registered office of the Company is situated at 3-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.

2. Statement of compliance

- 2.1 This condensed interim financial information of the Company for the quarter ended March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 have been followed.
- 2.2 The disclosures made in this interim financial information have, however, been limited based on the format prescribed by the SECP in its Circular No. 7 of 2003 and International Accounting Standard 34 - Interim Financial Reporting. They do not include all the information and disclosures required in the annual financial statements, and this interim financial information should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2015.
- 2.3 During the period, the Company was granted permission by SECP to transact Window Takaful Operations. In terms of the requirements of the Takaful Rules, 2012, read with SECP Circular 25 of 2015 dated July 09, 2015, the assets, liabilities and profit and loss of the Operator Fund of the General Takaful operations of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.
- 2.4 Further, a separate set of financial information of the General Takaful Operations has been annexed to these financials, as per the requirements of the Takaful Rules, 2012.

3. Significant accounting policies

The accounting policies and methods of computation adopted in preparation of this interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended December 31, 2015 except as disclosed in note 2.3 and 2.4 and except as follows:

3.1 New and amended standards and interpretations

The Company has adopted the following amendments and interpretation of IFRSs which became effective for the current year:

IFRS 10 - Consolidated Financial Statements

IFRS 11 - Joint Arrangements

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 13 - Fair Value Measurement

IAS 19 - Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

The adoption of the above did not have any material effect on the condensed interim financial statements for the current period.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for the current period. The Company expects that such improvements to the standards do not have any impact on the Company's financial statements for the period.

4. Basis of measurement

This interim financial information has been prepared under historical cost convention.

5. Accounting estimates and judgements

In preparing this condensed interim financial information, the estimates / judgements and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at end for the year ended December 31, 2015.

6. Financial risk management

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2015.

7. Contingencies and commitments

7.1 Contingencies

The Additional Commissioner Inland Revenue (ADCIR) issued orders under section 122(5A) creating a cumulative income tax demand of Rs. 117,817 (thousand) for tax years 2009 to 2014 on the basis that dividend and rental income should be taxed at normal corporate rate instead of reduced rates, further, he has also charged WWF. Commissioner Inland Revenue (Appeals) [CIR(A)] accepted the stance of the Company to the extent of rental income and chargeability of WWF however, upheld the decision in respect of dividend income and reduced the demand to Rs. 58,895 (thousand). Against the order of CIR(A), the Company preferred appeals before the Appellate Tribunal Inland Revenue (ATIR). The ATIR confirmed the decision of the CIR(A). Being aggrieved with the decision of ATIR, the Company has filed reference applications before the Lahore High Court, which are pending for adjudication.

The matter is still undecided, no provision has been made in this financial information as the management is confident that favorable outcome is expected.

<u>March 31, 2016</u>	<u>December 31, 2015</u>
(Unaudited)	(Audited)
(Rupees in thousand)	

7.2 Other contingencies

Claims against the Company not acknowledged as debt

69,531

69,531

7.3 Commitments

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

	Note	March 31, 2016 (Unaudited) (Rupees in thousand)	December 31, 2015 (Audited)
Not later than one year		15,051	41,812
Later than one year and not later than five years		14,451	22,265
Later than five years		183	458
		<u>29,685</u>	<u>64,535</u>

8. Investments

Held to maturity

Pakistan Investment Bonds (PIBs)	8.1	76,092	75,374
----------------------------------	-----	--------	--------

Available for sale

Mutual funds		963,698	929,753
Quoted shares		1,162,323	1,119,350
		<u>2,126,021</u>	<u>2,049,103</u>

Investment at cost

		<u>2,202,113</u>	<u>2,124,477</u>
Aggregate market value of investments		<u>4,358,170</u>	<u>4,408,580</u>

- 8.1 This represents carrying amount of PIBs 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.

	March 31, 2016 (Unaudited) (Rupees in thousand)	December 31, 2015 (Audited)
--	--	-----------------------------------

9. Fixed assets

Tangible

Opening net book value		55,237	49,247
Add: Additions during the period / year		2,790	24,075
		<u>58,027</u>	<u>73,322</u>
Less:			
Disposals during the period / year (at book value)		-	8,085
Depreciation charged during the period / year		2,417	10,000
		<u>2,417</u>	<u>18,085</u>
		<u>55,610</u>	<u>55,237</u>

Intangible

Opening net book value		994	2,605
Amortization charged during the period / year		(396)	(1,611)
		<u>598</u>	<u>994</u>

10. Provision for taxation

Provision for taxation has been calculated on estimated basis and is subject to adjustments at year end.

<u>March 31,</u> <u>2016</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>March 31,</u> <u>2015</u> <u>(Unaudited)</u>
--	---

11. General takaful operations - OPF

Wakala fee	113	-
Management expenses	(813)	-
Commission expenses	(30)	-
Other income	545	-
	<hr/>	<hr/>
Loss before tax	(185)	-
	<hr/> <hr/>	<hr/> <hr/>

12. Cash and cash equivalents at the end of the period

For the purposes of the cash flow statement cash includes:

Cash and other equivalents	293	433
Current and other accounts	227,619	83,795
	<hr/>	<hr/>
	227,912	84,228
	<hr/> <hr/>	<hr/> <hr/>

12.1 Reconciliation to profit and loss account

Operating cash flows	(131,864)	(201,207)
Depreciation	(2,417)	(1,909)
Financial charges	(331)	(50)
Amortization	(396)	(396)
Profit on disposal of fixed assets	-	309
Increase in assets other than cash	317,413	268,388
Increase in liabilities other than borrowings	(104,719)	(3,772)

Other adjustments

- (Increase) in provision for unearned premium	(31,126)	14,856
- Increase in commission income	(18,582)	(14,967)
- (Increase) in provision for deferred commission expenses	33,712	1,127
- Income on investments and current and other deposits	64,685	55,405
- Rental income	2,028	1,716
- Other income	2,915	5,519
- Loss from takaful operations - OPF	(185)	-
	<hr/>	<hr/>

Profit after taxation

131,133	125,019
<hr/> <hr/>	<hr/> <hr/>

13. Transactions with related parties

Related parties comprise associated entities, entities under common control, entities with common directors, major shareholders, directors and key management personal. The period end balances and transactions with related parties, other than remuneration under the terms of employment are as follows:

Related parties	Period end balances	<u>March 31,</u> 2016	<u>December 31,</u> 2015
		(Unaudited)	(Audited)
		(Rupees in thousand)	
		<u>March 31,</u> 2016	<u>March 31,</u> 2015
		(Unaudited)	(Unaudited)
		(Rupees in thousand)	
	Transactions during the period		
	Provision for outstanding claims (including IBNR)	125,393	86,853
	Premium received in advance	1,988	47,053
	Premium due but unpaid	99,239	40,135
		<u>March 31,</u> 2016	<u>March 31,</u> 2015
		(Unaudited)	(Unaudited)
		(Rupees in thousand)	
	Transactions during the period		
	Premium underwritten	183,500	174,070
	Premium collected	136,359	121,677
	Claims paid	25,491	27,343
	Assets purchased	2,205	7,796
	Rent received	1,485	1,273
	Rent paid	725	447
	Investments purchased	295,700	462,300
	Investments sold	273,421	312,643
	Expenses paid	109	307
	Donation	2,089	2,041
Post employment benefit plans	Transactions during the period		
	Expenses charged	3,384	3,097
Key management personnel	Transactions during the period		
	Compensation	23,720	19,861

The transactions were carried out at the arm's length in accordance with the policy of the Company.

Contribution to and accruals in respect of staff retirement plans are made in accordance with actuarial valuation / terms of the contribution plan.

Remuneration to the Chief Executive and certain executives were paid in accordance with the terms of their employment.

14. Segment reporting

The Company has five (2015: Five) primary business segments for reporting purpose namely fire and property damage, marine, aviation and transport, motor, engineering and miscellaneous.

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

	Fire & property damage		Marine, aviation & transport		Motor		Engineering		Miscellaneous		Total	
	Mar. 31, 2016 (Unaudited)	Dec. 31, 2015 (Audited)	Mar. 31, 2016 (Unaudited)	Dec. 31, 2015 (Audited)	Mar. 31, 2016 (Unaudited)	Dec. 31, 2015 (Audited)	Mar. 31, 2016 (Unaudited)	Dec. 31, 2015 (Audited)	Mar. 31, 2016 (Unaudited)	Dec. 31, 2015 (Audited)	Mar. 31, 2016 (Unaudited)	Dec. 31, 2015 (Audited)
	(Rupees in thousand)											
Corporate segment assets - conventional	272,622	410,150	244,616	105,760	231,352	207,750	621,464	369,861	140,713	52,384	1,510,767	1,145,905
Corporate segment assets - Takaful OPF	1	-	-	-	3,394	-	-	-	-	-	3,395	-
Unallocated corporate assets assets - conventional											2,539,914	2,651,109
Unallocated corporate assets assets - Takaful OPF											49,812	-
Consolidated total assets											<u>4,103,888</u>	<u>3,797,014</u>
Corporate segment liabilities - conventional	326,500	558,633	292,958	160,668	277,074	421,449	744,282	402,872	168,522	140,699	1,809,336	1,684,321
Corporate segment liabilities - Takaful OPF	1	-	-	-	2,596	-	-	-	-	-	2,597	-
Unallocated corporate liabilities liabilities - conventional											310,736	266,794
Unallocated corporate liabilities liabilities - Takaful OPF											795	-
Consolidated total liabilities											<u>2,123,464</u>	<u>1,951,115</u>

15. Non - adjusting events after the balance sheet date

The Board of directors has proposed at their meeting held on February 25, 2016 and approved by the members at the Annual General Meeting held on April 15, 2016 a final cash dividend for the year ended December 31, 2015 of Rs. 6 (2014: Rs. 6) per share, amounting to Rs. 420,968 thousand (2014: Rs. 420,968 thousand). The Board has also recommended and the members approved to transfer Rs. 181,000 thousand (2014: Rs. 124,000 thousand) to general reserve from accumulated reserves.

16. Date of authorization for issue

This condensed interim financial information was authorized for issue on April 27, 2016 by the Board of directors.

17. General

Figures in this interim financial information have been rounded off to the nearest thousand rupees unless otherwise specified.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

تكاافل

TAKAFUL



Atlas Insurance

Window Takaful Operations

Quarterly Report

March 31, 2016

Window Takaful Condensed Interim

As at

	OPF March 31, 2016	PTF March 31, 2016	Aggrgate March 31, 2016
	(Rupees in thousand)		
Operator's Fund			
Statutory fund	50,000	-	50,000
Accumulated loss	(185)	-	(185)
	49,815	-	49,815
Waqf / Participants' Takaful Fund			
Cede money	-	500	500
Accumulated loss	-	(893)	(893)
	-	(393)	(393)
Underwriting provisions			
Provision for unearned contribution	-	8,661	8,661
Unearned takaful rebate	-	1	1
Total underwriting provisions	-	8,662	8,662
Creditors and accruals			
Amounts due to other takaful / retakaful operator	-	502	502
Unearned wakala fee	2,597	-	2,597
Wakala fee payable	-	2,711	2,711
Other creditors and accruals	795	2,676	3,471
	3,392	5,889	9,281
TOTAL LIABILITIES	3,392	14,551	17,943
TOTAL EQUITY AND LIABILITIES	53,207	14,158	67,365

Operations Balance Sheet (Unaudited)

March 31, 2016


	OPF March 31, 2016	PTF March 31, 2016	Aggrgate March 31, 2016
	(Rupees in thousand)		
Cash and bank deposits			
Cash and other equivalents	-	-	-
Current and other accounts	49,170	9,423	58,593
	49,170	9,423	58,593
Current assets - other			
Contribution due but unpaid	-	1,653	1,653
Accrued investment income	356	2	358
Deferred commission expense	684	-	684
Wakala fees receivable	2,711	-	2,711
Deferred wakala fee	-	2,598	2,598
Prepayments	286	482	768
	4,037	4,735	8,772
TOTAL ASSETS	53,207	14,158	67,365

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.


Arshad P. Rana
Chief Executive


Ali H. Shirazi
Director


Feroz Rizvi
Director


Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Profit and Loss Account (Unaudited)

For the financial period ended March 31, 2016

Note	Quarter ended March 31				Aggregate 2016
	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	
(Rupees in thousand)					
PTF revenue account					
Net contribution revenue	-	-	357	-	357
Wakala expense	-	-	(113)	-	(113)
Net claims	-	-	-	-	-
Direct expenses	-	-	(1,139)	-	(1,139)
Retakaful rebate	-	-	-	-	-
Underwriting result	<u>-</u>	<u>-</u>	<u>(895)</u>	<u>-</u>	<u>(895)</u>
Profit on deposits					2
Loss for the period					<u>(893)</u>
OPF revenue account					
Wakala fee	-	-	113	-	113
Management expenses	(1)	-	(812)	-	(813)
Commission expenses	-	-	(30)	-	(30)
	<u>(1)</u>	<u>-</u>	<u>(729)</u>	<u>-</u>	<u>(730)</u>
Profit on deposits					545
Loss for the period					<u>(185)</u>

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations
Condensed Interim Statement of Comprehensive Income (Unaudited)
 For the financial period ended March 31, 2016

	Quarter Ended March 31, 2016 (Rupees in thousand)
Operator's Fund	
Loss for the period ended March 31	(185)
Other comprehensive income for the period	-
Total comprehensive income for the period	<u>(185)</u>

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Changes in Fund (Unaudited)

Financial period ended March 31, 2016

	Operators' Fund March 31, 2016 (Rupees in thousand)
Contribution made during the period	50,000
Loss for the period	(185)
Balance as at March 31, 2016	<u>49,815</u>

	Participants' Takaful Fund March 31, 2016 (Rupees in thousand)
Cede money	500
Loss for the period	(893)
Balance as at March 31, 2016	<u>(393)</u>

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Cash Flow Statement (Unaudited)

For the financial period ended March 31, 2016

	OPF March 31, 2016	PTF March 31, 2016	Aggregate March 31, 2016
(Rupees in thousand)			
Operating activities			
Takaful activities			
Contributions received	-	8,923	8,923
Management expenses	(1,000)	-	(1,000)
Net cash (outflow) / inflow from takaful activities	(1,000)	8,923	7,923
Other operating activities			
Income tax paid	(19)	-	(19)
Net cash (outflow) / inflow from other operating activities	(19)	-	(19)
Total cash (outflow) / inflow from all operating activities	(1,019)	8,923	7,904
Investment activities			
Profit / return received	189	-	189
Total cash flow from investing activities	189	-	189
Financing activities			
Contribution to the operator's fund	50,000	-	50,000
Cede money	-	500	500
Total cash inflow from financing activities	50,000	500	50,500
Net cash inflow from all activities	49,170	9,423	58,593
Cash at the beginning of the period	-	-	-
Cash at the end of the period	49,170	9,423	58,593
Reconciliation to profit and loss account			
Operating cash flows	(1,019)	8,923	7,904
Profit on deposits	545	-	545
Decrease in assets other than cash	3,681	4,734	8,415
(Increase) in liabilities other than running finance	(3,392)	(14,550)	(17,942)
(Loss) / surplus for the period	(185)	(893)	(1,078)
Attributed to			
Operator's Fund	(185)	-	(185)
Participants' Takaful Fund	-	(893)	(893)
	(185)	(893)	(1,078)
Definition of cash			
Cash for the purpose of cash flow statement consists of:			
Current and other accounts	49,170	9,423	58,593
	49,170	9,423	58,593



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Contributions (Unaudited)

For the financial period ended March 31, 2016

Class	Q u a r t e r e n d e d			M a r c h 3 1 , 2 0 1 6					
	Contributions written	Unearned contribution reserve		Contributions earned	Retakaful ceded	Prepaid retakaful contributions earned		Retakaful expense	Net contributions revenue
		Opening	Closing			Opening	Closing		
		(R u p e e s i n		t h o u s a n d)					
Direct and facultative									
Fire and property damage	3	-	3	-	3	-	3	-	-
Marine, aviation and transport	-	-	-	-	-	-	-	-	-
Motor	9,036	-	8,658	378	500	-	479	21	357
Miscellaneous	-	-	-	-	-	-	-	-	-
Total	<u>9,039</u>	<u>-</u>	<u>8,661</u>	<u>378</u>	<u>503</u>	<u>-</u>	<u>482</u>	<u>21</u>	<u>357</u>
Treaty	-	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>9,039</u>	<u>-</u>	<u>8,661</u>	<u>378</u>	<u>503</u>	<u>-</u>	<u>482</u>	<u>21</u>	<u>357</u>

Note:


Contribution include administration surcharge amounting to Rs. 151 thousand.

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.


Arshad P. Rana
Chief Executive


Ali H. Shirazi
Director


Feroz Rizvi
Director


Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Claims (Unaudited)

For the financial period ended March 31, 2016


Class	Q u a r t e r e n d e d			M a r c h 3 1 , 2 0 1 6					
	Claims paid	Outstanding Claims		Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue	Net claims expense
		Opening	Closing			Opening	Closing		
		(R u p e e s i n		t h o u s a n d)					
Direct and facultative									
Fire and property damage	-	-	-	-	-	-	-	-	-
Marine, aviation and transport	-	-	-	-	-	-	-	-	-
Motor	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Treaty	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Grand Total	-	-	-	-	-	-	-	-	-

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.


Arshad P. Rana
 Chief Executive


Ali H. Shirazi
 Director


Feroz Rizvi
 Director


Yusuf H. Shirazi
 Chairman

Window Takaful Operations

Condensed Interim Statement of Expenses - OPF (Unaudited)

For the financial period ended March 31, 2016

Class	Q u a r t e r e n d e d			M a r c h 3 1 , 2 0 1 6		
	Commissions paid or payable	Deferred commission		Net commission expenses	Other management expenses	Net OPF expense
		Opening	Closing			
(R u p e e s i n t h o u s a n d)						
Direct and facultative						
Fire and property damage	-	-	-	-	1	1
Marine, aviation and transport	-	-	-	-	-	-
Motor	714	-	684	30	812	842
Miscellaneous	-	-	-	-	-	-
Total	<u>714</u>	<u>-</u>	<u>684</u>	<u>30</u>	<u>813</u>	<u>843</u>
Treaty	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>714</u>	<u>-</u>	<u>684</u>	<u>30</u>	<u>813</u>	<u>843</u>

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.


Arshad P. Rana
 Chief Executive


Ali H. Shirazi
 Director


Feroz Rizvi
 Director


Yusuf H. Shirazi
 Chairman

Window Takaful Operations

Condensed Interim Statement of Expenses - PTF (Unaudited)

For the financial period ended March 31, 2016


Class	Quarter ended			March 31, 2016			
	Gross wakala fee	Deferred wakala fee		Net expenses	PTF direct expenses	Rebate from retakaful operators	Net PTF expense
		Opening	Closing				
(Rupees in thousand)							
Direct and facultative							
Fire and property damage	1	-	1	-	-	-	-
Marine, aviation and transport	-	-	-	-	-	-	-
Motor	2,710	-	2,597	113	1,139	-	1,252
Miscellaneous	-	-	-	-	-	-	-
Total	<u>2,711</u>	<u>-</u>	<u>2,598</u>	<u>113</u>	<u>1,139</u>	<u>-</u>	<u>1,252</u>
Treaty	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>2,711</u>	<u>-</u>	<u>2,598</u>	<u>113</u>	<u>1,139</u>	<u>-</u>	<u>1,252</u>

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.


Arshad P. Rana
 Chief Executive


Ali H. Shirazi
 Director


Feroz Rizvi
 Director


Yusuf H. Shirazi
 Chairman

Window Takaful Operations

Notes to the Condensed Interim Financial Information (Unaudited)

For the financial period ended March 31, 2016

1. The Company and its operations

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

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf / Participants' Takaful Fund (PTF) on March 12, 2016 under the Waqf deed. The Waqf deed governs the relationship of Operator and participants for management of Takaful operations.

2. Basis of preparation

This condensed interim financial information has been prepared in line with the format issued by the SECP through SEC (Insurance) Rules, 2002 and SECP circular No. 25 of 2015 dated July 09, 2015.

This condensed interim financial information reflects 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 Operator and PTF remain separately identifiable. These are the first set of financial statements of the Atlas Insurance Limited - Window Takaful Operations.

2.1 Statement of compliance

This condensed interim financial information of WTO for the period from March 12, 2016 to March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 have been followed.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements.

2.2 Basis of measurement

This interim financial information has been prepared under historical cost convention.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Operator's functional and presentation currency. All financial information presented in Pakistani Rupee has been rounded to the nearest thousand.

3. Significant accounting policies

3.1 Contribution

For all the takaful contracts, contributions including administrative surcharge received / receivable under a takaful policy are recognised as written at the time of issuance of policy. Where contributions for a policy are payable in installments, full contribution for the duration of the policy is recognised as written at the inception of the policy and related assets set up for contributions receivable at a later date. Contributions are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on contributions.

3.2 Provision for unearned contributions

The unearned contribution reserve is the unexpired portion of the contribution which relates to business in force at the balance sheet date. Unearned contributions have been calculated by applying 1/24th method as specified in the SEC (Insurance) Rules, 2002.

3.3 Contribution deficiency reserve

At each balance sheet date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned contribution liability for that class. It is performed by comparing the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, commissions and other underwriting expenses, expected to be incurred after balance sheet date in respect of policies in force at balance sheet date with the carrying amount of unearned contribution liability. Any deficiency is recognised by establishing a provision (contribution deficiency reserve) to meet the deficit.

No provision has been made as the unearned contribution reserve for each class of business as at the balance sheet date is adequate to meet the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, commissions and other underwriting expenses, expected to be incurred after balance sheet date in respect of takaful contracts in force at balance sheet date.

3.4 Claims

Claims are charged to PTF income as incurred based on estimated liability for compensation owed under the takaful contracts. It includes claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

3.5 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognised in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs. Retakaful recoveries against outstanding claims are recognized as an asset and measured at the amount expected to be received.

3.6 Retakaful contracts

Retakaful contribution is recognised as an expense at the time the retakaful is ceded. Rebate from retakaful is recognised in accordance with the policy of recognising contribution revenue. Retakaful assets represent balances due from retakaful operators and retakaful recoveries against outstanding claims. Retakaful liabilities represent balances due to retakaful operators and are primarily retakaful contributions payable for retakaful contracts and are recognised at the same time when retakaful contributions are recognised as an expense.

3.7 Commission

3.7.1 Commission expense

Commission expenses incurred in obtaining and recording policies is deferred and recognised as an expense in accordance with pattern of recognition of contribution revenue by applying the 1/24th method.

3.7.2 Rebate from retakaful operators

Rebate from retakaful operators is deferred and recognised as revenue in accordance with the pattern of recognition of the retakaful contribution to which it relates.

3.8 Wakala fee

The Operator manages the general takaful operations for the participants and charges 35 % for Fire and property, 35 % for Marine, aviation and transport, 30 % for Motor, 35% for Engineering, 30% for Health and 30 % for Miscellaneous, of gross contribution written including administrative surcharge as wakala fee against the services. Wakala fee is recognised on the same basis on which the related revenue is recognised. Unexpired portion of wakala fee is recognized as a liability of OPF and an asset of PTF.

3.9 Revenue recognition

3.9.1 PTF

3.9.1.1 Contribution

The revenue recognition policy for contributions is given under note 3.1.

3.9.1.2 Rebate from retakaful operators

The revenue recognition policy for rebate from retakaful operator is given under note 3.7.2.

3.9.2 OPF

The revenue recognition policy for wakala fee is given under note 3.8.

3.9.3 PTF / OPF

3.9.3.1 Investment income

Return on investments, profit on profit and loss sharing accounts and bank deposits are recognised on accrual basis.

3.10 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and or services received, whether or not billed to the Company. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, the provisions are reviewed at balance sheet date and adjusted to reflect current best estimates.

3.11 Receivables and payables related to takaful contracts

Receivables and payables related to insurance contracts are recognised when due at cost which is the fair value of the consideration given less provision for impairment, if any.

3.12 Fixed assets

3.12.1 Tangible

Fixed assets except freehold land are stated at cost less accumulated depreciation and impairment, if any. Cost of tangible fixed assets consists of historical cost and directly attributable cost of bringing the assets to their present location and condition. Depreciation is charged to income applying the reducing balance method at the rates given in fixed assets schedule to write off the cost of operating fixed assets over their expected useful life. Depreciation on addition to fixed assets is charged from the month in which an asset is acquired or capitalized, whereas no depreciation is charged in the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred whereas major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gain and loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

3.12.2 Intangible

The intangible asset is stated at cost less accumulated amortization and impairment, if any. Amortization is calculated on a straight-line basis over the estimated useful life of the asset.

3.13 Expenses of management

Expenses of management include directly attributable expenses and indirect expenses allocated to various classes of business on the basis of gross premium revenue. Expenses not allocable to the underwriting business are charged as administrative expenses.

3.14 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost.

4. Accounting estimates and judgements

In preparing this condensed interim financial information, the estimates / judgements and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are believed to be reasonable, the result of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

5. Financial risk management

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2015.

6. Transactions with related parties

Related parties comprise associated entities, entities under common control, entities with common directors, major shareholders, directors and key management personal. The period end balances and transactions with related parties, other than remuneration under the terms of employment are as follows:

		<u>March 31,</u> <u>2016</u> (Unaudited) (Rupees in thousand)
Related parties	Transactions during the period	
	Contribution underwritten	3
	Contribution collected	3

The transactions were carried out at the arm's length in accordance with the policy of the Company.

7. Operating Segment

	Fire and property damage March 31, 2016 (Unaudited)	Marine aviation & Transport March 31, 2016 (Unaudited)	Motor March 31, 2016 (Unaudited)	Miscellaneous March 31, 2016 (Unaudited)	Total 2016 (Unaudited)
(Rupees in thousand)					
Operator's Fund					
Corporate segment assets	1	-	3,394	-	3,395
Unallocated corporate assets					49,812
Consolidated total assets					<u>53,207</u>
Corporate segment liabilities	1	-	2,596	-	2,597
Unallocated corporate liabilities					795
Consolidated total liabilities					<u>3,392</u>
Participants' Takaful Fund					
Corporate segment assets	2	-	4,731	-	4,733
Unallocated corporate assets					9,425
Consolidated total assets					<u>14,158</u>
Corporate segment liabilities	4	-	11,871	-	11,875
Unallocated corporate liabilities					2,676
Consolidated total liabilities					<u>14,551</u>

8. Date of authorization for issue

This condensed interim financial information was authorized for issue on April 27, 2016 by the Board of directors.

9. General

This being the first year of financial statements for Window Takaful Operations there were no comparative figures to report.

Statement of investment income has not been included in this condensed interim financial information as there was no investment and related income earned by Window Takaful Operations.

Figures in this interim financial information have been rounded off to the nearest thousand rupees unless otherwise specified.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

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