



Half Yearly Report June 30,

2020

تکافل

**TAKAFUL**

Window Operation

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## CONDENSED INTERIM FINANCIAL STATEMENTS

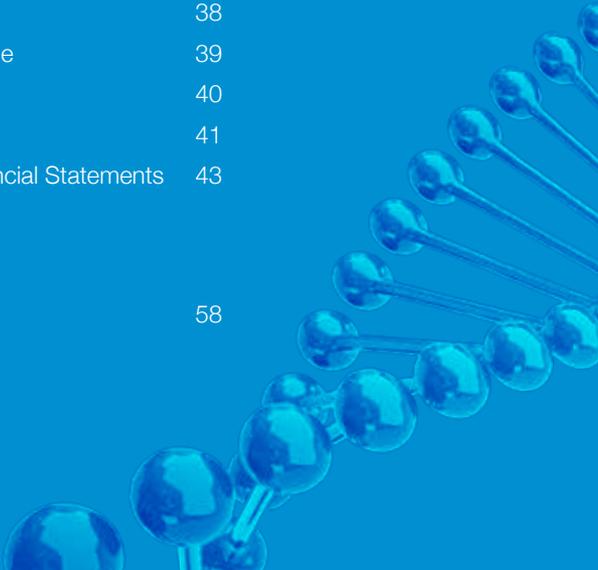
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# Company Information

## Board of Directors

Iftikhar H. Shirazi  
Chairman / Non-Executive Director

Ali H. Shirazi  
Non-Executive Director

Frahim Ali Khan  
Non-Executive Director

Hasan Reza ur Rahim  
Independent Director

Muhammad Habib-ur-Rahman  
Non-Executive Director

Roohi 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

Muhammad Habib-ur-Rahman  
Member

Babar Mahmood Mirza  
Member

Rashid Amin  
Member

Muhammad Afzal  
Secretary

## Underwriting, Reinsurance & Co-Insurance Committee

Ali H. Shirazi  
Chairman

Babar Mahmood Mirza  
Member

Rashid Amin  
Member

Muhammad Saeed  
Member

Syed Irtiza Kazmi  
Secretary

## Claims Settlement Committee

Frahim Ali Khan  
Chairman

Babar Mahmood Mirza  
Member

Syed Irtiza Kazmi  
Member

Muhammad Saeed  
Secretary

# Company Information

## Risk Management & Compliance Committee

Babar Mahmood Mirza  
Chairman

Rashid Amin  
Member

Muhammad Saeed  
Member

Muhammad Aasim Gul  
Secretary

## Information Technology (IT) Committee

Babar Mahmood Mirza  
Chairman

Rashid Amin  
Member

Muhammad Saeed  
Member

Wasim Ahmed  
Secretary

## Management Committee

Babar Mahmood Mirza  
Chief Executive Officer

Rashid Amin  
Chief Financial Officer

Abbas Sajjad  
General Manager Sales & Marketing

Muhammad Saeed  
Head of Claims

Qudsia Naheed  
Head of HR & Admin

Abdul Razzaq Ghauri  
Head of IT

Syed Irtiza Kazmi  
Head of Underwriting

Syed Nasir Hussain  
Vice President Reinsurance

## Shariah Advisor

Mufti Zeeshan Abdul Aziz

## Compliance Officer

Muhammad Aasim Gul

## Auditors

A. F. Ferguson & Co.  
Chartered Accountants

## Legal Advisors

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

## Tax Advisor

EY Ford Rhodes  
Chartered Accountants

## Share Registrar

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

## Bankers

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

## Registered & Head Office

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

# Chairman's Review

It gives me great pleasure to present the un-audited accounts of your Company for the half year ended June 30, 2020.

## The Economy

The emergence of COVID-19 has caused major disruptions to economic activity around the world including Pakistan. However, marked improvement in COVID-19 infection & recovery rates in the country since July, favorable policy moves by the government, like construction package, reduction in interest rates and concessionary financing for businesses to support the employment of workers has seen the business sentiments improved lately. Monetary and fiscal policy interventions, such as interest rate reduction, payroll financing, announcement of stimulus package, have been made to ensure liquidity to cushion growth and employment. On the fiscal front, weak collections and higher expenditure in 4QFY20 mainly due to COVID-19 related developments resulted in a fiscal deficit of 9.5% of GDP. The country's economy posted a negative growth of 0.38% in FY 2019-20. The drop in domestic and global demand compounded the strain on the economy. Keeping in view the unprecedented economic situation, the federal budget 2020-21 was presented without imposing any new taxes. Despite challenging conditions, the outlook for external sector broadly remained stable. The current account deficit narrowed down by 70%. This was due to contraction in trade deficit for the second consecutive year to USD 23.2 billion on the back of 19% reduction in imports. Exports, which were struggling even before, fell to a four-year low of USD 21.4 billion, down by 6.8%. However, home remittances proved to be a silver lining as they reached an all-time high of USD 2.4 billion in June 2020, closing FY2020 with a total of USD 23.1 billion. These remittances along with other external and capital inflows helped foreign exchange reserves to close at USD 11.2 billion. Resultantly, Pak rupee remained relatively stable against dollar and closed at Rs. 168. With an improved inflation outlook but an increased downside risk to growth, SBP further reduced the policy rate to 7% in its recent Monetary Policy Statement.

The agriculture sector, which has not been much affected directly by the coronavirus or lockdown, recorded growth of 2.67% during the year. This represents a significant surge from last year's dismal performance of 0.6%. Except cotton and sugarcane, positive growth was observed in all other important crops. However, challenges due to the locust outbreak that started to emerge in the later part of 2019, climate change and untimely rains kept production in this sector far below its potential. Large Scale Manufacturing (LSM) is estimated to record a decline of 2.6% during the outgoing fiscal year. Even before the pandemic, the industrial output was depressed on account of measures undertaken for macroeconomic stabilization. Cost structures of businesses were adversely affected while consumers struggled to preserve their purchasing power. During the last quarter, the pandemic further intensified the economic woes as any recovery in the sector was hampered due to lockdown of businesses. Given the mounting challenges on the economic front due to COVID-19, the stock market remained under pressure amid heightened volatility during January – June, 2020, where the benchmark 100 index declined by 15%.

## The Company

Performance of the Company was also affected during the period under review due to overall economic slowdown. However, the Company tried to ensure stability in its operations. Gross premium and contribution for the half year ended June 30, 2020 stood at Rs. 1.378 billion against Rs. 1.431 billion for the same period last year, down 4%. Impact of decline in gross premium also

reflected in net premium which stood at Rs. 649.703 million against Rs. 735.157 million of the same period last year. Underwriting profit was Rs. 278.408 million compared to Rs. 344.540 million of the same period last year, down 19%. The Company earned investment income of Rs. 125.963 million against Rs. 53.610 million of the corresponding period last year. The Company earned profit before tax of Rs. 437.253 million against Rs. 430.867 million of the corresponding period last year, mainly due to increase in investment income. After providing for tax, the profit after tax stood flat at Rs. 311.629 million compared to Rs. 309.341 million of the same period last year.

## Future Outlook

The economic future depends on the time it takes to reverse the adverse effects of the pandemic on economic activities. With the extraordinary challenges posed by the crisis on almost all sectors of the national economy, the need to maintain food security and livelihoods has become even more important. It is, therefore, imperative to take measures for boosting agriculture production. Fiscal targets will be challenging to achieve as the Government plans to boost healthcare spending in the absence of adequate tax measures. The current account deficit, however, is expected to remain range bound. The recent fall in portfolio inflows is likely to be offset by official flows committed by the international community. Moreover, the phased lifting of lockdown restrictions along with declining new COVID-19 cases has raised hopes for normalized business activity in coming months. If this proceeds smoothly, it is expected that the economy will resume its growth momentum that would boost the demand for insurance also. The expected bounce-back of insurance demand will support earnings over the longer term. The experience of this year's health and economic crises will raise risk awareness and demand for risk protection across many lines of business. The COVID-19 shock will likely accelerate other paradigm shifts too, such as a restructuring of supply chains to mitigate future business disruption risks, giving rise to new premium pools in property, engineering and surety insurance. The principles of the Atlas Way will continue to provide a firm premise for the Company's all future endeavors:

سنگاہ بلند ہو تو ملتی ہے سر بلندی  
(Set your goals high)

## 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

معاشی مستقبل اس بات پر منحصر ہے کہ وبائی مرض کے بدترین اثرات معاشی سرگرمیوں سے کب دور ہوتے ہیں۔ قومی معیشت کے تقریباً تمام شعبوں پر بحران کے باعث پیدا ہونے والے غیر معمولی چیلنجز کے بعد، غذائی تحفظ اور معاش کو برقرار رکھنے کی ضرورت اور بھی اہم ہوگئی ہے لہذا زراعت میں پیداوار کو بڑھانے کے لیے اقدامات کرنا لازمی ہیں۔ مالی امداد کا حصول قدرے مشکل ہوگا کیونکہ حکومت ٹیکس کے مناسب اقدامات کی عدم موجودگی میں صحت میں اضافی اخراجات کا ارادہ رکھتی ہے۔ تاہم توقع ہے کہ کرنٹ اکاؤنٹ خسارہ اپنی متوقع حد کے اندر ہی رہے گا۔ پورٹ فولیوز ان فلوز میں ہونے والی حالیہ کمی کو بین الاقوامی کمیونٹی کی جانب سے وعدہ کردہ فلوز سے پورا کیا جاسکتا ہے۔ مزید یہ کہ COVID-19 کے نئے کيسز میں کمی کے ساتھ لاک ڈاؤن کی پابندیوں کے مرحلہ وار اٹھانے جانے سے آئندہ آنے والے مہینوں میں کاروباری سرگرمیوں کے معمول پر آنے کی امیدوں میں حوصلہ افزاء اضافہ ہوا ہے۔ اگر یہ سلسلہ توقع کے مطابق آگے کی جانب بڑھتا ہے تو یہ توقع کی جاسکتی ہے کہ معیشت اپنی ترقی کی رفتار دوبارہ حاصل کر لے گی، جس کے نتیجے میں انشورنس کی طلب میں بھی اضافہ ہوگا۔ انشورنس ڈیمانڈ میں متوقع تیز روی کا سلسلہ واپس آنے سے طویل المدت میں آمدنی بڑھانے میں مدد ملے گی۔ اس سال صحت اور معیشت سے متعلق جس بحران کا سامنا کرنا پڑا ہے، اُس سے معتددا کاروباری اقسام میں خطرات سے آگاہی اور اُن سے محفوظ رہنے کے لیے اقدامات کی طلب میں اضافہ ہوگا۔ COVID-19 نے معاشرے کو جس خطرناک صورتحال سے آشکار کیا ہے، اُس کے سبب معتددا کاروباری امور کی انجام دہی میں بڑے پیمانے پر تبدیلی آئے گی، جیسے کہ مستقبل میں کاروباری امور کے اندر ظلل ڈالنے والے خطرات کو کم کرنے کے لیے سہولتی چین کی تنظیم نو، املاک، انجینئرنگ اور ضامن انشورنس میں نئے پریمیم پول کو جنم دے گی۔ "اٹلس وے" کے اصول کمپنی کی مستقبل کی تمام تر کاوشوں کے لیے مستحکم بنیاد فراہم کرتے رہیں گے؛

سے نگاہ بلند ہو تو ملتی ہے سربلندی

(Set your goals high)

اظہار تشکر

میں اس موقع پر بورڈ آف ڈائریکٹرز، چیف ایگزیکٹو آفیسر جناب بابر محمود مرزا، اور ان کی ٹیم کی کاوشوں، لگن اور خلوص کا تہ دل سے مشکور ہوں۔ اس کے ساتھ میں اپنے تمام ریمی انشوررز، معزز کلائنٹس، بینکوں اور سٹیورٹس رٹیر اینڈ ایسیجمنٹ کمیشن آف پاکستان کا مسلسل تعاون اور راہنمائی فراہم کرنے پر بھی شکر یہ ادا کرتا ہوں۔

*Shiraz*

افتخار ایچ شیرازی

## چیمبرین کی جانب سے جائزہ

میں نہایت مسرت کے ساتھ 30 جون 2020 کو ختم ہونے والی ششماہی کے لیے کمپنی کے غیر پڑتال شدہ اکاؤنٹس پیش کر رہا ہوں۔

### معیشت

COVID-19 پھیلنے سے معاشی سرگرمیوں میں پیدا ہونے والی رکاوٹوں نے پوری دنیا سمیت پاکستان کو بھی متاثر کیا۔ تاہم جولائی سے COVID-19 کی صورتحال میں بہتری نظر آئی، حکومت کی جانب سے لوگوں کا روزگار برقرار رکھنے کے لیے پیش کیے جانے والے تعمیریاتی پیکج، شرح سود میں کمی اور کاربار کے لیے فنانسنگ میں رعایت کے سبب کاروباری سرگرمیوں بحالی کی جانب بڑھ رہی ہیں۔ مانیٹری اور مالیاتی پالیسی میں مداخلت جیسے کہ شرح سود میں کمی، بے رول فنانسنگ اور دیگر مصارف کے لیے اعلان کردہ پیکج نے گرتھ اور ملازمتوں میں سیاریت کو یقینی بنایا۔ مالیاتی محاذ پر مالی سال 2020 کی چوتھی سہ ماہی میں کم وصولیوں اور زیادہ اخراجات بوجہ COVID-19 سے متعلقہ اخراجات کے نتیجے میں شرح نمو کے اندر 9.5 فیصد کا مالیاتی خسارہ ریکارڈ کیا گیا۔ ملکی معیشت نے گزشتہ 68 سالوں کے مقابلے میں بدترین کارکردگی کا مظاہرہ کیا اور مالی سال 2019-20 میں ترقی کی رفتار منفی 0.38% رہی۔ ملکی اور غیر ملکی سطح پر طلب میں کمی نے معیشت میں تناؤ کو بڑھایا۔ غیر معمولی معاشی صورتحال کو مد نظر رکھتے ہوئے وفاقی بجٹ 2020-21 نئے ٹیکس عائد کیے بغیر پیش کیا گیا۔ تمام تر مشکلات کے باوجود، بیرونی شعبے کا آؤٹ لک وسیع پیمانے پر منظم رہا۔ کرنٹ اکاؤنٹ خسارہ 70 فیصد تک کم ہو گیا۔ جس کی وجہ لگا دو دوسرے سال بھی تجارتی خسارے میں 23.2 بلین ڈالر کی کمی ہے اور اس کا سبب درآمدات میں 19 فیصد کمی ہے۔ ملکی برآمدات جو کہ پہلے ہی کشش کا شکار تھیں وہ 6.8 فیصد کمی کے ساتھ چار سال کی کم ترین سطح پر 21.4 بلین ڈالر آگئیں۔ تاہم، اس موقع پر ترسیلات زرامید کی کرن ثابت ہوئی اور اس میں اب تک کاسب سے نمایاں اضافہ دیکھنے میں آیا۔ یہ ترسیلات زرجون 2020 میں 2.4 بلین ڈالر رہیں اور اس طرح مالی 2020 کے اختتام تک مجموعی ترسیلات زر 23.1 بلین ڈالر پہنچ گئیں۔ ان ترسیلات زر کے ساتھ دیگر بیرونی اور کپٹل ان فلو ز نے زرمبادلہ کے ذخائر کو 11.2 بلین ڈالر کی سطح پر رکھنے میں مدد کی۔ جس کے نتیجے میں پاکستانی روپے کی قدر امریکی ڈالر کے مقابلے میں قدر مستحکم رہتے ہوئے 168 روپے پر بند ہوئی۔ افراط زر میں، بہتری لیکن شرح ترقی کی رفتار میں کمی کے بڑھتے ہوئے خطرات کے پیش نظر، اسٹیٹ بینک آف پاکستان نے اپنی حالیہ مانیٹری پالیسی اسٹینڈنٹ میں پالیسی ریٹ کو مزید کم کر کے 7 فیصد مقرر کیا۔

زرعی شعبہ کرونا وائرس اور لاک ڈاؤن سے براہ راست زیادہ متاثر نہیں ہوا، اور اس سال کے دوران اس میں 2.67 فیصد ترقی ریکارڈ کی گئی۔ یہ گزشتہ سال کے 0.6 فیصد مایوس کن اضافے کے مقابلے میں ایک امید افزاء اضافے کو ظاہر کرتا ہے۔ کپاس اور گنے کے علاوہ تمام دیگر اہم فصلوں میں اضافہ دیکھا گیا۔ تاہم، سال 2019 کے آخر میں مٹی دل کے حملوں، موسمی تغیرات اور بے موقع بارشوں کے سبب اس شعبے میں پیداوار اصل صلاحیت اور گنجائش سے کم رہی۔ اختتام پذیر مالی سال میں بڑے پیمانے پر مینوفیکچرنگ کے شعبے میں تنزیلی کا تجربہ 2.6 فیصد لگایا گیا ہے۔ عالمی واء سے پہلے بھی، صنعتی شعبے کی پیداوار اٹیکر واکنا تک استحکام کے لیے اٹھائے جانے والے اقدامات کے سبب مایوس کن تھی۔ کاروباری لاگت کا ڈھانچہ بھی متاثر رہا جبکہ صارفین اپنی قوت خرید کو برقرار رکھنے کے لیے جدوجہد کرتے رہے۔ اس آخری سہ ماہی کے دوران، وبائی مرض نے معاشی پریشانیوں کو مزید بڑھایا دیا ہے کیونکہ اس شعبے کو کاروباری لاک ڈاؤن کے باعث بھی رکاوٹوں کا سامنا کرنا پڑا۔ COVID-19 کی وجہ سے معاشی محاذ پر بڑھتے ہوئے چیلنجز کے پیش نظر جنوری تا جون 2020 کے دوران اسٹاک مارکیٹ میں اتار چڑھاؤ کے سبب دباؤ رہا اور بیچ مارک 100 انڈیکس میں 15% کمی واقع ہوئی۔

### کمپنی

زیر جائزہ مدت کے دوران مجموعی معاشی سست روی کے سبب کمپنی کی کارکردگی بھی اثر انداز ہوئی۔ تاہم، کمپنی نے اپنے امور کی انجام دہی میں استحکام برقرار رکھنے کو یقینی بنایا۔ 30 جون 2020 کو ختم ہونے والی ششماہی میں گروس پربیم اور کنٹری بیوشن 1,378 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت میں 1,431 ملین روپے کے مقابلے میں 4 فیصد کم ہے۔ گروس پربیم میں ہونے والی کمی کے اثرات نیٹ پربیم پر بھی اثر انداز ہوئے جو کہ گزشتہ سال کی اسی مدت کے 735,157 ملین روپے کے مقابلے میں 649,703 ملین روپے رہا۔ انڈر رائٹنگ پروفٹ 278,408 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے 344,540 ملین روپے کے مقابلے میں 20 فیصد کم ہے۔ کمپنی کی سرمایہ کاری سے حاصل آمدنی 125,963 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کے دوران 53,610 ملین روپے تھی۔ کمپنی نے قبل از ٹیکس 437,253 ملین روپے منافع حاصل کیا جبکہ یہی منافع گزشتہ سال 430,867 ملین روپے تھا، اس اضافے کا سبب سرمایہ کاری سے حاصل آمدنی میں اضافہ ہے۔ ٹیکس ادا ٹیکسوں کے بعد، بعد از ٹیکس منافع 311,629 ملین روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران بعد از ٹیکس منافع 309,341 ملین روپے تھا۔

# 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 auditors report for the period ended June 30, 2020.

	<u>June 30,</u> 2020	<u>June 30,</u> 2019
	(Rupees in thousand)	
<b>The overall business figures are:</b>		
Net premium	649,703	735,157
Net claims	170,322	197,944
Investment and other income	149,759	75,774
Net commission	86,076	70,230
Expenses of management	287,049	262,903
<b>Financial results are as follows:</b>		
Profit before tax	437,253	430,867
Less: Provision for taxation	125,624	121,526
Profit after tax	<u>311,629</u>	<u>309,341</u>

Contribution of Rs. 129.185 million (2019: Rs. 153.294 million) was written in Participants' Fund account during the period ended June 30, 2020.

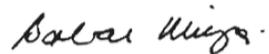
## Chairman's Review

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



**Babar Mahmood Mirza**  
Chief Executive

Lahore: August 27, 2020

## ڈائریکٹر کی جانب سے جائزہ

ڈائریکٹر نہایت مسرت کے ساتھ 30 جون 2020 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 2019	30 جون 2020	مجموعی کاروباری اعداد و شمار یہ ہیں:
735,157	649,703	خالص پربیم
197,944	170,322	خالص کمیز
75,774	149,759	سرمایہ کاری اور دیگر ذرائع سے حاصل آمدنی
70,230	86,076	خالص کمیشن
262,903	287,049	انتظامی امور کے اخراجات
430,867	437,253	مالیاتی نتائج درج ذیل ہیں:
121,526	125,624	قبل از ٹیکس منافع
309,341	311,629	کم: ٹیکس تصريفات
		بعد از ٹیکس منافع

30 جون 2020 کو مکمل ہونے والی مدت کے دوران 129.185 ملین روپے (2019: 153.294 ملین روپے) کی ہئافل کنٹری بیوشن پارٹیشنس فنڈ اکاؤنٹ میں تحریر کی گئی۔

### چیئرمین کی جانب سے جائزہ

چیئرمین کی جانب سے اس مدت کے دوران کمپنی کی کارکردگی اور مستقبل کے خدو خال کو ظاہر کرتا ہے۔ کمپنی کے ڈائریکٹرز اس رپورٹ کی مندرجات کی توثیق کرتے ہیں۔ ہم اپنے معزز کسٹمرز، بینکرز، ری انشوررز اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے تعاون پر تہہ دل سے شکر گزار ہیں۔ ہم کمپنی کے آفیسرز، اسٹاف اور فیلڈ فورس کی وقف کردہ خدمات کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور جانب سے

*Salau Muneer*

بابر محمود مرزا  
چیف ایگزیکٹو

لاہور: 27 اگست 2020

# Pattern of Shareholding

As at June 30, 2020

Number of shareholders	Shareholding		Shares held
	From	To	
267	1	100	6,183
158	101	500	39,715
116	501	1000	77,347
331	1001	5000	789,566
121	5001	10000	876,804
54	10001	15000	658,188
39	15001	20000	676,787
17	20001	25000	393,202
8	25001	30000	225,340
18	30001	35000	586,969
12	35001	40000	451,663
6	40001	45000	254,809
6	45001	50000	285,796
4	50001	55000	215,740
6	55001	60000	348,348
6	65001	70000	405,954
2	70001	75000	143,048
3	75001	80000	230,201
3	80001	85000	252,976
2	90001	95000	187,779
6	95001	100000	580,415
3	100001	105000	303,139
1	110001	115000	112,125
1	115001	120000	116,842
3	120001	125000	366,025
1	130001	135000	133,100
1	140001	145000	141,422
1	155001	160000	157,954
1	160001	165000	165,000
3	165001	170000	504,583
1	170001	175000	171,500
1	180001	185000	181,102
2	190001	195000	384,026
1	195001	200000	200,000
1	200001	205000	200,200
1	205001	210000	205,700
1	210001	215000	213,931
2	215001	220000	440,000
1	245001	250000	246,749
1	310001	315000	310,970
1	315001	320000	317,007
1	440001	445000	441,650
1	475001	480000	476,740
1	1095001	1100000	1,095,050
1	1640001	1645000	1,643,606
1	2330001	2335000	2,334,495
1	2390001	2395000	2,394,486
1	63950001	63955000	63,951,038
			<u>84,895,270</u>
			<u>1,220</u>

# Shareholders' Information

As at June 30, 2020

Categories of Shareholders	Shares held	Percentage
Director, Chief Executive and their spouse and minor children	39,242	0.05%
Associated Companies, undertakings and related parties	66,285,534	78.08%
NIT and ICP	639	0.00%
Banks, Development Finance Institutions Non-Banking Financial Institutions	1,882,760	2.22%
Insurance Companies	2,588,086	3.05%
Modaraba and Mutual Funds	-	0.00%
Shareholders holding 5% and above	63,951,038	75.33%
<b>General Public:</b>		
a. Local	12,323,377	14.52%
b. Foreign	-	0.00%
<b>Others:</b>		
Joint Stock Companies	52,857	0.06%
Others	1,722,775	2.03%
	<u>84,895,270</u>	<u>100.00%</u>



## Independent Auditor's Review Report

### To the members of Atlas Insurance Limited Report on Review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Atlas Insurance Limited as at June 30, 2020 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 financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months period ended June 30, 2020 and June 30, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six-month period then ended June 30, 2020.

#### 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 interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Hammad Ali Ahmad.



**A. F. Ferguson & Co.**  
Chartered Accountants

Lahore

Dated: August 28, 2020

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
23-C, Aziz Avenue, Canal Bank, Gulberg-V. P. O. Box 39, Lahore-54660, Pakistan.  
Tel: +92 (42) 35715868-71/35775747-50, Fax: +92(42) 35775754, www.pwc.com/pk*

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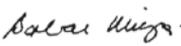
# Condensed Statement of Financial Position (Unaudited)

As at June 30, 2020

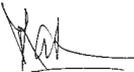
	Note	June 30, 2020 (Unaudited) (Rupees in thousand)	December 31, 2019 (Audited)
<b>Assets</b>			
Property and equipment	8	153,844	120,565
Investments			
Equity securities	9	4,039,537	4,141,871
Debt securities	10	109,519	108,571
Term deposits	11	-	525,000
Loan and other receivables	12	49,494	110,348
Insurance / reinsurance receivables	13	468,903	246,245
Reinsurance recoveries against outstanding claims	21	347,590	246,582
Salvage recoveries accrued		8,335	3,435
Deferred commission expense / acquisition cost	22	70,455	81,519
Prepayments	14	595,875	661,451
Cash and bank	15	725,804	650,207
		6,569,356	6,895,794
<b>Total assets from window takaful operations - Operator's fund</b>		164,875	138,326
<b>Total assets</b>		6,734,231	7,034,120
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital	16	848,953	771,775
Reserves	17	2,218,888	2,313,255
Unappropriated profit		309,918	621,710
<b>Total equity</b>		3,377,759	3,706,740
<b>Liabilities</b>			
<b>Underwriting provisions</b>			
Outstanding claims including IBNR	21	655,587	545,169
Unearned premium reserves	20	1,009,271	1,139,098
Unearned reinsurance commission	22	139,193	152,959
Retirement benefit obligations		8,033	6,926
Deferred taxation		380,805	426,871
Premium received in advance		30,112	105,498
Borrowings	18	66,597	25,771
Insurance / reinsurance payable		524,336	428,669
Other creditors and accruals	19	459,340	461,820
Taxation - provision less payment		42,348	790
<b>Total liabilities</b>		3,315,622	3,293,571
<b>Total liabilities from window takaful operations - Operator's fund</b>		40,850	33,809
<b>Total equity and liabilities</b>		6,734,231	7,034,120
<b>Contingencies and commitments</b>	7		

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.

  
Rashid Amin  
Chief Financial Officer

  
Babar Mahmood Mirza  
Chief Executive

  
Ali H. Shirazi  
Director

  
Fahim Ali Khan  
Director

  
Iftikhar H. Shirazi  
Chairman

# Condensed Interim Profit and Loss Account (Unaudited)

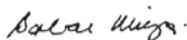
For the six months ended June 30, 2020

	Note	Six months ended June 30, 2020	June 30, 2019	Three months ended June 30, 2020	June 30, 2019
(Rupees in thousand)					
Net insurance premium	20	649,703	735,157	313,354	363,948
Net insurance claim expense	21	(170,322)	(197,944)	(81,033)	(89,483)
Net commission and other acquisition income	22	86,076	70,230	46,521	38,621
Insurance claims and acquisition expenses		(84,246)	(127,714)	(34,512)	(50,862)
Management expenses	23	(287,049)	(262,903)	(141,237)	(133,161)
<b>Underwriting results</b>		278,408	344,540	137,605	179,925
Investment income	24	125,963	53,610	72,493	20,926
Other income		23,796	22,164	4,387	10,095
Other expenses	25	(6,411)	(6,050)	(2,615)	(2,978)
<b>Results of operating activities</b>		421,756	414,264	211,870	207,968
Finance cost		(4,011)	(1,502)	(4,003)	(1,109)
Profit before tax from window takaful operations - Operator's fund	27	19,508	18,105	7,193	9,516
<b>Profit before tax for the period</b>		437,253	430,867	215,060	216,375
Income tax expense		(125,624)	(121,526)	(56,744)	(50,744)
<b>Profit after tax for the period</b>		311,629	309,341	158,316	165,631
		Restated		Restated	
Rupees					
Earnings (after tax) per share	26	3.67	3.64	1.86	1.95

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.



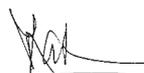
**Rashid Amin**  
Chief Financial Officer



**Babar Mahmood Mirza**  
Chief Executive



**Ali H. Shirazi**  
Director



**Fahim Ali Khan**  
Director



**Iftikhar H. Shirazi**  
Chairman

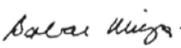
# Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months ended June 30, 2020

	Six months ended June 30, 2020	June 30, 2019 (Restated)	Three months ended June 30, 2020	June 30, 2019 (Restated)
	(Rupees in thousand)			
<b>Profit after tax for the period</b>	311,629	309,341	158,316	165,631
<b>Other comprehensive income / (loss) for the period:</b>				
<i>Items that may be subsequently reclassified to profit and loss account:</i>				
Un-realized loss on available for sale investments - net of deferred tax	(100,367)	(389,539)	385,964	(398,536)
Other comprehensive income / (loss) from window takaful operations - Operator's fund	-	-	-	(245)
<b>Other comprehensive (loss) / income for the period</b>	(100,367)	(389,539)	385,964	(398,781)
<b>Total comprehensive (loss) / income for the period</b>	<u>211,262</u>	<u>(80,198)</u>	<u>544,280</u>	<u>(233,150)</u>

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.

  
**Rashid Amin**  
Chief Financial Officer

  
**Babar Mahmood Mirza**  
Chief Executive

  
**Ali H. Shirazi**  
Director

  
**Frahim Ali Khan**  
Director

  
**Iftikhar H. Shirazi**  
Chairman

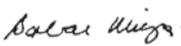
# Condensed Interim Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 2020

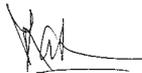
	Attributable to equity holders of the Company							
	Issued, subscribed and paid-up share capital	Capital Reserve			Revenue Reserve		Unappropriated profit	Total
		Capital reserve	Investment fair value reserve	Reserve for exceptional losses	General reserve	Investment fluctuation reserve		
	(Rupees in thousand)							
<b>Balance as at December 31, 2018 (audited)</b>	701,614	-	1,008,499	-	1,093,064	3,000	654,699	3,460,876
Profit after taxation for the six month ended June 30, 2019	-	-	-	-	-	-	309,341	309,341
Net unrealised loss on revaluation of available for sale investments - net of deferred tax	-	-	(389,539)	-	-	-	-	(389,539)
Other comprehensive income from Window takatful operations (OPF)	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the six month ended June 30, 2019	-	-	(389,539)	-	-	-	309,341	(80,198)
Transferred to general reserve	-	-	-	-	93,000	-	(93,000)	-
Bonus shares issued for the year ended December 31, 2018 @ 10% per share	70,161	-	-	-	-	-	(70,161)	-
Final dividend for the year ended December 31, 2018 @ 70% (Rs. 7.0 per share)	-	-	-	-	-	-	(491,130)	(491,130)
<b>Balance as at June 30, 2019 (unaudited)</b>	771,775	-	618,960	-	1,186,064	3,000	309,749	2,889,548
Profit after taxation for the six month ended December 31, 2019	-	-	-	-	-	-	313,915	313,915
Re-measurement loss on defined benefit obligation - net of tax	-	-	-	-	-	-	(1,954)	(1,954)
Net unrealised loss on revaluation of available for sale investments - net of deferred tax	-	-	505,231	-	-	-	-	505,231
Total comprehensive income for the six month ended December 31, 2019	-	-	505,231	-	-	-	311,961	817,192
<b>Balance as at December 31, 2019 (audited)</b>	771,775	-	1,124,191	-	1,186,064	3,000	621,710	3,706,740
Profit after taxation for the six month ended June 30, 2019	-	-	-	-	-	-	311,629	311,629
Net unrealised loss on revaluation of available for sale investments - net of deferred tax	-	-	(100,367)	-	-	-	-	(100,367)
Other comprehensive income from Window takatful operations (OPF)	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the six month ended June 30, 2020	-	-	(100,367)	-	-	-	311,629	211,262
Transferred to general reserve	-	-	-	-	6,000	-	(6,000)	-
Bonus shares issued for the year ended December 31, 2019 @ 10% per share	77,178	-	-	-	-	-	(77,178)	-
Final dividend for the year ended December 31, 2019 @ 70% (Rs. 7.0 per share)	-	-	-	-	-	-	(540,243)	(540,243)
<b>Balance as at June 30, 2020 (unaudited)</b>	848,953	-	1,023,824	-	1,192,064	3,000	309,918	3,377,759

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.

  
**Rashid Amin**  
 Chief Financial Officer

  
**Babar Mahmood Mirza**  
 Chief Executive

  
**Ali H. Shirazi**  
 Director

  
**Fahim Ali Khan**  
 Director

  
**Iftikhar H. Shirazi**  
 Chairman

# Condensed Interim Cash Flow Statement (Unaudited)

For the six months ended June 30, 2020

	June 30, 2020 (Rupees in thousand)	June 30, 2019
<b>Operating cash flows</b>		
<b>a) Underwriting activities</b>		
Insurance premium received	942,209	1,023,191
Reinsurance premiums paid	(576,201)	(736,731)
Claims paid	(271,830)	(426,682)
Reinsurance and other recoveries received	97,632	259,753
Commissions paid	(85,302)	(76,271)
Commissions received	158,530	151,924
Management expenses paid	(191,644)	(273,913)
Other underwriting payments	(3,010)	(1,753)
Other underwriting receipts	12,818	14,820
<b>Net cash generated / (used in) from underwriting activities</b>	<b>83,202</b>	<b>(65,662)</b>
<b>b) Other operating activities</b>		
Income tax paid	(89,137)	(123,116)
Other operating payments	(10,514)	(11,729)
Other operating receipts	30,626	44,060
Loan repayment received	3	8
<b>Net cash used in other operating activities</b>	<b>(69,022)</b>	<b>(90,777)</b>
<b>Total cash generated / (used in) from all operating activities</b>	<b>14,180</b>	<b>(156,439)</b>
<b>Investment activities</b>		
Profit / return received	49,337	24,893
Dividend received	66,263	86,549
Payments for investments	(2,337,586)	(1,207,750)
Proceeds from investments	2,826,947	1,320,098
Fixed capital expenditure	(13,650)	(30,103)
Proceeds from sale of property and equipment	6,340	4,171
<b>Total cash generated from investing activities</b>	<b>597,651</b>	<b>197,858</b>
<b>Financing activities</b>		
Dividends paid	(527,814)	(481,219)
Payment of lease liability against right-of-use assets	(8,420)	(3,707)
<b>Total cash used in financing activities</b>	<b>(536,234)</b>	<b>(484,926)</b>
<b>Net cash generated / (used in) from all activities</b>	<b>75,597</b>	<b>(443,507)</b>
Cash and cash equivalents at the beginning of the period	650,207	1,327,987
<b>Cash and cash equivalents at the end of the period</b>	<b>725,804</b>	<b>884,480</b>

# Condensed Interim Cash Flow Statement (Unaudited)

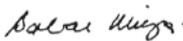
For the six months ended June 30, 2020

	June 30, 2020	June 30, 2019
	(Rupees in thousand)	
<b>Reconciliation to condensed interim profit and loss account</b>		
Operating cash flows	14,180	(156,439)
Depreciation expense	(19,512)	(10,067)
Profit / (loss ) on disposal of property and equipment	126	(48)
Profit / (loss) on disposal of investments	24,641	(47,307)
Other investment income	100,221	100,085
Rental and other income	23,796	22,212
Interest expensed on lease liability against right-of-use assets	(3,860)	(1,119)
Increase in assets other than cash	279,007	31,408
(Increase) / Decrease in liabilities other than borrowings	(181,084)	295,233
<b>Other adjustments</b>		
Provision for impairment of receivable from insurance contract holders	(12,491)	(11,956)
Decrease in provision for unearned premium	64,395	66,996
Decrease in commission income unearned	13,766	7,649
Decrease in provision for deferred commission expense	(11,064)	(5,411)
Profit from window takaful operations for the period - Operator's fund	19,508	18,105
<b>Profit after tax for the period</b>	<b>311,629</b>	<b>309,341</b>

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.



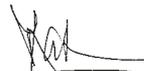
**Rashid Amin**  
Chief Financial Officer



**Babar Mahmood Mirza**  
Chief Executive



**Ali H. Shirazi**  
Director



**Fahim Ali Khan**  
Director



**Iftikhar H. Shirazi**  
Chairman

# Notes to the Condensed Interim Financial Statement (Unaudited)

For the six months ended June 30, 2020

## 1. Legal status and nature of business

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

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

## 2. Basis of preparation and statement of compliance

### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012.

Where the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 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 and the Takaful Rules, 2012 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, 2019.

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 and condensed interim profit and loss account 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 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 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 Company's functional and presentation currency.

## 2.5 COVID-19 and its impact on business

The COVID-19 pandemic had spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. This crisis continues to have a significant impact on individuals, society, business and the wider economy across the globe. The Company has not escaped its impact but has responded quickly to the crisis by providing the facilities to its employees to work from home, informing employees regularly about the risk of infection, good hygiene standards and ways to manage customer contact at Company offices. Consequently, at this stage, impact on the Company's business and results is limited. Gross premium for the half year ended June 30, 2020 stood at Rs. 1.249 billion with only a 2.32% decline for the same period last year of Rs. 1.278 billion. However, an increase is witnessed in profit before tax of Rs. 437.253 million against Rs. 430.867 million in the same period last year. Company believes their current liquidity availability provides them with sufficient financial resources to meet their obligations as they come due and no such indication exists for the Company that triggered impairment of its assets. Further, the Company will continue to follow the policies and advice published by the Government of Pakistan and in parallel will do the utmost to continue its operations in the best and safest way possible without jeopardizing the health of its staff.

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

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

There are certain new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or to have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

### 3.2 Standards, amendments and interpretations to accounting and reporting standards that are not effective or relevant in the current period

3.2.1 The following standards, amendments and interpretations to accounting and reporting standards would be effective for the dates mentioned below against the respective standards, amendments and interpretations:

Standards, amendments and interpretations	Effective date (period beginning on or after)
- IAS 1, Presentation of Financial Statements (Amendments)	January 1, 2020
- IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2020
- IFRS 17, Insurance contracts	January 1, 2023
- IFRS 9, Financial instruments	January 1, 2023*

\* The management has continued to opt temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Further details relating to temporary exemption from the application of IFRS 9 is given in note 5 to these condensed interim financial statements.

The management is in the process of assessing the impact of the above amendments on the financial statements of the Company.

- 3.2.2** In addition to the above, there are certain new standards, amendments and interpretations to accounting and reporting standards that are mandatory for the Company's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

#### **4. Summary of significant accounting policies**

The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2019.

#### **5. Temporary exemption from application of IFRS 9**

As an insurance company, the management has continued its accounting policy to opt for temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosure, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given in note 30.1 to these condensed interim financial statements.

#### **6. Critical accounting estimates and judgments**

The preparation of condensed interim financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the annual audited financial statements of the Company as at and for the year ended December 31, 2019.

#### **7. Contingencies and commitments**

##### **7.1 Contingencies**

- 7.1.1** The tax authorities had raised demand amounting to Rs. 117,817 (thousand) against the Company for the tax years 2009 to 2014, that primarily pertained to the rate of tax on dividend, rental income and WWF. Commissioner Inland Revenue (Appeals) [CIR (A)] partially upheld the decision and reduced the demand to Rs. 59,722 (thousand). The Company filed appeals against the CIR(A) decision before the Appellate Tribunal Inland Revenue (ATIR) wherein the decision of CIR(A) was upheld. The Company has filed a reference application against the decision of ATIR before the Honorable Lahore High Court which is currently pending adjudication. No provision has been recognized in these condensed interim financial statements since the management in consultation with their tax advisor believes that there are meritorious grounds that the case will be decided in favor of the Company.
- 7.1.2** For tax year 2005, the Tax authorities disputed the Company's treatment on certain issues disallowing expenses, creating a demand of Rs. 70,698 (thousand). The Company filed appeal before CIR(A) which was decided in favor of the Company. Department filed appeal against CIR(A) before ATIR which is pending adjudication. No provision has been recognized in these condensed interim financial statements since the management in consultation with their tax advisor believes that there are meritorious grounds that the case will be decided in favor of the Company.

	<u>June 30,</u> 2020 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2019 (Audited)
<b>7.1.3 Other contingencies</b>		
Claims against the Company not acknowledged as debt	46,569	101,677

## 7.2 Commitments

### 7.2.1 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> 2020 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2019 (Audited)
Not later than one year		11,214	28,815
Later than one year and not later than five years		7,820	22,779
		<u>19,034</u>	<u>51,594</u>
<b>8. Property and equipment</b>			
Operating assets	8.1	92,472	93,490
Capital work in progress	8.5	322	2,544
Right-of-use asset	8.6	61,050	24,531
		<u>153,844</u>	<u>120,565</u>

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

	<u>Note</u>	<u>June 30,</u> 2020 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2019 (Audited)
Freehold building		1,783	1,828
Lease hold improvements		10,749	11,943
Furniture and fixtures		6,150	6,345
Office equipment		12,260	15,047
Computers equipment		10,446	12,365
Vehicles		51,084	45,962
		<u>92,472</u>	<u>93,490</u>

### 8.2 Movement of operating assets during the period / year

Opening book value		93,490	82,045
Add: Additions during the period / year	8.3	15,872	37,800
		<u>109,362</u>	<u>119,845</u>
Less: Disposal during the period / year (at book value)	8.4	(6,245)	(12,238)
Depreciation charged for the period / year		(10,645)	(14,117)
		<u>(16,890)</u>	<u>(26,355)</u>
Closing book value		<u>92,472</u>	<u>93,490</u>

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
	(Rupees in thousand)	
<b>8.3 Additions during the period / year</b>		
Lease hold improvements	-	-
Furniture and fixtures	548	1,637
Office equipment	713	3,189
Computers equipment	1,336	5,300
Vehicles	13,275	27,674
	<u>15,872</u>	<u>37,800</u>
<b>8.4 Disposals during the period / year</b>		
Furniture and fixtures	146	144
Office equipment	2,112	595
Computers equipment	1,337	1,950
Vehicles	2,650	9,549
	<u>6,214</u>	<u>12,238</u>
<b>8.5 Capital work in progress</b>		
Advances to suppliers	322	2,544
<b>8.6 Right-of-use asset</b>		
Opening book value	24,531	-
Impact of initial adoption of IFRS 16	-	31,365
Additions during the period	45,386	2,453
Depreciation charged during the period	23 (8,867)	(9,287)
Closing book value	<u>61,050</u>	<u>24,531</u>

## 9. Investments in equity securities

	Note	June 30, 2020 (Unaudited)			December 31, 2019 (Audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
<b>(Rupees in thousand)</b>							
<b>Available for sale</b>							
<b>Related parties</b>							
Listed shares	9.1	643,711	-	643,711	645,173	-	645,173
Mutual funds		555,275	-	555,275	488,957	-	488,957
		1,198,986	-	1,198,986	1,134,130	-	1,134,130
Unrealized gain on revaluation as on				1,442,295			1,431,068
				<u>2,641,281</u>			<u>2,565,198</u>
<b>Others</b>							
Listed shares	9.1	1,418,196	(83,489)	1,334,707	1,403,801	(62,238)	1,341,563
Unlisted shares		500	(500)	-	500	(500)	-
Mutual funds	9.2	63,839	-	63,839	82,812	-	82,812
		1,482,535	(83,989)	1,398,546	1,487,113	(62,738)	1,424,375
Unrealized (loss) / gain on revaluation as on				(290)			152,298
				<u>1,398,256</u>			<u>1,576,673</u>
				<u>4,039,537</u>			<u>4,141,871</u>

**9.1** Listed securities include an amount of Rs. 2,750,837 thousand (December 31, 2019: Rs. 2,922,033 thousand) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 1,283,859 thousand (December 31, 2019: Rs. 1,377,144 thousand).

**9.2** Mutual funds include an amount of Rs. 23,092 thousand (December 31, 2019: Rs. 26,485 thousand) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 23,589 thousand (December 31, 2019: Rs. 23,589 thousand).

	<u>Note</u>	<u>June 30,</u> <u>2020</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2019</u> <u>(Audited)</u> <u>(Rupees in thousand)</u>
<b>10. Investments in debt securities</b>			
<b>Held to maturity</b>			
Pakistan Investment Bonds	10.1	89,519	88,571
<b>Available for sale</b>			
Term Finance Certificates		20,000	20,000
		<u>109,519</u>	<u>108,571</u>

**10.1** This represents carrying amount of government securities placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Section 29(2)(a) of the Insurance Ordinance, 2000.

	<u>Note</u>	<u>June 30,</u> <u>2020</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2019</u> <u>(Audited)</u> <u>(Rupees in thousand)</u>
<b>11. Investments in term deposits</b>			
<b>Held to maturity</b>			
Deposits maturing within 12 months		-	525,000
<b>12. Loan and other receivables - considered good</b>			
Loan to related parties	12.1	139	306
Receivable from related parties		-	5,678
Accrued investment income		35,445	4,802
Security deposits		4,926	4,446
Loans to employees		-	3
Other receivable		8,984	95,113
		<u>49,494</u>	<u>110,348</u>

**12.1** Included in loan to related parties are amounts due from executives of Rs. 139 thousand (2019: Rs. 306 thousand). Loans and other receivables are carried at amortized cost using the effective interest rate method.

**13. Insurance / reinsurance receivables - unsecured and considered good**

	<u>June 30,</u> <u>2020</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2019</u> <u>(Audited)</u> <u>(Rupees in thousand)</u>
Due from insurance contract holders	275,370	128,294
Less: Provision for impairment of receivable from insurance contract holders	(15,350)	(2,859)
	260,020	125,435
Due from other insurers / reinsurers	210,842	122,769
Less: Provision for impairment of due from other insurers / reinsurers	(1,959)	(1,959)
	208,883	120,810
	<u>468,903</u>	<u>246,245</u>

	Note	June 30, 2020 (Unaudited) (Rupees in thousand)	December 31, 2019 (Audited)
<b>14. Prepayments</b>			
Prepaid reinsurance premium ceded	20	593,885	659,317
Prepaid rent		214	1,337
Prepaid miscellaneous expenses		1,776	797
		<u>595,875</u>	<u>661,451</u>
<b>15. Cash and bank</b>			
<b>Cash at bank</b>			
Current accounts		1,454	14,903
Saving accounts	15.1	724,350	635,304
		<u>725,804</u>	<u>650,207</u>

15.1 The balance in savings accounts bears mark-up which ranges from 4.7% to 12.3% (2019: 8.00% to 11% ) per annum.

## 16. Ordinary share capital

### 16.1 Authorised share capital

June 30, 2020 (Unaudited) (Number of shares)	December 31, 2019 (Audited)		June 30, 2020 (Unaudited) (Rupees in thousand)	December 31, 2019 (Audited)
<u>150,000,000</u>	<u>80,000,000</u>	Ordinary shares of Rs. 10/- each	<u>1,500,000</u>	<u>800,000</u>

### 16.2 Issued, subscribed and paid up share capital

June 30, 2020 (Unaudited) (Number of shares)	December 31, 2019 (Audited)		June 30, 2020 (Unaudited) (Rupees in thousand)	December 31, 2019 (Audited)
77,177,519	70,161,381	Ordinary shares of Rs. 10/- each fully paid in cash	771,775	701,614
7,717,752	7,016,138	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	77,178	70,161
<u>84,895,271</u>	<u>77,177,519</u>		<u>848,953</u>	<u>771,775</u>

16.2.1 During the period, a 10% issue of bonus shares in the ratio of one bonus share for every ten shares held by the shareholders was proposed in the Board of Directors meeting held on February 26, 2020. The approval of the members for issue of bonus shares was obtained in the Annual General Meeting held on May 14, 2020. The effect of the issue of 7,717,752 bonus shares of Rs.10 each has been accounted for in these condensed interim financial statements.

	<u>Note</u>	<u>June 30,</u> <u>2020</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2019</u> <u>(Audited)</u>
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## 17. Reserves

### Capital reserves

Investment fair value reserve	17.1	1,023,824	1,124,191
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### Revenue reserves

General reserve		1,192,064	1,186,064
Investment fluctuation reserve		3,000	3,000
		<u>1,195,064</u>	<u>1,189,064</u>
		<u>2,218,888</u>	<u>2,313,255</u>

17.1 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 profit and loss account on de-recognition of investments.

<u>June 30,</u> <u>2020</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2019</u> <u>(Audited)</u>
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## 18. Borrowings

Lease liabilities against right-of-use asset	66,597	25,771
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## 19. Other creditors and accruals

Agent commission payable	45,731	55,877
Federal Excise Duty / Sales tax	21,025	31,278
Federal Insurance Fee	2,116	2,282
Payable to related parties	2,205	614
Accrued expenses	32,263	27,763
Other tax payable	2,117	3,365
Unpaid and unclaimed dividend	102,128	89,699
Deposit against performance bonds	164,001	133,375
Donation payable	5,448	9,551
Bonus payable to staff	16,892	42,763
Leave encashment payable	32,612	28,167
Profit commission payable	13,026	18,136
Others	19,776	18,950
	<u>459,340</u>	<u>461,820</u>

## 20. Net insurance premium

	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>
Written gross premium	1,249,141	1,278,212	424,000	537,752
Add: Unearned premium reserve - opening	1,139,098	1,060,806	1,255,234	1,101,728
Less: Unearned premium reserve - closing	(1,009,271)	(930,590)	(1,009,271)	(930,590)
Premium earned	1,378,968	1,408,428	669,963	708,890
Less: Reinsurance premium ceded	663,833	610,051	177,618	218,585
Add: Prepaid reinsurance premium - opening	659,317	546,319	772,876	609,456
Less: Prepaid reinsurance premium - closing	(593,885)	(483,099)	(593,885)	(483,099)
Reinsurance expense	729,265	673,271	356,609	344,942
	<u>649,703</u>	<u>735,157</u>	<u>313,354</u>	<u>363,948</u>

	Note	Six months ended		Three months ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
<b>21. Net insurance claims expense</b>					
(Rupees in thousand)					
Claims paid		266,930	426,332	131,918	177,115
Add: Outstanding claims including IBNR - closing		655,587	695,208	655,587	695,208
Less: Outstanding claims including IBNR - opening		(545,169)	(727,887)	(543,164)	(680,416)
Claims expense		377,348	393,653	244,341	191,907
Less: Reinsurance and other recoveries received		106,018	241,140	71,317	98,210
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing		347,590	409,000	347,590	409,000
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening		(246,582)	(454,431)	(255,599)	(404,786)
Reinsurance and other recoveries revenue		207,026	195,709	163,308	102,424
		170,322	197,944	81,033	89,483
<b>22. Net commission and other acquisition expense / (income)</b>					
Commission paid or payable		75,156	83,932	31,896	45,483
Add: Deferred commission expense - opening		81,519	80,233	76,860	79,070
Less: Deferred commission expense - closing		(70,455)	(74,822)	(70,455)	(74,822)
Net Commission expense		86,220	89,343	38,301	49,731
Less: Commission received or recoverable		158,530	151,924	41,304	61,371
Add: Unearned Reinsurance commission - opening		152,959	116,648	182,711	135,980
Less: Unearned Reinsurance commission - closing		(139,193)	(108,999)	(139,193)	(108,999)
Commission from reinsurers		172,296	159,573	84,822	88,352
		(86,076)	(70,230)	(46,521)	(38,621)
<b>23. Management expenses</b>					
Employee benefit cost	23.1	173,823	147,638	91,455	75,615
Travelling expenses		3,840	5,566	414	2,473
Advertisements and sales promotion		8,039	8,526	203	3,903
Printing and stationery		1,948	3,932	705	2,783
Depreciation		10,645	10,067	2,300	5,415
Depreciation on right-of-use asset		8,867	6,956	8,867	6,956
Rent, rates and taxes		5,931	8,300	1,080	1,488
Electricity, gas and water		2,460	2,383	1,020	1,671
Entertainment		692	910	692	395
Vehicle running expenses		8,730	8,915	4,204	5,366
Office repairs and maintenance		1,839	2,351	979	1,066
Bank charges		368	239	239	137
Postages, telegrams and telephone		4,467	4,921	2,150	2,746
Annual supervision fee of SECP		2,329	2,849	2,329	2,842
Trackers expense		13,621	15,610	7,455	7,561
Fee and subscriptions		10,780	5,044	4,874	(2,660)
Service charges		3,010	1,753	2,296	1,533
Provision for doubtful debts		12,491	11,956	4,328	4,900
Miscellaneous		13,169	14,987	5,647	8,971
		287,049	262,903	141,237	133,161
<b>23.1 Employee benefit cost</b>					
Salaries, allowances and other benefits		164,707	139,832	86,604	71,538
Charges for post employment benefit		9,116	7,806	4,851	4,077
		173,823	147,638	91,455	75,615

	Note	Six months ended		Three months ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
<b>(Rupees in thousand)</b>					
<b>24. Investment income</b>					
<b>Income from equity securities</b>					
<b>Available for sale</b>					
Dividend income		96,167	97,486	57,655	61,444
<b>Income from debt securities</b>					
<b>Held to maturity</b>					
Return on debt securities		17,308	2,551	6,901	1,308
<b>Available for sale</b>					
Interest on term finance certificate		1,101	-	448	-
<b>Income from term deposits</b>					
Return on term deposits		7,997	-	7,997	-
<b>Net realized gain on investments</b>		122,573	100,037	73,001	62,752
<b>Available for sale financial assets</b>					
Realized gain / (loss) on equity securities		24,666	(47,307)	20,754	(53,259)
<b>Total investment income</b>		147,239	52,730	93,755	9,493
Add / (less) : (charge) / Reversal of impairment in value of available for sale securities					
- Equity securities		(21,251)	947	(21,251)	11,433
Less: Investment related expenses					
		(25)	(67)	(11)	-
		<u>125,963</u>	<u>53,610</u>	<u>72,493</u>	<u>20,926</u>

## 25. Other expenses

Legal and professional fee other than business related		288	105	288	92
Auditor's remuneration		1,180	1,155	590	577
Donations	25.1	4,500	4,211	2,300	2,011
Director's fee		300	300	150	150
Others		143	279	(713)	148
		<u>6,411</u>	<u>6,050</u>	<u>2,615</u>	<u>2,978</u>

- 25.1 This amount represents Rs. 4,500 thousand (2019: Rs. 4,211 thousand) donation to Atlas Foundation situated at 2nd Floor, Federation House, Clifton, Karachi - 74000, in which 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. Muhammad Habib-ur-Rahman  
 Mr. Ali H. Shirazi

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

	Note	Six months ended		Three months ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
<b>(Rupees in thousand)</b>					
<b>26. Earnings per share</b>					
Profit after tax for the period		<u>311,629</u>	<u>309,341</u>	<u>158,316</u>	<u>165,631</u>
<b>(Number of shares) (thousand)</b>					
<b>(Restated)</b>					
Weighted average number of ordinary shares	26.1	<u>84,895</u>	<u>84,895</u>	<u>84,895</u>	<u>84,895</u>
<b>(Restated)</b>					
<b>(Rupees)</b>					
Earnings per share - (basic / diluted)		<u>3.67</u>	<u>3.64</u>	<u>1.86</u>	<u>1.95</u>

- 26.1 There is no dilutive effect on the basic earnings per share of the Company. Number of shares in issue and earnings per share for the period ended June 30, 2019 have been restated, taking the effect of bonus shares at the rate of 10% issued during the current period.

	Six months ended		Three months ended	
	June 30,	June 30,	June 30,	June 30,
	2020	2019	2020	2019

(Rupees in thousand)

## 27. Window takaful operations - Operator's fund

Wakala fee	27,940	35,047	13,871	19,522
General, administrative and management expenses	(5,748)	(7,193)	(2,114)	(3,748)
Net commission expense	(9,377)	(9,185)	(4,315)	(4,783)
Investment income	4,853	(1,778)	(382)	(2,240)
Modarib's share	2,326	1,646	361	979
Direct expenses	(486)	(432)	(228)	(214)
Profit for the period	19,508	18,105	7,193	9,516

## 28. Transactions with related parties

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

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

	June 30,	December 31,
	2020	2019
	(Unaudited)	(Audited)
	(Rupees in thousand)	
<b>Parent company</b>	<b>Period / year end balances</b>	
Provision for outstanding claims	565	1,627
Premium received in advance	-	166
Due from insurance contract holders	24	-
	<b>Six months ended</b>	
	<b>June 30,</b>	<b>June 30,</b>
	<b>2020</b>	<b>2019</b>
	<b>(Rupees in thousand)</b>	
	<b>Transactions during the period</b>	
Premium underwritten	34	217
Claims paid	2,228	2,077
Premium collected	14	720
Rent paid	1,354	1,289
Assets sold	3,583	-

		<u>June 30,</u> <b>2020</b> <b>(Unaudited)</b> <b>(Rupees in thousand)</b>	<u>December 31,</u> <b>2019</b> <b>(Audited)</b> <b>(Rupees in thousand)</b>
<b>Associated companies</b>	<b>Period / year end balances</b>		
	Provision for outstanding claims	40,703	38,903
	Premium received in advance	5,319	69,063
	Due from insurance contract holders	75,169	73,192
	Lease liability	2,086	3,188
		<b>Six months ended</b>	
		<b>June 30,</b>	<b>June 30,</b>
		<b>2020</b>	<b>2019</b>
		<b>(Rupees in thousand)</b>	
<b>Associated companies</b>	<b>Transactions during the period</b>		
	Premium underwritten	374,824	494,879
	Premium collected	435,807	571,220
	Claims paid	50,133	163,910
	Assets purchased	8,734	21,124
	Lease liability paid	704	640
	Expenses paid	160	530
	Donations paid	8,603	9,890
	Dividends received	56,933	54,644
	Investments purchased	1,342,975	1,110,570
Investments sold at sale price	1,276,657	1,277,503	
<b>Post employment benefit plans</b>	<b>Transactions during the period</b>		
	Contributions in respect of retirement benefit plans	6,422	5,673
		<b>June 30,</b>	<b>December 31,</b>
		<b>2020</b>	<b>2019</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>(Rupees in thousand)</b>	
<b>Key management personnel</b>	<b>Period / year end balances</b>		
	Due from insurance contract holders	1,030	1,055
	Provision for outstanding claims	30	42
		<b>Six months ended</b>	
		<b>June 30,</b>	<b>June 30,</b>
		<b>2020</b>	<b>2019</b>
		<b>(Rupees in thousand)</b>	
	<b>Transactions during the period</b>		
	Premium underwritten	171	374
	Premium collected	213	1,659
	Compensation paid	79,309	58,389
	Vehicles sold	1,756	7,051
	Claims Paid	59	96

## 29. Segment reporting

The Company has identified four (2019: 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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in thousand)									
Premium receivable (inclusive of Federal Insurance Fee and Administrative Surcharge)	386,523	320,876	319,055	475,818	313,156	366,942	403,352	301,211	1,422,086	1,464,847
Less: Federal Excise Duty	46,912	42,901	37,015	57,773	38,566	42,927	38,659	30,653	161,152	174,254
Federal Insurance Fee	3,150	2,862	2,720	4,090	2,455	2,749	3,468	2,680	11,793	12,381
Gross written premium (inclusive of Administrative Surcharge)	336,461	275,113	279,320	413,955	272,135	321,266	361,225	267,878	1,249,141	1,278,212
Gross direct premium	329,732	264,725	273,451	406,192	242,258	261,238	357,905	263,414	1,203,346	1,195,569
Facultative inward premium	4,604	8,132	-	-	27,012	57,072	1,359	2,618	32,975	67,822
Administrative surcharge	2,125	2,256	5,869	7,763	2,865	2,956	1,961	1,846	12,820	14,821
	336,461	275,113	279,320	413,955	272,135	321,266	361,225	267,878	1,249,141	1,278,212
Insurance premium earned	460,435	411,323	275,860	398,212	317,543	328,751	325,130	270,142	1,378,968	1,408,428
Insurance premium ceded to reinsurers	(381,491)	(290,359)	(107,274)	(145,379)	(99,086)	(113,985)	(141,414)	(123,548)	(729,265)	(673,271)
Net insurance premium	78,944	120,964	168,586	252,833	218,457	214,766	183,716	146,594	649,703	735,157
Commission income	93,833	68,852	29,391	45,458	15,221	17,399	33,851	27,864	172,296	159,573
<b>Net underwriting income</b>	<b>172,777</b>	<b>189,816</b>	<b>197,977</b>	<b>298,291</b>	<b>233,678</b>	<b>232,165</b>	<b>217,567</b>	<b>174,458</b>	<b>821,999</b>	<b>894,730</b>
Insurance claims	(70,427)	(68,319)	(26,852)	(60,941)	(132,505)	(133,899)	(147,567)	(130,494)	(377,351)	(393,653)
Insurance claims recovered from reinsurers	80,078	67,275	11,893	35,965	49,610	64,110	65,448	28,359	207,029	195,709
Net claims	9,651	(1,044)	(14,959)	(24,976)	(82,895)	(69,789)	(82,119)	(102,135)	(170,322)	(197,944)
Commission expense	(35,710)	(32,462)	(11,728)	(11,634)	(24,394)	(32,892)	(14,388)	(12,355)	(86,220)	(89,343)
Management expenses	(73,661)	(53,558)	(61,140)	(78,982)	(73,201)	(76,719)	(79,047)	(53,644)	(287,049)	(262,903)
<b>Net insurance claims and expenses</b>	<b>(99,720)</b>	<b>(87,064)</b>	<b>(87,827)</b>	<b>(115,592)</b>	<b>(180,490)</b>	<b>(179,400)</b>	<b>(175,554)</b>	<b>(168,134)</b>	<b>(543,591)</b>	<b>(550,190)</b>
<b>Underwriting results</b>	<b>73,057</b>	<b>102,752</b>	<b>110,150</b>	<b>182,699</b>	<b>53,188</b>	<b>52,765</b>	<b>42,013</b>	<b>6,324</b>	<b>278,408</b>	<b>344,540</b>
Investment income									125,963	53,610
Other income									23,796	22,164
Finance cost									(4,011)	(1,502)
Other expenses									(6,411)	(6,050)
Profit before taxation from window takaful operations - Operator's fund									19,508	18,105
<b>Profit before tax for the period</b>									<b>437,253</b>	<b>430,867</b>
									<b>June 30,</b>	<b>December 31,</b>
									<b>2020</b>	<b>2019</b>
									<b>(Unaudited)</b>	<b>(Audited)</b>
									<b>(Rupees in thousand)</b>	
Segment assets - Conventional	401,032	395,006	332,979	311,253	324,490	280,325	430,668	250,514	1,489,169	1,237,098
Segment assets - Takaful OPF	7,228	3,089	3,621	1,539	41,889	18,473	1,727	464	54,465	23,565
Unallocated assets - Conventional									5,080,187	5,658,696
Unallocated assets - Takaful OPF									110,410	114,761
									<b>6,734,231</b>	<b>7,034,120</b>

(Unaudited) Six months ended June 30,

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
	(Rupees in thousand)									
Segment liabilities - Conventional	679,310	799,773	564,032	630,199	549,652	567,581	729,507	507,214	2,522,501	2,504,767
Segment liabilities - Takaful OPF	5,421	4,433	2,716	2,208	31,418	26,503	1,295	665	40,850	33,809
Unallocated liabilities - Conventional									793,121	788,804
Unallocated liabilities - Takaful OPF									-	-
									<u>3,356,472</u>	<u>3,327,380</u>

(Unaudited) Three months ended June 30,

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in thousand)									
Premium receivable (inclusive of Federal Insurance Fee and Administrative Surcharge)	72,336	72,124	132,694	239,129	120,649	166,423	147,277	131,074	472,956	608,750
Less: Federal Excise Duty	8,974	8,813	15,617	29,128	12,551	18,596	7,912	9,407	45,054	65,944
Federal Insurance Fee	600	609	1,133	2,060	805	1,189	1,363	1,196	3,901	5,054
Gross written premium (inclusive of Administrative Surcharge)	62,762	62,702	115,944	207,941	107,293	146,638	138,002	120,471	424,001	537,752
Gross direct premium	58,631	57,177	113,332	203,979	79,333	111,246	135,766	117,609	387,062	490,011
Facultative inward premium	3,114	4,455	-	-	27,013	33,970	1,355	1,795	31,482	40,220
Administrative surcharge	1,017	1,070	2,612	3,962	947	1,422	881	1,067	5,457	7,521
	62,762	62,702	115,944	207,941	107,293	146,638	138,002	120,471	424,001	537,752
Insurance premium earned	211,608	206,741	130,114	201,394	151,132	166,953	177,109	133,802	669,963	708,890
Insurance premium ceded to reinsurers	(189,651)	(147,227)	(52,825)	(79,501)	(45,237)	(56,589)	(68,896)	(61,625)	(356,609)	(344,942)
Net insurance premium	21,957	59,514	77,289	121,893	105,895	110,364	108,213	72,177	313,354	363,948
Commission income	48,545	35,754	13,313	24,857	(72)	13,627	23,036	14,114	84,822	88,352
<b>Net underwriting income</b>	<b>70,502</b>	<b>95,268</b>	<b>90,602</b>	<b>146,750</b>	<b>105,823</b>	<b>123,991</b>	<b>131,249</b>	<b>86,291</b>	<b>398,176</b>	<b>452,300</b>
Insurance claims	(76,233)	(27,203)	(12,637)	(43,366)	(69,491)	(67,725)	(85,983)	(53,612)	(244,344)	(191,906)
Insurance claims recovered from reinsurers	67,519	30,069	5,216	29,795	37,547	37,023	53,029	5,536	163,311	102,423
Net claims	(8,714)	2,866	(7,421)	(13,571)	(31,944)	(30,702)	(32,954)	(48,076)	(81,033)	(89,483)
Commission expense	(16,939)	(16,827)	(4,387)	(5,635)	(10,070)	(21,280)	(6,905)	(5,989)	(38,301)	(49,731)
Management expenses	(15,904)	(18,829)	(33,503)	(45,020)	(39,186)	(40,057)	(52,644)	(29,255)	(141,237)	(133,161)
<b>Net insurance claims and expenses</b>	<b>(41,557)</b>	<b>(32,790)</b>	<b>(45,311)</b>	<b>(64,226)</b>	<b>(81,200)</b>	<b>(92,039)</b>	<b>(92,503)</b>	<b>(83,320)</b>	<b>(260,571)</b>	<b>(272,375)</b>
<b>Underwriting results</b>	<b>28,945</b>	<b>62,478</b>	<b>45,291</b>	<b>82,524</b>	<b>24,623</b>	<b>31,952</b>	<b>38,746</b>	<b>2,971</b>	<b>137,605</b>	<b>179,925</b>
Net investment income									72,493	20,926
Other income									4,387	10,095
Other expenses									(2,615)	(2,978)
Finance Cost									(4,003)	(1,109)
Profit before taxation from window takaful operations - OPF									7,193	9,516
<b>Profit before tax for the period</b>									<u>215,060</u>	<u>216,375</u>

### 30. Fair value of financial instruments

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

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

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

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

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

### 30.1 Fair value measurement of financial instruments

Following is the fair value of financial assets as on June 30, 2020 and the change in their fair value during the period ended June 30, 2020:

	Financial instruments with contractual cash flows that meet the SPPI criteria, excluding those held for trading			Other financial Instrument*
	Amortised cost	FVOCI	Total	
	(Rupees in thousand)			
<b>Pakistan Investment Bonds</b>				
Opening fair value - December 31, 2019	88,571	-	88,571	-
Unwinding on debt securities	948	-	948	-
Closing fair value - June 30, 2020	89,519	-	89,519	-
<b>Term Finance Certificates</b>				
Opening fair value - December 31, 2019	-	-	-	20,000
Additions	-	-	-	-
Closing fair value - June 30, 2020	-	-	-	20,000
<b>Shares in listed / unlisted equity securities</b>				
Opening fair value - December 31, 2019	-	-	-	3,563,552
Decrease in fair value	-	-	-	(174,970)
Impairment for the period	-	-	-	(21,251)
Disposals	-	-	-	(10,654)
Closing fair value - June 30, 2020	-	-	-	3,356,677
<b>Investments in term deposits</b>				
Opening fair value - December 31, 2019	525,000	-	525,000	-
Additions	640,000	-	640,000	-
Disposals	(1,165,000)	-	(1,165,000)	-
Closing fair value - June 30, 2020	-	-	-	-
<b>Investments in treasury bills</b>				
Opening fair value - December 31, 2019	-	-	-	-
Additions	349,996	-	349,996	-
Impairment for the period	-	-	-	-
Disposals	(349,996)	-	(349,996)	-
Closing fair value - June 30, 2020	-	-	-	-
<b>Mutual fund investments</b>				
Opening fair value - December 31, 2019	-	-	-	578,319
Additions	-	-	-	1,347,591
Increase in fair value	-	-	-	33,607
Disposals	-	-	-	(1,276,657)
Closing fair value - June 30, 2020	-	-	-	682,860
<b>Total</b>	<b>89,519</b>	<b>-</b>	<b>89,519</b>	<b>4,059,537</b>

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

**30.1.1** The fair value of the remaining financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate. These include insurance debtors and other short term receivables and balances with banks.

### 31. Movement in investments

	Held to maturity	Available for sale	Total
	(Rupees in thousand)		
As at beginning of previous year - 2019	73,704	3,638,943	3,712,647
Additions	950,064	3,218,160	4,168,224
Disposals (sales and redemptions)	(410,470)	(2,888,317)	(3,298,787)
Fair value net losses (excluding net realized losses)	-	182,675	182,675
Unwinding on debt securities	273	-	273
Reversal	-	10,410	10,410
As at beginning of current period - 2020	613,571	4,161,871	4,775,442
Additions	989,996	1,347,590	2,337,586
Disposals (sales and redemptions)	(1,514,996)	(1,287,310)	(2,802,306)
Fair value net losses (excluding net realized losses)	-	(141,363)	(141,363)
Unwinding on debt securities	948	-	948
Impairment	-	(21,251)	(21,251)
As at end of current period	89,519	4,059,537	4,149,056

### 32. 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, 2019.

### 33. Subsequent events

There are no significant subsequent events that need to be disclosed for the period ended June 30, 2020

### 34. Date of authorization for issue

The condensed interim financial statements were authorized for issue on August 27, 2020 by the Board of Directors of the Company.

### 35. Corresponding figures

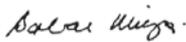
Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant rearrangements have been made.

### 36. General

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



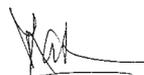
Rashid Amin  
Chief Financial Officer



Babar Mahmood Mirza  
Chief Executive



Ali H. Shirazi  
Director



Fahim Ali Khan  
Director



Iftikhar H. Shirazi  
Chairman

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TAKAFUL

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 Atlas Insurance  
Window Takaful Operations  
Half Yearly Report  
June 30, 2020

## Independent Auditor's Review Report

### To the members of Atlas Insurance Limited – Window Takaful Operations Report on Review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Atlas Insurance Limited – Window Takaful Operations as at June 30, 2020 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in fund, and condensed interim cash flow statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months period ended June 30, 2020 and June 30, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six-month period then ended June 30, 2020.

#### 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 interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Hammad Ali Ahmad.



**A. F. Ferguson & Co.**  
Chartered Accountants

Lahore

Dated: August 28, 2020

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
23-C, Aziz Avenue, Canal Bank, Gulberg-V. P. O. Box 39, Lahore-54660, Pakistan.  
Tel: +92 (42) 35715868-71/35775747-50, Fax: +92(42) 35775754, www.pwc.com/pk*

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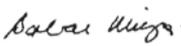
# Window Takaful Operations Condensed Statement of Financial Position (Unaudited)

As at June 30, 2020

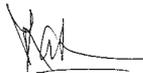
Note	OPF		PTF		
	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	
<b>(Rupees in thousand)</b>					
<b>Assets</b>					
Property and equipment	7	1,115	1,240	-	-
Investments					
Term Deposits		-	25,000	-	155,000
Loans and other receivables	9	18	45	-	-
Takaful / retakaful receivables	10	-	-	28,820	14,727
Deferred wakala fee		-	-	29,478	22,309
Receivable from OPF / PTF	11	49,156	11,721	-	-
Accrued investment income		630	278	878	2,238
Retakaful recoveries against outstanding claims		-	-	10,696	9,581
Deferred commission expense	21	7,262	8,530	-	-
Prepayments	12	4,669	2,992	25,902	27,420
Cash and bank	13	102,025	88,520	215,601	21,021
<b>Total assets</b>		<b>164,875</b>	<b>138,326</b>	<b>311,375</b>	<b>252,296</b>
<b>Equity and Liabilities</b>					
Capital reserve		50,000	50,000	-	-
Accumulated profit		74,025	54,517	-	-
<b>Total Shareholders Equity</b>		<b>124,025</b>	<b>104,517</b>	<b>-</b>	<b>-</b>
<b>Participants' Takaful Fund</b>					
Seed Money		-	-	500	500
Accumulated surplus		-	-	29,855	4,107
<b>Balance of Participants' Takaful Fund</b>		<b>-</b>	<b>-</b>	<b>30,355</b>	<b>4,607</b>
<b>Liabilities</b>					
<b>PTF Underwriting provisions</b>					
Outstanding claims (including IBNR)	19	-	-	50,598	51,704
Unearned contribution reserves	17	-	-	119,034	127,278
Reserve for unearned retakaful rebate	18	-	-	3,891	4,339
		-	-	173,523	183,321
Retirement benefit obligations		588	494	-	-
Deferred taxation		-	-	-	-
Unearned wakala fee		29,478	22,309	-	-
Contribution received in advance		-	-	3,933	3,023
Takaful / retakaful payables		-	-	50,610	46,635
Other creditors and accruals	15	10,784	11,006	3,798	2,989
Payable to OPF / PTF	14	-	-	49,156	11,721
<b>Total liabilities</b>		<b>40,850</b>	<b>33,809</b>	<b>281,020</b>	<b>247,689</b>
<b>Total equity and liabilities</b>		<b>164,875</b>	<b>138,326</b>	<b>311,375</b>	<b>252,296</b>
<b>Contingencies and commitments</b>	16				

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

  
**Rashid Amin**  
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 Profit and Loss Account (Unaudited)

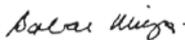
For the six months ended June 30, 2020

	Note	Six months ended		Three months ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
(Rupees in thousand)					
<b>PTF</b>					
Contribution earned	17	109,486	93,147	51,890	48,126
Less: Contribution ceded to retakaful	17	(48,834)	(34,434)	(21,860)	(19,124)
Net contributions revenue		60,652	58,713	30,030	29,002
Retakaful rebate earned	18	5,430	5,348	2,408	2,746
Net underwriting income		66,082	64,061	32,438	31,748
Net claims					
Reported / settled	19	(33,045)	(46,049)	(19,272)	(21,758)
- IBNR	19	(3,768)	(3,838)	5,728	-
		(36,813)	(49,887)	(13,544)	(21,758)
Other direct expenses		(10,497)	(13,643)	(6,095)	(7,680)
Surplus before investment income		18,772	531	12,799	2,310
Investment income	22	9,302	6,582	1,443	3,914
Less: Modarib's share of investment income		(2,326)	(1,646)	(361)	(979)
Finance cost		-	(13)	-	-
<b>Surplus transferred to accumulated surplus</b>		<b>25,748</b>	<b>5,454</b>	<b>13,881</b>	<b>5,245</b>
<b>OPF</b>					
Wakala fee	20	27,940	35,047	13,871	19,522
Commission expense	21	(9,377)	(9,185)	(4,315)	(4,783)
General, administrative and management expenses		(5,748)	(7,193)	(2,114)	(3,748)
		12,815	18,669	7,442	10,991
Modarib's share of PTF investment income		2,326	1,646	361	979
Investment income	22	4,853	(1,778)	(382)	(2,240)
Direct expenses		(486)	(432)	(228)	(214)
<b>Profit for the period</b>		<b>19,508</b>	<b>18,105</b>	<b>7,193</b>	<b>9,516</b>

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



**Rashid Amin**  
Chief Financial Officer



**Babar Mahmood Mirza**  
Chief Executive



**Ali H. Shirazi**  
Director



**Fahim Ali Khan**  
Director



**Iftikhar H. Shirazi**  
Chairman

# Window Takaful Operations

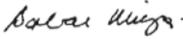
## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months ended June 30, 2020

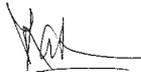
	Six months ended June 30, 2020	June 30, 2019	Three months ended June 30, 2020	June 30, 2019
(Rupees in thousand)				
<b>PTF</b>				
Surplus for the period	25,748	5,454	13,881	5,245
<b>Other comprehensive (loss) / income:</b>				
<i>Items that may be subsequently reclassified to profit and loss account:</i>				
Un-realized (loss) / gain on available for sale investments - net of deferred tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>25,748</b>	<b>5,454</b>	<b>13,881</b>	<b>5,245</b>
<b>OPF</b>				
Profit for the period	19,508	18,105	7,193	9,516
<b>Other comprehensive (loss) / income:</b>				
<i>Items that may be subsequently reclassified to profit and loss account:</i>				
Un-realized (loss) / gain on available for sale investments - net of deferred tax	-	-	-	(245)
<b>Total comprehensive income for the period</b>	<b>19,508</b>	<b>18,105</b>	<b>7,193</b>	<b>9,271</b>

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

  
**Rashid Amin**  
 Chief Financial Officer

  
**Babar Mahmood Mirza**  
 Chief Executive

  
**Ali H. Shirazi**  
 Director

  
**Fahim Ali Khan**  
 Director

  
**Iftikhar H. Shirazi**  
 Chairman

# Window Takaful Operations

## Condensed Interim Statement of Changes in Fund (Unaudited)

For the six months ended June 30, 2020

### Attributable to Operator's Fund (OPF)

	Statutory fund	Capital reserve		Total
		Investment fair value reserve	Accumulated (loss) / profit	
(Rupees in thousand)				
<b>Balance as at December 31, 2018 (audited)</b>	50,000	-	15,647	65,647
Profit for the six months ended June 30, 2019	-	-	18,105	18,105
Net unrealized (loss) / gain on revaluation of available for sale investments - net of deferred tax	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	18,105	18,105
<b>Balance as at June 30, 2019 (unaudited)</b>	50,000	-	33,752	83,752
Profit for the six months ended December 31, 2019	-	-	20,765	20,765
Net unrealized gain on revaluation of available for sale investments - net of deferred tax	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	20,765	20,765
<b>Balance as at December 31, 2019 (audited)</b>	50,000	-	54,517	104,517
Profit for the six months ended June 30, 2020	-	-	19,508	19,508
Net unrealized (loss) on revaluation of available for sale investments - net of deferred tax	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	19,508	19,508
<b>Balance as at June 30, 2020 (unaudited)</b>	50,000	-	74,025	124,025

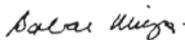
### Participant's Takaful Fund (PTF)

	Seed Money	Capital reserve		Total
		Investment fair value reserve	Accumulated (Deficit) / Surplus	
<b>Balance as at December 31, 2018 (audited)</b>	500	-	(23,347)	(22,847)
Surplus for the six months ended June 30, 2019	-	-	5,454	5,454
<b>Total comprehensive income for the period</b>	-	-	5,454	5,454
<b>Balance as at June 30, 2019 (unaudited)</b>	500	-	(17,893)	(17,393)
Surplus for the year ended December 31, 2019	-	-	22,000	22,000
<b>Total comprehensive income for the period</b>	-	-	22,000	22,000
<b>Balance as at December 31, 2019 (audited)</b>	500	-	4,107	4,607
Surplus for the six months ended June 30, 2020	-	-	25,748	25,748
<b>Total comprehensive income for the period</b>	-	-	25,748	25,748
<b>Balance as at June 30, 2020 (unaudited)</b>	500	-	29,855	30,355

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



**Rashid Amin**  
Chief Financial Officer



**Babar Mahmood Mirza**  
Chief Executive



**Ali H. Shirazi**  
Director



**Fahim Ali Khan**  
Director



**Iftikhar H. Shirazi**  
Chairman

# Window Takaful Operations Condensed Interim Cash Flow Statement (Unaudited)

For the six months ended June 30, 2020

	OPF		PTF	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(Rupees in thousand)			
<b>Operating activities</b>				
<b>a) Takaful activities</b>				
Contributions received	-	-	111,052	139,117
Re-takaful contributions paid	-	-	(41,640)	(35,275)
Claims paid	-	-	(41,451)	(42,653)
Re-takaful and other recoveries received	-	-	7,385	15,812
Commissions paid	(8,524)	(9,850)	-	-
Wakala fees received / (paid)	-	19,000	-	(19,000)
Management expenses paid	(7,094)	(7,556)	(6,073)	(16,083)
Other underwriting receipts	-	-	3,246	3,606
<b>Net cash used in takaful activities</b>	<b>(15,618)</b>	<b>1,594</b>	<b>32,519</b>	<b>45,524</b>
<b>b) Other operating activities</b>				
Income tax paid	(378)	(103)	(1,275)	(643)
<b>Net cash used in other operating activities</b>	<b>(378)</b>	<b>(103)</b>	<b>(1,275)</b>	<b>(643)</b>
<b>Total (used in) / cash generated from all operating activities</b>	<b>(15,996)</b>	<b>1,491</b>	<b>31,244</b>	<b>44,881</b>
<b>Investing activities</b>				
Profit / return received	4,501	2,709	8,336	4,416
Payments for investments	(100,000)	(56,824)	(230,000)	-
Proceeds from investments	125,000	54,558	385,000	-
Proceeds from sale of property and equipment	-	2,078	-	-
Fixed capital expenditure	-	(1,410)	-	-
<b>Total cash generated from investing activities</b>	<b>29,501</b>	<b>1,111</b>	<b>163,336</b>	<b>4,416</b>
<b>Total cash generated from all activities</b>	<b>13,505</b>	<b>2,602</b>	<b>194,580</b>	<b>49,297</b>
Cash and cash equivalents at the beginning of the period	88,520	40,186	21,021	156,766
<b>Cash and cash equivalents at the end of the period</b>	<b>102,025</b>	<b>42,788</b>	<b>215,601</b>	<b>206,063</b>

# Window Takaful Operations Condensed Interim Cash Flow Statement (Unaudited)

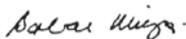
For the six months ended June 30, 2020

	OPF		PTF	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
(Rupees in thousand)				
<b>Reconciliation to Condensed Interim profit and loss account</b>				
Operating cash flows	(15,996)	1,491	31,244	44,881
Depreciation / amortization expense	(126)	(248)	-	-
Financial charges expense	-	(13)	-	-
Provision for doubtful debts	-	-	(1,292)	-
(Loss) / gain on disposal of investments	-	(2,266)	3,186	-
Dividend income	-	499	-	-
Other investment income	4,853	1,635	3,790	4,936
Increase in assets other than cash	37,818	12,126	22,151	17,820
Decrease / (increase) in liabilities other than borrowings	(7,041)	4,881	(33,331)	(62,584)
<b>Other adjustments</b>				
Reversal of impairment of receivable from takaful contract holders	-	-	-	401
<b>Profit for the period</b>	<b>19,508</b>	<b>18,105</b>	<b>25,748</b>	<b>5,454</b>

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



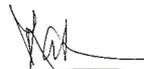
**Rashid Amin**  
Chief Financial Officer



**Babar Mahmood Mirza**  
Chief Executive



**Ali H. Shirazi**  
Director



**Fahim Ali Khan**  
Director



**Iftikhar H. Shirazi**  
Chairman

# Window Takaful Operations

## Notes to the Condensed Interim Financial Statement (Unaudited)

For the six months ended June 30, 2020

### 1. Legal status and nature of business

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

For the purpose of carrying on the takaful business, as per requirement of circular 8 of 2014 the Operator transferred Rs. 50,000 thousand in a separate bank account and thereafter, formed a Waqf / Participants' Takaful Fund (PTF) on March 12, 2016 under a Waqf deed with the 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 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 requirements differ, the provisions or directives of 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 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 Operator for the year ended December 31, 2019.

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.

## 2.5 COVID-19 and its impact on business

The COVID-19 pandemic had spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. This crisis continues to have a significant impact on individuals, society, business and the wider economy across the globe. The Operator has not escaped its impact but has responded quickly to the crisis by providing the facilities to its employees to work from home, informing employees regularly about the risk of infection, good hygiene standards and ways to manage customer contact at Operator offices. Consequently, at this stage, impact on the Operator's business and results is limited. Gross contribution for the half year ended June 30, 2020 stood at Rs. 129,185 thousand with a 15.73% decline for the same period last year of Rs. 153,294 thousand. However, an increase is witnessed in surplus of Rs. 25,748 thousand was transferred to accumulated fund against Rs. 5,454 thousand in the same period last year which is majorly due to reduction in claims. Operator believes their current liquidity availability provides them with sufficient financial resources to meet their obligations as they come due and no such indication exists for the Operator that triggered impairment of its assets. Further, the Operator will continue to follow the policies and advice published by the Government of Pakistan and in parallel will do the utmost to continue its operations in the best and safest way possible without jeopardizing the health of its staff.

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

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

#### 3.1.1 General Takaful Accounting Regulations, 2019

The Securities and Exchange Commission of Pakistan (SECP) issued the General Takaful Accounting Regulations, 2019 (the Regulation), through S.R.O. 1416 (I)/2019 dated November 20, 2019. These Regulations came into force for the accounting period commencing on or after January 1, 2020.

The Regulations provide the principles based on which accounting and reporting of general takaful business of general takaful operators and window general takaful operators shall be made. The Regulations also contain the formats for reporting of published financial statements and regulatory returns of general takaful / window takaful operators.

As per the Regulations, the provision of Rule 19 of the Insurance Rules, 2017 along with Annexure – II and the provision of the Insurance Accounting Regulations, 2017 shall stand applicable on the Window Takaful Operator to the extent of its conventional insurance business modified to the extent stated at regulation 6 of these Regulations in respect of its Window Takaful business.

In accordance, with directives of SECP, with effect from January 1, 2020 the Operator has adopted these Regulations and changed its accounting policy in respect of the presentation of its financial statements, as explained in note 4.1 to these condensed interim financial statements.

### 3.2 Standards, interpretations and amendments effective in the current period but are not relevant

There are certain new and amended standards and interpretations that are mandatory for the Operator's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or to have any significant effect on the Operator's operations and are therefore not detailed in these condensed interim financial statements.

### 3.3 Standards, amendments and interpretations to accounting and reporting standards that are not effective or relevant in the current period

The following standards, amendments and interpretations to accounting and reporting standards would be effective for the dates mentioned below against the respective standards, amendments and interpretations:

<b>Standards, amendments and interpretations</b>	<b>Effective date (period beginning on or after)</b>
- IAS 1, Presentation of Financial Statements (Amendments on classification)	January 1, 2022
- IAS 16, Property, Plant and Equipment (Amendments)	January 1, 2022
- IAS 37, Onerous contracts (Amendments)	January 1, 2022
- IFRS 17, Insurance contracts	January 1, 2023
- IFRS 9, Financial instruments	January 1, 2023*

\* The management has continued to opt temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance / takaful. Further details to temporary exemption from the application of IFRS 9 is given in note 5 to these condensed interim financial statements.

The management is in the process of assessing the impact of the above amendments on the financial statements of the Operator.

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

## 4. Summary of significant accounting policies

The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Operator for the year ended December 31, 2019. Further, a change in presentation has been made in accordance with the revised accounting and reporting standards as detailed in note 3.1.1 to the condensed interim financial statements.

### 4.1 Change in presentation and disclosure of financial statements

As per General Takaful Accounting Regulations, 2019 ("the Regulations"), the presentation and disclosure requirements of the financial statements were changed for general and window takaful operators for accounting periods commencing on or after January 1, 2020. Accordingly, with effect from January 01, 2020 the format prescribed in the Regulation has been adopted, and changes to the presentation and disclosures in these condensed interim financial statements have been applied.

Key changes in the prescribed Annexure include a change in the presentation of assets / liabilities in the statement of financial position. Disaggregation of underwriting results and other elements of the profit and loss account. Other than these there have also been certain changes in the nomenclature of various elements of the financial statements. These do not have any

financial impact on the profitability and opening retained earnings. Some of the key changes resulting from the change in accounting policy, as aforementioned, on the prior period condensed interim financial statements have been summarized below:

1. Statement of financial position			Rupees in thousand	
Serial no.	New classification and presentation	Previous classification and presentation	December 31, 2019	
(a)	Separately disclosed in the condensed interim statement of financial position, as "Accrued investment income".	Classified under "Loans and other receivables"	4,591	
(b)	Classified under "Receivable from PTF", as "Wakala fee receivable".	Separately disclosed in the condensed interim statement of financial position, as "Wakala fees receivable".	7,408	
(c)	Classified under "Payable to OPF", as "Wakala fee payable".	Separately disclosed in the condensed interim statement of financial position, as "Wakala fee payable".	7,408	
(d)	Classified under "Receivable from PTF", as "Modarib's share receivable".	Classified under "Loans and other receivable", as part of "Accrued investment income".	4,313	
(e)	Classified under "Payable to OPF", as "Modarib's share payable".	Classified under "Other creditors and accruals", as "Modarib share of investment".	4,313	

2. Profit and loss account			Rupees in thousand	
Serial no.	New classification and presentation	Previous classification and presentation	Six months ended June 30, 2019	Three months ended June 30, 2019
(a)	Classified and deducted from "Contribution earned" in the condensed interim profit and loss account for PTF, as "Wakala fee".	Disclosed separately in the condensed interim profit and loss account for PTF as "Wakala expense".	35,047	19,522
(b)	Separately disclosed in the condensed interim profit and loss account for PTF, as "Contributions ceded to retakaful".	Deducted from contribution earned under "Net Contribution Revenue" in the condensed interim profit and loss account for PTF, as "Retakaful expense".	34,434	19,124
(c)	Separately disclosed in the condensed interim profit and loss account for PTF / OPF, as "Modarib's share of investment income".	Classified under "Investment (loss) / income" in the condensed interim profit and loss account for PTF / OPF.	1,646	979

## 5. Temporary exemption from application of IFRS 9

As a takaful operator, the management has continued its accounting policy to opt for temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with takaful. As on reporting dates the fair value of the Operator's financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate.

## 6. Critical accounting estimates and judgments

The preparation of condensed interim financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the annual audited financial statements of the Operator as at and for the year ended December 31, 2019.

	Note	June 30, 2020 (Unaudited) (Rupees in thousand)	December 31, 2019 (Audited)
<b>7. Property and equipment - OPF</b>			
Operating assets - tangible	7.1	1,115	1,240
<b>7.1 The breakup of operating assets as at the period / year end is given below:</b>			
Computers equipment		36	41
Vehicles		1,079	1,199
		1,115	1,240
<b>7.2 Movement of property and equipment during the period / year:</b>			
Opening book value		1,240	2,157
Additions during the period / year	7.3	-	1,410
		1,240	3,567
Disposal during the period / year (at book value)		-	(2,078)
Depreciation charged for the period / year	7.4	(126)	(249)
		(126)	(2,327)
Closing book value		1,114	1,240
<b>7.3 Additions during the period / year</b>			
Computers equipment		-	-
Vehicles		-	1,410
		-	1,410
<b>7.4 Disposals during the period / year</b>			
Computers equipment		-	114
Vehicles		-	1,964
		-	2,078

OPF		PTF	
June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)

(Rupees in thousand)

## 8. Investments in term deposits

### Held to maturity

Deposits maturing within 12 months

-	25,000	-	155,000
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## 9. Loans and other receivables - considered good

Loans to employees

18	45	-	-
18	45	-	-

June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
---------------------------------	-----------------------------------

(Rupees in thousand)

## 10. Takaful / retakaful receivables PTF

Unsecured and considered good

Due from takaful participant holders

Less: Provision for impairment of receivable from takaful participant holders

19,749	9,894
(1,838)	(546)
17,911	9,348

Amount due from other takaful / retakaful operators

Less: Provision for impairment of receivables from other takaful / retakaful operators

10,909	5,379
-	-
10,909	5,379
28,820	14,727

### OPF

June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
---------------------------------	-----------------------------------

(Rupees in thousand)

## 11. Receivable from OPF / PTF

Wakala fee receivable

Modarib's share of investment income

42,517	7,408
6,639	4,313
49,156	11,721

### OPF

June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
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(Rupees in thousand)

## 12. Prepayments

Prepaid retakaful contribution ceded

Tax deducted at source

Prepaid miscellaneous expenses

-	-	21,945	24,739
3,489	1,937	3,890	2,614
1,180	1,055	67	67
4,669	2,992	25,902	27,420

Note	OPF		PTF	
	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)

(Rupees in thousand)

### 13. Cash and bank

#### Cash at bank

Current accounts	13.1	-	-	59,436	1,562
Saving accounts		102,025	88,520	156,165	19,459
		<u>102,025</u>	<u>88,520</u>	<u>215,601</u>	<u>21,021</u>

- 13.1 The rate of profit and loss sharing accounts range from 5.66% to 7.24% (2019: 3.85% to 9.99%) per annum, depending on the size of average deposits.

#### PTF

June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
---------------------------------	-----------------------------------

(Rupees in thousand)

### 14. Payable to OPF / PTF

Wakala fee payable	42,517	7,408
Modarib's share of investment income	6,639	4,313
	<u>49,156</u>	<u>11,721</u>

### 15. Other creditors and accruals

	OPF		PTF	
	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)

(Rupees in thousand)

Agent commission payable	6,374	6,789	-	-
Federal Excise Duty / Sales tax	-	-	879	1,424
Federal Takaful Fee	-	-	224	215
Accrued expenses				
Other tax payable	849	633	409	660
Leave encashment	463	435	-	-
Bonus payable to staff	162	543	-	-
Tracker fee payable	-	-	859	557
Payable to related parties	-	28	-	-
Others	2,936	2,578	1,427	133
	<u>10,784</u>	<u>11,006</u>	<u>3,798</u>	<u>2,989</u>

### 16. Contingencies and commitments

#### 16.1 Contingencies

There are no outstanding contingencies of Atlas Insurance Limited - Window Takaful Operations (WTO) as on June 30, 2020.

#### 16.2 Commitments

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

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
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(Rupees in thousand)

Not later than one year	3,858	11,325
Later than one year and not later than five years	3,644	10,614
	<u>7,502</u>	<u>21,939</u>

## PTF

Note	Six months ended		Three months ended	
	June 30,	June 30,	June 30,	June 30,
	2020	2019	2020	2019

(Rupees in thousand)

**17. Net takaful contribution**

Written gross contribution	20	129,182	153,294	60,756	72,041
Less: Wakala fee		(27,940)	(35,047)	(13,871)	(19,522)
Contribution earned net of wakala fee		101,242	118,247	46,885	52,519
Add: Unearned contribution reserve - opening		127,278	106,254	124,039	126,961
Less: Unearned contribution reserve - closing		(119,034)	(131,354)	(119,034)	(131,354)
Contribution earned		109,486	93,147	51,890	48,126
Less: Retakaful contribution ceded		46,040	35,798	21,711	20,119
Add: Prepaid retakaful contribution - opening		24,739	18,775	22,094	19,144
Less: Prepaid retakaful contribution - closing		(21,945)	(20,139)	(21,945)	(20,139)
Retakaful expense		48,834	34,434	21,860	19,124
		60,652	58,713	30,030	29,002

**18. Net rebate on retakaful**

Re-takaful rebate received		4,982	5,596	2,443	2,899
Add: Retakaful rebate - opening		4,339	3,695	3,856	3,790
Less: Re-takaful rebate - closing		(3,891)	(3,943)	(3,891)	(3,943)
Net retakaful rebate		5,430	5,348	2,408	2,746

**19. Net takaful claims expense**

Claims paid		41,451	42,653	18,526	21,071
Add: Outstanding claims including IBNR - closing		50,598	48,410	50,598	48,410
Less: Outstanding claims including IBNR - opening		(51,704)	(30,434)	(52,086)	(44,455)
Claims expense		40,345	60,629	17,038	25,026
Less: Retakaful and other recoveries received		2,417	2,629	1,112	1,205
Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing		10,696	11,632	10,696	11,632
Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening		(9,581)	(3,519)	(8,314)	(9,569)
Retakaful and other recoveries received		3,532	10,742	3,494	3,268
Net claim expense		36,813	49,887	13,544	21,758

Note	PTF			
	Six months ended		Three months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(Rupees in thousand)			

## 20. Wakala fee / expense

Gross wakala fee / expense	35,109	29,814	16,492	12,095
Add: Deferred wakala expense / unearned wakala fee - opening	22,309	33,715	26,858	35,909
Less: Deferred wakala expense / unearned wakala fee - closing	(29,478)	(28,482)	(29,478)	(28,482)
	27,940	35,047	13,872	19,522

Note	OPF			
	Six months ended		Three months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(Rupees in thousand)			

## 21. Commission expense

Commission paid / payable	8,109	10,880	3,208	4,517
Add: Deferred commission expense - opening	8,530	6,997	8,369	8,958
Less: Deferred commission expense - closing	(7,262)	(8,692)	(7,262)	(8,692)
Net commission expense	9,377	9,185	4,315	4,783

OPF		PTF	
June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
(Rupees in thousand)			

## 22. Investment income / (loss)

### Operator's Fund

Dividend income	-	499	-	-
Profit on bank deposits for the period	1,406	1,635	3,790	6,582
Profit of term deposits	3,447	-	5,512	-
	4,853	2,134	9,302	6,582

### Available for sale financial assets

Realized losses on Equity securities	-	(3,912)	-	-
	4,853	(1,778)	9,302	6,582

### 23. Transactions with related parties

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

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

		<u>June 30,</u> 2020 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2019 (Audited)
<b>Parent Company</b>	<b>Year end balances</b>		
	Due from takaful participant holders	-	279
		<u>June 30,</u> 2020 (Rupees in thousand)	<u>June 30,</u> 2019
	<b>Transactions during the period</b>		
	Contribution collected	279	-
<b>Associated companies</b>	<b>Period / year end balances</b>		
	Provision for outstanding claims	359	238
	Due from takaful participant holders	461	90
		<u>June 30,</u> 2020 (Rupees in thousand)	<u>December 31,</u> 2019 (Audited)
	<b>Transactions during the period</b>		
	Contribution underwritten	1,118	1,418
	Contribution collected	924	1,328
	Claims paid	565	773
	Dividend received	-	424
	Investment purchased	-	56,824
Investment sold	-	54,558	
<b>Post employment benefit plans</b>	<b>Transactions during the period</b>		
	Contributions in respect of retirement benefit plans	63	95
<b>Key management personnel</b>	<b>Period / year end balances</b>		
	Provision for outstanding claims	18	45
		<u>June 30,</u> 2020 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2019 (Audited)
	<b>Transactions during the period</b>		
	Contribution underwritten	-	61
	Contribution collected	-	27

## 24. Segment reporting

The Operator has identified four (2019: 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.

### 24.1 Participants' Takaful Fund (PTF)

(Unaudited) Six months ended June 30,

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in thousand)									
Contribution receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and administrative surcharge)	19,764	18,044	9,634	11,167	114,786	143,863	4,306	3,769	148,490	176,843
Less: Federal Excise Duty	2,451	2,171	953	1,134	14,432	18,248	185	465	18,021	22,018
Federal Insurance Fee	168	155	86	99	998	1,245	32	32	1,284	1,531
Gross written contribution (inclusive of administrative surcharge)	17,145	15,718	8,595	9,934	99,356	124,370	4,089	3,272	129,185	153,294
Gross direct contribution	16,450	14,955	8,201	9,443	96,850	121,394	3,101	3,135	124,602	148,927
Facultative inward contribution	408	471	-	42	-	178	927	69	1,335	760
Administrative surcharge	287	292	394	449	2,506	2,798	61	68	3,248	3,607
	17,145	15,718	8,595	9,934	99,356	124,370	4,089	3,272	129,185	153,294
Wakala fees	(5,394)	(4,441)	(2,899)	(2,980)	(18,907)	(26,786)	(740)	(840)	(27,940)	(35,047)
Takaful contribution earned	19,464	13,370	8,776	10,190	106,227	102,181	2,961	2,453	137,426	128,194
Takaful contribution ceded to retakaful	(17,861)	(11,757)	(6,918)	(8,773)	(22,798)	(12,977)	(1,257)	(927)	(48,834)	(34,434)
Net takaful contribution	(3,791)	(2,828)	(1,041)	(1,563)	64,522	62,418	964	686	60,652	58,713
Retakaful rebate	3,145	2,508	1,387	1,926	643	734	255	180	5,430	5,348
Net underwriting income	(646)	(320)	346	363	65,165	63,152	1,217	866	66,082	64,061
Takaful claims	(2,420)	(205)	(873)	(10,235)	(35,463)	(47,201)	(1,590)	(2,988)	(40,346)	(60,629)
Takaful claims recovered from retakaful	2,209	322	786	8,363	452	2,068	86	(11)	3,533	10,742
Net claims	(211)	117	(87)	(1,872)	(35,011)	(45,133)	(1,504)	(2,999)	(36,813)	(49,887)
Contribution deficiency expense	-	-	-	-	-	-	-	-	-	-
Direct expenses	(185)	(114)	(93)	(4)	(10,177)	(13,524)	(42)	(1)	(10,497)	(13,643)
<b>Surplus / (deficit) before investment income</b>	<b>(1,042)</b>	<b>(317)</b>	<b>166</b>	<b>(1,513)</b>	<b>19,977</b>	<b>4,495</b>	<b>(327)</b>	<b>(2,134)</b>	<b>18,772</b>	<b>531</b>
Investment income									9,302	6,582
Modarib's share of investment income									(2,326)	(1,646)
Finance cost									-	(13)
<b>Surplus / (deficit) transferred to Balance of PTF</b>									<b>25,748</b>	<b>5,454</b>

(Unaudited) Six months ended June 30,

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
	(Rupees in thousand)									
Corporate segment assets	12,593	10,000	6,310	4,982	72,985	59,792	3,008	1,501	94,896	76,275
Corporate unallocated assets									216,479	176,021
Total assets									<u>311,375</u>	<u>252,296</u>
Corporate segment liabilities	36,410	32,472	18,248	16,174	211,026	194,163	8,697	4,880	274,381	247,689
Corporate unallocated liabilities									6,639	-
Total liabilities									<u>281,020</u>	<u>247,689</u>

(Unaudited) Three months ended June 30,

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in thousand)									
Contribution receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and administrative surcharge)	9,002	8,125	4,039	5,547	54,353	67,715	1,676	1,578	69,070	82,965
Less: Federal Excise Duty	1,210	991	413	579	6,822	8,458	88	180	8,533	10,208
Federal Insurance Fee	(739)	69	36	49	474	586	7	12	(222)	716
Gross written contribution (inclusive of administrative surcharge)	8,531	7,065	3,590	4,919	47,057	58,671	1,581	1,386	60,759	72,041
Gross direct contribution	7,968	6,525	3,437	4,684	45,863	57,080	634	1,289	57,902	69,578
Facultative inward contribution	408	405	-	17	-	178	927	69	1,335	669
Administrative surcharge	155	135	153	218	1,194	1,413	20	28	1,522	1,794
	8,531	7,065	3,590	4,919	47,057	58,671	1,581	1,386	60,759	72,041
Wakala fees	(2,819)	(2,309)	(1,138)	(1,362)	(9,581)	(15,424)	(333)	(427)	(13,871)	(19,522)
Takaful contribution earned	9,929	7,076	3,270	5,108	51,271	54,241	1,293	1,223	65,761	67,648
Takaful contribution ceded to retakaful	(9,038)	(6,228)	(1,975)	(4,390)	(10,250)	(7,985)	(597)	(521)	(21,860)	(19,124)
Net takaful contribution	(1,928)	(1,461)	157	(644)	31,440	30,832	363	275	30,030	29,002
Retakaful rebate	1,582	1,330	374	965	330	349	122	102	2,408	2,746
Net underwriting income	(346)	(131)	531	321	31,770	31,181	483	377	32,438	31,748
Takaful claims	(1,822)	(34)	(806)	(4,930)	(13,501)	(16,762)	(910)	(3,299)	(17,039)	(25,025)
Takaful claims recovered from retakaful	1,646	67	727	3,533	1,037	(301)	85	(32)	3,495	3,267
Net claims	(176)	33	(79)	(1,397)	(12,464)	(17,063)	(825)	(3,331)	(13,544)	(21,758)
Contribution deficiency expense	-	-	-	-	-	-	-	-	-	-
Direct expenses	(176)	(37)	(88)	(4)	(5,791)	(7,638)	(40)	(1)	(6,095)	(7,680)
Surplus / (deficit) before investment income	(698)	(135)	364	(1,080)	13,515	6,480	(380)	(2,955)	12,799	2,310
Investment income									1,443	3,914
Modarib's share of investment income									(361)	(979)
Finance cost									-	-
Surplus / (deficit) transferred to Balance of PTF									<u>13,881</u>	<u>5,245</u>

24.2 Operator's Fund (OPF)

(Unaudited) Six months ended June 30,

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in thousand)									
Wakala fee	5,394	4,441	2,899	2,980	18,908	26,786	739	840	27,940	35,047
Commission expense	(2,611)	(1,996)	(1,208)	(1,450)	(5,372)	(5,577)	(186)	(162)	(9,377)	(9,185)
General, administrative and management expenses	(763)	(712)	(381)	(457)	(4,422)	(5,870)	(182)	(154)	(5,748)	(7,193)
	<u>2,020</u>	<u>1,733</u>	<u>1,310</u>	<u>1,073</u>	<u>9,114</u>	<u>15,339</u>	<u>371</u>	<u>524</u>	<u>12,815</u>	<u>18,669</u>
Investment income									4,853	(1,778)
Modarib's share of PTF investment income									2,326	1,646
Direct expenses									(486)	(432)
<b>Profit before tax</b>									<u>19,508</u>	<u>18,105</u>
									<b>June 30, 2020</b>	<b>December 31, 2019</b>
									<b>(Unaudited)</b>	<b>(Audited)</b>
									(Rupees in thousand)	
Segment assets	7,228	3,089	3,621	1,539	41,889	18,473	1,727	464	54,465	23,565
Unallocated assets									110,410	114,761
									<u>164,875</u>	<u>138,326</u>
Segment liabilities	5,421	4,433	2,716	2,208	31,418	26,503	1,295	665	40,850	33,809
Unallocated liabilities									-	-
									<u>40,850</u>	<u>33,809</u>

(Unaudited) Three months ended June 30,

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in thousand)									
Wakala fee	2,819	2,309	1,138	1,362	9,582	15,424	332	427	13,871	19,522
Commission expense	(1,342)	(1,058)	(418)	(734)	(2,474)	(2,909)	(81)	(82)	(4,315)	(4,783)
General, administrative and management expenses	(284)	(345)	(115)	(245)	(1,644)	(3,084)	(71)	(74)	(2,114)	(3,748)
	<u>1,193</u>	<u>906</u>	<u>605</u>	<u>383</u>	<u>5,464</u>	<u>9,431</u>	<u>180</u>	<u>271</u>	<u>7,442</u>	<u>10,991</u>
Investment income									(382)	(2,240)
Modarib's share									361	979
Other expenses									(228)	(214)
<b>Profit before tax</b>									<u>7,193</u>	<u>9,516</u>

## 25. Fair value measurement of financial instruments

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

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

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

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

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

## 26. Movement in investment - OPF

	<u>Available for sale</u>	<u>Held to maturity</u>	<u>Total</u>
	(Rupees in thousand)		
<b>As at beginning of previous year - 2019</b>	-	-	-
Additions	96,824	25,000	121,824
Disposals (sale and redemptions)	(96,824)	-	(96,824)
<b>As at beginning of current period - 2020</b>	-	25,000	25,000
Additions	-	100,000	100,000
Disposals (sale and redemptions)	-	(125,000)	(125,000)
<b>As at end of current period</b>	-	-	-
<b>Movement in investment - PTF</b>			
<b>As at beginning of previous year - 2019</b>	-	-	-
Additions	-	390,000	390,000
Disposals (sale and redemptions)	-	(235,000)	(235,000)
<b>As at beginning of current period - 2020</b>	-	155,000	155,000
Additions	-	230,000	230,000
Disposals (sale and redemptions)	-	(385,000)	(385,000)
<b>As at end of current period</b>	-	-	-

## 27. 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, 2019.

## 28. Subsequent events - non adjusting event

There are no significant events that need to be disclosed for the period ended June 30, 2020.

## 29. 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, except for those mentioned in note 4.1.

## 30. Date of authorization for issue

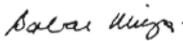
These condensed interim financial statements were authorized for issue on August 27, 2020 by the Board of Directors of the Operator.

## 31. General

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



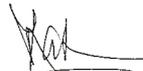
**Rashid Amin**  
Chief Financial Officer



**Babar Mahmood Mirza**  
Chief Executive



**Ali H. Shirazi**  
Director



**Fahim Ali Khan**  
Director



**Iftikhar H. Shirazi**  
Chairman

# Company Offices

## HEAD OFFICE

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MUHAMMAD SAEED Head of Claims	Direct: Extension:	(042) 37132608 777
QUDSIA NAHEED Head of HR & Admin	Direct: Extension:	(042) 37132606 717
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SYED IRTIZA KAZMI Head of Underwriting	Direct: Extension:	(042) 37132604 718
SYED NASIR HUSSAIN Vice President Reinsurance	Extension:	715
MUHAMMAD AASIM GUL Compliance Officer	Extension:	744
SALEEM MEHMOOD Chief Internal Auditor	Extension:	737

## NORTH ZONE OFFICES & BRANCHES

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Vice President

Extension: 216

MUHAMMAD AFZAL  
Company Secretary

Extension: 202

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