



Atlas Insurance

Half Yearly Report
June 30, 2017

تکافل

TAKAFUL

Window Operation

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Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Feroz Rizvi
Director

Isphanyar M. Bhandara
Director

Ali H. Shirazi
Director

Jawaid Iqbal Ahmed
Director

Khaleeq-Ur-Rahman Khan
Director

Arshad P. Rana
Chief Executive Officer

Muhammad Afzal
Company Secretary

Audit Committee

Feroz Rizvi
Chairman

Ali H. Shirazi
Member

Jawaid Iqbal Ahmed
Member

Muhammad Afzal
Secretary

Saleem Mahmood Akhtar
Chief Internal Auditor

Ethics, Human Resource & Remuneration Committee

Isphanyar M. Bhandara
Chairman

Ali H. Shirazi
Member

Arshad P. Rana
Member

Qudsia Naheed
Secretary

Investment Committee

Ali H. Shirazi
Chairman

Khaleeq-Ur-Rahman Khan
Member

Arshad P. Rana
Member

Rashid Amin
Member

Muhammad Afzal
Secretary

Underwriting, Reinsurance & Co-insurance Committee

Arshad P. Rana
Chairman

Muhammad Saeed
Member

Syed Nasir Hussain
Member

Syed Irtiza Kazmi
Secretary

Claims Settlement Committee

Ali H. Shirazi
Chairman

Arshad P. Rana
Member

Syed Irtiza Kazmi
Member

Muhammad Saeed
Secretary

Risk Management & Compliance Committee

Arshad P. Rana
Chairman

Rashid Amin
Member

Syed Irtiza Kazmi
Member

Syed Nasir Hussain
Secretary

Company Information

Information Technology (IT) Committee

Arshad P. Rana
Chairman

Rashid Amin
Member

Muhammad Saeed
Member

Wasim Ahmed
Secretary

Management Committee

Arshad P. Rana
Chief Executive

Nisar Zaman Khan
Head of Marketing & Sales

Rashid Amin
Chief Financial Officer

Muhammad Saeed
Head of Claims

Qudsia Naheed
Head of HR & Admin

Abdul Razzaq Ghauri
Head of Window Takaful

Syed Irtiza Kazmi
Vice President Underwriting

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
RIAA Barker Gillette

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Share Registrar

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

Bankers

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

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, 2017.

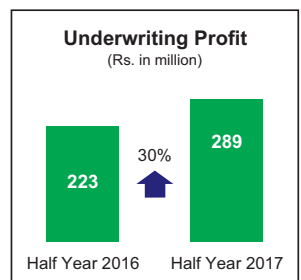
The Economy

Pakistan economy continued to improve as GDP growth accelerated to a decade high of 5.3% in FY17, largely on the back of recovery in the agriculture sector and better performance in the services sector. After witnessing flat growth in the last fiscal year, the agriculture sector has now performed better due to exceptional growth in forestry and major important crops. The services sector, which accounts for more than half of the economy, grew 6% against a target of 5.7%. Inflationary pressures continued to remain at bay with average CPI for FY17 recorded at 4.14% mainly due to benign global commodity prices and stable exchange rates. Resultantly, the State Bank of Pakistan, in its latest monetary policy review, has decided to keep the policy rate unchanged at multiyear low of 5.75%. However, on the external front, current account deficit widened to USD 12.1 billion for FY17 compared to USD 4.86 billion in FY16, up 149%, in the back drop of rising import bill and dismal export performance. Pressure on external account has also weighed down the stability of dollar-rupee parity. The government has so far largely relied on foreign loans to fund this gap but going forward higher exports and FDI would be essential for sustainability of external account. Government should focus on devising policy to curtail imports of non-essential items, though the trend for imports of capital goods remains encouraging and should augur well for above 5% growth in FY18 and beyond. Despite reclassification of the market to the much awaited MSCI Emerging Market, recent political concerns and continuous selling by foreign investors hampered the performance of the Pakistan stock exchange and the benchmark 100 index declined by around 19% from its peak levels witnessed in May 2017.

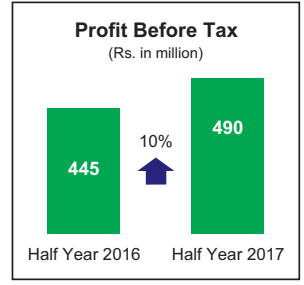
Overseas Pakistani workers remitted USD 19.30 billion during FY17, down 3.08% compared to USD 19.92 billion received in the preceding year, raising pressure on foreign exchange reserves, which declined by 7.30% to USD 21.40 billion at the end of FY17 compared to USD 23.10 billion of last year. Exports in FY17 declined by 1.4% and stood at USD 21.66 billion compared to USD 21.97 of FY16, while imports increased by a whopping 17.7% to USD 48.55 billion from USD 41.26 billion.

The Company

The Company's gross premium for the half year ended June 30, 2017 stood at Rs. 1.197 billion against Rs. 1.336 billion for the same period last year. Despite the decrease in gross premium, due to underwriting of a one off engineering project during last year, the net premium rose to Rs. 619.03 million against Rs. 484.63 million of the same period last year, up 28%. Sound underwriting policies resulted in increase in underwriting profit to Rs. 289.46 million compared to Rs. 223.33 million



in the same period last year, up 30%. Investment at cost stood at Rs. 2.264 billion (market value Rs. 5.902 billion) and the Company earned investment income of Rs. 228.92 million compared to Rs. 241.42 million of the corresponding period last year. The Company earned profit before tax of Rs. 489.52 million against Rs. 444.51 million in the same period last year, up 10%. After providing for tax, the profit after tax stood at Rs. 331.16 million compared to Rs. 313.15 million in the same period last year.



Future Outlook

Economic growth prospects remain positive for FY18 with revival in agriculture sector, consistent growth in industrial sector and expected completion of early harvest projects under CPEC. Despite some decline in foreign exchange reserves there are no immediate concerns at present. However, it is imperative to exploit all sources of foreign exchange inflows, most importantly exports, in order to comfortably finance the rising import demand. Pakistan's exports have been plagued by a number of structural and institutional gaps, which have constrained the country's competitiveness for several years. In order to boost the exports, both the public and private sectors have to play their roles; public sector through consistent and well thought out policies and private sector by enhancing its efficiencies. CPEC is definitely a huge opportunity for Pakistan and there is a need to proactively monitor and evaluate all activities within this window.

The management of your Company is well equipped to avail all the opportunities existing in the market to maintain its growth momentum and generate consistent returns for its shareholders:

جسے اللہ رکھے اسے کون چکھے!

Acknowledgement

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

Yusuf H. Shirazi

مستقبل کے خدو خال

زرعی شعبے میں بحالی، صنعتی شعبے میں متوازن ترقی اور پاکستان چین معاشرتی راہداری سے متعلقہ پروڈیکٹس کی بروقت تکمیل کے سبب مالی سال 2018 میں پاکستانی معیشت میں ترقی کے مثبت خدو خال دکھائی دیتے ہیں۔ اگرچہ زرمبادلہ کے ذخائر میں کچھ کمی واقع ہوئی ہے لیکن اس کا کافی الوقت معیشت پر خاطر خواہ اثر پڑنے کا امکان نہیں ہے۔ تاہم زرمبادلہ کے ذخائر میں آنے والی کمی کو پورا کرنے کے لیے ضروری اقدامات بروئے کار لانے کی ضرورت ہے جس میں سب سے اہم برآمدات ہیں، تاکہ درآمدات کی بڑھتی ہوئی طلب کے مالی معاملات کو پورا کیا جاسکے۔ پاکستانی برآمدات کو متعدد اسٹریٹجک اور انسٹیٹیوٹل سطح کے مسائل کا سامنا ہے جس نے گزشتہ کئی سالوں سے پاکستان کی مقابلی صلاحیت پر محدود طاری کر رکھا ہے۔ برآمدات میں اضافے کے لیے پبلک اور پرائیویٹ سیکٹرز کو مل کر اپنا کردار ادا کرنا ہوگا جس میں پبلک سیکٹرز کو مستقل جاری رہنے والی اور بہترین پالیسیاں مرتب کرنی ہوں گی اور پرائیویٹ سیکٹرز کو اپنی کارکردگی میں بہتری لانی ہوگی۔ CPEC پاکستان کی ترقی کے لیے بہترین موقع ہے، اس موقع پر پاکستان کے لیے اشد ضروری ہے کہ وہ نہایت فعالیت کے ساتھ اس سلسلے میں جاری تمام سرگرمیوں کی نگرانی کرے۔

جسے اللہ رکھے اسے کون چکھے !

اظہارِ تشکر:

میں اس موقع پر بورڈ آف ڈائریکٹرز، جناب ارشد پی رانا، چیف ایگزیکٹو آفیسر اور ان کی ٹیم کی کاوشوں، لگن اور خلوص کا تہمدول سے مشکور ہوں۔ میں، اس کے ساتھ اپنے تمام سٹوریٹورز، معزز کلائنٹس، بینکوں اور سیکورٹی اینڈ اینجینئرنگ کمیشن آف پاکستان کا تمام تر سپورٹ اور راہنمائی کے لیے شکریہ ادا کرتا ہوں۔



یوسف ایچ شیرازی

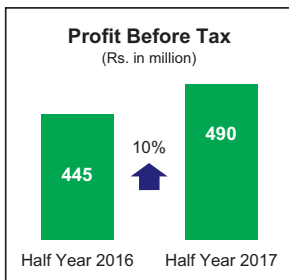
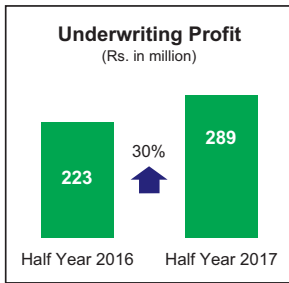
چیرمین کا جائزہ

میں نہایت مسرت کے ساتھ 30 جون 2017 کو مکمل ہونے والی ششماہی کے لیے کمپنی کے غیر پڑتال شدہ حسابات پیش کر رہا ہوں۔

معیشت

پاکستانی معیشت میں بہتری کا سلسلہ جاری رہا، سال 2017 میں شرح نمو میں اضافہ دہائی کی سب سے بلند سطح 5.3 فیصد پر جا پہنچا جس کے عوامل زرعی شعبے میں بحالی اور خدمات کے شعبے میں بہتر کارکردگی کا مظاہرہ کیا۔ خدمات کا شعبہ جو کہ ملکی معیشت میں نصف سے زیادہ شراکت رکھتا ہے اس میں گزشتہ سال کے 5.7 فیصد کے مقابلے میں ترقی کے سبب بہتر کارکردگی کا مظاہرہ کیا۔ خدمات کا شعبہ جو کہ ملکی معیشت میں نصف سے زیادہ شراکت رکھتا ہے اس میں گزشتہ سال کے 5.7 فیصد کے مقابلے میں 6 فیصد ترقی دیکھی گئی۔ افراط زر متوازن رہا اور مالی سال 2017 میں CPI کی اوسط شرح 4.14 فیصد ریکارڈ کی گئی، جس کی بنیادی وجہ عالمی سطح پر ایشیائے خورد و نوش کی کم قیمتیں اور مستحکم شرح مبادلہ ہیں۔ اس کے نتیجے میں، بینک دولت پاکستان نے اپنی مائٹری پالیسی کے حالیہ جائزے کے موقع پر پالیسی ریٹ کو گزشتہ کئی سالوں کی کم ترین سطح 5.75 فیصد پر برقرار رکھا۔ تاہم بیرونی محاذ پر کرنٹ اکاؤنٹ خسارہ مالی سال 2016 کے 4.86 بلین ڈالر کے مقابلے میں بڑھ کر 12.1 بلین ڈالر ہو گیا، اس 149 فیصد اضافے کی وجہ درآمدی بل میں اضافہ اور برآمدات کی گرتی ہوئی صورتحال ہے۔ بیرونی محاذ پر دباؤ کے سبب ڈالر اور روپے کے استحکام پر بھی دباؤ رہا۔ فی الوقت حکومت اس فرق کو پورا کرنے کے لیے بڑے پیمانے پر بیرونی قرضوں پر انحصار کر رہی ہے تاہم آئندہ آنے والے وقتوں میں بیرونی محاذ پر استحکام کے لیے برآمدات اور FDI میں اضافہ نہایت ضروری ہے۔ حکومت کو غیر ضروری اشیاء کی درآمد کو محدود کرنے کے لیے پالیسی مرتب کرنے پر توجہ مرکوز کرنی چاہئے۔ حکومت کو چاہئے کہ غیر ضروری اشیاء کی درآمد کی حوصلہ شکنی کے لیے پالیسی پر دھیان دے۔ تاہم کپٹیل اشیاء کی درآمدات میں اضافے کا رجحان حوصلہ افزا ہے اور سال 2018 اور اس سے آگے 5 فیصد یا زائد شرح نمو کے لیے کارآمد ثابت ہو سکتا ہے۔ اسٹاک مارکیٹ کی MSCI ایزر جنک مارکیٹ میں کلائسٹکشن ہو جانے کے باوجود موجودہ سیاسی صورتحال اور غیر ملکی ایلو بیٹرز کی جانب سے مسلسل فروخت کے سبب مارکیٹ کا 100 انڈیکس پینچ مارک مئی 2017 میں ریکارڈ کی گئی اپنی بلند ترین سطح سے تقریباً 19 فیصد نیچے آ گیا۔

بیرون ملک مقیم پاکستانیوں کی جانب سے بھیجی جانے والی ترسیلات زر مالی سال 2017 کے دوران 19.30 بلین ڈالر ہیں جو کہ گزشتہ سال بھیجی جانے والی ترسیلات زر 19.92 بلین ڈالر کے مقابلے میں 3.08 فیصد کم ہیں، اس کی سبب زر مبادلہ کے ذخائر پر دباؤ کا سامنا ہے۔ یہ ذخائر مالی سال 2017 کے اختتام پر 7.30 فیصد کی کے ساتھ 21.40 بلین ڈالر ہے جبکہ گزشتہ سال 23.10 بلین ڈالر تھے۔ مالی سال 2017 میں برآمدات 1.4 فیصد کی کے ساتھ 21.66 بلین ڈالر پر موجود ہیں جو کہ مالی سال 2016 میں 21.97 بلین ڈالر تھے جبکہ درآمدات 17.7 فیصد کے بے پناہ اضافے کے ساتھ 41.26 بلین ڈالر سے تجاوز کر کے 48.55 بلین ڈالر ہو گئیں۔



کمپنی

30 جون 2017 کو مکمل ہونے والی ششماہی میں کمپنی کا مجموعی پریمیوم 1.197 بلین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران 1.336 بلین روپے تھا۔ مجموعی پریمیوم میں کمی کے باوجود، جس کا اہم سبب گزشتہ سال کے دوران انجینئرنگ کے ایک بڑے پروڈیکٹ کا پیرکھنا، کمپنی کا خالص پریمیوم گزشتہ سال کے 484.63 بلین روپے کے مقابلے میں بڑھ کر 619.03 بلین روپے رہا جو کہ 28 فیصد اضافے کو ظاہر کرتا ہے۔ بہترین ذمہ دہی پالیسیاں مرتب کرنے کے سبب کمپنی کا تحریری منافع گزشتہ سال کے 223.33 بلین روپے کے مقابلے میں 30 فیصد اضافے کے ساتھ 289.46 بلین روپے رہا۔ کمپنی کی سرمایہ کاری کی کتناہی قدر 2.264 بلین روپے پر موجود ہے (مارکیٹ ویلیو 5.902 بلین روپے) اور کمپنی نے سرمایہ کاری کی مدت میں 228.92 بلین روپے آمدنی حاصل کی جو کہ گزشتہ سال اسی مدت کے دوران 241.42 بلین روپے تھی۔ کمپنی کے بعد از ٹیکس 489.52 بلین روپے منافع کمایا جو کہ گزشتہ سال کمائے گئے 444.51 بلین روپے کے مقابلے میں 10 فیصد زائد ہے۔ ٹیکس ادا کیوں کے بعد، خالص منافع 331.16 بلین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران 313.15 بلین 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, 2017.

<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>
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(Rupees in thousand)

The overall business figures are:

Net premium	619,029	484,632
Net claims	202,313	107,591
Investment and other income	235,969	254,455
Net commission	83,247	32,114
Expenses of management	210,505	185,821

Financial results are as follows:

Profit before tax	489,519	444,512
Less: Provision for taxation	158,356	131,363
Profit after tax	<u>331,163</u>	<u>313,149</u>

Chairman's Review

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

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

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

For and on behalf of the
Board of Directors



Arshad P. Rana
Chief Executive

Lahore: August 26, 2017

ڈائریکٹرز کا جائزہ

ڈائریکٹرز نہایت مسرت کے ساتھ 30 جون 2017 کو ختم ہونے والی مدت کے لیے کمپنی کی ششماہی رپورٹ، آڈیٹرز کی جانب سے جانچ کردہ غیر پڑتال شدہ اکاؤنٹس اور آڈیٹرز رپورٹ کے ہمراہ پیش کر رہے ہیں۔

30 جون، 2016	روپے '000 میں	30 جون، 2017
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مجموعی کاروباری اعداد و شمار ہیں:

484,632	619,029	نیٹ پریمیم
107,591	202,313	نیٹ کلیمز
254,455	235,969	سرمایہ کاری اور دیگر آمدنی
32,114	83,247	نیٹ کمیشن
185,821	210,505	انتظامی امور کے اخراجات

مالیاتی نتائج درج ذیل ہیں:

444,512	489,519	قبل از ٹیکس منافع
131,363	158,356	منفی: پیش بین ٹیکس
313,149	331,163	بعد از ٹیکس منافع

چیئرمین کا جائزہ

چیئرمین کا جائزہ اس مدت کے دوران کمپنی کی کارکردگی اور مستقبل کے خدو خال کو ظاہر کرتا ہے۔ کمپنی کے ڈائریکٹرز اس رپورٹ کے مندرجات کی توثیق کرتے ہیں۔ ہم اپنے معزز کسٹمرز، بینکرز، ری انشوررز اور سکیورٹی اینڈ ایجنسیز کمیشن آف پاکستان کے تعاون پر تہ دل سے قابل تحسین وسیع تر تعاون پر شکرگزار ہیں۔ ہم کمپنی کے آفیسرز، اسٹاف اور فیڈبک فورس سے سرانجام دی جانے والی وقف کردہ خدمات کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



ارشادی رانا
چیف ایگزیکٹو

لاہور: 26 اگست 2017

Pattern of Shareholding

As at June 30, 2017

Number of shareholders	Shareholding		Shares held
	From	To	
245	1	100	6,064
190	101	500	55,571
110	501	1000	88,731
251	1001	5000	680,147
101	5001	10000	743,572
63	10001	15000	788,938
31	15001	20000	549,562
8	20001	25000	176,987
21	25001	30000	578,489
14	30001	35000	445,265
7	35001	40000	269,899
8	40001	45000	339,467
5	45001	50000	238,437
3	50001	55000	152,500
8	55001	60000	453,393
3	60001	65000	185,179
2	65001	70000	134,550
3	70001	75000	211,121
6	75001	80000	470,826
2	80001	85000	166,195
1	85001	90000	90,000
1	90001	95000	92,666
3	95001	100000	296,564
1	100001	105000	102,500
1	105001	110000	110,000
1	110001	115000	114,000
2	115001	120000	232,879
2	120001	125000	249,375
1	125001	130000	130,000
1	130001	135000	130,541
2	140001	145000	280,512
2	145001	150000	299,672
2	155001	160000	315,778
1	165001	170000	170,000
1	175001	180000	176,803
1	200001	205000	203,926
1	235001	240000	237,000
1	260001	265000	261,990
1	280001	285000	280,579
1	295001	300000	300,000
1	355001	360000	360,000
1	390001	395000	394,000
1	475001	480000	479,000
1	1355001	1360000	1,358,353
1	1925001	1930000	1,929,336
1	1975001	1980000	1,978,915
1	52850001	52855000	52,852,099
1,115			70,161,381

Shareholders' Information

As at June 30, 2017

Categories of shareholders	Shares held	Percentage
Director, Chief Executive and their spouse and minor children	95,510	0.14%
Associated Companies, undertakings and related parties	54,781,436	78.08%
NIT and ICP	530	-
Banks, Development Finance Institutions Non-Banking Financial Institutions	1,111,396	1.58%
Insurance Companies	2,145,415	3.06%
Modaraba and Mutual Funds	-	-
Shareholders holding 10% and above	52,852,099	75.33%
General Public :		
a. Local	10,535,574	15.02%
b. Foreign	-	-
Others :		
Joint Stock Companies	67,734	0.10%
Others	1,423,786	2.03%

Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim financial information comprising of:

- (i) condensed interim balance sheet;
- (ii) condensed interim profit and loss account;
- (iii) condensed interim statement of comprehensive income;
- (iv) condensed interim statement of changes in equity;
- (v) condensed interim cash flow statement;
- (vi) condensed interim statement of premiums;
- (vii) condensed interim statement of claims;
- (viii) condensed interim statement of expenses; and
- (ix) condensed interim statement of investment income

of Atlas Insurance Limited (the Company) together with the notes forming part thereof as at and for the half year ended June 30, 2017 (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses, and condensed interim statement of investment income for the quarters ended June 30, 2017 and June 30, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2017.

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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended June 30, 2017 is not prepared, in all material respects, in accordance with the Insurance Ordinance, 2000 and approved accounting standards as applicable in Pakistan for interim financial reporting.



A. F. Ferguson & Co.
Chartered Accountants

Name of engagement partner: Hammad Ali Ahmad

Lahore

Date: August 26, 2017

Condensed Interim

As at

Note	June 30, 2017 (Unaudited) (Rupees in thousand)	December 31, 2016 (Audited)
Share capital and reserves		
Authorised share capital 80,000,000 (2016: 80,000,000) ordinary shares of Rs. 10 each	800,000	800,000
Issued, subscribed and paid up share capital 70,161,381 (2016: 70,161,381) ordinary shares of Rs. 10 each	701,614	701,614
General reserve	888,064	726,064
Retained earnings	331,974	618,860
	1,921,652	2,046,538
Underwriting provisions		
Provision for outstanding claims (including IBNR)	456,143	414,528
Provision for unearned premium	948,396	963,485
Commission income unearned	94,112	93,645
Total underwriting provisions	1,498,651	1,471,658
Creditors and accruals		
Premium received in advance	13,439	53,009
Amounts due to other insurers / reinsurers	403,127	279,308
Accrued expenses	122,858	133,679
Taxation - provision less payments	59,436	61,269
Other creditors and accruals	143,083	127,284
	741,943	654,549
Other liabilities		
Deposits against performance bonds	25,739	19,421
Unclaimed dividends	76,325	64,367
	102,064	83,788
TOTAL LIABILITIES	2,342,658	2,209,995
	4,264,310	4,256,533
TOTAL LIABILITIES FROM WINDOW TAKAFUL OPERATIONS-OPERATOR'S FUND	20,631	21,070
TOTAL EQUITY AND LIABILITIES	4,284,941	4,277,603
CONTINGENCIES AND COMMITMENTS	7	

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

Balance Sheet

June 30, 2017

	Note	June 30, 2017 (Unaudited) (Rupees in thousand)	December 31, 2016 (Audited)
Cash and bank deposits	8		
Cash and other equivalents		318	199
Current and other accounts		370,264	250,237
		370,582	250,436
Loan to employees - secured considered good		73	97
Investments	9	2,264,167	2,608,556
Deferred taxation		32,619	32,477
Current assets - others			
Premium due but unpaid		505,873	208,898
Amounts due from other insurers / reinsurers		111,647	112,884
Salvage recoveries accrued		4,310	3,235
Accrued investment income		18,606	5,720
Reinsurance recoveries against outstanding claims		318,042	300,469
Deferred commission expense		52,764	74,971
Prepayments		420,266	525,404
Sundry receivables		25,646	26,483
		1,457,154	1,258,064
Fixed assets	10		
Tangible			
Freehold land		1,168	1,168
Buildings on freehold land		23,682	10,125
Computer equipments		11,481	8,643
Furniture and fixtures		8,931	2,334
Motor vehicles		30,411	28,513
Office equipments		16,851	8,427
		92,524	59,210
		4,217,119	4,208,840
TOTAL ASSETS FROM WINDOW TAKAFUL OPERATIONS-OPERATOR'S FUND		67,822	68,763
TOTAL ASSETS		4,284,941	4,277,603



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Profit and Loss Account (Unaudited)

For the half year ended June 30, 2017

For the Quarter ended June 30, 2017							
Note	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	2017	2016
(Rupees in thousand)							
Revenue account							
	40,117	110,255	88,783	81,352	-	320,507	242,754
	(15,686)	(5,378)	(54,656)	(36,618)	-	(112,338)	(59,436)
	(28,878)	(29,721)	(29,682)	(21,303)	-	(109,584)	(97,145)
	27,922	32,807	(6,828)	(990)	-	52,911	16,733
	<u>23,475</u>	<u>107,963</u>	<u>(2,383)</u>	<u>22,441</u>	<u>-</u>	<u>151,496</u>	<u>102,906</u>
Underwriting result							
						124,067	176,734
						535	2,078
						3,154	6,015
						(214)	(132)
						(20,533)	(17,316)
						<u>107,009</u>	<u>167,379</u>
						258,505	270,285
Loss / profit before taxation from window takaful operations (OPF)						(634)	227
Profit before taxation for the period						<u>257,871</u>	<u>270,512</u>
Provision for taxation						(86,556)	(88,496)
Profit after taxation						<u>171,315</u>	<u>182,016</u>
Basic and diluted earning per share-Rupees						<u>2.44</u>	<u>2.59</u>

For the Half year ended June 30, 2017							
Note	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	2017	2016
(Rupees in thousand)							
Revenue account							
	80,606	206,662	176,145	155,616	-	619,029	484,632
	(21,040)	(9,993)	(92,910)	(78,370)	-	(202,313)	(107,591)
	(46,443)	(57,447)	(60,107)	(46,508)	-	(210,505)	(185,821)
	51,272	46,978	(14,207)	(796)	-	83,247	32,114
	<u>64,395</u>	<u>186,200</u>	<u>8,921</u>	<u>29,942</u>	<u>-</u>	<u>289,458</u>	<u>223,334</u>
Underwriting result							
						228,917	241,419
						1,601	4,106
						5,451	8,930
						(239)	(463)
						(35,167)	(32,856)
						<u>200,563</u>	<u>221,136</u>
						490,021	444,470
Loss / profit before taxation from window takaful operations (OPF)	12					(502)	42
Profit before taxation for the period						<u>489,519</u>	<u>444,512</u>
Provision for taxation						(158,356)	(131,363)
Profit after taxation						<u>331,163</u>	<u>313,149</u>
Profit and loss appropriation account							
Balance at commencement of the period						618,860	599,221
Profit after taxation for the six months ended June 30, 2017						331,163	313,149
Final dividend for 2016 @ Rs. 6.5 per share (2015: Rs. 6 per share)						(456,049)	(420,968)
Transfer to general reserve						(162,000)	(181,000)
Balance unappropriated profit at the end of the period						<u>331,974</u>	<u>310,402</u>
Basic and diluted earning per share-Rupees						<u>4.72</u>	<u>4.46</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the half year ended June 30, 2017

	Half year ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	(Rupees in thousand)		(Rupees in thousand)	
Profit after tax for the period	331,163	313,149	171,315	182,016
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>331,163</u>	<u>313,149</u>	<u>171,315</u>	<u>182,016</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Changes In Equity (Unaudited)

For the half year ended June 30, 2017

	Issued, subscribed and paid-up capital	Capital Reserve		Revenue Reserve			Total
		Capital reserve	Reserve for exceptional losses	General reserve	Investment fluctuation reserves	Retained earnings	
(Rupees in thousand)							
Balance as at January 1, 2016 (audited)	701,614	2,251	2,164	537,649	3,000	599,221	1,845,899
Profit after taxation for the half year ended June 30, 2016	-			-		313,149	313,149
Other comprehensive income for the period	-			-		-	-
Total comprehensive income for the half year ended June 30, 2016	-	-	-	-	-	313,149	313,149
Transferred to general reserve				181,000		(181,000)	-
Final dividend for the year ended December 31, 2015 @ 60% (Rs. 6 per share)	-	-	-	-	-	(420,968)	(420,968)
Balance as at June 30, 2016 (unaudited)	<u>701,614</u>	<u>2,251</u>	<u>2,164</u>	<u>718,649</u>	<u>3,000</u>	<u>310,402</u>	<u>1,738,080</u>
Profit after taxation for the half year ended December 31, 2016	-	-	-	-	-	305,025	305,025
Other comprehensive income for the period	-	-	-	-	-	3,433	3,433
Total comprehensive income for the half year ended December 31, 2016	-	-	-	-	-	308,458	308,458
Balance as at December 31, 2016 (audited)	<u>701,614</u>	<u>2,251</u>	<u>2,164</u>	<u>718,649</u>	<u>3,000</u>	<u>618,860</u>	<u>2,046,538</u>
Profit after taxation for the half year ended June 30, 2017	-	-	-	-	-	331,163	331,163
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the half year ended June 30, 2017	-	-	-	-	-	331,163	331,163
Transferred to general reserve				162,000		(162,000)	-
Final dividend for the year ended December 31, 2016 @ 65% (Rs. 6.5 per share)	-	-	-	-	-	(456,049)	(456,049)
Balance as at June 30, 2017 (unaudited)	<u>701,614</u>	<u>2,251</u>	<u>2,164</u>	<u>880,649</u>	<u>3,000</u>	<u>331,974</u>	<u>1,921,652</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Cash Flow Statement (Unaudited)

For the half year ended June 30, 2017

	Note	June 30, 2017	June 30, 2016
(Rupees in thousand)			
Operating cash flows			
Underwriting activities			
Premium received		892,286	924,210
Reinsurance premiums paid		(458,239)	(737,148)
Claims paid		(254,861)	(308,715)
Reinsurance and other recoveries received		110,154	191,768
Commissions paid		(60,113)	(86,953)
Commissions received		161,219	144,269
Other underwriting payments		(1,324)	(65)
Other underwriting receipts		9,300	9,121
Net cash generated from underwriting activities		398,422	136,487
Other operating activities			
Income tax paid		(160,331)	(89,644)
General and management expenses paid		(207,605)	(199,748)
Loan repayment received		24	29
Other deposits		6,318	1,306
Net cash used in other operating activities		(361,594)	(288,057)
Total cash generated from / (used in) all operating activities		36,828	(151,570)
Investment activities			
Profit / return received		5,505	13,284
Dividends received		95,787	82,006
Payments for purchase of investments		(516,525)	(629,132)
Proceeds from disposals of investments		981,162	832,220
Rental income		1,476	8,188
Fixed capital expenditure		(42,143)	(8,433)
Proceeds from disposal of fixed assets		2,386	3,148
Total cash generated from investing activities		527,648	301,281
Financing activities			
Dividends paid		(444,091)	(409,153)
Interest paid		(239)	(796)
Total cash used in financing activities		(444,330)	(409,949)
Net cash generated from / (used in) all activities		120,146	(260,238)
Cash and cash equivalents at the beginning of the period		250,436	428,284
Cash and cash equivalents at the end of the period	8	370,582	168,046

Reconciliation of operating cash flows to profit and loss account is given in note 11 to the interim financial information.

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Premiums (Unaudited)

For the half year ended June 30, 2017

Quarter ended June 30										
Business underwritten inside Pakistan										
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		2017	2016
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	194,400	296,503	341,600	149,303	107,837	229,076	227,727	109,186	40,117	40,921
Marine, aviation and transport	197,123	65,807	65,346	197,584	89,112	24,417	26,200	87,329	110,255	77,844
Motor	112,460	230,308	222,051	120,717	12,453	44,955	25,474	31,934	88,783	76,968
Miscellaneous	144,411	334,561	319,399	159,573	28,618	187,113	137,510	78,221	81,352	47,021
Total	648,394	927,179	948,396	627,177	238,020	485,561	416,911	306,670	320,507	242,754
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	648,394	927,179	948,396	627,177	238,020	485,561	416,911	306,670	320,507	242,754


Half year ended June 30										
Business underwritten inside Pakistan										
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		2017	2016
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	303,242	337,936	341,600	299,578	208,316	238,383	227,727	218,972	80,606	82,413
Marine, aviation and transport	369,417	47,580	65,346	351,651	153,480	17,709	26,200	144,989	206,662	152,023
Motor	222,612	247,700	222,051	248,261	26,226	71,364	25,474	72,116	176,145	158,256
Miscellaneous	301,377	330,269	319,399	312,247	107,453	186,688	137,510	156,631	155,616	91,940
Total	1,196,648	963,485	948,396	1,211,737	495,475	514,144	416,911	592,708	619,029	484,632
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	1,196,648	963,485	948,396	1,211,737	495,475	514,144	416,911	592,708	619,029	484,632

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Arshad P. Rana
Chief Executive


Ali H. Shirazi
Director


Feroz Rizvi
Director


Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Claims (Unaudited)

For the half year ended June 30, 2017

Q u a r t e r e n d e d J u n e 3 0											
Business underwritten inside Pakistan	Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
			Opening	Closing			Opening	Closing		2017	2016
(R u p e e s i n t h o u s a n d)											
Direct and facultative											
	Fire and property damage	10,595	103,917	151,738	58,416	6,025	93,463	130,168	42,730	15,686	5,066
	Marine, aviation and transport	13,903	40,736	38,839	12,006	5,611	29,332	30,349	6,628	5,378	5,284
	Motor	34,920	67,925	91,265	58,260	2,716	10,924	11,812	3,604	54,656	24,456
	Miscellaneous	68,071	205,819	170,521	32,773	32,226	181,784	145,713	(3,845)	36,618	24,630
	Total	127,489	418,397	452,363	161,455	46,578	315,503	318,042	49,117	112,338	59,436
	Treaty	-	3,780	3,780	-	-	-	-	-	-	-
	Grand total	127,489	422,177	456,143	161,455	46,578	315,503	318,042	49,117	112,338	59,436


H a l f y e a r e n d e d J u n e 3 0											
Business underwritten inside Pakistan	Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
			Opening	Closing			Opening	Closing		2017	2016
(R u p e e s i n t h o u s a n d)											
Direct and facultative											
	Fire and property damage	32,398	87,662	151,738	96,474	22,090	76,824	130,168	75,434	21,040	9,731
	Marine, aviation and transport	22,740	46,814	38,839	14,765	8,745	34,322	30,349	4,772	9,993	13,094
	Motor	82,654	77,647	91,265	96,272	7,557	16,007	11,812	3,362	92,910	41,291
	Miscellaneous	115,994	198,625	170,521	87,890	37,123	173,316	145,713	9,520	78,370	43,475
	Total	253,786	410,748	452,363	295,401	75,515	300,469	318,042	93,088	202,313	107,591
	Treaty	-	3,780	3,780	-	-	-	-	-	-	-
	Grand total	253,786	414,528	456,143	295,401	75,515	300,469	318,042	93,088	202,313	107,591

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Arshad P. Rana
Chief Executive


Ali H. Shirazi
Director


Feroz Rizvi
Director


Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Expenses (Unaudited)

For the half year ended June 30, 2017

Q u a r t e r e n d e d J u n e 3 0									
Business underwritten inside Pakistan									
Class	Commission paid or payable	Deferred commission		Net commission expense	Other management expense	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					2017	2016
(R u p e e s i n t h o u s a n d)									
Direct and facultative									
Fire and property damage	8,468	19,743	17,452	10,759	28,878	39,637	38,681	956	13,618
Marine, aviation and transport	4,588	1,404	1,640	4,352	29,721	34,073	37,159	(3,086)	7,293
Motor	5,470	17,198	12,845	9,823	29,682	39,505	2,995	36,510	38,146
Miscellaneous	6,590	26,734	20,827	12,497	21,303	33,800	11,507	22,293	21,355
Total	25,116	65,079	52,764	37,431	109,584	147,015	90,342	56,673	80,412
Treaty	-	-	-	-	-	-	-	-	-
Grand total	25,116	65,079	52,764	37,431	109,584	147,015	90,342	56,673	80,412

H a l f y e a r e n d e d J u n e 3 0									
Business underwritten inside Pakistan									
Class	Commission paid or payable	Deferred commission		Net commission expense	Other management expense	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					2017	2016
(R u p e e s i n t h o u s a n d)									
Direct and facultative									
Fire and property damage	18,128	21,801	17,452	22,477	46,443	68,920	73,749	(4,829)	19,433
Marine, aviation and transport	9,291	1,332	1,640	8,983	57,447	66,430	55,961	10,469	9,999
Motor	12,308	22,605	12,845	22,068	60,107	82,175	7,861	74,314	67,913
Miscellaneous	15,571	29,233	20,827	23,977	46,508	70,485	23,181	47,304	56,362
Total	55,298	74,971	52,764	77,505	210,505	288,010	160,752	127,258	153,707
Treaty	-	-	-	-	-	-	-	-	-
Grand total	55,298	74,971	52,764	77,505	210,505	288,010	160,752	127,258	153,707


Note: Commission from reinsurers is arrived at after taking into account the impact of opening and closing unearned commission.

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Arshad P. Rana
 Chief Executive


Ali H. Shirazi
 Director


Feroz Rizvi
 Director


Yusuf H. Shirazi
 Chairman

Condensed Interim Statement of Investment Income (Unaudited)

For the half year ended June 30, 2017

	Half year ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	(Rupees in thousand)		(Rupees in thousand)	
Income from non-trading investments				
Held to maturity				
Return on government securities	2,157	4,318	1,084	1,765
Available-for-sale				
Dividend income	106,516	82,509	82,753	52,543
Gain on sale of available for sale investments	150,763	143,167	68,980	110,057
Provision for impairment in value of investments				
Less: Provision for impairment in available for sale investments	(30,033)	11,758	(28,419)	12,562
Less: Investment related expenses	(486)	(333)	(331)	(193)
Net investment income	<u>228,917</u>	<u>241,419</u>	<u>124,067</u>	<u>176,734</u>

Dividend income includes an amount of Rs. 84,308 in thousand (June 30, 2016: Rs. 16,325 thousand) under an arrangement permissible under Shariah.

Gain on sale of Available-for-Sale investments includes an amount of Rs. 65,665 in thousand (June 30, 2016: Rs. 12,625 thousand) under an arrangement permissible under Shariah.

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Notes to the Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

1. Legal status and nature of business

Atlas Insurance Limited (the Company) was incorporated as a public limited Company on September 06, 1934 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), Khayaban-e-Iqbal, Defence Housing Authority, Lahore. The Company is a subsidiary of Shirazi Investment (Pvt.) 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

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 and further clarified through its press release dated July 20, 2017, companies whose financial year, including quarterly and other interim period, closes on or before June 30, 2017, shall prepare financial statements in accordance with the provisions of Companies Ordinance, 1984. Furthermore, the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 89(I)/2017 dated February 9, 2017 prescribed the Insurance Rules, 2017 (the Rules) for insurance companies which were enforceable with immediate effect. The Rules prescribe the format of annual financial statements for non-life insurers. However, the SECP vide letter No.ID/OSM/Atlas/2017/10577 dated August 10, 2017 has granted exemption to the Company to prepare the half yearly accounts for the period ended June 30, 2017 in accordance with the requirements of the SEC (Insurance) Rules, 2002.

Accordingly, the approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 or the requirements of the said directives take precedence.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2016.

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 Fund (OPF) of the General Takaful operations of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

Further, a separate set of financial statements of the General Takaful operations has been annexed to these financial statements as per the requirements of Takaful Rules, 2012.

2.1 Basis of measurement

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

2.2 Functional and Presentation currency

This condensed interim financial information is presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3. Standards, amendments and interpretations to approved accounting 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, 2017 but are considered not to be relevant or do not have any significant impact on the Company's operations and are therefore not detailed in this condensed interim financial information.

4. Summary of significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2016.

5. Critical accounting estimates and judgments

The preparation of condensed interim financial information in conformity with approved accounting 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 this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2016.

6. Other creditors and accruals

The Company has made provision for Worker's Welfare Fund (WWF) based on profit for the respective years. The Supreme Court of Pakistan vide its order dated November 10, 2016 held that the amendments made in the law introduced by the Federal Government for the levy of WWF were unlawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

The management believes that consequent to filing these review petitions the judgement may not currently be treated as conclusive. Accordingly, the Company maintains its provision in respect of WWF.

7. Contingencies and commitments

7.1 Contingencies

7.1.1 The tax authorities have raised demand amounting to Rs. 117,817 (thousand) against the Company for the tax years 2009 to 2014, that primarily pertains to the rate of tax on dividend, rental income and charged WWF. Commissioner Inland Revenue (Appeals) [CIR (A)] upheld the decision in respect of dividend income 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 had filed a reference application against the decision of ATIR before the Honourable Lahore High Court which is currently pending adjudication. No provision has been incorporated in the financial statements since the Company believes that there are meritorious grounds that the case will be decided in favour 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 favour of the Company. Department filed appeal against CIR(A) before ATIR which is pending adjudication. No provision has been incorporated in the financial statements since the Company believes that there are meritorious grounds that the case will be decided in favour of the Company.

7.1.3 For tax year 2006, the Tax authorities disputed the Company's treatment on certain issues disallowing expenses. The Company filed appeal before CIR(A) which was decided in favour of the Company except for the provision of bonus amounting to Rs. 5,599 (thousand) against which the Company has filed appeal before ATIR, which is pending adjudication. No provision has been incorporated in the financial statements since the Company believes that there are meritorious grounds that the case will be decided in favour of the Company.

	<u>June 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	(Unaudited)	(Audited)
	(Rupees in thousand)	

Claims against the Company not acknowledged as debt.	74,687	67,902
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7.2 Commitments

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

Note	<u>June 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	(Unaudited)	(Audited)
	(Rupees in thousand)	

Not Later than one year	42,979	42,216
Later than one year and not later than five years	39,888	29,961
Later than five years	92	183
	<u>82,959</u>	<u>72,360</u>

8. Cash and cash equivalents at period end

Cash for the purposes of statement of cash flows consists of:

Cash and other equivalents	318	199
Current and other accounts	370,264	250,237
	<u>370,582</u>	<u>250,436</u>

9. Investments

The investments comprise of the following:

Held-to-maturity

Government securities	74,998	74,998
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In associated undertakings:

Available-for-sale

Marketable securities - listed	236,467	236,467
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Others:

Available-for-sale

Marketable securities - listed	1,355,897	1,283,812
Less : Provision for impairment in value of investments	(41,284)	(9,831)
	1,314,613	1,273,981

Mutual Funds

Others Mutual Funds	71,380	95,413
In associated undertakings	566,709	927,697
	<u>2,264,167</u>	<u>2,608,556</u>

- 9.1** Market value of investments as at June 30, 2017 is Rs. 5,910 million (December 31, 2016: Rs. 6,439 million).
- 9.2** Listed securities include an amount of Rs. 990.754 million (December 31, 2016: Rs. 1,102 million) being the cost under an arrangement permissible under Shariah.
- 9.3** Mutual funds include an amount of Rs. 16.435 million (December 31, 2016: Rs. 5.184 million) being the cost under an arrangement permissible under Shariah.
- 9.4** Mutual funds in associated undertakings include an amount of Rs. 273.271 million (December 31, 2016: Rs. 202.122 million) being the cost under an arrangement permissible under Shariah.

	Note	<u>June 30,</u> <u>2017</u> (Unaudited) (Rupees in thousand)	<u>December 31,</u> <u>2016</u> (Audited) (Rupees in thousand)
10. Fixed assets - tangible			
Opening book value		59,210	55,237
Add: Additions during the period	10.1	42,143	20,145
		<u>101,353</u>	<u>75,382</u>
Less: Disposal during the period (at book value)		(2,440)	(5,164)
Adjustment net book value		-	(164)
Depreciation charged for the period		(6,389)	(10,844)
		<u>(8,829)</u>	<u>(16,172)</u>
Closing book value		<u>92,524</u>	<u>59,210</u>
10.1 Additions during the period			
Building		14,044	-
Computer equipments		4,470	3,858
Furniture and fixtures		6,946	87
Motor vehicles		7,402	15,695
Office equipments		9,281	505
		<u>42,143</u>	<u>20,145</u>
		Half year ended	Half year ended
		June 30,	June 30,
		2017	2016
		(Unaudited)	(Unaudited)
		(Rupees in thousand)	
11. Reconciliation to profit and loss account			
Operating cash flows		36,828	(151,570)
Depreciation		(6,389)	(4,919)
Amortization of intangible assets		-	(994)
Financial charges		(239)	(463)
Loss on disposal of fixed assets		(54)	(12)
Provision for doubtful debts		(11,698)	(12,610)
Increase in assets other than cash		316,870	357,117
Increase in liabilities other than borrowings		(134,804)	(997)
Others			
- Decrease in provision for unearned premium		(82,144)	(123,897)
- Decrease in commission income unearned		(467)	(34,789)
- Income on investments and current and other deposits		228,917	241,419
- Rental and other income		7,052	13,036
- (Decrease) / increase in provision for commission expense deferred		(22,207)	31,786
- (Loss) / profit from Window Takaful Operations - OPF for the period		(502)	42
		<u>331,163</u>	<u>313,149</u>

For the period ended
June 30, **June 30,**
2017 **2016**
(Unaudited) **(Unaudited)**
(Rupees in thousand)

12. Window takaful operations - OPF

Wakala fee	12,488	1,354
Management expense	(8,650)	(2,194)
Commission expense	(3,951)	(352)
Net investment income	274	1,234
General and administrative expenses	(663)	-
(Loss) / profit for the period	(502)	42

13. Segment reporting

The Company has four (2016: five) primary business segments for reporting purposes namely fire and property damage, marine, aviation & transport, motor and miscellaneous.

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

	Fire and property damage		Marine, aviation & transport		Motor		Miscellaneous		Total	
	June 30, 2017 (Unaudited)	Dec. 31, 2016 (Audited)	June 30, 2017 (Unaudited)	Dec. 31, 2016 (Audited)	June 30, 2017 (Unaudited)	Dec. 31, 2016 (Audited)	June 30, 2017 (Unaudited)	Dec. 31, 2016 (Audited)	June 30, 2017 (Unaudited)	Dec. 31, 2016 (Audited)
(Rupees in thousand)										
Other Information										
Corporate segment assets - conventional	357,192	317,771	435,143	284,625	262,218	267,217	354,995	344,988	1,409,548	1,214,601
Corporate segment assets - Takaful OPF	4,711	2,101	2,310	470	40,622	15,072	472	259	48,115	17,902
Unallocated corporate assets - conventional									2,807,571	2,988,437
Unallocated corporate assets - Takaful OPF									19,707	56,663
Consolidated total assets									<u>4,284,941</u>	<u>4,277,603</u>
Corporate segment liabilities - conventional	507,793	472,162	618,606	422,912	372,775	397,046	504,669	512,602	2,003,843	1,804,722
Corporate segment liabilities - Takaful OPF	2,020	2,292	991	513	17,418	16,439	202	283	20,631	19,527
Unallocated corporate liabilities - conventional									338,815	385,746
Consolidated total liabilities									<u>2,363,289</u>	<u>2,209,995</u>

Capital expenditure and depreciation / amortization have not been allocated as fixed assets to which they relate form part of unallocated assets.

13. Transactions with related parties

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

		<u>June 30,</u> 2017	<u>December 31,</u> 2016
		(Unaudited)	(Audited)
Associated Companies		Period end balances	
	Provision for outstanding claims (including IBNR)	121,398	105,292
	Premium received in advance	3,265	43,298
	Premium due but unpaid	380,624	93,319
	Dividend receivable	11,050	-
		Half year ended	
		<u>June 30,</u> 2017	<u>June 30,</u> 2016
		(Unaudited)	(Unaudited)
		(Rupees in thousand)	
	Transactions during the period		
	Premium underwritten	649,932	503,942
	Premium collected	466,472	179,728
	Claims paid	64,827	86,095
	Assets purchased	4,986	5,278
	Assets sold	2,328	-
	Rent received	531	6,366
	Rent paid	1,595	1,450
	Expenses paid	221	246
	Donations	9,168	4,722
	Dividends paid	312,113	328,689
	Dividends received	54,237	42,510
	Investments purchased	264,586	295,700
	Investments sold	730,849	608,776
Post employment benefit plans	Transactions during the period		
	Expenses charged	4,668	4,633
Key management personnel	Transactions during the period		
	Compensation	58,697	59,889

15. Financial and insurance risk management

The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2016.

16. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

There has been no significant re-classifications / restatements in this condensed interim financial information except engineering class of business, which has been reclassified to miscellaneous class and is not presented separately in respective notes and statements to this condensed interim financial information.

17. Date of authorization for issue

The condensed interim financial information was authorised for issue on August 26, 2017, by the Board of Directors of the Company.

18. General

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

تكاافل

TAKAFUL



Atlas Insurance

Window Takaful Operations

Half Yearly Report

June 30, 2017

Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim financial information comprising of:

- (i) condensed interim balance sheet;
- (ii) condensed interim profit and loss account;
- (iii) condensed interim statement of comprehensive income;
- (iv) condensed interim statement of changes in fund;
- (v) condensed interim cash flow statement;
- (vi) condensed interim statement of contributions;
- (vii) condensed interim statement of claims;
- (viii) condensed interim statement of expenses of Operator's Fund;
- (ix) condensed interim statement of expenses of Participant's Takaful Fund; and
- (x) condensed interim statement of investment income


of Atlas Insurance Limited - Window Takaful Operations (the Company) together with the notes forming part thereof as at and for the half year ended June 30, 2017 (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of contributions, condensed interim statement of claims, condensed interim statement of expenses of Operator's Fund, condensed interim statement of expenses of Participant's Takaful Fund and condensed interim statement of investment income for the quarters ended June 30, 2017 and June 30, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2017.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended June 30, 2017 is not prepared, in all material respects, in accordance with the Insurance Ordinance, 2000 and approved accounting standards as applicable in Pakistan for interim financial reporting.



A. F. Ferguson & Co.
Chartered Accountants

Name of engagement partner: Hammad Ali Ahmad

Lahore

Date: August 26, 2017

Window Takaful Condensed Interim

As at

Note	OPF June 30, 2017	PTF June 30, 2017 (Unaudited)	Total June 30, 2017	Total December 31, 2016 (Audited)
Operator's Fund (OPF)				
Statutory fund	50,000	-	50,000	50,000
Accumulated loss	(2,809)	-	(2,809)	(2,307)
	47,191	-	47,191	47,693
Participants' Takaful Fund (PTF)				
Cede money	-	500	500	500
Accumulated deficit	-	(4,169)	(4,169)	(5,625)
	-	(3,669)	(3,669)	(5,125)
PTF underwriting provisions				
Provision for outstanding claims (including IBNR)	-	7,731	7,731	3,132
Provision for unearned contribution	-	46,025	46,025	35,303
Unearned retakaful rebate	-	1,140	1,140	1,018
Total underwriting provisions	-	54,896	54,896	39,453
Creditors and accruals				
Contribution received in advance	-	1,873	1,873	1,379
Amounts due to other takaful / retakaful operator	-	5,874	5,874	6,385
Unearned wakala fees	14,224	-	14,224	11,043
Wakala fee payable	-	10,795	10,795	13,926
Other creditors and accruals	6,407	2,972	9,379	12,116
	20,631	21,514	42,145	44,849
TOTAL LIABILITIES	20,631	76,410	97,041	84,302
TOTAL FUND AND LIABILITIES	67,822	72,741	140,563	126,870
CONTINGENCIES AND COMMITMENTS 6				

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Operations Balance Sheet

June 30, 2017

Note	OPF June 30, 2017	PTF June 30, 2017 (Unaudited) (Rupees in thousand)	Total June 30, 2017	Total December 31, 2016 (Audited)	
Cash and bank deposits					
Current and other accounts	8,266	41,548	49,814	43,585	
Investments	40,000	-	40,000	40,000	
Current assets - others					
Contribution due but unpaid - net	-	10,184	10,184	5,673	
Amounts due from other takaful / retakaful	-	299	299	447	
Accrued investment income	387	134	521	412	
Retakaful recoveries against outstanding claims	-	197	197	-	
Deferred commission expense	4,758	-	4,758	3,330	
Wakala fee receivable	10,795	-	10,795	13,926	
Deferred wakala fee	-	14,224	14,224	11,043	
Prepayments	982	6,155	7,137	5,783	
	16,922	31,193	48,115	40,614	
Fixed assets					
Tangible					
Motor vehicles	7	2,014	-	2,014	2,238
Intangible					
Computer software	8	620	-	620	433
TOTAL FIXED ASSETS	2,634	-	2,634	2,671	
TOTAL ASSETS	67,822	72,741	140,563	126,870	



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Profit and Loss Account (Unaudited)

For the half year ended June 30, 2017

	Quarter ended June 30					2017	2016
	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty		
	(Rupees in thousand)						
PTF Revenue account							
Net contribution revenue	328	152	14,992	238	-	15,710	2,809
Wakala expense	(957)	(395)	(4,987)	(128)	-	(6,467)	(1,241)
Net claims	-	(102)	(6,494)	-	-	(6,596)	(1,219)
Direct expenses	(21)	-	(4,559)	-	-	(4,580)	(2,823)
Retakaful rebate	482	219	14	19	-	734	9
Underwriting result	(168)	(126)	(1,034)	129	-	(1,199)	(2,465)
Net investment income						307	137
General and administrative expenses						(40)	(13)
Deficit for the period						(932)	(2,341)
OPF Revenue account							
Wakala fee	957	395	4,987	128	-	6,467	1,241
Management expenses	(489)	(196)	(4,061)	(18)	-	(4,764)	(1,381)
Commission expenses	(373)	(162)	(1,590)	(30)	-	(2,155)	(321)
	95	37	(664)	80	-	(452)	(461)
Net investment income						129	688
General and administrative expenses						(311)	-
(Loss) / profit for the period						(634)	227

	Half year ended June 30					2017	2016
	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty		
	(Rupees in thousand)						
PTF Revenue account							
Net contribution revenue	616	289	30,431	464	-	31,800	3,166
Wakala expense	(1,741)	(923)	(9,582)	(242)	-	(12,488)	(1,354)
Net claims	(111)	(111)	(12,212)	-	-	(12,434)	(1,219)
Direct expenses	(21)	-	(7,399)	-	-	(7,420)	(3,962)
Retakaful rebate	870	526	16	33	-	1,445	9
Underwriting result	(387)	(219)	1,254	255	-	903	(3,360)
Net investment income						608	139
General and administrative expenses						(55)	(13)
Surplus / (deficit) for the period						1,456	(3,234)
OPF Revenue account							
Wakala fee	1,741	923	9,582	242	-	12,488	1,354
Management expenses	(853)	(433)	(7,277)	(87)	-	(8,650)	(2,194)
Commission expenses	(678)	(412)	(2,803)	(58)	-	(3,951)	(352)
	210	78	(498)	97	-	(113)	(1,192)
Net investment income						274	1,234
General and administrative expenses						(663)	-
(Loss) / profit for the period						(502)	42

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the half year ended June 30, 2017

	Half year ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
(Rupees in thousand)				
Operator's Fund				
(Loss) / profit for the period	(502)	42	(634)	227
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(502)</u>	<u>42</u>	<u>(634)</u>	<u>227</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Changes in Fund (Unaudited)

For the half year ended June 30, 2017

	Operator's Fund (OPF)		
	Statutory fund	Accumulated loss	Total
	(Rupees in thousand)		
Balance as at March 12, 2016	-	-	-
Contribution made during the period	50,000	-	50,000
Total comprehensive income / (loss) for the period			
Profit for the period	-	42	42
Balance as at June 30, 2016 (unaudited)	50,000	42	50,042
Total comprehensive income / (loss) for the period			
Loss for the period	-	(2,349)	(2,349)
Balance as at December 31, 2016 (audited)	50,000	(2,307)	47,693
Total comprehensive income / (loss) for the period			
Loss for the period	-	(502)	(502)
Balance as at June 30, 2017 (unaudited)	50,000	(2,809)	47,191

	Participant's Takaful Fund (PTF)		
	Cede Money	Accumulated Deficit	Total
	(Rupees in thousand)		
Balance as at March 12, 2016	-	-	-
Cede Money	500	-	500
Total comprehensive income / (loss) for the period			
Deficit for the period	-	(3,234)	(3,234)
Balance as at June 30, 2016 (unaudited)	500	(3,234)	(2,734)
Total comprehensive income / (loss) for the period			
Deficit for the period	-	(2,391)	(2,391)
Balance as at December 31, 2016 (audited)	500	(5,625)	(5,125)
Total comprehensive income / (loss) for the period			
Surplus for the period	-	1,456	1,456
Balance as at June 30, 2017 (unaudited)	500	(4,169)	(3,669)

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Cash Flow Statement (Unaudited)

For the half year ended June 30, 2017

	OPF June 30, 2017	PTF June 30, 2017	Total June 30, 2017	Total from March 12 to June 30, 2016
(Rupees in thousand)				
Operating activities				
Takaful activities				
Contributions received	-	53,757	53,757	23,708
Retakaful contributions paid	-	(16,860)	(16,860)	(1,167)
Retakaful contributions received	-	3,065	3,065	15
Claims paid	-	(9,513)	(9,513)	-
Commissions paid	(4,861)	-	(4,861)	(1,541)
Wakala fees received	18,800	-	18,800	-
Wakala fees paid	-	(18,800)	(18,800)	-
Net cash generated from underwriting activities	13,939	11,649	25,588	21,015
Other operating activities				
Income tax paid	(17)	(80)	(97)	(105)
General, administration and management expenses	(13,709)	(6,794)	(20,503)	(6,170)
Other underwriting receipts	-	824	824	-
Other operating payments	-	-	-	(4,227)
Net cash used in other operating activities	(13,726)	(6,050)	(19,776)	(10,502)
Total cash generated from all operating activities	213	5,599	5,812	10,513
Investment activities				
Profit / return received	165	608	773	1,130
Fixed capital expenditure	(300)	-	(300)	-
Total cash (used in) / generated from investing activities	(135)	608	473	1,130
Financing activities				
Contribution to the operator's fund	-	-	-	50,000
Cede money	-	-	-	500
Financial charges paid	(1)	(55)	(56)	-
Total cash (used in) / generated from financing activities	(1)	(55)	(56)	50,500
Net cash generated from all activities	77	6,152	6,229	62,143
Cash and cash equivalents at the beginning of the period	8,189	35,396	43,585	-
Cash and cash equivalents at the end of the period	8,266	41,548	49,814	62,143

Reconciliation of operating cash flows to profit and loss account is given in note 9 to the interim financial information.

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Contributions (Unaudited)

For the half year ended June 30, 2017

Business underwritten inside Pakistan										
Quarter ended June 30										
Class	Contribution written	Unearned contribution reserve		Contribution earned	Retakaful ceded	Prepaid retakaful contribution ceded		Retakaful expense	Net contribution revenue	
		Opening	Closing			Opening	Closing		2017	2016
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	2,651	5,672	5,625	2,698	2,406	5,021	5,057	2,370	328	14
Marine, aviation and transport	972	312	138	1,146	805	284	95	994	152	4
Motor	23,113	33,477	39,675	16,915	1,926	684	687	1,923	14,992	2,791
Miscellaneous	67	849	587	329	-	252	161	91	238	-
Total	26,803	40,310	46,025	21,088	5,137	6,241	6,000	5,378	15,710	2,809
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	26,803	40,310	46,025	21,088	5,137	6,241	6,000	5,378	15,710	2,809

Business underwritten inside Pakistan										
Half year ended June 30										
Class	Contribution written	Unearned contribution reserve		Contribution earned	Retakaful ceded	Prepaid retakaful contribution ceded		Retakaful expense	Net contribution revenue	
		Opening	Closing			Opening	Closing		2017	2016
(Rupees in thousand)										
Direct and facultative										
Fire and property damage	5,038	5,490	5,625	4,903	4,575	4,769	5,057	4,287	616	14
Marine, aviation and transport	2,471	350	138	2,683	2,113	376	95	2,394	289	4
Motor	43,437	28,751	39,675	32,513	2,702	67	687	2,082	30,431	3,148
Miscellaneous	503	712	587	628	188	137	161	164	464	-
Total	51,449	35,303	46,025	40,727	9,578	5,349	6,000	8,927	31,800	3,166
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	51,449	35,303	46,025	40,727	9,578	5,349	6,000	8,927	31,800	3,166


Note: Contribution written includes administrative charge of Rs. 826,000.

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.


Arshad P. Rana
Chief Executive


Ali H. Shirazi
Director


Feroz Rizvi
Director


Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Claims (Unaudited)

For the half year ended June 30, 2017

Q u a r t e r e n d e d J u n e 3 0										
Business underwritten inside Pakistan										
Class	Claims paid	Outstanding claims		Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		2017	2016
(R u p e e s i n t h o u s a n d)										
Direct and facultative										
Fire and property damage	-	-	-	-	-	-	-	-	-	-
Marine, aviation and transport	112	87	100	125	101	78	-	23	102	-
Motor	4,741	5,484	7,631	6,888	292	95	197	394	6,494	1,219
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total	4,853	5,571	7,731	7,013	393	173	197	417	6,596	1,219
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	4,853	5,571	7,731	7,013	393	173	197	417	6,596	1,219
H a l f y e a r e n d e d J u n e 3 0										
Business underwritten inside Pakistan										
Class	Claims paid	Outstanding claims		Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue	Net claims expense	
		Opening	Closing			Opening	Closing		2017	2016
(R u p e e s i n t h o u s a n d)										
Direct and facultative										
Fire and property damage	1,104	-	-	1,104	993	-	-	993	111	-
Marine, aviation and transport	112	-	100	212	101	-	-	101	111	-
Motor	8,297	3,132	7,631	12,796	387	-	197	584	12,212	1,219
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total	9,513	3,132	7,731	14,112	1,481	-	197	1,678	12,434	1,219
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	9,513	3,132	7,731	14,112	1,481	-	197	1,678	12,434	1,219

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.




Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Expenses-PTF (Unaudited)

For the half year ended June 30, 2017

Q u a r t e r e n d e d J u n e 3 0									
Business underwritten inside Pakistan	Class	Gross wakala fee	Deferred wakala fee		Net expense	PTF direct expense	Rebate from Retakaful Operators	Net PTF expenses	
			Opening	Closing				2017	2016
(R u p e e s i n t h o u s a n d)									
Direct and facultative									
	Fire and property damage	904	2,066	2,013	957	21	482	496	9
	Marine, aviation and transport	324	114	43	395	-	219	176	-
	Motor	6,827	10,118	11,958	4,987	4,559	14	9,532	4,046
	Miscellaneous	19	319	210	128	-	19	109	-
	Total	8,074	12,617	14,224	6,467	4,580	734	10,313	4,055
Treaty		-	-	-	-	-	-	-	-
Grand total		8,074	12,617	14,224	6,467	4,580	734	10,313	4,055

H a l f y e a r e n d e d J u n e 3 0									
Business underwritten inside Pakistan	Class	Gross wakala fee	Deferred wakala fee		Net expense	PTF direct expense	Rebate from Retakaful Operators	Net PTF expenses	
			Opening	Closing				2017	2016
(R u p e e s i n t h o u s a n d)									
Direct and facultative									
	Fire and property damage	1,740	2,014	2,013	1,741	21	870	892	9
	Marine, aviation and transport	848	118	43	923	-	526	397	-
	Motor	12,924	8,616	11,958	9,582	7,399	16	16,965	5,298
	Miscellaneous	157	295	210	242	-	33	209	-
	Total	15,669	11,043	14,224	12,488	7,420	1,445	18,463	5,307
Treaty		-	-	-	-	-	-	-	-
Grand total		15,669	11,043	14,224	12,488	7,420	1,445	18,463	5,307


Note: Rebate from retakaful operations is arrived at after taking impact of opening and closing unearned rebate.

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.


Arshad P. Rana
Chief Executive


Ali H. Shirazi
Director


Feroz Rizvi
Director


Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Expenses-OPF (Unaudited)

For the half year ended June 30, 2017

Q u a r t e r e n d e d J u n e 3 0								
Business underwritten inside Pakistan								
Class	Commissions paid or payable	Deferred commission		Net commission expenses	Other management expense	Net OPF expenses		
		Opening	Closing			2017	2016	
(R u p e e s i n t h o u s a n d)								
Direct and facultative								
Fire and property damage	395	797	819	373	489	862	6	
Marine, aviation and transport	134	47	19	162	196	358	-	
Motor	1,412	4,044	3,866	1,590	4,061	5,651	1,696	
Miscellaneous	6	78	54	30	18	48	-	
Total	1,947	4,966	4,758	2,155	4,764	6,919	1,702	
Treaty	-	-	-	-	-	-	-	
Grand total	1,947	4,966	4,758	2,155	4,764	6,919	1,702	

H a l f y e a r e n d e d J u n e 3 0								
Business underwritten inside Pakistan								
Class	Commissions paid or payable	Deferred commission		Net commission expenses	Other management expense	Net OPF expenses		
		Opening	Closing			2017	2016	
(R u p e e s i n t h o u s a n d)								
Direct and facultative								
Fire and property damage	713	784	819	678	853	1,531	17	
Marine, aviation and transport	377	54	19	412	433	845	3	
Motor	4,241	2,428	3,866	2,803	7,277	10,080	2,526	
Miscellaneous	48	64	54	58	87	145	-	
Total	5,379	3,330	4,758	3,951	8,650	12,601	2,546	
Treaty	-	-	-	-	-	-	-	
Grand total	5,379	3,330	4,758	3,951	8,650	12,601	2,546	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.




Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations**Condensed Interim Statement of Investment Income (Unaudited)**

For the half year ended June 30, 2017

	Half year ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
(Rupees in thousand)				
Operator's Fund (OPF)				
Profit on bank deposits for the period	274	1,234	130	688
	<u>274</u>	<u>1,234</u>	<u>130</u>	<u>688</u>
Participants' Fund (PTF)				
Profit on bank deposits for the period	811	185	410	183
Modarib's share	(203)	(46)	(103)	(46)
	<u>608</u>	<u>139</u>	<u>307</u>	<u>137</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Notes to the Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

1. Legal status and nature of business

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

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

2. Basis of preparation and Statement of compliance

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 Operator and PTF remain separately identifiable.

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 and further clarified through its press release dated July 20, 2017, companies whose financial year, including quarterly and other interim period, closes on or before June 30, 2017, shall prepare financial statements in accordance with the provisions of Companies Ordinance, 1984. Furthermore, the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 89(I)/2017 dated February 9, 2017 prescribed the Insurance Rules, 2017 (the Rules) for insurance companies which were enforceable with immediate effect. The Rules prescribe the format of annual financial statements for non-life insurers. However, the SECP vide letter No.ID/OSM/Atlas/2017/10577 dated August 10, 2017 has granted exemption to the Company to prepare the half yearly accounts for the period ended June 30, 2017 in accordance with the requirements of SEC (Insurance) Rules, 2002.

Accordingly, these condensed interim financial information of WTO have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 have been followed.

These condensed interim financial information do not include all the information and disclosures required in the annual financial statements.

2.1 Basis of measurement

These interim financial information have been prepared under historical cost convention.

2.2 Functional and presentation currency

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

3. Standards, amendments and interpretations to approved accounting 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, 2017 but are considered not to be relevant or do not have any significant impact on the Company's operations and are therefore not detailed in this condensed interim financial information.

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, 2016.

5. Critical accounting estimates and judgments

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

6. Contingencies and commitments

There are no outstanding contingencies and commitments of Atlas Insurance Limited - Window Takaful Operations (WTO) as on June 30, 2017.

<u>June 30,</u> <u>2017</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2016</u> <u>(Audited)</u>
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7. Tangible fixed assets - OPF

Opening book value	2,238	-
Add: Additions during the period	-	2,334
	<u>2,238</u>	<u>2,334</u>
Less: Disposal during the period (at book value)	-	-
Depreciation charged for the period	(224)	(96)
	<u>(224)</u>	<u>(96)</u>
Closing book value	<u><u>2,014</u></u>	<u><u>2,238</u></u>

8. Intangible assets - OPF

Opening book value	433	-
Add: Additions during the period	300	600
	<u>733</u>	<u>600</u>
Less: Disposal during the period (at book value)	-	-
Amortization charged for the period	(113)	(167)
	<u>(113)</u>	<u>(167)</u>
Closing book value	<u><u>620</u></u>	<u><u>433</u></u>

	<u>OPF</u> <u>June 30,</u> <u>2017</u>	<u>PTF</u> <u>June 30,</u> <u>2017</u>	<u>Total</u> <u>June 30,</u> <u>2017</u>	<u>Total from</u> <u>March 12 to</u> <u>June 30,</u> <u>2016</u>
	(Rupees in thousand)			
9. Reconciliation to profit and loss account				
Operating cash flows	213	5,599	5,812	10,513
Depreciation expense	(224)	-	(224)	-
Amortization of intangible assets	(113)	-	(113)	-
Financial charges	(1)	(55)	(56)	-
Net investment income	274	608	882	1,373
(Decrease) / increase in assets other than cash	(1,090)	8,482	7,392	22,346
Decrease / (increase) in liabilities other than running finance	439	(13,178)	(12,739)	(37,424)
(Loss) / surplus for the period	<u>(502)</u>	<u>1,456</u>	<u>954</u>	<u>(3,192)</u>

10. Transactions with related parties

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

	<u>June 30,</u> <u>2017</u> (Unaudited)	<u>December 31,</u> <u>2016</u> (Audited)
	(Rupees in thousand)	
Associated Companies	Period end balances	
	75	575
	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>
	(Rupees in thousand)	
Associated Companies	Transactions during the period	
	-	-
	499	-
	157	-
	2,255	-
Post employment benefit plans	Transactions during the period	
	124	-
Key management personnel	Transactions during the period	
	2,413	-
	-	3
	-	3

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

11. Operating segments

The Company has four (2016: four) primary business segments for reporting purposes namely fire and property damage, marine, aviation & transport, motor and miscellaneous.

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

	Fire and property damage	Marine, aviation & Transport	Motor	Miscellaneous	Total
As at June 30, 2017					
(Rupees in thousand)					
Operator's Fund					
Corporate segment assets	4,711	2,310	40,622	472	48,115
Unallocated corporate assets					19,707
Consolidated total assets					<u>67,822</u>
Corporate segment liabilities	2,020	991	17,418	202	20,631
Unallocated corporate liabilities					47,191
Consolidated total liabilities					<u>67,822</u>
Participants' Takaful Fund					
Corporate segment assets	3,054	1,497	26,334	305	31,190
Unallocated corporate assets					41,551
Consolidated total assets					<u>72,741</u>
Corporate segment liabilities	7,482	3,669	64,510	746	76,407
Unallocated corporate liabilities					(3,666)
Consolidated total liabilities					<u>72,741</u>

	Fire and property damage	Marine, aviation & Transport	Motor	Miscellaneous	Total
As at December 31, 2016					
(Rupees in thousand)					
Operator's Fund					
Corporate segment assets	2,102	470	15,072	259	17,903
Unallocated corporate assets					50,860
Consolidated total assets					<u>68,763</u>
Corporate segment liabilities	2,473	554	17,738	305	21,070
Unallocated corporate liabilities					47,693
Consolidated total liabilities					<u>68,763</u>
Participants' Takaful Fund					
Corporate segment assets	2,666	597	19,119	329	22,711
Unallocated corporate assets					35,396
Consolidated total assets					<u>58,107</u>
Corporate segment liabilities	7,423	1,662	53,232	916	63,233
Unallocated corporate liabilities					(5,126)
Consolidated total liabilities					<u>58,107</u>

12. Financial risk management

The Company's activities expose it to the financial risks, including the effect of changes in market rates, credit and liquidity risk associated with various financial assets and liabilities respectively. The Company has made policies for assessment and mitigation of the financial risks.

13. Corresponding figures

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

14. Date of authorization for issue

These condensed interim financial information were authorised for issue on August 26, 2017, 2017 by the Board of Directors of the Company.

15. General

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

COMPANY OFFICES**HEAD OFFICE**

63/A, Block-XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore.	PABX:	(042) 37132611 - 18 Fax: (042) 37132622
ARSHAD P. RANA Chief Executive Officer	Direct: Fax:	(042) 37132600 - 01 (042) 37132623
NISAR ZAMAN KHAN Head of Marketing and Sales	Direct: Extension:	(042) 37132603 715
RASHID AMIN Chief Financial Officer	Direct: Extension:	(042) 37132607 758
MUHAMMAD SAEED Head of Claims	Direct: Extension:	(042) 37132608 777
QUDSIA NAHEED Head of HR & Admin	Direct: Extension:	(042) 37132606 717
ABDUL RAZZAQ GHAURI Head of Window Takaful	Direct: Extension:	(042) 37132605 738
SYED IRTIZA KAZMI Vice President (Underwriting)	Direct: Extension:	(042) 37132604 718
MUHAMMAD AASIM GUL Compliance Officer	Extension:	744
SALEEM MEHMOOD Chief Internal Auditor	Extension:	737

NORTH ZONE OFFICES & BRANCHES**LAHORE**

CH. TAYYAB HUSSAIN Circle Chief, Lahore Circle - I	City Branch 64/A, Block-XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore.	(042) 37132624 - 26 37132628 - 29 Fax: (042) 37132627
MUHAMMAD MUNIR QAZI Chief Manager	Gulberg Branch Office No. 335, 3rd Floor, Land Mark Plaza, Jail Road, Lahore	(042) 35775733-4 Fax: (042) 35714514
MUHAMMAD IJAZ Chief Manager	Al-Noor Branch Al-Noor Building, 43-Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	(042) 37237343 Fax: (042) 37358805
KH. MUHAMMAD NADEEM Branch Manager	Napier Road Branch Nairobi Mansion Napier Road, Lahore.	(042) 37358190 Fax: (042) 37352560

MUHAMMAD WASIM PURI Branch Manager	Mall Road Branch Hafeez Chambers, 85- Shahrah-e-Quaid-e-Azam, Lahore.	(042) 36305595, 36370838 Fax: (042) 36369576
CH. ZEESHAN AHMED Branch Manager	Main Boulevard Branch Office No-6, 2nd Floor, Al-Hafeez View, 67-D/1, Sir Syed Road, Gulberg-III, Lahore	(042) 35784309, 37034673 Fax: (042) 35784310
RAWALPINDI		
SHABBIR HUSSAIN PARVI Chief Manager	101/13, Bank Road, Grand Hotel Building, P.O. Box 119, Rawalpindi.	(051) 5563413, 5516546 Fax: (051) 5798083
MANZAR ALI NAQVI Manager		
FAISALABAD		
MUHAMMAD ASIF AKRAM Chief Manager	Faisalabad Branch 123-B, People's Colony No. 1, D - Ground, Faisalabad.	(041) 8721256, 8734176 8546338, 8735080 Fax: (041) 8732499
IRSHAD FARRUKH BHATTI Deputy Chief Manager	Business Center Branch Room No. 6, Ground Floor, The Business Center, New Civil Lines Faisalabad.	(041) 2619978, 2629978 Fax: (041) 2409978
SIALKOT		
REHAN NAZIR GHUMAN Branch Manager	27-Paris Road, Sialkot	(052) 4594520, 4264195 Fax: (052) 4290095
ISLAMABAD		
AASIM MAJEED Chief Manager	Office No. 4, 4th Floor, Sector F-7/G-7 Channab Center, Jinnah Avenue, Blue Area, Islamabad.	(051) 2347047, 48 Fax: (051) 2804115
SAHIWAL		
RANA MUHAMMAD AAMIR NAZ Branch Manager	407- Stadium Road, Sahiwal.	(040) 4222266 Fax: (040) 4222267
MULTAN		
Ghulam Ali Office Incharge	Atlas Honda Building Azmat Wasti Road, Multan.	(061) 4544494 Fax: (061) 4544494
SOUTH ZONE OFFICE		
Ground Floor, Federation House, Sharah-e-Firdosi, Main Clifton, Karachi.	PABX: Fax:	(021) 35378806-7 35369395-6 (021) 35378515
ARSHAD P. RANA Chief Executive Officer	Direct:	(021) 35378757
MUHAMMAD AFZAL Company Secretary	Extension:	202

SOUTH ZONE BRANCHES

KARACHI

M. FAROOQ KANDLAWALA Circle Chief, Karachi Circle - I	Tower Branch State Life Building No. 7 Room No. 101, 1st Floor G. Allana Road, Karachi.	(021) 32316503, 32201471 Fax: (021) 32315248
ABDUL AZIZ Chief Manager	Corporate Branch 1/10, Arkey Square, 1st Floor, Shahrah-e-Liaquat, Karachi	(021) 32421030, 32422911 Fax: (021) 32421387
IMRAN SATTAR Chief Manager	Plaza Branch 3/3 Rimpia Plaza M.A. Jinah Road, Karachi.	(021) 32729339, 32720852 Fax: (021) 32749004
INAYAT ULLAH Branch Manager	New Challi Branch Office No. 910, 9th Floor, UNI Tower, I. I. Chundrighar Road, Karachi.	(021) 32412796-7 Fax: (021) 32412795
NOMANUDDIN Deputy Chief Manager	Saddar Branch Ground Floor, Federation House, Abdullah Shah Ghazi Road, Main Clifton, Karachi.	(021) 35378806-7 35369394-6 (021) 35378515
AJAZ TUFAIL Branch Manager	NCB-II Branch Office No. 910, 9th Floor, UNI Tower, I. I. Chundrighar Road, Karachi.	(021) 32412796-7 Fax: (021) 32412795

HYDERABAD

ZAFAR AHMAD GHOURI Circle Chief, Hyderabad Circle Saddar, Hyderabad."	Plot No. 466, Mezzanine Floor, "Al-Abbas Plaza, Near Kaka Bakery Fax: (022) 2786410	(022) 2782659, 2782660
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SUKKUR

ABDUL MAJEED QURESHI Chief Manager	Near Public School, Military Road, Sukkur.	(071) 5631056 Fax: (071) 5631057
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Atlas Insurance Limited

63/A, Block-XX, Phase III (Commercial),
Khyaban-e-Iqbal, DHA, Lahore.

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