



Quarterly Report September 30,

2020

تکافل

TAKAFUL

Window Operation

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## CONDENSED INTERIM FINANCIAL STATEMENTS

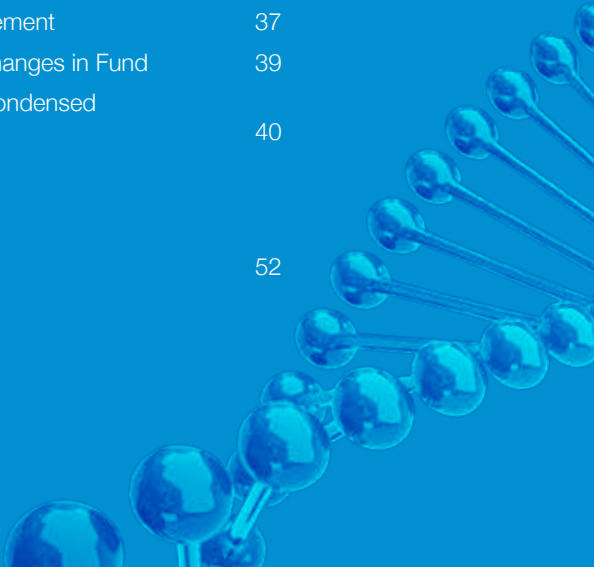
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# Company Information

## 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 R. Khan  
Independent Director

Babar Mahmood Mirza  
Chief Executive / Executive Director

Muhammad Afzal  
Company Secretary

## Audit Committee

Hasan Reza ur Rahim  
Chairman

Ali H. Shirazi  
Member

Frahim Ali Khan  
Member

Muhammad Afzal  
Secretary

Saleem Mahmood Akhtar  
Chief Internal Auditor

## Ethics, Human Resource & Remuneration Committee

Roohi R. Khan  
Chairperson

Ali H. Shirazi  
Member

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 nine months period ended September 30, 2020.

## The Economy

Due to decline in COVID-19 cases in Pakistan and easing of lockdowns, as well as the timely stimulus provided by the government and State Bank of Pakistan (SBP), business confidence and the outlook for growth have improved. Series of targeted measures undertaken by SBP since the COVID-19 outbreak have injected significant liquidity and further lowered funding costs for many businesses and households. Together, these monetary measures have injected an estimated stimulus of Rs. 1.58 trillion, or about 3.8% of GDP, in the cash flow of businesses and households. In addition, the government has undertaken a number of significant measures to support economic activity including the Ehsaas emergency cash program, commodity financing, a risk-sharing facility for SMEs, and acceleration of tax refunds. Pak Rupee is standing at 166.40 per US Dollar as at September 30, 2020, appreciated by 1.4% as compared to 168.75 as at June 30, 2020. Pakistan Stock Exchange also increased to 40,571 points as at September 30, 2020, up 17.9% as compared to 34,422 points at the end of June 2020. Average CPI inflation is coming down and stands at 8.74% during July-August of FY 2020-21, compared to 9.44% in the corresponding period of FY 2019-20.

During July-August of FY 2020-21, exports decreased to US\$ 3.4 billion, down by 16.6% as compared to US\$ 4.1 billion during the same period last year. Imports decreased to US\$ 6.7 billion, down by 12.6%, as compared to US\$ 7.7 billion. Foreign remittances increased to US\$ 4.9 billion, up 31.0% as compared to US\$ 3.7 billion. The above factors narrowed the current account deficit to US\$ 3.3 billion, down by 8.1% as compared to US\$ 3.6 billion.

## The Company

Gross premium along with contribution from Takaful operation for the nine months period ended September 30, 2020 stood at Rs. 2.604 billion against Rs. 2.525 billion for the same period last year, up 3%. However, the net premium decreased by 10% and stood at Rs. 1.013 billion against Rs. 1.111 billion in the corresponding period last year. The decrease in net premium had its impact on the underwriting profit which was reduced to Rs. 404.49 million compared to Rs. 480.45 million in the same period last year, down 15%. The investment income improved to Rs. 155.70 million against Rs. 93.31 million of the corresponding period last year, up 67%. The Company earned profit before tax of Rs. 610.38 million against Rs. 627.68 million of the same period last year. After providing for tax, the profit after tax stood at Rs. 427.26 million compared to Rs. 439.38 million of the corresponding period last year, down 3%.

## Future Outlook

The positive economic outlook supported by low interest rates and controlled inflation, measured currency devaluation, enhanced remittances and comfortable balance of payment situation bodes well for the country. The economy is expected to gain momentum in FY21 as uncertainty over the pandemic fades and domestic demand gradually rebounds. Moreover, structural reforms implemented pre-Covid-19 should support investment, while demand for Pakistani products is expected to rise in tandem with the global economic recovery. On the downside, risks include a potential second wave of Covid-19 domestic infections, a possible sharp increase in infections in the winter months in Pakistan's major export markets in Europe and the US, and the threat to agriculture from locust attacks.

The insurance industry is a major component of the economy and effectively plays its essential social and economic role by covering personal and business risks. Pakistan's insurance industry is poised to achieve consistent growth given the favorable demographics, increasing urbanization and more importantly the emerging industrialization under CPEC. Your Company is also fully poised to capitalize these emerging opportunities.

س ہے جتو کہ خوب سے ہے خوب تر کہاں

(Always strive for the better)

## Acknowledgement

I would like to thank the Securities and Exchange Commission of Pakistan and other Regulatory Bodies, the Board of Directors, and the Group Executive Committee for their help, support and guidance. I would also like to express my gratitude to all the reinsurers, valued clients and financial institutions for their support and confidence. May I also thank the Chief Executive Officer, Mr. Babar Mirza and his management team for their hard work, dedication, and sincerity of purpose.



Iftikhar H. Shirazi

انٹرنس انڈسٹری معیشت کا اہم عنصر ہے، یہ کاروباری خطرات کا احاطہ کر کے اہم سماجی اور معاشی کردار ادا کرتا ہے۔ پاکستان کی انٹرنس انڈسٹری مستحکم ترقی حاصل کرنے کے لیے تیار ہے، جس میں سازگار آبادیاتی، شہری آبادی میں اضافہ اور سب سے اہم چین پاکستان معاشی راہداری کے تحت ابھرتی ہوئی صنعت سازی ملحوظ خاطر ہے۔ آپ کی کمپنی ان نئے ابھرتے ہوئے مواقعوں سے فائدہ اٹھانے کے لیے پوری طرح تیار ہے۔

سہ ہے جستجو کہ خوب سے ہے خوب تر کہاں

(Always strive for the better)

اظہار تشکر

میں اس موقع پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، دیگر ریگولیٹری باڈیز، بورڈ آف ڈائریکٹرز، اور گروپ ایگزیکٹو ٹیم کا ان کی راہنمائی کے لیے مشکور ہوں۔ اس کے ساتھ، میں اپنے تمام ری انشوررز، معزز کلائنٹس اور مالیاتی اداروں کا مسلسل تعاون اور راہنمائی فراہم کرنے پر بھی شکریہ ادا کرتا ہوں۔ میں اس کے علاوہ چیف ایگزیکٹو آفیسر جناب بابر مرزا اور ان کی مینجمنٹ ٹیم کا بھرپور لگن، محنت اور خلوص کے ساتھ خدمات انجام دینے پر بھی شکریہ ادا کرتا ہوں۔

*Shirazi*

افتخار بیج شيرازی

## چیسر مین کی جانب سے جائزہ

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

### معیشت

پاکستان میں COVID-19 کے واقعات میں کمی اور لاک ڈاؤن کو کم کرنے کے ساتھ ساتھ حکومت اور اسٹیٹ بینک آف پاکستان کی جانب سے فراہم کردہ بروقت محرک کی وجہ سے کاروباری اعتماد اور نمو کے نقطہ نظر میں بہتری آئی ہے۔ COVID-19 پھیلنے کے بعد اسٹیٹ بینک آف پاکستان کی جانب سے بطور خاص ہدف کر کے ایسے اقدامات اٹھائے گئے جس سے لیکوئڈٹی میں خاطر خواہ اضافہ ہوا، جس سے بہت سے کاروباروں اور گھرانوں کے لیے فنڈنگ کی لاگت کم ہوئی۔ ان مالیاتی اقدامات نے مجموعی طور پر کاروباری کیش فلو میں 1.58 ٹریلین روپے یا شرح نمو کا تقریباً 3.8% تخمینہ لگایا ہے۔ اس کے علاوہ، حکومت نے احساس ایگزٹسٹی کیش پروگرام، موڈیٹی فنانسنگ، SMEs کے لیے ایک رسک شیئرنگ فیسلٹی اور ٹیکس ری فنڈز میں اضافے جیسے اقدامات اٹھائے ہیں جن کا مقصد معاشی سرگرمیوں کو سپورٹ کرنا ہے۔ پاکستانی روپیہ 30 ستمبر 2020 کو 166.40 روپے فی ڈالر کی سطح پر موجود رہا جو کہ 30 جون 2020 کو 168.75 روپے فی ڈالر کے مقابلے میں 1.4 فیصد کم ہے۔ پاکستان اسٹاک ایکسچینج 30 ستمبر 2020 تک 40,571 پوائنٹس رہی، جو کہ 30 جون 2020 کے 34,422 پوائنٹس کے مقابلے میں 17.9 فیصد زیادہ ہے۔ مالی سال 2020-21 کے ماہ جولائی تا اگست کے دوران اوسط افراط زر 8.74 فیصد رہا جو کہ گزشتہ مالی سال 20-2019 کی اسی مدت جولائی تا اگست کے دوران 9.44 فیصد تھا۔

مالی سال 2020-21 کے ماہ جولائی تا اگست کے دوران برآمدات 3.4 بلین ڈالر رہیں جو کہ گزشتہ سال کی اسی مدت کے دوران 4.1 بلین ڈالر کی برآمدات کے مقابلے میں 16.6 فیصد کم ہیں۔ درآمدات 6.7 بلین ڈالر رہیں جو کہ گزشتہ سال کی اسی مدت کے دوران 7.7 بلین ڈالر کی درآمدات کے مقابلے میں 12.6 فیصد کم ہیں۔ ترسیلات زر 31 فیصد اضافے کے ساتھ 3.7 بلین ڈالر سے بڑھ کر 4.9 بلین ڈالر رہیں۔ مذکورہ بالا عوامل کے سبب کرنٹ اکاؤنٹ خسارہ 3.3 بلین ڈالر رہا، جو کہ گزشتہ سال کی اسی مدت کے دوران 3.6 بلین ڈالر کے مقابلے میں 8.1 فیصد کم ہے۔

### کمپنی

30 ستمبر 2020 کو ختم ہونے والے 9 ماہ کے لیے گروس پریمیم بمعدہ تکافل سے حاصل شدہ کنٹری بیوشن 2.604 بلین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے دوران 2.525 بلین روپے کے مقابلے میں 3 فیصد اضافے کی نشاندہی کرتا ہے۔ تاہم، نیٹ پریمیم 10 فیصد کمی کے ساتھ 1.013 بلین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے دوران 1.111 بلین روپے تھا۔ نیٹ پریمیم میں کمی نے انڈر رائٹنگ منافع پر اثرات مرتب کیے اور یہ گزشتہ سال کی اسی مدت کے دوران 480.45 بلین روپے کے مقابلے میں 15 فیصد کمی کے ساتھ 404.49 بلین روپے رہا۔ سرمایہ کاری سے حاصل آمدنی 155.70 بلین روپے رہی جو کہ گزشتہ سال کی اسی مدت کے دوران 93.31 بلین روپے کے مقابلے میں 67 فیصد زیادہ ہے۔ کمپنی نے قبل از ٹیکس 610.38 بلین روپے منافع کمایا جو کہ گزشتہ سال کی اسی مدت کے دوران 627.68 بلین روپے تھا۔ ٹیکس تخمینوں کے بعد، منافع بعد از ٹیکس 427.26 بلین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے 439.38 بلین روپے کے مقابلے میں 3 فیصد کم ہے۔

### مستقبل کے خط و خال

کم شرح سود اور افراط زر پر قابو، روپے کی قدر میں کمی کے اقدامات، ترسیلات زر میں اضافے اور ادائیگیوں کے توازن میں بہتری جیسے عوامل معاشی صورتحال میں مثبت کردار ادا کریں گے۔ توقع ہے کہ عالمی وبائی مرض سے پیدا ہونے والی غیر یقینی صورتحال سے مقامی سطح پر طلب میں بتدریج اضافہ ہوگا، جس سے مالی سال 2021 میں معیشت اپنی ترقی کی رفتار میں دوبارہ بہتری حاصل کر سکتی ہے۔ توقع ہے کہ عالمی معاشی صورتحال میں بحالی کے ساتھ پاکستانی مصنوعات کی طلب میں بھی اضافہ ہوگا۔ دوسری جانب، اس بات کا خطرہ بھی موجود ہے کہ COVID-19 کی ممکنہ دوسری لہر سے بیماری میں اضافہ ہو سکتا ہے، ممکن ہے کہ پاکستان کے اہم برآمدی ممالک یورپ اور امریکہ میں سردیوں کے مہینوں کے دوران بیماری میں خاطر خواہ اضافہ ہو۔ اس کے علاوہ زراعت کے شعبے کو بھی کوئڈی دل کے حملے کا خطرہ لاحق ہو سکتا ہے۔



# Directors' Review

The directors have pleasure in submitting the quarterly report of the Company together with the un-audited financial statements for the period ended September 30, 2020.

	September 30, 2020	September 30, 2019
	(Rupees in thousand)	
<b>The overall business figures are:</b>		
Net premium	1,012,682	1,110,891
Net claims	306,340	339,704
Investment and other income	190,398	131,433
Net commission	126,507	104,449
Expenses of management	428,356	395,187
<b>Financial results are as follows:</b>		
Profit before tax	610,377	627,679
Less: Provision for taxation	183,113	188,303
Profit after tax	<u>427,264</u>	<u>439,376</u>

Contribution of Rs. 194.375 million (2019: Rs. 217.440 million) was written in Participants' Fund account during the period ended September 30, 2020.

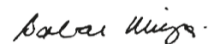
## Chairman's Review:

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: October 23, 2020

## ڈائریکٹر کی جانب سے جائزہ

ڈائریکٹر نہایت مسرت کے ساتھ 30 ستمبر 2020 کو ختم ہونے والی مدت کے لیے کمپنی کی سہ ماہی رپورٹ بمعہ غیر بڑتال شدہ مالیاتی حسابات پیش کر رہے ہیں۔

30 ستمبر 2019  
30 ستمبر 2020  
(روپے '000 میں)

مجموعی کاروباری اعداد و شمار یہ ہیں:

1,110,891	1,012,682	خالص پریمیم
339,704	306,340	خالص کلیجز
131,433	190,398	سرمایہ کاری اور دیگر ذرائع سے حاصل آمدنی
104,449	126,507	خالص کمیشن
395,187	428,356	انتظامی امور کے اخراجات

مالیاتی نتائج درج ذیل ہیں:

627,679	610,377	قبل از ٹیکس منافع
188,303	183,113	کم: ٹیکس تصرفات
439,376	427,264	بعد از ٹیکس منافع

30 ستمبر 2020 کو مکمل ہونے والی مدت کے دوران 194.375 ملین روپے (2019: 217.440 ملین روپے) کی کنٹری بیوشن پارٹیسیپٹ کے فنڈ اکاؤنٹ میں تحریر کی گئی۔

چیئرمین کی جانب سے جائزہ

چیئرمین کی جانب سے جائزہ 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 سکیورٹیز 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

*Balraj Mittal*

بابر محمود مرزا

چیف ایگزیکٹو

لاہور: 23 اکتوبر 2020

# Pattern of Shareholding

As at September 30, 2020

Number of shareholders	Shareholding		Shares held
	From	To	
258	1	100	5,586
149	101	500	37,563
115	501	1000	83,800
333	1001	5000	812,660
114	5001	10000	830,734
55	10001	15000	682,521
44	15001	20000	772,425
16	20001	25000	371,169
7	25001	30000	197,124
21	30001	35000	687,479
11	35001	40000	413,233
6	40001	45000	254,809
8	45001	50000	382,796
4	50001	55000	215,740
4	55001	60000	232,888
5	65001	70000	340,075
4	70001	75000	292,587
3	75001	80000	230,201
3	80001	85000	252,976
1	85001	90000	88,300
2	90001	95000	187,779
5	95001	100000	484,220
3	100001	105000	302,833
1	110001	115000	112,125
1	115001	120000	116,842
1	120001	125000	124,025
1	135001	140000	137,571
2	140001	145000	282,422
1	155001	160000	157,954
1	160001	165000	165,000
3	165001	170000	509,418
2	170001	175000	342,165
1	180001	185000	181,102
2	190001	195000	384,026
1	195001	200000	200,000
1	205001	210000	205,700
1	210001	215000	213,931
3	215001	220000	659,700
2	245001	250000	496,749
1	305001	310000	305,970
1	315001	320000	317,007
1	440001	445000	441,650
1	475001	480000	476,740
1	580001	585000	582,050
1	1640001	1645000	1,643,606
1	2330001	2335000	2,334,495
1	2390001	2395000	2,394,486
1	63950001	63955000	63,951,038
1,204			84,895,270

# Shareholders' Information

As at September 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	1,364,760	1.61%
Insurance Companies	2,588,086	3.05%
Modaraba and Mutual Funds	-	0.00%
Shareholders holding 10% and above	63,951,038	75.33%
<b>General Public:</b>		
a. Local	12,790,983	15.07%
b. Foriegn	-	0.00%
<b>Others :</b>		
Joint Stock Companies	103,251	0.12%
Others	1,722,775	2.03%
	<u>84,895,270</u>	<u>100.00%</u>

# Condensed Interim Statement of Financial Position (Unaudited)

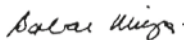
As at September 30, 2020

	Note	September 30, 2020 (Unaudited) (Rupees in thousand)	December 31, 2019 (Audited)
<b>Assets</b>			
Property and equipment	8	167,727	120,565
Investments			
Equity securities	9	4,888,015	4,141,871
Debt securities	10	109,993	108,571
Term deposits	11	-	525,000
Loan and other receivables		27,875	110,348
Insurance / reinsurance receivables		798,675	246,245
Reinsurance recoveries against outstanding claims	17	550,374	246,582
Salvage recoveries accrued		8,335	3,435
Deferred commission expense / acquisition cost	18	77,433	81,519
Prepayments		713,850	661,451
Cash and bank	12	883,290	650,207
		8,225,567	6,895,794
<b>Total assets from window takaful operations - Operator's fund</b>		178,490	138,326
<b>Total assets</b>		8,404,057	7,034,120
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital	13	848,953	771,775
Reserves	14	2,734,602	2,313,255
Unappropriated profit		425,553	621,710
<b>Total equity</b>		4,009,108	3,706,740
<b>Liabilities</b>			
<b>Underwriting provisions</b>			
Outstanding claims including IBNR	17	874,097	545,169
Unearned premium reserves	16	1,390,811	1,139,098
Unearned reinsurance commission	18	188,576	152,959
Retirement benefit obligations		3,286	6,926
Deferred taxation		591,447	426,871
Premium received in advance		15,437	105,498
Borrowings	15	87,010	25,771
Insurance / reinsurance payable		697,921	428,669
Other creditors and accruals		482,375	461,820
Taxation - provision less payment		21,029	790
<b>Total liabilities</b>		4,351,989	3,293,571
<b>Total liabilities from window takaful operations - Operator's fund</b>		42,960	33,809
<b>Total equity and liabilities</b>		8,404,057	7,034,120
<b>Contingencies and commitments</b>	7		

The annexed notes 1 to 30 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

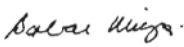
# Condensed Interim Profit and Loss Account (Unaudited)

For the nine months ended September 30, 2020

	Note	Nine months ended September 30, 2020	September 30, 2019	Three months ended September 30, 2020	September 30, 2019
(Rupees in thousand)					
Net insurance premium	16	1,012,682	1,110,891	362,979	375,734
Net insurance claim expense	17	(306,340)	(339,704)	(136,018)	(141,760)
Net commission and other acquisition income	18	126,507	104,449	40,431	34,219
Insurance claims and acquisition expenses		(179,833)	(235,255)	(95,587)	(107,541)
Management expenses		(428,356)	(395,187)	(141,307)	(132,284)
<b>Underwriting results</b>		404,493	480,449	126,085	135,909
Investment income	19	155,702	93,308	29,739	39,698
Other income		34,696	38,125	10,900	15,961
Other expenses		(9,736)	(11,259)	(3,325)	(5,209)
<b>Results of operating activities</b>		585,155	600,623	163,399	186,359
Finance cost		(5,791)	(1,362)	(1,780)	140
Profit before tax from window takaful operations - Operator's fund	21	31,013	28,418	11,505	10,313
<b>Profit before tax for the period</b>		610,377	627,679	173,124	196,812
Income tax expense		(183,113)	(188,303)	(57,489)	(66,777)
<b>Profit after tax for the period</b>		427,264	439,376	115,635	130,035
<b>Restated</b>					
<b>Rupees</b>					
Earnings (after tax) per share	20	5.03	5.18	1.36	1.53

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

  
**Rashid Amin**  
 Chief Financial Officer

  
**Babar Mahmood Mirza**  
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**Ali H. Shirazi**  
 Director

  
**Fahim Ali Khan**  
 Director

  
**Iftikhar H. Shirazi**  
 Chairman

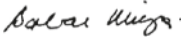
# Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months ended September 30, 2020

	Nine months ended		Three months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in thousand)			
<b>Profit after tax for the period</b>	427,264	439,376	115,635	130,035
<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	415,347	(389,539)	901,678	(398,536)
Other comprehensive income / (loss) from window takaful operations - Operator's fund	-	-	-	(245)
<b>Other comprehensive income / (loss) for the period</b>	415,347	(389,539)	901,678	(398,781)
<b>Total comprehensive income / (loss) for the period</b>	842,611	49,837	1,017,313	(268,746)

The annexed notes 1 to 30 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 nine months ended September, 2020

	September 30, 2020 (Rupees in thousand)	September 30, 2019
<b>Operating cash flows</b>		
<b>a) Underwriting activities</b>		
Insurance premium received	1,834,269	1,902,445
Reinsurance premiums paid	(941,430)	(1,016,655)
Claims paid	(539,986)	(639,752)
Reinsurance and other recoveries received	161,954	289,194
Commissions paid	(138,383)	(115,039)
Commissions received	336,399	292,916
Management expenses paid	(3,010)	(394,237)
Other underwriting payments	21,704	(3,344)
Other underwriting receipts	(362,634)	23,394
<b>Net cash generated / (used in) from underwriting activities</b>	<b>368,883</b>	<b>338,922</b>
<b>b) Other operating activities</b>		
Income tax paid	(145,370)	(268,500)
Other operating payments	(12,439)	(14,010)
Other operating receipts	44,252	44,862
Loan repayment received	3	11
<b>Net cash used in other operating activities</b>	<b>(113,554)</b>	<b>(237,637)</b>
<b>Total cash generated from all operating activities</b>	<b>255,329</b>	<b>101,285</b>
<b>Investment activities</b>		
Profit / return received	45,458	43,770
Dividend received	105,433	128,140
Payments for investments	(2,980,201)	(2,002,611)
Proceeds from investments	3,365,382	1,565,023
Fixed capital expenditure	(15,139)	(34,325)
Proceeds from sale of property and equipment	6,510	4,989
<b>Total cash generated from investing activities</b>	<b>527,443</b>	<b>(295,014)</b>
<b>Financing activities</b>		
Dividends paid	(531,429)	(481,368)
Payment of lease liability against right-of-use assets	(18,260)	(3,055)
<b>Total cash used in financing activities</b>	<b>(549,689)</b>	<b>(484,423)</b>
<b>Net cash generated / (used in) from all activities</b>	<b>233,083</b>	<b>(678,152)</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>883,290</b>	<b>649,835</b>



# Condensed Interim Cash Flow Statement (Unaudited)

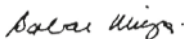
For the nine months ended September 30, 2020

	September 30, 2020	September 30, 2019
	(Rupees in thousand)	
<b>Reconciliation to condensed interim profit and loss account</b>		
Operating cash flows	255,329	101,285
Depreciation expense	(29,342)	(26,091)
Profit on disposal of property and equipment	150	570
Profit on disposal of investments	20,246	-
Financial charges	-	(333)
Rental and other income	42,542	37,555
Interest expensed on lease liability against right-of-use assets	(8,293)	(369)
Increase in assets other than cash	680,070	259,065
(Increase) / Decrease in liabilities other than borrowings	(426,864)	108,389
<b>Other adjustments</b>		
Provision for impairment of receivable from insurance contract holders	(23,443)	(21,703)
Decrease in provision for unearned premium	(201,938)	(127,476)
Decrease in commission income unearned	(35,617)	(27,176)
Decrease in provision for deferred commission expense	(4,086)	1,569
Income on investments and current and other deposits	127,497	105,673
Profit from window takaful operations for the period - Operator's fund	31,013	28,418
<b>Profit after tax for the period</b>	<b>427,264</b>	<b>439,376</b>

The annexed notes 1 to 30 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

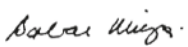
# Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months ended September 30, 2020

	Attributable to equity holders of the Company							Total
	Issued, subscribed and paid-up capital	Capital Reserve			Revenue Reserve		Unappropriated profit	
		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 nine months ended September 30, 2019	-	-	-	-	-	-	439,376	439,376
Net unrealised loss on revaluation of available for sale investments - net of deferred tax	-	-	(580,670)	-	-	-	-	(580,670)
Other comprehensive income from Window takaful operations (OPF)	-	-	574	-	-	-	-	574
Total comprehensive (loss) / income for the six month ended September 30, 2019	-	-	(580,096)	-	-	-	439,376	(140,720)
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 September 30, 2019 (unaudited)</b>	771,775	-	428,403	-	1,186,064	3,000	439,784	2,829,026
Profit after taxation for the three months ended December 31, 2019	-	-	-	-	-	-	183,880	183,880
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	-	-	695,788	-	-	-	-	695,788
Total comprehensive income for the three months ended December 31, 2019	-	-	695,788	-	-	-	181,926	877,714
<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 nine months ended September 30, 2020	-	-	-	-	-	-	427,264	427,264
Net unrealised loss on revaluation of available for sale investments - net of deferred tax	-	-	415,347	-	-	-	-	415,347
Other comprehensive income from Window takaful operations (OPF)	-	-	-	-	-	-	-	-
Total comprehensive income for the six month ended September 30, 2020	-	-	415,347	-	-	-	427,264	842,611
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 September 30, 2020 (unaudited)</b>	848,953	-	1,539,538	-	1,192,064	3,000	425,553	4,009,108

The annexed notes 1 to 30 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 nine months ended September 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.

## **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 nine months ended September 30, 2020 stood at Rs. 2.410 billion increased by 4% for the same period last year of Rs. 2.308 billion. However, a decrease is witnessed in profit before tax of Rs. 610.377 million against Rs. 627.679 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**

- 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, 2022
- 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 24.1 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.

**7.1.3** The Assistant Commissioner, Sindh Board of Revenue (ACSRB) had raised demand amounting to Rs. 2.153 (thousand) against the Company for the period from September 2014 to January 2016, on the grounds that the withholding certificates and CPRs provided does not contain detail of invoices against which the withholding deductions were made and the Sindh Sales Tax was deposited with FBR instead of SRB. The Company filed appeal before the Commissioner Appeals, Sindh Revenue Board which is pending for adjudication.

	<u>September 30,</u> 2020 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2019 (Audited)
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#### 7.1.3 Other contingencies

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:

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

	<u>September 30,</u> 2020 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2019 (Audited)
--	---	--

Not later than one year

11,757

28,815

Later than one year and not later than five years

2,237

22,779

13,994

51,594

	Note	September 30, 2020 (Unaudited) (Rupees in thousand)	December 31, 2019 (Audited)
<b>8. Property and equipment</b>			
Operating assets	8.1	88,417	93,490
Capital work in progress	8.5	-	2,544
Right-of-use asset	8.6	79,310	24,531
		<u>167,727</u>	<u>120,565</u>

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

	Note	September 30, 2020 (Unaudited) (Rupees in thousand)	December 31, 2019 (Audited)
Freehold building		1,760	1,828
Lease hold improvements		10,152	11,943
Furniture and fixtures		5,828	6,345
Office equipment		11,829	15,047
Computers equipment		10,254	12,365
Vehicles		48,594	45,962
		<u>88,417</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	17,361	37,800
		<u>110,851</u>	<u>119,845</u>
Less: Disposal during the period / year (at book value)	8.4	(6,360)	(12,238)
Depreciation charged for the period / year		(16,074)	(14,117)
		<u>(22,434)</u>	<u>(26,355)</u>
Closing book value		<u>88,417</u>	<u>93,490</u>

**8.3 Additions during the period / year**

Lease hold improvements		-	-
Furniture and fixtures		570	1,637
Office equipment		998	3,189
Computers equipment		2,172	5,300
Vehicles		13,621	27,674
		<u>17,361</u>	<u>37,800</u>

**8.4 Disposals during the period / year**

Furniture and fixtures		172	144
Office equipment		2,169	595
Computers equipment		1,399	1,950
Vehicles		2,620	9,549
		<u>6,360</u>	<u>12,238</u>

**8.5 Capital work in progress**

Advances to suppliers		-	2,544
		<u>-</u>	<u>2,544</u>

	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
	(Rupees in thousand)	
Opening book value	24,531	-
Impact of initial adoption of IFRS 16	-	31,365
Additions during the period	67,971	2,453
Depreciation charged during the period	(13,192)	(9,287)
Closing book value	79,310	24,531

## 9. Investments in equity securities

	Note	September 30, 2020 - (Unaudited)			December 31, 2019 - (Audited)		
		Cost	Impairment / Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
(Rupees in thousand)							
<b>Available for sale</b>							
<b>Related parties</b>							
Listed shares	9.1	643,711	-	643,711	645,173	-	645,173
Mutual funds		464,163	-	464,163	488,957	-	488,957
		1,107,874	-	1,107,874	1,134,130	-	1,134,130
Unrealized gain on revaluation as on				1,974,972			1,431,068
				3,082,846			2,565,198
<b>Others</b>							
Listed shares	9.1	1,611,856	(40,987)	1,570,869	1,403,801	(62,238)	1,341,563
Unlisted shares		500	(500)	-	500	(500)	-
Mutual funds	9.2	61,077	-	61,077	82,812	-	82,812
		1,673,433	(41,487)	1,631,946	1,487,113	(62,738)	1,424,375
Unrealized gain on revaluation as on				173,223			152,298
				1,805,169			1,576,673
				4,888,015			4,141,871

**9.1** Listed securities include an amount of Rs. 2,344,504 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. 1,564,761 thousand (December 31, 2019: Rs. 1,377,144 thousand).

**9.2** Mutual funds include an amount of Rs. 343,414 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. 252,493 thousand (December 31, 2019: Rs. 23,589 thousand).

	Note	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
		(Rupees in thousand)	
<b>10. Investments in debt securities</b>			
<b>Held to maturity</b>			
Pakistan Investment Bonds	10.1	89,993	88,571
<b>Available for sale</b>			
Term Finance Certificates		20,000	20,000
		109,993	108,571

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



	Note	September 30, 2020 (Unaudited) (Rupees in thousand)	December 31, 2019 (Audited)
<b>11. Investments in term deposits</b>			
<b>Held to maturity</b>			
Deposits maturing within 12 months		-	525,000
<b>12. Cash and bank</b>			
<b>Cash at bank</b>			
Current and saving accounts	12.1	883,290	650,207
		883,290	650,207

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

### 13. Ordinary share capital

#### 13.1 Authorized share capital

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

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

September 30, 2020 (Unaudited) (Number of shares)	December 31, 2019 (Audited)		September 30, 2020 (Unaudited)	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
84,895,271	77,177,519		848,953	771,775

**13.2.1** 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.

	Note	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
<b>14. Reserves</b>			
<b>Capital reserves</b>			
Investment fair value reserve	14.1	1,539,538	1,124,191
<b>Revenue reserves</b>			
General reserve		1,192,064	1,186,064
Investment fluctuation reserve		3,000	3,000
		1,195,064	1,189,064
		2,734,602	2,313,255

**14.1** 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.

	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
<b>15. Borrowings</b>		
Lease liabilities against right-of-use asset	87,010	25,771

	Nine months ended		Three months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
<b>16. Net insurance premium</b>				
Written gross premium	2,409,565	2,307,977	1,160,424	1,029,765
Add: Unearned premium reserve - opening	1,139,098	1,060,806	1,009,271	930,590
Less: Unearned premium reserve - closing	(1,390,811)	(1,232,051)	(1,390,811)	(1,232,051)
Premium earned	2,157,852	2,136,732	778,884	728,304
Less: Reinsurance premium ceded	1,194,945	1,069,611	531,112	459,560
Add: Prepaid reinsurance premium - opening	659,317	546,319	593,885	483,099
Less: Prepaid reinsurance premium - closing	(709,092)	(590,089)	(709,092)	(590,089)
Reinsurance expense	1,145,170	1,025,841	415,905	352,570
	1,012,682	1,110,891	362,979	375,734

<b>17. Net insurance claims expense</b>				
Claims paid	534,943	637,403	268,013	211,071
Add: Outstanding claims including IBNR - closing	874,097	677,153	874,097	677,153
Less: Outstanding claims including IBNR - opening	(545,169)	(727,887)	(655,587)	(695,208)
Claims expense	863,871	586,669	486,523	193,016
Less: Reinsurance and other recoveries received	253,739	320,502	147,721	79,362
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	550,374	380,894	550,374	380,894
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(246,582)	(454,431)	(347,590)	(409,000)
Reinsurance and other recoveries revenue	557,531	246,965	350,505	51,256
	306,340	339,704	136,018	141,760

	Nine months ended		Three months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
<b>18. Net commission and other acquisition expense / (income)</b>	(Rupees in thousand)			
Commission paid or payable	125,642	135,684	50,486	51,752
Add: Deferred commission expense - opening	81,519	80,233	70,455	74,822
Less: Deferred commission expense - closing	(77,433)	(81,802)	(77,433)	(81,802)
Net Commission expense	129,728	134,115	43,508	44,772
Less: Commission received or recoverable	291,852	265,741	133,322	113,817
Add: Unearned Reinsurance commission - opening	152,959	116,648	139,193	108,999
Less: Unearned Reinsurance commission - closing	(188,576)	(143,825)	(188,576)	(143,825)
Commission from reinsurers	256,235	238,564	83,939	78,991
	<u>(126,507)</u>	<u>(104,449)</u>	<u>(40,431)</u>	<u>(34,219)</u>
<b>19. Investment income</b>				
<b>Income from equity securities</b>				
<b>Available for sale</b>				
Dividend income	108,600	130,449	12,433	32,963
<b>Income from debt securities</b>				
<b>Held to maturity</b>				
Return on debt securities	17,745	4,927	437	2,376
<b>Available for sale</b>				
Interest on term finance certificate	1,152	-	51	-
<b>Income from term deposits</b>				
Return on term deposits	7,997	-	-	-
<b>Net realized gain on investments</b>	135,494	135,376	12,921	35,339
<b>Available for sale financial assets</b>				
Realized gain / (loss) on equity securities	20,944	(42,948)	(3,722)	4,359
<b>Total investment income</b>	156,438	92,428	9,199	39,698
Add / (less): (charge) / Reversal of impairment in value of available for sale securities				
- Equity securities	(38)	947	21,213	-
Less: Investment related expenses	(698)	(67)	(673)	-
	<u>155,702</u>	<u>93,308</u>	<u>29,739</u>	<u>39,698</u>
<b>20. Earnings per share</b>				
Profit after tax for the period	427,264	439,376	115,635	130,035

		Number of Shares (thousand)			
		(Restated)		(Restated)	
Weighted average number of ordinary shares	20.1	84,895	84,895	84,895	84,895
		(Restated)		(Restated)	
		(Rupees)			
Earnings per share - (basic / diluted)		5.03	5.18	1.36	1.53



		<u>September 30,</u> 2020 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2019 (Audited) (Rupees in thousand)
<b>Associated companies</b>	<b>Period / year end balances</b>		
	Provision for outstanding claims	106,582	38,903
	Premium received in advance	-	69,063
	Due from insurance contract holders	231,273	73,192
	Lease liability	1,092	3,188

**Nine months ended**  
**September 30, September 30,**  
**2020 2019**  
**(Rupees in thousand)**

<b>Associated companies</b>	<b>Transactions during the period</b>		
	Premium underwritten	966,810	1,045,477
	Premium collected	937,466	1,060,052
	Claims paid	97,402	240,412
	Assets purchased	11,545	25,137
	Expenses paid	586	974
	Fee & subscription	685	-
	Donations paid	8,603	9,890
	Dividends received	60,158	63,312
	Investments purchased	1,624,993	1,904,939
Investments sold at sale price	1,727,495	1,517,504	
<b>Post employment benefit plans</b>	<b>Transactions during the period</b>		
	Contributions in respect of retirement benefit plans	13,736	12,158

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

<b>Key management personnel</b>	<b>Period / year end balances</b>		
	Due from insurance contract holders	12	1,055
	Provision for outstanding claims	30	42

**Nine months ended**  
**September 30, September 30,**  
**2020 2019**  
**(Rupees in thousand)**

	<b>Transactions during the period</b>		
	Premium underwritten	789	374
	Premium collected	816	284
	Compensation paid	94,256	78,851
	Vehicles sold	1,756	3,875
	Claims Paid	59	-

### 23. 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) Nine months ended September 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)	974,825	771,447	522,964	682,905	567,928	574,811	666,062	615,649	2,731,779	2,644,812
Less: Federal Excise Duty	118,468	96,010	61,470	82,469	70,413	69,847	48,538	65,924	298,889	314,250
Federal Insurance Fee	8,272	6,734	4,496	5,864	4,593	4,553	5,964	5,434	23,325	22,585
Gross written premium (inclusive of Administrative Surcharge)	848,085	668,703	456,998	594,572	492,922	500,411	611,560	544,291	2,409,565	2,307,977
Gross direct premium	838,748	649,168	447,729	583,161	452,106	439,066	605,855	537,338	2,344,438	2,208,733
Facultative inward premium	4,225	15,253	-	-	36,290	57,163	2,022	3,434	42,537	75,850
Administrative surcharge	5,112	4,282	9,269	11,411	4,526	4,182	3,683	3,519	22,590	23,394
	848,085	668,703	456,998	594,572	492,922	500,411	611,560	544,291	2,409,565	2,307,977
Insurance premium earned	773,875	626,831	442,426	602,865	482,143	498,084	459,408	408,952	2,157,852	2,136,732
Insurance premium ceded to reinsurers	(607,811)	(446,151)	(154,028)	(221,972)	(148,237)	(170,798)	(235,094)	(186,920)	(1,145,170)	(1,025,841)
Net insurance premium	166,064	180,680	288,398	380,893	333,906	327,286	224,314	222,032	1,012,682	1,110,891
Commission income	140,245	104,335	46,636	69,517	15,386	21,396	53,968	43,317	256,235	238,565
<b>Net underwriting income</b>	<b>306,309</b>	<b>285,015</b>	<b>335,034</b>	<b>450,410</b>	<b>349,292</b>	<b>348,682</b>	<b>278,282</b>	<b>265,349</b>	<b>1,268,917</b>	<b>1,349,456</b>
Insurance claims	(266,283)	(75,497)	(50,969)	(79,037)	(223,769)	(218,451)	(322,850)	(213,684)	(863,871)	(586,669)
Insurance claims recovered from reinsurers	259,247	63,493	30,562	42,438	103,739	84,933	163,983	56,101	557,531	246,965
Net claims	(7,036)	(12,004)	(20,407)	(36,599)	(120,030)	(133,518)	(158,867)	(157,583)	(306,340)	(339,704)
Commission expense	(54,802)	(50,520)	(19,646)	(18,253)	(33,149)	(46,667)	(22,131)	(18,676)	(129,728)	(134,116)
Management expenses	(145,999)	(108,832)	(77,712)	(95,798)	(100,925)	(102,074)	(103,720)	(88,483)	(428,366)	(395,187)
<b>Net insurance claims and expenses</b>	<b>(207,837)</b>	<b>(171,356)</b>	<b>(117,765)</b>	<b>(150,650)</b>	<b>(254,104)</b>	<b>(282,259)</b>	<b>(284,718)</b>	<b>(264,742)</b>	<b>(864,424)</b>	<b>(869,007)</b>
<b>Underwriting results</b>	<b>98,472</b>	<b>113,659</b>	<b>217,269</b>	<b>299,760</b>	<b>95,188</b>	<b>66,423</b>	<b>(6,436)</b>	<b>607</b>	<b>404,493</b>	<b>480,449</b>
Investment income									155,702	93,308
Other income									34,696	38,125
Finance cost									(5,791)	(1,362)
Other expenses									(9,736)	(11,259)
Profit before taxation from window takaful operations - Operator's fund									31,013	28,418
<b>Profit before tax for the period</b>									<b>610,377</b>	<b>627,679</b>
	<b>September 30, 2020 (Unaudited) and December 31, 2019 (Audited)</b>									
	<b>(Rupees in thousands)</b>									
Segment assets - Conventional	578,635	395,006	480,443	311,253	468,194	280,325	621,394	250,514	2,148,666	1,237,098
Segment assets - Takaful OPF	8,991	3,089	3,730	1,539	40,999	18,473	1,136	464	54,856	23,565
Unallocated assets - Conventional									6,076,901	5,658,696
Unallocated assets - Takaful OPF									123,634	114,761
									<b>8,404,057</b>	<b>7,034,120</b>
Segment liabilities - Conventional	852,830	799,773	708,106	630,199	690,056	567,581	915,851	507,214	3,166,843	2,504,767
Segment liabilities - Takaful OPF	7,041	4,433	2,922	2,208	32,108	26,503	889	665	42,960	33,809
Unallocated liabilities - Conventional									1,185,146	822,613
Unallocated liabilities - Takaful OPF									-	-
									<b>4,394,949</b>	<b>3,327,380</b>

	(Unaudited) Three months ended September 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)	588,302	450,571	203,909	207,087	254,772	207,869	262,710	314,438	1,309,693	1,179,965
Less: Federal Excoise Duty	71,556	53,109	24,455	24,696	31,847	26,920	9,879	35,270	137,737	139,995
Federal Insurance Fee	5,122	3,872	1,776	1,774	2,138	1,804	2,496	2,754	11,532	10,204
Gross written premium (inclusive of Administrative Surcharge)	511,624	393,590	177,678	180,617	220,787	179,145	250,335	276,414	1,160,424	1,029,766
Gross direct premium	509,016	384,443	174,278	176,969	208,848	177,827	247,960	273,925	1,141,092	1,013,164
Facultative inward premium	(379)	7,120	-	-	9,278	92	663	817	9,562	8,029
Administrative surcharge	2,987	2,026	3,400	3,648	1,661	1,226	1,722	1,673	9,770	8,573
	511,624	393,589	177,678	180,617	220,787	179,145	250,335	276,415	1,160,424	1,029,766
Insurance premium earned	313,440	215,508	166,566	204,653	164,600	169,333	134,278	138,810	778,884	728,304
Insurance premium ceded to reinsurers	(226,320)	(155,792)	(46,754)	(76,593)	(49,151)	(56,813)	(93,680)	(63,372)	(415,905)	(352,570)
Net insurance premium	87,120	59,716	119,812	128,060	115,449	112,520	40,598	75,438	362,979	375,734
Commission income	46,412	35,483	17,245	24,059	165	3,997	20,117	15,453	83,939	78,992
<b>Net underwriting income</b>	<b>133,532</b>	<b>95,199</b>	<b>137,057</b>	<b>152,119</b>	<b>115,614</b>	<b>116,517</b>	<b>60,715</b>	<b>90,891</b>	<b>446,918</b>	<b>454,726</b>
Insurance claims	(195,856)	(7,178)	(24,117)	(18,096)	(91,264)	(84,552)	(175,283)	(83,190)	(486,520)	(193,016)
Insurance claims recovered from reinsurers	179,169	(3,782)	18,669	6,473	54,129	20,823	98,535	27,742	350,502	51,256
Net claims	(16,687)	(10,960)	(5,448)	(11,623)	(37,135)	(63,729)	(76,748)	(55,448)	(136,018)	(141,760)
Commission expense	(19,092)	(18,058)	(7,918)	(6,619)	(8,755)	(13,775)	(7,743)	(6,321)	(43,508)	(44,773)
Management expenses	(72,338)	(55,274)	(16,572)	(16,816)	(27,724)	(25,355)	(24,673)	(34,839)	(141,307)	(132,284)
<b>Net insurance claims and expenses</b>	<b>(108,117)</b>	<b>(84,292)</b>	<b>(29,938)</b>	<b>(35,058)</b>	<b>(73,614)</b>	<b>(102,859)</b>	<b>(109,164)</b>	<b>(96,608)</b>	<b>(320,833)</b>	<b>(318,817)</b>
<b>Underwriting results</b>	<b>25,415</b>	<b>10,907</b>	<b>107,119</b>	<b>117,061</b>	<b>42,000</b>	<b>13,658</b>	<b>(48,449)</b>	<b>(5,717)</b>	<b>126,085</b>	<b>135,909</b>
Net investment income									29,739	39,698
Other income									10,900	15,961
Other expenses									(3,325)	(5,209)
Finance Cost									(1,780)	140
Profit before taxation from window takaful operations - OPF									11,505	10,313
<b>Profit before tax for the period</b>									<b>173,124</b>	<b>196,812</b>

## 24. 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.

### 24.1 Fair value measurement of financial instruments

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

Financial instruments with contractual cash flows that meet the SPPI criteria, excluding those held for trading

	Amortised cost	FVOCI	Total	Other financial Instrument*
	(Rupees in thousand)			
<b>Pakistan Investment Bonds</b>				
Opening fair value - December 31, 2019	88,571	-	88,571	-
Unwinding on debt securities	1,422	-	1,422	-
Closing fair value - September 30, 2020	89,993	-	89,993	-
<b>Term Finance Certificates</b>				
Opening fair value - December 31, 2019	-	-	-	20,000
Additions	-	-	-	-
Closing fair value - September 30, 2020	-	-	-	20,000
<b>Shares in listed / unlisted equity securities</b>				
Opening fair value - December 31, 2019	-	-	-	3,563,552
Increase in fair value	-	-	-	821,503
Impairment for the period	-	-	-	(38)
Disposals	-	-	-	(127,343)
Closing fair value - September 30, 2020	-	-	-	4,257,674
<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 - September 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 - September 30, 2020	-	-	-	-
<b>Mutual fund investments</b>				
Opening fair value - December 31, 2019	-	-	-	578,319
Additions	-	-	-	1,679,858
Increase in fair value	-	-	-	74,961
Disposals	-	-	-	(1,702,797)
Closing fair value - September 30, 2020	-	-	-	630,341
<b>Total</b>	<b>89,993</b>	<b>-</b>	<b>89,993</b>	<b>4,908,015</b>

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

**24.1.1** 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.



## 25. Movement in investments

	<u>Held to maturity</u>	<u>Available for sale</u>	<u>Total</u>
	(Rupees in thousand)		
<b>As at beginning of previous year - 2019</b>	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
<b>As at beginning of current period - 2020</b>	613,571	4,161,871	4,775,442
Additions	989,996	1,679,858	2,669,854
Disposals (Sales and redemptions)	(1,514,996)	(1,830,140)	(3,345,136)
Fair value net losses (excluding net realized losses)	-	896,464	896,464
Unwinding on debt securities	1,422	-	1,422
Impairment	-	(38)	(38)
<b>As at end of current period</b>	89,993	4,908,015	4,998,008

## 26. 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.

## 27. Subsequent events

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

## 28. Date of authorization for issue

The condensed interim financial statements were authorized for issue on October 23, 2020 by the Board of Directors of the Company.

## 29. Corresponding figures

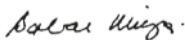
Corresponding figures have been restated, rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant rearrangements have been made.

## 30. 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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Atlas Insurance

Window Takaful Operations

Quarterly Report

September 30, 2020

# Window Takaful Operations

## Condensed Interim Statement of Financial Position (Unaudited)

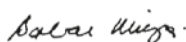
As at September 30, 2020

Note	OPF		PTF		
	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)	
(Rupees in thousand)					
<b>Assets</b>					
Property and equipment	7	1,051	1,240	-	-
Investments					
Term Deposits		-	25,000	100,000	155,000
Loans and other receivables		25,004	45	-	-
Takaful / retakaful receivables		-	-	56,682	14,727
Deferred wakala fee	14	-	-	31,935	22,309
Receivable from OPF / PTF		22,746	11,721	-	-
Accrued investment income		896	278	1,251	2,238
Retakaful recoveries against outstanding claims		-	-	16,647	9,581
Deferred commission expense	15	7,368	8,530	-	-
Prepayments		7,207	2,992	28,182	27,420
Cash and bank	9	114,218	88,520	84,730	21,021
<b>Total assets</b>		<b>178,490</b>	<b>138,326</b>	<b>319,427</b>	<b>252,296</b>
<b>Equity and Liabilities</b>					
Capital reserve		50,000	50,000	-	-
Accumulated profit		85,530	54,517	-	-
<b>Total Shareholders Equity</b>		<b>135,530</b>	<b>104,517</b>	<b>-</b>	<b>-</b>
<b>Participants' Takaful Fund</b>					
Seed Money		-	-	500	500
Accumulated surplus		-	-	15,112	4,107
<b>Balance of Participants' Takaful Fund</b>		<b>-</b>	<b>-</b>	<b>15,612</b>	<b>4,607</b>
<b>Liabilities</b>					
<b>PTF Underwriting provisions</b>					
Outstanding claims (including IBNR)	13	-	-	72,760	51,704
Unearned contribution reserves	11	-	-	118,262	127,278
Reserve for unearned retakaful rebate	12	-	-	4,758	4,339
		-	-	195,780	183,321
Retirement benefit obligations		588	494	-	-
Deferred taxation		-	-	-	-
Unearned wakala fee		31,935	22,309	-	-
Contribution received in advance		-	-	2,006	3,023
Takaful / retakaful payables		-	-	80,070	46,635
Other creditors and accruals		10,437	11,006	10,683	2,989
Payable to OPF / PTF		-	-	15,276	11,721
<b>Total liabilities</b>		<b>42,960</b>	<b>33,809</b>	<b>303,815</b>	<b>247,689</b>
<b>Total equity and liabilities</b>		<b>178,490</b>	<b>138,326</b>	<b>319,427</b>	<b>252,296</b>
<b>Contingencies and commitments</b>	10				

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



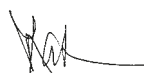
**Rashid Amin**  
Chief Financial Officer



**Babar Mahmood Mirza**  
Chief Executive



**Ali H. Shirazi**  
Director



**Fahim Ali Khan**  
Director



**Iftikhar H. Shirazi**  
Chairman

# Window Takaful Operations

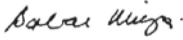
## Condensed Interim Profit and Loss Account (Unaudited)

For the nine months ended September 30, 2020

	Note	Nine months ended		Three months ended	
		September 30,	September 30,	September 30,	September 30,
		2020	2019	2020	2019
(Rupees in thousand)					
<b>PTF</b>					
Contribution earned	11	159,734	146,741	50,248	53,594
Less: Contribution ceded to retakaful	11	(72,168)	(52,198)	(23,334)	(17,764)
Net contributions revenue		87,566	94,543	26,914	35,830
Retakaful rebate earned	12	8,128	8,094	2,698	2,746
Net underwriting income		95,694	102,637	29,612	38,576
Net claims					
Reported / settled		(75,688)	(67,634)	(42,643)	(21,585)
- IBNR		(4,696)	(4,003)	(928)	(165)
	13	(80,384)	(71,637)	(43,571)	(21,750)
Other direct expenses		(13,778)	(17,547)	(3,279)	(3,904)
Surplus before investment income		1,532	13,453	(17,238)	12,922
Investment income	16	12,631	12,379	3,329	6,215
Less: Modarib's share of investment income		(3,158)	(2,874)	(832)	(1,646)
Finance cost		-	(13)	-	-
<b>Surplus transferred to accumulated surplus</b>		<b>11,005</b>	<b>22,945</b>	<b>(14,741)</b>	<b>17,491</b>
<b>OPF</b>					
Wakala fee	14	43,657	50,952	15,717	15,905
Commission expense	15	(13,715)	(14,033)	(4,338)	(4,848)
General, administrative and management expenses		(9,470)	(9,573)	(3,722)	(2,380)
		20,472	27,346	7,657	8,677
Modarib's share of PTF investment income		3,158	2,874	832	(1,332)
Investment income		8,457	(1,332)	3,604	3,006
Direct expenses		(1,074)	(470)	(588)	(38)
<b>Profit for the period</b>		<b>31,013</b>	<b>28,418</b>	<b>11,505</b>	<b>10,313</b>

The annexed notes 1 to 25 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

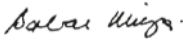
## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months ended September 30, 2020

	Nine months ended September 30, 2020	September 30, 2019	Three months ended September 30, 2020	September 30, 2019
(Rupees in thousand)				
<b>PTF</b>				
Surplus for the period	11,005	22,945	(14,741)	17,491
<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 / (loss) for the period</b>	<b>11,005</b>	<b>22,945</b>	<b>(14,741)</b>	<b>17,491</b>
<b>OPF</b>				
Profit for the period	31,013	28,418	11,505	10,313
<b>Other comprehensive (loss) / income:</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	-	-	-	(245)
<b>Total comprehensive income for the period</b>	<b>31,013</b>	<b>28,418</b>	<b>11,505</b>	<b>10,068</b>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

  
**Rashid Amin**  
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**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 nine months ended September 30, 2020

	OPF		PTF	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in thousand)			
<b>Operating activities</b>				
<b>a) Takaful activities</b>				
Contributions received	-	-	170,429	183,371
Re-takaful contributions paid	-	-	(59,621)	(25,275)
Claims paid	-	-	(73,279)	(70,663)
Re-takaful and other recoveries received	-	-	9,599	6,128
Commissions paid	(12,888)	(12,986)	-	-
Wakala fees received / (paid)	45,415	31,000	(45,415)	(31,000)
Management expenses paid	(44,175)	(10,216)	(10,425)	(17,611)
Other underwriting receipts	-	-	4,838	5,024
<b>Net cash used in takaful activities</b>	<b>(11,648)</b>	<b>7,798</b>	<b>(3,874)</b>	<b>49,974</b>
<b>b) Other operating activities</b>				
Income tax paid	(4,488)	(132)	2,123	(1,221)
<b>Net cash used in other operating activities</b>	<b>(4,488)</b>	<b>(132)</b>	<b>2,123</b>	<b>(1,221)</b>
<b>Total (used in) / cash generated from all operating activities</b>	<b>(16,136)</b>	<b>7,666</b>	<b>(1,751)</b>	<b>48,753</b>
<b>Investing activities</b>				
Profit / return received	15,878	3,000	10,460	8,469
Payments for investments	(75,000)	(96,463)	(100,000)	-
Proceeds from investments	75,956	54,197	-	-
Proceeds from sale of property and equipment	-	2,078	-	-
Fixed capital expenditure	-	(1,410)	-	-
<b>Total cash generated from investing activities</b>	<b>16,834</b>	<b>(38,598)</b>	<b>(89,540)</b>	<b>8,469</b>
<b>Total cash generated from all activities</b>	<b>698</b>	<b>(30,932)</b>	<b>(91,291)</b>	<b>57,222</b>
Cash and cash equivalents at the beginning of the period	113,520	40,186	176,021	156,766
<b>Cash and cash equivalents at the end of the period</b>	<b>114,218</b>	<b>9,254</b>	<b>84,730</b>	<b>213,988</b>

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

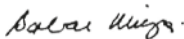
For the nine months ended September 30, 2020

	OPF		PTF	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
(Rupees in thousand)				
<b>Reconciliation to condensed interim profit and loss account</b>				
Operating cash flows	(16,136)	7,666	(1,751)	48,753
Depreciation / amortization expense	(189)	(385)	-	-
Financial charges expense	-	(13)	-	-
Provision for doubtful debts	-	-	-	-
Gain / (loss) on disposal of investments	955	(2,266)	-	-
Dividend income	-	-	-	-
Other investment income	10,659	3,807	9,473	9,505
Increase in assets other than cash	44,876	12,227	52,145	45,808
Decrease / (increase) in liabilities other than borrowings	(9,152)	7,382	(48,862)	(82,003)
<b>Other adjustments</b>				
Reversal of impairment of receivable from takaful contract holders	-	-	-	882
<b>Profit for the period</b>	<b>31,013</b>	<b>28,418</b>	<b>11,005</b>	<b>22,945</b>

The annexed notes 1 to 25 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 nine months ended September 30, 2020

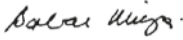
	Attributable to Operator's Fund			
	Statutory fund	Capital reserve		Total
		Investment fair value reserve	Accumulated Profit / (loss)	
	(Rupees in thousand)			
<b>Balance as at December 31, 2018 (audited)</b>	50,000	-	15,647	65,647
Profit for the nine months ended September 30, 2019	-	-	28,418	28,418
Net unrealized (loss) / gain on revaluation of available for sale investments - net of deferred tax	-	574	-	-
<b>Total comprehensive income for the period</b>	-	574	28,418	28,418
<b>Balance as at September 30, 2019 (unaudited)</b>	50,000	574	44,065	94,639
Profit for the three months ended December 31, 2019	-	-	10,452	10,452
Net unrealized gain on revaluation of available for sale investments - net of deferred tax	-	(574)	-	-
<b>Total comprehensive income for the period</b>	-	(574)	10,452	10,452
<b>Balance as at December 31, 2019 (audited)</b>	50,000	-	54,517	104,517
Profit for the nine months ended September 30, 2020	-	-	31,013	31,013
Net unrealized (loss) on revaluation of available for sale investments - net of deferred tax	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	31,013	31,013
Balance as at September 30, 2020 (unaudited)	50,000	-	85,530	135,530

	Participant's Takaful Fund (PTF)			
	Seed Money	Capital reserve		Total
		Investment fair value reserve	Accumulated (Deficit) / Surplus	
	(Rupees in thousand)			
<b>Balance as at December 31, 2018 (audited)</b>	500	-	(23,347)	(22,847)
Surplus for the nine months ended September 30, 2019	-	-	22,945	22,945
<b>Total comprehensive income for the period</b>	-	-	22,945	22,945
<b>Balance as at September 30, 2019 (unaudited)</b>	500	-	(402)	98
Surplus for the three months ended December 31, 2019	-	-	4,509	4,509
<b>Total comprehensive income for the period</b>	-	-	4,509	4,509
<b>Balance as at December 31, 2019 (audited)</b>	500	-	4,107	4,607
Surplus for the nine months ended September 30, 2019	-	-	11,005	11,005
<b>Total comprehensive income for the period</b>	-	-	11,005	11,005
<b>Balance as at September 30, 2020 (unaudited)</b>	500	-	15,112	15,612

The annexed notes 1 to 25 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 Statements (Unaudited)

For the nine months ended September 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.

### 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 nine months ended September 30, 2020 stood at Rs. 194,375 thousand with a 11% decline for the same period last year of Rs. 217,440 thousand. Surplus of Rs. 11,005 thousand was transferred to accumulated fund against Rs. 22,945 thousand in the same period last year. 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>Effective date (period beginning on or after)</b>
<b>Standards, amendments and interpretations</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, 2023
- 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	Nine months ended - September 30, 2019	Three months ended - September 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".	50,952	15,905
(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".	52,198	17,764
(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.	2,874	1,646

## 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.

	<u>Note</u>	<u>September 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>
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### 7. Property and equipment - OPF

Operating assets - tangible	7.1	1,051	1,240
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7.1 The breakup of operating assets as at the period / year end is given below:

	<u>Note</u>	<u>September 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>
Computers equipment		32	41
Vehicles		1,019	1,199
		1,051	1,240

7.2 Movement of property and equipment during the period / year:

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)	7.4	-	(2,078)
Depreciation charged for the period / year		(189)	(249)
		(189)	(2,327)
Closing book value		1,051	1,240

### 7.3 Additions during the period / year

Computers equipment		-	-
Vehicles		-	1,410
		-	1,410

### 7.4 Disposals during the period / year

Computers equipment		-	114
Vehicles		-	1,964
		-	2,078

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

## 8. Investments in term deposits

### Held to maturity

Deposits maturing within 12 months

-	25,000	100,000	155,000
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## 9. Cash and bank

### Cash at bank

Current and Saving accounts

9.1	114,218	88,520	84,730	21,021
	114,218	88,520	84,730	21,021

9.1 The rate of profit and loss sharing accounts range from 3% to 11.57% (2019: 3.85% to 9.99%) per annum, depending on the size of average deposits.

## 10. Contingencies and commitments

### 10.1 Contingencies

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

### 10.2 Commitments

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

	September 30, 2020 (Unaudited) (Rupees in thousand)	December 31, 2019 (Audited) (Rupees in thousand)
Not later than one year	5,966	11,325
Later than one year and not later than five years	1,684	10,614
	7,650	21,939

Note	PTF			
	Nine months ended		Three months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019

## 11. Net takaful contribution

Written gross contribution	194,375	217,440	65,193	64,146
Less: Wakala fee	(43,657)	(50,952)	(15,717)	(15,905)
Contribution earned net of wakala fee	150,718	166,488	49,476	48,241
Add: Unearned contribution reserve - opening	127,278	106,254	119,034	131,354
Less: Unearned contribution reserve - closing	(118,262)	(126,001)	(118,262)	(126,001)
Contribution earned	159,734	146,741	50,248	53,594
Less: Retakaful contribution ceded	75,036	59,054	28,996	23,256
Add: Prepaid retakaful contribution - opening	24,739	18,775	21,945	20,139
Less: Prepaid retakaful contribution - closing	(27,607)	(25,631)	(27,607)	(25,631)
Retakaful expense	72,168	52,198	23,334	17,764
	87,566	94,543	26,914	35,830

**12. Net rebate on retakaful**

Retakaful rebate received  
 Add: Retakaful rebate - opening  
 Less: Retakaful rebate - closing  
 Net retakaful rebate

PTF			
Nine months ended		Three months ended	
September 30,	September 30,	September 30,	September 30,
2020	2019	2020	2019
(Rupees in thousand)			
8,547	8,891	3,565	2,899
4,339	3,695	3,891	3,790
(4,758)	(4,492)	(4,758)	(3,943)
8,128	8,094	2,698	2,746

**13. Net takaful claims expense**

Claims paid  
 Add: Outstanding claims including IBNR - closing  
 Less: Outstanding claims including IBNR - opening  
 Claims expense

73,279	70,663	31,828	28,010
72,760	46,546	72,760	46,546
(51,704)	(34,065)	(50,598)	(48,410)
94,335	83,144	53,990	26,146

6,885	4,446	4,468	1,817
16,647	14,210	16,647	14,211
(9,581)	(7,149)	(10,696)	(11,632)
13,951	11,507	10,419	4,396

80,384	71,637	43,571	21,750
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**14. Wakala fee / expense**

Gross wakala fee / expense  
 Add: Deferred wakala expense / unearned wakala fee - opening  
 Less: Deferred wakala expense / unearned wakala fee - closing

53,283	41,141	18,174	11,327
22,309	33,715	29,478	28,482
(31,935)	(23,904)	(31,935)	(23,904)
43,657	50,952	15,717	15,905

**15. Commission expense**

Commission paid / payable  
 Add: Deferred commission expense - opening  
 Less: Deferred commission expense - closing  
 Net commission expense

OPF			
Nine months ended		Three months ended	
September 30,	September 30,	September 30,	September 30,
2020	2019	2020	2019
(Rupees in thousand)			
12,553	15,770	4,444	4,890
8,530	6,997	7,262	8,692
(7,368)	(8,734)	(7,368)	(8,734)
13,715	14,033	4,338	4,848

**16. Investment income / (loss)****Operator's Fund**

- Dividend income  
 - Profit on bank deposits for the period  
 - Profit on term deposits

OPF		PTF	
September 30,	September 30,	September 30,	September 30,
2020	2019	2020	2019
(Rupees in thousand)			
-	499	-	-
10,218	3,309	7,119	9,505
1,397	-	5,512	-
11,615	3,808	12,631	9,505

-	(2,266)	-	-
11,615	1,542	12,631	9,505

**Available for sale financial assets**

Realized losses on  
 - Equity securities

## 17. 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>September 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	278	279	
		<b>Nine months ended</b>		
		<u>September 30,</u> 2020 (Rupees in thousand)	<u>September 30,</u> 2019	
	<b>Transactions during the period</b>			
	Contribution underwritten	245	-	
	Contribution collected	279	-	
<b>Associated companies</b>	<b>Period / year end balances</b>			
	Provision for outstanding claims	432	238	
	Due from takaful participant holders	276	90	
		<b>Nine months ended</b>		
		<u>September 30,</u> 2020 (Rupees in thousand)	<u>September 30,</u> 2019	
		<b>Transactions during the period</b>		
		Contribution underwritten	3,405	2,786
		Contribution collected	3,991	2,947
		Claims paid	2,000	555
		Dividend received	-	449
	Investment purchased	75,000	97,272	
	Investment sold	75,956	54,197	
<b>Post employment benefit plans</b>	<b>Transactions during the period</b>			
	Contributions in respect of retirement benefit plans	235	144	
<b>Key management personnel</b>	<b>Period / year end balances</b>			
	Provision for outstanding claims	-	45	
		<b>Nine months ended</b>		
		<u>September 30,</u> 2020 (Rupees in thousand)	<u>September 30,</u> 2019	
		<b>Transactions during the period</b>		
	Contribution underwritten	3	4	
	Contribution collected	-	5	
	Claims paid	69	-	





	(Unaudited) Three months ended September 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)	16,815	14,022	5,213	4,570	53,175	54,569	(72)	718	75,131	73,879
Less: Federal Excise Duty	1,973	1,544	535	463	6,800	7,008	(12)	90	9,296	9,105
Federal Insurance Fee	136	107	46	41	464	474	(1)	6	645	628
Gross written contribution (inclusive of administrative surcharge)	14,706	12,371	4,632	4,066	45,911	47,087	(59)	622	65,190	64,146
Gross direct contribution	13,214	10,507	4,388	3,880	44,717	46,066	(52)	595	62,267	61,048
Facultative inward contribution	1,230	1,661	41	-	62	20	-	-	1,333	1,681
Administrative surcharge	262	203	203	186	1,132	1,001	(7)	27	1,590	1,417
	14,706	12,371	4,632	4,066	45,911	47,087	(59)	622	65,190	64,146
Wakala fees	(3,183)	(2,466)	(1,606)	(1,000)	(10,569)	(12,033)	(360)	(406)	(15,718)	(15,905)
Takaful Contribution earned	10,217	8,414	4,579	4,009	49,848	55,850	1,322	1,226	65,966	69,499
Takaful contribution ceded to retakaful	(8,830)	(7,646)	(4,671)	(3,253)	(8,693)	(6,601)	(1,140)	(264)	(23,334)	(17,764)
Net takaful contribution	(1,796)	(1,698)	(1,698)	(244)	30,586	37,216	(178)	556	26,914	35,830
Retakaful rebate	1,431	1,550	912	714	228	362	127	120	2,698	2,746
Net underwriting income	(365)	(148)	(786)	470	30,814	37,578	(51)	676	29,612	38,576
Takaful claims	(5,641)	(1,386)	(4,531)	1,550	(42,524)	(24,765)	(1,294)	2,086	(53,990)	(22,515)
Takaful claims recovered from retakaful	5,023	1,190	4,078	(660)	1,317	235	1	-	10,419	765
Net claims	(618)	(196)	(453)	890	(41,207)	(24,530)	(1,293)	2,086	(43,571)	(21,750)
Contribution deficiency expense	-	-	-	-	-	-	-	-	-	-
Direct expenses	(53)	(9)	(6)	(4)	(3,234)	(3,890)	14	(1)	(3,279)	(3,904)
<b>Surplus / deficit before investment income</b>	<b>(1,036)</b>	<b>(353)</b>	<b>(1,245)</b>	<b>1,356</b>	<b>(13,627)</b>	<b>9,158</b>	<b>(1,330)</b>	<b>2,761</b>	<b>(17,238)</b>	<b>12,922</b>
Investment income									3,329	6,215
Modarib's share of investment income									(832)	(1,646)
Finance cost									-	-
<b>Surplus transferred to balance of PTF</b>									<b>(14,741)</b>	<b>17,491</b>

## 18.2 Operator's Fund (OPF)

	(Unaudited) Nine months ended September 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	8,577	6,907	4,505	3,980	29,476	38,819	1,099	1,246	43,657	50,952
Commission expense	(3,981)	(3,164)	(1,851)	(2,004)	(7,631)	(8,616)	(252)	(249)	(13,715)	(14,033)
General, administrative and management expenses	(1,523)	(1,182)	(646)	(610)	(7,104)	(7,607)	(197)	(174)	(9,470)	(9,573)
	3,073	2,561	2,008	1,366	14,741	22,596	650	823	20,472	27,346
Investment income									8,457	(1,332)
Modarib's share of PTF investment income									3,158	2,874
Direct expenses									(1,074)	(470)
<b>Profit before tax</b>									<b>31,013</b>	<b>28,418</b>
	September 30, December 31,									
	2020 2019									
	(Unaudited) (Audited)									
	(Rupees in thousands)									
Segment assets	8,991	3,089	3,730	1,539	40,999	18,473	1,136	464	54,856	23,565
Unallocated assets									123,634	114,761
									<b>178,490</b>	<b>138,326</b>
Segment liabilities	7,041	4,433	2,922	2,208	32,108	26,503	889	665	42,960	33,809
Unallocated liabilities									-	-
									<b>42,960</b>	<b>33,809</b>

	(Unaudited) Three months ended September 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	3,183	2,466	1,606	1,000	10,569	12,033	360	406	15,718	15,905
Commission expense	(1,370)	(1,168)	(643)	(554)	(2,259)	(3,039)	(66)	(87)	(4,338)	(4,848)
General, administrative and management expenses	(760)	(470)	(265)	(153)	(2,682)	(1,737)	(15)	(20)	(3,722)	(2,380)
	1,053	828	698	293	5,628	7,257	279	299	7,658	8,677
Investment income									3,604	(1,332)
Modarib's share									832	3,006
Other expenses									(589)	(38)
<b>Profit before tax</b>									<b>11,505</b>	<b>10,313</b>

## 19. 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.

## 20. Movement in investment - OPF

	Available for sale	Held to maturity	Total
	(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	-	330,000	330,000
Disposals (sale and redemptions)	-	(385,000)	(385,000)
<b>As at end of current period</b>	-	100,000	100,000

## 21. 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.

## 22. Subsequent events - non adjusting event

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

## 23. 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.

## 24. Date of authorization for issue

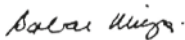
These condensed interim financial statements were authorized for issue on October 23, 2020 by the Board of Directors of the Operator.

## 25. 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

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SYED NASIR HUSSAIN Vice President Reinsurance	Extension:	715
MUHAMMAD AASIM GUL Compliance Officer	Extension:	744
SALEEM MEHMOOD Chief Internal Auditor	Extension:	737

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## FAISALABAD

MUHAMMAD ASIF AKRAM  
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