



Quarterly Report September 30,

2021

تکافل

TAKAFUL

Window Operation

2021

Cotents

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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
(Subject to the approval from SECP)

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

Muhammad Aasim Gul
Member

Muhammad Afzal
Secretary

Underwriting, Reinsurance & Co-Insurance Committee

Ali H. Shirazi
Chairman

Babar Mahmood Mirza
Member

Rashid Amin
Member

Syed Nasir Hussain
Member

Syed Irtiza Kazmi
Secretary

Claims Settlement Committee

Frahim Ali Khan
Chairman

Babar Mahmood Mirza
Member

Muhammad Aasim Gul
Member

Muhammad Saeed
Member

Athar Maqsood Paracha
Secretary

Company Information

Risk Management & Compliance Committee

Babar Mahmood Mirza
Chairman

Rashid Amin
Member

Muhammad Aasim Gul
Member

Muhammad Saeed
Member

Athar Maqsood Paracha
Secretary

Information Technology (IT) Committee

Babar Mahmood Mirza
Chairman

Rashid Amin
Member

Muhammad Aasim Gul
Member

Abdul Razzaq Ghauri
Member

Wasim Ahmed
Secretary

Management Committee

Babar Mahmood Mirza
Chief Executive Officer

Rashid Amin
GM Underwriting & Compliance

Abbas Sajjad
General Manager Sales & Marketing

Muhammad Aasim Gul
Chief Financial Officer

Muhammad Saeed
General Manager Claims

Qudsia Naheed
General Manager HR & Admin

Abdul Razzaq Ghauri
Head of IT

Syed Irtiza Kazmi
Head of Underwriting

Syed Nasir Hussain
Head of Reinsurance

Shariah Advisor

Mufti Zeeshan Abdul Aziz

Head of Compliance

Rashid Amin

Auditors

EY Ford Rhodes
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, 2021.

The Economy

The recovery in Pakistan's economy has gained further traction led by the robust growth in manufacturing sector and uninterrupted activity in the services sector. The rebound in economic activity is also supported by the strength of a variety of demand indicators such as power consumption, cement dispatches, automobile sales volume, and sales of retail fuel. In agriculture, the decline in the area under cultivation of cotton is expected to be compensated by an increase in area for rice, maize, and sugarcane. Large Scale Manufacturing (LSM) registered strong growth in June before moderating in August to 2.2 percent in line with typical seasonal patterns. However, this strong recovery in domestic demand, coupled with spike in global commodity prices, has led to a large import bill and a hefty Current Account Deficit (CAD) which has widened to USD 1.5 billion in August 2021 after clocking in at USD 800 million in the previous month. The central bank appears inclined to better manage the mounting pressure on the Balance of Payment (BoP), emanating from widening CAD. It has let the PKR reflect its fundamental value with more than 10% devaluation of the Pak Rupee versus USD since May 2021. In addition to this, considering the pace of economic recovery, the SBP has decided to raise the Policy Rate by 25 basis points to 7.25% on September 20th. Despite external account pressures, SBP foreign exchange reserves closed at USD 19.5 billion at the end of September 2021.

On fiscal operation the Federal Board of Revenue (FBR) has collected Rs. 1,391 billion during July-September 2021 against the target of Rs. 1,211 billion, reflecting a massive 38% growth on a year-on-year basis. This is largely attributed to the growth cycle and heavy imports. On COVID -19 front, the strategy of smart and targeted lockdowns has worked well as infection ratio in the country has fallen below 3%. Remittances for the first quarter FY22 remained strong clocking in at USD 8.034 billion against USD 7.143 billion of the corresponding quarter, growing by 12% on YoY basis, while the exports also performed reasonably well. The vaccination drive has picked-up pace and majority of population is expected to get immunized in the next few months which is expected to mitigate the risk of any significant disruption to the economic activity going forward. Negotiations with the IMF for the sixth review of the EFF will begin in October. The large currency devaluation under flexible exchange rate regime, beginning of monetary tightening cycle and recent increase in PDL ahead of negotiation shows the intent of the government for resumption of stalled IMF program.

During the last few weeks, the stock market has been under severe selling pressure. Despite attractive market fundamentals, during CY21 through September 30th, the benchmark KSE-100 Index has delivered a modest 3% return as investors were unnerved by the developments in the neighboring Afghanistan with the hasty withdrawal of US forces.

The Company

Your Company performed well during the period under review. Gross premium along with contribution from Takaful operation for the nine months period ended September 30, 2021 was at Rs. 3.405 billion against Rs. 2.604 billion for the same period last year, up 31%. Net premium was Rs. 1.309 billion against Rs. 1.013 billion in the corresponding period last year, up 29%. Underwriting profit increased by 36% to Rs. 548.92 million compared to Rs. 404.49 million of the same period last year (SPLY) due to prudent underwriting. The Company earned investment

income of Rs. 201.53 million against Rs. 155.70 million of SPLY. Profit before tax was Rs. 805.13 million against Rs. 610.38 million of SPLY, up 32% mainly due to improved income from core business. After providing for tax, the profit after tax stood at Rs. 563.59 million, up 32% compared to Rs. 427.26 million of the corresponding period last year.

Future Outlook

The recent currency devaluation is unlikely to derail the ongoing growth momentum owing to resilient consumer demand. However, the recent turnaround in geopolitical dynamics in neighboring countries can have an important bearing on the domestic economy. Further, the increase in commodity prices all over the world continue to exert inflationary pressures. The rising import bills will continue to be a challenge for the current account. The central bank seems prepared to better manage the pressure on the Balance of Payment using exchange rate as first line of defence. Furthermore, to curb imports of luxury items, the SBP has imposed 100% cash margin requirement and the government has levied regulatory duties on non-essential imported items. If remittances and government's supportive measures for exports remain stabilized, the current account can be contained to a manageable range.

With business activity continuing to pick up and COVID-19 restrictions being relaxed, the insurers are looking to capitalize on the innovations they implemented during the pandemic in terms of going virtual and digital. Even though the industry as a whole may have adapted remarkably well to the extraordinary challenges raised during the past 18 months, there is still much work to be done over the rest of this year and into 2022. Most engagement with policyholders via agents, brokers, and claims surveyors had to go virtual due to the pandemic, but with COVID-19 restrictions being eased across the country, the insurers will be reassessing the value of face-to-face interactions and considering how customer preferences might have changed long term. As society gradually returns to normal and the economic recovery gathers momentum the insurers should be looking to build on the foundation of innovation and adaptability that helped transform their operating models, talent structure, and customer experience in response to the COVID-19 outbreak. They must retain their focus on new and ever-evolving customer needs and become more agile in their thinking and operations. Your Company is well equipped to seize the emerging opportunities arising out of growing economic prospects. In achieving its objectives, Atlas Way will continue to be the driving force:

سے ہے جتنو کہ خوب سے ہے خوب تر کہاں

(Always strive for the better)

Acknowledgement

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



Iftikhar H. Shirazi

کرنسی کی قدر میں ہونے والی حالیہ کمی کے باوجود صارفین کی جانب سے طلب کے تحت رہنما کے سبب ترقی کی رفتار میں کمی کا کوئی امکان نہیں ہے۔ تاہم، پڑوسی ممالک میں ہونے والی جغرافیائی سیاست میں حالیہ تبدیلیاں معیشت پر اہم اثر ڈال سکتی ہے۔ مزید یہ کہ پوری دنیا میں اشیاء کی قیمتوں میں اضافہ افراط زر کے دباؤ کو جاری رکھے ہوئے ہے۔ کرنٹ اکاؤنٹ کے لیے بڑھتے ہوئے درآمدی بل ایک چیلنج بنے رہیں گے۔ سینٹرل بینک اس صورت حال پر قابو پانے کے لیے پہلی کوشش کے طور پر تبادلہ کی شرح کو استعمال کرتے ہوئے ادائیگی کے توازن پر دباؤ کو بہتر طریقے سے سنبھالنے کے لیے تیار دکھائی دیتا ہے۔ مزید برآں، بگڑی اشیاء کی درآمد کو روکنے کے لیے اسٹیٹ بینک نے 100 فیصد کمیشن مارجن کی شرط عائد کی ہے اور حکومت نے غیر ضروری درآمدی اشیاء پر ریگولیٹری ڈیوٹی عائد کی ہے۔ اگر برآمدات کے لیے ترسیلات زر اور حکومت کے معاون اقدامات مستحکم رہتے ہیں تو، کرنٹ اکاؤنٹ کو قابل انتظام حد تک کنٹرول میں رکھا جاسکتا ہے۔

کوویڈ 19 کی پابندیوں میں ہونے والی کمی اور کاروباری سرگرمیوں میں جاری بہتری کے ساتھ انشوررز ان تمام ڈیجیٹل اور وچول جدتوں سے مستفید ہونے کے لیے منتظر ہیں، جو اس پابندی کی مدت کے دوران انہوں نے استعمال کی ہیں۔ اگرچہ انڈسٹری نے بحیثیت مجموعی گزشتہ 18 مہینوں کے دوران درجہ نشانی غیر معمولی حالات اور مسائل کا نہایت جانفشانی کے ساتھ سامنا کیا ہے لیکن پھر بھی اس سال کی باقی مدت اور آئندہ سال 2022 میں بہت سے اہم اقدامات اٹھانے اور اہم امور انجام دینے کی ضرورت باقی ہے۔ عالمی وبائی مرض کے سبب اینجینس، بروکرز اور کلیم سروے کرنے والے افراد کی پالیسی ہولڈرز کے ساتھ بات چیت اور روابط وچول رہے لیکن اب ملک بھر میں کوویڈ 19 کی پابندیوں میں نرمی کے سبب انشوررز زور و بات چیت کی قدر کا دوبارہ جائزہ لیں گے اور اس بات پر غور کریں گے کہ کسٹمری ترجیحات طویل مدتی کیسے بدل سکتی ہیں۔ جیسے جیسے معاشرہ اپنی پرانی ڈگریٹ پر لوٹ رہا ہے اور معاشی بحالی کی رفتار بڑھ رہی ہے، انشورنس کمپنیوں کو چاہئے کہ اپنے آپریٹنگ ماڈل، ٹیلنٹ اسٹریکچر اور کسٹمر کے ساتھ تجربے کی تعمیر نو اس جدت اور موافقت کے ساتھ کریں، جس کا مشاہدہ کوویڈ 19 کے پھیلاؤ کے دوران کیا گیا۔ کسٹمر کی نئی اور مستقل تبدیلیاں ہوتی ضروریات پر توجہ مرکوز کریں اور اپنی سوچ اور آپریشنز میں مزید جانفشانی کا مظاہرہ کریں۔ آپ کی کمپنی بڑھتے ہوئے معاشی امکانات میں ابھرتے ہوئے مواقعوں سے مستفید ہونے کے لیے پوری طرح تیار ہے اور اٹلس وے کے اصول اس سلسلے میں کمپنی کو مستحکم بنیاد فراہم کرتے ہیں:

سے ہے جستجو کہ خوب سے ہے خوب تر کہاں

اظہار تشکر

میں اس موقع پر بورڈ آف ڈائریکٹرز، چیف ایگزیکٹو آفیسر جناب بابر محمود مرزا، اور ان کی ٹیم کی کاوشوں، لگن اور غلوص کا تہ دل سے مشکور ہوں۔ اس کے ساتھ میں اپنے تمام ری انشوررز، معزز کلائنٹس، بینکوں اور سٹیٹ ایڈیٹریٹس کی سہولتوں اور پاکستان کا مسلسل تعاون اور رہنمائی فراہم کرنے پر بھی شکریہ ادا کرتا ہوں۔

Shiraz

انجیر راج شہزادی

چیئر مین کی جانب سے جائزہ

میں نہایت مسرت کے ساتھ 30 ستمبر 2021 کو ختم ہونے والی سرمایہ کے لیے کمپنی کی غیر پڑتال شدہ معلومات پیش کر رہا ہوں۔

معیشت

مینیوفیکچرنگ سیکٹر میں مضبوط ترقی اور سروس سیکٹر میں بلا تھقل سرگرمی کی وجہ سے پاکستان کی معیشت میں بہتری آئی ہے۔ معاشی سرگرمیوں میں اضافے کو مختلف طلب کے اشارے جیسے کہ بجلی کی کھپت، سیمنٹ کی ترسیل، گاڑیوں کی فروخت کا حجم، اور پرجون ایندھن کی فروخت سے بھی مدد ملتی ہے۔ زراعت میں، کپاس کے زیر کاشت رقبے میں کمی کی توقع چاول، بکئی اور گنے کے رقبے میں اضافے سے کی جائے گی۔ بڑے پیمانے پر مینیوفیکچرنگ (LSM) نے اگست میں اعتماد کے ساتھ 2.2 فیصد ترقی کی، اس سے پہلے جون میں مضبوط نمودار کی تھی جو کہ عام موسمی اتار چڑھاؤ کے مطابق تھی۔ تاہم، گھریلو طلب میں یہ مضبوط بحالی، ایشیا کی عالمی قیمتوں میں اضافے کے ساتھ، بڑے درآمدی بل اور بھاری کرنٹ اکاؤنٹ خسارہ (CAD) کا باعث بنی ہے جو کہ اگست 2021 میں بڑھ کر 1.5 بلین امریکی ڈالر تک پہنچ گئی ہے جو کہ پچھلے مہینے میں 800 ملین ڈالر تھا۔ سینٹرل بینک پینک پیلیس آف بیلنس آف پورٹ (BoP) پر بڑھتے ہوئے دباؤ کو بہتر طریقے سے سنبھالنے کی طرف مائل دکھائی دیتا ہے، جو کہ CAD کے بڑھنے سے پیدا ہوا ہے۔ ان تمام وجوہات کی وجہ سے مئی 2021 سے اب تک امریکی ڈالر کے مقابلے میں پاکستانی روپے کی 10 فیصد سے زائد کمی ہوئی ہے۔ اس کے علاوہ معیشت کی بحالی کے پیش نظر اسٹیٹ بینک آف پاکستان نے 20 ستمبر 2021 کو پالیسی کی شرح کو 0.25 فیصد سے بڑھا کر 7.25 فیصد کر دیا۔ بیرونی اکاؤنٹ کے دباؤ کے باوجود، اسٹیٹ بینک کے زرمبادلہ کے ذخائر ستمبر 2021 کے اختتام پر 19.5 بلین ڈالر پر بند ہوئے۔

مالی آپریشن پر فیڈرل بورڈ آف ریونیو (ایف بی آر) نے جولائی تا ستمبر 2021 کے دوران 1211 ارب روپے کے ہدف کے مقابلے میں 1391 ارب روپے اکٹھے کیے ہیں، جو کہ سالانہ بنیادوں پر 38 فیصد بڑے پیمانے پر اضافے کی عکاسی کرتا ہے۔ اس کی بڑی وجہ ترقی کا عمل اور بھاری درآمدات ہیں۔ کوویڈ 19 کے محاذ پر سہارا اور ٹارگٹڈ لاک ڈاؤن کی حکمت عملی نے اچھا کام کیا ہے کیونکہ ملک میں انفلیکشن کا تناسب 3 فیصد سے نیچے آ گیا ہے۔ مالی سال 22 کی پہلی سہ ماہی کے لیے ترسیلات زر 8.034 بلین ڈالر رہی جو کہ اسی سہ ماہی کے 7.143 بلین ڈالر کے مقابلے میں سالانہ بنیادوں پر 12 فیصد بڑھ گئی، ساتھ ہی ساتھ درآمدات نے بھی مناسب کارکردگی کا مظاہرہ کیا۔ ڈیسٹینیشن مہم میں تیزی آئی ہے اور توقع ہے کہ آئندہ چند مہینوں میں آبادی کی اکثریت کو حفاظتی ٹیکے لگائے جائیں گے جس سے مستقبل میں معاشی سرگرمیوں میں کسی خاص رکاوٹ کے خطرے کو کم کرنے کی توقع ہے۔ آئی ایم ایف کے چھٹے جائزے کے لیے آئی ایم ایف کے ساتھ مذاکرات اکتوبر میں شروع ہوں گے۔ گلڈار اکنامکس ریٹ کی پالیسی کے تحت کرنسی کی قدر میں بڑی کمی، مالیاتی سختی کے چکر کا آغاز اور مذاکرات سے قبل پی ڈی ایل میں حالیہ اضافہ آئی ایم ایف کے ہونے پر وگرام کو دوبارہ شروع کرنے کے لیے حکومت کے ارادے کو ظاہر کرتا ہے۔

گزشتہ چند مہینوں کے دوران سٹاک مارکیٹ میں فروخت کی شدت کے باعث دباؤ میں ہے۔ پرنکس مارکیٹ کے بنیادی اصولوں کے باوجود، CY21 کے دوران 30 ستمبر تک، شیخ ہارک KSE-100 انڈیکس نے معمولی 3 فیصد منافع دیا ہے کیونکہ امریکی افواج کی پڑوسی ملک افغانستان سے جلد بازی میں انخلاء کے سبب سرمایہ کاروں میں بے چینی پائی جاتی تھی۔

کمپنی

آپ کی کمپنی نے زیر جائزہ مدت کے دوران اچھی کارکردگی کا مظاہرہ کیا۔ 30 ستمبر 2021 کو ختم ہونے والی نو ماہ کی مدت کے لیے نکالنے پر آپریشن کی شراکت کے ساتھ مجموعی پریمیم 3.405 بلین روپے تھا جو گزشتہ سال کی اسی مدت کے 2.604 بلین روپے کے مقابلے میں 31 فیصد زیادہ ہے۔ نیٹ پریمیم 1.309 بلین روپے تھا جو گزشتہ سال کے اسی عرصے میں 1.013 بلین روپے تھا جو 29 فیصد زیادہ ہے۔ انڈر رائٹنگ منافع 36 فیصد بڑھ کر 548.92 بلین روپے ہو گیا جبکہ پچھلے سال کی اسی مدت میں 404.49 بلین روپے تھا، جس کی وجہ بہترین انڈر رائٹنگ ہے۔ کمپنی نے گزشتہ سال کی اسی مدت کے 155.70 بلین روپے کے مقابلے میں 201.53 بلین روپے کی سرمایہ کاری کی آمدنی حاصل کی۔ ٹیکس سے پہلے کا منافع 805.13 بلین روپے تھا جو گزشتہ سال کی اسی مدت کے 610.38 بلین روپے کے مقابلے میں 32 فیصد زیادہ تھا جس کی بنیادی وجہ بنیادی کاروبار سے بہتر آمدنی تھی۔ ٹیکس کی فراہمی کے بعد، ٹیکس کے بعد منافع 563.59 بلین روپے رہا جو گزشتہ سال کے اسی عرصے کے 427.26 بلین روپے کے مقابلے میں 32 فیصد زیادہ 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, 2021.

	<u>September 30,</u> 2021	<u>September 30,</u> 2020
(Rupees in thousand)		
The overall business figures are:		
Net premium	1,309,449	1,012,682
Net claims	420,844	306,340
Investment and other income	236,020	190,398
Net commission	130,594	126,507
Expenses of management	470,281	428,356
Financial results are as follows:		
Profit before tax	805,133	610,377
Less: Provision for taxation	241,540	183,113
Profit after tax	<u>563,593</u>	<u>427,264</u>

Contribution of Rs. 275.834 million (2020: Rs. 194.375 million) was written in Participants' Fund account during the period ended September 30, 2021.

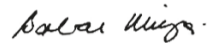
Chairman's Review:

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 27, 2021

ڈائریکٹرز کی جانب سے جائزہ

ڈائریکٹرز نہایت مسرت کے ساتھ 30 ستمبر 2021 کو ختم ہونے والی مدت کے لیے کمپنی کی سرمایہ رپورٹ بمعہ غیر پڑتال شدہ مالیاتی حسابات پیش کر رہے ہیں۔

30 ستمبر 2020
30 ستمبر 2021
(روپے '000 میں)

مجموعی کاروباری اعداد و شمار یہ ہیں:

1,012,682	1,309,449	خالص پربیم
306,340	420,844	خالص کلیمز
190,398	236,020	سرمایہ کاری اور دیگر ذرائع سے حاصل آمدنی
126,507	130,594	خالص کمیشن
428,356	470,281	انتظامی امور کے اخراجات

مالیاتی نتائج درج ذیل ہیں:

610,377	805,133	قبل از ٹیکس منافع
183,113	241,540	کم: ٹیکس تصرفات
427,264	563,593	بعد از ٹیکس منافع

30 ستمبر 2021 کو مکمل ہونے والی مدت کے دوران 275.834 ملین روپے (2020: 194.375 ملین روپے) کی کنٹری بیوشن پارٹیشنمنٹس فنڈ اکاؤنٹ میں تحریر کی گئی۔

چیئرمین کی جانب سے جائزہ

چیئرمین کا جائزہ اس مدت کے دوران کمپنی کی کارکردگی اور مستقبل کے خدوخال کو ظاہر کرتا ہے۔ کمپنی کے ڈائریکٹرز اس رپورٹ کی مندرجات کی توثیق کرتے ہیں۔ ہم اپنے معزز کسٹمرز، بینکرز، ری انشوررز اور سکیورٹیز اینڈ اینجینج کمیشن آف پاکستان کے تعاون پر تہ دل سے شکر گزار ہیں۔ ہم کمپنی کے آفیسرز اور اسٹاف کی وقف کردہ خدمات کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

Balraj Mittal

بابر محمود مرزا

چیف ایگزیکٹو

لاہور: 27 اکتوبر 2021

Pattern of Shareholding

As at September 30, 2021

Number of shareholders	Shareholding		Shares held
	From	To	
247	1	100	5,951
171	101	500	50,062
110	501	1000	85,830
310	1001	5000	814,575
122	5001	10000	887,171
59	10001	15000	739,683
44	15001	20000	784,780
18	20001	25000	404,746
6	25001	30000	170,889
22	30001	35000	720,236
13	35001	40000	492,318
8	40001	45000	339,777
5	45001	50000	236,216
5	50001	55000	269,290
4	55001	60000	232,887
4	65001	70000	270,358
3	70001	75000	217,927
3	75001	80000	230,201
3	80001	85000	252,976
1	85001	90000	90,000
2	90001	95000	187,779
6	95001	100000	583,847
2	100001	105000	202,638
1	105001	110000	107,000
1	110001	115000	112,125
1	115001	120000	116,842
1	135001	140000	137,571
2	140001	145000	282,422
1	155001	160000	157,954
1	160001	165000	165,000
2	165001	170000	339,418
1	170001	175000	172,000
2	175001	180000	359,665
1	180001	185000	181,102
2	190001	195000	384,026
2	195001	200000	400,000
1	205001	210000	205,700
1	210001	215000	213,931
1	215001	220000	220,000
1	245001	250000	246,749
1	310001	315000	314,000
1	315001	320000	317,007
1	440001	445000	441,650
1	445001	450000	450,000
1	475001	480000	476,740
1	495001	500000	500,000
1	1640001	1645000	1,643,606
1	2335001	2340000	2,335,101
1	2390001	2395000	2,394,486
1	63950001	63955000	63,951,038
			<u>84,895,270</u>
			<u>1,200</u>

Shareholders' Information

As at September 30, 2021

Categories of Shareholders	Shares held	Percentage
Director, Chief Executive and their spouse and minor children	39,221	0.05%
Associated Companies, undertakings and related parties	66,286,140	78.08%
NIT and ICP	94	-
Banks, Development Finance Institutions Non-Banking Financial Institutions	476,740	0.56%
Insurance Companies	2,588,086	3.05%
Modaraba and Mutual Funds	-	-
Shareholders holding 5% and above	63,951,038	75.33%
General Public :		
a. Local	13,733,106	16.18%
b. Foreign	-	-
Others :		
Joint Stock Companies	49,108	0.06%
Others	1,722,775	2.03%

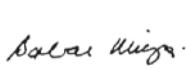
Condensed Interim Statement of Financial Position (Unaudited)

As at September 30, 2021

	Note	September 30, 2021 (Unaudited) (Rupees in thousand)	December 31, 2020 (Audited)
Assets			
Property and equipment	7	149,866	159,789
Investments			
Equity securities	8	5,522,034	5,643,357
Debt securities	9	297,242	436,058
Term deposits		-	150,000
Loan and other receivables		55,049	22,029
Insurance / reinsurance receivables		630,180	311,009
Reinsurance recoveries against outstanding claims	15	849,444	1,087,723
Salvage recoveries accrued		8,376	8,627
Retirement benefits		7,475	9,266
Deferred commission expense / acquisition cost	16	113,059	92,418
Taxation - provision less payment		7,861	11,220
Prepayments		878,814	652,126
Cash and bank	10	740,767	882,778
		9,260,167	9,466,400
Total assets from window takaful operations - Operator's fund		252,630	195,345
Total assets		9,512,797	9,661,745
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	11	848,953	848,953
Reserves	12	2,818,778	3,277,641
Unappropriated profits		567,958	648,633
Total equity		4,235,689	4,775,227
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	15	1,200,911	1,412,100
Unearned premium reserves	14	1,682,510	1,197,061
Unearned reinsurance commission	16	202,700	138,404
Deferred taxation		627,115	833,774
Premium received in advance		42,621	137,351
Borrowings	13	61,742	73,016
Insurance / reinsurance payable		718,777	511,309
Other creditors and accruals		678,240	537,097
Taxation - provision less payment		-	-
Total liabilities		5,214,616	4,840,112
Total liabilities from window takaful operations - Operator's fund		62,492	46,406
Total equity and liabilities		9,512,797	9,661,745
Contingencies and commitments	6	-	-

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Frahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

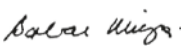
Condensed Interim Statement of Profit or Loss (Unaudited)

For the nine months ended September 30, 2021

	Note	Nine months ended September 30, 2021	September 30, 2020	Three months ended September 30, 2021	September 30, 2020
(Rupees in thousand)					
Net insurance premium	14	1,309,449	1,012,682	443,422	362,979
Net insurance claim expense	15	(420,844)	(306,340)	(151,056)	(136,018)
Net commission and other acquisition income	16	130,594	126,507	47,897	40,431
Insurance claims and acquisition expenses		(290,250)	(179,833)	(103,159)	(95,587)
Management expenses		(470,281)	(428,356)	(151,172)	(141,307)
Underwriting results		548,918	404,493	189,091	126,085
Investment income	17	201,533	155,702	48,782	29,739
Other income		34,487	34,696	11,665	10,900
Other expenses		(12,633)	(9,736)	(4,764)	(3,325)
Results of operating activities		772,305	585,155	244,774	163,399
Finance cost		(8,371)	(5,791)	(4,278)	(1,780)
Profit before tax from window takaful operations - Operator's fund	19	41,199	31,013	10,084	11,505
Profit before tax for the period		805,133	610,377	250,580	173,124
Income tax expense		(241,540)	(183,113)	(83,828)	(57,489)
Profit after tax for the period		563,593	427,264	166,752	115,635
Earnings (after tax) per share	18	6.64	5.03	1.96	1.36

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Fahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

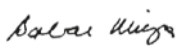
Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months ended September 30, 2021

	Nine months ended		Three months ended	
	September 30,	September 30,	September 30,	September 30,
	2021	2020	2021	2020
	(Rupees in thousand)			
Profit after tax for the period	563,593	427,264	166,752	115,635
Other comprehensive income / (loss) for the period:				
<i>Items that may be subsequently reclassified to statement of profit or loss</i>				
Un-realized loss on available for sale investments - net of deferred tax	(508,863)	415,347	(520,370)	901,678
Other comprehensive income /(loss) from window takaful operations - Operator's fund	-	-	-	-
	(508,863)	415,347	(520,370)	901,678
<i>Items that will not be subsequently reclassified to statement of profit or loss</i>				
	-	-	-	-
Other comprehensive income / (loss) for the period	(508,863)	415,347	(520,370)	901,678
Total comprehensive income for the period	54,730	842,611	(353,618)	1,017,313

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Frahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

Condensed Interim Statement of Cash Flow (Unaudited)

For the nine months ended September 30, 2021

	September 30, 2021 (Rupees in thousand)	September 30, 2020
Operating cash flows		
a) Underwriting activities		
Insurance premium received	2,767,374	1,834,269
Reinsurance premiums paid	(1,432,114)	(941,430)
Claims paid	(828,672)	(539,986)
Reinsurance and other recoveries received	397,695	161,954
Commissions paid	(182,690)	(138,383)
Commissions received	376,889	336,399
Other underwriting payments	(12,953)	(3,010)
Other underwriting receipts	30,892	21,704
Management expenses paid	(438,973)	(362,634)
Net cash generated from underwriting activities	677,448	368,883
b) Other operating activities		
Income tax paid	(238,181)	(145,370)
Other operating payments	(15,326)	(12,439)
Other operating receipts	139,308	44,252
Loan repayment received	-	3
Net cash (used in) other operating activities	(114,199)	(113,554)
Total cash generated from all operating activities	563,249	255,329
Investment activities		
Profit / return received	59,261	45,458
Dividend received	176,989	105,433
Payments for investments	(2,592,051)	(2,980,201)
Proceeds from investments	2,275,155	3,365,382
Fixed capital expenditure	(22,278)	(15,139)
Proceeds from sale of property and equipment	3,154	6,510
Total cash (used in) / generated from investing activities	(99,770)	527,443
Financing activities		
Dividends paid	(581,545)	(531,429)
Payment of lease liability against right-of-use assets	(23,945)	(18,260)
Total cash used in financing activities	(605,490)	(549,689)
Net cash (used in) / generated from all activities	(142,011)	233,083
Cash and cash equivalents at the beginning of the period	882,778	650,207
Cash and cash equivalents at the end of the period	740,767	883,290

Condensed Interim Statement of Cash Flow (Unaudited)

For the nine months ended September 30, 2021

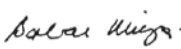
September 30, September 30,
2021 2020
(Rupees in thousand)

Reconciliation to condensed interim statement of profit or loss

Operating cash flows	563,249	255,329
Depreciation expense	(33,455)	(29,342)
Profit on disposal of property and equipment	(108)	150
Profit on disposal of investments	48,910	20,246
Other investment income	187,110	170,039
Interest expense on lease liability against right-of-use assets	(8,371)	(8,293)
Increase in assets other than cash	335,537	680,070
Increase in liabilities other than borrowings	(240,717)	(426,864)
Other adjustments		
Provision for impairment of receivable from insurance contract holders	(30,222)	(23,443)
Decrease in provision for unearned premium	(255,884)	(201,938)
(Increase) / decrease in commission income unearned	(64,296)	(35,617)
Increase / (decrease) in provision for deferred commission expense	20,641	(4,086)
Profit from window takaful operations for the period - Operator's fund	41,199	31,013
Profit after tax for the period	563,593	427,264

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
Chief Financial Officer


Babar Mahmood Mirza
Chief Executive


Ali H. Shirazi
Director


Fahim Ali Khan
Director


Iftikhar H. Shirazi
Chairman

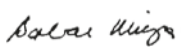
Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months ended September 30, 2021

	Attributable to equity holders of the Company					
	Issued, subscribed and paid-up share capital	Capital Reserve	Revenue Reserve		Unappropriated profit	Total
		Investment fair value reserve	General reserve	Investment fluctuation reserve		
(Rupees in thousand)						
Balance as at December 31, 2019 (audited)	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 unrealized loss on revaluation of available for sale investments - net of tax	-	415,347	-	-	-	415,347
Other comprehensive income from Window Takaful Operations (OPF)	-	-	-	-	-	-
Total comprehensive income for the Nine months 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)
Balance as at September 30, 2020 (un-audited)	848,953	1,539,538	1,192,064	3,000	425,553	4,009,108
Balance as at December 31, 2020 (audited)	848,953	2,082,577	1,192,064	3,000	648,633	4,775,227
Profit after taxation for the Nine months ended September 30, 2021	-	-	-	-	563,593	563,593
Net unrealized income on revaluation of available for sale investments - net of tax	-	(508,863)	-	-	-	(508,863)
Other comprehensive income from Window Takaful Operations (OPF)	-	-	-	-	-	-
Total comprehensive income for the Nine months ended September 30, 2021	-	(508,863)	-	-	563,593	54,730
Transferred to general reserve	-	-	50,000	-	(50,000)	-
Final dividend for the year ended December 31, 2020 @ 70% (Rs. 7.0 per share)	-	-	-	-	(594,268)	(594,268)
Balance as at September 30, 2021 (un-audited)	848,953	1,573,714	1,242,064	3,000	567,958	4,235,689

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Fahrim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended September 30, 2021

1. Legal status and nature of business

- 1.1** Atlas Insurance Limited (the Company) was incorporated as a public limited company on September 6, 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 2, 2016 by the Securities and Exchange Commission of Pakistan (SECP) under Takaful Rules, 2012 to carry on Window Takaful Operations in Pakistan.

- 1.2** COVID-19 was declared a world-wide pandemic by the World Health Organization (WHO) in March 2020. The measures to slow the impact of the virus have had a significant impact on individuals, society, business and the wider economy across the globe. The Company has not escaped its impact but has responded to the crisis by providing 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, however the business has continued smoothly. Consequently, at this stage, impact on the Company's business and results is limited. Gross premium for period ended September 30, 2021 stood at Rs. (thousand) 3,129,348 with a 30% increase from the last period of Rs. (thousand) 2,409,565 whereas net insurance premium have increased from Rs. (thousand) 1,012,682 to Rs. (thousand) 1,309,449.

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.

Potential valuation adjustments to asset / liability base, as a result of the possible impact of COVID-19 on Company's future profitability and cash flow generation, were assessed and no significant adjustments were required.

According to management's assessment, there is no material accounting impact of the effects of COVID-19 in these condensed interim financial statements.

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 31 December 2020.

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

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

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 and the recognition of certain employee retirement benefits that are measured at present value.

2.4 Functional and presentation currency

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

3. Summary of significant accounting policies

The accounting policies and methods of computation adopted in the presentation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2020, except as follows:

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

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations effective for annual period beginning on January 1, 2021, as listed below. The Company has not early-adopted any other standard, interpretation, amendment and improvement that has been issued but is not yet effective.

New Standards, Interpretations and Amendments

- | | |
|--------|--|
| IAS 1 | Presentation of Financial Statements: Definition of Material — (Amendments) |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material — (Amendments) |
| IFRS 3 | Business Combinations: Definition of Business — (Amendments) |

- IFRS 9 Financial Instruments: Interest Rate Benchmark Reform — (Amendments)
- IFRS 7 Financial Instruments Disclosures: Interest Rate Benchmark Reform— (Amendments)
- IAS 39 Financial Instruments: Recognition and Measurement: Interest Rate Benchmark Reform — (Amendments)
- IFRS 16 Covid-19-Related Rent Concessions (Amendments)
- IFRS 16 Covid-19-Related Rent Concessions beyond June 30, 2021 – Amendment to IFRS 16

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

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 3 Reference to conceptual framework — (Amendments)	January 1, 2022
IAS 16 Property, plant and equipment: Proceeds before intended use — (Amendments)	January 1, 2022
IAS 37 Onerous contracts - costs of fulfilling a contract — (Amendments)	January 1, 2022
AIP IAS 41 Taxation in fair value measurements.	January 1, 2022
AIP IFRS 9 Fees in the '10 per cent' test for derecognition of financial liabilities.	January 1, 2022
AIP IFRS 1 First-time adoption of International Financial Reporting Standard - Subsidiary as a first-time adopter	January 1, 2022
IAS 1 Classification of liabilities as current or non-current — (Amendments)	January 1, 2023
IAS 8 Definition of accounting estimates — (Amendments)	January 1, 2023
IFRS 10 & IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – (Amendment)	Not yet finalized
IAS 12 Deferred tax related to Assets and Liabilities arising from a Single Transaction — (Amendments)	January 1, 2023
IAS 1 and IFRS Practice Statement 2 Disclosure of accounting policies — (Amendments)	January 1, 2023

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

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 1, 2022. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 17 Insurance Contracts	January 1, 2023

4. Temporary exemption from application of IFRS 9

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

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

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

The Company performed an assessment of the amendments and reached the conclusion that its activities are predominantly connected with insurance as at December 31, 2020. During 2021, there had been no significant change in the activities of the Company that requires reassessment.

5. Critical accounting estimates and judgments

- 5.1** The preparation of condensed interim financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the annual audited financial statements of the Company as at and for the year ended December 31, 2020.

6. Contingencies and commitments

6.1 Contingencies

6.1.1 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 on issue of dividend and rental income 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.

6.1.2 For the tax year 2017, the Deputy Commissioner Inland Revenue (DCIR) created an additional tax demand of Rs. (thousand) 654,473. The tax demand mainly pertained to disallowances due to need of underlying evidences and disallowance of certain expenses due to non-deduction of withholding tax. CIR (A) remanded back the additions to the DCIR. The company filed an appeal before ATIR which is pending adjudication. No provision has been recognized in these condensed interim financial statements since the management believes that there are meritorious grounds that the case will be decided in favor of the Company.

6.1.3 For tax year 2005, the Tax authorities disputed the Company's treatment on certain issues disallowing expenses, creating a demand of Rs. (thousand) 70,698. 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 believes that there are meritorious grounds that the case will be decided in favor of the Company.

6.1.4 Other contingencies

Claims against the Company not acknowledged as debt

<u>September 30,</u> 2021 (Unaudited)	<u>December 31,</u> 2020 (Audited)
46,569	101,677

6.2 Commitments

6.2.1 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:

Not later than one year

Later than one year and not later than five years

<u>September 30,</u> 2021 (Unaudited)	<u>December 31,</u> 2020 (Audited)
10,591	15,002
2,893	14,066
13,484	29,068

	Note	September 30, 2021 (Unaudited) (Rupees in thousand)	December 31, 2020 (Audited)
7. Property and equipment			
Operating assets	7.1	90,996	87,190
Right-of-use asset	7.5	58,870	72,599
		<u>149,866</u>	<u>159,789</u>

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

	Note	September 30, 2021 (Unaudited) (Rupees in thousand)	December 31, 2020 (Audited)
Freehold building		1,195	1,736
Lease hold improvements		8,598	9,553
Furniture and fixtures		5,449	6,058
Office equipment		10,319	11,506
Computer equipment		11,745	10,873
Vehicles		53,690	47,464
		<u>90,996</u>	<u>87,190</u>

7.2 Movement of operating assets during the period / year

Opening book value		87,190	93,490
Add: Additions during the period / year	7.3	22,278	21,947
		<u>109,468</u>	<u>115,437</u>
Less: Disposal during the period / year (at book value)	7.4	(3,046)	(16,467)
Depreciation charged for the period / year		(15,426)	(11,780)
		<u>(18,472)</u>	<u>(28,247)</u>
Closing book value		<u>90,996</u>	<u>87,190</u>

7.3 Additions during the period / year

Furniture and fixtures		292	1,135
Office equipment		544	1,360
Computers equipment		4,479	3,870
Vehicles		16,963	15,582
		<u>22,278</u>	<u>21,947</u>

7.4 Disposals during the period / year

Furniture and fixtures		-	438
Office equipment		31	6,937
Computers equipment		386	4,719
Vehicles		2,629	4,373
		<u>3,046</u>	<u>16,467</u>

7.5 Right-of-use asset - buildings

Opening book value		72,599	24,531
Additions during the period		4,300	70,484
Disposals during the prior period / year		-	(572)
Depreciation charged during the period / year		(18,029)	(21,844)
Closing book value		<u>58,870</u>	<u>72,599</u>

8. Investments in equity securities

	Note	September 30, 2021 - (Unaudited)			December 31, 2020 - (Audited)		
		Cost	Impairment / Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
(Rupees in thousand)							
Available for sale							
Related parties							
Listed shares	8.1	735,472	-	735,472	643,711	-	643,711
Mutual funds		609,021	-	609,021	467,407	-	467,407
		1,344,493	-	1,344,493	1,111,118	-	1,111,118
Unrealized gain on revaluation as at				2,284,977			2,552,425
				3,629,470			3,663,543
Others							
Listed shares	8.1	2,004,272	(92,635)	1,911,637	1,572,732	(35,303)	1,537,429
Unlisted shares		500	(500)	-	500	(500)	-
Mutual funds	8.2	49,407	-	49,407	61,604	-	61,604
		2,054,179	(93,135)	1,961,044	1,634,836	(35,803)	1,599,033
Unrealized gain on revaluation as at				(68,480)			380,781
				1,892,564			1,979,814
				5,522,034			5,643,357

8.1 Listed securities include an amount of Rs. (thousand) 4,521,463 (31 December 2020: Rs. (thousand) 4,633,617) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. (thousand) 2,246,778 (31 December 2020: Rs. (thousand) 1,510,159).

8.2 Mutual funds include an amount of Rs. (thousand) 374,754 (31 December 2020: Rs. (thousand) 359,354) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. (thousand) 268,130 (31 December 2020: Rs. (thousand) 268,665).

Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)

9. Investments in debt securities

Held to maturity

Pakistan Investment Bonds	9.1	140,974	90,536
Treasury Bills		136,268	325,522

Available for Sale

Term Finance Certificates		20,000	20,000
		297,242	436,058

9.1 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, 2021 (Unaudited)	December 31, 2020 (Audited)

10. Cash and bank

Current and saving accounts	10.1	740,767	882,778
		740,767	882,778

- 10.1 The balance in savings accounts bears mark-up which ranges from 3% to 6.25% (2020: 4.00% to 12.25%) per annum.

11. Ordinary share capital

11.1 Authorized share capital

<u>September 30,</u> 2021 (Unaudited) (Number of shares)	<u>December 31,</u> 2020 (Audited)		<u>September 30,</u> 2021 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2020 (Audited)
150,000,000	150,000,000	Ordinary shares of Rs. 10/- each	1,500,000	1,500,000

11.2 Issued, subscribed and paid up share capital

<u>September 30,</u> 2021 (Unaudited) (Number of shares)	<u>December 31,</u> 2020 (Audited)		<u>September 30,</u> 2021 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2020 (Audited)
70,161,381	70,161,381	Ordinary shares of Rs. 10/- each fully paid in cash	701,614	701,614
14,733,890	14,733,890	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	147,339	147,339
<u>84,895,271</u>	<u>84,895,271</u>		<u>848,953</u>	<u>848,953</u>

12. Reserves

Capital reserves

Investment fair value reserve

<u>Note</u>	<u>September 30,</u> 2021 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2020 (Audited)
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12.1

1,573,714

2,082,577

Revenue reserves

General reserve

Investment fluctuation reserve

1,242,064

1,192,064

3,000

3,000

1,245,064

1,195,064

2,818,778

3,277,641

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

13. Borrowings

Lease liabilities against right-of-use asset

<u>September 30,</u> 2020 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2019 (Audited)
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61,742

73,016

	Nine months ended		Three months ended	
	September 30,	September 30,	September 30,	September 30,
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Rupees in thousand)			

14. Net insurance premium

Written gross premium	3,129,348	2,409,565	1,390,629	1,160,424
Add: Unearned premium reserve - opening	1,197,061	1,139,098	1,198,281	1,009,271
Less: Unearned premium reserve - closing	(1,682,510)	(1,390,811)	(1,682,510)	(1,390,811)
Premium earned	2,643,899	2,157,852	906,400	778,884
Less: Reinsurance premium ceded	1,564,016	1,194,945	624,110	531,112
Add: Prepaid reinsurance premium - opening	648,553	659,317	716,987	593,885
Less: Prepaid reinsurance premium - closing	(878,119)	(709,092)	(878,119)	(709,092)
Reinsurance expense	1,334,450	1,145,170	462,978	415,905
	1,309,449	1,012,682	443,422	362,979

15. Net insurance claims expense

Claims paid	828,923	534,943	218,017	268,013
Add: Outstanding claims including IBNR - closing	1,200,911	874,097	1,200,911	874,097
Less: Outstanding claims including IBNR - opening	(1,412,100)	(545,169)	(1,147,727)	(655,587)
Claims expense	617,734	863,871	271,201	486,523
Less: Reinsurance and other recoveries received	435,169	253,739	94,051	147,721
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	849,444	550,374	849,444	550,374
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(1,087,723)	(246,582)	(823,350)	(347,590)
Reinsurance and other recoveries revenue	196,890	557,531	120,145	350,505
	420,844	306,340	151,056	136,018

16. Net commission and other acquisition expense / (income)

Commission paid or payable	202,640	125,642	67,258	50,486
Add: Deferred commission expense - opening	92,418	81,519	111,162	70,455
Less: Deferred commission expense - closing	(113,059)	(77,433)	(113,059)	(77,433)
Net Commission expense	181,999	129,728	65,361	43,508
Less: Commission received or recoverable	376,889	291,852	149,110	133,322
Add: Unearned Reinsurance commission - opening	138,404	152,959	166,848	139,193
Less: Unearned Reinsurance commission - closing	(202,700)	(188,576)	(202,700)	(188,576)
Commission from reinsurers	312,593	256,235	113,258	83,939
	(130,594)	(126,507)	(47,897)	(40,431)

	Nine months ended		Three months ended	
	September 30,	September 30,	September 30,	September 30,
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Rupees in thousand)			

17. Investment income

Income from equity securities

Available for sale

Dividend income	191,359	108,600	36,998	12,433
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Income from debt securities

Held to maturity

Return on debt securities	17,881	17,745	2,143	437
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Available for sale

Interest on term finance certificates	873	1,152	-	51
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Income from term deposits

Return on term deposits	3,078	7,997	-	-
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Net realized gain on investments

	212,318	135,494	39,141	12,921
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Available for sale financial assets

Realized (loss) / gain on equity securities	48,910	20,944	44,856	(3,722)
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Total investment income

	262,101	156,438	83,997	9,199
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Less: Charge of impairment in value
of available for sale securities
- Equity securities

	(57,332)	(38)	(33,417)	21,213
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Less: Investment related expenses

	(3,236)	(698)	(1,798)	(673)
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	201,533	155,702	48,782	29,739
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18. Earnings per share

Profit after tax for the period	563,593	427,264	166,752	115,635
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Number of Shares (thousand)

Weighted average number of ordinary shares	84,895	84,895	84,895	84,895
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(Rupees)

Earnings per share - (basic / diluted)	6.64	5.03	1.96	1.36
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	Nine months ended		Three months ended	
	September 30,	September 30,	September 30,	September 30,
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

(Rupees in thousand)

19. Window takaful operations - Operator's fund

Wakala fee	66,649	43,657	23,527	15,717
General, administrative and management expenses	(14,576)	(9,470)	(8,582)	(3,722)
Net commission and other acquisition costs	(16,606)	(13,715)	(5,962)	(4,338)
Investment income / (loss)	3,820	8,457	488	3,604
Modarib's share	2,640	3,158	833	832
Other expenses	(728)	(1,074)	(220)	(588)
Profit for the period	41,199	31,013	10,084	11,505

20. Transactions with related parties

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

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

	September 30,		December 31,	
	2021	2020	2021	2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in thousand)			
Parent company	Period / year end balances			
Provision for outstanding claims	862		1,627	
Premium received in advance	-		166	
Due from insurance contract holders	1,404		-	
	September 30,		September 30,	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Rupees in thousand)			
	Transactions during the period			
Premium underwritten	15,563		21,696	
Premium collected	17,292		14,010	
Claims paid	4,511		2,907	
Rent paid	4,556		4,100	
Dividend paid	447,657		406,961	
Assets sold	-		3,705	

		<u>September 30,</u> 2021 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2020 (Audited)
Associated companies	Period / year end balances		
	Provision for outstanding claims	53,408	38,903
	Premium received in advance	7,651	69,063
	Due from insurance contract holders	265,499	73,192
	Lease liability	2,981	3,188
	Donation payable	8,470	11,163
		<u>September 30,</u> 2021 (Unaudited) (Rupees in thousand)	<u>September 30,</u> 2020 (Unaudited)
	Transactions during the period		
	Premium underwritten	1,378,636	966,810
	Premium collected	1,233,451	937,466
	Claims paid	196,145	97,402
	Assets purchased	17,023	11,545
	Lease liability paid	1,201	1,081
	Expenses paid	6,007	586
	Dividends received	86,431	60,158
	Donations paid	9,094	8,603
	Investments purchased	671,992	1,624,993
	Investments sold at sale price	635,542	1,727,495
	Dividend paid	16,346	14,860
Post employment benefit plans	Transactions during the period		
	Contributions in respect of retirement benefit plans	15,273	27,221
		<u>September 30,</u> 2021 (Unaudited) (Rupees in thousand)	<u>December 31,</u> 2020 (Audited)
Key management personnel	Period / year end balances		
	Due from insurance contract holders	-	1,055
	Provision for outstanding claims	-	42
		<u>September 30,</u> 2021 (Unaudited) (Rupees in thousand)	<u>September 30,</u> 2020 (Unaudited)
	Transactions during the period		
	Compensation paid	143,811	94,256
	Claims paid	-	59
	Premium underwritten	552	789
	Premium collected	317	816
	Assets sold	875	1,756

21. Segment reporting

The Company has identified four (2020: 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)									
Premium receivable (inclusive of Federal Insurance Fee and Administrative surcharge)	1,222,016	974,825	937,431	522,964	702,377	567,928	715,415	666,062	3,577,239	2,731,779
Less: Federal Excise Duty	148,584	118,468	113,208	61,470	86,920	70,413	68,826	48,538	417,538	298,889
Federal Insurance Fee	10,528	8,272	7,990	4,496	5,680	4,593	6,155	5,964	30,353	23,325
Gross written premium (inclusive of Administrative Surcharge)	1,062,904	848,085	816,233	456,998	609,777	492,922	640,434	611,560	3,129,348	2,409,565
Gross direct premium	1,032,680	838,748	799,876	447,729	555,834	452,106	633,760	605,855	3,022,150	2,344,438
Facultative inward premium	25,077	4,225	1,335	-	47,567	36,290	2,327	2,022	76,306	42,537
Administrative surcharge	5,147	5,112	15,022	9,269	6,376	4,526	4,347	3,683	30,892	22,590
	1,062,904	848,085	816,233	456,998	609,777	492,922	640,434	611,560	3,129,348	2,409,565
Insurance premium earned	908,097	773,875	778,007	442,426	499,680	482,143	458,115	459,408	2,643,899	2,157,852
Insurance premium ceded to reinsurers	(720,338)	(607,811)	(263,849)	(154,028)	(114,771)	(148,237)	(235,492)	(235,094)	(1,334,450)	(1,145,170)
Net insurance premium	187,759	166,064	514,158	288,398	384,909	333,906	222,623	224,314	1,309,449	1,012,682
Commission income	149,838	140,245	75,959	46,636	25,599	15,386	61,197	53,968	312,593	256,235
Net underwriting income	337,597	306,309	590,117	335,034	410,508	349,292	283,820	278,282	1,622,042	1,268,917
Insurance claims	(273,247)	(266,283)	(68,605)	(50,969)	(202,685)	(223,769)	(73,197)	(322,850)	(617,734)	(863,871)
Insurance claims recovered from reinsurers	251,398	259,247	39,445	30,562	28,210	103,739	(122,163)	163,983	196,890	557,531
Net claims	(21,849)	(7,036)	(29,160)	(20,407)	(174,475)	(120,030)	(195,360)	(158,867)	(420,844)	(306,340)
Commission expense	(93,764)	(54,802)	(27,036)	(19,646)	(36,057)	(33,149)	(25,142)	(22,131)	(181,999)	(129,728)
Management expenses	(161,513)	(145,999)	(118,127)	(77,712)	(97,801)	(100,925)	(92,840)	(103,720)	(470,281)	(428,356)
Net insurance claims and expenses	(277,126)	(207,837)	(174,323)	(117,765)	(308,333)	(254,104)	(313,342)	(284,718)	(1,073,124)	(864,424)
Underwriting results	60,471	98,472	415,794	217,269	102,175	95,188	(29,522)	(6,436)	548,918	404,493
Investment income									201,533	155,702
Other income									34,487	34,696
Finance cost									(8,371)	(5,791)
Other expenses									(12,633)	(9,736)
Profit before taxation from window takaful operations - Operator's fund									41,199	31,013
Profit before tax for the period									805,133	610,377

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	September 30 2021	December 31 2020	September 30 2021	December 31 2020	September 30 2021	December 31 2020	September 30 2021	December 31 2020	September 30 2021	December 31 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in thousand)									
Segment assets - Conventional	842,176	784,140	646,569	480,152	483,191	441,267	507,488	442,771	2,479,424	2,148,330
Segment assets - Takaful OPF	20,819	8,991	11,252	3,730	93,433	40,999	15,411	1,136	140,915	62,433
Unallocated assets - Conventional									6,780,743	7,318,070
Unallocated assets - Takaful OPF									111,715	132,912
									9,512,797	9,661,745
Segment liabilities - Conventional	1,413,506	1,303,212	1,085,201	797,993	810,988	733,368	851,766	735,868	4,161,461	3,570,441
Segment liabilities - Takaful OPF	2,421	7,041	1,304	2,922	10,854	32,108	46,582	889	61,161	46,406
Unallocated liabilities - Conventional									1,053,155	1,269,671
Unallocated liabilities - Takaful OPF									1,331	-
									5,277,108	4,886,518

22. Fair value measurement of financial instruments

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

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

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

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

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

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

September 30, 2021	Note	Carrying amount						Fair value				
		Available for sale	Fair value through profit or loss	Held to Maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)										
Financial assets - measured at fair value												
Investment - equity	8	5,522,034	-	-	-	-	5,522,034	5,522,034	-	-	-	5,522,034
		5,522,034	-	-	-	-	5,522,034	5,522,034	-	-	-	5,522,034
Financial assets - not measured at fair value												
Investment - debt securities	9	20,000	-	277,242	-	-	297,242	297,242	-	-	-	297,242
Loans and other receivables*		-	-	-	55,049	-	55,049	-	-	-	-	-
Insurance / reinsurance receivables - unsecured and considered good*		-	-	-	630,180	-	630,180	-	-	-	-	-
Reinsurance recoveries against outstanding claims*	15	-	-	-	849,449	-	849,449	-	-	-	-	-
Cash and bank*	10	-	-	-	-	740,767	740,767	-	-	-	-	-
Total assets of Window Takaful Operations- Operator's Fund*		-	-	-	252,630	-	252,630	-	-	-	-	-
		20,000	-	277,242	1,787,303	740,767	2,825,312	297,242	-	-	-	297,242

	Note	Carrying amount						Fair value				
		Available for sale	Fair value through profit or loss	Held to Maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in thousand)												
Financial liabilities - not measured at fair value												
Underwriting provisions: Outstanding claims including IBNR*	15	-	-	-	-	-	1,200,911	1,200,911	-	-	-	-
Insurance / reinsurance payables*		-	-	-	-	-	718,777	718,777	-	-	-	-
Other creditors and accruals*	14	-	-	-	-	-	678,240	678,240	-	-	-	-
Total liabilities of Window Takaful Operations- Operator's Fund*		-	-	-	-	-	62,492	62,492	-	-	-	-
		-	-	-	-	-	2,680,420	2,680,420	-	-	-	-
December 31, 2020												
Financial assets - measured at fair value												
Investment-Equity/ debt securities	8	5,643,357	-	-	-	-	-	5,643,357	5,643,357	-	-	5,643,357
		5,643,357	-	-	-	-	-	5,643,357	5,643,357	-	-	5,643,357
Financial assets - not measured at fair value												
Investment -Debt Securities	9	20,000	-	416,058	-	-	-	436,058	436,058	-	-	436,058
Loans and other receivables*	11	-	-	-	22,029	-	-	22,029	-	-	-	-
Insurance / reinsurance receivables - unsecured and considered good*		-	-	-	311,009	-	-	311,009	-	-	-	-
Reinsurance recoveries against outstanding claims*	15	-	-	-	1,087,723	-	-	1,087,723	-	-	-	-
Cash and bank*	14	-	-	-	-	882,778	-	882,778	-	-	-	-
Total assets of Window Takaful Operations- Operator's Fund*		-	-	-	195,345	-	-	195,345	-	-	-	-
		20,000	-	416,058	1,616,106	882,778	-	2,934,442	436,058	-	-	436,058
Financial liabilities - not measured at fair value												
Underwriting provisions: Outstanding claims including IBNR*	15	-	-	-	-	-	1,412,100	1,412,100	-	-	-	-
Insurance / reinsurance payables*		-	-	-	-	-	511,309	511,309	-	-	-	-
Other creditors and accruals*		-	-	-	-	-	537,097	537,097	-	-	-	-
Total liabilities of Window Takaful Operations- Operator's Fund*		-	-	-	-	-	46,406	46,406	-	-	-	-
		-	-	-	-	-	2,506,912	2,506,912	-	-	-	-

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

22.1 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, 2020.

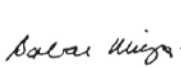
23. Subsequent events

The Board of Directors of the Company in its meeting held on October 27, 2021 has proposed an interim cash dividend of Rs. 2.5 per share (2020: final cash dividend of Rs. 7 per share). These financial statements do not include the effect of these appropriation which will be accounted for subsequent to the period end.

24. Date of authorization for issue

The condensed interim financial statements were authorised for issue on October 27, 2021 by the Board of Directors of the Company.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Fahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

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TAKAFUL

 Atlas Insurance
Window Takaful Operations
Quarterly Report
September 30, 2021

Window Takaful Operations

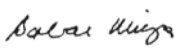
Condensed Interim Statement of Financial Position (Unaudited)

As at September 30, 2021

Note	OPF		PTF		
	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	
(Rupees in thousand)					
Assets					
Property and equipment	6	838	987	-	-
Investments					
- Term Deposits	7	110,000	-	170,000	100,000
Takaful / retakaful receivables		-	-	75,693	16,210
Deferred wakala feet	14	-	-	46,130	36,610
Receivable from OPF / PTF	8	89,859	46,050	-	-
Accrued investment income		40	622	2,442	853
Retakaful recoveries against outstanding claims		-	-	8,657	29,784
Deferred commission expense	15	11,138	8,376	-	-
Prepayments		9,878	7,382	35,372	31,952
Cash and bank	9	30,877	131,928	95,762	118,042
Total assets		252,630	195,345	434,056	333,451
Equity and Liabilities					
Capital reserve		50,000	50,000	-	-
Accumulated profits		140,138	98,939	-	-
Total Operator's Fund		190,138	148,939	-	-
Participants' Takaful Fund					
Seed Money		-	-	500	500
Accumulated surplus		-	-	44,251	31,112
Balance of Participants' Takaful Fund		-	-	44,751	31,612
Liabilities					
PTF Underwriting provisions					
Outstanding claims including IBNR	13	-	-	53,846	67,372
Unearned contribution reserves	11	-	-	166,360	132,865
Reserve for unearned retakaful rebate	12	-	-	6,781	5,552
		-	-	226,987	205,789
Retirement benefit obligations		1,331	681	-	-
Unearned wakala fee	14	46,130	36,610	-	-
Contribution received in advance		-	-	6,721	4,538
Takaful / retakaful payables		-	-	57,700	41,157
Other creditors and accruals		15,031	9,115	8,038	4,305
Payable to OPF / PTF	8	-	-	89,859	46,050
Total liabilities		62,492	46,406	389,305	301,839
Total equity and liabilities		252,630	195,345	434,056	333,451
Contingencies and commitments	10	-	-	-	-

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Frahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

Window Takaful Operations

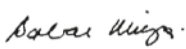
Condensed Interim Statement of Profit or Loss (Unaudited)

For the nine months ended September 30, 2021

	Note	Nine months ended		Three months ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
(Rupees in thousand)					
PTF					
Contribution earned	11	175,690	159,734	61,833	50,248
Less: Contribution ceded to retakaful		(76,282)	(72,168)	(25,559)	(23,334)
Net contributions revenue		99,408	87,566	36,274	26,914
Retakaful rebate earned	12	11,305	8,128	3,921	2,698
Net underwriting income		110,713	95,694	40,195	29,612
Net claims reported / settled - IBNR	13	(91,874) (5,203)	(75,688) (4,696)	(33,998) (342)	(42,643) (928)
		(97,077)	(80,384)	(34,340)	(43,571)
Other direct expenses		(8,350)	(13,778)	(1,912)	(3,279)
Surplus before investment income		5,286	1,532	3,943	(17,238)
Investment income	16	10,493	12,631	3,621	3,329
Less: Modarib's share of investment income		(2,640)	(3,158)	(833)	(832)
Surplus transferred to accumulated surplus		13,139	11,005	6,731	(14,741)
OPF					
Wakala fee	14	66,649	43,657	23,527	15,717
Commission expense	15	(16,606)	(13,715)	(5,962)	(4,338)
General, administrative and management expenses		(14,576)	(9,470)	(8,582)	(3,722)
		35,467	20,472	8,983	7,657
Modarib's share of PTF investment income		2,640	3,158	833	832
Investment income	16	3,820	8,457	488	3,604
Direct expenses		(728)	(1,074)	(220)	(588)
Profit for the period		41,199	31,013	10,084	11,505

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


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 Chairman

Window Takaful Operations

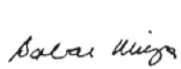
Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months ended September 30, 2021

Note	Nine months ended		Three months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
(Rupees in thousand)				
PTF				
Surplus for the period	13,139	11,005	6,731	(14,741)
Other comprehensive income:				
<i>Items that may be subsequently reclassified to statement of profit or loss:</i>	-	-	-	-
<i>Items that will not be subsequently reclassified to statement of profit or loss:</i>	-	-	-	-
Total comprehensive income for the period	13,139	11,005	6,731	(14,741)
OPF				
Profit for the period	41,199	31,013	10,084	11,505
Other comprehensive income:				
<i>Items that may be subsequently reclassified to statement of profit or loss:</i>	-	-	-	-
<i>Items that will not be subsequently reclassified to statement of profit or loss:</i>	-	-	-	-
Total comprehensive income for the period	41,199	31,013	10,084	11,505

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


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 Director


Fahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

Window Takaful Operations

Condensed Interim Statement of Cash Flow (Unaudited)

For the nine months ended September 30, 2021

	OPF		PTF	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(Rupees in thousand)			
Operating activities				
a) Takaful activities				
Contributions received	-	-	233,894	170,429
Re-takaful contributions paid	-	-	(85,274)	(59,621)
Claims paid	-	-	(112,185)	(73,279)
Re-takaful and other recoveries received	-	-	35,244	9,599
Commissions paid	(17,360)	(12,888)	-	-
Wakala fees received / (paid)	35,000	45,415	(35,000)	(45,415)
Modarib share received / (paid)	-	-	-	-
Management expenses paid	(10,549)	(44,175)	(4,621)	(10,425)
Other underwriting receipts	494	-	6,468	4,838
Net cash (used in) / generated from takaful activities	7,585	(11,648)	38,526	(3,874)
b) Other operating activities				
Income tax paid	(3,038)	(4,488)	290	2,123
Net cash used in other operating activities	(3,038)	(4,488)	290	2,123
Total cash (used in) / generated from all operating activities	4,547	(16,136)	38,816	(1,751)
Investing activities				
Profit / return received	4,402	15,878	8,904	10,460
Payments for investments	(240,000)	(75,000)	(465,000)	(100,000)
Proceeds from investments	130,000	75,956	395,000	-
Proceeds from sale of property and equipment	-	-	-	-
Fixed capital expenditure	-	-	-	-
Total cash generated from investing activities	(105,598)	16,834	(61,096)	(89,540)
Total cash (used in) / generated from all activities	(101,051)	698	(22,280)	(91,291)
Cash and cash equivalents at the beginning of the period	131,928	113,520	118,042	176,021
Cash and cash equivalents at the end of the period	30,877	114,218	95,762	84,730

Window Takaful Operations

Condensed Interim Statement of Cash Flow (Unaudited)

For the nine months ended September 30, 2021

OPF		PTF	
September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020

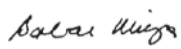
(Rupees in thousand)

Reconciliation to condensed interim profit and loss account

Operating cash flows	4,547	(16,136)	38,816	(1,751)
Depreciation / amortization expense	(149)	(189)	-	-
Financial charges expense	-	-	-	-
Provision for doubtful debts	-	-	-	-
Gain on disposal of investments	-	955	-	-
Dividend income	-	-	-	-
Other investment income	3,820	10,659	10,493	9,473
Increase in assets other than cash	49,067	44,876	51,296	52,145
Increase in liabilities other than borrowings	(16,086)	(9,152)	(87,466)	(48,862)
Profit for the period	41,199	31,013	13,139	11,005

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


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 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, 2021

Attributable to Operator's Fund (OPF)

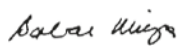
	Capital reserve			Total
	Statutory fund	Investment fair value reserve	Accumulated Profits	
	(Rupees in thousand)			
Balance as at December 31, 2019 (audited)	50,000	-	54,517	104,517
Profit for the Nine months ended September 30, 2020	-	-	31,013	31,013
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	31,013	31,013
Balance as at September 30, 2020 (unaudited)	50,000	-	85,530	135,530
Balance as at December 31, 2020 (audited)	50,000	-	98,939	148,939
Profit for the Nine months ended September 30, 2021	-	-	41,199	41,199
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	41,199	41,199
Balance as at September 30, 2021 (unaudited)	50,000	-	140,138	190,138

Participant's Takaful Fund (PTF)

	Capital reserve			Total
	Seed Money	Investment fair value reserve	Accumulated (Deficit) / Surplus	
	(Rupees in thousand)			
Balance as at December 31, 2019 (audited)	500	-	4,107	4,607
Surplus for the Nine months ended September 30, 2020	-	-	11,005	11,005
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	11,005	11,005
Balance as at September 30, 2020 (unaudited)	500	-	15,112	15,612
Balance as at December 31, 2020 (audited)	500	-	31,112	31,612
Surplus for the Nine months ended September 30, 2021	-	-	13,139	13,139
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	13,139	13,139
Balance as at September 30, 2021 (unaudited)	500	-	44,251	44,751

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Muhammad Aasim Gul
 Chief Financial Officer


Babar Mahmood Mirza
 Chief Executive


Ali H. Shirazi
 Director


Fahim Ali Khan
 Director


Iftikhar H. Shirazi
 Chairman

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended September 30, 2021

1. Legal status and nature of business

- 1.1 Atlas Insurance Limited (the Operator) was granted a license to undertake Window Takaful Operations (WTO) in Pakistan on March 2, 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. (thousand) 50,000 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. (thousand) 500. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

- 1.2 COVID-19 was declared a world-wide pandemic by the World Health Organization (WHO) in March 2020. The measures to slow the impact of the virus have had a significant impact on individuals, society, business and the wider economy across the globe. The Company has not escaped its impact but has responded to the crisis by providing 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, however the business has continued smoothly. Consequently, at this stage, impact on the Company's business and results is limited. Gross contribution for period ended September 30, 2021 stood at Rs. (thousand) 275,834 with a 42% increase from the last period of Rs. (thousand) 194,375 whereas the contributions earned have increased from Rs. (thousand) 159,734 to Rs. (thousand) 175,690.

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.

Potential valuation adjustments to asset / liability base, as a result of the possible impact of COVID-19 on Company's future profitability and cash flow generation, were assessed and no significant adjustments were required.

According to management's assessment, there is no material accounting impact of the effects of COVID-19 in these financial statements.

2. Basis of preparation and statement of compliance

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

In case the requirements differ, the provisions 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 IAS 34 'Interim Financial Reporting'. Accordingly, these condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Operator for the year ended December 31, 2020.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under historical cost convention, except that certain investments that are carried at fair market value or amortized cost and the recognition of certain employee retirement benefits that are measured at present value. All transactions reflected in these condensed interim financial statements are on accrual basis except for those reflected in cash flow statements.

2.4 Functional and presentation currency

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

3. Summary of significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2020, except as follows:

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

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations effective for annual period beginning on January 1, 2021, as listed below. The Company has not early-adopted any other standard, interpretation, amendment and improvement that has been issued but is not yet effective.

New Standards, Interpretations and Amendments

IAS 1	Presentation of Financial Statements: Definition of Material — (Amendments)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material — (Amendments)
IFRS 3	Business Combinations: Definition of Business — (Amendments)
IFRS 9	Financial Instruments: Interest Rate Benchmark Reform — (Amendments)
IFRS 7	Financial Instruments Disclosures: Interest Rate Benchmark Reform— (Amendments)
IAS 39	Financial Instruments: Recognition and Measurement: Interest Rate Benchmark Reform — (Amendments)
IFRS 16	Covid-19-Related Rent Concessions (Amendments)
IFRS 16	Covid-19-Related Rent Concessions beyond June 30, 2021 – Amendment to IFRS 16

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

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

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

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 3	Reference to conceptual framework — (Amendments)	January 1, 2022
IAS 16	Property, plant and equipment: Proceeds before intended use — (Amendments)	January 1, 2022
IAS 37	Onerous contracts - costs of fulfilling a contract — (Amendments)	January 1, 2022
AIP IAS 41	Taxation in fair value measurements	January 1, 2022
AIP IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities	January 1, 2022
AIP IFRS 1	First-time adoption of International Financial Reporting Standard - Subsidiary as a first-time adopter	January 1, 2022
IAS 1	Classification of liabilities as current or non-current — (Amendments)	January 1, 2023
IAS 8	Definition of accounting estimates — (Amendments)	January 1, 2023
IFRS 10 & IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture — (Amendment)	Not yet finalized
IAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction — (Amendments)	January 1, 2023
IAS 1 & IFRS Practice Statement 2	Disclosure of accounting policies — (Amendments)	January 1, 2023

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

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 1, 2022. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

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

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 17	Insurance Contracts	January 1, 2023

4. Temporary exemption from application of IFRS 9

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

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

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

The Company performed an assessment of the amendments and reached the conclusion that its activities are predominantly connected with insurance as at December 31, 2020. During 2021, there had been no significant change in the activities of the Company that requires reassessment.

5. Critical accounting estimates and judgments

The preparation of condensed interim financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the annual audited financial statements of the Operator as at and for the year ended December 31, 2020.

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

	Note	September 30, 2021 (Unaudited) (Rupees in thousand)	December 31, 2020 (Audited)
Operating assets - tangible	6.1	838	987
6.1 The breakup of operating assets as at the period / year end is given below:			
Computers equipment		23	28
Vehicles		815	959
		838	987
6.2 Movement of property and equipment during the period / year:			
Opening book value		987	1,240
Additions during the period / year	6.3	-	-
		987	1,240
Disposal during the period / year (at book value)	6.4	-	-
Depreciation charged for the period / year		(149)	(253)
		(149)	(253)
Closing book value		838	987

	September 30, 2021 (Unaudited) (Rupees in thousand)	December 31, 2020 (Audited)
6.3 Additions during the period / year		
Computers equipment	-	-
Vehicles	-	-
	<u>-</u>	<u>-</u>
6.4 Disposals during the period / year		
Computers equipment	-	-
Vehicles	-	-
	<u>-</u>	<u>-</u>

Note	OPF		PTF	
	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
	(Rupees in thousand)			

7. Investments in term deposits

Held to maturity

Deposits maturing within 12 months	110,000	-	170,000	100,000
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8. Receivable / payable - current account between OPF and PTF

Wakala fee receivable	79,073	37,904	79,073	37,904
Modarib's share of investment income	10,786	8,146	10,786	8,146
	<u>89,859</u>	<u>46,050</u>	<u>89,859</u>	<u>46,050</u>

9. Cash and bank

Current and saving accounts	9.1	30,877	131,928	95,762	118,042
		<u>30,877</u>	<u>131,928</u>	<u>95,762</u>	<u>118,042</u>

9.1 The rate of profit and loss sharing accounts range from 4% to 6.25% (31 Dec 2020: 1.96% to 11.57%) 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 at 30 September 2021.

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, 2021 (Unaudited) (Rupees in thousand)	December 31, 2020 (Audited)
Not later than one year	3,612	7,452
Later than one year and not later than five years	3,592	7,168
	<u>7,204</u>	<u>14,620</u>

Note	PTF (unaudited)			
	Nine months ended		Three months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
11. Net takaful contribution	(Rupees in thousand)			
Written gross contribution	275,834	194,375	101,570	65,193
Less: Wakala fee	(66,649)	(43,657)	(23,527)	(15,717)
Contribution earned net of wakala fee	209,185	150,718	78,043	49,476
Add: Unearned contribution reserve - opening	132,865	127,278	150,150	119,034
Less: Unearned contribution reserve - closing	(166,360)	(118,262)	(166,360)	(118,262)
Contribution earned	175,690	159,734	61,833	50,248
Less: Retakaful contribution ceded	79,990	75,036	31,371	28,996
Add: Prepaid retakaful contribution - opening	31,646	24,739	29,542	21,945
Less: Prepaid retakaful contribution - closing	(35,354)	(27,607)	(35,354)	(27,607)
Retakaful expense	76,282	72,168	25,559	23,334
	99,408	87,566	36,274	26,914
12. Net rebate on retakaful				
Re-takaful rebate received	12,534	8,547	5,081	3,565
Add: Retakaful rebate - opening	5,552	4,339	5,621	3,891
Less: Re-takaful rebate - closing	(6,781)	(4,758)	(6,781)	(4,758)
Net retakaful rebate	11,305	8,128	3,921	2,698
13. Net takaful claims expense				
Claims paid	112,186	73,279	30,168	31,828
Add: Outstanding claims including IBNR - closing	53,846	72,760	53,846	72,760
Less: Outstanding claims including IBNR - opening	(67,372)	(51,704)	(46,791)	(50,598)
Claims expense	98,660	94,335	37,223	53,990
Less: Retakaful and other recoveries received	22,710	6,885	1,381	4,468
Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing	8,657	16,647	8,657	16,647
Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening	(29,784)	(9,581)	(7,155)	(10,696)
Retakaful and other recoveries received	1,583	13,951	2,883	10,419
Net claim expense	97,077	80,384	34,340	43,571
14. Wakala fee / expense				
Gross wakala fee / expense	76,169	53,283	28,185	18,174
Add: Deferred wakala expense / unearned wakala fee - opening	36,610	22,309	41,472	29,478
Less: Deferred wakala expense / unearned wakala fee - closing	(46,130)	(31,935)	(46,130)	(31,935)
	66,649	43,657	23,527	15,717

Note	OPF (unaudited)			
	Nine months ended		Three months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
15. Commission expense	(Rupees in thousand)			
Commission paid / payable	19,368	12,553	7,084	4,444
Add: Deferred commission expense - opening	8,376	8,530	10,016	7,262
Less: Deferred commission expense - closing	(11,138)	(7,368)	(11,138)	(7,368)
Net commission expense	16,606	13,715	5,962	4,338

OPF (unaudited)		PTF (unaudited)	
September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020

16. Investment income / (loss)

Operator's Fund

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

1,821	7,475	5,513	6,999
1,999	982	4,980	5,632
<u>3,820</u>	<u>8,457</u>	<u>10,493</u>	<u>12,631</u>

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 condensed interim financial statements, are as follows:

		September 30, 2021 (Unaudited) (Rupees in thousand)	December 31, 2020 (Audited)
Parent company	Year end balances		
	Due from contract holders	-	278
		September 30, 2021 (Unaudited) (Rupees in thousand)	September 30, 2020 (Audited)
Transactions during the period			
	Contribution collected	-	279
		September 30, 2021 (Unaudited) (Rupees in thousand)	December 31, 2020 (Audited)
Associated companies	Period / year end balances		
	Provision for outstanding claims	668	421
	Due from takaful participant holders	2,180	296
		September 30, 2021 (Unaudited) (Rupees in thousand)	September 30, 2020 (Audited)
Transactions during the period			
	Contribution underwritten	6,247	3,405
	Contribution collected	4,569	3,991
	Claims paid	1,279	2,000
Post employment benefit plans	Transactions during the period		
	Contributions in respect of retirement benefit plans	757	235
		September 30, 2021 (Unaudited) (Rupees in thousand)	December 31, 2020 (Audited)
Key management personnel	Period / year end balances		
	Provision for outstanding claims	-	25

September 30, 2021 **September 30, 2020**
(Unaudited) **(Audited)**
(Rupees in thousand)

Transactions during the period

Remuneration paid	1,891	1,997
Contribution underwritten	39	3
Contribution collected	37	-
Claims paid	69	-

18. Segment reporting

The Operator has identified four (2020: four) primary operating / business segments for reporting purposes in accordance with the requirements of the Insurance Ordinance, 2000, Insurance Accounting Regulations, 2017 and the Insurance Rules, 2017. These include fire and property damage, marine, aviation and transport, motor and miscellaneous class of operating / business segments. As per Insurance Rules, 2017, information for other segments under which business is less than 10%, is classified under miscellaneous class of operating / business segment.

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

18.1 Participants' Takaful Fund (PTF)

(Unaudited) Nine months ended September 30,

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)									
Premium receivable (inclusive of Federal Insurance Fee and administrative surcharge)	50,505	36,579	27,143	14,847	203,438	167,961	9,475	4,234	290,561	223,621
Less: Federal Excise Duty	5,866	4,424	3,001	1,488	2,895	21,232	268	173	12,030	27,317
Federal Insurance Fee	399	304	238	132	1,969	1,462	91	31	2,697	1,929
Gross written contribution (inclusive of administrative surcharge)	44,240	31,851	23,904	13,227	198,574	145,267	9,116	4,030	275,834	194,375
Gross direct contribution	39,889	29,664	22,772	12,589	191,750	141,567	9,036	3,049	263,447	186,869
Facultative inward contribution	3,662	1,638	166	41	2,091	62	-	927	5,919	2,668
Administrative surcharge	689	549	966	597	4,733	3,638	80	54	6,468	4,838
	44,240	31,851	23,904	13,227	198,574	145,267	9,116	4,030	275,834	194,375
Wakala fees	(13,533)	(8,577)	(8,156)	(4,505)	(42,974)	(29,476)	(1,986)	(1,099)	(66,649)	(43,657)
Takaful Contribution earned	38,259	29,681	23,273	13,355	173,729	156,075	7,078	4,282	242,339	203,393
Takaful contribution ceded to retakaful	(32,655)	(26,691)	(20,463)	(11,589)	(19,254)	(31,491)	(3,910)	(2,399)	(76,282)	(72,170)
Net takaful contribution	(7,929)	(5,587)	(5,346)	(2,739)	111,501	95,108	1,182	784	99,408	87,566
Retakaful rebate	5,895	4,576	4,240	2,299	639	871	531	382	11,305	8,128
Net underwriting income	(2,034)	(1,011)	(1,106)	(440)	112,140	95,979	1,713	1,166	110,713	95,694
Takaful claims	10,529	(8,061)	(6,681)	(5,404)	(97,149)	(77,987)	(5,359)	(2,884)	(98,660)	(94,336)
Takaful claims recovered from retakaful	(9,494)	7,232	6,104	4,864	4,814	1,769	159	87	1,583	13,952
Net claims	1,035	(829)	(577)	(540)	(92,335)	(76,218)	(5,200)	(2,797)	(97,077)	(80,384)
Contribution deficiency expense	-	-	-	-	-	-	-	-	-	-
Direct expenses	(5)	(238)	(2)	(99)	(8,342)	(13,411)	(1)	(30)	(8,350)	(13,778)
Surplus / (deficit) before investment income	(1,004)	(2,078)	(1,685)	(1,079)	11,463	6,350	(3,488)	(1,661)	5,286	1,532
Investment income									10,493	12,631
Modarib's share of investment income									(2,640)	(3,158)
Finance cost									-	-
Surplus transferred to Balance of PTF									13,139	11,005

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	September 30 2021 (Unaudited)	December 31 2020 (Audited)	September 30 2021 (Unaudited)	December 31 2020 (Audited)	September 30 2021 (Unaudited)	December 31 2020 (Audited)	September 30 2021 (Unaudited)	December 31 2020 (Audited)	September 30 2021 (Unaudited)	December 31 2020 (Audited)
	(Rupees in thousand)									
Corporate segment assets	12,569	21,871	6,783	9,074	56,288	99,737	92,654	2,762	168,294	114,558
Corporate unallocated assets									265,762	218,893
Total assets									434,056	333,451
Corporate segment liabilities	27,153	49,795	14,670	20,660	121,910	227,071	225,572	6,289	389,305	301,839
Corporate unallocated liabilities									-	-
Total liabilities									389,305	301,839

18.2 Operator's Fund (OPF)

	(Unaudited) Nine months ended September 30,									
	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)									
Wakala fee	13,533	8,577	8,156	4,505	42,974	29,476	1,986	1,099	66,649	43,657
Commission expense	(4,701)	(3,981)	(3,193)	(1,851)	(8,350)	(7,631)	(362)	(252)	(16,606)	(13,715)
General, administrative and management expenses	(2,338)	(1,523)	(1,263)	(646)	(10,493)	(7,104)	(482)	(197)	(14,576)	(9,470)
	6,494	3,073	3,700	2,008	24,131	14,741	1,142	650	35,467	20,472
Investment income									3,820	8,457
Modarib's share of PTF investment income									2,640	3,158
Direct expenses									(728)	(1,074)
Profit before tax									41,199	31,013

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	September 30 2021 (Unaudited)	December 31 2020 (Audited)	September 30 2021 (Unaudited)	December 31 2020 (Audited)	September 30 2021 (Unaudited)	December 31 2020 (Audited)	September 30 2021 (Unaudited)	December 31 2020 (Audited)	September 30 2021 (Unaudited)	December 31 2020 (Audited)
	(Rupees in thousand)									
Segment assets	16,007	8,991	8,651	3,730	71,836	40,999	14,421	1,136	110,915	62,433
Unallocated assets									141,715	132,912
									252,630	195,345
Segment liabilities	2,421	7,041	1,304	2,922	10,854	32,108	46,582	889	61,161	46,406
Unallocated liabilities									1,331	-
									62,492	46,406

19. Fair value measurement of financial instruments

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

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

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

September 30, 2021	Carrying amount						Fair value					
	Note	Available for sale	Fair value through profit or loss	Held to Maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in thousand)												
Financial assets - non-measured at fair value												
Investments -												
	7	-	-	-	280,000	-	-	280,000	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	75,693	-	-	75,693	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
	13	-	-	-	8,657	-	-	8,657	-	-	-	-
	9	-	-	-	-	126,639	-	126,639	-	-	-	-
		-	-	-	364,350	126,639	-	440,989	-	-	-	-
Financial liabilities - not measured at fair value												
Underwriting provisions:												
	13	-	-	-	-	53,846	-	53,846	-	-	-	-
		-	-	-	-	57,700	-	57,700	-	-	-	-
		-	-	-	-	23,069	-	23,069	-	-	-	-
		-	-	-	-	134,615	-	134,615	-	-	-	-
December 31, 2020												
Financial assets - non-measured at fair value												
Investments -												
	7	-	-	-	100,000	-	-	100,000	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	16,210	-	-	16,210	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
	13	-	-	-	29,784	-	-	29,784	-	-	-	-
	9	-	-	-	-	249,970	-	249,970	-	-	-	-
		-	-	-	145,994	249,970	-	395,969	-	-	-	-
Financial liabilities - not measured at fair value												
Underwriting provisions:												
	13	-	-	-	-	67,372	-	67,372	-	-	-	-
		-	-	-	-	41,157	-	41,157	-	-	-	-
		-	-	-	-	13,420	-	13,420	-	-	-	-
		-	-	-	-	121,949	-	121,949	-	-	-	-

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

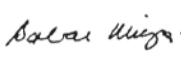
20. Financial risk management

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, 2020.

21. Date of authorization for issue

These condensed interim financial statements were authorized for issue on October 27, 2021 by the Board of Directors of the Operator.


Muhammad Aasim Gul
Chief Financial Officer


Babar Mahmood Mirza
Chief Executive


Ali H. Shirazi
Director


Fahrim Ali Khan
Director


Iftikhar H. Shirazi
Chairman

Company Offices

HEAD OFFICE

63/A, Block - XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore.	UAN: PABX: Fax:	111-245-000 (042) 37132611-18, (042) 37132622
BABAR MAHMOOD MIRZA Chief Executive Officer	Direct: Fax:	(042) 37132600 - 01 (042) 37132623
RASHID AMIN General Manager Underwriting & Compliance	Direct: Extension:	(042) 37132607 737
MUHAMMAD AASIM GUL Chief Financial Officer	Direct: Extension:	(042) 37132630 758
MUHAMMAD SAEED General Manager Claims	Direct: Extension:	(042) 37132608 777
QUDSIA NAHEED General Manager HR & Admin	Direct: Extension:	(042) 37132606 717
ABDUL RAZZAQ GHAURI Head of IT & CISO	Direct: Extension:	(042) 37132605 738
SYED IRTIZA KAZMI Head of Underwriting	Direct: Extension:	(042) 37132604 718
SYED NASIR HUSSAIN Head of Reinsurance	Direct: Extension:	(042) 37132603 715
SALEEM MEHMOOD Chief Internal Auditor	Extension:	762

NORTH ZONE OFFICES & BRANCHES

LAHORE

CH. TAYYAB HUSSAIN Senior Deputy General Manager- Branch Head	City Branch 64/A, Block - XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore.	(042) 37132624 - 26 37132628 - 29 Fax: (042) 37132627
MUHAMMAD MUNIR QAZI Assistant General Manager-Branch Head	Gulberg Branch Office No. 305, 3rd Floor, Arcade 38 - G, Gulberg - II, Lahore	(042) 35775732 - 34 Fax: (042) 35714514
MUHAMMAD IJAZ Assistant General Manager-Branch Head	Al-Noor Branch Al-Noor Building, 43-Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	(042) 37237343 Fax: (042) 37358805
KH. MUHAMMAD NADEEM Senior Manager-Branch Head	Napier Road Branch Nairobi Mansion Napier Road, Lahore.	(042) 37358190 Fax: (042) 37352560
MUHAMMAD WASEEM PURI Chief Manager-Branch Head	Mall Road Branch Hafeez Chambers, 85 - Shahrah-e-Quaid-e-Azam, Lahore.	(042) 36305595, 36370838 Fax: (042) 36369576
CH. ZEESHAN AHMED Chief Manager-Branch Head	Main Boulevard Branch Office No-6, 2nd Floor, Al-Hafeez View, 67-D/1, Sir Syed Road, Gulberg-III, Lahore	(042) 35784309 Fax: (042) 35784310

MMUSHTAQ AHMED
Assistant General Manager-Branch Head

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

(042) 37132611-18,
Fax: (042) 37132622

RAWALPINDI

SALMAN MUZAFFAR SHAIKH
Assistant General Manager-Branch Head

Rawalpindi Branch
101/13, Bank Road,
Grand Hotel Building,
P.O. Box 119, Rawalpindi.

(051) 5563413, 5516546
Fax: (051) 5798083

SYED MANZAR ALI NAQVI
Senior Manager

FAWAD HABIB
Senior Manager-Branch Head

Rawalpindi Branch - II
Office No. SF-18/B, 2nd Floor,
Majeed Plaza, Bank Road, Rawalpindi

(051) 5700460, 5700463
Fax: (051) 5700459

FAISALABAD

MUHAMMAD ASIF AKRAM
Assistant General Manager-Branch Head

Faisalabad Branch
123-B, People's Colony No. 1,
D - Ground, Faisalabad.

(041) 8721256, 8734176
8546338, 8735080
Fax: (041) 8732499

IRSHAD FARRUKH BHATTI
Chief Manager-Branch Head

Business Center Branch
Room No. 7-B, Ground Floor,
The Business Center, New Civil Lines
Faisalabad.

(041) 2619978, 2629978
Fax: (041) 2409978

SIALKOT

REHAN NAZIR GHUMAN
Manager-Branch Head

Ugoki Road, Shahabpura,
Sialkot.

(052) 3550450, 3550460
Fax: (052) 3550470

ISLAMABAD

ASIM MAJEED
Assistant General Manager-Branch Head

Islamabad Branch
Office No. 02, 2nd Floor, Yaseen Plaza,
Jinnah Avenue, Blue Area, Islamabad.

(051) 2347047, 48
Fax: (051) 2804115

ZAHEER RASHEED
Assistant General Manager-Branch Head

Islamabad - II Branch
Office No. 10, 3rd Floor,
Huzaifia Centre, Plot No. 32, Sector I-8,
Islamabad

(051) 2722223-4
Fax: (051) 4861770

OMAR JAVID
Assistant General Manager-Branch Head

Office No. 10&11, Mazzanine Floor,
(1-C) Muhammadi Plaza, Jinnah Avenue,
Blue Area, Islamabad.

(051) 2726523
(051) 2810362

SAHIWAL

RANA MUHAMMAD AAMIR NAZ
Senior Manager-Branch Head

Room No. 1 & 2, 1st Floor,
House No. 407- Stadium Road,
Sahiwal.

(040) 4222266
Fax: (040) 4222267

MULTAN

GHULAM ALI
Office Incharge

Atlas Honda Building
Azmat Wasti Road, Multan.

(061) 4544494
Fax: (061) 4544498

SOUTH ZONE OFFICE

Ground Floor, Federation House,
Shahrah-e-Firdousi,
Main Clifton, Karachi.

UAN:
PABX:
Fax:

111-245-000
(021) 35378806-7, 35369394-6
(021) 35378515

BABAR MAHMOOD MIRZA
Chief Executive Officer Direct: (021) 35378757

ABBAS SAJJAD
General Manager Sales & Marketing Direct: (021) 35369447
Extension: 215

M. WAQARUDDIN RAUF
Vice President Extension: 216

MUHAMMAD AFZAL
Company Secretary Extension: 202

SOUTH ZONE BRANCHES

KARACHI

M. FAROOQ KANDLAWALA
Assistant General Manager-Branch Head Tower Branch
State Life Building No. 7
Room No. 101, 1st Floor
G. Allana Road, Karachi. (021) 32316503, 32201471
Fax: (021) 32315248

ABDUL AZIZ
Assistant General Manager-Branch Head Corporate Branch
Room No. 1501, 15th Floor,
K.S. Trade Tower, Shahrah-e-Liaqat
Karachi (021) 32462131, 32422911
Fax: (021) 32462132

IMRAN SATTAR
Assistant General Manager-Branch Head Plaza Branch
3/3 Rimpa Plaza
M.A. Jinnah Road,
Karachi. (021) 32729339, 32720852
Fax: (021) 32749004

KHALID HAMEEDI
Assistant General Manager-Branch Head Karachi Branch - I
Ground Floor, Federation House,
Shahrah-e-Firdousi,
Main Clifton, Karachi. (021) 35378806-7
35369394-6
Fax: (021) 35378515

INAYATULLAH
Manager-Branch Head New Challi Branch
Office No. 910, 9th Floor, UNI Tower,
I. I. Chundrighar Road,
Karachi. (021) 32412796-7
Fax: (021) 32412795

NOUMAN UDDIN
Assistant General Manager-Branch Head DHA Branch
Office No. 18-C, 2nd Floor,
Phase - VII, Kayaban-e-Jami,
DHA, Karachi. (021) 35319393-94
Fax: (021) 35319395

AJAZ TUFAIL
Senior Manager-Branch Head NCB-II Branch
Office No. 910, 9th Floor, UNI Tower,
I. I. Chundrighar Road,
Karachi. (021) 32412798-9
Fax: (021) 32412795

HYDERABAD

ZAFAR AHMAD GHOURI
Assistant General Manager-Branch Head Plot No. 466, Mezzanine Floor,
Al-Abbas Plaza, Near Kaka Bakery
Saddar, Hyderabad. (022) 2782659, 2782660
Fax: (022) 2786410

SUKKUR

ABDUL MAJEED QURESHI
Chief Manager-Branch Head Near Public School,
Military Road,
Sukkur. (071) 5631056
Fax: (071) 5631057

Atlas Insurance Limited

63/A, Block-XX, Phase III (Commercial)

Khyaban-e-Iqbal, DHA, Lahore.

Tel: (92-42) 37132611-18

Fax: (92-42) 37132622

Email: info@ail.atlas.pk

Website: www.ail.atlas.pk