



Quarterly Report  
September 30, 2016

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# Company Information

## Board of Directors

Yusuf H. Shirazi  
Chairman

Feroz Rizvi  
Director

Isphanyar M. Bhandara  
Director

Ali H. Shirazi  
Director

Jawaid Iqbal Ahmed  
Director

Khaleeq-Ur-Rahman Khan  
Director

Arshad P. Rana  
Chief Executive

Muhammad Afzal  
Company Secretary

## Audit Committee

Feroz Rizvi  
Chairman

Ali H. Shirazi  
Member

Jawaid Iqbal Ahmed  
Member

Muhammad Afzal  
Secretary

Saleem Mahmood Akhtar  
Chief Internal Auditor

## Human Resource & Remuneration Committee

Isphanyar M. Bhandara  
Chairman

Ali H. Shirazi  
Member

Arshad P. Rana  
Member

Qudsia Naheed  
Secretary

## Investment Committee

Ali H. Shirazi  
Chairman

Arshad P. Rana  
Member

Rashid Amin  
Member

Muhammad Afzal  
Secretary

## Information Technology (IT) Committee

Ali H. Shirazi  
Chairman

Arshad P. Rana  
Member

Abdul Razzaq Ghauri  
Secretary

## Underwriting Committee

Ali H. Shirazi  
Chairman

Arshad P. Rana  
Member

Muhammad Saeed  
Member

Syed Irtiza Kazmi  
Secretary

# Company Information

## Claims Settlement Committee

Ali H. Shirazi  
Chairman

Arshad P. Rana  
Member

Syed Irtiza Kazmi  
Member

Muhammad Saeed  
Secretary

## Reinsurance & Co-insurance Committee

Ali H. Shirazi  
Chairman

Arshad P. Rana  
Member

Syed Irtiza Kazmi  
Member

Syed Nasir Hussain  
Secretary

## Management Committee

Arshad P. Rana  
Chief Executive

Rashid Amin  
Chief Financial Officer

Nisar Zaman Khan  
Head of Marketing & Sales

Muhammad Saeed  
Head of Claims

Qudsia Naheed  
Head of HR & Admin

Abdul Razzaq Ghauri  
Head of Window Takaful

Syed Irtiza Kazmi  
Vice President Underwriting

## Shariah Advisor

Mufti Zeeshan Abdul Aziz

## Auditors

A. F. Ferguson & Co.  
Chartered Accountants

## Legal Advisors

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

## Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

## Share Registrar

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

## Bankers

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

## Registered & Head Office

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

# Chairman's Review

It gives me great pleasure to present the un-audited accounts of your Company for the nine months period ended September 30, 2016.

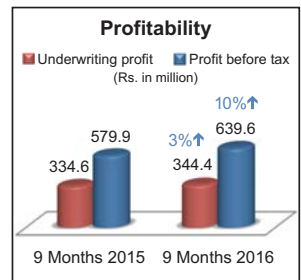
## The Economy

Pakistan's economy is projected to grow by 5% in FY17 on the back of improving law and order situation, progress on China Pak Economic Corridor (CPEC) related projects, continuation of benign commodity prices, and low inflation. The business sentiments are largely positive in all sectors, with market circles expecting further improvement in security environment, improved energy supply and better government policies. Supporting macroeconomic environment and record high foreign exchange reserves have supported stability in the foreign exchange market. However, the current account deficit is at the risk of widening further owing to declining exports and rising imports. Lackluster global GDP growth is partly blamed for dismal export performance as well as structural issues such as low value addition and higher input cost particularly energy cost. In the latest Monetary Policy, the State Bank of Pakistan kept the policy rate unchanged at 5.75% on account of rising inflationary expectations and growing uncertainty in the global economy. Inflation might see an uptick in coming months as the low base effect phases out. High trade deficit combined with slower growth in remittances can put pressure on the currency. However, successful issuance of Eurobond Sukuk at 5.5% exhibits the potential of capital account inflows to absorb any such pressure, at least in short to medium term. The local equity market continued to perform well reaching new highs. The KSE-100 index closed up 7.3% during July-September, translating into gain of 23.5% in 2016.

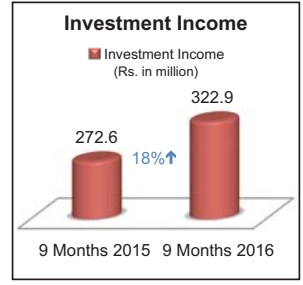
Overseas Pakistani workers remitted USD 3.089 billion in the first two months (July - August) of FY16, showing a decline of 3.19% compared with USD 3.191 billion received during the same period in the preceding year. Foreign exchange reserves have increased to USD 23.612 billion in September compared to USD 20.075 billion of September 2015. The FBR managed a net tax collection of Rs. 625 billion during first quarter ended September 30, 2016, against Rs. 600 billion of corresponding period last year, an increase of 4%. The balance of trade deficit was USD 3.748 billion during first two months of the current fiscal year as compared with USD 3.309 billion during July-Aug 2015. The exports during the first two months were USD 3.20 billion during July-August, 2016 compared to USD 3.49 billion in the corresponding months of last year, a 9.06% decline. Imports during the same period increased slightly to USD 6.97 billion as compared with USD 6.80 billion in the corresponding months of last year.

## The Company

Your Company continued to show improved results as the gross premium underwritten for the period under review reached Rs. 1.86 billion, up 21% from Rs. 1.53 billion in the same period last year. The net premium rose to Rs. 757.62 million against Rs. 714.67 million in the corresponding period last year, up 6%. Underwriting profit was



Rs. 344.43 million compared to Rs. 334.59 million in the same period last year, up 3%. The Company as a result of its prudent investment management earned investment income of Rs. 322.90 million compared to Rs. 272.64 million of the corresponding period last year, up 18%. The Company earned profit before tax of Rs. 639.63 million against Rs. 579.96 million in the same period last year, up 10%. After providing for tax, the profit after tax stood at Rs. 431.93 million compared to Rs. 444.38 million in the same period last year, down 3% due to normal corporate tax rates applied on dividend income and capital gain instead of previous lower slab rate regime with effect from FY 2016-17 which resulted in additional tax burden on the insurance sector.



## Future Outlook

As CPEC related projects are gathering momentum, the economy is projected to further expand at the back of improving industrial activity, especially construction and power generation, and rising demand for allied services. Relatively lower import prices of inputs, low interest rates and better energy supplies are expected to boost manufacturing sector. Improved security situation and positive credit rating outlook of Pakistan by Moody's is expected to help attracting foreign investment thus supporting sustainability of growth. Emerging markets, a research and publishing institute of the International Monetary Fund and World Bank declared Pakistan the best infrastructure development country of South Asia and also described Pakistan as an attractive country for investment in energy and transport projects under infrastructure development. However, for the long-term sustainability of the recent growth momentum, higher export earnings and healthy Foreign Direct Investments are inevitable.

The management believes that commitment, devotion, and efforts at self-development and organizational development will continue to yield better results for the Company. Moreover such endeavours will also benefit the economy and the society at large:

خودی کو کر بلند اتنا کہ ہر تقدیر سے پہلے  
خدا بندے سے خود پہ چھے بتا تیری رضا کیا ہے

(Self reliance depends on self determination)

## Acknowledgement

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

Yusuf H. Shirazi

## Directors' Review

The directors have pleasure in submitting the quarterly report of the Company together with the unaudited financial statements for the period ended September 30, 2016.

	<u>September 30,</u> 2016	<u>September 30,</u> 2015
	(Rupees in thousand)	
<b>The overall business figures are:</b>		
Net premium	757,623	714,668
Net claims	177,486	163,855
Investment and other income	339,891	287,537
Net commission	47,962	47,108
Expenses of management	283,671	263,329
<b>Financial results are as follows:</b>		
Profit before tax	639,632	579,963
Less: Provision for taxation	207,706	135,587
Profit after tax	<u>431,926</u>	<u>444,376</u>

### Chairman's Review

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

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

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

For and on behalf of the  
Board of Directors



**Arshad P. Rana**  
Chief Executive

Lahore: October 26, 2016

## ڈائریکٹرز کا جائزہ

ڈائریکٹرز نہایت مسرت کے ساتھ 30 ستمبر 2016 کو ختم ہونے والی مدت کے لیے کمپنی کی نو ماہی رپورٹ غیر پڑتال شدہ اکاؤنٹس کے ہمراہ پیش کر رہے ہیں۔

30 ستمبر، 2015	روپے '000' میں	30 ستمبر، 2016	مجموعی کاروباری اعداد و شمار ہیں:
714,668		757,623	نیٹ پربیم
163,855		177,486	نیٹ کلیمز
287,537		339,891	سرمایہ کاری اور دیگر آمدنی
47,108		47,962	نیٹ کمیشن
263,329		283,671	انتظامی امور کے اخراجات
			مالیاتی نتائج درج ذیل ہیں:
579,963		639,632	قبل از محاسل منافع
135,587		207,706	منفی: بیش بقیہ محاسل
444,376		431,926	بعد از محاسل منافع

## چیئرمین کا جائزہ

چیئرمین کا جائزہ اس مدت کے دوران کمپنی کی کارکردگی اور مستقبل کے خدو خال کو ظاہر کرتا ہے۔ کمپنی کے ڈائریکٹرز اس رپورٹ کی مندرجات کی توثیق کرتے ہیں۔

ہم اپنے معزز کسٹمرز، بینکرز، ری انشوررز اور سیکیورٹی اینڈ اینیٹی کیٹیج کمیشن آف پاکستان کے تعاون پر تہنودل سے قابل تحسین وسیع تعاون پر شکر گزار ہیں۔

ہم کمپنی کے آفیسرز، اسٹاف اور فیڈلٹ فورس سے سرانجام دی جانے والی وقف کردہ خدمات کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



ارشاد پی رانا  
چیف ایگزیکٹو

لاہور: 26 اکتوبر 2016



## Pattern of Shareholding

As at September 30, 2016

Number of shareholders	Shareholding		Shares held
	From	To	
248	1	100	6,668
202	101	500	58,508
131	501	1000	106,283
271	1001	5000	747,412
108	5001	10000	767,592
64	10001	15000	800,044
29	15001	20000	509,084
15	20001	25000	333,356
24	25001	30000	667,615
15	30001	35000	476,114
8	35001	40000	307,399
6	40001	45000	253,067
7	45001	50000	337,437
1	50001	55000	51,500
7	55001	60000	395,723
3	60001	65000	185,179
2	65001	70000	134,550
3	70001	75000	211,121
5	75001	80000	391,717
2	80001	85000	166,195
1	85001	90000	89,109
1	90001	95000	92,666
2	95001	100000	196,564
2	100001	105000	203,170
3	105001	110000	328,400
1	110001	115000	112,500
1	115001	120000	116,879
2	120001	125000	249,375
1	125001	130000	130,000
1	130001	135000	130,541
3	140001	145000	423,112
2	145001	150000	295,672
1	155001	160000	157,378
1	165001	170000	170,000
1	175001	180000	176,803
1	190001	195000	190,001
1	200001	205000	203,926
1	260001	265000	261,990
1	280001	285000	280,579
1	295001	300000	300,000
1	355001	360000	358,449
1	665001	670000	669,000
1	1355001	1360000	1,358,353
1	1925001	1930000	1,929,336
1	1975001	1980000	1,978,915
1	6920001	6925000	6,923,144
1	22065001	22070000	22,068,013
1	23860001	23865000	23,860,942
<b>1,187</b>			<b>70,161,381</b>

## Shareholders' Information

As at September 30, 2016

Categories of shareholders	Shares held	Percentage
Director, Chief Executive and their spouse and minor children	95,510	0.14%
Associated companies, undertakings and related parties	54,781,436	78.08%
NIT and ICP	530	0.00%
Banks, development finance institutions Non-banking financial institutions	814,601	1.16%
Insurance companies	2,145,415	3.06%
Modaraba and mutual funds	-	0.00%
Shareholders holding 10% and above	52,852,099	75.33%
General Public :		
a. Local	10,801,461	15.40%
b. Foreign	-	-
Others :		
Joint stock companies	98,642	0.14%
Others	1,423,786	2.03%

## Condensed Interim

As at

Note	September 30, 2016 (Unaudited) (Rupees in thousand)	December 31, 2015 (Audited)
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**Share capital and reserves**

Authorised share capital 80,000,000 (2015: 80,000,000) ordinary shares of Rs. 10 each	800,000	800,000
Issued, subscribed and paid up share capital 70,161,381 (2015: 70,161,381) ordinary shares of Rs. 10 each	701,614	701,614
General reserves	726,064	545,064
Retained earnings	429,179	599,221
	1,856,857	1,845,899

**Underwriting provisions**

Provision for outstanding claims (including IBNR)	515,579	503,360
Provision for unearned premium	1,065,803	762,255
Commission income unearned	104,878	82,253
Total underwriting provisions	1,686,260	1,347,868

**Creditors and accruals**

Premium received in advance	5,125	51,695
Amounts due to other insurers / reinsurers	386,401	266,036
Accrued expenses	136,837	107,672
Taxation - provision less payments	33,075	-
Other creditors and accruals	106,324	106,110

**Other liabilities**

Deposits against performance bonds	19,602	18,721
Unclaimed dividends	64,417	53,013
	84,019	71,734

<b>TOTAL LIABILITIES</b>	2,438,041	1,951,115
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<b>TOTAL LIABILITIES FROM GENERAL TAKAFUL OPERATIONS - OPERATOR'S FUND</b>	9,905	-
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<b>TOTAL EQUITY AND LIABILITIES</b>	4,304,803	3,797,014
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<b>CONTINGENCIES AND COMMITMENTS</b>	6	
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The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

# Balance Sheet (Unaudited)

September 30, 2016

	Note	September 30, 2016 (Unaudited) (Rupees in thousand)	December 31, 2015 (Audited)
<b>Cash and bank deposits</b>			
Cash and other equivalents		567	90
Current and other accounts	7	335,763	428,194
		336,330	428,284
<b>Loans to employees - secured considered good</b>			
		109	150
<b>Investments</b>			
	8	2,177,097	2,124,477
<b>Deferred taxation</b>			
		24,819	26,168
<b>Current assets - others</b>			
Premiums due but unpaid		424,000	148,090
Amounts due from other insurers / reinsurers		152,779	107,278
Salvage recoveries accrued		4,035	4,110
Accrued investment income		6,769	4,142
Reinsurance recoveries against outstanding claims		405,098	400,562
Deferred commission expense		98,691	70,325
Prepayments		540,835	419,221
Taxation - payments less provision		-	881
Sundry receivables		12,087	7,095
		1,644,294	1,161,704
<b>Fixed assets</b>			
<b>Tangible</b>			
	9		
Freehold land		1,168	1,168
Buildings on freehold land		10,258	10,657
Furniture and fixtures		2,381	2,513
Office equipments		8,761	9,501
Computers equipments		8,703	7,897
Motor vehicles		29,517	23,501
		60,788	55,237
<b>Intangible</b>			
Computer software		-	994
		4,243,437	3,797,014
<b>TOTAL ASSETS FROM GENERAL TAKAFUL OPERATIONS - OPERATOR'S FUND</b>			
		61,366	-
<b>TOTAL ASSETS</b>			
		4,304,803	3,797,014



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Isphanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman

# Condensed Interim Profit and Loss Account (Unaudited)

For the nine months period ended September 30, 2016

## Three months period ended September 30, 2016

	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Miscellaneous	Treaty	2016	2015
(Rupees in thousand)								
<b>Revenue account</b>								
Net premium revenue	44,207	89,112	75,622	12,051	51,999	-	272,991	237,771
Net claims	(136)	(2,259)	(31,678)	(1,324)	(34,498)	-	(69,895)	(56,727)
Expenses	(16,265)	(22,134)	(35,144)	(8,107)	(16,200)	-	(97,850)	(83,579)
Net commission	10,604	11,496	(6,864)	219	393	-	15,848	15,037
<b>Underwriting result</b>	<u>38,410</u>	<u>76,215</u>	<u>1,936</u>	<u>2,839</u>	<u>1,694</u>	-	<u>121,094</u>	<u>112,502</u>
Investment income							81,480	67,927
Rental income							2,094	1,716
Other income							1,809	1,724
Financial charges							(78)	(112)
General and administration expenses							(12,698)	(14,031)
Profit before taxation							72,607	57,224
Income from window takaful operations							193,701	169,726
							1,419	-
<b>Profit before tax for the period</b>							<u>195,120</u>	<u>169,726</u>
Provision for taxation							(76,343)	(47,180)
<b>Profit after tax</b>							<u>118,777</u>	<u>122,546</u>
<b>Basic and diluted earnings per share - Rupees</b>							<u>1.69</u>	<u>1.75</u>

## Nine months period ended September 30, 2016

Note	Fire and property damage	Marine, aviation and transport	Motor	Engineering	Miscellaneous	Treaty	2016	2015
(Rupees in thousand)								
<b>Revenue account</b>								
Net premium revenue	126,620	241,135	233,878	32,022	123,968	-	757,623	714,668
Net claims	(9,867)	(15,353)	(72,969)	(1,445)	(77,852)	-	(177,486)	(163,855)
Expenses	(54,874)	(53,318)	(89,472)	(47,046)	(38,961)	-	(283,671)	(263,329)
Net commission	29,780	32,681	(20,449)	725	5,225	-	47,962	47,108
<b>Underwriting result</b>	<u>91,659</u>	<u>205,145</u>	<u>50,988</u>	<u>(15,744)</u>	<u>12,380</u>	-	<u>344,428</u>	<u>334,592</u>
Investment income							322,899	272,639
Rental income							6,200	5,148
Other income							10,792	9,750
Financial charges							(541)	(419)
General and administration expenses							(45,607)	(41,747)
Profit before taxation							293,743	245,371
Income from window takaful operations							638,171	579,963
							1,461	-
<b>Profit before tax for the period</b>							<u>639,632</u>	<u>579,963</u>
Provision for taxation							(207,706)	(135,587)
<b>Profit after tax for the period</b>							<u>431,926</u>	<u>444,376</u>
<b>Profit and loss appropriation account</b>								
<b>Balance at commencement of the period</b>							599,221	544,824
Profit after taxation for the nine months ended September 30							431,926	444,376
Transfer to general reserve							(181,000)	(124,000)
Final dividend for 2015 @ Rs. 6 per share (2014: Rs. 6 per share)							(420,968)	(420,968)
<b>Balance unappropriated profit at the end of the period</b>							<u>429,179</u>	<u>444,232</u>
<b>Basic and diluted earnings per share - Rupees</b>							<u>6.16</u>	<u>6.33</u>

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



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Ishphanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman

## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months period ended September 30, 2016

	Nine months period ended September 30,		Three months period ended September 30,	
	2016 (Rupees in thousand)	2015 (Rupees in thousand)	2016 (Rupees in thousand)	2015 (Rupees in thousand)
Profit after tax for the period	431,926	444,376	118,777	122,546
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>431,926</u>	<u>444,376</u>	<u>118,777</u>	<u>122,546</u>

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



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Isphanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman

## Condensed Interim Statement of Changes In Equity (Unaudited)

For the nine months period ended September 30, 2016

	Issued, subscribed and paid-up capital	Capital Reserve		Revenue Reserve			Total	
		Capital reserve	Reserve for exceptional losses	Reserve for issue of bonus shares	General reserve	Investment fluctuation reserves		Retained earnings
<b>( Rupees in thousand )</b>								
<b>Balance as at January 01, 2015 (Audited)</b>	701,614	2,251	2,164	-	413,649	3,000	544,824	1,667,502
Final dividend for the year ended December 31, 2014 @ 60% (Rs. 6 per share)	-	-	-	-	-	-	(420,968)	(420,968)
Transfer to reserve for bonus shares	-	-	-	-	124,000	-	(124,000)	-
Total comprehensive income for the period	-	-	-	-	-	-	444,376	444,376
Balance as at September 30, 2015 (Un-audited)	701,614	2,251	2,164	-	537,649	3,000	444,232	1,690,910
<b>Balance as at January 01, 2016 (Audited)</b>	<u>701,614</u>	<u>2,251</u>	<u>2,164</u>	<u>-</u>	<u>537,649</u>	<u>3,000</u>	<u>599,221</u>	<u>1,845,899</u>
Final dividend for the year ended December 31, 2015 @ 60% (Rs. 6 per share)	-	-	-	-	-	-	(420,968)	(420,968)
Transfer to general reserve	-	-	-	-	181,000	-	(181,000)	-
Total comprehensive income for the period	-	-	-	-	-	-	431,926	431,926
<b>Balance as at September 30, 2016 (Un-audited)</b>	<u>701,614</u>	<u>2,251</u>	<u>2,164</u>	<u>-</u>	<u>718,649</u>	<u>3,000</u>	<u>429,179</u>	<u>1,856,857</u>

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



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Ishphanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman

# Condensed Interim Cash Flow Statement (Unaudited)

For the nine months period ended September 30, 2016

Note	<u>September 30,</u> <u>2016</u>	<u>September 30,</u> <u>2015</u>
	(Rupees in thousand)	
<b>Operating cash flows</b>		
<b>Underwriting activities</b>		
Premiums received	1,536,018	1,320,556
Reinsurance premiums paid	(843,691)	(675,043)
Claims paid	(403,336)	(331,708)
Reinsurance and other recoveries received	223,343	81,071
Commissions paid	(125,991)	(97,407)
Commissions received	113,413	168,136
Other underwriting payments	(1,102)	(344)
Other underwriting receipts	14,061	13,494
<b>Net cash generated from underwriting activities</b>	<b>512,715</b>	<b>478,755</b>
<b>Other operating activities</b>		
Income tax paid	(172,401)	(169,055)
General and management expenses paid	(296,280)	(270,940)
Loans repayment received	41	31
Other deposits	881	6,394
<b>Net cash used in other operating activities</b>	<b>(467,759)</b>	<b>(433,570)</b>
<b>Total cash generated from all operating activities</b>	<b>44,956</b>	<b>45,185</b>
<b>Investment activities</b>		
Profit / return received	19,468	17,986
Dividends received	99,141	134,668
Rental income	8,434	5,201
Payments for purchase of investments	(1,029,295)	(1,246,849)
Proceeds from disposal of investments	1,189,310	1,298,473
Fixed capital expenditure	(17,658)	(23,140)
Proceeds from disposal of fixed assets	4,128	7,861
<b>Total cash generated from investing activities</b>	<b>273,528</b>	<b>194,200</b>
<b>Financing activities</b>		
Dividends paid	(409,564)	(409,015)
Financial charges paid	(874)	(419)
<b>Total cash used in financing activities</b>	<b>(410,438)</b>	<b>(409,434)</b>
<b>Net cash used in all activities</b>	<b>(91,954)</b>	<b>(170,049)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>428,284</b>	<b>433,170</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>336,330</b>	<b>263,121</b>

Reconciliation of operating cash flows to profit and loss account is given as note 10 to this interim financial information.

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



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Ispahanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman



## Condensed Interim Statement of Premiums (Unaudited)

For the nine months period ended September 30, 2016

T h r e e m o n t h s p e r i o d e n d e d S e p t e m b e r 3 0										
Business underwritten inside Pakistan										
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		2016	2015
( R u p e e s i n t h o u s a n d )										
<b>Direct and facultative</b>										
Fire and property damage	82,961	360,213	291,580	151,594	56,112	243,936	192,661	107,387	44,207	39,731
Marine, aviation and transport	140,772	49,122	48,982	140,912	51,127	18,661	17,988	51,800	89,112	78,033
Motor	150,979	242,730	268,208	125,501	49,659	77,802	77,582	49,879	75,622	83,374
Engineering	25,751	305,066	262,310	68,507	23,765	246,624	213,933	56,456	12,051	11,127
Miscellaneous	120,742	145,712	194,723	71,731	10,159	45,122	35,549	19,732	51,999	25,506
<b>Total</b>	<b>521,205</b>	<b>1,102,843</b>	<b>1,065,803</b>	<b>558,245</b>	<b>190,822</b>	<b>632,145</b>	<b>537,713</b>	<b>285,254</b>	<b>272,991</b>	<b>237,771</b>
<b>Treaty</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>521,205</b>	<b>1,102,843</b>	<b>1,065,803</b>	<b>558,245</b>	<b>190,822</b>	<b>632,145</b>	<b>537,713</b>	<b>285,254</b>	<b>272,991</b>	<b>237,771</b>


N i n e m o n t h s p e r i o d e n d e d S e p t e m b e r 3 0										
Business underwritten inside Pakistan										
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	
		Opening	Closing			Opening	Closing		2016	2015
( R u p e e s i n t h o u s a n d )										
<b>Direct and facultative</b>										
Fire and property damage	409,890	318,426	291,580	436,736	287,406	215,371	192,661	310,116	126,620	118,237
Marine, aviation and transport	395,957	37,662	48,982	384,637	146,188	15,302	17,988	143,502	241,135	242,310
Motor	407,172	232,167	268,208	371,131	124,772	90,063	77,582	137,253	233,878	248,734
Engineering	352,023	90,592	262,310	180,305	287,620	74,596	213,933	148,283	32,022	37,773
Miscellaneous	292,210	83,408	194,723	180,895	72,270	20,206	35,549	56,927	123,968	67,614
<b>Total</b>	<b>1,857,252</b>	<b>762,255</b>	<b>1,065,803</b>	<b>1,553,704</b>	<b>918,256</b>	<b>415,538</b>	<b>537,713</b>	<b>796,081</b>	<b>757,623</b>	<b>714,668</b>
<b>Treaty</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>1,857,252</b>	<b>762,255</b>	<b>1,065,803</b>	<b>1,553,704</b>	<b>918,256</b>	<b>415,538</b>	<b>537,713</b>	<b>796,081</b>	<b>757,623</b>	<b>714,668</b>

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

  
**Arshad P. Rana**  
 Chief Executive

  
**Ali H. Shirazi**  
 Director

  
**Ispahanyar M. Bhandara**  
 Director

  
**Yusuf H. Shirazi**  
 Chairman

## Condensed Interim Statement of Claims (Unaudited)

For the nine months period ended September 30, 2016

Three months period ended September 30											
Business underwritten inside Pakistan	Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
			Opening	Closing			Opening	Closing		2016	2015
(Rupees in thousand)											
<b>Direct and facultative</b>											
	Fire and property damage	25,561	122,129	132,154	35,586	21,441	113,052	127,061	35,450	136	4,024
	Marine, aviation and transport	10,841	44,225	39,923	6,539	7,767	33,496	30,009	4,280	2,259	4,300
	Motor	31,879	78,754	83,442	36,567	5,793	16,257	15,353	4,889	31,678	31,063
	Engineering	3,424	194,898	228,981	37,507	2,616	192,503	226,070	36,183	1,324	(2,211)
	Miscellaneous	26,840	20,001	27,299	34,138	(2,153)	4,812	6,605	(360)	34,498	17,129
	<b>Total</b>	<b>98,545</b>	<b>460,007</b>	<b>511,799</b>	<b>150,337</b>	<b>35,464</b>	<b>360,120</b>	<b>405,098</b>	<b>80,442</b>	<b>69,895</b>	<b>56,727</b>
	<b>Treaty</b>	<b>-</b>	<b>3,780</b>	<b>3,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand total</b>	<b>98,545</b>	<b>463,787</b>	<b>515,579</b>	<b>150,337</b>	<b>35,464</b>	<b>360,120</b>	<b>405,098</b>	<b>80,442</b>	<b>69,895</b>	<b>56,727</b>


Nine months period ended September 30											
Business underwritten inside Pakistan	Class	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense	
			Opening	Closing			Opening	Closing		2016	2015
(Rupees in thousand)											
<b>Direct and facultative</b>											
	Fire and property damage	93,671	104,109	132,154	121,716	84,618	99,830	127,061	111,849	9,867	8,432
	Marine, aviation and transport	38,791	32,030	39,923	46,684	25,440	24,118	30,009	31,331	15,353	6,994
	Motor	104,492	92,343	83,442	95,591	30,788	23,519	15,353	22,622	72,969	100,421
	Engineering	95,876	252,471	228,981	72,386	94,230	249,359	226,070	70,941	1,445	3,018
	Miscellaneous	74,724	18,627	27,299	83,396	2,675	3,736	6,605	5,544	77,852	44,990
	<b>Total</b>	<b>407,554</b>	<b>499,580</b>	<b>511,799</b>	<b>419,773</b>	<b>237,751</b>	<b>400,562</b>	<b>405,098</b>	<b>242,287</b>	<b>177,486</b>	<b>163,855</b>
	<b>Treaty</b>	<b>-</b>	<b>3,780</b>	<b>3,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand total</b>	<b>407,554</b>	<b>503,360</b>	<b>515,579</b>	<b>419,773</b>	<b>237,751</b>	<b>400,562</b>	<b>405,098</b>	<b>242,287</b>	<b>177,486</b>	<b>163,855</b>

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

  
Arshad P. Rana  
Chief Executive

  
Ali H. Shirazi  
Director

  
Ispahanyar M. Bhandara  
Director

  
Yusuf H. Shirazi  
Chairman

## Condensed Interim Statement of Expenses (Unaudited)

For the nine months period ended September 30, 2016

Three months period ended September 30									
Business underwritten inside Pakistan									
Class	Commission paid or payable	Deffered commission		Net commission expense	Other management expense	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					2016	2015
(Rupees in thousand)									
<b>Direct and facultative</b>									
Fire and property damage	11,588	30,837	28,765	13,660	16,265	29,925	24,264	5,661	5,631
Marine, aviation and transport	4,085	2,406	1,305	5,186	22,134	27,320	16,682	10,638	8,120
Motor	17,734	27,431	29,157	16,008	35,144	51,152	9,144	42,008	41,981
Engineering	4,657	36,409	32,552	8,514	8,107	16,621	8,733	7,888	615
Miscellaneous	4,551	5,028	6,912	2,667	16,200	18,867	3,060	15,807	12,195
<b>Total</b>	<b>42,615</b>	<b>102,111</b>	<b>98,691</b>	<b>46,035</b>	<b>97,850</b>	<b>143,885</b>	<b>61,883</b>	<b>82,002</b>	<b>68,542</b>
<b>Treaty</b>	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>42,615</b>	<b>102,111</b>	<b>98,691</b>	<b>46,035</b>	<b>97,850</b>	<b>143,885</b>	<b>61,883</b>	<b>82,002</b>	<b>68,542</b>

Nine months period ended September 30									
Business underwritten inside Pakistan									
Class	Commission paid or payable	Deffered commission		Net commission expense	Other management expense	Underwriting expense	Commission from reinsurers	Net underwriting expense	
		Opening	Closing					2016	2015
(Rupees in thousand)									
<b>Direct and facultative</b>									
Fire and property damage	44,246	22,295	28,765	37,776	54,874	92,650	67,556	25,094	24,417
Marine, aviation and transport	13,030	1,469	1,305	13,194	53,318	66,512	45,875	20,637	25,175
Motor	40,782	34,488	29,157	46,113	89,472	135,585	25,664	109,921	116,527
Engineering	43,384	9,579	32,552	20,411	47,046	67,457	21,136	46,321	23,017
Miscellaneous	10,325	2,494	6,912	5,907	38,961	44,868	11,132	33,736	27,085
<b>Total</b>	<b>151,767</b>	<b>70,325</b>	<b>98,691</b>	<b>123,401</b>	<b>283,671</b>	<b>407,072</b>	<b>171,363</b>	<b>235,709</b>	<b>216,221</b>
<b>Treaty</b>	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>151,767</b>	<b>70,325</b>	<b>98,691</b>	<b>123,401</b>	<b>283,671</b>	<b>407,072</b>	<b>171,363</b>	<b>235,709</b>	<b>216,221</b>


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

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

  
Arshad P. Rana  
Chief Executive

  
Ali H. Shirazi  
Director

  
Ispahanyar M. Bhandara  
Director

  
Yusuf H. Shirazi  
Chairman

**Condensed Interim Statement of Investment Income (Unaudited)**

For the nine months period ended September 30, 2016

	Nine months period ended September 30,		Three months period ended September 30,	
	2016	2015	2016	2015
	(Rupees in thousand)		(Rupees in thousand)	
<b>Income from non-trading investments</b>				
<b>Held to maturity</b>				
Return on Government securities	5,446	6,446	1,128	2,141
<b>Available - for - sale</b>				
Dividend income	104,943	166,518	22,434	94,768
Gain on sale of available for sale investments	199,126	137,074	55,959	85
Less: Investment related expenses	(467)	(314)	(134)	(46)
Less: Provision for impairment in value of investment	13,851	(37,085)	2,093	(29,021)
<b>Net investment income</b>	<b>322,899</b>	<b>272,639</b>	<b>81,480</b>	<b>67,927</b>

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



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Isphanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman

## Notes to the Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2016

### 1. Legal status and nature of business

Atlas Insurance Limited ("the Company") is a non-life insurance Company which was incorporated as a public limited Company in Lahore, Pakistan on September 06, 1934 under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange. The Company has 21 branches in Pakistan (2015: 21). The Company is engaged in providing general and takaful insurance services in spheres of fire, marine, motor, engineering and miscellaneous. The registered office and the principal place of business is situated at 3-Bank Square, Lahore.

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

### 2. Statement of compliance

These condensed interim financial information for the nine months period ended September 30, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and directives issued by the SECP. Wherever the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 or the requirements of the said directives take precedence. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2015.

As per the requirements of Takaful Rules, 2012, read with SECP Circular 25 of 2015 dated July 09, 2015 the assets, liabilities and profit and loss of the Operator Fund (OPF) of the General Takaful operations of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

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

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

There are certain new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after January 1, 2016 but are considered not to be relevant or do not have any significant impact on the Company's operations and are therefore not detailed in this condensed interim financial information.

### 3. Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2015.

### 4. Basis of preparation

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

## 5. Significant accounting judgments and estimates

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended December 31, 2015.

## 6. Contingencies and commitments

### 6.1 Contingencies

**6.1.1** The tax authorities have raised demand amounting to Rs. 117,817 (thousand) against the Company for the tax years 2009 to 2014, that primarily pertains to the rate of tax on dividend and rental income. Commissioner Inland Revenue (Appeals) [CIR (A)] upheld the decision in respect of dividend income and reduced the demand to Rs. 58,895 (thousand). The Company filed appeal against the CIR(A) decision before the Appellate Tribunal Inland Revenue (ATIR) wherein the decision of CIR(A) was upheld. The Company has now filed an appeal against the decision of ATIR before the Honourable Lahore High Court which is pending adjudication. No provision on this account has been incorporated in the condensed interim financial information since the Company believes that there are meritorious grounds that the case will be decided in favour of the Company.

**6.1.2** For tax year 2005, the Tax authorities disputed the Company's treatment on certain issues disallowing expenses, creating a demand of Rs. 70,698 (thousand). The Company filed appeal before CIR(A) which was decided in favour of the Company. Department filed appeal against CIR(A) before ATIR which is pending adjudication.

**6.1.3** For tax year 2006, the Tax authorities disputed the Company's treatment on certain issues disallowing expenses. The Company filed appeal before CIR(A) which was decided in favour of the Company except for the provision of bonus amounting to Rs. 5,599 (thousand) against which the Company has filed appeal before ATIR, which is pending adjudication.

	<u>September 30,</u> 2016 (Unaudited)	<u>December 31,</u> 2015 (Audited)
--	---------------------------------------------	------------------------------------------

(Rupees in thousand)

Claims against the Company not acknowledged as debt.

70,791

69,531

### 6.2 Commitments

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

	<u>September 30,</u> 2016 (Unaudited)	<u>December 31,</u> 2015 (Audited)
--	---------------------------------------------	------------------------------------------

(Rupees in thousand)

Not later than one year

48,485

41,812

Later than one year and not later than five years

31,250

22,265

Later than five years

183

458

79,918

64,535

	Note	September 30, 2016 (Unaudited) (Rupees in thousand)	December 31, 2015 (Audited) (Rupees in thousand)
<b>7. Cash and cash equivalents at the end of the period</b>			
Cash for the purposes of statement of cash flows consists of:			
Cash and other equivalents	7.1	567	90
Current and other accounts		335,763	428,194
		<u>336,330</u>	<u>428,284</u>

7.1 There is no Shariah compliance arrangement in cash and cash equivalents.

		September 30, 2016 (Unaudited) (Rupees in thousand)	December 31, 2015 (Audited) (Rupees in thousand)
<b>8. Investments</b>			
The investments comprise of the following :			
<b>Held-to-maturity</b>			
Government securities		74,998	75,374
<b>In associated undertakings :</b>			
<b>Available-for-sale</b>			
Marketable securities - listed		236,467	236,467
<b>Others:</b>			
<b>Available-for-sale</b>			
Marketable securities - listed		1,148,154	924,947
Less: Provision for impairment in value of investments		(28,213)	(42,064)
		1,119,941	882,883
<b>Mutual funds</b>			
Others		96,381	91,084
In associated undertakings		649,310	838,669
		<u>2,177,097</u>	<u>2,124,477</u>

8.1 Market value of investments as at September 30, 2016 is Rs. 5,426 million (2015: Rs. 4,409 million).

	Note	September 30, 2016 (Unaudited) (Rupees in thousand)	December 31, 2015 (Audited) (Rupees in thousand)
<b>9. Fixed assets- tangible</b>			
Opening book value		55,237	49,247
Add: Additions during the period	9.1	17,658	24,075
		72,895	73,322
Less: Disposal during the period (at book value)		(4,367)	(8,085)
Depreciation charged for the period		(7,740)	(10,000)
		(12,107)	(18,085)
Closing book value		<u>60,788</u>	<u>55,237</u>

	September 30, 2016 (Unaudited) (Rupees in thousand)	December 31, 2015 (Audited) (Rupees in thousand)
<b>9.1 Additions during the period</b>		
Computer equipments	2,932	3,618
Furniture and fixtures	68	118
Motor vehicles	14,064	18,434
Office equipments	594	1,905
	17,658	24,075

	Nine months ended	
	September 30, 2016 (Unaudited) (Rupees in thousand)	September 30, 2015 (Unaudited) (Rupees in thousand)
<b>10. Reconciliation to profit and loss account</b>		

Operating cash flows	44,956	45,185
Depreciation	(7,740)	(7,183)
Amortization of intangible assets	(994)	(1,190)
Financial charges	(541)	(419)
(Loss)/ Profit on disposal of fixed assets	(75)	352
Provision for doubtful debts	(16,233)	(14,349)
Increase in assets other than cash	360,831	312,820
Decrease in liabilities other than borrowings	(112,561)	(67,384)
Others		
- Decrease in provision for unearned premium	(181,371)	(62,942)
- Decrease in commission income unearned	(22,625)	(27,009)
- Income on investments and current and other deposits	322,899	272,639
- Rental and other income	17,014	14,898
- Increase / (decrease) in provision for commission expense deferred	28,366	(21,042)
	431,926	444,376

	For the period ended	
	September 30, 2016 (Unaudited) (Rupees in thousand)	September 30, 2015 (Unaudited) (Rupees in thousand)
<b>11. General takaful operations</b>		
Wakala fee	3,901	-
Management expense	(3,157)	-
Commission expense	(987)	-
Unallocated expense	(117)	-
Profit on deposits	1,821	-
Profit for the period from March 12, 2016 to September 30, 2016	1,461	-



## 12. Segment reporting

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

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

	Fire & property damage		Marine, aviation & transport		Motor		Engineering		Miscellaneous		Total	
	Sep. 30, 2016 (Unaudited)	Dec. 31, 2015 (Audited)	Sep. 30, 2016 (Unaudited)	Dec. 31, 2015 (Audited)	Sep. 30, 2016 (Unaudited)	Dec. 31, 2015 (Audited)	Sep. 30, 2016 (Unaudited)	Dec. 31, 2015 (Audited)	Sep. 30, 2016 (Unaudited)	Dec. 31, 2015 (Audited)	Sep. 30, 2016 (Unaudited)	Dec. 31, 2015 (Audited)
( R u p e e s i n t h o u s a n d )												
<b>Other Information</b>												
Assets - conventional	358,040	410,150	345,870	105,760	355,660	207,750	307,493	369,861	255,246	52,384	1,622,315	1,145,905
Corporate segment assets - Takaful OPF	672	-	184	-	14,395	-	-	-	2	-	15,253	-
Unallocated corporate assets assets - conventional											2,621,123	2,651,109
Unallocated corporate assets assets - Takaful OPF											46,112	-
Consolidated total assets											<u>4,304,803</u>	<u>3,797,014</u>
Corporate segment liabilities - conventional	461,522	558,633	445,834	160,668	458,461	421,449	396,366	402,872	329,018	140,699	2,091,201	1,684,321
Corporate segment liabilities - Takaful OPF	436	-	120	-	9,348	-	-	-	1	-	9,905	-
Unallocated corporate liabilities liabilities - conventional											346,840	266,794
Consolidated total liabilities											<u>2,447,946</u>	<u>1,951,115</u>

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

## 13. Transactions with related parties

Related parties comprise associated undertakings, other related group companies, directors of the Company and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. The period end balances and transactions with related parties are as follows:

	September 30, 2016 (Unaudited)	December 31, 2015 (Audited)
(Rupees in thousand)		
<b>Associated companies</b>		
<b>Period end balances</b>		
Provision for outstanding claims (including IBNR)	131,040	86,853
Premium received in advance	-	47,053
Premium due but unpaid	200,544	40,135
Advance rent	1,857	2,971

Nine months ended  
September 30, September 30,  
2016 2015  
(Unaudited) (Unaudited)  
(Rupees in thousand)

#### Transactions during the period

Premium underwritten	718,152	624,178
Premium collected	575,036	691,281
Claims paid	87,872	137,479
Assets purchased	14,835	14,812
Assets sold	-	1,821
Rent received	4,669	3,820
Rent paid	2,424	1,620
Expenses paid	383	297
Donations	6,472	5,820
Dividends paid	328,689	328,689
Dividends received	56,717	100,445
Investments purchased	590,620	897,936
Investments sold	835,596	1,085,052

#### Post employment benefit plans

Expenses charged	9,730	10,038
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#### Key management personnel

Compensation	111,776	89,392
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#### 14. Financial and insurance risk management

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

#### 15. Date of authorization for issue

The condensed interim financial information was authorised for issue on October 26, 2016 by the Board of Directors of the Company.

#### 16. Corresponding figures

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

There has been no significant re-classifications/restatements in this condensed interim financial information except engineering class of business, which has been reclassified from miscellaneous class and presented separately in respective notes and statements to this condensed interim financial information.

#### 17. General

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



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Ishphanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman

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TAKAFUL

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**Atlas Insurance**

Window Takaful Operations

Quarterly Report  
September 30, 2016

## Window Takaful Condensed Interim

As at

	<b>OPF</b>	<b>PTF</b>	<b>Total</b>
	<b>September 30,</b>	<b>September 30,</b>	<b>September 30,</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>
<b>(Rupees in thousand)</b>			
<b>Operator's Fund (OPF)</b>			
Statutory fund	50,000	-	50,000
Retained earnings	1,461	-	1,461
	51,461	-	51,461
<b>Waqf / Participants' Takaful Fund (PTF)</b>			
Cede money	-	500	500
Accumulated loss	-	(5,511)	(5,510)
	-	(5,011)	(5,010)
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)	-	1,981	1,981
Provision for unearned contribution	-	27,060	27,060
Unearned retakaful rebate	-	412	412
Total underwriting provisions	-	29,453	29,453
<b>Creditors and accruals</b>			
Contribution received in advance	-	97	97
Amounts due to other takaful / retakaful operator	-	4,872	4,872
Unearned wakala fee	8,212	-	8,212
Wakala fee payable	-	12,113	12,113
Other creditors and accruals	1,693	582	2,274
	9,905	17,665	27,569
<b>TOTAL LIABILITIES</b>	9,905	47,118	57,022
<b>TOTAL EQUITY AND LIABILITIES</b>	61,366	42,107	103,473

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

# Operations

## Balance Sheet (Unaudited)

September 30, 2016

OPF                      PTF                      Total  
September 30,   September 30,   September 30,  
 2016                      2016                      2016

(Rupees in thousand)

**Cash and bank deposits**

Cash and other equivalents	45,629	23,731	69,360
Current and other accounts	-	-	-
	45,629	23,731	69,360

**Current assets - Others**

Contribution due but unpaid	-	7,957	7,957
Amounts due from other Takaful / retakaful	-	112	112
Accrued investment income	194	59	253
Deferred commission expense	1,955	-	1,955
Deferred wakala fee	-	8,212	8,212
Wakala fees receivable	12,113	-	12,113
Prepayments	992	2,036	3,028
Sundry receivables	-	-	-
	15,254	18,376	33,630

**Intangible**

Computer Software	483	-	483
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**TOTAL ASSETS**

61,366	42,107	103,473
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**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Isphanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman

## Window Takaful Operations

### Condensed Interim Profit and Loss Account (Unaudited)

For the period from March 12, 2016 to September 30, 2016

#### Three months period ended September 30, 2016

	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	2016
(Rupees in thousand)						
<b>PTF Revenue account</b>						
Net contribution revenue	72	64	5,062	36	-	5,234
Wakala expense	(154)	(181)	(2,197)	(15)	-	(2,547)
Net claims	-	-	(2,459)	-	-	(2,459)
Direct expenses	-	-	(2,823)	-	-	(2,823)
Retakaful rebate	85	105	(1)	1	-	190
<b>Underwriting result</b>	<u>3</u>	<u>(12)</u>	<u>(2,418)</u>	<u>22</u>	<u>-</u>	<u>(2,405)</u>
Unallocated expenses						-
Profit on deposits						128
<b>Loss for the period</b>						<u>(2,277)</u>
<b>OPF Revenue account</b>						
Wakala fee	154	181	2,197	15	-	2,547
Management expenses	(21)	(22)	(905)	(14)	-	(962)
Commission expenses	(55)	(45)	(534)	(2)	-	(636)
	<u>78</u>	<u>114</u>	<u>758</u>	<u>(1)</u>	<u>-</u>	<u>949</u>
Unallocated expenses						(117)
Profit on deposits						587
<b>Profit for the period</b>						<u>1,419</u>

#### For the period from March 12, 2016 to September 30, 2016

	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	For the period from March 12 to September 30, 2016
(Rupees in thousand)						
<b>PTF Revenue account</b>						
Net contribution revenue	86	68	8,210	36	-	8,400
Wakala expense	(172)	(181)	(3,533)	(15)	-	(3,901)
Net claims	-	-	(3,678)	-	-	(3,678)
Direct expenses	-	-	(6,785)	-	-	(6,785)
Retakaful rebate	94	105	(1)	1	-	199
<b>Underwriting result</b>	<u>8</u>	<u>(8)</u>	<u>(5,787)</u>	<u>22</u>	<u>-</u>	<u>(5,765)</u>
Unallocated expenses						(13)
Profit on deposits						267
<b>Loss for the period</b>						<u>(5,511)</u>
<b>OPF Revenue account</b>						
Wakala fee	172	181	3,533	15	-	3,901
Management expenses	(31)	(25)	(3,086)	(14)	-	(3,156)
Commission expenses	(62)	(45)	(879)	(2)	-	(988)
	<u>79</u>	<u>111</u>	<u>(432)</u>	<u>(1)</u>	<u>-</u>	<u>(243)</u>
Unallocated expenses						(117)
Profit on deposits						1,821
<b>Profit for the period</b>						<u>1,461</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Ishphanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman

## Window Takaful Operations

## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the period from March 12, 2016 to September 30, 2016

	Three months period ended <u>September 30,</u> 2016	For the period from March 12 to <u>September 30,</u> 2016
	(Rupees in thousand)	
<b>Operator's Fund</b>		
Profit for the period from March 12, 2016 to September 30, 2016	1,419	1,461
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>1,419</u>	<u>1,461</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Isphanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman

## Window Takaful Operations

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

For the period from March 12, 2016 to September 30, 2016

	For the period from March 12 to September 30, 2016 Operator's Fund
	(Rupees in thousand)
Contribution made during the period	50,000
Total comprehensive income for the period	-
Profit for the period	1,461
Balance as at September 30, 2016	<u>51,461</u>
	<u>Participants' Takaful Fund</u>
	(Rupees in thousand)
Cede money	500
Loss for the period	(5,511)
Balance as at September 30, 2016	<u>(5,011)</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Isphanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman



# Window Takaful Operations

## Condensed Interim Cash Flow Statement (Unaudited)

For the period from March 12, 2016 to September 30, 2016

	OPF	PTF	Total
	(Rupees in thousand)		
<b>Operating activities</b>			
<b>Takaful activities</b>			
Contributions received	-	38,916	38,916
Retakaful contributions paid	-	(1,487)	(1,487)
Claims paid	-	(1,696)	(1,696)
Retakaful and other recoveries received	-	271	271
Commissions paid	(2,022)	-	(2,022)
Retakaful rebate received	-	-	-
Wakala fees received	-	-	-
Wakala fees paid	-	-	-
Management expenses	(3,628)	(6,785)	(10,413)
<b>Net cash (used in) / generated from underwriting activities</b>	(5,650)	29,219	23,569
Other operating activities			
Income tax paid	(163)	-	(163)
General and administration expenses	(1)	(19)	(20)
Other operating payments	(184)	(6,248)	(6,432)
Other operating receipts	-	70	70
Net cash outflow from other operating activities	(348)	(6,197)	(6,545)
<b>Net cash (used in) / generated from all operating activities</b>	(5,998)	23,022	17,024
<b>Investment activities</b>			
Profit / return received	1,627	209	1,836
Fixed capital expenditures	-	-	-
<b>Total cash generated from investing activities</b>	1,627	209	1,836
<b>Financing activities</b>			
Contribution to the operator's fund	50,000	-	50,000
Cede money	-	500	500
<b>Total cash generated from financing activities</b>	50,000	500	50,500
<b>Net cash generated from all activities</b>	45,629	23,731	69,360
<b>Cash at the beginning of the period</b>	-	-	-
<b>Cash at the end of the period</b>	45,629	23,731	69,360

Reconciliation of operating cash flows to profit and loss account is given in note 8 to the condensed interim financial information

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Ispahanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman

## Window Takaful Operations

### Condensed Interim Statement of Contributions (Unaudited)

For the period from March 12, 2016 to September 30, 2016

Class	T h r e e m o n t h s p e r i o d			S e p t e m b e r 3 0 , 2 0 1 6					
	Contributions written	Unearned contribution reserve		Contributions earned	Retakaful ceded	Prepaid retakaful contributions ceded		Retakaful expense	Net contributions revenue
		Opening	Closing			Opening	Closing		
	( R u p e e s i n			t h o u s a n d )					
<b>Direct and facultative</b>									
Fire and property damage 1,558	1,558	1,016	2,085	489	1,392	933	1,908	417	72
Marine, aviation and transport	290	292	21	561	253	263	19	497	64
Motor	13,531	18,669	24,806	7,394	2,332	-	-	2,332	5,062
Miscellaneous	192	3	148	47	85	-	74	11	36
<b>Total</b>	<b>15,571</b>	<b>19,980</b>	<b>27,060</b>	<b>8,491</b>	<b>4,062</b>	<b>1,196</b>	<b>2,001</b>	<b>3,257</b>	<b>5,234</b>
<b>Treaty</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>15,571</b>	<b>19,980</b>	<b>27,060</b>	<b>8,491</b>	<b>4,062</b>	<b>1,196</b>	<b>2,001</b>	<b>3,257</b>	<b>5,234</b>

Class	F o r t h e p e r i o d f r o m			M a r c h 1 2 t o S e p t e m b e r 3 0 , 2 0 1 6					
	Contributions written	Unearned contribution reserve		Contributions earned	Retakaful ceded	Prepaid retakaful contributions ceded		Retakaful expense	Net contributions revenue
		Opening	Closing			Opening	Closing		
	( R u p e e s i n			t h o u s a n d )					
<b>Direct and facultative</b>									
Fire and property damage	2,638	-	2,085	553	2,375	-	1,908	467	86
Marine, aviation and transport	586	-	21	565	516	-	19	497	68
Motor	36,665	-	24,806	11,859	3,649	-	-	3,649	8,210
Miscellaneous	195	-	148	47	85	-	74	11	36
<b>Total</b>	<b>40,084</b>	<b>-</b>	<b>27,060</b>	<b>13,024</b>	<b>6,625</b>	<b>-</b>	<b>2,001</b>	<b>4,624</b>	<b>8,400</b>
<b>Treaty</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>40,084</b>	<b>-</b>	<b>27,060</b>	<b>13,024</b>	<b>6,625</b>	<b>-</b>	<b>2,001</b>	<b>4,624</b>	<b>8,400</b>


Note: Contribution written includes administrative charge of Rs. 136,017.

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

  
Arshad P. Rana  
Chief Executive

  
Ali H. Shirazi  
Director

  
Ispahanyar M. Bhandara  
Director

  
Yusuf H. Shirazi  
Chairman

## Window Takaful Operations

### Condensed Interim Statement of Claims (Unaudited)

For the period from March 12, 2016 to September 30, 2016

Class	T h r e e m o n t h s p e r i o d			S e p t e m b e r 3 0 , 2 0 1 6					
	Claims paid	Outstanding claims		Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue	Net claims expense
		Opening	Closing			Opening	Closing		
	( R u p e e s i n			t h o u s a n d )					
<b>Direct and facultative</b>									
Fire and property damage	-	-	-	-	-	-	-	-	-
Marine, aviation and transport	-	-	-	-	-	-	-	-	-
Motor	-	-	763	763	-	-	-	-	763
Miscellaneous	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	763	763	-	-	-	-	763
<b>Treaty</b>	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	-	-	763	763	-	-	-	-	763


Class	F o r t h e p e r i o d f r o m			M a r c h 1 2 t o S e p t e m b e r 3 0 , 2 0 1 6					
	Claims paid	Outstanding claims		Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue	Net claims expense
		Opening	Closing			Opening	Closing		
	( R u p e e s i n			t h o u s a n d )					
<b>Direct and facultative</b>									
Fire and property damage	-	-	-	-	-	-	-	-	-
Marine, aviation and transport	-	-	-	-	-	-	-	-	-
Motor	-	-	1,982	1,982	-	-	-	-	1,982
Miscellaneous	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	1,982	1,982	-	-	-	-	1,982
<b>Treaty</b>	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	-	-	1,982	1,982	-	-	-	-	1,982

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

  
**Arshad P. Rana**  
 Chief Executive

  
**Ali H. Shirazi**  
 Director

  
**Isphanyar M. Bhandara**  
 Director

  
**Yusuf H. Shirazi**  
 Chairman

## Window Takaful Operations

### Condensed Interim Statement of Expenses-OPF (Unaudited)

For the period from March 12, 2016 to September 30, 2016

Class	T h r e e m o n t h s p e r i o d			S e p t e m b e r 3 0 , 2 0 1 6		
	Commissions paid or payable	Deferred commission		Net commission expense	Other management expense	Net OPF expense
		Opening	Closing			
	( R u p e e s i n			t h o u s a n d )		
<b>Direct and facultative</b>						
Fire and property damage	166	143	254	55	22	77
Marine, aviation and transport	4	41	-	45	22	67
Motor	822	1,401	1,689	534	905	1,439
Miscellaneous	13	-	12	1	14	15
<b>Total</b>	<b>1,005</b>	<b>1,585</b>	<b>1,955</b>	<b>635</b>	<b>963</b>	<b>1,598</b>
<b>Treaty</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>1,005</b>	<b>1,585</b>	<b>1,955</b>	<b>635</b>	<b>963</b>	<b>1,598</b>


Class	F o r t h e p e r i o d f r o m			M a r c h 1 2 t o S e p t e m b e r 3 0 , 2 0 1 6		
	Commissions paid or payable	Deferred commission		Net commission expense	Other management expense	Net OPF expense
		Opening	Closing			
	( R u p e e s i n			t h o u s a n d )		
<b>Direct and facultative</b>						
Fire and property damage	316	-	254	62	32	94
Marine, aviation and transport	45	-	-	45	25	70
Motor	2,568	-	1,689	879	3,086	3,965
Miscellaneous	13	-	12	1	14	15
<b>Total</b>	<b>2,942</b>	<b>-</b>	<b>1,955</b>	<b>987</b>	<b>3,157</b>	<b>4,144</b>
<b>Treaty</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>2,942</b>	<b>-</b>	<b>1,955</b>	<b>987</b>	<b>3,157</b>	<b>4,144</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

  
Arshad P. Rana  
Chief Executive

  
Ali H. Shirazi  
Director

  
Ispahanyar M. Bhandara  
Director

  
Yusuf H. Shirazi  
Chairman

## Window Takaful Operations

### Condensed Interim Statement of Expenses-PTF (Unaudited)

For the period from March 12, 2016 to September 30, 2016

Class	T h r e e m o n t h s p e r i o d			S e p t e m b e r 3 0 , 2 0 1 6			
	Gross wakala fee	Deferred wakala fee		Net expense	PTF direct expense	Rebate from Retakaful Operators	Net PTF Expense
		Opening	Closing				
	( R u p e e s i n			t h o u s a n d )			
<b>Direct and facultative</b>							
Fire and property damage	537	339	721	155	-	85	70
Marine, aviation and transport	92	96	7	181	-	106	75
Motor	3,955	5,601	7,360	2,196	2,823	(1)	5,020
Miscellaneous	138	1	124	15	-	1	14
<b>Total</b>	<b>4,722</b>	<b>6,037</b>	<b>8,212</b>	<b>2,547</b>	<b>2,823</b>	<b>191</b>	<b>5,179</b>
<b>Treaty</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>4,722</b>	<b>6,037</b>	<b>8,212</b>	<b>2,547</b>	<b>2,823</b>	<b>191</b>	<b>5,179</b>

Class	F o r t h e p e r i o d f r o m			M a r c h 1 2 t o S e p t e m b e r 3 0 , 2 0 1 6			
	Gross wakala fee	Deferred wakala fee		Net expense	PTF direct expense	Rebate from Retakaful Operators	Net PTF Expense
		Opening	Closing				
	( R u p e e s i n			t h o u s a n d )			
<b>Direct and facultative</b>							
Fire and property damage	894	-	721	173	-	94	79
Marine, aviation and transport	188	-	7	181	-	106	75
Motor	10,892	-	7,360	3,532	6,785	(1)	10,318
Miscellaneous	139	-	124	15	-	1	14
<b>Total</b>	<b>12,113</b>	<b>-</b>	<b>8,212</b>	<b>3,901</b>	<b>6,785</b>	<b>200</b>	<b>10,486</b>
<b>Treaty</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>12,113</b>	<b>-</b>	<b>8,212</b>	<b>3,901</b>	<b>6,785</b>	<b>200</b>	<b>10,486</b>


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

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

  
Arshad P. Rana  
Chief Executive

  
Ali H. Shirazi  
Director

  
Ispahanyar M. Bhandara  
Director

  
Yusuf H. Shirazi  
Chairman

## Window Takaful Operations

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

For the period from March 12, 2016 to September 30, 2016

#### 1. Legal status and nature of business

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

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

#### 2. Basis of preparation

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

These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

##### 2.1 Statement of compliance

The condensed interim financial information of WTO for the period from March 12, 2016 to September 30, 2016 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 have been followed.

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

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

There are certain new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after January 1, 2016 but are considered not to be relevant or do not have any significant impact on the Company's operations and are therefore not detailed in this condensed interim financial information.

##### 2.3 Basis of measurement

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

##### 2.4 Functional and presentation currency

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

#### 3. Significant accounting policies

##### 3.1 Contribution

For all the Takaful contracts, contributions including administrative surcharge received / receivable under a takaful policy are recognised as written at the time of issuance of policy. Where contributions for a policy are payable in instalments, full contribution for the duration

of the policy is recognised as written at the inception of the policy and related assets set up for contributions receivable at a later date. Contributions are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on contributions.

### **3.2 Provision for unearned contributions**

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

### **3.3 Contribution deficiency reserve**

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

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

### **3.4 Claims**

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

### **3.5 Provision for outstanding claims (including IBNR)**

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

### **3.6. Retakaful contracts**

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

### **3.7. Commission**

#### **3.7.1 Commission expense**

Commission expenses incurred in obtaining and recording policies is deferred and recognised as an expense in accordance with pattern of recognition of contribution revenue by applying the method as specified in the SEC (Insurance), Rules 2002.

### 3.7.2 Rebate from retakaful operators

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

### 3.8 Wakala fees

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

### 3.9 Revenue recognition

#### 3.9.1 Participants' takaful fund (PTF)

##### 3.9.1.1 Contribution

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

##### 3.9.1.2 Rebate from retakaful operators

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

#### 3.9.2 Operator fund (OPF)

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

#### 3.9.3 OPF / PTF

##### 3.9.3.1 Investment income

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

### 3.10 Creditors, accruals and provisions

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

### 3.11 Receivables and payables related to takaful contracts

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

### 3.12 Fixed assets

#### 3.12.1 Tangible

Fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of tangible fixed assets consists of historical cost and directly attributable cost of bringing the assets to their present location and condition. Depreciation is charged to income applying the reducing balance method at the rates given in fixed assets schedule to write off the cost of operating fixed assets over



their expected useful life. Depreciation on addition to fixed assets is charged from the month in which an asset is acquired or capitalized, whereas no depreciation is charged in the month of disposal.

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

### 3.12.2 Intangible

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

### 3.13 Expenses of management

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

### 3.14 Cash and cash equivalents

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

## 4. Accounting estimates and judgements

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

## 5. Financial risk management

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

## 6. Transactions with related parties

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

		<b>For the period from March 12, 2016 to September 30, 2016</b>
		<b>(Rupees in thousand)</b>
<b>Related parties</b>	<b>Transactions during the period</b>	
Directors	Premium underwritten	3
	Premium collected	3

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

**7. Operating segment**

	Fire and property damage	Marine, aviation & Transport	Motor	Miscellaneous	Total
For the period from March 12, 2016 to September 30, 2016 (Rupees in thousand)					
<b>Operator's Fund</b>					
Corporate segment assets	672	184	14,395	2	15,253
Unallocated corporate assets					46,113
Consolidated total assets					<u>61,366</u>
Corporate segment liabilities	436	120	9,348	1	9,905
Unallocated corporate liabilities					-
Consolidated total Liabilities					<u>9,905</u>
<b>Participants' Takaful Fund</b>					
Corporate segment assets	810	222	17,342	2	18,376
Unallocated corporate assets					23,731
Consolidated total assets					<u>42,107</u>
Corporate segment liabilities	2,076	569	44,468	6	47,118
Unallocated corporate liabilities					-
Consolidated total Liabilities					<u>47,118</u>
			<b>OPF</b>	<b>PTF</b>	<b>Aggregate</b>
			(Rupees in thousand)		

**8. Reconciliation to profit and loss account**

Operating cash flows	(5,998)	23,022	17,024
Depreciation / amortisation expense	-	-	-
Profit on deposits	1,821	267	2,088
Increase / Decrease in assets other than cash	15,543	18,318	33,861
Increase in liabilities other than running finance	(9,905)	(47,118)	(57,022)
<b>(Loss) / surplus for the period</b>	<u>1,461</u>	<u>(5,511)</u>	<u>(4,049)</u>
<b>Attributed to</b>			
Operator's Fund	1,461	-	1,461
Participants' Takaful Fund	-	(5,511)	(5,510)
	<u>1,461</u>	<u>(5,511)</u>	<u>(4,049)</u>

**9. Corresponding figures**

Being the first nine months financial information of Atlas Insurance Limited - Window Takaful Operations (WTO) there were no comparative figures to report. Statement of investment income is not included in these condensed interim financial information as there were no investment and related income earned by WTO.

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

**10. Date of authorization for issue**

These condensed interim financial information were authorised for issue on October 26, 2016 by the Board of Directors of the Company.



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Isphanyar M. Bhandara**  
Director



**Yusuf H. Shirazi**  
Chairman

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