



Quarterly Report September 30,

2018

تکافل

TAKAFUL

Window Operation

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Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Ali H. Shirazi
Director

Frahim Ali Khan
Director

Habib-ur-Rahman
Director

Hasan Reza ur Rahim
Director

Roohi R. Khan
Director

Babar Mahmood Mirza
Chief Executive Officer

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

Babar Mahmood Mirza
Member

Qudsia Naheed
Secretary

Investment Committee

Ali H. Shirazi
Chairman

Frahim Ali Khan
Member

Habib-ur-Rahman
Member

Babar Mahmood Mirza
Member

Rashid Amin
Member

Muhammad Afzal
Secretary

Underwriting, Reinsurance & Co-Insurance Committee

Ali H. Shirazi
Chairman

Babar Mahmood Mirza
Member

Rashid Amin
Member

Muhammad Saeed
Member

Syed Irtiza Kazmi
Secretary

Claims Settlement Committee

Frahim Ali Khan
Chairman

Babar Mahmood Mirza
Member

Syed Irtiza Kazmi
Member

Muhammad Saeed
Secretary

Risk Management & Compliance Committee

Babar Mahmood Mirza
Chairman

Rashid Amin
Member

Muhammad Saeed
Member

Muhammad Aasim Gul
Secretary

Company Information

Information Technology (IT) Committee

Babar Mahmood Mirza
Chairman

Rashid Amin
Member

Muhammad Saeed
Member

Wasim Ahmed
Secretary

Management Committee

Babar Mahmood Mirza
Chief Executive

Rashid Amin
Chief Financial Officer

Abbas Sajjad
General Manager Sales & Marketing

Muhammad Saeed
Head of Claims

Qudsia Naheed
Head of HR & Admin

Abdul Razzaq Ghauri
Head of Window Takaful

Syed Irtiza Kazmi
Vice President Underwriting

Syed Nasir Hussain
Vice President Reinsurance

Shariah Advisor

Mufti Zeeshan Abdul Aziz

Compliance Officer

Muhammad Aasim Gul

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors

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

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Share Registrar

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

Bankers

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

Registered & Head Office

63/A, Block - XX, Phase III (Commercial),
Khyaban-e-Iqbal, DHA, Lahore.
UAN: 111-245-000
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, 2018.

The Economy

Following a healthy growth of 5.8 percent in FY18, Pakistan's economic activity is likely to slow down in FY19 as the general macroeconomic policy is focusing towards stabilization. The GDP growth for FY19 is projected at around 5.0 percent. The recent political uncertainty has subsided to a large extent with smooth transition between governments, but concerns on the economic front continue to persist on the back of rising inflation and widening trade and current account deficits, that are likely to compromise the sustainability of the high economic growth path. The government has started taking much needed steps to address the twin deficits facing the economy. It has taken measures to stimulate exports, contain non-essential imports and also made significant amendments to the federal Budget 2018-19, to raise additional revenue of Rs. 180 billion. The external side continued to remain under pressure in 2MFY19 with current account deficit raising 10% to USD 2.7 billion, necessitating further policy actions. Acknowledging the need for further consolidation and to ensure macroeconomic stability, the State Bank of Pakistan (SBP), in its latest monetary policy review, decided to raise the SBP target policy rate by 100 bps to 8.5 percent. Notwithstanding the above, the government will have to undertake tough structural reforms to address the perennial twin deficits issue on a permanent basis. To bridge the external account gap the government has decided to enter into a new IMF program. Besides providing immediate relief to the deteriorating Foreign Exchange reserves, entry into IMF program is likely to enhance the credibility of the country in the eyes of global financial community. These measures are expected to rein in aggregate demand pressure and contain the twin deficits.

The local equity market continued to remain under pressure and the benchmark KSE-100 index decreased by 2.4% during July-September, 2018. Overseas Pakistani workers remitted USD 5.4 billion in the first three months of FY19, up 13% compared with USD 4.8 billion received during the same period in the preceding year. Foreign exchange reserves declined to USD 14.893 billion at the end of 1QFY19 compared to USD 19.78 billion of the same period last year. The balance of trade deficit was USD 5.863 billion during first two months of the current fiscal year as compared with USD 5.053 billion during July-Aug 2017. The exports were USD 4.096 billion during July-August, 2018 compared to USD 3.919 billion in the corresponding months of last year, up 24%. Imports during the same period increased to USD 9.959 billion compared to USD 8.972 billion of the corresponding period last year, up 9%.

The Company

Your Company underwrote gross premium of Rs. 2.200 billion for the nine months ended September 30, 2018 against Rs. 1.849 billion for the same period last year, showing a substantial growth of 19%. The net premium also rose to Rs. 1,095 million against Rs. 977.76 million in the corresponding period last year, up 12%. The underwriting profit for the nine months of 2018 increased to Rs. 476.081 million as compared to Rs. 421.237 million of same period last year, as a result of the

sound underwriting policies and inherent strength of the Company. Investment stood at Rs. 4.028 billion and Company earned investment income of Rs. 189.455 million compared to Rs. 299.337 million of the corresponding period last year. The drop in investment income was mainly due to lesser capital gains realized during the period under review. The Company earned profit before tax of Rs. 725.515 million against Rs. 707.555 million in the same period last year, up 3%. After providing for tax, the profit after tax stood at Rs. 470.827 million compared to Rs. 474.062 million in the same period last year.

Future Outlook

The recent monetary and fiscal measures taken by the government are likely to affect Large Scale Manufacturing and could initially lead to slower economic growth, higher inflation and tighter financial condition. If these policy measures are followed up with critical structural reforms such as broadening the tax base, improving governance, restructuring of state owned enterprises and decreasing the transmission and distribution losses in the energy chain, Pakistan will be on the path of higher economic growth rate and financial sustainability rather quickly. The export growth prospects remains encouraging on the back of PKR depreciation, recovery in global demand, fiscal incentives for exports, ease in power supply and improved price recovery of rice and cotton in the international markets. Growth in workers' remittances is expected to gather some pace partly on account of steps taken by the government to attract inflows through official channels. 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 endeavors will also benefit the economy and the society at large.

تیرے ہاتھوں کی آج تک کی حسنا کی خوشبو مہک رہی ہے

We are at the right lines, keep it up
Thoughts, discussions and write-up

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.



Yusuf H. Shirazi

مستقبل کے خدوخال

حکومت کی جانب سے اٹھائے جانے والے مانیٹری اور مالیاتی اقدامات کے سبب بڑے پیمانے پر کی جانے والی مینیو پیئرنگ پر اثرات مرتب ہوں گے، جس سے ترقی کی رفتار سست روی کا شکار ہوگی، افراط زر میں اضافہ ہوگا اور معاشی حالات مزید سخت ہوں گے۔ اگر ان پالیسی اقدامات کو ٹیکس وصولی کے دائرہ کار میں اضافے، گورننس میں بہتری، حکومتی ملکیتی اداروں میں بہتری، توانائی کی سپلائی میں ٹرانسمیشن اور ڈسٹری بیوشن کے نقصانات میں کمی جیسی اصلاحات کے ساتھ نافذ کیا جائے تو پاکستان بہت جلد معاشی استحکام اور ترقی کی بہترین رفتار کو پھر حاصل کر سکتا ہے۔ روپے کی فرسودگی، عالمی طلب کی بحالی، برآمدات کے لیے مالیاتی فوائد، توانائی کی بحالی میں آسانی، عالمی مارکیٹس میں کپاس اور چاول کی بہترین قیمت کی وصولی جیسے حالات کی وجہ سے برآمدات کی ترقی ممکن ہو سکتی ہے۔ حکومت کی جانب سے سرکاری ذرائع کے ذریعے ترسیلات زرمٹگووانے کی پالیسی کے بعد توقع کی جاتی ہے کہ ترسیلات زر کی آمد میں اضافہ ہوگا۔ انتظامیہ کو مکمل یقین ہے کہ لگن، عزم، خود کو بہتر بنانے کی کوششوں اور ادارے کی ترقی کے ذریعے آپ کی کمپنی مستقبل میں بھی بہترین نتائج دینے کا سلسلہ جاری رکھے گی۔ ان اقدامات سے معاشرے اور معیشت کو بڑے پیمانے پر فوائد حاصل ہوں گے۔

تیرے ہاتھوں کی آج تک کی حنا کی خوشبو مہک رہی ہے

اظہار تشکر

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



یوسف علی شیرازی

چیرمین کی جانب سے جائزہ

میں نہایت مسرت کے ساتھ 30 ستمبر 2018 تک مکمل ہونے والے نو ماہ کے لیے کمپنی کے غیر پڑتال شدہ اکاؤنٹس پیش کر رہا ہوں۔

معیت

مالی سال 2018 میں ترقی کی شرح 5.8 فیصد رہی، مالی سال 2019 میں امکان ہے کہ پاکستان کی معاشی سرگرمیاں ست روئی کا شکار رہیں گی کیونکہ مائیکرو اکٹا مک پالیسی کی توجہ استحکام کی جانب مرکوز ہے۔ مالی سال 2019 کے لیے شرح نمو کا تخمینہ 5.0 فیصد ہے۔ نئی اور گزشتہ حکومتوں کے درمیان اختیارات کی پرسکون منتقلی کے سبب غیر یقینی سیاسی صورتحال بڑی حد تک سنبھل چکی ہے لیکن بڑھتے ہوئے افراط زر، ٹریڈ اور کرنٹ اکاؤنٹ خساروں کے سبب امکان ہے کہ بہترین اقتصادی ترقی کی رفتار پر سمجھوتہ کرنا پڑے گا۔ حکومت نے دو ہرے خسارے کے سدباب کے لیے درکار اہم اقدامات اٹھانے شروع کر دیئے ہیں۔ اس سلسلے میں برآمدات کو بڑھانے، غیر ضروری درآمدات کی حوصلہ شکنی اور وفاقی بجٹ 2018-19 میں اہم ترامیم شامل ہیں تاکہ 180 بلین روپے کی اضافی آمدنی حاصل ہو سکے۔ 2MFY19 کے دوران بیرونی محاذ کرنٹ اکاؤنٹ خسارے میں 10 فیصد اضافے سے 2.7 بلین ڈالر ہو جانے کے سبب دباؤ کا شکار رہا ہے، جس کے سدباب کے لیے مزید پالیسی اقدامات کی ضروری ہیں۔ مزید مضبوطی کی ضرورت کو سمجھتے اور مائیکرو اکٹا مک استحکام کو یقینی بنانے کے لیے، اسٹیٹ بینک آف پاکستان نے اپنے حالیہ مانیٹری جائزے میں فیصلہ کیا ہے کہ SBP مارگٹ پالیسی ریٹ 100bps بڑھا کر 8.5 فیصد کر دیا جائے۔ مندرجہ بالا عوامل کے سبب، حکومت کو دو ہرے خسارے کے مسئلے کو مستقبل بنیادوں پر حل کرنے کے لیے سخت ساخت کے اصلاحاتی پروگرام کے نفاذ کی ضرورت ہے۔ حکومت نے بیرونی اکاؤنٹ کے خلا کو پُر کرنے کے لیے نئے آئی ایم ایف پروگرام کا سہارا لینے کا فیصلہ کیا ہے۔ نئے آئی ایم ایف پروگرام میں شمولیت سے ملک کے تنزل پذیر زرمبادلہ کے ذخائر میں بہتری لانے کے ساتھ ساتھ، عالمی مالیاتی کمیونٹی کی نگاہوں میں پاکستان کے لیے اعتماد بحال کرنے میں معاونت ملے گی۔ ان اقدامات سے مجموعی طور پر طلب کے دباؤ اور دو ہرے خسارے پر قابو پانے میں مدد ملے گی۔

مقامی ایکویٹی مارکیٹ دباؤ کے زیر اثر رہی اور جولائی تا ستمبر 2018 کے دوران شیخ مارک KSE-100 انڈیکس 2.4 فیصد کم ہو گیا۔ بیرون ملک مقیم پاکستانیوں کی جانب سے بھیجے جانے والی ترسیلات زر مالی سال 2019 کے ابتدائی تین ماہ کے دوران 5.4 بلین ڈالر رہیں جو کہ گزشتہ سال اسی مدت کے دوران بھیجی گئی 4.8 بلین ڈالر ترسیلات زر کے مقابلے میں 13 فیصد زیادہ ہیں۔ زرمبادلہ کے ذخائر 1QFY19 کے اختتام تک کمی کے ساتھ 14.893 بلین ڈالر رہے جو کہ گزشتہ سال اسی مدت کے دوران 19.78 بلین ڈالر تھے۔ موجودہ مالی سال کے ابتدائی دو ماہ میں ٹریڈ خسارے کا توازن 5.863 بلین ڈالر رہا جو کہ جولائی تا اگست 2017 کے دوران 5.053 بلین ڈالر تھا۔ جولائی تا اگست 2018 کے دوران برآمدات 4.096 بلین ڈالر رہیں جو کہ گزشتہ سال اسی مدت کے دوران ہونے والی 3.919 بلین ڈالر کی برآمدات کے مقابلے میں 24 فیصد زیادہ ہیں۔ اسی مدت کے دوران درآمدات 9.959 بلین ڈالر رہیں جو کہ گزشتہ سال اسی مدت کے دوران ہونے والی 8.972 بلین ڈالر کے مقابلے میں 9 فیصد زیادہ ہیں۔

کمپنی

آپ کی کمپنی کا 30 ستمبر 2018 کو مکمل ہونے والے 9 ماہ کے لیے گروس پریمیم 2.200 بلین روپے رہا جو کہ گزشتہ سال اسی مدت کے 1.894 بلین روپے کے مقابلے میں 19 فیصد زیادہ ہے۔ نیٹ پریمیم بھی گزشتہ سال کے 977.76 بلین روپے کے مقابلے میں 12 فیصد اضافے سے 1,095 بلین روپے رہا۔ سال 2018 کی 9 ماہ کی مدت کے لیے انڈر رائٹنگ پرافٹ گزشتہ سال کے 421.237 بلین روپے کے مقابلے میں 476.081 بلین روپے رہا، جس کی وجہ انڈر رائٹنگ (مڈ ویس) کی بہترین پالیسیاں اور کمپنی کا بنیادی استحکام ہے۔ سرمایہ کاری کی مالیت 4.028 بلین روپے پر موجود ہے اور کمپنی کی سرمایہ کاری سے حاصل آمدنی 189.455 بلین روپے رہی جو کہ گزشتہ سال اسی مدت کے دوران 299.337 بلین روپے تھی۔ سرمایہ کاری سے حاصل آمدنی میں کمی کا سبب جائزہ مدت کے دوران کپٹل گینز میں ہونے والی کمی ہے۔ کمپنی کا قبل از ٹیکس منافع 725.515 بلین روپے رہا، جو کہ گزشتہ سال اسی مدت کے دوران حاصل ہونے والے 707.555 بلین روپے کے مقابلے میں 3 فیصد زیادہ ہے۔ ٹیکس ادائیگیوں کے بعد، منافع بعد از ٹیکس 470.827 بلین روپے پر موجود ہے جو کہ گزشتہ سال اسی مدت کے دوران 474.062 بلین روپے تھا۔

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, 2018.

September 30, **September 30,**
2018 **2017**
(Rupees in thousand)

The overall business figures are:

Net premium	1,095,377	977,757
Net claims	376,093	320,117
Investment and other income	251,452	309,471
Net commission	119,809	109,992
Expenses of management	363,012	346,395

Financial results are as follows:

Profit before tax	725,515	707,555
Less: Provision for taxation	254,688	233,493
Profit after tax	470,827	474,062

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
For the Board of Directors

Babar Mahmood Mirza

Babar Mahmood Mirza
Chief Executive

Lahore: October 26, 2018

ڈائریکٹر کی جانب سے جائزہ

ڈائریکٹرز نہایت مسرت کے ساتھ 30 ستمبر 2018 کو ختم ہونے والی مدت کے لیے کمپنی کی سہ ماہی رپورٹ بعد ڈائریکٹر کی جانب سے جائزہ لیے گئے غیر پڑتال شدہ اکاؤنٹس اور ڈائریکٹر کی رپورٹ پیش کر رہے ہیں۔

30 ستمبر 2017
30 ستمبر 2018
(000 روپے میں)

مجموعی کاروباری اعداد و شمار یہ ہیں:

977,757	1,095,377	خالص پربیم
320,117	376,093	خالص کلیئر
309,471	251,452	سرمایہ کاری اور دیگر ذرائع سے حاصل آمدنی
109,992	119,809	خالص کمیشن
346,395	363,012	انتظامی امور کے اخراجات

مالیاتی نتائج درج ذیل ہیں:

707,555	725,515	قبل از ٹیکس منافع
233,493	254,688	کم: ٹیکس تصريفات
474,062	470,827	بعد از ٹیکس منافع

چیئرمین کی جانب سے 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 سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے تعاون پر تہ دل سے شکر گزار ہیں۔

ہم کمپنی کے آفیسرز، اسٹاف اور فیلڈ فورس کی وقف کردہ خدمات کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور جانب سے

Babar Muneer

بابر محمود مرزا

چیف ایگزیکٹو

لاہور: 26 اکتوبر 2018

Pattern of Shareholding

As at September 30, 2018

Number of Shareholders	Shareholding		Shares held
	From	To	
258	1	100	5,803
176	101	500	52,084
116	501	1000	96,436
237	1001	5000	623,005
99	5001	10000	713,710
62	10001	15000	780,832
27	15001	20000	479,926
7	20001	25000	152,778
19	25001	30000	521,639
13	30001	35000	418,436
8	35001	40000	295,116
8	40001	45000	340,467
6	45001	50000	288,437
2	50001	55000	103,709
7	55001	60000	395,723
2	60001	65000	124,679
3	65001	70000	204,550
4	70001	75000	282,121
6	75001	80000	472,326
3	80001	85000	249,195
1	90001	95000	92,666
4	95001	100000	396,564
1	100001	105000	102,500
1	105001	110000	110,000
2	115001	120000	235,254
1	120001	125000	122,000
1	125001	130000	130,000
2	130001	135000	265,041
2	140001	145000	280,512
1	145001	150000	149,672
2	155001	160000	315,778
1	160001	165000	165,000
1	165001	170000	170,000
1	175001	180000	176,803
1	200001	205000	203,926
1	255001	260000	257,000
1	260001	265000	261,990
1	345001	350000	346,000
1	360001	365000	362,000
1	390001	395000	394,000
1	900001	905000	905,000
1	1355001	1360000	1,358,353
1	1925001	1930000	1,929,336
1	1975001	1980000	1,978,915
1	52850001	52855000	52,852,099
1,095			70,161,381

Shareholders' Information

As at September 30, 2018

Categories of shareholders	Shares held	Percentage
Director, Chief Executive and their spouse and minor children	1,114	0.00%
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	1,556,000	2.22%
Insurance Companies	2,138,915	3.05%
Modaraba and Mutual Funds	-	0.00%
Shareholders holding 5% and above	52,852,099	75.33%
General Public:		
a. Local	10,177,523	14.51%
b. Foreign	-	0.00%
Others:		
Joint Stock Companies	100,821	0.14%
Others	1,405,042	2.00%

Condensed Interim Statement of Financial Position (Unaudited)

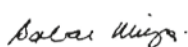
As at September 30, 2018

	Note	September 30, 2018 (Unaudited)	December 31, 2017 (Audited) Restated
(Rupees in thousand)			
Assets			
Property and equipment	7	83,914	89,078
Investments			
Equity securities	8	4,027,610	4,860,698
Debt securities	9	73,755	72,999
Loan and other receivable		40,064	24,130
Insurance / reinsurance receivables		590,954	308,500
Reinsurance recoveries against outstanding claims		456,549	150,668
Salvage recoveries accrued		2,382	3,942
Deferred commission expense / acquisition cost		71,057	61,735
Prepayments		515,523	413,156
Cash and bank	10	757,896	702,252
		6,619,704	6,687,158
Total assets from window takaful operations - Operator's fund		98,559	74,963
Total assets		6,718,263	6,762,121
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		701,614	701,614
Reserves		2,315,971	2,685,644
Unappropriated profit		466,563	659,785
Total equity		3,484,148	4,047,043
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	12	731,198	324,385
Unearned premium reserves	11	1,100,125	875,050
Unearned reinsurance commission	13	127,949	96,212
Deferred taxation		473,104	760,303
Premium received in advance		15,127	65,966
Insurance / reinsurance payab		395,153	255,654
Other creditors and accruals		317,345	290,479
Taxation - provision less payment		35,219	20,677
Total liabilities		3,195,220	2,688,726
Total liabilities from window takaful operations - Operator's fund		38,895	26,352
Total equity and liabilities		6,718,263	6,762,121
Contingencies and commitments	6		

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



Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Profit and Loss Account (Unaudited)

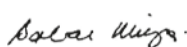
For the Nine Months ended September 30, 2018

	Note	Nine months ended September 30, 2018	September 30, 2017	Three months ended September 30, 2018	September 30, 2017
(Rupees in thousand)					
Net insurance premium	11	1,095,377	977,757	371,949	358,728
Net insurance claim expense	12	(376,093)	(320,117)	(130,353)	(117,804)
Net commission and other acquisition income	13	119,809	109,992	44,903	26,745
Insurance claims and acquisition expenses		(256,284)	(210,125)	(85,450)	(91,059)
Management expenses		(363,012)	(346,395)	(120,994)	(117,564)
Underwriting results		476,081	421,237	165,505	150,105
Investment income	14	189,455	299,337	20,714	70,420
Rental income		1,235	2,136	335	535
Other income		61,997	10,134	53,933	4,683
Other expenses		(13,895)	(26,433)	(4,808)	(9,353)
Results of operating activities		714,873	706,411	235,679	216,390
Profit / (loss) before tax from window takaful operations - Operator's fund	16	10,642	1,144	5,686	1,646
Profit before tax for the period		725,515	707,555	241,365	218,036
Income tax expense		(254,688)	(233,493)	(79,208)	(74,137)
Profit after tax for the period		470,827	474,062	162,157	143,899
Earnings (after tax) per share - Rupees	15	6.71	6.76	2.31	2.05

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




Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Frahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

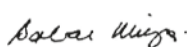
For the Nine Months ended September 30, 2018

Note	Nine months ended September 30, 2018	September 30, 2017 (Restated)	Three months ended September 30, 2018	September 30, 2017 (Restated)
	(Rupees in thousand)			
Profit after tax for the period	470,827	474,062	162,157	143,899
Other comprehensive income / (loss) for the period:				
Un-realized loss on available for sale investments - net of deferred tax	(578,084)	(777,301)	(244,163)	(646,541)
Other comprehensive income/ (loss) from window takaful operations - Operator's fund	411	278	(370)	467
Other comprehensive loss for the period	(577,673)	(777,023)	(244,533)	(646,074)
Total comprehensive loss for the period	(106,846)	(302,961)	(82,375)	(502,175)

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



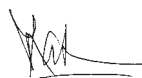
Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Frahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Cash Flows (Unaudited)

For the Nine Months ended September 30, 2018

	September 30, 2018	September 30, 2017
	(Rupees in thousand)	
Operating cash flows		
a) Underwriting activities		
Insurance premium received	1,889,949	1,499,967
Reinsurance premiums paid	(884,590)	(790,782)
Claims paid	(571,010)	(475,645)
Reinsurance and other recoveries received	296,157	240,694
Commissions paid	(97,860)	(96,615)
Commissions received	256,496	236,700
Management expenses paid	(378,266)	(343,458)
Other underwriting payments	(995)	(1,859)
Other underwriting receipts	23,479	16,395
Net cash generated from underwriting activities	533,360	285,397
b) Other operating activities		
Income tax paid	(254,739)	(278,566)
Other operating receipts	20,063	5,852
Loan repayment received	7	36
Net cash used in other operating activities	(234,669)	(272,678)
Total cash generated from all operating activities	298,691	12,720
Investment activities		
Profit / return received	17,235	14,246
Dividend received	148,249	142,401
Rental received	-	1,605
Payments for investments	(881,366)	(1,244,217)
Proceeds from investments	883,129	1,596,156
Fixed capital expenditure	(29,501)	(54,219)
Proceeds from sale of property and equipment	67,242	9,920
Total cash generated from investing activities	204,988	465,892
Financing activities		
Dividends paid	(447,740)	(444,326)
Financial charges	(295)	(358)
Total cash used in financing activities	(448,035)	(444,684)
Net cash generated from all activities	55,644	33,928
Cash and cash equivalents at the beginning of the period	702,252	250,436
Cash and cash equivalents at the end of the period	757,896	284,364

Condensed Interim Statement of Cash Flows (Unaudited)

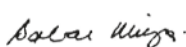
For the Nine Months ended September 30, 2018

	September 30, 2018	September 30, 2017
	(Rupees in thousand)	
Reconciliation to Profit and loss account		
Operating cash flows	298,691	12,720
Depreciation expense	(14,284)	(11,077)
Loss on disposal of property and equipment	46,858	(80)
Financial charges	(295)	(358)
Rental and other income	16,374	12,270
Increase in assets other than cash	587,216	205,819
Increase in liabilities other than borrowings	(494,349)	84,335
Other adjustments		
Provision for impairment of receivable from insurance contract holders	(21,062)	(17,665)
Increase in provision for unearned premium	(126,003)	(87,831)
Increase in commission income unearned	(31,737)	(14,414)
Income on investments and current and other deposits	189,455	299,337
Increase / (decrease) in provision for deferred commission expense	9,321	(10,138)
Profit from window takaful operations for the period - Operator's Fund	10,642	1,144
Profit after tax for the period	470,827	474,062

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




Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Changes in Equity (Unaudited)

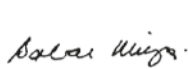
For the Nine Months ended September 30, 2018

	Attributable to equity holders of the Company							
	Issued subscribed and paid-up capital	Capital Reserves			Revenue Reserves		Unappropri- ated profit	Total
		Capital reserve	Investment fair value reserve	Reserve for exceptional losses	General reserve	Investment fluctuation reserve		
	(Rupees in thousand)							
Balance as at December 31, 2016 (audited)	701,614	2,251	-	2,164	718,649	3,000	618,860	2,046,538
Net effect of change in accounting policy - note 4.1.2	-	-	2,680,442	-	-	-	-	2,680,442
Net effect of change in accounting policy - Window takaful operations (OPF)	-	-	344	-	-	-	-	344
Balance as at December 31, 2016 (audited - restated)	701,614	2,251	2,680,786	2,164	718,649	3,000	618,860	4,727,324
Profit after taxation for the nine months ended September 30, 2017	-	-	-	-	-	-	474,062	474,062
Net unrealised loss on revaluation of available for sale investments - net of deferred tax	-	-	(777,301)	-	-	-	-	(777,301)
Other comprehensive loss from Window takaful operations (OPF)	-	-	278	-	-	-	-	278
Total comprehensive income for the nine months ended September 30, 2017	-	-	(777,023)	-	-	-	474,062	(302,961)
Transferred to general reserve	-	-	-	-	162,000	-	(162,000)	-
Final dividend for the year ended December 31, 2016 @ 65% (Rs. 6.5 per share)	-	-	-	-	-	-	(456,049)	(456,049)
Balance as at September 30, 2017 (unaudited - restated)	701,614	2,251	1,903,762	2,164	880,649	3,000	474,873	3,968,313
Profit after taxation for the nine months ended December 31, 2017	-	-	-	-	-	-	189,925	189,925
Re-measurement loss on defined benefit obligation - net of tax	-	-	-	-	-	-	(5,013)	(5,013)
Net unrealised loss on revaluation of available for sale investments - net of deferred tax	-	-	(105,632)	-	-	-	-	(105,632)
Other comprehensive income from Window takaful operations (OPF)	-	-	(551)	-	-	-	-	(551)
Total comprehensive income for the nine months ended December 31, 2017	-	-	(106,183)	-	-	-	184,912	78,729
Balance as at December 31, 2017 (audited - restated)	701,614	2,251	1,797,580	2,164	880,649	3,000	659,785	4,047,043
Profit after taxation for the nine months ended September 30, 2018	-	-	-	-	-	-	470,827	470,827
Net unrealised loss on revaluation of available for sale investments - net of deferred tax	-	-	(578,084)	-	-	-	-	(578,084)
Other comprehensive income from Window takaful operations (OPF)	-	-	411	-	-	-	-	411
Total comprehensive income for the nine months ended September 30, 2018	-	-	(577,673)	-	-	-	470,827	(106,846)
Transferred to general reserve	-	-	-	-	208,000	-	(208,000)	-
Final dividend for the year ended December 31, @ 65% (Rs 6.5 per share)	-	-	-	-	-	-	(456,049)	(456,049)
Balance as at September 30, 2018 (unaudited)	701,614	2,251	1,219,907	2,164	1,088,649	3,000	466,563	3,484,148

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



Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months ended September 30, 2018

1. Legal status and nature of business

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

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

2. Basis of preparation and statement of compliance

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 SECP vide S.R.O. 89(I)/2017 dated February 9, 2017 issued the Insurance Rules, 2017 ("the Rules") for insurance companies which were enforceable with immediate effect. The Rules prescribe the amended format of financial statements for non-life insurance companies. Further the Rules did not carry forward the exemption in application of International Accounting Standard (IAS) - 39 'Financial Instruments: Recognition and Measurement' in respect of 'available for sale' securities. SECP vide letter No.ID/OSM/Atlas/2017/12196 dated October 05, 2017 granted specific exemptions to the Company to prepare the condensed interim financial statements for the nine months ended September 30, 2017 and annual financial statements for the year ended December 31, 2017, respectively, in accordance with the requirements of the previously applicable SEC (Insurance) Rules, 2002.

With effect from January 01, 2018 the Company has changed its accounting policy in respect of the presentation of the condensed interim financial statements and measurement of 'available for sale' investments as explained in note 4.1 of these condensed interim financial statements.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2017.

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

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

There are certain new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2018 but are considered not to be relevant or to have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

4 Summary of significant accounting policies

The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2017 except for changes in accounting policies as disclosed in note 4.1 of these condensed interim financial statements.

4.1 Change in accounting policies

4.1.1 Presentation and disclosure of financial statements

As per Insurance Rules 2017 ("the Rules"), the presentation and disclosure requirements of the financial statements were changed for insurance companies whose financial year ended on or after March 31, 2017. However, as referred to in note 2.2 the Company was granted specific exemption by the SECP for the financial year ended December 31, 2017. With effect from January 01, 2018 the format prescribed for non-life insurance companies in Annexure II of the Rules has been adopted, and changes to the presentation and disclosures in these condensed interim financial statements have been applied retrospectively.

Key changes in the prescribed Rules include a change in the sequence and certain classifications of assets / liabilities in the statement of financial position. Discontinuation of separate statements of premium, claims, expenses and investment income which are now presented on aggregate basis into the notes to the financial statements. Underwriting results in relation to various classes of business which were previously presented on the face of the profit and loss account are now presented in note 18 'Segment reporting' to the condensed interim financial statements.

4.1.2 Basis for measurement of available for sale investments

As referred to in note 2.2, the Company has adopted with effect from January 01, 2018, the Insurance Rules, 2017 ("the Rules"). Investments classified as 'available for sale' are now initially measured at cost, being the fair value of consideration given, and at each subsequent reporting date are remeasured at fair market value. Changes in fair market value of 'available for sale' investments are recognised in other comprehensive income / (loss) until derecognised or determined to be impaired. Previously, the Company recorded its 'available for sale' investments at cost and remeasured them at lower of cost or fair market value (fair market value being taken as lower if the fall is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002.

The change in aforementioned accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated. The effect of the change in accounting policy on the current and prior period financial statements have been summarised below:

	(Unaudited) September 30, 2018	(Audited) December 31, 2017	(Audited) December 31, 2016
	(Rupees in thousand)		
Impact on statement of financial position			
Increase in investments	1,717,500	2,567,869	3,829,203
Increase in deferred tax liabilities	498,075	770,361	1,148,761
Increase in investment fair value reserve	1,219,425	1,797,509	2,680,442

	(Unaudited) September 30, 2018	(Unaudited) September 30, 2017
	(Rupees in thousand)	
Impact on statement of comprehensive income		
Decrease in other comprehensive income - net of deferred tax	(578,084)	(777,301)

4.1.3 Premium revenue

The Insurance Accounting Regulations, 2017, requires the Company, to recognize premium receivable under a insurance policy / cover note as written from the date of attachment of risk to the policy / cover note. Accordingly the Company is required to account for cover notes which are effective as at reporting date. In previous years, the Company recognized premium under a policy as written at the time of issuance of policy in accordance with SEC Insurance, Rules, 2002. The change is considered to be a change in accounting policy in accordance with IAS 8 'Accounting policies, Changes in Accounting Estimates and Errors'. The impact of the same however, is not considered to be material to the financial statements of the Company and accordingly comparatives have not been restated in this regards.

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 Company as at and for the year ended December 31, 2017.

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 before the Appellate Tribunal Inland Revenue (ATIR) wherein the decision of CIR(A) was upheld. The Company has filed a reference application against the decision of ATIR before the Honorable Lahore High Court which is currently pending adjudication. No provision has been recognized in the condensed interim financial statements since the Company believes that there are meritorious grounds that the case will be decided in favor 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 favor of the Company. Department filed appeal against CIR(A) before ATIR which is pending adjudication. No provision has been recognized in the condensed interim financial statements since the Company believes that there are meritorious grounds that the case will be decided in favor of the Company.

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 favor of the Company except for the provision of bonus amounting to Rs. 5,599 (thousand) against which the Company has filed appeal before ATIR, which is pending adjudication. No provision has been recognized in the condensed interim financial statements since the Company believes that there are meritorious grounds that the case will be decided in favor of the Company.

September 30, December 31,
2018 2017
(Unaudited) (Audited)
(Rupees in thousand)

6.1.4 Other contingencies

Claims against the Company not acknowledged as debt

74,687

74,687

6.2 Commitments

6.2.1 Commitments in respect of operating leases

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

Note September 30, December 31,
2018 2017
(Unaudited) (Audited)
(Rupees in thousand)

Not later than one year

29,745

45,837

Later than one year and not later than five years

49,447

28,800

79,192

74,637

7 Property and equipment

Operating assets

7.1

83,914

89,078

83,914

89,078

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

Freehold land

-

1,168

Building on freehold land

17,813

27,320

Furniture and fixtures

6,455

8,119

Office equipment

15,554

17,532

Computers equipment

12,237

12,149

Motor vehicles

31,855

22,790

83,914

89,078

7.2 Movement of operating fixed assets during the period / year

Opening book value

89,078

59,210

Add: Additions during the period / year

7.3

29,501

56,052

118,579

115,262

Less: Disposal during the period / year (at book value) 7.4
Depreciation charged for the period / year

(20,381)

(10,266)

(14,284)

(15,918)

(34,665)

(26,184)

Closing book value

83,914

89,078

	September 30, 2018 (Unaudited) (Rupees in thousand)	December 31, 2017 (Audited)
7.3 Additions during the period / year		
Building	962	19,763
Computer equipment	3,905	7,734
Furniture and fixtures	221	6,946
Motor vehicles	23,242	9,830
Office equipment	1,171	11,779
	<u>29,501</u>	<u>56,052</u>
7.4 Disposals during the period / year		
Land	1,168	-
Building	7,340	-
Computer equipment	606	528
Furniture and fixtures	834	1
Motor vehicles	9,691	9,655
Office equipment	742	82
	<u>20,381</u>	<u>10,266</u>

8. Investments in equity securities

	Note	September 30, 2018 (Unaudited)			December 31, 2017 (Audited) - Restated		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Available for sale							
Related parties							
Listed shares	8.1	236,467	-	236,467	236,467	-	236,467
Mutual funds	8.3	366,162	-	366,162	565,260	-	565,260
		602,629	-	602,629	801,727	-	801,727
Unrealized gain on revaluation as on				1,343,788			2,018,670
				<u>1,946,417</u>		-	<u>2,820,397</u>
Others							
Listed shares	8.1	1,623,728	(37,688)	1,586,040	1,391,870	(11,844)	1,380,026
Unlisted shares		500	(500)	-	500	(500)	-
Mutual funds	8.2	121,702	(261)	121,441	111,336	(260)	111,076
		1,745,930	(38,449)	1,707,481	1,503,706	(12,604)	1,491,102
Unrealized gain on revaluation as on				373,712			549,199
				<u>2,081,193</u>			<u>2,040,301</u>
				<u>4,027,610</u>			<u>4,860,698</u>

- 8.1** Listed securities include an amount of Rs. 2,491,166 thousand (December 31, 2017: Rs. 3,767,942 thousand) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 1,080,743 thousand (December 31, 2017: Rs. 1,261,181 thousand).
- 8.2** Mutual funds include an amount of Rs. 31,825 thousand (December 31, 2017: Rs. 22,133 thousand) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 28,999 thousand (December 31, 2017: Rs. 22,393 thousand).
- 8.3** Mutual funds in associated undertakings include an amount of Rs. 204,517 thousand (December 31, 2017: Rs. 248,179 thousand) being the fair market value under an arrangement permissible under Shariah. Cost of these securities amounts to Rs. 195,180 thousand (December 31, 2017: Rs. 242,103 thousand).

9. Investments in debt securities**Held to maturity**

Pakistan investment bonds
Market treasury bills (T-Bills)

<u>Note</u>	<u>September 30,</u> <u>2018</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2017</u> <u>(Audited)</u>
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9.1	73,755	-
	-	72,999
	<u>73,755</u>	<u>72,999</u>

- 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.

<u>Note</u>	<u>September 30,</u> <u>2018</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2017</u> <u>(Audited)</u>
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10. Cash and bank**Cash at bank**

Current and other accounts

10.1	757,896	702,252
	<u>757,896</u>	<u>702,252</u>

- 10.1 The balance in savings accounts bears mark-up which ranges from 4% to 9.30% (2017: 3.5% to 8%) per annum.

<u>Nine months ended</u>		<u>Three months ended</u>	
<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>
<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>(Rupees in thousand)</u>			

11. Net insurance premium

Written gross premium	2,200,090	1,848,940	796,167	652,292
Add: Unearned premium reserve - opening	875,050	963,485	993,967	948,396
Less: Unearned premium reserve - closing	(1,100,125)	(958,145)	(1,100,125)	(958,145)
Premium earned	1,975,015	1,854,280	690,009	642,543
Less: Reinsurance premium ceded	978,709	783,352	343,194	287,877
Add: Prepaid reinsurance premium - opening	408,368	514,144	482,304	416,911
Less: Prepaid reinsurance premium - closing	(507,439)	(420,973)	(507,439)	(420,973)
Reinsurance expense	879,638	876,523	318,060	283,815
	<u>1,095,377</u>	<u>977,757</u>	<u>371,949</u>	<u>358,728</u>

12. Net insurance claims expense

Claims paid	572,570	474,100	220,137	220,314
Add: Outstanding claims including IBNR - closing	731,198	435,670	731,198	435,670
Less: Outstanding claims including IBNR - opening	(324,385)	(414,528)	(724,813)	(456,143)
Claims expense	979,383	495,242	226,522	199,841
Less: Reinsurance and other recoveries received	297,409	216,732	144,860	141,217
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	456,549	258,862	456,549	258,862
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(150,668)	(300,469)	(505,240)	(318,042)
Reinsurance and other recoveries revenue	603,290	175,125	96,169	82,037
	<u>376,093</u>	<u>320,117</u>	<u>130,353</u>	<u>117,804</u>

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

	Nine months ended		Three months ended	
	September 30,	September 30,	September 30,	September 30,
	2018	2017	2018	2017
	(Rupees in thousand)			
Net commission and other acquisition expense / (income)				
Commission paid or payable	114,272	102,136	45,640	46,838
Add: Deferred commission expense - opening	61,735	74,971	62,032	52,764
Less: Deferred commission expense - closing	(71,057)	(64,833)	(71,057)	(64,833)
Net Commission expense	104,950	112,274	36,615	34,769
Less: Commission received or recoverable	256,496	236,701	96,205	67,439
Add: Unearned Reinsurance commission - opening	96,212	93,645	113,262	94,112
Less: Unearned Reinsurance commission - closing	(127,949)	(108,080)	(127,949)	(108,080)
Commission from reinsurers	224,759	222,266	81,518	53,471
	(119,809)	(109,992)	(44,903)	(18,702)

14. Investment income

Income from equity securities

Available for sale

Dividend income	166,495	157,100	26,563	50,584
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Income from debt securities

Held to maturity

Return on debt securities	3,317	3,039	1,270	882
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169.812	160.139	27.833	51.466
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Net realised gain / (loss) on investments

Available for sale financial assets

Realised gains on:				
- Equity securities	46,338	194,588	9,771	43,825

Total investment income	216,150	354,727	37,604	95,291
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Less: Impairment in value of available for sale securities				
- Equity securities	(26,346)	(54,761)	(16,714)	(24,728)

Less: Investment related expenses	(349)	(629)	(176)	(143)
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189,455	299,337	20,714	70,420
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15. Earnings per share

There is no dilutive effect on basic earnings per share which is based on:

Profit after tax for the period	470,827	474,062	162,157	143,899
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Number of shares
(in thousand)

Weighted average number of ordinary shares	70,161	70,161	70,161	70,161
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Ruppes

Earnings per share - (basic / diluted)	6.71	6.76	2.31	2.05
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16. Window takaful operations - OPF

	Nine months ended September 30,		Three months ended September 30,	
	2018	September 30, 2017	2018	September 30, 2017
	(Rupees in thousand)			
Wakala fee	36,065	20,181	13,560	7,693
Management expenses	(16,138)	(12,175)	(4,846)	(4,915)
Commission expenses	(10,513)	(6,365)	(3,717)	(2,414)
Other income	1,734	479	1,089	205
Other expenses	(506)	(976)	(149)	(160)
Profit / (loss) for the period	10,642	1,144	5,937	409

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. The Company in the normal course of business carries out transactions with various related parties.

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

		September 30, 2018 (Unaudited) (Rupees in thousand)	December 31, 2017 (Audited) (Rupees in thousand)
		Nine months ended September 30, September 30, 2018 2017 (Rupees in thousand)	
Associated companies	Period end balances		
	Provision for outstanding claims (including IBNR)	286,517	40,311
	Premium received in advance	3,738	49,398
	Due from insurance contract holders	299,365	136,757
Post employment benefit plans	Transactions during the period		
	Premium underwritten	1,189,193	936,282
	Premium collected	1,201,389	890,143
	Claims paid	237,656	93,496
	Assets purchased	18,706	4,985
	Assets sold	-	2,492
	Rent received	-	531
	Rent paid	2,504	2,471
	Expenses paid	1,159	221
	Donations	9,889	9,168
	Dividends paid	356,079	312,113
	Dividends received	101,528	94,604
	Investments purchased	551,000	874,980
	Investments sold	756,980	1,288,795
Key management personnel	Transactions during the period		
	Contributions in respect of retirement benefit plans	6,092	8,023
Key management personnel	Transactions during the period		
	Premium underwritten	12	-
	Premium collected	17	-
	Claims paid	18	-
	Assets sold	2,892	-
	Compensation	38,224	30,870
	Dividends paid	609	602

18. Segment reporting

The Company has identified five (2017: four) primary business segments for reporting purposes in accordance with the requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017. These include fire and property damage, marine, aviation and transport, motor, health and miscellaneous class of business.

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		Health		Miscellaneous		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(Rupees in thousand)											
Premium receivable (inclusive of Federal Insurance Fee and Administrative surcharge)	600,130	489,823	829,301	661,500	521,684	429,385	268,672	234,804	283,370	281,127	2,503,157	2,086,639
Less: Federal Excise Duty	71,760	58,699	102,280	81,273	61,292	51,106	10,288	14,959	34,158	23,876	279,778	229,913
Federal Insurance Fee	5,159	4,183	9,103	5,663	4,026	3,343	2,521	2,165	2,480	2,432	23,289	17,786
Gross written premium (inclusive of Administrative Surcharge)	523,211	426,941	717,918	574,564	456,366	374,936	255,863	217,680	246,732	254,819	2,200,090	1,848,940
Gross direct premium	510,673	414,692	704,937	565,094	393,921	328,972	254,901	216,823	241,757	240,930	2,106,189	1,766,511
Facultative inward premium	8,934	9,804	114	907	59,235	43,090	-	-	2,137	12,294	70,420	66,035
Administrative surcharge	3,604	2,445	12,867	8,563	3,210	2,934	962	857	2,838	1,595	23,481	16,394
	523,211	426,941	717,918	574,564	456,366	374,936	255,863	217,680	246,732	254,819	2,200,090	1,848,940
Insurance premium earned	497,965	452,428	699,660	555,581	372,115	369,537	188,674	149,648	216,601	327,086	1,975,015	1,854,280
Insurance premium ceded to reinsurers	(361,982)	(329,289)	(244,261)	(217,769)	(105,253)	(99,727)	-	-	(168,142)	(229,738)	(879,638)	(876,523)
Net insurance premium	135,983	123,139	455,399	337,812	266,862	269,810	188,674	149,648	48,459	97,348	1,095,377	977,757
Commission income	89,266	101,118	78,283	76,375	18,303	10,656	-	-	38,908	34,117	224,760	222,266
Net underwriting income	225,248	224,257	533,682	414,187	285,165	280,466	188,674	149,648	87,367	131,465	1,320,137	1,200,023
Insurance claims	(537,410)	(152,903)	(77,423)	(48,800)	(182,085)	(155,024)	(155,493)	(106,849)	(26,972)	(31,666)	(979,383)	(495,242)
Insurance claims recovered from reinsurers	509,615	124,419	22,552	28,329	52,998	9,578	-	-	18,125	12,799	603,290	175,125
Net claims	(27,795)	(28,484)	(54,871)	(20,471)	(129,087)	(145,446)	(155,493)	(106,849)	(8,847)	(18,867)	(376,093)	(320,117)
Commission expense	(35,602)	(32,061)	(13,681)	(13,770)	(33,908)	(30,720)	(4,355)	(3,183)	(17,404)	(32,540)	(104,950)	(112,274)
Management expenses	(79,328)	(71,809)	(108,772)	(96,216)	(98,875)	(99,007)	(25,771)	(36,280)	(50,267)	(43,083)	(363,013)	(346,395)
Net insurance claims and expenses	(142,725)	(132,354)	(177,324)	(130,457)	(261,870)	(275,173)	(185,619)	(146,312)	(76,518)	(94,490)	(844,056)	(778,786)
Underwriting results	82,523	91,903	356,358	283,730	23,295	5,293	3,055	3,336	10,849	36,975	476,081	421,237
Net investment income											189,455	299,337
Rental Income											1,235	2,136
Other income											61,997	10,134
Other expenses											(13,895)	(26,433)
Profit / (loss) before taxation from window takaful operations - OPF											10,642	1,144
Profit before tax for the period											725,515	707,555
											(Unaudited) Sep. 30, 2018	(Audited- Restated) Dec. 31, 2017
											(Rupees in thousand)	
Segment assets - Conventional	427,219	273,322	586,204	337,212	372,638	192,203	208,921	92,687	201,466	37,787	1,796,448	933,211
Segment assets - Takaful OPF	3,861	4,106	2,340	1,838	29,181	25,242	-	-	1,184	643	36,566	31,829
Unallocated assets - Conventional											4,823,256	5,753,947
Unallocated assets - Takaful OPF											61,993	43,134
											6,718,263	6,782,121
Segment liabilities - Conventional	548,389	480,682	752,465	593,044	478,327	338,021	268,176	163,005	258,606	66,457	2,305,963	1,641,209
Segment liabilities - Takaful OPF	4,086	3,395	2,477	1,520	30,882	20,875	-	-	1,253	531	38,698	26,321
Unallocated liabilities - Conventional											889,257	1,047,517
Unallocated liabilities - Takaful OPF											197	31
											3,234,115	2,715,078

(Unaudited) Three months ended September 30

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
(Rupees in thousand)												
Premium receivable (inclusive of Federal Insurance Fee and Administrative surcharge)	247,808	141,308	283,610	236,029	185,487	170,411	91,329	101,772	97,985	80,423	906,219	729,943
Less: Federal Excise Duty	29,049	16,428	34,660	28,864	23,883	16,944	1,115	1,961	11,482	7,433	100,189	71,630
Federal Insurance Fee	2,115	1,181	4,388	2,018	1,614	1,143	861	982	885	697	9,863	6,021
Gross written premium (inclusive of Administrative Surcharge)	216,644	123,699	244,562	205,147	159,990	152,324	89,353	98,829	85,618	72,293	796,167	652,292
Gross direct premium	208,406	115,677	240,288	201,436	158,342	112,705	88,959	98,407	84,286	68,527	780,281	596,752
Facultative inward premium	6,348	6,654	29	220	459	38,528	-	-	222	3,042	7,058	48,444
Administrative surcharge	1,890	1,368	4,245	3,491	1,189	1,091	394	422	1,110	724	8,828	7,096
	216,644	123,699	244,562	205,147	159,990	152,324	89,353	98,829	85,618	72,293	796,167	652,292
Insurance premium earned	176,861	152,850	244,733	203,930	129,175	121,276	68,478	57,042	70,762	107,445	690,009	642,543
Insurance premium ceded to reinsurers	(124,619)	(110,317)	(93,850)	(72,780)	(37,300)	(27,611)	-	-	(62,291)	(73,107)	(318,060)	(283,815)
Net insurance premium	52,242	42,533	150,883	131,150	91,875	93,665	68,478	57,042	8,471	34,338	371,949	358,728
Commission income	30,849	27,369	29,739	20,414	7,227	2,795	-	-	13,704	10,936	81,519	61,514
Net underwriting income	83,091	69,902	180,622	151,564	99,102	96,460	68,478	57,042	22,175	45,274	453,468	420,242
Insurance claims	(93,191)	(56,429)	(29,101)	(34,035)	(43,099)	(58,752)	(55,171)	(35,574)	(5,960)	(15,051)	(226,522)	(199,841)
Insurance claims recovered from reinsurers	81,007	48,985	1,919	23,557	9,635	6,216	-	-	3,608	3,279	96,169	82,037
Net claims	(12,184)	(7,444)	(27,182)	(10,478)	(33,464)	(52,536)	(55,171)	(35,574)	(2,352)	(11,772)	(130,353)	(117,804)
Commission expense	(13,141)	(9,584)	(4,652)	(4,787)	(12,232)	(8,652)	(1,697)	(1,232)	(4,893)	(10,514)	(36,615)	(34,769)
Management expenses	(26,480)	(3,201)	(27,172)	(26,648)	(47,784)	(59,318)	2,934	5,665	(22,493)	(34,062)	(120,995)	(117,564)
Net insurance claims and expenses	(51,805)	(20,229)	(59,006)	(41,913)	(93,480)	(120,506)	(53,934)	(31,141)	(29,738)	(56,348)	(287,963)	(270,137)
Underwriting results	31,286	49,673	121,616	109,651	5,622	(24,046)	14,544	25,901	(7,563)	(11,074)	165,505	150,105
Net investment income											20,714	70,420
Rental Income											335	535
Other income											53,933	4,683
Other expenses											(4,808)	(9,353)
Profit before taxation from window takaful operations - OPF											5,686	1,646
Profit before tax for the period											241,365	218,036

19. Fair value of financial instruments

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

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

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

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

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

	Held to maturity	Available for sale	Total
(Rupees in thousand)			
20. Movement in investments			
As at beginning of previous year - Restated	74,998	6,362,762	6,437,760
Additions	72,999	2,653,876	2,726,875
Disposals (Sales and redemptions)	(74,998)	(2,893,755)	(2,968,753)
Fair value net losses (excluding net realised losses)	-	(1,261,333)	(1,261,333)
Impairment	-	(852)	(852)
As at beginning of current year - Restated	72,999	4,860,698	4,933,697
Additions	73,755	807,766	881,521
Disposals (Sales and redemptions)	(72,999)	(764,140)	(837,139)
Fair value net losses (excluding net realised losses)	-	(838,265)	(838,265)
Impairment	-	(38,449)	(38,449)
As at end of current period	73,755	4,027,610	4,101,365

21. 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, 2017.

22. Corresponding figures

Corresponding figures have been restated, rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation as detailed in note 4.1 to these condensed interim financial statements.

23. Subsequent events

There are no significant subsequent events that need to be disclosed for the period ended September 30, 2018

24. Date of authorization for issue

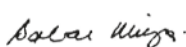
The condensed interim financial statements were authorised for issue on October 26, 2018 by the Board of Directors of the Company.

25. General

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



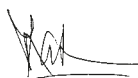
Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

تكاافل

TAKAFUL

 **Atlas Insurance**
Window Takaful Operations
Quarterly Report
September 30, 2018

Window Takaful Operations

Condensed Interim Statement of Financial Position (Unaudited)

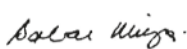
As at September 30, 2018

	Note	OPF September 30, 2018	PTF September 30, 2018 (Unaudited)	Total September 30, 2018	Total December 31, 2017 (Audited) Restated
(Rupees in thousand)					
Assets					
Qard-e-Hasna to Participants' Takaful Fund		15,000	-	15,000	-
Property and equipment	6	2,297	-	2,297	2,480
Intangible assets	7	320	-	320	545
Investments					
Equity Securities	8	39,729	-	39,729	38,479
Loans and other receivables		1,698	473	2,171	976
Takaful / re-takaful receivables		-	32,918	32,918	5,957
Retakaful recoveries against outstanding claims		-	901	901	1,232
Deferred commission expense / acquisition cost		7,386	-	7,386	6,129
Wakala fees receivable		25,802	30,398	56,200	21,309
Deferred wakala fees		-	-	-	19,970
Prepayments		1,862	18,795	20,657	16,646
Cash and bank	9	4,465	106,040	110,505	80,331
		<u>83,559</u>	<u>189,525</u>	<u>273,084</u>	<u>194,054</u>
Total assets		<u>98,559</u>	<u>189,525</u>	<u>288,084</u>	<u>194,054</u>
Fund and Liabilities					
Funds					
Statutory fund / cede money		50,000	500	50,500	50,500
Capital reserve		482	-	482	71
Accumulated profit / (loss)		9,182	-	9,182	(1,460)
Accumulated (deficit) / surplus		-	(14,974)	(14,974)	1,650
Total funds		<u>59,664</u>	<u>(14,474)</u>	<u>45,190</u>	<u>50,761</u>
Qard-e-Hasna from Operator's Fund		-	15,000	15,000	-
Liabilities					
Underwriting provisions					
Outstanding claims (including IBNR)	12	-	19,404	19,404	9,049
Unearned contribution reserves	11	-	96,561	96,561	62,743
Unearned retakaful rebate	14	-	3,271	3,271	2,018
Contribution deficiency reserve		-	-	-	1,291
Retirement benefit obligations		-	-	-	260
Deferred taxation		197	-	197	31
Contribution received in advance		-	1,704	1,704	4,088
Takaful / re-takaful payables		-	37,158	37,158	13,261
Unearned wakala fee	13	30,398	-	30,398	19,970
Wakala fee payable		-	25,802	25,802	21,309
Other creditors and accruals		8,300	5,099	13,399	9,273
Total liabilities		<u>38,895</u>	<u>188,999</u>	<u>227,894</u>	<u>143,293</u>
Total equity and liabilities		<u>98,559</u>	<u>189,525</u>	<u>288,084</u>	<u>194,054</u>
Contingencies and commitments	10				

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



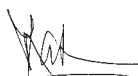
Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Profit and Loss Account (Unaudited)

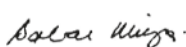
For the nine months ended September 30, 2018

	Note	Nine months ended		Three months ended	
		September 30, 2018	September 30, 2018	September 30, 2018	December 31, 2017
(Rupees in thousand)					
PTF revenue account					
Net contribution revenue	11	77,923	52,823	34,590	21,023
Net claims expense	12	(49,400)	(23,672)	(16,822)	(11,238)
Wakala expense	13	(36,065)	(20,181)	(13,560)	(7,693)
Reversal of contribution deficiency reserve		1,291	-	-	-
Retakaful rebate	14	4,859	2,308	1,881	863
Takaful claims and acquisition expenses		(79,315)	(41,545)	(28,501)	(18,068)
Direct expenses		(17,392)	(12,821)	(6,797)	(5,346)
Underwriting results		(18,784)	(1,543)	(708)	(2,391)
Investment income	16	2,160	980	800	372
(Deficit) / surplus for the period		(16,624)	(563)	91	(2,019)
OPF revenue account					
Wakala fee	13	36,065	20,181	13,560	7,693
Net commission and other acquisition costs	15	(10,513)	(6,365)	(3,717)	(2,414)
Management expenses		(16,138)	(12,175)	(5,086)	(3,187)
		9,414	1,641	4,757	2,092
Investment income	16	1,734	479	1,089	205
Other expenses		(506)	(976)	(160)	(651)
Profit for the period		10,642	1,144	5,686	1,646

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




Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Frahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Comprehensive Income (Unaudited)

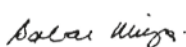
For the Nine Months ended September 30, 2018

	Nine months ended September 30, 2018	September 30, 2018 (Restated)	Three months ended September 30, 2018	December 31, 2017 (Restated)
	(Rupees in thousand)			
Operator's Fund				
Profit for the period	10,642	1,144	5,686	1,646
Other comprehensive income / (loss) for the period:				
Un-realized gains / (losses) on available for sale investments - net of deferred tax	411	278	(370)	467
Total comprehensive income for the period	<u>11,053</u>	<u>1,422</u>	<u>5,316</u>	<u>2,113</u>

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



Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Cash Flows (Unaudited)

For the Nine Months ended September 30, 2018

	OPF September 30, 2018	PTF September 30, 2018	Total September 30, 2018	Total December 31, 2017
	(Rupees in thousand)			
Operating activities				
a) Takaful activities				
Contributions received	-	158,093	158,093	93,892
Re-takaful contributions paid	-	(22,610)	(22,610)	(10,901)
Re-takaful and other recoveries received	-	729	729	921
Claims paid	-	(42,779)	(42,779)	(20,970)
Commissions paid	(10,621)	-	(10,621)	(6,799)
Management and other expenses paid	(15,304)	(39,293)	(54,597)	(45,000)
Other underwriting receipts	-	949	949	1,048
Other operating payments	-	(577)	(577)	(179)
Wakala fees received / (paid)	42,000	(42,000)	-	-
Net cash generated from takaful activities	16,075	12,512	28,587	12,012
b) Other operating activities				
Income tax paid	(135)	(273)	(408)	(208)
Net cash used in other operating activities	(135)	(273)	(408)	(208)
Total cash generated from all operating activities	15,940	12,239	28,179	11,804
Investment activities				
Profit / return received	159	1,931	2,090	1,127
Payments for investments	(673)	-	(673)	-
Dividend received	792	-	792	-
Fixed capital expenditure	(214)	-	(214)	(1,072)
Total cash generated from investing activities	64	1,931	1,995	55
Financing activities				
Qard-e-Hasna	(15,000)	15,000	-	-
Total cash (used in) / generated from financing activities	(15,000)	15,000	-	-
Total cash generated from all activities	1,004	29,170	30,174	11,859
Cash and cash equivalents at the beginning of the period	3,461	76,870	80,331	43,585
Cash and cash equivalents at the end of the period	4,465	106,040	110,505	55,444

Window Takaful Operations

Condensed Interim Statement of Cash Flows (Unaudited)

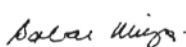
For the Nine Months ended September 30, 2018

	OPF September 30, 2018	PTF September 30, 2018	Total September 30, 2018	Total December 31, 2017
	(Rupees in thousand)			
Reconciliation to profit and loss account				
Operating cash flows	15,940	12,239	28,179	11,804
Depreciation / amortization expense	(622)	-	(622)	(497)
Investment income	1,734	2,160	3,894	1,459
Increase in assets other than cash	6,856	38,438	45,294	17,496
Decrease in liabilities other than running finance	(13,266)	(69,460)	(82,726)	(29,681)
Other adjustments				
Provision for impairment of receivable from takaful contract holders	-	-	-	-
Profit / deficit for the period	<u>10,642</u>	<u>(16,629)</u>	<u>(5,982)</u>	<u>581</u>

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



Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Condensed Interim Statement of Changes in Fund (Unaudited)

For the Nine Months ended September 30, 2018

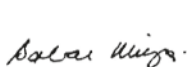
	Operator's Fund (OPF)			
	Statutory fund	Capital reserve Investment fair value reserve	Accumulated (loss)/profit	Total
	(Rupees in thousand)			
Balance as at December 31, 2016 (audited)	50,000	-	(2,307)	47,693
Net effect of change in accounting policy - note 4.1.2	-	344	-	344
Balance as at December 31, 2016 - (audited - restated)	50,000	344	(2,307)	48,037
Profit for the six months ended September 30, 2017	-	-	1,144	1,144
Net unrealized gain on revaluation of available for sale investments	-	278	-	278
Total comprehensive income for the period	-	278	1,144	1,422
Balance as at September 30, 2017- (unaudited - restated)	50,000	622	(1,163)	49,459
Loss for the three months ended December 31, 2017	-	-	(297)	(297)
Net unrealized loss on revaluation of available for sale investments	-	(551)	-	(551)
Total comprehensive loss for the period	-	(551)	(297)	(848)
Balance as at December 31, 2017- (audited - restated)	50,000	71	(1,460)	48,611
Profit for the nine months ended September 30, 2018	-	-	10,642	10,642
Net unrealized gain on revaluation of available for sale investments	-	411	-	411
Total comprehensive income for the period	-	411	10,642	11,053
Balance as at September 30, 2018 (unaudited)	50,000	482	9,182	59,664

	Participant's Takaful Fund (PTF)			
	Cede Money	Capital reserve Investment fair value reserve	Accumulated (Deficit)/Surplus	Total
	(Rupees in thousand)			
Balance as at December 31, 2016 (audited)	500	-	(5,625)	(5,125)
Deficit for the nine months ended September 30, 2017	-	-	(563)	(563)
Total comprehensive loss for the period	-	-	(563)	(563)
Balance as at September 30, 2017 (unaudited)	500	-	(6,188)	(5,688)
Surplus for the three months ended December 31, 2017	-	-	7,838	7,838
Total comprehensive income for the period	-	-	7,838	7,838
Balance as at December 31, 2017 (audited)	500	-	1,650	2,150
Deficit for the nine months ended September 30, 2018	-	-	(16,624)	(16,624)
Total comprehensive loss for the period	-	-	(16,624)	(16,624)
Balance as at September 30, 2018 (unaudited)	500	-	(14,974)	(14,474)

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



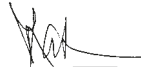
Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Frahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

Window Takaful Operations

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months ended September 30, 2018

1. Legal status and nature of business

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

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

2. Basis of preparation and statement of compliance

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

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

2.2 The SECP vide S.R.O. 89(I)/2017 dated February 9, 2017 issued the Insurance Rules, 2017 ("the Rules") for insurance companies which were enforceable with immediate effect. The Rules prescribe the amended format of financial statements for non-life insurance companies. Further the Rules did not carry forward the exemption in application of International Accounting Standard (IAS) - 39 'Financial Instruments: Recognition and Measurement' in respect of 'available for sale' securities. SECP vide letter No. ID/OSM/Atlas/2017/12196 dated October 05, 2017 granted specific exemption to the Operator to prepare the condensed interim financial statements for the nine months ended September 30, 2017 and annual financial statements for the year ended December 31, 2017, in accordance with the requirements of the previously applicable SEC (Insurance) Rules, 2002.

2.3 With effect from January 01, 2018 the Operator has changed its accounting policy in respect of the presentation of the condensed interim financial statements and measurement of 'available-for-sale' investments as explained in note 4.1 of these condensed interim financial statements.

2.4 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34 'Interim Financial Reporting'. This condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the operator for the year ended December 31, 2017.

- 2.5 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.

3. Basis of measurement

This interim financial information has been prepared under historical cost convention, except that certain investments that are carried at fair market value.

3.1 Functional and presentation currency

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

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

There are certain new and amended standards and interpretations that are mandatory for the Operator's accounting periods beginning on or after January 1, 2018 but are considered not to be relevant or to have any significant effect on the Operator's operations and are therefore not detailed in these condensed interim financial statements.

4. Summary of significant accounting policies

The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Operator for the year ended December 31, 2017 except for changes in accounting policies as disclosed in note 4.1 of these condensed interim financial statements. Further, a change in presentation has been made in accordance with the revised accounting and reporting standards as detailed in note 2 to the condensed interim financial statements.

4.1 Change in accounting policies

4.1.1 Presentation and disclosure of financial statements

As per Insurance Rules 2017 ("the Rules"), the presentation and disclosure requirements of the financial statements were changed for insurance companies whose financial year ended on or after March 31, 2017. However, as referred to in note 2.2 the Operator was granted specific exemption by the SECP for the financial year ended December 31, 2017. With effect from January 01, 2018 the format prescribed for non-life insurance companies in Annexure II of the Rules has been adopted, and changes to the presentation and disclosures in these condensed interim financial statements have been applied retrospectively.

Key changes in the prescribed Annexure include a change in the sequence and certain classifications of assets / liabilities in the statement of financial position. Discontinuation of separate statements of contribution, claims, expenses (OPF and PTF) and investment income which are now presented on aggregate basis into the notes to the financial statements. Underwriting results in relation to various classes of business which were previously presented on the face of the profit and loss account are now presented in note 18 'Segment reporting' to the condensed interim financial statements.

4.1.2 Basis for measurement of available for sale investments

As referred to in note 2.2, the Operator has adopted with effect from January 01, 2018, the Insurance Rules, 2017 ("the Rules"). Investments classified as 'available for sale' are now initially measured at cost, being the fair value of consideration given, and at each subsequent reporting date are remeasured at fair market value. Changes in fair market value of 'available for sale' investments are recognised in other comprehensive income / (loss) until derecognised or determined to be impaired. Previously, the Operator recorded its 'available for sale' investments at cost and remeasured them at lower of cost or fair market value (fair market value being taken as lower if the fall is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002.

The change in aforementioned accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated. The effect of the change in accounting policy on the current and prior period financial statements have been summarized below:

	<u>September 30,</u> <u>2018</u> (Unaudited)	<u>December 31,</u> <u>2017</u> (Audited)	<u>December 31,</u> <u>2016</u> (Audited)
	(Rupees in thousand)		

Operator's Fund (OPF)

Impact on statement of financial position

Increase in investments	679	102	492
Increase in deferred tax liabilities	197	31	148
Increase in investment fair value reserve	482	71	344

	<u>September 30,</u> <u>2018</u> (Unaudited)	<u>September 30,</u> <u>2017</u> (Unaudited)
	(Rupees in thousand)	

Impact on statement of comprehensive income

Increased / (decrease) in other comprehensive income - net of deferred tax	411	278
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4.1.3 Contribution revenue

The Insurance Accounting Regulations, 2017 requires the Operator, to recognize contribution receivable under a takaful contract / cover note as written from the date of attachment of risk to the takaful contract / cover note. Accordingly the Operator is required to account for cover notes which are effective as at reporting date. In previous years, the Operator recognized contribution under a takaful contract as written at the time of issuance of the takaful contract in accordance with SEC Insurance, Rules, 2002. The change is considered to be a change in accounting policy in accordance with IAS 8 'Accounting policies, Changes in Accounting Estimates and Errors'. The impact of the same however, is not considered to be material to the financial statements of the Operator and accordingly comparatives have not been restated in this regards.

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, 2017.

<u>Note</u>	<u>September 30,</u> <u>2018</u> (Unaudited)	<u>December 31,</u> <u>2017</u> (Audited)
	(Rupees in thousand)	

6. Property and equipment - OPF

Operating assets - tangible	6.1	2,297	2,480
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		<u>Note</u>	<u>September 30,</u> <u>2018</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2017</u> <u>(Audited)</u>
6.1	The breakup of operating assets as at the period / year end is given below:			
	Computers		189	-
	Vehicles		2,108	2,480
			<u>2,297</u>	<u>2,480</u>
6.2	Movement of property and equipment during the period / year:			
	Opening book value		2,480	2,238
	Additions during the period / year	6.3	214	2,205
			<u>2,694</u>	<u>4,443</u>
	Disposal during the period / year (at book value)	6.4	-	(1,457)
	Depreciation charged for the period/ year		(397)	(506)
			<u>(397)</u>	<u>(1,963)</u>
	Closing book value		<u>2,297</u>	<u>2,480</u>
6.3	Additions during the period / year			
	Computers		214	-
	Vehicles		-	2,205
			<u>214</u>	<u>2,205</u>
6.4	Disposals during the period / year			
	Vehicles		-	1,457
7.	Intangible assets - OPF			
	Computer softwar	7.1	320	545
7.1	Movement of intangible assets during the period / year			
	Opening book value		545	433
	Additions during the period / year	7.2	-	300
			<u>545</u>	<u>733</u>
	Amortization charged for the period / year		(225)	(188)
	Closing book value		<u>320</u>	<u>545</u>
7.2	Additions during the period / year			
	Computer Software		-	300
			<u>-</u>	<u>300</u>
8.	Investments in equity securities			

The investments comprise of the following:

	<u>September 30, 2018</u>			<u>December 31, 2017</u>		
	<u>(Unaudited)</u>			<u>(Audited) - Restated</u>		
	<u>Cost</u>	<u>Impairment / provision</u>	<u>Carrying value</u>	<u>Cost</u>	<u>Impairment / provision</u>	<u>Carrying value</u>
	<u>(Rupees in thousand)</u>					
Related party						
Available for sale						
Mutual funds	39,050	-	39,050	38,377	-	38,377
Unrealized gain on revaluation as on			679			102
			<u>39,729</u>			<u>38,479</u>

OPF September 30, 2018	PTF September 30, 2018 (Unaudited)	Total September 30, 2018	Total December 31, 2017 Restated
(Rupees in thousand)			

9. Cash and bank

Cash at bank

Saving accounts	9.1	4,465	106,040	110,505	17,248
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- 9.1 The rate of profit and loss sharing accounts range from 3.15% to 5.20% (2017: 2% to 4.74%) per annum, depending on the size of average deposits.

10. Contingencies and commitments

10.1 Contingencies

There are no outstanding contingencies of Atlas Insurance Limited - Window Takaful Operations (WTO) as on September 30, 2018.

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, 2018 (Unaudited)	December 31, 2017 (Audited)
(Rupees in thousand)		
Not later than one year	3,783	7,582
Later than one year and not later than five years	14,677	5,185
	18,460	12,767

Nine months ended September 30, 2018	September 30, 2017	Three months ended September 30, 2018	September 30, 2017
(Rupees in thousand)			

11. Net contribution revenue - PTF

Written gross contribution	152,003	86,712	62,051	35,263
Add: Unearned contribution reserve - opening	62,743	35,303	79,599	46,025
Less: Unearned contribution reserve - closing	(96,561)	(55,890)	(96,561)	(55,890)
Contribution earned	118,185	66,125	45,089	25,398
Less: Retakaful contribution ceded	43,923	15,307	13,959	5,729
Add: Prepaid retakaful contribution - opening	14,543	5,349	14,744	6,000
Less: Prepaid retakaful contribution - closing	(18,204)	(7,354)	(18,204)	(7,354)
Retakaful expense	40,262	13,302	10,499	4,375
	77,923	52,823	34,590	21,023

	Nine months ended		Three months ended	
	September 30,	September 30,	September 30,	September 30,
	2018	2017	2018	2017
	(Rupees in thousand)			

12. Net claims expense - PTF

Claims paid	42,779	19,810	16,907	10,297
Add: Outstanding claims including IBNR - closing	19,404	10,721	19,404	10,721
Less: Outstanding claims including IBNR - opening	(9,050)	(3,132)	(19,133)	(7,731)
Claims expense	53,133	27,399	17,178	13,287
Less: Retakaful and other recoveries received	4,062	2,068	1,233	587
Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing	901	1,659	901	1,659
Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening	(1,230)	-	(1,778)	(197)
Retakaful and other recoveries received	3,733	3,727	356	2,049
	49,400	23,672	16,822	11,238

13. Wakala fee / expense

Gross wakala fee	46,494	26,250	19,209	10,581
Add: Deferred wakala fee - opening	19,970	11,043	24,750	14,224
Less: Deferred wakala fee - closing	(30,399)	(17,112)	(30,399)	(17,112)
	36,065	20,181	13,560	7,693

14. Net rebate on retakaful - PTF

Re-takaful rebate received	6,112	2,665	2,673	1,099
Add: Re-takaful rebate - opening	2,018	1,018	2,479	1,139
Less: Re-takaful rebate - closing	(3,271)	(1,375)	(3,271)	(1,375)
	4,859	2,308	1,881	863

15. Net commission and other acquisition costs- OPF

Commission paid / payable	11,770	7,518	4,157	2,139
Add: Deferred commission expense - opening	6,129	3,330	6,946	4,758
Less: Deferred commission expense - closing	(7,386)	(4,483)	(7,386)	(4,483)
	10,513	6,365	3,717	2,414

16. Investment income**Operator's Fund**

- Profit on bank deposits for the period	1,734	479	1,089	205
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Participant's Takaful Fund

- Profit on bank deposits for the period	2,880	1,307	1,066	496
- Mudarib's share	(720)	(327)	(267)	(124)
	2,160	980	800	372

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. The operator 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:

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

		<u>September 30,</u> <u>2018</u> (Unaudited)	<u>December 31,</u> <u>2017</u> (Audited)
		(Rupees in thousand)	
Associated companies	Period end balances		
	Provision for outstanding claims (including IBNR)	117	-
	Contribution received in advance	-	62
	Premiums due but unpaid	776	-
		<u>September 30,</u> <u>2018</u>	<u>September 30,</u> <u>2017</u>
		(Rupees in thousand)	
	Transactions during the period		
	Contribution underwritten	2,786	1,216
	Contribution collected	2,947	2,010
	Claims paid	555	171
	Assets purchased	-	2,205
	Assets sold	-	1,457
Post employment benefit plans	Transactions during the period		
	Contribution to fund	144	204
		<u>September 30,</u> <u>2018</u> (Unaudited)	<u>December 31,</u> <u>2017</u> (Audited)
		(Rupees in thousand)	
Key management personnel	Period end balances		
	Contribution received in advance	-	3
		<u>September 30,</u> <u>2018</u>	<u>September 30,</u> <u>2017</u>
		(Rupees in thousand)	
	Transactions during the period		
	Compensation	3,899	3,346
	Contribution underwritten	4	-
	Contribution collected	5	-

18. Segment reporting

The Operator has four (2017: four) primary business segments for reporting purposes namely fire and property damage, marine, aviation and transport, motor and miscellaneous.

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

	Operator's Fund (PF) (Unaudited) Nine months ended September 30									
	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(Rupees in thousand)									
Wakala fee income	5,019	2,861	3,581	1,433	26,596	15,471	869	416	36,065	20,181
Commission expense	(1,861)	(1,149)	(1,414)	(619)	(6,990)	(4,491)	(248)	(106)	(10,513)	(6,365)
Management expenses	(1,685)	(1,261)	(1,017)	(570)	(12,916)	(10,065)	(520)	(279)	(16,138)	(12,175)
	1,473	451	1,150	244	6,690	915	101	31	9,414	1,641
Profit on bank deposits									1,734	479
Other expenses									(506)	(976)
Profit before tax									<u>10,642</u>	<u>1,144</u>
									(Unaudited)	(Audited- Restated)
									<u>Sep. 30,</u>	<u>Dec. 31,</u>
									<u>2018</u>	<u>2017</u>
									(Rupees in thousand)	
Segment assets	3,861	4,106	2,340	1,838	29,181	25,242	1,184	643	36,566	31,829
Unallocated assets									61,993	43,134
									<u>98,559</u>	<u>74,861</u>
Segment liabilities	4,086	3,395	2,477	1,520	30,882	20,875	1,253	531	38,698	26,321
Unallocated liabilities									197	31
									<u>38,895</u>	<u>26,321</u>

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Participant's Takaful Fund (PF)
(Unaudited)
Nine months ended September 30

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(Rupees in thousand)									
Contribution receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and administrative surcharge)	18,459	10,361	11,004	4,593	140,688	83,233	5,316	2,132	175,467	100,319
Less: Federal Excise Duty	2,252	1,162	1,177	495	18,170	10,957	347	128	21,946	12,742
Federal Takaful Fee	158	85	97	41	1,215	719	48	20	1,518	865
Gross written contribution (inclusive of administrative surcharge)	16,049	9,114	9,730	4,057	121,303	71,557	4,921	1,984	152,003	86,712
Gross direct contribution	15,241	8,351	9,269	3,909	119,056	70,314	4,700	1,938	148,266	84,512
Facultative inward contribution	479	587	43	-	56	89	140	-	718	676
Administrative surcharge	329	176	418	148	2,191	1,154	81	46	3,019	1,524
	16,049	9,114	9,730	4,057	121,303	71,557	4,921	1,984	152,003	86,712
Contribution earned	14,368	8,159	10,082	4,207	89,998	52,608	3,737	1,151	118,185	66,125
Prepaid retakaful contribution ceded	(13,608)	(7,120)	(10,088)	(3,516)	(15,837)	(2,395)	(729)	(271)	(40,262)	(13,302)
Net contribution revenue	760	1,039	(6)	691	74,161	50,213	3,008	880	77,923	52,823
Rebate from retakaful operators	2,619	1,444	1,686	772	472	36	82	56	4,859	2,308
Net underwriting surplus	3,379	2,483	1,680	1,463	74,633	50,249	3,090	936	82,782	55,131
Takaful Claims	84	(1,854)	(25)	(1,231)	(50,671)	(24,269)	(2,521)	(45)	(53,133)	(27,399)
Re-takaful and other recoveries	15	1,668	126	1,043	3,598	978	(6)	38	3,733	3,727
Net Claims	99	(186)	101	(188)	(47,073)	(23,291)	(2,527)	(7)	(49,400)	(23,672)
Wakala expense	(5,019)	(2,861)	(3,581)	(1,433)	(26,596)	(15,471)	(869)	(416)	(36,065)	(20,181)
Direct expenses	(100)	(21)	(60)	-	(17,201)	(12,800)	(31)	-	(17,392)	(12,821)
Reversal of contribution deficiency reserve	-	-	1,291	-	-	-	-	-	1,291	-
Net takaful claims and expenses	(5,020)	(3,068)	(2,249)	(1,621)	(90,870)	(51,562)	(3,427)	(423)	(101,566)	(56,674)
Underwriting result	(1,641)	(585)	(569)	(158)	(16,237)	(1,313)	(337)	513	(18,784)	(1,543)
Investment income									2,160	908
Deficit surplus for the period									(16,624)	(563)
									(Unaudited) Sep. 30, 2018 (Rupees in thousand)	(Audited- Restated) Dec. 31, 2017 (Rupees in thousand)
Segment assets	8,815	5,445	5,344	2,437	66,624	33,485	2,703	854	83,486	42,221
Unallocated assets									106,039	76,870
									189,525	119,091
Segment liabilities	19,956	14,918	12,098	6,676	150,829	91,721	6,119	2,335	189,002	115,650
Unallocated liabilities									(3)	1,291
									188,999	116,941

Participant's Takaful Fund (PF)
(Unaudited)
Three months ended September 30

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(Rupees in thousand)									
Contribution receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and administrative surcharge)	8,328	4,623	3,535	1,801	59,075	32,690	804	1,553	71,742	40,667
Less: Federal Excise Duty	1,045	510	382	199	7,581	4,287	66	56	9,074	5,052
Federal Takaful Fee	71	37	30	16	510	283	6	16	617	352
Gross written contribution (inclusive of administrative surcharge)	7,212	4,076	3,122	1,586	50,984	28,120	732	1,481	62,050	35,263
Gross direct contribution	7,035	3,672	2,953	1,532	50,034	27,510	568	1,455	60,590	34,169
Facultative inward contribution	39	307	32	-	-	89	140	-	211	396
Administrative surcharge	138	97	138	54	950	521	24	26	1,249	698
	7,212	4,076	3,123	1,586	50,984	28,120	732	1,481	62,050	35,263
Contribution earned	5,297	3,256	3,179	1,524	35,171	20,095	1,442	523	45,089	25,398
Prepaid retakaful contribution ceded	(5,044)	(2,833)	(2,932)	(1,122)	(2,029)	(313)	(494)	(107)	(10,499)	(4,375)
Net contribution revenue	253	423	247	402	33,142	19,782	948	416	34,590	21,023
Rebate from retakaful operators	962	574	630	246	258	20	31	23	1,881	863
Net underwriting surplus	1,215	997	877	648	33,400	19,802	979	439	36,471	21,886
Takaful Claims	(257)	(750)	91	(1,019)	(16,115)	(11,473)	(896)	(45)	(17,177)	(13,287)
Re-takaful and other recoveries	231	675	(83)	942	200	394	7	38	355	2,049
Net Claims	(26)	(75)	8	(77)	(15,915)	(11,079)	(889)	(7)	(16,822)	(11,238)
Wakala expense	(1,867)	(1,120)	(1,113)	(510)	(10,243)	(5,889)	(337)	(174)	(13,560)	(7,693)
Direct expenses	(8)	5	9	3	(6,812)	(5,355)	14	1	(6,797)	(5,346)
Reversal of contribution deficiency reserve	-	-	-	-	-	-	-	-	-	-
Net takaful claims and expenses	(1,901)	(1,190)	(1,096)	(584)	(32,970)	(22,323)	(1,212)	(180)	(37,179)	(24,277)
Underwriting result	(686)	(193)	(219)	64	430	(2,521)	(233)	259	(708)	(2,391)
Investment income									800	300
Surplus / (deficit) for the period									91	(2,091)

19. Fair value measurement of financial instruments

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

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

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

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

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

	Available for sale	Total
	(Rupees in thousand)	
20. Movement in investments - OPF		
As at beginning of previous year - restated	40,492	40,492
Additions	23,612	23,612
Disposals (sale and redemptions)	(25,235)	(25,235)
Fair value net loss (excluding net realize gain)	(390)	(390)
Impairment losses	-	-
As at beginning of current year- restated	38,479	38,479
Additions	-	-
Disposals (sale and redemptions)	-	-
Fair value net gains (excluding net realize gain)	1,098	1,098
Impairment losses	-	-
As at end of current year	39,577	39,577

21. Financial risk management

The financial and insurance 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, 2017.

22. Subsequent events - non adjusting event

There are no significant events that need to be disclosed for the period ended September 30, 2018.

23. Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation as detailed in note 4.1 to these condensed interim financial statements.

24. Date of authorization for issue

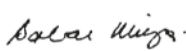
These condensed interim financial statements were authorized for issue on October 26, 2018 by the Board of Directors of the Operator.

25. General

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



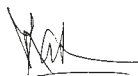
Rashid Amin
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Yusuf H. Shirazi
Chairman

Company Offices

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QUDSIA NAHEED Head of HR & Admin	Direct: Extension:	(042) 37132606 717
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MUHAMMAD WASIM PURI Branch Manager	Mall Road Branch Hafeez Chambers, 85-Shahrah-e-Quaid-e-Azam, Lahore.	(042) 36305595, 36370838 Fax: (042) 36369576
CH. ZEESHAN AHMED Deputy Chief Manager	Main Boulevard Branch Office No-6, 2nd Floor, Al-Hafeez View, 67-D/1, Sir Syed Road, Gulberg-III, Lahore	(042) 35784309, 37034673 Fax: (042) 35784310

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General Manager Sales & MarketingDirect:
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Vice President

Extension:

216

MUHAMMAD AFZAL
Company Secretary

Extension:

202

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