



Atlas Insurance

Quarterly Report
March 31, 2015

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Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Feroz Rizvi
Director

Isphanyar M. Bhandara
Director

Tariq Amin
Director

Ali H. Shirazi
Director

Jawaid Iqbal Ahmed
Director

Arshad P. Rana
Chief Executive

Muhammad Afzal
Company Secretary

Audit Committee

Feroz Rizvi
Chairman

Ali H. Shirazi
Member

Jawaid Iqbal Ahmed
Member

Muhammad Afzal
Secretary

Saleem Mahmood Akhtar
Chief Internal Auditor

Human Resource & Remuneration Committee

Isphanyar M. Bhandara
Chairman

Ali H. Shirazi
Member

Arshad P. Rana
Member

Qudsia Naheed
Secretary

Investment Committee

Ali H. Shirazi
Chairman

Arshad P. Rana
Member

Rashid Amin
Member

Muhammad Afzal
Secretary

Information Technology (IT) Committee

Ali H. Shirazi
Chairman

Arshad P. Rana
Member

Abdul Razzaq Ghauri
Secretary

Underwriting Committee

Ali H. Shirazi
Chairman

Arshad P. Rana
Member

Muhammad Saeed
Member

Irtiza Kazmi
Secretary

Company Information

Claims Settlement Committee

Ali H. Shirazi
Chairman

Arshad P. Rana
Member

Irtiza Kazmi
Member

Muhammad Saeed
Secretary

Reinsurance & Co-Insurance Committee

Ali H. Shirazi
Chairman

Arshad P. Rana
Member

Irtiza Kazmi
Member

Syed Nasir Hussain
Secretary

Management Committee

Arshad P. Rana
Chief Executive

Nisar Zaman Khan
Head of Marketing & Sales

Rashid Amin
Chief Financial Officer

Muhammad Saeed
Head of Claims

Qudsia Naheed
Head of (HR & Admin)

Abdul Razzaq Ghauri
Vice President (IT)

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Agha Faisal Barrister at Law

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
Bank Alfalah Limited
The Bank of Punjab
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Summit Bank Limited
United Bank Limited

Registered & Head Office

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

Chairman's Review

It gives me great pleasure to present the un-audited accounts of your Company for the quarter ended March 31, 2015.

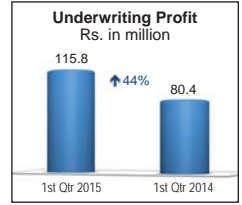
The Economy

Pakistan's GDP is expected to grow by 4.3% in FY 14-15 against target of 5.1%, the outlook has improved from earlier estimates. A stable exchange rate regime, declining inflation rates, growth in foreign exchange reserves and workers' remittances are indicators of improving economic situation. The third quarter of fiscal year 2014-15 saw the government borrowing more than its pre-announced targets for PIBs, and utilized the funds to retire SBP borrowing. Foreign exchange reserves improved to USD 16 billion at the end of March, 2015 from USD 10 billion at end of the same period last year. Inflation rate decreased significantly to 2.49% as compared to 9.18% mainly on account of declining oil prices. IMF, on the completion of 6th review, approved the disbursement under a 36-months IMF-supported loan during March, 2015. Pakistan has also received re-imbursalment of USD 716 million under coalition support fund during this period.

The KSE-100 Index performance remained subdued during the first quarter mainly due to overseas divestment. Pakistan's trade deficit widened to USD 14.1 billion from July 2014 to February 2015. Exports reduced by 5.2% from USD 16.84 billion to USD 16 billion and imports grew to USD 30.6 billion from USD 29.4 billion in the same period last year. Foreign remittances flowing into Pakistan continue to increase at 14.6% to USD 11.75 billion during the period July - March, 2015.

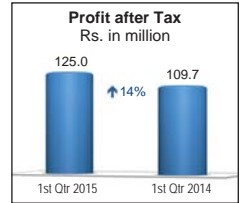
The Company

Your Company continued to show improved results as the gross premium underwritten for the period under review reached Rs. 545.5 million, up 38% from Rs. 395.7 million in the same period last year. The net premium rose to Rs. 237.4 million against Rs. 190.0 million of same period last year. Continued sound underwriting policies followed by the Company resulted in increased underwriting profit of Rs. 115.8 million compared to Rs. 80.4 million in the same period last year, up 44%. Investment at cost stood at Rs. 2.07 billion (market value Rs. 3.79 billion). Company earned investment income aggregating to Rs. 55.4 million compared to Rs. 68.8 million of same period last year. The decline in investment income is due to cautious approach in investment considering volatility in stock market during this period. The Company earned profit before tax of Rs. 165.0 million against Rs. 143.0 million in the same period last year, up 15%. After providing for tax, the profit after tax stood at Rs. 125.0 million compared to Rs. 109.7 million in the same period last year, up 14%.



Future Outlook

IMF had projected Pakistan's economic growth to accelerate to about 4.7% over the next fiscal year, and to rise further in the medium-term as fiscal adjustment eases and structural reforms alleviate constraints in the energy sector. Law and order situation, energy crisis, and trade deficits remain challenges for the government which needs to be addressed through long term decisions. Reducing trade deficit, increasing Tax to GDP ratio supplemented by falling oil and other commodities prices will help improve country's economy. The Company is poised to avail all the opportunities existing in the market to maintain its growth momentum and give consistent return to the shareholders:



ع عمل سے زندگی بنتی ہے جنت بھی جہنم بھی
یہ خاک اپنی فطرت میں نہ نوری ہے نہ تاری ہے

(It is work which claims who is who : what is what!)

Acknowledgement

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

Yusuf H. Shirazi

Directors' Report

The directors have pleasure in submitting the quarterly report of the Company together with the un-audited financial statements for the period ended March 31, 2015.

	<u>March 31,</u> <u>2015</u>	<u>March 31,</u> <u>2014</u>
	(Rupees in thousand)	
The overall business figures are:		
Net premium	237,399	189,999
Net claims	(52,352)	(48,792)
Investment and other income	62,949	74,517
Net commission	13,616	12,087
Expenses of management	(82,816)	(72,936)
Financial results are as follows:		
Profit before tax	165,049	142,987
Less: Provision for taxation	(40,030)	(33,257)
Profit after tax	125,019	109,730
Un-appropriated profit brought forward	544,824	455,941
* Appropriation:		
Final dividend Rs. 6 (2013: Rs. 5) per share	(420,968)	(318,916)
Transfer to general reserve	(124,000)	(77,000)
Transfer to reserve for issue of bonus shares	-	(63,783)
Un-appropriated profit carried forward	124,875	105,972

* The Board of Directors has recommended and members in the Annual General Meeting of the Company held on April 10, 2015 approved the cash dividend of Rs. 6 per share i.e. 60% for the year ended December 31, 2014. The financial statements do not reflect these appropriations in compliance with the Fourth Schedule of the Companies Ordinance, 1984.

Chairman's Review

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

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

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

For and on behalf of the
Board of Directors



Arshad P. Rana
Chief Executive

Lahore: April 27, 2015

Pattern of Shareholding

As at March 31, 2015

Number of shareholders	Shareholding		
	From	To	
244	1	100	6,816
238	101	500	72,371
155	501	1000	126,359
344	1001	5000	888,422
137	5001	10000	969,285
59	10001	15000	738,400
26	15001	20000	446,539
19	20001	25000	423,880
25	25001	30000	686,644
16	30001	35000	518,521
10	35001	40000	386,164
7	40001	45000	302,827
5	45001	50000	237,972
2	50001	55000	103,330
7	55001	60000	394,471
3	60001	65000	186,255
1	65001	70000	65,572
5	70001	75000	358,276
4	75001	80000	312,526
3	80001	85000	246,695
3	90001	95000	280,275
1	95001	100000	96,000
1	100001	105000	102,500
4	105001	110000	433,570
1	110001	115000	112,500
2	115001	120000	234,157
1	120001	125000	122,000
1	125001	130000	130,000
1	130001	135000	130,541
2	140001	145000	280,512
2	145001	150000	294,722
1	165001	170000	166,500
1	170001	175000	173,001
1	175001	180000	176,803
1	200001	205000	203,926
1	260001	265000	261,990
1	280001	285000	280,579
1	295001	300000	300,000
1	340001	345000	340,949
1	450001	455000	452,152
1	1355001	1360000	1,357,029
1	1925001	1930000	1,929,336
1	1975001	1980000	1,978,915
1	6920001	6925000	6,923,144
1	22065001	22070000	22,068,013
1	23860001	23865000	23,860,942
<u>1,344</u>			<u>70,161,381</u>

Shareholders' Information

As at March 31, 2015

Categories of Shareholders	Shares held	Holding %
Director, Chief Executive and their spouse and minor children	94,010	0.13%
Associated Companies, undertakings and related parties	54,781,436	78.08%
NIT and ICP	753	0.00%
Banks, Development Finance Institutions Non-Banking Financial Institutions	215,500	0.31%
Insurance Companies	2,145,415	3.06%
Modaraba and Mutual Funds	3,000	0.00%
Shareholders holding 10% and above	45,928,955	65.46%
General Public :		
a. Local	11,229,813	16.01%
b. Foreign	-	0.00%
Others :		
Joint Stock Companies	244,668	0.35%
Trusts	18,744	0.03%
Others	1,428,042	2.04%

Condensed Interim

As at

Note	March 31, 2015 (Unaudited) (Rupees in thousand)	December 31, 2014 (Audited) (Rupees in thousand)
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Share capital and reserves

Authorized share capital 80,000,000 (2014: 80,000,000) ordinary shares of Rs.10 each	800,000	800,000
Issued, subscribed and paid up capital 70,161,381 (2014: 70,161,381) ordinary shares of Rs.10 each	701,614	701,614
Reserves	421,064	421,064
Retained earnings	669,843	544,824
	1,792,521	1,667,502

Underwriting provisions

Provision for outstanding claims (including IBNR)	342,040	276,994
Provision for unearned premium	798,916	718,802
Commission income unearned	76,399	61,432
Total underwriting provisions	1,217,355	1,057,228

Creditors and accruals

Premiums received in advance	5,838	56,429
Amounts due to other insurers / reinsurers	340,890	315,070
Accrued expenses	66,688	83,726
Taxation - provision less payments	6,392	16,648
Other creditors and accruals	80,347	92,842
	500,155	564,715

Other liabilities

Deposits against performance bonds	13,366	13,404
Unclaimed dividends	41,072	41,170
	54,438	54,574

TOTAL LIABILITIES

	1,771,948	1,676,517
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TOTAL EQUITY AND LIABILITIES

	3,564,469	3,344,019
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CONTINGENCIES AND COMMITMENTS 7

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

Balance Sheet

March 31, 2015

Note	March 31, 2015 (Unaudited) (Rupees in thousand)	December 31, 2014 (Audited) (Rupees in thousand)
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Cash and bank deposits

Cash and other equivalents	433	176
Current and other accounts	83,795	432,994
	84,228	433,170

Loans to employees - secured considered good

	148	194
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Investments

8	2,068,396	1,868,597
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Deferred taxation

	17,951	17,410
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Current assets - other

Premiums due but unpaid	244,712	145,497
Amounts due from other insurers / reinsurers	255,693	179,594
Salvage recoveries accrued	5,685	5,685
Accrued investment income	14,446	3,807
Reinsurance recoveries against outstanding claims	244,346	179,685
Deferred commission expense	51,735	50,608
Prepayments	477,310	381,794
Sundry receivables	49,620	26,126
	1,343,547	972,796

Fixed assets

Tangible

Freehold land	1,168	1,168
Buildings on freehold land	11,079	11,219
Furniture and fixtures	2,599	2,666
Office equipments	9,187	9,549
Computers - owned	7,718	7,412
Motor vehicles - owned	16,239	17,233
	47,990	49,247

Intangible

Computer software	2,209	2,605
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TOTAL ASSETS


	3,564,469	3,344,019
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Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Jawaid Iqbal Ahmed
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Profit and Loss Account (Unaudited)

For the financial period ended March 31, 2015

Note	Quarter ended March 31				March 31, 2015	Quarter ended March 31, 2014
	Fire and property	Marine, aviation and transport	Motor	Misc.	Aggregate	Aggregate
(Rupees in thousand)						
Revenue account						
Net premium revenue	42,020	79,650	83,319	32,410	237,399	189,999
Net claims	(2,921)	(3,515)	(34,306)	(11,610)	(52,352)	(48,792)
Expenses	(12,979)	(15,838)	(24,294)	(29,705)	(82,816)	(72,936)
Net commission	9,691	7,432	(6,368)	2,861	13,616	12,087
Underwriting result	<u>35,811</u>	<u>67,729</u>	<u>18,351</u>	<u>(6,044)</u>	115,847	80,358
Investment income					55,405	68,791
Rental income					1,716	1,676
Other income					5,828	4,050
Financial charges					(50)	(71)
General and administration expenses					(13,697)	(11,817)
Profit before tax					165,049	142,987
Provision for taxation	10				(40,030)	(33,257)
Profit after tax					<u>125,019</u>	<u>109,730</u>
Profit and loss appropriation account						
Balance at commencement of the year					544,824	455,941
Profit after tax for the period					125,019	109,730
Balance unappropriated profit at the end of period					<u>669,843</u>	<u>565,671</u>
Basic earnings per share - Rupees					1.78	1.56

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Jawaid Iqbal Ahmed
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the financial period ended March 31, 2015

	Quarter Ended	
	March 31, 2015	March 31, 2014
Profit for the period ended March 31	125,019	109,730
Other comprehensive income for the period	-	-
Total comprehensive income for the period	125,019	109,730

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Jawaid Iqbal Ahmed
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Changes In Equity (Unaudited)

Financial period ended March 31, 2015

	Issued, subscribed and paid-up capital	Reserves					Retained earnings	Total
		Capital reserve	Reserve for exceptional losses	Reserve for issue of bonus shares	General reserve	Investment fluctuation reserve		
(Rupees in thousand)								
Balance as on January 01, 2014	637,831	2,251	2,164	-	336,649	3,000	456,136	1,438,031
Profit after tax for the year	-	-	-	-	-	-	544,968	544,968
Other comprehensive income	-	-	-	-	-	-	3,419	3,419
Total comprehensive income	-	-	-	-	-	-	548,387	548,387
Final dividend for the year ended December 31, 2013 @ 50% (Rs. 5 per share) -	-	-	-	-	-	-	(318,916)	(318,916)
Transfer to general reserve	-	-	-	-	77,000	-	(77,000)	-
Transfer to reserve for bonus shares	-	-	-	63,783	-	-	(63,783)	-
Issue of bonus shares @ 10%	63,783	-	-	(63,783)	-	-	-	-
Balance as at December 31, 2014	701,614	2,251	2,164	-	413,649	3,000	544,824	1,667,502
Net profit for the period	-	-	-	-	-	-	125,019	125,019
Balance as on March 31, 2015	701,614	2,251	2,164	-	413,649	3,000	669,843	1,792,521

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Jawaid Iqbal Ahmed
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Cash Flow Statement (Unaudited)

For the financial period ended March 31, 2015

	March 31, 2015	March 31, 2014
	(Rupees in thousand)	
Operating cash flows		
Underwriting activities		
Premiums received	335,549	371,199
Reinsurance premiums paid	(300,905)	(125,237)
Claims paid	(75,636)	(65,085)
Reinsurance and other recoveries received	7,422	15,385
Commissions paid	(37,156)	(20,646)
Commissions received	58,518	47,462
Other underwriting payments	(292)	(527)
Other underwriting receipts	4,061	4,143
Net cash (outflow) / inflow from underwriting activities	(8,439)	226,694
Other operating activities		
Income tax paid	(50,827)	(24,559)
General management expenses paid	(141,949)	(83,308)
Loans repayments received	46	(36)
Other deposits	(38)	(268)
Net cash outflow from other operating activities	(192,768)	(108,171)
Total cash (used in) / generated from all operating activities	(201,207)	118,523
Investment activities		
Profit / return received	9,798	4,347
Dividends received	8,882	12,593
Rental income received	849	850
Payments for purchase of investments	(535,724)	(540,905)
Proceeds from disposal of investments	367,527	407,159
Payments against purchase of assets	(894)	(3,511)
Proceeds from disposal of fixed assets	1,975	2,675
Total cash used in investing activities	(147,587)	(116,792)
Financing activities		
Dividends paid	(98)	(210)
Financial charges paid	(50)	(71)
Total cash flow used in financing activities	(148)	(281)
Net cash (outflow) / inflow from all activities	(348,942)	1,450
Cash at the beginning of the year	433,170	162,051
Cash at the end of the period	84,228	163,501

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Jawaid Iqbal Ahmed
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Premiums (Unaudited)

For the financial period ended March 31, 2015

Business underwritten inside Pakistan	Quarter ended March 31, 2015								Quarter ended March 31, 2014	
	Premiums written	Unearned premium reserve Opening	Unearned premium reserve Closing	Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded Opening	Prepaid reinsurance premium ceded Closing	Reinsurance expense	Net premium revenue	Net premium revenue
Class	(Rupees in				thousand)					
Direct and facultative										
Fire and property damage	97,799	319,703	284,330	133,172	84,376	224,832	218,056	91,152	42,020	25,065
Marine, aviation and transport	119,044	42,610	39,665	121,989	42,273	15,548	15,482	42,339	79,650	71,370
Motor	104,029	186,302	191,483	98,848	12,355	20,496	17,322	15,529	83,319	71,783
Miscellaneous	224,618	170,187	283,438	111,367	183,944	118,522	223,509	78,957	32,410	21,781
Total	545,490	718,802	798,916	465,376	322,948	379,398	474,369	227,977	237,399	189,999
Treaty										
Fire and property damage	-	-	-	-	-	-	-	-	-	-
Marine, aviation and transport	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Grand Total	545,490	718,802	798,916	465,376	322,948	379,398	474,369	227,977	237,399	189,999

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.


Arshad P. Rana
 Chief Executive


Ali H. Shirazi
 Director


Jawaid Iqbal Ahmed
 Director


Yusuf H. Shirazi
 Chairman

Condensed Interim Statement of Claims (Unaudited)

For the financial period ended March 31, 2015


Business underwritten inside Pakistan	Quarter ended March 31, 2015								Quarter ended March 31, 2014	
	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		Net claims expense
Class		Opening	Closing			Opening	Closing			Net claims expense
(Rupees in thousands)										
Direct and facultative										
Fire and property damage	6,231	91,668	153,927	68,490	5,594	87,409	147,384	65,569	2,921	1,465
Marine, aviation and transport	10,150	71,429	68,931	7,652	5,794	54,712	53,055	4,137	3,515	1,085
Motor	39,081	69,984	72,801	41,898	6,603	10,483	11,472	7,592	34,306	37,358
Miscellaneous	20,174	40,133	42,601	22,642	5,679	27,081	32,434	11,032	11,610	8,884
Total	<u>75,636</u>	<u>273,214</u>	<u>338,260</u>	<u>140,682</u>	<u>23,670</u>	<u>179,685</u>	<u>244,345</u>	<u>88,330</u>	<u>52,352</u>	<u>48,792</u>
Treaty										
Fire and property damage	-	1,755	1,755	-	-	-	-	-	-	-
Marine, aviation and transport	-	1,939	1,939	-	-	-	-	-	-	-
Miscellaneous	-	86	86	-	-	-	-	-	-	-
Total	<u>-</u>	<u>3,780</u>	<u>3,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>75,636</u>	<u>276,994</u>	<u>342,040</u>	<u>140,682</u>	<u>23,670</u>	<u>179,685</u>	<u>244,345</u>	<u>88,330</u>	<u>52,352</u>	<u>48,792</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.


Arshad P. Rana
 Chief Executive


Ali H. Shirazi
 Director


Jawaid Iqbal Ahmed
 Director


Yusuf H. Shirazi
 Chairman

Condensed Interim Statement of Expenses (Unaudited)

For the financial period ended March 31, 2015


Business underwritten inside Pakistan	Quarter ended								Quarter ended March 31, 2014 net underwriting expense
	Commission paid or payable	Deffered commission		Net commission expense	Other management expense	Underwriting expense	Commission from reinsurers	Net underwriting expense	
Class		Opening	Closing						
		(Rupees in			thousand)				
Direct and facultative									
Fire and property damage	13,047	19,454	22,449	10,052	12,979	23,031	19,743	3,288	12,071
Marine, aviation and transport	4,555	1,494	1,573	4,476	15,838	20,314	11,908	8,406	11,718
Motor	9,049	15,419	16,218	8,250	24,294	32,544	1,882	30,662	30,606
Miscellaneous	4,410	14,241	11,494	7,157	29,705	36,862	10,018	26,844	6,454
Total	<u>31,061</u>	<u>50,608</u>	<u>51,734</u>	<u>29,935</u>	<u>82,816</u>	<u>112,751</u>	<u>43,551</u>	<u>69,200</u>	<u>60,849</u>
Treaty									
Fire and property damage	-	-	-	-	-	-	-	-	-
Marine, aviation and transport	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total	<u>31,061</u>	<u>50,608</u>	<u>51,734</u>	<u>29,935</u>	<u>82,816</u>	<u>112,751</u>	<u>43,551</u>	<u>69,200</u>	<u>60,849</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.


Arshad P. Rana
Chief Executive


Ali H. Shirazi
Director


Jawaid Iqbal Ahmed
Director


Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Investment Income (Unaudited)

For the financial period ended March 31, 2015

	Quarter Ended	
	March 31, 2015	March 31, 2014
(Rupees in thousand)		
Income from non-trading investments		
Held to maturity		
Return on government securities	2,094	1,636
Available for sale		
Dividend income		
- from others	21,709	19,269
Gain on sale of available for sale investments	41,214	48,069
Less: provision for impairment in value of available for sale investments	9,462	-
Less: investment related expenses	150	183
Net investment income	55,405	68,791

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Jawaid Iqbal Ahmed
Director



Yusuf H. Shirazi
Chairman

Notes to the Condensed Interim Financial Information (Unaudited)

For the financial period ended March 31, 2015

1. Legal status and nature of business

Atlas Insurance Limited (the Company) was incorporated as a public limited company on September 6, 1934 and is listed on Lahore and Karachi stock exchanges. The Company is engaged in general insurance business. The registered office of the Company is situated at 3-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.

2. Statement of compliance

This interim financial information of the Company for the quarter ended March 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 have been followed.

The disclosures made in this interim financial information have, however, been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan (SECP) in its Circular No. 7 of 2003 and International Accounting Standard 34 - Interim Financial Reporting. They do not include all the information and disclosures required in the annual financial statements, and this interim financial information should be read in conjunction with Company's annual financial statements for the year ended December 31, 2014.

3. Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of this interim financial information are same as those applied in preparation of the preceding annual financial statements of the Company for the year ended December 31, 2014 except as follows:

3.1 New and amended standards and interpretations

The Company has adopted the following amendments and interpretations of IFRSs which became effective for the current year:

IFAS 3 Profit and Loss Sharing on Deposits

IAS 32 Financial Instruments: Presentation – (Amendment) - Offsetting Financial Assets and Financial Liabilities

IAS 36 Impairment of Assets – (Amendment) - Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 Financial Instruments: Recognition and Measurement – (Amendment) - Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 Levies

The adoption of the above did not have any material effect on the financial statements for the current year.

4. Basis of measurement

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

5. Accounting estimates and judgments

In preparing this interim financial information, the estimates / judgements and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at and for the year ended December 31, 2014.

6. Financial risk management

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2014.

7. Contingencies and commitments

7.1 Contingencies

The Deputy Commissioner Inland Revenue issued an order Under Section 122(5A) of the Income Tax Ordinance, 2001 creating a demand of Rs. 29,163 thousand for the tax year 2006. Against the said order the Company has filed rectification application to the Deputy Commissioner and also filed an appeal to the Commissioner Inland Revenue (Appeals) which is pending for adjudication. The management is confident that the said appeal will be decided in favor of the Company.

The Additional Commissioner Inland Revenue passed an order Under Section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2013 and created a demand of Rs. 177,327 thousand. The Company obtained stay against the demand and filed an appeal before the Commissioner Inland Revenue (Appeals) against the order which is pending for adjudication. The management is confident that the said appeal will be decided in favor of the Company.

Pending resolution of the above mentioned appeals filed by the Company, no provision has been made in this interim financial information of Rs. 206,490 thousand (2014: Rs. 29,163 thousand) as the management is confident that the eventual outcome of the above matters will be in favor of the Company.

	<u>March 31,</u> 2015 (Unaudited)	<u>December 31,</u> 2014 (Audited)
	(Rupees in thousand)	
7.2 Other contingencies		
Claims against the Company not acknowledged as debt	13,344	13,344

7.3 Commitments

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

	Note	<u>March 31,</u> 2015 (Unaudited)	<u>December 31,</u> 2014 (Audited)
		(Rupees in thousand)	
Not later than one year		15,715	40,363
Later than one year and not later than five years		10,606	22,597
Later than five years		-	-
		<u>26,321</u>	<u>62,960</u>

8. Investments

Held to maturity

Pakistan Investment Bonds (PIBs)	8.1	75,900	75,182
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Available for sale

Mutual funds	1,099,597	926,726
Quoted shares	892,899	866,689
	<u>1,992,496</u>	<u>1,793,415</u>

Investment at cost

Aggregate market value of investments	<u>3,794,463</u>	<u>3,729,566</u>
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- 8.1 This represents carrying amount of PIBs 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>March 31,</u> 2015	<u>December 31,</u> 2014
(Unaudited)	(Audited)
(Rupees in thousand)	

9. Fixed assets

Tangible

Opening net book value	49,247	53,856
Add: additions during the period / year	894	7,668
	<u>50,141</u>	<u>61,524</u>
Less:		
Disposals during the period / year (at book value)	242	3,356
Depreciation charged during the period / year	1,909	8,921
	<u>2,151</u>	<u>12,277</u>
	<u>47,990</u>	<u>49,247</u>

Intangible

Opening net book value	2,605	2,284
Addition	-	2,387
Amortization charged during the period / year	(396)	(2,066)
	<u>2,209</u>	<u>2,605</u>

10. Provision for taxation

Provision for taxation has been calculated on estimated basis and is subject to adjustments at year end.

<u>March 31,</u> 2015	<u>March 31,</u> 2014
(Unaudited)	(Unaudited)
(Rupees in thousand)	

11. Cash and cash equivalents at the end of period

For the purposes of the cash flow statement cash includes:

Cash and other equivalents	433	310
Current and other accounts	83,795	163,191
	<u>84,228</u>	<u>163,501</u>

11.1 Reconciliation to profit and loss account

Operating cash flows	(201,207)	118,523
Depreciation	(1,909)	(2,066)
Financial charges	(50)	(71)
Amortization	(396)	-
Profit on disposal of fixed assets	309	58
Provision for doubtful debts	-	(3,861)
Increase in assets other than cash	268,388	107,320
Increase in liabilities other than borrowings	(3,772)	(140,482)

Other adjustments

- Decrease / (Increase) in provision for unearned premium	14,856	(32,823)
- Increase in commission income	(14,967)	(9,003)
- (Increase) in provision for deferred commission expenses	1,127	(2,382)
- Income on investments and current and other deposits	55,405	68,791
- Rental income	1,716	1,676
- Other income	5,519	4,050
	<u>125,019</u>	<u>109,730</u>

12. Transactions with related parties

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

Related Parties	Period end balances	<u>March 31,</u> 2015	<u>December 31,</u> 2014
		(Unaudited)	(Audited)
		(Rupees in thousand)	
	Provision for outstanding claims (including IBNR)	162,018	109,722
	Premium received in advance	1,457	52,842
	Premium due but unpaid	115,882	47,332
		<u>March 31,</u> 2015	<u>March 31,</u> 2014
		(Unaudited)	(Unaudited)
		(Rupees in thousand)	
	Transactions during the period		
	Premium underwritten	174,070	207,965
	Premium collected	121,677	269,627
	Claims paid	27,343	17,744
	Assets purchased	7,796	2,851
	Rent received	1,273	1,273
	Rent paid	447	407
	Investments purchased	462,300	460,000
	Investments sold	312,643	295,079
	Expenses paid	307	303
	Donation	2,041	1,575
Post employment benefit plans	Transactions during the period		
	Expenses charged in respect of retirement benefit plans	3,097	3,083

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

Contribution to and accruals in respect of staff retirement plans are made in accordance with actuarial valuation / terms of the contribution plan.

Remuneration to chief executive and certain executives were paid in accordance with the terms of their employment.

13. Segment reporting

The Company has 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 gross premium earned by the segments.

	Fire & property damage		Marine, aviation & transport		Motor		Miscellaneous		Total	
	Mar. 31, 2015	Dec. 31, 2014	Mar. 31, 2015	Dec. 31, 2014	Mar. 31, 2015	Dec. 31, 2014	Mar. 31, 2015	Dec. 31, 2014	Mar. 31, 2015	Dec. 31, 2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(R u p e e s i n t h o u s a n d)									
Revenue										
Premiums earned	133,172	479,786	121,989	492,562	98,848	350,029	111,367	342,990	465,376	1,665,367
Segment Results	<u>35,811</u>	<u>74,468</u>	<u>67,729</u>	<u>259,733</u>	<u>18,351</u>	<u>41,812</u>	<u>(6,044)</u>	<u>30,700</u>	<u>115,847</u>	<u>406,713</u>
Investment income									55,405	294,682
Rental income									1,716	6,753
Other income									5,828	17,869
Financial charges									(50)	(435)
General and administration expenses									(13,697)	(34,767)
									49,202	284,102
Profit before tax									165,049	690,815
Provision for tax									(40,030)	(145,847)
Net profit									<u>125,019</u>	<u>544,968</u>
Other information										
Segment assets	365,294	270,945	334,619	278,160	271,143	197,668	305,482	193,694	1,276,538	940,467
Unallocated corporate assets									2,287,931	2,403,552
Consolidated total assets									<u>3,564,469</u>	<u>3,344,019</u>
Segment liabilities	444,345	437,236	407,031	414,741	329,818	291,314	371,590	313,164	1,552,784	1,456,455
Unallocated corporate liabilities									219,164	220,062
Consolidated total liabilities									<u>1,771,948</u>	<u>1,676,517</u>

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

14. Non - adjusting events after the balance sheet date

The Board of directors recommended at their meeting held on February 27, 2015 and the members approved at the Annual General Meeting held on April 10, 2015 a final cash dividend for the year ended December 31, 2014 of Rs. 6 (2013: Rs. 5) per share, amounting to Rs. 420,968 thousand (2013: Rs. 318,916 thousand). The Board has also recommended and the members approved transfer of Rs. 124,000 thousand (2013: Rs. 77,000 thousand) to general reserves and stock dividend of Rs. Nil (2013: Rs. 1) per share, amounting to Rs. Nil (2013: Rs. 63,783 thousand) to reserves for issue of bonus shares from accumulated reserves.

15. Date of authorization for issue

The condensed interim financial information was authorized for issue on April 27, 2015 by the Board of directors.

16. General

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Jawaid Iqbal Ahmed
Director



Yusuf H. Shirazi
Chairman

COMPANY OFFICES**HEAD OFFICE**

3 - Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	PABX:	(042) 37320542, 37320543, 37310658, 37322271 37322273
	Fax:	(042) 37234742
ARSHAD P. RANA Chief Executive Officer	Direct:	(042) 37234812
	Fax:	(042) 37116260
NISAR ZAMAN KHAN Head of Marketing and Sales	Direct:	(042) 37358360
	Extension:	404
RASHID AMIN Chief Financial Officer	Direct:	(042) 37234757
	Extension:	403
MUHAMMAD SAEED Head of Claims	Direct:	(042) 37323270
	Extension:	304
QUDSIA NAHEED Head of (HR & Admin)	Direct:	(042) 37245348
	Extension:	303
ABDUL RAZZAQ GHAURI Vice President (IT)	Direct:	(042) 37314241
	Extension:	402
SALEEM MEHMOOD Chief Internal Auditor	Extension:	428

NORTH ZONE OFFICES & BRANCHES**LAHORE**

CH. TAYYAB HUSSAIN Circle Chief, Lahore Circle - I	City Branch 3 - Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.	(042) 37212365-6, 37312858, 37312868, 37230558-9 Fax: (042) 37212367
MUHAMMAD MUNIR QAZI Chief Manager	Gulberg Branch Office No. 335, 3rd Floor, Land Mark Plaza, Jail Road, Lahore	(042) 35775733-4 Fax: (042) 35714514
MUHAMMAD IJAZ Chief Manager	Al-Noor Branch Al-Noor Building, 43-Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	(042) 37358805 Fax: (042) 37237343
KH. MUHAMMAD NADEEM Branch Manager	Napier Road Branch Nairobi Mansion Napier Road, Lahore.	(042) 37352560 Fax: (042) 37358190

MUHAMMAD WASIM PURI Branch Manager	Mall Road Branch Hafeez Chambers, 85 - Shahrah-e-Quaid-e-Azam, Lahore.	(042) 36305595, 36271663 Fax: (042) 36369576
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CH. ZEESHAN AHMED Branch Manager	Main Boulevard Branch Office No-6, 2nd Floor, Al-Hafeez View, 67-D/1, Sir Syed Road, Gulberg-III, Lahore	(042) 35784309, 37034673 Fax: (042) 35784310
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RAWALPINDI

MAHMOOD AHMED Chief Manager	101/13, Bank Road, Grand Hotel Building,	(051) 5563413, 5516546
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MANZAR ALI NAQVI Manager	P.O. Box 119, Rawalpindi.	Fax: (051) 5798083
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FAISALABAD

MUHAMMAD ASIF AKRAM Chief Manager	123-B, People's Colony No. 1, D - Ground, Faisalabad.	(041) 8721256, 8734176 Fax: (041) 8732499
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SIALKOT

REHAN NAZIR GHUMAN Branch Manager	Kutchery Road, Sialkot.	(052) 4264195, 4594520 Fax: (052) 4290095
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ISLAMABAD

AASIM MAJEED Deputy Chief Manager	Office No. 4, 4th Floor, Sector F-7/G-7 Channab Center, Jinnah Avenue, Blue Area, Islamabad.	(051) 2270629-30 Fax: (051) 2804115
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MULTAN

Ghulam Ali Office Incharge	Atlas Honda Building Azmat Wasti Road, Multan.	(061) 4544494 Fax: (061) 4786198
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SOUTH ZONE OFFICE

Ground Floor, Federation House, Abdullah Shah Ghazi Road, Main Clifton, Karachi.	PABX: Fax:	(021) 35378806-7 35369395-6 (021) 35378515
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ARSHAD P. RANA Chief Executive Officer	Direct:	(021) 35378757
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MUHAMMAD IMRAN Vice President (Non Motor)	Extension:	217
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MUHAMMAD AFZAL Company Secretary	Extension:	202
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SOUTH ZONE BRANCHES**KARACHI**

M. FAROOQ KANDLAWALA Circle Chief, Karachi Circle - I	Tower Branch State Life Building No. 7 Room No. 101, 1st Floor G. Allana Road, Karachi.	(021) 32316503, 32201471 Fax: (021) 32315248
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ABDUL AZIZ Chief Manager	Corporate Branch 1/10, Arkey Square, 1st Floor, Shahrah-e-Liaquat, Karachi	(021) 32421030, 32422911 Fax: (021) 32421387
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IMRAN SATTAR Chief Manager	Plaza Branch 3/3 Rimpa Plaza M.A. Jinah Road, Karachi.	(021) 32729339, 32720852 Fax: (021) 32749004
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INAYAT ULLAH Branch Manager	New Challi Branch 1st Floor, Room No. 106-107, Rehmani Chamber, Altaf Hussain Road, Karachi.	(021) 32218286, 32218288 Fax: (021) 32218264
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AJAZ TUFAIL Branch Manager	NCB-II Branch Ground Floor, Federation House, Abdullah Shah Ghazi Road, Main Clifton, Karachi.	(021) 35378806-7 35369394-6 Fax: (021) 35378515
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HYDERABAD

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

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

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