



HALF YEARLY REPORT

June 30, 2014



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Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Feroz Rizvi
Director

Isphanyar M. Bhandara
Director

Ali H. Shirazi
Director

Frahim Ali Khan
Director

Jawaid Iqbal Ahmed
Director

Arshad P. Rana
Chief Executive

Muhammad Afzal
Company Secretary

Audit Committee

Feroz Rizvi
Chairman

Ali H. Shirazi
Member

Frahim Ali Khan
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

Frahim Ali Khan
Member

Arshad P. Rana
Member

Rashid Amin
Member

Muhammad Afzal
Secretary

Information Technology (IT) Committee

Ali H. Shirazi
Chairman

Frahim Ali Khan
Member

Arshad P. Rana
Member

Abdul Razzaq Ghauri
Secretary

Underwriting Committee

Frahim Ali Khan
Chairman

Arshad P. Rana
Member

Muhammad Saeed
Member

Athar Maqsood Paracha
Secretary

Company Information

Claims Settlement Committee

Frahim Ali Khan
Chairman

Arshad P. Rana
Member

Athar Maqsood Paracha
Member

Muhammad Saeed
Secretary

Reinsurance & Co-insurance Committee

Frahim Ali Khan
Chairman

Arshad P. Rana
Member

Muhammad Saeed
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
Vice President (Admin & HR)

Abdul Razaq 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
Bank of Punjab
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank (Pakistan) 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 half year ended June 30, 2014.

The Economy

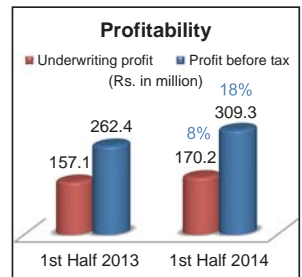
The Pakistan economy continued to make progress. GDP growth was registered at 4.1% in the fiscal year 2013-14 against 3.7% of last year. The government has projected a growth rate of 5.1% for the next fiscal year 2014-15 and signs of improvement were witnessed through rise in private sector credit, contained fiscal deficit, restrained inflation and stability in the exchange rate. Inflation was recorded at 8.3% during 2013-14 as against 7.4% in the last year. Due to healthy foreign remittances of USD 15.8 billion during the year 2013-14 and proceeds from other multilateral sources, the foreign exchange reserves increased to USD 13.8 billion as compared to USD 11 billion of last year. All major sectors provided support to improve economic growth. Industrial sector expanded by 5.84% against growth of 1.37%, while large scale manufacturing posted 5.31% growth as compared to 4.08% during last year. However, the agriculture sector, which grew by 2.12% against 2.88% and the services sector which registered growth of 4.29% against 4.85% of last year, could not achieve the set targets.

Government officials and IMF met in August to review performance of the economy during the last quarter of fiscal year 2013-14. A successful completion of the fourth review and subsequent approval of the IMF's Board is expected to release the fifth loan tranche of approximately USD 550 million, which augurs well for the economy. Exports improved by 1.48% to USD 25.17 billion during fiscal year 2013-14 against USD 24.80 billion of last year and imports increased by 3.80% to USD 41.68 billion as compared to USD 40.16 billion of last year. The Karachi Stock Exchange, on the back of strong corporate results, witnessed a growth of 17% during the first half of calendar year 2014 and the KSE-100 index crossed 29,000 points.

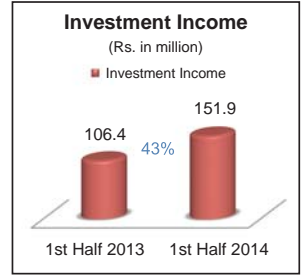
The government however needs to address the structural problems faced by it in the form of trade deficit, fiscal deficit, tax to GDP ratio and energy shortfall on long term basis.

The Company

Your Company continued to show improved results as the gross premium underwritten grew by 16% to Rs. 850.9 million from Rs. 730.8 million in the same period last year. The net premium increased to Rs. 410.8 million as against Rs. 343.4 million. Sound underwriting policies followed by the company resulted in the increased underwriting profit of Rs. 170.2 million compared to Rs. 157.1 million in the same period last year, up 8%. Investment at cost stood at Rs. 1.588 billion (market value Rs. 2.632 billion).



The income from investment increased by 43% to Rs. 151.9 million from Rs. 106.4 million in the same period last year. The Company earned profit before tax of Rs. 309.3 million against Rs. 262.4 million in the same period last year, up 18%.



Future Outlook

Globally, the world economy is floundering once again and growth forecasts have been revised downwards. There are also many flash points of conflict in the Middle East and Ukraine. The oil prices are showing greater volatility. On the domestic front the Government is making serious efforts to overcome energy shortage and improve general Law & Order situation in the country. A comprehensive package of educational sector reforms, a medium term health strategy, public-private partnership in delivery of social services, community involvement and participation are some ways that need to be put in practice with full commitment. Policymakers need to formulate policies that promote competitiveness and prioritize production efficiency and job creation. This will help mobilize the industrial sector, create employment and contribute to revenue.

The management of your company will avail all the opportunities existing in the market to maintain its growth momentum and generate consistent returns for its shareholders.

خُدا رحمت کنند اِس عاشقانِ پاک طینت را

(God blesses the blissful)

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 half yearly report of the company together with the un-audited accounts reviewed by the auditors and the auditors report for the period ended June 30, 2014.

<u>June 30,</u> <u>2014</u>	<u>June 30,</u> <u>2013</u>
(Rupees in thousand)	

The overall business figures are:

Net premium	410,775	343,405
Net claims	105,859	76,801
Investment and other income	162,140	124,555
Net commission	23,967	25,821
Expenses of management	158,694	135,327

Financial results are as follows:

Profit before tax	309,304	262,378
Less: Provision for taxation	56,463	66,498
Profit after tax	252,841	195,880

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: August 27, 2014

Pattern of Shareholding

As at June 30, 2014

Number of shareholders	Shareholding		Share held
	From	To	
243	1	100	6,983
211	101	500	54,752
133	501	1,000	94,646
328	1,001	5,000	806,396
135	5,001	10,000	936,823
66	10,001	15,000	814,841
33	15,001	20,000	566,447
16	20,001	25,000	354,550
22	25,001	30,000	599,131
16	30,001	35,000	520,821
8	35,001	40,000	300,576
7	40,001	45,000	301,249
6	45,001	50,000	287,661
2	50,001	55,000	103,330
6	55,001	60,000	337,971
8	60,001	65,000	504,173
1	65,001	70,000	65,572
4	70,001	75,000	285,228
4	75,001	80,000	315,526
2	80,001	85,000	166,195
2	90,001	95,000	186,775
1	95,001	100,000	96,000
1	100,001	105,000	102,500
3	105,001	110,000	328,400
2	115,001	120,000	232,879
1	125,001	130,000	130,000
1	130,001	135,000	130,541
2	140,001	145,000	280,512
1	145,001	150,000	149,672
1	150,001	155,000	150,001
1	155,001	160,000	157,278
2	170,001	175,000	347,350
1	175,001	180,000	176,803
1	200,001	205,000	203,926
1	225,001	230,000	230,000
1	260,001	265,000	261,990
1	280,001	285,000	280,579
1	340,001	345,000	340,949
1	450,001	455,000	452,152
1	455,001	460,000	457,029
1	1,280,001	1,285,000	1,282,824
1	1,925,001	1,930,000	1,929,336
1	1,975,001	1,980,000	1,978,915
1	6,920,001	6,925,000	6,923,144
1	22,065,001	22,070,000	22,068,013
1	23,860,001	23,865,000	23,860,942
<u>1,283</u>			<u>70,161,381</u>

Shareholders' Information

As at June 30, 2014

Categories of shareholders	Shares held	Percentage %
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	64,500	0.09%
Insurance Companies	2,267,915	3.23%
Modaraba and Mutual Funds	3,000	0.00%
Shareholders holding 10% and above	45,928,955	65.46%
General Public :		
a. Local	10,884,874	15.51%
b. Foreign	-	0.00%
Others :		
Joint Stock Companies	262,129	0.37%
Trusts	18,744	0.03%
Others	1,784,020	2.54%

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying:

- (i) condensed interim balance sheet;
- (ii) condensed interim profit and loss account;
- (iii) condensed interim statement of comprehensive income;
- (iv) condensed interim cash flow statement;
- (v) condensed interim statement of changes in equity;
- (vi) condensed interim statement of premiums;
- (vii) condensed interim statement of claims;
- (viii) condensed interim statement of expenses; and
- (ix) condensed interim statement of investment income

and notes to the condensed interim financial information of Atlas Insurance Limited (the Company) as at June 30, 2014 and for the six months period then ended (here-in-after referred to as 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Engagement Partner: Mohammed Junaid

Lahore

Date: August 27, 2014

Condensed Interim

As at

Note	June 30, 2014 (Unaudited) (Rupees in thousand)	December 31, 2013 (Audited) (Rupees in thousand)
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Share capital and reserves

Authorised share capital 80,000,000 (December 31, 2013: 80,000,000) ordinary shares of Rs.10 each	800,000	800,000
Issued, subscribed and paid up capital 70,161,381 (December 31, 2013: 63,783,074) ordinary shares of Rs.10 each	701,614	637,831
Reserves	421,064	344,064
Retained earnings	249,278	456,136
	1,371,956	1,438,031

Underwriting provisions

Provision for outstanding claims (including IBNR)	358,081	309,529
Provision for unearned premium	787,549	732,848
Commission income unearned	74,785	62,925
Total underwriting provisions	1,220,415	1,105,302

Creditors and accruals

Premium received in advance	12,739	8,052
Amounts due to other insurers / reinsurers	247,626	236,671
Accrued expenses	75,333	77,023
Taxation - provision less payments	29,114	30,488
Other creditors and accruals	86,589	77,869
	451,401	430,103

Other liabilities

Deposits against performance bonds	9,121	9,453
Unclaimed dividends	31,525	31,847
	40,646	41,300

TOTAL LIABILITIES

	1,712,462	1,576,705
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TOTAL EQUITY AND LIABILITIES

	3,084,418	3,014,736
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CONTINGENCIES AND COMMITMENTS

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

Balance Sheet

June 30, 2014

Note	June 30, 2014 (Unaudited) (Rupees in thousand)	December 31, 2013 (Audited) (Rupees in thousand)
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Cash and bank deposits

Cash and other equivalents	309	112
Current and other accounts	206,704	162,051

12	207,013	162,163
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Loans to employees - secured considered good

	230	162
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Investments

8	1,588,346	1,550,372
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Deferred taxation

	17,364	20,257
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Current assets - others

Premiums due but unpaid	342,131	260,165
Amounts due from other insurers / reinsurers	118,644	110,557
Salvage recoveries accrued	5,385	6,810
Accrued investment income	2,967	348
Reinsurance recoveries against outstanding claims	264,985	236,457
Deferred commission expense	59,507	63,673
Prepayments	403,939	533,695
Sundry receivables	16,625	13,937

	1,214,183	1,225,642
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Fixed assets

Tangible

9		
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Freehold land	1,168	1,168
Building on freehold land	11,514	11,809
Furniture and fixtures	2,790	2,937
Office equipments	9,983	10,561
Computers - owned	7,448	7,620
Motor vehicles - owned	20,399	19,761

	53,302	53,856
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Intangible

9		
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Computer software	3,980	2,284
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TOTAL ASSETS

	3,084,418	3,014,736
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Arshad P. Rana
Chief Executive

Ali H. Shirazi
Director

Feroz Rizvi
Director

Yusuf H. Shirazi
Chairman

Condensed Interim Profit and Loss Account (Unaudited)

For the six months period ended June 30, 2014

Note	Three months period ended June 30					2014	2013
	Fire and property damage	Marine, aviation and transport	Motor	Misc.	Treaty		
	(Rupees in thousand)						
Revenue account							
Net premium revenue	33,301	81,216	76,001	30,258	-	220,776	186,270
Net claims	(966)	(13,118)	(32,151)	(10,832)	-	(57,067)	(35,702)
Expenses	(21,333)	(20,916)	(32,293)	(11,216)	-	(85,758)	(71,292)
Net commission	8,320	9,567	(7,695)	1,689	-	11,881	13,461
Underwriting result	<u>19,322</u>	<u>56,749</u>	<u>3,862</u>	<u>9,899</u>	<u>-</u>	<u>89,832</u>	<u>92,737</u>
Investment income						83,153	51,565
Rental income						1,676	1,640
Other income						2,794	10,057
Financial charges						(177)	(131)
General and administration expenses						(10,960)	(10,149)
						<u>76,486</u>	<u>52,982</u>
Profit before taxation						166,318	145,719
Provision for taxation						(23,206)	(39,014)
Profit after taxation						<u>143,112</u>	<u>106,705</u>
Basic and diluted earnings per share - Rupees	10					<u>2.04</u>	Restated <u>1.52</u>

Note	Six months period ended June 30					2014	2013
	Fire and property damage	Marine, aviation and transport	Motor	Misc.	Treaty		
	(Rupees in thousand)						
Revenue account							
Net premium revenue	58,366	152,586	147,784	52,039	-	410,775	343,405
Net claims	(2,431)	(14,203)	(69,509)	(19,716)	-	(105,859)	(76,801)
Expenses	(42,015)	(38,963)	(56,316)	(21,400)	-	(158,694)	(135,327)
Net commission	16,931	15,896	(14,279)	5,419	-	23,967	25,821
Underwriting result	<u>30,851</u>	<u>115,316</u>	<u>7,680</u>	<u>16,342</u>	<u>-</u>	<u>170,189</u>	<u>157,098</u>
Investment income						151,944	106,437
Rental income						3,352	3,194
Other income						6,844	14,924
Financial charges						(248)	(207)
General and administration expenses						(22,777)	(19,068)
						<u>139,115</u>	<u>105,280</u>
Profit before taxation						309,304	262,378
Provision for taxation	11					(56,463)	(66,498)
Profit after taxation						<u>252,841</u>	<u>195,880</u>
Profit and loss appropriation account							
Balance at commencement of the period						456,136	362,371
Profit after taxation for the six months ended June 30						252,841	195,880
Transfer to general reserve						(77,000)	(43,000)
Final dividend for 2013 @ Rs. 5 per share (2012: Rs. 4 per share)						(318,916)	(212,610)
Transfer to reserve for issue of bonus shares						(63,783)	(106,305)
Balance unappropriated profit at the end of the period						<u>249,278</u>	<u>196,336</u>
Basic and diluted earnings per share - Rupees	10					<u>3.60</u>	Restated <u>2.79</u>

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months period ended June 30, 2014

	Six months period ended		Three months period ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	252,841	195,880	143,112	106,705
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>252,841</u>	<u>195,880</u>	<u>143,112</u>	<u>106,705</u>

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Changes In Equity (Unaudited)

For the six months period ended June 30, 2014

	Issued, subscribed and paid-up capital	Reserves				General reserve	Retained earnings	Total
		Capital reserve	Reserve for exceptional losses	Investment fluctuation reserves	Reserve for issue of bonus shares			
(Rupees in thousand)								
Balance as at January 1, 2013 (Audited)	531,526	2,251	2,164	3,000	-	293,649	362,371	1,194,961
Final dividend for the year ended December 31, 2012 @ 40% (Rs. 4 per share)	-	-	-	-	-	-	(212,610)	(212,610)
Transfer to general reserve	-	-	-	-	-	43,000	(43,000)	-
Transfer to reserve for bonus shares	-	-	-	-	106,305	-	(106,305)	-
Issue of bonus shares @ 20%	106,305	-	-	-	(106,305)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	195,880	195,880
Balance as at June 30, 2013 (Unaudited)	<u>637,831</u>	<u>2,251</u>	<u>2,164</u>	<u>3,000</u>	<u>-</u>	<u>336,649</u>	<u>196,336</u>	<u>1,178,231</u>
Balance as at January 1, 2014 (Audited)	637,831	2,251	2,164	3,000	-	336,649	456,136	1,438,031
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)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	252,841	252,841
Balance as at June 30, 2014 (Unaudited)	<u>701,614</u>	<u>2,251</u>	<u>2,164</u>	<u>3,000</u>	<u>-</u>	<u>413,649</u>	<u>249,278</u>	<u>1,371,956</u>

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended June 30, 2014

	Note	June 30, 2014	June 30, 2013
(Rupees in thousand)			
Operating Cash Flows			
Underwriting activities			
Premiums received		733,487	596,841
Reinsurance premiums paid		(294,800)	(360,708)
Claims paid		(127,464)	(130,457)
Reinsurance and other recoveries received		52,265	34,111
Commission paid		(45,607)	(34,687)
Commission received		90,517	83,315
Other underwriting payments		(967)	(422)
Other underwriting receipts		8,857	7,644
Net cash inflow from underwriting activities		416,288	195,637
Other operating activities			
Income tax paid		(54,944)	(59,944)
General and management expenses paid		(175,586)	(187,299)
Loans - net		(68)	(19)
Net cash outflow from other operating activities		(230,598)	(247,262)
Total cash inflow / (outflow) from all operating activities		185,690	(51,625)
Investment activities			
Profit / return received		7,579	10,767
Dividends received		56,713	36,612
Rentals received		5,094	2,122
Payments for purchase of investments		(664,831)	(467,192)
Proceeds from disposal of investments		780,139	563,801
Payments against purchase of fixed assets		(5,931)	(7,647)
Payment against purchase of intangible assets		(2,387)	(2,372)
Proceeds from disposal of fixed assets		2,270	15,086
Total cash inflow from investing activities		178,646	151,177
Financing activities			
Dividends paid		(319,238)	(204,999)
Financial charges paid		(248)	(207)
Total cash out flow from financing activities		(319,486)	(205,206)
Net cash inflow / (outflow) from all activities		44,850	(105,654)
Cash and cash equivalents at the beginning of the period		162,163	282,013
Cash and cash equivalents at the end of the period	12	207,013	176,359

Reconciliation of operating cash flows to profit and loss account is given as note 12.1 to the interim financial information.

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Premiums (Unaudited)

For the six months period ended June 30, 2014

Three months period ended June 30

Business underwritten inside Pakistan

Direct and facultative	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2014 Net premium revenue	2013
		Opening	Closing			Opening	Closing			
(Rupees in thousands)										
Class										
Fire and property damage	136,922	274,477	292,483	118,916	77,239	200,812	192,436	85,615	33,301	24,221
Marine, aviation and transport	134,144	41,980	48,503	127,621	48,923	15,010	17,528	46,405	81,216	76,032
Motor	111,857	161,375	188,370	84,862	12,544	5,924	9,607	8,861	76,001	59,484
Miscellaneous	72,308	269,543	258,193	83,658	15,242	220,691	182,533	53,400	30,258	26,533
Total	455,231	747,375	787,549	415,057	153,948	442,437	402,104	194,281	220,776	186,270
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	455,231	747,375	787,549	415,057	153,948	442,437	402,104	194,281	220,776	186,270

Six months period ended June 30

Business underwritten inside Pakistan

Direct and facultative	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2014 Net premium revenue	2013
		Opening	Closing			Opening	Closing			
(Rupees in thousands)										
Class										
Fire and property damage	264,705	257,456	292,483	229,678	152,581	211,167	192,436	171,312	58,366	40,856
Marine, aviation and transport	246,040	38,291	48,503	235,828	88,443	12,327	17,528	83,242	152,586	144,160
Motor	204,865	146,943	188,370	163,438	19,193	6,068	9,607	15,654	147,784	114,067
Miscellaneous	135,300	290,158	258,193	167,265	66,616	231,143	182,533	115,226	52,039	44,322
Total	850,910	732,848	787,549	796,209	326,833	460,705	402,104	385,434	410,775	343,405
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	850,910	732,848	787,549	796,209	326,833	460,705	402,104	385,434	410,775	343,405

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


Arshad P. Rana
Chief Executive


Ali H. Shirazi
Director


Feroz Rizvi
Director


Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Claims (Unaudited)

For the six months period ended June 30, 2014

T h r e e m o n t h s p e r i o d e n d e d J u n e 3 0										
Business underwritten inside Pakistan										
Direct and facultative	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	2014	2013
		Opening	Closing			Opening	Closing			
(R u p e e s i n t h o u s a n d)										
Class										
Fire and property damage	18,195	177,586	166,472	7,081	16,738	172,947	162,324	6,115	966	1,561
Marine, aviation and transport	7,466	41,105	69,620	35,981	4,936	33,840	51,767	22,863	13,118	5,803
Motor	30,102	64,533	77,966	43,535	1,026	9,953	20,311	11,384	32,151	18,709
Miscellaneous	21,521	45,329	40,243	16,435	11,851	36,831	30,583	5,603	10,832	9,629
Total	77,284	328,553	354,301	103,032	34,551	253,571	264,985	45,965	57,067	35,702
Treaty	-	3,780	3,780	-	-	-	-	-	-	-
Grand total	77,284	332,333	358,081	103,032	34,551	253,571	264,985	45,965	57,067	35,702


S i x m o n t h s p e r i o d e n d e d J u n e 3 0										
Business underwritten inside Pakistan										
Direct and facultative	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	2014	2013
		Opening	Closing			Opening	Closing			
(R u p e e s i n t h o u s a n d)										
Class										
Fire and property damage	25,398	169,503	166,472	22,367	22,763	165,151	162,324	19,936	2,431	2,386
Marine, aviation and transport	11,696	41,075	69,620	40,241	8,607	34,336	51,767	26,038	14,203	14,687
Motor	61,502	56,994	77,966	82,474	2,367	9,713	20,311	12,965	69,509	40,905
Miscellaneous	37,382	38,177	40,243	39,448	16,406	27,257	30,583	19,732	19,716	18,823
Total	135,978	305,749	354,301	184,530	50,143	236,457	264,985	78,671	105,859	76,801
Treaty	-	3,780	3,780	-	-	-	-	-	-	-
Grand total	135,978	309,529	358,081	184,530	50,143	236,457	264,985	78,671	105,859	76,801

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


Arshad P. Rana
 Chief Executive


Ali H. Shirazi
 Director


Feroz Rizvi
 Director


Yusuf H. Shirazi
 Chairman

Condensed Interim Statement of Expenses (Unaudited)

For the six months period ended June 30, 2014

Three months period ended June 30

Business underwritten inside Pakistan

Direct and facultative	Commission paid or payable	Deferred commission		Net commission expense	Other management expense	Underwriting expense	Commission from reinsurers	2014	2013
		Opening	Closing					Net underwriting expense	
(Rupees in thousands)									
Class									
Fire and property damage	6,933	19,389	17,407	8,915	21,333	30,248	17,235	13,013	14,210
Marine, aviation and transport	5,027	1,751	2,027	4,751	20,916	25,667	14,318	11,349	15,229
Motor	11,958	15,208	18,874	8,292	32,293	40,585	597	39,988	13,987
Miscellaneous	2,612	24,944	21,199	6,357	11,216	17,573	8,046	9,527	14,405
Total	26,530	61,292	59,507	28,315	85,758	114,073	40,196	73,877	57,831
Treaty	-	-	-	-	-	-	-	-	-
Grand total	26,530	61,292	59,507	28,315	85,758	114,073	40,196	73,877	57,831

Six months period ended June 30

Business underwritten inside Pakistan

Direct and facultative	Commission paid or payable	Deferred commission		Net commission expense	Other management expense	Underwriting expense	Commission from reinsurers	2014	2013
		Opening	Closing					Net underwriting expense	
(Rupees in thousands)									
Class									
Fire and property damage	19,275	15,606	17,407	17,474	42,015	59,489	34,405	25,084	19,104
Marine, aviation and transport	9,359	1,804	2,027	9,136	38,963	48,099	25,032	23,067	28,529
Motor	17,650	16,588	18,874	15,364	56,316	71,680	1,085	70,595	37,390
Miscellaneous	4,240	29,675	21,199	12,716	21,400	34,116	18,135	15,981	24,483
Total	50,524	63,673	59,507	54,690	158,694	213,384	78,657	134,727	109,506
Treaty	-	-	-	-	-	-	-	-	-
Grand total	50,524	63,673	59,507	54,690	158,694	213,384	78,657	134,727	109,506

Note:

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

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


Arshad P. Rana
 Chief Executive


Ali H. Shirazi
 Director


Feroz Rizvi
 Director


Yusuf H. Shirazi
 Chairman

Condensed Interim Statement of Investment Income (Unaudited)

For the six months period ended June 30, 2014

	Six months period ended June 30,		Three months period ended June 30,	
	2014	2013	2014	2013
	(Rupees in thousand)		(Rupees in thousand)	
Income from non-trading investments				
Held to maturity				
Return on fixed income securities and deposits	3,324	3,070	1,688	1,584
Available for sale				
Dividend income	56,746	37,165	37,477	20,635
Gain on sale of available for sale investments	94,989	66,482	46,920	29,461
Less: Investment related expenses	(278)	(280)	(95)	(115)
Impairment in value of available for sale investments	(2,837)	-	(2,837)	-
Net investment income	151,944	106,437	83,153	51,565

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Feroz Rizvi
Director



Yusuf H. Shirazi
Chairman

Notes to the Interim Financial Information (Unaudited)

For the six months period ended June 30, 2014

1. Legal status and nature of business

Atlas Insurance Limited (the Company) was incorporated as a public limited company in Lahore 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, Lahore.

2. Statement of compliance

This interim financial information of the Company for the six months period ended June 30, 2014 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 required for full annual financial statements, and this interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2013.

3. Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of this interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended December 31, 2013 except as follows:

3.1 New and amended standards and interpretations

The Company has adopted the following amended IFRS which became effective during the period:

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

IFAS 3 – Profit and Loss Sharing on Deposits

The adoption of the above amendments to accounting standards and interpretations did not have any material effect on this interim financial information.

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 / judgments 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, 2013.

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, 2013.

7. Contingencies and commitments

7.1 Contingencies

There has been no significant change in the contingencies since the date of preceding published annual financial statements.

7.2 Commitments

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

	Note	June 30, 2014 (Unaudited) (Rupees in thousand)	December 31, 2013 (Audited)
Not later than one year		25,988	34,979
Later than one year but not later than five years		15,823	30,087
Later than five years		-	-
		41,811	65,066

8. Investments

Held to maturity

Pakistan Investment Bonds (PIBs)	75,220	-
Market Treasury Bills (MTBs)	-	69,622

8.1

Available for sale

Mutual funds	727,547	781,970
Quoted shares	785,579	698,780
	1,513,126	1,480,750

Investments at cost	1,588,346	1,550,372
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Aggregate market value of investments	2,632,361	2,541,982
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8.1 This represents carrying amount of PIBs and MTBs 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>June 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
(Unaudited)	(Audited)
(Rupees in thousand)	

9. Fixed assets

Tangible

Opening net book value	53,856	65,576
Add: Additions during the period / year	5,931	10,014
	59,787	75,590
Less:		
Disposals during the period / year (at book value)	2,273	11,846
Depreciation charged during the period / year	4,212	9,888
	6,485	21,734
	53,302	53,856

Intangible

Opening net book value	2,284	851
Addition	2,387	2,371
Amortization charged during the period / year	(691)	(938)
	3,980	2,284
	3,980	2,284

10. Basic and diluted earnings per share

The earnings per share in the corresponding periods have been restated to take into account the effect of bonus shares issued during the current period. Prior to this restatement, the earnings per share were Rs. 3.07 and Rs. 1.67 for the six months and three months period ended June 30, 2013 respectively.

Six months period ended	
<u>June 30,</u> <u>2014</u>	<u>June 30,</u> <u>2013</u>
(Unaudited)	(Unaudited)
(Rupees in thousand)	

11. Provision for taxation

Current	53,570	67,827
Deferred	2,893	(1,329)
	56,463	66,498
	56,463	66,498

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

Six months period ended
June 30, June 30,
 2014 2013
 (Unaudited) (Unaudited)
 (Rupees in thousand)

12. Cash and cash equivalents at the end of the period

For the purposes of cash flow statement cash includes:

Cash and other equivalents	309	389
Current and other accounts	206,704	175,970
	<u>207,013</u>	<u>176,359</u>

12.1 Reconciliation to profit and loss account

Operating cash flows	185,690	(51,625)
Depreciation expense	(4,212)	(4,859)
Amortization of intangible assets	(691)	(407)
Profit on disposal of fixed assets	(3)	5,334
Financial charges	(248)	(207)
Provision for doubtful debts	(8,265)	(7,148)
Increase in assets other than cash	115,867	239,557
Increase in liabilities other than borrowings	(68,108)	(284)
Other adjustments		
- Decrease in provision for unearned premium	(113,303)	(89,436)
- Increase in commission income unearned	(11,860)	(14,329)
- Investment income	151,944	106,437
- Rental and other income	10,196	18,118
- Decrease in provision for commission expense deferred	(4,166)	(5,271)
	<u>252,841</u>	<u>195,880</u>

13. Transactions with related parties

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

Related parties	Period end balances	<u>June 30,</u> 2014	<u>December 31,</u> 2013
		(Unaudited)	(Audited)
		(Rupees in thousand)	
	Provision for outstanding claims (including IBNR)	180,583	175,871
	Premium received in advance	3,434	-
	Premium due but unpaid	244,866	178,585

		Six months period ended	
		<u>June 30,</u>	<u>June 30,</u>
		2014	2013
		(Unaudited)	(Unaudited)
		(Rupees in thousand)	
Transactions during the year			
	Premium underwritten	481,874	416,785
	Premium collected	479,404	427,461
	Claims paid	32,030	32,009
	Assets purchased	5,843	2,259
	Rent received	2,546	2,546
	Rent paid	814	1,089
	Expenses paid	669	267
	Donations	3,150	2,200
	Dividends paid	249,007	166,004
	Dividends received	31,867	17,845
	Investments purchased	502,600	314,700
	Investments sold	594,079	436,264
Post employment benefit plans	Transactions during the year		
	Expense charged	6,691	6,024
Key management personnel	Transactions during the year		
	Compensation	51,829	34,307

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

14. Segment reporting

There has been no change in the basis of segmentation or the measurement basis of segment profit or loss since December 31, 2013. Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and profit and loss account, respectively are prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

Segment wise assets and liabilities are as follows:

	Fire & property damage		Marine, aviation & transport		Motor		Miscellaneous		Total	
	<u>June 30,</u>	<u>Dec. 31,</u>	<u>June 30,</u>	<u>Dec. 31,</u>	<u>June 30,</u>	<u>Dec. 31,</u>	<u>June 30,</u>	<u>Dec. 31,</u>	<u>June 30,</u>	<u>Dec. 31,</u>
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
(Rupees in thousand)										
Segment assets	344,068	315,998	353,281	370,431	244,837	221,552	250,570	257,627	1,192,756	1,165,608
Unallocated assets									1,891,662	1,849,128
Consolidated total assets									<u>3,084,418</u>	<u>3,014,736</u>
Segment liabilities	447,672	401,420	425,515	419,609	291,598	250,139	326,085	322,374	1,490,870	1,393,542
Unallocated liabilities									221,592	183,163
Consolidated total liabilities									<u>1,712,462</u>	<u>1,576,705</u>

15. Date of authorization for issue

This interim financial information was authorized for issue by the Board of Directors of the Company on August 27, 2014.

16. General

Figures for the three months period ended June 30, 2014 and June 30, 2013 have not been subject to limited scope review by the statutory auditors, as they are only required to review half yearly figures.

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



Feroz Rizvi
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 Vice President (Admin & HR)	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, P.O. Box 119, Rawalpindi.	(051) 5563413, 5516546 Fax: (051) 5798083
MANZAR ALI NAQVI Manager		

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

SAQIB MAQSOOD KHAN Chief Manager	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 Asst. 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
ABDUL AZIZ Chief Manager	Corporate Branch 1/10, Arkey Square, 1st Floor, Shahrah-e-Liaquat, Karachi	(021) 32421030, 32422911 Fax: (021) 32421387
IMRAN SATTAR Chief Manager	Plaza Branch 3/3 Rimpa Plaza M.A. Jinah Road, Karachi.	(021) 32729339, 32720852 Fax: (021) 32749004
INAYAT ULLAH Branch Manager	New Challi Barnch 1st Floor, Room No. 106-107, Rehmani Chamber, Altaf Hussain Road, Karachi.	(021) 32218286, 32218288 Fax: (021) 32218264
AJAZ TUFAIL Branch Manager	NCB-II Branch Ground Floor, Federation House, Abdullah Shah Ghazi Road, Main Clifton, Karachi.	(021) 35378806-7 35369395-6 Fax: (021) 35378515

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

3-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore-54000

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