



Half Yearly Report
June 30, 2012



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Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Azam Faruque
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

Azam Faruque
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

Underwriting Committee

Frahim Ali Khan
Chairman

Arshad P. Rana
Member

Muhammad Saeed
Member

Muhammad Ashraf Bhatti
Secretary

Company Information

Claims Settlement Committee

Frahim Ali Khan
Chairman

Arshad P. Rana
Member

Muhammad Ashraf Bhatti
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

Rashid Amin
Chief Financial Officer

Qudsia Naheed
Vice President (Admin & HR)

Muhammad Ashraf Bhatti
Vice President (Underwriting)

Muhammad Saeed
Vice President (Claims)

Abdul Razzaq Ghauri
Vice President (IT)

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Ch. Maqsood Advocate
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

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri 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, 2012.

The Economy

The economy of Pakistan performed relatively better and registered a GDP growth of 3.7% in the fiscal year 2011-12, compared to 3% last year. After experiencing heavy damages during devastating floods in 2010, agriculture sector revived in 2011-12 and registered a growth of 3.1%. The average consumer price index in the fiscal year 2011-12 also remained low at 11.3% as compared to 13.3% last year.

Foreign remittances inflow crossed an average of USD 1 billion per month and reached \$13.18 billion in FY 11-12. The current account deficit however continued to worsen and reached USD 4.51 billion during FY 11-12. The country has duly paid the second and third loan installments of USD 394 million and USD 107.6 million to IMF under its Standby Arrangement program. The Government has also signed two currency swap agreements with Turkey and China to maintain its forex reserves.

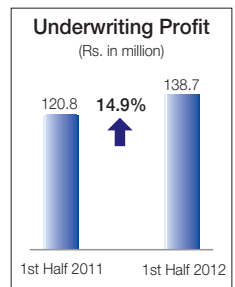
The trade deficit for the FY 11-12 has risen by 36.3% from USD 15.60 billion to USD 21.27 billion as a result of high oil prices in the international market, which peaked to USD 130 per barrel on April 3, 2012. However, the recent decline in the international oil prices and expected release of USD 1.1 billion under Coalition Support Fund (CSF) will have a positive impact on current account.

Despite slowdown in the global economy especially in the Eurozone, the country maintained its exports at USD 24.65 billion.

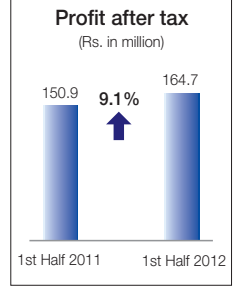
Although the economy has shown some resilience in terms of GDP growth, the Government continue to face challenges of growing fiscal and Current Account deficit, low revenue collection, excessive borrowing and swelling Government expenditure. The worsening energy shortage and law and order situation are on the top of all this which need serious efforts on the part of Government, sooner the better.

The Company

The company underwrote gross premium of Rs.591.8 million during the period under review compared to Rs.571.3 million in the same period last year, up 3.6%. The net premium increased to Rs.279.7 million as against Rs.276.4 million. Due to sound underwriting policies followed by the company the loss ratio reduced during the period under review. Consequently the underwriting profit increased to Rs.138.7 million, up



14.9%, compared to Rs.120.8 million in the same period last year. The company earned investment income of Rs.91.5 million compared to Rs.74.7 million in the same period last year. Thus the company earned a net profit after tax of Rs.164.7 million compared to Rs.150.9 million in the same period last year, up 9.1%.



آگے سوئے تاہدار کو اور بھی تاہدار کر

(Let us continue to brighten the future)

Future Outlook

The inherent potential in the Pakistan economy and the timely measures to address various challenges and managing energy crisis and improving law and order situation are expected to mobilize economic growth in the country. The much awaited recent decision of the Securities and Exchange Commission of Pakistan (SECP) to allow conventional insurance companies to conduct window takaful operations is a step in the right direction facilitating growth of the insurance industry. The management of your company will avail all the opportunities existing in the market to maintain its growth momentum and generate consistent return for its shareholders.

Acknowledgement

I would like to thank the Board of Directors, the Group Executive Committee, and 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

Chairman

Directors' Report

The directors have pleasure in submitting the half yearly report of the company together with the un-audited financial statements reviewed by the auditors and the Auditor's Report for the period ended June 30, 2012.

<u>June 30,</u> <u>2012</u>	<u>June 30,</u> <u>2011</u>
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(Rupees in thousand)

The overall business figures are:

Net premium	279,674	276,416
Net claims	53,672	80,348
Investment and other income	99,759	100,057
Net commission	24,762	29,810
Expenses of management	112,039	105,097

Financial results are as follows:

Profit before tax	222,558	205,148
Less: Provision for taxation	57,882	54,205
Profit after tax	<u>164,676</u>	<u>150,943</u>

Chairman's Review

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

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

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

For and on behalf of the
Board of Directors



Arshad P. Rana
Chief Executive

Lahore: August 28, 2012

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 statement of changes in equity;
- (v) condensed interim cash flow statement;
- (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 financial statements of Atlas Insurance Limited (the company) as at June 30, 2012 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 Standards 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 approved accounting standards as applicable in Pakistan for interim financial reporting.

Ernst & Young Ford Rhodes Sidat Hyder

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Date: August 28, 2012

Lahore

Condensed Interim

As at

Note	June 30, 2012 (Unaudited) (Rupees in thousand)	December 31, 2011 (Audited)
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Share capital and reserves

Authorised share capital 80,000,000 (2011: 50,000,000) ordinary shares of Rs.10 each	800,000	500,000
Issued, subscribed and paid up capital 53,152,562 (2011: 44,293,802) ordinary shares of Rs.10 each	531,526	442,938
Reserves	301,064	265,064
Retained earnings	164,830	301,917
	997,420	1,009,919

Underwriting provisions

Provision for outstanding claims (including IBNR)	218,343	259,514
Provision for unearned premium	491,014	443,264
Commission income unearned	60,675	46,255
Total underwriting provisions	770,032	749,033

Creditors and accruals

Premiums received in advance	5,360	2,758
Amounts due to other insurers / reinsurers	128,526	169,757
Accrued expenses	46,773	51,581
Taxation - provision less payments	17,638	11,193
Other creditors and accruals	64,783	61,199
	263,080	296,488

Other liabilities

Deposits against performance bonds	1,887	1,887
Unclaimed dividends	25,403	20,758
	27,290	22,645

TOTAL LIABILITIES	1,060,402	1,068,166
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TOTAL EQUITY AND LIABILITIES	2,057,822	2,078,085
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CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to16 form an integral part of this interim financial information.

Balance Sheet

June 30, 2012

	Note	June 30, 2012 (Unaudited) (Rupees in thousand)	December 31, 2011 (Audited)
Cash and bank deposits			
Cash and other equivalents		217	10
Current and other accounts		108,339	54,581
	12	108,556	54,591
Loans to employees - secured considered good		92	117
Investments	8	1,053,797	1,089,256
Deferred taxation		8,120	10,238
Current assets - others			
Premiums due but unpaid - unsecured		275,840	313,944
Amounts due from other insurers / reinsurers		114,077	113,388
Salvage recoveries accrued		8,985	3,370
Accrued investment income		3,324	1,328
Reinsurance recoveries against outstanding claims		128,755	153,484
Deferred commission expense		25,995	22,896
Prepayments		252,748	253,308
Sundry receivables		13,206	15,256
		822,930	876,974
Fixed assets			
Tangible			
	9		
Freehold land		1,168	1,168
Building on freehold land		12,757	13,085
Furniture and fixtures		2,355	2,479
Office equipments		9,483	5,365
Computers - owned		4,842	4,524
Motor vehicles - owned		23,379	18,871
		53,984	45,492
Capital work in progress		9,209	-
Intangible			
	9		
Computer software		1,134	1,417
TOTAL ASSETS		2,057,822	2,078,085



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Azam Faruque
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Profit and Loss Account (Unaudited)

For the six months period ended June 30, 2012

Three months period ended June 30							
Note	Fire and property	Marine, aviation and transport	Motor	Others including miscellaneous	Treaty	2012	2011
(Rupees in thousand)							
Revenue account							
	24,168	64,788	46,082	17,741	-	152,779	142,417
	(1,164)	(2,530)	(7,197)	(8,406)	-	(19,297)	(28,903)
	(18,123)	(19,292)	(11,437)	(11,266)	-	(60,118)	(58,799)
	11,838	3,505	(3,573)	3,101	-	14,871	13,804
	<u>16,719</u>	<u>46,471</u>	<u>23,875</u>	<u>1,170</u>	<u>-</u>	<u>88,235</u>	<u>68,519</u>
Underwriting result							
						62,525	35,381
						1,353	1,321
						1,712	10,113
						(204)	(151)
						(9,527)	(9,222)
						55,859	37,442
Profit before taxation							
						144,094	105,961
						(37,575)	(29,076)
Profit after taxation							
						<u>106,519</u>	<u>76,885</u>
Basic and diluted earnings per share - Rupees							
10						<u>2.00</u>	<u>1.45</u>

Six months period ended June 30							
Note	Fire and property	Marine, aviation and transport	Motor	Others including miscellaneous	Treaty	2012	2011
(Rupees in thousand)							
Revenue account							
	46,880	107,315	96,481	29,005	(7)	279,674	276,416
	(2,505)	(8,226)	(28,490)	(14,451)	-	(53,672)	(80,348)
	(34,349)	(33,366)	(21,333)	(22,991)	-	(112,039)	(105,097)
	20,999	4,589	(7,387)	6,561	-	24,762	29,810
	<u>31,025</u>	<u>70,312</u>	<u>39,271</u>	<u>(1,876)</u>	<u>(7)</u>	<u>138,725</u>	<u>120,781</u>
Underwriting result							
						91,525	74,719
						2,703	2,642
						5,531	22,696
						(230)	(216)
						(15,696)	(15,474)
						83,833	84,367
Profit before taxation							
						222,558	205,148
						(57,882)	(54,205)
Profit after taxation							
						<u>164,676</u>	<u>150,943</u>
Profit and loss appropriation account							
Balance at commencement of the period							
						301,917	243,218
						164,676	150,943
						(36,000)	(21,000)
						(177,175)	(147,646)
						(88,588)	(73,823)
Balance unappropriated profit at the end of the period							
						<u>164,830</u>	<u>151,692</u>
Basic and diluted earnings per share - Rupees							
10						<u>3.10</u>	<u>2.84</u>

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Azam Faruque
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

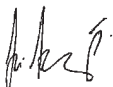
For the six months period ended June 30, 2012

	Six months period ended June 30,		Three months period ended June 30,	
	2012	2011	2012	2011
	(Rupees in thousand)			
Profit for the period	164,676	150,943	106,303	76,885
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>164,676</u>	<u>150,943</u>	<u>106,303</u>	<u>76,885</u>

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Azam Faruque
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Changes In Equity (Unaudited)

For the six months period ended June 30, 2012

	Issued, subscribed and paid-up capital	Reserves				General reserve	Retained earnings	Total
		Capital reserve	Reserve for exceptional losses	Investment fluctuation reserve	Reserve for issue of bonus shares			
(Rupees in thousand)								
Balance as at January 1, 2011	369,115	2,251	2,164	3,000	-	236,649	243,218	856,397
Final dividend @ Rs. 4 per share	-	-	-	-	-	-	(147,646)	(147,646)
Transfer to general reserve	-	-	-	-	-	21,000	(21,000)	-
Transfer to reserve for bonus shares	-	-	-	-	73,823	-	(73,823)	-
Issue of bonus shares	73,823	-	-	-	(73,823)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	150,943	150,943
Balance as at June 30, 2011	<u>442,938</u>	<u>2,251</u>	<u>2,164</u>	<u>3,000</u>	<u>-</u>	<u>257,649</u>	<u>151,692</u>	<u>859,694</u>
Balance as at January 1, 2012	442,938	2,251	2,164	3,000	-	257,649	301,917	1,009,919
Final dividend @ Rs. 4 per share	-	-	-	-	-	-	(177,175)	(177,175)
Transfer to general reserve	-	-	-	-	-	36,000	(36,000)	-
Transfer to reserve for bonus shares	-	-	-	-	88,588	-	(88,588)	-
Issue of bonus shares	88,588	-	-	-	(88,588)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	164,676	164,676
Balance as at June 30, 2012	<u>531,526</u>	<u>2,251</u>	<u>2,164</u>	<u>3,000</u>	<u>-</u>	<u>293,649</u>	<u>164,830</u>	<u>997,420</u>



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Azam Faruque
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended June 30, 2012

Note	June 30, 2012 (Rupees in thousand)	June 30, 2011
Operating cash flows		
Underwriting activities		
	618,540	409,713
	(301,705)	(372,077)
	(151,011)	(152,919)
	72,561	91,953
	(30,683)	(35,219)
	70,540	70,164
	(1,281)	(3,193)
	7,341	6,756
Net cash inflow from underwriting activities	284,302	15,178
Other operating activities		
	(49,319)	(31,135)
	(121,424)	(153,351)
	25	(2)
Net cash outflow from other operating activities	(170,718)	(184,488)
Total cash inflow / (outflow) from all operating activities	113,584	(169,310)
Investment activities		
	5,562	15,336
	24,414	5,248
	4,075	4,074
	(732,565)	(259,115)
	832,574	376,848
	(22,162)	(4,087)
	1,243	1,885
Total cash inflow from investing activities	113,141	140,189
Financing activities		
	(172,530)	(143,915)
	(230)	(216)
Total cash out flow from financing activities	(172,760)	(144,131)
Net cash inflow / (outflow) from all activities	53,965	(173,252)
Cash and cash equivalents at the beginning of the period	54,591	492,581
Cash and cash equivalents at the end of the period 12	108,556	319,329

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

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Azam Faruque
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Premiums (Unaudited)

For the six months period ended June 30, 2012

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	2012 Net premium revenue	2011 Net premium revenue
		Opening	Closing			Opening	Closing			
(Rupees in thousands)										
Class										
Fire and property damage	104,590	227,932	232,867	99,655	66,915	178,231	169,659	75,487	24,168	23,754
Marine, aviation and transport	110,374	22,965	40,326	93,013	38,308	7,218	17,301	28,225	64,788	63,226
Motor	66,513	100,789	114,015	53,287	7,011	5,466	5,272	7,205	46,082	47,852
Others including miscellaneous	67,057	76,315	103,806	39,566	23,780	56,951	58,906	21,825	17,741	7,585
Total	348,534	428,001	491,014	285,521	136,014	247,866	251,138	132,742	152,779	142,417
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	348,534	428,001	491,014	285,521	136,014	247,866	251,138	132,742	152,779	142,417

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	2012 Net premium revenue	2011 Net premium revenue
		Opening	Closing			Opening	Closing			
(Rupees in thousands)										
Class										
Fire and property damage	179,469	252,682	232,867	199,284	127,593	194,470	169,659	152,404	46,880	51,554
Marine, aviation and transport	176,331	19,114	40,326	155,119	58,975	6,130	17,301	47,804	107,315	113,333
Motor	114,044	108,529	114,015	108,558	9,892	7,457	5,272	12,077	96,481	99,047
Others including miscellaneous	121,994	62,939	103,806	81,127	67,545	43,483	58,906	52,122	29,005	12,482
Total	591,838	443,264	491,014	544,088	264,005	251,540	251,138	264,407	279,681	276,416
Treaty	(7)	-	-	(7)	-	-	-	-	(7)	-
Grand total	591,831	443,264	491,014	544,081	264,005	251,540	251,138	264,407	279,674	276,416

The annexed notes 1 to16 form an integral part of this interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Azam Faruque
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Claims (Unaudited)

For the six months period ended June 30, 2012

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	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	2012	2011
		Opening	Closing			Net claims expense				
Direct and facultative	(R u p e e s i n t h o u s a n d)									
Class										
Fire and property damage	4,457	32,814	38,203	9,846	3,316	29,131	34,497	8,682	1,164	1,212
Marine, aviation and transport	19,568	76,819	64,200	6,949	13,399	59,418	50,438	4,419	2,530	3,362
Motor	26,764	80,916	69,212	15,060	7,444	8,964	9,383	7,863	7,197	27,439
Others including miscellaneous	20,623	46,005	42,948	17,566	11,854	37,131	34,437	9,160	8,406	(3,110)
Total	71,412	236,554	214,563	49,421	36,013	134,644	128,755	30,124	19,297	28,903
Treaty	-	3,780	3,780	-	-	-	-	-	-	-
Grand total	71,412	240,334	218,343	49,421	36,013	134,644	128,755	30,124	19,297	28,903

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	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	2012	2011
		Opening	Closing			Net claims expense				
Direct and facultative	(R u p e e s i n t h o u s a n d)									
Class										
Fire and property damage	33,524	55,903	38,203	15,824	30,434	51,612	34,497	13,319	2,505	6,998
Marine, aviation and transport	31,627	70,569	64,200	25,258	21,192	54,598	50,438	17,032	8,226	6,087
Motor	47,938	79,122	69,212	38,028	7,856	7,701	9,383	9,538	28,490	62,579
Others including miscellaneous	32,950	50,140	42,948	25,758	16,443	39,573	34,437	11,307	14,451	4,684
Total	146,039	255,734	214,563	104,868	75,925	153,484	128,755	51,196	53,672	80,348
Treaty	-	3,780	3,780	-	-	-	-	-	-	-
Grand total	146,039	259,514	218,343	104,868	75,925	153,484	128,755	51,196	53,672	80,348

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Azam Faruque
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Expenses (Unaudited)

For the six months period ended June 30, 2012

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	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers	2012	2011
		Opening	Closing						
(R u p e e s i n t h o u s a n d)									
Class									
Fire and property damage	6,173	10,499	11,477	5,195	18,123	23,318	17,033	6,285	9,300
Marine, aviation and transport	5,354	1,516	1,791	5,079	19,292	24,371	8,584	15,787	13,752
Motor	6,684	6,759	9,252	4,191	11,437	15,628	618	15,010	12,626
Others including miscellaneous	2,244	2,886	3,475	1,655	11,266	12,921	4,756	8,165	9,317
Total	20,455	21,660	25,995	16,120	60,118	76,238	30,991	45,247	44,995
Treaty	-	-	-	-	-	-	-	-	-
Grand total	20,455	21,660	25,995	16,120	60,118	76,238	30,991	45,247	44,995

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	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers	2012	2011
		Opening	Closing						
(R u p e e s i n t h o u s a n d)									
Class									
Fire and property damage	11,662	10,032	11,477	10,217	34,349	44,566	31,216	13,350	11,896
Marine, aviation and transport	9,399	1,160	1,791	8,768	33,366	42,134	13,357	28,777	24,117
Motor	9,836	8,120	9,252	8,704	21,333	30,037	1,317	28,720	24,097
Others including miscellaneous	3,560	3,584	3,475	3,669	22,991	26,660	10,230	16,430	15,177
Total	34,457	22,896	25,995	31,358	112,039	143,397	56,120	87,277	75,287
Treaty	-	-	-	-	-	-	-	-	-
Grand total	34,457	22,896	25,995	31,358	112,039	143,397	56,120	87,277	75,287

Note:

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

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Azam Faruque
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Investment Income (Unaudited)

For the six months period ended June 30, 2012

	Six months ended		Three months ended	
	June 30,	June 30,	June 30,	June 30,
	2012	2011	2012	2011

(Rupees in thousand)

Income from non-trading investments

Held to maturity

Return on fixed income securities and deposits	2,998	2,256	2,718	1,263
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Available for sale

Dividend income	23,977	17,188	15,137	13,350
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Gain on sale of available for sale investments	64,883	55,858	44,875	21,218
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Less: Investment related expenses	(333)	(583)	(205)	(450)
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Net investment income

	91,525	74,719	62,525	35,381
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The annexed notes 1 to 16 form an integral part of this interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Azam Faruque
Director



Yusuf H. Shirazi
Chairman

Notes to the Interim Financial Information (Unaudited)

For the six months period ended June 30, 2012

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.

During the period, the authorized share capital of the company has been increased from Rs. 500,000 thousands to Rs. 800,000 thousands through resolution passed in the Annual General Meeting of the Company dated April 10, 2012.

2. Statement of compliance

This interim financial information of the company for the six months period ended June 30, 2012 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, 2011.

3. Significant accounting policies

The accounting policies and methods of computation adopted in 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, 2011.

3.1 New and amended standards and interpretations

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

IFRS 7 – Financial Instruments: Disclosures (Amendment)

IAS 12 – Income Taxes (Amendment) - Recovery of Underlying Assets

The adoption of the above amendments did not have any 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 / 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, 2011.

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, 2011.

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

Nil (2011: Nil)

Note	June 30,	December 31,
	2012 (Unaudited)	2011 (Audited)

(Rupees in thousand)

8. Investments

Held to maturity

Pakistan Investment Bonds (PIBs)
Market Treasury Bills (MTBs)

8.1

10,000	10,000
44,253	35,979

54,253	45,979
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Available for sale

Mutual funds
Quoted shares

455,090	549,712
544,454	493,565

999,544	1,043,277
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1,053,797	1,089,256
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Aggregate market value of investments

1,204,857	1,125,398
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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.

9. Fixed assets

Tangible

	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
Opening net book value	45,492	43,916
Add: Additions during the period / year	12,953	9,760
	<u>58,445</u>	<u>53,676</u>
Less:		
Disposals during the period / year (at book value)	709	1,412
Depreciation charged during the period / year	3,752	6,772
	<u>4,461</u>	<u>8,184</u>
	<u>53,984</u>	<u>45,492</u>

Intangible

Opening net book value	1,417	-
Addition	-	1,700
Amortization charged during the period / year	(283)	(283)
	<u>1,134</u>	<u>1,417</u>

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. 3.41 and Rs. 1.74 for the six months and three months period ended June 30, 2011 respectively.

June 30, 2012	June 30, 2011
(Rupees in thousand)	

11. Provision for taxation

Current	55,764	47,091
Deferred	2,118	7,114
	<u>57,882</u>	<u>54,205</u>

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

<u>June 30,</u> 2012	<u>June 30,</u> 2011
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(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	217	260
Current and other accounts	108,339	114,069
Deposits maturing within twelve months		
- Term deposit receipts maturing within three months	-	205,000
	<u>108,556</u>	<u>319,329</u>

12.1 Reconciliation to profit and loss account

Operating cash flows	113,584	(169,310)
Depreciation expense	(3,752)	(3,117)
Amortization of intangible assets	(283)	-
Profit on disposal of fixed assets	534	1,119
Financial charges	(230)	(216)
Provision for doubtful debts	(5,800)	(5,522)
(Increase) / decrease in assets other than cash	(51,093)	77,354
Decrease in liabilities other than borrowings	71,964	179,001
Other adjustments		
- Increase in provision for unearned premium	(48,152)	(21,384)
- Increase in commission income unearned	(14,420)	(16,633)
- Investment income	91,525	74,719
- Rental and other income	7,700	24,219
- Increase in provision for commission expense deferred	3,099	10,713
	<u>164,676</u>	<u>150,943</u>

13. 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:

<u>June 30,</u> 2012	<u>December 31,</u> 2011
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(Unaudited) (Audited)
(Rupees in thousand)

Period end balances

Provision for outstanding claims (including IBNR)	32,180	14,221
Premium due but unpaid	184,705	238,181

	June 30, 2012	June 30, 2011
	(Rupees in thousand)	
Transactions during the period		
Premium underwritten	337,799	318,616
Premium collected	438,452	280,327
Claims paid	44,880	20,396
Assets purchased	14,257	2,189
Assets sold	-	4
Rent received	2,037	2,037
Rent paid	283	258
Expenses paid	127	-
Contributions in fund	5,355	4,774
Donations	2,000	2,170
Dividends paid	120,871	100,726
Dividends received	13,257	11,527
Investments purchased	503,900	135,100
Investments sold	647,864	262,600

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

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

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, 2011. 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 as of June 30, 2012 are as follows:

	Fire & property damage		Marine aviation & transport		Motor		Miscellaneous		Total	
	June 30, 2012 (Un-audited)	Dec. 31, 2011 (Audited)	June 30, 2012 (Un-audited)	Dec. 31, 2011 (Audited)	June 30, 2012 (Un-audited)	Dec. 31, 2011 (Audited)	June 30, 2012 (Un-audited)	Dec. 31, 2011 (Audited)	June 30, 2012 (Un-audited)	Dec. 31, 2011 (Audited)
	(R u p e e s i n t h o u s a n d)									
Segment assets	358,449	310,716	180,695	271,626	110,689	169,292	154,957	106,985	804,790	858,619
Unallocated assets									1,253,032	1,219,466
Consolidated total assets									2,057,822	2,078,085
Segment liabilities	364,265	325,718	147,733	284,741	211,317	177,466	178,711	112,151	902,026	900,076
Unallocated liabilities									158,376	168,090
Consolidated total liabilities									1,060,402	1,068,166

15. Date of authorization for issue

This interim financial information was authorized for issue on August 28, 2012 by the Board of Directors of the company.


16. General

Figures for the three months period ended June 30, 2012 and June 30, 2011 have not been subject to limited scope review by the statutory auditors, as they are only required to review half yearly figures.

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



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Azam Faruque
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
	Extension:	501
RASHID AMIN Chief Financial Officer	Direct:	(042) 37234757
	Extension:	403
QUDSIA NAHEED Vice President (Admin/HR)	Direct:	(042) 37245348
	Extension:	303
MUHAMMAD ASHRAF BHATTI Vice President (Underwriting)	Direct:	(042) 37323270
	Extension:	304
MUHAMMAD SAEED Vice President (Claims)	Direct:	(042) 37323229
	Extension:	302
ABDUL RAZZAQ GHAURI Vice President (IT)	Extension:	402
SALEEM MEHMOOD Chief Internal Auditor	Extension:	428

NORTH ZONE OFFICES & BRANCHES LAHORE

MUHAMMAD MUNIR QAZI Chief Manager	Gulberg Branch Office No. 335, 3rd Floor, Land Mark Plaza, Jail Road, Lahore	(042) 35775733-4 Fax: (042) 35714514
CH. TAYYAB HUSSAIN Chief Manager	City Branch 3 - Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.	(042) 37212365-6, 37312858, 37312868, 37230558-9 Fax: (042) 37212367
MUHAMMAD IJAZ Deputy 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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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 BRANCH - II

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

SIALKOT

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

AASIM MAJEED Branch 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
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GUJRANWALA

MUHAMMAD IKRAM Branch Manager	GTR Branch 2nd Floor, Crescent Star Plaza, G. T. Road, Gujranwala.	(055) 3841725-6 Fax: (055) 8020719
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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: Extension:	(021) 35378757 201
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MUHAMMAD IMRAN Asst. Vice President (Non Motor)	Extension:	217
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JAWAID IRSHAD Manager Motor	Extension:	215
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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. Jinhah Road,
Karachi.

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Fax: (021) 32749004

TARIQ NASIM
Branch Manager

New Challi Branch
1st Floor, Room No. 106-107,
Rehmani Chamber, Altaf Hussain Road,
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(021) 32218286, 32218288
Fax: (021) 32218264

INAYAT ULLAH
Branch Manager

Zamzama Branch
Kanta Bai Building, 18 - C,
Zamzama Commercial Lane No. 1,
Phase - V, DHA, Karachi.

(021) 35835902
Fax: (021) 35835733

HYDERABAD

ZAFAR AHMAD GHOURI
Circle Chief, Hyderabad Circle

Plot No. 466, Mezzanine Floor,
Al-Abbas Plaza, Saddar,
Hyderabad.

(022) 2782659, 2782660
Fax: (022) 2786410

SUKKUR

ABDUL MAJEED QURESHI
Chief Manager

Near Public School,
Military Road,
Sukkur.

(071) 5631056
Fax: (071) 5631057

Atlas Insurance Limited

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

Ph: +92 42 373 20542-3, 373 22271, 373 22273, 373 10658

Fax: +92 42 372 34742

Email: info@atlasinsurance.com.pk

Website: www.atlasinsurance.com.pk