



HALF YEARLY REPORT  
JUNE 30, 2010



## CONTENTS

Company Information	2
Chairman's Review	4
Directors' Report	6
Auditors' Review Report	7
Balance Sheet	8
Profit and Loss Account	10
Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Statement of Premiums	14
Statement of Claims	16
Statement of Expenses	18
Statement of Investment Income	20
Notes to the Financial Statements	21
Company Offices	26

**COMPANY INFORMATION**
**BOARD OF DIRECTORS**

Chairman	Yusuf H. Shirazi
Directors	Azam Faruque
	Kamal A. Chinoy
	Omar Saeed
	Ali H. Shirazi
	Frahim Ali Khan
Chief Executive	Arshad P. Rana
Company Secretary	Muhammad Afzal

**AUDIT COMMITTEE**

Chairman	Omar Saeed
Members	Ali H. Shirazi
	Frahim Ali Khan
Secretary	Muhammad Afzal
Chief Internal Auditor	Saleem Mahmood Akhtar

**INVESTMENT COMMITTEE**

Chairman	Ali H. Shirazi
Members	Frahim Ali Khan
	Arshad P. Rana
	Aamer Waqar Chaudhry
Secretary	Muhammad Afzal

**UNDERWRITING COMMITTEE**

Chairman	Frahim Ali Khan
Members	Arshad P. Rana
	Muhammad Munir
Secretary	Qudsia Naheed

**CLAIMS SETTLEMENT COMMITTEE**

Chairman	Frahim Ali Khan
Member	Arshad P. Rana
	Muhammad Munir
Secretary	Qudsia Naheed

**REINSURANCE & CO-INSURANCE COMMITTEE**

Chairman	Frahim Ali Khan
Members	Arshad P. Rana
	Muhammad Munir
Secretary	Qudsia Naheed

## COMPANY INFORMATION

### MANAGEMENT COMMITTEE

Chief Executive	Arshad P. Rana
Chief Financial Officer	Aamer Waqar Chaudhry
Technical Adviser (Operations)	Muhammad Munir
Vice President (Admin & HR)	Qudsia Naheed
Vice President (Marketing)	Muhammad Iqbal
Vice President (Underwriting)	Muhammad Ashraf Bhatti

**Auditors** A. F. Ferguson & Co.  
Chartered Accountants

**Legal Advisors** Mohsin Tayebaly & Co.  
Ch. Maqsood Advocate  
Agha Faisal Barrister at Law

**Tax Advisor** Ford Rhodes Sidat Hyder & Co.  
Chartered Accountants

**Registrar and Share Transfer Office** Hameed Majeed Associates (Pvt.) Limited  
H. M. House, 7 - Bank Square  
Shahrah-e-Quaid-e-Azam, Lahore  
Telephone: (92-42) 37235081-82  
Fax: (92-42) 37358817

**Bankers** Allied Bank Limited  
Al-Baraka Islamic Bank  
Atlas Bank Limited  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Silk Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
United Bank Limited

**Registered & Head Office** 3-Bank Square,  
Shahrah-e-Quaid-e-Azam, Lahore  
Telephone: (92-42) 37320542-43,  
37322271, 73, 37310658  
Fax: (92-42) 37234742  
Email: info@atlasinsurance.com.pk  
Website: www.atlasinsurance.com.pk

## **CHAIRMAN'S REVIEW**

It is my pleasure to present the un-audited accounts of your company for the half year ended June 30, 2010.

### **The Economy**

After a record slow down in FY09 the economy achieved a relative recovery in FY10. The GDP growth was 4.1% in FY10 vis-à-vis 1.2% of FY09. The exports were \$19.38bn against \$17.68bn of the last year. The imports were \$34.7bn against \$34.82bn and trade deficit was \$15.32bn against \$17.13bn of the corresponding period of last year. The current account deficit was \$3.2bn against \$9.26bn. The Foreign Exchange reserves at \$16bn, above all, indicated towards economic stability though still fragile.

It was in this backdrop that the budget for FY11 was presented which projected GDP growth of 4.5%, fiscal deficit at 4% and inflation at 9.6%. State Bank also reduced interest rate to 12.5%. Agriculture, large scale manufacturing and services sector were in focus. Things were moving positively till the recent flood devastation which has thrown a great challenge to the economic planners. Agriculture which is back bone of Pak economy is hit and will have consequential impact on other segments of the economy. Government will have to review budgetary measures and re-fix priorities.

### **The Company Results**

The company performed well during the period under review and earned gross premium of Rs.506 million against Rs.466 million in the corresponding period, up 8.6%. The net premium increased to Rs.236 million against Rs.225 million. The underwriting profit improved to Rs.66 million compared to Rs.61 million of the corresponding period. Profit before tax stood at Rs.158 million against Rs.107 million of same period last year, up 47%. This was mainly due to investment and other income which improved to Rs.103 million as compared to Rs.55 million for the same period last year. After provision for tax of Rs.33 million the profit after tax stood at Rs.125 million as against Rs.83 million for the same period last year. The earning per share improved to Rs.3.39 as compared to Rs.2.24 for the corresponding period last year.

Equity of the company rose to Rs.739 million against Rs.642 million compared to the same period last year. The cash and bank deposits stood at Rs.271 million and Investments at Rs.670 million as at 30.06.2010 against Rs.210 million and Rs.567 million, respectively, as at 30.06.2009.



## Future Outlook

The recent devastation by floods will have huge impact on economy as a whole. Budgetary measures will have to be reviewed and priorities refixed. The insurance industry has always played a significant role in the development of the economy over the years and will continue doing so. The management of your company is well equipped and committed to take the situation prudently and confidently to achieve the targets set for the year 2010.

محبت مجھے اُن جوانوں سے ہے  
ستاروں پہ جو ڈالتے ہیں کمنڈ

(High achievers are highly respected)

## Acknowledgement

I would like to thank the Board of Directors, the Group Executive Committee and the Chief Executive Officer Mr. Arshad P. Rana and his team for their efforts, dedication and sincerity of purpose. I also express my gratitude to all Reinsurers, our valued clients, Banks and SECP for their continued help, support and guidance. I am also thankful to the shareholders for their trust and confidence reposed in your 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 Auditor's Report for the period ended June 30, 2010.

<u>June 30,</u> 2010	<u>June 30,</u> 2009
-------------------------	-------------------------

(Rupees in thousand)

**The overall business figures are:**

Net premium	235,912	224,801
Net claims	106,237	95,394
Investment and other income	105,194	56,309
Net commission	25,449	13,585
Expenses of management	88,665	82,262

**Financial results are as follows:**

Profit before tax	158,015	107,266
Less: Provision for taxation	32,991	24,425
Profit after tax	<u>125,024</u>	<u>82,841</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 THE BOARD OF DIRECTORS**



**ARSHAD P. RANA**  
Chief Executive

Lahore: August 24, 2010

## REVIEW REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim financial information comprising:

- (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

of Atlas Insurance Limited as at June 30, 2010 and notes to the accounts for the six month period then ended.

Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account, condensed interim statement of premiums, condensed interim statement of claims, condensed interim statement of expenses and condensed interim statement of investment income for the quarters ended June 30, 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2010.

### 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 as of and for the half year ended June 30, 2010 is not prepared, in all material respects, in accordance with the Insurance Ordinance, 2000 and approved accounting standards as applicable in Pakistan.



**A. F. FERGUSON & CO.**

Chartered Accountants

Audit Engagement Partner: Imran Farooq Mian

Date: August 24, 2010

Lahore



**CONDENSED INTERIM  
AS AT**

	Note	<u>June 30,</u> 2010	<u>December 31,</u> 2009
(Rupees in thousand)			
<b>Share capital and reserves</b>			
Authorised share capital 50,000,000 (2009: 50,000,000) ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid up capital 36,911,502 (2009: 33,555,911) ordinary shares of Rs. 10 each		369,115	335,559
Reserves		244,064	222,064
Retained earnings		125,584	190,340
		738,763	747,963
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		299,725	253,899
Provision for unearned premium		417,171	405,471
Commission income unearned		42,291	26,254
Total underwriting provisions		759,187	685,624
<b>Creditors and accruals</b>			
Premium received in advance		6,236	48,757
Amounts due to other insurers / reinsurers		145,668	266,387
Accrued expenses		32,992	39,385
Taxation - provision less payments		-	13,396
Other creditors and accruals		80,776	87,587
		265,672	455,512
<b>Other liabilities</b>			
Deposits against performance bonds		1,391	1,391
Unclaimed dividends		18,082	14,603
		19,473	15,994
<b>TOTAL LIABILITIES</b>		1,044,332	1,157,130
<b>CONTINGENCIES AND COMMITMENTS</b>	4		
<b>TOTAL EQUITY AND LIABILITIES</b>		1,783,095	1,905,093

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.

## BALANCE SHEET (UNAUDITED) JUNE 30, 2010

	Note	June 30, 2010	December 31, 2009
(Rupees in thousand)			
<b>Cash and bank deposits</b>			
Cash and other equivalents		222	13
Current and other accounts		174,597	485,278
Deposits maturing within twelve months		96,304	174,900
		271,123	660,191
<b>Loans to employees - secured considered good</b>		242	201
<b>Investments</b>	5	669,982	558,250
<b>Deffered taxation</b>		2,063	3,273
<b>Current assets - others</b>			
Premiums due but unpaid - unsecured		222,200	102,119
Amounts due from other insurers / reinsurers		105,882	97,812
Salvage recoveries accrued		8,970	13,391
Accrued investment income		10,490	4,297
Reinsurance recoveries against outstanding claims		195,090	160,368
Deferred commission expense		15,532	15,143
Prepayments		219,893	233,289
Sundry receivables		9,800	9,338
Taxation - payments less provision		4,700	-
		792,557	635,757
<b>Fixed assets</b>			
<b>Tangible</b>			
	6		
Land and buildings		15,304	15,667
Furniture and fixtures		2,652	2,826
Office equipments		5,849	6,330
Computers - owned		4,205	4,080
Motor vehicles - owned		19,118	18,518
		47,128	47,421
<b>TOTAL ASSETS</b>		<b>1,783,095</b>	<b>1,905,093</b>



Arshad P. Rana  
Chief Executive



Azam Faruque  
Director



Kamal A. Chinoy  
Director



Yusuf H. Shirazi  
Chairman

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
FOR THE HALF YEAR ENDED JUNE 30, 2010

	Quarter ended June 30, 2010					Quarter ended June 30, 2010	Quarter ended June 30, 2009
	Fire and property	Marine, aviation and transport	Motor	others including miscellaneous	Treaty		
	( Rupees in thousand )						
<b>Revenue account</b>							
Net premium revenue	26,015	43,692	52,831	3,932	-	126,470	113,163
Net claims	(2,784)	(6,924)	(37,796)	(8,090)	(3,791)	(59,385)	(38,438)
Expenses	(15,590)	(14,359)	(13,367)	(4,701)	-	(48,017)	(44,447)
Net commission	3,842	5,573	(2,279)	4,454	-	11,590	5,525
<b>Underwriting result</b>	<u>11,483</u>	<u>27,982</u>	<u>(611)</u>	<u>(4,405)</u>	<u>(3,791)</u>	<u>30,658</u>	<u>35,803</u>
Investment income						36,359	32,512
Rental income						1,294	432
Other income						11,078	5,598
Financial charges						(169)	(160)
General and administration expenses						(7,059)	(5,271)
						41,503	33,111
Profit before taxation						72,161	68,914
Provision for taxation						(17,658)	(13,841)
Profit after taxation						54,503	55,073
<b>Basic earnings per share - Rupees</b>						<u>1.48</u>	<u>1.49</u>

	Note	Half year ended June 30, 2010					Half year ended June 30, 2010	Half year ended June 30, 2009
		Fire and property	Marine, aviation and transport	Motor	others including miscellaneous	Treaty		
		( Rupees in thousand )						
<b>Revenue account</b>								
Net premium revenue		46,560	73,723	110,184	5,445	-	235,912	224,801
Net claims		(5,288)	(10,834)	(81,016)	(9,537)	438	(106,237)	(95,394)
Expenses		(26,770)	(25,234)	(23,345)	(13,316)	-	(88,665)	(82,262)
Net commission		12,589	9,910	(4,963)	7,913	-	25,449	13,585
<b>Underwriting result</b>		<u>27,091</u>	<u>47,565</u>	<u>860</u>	<u>(9,495)</u>	<u>438</u>	<u>66,459</u>	<u>60,730</u>
Investment income							76,706	43,139
Rental income							2,312	854
Other income							26,176	12,316
Financial charges							(227)	(267)
General and administration expenses							(13,411)	(9,506)
							91,556	46,536
Profit before taxation							158,015	107,266
Provision for taxation	7						(32,991)	(24,425)
Profit after taxation							125,024	82,841
<b>Profit and loss appropriation account</b>								
Balance at commencement of the year							190,340	(199,492)
Profit after taxation for the half year							125,024	82,841
Transfer (to) / from general reserve							(22,000)	335,000
Final dividend for 2009 @ Rs.4 per share (2008: Rs.2.5 per share)							(134,224)	(67,112)
Transfer to reserve for issue of bonus shares							(33,556)	(67,112)
<b>Balance unappropriated profit at the end of the period</b>							<u>125,584</u>	<u>84,125</u>
<b>Basic earnings per share - Rupees</b>							<u>3.39</u>	<u>2.24</u>

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.



Arshad P. Rana  
Chief Executive



Azam Faruque  
Director



Kamal A. Chinoy  
Director



Yusuf H. Shirazi  
Chairman

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
FOR THE HALF YEAR ENDED JUNE 30, 2010

	June 30, 2010	June 30, 2009
	(Rupees in thousand)	
Profit for the period	125,024	82,841
Other comprehensive income for the period	-	-
Total comprehensive income for the period	125,024	82,841

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.



Arshad P. Rana  
Chief Executive



Azam Faruque  
Director



Kamal A. Chinoy  
Director



Yusuf H. Shirazi  
Chairman

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
FOR THE HALF YEAR ENDED JUNE 30, 2010

	Issued, subscribed and paid-up capital	Capital reserve	Reserve for exceptional losses	Reserve for issue of bonus shares	General reserve	Investment fluctuation reserve	Retained earnings	Total
( Rupees in thousand )								
Balance as at January 1, 2009	268,447	2,251	2,164	-	549,649	3,000	(199,492)	626,019
Transfer from general reserve	-	-	-	-	(335,000)	-	335,000	-
Final dividend @ Rs 2.5 per share	-	-	-	-	-	-	(67,112)	(67,112)
Transfer to reserve for bonus shares	-	-	-	67,112	-	-	(67,112)	-
Issue of bonus shares	67,112	-	-	(67,112)	-	-	-	-
Total comprehensive income for the half year	-	-	-	-	-	-	82,841	82,841
Balance as at June 30, 2009	335,559	2,251	2,164	-	214,649	3,000	84,125	641,748
Total comprehensive income for the half year	-	-	-	-	-	-	106,215	106,215
Balance as at January 1, 2010	335,559	2,251	2,164	-	214,649	3,000	190,340	747,963
Transfer to general reserve	-	-	-	-	22,000	-	(22,000)	-
Final dividend @ Rs 4 per share	-	-	-	-	-	-	(134,224)	(134,224)
Transfer to reserve for bonus shares	-	-	-	33,556	-	-	(33,556)	-
Issue of bonus shares	33,556	-	-	(33,556)	-	-	-	-
Total comprehensive income for the half year	-	-	-	-	-	-	125,024	125,024
Balance as at June 30, 2010	369,115	2,251	2,164	-	236,649	3,000	125,584	738,763

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.



**Arshad P. Rana**  
Chief Executive



**Azam Faruque**  
Director



**Kamal A. Chinoy**  
Director



**Yusuf H. Shirazi**  
Chairman

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2010

	Note	June 30, 2010	June 30, 2009
(Rupees in thousand)			
<b>Operating cash flows</b>			
<b>Underwriting activities</b>			
Premiums received		329,140	306,657
Reinsurance premiums paid		(363,782)	(167,073)
Claims paid		(135,131)	(137,622)
Reinsurance and other recoveries received		36,080	67,802
Commissions paid		(16,109)	(19,111)
Commissions received		60,447	55,848
Other underwriting payments		(821)	(291)
Other underwriting receipts		6,407	5,598
<b>Net cash (out flow) / inflow from underwriting activities</b>		<b>(83,769)</b>	<b>111,808</b>
<b>Other operating activities</b>			
Income tax paid		(49,877)	(27,135)
General and management expenses paid		(110,290)	(69,439)
Loans - net		(41)	134
<b>Net cash out flow from other operating activities</b>		<b>(160,208)</b>	<b>(96,440)</b>
<b>Total cash (out flow) / inflow from all operating activities</b>		<b>(243,977)</b>	<b>15,368</b>
<b>Investment activities</b>			
Profit / return received		27,831	8,190
Dividends received		10,437	12,465
Rentals received		4,139	584
Payments for purchase of investments		(252,017)	(83,484)
Proceeds from disposal of investments		198,094	70,025
Short term placements - net		-	59,733
Payments against purchase of assets		(4,025)	(3,580)
Proceeds from disposal of fixed assets		1,422	1,726
<b>Total cash (out flow) / inflow from investing activities</b>		<b>(14,119)</b>	<b>65,659</b>
<b>Financing activities</b>			
Dividends paid		(130,745)	(67,118)
Financial charges paid		(227)	(267)
<b>Total cash out flow from financing activities</b>		<b>(130,972)</b>	<b>(67,385)</b>
<b>Net cash (out flow) / inflow from all activities</b>		<b>(389,068)</b>	<b>13,642</b>
<b>Cash at the beginning of the period</b>		<b>660,191</b>	<b>195,929</b>
<b>Cash at the end of the period</b>	<b>8</b>	<b>271,123</b>	<b>209,571</b>

Reconciliation of operating cash flows to profit and loss account is given as note 8.1 to the condensed interim financial information.

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.



**Arshad P. Rana**  
Chief Executive



**Azam Faruque**  
Director



**Kamal A. Chinoy**  
Director



**Yusuf H. Shirazi**  
Chairman

**CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)**  
 FOR THE HALF YEAR ENDED JUNE 30, 2010

		Q u a r t e r e n d e d			J u n e 3 0 , 2 0 1 0						
Business underwritten inside Pakistan		Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Quarter ended June 30, 2010	Quarter ended June 30, 2009
Direct and facultative			Opening	Closing			Opening	Closing		Net premium revenue	
		( R u p e e s i n			t h o u s a n d )						
Class											
Fire and property damage		82,884	207,873	200,619	90,138	56,513	162,610	155,000	64,123	26,015	14,520
Marine, aviation and transport		77,229	27,358	29,980	74,607	30,467	12,413	11,965	30,915	43,692	31,633
Motor		72,073	109,540	124,825	56,788	3,835	1,956	1,834	3,957	52,831	62,068
Others including miscellaneous		22,604	68,433	61,747	29,290	14,224	60,627	49,493	25,358	3,932	4,942
<b>Total</b>		<u>254,790</u>	<u>413,204</u>	<u>417,171</u>	<u>250,823</u>	<u>105,039</u>	<u>237,606</u>	<u>218,292</u>	<u>124,353</u>	<u>126,470</u>	<u>113,163</u>
Treaty		-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>		<u>254,790</u>	<u>413,204</u>	<u>417,171</u>	<u>250,823</u>	<u>105,039</u>	<u>237,606</u>	<u>218,292</u>	<u>124,353</u>	<u>126,470</u>	<u>113,163</u>

		H a l f y e a r e n d e d			J u n e 3 0 , 2 0 1 0						
Business underwritten inside Pakistan		Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Half year ended June 30, 2010	Half year ended June 30, 2009
Direct and facultative			Opening	Closing			Opening	Closing		Net premium revenue	
		( R u p e e s i n			t h o u s a n d )						
Class											
Fire and property damage		151,131	232,325	200,619	182,837	115,910	175,367	155,000	136,277	46,560	29,025
Marine, aviation and transport		144,848	22,379	29,980	137,247	57,222	18,267	11,965	63,524	73,723	59,868
Motor		134,171	107,197	124,825	116,543	6,316	1,877	1,834	6,359	110,184	130,504
Others including miscellaneous		75,710	43,570	61,747	57,533	65,104	36,477	49,493	52,088	5,445	5,405
<b>Total</b>		<u>505,860</u>	<u>405,471</u>	<u>417,171</u>	<u>494,160</u>	<u>244,552</u>	<u>231,988</u>	<u>218,292</u>	<u>258,248</u>	<u>235,912</u>	<u>224,802</u>
Treaty		-	-	-	-	-	-	-	-	-	(1)
<b>Grand total</b>		<u>505,860</u>	<u>405,471</u>	<u>417,171</u>	<u>494,160</u>	<u>244,552</u>	<u>231,988</u>	<u>218,292</u>	<u>258,248</u>	<u>235,912</u>	<u>224,801</u>

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.



Arshad P. Rana  
Chief Executive



Azam Faruque  
Director



Kamal A. Chinoy  
Director



Yusuf H. Shirazi  
Chairman

**CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)**  
 FOR THE HALF YEAR ENDED JUNE 30, 2010

Business underwritten inside Pakistan	Q u a r t e r e n d e d				J u n e 3 0 , 2 0 1 0				Quarter ended June 30, 2010	Quarter ended June 30, 2009
	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		
Direct and facultative		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	15,187	89,717	86,984	12,454	12,666	82,109	79,113	9,670	2,784	401
Marine, aviation and transport	7,383	60,988	74,458	20,853	4,973	48,743	57,699	13,929	6,924	2,310
Motor	45,037	71,891	68,536	41,682	2,211	1,708	3,383	3,886	37,796	32,779
Others including miscellaneous	12,942	52,332	65,966	26,576	8,731	45,140	54,895	18,486	8,090	2,948
<b>Total</b>	<b>80,549</b>	<b>274,928</b>	<b>295,944</b>	<b>101,565</b>	<b>28,581</b>	<b>177,700</b>	<b>195,090</b>	<b>45,971</b>	<b>55,594</b>	<b>38,438</b>
Treaty	9	(1)	3,781	3,791	-	-	-	-	3,791	-
<b>Grand total</b>	<b>80,558</b>	<b>274,927</b>	<b>299,725</b>	<b>105,356</b>	<b>28,581</b>	<b>177,700</b>	<b>195,090</b>	<b>45,971</b>	<b>59,385</b>	<b>38,438</b>

Business underwritten inside Pakistan	H a l f y e a r e n d e d				J u n e 3 0 , 2 0 1 0				Half year ended June 30, 2010	Half year ended June 30, 2009
	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		
Direct and facultative		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	22,440	94,999	86,984	14,425	17,444	87,420	79,113	9,137	5,288	786
Marine, aviation and transport	17,624	43,308	74,458	48,774	11,206	30,965	57,699	37,940	10,834	4,166
Motor	81,025	64,660	68,536	84,901	2,211	1,709	3,383	3,885	81,016	85,811
Others including miscellaneous	16,949	46,704	65,966	36,211	12,053	40,274	54,895	26,674	9,537	4,261
<b>Total</b>	<b>138,038</b>	<b>249,671</b>	<b>295,944</b>	<b>184,311</b>	<b>42,914</b>	<b>160,368</b>	<b>195,090</b>	<b>77,636</b>	<b>106,675</b>	<b>95,024</b>
Treaty	9	4,228	3,781	(438)	-	-	-	-	(438)	370
<b>Grand total</b>	<b>138,047</b>	<b>253,899</b>	<b>299,725</b>	<b>183,873</b>	<b>42,914</b>	<b>160,368</b>	<b>195,090</b>	<b>77,636</b>	<b>106,237</b>	<b>95,394</b>

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.



Arshad P. Rana  
Chief Executive



Azam Faruque  
Director



Kamal A. Chinoy  
Director



Yusuf H. Shirazi  
Chairman



**CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)**  
 FOR THE HALF YEAR ENDED JUNE 30, 2010

	Q u a r t e r e n d e d			J u n e 3 0 , 2 0 1 0				Quarter ended June 30, 2010	Quarter ended June 30, 2009
	Commissions Paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expense	Commissions from reinsurers		
	Opening	Closing	( R u p e e s i n					t h o u s a n d )	
Business underwritten inside Pakistan									
Direct and facultative									
Class									
Fire and property damage	4,157	8,728	8,656	4,229	15,590	19,819	8,071	11,748	(1,661)
Marine, aviation and transport	2,470	693	1,208	1,955	14,359	16,314	7,528	8,786	11,127
Motor	1,744	4,444	3,831	2,357	13,367	15,724	78	15,646	28,745
Others including miscellaneous	1,035	1,551	1,837	749	4,701	5,450	5,203	247	711
<b>Total</b>	<b>9,406</b>	<b>15,416</b>	<b>15,532</b>	<b>9,290</b>	<b>48,017</b>	<b>57,307</b>	<b>20,880</b>	<b>36,427</b>	<b>38,922</b>
Treaty	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>9,406</b>	<b>15,416</b>	<b>15,532</b>	<b>9,290</b>	<b>48,017</b>	<b>57,307</b>	<b>20,880</b>	<b>36,427</b>	<b>38,922</b>

	H a l f y e a r e n d e d			J u n e 3 0 , 2 0 1 0				Half year ended June 30, 2010	Half year ended June 30, 2009
	Commissions Paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commissions from reinsurers		
	Opening	Closing	( R u p e e s i n					t h o u s a n d )	
Business underwritten inside Pakistan									
Direct and facultative									
Class									
Fire and property damage	9,441	7,967	8,656	8,752	26,770	35,522	21,341	14,181	(2,925)
Marine, aviation and transport	4,218	568	1,208	3,578	25,234	28,812	13,488	15,324	16,229
Motor	3,636	5,383	3,831	5,188	23,345	28,533	225	28,308	56,461
Others including miscellaneous	2,054	1,225	1,837	1,442	13,316	14,758	9,355	5,403	(1,088)
<b>Total</b>	<b>19,349</b>	<b>15,143</b>	<b>15,532</b>	<b>18,960</b>	<b>88,665</b>	<b>107,625</b>	<b>44,409</b>	<b>63,216</b>	<b>68,677</b>
Treaty	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>19,349</b>	<b>15,143</b>	<b>15,532</b>	<b>18,960</b>	<b>88,665</b>	<b>107,625</b>	<b>44,409</b>	<b>63,216</b>	<b>68,677</b>

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

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.



Arshad P. Rana  
Chief Executive



Azam Faruque  
Director



Kamal A. Chinoy  
Director



Yusuf H. Shirazi  
Chairman

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2010**

Half year ended June 30,	Half year ended June 30,	Quarter ended June 30,	Quarter ended June 30,
2010	2009	2010	2009

( Rupees in thousand )

Income from non-trading investments

Held to maturity

Return on fixed income securities and deposits

1,950	1,607	959	836
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Available for sale

Dividend income

16,946	15,221	11,554	7,739
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Gain on sale of available for sale investments

59,279	26,815	24,567	24,017
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Less: Investment related expenses

(1,469)	(504)	(721)	(80)
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Net investment income

76,706	43,139	36,359	32,512
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The annexed notes 1 to 11 form an integral part of the condensed interim financial information.



Arshad P. Rana  
Chief Executive



Azam Faruque  
Director



Kamal A. Chinoy  
Director



Yusuf H. Shirazi  
Chairman

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2010**

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

Atlas Insurance Limited 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. Basis of preparation**

This condensed interim financial report of the company for the six months period ended June 30, 2010 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. Wherever the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 or the requirements of the said directives take precedence.

**3. Significant accounting policies**

These financial statements have been prepared by applying the same accounting policies as adopted in the preparation of the preceding annual published financial statements of the company for the year ended December 31, 2009, except for the adoption of new accounting policies as referred to in note 3.1.1.

**3.1 Initial application of standards, amendments or an interpretation to existing standards**

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

**3.1.1 Standards, amendments to published standards and interpretations that are effective in current period and are relevant to the company**

- IAS 1 (amendment), 'Presentation of financial statements'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The application of this amendment has no material impact on the company's financial statements.

### 3.1.2 Standards, amendments and interpretations to existing standards effective in current period but not applicable / relevant to the company's operations

Standards or interpretation	Effective date (accounting periods beginning on or after)
IFRS 3 - Business combinations (revised)	July 1, 2009
IFRS 5 - Measurement of non-current assets (or disposal groups)	July 1, 2009
Classified as held for sale (amendment)	July 1, 2009
IAS 27 - Consolidated and separate financial statements (revised)	July 1, 2009
IAS 38 - Intangible assets (amendment)	July 1, 2009
IAS 39 - Financial instruments: Recognition and measurement –	July 1, 2009
Eligible hedged items	July 1, 2009
IFRIC 17 - Distribution of non-cash assets to owners	July 1, 2009
IFRIC 18 - Transfers of assets from customers	July 1, 2009
IFRIC 19 - Extinguishing financial liabilities with equity instruments	July 1, 2009

### 3.1.3 Standards, amendments and interpretations to existing standards that are not relevant to the company's operations and not yet effective

Standards or interpretation	Effective date (accounting periods beginning on or after)
IFRS 9 - Financial instruments	January 1, 2013
IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction	January 1, 2011
IAS 24 - Related party disclosures (amendment)	July 1, 2011

## 4. Contingencies and commitments

### 4.1 Contingencies

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

### 4.2 Commitments

Nil (2009: Nil)

## 5. Investments

### Held to maturity

	June 30, 2010	December 31, 2009
(Rupees in thousand)		
Statutory deposits	35,000	35,000
Unamortized premium on Pakistan Investment Bonds	756	1,077
	35,756	36,077

### Available for sale

Mutual funds	216,513	101,177
Quoted shares	417,713	420,996
	634,226	522,173
	669,982	558,250
Aggregate market value of investments	692,274	645,300

## 6. Fixed assets

Opening book value	47,421	49,296
Add: Additions during the period	4,025	7,991
	51,446	57,287
Less: Disposals during the period (at book value)	810	2,268
Depreciation charged during the period	3,508	7,598
	4,318	9,866
	47,128	47,421

	<u>June 30,</u> 2010	<u>June 30,</u> 2009
	(Rupees in thousand)	
<b>7. Provision for taxation</b>		
Current - for the period	31,781	25,226
Deferred - for the period	1,210	(801)
	<u>32,991</u>	<u>24,425</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> 2010	<u>June 30,</u> 2009
	(Rupees in thousand)	
<b>8. Cash at the end of the period</b>		

For the purposes of cash flow statement cash includes:

Cash and other equivalents	222	246
Current and other accounts	174,597	148,325
Deposits maturing within twelve months	96,304	61,000
	<u>271,123</u>	<u>209,571</u>

#### 8.1 Reconciliation to profit and loss account

Operating cash flows	(243,977)	15,234
Depreciation expense	(3,508)	(3,546)
Financial charges	(227)	(267)
Provision for doubtful debts	(4,986)	(4,601)
Increase in assets other than cash	167,731	117,765
Decrease / (Increase) in liabilities other than borrowings	145,841	(50,662)
Other adjustments		
- Increase in provision for unearned premium	(25,396)	(28,869)
- Increase in commission income unearned	(16,037)	(19,457)
- Investment income	76,706	43,139
- Rental and other income	28,488	13,170
- Increase in provision for commission expense deferred	389	935
	<u>125,024</u>	<u>82,841</u>

## 9. 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 transactions with related parties, other than remuneration under the terms of employment are as follows:

	June 30, 2010	June 30, 2009
	(Rupees in thousand)	
Premium underwritten	287,701	231,923
Premium collected	220,676	137,546
Claims paid	11,533	18,145
Assets purchased	25	-
Assets sold	237	-
Rent received	1,762	354
Rent paid	234	1,156
Interest received	15,796	6,034
Contributions in fund	3,582	2,317
Brokerage paid for purchase of shares	418	125
Brokerage paid for sale of shares	729	504
Donations	1,548	1,055
Dividends paid	91,569	45,778
Dividends received	11,771	4,027
Investment purchased	109,500	-
Investment sold	37,183	-

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

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

## 10. Date of authorization for issue

The condensed interim financial information was authorized for issue on August 24, 2010 by the Board of Directors of the company.

## 11. General

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. 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.2.47 and Rs.1.64 for the half year and quarter ended June 30, 2009, respectively.



Arshad P. Rana  
Chief Executive



Azam Faruque  
Director



Kamal A. Chinoy  
Director



Yusuf H. Shirazi  
Chairman

**COMPANY OFFICES**
**HEAD OFFICE**

3 Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	PABX:  Fax:	37320542, 37320543, 37310658 37322271, 37322273 37234742
ARSHAD P. RANA Chief Executive Officer	Direct: Extension:	37234812 501
AAMER WAQAR CHAUDHRY Chief Financial Officer	Direct: Extension:	37234757 403
MUHAMMAD MUNIR Technical Adviser (Operations)	Direct: Extension:	37314241 404
QUDSIA NAHEED Vice President (Admin / HR)	Direct: Extension:	37245348 303
MUHAMMAD ASHRAF BHATTI Vice President (Underwriting)	Extension:	37323270 304
MUHAMMAD IQBAL Vice President (Marketing)	Direct: Extension:	37353633 302
SALEEM MEHMOOD Chief Internal Auditor	Extension:	428

**NORTH ZONE OFFICES & BRANCHES**
**LAHORE**

CH. TAYYAB HUSSAIN Branch Manager (Acting)	City Branch 3 - Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.	37212365-6, 37312858, 37312868, 37230558-9 Fax: 37212367
MUHAMMAD MUNIR QAZI Chief Manager	Fatima Jinnah Road Branch 1st Floor, Nawa-i-Waqat Building, Fatima Jinnah Road, Lahore.	36271320, 36364906 Fax: 36371186
MUHAMMAD IJAZ Deputy Chief Manager	Al-Noor Branch Al-Noor Building, 43-Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	37358805 Fax: 37237343
KH. MUHAMMAD NADEEM Branch Manager	Napier Road Branch Nairobi Mansion Napier Road, Lahore.	37352560 Fax: 37358190
ZAFAR HUSSAIN JAMAL Branch Manager	Mall Road Branch Hafeez Chambers, 85- Shahrah-e-Quaid-e-Azam, Lahore.	36305595, 36271663 Fax: 36369576



MUHAMMAD WASIM PURI Branch Manager	Gulberg Branch - 1 Office No. 335, 3rd Floor, Land Mark Plaza, Jail Road, Lahore	35775733-4 Fax: 35714514
<b>RAWALPINDI</b>		
MAHMOOD AHMED Chief Manager	101/13, Bank Road, Grand Hotel Building, P.O. Box 119, Rawalpindi.	5563413 Fax: 5798083
MANZAR ALI NAQVI Manager		
<b>FAISALABAD BRANCH - II</b>		
MUHAMMAD ASIF AKRAM Branch Manager	123-B, People's Colony No. 1, D - Ground, Faisalabad.	8721256, 8734176 Fax: 8732499
<b>FAISALABAD BRANCH - I</b>		
RANA SAGHIR Branch Manager	Chartered Bank Chambers Railway Road, Faisalabad.	2647194 Fax: 2635080
<b>SIALKOT</b>		
REHAN NAZIR GHUMAN Branch Manager	Office No. 7, 1st Floor, Mughal Plaza, Kutchery Road, Sialkot.	4264195, 4594520 Fax: 4290095
<b>MULTAN</b>		
AFTAB AHMED KHAN Branch Manager	Atlas Honda Building Azmat Wasti Road, Multan.	4544494
<b>GUJRANWALA</b>		
AMJAD RAFIQ DHILLO Branch Manager	Gujranwala Branch 2nd Floor, Al-Azhar Plaza, G. T. Road, Gujranwala.	3847118 Fax: 3847074
MUHAMMAD IKRAM Branch Manager	GTR Branch 2nd Floor, Crescent Plaza, G. T. Road, Gujranwala.	3841725 Fax: 8020719
<b>SOUTH ZONE OFFICE</b>		
Ground Floor, Federation House, Abdullah Shah Ghazi Road, Main Clifton, Karachi.	PABX:  Fax:	35378806-7 35369394-5 35378515
ARSHAD P. RANA Chief Executive Officer	Direct: Extension:	35378757 201
MUHAMMAD IMRAN Asst. Vice President (Non Motor)	Extension:	217
JAWAID IRSHAD Manager Motor	Extension:	215
MUHAMMAD AFZAL Company Secretary	Extension:	202

**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.	32316503, 32201471 Fax: 32315248
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ABDUL AZIZ Chief Manager	Corporate Branch 1/10, Arkey Square, 1st Floor, Shahrah-e-Liaquat, Karachi	32421030, 32422911 Fax: 32421387
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IMRAN SATTAR Chief Manager	Plaza Branch 3/3 Rimpa Plaza M.A. Jinah Road, Karachi.	32729339, 32720858 Fax: 32749004
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TARIQ NASIM Chief Manager	New Challi Branch 1st Floor, Room No. 106-107, Rehmani Chamber, Altaf Hussain Road, Karachi.	32218286, 32218288 Fax: 32610280
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INAYAT ULLAH Branch Manager	Zamzama Branch Kanta Bai Building, 18 - C, Zamzama Commercial Lane No. 1, Phase - V, DHA, Karachi.	35830131, 35835902 Fax: 35835733
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**HYDERABAD**

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

ABDUL MAJEED QURESHI Chief Manager	Near Public School, Military Road, Sukkur.	5631056 Fax: 5631057
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**Printed Matter**

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**Atlas Insurance Limited**

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

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**Email:** [info@atlasinsurance.com.pk](mailto:info@atlasinsurance.com.pk) **Website:** [www.atlasinsurance.com.pk](http://www.atlasinsurance.com.pk)