



Half Yearly Report
June 30, 2013



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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 Officer

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

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

Nisar Zaman Khan
Head of Marketing & Sales

Rashid Amin
Chief Financial Officer

Qudsia Naheed
Vice President (Admin & HR)

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 Hassan Advocate
Agha Faisal Barrister at Law

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Registrar and Share Transfer Office

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
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,
37310658, 37322271, 73
Fax: (92-42) 37234742
Email: 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, 2013.

The Economy

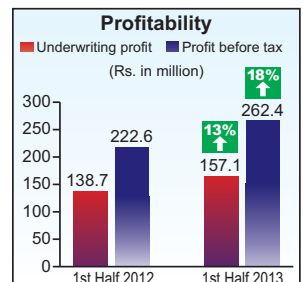
The Pakistan economy transcends into the new fiscal year 2013-14 with a projected growth rate of 4.4%, compared to 3.6% witnessed during the last fiscal year. With a new government setup equipped with a revenue driven budget, the challenges to the economy in the form of persistent fiscal deficit, pressure on external account, low tax to GDP ratio and energy shortfall remain. Agriculture contributed 3.35%, Industrial sector 3.49% and small scale manufacturing and services sector contributed 3.71%. However, the economic reforms proposed by the government, if implemented will produce beneficial impact on the economy.

The beginning of fiscal year 2013-14 witnessed the incumbent government negotiating a USD 5.3 billion loan for three years from IMF and hence avoiding an adverse balance of payment crises. The partial settlement of circular debt will also enable the government to reduce strain on the economy though in the long term bold structural decisions are required to be taken. The inflation figure of 5.9% in June 2013 was significantly lower than the 11.3% posted in June 2012. This encouraged the central bank to cut discount rate by 50 basis points and facilitating private sector credit growth and contributing towards reducing the country's budget deficit. The stock exchange, on the back of strong corporate results, witnessed a growth of 27% during the first half of calendar year 2013 and crossed 21,000 points.

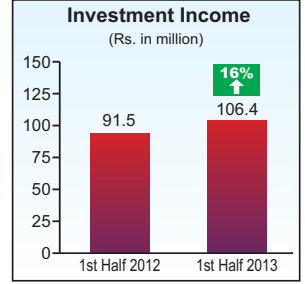
Foreign remittances inflow also witnessed growth of 5.5% as it reached USD 13.92 billion during the year 2012-13. Exports increased by 3.78% to USD 24.518 billion and imports increased by just 0.08% to USD 44.9 billion, translating into a trade deficit of USD 20.43 billion. The foreign exchange reserves of the country reduced from USD 15.88 billion a year ago to USD 11 billion as of June 2013 as a result of successive installment payments under IMF's standby arrangement. However, the agreement on new loan from IMF would ease pressure on the currency as well as the reserves of the country.

The Company

Your company continued to maintain growth and the company's gross premium underwritten grew by 23% to Rs. 730.8 from Rs. 591.8 million in the same period last year. The net premium increased to Rs. 343.4 million as against Rs. 279.7 million. Prudent underwriting policies resulted in reduced loss ratio during the period. Consequently the underwriting profit grew by 13% to Rs.157.1 million compared to Rs. 138.7 million in the same period last year.



Investment at cost stood at Rs. 1.225 billion (market value Rs. 1.908 billion). The income from investment increased to Rs. 106.4 million from Rs. 91.5 million in the same period last year. Thus the profit before tax improved to Rs. 262.4 million from Rs. 222.6 million in the same period last year, up 18%.



Future Outlook

Despite all the challenges faced by the country it still holds vast potential for growth. The peaceful general election and smooth transfer of power from one elected government to the next elected government is a good omen for the country. The new government will now have to move swiftly and take policy measures to facilitate foreign and local investment in the country especially in the energy sector to revive the economy. This will help mobilize the industrial sector, create employment and contribute to revenue.

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

لَيْسَ لِلْإِنْسَانِ إِلَّا مَا سَعَى
(انسان کو اتنا ہی ملے گا جتنی اس نے کوشش ہی)

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, 2013.

	<u>June 30,</u> <u>2013</u>	<u>June 30,</u> <u>2012</u>
	(Rupees in thousand)	
The overall business figures are:		
Net premium	343,405	279,674
Net claims	76,801	53,672
Investment and other income	124,555	99,759
Net commission	25,821	24,762
Expenses of management	135,327	112,039
Financial results are as follows:		
Profit before tax	262,378	222,558
Less: Provision for taxation	66,498	57,882
Profit after tax	195,880	164,676

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, 2013

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, 2013 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
Chartered Accountants

Engagement Partner: Mohammed Junaid

Lahore

Date: August 27, 2013

Condensed Interim

As at

<u>Note</u>	<u>June 30,</u> <u>2013</u> <u>(Unaudited)</u> <u>(Rupees in thousand)</u>	<u>December 31,</u> <u>2012</u> <u>(Audited)</u>
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Share capital and reserves

Authorised share capital 80,000,000 (December 31, 2012: 80,000,000) ordinary shares of Rs.10 each	800,000	800,000
Issued, subscribed and paid up capital 63,783,074 (December 31, 2012: 53,152,562) ordinary shares of Rs.10 each	637,831	531,526
Reserves	344,064	301,064
Retained earnings	196,336	362,371
	1,178,231	1,194,961

Underwriting provisions

Provision for outstanding claims (including IBNR)	291,046	200,912
Provision for unearned premium	819,206	775,413
Commission income unearned	82,524	68,195
Total underwriting provisions	1,192,776	1,044,520

Creditors and accruals

Premium received in advance	8,884	5,572
Amounts due to other insurers / reinsurers	202,369	257,751
Accrued expenses	48,984	55,042
Taxation - provision less payments	1,496	-
Other creditors and accruals	76,989	115,214
	338,722	433,579

Other liabilities

Deposits against performance bonds	1,865	2,361
Unclaimed dividends	32,733	25,122
	34,598	27,483

TOTAL LIABILITIES

1,566,096	1,505,582
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TOTAL EQUITY AND LIABILITIES

2,744,327	2,700,543
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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, 2013

	Note	June 30, 2013 (Unaudited) (Rupees in thousand)	December 31, 2012 (Audited)
Cash and bank deposits			
Cash and other equivalents		389	68
Current and other accounts		175,970	281,945
	12	176,359	282,013
Loans to employees - secured considered good		189	170
Investments	8	1,225,480	1,255,886
Deferred taxation		10,270	8,941
Current assets - others			
Premiums due but unpaid		351,825	229,835
Amounts due from other insurers / reinsurers		121,806	98,884
Salvage recoveries accrued		7,335	8,535
Accrued investment income		5,229	2,783
Reinsurance recoveries against outstanding claims		212,559	121,248
Deferred commission expense		62,049	67,320
Prepayments		487,101	533,080
Taxation - payments less provision		-	6,387
Sundry receivables		22,697	19,034
		1,270,601	1,087,106
Fixed assets			
Tangible			
	9		
Freehold land		1,168	1,168
Building on freehold land		12,120	12,431
Furniture and fixtures		3,113	3,202
Office equipments		11,025	11,788
Computers - owned		8,110	6,312
Motor vehicles - owned		23,076	30,675
		58,612	65,576
Intangible			
	9		
Computer software		2,816	851
TOTAL ASSETS		<u>2,744,327</u>	<u>2,700,543</u>



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, 2013

Three months period ended June 30							
Note	Fire and property	Marine, aviation and transport	Motor	Misc.	Treaty	2013	2012
(Rupees in thousand)							
Revenue account							
	24,221	76,032	59,484	26,533	-	186,270	152,779
	(1,561)	(5,803)	(18,709)	(9,629)	-	(35,702)	(19,297)
	(23,370)	(24,469)	(8,838)	(14,615)	-	(71,292)	(60,118)
	9,160	9,240	(5,149)	210	-	13,461	14,871
	<u>8,451</u>	<u>55,001</u>	<u>26,788</u>	<u>2,501</u>	<u>-</u>	<u>92,737</u>	<u>88,235</u>
Underwriting result							
						51,565	62,525
						1,640	1,353
						10,057	1,712
						(131)	(204)
						(10,149)	(9,527)
						<u>52,982</u>	<u>55,859</u>
						145,719	144,094
						(39,014)	(37,575)
						<u>106,705</u>	<u>106,519</u>
							Restated
						<u>1.67</u>	<u>1.67</u>

Six months period ended June 30							
Note	Fire and property	Marine, aviation and transport	Motor	Misc.	Treaty	2013	2012
(Rupees in thousand)							
Revenue account							
	40,856	144,160	114,067	44,322	-	343,405	279,674
	(2,386)	(14,687)	(40,905)	(18,823)	-	(76,801)	(53,672)
	(38,765)	(43,078)	(28,027)	(25,457)	-	(135,327)	(112,039)
	19,661	14,549	(9,363)	974	-	25,821	24,762
	<u>19,366</u>	<u>100,944</u>	<u>35,772</u>	<u>1,016</u>	<u>-</u>	<u>157,098</u>	<u>138,725</u>
Underwriting result							
						106,437	91,525
						3,194	2,703
						14,924	5,531
						(207)	(230)
						(19,068)	(15,696)
						<u>105,280</u>	<u>83,833</u>
						262,378	222,558
						(66,498)	(57,882)
						<u>195,880</u>	<u>164,676</u>
Profit and loss appropriation account							
						362,371	301,917
						195,880	164,676
						(43,000)	(36,000)
						(212,610)	(177,175)
						(106,305)	(88,588)
						<u>196,336</u>	<u>164,830</u>
							Restated
						<u>3.07</u>	<u>2.58</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, 2013

	Six months period ended		Three months period ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	195,880	164,676	106,705	106,519
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>195,880</u>	<u>164,676</u>	<u>106,705</u>	<u>106,519</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, 2013

	Issued, subscribed and paid-up capital	Reserves					Retained earnings	Total
		Capital reserve	Reserve for exceptional losses	Investment fluctuation reserves	Reserve for issue of bonus shares	General reserve		
(Rupees in thousand)								
Balance as at January 01, 2012 (Audited)	442,938	2,251	2,164	3,000	-	257,649	301,917	1,009,919
Final dividend for the year ended December 31, 2011 @ 40% (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 @ 20%	88,588	-	-	-	(88,588)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	164,676	164,676
Balance as at June 30, 2012 (Un-audited)	<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>
Balance as at January 01, 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 (Un-audited)	<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>

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, 2013

Note	June 30, 2013 (Rupees in thousand)	June 30, 2012
Operating Cash Flows		
Underwriting activities		
Premiums received	596,841	618,540
Reinsurance premiums paid	(360,708)	(301,705)
Claims paid	(130,457)	(151,011)
Reinsurance and other recoveries received	34,111	72,561
Commission paid	(34,687)	(30,683)
Commission received	83,315	70,540
Other underwriting payments	(422)	(1,281)
Other underwriting receipts	7,644	7,341
Net cash inflow from underwriting activities	195,637	284,302
Other operating activities		
Income tax paid	(59,944)	(49,319)
General and management expenses paid	(187,299)	(121,424)
Loans - net	(19)	25
Net cash outflow from other operating activities	(247,262)	(170,718)
Total cash (outflow) / inflow from all operating activities	(51,625)	113,584
Investment activities		
Profit / return received	10,767	5,562
Dividends received	36,612	24,414
Rentals received	2,122	4,075
Payments for purchase of investments	(467,192)	(732,565)
Proceeds from disposal of investments	563,801	832,574
Payments against purchase of fixed assets	(7,647)	(22,162)
Payment against purchase of intangible assets	(2,372)	-
Proceeds from disposal of fixed assets	15,086	1,243
Total cash inflow from investing activities	151,177	113,141
Financing activities		
Dividends paid	(204,999)	(172,530)
Financial charges paid	(207)	(230)
Total cash out flow from financing activities	(205,206)	(172,760)
Net cash (outflow) / inflow from all activities	(105,654)	53,965
Cash and cash equivalents at the beginning of the period	282,013	54,591
Cash and cash equivalents at the end of the period 12	176,359	108,556

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, 2013

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	2013 Net premium revenue	2012 Net premium revenue
		Opening	Closing			Opening	Closing			
(Rupees in thousands)										
Class										
Fire and property damage	119,000	212,170	234,726	96,444	61,319	167,152	156,248	72,223	24,221	24,168
Marine, aviation and transport	127,101	35,655	46,243	116,513	42,850	13,038	15,407	40,481	76,032	64,788
Motor	80,631	126,077	140,585	66,123	7,558	4,319	5,238	6,639	59,484	46,082
Miscellaneous	74,034	401,836	397,652	78,218	19,714	340,034	308,063	51,685	26,533	17,741
Total	400,766	775,738	819,206	357,298	131,441	524,543	484,956	171,028	186,270	152,779
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	400,766	775,738	819,206	357,298	131,441	524,543	484,956	171,028	186,270	152,779

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	2013 Net premium revenue	2012 Net premium revenue
		Opening	Closing			Opening	Closing			
(Rupees in thousands)										
Class										
Fire and property damage	208,228	217,074	234,726	190,576	129,889	176,079	156,248	149,720	40,856	46,880
Marine, aviation and transport	232,455	28,163	46,243	214,375	80,092	5,530	15,407	70,215	144,160	107,315
Motor	151,540	116,542	140,585	127,497	13,682	4,986	5,238	13,430	114,067	96,481
Miscellaneous	138,574	413,634	397,652	154,556	74,401	343,896	308,063	110,234	44,322	29,005
Total	730,797	775,413	819,206	687,004	298,064	530,491	484,956	343,599	343,405	279,681
Treaty	-	-	-	-	-	-	-	-	-	(7)
Grand total	730,797	775,413	819,206	687,004	298,064	530,491	484,956	343,599	343,405	279,674

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, 2013

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	2013	2012
		Opening	Closing			Opening	Closing		Net claims expense	
(R u p e e s i n t h o u s a n d)										
Class										
Fire and property damage	13,197	39,851	99,460	72,806	12,152	36,010	95,103	71,245	1,561	1,164
Marine, aviation and transport	23,262	76,858	81,733	28,137	15,286	58,656	65,704	22,334	5,803	2,530
Motor	27,692	60,807	55,307	22,192	7,238	12,263	8,508	3,483	18,709	7,197
Miscellaneous	13,085	38,354	50,766	25,497	3,423	30,799	43,244	15,868	9,629	8,406
Total	77,236	215,870	287,266	148,632	38,099	137,728	212,559	112,930	35,702	19,297
Treaty	-	3,780	3,780	-	-	-	-	-	-	-
Grand total	77,236	219,650	291,046	148,632	38,099	137,728	212,559	112,930	35,702	19,297

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	2013	2012
		Opening	Closing			Opening	Closing		Net claims expense	
(R u p e e s i n t h o u s a n d)										
Class										
Fire and property damage	17,341	36,740	99,460	80,061	15,633	33,061	95,103	77,675	2,386	2,505
Marine, aviation and transport	38,159	60,700	81,733	59,192	25,267	46,466	65,704	44,505	14,687	8,226
Motor	51,792	60,983	55,307	46,116	7,966	11,263	8,508	5,211	40,905	28,490
Miscellaneous	27,097	38,709	50,766	39,154	7,545	30,458	43,244	20,331	18,823	14,451
Total	134,389	197,132	287,266	224,523	56,411	121,248	212,559	147,722	76,801	53,672
Treaty	-	3,780	3,780	-	-	-	-	-	-	-
Grand total	134,389	200,912	291,046	224,523	56,411	121,248	212,559	147,722	76,801	53,672

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, 2013

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	Commission paid or payable	Deffered commission		Net commission expense	Other management expense	Underwriting expense	Commission from reinsurers	2013	2012
		Opening	Closing					Net underwriting 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	5,510	14,580	14,568	5,522	23,370	28,892	14,682	14,210	6,285
Marine, aviation and transport	3,808	1,313	1,115	4,006	24,469	28,475	13,246	15,229	15,787
Motor	6,213	8,109	8,677	5,645	8,838	14,483	496	13,987	15,010
Miscellaneous	2,322	41,540	37,689	6,173	14,615	20,788	6,383	14,405	8,165
Total	17,853	65,542	62,049	21,346	71,292	92,638	34,807	57,831	45,247
Treaty	-	-	-	-	-	-	-	-	-
Grand total	17,853	65,542	62,049	21,346	71,292	92,638	34,807	57,831	45,247

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	Commission paid or payable	Deffered commission		Net commission expense	Other management expense	Underwriting expense	Commission from reinsurers	2013	2012
		Opening	Closing					Net underwriting 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	15,211	11,649	14,568	12,292	38,765	51,057	31,953	19,104	13,350
Marine, aviation and transport	7,706	1,739	1,115	8,329	43,078	51,407	22,878	28,529	28,777
Motor	10,125	8,862	8,677	10,310	28,027	38,337	947	37,390	28,720
Miscellaneous	4,852	45,070	37,689	12,234	25,457	37,691	13,208	24,483	16,430
Total	37,894	67,320	62,049	43,165	135,327	178,492	68,986	109,506	87,277
Treaty	-	-	-	-	-	-	-	-	-
Grand total	37,894	67,320	62,049	43,165	135,327	178,492	68,986	109,506	87,277

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, 2013

	Six months period ended June 30,		Three months period ended June 30,	
	2013	2012	2013	2012
	(Rupees in thousand)		(Rupees in thousand)	
Income from non-trading investments				
Held to maturity				
Return on fixed income securities and deposits	3,070	2,998	1,584	2,718
Available for sale				
Dividend income	37,165	23,977	20,635	15,137
Gain on sale of available for sale investments	66,482	64,883	29,461	44,875
Less: Investment related expenses	(280)	(333)	(115)	(205)
Net investment income	<u>106,437</u>	<u>91,525</u>	<u>51,565</u>	<u>62,525</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

Notes to the Interim Financial Information (Unaudited)

For the six months period ended June 30, 2013

1. Legal status and nature of business

Atlas Insurance Limited (the Company) was incorporated as a public limited company in Lahore on September 06, 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, 2013 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, 2012.

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, 2012 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 1 – Presentation of Financial Statements - Presentation of items of other comprehensive income (Amendment)

IAS 19 – Employee Benefits - (Revised)

IFRS 7 – Financial instruments : Disclosures - (Amendment)

– Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

The adoption of the above amendments did not have any effect on this interim financial information.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after January 01, 2013 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

4. Basis of measurement

This interim financial information have 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, 2012.

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, 2012.

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 (December 31, 2012: Nil)

Note	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
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(Rupees in thousand)

8. Investments

Held to maturity

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

8.1

8,000	8,000
57,020	49,246

65,020	57,246
--------	--------

Available for sale

Mutual funds
Quoted shares

501,269	581,836
659,191	616,804

1,160,460	1,198,640
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Investments at cost

1,225,480	1,255,886
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Aggregate market value of investments

1,907,977	1,606,544
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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, 2013 (Unaudited)	December 31, 2012 (Audited)
Opening net book value	65,576	45,492
Add: Additions during the period / year	7,647	32,851
	73,223	78,343
Less:		
Disposals during the period / year (at book value)	9,752	3,636
Depreciation charged during the period / year	4,859	9,131
	14,611	12,767
	58,612	65,576

Intangible

Opening net book value	851	1,417
Addition	2,372	-
Amortization charged during the period / year	(407)	(566)
	2,816	851
	2,816	851

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. 3.1 and Rs. 2.0 for the six months and three months period ended June 30, 2012 respectively.

	Six month period ended June 30, 2013	June 30, 2012
	(Unaudited)	(Unaudited)
	(Rupees in thousand)	

11. Provision for taxation

Current	67,827	55,764
Deferred	(1,329)	2,118
	66,498	57,882
	66,498	57,882

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.

Six month period ended
June 30, June 30,
 2013 2012
 (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	389	217
Current and other accounts	175,970	108,339
	176,359	108,556
	176,359	108,556

12.1 Reconciliation to profit and loss account

Operating cash flows	(51,625)	113,584
Depreciation expense	(4,859)	(3,752)
Amortization of intangible assets	(407)	(283)
Profit on disposal of fixed assets	5,334	534
Financial charges	(207)	(230)
Provision for doubtful debts	(7,148)	(5,800)
Increase / (decrease) in assets other than cash	239,557	(51,093)
Decrease / (increase) in liabilities other than borrowings	(284)	71,964
Other adjustments		
- Decrease in provision for unearned premium	(89,436)	(48,152)
- Increase in commission income unearned	(14,329)	(14,420)
- Investment income	106,437	91,525
- Rental and other income	18,118	7,700
- (Increase) / decrease in provision for commission expense deferred	(5,271)	3,099
	195,880	164,676
	195,880	164,676

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, other than remuneration under the terms of employment are as follows:

Related parties	Period end balances	<u>June 30,</u> 2013 (Unaudited)	<u>December 31,</u> 2012 (Audited)
		(Rupees in thousand)	
	Provision for outstanding claims (including IBNR)	107,586	33,327
	Premium received in advance	2,009	144
	Premium due but unpaid	241,747	163,843

Six month period ended
June 30, June 30,
2013 2012
(Unaudited) (Unaudited)
(Rupees in thousand)

Transactions during the year

Premium underwritten	416,785	337,799
Premium collected	427,461	438,452
Claims paid	32,009	44,880
Assets purchased	2,259	14,257
Rent received	2,546	2,037
Rent paid	1,089	283
Expenses paid	267	127
Donations	2,200	2,000
Dividends paid	166,004	120,871
Dividends received	17,845	13,257
Investments purchased	314,700	503,900
Investments sold	436,264	647,864

Post employment benefit plans Transactions during the period

Expense charged	6,024	5,355
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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 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, 2012. 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, 2013 are as follows:

	Fire & property damage		Marine, aviation & transport		Motor		Engineering		Miscellaneous		Total	
	June 30, 2013	Dec. 31, 2012	June 30, 2013	Dec. 31, 2012	June 30, 2013	Dec. 31, 2012	June 30, 2013	Dec. 31, 2012	June 30, 2013	Dec. 31, 2012	June 30, 2013	Dec. 31, 2012
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
(Rupees in thousand)												
Segment assets	344,125	366,453	387,099	334,673	230,222	203,320	-	38,997	279,085	112,859	1,240,531	1,056,302
Unallocated assets											1,503,796	1,644,241
Consolidated total assets											2,744,327	2,700,543
Segment liabilities	413,106	454,229	415,916	414,836	246,544	252,020	-	48,339	330,329	139,892	1,405,895	1,309,316
Unallocated liabilities											160,201	196,266
Consolidated total liabilities											1,566,096	1,505,582

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, 2013.

16. General

Figures for the three months period ended June 30, 2013 and June 30, 2012 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.



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
NISAR ZAMAN KHAN Head of Marketing and Sales	Direct:	(042) 37358360
	Extension:	404
RASHID AMIN Chief Financial Officer	Direct:	(042) 37234757
	Extension:	403
QUDSIA NAHEED Vice President (Admin/HR)	Direct:	(042) 37245348
	Extension:	303
MUHAMMAD SAEED Vice President (Claims)	Direct:	(042) 37323229
	Extension:	302
ABDUL RAZZAQ GHAURI Vice President (IT)	Extension:	402
SALEEM MAHMOOD 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, 36370838
Fax: (042) 36369576

CH. ZEESHAN AHMED
Branch Manager

Main Boulevard Branch
3-Bank Square,
Shahrah-e-Quaid-e-Azam, Lahore. (042) 37320542, 37320543
Fax: (042) 37234742

RAWALPINDI

MAHMOOD AHMED
Chief Manager

101/13, Bank Road,
Grand Hotel Building, (051) 5563413, 5516546

MANZAR ALI NAQVI
Manager

P.O. Box 119, Rawalpindi. Fax: (051) 5798083

FAISALABAD BRANCH

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

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

MULTAN

SAQIB MAQSOOD KHAN
Chief Manager

Atlas Honda Building
Azmat Wasti Road, Multan. (061) 4544494
Fax: (061) 4786198

GUJRANWALA

GTR Branch
2nd Floor, Crescent Star Plaza,
G. T. Road, Gujranwala. (055) 3841725-6
Fax: (055) 8020719

SOUTH ZONE OFFICE

Ground Floor, Federation House,
Shahrae Firdousi, Clifton, Karachi.

PABX: (021) 35378806-7, 35369395-6
Fax: (021) 35378515

ARSHAD P. RANA
Chief Executive Officer

Direct: (021) 35378757

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

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

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