



Quarterly Report
September 30, 2011



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Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Aitzaz Shahbaz
Director

Azam Faruque
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

Investment Committee

Ali H. Shirazi
Chairman

Frahim Ali Khan
Member

Arshad P. Rana
Member

Aamer Waqar Chaudhry
Member

Muhammad Afzal
Secretary

Underwriting Committee

Frahim Ali Khan
Chairman

Arshad P. Rana
Member

Muhammad Munir
Member

Muhammad Ashraf Bhatti
Secretary

Claims Settlement Committee

Frahim Ali Khan
Chairman

Arshad P. Rana
Member

Muhammad Munir
Member

Muhammad Saeed
Secretary

Company Information

Reinsurance & Co-Insurance Committee

Frahim Ali Khan
Chairman

Arshad P. Rana
Member

Muhammad Munir
Member

Syed Nasir Hussain
Secretary

Management Committee

Arshad P. Rana
Chief Executive

Aamer Waqar Chaudhry
Chief Financial Officer

Muhammad Munir
Technical Adviser (Operations)

Qudsia Naheed
Vice President (Admin & HR)

Muhammad Iqbal
Vice President (Marketing)

Muhammad Ashraf Bhatti
Vice President (Underwriting)

Muhammad Saeed
Vice President (Claims)

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

Allied Bank Limited
Al Baraka Bank (Pakistan) 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 is my pleasure to present the un-audited accounts for the period ended September 30, 2011.

The Economy

During the year 2010-11, the economy witnessed improvement in selected macroeconomic indicators such as declining trend in inflation, growth in exports and higher overseas remittances. The import and exports during the month of September 2011 showed a growth of 30.24% and 15.25% respectively over the same period last year. Trade deficit during September 2011 was recorded at \$ 1.786 billion down by 3.04% over \$ 1.842 billion for the month of August 2011.

The post flood recovery in wheat and sugarcane crops augmented agricultural growth. In the manufacturing sector demand for products improved. The shortfall in gas and electricity supply, however, created production disruptions which resulted in underutilization of capacities. The strong performance of service sector which grew at 4.1 % over last year has kept the overall economic growth in a reasonable range.

The recent cut of 150 basis points in policy rate by State Bank of Pakistan was well received in financial circles.

The Company Results

The company performed well during the period under review. The gross premium grew to Rs.779 million as against Rs.674million for the same period last year, up 16 %. The net premium increased to Rs.417 million against Rs.366 million of the same period last year, up 14%. The underwriting profit at Rs.174 million against Rs.125 million of the corresponding period last year reflected an increase of 39%

During the period under review the company realized a capital gain amounting to Rs.69 million. The investment income as at September 30, 2011 stood at Rs.97 million as compared to Rs.90 million of the corresponding period last year. The cash and bank deposits stood at Rs.107 million as against Rs.493 million on December 31, 2010. The decrease in cash was due to investments made during the period.

The profit before tax stood at Rs.281 million as against Rs.235 million for the same period last year, up 20%. After providing for taxes of Rs.75 million, the profit after tax stood at Rs.206 million as against Rs.174 million of the corresponding period last year, up 18%.

Future outlook

Pakistan's economy has displayed resilience over the years. However, energy shortfall, law and order, deficit finance and trade imbalance continue to be challenges for the Government. The recent floods will also have some adverse impact. The changing environment demands greater professionalism at all levels of management with quality of service being the key to success. With prudent under writing policies and discipline in business operations, the management of your company is well equipped to meet the challenges ahead and is confident that the targets set for the year will be achieved.

ع چشمِ داکردو جهانِ دیگرے پیداشد
(With eyes open one finds a new world)

Acknowledgement

I would like to thank the Board of Directors, 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 quarterly report of the company together with the un-audited financial statements for the period ended September 30, 2011.

September 30, September 30,
2011 2010
(Rupees in thousand)

The overall business figures are:

Net premium	417,204	366,493
Net claims	129,582	147,692
Investment and other income	129,153	124,631
Net commission	43,515	38,434
Expenses of management	157,496	132,140

Financial results are as follows:

Profit before tax	281,045	234,850
Less: Provision for taxation	75,030	60,493
Profit after tax	<u>206,015</u>	<u>174,357</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: October 25, 2011

Condensed Interim

As at

Note	September 30, 2011 (Unaudited) (Rupees in thousand)	December 31, 2010 (Audited)
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Share capital and reserves

Authorised share capital 50,000,000 (2010: 50,000,000) ordinary shares of Rs.10 each	500,000	500,000
Issued, subscribed and paid up capital 44,293,820 (2010: 36,911,502) ordinary shares of Rs.10 each	442,938	369,115
Reserves	265,064	244,064
Retained earnings	206,764	243,218
	914,766	856,397

Underwriting provisions

Provision for outstanding claims (including IBNR)	382,599	298,398
Provision for unearned premium	391,528	425,948
Commission income unearned	46,570	35,219
Total underwriting provisions	820,697	759,565

Deffered liability

Deffered taxation	1,073	-
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Creditors and accruals

Premium received in advance	6,026	47,004
Amounts due to other insurers / reinsurers	154,564	223,694
Accrued expenses	35,125	49,238
Taxation - provision less payments	22,068	152
Other creditors and accruals	33,380	79,511
	251,163	399,599

Other liabilities

Deposits against performance bonds	1,391	1,491
Unclaimed dividends	21,413	17,682
	22,804	19,173

TOTAL LIABILITIES

1,095,737	1,178,337
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CONTINGENCIES AND COMMITMENTS

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TOTAL EQUITY AND LIABILITIES

2,010,503	2,034,734
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The annexed notes 1 to 15 form an integral part of condensed interim financial information.

Balance Sheet

September 30, 2011

	Note	September 30, 2011 (Unaudited) (Rupees in thousand)	December 31, 2010 (Audited)
Cash and bank deposits			
Cash and other equivalents		554	7
Current and other accounts		106,820	375,074
Deposits maturing within twelve months		-	117,500
		107,374	492,581
Loans to employees - secured considered good		101	177
Investments	7	980,790	772,048
Deffered taxation		-	6,392
Current assets - others			
Premiums due but unpaid - unsecured		243,899	142,059
Amounts due from other insurers / reinsurers		126,243	118,121
Salvage recoveries accrued		4,311	9,985
Accrued investment income		3,164	3,254
Reinsurance recoveries against outstanding claims		262,736	192,769
Deferred commission expense		26,392	16,318
Prepayments		193,174	223,233
Sundry receivables		17,054	13,881
		876,973	719,620
Fixed assets			
Tangible			
Land and buildings	8	14,425	14,942
Furniture and fixtures		2,419	2,575
Office equipments		5,599	5,556
Computers - owned		4,200	3,894
Motor vehicles - owned		17,064	16,949
		43,707	43,916
Intangible			
Computer Software		1,558	-
TOTAL ASSETS		2,010,503	2,034,734



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Aitzaz Shahbaz
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Profit and Loss Account (Unaudited)

For The Nine Months Period Ended September 30, 2011

Three months period ended September 30							
Note	Fire and property	Marine, aviation and transport	Motor	Others including miscellaneous	Treaty	2011	2010
(Rupees in thousand)							
Revenue account							
	30,812	46,940	49,319	13,717	-	140,788	130,581
	(5,385)	(5,118)	(29,944)	(8,787)	-	(49,234)	(41,456)
	(10,534)	(21,460)	(13,915)	(6,490)	-	(52,399)	(43,475)
	8,578	5,470	(3,613)	3,270	-	13,705	12,985
Underwriting result	<u>23,471</u>	<u>25,832</u>	<u>1,847</u>	<u>1,710</u>	<u>-</u>	<u>52,860</u>	<u>58,635</u>
Investment income						22,404	13,194
Rental income						1,328	1,303
Other income						5,364	8,555
Financial charges						(43)	(54)
General and administration expenses						(6,016)	(4,799)
						<u>23,037</u>	<u>18,199</u>
Profit before taxation						75,897	76,834
Provision for taxation						(20,825)	(27,502)
Profit after taxation						<u>55,072</u>	<u>49,332</u>
Basic earnings per share - Rs.	9					<u>1.24</u>	<u>1.11</u>

Nine months period ended September 30							
Note	Fire and property	Marine, aviation and transport	Motor	Others including miscellaneous	Treaty	2011	2010
(Rupees in thousand)							
Revenue account							
	82,366	160,273	148,366	26,199	-	417,204	366,493
	(12,383)	(11,205)	(92,523)	(13,471)	-	(129,582)	(147,692)
	(41,142)	(54,369)	(33,270)	(28,715)	-	(157,496)	(132,140)
	27,290	14,262	(8,355)	10,318	-	43,515	38,434
Underwriting result	<u>56,131</u>	<u>108,961</u>	<u>14,218</u>	<u>(5,669)</u>	<u>-</u>	<u>173,641</u>	<u>125,095</u>
Investment income						97,123	89,900
Rental income						3,970	3,615
Other income						28,060	34,731
Financial charges						(259)	(281)
General and administration expenses						(21,490)	(18,210)
						<u>107,404</u>	<u>109,755</u>
Profit before taxation						281,045	234,850
Provision for taxation	10					(75,030)	(60,493)
Profit after taxation						<u>206,015</u>	<u>174,357</u>
Profit and loss appropriation account							
Balance at commencement of the year						243,218	190,340
Profit after taxation for the nine months ended September 30, 2011						206,015	174,357
Transfer to general reserve						(21,000)	(22,000)
Final dividend for 2010 @ Rs.4 per share (2009: Rs.4 per share)						(147,646)	(134,224)
Transfer to reserve for issue of bonus shares						(73,823)	(33,556)
Balance unappropriated profit at the end of the period						<u>206,764</u>	<u>174,917</u>
Basic earnings per share - Rs.	9					<u>4.65</u>	<u>3.94</u>

The annexed notes 1 to 15 form an integral part of condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Aitzaz Shahbaz
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Comprehensive Income (Unaudited)

For The Nine Months Period Ended September 30, 2011

	<u>September 30,</u> 2011	<u>September 30,</u> 2010
	(Rupees in thousand)	
Profit for the period	206,015	174,357
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>206,015</u>	<u>174,357</u>

The annexed notes 1 to 15 form an integral part of condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Aitzaz Shahbaz
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Changes In Equity (Unaudited)

For The Nine Months Period Ended September 30, 2011

	Issued, subscribed and paid-up capital	Reserves					Retained earnings	Total
		Capital reserve	Reserve for exceptional losses	Investment fluctuation reserve	Reserve for issue of bonus shares	General reserve		
(Rupees in thousand)								
Balance as at January 01, 2010	335,559	2,251	2,164	3,000	-	214,649	190,340	747,963
Final dividend @ Rs.4 per share	-	-	-	-	-	-	(134,224)	(134,224)
Transfer to general reserve	-	-	-	-	-	22,000	(22,000)	-
Transfer to reserve for bonus shares	-	-	-	-	33,556	-	(33,556)	-
Issue of bonus shares	33,556	-	-	-	(33,556)	-	-	-
Total comprehensive income for nine months ended	-	-	-	-	-	-	174,357	174,357
Balance as at September 30, 2010	<u>369,115</u>	<u>2,251</u>	<u>2,164</u>	<u>3,000</u>	<u>-</u>	<u>236,649</u>	<u>174,917</u>	<u>788,096</u>
Balance as at January 01, 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 nine months ended	-	-	-	-	-	-	206,015	206,015
Balance as at September 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>206,764</u>	<u>914,766</u>

The annexed notes 1 to 15 form an integral part of condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Aitzaz Shahbaz
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Cash Flow Statement (Unaudited)

For The Nine Months Period Ended September 30, 2011

Note September 30, September 30,
2011 2010
(Rupees in thousand)

Operating cash flows

Underwriting activities

Premiums received	600,149	561,636
Reinsurance premiums paid	(434,440)	(534,138)
Claims paid	(201,293)	(185,142)
Reinsurance and other recoveries received	101,869	75,369
Commissions paid	(44,327)	(26,448)
Commissions received	88,863	76,538
Other underwriting payments	(3,587)	(1,079)
Other underwriting receipts	10,004	9,440

Net cash inflow / (out flow) from underwriting activities

117,238 (23,824)

Other operating activities

Income tax paid	(45,634)	(55,886)
General and management expenses paid	(229,075)	(175,512)
Loans - net	76	34

Net cash outflow from other operating activities

(274,633) (231,364)

Total cash out flow from all operating activities

(157,395) (255,188)

Investment activities

Profit / return received	29,868	36,614
Dividends received	21,800	19,607
Rentals received	5,402	5,364
Payments for purchase of investments	(662,588)	(253,696)
Proceeds from disposal of investments	523,538	201,487
Payments against purchase of assets	(6,732)	(4,373)
Proceeds from disposal of fixed assets	5,074	2,407

Total cash (out flow) / inflow from investing activities

(83,638) 7,410

Financing activities

Dividends paid	(143,915)	(130,744)
Financial charges paid	(259)	(281)

Total cash out flow from financing activities

(144,174) (131,025)

Net cash outflow from all activities

(385,207) (378,803)

Cash and cash equivalents at the beginning of the period

492,581 660,191

Cash and cash equivalents at the end of the period 11

107,374 281,388

Reconciliation of operating cash flows to profit and loss account is given as note 11.1 to the condensed interim financial information.

The annexed notes 1 to 15 form an integral part of condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Aitzaz Shahbaz
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Premiums (Unaudited)

For The Nine Months Period Ended September 30, 2011

Three months period ended September 30

Business underwritten inside Pakistan

Direct and facultative	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2011 Net premium revenue	2010 Net premium revenue
		Opening	Closing			Opening	Closing			
(Rupees in thousand)										
Class										
Fire and property damage	34,430	226,668	158,873	102,225	26,848	159,047	114,482	71,413	30,812	21,521
Marine, aviation and transport	87,335	31,562	36,283	82,614	33,172	10,129	7,627	35,674	46,940	52,539
Motor	64,249	107,154	117,378	54,025	10,455	7,173	12,922	4,706	49,319	51,715
Others including miscellaneous	21,548	98,957	78,995	41,510	20,143	62,072	54,422	27,793	13,717	4,806
Total	207,562	464,341	391,529	280,374	90,618	238,421	189,453	139,586	140,788	130,581
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	207,562	464,341	391,529	280,374	90,618	238,421	189,453	139,586	140,788	130,581

Nine months period ended September 30

Business underwritten inside Pakistan

Direct and facultative	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2011 Net premium revenue	2010 Net premium revenue
		Opening	Closing			Opening	Closing			
(Rupees in thousand)										
Class										
Fire and property damage	195,069	261,534	158,873	297,730	154,557	175,289	114,482	215,364	82,366	68,081
Marine, aviation and transport	264,037	24,758	36,283	252,512	88,637	11,229	7,627	92,239	160,273	126,262
Motor	176,086	103,763	117,378	162,471	23,498	3,529	12,922	14,105	148,366	161,899
Others including miscellaneous	143,671	35,893	78,995	100,569	97,427	31,365	54,422	74,370	26,199	10,251
Total	778,863	425,948	391,529	813,282	364,119	221,412	189,453	396,078	417,204	366,493
Treaty	-	-	-	-	-	-	-	-	-	-
Grand total	778,863	425,948	391,529	813,282	364,119	221,412	189,453	396,078	417,204	366,493

The annexed notes 1 to 15 form an integral part of condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Aitzaz Shahbaz
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Claims (Unaudited)

For The Nine Months Period Ended September 30, 2011

T h r e e m o n t h s p e r i o d e n d e d S e p t e m b e r 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	2011	2010
		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	6,317	85,878	155,893	76,332	4,950	79,898	145,895	70,947	5,385	1,220
Marine, aviation and transport	3,489	59,112	72,160	16,537	2,242	47,557	56,734	11,419	5,118	1,889
Motor	27,068	86,562	90,199	30,705	(704)	9,213	10,678	761	29,944	36,313
Others including miscellaneous	8,894	52,660	60,566	16,800	4,367	45,783	49,429	8,013	8,787	1,595
Total	45,768	284,212	378,818	140,374	10,855	182,451	262,736	91,140	49,234	41,017
Treaty	-	3,780	3,780	-	-	-	-	-	-	439
Grand total	45,768	287,992	382,598	140,374	10,855	182,451	262,736	91,140	49,234	41,456

N i n e m o n t h s p e r i o d e n d e d S e p t e m b e r 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	2011	2010
		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	39,313	69,873	155,893	125,333	30,271	63,216	145,895	112,950	12,383	6,508
Marine, aviation and transport	26,121	67,715	72,160	30,566	15,590	52,963	56,734	19,361	11,205	12,723
Motor	93,155	79,530	90,199	103,824	7,206	6,583	10,678	11,301	92,523	117,329
Others including miscellaneous	47,130	77,500	60,566	30,196	37,303	70,007	49,429	16,725	13,471	11,132
Total	205,719	294,618	378,818	289,919	90,370	192,769	262,736	160,337	129,582	147,692
Treaty	-	3,780	3,780	-	-	-	-	-	-	-
Grand total	205,719	298,398	382,598	289,919	90,370	192,769	262,736	160,337	129,582	147,692

The annexed notes 1 to 15 form an integral part of condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Aitzaz Shahbaz
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Expenses (Unaudited)

For The Nine Months Period Ended September 30, 2011

Three months period ended September 30

Business underwritten inside Pakistan

Direct and facultative	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers	2011	2010
		Opening	Closing					Net underwriting expense	
(Rupees in thousands)									
Class									
Fire and property damage	4,265	10,482	10,324	4,423	10,534	14,957	13,001	1,956	2,304
Marine, aviation and transport	3,354	1,325	938	3,741	21,460	25,201	9,211	15,990	14,347
Motor	1,819	10,316	10,566	1,569	13,915	15,484	(2,044)	17,528	12,097
Others including miscellaneous	201	4,908	4,566	543	6,490	7,033	3,813	3,220	1,742
Total	9,639	27,031	26,394	10,276	52,399	62,675	23,981	38,694	30,490
Treaty	-	-	-	-	-	-	-	-	-
Grand total	9,639	27,031	26,394	10,276	52,399	62,675	23,981	38,694	30,490

Nine months period ended September 30

Business underwritten inside Pakistan

Direct and facultative	Commission paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expenses	Commission from reinsurers	2011	2010
		Opening	Closing					Net underwriting expense	
(Rupees in thousands)									
Class									
Fire and property damage	14,590	9,458	10,324	13,724	41,142	54,866	41,014	13,852	16,485
Marine, aviation and transport	10,171	737	938	9,970	54,369	64,339	24,232	40,107	29,671
Motor	13,819	3,938	10,566	7,191	33,270	40,461	(1,164)	41,625	40,405
Others including miscellaneous	5,493	2,185	4,566	3,112	28,715	31,827	13,430	18,397	7,145
Total	44,073	16,318	26,394	33,997	157,496	191,493	77,512	113,981	93,706
Treaty	-	-	-	-	-	-	-	-	-
Grand total	44,073	16,318	26,394	33,997	157,496	191,493	77,512	113,981	93,706

Note:

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

The annexed notes 1 to 15 form an integral part of condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Aitzaz Shahbaz
Director



Yusuf H. Shirazi
Chairman

Condensed Interim Statement of Investment Income (Unaudited)

For The Nine Months Period Ended September 30, 2011

Nine months ended		Three months ended	
Sep. 30,	Sep. 30,	Sep. 30,	Sep. 30,
2011	2010	2011	2010

(Rupees in thousand)

Income from non-trading investments

Held to maturity

Return on fixed income securities and deposits	3,843	3,080	1,587	1,130
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Available for sale

Dividend income	23,783	25,404	6,595	8,458
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Gain on sale of available for sale investments	70,275	62,973	14,417	3,694
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Less: Investment related expenses	(778)	(1,557)	(195)	(88)
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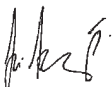
Net investment income

	<u>97,123</u>	<u>89,900</u>	<u>22,404</u>	<u>13,194</u>
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The annexed notes 1 to 15 form an integral part of condensed interim financial information.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Aitzaz Shahbaz
Director



Yusuf H. Shirazi
Chairman

Notes to the Condensed Interim Financial Information (Unaudited)

For the Nine Months Period Ended September 30, 2011

1. Legal status and nature of business

Atlas Insurance Limited 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 condensed interim financial report of the company for the nine months period ended September 30, 2011 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 these interim condensed financial statements have, however, been limited based on a format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 and International Accounting Standard 34-Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these interim condensed financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2010.

3. Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended December 31, 2010.

3.1 New and amended standards and interpretations

The company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

IAS 24 – Related Party Disclosure (Revised)

IAS 32 – Financial Instruments: Presentation – Classification of Right Issues (Amendment)

IFRIC 14 – Prepayments of a Minimum Funding Requirement (Amendment)

IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments

Improvements to various standards issued by IASB in April 2010

IFRS 3 – Business Combinations

IAS 27 – Consolidated and Separate Financial Statements

IFRS 7 – Financial Instrument Disclosures

IAS 1 – Presentation of Financial Statements

IFRIC 13 – Customer Loyalty Programmes

IAS 34 – Interim Financial Reporting

The adoption of the above standards, amendments / improvements and interpretations did not have any effect on the financial statements.

3.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective.

Standard or Interpretation	Effective date (annual periods beginning on or after)
IAS 1 – Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented	July 1, 2012
IFRS 7 – Financial Instruments : Disclosures - Amendments enhancing disclosures about transfers of financial assets	July 1, 2011
IAS 12 – Income Tax (Amendment) – Deferred Taxes : Recovery of Underlying Assets	January 1, 2012
IAS 19 – Employee Benefits - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects	January 1, 2013
IAS 24 – Related Party Disclosures (Revised)	January 1, 2011
IFRIC 14 – Prepayments of a Minimum Funding Requirement (Amendment)	January 1, 2011

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments	January 1, 2013
IFRS 10 – Consolidated Financial Statements	January 1, 2013
IFRS 11 – Joint Arrangements	January 1, 2013
IFRS 12 – Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13 – Fair Value Measurement	January 1, 2013

4. Basis of measurement

These condensed interim financial statements have been prepared under historical cost convention.

5. Accounting estimates and judgments

In preparing these condensed interim financial statements, 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, 2010.

6. Contingencies and commitments

6.1 Contingencies

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

6.2 Commitments

Nil (2010: Nil)

Note	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
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(Rupees in thousand)

7. Investments

Held to maturity

Pakistan Investment Bonds (PIBs)	7.1	45,000	37,000
Market Treasury Bills (MTBs)	7.1	34,606	-
Unamortized premium on PIBs		15	468
		<u>79,621</u>	<u>37,468</u>

Available for sale

Mutual funds		418,804	312,215
Quoted shares		482,365	422,365
		<u>901,169</u>	<u>734,580</u>
		<u>980,790</u>	<u>772,048</u>
Aggregate market value of investments		<u>1,081,344</u>	<u>918,069</u>

- 7.1 This represents carrying amount of PIBs and MTBs placed as statutory deposit with the Sate Bank of Pakistan in accordance with the requirements of Section 29(2)(a) of the Insurance Ordinance, 2000.

September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
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(Rupees in thousand)

8. Fixed assets

Opening book value		43,916	47,421
Add: Additions during the period		5,912	6,180
		<u>49,828</u>	<u>53,601</u>
Less: Disposals during the period (at book value)		1,282	2,484
Depreciation charged during the period		4,839	7,201
		<u>6,121</u>	<u>9,685</u>
		<u>43,707</u>	<u>43,916</u>

9. Basic 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.4.72 and Rs.1.34 for the nine months and quarter ended September 30, 2010, respectively.

September 30, 2011 September 30, 2010
(Rupees in thousand)

10. Provision for taxation

Current	73,957	58,770
Deferred	1,073	1,723
	<u>75,030</u>	<u>60,493</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.

September 30, 2011 September 30, 2010
(Rupees in thousand)

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

For the purpose of cash flow statement cash includes:

Cash and other equivalents	554	251
Current and other accounts	106,820	163,637
Deposits maturing within twelve months		
- Term deposit receipts maturing within three months	-	117,500
	<u>107,374</u>	<u>281,388</u>

11.1 Reconciliation to profit and loss account

Operating cash flows	(157,395)	(255,188)
Depreciation expense	(4,839)	(3,508)
Profit on disposal of fixed assets	1,213	842
Financial charges	(259)	(281)
Provision for doubtful debts	(7,464)	(6,609)
Increase in assets other than cash	131,076	88,950
Decrease in liabilities other than borrowings	82,600	158,314
Other adjustments		
- Increase in provision for unearned premium	34,420	72,317
- Increase in commission income unearned	(11,351)	(9,574)
- Investment income	97,123	89,900
- Rental and other income	30,817	38,346
- Increase in provision for commission expense deferred	10,074	848
	<u>206,015</u>	<u>174,357</u>

12. Transactions with related parties

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

	<u>September 30,</u> 2011 (Unaudited)	<u>September 30,</u> 2010 (Audited)
	(Rupees in thousand)	
Period end balances		
Provision for outstanding claims (including IBNR)	73,077	38,409
Premium received in advance	17	45,720
Premium due but unpaid	162,113	75,978
	<u>September 30,</u> 2011	<u>September 30,</u> 2010
	(Rupees in thousand)	

Transactions during the period

Premium underwritten	417,938	287,701
Premium collected	392,829	220,676
Claims paid	22,300	11,533
Assets purchased	2,193	25
Assets sold	4	237
Rent received	3,056	1,762
Rent paid	399	234
Interest received	-	15,796
Contributions in funds	7,030	3,582
Brokerage paid for purchase of shares	-	418
Brokerage paid for sale of shares	-	729
Donations	3,000	1,548
Dividends paid	100,726	91,569
Dividends received	13,283	11,771
Investment purchased	446,100	109,500
Investment sold	393,651	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 executives were paid in accordance with terms of their employment.

13. Segment reporting

There has been no change in the basis of segmentation or the measurement basis of segment profit or loss since December 31, 2010. Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and profit and loss account, respectively, prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

Segment wise assets and liabilities as of September 30, 2011 are as follows:

	Fire & property damage		Marine aviation & transport		Motor		Miscellaneous		Total	
	Sep. 30, 2011 (Un-audited)	Dec. 31, 2010 (Audited)	Sep. 30, 2011 (Un-audited)	Dec. 31, 2010 (Audited)	Sep. 30, 2011 (Un-audited)	Dec. 31, 2010 (Audited)	Sep. 30, 2011 (Un-audited)	Dec. 31, 2010 (Audited)	Sep. 30, 2011 (Un-audited)	Dec. 31, 2010 (Audited)
(Rupees in thousand)										
Segment assets										
Unallocated assets	406,204	341,328	180,223	143,284	112,421	82,403	154,188	133,649	853,036	700,664
Consolidated total assets									1,157,467	1,334,070
									2,010,503	2,034,734
Segment liabilities										
Unallocated liabilities	409,653	454,854	161,335	179,277	241,455	245,090	171,737	152,533	984,180	1,031,754
Consolidated total liabilities									111,557	146,583
									1,095,737	1,178,337

14. Date of authorization for issue

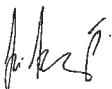
The condensed interim financial information was authorized for issue on October 25, 2011 by the Board of Directors of the Company.

15. General

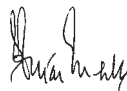
Figures in these financial statements have been rounded off to the nearest thousand.



Arshad P. Rana
Chief Executive



Ali H. Shirazi
Director



Aitzaz Shahbaz
Director



Yusuf H. Shirazi
Chairman

COMPANY OFFICES

HEAD OFFICE

3 Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	PABX:	37320542, 37320543, 37310658 37322271, 37322273
	Fax:	37234742
ARSHAD P. RANA Chief Executive Officer	Direct:	37234812
	Extension:	501
AAMER WAQAR CHAUDHRY Chief Financial Officer	Direct:	37234757
	Extension:	403
MUHAMMAD MUNIR Technical Adviser (Operations)	Direct:	37314241
	Extension:	404
QUDSIA NAHEED Vice President (Admin / HR)	Direct:	37245348
	Extension:	303
MUHAMMAD ASHRAF BHATTI Vice President (Underwriting)	Direct:	37323270
	Extension:	304
MUHAMMAD IQBAL Vice President (Marketing)	Direct:	37353633
	Extension:	301
MUHAMMAD SAEED Vice President (Claims)	Direct:	37323229
	Extension:	302
SALEEM MEHMOOD Chief Internal Auditor	Extension:	428

NORTH ZONE OFFICES & BRANCHES

LAHORE

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

CH. TAYYAB HUSSAIN Branch Manager	City Branch 3 - Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.	37212365-6, 37312858, 37312868, 37230558-9 Fax: 37212367
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
RAWALPINDI		
MAHMOOD AHMED Chief Manager	101/13, Bank Road, Grand Hotel Building, P.O. Box 119, Rawalpindi.	5563413, 5516546 Fax: 5798083
MANZAR ALI NAQVI Manager		
FAISALABAD BRANCH - II		
MUHAMMAD ASIF AKRAM Branch Manager	123-B, People's Colony No. 1, D - Ground, Faisalabad.	8721256, 8734176 Fax: 8732499
FAISALABAD BRANCH - I		
RANA SAGHIR AHMAD Branch Manager	Room No. 508-509, 4th Floor, Business Centre, P-8/8, Regency Road, New Civil Lines, Faisalabad	2635081 Fax: 2635080
SIALKOT		
REHAN NAZIR GHUMAN Branch Manager	Kutchery Road, Sialkot.	4264195, 4594520 Fax: 4290095
ISLAMABAD		
AASIM MAJEED Branch Manager	Office No. 4, 4th Floor, Sector F-7/G-7, Channab Center, Jinnah Avenue, Blue Area, Islamabad.	2270629-30 Fax: 2804115
MULTAN		
GHULAM ALI Office Incharge	Atlas Honda Building Azmat Wasti Road, Multan.	4544494
GUJRANWALA		
MUHAMMAD IKRAM Branch Manager	GTR Branch, 2nd Floor, Crescent Star Plaza, G. T. Road, Gujranwala.	3841725-6 Fax: 8020719

SOUTH ZONE OFFICE

Ground Floor, Federation House, Abdullah Shah Ghazi Road, Main Clifton, Karachi.	PABX:	35378806-7
		35369394-6
	Fax:	35378515
ARSHAD P. RANA Chief Executive Officer	Direct:	35378757
	Extension:	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
ABDUL AZIZ Chief Manager	Corporate Branch 1/10, Arkey Square, 1st Floor, Shahrah-e-Liaquat, Karachi	32421030, 32422911 Fax: 32421387
IMRAN SATTAR Chief Manager	Plaza Branch 3/3 Rimpa Plaza M.A. Jinah Road, Karachi.	32729339, 32720852 Fax: 32749004
TARIQ NASIM Branch Manager	New Challi Branch 1st Floor, Room No. 106-107, Rehmani Chamber, Altaf Hussain Road, Karachi.	32218286, 32218288 Fax: 32218264
INAYAT ULLAH Branch Manager	Zamzama Branch Kanta Bai Building, 18 - C, Zamzama Commercial Lane No. 1, Phase - V, DHA, Karachi.	35835902 Fax: 35835733

HYDERABAD

ZAFAR AHMAD GHOURI
Circle Chief, Hyderabad Circle

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

2782659, 2782660
Fax: 2786410

SUKKUR

ABDUL MAJEED QURESHI
Chief Manager

Near Public School,
Military Road,
Sukkur.

5631056
Fax: 5631057

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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