



QUARTERLY REPORT
SEPTEMBER 30, 2010



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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
Members	Arshad P. Rana
	Muhammad Munir
Secretary	Qudsia Naheed

COMPANY INFORMATION

REINSURANCE & CO-INSURANCE COMMITTEE

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

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.) Ltd. 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 for the period ended September 30, 2010.

The Economy

Pakistan economy which was already facing challenges on political, social and economic fronts was hard hit by the recent floods which caused wide spread devastation across Pakistan with huge losses of crops, live stocks, buildings, roads and other infrastructure. Provisional estimates suggest that economic growth for the year 2010 - 2011 could come down to 2.5% from an earlier target of 4.5%. Estimates suggest inflation will rise to 14.5% as government strives to eliminate electricity subsidies and introduce broad based Value Added Tax. Escalating government borrowings, which touched Rs.220 billion during first quarter of FY 2010 - 2011, needs to be curbed to fight inflation and meet IMF targets. However, record home remittances will serve as the necessary silver lining with remittances touching a record \$2.6 billion as compared to \$2.3 billion in the corresponding period last year. Foreign exchange reserves of around \$17 billion will also provide some cushion to the macro economy. Expected increase in support price of wheat to Rs.1,000 per 40Kg and cotton at Rs.7,500 per 40Kg should help improve farmer's income and possibly result in agriculture growth bouncing back sharply in the next fiscal year.

The Company Results

The company performed well during the period under review. The gross premium at Rs.674 million as against Rs.620 million for the same period was up 9%. The net premium increased to Rs.366 million against Rs.331 million of the same period last year. The underwriting profit posted at Rs.125 million against Rs.96 million of the corresponding period last year reflected an increase of 30% which was mainly due to prudent underwriting policy.

During the period under review the company realized capital gain amounting to Rs.61 million. The investment income as at September 30, 2010 stood at Rs.90 million as compared to Rs.102 million of the corresponding period last year. The cash and bank deposits stood at Rs.281 million and investment at Rs.655 million as against Rs.382 million and Rs.554 million respectively of the same period last year.

The profit before tax posted at Rs.235 million as against Rs.205 million for the same period last year. After providing for taxes to the tune of Rs.60 million, the profit after tax stood at Rs.174 million as against Rs.165 million of the corresponding period last year.

Awards

The Company earned ICAP/ICMAP Best Corporate Report Award 2009 also - a 5th one in addition to earlier thrice SAFA and once KSE Top 25 Companies Award.

Future Outlook

The economy is passing through tough period. Deficit finance and trade imbalance have been running high. The recent devastation by floods too will have its impact on the economy. The changing situation demands greater professionalism at all levels of management with quality of service being the key to success. With prudent policies in place and discipline in business operations, your management is confident to meet the challenges ahead and achieve the targets set for the year.

بازیچہ اطفال ہے دنیا میرے آگے

(We have the ability to face any situation)

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, 2010.

	<u>September 30,</u> 2010	<u>September 30,</u> 2009
	(Rupees in thousand)	
The overall business figures are:		
Net premium	366,493	331,447
Net claims	147,692	136,718
Investment and other income	124,631	122,166
Net commission	38,434	22,748
Expenses of management	132,140	121,629
Financial results are as follows:		
Profit before tax	234,850	204,856
Less: Provision for taxation	60,493	39,651
Profit after tax	<u>174,357</u>	<u>165,205</u>

Chairmans 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 27, 2010

**CONDENSED INTERIM
AS AT**

	Note	September 30, 2010	December 31, 2009
(Rupees in thousand)			
Share capital and reserves			
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
Retained earnings		174,917	222,064
Reserves		244,064	190,340
		788,096	747,963
Underwriting provisions			
Provision for outstanding claims (including IBNR)		330,866	253,899
Provision for unearned premium		333,154	405,471
Commission income unearned		35,828	26,254
		699,848	685,624
Deferred tax liability		1,723	-
Creditors and accruals			
Premium received in advance		7,758	48,757
Amounts due to other insurers/reinsurers		185,548	266,387
Accrued expenses		22,132	39,385
Taxation - provision less payments		3,793	13,396
Other creditors and accruals		58,441	87,587
		277,672	455,512
Other liabilities			
Deposits against performance bonds		1,491	1,391
Unclaimed dividends		18,082	14,603
		19,573	15,994
TOTAL LIABILITIES		998,816	1,157,130
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		1,786,912	1,905,093

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

**BALANCE SHEET (UNAUDITED)
SEPTEMBER 30, 2010**

	Note	September 30, 2010	December 31, 2009
(Rupees in thousand)			
Cash and bank deposits			
Cash and other equivalents		251	13
Current and other accounts		163,637	485,278
Deposits maturing within twelve months		117,500	174,900
		281,388	660,191
Loans to employees - secured considered good		187	201
Investments	5	654,805	558,250
Deferred taxation		-	3,273
Other assets			
Premiums due but unpaid - unsecured		216,354	102,119
Amounts due from other insurers / reinsurers		153,368	97,812
Salvage recoveries accrued		9,920	13,391
Accrued investment income		10,448	4,297
Reinsurance recoveries against outstanding claims		215,312	160,368
Deferred commission expense		14,295	15,143
Prepayments		171,412	233,289
Sundry receivables		14,080	9,338
		805,189	635,757
Fixed assets			
Tangible			
	6		
Land and buildings		15,121	15,667
Furniture and fixtures		2,654	2,826
Office equipments		5,718	6,330
Computers - owned		4,058	4,080
Motor vehicles - owned		17,792	18,518
		45,343	47,421
TOTAL ASSETS		1,786,912	1,905,093



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

	Fire and property	Marine, aviation and transport	Motor	Others including miscellaneous	Treaty	Quarter ended Sep. 30, 2010	Quarter ended Sep. 30, 2009
(Rupees in thousand)							
Revenue account							
Net premium revenue	21,521	52,539	51,715	4,806	-	130,581	106,646
Net claims	(1,220)	(1,889)	(36,313)	(1,595)	(439)	(41,456)	(41,325)
Expenses	(8,217)	(19,411)	(10,357)	(5,490)	-	(43,475)	(39,365)
Net commission	5,913	5,064	(1,740)	3,748	-	12,985	9,163
Underwriting result	<u>17,997</u>	<u>36,303</u>	<u>3,305</u>	<u>1,469</u>	<u>(439)</u>	<u>58,635</u>	<u>35,119</u>
Investment income						13,194	58,841
Rental income						1,303	491
Other income						8,555	7,870
Financial charges						(54)	(107)
General and administration expenses						(4,799)	(4,623)
						18,199	62,472
Profit before taxation						76,834	97,591
Provision for taxation						(27,502)	(15,226)
Profit after taxation						<u>49,332</u>	<u>82,365</u>
Basic earnings per share - Rupees						<u>1.34</u>	<u>2.23</u>

Note	Fire and property	Marine, aviation and transport	Motor	Others including miscellaneous	Treaty	Nine months ended Sep. 30, 2010	Nine months ended Sep. 30, 2009
(Rupees in thousand)							
Revenue account							
Net premium revenue	68,081	126,262	161,899	10,251	-	366,493	331,447
Net claims	(6,508)	(12,723)	(117,329)	(11,132)	-	(147,692)	(136,718)
Expenses	(34,987)	(44,645)	(33,702)	(18,806)	-	(132,140)	(121,629)
Net commission	18,502	14,974	(6,703)	11,661	-	38,434	22,748
Underwriting result	<u>45,088</u>	<u>83,868</u>	<u>4,165</u>	<u>(8,026)</u>	<u>-</u>	<u>125,095</u>	<u>95,848</u>
Investment income						89,900	101,980
Rental income						3,615	1,345
Other income						34,731	20,186
Financial charges						(281)	(374)
General and administration expenses						(18,210)	(14,129)
						109,755	109,008
Profit before taxation						234,850	204,856
Provision for taxation	7					(60,493)	(39,651)
Profit after taxation						<u>174,357</u>	<u>165,205</u>
Profit and loss appropriation account							
Balance at commencement of the year						190,340	(199,492)
Profit after taxation for the period						174,357	165,205
Final dividend for 2009 @ Rs.4.0 per share (2008 : Rs.2.5 per share)						(134,224)	(67,112)
Transfer (to) / from general reserve						(22,000)	335,000
Transfer to reserve for issue of bonus shares						(33,556)	(67,112)
Balance unappropriated profit at the end of the period						<u>174,917</u>	<u>166,489</u>
Basic earnings per share - Rupees						<u>4.72</u>	<u>4.48</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



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010**

	<u>September 30,</u> 2010	<u>September 30,</u> 2009
	(Rupees in thousand)	
Profit for the period	174,357	165,205
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>174,357</u>	<u>165,205</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



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
 FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

	Share Capital	Capital reserve	Reserve for exceptional losses	Reserve for issue of bonus shares	General reserve	Investment fluctuation reserve	Retained earnings	Total
(R u p e e s i n t h o u s a n d)								
Balance as at January 1, 2009	268,447	2,251	2,164	-	549,649	3,000	(199,492)	626,019
Final dividend @ Rs.2.5 per share	-	-	-	-	-	-	(67,112)	(67,112)
Transfer from general reserve	-	-	-	-	(335,000)	-	335,000	-
Transfer to reserve for bonus shares	-	-	-	67,112	-	-	(67,112)	-
Issue of bonus shares	67,112	-	-	(67,112)	-	-	-	-
Total comprehensive income for the nine months	-	-	-	-	-	-	165,205	165,205
Balance as at September 30, 2009	335,559	2,251	2,164	-	214,649	3,000	166,489	724,112
Total comprehensive income for the quarter	-	-	-	-	-	-	23,851	23,851
Balance as at January 1, 2010	335,559	2,251	2,164	-	214,649	3,000	190,340	747,963
Final dividend @ Rs.4.0 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 the nine months	-	-	-	-	-	-	174,357	174,357
Balance as at September 30, 2010	369,115	2,251	2,164	-	236,649	3,000	174,917	788,096

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



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

	Note	September 30, 2010	September 30, 2009
(Rupees in thousand)			
Operating cash flows			
Underwriting activities			
Premiums received		561,636	526,848
Reinsurance premiums paid		(534,138)	(209,656)
Claims paid		(185,142)	(180,080)
Reinsurance and other recoveries received		75,369	58,954
Commissions paid		(26,448)	(28,400)
Commissions received		76,538	69,037
Other underwriting payments		(1,079)	(291)
Other underwriting receipts		9,440	7,894
Net cash (outflow) / inflow from underwriting activities		(23,824)	244,306
Other operating activities			
Income tax paid		(55,886)	(39,271)
General and management expenses paid		(175,512)	(100,329)
Loan repayment received		34	202
Net cash outflow from other operating activities		(231,364)	(139,398)
Total cash (out flow) / inflow from all operating activities		(255,188)	104,908
Investment activities			
Profit / return received		36,614	22,734
Dividends received		19,607	20,381
Rental income received		5,364	886
Payments for purchase of investments		(253,696)	(127,833)
Proceeds from disposal of investments		201,487	174,244
Short term placements - net		-	59,733
Payments against purchase of assets		(4,373)	(4,138)
Proceeds from disposal of fixed assets		2,407	2,471
Total cash inflow from investing activities		7,410	148,478
Financing activities			
Dividends paid		(130,744)	(67,156)
Financial charges paid		(281)	(374)
Total cash out flow from financing activities		(131,025)	(67,530)
Net cash (outflow) / inflow from all activities		(378,803)	185,856
Cash at the beginning of the period		660,191	195,929
Cash at the end of the period	8	281,388	381,785

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



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)
 FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

		Q u a r t e r e n d e d			S e p t e m b e r 3 0 , 2 0 1 0						
Business underwritten inside Pakistan		Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance Premium		Reinsurance expense	Quarter ended Sep. 30, 2010	Quarter ended Sep. 30, 2009
Direct and facultative			Opening	Closing			Opening	Closing		Net premium revenue	
Class		(R u p e e s i n t h o u s a n d)									
Fire and property damage		27,729	200,619	142,554	85,794	22,988	155,000	113,715	64,273	21,521	10,348
Marine, aviation and transport		83,004	29,980	30,372	82,612	30,014	11,965	11,906	30,073	52,539	31,170
Motor		37,887	124,825	109,045	53,667	1,597	1,834	1,479	1,952	51,715	62,625
Others including miscellaneous		19,391	61,747	51,183	29,955	17,637	49,493	41,981	25,149	4,806	2,504
Total		<u>168,011</u>	<u>417,171</u>	<u>333,154</u>	<u>252,028</u>	<u>72,236</u>	<u>218,292</u>	<u>169,081</u>	<u>121,447</u>	<u>130,581</u>	<u>106,647</u>
Treaty		-	-	-	-	-	-	-	-	-	(1)
Grand total		<u>168,011</u>	<u>417,171</u>	<u>333,154</u>	<u>252,028</u>	<u>72,236</u>	<u>218,292</u>	<u>169,081</u>	<u>121,447</u>	<u>130,581</u>	<u>106,646</u>

		P e r i o d e n d e d			S e p t e m b e r 3 0 , 2 0 1 0						
Business underwritten inside Pakistan		Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance Premium		Reinsurance expense	Nine months ended Sep. 30, 2010	Nine months ended Sep. 30, 2009
Direct and facultative			Opening	Closing			Opening	Closing		Net premium revenue	
Class		(R u p e e s i n t h o u s a n d)									
Fire and property damage		178,860	232,325	142,554	268,631	138,898	175,367	113,715	200,550	68,081	39,370
Marine, aviation and transport		227,852	22,379	30,372	219,859	87,236	18,267	11,906	93,597	126,262	91,039
Motor		172,058	107,197	109,045	170,210	7,913	1,877	1,479	8,311	161,899	193,129
Others including miscellaneous		95,101	43,570	51,183	87,488	82,741	36,477	41,981	77,237	10,251	7,909
Total		<u>673,871</u>	<u>405,471</u>	<u>333,154</u>	<u>746,188</u>	<u>316,788</u>	<u>231,988</u>	<u>169,081</u>	<u>379,695</u>	<u>366,493</u>	<u>331,447</u>
Treaty		-	-	-	-	-	-	-	-	-	-
Grand total		<u>673,871</u>	<u>405,471</u>	<u>333,154</u>	<u>746,188</u>	<u>316,788</u>	<u>231,988</u>	<u>169,081</u>	<u>379,695</u>	<u>366,493</u>	<u>331,447</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



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)
 FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

Business underwritten inside Pakistan	Q u a r t e r e n d e d			S e p t e m b e r 3 0 , 2 0 1 0				Quarter ended Sep. 30, 2010	Quarter ended Sep. 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		Net claims expense	
	(R u p e e s i n t h o u s a n d)									
Class										
Fire and property damage	11,289	86,984	82,284	6,589	10,157	79,113	74,325	5,369	1,220	4,726
Marine, aviation and transport	5,425	74,458	69,466	433	3,625	57,699	52,618	(1,456)	1,889	(37)
Motor	29,603	68,536	78,941	40,008	2,212	3,383	4,866	3,695	36,313	36,055
Others including miscellaneous	1,727	65,966	95,946	31,707	1,504	54,895	83,503	30,112	1,595	951
Total	<u>48,044</u>	<u>295,944</u>	<u>326,637</u>	<u>78,737</u>	<u>17,498</u>	<u>195,090</u>	<u>215,312</u>	<u>37,720</u>	<u>41,017</u>	<u>41,695</u>
Treaty	(9)	3,781	4,229	439	-	-	-	-	439	(370)
Grand total	<u>48,035</u>	<u>299,725</u>	<u>330,866</u>	<u>79,176</u>	<u>17,498</u>	<u>195,090</u>	<u>215,312</u>	<u>37,720</u>	<u>41,456</u>	<u>41,325</u>

Business underwritten inside Pakistan	P e r i o d e n d e d			S e p t e m b e r 3 0 , 2 0 1 0				Nine months ended Sep. 30, 2010	Nine months ended Sep. 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		Net claims expense	
	(R u p e e s i n t h o u s a n d)									
Class										
Fire and property damage	33,729	94,999	82,284	21,014	27,601	87,420	74,325	14,506	6,508	5,512
Marine, aviation and transport	23,049	43,308	69,466	49,207	14,831	30,965	52,618	36,484	12,723	4,129
Motor	110,628	64,660	78,941	124,909	4,423	1,709	4,866	7,580	117,329	121,865
Others including miscellaneous	18,676	46,704	95,946	67,918	13,557	40,274	83,503	56,786	11,132	5,212
Total	<u>186,082</u>	<u>249,671</u>	<u>326,637</u>	<u>263,048</u>	<u>60,412</u>	<u>160,368</u>	<u>215,312</u>	<u>115,356</u>	<u>147,692</u>	<u>136,718</u>
Treaty	-	4,229	4,229	-	-	-	-	-	-	-
Grand total	<u>186,082</u>	<u>253,900</u>	<u>330,866</u>	<u>263,048</u>	<u>60,412</u>	<u>160,368</u>	<u>215,312</u>	<u>115,356</u>	<u>147,692</u>	<u>136,718</u>

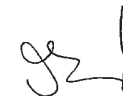
The annexed notes 1 to 11 form an integral part of the condensed interim financial information.



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)
 FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

		Q u a r t e r e n d e d			S e p t e m b e r 3 0 , 2 0 1 0					
Business underwritten inside Pakistan		Commissions Paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expense	Commissions from reinsurers	Quarter ended	Quarter ended
Direct and facultative			Opening	Closing					Net underwriting expense	Net underwriting expense
Class		(R u p e e s i n			t h o u s a n d)					
Fire and Property Damage	3,344	8,656	8,645	3,355	8,217	11,572	9,268	2,304	(4,813)	
Marine, Aviation and Transport	2,411	1,208	750	2,869	19,411	22,280	7,933	14,347	8,594	
Motor	735	3,831	2,727	1,839	10,357	12,196	99	12,097	27,125	
Others including miscellaneous	1,025	1,837	2,173	689	5,490	6,179	4,437	1,742	(702)	
Total	7,515	15,532	14,295	8,752	43,475	52,227	21,737	30,490	30,204	
Treaty	-	-	-	-	-	-	-	-	-	
Grand total	7,515	15,532	14,295	8,752	43,475	52,227	21,737	30,490	30,204	

		P e r i o d e n d e d			S e p t e m b e r 3 0 , 2 0 1 0					
Business underwritten inside Pakistan		Commissions Paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expense	Commissions from reinsurers	Nine months	Nine months
Direct and facultative			Opening	Closing					ended	ended
Class		(R u p e e s i n			t h o u s a n d)					
Fire and Property Damage	12,785	7,967	8,645	12,107	34,987	47,094	30,609	16,485	(7,738)	
Marine, Aviation and Transport	6,629	568	750	6,447	44,645	51,092	21,421	29,671	24,823	
Motor	4,371	5,383	2,727	7,027	33,702	40,729	324	40,405	83,586	
Others including miscellaneous	3,079	1,225	2,173	2,131	18,806	20,937	13,792	7,145	(1,790)	
Total	26,864	15,143	14,295	27,712	132,140	159,852	66,146	93,706	98,881	
Treaty	-	-	-	-	-	-	-	-	-	
Grand total	26,864	15,143	14,295	27,712	132,140	159,852	66,146	93,706	98,881	

Note:

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

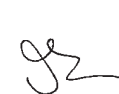
The annexed notes 1 to 11 form an integral part of the condensed interim financial information.



 Arshad P. Rana
Chief Executive



 Azam Faruque
Director



 Omar Saeed
Director



 Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

Period ended September 30, <u>2010</u>	Period ended September 30, <u>2009</u>	Quarter ended September 30, <u>2010</u>	Quarter ended September 30, <u>2009</u>
-------------------------------------------------	-------------------------------------------------	--------------------------------------------------	--------------------------------------------------

(Rupees in thousand)

Income from non-trading investments

Held to maturity

Return on fixed income securities and deposits	3,080	3,922	1,130	2,315
------------------------------------------------	-------	-------	-------	-------

Available for sale

Dividend income	25,404	22,718	8,458	7,497
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Gain on sale of non-trading investments	62,973	76,447	3,694	49,632
-----------------------------------------	--------	--------	-------	--------

Less: investment related expenses	(1,557)	(1,107)	(88)	(603)
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Net investment income	<u>89,900</u>	<u>101,980</u>	<u>13,194</u>	<u>58,841</u>
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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



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE FINANCIAL PERIOD ENDED SEPTEMBER 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, Shahrah-e-Quaid-e-Azam, Lahore.

2. Basis of preparation

This condensed interim financial report of the company for the nine months ended September 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) Classified as held for sale (amendment)	July 1, 2009 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 – Eligible hedged items	July 1, 2009 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

Pakistan Investment Bonds	37,000	35,000
Unamortized premium on Pakistan Investment Bonds	595	1,077
	37,595	36,077

Available for sale

Mutual funds	216,581	101,177
Quoted shares	400,629	420,996
	617,210	522,173
	654,805	558,250

Aggregate market value of investments

662,644 645,300

6. Fixed assets

Opening book value	47,421	49,296
Add: Additions during the period	4,373	7,991
	51,794	57,287
Less: Disposal during the period (at book value)	1,106	2,268
Depreciation charged during the period	5,345	7,598
	6,451	9,866
	45,343	47,421

September 30, September 30,
2010 2009
(Rupees in thousand)

7. Provision for taxation

Current - for the period	58,770	38,043
Deferred - for the period	1,723	1,608
	60,493	39,651

Provision for taxation has been made on an estimated basis and is subject to adjustment at year end.

September 30, September 30,
2010 2009
(Rupees in thousand)

8. Cash at the end of the period

For the purposes of cash flow statement cash includes:

Cash and other equivalents	251	273
Current and other accounts	163,637	321,512
Deposits maturing within twelve months	117,500	60,000
	281,388	381,785
	281,388	381,785

8.1 Reconciliation to profit and loss account

Operating cash flows	(255,188)	104,908
Depreciation	(3,508)	(5,387)
Financial charges	(281)	(374)
Profit on disposal of fixed assets	842	1,012
Provision for doubtful debts	(6,609)	(6,115)
Increase in assets other than cash	88,950	144,625
Decrease / (increase) in liabilities other than borrowings	158,314	(187,498)
Others		
- Decrease in provision for unearned premium	72,317	5,047
- (Increase) in commission income unearned	(9,574)	(11,527)
- Investment income	89,900	101,980
- Rental and other income	38,346	21,531
- Increase / (decrease) in provision for deferred commission expense	848	(2,997)
	174,357	165,205
	174,357	165,205

9. Transactions with related parties

Related parties comprise of 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 employments are as follows:

	September 30, 2010	September 30, 2009
	(Rupees in thousand)	
Premium underwritten	359,902	294,677
Premium collected	320,412	282,642
Claims paid	26,615	26,276
Vehicles purchased	24	79
Vehicles sold	237	-
Rent received	2,780	531
Rent paid	363	1,745
Interest received	19,226	13,521
Provident Fund	3,794	3,411
Gratuity Funds	1,522	375
Brokerage paid for purchase of shares	418	524
Brokerage paid for sale of shares	817	1,107
Donations	2,350	2,005
Dividends paid	91,569	45,778
Dividends received	9,174	5,242
Investment purchased	109,500	58,000
Investment sold	41,924	-

The transactions were carried out at the arm's length in accordance with the policies of the company.

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.

10. Date of authorization for issue

The condensed interim financial information was authorized for issue on October 27, 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 account of the effect of bonus shares issued during the current period. Prior to this restatement, the earnings per share was Rs.4.92 and Rs.2.45 for the nine months and quarter ended September 30, 2009 respectively.



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
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)	Extension:	302
SALEEM MEHMOOD Chief Internal Auditor	Extension:	428

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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

RAWALPINDI

MAHMOOD AHMED
Chief Manager

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P.O. Box 119, Rawalpindi.

5563413
Fax: 5798083

MANZAR ALI NAQVI
Manager

FAISALABAD BRANCH - II

MUHAMMAD ASIF AKRAM
Branch Manager

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8721256, 8734176
Fax: 8732499

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Faisalabad

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Fax: 2635080

SIALKOT

REHAN NAZIR GHUMAN
Branch Manager

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4264195, 4594520
Fax: 4290095

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GHULAM ALI
Office Incharge

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Azmat Wasti Road, Multan.

4544494

GUJRANWALA

AMJAD RAFIQ DHILLO
Branch Manager

Gujranwala Branch
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G. T. Road, Gujranwala.

3847118
Fax: 3847074

MUHAMMAD IKRAM
Branch Manager

GTR Branch
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G. T. Road, Gujranwala.

3841725
Fax: 8020719

SOUTH ZONE OFFICE

Ground Floor, Federation House,
Abdullah Shah Ghazi Road,
Main Clifton, Karachi.

PABX:
Fax:

35378806-7
35369395-6
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

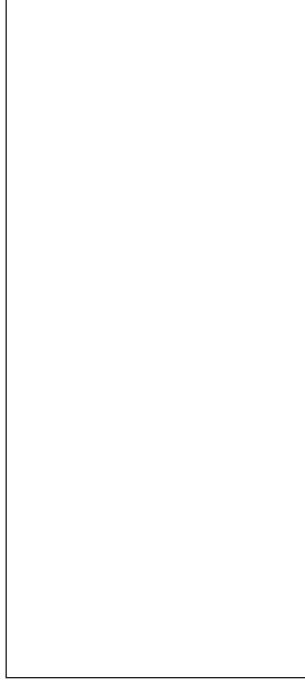
SOUTH ZONE BRANCHES
KARACHI

M. FAROOQ KANDELA 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 Fax: 32720858
TARIQ NASIM Chief Manager	New Challi Branch 1st Floor, Room No. 106-107, Rehmani Chamber, Altaf Hussain Road, Karachi.	32218286, 32218288 Fax: 32610280
INAYAT ULLAH Branch Manager	Zamzama Branch Kanta Bai Building, 18 - C, Zamzama Commercial Lane No. 1, Phase - V, DHA, Karachi.	35830131, 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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Email: info@atlasinsurance.com.pk **Website:** www.atlasinsurance.com.pk