



Quarterly Report  
September 30, 2012



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# Company Information

## Board of Directors

Yusuf H. Shirazi  
Chairman

Isphanyar M. Bhandara  
Director

Ali H. Shirazi  
Director

Frahim Ali Khan  
Director

Jawaid Iqbal Ahmed  
Director

Arshad P. Rana  
Chief Executive

Muhammad Afzal  
Company Secretary

## Audit Committee

Ali H. Shirazi  
Member

Frahim Ali Khan  
Member

Muhammad Afzal  
Secretary

Saleem Mahmood Akhtar  
Chief Internal Auditor

## Human Resource & Remuneration Committee

Isphanyar M. Bhandara  
Chairman

Ali H. Shirazi  
Member

Arshad P. Rana  
Member

Qudsia Naheed  
Secretary

## Investment Committee

Ali H. Shirazi  
Chairman

Frahim Ali Khan  
Member

Arshad P. Rana  
Member

Rashid Amin  
Member

Muhammad Afzal  
Secretary

## Underwriting Committee

Frahim Ali Khan  
Chairman

Arshad P. Rana  
Member

Muhammad Saeed  
Member

Muhammad Ashraf Bhatti  
Secretary

# Company Information

## Claims Settlement Committee

Frahim Ali Khan  
Chairman

Arshad P. Rana  
Member

Muhammad Ashraf Bhatti  
Member

Muhammad Saeed  
Secretary

## Reinsurance & Co-Insurance Committee

Frahim Ali Khan  
Chairman

Arshad P. Rana  
Member

Muhammad Saeed  
Member

Syed Nasir Hussain  
Secretary

## Management Committee

Arshad P. Rana  
Chief Executive

Rashid Amin  
Chief Financial Officer

Qudsia Naheed  
Vice President (Admin & HR)

Muhammad Ashraf Bhatti  
Vice President (Underwriting)

Muhammad Saeed  
Vice President (Claims)

Abdul Razzaq Ghauri  
Vice President (IT)

## Auditors

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

## Legal Advisors

Mohsin Tayebaly & Co.  
Ch. Maqsood Hassan 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  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Summit Bank Limited  
United Bank Limited

## Registered & Head Office

3-Bank Square,  
Shahrah-e-Quaid-e-Azam, Lahore  
Tel: (92-42) 37320542-43,  
37322271, 73, 37310658  
Fax: (92-42) 37234742  
E mail: info@atlasinsurance.com.pk  
Website: www.atlasinsurance.com.pk

## Chairman's Review

It gives me great pleasure to present the un-audited accounts of your company for the nine months period ended September 30, 2012.

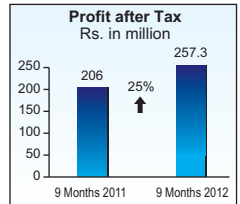
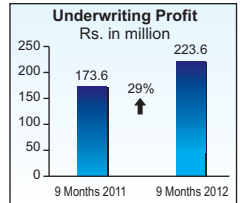
### The Economy

The Pakistan economy has endured several challenges to achieve economic stability. However, the current year is displaying signs of improvement despite being faced with various global and domestic challenges.

The GDP growth target for FY 12-13 has been set at 4.5% which seems quite challenging in the present scenario. However, the SBP's policy to reduce discounts rates may help in spurring the requisite economic growth. The latest reduction by 50 bps will, to some extent, help to lessen the burden of increasing cost of doing business. General inflation continued to ease to 9.1% in July-September 2012 period as against 11.5% during the same period last year. Overseas Pakistani workers remitted an amount of US\$ 3,599.1 million during Q1 of FY 12-13 as against US\$ 3,297.2 million during July - September quarter of FY11-12, showing growth of 9.1%. Surprisingly, trade deficit contracted by 10% to US\$ 4.7 billion in July - September 2012 as against US\$ 5.2 billion during the corresponding period. Exports grew by 4.3% year-on-year basis to US\$ 6.2 billion, while imports decreased by 2.4% to US\$ 10.9 billion, which are US\$ 264 million less than the corresponding period's import bill. Meanwhile, foreign exchange reserves fell to US\$ 14.4 billion at the end of the Q1 as against US\$ 17.3 billion in September last year.

### The Company

The company continued to show improved results as the gross premium underwritten grew by 7.5% to Rs. 837.2 million from Rs. 778.9 million in the same period last year. The net premium increased to Rs. 444.8 million as against Rs. 417.2 million. Cautious underwriting policies followed by the company resulted in reduced loss ratio during the period. Consequently the underwriting profit grew by 28.8% to Rs. 223.6 million compared to Rs. 173.6 million in same period last year. The company as a result of its prudent investment management and its preference to invest in stocks with strong fundamentals earned Rs. 134.3 million income from investment compared to Rs. 97.1 million in the same period last year. The company therefore was able to register profit before tax of Rs. 345.9 million against Rs. 281 million of same period last year. After providing for tax the profit after tax stood at Rs. 257.3 million compared to Rs. 206 million in the same period last year, up 24.9%.



### Future Outlook

The challenge for the government remains in easing the power crises, controlling the fiscal deficit that has soared to 8.5% of the GDP and improving the law and order situation which will consequently boost investor confidence both locally and internationally. The government has realized that the revenue mobilization remains one of the key factors in improving the fiscal space and has rightly targeted increasing the tax to GDP ratio from current level of 9.1% to 10%. Moreover, early materialization of 3G auction as well as stalled payments from Etisalat would stave off drain on fiscal resources.

The management of your company will avail all the opportunities existing in the market to maintain its growth momentum and generate consistent return for its shareholders.

ہ ملت سے رابطہ استوار رکھ

(Let us continue to rely on social responsibility)

### Acknowledgement

I would like to thank the Board of Directors, the Group Executive Committee, and the Chief Executive Officer and his team for their efforts, dedication and sincerity of purpose. I would also express my gratitude to all the reinsurers, our valued clients, banks and SECP for their support and guidance to the company.

Yusuf H. Shirazi

# 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, 2012.

**September 30, 2012**    **September 30, 2011**  
(Rupees in thousand)

**The overall business figures are:**

Net premium	444,761	417,204
Net claims	89,976	129,582
Investment, rental and other income	146,045	129,153
Net commission	42,275	43,515
Expenses of management	173,430	157,496

**Financial results are as follows:**

Profit before tax	345,943	281,045
Less: Provision for taxation	88,628	75,030
Profit after tax	257,315	206,015

**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 22, 2012

**Condensed Interim**

As at

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

Authorised share capital 80,000,000 (2011: 50,000,000) ordinary shares of Rs.10 each	800,000	500,000
Issued, subscribed and paid up capital 53,152,560 (2011: 44,293,820) ordinary shares of Rs.10 each	531,526	442,938
Reserves	301,064	265,064
Retained earnings	257,469	301,917
	1,090,059	1,009,919

**Underwriting provisions**

Provision for outstanding claims (including IBNR)	217,770	259,514
Provision for unearned premium	429,313	443,264
Commission income unearned	53,039	46,255
Total underwriting provisions	700,122	749,033

**Creditors and accruals**

Premium received in advance	4,639	2,758
Amounts due to other insurers / reinsurers	168,678	169,757
Accrued expenses	50,498	51,581
Taxation - provision less payments	13,174	11,193
Other creditors and accruals	57,727	61,199
	294,716	296,488

**Other liabilities**

Deposits against performance bonds	1,887	1,887
Unclaimed dividends	25,400	20,758
	27,287	22,645

**TOTAL LIABILITIES**

1,022,125	1,068,166
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**TOTAL EQUITY AND LIABILITIES**

2,112,184	2,078,085
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**CONTINGENCIES AND COMMITMENTS**

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

## Balance Sheet

September 30, 2012

Note	September 30, 2012 (Unaudited) (Rupees in thousand)	December 31, 2011 (Audited)
<b>Cash and bank deposits</b>		
	312	10
	150,175	54,581
12	150,487	54,591
<b>Loans to employees - secured considered good</b>		
	14	117
8	1,118,203	1,089,256
<b>Deferred taxation</b>		
	6,575	10,238
<b>Current assets - others</b>		
	256,182	313,944
	132,194	113,388
	8,035	3,370
	5,914	1,328
	128,674	153,484
	28,204	22,896
	203,257	253,308
	9,519	15,256
	771,979	876,974
<b>Fixed assets</b>		
<b>Tangible</b>		
9		
	1,168	1,168
	12,594	13,085
	2,296	2,479
	9,300	5,365
	5,109	4,524
	28,856	18,871
	59,323	45,492
<b>Capital work in progress</b>		
	4,610	-
<b>Intangible</b>		
9		
	993	1,417
<b>TOTAL ASSETS</b>		
	2,112,184	2,078,085



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Jawaid Iqbal Ahmed**  
Director



**Yusuf H. Shirazi**  
Chairman



## Condensed Interim Profit and Loss Account (Unaudited)

For the nine months period ended September 30, 2012

Three months period ended September 30							2012	2011
Note	Fire and property	Marine, aviation and transport	Motor	Other including miscellaneous	Treaty			
(Rupees in thousand)								
<b>Revenue account</b>								
	26,522	68,336	53,846	16,365	18	165,087	140,788	
	(2,375)	(4,214)	(23,473)	(6,242)	-	(36,304)	(49,234)	
	(13,267)	(24,134)	(17,448)	(6,542)	-	(61,391)	(52,399)	
	11,698	6,409	(3,738)	3,143	-	17,512	13,705	
	<u>22,578</u>	<u>46,397</u>	<u>9,187</u>	<u>6,724</u>	<u>18</u>	<u>84,904</u>	<u>52,860</u>	
<b>Underwriting result</b>								
						42,790	22,404	
						1,360	1,328	
						2,136	5,364	
						(40)	(43)	
						(7,766)	(6,016)	
						<u>38,480</u>	<u>23,037</u>	
<b>Profit before taxation</b>								
						123,384	75,897	
						(30,746)	(20,825)	
<b>Profit after taxation</b>								
						<u>92,638</u>	<u>55,072</u>	
<b>Basic and diluted earnings per share</b>								
						1.74	1.04	

Nine months period ended September 30							2012	2011
Note	Fire and property	Marine, aviation and transport	Motor	Other including miscellaneous	Treaty			
(Rupees in thousand)								
<b>Revenue account</b>								
	73,402	175,651	150,327	45,370	11	444,761	417,204	
	(4,880)	(12,440)	(51,963)	(20,693)	-	(89,976)	(129,582)	
	(47,616)	(57,500)	(38,781)	(29,533)	-	(173,430)	(157,496)	
	32,697	10,998	(11,125)	9,704	1	42,275	43,515	
	<u>53,603</u>	<u>116,709</u>	<u>48,458</u>	<u>4,848</u>	<u>12</u>	<u>223,630</u>	<u>173,641</u>	
<b>Underwriting result</b>								
						134,315	97,123	
						4,063	3,970	
						7,667	28,060	
						(270)	(259)	
						(23,462)	(21,490)	
						<u>122,313</u>	<u>107,404</u>	
<b>Profit before taxation</b>								
						345,943	281,045	
						(88,628)	(75,030)	
<b>Profit after taxation</b>								
						<u>257,315</u>	<u>206,015</u>	
<b>Profit and loss appropriation account</b>								
<b>Balance at commencement of the period</b>								
						301,917	243,218	
						257,315	206,015	
						(36,000)	(21,000)	
						(177,175)	(147,646)	
						(88,588)	(73,823)	
<b>Balance unappropriated profit at the end of the period</b>								
						<u>257,469</u>	<u>206,764</u>	
<b>Basic and diluted earnings per share</b>								
						4.84	3.88	

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



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Jawaid Iqbal Ahmed**  
Director



**Yusuf H. Shirazi**  
Chairman

## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months period ended September 30, 2012

	Nine months period ended September 30,		Three months period ended September 30,	
	2012	2011	2012	2011
	(Rupees in thousand)			
Profit for the period	257,315	206,015	92,638	55,072
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>257,315</u>	<u>206,015</u>	<u>92,638</u>	<u>55,072</u>

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



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Jawaid Iqbal Ahmed**  
Director



**Yusuf H. Shirazi**  
Chairman

## Condensed Interim Statement of Changes In Equity (Unaudited)

For the nine months period ended September 30, 2012

	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 )								
<b>Balance as at January 01, 2011</b>	369,115	2,251	2,164	3,000	-	236,649	243,218	856,397
Final dividend @ Rs. 4 per share	-	-	-	-	-	-	(147,646)	(147,646)
Transfer to general reserve	-	-	-	-	-	21,000	(21,000)	-
Transfer to reserve for bonus shares	-	-	-	-	73,823	-	(73,823)	-
Issue of bonus shares	73,823	-	-	-	(73,823)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	206,015	206,015
<b>Balance as at September 30, 2011</b>	<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>
Balance as at January 01, 2012	442,938	2,251	2,164	3,000	-	257,649	301,917	1,009,919
Final dividend @ Rs. 4 per share	-	-	-	-	-	-	(177,175)	(177,175)
Transfer to general reserve	-	-	-	-	-	36,000	(36,000)	-
Transfer to reserve for bonus shares	-	-	-	-	88,588	-	(88,588)	-
Issue of bonus shares	88,588	-	-	-	(88,588)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	257,315	257,315
<b>Balance as at September 30, 2012</b>	<u>531,526</u>	<u>2,251</u>	<u>2,164</u>	<u>3,000</u>	<u>-</u>	<u>293,649</u>	<u>257,469</u>	<u>1,090,059</u>

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



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Jawaid Iqbal Ahmed**  
Director



**Yusuf H. Shirazi**  
Chairman

# Condensed Interim Cash Flow Statement (Unaudited)

For the nine months period ended September 30, 2012

	Note	September 30, 2012	September 30, 2011
(Rupees in thousand)			
<b>Operating cash flows</b>			
<b>Underwriting activities</b>			
Premiums received		857,265	600,149
Reinsurance premiums paid		(351,157)	(434,440)
Claims paid		(201,901)	(201,293)
Reinsurance and other recoveries received		92,533	101,869
Commission paid		(46,139)	(44,327)
Commission received		97,132	88,863
Other underwriting payments		(1,926)	(3,587)
Other underwriting receipts		11,100	10,004
<b>Net cash inflow from underwriting activities</b>		<b>456,907</b>	<b>117,238</b>
<b>Other operating activities</b>			
Income tax paid		(82,984)	(45,634)
General and management expenses paid		(201,904)	(229,075)
Loans - net		103	76
<b>Net cash outflow from other operating activities</b>		<b>(284,785)</b>	<b>(274,633)</b>
<b>Total cash inflow / (outflow) from all operating activities</b>		<b>172,122</b>	<b>(157,395)</b>
<b>Investment activities</b>			
Profit / return received		11,274	29,868
Dividends received		29,385	21,800
Rentals received		5,375	5,402
Payments for purchase of investments		(988,573)	(662,588)
Proceeds from disposal of investments		1,054,590	523,538
Payments against purchase of fixed assets		(22,264)	(6,732)
Proceeds from disposal of fixed assets		6,790	5,074
<b>Total cash inflow / (outflow) from investing activities</b>		<b>96,577</b>	<b>(83,638)</b>
<b>Financing activities</b>			
Dividends paid		(172,533)	(143,915)
Financial charges paid		(270)	(259)
<b>Total cash out flow from financing activities</b>		<b>(172,803)</b>	<b>(144,174)</b>
<b>Net cash inflow / (outflow) from all activities</b>		<b>95,896</b>	<b>(385,207)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>54,591</b>	<b>492,581</b>
<b>Cash and cash equivalents at the end of the period</b>	12	<b>150,487</b>	<b>107,374</b>


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

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

  
**Arshad P. Rana**  
 Chief Executive

  
**Ali H. Shirazi**  
 Director

  
**Jawaid Iqbal Ahmed**  
 Director

  
**Yusuf H. Shirazi**  
 Chairman

## Condensed Interim Statement of Premiums (Unaudited)

For the nine months period ended September 30, 2012


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	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2012 2011	
		Opening	Closing			Opening	Closing		Net premium revenue	
( R u p e e s i n t h o u s a n d )										
<b>Class</b>										
Fire and property damage	48,466	232,867	177,334	103,999	37,260	169,659	129,442	77,477	26,522	30,812
Marine, aviation and transport	100,987	40,326	36,091	105,222	31,953	17,301	12,368	36,886	68,336	46,940
Motor	74,818	114,015	131,172	57,661	4,852	5,272	6,309	3,815	53,846	49,319
Others including miscellaneous	21,048	103,806	84,715	40,139	16,006	58,906	51,138	23,774	16,365	13,717
<b>Total</b>	<b>245,319</b>	<b>491,014</b>	<b>429,312</b>	<b>307,021</b>	<b>90,071</b>	<b>251,138</b>	<b>199,257</b>	<b>141,952</b>	<b>165,069</b>	<b>140,788</b>
Treaty	18	-	-	18	-	-	-	-	18	-
<b>Grand total</b>	<b>245,337</b>	<b>491,014</b>	<b>429,312</b>	<b>307,039</b>	<b>90,071</b>	<b>251,138</b>	<b>199,257</b>	<b>141,952</b>	<b>165,087</b>	<b>140,788</b>

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	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2012 2011	
		Opening	Closing			Opening	Closing		Net premium revenue	
( R u p e e s i n t h o u s a n d )										
<b>Class</b>										
Fire and property damage	227,935	252,682	177,334	303,283	164,853	194,470	129,442	229,881	73,402	82,366
Marine, aviation and transport	277,318	19,114	36,091	260,341	90,928	6,130	12,368	84,690	175,651	160,273
Motor	188,862	108,529	131,172	166,219	14,744	7,457	6,309	15,892	150,327	148,366
Others including miscellaneous	143,042	62,939	84,715	121,266	83,551	43,483	51,138	75,896	45,370	26,199
<b>Total</b>	<b>837,157</b>	<b>443,264</b>	<b>429,312</b>	<b>851,109</b>	<b>354,076</b>	<b>251,540</b>	<b>199,257</b>	<b>406,359</b>	<b>444,750</b>	<b>417,204</b>
Treaty	11	-	-	11	-	-	-	-	11	-
<b>Grand total</b>	<b>837,168</b>	<b>443,264</b>	<b>429,312</b>	<b>851,120</b>	<b>354,076</b>	<b>251,540</b>	<b>199,257</b>	<b>406,359</b>	<b>444,761</b>	<b>417,204</b>

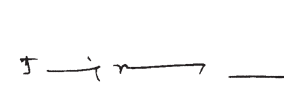
The annexed notes 1 to 16 form an integral part of this interim financial information.



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Jawaid Iqbal Ahmed**  
Director



**Yusuf H. Shirazi**  
Chairman

## Condensed Interim Statement of Claims (Unaudited)

For the nine months period ended September 30, 2012

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	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2012	2011
Direct and facultative		Opening	Closing			Opening	Closing		Net claims expense	
Class	( R u p e e s i n t h o u s a n d )									
Fire and property damage	5,027	38,203	40,795	7,619	4,234	34,497	35,507	5,244	2,375	5,385
Marine, aviation and transport	13,507	64,200	61,781	11,088	8,878	50,438	48,434	6,874	4,214	5,118
Motor	26,165	69,212	70,171	27,124	2,253	9,383	10,781	3,651	23,473	29,944
Others including miscellaneous	11,218	42,948	41,242	9,512	3,755	34,437	33,952	3,270	6,242	8,787
<b>Total</b>	<b>55,917</b>	<b>214,563</b>	<b>213,989</b>	<b>55,343</b>	<b>19,120</b>	<b>128,755</b>	<b>128,674</b>	<b>19,039</b>	<b>36,304</b>	<b>49,234</b>
Treaty	-	3,780	3,780	-	-	-	-	-	-	-
<b>Grand total</b>	<b>55,917</b>	<b>218,343</b>	<b>217,769</b>	<b>55,343</b>	<b>19,120</b>	<b>128,755</b>	<b>128,674</b>	<b>19,039</b>	<b>36,304</b>	<b>49,234</b>

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	Claims paid	Outstanding claims		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2012	2011
Direct and facultative		Opening	Closing			Opening	Closing		Net claims expense	
Class	( R u p e e s i n t h o u s a n d )									
Fire and property damage	38,551	55,903	40,795	23,443	34,668	51,612	35,507	18,563	4,880	12,383
Marine, aviation and transport	45,134	70,569	61,781	36,346	30,070	54,598	48,434	23,906	12,440	11,205
Motor	74,103	79,122	70,171	65,152	10,109	7,701	10,781	13,189	51,963	92,523
Others including miscellaneous	44,168	50,140	41,242	35,270	20,198	39,573	33,952	14,577	20,693	13,471
<b>Total</b>	<b>201,956</b>	<b>255,734</b>	<b>213,989</b>	<b>160,211</b>	<b>95,045</b>	<b>153,484</b>	<b>128,674</b>	<b>70,235</b>	<b>89,976</b>	<b>129,582</b>
Treaty	-	3,780	3,780	-	-	-	-	-	-	-
<b>Grand total</b>	<b>201,956</b>	<b>259,514</b>	<b>217,769</b>	<b>160,211</b>	<b>95,045</b>	<b>153,484</b>	<b>128,674</b>	<b>70,235</b>	<b>89,976</b>	<b>129,582</b>

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

  
**Arshad P. Rana**  
 Chief Executive

  
**Ali H. Shirazi**  
 Director

  
**Jawaid Iqbal Ahmed**  
 Director

  
**Yusuf H. Shirazi**  
 Chairman

## Condensed Interim Statement of Expenses (Unaudited)

For the nine months period ended September 30, 2012

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	Commissions paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expense	Commissions from reinsurers	2012	2011
		Opening	Closing						
( R u p e e s i n t h o u s a n d )									
<b>Class</b>									
Fire and property damage	7,535	11,477	13,267	5,745	13,267	19,012	17,443	1,569	1,956
Marine, aviation and transport	4,800	1,791	1,517	5,074	24,134	29,208	11,483	17,725	15,990
Motor	4,258	9,252	9,237	4,273	17,448	21,721	535	21,186	17,528
Others including miscellaneous	2,331	3,475	4,183	1,623	6,542	8,165	4,766	3,399	3,220
<b>Total</b>	<b>18,924</b>	<b>25,995</b>	<b>28,204</b>	<b>16,715</b>	<b>61,391</b>	<b>78,106</b>	<b>34,227</b>	<b>43,879</b>	<b>38,694</b>
Treaty	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>18,924</b>	<b>25,995</b>	<b>28,204</b>	<b>16,715</b>	<b>61,391</b>	<b>78,106</b>	<b>34,227</b>	<b>43,879</b>	<b>38,694</b>

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	Commissions paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expense	Commissions from reinsurers	2012	2011
		Opening	Closing						
( R u p e e s i n t h o u s a n d )									
<b>Class</b>									
Fire and property damage	19,197	10,032	13,267	15,962	47,616	63,578	48,659	14,919	13,852
Marine, aviation and transport	14,199	1,160	1,517	13,842	57,500	71,342	24,840	46,502	40,107
Motor	14,094	8,120	9,237	12,977	38,781	51,758	1,852	49,906	41,625
Others including miscellaneous	5,891	3,584	4,183	5,292	29,533	34,825	14,996	19,829	18,397
<b>Total</b>	<b>53,381</b>	<b>22,896</b>	<b>28,204</b>	<b>48,073</b>	<b>173,430</b>	<b>221,503</b>	<b>90,347</b>	<b>131,156</b>	<b>113,981</b>
Treaty	-	-	-	-	-	-	1	(1)	-
<b>Grand total</b>	<b>53,381</b>	<b>22,896</b>	<b>28,204</b>	<b>48,073</b>	<b>173,430</b>	<b>221,503</b>	<b>90,348</b>	<b>131,155</b>	<b>113,981</b>

### Note:


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

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

  
**Arshad P. Rana**  
 Chief Executive

  
**Ali H. Shirazi**  
 Director

  
**Jawaid Iqbal Ahmed**  
 Director

  
**Yusuf H. Shirazi**  
 Chairman

## Condensed Interim Statement of Investment Income (Unaudited)

For the nine months period ended September 30, 2012

	Nine months ended September 30,		Three months ended September 30,	
	2012	2011	2012	2011

(Rupees in thousand)

### Income from non-trading investments

#### Held to maturity

Return on fixed income securities and deposits	4,507	3,843	1,509	1,587
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#### Available for sale

Dividend income	33,610	23,783	9,633	6,595
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Gain on sale of available for sale investments	96,753	70,275	31,870	14,417
--	--------	--------	--------	--------

Less: Investment related expenses	(555)	(778)	(222)	(195)
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<b>Net investment income</b>	<b>134,315</b>	<b>97,123</b>	<b>42,790</b>	<b>22,404</b>
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The annexed notes 1 to 16 form an integral part of this interim financial information.



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Jawaid Iqbal Ahmed**  
Director



**Yusuf H. Shirazi**  
Chairman



## Notes to the Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2012

### 1. Legal status and nature of business

Atlas Insurance Limited (the company) was incorporated as a public limited company in Lahore on September 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.

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

### 2. Statement of compliance

This interim financial information of the company for the nine months period ended September 30, 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 have been followed.

The disclosures made in interim financial information have, however, been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan (SECP) in its Circular No. 7 of 2003 and International Accounting Standard 34, Interim Financial Reporting. They do not include all the information required for full annual financial statements, and this interim financial information should be read in conjunction with the annual financial statements of the company for the year ended December 31, 2011.

### 3. Significant accounting policies

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

#### 3.1 New and amended standards and interpretations

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

IFRS 7 – Financial Instruments: Disclosures (Amendment)

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

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

### 4. Basis of measurement

This interim financial information have been prepared under historical cost convention.

### 5. Accounting estimates and judgments

In preparing this interim financial information, the estimates / judgements and associated assumptions made by management in applying the company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at and for the year ended December 31, 2011.

### 6. Financial risk management

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the company for the year ended December 31, 2011.

## 7. Contingencies and commitments

### 7.1 Contingencies

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

### 7.2 Commitments

Nil (2011: Nil)

## 8. Investments

Held to maturity

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

Available for sale

Mutual funds  
Quoted shares

Aggregate market value of investments

Note	September 30, 2012 (Unaudited) (Rupees in thousand)	December 31, 2011 (Audited) (Rupees in thousand)
------	--	---

	8,000	10,000
	49,247	35,979
8.1	57,247	45,979
	486,096	549,712
	574,860	493,565
	1,060,956	1,043,277
	1,118,203	1,089,256
	1,402,726	1,125,398

- 8.1 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, 2012 (Unaudited) (Rupees in thousand)	December 31, 2011 (Audited) (Rupees in thousand)
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## 9. Fixed assets

### Tangible

Opening net book value  
Add: Additions during the period / year

Less:

Disposals during the period / year (at book value)  
Depreciation charged during the period / year

### Intangible

Opening net book value  
Addition  
Amortization charged during the period / year

	45,492	43,916
	22,265	9,760
	67,757	53,676
	2,264	1,412
	6,170	6,772
	8,434	8,184
	59,323	45,492
	1,417	-
	-	1,700
	(424)	(283)
	993	1,417

## 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.4.65 and Rs.1.24 for the nine months and three months period ended September 30, 2011, respectively.

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

## 11. Provision for taxation

Current	88,055	73,957
Deferred	573	1,073
	<u>88,628</u>	<u>75,030</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, 2012, September 30, 2011  
(Rupees in thousand)

## 12. Cash and cash equivalents at the end of the period

For the purpose of cash flow statement cash includes:

Cash and other equivalents	312	554
Current and other accounts	150,175	106,820
	<u>150,487</u>	<u>107,374</u>

### 12.1 Reconciliation to profit and loss account

Operating cash flows	172,122	(157,395)
Depreciation expense	(6,170)	(4,839)
Amortization of intangible assets	(224)	-
Profit on disposal of fixed assets	540	1,213
Financial charges	(270)	(259)
Provision for doubtful debts	(8,132)	(7,464)
(Increase)/ Decrease in assets other than cash	(103,027)	131,076
Decrease in liabilities other than borrowings	44,496	82,600
Other adjustments		
- Increase in provision for unearned premium	13,951	34,420
- Increase in commission income unearned	(6,784)	(11,351)
- Investment income	134,315	97,123
- Rental and other income	11,190	30,817
- Increase in provision for commission expense deferred	5,308	10,074
	<u>257,315</u>	<u>206,015</u>

## 13. Transactions with related parties

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

September 30, 2012, December 31, 2011  
(Unaudited) (Audited)  
(Rupees in thousand)

### Period end balances

Provision for outstanding claims (including IBNR)	38,849	14,221
Premium due but unpaid	141,111	238,181

**September 30, September 30,**  
**2012 2011**  
**(Rupees in thousand)**

### Transactions during the year

Premium underwritten	449,406	417,938
Premium collected	623,426	392,829
Claims paid	48,950	22,300
Assets purchased	15,782	2,193
Assets sold	-	4
Rent received	1,008	3,056
Rent paid	828	399
Expenses paid	202	-
Contributions in fund	9,342	7,030
Donations	3,500	3,000
Dividends paid	120,871	100,726
Dividends received	15,364	13,283
Investments purchased	604,900	446,100
Investments sold	728,450	393,651

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, 2011. Class of business wise revenue and results have been disclosed in the condensed interim statement of premiums and profit and loss account, respectively are prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

Segment wise assets and liabilities as of September 30, 2012 are as follows:

	Fire & property damage		Marine aviation & transport		Motor		Miscellaneous		Total	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	( R u p e e s i n t h o u s a n d )									
<b>Segment assets</b>	320,467	310,716	173,045	271,626	111,852	169,292	150,113	106,985	755,477	858,619
Unallocated assets									1,356,707	1,219,466
Consolidated total assets									2,112,184	2,078,085
<b>Segment liabilities</b>	325,766	325,718	152,321	284,741	237,300	177,466	163,793	112,151	879,181	900,076
Unallocated liabilities									142,944	168,090
Consolidated total liabilities									1,022,125	1,068,166

### 15. Date of authorization for issue

This interim financial information was authorized for issue on October 22, 2012 by the Board of Directors of the company.

### 16. General

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



**Arshad P. Rana**  
Chief Executive



**Ali H. Shirazi**  
Director



**Jawaid Iqbal Ahmed**  
Director



**Yusuf H. Shirazi**  
Chairman

## COMPANY OFFICES

### HEAD OFFICE

3 Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	PABX:	(042) 37320542, 37320543, 37310658, 37322271, 37322273
	Fax:	(042) 37234742
ARSHAD P. RANA Chief Executive Officer	Direct:	(042) 37234812
	Extension:	501
RASHID AMIN Chief Financial Officer	Direct:	(042) 37234757
	Extension:	403
QUDSIA NAHEED Vice President (Admin/HR)	Direct:	(042) 37245348
	Extension:	303
MUHAMMAD ASHRAF BHATTI Vice President (Underwriting)	Direct:	(042) 37323270
	Extension:	304
MUHAMMAD SAEED Vice President (Claims)	Direct:	(042) 37323229
	Extension:	302
ABDUL RAZZAQ GHAURI Vice President (IT)	Extension:	402
SALEEM MEHMOOD Chief Internal Auditor	Extension:	428

### NORTH ZONE OFFICES & BRANCHES

#### LAHORE

MUHAMMAD MUNIR QAZI Chief Manager	Gulberg Branch Office No. 335, 3rd Floor, Land Mark Plaza, Jail Road, Lahore.	(042) 357757733-4 Fax: (042) 35714514
CH. TAYYAB HUSSAIN Chief Manager	City Branch 3 - Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.	(042) 37212365-6, 37312858, 37312868, 37230558-9 Fax: (042) 37212367
MUHAMMAD IJAZ Deputy Chief Manager	Al-Noor Branch Al-Noor Building, 43-Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	(042) 37358805 Fax: (042) 37237343
KH. MUHAMMAD NADEEM Branch Manager	Napier Road Branch Nairobi Mansion Napier Road, Lahore.	(042) 37352560 Fax: (042) 37358190
MUHAMMAD WASIM PURI Branch Manager	Mall Road Branch, Hafeez Chambers, 85-Shahrah-e-Quaid-e-Azam, Lahore.	(042) 36305595, 36271663 Fax: (042) 36369576

**RAWALPINDI**

MAHMOOD AHMED

Chief Manager

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MANZAR ALI NAQVI

Manager

**FAISALABAD**

MUHAMMAD ASIF AKRAM

Branch Manager

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RANA SAGHIR AHMAD

Manager

**SIALKOT**

REHAN NAZIR GHUMAN

Branch Manager

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ARSHAD P. RANA

Chief Executive Officer

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201

MUHAMMAD IMRAN

Asst. Vice President (Non Motor)

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217

JAWAID IRSHAD

Manager Motor

Extension:

215

MUHAMMAD AFZAL

Company Secretary

Extension:

202

**SOUTH ZONE BRANCHES****KARACHI**

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## Atlas Insurance Limited

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**Website:** [www.atlasinsurance.com.pk](http://www.atlasinsurance.com.pk)