

QUARTERLY REPORT  
MARCH 31, 2009



## Contents

Corporate Information	2
Chairman's Review	3
Interim Condensed Balance Sheet	5
Interim Condensed Profit and Loss Account	6
Interim Condensed Statement of Changes in Equity	7
Interim Condensed Cash Flow Statement	8
Notes to the Interim Condensed Financial Statements	9
Interim Condensed Consolidated Balance Sheet	18
Interim Condensed Consolidated Profit and Loss Account	19
Interim Condensed Consolidated Statement of Changes in Equity	20
Interim Condensed Consolidated Cash Flow Statement	21
Notes to the Interim Condensed Consolidated Financial Statements	22
Branch Network	24

# Corporate Information

## BOARD OF DIRECTORS

### CHAIRMAN

Yusuf H. Shirazi

### DIRECTORS

Frahim Ali Khan  
Manzoor Ahmed  
Sanaullah Qureshi  
Saqib H. Shirazi  
Stephan Blanke  
Tariq Amin

### CHIEF EXECUTIVE OFFICER

Aziz Rajkotwala

### COMPANY SECRETARY

Irfan Ibrahim Bhaiyat

### CHIEF FINANCIAL OFFICER

Cyrus T. Tengra

## BOARD COMMITTEES

### EXECUTIVE COMMITTEE

#### Chairman

Frahim Ali Khan

#### Members

Sanaullah Qureshi  
Saqib H. Shirazi  
Tariq Amin  
Aziz Rajkotwala

### AUDIT COMMITTEE

#### Chairman

Tariq Amin

#### Members

Frahim Ali Khan  
Stephan Blanke

### COMPLIANCE & RISK MGT. COMMITTEE

#### Chairman

Frahim Ali Khan

#### Members

Saqib H. Shirazi  
Aziz Rajkotwala

### HUMAN RESOURCE COMMITTEE

#### Chairman

Frahim Ali Khan

#### Members

Tariq Amin  
Aziz Rajkotwala

### AUDITORS

Ford Rhodes Sidat Hyder & Co.  
(Chartered Accountants)

### LEGAL ADVISORS

Mohsin Tayebally & Co.  
(Barristers & Advocates)

### TAX ADVISORS

Ford Rhodes Sidat Hyder & Co.  
(Chartered Accountants)

Lahore Law Associates

### REGISTRAR & SHARE TRANSFER OFFICE

THK Associates (Pvt.) Ltd.  
Ground floor, State Life Building-3,  
Dr. Ziauddin Ahmed Road, Karachi.  
UAN (92-21) 111-000-322  
Fax: (92-21) 5655595

### REGISTERED & HEAD OFFICE

3rd Floor, Federation House,  
Abdullah Shah Ghazi Road,  
Clifton, Karachi  
UAN (92-21) 111-333-225  
Fax: (92-21) 5870543  
E-mail: [info@atlasbank.com.pk](mailto:info@atlasbank.com.pk)  
Website: [www.atlasbank.com.pk](http://www.atlasbank.com.pk)

## Chairman Review

It is my pleasure to present the financial statements of your bank for the first quarter ended March 31, 2009.

### THE ECONOMY

The Pakistan economy is steadily improving and has remained immune to the global economic recession. The quarter ending March 31, 2009, saw a marked improvement in terms of fiscal deficit, easing of pressure on the balance of payment and reduction in the inflations figures. The fiscal deficit of the country, which stood at 1.9% of GDP during the first half as a result of cut in subsidies and restrained expenditures by the government, is on course for meeting the full year target of 4.2% set by IMF as part of the macroeconomic stabilization program for Pakistan. Also, the direct tax collection during the July-February period has increased to Rs.704 billion from Rs.585 billion during the corresponding period last year, depicting a rise of about 20% despite economic slowdown.

On the monetary front, the tight monetary policy stance of the central bank by raising the discount rate to 15% helped to control the surging M2 growth, which equaled 2.87% only during the July 1 - March 14 period in FY09 as compared to a growth of 7.61% during the same period last year. In the near future it is expected that the SBP will reduce the discounting rate which will improve the credit off take and help revive the economy.

In the overall perspective, the stabilization measures have put the economy on the recovery path. The stock market has started picking up, the Foreign Exchange Reserves have

crossed \$. 11billion and the bumper wheel crop is expected to provide the desired stimulus to the economy.

### FINANCIAL & OPERATIONAL REVIEW

During the last quarter of 2008 the Banking sector suffered from an unprecedented liquidity crunch. However during the first quarter the situation was back to normal. The deposits of your Bank rose to Rs.24.8 billion from Rs.18.65 billion as on December 31, 2008. Due to sluggish economic conditions the demand for credit remained suppressed and the advances at the end of the first quarter stood at Rs.19.85 billion against Rs.20.55 billion as on December 31, 2008.

During the first quarter your Bank posted after tax loss of Rs.452.48 million and its subsidiary, Atlas Capital Markets (Pvt.) Limited, incurred after tax loss of Rs.17.08 million. The consolidated after tax loss of the Bank stood at Rs.469.56 million.

Responding to the changed economic conditions, our focus during the first quarter remained on strengthening and strategically re-aligning our existing resources. Our efforts were predominantly targeted towards our core customer base and realignment in the existing spectrum of product and services. This helped to bring in new deposits and customers.

Keeping in view the high rate of interest and sluggish economic conditions there is now far greater focus on credit and portfolio quality. Intense portfolio reviews and stress tests are carried out to anticipate and minimize portfolio risks.

## Chairman Review

In future our focus will be mainly on SME financing and market trends and outlook will be closely monitored to maintain a healthy portfolio.

### CREDIT RATING

The PACRA and JCR-VIS, both the rating agencies had maintained the credit rating of Atlas Bank for long and short term at A- (Single A minus) and A2 (A two) respectively. These ratings reflect your Bank's management capabilities, financial strength and potential competence to establish a niche in the increasingly competitive banking sector.

### MERGER

As you are aware Atlas and KASB had entered into a memorandum of understanding for merger of both the banks which some how could not be materialized. However, in our continued commitment to be a stronger institution with a wider network coverage, the Boards of Atlas Bank and Saudi Pak Commercial Bank (SPCB) have agreed for a potential merger of the two banks after the majority shareholders of the SPCB entered into a Memorandum of Understanding with the sponsors of Atlas Bank for merger of Atlas into SPCB, subject to State Bank of Pakistan and other regulatory approvals. The combined entity would provide a much greater reach through its network of 100 plus strategically located branches, a suite of products and services and technologically driven delivery channels.

### FUTURE OUTLOOK

The bleak global economic outlook means that Pakistan's economic revival must perforce focus on fostering local and regional demands. Moreover, lowering inflation and limiting the twin deficits i.e. current account and trade deficit, in particular are key to enable a smooth transition from a stabilization economic framework to one focused on reviving growth. The recent trends in macroeconomic variables are quite encouraging which will help banking on the whole and ABK particularly.

ع۔ شاپین کا جہاں اور

(We look forward to beyond horizon)

### ACKNOWLEDGEMENT

I would like to thank the Board of Directors for their guidance and support and would like to express my sincere appreciation for the dedication, professionalism and sincere efforts of the management team led by Aziz Rajkotwala. I would also like to thank the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan for the support, guidance and diligent governance, the financial institutions, The DEG - Deutsche Investitions, Germany, and the customers for their patronage and shareholders for the trust and confidence they have reposed in your Bank.



Karachi:  
April 28, 2009

Yusuf H. Shirazi

# Interim Condensed Balance Sheet


As at March 31, 2009

	March 31, 2009	December 31, 2008
Note	----- (Rupees '000) ----- (Un-Audited)	----- (Rupees '000) ----- (Audited)
<b>ASSETS</b>		
Cash and balances with treasury banks	1,729,530	1,617,825
Balances with other banks	218,270	51,449
Lendings to financial institutions	1,747,476	114,000
Investments	4 2,834,580	2,990,906
Advances	5 19,851,935	20,549,869
Operating fixed assets	1,276,057	1,255,567
Deferred tax assets	1,110,287	1,010,349
Other assets	6 1,635,660	1,377,062
	<u>30,403,795</u>	<u>28,967,027</u>
<b>LIABILITIES</b>		
Bills payable	265,800	255,742
Borrowings	871,417	5,323,425
Deposits and other accounts	7 24,795,573	18,646,412
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	1,060,243	1,084,504
	<u>26,993,033</u>	<u>25,310,083</u>
<b>NET ASSETS</b>	<u>3,410,762</u>	<u>3,656,944</u>
<b>REPRESENTED BY</b>		
Share capital	5,001,466	5,001,466
Reserves	580,031	580,031
Accumulated loss	(1,784,414)	(1,331,930)
	<u>3,797,083</u>	<u>4,249,567</u>
Deficit on revaluation of assets - net of tax	(386,321)	(592,623)
	<u>3,410,762</u>	<u>3,656,944</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	8	

The annexed notes 1 to 12 form an integral part of these interim condensed financial statements.

The details of valuation of investments, impairment and impact on profit and loss account are given in Note 4.2.

  
Aziz Rajkotwala  
Chief Executive Officer

  
Yusuf H. Shirazi  
Chairman

  
Tariq Amin  
Director

  
Sanauallah Qureshi  
Director

## Interim Condensed Profit and Loss Account (Un-Audited)


For the quarter ended March 31, 2009

	March 31, 2009	March 31, 2008
	(Rupees '000)	
Mark-up / return / interest earned	849,301	470,283
Mark-up / return / interest expensed	815,934	361,336
Net mark-up / interest income	33,367	108,947
Provision / (reversal) of provision for non-performing loans and advances	130,010	(23,610)
Provision for diminution in the value of investments	137,647	-
Bad debts written off directly	-	-
	267,657	(23,610)
Net mark-up / interest (loss) / income after provisions	(234,290)	132,557
<b>Non mark-up / interest income</b>		
Fee, commission and brokerage income	12,891	15,407
Dividend income	3,480	5,794
Income from dealing in foreign currencies	(18,771)	546
Gain on sale / redemption of securities	845	70,251
Unrealised gain on revaluation of investments classified as held for trading	-	84
Other income	7,645	1,598
Total non mark-up / interest income	6,090	93,680
	(228,200)	226,237
<b>Non mark-up / interest expenses</b>		
Administrative expenses	417,708	311,151
Other provisions / write offs	4,165	98
Other charges	100	24
Total non mark-up / interest expenses	421,973	311,273
	(650,173)	(85,036)
Extraordinary / unusual items	-	-
<b>Loss before taxation</b>	(650,173)	(85,036)
Taxation - Current	-	3,946
- Prior years	-	-
- Deferred	(197,689)	(34,180)
	(197,689)	(30,234)
<b>Loss after taxation</b>	(452,484)	(54,802)
Accumulated loss brought forward	(1,331,930)	(321,371)
Accumulated loss carried forward	(1,784,414)	(376,173)
<b>Loss per share - Basic and diluted (Rupee)</b>	(0.90)	(0.11)

The annexed notes 1 to 12 form an integral part of these interim condensed financial statements.

The details of valuation of investments, impairment and impact on profit and loss account are given in Note 4.2.

  
Aziz Rajkotwala  
Chief Executive Officer

  
Yusuf H. Shirazi  
Chairman

  
Tariq Amin  
Director

  
Sanauallah Qureshi  
Director

## Interim Condensed Statement of Changes in Equity (Un-Audited)


For the quarter ended March 31, 2009

	Issued, subscribed and paid-up share capital	Capital Reserves		Accumulated loss	Total
		Share premium	Statutory reserve		
(Rupees '000)					
<b>Balance as at January 1, 2008</b>	5,001,466	577,537	2,494	(321,371)	5,260,126
Loss after taxation for the quarter ended March 31, 2008	-	-	-	(54,802)	(54,802)
<b>Balance as at March 31, 2008</b>	5,001,466	577,537	2,494	(376,173)	5,205,324
Loss after taxation for the period ended December 31, 2008	-	-	-	(955,757)	(955,757)
<b>Balance as at December 31, 2008</b>	5,001,466	577,537	2,494	(1,331,930)	4,249,567
Loss after taxation for the quarter ended March 31, 2009	-	-	-	(452,484)	(452,484)
<b>Balance as at March 31, 2009</b>	<u>5,001,466</u>	<u>577,537</u>	<u>2,494</u>	<u>(1,784,414)</u>	<u>3,797,083</u>

The annexed notes 1 to 12 form an integral part of these interim condensed financial statements.

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**Aziz Rajkotwala**  
 Chief Executive Officer

  
**Yusuf H. Shirazi**  
 Chairman

  
**Tariq Amin**  
 Director

  
**Sanaullah Qureshi**  
 Director




## Interim Condensed Cash Flow Statement (Un-Audited)

For the quarter ended March 31, 2009

	March 31, 2009	March 31, 2008
	----- (Rupees '000) -----	
<b>Cash flow from operating activities</b>		
Loss before taxation	(650,173)	(85,036)
Less: Dividend income	3,480	5,794
	(653,653)	(90,830)
<b>Adjustments</b>		
Depreciation	30,717	17,395
Amortisation	2,821	1,396
Provision / (reversal) of provision against non-performing advances	130,010	(23,610)
Other provisions / write offs	2,564	-
Provision for diminution in the value of investments	137,647	-
Gain on disposal of fixed assets	(507)	(67)
Write-off against investment	-	98
	303,252	(4,788)
	(350,401)	(95,618)
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(1,633,476)	1,529,493
Held-for-trading securities	4,099	4,150
Advances	567,924	(3,301,808)
Other assets (excluding current taxation)	(254,722)	(419,976)
	(1,316,175)	(2,188,141)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	10,058	(17,697)
Borrowings	(4,452,008)	1,084,571
Deposits	6,149,161	730,049
Other liabilities	(24,261)	70,364
	1,682,950	1,867,287
	16,374	(416,472)
Income tax paid	(2,506)	(2,269)
<b>Net cash flow from / (used in) operating activities</b>	13,868	(418,741)
<b>Cash flow from investing activities</b>		
Net investment in available-for-sale securities	318,633	714,615
Net investment in held-to-maturity securities	-	108,329
Dividend received	3,711	2,662
Investments in operating fixed assets	(62,740)	(153,032)
Sale proceeds of operating fixed assets	5,054	3,430
Net cash flow from investing activities	264,658	676,004
Cash flow from financing activities	-	-
Increase in cash and cash equivalents	278,526	257,263
Cash and cash equivalents at the beginning of the quarter	1,669,274	1,716,652
Cash and cash equivalents at the end of the quarter	1,947,800	1,973,915

The annexed notes 1 to 12 form an integral part of these interim condensed financial statements.

  
Aziz Rajkotwala  
Chief Executive Officer

  
Yusuf H. Shirazi  
Chairman

  
Tariq Amin  
Director

  
Sanallah Qureshi  
Director

# Notes to the Interim Condensed Financial Statements (Un-Audited)

For the quarter ended March 31, 2009

## 1. STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Bank Limited (the Bank) was incorporated in Pakistan on July 17, 2003 as a Public Limited Company under the Companies Ordinance, 1984 with the object of conducting banking business and related services and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Bank commenced its commercial operations effective March 25, 2004. The registered office of the Bank is situated at Third Floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi and it operates with 40 branches in Pakistan.
- 1.2 The State Bank of Pakistan (SBP) vide BSD Circular No. 7 of 2009 dated April 15, 2009 has increased the Minimum Capital Requirement for banks upto Rs.10 billion (previously upto Rs.23 billion vide BSD Circular No. 19 of 2008 dated September 5, 2008) to be achieved in a phased manner by December 31, 2013. Keeping in view the said requirements, the Bank had approved in principle to merge with KASB Bank. This did not materialize. The Board of Directors of the Bank have now agreed for a potential merger with Saudi Pak Commercial Bank (SPCB). The said merger is subject to the terms and conditions to be finalized between the Bank and SPCB, approval of scheme of amalgamation by the shareholders of both the entities, and sanction by the SBP. The management believes that the proposed amalgamation of the Bank would have no material impact on the carrying values of assets and liabilities as reflected in these interim condensed financial statements and hence, no adjustments in this regard have been considered necessary in these interim condensed financial statements.

## 2. STATEMENT OF COMPLIANCE

- 2.1 These interim condensed financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the SECP and the SBP differ with the requirements of the IFRS, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962, or the requirements of the said directives prevail.
- 2.2 The SBP as per BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking companies till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirement of various circulars issued by SBP.
- 2.3 The disclosures made in these interim condensed financial statements, have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated May 12, 2004, and IAS-34 "Interim Financial Reporting". Accordingly, these condensed financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2008.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2008.

#### 4. INVESTMENTS

	March 31, 2009 (Un-Audited)			December 31, 2008 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Note	----- (Rupees '000) -----					
INVESTMENTS BY TYPES						
Held-for-trading securities						
Listed Companies (ordinary shares)	-	-	-	4,395	-	4,395
Available-for-sale securities						
Listed Companies (ordinary shares)	690,083	-	690,083	686,646	-	686,646
Mutual Funds (units / certificates)	314,517	-	314,517	314,517	-	314,517
Term Finance Certificates	665,022	-	665,022	543,847	100,000	643,847
Pakistan Investment Bonds	1,001,435	-	1,001,435	257,832	747,432	1,005,264
Market Treasury Bills	447,150	-	447,150	-	786,566	786,566
Unlisted Companies (ordinary shares) 4.1	31,000	-	31,000	31,000	-	31,000
	3,149,207	-	3,149,207	1,833,842	1,633,998	3,467,840
Subsidiary						
Unlisted Company - Atlas Capital Markets (Pvt.) Ltd.	396,942	-	396,942	396,942	-	396,942
Total Investments at cost	3,546,149	-	3,546,149	2,235,179	1,633,998	3,869,177
Less: Provision for diminution in value of Investments 4.2	(140,011)	-	(140,011)	(2,363)	-	(2,363)
Investments (Net of Provisions)	3,406,138	-	3,406,138	2,232,816	1,633,998	3,866,814
Deficit on revaluation of Held-for-trading securities	-	-	-	(296)	-	(296)
Deficit on revaluation of Available-for-sale securities	(571,558)	-	(571,558)	(695,767)	(179,845)	(875,612)
Total investments at market value	2,834,580	-	2,834,580	1,536,753	1,454,153	2,990,906

4.1 Includes investment amounting to Rs.30 million in Atlas Asset Management Limited, a related party.

4.2 This includes impairment loss of Rs.136.28 million on listed equity securities and mutual fund units recognized in accordance with the requirements as laid down in BSD Circular No. 4 dated February 13, 2009 of the SBP and also as explained in Note 19.1 of the audited financial statements for the year ended December 31, 2008. The recognition of full impairment loss based on market values as of March 31, 2009 would have had the following effect on these interim condensed financial statements.

	<b>March 31, 2009</b>
	<b>(Rupees'000)</b>
Increase in provision for diminution in the value of investments	408,853
Increase in reversal of tax for the quarter	143,099
Increase in loss after tax for the quarter	265,754
Decrease in deficit on revaluation of assets - net of tax	265,754
Increase in accumulated loss	265,754
	<b>(Rupee)</b>
Increase in loss per share	0.53

	March 31, 2009 (Un-Audited)	December 31, 2008 (Audited)
	(Rupees '000)	
<b>5. ADVANCES</b>		
Loans, cash credits, running finances, etc. In Pakistan	19,380,383	19,695,612
Net investment in finance lease In Pakistan	1,308,002	1,532,854
Bills discounted and purchased (excluding market treasury bills)		
Payable in Pakistan	24,635	21,301
Payable outside Pakistan	29,150	39,367
	53,785	60,668
Financing in respect of Continuous Funding System (CFS)	-	24,802
Advances - gross	20,742,170	21,313,936
Provision for non-performing advances		
- specific	(885,600)	(759,245)
- general (against consumer financing)	(4,635)	(4,822)
	(890,235)	(764,067)
Advances - net of provision	19,851,935	20,549,869

5.1 Advances include Rs.2,020.43 million (December 31, 2008: Rs.1,467.94 million) which have been placed under non-performing status as detailed below:

Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	----- Rupees '000 -----				
Other Assets Especially Mentioned	-	-	-	-	-
Substandard	726,112	-	726,112	120,390	120,390
Doubtful	696,294	-	696,294	273,707	273,707
Loss	598,024	-	598,024	491,503	491,503
	2,020,430	-	2,020,430	885,600	885,600

## 6. OTHER ASSETS

Includes Rs.377.42 million representing carrying value of goodwill as of March 31, 2009 (December 31, 2008: Rs.377.42 million).

## 7. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2009 (Un-Audited)	December 31, 2008 (Audited)
	(Rupees '000)	
<b>Customers</b>		
Fixed deposits	12,984,657	9,522,909
Savings deposits	5,780,892	4,261,063
Current accounts - Non-remunerative	2,031,886	2,476,985
Margin and other accounts - Non-remunerative	74,300	84,575
	20,871,735	16,345,532
<b>Financial Institutions</b>		
Remunerative deposits	3,916,262	2,292,161
Non-remunerative deposits	7,576	8,719
	3,923,838	2,300,880
	24,795,573	18,646,412
<b>7.1 Particulars of deposits</b>		
In local currency	23,283,887	17,941,993
In foreign currencies	1,511,686	704,419
	24,795,573	18,646,412

## 8. CONTINGENCIES AND COMMITMENTS

### 8.1 Direct credit substitutes

Includes general guarantees of indebtedness favouring:

i) Government	30,562	18,480
ii) Banking companies and other financial institutions	-	11,548
iii) Others	1,978	24,151
	32,540	54,179

### 8.2 Transaction-related contingent liabilities

Includes performance bonds, bid bonds, shipping guarantees favouring:

i) Government	356,091	409,384
ii) Banking companies and other financial institutions	27,817	92,440
iii) Others	290,665	125,267
	674,573	627,091

### 8.3 Trade-related contingent liabilities

Letter of credit

1,168,782	1,156,373
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### 8.4 Commitment in respect of forward lending

- commitment to extend credit

6,432,593	6,034,214
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### 8.6 Commitment in respect of forward exchange contracts

- purchase

2,275	737,466
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- sale

1,575	343,196
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### 8.7 Commitment for the acquisition of operating fixed assets

79,194	79,400
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## 9. RELATED PARTY TRANSACTIONS

Transactions with related parties are at arm's length prices, except for transactions with executives that are undertaken in accordance with their terms of employment.

The details of transactions with related parties during the quarter ended March 31, 2009, is as follows:

	As of	
	March 31, 2009 ----- (Rupees '000) ----- (Un-Audited)	December 31, 2008 (Audited)
<b>Key management personnel</b>		
<b>Advances</b>		
As at Jan, 01	82,469	41,191
Disbursements	20,000	49,926
Repayments	(3,515)	(8,648)
As at March, 31 / December, 31	98,954	82,469
<b>Deposits</b>		
As at Jan, 01	29,924	19,240
Receipts	74,826	1,388,946
Withdrawals / Deletion	(85,631)	(1,378,262)
As at March, 31 / December, 31	19,119	29,924
<b>Subsidiary</b>		
<b>Advances</b>		
Running Finance	73,210	112,973
<b>Deposits</b>		
As at Jan, 01	2,566	2,235
Receipts	36,485	559,420
Withdrawals	(29,940)	(559,089)
As at March, 31 / December, 31	9,111	2,566
<b>Entities having directors in common with the Bank</b>		
<b>Advances</b>		
As at Jan, 01	533,221	197,782
Disbursements / additions	225,000	387,299
Repayments	(491,369)	(51,860)
As at March, 31 / December, 31	266,852	533,221
Running Finance	38,159	98
Facilities in respect of non-funded exposure	82,831	316,842
<b>Deposits</b>		
As at Jan, 01	1,491,635	2,394,598
Receipts	7,644,556	38,319,932
Withdrawals	(8,436,087)	(39,222,895)
As at March, 31 / December, 31	700,104	1,491,635

	For the period ended	
	March 31, 2009 ----- (Un-Audited)	March 31, 2008 ----- (Un-Audited)
(Rupees '000)		
<b><u>Key management personnel</u></b>		
Mark-up / return / interest earned	1,385	418
Mark-up / return / interest expensed	699	485
<b><u>Subsidiary</u></b>		
Mark-up / return / interest earned	3,883	2,796
Mark-up on deposit	293	35
Corporate advisory fees paid	-	500
Brokerage expense paid	73	117
Sharing of rent and other expenses	-	283
<b><u>Employee benefit plans</u></b>		
Payments to Atlas Bank Limited Employees Provident Fund	9,269	5,821
<b><u>Entities having directors in common with the Bank</u></b>		
Mark-up / return / interest earned	18,390	7,374
Mark-up / return / interest expensed	46,030	16,437
Rent paid	2,700	2,700
Sharing of rent expenses	789	283
Insurance premium paid	7,780	-
Insurance claim received	1,045	2,183
Printing & stationary expense	32	81
Purchase / repair of photocopier, PABX etc.	703	1,003
Purchase of motor vehicles	-	7,023
Advance for purchase of Motor Vehicles	-	2,806
Operating lease rental income	-	2,710
Redemption of mutual fund units	-	255,605

## 10. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES (Un-Audited)

The segment results for the quarter ended are as follows:

	Trading & Sales	Retail Banking	Commercial Banking	Payment & Agency Settlement Services	Total	
March 31, 2009	(Rupees '000)					
Total income	95,718	488,279	270,468	704	222	855,391
Total expenses	268,293	737,339	499,932	-	-	1,505,564
Net income / (loss) before tax	<u>(172,575)</u>	<u>(249,060)</u>	<u>(229,464)</u>	<u>704</u>	<u>222</u>	<u>(650,173)</u>
March 31, 2008						
Total income	105,914	333,141	124,310	509	89	563,963
Total expenses	61,103	484,029	103,867	-	-	648,999
Net income / (loss) before tax	<u>44,811</u>	<u>(150,888)</u>	<u>20,443</u>	<u>509</u>	<u>89</u>	<u>(85,036)</u>


## 11. GENERAL

Figures have been rounded off to the nearest thousand rupees.

## 12. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors on April 28, 2009.

  
**Aziz Rajkotwala**  
Chief Executive Officer

  
**Yusuf H. Shirazi**  
Chairman

  
**Tariq Amin**  
Director

  
**Sanauallah Qureshi**  
Director



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**Atlas Bank Limited**

Interim Condensed Consolidated Financial Statements  
For the Quarter Ended March 31, 2009

# Interim Condensed Consolidated Balance Sheet


As at March 31, 2009

Note	March 31, 2009	December 31, 2008
	(Rupees '000) (Un-Audited)	(Rupees '000) (Audited)
<b>ASSETS</b>		
	1,729,602	1,617,828
	233,772	116,223
	1,747,476	114,000
5	2,437,638	2,608,069
	19,779,866	20,450,661
	1,442,324	1,430,367
	1,117,126	1,017,189
	2,065,241	1,869,792
	<u>30,553,045</u>	<u>29,224,129</u>
<b>LIABILITIES</b>		
	265,800	255,742
	980,098	5,510,101
	24,794,696	18,643,846
	-	-
	-	-
	-	-
	1,153,087	1,192,677
	<u>27,193,681</u>	<u>25,602,366</u>
<b>NET ASSETS</b>		
	<u>3,359,364</u>	<u>3,621,763</u>
<b>REPRESENTED BY</b>		
	5,001,466	5,001,466
	580,031	580,031
	(1,835,812)	(1,366,254)
	<u>3,745,685</u>	<u>4,215,243</u>
	(386,321)	(593,480)
	<u>3,359,364</u>	<u>3,621,763</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
6		

The annexed notes from 1 to 8 form an integral part of these interim condensed consolidated financial statements.

The details of valuation of investments, impairment and impact on profit and loss account are given in Note 5.

  
Aziz Rajkotwala  
Chief Executive Officer

  
Yusuf H. Shirazi  
Chairman

  
Tariq Amin  
Director

  
Sanauallah Qureshi  
Director

## Interim Condensed Consolidated Profit and Loss Account (Un-Audited)


For the quarter ended March 31, 2009

	March 31, 2009	March 31, 2008
	----- (Rupees '000) -----	
Mark-up / return / interest earned	845,426	462,776
Mark-up / return / interest expensed	821,645	366,503
Net mark-up / interest income	23,781	96,273
Provision / (reversal) of provision for non-performing loans and advances	130,010	(23,610)
Provision for diminution in the value of investments	137,647	-
Bad debts written off directly	-	-
	267,657	(23,610)
Net mark-up / interest (loss) / income after provisions	(243,876)	119,883
<b>Non mark-up / interest income</b>		
Fee, commission and brokerage income	20,865	52,497
Dividend income	3,480	5,794
Income from dealing in foreign currencies	(18,771)	546
Gain on sale / redemption of securities	821	81,267
Unrealised gain / (loss) on revaluation of investments classified as held for trading	-	(4,449)
Other income	18,042	15,769
Total non mark-up / interest income	24,437	151,424
	(219,439)	271,307
<b>Non mark-up / interest expenses</b>		
Administrative expenses	437,375	342,615
Other provisions / write offs	4,165	98
Other charges	5,952	24
Total non mark-up / interest expenses	447,492	342,737
	(666,931)	(71,430)
Extraordinary items / unusual items	-	-
<b>Loss before taxation</b>	(666,931)	(71,430)
Taxation - Current	316	10,532
- Prior years	-	-
- Deferred	(197,689)	(34,180)
	(197,373)	(23,648)
<b>Loss after taxation</b>	(469,558)	(47,782)
Accumulated loss brought forward	(1,366,254)	(295,047)
Accumulated loss carried forward	(1,835,812)	(342,829)
<b>Loss per share - Basic and diluted (Rupee)</b>	(0.94)	(0.10)

The annexed notes from 1 to 8 form an integral part of these interim condensed consolidated financial statements.

The details of valuation of investments, impairment and impact on profit and loss account are given in Note 5.

  
Aziz Rajkotwala  
Chief Executive Officer

  
Yusuf H. Shirazi  
Chairman

  
Tariq Amin  
Director

  
Sanaullah Qureshi  
Director


## Interim Condensed Consolidated Statement of Changes in Equity (Un-Audited)

For the quarter ended March 31, 2009

	Issued, subscribed and paid-up share capital	Capital Reserves		Accumulated loss	Total
		Share premium	Statutory reserve		
(Rupees '000)					
<b>Balance as at January 1, 2008</b>	5,001,466	577,537	2,494	(295,047)	5,286,450
Loss after taxation for the quarter ended March 31, 2008	-	-	-	(47,782)	(47,782)
<b>Balance as at March 31, 2008</b>	5,001,466	577,537	2,494	(342,829)	5,238,668
Loss after taxation for the period ended December 31, 2008	-	-	-	(1,023,425)	(1,023,425)
<b>Balance as at December 31, 2008</b>	5,001,466	577,537	2,494	(1,366,254)	4,215,243
Loss after taxation for the quarter ended March 31, 2009	-	-	-	(469,558)	(469,558)
<b>Balance as at March 31, 2009</b>	5,001,466	577,537	2,494	(1,835,812)	3,745,685

The annexed notes from 1 to 8 form an integral part of these interim condensed consolidated financial statements.

  
**Aziz Rajkotwala**  
Chief Executive Officer

  
**Yusuf H. Shirazi**  
Chairman

  
**Tariq Amin**  
Director

  
**Sanauallah Qureshi**  
Director


## Interim Condensed Consolidated Cash Flow Statement (Un-Audited)

For the quarter ended March 31, 2009

	March 31, 2009	March 31, 2008
	----- (Rupees '000) -----	
<b>Cash flows from operating activities</b>		
Loss before taxation	(666,931)	(71,430)
Less: Dividend income	3,480	5,794
	(670,411)	(77,224)
<b>Adjustments</b>		
Depreciation	32,400	19,283
Amortisation	2,988	1,626
Provision / (reversal) of provision against non-performing advances	130,010	(23,610)
Other provisions / write offs	4,165	-
Provision for diminution in the value of investments	137,647	-
Loss / (gain) on disposal of fixed assets	5,345	(67)
Write-off against investment	-	98
	312,555	(2,670)
	(357,856)	(79,894)
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(1,633,476)	1,529,493
Held-for-trading securities	4,469	(43,878)
Advances	540,785	(3,086,184)
Other assets (excluding current taxation )	(190,874)	868,248
	(1,279,096)	(732,321)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	10,058	(17,697)
Borrowings	(4,530,003)	1,044,638
Deposits	6,150,850	731,514
Other liabilities	(39,590)	(1,278,192)
	1,591,315	480,263
	(45,637)	(331,952)
	(3,514)	(8,711)
<b>Net cash flow (used in) / from operating activities</b>	(49,151)	(340,663)
<b>Cash flow from investing activities</b>		
Net investment in available-for-sale securities	333,227	714,615
Net investment in held-to-maturity securities	-	108,329
Dividend received	3,711	2,662
Investments in operating fixed assets	(64,736)	(157,317)
Sale proceeds of operating fixed assets	6,272	4,071
<b>Net cash flow from / (used in) from investing activities</b>	278,474	672,360
<b>Cash flow from financing activities</b>	-	-
<b>Increase in cash and cash equivalents</b>	229,323	331,697
Cash and cash equivalents at the beginning of the quarter	1,734,051	1,731,236
<b>Cash and cash equivalents at the end of the quarter</b>	1,963,374	2,062,933

The annexed notes from 1 to 8 form an integral part of these interim condensed consolidated financial statements.

  
Aziz Rajkotwala  
Chief Executive Officer

  
Yusuf H. Shirazi  
Chairman

  
Tariq Amin  
Director

  
Sanauallah Qureshi  
Director

# Notes to the Interim Condensed Consolidated Financial Statements (Un-Audited)

For the quarter ended March 31, 2009

## 1. GROUP AND ITS OPERATIONS

- 1.1 The group comprise of Atlas Bank Limited - the holding company and Atlas Capital Markets (Private) Limited - a wholly owned subsidiary.
- 1.2 Atlas Bank Limited (the Bank) was incorporated on July 17, 2003 as a Public Limited Company under the Companies Ordinance, 1984 with the object of conducting banking business and related services and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Bank commenced its commercial operations effective March 25, 2004.
- 1.3 The Atlas Capital Markets (Private) Limited (the subsidiary company) was incorporated in Pakistan on March 08, 2006 under the Companies Ordinance, 1984. The subsidiary company is a corporate member of Karachi Stock Exchange (Guarantee) Limited, Lahore Stock Exchange (Guarantee) Limited, Islamabad Stock Exchange (Guarantee) Limited and National Commodity Exchange Limited. The principal activities of the subsidiary company are equity and money market brokerage, advisory and consultancy services.
- 1.4 The principal place of business of the Bank is situated at Third Floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi and the registered office of the subsidiary company is situated at 209-B, 2nd Floor, Park Towers, Abdullah Shah Ghazi Road, Clifton, Karachi.
- 1.5 The State Bank of Pakistan (SBP) vide BSD Circular No. 7 of 2009 dated April 15, 2009 has increased the Minimum Capital Requirement for banks upto Rs.10 billion (previously upto Rs.23 billion vide BSD Circular No. 19 of 2008 dated September 5, 2008) to be achieved in a phased manner by December 31, 2013. Keeping in view the said requirements, the Bank had approved in principle to merge with KASB Bank. This did not materialize. The Board of Directors of the Bank have now agreed for a potential merger with Saudi Pak Commercial Bank (SPCB). The said merger is subject to the terms and conditions to be finalized between the Bank and SPCB, approval of scheme of amalgamation by the shareholders of both the entities, and sanction by the SBP. The management believes that the proposed amalgamation of the Bank would have no material impact on the carrying values of assets and liabilities as reflected in these interim condensed consolidated financial statements and hence, no adjustments in this regard have been considered necessary in these interim condensed consolidated financial statements.

## 2. STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the SECP and the SBP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962, or the requirements of the said directives shall prevail.

## 3. BASIS OF CONSOLIDATION

These consolidated financial statements comprise the financial statements of the Bank and its subsidiary company. The financial statements of the subsidiary company have been prepared using consistent accounting policies. Material intra-group balances and transactions have been eliminated for the purposes of consolidation.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Bank for the year ended December 31, 2008.

5. This is net of impairment loss of Rs.136.28 million on listed equity securities and mutual fund units recognized in accordance with the requirements as laid down in BSD Circular No. 4 dated February 13, 2009 of the SBP and also as explained in Note 19.1 of the audited consolidated financial statements for the year ended December 31, 2008. The recognition of full impairment loss based on market values as of March 31, 2009 would have had the following effect on these interim condensed consolidated financial statements.

	<b>March 31, 2009 (Rupees'000)</b>
Increase in provision for diminution in the value of investments	408,853
Increase in reversal of tax for the quarter	143,099
Increase in loss after tax for the quarter	265,754
Decrease in deficit on revaluation of assets - net of tax	265,754
Increase in accumulated loss	265,754
	<b>(Rupee)</b>
Increase in loss per share	0.53

March 31, 2009 ----- (Un-Audited)	December 31, 2008 ----- (Audited)
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## 6. CONTINGENCIES AND COMMITMENTS

### 6.1 Direct credit substitutes

Includes general guarantees of indebtedness, favouring:

i) Government	30,562	18,480
ii) Banking companies and other financial institutions	-	11,548
iii) Others	1,978	99,151
	32,540	129,179

### 6.2 Transaction-related contingent liabilities

Includes performance bonds, bid bonds, shipping guarantees favouring:

i) Government	356,091	409,384
ii) Banking companies and other financial institutions	27,817	92,440
iii) Others	290,665	125,267
	674,573	627,091

### 6.3 Trade related contingent liabilities

Letter of credit

1,168,782	1,156,373
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### 6.4 Commitment in respect of forward lending

- commitment to extend credit

6,432,593	6,034,214
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- financing in respect of continuous funding system

-	12,361
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### 6.5 Commitment in respect of forward exchange contracts

- purchase

2,275	737,466
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- sale

1,575	343,196
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### 6.6 Commitment for the acquisition of operating fixed assets

79,194	79,400
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## 7. GENERAL

Figures have been rounded off to the nearest thousand rupees.

## 8. DATE OF AUTHORISATION FOR ISSUE

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on April 28, 2009.



**Aziz Rajkotwala**  
Chief Executive Officer



**Yusuf H. Shirazi**  
Chairman



**Tariq Amin**  
Director



**Sanauallah Qureshi**  
Director



## Branch Network

S.No.	Name	Address	Telephone	Fax
01	Bahadurabad Branch	28-Adam Arcade, Sub Plot # B/7 & B/8, Block # 3, BMCHS, Karachi	☎ 021-4145317, 4145321-23	☎ 021-4145324
02	Cloth Market Branch	41, Saleh Muhammad Street, Cloth Market, Karachi	☎ 021-2461601-3	☎ 021-2461608
03	DHA Phase-1 Branch	101-C, Commercial Area 'B', Phase-1 DHA, Karachi	☎ 021-5314062, 5314064-7,	☎ 021-5314070
04	Khayaban-e-Tanzeem Branch	4-C, Tauheed Commercial, Khayaban-e-Tanzeem, Phase-5, DHA, Karachi	☎ 021-5869147, 5810977, 5871640, 5869427	☎ 021-5869342
05	Khayaban-e-Shahbaz Branch	Plot No. 21-C Khayaban-e-Shahbaz, Phase VI, DHA Karachi	☎ 021-5344936-5344957 5344963-5344966	☎ 021-5344942
06	Hasan Square Branch	I/15, Hassan Square, Block 13/A, Gulshan-e-Iqbal, Karachi	☎ 021-4818759-60, 4818763, 4818766	☎ 021-4818720
07	I. I. Chundrigar Road Branch	P&O Plaza (ex-Volkart Building), I. I. Chundrigar Road, Karachi	☎ 021-2463746-50	☎ 021-2463744
08	Korangi Industrial Area Branch	37/9, Sector 15, Korangi Industrial Area, Karachi	☎ 021-5121240-43	☎ 021-5121251
09	KPT Interchange Branch	Honda Defence Building, 67/1, Korangi Road, KPT Interchange, Karachi	☎ 021-5205480-81 Ext. 3156-9	☎ 021-5318857
10	Shahrah-e-Faisal Branch	44/A-Nice Trade Orbit, Shop 8, Block-6, PECHS, Shahrah-e-Faisal, Karachi	☎ 021-4328426-7	☎ 021-4386180
11	SITE Branch	B/53, Estate Avenue, SITE Area, Karachi	☎ 021-2587535-37, 2554702-05	☎ 021-2587672
12	Jodia Bazar Branch	Plot # 65, N.P.2, Napier Quarter, Karachi	☎ 021-2537845-48	☎ 021-2537842
13	Zaibunnisa Street Branch	B-6/16-A, Sadar Bazar Quarters, Zaibunnisa Street, Karachi	☎ 021-5660612, 5660615	☎ 021-5224761
14	Hyderi Branch	Plot No. D-10, Block-F, North Nazimabad, Karachi	☎ 021-6724982-86	☎ 021-6724987
15	G.T. Road Branch	Hammad Plaza, G.T. Road, Gujranwala	☎ 051-3516431-34	☎ 051-3516435
16	Minara Road Branch	C.S. No. C-550, Plot # 10-B, 10-C, Regent Colony, Sukkur	☎ 071-5626291,318,334,336	☎ 071-5626340
17	Azam Cloth Branch	285-286, Punjab Block, Azam Cloth Market, Lahore	☎ 042-7642390-4, 7661686, 7642394	☎ 042-7661863
18	Circular Road Branch	1 SE, 38-R-55/D, Circular Road, Lahore	☎ 042-7379209-10-11, 7379213	☎ 042-7379212
19	Faisal Town Branch	853/D, Akbar Chowk, Faisal Town, Lahore	☎ 042-5204101-2	☎ 042-5204104
20	Gulberg Branch	131/A-E-1, Gulberg-III, Lahore	☎ 042-5871740-43, 45	☎ 042-5871744
21	Model Town Branch	14-15, Central Commercial Market, Model Town, Lahore	☎ 042-5915540-48	☎ 042-5915549
22	PASSCO House Branch	PASSCO House, 11, Kashmir Road, Adjacent LDA Plaza, Lahore	☎ 042-6300670-1, 6300673-4	☎ 042-6310362
23	The Mall Branch	56, Ground Floor, Sharah-e-Quaid-e-Azam (The Mall), Lahore	☎ 042-6284801-4, 6284799	☎ 042-6284805
24	Z Block DHA Branch	323-Z, DHA, Phase-3, Lahore	☎ 042-5693113-5	☎ 042-5693117
25	Blue Area Branch	24-West Raza Noor Plaza, Jinnah Avenue, Blue Area, Islamabad	☎ 051-2871630-32	☎ 051-2871596
26	F-11 Markaz Branch	28-Alkaram Plaza, F-11 Markaz, Islamabad	☎ 051-2228027-28	☎ 051-2228365
27	F-6 Markaz Branch	2-Fateh Plaza, Block C, Super Market, F-6 Markaz, Islamabad	☎ 051-2601701-3	☎ 051-2601710
28	Mirpur Branch	Ghazi Archade, 6-B/3, Part II, Allama Iqbal Road, Mirpur, Azad Kashmir	☎ 05827-446406-9	☎ 05827-445405
29	Kotwali Road Branch	P-12, Kotwali Road, Faisalabad	☎ 041-2412151-53	☎ 041-2412154
30	G. T. Road Branch	B/11-S7/103, G. T. Road, Gujranwala	☎ 055-3842751, 29	☎ 055-3842890
31	G. T. Road Branch	Small Estate, G. T. Road, Gujrat	☎ 053-3533934	☎ 053-3533995
32	Saddar Branch	91/3-4, Saddar, Behind Cantonment Police Station, Hyderabad	☎ 022-2730054	☎ 022-2730046
33	Abdali Road Branch	77, Abdali Tower, Moaza Taraf Ismail, Abdali Road, Multan	☎ 061-4575264,269, 4500253, 4500258, 4575918	☎ 061-4575249
34	Sadar Branch	Shop # 4, Jasmine Arcade, Fakhar-e-Alam Road, Peshawar	☎ 091-5260185,6	☎ 091-5260917
35	M. A. Jinnah Road Branch	20-21, Ward No. 18, Main M. A. Jinnah Road, Quetta	☎ 081-2842369-70, 2842372	☎ 081-2842374
36	Bank Road Branch	60, Bank Road, Rawalpindi	☎ 051-5120778-80, 5564123	☎ 051-5528148
37	Club Road Branch	2-B, Civil Lines, Club Road, Sargodha	☎ 048-3741845-7, 3729197-8	☎ 048-3741843
38	Paris Road Branch	B1,16S, 71/A/1, Paris Road, Sialkot	☎ 052-4602712-17	☎ 052-4598849
39	Canitt. Branch	Day Building 1482/A, Abdul Rehman Road, Lahore	☎ 042-6603062-65	☎ 042-6603065
40	Kamoki Branch	Madni Trade Centre, G.T. Road, Kamoki	☎ 055-6815181-4	☎ 055-6815180

## **Atlas Bank Limited**

3rd Floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi-75600

**UAN:** 111-333-225 **Fax:** (92-21) 5870543 **Email:** [info@atlasbank.com.pk](mailto:info@atlasbank.com.pk)

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