

**QUARTERLY
REPORT
March 31, 2008**



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COMPANY INFORMATION**BOARD OF DIRECTORS**

Chairman	Yusuf H. Shirazi
Chief Executive	Arshad P. Rana
Directors	Ali H. Shirazi
	Frahim Ali Khan
	Jawaid Iqbal Ahmed
	Muhammad Faruque
	Omar Saeed
Company Secretary	Qudsia Naheed

AUDIT COMMITTEE

Chairman	Omar Saeed
Members	Frahim Ali Khan
	Jawaid Iqbal Ahmed
Secretary	Qudsia Naheed
Chief Internal Auditor	Saleem Mahmood Akhtar

INVESTMENT COMMITTEE

Chairman	Frahim Ali Khan
Members	Iftikhar H. Shirazi
	Arshad P. Rana
Secretary	Muhammad Zafar Riaz

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

REINSURANCE & CO-INSURANCE COMMITTEE

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

COMPANY INFORMATION

MANAGEMENT COMMITTEE

Chief Executive	Arshad P. Rana
Chief Financial Officer	Muhammad Zafar Riaz
Senior Vice President (Operations)	Muhammad Munir
Vice President (Admin. & HR)	Qudsia Naheed

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) 7235081-82
Fax: (92-42) 7358817

Bankers Allied Bank Limited
Atlas Bank Limited
Bank Alfalah Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank
(Pakistan) Limited
United Bank Limited

Registered & Head Office 3-Bank Square,
Shahrah-e-Quaid-e-Azam, Lahore.
Telephone: (92-42) 7320542-43,
7322271, 73, 7310658
Fax: (92-42) 7234742
Email: info@atlasinsurance.com.pk
Website: www.atlasinsurance.com.pk

CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited accounts of your company for the 1st Quarter ended March 31, 2008.

The Economy

The economy during the year 2007-2008 remained under pressure. Oil prices, shortage of food items, load shedding of gas and electricity, rising inflation all affected this quarter. Imports during the nine months ended March 31, 2008 rose to \$27.96bn from \$22.42bn of the corresponding period, up 25% while the exports in the same period stood at \$13.48bn against \$12.38bn of the last year, up 9%. Foreign Exchange remittances showed a positive trend and rose to \$4.13bn during July-February 08, against \$3.42bn of the same period last year, up 21%. Foreign exchange reserves as of end February, 2008, were \$14.03bn against \$15.61bn at June 30, 2007. The tax collections during the nine months improved to Rs.679bn as compared to Rs.597bn during the same period last year. It is thus expected that GDP growth for the year will remain around 6% against the target of 7.2% higher than the average of 5.14% since 1951.

The Company Results

The gross premium rose to Rs.259.95m during the quarter ended March 31, 2008 against Rs.177.57m for the same period of the previous year, up 46.39%. The net premium also grew to Rs.117.37m against Rs.98.89m for the same period of last year, up 18.69%. The underwriting profit stood at Rs.18.19m against Rs.30.56m of the same period last year. The decline in the underwriting profit was due to unexpected higher claims in the quarter. The investment income during the period was Rs.28.18m against Rs.55.42m of the same period last year. The bank deposits and investments stood at Rs.1,025.22m against Rs.1,211.53m of the last year end. The profit before tax stood at Rs.46.18m against Rs.88.30m of the same period last year. The decline in the profit was due to shortfall in the underwriting profits as well as in the investment income compared to the corresponding period last year. After the tax provision of Rs.14.38m, the profit after tax stood at Rs.31.80m against Rs.75.98m of the same period last year. The management of the company is confident that shortfall in the profit will be recovered in the coming quarters.

Future Outlook

The socio-economic and political situation is passing through a dynamic phase. The new government has taken over the charge and is expected to continue with its drive to reinforce political stability and economic prosperity.

The insurance industry played its role in attending to the difficult situation faced by the individuals and business community due to huge losses resulted from heavy fires and riots etc., in the recent months. This has improved the confidence in the insurance industry as a whole and is expected to generate more business. The management of your company is fully equipped and capable of seizing the opportunities available in the market.

محبت مجھے اُن جانوں سے ہے
ستاروں پہ جو ڈالتے ہیں کسند

(Let us continue to look beyond horizon)

Acknowledgment

I would like to thank the Board of Directors, the Group President, the Group Director Financial Services, the Group Executive Committee, and the Chief Executive Officer and his team for their efforts, dedication and sincerity of purpose. I also express my gratitude to all the reinsurers, our valued clients, banks and SECP 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 Financial Statements for the period ended March 31, 2008.

March 31, 2008	March 31, 2007
(Rupees in thousand)	

The overall business figures are:

Net premium	117,368	98,887
Net claims	72,175	44,771
Investment and other income	31,993	61,249
Net commission	8,181	6,003
Expenses of management	34,189	29,560

Financial results are as follows:

Profit before tax	46,175	88,296
Less: Provision for taxation	14,380	12,319
Profit after tax	31,795	75,977
Un-appropriated profit brought forward	410,592	301,590
Profit available for appropriation	442,387	377,567

Appropriations:

Final dividend	144,548	111,191
Transfer to reserves for bonus shares	61,949	47,653
Transfer to reserves	204,000	142,000
	410,497	300,844
Balances carried to balance sheet	31,890	76,723

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 THE BOARD OF DIRECTORS

ARSHAD P. RANA
Chief Executive

Lahore: April 23, 2008

**CONDENSED INTERIM
AS AT**

Note	<u>March 31,</u> 2008 (Un-audited)	<u>December 31,</u> 2007 (Audited)
	(Rupees in thousand)	

Share capital and reserves

Authorized share capital		
50,000,000 (2007: 50,000,000) ordinary shares of Rs.10 each	500,000	500,000
Issued, subscribed and paid up capital		
26,844,729 (2007: 20,649,792) ordinary shares of Rs.10 each	268,446	206,497
Reserves	557,064	353,064
Retained earnings	31,890	410,592
	<u>857,400</u>	<u>970,153</u>

Underwriting provisions

Provision for outstanding claims (including IBNR)	231,097	194,099
Provision for unearned premium	353,239	316,655
Commission income unearned	31,192	24,295
Total underwriting provisions	615,528	535,049

Deferred taxation	2,577	2,474
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Creditors and accruals

Premiums received in advance	5,749	67,111
Amounts due to other insurers / reinsurers	35,629	95,362
Accrued expenses	21,880	21,235
Taxation - provision less payments	5,411	6,792
Other creditors and accruals	12,337	21,074
	81,006	211,574

Other liabilities

Deposits against performance bonds	2,188	1,391
Dividend	157,341	12,793
	159,529	14,184
TOTAL LIABILITIES	858,640	763,281

CONTINGENCIES AND COMMITMENTS	4	-	-
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TOTAL EQUITY AND LIABILITIES		<u>1,716,040</u>	<u>1,733,434</u>
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The annexed notes 1 to 10 form an integral part of these financial statements.

BALANCE SHEET (UN-AUDITED)
MARCH 31, 2008

	Note	March 31, 2008 (Un-audited) (Rupees in thousand)	December 31, 2007 (Audited)
Cash and bank deposits			
Cash and other equivalents		302	21
Current and other accounts		54,585	200,759
		54,887	200,780
Loans to employees - secured considered good		614	724
Investments	6	970,329	1,010,747
Current assets - others			
Premiums due but unpaid		142,359	85,620
Amounts due from other insurers / reinsurers		126,649	59,830
Salvage recoveries accrued		13,411	10,412
Accrued investment income		2,136	3,136
Reinsurance recoveries against outstanding claims		146,989	121,881
Deferred commission expense		17,165	18,236
Prepayments		186,955	162,242
Sundry receivables		10,669	17,001
		646,333	478,358
Fixed assets			
Tangible			
Land and buildings		4,509	4,551
Furniture and fixtures		2,710	2,194
Office equipments		4,812	4,595
Computers - owned		4,309	4,296
Motor vehicles - owned		17,011	16,628
		33,351	32,264
Capital work in progress		9,415	9,415
Intangible			
Computer software		1,111	1,146
TOTAL ASSETS		1,716,040	1,733,434



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2008

Note	Quarter ended March 31, 2008				(Restated)	
	Fire and property	Marine, aviation and transport	Motor	Miscellaneous	March 31, 2008 aggregate	Quarter ended March 31, 2007 aggregate
(Rupees in thousand)						
Revenue account						
Net premium revenue	17,207	27,466	70,732	1,963	117,368	98,887
Net claims	(4,737)	(1,902)	(64,159)	(1,377)	(72,175)	(44,771)
Expenses	(5,001)	(7,995)	(20,610)	(583)	(34,189)	(29,560)
Net commission	5,669	5,626	(5,301)	2,187	8,181	6,003
Underwriting result	13,138	23,195	(19,338)	2,190	19,185	30,559
Investment income					28,181	55,423
Rental income					282	262
Other income					3,530	5,564
Financial charges					(98)	(75)
General and administration expenses					(4,905)	(3,437)
Profit before taxation					46,175	88,296
Provision for taxation	7				(14,380)	(12,319)
Profit after taxation					31,795	75,977
Profit and loss appropriation account						
Profit after tax for the period					31,795	75,977
Balance at commencement of the year					410,592	301,590
Final dividend for 2007 @ Rs.7 per share (2006: Rs.7 per share)					(144,548)	(111,191)
Transfer to reserves for issue of bonus shares					(61,949)	(47,653)
Transfer to general reserves					(204,000)	(142,000)
					95	746
Balance unappropriated profit at the end of the period					31,890	76,723
Basic earnings per share - Rupees					1.18	2.83

The annexed notes 1 to 10 form an integral part of these financial statements.



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2008

	Issued, subscribed and paid up capital	Capital reserve	Reserves			Investment fluctuation reserve	Retained earnings	Total
			Reserve for exceptional losses	Reserve for issue of bonus shares	General reserve			
(Rupees in thousand)								
Balance as at January 01, 2007	158,844	2,251	2,164	-	203,649	3,000	301,590	671,498
Net profit for the period	-	-	-	-	-	-	75,977	75,977
Balance as at March 31, 2007 - restated	<u>158,844</u>	<u>2,251</u>	<u>2,164</u>	<u>-</u>	<u>203,649</u>	<u>3,000</u>	<u>377,567</u>	<u>747,475</u>
Balance as on January 01, 2008	206,497	2,251	2,164	-	345,649	3,000	410,592	970,153
Final dividend for the year 2007	-	-	-	-	-	-	(144,548)	(144,548)
Transfer to general reserve	-	-	-	-	204,000	-	(204,000)	-
Transfer to reserve for issue of bonus shares	-	-	-	61,949	-	-	(61,949)	-
Bonus shares issued during the year	61,949	-	-	(61,949)	-	-	-	-
Net profit for the period	-	-	-	-	-	-	31,795	31,795
Balance as at March 31, 2008	<u>268,446</u>	<u>2,251</u>	<u>2,164</u>	<u>-</u>	<u>549,649</u>	<u>3,000</u>	<u>31,890</u>	<u>857,400</u>

The annexed notes 1 to 10 form an integral part of these financial statements.



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2008

	March 31, 2008	March 31, 2007
	(Rupees in thousand)	
Operating cash flows		
Underwriting activities		
Premiums received	122,827	125,769
Reinsurance premiums paid	(199,321)	(68,730)
Claims paid	(156,660)	(37,946)
Reinsurance and other recoveries received	48,512	5,582
Commissions paid	(11,020)	(8,211)
Commissions received	25,862	18,747
Net cash flow from underwriting activities	(169,800)	35,211
Other operating activities		
Income tax paid	(15,645)	(14,753)
General management expenses paid	(36,740)	(29,459)
Other operating (payments) / receipts	(3,964)	3,147
Loans advanced	(148)	(183)
Loans repayments received	63	160
Net cash flow from other operating activities	(56,434)	(41,088)
Total cash flow from all operating activities	(226,234)	(5,877)
Investment activities		
Profit / return received	1,757	1,761
Dividends received	8,629	6,203
Rental income received	282	262
Payments for purchase of investments	(55,432)	(9,492)
Short term placements - net	11,907	(229,940)
Proceeds from disposal of investments	116,298	199,655
Payments against purchase of assets	(3,803)	(2,809)
Proceeds from disposal of fixed assets	801	-
Total cash inflow / (outflow) from investing activities	80,439	(34,360)
Financing activities		
Dividends paid	-	(10)
Financial charges paid	(98)	(75)
Payments against finance lease	-	(30)
Total cash flow from financing activities	(98)	(115)
Net cash (outflow) / inflow from all activities	(145,893)	(40,352)
Cash at the beginning of the year	200,780	75,573
Cash at the end of the period.	54,887	35,221



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

Reconciliation to Profit and Loss Account

	March 31, 2008	March 31, 2007
	(Rupees in thousand)	
Operating cash flows	(226,234)	(5,877)
Depreciation	(1,449)	(836)
Amortization	(285)	(285)
Gain on disposal of fixed assets	266	-
Increase in assets other than cash	324,666	171,880
Increase in liabilities other than running finance	(94,562)	(152,596)
Other adjustments		
- Gain on disposal of investments	20,446	46,337
- Gratuity	(150)	(128)
- Gratuity paid	89	426
- Dividend income	7,538	8,072
- Interest income	197	1,015
- Income on reverse repo transactions	8	5,534
- Taxes paid	15,645	14,753
- Provision for taxation	(14,380)	(12,318)
Profit after taxation	31,795	75,977

Definition of cash

Cash comprises of cash in hand, bank balances and other deposits which are readily convertible to cash and which are used in the cash management function on a day-to-day basis.

Cash for the purpose of the Statement of Cash Flows consists of:

Cash and other equivalents	302	215
Current and other accounts	54,585	35,006
	54,887	35,221

The annexed notes 1 to 10 form an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
 FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2008

		Q u a r t e r e n d e d			M a r c h 3 1 , 2 0 0 8					Quarter ended March 31, 2007	
Business underwritten inside Pakistan		Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance Premium ceded		Reinsurance expense	Net premium revenue	Net premium revenue
Class			Opening	Closing			Opening	Closing			
		(R u p e e s i n				t h o u s a n d)					
Direct and facultative											
	Fire and property damage	44,701	103,601	94,877	53,425	32,225	86,585	82,592	36,218	17,207	7,877
	Marine, aviation and transport	75,810	9,574	16,189	69,195	43,637	5,743	7,651	41,729	27,466	24,297
	Motor	83,389	133,937	145,284	72,043	1,344	-	33	1,311	70,732	63,773
	Miscellaneous	56,045	69,544	96,890	28,700	53,301	68,228	94,792	26,737	1,963	2,940
	Total	<u>259,945</u>	<u>316,656</u>	<u>353,239</u>	<u>223,362</u>	<u>130,507</u>	<u>160,556</u>	<u>185,068</u>	<u>105,995</u>	<u>117,368</u>	<u>98,887</u>
Treaty											
	Fire and property damage	-	-	-	-	-	-	-	-	-	-
	Marine, aviation and transport	-	-	-	-	-	-	-	-	-	-
	Miscellaneous	-	-	-	-	-	-	-	-	-	-
	Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Grand Total	<u><u>259,945</u></u>	<u><u>316,656</u></u>	<u><u>353,239</u></u>	<u><u>223,362</u></u>	<u><u>130,507</u></u>	<u><u>160,556</u></u>	<u><u>185,068</u></u>	<u><u>105,995</u></u>	<u><u>117,368</u></u>	<u><u>98,887</u></u>

The annexed notes 1 to 10 form an integral part of these financial statements.



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)
 FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2008

		Q u a r t e r e n d e d			M a r c h 3 1 , 2 0 0 8					Quarter ended	
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	Net claims expense	March 31, 2007
Class			Opening	Closing			Opening	Closing			Net claims expense
		(R u p e e s i n t h o u s a n d)									
Direct and facultative											
	Fire and property damage	87,577	84,692	105,473	108,358	83,516	78,645	98,750	103,621	4,737	381
	Marine, aviation and transport	9,066	37,303	38,127	9,890	6,522	26,382	27,848	7,988	1,902	5,063
	Motor	52,841	48,775	60,094	64,160	3	82	80	1	64,159	39,227
	Miscellaneous	2,558	19,548	23,622	6,632	1,717	16,772	20,310	5,255	1,377	100
	Total	<u>152,042</u>	<u>190,318</u>	<u>227,316</u>	<u>189,040</u>	<u>91,758</u>	<u>121,881</u>	<u>146,988</u>	<u>116,865</u>	<u>72,175</u>	<u>44,771</u>
Treaty											
	Fire and property damage	-	1,756	1,756	-	-	-	-	-	-	-
	Marine, aviation and transport	-	1,939	1,939	-	-	-	-	-	-	-
	Miscellaneous	-	86	86	-	-	-	-	-	-	-
	Total	<u>-</u>	<u>3,781</u>	<u>3,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Grand Total	<u>152,042</u>	<u>194,099</u>	<u>231,097</u>	<u>189,040</u>	<u>91,758</u>	<u>121,881</u>	<u>146,988</u>	<u>116,865</u>	<u>72,175</u>	<u>44,771</u>

The annexed notes 1 to 10 form an integral part of these financial statements.



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)
 FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2008

		Q u a r t e r e n d e d			M a r c h 3 1 , 2 0 0 8			Q u a r t e r e n d e d		
								M a r c h 3 1 , 2 0 0 7		
Business underwritten inside Pakistan		Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commissions from reinsurers	Net underwriting expense	Net underwriting expense
Class			Opening	Closing						
		(R u p e e s i n			t h o u s a n d)					
Direct and facultative										
	Fire and property damage	3,126	5,919	6,137	2,908	5,001	7,909	8,577	(668)	(2,639)
	Marine, aviation and transport	1,857	863	968	1,752	7,995	9,747	7,378	2,369	3,968
	Motor	3,599	10,462	8,744	5,318	20,609	25,927	16	25,910	21,978
	Others including miscellaneous	1,119	994	1,308	806	583	1,389	2,992	(1,604)	250
	Total	<u>9,701</u>	<u>18,238</u>	<u>17,156</u>	<u>10,783</u>	<u>34,188</u>	<u>44,971</u>	<u>18,964</u>	<u>26,007</u>	<u>23,557</u>
Treaty										
	Fire and property damage	-	-	-	-	-	-	-	-	-
	Marine, aviation and transport	-	-	-	-	-	-	-	-	-
	Others including miscellaneous	-	-	-	-	-	-	-	-	-
	Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Grand Total	<u>9,701</u>	<u>18,238</u>	<u>17,156</u>	<u>10,783</u>	<u>34,188</u>	<u>44,971</u>	<u>18,964</u>	<u>26,007</u>	<u>23,557</u>

The annexed notes 1 to 10 form an integral part of these financial statements.



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)
 FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2008

	Quarter ended	
	<u>March 31,</u> 2008	<u>March 31,</u> 2007
	(Rupees in thousand)	
Income from non-trading investments		
Held - to - maturity		
Return on fixed income securities and deposits	197	1,015
Available - for - sale		
Dividend income		
- from others	7,538	8,072
Gain on sale of non-trading investments	21,235	47,655
Less: Investment related expenses	789	1,319
Net investment income	<u>28,181</u>	<u>55,423</u>

The annexed notes 1 to 10 form an integral part of these financial statements.



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2008

1. Status and nature of business

Atlas Insurance Limited was incorporated as a public limited company on September 06, 1934 and is listed on Lahore and Karachi stock exchanges. The company is engaged in general insurance business. The registered office of the company is situated at 3-Bank Square, Lahore.

2. Basis of preparation

These financial statements are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Lahore and Karachi stock exchanges. These financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan and in the format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 07 of 2003.

These financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2007.

3. Significant accounting policies

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the financial statements of the Company for the year ended December 31, 2007.

4. Contingencies and commitments

The Company, at period end, has no contingencies and commitments.

5. Additions / deletions

Following additions and deletions have been made in the fixed assets during the period ended March 31, 2008:

	<u>Additions</u>	<u>Deletions</u>
	(Rupees in thousand)	
Vehicles	1,784	1,258
Furniture fixtures and office equipments	914	10
Computers	385	80
	3,083	1,347

6. Investments

	<u>March 31,</u> 2008	<u>December 31,</u> 2007
	(Rupees in thousand)	
Held - to - maturity		
Term Finance Certificates	6,409	6,594
Available - for - sale		
Mutual funds - note 6.1	114,000	141,574
Quoted shares	849,920	862,579
Unquoted shares	500	500
	<u>964,420</u>	<u>1,004,653</u>
	970,829	1,011,247
Less : Provision for diminution in the value of shares	500	500
	<u>970,329</u>	<u>1,010,747</u>
Aggregated market value of investments	<u>1,146,051</u>	<u>1,186,578</u>

6.1 This includes 28,000 (2007: 28,000) units held as Statutory deposit with The State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000 and rule 9 of SECP (Insurance) Rules, 2002.

7. Taxation

Provision for taxation has been calculated on estimated basis and is subject to adjustments at year end.

8. 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 employment are as follows:

	<u>March 31,</u> 2008	<u>March 31,</u> 2007
	(Rupees in thousand)	
Premium underwritten	141,901	69,129
Claims paid	16,845	7,662
Lease rentals	-	32
Vehicles purchased	1,813	2,472
Rent received	145	104
Interest received	3,165	883
Fee received	-	1,678
Brokerage paid	789	1,419
Donations	460	279
Rent paid	525	478

All transactions with related parties are at an arm's length determined using the Comparable Uncontrolled Price Method.

Contribution to and accruals in respect of staff retirement plans are made in accordance with actuarial valuation / terms of the contribution plan.

Remuneration to chief executive and certain executives were paid in accordance with the terms of their employment.

9. Segment reporting

The Company has four primary business segments for reporting purposes namely fire, marine, motor and miscellaneous.

Assets and liabilities, wherever possible, have been assigned to the following segments based on specific identification or allocated on the basis of gross premium earned by the segments.

	Fire		Marine		Motor		Miscellaneous		Total		
	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2008	Dec. 31, 2007	
(R u p e e s i n t h o u s a n d)											
Revenue											
Premiums earned	53,425	195,383	69,195	200,787	72,043	280,272	28,700	32755	223,362	709,197	
Segment results	13,138	45,129	23,195	94,660	(19,338)	(6,129)	2,190	10,933	19,185	144,593	
									28,181	314,703	
Investment income										282	1,266
Rental income										3,530	25,059
Other income										(98)	(540)
Financial charges										(4,905)	(17,675)
General and administration expenses										26,990	322,813
Profit before tax										46,175	467,406
Provision for tax										(14,380)	(57,560)
Net profit										31,795	409,846
Other information											
Segment assets	227,602	205,302	113,952	73,305	86,409	57,563	173,101	91,717	601,064	427,887	
Unallocated corporate assets										1,114,179	1,305,547
Consolidated total assets										1,715,243	1,733,434
Segment liabilities	208,233	216,704	66,646	76,209	216,807	220,947	129,670	93,647	621,356	607,507	
Unallocated corporate liabilities										1,093,887	1,125,927
Consolidated total liabilities										1,715,243	1,733,434
Capital expenditure											
-according to above ratios	530	5,343	899	5,491	989	7,665	665	896	3,083	19,395	
Depreciation/amortization											
-according to above ratios	235	1,658	398	1,704	438	2,379	295	278	1,366	6,020	

10. Date of authorization for issue

The Condensed interim financial information was authorized for issue on April 23, 2008 by the Board Directors of the Company.



Arshad P. Rana
Chief Executive



Muhammad Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

COMPANY OFFICES
HEAD OFFICE

3 Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	PABX: Fax:	7320542, 7320543, 7310658 7322271, 7322273 7234742
ARSHAD P. RANA Chief Executive Officer	Direct: Extension:	7234812 301
MUHAMMAD ZAFAR RIAZ Chief Financial Officer	Direct: Extension:	7234757 403
MUHAMMAD MUNIR Sr. Vice President (Operations)	Direct: Extension:	7314241 304
QUDSIA NAHEED Company Secretary	Direct: Extension:	7245348 303
FAKHER-U-ZAMAN KHAN Vice President (Coordinator)	Extension:	328
SALEEM MEHMOOD Chief Internal Auditor	Extension:	428

NORTH ZONE OFFICES & BRANCHES
LAHORE

AZHAR M. PIRACHA Circle Chief, Lahore Circle - I	City Branch 3 - Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.	7212365-6, 7312858, 7312868, 7230558-9 Fax: 7212367
MUHAMMAD MUNIR QAZI Chief Manager	Fatima Jinnah Road Branch 1st Floor, Nawa-i-Waqat Building, Fatima Jinnah Road, Lahore.	6271320, 6364906 Fax: 6371186
MUHAMMAD IJAZ Deputy Chief Manager	Al-Noor Branch Alnoor Building, 43-Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	7358805 Fax: 7237343
KH. MUHAMMAD NADEEM Branch Manager	Napier Road Branch Nairobi Mansion Napier Road, Lahore.	7352560 Fax: 7358190
ZAFAR HUSSAIN JAMAL Branch Manager	Mall Road Branch Hafeez Chambers, 85 - Shahrah-e-Quaid-e-Azam, Lahore.	6305595, 6271663 Fax: 6369576
MUHAMMAD WASIM PURI Branch Manager	Faisal Town Branch 753 - C, Faisal Town, Lahore.	5173551-2 Fax: 5173557

RAWALPINDI

MAHMOOD AHMED
Chief Manager 101/13, Bank Road,
Grand Hotel Building,
P.O. Box 119, Rawalpindi. 5563413
Fax: 5798083

MANZAR ALI NAQVI
Manager 101/13, Bank Road,
Grand Hotel Building,
P.O. Box 119, Rawalpindi. 5563413
Fax: 5798083

FAISALABAD BRANCH - II

IRSHAD FARRUKH BHATTI
Circle Chief, Faisalabad Circle 123-B, People's Colony No. 1,
D - Ground, Faisalabad. 8721256, 8734176
Fax: 8732499

ASIF AKRAM
Branch Manager 123-B, People's Colony No. 1,
D - Ground, Faisalabad. 8721256, 8734176
Fax: 8732499

FAISALABAD BRANCH - I

RANA SAGHIR
Branch Manager Chartered Bank Chambers
Railway Road, Faisalabad. 2647194
Fax: 2635080

SAHIWAL

SALEEM TAHIR
Acting Incharge 147-Railway Road, Sahiwal. 4466044
Fax: 4224344

MULTAN

GHULAM ALI
Acting Incharge Atlas Honda Building
Azmat Wasti Road, Multan. 4544494

SIALKOT

REHAN NAZIR GHUMAN
Branch Manager Office No. 7, 1st Floor,
Mughal Plaza,
Kutchery Road, Sialkot. 4264195, 4594520
Fax: 4290095

GUJRANWALA

REHAN NAZIR GHUMAN
Acting Incharge 2nd Floor, Al-Azhar Plaza,
G. T. Road, Gujranwala. 3847118
Fax: 3847074

ISLAMABAD

HALEEMA SHAHID
Acting Incharge Office No. 2 & 3, 3rd Floor,
MBCIT Mall Plaza, I-8 Markaz,
Islamabad. 4861830

SOUTH ZONE OFFICE

Ground Floor, Federation
House, Shahrah-e-Firdousi,
Main Clifton, Karachi. PABX: 5378806-7
5369394-6
Fax: 5378515

ARSHAD P. RANA
Chief Executive Officer Direct: 5378757
Extension: 201

MIRZA NADEEM BAIG Vice President Marketing (South)	Extension:	218
JAWAID IRSHAD Manager Motor Claims	Extension:	215
MUHAMMAD IMRAN Asst. Vice President Claims & U/W	Extension:	217

SOUTH ZONE BRANCHES

KARACHI

ABDUL AZIZ Chief Manager	Corporate Branch 1/10, Arkey Square, 1st Floor, Shahrah-e-Liaquat, Karachi	2421030, 2422911 Fax: 2421387
M. FAROOQ KANDLAWALA Circle Chief, Karachi Circle - I	Tower Branch State Life Building No.7 Room No. 101, 1st Floor G. Allana Road, Karachi.	2201471 2316503, 2315248 Fax: 2315248
IMRAN SATTAR Deputy Chief Manager	Plaza Branch 3/3 Rimpa Plaza M.A. Jindah Road, Karachi.	2729339 Fax: 2720858
TARIQ NASIM Chief Manager	New Challi Branch 1st Floor, Room No. 106-107, Rehmani Chamber, Altaf Hussain Road, Karachi.	2218286, 2218288 Fax: 2610280

HYDERABAD

ZAFAR AHMAD GHOURI Circle Chief, Hyderabad Circle	Plot No. 466, Mezzanine Floor, Al-Abbas Plaza, Saddar, Hyderabad.	2782659, 2782660 Fax: 2786410
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SUKKUR

ABDUL MAJEED QURESHI Chief Manager	Shalimar Complex, Mezzanine Floor, Minara Road, Sukkur.	5625965 Fax: 5625977
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