



QUARTERLY REPORT
MARCH 31, 2010



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COMPANY INFORMATION
BOARD OF DIRECTORS

Chairman	Yusuf H. Shirazi
Directors	Azam Faruque
	Kamal A. Chinoy
	Omar Saeed
	Ali H. Shirazi
	Frahim Ali Khan
Chief Executive	Arshad P. Rana
Company Secretary	Muhammad Afzal

AUDIT COMMITTEE

Chairman	Omar Saeed
Members	Ali H. Shirazi
	Frahim Ali Khan
Secretary	Muhammad Afzal
Chief Internal Auditor	Saleem Mahmood Akhtar

INVESTMENT COMMITTEE

Chairman	Ali H. Shirazi
Members	Frahim Ali Khan
	Arshad P. Rana
	Aamer Waqar Chaudhry
Secretary	Muhammad Afzal

UNDERWRITING COMMITTEE

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

CLAIMS SETTLEMENT COMMITTEE

Chairman	Frahim Ali Khan
Member	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	Aamer Waqar Chaudhry
Technical Adviser (Operations)	Muhammad Munir
Vice President (Admin & HR)	Qudsia Naheed
Vice President (Marketing)	Muhammad Iqbal
Vice President (Underwriting)	Muhammad Ashraf Bhatti

Auditors A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors Mohsin Tayebaly & Co.
Ch. Maqsood Advocate
Agha Faisal Barrister at Law

Tax Advisor Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Registrar and Share Transfer Office Hameed Majeed Associates (Pvt.) Limited
H. M. House, 7 - Bank Square
Shahrah-e-Quaid-e-Azam, Lahore
Telephone: (92-42) 37235081-82
Fax: (92-42) 37358817

Bankers Al Baraka Islamic Bank
Allied Bank Limited
Askari Bank Limited
Atlas Bank Limited
Bank Alfalah Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Registered & Head Office 3-Bank Square,
Shahrah-e-Quaid-e-Azam, Lahore
Telephone: (92-42) 37320542-43,
37322271, 73, 37310658
Fax: (92-42) 37234742
Email: info@atlasinsurance.com.pk
Website: www.atlasinsurance.com.pk

CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited accounts of your company for the 1st Quarter ended March 31, 2010.

The Economy

The Pakistan economy is steadily improving. The GDP forecast by SBP has been maintained for FY 2010 at 3.5 percent. However, this level of growth is not adequate to generate required employment opportunities. The macro economic and political stability with particular emphasis on improvement in law and order situation is essential for sustainable growth. Aggressive fiscal reforms are important for achieving and retaining macroeconomic stability in the medium term. This requires focus on the entire range of options from increasing efficiency of public expenditures, reducing size of the government and raising tax-to-GDP ratio.

Despite anticipated decline in value addition by major crops, Pakistan is likely to sustain its economic growth during fiscal year 2010 due to an above-target recovery in manufacturing, strong rebound by the construction sector, reasonable performance by the service sector and strong domestic consumer demand. During the fiscal year 2010 the inflation decelerated significantly compared with the preceding year. An important risk to the inflation outlook lies in the pick up of domestic demand and increase in international commodity prices. However, the government's performance has been hindered by non-availability of expected aid inflows from the Friends of Democratic Pakistan.

The economy has the potential to take off if some tangible measures are taken by the government to reduce the general cost of doing business, improving the law and order situation and taking tangible measures to combat the energy crisis.

The Company Results

For the quarter under review, the gross premium was recorded at Rs.251.07 million as against Rs.196.50 million for the same period last year, reflecting an increase of 28% despite difficult economic conditions. The net premium, however, has decreased marginally to Rs.109.44 million as against Rs.111.64 million for the same period last year due to change in product mix. The underwriting profit increased by 25% and has been reported at Rs.31.57million as compared to Rs.25.30 million for the same period last year. The increase in underwriting profit is a reflection of the prudent underwriting policy of your company in this challenging environment. Taking advantage of the rising trend in the stock market, the company was able to realize capital gain to the tune of Rs.33.96 million in the first quarter. Hence there has been a significant increase in income from investment, which stands at Rs.40.35 million as compared to Rs.9.86 million for the same period last year. The cash and bank deposits have also increased considerably from Rs.187.64 million to Rs.459.40 million for the period under review. The profit before tax is Rs.81.63 million as against Rs.37.96 million for the same period last year. The profit after tax stands at Rs.66.29 million as against Rs.27.37 million for the same period last year.

Future Outlook

The growth of the insurance industry is linked directly to the growth of the economy particularly in the manufacturing and service sectors. The recent economic indicators points towards positive trends. The economic recession, 'war on terror', and the political developments have created major challenges for the insurance industry and affected its growth. Despite these challenges, the management of your company is committed to manage the growth of the business prudently and keep building financial strength of the company. The trends in macroeconomic variables are quite encouraging. Team work is the name of the game. To achieve the objectives and goals set for the year 2010 all associates are well equipped to face the challenges and work together to meet the targets.

سچ کے سو میٹھا ہو

(Steady growth yields steady growth - a better growth)

Acknowledgement

I would like to thank the Board of Directors, the Group Executive Committee and the Chief Executive Officer Mr. Arshad P. Rana and his team for their efforts, dedication and sincerity of purpose. I also express my gratitude to all reinsurers, our valued clients, banks and SECP for their continued help, support and guidance. I am also thankful to the shareholders for their trust and confidence reposed in your company.



Yusuf H. Shirazi

DIRECTORS' REPORT

The directors have pleasure in submitting the quarterly report of the company together with the un-audited financial statements for the period ended March 31, 2010.

	March 31, 2010	March 31, 2009
	(Rupees in thousand)	
The overall business figures are:		
Net premium	109,442	111,641
Net claims	51,081	56,585
Investment and other income	56,463	16,996
Net commission	13,859	8,062
Expenses of management	40,648	37,814
Financial results are as follows:		
Profit before tax	81,625	37,957
Provision for taxation	(15,333)	(10,584)
Profit after tax	66,292	27,373
Un-appropriated profit / (loss) brought forward	190,340	(199,492)
Profit / (loss) available for appropriation	256,632	(172,119)
Appropriations:		
Transfer from reserves	-	335,000
Balances carried to balance sheet	256,632	162,881

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 28, 2010

	CONDENSED INTERIM AS AT	
	Note	December 31, 2009 (Audited)
	March 31, 2010 (Un-audited)	December 31, 2009 (Audited)
	(Rupees in thousand)	
Share capital and reserves		
Authorized share capital 50,000,000 (2009: 50,000,000) ordinary shares of Rs.10 each	500,000	500,000
Issued, subscribed and paid up capital 33,555,911 (2009: 33,555,911) ordinary shares of Rs.10 each	335,559	335,559
Reserves	222,064	222,064
Retained earnings	256,632	190,340
	814,255	747,963
Underwriting Provisions		
Provision for outstanding claims (including IBNR)	279,157	253,899
Provision for unearned premium	413,204	405,471
Commission income unearned	36,421	26,254
Total underwriting provisions	728,782	685,624
Deferred taxation	1,875	-
Creditors and accruals		
Premiums received in advance	12,604	48,757
Amounts due to other insurers / reinsurers	232,953	266,387
Accrued expenses	47,971	39,385
Taxation - provision less payments	-	13,396
Other creditors and accruals	56,591	87,587
	350,119	455,512
Other liabilities		
Deposits against performance bonds	1,391	1,391
Unclaimed dividends	14,395	14,603
	15,786	15,994
TOTAL LIABILITIES	1,096,562	1,157,130
CONTINGENCIES AND COMMITMENTS	4	
TOTAL EQUITY AND LIABILITIES	1,910,817	1,905,093

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

**BALANCE SHEET (UN-AUDITED)
MARCH 31, 2010**

	BALANCE SHEET (UN-AUDITED) MARCH 31, 2010	
	Note	December 31, 2009 (Audited)
	March 31, 2010 (Un-audited)	December 31, 2009 (Audited)
	(Rupees in thousand)	
Cash and bank deposits		
Cash and other equivalents	238	13
Current and other accounts	308,847	485,278
Deposits maturing within twelve months	150,316	174,900
	459,401	660,191
Loans to employees - secured considered good	118	201
Investments	6	605,866
Deferred taxation	-	3,273
Current assets - others		
Premiums due but unpaid	173,457	102,119
Amounts due from other insurers / reinsurers	133,512	97,812
Salvage recoveries accrued	9,510	13,391
Accrued investment income	5,618	4,297
Reinsurance recoveries against outstanding claims	177,700	160,368
Deferred commission expense	15,415	15,143
Income tax recoverable	5,764	-
Prepayments	238,921	233,289
Sundry receivables	37,813	9,338
	797,710	635,757
Fixed assets		
Tangible		
Land and buildings	15,486	15,667
Furniture and fixtures	2,757	2,826
Office equipments	6,233	6,330
Computers - owned	4,129	4,080
Motor vehicle - owned	19,117	18,518
	47,722	47,421
TOTAL ASSETS	1,910,817	1,905,093



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2010

Note	Quarter ended March 31, 2010				Quarter ended	
	Fire and property	Marine, aviation and transport	Motor	Miscellaneous	March 31, 2010 Aggregate	March 31, 2009 Aggregate
(Rupees in thousand)						
Revenue account						
Net premium revenue	20,545	30,031	57,353	1,513	109,442	111,641
Net claims	(2,504)	(3,910)	(43,220)	(1,447)	(51,081)	(56,585)
Expenses	(11,180)	(10,875)	(9,978)	(8,615)	(40,648)	(37,815)
Net commission	8,747	4,337	(2,684)	3,459	13,859	8,062
Underwriting result	<u>15,608</u>	<u>19,583</u>	<u>1,471</u>	<u>(5,090)</u>	<u>31,572</u>	<u>25,303</u>
Investment income					40,347	9,856
Rental income					1,018	422
Other income					15,098	6,718
Financial charges					(58)	(107)
General and administration expenses					(6,352)	(4,235)
Profit before tax					<u>81,625</u>	<u>37,957</u>
Provision for taxation	7				(15,333)	(10,584)
Profit after tax					<u>66,292</u>	<u>27,373</u>
Profit and loss appropriation account						
Profit after tax for the period					66,292	27,373
Balance at commencement of the year					190,340	(199,492)
Transfer from general reserves					-	335,000
					<u>190,340</u>	<u>135,508</u>
Balance unappropriated profit at the end of the period					<u>256,632</u>	<u>162,881</u>
Earnings per share - basic					<u>1.98</u>	<u>0.82</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2010

	<u>March 31,</u> 2010	<u>March 31,</u> 2009
	(Rupees in thousand)	
Profit for the period ended	66,292	27,373
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>66,292</u>	<u>27,373</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



Arshad P. Rana
Chief Executive



Azam 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, 2010

	Issued, subscribed and paid up capital	Reserves				Investment fluctuation reserve	Retained earnings	Total
		Capital reserve	Reserve for exceptional losses	Reserve for issue of bonus shares	General reserve			
(Rupees in thousand)								
Balance as on January 1, 2009	268,447	2,251	2,164	-	549,649	3,000	(199,492)	626,019
Final dividend for the year ended December 31, 2009 @ 25% (Rs.2.5 per share)	-	-	-	-	-	-	(67,112)	(67,112)
Transfer from general reserve	-	-	-	-	(335,000)	-	335,000	-
Transfer to reserve for bonus shares	-	-	-	67,112	-	-	(67,112)	-
Issue of bonus shares	67,112	-	-	(67,112)	-	-	-	-
Net profit for the year	-	-	-	-	-	-	189,056	189,056
Balance as at December 31, 2009	335,559	2,251	2,164	-	214,649	3,000	190,340	747,963
Net profit for the period	-	-	-	-	-	-	66,292	66,292
Balance as on March 31, 2010	335,559	2,251	2,164	-	214,649	3,000	256,632	814,255

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2010

	March 31, 2010	March 31, 2009
	(Rupees in thousand)	
Operating cash flows		
Underwriting activities		
Premiums received	104,708	132,105
Reinsurance premiums paid	(184,832)	(120,095)
Claims paid	(53,489)	(79,078)
Reinsurance and other recoveries received	8,068	22,342
Commissions paid	(8,612)	(10,900)
Commissions received	33,693	21,303
Other underwriting payments	(339)	(201)
Other underwriting receipts	2,999	2,545
Net cash flow from underwriting activities	(97,804)	(31,979)
Other operating activities		
Income tax paid	(29,343)	(13,556)
General management expenses paid	(55,861)	(36,404)
Loans advanced	(110)	(62)
Loans repayments received	133	107
Net cash flow from other operating activities	(85,181)	(49,915)
Total cash flow from all operating activities	(182,985)	(81,894)
Investment activities		
Profit / return received	15,577	4,387
Dividends received	4,823	3,503
Rental income received	3,323	256
Payments for purchase of investments	(122,646)	(58,674)
Short term placements - net	-	104,940
Proceeds from disposal of investments	80,249	18,482
Payments against purchase of assets	(600)	(899)
Proceeds from disposal of fixed assets	1,735	1,717
Total cash inflow / (outflow) from investing activities	(17,539)	73,712
Financing activities		
Dividends paid	(208)	-
Financial charges paid	(58)	(107)
Total cash flow from financing activities	(266)	(107)
Net cash (outflow) / inflow from all activities	(200,790)	(8,289)
Cash at the beginning of the year	660,191	195,929
Cash at the end of the period	459,401	187,640

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
 FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2010

Business underwritten inside Pakistan	Q u a r t e r e n d e d				M a r c h 3 1 , 2 0 1 0				Quarter ended March 31, 2009	
	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	68,247	232,325	207,873	92,699	59,397	175,367	162,610	72,154	20,545	14,505
Marine, aviation and transport	67,619	22,379	27,358	62,640	26,755	18,267	12,413	32,609	30,031	28,236
Motor	62,098	107,197	109,540	59,755	2,481	1,877	1,956	2,402	57,353	68,436
Miscellaneous	53,106	43,570	68,433	28,243	50,880	36,477	60,627	26,730	1,513	464
Total	<u>251,070</u>	<u>405,471</u>	<u>413,204</u>	<u>243,337</u>	<u>139,513</u>	<u>231,988</u>	<u>237,606</u>	<u>133,895</u>	<u>109,442</u>	<u>111,641</u>
Treaty										
Proportional										
Fire	-	-	-	-	-	-	-	-	-	-
Marine	-	-	-	-	-	-	-	-	-	-
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>251,070</u>	<u>405,471</u>	<u>413,204</u>	<u>243,337</u>	<u>139,513</u>	<u>231,988</u>	<u>237,606</u>	<u>133,895</u>	<u>109,442</u>	<u>111,641</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)
 FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2010

		Q u a r t e r e n d e d			M a r c h 3 1 , 2 0 1 0					Q u a r t e r e n d e d	
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, 2009
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	7,253	94,999	89,717	1,971	4,778	87,420	82,109	(533)	2,504	385
	Marine, aviation and transport	10,241	43,308	60,988	27,921	6,233	30,965	48,743	24,011	3,910	1,856
	Motor	35,988	64,660	71,891	43,219	-	1,709	1,708	(1)	43,220	53,031
	Miscellaneous	4,007	46,704	52,332	9,635	3,322	40,274	45,140	8,188	1,447	1,313
	Total	<u>57,489</u>	<u>249,671</u>	<u>274,928</u>	<u>82,746</u>	<u>14,333</u>	<u>160,368</u>	<u>177,700</u>	<u>31,665 -</u>	<u>51,081</u>	<u>56,585</u>
Treaty	Proportional										
	Fire	-	1,756	1,756	-	-	-	-	-	-	-
	Marine	-	2,387	2,387	-	-	-	-	-	-	-
	Miscellaneous	-	86	86	-	-	-	-	-	-	-
	Total	<u>-</u>	<u>4,229</u>	<u>4,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Grand Total	<u><u>57,489</u></u>	<u><u>253,900</u></u>	<u><u>279,157</u></u>	<u><u>82,746</u></u>	<u><u>14,333</u></u>	<u><u>160,368</u></u>	<u><u>177,700</u></u>	<u><u>31,665</u></u>	<u><u>51,081</u></u>	<u><u>56,585</u></u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)
 FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2010

		Q u a r t e r e n d e d		M a r c h 3 1 , 2 0 1 0				Q u a r t e r e n d e d		
		Commissions paid or payable	Deferred commission		Net commission expense	Other management expenses	Underwriting expense	Commissions from reinsurers	Net underwriting expense	March 31, 2009
Class			Opening	Closing						Net underwriting expense
		(R u p e e s i n				t h o u s a n d)				
Business underwritten inside Pakistan										
Direct and facultative	Fire and property damage	5,284	7,967	8,728	4,523	11,180	15,703	13,270	2,433	(1,265)
	Marine, aviation and transport	1,748	568	693	1,623	10,875	12,498	5,960	6,538	5,102
	Motor	1,892	5,383	4,444	2,831	9,978	12,809	147	12,662	27,716
	Miscellaneous	1,019	1,225	1,551	693	8,615	9,308	4,152	5,156	(1,801)
	Total	9,943	15,143	15,416	9,670	40,648	50,318	23,529	26,789	29,752
Treaty	Proportional									
	Fire	-	-	-	-	-	-	-	-	-
	Marine	-	-	-	-	-	-	-	-	-
	Miscellaneous	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-
Grand Total	9,943	15,143	15,416	9,670	40,648	50,318	23,529	26,789	29,752	

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)
 FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2010

	Quarter ended	
	<u>March 31,</u> 2010	<u>March 31,</u> 2009
	(Rupees in thousand)	
Income from non-trading investments		
Held - to - maturity		
Return on fixed income securities and deposits	991	-
Available - for - sale		
Dividend income		
- from others	5,392	7,482
Gain on sale of non-trading investments	34,712	2,798
Less: Investment related expenses	748	424
Net Investment Income	40,347	9,856

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



Arshad P. Rana
Chief Executive



Azam 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, 2010

1. The company and its operations

Atlas Insurance Limited was incorporated as a public limited company on September 6, 1934 and is listed on Lahore and Karachi stock exchanges. The company is engaged in general insurance business. The registered office of the company is situated at 3-Bank Square, 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 Karachi and Lahore 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, 2009.

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, 2009.

4. Contingencies and commitments

4.1 Contingencies

The Additional Commissioner / Taxation Officer has amended the deemed assessment for the tax year 2003 by allocating certain expenditures to dividend income resulting in an additional tax liability of Rs.945 thousand. The company filed an appeal before the Commissioner of Income Tax (Appeals) which was decided against the company. Consequently, the company filed an appeal before the Income Tax Appellate Tribunal (ITAT) which is currently pending for adjudication.

The Additional Commissioner / Taxation Officer has amended the deemed assessment for the tax year 2004 by allocating certain expenditures to dividend income resulting in an additional tax liability of Rs.2,243 thousand. The company filed an appeal before the Commissioner of Income Tax (Appeals) which was decided against the company, however, on direction of the Commissioner of Income Tax (Appeals) the Taxation Officer issued an appeal effect order and created a refund of Rs.794 thousand to give effect of Zakat, donation and tax deducted on dividend income. Consequently, the company filed an appeal before the ITAT which is currently pending for adjudication.

The Additional Commissioner / Taxation Officer has amended the deemed assessment for the tax year 2007 by allocating certain expenditures to dividend income and capital gain resulting in an additional tax liability of Rs.6,618 thousand. The company filed an appeal before the Commissioner of Income Tax (Appeals) which is currently pending for adjudication.

Pending resolution of the above mentioned appeals filed by the company, no provision has been made in these financial statements of Rs.9,014 thousand as the management is confident that the eventual outcome of the above matter will be in favour of the company (2009: Rs.9,014 thousand).

4.2 Commitments

The company, at the period end, has no commitments. (2009: Nil)

5. Additions / deletions

Following additions and deletions have been made in the fixed assets during the period ended March 31, 2010:

	<u>Additions</u> (Rupees in thousand)	<u>Deletions</u> (Rupees in thousand)
Vehicles	2,099	1,102
Furniture, fixtures and office equipments	65	-
Computers	381	-
	<u>2,545</u>	<u>1,102</u>
Notes	<u>March 31,</u> 2010	<u>December 31,</u> 2009
	(Rupees in thousand)	

6. Investments

Held - to - maturity

Statutory deposits	6.1	35,000	35,000
Unamortized premium on investment bonds		918	1,077
		<u>35,918</u>	<u>36,077</u>

Availabale for sale

Mutual Funds	6.2	191,176	101,177
Ordinary shares - Quoted		378,772	420,996
Ordinary shares - Unquoted		-	-
		<u>569,948</u>	<u>522,173</u>
Cost of shares		<u>605,866</u>	<u>558,250</u>
Aggregated market value of investments		<u>687,369</u>	<u>645,300</u>

6.1 This represents carrying amount of Pakistan Investment Bonds (PIBs) placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of Section 29(2)(a) of the Insurance Ordinance, 2000. Market value as at December 31, 2009 amounts to Rs.35,878 thousand. Profit on PIBs is received bi-annually.

6.2 This includes 28,000 (2009: 28,000) units held as statutory deposit with the State Bank of Pakistan under section 29(2)(a) of the Insurance Ordinance, 2000.

7. Taxation

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

<u>March 31,</u> 2010	<u>March 31,</u> 2009
(Rupees in thousand)	

8. Cash at the end of the period

For the purpose of cash flow statement cash includes:

Cash and other equivalents	238	191
Current and other accounts	308,847	66,449
Deposits maturing within 12 months	150,316	121,000
	<u>459,401</u>	<u>187,640</u>

	<u>March 31,</u> 2010	<u>March 31,</u> 2009
	(Rupees in thousand)	
8.1 Reconciliation to profit and loss account		
Operating cash flows	(182,985)	(81,894)
Depreciation	(1,707)	(1,770)
Financial charges	(58)	(107)
Profit on disposal of fixed assets	633	521
Provision for doubtful debts	(2,481)	(1,940)
Increase in assets other than cash	154,119	(106,427)
Increase in liabilities other than borrowings	60,568	24,161
Other adjustments		
- (Increase) in provision for unearned premium	(7,733)	(3,195)
- Increase in commission income	(10,166)	(6,630)
- (Increase) in provision for deferred commission expenses	272	(68)
- Income on investments and current and other deposits	40,347	198,301
- Rental income	1,018	422
- Other income	14,465	5,999
Profit after taxation	66,292	27,373

9. Transactions with related parties

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

		<u>March 31,</u> 2010	<u>March 31,</u> 2009
		(Rupees in thousand)	
Related parties	Transactions during the period		
	Premium underwritten	137,810	98,170
	Premium collected	105,001	61,883
	Claims paid	3,203	9,122
	Rent received	743	162
	Rent paid	117	578
	Other income	10,111	4,233
	Brokerage paid	748	424
	Donation	800	350
	Investments	60,000	-
Post employment benefit plans	Transactions during the period		
	Expenses charged in respect of retirement benefit plans	1,891	1,109

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

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

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

10. Segment reporting

The company has four primary business segments for reporting purpose 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, 2010	Dec. 31, 2009	Mar. 31, 2010	Dec. 31, 2009	Mar. 31, 2010	Dec. 31, 2009	Mar. 31, 2010	Dec. 31, 2009	Mar. 31, 2010	Dec. 31, 2009
	(R u p e e s i n t h o u s a n d)									
Revenue										
Premiums earned	92,699	231,635	62,640	216,870	59,755	269,031	28,243	65,433	243,337	782,969
Segment results	15,608	55,243	19,583	74,876	1,471	(32,932)	(5,090)	7,280	31,572	104,467
Investment income									40,347	118,230
Rental income									1,018	1,736
Other income									15,098	32,117
Financial charges									(58)	(550)
General and administration expenses									(6,352)	(18,806)
									50,053	132,727
Profit before tax									81,625	237,194
Provision for tax									(15,333)	(48,138)
Net profit									66,292	189,056
Other Information										
Segment assets	284,646	329,853	192,345	105,197	183,486	91,081	86,724	94,690	747,201	620,821
Unallocated corporate assets									1,163,616	1,284,272
Consolidated total assets									1,910,817	1,905,093
Segment liabilities	363,702	440,422	245,766	157,825	234,447	280,887	110,811	123,024	954,725	1,002,158
Unallocated corporate liabilities									141,837	154,972
Consolidated total liabilities									1,096,562	1,157,130

Capital expenditure and depreciation / amortisation have not been allocated as fixed assets to which they relate, form part of unallocated assets.

11. Date of authorization for issue

The condensed interim financial information was authorized for issue on April 28, 2010 by the Board of Directors of the company.



Arshad P. Rana
Chief Executive



Azam Faruque
Director



Omar Saeed
Director



Yusuf H. Shirazi
Chairman

COMPANY OFFICES

HEAD OFFICE

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

NORTH ZONE OFFICES & BRANCHES

LAHORE

IRSHAD FARRUKH BHATTI Circle Chief, Lahore Circle - I	City Branch 3 - Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.	37212365-6, 37312858, 37312868, 37230558-9 Fax: 37212367
MUHAMMAD MUNIR QAZI Chief Manager	Fatima Jinnah Road Branch 1st Floor, Nawa-i-Waqat Building, Fatima Jinnah Road, Lahore.	36271320, 36364906 Fax: 36371186
MUHAMMAD IJAZ Deputy Chief Manager	Al-Noor Branch Al-Noor Building, 43-Bank Square Shahrah-e-Quaid-e-Azam, Lahore.	37358805 Fax: 37237343
KH. MUHAMMAD NADEEM Branch Manager	Napier Road Branch Nairobi Mansion Napier Road, Lahore.	37352560 Fax: 37358190

ZAFAR HUSSAIN JAMAL Branch Manager	Mall Road Branch Hafeez Chambers, 85 - Shahrah-e-Quaid-e-Azam, Lahore.	36305595, 36271663 Fax: 36369576
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FAISALABAD BRANCH - II MUHAMMAD ASIF AKRAM Branch Manager	123-B, People's Colony No. 1, D - Ground, Faisalabad.	8721256, 8734176 Fax: 8732499
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MULTAN AFTAB AHMED KHAN Branch Manager	Atlas Honda Building Azmat Wasti Road, Multan.	4544494
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JAWAID IRSHAD
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MUHAMMAD AFZAL
Company Secretary Extension: 202

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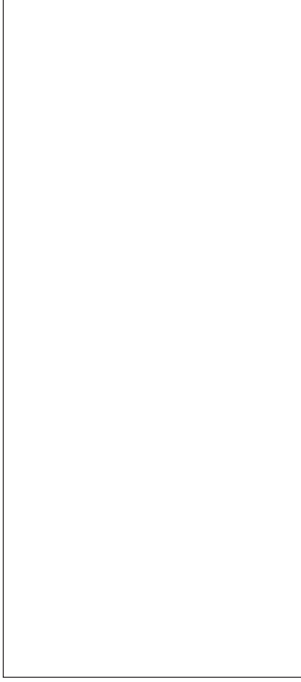
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