Cash Flow Statement
for the year ended December 31, 2006

	31 December 2006	31 December 2005
Operating Cash Flows		
Underwriting activities		
Premium received	**4,346,839,232**	4,744,925,134
Reinsurance premium paid	**(3,043,357,718)**	(3,252,227,182)
Claims paid	**(921,619,248)**	(1,677,201,154)
Reinsurance and other recoveries received	**296,818,771**	505,635,958
Commission paid	**(464,621,175)**	(516,811,823)
Commission received	**139,400,037**	129,082,167
Premium and claim reserves retained from retocessionaires/ witheld by ceding companies	**43,092,678**	(9,696,695)
Expenses paid	**(141,653,667)**	(156,697,432)
Net cash flows from underwriting activities	**254,898,910**	(232,991,027)
Other Operating Activities		
Income tax paid	**(194,908,517)**	(29,618,241)
General administration expenses paid	**(14,619,808)**	(20,501,710)
Loans recovered from employees	**2,855,046**	140,523
Other receipts	**8,036,150**	6,824,849
Other payments - staff contribution	**(23,857,224)**	(2,724,000)
Net cash flows from other operating activities	**(222,494,353)**	(45,878,579)
Total cash flow from all operating activities	**32,404,557**	(278,869,606)
Investment activities		
Fixed capital expenditure	**(142,484)**	(769,869)
Acquisition of investments	**(2,313,917,170)**	(2,262,386,290)
Rental income received	**30,457,452**	27,646,388
Dividend income received	**603,203,999**	354,433,715
Interest income on bank deposits	**11,028,987**	4,127,957
Investment income received	**53,700,000**	138,741,312
Sale proceeds of investments	**1,702,255,100**	2,090,570,829
Total cash flow from investment activities	**86,585,884**	352,364,042
Financing activities		
Surplus paid	**(83,199)**	(767,696)
Dividend paid	**(179,058,935)**	(114,107,341)
Payments of finance leases	**(1,253,061)**	(2,024,960)
Total cash flows from financing activities	**(180,395,195)**	(116,899,997)
Net cash flow from all activities	**(61,404,754)**	(43,405,561)
Cash and cash equivalents at beginning of the year	**271,388,621**	314,794,182
Cash and cash equivalents at end of the year *Rupees*	**209,983,867**	271,388,621

Executive Director (F&A)	Rukhsana Saleem	Fazlur Rehman Dittu	Fazal-i-Qadar
	Cheif Executive	Director	Director

		31 December 2006	31 December 2005
Reconciliation to profit and loss account			
Operating cash flows		**32,404,557**	(278,869,606)
Depreciation expense		**(6,419,039)**	7,220,618
Exchange (gain) / loss		**(6,403,120)**	(40,563,284)
Provision for doubtful debts/Litigation		**(120,000,000)**	123,000,000
Rental income		**32,625,473**	(32,856,783)
Pension officers expense		**3,471,200**	(1,529,000)
Pension staff expense		**(345,023)**	4,982,000
Medical expense		**(8,089,000)**	8,326,000
Gratuity expense		**17,429,231**	(10,235,000)
Compensated absences		**3,418,000**	4,680,000
Provision for outstanding claims		**151,909,188**	348,875,024
Provision for unearned premium		**148,601,305**	723,733,856
Prepaid reinsurance		**179,322,213**	(99,045,668)
Provision for employee benefits		**8,698,176**	13,794,880
Dividend income		**649,163,245**	(338,198,631)
Investment income		**105,260,630**	(148,355,748)
Amortisation of premium		**(15,114,724)**	14,585,502
Gain on sale of investment		**2,157,782**	-
(Decrease) / increase in operating assets other than cash		**125,622,282**	908,033,506
(Increase) / decrease in operating liabilities		**(335,932,000)**	(400,105,715)
		967,780,376	807,471,951
Other adjustments			
Decrease / (increase) in provision for diminution in value of investments		**10,171,686**	4,532,564
Income tax paid		**(194,908,517)**	(29,618,239)
		(184,736,831)	(25,085,675)
Profit before taxation		**783,043,545**	782,386,276
Provision for taxation		**(111,200,000)**	(187,958,813)
Profit after taxation	*Rupees*	**671,843,545**	594,427,463
Cash and cash equivalents			
Cash and other equivalent		**16,992**	34,351
Current and other accounts		**208,266,875**	269,654,270
Deposit maturing within 12 months		**1,700,000**	1,700,000
	Rupees	**209,983,867**	271,388,621

The annexed notes from 1 to 44 form an integral part of these financial statements.

Executive Director (F&A)	Rukhsana Saleem Cheif Executive	Fazlur Rehman Dittu Director	Fazal-i-Qadar Director