



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 retrocessionaires/ withheld 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	209,983,867	271,388,621

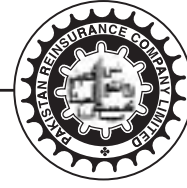
Rupees

Executive Director (F&A)

Rukhsana Saleem
Chief Executive

Fazlur Rehman Dittu
Director

Fazal-i-Qadar
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	671,843,545	594,427,463
	<i>Rupees</i>	
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
	209,983,867	271,388,621
	<i>Rupees</i>	

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

Executive Director (F&A)

Rukhsana Saleem
Chief Executive

Fazlur Rehman Dittu
Director

Fazal-i-Qadar
Director