

Statement of Cash Flows

For the year ended December 31, 2011

Operating cash flows	Note	2011 Rupees	2010 Rupees
Underwriting activities			
Premium received		6,746,669,112	4,999,370,420
Reinsurance premium paid		(3,282,441,468)	(1,975,515,960)
Claims paid		(2,195,928,002)	(2,002,847,826)
Reinsurance and other recoveries received		320,451,799	339,131,022
Commission paid		(940,413,572)	(813,893,854)
Commission received		89,640,393	92,693,498
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies		78,589,037	(77,137,717)
Expenses paid		(352,920,536)	(301,805,388)
Net cash inflows from underwriting activities		463,646,763	259,994,195
Other operating activities			
Income tax paid		(94,388,700)	(115,392,988)
General administration expenses paid		(29,828,813)	(27,140,878)
Loans disbursed-net		(1,541,886)	(1,424,512)
Other receipts /(payments) - sundry debtors		74,368,065	(1,611,308)
Net cash (outflow) from other operating activities		(51,391,334)	(145,569,686)
Total cash inflow from all operating activities		412,255,429	114,424,509
Investment activities			
Fixed capital expenditure	28	(8,592,327)	(5,708,743)
Sale proceeds of fixed assets	28.1	50,000	-
Acquisition of investments		(3,233,663,600)	(5,061,958,506)
Rental income received - net of expenses		52,196,686	51,720,187
Dividend income received		458,401,028	242,097,207
Interest income on bank deposits		112,086,482	82,583,486
Investment income received - net of expenses		214,846,217	308,656,050
Sale proceeds of investments		2,055,938,460	5,732,516,496
Total cash (outflow) / inflow from investment activities		(348,737,054)	1,349,906,177
Financing activities			
Dividend paid		(882,886,705)	(881,346,059)
Total cash (outflow) from financing activities		(882,886,705)	(881,346,059)
Net cash (outflow) / inflow from all activities		(819,368,330)	582,984,627
Cash and cash equivalents at beginning of the year		2,416,631,453	1,833,646,826
Cash and cash equivalents at end of the year	18	1,597,263,123	2,416,631,453

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Sikander Mahmood
Director

Taufique Habib
Director

Statement of Cash Flows

For the year ended December 31, 2011

Reconciliation to profit and loss account	Note	2011 Rupees	2010 Rupees
Operating cash flows		412,255,429	114,424,509
Depreciation expense			
- Investment property	33	(2,375,809)	(2,576,076)
- Fixed assets	33	(6,918,618)	(6,939,136)
Exchange gain		32,512,566	19,567,600
Rental income - net	31	54,038,710	59,217,774
Pension officers expenses	30	(85,578,947)	(37,890,000)
Pension employees expenses	30	56,578,597	4,829,000
Medical expenses	30	(34,524,656)	(25,376,000)
Gratuity expenses	30	(994,000)	(1,999,000)
Compensated absences	30	(7,420,631)	(7,732,000)
Provision for outstanding claims		(142,068,416)	(24,691,663)
Provision for unearned premium		(433,957,168)	(106,638,844)
Prepaid reinsurance premium ceded		(79,817,691)	(133,837,985)
Provision for employee benefits		(26,600,606)	(19,358,394)
Dividend income		458,177,486	241,610,706
Investment income		316,934,498	284,661,807
Interest income		112,086,482	82,583,486
Amortization of discount		4,719,945	2,439,750
Gain on sale of investment		28,154,140	42,845,132
Increase in operating assets other than cash		24,001,962	527,940,519
Decrease/(Increase) in operating liabilities		483,935,558	(477,970,249)
		1,163,138,831	535,110,936
Other adjustments			
(Increase) in provision for diminution in value of investments		-	-
Income tax paid		94,388,700	115,392,988
		94,388,700	115,392,988
Profit before taxation		1,257,527,531	650,503,924
Provision for taxation		(412,714,568)	(124,250,677)
Profit after taxation		844,812,963	526,253,247

Definition of cash

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

Cash for the purpose of the statement of cash flow consist of :

	2011 Rupees	2010 Rupees
Cash and cash equivalents		
Cash and other equivalents	67,433	67,168
Current and other accounts	747,195,690	788,559,085
Deposit maturing within 12 months	850,000,000	1,628,005,200
	1,597,263,123	2,416,631,453

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

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Director

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Director