

Statement of Cash Flows

For the year ended December 31, 2010

	Note	2010 Rupees	2009 Rupees
Operating cash flows			
Underwriting activities			
Premium received		4,999,370,420	5,368,676,293
Reinsurance premium paid		(1,975,515,960)	(3,273,831,065)
Claims paid		(2,002,847,826)	(1,999,882,021)
Reinsurance and other recoveries received		339,131,022	794,664,893
Commission paid		(813,893,854)	(663,221,537)
Commission received		92,693,498	76,902,885
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies		(77,137,717)	9,604,897
Expenses paid		(301,805,388)	(231,410,090)
Net cash inflows from underwriting activities		259,994,195	81,504,255
Other operating activities			
Income tax paid		(115,392,988)	(120,476,675)
General administration expenses paid		(27,140,878)	(35,178,235)
Loans disbursed-net		(1,424,512)	(661,553)
Other payments - sundry debtors		(1,611,308)	(60,845,341)
Other payments - staff contribution		-	12,944,926
Net cash (outflow) from other operating activities		(145,569,686)	(204,216,878)
Total cash inflow/ (outflow) from all operating activities		114,424,509	(122,712,623)
Investment activities			
Fixed capital expenditure	28	(5,708,743)	(14,999,304)
Sale proceeds of fixed assets	28.1	-	1,618,000
Acquisition of investments		(5,061,958,506)	(4,325,162,021)
Rental income received - net of expenses		51,720,187	56,514,417
Dividend income received		242,097,207	314,659,821
Interest income on bank deposits		82,583,486	131,750,750
Investment income received - net of expenses		308,656,050	229,092,881
Sale proceeds of investments		5,732,516,496	3,469,172,913
Total cash inflow / (outflow) from investment activities		1,349,906,177	(137,352,543)
Financing activities			
Surplus paid		-	(1,240)
Dividend paid		(881,346,059)	(742,918,352)
Total cash (outflow) from financing activities		(881,346,059)	(742,919,592)
Net cash inflow / (outflow) from all activities		582,984,627	(1,002,984,758)
Cash and cash equivalents at beginning of the year		1,833,646,826	2,836,631,584
Cash and cash equivalents at end of the year	18	2,416,631,453	1,833,646,826

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Sikander Mahmood
Director

Syed Arshad Ali
Director

Statement of Cash Flows

For the year ended December 31, 2010

	Note	2010 Rupees	2009 Rupees
Reconciliation to profit and loss account			
Operating cash flows		114,424,509	(122,712,623)
Depreciation expense			
-Investment property	33	(2,576,076)	(2,805,688)
-Fixed assets	33	(6,939,136)	(6,563,587)
Exchange gain		19,567,600	48,931,906
Reversal of provisions		-	44,230,139
Rental income - net	31	59,217,774	60,412,168
Pension officers expenses	30	(37,890,000)	(63,156,000)
Pension employees expenses	30	4,829,000	-
Medical expenses	30	(25,376,000)	(29,379,694)
Gratuity expenses	30	(1,999,000)	(49,000)
Compensated absences	30	(7,732,000)	(8,205,266)
Income on transfer of assets to pension fund	30	-	52,213,809
Reversal of excess contribution	30	-	30,951,000
Provision for outstanding claims		(24,691,663)	(300,417,971)
Provision for unearned premium		(106,638,844)	(628,249,779)
Prepaid reinsurance premium ceded		(133,837,985)	(233,651,447)
Provision for employee benefits		(19,358,394)	26,216,000
Dividend income		241,610,706	307,376,841
Investment income		284,661,807	225,547,329
Interest income		82,583,486	155,898,342
Amortization of discount / (premium)		2,439,750	(1,228,027)
Gain on sale of investment		42,845,132	425,228,019
Increase in operating assets other than cash		527,940,519	236,700,327
(Increase) in operating liabilities		(477,970,249)	(19,483,028)
		535,110,936	197,803,770
Other adjustments			
(Increase) in provision for diminution in value of investments		-	-
Income tax paid		115,392,988	120,476,675
		115,392,988	120,476,675
Profit before taxation		650,503,924	318,280,445
Provision for taxation		(124,250,677)	(48,369,575)
Profit after taxation		526,253,247	269,910,870

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 :

Cash and cash equivalents

Cash and other equivalents	67,168	65,470
Current and other accounts	788,559,085	1,231,881,356
Deposit maturing within 12 months	1,628,005,200	601,700,000
	2,416,631,453	1,833,646,826

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Sikander Mahmood
Director

Syed Arshad Ali
Director