



## **BOARD OF DIRECTORS**

MRS. RUKHSANA SALEEM	CHAIRPERSON
MR. KAMAL AFSAR	DIRECTOR
MR. S.M. RAFIQUE AKHTAR/ALTERNATE	DIRECTOR
S. AIJAZ AKHTAR	DIRECTOR
SYED YAWAR ALI	DIRECTOR
MR. FAZLUR REHMAN DITTU	DIRECTOR
MR. SHAMIM AHMED KHAN	DIRECTOR
MR. SIKANDAR HAYAT JAMALI	DIRECTOR
MR. JAVED SYED	DIRECTOR
MR. FAZAL-I-QADAR	DIRECTOR

## **SENIOR MANAGEMENT**

MR. ASGHAR IMAM KHALID	EXECUTIVE DIRECTOR (F&A) / CFO
MR. FIDA HUSSAIN SAMOO	EXECUTIVE DIRECTOR / SR. MANAGER (RE)
MR. SHAHZAD FAROOQ LODHI	SECRETARY / MANAGER (ESTT & ADMIN)
MRS. GHAZALA IMRAN	CHIEF MANAGER (NZO), LAHORE
MR. AYAZ HUSSAIN M. GAD	SR. MANAGER (MARINE / FIRE / CR. TREATY)
MR. ANZARUL HASAN HASHMI	MANAGER (ACCIDENT)
MR. RAHMATULLAH KHILJI	MANAGER (INTERNAL AUDIT)

## **AUDIT COMMITTEE**

SYED YAWAR ALI	CHAIRMAN
MR. S. M. RAFIQUE AKHTAR	MEMBER
MR. FAZLUR REHMAN DITTU	MEMBER
MR. SHAMIM AHMED KHAN	MEMBER

## **HEAD OFFICE**

PRC Towers, 32 - A, Lalazar Drive, M.T. Khan Road,  
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## **ZONAL OFFICE**

AL-Jannat,  
Bank Square, Lahore.

## **BANKERS**

National Bank of Pakistan  
Habib Bank Limited  
MCB Bank Limited  
United Bank Limited

# PAKISTAN REINSURANCE COMPANY LIMITED

## Directors' Report to the Shareholders

The Shareholders,  
Pakistan Reinsurance Co. Ltd.,

Gentlemen,

On behalf of the Board of Directors of PRCL, I present the un-audited financial statements of the Company for the 1<sup>st</sup> half ended June 30, 2007.

### Review of business activities

The Ministry of Commerce, Government of Pakistan has notified that the right of first refusal entitlement of Pakistan Reinsurance Company Limited shall remain in force and every insurer operating in Pakistan shall continue to reinsure with Pakistan Reinsurance Company Limited not less than (35%) **thirty five percent** of the business.

The Gross Premium for the aforesaid period was Rs.2,209 million and the Net Premium was Rs.797 million. The net claims, net commission and management expenses have aggregated to Rs.767 million. Besides, the income from investment including rental and other income for the period was recorded at Rs.217 million. Your company has earned a pre-tax profit of Rs.198 million during the 1<sup>st</sup> half ended June 30, 2007.

The management is taking steps and making all out efforts to ensure good results by way of accepting good business.

In the end, I would like to thank all insurance companies their Chairmen, Directors, Officers and staff for co-operation extended by them in running the affairs of the company.

For and on behalf  
of the Board of Directors

(Rukhsana Saleem)  
Chairman/Chief Executive

Karachi: August 28, 2007

## **Report on review of Condensed Interim Financial Information to the Members**

### *Introduction*

We have reviewed the accompanying:

- i. condensed interim balance sheet;
- ii. condensed interim profit and loss account;
- iii. condensed interim statement of changes in equity;
- iv. condensed interim statement of cash flows;
- v. condensed interim statement of premium;
- vi. condensed interim statement of claims;
- vii. condensed interim statement of expenses; and
- viii. condensed interim statement of investment income.

of **Pakistan Reinsurance Company Limited (“the Company”)** as at 30 June 2007, together with the notes forming part thereof for the half year then ended (hereinafter referred to as the “interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Basis for Qualified Conclusion*

- a) As per the condensed interim financial statements for the half year ended 30 June 2007, balances of Rs. 498.03 million (net of Provision of Rs.386 million) and Rs. 548.28 million were respectively “Due from” and “Due to” other persons and bodies carrying on insurance business. The Company is in process of reconciling these balances with these persons and bodies. Further, as explained in note 5 to the financial statements, contingent liabilities include certain claims amounting to Rs. 98 million which were reversed by the company in previous years due to the reason that appropriate documentation for substantiating these claims was not provided.

Pending reconciliation of differences with these persons and bodies, adjustments if any, required in these balances could not be quantified and consequently we are unable to verify the balances.

- b) As per the condensed interim financial statements for the half year ended 30 June 2007, the balances in respect of premium and claim reserves retained by ceding companies amounted to Rs. 47.67 million and balances in respect of premium and claim reserves retained from retrocessionaires amounted to Rs. 21.20 million. The company is in the process of reconciling these balances with various insurance companies.

Pending reconciliation of balances with other companies, adjustments, if any, required in these balances could not be quantified and consequently we are unable to verify these balances.

*Qualified Conclusion*

Based on our review, with the exception of the matters described in the preceding paragraphs (a) and (b), nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the half year ended 30 June 2007 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

*Other Matters*

The figures for the quarter ended 30 June 2007 and 30 June 2006 in the accompanying condensed interim financial information have not been reviewed and we do not express a conclusion on them

**Date:** 28 AUG 2007

**Karachi**

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**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

# Pakistan Reinsurance Company Limited

## Condensed Interim Balance Sheet

As at 30 June 2007

	30 June 2007 (Unaudited)	31 December 2006 (Audited)		30 June 2007 (Unaudited)	31 December 2006 (Audited)
	(Rupees)			(Rupees)	
<b>Share capital and reserves</b>			<b>Cash and bank deposits</b>		
Authorized share capital: 100,000,000 Ordinary shares of Rs. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>	Cash and other equivalents	<u>99,216</u>	16,992
Paid up share capital	540,000,864	450,000,720	Current and other accounts	<u>196,441,378</u>	208,266,875
Retained earnings	<u>188,070,570</u>	721,954,126	Deposits maturing within 12 months	<u>1,700,000</u>	1,700,000
Exceptional losses reserve	<u>281,000,000</u>	281,000,000		<b>198,240,594</b>	209,983,867
General reserve	<u>1,777,419,085</u>	1,277,419,085	<b>Loans - Secured and unsecured (considered good)</b>		
	<u>2,246,489,655</u>	2,280,373,211	- to employees	<u>26,635,410</u>	28,945,349
<b>TOTAL EQUITY</b>	<u>2,786,490,519</u>	2,730,373,931	- to others	<u>3,278,397</u>	3,100,142
				<u>29,913,807</u>	32,045,491
<b>Underwriting provisions</b>			<b>Investments</b>	6	3,814,886,512
Provision for outstanding claims (including IBNR)	<u>756,826,151</u>	669,922,164	<b>Investment properties</b>	7	52,513,904
Provision for unearned premium	<u>2,125,010,077</u>	2,263,357,449	<b>Deferred taxation</b>		87,346,888
Additional provision for unexpired risks	<u>33,124,473</u>	-	<b>Other assets</b>		
Commission income unearned	<u>54,102,505</u>	69,370,524	Amount due from other persons and bodies carrying on insurance business	<u>498,028,416</u>	493,663,550
Total underwriting provisions	<u>2,969,063,206</u>	3,002,650,137	Premium and claim reserves retained by cedants	<u>47,669,986</u>	32,724,184
<b>Deferred liability</b>			Accrued investment income	<u>40,003,081</u>	21,522,485
Employee benefits	131,620,500	123,817,001	Sundry receivables	<u>222,553,271</u>	207,724,808
<b>Long term deposits</b>	16,891,551	19,740,060	Prepaid reinsurance ceded	<u>1,337,872,527</u>	1,469,746,545
<b>Creditors and accruals</b>			Deferred commission expense	<u>252,164,884</u>	238,217,500
Amount due to other persons and bodies carrying on insurance business	<u>548,282,694</u>	412,127,526	Stock of stationery	<u>278,803</u>	289,707
Premium and claim reserves retained from retrocessionaires	<u>21,198,471</u>	26,055,623		<b>2,398,570,968</b>	2,463,888,779
Other creditors and accruals	<u>19,467,269</u>	34,539,387	<b>Fixed assets</b>		
Taxation - Provision less payments	<u>89,389,059</u>	103,167,230	<b>Tangible</b>	8	
Retention money payable	<u>6,364,231</u>	6,410,112	Land and building	<u>22,618,514</u>	23,367,122
	<u>684,701,724</u>	582,299,878	Furniture, fixture, books and office equipment	<u>2,893,188</u>	2,616,363
<b>Other liabilities</b>			Motor vehicles	<u>2,367,021</u>	2,630,023
Dividend payable	<u>19,353,290</u>	4,177,252		<u>27,878,723</u>	28,613,508
Surplus profit payable	<u>1,230,606</u>	1,230,606	Assets relating to Bangladesh	-	-
	<u>20,583,896</u>	5,407,858			
<b>TOTAL LIABILITIES</b>	<u>3,822,860,877</u>	3,733,914,934	<b>TOTAL ASSETS</b>	<u>6,609,351,396</u>	<u>6,464,288,865</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u>6,609,351,396</u>	<u>6,464,288,865</u>			
<b>CONTINGENCIES</b>	5				

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chairperson

Director

Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Changes in Equity (Unaudited)  
For the half year ended 30 June 2007

	Share Capital	Reserves				Total
	Issued	Revenue Reserves			Total	
	Subscribed and paid up	Exceptional Losses reserve	General reserves	Unappropriated profit		Total
------(Rupees)-----						
<b>Balance as at 1 January 2006</b>	450,000,720	281,000,000	877,419,085	630,110,869	1,788,529,954	2,238,530,674
<b>Changes in equity for the six months period ended 30 June 2006</b>						
Total recognized income and expense for the six months ended 30 June 2006	-	-	-	281,583,581	281,583,581	281,583,581
Final dividend for the year ended 31 December 2005 @ 40% (Rs.4 per share)	-	-	-	(180,000,288)	(180,000,288)	(180,000,288)
Transfer to general reserve	-	-	400,000,000	(400,000,000)	-	-
<b>Balance as at 30 June 2006</b>	<u>450,000,720</u>	<u>281,000,000</u>	<u>1,277,419,085</u>	<u>331,694,162</u>	<u>1,890,113,247</u>	<u>2,340,113,967</u>
<b>Balance as at 1 January 2007</b>	450,000,720	281,000,000	1,277,419,085	721,954,126	2,280,373,211	2,730,373,931
<b>Changes in equity for the six months period ended 30 June 2007</b>						
Total recognized income and expense for the six months ended 30 June 2007	-	-	-	146,116,732	146,116,732	146,116,732
Final dividend for the year ended 31 December 2006 @ 20% (Rs. 2 per share)	-	-	-	(90,000,144)	(90,000,144)	(90,000,144)
Issue of bonus shares 2006: @ 20% (2005: nil)	90,000,144	-	-	(90,000,144)	(90,000,144)	-
Transfer to general reserve	-	-	500,000,000	(500,000,000)	-	-
<b>Balance as at 30 June 2007</b>	<u>540,000,864</u>	<u>281,000,000</u>	<u>1,777,419,085</u>	<u>188,070,570</u>	<u>2,246,489,655</u>	<u>2,786,490,519</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Director

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Director

Pakistan Reinsurance Company Limited  
Condensed Interim Profit and Loss Account (Unaudited)  
For the half year ended 30 June 2007

Note	Quarter ended 30 June						Treaty	2007	2006
	Facultative							Aggregate	Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering			
------(Rupees)-----									
<b>Revenue Account</b>									
Net premium revenue	64,262,042	6,065,511	4,475,398	5,024,484	10,795,246	29,990,838	274,968,575	<b>395,582,094</b>	360,166,602
Net claims	74,687,648	755,801	1,695,150	5,386,508	610,747	58,381,057	151,004,902	<b>292,521,813</b>	155,836,583
Premium deficiency expenses	10,753,580	-	-	-	-	22,370,893	-	<b>33,124,473</b>	-
Expenses	1,168,564	875,949	217,179	850,816	1,172,967	862,814	32,468,680	<b>37,616,969</b>	41,386,213
Net commission	6,954,895	861,141	602,163	641,239	(872,665)	(5,593,263)	86,684,188	<b>89,277,698</b>	95,772,337
<b>Underwriting result</b>	<b>(29,302,645)</b>	<b>3,572,620</b>	<b>1,960,906</b>	<b>(1,854,079)</b>	<b>9,884,197</b>	<b>(46,030,663)</b>	<b>4,810,805</b>	<b>(56,958,859)</b>	<b>67,171,469</b>
Investment income								<b>74,682,541</b>	105,608,057
Rental income								<b>7,793,960</b>	6,529,958
Exchange (loss) / gain								<b>(7,394,800)</b>	(15,146,025)
Other income								<b>4,799,744</b>	406,053
General and administration expenses								<b>(4,557,001)</b>	(3,978,248)
Provision for doubtful debts								<b>-</b>	(20,000,000)
								<b>75,324,444</b>	73,419,795
<b>Profit before tax</b>								<b>18,365,585</b>	140,591,264
Provision for taxation - current								<b>13,938,000</b>	34,743,000
- deferred								<b>-</b>	(7,000,000)
<b>Profit after tax</b>								<b>4,427,585</b>	112,848,264
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Note	Six months ended 30 June						Treaty	2007	2006
	Facultative							Aggregate	Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering			
------(Rupees)-----									
<b>Revenue Account</b>									
Net premium revenue	128,381,182	10,895,882	8,971,641	9,390,154	21,681,380	63,184,349	554,444,916	<b>796,949,504</b>	733,246,854
Net claims	85,476,791	755,801	2,723,388	5,386,508	740,388	81,930,377	344,963,259	<b>521,976,512</b>	341,276,794
Premium deficiency expenses	10,753,580	-	-	-	-	22,370,893	-	<b>33,124,473</b>	-
Expenses	2,431,627	1,808,288	434,753	1,714,761	2,355,230	1,775,263	54,696,492	<b>65,216,414</b>	76,725,127
Net commission	13,558,127	1,497,957	1,191,774	1,198,466	(2,094,466)	(11,126,181)	175,989,139	<b>180,214,816</b>	197,407,326
<b>Underwriting result</b>	<b>16,161,057</b>	<b>6,833,836</b>	<b>4,621,726</b>	<b>1,090,419</b>	<b>20,680,228</b>	<b>(31,766,003)</b>	<b>(21,203,974)</b>	<b>(3,582,711)</b>	<b>117,837,607</b>
Investment income								<b>193,055,503</b>	246,872,570
Rental income								<b>15,196,463</b>	15,439,390
Exchange (loss) / gain								<b>(7,312,849)</b>	(15,263,820)
Other income								<b>9,303,210</b>	10,672,509
General and administration expenses								<b>(8,394,884)</b>	(7,974,675)
Provision for doubtful debts								<b>-</b>	(20,000,000)
								<b>201,847,443</b>	229,745,974
<b>Profit before tax</b>								<b>198,264,732</b>	347,583,581
Provision for taxation - current								<b>52,148,000</b>	73,000,000
- deferred								<b>-</b>	(7,000,000)
<b>Profit after tax</b>								<b>146,116,732</b>	281,583,581
-----									
<b>Profit and loss appropriation account</b>									
<b>Balance at the commencement of the half year</b>								<b>721,954,126</b>	630,110,869
<b>Profit after tax for the half year</b>								<b>146,116,732</b>	281,583,581
Transfer to general reserve								<b>(500,000,000)</b>	(400,000,000)
Final cash dividend paid 2006: Rs. 2 (20%) per share [2005: Rs. 4 (40%) per share]								<b>(90,000,144)</b>	(180,000,288)
Issuance of bonus share 2006: 20% (2005: Nil)								<b>90,000,144</b>	-
<b>Balance at the end of the half year</b>								<b>188,070,570</b>	331,694,162
-----									
<b>Earnings per share of Rs. 10 each</b>								<b>2.71</b>	5.21

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chairperson

Director

Director

Pakistan Reinsurance Company Limited  
Condensed Interim Cash Flow Statement (Unaudited)  
For the half year ended 30 June 2007

	30 June 2007	30 June 2006
<b>Operating Cash Flows</b>	<b>(Rupees)</b>	
<b>Underwriting Activities</b>		
Premium received	2,104,616,842	2,024,641,074
Reinsurance premium paid	(1,189,663,239)	(1,344,678,138)
Claims paid	(602,998,769)	(429,279,944)
Reinsurance and other recoveries received	167,926,244	84,525,358
Commission paid	(264,218,385)	(212,419,383)
Commission received	54,788,166	58,683,374
Deposits received from / paid to ceding companies	(19,802,954)	11,042,066
Expenses paid	(67,207,479)	(76,725,127)
Net cash flows from underwriting activities	183,440,426	115,789,280
<b>Other Operating Activities</b>		
Income tax paid	(65,926,171)	(23,192,007)
General management expenses paid	(5,372,567)	(7,974,675)
Loans recovered from employees	2,131,684	(4,688,307)
Other receipts / (payments)	(14,828,463)	(14,149,377)
Net cash flows from other operating activities	(83,995,517)	(50,004,366)
<b>Total cash flow from all operating activities</b>	<b>99,444,909</b>	<b>65,784,914</b>
<b>Investing Activities</b>		
Fixed capital expenditure	(568,114)	(42,250)
Acquisition of investments	(1,976,090,880)	(648,239,640)
Rental income received	4,880,465	11,366,179
Dividend income received	95,818,586	124,455,000
Interest income on bank deposits	6,887,530	11,192,212
Investment income received	31,790,137	35,967,652
Sale proceeds of investments	1,800,918,200	602,255,100
<b>Total cash flow from investing activities</b>	<b>(36,364,076)</b>	<b>136,954,253</b>
<b>Financing activities</b>		
Dividend paid	(74,824,106)	(175,702,000)
Payments of finance leases	-	(1,070,689)
Total cash flows from financing activities	(74,824,106)	(176,772,689)
Net cash inflow / (outflow) from all activities	(11,743,273)	25,966,478
Cash and cash equivalents at beginning of the half year	209,983,867	271,388,621
Cash and cash equivalents at end of the half year	<b>198,240,594</b>	<b>297,355,099</b>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director



	30 June 2007	30 June 2006
<b>(Rupees)</b>		
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	99,444,909	65,784,914
Depreciation expense	2,876,317	3,206,920
Exchange (gain) / loss	7,312,849	15,263,820
Provision for doubtful debts	-	20,000,000
Rental income	(18,226,039)	(18,804,150)
Pension officers expense	3,337,500	2,497,000
Pension staff expense	903,000	1,802,000
Medical expense	4,810,000	5,239,000
Gratuity expense	(5,834,000)	(6,342,000)
Leave encashment	1,709,000	1,806,000
Provision for outstanding claims	86,903,987	3,477,792
Provision for unearned premium	138,347,372	126,606,633
Additional provision for unexpired risks	(33,124,473)	-
Prepaid reinsurance ceded	(131,874,018)	9,212,439
Provision for employee benefits	7,803,499	5,926,235
Dividend Income	(96,128,670)	(185,706,315)
Investment Income	(61,196,896)	(47,816,261)
Interest Income	(8,071,394)	(11,192,212)
Amortization of premium	8,095,091	7,557,362
Gain on sale of investment	(614,372)	(2,157,782)
Decrease / (increase) in operation assets other than cash	91,018,838	473,082,584
Increase / (decrease) in operating liabilities	165,312,440	(102,374,445)
	<b>262,804,940</b>	<b>367,069,534</b>
<b>Other adjustments:</b>		
Decrease / (increase) in provision for diminution in value of investments	1,385,963	3,706,054
Income tax paid	(65,926,171)	(23,192,007)
	<b>(64,540,208)</b>	<b>(19,485,953)</b>
Profit before taxation	<b>198,264,732</b>	<b>347,583,581</b>
Provision for taxation	<b>(52,148,000)</b>	<b>(66,000,000)</b>
Profit after taxation	<b>146,116,732</b>	<b>281,583,581</b>

#### 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:

	30 June 2007	30 June 2006
<b>Cash and cash equivalents:</b>		
Cash and other equivalent	99,216	67,561
Current and other accounts	196,441,378	295,587,538
Deposit maturing within 12 months	1,700,000	1,700,000
	<b>198,240,594</b>	<b>297,355,099</b>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Premium (Unaudited)  
For the half year ended 30 June 2007

Business underwritten inside Pakistan

Class	Quarter ended 30 June							2007	2006	
	Premium Written	Unearned premium reserve			Re-insurance Ceded	Prepaid Reinsurance Premium ceded		Re-insurance expense	Net Premium revenue	Net Premium revenue
		Opening	Closing	Premium earned		Opening	Closing			
	(A)	(B)	(C)	(D=A+B-C)	(E)	(F)	(G)	(H=E+F-G)	(I=D-H)	
----- (Rupees)										
<b>Direct and facultative</b>										
Fire	133,778,343	593,550,730	468,773,601	258,555,472	108,080,754	456,691,281	370,478,605	194,293,430	<b>64,262,042</b>	27,194,526
Marine Cargo	7,709,197	2,210,913	3,854,599	6,065,511	-	-	-	-	<b>6,065,511</b>	2,597,281
Marine Hull	13,778,491	6,618,036	14,939,683	5,456,844	-	2,453,617	1,472,171	981,446	<b>4,475,398</b>	2,466,527
Accident	9,571,621	8,672,074	13,177,590	5,066,105	-	41,621	-	41,621	<b>5,024,484</b>	3,022,108
Aviation	250,903,848	546,279,602	520,223,246	276,960,204	234,801,064	526,910,885	495,546,991	266,164,958	<b>10,795,246</b>	9,508,300
Engineering	89,152,786	495,214,363	351,620,690	232,746,459	72,822,238	420,263,170	290,329,787	202,755,621	<b>29,990,838</b>	21,696,603
<b>Total</b>	<b>504,894,286</b>	<b>1,652,545,718</b>	<b>1,372,589,409</b>	<b>784,850,595</b>	<b>415,704,056</b>	<b>1,406,360,574</b>	<b>1,157,827,554</b>	<b>664,237,076</b>	<b>120,613,519</b>	66,485,345
<b>TREATY</b>	498,783,454	659,399,775	752,420,668	405,762,561	173,263,396	137,575,563	180,044,973	130,793,986	<b>274,968,575</b>	293,681,257
<b>Grand Total</b>	<b>1,003,677,740</b>	<b>2,311,945,493</b>	<b>2,125,010,077</b>	<b>1,190,613,156</b>	<b>588,967,452</b>	<b>1,543,936,137</b>	<b>1,337,872,527</b>	<b>795,031,062</b>	<b>395,582,094</b>	360,166,602

Class	Six months ended 30 June							2007	2006	
	Premium Written	Unearned premium reserve			Re-insurance Ceded	Prepaid Reinsurance Premium ceded		Re-insurance expense	Net Premium revenue	Net Premium revenue
		Opening	Closing	Premium earned		Opening	Closing			
	(A)	(B)	(C)	(D=A+B-C)	(E)	(F)	(G)	(H=E+F-G)	(I=D-H)	
----- (Rupees)										
<b>Direct and facultative</b>										
Fire	517,005,278	464,018,565	468,773,601	512,250,242	448,690,621	305,657,044	370,478,605	383,869,060	<b>128,381,182</b>	50,793,621
Marine Cargo	12,131,023	5,837,310	3,854,599	14,113,734	-	3,217,852	-	3,217,852	<b>10,895,882</b>	7,772,222
Marine Hull	13,778,491	12,115,355	14,939,683	10,954,163	-	3,454,693	1,472,171	1,982,522	<b>8,971,641</b>	3,641,194
Accident	13,131,877	9,562,394	13,177,590	9,516,681	-	126,527	-	126,527	<b>9,390,154</b>	5,492,399
Aviation	501,129,985	574,988,229	520,223,246	555,894,968	476,779,802	552,980,777	495,546,991	534,213,588	<b>21,681,380</b>	15,471,314
Engineering	272,087,246	545,449,106	351,620,690	465,915,662	218,540,275	474,520,825	290,329,787	402,731,313	<b>63,184,349</b>	43,708,855
<b>Total</b>	<b>1,329,263,900</b>	<b>1,611,970,959</b>	<b>1,372,589,409</b>	<b>1,568,645,450</b>	<b>1,144,010,698</b>	<b>1,339,957,718</b>	<b>1,157,827,554</b>	<b>1,326,140,862</b>	<b>242,504,588</b>	126,879,605
<b>TREATY</b>	879,713,454	651,386,490	752,420,668	778,679,276	274,490,506	129,788,827	180,044,973	224,234,360	<b>554,444,916</b>	606,367,249
<b>Grand Total</b>	<b>2,208,977,354</b>	<b>2,263,357,449</b>	<b>2,125,010,077</b>	<b>2,347,324,726</b>	<b>1,418,501,204</b>	<b>1,469,746,545</b>	<b>1,337,872,527</b>	<b>1,550,375,222</b>	<b>796,949,504</b>	733,246,854

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chairperson

Director

Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Claims (Unaudited)  
For the half year ended 30 June 2007

Business underwritten inside Pakistan

Class	Quarter ended 30 June							2007	2006	
	Claims paid (A)	Outstanding Claims		Claims expense (D=A+C-B)	Reinsurance and other recoveries Received (E)	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue (H=E+G-F)	Net claim expenses (I=D-H)	Net claim expenses
		Opening (B)	Closing (C)			Opening (F)	Closing (G)			
------(Rupees)-----										
<b>Direct and facultative</b>										
Fire	11,684,981	91,418,677	154,421,344	74,687,648	-	68,968,099	68,968,099	-	<b>74,687,648</b>	(26,181,154)
Marine Cargo	439,297	183,585	500,089	755,801	-	-	-	-	<b>755,801</b>	653,630
Marine Hull	1,730,010	15,833,000	15,798,460	1,695,470	-	7,088,000	7,088,320	320	<b>1,695,150</b>	858,894
Accident	-	4,500,000	9,886,508	5,386,508	-	-	-	-	<b>5,386,508</b>	(1,629,725)
Aviation	75,358,105	90,484,823	51,192,656	36,065,938	73,520,486	87,681,528	49,616,233	35,455,191	<b>610,747</b>	22,311,815
Engineering	5,602,896	339,859,000	728,684,903	394,428,799	2,930,147	303,047,000	636,164,595	336,047,742	<b>58,381,057</b>	11,926,305
<b>Total</b>	<b>94,815,289</b>	<b>542,279,085</b>	<b>960,483,960</b>	<b>513,020,164</b>	<b>76,450,633</b>	<b>466,784,627</b>	<b>761,837,247</b>	<b>371,503,253</b>	<b>141,516,911</b>	7,939,765
<b>TREATY</b>	273,690,314	1,656,701,406	1,603,332,219	220,321,127	86,437,144	1,057,321,700	1,040,200,781	69,316,225	<b>151,004,902</b>	147,896,818
<b>Grand Total</b>	<b>368,505,603</b>	<b>2,198,980,491</b>	<b>2,563,816,179</b>	<b>733,341,291</b>	<b>162,887,777</b>	<b>1,524,106,327</b>	<b>1,802,038,028</b>	<b>440,819,478</b>	<b>292,521,813</b>	155,836,583

Class	Six months ended 30 June							2007	2006	
	Claims paid (A)	Outstanding Claims		Claims expense (D=A+C-B)	Reinsurance and other recoveries Received (E)	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue (H=E+G-F)	Net claim expenses (I=D-H)	Net claim expenses
		Opening (B)	Closing (C)			Opening (F)	Closing (G)			
------(Rupees)-----										
<b>Direct and facultative</b>										
Fire	22,474,124	91,418,677	154,421,344	85,476,791	-	68,968,099	68,968,099	-	<b>85,476,791</b>	(24,997,774)
Marine Cargo	439,297	183,585	500,089	755,801	-	-	-	-	<b>755,801</b>	653,630
Marine Hull	2,758,248	15,833,000	15,798,460	2,723,708	-	7,088,000	7,088,320	320	<b>2,723,388</b>	467,274
Accident	-	4,500,000	9,886,508	5,386,508	-	-	-	-	<b>5,386,508</b>	(1,622,406)
Aviation	85,012,958	90,484,823	51,192,656	45,720,791	83,045,698	87,681,528	49,616,233	44,980,403	<b>740,388</b>	21,211,220
Engineering	29,686,023	339,859,000	728,684,903	418,511,926	3,463,954	303,047,000	636,164,595	336,581,549	<b>81,930,377</b>	16,634,238
<b>Total</b>	<b>140,370,650</b>	<b>542,279,085</b>	<b>960,483,960</b>	<b>558,575,525</b>	<b>86,509,652</b>	<b>466,784,627</b>	<b>761,837,247</b>	<b>381,562,272</b>	<b>177,013,253</b>	12,346,182
<b>TREATY</b>	462,628,119	1,656,701,406	1,603,332,219	409,258,932	81,416,592	1,057,321,700	1,040,200,781	64,295,673	<b>344,963,259</b>	328,930,612
<b>Grand Total</b>	<b>602,998,769</b>	<b>2,198,980,491</b>	<b>2,563,816,179</b>	<b>967,834,457</b>	<b>167,926,244</b>	<b>1,524,106,327</b>	<b>1,802,038,028</b>	<b>445,857,945</b>	<b>521,976,512</b>	341,276,794

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chairperson

Director

Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Expenses (Unaudited)  
For the half year ended 30 June 2007

Business underwritten inside Pakistan

Class	Quarter ended 30 June								2007	2006		
	Commission paid or payable	Deferred Commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Opening	Closing	Net commission retrocession	Net underwriting expense	Net underwriting expense
		Opening	Closing									
(A)	(B)	(C)	(D=A+B-C)	(E)	(F=D+E)	(G)	(H)	(I)	(J=G+H-I)	(K=F-J)		
------(Rupees)-----												
<b>Direct and facultative</b>												
Fire	13,146,562	37,195,214	32,880,408	17,461,368	1,168,564	18,629,932	6,707,284	26,064,856	22,265,667	10,506,473	<b>8,123,459</b>	2,956,487
Marine Cargo	959,374	381,454	479,687	861,141	875,949	1,737,090	-	-	-	-	<b>1,737,090</b>	1,068,930
Marine Hull	2,136,747	756,024	2,167,927	724,844	217,179	942,023	-	306,702	184,021	122,681	<b>819,342</b>	257,997
Accident	1,224,282	1,121,271	1,700,152	645,401	850,816	1,496,217	-	4,162	-	4,162	<b>1,492,055</b>	1,403,881
Aviation	554,899	2,280,623	1,688,614	1,146,908	1,172,967	2,319,875	188,112	3,933,450	2,101,989	2,019,573	<b>300,302</b>	(1,001,305)
Engineering	2,314,753	26,452,309	15,658,911	13,108,151	862,814	13,970,965	5,905,803	35,763,586	22,967,975	18,701,414	<b>(4,730,449)</b>	(2,595,910)
<b>Total</b>	<b>20,336,617</b>	<b>68,186,895</b>	<b>54,575,699</b>	<b>33,947,813</b>	<b>5,148,289</b>	<b>39,096,102</b>	<b>12,801,199</b>	<b>66,072,756</b>	<b>47,519,652</b>	<b>31,354,303</b>	<b>7,741,799</b>	2,090,080
<b>TREATY</b>	110,769,263	176,732,586	197,589,185	89,912,664	32,468,680	122,381,344	3,364,499	6,446,830	6,582,853	3,228,476	<b>119,152,868</b>	135,068,470
<b>Grand Total</b>	<b>131,105,880</b>	<b>244,919,481</b>	<b>252,164,884</b>	<b>123,860,477</b>	<b>37,616,969</b>	<b>161,477,446</b>	<b>16,165,698</b>	<b>72,519,586</b>	<b>54,102,505</b>	<b>34,582,779</b>	<b>126,894,667</b>	137,158,550

Class	Six months ended 30 June								2007	2006		
	Commission paid or payable	Deferred Commission		Net commission expense	Other management expenses	Underwriting expense	Commission from reinsurers	Opening	Closing	Net commission retrocession	Net underwriting expense	Net underwriting expense
		Opening	Closing									
(A)	(B)	(C)	(D=A+B-C)	(E)	(F=D+E)	(G)	(H)	(I)	(J=G+H-I)	(K=F-J)		
------(Rupees)-----												
<b>Direct and facultative</b>												
Fire	33,290,094	33,696,385	32,880,408	34,106,071	2,431,627	36,537,698	29,912,277	12,901,334	22,265,667	20,547,944	<b>15,989,754</b>	5,791,895
Marine Cargo	1,722,283	423,805	479,687	1,666,401	1,808,288	3,474,689	-	168,444	-	168,444	<b>3,306,245</b>	2,528,033
Marine Hull	2,136,747	1,470,769	2,167,927	1,439,589	434,753	1,874,342	-	431,836	184,021	247,815	<b>1,626,527</b>	321,583
Accident	1,689,193	1,222,078	1,700,152	1,211,119	1,714,761	2,925,880	-	12,653	-	12,653	<b>2,913,227</b>	2,846,154
Aviation	1,507,738	2,530,647	1,688,614	2,349,771	2,355,230	4,705,001	1,630,890	4,915,336	2,101,989	4,444,237	<b>260,764</b>	(2,248,477)
Engineering	8,884,568	34,555,152	15,658,911	27,780,809	1,775,263	29,556,072	14,271,354	47,603,611	22,967,975	38,906,990	<b>(9,350,918)</b>	(5,975,935)
<b>Total</b>	<b>49,230,623</b>	<b>73,898,836</b>	<b>54,575,699</b>	<b>68,553,760</b>	<b>10,519,922</b>	<b>79,073,682</b>	<b>45,814,521</b>	<b>66,033,214</b>	<b>47,519,652</b>	<b>64,328,083</b>	<b>14,745,599</b>	3,263,253
<b>TREATY</b>	214,987,762	164,318,664	197,589,185	181,717,241	54,696,492	236,413,733	8,973,645	3,337,310	6,582,853	5,728,102	<b>230,685,631</b>	270,869,200
<b>Grand Total</b>	<b>264,218,385</b>	<b>238,217,500</b>	<b>252,164,884</b>	<b>250,271,001</b>	<b>65,216,414</b>	<b>315,487,415</b>	<b>54,788,166</b>	<b>69,370,524</b>	<b>54,102,505</b>	<b>70,056,185</b>	<b>245,431,230</b>	274,132,453

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chairperson

Director

Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Investment Income (Unaudited)  
For the half year ended 30 June 2007

	Quarter ended 30 June 2007	Quarter ended 30 June 2006	Half year ended 30 June 2007	Half year ended 30 June 2006
------(Rupees)-----				
<b>Income from non-trading investment</b>				
<b>Held to maturity investments</b>				
Return on government securities	38,363,982	23,837,573	61,196,896	45,665,828
Amortization of premium on Pakistan investment Bond	(4,316,410)	(3,797,811)	(8,095,091)	(7,557,362)
Return on other fixed income securities and deposits	8,037,755	6,328,417	8,071,394	11,192,212
Income on treasury bills	18,896,022	4,869,020	37,342,434	14,494,834
<b>Available for sale investments</b>				
Dividend income	13,612,838	76,256,037	96,128,670	185,706,315
<b>Gain on sale of non-trading investments</b>				
Available for sale investments	-	2,157,782	614,372	2,157,782
<b>Gain / (loss) on revaluation of non-trading investments</b>				
Available for sale investments	-	(3,506,768)	(1,385,963)	(3,706,053)
At fair value through profit or loss classified as held for trading	151,565	-	139,643	-
	<b>74,745,752</b>	106,144,250	<b>194,012,355</b>	247,953,556
<b>Less: Investment related expenses</b>	<b>63,211</b>	536,193	<b>956,852</b>	1,080,986
<b>Net investment income</b>	<b>74,682,541</b>	105,608,057	<b>193,055,503</b>	246,872,570

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**Pakistan Reinsurance Company Limited**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
*For the half year ended 30 June 2007*

**1. THE COMPANY AND ITS OPERATIONS**

- 1.1** Pakistan Reinsurance Company Limited (the Company) was incorporated on 30 March 2000 under the Companies Ordinance, 1984. The object of the Company is the development of insurance and reinsurance business in Pakistan and to carry on reinsurance business.

The registered office of the Company is located at PRC Towers, 32-A, Lalazar Drive, Maulvi Tamizuddin Khan Road, Karachi. Its shares are quoted on Karachi and Lahore Stock Exchanges.

**2. BASIS OF PREPARATION**

These condensed interim financial statements are unaudited but subject to review by the auditors and are being submitted to the shareholders in accordance with the listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of the approved accounting standard " International Accounting Standard - Interim Financial Reporting (IAS-34)" as applicable in Pakistan and in the format prescribed by Insurance Division of Securities and Exchange Commission of Pakistan (SECP) in its circular No. 7 of 2003 (No. ID-SEC/GI/01/2003) dated August 27, 2003.

These condensed interim financial statements do not include all the information and disclosures required in the financial statements, and should be read in conjunction with the company's annual financial statements for the year ended 31 December 2006.

**3. ACCOUNTING POLICIES**

The accounting policies applied in preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 31 December 2006.

**4. ACCOUNTING ESTIMATES**

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual financial statements for the year ended 31 December 2006.

**5. CONTINGENCIES**

- 5.1** The Company is in process of reconciling balances of amount due to and due from other persons and bodies carrying on insurance business and have identified reconciling items of Rs. 161.87 million (2006: Rs. 348 million) as at 30 June 2007, which have not yet been agreed and settled with these insurance companies. Further, the Company is in process of reconciling balances with various other insurance companies. Consequently, the impact of possible adjustments on these balances and profit and Loss account could not be quantified.

- 5.2 The Company has reversed certain claims lodged by insurance companies estimated at Rs.98 million in previous years due to the reason that appropriate documentation for substantiating these claims was not provided by the ceding companies.

There is a possibility that the Company may become liable to pay this amount in case if ceding companies ultimately manage to provide the relevant supporting documents.

- 5.3 Various employees / ex-employees of the Company have lodged claims against the Company and / or ex-Chairman for their reinstatements and / or for damages amounting to Rs.1.02 billion (2006:Rs.20 million) In certain cases, the Company and / or Ex-Chairman has also made counter claims against employees / ex-employees for damages. However, the liability that may arise in these cases cannot be determined at this stage as these claims are pending in the Honourable High Court.

The legal advisor of the company has recommended to maintain a reserve of Rs. 30 million against any potential loss to the company. However, no provision is made in this respect as management is confident that no material liability will arise in this respect.

- 5.4 The Company has certain disputes with National Construction Company Limited (NCC) and other consultant / contractors, over the certification of final bills and breach of contract in relation to the construction of PRC Tower respectively.

NCC has filed a counter claim of Rs.133.6 million against the Company for financial loss and loss of goodwill against the original claim filed by the company against NCC amounting to Rs.105.9 million for breach of contract for the construction of PRC Towers. In relation to the dispute with the consultants / contractors the total work as certified by company's consultants amounted to Rs.200.76 million against the total contract price of Rs. 208.94 million and the asset capitalized amounted to Rs.191.92 million only.

The Company has not made any provision against these claims, as it does not anticipate any liability in respect of these claims.

- 5.5 The Income Tax department had made add backs on account of excess allocation to "provision for diminution in value of investment" and disallowances of "Provision for impairment loss of fixed assets" amounting to Rs. 139.27 million and Rs. 13.50 million respectively in the assessment year 2002-03, against which the Company filed an appeal before the Commissioner of Income tax (Appeals) which was decided in favour of the Company. Subsequently the Large Tax Payers' Unit has filed an appeal before the Income Tax Appellate Tribunal on account of the above on the plea that the learned CIT(A) has erred in deleting the above balance. These cases have been set aside by the Income Tax Appellate Tribunal and final status of the cases are yet to be decided.

The management is of the view that the decision will be made in favour of the Company and therefore no tax liability will arise in this case. Accordingly no provision has been made in the current condensed interim financial statements in this regard.

#### 5.6 Case related to Export Credits Guarantee Scheme

Decrees have been awarded against the Company in three cases amounting to Rs. 31.92 million, pertaining to the export credit guarantees issued by Export Credits Guarantee Scheme (ECGS). The management is of the view that the said matter relates to ECGS and the Company has no responsibility for any liability in this respect. It further, contends that no liability will arise for the ECGS from such cases. The Scheme has been abolished by the Federal Government and also the accounts relevant to the Scheme have been transferred by the Company.

5.7 The company vide its circular No. 176 (1)/47 dated May 09, 2007 introduced Voluntary Retirement Scheme (VRS) for 254 employees (only staff members). As a result, forty nine employees opted the offer upto 15th August, 2007. The management reserves the right to accept or reject the voluntary retirement offer or defer the date of retirement to any later date. The company has allocated Rs. 285 million for VRS in its Budget. No provision for this has been booked by the company in the behalf in current period's condensed interim financial statement.

<b>6. INVESTMENTS</b>		<b>30 June 2007</b>	31 December 2006
<b>(Rupees)</b>			
Held to Maturity	-Defence Saving Certificates	<b>336,429,056</b>	313,514,002
	-Pakistan Investment Bonds	<b>867,522,703</b>	875,617,794
	-Treasury Bills	<b>899,167,114</b>	891,803,680
	-Term Deposit Receipts	<b>206,000,000</b>	-
		<b>2,309,118,873</b>	2,080,935,476
Available for sale	-Ordinary shares - listed and unlisted	<i>6.1</i> <b>859,651,838</b>	861,271,730
	-National Investment Trust Units	<b>646,115,801</b>	646,115,801
		<b>3,814,886,512</b>	<b>3,588,323,007</b>

The market value of investments as at 30 June 2007 was Rs. 11,448 million (as at 31 December 2006: Rs. 9,187 million).

#### 6.1 Investment in listed and unlisted Companies

Cost of investment in listed and unlisted companies	<b>881,044,264</b>	881,278,193
Less: Provision for diminution in value		
Balance brought forward from last year	<b>20,006,463</b>	9,834,777
Provision / (Reversal) made during the period / year	<b>1,385,963</b>	10,171,686
	<b>21,392,426</b>	20,006,463
	<b>859,651,838</b>	861,271,730

*Rupees*

#### 7. INVESTMENT PROPERTIES

During the current period management has transferred the PRC Building having book value of Rs. 116,303 as at 31 December, 2006 to investment property which reflects the management's intentions to hold the building for capital appreciation.

The market value of the investment properties as per valuation carried out by professional valuers during the current period was Rs. 690.672 million.

#### 8. FIXED ASSETS

During the half year ended 30 June 2007 the Company has acquired fixed assets amounting to Rs. 568,114 (30 June 2006: Rs. 42,250) and transferred PRC Building having book value of Rs. 116,303 as at 31 December 2006 to investment property. Further, no disposal has been made during the current and corresponding period.



## 9. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, entities with common directors, directors, key management personnel and retirement benefit funds. Transactions with related parties are carried out on commercial terms.

	Quarter ended 30 June		Half year ended 30 June	
	2007	2006	2007	2006
	------(Rupees)-----			
Balance at the beginning	41,969,514	(117,277,033)	82,573,025	20,944,043
Insurance premium written during the period	487,966,231	533,201,040	962,938,265	1,100,688,176
Insurance claims paid	(85,263,794)	(9,099,411)	(117,582,614)	(74,860,988)
Insurance commission paid	(9,298,776)	(24,144,454)	(23,395,891)	(39,458,324)
Premium paid	(1,759)	(1,783)	(11,768)	(4,285)
Insurance commission received	2,695	734	173,301	1,781
Insurance claims received	702,827	28,018	878,020	32,412
Premium received - Net	(352,115,998)	(403,655,518)	(821,611,398)	(1,028,291,222)
Balance at the end	<u>83,960,940</u>	<u>(20,948,407)</u>	<u>83,960,940</u>	<u>(20,948,407)</u>
Dividend income	<u>4,083,066</u>	-	<u>9,390,825</u>	55,517,076
Dividend paid	<u>21,966,400</u>	43,932,800	<u>21,966,400</u>	43,932,800
Bonus shares issued	<u>21,966,400</u>	-	<u>21,966,400</u>	-
Contributions / provision for staff retirement benefit plans	<u>9,860,190</u>	3,196,000	<u>9,860,190</u>	3,196,000
Remuneration to key personnel	<u>2,764,217</u>	2,744,209	<u>4,496,486</u>	4,710,823

The transactions with related parties are in the normal course of business at contracted rates and terms determined on commercial terms.

## 10. SEGMENT REPORTING

Class of business wise revenue and results have been disclosed in the statement of premium and profit and loss account, respectively, prepared in accordance with the requirement of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002.

## 11. EARNINGS PER SHARE – BASIC

Basic earnings per share are calculated by dividing the net profit for the period by the weighted average number of shares as at the period end as follows:

	Quarter ended 30 June		Half year ended 30 June	
	2007	2006	2007	2006
	------(Rupees)-----			
Profit after tax for the period	<u>4,427,585</u>	112,848,264	<u>146,116,732</u>	281,583,581
Weighted average number of ordinary shares	<u>54,000,086</u>	54,000,086	<u>54,000,086</u>	54,000,086
	------(Rupees)-----			
Earning per share – basic	<u>0.08</u>	2.09	<u>2.71</u>	5.21

No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

The number of shares for the prior period have also been adjusted for the effect of bonus shares issued during the current period.

**12. AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on August 28, 2007.

**13. GENERAL**

Figures in these condensed interim financial statements have been rounded off to the nearest rupees.

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**Chief Financial Officer**

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**Chairperson**

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**Director**

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**Director**