

BALANCE SHEET

	UNAUDITED September 30 2006	AUDITED December 31 2005
Note	Rupees in thousand	
Authorised capital (50,000,000 shares @ Rs.10 each)	500,000	500,000
Paid up capital (20,000,000 shares @ Rs.10 each)	200,000	200,000
Accumulated profit / (loss)	11,991	(2,042)
TOTAL EQUITY	211,991	197,958
Underwriting provisions		
Provision for outstanding claims (including IBNR)	54,979	44,386
Provision for unearned premium	192,218	124,530
Commission income unearned	13,821	9,978
Total underwriting provisions	261,018	178,894
Liabilities against assets subject to finance leased	11,367	10,656
Creditors and accruals		
Amounts due to other insurers/reinsurers	65,116	39,140
Other creditors and accruals	10,634	2,762
Taxation - provision less payments	1,397	587
Sundry creditors	11,466	16,722
TOTAL LIABILITIES	88,613	59,211
	360,998	248,761
TOTAL EQUITY AND LIABILITIES	572,989	446,719

The annexed notes form an integral part of these financial statements

Muhammad Hussain Hirji
Director

Mohammad Latif
Director

AS AT SEPTMBER 30, 2006

	UNAUDITED September 30 2006	AUDITED December 31 2005
Note	Rupees in thousand	
Cash and bank deposits		
Cash and other equivalents	381	102
Current and other accounts	166,767	171,719
Deposits maturing within 12 months	2,500	1,000
Deposits maturing after 12 months	20,000	20,000
	189,648	192,821
Investments	24,775	10,044
Other assets		
Premiums due but unpaid	91,660	67,735
Amounts due from other insurers/ reinsurers	98,023	37,937
Accrued interest	2,231	3,576
Reinsurance recoveries against outstanding claims	16,661	25,049
Deferred commission expense	18,562	12,955
Other deferred acquisition costs	30,722	25,812
Prepaid reinsurance premium	72,583	43,478
Advances, deposits, prepayments and other receivables	5,745	5,420
	336,187	221,962
Fixed assets		
Tangible and intangible		
Furniture & fixtures	4,010	3,503
Office equipment	1,523	1,061
Computers	1,567	1,634
Motor vehicles	4,428	1,437
Leased vehicles	10,559	13,091
Computer software - intangible	292	1,166
	22,379	21,892
TOTAL ASSETS	572,989	446,719

Mohammed Basheer Janmohammed
Chairman

Ahmed Salahuddin
CEO & Principal Officer

PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2006

Note	Quarter ended September 30, 2006				Quarter ended September 30 2005	
	Fire & Property	Marine, Aviation & Transport	Motor	Miscellaneous	Aggregate	Aggregate
	Rupees in thousand					
Revenue account						
Net premium revenue	3,774	5,068	31,913	15,872	56,627	25,951
Administrative surcharge	532	388	1,362	364	2,646	1,553
	4,306	5,456	33,275	16,236	59,273	27,504
Net claims	(4,966)	(2,855)	(20,553)	(5,634)	(34,008)	(17,286)
Expenses	(4,693)	(733)	(3,367)	(5,858)	(14,651)	(10,064)
Net commission	444	235	(2,363)	45	(1,639)	(1,078)
Underwriting result	(4,909)	2,103	6,992	4,789	8,975	(924)
Investment income					5,544	2,773
General and administration expenses					(4,475)	(3,393)
Profit / (loss) before tax					10,044	(1,544)
Provision for taxation					(1,076)	-
Profit / (loss) after tax					8,968	(1,544)
Profit and loss appropriation account						
Balance unappropriated profit/(loss) at the beginning of the quarter					3,023	(7,701)
Profit after tax for the period					8,968	(1,544)
Balance unappropriated profit/(loss) at the end of the quarter					11,991	(9,245)

	Period ended September 30, 2006				Period ended September 30 2005	
					Aggregate	
Revenue account						
Net premium revenue	14,932	15,351	87,951	32,744	150,978	48,951
Administrative Surcharge	1,460	1,107	4,125	778	7,470	3,750
	16,392	16,458	92,076	33,522	158,448	52,701
Net claims	(10,228)	(7,764)	(57,477)	(19,174)	(94,643)	(31,421)
Expenses	(12,472)	(5,839)	(17,890)	(9,952)	(46,153)	(22,948)
Net commission	700	(374)	(5,988)	62	(5,600)	(1,913)
Underwriting result	(5,608)	2,481	10,721	4,458	12,052	(3,581)
Investment income					15,257	6,853
General and administration expenses					(10,602)	(8,907)
Profit / (loss) before tax					16,707	(5,635)
Provision for taxation					(2,674)	-
Profit / (loss) after tax					14,033	(5,635)
Profit and loss appropriation account						
Balance unappropriated profit/(loss) at the beginning of the year					(2,042)	(3,610)
Profit after tax for the period					14,033	(5,635)
Balance unappropriated profit/(loss) at the end of the period					11,991	(9,245)
Earnings per share	7				0.70	(0.28)

The annexed notes form an integral part of these financial statements

Muhammad
Hussain Hirji
Director

Mohammad
Latif
Director

Mohammed
Basheer Janmohammed
Chairman

Ahmed Salahuddin
CEO & Principal Officer

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2006

	Rupees in thousand		
	Share Capital	Reserve	Total
	Issued, subscribed and paid-up	Unappropriated profit / (loss)	
Balance as at January 1, 2005	200,000	(3,610)	196,390
Loss for the period	-	(5,635)	(5,635)
Balance as at September 30, 2005	<u>200,000</u>	<u>(9,245)</u>	<u>190,755</u>
Balance as at January 1, 2006	200,000	(2,042)	197,958
Profit for the period	-	14,033	14,033
Balance as at September 30, 2005	<u>200,000</u>	<u>11,991</u>	<u>211,991</u>

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Hussain Hirji**

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Basheer Janmohammed**

Ahmed Salahuddin

Director

Director

Chairman

CEO & Principal Officer

STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2006

	September 2006	September 2005
	Rupees in thousand	
Operating Cash Flows		
a) Underwriting activities		
Premiums received	275,486	123,585
Reinsurance premiums paid	(125,022)	(67,600)
Claims paid	(113,803)	(19,029)
Reinsurance and other recoveries received	38,141	4,495
Commissions paid	(39,877)	(7,373)
Commissions received	22,832	19,592
Net cash flow from underwriting activities	57,757	53,670
b) Other operating activities		
Income tax paid	(1,864)	(598)
General management expenses paid	(52,313)	(39,721)
Other operating receipts	2,791	2,202
Other operating payments	(905)	(931)
Bank charges	(190)	(78)
Net cash flow from other operating activities	(52,481)	(39,126)
Total cash flow from all operating activities	5,276	14,544
Investment Activities		
Profit / return received	13,559	5,568
Payments for investments and deposits	(952,824)	-
Dividend income	3,042	-
Proceeds from disposal of investments	938,093	-
Fixed capital expenditure	(7,617)	(9,134)
Total cash flow from investing activities	(5,747)	(3,566)
Financing Activities		
Lease rentals paid	(2,702)	(2,667)
Payment of lease deposits	-	(194)
Net cash inflow/outflow from all activities	(3,173)	8,117
Cash at the beginning of the year	192,821	195,396
Cash at the end of the period	189,648	203,513

STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2006

September 30 September 30
2006 2005
Rupees in thousand

Reconciliation to Profit and Loss Account

Operating cash flows	5,276	14,544
Depreciation expense	(5,845)	(4,297)
Amortization	(875)	(875)
Investment Income	15,257	6,853
Financial charges	(573)	(780)
(Decrease)/increase in assets other than cash	62,884	74,841
(Increase)/decrease in reserves for unexpired risk	(38,582)	(46,929)
(Increase)/decrease in liabilities other than running finance	(23,509)	(48,992)
Profit / (loss) after taxation	14,033	(5,635)

Definition of cash

Cash in hand and at banks, stamps in hand and short term placements with banks

Cash for the purposes of the Statement of Cash Flows consists of:

Cash and other equivalents

Cash in hand	86	50
Stamps in hand	295	84
PLS accounts	166,767	182,379
Deposits maturing within 12 months		
Term deposit receipt	2,500	1,000
Deposits maturing after 12 months		
Statutory deposit with State Bank of Pakistan	20,000	20,000
	189,648	203,513

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Hussain Hirji**
Director

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Latif**
Director

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Chairman

Ahmed Salahuddin
CEO & Principal Officer

STATEMENT OF PREMIUMS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2006

Business underwritten inside Pakistan

Business underwritten inside Pakistan					Quarter ended September 30, 2006					Quarter ended September 30 2005
Class	Premiums written	Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	Net premium revenue	Net premium revenue
		Opening	Closing			Opening	Closing			
Rupees in thousand										
Direct and facultative										
1	Fire and Property Damage	46,882	39,226	60,735	25,373	40,474	28,515	47,390	21,599	3,241
2	Marine, Aviation and Transport	9,635	7,741	6,471	10,905	5,324	3,824	3,311	5,837	3,291
3	Motor	34,436	73,159	75,102	32,493	464	2,889	2,773	580	16,396
4	Miscellaneous	56,654	18,258	49,910	25,002	21,559	6,680	19,109	9,130	3,023
Total		147,607	138,384	192,218	93,773	67,821	41,908	72,583	37,146	25,951

Period ended September 30, 2006									Period ended September 30 2005
Direct and facultative									
1 Fire and Property Damage	87,760	42,837	60,735	69,862	70,970	31,350	47,390	54,930	5,613
2 Marine, Aviation and Transport	35,561	4,715	6,471	33,805	18,992	2,773	3,311	18,454	5,788
3 Motor	113,909	52,651	75,102	91,458	5,314	966	2,773	3,507	32,336
4 Miscellaneous	77,353	24,327	49,910	51,770	29,746	8,389	19,109	19,026	5,214
Total	314,583	124,530	192,218	246,895	125,022	43,478	72,583	95,917	48,951

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