

PICIC INSURANCE LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2005

	Note	2005 (Rupees in '000)	2004 (Rupees in '000)		Note	2005 (Rupees in '000)	2004 (Rupees in '000)
SHARE CAPITAL AND RESERVES				CASH AND BANK DEPOSITS			
Authorised share capital		500,000	500,000	Cash and other equivalents	8.1	102	7
50,000,000 ordinary shares of Rs. 10 each				Current and other accounts		171,719	125,389
				Deposits maturing within 12 months	8.2	1,000	50,000
Paid-up share capital	5	200,000	200,000	Deposits maturing after 12 months	8.3	20,000	20,000
Accumulated loss		(2,042)	(3,610)			192,821	195,396
Total Equity		197,958	196,390				
UNDERWRITING PROVISIONS				INVESTMENTS			
Provision for outstanding claims (including IBNR)		44,386	2,036		9	10,044	-
Provision for unearned premium		124,530	20,483	OTHER ASSETS			
Commission income unearned		9,978	2,152	Premiums due but unpaid	10	67,735	13,300
Total underwriting provisions		178,894	24,671	Amounts due from other insurers / reinsurers		37,937	1,324
				Accrued income		3,576	1,470
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE				Reinsurance recoveries against outstanding claims		25,049	483
	6	10,656	11,755	Deferred commission expense		12,955	2,484
				Other deferred acquisition costs		25,812	9,928
CREDITORS AND ACCRUALS				Prepaid reinsurance premium ceded		43,478	11,878
Amounts due to other insurers / reinsurers		39,140	16,280	Advances, deposits, prepayments and other receivables	11	5,420	4,566
Current portion of liabilities against assets subject to finance lease	6	2,762	2,258			221,962	45,433
Taxation - provision less payments		587	(224)	FIXED ASSETS			
Sundry creditors and accruals	7	16,722	10,614	Tangible and intangible			
		59,211	28,928	Owned			
Total liabilities		248,761	65,354	- Furniture and fixtures		3,503	2,414
				- Office equipment		1,061	443
				- Computers		1,634	1,319
				- Motor vehicles		1,437	
				Leased			
				Motor vehicles		13,091	1,813
				Intangible - Computer software		1,166	2,333
				Advance against fixed assets		-	12,593
						21,892	20,915
TOTAL EQUITY AND LIABILITIES		446,719	261,744	TOTAL ASSETS		446,719	261,744

The annexed notes from 1 to 25 form an integral part of these financial statements.

Director

Director

Chairman

CEO & Principal Officer

**PICIC INSURANCE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2005**

Note	Fire and Property Damage	Marine, Aviation and Transport	Motor	Others	2005	2004 (9 months Aggregate)
----- (Rupees in '000) -----						
Revenue account						
Net premium revenue	11,590	11,150	52,195	12,077	87,012	2,093
Administrative surcharge recovered	1,220	813	3,249	534	5,816	667
Total premium revenue	<u>12,810</u>	<u>11,963</u>	<u>55,444</u>	<u>12,611</u>	<u>92,828</u>	<u>2,760</u>
Net claims	(8,442)	(2,493)	(32,009)	(6,887)	(49,831)	(1,654)
Expenses	(11,846)	(3,774)	(15,513)	(5,605)	(36,738)	(2,309)
Net commission	1,845	(223)	(3,895)	391	(1,882)	(76)
Underwriting result	<u>(5,633)</u>	<u>5,473</u>	<u>4,027</u>	<u>510</u>	<u>4,377</u>	<u>(1,279)</u>
Investment income					11,268	3,644
Mark-up/finance charges	14				(1,175)	(252)
General and administration expenses	15				(11,159)	(5,723)
					(1,066)	(2,331)
Profit / (loss) before taxation					<u>3,311</u>	<u>(3,610)</u>
Provision for taxation	16.1				(1,743)	-
Profit / (loss) after taxation					<u><u>1,568</u></u>	<u><u>(3,610)</u></u>
Profit and loss appropriation account						
Balance at the commencement of the year / period					(3,610)	-
Profit / (loss) after tax for the year / period					1,568	(3,610)
Balance (accumulated loss) at the end of the year					<u><u>(2,042)</u></u>	<u><u>(3,610)</u></u>
Rupees						
Earning / (loss) per share	19				<u><u>0.08</u></u>	<u><u>(0.31)</u></u>

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Director

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Chairman

CEO & Principal Officer

PICIC INSURANCE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

2005 **2004**
(Rupees in '000)

OPERATING CASH FLOWS

(a) Underwriting activities

Premiums received	186,000	16,716
Reinsurance premiums paid	(83,505)	(39)
Claims paid	(38,614)	(112)
Reinsurance and other recoveries received	6,566	11
Commissions paid	(13,678)	(731)
Commissions received	10,488	223
Net cash flow from underwriting activities	67,257	16,068

(b) Other operating activities

Income tax paid	(932)	(224)
General management expenses paid	(56,481)	(14,965)
Other operating receipts	3,570	150
Other operating payments	(1,059)	(287)
Placements of deposits maturing after 12 months	-	(20,000)
Bank charges	(151)	(6)
Net cash flow from other operating activities	(55,053)	(35,332)

Total cash flow from all operating activities

12,204 **(19,264)**

INVESTMENT ACTIVITIES

Profit / return received	8,650	2,174
Payments for investments and deposits	(63,753)	-
Proceeds from disposal of investments	54,222	-
Fixed capital expenditure	(10,136)	(5,282)
Total cash flow from investing activities	(11,017)	(3,108)

FINANCING ACTIVITIES

Share capital received	-	200,000
Lease rentals paid	(3,568)	(770)
Payment of lease deposits	(194)	(1,462)
Total cash flow from financing activities	(3,762)	197,768

Net cash inflow from all activities	(2,575)	175,396
Cash at the beginning of the period	175,396	-

Cash at the end of the period

172,821 **175,396**

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CEO & Principal Officer

PICIC INSURANCE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

	2005	2004
	(Rupees in '000)	
Reconciliation to profit and loss account		
Operating cash flows	12,204	(19,264)
Depreciation expenses	(6,211)	(1,827)
Increase in assets other than cash	142,632	50,846
(Increase) in liabilities other than running finance	(83,686)	(26,991)
Other investment income	11,268	3,644
(Increase) in reserves for unexpired risks	(72,448)	(8,605)
Others		
Amortization	(1,167)	(1,167)
Financial charges	(1,024)	(246)
Profit / (loss) for the year / period	<u>1,568</u>	<u>(3,610)</u>

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

Stamps in hand	101	7
Cash in hand	1	-

Current and other accounts	171,719	125,389
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Deposits maturing within 12 months

Term Deposit Receipt	1,000	50,000
	<u>172,821</u>	<u>175,396</u>

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