



**The
Pakistan General Insurance
Company Limited**
(INCORPORATED IN 1947)

**FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2006**

REGISTERED OFFICE
CO-OPERATIVE BANK HOUSE - BANK SQUARE
POST BOX NO. 1364
LAHORE



The Pakistan General Insurance Co. Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Ch. Manzoor Ahmad
PSP(Retd)
M.A.LLB:DTL:DLL.

PRESIDENT & CHIEF EXECUTIVE

Ch. Zahoor Ahmed

DIRECTORS

Mr. Nasir Ali
Dr. Mahmood-ul-Haq
Mr. Aamer Manzoor
Ch. Mazhar Zahoor
Mr. Usman Ai
Tallat Zahoor

EXECUTIVE DIRECTOR & SECRETARY

Ch. Muhammad Saleem



The Pakistan General Insurance Co. Ltd.

DIRECTORS' REPORT

The Directors of your company are pleased to present to you the 3rd quarter accounts for the period ended September 30, 2006.

The under writing results have Increased from Rs. 37.78 million to Rs. 65.37 million. The management of the company is making rigorous efforts to put the Company on track of higher profitability. The management and field staff are in better exploitation of available opportunities for enhancing the target oriented premium in the market. The management is adamant to continue on its growth plan to meet the challenges in the competitive market. It is expected that the enhanced premium and the low management expenses will improve the profitability of the company.

Your company achieved these results despite the economic condition which are constantly under pressure. However, we are optimistic that the situation will improve with the passage of time and the company will grow and further increase profitability for its policy & share holders.

The directors put on record their appreciation for the zeal and hard work of the staff of the company. The directors also expressed their gratitude for the continued support of the shareholders, Government officials and banks of the company.

**For and on behalf
of the Board of Directors**

Dated: October 30, 2006.

(Ch. Zahoor Ahmad)
Chief Executive



BALANCE SHEET AS AT SEPTEMBER 30, 2006

	Un-audited Sep. 30, 2006	Audited December 31, 2005		Un-audited Sep. 30, 2006	Audited December 31, 2005
	Rupees	Rupees		Rupees	Rupees
SHARE CAPITAL & RESERVE			CASH & BANK DEPOSITS		
Authorized			Cash & other equivalent	129,855	283,573
12,000,000 Ordinary share of Rs. 10 each	<u>120,000,000</u>	<u>80,000,000</u>	Current and other accounts	44,002,542	13,761,121
Issued, subscribed & paid-up			Deposit maturing within 12 months	<u>18,308,000</u>	<u>18,308,000</u>
8,000,000 Ordinary share of Rs. 10 each fully paid in cash	80,000,000	80,000,000		62,440,397	32,352,694
Retained Earnings	13,548,485	8,244,925	LOANS-UNSECURED		
General reserve	<u>1,000,000</u>	<u>1,000,000</u>	Employees	149,344	162,350
	94,548,485	89,244,925	INVESTMENTS	10,376,400	10,376,400
Loan Directors family & Shareholder Surplus on revaluation of fixed assets	30,310,000	-			
	<u>22,307,890</u>	<u>22,307,890</u>	OTHER ASSETS		
UNDERWRITING PROVISIONS			Premiums due but unpaid - net	11,487,160	3,747,756
Provision for outstanding claims (including IBNR)	<u>3,441,580</u>	<u>3,441,580</u>	Amount due from other insurers/ reinsurers	2,184,380	2,116,464
Provision for unearned premium - net	36,327,442	26,499,797	Deferred Commission	-	2,649,979
Commission income unearned	<u>12,477,205</u>	<u>9,838,471</u>	Reinsurance recoveries against outstanding claims	2,563,899	2,563,899
Total underwriting provisions	<u>52,246,227</u>	<u>39,779,848</u>	Advance tax	1,528,725	1,421,655
			Security deposits	449,612	449,612
DEFERRED LIABILITY			Others receivables	<u>11,665,754</u>	<u>17,892,870</u>
Deferred taxation	8,825,746	8,825,746		29,879,530	30,842,235
CREDITORS & ACCRUALS			Fixed Assets		
Amounts due to other insurers/ reinsurers	<u>2,356,782</u>	<u>1,781,487</u>	Operating Fixed Assets		
Accrued expenses	442,909	442,909	Land & buildings	49,273,144	49,767,791
Other creditors	4,196,127	7,495,092	Furniture, fixtures & office equipments	5,906,341	4,502,746
Current portion of long term liability	<u>2,298,892</u>	<u>2,298,892</u>	Vehicles	<u>9,802,690</u>	<u>10,231,833</u>
	9,294,710	12,018,380		64,982,175	64,502,370
OTHER LIABILITIES			Leased assets	13,487,084	9,334,849
Liabilities against assets subject to finance lease	3,471,938	3,471,938	Capital work in progress - office building (civil work)	46,058,325	31,590,325
Taxation	6,368,259	3,512,496			
	<u>9,840,197</u>	<u>6,984,434</u>			
TOTAL LIABILITIES	<u>80,206,880</u>	<u>67,608,408</u>			
TOTAL EQUITY & LIABILITIES	<u>227,373,255</u>	<u>179,161,223</u>	TOTAL ASSETS	<u>227,373,255</u>	<u>179,161,223</u>

The annexed notes form an integral part of these financial statements.



The Pakistan General Insurance Co. Ltd.

PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2006

	Fire & Property	Marine	Motor	Others	Aggregate 2,006	Aggregate 2,005
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue Account						
Net premium revenue	5,654,667	1,730,454	15,438,733	2,933,475	25,757,329	24,303,959
Net claims	(3,310,862)	(663,168)	(2,123,205)	(111,226)	(6,208,461)	(4,387,128)
Expenses of management	(7,248,427)	(1,920,332)	(2,055,201)	(2,107,102)	(13,331,062)	(14,347,001)
Net commission	4,299,189	134,828	(1,758,170)	740,645	3,416,492	(2,557,726)
Underwriting results	(605,433)	(718,218)	9,502,157	1,455,792	9,634,298	8,127,556
Investment income					-	12,480
Miscellaneous income					12,184	7,991
General & administration expenses					(1,487,159)	(4,935,149)
					(1,474,975)	(4,914,678)
					8,159,323	3,212,878
Provision for taxation					(2,855,763)	(1,124,500)
					5,303,560	2,088,378
Profit and loss appropriation account						
Balance at commencement of the period					8,244,925	6,407,278
Profit after taxation					5,303,560	2,088,378
Surplus realized on incremental depreciation					-	790,428
Balance Unappropriated Profit/(Loss) at the end of period					13,548,485	9,286,084
Earning per Share - Basic						

The annexed notes form an integral part of these financial statements.

CH. ZAHOOR AHMAD
CHIEF EXECUTIVE

CH. MUHAMMAD SALEEM
DIRECTOR

PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2006

	Fire & Property	Marine, Aviation & Transport	Motor	Others	2006	2005
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue Account						
Net premium revenue	12,113,297	3,790,302	12,201,006	3,753,055	31,857,660	9,576,428
Net claims	(2,106,700)	(268,021)	(749,682)	(67,501)	(3,191,904)	1,142,371
Expenses on management	2,306,533	(613,170)	(489,664)	(498,422)	(3,907,789)	6,445,037
Net commission	843,728	(761,017)	(2,037,854)	71,769	(1,883,374)	(1,106,196)
Underwriting results	8,543,792	2,148,094	8,923,806	3,258,901	22,874,593	3,095,216
Investment income					-	2,496
Miscellaneous income					3,076	2,454
					3,076	4,950
					22,877,669	3,100,166
Provision for taxation					-	(1,085,058)
					22,877,669	2,015,108

CH. ZAHOOR AHMAD
CHIEF EXECUTIVE

CH. MUHAMMAD SALEEM
DIRECTOR



**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006**

	Share Capital Rs.	General Reserve Rs.	Unappropriated Profit Rs.	Total Rs.
Balance as at December 31, 2004	80,000,000	1,000,000	4,459,933	85,459,933
Profit for the year	-	-	347,686	347,686
Incremental depreciation on revalued assets for the year	-	-	1,599,659	1,599,659
Balance as at December 31, 2004	80,000,000	1,000,000	6,407,278	87,407,278
Correction of prior period error	-	-	(821,127)	(821,127)
Profit for the year	-	-	1,255,011	1,255,011
Incremental depreciation on revalued assets for the year	-	-	1,403,763	1,403,763
Balance as at December 31, 2005	80,000,000	1,000,000	8,244,925	89,244,925
profit for the nine month	-	-	5,303,356	5,303,356
Balance as at september 30, 2006	80,000,000	1,000,000	13,548,281	94,548,281

The annexed notes form an integral part of these financial statements.



CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006

	Sep. 30, 2,006 Rs.	Sep. 30, 2,005 Rs.
Operating Cash Flows		
a) Underwriting Activities		
Premiums received	57,637,074	39,351,260
Reinsurance premiums paid	(29,791,504)	(14,620,809)
Claims paid	(21,611,028)	(12,706,346)
Reinsurance and other recoveries received	15,402,567	7,989,665
Commissions paid	(6,034,084)	(1,640,603)
Commissions received	<u>9,450,576</u>	<u>6,367,883</u>
Net cash flow from underwriting activities	25,053,601	24,741,050
b) Other operating activities		
General management expenses paid	(13,331,062)	(14,347,001)
Loans advanced	-	-
Loan repayments received	13,006	2,957,138
Other payments on operating assets	(3,473,951)	(6,559,821)
Other receipts in respect of operating assets	<u>12,091,124</u>	<u>7,648,414</u>
Net cash flow from other operating activities	<u>(4,700,883)</u>	<u>(10,301,270)</u>
Total cash flow from all operating activities	<u><u>20,352,718</u></u>	<u><u>14,439,780</u></u>
Investment activities		
Profit received	12,184	12,480
Fixed capital expenditure	(20,587,199)	(1,244,365)
Total cash flow from investing activities	(20,575,015)	(1,231,885)
Financing activities		
Loan from Directors	30,310,000	-
Total cash flow from financing activities	<u>30,310,000</u>	<u>-</u>
Net cash inflow/(outflow) from all activities	30,087,703	13,207,895
Cash at the beginning of the period	32,352,694	33,763,002
Cash at the end of the period	<u><u>62,440,397</u></u>	<u><u>46,970,897</u></u>
Reconciliation to Profit & Loss Account		
Operating cash flows	20,352,718	14,439,780
Depreciation	(1,487,159)	(4,935,149)
Investment income	-	12,480
Miscellaneous income	12,184	7,991
(Decrease) in assets other than cash	18,124,329	(10,960,005)
(Increase)/decrease in liabilities other than running finance	(31,698,512)	3,523,281
Profit after taxation as per profit & loss account	<u><u>5,303,560</u></u>	<u><u>2,088,378</u></u>
Definition of cash		
Cash for the purposes of the Statement of Cash Flows consists of:		
Cash and other equivalents	129,855	112,795
Current and other accounts	44,002,542	42,858,102
Deposit maturing with in 12 months	18,308,000	4,000,000
	<u>62,440,397</u>	<u>46,970,897</u>

The annexed notes form an integral part of these financial statements.



**STATEMENT OF PREMIUMS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006 (UNAUDITED)**

Class	Premium				Reinsurance				Net Premium Revenue	
	Written	Unearned Premium Reserve		Earned	Prepaid Reinsurance		Reinsurance Ceded	Reinsurance expense	2006	2005
		Opening	Closing		Opening	Closing				
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Fire & Property	35,546,801	19,081,569	30,330,355	24,298,015	18,577,731	9,761,153	9,695,536	18,643,348	5,654,667	9,301,092
Marine	9,417,447	6,333,686	7,992,123	7,759,010	5,053,747	3,423,729	2,448,920	6,028,556	1,730,454	4,786,854
Motor	10,078,850	10,531,402	4,901,519	15,708,733	270,000	-	-	270,000	15,438,733	7,930,906
Miscellaneous	10,333,380	5,298,994	8,450,330	7,182,044	5,890,026	1,560,972	3,202,429	4,248,569	2,933,475	2,285,107
Total	65,376,478	41,245,651	51,674,327	54,947,802	29,791,504	14,745,854	15,346,885	29,190,473	25,757,329	24,303,959

The annexed notes form an integral part of these financial statements.

CH. ZAHOOR AHMAD
CHIEF EXECUTIVE

CH. MUHAMMAD SALEEM
DIRECTOR



STATEMENT OF CLAIMS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006 (UNAUDITED)

Class	Claims			Reinsurance			Net Claims Expense			
	Paid	Outstanding		Reinsurances and other Recoveries Received	Reinsurances and other recoveries in respect of outstanding claims		Reinsurances and other Recoveries Revenue	2006	2005	
		Opening	Closing		Opening	Closing				Rs.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
Fire	12,681,013	2,308,090	2,308,090	12,681,013	1,791,799	1,791,799	9,370,151	9,370,151	3,310,862	1,665,589
Marine	3,736,201	1,000,000	1,000,000	3,736,201	772,100	772,100	3,073,033	3,073,033	663,168	820,742
Motor	3,007,589	133,490	133,490	3,007,589	-	-	884,384	884,384	2,123,205	1,887,297
Miscellaneous	2,186,225	-	-	2,186,225	-	-	2,074,999	2,074,999	111,226	13,500
Total	21,611,028	3,441,580	3,441,580	21,611,028	2,563,899	2,563,899	15,402,567	15,402,567	6,208,461	4,387,128

CH. ZAHOOR AHMAD
CHIEF EXECUTIVE

CH. MUHAMMAD SALEEM
DIRECTOR



The Pakistan General Insurance Co. Ltd.

STATEMENT OF EXPENSES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006 (UNAUDITED)

Class	Paid or Payable		Commission		Net Expenses	Other Management Expenses	Underwriting Expenses	Commission from Reinsurers	Net Underwriting Expenses	
	Rs.	Rs.	Opening	Closing					Rs.	Rs.
Fire & Property	1,028,569	932,042	-	-	1,960,611	7,248,427	9,209,038	6,259,800	2,949,238	5,481,187
Marine	1,030,548	290,995	-	-	1,321,543	1,920,332	3,241,875	1,456,371	1,785,504	1,541,948
Motor	705,030	1,053,140	-	-	1,758,170	2,055,201	3,813,371	-	3,813,371	3,829,812
Miscellaneous	619,958	373,802	-	-	993,760	2,107,102	3,100,862	1,734,405	1,366,457	936,328
Total	3,384,105	2,649,979	-	-	6,034,084	13,331,062	19,365,146	9,450,576	9,914,570	11,789,275

The annexed notes form an integral part of these financial statements.

CH. ZAHOOR AHMAD
CHIEF EXECUTIVE

CH. MUHAMMAD SALEEM
DIRECTOR



STATEMENT OF INVESTMENT INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006 (UNAUDITED)

	2006	2005
	Rs.	Rs.
Income from Non-Trading Investments		
Held to Maturity		
Return on Government Securities		12,480
Return on Deposits		
Net Investment Income	<u>-</u>	<u>12,480</u>

The annexed notes form an integral part of these financial statements.

**NOTES TO THE ACCOUNTS (UNAUDITED)
FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2006**

1. THE COMPANY AND ITS OPERATIONS

The Pakistan General Insurance Company Limited was incorporated as a public limited company on July 26, 1947 and was listed on the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited on July 25, 1995. The company is engaged in general insurance business of Fire, Marine, Motor & Miscellaneous. The registered office of the company is situated at Cooperative Bank House, 5 Bank Square, Lahore.

2. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the International Accounting Standards No. 34 'Interim Financial Reporting' and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange and Lahore Stock Exchange where the Company is listed.

3. ACCOUNTING POLICIES

All accounting policies adopted for the preparation of these accounts are the same as applied in preparation of the preceding annual published accounts of the Company for the year ended December 31, 2005.

4. DATE OF AUTHORISED FOR ISSUE

These financial statements were authorized for issue by the board of directors of the Company on October 30, 2006.

5. GENERAL

Figures in these financial statements have been rounded off to the nearest rupee.

BOOK POST

Registered Office

**THE PAKISTAN GENERAL INSURANCE COMPANY LTD.
CO-OPERATIVE BANK HOUSE, BANK SQUARE
POST BOX 1364, LAHORE**