



Pakistan Reinsurance Company Limited

## FINANCIAL STATEMENT

For the nine months ended

**30<sup>th</sup> SEPTEMBER, 2012**

**(Un-audited)**

Reinsuring your Future



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## **Vision**

To be a leading provider of reinsurance and risk management services in the region

## **Mission**

To provide secure reinsurance capacity and outstanding risk management advice in a profitable manner and to conduct our business in a dependable and professional manner with the highest standards of customer service.

### **In fulfilling this mission, PRCL is committed to:-**

- Providing its clients, and particularly insurance companies in Pakistan, with comprehensive insurance, reinsurance, financial and business services of the highest quality and value.
- Maintaining financial strength and stability through prudent business decisions and sound operations based on state of the art information technology.
- Taking a long-term view of business relationships.
- Practicing the highest standards of integrity and professionalism.
- Investing continuously in knowledge required to support business decisions and long-term business strategy formulation.
- Achieving consistent, long-term financial growth and profitability for its shareholders.
- Attracting retaining and developing capable and dedicated employees who in turn contribute to the growth of the company and share its success.

## **Strategy**

To remain best provider of reinsurance and risk management services to the insurance industry, to have good business relationship with the insurance industry and to remain professionals who can be of assistance to the industry at all levels.

## **Objectives**

- To provide best services to the local insurance industry in order to check outflow of foreign exchange, to the maximum possible extent.
- To develop good business relations with other reinsurers.
- To train its people according to fast changing business market requirements as well as to provide them with the ideal working environment.
- To share risks and preserve resources by providing reinsurance facilities to the insurance companies.
- To assist in the development of the national insurance industry.
- To enhance domestic retention capacity in the country in order to save valuable foreign exchange.

## Corporate Information-2012

### **BOARD OF DIRECTORS OF PRCL**

MR. MUNAWAR OPEL  
CHAIRMAN

MR. ABDUL KABIR KAZI  
DIRECTOR

DR. MASUMA HASAN  
DIRECTOR

MR. SHOAB MIR  
DIRECTOR

MR. MUMTAZ ALI RAJPER  
DIRECTOR

MR. TAUFIQUE HABIB  
DIRECTOR

MR. SIKANDAR MAHMOOD  
DIRECTOR

MR. SHAHZAD F. LODHI  
COMPANY SECRETARY

### **SENIOR MANAGEMENT**

MR. FIDA HUSSAIN SAMOO  
EXECUTIVE DIRECTOR (RE)

MR. AYAZ HUSSAIN M. GAD  
EXECUTIVE DIRECTOR (BD/RE)

MRS. FARZANA MUNAF  
EXECUTIVE DIRECTOR/CFO

MRS. GHAZALA IMRAN  
REGIONAL DIRECTOR (NZO)

MR. SHAHZAD F. LODHI  
COMPANY SECRETARY/GENERAL MANAGER

### **AUDIT COMMITTEE**

MR. SIKANDAR MAHMOOD  
CHAIRMAN OF THE COMMITTEE,

MR. ABDUL KABIR KAZI  
MEMBER

MR. MUMTAZ ALI RAJPER  
MEMBER

MR. TAUFIQUE HABIB  
MEMBER

MR. SHAHZAD F. LODHI  
SECRETARY OF THE COMMITTEE

### **LEGAL ADVISOR**

Mr. Ali Mumtaz Shaikh  
M/s. Mumtaz & Associates

### **AUDITORS**

Mr. Mohammad Shaukat Naseeb,  
Senior Partner,  
ANJUM ASIM SHAHID RAHMAN  
CHARTERED ACCOUNTANT  
1<sup>st</sup> and 3<sup>rd</sup> floor,  
Modern Motors House,  
Beaumont Road,  
Karachi – 75530

### **BANKERS**

National Bank of Pakistan  
Bank Al-Habib Limited

### **SHARE REGISTRAR**

Central Depository Company of Pakistan Limited (CDC),  
CDC House, 99=B, Block-B, SMCHS,  
Main Shahre-e-Faisal,  
Karachi-74400, Pakistan  
Ph: (92-21) 111-111-500

### **REGISTERED OFFICES**

Pakistan Reinsurance Company Limited Towers,  
32-A, Lalazar Drive,  
M.T. Khan Road, P.O. Box: 4777,  
Karachi, Pakistan  
Tel: (92-21) 99202908-15  
Telex: (92-21) 20428  
Telefax: (92-21)99202920-22  
E-mail: [prcl@pakre.org.pk](mailto:prcl@pakre.org.pk)  
Website: [www.pakre.org.pk](http://www.pakre.org.pk)

### **ZONAL OFFICE**

State Life Building,  
1<sup>st</sup> Floor, 15-A, Davis Road,  
Lahore.

## CORPORATE INFORMATION-2012

### BOARD OF DIRECTORS OF PRCL

<b>MR. MUNAWAR OPEL</b>	<b>CHAIRMAN</b>
<b>MR. ABDUL KABIR KAZI</b>	<b>DIRECTOR</b>
<b>DR. MASUMA HASAN</b>	<b>DIRECTOR</b>
<b>MR. SHOAB MIR</b>	<b>DIRECTOR</b>
<b>MR. MUMTAZ ALI RAJPER</b>	<b>DIRECTOR</b>
<b>MR. TAUFIQ HABIB</b>	<b>DIRECTOR</b>
<b>MR. SIKANDAR MAHMOOD</b>	<b>DIRECTOR</b>

### COMPANY SECRETARY

**MR. SHAHZAD F. LODHI** E.D.(H.R)/COMPANY SECRETARY

### SENIOR MANAGEMENT

MRS. FARZANA MUNAF  
EXECUTIVE DIRECTOR/CFO

MR. FIDA HUSSAIN SAMOO  
EXECUTIVE DIRECTOR (RE)

MR. AYAZ HUSSAIN M. GAD  
EXECUTIVE DIRECTOR (BD/RE)

MRS. GHAZALA IMRAN  
REGIONAL DIRECTOR (NZO)

MR. SHAHZAD F. LODHI  
EXECUTIVE DIRECTOR (H.R.)/COMPANY SECRETARY

### AUDIT COMMITTEE

MR. ABDUL KABIR KAZI  
MEMBER

MR. MUMTAZ ALI RAJPER  
MEMBER

MR. TAUFIQUE HABIB  
MEMBER

MR. SHAHZAD F. LODHI  
SECRETARY OF THE COMMITTEE

### AUDITORS

Mr. Muhammad Shaukat Naseeb,  
Partner,  
ANJUM ASIM SHAHID RAHMAN  
CHARTERED ACCOUNTANT  
1<sup>st</sup> and 3<sup>rd</sup> floor,  
Modern Motors House,  
Beaumont Road,  
Karachi – 75530

### REGISTERED OFFICES

PRC Towers, 32-A, Lalazar Drive,  
M.T. Khan Road, P.O. Box: 4777,  
Karachi, Pakistan  
Tel: (92-21) 99202908-15  
Telex: (92-21) 20428  
Telefax: (92-21)99202920-22  
E-mail: [prcl@pakre.org.pk](mailto:prcl@pakre.org.pk)  
Website: [www.pakre.org.pk](http://www.pakre.org.pk)

### SHARE REGISTRAR

Central Depository Company of Pakistan Limited (CDC),  
CDC House, 99=B, Block-B, SMCHS,  
Main Shahre-e-Faisal,  
Karachi-74400, Pakistan  
Ph: (92-21) 111-111-500

### ZONAL OFFICE

State Life Building,  
1<sup>st</sup> Floor, Davis Road,,  
Lahore.

### BANKERS

National Bank of Pakistan  
Bank Al-Habib Limited

# Directors' Report

for the period ended September 30, 2012

**The Shareholders,  
Pakistan Reinsurance Co. Ltd.,**

On behalf of the Board of Directors of PRCL, I am pleased to present the un-audited financial statements of the Company for the nine months ended September 30, 2012.

## **Review of business activities**

The financial statements for the nine months ended September 30, 2012 reflect the treaty business returns received from 29 insurance companies out of 32 and these returns were received by PRCL on or before 21.10.2012 as per the amendment made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 and facultative business closings as per record of the PRCL. The only three insurance companies from whom the treaty return has not been received till the time of finalization of Accounts.

The Financial Results of the Company indicate that the Gross Premium for the period is Rs.5,472 Million, Net Premium before unearned Premium Reserve is Rs.2,803 Million and Net Premium after accounting for the effect of Premium Reserve adjustment is Rs.3,085 Million. The Gross Premium, Net Premium before unearned Premium Reserve and Net Premium after Premium Reserve for the corresponding period of the last year were Rs.4,212 Million, Rs.2,934 Million and Rs.2,562 Million respectively.

The Net claims, Net Commission and Management Expenses have been aggregated to Rs.2,507 Million for the nine months ended September 30, 2012 as compared to Rs.2,279 million for the nine months ended September 30, 2011.

The investment income mainly comprising of profit on government securities, fixed income securities and dividend income, was Rs.785 Million as compared to Rs. 747 Million in the corresponding period of the last year.

Profit before tax and after tax for the nine months ended September 30, 2012 is Rs. 1,262 Million and Rs.925 Million respectively as compared to Net Profit before tax and after tax of Rs. 1,012 Million and Rs. 795 Million respectively.

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' Chairmen, and their Directors, and our officers and staff for the co-operation extended by them in smooth running of the affairs of the company.

For and on behalf  
of the Board of Directors

**(Munawar Opel)**  
**Chairman/Chief Executive**

Karachi: 30<sup>th</sup> October, 2012

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Balance Sheet**  
**As At September 30, 2012 (Unaudited)**

	September 30 2012	December 31 2011
Note	Unaudited Rupees	Audited Rupees
<b>Share capital and reserves</b>		
Authorized Share Capital	<u>25,000,000,000</u>	<u>25,000,000,000</u>
2,500,000,000 (2011 : 2,500,000,000) Ordinary shares of Rs. 10 each)		
Issued share capital	3,000,000,000	3,000,000,000
Retained earnings	<u>1,323,587,820</u>	<u>1,298,302,385</u>
Reserve for exceptional losses	281,000,000	281,000,000
General reserve	<u>1,777,419,085</u>	<u>1,777,419,085</u>
	<u>3,382,006,905</u>	<u>3,356,721,470</u>
<b>Shareholders' equity</b>	<u>6,382,006,905</u>	<u>6,356,721,470</u>
<b>LIABILITIES</b>		
<b>Underwriting provisions</b>		
- Provision for outstanding claims (including IBNR)	<u>1,151,686,756</u>	<u>753,313,736</u>
- Provision for unearned premium	3,737,022,974	3,887,859,030
- Commission income unearned	<u>55,561,988</u>	<u>34,803,842</u>
<b>Total underwriting provisions</b>	<u>4,944,271,718</u>	<u>4,675,976,608</u>
<b>Deferred liability - employee benefits</b>	184,278,553	166,827,000
<b>Long term deposits</b>	14,217,257	14,222,217
<b>Creditors and accruals</b>		
Amount due to other insurers/reinsurers	<u>746,272,886</u>	<u>1,285,062,959</u>
Premium and claim reserves retained from retrocessionaires	579,078,169	26,587,143
Other creditors and accruals	23,945,978	24,006,780
Accrued expenses	18,499,358	6,675,968
Taxation - net	489,343,674	266,688,886
Retention money payable	<u>6,471,033</u>	<u>6,480,973</u>
	<u>1,863,611,098</u>	<u>1,615,502,709</u>
<b>Other liabilities</b>		
Dividend payable	<u>66,946,842</u>	<u>47,473,992</u>
Surplus profit payable	<u>1,212,602</u>	<u>1,212,602</u>
	<u>68,159,444</u>	<u>48,686,594</u>
<b>Total liabilities</b>	<u>7,074,538,070</u>	<u>6,521,215,128</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>13,456,544,975</u>	<u>12,877,936,598</u>
<b>CONTINGENCIES</b>		

The annexed notes 1 to 7 form an integral part of these financial statements.

(Farzana Munaf)  
Chief Financial Officer

(Munawar Opel)  
Chief Executive

Director

Director

	September 30 2012	December 31 2011
Note	Unaudited Rupees	Audited Rupees
<b>ASSETS</b>		
<b>Cash and Bank deposits</b>		
Cash and other equivalents	<u>72,452</u>	<u>67,433</u>
Current and other accounts	2,023,466,988	747,195,690
Deposits maturing within 12 months	<u>300,000,000</u>	<u>850,000,000</u>
	2,323,539,440	1,597,263,123
<b>Loans to employees</b>	56,749,665	56,634,060
<b>Investments</b>	5,689,097,069	5,792,680,783
<b>Investment properties</b>	38,345,829	39,995,716
<b>Deferred taxation</b>	-	-
<b>Current assets - others</b>		
Amount due from other insurers/reinsurers	<u>2,235,091,446</u>	<u>2,541,621,198</u>
Premium and claim reserves retained by cedants	101,500,264	25,469,400
Accrued investment income	185,163,803	203,234,134
Sundry receivables	275,979,520	280,026,129
Prepayments	1,992,222,203	1,861,689,863
Deferred commission expense	504,104,006	429,568,319
Stock of stationery	<u>961,776</u>	<u>714,126</u>
	5,295,023,018	5,342,323,169
<b>Fixed assets</b>		
<b>Tangible</b>		
Land and building	<u>19,296,097</u>	<u>20,039,175</u>
Furniture, fixture, books and office equipment	13,565,430	14,956,522
Electrical installations, airconditioning plant and lifts	8,016,582	6,582,395
Motor vehicles	<u>12,911,845</u>	<u>7,461,655</u>
	53,789,954	49,039,747
Assets relating to Bangladesh	-	-
	-	-
<b>TOTAL ASSETS</b>	<u>13,456,544,975</u>	<u>12,877,936,598</u>



**Pakistan Reinsurance Company Limited**  
**Condensed Interim Profit and Loss Account**  
**For the period of three months ended September 30, 2012 (Unaudited)**

Note	Facultative						Treaty	Three months ended Sep 30,	
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering		2012 Aggregate	2011 Aggregate
----- Rupees -----									
<b>Revenue account</b>									
Net premium revenue	191,465,897	7,412,557	24,496,010	24,336,095	44,617,516	102,435,667	621,174,066	1,015,937,808	889,795,374
Net claims	21,953,483	8,242,226	144,390	24,680,036	28,246,856	228,983,299	209,082,624	521,332,914	507,381,784
Expenses	2,085,196	1,278,188	615,148	1,340,165	2,050,418	1,296,369	79,046,470	87,711,954	88,802,856
Net commission	35,603,194	1,485,490	2,983,391	2,914,993	228,153	(76,612)	173,884,590	217,023,199	198,086,144
<b>Underwriting result</b>	131,824,024	(3,593,347)	20,753,081	(4,599,099)	14,092,089	(127,767,389)	159,160,382	189,869,741	95,524,590
Investment income								413,382,125	468,572,195
Rental income								12,487,204	10,497,472
Exchange gain								4,047,852	21,907,604
Other income								402,263	359,356
General and administration expenses								(11,015,207)	(10,004,026)
Value of available-for-investments- write-off								-	-
								419,304,237	491,332,601
<b>Profit/(Loss) before tax</b>								609,173,978	586,857,191
<b>Income tax expense</b>									
- Current								(129,753,082)	(170,291,229)
- Deferred								-	-
								(129,753,082)	(170,291,229)
<b>Profit/(Loss) after tax</b>							Rupees	479,420,896	416,565,962
<b>Profit and loss appropriation account</b>									
<b>Balance at the commencement of period</b>								844,166,924	831,584,977
Profit after tax for the period								479,420,896	416,565,962
Final cash dividend paid 2011: Rs.3.00 @ 30% (2010 : Rs.3.00 @30%) per share								-	-
<b>Balance of unappropriated profit at the end of the period</b>							Rupees	1,323,587,820	1,248,150,939
<b>Earnings per share - basic and diluted</b>							Rupees	1.60	1.39

The annexed notes 1 to 7 form an integral part of these financial statements.

( Farzana Munaf )  
Chief Financial Officer

( Munawar Opel )  
Chief Executive

Director

Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Profit and Loss Account**

For the period of nine months ended September 30, 2012 (Unaudited)

Note	Facultative						Treaty	Nine months ended Sep 30.	
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering		2012 Aggregate	2011 Aggregate
----- Rupees -----									
<b>Revenue account</b>									
Net premium revenue	552,434,111	25,189,620	65,095,849	61,661,051	129,950,996	302,300,559	1,948,495,614	3,085,127,800	2,561,986,920
Less:									
Net claims	95,546,361	8,594,680	(672,527)	52,510,823	59,193,230	301,718,084	1,013,260,531	1,530,151,182	1,451,134,119
Expenses	7,022,792	4,849,188	1,858,709	4,506,372	6,478,562	4,315,694	303,835,290	332,866,607	254,329,229
Net commission	112,127,253	5,190,615	9,267,478	7,409,306	605,131	(54,025)	509,390,375	643,936,133	573,813,550
<b>Underwriting results</b>	<b>337,737,705</b>	<b>6,555,137</b>	<b>54,642,189</b>	<b>(2,765,450)</b>	<b>63,674,073</b>	<b>(3,679,194)</b>	<b>122,009,418</b>	<b>578,173,878</b>	<b>282,710,022</b>
Investment income - net							785,268,356	746,873,498	
Rental income - net							35,653,516	43,157,716	
Exchange (loss) / gain							39,129,598	26,936,045	
Other income							689,078	2,175,277	
General and administration expenses							(29,910,700)	(28,902,339)	
Value of available-for-investments- write-off							(146,649,148)	(61,296,374)	
							684,180,700	728,943,823	
<b>Profit before tax</b>							<b>1,262,354,578</b>	<b>1,011,653,845</b>	
<b>Income tax expense</b>									
- Current							(337,069,143)	(216,992,328)	
- Deferred							-	-	
<b>Profit after tax</b>							<b>925,285,435</b>	<b>794,661,517</b>	
<b>Profit and loss appropriation account</b>									
<b>Balance at the commencement of period</b>							1,298,302,385	1,353,489,422	
Profit after tax for the period							925,285,435	794,661,517	
Final cash dividend paid 2011: Rs.3.00 @ 30% (2010 : Rs.3.00 @ 30% ) per share							(900,000,000)	(900,000,000)	
<b>Balance of unappropriated profit at the end of the period</b>							<b>1,323,587,820</b>	<b>1,248,150,939</b>	
<b>Earnings per share - basic and diluted</b>							<b>3.08</b>	<b>2.65</b>	

The annexed notes 1 to 7 form an integral part of these financial statements.

( Farzana Munaf )  
Chief Financial Officer

( Munawar Opel )  
Chief Executive

Director

Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Comprehensive Income**  
**For the period of nine months ended September 30, 2012 (Unaudited)**

	<u>Three months ended Sep 30,</u>		<u>Nine months ended Sep 30,</u>	
	<b>2012</b>	2011	<b>2012</b>	2011
	<b>Rupees</b>	Rupees	<b>Rupees</b>	Rupees
Profit for the period	<b>479,420,896</b>	416,565,962	<b>925,285,435</b>	794,661,517
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>479,420,896</b>	416,565,962	<b>925,285,435</b>	794,661,517

The annexed notes 1 to 7 form an integral part of these financial statements.

( Farzana Munaf )  
Chief Financial Officer

( Munawar Opel )  
Chief Executive

Director

Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Changes in Equity**  
For the period of nine months ended September 30, 2012 (Unaudited)

	Share capital		Reserves			Total
	Issued subscribed and paid-up	Reserve for exceptional losses	Revenue reserves		Total reserves	
			Retained earnings	General reserve		
	----- Rupees -----					
<b>Balance as at December 31, 2010</b>	3,000,000,000	281,000,000	1,353,489,422	1,777,419,085	3,130,908,507	6,411,908,507
Total Comprehensive income for six months	-	-	794,661,517	-	794,661,517	794,661,517
<b>Transactions with owners</b>						
Final cash dividend 2010: Rs.3.00 @ 30% (2009 : Rs.3.00 @30% ) per share		-	(900,000,000)	-	(900,000,000)	(900,000,000)
<b>Balance as at September 30, 2011</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,248,150,939</b>	<b>1,777,419,085</b>	<b>3,025,570,024</b>	<b>6,306,570,024</b>
<b>Balance as at December 31, 2011</b>	3,000,000,000	281,000,000	1,298,302,385	1,777,419,085	3,075,721,470	6,356,721,470
Total Comprehensive income for six months	-	-	925,285,435	-	925,285,435	925,285,435
<b>Transactions with owners</b>						
Final cash dividend 2011: Rs.3.00 @ 30% (2010 : Rs.3.00 @30% ) per share	-	-	(900,000,000)	-	(900,000,000)	(900,000,000)
<b>Balance as at September 30, 2012</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,323,587,820</b>	<b>1,777,419,085</b>	<b>3,101,006,905</b>	<b>6,382,006,905</b>

The annexed notes 1 to 7 form an integral part of these financial statements.

( Farzana Munaf )  
Chief Financial Officer

( Munawar Opel )  
Chief Executive

Director

Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Cash Flows**  
For the period of nine months ended September 30, 2012 (Unaudited)

	2012 (Rupees)	2011 (Rupees)
<b>Operating Cash Flows:</b>		
<b>Underwriting activities:-</b>		
Premium received	5,778,738,562	4,533,289,636
Reinsurance premium paid	(3,168,804,063)	(2,300,722,598)
Claims paid	(2,070,299,598)	(1,285,064,265)
Reinsurance and other recoveries received	938,521,436	72,210,982
Commission paid	(807,098,720)	(725,534,396)
Commission received	109,385,046	72,868,836
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	476,460,162	76,804,379
Expenses paid	(332,866,607)	(254,329,229)
<b>Net cash inflows from underwriting activities</b>	<b>924,036,218</b>	<b>189,523,345</b>
<b>Other Operating Activities</b>		
Income tax paid	(114,414,355)	(72,734,016)
General management expenses paid	(29,910,700)	(28,902,339)
Loans disbursed-net	(115,605)	2,491,013
Other receipts/(payments) - sundry debtors	33,692,383	46,893,765
Other payments - staff contribution	-	-
<b>Net cash (outflow) from other operating activities</b>	<b>(110,748,277)</b>	<b>(52,251,577)</b>
<b>Total cash inflow / (outflow) from all operating activities</b>	<b>813,287,941</b>	<b>137,271,768</b>
<b>Investment activities</b>		
Fixed Capital expenditure	(3,100,320)	2,542,074
Acquisition of investments	(3,443,481,979)	(2,775,587,466)
Rental income received - net of expenses	42,210,326	53,687,224
Dividend income received	244,063,988	307,273,644
Interest income on bank deposits	110,713,442	69,932,388
Investment income received - net of expenses	436,183,190	232,400,839
Sale proceeds of investments	3,406,926,879	1,703,699,689
<b>Total cash (outflow) from investment activities</b>	<b>793,515,526</b>	<b>(406,051,608)</b>
<b>Financing activities</b>		
Surplus paid	-	-
Dividend paid	(880,527,150)	(881,239,940)
<b>Total cash (outflow) from financing activities</b>	<b>(880,527,150)</b>	<b>(881,239,940)</b>
<b>Net cash (outflow) from all activities</b>	<b>726,276,317</b>	<b>(1,150,019,780)</b>
Cash and cash equivalents at beginning of the year	1,597,263,123	2,416,631,453
<b>Cash and cash equivalents at end of the period</b>	<b>2,323,539,440</b>	<b>1,266,611,673</b>

The annexed notes 1 to 7 form an integral part of these financial statements.

( Farzana Munaf )  
Chief Financial Officer

( Munawar Opel )  
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Premium  
For the period of three months ended September 30, 2012 (Unaudited)

Class	Premium Written (A)	<u>Unearned premium reserve</u>		Premium earned (D=A+B-C)	Re-insurance Ceded (E)	<u>Prepaid Reinsurance Premium ceded</u>		Re-insurance expense (H=E+F-G)	<u>Three months ended Sep 30,</u>	
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		2012 Aggregate Net Premium revenue (I=D-H)	2011 Aggregate Net Premium revenue
-----R u p e e s-----										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	798,570,808	534,792,586	957,085,775	376,277,619	519,311,270	215,624,728	550,124,276	184,811,722	191,465,897	117,416,316
Marine Cargo	6,399,744	4,212,685	3,199,872	7,412,557	-	-	-	-	7,412,557	9,841,672
Marine Hull	35,971,945	105,735,417	101,025,274	40,682,088	6,800,210	53,676,181	44,290,313	16,186,078	24,496,010	16,589,153
Accident	18,093,732	57,304,545	51,062,182	24,336,095	-	-	-	-	24,336,095	16,320,030
Aviation	233,313,976	475,000,019	368,359,266	339,954,729	202,023,264	407,007,659	313,693,710	295,337,213	44,617,516	41,762,746
Engineering	269,269,353	663,072,653	600,057,859	332,284,147	154,417,644	495,474,704	420,043,868	229,848,480	102,435,667	66,417,224
<b>Total</b>	<b>1,361,619,558</b>	<b>1,840,117,905</b>	<b>2,080,790,228</b>	<b>1,120,947,235</b>	<b>882,552,388</b>	<b>1,171,783,272</b>	<b>1,328,152,167</b>	<b>726,183,493</b>	<b>394,763,742</b>	<b>268,347,141</b>
<b>Treaty</b>	<b>1,029,694,573</b>	<b>1,465,603,580</b>	<b>1,656,232,746</b>	<b>839,065,407</b>	<b>620,817,723</b>	<b>254,291,931</b>	<b>657,218,313</b>	<b>217,891,341</b>	<b>621,174,066</b>	<b>621,448,233</b>
<b>Grand Total</b>	<b>2,391,314,131</b>	<b>3,305,721,485</b>	<b>3,737,022,974</b>	<b>1,960,012,642</b>	<b>1,503,370,111</b>	<b>1,426,075,203</b>	<b>1,985,370,480</b>	<b>944,074,834</b>	<b>1,015,937,808</b>	<b>889,795,374</b>

The annexed notes 1 to 7 form an integral part of these financial statements.

( Farzana Munaf )  
Chief Financial Officer

( Munawar Opel )  
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Premium  
For the period of nine months ended September 30, 2012 (Unaudited)

Class	<u>Unearned premium reserve</u>		Premium earned (D=A+B-C)	Re-insurance Ceded (E)	<u>Prepaid Reinsurance Premium ceded</u>		Re-insurance expense (H=E+F-G)	<u>Nine months ended Sep 30,</u>		
	Premium Written (A)	Opening (B)			Closing (C)	Opening (F)		Closing (G)	2012	2011
									Aggregate	Aggregate
									<u>Net Premium revenue</u> (I=D-H)	
-----R u p e e s-----										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	1,326,817,727	678,671,607	957,085,775	1,048,403,559	750,208,999	295,884,725	550,124,276	495,969,448	552,434,111	324,699,599
Marine Cargo	24,085,433	4,304,059	3,199,872	25,189,620	-	-	-	-	25,189,620	24,329,098
Marine Hull	151,581,989	38,393,238	101,025,274	88,949,953	68,144,417	-	44,290,313	23,854,104	65,095,849	43,816,092
Accident	87,400,198	25,323,035	51,062,182	61,661,051	-	-	-	-	61,661,051	56,195,624
Aviation	260,461,443	1,075,066,951	368,359,266	967,169,128	211,706,708	939,205,134	313,693,710	837,218,132	129,950,996	130,224,156
Engineering	890,005,497	631,818,390	600,057,859	921,766,028	640,306,155	399,203,182	420,043,868	619,465,469	302,300,559	185,530,349
<b>Total</b>	<b>2,740,352,287</b>	<b>2,453,577,280</b>	<b>2,080,790,228</b>	<b>3,113,139,339</b>	<b>1,670,366,279</b>	<b>1,634,293,041</b>	<b>1,328,152,167</b>	<b>1,976,507,153</b>	<b>1,136,632,186</b>	<b>764,794,918</b>
<b>Treaty</b>	2,731,856,523	1,434,281,750	1,656,232,746	2,509,905,527	998,777,309	219,850,917	657,218,313	561,409,913	1,948,495,614	1,797,192,002
<b>Grand Total</b>	<b>5,472,208,810</b>	<b>3,887,859,030</b>	<b>3,737,022,974</b>	<b>5,623,044,866</b>	<b>2,669,143,588</b>	<b>1,854,143,958</b>	<b>1,985,370,480</b>	<b>2,537,917,066</b>	<b>3,085,127,800</b>	<b>2,561,986,920</b>

The annexed notes 1 to 7 form an integral part of these financial statements.

( Farzana Munaf )  
Chief Financial Officer

( Munawar Opel )  
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Claims  
For the period of three months ended September 30, 2012 (Unaudited)

Class	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)	Three months ended Sep 30,	
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		2012 Aggregate	2011 Aggregate
									Net claim expenses (I=D-H)	Net claim expenses
-----R u p e e s-----										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	225,501,314	278,840,670	402,524,267	349,184,911	327,231,428	68,968,099	68,968,099	327,231,428	21,953,483	30,910,627
Marine Cargo	20,873,235	16,466,212	3,835,203	8,242,226	-	-	-	-	8,242,226	2,918,820
Marine Hull	664,946	15,412,508	14,891,952	144,390	-	-	-	-	144,390	1,210,601
Accident	23,019,644	50,988,772	52,649,164	24,680,036	-	-	-	-	24,680,036	84,138,937
Aviation	32,172,236	128,059,361	177,114,261	81,227,136	10,417,840	92,529,048	135,091,488	52,980,280	28,246,856	3,482,568
Engineering	146,819,350	411,157,686	310,690,342	46,352,006	38,900,700	356,555,809	135,023,816	(182,631,293)	228,983,299	84,394
<b>Total</b>	<b>449,050,725</b>	<b>900,925,209</b>	<b>961,705,189</b>	<b>509,830,705</b>	<b>376,549,968</b>	<b>518,052,956</b>	<b>339,083,403</b>	<b>197,580,415</b>	<b>312,250,290</b>	<b>122,745,947</b>
<b>Treaty</b>	356,568,401	1,247,210,502	1,404,951,572	514,309,471	193,125,940	758,833,695	870,934,602	305,226,847	209,082,624	384,635,837
<b>Grand Total</b>	<b>805,619,126</b>	<b>2,148,135,711</b>	<b>2,366,656,761</b>	<b>1,024,140,176</b>	<b>569,675,908</b>	<b>1,276,886,651</b>	<b>1,210,018,005</b>	<b>502,807,262</b>	<b>521,332,914</b>	<b>507,381,784</b>

The annexed notes 1 to 7 form an integral part of these financial statements.

( Farzana Munaf )  
Chief Financial Officer

( Munawar Opel )  
Chief Executive

Director

Director



Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Claims  
For the period of nine months ended September 30, 2012 (Unaudited)

Class	Claims Paid (A)	Provision for 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)	Nine months ended Sep 30,	
		Opening	Closing			Opening	Closing		2012 Aggregate	2011 Aggregate
		(B)	(C)			(F)	(G)		(I=D-H)	
R u p e e s										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	287,031,152	362,809,531	402,524,267	326,745,888	327,231,428	165,000,000	68,968,099	231,199,527	95,546,361	104,605,626
Marine Cargo	24,055,406	19,295,929	3,835,203	8,594,680	-	-	-	-	8,594,680	5,746,842
Marine Hull	948,007	16,512,486	14,891,952	(672,527)	-	-	-	-	(672,527)	2,588,727
Accident	27,099,749	27,238,090	52,649,164	52,510,823	-	-	-	-	52,510,823	99,474,009
Aviation	38,899,933	94,778,261	177,114,261	121,235,933	16,670,958	89,719,743	135,091,488	62,042,703	59,193,230	6,962,907
Engineering	245,448,420	790,514,199	310,690,342	(234,375,437)	64,562,730	735,680,067	135,023,816	(536,093,521)	301,718,084	9,649,378
<b>Total</b>	<b>623,482,667</b>	<b>1,311,148,496</b>	<b>961,705,189</b>	<b>274,039,360</b>	<b>408,465,116</b>	<b>990,399,810</b>	<b>339,083,403</b>	<b>(242,851,291)</b>	<b>516,890,651</b>	<b>229,027,489</b>
<b>Treaty</b>	1,446,816,931	1,216,913,980	1,404,951,572	1,634,854,523	530,056,320	779,396,930	870,934,602	621,593,992	1,013,260,531	1,222,106,630
<b>Grand Total</b>	<b>2,070,299,598</b>	<b>2,528,062,476</b>	<b>2,366,656,761</b>	<b>1,908,893,883</b>	<b>938,521,436</b>	<b>1,769,796,740</b>	<b>1,210,018,005</b>	<b>378,742,701</b>	<b>1,530,151,182</b>	<b>1,451,134,119</b>

The annexed notes 1 to 7 form an integral part of these financial statements.

( Farzana Munaf )  
Chief Financial Officer

( Munawar Opel )  
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Expenses  
For the period of three months ended September 30, 2012 (Unaudited)

Class	Deferred Commission		Net commission expense (D=A+B-C)	Other management expenses (E)	Underwriting expense (F=D+E)	Commission from reinsurers (G)	Commission income unearned		Net commission retrocession (J=G+H-I)	Three months ended Sep 30,		
	Commission paid or payable (A)	Opening (B)					Closing (C)	Opening (H)		Closing (I)	Aggregate	Aggregate
											Net underwriting expense (K=F-J)	Net underwriting expense
-----R u p e e s-----												
<b>Business underwritten inside Pakistan</b>												
<b>Facultative</b>												
Fire	83,175,969	67,438,636	106,500,830	44,113,775	2,085,196	46,198,971	56,582,006	1,915,985	49,987,410	8,510,581	37,688,390	31,130,504
Marine Cargo	1,268,090	851,445	634,045	1,485,490	1,278,188	2,763,678	-	-	-	-	2,763,678	4,572,462
Marine Hull	6,360,570	12,849,021	13,740,014	5,469,577	615,148	6,084,725	1,218,132	8,168,716	6,900,662	2,486,186	3,598,539	3,705,132
Accident	1,816,306	6,952,118	5,853,431	2,914,993	1,340,165	4,255,158	-	-	-	-	4,255,158	4,280,367
Aviation	937,549	1,734,765	1,771,602	900,712	2,050,418	2,951,130	(20,754)	1,544,531	851,218	672,559	2,278,571	3,391,058
Engineering	1,961,025	27,909,823	17,684,795	12,186,053	1,296,369	13,482,422	11,444,324	25,232,167	24,413,826	12,262,665	1,219,757	1,298,545
<b>Total</b>	<b>95,519,509</b>	<b>117,735,808</b>	<b>146,184,717</b>	<b>67,070,600</b>	<b>8,665,484</b>	<b>75,736,084</b>	<b>69,223,708</b>	<b>36,861,399</b>	<b>82,153,116</b>	<b>23,931,991</b>	<b>51,804,093</b>	<b>48,378,068</b>
<b>Treaty</b>	<b>200,198,332</b>	<b>339,987,867</b>	<b>357,919,289</b>	<b>182,266,910</b>	<b>79,046,470</b>	<b>261,313,380</b>	<b>(56,376,729)</b>	<b>38,167,921</b>	<b>(26,591,128)</b>	<b>8,382,320</b>	<b>252,931,060</b>	<b>238,510,932</b>
<b>Grand Total</b>	<b>295,717,841</b>	<b>457,723,675</b>	<b>504,104,006</b>	<b>249,337,510</b>	<b>87,711,954</b>	<b>337,049,464</b>	<b>12,846,979</b>	<b>75,029,320</b>	<b>55,561,988</b>	<b>32,314,311</b>	<b>304,735,153</b>	<b>286,889,000</b>

The annexed notes 1 to 7 form an integral part of these financial statements.

( Farzana Munaf )  
Chief Financial Officer

( Munawar Opel )  
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Expenses  
For the period of nine months ended September 30, 2012 (Unaudited)

Class	<u>Deferred Commission</u>		Net commission expense (D=A+B-C)	Other management expenses (E)	Underwriting expense (F=D+E)	Commission from reinsurers (G)	<u>Commission income unearned</u>		Net commission retrocession (J=G+H-I)	<u>Nine months ended Sep 30,</u>		
	Commission paid or payable (A)	Opening (B)					Closing (C)	Opening (H)		Closing (I)	2012	2011
											Aggregate	Aggregate
											<u>Net underwriting expense (K=F-J)</u>	
-----Rupees-----												
<b>Business underwritten inside Pakistan</b>												
<b>Facultative</b>												
Fire	144,652,715	90,949,256	106,500,830	129,101,141	7,022,792	136,123,933	56,747,869	10,213,429	49,987,410	16,973,888	119,150,045	74,856,111
Marine Cargo	4,898,952	925,708	634,045	5,190,615	4,849,188	10,039,803	-	-	-	-	10,039,803	9,901,818
Marine Hull	20,219,046	6,441,591	13,740,014	12,920,623	1,858,709	14,779,332	10,553,807	-	6,900,662	3,653,145	11,126,187	9,106,837
Accident	10,285,308	2,977,429	5,853,431	7,409,306	4,506,372	11,915,678	-	-	-	-	11,915,678	12,239,835
Aviation	2,651,246	1,784,519	1,771,602	2,664,163	6,478,562	9,142,725	1,568,491	1,341,759	851,218	2,059,032	7,083,693	6,612,087
Engineering	30,374,442	20,881,129	17,684,795	33,570,776	4,315,694	37,886,470	36,621,516	21,417,111	24,413,826	33,624,801	4,261,669	3,568,692
<b>Total</b>	<b>213,081,709</b>	<b>123,959,632</b>	<b>146,184,717</b>	<b>190,856,624</b>	<b>29,031,317</b>	<b>219,887,941</b>	<b>105,491,683</b>	<b>32,972,299</b>	<b>82,153,116</b>	<b>56,310,866</b>	<b>163,577,075</b>	<b>116,285,380</b>
<b>Treaty</b>	<b>594,017,011</b>	<b>305,608,687</b>	<b>357,919,289</b>	<b>541,706,409</b>	<b>303,835,290</b>	<b>845,541,699</b>	<b>3,893,363</b>	<b>1,831,543</b>	<b>(26,591,128)</b>	<b>32,316,034</b>	<b>813,225,665</b>	<b>711,857,399</b>
<b>Grand Total</b>	<b>807,098,720</b>	<b>429,568,319</b>	<b>504,104,006</b>	<b>732,563,033</b>	<b>332,866,607</b>	<b>1,065,429,640</b>	<b>109,385,046</b>	<b>34,803,842</b>	<b>55,561,988</b>	<b>88,626,900</b>	<b>976,802,740</b>	<b>828,142,779</b>

The annexed notes 1 to 7 form an integral part of these financial statements.

( Farzana Munaf )  
Chief Financial Officer

( Munawar Opel )  
Chief Executive

Director

Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Investment Income**  
**For the period of nine months ended September 30, 2012 (Unaudited)**

	<u>Three months ended Sep 30,</u>		<u>Nine months ended Sep 30,</u>	
	<b>2012</b>	2011	<b>2012</b>	2011
	<b>Rupees</b>	Rupees	<b>Rupees</b>	Rupees
<b>Income from trading investments</b>				
Net gain on sale of 'held-for-trading' investments	-	1,226,028	<b>1,117,019</b>	3,760,188
Dividend income	<b>263,713,995</b>	343,361,974	<b>322,730,132</b>	440,800,002
	<b>263,713,995</b>	344,588,002	<b>323,847,151</b>	444,560,190
<b>Income from non-trading investments</b>				
<b>Held-to-maturity</b>				
Return on Government Securities	<b>79,135,415</b>	56,518,316	<b>218,884,850</b>	141,558,574
Return on other fixed income securities and deposits	<b>31,099,715</b>	25,448,827	<b>110,713,442</b>	69,932,388
Income on treasury bills	<b>30,757,046</b>	29,260,910	<b>105,974,055</b>	82,729,840
Amortization of premium on Pakistan Investment Bond	<b>2,184,867</b>	1,101,093	<b>6,510,335</b>	1,132,952
	<b>143,177,043</b>	112,329,146	<b>442,082,682</b>	295,353,754
<b>Net gain on sale of 'available for sale' investments</b>	-	17,029,992	<b>4,674</b>	17,674,303
<b>Loss on revaluation of investments</b>				
Held-for-trading	<b>7,555,846</b>	(3,667,700)	<b>22,973,465</b>	(7,014,295)
	<b>414,446,884</b>	470,279,440	<b>788,907,972</b>	750,573,952
<b>Less: Investment related expenses</b>	<b>(1,064,759)</b>	(1,707,245)	<b>(3,639,616)</b>	(3,700,454)
<b>Net investment income</b>	<b>413,382,125</b>	468,572,195	<b>785,268,356</b>	746,873,498

The annexed notes 1 to 7 form an integral part of these financial statements.

(Farzana Munaf )  
Chief Financial Officer

(Munawar Opel )  
Chief Executive

Director

Director

PAKISTAN REINSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 (UNAUDITED)

**1 The Company and its Operations**

Pakistan Reinsurance Co. Ltd., (“the Company”) was incorporated on March 30, 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, M.T. Khan Road, Karachi. Its shares are quoted on Karachi and Lahore Stock Exchanges.

**2 Significant Accounting Policies**

These financial statements have been prepared in accordance with the requirements of S.R.O 938 issued by the Securities and Exchange Commission of Pakistan, in December, 2002, the Insurance Ordinance 2000, the requirements of Companies Ordinance, 1984 and approved accounting standards as applicable in Pakistan.

**3 Quarterly Returns for Compulsory Surplus Treaties**

PRC receives compulsory surplus reinsurance business from all insurance companies doing general insurance business as provided in Section 42(2) of the Insurance Ordinance 2000. Because of the nature of business of PRCL, the preparation of its accounts depend on the returns from ceding insurance companies. The time prescribed for submission of returns as per amendment made in PIC/PRC (Compulsory Surplus Reinsurance) Regulations 1978, is twenty one days after the close of the Quarter in case of 1<sup>st</sup> & 3<sup>rd</sup> Quarters.

For the 3rd Quarter 2012, PRC received returns from 29 general insurance companies out of 32 and these return received in PRCL by due date and as such above accounts have been prepared by incorporating these returns. The rest of the business reflects facultative as per records of the Company.

**4 Date of Authorization for issue**

These financial statements have been authorized for issue on 30th October, 2012 by the Board of Directors of the Company.

**5 Corresponding Figures**

Corresponding figures have been rearranged wherever necessary for the purpose of comparison.

**6 Contingencies**

There have been no significant change in the contingent liabilities since last published financial statements.

7 All figures have been rounded off to the nearest rupees.

Farzana Munaf  
Chief Financial Officer

Munawar Opel  
Chief Exectuve

Director

Director

Karachi October 30, 2012



## **Pakistan Reinsurance Company Limited**

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