

# Quarterly Accounts (Un-Audited)

For the 1st Quarter ended March 31, 2015

Simply Secure



Pakistan Reinsurance Company Limited

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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-2014**



### **Board of Directors of PRCL**

Mr. Mumtaz Ali Rajper	Director
Mr. Taufique Habib	Director
*Mr. Zafar Nasrullah Khan	Director
Mr. Kamal Afsar	Director
Syed Arshad Ali	Director
Mr. Attaullah A. Rasheed	Director
Mr. Faisal Mumtaz	Director
*Mr. Abdul Sami Kehar	Director

### **Company Secretary**

Mr. Shahzad F. Lodhi	Executive Director (H.R)/Company Secretary
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### **Committee of the Boards**

#### **Audit Committee**

Mr. Attaullah A. Rasheed	Chairman of the Committee
Mr. Mumtaz Ali Rajper	Member
Mr. Taufique Habib	Member
Syed Arshad Ali	Member
Mr. Rehmatullah Khilji	Secretary of the Committee

#### **Risk Management Committee**

Mr. Faisal Mumtaz	Chairman of the Committee
Mr. Attaullah A. Rasheed	Member
Mr. Mumtaz Ali Rajper	Member
Mr. Farmanullah Zarkoon	Secretary of the Committee

#### **Investment Committee**

Mr. Kamal Afsar	Chairman of the Committee
Mr. Mumtaz Ali Rajper	Member
Mr. Taufique Habib	Member
Mrs. Farzana Munaf	Secretary of the Committee

#### **Human Resource Committee**

Mr. Mumtaz Ali Rajper	Chairman of the Committee
Mr. Kamal Afsar	Member
Mr. Faisal Mumtaz	Member
Mr. Shahzad F. Lodhi	Secretary of the Committee

### **Senior Management**

Shahzad F. Lodhi  
Executive Director (H.R.)/Company Secretary

Mrs. Farzana Munaf  
Executive Director /CFO

Mrs. Ghazala Imran  
Regional Director (NZO)

### **Registered Office**

PRC Towers, 32-A, Lalazar Drive, M. T. Khan Road,  
Karachi, Pakistan.  
Tel: (92-21) 99202908-15  
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, Davis Road, Lahore.

### **Auditors**

BDO Ebrahim & Co.  
Chartered Accountant  
2<sup>nd</sup> Floor, Block-C, Laakson Square Building # 01,  
Sarwar Shaheed Road, Karachi-74200

### **Share Registrar**

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

### **Bankers**

National Bank of Pakistan  
Bank Al-Habib Limited

### **Legal Advisor**

Mumtaz Ghazi Magsi (formerly Mumtaz & Associates),  
Barristers, Advocates & Legal Consultants  
1<sup>st</sup> Floor, Office # 112, Clifton Center, Khayabab-e-Roomi,  
Clifton, Karachi.

\* Notification issued, being inducted

# **D**irectors' Report

for the period ended March 31, 2015

**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 1<sup>st</sup> Quarter ended March 31, 2015.

The financial statements for the 1<sup>st</sup> Quarter ended March 31, 2015 reflect the treaty business returns received from 33 insurance companies out of 34 and these returns were received by PRCL on or before 23.04.2015 as per the amendment made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 and facultative business closings as per records of the PRCL.

The Gross Premium for the period was Rs.1,974 Million and Net Premium was Rs.1,262 Million. The Gross Premium and Net Premium for the corresponding period of the last year were Rs.1,750 Million and Rs.1,218 Million respectively.

The Net claims, Net Commission and Management Expenses have been aggregated to Rs.1,113 Million for the 1<sup>st</sup> Quarter ended March 31<sup>st</sup>, 2015 as compared to Rs.1,082 Million for the 1<sup>st</sup> Quarter ended March 31<sup>st</sup>, 2014.

The investment income mainly comprising of profit on government securities, fixed income securities and dividend income, was Rs.222 Million as compared to Rs.209 Million in the corresponding period of the last year.

Profit before tax and after tax for the 1<sup>st</sup> Quarter ended March 31, 2015 was Rs.394 Million and Rs.285 Million as compared to Net Profit before tax and after tax of Rs.287 Million and Rs.185 Million respectively of the corresponding period of last year.

The management is taking steps and making all out efforts to ensure good results.

The Directors also express their sincere appreciation to all the Company's valued clients, reinsurers, brokers, business partners and collaborators, the Securities and Exchange Commission of Pakistan, Karachi, Lahore and Islamabad Stock Exchanges and Central Depository Company for their professional approach and guidance.

For and on behalf  
of the Board of Directors

**Chairman/Director**  
Karachi: April 30, 2015

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Balance Sheet**  
**As at March 31, 2015**

	December 31		December 31	
	March 31 2015	2014	March 31 2015	2014
Note	Unaudited	Audited	Unaudited	Audited
	Rupees	Rupees	Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>				
<b>Share capital and reserves</b>				
Authorized Share Capital	25,000,000,000	25,000,000,000		
2,500,000,000 (2014 : 2,500,000,000)				
Ordinary shares of Rs. 10 each)				
Issued share capital	3,000,000,000	3,000,000,000		
Retained earnings	2,213,630,386	1,928,993,292		
Reserve for exceptional losses	281,000,000	281,000,000		
General reserve	1,777,419,085	1,777,419,085		
	4,272,049,471	3,987,412,377		
<b>Shareholders' equity</b>	7,272,049,471	6,987,412,377		
<b>LIABILITIES</b>				
<b>Underwriting provisions</b>				
- Provision for outstanding claims (including IBNR)	3,463,098,541	3,183,398,261		
- Provision for unearned premium	4,326,255,011	4,522,636,500		
- Commission income unearned	59,788,690	56,386,252		
<b>Total underwriting provisions</b>	7,849,142,242	7,762,421,013		
<b>Deferred liability - employee benefits</b>	739,051,218	804,333,398		
<b>Long term deposits</b>	12,650,305	12,484,487		
<b>Creditors and accruals</b>				
Amount due to other insurers and reinsurers	1,657,717,033	1,678,642,152		
Premium and claim reserves retained	36,161,849	19,063,742		
Other creditors and accruals	45,757,772	39,330,163		
Accrued expenses	7,707,555	24,624,664		
Taxation - net	160,910,671	160,945,606		
Retention money payable	6,368,183	6,368,183		
	1,914,623,063	1,928,974,510		
<b>Other liabilities</b>				
Dividend payable	123,867,920	124,504,179		
Surplus profit payable	1,212,602	1,212,602		
	125,080,522	125,716,781		
<b>Total liabilities</b>	10,640,547,350	10,633,930,189		
<b>TOTAL EQUITY AND LIABILITIES</b>				
	<u>17,912,596,821</u>	<u>17,621,342,566</u>		
<b>CONTINGENCIES AND COMMITMENT</b>				
The annexed notes 1 to 7 form an integral part of these financial statements.				
<b>ASSETS</b>				
<b>Cash and Bank deposits</b>				
Cash and other equivalents			60,982	47,105
Current and other accounts			3,031,116,519	2,856,323,164
Deposits maturing within 12 months			225,000,000	225,000,000
			3,256,177,501	3,081,370,269
<b>Loans to employees</b>			66,927,000	70,577,021
<b>Investments</b>				
<b>Investment properties</b>			6,634,458,761	6,650,009,640
			33,446,077	33,892,378
<b>Current assets - others</b>				
Amount due from other insurers and reinsurers			3,476,264,408	3,037,906,812
Premium and claim reserves retained by cedants			193,748,810	207,383,486
Accrued investment income			135,841,595	178,320,523
Reinsurance recoveries against outstanding claims			1,595,115,892	1,610,368,696
Deferred commission expense			574,628,567	534,955,573
Prepayments			1,807,290,887	2,074,844,772
Sundry receivables			89,436,131	90,887,275
Stock of stationery			1,746,825	1,633,635
			7,874,073,115	7,736,300,772
<b>Fixed assets</b>				
<b>Tangible</b>				
Land and building			17,017,056	17,229,629
Furniture, fixture, books and office equipment			9,961,188	10,345,885
Electrical installations, airconditioning plant and lifts			11,760,178	12,379,136
Motor vehicles			8,775,945	9,237,836
			47,514,367	49,192,486
Assets relating to Bangladesh			-	-
<b>TOTAL ASSETS</b>				
	<u>17,912,596,821</u>	<u>17,621,342,566</u>		

(Farzana Munaf)  
Chief Financial Officer

Director

Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and the Chief Financial Officer.

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Profit and Loss Account (Unaudited)**  
**For the period ended March 31, 2015**

Note	Facultative							Treaty	2015 Aggregate	2014 Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering				
----- Rupees -----										
<b>Revenue account</b>										
Net premium revenue	237,433,016	6,373,429	18,486,539	49,963,905	53,272,928	123,447,966	772,805,320	1,261,783,103	1,218,137,410	
Less:										
Net claims	275,746,871	849,997	(1,073,351)	10,490,492	695,051	43,743,076	443,398,501	773,850,637	769,073,408	
Expenses	16,303,929	2,842,628	1,659,078	4,782,733	5,592,161	8,721,676	38,170,294	78,072,499	85,299,130	
Net commission	40,065,519	1,306,130	913,851	5,631,050	344,777	3,187,629	209,817,231	261,266,187	227,891,128	
<b>Underwriting results</b>	(94,683,303)	1,374,674	16,986,961	29,059,630	46,640,939	67,795,585	81,419,294	148,593,780	135,873,744	
Investment income - net								222,422,448	209,064,785	
Rental income - net								11,959,643	13,129,184	
Exchange (loss) / gain								18,231,757	(63,397,170)	
Other income								13,500	916,507	
General and administration expenses								(7,081,097)	(8,227,041)	
								245,546,251	151,486,265	
<b>Profit before tax</b>								394,140,031	287,360,009	
<b>Income tax expense</b>										
- Current								(109,502,937)	(102,313,287)	
- Deferred								-	-	
								(109,502,937)	(102,313,287)	
<b>Profit after tax</b>								284,637,094	185,046,722	
<b>Profit and loss appropriation account</b>										
<b>Balance at the commencement of period</b>								1,928,993,292	1,512,977,449	
Profit after tax for the period								284,637,094	185,046,722	
<b>Balance of unappropriated profit at the end of the period</b>								2,213,630,386	1,698,024,171	
<b>Earnings per share - basic and diluted</b>								0.95	0.62	

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

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**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
**For the period ended March 31, 2015**

	<b>2015</b>	2014
	<b>Rupees</b>	Rupees
Profit for the period	<b>284,637,094</b>	185,046,722
Other comprehensive income		
Remeasurement of defined benefit obligations - net		
<b>Total comprehensive income for the period</b>	<b>284,637,094</b>	185,046,722

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

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**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Changes in Equity (Unaudited)**  
For the period ended March 31, 2015

	Share capital	Reserves			Total	
	Issued subscribed and paid-up	Reserve for exceptional losses	Retained earnings	General reserve		Total reserves
	Rupees					
<b>Balance as at January 01, 2014</b>	3,000,000,000	281,000,000	1,512,977,449	1,777,419,085	3,296,546,375	6,577,546,375
Total Comprehensive income for the period ended March 31, 2014	-	-	185,046,722	-	185,046,722	185,046,722
<b>Transactions with owners</b>						
Final cash dividend 2013: Rs.2.50 @ 25% (2012 : Rs.2.50 @25% ) per share		-	-	-	-	-
<b>Balance as at March 31, 2014</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,698,024,171</b>	<b>1,777,419,085</b>	<b>3,481,593,097</b>	<b>6,762,593,097</b>
<b>Balance as at January 01, 2015</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,928,993,292</b>	<b>1,777,419,085</b>	<b>3,712,562,221</b>	<b>6,993,562,221</b>
Total Comprehensive income for the period ended March 31, 2015	-	-	284,637,094	-	284,637,094	284,637,094
<b>Transactions with owners</b>						
Final cash dividend 2014: Rs.2.50 @ 25% (2013 : Rs.2.50 @25% ) per share	-	-	-	-	-	-
<b>Balance as at March 31, 2015</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>2,213,630,386</b>	<b>1,777,419,085</b>	<b>3,997,199,315</b>	<b>7,278,199,315</b>

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and the Chief Financial Officer.

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
For the period ended March 31, 2015

	2015 (Rupees)	2014 (Rupees)
<b>Operating Cash Flows:</b>		
<b>Underwriting activities:-</b>		
Premium received	1,535,914,348	1,432,928,984
Reinsurance premium paid	(642,426,183)	(631,144,110)
Claims paid	(594,056,848)	(737,565,669)
Reinsurance and other recoveries received	115,159,295	19,868,687
Commission paid	(329,923,336)	(243,839,260)
Commission received	32,386,593	33,621,672
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	30,732,783	5,139,061
Expenses paid	(78,072,499)	(85,299,130)
<b>Net cash inflows from underwriting activities</b>	<b>69,714,153</b>	<b>(206,289,765)</b>
<b>Other Operating Activities</b>		
Income tax paid	(109,537,872)	(75,938,453)
General management expenses paid	(7,081,097)	(8,227,041)
Payment unders defined benefit obligations		
Loans disbursed-net	3,650,021	4,536,396
Other receipts/(payments) - sundry debtors	(75,851,532)	(24,116,830)
Other payments - staff contribution	-	-
Net cash (outflow) from other operating activities	<b>(188,820,480)</b>	<b>(103,745,928)</b>
<b>Total cash inflow / (outflow) from all operating activities</b>	<b>(119,106,327)</b>	<b>(310,035,693)</b>
<b>Investment activities</b>		
Fixed Capital expenditure	311,700	1,893,471
Sale proceeds of Fixed Assets	1,812,720	1,812,720
Acquisition of investments	(1,020,811,445)	(1,336,108,504)
Sale proceeds of investments	1,037,059,126	882,884,274
Rental income received - net of expenses	1,505,670	4,612,997
Dividend income received	31,939,544	25,333,363
Interest income on bank deposits	37,496,442	41,544,407
Investment income received - net of expenses	205,236,061	197,658,452
<b>Total cash (outflow) from investment activities</b>	<b>294,549,818</b>	<b>(180,368,820)</b>
<b>Financing activities</b>		
Surplus paid	-	-
Dividend paid	(636,259)	(234,770)
<b>Total cash (outflow) from financing activities</b>	<b>(636,259)</b>	<b>(234,770)</b>
<b>Net cash (outflow) from all activities</b>	<b>174,807,232</b>	<b>(490,639,283)</b>
Cash and cash equivalents at beginning of the year	3,081,370,269	2,706,379,444
<b>Cash and cash equivalents at end of the period</b>	<b>3,256,177,501</b>	<b>2,215,740,161</b>

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

( Farzana Munaf )

Chief Financial Officer

Director

Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and the Chief Financial Officer.

	<b>2015</b> <b>(Rupees)</b>	<b>2014</b> <b>(Rupees)</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(119,106,327)	(310,035,693)
Depreciation expense		
-Investment property	(899,841)	(476,330)
-Fixed assets	(1,294,872)	(2,085,659)
Exchange gain	18,231,757	(63,397,170)
Rental income - net	11,959,643	13,129,184
Change for deferred liability - employee benefits	65,282,180	12,376,910
Investment income	222,422,448	209,064,785
Provision for outstanding claims	(294,953,084)	(51,376,426)
Provision for unearned premium	196,381,489	420,138,839
Prepaid reinsurance	(269,137,509)	(96,923,164)
(Decrease)/ Increase in operating assets other than cash	421,318,569	312,125,396
Decrease/ (Increase) in operating liabilities	34,397,706	(231,119,116)
	<b>284,602,159</b>	<b>211,421,556</b>
<b>Other adjustments:</b>		
Income tax paid	109,537,872	75,938,453
	<b>109,537,872</b>	<b>75,938,453</b>
Profit/ (Loss) before taxation	394,140,031	287,360,009
Provision for taxation	(109,502,937)	(102,313,287)
<b>Profit/(Loss) after taxation</b>	<b>Rupees 284,637,094</b>	<b>185,046,722</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:

#### Cash and cash equivalents:

Cash and other equivalent	60,982	51,654
Current and other accounts	3,031,116,519	1,995,869,085
Deposit maturing within 12 months	225,000,000	219,819,422
	<b>Rupees 3,256,177,501</b>	<b>2,215,740,161</b>

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

( Farzana Munaf )

Chief Financial Officer

Director

Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and the Chief Financial Officer.

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Premium (Unaudited)  
For the period ended March 31, 2015

Class	Unearned premium reserve			Premium earned (D=A+B-C)	Re-insurance Ceded (E)	Prepaid Reinsurance Premium ceded		Re-insurance expense (H=E+F-G)	2015	2014
	Premium Written (A)	Opening (B)	Closing (C)			Opening (F)	Closing (G)		Aggregate	Aggregate
R u p e e s										
Business underwritten inside Pakistan										
Facultative										
Fire	579,191,830	777,880,731	933,691,428	423,381,133	407,076,133	269,324,287	490,452,303	185,948,117	237,433,016	195,373,060
Marine Cargo	6,472,385	3,137,237	3,236,193	6,373,429	-	-	-	-	6,373,429	21,208,473
Marine Hull	59,353,200	65,486,533	83,890,600	40,949,133	37,059,464	33,452,178	48,049,048	22,462,594	18,486,539	17,576,636
Accident	52,965,879	106,150,379	108,126,390	50,989,868	8,207,703.00	-	7,181,740	1,025,963	49,963,905	38,425,624
Aviation	16,559,108	975,634,961	693,916,615	298,277,454	14,876,205	821,419,466	591,291,145	245,004,526	53,272,928	34,632,447
Engineering	147,916,101	803,354,282	603,748,027	347,522,356	80,457,556	515,487,177	371,870,343	224,074,390	123,447,966	103,255,066
<b>Total</b>	<b>862,458,503</b>	<b>2,731,644,123</b>	<b>2,426,609,253</b>	<b>1,167,493,373</b>	<b>547,677,061</b>	<b>1,639,683,108</b>	<b>1,508,844,579</b>	<b>678,515,590</b>	<b>488,977,783</b>	<b>410,471,306</b>
<b>Treaty</b>	<b>1,111,813,441</b>	<b>1,790,992,377</b>	<b>1,899,645,758</b>	<b>1,003,160,060</b>	<b>92,055,760</b>	<b>431,938,386</b>	<b>293,639,406</b>	<b>230,354,740</b>	<b>772,805,320</b>	<b>807,666,104</b>
<b>Grand Total</b>	<b>1,974,271,944</b>	<b>4,522,636,500</b>	<b>4,326,255,011</b>	<b>2,170,653,433</b>	<b>639,732,821</b>	<b>2,071,621,494</b>	<b>1,802,483,985</b>	<b>908,870,330</b>	<b>1,261,783,103</b>	<b>1,218,137,410</b>

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and the Chief Financial Officer.

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Claims (Unaudited)  
For the period ended March 31, 2015

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)	2015	2014
		Opening	Closing			Aggregate	Aggregate			
		(B)	(C)			Net claim expenses (I=D-H)				
-----R u p e e s-----										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	45,121,053	767,583,691	1,145,133,037	422,670,399	-	136,468,099	283,391,627	146,923,528	275,746,871	36,379,523
Marine Cargo	1,220,203	29,957,022	29,586,816	849,997	-	-	-	-	849,997	6,349,839
Marine Hull	1,320,709	33,884,876	34,426,948	1,862,781	(545,539)	40,138	3,521,809	2,936,132	(1,073,351)	(9,729,042)
Accident	3,513,566	122,611,571	129,588,497	10,490,492	-	-	-	-	10,490,492	16,827,207
Aviation	-	585,936,620	592,964,616	7,027,996	-	520,243,621	526,576,566	6,332,945	695,051	(222,460)
Engineering	3,585,488	146,958,529	187,116,117	43,743,076	-	80,883,495	80,883,495	-	43,743,076	37,370,218
<b>Total</b>	<b>54,761,019</b>	<b>1,686,932,309</b>	<b>2,118,816,031</b>	<b>486,644,741</b>	<b>(545,539)</b>	<b>737,635,353</b>	<b>894,373,497</b>	<b>156,192,605</b>	<b>330,452,136</b>	<b>86,975,285</b>
<b>Treaty</b>	<b>539,295,829</b>	<b>1,501,417,952</b>	<b>1,349,234,510</b>	<b>387,112,387</b>	<b>115,704,834</b>	<b>872,733,343</b>	<b>700,742,395</b>	<b>(56,286,114)</b>	<b>443,398,501</b>	<b>682,098,123</b>
<b>Grand Total</b>	<b>594,056,848</b>	<b>3,188,350,261</b>	<b>3,468,050,541</b>	<b>873,757,128</b>	<b>115,159,295</b>	<b>1,610,368,696</b>	<b>1,595,115,892</b>	<b>99,906,491</b>	<b>773,850,637</b>	<b>769,073,408</b>

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and the Chief Financial Officer.

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Expenses (Unaudited)  
For the period ended March 31, 2015

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)	2015	2014
	Commission paid or payable (A)	Opening (B)	Closing (C)					Opening (H)	Closing (I)		Aggregate	Aggregate
----- Rupees -----												
<b>Business underwritten inside Pakistan</b>												
<b>Facultative</b>												
Fire	46,548,556	104,189,543	#####	49,971,469	16,303,929	66,275,398	22,846,110	13,732,988	26,673,148	9,905,950	56,369,448	26,707,772
Marine Cargo	1,255,428	678,416	627,714	1,306,130	2,842,628	4,148,758	-	-	-	-	4,148,758	7,367,736
Marine Hull	6,061,254	7,977,119	9,389,131	4,649,242	1,659,078	6,308,320	5,682,604	5,962,073	7,909,286	3,735,391	2,572,929	1,226,328
Accident	6,053,167	11,794,847	12,191,315	5,656,699	4,782,733	10,439,432	205,193	-	179,544	25,649	10,413,783	6,470,546
Aviation	314,168	1,582,688	1,180,808	716,048	5,592,161	6,308,209	827,533	486,301	942,563	371,271	5,936,938	2,508,843
Engineering	12,194,948	40,159,187	35,269,608	17,084,527	8,721,676	25,806,203	4,297,869	33,802,646	24,203,617	13,896,898	11,909,305	4,062,006
<b>Total</b>	<b>72,427,521</b>	<b>166,381,800</b>	<b>159,425,206</b>	<b>79,384,115</b>	<b>39,902,205</b>	<b>119,286,320</b>	<b>33,859,309</b>	<b>53,984,008</b>	<b>59,908,158</b>	<b>27,935,159</b>	<b>91,351,161</b>	<b>48,343,231</b>
<b>Treaty</b>	<b>257,495,815</b>	<b>368,573,773</b>	<b>415,203,361</b>	<b>210,866,227</b>	<b>38,170,294</b>	<b>249,036,521</b>	<b>(1,472,716)</b>	<b>2,402,244</b>	<b>(119,468)</b>	<b>1,048,996</b>	<b>247,987,525</b>	<b>264,847,027</b>
<b>Grand Total</b>	<b>329,923,336</b>	<b>534,955,573</b>	<b>574,628,567</b>	<b>290,250,342</b>	<b>78,072,499</b>	<b>368,322,841</b>	<b>32,386,593</b>	<b>56,386,252</b>	<b>59,788,690</b>	<b>28,984,155</b>	<b>339,338,686</b>	<b>313,190,258</b>

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and the Chief Financial Officer.

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Investment Income (Unaudited)**  
**For the period ended March 31, 2015**

	2015 Rupees	2014 Rupees
<b>Income from trading investments</b>		
Held-for-trading	-	-
Dividend income	<u>3,064,729</u>	<u>1,048,542</u>
	<b>3,064,729</b>	<b>1,048,542</b>
<b>Income from non-trading investments</b>		
<b>Held-to-maturity</b>		
Return on Government Securities	<u>86,602,774</u>	<u>91,547,245</u>
Return on other fixed income securities and deposits	<u>37,496,442</u>	<u>41,544,407</u>
Income on treasury bills	<u>22,171,642</u>	<u>22,925,925</u>
Amortization of premium on Pakistan Investment Bond	<u>696,802</u>	<u>674,776</u>
	<b>146,967,660</b>	<b>156,692,353</b>
<b>Gain on sale of investments</b>		
Available-for-sale	<u>-</u>	<u>2,068,812</u>
Dividend income	<u>76,180,538</u>	<u>47,413,243</u>
	<b>76,180,538</b>	<b>49,482,055</b>
<b>Gain on revaluation of investments</b>		
Held-for-trading	<b>(2,050,181)</b>	<b>3,520,030</b>
	<u>224,162,746</u>	<u>210,742,980</u>
<b>Less: Investment related expenses</b>	<b>(1,740,298)</b>	<b>(1,678,195)</b>
<b>Net investment income</b>	<u><b>222,422,448</b></u>	<u><b>209,064,785</b></u>

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these as approved by the Board of Directors, have been signed by two directors and the Chief Financial Officer.

PAKISTAN REINSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED MARCH 31, 2015 (UNAUDITED)

**1 The Company and its Operations**

1.1 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.

1.2 In order to mitigate the impact of discontinuation of compulsory cession with effect from 01 January 2005, the Company has developed a corporate plan and adopting necessary measures for independently undertaking reinsurance business as per its strategy to continue to operate profitably in the year 2008 onward.

**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 33 insurance companies out of 34 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 1<sup>st</sup> Quarter 2015, PRC received returns from 33 general insurance companies out of 34 and these returns received in PRCL by due date and as such above accounts have been prepared by incorporating only these returns. The rest of the business reflects facultative business as per record of the Company.

**4 Date of Authorization for issue**

These financial statements have been authorized for issue on 30th April, 2015 by the Board of Directors of the Company.

**5 Corresponding Figures**

Corresponding figures have been re-grouped wherever necessary for the purpose of comparison.

**6 Contingencies**

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

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

Simply Secure



**Pakistan Reinsurance Company Limited**

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