



Pakistan Reinsurance Company Limited

**QUARTERLY ACCOUNTS
(Un-Audited)
For the 1st Quarter ended
March 31, 2013**



Secure today & tomorrow

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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

BOARD OF DIRECTORS

| | | |
|------------------------------------|----------------------------------|-----------------------------------|
| Mr. Rasul Bux Phulpoto | Chairman | |
| Mr. Abdul Kabir Kazi | Director | |
| Dr. Masuma Hasan | Director | |
| Mr. Mumtaz Ali Rajper | Director | |
| State Life Nominee | Director | |
| Mr. Taufique Habib | Director | |
| Mr. Sikander Mahmood | Director | |
| ED (HR) / COMPANY SECRETARY | | |
| Mr. Shahzad F. Lodhi | | |
| AUDIT COMMITTEE | | |
| Mr. Sikander 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 | |
| UNDERWRITING COMMITTEE | | |
| 1. | Mr. Rasul Bux Phulpoto | Chairman of the Committee |
| 2. | Mrs. Farzana Munaf, ED(CFO) | Member |
| 3. | Mr. Ayaz Hussain M. Gad, ED(BD) | Member |
| 4. | Mr. Fida Hussain Samoo, ED(Re) | Member/Secretary of the Committee |
| REINSURANCE COMMITTEE | | |
| 1. | Mr. Rasul Bux Phulpoto | Chairman of the Committee |
| 2. | Mr. Abdul Kabir Kazi | Member |
| 3. | Mr. Taufique Habib | Member |
| 4. | Dr. Masuma Hasan | Member |
| 5. | Mr. Ayaz Hussain M. Gad, ED(BD) | Member |
| 6. | Mr. Fida Hussain Samoo, ED(Re) | Member/Secretary of the Committee |
| CLAIM SETTLEMENT COMMITTEE | | |
| 1. | Mr. Sikander Mahmood | Chairman of the Committee |
| 2. | Mr. Rasul Bux Phulpoto | Member |
| 3. | Mrs. Farzana Munaf ED(CFO) | Member |
| 4. | Mr. Ayaz Hussain M. Gad, ED(BD) | Member |
| 5. | Mr. Fida Hussain Samoo, ED(Re) | Member/Secretary of the Committee |

| INVESTMENT COMMITTEE | | |
|---------------------------------|--|-----------------------------------|
| 1. | Mr. Sikander Mahmood | Chairman of the Committee |
| 2. | Mr. Rasul Bux Phulpoto | Member |
| 3. | Mr. Abdul Kabir Kazi | Member |
| 4. | Mr. Mumtaz Ali Rajper | Member |
| 5. | Mr. Taufique Habib | Member |
| 6. | Mrs. Farzana Munaf, ED (CFO) | Member/Secretary of the Committee |
| HUMAN RESOURCE COMMITTEE | | |
| 1. | Mr. Abdul Kabir Kazi | Chairman of the Committee |
| 2. | Mr. Rasul Bux Phulpoto | Member |
| 3. | Dr. Masuma Hasan | Member |
| 4. | Mr. Mumtaz Ali Rajper | Member |
| 5. | Mr. Shahzad F. Lodhi, ED(HR) / Company Secretary | Member/Secretary of the Committee |

| AUDITORS | SHARE REGISTRAR |
|--|--|
| Mr. Mohammad Shaukat Naseeb, Senior Partner, Anjum Asim Shahid Rahman, Chartered Accountant, 1 st and 3 rd Floor, Modern Motors House, Beaumont Road, Karachi-75530 | Central Depository Company of Pakistan Limited (CDC), CDC House, 99-B, Block-B, SMCHS, Main Shahrah-e-Faisal, Karachi-74400, Pakistan. Phones: 0092-21-111-111-500 |
| BANKERS | ZONAL OFFICE |
| National Bank of Pakistan Bank Al-Habib Limited | State Life Building, 1 st Floor, 15-A, Davis Road, Lahore. |
| REGISTERED OFFICE | |
| PRC Towers, 32-A, Lalazar Drive, M. T. Khan Road, P. O. Box 4777, Karachi, Pakistan. Tel: 0092-21-99202908 to 15 Telefax: 0092-21-99202921 & 22 Telex: 20428 Pakre Pk, Email: prcl@pakre.org.pk Website: www.pakre.org.pk | |

PAKISTAN REINSURANCE COMPANY LIMITED
Directors' Report to the Shareholders

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 1st Quarter ended March 31st, 2013.

Review of business activities

The financial statements for the Quarter reflect the treaty business returns received from 32 Insurance Companies out of 34. These returns received in PRCL after one month from the date of closing of their quarter, as per the amendment made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 as well as facultative business as per records of the company. No returns were received from Alpha Insurance Company, (Karachi) and Al-Falah Insurance Company, (Lahore).

The Gross written Premium was Rs.2,076 million against Rs. 1,716 million of corresponding period showing an increase of Rs. 315 million (18%). The Net Premium was Rs. 1,067 million against Rs. 1,027 million, showing an increase of Rs.41 million (4%). The Net Commission for the period is Rs. 230 million as compared to Rs. 214 million showing an increase of Rs.16 million (7%).The Net Claims were Rs. 547 million against Rs. 629 showing a decrease of 82 million (13%) and the Underwriting Profit was Rs.225 million as compared to Rs.120 million showing an increase of Rs.105 million (87%) higher than in the corresponding period.

The income from investment including rental and other income for the period under review was recorded Rs.275 Million, as compared to Rs.222 Million in the corresponding period.

The Profit Before Tax for the 1st Quarter ended March 31, 2013, was Rs.504 million, as compared to Rs.337 Million in the 1st Quarter ended March 31, 2012, showing increase of Rs.167 million (49%). The Profit after Tax for the Quarter ended March 31, 2013, was Rs.365 million, as compared to Rs.237 Million in the Quarter ended March 31, 2012, showing increase of Rs. 128 million (54%). The earning per share for the 1st Quarter ended March 31, 2013 stood at Rs.1.22 compared to Rs.0.79 of previous period.

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 and Lahore Stock Exchanges and Central Depository Company for professional approach and guidance.

For and on behalf
of the Board of Directors

(R.B. Phulphoto)
Chairman/Chief Executive
Karachi: 29th April, 2013

Pakistan Reinsurance Company Limited
Condensed Interim Balance Sheet
As At March 31, 2013 (Unaudited)

| | March 31 2013 | December 31 2012 |
|---|-----------------------|-----------------------|
| Note | Unaudited Rupees | Audited Rupees |
| Share capital and reserves | | |
| 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 | 1,867,206,894 | 1,502,169,703 |
| Reserve for exceptional losses | 281,000,000 | 281,000,000 |
| General reserve | 1,777,419,085 | 1,777,419,085 |
| | <u>3,925,625,979</u> | <u>3,560,588,788</u> |
| Shareholders' equity | <u>6,925,625,979</u> | <u>6,560,588,788</u> |
| LIABILITIES | | |
| Underwriting provisions | | |
| - Provision for outstanding claims (including IBNR) | 925,236,226 | 1,043,227,840 |
| - Provision for unearned premium | 4,334,855,102 | 4,350,377,846 |
| - Commission income unearned | 49,791,183 | 45,017,368 |
| Total underwriting provisions | <u>5,309,882,511</u> | <u>5,438,623,054</u> |
| Deferred liability - employee benefits | 216,096,156 | 219,779,000 |
| Long term deposits | 14,415,201 | 14,217,257 |
| Creditors and accruals | | |
| Amount due to other insurers/reinsurers | 1,624,370,895 | 1,623,538,033 |
| Premium and claim reserves retained from retrocessionaires | 20,172,727 | 20,172,734 |
| Other creditors and accruals | 70,778,885 | 80,968,419 |
| Accrued expenses | 16,241,999 | 21,024,648 |
| Taxation - net | 630,941,166 | 512,718,420 |
| Retention money payable | 6,468,183 | 6,475,833 |
| | <u>2,368,973,855</u> | <u>2,264,898,087</u> |
| Other liabilities | | |
| Dividend payable | 64,854,473 | 65,356,783 |
| Surplus profit payable | 1,212,602 | 1,212,602 |
| | <u>66,067,075</u> | <u>66,569,385</u> |
| Total liabilities | <u>7,975,434,798</u> | <u>8,004,086,783</u> |
| TOTAL EQUITY AND LIABILITIES | <u>14,901,060,777</u> | <u>14,564,675,571</u> |
| CONTINGENCIES | | |

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

(Farzana Munaf)
Chief Financial Officer

(R. B. Phulpoto)
Chief Executive

(Sikander Mahmood)
Director

(Taufique Habib)
Director

| | March 31 2013 | December 31 2012 |
|---|-----------------------|-----------------------|
| Note | Unaudited Rupees | Audited Rupees |
| ASSETS | | |
| Cash and Bank deposits | | |
| Cash and other equivalents | 86,112 | 85,694 |
| Current and other accounts | 1,709,215,949 | 1,614,359,140 |
| Deposits maturing within 12 months | 400,000,000 | 400,000,000 |
| | <u>2,109,302,061</u> | <u>2,014,444,834</u> |
| Loans to employees | 57,866,668 | 60,590,650 |
| Investments | | |
| | 6,671,643,883 | 6,434,420,530 |
| Investment properties | 37,284,837 | 37,795,867 |
| Deferred taxation | - | - |
| Current assets - others | | |
| Amount due from other insurers/reinsurers | 2,822,757,301 | 2,625,332,998 |
| Premium and claim reserves retained by cedants | 101,931,763 | 77,228,148 |
| Accrued investment income | 230,617,367 | 183,669,885 |
| Sundry receivables | 291,463,371 | 292,220,470 |
| Prepayments | 2,036,368,119 | 2,315,277,674 |
| Deferred commission expense | 487,401,570 | 469,849,175 |
| Stock of stationery | 962,639 | 962,639 |
| | <u>5,971,502,130</u> | <u>5,964,540,989</u> |
| Fixed assets | | |
| Tangible | | |
| Land and building | 18,813,097 | 19,048,405 |
| Furniture, fixture, books and office equipment | 13,653,258 | 13,779,560 |
| Electrical installations, airconditioning plant and lifts | 9,633,648 | 7,746,261 |
| Motor vehicles | 11,361,195 | 12,308,475 |
| | <u>53,461,198</u> | <u>52,882,701</u> |
| Assets relating to Bangladesh | - | - |
| | - | - |
| TOTAL ASSETS | <u>14,901,060,777</u> | <u>14,564,675,571</u> |

Pakistan Reinsurance Company Limited
Condensed Interim Profit and Loss Account
For the quarter ended March 31, 2013 (Unaudited)

| Note | Facultative | | | | | | | Treaty | 2013 Aggregate | 2012 Aggregate |
|--|--------------------|------------------|-------------------|-------------------|-------------------|-------------------|---------------------|----------------------|----------------------|-------------------|
| | Fire | Marine Cargo | Marine Hull | Accident | Aviation | Engineering | | | | |
| ----- Rupees ----- | | | | | | | | | | |
| Revenue account | | | | | | | | | | |
| Net premium revenue | 205,115,242 | 18,185,092 | 27,746,823 | 31,255,221 | 43,624,503 | 116,583,639 | 625,504,973 | 1,068,015,493 | 1,026,844,796 | |
| Less: | | | | | | | | | | |
| Net claims | 23,785,385 | 3,410,411 | 11,481,773 | (19,130,167) | (5,484,061) | 53,037,482 | 480,100,957 | 547,201,780 | 628,837,080 | |
| Expenses | 2,108,062 | 1,494,672 | 623,540 | 1,363,537 | 1,853,942 | 1,443,036 | 57,480,941 | 66,367,730 | 63,734,974 | |
| Net commission | 30,655,970 | 4,544,998 | 2,806,119 | 3,672,192 | (134,545) | 180,622 | 187,892,506 | 229,617,862 | 214,243,355 | |
| Underwriting results | <u>148,565,825</u> | <u>8,735,011</u> | <u>12,835,391</u> | <u>45,349,659</u> | <u>47,389,167</u> | <u>61,922,499</u> | <u>(99,969,431)</u> | <u>224,828,121</u> | <u>120,029,387</u> | |
| Investment income - net | | | | | | | | 261,509,620 | 211,509,734 | |
| Rental income - net | | | | | | | | 12,667,767 | 10,846,185 | |
| Exchange (loss) / gain | | | | | | | | 12,442,754 | 2,930,072 | |
| Other income | | | | | | | | 926,061 | 157,902 | |
| General and administration expenses | | | | | | | | (8,053,837) | (7,851,080) | |
| | | | | | | | | <u>279,492,365</u> | <u>217,592,813</u> | |
| Profit before tax | | | | | | | | 504,320,486 | 337,622,200 | |
| Income tax expense | | | | | | | | | | |
| - Current | | | | | | | | (139,283,295) | (100,468,520) | |
| - Deferred | | | | | | | | - | - | |
| | | | | | | | | <u>(139,283,295)</u> | <u>(100,468,520)</u> | |
| Profit after tax | | | | | | | | <u>365,037,191</u> | <u>237,153,680</u> | |
| Profit and loss appropriation account | | | | | | | | | | |
| Balance at the commencement of period | | | | | | | | 1,502,169,703 | 1,298,302,385 | |
| Profit after tax for the period | | | | | | | | <u>365,037,191</u> | <u>237,153,680</u> | |
| Balance of unappropriated profit at the end of the period | | | | | | | | <u>1,867,206,894</u> | <u>1,535,456,065</u> | |
| Earnings per share - basic and diluted | | | | | | | | 1.22 | 0.79 | |

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

(Farzana Munaf)
Chief Financial Officer

(R. B. Phulpoto)
Chief Executive

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Comprehensive Income
For the quarter ended March 31, 2013 (Unaudited)

| | 2013 Rupees | 2012 Rupees |
|--|------------------------------|----------------|
| Profit for the period | 365,037,191 | 237,153,680 |
| Other comprehensive income | - | - |
| Total comprehensive income for the period | 365,037,191 | 237,153,680 |

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

(Farzana Munaf)
Chief Financial Officer

(R. B. Phulpoto)
Chief Executive

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Changes in Equity
For the quarter ended March 31, 2013 (Unaudited)

| | Share capital | | Reserves | | | Total |
|---|-------------------------------------|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | Issued subscribed and paid-up | Reserve for exceptional losses | Revenue reserves | | Total reserves | |
| | | | Retained earnings | General reserve | | |
| | ----- Rupees ----- | | | | | |
| Balance as at December 31, 2011 | 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 three months | - | - | 237,153,680 | - | 237,153,680 | 237,153,680 |
| Transactions with owners | | | | | | |
| Balance as at March 31, 2012 | 3,000,000,000 | 281,000,000 | 1,535,456,065 | 1,777,419,085 | 3,312,875,150 | 6,593,875,150 |
| Balance as at December 31, 2012 | 3,000,000,000 | 281,000,000 | 1,502,169,703 | 1,777,419,085 | 3,279,588,788 | 6,560,588,788 |
| Total Comprehensive income for three months | - | - | 365,037,191 | - | 365,037,191 | 365,037,191 |
| Transactions with owners | | | | | | |
| Balance as at March 31, 2013 | 3,000,000,000 | 281,000,000 | 1,867,206,894 | 1,777,419,085 | 3,644,625,979 | 6,925,625,979 |

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

(Farzana Munaf)
Chief Financial Officer

(R. B. Phulpoto)
Chief Executive

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Cash Flows
For the quarter ended March 31, 2013 (Unaudited)

| | 2013 (Rupees) | 2012 (Rupees) |
|--|----------------------|----------------------|
| Operating Cash Flows: | | |
| Underwriting activities:- | | |
| Premium received | 1,878,573,039 | 1,353,506,836 |
| Reinsurance premium paid | (730,869,054) | (657,447,349) |
| Claims paid | (395,848,924) | (496,482,179) |
| Reinsurance and other recoveries received | (269,344,470) | 158,930,257 |
| Commission paid | (274,926,896) | (276,888,292) |
| Commission received | 32,530,455 | 72,435,959 |
| Premium and claim reserves retained from retrocessionaires/withheld by ceding companies | (24,703,622) | 471,641,523 |
| Expenses paid | (66,367,730) | (63,734,974) |
| Net cash inflows from underwriting activities | 149,042,798 | 561,961,781 |
| Other Operating Activities | | |
| Income tax paid | (21,060,549) | (24,869,631) |
| General management expenses paid | (8,053,837) | (7,851,080) |
| Loans disbursed-net | 2,723,982 | 2,719,804 |
| Other receipts/(payments) - sundry debtors | (19,875,668) | (46,362,570) |
| Net cash (outflow) from other operating activities | (46,266,072) | (76,363,477) |
| Total cash inflow / (outflow) from all operating activities | 102,776,726 | 485,598,304 |
| Investment activities | | |
| Fixed Capital expenditure | (67,467) | (5,761,204) |
| Sale proceeds of Fixed Assets | 1,717,667 | - |
| Acquisition of investments | (727,539,882) | (1,251,745,022) |
| Rental income received - net of expenses | 3,429,852 | 6,276,411 |
| Dividend income received | 18,485,445 | 9,937,962 |
| Interest income on bank deposits | 21,761,253 | 34,964,959 |
| Investment income received - net of expenses | 183,208,175 | 211,676,051 |
| Sale proceeds of investments | 491,587,768 | 752,274,686 |
| Total cash (outflow) from investment activities | (7,417,189) | (242,376,157) |
| Financing activities | | |
| Surplus paid | - | - |
| Dividend paid | (502,310) | (963,966) |
| Total cash (outflow) from financing activities | (502,310) | (963,966) |
| Net cash (outflow) from all activities | 94,857,227 | 242,258,181 |
| Cash and cash equivalents at beginning of the year | 2,014,444,834 | 1,597,263,123 |
| Cash and cash equivalents at end of the period | 2,109,302,061 | 1,839,521,304 |

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

(Farzana Munaf)
Chief Financial Officer

(R. B. Phulpoto)
Chief Executive

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Premium
For the quarter ended March 31, 2013 (Unaudited)

| 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) | 2013 | 2012 |
|---------------------------------------|---------------------------|----------------------|----------------------|-----------------------------|------------------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|----------------------|
| | 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 | 487,033,082 | 865,588,124 | 934,862,914 | 417,758,292 | 384,709,981 | 373,956,699 | 546,023,630 | 212,643,050 | 205,115,242 | 175,503,238 |
| Marine Cargo | 12,642,976 | 11,863,604 | 6,321,488 | 18,185,092 | - | - | - | - | 18,185,092 | 8,934,218 |
| Marine Hull | 23,281,390 | 94,781,038 | 69,935,379 | 48,127,049 | 8,264,353 | 35,342,981 | 23,227,108 | 20,380,226 | 27,746,823 | 18,643,589 |
| Accident | 44,363,884 | 57,969,539 | 71,078,202 | 31,255,221 | - | - | - | - | 31,255,221 | 16,784,516 |
| Aviation | 31,084,671 | 1,072,596,887 | 773,330,238 | 330,351,320 | 23,572,217 | 939,037,888 | 675,883,288 | 286,726,817 | 43,624,503 | 42,722,154 |
| Engineering | 369,092,624 | 821,774,856 | 818,604,243 | 372,263,237 | 191,316,896 | 568,614,891 | 504,252,189 | 255,679,598 | 116,583,639 | 97,144,335 |
| Total | 967,498,627 | 2,924,574,048 | 2,674,132,464 | 1,217,940,211 | 607,863,447 | 1,916,952,459 | 1,749,386,215 | 775,429,691 | 442,510,520 | 359,732,050 |
| Treaty | 1,108,498,715 | 1,425,803,797 | 1,660,722,638 | 873,579,874 | 136,281,223 | 391,243,899 | 279,450,221 | 248,074,901 | 625,504,973 | 667,112,746 |
| Grand Total | 2,075,997,342 | 4,350,377,845 | 4,334,855,102 | 2,091,520,085 | 744,144,670 | 2,308,196,358 | 2,028,836,436 | 1,023,504,592 | 1,068,015,493 | 1,026,844,796 |

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

(Farzana Munaf)
Chief Financial Officer

(R. B. Phulpoto)
Chief Executive

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Claims
For the quarter ended March 31, 2013 (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) | 2013 | 2012 |
|--|--------------------|----------------------------------|----------------------|-----------------------------|--|---|----------------------|---|--------------------|--------------------|
| | | Opening | Closing | | | Aggregate | Aggregate | | | |
| | | (B) | (C) | | | Net claim expenses (I=D-H) | | | | |
| R u p e e s | | | | | | | | | | |
| Business underwritten inside Pakistan | | | | | | | | | | |
| Facultative | | | | | | | | | | |
| Fire | 27,614,629 | 377,061,951 | 440,732,707 | 91,285,385 | - | 68,968,099 | 136,468,099 | 67,500,000 | 23,785,385 | 150,146,779 |
| Marine Cargo | 180,143 | 15,852,773 | 19,083,041 | 3,410,411 | - | - | - | - | 3,410,411 | 299,408 |
| Marine Hull | 700,034 | 22,726,812 | 33,508,551 | 11,481,773 | - | - | - | - | 11,481,773 | (111,247) |
| Accident | 7,151,450 | 76,203,668 | 49,922,051 | (19,130,167) | - | - | - | - | (19,130,167) | 19,466,422 |
| Aviation | 2,864,389 | 101,702,342 | 80,822,684 | (18,015,269) | 1,692,029 | 86,712,257 | 72,489,020 | (12,531,208) | (5,484,061) | 94,996 |
| Engineering | 795,174 | 234,416,994 | 321,900,901 | 88,279,081 | - | 196,309,775 | 231,551,374 | 35,241,599 | 53,037,482 | 47,113,323 |
| Total | 39,305,819 | 827,964,540 | 945,969,935 | 157,311,214 | 1,692,029 | 351,990,131 | 440,508,493 | 90,210,391 | 67,100,823 | 217,009,681 |
| Treaty | 356,543,105 | 1,601,861,951 | 1,577,751,741 | 332,432,895 | (271,036,499) | 1,029,656,520 | 1,153,024,957 | (147,668,062) | 480,100,957 | 411,827,399 |
| Grand Total | 395,848,924 | 2,429,826,491 | 2,523,721,676 | 489,744,109 | (269,344,470) | 1,381,646,651 | 1,593,533,450 | (57,457,671) | 547,201,780 | 628,837,080 |

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

(Farzana Munaf)
Chief Financial Officer

(R. B. Phulpoto)
Chief Executive

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Expenses
For the quarter ended March 31, 2013 (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) | 2013 | 2012 | |
|--|---|--------------------|--------------------|---|--|------------------------------------|---|-----------------------------------|---------------------|--|--------------------|---|--|
| | Commission paid or payable (A) | Opening (B) | Closing (C) | | | | | Opening (H) | Closing (I) | | Aggregate | Aggregate | |
| | | | | | | | | | | | | <u>Net underwriting expense (K=F-J)</u> | |
| | | | | | | | | | | | | -----R u p e e s----- | |
| Business underwritten inside Pakistan | | | | | | | | | | | | | |
| Facultative | | | | | | | | | | | | | |
| Fire | 32,583,450 | 108,512,564 | 93,475,054 | 47,620,960 | 2,108,062 | 49,729,022 | 19,235,499 | 36,764,600 | 39,035,109 | 16,964,990 | 32,764,032 | 39,787,227 | |
| Marine Cargo | 2,798,131 | 3,145,933 | 1,399,066 | 4,544,998 | 1,494,672 | 6,039,670 | - | - | - | - | 6,039,670 | 3,657,096 | |
| Marine Hull | 2,802,244 | 12,232,634 | 8,917,676 | 6,117,202 | 623,540 | 6,740,742 | 1,700,367 | 5,872,510 | 4,261,794 | 3,311,083 | 3,429,659 | 3,738,571 | |
| Accident | 5,482,326 | 6,669,445 | 8,479,579 | 3,672,192 | 1,363,537 | 5,035,729 | - | - | - | - | 5,035,729 | 3,432,137 | |
| Aviation | 816,491 | 1,527,264 | 1,541,088 | 802,667 | 1,853,942 | 2,656,609 | 740,246 | 2,364,067 | 2,167,101 | 937,212 | 1,719,397 | 2,328,453 | |
| Engineering | 25,414,842 | 22,995,731 | 35,337,903 | 13,072,670 | 1,443,036 | 14,515,706 | 9,095,201 | 27,746,227 | 23,949,380 | 12,892,048 | 1,623,658 | 1,248,579 | |
| Total | 69,897,484 | 155,083,571 | 149,150,366 | 75,830,689 | 8,886,789 | 84,717,478 | 30,771,313 | 72,747,404 | 69,413,384 | 34,105,333 | 50,612,145 | 54,192,063 | |
| Treaty | 205,029,412 | 314,765,605 | 338,251,204 | 181,543,813 | 57,480,941 | 239,024,754 | 1,759,142 | (27,730,036) | (19,622,201) | (6,348,693) | 245,373,447 | 223,786,266 | |
| Grand Total | 274,926,896 | 469,849,176 | 487,401,570 | 257,374,502 | 66,367,730 | 323,742,232 | 32,530,455 | 45,017,368 | 49,791,183 | 27,756,640 | 295,985,592 | 277,978,329 | |

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

(Farzana Munaf)
Chief Financial Officer

(R. B. Phulpoto)
Chief Executive

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Investment Income
For the quarter ended March 31, 2013 (Unaudited)

| | 2013 Rupees | 2012 Rupees |
|---|---------------------------|---------------------------|
| Income from trading investments | | |
| Net gain on sale of 'held-for-trading' investments | - | - |
| Dividend income | <u>110,360,241</u> | <u>53,953,956</u> |
| | 110,360,241 | 53,953,956 |
| Income from non-trading investments | | |
| Held-to-maturity | | |
| Return on Government Securities | <u>82,742,378</u> | <u>67,978,600</u> |
| Return on other fixed income securities and deposits | <u>21,761,253</u> | <u>34,964,959</u> |
| Income on treasury bills | <u>33,261,740</u> | <u>38,800,257</u> |
| Amortization of premium on Pakistan Investment Bond | <u>1,271,241</u> | <u>2,500,259</u> |
| | 139,036,612 | 144,244,075 |
| Net gain on sale of 'available for sale' investments | 7,104,691 | - |
| Loss on revaluation of investments | | |
| Held-for-trading | 6,230,149 | 14,590,781 |
| | <u>262,731,693</u> | <u>212,788,812</u> |
| Less: Investment related expenses | (1,222,073) | (1,279,078) |
| Net investment income | <u>261,509,620</u> | <u>211,509,734</u> |

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

(Farzana Munaf)
Chief Financial Officer

(R. B. Phulpoto)
Chief Executive

(Sikander Mahmood)
Director

(Taufique Habib)
Director

PAKISTAN REINSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2013 (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 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 1st & 3rd Quarters.

For the 1st Quarter 2013, PRC received returns from 32 general insurance companies out of 34 and these return 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 29th April, 2013 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

(R.B. Phulpoto)
Chief Executive

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Secure today & tomorrow



Pakistan Reinsurance Company Limited

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