

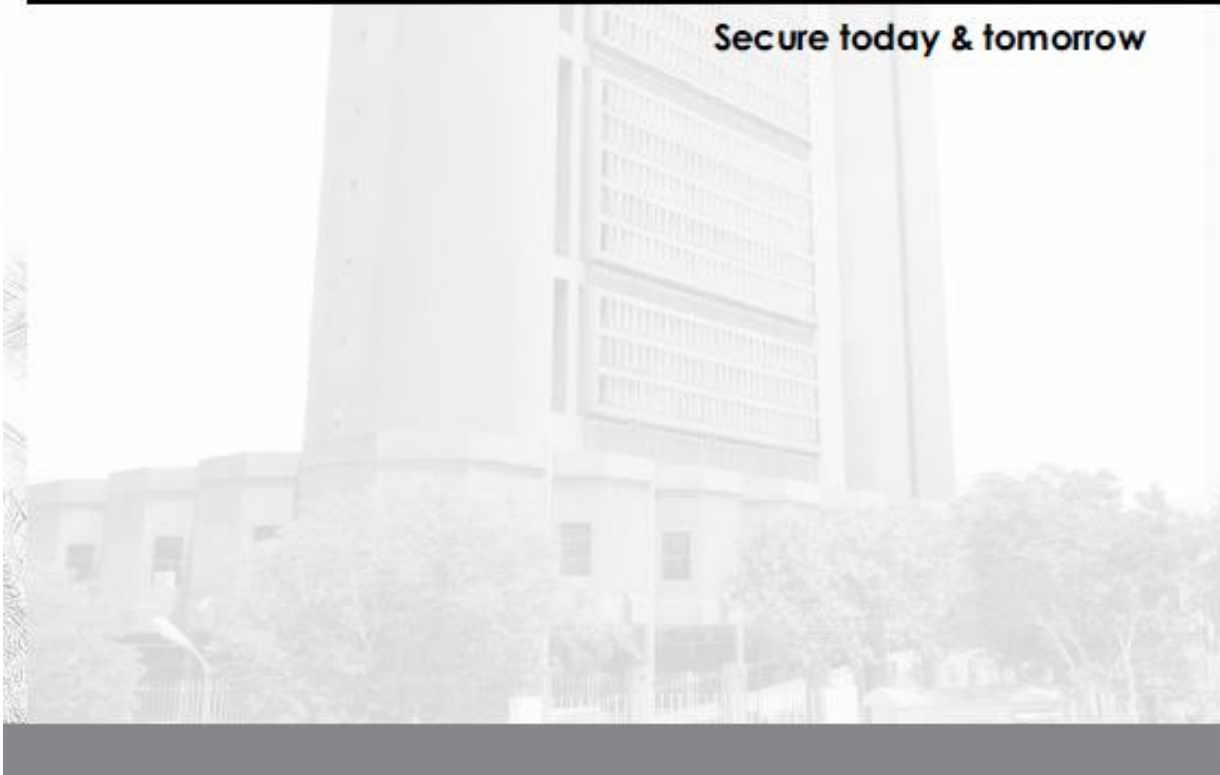


Pakistan Reinsurance Company Limited

FINANCIAL STATEMENT
For the nine months ended
30th September, 2013
(Un-audited)



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.

COMMITTEES OF THE BAORD OF PRCL-2013



MR. ABDUL KABIR KAZI	DIRECTOR
DR. MASUMA HASAN	DIRECTOR
MR. MUMTAZ ALI RAJPER	DIRECTOR
MR. TAUFIQUE HABIB	DIRECTOR
MR. SIKANDER MAHMOOD	DIRECTOR
MR. ATTAULLAH A. RASHEED	DIRECTOR

COMPANY SECRETARY/E.D. (H.R)

MR. SHAHZAD F. LODHI

AUDIT COMMITTEE:-

1. Mr. Sikandar Mahmood, Director	Chairman of the Committee
2. Mr. Abdul Kabir Kazi, Director	Member
3. Mr. Mumtaz Ali Rajper, Director	Member
4. Mr. Taufique Habib, Director	Member
5. Mr. Shahzad F. Lodhi, ED(HR)/Company Secretary	Secretary of the Committee

UNDERWRITING COMMITTEE:-

1. Mrs. Farzana Munaf, CFO/ED(F&A), PRCL	Member
2. Mr. Ayaz Hussain Gad, ED(BD), PRCL	Member
3. Mr. Fida Hussain Samoo, ED(Re), PRCL	Member/Secretary of the Committee

REINSURANCE COMMITTEE:-

1. Mr. Abdul Kabir Kazi, Director	Member
2. Dr. Masuma Hasan	member
3. Mr. Taufique Habib, Director	Member
4. Mr. Ayaz Hussain Gad, ED(BD), PRCL	Member
5. Mr. Fida Hussain Samoo, ED(Re), PRCL	Member/Secretary of the Committee

CLAIM SETTLEMENT COMMITTEE:-

1. Mr. Sikander Mahmood, Director	Chairman of the Committee
2. Mrs. Farzana Munaf, CFO/ED, PRCL	Member
3. Mr. Ayaz Hussain Gad, ED(BD), PRCL	Member
4. Mr. Fida Hussain Samoo, ED(Re), PRCL	Member/Secretary of the Committee

INVESTMENT COMMITTEE:-

1. Mr. Sikander Mahmood, Director	Chairman of the Committee
2. Mr. Abdul Kabir Kazi, Director	Member
3. Mr. Taufique Habib, Director	Member
4. Mr. Mumtaz Ali Rajper, Director	Member
5. Mrs. Farzana Munaf, CFO/ED, PRCL	Member/Secretary of the Committee

HUMAN RESOURCE COMMITTEE:-

1. Mr. Abdul Kabir Kazi, Director	Chairman of the Committee
2. Dr. Masuma Hasan, Director	Member
3. Mr. Mumtaz Ali Rajper, Director	Member
4. Mr. Shahzad F. Lodhi, E.D.(H.R)/Company Secretary	Member/Secretary of the Committee

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Directors' Report

for the period ended September 30, 2013

**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, 2013.

The financial statements for the nine months ended September 30, 2013 reflect the treaty business returns received from 33 insurance companies out of 34 and these returns were received by PRCL on or before 24.10.2013 as per the amendment made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 and facultative business closings as per record of the PRCL.

The Gross Premium for the period was Rs.5,819 Million and Net Premium was Rs.3,385 Million. The Gross Premium and Net Premium for the corresponding period of the last year were Rs.5,472 Million and Rs.3,085 Million respectively.

The Net claims, Net Commission and Management Expenses have been aggregated to Rs.3,044 Million for the nine months ended September 30, 2013 as compared to Rs.2,507 Million for the nine months ended September 30, 2012.

The investment income mainly comprising of profit on government securities, fixed income securities and dividend income, was Rs.936 Million as compared to Rs.785 Million in the corresponding period of the last year.

Profit before tax and after tax for the nine months ended September 30, 2013 was Rs.1,430 Million and Rs.1,113 Million as compared to Net Profit before tax and after tax of Rs.1,262 Million and Rs.925 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 and Lahore and Islamabad Stock Exchanges and Central Depository Company for professional approach and guidance.

For and on behalf
of the Board of Directors

Chairman/Director
Karachi: October 30, 2013

Pakistan Reinsurance Company Limited
Condensed Interim Balance Sheet
As At September 30, 2013 (Unaudited)

	September 30 2013	December 31 2012
Note	Unaudited Rupees	Audited Rupees Restated
Share capital and reserves		
Authorized Share Capital	25,000,000,000	25,000,000,000
2,500,000,000 (2012 : 2,500,000,000) Ordinary shares of Rs. 10 each)		
Issued share capital	3,000,000,000	3,000,000,000
Retained earnings	1,519,829,566	1,197,161,063
Reserve for exceptional losses	281,000,000	281,000,000
General reserve	1,777,419,085	1,777,419,085
	<u>3,578,248,651</u>	<u>3,255,580,148</u>
Shareholders' equity	6,578,248,651	6,255,580,148
LIABILITIES		
Underwriting provisions		
- Provision for outstanding claims (including IBNR)	2,695,024,101	2,429,826,491
- Provision for unearned premium	3,878,404,454	4,350,377,845
- Commission income unearned	90,662,388	45,017,368
Total underwriting provisions	6,664,090,943	6,825,221,704
Deferred liability - employee benefits	741,819,169	692,105,720
Long term deposits	14,336,887	14,217,257
Creditors and accruals		
Amount due to other insurers	592,969,500	178,114,269
Amount due to other reinsurers	855,127,679	1,445,423,762
Premium and claim reserves retained	72,239,171	20,172,734
Other creditors and accruals	78,996,723	80,968,419
Accrued expenses	20,793,499	21,024,648
Taxation - net	554,781,264	512,718,420
Retention money payable	6,682,683	6,475,833
	<u>2,181,590,519</u>	<u>2,264,898,085</u>
Other liabilities		
Dividend payable	80,378,358	65,356,783
Surplus profit payable	1,212,602	1,212,602
	<u>81,590,960</u>	<u>66,569,385</u>
Total liabilities	9,683,428,478	9,863,012,151
TOTAL EQUITY AND LIABILITIES	<u>16,261,677,129</u>	<u>16,118,592,299</u>

CONTINGENCIES

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

(Farzana Munaf)
Chief Financial Officer

ASSETS

Cash and Bank deposits

	September 30 2013	December 31 2012
Note	Unaudited Rupees	Audited Rupees Restated
Cash and other equivalents	90,209	85,694
Current and other accounts	2,874,877,198	1,614,359,140
Deposits maturing within 12 months	750,000,000	400,000,000
	<u>3,624,967,407</u>	<u>2,014,444,834</u>

Loans to employees

66,602,849	60,590,650
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Investments

6,419,883,307	6,434,420,530
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Investment properties

36,262,778	37,795,867
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Deferred taxation

167,318,080	167,318,080
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Current assets - others

Amount due from other insurers	1,478,434,122	2,382,431,218
Premium due from reinsurers	163,928,203	242,901,778
Premium and claim reserves retained by cedants	64,822,821	77,228,148
Reinsurance recoveries against outstanding claims	1,690,465,155	1,381,646,651
Accrued investment income	274,625,320	183,669,885
Sundry receivables	286,837,646	292,220,470
Prepayments	1,400,241,171	2,315,277,674
Deferred commission expense	531,640,843	469,849,175
Stock of stationery	1,172,852	962,639
	<u>5,892,168,133</u>	<u>7,346,187,638</u>

Fixed assets

Tangible

Land and building	18,342,481	19,048,405
Furniture, fixture, books and office equipment	12,596,409	13,779,560
Electrical installations, airconditioning plant and lifts	9,088,934	7,746,260
Motor vehicles	9,494,751	12,308,475
	<u>49,522,575</u>	<u>52,882,700</u>

Assets relating to Bangladesh

4,952,000	4,952,000
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TOTAL ASSETS

<u>16,261,677,129</u>	<u>16,118,592,299</u>
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(Taufique Habib)
Director

(Sikander Mahmood)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Profit and Loss Account
For the period of three months ended September 30, 2013 (Unaudited)

Note	Facultative						Treaty	Three months ended Sep 30,	
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering		2013 Aggregate	2012 Aggregate
----- Rupees -----									
Revenue account									
Net premium revenue	202,902,458	11,666,400	24,048,132	35,580,726	39,737,959	131,281,983	761,632,104	1,206,849,762	1,015,937,808
Net claims	133,362,869	13,256,731	79,989	33,685,621	73,508,540	185,571,239	465,536,629	905,001,618	521,332,914
Expenses	3,019,645	2,172,435	894,845	1,941,612	3,330,639	2,072,667	93,215,507	106,647,350	87,711,954
Net commission	27,785,421	2,752,729	1,753,071	4,321,840	(288,821)	2,294,393	197,816,497	236,435,130	217,023,199
Underwriting result	38,734,523	(6,515,495)	21,320,227	(4,368,347)	(36,812,399)	(58,656,316)	5,063,471	(41,234,336)	189,869,741
Investment income								499,780,680	413,382,125
Rental income								12,814,502	12,487,204
Exchange gain								125,076,003	4,047,852
Other income								868,854	402,263
General and administration expenses								(9,713,680)	(11,015,207)
Value of available-for-investments- write-off								-	-
								628,826,359	419,304,237
Profit/(Loss) before tax								587,592,023	609,173,978
Income tax expense									
- Current								(70,817,362)	(129,753,082)
- Deferred								-	-
								(70,817,362)	(129,753,082)
Profit/(Loss) after tax							Rupees	516,774,661	479,420,896
Profit and loss appropriation account									
Balance at the commencement of period								1,043,862,045	844,166,924
Profit after tax for the period								516,774,661	479,420,896
Balance of unappropriated profit at the end of the period							Rupees	1,560,636,706	1,323,587,820
Earnings per share - basic and diluted							Rupees	1.72	1.60

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Profit and Loss Account
For the nine months ended September 30, 2013 (Unaudited)

Facultative

Note	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	2013 Aggregate	2012 Aggregate
----- Rupees -----									
Revenue account									
Net premium revenue	603,863,288	41,390,581	78,650,486	100,295,886	126,061,561	378,894,059	2,055,929,524	3,385,085,385	3,085,127,800
Less:									
Net claims	193,883,813	27,764,117	21,336,762	29,947,357	92,097,487	276,600,544	1,329,432,290	1,971,062,370	1,530,151,182
Expenses	8,969,413	6,444,834	2,652,762	5,799,071	8,377,434	6,162,777	330,345,679	368,751,970	332,866,607
Net commission	86,860,101	9,860,174	6,974,725	11,965,414	(582,308)	4,204,285	584,719,015	704,001,406	643,936,133
Underwriting results	314,149,961	(2,678,544)	47,686,237	52,584,044	26,168,948	91,926,453	(188,567,460)	341,269,639	578,173,878
Investment income - net								936,371,602	785,268,356
Rental income - net								36,580,291	35,653,516
Exchange (loss) / gain								143,631,752	39,129,598
Other income								1,814,517	689,078
General and administration expenses								(29,613,022)	(29,910,700)
Value of available-for-investments- write-off								-	(146,649,148)
								1,088,785,140	684,180,700
Profit before tax								1,430,054,779	1,262,354,578
Income tax expense									
- Current								(316,579,136)	(337,069,143)
- Deferred									-
								(316,579,136)	(337,069,143)
Profit after tax								1,113,475,643	925,285,435
Profit and loss appropriation account									
Balance at the commencement of period								1,197,161,063	1,298,302,385
Profit after tax for the period								1,113,475,643	925,285,435
Final cash dividend paid 2012: Rs.2.50 @ 25% (2011 : Rs.3.00 @ 30%) per share								(750,000,000)	(900,000,000)
Balance of unappropriated profit at the end of the period								1,560,636,706	1,323,587,820
Earnings per share - basic and diluted								3.71	3.08

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Comprehensive Income
For the nine months ended September 30, 2013 (Unaudited)

	<u>Three months period ended Sep 30,</u>		<u>Nine months period ended Sep 30,</u>	
	2013	2012	2013	2012
	Rupees	Rupees	Rupees	Rupees
		Restated		Restated
Profit for the period	516,774,661	479,420,896	1,113,475,643	925,285,435
Other comprehensive income				
Remeasurment of defined benefit plans - net of tax	-	(10,201,785)	-	(40,807,140)
Total comprehensive income for the period	516,774,661	469,219,111	1,113,475,643	884,478,295

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Changes in Equity
For the nine months ended September 30, 2013 (Unaudited)

	Share capital	Reserves			Total reserves	Total
	Issued subscribed and paid-up	Reserve for exceptional losses	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
Effect of change in accounting policy - note 4.2 - net of tax			(243,179,640)			
Balance as at December 31, 2011 - restated	3,000,000,000	281,000,000	1,055,122,745	1,777,419,085	3,075,721,470	6,356,721,470
Total Comprehensive income for nine months	-	-	884,478,295	-	884,478,295	884,478,295
Transactions with owners						
Final cash dividend 2011: Rs.3.00 @ 30% (2010 : Rs.3.00 @30%) per share		-	(900,000,000)	-	(900,000,000)	(900,000,000)
Balance as at September 30, 2012 - restated	3,000,000,000	281,000,000	1,039,601,040	1,777,419,085	3,060,199,765	6,341,199,765
Balance as at December 31, 2012 - restated	3,000,000,000	281,000,000	1,197,161,063	1,777,419,085	2,974,580,148	6,255,580,148
Effect of change in accounting policy - note 4.2 - net of tax	-	-	(40,807,140)	-	-	-
Balance as at December 31, 2012 - restated	3,000,000,000	281,000,000	1,156,353,923	1,777,419,085	2,974,580,148	6,255,580,148
Total Comprehensive income for nine months	-	-	1,113,475,643	-	1,113,475,643	1,113,475,643
Transactions with owners						
Final cash dividend 2012: Rs.2.50 @ 25% (2011 : Rs.3.00 @30%) per share	-	-	(750,000,000)	-	(750,000,000)	(750,000,000)
Balance as at September 30, 2013	3,000,000,000	281,000,000	1,519,829,566	1,777,419,085	3,338,055,791	6,619,055,791

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Cash Flows
For the nine months ended September 30, 2013 (Unaudited)

	2013 (Rupees)	2012 (Rupees)
Operating Cash Flows:		
Underwriting activities:-		
Premium received	6,802,252,866	5,778,738,562
Reinsurance premium paid	(2,020,660,563)	(3,168,804,063)
Claims paid	(3,665,517,784)	(2,070,299,598)
Reinsurance and other recoveries received	1,650,834,520	938,521,436
Commission paid	(843,330,427)	(807,098,720)
Commission received	123,182,374	109,385,046
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	64,471,764	476,460,162
Expenses paid	(368,751,970)	(332,866,607)
Net cash inflows from underwriting activities	1,742,480,780	924,036,218
Other Operating Activities		
Income tax paid	(274,516,292)	(114,414,355)
General management expenses paid	(29,613,022)	(29,910,700)
Loans disbursed-net	(6,012,199)	(115,605)
Other receipts/(payments) - sundry debtors	9,920,321	33,692,383
Net cash (outflow) from other operating activities	(300,221,192)	(110,748,277)
Total cash inflow / (outflow) from all operating activities	1,442,259,588	813,287,941
Investment activities		
Fixed Capital expenditure	3,793,425	(3,100,320)
Sale proceeds of Fixed Assets	1,099,789	
Acquisition of investments	(1,799,178,251)	(3,443,481,979)
Rental income received - net of expenses	43,335,874	42,210,326
Dividend income received	328,976,473	244,063,988
Interest income on bank deposits	96,601,299	110,713,442
Investment income received - net of expenses	412,492,599	436,183,190
Sale proceeds of investments	1,816,120,202	3,406,926,879
Total cash (outflow) from investment activities	903,241,410	793,515,526
Financing activities		
Surplus paid	-	-
Dividend paid	(734,978,425)	(880,527,150)
Total cash (outflow) from financing activities	(734,978,425)	(880,527,150)
Net cash (outflow) from all activities	1,610,522,573	726,276,317
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	3,624,967,407	2,323,539,440

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Premium
For the period of three months ended September 30, 2013 (Unaudited)

Class	Premium Written (A)	Unearned premium reserve		Premium earned (D=A+B-C)	Re-insurance Ceded (E)	Prepaid Reinsurance Premium ceded		Re-insurance expense (H=E+F-G)	Three months ended Sep 30,	
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		2013 Aggregate Net Premium revenue (I=D-H)	2012 Aggregate Net Premium revenue
----- R u p e e s -----										
Business underwritten inside Pakistan										
Facultative										
Fire	753,980,405	644,229,902	968,840,667	429,369,640	439,033,057	330,367,370	542,933,245	226,467,182	202,902,458	191,465,897
Marine Cargo	12,897,599	5,217,601	6,448,800	11,666,400	-	-	-	-	11,666,400	7,412,557
Marine Hull	16,718,747	113,118,142	85,104,440	44,732,449	5,565,377	61,146,945	46,028,005	20,684,317	24,048,132	24,496,010
Accident	23,588,124	80,198,593	68,205,991	35,580,726	-	-	-	-	35,580,726	24,336,095
Aviation	157,062,872	448,098,171	284,393,110	320,767,933	138,356,974	390,801,971	248,128,971	281,029,974	39,737,959	44,617,516
Engineering	309,866,105	640,346,712	596,801,537	353,411,280	232,266,608	384,392,793	394,530,104	222,129,297	131,281,983	102,435,667
Total	1,274,113,852	1,931,209,121	2,009,794,545	1,195,528,428	815,222,016	1,166,709,079	1,231,620,325	750,310,770	445,217,658	394,763,742
Treaty	1,140,917,750	1,639,162,083	1,868,609,909	911,469,924	35,565,879	273,529,236	159,257,295	149,837,820	761,632,104	621,174,066
Grand Total	2,415,031,602	3,570,371,204	3,878,404,454	2,106,998,352	850,787,895	1,440,238,315	1,390,877,620	900,148,590	1,206,849,762	1,015,937,808

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Premium
For the nine months ended September 30, 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	1,380,411,832	865,588,124	968,840,667	1,277,159,289	842,272,547	373,956,699	542,933,245	673,296,001	603,863,288	552,434,111
Marine Cargo	35,975,777	11,863,604	6,448,800	41,390,581	-	-	-	-	41,390,581	25,189,620
Marine Hull	131,164,401	94,781,038	85,104,440	140,840,999	72,875,537	35,342,981	46,028,005	62,190,513	78,650,486	65,095,849
Accident	110,532,338	57,969,539	68,205,991	100,295,886	-	-	-	-	100,295,886	61,661,051
Aviation	194,560,575	1,072,596,887	284,393,110	982,764,352	165,793,874	939,037,888	248,128,971	856,702,791	126,061,561	129,950,996
Engineering	864,730,461	821,774,856	596,801,537	1,089,703,780	536,724,934	568,614,891	394,530,104	710,809,721	378,894,059	302,300,559
Total	2,717,375,384	2,924,574,048	2,009,794,545	3,632,154,887	1,617,666,892	1,916,952,459	1,231,620,325	2,302,999,026	1,329,155,861	1,136,632,186
Treaty	3,101,906,811	1,425,803,797	1,868,609,909	2,659,100,699	371,184,571	391,243,899	159,257,295	603,171,175	2,055,929,524	1,948,495,614
Grand Total	5,819,282,195	4,350,377,845	3,878,404,454	6,291,255,586	1,988,851,463	2,308,196,358	1,390,877,620	2,906,170,201	3,385,085,385	3,085,127,800

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Claims
For the period of three months ended September 30, 2013 (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)		2013 Aggregate	2012 Aggregate
									Net claim expenses (I=D-H)	Net claim expenses
R u p e e s										
Business underwritten inside Pakistan										
Facultative										
Fire	871,513,670	415,708,825	437,991,924	893,796,769	760,433,900	136,468,099	136,468,099	760,433,900	133,362,869	21,953,483
Marine Cargo	3,115,168	27,695,914	37,837,477	13,256,731	-	-	-	-	13,256,731	8,242,226
Marine Hull	484,608	45,083,551	45,091,051	492,108	412,119	1,800,000	1,800,000	412,119	79,989	144,390
Accident	815,481	64,582,480	97,452,620	33,685,621	-	-	-	-	33,685,621	24,680,036
Aviation	924,151,804	99,677,412	67,826,438	892,300,830	826,890,105	67,985,868	59,888,053	818,792,290	73,508,540	28,246,856
Engineering	45,763,870	235,751,599	305,778,460	115,790,731	(16,585,930)	199,639,862	146,445,284	(69,780,508)	185,571,239	228,983,299
Total	1,845,844,601	888,499,781	991,977,970	1,949,322,790	1,571,150,194	405,893,829	344,601,436	1,509,857,801	439,464,989	312,250,290
Treaty	644,309,857	1,698,629,023	1,703,046,131	648,726,965	37,933,191	1,200,606,574	1,345,863,719	183,190,336	465,536,629	209,082,624
Grand Total	2,490,154,458	2,587,128,804	2,695,024,101	2,598,049,755	1,609,083,385	1,606,500,403	1,690,465,155	1,693,048,137	905,001,618	521,332,914

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Claims
For the nine months ended September 30, 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	973,602,794	377,061,951	437,991,924	1,034,532,767	773,148,954	68,968,099	136,468,099	840,648,954	193,883,813	95,546,361
Marine Cargo	5,779,413	15,852,773	37,837,477	27,764,117	-	-	-	-	27,764,117	8,594,680
Marine Hull	1,184,642	22,726,812	45,091,051	23,548,881	412,119	-	1,800,000	2,212,119	21,336,762	(672,527)
Accident	8,698,405	76,203,668	97,452,620	29,947,357	-	-	-	-	29,947,357	52,510,823
Aviation	1,037,149,069	101,702,342	67,826,438	1,003,273,165	937,999,882	86,712,257	59,888,053	911,175,678	92,097,487	59,193,230
Engineering	138,788,657	234,416,994	305,778,460	210,150,123	(16,585,930)	196,309,775	146,445,284	(66,450,421)	276,600,544	301,718,084
Total	2,165,202,980	827,964,540	991,977,970	2,329,216,410	1,694,975,025	351,990,131	344,601,436	1,687,586,330	641,630,080	516,890,651
Treaty	1,500,314,804	1,601,861,951	1,703,046,131	1,601,498,984	(44,140,505)	1,029,656,520	1,345,863,719	272,066,694	1,329,432,290	1,013,260,531
Grand Total	3,665,517,784	2,429,826,491	2,695,024,101	3,930,715,394	1,650,834,520	1,381,646,651	1,690,465,155	1,959,653,024	1,971,062,370	1,530,151,182

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Expenses
For the period of three months ended September 30, 2013 (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-----												
Business underwritten inside Pakistan												
Facultative												
Fire	70,701,779	74,938,918	98,512,667	47,128,030	3,019,645	50,147,675	58,438,660	18,852,829	57,948,880	19,342,609	30,805,066	37,688,390
Marine Cargo	3,178,697	1,163,381	1,589,349	2,752,729	2,172,435	4,925,164	-	-	-	-	4,925,164	2,763,678
Marine Hull	2,255,629	12,775,620	9,707,801	5,323,448	894,845	6,218,293	1,214,565	10,239,018	7,883,206	3,570,377	2,647,916	3,598,539
Accident	2,888,172	9,888,383	8,454,715	4,321,840	1,941,612	6,263,452	-	-	-	-	6,263,452	4,255,158
Aviation	354,616	1,240,065	969,039	625,642	3,330,639	3,956,281	-	1,854,106	939,643	914,463	3,041,818	2,278,571
Engineering	10,320,991	27,365,334	24,106,849	13,579,476	2,072,667	15,652,143	16,709,976	18,400,306	23,825,199	11,285,083	4,367,060	1,219,757
Total	89,699,884	127,371,701	143,340,420	73,731,165	13,431,843	87,163,008	76,363,201	49,346,259	90,596,928	35,112,532	52,050,476	51,804,093
Treaty	234,761,191	344,491,564	388,300,423	190,952,332	93,215,507	284,167,839	243	(6,798,948)	65,460	(6,864,165)	291,032,004	252,931,060
Grand Total	324,461,075	471,863,265	531,640,843	264,683,497	106,647,350	371,330,847	76,363,444	42,547,311	90,662,388	28,248,367	343,082,480	304,735,153

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Expenses
For the nine months ended September 30, 2013 (Unaudited)

Class	Commission paid or payable (A)	<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	
		Opening (B)	Closing (C)					Opening (H)	Closing (I)		Aggregate	Aggregate	
												Net underwriting expense (K=F-J)	
-----Rupees-----													
Business underwritten inside Pakistan													
Facultative													
Fire	132,397,414	108,512,564	98,512,667	142,397,311	8,969,413	151,366,724	76,721,490	36,764,600	57,948,880	55,537,210	95,829,514	119,150,045	
Marine Cargo	8,303,590	3,145,933	1,589,349	9,860,174	6,444,834	16,305,008	-	-	-	-	16,305,008	10,039,803	
Marine Hull	14,878,578	12,232,634	9,707,801	17,403,411	2,652,762	20,056,173	12,439,382	5,872,510	7,883,206	10,428,686	9,627,487	11,126,187	
Accident	13,750,684	6,669,445	8,454,715	11,965,414	5,799,071	17,764,485	-	-	-	-	17,764,485	11,915,678	
Aviation	1,616,242	1,527,264	969,039	2,174,467	8,377,434	10,551,901	1,332,351	2,364,067	939,643	2,756,775	7,795,126	7,083,693	
Engineering	41,136,152	22,995,731	24,106,849	40,025,034	6,162,777	46,187,811	31,899,721	27,746,227	23,825,199	35,820,749	10,367,062	4,261,669	
Total	212,082,660	155,083,571	143,340,420	223,825,811	38,406,291	262,232,102	122,392,944	72,747,404	90,596,928	104,543,420	157,688,682	163,577,075	
Treaty	631,247,767	314,765,605	388,300,423	557,712,949	330,345,679	888,058,628	789,430	(27,730,036)	65,460	(27,006,066)	915,064,694	813,225,665	
Grand Total	843,330,427	469,849,176	531,640,843	781,538,760	368,751,970	1,150,290,730	123,182,374	45,017,368	90,662,388	77,537,354	1,072,753,376	976,802,740	

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Investment Income
For the nine months ended September 30, 2013 (Unaudited)

	<u>Three months period ended Sep 30,</u>		<u>Nine months period ended Sep 30,</u>	
	2013	2012	2013	2012
	Rupees	Rupees	Rupees	Rupees
Income from trading investments				
Net gain on sale of 'held-for-trading' investments	17,792	-	3,846,787	1,117,019
Dividend income	349,162,139	263,713,995	479,842,505	322,730,132
	<u>349,179,931</u>	<u>263,713,995</u>	<u>483,689,292</u>	<u>323,847,151</u>
Income from non-trading investments				
Held-to-maturity				
Return on Government Securities	89,888,711	79,135,415	260,228,050	218,884,850
Return on other fixed income securities and deposits	36,463,254	31,099,715	96,601,299	110,713,442
Income on treasury bills	17,170,249	30,757,046	73,914,837	105,974,055
Amortization of premium on Pakistan Investment Bond	542,981	2,184,867	2,404,730	6,510,335
	<u>144,065,195</u>	<u>143,177,043</u>	<u>433,148,916</u>	<u>442,082,682</u>
Net gain on sale of 'available for sale' investments	9,481	-	7,605,880	4,674
Profit on revaluation of investments				
Held-for-trading	8,255,459	7,555,846	17,024,735	22,973,465
	<u>501,510,066</u>	<u>414,446,884</u>	<u>941,468,823</u>	<u>788,907,972</u>
Less: Investment related expenses	(1,729,386)	(1,064,759)	(5,097,221)	(3,639,616)
Net investment income	<u><u>499,780,680</u></u>	<u><u>413,382,125</u></u>	<u><u>936,371,602</u></u>	<u><u>785,268,356</u></u>

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

(Farzana Munaf)
Chief Financial Officer

(Sikander Mahmood)
Director

(Taufique Habib)
Director

PAKISTAN REINSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 (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 1st & 3rd Quarters.

For the 3rd Quarter 2013, PRC received returns from 33 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 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, 2013 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

(Sikander Mahmood)
Director

(Taufique Habib)
Director

Karachi October 30, 2013

Secure today & tomorrow



Pakistan Reinsurance Company Limited

PRC Towers, 32 - A, Lalazar Drive, M.T. Khan Road, Karachi
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