



Pakistan Reinsurance Company Limited



QUARTERLY  
ACCOUNTS  
(UN-AUDITED)

for the 1st  
quarter ended  
March 31, 2017

Commitment To Excellence

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Balance Sheet**  
As at March 31, 2017

	March 31 2017	December 31 2016		March 31 2017	December 31 2016
Note	Unaudited Rupees	Audited Rupees	Note	Unaudited Rupees	Audited Rupees
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>		
<b>Share capital and reserves</b>			<b>Cash and Bank deposits</b>		
Authorized share capital	<u>25,000,000,000</u>	<u>25,000,000,000</u>	Cash and other equivalents	57,044	44,264
2,500,000,000 (2016 : 2,500,000,000) Ordinary shares of Rs. 10 each)			Current and other accounts	2,276,338,719	2,239,958,104
Issued subscribed and paid up capital 300,000,000 (2016 : 300,000,000) Ordinary shares of Rs. 10 each)	3,000,000,000	3,000,000,000	Deposits maturing within 12 months	<u>105,000,000</u>	<u>440,000,000</u>
Retained earnings	<u>2,768,752,221</u>	<u>2,345,041,499</u>		2,381,395,763	2,680,002,368
Reserve for exceptional losses	281,000,000	281,000,000	<b>Loans to employees</b>	65,832,775	72,949,886
General reserve	<u>1,777,419,085</u>	<u>1,777,419,085</u>			
	<u>4,827,171,306</u>	<u>4,403,460,584</u>	<b>Investments</b>	6,681,031,515	6,624,839,230
<b>Shareholders' equity</b>	<u>7,827,171,306</u>	<u>7,403,460,584</u>	<b>Investment properties</b>	31,020,972	31,425,711
<b>LIABILITIES</b>			<b>Current assets - others</b>		
<b>Underwriting provisions</b>			Amount due from other insurers and reinsurers	5,197,312,385	4,533,411,877
- Provision for outstanding claims (including IBNR)	<u>4,574,636,673</u>	<u>4,590,671,732</u>	Premium and claim reserves retained by cedants	72,538,355	11,685,818
- Provision for unearned premium	4,226,590,928	4,420,092,072	Accrued investment income	287,433,399	190,210,728
- Commission income unearned	<u>42,339,885</u>	<u>24,177,478</u>	Reinsurance recoveries against outstanding claims	2,586,244,023	2,732,782,143
<b>Total underwriting provisions</b>	8,843,567,486	9,034,941,282	Deferred commission expense	584,094,978	598,286,396
<b>Deferred liability - employee benefits</b>	1,275,111,740	1,296,307,190	Prepayments	1,710,123,528	1,768,270,301
<b>Long term deposits</b>	16,461,875	16,299,040	Taxation - net	113,747,334	114,406,208
<b>Creditors and accruals</b>			Sundry receivables	510,074,734	509,927,721
Amount due to other insurers and reinsurers	<u>2,120,863,042</u>	<u>1,964,346,423</u>	Stock of stationery	<u>377,251</u>	<u>240,905</u>
Premium and claim reserves retained	19,063,743	19,063,743		11,061,945,987	10,459,222,097
Other creditors and accruals	24,546,249	26,026,662	<b>Fixed assets</b>		
Accrued expenses	5,586,824	19,909,377	<b>Tangible</b>		
Taxation - net	-	-	Land and building	14,401,299	14,580,764
Retention money payable	<u>6,368,183</u>	<u>6,368,183</u>	Furniture, fixture, books and office equipment	10,098,145	10,150,776
	2,176,428,041	2,035,714,388	Electrical installations, airconditioning plant and lifts	7,650,626	8,053,291
<b>Other liabilities</b>			Motor vehicles	<u>5,983,249</u>	<u>6,141,640</u>
Dividend payable	<u>119,407,281</u>	<u>119,430,677</u>		38,133,319	38,926,471
Surplus profit payable	<u>1,212,602</u>	<u>1,212,602</u>	Assets relating to Bangladesh	-	-
	<u>120,619,883</u>	<u>120,643,279</u>			
<b>Total liabilities</b>	<u>12,432,189,025</u>	<u>12,503,905,179</u>	<b>TOTAL ASSETS</b>	<u>20,259,360,331</u>	<u>19,907,365,763</u>
<b>CONTINGENCIES AND COMMITMENTS</b>					
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>20,259,360,331</u>	<u>19,907,365,763</u>			

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

Chairman

Chief Executive Officer

Director

Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Profit and Loss Account (Unaudited)**  
For the period ended March 31, 2017

Note	Facultative						Treaty	2017 Aggregate	2016 Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering			
----- Rupees -----									
<b>Revenue account</b>									
Net premium revenue	281,559,044	9,346,154	8,352,313	37,987,703	39,956,443	108,205,438	928,185,849	1,413,592,944	1,378,280,580
Less:									
Net claims	201,486,092	1,601,707	141,737	(9,306,554)	-	75,151,655	449,265,081	718,339,718	686,083,719
Expenses	20,239,049	2,508,969	1,090,669	3,901,595	5,114,596	8,298,744	53,086,181	94,239,803	98,515,537
Net commission	52,294,000	1,653,154	248,230	5,058,416	(2,441,116)	10,794,888	242,559,274	310,166,846	301,082,779
<b>Underwriting results</b>	<b>7,539,903</b>	<b>3,582,324</b>	<b>6,871,677</b>	<b>38,334,246</b>	<b>37,282,963</b>	<b>13,960,151</b>	<b>183,275,313</b>	<b>290,846,577</b>	<b>292,598,545</b>
Investment income - net							220,564,872	207,259,333	
Rental income - net							14,029,818	12,219,917	
Exchange (loss) / gain							(1,697,072)	(6,732,189)	
Other income							113,725,989	61,421	
Other charges							(30,000,000)	-	
General and administration expenses							(9,394,972)	(10,376,884)	
							307,228,635	202,431,598	
<b>Profit before tax</b>							<b>598,075,212</b>	<b>495,030,143</b>	
<b>Income tax expense</b>									
- Current							(174,364,490)	(137,210,461)	
- Deferred							-	-	
							(174,364,490)	(137,210,461)	
<b>Profit after tax</b>							<b>423,710,722</b>	<b>357,819,682</b>	
<b>Profit and loss appropriation account</b>									
<b>Balance at the commencement of period</b>							2,345,041,499	1,880,106,301	
Profit after tax for the period							423,710,722	357,819,682	
<b>Balance of unappropriated profit at the end of the period</b>							<b>2,768,752,221</b>	<b>2,237,925,983</b>	
<b>Earnings per share - basic and diluted</b>							<b>1.41</b>	<b>1.19</b>	

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

Chairman

Chief Executive Officer

Director

Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
**For the period ended March 31, 2017**

	<b>2017</b>	2016
	<b>Rupees</b>	Rupees
Profit for the period	<b>423,710,722</b>	357,819,682
Other comprehensive income		
Remeasurement of defined benefit obligations - net	-	-
<b>Total comprehensive income for the period</b>	<b><u>423,710,722</u></b>	<b><u>357,819,682</u></b>

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**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
For the period ended March 31, 2017

	2017 (Rupees)	2016 (Rupees)
<b>Operating Cash Flows:</b>		
<b>Underwriting activities:-</b>		
Premium received	1,279,566,948	1,782,413,939
Reinsurance premium paid	(538,586,534)	(385,698,618)
Claims paid	(693,955,357)	(720,005,370)
Reinsurance and other recoveries received	106,118,700	-239,607
Commission paid	(311,707,367)	(361,757,817)
Commission received	33,894,346	32,030,158
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	(60,852,537)	2,857,352
Expenses paid	(94,239,803)	(98,515,537)
<b>Net cash inflows from underwriting activities</b>	<b>(279,761,604)</b>	251,084,500
<b>Other Operating Activities</b>		
Income tax paid	(173,705,616)	(196,265,493)
General management expenses paid	(9,394,972)	(10,376,884)
Payment unders defined benefit obligations		
Loans disbursed-net	7,117,111	5,355,672
Other receipts/(payments) - sundry debtors	(38,941,742)	(39,076,332)
Net cash (outflow) from other operating activities	<b>(214,925,219)</b>	(240,363,037)
<b>Total cash inflow / (outflow) from all operating activities</b>	<b>(494,686,823)</b>	10,721,463
<b>Investment activities</b>		
Fixed Capital expenditure	1,197,891	1,768,588
Sale proceeds of Fixed Assets	-	-
Acquisition of investments	(1,179,207,696)	(735,678,960)
Rental income received - net of expenses	(1,409,657)	2,523,002
Dividend income received	34,147,106	23,365,747
Interest income on bank deposits	15,615,326	16,185,720
Investment income received - net of expenses	199,623,455	205,361,732
Proceeds on sale/ maturity of investments	1,126,137,189	767,519,040
<b>Total cash inflow / (outflow) from investment activities</b>	<b>196,103,614</b>	281,044,869
<b>Financing activities</b>		
Surplus paid	-	-
Dividend paid	(23,396)	(30,598,069)
<b>Total cash inflow / (outflow) from financing activities</b>	<b>(23,396)</b>	(30,598,069)
<b>Net cash inflow / (outflow) from all activities</b>	<b>(298,606,605)</b>	261,168,263
Cash and cash equivalents at beginning of the year	2,680,002,368	3,284,965,074
<b>Cash and cash equivalents at end of the period</b>	<b>2,381,395,763</b>	<b>3,546,133,337</b>

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

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Chief Executive Officer

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	<b>2017</b> <b>(Rupees)</b>	<b>2016</b> <b>(Rupees)</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(494,686,823)	10,721,463
Depreciation expense		
-Fixed assets	5,110,364	(1,506,006)
-Investment property	(6,857,025)	(418,076)
Exchange gain	(1,697,072)	(6,732,189)
Rental income - net	14,029,818	12,219,917
Change for deferred liability - employee benefits	21,195,450	34,156,462
Investment income	220,564,872	207,259,333
Reinsurance recoveries against outstanding claims	(146,538,120)	-
Provision for outstanding claims	16,035,059	34,161,258
Provision for unearned premium	193,501,144	(146,160,907)
Prepaid reinsurance	(59,969,575)	(121,899,842)
(Decrease)/ Increase in operating assets other than cash	719,742,095	419,948,336
Decrease/(Increase) in operating liabilities	(56,060,591)	(142,985,099)
	424,369,596	298,764,650
<b>Other adjustments:</b>		
Income tax paid	173,705,616	196,265,493
	173,705,616	196,265,493
Profit/(Loss) before taxation	598,075,212	495,030,143
Provision for taxation	(174,364,490)	(137,210,461)
<b>Profit/(Loss) after taxation</b>	<i>Rupees</i> 423,710,722	357,819,682

#### 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	57,044	50,425
Current and other accounts	2,276,338,719	2,371,874,942
Deposit maturing within 12 months	105,000,000	1,174,207,970
	<i>Rupees</i> 2,381,395,763	3,546,133,337

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**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Changes in Equity (Unaudited)**  
For the period ended March 31, 2017

	Share capital	Reserves			Total reserves	Total
	Issued subscribed and paid-up	Reserve for exceptional losses	Retained earnings	General reserve		
	----- Rupees -----					
<b>Balance as at January 01, 2016</b>	3,000,000,000	281,000,000	1,880,106,301	1,777,419,085	3,657,525,386	6,938,525,386
Total Comprehensive income for the period ended March 31, 2016	-	-	357,819,682	-	357,819,682	357,819,682
Remeasurement of defined benefit obligations - net	-	-	-	-	-	-
<b>Transactions with owners</b>	-	-	357,819,682	-	357,819,682	357,819,682
<b>Balance as at March 31, 2016</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>2,237,925,983</b>	<b>1,777,419,085</b>	<b>4,015,345,068</b>	<b>7,296,345,068</b>
<b>Balance as at January 01, 2017</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>2,345,041,499</b>	<b>1,777,419,085</b>	<b>4,122,460,583</b>	<b>7,403,460,583</b>
Total Comprehensive income for the period ended March 31, 2017	-	-	423,710,722	-	423,710,722	423,710,722
Remeasurement of defined benefit obligations - net	-	-	-	-	-	-
<b>Transactions with owners</b>	-	-	423,710,722	-	423,710,722	423,710,722
Effect of change in accounting policy - note	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>2,768,752,221</b>	<b>1,777,419,085</b>	<b>4,546,171,305</b>	<b>7,827,171,305</b>

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

Chairman

Chief Executive Officer

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Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Premium (Unaudited)  
For the period ended March 31, 2017

Class	<u>Unearned premium reserve</u>			Premium earned (D=A+B-C)	Re-insurance Ceded (E)	Prepaid Reinsurance		Re-insurance expense (H=E+F-G)	2017	2016
	Premium Written (A)	Opening (B)	Closing (C)			<u>Premium ceded</u>			Aggregate	Aggregate
						Opening (F)	Closing (G)		<u>Net Premium revenue</u> (I=D-H)	
-----R u p e e s-----										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	482,049,275	698,320,157	794,834,002	385,535,430	302,869,839	76,875,785	275,769,238	103,976,386	281,559,044	260,970,406
Marine Cargo	12,414,900	3,138,704	6,207,450	9,346,154	-	-	-	-	9,346,154	11,097,103
Marine Hull	-2,474,788	24,888,296	6,247,865	16,165,643	556,849	8,001,608	745,127	7,813,330	8,352,313	13,867,225
Accident	48,620,319	79,469,400	89,252,196	38,837,523	-	2,124,549	1,274,729	849,820	37,987,703	38,756,600
Aviation	30,748,173	973,138,918	711,773,230	292,113,861	5,488,899	859,502,506	612,833,987	252,157,418	39,956,443	34,446,576
Engineering	382,878,593	790,793,476	793,252,325	380,419,744	286,746,157	565,351,377	579,883,228	272,214,306	108,205,438	130,219,313
<b>Total</b>	<b>954,236,472</b>	<b>2,569,748,951</b>	<b>2,401,567,068</b>	<b>1,122,418,355</b>	<b>595,661,744</b>	<b>1,511,855,825</b>	<b>1,470,506,309</b>	<b>637,011,260</b>	<b>485,407,095</b>	<b>489,357,223</b>
<b>Treaty</b>	1,019,230,984	1,850,343,121	1,825,023,860	1,044,550,245	97,744,337	250,725,804	232,105,745	116,364,396	928,185,849	888,923,357
<b>Grand Total</b>	<b>1,973,467,456</b>	<b>4,420,092,072</b>	<b>4,226,590,928</b>	<b>2,166,968,600</b>	<b>693,406,081</b>	<b>1,762,581,629</b>	<b>1,702,612,054</b>	<b>753,375,656</b>	<b>1,413,592,944</b>	<b>1,378,280,580</b>

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

Chairman

Chief Executive Officer

Director

Director



Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Claims (Unaudited)  
For the period ended March 31, 2017

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)	2017	2016
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		Aggregate	Aggregate
									Net claim expenses (I=D-H)	
<b>R u p e e s</b>										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	96,756,737	994,479,472	969,816,639	72,093,904	-	512,049,237	382,657,049	(129,392,188)	201,486,092	79,475,501
Marine Cargo	-	35,404,588	37,006,295	1,601,707	-	-	-	-	1,601,707	7,401,613
Marine Hull	40,539,010	79,759,482	40,370,719	1,150,247	20,702,891	20,071,757	377,376	1,008,510	141,737	359,812
Accident	1,885,052	192,339,624	181,148,018	(9,306,554)	-	-	-	-	(9,306,554)	7,902,504
Aviation	11,082,471	1,261,479,243	1,250,396,772	-	-	1,122,889,424	1,122,889,424	-	-	5,190,944
Engineering	13,707,426	220,017,329	340,908,154	134,598,251	-	91,506,402	150,952,998	59,446,596	75,151,655	25,007,360
<b>Total</b>	<b>163,970,696</b>	<b>2,783,479,738</b>	<b>2,819,646,597</b>	<b>200,137,555</b>	<b>20,702,891</b>	<b>1,746,516,820</b>	<b>1,656,876,847</b>	<b>(68,937,082)</b>	<b>269,074,637</b>	<b>125,337,734</b>
<b>Treaty</b>	<b>529,984,661</b>	<b>1,812,143,994</b>	<b>1,759,942,076</b>	<b>477,782,743</b>	<b>85,415,809</b>	<b>986,265,323</b>	<b>929,367,176</b>	<b>28,517,662</b>	<b>449,265,081</b>	<b>560,745,985</b>
<b>Grand Total</b>	<b>693,955,357</b>	<b>4,595,623,732</b>	<b>4,579,588,673</b>	<b>677,920,298</b>	<b>106,118,700</b>	<b>2,732,782,143</b>	<b>2,586,244,023</b>	<b>(40,419,420)</b>	<b>718,339,718</b>	<b>686,083,719</b>

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Expenses (Unaudited)  
For the period ended March 31, 2017

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)	2017	2016	
	Commission paid or payable (A)	Opening (B)					Closing (C)	Opening (H)		Closing (I)	Aggregate	Aggregate
-----R u p e e s-----												
Business underwritten inside Pakistan												
Facultative												
Fire	40,685,271	124,714,997	107,295,083	58,105,185	20,239,049	78,344,234	17,057,401	4,266,944	15,513,160	5,811,185	72,533,049	67,017,303
Marine Cargo	2,000,072	653,118	1,000,036	1,653,154	2,508,969	4,162,123	-	-	-	-	4,162,123	5,964,557
Marine Hull	304,730	1,803,517	592,293	1,515,954	1,090,669	2,606,623	103,274	1,343,184	178,734	1,267,724	1,338,899	1,774,761
Accident	12,750,982	8,426,354	16,097,674	5,079,662	3,901,595	8,981,257	-	53,114	31,868	21,246	8,960,011	9,703,888
Aviation	2,481,219	1,328,262	2,942,351	867,130	5,114,596	5,981,726	-	11,163,272	7,855,026	3,308,246	2,673,480	5,750,790
Engineering	17,322,206	29,061,745	30,912,842	15,471,109	8,298,744	23,769,853	15,853,951	6,264,451	17,442,181	4,676,221	19,093,632	23,108,957
<b>Total</b>	<b>75,544,480</b>	<b>165,987,993</b>	<b>158,840,279</b>	<b>82,692,194</b>	<b>41,153,622</b>	<b>123,845,816</b>	<b>33,014,626</b>	<b>23,090,965</b>	<b>41,020,969</b>	<b>15,084,622</b>	<b>108,761,194</b>	<b>113,320,256</b>
<b>Treaty</b>	<b>236,162,887</b>	<b>432,298,403</b>	<b>425,254,699</b>	<b>243,206,591</b>	<b>53,086,181</b>	<b>296,292,772</b>	<b>879,720</b>	<b>1,086,513</b>	<b>1,318,916</b>	<b>647,317</b>	<b>295,645,455</b>	<b>286,278,060</b>
<b>Grand Total</b>	<b>311,707,367</b>	<b>598,286,396</b>	<b>584,094,978</b>	<b>325,898,785</b>	<b>94,239,803</b>	<b>420,138,588</b>	<b>33,894,346</b>	<b>24,177,478</b>	<b>42,339,885</b>	<b>15,731,939</b>	<b>404,406,649</b>	<b>399,598,316</b>

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

Chairman

Chief Executive Officer

Director

Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Investment Income (Unaudited)**  
**For the period ended March 31, 2017**

	2017 Rupees	2016 Rupees
<b>Income from trading investments</b>		
Held-for-trading	-	-
Dividend income	<u>3,352,196</u>	<u>3,700,947</u>
	<b>3,352,196</b>	<b>3,700,947</b>
<b>Income from non-trading investments</b>		
<b>Held-to-maturity</b>		
Return on Government Securities	<u>87,251,134</u>	<u>92,541,454</u>
Return on other fixed income securities and deposits	<u>15,615,326</u>	<u>16,185,720</u>
Income on treasury bills	<u>16,492,276</u>	<u>10,777,096</u>
Amortization of premium on Pakistan Investment Bond	<u>3,121,778</u>	<u>2,442,477</u>
	<b>122,480,514</b>	<b>121,946,747</b>
<b>Available-for-sale</b>		
Gain on sale of investments	<u>4,737,840</u>	<u>467,982</u>
Dividend income	<u>81,665,961</u>	<u>77,394,373</u>
	<b>86,403,801</b>	<b>77,862,355</b>
<b>Gain on revaluation of investments</b>		
Held-for-trading	<u>10,999,408</u>	<u>5,805,582</u>
Available-for-sale	<u>-</u>	<u>-</u>
	<b>10,999,408</b>	<b>5,805,582</b>
	<u>223,235,919</u>	<u>209,315,631</u>
<b>Less: Investment related expenses</b>	<b>(2,671,047)</b>	<b>(2,056,298)</b>
<b>Net investment income</b>	<u><b>220,564,872</b></u>	<u><b>207,259,333</b></u>

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

Chairman

Chief Executive Officer

Director

Director

PAKISTAN REINSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED MARCH 31, 2017 (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 Pakistan Stock Exchange.

- 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 1<sup>st</sup> & 3<sup>rd</sup> Quarters.

For the 1<sup>st</sup> Quarter 2017, PRC received returns from all general insurance companies 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 28th April, 2017 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.

Chairman

Chief Executive Officer

Director

Director

Karachi April 28, 2017

Commitment To Excellence



**Pakistan Reinsurance Company Limited**

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