



**PakRe**

PAKISTAN REINSURANCE  
COMPANY LIMITED

**QUARTERLY ACCOUNTS  
(UN-AUDITED)**

For the 1st Quarter ended  
March 31, 2010

Prosperity and Beyond



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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.

## **CORPORATE INFORMATION-2010**

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

<b>MRS. RUKHSANA SALEEM</b>	<b>CHAIRPERSON</b>
<b>MR. NAJEEB KHAWER AWAN</b>	<b>DIRECTOR</b>
<b>MR. JAVED SYED</b>	<b>DIRECTOR</b>
<b>MR. SAIFUDDIN NOORUDDIN ZOOMKAWALA</b>	<b>DIRECTOR</b>
<b>SYED ARSHAD ALI</b>	<b>DIRECTOR</b>
<b>MR. ABDUL HAMID DAGIA</b>	<b>DIRECTOR</b>
<b>DR. MASUMA HASAN</b>	<b>DIRECTOR</b>
<b>MR. ZAFAR IQBAL</b>	<b>DIRECTOR</b>
<b>MR. MUMTAZ ALI RAJPAR</b>	<b>DIRECTOR</b>

### **COMPANY SECRETARY**

MR. SHAHZAD F. LODHI

### **SENIOR MANAGEMENT**

MR. ASGHAR IMAM KHALID  
EXECUTIVE DIRECTOR/CIA

MRS. FARZANA MUNAF  
EXECUTIVE DIRECTOR/CFO

MR. FIDA HUSSAIN SAMOO  
EXECUTIVE DIRECTOR (RE)

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

MRS. GHAZALA IMRAN  
REGIONAL DIRECTOR (NZO)

MR. SHAHZAD F. LODHI  
COMPANY SECRETARY/GENERAL MANAGER

### **AUDIT COMMITTEE**

MR. ABDUL HAMID DAGIA  
CHAIRMAN

MR. NAJEEB KHAWER AWAN  
MEMBER

SYED ARSHAD ALI  
MEMBER

MR. MUMTAZ ALI RAJPAR  
MEMBER

MR. SHAHZAD F. LODHI  
SECRETARY OF THE COMMITTEE

### **AUDITORS**

ANJUM ASIM SHAHID RAHMAN  
CHARTERED ACCOUNTANT  
1<sup>st</sup> and 3<sup>rd</sup> floor,  
Modern Motors House,  
Beaumont Road,  
Karachi 0 – 75530

### **REGISTERED OFFICES**

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

### **SHARE REGISTRAR**

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

### **ZONAL OFFICE**

17-a/1, Block: E-1,  
Gulberg-III,  
Lahore.

### **BANKERS**

National Bank of Pakistan  
Bank Al-Habib Limited

## COMMITTEES OF THE BOARD OF PRCL

### AUDIT COMMITTEE

- |    |   |                            |
|----|---|----------------------------|
| 1. | Mr. Abdul Hamid Dagia                   | Chairman of the Committee  |
| 2. | Mr. Najeeb Khawer Awan                  | Member                     |
| 3. | Syed Arshad Ali                         | Member                     |
| 4. | Mr. Mumtaz Ali Rajpar                   | Member                     |
| 5. | Mr. Shahzad F. Lodhi, Company Secretary | Secretary of the Committee |

### UNDERWRITING COMMITTEE

- |    |   |                                    |
|----|---|------------------------------------|
| 1. | Mrs. Rukhsana Saleem                    | Chairperson of the Committee       |
| 2. | Mrs. Farzana Munaf, CFO/E.D., PRCL      | Member                             |
| 3. | Mr. Ayaz Hussain M. Gad, E.D.(BD), PRCL | Member                             |
| 4. | Mr. Fida Hussain Samoo, E.D.(Re), PRCL  | Member/ Secretary of the Committee |

### REINSURANCE COMMITTEE

- |    |  |                                    |
|----|--|------------------------------------|
| 1. | Mrs. Rukhsana Saleem                     | Chairperson of the Committee       |
| 2. | Mr. Asghar Imam Khalid, CIA/E.D.,PRCL    | Member                             |
| 3. | Mr. Ayaz Hussain M. Gad, E.D.(B.D) ,PRCL | Member                             |
| 4. | Mr. Fida Hussain Samoo, E.D. (Re) ,PRCL  | Member/ Secretary of the Committee |

### CLAIM SETTLEMENT COMMITTEE

- |    |   |                                   |
|----|---|-----------------------------------|
| 1  | Mr. Javed Syed                          | Chairman of the Committee         |
| 2. | Mrs. Rukhsana Saleem, Chairperson       | Member                            |
| 3. | Mrs. Farzana Munaf, CFO/E.D. ,PRCL      | Member                            |
| 4. | Mr. Ayaz Hussain M. Gad, E.D.(BD) ,PRCL | Member                            |
| 5. | Mr. Fida Hussain Samoo, E.D. (Re)       | Member/Secretary of the Committee |

### INVESTMENT COMMITTEE

- |    |                                    |                                   |
|----|------------------------------------|-----------------------------------|
| 1. | Syed Arshad Ali                    | Chairman of the Committee         |
| 2. | Mrs. Rukhsana Saleem, Chairperson  | Member                            |
| 3. | Mr. Javed Syed                     | Member                            |
| 4. | Mr. Mumtaz Ali Rajpar              | Member                            |
| 5. | Mrs. Farzana Munaf, CFO/E.D. ,PRCL | Member/Secretary of the Committee |

### HUMAN RESOURCE COMMITTEE

- |    |   |                                   |
|----|---|-----------------------------------|
| 1. | Mr. Javed Syed                          | Chairman of the Committee         |
| 2. | Mrs. Rukhsana Saleem, Chairperson       | Member                            |
| 3. | Mr. Najeeb Khawer Awan                  | Member                            |
| 4. | Dr. Masuma Hasan                        | Member                            |
| 5. | Mr. Shahzad F. Lodhi, Company Secretary | Member/Secretary of the Committee |

# **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 1<sup>st</sup> Quarter ended March 31, 2010.

### **Review of business activities**

The financial statements for the quarter reflect the treaty business return received from all thirty two insurance companies and these returns received in PRCL by due date as per the amendment made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 as well as facultative business as per record of the company.

The Financial Results of the Company indicate that the Gross Premium for the period was Rs.1583 million, Net Premium before unearned Premium Reserve was Rs.733 million and Net Premium after accounting for the effect of Premium Reserve adjustment was Rs.651 million. The Gross Premium, Net Premium before unearned Premium Reserve and Net Premium after Premium Reserve for the corresponding period of the last year were Rs.1,131 million, Rs.620 million and Rs.486 million respectively.

The Net claims, Net Commission and Management Expenses have aggregated to Rs.557 million for the current quarter as compared to Rs.401 million for the 1<sup>st</sup> Quarter, 2009. Besides, the income from investment including rental and other income for the period were recorded at Rs.178 million as compared to Rs.133 million in the corresponding period of last year.

Net Profit before tax and after tax for the 1<sup>st</sup> Quarter, 2010 is Rs.272 million and Rs.202 million respectively as compared to Net Loss before tax and after tax was Rs.337 million and Rs.411 million for the corresponding period of the last year.

The management is taking steps and making all out efforts to ensure good results by way of accepting good business.

In the end, I would like to thank all insurance companies their Chairmen, Directors, Officers and staff for the co-operation extended by them in running the affairs of the company.

For and on behalf  
of the Board of Directors

(Rukhsana Saleem)  
Chairman/Chief Executive

Karachi: 28<sup>th</sup> April, 2010

**Pakistan Reinsurance Company Limited**  
**Balance Sheet ( unaudited)**  
**As At 31 March 2010**

	31 March 2010	31 December 2009
Note	Rupees (Unaudited)	Rupees (Audited)
<b>Share capital and reserves</b>		
Authorized Share Capital		
2,500,000,000 Ordinary shares of Rs. 10 each		
(2008: 2,500,000,000 ordinary shares of Rs. 10 each)	<u>25,000,000,000</u>	<u>25,000,000,000</u>
Paid up share capital	3,000,000,000	3,000,000,000
Retained earnings	1,929,899,269	1,727,236,175
Exceptional Losses Reserve	281,000,000	281,000,000
General Reserve	1,777,419,085	1,777,419,085
	<u>3,988,318,354</u>	<u>3,785,655,260</u>
<b>Total equity</b>	<u>6,988,318,354</u>	<u>6,785,655,260</u>
<b>Underwriting provisions</b>		
- Provision for outstanding claims (including IBNR)	603,332,102	586,553,657
- Provision for unearned premium	3,422,579,912	3,347,263,018
	58,184,396	34,607,727
- Commission income unearned	58,184,396	34,607,727
Total underwriting provisions	4,084,096,410	3,968,424,402
<b>Deferred liability - employee benefits</b>	120,439,348	120,868,000
<b>Long term deposits</b>	18,129,366	18,574,022
<b>Creditors and accruals</b>		
Amount due to other persons and bodies carrying on insurance business	1,103,080,581	1,271,081,957
Premium and claim reserves retained from retrocessionaires	44,347,816	44,558,376
Other creditors and accruals	33,254,004	48,902,700
Accrued expenses	2,241,995	4,820,925
Taxation - Provision less payments	138,182,920	90,394,980
Retention money payable	6,415,433	6,415,433
	<u>1,327,522,749</u>	<u>1,466,174,371</u>
<b>Other liabilities</b>	-	-
Dividend payable	11,560,392	11,706,756
Surplus profit payable	1,212,602	1,212,602
	<u>12,772,994</u>	<u>12,919,358</u>
<b>Total liabilities</b>	<u>5,562,960,867</u>	<u>5,586,960,153</u>
<b>Total equity and liabilities</b>	<u><u>12,551,279,221</u></u>	<u><u>12,372,615,413</u></u>

**CONTINGENCIES**

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

	31 March 2010	31 December 2009
Note	Rupees (Unaudited)	Rupees (Audited)
<b>Cash and Bank deposits</b>		
Cash and other equivalents	79,253	65,470
Current and other accounts	1,468,737,041	1,231,881,356
Deposits maturing within 12 months	51,700,000	601,700,000
	<u>1,520,516,294</u>	<u>1,833,646,826</u>
<b>Loans - Secured and unsecured (considered good)</b>		
- to employees	51,948,525	53,667,662
<b>Investments</b>		
	5,954,618,676	5,481,883,357
<b>Investment properties</b>	44,947,601	44,947,601
<b>Deferred taxation</b>	150,889,654	150,889,654
<b>Other assets</b>		
Amount due from persons and bodies carrying on insurance business	1,857,839,144	2,009,718,017
Premium and claim reserves retained by cedants	99,317,793	44,891,953
Accrued investment income	77,487,360	66,017,556
Sundry receivables	317,416,868	265,724,006
Prepayments	2,063,759,110	2,070,607,461
Deferred commission expense	362,011,583	301,608,849
Stock of stationery	471,537	347,320
	<u>4,778,303,395</u>	<u>4,758,915,162</u>
<b>Fixed assets - tangible</b>		
Land and building	23,927,155	22,519,315
Furniture, fixture, books and office equipment	14,469,085	14,487,000
Motor vehicles	11,658,836	11,658,836
	<u>50,055,076</u>	<u>48,665,151</u>
Assets relating to Bangladesh	-	-
	-	-
<b>Total assets</b>	<u><u>12,551,279,221</u></u>	<u><u>12,372,615,413</u></u>

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Profit and Loss Account (Unaudited)**  
**For the quarter ended 31 March 2010**

Note	Facultative						Treaty	31 March 2010 Aggregate	31 March 2009 Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering			
----- Rupees -----									
<b>Revenue account</b>									
Net premium revenue	86,693,275	4,731,952	7,450,596	27,558,820	40,698,202	51,761,483	431,886,340	650,780,668	485,690,828
Less:									
Net claims	16,998,113	1,182,389	840,940	11,447,479	301,588	16,187,998	310,506,901	357,465,408	228,751,741
Expenses	1,917,854	1,644,009	406,923	1,202,271	1,512,089	1,517,883	42,670,448	50,871,477	41,650,968
Net commission	17,626,851	1,083,968	1,261,273	4,647,453	(107,165)	(2,094,940)	125,834,178	148,251,618	130,115,834
<b>Underwriting results</b>	<b>50,150,457</b>	<b>821,586</b>	<b>4,941,460</b>	<b>10,261,617</b>	<b>38,991,690</b>	<b>36,150,542</b>	<b>(47,125,187)</b>	<b>94,192,165</b>	<b>85,172,285</b>
Investment income - net								164,004,865	118,154,355
Rental income - net								13,828,434	13,529,587
Exchange gain / (loss)								5,181,325	11,882,757
Other income								470,403	826,136
General and administration expenses								(5,183,154)	(4,572,128)
Reversal / (Provision) for workers' welfare fund								-	-
Value of available-for-investments- write-off								-	(562,469,912)
								178,301,873	(422,649,205)
<b>Profit before tax</b>								<b>272,494,038</b>	<b>(337,476,920)</b>
<b>Income tax expense</b>									
- Current								(69,830,944)	(73,720,030)
- Deferred								-	-
								<b>(69,830,944)</b>	<b>(73,720,030)</b>
<b>Profit after tax</b>								<b>202,663,094</b>	<b>(411,196,950)</b>
<b>Profit and loss appropriation account</b>									
<b>Balance at the commencement of year</b>								1,727,236,175	2,207,325,305
Profit after tax for the period								202,663,094	(411,196,950)
Transfers to general reserve								-	-
<b>Balance of unappropriated profit at the end of the period</b>								<b>1,929,899,269</b>	<b>1,796,128,355</b>
<b>Earnings per share - basic and diluted</b>								<b>0.68</b>	<b>(1.37)</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended March 31, 2010

	<b>1st Qtr. 2010</b> <b>Rupees</b>	<b>1st Qtr. 2009</b> <b>Rupees</b>
Profit for the quarter	202,663,094	(411,196,950)
Other comprehensive income	-	-
<b>Total comprehensive income for the quarter</b>	<b>202,663,094</b>	<b>(411,196,950)</b>

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Exectuve

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Changes in Equity (Unaudited)**  
For the quarter ended 31 March 2010

	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 01 January 2009	3,000,000,000	281,000,000	2,207,325,305	1,777,419,085	3,984,744,390	7,265,744,390
Total recognized income and expense for the year ended 31 March 2009	-	-	(411,196,950)	-	(411,196,950)	(411,196,950)
<b>Balance as at 31 March 2009</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,796,128,355</b>	<b>1,777,419,085</b>	<b>3,573,547,440</b>	<b>6,854,547,440</b>
Balance as at 01 January 2010	3,000,000,000	281,000,000	1,727,236,175	1,777,419,085	3,504,655,260	6,785,655,260
Total recognized income and expense for the year ended 31 March 2010	-	-	202,663,094	-	202,663,094	202,663,094
<b>Balance as at 31 March 2010</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,929,899,269</b>	<b>1,777,419,085</b>	<b>3,707,318,354</b>	<b>6,988,318,354</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
For the quarter ended 31 March 2010

	<b>31 March 2010</b> <b>(Rupees)</b>	<b>31 March 2009</b> <b>(Rupees)</b>
<b>Operating Cash Flows:</b>		
<b>Underwriting activities:-</b>		
Premium received	1,734,406,671	1,531,698,970
Reinsurance premium paid	(1,012,401,936)	(987,841,278)
Claims paid	(417,117,221)	(562,760,968)
Reinsurance and other recoveries received	76,430,258	254,923,108
Commission paid	(230,215,004)	(162,964,655)
Commission received	45,137,321	23,426,245
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	(54,636,400)	(2,137,689)
Expenses paid	(50,871,477)	(41,650,968)
<b>Net cash inflows from underwriting activities</b>	<b>90,732,212</b>	<b>52,692,765</b>
<b>Other Operating Activities</b>		
Income tax paid	(22,043,004)	(26,278,402)
General management expenses paid	(5,183,154)	(4,572,128)
Loans recovered / (disbursed) from employees	1,719,137	1,818,818
Other receipts/(payments) - sundry debtors	(70,918,013)	(26,670,705)
Other payments - staff contribution	-	-
<b>Net cash (outflow) from other operating activities</b>	<b>(96,425,034)</b>	<b>(55,702,417)</b>
<b>Total cash (outflow) from all operating activities</b>	<b>(5,692,822)</b>	<b>(3,009,652)</b>
<b>Investment activities</b>		
Fixed Capital expenditure/(disposed)	(1,389,925)	524,085
Sale proceeds of Fixed Assets	-	-
Acquisition of investments	(2,388,395,288)	(198,312,987)
Rental income received - net of expenses	9,943,844	7,240,750
Dividend income received	10,574,704	8,319,242
Interest income on bank deposits	25,651,748	89,750,701
Investment income received - net of expenses	101,130,205	5,446,764
Sale proceeds of investments	1,935,193,366	-
<b>Total cash (outflow) / inflow from investment activities</b>	<b>(307,291,346)</b>	<b>(87,031,445)</b>
<b>Financing activities</b>		
Surplus paid	-	-
Dividend paid	(146,364)	-
<b>Total cash (outflow) from financing activities</b>	<b>(146,364)</b>	<b>-</b>
<b>Net cash (outflow) / inflow from all activities</b>	<b>(313,130,532)</b>	<b>(90,041,097)</b>
Cash and cash equivalents at beginning of the year	1,833,646,826	2,836,631,584
<b>Cash and cash equivalents at end of the period</b>	<b>1,520,516,294</b>	<b>2,746,590,487</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Premium (Unaudited)  
For the quarter ended 31 March 2010

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)	31 March 2010	31 March 2009
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		Aggregate Net Premium revenue (I=D-H)	Aggregate Net Premium revenue
-----R u p e e s-----										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	294,049,005	342,691,806	451,156,322	185,584,489	205,031,086	156,030,173	262,170,045	98,891,214	86,693,275	90,258,287
Marine Cargo	3,311,077	3,076,414	1,655,539	4,731,952	-	-	-	-	4,731,952	6,696,715
Marine Hull	4,579,309	16,717,529	13,846,242	7,450,596	-	-	-	-	7,450,596	10,221,920
Accident	52,509,402	63,232,288	88,182,870	27,558,820	-	-	-	-	27,558,820	10,759,158
Aviation	11,919,976	1,389,037,721	980,788,249	420,169,448	7,387,998	1,255,900,538	883,817,290	379,471,246	40,698,202	21,632,855
Engineering	419,853,101	573,254,971	718,943,887	274,164,185	396,247,026	436,624,753	610,469,077	222,402,702	51,761,483	49,110,358
<b>Total</b>	<b>786,221,870</b>	<b>2,388,010,729</b>	<b>2,254,573,109</b>	<b>919,659,490</b>	<b>608,666,110</b>	<b>1,848,555,464</b>	<b>1,756,456,412</b>	<b>700,765,162</b>	<b>218,894,328</b>	<b>188,679,293</b>
<b>Treaty</b>	796,305,928	959,252,289	1,168,006,803	587,551,414	240,915,775	219,244,170	304,494,871	155,665,074	431,886,340	297,011,535
<b>Grand Total</b>	<b>1,582,527,798</b>	<b>3,347,263,018</b>	<b>3,422,579,912</b>	<b>1,507,210,904</b>	<b>849,581,885</b>	<b>2,067,799,634</b>	<b>2,060,951,283</b>	<b>856,430,236</b>	<b>650,780,668</b>	<b>485,690,828</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Claims (Unaudited)  
For the quarter ended 31 March 2010

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)	31 March 2010	31 March 2009
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		Aggregate	Aggregate
									Net claim expenses (I=D-H)	Net claim expenses
R u p e e s										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	11,964,762	219,062,746	224,096,097	16,998,113	-	68,968,099	68,968,099	-	16,998,113	(73,524,585)
Marine Cargo	3,743,346	9,456,228	6,895,271	1,182,389	-	-	-	-	1,182,389	(3,322,769)
Marine Hull	310,370	12,002,165	12,532,735	840,940	-	-	-	-	840,940	(786,667)
Accident	77,482	2,584,382	13,954,379	11,447,479	-	-	-	-	11,447,479	1,800,546
Aviation	3,600,192	65,844,331	67,028,057	4,783,918	3,349,648	63,449,318	64,582,000	4,482,330	301,588	2,823,114
Engineering	89,288,724	44,808,296	44,134,046	88,614,474	72,426,476	-	-	72,426,476	16,187,998	4,543,595
<b>Total</b>	<b>108,984,876</b>	<b>353,758,148</b>	<b>368,640,585</b>	<b>123,867,313</b>	<b>75,776,124</b>	<b>132,417,417</b>	<b>133,550,099</b>	<b>76,908,806</b>	<b>46,958,507</b>	<b>(68,466,766)</b>
<b>Treaty</b>	308,132,345	981,138,554	980,633,340	307,627,131	654,134	610,973,628	607,439,724	(2,879,770)	310,506,901	297,218,507
<b>Grand Total</b>	<b>417,117,221</b>	<b>1,334,896,702</b>	<b>1,349,273,925</b>	<b>431,494,444</b>	<b>76,430,258</b>	<b>743,391,045</b>	<b>740,989,823</b>	<b>74,029,036</b>	<b>357,465,408</b>	<b>228,751,741</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Expenses (Unaudited)  
For the quarter ended 31 March 2010

Class	Deferred Commission			Net commission expense (D=A+B-C)	Other management expenses (E)	Underwriting expense (F=D+E)	Commission income unearned			Net commission retrocession (J=G+H-I)	31 March 2010	31 March 2009
	Commission paid or payable (A)	Opening (B)	Closing (C)				Opening (H)	Closing (I)	Aggregate Net underwriting expense (K=F-J)		Aggregate Net underwriting expense	
-----R u p e e s-----												
<b>Business underwritten inside Pakistan</b>												
<b>Facultative</b>												
Fire	30,961,288	49,285,979	55,898,718	24,348,549	1,917,854	26,266,403	21,247,985	8,635,260	23,161,547	6,721,698	19,544,705	21,610,244
Marine Cargo	729,814	719,061	364,907	1,083,968	1,644,009	2,727,977	-	-	-	-	2,727,977	2,155,188
Marine Hull	774,407	2,852,598	2,365,732	1,261,273	406,923	1,668,196	-	-	-	-	1,668,196	2,035,912
Accident	7,732,532	11,369,361	14,454,440	4,647,453	1,202,271	5,849,724	-	-	-	-	5,849,724	2,622,691
Aviation	1,152,421	1,568,870	1,860,860	860,431	1,512,089	2,372,520	1,263,036	1,442,111	1,737,551	967,596	1,404,924	769,395
Engineering	17,160,682	20,395,720	27,175,013	10,381,389	1,517,883	11,899,272	21,150,235	24,045,849	32,719,755	12,476,329	(577,057)	2,814,009
<b>Total</b>	<b>58,511,144</b>	<b>86,191,589</b>	<b>102,119,670</b>	<b>42,583,063</b>	<b>8,201,029</b>	<b>50,784,092</b>	<b>43,661,256</b>	<b>34,123,220</b>	<b>57,618,853</b>	<b>20,165,623</b>	<b>30,618,469</b>	<b>32,007,439</b>
<b>Treaty</b>	171,703,860	215,417,260	259,891,913	127,229,207	42,670,448	169,899,655	1,476,065	484,507	565,543	1,395,029	168,504,626	139,759,363
<b>Grand Total</b>	<b>230,215,004</b>	<b>301,608,849</b>	<b>362,011,583</b>	<b>169,812,270</b>	<b>50,871,477</b>	<b>220,683,747</b>	<b>45,137,321</b>	<b>34,607,727</b>	<b>58,184,396</b>	<b>21,560,652</b>	<b>199,123,095</b>	<b>171,766,802</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Investment Income (Unaudited)**  
**For the quarter ended 31 March 2010**

	31 March 2010	31 March 2009
	Rupees	Rupees
<b>Income from trading investments</b>		
Held-for-trading	19,946,674	-
Available-for-sale	354,329	380
Dividend income	50,486,695	8,062,604
	<u>70,787,698</u>	<u>8,062,984</u>
<b>Income from non-trading investments</b>		
<i>Held-to-maturity</i>		
Return on Government Securities	34,695,374	22,288,510
Return on other fixed income securities and deposits	25,651,748	89,750,701
Income on treasury bills	34,743,610	147,976
Amortization of premium on Pakistan Investment Bond	(307,007)	(1,349,872)
	<u>94,783,725</u>	<u>110,837,315</u>
<b>Gain / (loss) on revaluation of investments</b>		
Held-for-trading	(606,728)	-
Available-for-sale	-	-
	<u>164,964,695</u>	<u>118,900,299</u>
<b>Less: Investment related expenses</b>	(959,830)	(745,944)
<b>Net investment income</b>	<u><u>164,004,865</u></u>	<u><u>118,154,355</u></u>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

PAKISTAN REINSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED MARCH 31, 2010 (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 1<sup>st</sup> & 3<sup>rd</sup> Quarters.

For the 1<sup>st</sup> Quarter 2010, PRC received returns from all 32 general insurance companies 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 28th April, 2010 by the Board of Directors of the Company.

**5 Corresponding Figures**

Corresponding figures have been restated 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.

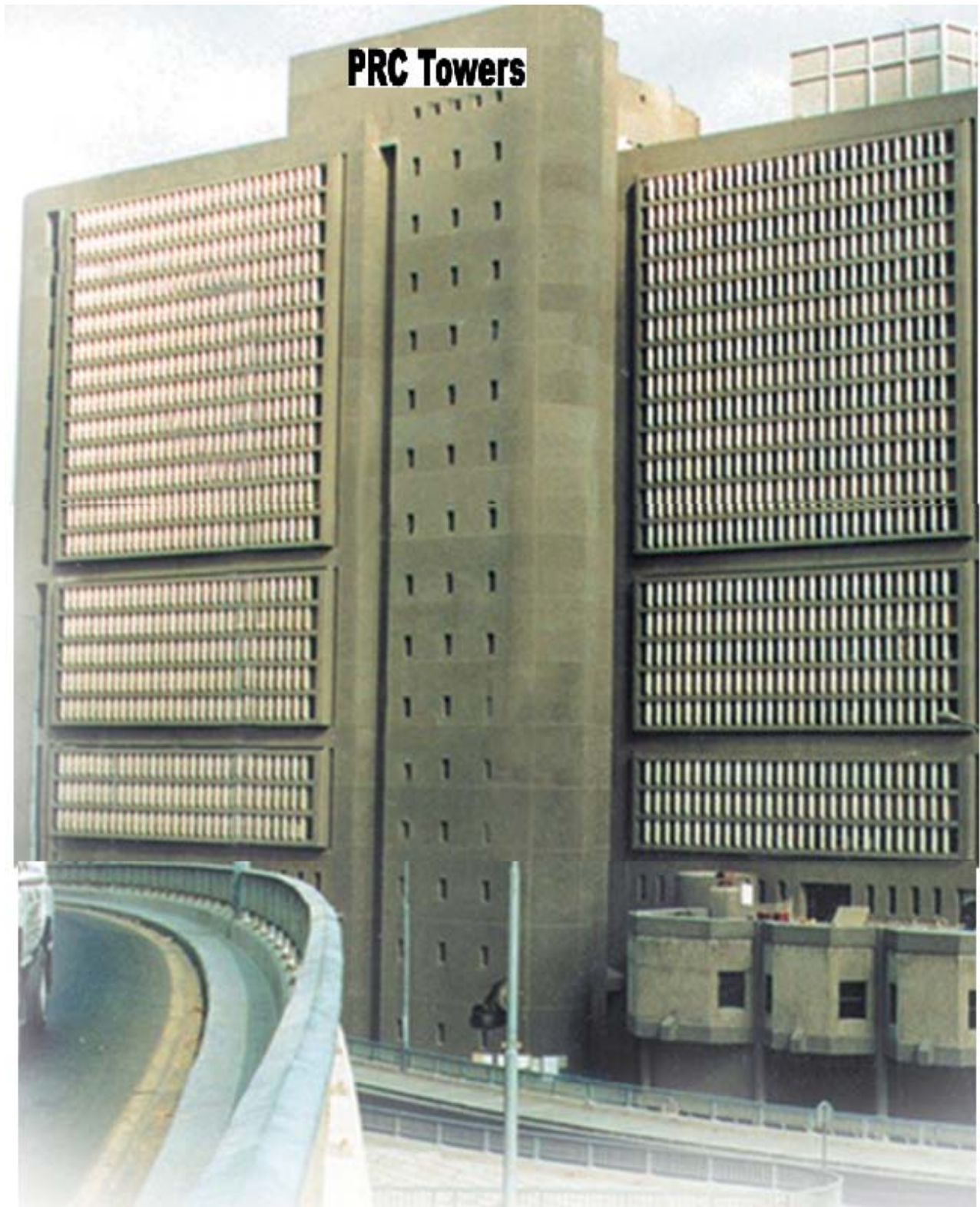
Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Exectuve

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

Karachi April 28, 2010



**Pakistan Reinsuracne Company Limited**

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

Ph: 021-99202908 to 14, Fax: 021-99202921-22, E-mail: [prcl@pakre.org.pk](mailto:prcl@pakre.org.pk),

Website: [www.pakre.org.pk](http://www.pakre.org.pk)