



Pakistan Reinsurance Company Limited

**FINANCIAL
STATEMENT**

For the nine months ended
**30th SEPTEMBER,
2011**
(Un-audited)



COMMITMENT TO EXCELLENCE



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-2011

BOARD OF DIRECTORS OF PRCL

MRS. RUKHSANA SALEEM
CHAIRPERSON

MR. JAMIL AHMAD
DIRECTOR

DR. MASUMA HASAN
DIRECTOR

SYED ARSHAD ALI
DIRECTOR

MR. MUMTAZ ALI RAJPER
DIRECTOR

KHAWAJA MAHMOOD-UR-REHMAN
DIRECTOR

MR. TAUFIQUE HABIB
DIRECTOR

MR. SIKANDAR MAHMOOD
DIRECTOR

MR. SHAHZAD F. LODHI
COMPANY SECRETARY

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

SYED ARSHAD ALI
CHAIRMAN

MR. JAMIL AHMAD
MEMBER

MR. MUMTAZ ALI RAJPER
MEMBER

MR. TAUFIQUE HABIB
MEMBER

MR. SHAHZAD F. LODHI
SECRETARY OF THE COMMITTEE

LEGAL ADVISOR

Mr. Ali Mumtaz Shaikh
M/s. Mumtaz & Associates

AUDITORS

Mr. Mohammad Shaukat Naseeb,
Senior Partner,
ANJUM ASIM SHAHID RAHMAN
CHARTERED ACCOUNTANT
1st and 3rd floor,
Modern Motors House,
Beaumont Road,
Karachi – 75530

BANKERS

National Bank of Pakistan
Bank Al-Habib Limited

SHARE REGISTRAR

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

REGISTERED OFFICES

Pakistan Reinsurance Company Limited 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
Website: www.pakre.org.pk

ZONAL OFFICE

71-A, Ahmad Block,
New Garden Town,
Lahore.

COMMITTEES OF THE BOARD OF PRCL

AUDIT COMMITTEE

- | | |
|--|----------------------------|
| 1. Syed Arshad Ali | Chairman of the Committee |
| 2. Mr. Jamil Ahmad | Member |
| 3. Mr. Mumtaz Ali Rajper | Member |
| 4. Mr. Taufique Habib | 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. Jamil Ahmad | Member |
| 3. Mr. Taufique Habib | Member |
| 4. Mr. Asghar Imam Khalid, CIA/E.D.,PRCL | Member |
| 5. Mr. Ayaz Hussain M. Gad, E.D.(B.D) ,PRCL | Member |
| 6. Mr. Fida Hussain Samoo, E.D. (Re) ,PRCL | Member/ Secretary of the Committee |

CLAIM SETTLEMENT COMMITTEE

- | | |
|--|-----------------------------------|
| 1. Mr. Sikander Mahmood | 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. Mumtaz Ali Rajper | Member |
| 4. Mr. Sikander Mahmood | Member |
| 5. Mrs. Farzana Munaf, CFO/E.D. ,PRCL | Member/Secretary of the Committee |

HUMAN RESOURCE COMMITTEE

- | | |
|--|-----------------------------------|
| 1. Mr. Jamil Ahmad | Chairman of the Committee |
| 2. Mrs. Rukhsana Saleem, Chairperson | Member |
| 3. Dr. Masuma Hasan | Member |
| 4. 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 nine months ended September 30, 2011.

Review of business activities

The financial statements for the nine months ended September 30, 2011 reflect the treaty business returns received from 30 insurance companies out of 32 and these returns were received by PRCL on or before 26.10.2011 as per the amendment made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 and facultative business closings as per record of the PRCL. The only two insurance companies from whom the treaty return has not been received till the time of finalization of Accounts.

The Financial Results of the Company indicate that the Gross Premium for the period is Rs.4,212 million, Net Premium before unearned Premium Reserve is Rs.2,934 million and Net Premium after accounting for the effect of Premium Reserve adjustment is Rs.2,562 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.4,107 million, Rs.2,431 million and Rs.2,127 million respectively.

The Net claims, Net Commission and Management Expenses have been aggregated to Rs.2,279 million for the nine months ended September 30, 2011 as compared to Rs.2,081 million for the nine months ended September 30, 2010.

The investment income mainly comprising of profit on government securities, fixed income securities and dividend income, was Rs.747 million as compared to Rs.531 million in the corresponding period of the last year.

Profit before tax and after tax for the nine months ended September 30, 2011 is Rs.1,012 million and Rs.795 million respectively as compared to Net Profit before tax and after tax of Rs.101 million and Rs.88 million respectively.

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' Chairmen, and their Directors, and our officers and staff for the co-operation extended by them in smooth running of the affairs of the company,

For and on behalf
of the Board of Directors

(Rukhsana Saleem)
Chairman/Chief Executive

Karachi: October 31, 2011

Pakistan Reinsurance Company Limited
Condensed Interim Balance Sheet
As At September 30, 2011 (Unaudited)

	September 30 2011	December 31 2010
Note	Unaudited Rupees	Audited Rupees
Share capital and reserves		
Authorized Share Capital (2,500,000,000 (December 31, 2009 : 2,500,000,000) Ordinary shares of Rs. 10 each)	25,000,000,000	25,000,000,000
Issued share capital	3,000,000,000	3,000,000,000
Retained earnings	1,248,150,939	1,353,489,422
Reserve for exceptional losses	281,000,000	281,000,000
General reserve	1,777,419,085	1,777,419,085
	<u>3,306,570,024</u>	<u>3,411,908,507</u>
Shareholders' equity	6,306,570,024	6,411,908,507
LIABILITIES		
Underwriting provisions		
- Provision for outstanding claims (including IBNR)	849,526,156	611,245,320
- Provision for unearned premium	2,927,150,274	3,453,901,862
- Commission income unearned	39,961,201	36,665,221
Total underwriting provisions	3,816,637,631	4,101,812,403
Deferred liability - employee benefits	154,520,162	140,226,394
Long term deposits	14,237,967	15,588,071
Creditors and accruals		
Amount due to other insurers/reinsurers	706,807,706	1,756,156,933
Premium and claim reserves retained from retrocessionaires	20,239,166	20,251,518
Other creditors and accruals	24,009,277	38,649,937
Accrued expenses	5,767,796	4,714,131
Taxation - net	151,743,440	7,485,128
Retention money payable	6,475,008	6,527,238
	<u>915,042,393</u>	<u>1,833,784,885</u>
Other liabilities	-	-
Dividend payable	49,120,757	30,360,697
Surplus profit payable	1,212,602	1,212,602
	<u>50,333,359</u>	<u>31,573,299</u>
Total liabilities	4,950,771,512	6,122,985,052
TOTAL EQUITY AND LIABILITIES	<u>11,257,341,536</u>	<u>12,534,893,559</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

Director

Director

	September 30 2011	December 31 2010
Note	Unaudited Rupees	Audited Rupees
ASSETS		
Cash and Bank deposits		
Cash and other equivalents	72,024	67,168
Current and other accounts	1,266,539,649	788,559,085
Deposits maturing within 12 months	-	1,628,005,200
	<u>1,266,611,673</u>	<u>2,416,631,453</u>
Loans to employees	52,601,161	55,092,174
Investments	5,685,869,908	4,674,145,547
Investment properties	40,529,831	42,371,525
Deferred taxation	59,122,113	59,122,113
Current assets - others		
Amount due from other insurers/reinsurers	2,074,462,490	2,395,705,312
Premium and claim reserves retained by cedants	20,906,081	97,722,812
Accrued investment income	226,007,521	98,228,077
Sundry receivables	290,971,231	343,416,019
Prepayments	1,044,957,229	1,938,825,109
Deferred commission expense	447,863,645	365,715,655
Stock of stationery	722,995	501,725
	<u>4,105,891,192</u>	<u>5,240,114,709</u>
Fixed assets		
Tangible		
Land and building	20,264,256	21,045,055
Furniture, fixture, books and office equipment	13,994,885	13,209,323
Electrical installations, airconditioning plant and lifts	4,528,508	3,834,591
Motor vehicles	7,928,009	9,327,069
	<u>46,715,658</u>	<u>47,416,038</u>
Assets relating to Bangladesh	-	-
	-	-
TOTAL ASSETS	<u>11,257,341,536</u>	<u>12,534,893,559</u>

Pakistan Reinsurance Company Limited
Condensed Interim Profit and Loss Account
For the period of three months ended September 30, 2011 (Unaudited)

Note	Facultative							Treaty	Sep 30, 2011 Aggregate	Sep 30, 2010 Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering				
----- Rupees -----										
Revenue account										
Net premium revenue	117,416,316	9,841,672	16,589,153	16,320,030	41,762,746	66,417,224	621,448,233	889,795,374	777,325,769	
Net claims	30,910,627	2,918,820	1,210,601	84,138,937	3,482,568	84,394	384,635,837	507,381,784	638,211,390	
Expenses	3,719,396	2,661,744	905,902	2,210,062	3,165,561	2,016,950	74,123,241	88,802,856	66,006,578	
Net commission	27,411,108	1,910,718	2,799,230	2,070,305	225,497	(718,405)	164,387,691	198,086,144	171,218,580	
Underwriting result	55,375,185	2,350,390	11,673,420	(72,099,274)	34,889,120	65,034,285	(1,698,536)	95,524,590	(98,110,779)	
Investment income								468,572,195	267,414,093	
Rental income								10,497,472	15,238,367	
Exchange gain								21,907,604	5,585,644	
Other income								359,356	110,929	
General and administration expenses								(10,004,026)	(9,752,565)	
Provision for workers welfare fund								-	-	
Value of available-for-investments- write-off								-	-	
Profit/(Loss) before tax								491,332,601	278,596,468	
Income tax expense								586,857,191	180,485,689	
- Current								(170,291,229)	(5,378,060)	
- Deferred								-	-	
Profit/(Loss) after tax								(170,291,229)	(5,378,060)	
							Rupees	416,565,962	175,107,629	
Profit and loss appropriation account										
Balance at the commencement of period								831,584,977	740,597,013	
Profit after tax for the period								416,565,962	175,107,629	
Final cash dividend paid 2010: Rs.3.00 @ 30% (2009 : Rs.3.00 @30%) per share								-	-	
Balance of unappropriated profit at the end of the period							Rupees	1,248,150,939	915,704,642	
Earnings per share - basic and diluted							Rupees	1.39	0.58	

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Profit and Loss Account
For the period of nine months ended September 30, 2011 (Unaudited)

Note	Facultative						Treaty	Sep 30, 2011 Aggregate	Sep 30, 2010 Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering			
----- Rupees -----									
Revenue account									
Net premium revenue	324,699,599	24,329,098	43,816,092	56,195,624	130,224,156	185,530,349	1,797,192,002	2,561,986,920	2,127,465,562
Less:									
Net claims	104,605,626	5,746,842	2,588,727	99,474,009	6,962,907	9,649,378	1,222,106,630	1,451,134,119	1,376,751,978
Expenses	7,493,101	5,224,935	1,730,488	4,655,680	6,074,565	3,926,429	225,224,031	254,329,229	223,742,999
Net commission	67,363,010	4,676,883	7,376,349	7,584,155	537,522	(357,737)	486,633,368	573,813,550	480,450,864
Underwriting results	145,237,862	8,680,438	32,120,528	(55,518,220)	116,649,162	172,312,279	(136,772,027)	282,710,022	46,519,721
Investment income - net								746,873,498	530,854,785
Rental income - net								43,157,716	44,146,665
Exchange (loss) / gain								26,936,045	22,489,769
Other income								2,175,277	770,214
General and administration expenses								(28,902,339)	(27,271,112)
Value of available-for-investments- write-off								(61,296,374)	(516,912,816)
								728,943,823	54,077,505
Profit before tax								1,011,653,845	100,597,226
Income tax expense									
- Current								(216,992,328)	(12,128,759)
- Deferred								-	-
								(216,992,328)	(12,128,759)
Profit after tax								794,661,517	88,468,467
Profit and loss appropriation account									
Balance at the commencement of period								1,353,489,422	1,727,236,175
Profit after tax for the period								794,661,517	88,468,467
Final cash dividend paid 2010: Rs.3.00 @ 30% (2009 : Rs.3.00 @ 30%) per share								(900,000,000)	(900,000,000)
Balance of unappropriated profit at the end of the period								1,248,150,939	915,704,642
Earnings per share - basic and diluted								2.65	0.29

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Comprehensive Income
For the period of nine months ended September 30, 2011 (Unaudited)

	<u>Three months ended Sep 30,</u>		Sep 30, 2011 Rupees	Sep 30, 2010 Rupees
	2011 Rupees	2010 Rupees		
Profit for the period	416,565,962	175,107,629	794,661,517	88,468,467
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	416,565,962	175,107,629	794,661,517	88,468,467

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Exectuve

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Changes in Equity
For the period of nine months ended September 30, 2011 (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, 2009	3,000,000,000	281,000,000	1,727,236,175	1,777,419,085	3,504,655,260	6,785,655,260
Total Comprehensive income for nine months	-	-	88,468,467	-	88,468,467	88,468,467
Transactions with owners						
Final cash dividend 2009: Rs.3.00 @ 30% (2008 : Rs.2.50 @25%) per share		-	(900,000,000)	-	(900,000,000)	(900,000,000)
Balance as at September 30, 2010	3,000,000,000	281,000,000	915,704,642	1,777,419,085	2,693,123,727	5,974,123,727
Balance as at December 31, 2010	3,000,000,000	281,000,000	1,353,489,422	1,777,419,085	3,130,908,507	6,411,908,507
Total Comprehensive income for nine months	-	-	794,661,517	-	794,661,517	794,661,517
Transactions with owners						
Final cash dividend 2010: Rs.3.00 @ 30% (2009 : Rs.3.00 @30%) per share	-	-	(900,000,000)	-	(900,000,000)	(900,000,000)
Balance as at September 30, 2011	3,000,000,000	281,000,000	1,248,150,939	1,777,419,085	3,025,570,024	6,306,570,024

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Cash Flows
For the period of nine months ended September 30, 2011 (Unaudited)

	Sep 30, 2011 (Rupees)	Sep 30, 2010 (Rupees)
Operating Cash Flows:		
Underwriting activities:-		
Premium received	4,533,289,636	4,618,640,106
Reinsurance premium paid	(2,300,722,598)	(2,234,893,286)
Claims paid	(1,285,064,265)	(1,396,106,518)
Reinsurance and other recoveries received	72,210,982	187,192,197
Commission paid	(725,534,396)	(632,425,722)
Commission received	72,868,836	79,830,081
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	76,804,379	(64,898,437)
Expenses paid	(254,329,229)	(223,742,999)
Net cash inflows from underwriting activities	189,523,345	333,595,422
Other Operating Activities		
Income tax paid	(72,734,016)	(102,523,739)
General management expenses paid	(28,902,339)	(27,271,112)
Loans disbursed-net	2,491,013	958,408
Other receipts/(payments) - sundry debtors	46,893,765	(40,677,647)
Other payments - staff contribution	-	-
Net cash (outflow) from other operating activities	(52,251,577)	(169,514,090)
Total cash inflow / (outflow) from all operating activities	137,271,768	164,081,332
Investment activities		
Fixed Capital expenditure	2,542,074	4,174,104
Acquisition of investments	(2,775,587,466)	(4,429,234,397)
Rental income received - net of expenses	53,687,224	47,293,564
Dividend income received	307,273,644	174,071,318
Interest income on bank deposits	69,932,388	61,413,857
Investment income received - net of expenses	232,400,839	234,289,684
Sale proceeds of investments	1,703,699,689	4,396,244,183
Total cash (outflow) from investment activities	(406,051,608)	488,252,313
Financing activities		
Surplus paid	-	-
Dividend paid	(881,239,940)	(881,817,306)
Total cash (outflow) from financing activities	(881,239,940)	(881,817,306)
Net cash (outflow) from all activities	(1,150,019,780)	(229,483,661)
Cash and cash equivalents at beginning of the year	2,416,631,453	1,833,646,826
Cash and cash equivalents at end of the period	1,266,611,673	1,604,163,165

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Premium
For the period of three months ended September 30, 2011 (Unaudited)

Class	<u>Unearned premium reserve</u>			Premium earned (D=A+B-C)	Re-insurance Ceded (E)	<u>Prepaid Reinsurance Premium ceded</u>		Re-insurance expense (H=E+F-G)	Sep 30, 2011	Sep 30, 2010
	Premium Written (A)	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-----										
Business underwritten inside Pakistan										
Facultative										
Fire	591,663,395	314,966,509	677,618,258	229,011,646	351,142,786	120,875,293	360,422,749	111,595,330	117,416,316	99,009,322
Marine Cargo	11,428,869	4,127,237	5,714,434	9,841,672	-	-	-	-	9,841,672	7,271,683
Marine Hull	30,741,683	28,433,000	42,585,530	16,589,153	-	-	-	-	16,589,153	9,164,667
Accident	14,571,947	31,024,110	29,276,027	16,320,030	-	-	-	-	16,320,030	35,064,052
Aviation	36,278,194	545,988,349	205,178,271	377,088,272	22,740,898	479,933,520	167,348,892	335,325,526	41,762,746	45,389,775
Engineering	286,043,019	396,502,362	458,077,061	224,468,320	180,919,834	286,200,671	309,069,409	158,051,096	66,417,224	57,681,971
Total	970,727,107	1,321,041,567	1,418,449,581	873,319,093	554,803,518	887,009,484	836,841,050	604,971,952	268,347,141	253,581,470
Treaty	888,281,765	1,357,016,031	1,508,700,693	736,597,103	120,165,997	193,601,406	198,618,533	115,148,870	621,448,233	523,744,299
Grand Total	1,859,008,872	2,678,057,598	2,927,150,274	1,609,916,196	674,969,515	1,080,610,890	1,035,459,583	720,120,822	889,795,374	777,325,769

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Premium
For the period of nine months ended September 30, 2011 (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)	Sep 30, 2011	Sep 30, 2010
	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	908,827,641	375,572,585	677,618,258	606,781,968	450,651,739	191,853,379	360,422,749	282,082,369	324,699,599	273,891,802
Marine Cargo	25,377,840	4,665,692	5,714,434	24,329,098	-	-	-	-	24,329,098	17,491,533
Marine Hull	58,506,235	27,895,387	42,585,530	43,816,092	-	-	-	-	43,816,092	23,688,446
Accident	53,831,020	31,640,631	29,276,027	56,195,624	-	-	-	-	56,195,624	95,842,366
Aviation	31,704,426	1,366,338,363	205,178,271	1,192,864,518	(183,514)	1,230,172,768	167,348,892	1,062,640,362	130,224,156	127,589,313
Engineering	634,480,514	474,369,902	458,077,061	650,773,355	439,119,467	335,192,948	309,069,409	465,243,006	185,530,349	163,382,362
Total	1,712,727,676	2,280,482,560	1,418,449,581	2,574,760,655	889,587,692	1,757,219,095	836,841,050	1,809,965,737	764,794,918	701,885,822
Treaty	2,499,319,138	1,173,419,302	1,508,700,693	2,164,037,747	388,721,724	176,742,554	198,618,533	366,845,745	1,797,192,002	1,425,579,740
Grand Total	4,212,046,814	3,453,901,862	2,927,150,274	4,738,798,402	1,278,309,416	1,933,961,649	1,035,459,583	2,176,811,482	2,561,986,920	2,127,465,562

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Claims
For the period of three months ended September 30, 2011 (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)	Sep 30, 2011	Sep 30, 2010
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		Aggregate Net claim expenses (I=D-H)	Aggregate Net claim expenses
R u p e e s										
Business underwritten inside Pakistan										
Facultative										
Fire	2,976,038	548,238,421	572,806,971	27,544,588	-	338,491,866	335,125,827	(3,366,039)	30,910,627	16,116,440
Marine Cargo	3,365,076	25,938,192	25,491,936	2,918,820	-	-	-	-	2,918,820	37,080
Marine Hull	45,264	14,730,322	15,895,659	1,210,601	-	-	-	-	1,210,601	1,081,005
Accident	9,165,343	22,186,579	97,160,173	84,138,937	-	-	-	-	84,138,937	3,752,195
Aviation	3,461,049	62,623,720	112,369,704	53,207,033	3,206,025	60,349,254	106,867,694	49,724,465	3,482,568	50,599,150
Engineering	41,694	598,664,486	598,707,186	84,394	-	582,434,258	582,434,258	-	84,394	7,483,626
Total	19,054,464	1,272,381,720	1,422,431,629	169,104,373	3,206,025	981,275,378	1,024,427,779	46,358,426	122,745,947	79,069,496
Treaty	367,591,754	1,181,027,759	1,184,986,135	371,550,130	60,862	741,658,398	728,511,829	(13,085,707)	384,635,837	559,141,894
Grand Total	386,646,218	2,453,409,479	2,607,417,764	540,654,503	3,266,887	1,722,933,776	1,752,939,608	33,272,719	507,381,784	638,211,390

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Claims
For the period of nine months ended September 30, 2011 (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)	Sep 30, 2011	Sep 30, 2010
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		Aggregate	Aggregate
									Net claim expenses (I=D-H)	
-----R u p e e s-----										
Business underwritten inside Pakistan										
Facultative										
Fire	47,957,453	385,001,070	572,806,971	235,763,354	-	203,968,099	335,125,827	131,157,728	104,605,626	48,029,717
Marine Cargo	5,999,638	25,744,732	25,491,936	5,746,842	-	-	-	-	5,746,842	3,159,918
Marine Hull	200,869	13,507,801	15,895,659	2,588,727	-	-	-	-	2,588,727	1,819,184
Accident	18,594,194	16,280,358	97,160,173	99,474,009	-	-	-	-	99,474,009	16,654,937
Aviation	75,853,571	62,909,789	112,369,704	125,313,486	72,108,958	60,626,073	106,867,694	118,350,579	6,962,907	51,674,485
Engineering	10,657,178	599,714,986	598,707,186	9,649,378	-	582,434,258	582,434,258	-	9,649,378	6,598,143
Total	159,262,903	1,103,158,736	1,422,431,629	478,535,796	72,108,958	847,028,430	1,024,427,779	249,508,307	229,027,489	127,936,384
Treaty	1,125,801,362	1,049,989,131	1,184,986,135	1,260,798,366	102,024	689,922,117	728,511,829	38,691,736	1,222,106,630	1,248,815,594
Grand Total	1,285,064,265	2,153,147,867	2,607,417,764	1,739,334,162	72,210,982	1,536,950,547	1,752,939,608	288,200,043	1,451,134,119	1,376,751,978

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Expenses
For the period of three months ended September 30, 2011 (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)	Sep 30, 2011	Sep 30, 2010
		Opening (B)	Closing (C)					Opening (H)	Closing (I)		Aggregate Net underwriting expense (K=F-J)	Aggregate Net underwriting expense
-----Rupees-----												
Business underwritten inside Pakistan												
Facultative												
Fire	59,292,779	72,443,155	91,596,442	40,139,492	3,719,396	43,858,888	4,515,629	25,790,152	17,577,397	12,728,384	31,130,504	17,877,637
Marine Cargo	2,402,763	709,336	1,201,381	1,910,718	2,661,744	4,572,462	-	-	-	-	4,572,462	3,007,320
Marine Hull	5,358,773	4,760,410	7,319,953	2,799,230	905,902	3,705,132	-	-	-	-	3,705,132	1,979,565
Accident	1,746,564	3,768,197	3,444,456	2,070,305	2,210,062	4,280,367	-	-	-	-	4,280,367	6,937,180
Aviation	1,208,353	1,376,358	1,762,977	821,734	3,165,561	3,987,295	-	1,402,386	806,149	596,237	3,391,058	1,661,349
Engineering	2,109,041	17,567,540	11,503,506	8,173,075	2,016,950	10,190,025	13,878,967	15,396,182	20,383,669	8,891,480	1,298,545	(549,990)
Total	72,118,273	100,624,996	116,828,715	55,914,554	14,679,615	70,594,169	18,394,596	42,588,720	38,767,215	22,216,101	48,378,068	30,913,061
Treaty	187,683,002	307,968,556	331,034,930	164,616,628	74,123,241	238,739,869	696,732	726,191	1,193,986	228,937	238,510,932	206,312,097
Grand Total	259,801,275	408,593,552	447,863,645	220,531,182	88,802,856	309,334,038	19,091,328	43,314,911	39,961,201	22,445,038	286,889,000	237,225,158

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Expenses
For the period of nine months ended September 30, 2011 (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)	Sep 30, 2011	Sep 30, 2010
	Commission paid or payable (A)	Opening (B)	Closing (C)					Opening (H)	Closing (I)		Aggregate	Aggregate
-----Rupees-----												
Business underwritten inside Pakistan												
Facultative												
Fire	142,183,213	57,642,937	91,596,442	108,229,708	7,493,101	115,722,809	40,351,391	18,092,704	17,577,397	40,866,698	74,856,111	56,690,306
Marine Cargo	4,949,025	929,239	1,201,381	4,676,883	5,224,935	9,901,818	-	-	-	-	9,901,818	8,374,687
Marine Hull	10,067,687	4,628,615	7,319,953	7,376,349	1,730,488	9,106,837	-	-	-	-	9,106,837	5,266,412
Accident	6,406,742	4,621,869	3,444,456	7,584,155	4,655,680	12,239,835	-	-	-	-	12,239,835	19,453,921
Aviation	2,604,070	1,985,333	1,762,977	2,826,426	6,074,565	8,900,991	1,732,391	1,362,662	806,149	2,288,904	6,612,087	4,563,194
Engineering	18,779,646	17,521,801	11,503,506	24,797,941	3,926,429	28,724,370	28,809,646	16,729,701	20,383,669	25,155,678	3,568,692	(2,304,740)
Total	184,990,383	87,329,794	116,828,715	155,491,462	29,105,198	184,596,660	70,893,428	36,185,067	38,767,215	68,311,280	116,285,380	92,043,780
Treaty	540,544,013	278,385,861	331,034,930	487,894,944	225,224,031	713,118,975	1,975,408	480,154	1,193,986	1,261,576	711,857,399	612,150,083
Grand Total	725,534,396	365,715,655	447,863,645	643,386,406	254,329,229	897,715,635	72,868,836	36,665,221	39,961,201	69,572,856	828,142,779	704,193,863

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Investment Income
For the period of nine months ended September 30, 2011 (Unaudited)

	<u>Three months ended Sep 30,</u>		Sep 30, 2011	Sep 30, 2010
	2011	2010		
	Rupees	Rupees	Rupees	Rupees
Income from trading investments				
Net gain on sale of 'held-for-trading' investments	1,226,028	4,393,891	3,760,188	24,386,921
Dividend income	343,361,974	171,771,561	440,800,002	225,246,894
	344,588,002	176,165,452	444,560,190	249,633,815
Income from non-trading investments				
Held-to-maturity				
Return on Government Securities	56,518,316	40,940,497	141,558,574	117,122,078
Return on other fixed income securities and deposits	25,448,827	15,955,649	69,932,388	61,413,857
Income on treasury bills	29,260,910	32,963,769	82,729,840	103,116,301
Amortization of premium on Pakistan Investment Bond	1,101,093	671,604	1,132,952	1,000,568
	112,329,146	90,531,519	295,353,754	282,652,804
Net gain on sale of 'available for sale' investments	17,029,992	3,405,544	17,674,303	4,883,300
Loss on revaluation of investments				
Held-for-trading	(3,667,700)	(1,720,697)	(7,014,295)	(3,424,382)
	470,279,440	268,381,818	750,573,952	533,745,537
Less: Investment related expenses	(1,707,245)	(967,725)	(3,700,454)	(2,890,752)
Net investment income	468,572,195	267,414,093	746,873,498	530,854,785

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Director

Director

PAKISTAN REINSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 (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 2011, PRC received returns from 30 general insurance companies out of 32 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 31st October, 2011 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

Rukhsana Saleem
Chief Exectuve

Director

Director

Karachi October 31, 2011

PAKRE - Pakistan Reinsurance Company Limited

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