



**QUARTERLY ACCOUNTS
(Un-Audited)
For the 1st Quarter ended
March 31, 2014**



PakRe Simply Secure

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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.



THE BAORD OF PRCL-2014

DR. MASUMA HASAN	DIRECTOR
MR. ATTAULLAH A. RASHEED	DIRECTOR
MR. MUMTAZ ALI RAJPER	DIRECTOR
MR. TAUFIQUE HABIB	DIRECTOR

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

MR. SHAHZAD F. LODHI

AUDIT COMMITTEE:-

Mr. Attaullah A. Rasheed	Chairman of the Committee
Mr. Mumtaz Ali Rajper	Member
Mr. Taufique Habib	Member
Mr. Shahzad F. Lodhi	Secretary of the Committee

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Directors' Report

for the period ended March 31, 2014

**The Shareholders,
Pakistan Reinsurance Company Limited,**

On behalf of the Board of Directors of PRCL, I am pleased to present the un-audited financial statements of the Company for the 1st Quarter ended March 31, 2014.

The financial statements for the 1st Quarter ended March 31, 2014 reflect the treaty business returns received from 30 insurance companies out of 34 and these returns were received by PRCL on or before 22.04.2014 as per the amendment made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 and facultative business closings as per record of the PRCL. No returns were received from Alpha Insurance Company, Crescent Star Insurance Company, IGI Insurance Company and Shaheen Insurance Company.

The Gross Premium for the period was Rs. 1,750 Million, Net Premium was Rs. 1,218 Million. The Gross Premium and Net Premium before for the corresponding period of the last year were Rs. 2,076 Million and Rs. 1,068 Million respectively.

The Net claims, Net Commission and Management Expenses have been aggregated to Rs. 1,082 Million for the 1st Quarter ended March 31, 2014 as compared to Rs.843Million for the 1st Quarter ended March 31, 2013.

The investment income mainly comprising of profit on government securities, fixed income securities and dividend income, was Rs.209 Million as compared to Rs. 261 Million in the corresponding period of the last year.

Profit before tax and after tax for the 1st Quarter ended March 31, 2014 was Rs. 287 Million and Rs.185 Million respectively as compared to Net Profit before tax and after tax of Rs. 504 Million and Rs.365 Million respectively the corresponding period of the 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, 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: April 30, 2014

Pakistan Reinsurance Company Limited
Condensed Interim Balance Sheet
As At March 31, 2014 (Unaudited)

	March 31 2014	December 31 2013
Note	Unaudited Rupees	Audited Rupees
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	1,698,024,171	1,512,977,449
Reserve for exceptional losses	281,000,000	281,000,000
General reserve	1,777,419,085	1,777,419,085
	<u>3,756,443,256</u>	<u>3,571,396,534</u>
Shareholders' equity	6,756,443,256	6,571,396,534
LIABILITIES		
Underwriting provisions		
- Provision for outstanding claims (including IBNR)	2,431,790,083	2,564,779,785
- Provision for unearned premium	4,081,910,440	4,502,049,279
	<u>72,620,250</u>	<u>75,141,712</u>
Total underwriting provisions	6,586,320,773	7,141,970,776
Deferred liability - employee benefits	691,859,090	704,236,000
Long term deposits	13,938,887	14,367,887
Creditors and accruals		
Amount due to other insurers reinsurers	1,645,162,319	1,357,718,565
Premium and claim reserves retained from retrocessionairs	19,063,742	19,063,742
Other creditors and accruals	32,233,633	34,340,782
Accrued expenses	17,444,579	22,030,942
Taxation - net	380,264,747	353,889,913
Retention money payable	6,821,056	6,821,056
	<u>2,100,990,076</u>	<u>1,793,865,000</u>
Other liabilities		
Dividend payable	78,574,524	78,809,294
Surplus profit payable	1,212,602	1,212,602
	<u>79,787,126</u>	<u>80,021,896</u>
Total liabilities	9,472,895,952	9,734,461,559
TOTAL EQUITY AND LIABILITIES	<u>16,229,339,208</u>	<u>16,305,858,093</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

	March 31 2014	December 31 2013
Note	Unaudited Rupees	Audited Rupees
Cash and other equivalents	51,654	47,825
Current and other accounts	1,995,869,085	2,056,331,619
Deposits maturing within 12 months	219,819,422	650,000,000
	<u>2,215,740,161</u>	<u>2,706,379,444</u>

Loans to employees

68,619,623 73,156,019

Investments

6,967,323,274 6,513,424,268

Investment properties

35,275,418 35,751,748

Deferred taxation

- -

Current assets - others

Amount due from other insurers reinsurers

2,928,981,020 2,611,797,575

Premium and claim reserves retained by cedants

11,702,395 16,841,456

Accrued investment income

123,941,381 170,654,899

Reinsurance recoveries against outstanding claims

1,357,067,177 1,541,433,305

Deferred commission expense

475,670,751 495,865,753

Prepayments

1,896,456,260 1,991,791,441

Sundry receivables

93,740,478 90,926,500

Stock of stationery

1,612,165 1,396,718

Fixed assets

Tangible

Land and building	17,883,631	18,107,173
Furniture, fixture, books and office equipment	11,588,915	12,115,884
Electrical installations, airconditioning plant and lifts	12,505,126	13,163,291
Motor vehicles	11,231,433	13,052,619
	<u>53,209,105</u>	<u>56,438,967</u>

Assets relating to Bangladesh

- -

TOTAL ASSETS

16,229,339,208 16,305,858,093

(Taufique Habib)
Director

(Attaulah A. Rasheed)
Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and Chief Financial Officer.

Pakistan Reinsurance Company Limited
Condensed Interim Profit and Loss Account
For the period ended March 31, 2014 (Unaudited)

Note	Facultative						Treaty	2014 Aggregate	2013 Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering			
----- Rupees -----									
Revenue account									
Net premium revenue	195,373,060	21,208,473	17,576,636	38,425,624	34,632,447	103,255,066	807,666,104	1,218,137,410	1,068,015,493
Less:									
Net claims	36,379,523	6,349,839	(9,729,042)	16,827,207	(222,460)	37,370,218	682,098,123	769,073,408	547,201,780
Expenses	3,067,475	2,211,329	574,724	1,966,654	2,542,538	2,096,540	72,839,870	85,299,130	66,367,730
Net commission	23,640,297	5,156,407	651,604	4,503,892	(33,695)	1,965,466	192,007,157	227,891,128	229,617,862
Underwriting results	132,285,765	7,490,898	26,079,350	15,127,871	32,346,064	61,822,842	(139,279,046)	135,873,744	224,828,121
Investment income - net							209,064,785	261,509,620	
Rental income - net							13,129,184	12,667,767	
Exchange (loss) / gain							(63,397,170)	12,442,754	
Other income							916,507	926,061	
General and administration expenses							(8,227,041)	(8,053,837)	
							151,486,265	279,492,365	
Profit before tax							287,360,009	504,320,486	
Income tax expense									
- Current							(102,313,287)	(139,283,295)	
- Deferred							-	-	
							(102,313,287)	(139,283,295)	
Profit after tax							185,046,722	365,037,191	
Profit and loss appropriation account									
Balance at the commencement of period							1,512,977,449	1,063,734,371	
Profit after tax for the period							185,046,722	365,037,191	
Balance of unappropriated profit at the end of the period							1,698,024,171	1,428,771,562	
Earnings per share - basic and diluted							0.62	1.22	

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

(Farzana Munaf)
Chief Financial Officer

(Taufique Habib)
Director

(Attaullah A. Rasheed)
Director

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Pakistan Reinsurance Company Limited
Condensed Interim Statement of Comprehensive Income
For the period ended March 31, 2014 (Unaudited)

	2014	2013
	Rupees	Rupees
Profit for the period	185,046,722	365,037,191
Other comprehensive income		
Total comprehensive income for the period	185,046,722	365,037,191

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

(Farzana Munaf)
Chief Financial Officer

(Taufique Habib)
Director

(Attaullah A. Rasheed)
Director

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Pakistan Reinsurance Company Limited
Condensed Interim Statement of Changes in Equity
For the period ended March 31, 2014 (Unaudited)

	Share capital	Reserves			Total	
	Issued subscribed and paid-up	Reserve for exceptional losses	Retained earnings	General reserve		Total reserves
	Rupees -----					
Balance as at January 01, 2013 - Restated	3,000,000,000	281,000,000	1,063,734,371	1,777,419,085	3,216,021,456	6,497,021,456
Total Comprehensive income for the period ended March 31, 2013	-	-	365,037,191	-	365,037,191	365,037,191
Transactions with owners						
Balance as at March 31, 2013 - Restated	3,000,000,000	281,000,000	1,428,771,562	1,777,419,085	3,581,058,647	6,862,058,647
Balance as at January 01, 2014	3,000,000,000	281,000,000	1,512,977,449	1,777,419,085	3,296,546,375	6,577,546,375
Total Comprehensive income for the period ended March 31, 2014	-	-	185,046,722	-	185,046,722	185,046,722
Transactions with owners						
Balance as at March 31, 2014	3,000,000,000	281,000,000	1,698,024,171	1,777,419,085	3,481,593,097	6,762,593,097

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

(Farzana Munaf)
Chief Financial Officer

(Taufique Habib)
Director

(Attaullah A. Rasheed)
Director

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Pakistan Reinsurance Company Limited
Condensed Interim Statement of Cash Flows
For the period ended March 31, 2014 (Unaudited)

	2014	2013
	(Rupees)	(Rupees)
Operating Cash Flows:		
Underwriting activities:-		
Premium received	1,432,928,984	1,878,573,039
Reinsurance premium paid	(631,144,110)	(730,869,054)
Claims paid	(737,565,669)	(395,848,924)
Reinsurance and other recoveries received	19,868,687	(269,344,470)
Commission paid	(243,839,260)	(274,926,896)
Commission received	33,621,672	32,530,455
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	5,139,061	(24,703,622)
Expenses paid	(85,299,130)	(66,367,730)
Net cash inflows from underwriting activities	(206,289,765)	149,042,798
Other Operating Activities		
Income tax paid	(75,938,453)	(21,060,549)
General management expenses paid	(8,227,041)	(8,053,837)
Loans disbursed-net	4,536,396	2,723,982
Other receipts/(payments) - sundry debtors	(24,116,830)	(19,875,668)
Net cash (outflow) from other operating activities	(103,745,928)	(46,266,072)
Total cash inflow / (outflow) from all operating activities	(310,035,693)	102,776,726
Investment activities		
Fixed Capital expenditure	1,893,471	(67,467)
Sale proceeds of Fixed Assets	1,812,720	1,717,667
Acquisition of investments	(1,336,108,504)	(727,539,882)
Rental income received - net of expenses	4,612,997	3,429,852
Dividend income received	25,333,363	18,485,445
Interest income on bank deposits	41,544,407	21,761,253
Investment income received - net of expenses	197,658,452	183,208,175
Sale proceeds of investments	882,884,274	491,587,768
Total cash (outflow) from investment activities	(180,368,820)	(7,417,189)
Financing activities		
Surplus paid	-	-
Dividend paid	(234,770)	(502,310)
Total cash (outflow) from financing activities	(234,770)	(502,310)
Net cash (outflow) from all activities	(490,639,283)	94,857,227
Cash and cash equivalents at beginning of the year	2,706,379,444	2,014,444,834
Cash and cash equivalents at end of the period	2,215,740,161	2,109,302,061

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

(Farzana Munaf)
Chief Financial Officer

(Taufique Habib) (Attaullah A. Rasheed)
Director Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and Chief Financial Officer.

	2014 (Rupees)	2013 (Rupees)
Reconciliation to profit and loss account		
Operating cash flows	(310,035,693)	102,776,726
Depreciation expense		
- Investment property	(476,330)	(511,030)
- Fixed assets	(2,085,659)	(1,920,212)
Exchange gain	(63,397,170)	12,442,754
Rental income	13,129,184	12,667,767
Provision for outstanding claims	(51,376,426)	117,991,614
Provision for unearned premium	420,138,839	15,522,744
Prepaid reinsurance	(96,923,164)	(279,359,922)
Provision for employee benefits	12,376,910	3,682,844
Dividend income	48,461,785	110,360,241
Investment income	116,315,005	121,012,194
Interest income	41,544,407	21,761,253
Amortization of premium	674,776	1,271,241
Gain on sale of investment	2,068,812	7,104,691
(Decrease)/Increase in operating assets other than cash	312,125,396	218,899,260
Decrease/(Increase) in operating liabilities	(231,119,116)	19,557,772
	211,421,556	483,259,937
Other adjustments:		
Provision for impairment in value of investment	-	-
Income tax paid	75,938,453	21,060,549
	75,938,453	21,060,549
Profit/(Loss) before taxation	287,360,009	504,320,486
Provision for taxation	(102,313,287)	(139,283,295)
Profit/(Loss) after taxation	185,046,722	365,037,191

Rupees

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	51,654	86,112
Current and other accounts	1,995,869,085	1,709,215,949
Deposit maturing within 12 months	219,819,422	400,000,000
	2,215,740,161	2,109,302,061

Rupees

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

(Farzana Munaf)

Chief Financial Officer

(Taufique Habib) (Attaullah A. Rasheed)

Director

Director

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Pakistan Reinsurance Company Limited
Condensed Interim Statement of Premium
For the period ended March 31, 2014 (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)	2014	2013
	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	572,881,645	836,819,945	981,745,082	427,956,508	427,410,512	387,805,080	582,632,144	232,583,448	195,373,060	205,115,242
Marine Cargo	22,335,840	10,040,553	11,167,920	21,208,473	-	-	-	-	21,208,473	18,185,092
Marine Hull	15,239,177	71,360,408	48,009,642	38,589,943	5,655,377	37,575,492	22,217,562	21,013,307	17,576,636	27,746,823
Accident	33,653,429	78,715,398	73,943,203	38,425,624	-	-	-	-	38,425,624	31,255,221
Aviation	27,722,509	910,779,804	659,903,857	278,598,456	19,711,875	801,369,181	577,115,047	243,966,009	34,632,447	43,624,503
Engineering	233,158,171	721,563,721	637,789,247	316,932,645	141,247,405	511,651,888	439,221,714	213,677,579	103,255,066	116,583,639
Total	904,990,771	2,629,279,829	2,412,558,951	1,121,711,649	594,025,169	1,738,401,641	1,621,186,467	711,240,343	410,471,306	442,510,520
Treaty	845,121,658	1,872,769,450	1,669,351,489	1,048,539,619	261,165,525	247,588,865	267,880,875	240,873,515	807,666,104	625,504,973
Grand Total	1,750,112,429	4,502,049,279	4,081,910,440	2,170,251,268	855,190,694	1,985,990,506	1,889,067,342	952,113,858	1,218,137,410	1,068,015,493

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

(Farzana Munaf)
Chief Financial Officer

(Taufique Habib)
Director

(Attaullah A. Rasheed)
Director

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Pakistan Reinsurance Company Limited
Condensed Interim Statement of Claims
For the period ended March 31, 2014 (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)	2014	2013
		Opening	Closing			Aggregate	Aggregate			
		(B)	(C)			Net claim expenses (I=D-H)				
R u p e e s										
Business underwritten inside Pakistan										
Facultative										
Fire	28,351,191	476,137,341	484,165,673	36,379,523	-	136,468,099	136,468,099	-	36,379,523	23,785,385
Marine Cargo	7,033,224	39,074,138	38,390,753	6,349,839	-	-	-	-	6,349,839	3,410,411
Marine Hull	1,949,915	61,811,334	52,082,292	(7,779,127)	1,949,915	14,442,587	14,442,587	1,949,915	(9,729,042)	11,481,773
Accident	1,761,144	110,641,028	125,707,091	16,827,207	-	-	-	-	16,827,207	(19,130,167)
Aviation	250,782	61,809,888	57,293,727	(4,265,379)	224,384	59,056,879	54,789,576	(4,042,919)	(222,460)	(5,484,061)
Engineering	39,966,241	222,710,921	230,990,514	48,245,834	8,086,270	122,687,816	125,477,162	10,875,616	37,370,218	53,037,482
Total	79,312,497	972,184,650	988,630,050	95,757,897	10,260,569	332,655,381	331,177,424	8,782,612	86,975,285	67,100,823
Treaty	658,253,172	1,597,547,135	1,448,112,033	508,818,070	9,608,118	1,208,777,924	1,025,889,753	(173,280,053)	682,098,123	480,100,957
Grand Total	737,565,669	2,569,731,785	2,436,742,083	604,575,967	19,868,687	1,541,433,305	1,357,067,177	(164,497,441)	769,073,408	547,201,780

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

(Farzana Munaf)
Chief Financial Officer

(Taufique Habib)
Director

(Attaullah A. Rasheed)
Director

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Pakistan Reinsurance Company Limited
Condensed Interim Statement of Expenses
For the period ended March 31, 2014 (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)	2014	2013
	Commission paid or payable (A)	Opening (B)	Closing (C)					Opening (H)	Closing (I)		Aggregate	Aggregate
----- Rupees -----												
Business underwritten inside Pakistan												
Facultative												
Fire	38,821,823	95,306,645	89,927,023	44,201,445	3,067,475	47,268,920	23,987,324	41,325,138	44,751,314	20,561,148	26,707,772	32,764,032
Marine Cargo	5,784,524	2,264,145	2,892,262	5,156,407	2,211,329	7,367,736	-	-	-	-	7,367,736	6,039,670
Marine Hull	2,275,535	8,065,439	5,937,846	4,403,128	574,724	4,977,852	1,250,811	6,985,873	4,485,160	3,751,524	1,226,328	3,429,659
Accident	3,042,373	9,307,221	7,845,702	4,503,892	1,966,654	6,470,546	-	-	-	-	6,470,546	5,035,729
Aviation	505,033	716,978	792,210	429,801	2,542,538	2,972,339	882,226	708,884	1,127,614	463,496	2,508,843	1,719,397
Engineering	12,718,517	27,308,699	26,857,046	13,170,170	2,096,540	15,266,710	7,321,311	25,946,372	22,062,979	11,204,704	4,062,006	1,623,658
Total	63,147,805	142,969,127	134,252,089	71,864,843	12,459,260	84,324,103	33,441,672	74,966,267	72,427,067	35,980,872	48,343,231	50,612,145
Treaty	180,691,455	352,896,625	341,418,661	192,169,419	72,839,870	265,009,289	180,000	175,445	193,183	162,262	264,847,027	245,373,447
Grand Total	243,839,260	495,865,752	475,670,750	264,034,262	85,299,130	349,333,392	33,621,672	75,141,712	72,620,250	36,143,134	313,190,258	295,985,592

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

(Farzana Munaf)
Chief Financial Officer

(Taufique Habib)
Director

(Attaullah A. Rasheed)
Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and Chief Financial Officer.

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Investment Income
For the period ended March 31, 2014 (Unaudited)

	2014 Rupees	2013 Rupees
Income from trading investments		
Net gain on sale of 'held-for-trading' investments	-	-
Dividend income	<u>48,461,785</u>	<u>110,360,241</u>
	48,461,785	110,360,241
Income from non-trading investments		
Held-to-maturity		
Return on Government Securities	<u>91,547,245</u>	<u>82,742,378</u>
Return on other fixed income securities and deposits	<u>41,544,407</u>	<u>21,761,253</u>
Income on treasury bills	<u>22,925,925</u>	<u>33,261,740</u>
Amortization of premium on Pakistan Investment Bond	<u>674,776</u>	<u>1,271,241</u>
	156,692,353	139,036,612
Net gain on sale of 'available for sale' investments	2,068,812	7,104,691
Profit on revaluation of investments		
Held-for-trading	3,520,030	6,230,149
	<u>210,742,980</u>	<u>262,731,693</u>
Less: Investment related expenses	(1,678,195)	(1,222,073)
Net investment income	<u>209,064,785</u>	<u>261,509,620</u>

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

(Farzana Munaf)
Chief Financial Officer

(Taufique Habib)
Director

(Attaullah A. Rasheed)
Director

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and Chief Financial Officer.

PAKISTAN REINSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2014 (UNAUDITED)

1 The Company and its Operations

1.1 Pakistan Reinsurance Co. Ltd., (“the Company”) was incorporated on March 30, 2000, under the Companies Ordinance, 1984. The object of the Company is the development of insurance and reinsurance business in Pakistan and to carry on reinsurance business.

The registered office of the company is located at PRC Towers, 32-A, Lalazar Drive, M.T. Khan Road, Karachi. Its shares are quoted on Karachi and Lahore Stock Exchanges.

1.2 In order to mitigate the impact of discontinuation of compulsory cession with effect from 01 January 2005, the Company has developed a corporate plan and adopting necessary measures for independently undertaking reinsurance business as per its strategy to continue to operate profitably in the year 2008 onward.

2 Significant Accounting Policies

These financial statements have been prepared in accordance with the requirements of S.R.O 938 issued by the Securities and Exchange Commission of Pakistan, in December, 2002, the Insurance Ordinance 2000, the requirements of Companies Ordinance, 1984 and approved accounting standards as applicable in Pakistan.

3 Quarterly Returns for Compulsory Surplus Treaties

PRC receives compulsory surplus reinsurance business from all insurance companies doing general insurance business as provided in Section 42(2) of the Insurance Ordinance 2000. Because of the nature of business of PRCL, the preparation of its accounts depend on the returns from ceding insurance companies. The time prescribed for submission of returns as per amendment made in PIC/PRC (Compulsory Surplus Reinsurance) Regulations 1978, is twenty one days after the close of the Quarter in case of 1st & 3rd Quarters.

For the 1st Quarter 2014, PRC received returns from 30 general insurance companies out of 34 and these return received in PRCL by due date and as such above accounts have been prepared by incorporating only these returns. The rest of the business reflects facultative business as per record of the Company.

4 Date of Authorization for issue

These financial statements have been authorized for issue on 30th April, 2014 by the Board of Directors of the Company.

5 Corresponding Figures

Corresponding figures have been re-grouped wherever necessary for the purpose of comparison.

6 Contingencies

There have been no significant change in the contingent liabilities since last published financial

7 All figures have been rounded off to the nearest rupees.

(Farzana Munaf)
Chief Financial Officer

(Taufique Habib)
Director

(Attaullah A. Rasheed)
Director

Karachi April 30, 2014

At the time of the meeting of the Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities and Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and Chief Financial Officer.

Simply Secure



Pakistan Reinsurance Company Limited

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