

# *CEO's SPEECH*

ON THE OCCASION OF  
ANNUAL GENERAL MEETING  
OF THE SHAREHOLDERS

TO BE HELD ON

29<sup>TH</sup> APRIL, 2017

AT 11.30AM

*PAKISTAN REINSURANCE COMPANY LIMITED*

*Dear Shareholders,*

It gives me great pleasure to welcome you to the 17<sup>th</sup> Annual General Meeting of the Pakistan Reinsurance Company Limited.

As you are aware that for the last few years, PRCL is operating in a highly competitive market scenario, a number of steps to run PRCL on commercial lines have already been taken such as enhancement in Authorized/Paid-up Share Capital of the Company, in order to strengthen the equity base as the company is planning to expand locally as well as abroad, hiring of expertise, setting up goals for departments etc. Corporate Governance Culture is now being introduced in the Company. New insurance sector reforms were announced at the end of April, 2007 whereby right of first refusal was introduced for PRCL, which has contributed positively towards the growth in the reinsurance business.

It is mandatory for PRCL to accept desired percentage of reinsurance business from the general insurance companies operating in Pakistan for whom it is obligatory to offer atleast 35% of their surplus (reinsurance business) to PRCL.

PRCL being a progressive entity, always keeps itself busy by participating on major international forums and platforms, such as Economic Cooperation Organization (ECO) and Federation of Afro-Asian Insurer and Reinsurer (FAIR). The objective of this collaboration is to reduce the outflow of foreign exchange and increase the business of insurance and reinsurance in the Region. PRCL is also one of the pioneering and founding members of (FAIR).

The Board of Directors has been trying to follow the principles of Corporate Governance in the very true spirit, as well as encouraging the best practices of operational management prevailing in the industry.

Ladies and Gentlemen,

PRCL has continuously been trying through strategic and concerted efforts to avoid outflow of foreign exchange from the country and improve the performance of insurance

sector in Pakistan. The Company's business strategy would continue to focus on providing prompt services to insurance companies with reference to treaty as well as facultative businesses.

The salient features of the business operations during the year, 2016 are:

- 1) Increase of Rs.672 million in the Gross Premium.
- 2) Increase of Rs.483 million in the Net Retention.
- 3) Increase of Rs. 583 million in the Net Premium.
- 4) A slight decrease in Underwriting Profit of Rs.177 million.
- 5) Increase of Rs. 26 million in Investment Income.
- 6) Increase of Rs. 95 million in the Rental & other income.
- 7) A slight decrease of Rs.345 million in the Profit before tax.
- 8) Increase of Rs.58 million in Taxation.
- 9) A slight decrease of Rs.403 million in the Profit after Tax.

Ladies and Gentlemen,

I am happy to announce that the Board of Directors of your Company proposed a Cash dividend of Rs.3.00 per share (30%) subject to your approval today in this Meeting. This is 5% greater than last two years.

### **CREDIT RATING**

M/s. Pakistan Credit Rating Agency (PACRA) has reaffirmed the Insurer Financial Strength (IFS) rating of Pakistan Reinsurance Company Limited at "AA" (Double A) and the outlook on the assigned rating has also been maintained as "Stable".

### **INFORMATION TECHNOLOGY**

The company is fully aware of the importance of information technology and has undertaken to implement ERP for which initial work has been started. In the interim

period existing network was upgraded and disaster recovery plan is also under implementation.

**RE-TAKAFUL BUSINESS**

The Company is actively going to start Re-takaful Window Operations and alteration in the Memorandum of Association has been made, in line with the Re-Takaful Operations and now the rest of the requirements will hopefully be completed in few weeks. The board in its 120<sup>th</sup> meeting endorsed the steps taken in order to establish Window Re-Takaful Business wing within the company.

I am quite happy to report that the above facts indicate a continued confidence and trust reposed and recognition accorded to the company both at the national and international levels.

Lastly, I, on behalf of PRCL board and its management heartily welcome you all in this Annual General Meeting.

Thank you.

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