



Pakistan Reinsurance Company Limited



QUARTERLY
ACCOUNTS
(UN-AUDITED)

for the 3rd
quarter ended
September 30, 2017

Commitment To Excellence



**Directors' Report
for the period ended September 30, 2017**

On behalf of the Board of Directors of PRCL, I am pleased to present the un-audited financial statements of the Company for nine months ended September 30, 2017.

The financial statements for the nine months ended September 30, 2017 reflect the treaty / facultative business returns received from all insurance companies and these returns were received by PRCL on or before 21.10.2017 as per amendment made in PIC Compulsory Surplus Reinsurance Regulations, 1978 and facultative business closings as per records of the PRCL.

The Gross Premium for the period was Rs. 5,178 Million and Net Premium was Rs. 3,918 million whereas the Gross and Net Premium for the corresponding period of last year were Rs. 6,195 Million and Rs. 4,399 Million respectively, showing a decrease of Rs. 1,017 Million (16%) and decrease of Rs. 481 Million (11%) respectively.

The Net claims, Net Commission and Management Expenses have been aggregated to Rs. 3,908 Million for the nine months ended September 30, 2017 as compared to Rs. 3,643 Million for the nine months ended September 30, 2016 showing increase of Rs. 265 Million (7%).

The investment income mainly comprising of profit on government securities, fixed income securities, dividend income, and capital gain was Rs. 3,425 Million as compared to Rs. 757 Million in the corresponding period of the last year, registering increase of Rs. 2,668 Million (352%).

Profit before and after tax for the nine months ended September 30, 2017 was Rs. 3,563 Million and Rs. 2,495 Million respectively as compared to Profit before and after tax of Rs. 1,508 Million and Rs. 1,129 Million respectively for the corresponding period of last year, indicating an increase of Rs. 2,055 Million (136%) and Rs. 1,366 Million (121%) respectively.

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 120th meeting endorsed the steps taken in order to establish Window Re-Takaful Business wing within the company.

The Directors also express their sincere appreciation to the Company's valued clients, reinsurers, brokers, business partners and collaborators, Central Depository Company (CDC), Pakistan Stock Exchange and Securities and Exchange Commission of Pakistan (SECP) for their professional assistance and guidance.

For and on behalf
Of the Board of Directors



Chairperson / Director
Karachi, 31-10-2017.

ڈائریکٹر کی رپورٹ
برائے 30 ستمبر 2017 کو ختم ہونے والی مدت

میں، PRCL کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی نو ماہ کی مدت جس کا اختتام 30 ستمبر 2017 کو ہوا غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

30 ستمبر 2017 کو اختتام پذیر نو ماہ کی مدت کی مالیاتی دستاویزات سے یہ بات ظاہر ہوتی ہے کہ PRCL کو تمام بیمہ کمپنیوں سے معاہداتی (treaty)/اختیاری (facultative) بزنس رٹرنز (returns) 21 اکتوبر 2017 پر یا اس سے پہلے موصول ہو گئی تھیں اور یہ جو PIC (لازمی فاضل ری انشورنس) ریگولیشن 1978 میں ترمیم کے مطابق اور PRCL کے، اختیاری (facultative) بزنس کی بندش کے بعد کے رکارڈ کے مطابق ہے

اس مدت کا کل مجموعی پریمیم 5,178 ملین روپے اور خالص پریمیم 3,918 ملین روپے تھا جبکہ گذشتہ سال اسی مدت میں مجموعی اور خالص پریمیم بالترتیب 6,195 ملین روپے اور خالص پریمیم 4,399 ملین روپے تھے جو بالترتیب 1,017 ملین روپے (16 فیصد) اور 481 ملین روپے (11 فیصد) کی کمی دکھا رہے ہیں۔ 30 ستمبر 2017 کو اختتام پذیر نو ماہ کی مدت کے خالص دعوے (claims)، خالص کمیشن اور انتظامی اخراجات کا مجموعہ 3,908 ملین روپے رہا جبکہ گذشتہ سال 30 ستمبر 2016 کو اختتام پذیر نو ماہ کے دوران ان کی مالیت 3,643 ملین روپے تھی جو 265 ملین روپے (7 فیصد) کا اضافہ دکھا رہی ہے۔

اس مدت کے درمیان سرمایہ کاری کی آمدن 3,425 ملین روپے تھی جو بنیادی طور پر گورنمنٹ کے تمسکات، فکسڈ انکم تمسکات اور منقسمہ منافع dividend income سے آمدنی اور سرمایہ میں اضافے پر مشتمل ہے جبکہ گذشتہ سال اسی مدت کے دوران اس کی مالیت 757 ملین روپے تھی جو 2,668 ملین روپے (352 فیصد) کا اضافہ دکھا رہی ہے۔

30 ستمبر 2017 کو اختتام پذیر نو ماہ کا قبل از محصول اور بعد از محصول منافع بالترتیب منافع 3,563 ملین روپے اور 2,495 ملین روپے رہا جو گذشتہ سال اسی مدت میں قبل از محصول اور بعد از محصول منافع بالترتیب منافع 1,508 ملین روپے اور 1,129 ملین روپے تھا جو بالترتیب 2,055 ملین روپے (136 فیصد) اور 1,366 ملین روپے (121 فیصد) کا اضافہ دکھا رہی ہیں۔

کمپنی مستعدی سے ری تکافل ونڈو (Re-takaful Window) کے آپریشن کا آغاز کرنے جارہی ہے اور اس سلسلے میں میمورینڈم آف ایسوسی ایشن میں ری تکافل ونڈو کے آپریشن کے مطابق ترامیم کی جا چکی ہیں اور امید ہے کہ اب اس سے متعلق بقایا ضروریات اگلے چند ہفتوں میں مکمل کر لی جائیں گی۔ بورڈ اپنے 120 ویں اجلاس میں کمپنی میں ری تکافل ونڈو (Re-takaful Window) کاروبار کا بازو (wing) کی تشکیل کے سلسلے میں اٹھائے جانے والے اقدامات کی توثیق کر چکا ہے۔

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے معزز گاہکوں، ری انشوررز (reinsurers)، بروکرز، کاروبار کے شرکاء اور اعانت کار، سینٹرل ڈپازٹری کمپنی (CDC)، پاکستان اسٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کا پیشہ ورانہ تعاون اور رہنمائی کرنے پر تہ دل سے شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب اور ان کے لیے

محمد امجد
چیئر پرسن / ڈائریکٹر

2017 - 10 - 31 کراچی:

Pakistan Reinsurance Company Limited
Condensed Interim Balance Sheet
As at September 30, 2017

	September 30 2017	December 31 2016		September 30 2017	December 31 2016
Note	Unaudited Rupees	Audited Rupees		Note	Unaudited Rupees
EQUITY AND LIABILITIES			ASSETS		
Share capital and reserves			Cash and Bank deposits		
Authorized share capital	<u>25,000,000,000</u>	<u>25,000,000,000</u>	Cash and other equivalents	82,101	44,264
2,500,000,000 (2016 : 2,500,000,000) Ordinary shares of Rs. 10 each)			Current and other accounts	2,006,702,980	2,239,958,104
Issued subscribed and paid up capital 300,000,000 (2016 : 300,000,000) Ordinary shares of Rs. 10 each)	3,000,000,000	3,000,000,000	Deposits maturing within 12 months	<u>70,000,000</u>	<u>440,000,000</u>
Retained earnings	<u>3,940,002,948</u>	<u>2,345,041,499</u>		2,076,785,081	2,680,002,368
Reserve for exceptional losses	281,000,000	281,000,000			
General reserve	<u>1,777,419,085</u>	<u>1,777,419,085</u>	Loans to employees	176,607,999	72,949,886
	<u>5,998,422,033</u>	<u>4,403,460,584</u>			
Shareholders' equity	8,998,422,033	7,403,460,584			
LIABILITIES					
Underwriting provisions			Investments	6,443,128,888	6,624,839,230
- Provision for outstanding claims (including IBNR)	<u>4,591,580,523</u>	<u>4,590,671,732</u>	Investment properties	30,211,491	31,425,711
- Provision for unearned premium	3,365,705,205	4,420,092,072			
- Commission income unearned	<u>23,693,601</u>	<u>24,177,478</u>	Current assets - others		
Total underwriting provisions	7,980,979,329	9,034,941,282	Amount due from other insurers and reinsurers	<u>4,608,181,691</u>	<u>4,533,411,877</u>
			Premium and claim reserves retained by cedants	72,298,925	11,685,818
Deferred liability - employee benefits	1,218,740,785	1,296,307,190	Accrued investment income	205,795,470	190,210,728
Long term deposits	16,534,544	16,299,040	Reinsurance recoveries against outstanding claims	2,022,494,549	2,732,782,143
			Deferred commission expense	554,816,731	598,286,396
			Prepayments	1,049,529,852	1,768,270,301
			Taxation - net	64,240,770	114,406,208
Creditors and accruals			Sundry receivables	<u>2,645,342,865</u>	<u>509,927,721</u>
Amount due to other insurers and reinsurers	<u>1,583,802,819</u>	<u>1,964,346,423</u>	Stock of stationery	456,628	240,905
Premium and claim reserves retained	19,063,743	19,063,743		11,223,157,481	10,459,222,097
Other creditors and accruals	25,684,844	26,026,662	Fixed assets		
Accrued expenses	4,539,750	19,909,377	Tangible		
Retention money payable	<u>6,368,183</u>	<u>6,368,183</u>	Land and building	<u>14,042,371</u>	<u>14,580,764</u>
	1,639,459,339	2,035,714,388	Furniture, fixture, books and office equipment	9,939,247	10,150,776
			Electrical installations, airconditioning plant and lifts	6,845,297	8,053,291
Other liabilities			Motor vehicles	<u>9,803,353</u>	<u>6,141,640</u>
Dividend payable	<u>135,172,576</u>	<u>119,430,677</u>		40,630,268	38,926,471
Surplus profit payable	1,212,602	1,212,602	Assets relating to Bangladesh	-	-
	<u>136,385,178</u>	<u>120,643,279</u>			
Total liabilities	10,992,099,175	12,503,905,179	TOTAL ASSETS	<u>19,990,521,208</u>	<u>19,907,365,763</u>
CONTINGENCIES AND COMMITMENTS					
TOTAL EQUITY AND LIABILITIES	<u>19,990,521,208</u>	<u>19,907,365,763</u>			

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Profit and Loss Account (Unaudited)
For the three months period ended September 30, 2017

Note	Facultative						Three months period ended Sep 30		
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	2017 Aggregate	2016 Aggregate
----- Rupees -----									
Revenue account									
Net premium revenue	250,529,678	9,707,414	6,929,500	38,567,356	23,174,677	109,040,183	770,434,005	1,208,382,813	1,565,745,142
Net claims	149,835,411	1,834,362	3,564,968	435,051	144,986	175,703,717	653,579,825	985,098,320	899,090,457
Expenses	35,645,369	3,696,006	2,035,529	8,145,619	7,020,993	16,394,566	82,574,529	155,512,611	121,443,874
Net commission	45,916,767	1,631,165	320,576	5,850,015	(2,574,724)	11,404,820	213,301,529	275,850,148	334,469,923
Underwriting result	19,132,131	2,545,881	1,008,427	24,136,671	18,583,422	(94,462,920)	(179,021,878)	(208,078,266)	210,740,888
Investment income								201,749,273	167,627,743
Rental income								12,738,544	14,924,066
Exchange gain								12,762,327	(5,691,757)
Other income								76,516	89,539
General and administration expenses								(15,997,676)	(15,929,551)
Profit/(Loss) before tax								211,328,984	161,020,040
Income tax expense								3,250,718	371,760,928
- Current								(2,394,822)	(104,055,412)
- Deferred								-	-
Profit/(Loss) after tax								(2,394,822)	(104,055,412)
								Rupees	855,896
Profit and loss appropriation account									
Balance at the commencement of period								3,939,147,052	1,991,511,437
Profit after tax for the period								855,896	267,705,516
Balance of unappropriated profit at the end of the period								Rupees	3,940,002,948
									2,259,216,953
Earnings per share - basic and diluted								Rupees	0.00
									0.89

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Profit and Loss Account (Unaudited)
For the nine months period ended September 30, 2017

Note	Facultative							Treaty	2017 Aggregate	2016 Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering				
----- Rupees -----										
Revenue account										
Net premium revenue	795,374,704	27,517,634	20,356,949	116,263,975	95,597,567	329,050,216	2,534,390,085	3,918,551,130	4,398,976,634	
Less:										
Net claims	476,968,774	5,564,783	58,912,346	(1,209,977)	58,919,352	327,279,117	1,598,391,674	2,524,826,069	2,238,748,133	
Expenses	109,075,738	9,090,761	4,915,329	21,054,475	21,442,698	47,054,608	294,331,094	506,964,703	453,095,365	
Net commission	146,808,183	4,683,818	793,508	17,041,584	(7,369,264)	32,446,375	682,172,932	876,577,136	951,013,839	
Underwriting results	62,522,009	8,178,272	(44,264,234)	79,377,893	22,604,781	(77,729,884)	(40,505,615)	10,183,222	756,119,297	
Investment income - net								3,424,896,325	757,210,468	
Rental income - net								41,909,371	41,335,222	
Exchange (loss) / gain								13,882,806	(8,223,389)	
Other income								114,189,205	152,460	
General and administration expenses								(42,000,598)	(38,795,661)	
								3,552,877,109	751,679,100	
Profit before tax								3,563,060,331	1,507,798,397	
Income tax expense										
- Current								(1,068,098,882)	(378,687,745)	
- Deferred								-	-	
								(1,068,098,882)	(378,687,745)	
Profit after tax								2,494,961,449	1,129,110,652	
Profit and loss appropriation account										
Balance at the commencement of period								2,345,041,499	1,880,106,301	
Profit after tax for the period								2,494,961,449	1,129,110,652	
Final cash dividend paid 2016: Rs.3.00 @ 30% (2015 : Rs.2.50 @ 25%) per share								(900,000,000)	(750,000,000)	
Balance of unappropriated profit at the end of the period								3,940,002,948	2,259,216,953	
Earnings per share - basic and diluted								8.32	3.76	

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the nine months period ended September 30, 2017

	<u>Three months period ended Sep 30</u>		<u>Nine months period ended Sep 30</u>	
	2017	2016	2017	2016
	Rupees	Rupees	Rupees	Rupees
Profit for the period	855,896	267,705,516	2,494,961,449	1,129,110,652
Other comprehensive income				
Remeasurement of defined benefit obligations - net	-	-	-	-
Total comprehensive income for the period	855,896	267,705,516	2,494,961,449	1,129,110,652

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For the nine months period ended September 30, 2017

	Share capital	Reserves			Total reserves	Total
	Issued subscribed and paid-up	Reserve for exceptional losses	Retained earnings	General reserve		
	----- Rupees -----					
Balance as at January 01, 2016	3,000,000,000	281,000,000	1,880,106,301	1,777,419,085	3,657,525,386	6,938,525,386
Total Comprehensive income for the period ended September 30, 2016	-	-	1,129,110,652	-	1,129,110,652	1,129,110,652
Remeasurement of defined benefit obligations - net	-	-	-	-	-	-
Transactions with owners	-	-	1,129,110,652	-	1,129,110,652	1,129,110,652
Final cash dividend 2015: Rs.2.50 @ 25% (2014 : Rs.2.50 @25%) per share	-	-	(750,000,000)	-	(750,000,000)	(750,000,000)
Balance as at September 30, 2016	3,000,000,000	281,000,000	2,259,216,953	1,777,419,085	4,036,636,038	7,317,636,038
Balance as at January 01, 2017	3,000,000,000	281,000,000	2,345,041,499	1,777,419,085	4,122,460,583	7,403,460,583
Total Comprehensive income for the period ended September 30, 2017	-	-	2,494,961,449	-	2,494,961,449	2,494,961,449
Remeasurement of defined benefit obligations - net	-	-	-	-	-	-
Transactions with owners	-	-	2,494,961,449	-	2,494,961,449	2,494,961,449
Effect of change in accounting policy - note	-	-	-	-	-	-
Final cash dividend 2016: Rs.3.00 @ 30% (2015 : Rs.2.50 @25%) per share	-	-	(900,000,000)	-	(900,000,000)	(900,000,000)
Balance as at September 30, 2017	3,000,000,000	281,000,000	3,940,002,948	1,777,419,085	5,717,422,032	8,998,422,032

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Cash Flows (Unaudited)
For the nine months period ended September 30, 2017

	2017 (Rupees)	2016 (Rupees)
Operating Cash Flows:		
Underwriting activities:-		
Premium received	5,102,939,268	5,326,446,450
Reinsurance premium paid	(1,959,261,093)	(1,524,039,233)
Claims paid	(3,294,287,346)	(2,136,440,466)
Reinsurance and other recoveries received	1,480,657,662	14,740,136
Commission paid	(880,338,271)	(1,065,388,195)
Commission received	46,746,923	45,604,084
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	(60,613,107)	2,958,698
Expenses paid	(506,964,703)	(453,095,365)
Net cash inflows from underwriting activities	(71,120,667)	210,786,109
Other Operating Activities		
Income tax paid	(1,017,933,444)	(434,037,846)
General management expenses paid	(42,000,598)	(38,795,661)
Payment unders defined benefit obligations		
Loans disbursed-net	(103,658,113)	(6,473,692)
Other receipts/(payments) - sundry debtors	(2,230,877,288)	(465,632,613)
Net cash (outflow) from other operating activities	(3,394,469,443)	(944,939,812)
Total cash inflow / (outflow) from all operating activities	(3,465,590,110)	(734,153,703)
Investment activities		
Fixed Capital expenditure	(489,577)	5,985,744
Acquisition of investments	(4,881,870,084)	(2,299,111,750)
Rental income received - net of expenses	30,100,660	2,030,296,972
Dividend income received	195,326,155	51,747,492
Interest income on bank deposits	63,414,164	320,679,903
Investment income received - net of expenses	3,269,813,392	82,559,021
Proceeds on sale/ maturity of investments	5,070,336,214	404,913,689
Total cash inflow / (outflow) from investment activities	3,746,630,924	597,071,071
Financing activities		
Surplus paid	-	-
Dividend paid	(884,258,101)	(765,853,526)
Total cash inflow / (outflow) from financing activities	(884,258,101)	(765,853,526)
Net cash inflow / (outflow) from all activities	(603,217,287)	(902,936,158)
Cash and cash equivalents at beginning of the year	2,680,002,368	3,284,965,074
Cash and cash equivalents at end of the period	2,076,785,081	2,382,028,916

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

Chairman

Chief Executive Officer

Director

Director

	2017 (Rupees)	2016 (Rupees)
Reconciliation to profit and loss account		
Operating cash flows	(3,465,590,110)	(734,153,703)
Depreciation expense		
-Fixed assets	2,224,025	(4,423,770)
-Investment property	(7,666,506)	(1,254,079)
Exchange gain	13,882,806	(8,223,389)
Rental income	41,909,371	41,335,222
Change for deferred liability - employee benefits	77,566,405	11,850,026
Reinsurance recoveries against outstanding claims	(710,287,594)	543,451,407
Provision for outstanding claims	(908,791)	(660,499,210)
Provision for unearned premium	1,054,386,867	208,444,252
Prepaid reinsurance	(720,944,524)	(532,501,031)
Dividend income	284,948,208	354,296,051
Investment income	(30,910,631)	6,156,868
Interest income	368,354,638	385,894,688
Amortization of premium	6,755,788	7,772,624
Gain on sale of investment	2,795,748,322	3,090,237
(Decrease)/Increase in operating assets other than cash	2,376,875,976	1,320,949,366
Decrease/(Increase) in operating liabilities	458,782,637	131,574,992
	2,545,126,887	1,073,760,551
Other adjustments:		
Income tax paid	1,017,933,444	434,037,846
	1,017,933,444	434,037,846
Profit/(Loss) before taxation	3,563,060,331	1,507,798,397
Provision for taxation	(1,068,098,882)	(378,687,745)
Profit/(Loss) after taxation	2,494,961,449	1,129,110,652

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	82,101	29,840
Current and other accounts	2,006,702,980	2,905,200,345
Deposit maturing within 12 months	70,000,000	-
	2,076,785,081	2,905,230,185

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Premium (Unaudited)
For the three months period ended September 30, 2017

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)	Three months period ended Sep 30	
	Premium Written (A)	Opening (B)	Closing (C)			Opening (F)	Closing (G)		2017	2016
									Aggregate Net Premium revenue (I=D-H)	Aggregate Net Premium revenue
-----R u p e e s-----										
Business underwritten inside Pakistan										
Facultative										
Fire	435,506,012	638,773,873	725,178,272	349,101,613	42,285,933	250,784,217	194,498,215	98,571,935	250,529,678	283,658,517
Marine Cargo	14,901,597	2,256,616	7,450,799	9,707,414	-	-	-	-	9,707,414	7,216,711
Marine Hull	22,411,884	25,654,618	36,300,207	11,766,295	10,267,774	12,107,467	17,538,446	4,836,795	6,929,500	13,243,616
Accident	29,907,936	76,707,097	67,456,362	39,158,671	-	1,007,328	416,013	591,315	38,567,356	34,368,770
Aviation	75,735,941	421,334,033	208,702,972	288,367,002	59,797,833	413,586,376	208,191,884	265,192,325	23,174,677	37,529,385
Engineering	194,995,967	825,141,611	637,310,749	382,826,829	77,952,572	618,059,069	422,224,995	273,786,646	109,040,183	123,375,429
Total	773,459,337	1,989,867,848	1,682,399,361	1,080,927,824	190,304,112	1,295,544,457	842,869,553	642,979,016	437,948,808	499,392,428
Treaty	1,037,913,999	1,551,744,872	1,683,305,844	906,353,027	90,190,336	244,496,238	198,767,552	135,919,022	770,434,005	1,066,352,714
Grand Total	1,811,373,336	3,541,612,720	3,365,705,205	1,987,280,851	280,494,448	1,540,040,695	1,041,637,105	778,898,038	1,208,382,813	1,565,745,142

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Premium (Unaudited)
For the nine months period ended September 30, 2017

Class	<u>Unearned premium reserve</u>			Premium earned (D=A+B-C)	Re-insurance Ceded (E)	Prepaid Reinsurance		Re-insurance expense (H=E+F-G)	2017	2016
	Premium Written (A)	Opening (B)	Closing (C)			<u>Premium ceded</u>			Aggregate	Aggregate
						Opening (F)	Closing (G)		<u>Net Premium revenue</u> (I=D-H)	
-----R u p e e s-----										
Business underwritten inside Pakistan										
Facultative										
Fire	1,120,041,096	698,320,157	725,178,272	1,093,182,981	415,430,707	76,875,785	194,498,215	297,808,277	795,374,704	825,998,192
Marine Cargo	31,829,729	3,138,704	7,450,799	27,517,634	-	-	-	-	27,517,634	27,327,568
Marine Hull	46,409,165	24,888,296	36,300,207	34,997,254	24,177,143	8,001,608	17,538,446	14,640,305	20,356,949	41,411,312
Accident	106,625,094	79,469,400	67,456,362	118,638,132	665,621	2,124,549	416,013	2,374,157	116,263,975	109,297,484
Aviation	107,510,536	973,138,918	208,702,972	871,946,482	125,038,293	859,502,506	208,191,884	776,348,915	95,597,567	107,895,748
Engineering	1,016,749,991	790,793,476	637,310,749	1,170,232,718	698,056,120	565,351,377	422,224,995	841,182,502	329,050,216	380,159,779
Total	2,429,165,611	2,569,748,951	1,682,399,361	3,316,515,201	1,263,367,884	1,511,855,825	842,869,553	1,932,354,156	1,384,161,045	1,492,090,083
Treaty	2,748,543,471	1,850,343,121	1,683,305,844	2,915,580,748	329,232,411	250,725,804	198,767,552	381,190,663	2,534,390,085	2,906,886,551
Grand Total	5,177,709,082	4,420,092,072	3,365,705,205	6,232,095,949	1,592,600,295	1,762,581,629	1,041,637,105	2,313,544,819	3,918,551,130	4,398,976,634

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Claims (Unaudited)
For the three months period ended September 30, 2017

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)	Three months period ended Sep 30	
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		2017 Aggregate	2016 Aggregate
									Net claim expenses (I=D-H)	Net claim expenses
-----R u p e e s-----										
Business underwritten inside Pakistan										
Facultative										
Fire	22,918,826	1,074,639,218	1,201,555,803	149,835,411	-	382,657,049	382,657,049	-	149,835,411	(6,427,018)
Marine Cargo	707,862	36,462,589	37,589,089	1,834,362	-	-	-	-	1,834,362	399,811
Marine Hull	24,117,897	149,085,088	127,892,191	2,925,000	11,418,980	54,734,560	42,675,612	(639,968)	3,564,968	19,318,180
Accident	1,711,200	185,351,342	184,075,193	435,051	-	-	-	-	435,051	11,064,713
Aviation	352,051,000	397,982,809	47,502,487	1,570,678	292,993,000	337,249,091	45,681,783	1,425,692	144,986	33
Engineering	2,173,582	379,549,720	1,026,917,255	649,541,117	-	147,984,265	621,821,665	473,837,400	175,703,717	2,228,567
Total	403,680,367	2,223,070,766	2,625,532,018	806,141,619	304,411,980	922,624,965	1,092,836,109	474,623,124	331,518,495	26,584,286
Treaty	564,703,512	1,881,513,752	1,971,000,505	654,190,265	-	929,048,000	929,658,440	610,440	653,579,825	872,506,171
Grand Total	968,383,879	4,104,584,518	4,596,532,523	1,460,331,884	304,411,980	1,851,672,965	2,022,494,549	475,233,564	985,098,320	899,090,457

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Claims (Unaudited)
For the nine months period ended September 30, 2017

Class	Claims Paid (A)	Provision for outstanding claims		Claims Expense (D=A+C-B)	Reinsurance and other recoveries Received (E)	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries Revenue (H=E+G-F)	2017	2016
		Opening	Closing			Opening	Closing		Aggregate	Aggregate
		(B)	(C)			(F)	(G)		Net claim expenses (I=D-H)	
R u p e e s										
Business underwritten inside Pakistan										
Facultative										
Fire	140,500,255	994,479,472	1,201,555,803	347,576,586	-	512,049,237	382,657,049	(129,392,188)	476,968,774	174,389,689
Marine Cargo	3,380,282	35,404,588	37,589,089	5,564,783	-	-	-	-	5,564,783	8,792,311
Marine Hull	65,505,363	79,759,482	127,892,191	113,638,072	32,121,871	20,071,757	42,675,612	54,725,726	58,912,346	16,414,217
Accident	7,054,454	192,339,624	184,075,193	(1,209,977)	-	-	-	-	(1,209,977)	24,143,505
Aviation	1,555,839,433	1,261,479,243	47,502,487	341,862,677	1,360,150,966	1,122,889,424	45,681,783	282,943,325	58,919,352	(672,578)
Engineering	53,663,470	220,017,329	1,026,917,255	860,563,396	2,969,016	91,506,402	621,821,665	533,284,279	327,279,117	84,396,880
Total	1,825,943,257	2,783,479,738	2,625,532,018	1,667,995,537	1,395,241,853	1,746,516,820	1,092,836,109	741,561,142	926,434,395	307,464,024
Treaty	1,468,344,089	1,812,143,994	1,971,000,505	1,627,200,600	85,415,809	986,265,323	929,658,440	28,808,926	1,598,391,674	1,931,284,109
Grand Total	3,294,287,346	4,595,623,732	4,596,532,523	3,295,196,137	1,480,657,662	2,732,782,143	2,022,494,549	770,370,068	2,524,826,069	2,238,748,133

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Expenses (Unaudited)
For the three months period ended September 30, 2017

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)	<u>Three months period ended</u>	
	Commission paid or payable (A)	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	78,084,659	80,283,142	107,432,388	50,935,413	35,645,369	86,580,782	412,374	13,120,498	8,514,226	5,018,646	81,562,136	76,477,615
Marine Cargo	2,463,402	399,464	1,231,701	1,631,165	3,696,006	5,327,171	-	-	-	-	5,327,171	926,586
Marine Hull	2,135,372	2,306,397	3,437,757	1,004,012	2,035,529	3,039,541	1,554,494	1,617,584	2,488,642	683,436	2,356,105	728,385
Accident	2,141,681	12,711,560	8,988,442	5,864,799	8,145,619	14,010,418	-	25,184	10,400	14,784	13,995,634	6,626,361
Aviation	115,147	2,158,633	1,296,003	977,777	7,020,993	7,998,770	866,360	5,769,607	3,083,466	3,552,501	4,446,269	2,752,356
Engineering	16,847,038	36,728,738	36,501,428	17,074,348	16,394,566	33,468,914	1,048,178	12,879,027	8,257,677	5,669,528	27,799,386	23,255,689
Total	101,787,299	134,587,934	158,887,719	77,487,514	72,938,082	150,425,596	3,881,406	33,411,900	22,354,411	14,938,895	135,486,701	110,766,992
Treaty	247,266,360	362,745,511	395,929,012	214,082,859	82,574,529	296,657,388	648,682	1,471,838	1,339,190	781,330	295,876,058	345,146,805
Grand Total	349,053,659	497,333,445	554,816,731	291,570,373	155,512,611	447,082,984	4,530,088	34,883,738	23,693,601	15,720,225	431,362,759	455,913,797

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Expenses (Unaudited)
For the nine months period ended September 30, 2017

Class	Deferred Commission			Net commission expense (D=A+B-C)	Other management expenses (E)	Underwriting expense (F=D+E)	Commission from reinsurers (G)	Commission income unearned		Net commission retrocession (J=G+H-I)	2017	2016	
	Commission paid or payable (A)	Opening (B)	Closing (C)					Opening (H)	Closing (I)		Aggregate	Aggregate	
												Net underwriting expense (K=F-J)	
												-----R u p e e s-----	
Business underwritten inside Pakistan													
Facultative													
Fire	145,559,064	124,714,997	107,432,388	162,841,673	109,075,738	271,917,411	20,280,772	4,266,944	8,514,226	16,033,490	255,883,921	240,644,009	
Marine Cargo	5,262,401	653,118	1,231,701	4,683,818	9,090,761	13,774,579	-	-	-	-	13,774,579	13,136,404	
Marine Hull	4,670,345	1,803,517	3,437,757	3,036,105	4,915,329	7,951,434	3,388,055	1,343,184	2,488,642	2,242,597	5,708,837	4,269,599	
Accident	17,663,027	8,426,354	8,988,442	17,100,939	21,054,475	38,155,414	16,641	53,114	10,400	59,355	38,096,059	28,789,408	
Aviation	2,896,221	1,328,262	1,296,003	2,928,480	21,442,698	24,371,178	2,217,938	11,163,272	3,083,466	10,297,744	14,073,434	17,894,718	
Engineering	56,373,325	29,061,745	36,501,428	48,933,642	47,054,608	95,988,250	18,480,493	6,264,451	8,257,677	16,487,267	79,500,983	81,791,509	
Total	232,424,383	165,987,993	158,887,719	239,524,657	212,633,609	452,158,266	44,383,899	23,090,965	22,354,411	45,120,453	407,037,813	386,525,647	
Treaty	647,913,888	432,298,403	395,929,012	684,283,279	294,331,094	978,614,373	2,363,024	1,086,513	1,339,190	2,110,347	976,504,026	1,017,583,557	
Grand Total	880,338,271	598,286,396	554,816,731	923,807,936	506,964,703	1,430,772,639	46,746,923	24,177,478	23,693,601	47,230,800	1,383,541,839	1,404,109,204	

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

Chairman

Chief Executive Officer

Director

Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Investment Income (Unaudited)
For the nine months period ended September 30, 2017

	<u>Three months period ended Sep 30</u>		<u>Nine months period ended Sep 30</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	Rupees	Rupees	Rupees	Rupees
Income from trading investments				
Held-for-trading	-	-	-	-
Dividend income	<u>1,867,707</u>	<u>446,656</u>	<u>7,046,985</u>	<u>6,977,549</u>
	1,867,707	446,656	7,046,985	6,977,549
Income from non-trading investments				
Held-to-maturity				
Return on Government Securities	<u>79,667,482</u>	<u>89,678,495</u>	<u>250,619,429</u>	<u>273,837,226</u>
Return on other fixed income securities and deposits	<u>19,194,614</u>	<u>24,303,129</u>	<u>63,414,164</u>	<u>82,559,021</u>
Income on treasury bills	<u>22,983,178</u>	<u>11,428,384</u>	<u>54,321,045</u>	<u>29,498,441</u>
Amortization of premium on Pakistan Investment Bond	<u>930,811</u>	<u>2,573,806</u>	<u>6,755,788</u>	<u>7,772,624</u>
	122,776,085	127,983,814	375,110,426	393,667,312
Available-for-sale				
Gain on sale of investments	<u>186,160</u>	<u>17,460</u>	<u>2,795,748,322</u>	<u>3,090,237</u>
Dividend income	<u>97,918,834</u>	<u>41,808,032</u>	<u>277,901,223</u>	<u>347,318,502</u>
	98,104,994	41,825,492	3,073,649,545	350,408,739
Gain on revaluation of investments				
Held-for-trading	<u>(15,081,886)</u>	<u>464,807</u>	<u>(19,794,550)</u>	<u>15,464,370</u>
Available-for-sale	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(15,081,886)	464,807	(19,794,550)	15,464,370
	207,666,900	170,720,769	3,436,012,406	766,517,970
Less: Investment related expenses	(5,917,627)	(3,093,026)	(11,116,081)	(9,307,502)
Net investment income	<u>201,749,273</u>	<u>167,627,743</u>	<u>3,424,896,325</u>	<u>757,210,468</u>

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

Chairman

Chief Executive Officer

Director

Director

PAKISTAN REINSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 (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 Pakistan Stock Exchange.

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 2017, PRC received returns from all general insurance companies 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, 2017 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.

Chief Financial Officer

Director

Director

Karachi October 31, 2017

Commitment To Excellence



Pakistan Reinsurance Company Limited

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