



Pakistan Reinsurance Company Limited

**QUARTERLY
ACCOUNTS**

(Un-Audited)
For the 1st Quarter ended
MARCH 31, 2011



COMMITMENT TO EXCELLENCE

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Vision

To be a leading provider of reinsurance and risk management services in the region

Mission

To provide secure reinsurance capacity and outstanding risk management advice in a profitable manner and to conduct our business in a dependable and professional manner with the highest standards of customer service.

In fulfilling this mission, PRCL is committed to:-

- Providing its clients, and particularly insurance companies in Pakistan, with comprehensive insurance, reinsurance, financial and business services of the highest quality and value.
- Maintaining financial strength and stability through prudent business decisions and sound operations based on state of the art information technology.
- Taking a long-term view of business relationships.
- Practicing the highest standards of integrity and professionalism.
- Investing continuously in knowledge required to support business decisions and long-term business strategy formulation.
- Achieving consistent, long-term financial growth and profitability for its shareholders.
- Attracting retaining and developing capable and dedicated employees who in turn contribute to the growth of the company and share its success.

Corporate Information-2011



BOARD OF DIRECTORS OF PRCL

MRS. RUKHSANA SALEEM
CHAIRPERSON

MR. JAMIL AHMAD
DIRECTOR

DR. MASUMA HASAN
DIRECTOR

MR. JAVED SYED
DIRECTOR

SYED ARSHAD ALI
DIRECTOR

MR. MUMTAZ ALI RAJPER
DIRECTOR

MR. SAIFUDDIN NOORUDDIN ZOOMKAWALA
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 PRCL BOARD-2011

AUDIT COMMITTEE

Syed Arshad Ali
Chairman of the Committee

Mr. Jamil Ahmad
Member

Mr. Mumtaz Ali Rajper
Member

Mr. Taufique Habib
Member

Mr. Shahzad F. Lodhi
Secretary of the Committee

UNDERWRITING COMMITTEE

Mrs. Rukhsana Saleem
Chairperson of the Committee

Mrs. Farzana Munaf
Member

Mr. Ayaz Hussain M. Gad
Member

Mr. Fida Hussain Samoo
Member/Secretary of the Committee

REINSRUANCE COMMITTEE

Mrs. Rukhsana Saleem
Chairperson of the Committee

Mr. Jamil Ahmad
Member

Mr. Taufique Habib
Member

Mr. Asghar Imam Khalid
Member

Mr. Ayaz Hussain M. Gad
Member

Mr. Fida Hussain Samoo
Member/Secretary of the Committee

CLAIM SETTLEMENT COMMITTEE

Mr. Sikander Mahmood
Chairman of the Committee

Mrs. Rukhsana Saleem
Member

Mrs. Farzana Munaf
Member

Mr. Ayaz Hussain M. Gad
Member

Mr. Fida Hussain Samoo
Member/Secretary of the Committee

INVESTMENT COMMITTEE

Syed Arshad Ali
Chairman of the Committee

Mrs. Rukhsana Saleem
Member

Mr. Mumtaz Ali Rajper
Member

Mr. Sikander Mahmood
Member

Mrs. Farzana Munaf
Member/Secretary of the Committee

HUMAN RESOURCE COMMITTEE

Mr. Jamil Ahmad
Chairman of the Committee

Mrs. Rukhsana Saleem
Member

Dr. Masuma Hasan
Member

Mr. Shahzad F. Lodhi
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 1st Quarter ended March 31, 2011.

Review of business activities

The financial statements for the quarter reflect the treaty business return received from all 33 insurance companies and these returns received in PRCL by due date as per the amendment made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 as well as facultative business as per record of the company.

The Financial Results of the Company indicate that the Gross Premium for the period was Rs.1,356 million, Net Premium before unearned Premium Reserve was Rs.933 million and Net Premium after accounting for the effect of Premium Reserve adjustment was Rs.823 million. The Gross Premium, Net Premium before unearned Premium Reserve and Net Premium after Premium Reserve for the corresponding period of the last year were Rs.1,583 million, Rs.733 million and Rs.651 million respectively.

The Net claims, Net Commission and Management Expenses have aggregated to Rs.716 million for the current quarter as compared to Rs.557 million for the 1st Quarter, 2010. Besides, the income from investment including rental and other income for the period were recorded at Rs.200 million as compared to Rs.178 million in the corresponding period of last year.

The profit before and after tax for the 1st Quarter ended March 31, 2011 is Rs.293 million and Rs.215 million as compared to Rs.272 million and Rs.202 million in the 1st Quarter ended March 31, 2010 showing increase of 8% and 6% 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 their Chairmen, Directors, Officers and staff for the co-operation extended by them in running the affairs of the company.

For and on behalf
of the Board of Directors

(Rukhsana Saleem)
Chairman/Chief Executive

Karachi: 29th April, 2011

Pakistan Reinsurance Company Limited
Condensed Interim Balance Sheet
As At March 31, 2011 (Unaudited)

	March 31 2011 Unaudited Rupees	December 31 2010 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	1,568,002,600	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>3,626,421,685</u>	<u>3,411,908,507</u>
Shareholders' equity	6,626,421,685	6,411,908,507
LIABILITIES		
Underwriting provisions		
- Provision for outstanding claims (including IBNR)	642,274,823	611,245,320
- Provision for unearned premium	3,232,253,561	3,453,901,862
- Commission income unearned	61,024,286	36,665,221
Total underwriting provisions	3,935,552,670	4,101,812,403
Deferred liability - employee benefits	139,139,552	140,226,394
Long term deposits	15,666,571	15,588,071
Creditors and accruals		
Amount due to other insurers/reinsurers	1,429,270,308	1,756,156,933
Premium and claim reserves retained from retrocessionaires	20,248,290	20,251,518
Other creditors and accruals	37,137,233	38,649,937
Accrued expenses	7,081,516	4,714,131
Taxation - net	74,266,786	7,485,128
Retention money payable	6,532,208	6,527,238
	<u>1,574,536,341</u>	<u>1,833,784,885</u>
Other liabilities	-	-
Dividend payable	29,913,680	30,360,697
Surplus profit payable	1,212,602	1,212,602
	<u>31,126,282</u>	<u>31,573,299</u>
Total liabilities	5,696,021,416	6,122,985,052
TOTAL EQUITY AND LIABILITIES	<u>12,322,443,101</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

Sikander Mahmood
Director

Mumtaz Ali Rajper
Director

	March 31 2011 Unaudited Rupees	December 31 2010 Audited Rupees
ASSETS		
Cash and Bank deposits		
Cash and other equivalents	79,109	67,168
Current and other accounts	1,856,201,535	788,559,085
Deposits maturing within 12 months	-	1,628,005,200
	<u>1,856,280,644</u>	<u>2,416,631,453</u>
Loans to employees	49,658,990	55,092,174
Investments	5,390,790,901	4,674,145,547
Investment properties	41,777,572	42,371,525
Deferred taxation	59,122,113	59,122,113
Current assets - others		
Amount due from other insurers/reinsurers	2,296,807,492	2,395,705,312
Premium and claim reserves retained by cedants	86,520,001	97,722,812
Accrued investment income	164,709,264	98,228,077
Sundry receivables	299,354,328	343,416,019
Prepayments	1,608,455,481	1,938,825,109
Deferred commission expense	419,140,935	365,715,655
Stock of stationery	710,442	501,725
	<u>4,875,697,943</u>	<u>5,240,114,709</u>
Fixed assets		
Tangible		
Land and building	20,784,789	21,045,055
Furniture, fixture, books and office equipment	14,480,402	13,209,323
Electrical installations, airconditioning plant and lifts	4,989,031	3,834,591
Motor vehicles	8,860,716	9,327,069
	<u>49,114,938</u>	<u>47,416,038</u>
Assets relating to Bangladesh	-	-
	-	-
TOTAL ASSETS	<u>12,322,443,101</u>	<u>12,534,893,559</u>

Pakistan Reinsurance Company Limited
Condensed Interim Profit and Loss Account
For the quarter ended March 31, 2011 (Unaudited)

Note	Facultative							Treaty	March 31, 2011 Aggregate	March 31, 2010 Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering				
----- Rupees -----										
Revenue account										
Net premium revenue	98,124,754	7,512,940	12,683,988	21,410,885	44,029,590	58,421,801	580,678,826	822,862,784	650,780,668	
Less:										
Net claims	69,412,488	498,417	67,904	6,131,168	391,152	6,914,686	396,101,138	479,516,953	357,465,408	
Expenses	1,869,660	1,264,330	412,224	1,223,808	1,413,852	945,449	44,096,621	51,225,944	50,871,477	
Net commission	18,292,656	1,493,034	2,130,284	3,035,057	162,978	(46,619)	160,613,119	185,680,509	148,251,618	
Underwriting results	8,549,950	4,257,159	10,073,576	11,020,852	42,061,608	50,608,285	(20,132,052)	106,439,378	94,192,165	
Investment income - net								184,791,234	164,004,865	
Rental income - net								13,159,958	13,828,434	
Exchange (loss) / gain								(5,336,110)	5,181,325	
Other income								1,744,982	470,403	
General and administration expenses								(7,492,821)	(5,183,154)	
								186,867,243	178,301,873	
Profit before tax								293,306,621	272,494,038	
Income tax expense										
- Current								(78,793,443)	(69,830,944)	
- Deferred								-	-	
								(78,793,443)	(69,830,944)	
Profit after tax								214,513,178	202,663,094	
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								214,513,178	202,663,094	
Balance of unappropriated profit at the end of the period								1,568,002,600	1,929,899,269	
Earnings per share - basic and diluted								0.72	0.68	

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Sikander Mahmood
Director

Mumtaz Ali Rajper
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Comprehensive Income
For the quarter ended March 31, 2011 (Unaudited)

	March 31, 2011 Rupees	March 31, 2010 Rupees
Profit for the period	214,513,178	202,663,094
Other comprehensive income	-	-
Total comprehensive income for the period	<u>214,513,178</u>	<u>202,663,094</u>

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Exectuive

Sikander Mahmood
Director

Mumtaz Ali Rajper
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Changes in Equity
For the quarter ended March 31, 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 the quarter	-	-	202,663,094	-	202,663,094	202,663,094
Transactions with owners						
Balance as at March 31, 2010	3,000,000,000	281,000,000	1,929,899,269	1,777,419,085	3,707,318,354	6,988,318,354
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 the quarter	-	-	214,513,178	-	214,513,178	214,513,178
Transactions with owners						
Balance as at March 31, 2011	3,000,000,000	281,000,000	1,568,002,600	1,777,419,085	3,345,421,685	6,626,421,685

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Sikander Mahmood
Director

Mumtaz Ali Rajper
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Cash Flows
For the quarter ended March 31, 2011 (Unaudited)

	March 31, 2011 (Rupees)	March 31, 2010 (Rupees)
Operating Cash Flows:		
Underwriting activities:-		
Premium received	1,454,864,960	1,734,406,671
Reinsurance premium paid	(755,052,830)	(1,012,401,936)
Claims paid	(455,138,529)	(417,117,221)
Reinsurance and other recoveries received	6,651,079	76,430,258
Commission paid	(262,592,324)	(230,215,004)
Commission received	47,845,600	45,137,321
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	11,199,583	(54,636,400)
Expenses paid	(51,225,944)	(50,871,477)
Net cash inflows from underwriting activities	(3,448,405)	90,732,212
Other Operating Activities		
Income tax paid	(12,011,785)	(22,043,004)
General management expenses paid	(7,492,821)	(5,183,154)
Loans disbursed-net	5,433,184	1,719,137
Other receipts/(payments) - sundry debtors	42,151,343	(70,918,013)
Other payments - staff contribution	-	-
Net cash (outflow) from other operating activities	28,079,921	(96,425,034)
Total cash inflow / (outflow) from all operating activities	24,631,516	(5,692,822)
Investment activities		
Fixed Capital expenditure	(1,104,947)	(1,389,925)
Sale proceeds of Fixed Assets		
Acquisition of investments	(1,154,337,164)	(2,388,395,288)
Rental income received - net of expenses	7,246,989	9,943,844
Dividend income received	9,774,399	10,574,704
Interest income on bank deposits	29,511,043	25,651,748
Investment income received - net of expenses	86,721,063	101,130,205
Sale proceeds of investments	437,653,309	1,935,193,366
Total cash (outflow) from investment activities	(584,535,308)	(307,291,346)
Financing activities		
Surplus paid	-	-
Dividend paid	(447,017)	(146,364)
Total cash (outflow) from financing activities	(447,017)	(146,364)
Net cash (outflow) from all activities	(560,350,809)	(313,130,532)
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	1,856,280,644	1,520,516,294

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Sikander Mahmood
Director

Mumtaz Ali Rajper
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Premium
For the quarter ended March 31, 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)	March 31, 2011	March 31, 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	226,331,026	375,572,585	411,995,348	189,908,263	99,508,953	191,853,379	199,578,823	91,783,509	98,124,754	86,693,275
Marine Cargo	5,694,496	4,665,692	2,847,248	7,512,940	-	-	-	-	7,512,940	4,731,952
Marine Hull	13,093,318	27,895,387	28,304,717	12,683,988	-	-	-	-	12,683,988	7,450,596
Accident	34,994,104	31,640,631	45,223,850	21,410,885	-	-	-	-	21,410,885	27,558,820
Aviation	(23,869,195)	1,366,338,363	932,326,496	410,142,672	(26,863,262)	1,230,172,768	837,196,424	366,113,082	44,029,590	40,698,202
Engineering	218,095,129	474,369,902	466,934,085	225,530,946	173,214,652	335,192,948	341,298,455	167,109,145	58,421,801	51,761,483
Total	474,338,878	2,280,482,560	1,887,631,744	867,189,694	245,860,343	1,757,219,095	1,378,073,702	625,005,736	242,183,958	218,894,328
Treaty	881,628,262	1,173,419,302	1,344,621,817	710,425,747	176,969,752	176,742,554	223,965,385	129,746,921	580,678,826	431,886,340
Grand Total	1,355,967,140	3,453,901,862	3,232,253,561	1,577,615,441	422,830,095	1,933,961,649	1,602,039,087	754,752,657	822,862,784	650,780,668

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Sikander Mahmood
Director

Mumtaz Ali Rajper
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Claims
For the quarter ended March 31, 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)	March 31, 2011	March 31, 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	10,186,682	385,001,070	542,085,370	167,270,982	-	203,968,099	301,826,593	97,858,494	69,412,488	16,998,113
Marine Cargo	314,462	25,744,732	25,928,687	498,417	-	-	-	-	498,417	1,182,389
Marine Hull	-	13,507,801	13,575,705	67,904	-	-	-	-	67,904	840,940
Accident	1,665,851	16,280,358	20,745,675	6,131,168	-	-	-	-	6,131,168	11,447,479
Aviation	7,011,066	62,909,789	62,782,319	6,883,596	6,616,424	60,626,073	60,502,093	6,492,444	391,152	301,588
Engineering	6,915,186	599,714,986	599,714,486	6,914,686	-	582,434,258	582,434,258	-	6,914,686	16,187,998
Total	26,093,247	1,103,158,736	1,264,832,242	187,766,753	6,616,424	847,028,430	944,762,944	104,350,938	83,415,815	46,958,507
Treaty	429,045,282	1,049,989,131	1,017,742,427	396,798,578	34,655	689,922,117	690,584,902	697,440	396,101,138	310,506,901
Grand Total	455,138,529	2,153,147,867	2,282,574,669	584,565,331	6,651,079	1,536,950,547	1,635,347,846	105,048,378	479,516,953	357,465,408

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Sikander Mahmood
Director

Mumtaz Ali Rajper
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Expenses
For the quarter ended March 31, 2011 (Unaudited)

Class	<u>Deferred Commission</u>		Net commission expense (D=A+B-C)	Other management expenses (E)	Underwriting expense (F=D+E)	<u>Commission income unearned</u>			Net commission retrocession (J=G+H-I)	March 31, 2011	March 31, 2010	
	Commission paid or payable (A)	Opening (B)				Closing (C)	Commission from reinsurers (G)	Opening (H)		Closing (I)	Aggregate	Aggregate
-----Rupees-----												
Business underwritten inside Pakistan												
Facultative												
Fire	61,874,497	57,642,937	88,071,493	31,445,941	1,869,660	33,315,601	35,835,762	18,092,704	40,775,181	13,153,285	20,162,316	19,544,705
Marine Cargo	1,127,589	929,239	563,794	1,493,034	1,264,330	2,757,364	-	-	-	-	2,757,364	2,727,977
Marine Hull	2,254,500	4,628,615	4,752,831	2,130,284	412,224	2,542,508	-	-	-	-	2,542,508	1,668,196
Accident	4,380,343	4,621,869	5,967,155	3,035,057	1,223,808	4,258,865	-	-	-	-	4,258,865	5,849,724
Aviation	833,087	1,985,333	1,771,725	1,046,695	1,413,852	2,460,547	1,121,342	1,362,662	1,600,287	883,717	1,576,830	1,404,924
Engineering	10,789,168	17,521,801	19,555,153	8,755,816	945,449	9,701,265	10,666,356	16,729,701	18,593,622	8,802,435	898,830	(577,057)
Total	81,259,184	87,329,794	120,682,151	47,906,827	7,129,323	55,036,150	47,623,460	36,185,067	60,969,090	22,839,437	32,196,713	30,618,469
Treaty	181,333,140	278,385,861	298,458,784	161,260,217	44,096,621	205,356,838	222,140	480,154	55,196	647,098	204,709,740	168,504,626
Grand Total	262,592,324	365,715,655	419,140,935	209,167,044	51,225,944	260,392,988	47,845,600	36,665,221	61,024,286	23,486,535	236,906,453	199,123,095

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Sikander Mahmood
Director

Mumtaz Ali Rajper
Director

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Investment Income
For the quarter ended March 31, 2011 (Unaudited)

	March 31, 2011	March 31, 2010
	Rupees	Rupees
Income from trading investments		
Net gain on sale of 'held-for-trading' investments	1,563,727	19,946,674
Dividend income	93,883,251	50,486,695
	<u>95,446,978</u>	<u>70,433,369</u>
Income from non-trading investments		
Held-to-maturity		
Return on Government Securities	41,009,246	34,695,374
Return on other fixed income securities and deposits	29,511,043	25,651,748
Income on treasury bills	20,242,660	34,743,610
Amortization of premium on Pakistan Investment Bond	(38,507)	(307,007)
	<u>90,724,442</u>	<u>94,783,725</u>
Net gain on sale of 'available for sale' investments	54,679	354,329
Loss on revaluation of investments		
Held-for-trading	(562,289)	(606,728)
	<u>185,663,810</u>	<u>164,964,695</u>
Less: Investment related expenses	(872,576)	(959,830)
Net investment income	<u><u>184,791,234</u></u>	<u><u>164,004,865</u></u>

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Sikander Mahmood
Director

Mumtaz Ali Rajper
Director

PAKISTAN REINSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2011 (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 2011, PRC received returns from all general insurance companies out of 33, 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 29th April, 2011 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 statements.

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Sikander Mahmood
Director

Mumtaz Ali Rajper
Director

Karachi April 29, 2011

PAKRE - Pakistan Reinsurance Company Limited

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Sindh
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