

**Financial Statement**  
**For the nine months ended**  
**30th September, 2015**  
**(Un-audited)**

Simply Secure



Pakistan Reinsurance Company Limited

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



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.

Board of Directors of PRCL

Mr. Mumtaz Ali Rajper	Director/Chairman of the Board of Directors of PRCL
Joint Secretary, Ministry of Commerce	Director
Mr. Taufique Habib	Director
Syed Arshad Ali	Director
Mr. Faisal Mumtaz	Director
Mr. Abdul Sami Kehar	Director

COMPANY SECRETARY

Mr. Shahzad F. Lodhi	Executive Director (H.R)/Company Secretary
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Audit Committee

Syed Arshad Ali	Chairman of the Committee
Mr. Abdul Sami Kehar	Member
Mr. Taufique Habib	Member
Mr. Rehmatullah Khilji	Secretary of the Committee

Risk Management Committee

Syed Arshad Ali	Chairman of the Committee
Mr. Faisal Mumtaz	Member
Mr. Mumtaz Ali Rajper	Member
Mr. Farmanullah Zarkoon (Manager Aviation)	Secretary of the Committee

The Committee will over-see underwriting, claim and reinsurance committees which will be formed after the appointment of CEO, PRCL.

Investment Committee

Mr. Abdul Sami Kehar	Chairman of the Committee
Mr. Mumtaz Ali Rajper	Member
Mr. Taufique Habib	Member
Syed Arshad Ali	Member
Mrs Farzana Munaf (ED (CFO))	Secretary of the Committee

Human Resource Committee

Mr. Mumtaz Ali Rajper	Chairman of the Committee
Mr. Faisal Mumtaz	Member
Mr. Abdul Sami Kehar	Member
Mr. Shahzad F. Lodhi (ED (HR)/Co. Secretary)	Secretary of the Committee

Nomination Committee

Mr. Taufique Habib	Chairman of the Committee
Mr. Mumtaz Ali Rajper	Member
Mr. Faisal Mumtaz	Member
Mr. Abdul Sami Kehar	Member
Mr. Shahzad F. Lodhi (ED (HR)/Co. Secretary)	Secretary of the Committee

Procurement Committee

Syed Arshad Ali	Chairman of the Committee
Mr. Faisal Mumtaz	Member
Mr. Shahzad F. Lodhi (ED (HR)/Co. Secretary)	Secretary of the Committee



### Senior Management

Mr. Shahzad F. Lodhi

Executive Director (H.R.)/Company Secretary

Mrs. Farzana Munaf

Executive Director/CFO

Mrs. Ghazala Imran

Regional Director (NZO)

### Auditors

BOD Ebrahim & Co.  
CHARTERED ACCOUNTANT  
2<sup>nd</sup> Floor, Block-C, Lakson Square,  
Building # 01, Sarwar Shaheed Road,  
Karachi – 74200

### Registered Offices

PRC Towers, 32-A, Lalazar Drive,  
M.T. Khan Road, P.O. Box: 4777,  
Karachi, Pakistan  
Tel: (92-21) 99202908-15  
Telefax: (92-21)99202920-22  
E-mail: [prcl@pakre.org.pk](mailto:prcl@pakre.org.pk)  
Website: [www.pakre.org.pk](http://www.pakre.org.pk)

### Share Registrar

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

### Zonal Office

State Life Building # 11,  
1<sup>st</sup> Floor, Davis Road,  
Lahore.

### Bankers

National Bank of Pakistan  
Bank Al-Habib Limited

# Directors' Report

for the period ended September 30, 2015

## **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, 2015.

The financial statements for the nine months ended September 30, 2015 reflect the treaty business returns received from all insurance companies and these returns were received by PRCL on or before 24.10.2015 as per the amendment made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 and facultative business closings as per record of the PRCL.

The Gross Premium for the period was Rs.5,738 million and Net Premium was Rs.3,875 million. The Gross Premium and Net Premium for the corresponding period of the last year were Rs.6,013 million and Rs.3,549 million respectively.

The Net Claims, Net Commission and Management Expenses have been aggregated to Rs.3,224 million for the nine months ended September 30, 2015 as compared to Rs.3,153 million for the nine months ended September 30, 2014.

The investment income mainly comprising of profit on government securities, fixed income securities and dividend income was Rs. 754 million as compared to Rs.830 million in the corresponding period last year.

The Profit before tax and after tax for the nine months ended September 30, 2015, was Rs.1,504 million and Rs.1,131 million as compared to Profit before tax and after tax of Rs.1,225 million and Rs.907 million respectively of the corresponding period of 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 their professional approach and guidance.

For and on behalf  
of the Board of Directors

**Chairman/Director**

Karachi: October 30, 2015.

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Balance Sheet**  
**As at September 30, 2015**

	September 30 2015	December 31 2014
Note	Unaudited Rupees	Audited Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorized Share Capital	25,000,000,000	25,000,000,000
2,500,000,000 (2014 : 2,500,000,000) Ordinary shares of Rs. 10 each)		
Issued share capital	3,000,000,000	3,000,000,000
Retained earnings	2,309,620,082	1,928,993,292
Reserve for exceptional losses	281,000,000	281,000,000
General reserve	1,777,419,085	1,777,419,085
	4,368,039,167	3,987,412,377
<b>Shareholders' equity</b>	7,368,039,167	6,987,412,377
<b>LIABILITIES</b>		
<b>Underwriting provisions</b>		
- Provision for outstanding claims (including IBNR)	3,678,411,170	3,183,398,261
- Provision for unearned premium	3,779,448,062	4,522,636,500
- Commission income unearned	26,791,145	56,386,252
<b>Total underwriting provisions</b>	7,484,650,377	7,762,421,013
<b>Deferred liability - employee benefits</b>	789,571,013	804,333,398
<b>Long term deposits</b>	12,635,025	12,484,487
<b>Creditors and accruals</b>		
Amount due to other insurers and reinsurers	1,228,105,770	1,678,642,152
Premium and claim reserves retained	19,063,742	19,063,742
Other creditors and accruals	53,698,898	39,330,163
Accrued expenses	13,812,602	24,624,664
Taxation - net	134,936,009	160,945,606
Retention money payable	6,368,183	6,368,183
	1,455,985,204	1,928,974,510
<b>Other liabilities</b>		
Dividend payable	137,923,482	124,504,179
Surplus profit payable	1,212,602	1,212,602
	139,136,084	125,716,781
<b>Total liabilities</b>	9,881,977,703	10,633,930,189
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,250,016,870</b>	<b>17,621,342,566</b>

**CONTINGENCIES AND COMMITMENT**

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

( Farzana Munaf )  
Chief Financial Officer

	September 30 2015	December 31 2014
Note	Unaudited Rupees	Audited Rupees
<b>ASSETS</b>		
<b>Cash and Bank deposits</b>		
Cash and other equivalents	76,511	47,105
Current and other accounts	2,949,474,960	2,856,323,164
Deposits maturing within 12 months	320,000,000	225,000,000
	3,269,551,471	3,081,370,269
<b>Loans to employees</b>	80,486,793	70,577,021
<b>Investments</b>		
<b>Investment properties</b>	6,423,861,148	6,650,009,640
	32,574,518	33,892,378
<b>Current assets - others</b>		
Amount due from other insurers and reinsurers	3,518,868,896	3,037,906,812
Premium and claim reserves retained by cedants	144,270,786	207,383,486
Accrued investment income	75,852,058	178,320,523
Reinsurance recoveries against outstanding claims	1,854,397,116	1,610,368,696
Deferred commission expense	611,986,761	534,955,573
Prepayments	1,099,232,216	2,074,844,772
Sundry receivables	92,625,749	90,887,275
Stock of stationery	1,851,614	1,633,635
	7,399,085,196	7,736,300,772
<b>Fixed assets</b>		
<b>Tangible</b>		
Land and building	16,599,848	17,229,629
Furniture, fixture, books and office equipment	9,151,477	10,345,885
Electrical installations, airconditioning plant and lifts	10,786,380	12,379,136
Motor vehicles	7,920,039	9,237,836
	44,457,744	49,192,486
Assets relating to Bangladesh	-	-
<b>TOTAL ASSETS</b>	<b>17,250,016,870</b>	<b>17,621,342,566</b>

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 the Chief Financial Officer.



**Pakistan Reinsurance Company Limited**  
**Condensed Interim Profit and Loss Account (Unaudited)**  
**For the three months period ended September 30, 2015**

Note	Facultative						Three months period ended Sep 30		
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	2015 Aggregate	2014 Aggregate
----- Rupees -----									
<b>Revenue account</b>									
Net premium revenue	231,343,655	9,159,932	13,793,891	46,926,796	41,938,863	128,011,972	849,342,528	1,320,517,637	1,206,858,425
Net claims	265,812,531	878,203	13,848,300	1,794,941	2,595	2,660,474	455,320,929	740,317,973	933,836,318
Expenses	21,958,017	4,722,901	3,280,475	6,545,234	7,857,014	13,851,093	64,184,864	122,399,598	99,757,062
Net commission	40,964,394	1,897,312	596,605	5,497,962	245,527	7,849,797	220,508,330	277,559,927	243,000,871
<b>Underwriting result</b>	(97,391,287)	1,661,516	(3,931,489)	33,088,659	33,833,727	103,650,608	109,328,405	180,240,139	(69,735,826)
Investment income								162,264,766	451,495,692
Rental income								11,272,439	14,000,273
Exchange gain								71,816,913	62,332,128
Other income								1,000	4,639
General and administration expenses								(9,123,865)	(6,416,834)
Value of available-for-investments- write-off								-	-
								236,231,253	521,415,898
<b>Profit/(Loss) before tax</b>								416,471,392	451,680,072
<b>Income tax expense</b>									
- Current								(103,606,971)	(50,031,810)
- Deferred								-	-
<b>Profit/(Loss) after tax</b>								(103,606,971)	(50,031,810)
								Rupees 312,864,421	401,648,262
<b>Profit and loss appropriation account</b>									
<b>Balance at the commencement of period</b>								1,996,755,661	1,268,829,986
Profit after tax for the period								312,864,421	401,648,262
Final cash dividend paid 2014: Rs.2.50 @ 25% (2013 : Rs.2.50 @25%) per share								-	-
<b>Balance of unappropriated profit at the end of the period</b>								Rupees 2,309,620,082	1,670,478,248
<b>Earnings per share - basic and diluted</b>								Rupees 1.04	1.34

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

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**Pakistan Reinsurance Company Limited**  
**Condensed Interim Profit and Loss Account (Unaudited)**  
**For the nine months period ended September 30, 2015**

Note	Facultative							Treaty	2015 Aggregate	2014 Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering				
----- Rupees -----										
<b>Revenue account</b>										
Net premium revenue	701,788,195	22,666,887	49,223,890	146,618,908	147,250,187	377,984,809	2,430,297,306	3,875,830,182	3,548,865,063	
Less:										
Net claims	583,662,210	10,814,842	12,366,371	37,869,204	732,111	82,812,919	1,244,377,475	1,972,635,132	2,071,044,444	
Expenses	83,244,793	11,350,232	9,382,052	22,158,545	25,490,209	47,666,823	244,699,672	443,992,326	382,745,666	
Net commission	120,233,972	4,671,833	2,225,046	16,918,883	876,561	16,217,686	647,347,155	808,491,136	698,601,704	
<b>Underwriting results</b>	<b>(85,352,780)</b>	<b>(4,170,020)</b>	<b>25,250,421</b>	<b>69,672,276</b>	<b>120,151,306</b>	<b>231,287,381</b>	<b>293,873,004</b>	<b>650,711,588</b>	<b>396,473,249</b>	
Investment income - net								753,768,956	829,475,847	
Rental income - net								35,194,288	40,417,260	
Exchange (loss) / gain								91,272,718	(19,452,154)	
Other income								23,034	932,372	
General and administration expenses								(26,826,233)	(22,593,855)	
Value of available-for-investments- write-off								-	-	
								853,432,763	828,779,470	
<b>Profit before tax</b>								<b>1,504,144,351</b>	<b>1,225,252,719</b>	
<b>Income tax expense</b>										
- Current								(373,517,561)	(317,751,920)	
- Deferred								-	-	
								(373,517,561)	(317,751,920)	
<b>Profit after tax</b>								<b>1,130,626,790</b>	<b>907,500,799</b>	
<b>Profit and loss appropriation account</b>										
<b>Balance at the commencement of period</b>								1,928,993,292	1,512,977,449	
Profit after tax for the period								1,130,626,790	907,500,799	
Final cash dividend paid 2014: Rs.2.50 @ 25% (2013 : Rs.2.50 @ 25% ) per share								(750,000,000)	(750,000,000)	
<b>Balance of unappropriated profit at the end of the period</b>								<b>2,309,620,082</b>	<b>1,670,478,248</b>	
<b>Earnings per share - basic and diluted</b>								<b>3.77</b>	<b>3.03</b>	

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

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**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
**For the nine months period ended September 30, 2015**

	<u>Three months period ended Sep 30</u>		<u>Nine months period ended Sep 30</u>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>Rupees</b>	Rupees	<b>Rupees</b>	Rupees
Profit for the period	<b>312,864,421</b>	401,648,262	<b>1,130,626,790</b>	907,500,799
Other comprehensive income				
Remeasurement of defined benefit obligations - net	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>312,864,421</b>	401,648,262	<b>1,130,626,790</b>	907,500,799

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

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**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Changes in Equity (Unaudited)**  
For the nine months period ended September 30, 2015

	Share capital	Reserves			Total	
	Issued subscribed and paid-up	Reserve for exceptional losses	Revenue reserves	Total reserves		
			Retained earnings	General reserve		
	Rupees					
<b>Balance as at January 01, 2014</b>	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 September 30, 2014	-	-	907,500,799	-	907,500,799	907,500,799
<b>Transactions with owners</b>						
Final cash dividend 2013: Rs.2.50 @ 25% (2012 : Rs.2.50 @25% ) per share		-	(750,000,000)	-	(750,000,000)	(750,000,000)
<b>Balance as at September 30, 2014</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,670,478,248</b>	<b>1,777,419,085</b>	<b>3,454,047,174</b>	<b>6,735,047,174</b>
<b>Balance as at January 01, 2015</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,928,993,292</b>	<b>1,777,419,085</b>	<b>3,712,562,221</b>	<b>6,993,562,221</b>
Total Comprehensive income for the period ended September 30, 2015	-	-	1,130,626,790	-	1,130,626,790	1,130,626,790
<b>Transactions with owners</b>						
Final cash dividend 2014: Rs.2.50 @ 25% (2013 : Rs.2.50 @25% ) per share	-	-	(750,000,000)	-	(750,000,000)	(750,000,000)
<b>Balance as at September 30, 2015</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>2,309,620,082</b>	<b>1,777,419,085</b>	<b>4,093,189,011</b>	<b>7,374,189,011</b>

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

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**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
For the nine months period ended September 30, 2015

	2015 (Rupees)	2014 (Rupees)
<b>Operating Cash Flows:</b>		
<b>Underwriting activities:-</b>		
Premium received	5,257,296,472	6,053,232,740
Reinsurance premium paid	(1,987,689,289)	(2,423,825,979)
Claims paid	(2,721,216,302)	(2,170,538,042)
Reinsurance and other recoveries received	999,565,659	546,696,088
Commission paid	(963,931,248)	(877,864,866)
Commission received	48,813,817	85,543,300
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	63,112,700	(125,621,647)
Expenses paid	(443,992,326)	(382,745,666)
<b>Net cash inflows from underwriting activities</b>	<b>251,959,483</b>	<b>704,875,928</b>
<b>Other Operating Activities</b>		
Income tax paid	(399,527,158)	(288,875,616)
General management expenses paid	(26,826,233)	(22,593,855)
Loans disbursed-net	(9,909,772)	(4,798,085)
Other receipts/(payments) - sundry debtors	(14,590,258)	(147,888,066)
Net cash (outflow) from other operating activities	<b>(450,853,421)</b>	<b>(464,155,622)</b>
<b>Total cash inflow / (outflow) from all operating activities</b>	<b>(198,893,938)</b>	<b>240,720,306</b>
<b>Investment activities</b>		
Fixed Capital expenditure	4,239,882	5,046,377
Sale proceeds of Fixed Assets	1,812,720	1,812,720
Acquisition of investments	(2,317,231,454)	(4,551,020,075)
Sale proceeds of investments	2,545,747,084	4,339,099,913
Rental income received - net of expenses	44,182,758	46,386,718
Dividend income received	294,496,611	251,241,921
Interest income on bank deposits	103,253,454	105,222,700
Investment income received - net of expenses	447,154,782	449,585,826
<b>Total cash (outflow) from investment activities</b>	<b>1,123,655,837</b>	<b>647,376,100</b>
<b>Financing activities</b>		
Surplus paid	-	-
Dividend paid	(736,580,697)	(655,525,936)
<b>Total cash (outflow) from financing activities</b>	<b>(736,580,697)</b>	<b>(655,525,936)</b>
<b>Net cash (outflow) from all activities</b>	<b>188,181,202</b>	<b>232,570,470</b>
Cash and cash equivalents at beginning of the year	3,081,370,269	2,706,379,444
<b>Cash and cash equivalents at end of the period</b>	<b>3,269,551,471</b>	<b>2,938,949,914</b>

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

(Farzana Munaf)

Chief Financial Officer

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 the Chief Financial Officer.

	<b>2015</b> <b>(Rupees)</b>	<b>2014</b> <b>(Rupees)</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	(198,893,938)	240,720,306
Depreciation expense		
-Investment property	(899,841)	(476,330)
-Fixed assets	(5,453,251)	(6,765,625)
Exchange gain	91,272,718	(19,452,154)
Rental income - net	35,194,288	40,417,260
Change for deferred liability - employee benefits	14,762,385	(66,541,236)
Investment income	753,768,956	829,475,847
Provision for outstanding claims	(250,984,489)	(447,202,490)
Provision for unearned premium	743,188,438	414,269,755
Prepaid reinsurance	(977,191,187)	(345,300,676)
(Decrease)/ Increase in operating assets other than cash	431,294,240	241,325,400
Decrease/ (Increase) in operating liabilities	468,558,874	55,907,046
	<u>1,104,617,193</u>	<u>936,377,103</u>
<b>Other adjustments:</b>		
Income tax paid	<u>399,527,158</u>	<u>288,875,616</u>
	399,527,158	288,875,616
Profit/ (Loss) before taxation	<u>1,504,144,351</u>	<u>1,225,252,719</u>
Provision for taxation	<u>(373,517,561)</u>	<u>(317,751,920)</u>
<b>Profit/(Loss) after taxation</b>	<u><i>Rupees</i> 1,130,626,790</u>	<u>907,500,799</u>

#### **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	76,511	50,817
Current and other accounts	2,949,474,960	2,713,899,097
Deposit maturing within 12 months	320,000,000	225,000,000
	<u><i>Rupees</i> 3,269,551,471</u>	<u>2,938,949,914</u>

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

( Farzana Munaf )

Chief Financial Officer

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 the Chief Financial Officer.

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Premium (Unaudited)  
For the three months period ended September 30, 2015

Class	Premium Written (A)	<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)	<u>Three months period ended Sep 30</u>	
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		2015	2014
									Aggregate Net Premium revenue (I=D-H)	Aggregate Net Premium revenue
-----R u p e e s-----										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	529,089,820	734,035,240	851,090,375	412,034,685	42,190,582	401,539,455	263,039,007	180,691,030	231,343,655	232,030,320
Marine Cargo	10,525,198	3,897,333	5,262,599	9,159,932	-	-	-	-	9,159,932	10,093,205
Marine Hull	14,295,929	72,188,166	54,984,668	31,499,427	5,957,974	42,744,442	30,996,880	17,705,536	13,793,891	17,433,738
Accident	42,698,826	94,545,809	88,265,914	48,978,721	-	5,129,814	3,077,889	2,051,925	46,926,796	42,805,664
Aviation	96,158,460	415,068,923	224,078,568	287,148,815	90,473,635	351,496,335	196,760,018	245,209,952	41,938,863	46,219,474
Engineering	192,310,211	660,707,843	530,641,769	322,376,285	56,749,504	420,722,148	283,107,339	194,364,313	128,011,972	107,647,208
<b>Total</b>	<b>885,078,444</b>	<b>1,980,443,314</b>	<b>1,754,323,893</b>	<b>1,111,197,865</b>	<b>195,371,695</b>	<b>1,221,632,194</b>	<b>776,981,133</b>	<b>640,022,756</b>	<b>471,175,109</b>	<b>456,229,609</b>
<b>Treaty</b>	<b>1,235,264,452</b>	<b>1,813,539,157</b>	<b>2,025,124,169</b>	<b>1,023,679,440</b>	<b>226,622,896</b>	<b>265,163,190</b>	<b>317,449,174</b>	<b>174,336,912</b>	<b>849,342,528</b>	<b>750,628,816</b>
<b>Grand Total</b>	<b>2,120,342,896</b>	<b>3,793,982,471</b>	<b>3,779,448,062</b>	<b>2,134,877,305</b>	<b>421,994,591</b>	<b>1,486,795,384</b>	<b>1,094,430,307</b>	<b>814,359,668</b>	<b>1,320,517,637</b>	<b>1,206,858,425</b>

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

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Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Premium (Unaudited)  
For the nine months period ended September 30, 2015

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)	2015	2014
	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	1,338,258,445	777,880,731	851,090,375	1,265,048,801	556,975,326	269,324,287	263,039,007	563,260,606	701,788,195	636,096,924
Marine Cargo	24,792,249	3,137,237	5,262,599	22,666,887	-	-	-	-	22,666,887	47,943,808
Marine Hull	100,857,659	65,486,533	54,984,668	111,359,524	59,680,336	33,452,178	30,996,880	62,135,634	49,223,890	52,343,073
Accident	133,864,257	106,150,379	88,265,914	151,748,722	8,207,703	-	3,077,889	5,129,814	146,618,908	119,394,299
Aviation	130,561,948	975,634,961	224,078,568	882,118,341	110,208,706	821,419,466	196,760,018	734,868,154	147,250,187	117,294,853
Engineering	736,905,442	803,354,282	530,641,769	1,009,617,955	399,253,308	515,487,177	283,107,339	631,633,146	377,984,809	305,041,111
<b>Total</b>	<b>2,465,240,000</b>	<b>2,731,644,123</b>	<b>1,754,323,893</b>	<b>3,442,560,230</b>	<b>1,134,325,379</b>	<b>1,639,683,108</b>	<b>776,981,133</b>	<b>1,997,027,354</b>	<b>1,445,532,876</b>	<b>1,278,114,068</b>
<b>Treaty</b>	<b>3,273,018,556</b>	<b>1,790,992,377</b>	<b>2,025,124,169</b>	<b>3,038,886,764</b>	<b>494,100,246</b>	<b>431,938,386</b>	<b>317,449,174</b>	<b>608,589,458</b>	<b>2,430,297,306</b>	<b>2,270,750,995</b>
<b>Grand Total</b>	<b>5,738,258,556</b>	<b>4,522,636,500</b>	<b>3,779,448,062</b>	<b>6,481,446,994</b>	<b>1,628,425,625</b>	<b>2,071,621,494</b>	<b>1,094,430,307</b>	<b>2,605,616,812</b>	<b>3,875,830,182</b>	<b>3,548,865,063</b>

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

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Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Claims (Unaudited)  
For the three months period ended September 30, 2015

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)		2015 Aggregate	2014 Aggregate
									Net claim expenses (I=D-H)	Net claim expenses
<b>R u p e e s</b>										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	71,903,636	1,358,509,262	1,399,074,407	112,468,781	-	690,181,849	536,838,099	(153,343,750)	265,812,531	408,619,953
Marine Cargo	1,073,087	36,474,253	36,279,369	878,203	-	-	-	-	878,203	3,463,117
Marine Hull	3,601,328	35,109,448	58,038,296	26,530,176	1,446,925	3,521,809	14,756,760	12,681,876	13,848,300	(6,177,531)
Accident	2,453,509	152,630,267	151,971,699	1,794,941	-	-	-	-	1,794,941	10,638,450
Aviation	2,595	593,313,112	593,313,112	2,595	-	526,890,597	526,890,597	-	2,595	23,038,518
Engineering	1,162,364	96,578,199	98,076,309	2,660,474	-	-	-	-	2,660,474	7,536,083
<b>Total</b>	<b>80,196,519</b>	<b>2,272,614,541</b>	<b>2,336,753,192</b>	<b>144,335,170</b>	<b>1,446,925</b>	<b>1,220,594,255</b>	<b>1,078,485,456</b>	<b>(140,661,874)</b>	<b>284,997,044</b>	<b>447,118,590</b>
<b>Treaty</b>	<b>443,967,944</b>	<b>1,304,724,442</b>	<b>1,346,609,978</b>	<b>485,853,480</b>	<b>5,414,472</b>	<b>750,793,581</b>	<b>775,911,660</b>	<b>30,532,551</b>	<b>455,320,929</b>	<b>486,717,728</b>
<b>Grand Total</b>	<b>524,164,463</b>	<b>3,577,338,983</b>	<b>3,683,363,170</b>	<b>630,188,650</b>	<b>6,861,397</b>	<b>1,971,387,836</b>	<b>1,854,397,116</b>	<b>(110,129,323)</b>	<b>740,317,973</b>	<b>933,836,318</b>

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

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Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Claims (Unaudited)  
For the nine months period ended September 30, 2015

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)	2015	2014
		Opening	Closing			Aggregate	Aggregate			
		(B)	(C)			Net claim expenses (I=D-H)				
<b>R u p e e s</b>										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	1,168,009,848	767,583,691	1,399,074,407	1,799,500,564	815,468,354	136,468,099	536,838,099	1,215,838,354	583,662,210	563,017,633
Marine Cargo	4,492,495	29,957,022	36,279,369	10,814,842	-	-	-	-	10,814,842	13,492,958
Marine Hull	4,922,037	33,884,876	58,038,296	29,075,457	1,992,464	40,138	14,756,760	16,709,086	12,366,371	(10,493,224)
Accident	8,509,076	122,611,571	151,971,699	37,869,204	-	-	-	-	37,869,204	41,041,278
Aviation	2,595	585,936,620	593,313,112	7,379,087	-	520,243,621	526,890,597	6,646,976	732,111	55,257,466
Engineering	50,811,644	146,958,529	98,076,309	1,929,424	-	80,883,495	-	(80,883,495)	82,812,919	40,969,250
<b>Total</b>	<b>1,236,747,695</b>	<b>1,686,932,309</b>	<b>2,336,753,192</b>	<b>1,886,568,578</b>	<b>817,460,818</b>	<b>737,635,353</b>	<b>1,078,485,456</b>	<b>1,158,310,921</b>	<b>728,257,657</b>	<b>703,285,361</b>
<b>Treaty</b>	1,484,468,607	1,501,417,952	1,346,609,978	1,329,660,633	182,104,841	872,733,343	775,911,660	85,283,158	1,244,377,475	1,367,759,083
<b>Grand Total</b>	<b>2,721,216,302</b>	<b>3,188,350,261</b>	<b>3,683,363,170</b>	<b>3,216,229,211</b>	<b>999,565,659</b>	<b>1,610,368,696</b>	<b>1,854,397,116</b>	<b>1,243,594,079</b>	<b>1,972,635,132</b>	<b>2,071,044,444</b>

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

( Farzana Munaf )  
Chief Financial Officer

Director

Director

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Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Expenses (Unaudited)  
For the three months period ended September 30, 2015

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)	Three months period ended	
	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 -----												
<b>Business underwritten inside Pakistan</b>												
<b>Facultative</b>												
Fire	96,844,119	74,818,723	121,895,912	49,766,930	21,958,017	71,724,947	1,148,282	19,081,370	11,427,116	8,802,536	62,922,411	52,609,217
Marine Cargo	2,113,271	840,677	1,056,636	1,897,312	4,722,901	6,620,213	-	-	-	-	6,620,213	5,194,249
Marine Hull	1,897,128	7,275,558	5,743,174	3,429,512	3,280,475	6,709,987	1,340,544	6,339,448	4,847,085	2,832,907	3,877,080	3,098,151
Accident	4,970,939	10,738,720	10,160,398	5,549,261	6,545,234	12,094,495	-	128,246	76,947	51,299	12,043,196	10,694,933
Aviation	895,366	967,674	1,265,154	597,886	7,857,014	8,454,900	-	886,677	534,318	352,359	8,102,541	6,646,108
Engineering	8,188,809	37,479,141	27,782,441	17,885,509	13,851,093	31,736,602	838,483	18,552,715	9,355,486	10,035,712	21,700,890	11,574,985
<b>Total</b>	<b>114,909,632</b>	<b>132,120,493</b>	<b>167,903,715</b>	<b>79,126,410</b>	<b>58,214,734</b>	<b>137,341,144</b>	<b>3,327,309</b>	<b>44,988,456</b>	<b>26,240,952</b>	<b>22,074,813</b>	<b>115,266,331</b>	<b>89,817,643</b>
<b>Treaty</b>	<b>266,995,719</b>	<b>397,958,068</b>	<b>444,083,046</b>	<b>220,870,741</b>	<b>64,184,864</b>	<b>285,055,605</b>	<b>1,069,775</b>	<b>(157,171)</b>	<b>550,193</b>	<b>362,411</b>	<b>284,693,194</b>	<b>252,940,290</b>
<b>Grand Total</b>	<b>381,905,351</b>	<b>530,078,561</b>	<b>611,986,761</b>	<b>299,997,151</b>	<b>122,399,598</b>	<b>422,396,749</b>	<b>4,397,084</b>	<b>44,831,285</b>	<b>26,791,145</b>	<b>22,437,224</b>	<b>399,959,525</b>	<b>342,757,933</b>

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( Farzana Munaf )  
Chief Financial Officer

Director

Director

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Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Expenses (Unaudited)  
For the nine months period ended September 30, 2015

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)	2015	2014
	Commission paid or payable (A)	Opening (B)	Closing (C)					Opening (H)	Closing (I)		Aggregate	Aggregate
-----R u p e e s-----												
<b>Business underwritten inside Pakistan</b>												
<b>Facultative</b>												
Fire	166,716,665	104,189,543	121,895,912	149,010,296	83,244,793	232,255,089	26,470,452	13,732,988	11,427,116	28,776,324	203,478,765	151,434,134
Marine Cargo	5,050,053	678,416	1,056,636	4,671,833	11,350,232	16,022,065	-	-	-	-	16,022,065	23,959,485
Marine Hull	10,102,689	7,977,119	5,743,174	12,336,634	9,382,052	21,718,686	8,996,600	5,962,073	4,847,085	10,111,588	11,607,098	10,624,824
Accident	15,412,680	11,794,847	10,160,398	17,047,129	22,158,545	39,205,674	205,193	-	76,947	128,246	39,077,428	33,123,606
Aviation	1,641,054	1,582,688	1,265,154	1,958,588	25,490,209	27,448,797	1,130,044	486,301	534,318	1,082,027	26,366,770	20,818,857
Engineering	40,408,725	40,159,187	27,782,441	52,785,471	47,666,823	100,452,294	12,120,625	33,802,646	9,355,486	36,567,785	63,884,509	40,417,972
<b>Total</b>	<b>239,331,866</b>	<b>166,381,800</b>	<b>167,903,715</b>	<b>237,809,951</b>	<b>199,292,654</b>	<b>437,102,605</b>	<b>48,922,914</b>	<b>53,984,008</b>	<b>26,240,952</b>	<b>76,665,970</b>	<b>360,436,635</b>	<b>280,378,878</b>
<b>Treaty</b>	<b>724,599,382</b>	<b>368,573,773</b>	<b>444,083,046</b>	<b>649,090,109</b>	<b>244,699,672</b>	<b>893,789,781</b>	<b>(109,097)</b>	<b>2,402,244</b>	<b>550,193</b>	<b>1,742,954</b>	<b>892,046,827</b>	<b>800,968,492</b>
<b>Grand Total</b>	<b>963,931,248</b>	<b>534,955,573</b>	<b>611,986,761</b>	<b>886,900,060</b>	<b>443,992,326</b>	<b>1,330,892,386</b>	<b>48,813,817</b>	<b>56,386,252</b>	<b>26,791,145</b>	<b>78,408,924</b>	<b>1,252,483,462</b>	<b>1,081,347,370</b>

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

( Farzana Munaf )  
Chief Financial Officer

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 the Chief Financial Officer.

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Investment Income (Unaudited)**  
**For the nine months period ended September 30, 2015**

	<u>Three months period ended Sep 30</u>		<u>Nine months period ended Sep 30</u>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>Rupees</b>	Rupees	<b>Rupees</b>	Rupees
<b>Income from trading investments</b>				
Held-for-trading	-	-	-	-
Dividend income	<b>2,287,033</b>	1,098,500	<b>7,143,362</b>	4,078,575
	<b>2,287,033</b>	1,098,500	<b>7,143,362</b>	4,078,575
<b>Income from non-trading investments</b>				
<b>Held-to-maturity</b>				
Return on Government Securities	<b>100,221,437</b>	63,040,757	<b>287,096,586</b>	248,908,453
Return on other fixed income securities and deposits	<b>32,958,915</b>	31,182,946	<b>103,253,454</b>	105,222,700
Income on treasury bills	<b>13,046,165</b>	29,339,686	<b>52,507,948</b>	85,026,712
Amortization of premium on Pakistan Investment Bond	<b>835,168</b>	423,065	<b>2,367,138</b>	2,678,201
	<b>147,061,685</b>	123,986,454	<b>445,225,126</b>	441,836,066
<b>Available-for-sale</b>				
Gain on sale of investments	<b>5,900</b>	-	<b>5,900</b>	2,068,812
Dividend income	<b>17,052,081</b>	330,867,468	<b>300,602,499</b>	384,626,770
	<b>17,057,981</b>	330,867,468	<b>300,608,399</b>	386,695,582
<b>Gain on revaluation of investments</b>				
Held-for-trading	<b>(1,003,813)</b>	(2,438,968)	<b>7,375,490</b>	2,387,166
	<b>165,402,886</b>	453,513,454	<b>760,352,377</b>	834,997,389
<b>Less: Investment related expenses</b>	<b>(3,138,120)</b>	(2,017,762)	<b>(6,583,421)</b>	(5,521,542)
<b>Net investment income</b>	<b>162,264,766</b>	451,495,692	<b>753,768,956</b>	829,475,847

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

( Farzana Munaf )  
Chief Financial Officer

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 the Chief Financial Officer.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 (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 at 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 1<sup>st</sup> & 3<sup>rd</sup> Quarters.

For the 3<sup>rd</sup> Quarter, 2015, 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 30<sup>th</sup> October, 2015 by the Board of Directors of the Company.

**5. Corresponding Figure**

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

(Director)

(Director)

Karachi October 30, 2015

Simply Secure



**Pakistan Reinsurance Company Limited**

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