



Quarterly Accounts

(Un-Audited)

**For the 1st Quarter ended
March 31, 2009**



Pakistan Reinsurance Company Limited

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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

BOARD OF DIRECTORS

MRS. RUKHSANA SALEEM
CHAIRPERSON

MR. FAZAL-I-QADAR
DIRECTOR

MR. SIKANDAR HAYAT JAMALI
DIRECTOR

MR. SHAMIM AHMED KHAN
DIRECTOR

SYED ARSHAD ALI
DIRECTOR

MR. JAVED SYED
DIRECTOR

MR. SAIFUDDIN NOORUDDIN
ZOOMKAWALA
DIRECTOR

MR. ALI JEHangIR SIDDIQUI
DIRECTOR

MR. MUNAF IBRAHIM
ALTERNATE DIRECTOR

MR. ABDUL HAMID DAGIA
DIRECTOR

COMPANY SECRETARY

MR. SHAHZAD F. LODHI

AUDIT COMMITTEE

MR. ABDUL HAMID DAGIA
CHAIRMAN

MR. FAZAL-I-QADAR
MEMBER

SYED ARSHAD ALI
MEMBER

MR. SHAHZAD F. LODHI
Secretary of the Committee

UNDERWRITING COMMITTEE

Mrs. Rukhsana Saleem
Chairperson

Mrs. Farzana Munaf, CFO
Member

Mr. Ayaz Hussain M. Gad, ED(BD)
Member

Mr. FIDA Hussain Samoo, ED(Re)
Member/Secretary of the
Committee

REINSURANCE COMMITTEE

Mrs. Rukhsana Saleem
Chairperson

Mr. Asghar Imam Khalid, CIA
Member

Mr. Ayaz Hussain M. Gad, ED(BD)
Member

Mr. FIDA Hussain Samoo, ED(Re)
Member/Secretary of the
Committee

CLAIM SETTLEMENT COMMITTEE

Mr. Javed Syed
Chairman

Mrs. Rukhsana Saleem
Member

Mr. Ayaz Hussain M. Gad, ED(BD)
Member

Mr. FIDA Hussain Samoo, ED(Re)
Member/Secretary of the
Committee

INVESTMENT COMMITTEE

Syed Arshad Ali
Chairman

Mr. Munaf Ibrahim
Member

Mr. Sikandar Hayat Jamali
Member

Mrs. Rukhsana Saleem
Member

Mrs. Farzana Munaf, CFO
Member/Secretary of the
Committee

HUMAN RESOURCE COMMITTEE

Mr. Javed Syed
Chairman

Mr. Sikandar Hayat Jamali
Member

Mrs. Rukhsana Saleem
Member

Mr. Shahzad F. Lodhi,
Manager(Estt.)/Secretary

Member/Secretary of the
Committee

LEGAL ADVISORS

Mr. Yasir A. Shah

Mr. Ali Mumtaz Shaikh of
M/s. Mumtaz and Associates

BANKERS

National Bank of Pakistan
Bank Al-Habib Limited

REGISTERED OFFICES

PRC Towers, 32-A, Lalazar Drive,
M.T. Khan Road, P.O. Box: 4777,
Karachi Pakistan
Tel: (92-21) -9202908-15
Telex: 20428 PAKRE PK,
Telefax: (92-21) -9202920-22
Email: prcl@pakre.org.pk
Website: www.pakre.org.pk

Zonal Office

17-A/1, Block E-1, Gulberg-III,
Lahore.

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, 2009.

Review of business activities

The financial statements for the quarter reflect the treaty business return received from thirty one insurance companies out of thirty six, all these returns received in PRCL by 28th April, 2009 as per the amendment made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 as well as facultative business as per record of the company. The companies from whom the returns have not been received till the time of finalization of Accounts are Crescent Star Insurance Company, North Star Insurance Company, Reliance Insurance Company, Credit Insurance Company and United Insurance Company.

The Financial Results of the Company indicate that the Gross Premium for the period was Rs. 1,131 million, Net Premium before unearned Premium Reserve was Rs. 620 million and Net Premium after accounting for the effect of Premium Reserve adjustment was Rs. 486 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. 837 million, Rs. 498 million and Rs. 487 million respectively.

The Net claims, Net Commission and Management Expenses have aggregated to Rs. 401 million for the current quarter as compared to Rs. 434 million for the 1st Quarter, 2008.

At 31st December, 2008, fall in the value of investments classified as available for sale was Rs. 2,650 million which was considered as temporary and accordingly not recognized in annual financial statements for the year ended 31st December, 2008 in view of the exemption available under circular no.3/2009 dated 16th February, 2009 issued by Securities and Exchange Commission of Pakistan (SECP).

Moreover, as per the said circular, fall in the value of available for sale investments as at 31st December, 2008 (considered as temporary) is required to be recognized for impairment on quarterly basis (twenty five percent in each quarter) after any adjustment /effect for price movements during each quarter through profit and loss account during the calendar year ending 31st December 2009, Accordingly, the fall in value of Rs. 562 million has been recognized in these quarterly financial statements.

Net Profit before tax and after tax for the 1st Quarter, 2009, before recognition of impairment loss of Rs. 562 million as explained above, would have been Rs. 225 million and Rs. 151 million respectively as compared to net profit before tax and after tax of Rs. 213 million and Rs. 166 million for the corresponding period of the last year. However, the profits for the current quarter after recognition of impairment loss were converted into net loss before tax and after tax for Rs. 337 million and Rs. 411 million respectively.

The management is taking steps and making all our 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)
Chairperson

Karachi: May 7, 2009

Balance Sheet (unaudited)

As At March 31, 2009

Note	Mar 31, 2009 Rupees	Mar 31, 2008 Rupees (Restated)
Share capital and reserves		
Authorized Share Capital 2,500,000,000 Ordinary shares of Rs. 10 each (2007:400,000,000 ordinary shares of Rs. 10 each)	25,000,000,000	25,000,000,000
Paid up share capital	3,000,000,000	3,000,000,000
Retained earnings	1,796,128,355	2,207,325,305
Exceptional Losses Reserve	281,000,000	281,000,000
General Reserve	1,777,419,085	1,777,419,085
	3,854,547,440	4,265,744,390
	6,854,547,440	7,265,744,390
Underwriting provisions		
- Provision for outstanding claims (including IBNR)	807,885,509	886,971,628
- Provision for unearned premium	2,631,514,947	2,719,013,239
- Commission income unearned	37,314,556	28,967,567
Total underwriting provisions	3,476,715,012	3,634,952,434
Deferred liability - Employee benefits	94,652,000	94,652,000
Long term deposits	18,703,432	18,492,361
Creditors and accruals		
Amount due to other persons and bodies carrying on insurance business	749,323,016	1,237,841,171
Premium and claim reserves retained from retrocessionaires	35,560,168	35,883,859
Other creditors and accruals	53,772,027	65,367,624
Taxation - Provision less payments	210,714,633	163,273,005
Retention money payable	6,413,383	6,413,383
	1,055,783,227	1,508,779,042
Other liabilities		
Dividend payable	4,625,108	4,625,108
Surplus profit payable	1,213,842	1,213,842
	5,838,950	5,838,950
Total liabilities	4,651,692,621	5,262,714,787
Total equity and liabilities	11,506,240,061	12,528,459,177
CONTINGENCIES	Rupees	

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

	Note	Mar 31, 2009 Rupees	Mar 31, 2008 Rupees
Cash and Bank deposits			
Cash and other equivalents		26,661	40,567
Cash in bank accounts		2,644,863,826	789,891,017
Deposits maturing within 12 months		101,700,000	2,046,700,000
		2,746,590,487	2,836,631,584
Loans - Secured and unsecured (considered good)			
- to employees		51,187,291	53,006,109
Investments			
Investment properties		5,109,265,172	5,458,934,939
Deferred taxation		47,051,866	47,753,289
		151,660,579	151,660,579
Other assets			
Amount due from persons and bodies carrying on insurance business		1,138,109,111	1,539,015,089
Premium and claim reserves retained by cedants		47,636,331	45,822,333
Accrued investment income		59,866,727	52,601,260
Sundry receivables		220,281,441	205,100,973
Prepaid reinsurance ceded		1,612,753,611	1,834,148,187
Deferred commission expense		280,661,203	262,891,638
Stock of stationery		330,218	224,511
		3,359,638,642	3,939,803,991
Fixed assets			
Tangible			
Land and building		23,361,627	22,849,153
Furniture, fixture, books and office equipment		13,967,564	14,117,603
Motor vehicles		3,516,833	3,701,930
		40,846,024	40,668,686
Assets relating to Bangladesh		-	-
		-	-
Total assets	Rupees	11,506,240,061	12,528,459,177

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Mr. Abdul Hamid Dagia
Director

Syed Arshad Ali
Director

Profit and Loss Account (unaudited)

For the Quarter ended March 31, 2009

Note	Facultative							Mar 31, 2009	Mar 31, 2008
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty		
	Rupees								(Restated)
Revenue account									
Net premium revenue	90,258,287	6,696,715	10,221,920	10,759,158	21,632,855	49,110,358	297,011,535	485,690,828	486,718,123
Net claims	(73,524,585)	(3,322,769)	(786,667)	1,800,546	2,823,114	4,543,595	297,218,507	228,751,741	284,555,932
Expenses	1,437,634	1,061,490	415,052	1,230,097	969,776	1,081,134	35,455,785	41,650,968	34,476,583
Net commission	20,172,610	1,093,698	1,620,860	1,392,594	(200,381)	1,732,875	104,303,578	130,115,834	114,834,665
Underwriting result	142,172,628	7,864,296	8,972,675	6,335,921	18,040,346	41,752,754	(139,966,335)	85,172,285	52,850,943
Investment income - net								118,154,355	157,683,046
Rental income - net								13,529,587	9,590,737
Exchange (loss)/gain								11,882,757	1,256,845
Other income								826,136	2,822,321
General and administration expenses								(4,572,128)	(7,985,409)
Provision for workers welfare fund								-	-
Impairment in the value of investment								(562,469,912)	-
								(422,649,205)	163,367,540
Profit before tax								(337,476,920)	216,218,483
Taxation - Current								73,720,030	47,536,000
- Deferred								-	-
Profit after tax								73,720,030	47,536,000
								(411,196,950)	168,682,483
Profit and loss appropriation account									
Balance at the commencement of year								3,949,781,889	3,781,099,406
Profit after tax for the quarter								(411,196,950)	168,682,483
Balance of unappropriated profit at the end of quarter								3,538,584,939	3,949,781,889
Basic and diluted earning per share of Rs. 10 each								(1.37)	0.56

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Mr. Abdul Hamid Dagia
Director

Syed Arshad Ali
Director

Statement of Premiums (unaudited)

For the Quarter ended March 31, 2009

Class	Premium Written (A)	Unearned premium reserve		Premium earned (D=A+B-C)	Re-insurance Ceded (E)	Prepaid Reinsurance Premium ceded		Re-insurance expense (H=E+F-G)	Mar 31, 2009	Mar 31, 2008
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		Net Premium revenue (I=D-H)	Net Premium revenue (Restated)
Rupees										
Business underwritten inside Pakistan										
Facultative										
Fire	261,673,836	357,297,525	444,930,103	174,041,258	201,155,013	132,904,991	250,277,033	83,782,971	90,258,287	65,638,809
Marine Cargo	2,992,993	7,403,730	1,496,496	8,900,227	-	2,203,512	-	2,203,512	6,696,715	9,097,010
Marine Hull	4,803,394	21,509,324	16,090,798	10,221,920	-	-	-	-	10,221,920	6,165,194
Accident	8,887,572	27,411,911	25,540,325	10,759,158	-	-	-	-	10,759,158	10,244,833
Aviation	37,935,269	1,097,006,029	814,102,943	320,838,355	32,141,431	1,027,041,783	759,977,714	299,205,500	21,632,855	15,616,374
Engineering	137,498,860	467,648,684	421,045,126	184,102,418	107,746,402	329,535,667	302,290,009	134,992,060	49,110,358	40,326,846
Total	453,791,924	1,978,277,203	1,723,205,791	708,863,336	341,042,846	1,491,685,953	1,312,544,756	520,184,043	188,679,293	147,089,066
Treaty	677,001,068	740,736,036	908,309,156	509,427,948	170,163,034	342,462,234	300,208,855	212,416,413	297,011,535	339,629,057
Grand Total Rupees	1,130,792,992	2,719,013,239	2,631,514,947	1,218,291,284	511,205,880	1,834,148,187	1,612,753,611	732,600,456	485,690,828	486,718,123

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Mr. Abdul Hamid Dagia
Director

Syed Arshad Ali
Director

Statement of Claims (unaudited)

For the Quarter ended March 31, 2009

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)	Mar 31, 2009	Mar 31, 2008
		Opening	Closing			Net claim expenses	Net claim expenses			
		(B)	(C)			(I=D-H)				
Rupees										
Business underwritten inside Pakistan										
Facultative										
Fire	53,613,963	326,347,222	199,208,674	(73,524,585)	-	68,968,099	68,968,099	-	(73,524,585)	(4,683,479)
Marine Cargo	1,980,479	15,055,036	9,751,788	(3,322,769)	-	251,850	251,850	-	(3,322,769)	7,522,852
Marine Hull	-	11,316,839	10,530,172	(786,667)	-	-	-	-	(786,667)	(6,313)
Accident	1,590,618	7,158,817	7,368,745	1,800,546	-	-	-	-	1,800,546	(998,927)
Aviation	171,794,968	173,980,107	67,954,296	65,769,157	165,719,460	168,337,024	65,563,607	62,946,043	2,823,114	545,690
Engineering	652,215	163,940,606	167,831,986	4,543,595	-	116,250,000	116,250,000	-	4,543,595	14,553,941
Total	229,632,243	697,798,627	462,645,661	(5,520,723)	165,719,460	353,806,973	251,033,556	62,946,043	(68,466,766)	16,933,764
Treaty	333,128,725	1,615,299,812	1,526,050,284	243,879,197	89,203,648	1,067,367,838	924,824,880	(53,339,310)	297,218,507	267,622,168
Grand Total Rupees	562,760,968	2,313,098,439	1,988,695,945	238,358,474	254,923,108	1,421,174,811	1,175,858,436	9,606,733	228,751,741	284,555,932

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Mr. Abdul Hamid Dagia
Director

Syed Arshad Ali
Director

Statement of Expense (unaudited)

For the Quarter ended March 31, 2009

Class	Commission paid or payable (A)	<u>Deferred Commission</u>		Net commission expense (D=A+B-C)	Other management expenses (E)	Underwriting expense (F=D+E)	Commission from reinsurers (G)	Rupees		Net commission retrocession (J=G+H-I)	Mar 31, 2009	Mar 31, 2008
		Opening (B)	Closing (C)					Opening (H)	Closing (I)		Net underwriting expense (K=F-J)	Net underwriting expense
Business underwritten inside Pakistan												
Facultative												
Fire	23,766,561	55,564,844	55,066,432	24,264,973	1,437,634	25,702,607	12,582,778	4,397,181	12,887,596	4,092,363	21,610,244	12,299,458
Marine Cargo	639,414	939,255	319,707	1,258,962	1,061,490	2,320,452	-	165,264	-	165,264	2,155,188	2,402,142
Marine Hull	668,500	3,412,982	2,460,622	1,620,860	415,052	2,035,912	-	-	-	-	2,035,912	1,243,428
Accident	1,150,575	3,574,382	3,332,363	1,392,594	1,230,097	2,622,691	-	-	-	-	2,622,691	2,326,615
Aviation	1,102,179	1,512,231	1,837,962	776,448	969,776	1,746,224	1,620,392	1,861,565	2,505,128	976,829	769,395	1,489,746
Engineering	8,974,726	24,059,217	23,388,115	9,645,828	1,081,134	10,726,962	8,152,355	18,253,712	18,493,114	7,912,953	2,814,009	(1,091,076)
Total	36,301,955	89,062,911	86,405,201	38,959,665	6,195,183	45,154,848	22,355,525	24,677,722	33,885,838	13,147,409	32,007,439	18,670,313
Treaty	126,662,700	173,828,727	194,256,002	106,235,425	35,455,785	141,691,210	1,070,720	4,289,845	3,428,718	1,931,847	139,759,363	130,640,935
Grand Total Rupees	162,964,655	262,891,638	280,661,203	145,195,090	41,650,968	186,846,058	23,426,245	28,967,567	37,314,556	15,079,256	171,766,802	149,311,248

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Mr. Abdul Hamid Dagia
Director

Syed Arshad Ali
Director



Statement of Investment Income (unaudited)

For the Quarter ended March 31, 2009

	Mar 31, 2009	Mar 31, 2008
Income from non-trading investment		
Held to maturity		
Return on Government Securities	22,288,510	24,491,581
Return on other fixed income securities and deposits	89,750,701	9,704,687
Income on treasury bills	147,976	23,942,407
Amortization of premium on Pakistan Investment Bond	(1,349,872)	(2,139,455)
Available for sale		
Dividend income	8,062,604	96,182,612
Gain on sale of non-trading investments		
Available for sale investments	380	3,314
(Loss)/Gain on revaluation of investments		
Available for sale	-	7,823,582
Provision for portfolio available for sale	-	(1,724,222)
At fair value through profit or loss classified as held for trading	118,900,299	158,284,506
Less: investment related expenses	(745,944)	(601,460)
Net investment income	118,154,355	157,683,046

Rupees

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Mr. Abdul Hamid Dagia
Director

Syed Arshad Ali
Director

Statement of Changes in Equity (unaudited)

For the Quarter ended March 31, 2009

Note	Share capital		Reserves				Total
	Issued subscribed and paid-up	Exceptional losses reserve	Revenue reserves				
			General reserve	Retained earnings	Total		
	Rupees						
Balance as at 31 December 2007	540,000,860	281,000,000	1,777,419,085	3,781,099,406	5,558,518,491	6,379,519,351	
Final bonus share 2007: @ 455.55%	2,459,999,140	-		(2,459,999,140)	(2,459,999,140)	-	
Transfer to General Reserve			-	-			
Total income and expense recognized during the year profit for the Year 2008	-	-	-	886,225,039	886,225,039	886,225,039	
Balance as at 31 December 2008	3,000,000,000	281,000,000	1,777,419,085	2,207,325,305	3,984,744,390	7,265,744,390	
Transfer to General Reserve		-	-				
Total income and expense recognized during the quarter profit for quarter ended 31-03-2009	-	-	-	(411,196,950)	(411,196,950)	(411,196,950)	
Balance as at 31 March 2009							
Rupees	3,000,000,000	281,000,000	1,777,419,085	1,796,128,355	3,573,547,440	6,854,547,440	

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Mr. Abdul Hamid Dagia
Director

Syed Arshad Ali
Director

Cash Flow Statement (unaudited)

For the Quarter ended March 31, 2009

	Mar 31, 2009 Rupees	Mar 31, 2008 Rupees
Operating Cash Flows:		
Underwriting Activities:-		
Premium received	1,531,698,970	1,240,275,208
Reinsurance premium paid	(987,841,278)	(634,902,467)
Claims paid	(562,760,968)	(660,639,563)
Reinsurance and other recoveries received	254,923,108	226,602,905
Commission paid	(162,964,655)	(138,418,102)
Commission received	23,426,245	16,700,667
Premium and claim reserves retained from retrocessionaires/ withheld by ceding companies	(2,137,689)	(22,790,111)
Expenses paid	(41,650,968)	(34,476,583)
Net cash flows from underwriting activities	52,692,765	(7,648,046)
Other Operating Activities		
Income tax paid	(26,278,402)	(57,622,810)
General management expenses paid	(4,572,128)	(7,985,409)
Loans recovered / (disbursed) from employees	1,818,818	1,540,061
Other receipts/(payments) - sundry debtors	(26,670,705)	2,822,321
Other payments - staff contribution	-	(2,451,909)
Net cash flows from other operating activities	(55,702,417)	(63,697,746)
Total cash flow from all operating activities	(3,009,652)	(71,345,792)
Investment Activities		
Fixed Capital expenditure	524,085	2,953,025
Sale proceeds of Fixed Assets	(198,312,987)	(144,535,047)
Acquisition of investments	7,240,750	3,811,216
Rental income received	8,319,242	17,781,321
Dividend income received	89,750,701	9,704,687
Interest income on bank deposits	5,446,764	4,602,613
Sale proceeds of investments	-	(1,720,908)
Total Cash Flow from investment activities	(87,031,445)	(107,403,093)
Financing Activities		
Surplus paid	-	-
Dividend paid	-	-
Payments of finance leases	-	-
Total cash flows from financing activities	-	-
Net cash flow from all activities	(90,041,097)	(178,748,885)
Cash and cash equivalents at beginning of the year	2,836,631,584	1,021,123,719
Cash and cash equivalents at end of the three months	2,746,590,487	842,374,834

Rupees

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

Farzana Munaf
Chief Financial Officer

Rukhsana Saleem
Chief Executive

Mr. Abdul Hamid Dagia
Director

Syed Arshad Ali
Director

Notes to the Financial Statements

For the Quarter ended March 31, 2009 (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 future.

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 2009, PRC received returns from 31 general insurance companies out of 36 by 28th April, 2009 and as such above accounts have been prepared by incorporating only these returns. The companies from whom the returns have not been received till the time of finalization of Accounts are Crescent Sar Ins., North Star Ins., Reliance Ins., Credit Ins. and United Insurance. 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 May 7, 2009 by the Board of Directors of the Company.

Notes to the Financial Statements

For the Quarter ended March 31, 2009 (unaudited)

5 Corresponding Figures

Corresponding figures have been restated 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

Mr. Abdul Hamid Dagia
Director

Syed Arshad Ali
Director

Karachi: May 7, 2009

PAKISTAN REINSURANCE COMPANY LIMITED

PRC Towers, 32-A, Lalazar Drive, M. T. Khan Road, Karachi.

P. O. Box 4777, Sindh, Pakistan

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