



**CONDENSED INTERIM FINANCIAL STATEMENTS**

**(UN-AUDITED)**

**For the 3<sup>rd</sup> Quarter Ended  
September 30, 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

SYED ARSHAD ALI  
DIRECTOR

MR. JAVED SYED  
DIRECTOR

DR. MASUMA HASAN  
DIRECTOR

MR. ABDUL HAMID DAGIA  
DIRECTOR

MR. ZAFAR IQBAL  
DIRECTOR

MR. SAIFUDDIN NOORUDDIN ZOOMKAWALA  
DIRECTOR

## **SENIOR MANAGEMENT**

MR. ASGHAR IMAM KHALID  
EXECUTIVE DIRECTOR / CIA

MRS. FARZANA MUNAF  
CHIEF FINANCIAL OFFICER/E.D.

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  
SECRETARY/GENERAL MANAGER

MR. ANZARUL HASAN HASHMI  
MANAGER (AVIATION/TRAINING)

MR. RAHMATULLAH KHILJI  
MANAGER (INTERNAL AUDIT)

SYED TAHIR ALI  
MANAGER (DPD)

MR. IMTIAZ HUSSAIN QURESHI  
MANAGER (I.T.)

MR. IRFAN SATTAR KHAN  
MANAGER (FIRE/MARINE)

MRS. ERUM NADEEM  
MANAGER (LEGAL)

## **AUDIT COMMITTEE**

MR. ABDUL HAMID DAGIA  
CHAIRMAN

MR. FAZAL-I-QADAR  
MEMBER

SYED ARSHAD ALI  
MEMBER

MR. SHAHZAD F. LODHI  
SECRETARY OF THE COMMITTEE

## **AUDITORS**

ANJUM ASIM SHAHID RAHMAN  
CHARTERED ACCOUNTANT

## **HEAD OFFICE**

PRC TOWERS, 32-A, LALAZAR DRIVE,  
M.T. KHAN ROAD,  
P.O. BOX: 4777, KARACHI-PAKISTAN  
Tel: (29-21) 99202908-15  
Telex: 20428 PAKRE PK,  
TELEFAX (92-21) 99202920-22  
E-mail: prcl@pakre.org.pk  
Website: www.pakre.org.pk

## **ZONAL OFFICE**

17-A/1, BLOCK: E-1,  
GULBERG-III,  
LAHORE

## **BANKERS**

NATIONAL BANK OF PAKISTAN  
BANK AL-HABIB 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 nine months ended September 30, 2009.

### Review of business activities

The financial statements for the nine months ended September 30, 2009 reflect the treaty business return received from 33 insurance companies out of 33, all these returns received in PRCL by 22-10-2009 as per the amendment made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 as well as facultative business as per record of the company.

The Financial Results of the Company indicate that the Gross Premium for the period was Rs.3,396 million, Net Premium before unearned Premium Reserve was Rs.1,769 million and Net Premium after accounting for the effect of Premium Reserve adjustment was Rs.1,573 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.2,238 million, Rs.1,370 million and Rs.1,443 million respectively.

The Net claims, Net Commission and Management Expenses have aggregated to Rs.1,393 million for the nine months ended September 30, 2009 as compared to Rs.1,280 million for the nine months ended September 30, 2008. Besides, the income from investment including rental and other income for the period was recorded at Rs.927 million as compared to Rs.700 million in the corresponding period of last year.

Net Profit before tax and after tax for the nine months ended September 30, 2009, before recognition of impairment loss of Rs.1,306 million, would have been Rs.1,121 million and Rs.1,109 million respectively as compared to net profit before tax and after tax of Rs.906 million and Rs.723 million for the corresponding period of the last year. However, the profits for the nine months after recognition of impairment loss were converted into net loss before tax and after tax for Rs.185 million and Rs.197 million 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)**  
Chairperson/Chief Executive

Karachi: 30th October, 2009



# Balance Sheet (unaudited)

As at September 30, 2009

	September 30, 2009 Rupees (Un-audited)	31 December, 2008 Rupees (Audited)
<b>Share capital and reserves</b>		
Authorized Share Capital 2,500,000,000 Ordinary shares of Rs. 10 each (2008: 2,500,000,000 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	1,259,964,053	2,207,325,305
Exceptional Losses Reserve	281,000,000	281,000,000
General Reserve	1,777,419,085	1,777,419,085
<b>Total equity</b>	6,318,383,138	7,265,744,390
<b>Underwriting provisions</b>		
- Provision for outstanding claims (including IBNR)	881,357,592	886,971,628
- Provision for unearned premium	2,324,374,828	2,719,013,239
- Commission income unearned	40,519,282	28,967,567
<b>Total underwriting provisions</b>	3,246,251,702	3,634,952,434
<b>Deferred liability - Employee benefits</b>	105,370,049	94,652,000
<b>Long term deposits</b>	18,724,272	18,492,361
<b>Creditors and accruals</b>		
Amount due to other persons and body carrying on insurance businesses	339,882,979	1,237,841,171
Premium and claim reserves retained from retrocessionaires	40,490,923	35,883,859
Other creditors and accruals	47,613,819	65,367,624
Taxation - Provision less payments	82,900,857	163,273,005
Retention money payable	6,413,383	6,413,383
	517,301,961	1,508,779,042
<b>Other liabilities</b>	-	-
Dividend payable	15,014,987	4,625,108
Surplus profit payable	1,213,842	1,213,842
<b>Total liabilities</b>	16,228,829	5,838,950
	3,903,876,813	5,262,714,787
<b>Total equity and liabilities</b>	10,222,259,951	12,528,459,177
<b>CONTINGENCIES</b>		

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

# Balance Sheet (unaudited)

As at September 30, 2009

	<i>Note</i>	September 30, 2009 Rupees (Un-audited)	31 December, 2008 Rupees (Audited)
<b>Cash and Bank deposits</b>			
Cash and other equivalents		88,252	40,567
Current and other accounts		1,023,375,634	789,891,017
Deposits maturing within 12 months		251,700,000	2,046,700,000
		1,275,163,886	2,836,631,584
Loans - Secured and unsecured (considered good) - to employees		48,345,245	53,006,109
Investments		5,715,473,387	5,458,934,939
Investment properties		45,649,020	47,753,289
Deferred taxation		151,660,579	151,660,579
<b>Other assets</b>			
Amount due from persons and bodies carrying on insurance business		987,358,562	1,539,015,089
Premium and claim reserves retained by cedants		48,705,592	45,822,333
Accrued investment income		38,916,000	52,601,260
Sundry receivables		304,691,778	205,100,973
Prepaid reinsurance ceded		1,242,914,384	1,834,148,187
Deferred commission expense		312,629,963	262,891,638
Stock of stationery		373,623	224,511
		2,935,589,902	3,939,803,991
<b>Fixed assets - tangible</b>			
Land and building		22,924,191	22,849,153
Furniture, fixture, books and office equipment		14,663,494	14,117,603
Motor vehicles		12,790,247	3,701,930
		50,377,932	40,668,686
Assets relating to Bangladesh		-	-
		-	-
<b>Total assets</b>		10,222,259,951	12,528,459,177

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director



# Condensed Interim Profit and Loss Account (unaudited)

For the nine months ended 30 September, 2009

Note	Facultative						Treaty	Sep 30,	Sep 30, 2008
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering		2009	Aggregate
----- Rupees -----									
<b>Revenue account</b>									
Net premium revenue	277,781,863	16,159,757	28,052,313	34,694,225	67,211,105	157,311,329	991,326,791	1,572,537,383	1,442,675,489
Net claims	139,207,995	1,004,124	524,120	47,019	11,265,769	9,565,302	628,300,194	789,914,523	783,597,451
Expenses	6,093,589	4,233,522	1,516,054	4,107,470	4,492,131	3,896,589	171,571,715	195,911,070	140,740,766
Net commission	61,718,768	3,359,145	4,457,789	4,651,119	(863,868)	4,496,768	329,532,450	407,352,171	355,578,549
<b>Underwriting result</b>	<b>70,761,511</b>	<b>7,562,966</b>	<b>21,554,350</b>	<b>25,888,617</b>	<b>52,317,073</b>	<b>139,352,670</b>	<b>(138,077,568)</b>	<b>179,359,619</b>	<b>162,758,723</b>
Investment income - net								881,363,080	660,095,690
Rental income - net								40,120,048	34,442,213
Exchange (loss)/gain								37,979,485	84,114,714
Other income								5,826,152	5,076,151
General and administration expenses								(24,022,055)	(30,947,666)
Provision for workers welfare fund								-	(9,567,438)
Impairment in value of investment								(1,305,739,661)	-
								<u>(364,472,951)</u>	<u>743,213,664</u>
<b>(Loss)/Profit before tax</b>								<b>(185,113,332)</b>	<b>905,972,387</b>
Taxation - Current								12,247,920	182,960,000
- Deferred								-	-
								<u>12,247,920</u>	<u>182,960,000</u>
<b>(Loss)/Profit after tax</b>							<b>Rupees</b>	<b>(197,361,252)</b>	<b>723,012,387</b>
<b>Profit and loss appropriation account</b>									
<b>Balance at the commencement of the period</b>								2,207,325,305	3,781,099,406
<b>Profit after tax for the period</b>								(197,361,252)	723,012,387
Final cash dividend paid 2008: Rs.2.50 @ 25% (2007 : Nil ) per share								(750,000,000)	-
Issuance of bonus shares 2008: Nil (2007:@ 455.554670783%)								-	(2,459,999,140)
<b>Balance of unappropriated profit at the end of the period</b>							<b>Rupees</b>	<b>1,259,964,053</b>	<b>2,044,112,653</b>
<b>(Loss)/Earning per share of Rs. 10 each</b>							<b>Rupees</b>	<b>(0.66)</b>	<b>2.41</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director

# Condensed Interim Profit and Loss Account (unaudited)

For the Quarter ended 30 September, 2009

Note	Facultative							Treaty	Sep 30, 2009 Aggregate	Sep 30, 2008 Aggregate (Restated)
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering				
----- Rupees -----										
<b>Revenue account</b>										
Net premium revenue	97,336,087	5,800,078	7,786,019	12,735,973	23,624,815	55,346,605	360,392,670	563,022,247	464,805,189	
Net claims	74,883,724	242,440	581,054	699,196	8,529,315	(1,153,562)	275,287,006	359,069,173	282,204,043	
Expenses	3,238,347	2,129,015	701,859	1,723,238	2,116,794	1,782,786	37,638,419	49,330,458	45,683,940	
Net commission	21,446,855	1,268,056	1,243,204	1,751,286	(341,616)	781,537	117,507,772	143,657,094	119,092,512	
<b>Underwriting result</b>	<b>(2,232,839)</b>	<b>2,160,567</b>	<b>5,259,902</b>	<b>8,562,253</b>	<b>13,320,322</b>	<b>53,935,844</b>	<b>(70,040,527)</b>	<b>10,965,522</b>	<b>17,824,694</b>	
Investment income								625,583,678	442,322,672	
Rental income								13,318,171	12,035,708	
Exchange gain								16,120,413	51,600,292	
Other income								540,151	459,318	
General and administration expenses								(7,530,973)	(10,844,747)	
Provision for workers welfare fund								-	(1,606,684)	
Impairment in the value of investment								(177,766,082)	-	
								470,265,358	493,966,559	
<b>(Loss)/Profit before tax</b>								481,230,880	511,791,253	
Taxation - Current								4,317,788	79,772,192	
- Deferred								-	-	
								4,317,788	79,772,192	
<b>(Loss)/Profit after tax</b>								Rupees 476,913,092	432,019,061	
<b>Profit and loss appropriation account</b>										
<b>Balance at the commencement of quarter</b>								783,050,961	1,612,093,592	
<b>Profit after tax for the quarter</b>								476,913,092	432,019,061	
Final cash dividend paid 2008: Rs.2.50 @ 25% (2007 : Nil ) per share								-	-	
Issuance of bonus shares 2008: Nil (2007:@ 455.554670783%)								-	-	
<b>Balance at the end of quarter</b>								Rupees 1,259,964,053	2,044,112,653	
<b>Earning per share of Rs. 10 each</b>								Rupees 1.59	1.44	

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director

# Condensed Interim Statement of Premium (unaudited)

For the nine months ended 30 September, 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)	Sep 30, 2009	Sep 30, 2008
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		Aggregate Net Premium revenue (I=D-H)	Aggregate Net Premium revenue (Restated)
<b>Rupees</b>										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	582,676,995	357,297,525	390,301,536	549,672,984	343,427,571	132,904,991	204,441,441	271,891,121	277,781,863	223,492,440
Marine Cargo	23,129,626	7,403,730	7,901,848	22,631,508	8,536,478	2,203,512	4,268,239	6,471,751	16,159,757	26,172,618
Marine Hull	17,114,833	21,509,324	10,571,844	28,052,313	-	-	-	-	28,052,313	29,631,807
Accident	30,125,472	27,411,911	22,843,158	34,694,225	-	-	-	-	34,694,225	25,363,823
Aviation	284,271,801	1,097,006,029	381,862,446	999,415,384	259,339,015	1,027,041,783	354,176,519	932,204,279	67,211,105	45,130,582
Engineering	576,600,811	467,648,684	437,474,893	606,774,602	472,119,486	329,535,667	352,191,880	449,463,273	157,311,329	121,229,733
<b>Total</b>	<b>1,513,919,538</b>	<b>1,978,277,203</b>	<b>1,250,955,725</b>	<b>2,241,241,016</b>	<b>1,083,422,550</b>	<b>1,491,685,953</b>	<b>915,078,079</b>	<b>1,660,030,424</b>	<b>581,210,592</b>	<b>471,021,003</b>
<b>Treaty</b>	<b>1,882,339,054</b>	<b>740,736,036</b>	<b>1,073,419,103</b>	<b>1,549,655,987</b>	<b>543,703,267</b>	<b>342,462,234</b>	<b>327,836,305</b>	<b>558,329,196</b>	<b>991,326,791</b>	<b>971,654,486</b>
<b>Grand Total</b>	<b>3,396,258,592</b>	<b>2,719,013,239</b>	<b>2,324,374,828</b>	<b>3,790,897,003</b>	<b>1,627,125,817</b>	<b>1,834,148,187</b>	<b>1,242,914,384</b>	<b>2,218,359,620</b>	<b>1,572,537,383</b>	<b>1,442,675,489</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director



# Condensed Interim Statement of Premium (unaudited)

For the Quarter ended 30 September, 2009

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)	Sep 30, 2009	Sep 30, 2008
	Premium Written (A)	Opening (B)	Closing (C)			Opening (F)	Closing (G)		Aggregate Net Premium revenue (I=D-H)	Aggregate Net Premium revenue (Restated)
<b>R u p e e s</b>										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	256,268,757	326,656,038	390,301,536	192,623,259	134,436,984	165,291,629	204,441,441	95,287,172	97,336,087	86,006,150
Marine Cargo	15,803,697	2,166,468	7,901,848	10,068,317	8,536,478	-	4,268,239	4,268,239	5,800,078	5,998,972
Marine Hull	1,202,686	17,155,177	10,571,844	7,786,019	-	-	-	-	7,786,019	16,857,167
Accident	12,582,391	22,996,740	22,843,158	12,735,973	-	-	-	-	12,735,973	4,762,691
Aviation	234,730,723	500,452,692	381,862,446	353,320,969	218,505,663	465,367,010	354,176,519	329,696,154	23,624,815	14,375,971
Engineering	239,541,705	424,832,036	437,474,893	226,898,848	189,722,659	334,021,464	352,191,880	171,552,243	55,346,605	44,180,637
<b>Total</b>	<b>760,129,959</b>	<b>1,294,259,151</b>	<b>1,250,955,725</b>	<b>803,433,385</b>	<b>551,201,784</b>	<b>964,680,103</b>	<b>915,078,079</b>	<b>600,803,808</b>	<b>202,629,577</b>	<b>172,181,588</b>
<b>Treaty</b>	<b>599,750,732</b>	<b>1,002,196,391</b>	<b>1,073,419,103</b>	<b>528,528,020</b>	<b>191,235,810</b>	<b>304,735,845</b>	<b>327,836,305</b>	<b>168,135,350</b>	<b>360,392,670</b>	<b>292,623,601</b>
<b>Grand Total</b>	<b>1,359,880,691</b>	<b>2,296,455,542</b>	<b>2,324,374,828</b>	<b>1,331,961,405</b>	<b>742,437,594</b>	<b>1,269,415,948</b>	<b>1,242,914,384</b>	<b>768,939,158</b>	<b>563,022,247</b>	<b>464,805,189</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director



# Condensed Interim Statement of Claims (unaudited)

For the nine months ended 30 September, 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)	Sep 30, 2009	Sep 30, 2008
		Opening	Closing			Aggregate	Aggregate			
		(B)	(C)			Net claim expenses (I=D-H)	Net claim expenses			
<b>Rupees</b>										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	78,591,352	326,347,222	386,963,865	139,207,995	-	68,968,099	68,968,099	-	139,207,995	39,721,187
Marine Cargo	5,856,574	15,055,036	9,950,736	752,274	-	251,850	-	(251,850)	1,004,124	12,840,651
Marine Hull	312,511	11,316,839	11,528,448	524,120	-	-	-	-	524,120	4,592,595
Accident	4,615,500	7,158,817	2,590,336	47,019	-	-	-	-	47,019	3,697,903
Aviation	189,632,376	173,980,107	55,399,978	71,052,247	174,706,824	168,337,024	53,416,678	59,786,478	11,265,769	2,003,503
Engineering	129,934,239	163,940,606	47,866,143	13,859,776	120,544,474	116,250,000	-	4,294,474	9,565,302	185,207,274
<b>Total</b>	<b>408,942,552</b>	<b>697,798,627</b>	<b>514,299,506</b>	<b>225,443,431</b>	<b>295,251,298</b>	<b>353,806,973</b>	<b>122,384,777</b>	<b>63,829,102</b>	<b>161,614,329</b>	<b>248,063,113</b>
<b>Treaty</b>	923,187,627	1,615,299,812	1,218,745,775	526,633,590	241,350,322	1,067,367,838	724,350,912	(101,666,604)	628,300,194	535,534,338
<b>Grand Total</b>	<b>1,332,130,179</b>	<b>2,313,098,439</b>	<b>1,733,045,281</b>	<b>752,077,021</b>	<b>536,601,620</b>	<b>1,421,174,811</b>	<b>846,735,689</b>	<b>(37,837,502)</b>	<b>789,914,523</b>	<b>783,597,451</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director

# Condensed Interim Statement of Claims (unaudited)

For the Quarter ended 30 September, 2009

Class	Claims Paid (A)	Outstanding Claims		Claims Expense (D=A+C-B)	Reinsurance and other recoveries Received (E)  Rupees	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries Revenue (H=E+G-F)	Sep 30, 2009	Sep 30, 2008
		Opening	Closing			Aggregate	Aggregate			
		(B)	(C)			Net claim expenses (I=D-H)	Net claim expenses			
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	4,034,608	316,114,749	386,963,865	74,883,724	-	68,968,099	68,968,099	-	74,883,724	32,345,083
Marine Cargo	-	9,708,296	9,950,736	242,440	-	-	-	-	242,440	146,104
Marine Hull	-	10,947,394	11,528,448	581,054	-	-	-	-	581,054	3,177,887
Accident	59,392	1,950,532	2,590,336	699,196	-	-	-	-	699,196	4,562,206
Aviation	8,693,463	54,294,301	55,399,978	9,799,140	203,050	52,349,903	53,416,678	1,269,825	8,529,315	770,514
Engineering	141,935	165,411,640	47,866,143	(117,403,562)	-	116,250,000	-	(116,250,000)	(1,153,562)	95,212,344
<b>Total</b>	<b>12,929,398</b>	<b>558,426,912</b>	<b>514,299,506</b>	<b>(31,198,008)</b>	<b>203,050</b>	<b>237,568,002</b>	<b>122,384,777</b>	<b>(114,980,175)</b>	<b>83,782,167</b>	<b>136,214,138</b>
<b>Treaty</b>	<b>202,743,802</b>	<b>1,159,256,318</b>	<b>1,218,745,775</b>	<b>262,233,259</b>	<b>2,286,328</b>	<b>739,690,987</b>	<b>724,350,912</b>	<b>(13,053,747)</b>	<b>275,287,006</b>	<b>145,989,905</b>
<b>Grand Total</b>	<b>215,673,200</b>	<b>1,717,683,230</b>	<b>1,733,045,281</b>	<b>231,035,251</b>	<b>2,489,378</b>	<b>977,258,989</b>	<b>846,735,689</b>	<b>(128,033,922)</b>	<b>359,069,173</b>	<b>282,204,043</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director



# Condensed Interim Statement of Expense (unaudited)

For the nine months ended 30 September, 2009

Class	Commission paid or payable (A)	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)	Sep 30, 2009	Sep 30, 2008
		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	70,761,170	55,564,844	51,462,019	74,863,995	6,093,589	80,957,584	18,841,292	4,397,181	10,093,246	13,145,227	67,812,357	50,611,398
Marine Cargo	3,960,385	939,255	982,802	3,916,838	4,233,522	8,150,360	784,859	165,264	392,430	557,693	7,592,667	7,303,782
Marine Hull	2,791,940	3,412,982	1,747,133	4,457,789	1,516,054	5,973,843	-	-	-	-	5,973,843	5,860,644
Accident	4,305,433	3,574,382	3,228,696	4,651,119	4,107,470	8,758,589	-	-	-	-	8,758,589	6,327,345
Aviation	2,697,028	1,512,231	1,704,809	2,504,450	4,492,131	6,996,581	3,949,174	1,861,565	2,442,421	3,368,318	3,628,263	3,089,883
Engineering	20,996,550	24,059,217	13,926,090	31,129,677	3,896,589	35,026,266	28,536,345	18,253,712	20,157,148	26,632,909	8,393,357	1,749,321
Total	105,512,506	89,062,911	73,051,549	121,523,868	24,339,355	145,863,223	52,111,670	24,677,722	33,085,245	43,704,147	102,159,076	74,942,373
Treaty	402,551,946	173,828,727	239,578,414	336,802,259	171,571,715	508,373,974	10,414,001	4,289,845	7,434,037	7,269,809	501,104,165	421,376,942
Grand Total	508,064,452	262,891,638	312,629,963	458,326,127	195,911,070	654,237,197	62,525,671	28,967,567	40,519,282	50,973,956	603,263,241	496,319,315

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director

# Condensed Interim Statement of Expense (unaudited)

For the Quarter ended 30 September, 2009

Class	Commission paid or payable (A)	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)	Sep 30, 2009	Sep 30, 2008
		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	34,143,903	43,332,651	51,462,019	26,014,535	3,238,347	29,252,882	5,866,734	8,794,192	10,093,246	4,567,680	24,685,202	23,414,212
Marine Cargo	1,965,604	677,683	982,802	1,660,485	2,129,015	3,789,500	784,859	-	392,430	392,429	3,397,071	2,055,915
Marine Hull	190,287	2,800,050	1,747,133	1,243,204	701,859	1,945,063	-	-	-	-	1,945,063	3,044,604
Accident	1,692,967	3,287,015	3,228,696	1,751,286	1,723,238	3,474,524	-	-	-	-	3,474,524	1,450,596
Aviation	813,607	1,753,041	1,704,809	861,839	2,116,794	2,978,633	1,115,468	2,530,408	2,442,421	1,203,455	1,775,178	1,034,278
Engineering	1,536,678	23,295,816	13,926,090	10,906,404	1,782,786	12,689,190	9,486,134	20,795,881	20,157,148	10,124,867	2,564,323	3,481,847
<b>Total</b>	<b>40,343,046</b>	<b>75,146,256</b>	<b>73,051,549</b>	<b>42,437,753</b>	<b>11,692,039</b>	<b>54,129,792</b>	<b>17,253,195</b>	<b>32,120,481</b>	<b>33,085,245</b>	<b>16,288,431</b>	<b>37,841,361</b>	<b>34,481,452</b>
<b>Treaty</b>	135,811,062	224,460,438	239,578,414	120,693,086	37,638,419	158,331,505	4,286,439	6,332,912	7,434,037	3,185,314	155,146,191	130,295,000
<b>Grand Total</b>	<b>176,154,108</b>	<b>299,606,694</b>	<b>312,629,963</b>	<b>163,130,839</b>	<b>49,330,458</b>	<b>212,461,297</b>	<b>21,539,634</b>	<b>38,453,393</b>	<b>40,519,282</b>	<b>19,473,745</b>	<b>192,987,552</b>	<b>164,776,452</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director

# Condensed Interim Statement of Investment Income (unaudited)

For the nine months ended 30 September, 2009

	Quarter ended 30 Sep 2009	Quarter ended 30 Sep 2008	Nine months ended 30 Sep 2009	Nine months ended 30 Sep 2008
----- ( Rupees ) -----				
<b>Income from non-trading investment</b>				
<b>Held to maturity</b>				
Return on Government Securities	50,087,568	21,599,437	108,743,248	64,798,311
Return on other fixed income securities and deposits	10,067,860	15,680,460	125,319,819	52,225,832
Income on treasury bills	25,139,027	20,343,736	45,570,111	70,823,982
Amortization of premium on Pakistan Investment Bond (PIB'S)	(603,042)	(2,149,168)	(3,190,596)	(6,447,505)
<b>Available for sale</b>				
Dividend income	188,761,708	386,540,433	238,122,092	484,492,085
Gain on sale of available for sale investments	325,507,138	1,204,930	341,603,808	1,457,540
Gain on held for trading investments	27,827,174	-	27,827,174	-
Gain on revaluation of available for sale investments	-	-	-	7,823,582
Provision for impairment in value of available for sale investments	-	-	-	(13,000,000)
<b>(Loss)/Gain on revaluation of investments classified at fair value through profit or loss</b>	-	-	-	-
	626,787,433	443,219,828	883,995,656	662,173,827
<b>Less: investment related expenses</b>	(1,203,755)	(897,156)	(2,632,576)	(2,078,137)
<b>Net investment income</b>	625,583,678	442,322,672	881,363,080	660,095,690

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director



# Condensed Interim Statement of Changes in Equity (unaudited)

For the nine months ended 30 September, 2009

Note	Share capital	Exceptional losses reserve	Revenue reserves			Total	Total
	subscribed and paid-up		General reserve	Retained earnings	Total		
							Rupees
Balance as at 01 January 2008	540,000,860	281,000,000	1,777,419,085	3,781,099,406	5,558,518,491	6,379,519,351	
Issue of bonus shares 2007: @ 455.554670783%	2,459,999,140	-	-	(2,459,999,140)	(2,459,999,140)	-	
Total recognized income and expense for the year ended 30 September 2008	-	-	-	723,012,387	723,012,387	723,012,387	
<b>Balance as at 30 September 2008 - Restated</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,777,419,085</b>	<b>2,044,112,653</b>	<b>3,821,531,738</b>	<b>7,102,531,738</b>	
Balance as at 01 January 2009	3,000,000,000	281,000,000	1,777,419,085	2,207,325,305	3,984,744,390	7,265,744,390	
Final cash dividend 2008: Rs.2.50 @ 25% (2007 : Nil) per share	-	-	-	(750,000,000)	(750,000,000)	(750,000,000)	
Total recognized income and expense for the nine months ended 30 September 2009	-	-	-	(197,361,252)	(197,361,252)	(197,361,252)	
<b>Balance as at 30 September 2009</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,777,419,085</b>	<b>1,259,964,053</b>	<b>3,037,383,138</b>	<b>6,318,383,138</b>	

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director

# Condensed Interim Cash Flow Statement (unaudited)

For the nine months ended 30 September, 2009

	September 30, 2009 (Rupees)	September 30, 2008 (Rupees)
<b>Operating Cash Flows:</b>		
<b>Underwriting activities:-</b>		
Premium received	3,947,915,119	2,740,634,167
Reinsurance premium paid	(2,487,104,524)	(1,362,293,039)
Claims paid	(1,332,130,179)	(1,869,545,733)
Reinsurance and other recoveries received	536,601,620	982,823,301
Commission paid	(508,064,452)	(407,667,831)
Commission received	62,525,671	35,915,195
Deposits received from ceding companies	1,723,805	273,478,330
Expenses paid	(195,911,070)	(140,740,766)
Net cash flows from underwriting activities	25,555,990	252,603,624
<b>Other Operating Activities</b>		
Income tax paid	(92,620,068)	(165,611,701)
General management expenses paid	(24,022,055)	(30,947,666)
Loans recovered / (disbursed) from employees	4,660,864	2,282,030
Other receipts/(payments) - sundry debtors	(106,543,762)	(12,437,498)
Net cash flows from other operating activities	(218,525,021)	(206,714,835)
Total cash flow from all operating activities	(192,969,031)	45,888,789
<b>Investment activities</b>		
Fixed Capital expenditure/(disposed)	(7,604,977)	3,927,719
Purchase of investments	(2,152,288,747)	(1,593,253,635)
Rent received	53,018,420	29,966,082
Dividend received	240,629,220	469,324,172
Interest income on bank deposits	125,319,819	52,225,832
Investment income received	437,571,360	74,549,878
Proceeds from sale of investments	674,466,359	1,703,976,733
Total Cash Flow from investment activities	(628,888,546)	740,716,781
<b>Financing activities</b>		
Dividend paid	(739,610,121)	(404)
Total cash flows from financing activities	(739,610,121)	(404)
Net cash flow from all activities	(1,561,467,698)	786,605,166
Cash and cash equivalents at beginning of the period	2,836,631,584	1,021,123,719
Cash and cash equivalents at end of the period	1,275,163,886	1,807,728,885

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Abdul Hamid Dagia  
Director

Syed Arshad Ali  
Director

# Notes to the Financial Statements (unaudited)

For the nine months ended 30 September, 2009

## 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.

## 4 Date of Authorization for issue

These financial statements have been authorized for issue on 30th October, 2009 by the Board of Directors of the Company.

## 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.

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Farzana Munaf  
Chief Financial Officer

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Rukhsana Saleem  
Chief Executive

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Abdul Hamid Dagia  
Director

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Syed Arshad Ali  
Director

Karachi 30th October, 2009



**PakRe**



**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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