



**PakRe**

PAKISTAN REINSURANCE  
COMPANY LIMITED

**FINANCIAL STATEMENT  
FOR THE NINE MONTHS  
ENDED 30 SEPTEMBER 2010  
(UN-AUDITED)**

**PROSPERITY & BEYOND**



## **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. NAJEEB KHAWER AWAN  
DIRECTOR

SYED ARSHAD ALI  
DIRECTOR

MR. JAVED SYED  
DIRECTOR

DR. MASUMA HASAN  
DIRECTOR

MR. ABDUL HAMID DAGIA  
DIRECTOR

MS. HINA GHAZANFAR  
DIRECTOR

MR. SAIFUDDIN NOORUDDIN ZOOMKAWALA  
DIRECTOR

MR. MUMTAZ ALI RAJPER  
DIRECTOR

### **SENIOR MANAGEMENT**

MR. ASGHAR IMAM KHALID  
EXECUTIVE DIRECTOR/CIA

MRS. FARZANA MUNAF  
EXECUTIVE DIRECTOR/CFO

MR. FIDA HUSSAIN SAMOO  
EXECUTIVE DIRECTOR (RE)

MR. AYAZ HUSSAIN M. GAD  
EXECUTIVE DIRECTOR (BD/RE)

MRS. GHAZALA IMRAN  
REGIONAL DIRECTOR (NZO)

MR. SHAHZAD F. LODHI  
COMPANY SECRETARY/GENERAL MANAGER

### **AUDIT COMMITTEE**

MR. ABDUL HAMID DAGIA  
CHAIRMAN

MR. NAJEEB KHAWER AWAN  
MEMBER

SYED ARSHAD ALI  
MEMBER

MR. MUMTAZ ALI RAJPER  
MEMBER

MR. SHAHZAD F. LODHI  
SECRETARY OF THE COMMITTEE

### **AUDITORS**

ANJUM ASIM SHAHID RAHMAN  
CHARTERED ACCOUNTANT  
1<sup>st</sup> and 3<sup>rd</sup> floor,  
Modern Motors House,  
Beaumont Road,  
Karachi 0 – 75530

### **BANKERS**

National Bank of Pakistan  
Bank Al-Habib Limited

### **SHARE REGISTRAR**

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

### **REGISTERED OFFICES**

PRC Towers, 32-A, Lalazar Drive,  
M.T. Khan Road, P.O. Box: 4777,  
Karachi, Pakistan  
Tel: (92-21) 99202908-15  
Telex: (92-21) 20428  
Telefax: (92-21)99202920-22  
E-mail: [prcl@pakre.org.pk](mailto:prcl@pakre.org.pk)  
Website: [www.pakre.org.pk](http://www.pakre.org.pk)

### **ZONAL OFFICE**

71-A, Ahmad Block,  
New garden Town,  
Lahore.



## COMMITTEES OF THE BOARD OF PRCL

### AUDIT COMMITTEE

- |    |   |                            |
|----|---|----------------------------|
| 1. | Mr. Abdul Hamid Dagia                   | Chairman of the Committee  |
| 2. | Mr. Najeeb Khawer Awan                  | Member                     |
| 3. | Syed Arshad Ali                         | Member                     |
| 4. | Mr. Mumtaz Ali Rajper                   | Member                     |
| 5. | Mr. Shahzad F. Lodhi, Company Secretary | Secretary of the Committee |

### UNDERWRITING COMMITTEE

- |    |   |                                    |
|----|---|------------------------------------|
| 1. | Mrs. Rukhsana Saleem                    | Chairperson of the Committee       |
| 2. | Mrs. Farzana Munaf, CFO/E.D., PRCL      | Member                             |
| 3. | Mr. Ayaz Hussain M. Gad, E.D.(BD), PRCL | Member                             |
| 4. | Mr. Fida Hussain Samoo, E.D.(Re), PRCL  | Member/ Secretary of the Committee |

### REINSURANCE COMMITTEE

- |    |  |                                    |
|----|--|------------------------------------|
| 1. | Mrs. Rukhsana Saleem                     | Chairperson of the Committee       |
| 2. | Mr. Asghar Imam Khalid, CIA/E.D.,PRCL    | Member                             |
| 3. | Mr. Ayaz Hussain M. Gad, E.D.(B.D) ,PRCL | Member                             |
| 4. | Mr. Fida Hussain Samoo, E.D. (Re) ,PRCL  | Member/ Secretary of the Committee |

### CLAIM SETTLEMENT COMMITTEE

- |    |   |                                   |
|----|---|-----------------------------------|
| 1  | Mr. Javed Syed                          | Chairman of the Committee         |
| 2. | Mrs. Rukhsana Saleem, Chairperson       | Member                            |
| 3. | Mrs. Farzana Munaf, CFO/E.D. ,PRCL      | Member                            |
| 4. | Mr. Ayaz Hussain M. Gad, E.D.(BD) ,PRCL | Member                            |
| 5. | Mr. Fida Hussain Samoo, E.D. (Re)       | Member/Secretary of the Committee |

### INVESTMENT COMMITTEE

- |    |                                    |                                   |
|----|------------------------------------|-----------------------------------|
| 1. | Syed Arshad Ali                    | Chairman of the Committee         |
| 2. | Mrs. Rukhsana Saleem, Chairperson  | Member                            |
| 3. | Mr. Javed Syed                     | Member                            |
| 4. | Mr. Mumtaz Ali Rajper              | Member                            |
| 5. | Mrs. Farzana Munaf, CFO/E.D. ,PRCL | Member/Secretary of the Committee |

### HUMAN RESOURCE COMMITTEE

- |    |   |                                   |
|----|---|-----------------------------------|
| 1. | Mr. Javed Syed                          | Chairman of the Committee         |
| 2. | Mrs. Rukhsana Saleem, Chairperson       | Member                            |
| 3. | Mr. Najeeb Khawer Awan                  | Member                            |
| 4. | Dr. Masuma Hasan                        | Member                            |
| 5. | Mr. Shahzad F. Lodhi, Company Secretary | Member/Secretary of the Committee |

**PAKISTAN REINSURANCE COMPANY LIMITED**  
**Directors' Report to the Shareholders**

THE SHAREHOLDERS,  
Pakistan Reinsurance Co. Ltd.,

On behalf of the Board of Directors of PRCL, I am pleased to present the un-audited financial statements of the Company for the 3rd Quarter ended September 30, 2010.

**Review of business activities**

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

The Financial Results of the Company indicate that the Gross Premium for the period was Rs.4,107 million, Net Premium before unearned Premium Reserve was Rs.2,431 million and Net Premium after accounting for the effect of Premium Reserve adjustment was Rs.2,127 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.3,396 million, Rs.1,769 million and Rs.1,573 million respectively.

The net claims were recorded at Rs.1,377 as compared to Rs.790 million in the corresponding period of the last year. The main reasons for increase are Crops insurance losses due to floods, Health Insurance losses and Aviation losses.

The Net Commission and Management Expenses have aggregated to Rs.704 million for the current quarter as compared to Rs.603 million for the corresponding period last year. Besides, the income from investment and rental and other income for the period were recorded at Rs.576 million as compared to Rs.927 million in the corresponding period of last year.

Net Profit before tax and after tax for the nine months ended September 30, 2010, before recognition of impairment loss of Rs.517 million, would have been Rs.617 million and Rs.605 million respectively. However, the profits after tax for the current period after recognition of impairment loss were recorded at Rs.88 million as compared to Rs.197 million loss in the corresponding period of the last year.

The management is taking steps and making all out efforts to ensure good results by way of accepting good business.

In the end, I would like to thank all insurance companies their Chairmen, Directors, Officers and staff for the co-operation extended by them in running the affairs of the company.

For and on behalf  
of the Board of Directors

(Rukhsana Saleem)  
Chairman/Chief Executive

Karachi: 28<sup>th</sup> October, 2010

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Balance Sheet**  
**As At September 30, 2010 (Unaudited)**

	Note	2010 Unaudited Rupees	2009 Audited Rupees
<b>Share capital and reserves</b>			
Authorized Share Capital (2,500,000,000 (December 31, 2009 : 2,500,000,000) Ordinary shares of Rs. 10 each)		25,000,000,000	25,000,000,000
Issued share capital		3,000,000,000	3,000,000,000
Exceptional Losses Reserve		281,000,000	281,000,000
General Reserve		1,777,419,085	1,777,419,085
Retained earnings		915,704,642	1,727,236,175
		2,974,123,727	3,785,655,260
<b>Shareholders' equity</b>		5,974,123,727	6,785,655,260

**LIABILITIES**

**Underwriting provisions**

- Provision for outstanding claims (including IBNR)		754,391,314	586,553,657
- Provision for unearned premium		2,694,348,724	3,347,263,018
- Commission income unearned		47,195,410	34,607,727
<b>Total underwriting provisions</b>		3,495,935,448	3,968,424,402

**Deferred liability - employee benefits**

		128,870,973	120,868,000
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**Long term deposits**

		18,069,881	18,574,022
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**Creditors and accruals**

Amount due to other persons and bodies carrying on insurance business		689,918,827	1,271,081,957
Premium and claim reserves retained from retrocessionaires		39,226,408	44,558,376
Other creditors and accruals		46,732,128	48,902,700
Accrued expenses		3,852,737	4,820,925
Taxation - Provision less payments		-	90,394,980
Retention money payable		6,476,458	6,415,433
		786,206,558	1,466,174,371

**Other liabilities**

		-	-
Dividend payable		29,889,450	11,706,756
Surplus profit payable		1,212,602	1,212,602
		31,102,052	12,919,358
<b>Total liabilities</b>		4,460,184,912	5,586,960,153

**TOTAL EQUITY AND LIABILITIES** 10,434,308,639 12,372,615,413

**CONTINGENCIES AND COMMITMENTS**

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

**ASSETS**

**Cash and Bank deposits**

Cash and other equivalents		72,529	65,470
Current and other accounts		1,604,090,636	1,231,881,356
Deposits maturing within 12 months		-	601,700,000
		1,604,163,165	1,833,646,826

**Loans to employees**

		52,709,254	53,667,662
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**Investments**

		5,018,801,727	5,481,883,357
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**Investment properties**

		43,015,545	44,947,601
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**Deferred taxation**

		150,889,654	150,889,654
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**Current assets - others**

Amount due from persons and bodies carrying on insurance business		1,498,587,283	2,009,718,017
Premium and claim reserves retained by cedants		104,458,422	44,891,953
Accrued income		103,879,825	66,017,556
Sundry receivables		310,335,743	265,724,006
Prepayments		1,114,209,582	2,070,607,461
Deferred commission expense		386,341,309	301,608,849
Stock of stationery		494,027	347,320
		3,518,306,191	4,758,915,162

**Fixed assets**

**Tangible**

Land and building		19,107,470	19,843,204
Electrical installations, airconditioning plant and lifts		3,826,177	2,676,111
Furniture, fixture, books and office equipment		13,579,446	14,487,000
Motor vehicles		9,910,010	11,658,836
		46,423,103	48,665,151

**Assets relating to Bangladesh**

		-	-
		-	-

**TOTAL ASSETS** 10,434,308,639 12,372,615,413

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Profit and Loss Account**  
**For the period of three months ended September 30, 2010 (Unaudited)**

Note	Facultative							Treaty	2010 Aggregate	2009 Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering				
----- Rupees -----										
<b>Revenue account</b>										
Net premium revenue	99,009,322	7,271,683	9,164,667	35,064,052	45,389,775	57,681,971	523,744,299	777,325,769	563,022,247	
Net claims	16,116,440	37,080	1,081,005	3,752,195	50,599,150	7,483,626	559,141,894	638,211,390	359,069,173	
Expenses	2,060,619	1,389,323	412,611	1,210,069	1,517,599	930,710	58,485,647	66,006,578	49,330,458	
Net commission	15,817,018	1,617,997	1,566,954	5,727,111	143,750	(1,480,700)	147,826,450	171,218,580	143,657,094	
<b>Underwriting result</b>	65,015,245	4,227,283	6,104,097	24,374,677	(6,870,724)	50,748,335	(241,709,692)	(98,110,779)	10,965,522	
Investment income								267,414,093	625,583,678	
Rental income								15,238,367	13,318,171	
Exchange gain								5,585,644	16,120,413	
Other income								110,929	540,151	
General and administration expenses								(9,752,565)	(7,530,973)	
Value of available-for-investments- write-off								-	(177,766,082)	
<b>Profit/(Loss) before tax</b>								180,485,689	481,230,880	
<b>Income tax expense</b>										
- Current								(5,378,060)	(4,317,788)	
- Deferred								-	-	
<b>Profit/(Loss) after tax</b>								Rupees 175,107,629	476,913,092	
<b>Profit and loss appropriation account</b>										
<b>Balance at the commencement of period</b>								740,597,013	783,050,961	
Profit/(Loss) after tax for the period								175,107,629	476,913,092	
Final cash dividend paid 2009: Rs.3.00 @ 30% (2008 : Rs.2.50 @25%) per share								-	-	
<b>Balance of unappropriated profit at the end of the period</b>								Rupees 915,704,642	1,259,964,053	
<b>Basic earning/(loss) per share</b>								Rupees 0.58	1.59	

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Profit and Loss Account**  
**For the period of nine months ended September 30, 2010 (Unaudited)**

Note	Facultative						Treaty	2010 Aggregate	2009 Aggregate
	Fire	Marine Cargo	Marine Hull	Accident	Aviation	Engineering			
----- Rupees -----									
<b>Revenue account</b>									
Net premium revenue	273,891,802	17,491,533	23,688,446	95,842,366	127,589,313	163,382,362	1,425,579,740	2,127,465,562	1,572,537,383
Less:									
Net claims	48,029,717	3,159,918	1,819,184	16,654,937	51,674,485	6,598,143	1,248,815,594	1,376,751,978	789,914,523
Expenses	6,059,681	4,456,789	1,230,057	3,619,675	4,543,143	3,653,460	200,180,194	223,742,999	195,911,070
Net commission	50,630,625	3,917,898	4,036,355	15,834,246	20,051	(5,958,200)	411,969,889	480,450,864	407,352,171
<b>Underwriting results</b>	<b>169,171,779</b>	<b>5,956,928</b>	<b>16,602,850</b>	<b>59,733,508</b>	<b>71,351,634</b>	<b>159,088,959</b>	<b>(435,385,937)</b>	<b>46,519,721</b>	<b>179,359,619</b>
Investment income - net							530,854,785	881,363,080	
Rental income - net							44,146,665	40,120,048	
Exchange gain / (loss)							22,489,769	37,979,485	
Other income							770,214	5,826,152	
General and administration expenses							(27,271,112)	(24,022,055)	
Value of available-for-investments- write-off							(516,912,816)	(1,305,739,661)	
							54,077,505	(364,472,951)	
<b>Profit/(Loss) before tax</b>							<b>100,597,226</b>	<b>(185,113,332)</b>	
<b>Income tax expense</b>									
- Current							(12,128,759)	(12,247,920)	
- Deferred							-	-	
<b>Profit/(Loss) after tax</b>							<b>(12,128,759)</b>	<b>(12,247,920)</b>	
							<b>88,468,467</b>	<b>(197,361,252)</b>	
<b>Profit and loss appropriation account</b>									
<b>Balance at the commencement of period</b>							1,727,236,175	2,207,325,305	
Profit/(Loss) after tax for the period							88,468,467	(197,361,252)	
Final cash dividend paid 2009: Rs.3.00 @ 30% (2008 : Rs.2.50 @ 25% ) per share							(900,000,000)	(750,000,000)	
<b>Balance of unappropriated profit at the end of the period</b>							<b>915,704,642</b>	<b>1,259,964,053</b>	
<b>Basic earning/(loss) per share</b>							<b>0.29</b>	<b>(0.66)</b>	

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director



**Pakistan Reinsurance Company Limited**

**Condensed Interim Statement of Comprehensive Income**

**For the period of three months and nine months ended September 30, 2010 (Unaudited)**

	<u>Three months ended Sep 30,</u>		<u>Nine months ended Sep 30,</u>	
	<b>2010</b>	2009	<b>2010</b>	2009
	<b>Rupees</b>	Rupees	<b>Rupees</b>	Rupees
Profit/(Loss) for the period	<b>175,107,629</b>	476,913,092	<b>88,468,467</b>	(197,361,252)
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit/(loss) for the period</b>	<b>175,107,629</b>	476,913,092	<b>88,468,467</b>	(197,361,252)

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Exectuve

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Changes in Equity**  
For the period of nine months ended September 30, 2010 (Unaudited)

	Share capital		Reserves			Total
	Issued subscribed and paid-up	Capital reserve Reserve for exceptional losses	Revenue reserves		Total reserves	
			General reserve	Retained earnings		
	----- Rupees -----					
<b>Balance as at December 31, 2008</b>	3,000,000,000	281,000,000	1,777,419,085	2,207,325,305	3,984,744,390	7,265,744,390
Total Comprehensive loss for the nine months period ended September 30, 2009	-	-	-	(197,361,252)	(197,361,252)	-
<b>Transactions with owners</b>						
Final cash dividend 2008: Rs.2.50 @ 25% (2007 : Nil) per share		-	-	(750,000,000)	(750,000,000)	-
<b>Balance as at September 30, 2009</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,777,419,085</b>	<b>2,009,964,053</b>	<b>3,787,383,138</b>	<b>7,265,744,390</b>
<b>Balance as at December 31, 2009</b>	3,000,000,000	281,000,000	1,777,419,085	1,727,236,175	3,504,655,260	6,785,655,260
Total Comprehensive profit for the nine months period ended September 30, 2010	-	-	-	88,468,467	88,468,467	-
<b>Transactions with owners</b>						
Final cash dividend 2009: Rs.3.00 @ 30% (2008 : Rs.2.50 @25% ) per share	-	-	-	(900,000,000)	(900,000,000)	-
<b>Balance as at September 30, 2010</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,777,419,085</b>	<b>915,704,642</b>	<b>2,693,123,727</b>	<b>6,785,655,260</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Cash Flows**  
For the period of nine months ended September 30, 2010 (Unaudited)

	<b>2010</b> <b>(Rupees)</b>	<b>2009</b> <b>(Rupees)</b>
<b>Operating Cash Flows:</b>		
<b>Underwriting activities:-</b>		
Premium received	4,618,640,106	3,947,915,119
Reinsurance premium paid	(2,234,893,286)	(2,487,104,524)
Claims paid	(1,396,106,518)	(1,332,130,179)
Reinsurance and other recoveries received	187,192,197	536,601,620
Commission paid	(632,425,722)	(508,064,452)
Commission received	79,830,081	62,525,671
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	(64,898,437)	1,723,805
Expenses paid	(223,742,999)	(195,911,070)
<b>Net cash inflows from underwriting activities</b>	<b>333,595,422</b>	<b>25,555,990</b>
<b>Other Operating Activities</b>		
Income tax paid	(102,523,739)	(92,620,068)
General management expenses paid	(27,271,112)	(24,022,055)
Loans recovered / (disbursed) from employees	958,408	4,660,864
Other receipts/(payments) - sundry debtors	(40,677,647)	(106,543,762)
Other payments - staff contribution	-	-
<b>Net cash (outflow) from other operating activities</b>	<b>(169,514,090)</b>	<b>(218,525,021)</b>
<b>Total cash (outflow) from all operating activities</b>	<b>164,081,332</b>	<b>(192,969,031)</b>
<b>Investment activities</b>		
Fixed Capital expenditure/ (disposed)	4,174,104	(7,604,977)
Sale proceeds of Fixed Assets		
Acquisition of investments	(4,429,234,397)	(2,152,288,747)
Rental income received - net of expenses	47,293,564	53,018,420
Dividend income received	174,071,318	240,629,220
Interest income on bank deposits	61,413,857	125,319,819
Investment income received - net of expenses	234,289,684	437,571,360
Sale proceeds of investments	4,396,244,183	674,466,359
<b>Total cash (outflow) / inflow from investment activities</b>	<b>488,252,313</b>	<b>(628,888,546)</b>
<b>Financing activities</b>		
Surplus paid	-	-
Dividend paid	(881,817,306)	(739,610,121)
<b>Total cash (outflow) from financing activities</b>	<b>(881,817,306)</b>	<b>(739,610,121)</b>
<b>Net cash (outflow) / inflow from all activities</b>	<b>(229,483,661)</b>	<b>(1,561,467,698)</b>
Cash and cash equivalents at beginning of the year	1,833,646,826	2,836,631,584
<b>Cash and cash equivalents at end of the period</b>	<b>1,604,163,165</b>	<b>1,275,163,886</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Premium  
For the period of three months ended September 30, 2010 (Unaudited)

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)	2010	2009
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		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	313,815,045	304,166,004	427,468,760	190,512,289	88,890,684	163,001,758	160,389,475	91,502,967	99,009,322	97,336,087
Marine Cargo	6,878,651	3,832,358	3,439,326	7,271,683	-	-	-	-	7,271,683	5,800,078
Marine Hull	20,729,763	15,086,599	26,651,695	9,164,667	-	-	-	-	9,164,667	7,786,019
Accident	25,675,278	65,282,452	55,893,678	35,064,052	-	-	-	-	35,064,052	12,735,973
Aviation	264,357,003	582,453,092	424,195,968	422,614,127	224,711,359	516,382,650	363,869,657	377,224,352	45,389,775	23,624,815
Engineering	100,192,284	545,239,795	371,622,542	273,809,537	43,994,521	442,228,290	270,095,245	216,127,566	57,681,971	55,346,605
<b>Total</b>	<b>731,648,024</b>	<b>1,516,060,300</b>	<b>1,309,271,969</b>	<b>938,436,355</b>	<b>357,596,564</b>	<b>1,121,612,698</b>	<b>794,354,377</b>	<b>684,854,885</b>	<b>253,581,470</b>	<b>202,629,577</b>
<b>Treaty</b>	844,799,709	1,276,711,916	1,385,076,755	736,434,870	288,323,385	241,074,264	316,707,078	212,690,571	523,744,299	360,392,670
<b>Grand Total</b>	<b>1,576,447,733</b>	<b>2,792,772,216</b>	<b>2,694,348,724</b>	<b>1,674,871,225</b>	<b>645,919,949</b>	<b>1,362,686,962</b>	<b>1,111,061,455</b>	<b>897,545,456</b>	<b>777,325,769</b>	<b>563,022,247</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Premium  
For the period of nine months ended September 30, 2010 (Unaudited)

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)	2010	2009
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		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	647,348,925	342,691,806	427,468,760	562,571,971	293,039,471	156,030,173	160,389,475	288,680,169	273,891,802	277,781,863
Marine Cargo	17,854,445	3,076,414	3,439,326	17,491,533	-	-	-	-	17,491,533	16,159,757
Marine Hull	33,622,612	16,717,529	26,651,695	23,688,446	-	-	-	-	23,688,446	28,052,313
Accident	88,503,756	63,232,288	55,893,678	95,842,366	-	-	-	-	95,842,366	34,694,225
Aviation	295,856,011	1,389,037,721	424,195,968	1,260,697,764	241,077,570	1,255,900,538	363,869,657	1,133,108,451	127,589,313	67,211,105
Engineering	646,684,633	573,254,971	371,622,542	848,317,062	518,405,192	436,624,753	270,095,245	684,934,700	163,382,362	157,311,329
<b>Total</b>	<b>1,729,870,382</b>	<b>2,388,010,729</b>	<b>1,309,271,969</b>	<b>2,808,609,142</b>	<b>1,052,522,233</b>	<b>1,848,555,464</b>	<b>794,354,377</b>	<b>2,106,723,320</b>	<b>701,885,822</b>	<b>581,210,592</b>
<b>Treaty</b>	2,377,638,990	959,252,289	1,385,076,755	1,951,814,524	623,697,692	219,244,170	316,707,078	526,234,784	1,425,579,740	991,326,791
<b>Grand Total</b>	<b>4,107,509,372</b>	<b>3,347,263,018</b>	<b>2,694,348,724</b>	<b>4,760,423,666</b>	<b>1,676,219,925</b>	<b>2,067,799,634</b>	<b>1,111,061,455</b>	<b>2,632,958,104</b>	<b>2,127,465,562</b>	<b>1,572,537,383</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Claims  
For the period of three months ended September 30, 2010 (Unaudited)

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)	2010	2009
		Opening (B)	Closing (C)			Opening (F)	Closing (G)		Aggregate	Aggregate
									Net claim expenses (I=D-H)	Net claim expenses
-----R u p e e s-----										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	21,210,057	221,524,406	216,430,789	16,116,440	-	68,968,099	68,968,099	-	16,116,440	74,883,724
Marine Cargo	923,205	5,747,176	4,861,051	37,080	-	-	-	-	37,080	242,440
Marine Hull	-	12,317,222	13,398,227	1,081,005	-	-	-	-	1,081,005	581,054
Accident	6,119,706	12,720,542	10,353,031	3,752,195	-	-	-	-	3,752,195	699,196
Aviation	7,953,879	68,126,357	118,350,110	58,177,632	7,362,895	65,640,220	65,855,807	7,578,482	50,599,150	8,529,315
Engineering	13,984,292	25,052,711	18,552,045	7,483,626	-	-	-	-	7,483,626	(1,153,562)
<b>Total</b>	<b>50,191,139</b>	<b>345,488,414</b>	<b>381,945,253</b>	<b>86,647,978</b>	<b>7,362,895</b>	<b>134,608,319</b>	<b>134,823,906</b>	<b>7,578,482</b>	<b>79,069,496</b>	<b>83,782,167</b>
<b>Treaty</b>	496,287,617	892,820,772	956,613,890	560,080,735	(5,061)	443,448,021	444,391,923	938,841	559,141,894	275,287,006
<b>Grand Total</b>	<b>546,478,756</b>	<b>1,238,309,186</b>	<b>1,338,559,143</b>	<b>646,728,713</b>	<b>7,357,834</b>	<b>578,056,340</b>	<b>579,215,829</b>	<b>8,517,323</b>	<b>638,211,390</b>	<b>359,069,173</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Claims  
For the period of nine months ended September 30, 2010 (Unaudited)

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)	2010	2009
		Opening	Closing			Aggregate	Aggregate			
		(B)	(C)			Net claim expenses (I=D-H)	Net claim expenses			
R u p e e s										
<b>Business underwritten inside Pakistan</b>										
<b>Facultative</b>										
Fire	50,661,674	219,062,746	216,430,789	48,029,717	-	68,968,099	68,968,099	-	48,029,717	139,207,995
Marine Cargo	7,755,095	9,456,228	4,861,051	3,159,918	-	-	-	-	3,159,918	1,004,124
Marine Hull	423,122	12,002,165	13,398,227	1,819,184	-	-	-	-	1,819,184	524,120
Accident	8,886,288	2,584,382	10,353,031	16,654,937	-	-	-	-	16,654,937	47,019
Aviation	28,981,459	65,844,331	118,350,110	81,487,238	27,406,264	63,449,318	65,855,807	29,812,753	51,674,485	11,265,769
Engineering	105,280,870	44,808,296	18,552,045	79,024,619	72,426,476	-	-	72,426,476	6,598,143	9,565,302
<b>Total</b>	<b>201,988,508</b>	<b>353,758,148</b>	<b>381,945,253</b>	<b>230,175,613</b>	<b>99,832,740</b>	<b>132,417,417</b>	<b>134,823,906</b>	<b>102,239,229</b>	<b>127,936,384</b>	<b>161,614,329</b>
<b>Treaty</b>	1,194,118,010	981,138,554	956,613,890	1,169,593,346	87,359,457	610,973,628	444,391,923	(79,222,248)	1,248,815,594	628,300,194
<b>Grand Total</b>	<b>1,396,106,518</b>	<b>1,334,896,702</b>	<b>1,338,559,143</b>	<b>1,399,768,959</b>	<b>187,192,197</b>	<b>743,391,045</b>	<b>579,215,829</b>	<b>23,016,981</b>	<b>1,376,751,978</b>	<b>789,914,523</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Expenses  
For the period of three months ended September 30, 2010 (Unaudited)

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)	<u>Commission income unearned</u>		Net commission retrocession (J=G+H-I)	2010	2009
		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	42,004,485	41,306,839	57,707,917	25,603,407	2,060,619	27,664,026	22,634,956	15,347,768	28,196,335	9,786,389	17,877,637	24,685,202
Marine Cargo	1,533,941	851,027	766,971	1,617,997	1,389,323	3,007,320	-	-	-	-	3,007,320	3,397,071
Marine Hull	3,591,949	2,559,693	4,584,688	1,566,954	412,611	1,979,565	-	-	-	-	1,979,565	1,945,063
Accident	3,916,533	10,372,521	8,561,943	5,727,111	1,210,069	6,937,180	-	-	-	-	6,937,180	3,474,524
Aviation	1,908,220	1,925,569	2,787,343	1,046,446	1,517,599	2,564,045	1,245,261	1,900,348	2,242,913	902,696	1,661,349	1,775,178
Engineering	(1,045,786)	22,859,574	11,702,234	10,111,554	930,710	11,042,264	2,199,727	23,923,518	14,530,991	11,592,254	(549,990)	2,564,323
<b>Total</b>	<b>51,909,342</b>	<b>79,875,223</b>	<b>86,111,096</b>	<b>45,673,469</b>	<b>7,520,931</b>	<b>53,194,400</b>	<b>26,079,944</b>	<b>41,171,634</b>	<b>44,970,239</b>	<b>22,281,339</b>	<b>30,913,061</b>	<b>37,841,361</b>
<b>Treaty</b>	<b>149,982,229</b>	<b>298,475,117</b>	<b>300,230,213</b>	<b>148,227,133</b>	<b>58,485,647</b>	<b>206,712,780</b>	<b>1,217,363</b>	<b>1,408,491</b>	<b>2,225,171</b>	<b>400,683</b>	<b>206,312,097</b>	<b>155,146,191</b>
<b>Grand Total</b>	<b>201,891,571</b>	<b>378,350,340</b>	<b>386,341,309</b>	<b>193,900,602</b>	<b>66,006,578</b>	<b>259,907,180</b>	<b>27,297,307</b>	<b>42,580,125</b>	<b>47,195,410</b>	<b>22,682,022</b>	<b>237,225,158</b>	<b>192,987,552</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director



Pakistan Reinsurance Company Limited  
Condensed Interim Statement of Expenses  
For the period of nine months ended September 30, 2010 (Unaudited)

Class	<u>Deferred Commission</u>			Net commission expense (D=A+B-C)	Other management expenses (E)	Underwriting expense (F=D+E)	<u>Commission income unearned</u>			Net commission retrocession (J=G+H-I)	2010	2009
	Commission paid or payable (A)	Opening (B)	Closing (C)				Commission from reinsurers (G)	Opening (H)	Closing (I)		Aggregate Net underwriting expense (K=F-J)	Aggregate Net underwriting expense
-----R u p e e s-----												
<b>Business underwritten inside Pakistan</b>												
<b>Facultative</b>												
Fire	83,308,256	49,285,979	57,707,917	74,886,318	6,059,681	80,945,999	43,816,768	8,635,260	28,196,335	24,255,693	56,690,306	67,812,357
Marine Cargo	3,965,808	719,061	766,971	3,917,898	4,456,789	8,374,687	-	-	-	-	8,374,687	7,592,667
Marine Hull	5,768,445	2,852,598	4,584,688	4,036,355	1,230,057	5,266,412	-	-	-	-	5,266,412	5,973,843
Accident	13,026,828	11,369,361	8,561,943	15,834,246	3,619,675	19,453,921	-	-	-	-	19,453,921	8,758,589
Aviation	4,013,515	1,568,870	2,787,343	2,795,042	4,543,143	7,338,185	3,575,793	1,442,111	2,242,913	2,774,991	4,563,194	3,628,263
Engineering	22,718,955	20,395,720	11,702,234	31,412,441	3,653,460	35,065,901	27,855,783	24,045,849	14,530,991	37,370,641	(2,304,740)	8,393,357
<b>Total</b>	<b>132,801,807</b>	<b>86,191,589</b>	<b>86,111,096</b>	<b>132,882,300</b>	<b>23,562,805</b>	<b>156,445,105</b>	<b>75,248,344</b>	<b>34,123,220</b>	<b>44,970,239</b>	<b>64,401,325</b>	<b>92,043,780</b>	<b>102,159,076</b>
<b>Treaty</b>	<b>499,623,915</b>	<b>215,417,260</b>	<b>300,230,213</b>	<b>414,810,962</b>	<b>200,180,194</b>	<b>614,991,156</b>	<b>4,581,737</b>	<b>484,507</b>	<b>2,225,171</b>	<b>2,841,073</b>	<b>612,150,083</b>	<b>501,104,165</b>
<b>Grand Total</b>	<b>632,425,722</b>	<b>301,608,849</b>	<b>386,341,309</b>	<b>547,693,262</b>	<b>223,742,999</b>	<b>771,436,261</b>	<b>79,830,081</b>	<b>34,607,727</b>	<b>47,195,410</b>	<b>67,242,398</b>	<b>704,193,863</b>	<b>603,263,241</b>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Investment Income**  
**For the period of three months and nine months ended September 30, 2010 (Unaudited)**

	<u>Three months ended Sep 30,</u>		<u>Nine months ended Sep 30,</u>	
	<b>2010</b>	2009	<b>2010</b>	2009
	<b>Rupees</b>	Rupees	<b>Rupees</b>	Rupees
<b>Income from trading investments</b>				
Held-for-trading	4,393,891	27,827,174	24,386,921	27,827,174
Available-for-sale	3,405,544	325,507,138	4,883,300	341,603,808
Dividend income	171,771,561	188,761,708	225,246,894	238,122,092
	<u>179,570,996</u>	<u>542,096,020</u>	<u>254,517,115</u>	<u>607,553,074</u>
<b>Income from non-trading investments</b>				
<i>Held-to-maturity</i>				
Return on Government Securities	40,940,497	50,087,568	117,122,078	108,743,248
Return on other fixed income securities and deposits	15,955,649	10,067,860	61,413,857	125,319,819
Income on treasury bills	32,963,769	25,139,027	103,116,301	45,570,111
Amortization of premium/discount on Pakistan Investment Bond	671,604	(603,042)	1,000,568	(3,190,596)
	<u>90,531,519</u>	<u>84,691,413</u>	<u>282,652,804</u>	<u>276,442,582</u>
<b>Gain / (loss) on revaluation of investments</b>				
Held-for-trading	(1,720,697)	-	(3,424,382)	-
Available-for-sale	-	-	-	-
	<u>(1,720,697)</u>	<u>-</u>	<u>(3,424,382)</u>	<u>-</u>
	<u>268,381,818</u>	<u>626,787,433</u>	<u>533,745,537</u>	<u>883,995,656</u>
<b>Less: Investment related expenses</b>	<b>(967,725)</b>	<b>(1,203,755)</b>	<b>(2,890,752)</b>	<b>(2,632,576)</b>
<b>Net investment income</b>	<u><u>267,414,093</u></u>	<u><u>625,583,678</u></u>	<u><u>530,854,785</u></u>	<u><u>881,363,080</u></u>

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

Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Executive

Syed Arshad Ali  
Director

Najeeb Khawer Awan  
Director

PAKISTAN REINSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 (UNAUDITED)

**1 The Company and its Operations**

Pakistan Reinsurance Co. Ltd., (“the Company”) was incorporated on March 30, 2000, under the Companies Ordinance, 1984. The object of the Company is the development of insurance and reinsurance business in Pakistan and to carry on reinsurance business.

The registered office of the company is located at PRC Towers, 32-A, Lalazar Drive, M.T. Khan Road, Karachi. Its shares are quoted on 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 3rd Quarter 2010, PRC received returns from 30 general insurance companies out of 31 and these return received in PRCL by due date 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 28th October, 2010 by the Board of Directors of the Company.

**5 Corresponding Figures**

Corresponding figures have been rearranged wherever necessary for the purpose of comparison.

**6 Contingencies**

There have been no significant change in the contingent liabilities since last published financial statements.

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

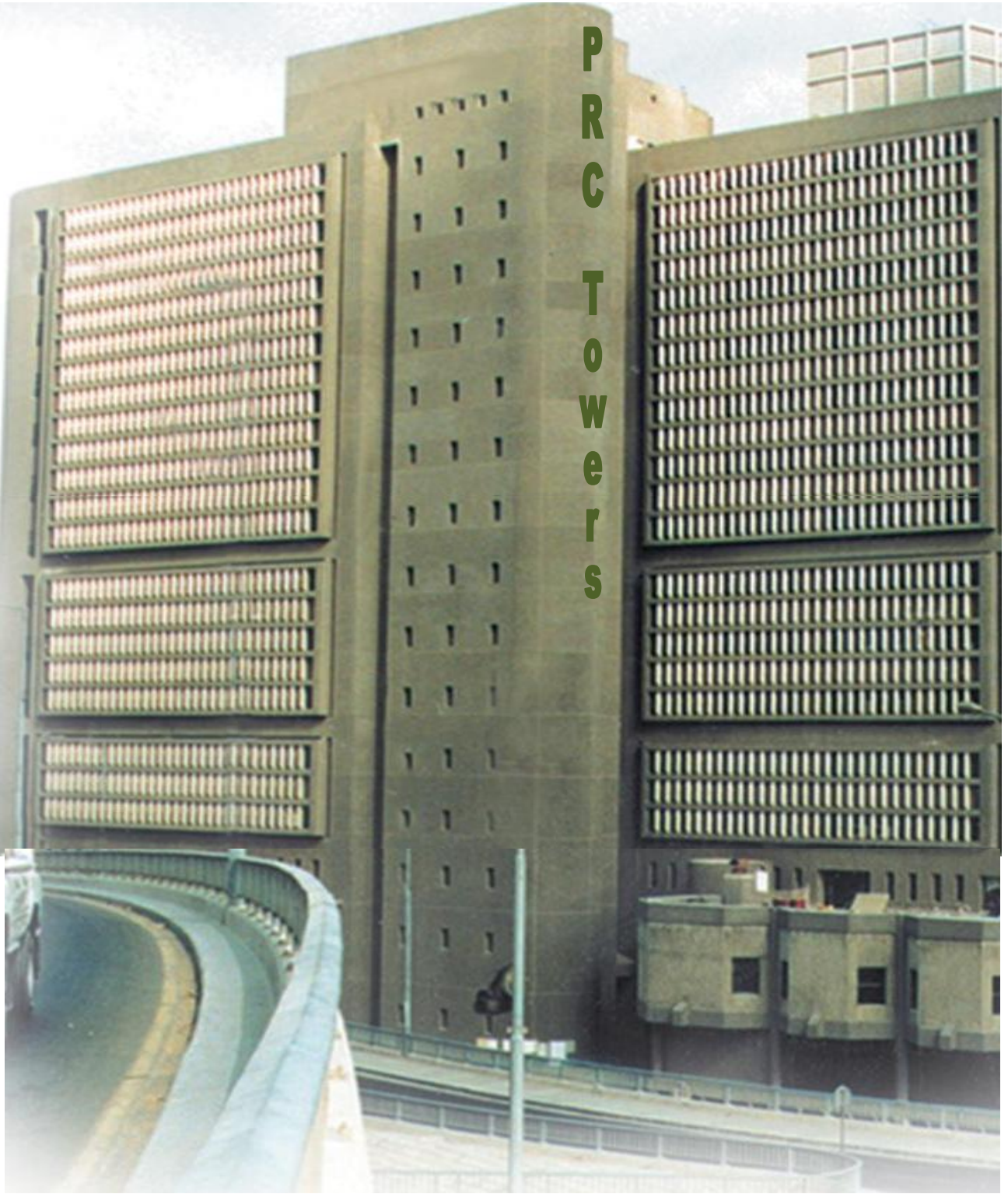
Farzana Munaf  
Chief Financial Officer

Rukhsana Saleem  
Chief Exectuve

Director

Director

Karachi October 28, 2010



## **Pakistan Reinsurance Company Limited**

(Formerly Pakistan Insurance Corporation)

Functionaries under Ministry of Commerce, Government of Pakistan  
PRC Towers, 32-A, Lalazar Drive, M.T. Khan Road, Karachi, Pakistan.

Ph: 0092-21-99202908 to 99202914, Fax: 0092-21-99202921-22,

E-mail: [prcl@pakre.org.pk](mailto:prcl@pakre.org.pk) Website: [www.pakre.org.pk](http://www.pakre.org.pk)