PAKISTAN REINSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
SIX MONTHS PERIOD ENDED JUNE 30, 2014

	Note	Six months period ended June 30								
		Fire	Marine cargo	Marine hull	Accident and others	Aviation	Engineering	Treaty	2014 Aggregate	2013 Aggregate
		Rupees								
Revenue account										
Net premium revenue		404,066,604	37,850,603	34,909,335	76,588,635	71,075,379	197,393,903	1,520,122,179	2,342,006,638	2,178,235,623
Less:										
Net claims		154,397,680	10,029,841	(4,315,693)	30,402,828	32,218,948	33,433,167	881,041,355	1,137,208,126	1,066,060,752
Expenses		50,540,666	9,578,294	6,130,282	13,657,956	14,220,823	26,240,640	162,619,943	282,988,604	262,104,620
Net commission		48,284,251	9,186,942	1,396,391	8,770,717	(48,074)	2,602,347	385,408,259	455,600,833	467,566,276
Underwriting results		150,844,007	9,055,526	31,698,355	23,757,134	24,683,682	135,117,749	91,052,622	466,209,075	382,503,975
Investment income - net									377,980,155	436,590,922
Rental income - net									26,416,987	23,765,789
Exchange (loss) / gain									(81,784,282)	18,555,749
Other income									927,733	945,663
General and administration expenses									(16,177,021)	(19,899,342)
									307,363,572	459,958,781
Profit before tax									773,572,647	842,462,756
Income tax expense										
Current									(267,720,110)	(245,761,774)
									(267,720,110)	(245,761,774)
Profit after tax									505,852,537	596,700,982
Profit and loss appropriation account										
Balance at the commencement of period									1,512,977,449	1,197,161,063
Profit after tax for the year									505,852,537	596,700,982
Final cash dividend 2013: Rs. 2.50 @ 25% (2012: Rs. 2.50 @ 25%) per share									(750,000,000)	(750,000,000)
Balance of unappropriated profit at the end of the period									1,268,829,986	1,043,862,045
Earnings per share - basic and diluted									1.69	1.99

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR

At the time of the meeting of Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities Exchange Commission of Pakistan (SECP), these financial statements, as approved by the Board of Directors, have been signed by two directors and the Chief Financial Officer.

PAKISTAN REINSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
SIX MONTHS PERIOD ENDED JUNE 30, 2014

	Note	Fire	Marine cargo	Marine hull	Accident and others	Aviation	Engineering	Treaty	2014 Aggregate	2013 Aggregate
		Three months period ended June 30								
		Rupees								
Revenue account										
Net premium revenue		208,693,544	16,642,130	17,332,699	38,163,011	36,442,932	94,138,837	712,456,075	1,123,869,228	1,110,220,130
Less:										
Net claims		118,018,157	3,680,002	5,413,349	13,575,621	32,441,408	(3,937,051)	198,943,232	368,134,718	518,858,972
Expenses		3,097,361	2,236,257	583,996	2,096,604	3,049,497	2,121,969	184,503,790	197,689,474	194,492,152
Net commission		24,643,954	4,030,535	744,787	4,266,825	(14,379)	636,881	193,401,102	227,709,705	237,948,415
Underwriting results		62,934,072	6,695,336	10,590,567	18,223,961	966,406	95,317,038	135,607,951	330,335,331	158,920,591
Investment income - net									168,915,370	175,081,302
Rental income - net									13,287,803	10,498,545
Exchange (loss) / gain									(18,387,112)	22,638,992
Other income									11,226	(639,246)
General and administration expenses									(7,949,980)	(10,841,655)
									155,877,307	196,737,938
Profit before tax									486,212,638	355,658,529
Income tax expense										
Current									(165,406,823)	(106,914,137)
									(165,406,823)	(106,914,137)
Profit after tax									320,805,815	248,744,392
Profit and loss appropriation account										
Balance at the commencement of period									1,512,977,449	1,867,206,894
Profit after tax for the year									505,852,537	102,095,244
Final cash dividend 2013: Rs. 2.50 @ 25% (2012: Rs. 2.50 @ 25%) per share									(750,000,000)	(750,000,000)
Balance of unappropriated profit at the end of the period									1,268,829,986	1,219,302,138
Earnings per share - basic and diluted									1.07	0.83

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR

At the time of the meeting of Board of Directors, office of the Chief Executive is vacant. Therefore, in pursuance of relaxation granted by Securities Exchange Commission of Pakistan (SECP), these financial statements, as approvedcby the Board of Directors, have been signed by two directors and the Chief Financial Officer.

Directors' Report

for the half year ended June 30, 2014

The Shareholders,
Pakistan Reinsurance Co. Ltd.

On behalf of the Board of Directors of PRCL, I am pleased to present the un-audited condensed interim financial statements of the Company for the half year ended June 30, 2014. As required these have been subject to limited review by our External Auditors and their review report is annexed.

<u>Review of Business Activities</u>

The financial statements for the half year ended June 30, 2014 reflect the treaty business returns received from 31 insurance companies out of 34. These returns received in PRCL after one month from the date of closing of their half year, as per the amendment were made in PIC (Compulsory Surplus Reinsurance) Regulations, 1978 as well as facultative business as per record of the Company. No returns were received from Crescent Star Insurance Company, Shaheen Insurance Company, (Karachi) and Asia Insurance Company (Lahore).

The Gross written Premium was Rs.3,393 million against Rs.3,404 million for the corresponding period, showing a decrease of Rs.11 million. The Net Premium was Rs.2,342 million against Rs.2,178 million, showing an increase of Rs.164 million (8%). The Net Commission for the period is Rs.456 million as compared to Rs.468 million, showing a decrease of Rs.12 million (3%).The Net Claims were Rs.1,137 million against Rs.1,066 million showing an increase of Rs.71 million (7%).

The underwriting results after management expenses for the half year ended June 30, 2014 were Rs.466 million as compared to Rs.382 million for the corresponding period last year, showing an increase of Rs.84 million (22%).

The income from investment including rental and other income for the period under review, was recorded at Rs.405 million, as compared to Rs.463 million in the corresponding period.

The Profit Before Tax for the half year ended June 30, 2014, was Rs.773 million, as compared to Rs.842 million in the half year ended June 30, 2013, showing a decrease of Rs.69 million (8%). The Profit after Tax for the half year ended June 30, 2014, was Rs.505 million, as compared to Rs.596 million in the half year ended June 30, 2013, showing a decrease of Rs.91 million (15%). The earning per share for the half year ended June 30, 2014 stood at Rs.1.69 compared to Rs.1.99 for the previous period.

These headline figures mask the positive developments that we have seen in our business over the first six months of the year.

Directors' Report

for the half year ended June 30, 2014

Future Outlook

The general insurance sector's performance is strongly correlated to economic growth and results are likely to be improved based on possible improvement in energy crisis and law and order situation in the country.

Acknowledgement

The Directors of your Company would like to take this opportunity to thank all the Company's valued clients, reinsurers, brokers, business partners and collaborators, the Securities and Exchange Commission of Pakistan, Stock Exchanges, Central Depository Company for their professional approach and guidance.

We also thank our stakeholders, who continue to place their trust and confidence in the Company and assure them of our best efforts to ensure optimum utilization of their investment in the Company.

Finally, the Directors also wish to place on record their appreciation for the devotion, loyalty and hard work of the officers and members of the staff who have contributed towards the growth of the Company and the success of its operations.

For and on behalf
of the Board of Directors

Chairman/Director
Karachi: 27th August, 2014.