

PAKISTAN REINSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED JUNE 30, 2016

Three months period ended June 30

Note	Fire	Marine cargo	Marine hull	Accident and others	Aviation	Engineering	Treaty	2016	2015
	Rupees							Aggregate	Aggregate
Revenue account									
Net premium revenue	281,369,269	9,013,754	14,300,471	36,172,114	35,919,787	126,565,037	951,610,480	1,454,950,912	1,293,529,442
Less:									
Net claims	101,341,206	990,887	(3,263,775)	5,176,288	(5,863,555)	57,160,953	498,031,953	653,573,957	458,466,522
Expenses	45,268,894	4,724,185	2,656,385	8,165,601	9,608,204	22,581,084	140,131,601	233,135,954	243,520,229
Net commission	51,880,197	1,521,076	(889,932)	4,293,558	(216,632)	12,845,779	246,027,091	315,461,137	269,665,022
Underwriting results	82,878,972	1,777,606	15,797,793	18,536,667	32,391,770	33,977,221	67,419,835	252,779,864	321,877,669
Investment income - net								382,323,392	369,081,742
Rental income - net								14,191,239	11,962,206
Exchange gain								4,200,557	1,224,048
Other income								1,500	8,534
General and administration expenses								(12,489,227)	(10,621,271)
Profit before tax								388,227,461	371,655,259
Income tax expense								641,007,325	693,532,928
Current								(137,421,872)	(160,407,654)
Profit after tax								(137,421,872)	(160,407,654)
Profit and loss appropriation account								503,585,453	533,125,274
Balance at the commencement of period								2,237,925,983	2,213,630,386
Profit after tax								503,585,453	533,125,274
Final cash dividend [2015: Rs. 2.50 @ 25% (2014: Rs. 2.50 @ 25%) per share]								(750,000,000)	(750,000,000)
Balance of unappropriated profit at the end of the period								1,991,511,436	1,996,755,660
Earnings per share - basic and diluted								1.68	1.78

The annexed notes from 1 to 27 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), this condensed interim financial information, as approved by the Board of Directors, have been signed by two directors and the Chief Financial Officer.

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PAKISTAN REINSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2016

		Six months period ended June 30							2016	2015
		Fire	Marine cargo	Marine hull	Accident and others	Aviation	Engineering	Treaty	Aggregate	Aggregate
		Rupees								
Note										
	Revenue account									
	Net premium revenue	542,339,675	20,110,857	28,167,696	74,928,714	70,366,363	256,784,350	1,840,533,837	2,833,231,492	2,555,312,545
	Less:									
	Net claims	180,816,707	8,392,500	(2,903,963)	13,078,792	(672,611)	82,168,313	1,058,777,938	1,339,657,676	1,232,317,159
	Expenses	64,484,539	8,690,674	4,011,327	13,159,715	15,714,664	33,537,004	192,053,568	331,651,491	321,592,728
	Net commission	99,681,855	3,519,145	(470,113)	9,003,332	(572,302)	24,998,815	480,383,184	616,543,916	530,931,209
	Underwriting results	<u>197,356,574</u>	<u>(491,462)</u>	<u>27,530,445</u>	<u>39,686,875</u>	<u>55,896,612</u>	<u>116,080,218</u>	<u>109,319,147</u>	<u>545,378,409</u>	<u>470,471,449</u>
	Investment income - net							589,582,725	591,504,190	
	Rental income - net							26,411,156	23,921,849	
	Exchange (loss) / gain	16						(2,531,632)	19,455,805	
	Other income	17						62,921	22,034	
	General and administration expenses							(22,866,111)	(17,702,368)	
								<u>590,659,060</u>	<u>617,201,510</u>	
	Profit before tax							1,136,037,469	1,087,672,959	
	Income tax expense									
	Current	15						(274,632,333)	(269,910,590)	
								<u>(274,632,333)</u>	<u>(269,910,590)</u>	
	Profit after tax							<u>861,405,136</u>	<u>817,762,369</u>	
	Profit and loss appropriation account									
	Balance at the commencement of period							1,880,106,301	1,928,993,292	
	Profit after tax							861,405,136	817,762,369	
	Final cash dividend [2015: Rs. 2.50 @ 25% (2014: Rs. 2.50 @ 25%) per share]							(750,000,000)	(750,000,000)	
	Balance of unappropriated profit at the end of the period							<u>1,991,511,437</u>	<u>1,996,755,661</u>	
	Earnings per share - basic and diluted							<u>2.87</u>	<u>2.73</u>	

The annexed notes from 1 to 27 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), this condensed interim financial information, as approved by the Board of Directors, have been signed by two directors and the Chief Financial Officer.

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Directors' Report

for the half year ended June 30, 2016

**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, 2016. As required these have been subject to limited review by our External Auditors and their review report is annexed.

Review of Business Activities

The Gross written Premium was Rs.4,082 million against Rs.3,617 million for the corresponding period, showing an increase of Rs.465 million (13%). The Net Premium was Rs.2,833 million against Rs.2,555 million, showing an increase of Rs.278 million (11%). The Net Commission for the period is Rs.616 million as compared to Rs.531 million, showing an increase of Rs.85 million (16%). The Net Claims were Rs.1,340 million against Rs.1,232 million showing an increase of Rs.108 million (9%).

The underwriting results after management expenses for the half year ended June 30, 2016 were Rs.545 million as compared to Rs.470 million for the corresponding period last year, showing an increase of Rs.75 million (16%).

The income from investment including rental and other income for the period under review was recorded at Rs.616 million, as compared to Rs.616 million in the corresponding period last year.

The Profit Before Tax for the half year ended June 30, 2016, was Rs.1,136 million, as compared to Rs.1,087 million in the half year ended June 30, 2015, showing an increase of Rs.49 million (5%). The Profit after Tax for the half year ended June 30, 2016, was Rs.861 million, as compared to Rs.817 million in the half year ended June 30, 2015, showing an increase of Rs.44 million (5%). The earnings per share for the half year ended June 30, 2016 remained at Rs.2.87 compared to Rs.2.73 for the previous period.

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



D irectors' Report

for the half year ended June 30, 2016

Future Outlook

The general insurance sector's performance is strongly correlated with economic growth and results are likely to improve based on projected improvement in law & order and energy situation of the country.

Acknowledgement

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

We also thank our shareholders who continue to place their trust and confidence in the Company and we assure them of our best efforts.

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 and success of Company.

For and on behalf
of the Board of Directors



Chairman

Karachi: 30th August, 2016.