

Directors' Report
For Nine Months Ended September 30, 2021

The Valued Shareholders,
Pakistan Reinsurance Company Limited.

On behalf of the Board of Directors of PRCL, I am pleased to present the condensed interim financial statements of the Company for third quarter ended September 30, 2021.

Review of Conventional Business Activities

The gross written premium is Rs. 14,748 million against an amount of Rs. 13,743 million for the corresponding period of last year, showing an increase of Rs. 1,005 million (7.31%). The net premium is Rs. 5,016 million against Rs. 4,703 million, showing an increase of Rs. 313 million (6.7%). The net commission expense for the period is Rs. 691 million as compared to Rs. 711 million, showing a decrease of Rs. 20 million (-2.81%). The net claims are Rs. 3,304 million against Rs. 2,970 million, showing an increase of Rs. 334 million (11.24%).

The underwriting results after management expenses for the period under review are Rs. 474 million as compared to Rs. 513 million for the corresponding periods last year showing a decrease of Rs. 39 million. (-7.60%)

The income from investment, rental and other income for the period under review is recorded as Rs. 962 million, as compared to Rs. 736 million in the corresponding period of last year, showing an increase of Rs. 226 million (30.71%).

The profit before tax for the period under review is Rs. 1,448 million, as compared to Rs. 1,277 million recorded in the corresponding period last year, showing an increase of Rs. 171 million (13.39%).

The profit after tax for the period under review is Rs. 975 million, as compared to Rs. 869 million in the corresponding period of last year showing an increase of Rs. 106 million (12.20%) resulting in earning per share of Rs. 3.25 as compared to Rs. 2.90 for the corresponding period of last year showing an increase of Rs. 0.35 per share (12.07%).

Review of Window Re-Takaful Business Activities

Participants' Retakaful Fund

The gross written contribution is Rs. 721 million against an amount of Rs. 456 million for the corresponding period of last year, showing an increase of Rs. 265 million (58.11%). The net

contribution is Rs. 478 million against Rs. 382 million, showing an increase of Rs. 96 million (25.13%). The wakala expense for the period is Rs. 109 million as compared to Rs. 97 million, showing an increase of Rs. 12 million (12.37%). The net claim expense for the period is Rs. 219 million as compared to Rs. 360 million, showing a decrease of Rs. 141 million (39.17%), The income from investment for the period under review is recorded as Rs. 7 million, as compared to Rs. 5 million in the corresponding period of last year, showing an increase of Rs. 2 million (40%).

Operator's Retakaful Fund

The wakala income for the period is Rs. 109 million as compared to Rs. 97 million, showing an increase of Rs. 12 million (12.37%). The commission expense for the period is Rs. 100 million as compared to Rs. 73 million, showing an increase of Rs. 27 million (36.98%), The general administrative & management expense for the period is Rs. 6.043 million as compared to Rs. 4.092 million, showing an increase of Rs. 1.951 million (47.68%), The income from investment for the period under review is recorded as Rs. 13.456 million, as compared to Rs. 18.09 million in the corresponding period of last year, showing a decrease of Rs. 4.634 million.

The profit after tax for the period under review is Rs. 12.189 million, as compared to Rs. 27.517 million in the corresponding period of last year, showing a decrease of Rs. 15.328 million.

Future Outlook

With decline of Covid-19 and its effect, we are hopeful to deliver sustainable profitability in current economic environment. The company has improved its overall profitability amid challenging business environment and is well placed to take advantage of new opportunities in future.

Acknowledgement

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

We also thank our shareholders who continue to place their trust and confidence in the Company and assure them of our best efforts in future. Finally, the Directors also wish to place on record their appreciation for the hard work and devotion of the officers and staff of the Company.

For and on behalf of the Board of Directors.



Chairman Board
Karachi: 29th October, 2021



Chief Executive Officer

محدود حصص کنندگان

پاکستان ری-انسورنس کمپنی لمیٹڈ

میں پاکستان ری-انسورنس کمپنی لمیٹڈ کے بورڈ کے ناظمین کی جانب سے، کمپنی کی 30 ستمبر 2021 کو اختتام پذیر تیسری سہ ماہی کی درمیانی مدت کی مختصر مالیاتی دستاویزات پیش کرتے ہوئے میں خوشی محسوس کرتا ہوں۔

روایتی کاروباری سرگرمیوں کا جائزہ

گزشتہ سال کا اسی مدت کے 13,743 ملین روپے مجموعی تحریری پریمیم کے مقابلے میں اس مدت میں اس کی مالیت 14,748 ملین روپے ہے جو 1,005 ملین (7.31 فیصد) کا اضافہ دکھارہا ہے۔ گزشتہ سال کے اسی مدت کے 4,703 ملین روپے خالص پریمیم کے مقابلے میں اس کی مالیت 5,016 ملین روپے رہی جو 313 ملین روپے (6.7 فیصد) کا اضافہ دکھارہا ہے۔ مذکورہ مدت میں 691 ملین روپے کے خالص کمیشن کے اخراجات کے مقابلے میں گزشتہ سال اسی مدت میں اس کی مالیت 711 ملین روپے ہے جو 20 ملین روپے (2.81 فیصد) کی کمی دکھارہا ہے۔ مذکورہ مدت میں خالص دعوے 3,304 ملین روپے کے مقابلے میں گزشتہ سال اسی مدت میں اس کی مالیت 2,970 ملین روپے تھے جو 334 ملین روپے (11.24 فیصد) کا اضافہ دکھارہا ہے۔ زیر غور مدت میں انتظامی اخراجات کے بعد مالیاتی ضمانت (underwriting) نتائج 474 ملین روپے ہیں جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 513 ملین روپے تھی جو 39 ملین روپے (7.60 فیصد) کی کمی دکھارہا ہے۔ زیر جائزہ مدت میں سرمایہ کاری سے آمدنی کرایہ اور دیگر آمدنی نے 962 ملین روپے کا اندراج کیا جبکہ گزشتہ سال اسی مدت میں 736 ملین روپے تھا جو 226 ملین (30.71 فیصد) کا اضافہ دکھارہا ہے۔ زیر جائزہ مدت میں منافع قبل از محصول 1,448 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 1,277 ملین روپے تھا جو 171 ملین روپے (13.39 فیصد) کا اضافہ دکھارہا ہے۔ زیر جائزہ مدت میں منافع بعد از محصول 975 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 869 ملین روپے تھا جو 106 ملین روپے (12.20 فیصد) کا اضافہ دکھارہا ہے، جس کا نتیجہ گزشتہ سال کی اسی مدت کے 2.90 روپے فی حصص کی آمدنی کے مقابلے میں اس مدت میں فی حصص آمدنی 3.25 روپے رہی جو 0.35 روپے فی حصص (12.07 فیصد) کا اضافہ دکھارہا ہے۔

ونڈو ری-ٹیکافل کی کاروباری سرگرمیوں کا جائزہ

شرکت داری ری-ٹیکافل فنڈ

گزشتہ سال کا اسی مدت کے 456 ملین روپے کے مجموعی تحریری شرائط کے حصے کے مقابلے میں اس مدت میں اس حصے کی مالیت 721 ملین روپے ہے جو 265 ملین روپے (58.11 فیصد) کا اضافہ دکھارہا ہے۔ گزشتہ سال کے اسی مدت کے 382 ملین روپے خالص حصہ کے مقابلے میں اس کی مالیت 478 ملین روپے ہے جو 96 ملین (25.13 فیصد) کا اضافہ دکھارہا ہے۔ مذکورہ مدت میں وکالہ (wakala) کے اخراجات 109 ملین روپے رہے جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 97 ملین روپے ہے جو 12 ملین روپے (12.37 فیصد) کا اضافہ دکھارہا ہے۔ زیر جائزہ مدت کے لیے خالص دعوے کے اخراجات 219 ملین روپے کے مقابلے میں گزشتہ سال اسی مدت میں ان کی مالیت 360 ملین روپے تھی جو 141 ملین روپے (39.17 فیصد) کی کمی دکھارہا ہے۔ زیر غور مدت میں سرمایہ کاری سے 7 ملین کی آمدنی ہوئی جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت میں اس کی مالیت 5 ملین روپے جو 2 ملین روپے (40 فیصد) کا اضافہ دکھارہا ہے۔

آپریٹر کاری ٹیکافل فنڈ

گزشتہ سال کا اسی مدت کے 97 ملین روپے کی وکالہ آمدنی کے مقابلے میں اس مدت میں اس کی مالیت 109 ملین روپے ہے جو 12 ملین (12.37 فیصد) کا اضافہ دکھارہا ہے۔ گزشتہ سال کے اسی مدت کے 73 ملین روپے کمیشن کے اخراجات مقابلے میں اس کی مالیت 100 ملین روپے رہی جو 27 ملین (36.98 فیصد) کا اضافہ دکھارہا ہے۔ زیر جائزہ مدت کے لیے عام انتظامی اور مینجمنٹ کے اخراجات 6.043 ملین روپے کے مقابلے میں گزشتہ سال اسی مدت میں ان کی مالی 4.092 ملین روپے تھی جو 1.951 ملین

روپے (47.68 فیصد) کا اضافہ دکھایا ہے۔ زیر غور مدت میں سرمایہ کاری سے 13.456 ملین کی آمدنی کا اندراج ہوا جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت میں اس کی مالیت 18.09 ملین روپے تھی جو 4.634 ملین روپے کی کمی دکھایا ہے۔
زیر جائزہ مدت کے دوران 12.189 ملین روپے کا منافع بعد از ٹیکس رہا جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 27.517 ملین روپے تھی جو 15.328 ملین روپے کی کمی دکھایا ہے۔

مستقبل کا منظر نامہ

کووڈ-19 کی کمی اور اس کے اثرات کے ساتھ، ہم پر امید ہیں کہ موجودہ معاشی ماحول میں مستحکم منافع بخشی (profitability) مہیا کریں۔ کمپنی مشکل کاروباری ماحول کے دوران اپنی مجموعی منافع بخشی میں بہتری لائی ہے اور بہتر پوزیشن میں ہے کہ وہ مستقبل میں آنے والی مواقعوں سے فائدہ اٹھائے۔

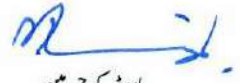
نتائج

آپ کے ناظمین اس موقع کا فائدہ اٹھاتے ہوئے کمپنی کے معزز گاہکوں، سیڈ انٹس (cedants)، ریٹرو سیشنئر (retrocessionnaire)، کاروباری شراکت دار، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کی معاونت اور پیشہ ورانہ رہنمائی کا شکریہ ادا کرنا چاہتے ہیں۔
ہم اپنے حصص کنندگان کا بھی، ان کا کمپنی پر مسلسل اعتماد اور بھروسہ کرنے پر شکریہ ادا کرتے ہیں اور مستقبل میں اپنی بہترین کاوشوں کا یقین دلاتے ہیں۔ بالآخر، ناظمین کی یہ بھی خواہش ہے کہ وہ کمپنی کے افسران اور اسٹاف کی سخت محنت، وفاداری اور لگن پر اپنے سرسپے کو قلم بند کریں۔



چیف ایگزیکٹو آفیسر

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے



بورڈ کے چیئرمین

کراچی، 29 اکتوبر 2021

Pakistan Reinsurance Company Limited

Condensed Interim Statement of Financial Position (Unaudited)

As at 30 September 2021

		30 September 2021	31 December 2020
		Unaudited	Audited
		Rupees	Rupees
ASSETS	Note		
Property and equipment	7	62,634,324	65,702,537
Asset relating to Bangladesh	8	-	-
Investment property	9	24,538,576	25,496,671
Investments			
Equity securities	10	3,506,677,663	3,763,247,842
Debt securities	11	8,704,743,919	8,271,505,868
Term deposit receipt		-	-
Loans and other receivables	12	2,790,778,749	2,879,142,000
Insurance / Reinsurance receivables	13	11,477,342,655	8,141,085,867
Reinsurance recoveries against outstanding claims		4,234,174,034	5,603,808,031
Deferred Commission Expense / Acquisition cost		824,574,618	708,870,616
Taxation - payments less provision		-	181,407,606
Prepayments		5,388,683,854	4,144,875,197
Stock of stationery		-	-
Cash & Bank	14	1,152,812,258	1,570,505,178
Total assets from Window Takaful Operations - OPF		451,374,890	409,366,837
Total Assets		38,618,335,540	35,765,014,250
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		3,000,000,000	3,000,000,000
Reserves	15	7,034,969,780	7,241,544,195
Total Equity		10,034,969,780	10,241,544,195
Liabilities			
Underwriting Provisions			
- Outstanding claims including IBNR		9,726,155,911	10,475,734,890
- Unearned premium reserves		8,906,768,395	6,513,672,434
- Unearned Reinsurance Commission		454,688,329	338,532,613
Retirement benefit obligations		3,088,102,670	3,188,627,998
Taxation liabilities- payments less provision		134,270,622	-
Deferred taxation	16	122,950,991	116,933,390
Insurance / Reinsurance Payables	17	5,733,985,596	4,550,351,722
Lease liabilities		28,014,025	26,778,855
Unclaimed Dividend		208,815,109	155,208,129
Other Creditors and Accruals	18	80,224,893	88,202,370
Total Liabilities		28,483,976,541	25,454,042,401
Total liabilities from Window Takaful Operations - OPF		99,389,219	69,427,654
Total Equity and Liabilities		38,618,335,540	35,765,014,250
Contingency(ies) and commitment(s)			

The annexed notes 1 to 33 form an integral part of this condensed interim financial information.


CFO


CEO


DIRECTOR


DIRECTOR


CHAIRMAN

Pakistan Reinsurance Company Limited

Condensed Interim Statement of Profit and Loss Account (Unaudited)

For the period ended September 30, 2021

	Note	Three months ended 30 Sep		Nine months ended 30 Sep	
		2021	2020	2021	2020
Net insurance premium	20	1,521,298,420	1,525,472,158	5,016,156,839	4,703,301,384
Net Insurance claims	21	883,806,031	1,039,588,064	3,304,164,815	2,970,216,531
Net Commission and other acquisition costs	22	207,968,688	209,579,488	691,181,396	711,167,687
Insurance claims and acquisition expenses		1,091,774,719	1,249,167,552	3,995,346,211	3,681,384,218
Premium deficiency expenses		-	-	-	-
Management Expenses		134,621,659	109,200,436	538,371,330	508,822,278
Provision for doubtful debts		-	-	8,936,130	-
Underwriting results		294,902,042	167,104,170	473,503,168	513,094,888
Investment income	23	240,056,183	281,878,057	808,281,781	690,915,089
Rental income	24	29,409,022	21,883,579	75,779,411	62,421,869
Other income		64,360,253	-	82,140,473	3,148,378
Other expenses		(1,745,518)	(20,574,492)	(3,919,863)	(20,496,401)
Results of operating activities		626,981,982	450,291,314	1,435,784,970	1,249,083,823
Finance costs		-	-	-	-
Profit before tax from general operations		626,981,982	450,291,314	1,435,784,970	1,249,083,823
Profit from Window Retakaful Operations		2,632,795	7,088,876	12,188,594	27,516,909
Profit before tax		629,614,777	457,380,190	1,447,973,564	1,276,600,732
Income tax expense	25	(241,453,672)	(137,193,352)	(472,833,065)	(407,412,915)
Profit after tax		388,161,105	320,186,838	975,140,499	869,187,817
Earnings (after tax) per share - Rupees		1.29	1.07	3.25	2.90

The annexed notes 1 to 33 form an integral part of this condensed interim financial information.

CFO

CEO

DIRECTOR

DIRECTOR

CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement Of Total Comprehensive Income (Unaudited)
For the period ended September 30, 2021

	Three months period ended Sep 30		30 September	30 September
	30 Sep	30 Sep	2021	2020
	2021	2020	2021	2020
	Unaudited	Unaudited	Unaudited	Unaudited
	Rupees		Rupees	
Profit for the Period	388,161,105	320,186,838	975,140,499	869,187,816
Other comprehensive income / (loss)				
Items that may not be reclassified subsequently to profit and loss account				
Unrealized loss on available for sale investments - net	(299,263,313)	(212,648,617)	(442,289,886)	(31,031,439)
Other Comprehensive Income Window Retakaful Operations	(142,106)		(142,106)	271,355
Transfer to profit and loss account on disposal of available for sale investments	-	-	-	(130,857,159)
Impact of deferred tax	-	-	10,717,078	109,115,792
	(299,405,419)	(212,648,617)	(431,714,914)	(52,501,451)
Items that will not be reclassified subsequently to profit and loss account				
Remeasurement of defined benefit obligations			-	(410,883,000)
Other comprehensive income for the period	(299,405,419)	(212,648,617)	(431,714,914)	(463,384,451)
Total comprehensive income / (loss) for the period	88,755,686	107,538,221	543,425,585	405,803,365
Profit and loss appropriation account				
Balance at the commencement of year	9,294,290,879	6,896,736,891	10,241,544,195	9,828,797,675
Total comprehensive income for the Period	88,755,686	107,538,221	543,425,585	851,414,310
Final cash dividend paid 2019: Rs.2.00 @ 20% (2018 : Rs.2.00 @ 20%) per share	-	-	(750,000,000)	(600,000,000)
Balance of unappropriated profit at the end of the period	9,383,046,565	7,004,275,112	10,034,969,780	10,080,211,985

The annexed notes 1 to 33 form an integral part of this condensed interim financial information.


CFO


CEO


DIRECTOR


DIRECTOR


CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For the period ended September 30, 2021

	Share capital		Reserves		Revenue reserves		Total
	Issued subscribed and paid-up	Reserve for exceptional losses	Unrealized gain on available for sale investment	General reserve	Retained earnings	Total reserves	
	Rupees						
Balance as at January 01, 2020	3,000,000,000	281,000,000	1,652,641,179	1,777,419,085	3,117,737,411	6,828,797,675	9,828,797,675
Total Comprehensive income for the period ended September 30, 2020	-	-	-	-	869,187,816	869,187,816	869,187,816
Effect of changes in accounting policy (note 5.2)			(17,773,507)			(17,773,507)	(17,773,507)
Remeasurement of defined benefit obligations - net					-	-	-
Transactions with owners	-	-	(17,773,507)	-	869,187,816	851,414,309	851,414,309
Final cash dividend 2019: Rs.2.00 @ 20% (2018 : Rs.2.00 @20%) per share		-		-	(600,000,000)	(600,000,000)	(600,000,000)
Balance as at September 30, 2020	3,000,000,000	281,000,000	1,634,867,672	1,777,419,085	3,386,925,227	7,080,211,984	10,080,211,984
Balance as at January 01, 2021	3,000,000,000	281,000,000	1,440,831,472	1,777,419,085	3,742,293,638	7,241,544,195	10,241,544,195
Total Comprehensive income for the period ended September 30, 2021	-	-	-	-	975,140,499	975,140,499	975,140,499
Effect of changes in accounting policy (note 5.2)			(431,714,914)			(431,714,914)	(431,714,914)
Remeasurement of defined benefit obligations - net	-	-	-	-	-	-	-
Transactions with owners	-	-	(431,714,914)	-	975,140,499	543,425,585	543,425,585
Effect of change in accounting policy - note	-	-		-	-	-	-
Final cash dividend 2020: Rs.2.50 @ 25% (2019 : Rs.2.00 @20%) per share	-	-		-	(750,000,000)	(750,000,000)	(750,000,000)
Balance as at September 30, 2021	3,000,000,000	281,000,000	1,009,116,558	1,777,419,085	3,967,434,137	7,034,969,780	10,034,969,780

The annexed notes 1 to 33 form an integral part of this condensed interim financial information.


CFO


CEO


DIRECTOR


DIRECTOR


CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Cash Flows (Unaudited)
For the period ended September 30, 2021

	2021 (Rupees)	2020 (Rupees)
Operating Cash Flows:		
Underwriting activities:-		
Premium received	11,411,338,493	11,597,544,701
Reinsurance premium paid	(7,319,222,837)	(7,939,893,525)
Claims paid	(4,650,209,892)	(2,088,730,535)
Reinsurance and other recoveries received	1,966,100,095	198,862,235
Commission paid	(1,390,204,526)	(1,332,490,367)
Commission received	699,474,843	695,305,506
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	-	-
Other underwriting payments (management expenses)	(541,156,685)	(499,678,103)
Net cash flows generated from underwriting activities	176,119,491	630,919,912
Other Operating Activities		
Income tax paid	(140,420,158)	(258,384,820)
General management expenses paid	(3,919,863)	(2,352,198)
Payment under defined benefit obligations		
Other operating (payments) / receipts	(106,047,401)	(2,592,408)
Advances to employees	6,879,503	10,451,895
Net cash used in other operating activities	(243,507,919)	(252,877,531)
Total cash flow generated from all operating activities	(67,388,428)	378,042,381
Investment activities		
Fixed Capital expenditure	(2,124,466)	(5,500,620)
Sale proceeds of Fixed Assets	-	-
Acquisition of investments	(12,849,748,481)	(6,670,211,019)
Rental income received - net of expenses	105,243,099	56,979,622
Dividend income received	134,997,505	95,151,753
Interest income on bank deposits	191,307,072	188,802,517
Investment income received - net of expenses	482,285,014	568,728,288
Proceeds on sale/ maturity of investments	12,282,893,615	6,149,029,205
Total cash used in investing activities	344,853,358	382,979,746
Financing activities		
Surplus paid	-	-
Dividend paid	(696,393,020)	(554,631,952)
Payments of finance leases	1,235,170	1,249,049
Total cash generated used in financing activities	(695,157,850)	(553,382,903)
Net cash generated from all activities	(417,692,920)	207,639,224
Cash at beginning of the period	1,570,505,178	815,678,747
Cash at end of the period	1,152,812,258	1,023,317,971

	2021 (Rupees)	2020 (Rupees)
Reconciliation to profit and loss account		
Operating cash flows	(58,452,298)	378,042,381
Depreciation expense		
-Fixed assets	(6,150,775)	(6,750,331)
-Investment property	-	-
Exchange gain	79,693,796	(18,144,203)
Rental income	75,779,411	62,421,869
Reinsurance recoveries against outstanding claims	(1,369,633,997)	4,648,453,001
Provision for outstanding claims	749,578,979	(5,728,801,232)
Provision for unearned premium	(2,393,095,962)	(677,341,125)
Prepaid reinsurance	1,244,208,026	152,007,215
Provision for employee benefits	100,525,328	(117,828,992)
Dividend income	146,384,163	97,437,939
Investment income	19,881,550	(136,291,644)
Interest income	575,208,701	670,268,969
Amortization of premium	15,722,974	20,339,373
Gain on sale of investment	51,084,393	39,160,452
(Decrease)/Increase in operating assets other than cash	3,320,771,107	2,130,613,306
Decrease/(Increase) in operating liabilities	(1,247,204,454)	(522,887,975)
	1,304,300,942	990,699,003
Other adjustments:		
Income tax paid	140,420,158	258,384,820
	140,420,158	258,384,820
Profit/(Loss) before taxation	1,444,721,100	1,249,083,823
Provision for taxation	(472,833,065)	(407,412,915)
Profit/(Loss) after taxation	971,888,035	841,670,908
Profit from Window Retakaful Operations - Operator's Fund	12,188,594	27,516,909
Profit after taxation for the period	<i>Rupees</i> 984,076,629	869,187,817

Definition of cash

Cash comprises of cash in hand, policy stamps, postage stamps, revenue stamp, bank balances and other deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

Cash for the purpose of the statement of cash flow consist of:

Cash and cash equivalents:

Cash and other equivalent	152,501	129,180
Current and other accounts	1,152,659,757	1,023,188,791
Deposit maturing within 12 months	-	-
	<i>Rupees</i> 1,152,812,258	1,023,317,971

The annexed notes 1 to 33 form an integral part of this condensed interim financial information.

 CFO
 CEO
 DIRECTOR
 DIRECTOR
 CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED

Notes To The Condensed Interim Financial statement (Un-Audited)

For the nine months period ended September 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Reinsurance Company Limited (the Company) was incorporated in Pakistan as a public limited company on March 30, 2000. The Company is engaged in providing of reinsurance and other insurance business. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at PRC Towers, 32-A, Lalazar Drive, Maulvi Tamizuddin Khan Road, Karachi.

With effect from February 15, 2001, the Company took over all the assets and liabilities of former Pakistan Insurance Corporation (PIC) vide SRO No.98(1)/2000 dated February 14, 2001 of the Ministry of Commerce issued in terms of Pakistan Insurance Corporation (Re-organization) Ordinance, 2000 to provide for conversion of Pakistan Insurance Corporation into Pakistan Reinsurance Company Limited which was established in 1952 as Pakistan Insurance Corporation (PIC) under PIC Act 1952. Accordingly, PIC has been dissolved and ceased to exist and the operations and undertakings of PIC are being carried out by the Company.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at PRC Towers, 32-A, Lalazar Drive, Maulvi Tamizuddin Khan Road, Karachi. The zonal office of the Company is located at 1st Floor, 15- A, Davis Road, State Life Building, Lahore, Pakistan.

3 BASIS OF PREPARATION

3.1 Basis of measurement

This condensed interim financial statements have been prepared under the historical convention, except that 'held to maturity' investments are stated at amortised cost and investment 'at fair value through profit or loss - held for trading' are stated at fair value and investment at available for sale are stated at market value.

This condensed interim financial statements have been prepared following accrual basis of accounting except for cash flow information.

3.2 Functional and presentation currency

These condensed interim financial statements have been prepared and presented in Pakistan Rupees, which is the Company's functional and presentation currency.

3.3 Statement of compliance

This condensed interim financial statements are unaudited and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

This condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2019 which have been prepared in accordance with approved accounting standards as applicable to insurance companies in Pakistan

This condensed interim financial statement of the Company for the quarter ended September 30, 2021 has been prepared in accordance with the requirements of the International Accounting Standard 34 – (IAS 34): Interim Financial Reporting, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2017 have been followed.

The comparative statement of financial position presented in this condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended December 31, 2020, whereas the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the quarter ended September 30, 2021.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted by the Company in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the preceding annual audited financial statements of the Company as at and for the year ended December 31, 2020 .

Amendments to certain existing standards and new standards and interpretations on approved accounting standards became effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

5 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

There are certain adoptions, amendments and interpretations with respect to the approved accounting standards that are not yet effective and are not expected to have any material impact on the Company's condensed interim financial statements in the period of initial application.

5.1 IFRS 16 Leases

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

This new Standard has been applied using the modified retrospective approach, where the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

The Company has applied the cost model to right-of use assets, except for those assets that meet the definition of investment property. Alternatively, the Company may elect to apply the revaluation model in IAS 16 to right-of-use assets, if it applies the revaluation model to the class of property and equipment that the right-of-use assets relate to.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if the rate cannot be readily determined, the KIBOR (Karachi Inter Bank Offer Rate). Generally, the Company uses KIBOR rate as the discount rate.

Management has assessed these amendments and has concluded that these amendments do not have any material impact on the Company's financial statements.

6 USE OF ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements are in conformity with the requirements of approved accounting standards as applicable in Pakistan requires management to make judgments / estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgments / estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimate about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing this condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the financial statements of the Company for the year ended December 31, 2020.

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2021

7 PROPERTY AND EQUIPMENT

	(Un-Audited) September 30, 2021	(Audited) December 31, 2020
	-----Rupees-----	
Opening balance	57,228,369	63,881,050
Additions:		
Furniture, fixtures and office equipments	2,128,469	1,019,042
Motor vehicles (owned)	-	-
Right-of-use Asset(Leasehold land)	-	-
Capital work in process(Computer equipment)	-	-
Leasehold improvements	-	-
	2,128,469	1,019,042
Less:		
Written down value of assets disposed/transferred	-	-
Depreciation charge for the period	(5,196,682)	(7,671,723)
Closing balance	54,160,156	57,228,369
INTANGIBLE ASSETS		
Capital work-in-progress		
Computer software	8,474,168	8,474,168
	62,634,324	65,702,537

8 ASSETS RELATING TO BANGLADESH (FORMER EAST PAKISTAN) - NET

Fixed assets		
Land and building	8,608,000	8,608,000
Furniture and fixture	4,000	4,000
	8,612,000	8,612,000
Investments		
Stock and shares	7,112,000	7,112,000
Debenture	250,000	250,000
	7,362,000	7,362,000
	15,974,000	15,974,000
Liabilities		
Outstanding claims	(4,952,000)	(4,952,000)
Other liabilities	(809,000)	(809,000)
	(5,761,000)	(5,761,000)
	10,213,000	10,213,000
Provision for loss on assets in Bangladesh	(10,213,000)	(10,213,000)
	-	-

INVESTMENT PROPERTIES

Opening balance	<u>158,716,140</u>	<u>158,716,140</u>
Accumulated depreciation		
Balance at beginning of year	<u>133,219,469</u>	<u>131,866,547</u>
Depreciation for the period/year	<u>958,097</u>	<u>1,352,922</u>
	<u>134,177,566</u>	<u>133,219,469</u>
Closing balance	<u><u>24,538,576</u></u>	<u><u>25,496,671</u></u>

The market value of investment properties is Rs.1,229.30 million, as per valuation carried out by an independent valuer as at December 31, 2020.

10 INVESTMENT IN EQUITY SECURITIES

	September 30, 2021				Dec 31, 2020			
	Cost	Impairment / Provision	Unrealized Gain / Loss	Carrying Value	Cost	Impairment / Provision	Unrealized Gain / Loss	Carrying Value
Available for sale	Rupees				Rupees			
Listed shares	499,066,996		1,454,380,299	1,953,447,295	373,163,266	-	1,781,322,761	2,154,486,027
Unlisted Shares	2,608,104	(1,990,492.00)	-	617,613	2,608,104	(1,990,491)	-	617,613
Mutual Funds	1,592,488,810	(243,665,889.00)	56,696,919	1,405,519,840	1,592,488,810	(307,657,758.00)	148,608,283	1,433,439,335
Sub Total	2,094,163,910	(245,656,381)	1,511,077,218	3,359,584,748	1,968,260,180	(309,648,249.00)	1,929,931,044	3,588,542,975
Held For Trading	Rupees				Rupees			
Listed Share	174,704,867		(27,611,952)	147,092,915	192,709,122	-	(18,004,255)	174,704,867
Sub Total	174,704,867		(27,611,952)	147,092,915	192,709,122		(18,004,255)	174,704,867
Grand Total	2,268,868,777	(245,656,381)	1,483,465,266	3,506,677,663	2,160,969,302	(309,648,249)	1,911,926,789	3,763,247,842

11 Investments in Debt Securities -

	September 30, 2021		Dec 31, 2020	
	Cost	Market value	Cost	Market value
Held For Maturity	Rupees		Rupees	
Pakistan Investment Bonds	1,576,625,189	1,583,683,099	2,007,804,600	2,017,569,742
PIB (Floater) 3 years & 5 years	551,691,150	551,064,306	551,691,150	551,454,689
Treasury Bills	6,002,116,900	6,094,412,110	4,859,252,700	4,973,013,535
Term Finance Certificate	99,900,000	99,900,000	99,920,000	99,920,000
	8,230,333,239	8,329,059,515	7,518,668,450	7,641,957,966
Available for Sale				
Pakistan Investment Bonds (AFS)	331,407,375	375,684,404	553,208,750	629,547,902
Total Debt Securities	8,561,740,614	8,704,743,919	8,071,877,200	8,271,505,868

PAKISTAN REINSURANCE COMPANY LIMITED

Notes To The Condensed Interim Financial statement (Un-Audited)

For the nine months period ended September 30, 2021

12 LOANS AND OTHER RECEIVABLES - Considered good

	(Un-Audited) September 30, 2021	(Audited) December 31, 2020
Note	-----Rupees-----	
Receivable from Sindh Revenue Board	2,573,888,727	2,573,888,727
Accrued investment income	126,542,369	103,805,616
Loans to employees	72,366,335	79,245,838
Receivable from Tenants	-	108,231,867.00
Sundry receivables	17,981,318	13,969,952
	<u>2,790,778,749</u>	<u>2,879,142,000</u>

- 12.1** Loans to employees represent mark-up free loans are secured against retirement benefits of respective employees including, where applicable, documents of assets for which the loan has been given. None of the amount is either past due or impaired, consequently no provision for bad or doubtful loans has been made. No loan has been advanced to the Directors of the Company.

13 INSURANCE / REINSURANCE RECEIVABLES - unsecured, considered good

	(Un-Audited) September 30, 2021	(Audited) December 31, 2020
Note	-----Rupees-----	
Balance at period/year end	12,526,540,941	9,181,348,022
Less: provision for impairment in due from other insurers / reinsurers	<u>(1,049,198,285)</u>	<u>(1,040,262,155)</u>
	11,477,342,655	8,141,085,867
Premium and claim reserves retained by cedants	24,831,633	24,831,633
Less: provision for impairment in premium and claim reserves retained by cedants	<u>(24,831,633)</u>	<u>(24,831,633)</u>
	<u>11,477,342,655</u>	<u>8,141,085,867</u>

- 13.1** This includes gross amount Rs. 6,166,184,680 (December 31, 2020: Rs.3,327,220,693) due from related party National Insurance Company Limited.

	(Un-Audited) September 30, 2021	(Audited) December 31, 2020
	-----Rupees-----	
upto 3 months	6,166,184,680	1,621,987,912
over 3 months and above	-	1,705,232,781
	<u>6,166,184,680</u>	<u>3,327,220,693</u>

13.2	provision for Impairment		
	opening	1,040,262,155	616,329,617
	charge for period/year	8,936,130	423,932,538
	Reversal	-	-
	Closing	<u>1,049,198,285</u>	<u>1,040,262,155</u>

14 CASH AND BANK BALANCES

	(Un-Audited) September 30, 2021	(Audited) December 31, 2020
	-----Rupees-----	
Cash in hand	152,501	100,232
Cash at bank in:		
Saving accounts	<u>1,152,659,757</u>	<u>1,570,404,946</u>
	<u>1,152,812,258</u>	<u>1,570,505,178</u>

- 14.1 The saving accounts carry markup at the rates ranging from 2.75% to 6.5% (2020: 2.75% to 6.25%) per annum.

15 RESERVES

	(Un-Audited) September 30, 2021	(Audited) December 31, 2020
	-----Rupees-----	
Capital Reserve		
-Reserve for exceptional losses	281,000,000	281,000,000
Revenue Reserve		
Unappropriated profit	3,967,434,137	3,742,293,642
-Available for sale reserve	1,009,116,558	1,440,831,468
-General Reserve	<u>1,777,419,085</u>	<u>1,777,419,085</u>
	<u>7,034,969,780</u>	<u>7,241,544,195</u>

DEFERRED TAX

	(Un-Audited) September 30, 2021	(Audited) December 31, 2020
	-----Rupees-----	
Deferred tax liabilities on taxable temporary differences:		
Property and equipment	2,519,685	2,517,325
Held to maturity investments		-
Right-of-use assets	6,114,196	6,368,954
Unrealized gain on investments	541,819,354	554,458,044
	<u>550,453,235</u>	<u>563,344,323</u>
Deferred tax assets on deductible temporary differences:		
Provision for doubtful debts	(21,590,126)	(24,181,604)
Provision for impairment of insurers / reinsurers receivable	(304,267,503)	(301,676,025)
Provision for impairment of receivables from other insurers / reinsurers	(7,201,174)	(7,201,174)
Provision for dividend receivable		-
Lease liabilities	(8,124,067)	(7,765,868)
National interest on interest free loans	(15,079,024)	(15,788,270)
Provision for impairment in available for sale investment		-
Provision for impairment of other receivables	(71,240,350)	(89,797,992)
	<u>(427,502,244)</u>	<u>(446,410,933)</u>
	<u>122,950,991</u>	<u>116,933,390</u>

17 INSURANCE / REINSURANCE PAYABLES

	(Un-Audited) September 30, 2021	(Audited) December 31, 2021
	-----Rupees-----	
Due to other insurers / reinsurers	5,718,161,240	4,534,527,366
Premium and claim reserves retained from retrocessionaires	15,824,356	15,824,356
	<u>5,733,985,596</u>	<u>4,550,351,722</u>

18 Other Creditors and Accruals

Other Creditors and Accruals		14,872,078	10,425,822
Rent Payable		31,693,297	31,693,297
Security Deposits	18.1	26,074,074	26,443,709
Accrued expenses		6,372,842	18,426,940
Surplus profit payable	18.2	1,212,602	1,212,602
		<u>80,224,893</u>	<u>88,202,370</u>

18.1 This represents deposits received from tenants in connection with letting of PRC Towers and earnest money deposits for the purpose of securing tenders of suppliers and contractors, which is in the normal course of business and does not carry any interest or mark-up.

18.2 This represents the amount set aside for the shareholders in accordance with the requirements of Pakistan Insurance Corporation Act, 1952 (repealed).

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 The Company has dispute in respect of the unilateral increase in rentals of its lease hold land by Karachi Port Trust (KPT) being exorbitant and unreasonable, a view supported by the Company's legal advisor. The amount not acknowledged in this regard however the Company has recorded provision in this regard as at December 31, 2018 amounting to Rs. 29.112 million (December 31, 2017: Rs. 24.024 million).

Currently, a stay is operating in favour of the Company and the matter is pending before the Honorable Court of Senior Judge - Karachi, West, for the issue and hearing of application. The matter is currently being contested by both parties and there has been no negotiation to settle the matter out of the court. Most likely outcome of the case may be in accordance with the market rate in the vicinity. The case is pending in the Honorable High Court of Sindh and there have been no further proceedings in this case since last year.

19.1.2 Sindh Sales Tax

The Company received a notice from Sindh Revenue Board (SRB) relating to non-filing of Sales Tax return on services provided by PRCL to Insurance Companies. The Company contested the notice, however, the decision was made against the Company giving rise to sales tax liability amounting to Rs. 3,242 million and tax penalty of Rs. 880 million for financial year 2011 and 2012. The Company filed an appeal with Commissioner of Appeals, Sindh Revenue Board, however, it was rejected. The Company again filed an appeal with the Appellate Tribunal where the decision was made against the Company vide order number AT-02/2013/109/2013 dated February 03, 2016. As a result, the Company filed reference in the Honourable High Court of Sindh against the orders of Appellant Tribunal.

In the aforementioned tribunal orders, the SRB was directed to reconcile and separate the sales tax liability on reinsurance premium generated within the province of Sindh and rest of Pakistan.

Subsequently, the Company received two orders in pursuance of Appellate Tribunal (SRB) Order against Appeal No. AT02/2013 and AT-109/2015 dated May 23, 2016 from Sindh Revenue Board (SRB) demanding the amount of sales tax liability on re-insurance services provided / rendered by the Company in Sindh from the period from July 2011 to November 2011 and for the period from December 2011 to December 2012 which were worked out and calculated by SRB amounting to Rs. 372.2 million and Rs. 1,118.1 million respectively. The Company has filed reference in the Honourable High Court of Sindh, dated April 18, 2016 against the Orders of Appellant Tribunal.

Further, the Company has also received a notice from Sindh Revenue Board (SRB) for the period from January 2013 to December 2013. The Company contested the notice; however, the order was passed against the Company giving rise to sales tax liability amounting to Rs. 1,385 million and tax penalty amounting to Rs. 424 million. The Company filed an appeal against the order with Commissioner of Appeals, Sindh Revenue Board which was decided against the Company. The Company being aggrieved by the said order has filed an appeal before Appellant Tribunal-SRB which has been heard and order is awaited. Stay of tax demand has been obtained in this regard which was valid up to April 05, 2017.

During the year 2017, the Company has paid an amount of Rs. 2,131.464 million under protest against the principal amount of sales tax liability in respect of above notices issued by SRB for tax years 2011, 2012 and 2013.

The Company has also apprised Ministry of Commerce through letter dated April 14, 2017, on the matter of disputed sales tax demand raised by SRB. Ministry of Commerce through letter dated on May 03, 2017, directed to take action as per Board of Directors decision and also directed that the Company may keep contesting the case in High Court vigorously.

After obtaining legal opinion and approval from Board of Directors and Ministry of Commerce, the Company wrote a letter dated May 17, 2017, to the Commission (SRB) that the Company is in agreement to make payment of the principal amount of the demand under protest subject to the condition that SRB will withdraw all notices issued u/s 66 of Sindh Sales Tax Act, 2011, to the clients and debtors of the Company for the attachment of payables to Company, SRB will not initiate any further proceedings in relation to the amount of default surcharge and penalty until the liability of tax on reinsurance services is finally decided by the Honourable High Court of Sindh and SRB will not initiate any further proceedings against the Company for the tax periods subsequent to these three tax periods and matter shall be decided after the decision of the Honourable High Court of Sindh.

During previous year, the SECP vide letter No. ID/PRDD/TAXATION/2020/15 dated March 13, 2020 highlighted taxation issues to SRB faced by the insurance industry in Pakistan. SECP highlighted that, insurance companies obtained reinsurance services to mitigate their risk by sharing it with other insurance/reinsurance companies, hence, forming part of the overall risk management function of insurance companies. The imposition of sales tax on reinsurance services through service charge mechanism, may lead to double taxation on the insurance business, in the context of foreign reinsurance.

Imposition of sales tax on the reinsurance services would increase the cost of doing business for insurance companies, which may reflect as an increase in the rates of insurance premiums, making insurance more costly for the policyholders. As lowering the cost of business is the primary agenda of the Government of Pakistan and as such, the imposition of sales tax on reinsurance services would be working at odds with measures taken by the Government of Pakistan for ease of doing business in Pakistan.

SRB vide letter SRB/TP/57/2016 dated April 26, 2020 advised the Company with the provisions of Sindh Sales Tax Act, 2011 by issuing tax invoices, e-filing of tax returns and e-depositing the SST invoice.

The aggregate amount of Rs. 2,573.889 million paid has been recorded as "receivable from SRB" in the condensed interim financial statements. Moreover, the Company has not recorded provision against the orders passed by SRB in pursuance of Appellate Order dated February 01, 2016 in Appeal No. AT-02/2013 and order dated February 03, 2016 in Appeal No. AT109/2015.

Further, if the matter is decided against the Company, the charge to accumulated profits would amount to Rs. 15,115.896 million (approximately) pertaining to the years 2011 to 2020 excluding any additional penalty or default surcharge. The pending legal proceeding may result in claims that the Company is unlikely to be able to satisfy. Further, in that case, the overall equity may erode and turn into negative and the Company would also face liquidity crunch and be unable to meet its solvency requirements in addition to "going concern assumption" basis of accounting.

Based on the legal opinion of the Company's legal advisor, management is confident that strong grounds exist to contest the case and that the eventual resolution of the matter would be in favour of the Company. Accordingly, no provision for sales tax liability for the years 2011 to 2020 has been recorded in these condensed interim financial statements.

The last hearing was held on September 10, 2021 but the case was discharged. The next hearing is to be held on 06-12-2021.

- 19.1.3 The Company has received a notice from the Regional Director of Employee Old Age Benefit Institution vide letter dated October 31, 2009 that Pakistan Reinsurance Company Limited is required to be registered with EOBI. The Company is of the view that since PRCL is a statutory body corporate under the management and control of Ministry of Commerce, Government of Pakistan and have its own pensioner rules and limitation and therefore provisions of EOBI Act, 1976 is not applicable. Suit was filed with the Honorable Civil Court Judge Karachi East in 2011 where the judgment has come against the Company.

Further, the Company has filed an appeal in the Honorable High Court of Sindh against the Civil Court judgment and there has been no further proceeding and the management expects a favorable outcome. The financial impact to the financial statements is currently not quantifiable. Therefore, no provision has been made in these financial statements.

19.2 **Commitments**

- 19.2.1 There are no commitments as on the reporting date (September 30, 2021: Nil).

20 **NET PREMIUM REVENUE**

	Unaudited Nine months ended 30 Sept.		Unaudited Three months ended 30 Sept.	
	2021	2020	2021	2020
-----Rupees-----				
Written gross premium	14,747,595,281	13,742,767,824	6,487,194,509	6,097,047,248
Add: Unearned premium reserve opening	6,513,672,433	8,451,658,849	6,534,498,584	7,497,158,210
Less: Unearned premium reserve closing	8,906,768,395	9,128,999,973	8,906,768,395	9,128,999,973
Premium earned	12,354,499,319	13,065,426,700	4,114,924,698	4,465,205,485
Less: Reinsurance premium ceded	8,582,550,506	8,514,132,531	4,014,211,798	3,360,570,433
Add: Prepaid reinsurance premium opening	4,144,132,224	5,453,474,265	3,967,754,730	5,184,644,374
Less: Prepaid reinsurance premium closing	5,388,340,250	5,605,481,480	5,388,340,250	5,605,481,480
Reinsurance expense	7,338,342,480	8,362,125,316	2,593,626,278	2,939,733,327
	<u>5,016,156,839</u>	<u>4,703,301,384</u>	<u>1,521,298,420</u>	<u>1,525,472,158</u>

21 **NET INSURANCE CLAIMS**

Claims paid	4,650,209,892	2,088,730,535	1,022,690,330	1,081,757,258
Add: Outstanding claims including IBNR closing	9,731,107,911	13,745,400,141	9,731,107,911	13,745,400,141
Less: Outstanding claims including IBNR opening	10,480,686,890	8,016,598,909	9,054,216,197	12,974,474,774
Claims expense	3,900,630,913	7,817,531,767	1,699,582,044	1,852,682,625
Less: Reinsurance and other recoveries received	1,966,100,095	198,862,235	123,304,293	198,862,235
Add: Reinsurance and other recoveries in respect of outstanding claims closing	4,234,174,034	8,582,817,722	4,234,174,034	8,582,817,722
Less: Reinsurance and other recoveries in respect of outstanding claims opening	5,603,808,031	3,934,364,721	3,541,702,314	7,968,585,396
	<u>596,466,098</u>	<u>4,847,315,236</u>	<u>815,776,013</u>	<u>813,094,561</u>
Reinsurance and other recoveries revenue	<u>3,304,164,815</u>	<u>2,970,216,531</u>	<u>883,806,031</u>	<u>1,039,588,064</u>

22 **NET COMMISSION AND OTHER ACQUISITION COSTS**

Commission paid or payable	1,390,204,526	1,332,490,367	614,445,598	616,606,529
Add: Deferred commission expense opening	708,870,615	918,544,431	624,421,834	704,006,373
Less: Deferred commission expense closing	824,574,618	861,925,562	824,574,618	861,925,562
Net commission	1,274,500,523	1,389,109,236	414,292,814	458,687,340
Less: Commission received or recoverable	699,474,843	695,305,506	353,058,946	264,986,053
Add: Unearned reinsurance commission opening	338,532,613	452,020,316	307,953,509	453,506,072
Less: Unearned reinsurance commission closing	454,688,329	469,384,273	454,688,329	469,384,273
Commission from reinsurers	583,319,127	677,941,549	206,324,126	249,107,852
	<u>691,181,396</u>	<u>711,167,687</u>	<u>207,968,688</u>	<u>209,579,488</u>

	Unaudited		Unaudited	
	Nine months ended 30 Sept.		Three months ended 30 Sept.	
	2021	2020	2021	2020
	Rupees			
Income from equity securities				
Available for sale				
Dividend income	139,724,163	94,530,689	64,830,706	45,983,856
Held for trading				
Dividend income	6,660,000	2,907,250	1,156,000	165,000
	146,384,163	97,437,939	65,986,706	46,148,856
Income from debt securities				
Held for maturity				
-Return on Pakistan Investment Bond (PIBs)	148,662,293	167,239,940	51,088,870	61,162,666
-Return on Treasury Bills	296,590,018	380,975,885	106,906,700	106,718,700
-Amortization of (discount)/premium on PIBs	15,722,974	20,339,373	2,865,249	6,446,483
	6,350,238	9,133,354	2,132,204	2,259,575
Income from term finance certificate	467,325,523	577,688,552	162,993,023	176,587,424
Available for Sale				
Return on Pakistan Investment Bond PIBs	86,515,305	56,407,939	23,389,559	19,112,054
Profit received from bank	37,090,847	56,511,851	12,158,715	10,821,012
Net realised gains / (losses) on investments				
Available for sale				
- Gain on sale of Equity securities	51,084,393	39,160,452	1,470,657	13,150,260
- Loss on sale of Equity securities				
- Return on government securities				
Held for trading				
- Gain on sale of Equity securities	-	-	-	-
- Loss on sale of Equity securities				
Net Unrealised gains / (losses) on investments at fair value through profit and loss (Held for trading purposes)	(27,611,952)	(18,551,625)	(20,985,703)	20,339,108
Total investment income	760,788,279	808,655,108	245,012,957	286,158,714
Less: Impairment in value of available for sale securities	63,991,869	(105,638,050)	-	-
Less: Investment related expenses	(16,498,367)	(12,101,969)	(4,956,774)	(4,280,657)
Net investment income	808,281,781	690,915,089	240,056,183	281,878,057
24 RENTAL INCOME				
Rental income	98,276,740	80,576,864	35,311,695	27,919,726
Less: Expenses of investment property	(21,539,234)	(18,154,995)	(4,944,578)	(6,036,147)
Less: Depreciation on Investment Property	(958,097)	-	(958,095)	-
	75,779,411	62,421,869	29,409,022	21,883,579
25 TAXATION				
For the period				
Current	472,833,065	407,412,915	241,453,672	137,193,352
	472,833,065	407,412,915	241,453,672	137,193,352

25.1 Federal Excise Duty

S.No.	Year	Amount is Rupees	Status of Cases
1	2012	161,753,030	Federal Board of Revenue (FBR) has issued show-cause notices dated November 22, 2017, whereby the Company is required to explain as to why Federal Excise Duty (FED) on aggregate reinsurance premium revenue has not been paid in respect of tax periods from October 2012 to September 2017. The Company has submitted its reply against show-cause challenging levy of FED on various legal grounds. Further, the Company also filed Constitutional Petition against show cause notices in the Honourable High Court of Sindh and the Honourable High Court of Sindh vide order dated January 29, 2019 has suspended the proceedings initiated through the above show-cause notice.
2	2013	755,903,899	
3	2014	765,427,619	
4	2015	835,030,670	
5	2016	928,295,664	
6	2017	626,968,181	
		4,073,379,063	

This case is pending for finalization before the Honourable High Court of Sindh. The Company is confident that outcome of the case will be in favour of Company in light of the 18th amendment in the Constitution of Pakistan.

25.2 Income Tax

The status of orders passed under section 122 of the Income Tax Ordinance, 2001 is as follows:

S.No.	Year	Amount is Rupees	Status of Cases
1	2010	20,748,022	CIRA has decided issues against Company which are pending in ATIR.
2	2011	97,770,680	Tax liability of Rs. 97,770,680 is arising due to unavailability of brought forward loss relating to TY 2010 due to assessment order passed for the aforesaid tax year.
3	2012	127,326,208	Tax liability of Rs. 127,326,208 is arising due to unavailability of loss of Rs. 212,481,202 relating to Tax Year 2010 and tax refund of Rs. 52,957,787 relating to Tax Year 2011, due to assessment orders passed for these tax years.
4	2013	9,342,660	Appeal effect order with regard to CIRA & ATIR orders are pending. Tax liability of Rs. 42,040,463 is arising due to unavailability of tax refunds of Rs. 1,025,968 and Rs. 41,014,495 relating to Tax Years 2010 and 2012 respectively, due to assessment orders passed for these tax years.
5	2014	412,724,772	<p>This pertains to the non deduction of tax on commission and charge id Workers' Welfare Fund.</p> <p>It was clarified to ACIR that reinsurance commission is reimbursement of expenses and is not in the nature of Commission. It was further informed to ACIR that the so called commission expense was not in the nature of commission in terms of section 233 of the Ordinance.</p> <p>ACIR is of the view that since the Company, in terms of section 233 of the Ordinance, was under obligation to deduct tax on Commission paid and deposit the same, the Company failed to deduct/deposit tax, the default on its payments stands established. Hence, the action taken by disallowing the said expenses under section 21(c) of the Ordinance is found well within the purview of law and calls for no question.</p> <p>Further, the Company contests against the charge of Worker Welfare Fund of Rs. 29,681,681. The Company contested that as the Company was established by the Government, hence, excluded from the definition of Industrial Establishment of the Worker Welfare Fund Ordinance, 1971.</p> <p>These matters are pending in ATIR.</p>
6	2015	772,134	This pertains to the disallowance of exchange loss of Rs. 50,578,845 on the ground that it was notional in nature and a provision without considering that the loss is allowable as per provisions of the Ordinance. The Company is contesting the gross loss has been incurred due to following of the mercantile system therefore it is to be allowed and the Company's has relied on the judgement of the Tribunal reported as 2011 PTD 352 and unreported judgement in ITA no. 133 KB 2011.
7	2016	223,912,913	Loss on re-measurement of defined benefit obligations of Rs. 675,584,000 and Provision for compensated absences of Rs. 60,868,000 was disallowed. The Company contends that loss is computed by a qualified actuary and is a determined liability. The above disallowance is found well by the ADCIR. The issue is pending in ATIR, however same issue have been decided in Company's favour in tax year 2015. Appeal effect given vide order dated April 6, 2017. Full bench had been formed due to a conflicting decision of Hon. Tribunal in respect of issue of Commission, however, hearing of main appeal had not been fixed yet.

8	2018	353,612,146	<p>This pertains to the non deduction of tax on commission and the commission expense has been disallowed. It was clarified to ACIR that reinsurance commission is reimbursement of expenses and is not in the nature of Commission as also clarified by SECP. It was further informed to ACIR that the so called commission expense was not in the nature of commission in terms of section 233 of the Ordinance.</p> <p>It was further informed to ACIR that the issue is already decided by Tribunal in Company's favour in respect of Tax years 2008, 2009, 2011 and 2012, which were required to be followed as per section 124A of the Ordinance. ACIR does not agree with Company's view and disallowed Commission expense on the ground that the tax was not withheld on the amount by relying on the decision of Tribunal in the Company's own case in respect of Tax year 2014/15. The Company has filed an appeal before CIRA and the matter is still pending.</p>
<u>1,246,209,535</u>			

The status of orders passed under section 161 of the Income Tax Ordinance, 2001 is as follows:

S.No.	Year	Amount in Rupees	Status of Cases
1	2014	260,214,169	Company received various notices in respect of non deduction of withholding tax on commission paid to ceding companies. CIRA has decided issue of Commission expense against Company and appeal is pending in ATIR. Full bench had been formed due to a conflicting decision of Hon. Tribunal in respect of issue of Commission, however, hearing of main appeal had not been fixed yet.
2	2015	39,541,845	
3	2016	182,699,756	
<u>482,455,770</u>			

Grand Total: 1,728,665,305

The above matters are pending before various forums. On the basis of the opinion of tax advisor, the Company is confident that the eventual outcome will be in favour of the Company.

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the assets or liability that are not based on observable market data (unobservable inputs)

	Total	Level 1	Level 2	Level 3
	Rupees.....			
September 30, 2021 (Un-audited)				
Financial assets measured at fair value				
Equity securities				
Held-for-trading investment				
Ordinary shares - listed	147,092,915	147,092,915		
Available-for-sale investment				
Ordinary shares - listed	1,953,447,295	1,953,447,295		
Mutual fund units	1,405,519,840	1,405,519,840		
Ordinary shares - unlisted	617,613	-		617,613
December 31, 2020 (Audited)				
Financial assets measured at fair value				
Equity securities				
Held-for-trading investment				
Ordinary shares - listed	174,704,867	174,704,867		
Available-for-sale investment				
Ordinary shares - listed	2,154,486,027	2,154,486,027		
Mutual fund units	1,433,439,335	1,433,439,335		
Ordinary shares - unlisted	617,613			617,613

PAKISTAN REINSURANCE COMPANY LIMITED**Notes To The Condensed Interim Financial statement (Un-Audited)****For the nine months period ended September 30, 2021****27 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of holding Company, associated companies, staff retirement fund, Directors and key management personnel. The transactions with related parties are in normal course of business. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

	Unaudited 30-Sep-21	Audited 31-Dec-20
	-----Rupees-----	
Major shareholder		
Government of Pakistan (GoP) through M.O.C.	336,599,463.00	269,279,570.00
Dividend paid for the preceding year		
State Life Insurance Corporation of Pakistan	183,080,503.00	146,464,402.00
Dividend paid for the preceding year		
Related parties by virtue of GoP's holdings		
State Bank of Pakistan		
Purchase of investment (Treasury Bills)	12,499,771,550.00	4,816,113,686.00
Dividend received during the year	-	49,000.00
Pakistan State Oil Company Limited		
Dividend received during the year	70,210.00	70,210.00
National Investment Trust Limited		
Dividend received during the year	31,680,000.00	54,440,000.00
National Insurance Company Limited		
Premium due but unpaid	3,327,220,693	3,759,664,068
Insurance premium written during the year	8,749,163,848	10,349,519,469
Premium received	(5,910,199,861)	(10,781,962,844)
Balance at the end of year	6,166,184,680	3,327,220,693
Insurance commission paid	294,771,763	503,887,904
Insurance claims paid	2,118,621,905	5,752,392,468
Other related parties		
Remuneration including benefits and perquisites of key management personnel		

Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2021

Segment	Current Year	Fire and property damage	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	TOTAL
30 September 2021									
Rupees									
Gross written premium	1,457,712,560	22,048,385	261,170,892	142,198,921	800,008,730	7,774,133,095	4,290,322,698	14,747,595,281	
Unearned-Opening	566,711,447	7,963,063	93,166,700	44,987,784	236,576,190	3,618,269,870	1,945,997,379	6,513,672,433	
Unearned-Closing	756,338,431	7,308,764	102,090,183	46,994,992	364,712,574	4,964,354,288	2,664,969,163	8,906,768,395	
Premium Earned	1,268,085,576	22,702,684	252,247,409	140,191,713	671,872,346	6,428,048,677	3,571,350,914	12,354,499,319	
Reinsurance-Ceded	209,802,598	-	120,972,337	6,298,277	412,873,251	7,168,747,951	663,856,092	8,582,550,506	
Prepaid Reinsurance-Opening	17,885,008	-	54,446,935	2,938,875	168,543,304	3,465,398,241	434,919,861	4,144,132,224	
Prepaid Reinsurance-Closing	101,451,875	-	44,949,793	4,751,977	7,509,759	4,721,618,436	508,058,410	5,388,340,250	
Reinsurance Expenses	126,235,731	-	130,469,479	4,485,175	573,906,796	5,912,527,756	590,717,543	7,338,342,480	
Net insurance premium	1,141,849,845	22,702,684	121,777,930	135,706,538	97,965,550	515,520,921	2,980,633,371	5,016,156,839	
Commission income	16,316,143	-	13,046,946	448,518	41,553,682	507,670,517	4,283,321	583,319,127	
Net underwriting income	1,158,165,988	22,702,684	134,824,876	136,155,056	139,519,232	1,023,191,438	2,984,916,692	5,599,475,966	
Insurance claims paid	322,782,046	2,709,753	24,557,559	30,076,087	1,974,771,702	212,288,020	2,083,024,725	4,650,209,892	
Outstanding-opening	1,765,854,730	140,719,544	81,818,633	327,965,630	4,220,242,139	1,108,830,004	2,835,256,210	10,480,686,890	
Outstanding-closing	1,902,049,258	53,283,482	159,446,611	316,565,315	1,745,657,882	1,827,106,050	3,726,999,313	9,731,107,911	
Insurance claims expenses	458,976,574	(84,726,309)	102,185,537	18,675,772	(499,812,555)	930,564,066	2,974,767,828	3,900,630,913	
Reinsurance Recoveries Received	-	-	17,629,422	-	1,831,078,156	117,392,517	-	1,966,100,095	
Recovery-opening	245,413,842	66,733,022	29,989,753	-	3,974,870,199	845,050,591	441,750,624	5,603,808,031	
Recovery-closing	333,119,317	5,083,022	64,922,237	-	1,623,510,079	1,351,634,279	855,905,100	4,234,174,034	
Insurance claims recovered from reinsurers	87,705,475	(61,650,000)	52,561,906	-	(520,281,964)	623,976,205	414,154,476	596,466,098	
Net claims	371,271,099	(23,076,309)	49,623,631	18,675,772	20,469,409	306,587,861	2,560,613,352	3,304,164,815	
Commission expense	176,468,365	2,020,035	17,247,926	13,277,077	12,712,834	325,398,654	727,375,632	1,274,500,523	
Mangement expense	124,586,004	2,477,065	13,287,059	14,806,794	10,688,915	56,247,931	325,213,692	547,307,460	
Preium deficiency expense	-	-	-	-	-	-	-	-	
Net insurance claims and expenses	672,325,468	(18,579,209)	80,158,616	46,759,643	43,871,158	688,234,446	3,613,202,676	5,125,972,798	
Underwriting results	485,840,520	41,281,893	54,666,260	89,395,413	95,648,074	334,956,992	(628,285,984)	473,503,168	
Net investment income								808,281,781	
Rental income								75,779,411	
Other Expenses								(3,919,863)	
Other income								82,140,473	
Profit before tax								1,435,784,970	
Segment Assets	532,844,701	5,694,383	116,717,585	9,065,582					

Segment	Prior Year	Fire and property damage	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	TOTAL
30 September 2020									
Rupees									
Gross written premium		1,525,739,808	20,717,910	265,504,167	161,276,407	339,830,101	8,064,278,400	3,365,421,031	13,742,767,824
Unearned-Opening		563,735,480	6,552,853	118,792,816	56,340,140	2,980,344,955	2,670,711,570	2,055,181,035	8,451,658,849
Unearned-Closing		672,970,006	7,856,045	131,920,792	60,214,765	997,661,101	5,132,809,282	2,125,567,982	9,128,999,973
Premium Earned		1,416,505,282	19,414,718	252,376,191	157,401,782	2,322,513,955	5,602,180,688	3,295,034,084	13,065,426,700
Reinsurance-Ceded		522,941,980	-	156,054,222	5,934,200	(208,987,834)	7,547,046,185	491,143,778	8,514,132,531
Prepaid Reinsurance-Opening		20,949,844	-	79,508,541	3,272,048	2,501,613,136	2,453,680,257	394,450,439	5,453,474,265
Prepaid Reinsurance-Closing		122,460,176	-	78,747,619	4,432,667	362,940,334	4,597,891,543	439,009,141	5,605,481,480
Reinsurance Expenses		421,431,648	-	156,815,144	4,773,581	1,929,684,968	5,402,834,899	446,585,076	8,362,125,316
Net insurance premium		995,073,634	19,414,718	95,561,047	152,628,201	392,828,987	199,345,789	2,848,449,008	4,703,301,384
Commission income		25,151,472	-	17,988,012	477,358	193,463,386	440,644,537	216,784	677,941,549
Net underwriting income		1,020,225,106	19,414,718	113,549,059	153,105,559	586,292,373	639,990,326	2,848,665,792	5,381,242,933
Insurance claims paid		518,861,535	4,614,590	8,363,593	9,983,670	-	127,400,649	1,419,506,498	2,088,730,535
Outstanding-opening		1,317,826,301	105,809,839	62,691,477	305,059,745	1,413,414,449	2,622,625,776	2,189,171,322	8,016,598,909
Outstanding-closing		1,683,452,537	306,048,981	83,724,216	316,546,295	7,564,888,450	862,685,221	2,928,054,441	13,745,400,141
Insurance claims expenses		884,487,771	204,853,732	29,396,332	21,470,220	6,151,474,001	(1,632,539,906)	2,158,389,617	7,817,531,767
Reinsurance Recoveries Received		-	-	-	-	-	280,166	198,582,069	198,862,235
Recovery-opening		206,495,743	39,267,000	23,402,252	612,403	1,242,590,061	2,254,192,711	167,804,551	3,934,364,721
Recovery-closing		241,286,321	186,517,474	43,802,252	612,403	7,221,116,127	518,275,511	371,207,634	8,582,817,722
Insurance claims recovered from reinsurers		34,790,578	147,250,474	20,400,000	-	5,978,526,066	(1,735,637,034)	401,985,152	4,847,315,236
Net claims		849,697,193	57,603,258	8,996,332	21,470,220	172,947,935	103,097,128	1,756,404,465	2,970,216,531
Commission expense		166,698,014	1,780,382	19,116,464	14,287,007	121,135,544	295,879,655	770,212,170	1,389,109,236
Management expense		107,428,710	2,096,024	10,316,824	16,477,827	42,410,039	21,214,938	308,877,916	508,822,278
Preium deficiency expense		-	-	-	-	-	-	-	-
Net insurance claims and expenses		1,123,823,917	61,479,664	38,429,620	52,235,054	336,493,518	420,191,721	2,835,494,551	4,868,148,045
Underwriting results		(103,598,811)	(42,064,946)	75,119,439	100,870,505	249,798,855	219,798,605	13,171,241	513,094,888
Net investment income									690,915,089
Rental income									62,421,869
Other Expenses									(20,496,401)
Other income									3,148,378
Profit before tax									1,249,083,823
Segment Assets		449,451,802	186,943,375	131,250,078	10,264,635	7,637,379,152	5,385,478,859	1,249,456,863	15,050,224,764
Unallocated Assets									28,055,483,662
									43,105,708,426
Segment Liabilites		2,363,366,161	313,905,026	223,519,769	377,204,327	8,602,999,406	6,409,145,798	5,053,643,900	23,343,784,387
Unallocated Liabilitied									9,681,712,054
									33,025,496,441

Segment	Current Year	Fire and property damage	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	TOTAL
30 September 2021									
Rupees									
Gross written premium	778,602,496	7,851,048	13,935,501	43,504,569	318,581,486	3,340,957,358	1,983,762,051	6,487,194,509	
Unearned-Opening	452,391,313	7,929,752	142,845,514	43,802,679	229,516,088	3,677,538,093	1,980,475,145	6,534,498,584	
Unearned-Closing	756,338,431	7,308,764	102,090,183	46,994,992	364,712,574	4,964,354,288	2,664,969,163	8,906,768,395	
Premium Earned	474,655,378	8,472,036	54,690,832	40,312,256	183,385,000	2,054,141,163	1,299,268,033	4,114,924,698	
Reinsurance-Ceded	37,067,333	-	-	6,298,277	296,564,187	3,145,578,981	528,703,020	4,014,211,798	
Prepaid Reinsurance-Opening	162,620,995	-	67,671,666	-	33,975,111	3,467,805,602	235,681,356	3,967,754,730	
Prepaid Reinsurance-Closing	101,451,875	-	44,949,793	4,751,977	7,509,759	4,721,618,436	508,058,410	5,388,340,250	
Reinsurance Expenses	98,236,453	-	22,721,873	1,546,300	323,029,539	1,891,766,147	256,325,966	2,593,626,278	
Net insurance premium	376,418,925	8,472,036	31,968,959	38,765,956	(139,644,539)	162,375,016	1,042,942,067	1,521,298,420	
Commission income	6,637,772	-	2,272,187	154,630	27,402,019	165,582,768	4,274,750	206,324,126	
Net underwriting income	383,056,697	8,472,036	34,241,146	38,920,586	(112,242,520)	327,957,784	1,047,216,817	1,727,622,546	
Insurance claims paid	141,845,327	(49,225,728)	1,937,858	4,222,193	8,307,315	143,263,670	772,339,695	1,022,690,330	
Outstanding-opening	1,973,638,581	70,470,745	162,352,574	314,643,787	1,534,406,133	1,298,629,510	3,700,074,867	9,054,216,197	
Outstanding-closing	1,902,049,258	53,283,482	159,446,611	316,565,315	1,745,657,882	1,827,106,050	3,726,999,313	9,731,107,911	
Insurance claims expenses	70,256,004	(66,412,991)	(968,105)	6,143,721	219,559,064	671,740,210	799,264,141	1,699,582,044	
Reinsurance Recoveries Received	-	-	820,212	-	5,091,564	117,392,517	-	123,304,293	
Recovery-opening	333,119,317	5,083,022	53,234,447	-	1,438,840,471	855,519,957	855,905,100	3,541,702,314	
Recovery-closing	333,119,317	5,083,022	64,922,237	-	1,623,510,079	1,351,634,279	855,905,100	4,234,174,034	
Insurance claims recovered from reinsurers	-	-	12,508,002	-	189,761,172	613,506,839	-	815,776,013	
Net claims	70,256,004	(66,412,991)	(13,476,107)	6,143,721	29,797,892	58,233,371	799,264,141	883,806,031	
Commission expense	57,663,911	742,302	3,864,173	3,840,950	3,930,100	89,208,247	255,043,131	414,292,814	
Management expense	36,189,911	833,633	2,915,434	3,611,572	(16,751,580)	15,464,736	92,357,953	134,621,659	
Preium deficiency expense	-	-	-	-	-	-	-	-	
Net insurance claims and expenses	164,109,826	(64,837,056)	(6,696,500)	13,596,243	16,976,412	162,906,354	1,146,665,225	1,432,720,504	
Underwriting results	218,946,871	73,309,092	40,937,646	25,324,343	(129,218,932)	165,051,430	(99,448,408)	294,902,042	
Net investment income								240,056,183	
Rental income								29,409,022	
Other Expenses								(1,745,518)	
Other income								64,360,253	
Profit before tax								626,981,982	
Segment Assets	532,844,701	5,694,383	116,717,585	9,065,582	1,642,228,880	6,261,730,352	1,878,807,419	10,447,088,902	
Unallocated Assets								28,171,246,638	
								38,618,335,540	
Segment Liabilities	2,665,186,678	60,592,246	266,031,773	364,035,505	2,111,179,697	7,227,791,442	6,397,747,294	19,092,564,635	
Unallocated Liabilitied								9,490,801,125	
								28,583,365,760	

Segment Prior Year	Fire and property damage	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	TOTAL
	-----30 September 2020-----							
	-----Rupees-----							
Gross written premium	723,313,502	7,405,840	112,268,922	57,281,507	364,812,717	3,379,739,100	1,452,225,660	6,097,047,248
Unearned-Opening	413,139,603	6,512,794	115,405,910	55,414,454	1,428,440,871	3,731,338,605	1,746,905,973	7,497,158,210
Unearned-Closing	672,970,006	7,856,045	131,920,792	60,214,765	997,661,101	5,132,809,282	2,125,567,982	9,128,999,973
Premium Earned	463,483,099	6,062,589	95,754,040	52,481,196	795,592,487	1,978,268,423	1,073,563,651	4,465,205,485
Reinsurance-Ceded	30,294,693	-	65,275,943	5,934,200	(323,024,925)	3,098,780,365	483,310,157	3,360,570,433
Prepaid Reinsurance-Opening	251,720,202	-	71,347,544	-	1,273,466,561	3,469,475,186	118,634,881	5,184,644,374
Prepaid Reinsurance-Closing	122,460,176	-	78,747,619	4,432,667	362,940,334	4,597,891,543	439,009,141	5,605,481,480
Reinsurance Expenses	159,554,719	-	57,875,868	1,501,533	587,501,302	1,970,364,008	162,935,897	2,939,733,327
Net insurance premium	303,928,380	6,062,589	37,878,172	50,979,663	208,091,185	7,904,415	910,627,754	1,525,472,158
Commission income	10,464,826	-	5,787,586	150,153	59,638,593	173,057,848	8,846	249,107,852
Net underwriting income	314,393,206	6,062,589	43,665,758	51,129,816	267,729,778	180,962,263	910,636,600	1,774,580,010
Insurance claims paid	451,310,981	4,002,362	1,024,264	8,578,334	-	67,877,920	548,963,397	1,081,757,258
Outstanding-opening	1,577,159,898	111,958,524	84,682,980	323,178,278	7,323,183,370	945,960,832	2,608,350,892	12,974,474,774
Outstanding-closing	1,683,452,537	306,048,981	83,724,216	316,546,295	7,564,888,450	862,685,221	2,928,054,441	13,745,400,141
Insurance claims expenses	557,603,620	198,092,819	65,500	1,946,351	241,705,080	(15,397,691)	868,666,946	1,852,682,625
Reinsurance Recoveries Received	-	-	-	-	-	280,166	198,582,069	198,862,235
Recovery-opening	206,495,743	39,267,000	43,802,252	612,403	6,994,537,936	516,065,511	167,804,551	7,968,585,396
Recovery-closing	241,286,321	186,517,474	43,802,252	612,403	7,221,116,127	518,275,511	371,207,634	8,582,817,722
Insurance claims recovered from reinsurers	34,790,578	147,250,474	-	-	226,578,191	2,490,166	401,985,152	813,094,561
Net claims	522,813,042	50,842,345	65,500	1,946,351	15,126,889	(17,887,857)	466,681,794	1,039,588,064
Commission expense	51,729,615	588,038	6,324,019	4,863,241	47,181,993	103,707,545	244,292,889	458,687,340
Management expense	47,356,411	935,497	5,303,199	7,642,837	40,822,066	4,267,919	2,872,507	109,200,436
Preium deficiency expense	-	-	-	-	-	-	-	-
Net insurance claims and expenses	621,899,068	52,365,880	11,692,718	14,452,429	103,130,948	90,087,607	713,847,190	1,607,475,840
Underwriting results	(307,505,862)	(46,303,291)	31,973,040	36,677,387	164,598,830	90,874,656	196,789,410	167,104,170
Net investment income								281,878,057
Rental income								21,883,579
Other Expenses								(20,574,492)
Other income								-
Profit before tax								450,291,314
Segment Assets	449,451,802	186,943,375	131,250,078	10,264,635	7,637,379,152	5,385,478,859	1,249,456,863	15,050,224,764
Unallocated Assets								28,055,483,662
								43,105,708,426
Segment Liabilities	2,363,366,161	313,905,026	223,519,769	377,204,327	8,602,999,406	6,409,145,798	5,053,643,900	23,343,784,387
Unallocated Liabilitied								9,681,712,054
								33,025,496,441

29 EARNINGS PER SHARE - BASIC AND DILUTED

Basic earning per share is calculated by dividing the net profit for the period by the weighted average number of shares

	<u>Nine months ended 30 June</u>		<u>Quarter ended 30 June</u>	
	Sept. 30, 2021	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2020
	Unaudited			
	-----Rupees-----			
Profit after tax for the period	<u>975,140,499</u>	<u>869,187,817</u>	<u>388,161,105</u>	<u>320,186,838</u>
Weighted average number of ordinary shares	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
Earning per share - basic (Rupees)	<u>3.25</u>	<u>2.90</u>	<u>1.29</u>	<u>1.07</u>

No diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

30 CORRESPONDING FIGURES

Corresponding figure has been rearranged and reclassified, for the purpose of correct presentation.

Reclassified from	Reclassified to	Rupees
Other creditors and accruals	Unclaimed dividend	155,208,129

31 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended December, 31 2019.

32 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements have been authorized for issue on 29th October, 2021 by the Board of Directors of the Company.

33 GENERAL

All figures have been rounded off to the nearest rupee unless otherwise stated.


CFO


CEO


DIRECTOR


DIRECTOR


CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

		Operator's Retakaful Fund		Participant's Retakaful fund	
		September 30, 2021 (Un-Audited)	December 31, 2020 (Audited)	September 30, 2021 (Un-Audited)	December 31, 2020 (Audited)
		-----Rupees-----			
	Note				
Assets					
Investments	7	17,990,521	17,251,712	88,191,264	84,586,556
Other receivable		-	1,377,632	471,598	-
Takaful/retakaful receivables		-	-	388,553,590	213,512,771
Receivables from Participant's Retakaful Fund - net	8	1,402,439	29,557,577	-	-
Qard-e-hasna to Participant's Retakaful Fund	9	244,254,221	-	-	-
Deferred wakala fee	10	-	-	82,632,850	54,941,261
Retakaful recoveries against outstanding claims		-	-	82,063,258	-
Deferred commission expense	11	77,376,476	41,504,925	-	-
Defered tax asset		102,153	-	-	-
Prepayments	12	-	-	7,965,812	75,847,698
Bank balances	13	110,249,080	319,674,992	468,541,931	102,591,279
Total assets		451,374,890	409,366,838	1,118,420,303	531,479,565
Funds and Liabilities					
Funds attributable to:					
Operator's Retakaful Fund					
Statutory fund		300,000,000	300,000,000	-	-
Reserves	14	51,985,671	39,939,183	-	-
Total Operator's Funds		351,985,671	339,939,183	-	-
Participant's Retakaful Fund					
Seed money		-	-	1,000,000	1,000,000
Reserves	14	-	-	10,063,203	(114,920,221)
Balance of Participant's Takaful Fund		-	-	11,063,203	(113,920,221)
Qard-e-Hasna		-	-	244,254,221	-
		-	-	255,317,424	(113,920,221)
Liabilities:					
Underwriting provisions					
Outstanding claims including IBNR	15	-	-	399,246,986	299,136,343
Unearned contribution reserves	16	-	-	413,164,251	238,875,048
Contribution deficiency reserve	17	-	-	49,428,202	19,010,777
		-	-	861,839,439	557,022,168
Unearned wakala fee	10	82,632,850	54,941,262	-	-
Payable to Participant Fund		-	-	-	58,819,041
Payable to Operator's Retakaful Fund - net		-	-	-	29,557,577
Taxation - provision less payment		9,652,244	8,960,899	-	-
Deferred tax liability		-	69,101	-	-
Other creditors and accruals	18	837,548	866,500	1,000	1,000
Payable to related party	19	6,266,577	4,589,893	1,262,439	-
Total liabilities		99,389,219	69,427,655	863,102,878	645,399,786
Total equity and liabilities		451,374,890	409,366,838	1,118,420,303	531,479,565
Contingencies and commitments	20				

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.


CFO


CEO


Director


Director


Chairman

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2021

		Ninth Months Ended		Three Months Ended	
		Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020
	Note	-----Rupees-----			
Participant's Retakaful Fund					
Revenue account					
Net contribution revenue	21	478,332,629	381,727,345	194,861,335	129,706,701
Wakala expense	22	(109,242,903)	(97,245,156)	(42,666,440)	(32,821,654)
Net underwriting income		369,089,726	284,482,189	152,194,895	96,885,047
Net claims - reported/ settled - IBNR	23	(219,365,757)	(360,393,706)	53,206,777	(212,740,170)
Charge of contribution deficiency reserve		(30,417,426)	-	-	-
(Deficit)/Surplus before investment income		119,306,543	(75,911,517)	205,401,672	(115,855,123)
Profit on bank deposit		5,001,878	1,431,156	2,891,743	443,954
Investment income		4,342,722	5,212,575	575,294	(1,369,415)
Less: Modarib's share of investment income and profit on bank deposit		(2,336,150)	(1,660,933)	(866,759)	231,365
		7,008,450	4,982,798	2,600,278	(694,096)
Net Deficit/Surplus		126,314,993	(70,928,719)	208,001,950	(116,549,219)
Operator's Retakaful Fund					
Revenue account					
Wakala fee income	22	109,242,903	97,245,156	42,666,440	32,821,654
Commission expense	25	(100,027,972)	(73,023,616)	(39,572,639)	(25,615,695)
General, administrative and management expenses	26	(6,042,637)	(4,091,685)	(1,694,279)	(1,426,649)
		3,172,294	20,129,854	1,399,522	5,779,310
Modarib's share of participant's retakaful investment income and profit on bank deposit		2,336,150	1,660,933	866,759	(231,365)
Investment income		1,027,468	1,436,880	94,181	76,068
Profit on bank deposit		10,092,457	14,990,262	1,233,815	4,221,648
Profit before taxation		16,628,369	38,217,929	3,594,277	9,845,661
Taxation	24	(4,439,775)	(10,701,020)	(961,483)	(2,756,785)
Profit after taxation		12,188,594	27,516,909	2,632,794	7,088,876

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

 CFO
  CEO
  Director
  Director
  Chairman

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2021

	Operator's Retakaful Fund		Participant's Retakaful Fund	
	Sep 30, 2021 (Un-audited)	Sep 30, 2020 (Un-audited)	Sep 30, 2021 (Un-audited)	Sep 30, 2020 (Un-audited)
	-----Rupees-----			
Operating cash flow				
Retakaful activities				
Contribution received	-	-	545,462,899	313,623,019
Retro takaful contribution paid	-	-	(58,819,041)	(47,721,124)
Benefits paid	-	-	(201,318,373)	(129,251,784)
Comission paid	(135,899,525)	(82,105,105)	-	-
Net cash (used in) / generated from retakaful activities	(135,899,525)	(82,105,105)	285,325,485	136,650,111
Other operating activities				
Income tax paid	56,722	(2,369,232)	-	(917,388)
Management expenses paid	(6,042,637)	(4,091,686)	-	-
Other operating receipts/(payments)	(77,823,268)	124,263,170	75,503,317	(121,857,001)
Net cash generated from/(used in) in other operating activities	(83,809,183)	117,802,252	75,503,317	(122,774,389)
	(83,809,183)	117,802,252	75,503,317	(122,774,389)
Total cash generated from all operating activities	(219,708,708)	35,697,147	360,828,802	13,875,721
Investing activities				
Purchase of investments made	(837,129)	(1,227,895)	(4,222,750)	(6,263,285)
Profit on bank deposits received	10,092,457	14,990,262	5,001,878	1,431,156
Investment income received	1,027,468	1,436,880	4,342,722	5,212,575
Total cashflow generated from investing activities	10,282,796	15,199,247	5,121,850	380,446
Net cash (used in)/generated from all activities	(209,425,912)	50,896,394	375,602,896	14,256,167
Cash and cash equivalents at beginning of the period	319,674,992	257,509,232	102,591,279	27,265,685
Cash and cash equivalents at end of the period	110,249,080	308,405,626	478,194,175	41,521,852
Reconciliation to profit and loss				
Operating cash flows	(219,708,708)	35,697,147	360,828,802	13,875,721
Profit on bank deposits received	10,092,457	16,427,142	5,001,878	6,643,731
Investment income received	1,027,468	-	4,342,722	-
(Decrease)/increase in operating assets other than cash	250,795,664	(60,478,709)	218,098,904	165,690,062
(Increase)/decrease in operating liabilities	(29,961,564)	46,572,349	(461,957,312)	(257,138,233)
	12,245,317	38,217,929	126,314,993	(70,928,719)
Other adjustments:				
Income tax paid	(56,722)	(10,701,020)	-	-
Profit/(deficit)	12,188,595	27,516,909	126,314,993	(70,928,719)

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

CFO

CEO

Director

Director






Chairman

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS
FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2021

Attributable to Operator's Retakaful Fund					
Statutory Fund	Reserves			Total	
	Capital	Revenue			
	Unrealized gain / (loss) on available for sale investment	Unappropriated Profit	Total Reserves		
-----Rupees-----					
Balance as at January 01, 2020 (Audited)	300,000,000	192,662	9,319,339	9,512,001	309,512,001
Total comprehensive income for the year					
Unrealized loss on available for sale investments-net	-	(23,483)	-	(23,483)	(23,483)
Profit for the year			30,450,665	30,450,665	30,450,665
Balance as at December 31, 2020 (Audited)	300,000,000	169,179	39,770,004	39,939,183	339,939,183
Balance as at January 01, 2021 (Audited)	300,000,000	169,179	39,770,004	39,939,183	339,939,183
Profit for the period	-	-	12,188,594	12,188,594	12,188,594
Unrealized loss on available for sale investments	-	(142,106)	-	(142,106)	(142,106)
Balance as at Sep 30, 2021 (Un-Audited)	300,000,000	27,073	51,958,598	51,985,671	351,985,671

Attributable to Participant's Retakaful Fund					
Seed money	Reserves			Total	
	Capital	Revenue			
	Unrealized (loss) on available for sale investment	Accumulated deficit	Total Reserves		
-----Rupees-----					
Balance as at January 01, 2020 (Audited)	1,000,000	1,020,623	(36,504,663)	(35,484,040)	(34,484,040)
Total comprehensive income for the year					
Unrealized gain on available for sale investments - net of tax	-	866,589	-	866,589	866,589
Deficit for the year	-	-	(80,302,770)	(80,302,770)	(80,302,770)
Balance as at December 31, 2020 (Audited)	1,000,000	1,887,212	(116,807,433)	(114,920,221)	(113,920,221)
Balance as at January 01, 2021 (Audited)	1,000,000	1,887,212	(116,807,433)	(114,920,221)	(113,920,221)
Surplus for the period	-	-	125,140,789	125,140,789	125,140,789
Unrealized loss on available for sale investments - net of tax	-	(157,365)	-	(157,365)	(157,365)
Balance as at Sep 30, 2021 (Un-Audited)	1,000,000	1,729,847	8,333,356	10,063,203	11,063,203

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

 CFO
  CEO
  Director
  Director
  Chairman

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2021

1 STATUS AND NATURE OF BUSINESS

- 1.1** Pakistan Reinsurance Company Limited (the Operator) is a public listed company incorporated in Pakistan on March 30, 2000 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Operator is situated at PRC Tower, 32-A, Lalazar Drive, Maulvi Tamizuddin Khan Road, Karachi. The zonal office of the Operator is located at 1st floor, 15-A, Davis Road, State Life Building, Lahore, Pakistan.
- 1.2** The Operator has been authorized to undertake Window Retakaful Operations on September 26, 2018 by Securities and Exchange Commission of Pakistan (SECP) under Takaful Rules, 2012 to carry on General Window Retakaful Operations ("the Operations") in Pakistan. The Operator is engaged in general retakaful business comprising of fire, marine, aviation, engineering and accident. For the purpose of carrying on the Retakaful business, the Operator has formed a Waqf (Participant's Retakaful Fund) on September 26, 2018 under the Waqf Deed with a Cede money of Rs. 1,000,000.
- 1.3** The Waqf Deed and Participant Retakaful Fund Policies (Waqf Rules) govern the relationship of Operator, Waqf and Participants for management of Retakaful operations, investment of Waqf and Operator's Fund as approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of Waqf remain separately identifiable. The financial statements of the Operator are prepared in such a manner that the financial position and results from the operations of Waqf and the Operator are shown separately.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial information has been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, General Takaful Accounting Regulations, 2019 and Takaful rules 2019.

Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and General Takaful Accounting Regulations, 2019 have been followed.

2.1 Basis of measurement

These condensed interim financial statements have been prepared on the historical cost basis except for the available for-sale investments that have been measured at fair value.

2.2 Functional and presentation currency

These condensed interim financial information have been presented in Pakistani Rupees, which is also the functional and presentation currency of the Operator.

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2021

2.3 Statement of compliance

These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Operator as at and for the year ended December 31, 2020 which have been prepared in accordance with approved accounting standards as applicable to takaful companies in Pakistan.

The comparative statement of financial position presented in this condensed interim financial statements have been extracted from the annual audited financial statements of the Operator for the year ended December 31, 2020, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in fund are extracted from the unaudited condensed interim financial statements for the nine months period ended Sep 30, 2021.

3 MANAGEMENT OF RETAKAFUL AND FINANCIAL RISK

Retakaful and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2020.

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and method of computation adopted by the Company in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual audited financial statements of the Company as at and for the year ended December 31, 2020.

Amendments to certain existing standards and new standards and interpretations on approved accounting standards became effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

5 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

New or Revised Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020
Definition of a Business (Amendments to IFRS 3)	January 1, 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	January 1, 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	January 1, 2020
Covid-19-Related Rent Concessions (Amendment to IFRS 16)	January 1, 2020

Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company.

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2021

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Annual improvements to IFRS standards 2018 - 2020 Cycle	January 1, 2022
IFRS 3 - References to Conceptual Framework	January 1, 2022
IAS 16 - Proceeds before intended use	January 1, 2022
IAS 37 - Onerous Contracts - Cost of Fulfilling a contract	January 1, 2022
IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2023
IFRS 16 - Covid-19-Related Rent Concessions beyond June 30, 2021	April 1, 2021
IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
IAS 8 - 'Definition of Accounting Estimates	January 1, 2023
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021
The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.	

Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 17 - Insurance Contracts	January 1, 2023
IFRS 9 - ECL model on the financial assets due from Government	July 1, 2021

6 USE OF ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements are in conformity with the requirements of approved accounting standards as applicable in Pakistan and requires management to make judgments / estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgments / estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimate about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the financial statements of the Company for the year ended December 31, 2020.

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2020.

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2021

7 INVESTMENTS
Available for sale - Mutual Funds

	Operator's Retakaful Fund			Participant's Retakaful Fund		
	Total cost of Investment	Market Value	Unrealized Gain/(Loss)	Total cost of Investment	Market Value	Unrealized Gain/(Loss)
	-----Rupees-----					
As At Sep 30, 2021						
Al Hamra Islamic Income Fund	3,639,306	3,620,554	(18,752)	17,893,090	17,742,673	(150,417)
Al-Ameen Islamic Sovereign Fund -Class-C	1,923,270	1,948,080	24,810	3,409,888	3,437,788	27,900
Al-Ameen Islamic Cash Fund	1,608,722	1,641,790	33,068	13,911,779	14,182,299	270,520
Nbp Islamic Mahana Amdani Fund (Formerly:Nbp	3,615,315	3,611,724	(3,591)	17,775,830	17,699,456	(76,374)
Abl Islamic Income Fund	3,566,717	3,566,717	-	17,475,711	17,475,711	-
Meezan Rozana Amdani Fund - Growth-B	3,496,823	3,601,657	104,834	17,139,483	17,653,336	513,853
	17,850,153	17,990,521	140,368	87,605,781	88,191,264	585,483
As At December 31, 2020						
Al Hamra Islamic Income Fund	3,456,674	3,473,395	16,722	16,998,094	17,021,528	23,434
Al-Ameen Islamic Sovereign Fund -Class-C	1,844,638	1,857,056	12,418	3,255,244	3,277,158	21,914
Al-Ameen Islamic Cash Fund	1,564,970	1,569,627	4,657	13,534,827	13,559,121	24,294
Nbp Islamic Mahana Amdani Fund (Formerly:Nbp	3,432,992	3,457,516	24,524	16,882,345	16,943,750	61,405
Abl Islamic Income Fund	3,461,354	3,447,823	(13,532)	17,023,108	16,893,168	(129,940)
Meezan Rozana Amdani Fund - Growth-B	3,446,294	3,446,294	-	16,891,831	16,891,831	-
	17,206,922	17,251,712	44,790	84,585,448	84,586,556	1,108

8 RECEIVABLE FROM PARTICIPANT'S RETAKAFUL FUND / (PAYABLE TO OPERATOR'S RETAKAFUL

Note

Operator's Retakaful Fund		Participant's Retakaful Fund	
Sep 30, 2021 (Un-audited)	December 31, 2020 (Audited)	Sep 30, 2021 (Un- audited)	December 31, 2020 (Audited)
-----Rupees-----			
(2,108,678)	(23,919,481)	2,108,678	23,919,481
136,934,492	233,975,156	(136,934,492)	(233,975,156)
2,336,150	1,879,482	(2,336,150)	(1,879,482)
140,000		-	
(135,899,525)	(182,377,580)	135,899,525	182,377,580
1,402,439	29,557,577	(1,262,439)	(29,557,577)

- 8.1 The amount is payable by the Operator to Participant's Retakaful Fund related to contribution received by the Operator from takaful participants.
- 8.2 It represents the amount receivable from Participant's Retakaful Fund related to wakala fee charged at 20% (2020: 23%) of gross contribution written.
- 8.3 It represents Mudarib fee receivable against managing the investments and funds of participants at the rate 25% of all investment income and profit on bank deposits.

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2021

		Operator's Retakaful Fund		Participant's Retakaful Fund	
		Sep 30, 2021 (Un-audited)	December 31, 2020 (Audited)	Sep 30, 2021 (Un- audited)	December 31, 2020 (Audited)
-----Rupees-----					
9	QARD-E-HASNA	Note			
	Opening balance of Qard-e-Hasna	-	-	-	-
	Qard-e-hasna transferred from OPF during the period	244,254,221	-	(244,254,221)	-
	Qard-e-hasna returned by PTF during the period	-	-	-	-
	Impairment adjustment	-	-	-	-
	Closing balance of Qard-e-Hasna	244,254,221	-	(244,254,221)	-
10	UNEARNED WAKALA FEE / DEFERRED WAKALA FEE				
	Facultative business	5,233,492.60	4,148,353	26,167,463	4,148,353
	Treaty	77,399,358	50,792,908	77,399,358	50,792,908
		82,632,850	54,941,261	103,566,821	54,941,261
10.1	Facultative business				
	Fire	19,975,199	2,232,422	19,975,199	2,232,422
	Marine cargo	200,174	14,906	200,174	14,906
	Accident	3,547,454	1,132,376	3,547,454	1,132,376
	Engineering	2,444,636	768,649	2,444,636	768,649
		26,167,463	4,148,353	26,167,463	4,148,353
11	DEFERRED COMMISSION EXPENSE				
	Facultative business	2,810,266	1,773,629	-	-
	Treaty	74,566,210	39,731,296	-	-
		77,376,476	41,504,925	-	-
11.1	Facultative business				
	Fire	2,368,044	1,183,599	-	-
	Marine cargo	21,533	7,442	-	-
	Accident	177,614	248,393	-	-
	Engineering	243,075	334,195	-	-
		2,810,266	1,773,629	-	-
12	PREPAYMENTS				
	Treaty business				
	Prepaid retakaful contribution ceded	-	-	7,965,812	75,847,698

13 BANK BALANCES

13.1 Markup on profit and loss sharing account ranging from 5% to 7% (December 31 2020: 3% to 6%) per annum.

Revenue

Capital

Unrealized (loss)/gain on available for sale reserve15 OUTSTANDING CLAIMS INCLUDING IBNR

Facultative business

Treaty

Fire

Marine cargo

Marine Hull

Accident

Engineer

100

The Sequenti

However, on May 30, 2017 SECP issued separate guidelines for the Company for estimation of Incurred but Not Reported (IBNR) claim through letter No. ID/PRDD/IBNR/2017/9695 which prescribe that, for the purposes of ascertaining IBNR claim reserves by the Company, guidance is hereby extended, that the Company shall collect the data of IBNR claim reserves from the cedants (non-life insurers) and in accordance with its share in the reinsurance program (both on treaty and facultative basis) of the cedant(s) it shall record its IBNR claim reserves.

On the basis of above SECP specified guidelines, the Company wrote letter to each ceding Company to share data of IBNR Claims Reserves in accordance with its share in the reinsurance program both for facultative and treaty business. However, none of the ceding companies shared their IBNR Claim Reserves. The Company recorded Facultative and Treaty IBNR claim reserves on basis of actuarial valuation dated March 26, 2021 which amounts to Rs. 6,008,726 and Rs. 36,839,921 respectively.

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2021

		Participant's Retakaful Fund	
		Sep 30, 2021 (Un-Audited)	December 31, 2020 (Audited)
		Rupees	
16	UNEARNED CONTRIBUTION RESERVES	Note	
	Facultative business	16.1	26,167,463
	Treaty		18,036,317
			386,996,788
			220,838,731
			413,164,251
			238,875,048
16.1	Facultative business		
	Fire		19,975,199
	Marine cargo		9,706,183
	Marine Hull		60,690
	Accident		64,808
	Engineering		139,484
			-
			3,547,454
			4,923,375
			2,444,636
			3,341,951
			26,167,463
			18,036,317
17	CONTRIBUTION DEFICIENCY RESERVE		
	Fire		9,144,215
	Marine cargo		9,144,215
	Treaty		70,016
			70,016
			40,213,971
			9,796,546
			49,428,202
			19,010,777
18	OTHER CREDITORS AND ACCRUALS		
	Officers association payable	1,800	
	Sindh sales tax payable	6,600	-
	Income tax deducted at source	106,500	-
	Employee income tax payable	27,648	-
	Audit fee payable	379,000	-
	PRC employees professional tax payable	1,000	-
	Miscellaneous creditors	315,000	-
		150,000	1,000
		837,548	1,000
19	PAYABLE TO RELATED PARTY		
	Pakistan Reinsurance Company Limited	19.1	6,266,577
		4,589,893	-
19.1	Payable in respect of		
	Income tax	3,774,439	3,774,439
	Salaries	2,404,792	728,108
	Bonus	87,346	87,346
		6,266,577	4,589,893
20	CONTINGENCIES AND COMMITMENTS		
20.1	The Operator was served with a notice by Sindh Revenue Board (SRB) in 2016 for non filing of sales tax returns and raised sales tax liability via same notice on conventional reinsurance services provided by the Operator details of which are stated in note 27.1.1 to the operator's financial statement. Company has contested the notice and the case is pending with the Honorable High Court of Sindh. In case of unfavorable outcome of the said matter, the charge to profit or loss would be amounted to Rs. 129 million pertaining to the year 2021 (2020: Rs. 78.4 millions) on retakaful operations excluding any additional penalty or default surcharge.		
20.2	There are no commitments as at Sep 30, 2021 (December 31 2020: Nil).		

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2021

		Nine Months Ended		Three Months Ended	
		Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020
21	NET CONTRIBUTION REVENUE	-----Rupees-----			
	Note				
Written gross contribution	27	720,503,718	455,612,734	330,775,257	222,784,351
Add: Unearned contribution reserve opening	27	238,875,048	192,193,748	295,721,195	144,919,949
Less: Unearned contribution reserve closing	27	(413,164,251)	(225,001,457)	(413,164,251)	(225,001,457)
Contribution earned		546,214,515	422,805,025	213,332,201	142,702,843
Retakaful contribution ceded		-	47,721,124	-	23,860,562
Add: Prepaid retakaful contribution opening	27	75,847,698	20,300,625	26,436,678	16,079,649
Less: Prepaid retakaful contribution closing	27	(7,965,812)	(26,944,069)	(7,965,812)	(26,944,069)
Retakaful expense		67,881,886	41,077,680	18,470,866	12,996,142
		<u>478,332,629</u>	<u>381,727,345</u>	<u>194,861,335</u>	<u>129,706,701</u>
22	WAKALA FEE/EXPENSE				
Gross wakala fee	27	144,100,744	53,550,528	66,155,051	4,889,525
Add: Unearned Wakala fee opening	27	47,775,010	44,204,562	59,144,239	63,756,649
Less: Unearned Wakala fee closing	27	(82,632,850)	(39,019,632)	(82,632,850)	(39,019,632)
		<u>109,242,903</u>	<u>58,735,458</u>	<u>42,666,440</u>	<u>29,626,542</u>
23	NET CLAIMS - REPORTED / SETTLED - IBNR				
Benefits/claims paid		201,318,373	129,251,784	101,936,093	93,695,454
Less: Outstanding benefits/claims including IBNR - opening		(299,136,344)	(79,628,925)	(511,132,183)	(191,726,131)
Add: Outstanding benefits / claims including IBNR - closing		399,246,986	324,343,396	399,246,986	324,343,396
Claims expense		<u>301,429,015</u>	<u>373,966,255</u>	<u>(9,949,104)</u>	<u>226,312,719</u>
Retakaful and other recoveries received		-	-	-	-
Add: Retakaful and other recoveries received- closing		82,063,258	13,572,549	43,257,673	13,572,549
Less: Retakaful and other recoveries received- opening		-	-	-	-
Retakaful and other recoveries revenue		<u>82,063,258</u>	<u>13,572,549</u>	<u>43,257,673</u>	<u>13,572,549</u>
Net claims expenses		<u>219,365,757</u>	<u>360,393,706</u>	<u>(53,206,777)</u>	<u>212,740,170</u>
24	TAXATION				
For the year					
Current-deducted at source		4,439,775	783,184	-	-
		<u>4,439,775</u>	<u>783,184</u>	<u>-</u>	<u>-</u>
25	COMMISSION EXPENSE				
Commission paid or payable		135,899,525	82,105,105	65,639,781	41,022,388
Add: Deferred commission expense opening	32	41,504,923	34,719,365	-	-
Less: Deferred commission expense closing		(77,376,476)	(43,800,853)	(26,067,142)	(15,406,693)
		<u>100,027,972</u>	<u>73,023,616</u>	<u>39,572,639</u>	<u>25,615,695</u>
26	GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES				
Salaries, allowance and other benefits		4,246,598	2,225,041	1,025,230	640,958
Shariah Advisor fee		1,660,645	1,500,000	660,000	450,000
Auditor's remuneration		108,000	272,000	-	197,000
Others		27,394	94,644	9,049	138,691
		<u>6,042,637</u>	<u>4,091,685</u>	<u>1,694,279</u>	<u>1,426,649</u>

Pakistan Reinsurance Company Limited
Notes to the Financial Statements
For the period ended September 30, 2021

27 SEGMENT REPORTING

PARTICIPANTS RETAKAFUL FUND

Segment Current Year	Period ended September 30, 2021 (Un-Audited)				
	Fire and property damage	Marine	Accident	Treaty	TOTAL
	Rupees				
Gross written Contribution	59,669,467	1,102,660	7,940,453	651,791,138	720,503,718
Unearned-Opening	13,048,134	64,808	4,923,375	220,838,731	238,875,048
Unearned-Closing	22,419,835	200,174	3,547,454	386,996,788	413,164,251
Contribution Earned	50,297,766	967,294	9,316,374	485,633,081	546,214,515
Retakaful-Ceded	-	-	-	-	-
Prepaid Retakaful-Opening	-	-	-	75,847,698	75,847,698
Prepaid Retakaful-Closing	-	-	-	7,965,812	7,965,812
Retakaful Expenses	-	-	-	67,881,886	67,881,886
Net insurance Contribution Rebate	50,297,766	967,294	9,316,374	417,751,195	478,332,629
Net underwriting income	50,297,766	967,294	9,316,374	417,751,195	478,332,629
Insurance claims paid	3,625,829	-	718,969	196,973,575	201,318,373
Outstanding-opening	71,548,846	2,131,407	1,221,279	224,234,812	299,136,344
Outstanding-closing	79,931,886	136,745	3,997,477	315,180,878	399,246,986
Insurance claims expenses	12,008,869	(1,994,662)	3,495,167	287,919,641	301,429,015
Retakaful Recoveries Received	-	-	-	-	-
Recovery-opening	-	-	-	-	-
Recovery-closing	-	-	-	82,063,258	82,063,258
Insurance claims recovered from reinsurers	-	-	-	82,063,258	82,063,258
Net claims	12,008,869	(1,994,662)	3,495,167	205,856,383	219,365,757
Wakala Fee	10,059,553	193,459	1,863,275	97,126,616	109,242,903
Management expense	-	-	-	-	-
Premium deficiency expense	-	-	-	-	-
Net insurance claims and expenses	22,068,422	(1,801,203)	5,358,442	302,982,999	328,608,660
Underwriting results	28,229,344	2,768,497	3,957,932	114,768,196	149,723,969
Profit on bank deposits					5,001,878
Dividend income					4,342,722
Modarib Fee					(2,336,150)
Profit before tax					156,732,419
Segment Assets	79,931,886	136,745	3,997,477	323,146,690	407,212,798
Unallocated Assets					711,207,505
					1,118,420,303
Segment Liabilities	106,835,688	376,954	8,254,422	9,652,244	895,044,087
Unallocated Liabilities				779,577,024	(31,941,209)
					863,102,878

OPERATORS FUND

Segment Current Year	Period ended September 30, 2021 (Un-Audited)				
	Fire and property damage	Marine	Accident	Treaty	TOTAL
	Rupees				
Wakala Fee	10,059,553	193,459	1,863,275	97,126,616	109,242,903
Commission	(5,985,973)	(117,663)	(500,757)	(93,423,579)	(100,027,972)
Management Expenses	(556,432)	(10,701)	(103,065)	(5,372,439)	(6,042,637)
Segment Results	3,517,148	65,095	1,259,453	(1,669,401)	3,172,294
Profit on bank deposits					10,092,457
Dividend income					1,027,468
Modarib Fee					
Profit before tax					14,292,219
Segment Assets	268,675	198,444	198,444	8,862,378	9,527,941
Unallocated Assets					441,846,949
					451,374,890
Segment Liabilities	4,483,967	40,035	709,491	77,399,358	82,632,850
Unallocated Liabilities					16,756,369
					99,389,220

Pakistan Reinsurance Company Limited
Notes to the Financial Statements
For the period ended September 30, 2020

27 SEGMENT REPORTING

PARTICIPANTS RETAKAFUL FUND

Segment Current Year	Nine months ended September 30, 2020 (Un-Audited)				
	Fire and property damage	Marine	Accident	Treaty	TOTAL
	Rupees				
Gross written Contribution	29,793,274	454,122	9,030,451	416,334,887	455,612,734
Unearned-Opening	14,708,070	165,628	3,416,224	173,903,826	192,193,748
Unearned-Closing	13,614,673	125,857	3,328,405	207,932,522	225,001,457
Contribution Earned	30,886,671	493,893	9,118,270	382,306,191	422,805,025
Retakaful-Ceded	-	-	-	47,721,124	47,721,124
Prepaid Retakaful-Opening	-	-	-	20,300,625	20,300,625
Prepaid Retakaful-Closing	-	-	-	26,944,069	26,944,069
Retakaful Expenses	-	-	-	41,077,680	41,077,680
Net insurance Contribution	30,886,671	493,893	9,118,270	341,228,511	381,727,345
Rebate	-	-	-	-	-
Net underwriting income	30,886,671	493,893	9,118,270	341,228,511	381,727,345
Insurance claims paid	307	-	-	129,251,477	129,251,784
Outstanding-opening	3,005,450	22,787	1,598,713	75,001,975	79,628,925
Outstanding-closing	49,182,510	92,115	3,148,266	271,920,505	324,343,396
Insurance claims expenses	46,177,367	69,328	1,549,553	326,170,007	373,966,255
Retakaful Recoveries Received	-	-	-	-	-
Recovery-opening	-	-	-	-	-
Recovery-closing	-	-	-	13,572,549	13,572,549
Insurance claims recovered from reinsurers	-	-	-	13,572,549	13,572,549
Net claims	46,177,367	69,328	1,549,553	312,597,458	360,393,706
Wakala Fee	7,103,934	113,595	2,097,202	87,930,424	97,245,156
Management expense	-	-	-	-	-
Preium deficiency expense	-	-	-	-	-
Net insurance claims and expenses	53,281,302	182,924	3,646,755	400,527,882	457,638,862
Underwriting results	(22,394,631)	310,969	5,471,515	(59,299,371)	(75,911,517)
Profit on bank deposits	-	-	-	-	1,431,156
Modarib Fee	-	-	-	-	(1,660,933)
Dividend Income	-	-	-	-	5,212,575
Profit before tax	-	-	-	-	(70,928,719)
Segment Assets	49,182,510	92,115	3,148,266	298,864,574	351,287,465
Unallocated Assets	-	-	-	-	79,176,489
					430,463,955
Segment Liabilities	65,928,558	246,919	7,242,204	9,652,244	83,069,925
Unallocated Liabilities	-	-	-	-	2,673,287
					85,743,212

OPERATORS FUND

Segment Current Year	Nine months ended September 30, 2020 (Un-Audited)				
	Fire and property damage	Marine	Accident	Treaty	TOTAL
	Rupees				
Wakala Fee	7,103,934	113,595	2,097,202	87,930,424	97,245,156
Commission	(3,780,242)	(52,886)	(575,711)	(68,614,777)	(73,023,616)
Management Expenses	(298,905)	(4,780)	(88,242)	(3,699,759)	(4,091,686)
Segment Results	3,024,787	55,929	1,433,249	15,615,888	20,129,853
Profit on bank deposits	-	-	-	-	14,990,262
Modarib Fee	-	-	-	-	1,660,933
Dividend Income	-	-	-	-	76,068
Profit before tax	-	-	-	-	-
Segment Assets	268,675	198,444	198,444	8,862,378	9,527,941
Unallocated Assets	-	-	-	-	359,695,372
					369,223,313
Segment Liabilities	3,131,375	28,947	765,533	47,824,480	51,750,335
Unallocated Liabilities	-	-	-	-	(48,817,607)
					2,932,728

Pakistan Reinsurance Company Limited
Notes to the Financial Statements
For three months period ended September 30, 2021

13 SEGMENT REPORTING

PARTICIPANTS RETAKAFUL FUND

Segment Current Year	Three months ended September 30, 2021 (Un-Audited)				
	Fire and property damage	Marine	Accident	Treaty	TOTAL
	Rupees				
Gross written Contribution	34,405,447	59,418	2,254,083	294,056,309	330,775,257
Unearned-Opening	10,796,725	355,944	4,157,084	280,411,442	295,721,195
Unearned-Closing	22,419,835	200,174	3,547,454	386,996,788	413,164,251
Contribution Earned	22,782,337	215,188	2,863,713	187,470,963	213,332,201
Retakaful-Ceded	-	-	-	-	-
Prepaid Retakaful-Opening	-	-	-	26,436,678	26,436,678
Prepaid Retakaful-Closing	-	-	-	7,965,812	7,965,812
Retakaful Expenses	-	-	-	18,470,866	18,470,866
Net insurance Contribution	22,782,337	215,188	2,863,713	169,000,097	194,861,335
Rebate	-	-	-	-	-
Net underwriting income	22,782,337	215,188	2,863,713	169,000,097	194,861,335
Insurance claims paid	1,810,399	-	524,738	99,600,956	101,936,093
Outstanding-opening	80,959,096	136,745	4,018,720	426,017,622	511,132,183
Outstanding-closing	79,931,886	136,745	3,997,477	315,180,878	399,246,986
Insurance claims expenses	783,189	-	503,495	(11,235,788)	(9,949,104)
Retakaful Recoveries Received	-	-	-	-	-
Recovery-opening	-	-	-	-	-
Recovery-closing	-	-	-	43,257,673	43,257,673
Insurance claims recovered from reinsurers	-	-	-	43,257,673	43,257,673
Net claims	783,189	-	503,495	(54,493,461)	(53,206,777)
Wakala Fee	4,556,467	43,038	572,743	37,494,193	42,666,440
Management expense	-	-	-	-	-
Premium deficiency expense	-	-	-	-	-
Net insurance claims and expenses	5,339,656	43,038	1,076,238	(16,999,268)	(10,540,337)
Underwriting results	17,442,681	172,150	1,787,475	185,999,365	205,401,672
Profit on bank deposits	-	-	-	-	2,891,743
Modarib Fee	-	-	-	-	(866,759)
Dividend Income	-	-	-	-	575,294
Profit before tax	-	-	-	-	208,001,950
Segment Assets	79,931,886	136,745	3,997,477	323,146,690	407,212,798
Unallocated Assets	-	-	-	-	173,638,644
	-	-	-	-	580,851,442
Segment Liabilities	107,508,283	382,959	8,360,845	9,652,244	125,904,331
Unallocated Liabilities	-	-	-	-	(897,938,826)
	-	-	-	-	(772,034,494)

OPERATORS FUND

OPERATORS FUND	Three months ended September 30, 2021 (Un-Audited)				
Segment Current Year	Fire and property damage	Accident	Accident	Treaty	TOTAL
	Rupees				
Wakala Fee	4,556,467	43,038	572,743	37,494,193	42,666,440
Commission	(2,730,192)	(24,765)	(153,573)	(36,664,109)	(39,572,639)
Management Expenses	(197,005)	(876)	(18,776)	(1,477,622)	(1,694,279)
Segment Results	1,629,270	17,397	400,394	(647,538)	1,399,522
Profit on bank deposits					1,233,815
Dividend income					94,181
Modarib Fee					(1,469,391)
Profit before tax					1,258,127
Segment Assets	-	-	-	-	-
Unallocated Assets					24,651,256
					24,651,256
Segment Liabilities	5,156,562	46,040	815,914	89,009,261	95,027,778
Unallocated Liabilitied					68,719,972
					163,747,750

Pakistan Reinsurance Company Limited
Notes to the Financial Statements
For three months period ended September 30, 2020

27 SEGMENT REPORTING

PARTICIPANTS RETAKAFUL FUND

Segment Current Year	Three months ended September 30, 2020 (Un-Audited)				
	Fire and property damage	Marine	Accident	Treaty	TOTAL
	Rupees				
Gross written Contribution	27,605,387	430,253	4,827,192	189,921,519	222,784,351
Unearned-Opening	2,526,232	49,814	1,271,082	141,072,821	144,919,949
Unearned-Closing	13,614,673	125,857	3,328,405	207,932,522	225,001,457
Contribution Earned	16,516,946	354,210	2,769,869	123,061,818	142,702,843
Retakaful-Ceded	-	-	-	23,860,562	23,860,562
Prepaid Retakaful-Opening	-	-	-	16,079,649	16,079,649
Prepaid Retakaful-Closing	-	-	-	26,944,069	26,944,069
Retakaful Expenses	-	-	-	12,996,142	12,996,142
Net insurance Contribution	16,516,946	354,210	2,769,869	110,065,676	129,706,701
Rebate	-	-	-	-	-
Net underwriting income	16,516,946	354,210	2,769,869	110,065,676	129,706,701
Insurance claims paid	307	-	-	93,695,147	93,695,454
Outstanding-opening	19,887,369	92,115	3,120,766	168,625,881	191,726,131
Outstanding-closing	49,182,510	92,115	3,148,266	271,920,505	324,343,396
Insurance claims expenses	29,295,448	-	27,500	196,989,771	226,312,719
Retakaful Recoveries Received	-	-	-	-	-
Recovery-opening	-	-	-	-	-
Recovery-closing	-	-	-	13,572,549	13,572,549
Insurance claims recovered from reinsurers	-	-	-	13,572,549	13,572,549
Net claims	29,295,448	-	27,500	183,417,222	212,740,170
Wakala Fee	3,798,898	81,468	637,070	28,304,218	32,821,654
Management expense	-	-	-	-	-
Preium deficiency expense	-	-	-	-	-
Net insurance claims and expenses	33,094,346	81,468	664,570	211,721,440	245,561,824
Underwriting results	(16,577,400)	272,742	2,105,299	(101,655,764)	(115,855,123)
Profit on bank deposits	-	-	-	-	443,954
Modarib Fee	-	-	-	-	231,365
Dividend Income	-	-	-	-	(1,369,415)
Profit before tax	-	-	-	-	(116,549,219)
Segment Assets	49,182,510	92,115	3,148,266	298,864,574	351,287,465
Unallocated Assets	-	-	-	-	(58,161,073)
					293,126,392
Segment Liabilities	65,928,558	246,919	7,242,204	9,652,244	83,069,925
Unallocated Liabilities	-	-	-	-	-
					83,069,925

OPERATORS FUND

Segment Current Year	Three months ended September 30, 2020 (Un-Audited)				TOTAL
	Fire and property damage	Accident	Accident	Treaty	
	Rupees				
Wakala Fee	3,798,898	81,468	637,070	28,304,218	32,821,654
Commission	(2,050,680)	(37,973)	(143,342)	(23,383,700)	(25,615,695)
Management Expenses	(162,184)	(3,451)	(27,840)	(1,233,174)	(1,426,649)
Segment Results	1,586,034	40,044	465,888	3,687,344	5,779,310
Profit on bank deposits	-	-	-	-	4,221,648
Modarib Fee	-	-	-	-	(231,365)
Dividend Income	-	-	-	-	76,068
Profit before tax	-	-	-	-	-
Segment Assets	-	-	-	-	-
Unallocated Assets	-	-	-	-	33,563,877
					33,563,877
Segment Liabilities	3,131,375	28,947	765,533	47,824,480	51,750,335
Unallocated Liabilities	-	-	-	-	(31,576,825)
					20,173,510

PAKISTAN REINSURANCE COMPANY LIMITED WINDOW RETAKAFUL OPERATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2021

28 SUBSEQUENT NON ADJUSTING EVENTS

There are no significant subsequent events that need to be disclosed for the period ended September 30, 2021.

29 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, for the purpose of comparison and better presentation. No significant rearrangement or reclassifications were made in these financial statement during the current year.

30 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 29-10-2021 by the Board of Directors of the

31 GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.



CFO



CEO



Director



Director



Chairman