

# Directors' Report

## For Nine Months Ended September 30, 2022

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 Company for third quarter ended September 30, 2022.

### Review of Conventional Business Activities

The gross written premium is Rs. **17,290** million against an amount of Rs. 14,748 million for the corresponding period of last year, showing an increase of Rs. 2,542 million (17.2%). The net premium is Rs. **5,670** million against Rs. 5,016 million, showing increase of Rs. 654 million (13%). The net commission expense for the period is Rs. **729** million as compared to Rs. 691 million, showing increase of Rs. 38 million (5.4%). The net claims are Rs. **3,837** million against Rs. 3,304 million, showing an increase of Rs. 533 million (16.12%).

The underwriting results after management expenses for the period under review are Rs. **825** million as compared to Rs. 474 million for the corresponding periods last year showing increase of Rs. 351 million. (74.1%)

The income from investment, rental and other income for the period under review is recorded as Rs. **1,330** million, as compared to Rs. 966 million in the corresponding period of last year, showing an increase of Rs. 364 million (37.7%).

The profit before tax for the period under review is Rs. **2,162** million, as compared to Rs. 1,448 million recorded in the corresponding period last year, showing an increase of Rs. 714 million (49.3%).

The profit after tax for the period under review is Rs. **1,333** million, as compared to Rs. 975 million in the corresponding period of last year showing a phenomenal increase of Rs. 358 million (36.72%) resulting in earning per share of Rs. **1.48**.

## **Review of Window Re-Takaful Business Activities**

### **Participants' Retakaful Fund**

The gross written contribution is Rs. 944 million against an amount of Rs. 721 million for the corresponding period of last year, showing an increase of Rs. 223 million (30.93%). The net contribution is Rs. 703 million against Rs. 478 million, showing an increase of Rs. 225 million (47.1%). The wakala expense for the period is Rs. 157 million as compared to Rs. 109 million, showing an increase of Rs. 48 million (44%). The net claim expense for the period is Rs. 417 million as compared to Rs. 219 million, showing an increase of Rs. 198 million (90%). The net Retakaful benefit for the period is Rs. 129 million as compared to Rs. 119 million, showing an increase of Rs. 10 million (8.4%). The income from investment and others income for the period under review is recorded as Rs. 45 million, as compared to Rs. 9.3 million in the corresponding period of last year, showing an increase of Rs. 35.7 million.

### **Operator's Retakaful Fund**

The wakala income for the period is Rs. 157 million as compared to Rs. 109 million, showing an increase of Rs. 48 million (44%). The commission expense for the period is Rs. 155 million as compared to Rs. 100 million, showing an increase of Rs. 55 million (55%). The general administrative & management expense for the period is Rs. 11 million as compared to Rs. 6 million, showing an increase of Rs. 5 million (83%). The income from investment and others income for the period under review is recorded as Rs. 27 million, as compared to Rs. 13 million in the corresponding period of last year, showing increase of Rs. 14 million.

The profit after tax for the period under review is Rs. 12.2 million, as compared to Rs. 12.1 million in the corresponding period of last year showing an increase of Rs. 0.1 million.

### **Future Outlook**

The country is facing significant economic challenges with high interest rate, volatility in PKR and downgrade in country rating amid upcoming loan repayment. The GDP growth is expected to grow at 2%; the slower growth will reflect damages and disruptions caused by catastrophic floods, a tight monetary stance, high inflation, and a less conducive global environment.

Despite facing these significant economic challenges, your company has delivered exceptional results. We are hopeful that the profitability momentum will continue in last quarter and the company will post healthy results especially in the core business.

### **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 we assure them of our best efforts in future. Finally, the Directors also wish to place on record their appreciation for the hard work, loyalty and devotion of the officers and staff of the Company.

For and on behalf of the Board of Directors.

**Chairman Board**  
**Karachi: 28<sup>th</sup>October,2022**

**Chief Executive Officer**

### قابل قدر حصص کنندگان

#### پاکستان ری-انسورنس کمپنی لمیٹڈ

میں، پاکستان ری-انسورنس کمپنی لمیٹڈ کے بورڈ کے ناظمین کی جانب سے، کمپنی کی 30 ستمبر 2022 کو اختتام پذیر تیسری سہ ماہی کی درمیانی مدت کی مختصر مالیاتی دستاویزات پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

#### روایتی کاروباری سرگرمیوں کا جائزہ

گزشتہ سال اسی مدت کے 14,748 ملین روپے مجموعی تحریر شدہ پریمیم کے مقابلے میں اس مدت میں اس کی مالیت 17,290 ملین روپے رہا جو 2,542 ملین (17.2 فیصد) کا اضافہ ظاہر کرتا ہے۔ گزشتہ سال اسی مدت کے 5,016 ملین روپے خالص پریمیم کے مقابلے میں اس کی مالیت 5,670 ملین روپے ہے جو 654 ملین (13 فیصد) کا اضافہ ظاہر کر رہا ہے۔ مذکورہ مدت میں 729 ملین روپے کے خالص کمیشن کے اخراجات کے مقابلے میں گزشتہ سال اسی مدت میں اس کی مالیت 691 ملین روپے ہے جو 38 ملین روپے (5.4 فیصد) کا اضافہ دکھا رہا ہے۔ گزشتہ سال اسی مدت کے خالص دعوے 3,304 ملین روپے کے مقابلے میں موجودہ مدت میں 3,837 ملین روپے رہا جو 533 ملین روپے (16.12 فیصد) کا اضافہ دکھا رہا ہے۔

زیر غور سہ ماہی میں انتظامی اخراجات کے بعد مالیاتی ضمانت (underwriting) کا منافع 825 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں منافع کی مالیت 474 ملین روپے تھی جو 351 ملین روپے کا اضافہ ظاہر کر رہا ہے (یعنی 74.1 فیصد)۔

زیر جائزہ مدت میں سرمایہ کاری، کرایہ اور دیگر اشیاء سے آمدنی نے 1,330 ملین روپے کا اندراج کیا جبکہ گزشتہ سال اسی مدت میں 966 ملین روپے تھا جو 364 ملین روپے (یعنی 37.7 فیصد) کا اضافہ ظاہر کر رہا ہے۔

زیر جائزہ سہ ماہی میں منافع قبل از محصول 2,162 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 1,448 ملین روپے تھا جو 714 ملین روپے (یعنی 49.3 فیصد) کا اضافہ دکھا رہا ہے۔

زیر جائزہ سہ ماہی میں منافع بعد از محصول 1,333 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 975 ملین روپے تھا جو 358 ملین روپے (36.72 فیصد) کا اضافہ دکھا رہا ہے جس کا نتیجہ 1.48 فی ہنسٹ رہا۔

#### ونڈو ری-کافل سرگرمیوں کا جائزہ

#### شرکت داری ری-کافل فنڈ

زیر غور مدت میں مجموعی تحریر شدہ شرکت کے حصے کی مالیت 944 ملین روپے رہی جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 721 ملین روپے تھی جو 223 ملین روپے (30.93 فیصد) کا اضافہ دکھا رہا ہے۔ گزشتہ سال اسی مدت میں خالص حصہ کی مالیت 478 ملین روپے تھی، اس کے مقابلے میں اس سہ ماہی میں اس کی مالیت 703 ملین روپے رہی جو 225 ملین روپے (47.1 فیصد) کا اضافہ دکھا رہا ہے۔ زیر غور مدت میں وکالہ اخراجات 157 ملین روپے رہے جو گزشتہ سال اسی مدت میں 109 ملین روپے تھے جو 48 ملین روپے (44 فیصد) کا اضافہ دکھا رہا ہے۔ زیر غور مدت میں خالص دعوے کے اخراجات 417 ملین روپے رہے اس کے مقابلے میں گزشتہ سال اسی مدت میں اس کی مالیت 219 ملین روپے تھی جو 198 ملین روپے (90 فیصد) کا اضافہ دکھا رہا ہے۔ زیر غور مدت میں خالص ری-کافل فائدہ کی مالیت 129 ملین روپے رہی اس کے مقابلے میں گزشتہ سال اسی مدت میں اس کی مالیت 119 ملین روپے تھی جو 10 ملین روپے (8.4 فیصد) کا اضافہ دکھا رہا ہے۔ زیر جائزہ مدت کے

دوران سرمایہ کار اور دیگر آمدنی نے 45 ملین روپے کا اندراج کیا جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت میں اس کی مالیت 9.3 ملین روپے تھی جو 35.7 ملین روپے کا اضافہ دکھا رہا ہے۔

### آپریٹر کاری۔ کافل فنڈ

زیر غور مدت میں وکالہ اخراجات 157 ملین روپے رہے جو گزشتہ سال اسی مدت میں 109 ملین روپے تھے جو 48 ملین روپے (44 فیصد) کا اضافہ دکھا رہا ہے۔ زیر غور مدت میں کمیشن کے اخراجات 155 ملین روپے رہے جو گزشتہ سال اسی مدت میں 100 ملین روپے تھے جو 55 ملین روپے (55 فیصد) کا اضافہ دکھا رہا ہے۔ زیر غور سہ ماہی میں عام انتظامی اور انتظامیہ کے اخراجات 11 ملین روپے رہے جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 6 ملین روپے تھی جو 5 ملین روپے (83 فیصد) کا اضافہ ظاہر کر رہا ہے۔ زیر جائزہ مدت میں سرمایہ کاری اور دیگر آمدنی نے 27 ملین روپے کا اندراج کیا جبکہ گزشتہ سال اسی مدت میں 13 ملین روپے تھا جو 14 ملین روپے کا اضافہ ظاہر کر رہا ہے۔

زیر جائزہ سہ ماہی میں منافع بعد از محصول 12.2 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 12.1 ملین روپے تھا جو 0.1 ملین روپے کا اضافہ دکھا رہا ہے۔

### مستقبل کا منظر نامہ

ملک کو، بلند سودی نرخ، روپے کی زد پذیری (volatility) اور ملکی درجہ بندی میں کمی آنے والے قرضہ جات کی ادائیگیوں جیسے، اہم معاشی مشکلات کا سامنا ہے۔ توقع ہے کہ مجموعی قومی پیداوار میں 2 فیصد سے اضافہ ہوگا؛ سست نمو اور تباہ کن سیلاب سے ہونے والا قحط، سخت مالیاتی موقف، بلند افراط زر اور کم سازگار عالمی ماحول نقصان کا باعث بنے گا۔

ان مشکلات کا سامنا کرنے کے باوجود، آپ کی کمپنی نے غیر معمولی نتائج دیے ہیں۔ ہم پر امید ہیں کہ آخری سہ ماہی میں بھی منافع بخشی کی رفتار جاری رہے گی اور کمپنی خاص طور پر اپنے بنیادی کاروبار میں اچھے نتائج کو دکھائے گی۔

### نتائش

آپ کے ناظمین اس موقع کا فائدہ اٹھاتے ہوئے کمپنی کے معزز گاہکوں، سیڈانٹس (cedants)، ریٹرو سیشنیشنر (retrocessionnaire)، کاروباری شراکت دار، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کی - معاونت اور پیشہ ورانہ رہنمائی کا شکریہ ادا کر اچاہتے ہیں۔ ہم اپنے حصص کنندگان کا بھی، ان 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 سر اٹھنے کو قلم بند کریں۔ بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے

چیف ایگزیکٹو آفیسر

چیرمین بورڈ

کراچی: 28 اکتوبر 2022

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Financial Position (Unaudited)**  
**As at 30 September 2022**

		<b>30 September 2022</b>	<b>31 December 2021</b>
		<b>Unaudited</b>	<b>Audited</b>
<b>ASSETS</b>	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
Property and equipment	7	<b>459,178,660</b>	429,090,186
Right of use asset	7	<b>1,801,531,334</b>	1,801,531,334
Intangible assets	7	<b>8,474,168</b>	8,474,168
Assest relating to Bangladesh	8	-	-
Investment property	9	<b>722,274,605</b>	722,274,605
Investments			
Equity securities	10	<b>2,895,547,672</b>	3,388,832,944
Debt securities	11	<b>8,948,559,852</b>	9,174,069,234
Trem deposit receipt		-	-
Loans and other receivables	12	<b>361,366,932</b>	285,844,725
Receivable from Sindh Revenue Board	12	<b>2,573,888,727</b>	2,573,888,727
Insurance / Reinsurance receivables	13	<b>15,206,055,082</b>	13,686,203,093
Reinsurance recoveries against outstanding claims		<b>9,548,245,864</b>	4,608,127,235
Deferred Commission Expense / Acquisition cost		<b>979,129,971</b>	806,214,206
Taxation - payments less provision		-	-
Prepayments		<b>8,027,741,955</b>	7,723,545,836
Stock of stationery		-	-
Cash & Bank	14	<b>2,145,156,149</b>	1,140,841,359
<b>Total assets from Window Takaful Operations - OPF</b>		<b>505,006,960</b>	456,613,640
<b>Total Assets</b>		<b>54,182,157,931</b>	46,805,551,292
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital		<b>9,000,000,000</b>	3,000,000,000
Revaluation surplus - net of tax	15	<b>1,545,282,086</b>	1,545,282,086
Reserves	15	<b>2,891,937,669</b>	8,526,912,530
<b>Total Equity</b>		<b>13,437,219,755</b>	13,072,194,616
<b>Liabilities</b>			
<b>Underwriting Provisions</b>			
- Outstanding claims including IBNR		<b>17,147,573,712</b>	9,401,437,187
- Unearned premium reserves		<b>11,246,979,904</b>	10,732,384,652
- Unearned Reinsurance Commission		<b>508,755,976</b>	523,294,102
- Premium deficiency reserve		<b>58,873,368</b>	58,873,368
Retirement benefit obligations		<b>2,893,444,423</b>	3,206,839,590
Taxation liabilities- provision less payments		<b>9,084,765</b>	366,732,044
Deferred taxation	16	<b>813,195,279</b>	810,480,910
Insurance / Reinsurance Payables	17	<b>7,739,350,593</b>	8,208,198,213
Lease liabilities		<b>29,238,876</b>	29,238,876
Unclaimed Dividend		<b>88,678,200</b>	205,956,627
Other Creditors and Accruals	18	<b>72,888,134</b>	89,257,120
<b>Total Liabilities</b>		<b>40,608,063,230</b>	33,632,692,689
<b>Total liabilities from Window Takaful Operations - OPF</b>		<b>136,874,946</b>	100,663,982
<b>Total Equity and Liabilities</b>		<b>54,182,157,931</b>	46,805,551,287
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, 2022

	Note	Quarter ended 30 Sep		Nine months ended 30 Sep	
		2022	2021	2022	2021
Net insurance premium	20	1,653,393,768	1,521,298,420	5,669,844,412	5,016,156,839
Net Insurance claims	21	(1,388,629,726)	(883,806,031)	(3,836,705,614)	(3,304,164,815)
Net Commission and other acquisition costs	22	(237,563,212)	(207,968,688)	(729,455,160)	(691,181,396)
Premium deficiency reserve expense		-	-	-	-
Insurance claims and acquisition expenses		(1,626,192,938)	(1,091,774,719)	(4,566,160,774)	(3,995,346,211)
Premium deficiency expenses		-	-	-	-
Management Expenses		(184,613,173)	(134,621,659)	(665,886,977)	(538,371,330)
Provision for doubtful debts		-	-	387,702,417	(8,936,130)
Underwriting results		(157,412,343)	294,902,042	825,499,078	473,503,168
Investment income	23	372,622,727	240,056,183	910,457,885	808,281,781
Rental income - net	24	31,267,143	29,409,022	100,243,204	75,779,411
Finance cost		-	-	-	-
Other income		129,272,339	64,360,253	319,195,566	82,140,473
Other expenses		(4,479,956)	(1,745,518)	(5,298,793)	(3,919,863)
Results of operating activities		371,269,910	626,981,982	2,150,096,940	1,435,784,970
Finance costs		-	-	-	-
<b>Profit before tax from general operations</b>		<b>371,269,910</b>	<b>626,981,982</b>	<b>2,150,096,940</b>	<b>1,435,784,970</b>
Profit from Window Retakaful Operations		2,958,753	2,632,795	12,238,492	12,188,594
<b>Profit before tax</b>		<b>374,228,663</b>	<b>629,614,777</b>	<b>2,162,335,432</b>	<b>1,447,973,564</b>
Income tax expense	25	(122,169,184)	(241,453,672)	(829,444,002)	(472,833,065)
Deferred tax (income) / expense		-	-	-	-
<b>Profit after tax</b>		<b>252,059,479</b>	<b>388,161,105</b>	<b>1,332,891,430</b>	<b>975,140,499</b>
Earnings (after tax) per share - Rupees		0.28	1.29	1.48	3.25

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, 2022**

	<b>Three months period ended</b>		<b>Nine months period ended</b>	
	<b>30 Sep</b>	<b>30 Sep</b>	<b>30 Sep</b>	<b>30 Sep</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>----- Rupees -----</b>		<b>----- Rupees -----</b>	
<b>Profit for the Period</b>	<b>252,059,479</b>	<b>388,161,105</b>	<b>1,332,891,430</b>	<b>975,140,499</b>
<b>Other comprehensive income / (loss)</b>				
<b>Items that may not be reclassified subsequently to profit and loss account</b>				
Unrealized loss on available for sale investments - net	(82,238,942)	(299,263,313)	(498,327,890)	(442,289,886)
Other Comprehensive Income Window Retakaful Operations	1,262,476	(142,106)	(56,136)	(142,106)
Transfer to profit and loss account on disposal of available for sale investments	-	-	-	-
Impact of deferred tax	-	-	130,517,735	10,717,078
	(80,976,466)	(299,405,419)	(367,866,291)	(431,714,914)
<b>Items that will not be reclassified subsequently to profit and loss account</b>				
Remeasurement of defined benefit obligations	-	-	-	-
<b>Other comprehensive income for the period</b>	<b>(80,976,466)</b>	<b>(299,405,419)</b>	<b>(367,866,291)</b>	<b>(431,714,914)</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>171,083,013</b>	<b>88,755,686</b>	<b>965,025,139</b>	<b>543,425,585</b>
<b>Profit and loss appropriation account</b>				
<b>Balance at the commencement of year</b>	<b>13,392,025,556</b>	<b>9,294,290,879</b>	<b>13,072,194,616</b>	<b>10,241,544,195</b>
Total comprehensive income for the Period	171,083,013	88,755,686	965,025,139	543,425,585
Final cash dividend paid 2019: Rs.2.00 @ 20% (2018 : Rs.2.00 @ 20% ) per share	(600,000,000)	-	(600,000,000)	(750,000,000)
<b>Balance of unappropriated profit at the end of the period</b>	<b>12,963,108,569</b>	<b>9,383,046,565</b>	<b>13,437,219,755</b>	<b>10,034,969,780</b>

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, 2022

	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						
<b>Balance as at January 01, 2021</b>	3,000,000,000	281,000,000	1,652,641,179	1,777,419,085	3,024,894,108	6,735,954,372	9,735,954,372
Total Comprehensive income for the period ended September 30, 2021	-	-	(431,714,914)	-	975,140,498	543,425,584	543,425,584
Effect of changes in accounting policy (note 5.2)			-			-	-
Remeasurement of defined benefit obligations - net					-	-	-
<b>Transactions with owners</b>	-	-	(431,714,914)	-	975,140,498	543,425,584	543,425,584
Final cash dividend 2020: Rs.2.50 @ 25% (2019 : Rs.2.00 @20% ) per share		-		-	(750,000,000)	-	(750,000,000)
<b>Balance as at September 30, 2021</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,220,926,265</b>	<b>1,777,419,085</b>	<b>3,250,034,606</b>	<b>7,279,379,956</b>	<b>9,529,379,956</b>
<b>Balance as at January 01, 2022</b>	<b>3,000,000,000</b>	<b>281,000,000</b>	<b>1,054,853,340</b>	<b>1,777,419,085</b>	<b>6,958,922,191</b>	<b>10,072,194,616</b>	<b>13,072,194,616</b>
Total Comprehensive income for the period ended September 30, 2022	-	-	(367,866,291)	-	1,332,891,430	1,332,891,430	1,332,891,430
Effect of changes in accounting policy (note 5.2)			-			-	-
Remeasurement of defined benefit obligations - net			(367,866,291)			(367,866,291)	(367,866,291)
Effect of change in accounting policy - note			-		-	-	-
Remeasurement of defined benefit obligations - net	-	-	-		-	-	-
<b>Transactions with owners</b>	-	-	(367,866,291)	-	1,332,891,430	965,025,139	965,025,139
Effect of change in accounting policy - note	-	-		-	-	-	-
Final cash dividend 2021: Rs.2.00 @ 20% (2020 : Rs.2.50 @25% ) per share	-	-		-	(600,000,000)	(600,000,000)	(600,000,000)
Issuance of bonus shares 2021: @ 200% (2020: Nil) per share	6,000,000,000			(642,122,769)	(5,357,877,231)	(6,000,000,000)	(6,000,000,000)
<b>Balance as at September 30, 2022</b>	<b>9,000,000,000</b>	<b>281,000,000</b>	<b>686,987,049</b>	<b>1,135,296,316</b>	<b>2,333,936,390</b>	<b>4,437,219,755</b>	<b>13,437,219,755</b>

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, 2022

	<b>2022</b> <b>(Rupees)</b>	<b>2021</b> <b>(Rupees)</b>
<b>Operating Cash Flows:</b>		
<b>Underwriting activities:-</b>		
Premium received	16,157,645,282	11,411,338,493
Reinsurance premium paid	(11,702,968,892)	(7,319,222,837)
Claims paid	(3,835,245,078)	(4,650,209,892)
Reinsurance and other recoveries received	2,804,557,360	1,966,100,095
Commission paid	(1,651,307,255)	(1,390,204,526)
Commission received	734,398,204	699,474,843
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	-	-
Other underwriting payments (management expenses)	(650,581,229)	(541,156,685)
<b>Net cash flows generated from underwriting activities</b>	<b>1,856,498,392</b>	<b>176,119,491</b>
<b>Other Operating Activities</b>		
Income tax paid	(1,053,859,176)	(140,420,158)
General management expenses paid	(5,298,793)	(3,919,863)
Payment under defined benefit obligations		
Other operating (payments) / receipts	(373,077,151)	(106,047,401)
Advances to employees	(13,743,575)	6,879,503
<b>Net cash used in other operating activities</b>	<b>(1,445,978,695)</b>	<b>(243,507,919)</b>
<b>Total cash flow generated from all operating activities</b>	<b>410,519,697</b>	<b>(67,388,428)</b>
<b>Investment activities</b>		
Fixed Capital expenditure	(45,394,222)	(2,124,466)
Intangible assets	-	-
Sale proceeds of Fixed Assets	-	-
Acquisition of investments	(12,717,305,127)	(12,849,748,481)
Rental income received - net of expenses	88,541,738	105,243,099
Dividend income received	157,549,835	134,997,505
Interest income on bank deposits	248,450,760	191,307,072
Investment income received - net of expenses	653,698,953	482,285,014
Proceeds on sale/ maturity of investments	12,925,531,583	12,282,893,615
<b>Total cash used in investing activities</b>	<b>1,311,073,520</b>	<b>344,853,358</b>
<b>Financing activities</b>		
Surplus paid	-	-
Dividend paid	(717,278,427)	(696,393,020)
Payments of finance leases	-	1,235,170
<b>Total cash generated used in financing activities</b>	<b>(717,278,427)</b>	<b>(695,157,850)</b>
<b>Net cash generated from all activities</b>	<b>1,004,314,790</b>	<b>(417,692,920)</b>
<b>Cash at beginning of the period</b>	<b>1,140,841,359</b>	<b>1,570,505,178</b>
<b>Cash at end of the period</b>	<b>2,145,156,149</b>	<b>1,152,812,258</b>

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

**CFO**

**CEO**

**DIRECTOR**

**DIRECTOR**

**CHAIRMAN**

	2022 (Rupees)	2021 (Rupees)
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	410,519,703	(67,388,428)
Depreciation expense		
-Fixed assets	(15,305,748)	(6,150,775)
-Investment property	-	-
Exchange gain	175,702,793	79,693,796
Rental income	100,243,204	75,779,411
Reinsurance recoveries against outstanding claims	4,940,118,629	(1,369,633,997)
Provision for outstanding claims	(7,746,136,525)	749,578,979
Provision for unearned premium	(514,595,252)	(2,393,095,962)
Prepaid reinsurance	304,468,869	1,244,208,026
Premium deficiency reserve	-	-
Provision for employee benefits	313,395,167	100,525,328
Dividend income	157,549,835	146,384,163
Investment income	(45,643,257)	19,881,550
Interest income	777,494,299	575,208,701
Amortization of premium	20,682,608	15,722,974
Gain on sale of investment	374,400	51,084,393
(Decrease)/Increase in operating assets other than cash	1,561,602,814	3,320,771,107
Decrease/(Increase) in operating liabilities	655,766,225	(1,247,204,454)
	1,096,237,764	1,295,364,812
<b>Other adjustments:</b>		
Income tax paid	1,053,859,176	140,420,158
	1,053,859,176	140,420,158
Profit/(Loss) before taxation	2,150,096,940	1,435,784,970
Provision for taxation	(829,444,002)	(472,833,065)
<b>Profit/(Loss) after taxation</b>	1,320,652,938	962,951,905
Profit from Window Retakaful Operations - Operator's Fund	12,238,492	12,188,594
<b>Profit after taxation for the period</b>	<i>Rupees</i> 1,332,891,430	975,140,499

#### 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	343,246	152,501
Current and other accounts	2,144,812,903	1,152,659,757
Deposit maturing within 12 months	-	-
	<i>Rupees</i> 2,145,156,149	1,152,812,258

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

**CFO**

**CEO**

**DIRECTOR**

**DIRECTOR**

**CHAIRMAN**

**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 37-A, New Muslim Town, 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, 2021 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, 2022 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, 2021, 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, 2022.

#### **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, 2021 .

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, 2022**

**7 PROPERTY AND EQUIPMENT**

	(Un-Audited) September 30, 2022	(Audited) December 31, 2021
	-----Rupees-----	
Opening balance	2,239,095,686	35,266,460
Additions:		
Furniture, fixtures and office equipments	32,719,362	3,892,302
Revaluation		395,127,265
Motor vehicles (owned)	12,907,965	-
Right-of-use Asset(Leasehold land)	-	1,801,531,334
Capital work in process(Computer equipment)	-	-
Leasehold improvements	-	-
	45,627,327	2,200,550,901
Less:		
Written down value of assets disposed/transferred	-	-
Depreciation charge for the period	(24,013,019)	(5,195,843)
Closing balance	2,260,709,994	2,230,621,518
<b>INTANGIBLE ASSETS</b>		
Capital work-in-progress		
Computer software	8,474,168	8,474,168
	2,269,184,162	2,239,095,686

**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)
	-	-

**9 INVESTMENT PROPERTIES**

Opening balance	158,716,140	158,716,140
Revaluation	698,055,394	698,055,394
Accumulated depreciation		
Balance at beginning of year	(133,219,469)	(133,219,469)
Depreciation for the period/year	(1,277,463)	(1,277,463)
	(134,496,932)	(134,496,931)
Closing balance	722,274,602	722,274,603

**PAKISTAN REINSURANCE COMPANY LIMITED**  
**Notes To The Condensed Interim Financial statement (Un-Audited)**  
**For the nine months period ended September 30, 2022**

**10 INVESTMENT IN EQUITY SECURITIES**

	September 30,2022				Dec 31, 2021			
	Cost	Impairment / Provision	Unrealized Gain / Loss	Carrying Value	Cost	Impairment / Provision	Unrealized Gain / Loss	Carrying Value
	Rupees				Rupees			
<b>Available for sale</b>								
Listed shares	509,966,996	-	1,106,117,486	1,616,084,482	511,342,678	1,372,264	1,362,984,608	1,872,955,022
Unlisted Shares	2,608,106	(1,990,491)	-	617,615	1,235,842	(618,227)	-	617,615
Mutual Funds	1,592,488,810	(300,680,906)	(153,993,539)	1,137,814,365	1,592,488,810	(300,680,906)	76,379,250	1,368,187,154
<b>Sub Total</b>	<b>2,105,063,912</b>	<b>(302,671,397)</b>	<b>952,123,947</b>	<b>2,754,516,462</b>	<b>2,105,067,330</b>	<b>(302,671,397)</b>	<b>1,439,363,858</b>	<b>3,241,759,791</b>
	September 30,2022				Dec 31,2020			
	Cost	Impairment / Provision	Unrealized Gain / Loss	Carrying Value	Cost	Impairment / Provision	Unrealized Gain / Loss	Carrying Value
	Rupees				Rupees			
<b>Held For Trading</b>								
Listed Share	192,711,620	(51,680,410)	-	141,031,210	192,711,620	-	(45,638,468)	147,073,152
<b>Sub Total</b>	<b>192,711,620</b>	<b>(51,680,410)</b>	<b>-</b>	<b>141,031,210</b>	<b>192,711,620</b>	<b>-</b>	<b>(45,638,468)</b>	<b>147,073,152</b>
<b>Grand Total</b>	<b>2,297,775,532</b>	<b>(354,351,807)</b>	<b>952,123,947</b>	<b>2,895,547,672</b>	<b>2,297,778,950</b>	<b>(302,671,397)</b>	<b>1,393,725,390</b>	<b>3,388,832,943</b>

**11 Investments in Debt Securities -**

	Cost	Market value	Cost	Market value
	September 30,2022		Dec 31, 2021	
	Rupees		Rupees	
<b>Held For Maturity</b>				
Pakistan Investment Bonds	2,462,484,817	2,488,643,379	1,595,597,300	1,586,280,288
Pakistan Investment Bonds (AFS)	195,481,125	208,231,157	331,407,375	360,849,397
PIB (Floater) 3 years & 5 years	554,936,954	550,542,366	554,936,654	550,932,749
Treasury Bills	5,384,098,450	5,601,282,950	6,474,082,500	6,576,126,800
Term Finance Certificate	99,860,000	99,860,000	99,880,000	99,880,000
<b>Total Debt Securities</b>	<b>8,696,861,346</b>	<b>8,948,559,852</b>	<b>9,055,903,829</b>	<b>9,174,069,234</b>



**PAKISTAN REINSURANCE COMPANY LIMITED**

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

For the nine months period ended September 30, 2022

**12 LOANS AND OTHER RECEIVABLES - Considered good**

	(Un-Audited) September 30, 2022	(Audited) December 31, 2021
Note	-----Rupees-----	
Receivable from Sindh Revenue Board	2,573,888,727	2,573,888,727
Accrued investment income	95,065,142	88,573,724
Loans to employees	87,763,192	74,019,617
Sundry receivables - Net	54,996,513	11,410,766
Receivable from Tenants	123,542,085.35	111,840,619.00
Receivable from Window Retakaful Operations	-	-
	<u>2,935,255,659</u>	<u>2,859,733,453</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, 2022	(Audited) December 31, 2021
Note	-----Rupees-----	
Balance at period/year end	15,867,550,951	14,735,401,379
Less: provision for impariment in due from other insurers / reinsurers	<u>(661,495,868)</u>	<u>(1,049,198,285)</u>
	15,206,055,082	13,686,203,094
Premium and claim reserves retained by cedants	24,831,633	24,831,633
Less: provision for impariment in premium and claim reserves retained by cedants	<u>(24,831,633)</u>	<u>(24,831,633)</u>
	<u>15,206,055,082</u>	<u>13,686,203,094</u>

- 13.1 This includes gross amount Rs. 7,997,659,785 (December 31, 2021: Rs. 8,797,497,324) due from related party National Insurance Company Limited.

	(Un-Audited) September 30, 2022	(Audited) December 31, 2021
	-----Rupees-----	
upto 3 months	4,945,223,318	4,617,664,380
over 3 months and above	<u>3,052,436,467</u>	<u>4,170,833,944</u>
	<u>7,997,659,785</u>	<u>8,788,498,324</u>

13.2	provision for Impairment		
	opening	1,040,262,155	1,040,262,155
	charge for period/year	8,936,130	8,936,130
	Reversal	387,702,417	-
	Closing	<u>661,495,868</u>	<u>1,049,198,285</u>

#### 14 CASH AND BANK BALANCES

	(Un-Audited) September 30, 2022	(Audited) December 31, 2021
	-----Rupees-----	
Cash in hand	343,246	208,191
Cash at bank in:		
Saving accounts	<u>2,144,812,903</u>	<u>1,140,633,168</u>
	<u>2,145,156,149</u>	<u>1,140,841,359</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, 2022	(Audited) December 31, 2021
	-----Rupees-----	
<b>Capital Reserve</b>		
-Reserve for exceptional losses	281,000,000	281,000,000
<b>Revenue Reserve</b>		
Unappropriated profit	2,333,936,390	6,958,922,191
-Available for sale reserve	686,987,049	1,054,853,340
-General Reserve	<u>1,135,296,316</u>	<u>1,777,419,085</u>
	<u>4,437,219,755</u>	<u>10,072,194,616</u>

**DEFERRED TAX**

	(Un-Audited) September 30, 2022	(Audited) December 31, 2021
	-----Rupees-----	
Deferred tax liabilities on taxable temporary differences:		
Revaluation Surplus on Property and equipment	114,586,907	114,586,907
Revaluation Surplus on Right of asset use - net of tax	516,584,650	516,584,650
Property and equipment	11,599,090	10,618,523
Held to maturity investments		-
Right-of-use assets	5,859,437	5,859,437
Investment Property	203,437,162	202,436,064
Unrealized gain on investments	278,312,635	404,180,363
	<u>1,130,379,881</u>	<u>1,254,265,944</u>
Deferred tax assets on deductible temporary differences:		
Provision for doubtful debts	(24,136,875)	(24,136,875)
Provision for impairment of insurers / reinsurers receivable	(174,950,792)	(304,267,503)
Provision for impairment of receivables from other insurers / reinsurers	(7,201,174)	(7,201,174)
Provision for dividend receivable		-
Lease liabilities	(8,479,274)	(8,479,274)
National interest on interest free loans	(14,641,781)	(11,925,502)
Provision for impairment in available for sale investment	(87,774,705)	(87,774,705)
Provision for impairment of other receivables		-
	<u>(317,184,602)</u>	<u>(443,785,033)</u>
	<u><u>813,195,279</u></u>	<u><u>810,480,911</u></u>

**INSURANCE / REINSURANCE PAYABLES**

	(Un-Audited) September 30, 2022	(Audited) December 31, 2021
	-----Rupees-----	
Due to other insurers / reinsurers	7,723,526,237	8,192,373,857
Premium and claim reserves retained from retrocessionaires	15,824,356	15,824,356
	<u>7,739,350,593</u>	<u>8,208,198,213</u>

**Other Creditors and Accruals**

Other Creditors and Accruals		6,864,449	15,508,761
Rent Payable		31,693,297	31,693,297
Security Deposits	18.1	26,404,990	26,074,074
Accrued expenses		6,712,796	14,768,388
Surplus profit payable	18.2	1,212,602	1,212,602
		<u>72,888,134</u>	<u>89,257,122</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, 2022: Nil).

**PAKISTAN REINSURANCE COMPANY LIMITED**  
**Notes To The Condensed Interim Financial statement (Un-Audited)**  
**For the nine months period ended September 30, 2022**

		Unaudited		Unaudited	
		Nine months ended 30 Sept.		Three months ended 30 Sept.	
		2022	2021	2022	2021
-----Rupees-----					
<b>20</b>	<b>NET PREMIUM REVENUE</b>				
	Written gross premium	17,289,794,854	14,747,595,281	7,915,724,378	6,487,194,509
	Add: Unearned premium reserve opening	10,732,384,652	6,513,672,433	9,104,972,900	6,534,498,584
	Less: Unearned premium reserve closing	11,246,979,904	8,906,768,395	11,246,979,904	8,906,768,395
	Premium earned	16,775,199,602	12,354,499,319	5,773,717,374	4,114,924,698
Less:	Reinsurance premium ceded	11,409,824,059	8,582,550,506	4,973,511,038	4,014,211,798
	Add: Prepaid reinsurance premium opening	7,722,831,183	4,144,132,224	7,174,112,620	3,967,754,730
	Less: Prepaid reinsurance premium closing	8,027,300,052	5,388,340,250	8,027,300,052	5,388,340,250
	Reinsurance expense	11,105,355,190	7,338,342,480	4,120,323,606	2,593,626,278
		5,669,844,412	5,016,156,839	1,653,393,768	1,521,298,420
<b>21</b>	<b>NET INSURANCE CLAIMS</b>				
	Claims paid	3,835,245,078	4,650,209,892	1,517,959,899	1,022,690,330
	Add: Outstanding claims including IBNR closing	17,152,525,712	9,731,107,911	17,152,525,712	9,731,107,911
	Less: Outstanding claims including IBNR opening	9,406,389,187	10,480,686,890	17,048,432,615	9,054,216,197
	Claims expense	11,581,381,603	3,900,630,913	1,622,052,996	1,699,582,044
Less:	Reinsurance and other recoveries received	2,804,557,360	1,966,100,095	887,414,478	123,304,293
	Add: Reinsurance and other recoveries in respect of outstanding claims closing	9,548,245,864	4,234,174,034	9,548,245,864	4,234,174,034
	Less: Reinsurance and other recoveries in respect of outstanding claims opening	4,608,127,235	5,603,808,031	10,202,237,072	3,541,702,314
		7,744,675,989	596,466,098	233,423,270	815,776,013
	Reinsurance and other recoveries revenue	3,836,705,614	3,304,164,815	1,388,629,726	883,806,031
<b>22</b>	<b>NET COMMISSION AND OTHER ACQUISITION COSTS</b>				
	Commission paid or payable	1,651,307,255	1,390,204,526	720,915,462	614,445,598
	Add: Deferred commission expense opening	806,214,206	708,870,615	756,523,689	624,421,834
	Less: Deferred commission expense closing	979,129,971	824,574,618	979,129,971	824,574,618
	Net commission	1,478,391,490	1,274,500,523	498,309,180	414,292,814
Less:	Commission received or recoverable	734,398,204	699,474,843	333,591,630	353,058,946
	Add: Unearned reinsurance commission opening	523,294,102	338,532,613	435,910,314	307,953,509
	Less: Unearned reinsurance commission closing	508,755,976	454,688,329	508,755,976	454,688,329
	Commission from reinsurers	748,936,330	583,319,127	260,745,968	206,324,126
		729,455,160	691,181,396	237,563,212	207,968,688

## 23 Investment income

	Unaudited		Unaudited	
	<u>Nine months ended 30 Sept.</u>		<u>Three months ended 30 Sept.</u>	
	2022	2021	2022	2021
	-----Rupees-----			
<b>Income from equity securities</b>				
<b>Available for sale</b>				
Dividend income	150,659,835	139,724,163	72,777,541	64,830,706
<b>Held for trading</b>				
Dividend income	6,890,000	6,660,000	1,926,000	1,156,000
	<u>157,549,835</u>	<u>146,384,163</u>	<u>74,703,541</u>	<u>65,986,706</u>
<b>Income from debt securities</b>				
Held for maturity				
-Return on Pakistan Investment Bond (PIBs)	159,370,571	148,662,293	52,516,867	51,088,870
-Return on Treasury Bills	363,181,550	296,590,018	47,294,500	106,906,700
-Amortization of (discount)/premium on PIBs	20,682,608	15,722,974	12,012,782	2,865,249
<b>Income from term finance certificate</b>	<u>10,670,409</u>	<u>6,350,238</u>	<u>-</u>	<u>2,132,204</u>
	<u>553,905,138</u>	<u>467,325,523</u>	<u>111,824,149</u>	<u>162,993,023</u>
<b>Available for Sale</b>				
Return on Pakistan Investment Bond PIBs	244,271,769	86,515,305	192,866,902	23,389,559
Profit received from bank	-	37,090,847	-	12,158,715
<b>Net realised gains / (losses) on investments</b>				
Available for sale				
- Gain on sale of Equity securities	-	51,084,393	-	1,470,657
- 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	374,400		-	-
<b>Net Unrealised gains / (losses) on investments at fair value through profit and loss (Held for trading purposes)</b>	<u>(32,922,916)</u>	<u>(27,611,952)</u>	<u>(4,069,695)</u>	<u>(20,985,703)</u>
Total investment income	<u>923,178,226</u>	<u>760,788,279</u>	<u>375,324,897</u>	<u>245,012,957</u>
Less: Impairment in value of available for sale securities	-	63,991,869	-	-
Less: Investment related expenses	<u>(12,720,341)</u>	<u>(16,498,367)</u>	<u>(2,702,170)</u>	<u>(4,956,774)</u>
Net investment income	<u>910,457,885</u>	<u>808,281,781</u>	<u>372,622,727</u>	<u>240,056,183</u>

## 24 RENTAL INCOME

<b>Rental income</b>	115,611,851	98,276,740	35,320,522	35,311,695
Less: Expenses of investment property	(15,368,647)	(21,539,234)	(4,053,379)	(4,944,578)
Less: Depreciation on Investment Property	-	(958,097)	-	(958,095)
	<u>100,243,205</u>	<u>75,779,411</u>	<u>31,267,143</u>	<u>29,409,022</u>

## 25 TAXATION

For the period				
Current	(829,444,002)	472,833,065	122,169,184	241,453,672
	<u>(829,444,002)</u>	<u>472,833,065</u>	<u>122,169,184</u>	<u>241,453,672</u>



## 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	
		<u>4,073,379,063</u>	

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:			<u>1,728,665,305</u>

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.

PAKISTAN REINSURANCE COMPANY LIMITED  
Notes To The Condensed Interim Financial statement (Un-Audited)  
For the nine months period ended September 30, 2022

**26 Fair Value Hierarchy**

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, 2022 (Un-audited)				
Financial assets measured at fair value				
Equity securities				
Held-for-trading investment				
Ordinary shares - listed	141,031,210	141,031,210		
Available-for-sale investment				
Ordinary shares - listed	1,616,084,541	1,616,084,541		
Mutual fund units	1,137,814,365	1,137,814,365		
Ordinary shares - unlisted	617,613	-		617,613

**December 31, 2021 (Audited)**

Financial assets measured at fair value

Equity securities

**Held-for-trading investment**

Ordinary shares - listed 147,073,152 147,073,152

**Available-for-sale investment**

Ordinary shares - listed 1,872,955,022 1,872,955,022

Mutual fund units 1,368,187,154 1,368,187,154

Ordinary shares - unlisted 617,613 617,613

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 <u>30-Sep-22</u>	Audited <u>31-Dec-21</u>
	-----Rupees-----	
<b>Major shareholder</b>		
Government of Pakistan (GoP) through M.O.C.		
Dividend paid for the preceding year	305,999,512.00	336,599,463.00
State Life Insurance Corporation of Pakistan		
Dividend paid for the preceding year	146,464,402.00	183,080,503.00
<b>Related parties by virtue of GoP's holdings</b>		
<b>State Bank of Pakistan</b>		
Purchase of investment (Treasury Bills)	10,775,277,350.00	17,018,141,250.00
Dividend received during the year	-	49,000.00
<b>Pakistan State Oil Company Limited</b>		
Dividend received during the year	-	210,630.00
<b>National Investment Trust Limited</b>		
Dividend received during the year	27,720,000.00	71,280,000.00
<b>National Insurance Company Limited</b>		
Premium due but unpaid	8,797,497,324	3,327,220,693
Insurance premium written during the year	10,305,926,608	13,486,623,550
Premium received	(11,105,764,147)	(8,016,346,919)
Balance at the end of year	7,997,659,785	8,797,497,324
Insurance commission paid	409,633,616	414,567,086
Insurance claims paid	962,101,382	1,775,838,644
Ins./reins.receivables/(Ins./reins. payable)	2,453,083	222,688
Insurance premium written during the year	10,710,672	13,686,995
Commission Paid	(274,665)	(372,591)
Claims paid	-	(10,994,009)
Balance at the end of year	12,889,090	2,543,083

## For the nine months period ended September 30, 2022

Segment	Current Year	Fire and property damage	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	TOTAL
-----30 September 2022-----									
-----Rupees-----									
Gross written premium	1,293,235,176	34,025,107	201,354,517	364,120,536	463,185,002	9,304,876,600	5,628,997,916	17,289,794,854	
Unearned-Opening	709,287,738	9,793,225	52,201,183	41,133,807	4,455,283,060	3,295,066,824	2,169,618,815	10,732,384,652	
Unearned-Closing	525,001,164	9,711,825	68,752,931	187,513,379	1,438,889,803	5,600,250,995	3,416,859,807	11,246,979,904	
Premium Earned	1,477,521,750	34,106,507	184,802,769	217,740,964	3,479,578,259	6,999,692,429	4,381,756,924	16,775,199,602	
Reinsurance-Ceded	268,333,403	-	79,167,522	175,970,758	425,674,292	8,559,764,800	1,900,913,284	11,409,824,059	
Prepaid Reinsurance-Opening	40,842,152	-	22,227,920	3,150,578	4,237,630,265	3,095,679,708	323,300,560	7,722,831,183	
Prepaid Reinsurance-Closing	59,907,521	-	36,480,924	122,978,054	1,347,434,467	5,250,099,479	1,210,399,607	8,027,300,052	
Reinsurance Expenses	249,268,034	-	64,914,518	56,143,282	3,315,870,090	6,405,345,029	1,013,814,237	11,105,355,190	
Net insurance premium	1,228,253,716	34,106,507	119,888,251	161,597,682	163,708,169	594,347,400	3,367,942,687	5,669,844,412	
Commission income	17,701,677	-	6,491,451	4,076,169	174,820,861	530,947,024	14,899,148	748,936,330	
Net underwriting income	1,245,955,393	34,106,507	126,379,702	165,673,851	338,529,030	1,125,294,424	3,382,841,835	6,418,780,742	
Insurance claims paid	368,850,561	1,351,471	2,661,960	65,884,810	956,264,212	124,091,097	2,316,140,967	3,835,245,078	
Outstaning-opening	1,841,612,038	68,805,420	229,659,688	291,598,982	1,779,285,442	2,008,445,696	3,186,981,921	9,406,389,187	
Outstaning-closing	3,856,229,177	75,587,739	230,359,458	229,905,681	1,083,294,639	6,143,614,030	5,533,534,988	17,152,525,712	
Insurance claims expenses	2,383,467,700	8,133,790	3,361,730	4,191,509	260,273,409	4,259,259,431	4,662,694,034	11,581,381,603	
Reinsurance Recoveries Received	-	-	17,629,422	-	1,831,078,156	117,392,517	838,457,265	2,804,557,360	
Recovery-opening	317,808,041	-	65,747,545	-	1,642,925,619	1,559,407,642	1,022,238,388	4,608,127,235	
Recovery-closing	1,287,817,287	-	67,497,544	-	973,338,557	5,169,986,740	2,049,605,736	9,548,245,864	
Insurance claims recovered from reinsuers	970,009,246	-	19,379,421	-	1,161,491,094	3,727,971,615	1,865,824,613	7,744,675,989	
Net claims	1,413,458,454	8,133,790	(16,017,691)	4,191,509	(901,217,685)	531,287,816	2,796,869,421	3,836,705,614	
Commission expense	183,630,208	2,615,967	12,029,644	13,890,036	86,929,168	305,086,513	874,209,954	1,478,391,490	
Mangement expense	118,628,598	3,294,113	11,579,183	15,607,611	15,811,449	157,118,569	343,847,454	665,886,977	
Provision for Doubtful debts	-	-	-	-	-	-	-	(387,702,417)	
Net insurance claims and expenses	1,715,717,260	14,043,870	7,591,136	33,689,156	(798,477,068)	993,492,898	4,014,926,829	5,593,281,664	
Underwriting results	(469,761,867)	20,062,637	118,788,566	131,984,695	1,137,006,098	131,801,526	(632,084,994)	825,499,078	
Net investment income								910,457,885	
Rental income								100,243,204	
Other Expenses								319,195,566	
Other income								(5,298,793)	
Profit before tax								2,150,096,940	
Segment Assets	1,405,002,258	390,844	108,314,660	132,666,430	2,361,060,560	10,664,600,087	3,882,641,048	18,554,675,887	
Unallocated Assets								35,627,482,044	
								54,182,157,931	
Segment Liabilites	4,384,777,300	85,299,564	302,760,481	426,735,489	2,602,421,444	12,141,848,447	8,964,418,867	28,908,261,592	
Unallocated Liabilitied								11,699,801,638	
								40,608,063,230	

[illegible]

## 20 SEGMENT REPORTING

Segment	Current Year	Fire and property damage	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	TOTAL
-----30 September 2022-----									
-----Rupees-----									
Gross written premium	495,846,077	11,539,590	8,154,907	184,622,268	434,871,288	4,141,285,040	2,639,405,208	7,915,724,378	
Unearned-Opening	452,785,134	10,050,779	95,130,330	96,936,370	2,205,324,835	3,868,542,995	2,376,202,457	9,104,972,900	
Unearned-Closing	525,001,164	9,711,825	68,752,931	187,513,379	1,438,889,803	5,600,250,995	3,416,859,807	11,246,979,904	
Premium Earned	423,630,047	11,878,544	34,532,306	94,045,259	1,201,306,320	2,409,577,040	1,598,747,858	5,773,717,374	
Reinsurance-Ceded	44,675,954	-	-	121,909,669	403,280,492	3,773,822,193	629,822,730	4,973,511,038	
Prepaid Reinsurance-Opening	123,910,845	-	54,921,831	43,661,992	2,071,814,252	3,768,698,589	1,111,105,111	7,174,112,620	
Prepaid Reinsurance-Closing	59,907,521	-	36,480,924	122,978,054	1,347,434,467	5,250,099,479	1,210,399,607	8,027,300,052	
Reinsurance Expenses	108,679,278	-	18,440,907	42,593,607	1,127,660,277	2,292,421,303	530,528,234	4,120,323,606	
Net insurance premium	314,950,769	11,878,544	16,091,399	51,451,652	73,646,043	117,155,737	1,068,219,624	1,653,393,768	
Commission income	8,424,136	-	1,844,090	3,125,111	59,894,156	177,751,670	9,706,805	260,745,968	
Net underwriting income	323,374,905	11,878,544	17,935,489	54,576,763	133,540,199	294,907,407	1,077,926,429	1,914,139,736	
Insurance claims paid	136,645,749	26,085	-	16,188,265	222,318,320	83,479,856	1,059,301,624	1,517,959,899	
Outstaning-opening	3,555,182,761	75,449,477	229,585,351	241,587,020	1,202,828,414	5,783,901,410	5,959,898,182	17,048,432,615	
Outstaning-closing	3,856,229,177	75,587,739	230,359,458	229,905,681	1,083,294,639	6,143,614,030	5,533,534,988	17,152,525,712	
Insurance claims expenses	437,692,165	164,347	774,107	4,506,926	102,784,545	443,192,476	632,938,430	1,622,052,996	
Reinsurance Recoveries Received	-	-	17,629,422	-	1,171,742,631	122,181,537	(424,139,112)	887,414,478	
Recovery-opening	1,599,067,287	-	67,497,544	1,079,827,718	5,143,077,690	2,312,766,833	10,202,237,072	10,202,237,072	
Recovery-closing	1,287,817,287	-	67,497,544	-	973,338,557	5,169,986,740	2,049,605,736	9,548,245,864	
Insurance claims recovered from reinsuers	(311,250,000)	-	17,629,422	-	1,065,253,470	149,090,587	(687,300,209)	233,423,270	
Net claims	748,942,165	164,347	(16,855,315)	4,506,926	(962,468,925)	294,101,889	1,320,238,639	1,388,629,726	
Commission expense	46,142,497	1,080,142	2,200,482	5,909,274	29,799,195	111,512,025	301,665,565	498,309,180	
Mangement expense	(47,337,111)	(445,784)	(7,282,815)	(2,372,049)	(554,670)	93,327,084	149,278,518	184,613,173	
Preium deficiency expense	-	-	-	-	-	-	-	-	
Net insurance claims and expenses	747,747,551	798,705	(21,937,648)	8,044,151	(933,224,400)	498,940,998	1,771,182,722	2,071,552,079	
Underwriting results	(424,372,646)	11,079,839	39,873,137	46,532,612	1,066,764,599	(204,033,591)	(693,256,293)	(157,412,343)	
Net investment income								372,622,727	
Rental income								31,267,143	
Other Expenses								(4,479,956)	
Other income								129,272,339	
Profit before tax								371,269,910	
Segment Assets	1,405,002,258	390,844	108,314,660	132,666,430	2,361,060,560	10,664,600,087	3,882,641,048	18,554,675,887	
Unallocated Assets								35,627,482,044	
								54,182,157,931	
Segment Liabilites	4,384,777,300	85,299,564	302,760,481	426,735,489	2,602,421,444	12,141,848,447	8,964,418,867	28,908,261,592	
Unallocated Liabilitied								11,699,801,638	
								40,608,063,230	

Segment Prior 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
Outstaning-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
Outstaning-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 reinsuers	-	-	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
Mangement 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 Liabilites	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



**PAKISTAN REINSURANCE COMPANY LIMITED**  
**Notes To The Condensed Interim Financial statement (Un-Audited)**  
**For the nine months period ended September 30, 2022**

**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, 2022	Sept. 30, 2021	Sept. 30, 2022	Sept. 30, 2021
	Unaudited			
	-----Rupees-----			
Profit after tax for the period	<u>1,332,891,430</u>	<u>975,140,499</u>	<u>252,059,479</u>	<u>388,161,105</u>
Weighted average number of ordinary shares	<u>900,000,000</u>	<u>300,000,000</u>	<u>900,000,000</u>	<u>300,000,000</u>
Earning per share - basic (Rupees)	<u>1.48</u>	<u>3.25</u>	<u>0.28</u>	<u>1.29</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	
0	0	0

**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 2021.

**32 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial statements have been authorized for issue on 28th October, 2022 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, 2022**

		Operator's Retakaful Fund		Participant's Retakaful fund	
		September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)	September 30, 2022 (Un-Audited)	December 31, 2021 (Audited)
Note		-----Rupees-----			
<b>Assets</b>					
Investments	6	19,570,648	18,307,796	96,094,489	89,759,175
Other receivable		3,085,576	2,865,576	1,498,545	1,231,247
Takaful/retakaful receivables	7	-		646,773,848	330,413,954
Receivables from Participant's Retakaful Fund - net	8	12,693,390			3,309,474
Qard-e-hasna to Participant's Retakaful Fund		63,939,589	244,254,221		-
Deferred wakala fee	9			110,106,785	77,933,450
Retakaful recoveries against outstanding claims				166,926,086	29,382,727
Deferred commission expense	10	109,559,270	80,659,235		-
Prepayments	11	-		5,861,502	76,368,847
Bank balances	12	296,158,487	110,526,812	628,519,309	598,618,743
<b>Total assets</b>		<b>505,006,960</b>	<b>456,613,641</b>	<b>1,655,780,564</b>	<b>1,207,017,617</b>
<b>Funds and Liabilities</b>					
<b>Funds attributable to:</b>					
<b>Operator's Retakaful Fund</b>					
Statutory fund		300,000,000	300,000,000	-	-
Reserves	13	68,132,014	55,949,658	-	-
<b>Total Operator's Funds</b>		<b>368,132,014</b>	<b>355,949,658</b>	<b>-</b>	<b>-</b>
<b>Participant's Retakaful Fund</b>					
Seed money		-	-	1,000,000	1,000,000
Reserves	13	-	-	253,204,842	97,147,953
<b>Balance of Participant's Takaful Fund</b>				<b>254,204,842</b>	<b>98,147,953</b>
<b>Qard-e-Hasna</b>		<b>-</b>	<b>-</b>	<b>63,939,589</b>	<b>244,254,221</b>
		<b>-</b>	<b>-</b>	<b>318,144,431</b>	<b>342,402,174</b>
<b>Liabilities:</b>					
<b>Underwriting provisions</b>					
Outstanding claims including IBNR	14	-	-	709,820,729	314,149,375
Unearned contribution reserves	15	-	-	550,533,924	389,667,246
Contribution deficiency reserve	16	-	-	42,862,640	42,862,640
		-	-	1,303,217,293	746,679,261
Unearned wakala fee		110,106,785	77,933,450	-	-
Takaful/Retakaful payable	17		-	21,693,760	117,935,182
Payable to Operator's Retakaful Fund - net			3,309,475	-	-
Taxation - provision less payment		16,115,854	13,404,751	-	-
Deferred tax liability		319,252	319,252	-	-
Other creditors and accruals	18	1,092,116	1,243,041	31,690	1,000
Payable to related party	19	9,240,939	4,454,014	12,693,390	-
<b>Total liabilities</b>		<b>136,874,946</b>	<b>100,663,983</b>	<b>1,337,636,133</b>	<b>864,615,443</b>
<b>Total equity and liabilities</b>		<b>505,006,960</b>	<b>456,613,641</b>	<b>1,655,780,564</b>	<b>1,207,017,617</b>
<b>Contingencies and commitments</b>	20				

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

**Chief Financial Officer**

**Chief Executive Officer**

**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, 2022**

		Ninth Months Ended		Three Months Ended	
		Sep 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021
Note		-----Rupees-----			
<b>Participant's Retakaful Fund</b>					
<b>Revenue account</b>					
Net contribution revenue	21	702,948,436	478,332,629	274,451,962	194,861,335
Wakala expense	22	(156,584,247)	(109,242,903)	(55,369,106)	(42,666,440)
Net underwriting income		546,364,189	369,089,726	219,082,856	152,194,895
Net claims - reported/ settled - IBNR	23	(417,284,489)	(219,365,757)	(212,704,297)	53,206,777
Charge of contribution deficiency reserve		-	(30,417,426)	-	-
<b>(Deficit)/Surplus before investment income</b>		129,079,700	119,306,543	6,378,559	205,401,672
Profit on bank deposit		37,577,694	5,001,878	(583,515)	2,891,743
Investment income		7,614,965	4,342,722	674,104	575,294
Less: Modarib's share of investment income and profit on bank deposit		(11,298,165)	(2,336,150)	(22,647)	(866,759)
		33,894,494	7,008,450	67,942	2,600,278
Taxation		(6,726,406)	-	(1,463,023)	-
<b>Net Deficit/Surplus</b>		156,247,788	126,314,993	4,983,479	208,001,950
<b>Operator's Retakaful Fund</b>					
<b>Revenue account</b>					
Wakala fee income	22	156,584,247	109,242,903	55,369,106	42,666,440
Commission expense	25	(155,146,271)	(100,027,972)	(54,579,678)	(39,572,639)
General, administrative and management expenses	26	(10,791,545)	(6,042,637)	(4,189,158)	(1,694,279)
		(9,353,569)	3,172,294	(3,399,730)	1,399,522
Modarib's share of participant's retakaful investment income and profit on bank deposit		11,298,165	2,336,150	22,647	866,759
Investment income		1,544,471	1,027,468	7,406,817	94,181
Profit on bank deposit		13,748,247	10,092,457	137,526	1,233,815
<b>Profit before taxation</b>		17,237,314	16,628,369	4,167,260	3,594,277
Taxation	24	(4,998,821)	(4,439,775)	(1,208,506)	(961,483)
<b>Profit after taxation</b>		12,238,493	12,188,594	2,958,755	2,632,794

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

**Chief Financial Officer**

**Chief Executive Officer**

**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, 2022**

	Operator's Retakaful Fund		Participant's Retakaful Fund	
	Sep 30, 2022 (Un-audited)	Sep 30, 2021 (Un-audited)	Sep 30, 2022 (Un-audited)	Sep 30, 2021 (Un-audited)
	-----Rupees-----			
<b>Operating cash flow</b>				
<b>Retakaful activities</b>				
Contribution received	-	-	627,428,021	545,462,899
Retro takaful contribution paid	-	-	(105,706,877)	(58,819,041)
Benefits paid	-	-	(187,111,132)	(201,318,373)
Comission paid	(184,046,305)	(135,899,525)	27,954,638	-
<b>Net cash (used in) / generated from retakaful activities</b>	<b>(184,046,305)</b>	<b>(135,899,525)</b>	<b>362,564,650</b>	<b>285,325,485</b>
<b>Other operating activities</b>				
Income tax paid	(2,287,718)	56,722	-	-
Management expenses paid	(10,791,546)	(6,042,637)	-	-
Other operating receipts/(payments)	368,783,516	(77,823,268)	(371,330,531)	75,503,317
<b>Net cash generated from/(used in) in other operating activities</b>	<b>355,704,252</b>	<b>(83,809,183)</b>	<b>(371,330,531)</b>	<b>75,503,317</b>
	<b>355,704,252</b>	<b>(83,809,183)</b>	<b>(371,330,531)</b>	<b>75,503,317</b>
<b>Total cash generated from all operating activities</b>	<b>171,657,947</b>	<b>(219,708,708)</b>	<b>-</b>	<b>360,828,802</b>
<b>Investing activities</b>				
Purchase of investments made	(1,318,990)	(837,129)	(6,526,212)	(4,222,750)
Profit on bank deposits received	13,748,247	10,092,457	37,577,694	5,001,878
Investment income received	1,544,471	1,027,468	7,614,965	4,342,722
<b>Total cashflow generated from investing activities</b>	<b>13,973,728</b>	<b>10,282,796</b>	<b>38,666,447</b>	<b>5,121,850</b>
<b>Net cash (used in)/generated from all activities</b>	<b>185,631,675</b>	<b>(209,425,912)</b>	<b>29,900,566</b>	<b>375,602,896</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>110,526,812</b>	<b>319,674,992</b>	<b>598,618,743</b>	<b>102,591,279</b>
<b>Cash and cash equivalents at end of the period</b>	<b>296,158,487</b>	<b>110,249,080</b>	<b>628,519,309</b>	<b>468,541,931</b>
<b>Reconciliation to profit and loss</b>				
Operating cash flows	171,657,947	(219,708,708)	(8,765,881)	360,828,802
Profit on bank deposits received	13,748,247	10,092,457	37,577,694	5,001,878
Investment income received	1,544,471	1,027,468	7,614,965	4,342,722
(Decrease)/increase in operating assets other than cash	(138,501,209)	250,795,664	412,527,068	218,098,904
(Increase)/decrease in operating liabilities	(33,499,861)	(29,961,564)	(285,979,652)	(461,957,312)
	14,949,595	12,245,317	162,974,194	126,314,993
<b>Other adjustments:</b>				
Income tax paid	2,287,718	(56,722)	-	-
Provision for taxation	(4,998,821)		(6,726,406)	
Profit/(deficit)	12,238,492	12,188,595	156,247,788	126,314,993

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

**Chief Financial Officer**

**Chief Executive Officer**

**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, 2022**

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, 2021 (Audited)	300,000,000	169,179	39,770,004	39,939,183	339,939,183
Total comprehensive income for the year					
Unrealized loss on available for sale investments-net	-	48,126	-	48,126	48,126
Profit for the year	-	-	15,962,349	15,962,349	15,962,349
Balance as at December 31, 2021 (Audited)	300,000,000	217,305	55,732,353	55,949,658	355,949,658
Balance as at January 01, 2022 (Audited)	300,000,000	217,305	55,732,353	55,949,658	355,949,658
Profit for the period	-	-	12,238,492	12,238,492	12,238,492
Unrealized loss on available for sale investments	-	(56,136)	-	(56,136)	(56,136)
Balance as at Sep 30, 2022 (Un-Audited)	300,000,000	161,169	67,970,845	68,132,014	368,132,014
-----Rupees-----					
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, 2021 (Audited)	1,000,000	1,887,212	(116,807,433)	(114,920,221)	(113,920,221)
Total comprehensive income for the year					
Unrealized gain on available for sale investments - net of tax	-	1,416,925	-	1,416,925	1,416,925
Deficit for the year	-	-	210,651,249	210,651,249	210,651,249
Balance as at December 31, 2021 (Audited)	1,000,000	3,304,137	93,843,816	97,147,953	98,147,953
Balance as at January 01, 2022 (Audited)	1,000,000	3,304,137	93,843,816	97,147,953	98,147,953
Surplus for the period	-	-	156,247,788	156,247,788	156,247,788
Unrealized loss on available for sale investments - net of tax	-	(190,899)	-	(190,899)	(190,899)
Balance as at Sep 30, 2022 (Un-Audited)	1,000,000	3,113,238	250,091,604	253,204,842	254,204,842

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

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

**PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Pakistan Reinsurance Company Limited (the Company) is a public listed company incorporated in Pakistan on March 30, 2000 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Pakistan Reinsurance Company Limited - Window Retakaful Operations (the Operator) is listed on Pakistan Stock Exchange and is engaged in general retakaful business which comprise of fire, marine, aviation, engineering and accident. 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 in Pakistan. For the purpose of carrying on the Retakaful business, the Operator has formed a Waqf (Participants' 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.
- 1.4 During the period, Participant's Retakaful fund of the Window Retakaful Operations incurred a surplus of Rs. 156,247,788 (Sep 2021: Rs. 126,314,993 ), resulting in accumulated profit as of the date of statement of financial position.

## **2 BASIS OF PREPARATION**

### **2.1 STATEMENT OF COMPLIANCE**

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

-Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, General Takaful Accounting Regulations, 2019, Insurance Accounting regulations 2017 and Takaful Rules, 2012.

In case requirements differ, the provisions or directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules 2017, General Takaful Accounting Regulations, 2019, Insurance Accounting regulations 2017 and Takaful Rules, 2012 shall prevail.

These condensed interim financial statements do not include all the information and disclosures required for audited 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, 2021 which have been prepared in accordance with accounting and reporting standards as applicable to insurance companies in Pakistan.

The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Operator for the year ended December 31, 2021, 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 funds are extracted from the unaudited condensed interim financial statements for the half year ended Sep 30, 2021.

### **2.1 Basis of measurement**

These condensed interim financial statements have been prepared on the historical cost basis except for certain investments that are stated at their fair value.

### **2.2 Functional and presentation currency**

These condensed interim financial statements have been presented in Pakistani Rupees, which is also the functional currency.

## **3 USE OF JUDGEMENTS AND ESTIMATES**

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Operators' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the company as at and for the year ended December 31, 2021.

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same and are consistent with those followed in the preparation of the annual audited financial statements of the Operator for the year ended December 31, 2021.

##### **Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period**

These are certain standards, interpretations and amendments to approved accounting standards that have been published and are mandatory for the company's accounting period beginning on or after January 01, 2022. These standards, interpretations, and amendments are either not relevant to the company's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed below:

##### **Standards, interpretations of and amendments to published approved accounting standards that are not yet effective**

<b>Standard, Interpretation or amendment</b>	<b>Effective date (annual periods beginning on or after)</b>
AIP IFRS 9 Financial Instruments- Fees in the 10% test for derecognition of financial liabilities	January 1, 2022
- IFRS 3 - Revised conceptual framework (amendments)	January 1, 2022
- IAS 16 - Property, plant and equipments: proceeds before intended use	January 1, 2022
- IAS 37 - Onerous contract: cost of fulfilling a contract	January 1, 2022
- IAS 1 - Classification of liabilities as current to non-current (amendments)	January 1, 2023
AIP IAS 41 Agriculture taxation in fair value measurements	
Sale or contribution of assets between an investor and its associates or joint venture - Amendments to IFRS 10 and IAS 28	Not yet finalized
Defination of accounting estimates - Amendment to IAS 8	January 1, 2023

<b>Standard, Interpretation or amendment</b>	<b>Effective date (annual periods beginning on or after)</b>
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Disclosure of accounting policies - Amendems to IAS 1 and IFRS Practice Statement 2



Deferred tax related to assets and liabilities arising from a single transaction -  
amendments to IAS 12

January 1, 2023

The above amendments are not likely to have an impact on Company's condensed interim financial statements. In addition to above standards, there are certainly new and amended standards, interpretations, and amendments that are mandatory for accounting periods beginning on after 01 January 2022 but are considered not to be relevant to the Company's operations and therefore, are not detailed in these condensed interim financial statements.

## **5 INSURANCE AND FINANCIAL RISK MANAGEMENT**

The insurance and financial risk management objectives and policies are consistent with those disclosed in annual audited financial statements of the Operator for the year ended December 31, 2021.

**PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**6 INVESTMENTS**

**Available for sale - Mutual Funds**

	<b>30-Sep-2022</b>					
	<b>Operator's Fund</b>			<b>Participant Retakaful Fund</b>		
	<b>Total cost of Investment</b>	<b>Market Value</b>	<b>Unrealized Gain/Loss</b>	<b>Total cost of Investment</b>	<b>Market Value</b>	<b>Unrealized Gain/Loss</b>
	<b>Rupees</b>					
AL HAMRA ISLAMIC INCOME FUND	3,902,248	3,944,913	42,665	19,181,651	19,332,220	150,569
AL-AMEEN ISLAMIC SOVEREIGN FUND -Class-C	2,059,555	2,084,584	25,029	3,634,508	3,678,677	44,169
AL-AMEEN ISLAMIC CASH FUND	1,775,645	1,799,029	23,384	15,354,648	15,540,581	185,933
NBP ISLAMIC MAHANA AMDANI FUND (FORMERLY:NBP AITEMAAD MAHANA AMDANI FUND)	3,879,668	3,926,195	46,527	19,071,306	19,240,536	169,230
ABL ISLAMIC INCOME FUND	3,871,926	3,858,806	(13,120)	19,034,769	18,906,849	(127,920)
MEEZAN ROZANA AMDANI FUND - GROWTH-B	3,957,114	3,957,121	7	19,395,637	19,395,626	(11)
	19,446,156	19,570,648	124,492	95,672,519	96,094,489	421,970
	<b>31-Dec-2021</b>					
	<b>Operator's Fund</b>			<b>Participant Retakaful Fund</b>		
	<b>Total cost of Investment</b>	<b>Market Value</b>	<b>Unrealized Gain/Loss</b>	<b>Total cost of Investment</b>	<b>Market Value</b>	<b>Unrealized Gain/Loss</b>
	<b>Rupees</b>					
AL HAMRA ISLAMIC INCOME FUND	3,456,674	3,688,243	231,569	16,998,094.0000	18,074,395	1,076,301
AL-AMEEN ISLAMIC SOVEREIGN FUND -Class-C	1,844,638	1,975,524	130,886	3,255,244.0000	3,486,219	230,975
AL-AMEEN ISLAMIC CASH FUND	1,564,970	1,668,320	103,350	13,534,827.0000	14,411,467	876,640
NBP ISLAMIC MAHANA AMDANI FUND (FORMERLY:NBP AITEMAAD MAHANA AMDANI FUND)	3,432,992	3,672,321	239,329	16,882,345.0000	17,996,414	1,114,069
ABL ISLAMIC INCOME FUND	3,461,354	3,639,723	178,369	17,023,108.0000	17,833,413	810,305
MEEZAN ROZANA AMDANI FUND - GROWTH-B	3,446,297	3,663,665	217,368	16,891,834.0000	17,957,267	1,065,433
	17,206,925	18,307,796	1,100,871	84,585,452	89,759,175	5,173,723

<b>Participant's Retakaful Fund</b>	
<b>Sep 30, 2022 (Unaudited)</b>	<b>Dec 31, 2021 (Audited)</b>

Note

**Rupees**

**7 TAKAFUL/RETAKAFUL RECEIVABLES**

**Due from takaful participants holders**

Treaty retakaful

Facultative retakaful

Less: provision for impairment

7.1

506,290,761	238,236,899
144,531,499	96,225,467
650,822,260	334,462,366
(4,048,412)	(4,048,412)
<b>646,773,848</b>	<b>330,413,954</b>

**7.1 Movement of provision for impairment**

Opening balance

Provisions made during the period

Closing balance

(4,048,412)	-
-	4,048,412
<b>(4,048,412)</b>	<b>4,048,412</b>

Operator's Retakaful Fund		Participant's Retakaful Fund	
Sep 30, 2022 (Unaudited)	December 31, 2021 (Audited)	Sep 30, 2022 (Unaudited)	December 31, 2021 (Audited)

Note -----Rupees-----

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

Amount (payable) to / receivable from

Participant's Retakaful Fund	8.1	(3,316,053)	2,127,468	3,316,053	(2,127,468)
Wakala fee	8.2	188,757,583	(179,463,592)	(188,757,583)	179,463,592
Modarib's share of participant's retakaful fund investment income and bank profit	8.3	11,298,165	(3,660,141)	(11,298,165)	3,660,141
Commission payable		(184,046,305)	184,305,739	184,046,305	(184,305,739)
		<u>12,693,390</u>	<u>3,309,474</u>	<u>(12,693,390)</u>	<u>(3,309,474)</u>

- 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% (2021: 23%) of gross contribution written amounted to Rs. 943,787,915 (2021: Rs. 720,503,718 ).
- 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.

**9 UNEARNED WAKALA FEE / DEFERRED WAKALA FEE**

Facultative business	9.1	6,751,129	5,461,817	6,747,290	5,461,817
Treaty		103,355,656	72,471,633	103,355,656	72,471,633
		<u>110,106,785</u>	<u>77,933,450</u>	<u>110,102,946</u>	<u>77,933,450</u>

**9.1 Facultative business**

Fire		5,188,900	4,579,804	5,188,900	4,579,804
Marine Cargo		3,839	-	-	-
Marine Hull		67,005	13,999	67,005	13,999
Accident		627,994	137,996	627,994	137,996
Engineering		863,391	153,328	863,391	153,328
		<u>6,751,129</u>	<u>4,885,127</u>	<u>6,747,290</u>	<u>4,885,127</u>

**10 DEFERRED COMMISSION EXPENSE**

Facultative business	10.1	2,677,186	-	-	-
Treaty		106,882,084	-	-	-
		<u>109,559,270</u>	<u>-</u>	<u>-</u>	<u>-</u>

**10.1 Facultative business**

Fire		2,267,309	-	-	-
Marine Cargo		960	-	-	-
Marine Hull		25,127	-	-	-
Accident		152,511	-	-	-
Engineering		231,279	-	-	-
		<u>2,677,186</u>	<u>-</u>	<u>-</u>	<u>-</u>

		Operator's Retakaful Fund		Participant's Retakaful Fund					
		Sep 30, 2022 (UnAudited)	December 31, 2021 (Audited)	Sep 30, 2022 (UnAudited)	December 31, 2021 (Audited)				
Note		-----Rupees-----							
<b>11 PREPAYMENTS</b>									
Treaty business									
Prepaid retakaful contribution ceded		-	-	5,861,502	76,368,847				
<b>12 BANK BALANCES</b>									
Cash at bank in:									
Saving accounts	12.1	296,158,487	110,526,812	628,519,309	598,618,743				
<b>12.1</b> Markup on profit and loss sharing account ranging from 14% to 16% (December 31 2021: 9% to10 %) per annum.									
<b>13 RESERVES</b>									
Revenue Reserves									
Unappropriated profit / (loss)		67,970,845	55,732,353	250,091,604	93,843,816				
Capital Reserves									
Unrealized (loss) /gain on available for sale reserve		161,169	217,305	3,113,238	3,304,137				
		68,132,014	55,949,658	253,204,842	97,147,953				
		<table><tr><th colspan="2">Participant's Retakaful Fund</th></tr><tr><th>Sep 30, 2022 (UnAudited)</th><th>December 31, 2021 (Audited)</th></tr></table>				Participant's Retakaful Fund		Sep 30, 2022 (UnAudited)	December 31, 2021 (Audited)
Participant's Retakaful Fund									
Sep 30, 2022 (UnAudited)	December 31, 2021 (Audited)								
<b>14 OUTSTANDING CLAIMS INCLUDING IBNR</b>		<b>Note</b> -----Rupees-----							
Facultative business	14.1	69,014,083	75,979,626						
Treaty		640,806,646	238,169,749						
	14.2	709,820,729	314,149,375						
<b>14.1 Facultative business</b>									
Fire		55,602,571	62,102,577						
Marine cargo		113,958	136,745						
Marine hull		-	-						
Accident		4,407,492	4,902,131						
Engineering		8,890,062	8,838,173						
		69,014,083	75,979,626						
<b>14.2</b> The Securities and Exchange Commission of Pakistan (SECP) issued guidelines for estimation of Incurred but Not Reported (IBNR) claim reserves for non-life insurer companies through Circular No. 9 of 2016 dated March 09, 2016. The guidelines prescribe the standard method for estimation of IBNR claim reserves so as to bring industry wide-uniformity in respect of such estimation and to ensure adequacy of IBNR claims reserve. All non-life insurance companies are required to comply with these guidelines with effect from July 01, 2016.									
However, on May 30, 2017, SECP issued separate guidelines for the Operator 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 Operator, 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) and 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 Operator recorded Facultative and Treaty IBNR claim reserves on basis of actuarial valuation dated March 26, 2021 which amounts to Rs. 8.657 million and Rs. 38.735 million respectively.									
<b>15 UNEARNED CONTRIBUTION RESERVES</b>									
Facultative business	15.1	33,755,645	27,309,083						
Treaty		516,778,279	362,358,163						
		550,533,924	389,667,246						

		<b>Participant's Retakaful Fund</b>	
		<b>Sep 30, 2022 (UnAudited)</b>	<b>December 31, 2021 (Audited)</b>
		<b>-----Rupees-----</b>	
<b>15.1</b>	<b>Facultative business</b>		
	Fire	25,944,500	22,899,021
	Marine cargo	19,195	7,259
	Marine hull	335,023	62,734
	Accident	3,139,970	2,798,933
	Engineering	4,316,957	1,541,136
		<u>33,755,645</u>	<u>27,309,083</u>
<b>16</b>	<b>CONTRIBUTION DEFICIENCY RESERVE</b>		
	Fire	-	-
	Marine cargo	-	-
	Treaty	42,862,640	42,862,640
		<u>42,862,640</u>	<u>42,862,640</u>
<b>17</b>	<b>TAKAFUL/RETAKAFUL PAYABLES</b>		
	Retakaful contribution payable	<u>21,693,760</u>	<u>117,935,182</u>
<b>18</b>	<b>OTHER CREDITORS AND ACCRUALS</b>		
	Treaty reinsurers	-	-
	Salaries payable	4,000	-
	Income tax deducted at source	319,020	156,000
	Employee income tax payable	185,474	46,409
	Other Payable	19,200	-
	Audit fee payable	385,800	861,000
	Sindh sales tax payable	32,622	6,600
	Miscellaneous creditors	150,000	169,032
		<u>1,092,116</u>	<u>1,243,041</u>
<b>19</b>	<b>PAYABLE TO RELATED PARTY</b>		
	Pakistan Reinsurance Company Limited	19.1 <u>9,240,939</u>	<u>4,454,014</u>
		<u>12,693,390</u>	<u>-</u>
<b>20</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
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. 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 to Rs. 65.4 million pertaining to the period ended Septemeber 30, 2022 (2021: Rs. 121.3 millions) on retakaful operations excluding any additional penalty or default surcharge.		
20.2	There are no commitments as at Sep 30, 2022 (December 31 2021: Nil).		

**PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT**  
**FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2022**

		Nine Months Ended		Three Months Ended	
		Sep 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021
<b>21</b>	<b>NET CONTRIBUTION REVENUE</b>	-----Rupees-----			
	Note				
	Written gross contribution	943,787,915	720,503,718	439,948,203	330,775,257
	Add: Unearned contribution reserve opening	389,667,246	238,875,048	387,431,251	295,721,195
	Less: Unearned contribution reserve closing	(550,533,924)	(413,164,251)	(550,533,924)	(413,164,251)
	Contribution earned	782,921,237	546,214,515	276,845,530	213,332,201
	Retakaful contribution ceded	9,465,455	-	(217,631)	-
	Add: Prepaid retakaful contribution opening	76,368,848	75,847,698	8,472,701	26,436,678
	Less: Prepaid retakaful contribution closing	(5,861,502)	(7,965,812)	(5,861,502)	(7,965,812)
	Retakaful expense	79,972,801	67,881,886	2,393,568	18,470,866
		<u>702,948,436</u>	<u>478,332,629</u>	<u>274,451,962</u>	<u>194,861,335</u>
<b>22</b>	<b>WAKALA FEE/EXPENSE</b>				
	Gross wakala fee	188,757,583	144,100,744	87,989,641	66,155,051
	Add: Unearned Wakala fee opening	77,933,449	47,775,010	77,486,250	59,144,239
	Less: Unearned Wakala fee closing	(110,106,785)	(82,632,850)	(110,106,785)	(82,632,850)
		<u>156,584,247</u>	<u>109,242,903</u>	<u>55,369,106</u>	<u>42,666,440</u>
<b>23</b>	<b>NET CLAIMS - REPORTED / SETTLED - IBNR</b>				
	Benefits/claims paid	187,111,132	201,318,373	96,170,754	101,936,093
	Less: Outstanding benefits/claims including IBNR - opening	(314,149,375)	(299,136,344)	(519,902,407)	(511,132,183)
	Add: Outstanding benefits / claims including IBNR - closing	709,820,729	399,246,986	709,820,729	399,246,986
	Claims expense	582,782,486	301,429,015	286,089,076	(9,949,104)
	Retakaful and other recoveries received	27,954,638	-	(677,571)	-
	Add: Retakaful and other recoveries received- closing	166,926,086	82,063,258	74,062,350	43,257,673
	Less: Retakaful and other recoveries received- opening	(29,382,727)	-	-	-
	Retakaful and other recoveries revenue	165,497,997	82,063,258	73,384,779	43,257,673
	Net claims expenses	<u>417,284,489</u>	<u>219,365,757</u>	<u>212,704,297</u>	<u>(53,206,777)</u>
<b>24</b>	<b>TAXATION</b>				
	For the year				
	Current-deducted at source	(4,998,821)	(4,439,775)	(1,208,506)	(961,483)
		<u>(4,998,821)</u>	<u>(4,439,775)</u>	<u>(1,208,506)</u>	<u>(961,483)</u>
<b>25</b>	<b>COMMISSION EXPENSE</b>				
	Commission paid or payable	184,046,305	135,899,525	90,356,385	65,639,781
	Add: Deferred commission expense opening	80,659,235	41,504,923	-	-
	Less: Deferred commission expense closing	(109,559,270)	(77,376,476)	(35,776,707)	(26,067,142)
		<u>155,146,271</u>	<u>100,027,972</u>	<u>54,579,678</u>	<u>39,572,639</u>
<b>26</b>	<b>GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES</b>				
	Salaries, allowance and other benefits	9,699,378	4,246,598	3,966,642	1,025,230
	Shariah Advisor fee	990,000	1,660,645	164,999	660,000
	Auditor's remuneration	-	108,000	-	-
	Others	102,167	27,394	57,517	9,049
		<u>10,791,545</u>	<u>6,042,637</u>	<u>4,189,158</u>	<u>1,694,279</u>

## PARTICIPANTS RETAKAFUL FUND

<b>PARTICIPANTS RETAKAFUL FUND</b>					
	<b>Period ended September 30, 2022 (Un-Audited)</b>				
<b>Segment Current Year</b>	<b>Fire and property damage</b>	<b>Marine</b>	<b>Accident</b>	<b>Treaty</b>	<b>TOTAL</b>
	<b>Rupees</b>				
Gross written Contribution	82,099,561	1,276,463	8,274,592	852,137,299	943,787,915
Unearned-Opening	24,440,157	69,993	2,798,933	362,358,163	389,667,246
Unearned-Closing	30,261,457	354,218	3,139,970	516,778,279	550,533,924
<b>Contribution Earned</b>	<b>76,278,261</b>	<b>992,238</b>	<b>7,933,555</b>	<b>697,717,183</b>	<b>782,921,237</b>
Retakaful-Ceded	-	-	-	9,465,455	9,465,455
Prepaid Retakaful-Opening	-	-	-	76,368,848	76,368,848
Prepaid Retakaful-Closing	-	-	-	5,861,502	5,861,502
<b>Retakaful Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,972,801</b>	<b>79,972,801</b>
Net insurance Contribution	76,278,261	992,238	7,933,555	617,744,382	702,948,436
Rebate	-	-	-	-	-
<b>Net underwriting income</b>	<b>76,278,261</b>	<b>992,238</b>	<b>7,933,555</b>	<b>617,744,382</b>	<b>702,948,436</b>
Insurance claims paid	3,533,885	-	747,200	182,830,047	187,111,132
Outstaning-opening	70,940,750	136,745	4,902,131	238,169,749	314,149,375
Outstaning-closing	64,492,633	113,958	4,407,492	640,806,646	709,820,729
<b>Insurance claims expenses</b>	<b>(2,914,232)</b>	<b>(22,787)</b>	<b>252,561</b>	<b>585,466,944</b>	<b>582,782,486</b>
Retakaful Recoveries Received	-	-	-	27,954,638	27,954,638
Recovery-opening	-	-	-	29,382,727	29,382,727
Recovery-closing	-	-	-	166,926,086	166,926,086
Insurance claims recovered from reinsurers	-	-	-	165,497,997	165,497,997
Net claims	(2,914,232)	(22,787)	252,561	419,968,947	417,284,489
Wakala Fee	15,255,652	198,448	1,586,711	139,543,437	156,584,247
Mangement expense	-	-	-	-	-
Preium deficiency expense	-	-	-	-	-
Net insurance claims and expenses	12,341,420	175,661	1,839,272	559,512,383	573,868,736
<b>Underwriting results</b>	<b>63,936,841</b>	<b>816,577</b>	<b>6,094,283</b>	<b>58,231,999</b>	<b>129,079,701</b>
Profit on bank deposits					37,577,694
Dividend income					7,614,965
Modarib Fee					(11,298,165)
<b>Profit before tax</b>					<b>162,974,195</b>
Segment Assets	64,492,633	113,958	4,407,492	646,668,148	715,682,231
Unallocated Assets					940,098,333
					<b>1,655,780,564</b>
Segment Liabilites	100,806,381	539,020	8,175,456	1,260,940,581	1,370,461,438
Unallocated Liabilityed					(32,825,305)
					<b>1,337,636,133</b>
<b>OPERATORS FUND</b>					
	<b>Period ended September 30, 2022 (Un-Audited)</b>				
<b>Segment Current Year</b>	<b>Fire and property damage</b>	<b>Marine</b>	<b>Accident</b>	<b>Treaty</b>	<b>TOTAL</b>
	<b>Rupees</b>				
Wakala Fee	15,255,652	198,448	1,586,711	139,543,437	156,584,247
Commission	(8,107,111)	(94,250)	(394,674)	(146,550,236)	(155,146,271)
Management Expenses	(1,051,396)	(13,677)	(109,354)	(9,617,119)	(10,791,546)
<b>Segment Results</b>	<b>6,097,145</b>	<b>90,521</b>	<b>1,082,683</b>	<b>(16,623,918)</b>	<b>(9,353,569)</b>
Profit on bank deposits					13,748,247
Dividend income					1,544,471
Modarib Fee					11,298,165
<b>Profit before tax</b>					<b>17,237,314</b>
Segment Assets					-
Unallocated Assets					505,006,960
					<b>505,006,960</b>
Segment Liabilites	6,052,291	70,844	627,994	103,355,656	110,106,785
Unallocated Liabilityed					26,768,161
					<b>136,874,946</b>

## PARTICIPANTS RETAKAFUL FUND

**OPERATORS FUND**

OPERATORS FUND	Period ended September 30, 2021 (Un-Audited)				
Segment Current Year	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)
<b>Segment Results</b>	<b>3,517,148</b>	<b>65,095</b>	<b>1,259,453</b>	<b>(1,669,401)</b>	<b>3,172,294</b>
Profit on bank deposits					10,092,457
Dividend income					1,027,468
Modarib Fee					
<b>Profit before tax</b>					<b>14,292,219</b>
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 Liabilitied					16,756,369
					99,389,220



## 27 SEGMENT REPORTING

**Three months ended September 30, 2022 (Un-Audited)**

## OPERATORS FUND

	Fire and property damage	Accident	Accident	Treaty	TOTAL
			Rupees		
Wakala Fee	5,084,501	105,521	615,569	49,563,515	55,369,106
Commission	(2,612,740)	(50,915)	(150,931)	(51,765,092)	(54,579,678)
Management Expenses	(387,920)	(7,615)	(46,005)	(3,747,620)	(4,189,160)
<b>Segment Results</b>	<b>2,083,841</b>	<b>46,991</b>	<b>418,633</b>	<b>(5,949,197)</b>	<b>(3,399,732)</b>
Profit on bank deposits					7,406,817
Dividend income					137,526
Modarib Fee					22,649
<b>Profit before tax</b>					<b>4,167,260</b>
Segment Assets	-	-	-	-	-
Unallocated Assets					505,006,960
					505,006,960
Segment Liabilites	6,052,291	70,844	627,994	103,355,656	110,106,785
Unallocated Liabilityted					26,768,161
					136,874,946

## 13 SEGMENT REPORTING

**Three months ended September 30, 2021 (Un-Audited)****OPERATORS FUND****Three months ended September 30, 2021 (Un-Audited)**

	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)
<b>Segment Results</b>	<b>1,629,270</b>	<b>17,397</b>	<b>400,394</b>	<b>(647,538)</b>	<b>1,399,522</b>
Profit on bank deposits					1,233,815
Dividend income					94,181
Modarib Fee					(1,469,391)
<b>Profit before tax</b>					<b>1,258,127</b>
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 Liability					68,719,972
					163,747,750

**PAKISTAN REINSURANCE COMPANY LIMITED WINDOW RETAKAFUL OPERATION**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT**  
**FOR THE NINE MONTHS PERIOD ENDED SEP 30, 2022**

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**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 28-10-2022 by the Board of Directors of the

**31 GENERAL**

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

**Chief Financial Officer**

**Chief Executive Officer**

**Director**

**Director**

**Chairman**