

**Directors' Report  
For Six Months Ended June 30, 2024**

**The Valued Shareholders,  
Pakistan Reinsurance Company Limited.**

On behalf of the Board of Directors of PRCL, I am pleased to present the condensed interim financial statements of the Company for the second quarter ended June 30, 2024.

**Review of Conventional Business Activities**

The gross written premium is Rs. 12,080 million against Rs. 13,480 million for the corresponding period of last year, showing a decrease of Rs. 1,400 million (-10.3%). The net premium is Rs. 5,398 million against Rs. 4,857 million, showing an increase of Rs. 541 million i.e. 11.14%. The net commission expense for the period is Rs. 530 million as compared to Rs. 564 million, showing a decrease of Rs. 34 million (-6%). The net claims are Rs. 3,246 million against Rs. 3,661 million, showing a decrease of Rs. 415 million (-11.33%).

The underwriting profit after management expenses for the period under review is Rs. 1,187 million as compared to profit of Rs. 424 million for the corresponding periods last year showing an increase of Rs. 763 million i.e. 179%.

The income from investment, rental and other income for the period under review is recorded as Rs. 1,917 million, as compared to Rs. 1,397 million in the corresponding period of last year, showing an increase of Rs. 520 million i.e. 37.2%.

The profit before tax for the period under review is Rs. 3,162 million, as compared to Rs. 1,961 million recorded in the corresponding period last year, showing an increase of Rs. 1,201 million i.e. 61.2%.

The profit after tax for the period under review is Rs. 1,685 million, as compared to Rs. 1,248 million in the corresponding period of last year showing an increase of Rs. 437 million (35.01%) resulting in earnings per share of Rs. 1.87 as compared to Rs. 1.39 for the corresponding period of last year showing an increase of Rs. 0.48 per share.

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

**Participants' Retakaful Fund**

The gross written contribution is Rs. 904 million against Rs. 617 million for the corresponding period of last year, showing an increase of Rs. 287 million (46.5%). The net contribution is Rs. 824 million against Rs. 641 million, showing an increase of Rs. 183 million (28.56%). The wakala expense for the period is Rs. 164 million as compared to Rs. 128 million, showing an increase of Rs. 36 million (28.1%). The net claim expense for the period is Rs. 372 million as compared to Rs. 226 million, showing an

increase of Rs. 146 million (64.15%), The income from investment and bank deposits for the period under review is recorded as Rs. **181** million, as compared to Rs. 101 million in the corresponding period of last year, showing an increase of Rs. 81 million (80.1%).

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

The wakala income for the period is Rs. **164** million as compared to Rs. 128 million, showing an increase of Rs. 36 million (28.1%). The commission expense for the period is Rs. **152** million as compared to Rs. 124 million, showing an increase of Rs. 28 million (22.5 %), The general administrative & management expense for the period is Rs.**9.8** million as compared to Rs. 12.7 million, showing a decrease of Rs. 2.9 million (-22.8%), The income from investment and bank deposits for the period under review are recorded as Rs. **44.6** million, as compared to Rs. 34.5 million in the corresponding period of last year, showing an increase of Rs. 10.1 million.

The profit after tax for the period under review is Rs. **56.4** million, compared to Rs. 31.08 million in the corresponding period of last year showing an increase of Rs. 25.32 million. (81.7%)

#### **Future Outlook**

The first half of 2024 showed significant economic recovery and stability, but the path to sustainable growth remains ahead. A key highlight of this period was the reversal of the discount rate trend, which we anticipate will continue into the second half of the year.

The Company is aware of the macroeconomic challenges the country is currently facing. Nevertheless, with proactive management, we are optimistic about maintaining our performance in the latter half of the year.

#### **Acknowledgment**

The Directors of the Company would like to express their gratitude to our valued clients, cedants, retrocessionnaires, business partners, the Securities and Exchange Commission of Pakistan, and the Pakistan Stock Exchange for their professional support and guidance.

We also extend our gratitude to our shareholders for their continued trust and confidence in the Company, and we assure them of our unwavering commitment to excellence in the future. Lastly, the Directors would like to acknowledge the hard work and dedication of the Company's officers and staff. For and on behalf of the Board of Directors.



**Chairman Board**



**Chief Executive Officer**

**Karachi: 29<sup>th</sup> August 2024**

## ناظمین کی رپورٹ

30 جون 2024 کو اختتام پذیر ششماہی کے لیے

برائے حصص کنندگان

محترم حصص کنندگان

بورڈ کے ناظمین کی جانب سے 30 جون 2024 کو اختتام پذیر دوسری سہ ماہی پر، ناظمین کی درمیانی مدت کی رپورٹ پیش کرتے ہوئے میں خوشی محسوس کرتا ہوں۔

### روائی کاروباری سرگرمیوں کا جائزہ

زیر غور جائزہ سال کے دوران مجموعی پریمیم 12,080 ملین روپے ہو گیا جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 13,480 ملین روپے تھا، جو 1,400 ملین روپے - (10.3 فیصد) کی کمی دکھا رہا ہے۔ خالص پریمیم 5,398 ملین روپے ہو گیا جبکہ سال اسی مدت میں اس کی مالیت 4,857 ملین روپے تھی، اس طرح سے اضافہ 541 ملین روپے یعنی 11.14 فیصد ہے۔ زیر غور مدت میں خالص کمیشن اخراجات 530 ملین روپے ہو گئے جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 564 ملین روپے تھا، اس طرح سے کمی 34 ملین روپے (یعنی 6 فیصد)۔ خالص دعوے کم ہو کر 3,246 ملین روپے ہو گئے جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 3,661 ملین روپے تھا، جو 415 ملین روپے (11.33 فیصد) کی کمی دکھا رہا ہے۔

زیر غور سہ ماہی میں ضمانتی بیمہ (Underwriting) بعد از مینجمنٹ کے اخراجات بڑھ کر 1,187 ملین روپے ہو گیا جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت کے دوران 424 ملین تھا، اس طرح سے اضافہ 763 ملین روپے یعنی 179 فیصد۔

زیر غور سہ ماہی میں سرمایہ کاری بشمول کرایہ داری اور دیگر آمدنی نے 1,917 ملین روپے کا اندراج کیا جبکہ گذشتہ سال اسی مدت کے دوران اس کی مالیت 1,397 ملین روپے تھی جو 520 ملین (37.2 فیصد) کا اضافہ ظاہر کر رہا ہے۔

زیر غور سہ ماہی میں منافع قبل از محصول 3162 ملین روپے ہو گیا جبکہ گذشتہ سال اسی مدت کے دوران اس کی مالیت 1,961 ملین روپے تھا جو 1,201 ملین روپے (61.2 فیصد) کا اضافہ ظاہر کر رہا ہے۔

زیر غور سہ ماہی میں منافع بعد از محصول 1,685 ملین روپے ہو گیا جبکہ گذشتہ سال اسی مدت کے دوران اس کی مالیت 1,248 ملین روپے تھا جو 437 ملین روپے (35.01 فیصد) کا اضافہ ظاہر کر رہا ہے، جس کے نتیجے میں آمدنی فی حصص 1.87 روپے ہو گئی جبکہ گذشتہ سال اسی مدت کے دوران آمدنی فی حصص 1.39 روپے تھی جو 0.48 روپے فی حصص کا اضافہ دکھا رہا ہے۔

وٹڈوری۔ نکافل کی کاروباری سرگرمیوں کا جائزہ

### شرکت داری ری نکافل فنڈ

زیر غور سہ ماہی کے دوران مجموعی تحریری حصہ (contribution) بڑھ کر 904 ملین روپے ہو گیا جبکہ گذشتہ سال اسی مدت کے دوران اس کی مالیت 617 ملین روپے تھی، اضافہ 287 ملین روپے (46.5 فیصد) اضافہ ظاہر کر رہا ہے۔ خالص حصہ (contribution) بڑھ کر 824 ملین روپے ہو گیا جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 641 ملین روپے تھی جو 183 ملین روپے یعنی 28.56 فیصد کا اضافہ ظاہر کر رہا ہے۔ زیر غور مدت کے دوران وکالہ اخراجات 164 ملین روپے رہے اس کے مقابلے میں گذشتہ سال اسی مدت کے دوران اس کی مالیت 128 ملین روپے تھی، جو 36 ملین روپے (28.1 فیصد) کا اضافہ ظاہر کر رہا ہے۔ خالص دعوے بڑھ کر 372 ملین روپے ہو گئے اس کے مقابلے میں گذشتہ سال اسی مدت کے دوران اس کی مالیت 226 ملین روپے تھی، جو 146 ملین روپے (64.15 فیصد) کی کمی ظاہر کر رہا ہے۔ زیر غور مدت کے لیے سرمایہ کاری اور بینک ڈپازٹس سے آمدنی نے 181 ملین روپے کا اندراج کیا جبکہ گذشتہ سال اسی مدت کے دوران یہ 101 ملین روپے تھا جو 81 ملین (80.1 فیصد) کا اضافہ دکھا رہا ہے۔

زیر غور مدت میں زائد از ضرورت (surplus) قبل از محصول 319 ملین روپے رہا، جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت میں اس کی مالیت 308 ملین روپے تھی جو 11 ملین روپے یعنی 6.3 فیصد کا اضافہ دکھا رہا ہے۔

زیر غور مدت میں زائد از ضرورت (surplus) بعد از محصول 288 ملین روپے رہا، جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت میں اس کی مالیت 293 ملین روپے تھی جو 5 ملین روپے (یعنی 1.7 فیصد) کی کمی دکھا رہا ہے۔

### آپریٹنگ کاروباری نکافل فنڈ

زیر غور سہ ماہی کے دوران وکالہ آمدنی بڑھ کر 164 ملین روپے ہو گیا جبکہ گذشتہ سال اسی مدت کے دوران اس کی مالیت 128 ملین روپے تھی، اضافہ 36 ملین روپے (28.1 فیصد) ظاہر کرتی ہے۔ کمیشن اخراجات بڑھ کر 152 ملین روپے ہو گیا جبکہ گذشتہ سال اسی مدت کے دوران اس کی مالیت 124 ملین روپے تھی میں اضافہ 28 ملین روپے (22.5 فیصد) ظاہر کرتی ہے۔ جزل انتظامی اور بینجمنٹ اخراجات کم ہو کر 9.8 ملین روپے ہو گئے اس کے مقابلے میں گذشتہ سال اسی مدت کے دوران اس کی مالیت 12.7 ملین روپے تھی، 2.9 ملین روپے جو 22.8 فیصد کی کمی ظاہر کرتی ہے۔ زیر غور مدت کے لیے سرمایہ کاری اور بینک ڈپازٹس سے آمدنی نے 44.6 ملین روپے کا اندراج کیا جبکہ گذشتہ سال اسی مدت کے دوران یہ 34.5 ملین روپے تھا جو 10.1 ملین کا اضافہ دکھا رہا ہے۔

زیر غور مدت میں منافع قبل از محصول 92.6 ملین روپے رہا جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 50.09 ملین روپے تھی جو 41.7 ملین روپے یعنی 81.9 فیصد کا اضافہ دکھا رہا ہے۔

زیر غور سہ ماہی میں منافع بعد از محصول 56.4 ملین روپے ہو گیا جبکہ گذشتہ سال اسی مدت کے دوران اس کی مالیت 31.08 ملین روپے تھا جو 25.32 ملین روپے (81.7 فیصد) کا اضافہ ظاہر کر رہا ہے۔

## مستقبل کا منظر نامہ

سال 2024 کے پہلے نصف نے بہتر معاشی بحالی اور استحکام دکھایا لیکن تسلسل سے نمو کا راستہ آگے ہی رہا۔ اس مدت کی خاص بات ڈسکاؤنٹ شرح کے رجحان کی واپسی تھا اور ہمیں امید ہے کہ یہ رجحان سال کے دوسرے نصف میں بھی جاری رہے گا۔

کمپنی، ملک کو درپیش کلی معیشت (macroeconomic) کی موجودہ مشکلات سے آگاہ ہے۔ اس کے باوجود ہم پر امید ہیں کہ جارحانہ مینجمنٹ سے ہم اپنی کارکردگی کو سال کے دوسرے نصف میں بھی برقرار رکھے گی۔

## سائیکس

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

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے



چیف ایگزیکٹو آفیسر



بورڈ کے چیئرمین

کراچی: 29 اگست 2024

**PAKISTAN REINSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED**  
**JUNE 30, 2024**

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAKISTAN REINSURANCE COMPANY LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Pakistan Reinsurance Company Limited** (the Company) as at June 30, 2024 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis for Qualified Conclusion**

**1. Receivable from Sindh Revenue Board (SRB) and the Related Litigation**

As disclosed in note 15 to the condensed interim financial statements, receivable from Sindh Revenue Board (SRB) represents the amount of Rs. 2,573.89 million (December 31, 2023: Rs. 2,573.89 million) which was recovered by SRB against the sales tax liability on reinsurance services. Presently the Company could not substantiate any control over the underlying asset and the flow of the economic benefits is remote due to ongoing court case. Had the Company not recorded this asset, total assets, accumulated profit and shareholders' equity would have been reduced by the same amount accordingly.

**2. Unreconciled balances**

The opening balances of the Company's amount due from other insurance / reinsurance companies on account of treaty and facultative business to the extent of gross amount of Rs. 16,089.612 million and net amount of Rs. 15,905.456 million (refer note 16 of the condensed interim financial statements) includes balances which remained unreconciled as at the reporting date and that gross amount included opening balance of related party M/s National Insurance Corporation Limited amounting to Rs. 10,468.111 million whose financial statements are not available after the year 2017.

Similarly, the opening balance of Company's amount due to other insurance companies on account of treaty and facultative business, as appearing in note 23 of the condensed interim financial statements, to the extent of Rs 175.701 million includes balances which remained unreconciled as at reporting date. Management asserted that the reason for time lag in reconciliation is intimations and communications of the transactions which normally takes place after 3 to 4 months of the transaction. The Company is in the process of reconciling these balances. Due to pending reconciliations relating to the above balances, resultant adjustment and consequential impact thereon, if any, on the condensed interim financial statements remain unascertained.

### Qualified Conclusion

Based on our review, with the exception of the matters described in the "Basis for Qualified Conclusion" section of our report, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Emphasis of Matter

1. We draw attention to the notes 16, 17, 18, 19, 21, 23, 26, 27, 28 and 34 to the condensed interim financial statements, which reflect the transactions and balances relating to the Company's treaty proportional reinsurance business. Hitherto fore, no supporting documentation of the premium and claims of the ceding insurance companies were made available to the auditors. However, over the period the management has developed some control mechanism over treaty proportional business premium and claims which includes obtaining relevant information from ceding companies in support of periodic returns on random basis and performing ceding company wise analysis of treaty proportional business as well as checking compliance of the treaty terms. However, this needs consistency and continuity of the internal control system over the years. Our conclusion is not further modified in respect of this matter.
2. We draw attention to note 25.1 to the condensed interim financial statements, which provides details regarding contingencies in respect of which decisions are pending. Our conclusion is not further modified in respect of this matter.

### Other Matters

The figures for the three months ended June 30, 2024 and June 30, 2023 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Mohammad Hanif Razzak.



Chartered Accountants

Karachi

Dated: August 29, 2024

UDIN: RR202410222SUqQYzmov



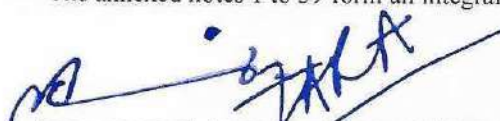

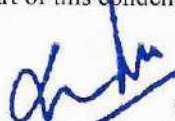


# PAKISTAN REINSURANCE COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2024

	Note	30 June 2024 Unaudited Rupees	31 December 2023 Audited Rupees
<b>ASSETS</b>			
Property and equipment	7	665,327,987	665,250,922
Intangible assets	8	19,888,859	11,119,198
Right of use asset	9	1,837,809,474	1,939,910,000
Assest relating to Bangladesh	10	-	-
Investment property	11	798,450,467	798,450,467
Investments			
Equity securities	12	4,355,033,072	4,183,710,304
Debt securities	13	15,703,257,172	14,135,599,216
		20,058,290,244	18,319,309,520
Loans and other receivables	14	724,825,370	547,118,212
Receivable from Sindh Revenue Board	15	2,573,888,727	2,573,888,727
Insurance / Reinsurance receivables	16	14,745,716,230	16,621,405,847
Reinsurance recoveries against outstanding claims	17	16,135,012,217	18,206,185,158
Deferred Commission Expense / Acquisition cost	18	975,484,327	1,125,879,037
Prepayments	19	9,417,863,954	11,900,386,846
Cash and Bank	20	4,307,468,293	3,159,752,669
		72,260,026,148	75,868,656,603
<b>Total assets from Window Takaful Operations - OPF</b>		<b>1,084,095,742</b>	<b>1,018,749,110</b>
<b>Total Assets</b>		<b>73,344,121,890</b>	<b>76,887,405,713</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital		9,000,000,000	9,000,000,000
Reserves		8,318,139,987	7,549,733,417
Revaluation surplus - net of tax		1,378,924,930	1,590,000,034
<b>Total Equity</b>		<b>18,697,064,917</b>	<b>18,139,733,451</b>
<b>Liabilities</b>			
<b>Underwriting Provisions</b>			
- Outstanding claims including IBNR	21	24,302,538,919	25,927,694,396
- Unearned premium reserves		12,956,163,308	16,235,915,117
- Unearned Reinsurance Commission		616,775,403	810,160,213
		37,875,477,630	42,973,769,726
Retirement benefit obligations		3,468,936,520	3,350,608,187
Taxation liabilities- provision less payments		1,128,813,641	603,756,603
Deferred taxation	22	1,671,777,100	1,434,851,979
Insurance / Reinsurance Payables	23	9,956,456,245	9,862,846,676
Lease liabilities		23,422,971	22,277,303
Unclaimed Dividend		96,490,546	92,036,186
Other Creditors and Accruals	24	179,547,774	171,691,110
<b>Total Liabilities</b>		<b>16,525,444,796</b>	<b>15,538,068,044</b>
<b>Total liabilities from Window Takaful Operations - OPF</b>		<b>246,134,547</b>	<b>235,834,492</b>
		54,647,056,973	58,747,672,262
<b>Total Equity and Liabilities</b>		<b>73,344,121,890</b>	<b>76,887,405,713</b>
Contingency(ies) and commitment(s)	25		

The annexed notes 1 to 39 form an integral part of this condensed interim financial statements.


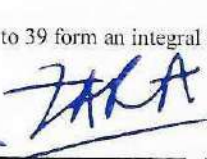
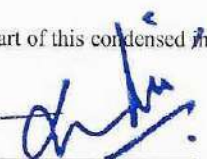








Chairman      Director      Director      Chief Executive Officer      Chief Financial Officer

**PAKISTAN REINSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED JUNE 30, 2024**

	Note	Six months period ended		Three months period ended	
		June 30, 2024 Unaudited	June 30, 2023 Unaudited	June 30, 2024 Unaudited	June 30, 2023 Unaudited
Net Insurance premium	26	5,398,892,600	4,857,748,180	2,701,291,810	2,406,290,212
Net Insurance claims	27	(2,715,826,636)	(3,097,642,538)	(1,317,837,252)	(1,461,696,721)
Net Commission and other acquisition costs	28	(530,510,189)	(564,221,599)	(265,897,970)	(300,574,032)
Insurance claims and acquisition expenses		(3,246,336,825)	(3,661,864,137)	(1,583,735,222)	(1,762,270,753)
Management Expenses	29	(964,942,143)	(771,285,843)	(611,743,953)	(546,675,255)
Underwriting results		1,187,613,632	424,598,200	505,812,635	97,344,204
Investment income	30	1,679,044,372	954,002,119	973,335,306	545,769,829
Rental income - net	31	70,340,825	72,927,568	31,062,684	37,506,656
Finance cost		(6,628,980)	(1,528,796)	(6,531,991)	(1,511,153)
Fair value gain on investment property		-	95,225,076	-	95,225,076
Other income		180,597,178	370,168,865	73,300,734	175,088,412
Other expenses		(41,068,561)	(4,641,359)	(40,055,366)	(1,647,601)
<b>Profit before tax from general operations</b>		<b>3,069,898,466</b>	<b>1,910,751,673</b>	<b>1,536,924,002</b>	<b>947,775,423</b>
Profit from Window Retakaful Operations		92,601,799	50,951,562	82,795,536	46,383,069
<b>Profit before tax</b>		<b>3,162,500,264</b>	<b>1,961,703,235</b>	<b>1,619,719,537</b>	<b>994,158,492</b>
Income tax expense	32	(1,477,399,325)	(713,671,149)	(882,222,103)	(419,910,403)
<b>Profit after tax</b>		<b>1,685,100,939</b>	<b>1,248,032,086</b>	<b>737,497,434</b>	<b>574,248,089</b>
Earnings (after tax) per share - Rupees	36	1.87	1.39	0.82	0.64

The annexed notes 1 to 39 form an integral part of this condensed interim financial statements.


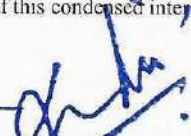







Chairman      Director      Director      Chief Executive Officer      Chief Financial Officer

**PAKISTAN REINSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED JUNE 30, 2024**

	Six months period ended		Three months period ended	
	June 30, 2024 Unaudited	June 30, 2023 Unaudited	June 30, 2024 Unaudited	June 30, 2023 Unaudited
	----- Rupees -----		----- Rupees -----	
<b>Profit after tax</b>	1,685,100,939	1,248,032,086	737,497,434	573,973,980
<b>Other comprehensive income / (loss)</b>				
<b>Items that may be reclassified subsequently to profit and loss account</b>				
Unrealized loss on available for sale investments - net	63,703,717	(50,937,323)	73,996,035	68,375,293
Impact of deferred tax	(25,017,833)	19,865,556	(25,017,833)	-
	38,685,884	(31,071,767)	48,978,202	68,375,293
Impact of change in tax rate	(265,014,837)	-	(265,014,837)	-
Other Comprehensive Income Window Retakaful Operations	(1,440,521)	(550,526)	(2,072,216)	(1,094,851)
<b>Total other comprehensive (loss) for the period</b>	(227,769,474)	(31,622,293)	(218,108,851)	67,280,442
<b>Total comprehensive income for the period</b>	<u>1,457,331,466</u>	<u>1,216,409,793</u>	<u>519,388,584</u>	<u>641,254,422</u>

The annexed notes 1 to 39 form an integral part of this condensed interim financial statements.

 _____ Chairman	 _____ Director	 _____ Director	 _____ Chief Executive Officer	 _____ Chief Financial Officer
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**PAKISTAN REINSURANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

	Share capital				Reserves			Total reserves	Total equity
	Issued subscribed and paid up	Capital		Other Revaluation surplus	Revenue reserves				
		Reserve for exceptional losses	Unrealized gain on available for sale investment		General reserve	Retained earnings			
<b>Balance as at January 01, 2023 (Audited)</b>	9,000,000,000	281,000,000	597,118,524	1,421,277,526	1,135,296,316	1,886,715,296	5,321,407,662	14,321,407,662	
Total Comprehensive income for the period ended June 30, 2023									
Profit after tax	-	-	-	1,248,032,085	-	1,248,032,085	1,248,032,085	1,248,032,085	
Other comprehensive loss	-	-	(31,622,293)	-	-	-	(31,622,293)	(31,622,293)	
Effect of changes in deferred tax rate	-	-	(94,022,528)	(200,179,933)	-	-	(294,202,461)	(294,202,461)	
Incremental depreciation									
- Right of use assets				(47,243,874)			(47,243,874)		
- Property and equipment				(6,025,691)			(6,025,691)		
Final cash dividend 2022: Rs.0.75 @ 7.5% per share				(53,269,565)			(53,269,565)		
<b>Balance as at June 30, 2023</b>	<b>9,000,000,000</b>	<b>281,000,000</b>	<b>471,473,703</b>	<b>1,167,828,028</b>	<b>1,135,296,316</b>	<b>2,513,016,916</b>	<b>5,568,614,993</b>	<b>14,568,614,993</b>	
<b>Balance as at January 01, 2024 (Audited)</b>	9,000,000,000	281,000,000	1,384,637,060	1,590,000,034	1,135,296,316	4,748,800,041	9,139,733,451	18,139,733,451	
Total Comprehensive income for the six month period ended June 30, 2024									
Profit after tax	-	-	-	-	-	1,685,100,939	1,685,100,939	1,685,100,939	
Other comprehensive loss	-	-	(85,381,411)	(142,388,063)	-	-	(227,769,474)	(227,769,474)	
Incremental depreciation									
- Right of use assets				(6,788,485)			(6,788,485)		
- Property and equipment				(61,898,556)			(61,898,556)		
Final cash dividend 2023: Rs.1.00 @ 10% per share				(68,687,041)			(68,687,041)		
<b>Balance as at June 30, 2024 (Unaudited)</b>	<b>9,000,000,000</b>	<b>281,000,000</b>	<b>1,299,255,649</b>	<b>1,378,924,930</b>	<b>1,135,296,316</b>	<b>5,602,588,022</b>	<b>9,697,064,917</b>	<b>18,697,064,917</b>	

The annexed notes 1 to 39 form an integral part of this condensed interim financial statements.

 **Chairman**

 **Director**

 **Chief Executive Officer**

 **Chief Financial Officer**

**Pakistan Reinsurance Company Limited**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
For the Six months period ended June 30, 2024

	30-Jun 2024 Unaudited (Rupees)	30-Jun 2023 Unaudited (Rupees)
<b>Operating Cash Flows:</b>		
<b>Underwriting activities:-</b>		
Premium received	13,950,940,660	17,779,815,601
Reinsurance premium paid	(7,397,301,851)	(13,751,514,299)
Claims paid	(5,302,641,654)	(2,750,660,761)
Reinsurance and other recoveries received	3,032,832,482	1,333,094,090
Commission paid	(1,096,584,692)	(1,092,216,735)
Commission received	523,084,403	584,543,024
Other underwriting payments (management expenses)	(841,307,017)	(677,317,881)
<b>Net cash flows generated from underwriting activities</b>	<b>2,869,022,331</b>	<b>1,425,743,039</b>
<b>Other Operating Activities</b>		
Income tax paid	(969,335,133)	(657,336,884)
General management expenses paid	(22,886,516)	(4,641,359)
Other operating (payments) / receipts	111,378,234	(9,597,163)
Advances to employees	(3,431,827)	(14,381,944)
<b>Net cash used in other operating activities</b>	<b>(884,275,242)</b>	<b>(685,957,350)</b>
<b>Total cash flow generated from all operating activities</b>	<b>1,984,747,089</b>	<b>739,785,689</b>
<b>Investment activities</b>		
Fixed Capital expenditure	(37,010,304)	(46,745,123)
Acquisition of investments	(6,665,744,301)	(6,924,110,829)
Rental income received - net of expenses	101,668,669	106,326,912
Dividend income received	146,656,356	156,084,007
Interest income on bank deposits	218,202,171	122,476,443
Investment income received - net of expenses	1,062,738,170	855,375,721
Proceeds on sale/ maturity of investments	5,232,003,414	4,829,452,274
<b>Total cash used in investing activities</b>	<b>58,514,175</b>	<b>(901,140,595)</b>
<b>Financing activities</b>		
Dividend paid	(895,545,640)	(672,275,094)
Payments of finance leases	-	-
<b>Total cash generated used in financing activities</b>	<b>(895,545,640)</b>	<b>(672,275,094)</b>
<b>Net cash generated from all activities</b>	<b>1,147,715,624</b>	<b>(833,630,000)</b>
Cash at beginning of the period	3,159,752,669	3,030,890,556
<b>Cash at end of the period</b>	<b>4,307,468,293</b>	<b>2,197,260,556</b>


The annexed notes 1 to 37 form an integral part of these financial statements.

  
CFO

  
CEO

  
DIRECTOR

  
DIRECTOR

  
CHAIRMAN

	30-Jun 2024 Unaudited (Rupees)	30-Jun 2023 Unaudited (Rupees)
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	1,984,747,089	739,785,689
Depreciation expense		
- Fixed assets	(130,169,687)	(94,312,218)
Amortization expense	(94,418)	
Exchange gain	(12,762,066)	188,096,218
Rental income	70,340,825	72,927,568
Reinsurance recoveries against outstanding claims	(2,071,172,941)	(1,170,667,930)
Provision for outstanding claims	1,625,155,477	(509,407,937)
Provision for unearned premium	3,279,751,809	268,699,344
Prepaid reinsurance	(2,483,380,878)	(77,380,413)
Provision for employee benefits	(118,328,333)	(41,245,622)
Dividend income	231,809,033	156,084,007
Investment income	110,265,177	(9,715,456)
Interest income	1,217,728,268	747,855,849
Amortization of premium	76,893,407	59,777,719
Increase/(Decrease) in operating assets other than cash	(1,987,715,130)	(4,224,896,790)
(Increase)/Decrease in operating liabilities	265,147,214	5,147,814,761
	2,100,563,332	1,253,414,789
<b>Other adjustments:</b>		
Income tax paid	969,335,133	657,336,884
	969,335,133	657,336,884
Profit/(Loss) before taxation	3,069,898,465	1,910,751,673
Provision for taxation	(1,477,399,325)	(693,800,040)
Deferred tax (income) / expense	-	24,323,531
<b>Profit/(Loss) after taxation</b>	<b>1,592,499,140</b>	<b>1,241,275,164</b>
Profit from Window Retakaful Operations - Operator's Fund	92,601,799	31,080,454
<b>Profit after taxation for the period</b>	<b>1,685,100,939</b>	<b>1,272,355,618</b>

**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  
Current and other accounts

	671,107	542,648
	4,306,797,186	2,196,717,907
<i>Rupees</i>	<b>4,307,468,293</b>	<b>2,197,260,555</b>

The annexed notes 1 to 37 form an integral part of these financial statements.

  
CFO

  
CEO

  
DIRECTOR

  
DIRECTOR

  
CHAIRMAN

**PAKISTAN REINSURANCE COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

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**1 STATUS AND NATURE OF BUSINESS**

Pakistan Reinsurance Company Limited (the Company) was incorporated in Pakistan as a public limited company on March 30, 2000 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is engaged in providing reinsurance and other insurance business. The shares of the Company are quoted on Pakistan Stock Exchange Limited.

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.

The Company was granted authorisation on September 26, 2018 under Rule 6 of the Takaful Rules, 2012 to undertake Window Retakaful Operations in respect of general retakaful products by the Securities and Exchange Commission of Pakistan (SECP).

The Company is under administrative control of Ministry of Commerce (Government of Pakistan). The Ministry of Commerce holds 51% shares of the Company. The Cabinet Committee on Privatisation (CCoP) on August 21, 2020 approved divestment of 20% of government stakes in the Company through public offerings.

**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.

Other geographical location includes :

- 1 House No 30-B , Lalazar Drive , Maulvi Tamizuddin Khan Road, Karachi .
- 2 Plot/Survey No. 75 , Sheet No. G.K.7, Ghulam Hussain Kassim Quarter, M.A Jinnah Road, Karachi.

**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

These financial statements are prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The applicable accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017 ; and
- Provisions of and directives issued under the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, General Takaful Accounting Regulations, 2019, Takaful Rules, 2012 and Companies Act, 2017.

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

Total assets, total liabilities and profit of the Window Retakaful Operations of the Company referred to as the Operator's retakaful fund have been presented in these financial statement in accordance with the requirements of Circular 25 of 2015 dated July 09, 2015. A separate set of financial statements of the Window Retakaful Operations has been reported which is annexed to these financial statements as per the requirements of the SECP Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

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### 3.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except certain investments which have been measured at fair value and the Company's liability under retirement benefit obligations which is determined based on present value of defined benefit obligation less fair value of plan assets. No adjustment for the effect of inflation has been accounted for in the financial statements. All transactions reflected in these financial statements are on accrual basis except for those reflected in Statement of Cash Flows.

### 3.3 Functional and presentation currency

These financial statements have been prepared and presented in Pakistani Rupee ('Rupees', or 'Rs. '), which is the Company's functional and presentation currency.

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies and method of computation adopted by the Company in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual audited financial statements of the Company as at and for the year ended December 31, 2023.

### 4.1 Standards, amendments and interpretations to approved accounting standards

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.

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.

### 4.2 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

The following accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 17 Insurance Contracts	January 1, 2025
IFRS 9 Financial Instruments	Adopted

## 5 USE OF ESTIMATES AND JUDGMENTS

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

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the financial statements of the Company for the year ended December 31, 2023.

## 6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the period ended December 31, 2023.

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		(Unaudited) June 30, 2024	(Audited) December 31, 2023
	Note	----- Rupees -----	
<b>7</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Operating fixed assets	627,188,970	642,119,354
	Capital work in progress PRC Tower	38,139,017	23,131,568
		<u>665,327,987</u>	<u>665,250,922</u>
<b>7.1</b>	<b>Operating fixed assets</b>		
	Opening balance	642,119,354	445,440,436
	Addition during the period	13,138,777	141,529,705
	Transfer from Investment Property	-	10,940,000
	Revaluation surplus	-	88,544,204
	Depreciation charge for the period/year	(28,069,161)	(44,334,991)
	Closing balance	<u>627,188,970</u>	<u>642,119,354</u>
<b>7.2</b>	<b>The movement Capital work in progress PRC Tower:</b>		
	Balance at beginning of the period/year	23,131,568	-
	Additions during the period/year	15,007,449	23,131,568
	Closing balance	<u>38,139,017</u>	<u>23,131,568</u>
<b>8</b>	<b>INTANGIBLE ASSETS</b>		
	Computer software	1,407,728	502,146
	Capital work in progress- Computer software	18,481,131	10,617,052
		<u>19,888,859</u>	<u>11,119,198</u>
<b>8.1</b>	<b>INTANGIBLE ASSETS-COMPUTER SOFTWARE</b>		
	Opening balance	502,146	627,682
	Addition during the period/year:	1,000,000	-
	Amortization	(94,418)	(125,536)
	Closing Balance	<u>1,407,728</u>	<u>502,146</u>
<b>8.2</b>	<b>Capital work in progress - Computer Software:</b>		
	Balance at beginning of the period / year	10,617,052	10,083,343
	Additions during the period / year	7,864,079	533,709
	Closing balance	<u>18,481,131</u>	<u>10,617,052</u>
<b>8.3</b>	This relates to implementation of ERP (Enterprise resources planning) and development of customized system solution which includes Reinsurance, Administration, Human Resource, Audit, Accounting and Finance, Investment, Corporate Affairs and Retakaful modules		
<b>9</b>	<b>RIGHT OF USE ASSETS</b>		
	<b>Assets - Leasehold land</b>		
	Opening net book value	1,939,910,000	1,639,605,577
	Revaluation Surplus	-	456,457,334
	Depreciation	(102,100,526)	(156,152,911)
	Closing net book value	<u>1,837,809,474</u>	<u>1,939,910,000</u>
<b>9.1</b>	The Company has entered into lease arrangement with Karachi Port Trust (KPT) for lease of land. The remaining lease term (useful life) of the right of use asset is 9 years.		
<b>10</b>	<b>ASSETS RELATING TO BANGLADESH</b>		
	Total assets	15,974,000	15,974,000
	Total liabilities	(5,761,000)	(5,761,000)
		<u>10,213,000</u>	<u>10,213,000</u>
	Provision for loss on assets in Bangladesh	(10,213,000)	(10,213,000)
		<u>-</u>	<u>-</u>
<b>10.1</b>	These include claims related to Bangladesh amounting to Rs.4,952,000 (December 31, 2023 : Rs.4,952,000).		
<b>11</b>	<b>INVESTMENT PROPERTIES</b>		
	Opening balance	798,450,467	722,274,602
	Transfer to the operationg fixed assets	-	(10,940,000)
	Revaluation Surplus on transfer	-	(534,604)
	Revaluation Surplus	-	87,650,469
		<u>798,450,467</u>	<u>798,450,467</u>

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12 INVESTMENT IN EQUITY SECURITIES

	June 30, 2024				December 31, 2023			
	Cost	Impairment / Provision	Unrealized Gain / (Loss)	Carrying Value	Cost	Impairment / Provision	Unrealized Gain / (Loss)	Carrying Value
<b>Available for sale</b>								
-Listed shares (12.1)	500,395,063	-	1,881,509,348	2,381,904,411	509,998,496	-	1,856,358,686	2,366,357,182
-Unlisted Shares	2,608,106	(1,990,491)	-	617,615	2,608,106	(1,990,491)	-	617,615
-Mutual Funds	1,592,488,810	(92,629,832)	220,902,183	1,720,761,161	1,592,488,811	(170,415,673)	187,420,875	1,609,494,013
<b>Sub Total</b>	<b>2,095,491,979</b>	<b>(94,620,323)</b>	<b>2,102,411,531</b>	<b>4,103,283,187</b>	<b>2,105,095,413</b>	<b>(172,406,164)</b>	<b>2,043,779,561</b>	<b>3,976,468,810</b>
	Rupees							
<b>Held For Trading</b>								
-Listed Share	207,241,494	-	44,508,391	251,749,885	134,211,185	-	73,030,309	207,241,494
<b>Sub Total</b>	<b>207,241,494</b>		<b>44,508,391</b>	<b>251,749,885</b>	<b>134,211,185</b>		<b>73,030,309</b>	<b>207,241,494</b>
	Rupees							
<b>Grand Total</b>	<b>2,302,733,473</b>	<b>(94,620,323)</b>	<b>2,146,919,922</b>	<b>4,355,033,072</b>	<b>2,239,306,598</b>	<b>(172,406,164)</b>	<b>2,116,809,870</b>	<b>4,183,710,304</b>

12.1 These include Rs. 1,712,745,143 (2023: Rs. 1,708,589,541) pertaining to investment in related parties.

12.2 These include Rs. 103,200,732 (2023: Rs. 92,438,431) pertaining to investment in related parties.

13 Investments in Debt Securities - Held to Maturity

	June 30, 2024		December 31, 2023	
	Cost	Carrying Value/ Market value	Cost	Carrying Value/ Market value
1	9,526,353,252	9,526,353,252	6,312,124,697	6,476,024,006
2	175,081,099	175,081,099	176,287,099	175,122,913
3	-	-	99,800,000	99,800,000
4	5,862,919,750	5,862,919,750	6,891,347,300	7,252,443,200
<b>Total Debt Securities</b>	<b>15,564,354,101</b>	<b>15,564,354,101</b>	<b>13,479,559,096</b>	<b>14,003,390,119</b>
<b>Investments in Debt Securities - Available for Sale</b>				
1	133,386,750	138,903,071	133,386,750	132,209,097
<b>Total</b>	<b>15,697,740,851</b>	<b>15,703,257,172</b>	<b>13,612,945,846</b>	<b>14,135,599,216</b>

		(Unaudited) June 30, 2024	(Audited) December 31, 2023
	Note	----- Rupees -----	
<b>14 LOANS AND OTHER RECEIVABLES - Considered good</b>			
Accrued investment income		374,262,608	182,868,530
Loans to employees		89,238,353	85,806,526
Sundry receivables - Net		109,942,612	95,733,515
Receivable from tenants		151,381,797	182,709,641
		<u>724,825,370</u>	<u>547,118,212</u>
<b>15 RECEIVABLE FROM SINDH REVENUE BOARD</b>			
Receivable from Sindh Revenue Board		<u>2,573,888,727</u>	<u>2,573,888,727</u>
The aggregate of Rs.2,573.889 million (December 31, 2023: Rs.2,573.889 million) paid has been recorded as "receivable from SRB" in the 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. AT-109/2015.			
<b>16 INSURANCE / REINSURANCE RECEIVABLES</b>			
Balance as at end of period / year	16.1	15,474,623,218	17,344,892,855
Less: Provision for impairment in due from other insurers/reinsurers	16.2	<u>(728,906,988)</u>	<u>(723,487,008)</u>
		14,745,716,230	16,621,405,847
Premium and claim reserves retained by cedants		24,831,633	24,831,633
Less: Provision for impairment in premium and claim		<u>(24,831,633)</u>	<u>(24,831,633)</u>
		<u>14,745,716,230</u>	<u>16,621,405,847</u>
16.1 This includes an amount of Rs. 8,323,217,664 (December 31, 2023: Rs. 10,468,216,843) due from related party National Insurance Company Limited. The age analysis of amount due from related party is as follows:			
Up to 3 months		6,595,485,175	8,871,838,652
Over 3 months and above		<u>1,727,732,489</u>	<u>1,596,273,283</u>
		<u>8,323,217,664</u>	<u>10,468,111,935</u>
16.2 Movement of provision for impairment			
Balance at the beginning of the period/year		723,487,008	506,687,816
Provisions made during the period/year		5,419,980	216,799,192
Balance at the end of the period/year		<u>728,906,988</u>	<u>723,487,008</u>
<b>17 REINSURANCE RECOVERIES AGAINST OUTSTANDING CLAIMS</b>			
Facultative business	17.1	15,441,781,193	17,350,545,680
Treaty		693,231,024	855,639,478
		<u>16,135,012,217</u>	<u>18,206,185,158</u>
17.1 Facultative business			
Fire		419,304,945	713,250,470
Marine cargo		-	-
Marine hull		51,182,233	17,106,508
Accident		9,504,871	9,504,871
Aviation		2,627,818,375	2,878,857,616
Engineering		<u>12,333,970,769</u>	<u>13,731,826,215</u>
		<u>15,441,781,193</u>	<u>17,350,545,680</u>
<b>18 DEFERRED COMMISSION EXPENSE</b>			
Facultative business	18.1	444,484,603	495,135,566
Treaty		530,999,724	630,743,471
		<u>975,484,327</u>	<u>1,125,879,037</u>
18.1 Facultative business			
Fire		78,960,668	103,659,001
Marine cargo		4,586,200	1,564,013
Marine hull		15,534,899	4,902,836
Accidents and others		38,343,827	27,057,018
Aviation		88,048,728	156,676,845
Engineering		<u>219,010,281</u>	<u>201,275,853</u>
		<u>444,484,603</u>	<u>495,135,566</u>

	(Unaudited) June 30, 2024	(Audited) December 31, 2023
<b>19 PREPAYMENTS</b>		
Prepaid reinsurance ceded - facultative business	8,693,054,025	11,311,474,470
Prepaid reinsurance ceded - treaty business	723,774,922	588,735,355
	<u>9,416,828,947</u>	<u>11,900,209,825</u>
Other prepayments	1,035,007	177,021
	<u>9,417,863,954</u>	<u>11,900,386,846</u>
<b>19.1 Prepayment reinsurance ceded - facultative business</b>		
Fire	1,695,826,218	788,452,964
Marine Cargo	-	-
Marine hull	230,748,732	73,320,788
Accidents and others	581,663,777	441,422,065
Aviation	3,396,512,358	5,854,244,079
Engineering	2,788,302,940	4,154,034,574
	<u>8,693,054,025</u>	<u>11,311,474,470</u>
<b>20 CASH AND BANK</b>		
Cash in hand	671,107	676,987
Saving accounts		
- Local currency	723,086,568	442,105,498
- Foreign currency	2,335,472,616	955,751,677
	<u>3,058,559,184</u>	<u>1,397,857,175</u>
Current accounts		
- Local currency	1,131,444,737	1,655,955,746
Dividend accounts		
- Saving accounts	85,681,504.77	78,605,360
- Current accounts	31,111,760.95	26,657,401
	<u>116,793,265.72</u>	<u>105,262,761</u>
	<u>4,307,468,293</u>	<u>3,159,752,669</u>
<b>20.1</b>		
The Company has call treasury arrangements for these current accounts whereby profit is earned on these accounts as well.		
<b>21 OUTSTANDING CLAIMS INCLUDING IBNR</b>		
Facultative business	20,983,934,354	22,512,494,004
Treaty	3,323,556,565	3,420,152,392
	<u>24,307,490,919</u>	<u>25,932,646,396</u>
Claims related to Bangladesh, adjusted in Note 9	(4,952,000)	(4,952,000)
	<u>24,302,538,919</u>	<u>25,927,694,396</u>
<b>21.1 Facultative business</b>		
Fire	3,838,279,715	4,146,521,448
Marine cargo	71,302,886	70,913,769
Marine hull	158,146,304	124,041,223
Accident and others	340,996,771	350,040,714
Aviation	2,859,957,416	3,138,534,650
Engineering	13,715,251,262	14,682,442,200
	<u>20,983,934,354</u>	<u>22,512,494,004</u>
<b>22 DEFERRED TAXATION</b>		
Deferred tax liabilities on taxable temporary differences:		
Accelerated tax depreciation		
Property and equipment	36,652,850	35,046,441
Intangible assets	-	-
Right of use assets	4,404,932	3,934,319
Revaluation surplus on property and equipment	169,266,980	146,898,365
Revaluation surplus on Right-of-use assets - net of tax	712,340,763	636,235,981
Investment Property	301,451,980	255,074,753
Unrealized gain on investments	839,450,135	698,547,257
	<u>2,063,567,640</u>	<u>1,775,737,116</u>
Deferred tax assets on deductible temporary differences:		
Provision for doubtful debts	(31,319,379)	(26,501,013)
Provision for impairment of insurers / reinsurers receivable	(284,273,725)	(238,750,713)
Provision for impairment of receivables from other insurers / reinsurers	(9,684,337)	(8,194,439)
Lease liabilities	(9,134,959)	(7,351,510)
Notional interest on interest free loans	(20,476,214)	(3,193,428)
Provision for impairment in available for sale investments	(36,901,926)	(56,894,034)
	<u>(391,790,540)</u>	<u>(340,885,137)</u>
	<u>1,671,777,100</u>	<u>1,434,851,979</u>

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	(Unaudited) June 30, 2024	(Audited) December 31, 2023
<b>23</b>	<b>INSURANCE / REINSURANCE PAYABLES</b>	
	9,940,631,889	9,847,022,320
	15,824,356	15,824,356
	<u>9,956,456,245</u>	<u>9,862,846,676</u>
<b>24</b>	<b>OTHERS CREDITORS AND ACCRUALS</b>	
	73,993,375	42,080,598
	44,954,390	39,383,040
	38,871,270	44,718,092
	20,653,177	44,433,819
	1,075,561	1,075,561
	<u>179,547,774</u>	<u>171,691,110</u>
<b>25</b>	<b>CONTINGENCIES AND COMMITMENTS</b>	
<b>25.1</b>	<b>Contingencies</b>	
<b>25.1.1</b>	<b>Sindh Sales Tax</b>	

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. AT-02/2013 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 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. AT-109/2015.

Further, if the matter is decided against the Company, the charge to accumulated profits would amount to Rs. 14,042.042 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 financial statements.

### 25.1.2 SUPER TAX

Through Finance Act, 2022 and Finance Act 2023, Super tax has been levied with retrospective effect for tax year 2022 and tax year 2023 respectively. The Supreme Court of Pakistan in its interim decision directed the taxpayers to pay tax to the extent of 4% till the final outcome of the Decision. Thereafter, the Company paid an amount of Rs. 110.367 million in respect of financial year 2021 and also the Company has paid Rs. 338.680 million in respect of financial year 2022.

Later on, Islamabad High Court in its decision held the levy of super tax ultra vires to the Constitution and has ordered that no super tax shall be payable past closed transactions or events rather the same will be applicable prospectively and also the Court has ordered that class of income subject to final taxation shall be excluded from the applicability of the super tax. The Company is also intending to approach appropriate forum against the levy of super tax and the Company is confident that the matter will ultimately be decided in its favor. However, the Company as a matter of prudence already recorded provision Rs. 110.367 million and Rs. 338.680 million in respect of the amount of super tax deposited for year 2021 and 2022 respectively and also the Company recorded provision of Rs.215.762 million in respect of financial year 2023 at the rate of 4% in the annual audited financial statements for the year ended December 31, 2023. Furthermore, during the period the Company also has recorded provision of balance amount of Rs. 323.647 million (6%) in respect of financial year 2023.

### 25.1.3 EOBI

The Company has received a notice from the Regional Director of Employee Old Age Benefit Institution (EOBI) 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 it 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 are not applicable. A suit was filed with the Honourable Civil Court in 2011 where the judgment was passed against the Company.

Further, the Company filed an appeal in the Honourable High Court of Sindh against the Civil Court judgment and there has been no further proceeding in the court but the management expects a favourable outcome. On the basis of meeting held with EOBI officials, the Company is considering registration of its contractual employees with EOBI which is pending approval from Ministry of Commerce. Further, it has been agreed that advice from Ministry of Law and Justice may be sought on the issue of registration of permanent employees who are already covered under Company's own pension scheme. The financial impact pertaining to contractual employees along with penalty, if any, amounts to Rs. 870,000 (Rs. 455,900) and the impact of permanent employees to the financial statements is currently not ascertainable. Therefore, no provision has been made in these financial statements.

25.1.4 Except as mentioned above, as at June 30, 2023, there is no material change in the status of matters reported as contingencies in the annual audited financial statements of the Company for the year ended December 31, 2023.

### 25.2 Commitments

Commitments in respect of:

- Short term lease rentals (0 to 1 year)
- Capital expenditure (intangible assets)

Note	(Unaudited)	(Audited)
	June 30, 2024	December 31, 2023
	----- Rupees -----	
	5,475,836	3,860,728
	<u>25,422,503</u>	<u>25,422,503</u>
	<u>30,898,339</u>	<u>29,283,231</u>

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	Six months period ended		Three months period ended	
	June 30, 2024 Unaudited	June 30, 2023 Unaudited	June 30, 2024 Unaudited	June 30, 2023 Unaudited
<b>26 NET INSURANCE PREMIUM</b>	----- Rupees -----			
<b>Written gross premium</b>	12,080,671,023	13,480,775,118	6,211,199,306	7,463,679,157
Add: Unearned premium reserve opening	16,235,915,117	12,047,709,680	14,440,587,437	11,417,944,861
Less: Unearned premium reserve closing	(12,956,163,308)	(11,779,010,336)	(12,956,163,308)	(11,779,010,336)
<b>Premium earned</b>	15,360,422,832	13,749,474,462	7,695,623,435	7,102,613,682
Less: Reinsurance premium ceded	7,478,149,354	8,814,345,869	4,645,356,415	5,891,971,402
Add: Prepaid reinsurance premium opening	11,900,209,825	8,940,328,450	9,765,804,157	7,667,300,105
Less: Prepaid reinsurance premium closing	(9,416,828,947)	(8,862,948,037)	(9,416,828,947)	(8,862,948,037)
<b>Reinsurance expense</b>	(9,961,530,232)	(8,891,726,282)	(4,994,331,625)	(4,696,323,470)
	5,398,892,600	4,857,748,180	2,701,291,810	2,406,290,212
<b>27 NET INSURANCE CLAIMS</b>				
<b>Claims paid</b>	5,302,641,654	2,750,660,761	4,313,577,033	1,046,873,078
Add: Outstanding claims including IBNR closing	24,307,490,919	21,770,795,170	24,307,490,919	21,770,795,170
Less: Outstanding claims including IBNR opening	(25,932,646,396)	(21,261,387,233)	(25,189,419,538)	(21,777,647,512)
<b>Claims expense</b>	3,677,486,177	3,260,068,698	3,431,648,414	1,040,020,736
Less: Reinsurance and other recoveries received	3,032,832,482	1,333,094,090	2,764,434,130	-
Add: Reinsurance and other recoveries in respect of outstanding claims closing	16,135,012,217	13,250,041,381	16,135,012,217	13,250,041,381
Less: Reinsurance and other recoveries in respect of outstanding claims opening	(18,206,185,158)	(14,420,709,311)	(16,785,635,185)	(13,671,717,366)
<b>Reinsurance and other recoveries revenue</b>	(961,659,541)	(162,426,160)	(2,113,811,162)	421,675,985
	2,715,826,636	3,097,642,538	1,317,837,252	1,461,696,721
<b>28 NET COMMISSION AND OTHER ACQUISITION COSTS</b>				
<b>Commission paid or payable</b>	1,096,584,692	1,092,216,735	561,152,742	673,261,061
Add: Deferred commission expense opening	1,125,879,037	931,382,139	1,040,711,989	829,957,591
Less: Deferred commission expense closing	(975,484,327)	(910,195,800)	(975,484,327)	(910,195,800)
<b>Net commission</b>	1,246,979,402	1,113,403,074	626,380,404	593,022,852
Less: Commission received or recoverable	523,084,403	584,543,024	368,454,734	443,881,230
Add: Unearned reinsurance commission opening	810,160,213	539,143,250	608,803,103	423,072,389
Less: Unearned reinsurance commission closing	(616,775,403)	(574,504,799)	(616,775,403)	(574,504,799)
<b>Commission from reinsurers</b>	(716,469,213)	(549,181,475)	(360,482,434)	(292,448,820)
	530,510,189	564,221,599	265,897,970	300,574,032
<b>29 Management Expenses</b>				
Salaries, Wages and Benefits	483,153,475	320,696,524	325,092,248	191,684,618
Employees Benefits	256,381,919	250,460,000	150,381,919	200,460,000
Travelling and Conveyance	14,614,078	18,360,391	10,233,440	7,448,654
Entertainment	3,367,685	1,825,314	2,252,794	1,089,438
Communication Expenses	1,810,521	1,227,156	827,401	660,918
Insurance	64,189	2,609,612	1,188,291	1,356,642
Utilities	16,947,134	4,577,543	14,972,342	3,985,190
Printing and Stationery	2,862,400	3,111,906	1,180,823	1,560,042
Repairs and Renewal	1,610,073	1,483,812	1,076,760	1,135,942
Medical Expenses	5,082,146	6,436,073	3,158,860	2,260,648
Rent, Rates and Taxes	12,181,071	2,356,060	10,609,071	1,617,525
Computer related Expenses	22,297,930	24,728,566	11,387,574	15,191,442
Consultancy / Professional Services	3,744,116	2,917,224	2,499,416	1,875,974
Newspaper & Periodicals	56,975	60,450	31,230	38,200
Amortization	94,418	-	47,209	-
Depreciation	130,169,687	94,312,218	80,169,687	94,242,887
Directors' Meeting Expenses	14,877,011	8,533,832	6,797,214	5,114,769
Advertisement and Business Promotion	2,522,222	1,738,428	1,242,580	941,591
Training and Research	476,900	3,933,560	3,750	137,474
Repairs and Maintenance	20,733,417	23,325,392	12,689,316	15,220,814
Others	2,329,350	1,681,695	1,206,223	842,184
Welfare Fund	-	10,000,000	-	5,000,000
Donations	-	2,000,000	-	2,000,000
	995,467,739	786,375,756	634,762,588	553,864,952
Expense allocated to rental income	(18,496,541)	(9,227,815)	(13,992,092)	(4,399,292)
Expense allocated to investment income	(12,029,055)	(5,862,098)	(9,073,752)	(2,790,405)
	964,942,143	771,285,843	611,696,744	546,675,255

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	Six months period ended		Three months period ended	
	June 30, 2024 Unaudited	June 30, 2023 Unaudited	June 30, 2024 Unaudited	June 30, 2023 Unaudited
	----- Rupees -----			
<b>30 INVESTMENT INCOME</b>				
Income from equity securities				
Available for sale				
Dividend income	219,160,533	146,471,907	178,711,223	103,717,617
Held for trading				
Dividend income	12,648,500	9,612,100	12,476,000	4,835,600
	<u>231,809,033</u>	<u>156,084,007</u>	<u>191,187,223</u>	<u>108,553,217</u>
Income from debt securities				
Return on debt securities				
Held to maturity				
Pakistan Investment Bonds	503,590,512	236,707,521	257,295,205	124,220,355
Pakistan Investment Bonds - Floating	19,510,364	45,681,115	10,261,942	22,224,278
Treasury Bills	675,942,625	442,457,650	321,345,725	249,933,550
Term Finance Certificates	9,888,628	9,364,268	4,219,988	4,878,956
Premium / (amortization) of discount on PIBs	76,893,407	59,777,719	40,039,109	33,412,752
	<u>1,285,825,536</u>	<u>793,988,273</u>	<u>633,161,969</u>	<u>434,669,891</u>
Available for sale				
Pakistan Investment Bonds	8,796,139	13,645,295	4,401,263	6,862,635
Net realized gains on investments				
Available for sale investments				
Realized gain on equity securities	42,348,487	-	42,348,487	
Net unrealized losses on investments				
Net unrealized gain / (losses) on held for trading investment	44,508,391	(3,853,358)	33,524,275	(1,525,509)
<b>Total investment income</b>	<u>1,613,287,586</u>	<u>959,864,217</u>	<u>904,623,217</u>	<u>548,560,234</u>
Add: Reversal of impairment in value of available for	77,785,841	-	77,785,841	-
Less: Investment related expenses	(12,029,055)	(5,862,098)	(9,073,752)	(2,790,405)
<b>Net Investment income</b>	<u>1,679,044,372</u>	<u>954,002,119</u>	<u>973,335,306</u>	<u>545,769,829</u>
<b>31 RENTAL INCOME</b>				
Rental income	88,837,366	82,155,383	45,054,776	41,905,948
Less:				
Expenses related rental income	(18,496,541)	(9,227,815)	(13,992,092)	(4,399,292)
	<u>70,340,825</u>	<u>72,927,568</u>	<u>31,062,684</u>	<u>37,506,656</u>
<b>32 TAXATION</b>				
For the year				
Current	1,206,859,873	718,123,571	611,682,651	401,821,006
Deferred	(53,107,549)	(24,323,531)	(53,107,549)	
Prior	323,647,001	-	323,647,001	
	<u>1,477,399,325</u>	<u>693,800,040</u>	<u>882,222,103</u>	<u>401,821,006</u>

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### 33 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 asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Total	Level 1	Level 2	Level 3
	Rupees			
<b>June 30, 2024 (Un-audited)</b>				
<b>Financial assets measured at fair value</b>				
<b>Held-for-trading investment</b>				
Ordinary shares - listed	251,749,885	251,749,885	-	-
<b>Available-for-sale investment</b>				
Ordinary shares - listed	2,381,904,411	2,381,904,411	-	-
Ordinary shares - unlisted	617,615	-	-	617,615
Mutual fund units	1,720,761,161	1,720,761,161	-	-
	<u>4,355,033,072</u>	<u>4,354,415,457</u>	<u>-</u>	<u>617,615</u>
<b>December 31, 2023 (Audited)</b>				
<b>Financial assets measured at fair value</b>				
<b>Held-for-trading investment</b>				
Ordinary shares - listed	207,241,494	207,241,494	-	-
<b>Available-for-sale investment</b>				
Ordinary shares - listed	2,366,357,182	2,366,357,182	-	-
Mutual fund units	1,609,494,013	1,609,494,013	-	-
Ordinary shares - unlisted	617,615	-	-	617,613
	<u>4,183,710,304</u>	<u>4,183,092,689</u>	<u>-</u>	<u>617,613</u>

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34 SEGMENT INFORMATION

34.1 Six months period ended

June 30, 2024

	Fire	Marine cargo	Marine hull	Accident	Aviation	Engineering	Treaty	Total
	-----Rupees-----							
Gross written premium	3,610,380,644	101,929,067	411,827,151	951,154,644	103,580,972	3,457,033,992	3,444,764,553	12,080,671,023
Unearned-Opening	1,478,547,379	18,449,715	85,469,507	506,421,391	6,287,785,687	4,362,324,668	3,496,916,770	16,235,915,117
Unearned-Closing	2,072,663,298	50,778,739	261,932,917	673,197,586	3,630,203,532	3,203,074,964	3,064,312,272	12,956,163,308
Premium earned	3,016,264,725	69,600,043	235,363,741	784,378,449	2,761,163,127	4,616,283,696	3,877,369,051	15,360,422,832
Reinsurance-Ceded								
Prepaid reinsurance-Opening	2,765,593,848	-	364,187,721	765,580,627	88,732,505	2,666,146,832	827,907,821	7,478,149,354
Prepaid reinsurance-Closing	788,452,964	-	73,320,788	441,422,065	5,854,244,079	4,154,034,574	588,735,355	11,900,209,825
Reinsurance expenses	1,695,826,218	-	230,748,732	581,663,777	3,396,512,358	2,788,302,940	723,774,922	9,416,828,947
	1,858,220,594	-	206,759,777	625,338,915	2,546,464,226	4,031,878,466	692,868,254	9,961,530,232
Net insurance premium	1,158,044,131	69,600,043	28,603,964	159,039,534	214,698,901	584,405,230	3,184,500,797	5,398,892,600
Commission income	108,122,924	-	20,852,097	50,784,553	119,154,287	401,710,511	15,844,841	716,469,213
Net underwriting income (A)	1,266,167,055	69,600,043	49,456,061	209,824,087	333,853,188	986,115,741	3,200,345,638	6,115,361,813
Insurance claims paid	257,437,236	4,576,187	375,991,860	34,794,607	74,359,558	2,613,698,421	1,941,783,785	5,302,641,654
Outstanding-Opening	4,146,521,448	70,913,769	124,041,223	350,040,714	3,138,534,650	14,682,442,200	3,420,152,392	25,932,646,396
Outstanding-Closing	3,838,279,715	71,302,886	158,146,304	340,996,771	2,859,957,416	13,715,251,262	3,323,556,565	24,307,490,919
Insurance claims expenses	(50,804,497)	4,965,304	410,096,941	25,750,664	(204,217,676)	1,646,507,483	1,845,187,958	3,677,486,177
Reinsurance recoveries received								
Recovery-Opening	713,250,470	-	314,637,040	-	45,544,467	2,325,924,383	346,726,592	3,032,832,482
Recovery-Closing	419,304,945	-	17,106,508	9,504,871	2,878,857,616	13,731,826,215	855,639,478	18,206,185,158
Insurance claims recovered from reinsurers	(293,945,525)	-	51,182,233	9,504,871	2,627,818,375	12,333,970,769	693,231,024	16,135,012,217
			348,712,765	-	(205,494,774)	928,068,937	184,318,138	961,659,541
Net claims	243,141,028	4,965,304	61,384,176	25,750,664	1,277,098	718,438,546	1,660,869,820	2,715,826,636
Commission expense	174,045,325	6,423,599	14,516,857	44,495,350	73,184,066	240,728,160	693,586,045	1,246,979,402
Management expense	204,199,240	12,623,678	5,008,125	40,788,831	37,590,558	103,199,911	561,531,800	964,942,143
Net insurance claims and expenses (B)	621,385,593	24,012,581	80,909,158	111,034,845	112,051,722	1,062,366,617	2,915,987,665	4,927,748,181
Underwriting results (C=A-B)	644,781,462	45,587,462	(31,453,097)	98,789,242	221,801,466	(76,250,876)	284,357,973	1,187,613,632
Net investment income								1,679,044,372
Rental income								70,340,825
Other income								180,597,178
Finance Cost								(6,628,980)
Other expenses								(41,068,561)
Profit before tax								3,069,898,466
Segment assets	1,266,167,055	69,600,043	49,456,061	209,824,087	333,853,188	986,115,741	3,200,345,638	6,115,361,813
Segment liabilities	621,385,593	24,012,581	80,909,158	111,034,845	112,051,722	1,062,366,617	2,915,987,665	4,927,748,181

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34.2 Three months period ended

June 30, 2024

	Fire	Marine cargo	Marine hull	Accident	Aviation	Engineering	Treaty	Total
	Rupees							
Gross written premium	895,763,108	67,656,347	397,351,772	557,192,250	13,627,643	2,946,612,595	1,332,995,591	6,211,199,306
Unearned-Opening	2,724,451,828	32,365,124	1,913,920	513,340,361	4,980,030,286	2,539,343,276	3,649,142,642	14,440,587,437
Unearned-Closing	2,072,663,298	50,778,739	261,932,917	673,197,586	3,630,203,532	3,203,074,964	3,064,312,272	12,956,163,308
<b>Premium earned</b>	1,547,551,638	49,242,732	137,332,775	397,335,025	1,363,454,397	2,282,880,907	1,917,825,961	7,695,623,435
Reinsurance-Ceded	469,285,968	-	339,010,955	486,800,857	-	2,622,661,962	727,596,673	4,645,356,415
Prepaid reinsurance-Opening	2,125,632,962	-	803,522	405,291,100	4,656,571,698	2,212,525,958	364,978,917	9,765,804,157
Prepaid reinsurance-Closing	1,695,826,218	-	230,748,732	581,663,777	3,396,512,358	2,788,302,940	723,774,922	9,416,828,947
<b>Reinsurance expenses</b>	899,092,712	-	109,065,745	310,428,180	1,260,059,340	2,046,884,980	368,800,668	4,994,331,625
Net insurance premium	648,458,926	49,242,732	28,267,030	86,906,845	103,395,057	235,995,927	1,549,025,293	2,701,291,810
Commission income	53,322,041	-	11,082,694	25,424,375	57,847,537	203,881,062	8,924,725	360,482,434
<b>Net underwriting income (A)</b>	701,780,967	49,242,732	39,349,724	112,331,220	161,242,594	439,876,989	1,557,950,018	3,061,774,244
Insurance claims paid	215,245,577	1,572,698	373,383,384	23,215,965	2,718,523	2,486,377,094	1,211,063,792	4,313,577,033
Outstanding-Opening	4,308,670,126	68,854,590	123,885,923	367,846,394	2,852,237,023	14,037,233,520	3,430,691,962	25,189,419,538
Outstanding-Closing	3,838,279,715	71,302,886	158,146,304	340,996,771	2,859,957,416	13,715,251,262	3,323,556,565	24,307,490,919
<b>Insurance claims expenses</b>	(255,144,834)	(4,020,994)	407,643,765	(3,633,658)	10,438,916	2,164,394,836	1,103,928,395	3,431,648,414
Reinsurance recoveries received	-	-	312,379,654	-	(621,808)	2,325,924,383	126,751,901	2,764,434,130
Recovery-Opening	576,610,959	-	17,106,508	9,504,871	2,630,001,269	12,773,790,220	778,621,358	16,785,635,185
Recovery-Closing	419,304,945	-	51,182,233	9,504,871	2,627,818,375	12,333,970,769	693,231,024	16,135,012,217
<b>Insurance claims recovered from reinsurers</b>	(157,306,014)	-	346,455,379	-	(2,804,702)	1,886,104,932	41,361,567	2,113,811,162
Net claims	(97,838,820)	4,020,994	61,188,386	(3,633,658)	13,243,618	278,289,904	1,062,566,828	1,317,837,252
Commission expense	94,705,975	4,684,757	8,695,889	23,332,475	35,781,555	120,304,686	338,875,067	626,380,404
Management expense	137,479,000	9,958,285	4,964,010	31,344,463	23,017,491	57,582,511	347,398,193	611,743,953
<b>Net insurance claims and expenses (B)</b>	134,346,155	18,664,036	74,848,285	51,043,280	72,042,664	456,177,101	1,748,840,088	2,555,961,609
<b>Underwriting results (C=A-B)</b>	567,434,812	30,578,696	(35,498,561)	61,287,940	89,199,930	(16,300,112)	(190,890,070)	505,812,635
Provision for doubtful debts	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	973,335,306
Rental income	-	-	-	-	-	-	-	31,062,684
Other income	-	-	-	-	-	-	-	73,300,734
Fair value gain on investment property	-	-	-	-	-	-	-	(6,531,991)
Finance cost	-	-	-	-	-	-	-	(40,055,366)
<b>Other expenses</b>	-	-	-	-	-	-	-	1,536,924,002
<b>Profit before tax</b>	701,780,967	49,242,732	39,349,724	112,331,220	161,242,594	439,876,989	1,557,950,018	3,061,774,244
Segment assets	-	-	-	-	-	-	-	-
Unallocated assets	-	-	-	-	-	-	-	-
Segment liabilities	134,346,155	18,664,036	74,848,285	51,043,280	72,042,664	456,177,101	1,748,840,088	2,555,961,609
Unallocated liabilities	-	-	-	-	-	-	-	-
<b>Unallocated liabilities</b>	-	-	-	-	-	-	-	2,555,961,609

MA

June 30, 2023

	Fire	Marine cargo	Marine hull	Accident	Aviation	Engineering	Treaty	Total
Gross written premium	991,231,383	210,237,046	333,461,532	462,489,870	11,628,797	4,395,405,760	1,059,224,769	7,463,679,157
Unearned-Opening	2,555,922,864	40,596,691	2,707,434	239,945,512	3,540,336,162	1,853,762,607	3,184,673,591	11,417,944,861
Unearned-Closing	2,298,081,534	7,018,357	249,796,581	481,080,953	2,306,696,439	3,406,693,167	3,029,643,305	11,779,010,336
<b>Premium earned</b>	1,249,072,713	243,815,380	86,372,385	221,354,429	1,245,268,520	2,842,475,200	1,214,255,055	7,102,613,682
Reinsurance-Ceded	617,672,484	67,440,705	294,088,876	377,188,441	-	3,613,531,281	922,049,615	5,891,971,402
Prepaid reinsurance-Opening	2,173,715,462	29,469,841	-	79,205,525	3,272,609,224	1,795,978,544	316,321,509	7,667,300,105
Prepaid reinsurance-Closing	1,981,809,023	-	221,573,811	353,460,051	2,124,596,638	3,369,294,023	812,214,491	8,862,948,037
<b>Reinsurance expenses</b>	809,578,923	96,910,546	72,515,065	102,933,915	1,148,012,586	2,040,215,802	426,156,633	4,696,323,470
Net insurance premium	439,493,790	146,904,834	13,857,320	118,420,514	97,255,934	802,259,398	788,098,422	2,406,290,212
Commission income	35,136,981	9,691,054	7,251,507	6,597,688	61,351,457	167,979,842	4,440,291	292,448,820
<b>Net underwriting income (A)</b>	474,630,771	156,595,888	21,108,827	125,018,202	158,607,391	970,239,240	792,538,713	2,698,739,032
Insurance claims paid	24,569,574	659,206	5,007,489	4,955,485	49,463,618	50,511,833	911,705,873	1,046,873,078
Outstanding-Opening	3,880,747,850	75,665,161	74,626,753	244,043,532	999,683,561	12,605,440,439	3,897,440,216	21,777,647,512
Outstanding-Closing	4,015,930,046	71,092,223	69,772,488	240,791,087	1,012,490,303	12,736,910,632	3,623,808,391	21,770,795,170
<b>Insurance claims expenses</b>	159,751,770	(3,913,732)	153,224	1,703,040	62,270,360	181,982,026	638,074,048	1,040,020,736
Reinsurance recoveries received	-	-	-	-	-	-	-	-
Recovery-Opening	410,710,801	5,425,012	14,144,136	13,933,067	900,614,593	11,344,383,688	982,506,069	13,671,717,366
Recovery-Closing	389,566,753	5,425,012	14,144,136	13,933,067	916,208,568	11,199,886,688	710,877,157	13,250,041,381
<b>Insurance claims recovered from reinsurers</b>	(21,144,048)	-	-	-	15,593,975	(144,497,000)	(271,628,912)	(421,675,985)
Net claims	180,895,818	(3,913,732)	153,224	1,703,040	46,676,385	326,479,026	909,702,960	1,461,696,721
Commission expense	62,363,994	13,952,906	5,132,256	12,421,886	32,393,434	148,213,380	318,544,996	593,022,852
Management expense	92,730,228	24,524,098	3,321,466	24,917,590	22,031,782	139,584,892	239,565,199	546,675,255
<b>Net insurance claims and expenses (B)</b>	335,990,040	34,563,272	8,606,946	39,042,516	101,101,601	614,277,298	1,467,813,155	2,601,394,828
Provision for doubtful debts	-	-	-	-	-	-	-	-
<b>Underwriting results (C=A-B)</b>	138,640,731	122,032,616	12,501,881	85,975,686	57,505,790	355,961,942	(675,274,442)	97,344,204
Provision for doubtful debts	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	545,769,829
Rental income	-	-	-	-	-	-	-	37,506,656
Other income	-	-	-	-	-	-	-	175,088,412
Fair value gain on investment property	-	-	-	-	-	-	-	95,225,076
Other expenses	-	-	-	-	-	-	-	(1,511,153)
<b>Profit before tax</b>	-	-	-	-	-	-	-	(1,647,601)
Segment assets	474,630,771	156,595,888	21,108,827	125,018,202	158,607,391	970,239,240	792,538,713	2,698,739,032
Unallocated assets	-	-	-	-	-	-	-	-
Segment liabilities	335,990,040	34,563,272	8,606,946	39,042,516	101,101,601	614,277,298	1,467,813,155	2,601,394,828
Unallocated liabilities	-	-	-	-	-	-	-	-

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### 35 TRANSACTIONS WITH RELATED PARTIES

Government of Pakistan through Ministry of Commerce owns 51% (2022: 51%) shares of the Company. Therefore, all entities owned and controlled by the Government of Pakistan are related parties of the Company. The related parties comprise major shareholders, associated company, directors, companies with common directorship, key management personnel, and staff retirement benefit funds. The Company in normal course of business pays for electricity, gas and telephone to entities controlled by Government of Pakistan which are not material and hence not disclosed in these financial statements. Moreover, transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment as disclosed in note 51 of these financial statements, are as follows:

	(Unaudited) Six months period ended		(Unaudited) Three months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	----- Rupees -----		----- Rupees -----	
<b>Major shareholder</b>				
<b>Government of Pakistan through Ministry of Commerce</b>				
Dividend paid during the year	458,999,628	306,000,000	458,999,628	306,000,000
<b>State Life Insurance Corporation of Pakistan</b>				
Dividend paid during the year	219,696,603	146,464,402	219,696,603	146,464,402
<b>Related parties by virtue of GoP's holdings</b>				
Purchase of investment (T-Bills)	3,159,533,925	5,434,097,100	1,874,101,425	4,476,940,600
<b>National Investment Trust Limited</b>				
Dividend received during the year	29,700,000	77,220,000	29,700,000	49,500,000
<b>National Insurance Company Limited</b>				
Premium due but unpaid	10,468,111,935	10,729,548,945	12,298,920,738	10,729,548,945
Insurance premium written during the year	6,616,286,052	8,570,769,698	4,140,107,149	5,768,909,947
Premium received	(8,761,180,323)	(14,112,913,192)	(8,115,810,223)	(11,311,053,442)
Balance at the end of year	8,323,217,664	5,187,405,451	8,323,217,664	5,187,405,450
Insurance commission paid	314,814,416	375,665,127	236,823,974	316,856,062
Insurance claims paid	2,809,094,501	1,452,022,939	2,734,640,964	94,008,544
<b>Other related parties</b>				
Remuneration including benefits and perquisites of key management personnel	498,030,486	329,230,356	331,889,462	196,799,387

### 36 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 outstanding as at the period end as follows:

	(Unaudited) Six months period ended		(Unaudited) Three months period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Profit after tax for the period	1,685,100,939	1,248,032,086	737,497,434	574,248,089
Weighted average number of ordinary shares (Number of shares)	900,000,000	900,000,000	900,000,000	900,000,000
Earning/(loss) per share - basic	1.87	1.39	0.82	0.64

### 37 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. Significant reclassifications for purposes of correct presentation, are as under:

Description	Reclassification from component	Reclassification to component	Amount Rupees
PRC Tower Renovation	Capital Work in progress	Property and	23,131,568
Computer Software	Capital Work in progress	Intangible Assets	10,617,052
Computer software	Property and Equipment	Intangible Assets	502,146

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38 DATE OF AUTHORIZATION FOR ISSUE

29 AUG 2024

These condensed interim financial statements have been authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

39 GENERAL

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



Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer

**PAKISTAN REINSURANCE COMPANY LIMITED -  
WINDOW RETAKAFUL OPERATIONS  
CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED  
JUNE 30, 2024**



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS

Report On Review of Condensed Interim Financial Statements

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Pakistan Reinsurance Company Limited – Window Retakaful Operation (the Operator)** as at June 30, 2024 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in funds and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

**Scope of review**

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis for Qualified Conclusion**

**1. Unreconciled Balances**

The opening balances of takaful / retakaful receivables (refer note 8 of the condensed interim financial statements) to the extent of gross amount of Rs 511.588 million and net amount of Rs. 498.982 million include material balances which remains unreconciled as at the reporting date and that gross amount includes opening balance of related party M/s National Insurance Corporation Limited amounting to Rs. 8.833 million whose financial statements are not available after the year 2017. Managements asserted that the reason for time lag in reconciliation is intimations and communications of the transactions which normally takes place after 3 to 4 months of transaction. The Operator is in the process of reconciling these balances. Due to pending reconciliations relating to the above balances, resultant adjustment and consequential impact thereon, if any, on the condensed interim financial statements remain unascertained.

**Qualified Conclusion**

Based on our review, with the exception of the matter described in the "Basis for Qualified Conclusion" section of our report, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Emphasis of Matter

1. We draw attention to the notes 8, 10, 11, 17, 23, 25, 27 and 29 to the condensed interim financial statements, which reflect the transactions and balances relating to the Operator's treaty proportional reinsurance business. Hitherto fore, no supporting documentation of the contribution and claims of the ceding takaful entities were made available to the auditors. However, the management has developed some control mechanism over treaty proportional business contribution and claims which includes obtaining relevant information from ceding entities in support of periodic returns on random basis and performing ceding entity wise analysis of treaty proportional business as well as checking compliance of the treaty terms. However, this needs consistency and continuity of the internal control system over the years. Our conclusion is not further modified in respect of this matter.
2. We draw attention to the note 22.1 to the condensed interim financial statements, which provides details regarding contingencies in respect of which decisions are pending. Our conclusion is not further modified in respect of this matter.

#### Other matter

The figures for the three months ended June 30, 2023 and June 30, 2024 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we don't express a conclusion on thereon.

The engagement partner on the review resulting in this independent auditor's review report is Mohammad Hanif Razzak.



Chartered Accountants

Karachi

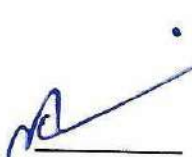

Dated: August 29, 2024

UDIN: RR202410222I6G0PXNFg

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
AS AT JUNE 30, 2024

	Note	Operator's Retakaful Fund		Participant's Retakaful fund	
		Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Rupees					
<b>ASSETS</b>					
Investments	6	193,697,728	23,555,412	755,807,257	115,763,546
Other receivable	7	5,061,045	12,890,905	10,362,798	70,244,193
Takaful/retakaful receivables	8	-	-	653,089,115	543,610,769
Receivables from Participant's/Operator's Retakaful fund - net	9	122,408,838	78,055,762	-	-
Qard-e-hasna to Participant's Retakaful Fund		300,000,000	300,000,000	-	-
Retakaful recoveries against outstanding claims		-	-	246,073,148	229,063,419
Deferred wakala fee	10	-	-	146,839,894	130,742,601
Deferred commission expense	11	143,870,854	114,413,227	-	-
Deferred tax asset	12	290,162	-	-	-
Prepayments	13	-	-	61,648,164	165,831,810
Bank balances	14	318,767,115	489,833,804	1,488,727,485	1,669,936,933
<b>TOTAL ASSETS</b>		<b>1,084,095,742</b>	<b>1,018,749,110</b>	<b>3,362,547,861</b>	<b>2,925,193,271</b>
<b>FUND AND LIABILITIES</b>					
<b>FUNDS ATTRIBUTABLE TO:</b>					
Operator's Retakaful Fund					
Statutory fund		600,000,000	600,000,000	-	-
Reserves	15	237,961,194	182,914,618	-	-
Total Operator's Funds		837,961,194	782,914,618	-	-
Participant's Retakaful Fund					
Seed money		-	-	1,000,000	1,000,000
Reserves	15	-	-	1,370,120,000	1,093,476,832
Balance of Participant's Takaful Fund		-	-	1,371,120,000	1,094,476,832
Qard-e-Hasna		-	-	300,000,000	300,000,000
		-	-	1,671,120,000	1,394,476,832
<b>LIABILITIES</b>					
Underwriting provisions					
Outstanding claims including IBNR	16	-	-	732,960,822	612,623,902
Unearned contribution reserves	17	-	-	734,199,472	653,713,006
		-	-	1,467,160,294	1,266,336,908
Unearned wakala fee					
Takaful/retakaful payables	10	146,839,894	130,742,601	-	-
Payable to Participant/Operator's Retakaful Fund - net	18	-	-	101,828,039	186,292,079
Taxation - provision less payment	19	83,939,276	55,709,310	122,408,838	78,055,762
Deferred tax liability	12	-	485,982	-	-
Other creditors and accruals	20	2,621,440	36,162,662	-	-
Payable to related party	21	12,733,937	12,733,937	30,690	31,690
<b>TOTAL LIABILITIES</b>		<b>246,134,547</b>	<b>235,834,492</b>	<b>1,691,427,861</b>	<b>1,530,716,439</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,084,095,742</b>	<b>1,018,749,110</b>	<b>3,362,547,861</b>	<b>2,925,193,271</b>
<b>CONTINGENCIES AND COMMITMENTS</b>					
	22				

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

 Chairman  
 Director  
 Director  
 Chief Executive Officer  
 Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION  
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Note	Six months period Ended		Three months period Ended	
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
-----Rupees-----					
<b>Participant's Retakaful Fund</b>					
Contributions earned		824,186,468	641,061,887	429,029,107	286,915,513
Less: contributions ceded to retrotakaful		(104,183,646)	(54,358,735)	(48,015,356)	(23,169,393)
Net contribution revenue	23	720,002,822	586,703,152	381,013,751	263,746,120
Wakala expense	24	(164,837,294)	(128,212,377)	(85,805,822)	(57,383,103)
Net underwriting income		555,165,529	458,490,775	295,207,930	206,363,017
Net claims - reported/ settled - IBNR	25	(372,486,579)	(226,531,914)	(262,321,793)	(41,157,406)
Surplus before investment income		182,678,950	231,958,861	32,886,137	165,205,611
Profit on bank deposit		121,173,453	88,846,060	121,173,453	88,846,060
Investment income		59,964,847	12,451,521	51,024,051	11,673,749
Less: Modarib's share of investment income and profit on bank deposit		(45,284,575)	(25,324,395)	(43,049,376)	(25,129,952)
Surplus before taxation		135,853,725	75,973,186	129,148,128	75,389,857
Taxation	26	(30,963,103)	(14,938,646)	(25,829,628)	(14,821,980)
Surplus for the period transferred to accumulated surplus		287,569,572	292,993,401	136,204,637	225,773,488
<b>Operator's Retakaful Fund</b>					
Wakala fee income	24	164,837,294	128,212,377	85,805,822	57,383,103
Commission expense	27	(152,397,828)	(124,319,357)	(88,100,889)	(63,216,008)
General, administrative and management expenses	28	(9,820,196)	(12,771,026)	(6,481,118)	(7,260,469)
Cede money paid to participants' retakaful fund		2,619,270	(8,878,006)	(8,776,185)	(13,093,374)
Modarib's share of participant's investment income and profit on bank deposit		45,284,575	25,324,395	43,049,376	25,129,952
Investment income		14,539,977	2,506,139	12,094,789	2,347,457
Profit on bank deposit		30,157,977	31,999,034	30,157,977	31,999,034
Profit before taxation		89,982,529	59,829,568	85,302,142	59,476,443
Taxation		(92,601,799)	(50,951,562)	(76,525,957)	(46,383,069)
Profit after taxation attributable to shareholders		56,487,097	31,080,452	46,680,833	28,293,671

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

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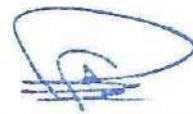

Chairman      Director      Director      Chief Executive Officer      Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Six months period Ended		Three months period Ended	
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
-----Rupees-----				
<b>Participant's Retakaful Fund</b>				
Surplus for the period	287,569,572	292,993,401	136,204,637	240,595,468
<b>Other comprehensive loss for the period</b>				
<b>Item that may be subsequently reclassified to profit or loss account</b>				
Unrealised gain on 'available for sale' investments - net of tax	(10,926,404)	(4,489,687)	(14,834,185)	(7,198,890)
Total comprehensive income for the period	<u>276,643,168</u>	<u>288,503,714</u>	<u>121,370,452</u>	<u>233,396,578</u>
<b>Operator's Retakaful Fund</b>				
Profit after taxation	56,487,097	31,080,452	46,680,834	28,293,672
<b>Other comprehensive loss for the period</b>				
<b>Item that may be subsequently reclassified to profit or loss</b>				
Unrealised gain on 'available for sale investments' - net of tax	(2,216,665)	(902,502)	(2,848,360)	(1,446,827)
Deferred tax impact	776,144	351,976	776,144	351,976
Total comprehensive income for the period	<u>55,046,576</u>	<u>30,529,926</u>	<u>44,608,618</u>	<u>27,198,821</u>

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

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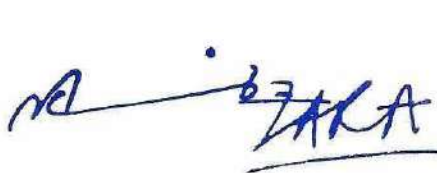


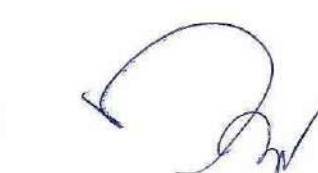

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION  
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS  
FOR THE PERIOD ENDED JUNE 30, 2024

Statutory Fund	Attributable to Operator's Retakaful Fund				Total
	Reserves			Total Reserves	
	Capital	Revenue			
Unrealized gain / (loss) on available for sale investment	Unappropriated Profit				
-----Rupees-----					
Balance as at January 01, 2023 (Audited)	300,000,000	802,038	86,103,004	86,905,042	386,905,042
Increase in Statutory Fund	300,000,000				300,000,000
Total comprehensive income for the period					
Profit for the year	-		31,080,452	31,080,452	31,080,452
Unrealized gain on available for sale investments	-	(902,502)	-	(902,502)	(902,502)
Deferred tax impact	-	351,976	-	351,976	351,976
	-	(550,526)	31,080,452	30,529,926	30,529,926
Effect of deferred tax due change in tax rate	-	(62,828)	-	(62,828)	(62,828)
Balance as at Jun 30, 2023 (Unaudited)	600,000,000	188,684	117,183,456	117,372,140	717,372,140
Balance as at January 01, 2024 (Audited)	600,000,000	1,342,622	181,571,997	182,914,619	782,914,619
Profit for the period	-		56,487,097	56,487,097	56,487,097
Unrealized loss on available for sale investments-net of tax	-	(355,945)	-	(2,216,665)	(2,216,665)
Deferred tax impact	-	(2,216,665)	-	(2,216,665)	(2,216,665)
	-	776,144	-	776,144	776,144
	-	(1,796,466)	56,487,097	55,046,576	55,046,576
Balance as at Jun 30, 2024 (Unaudited)	600,000,000	(453,844)	238,059,094	237,961,195	837,961,194

Seed money	Attributable to Participant's Retakaful Fund				Total
	Reserves			Total Reserves	
	Capital	Revenue			
Unrealized (loss) on available for sale investment	Accumulated surplus				
-----Rupees-----					
Balance as at January 01, 2023 (Audited)	1,000,000	5,616,119	439,468,051	445,084,170	446,084,170
Total comprehensive income for the period					
Surplus for the period	-		292,993,401	292,993,401	292,993,401
Unrealized loss on available for sale investments	-	(4,489,687)	-	(4,489,687)	(4,489,687)
	-	(4,489,687)	292,993,401	288,503,714	288,503,714
Balance as at Jun 30, 2023 (Unaudited)	1,000,000	1,126,432	732,461,452	733,587,884	734,587,884
Balance as at January 01, 2024 (Audited)	1,000,000	9,716,635	1,083,760,197	1,093,476,832	1,094,476,832
Surplus for the period	-		290,260,840	287,569,572	287,569,572
Unrealized loss on available for sale investments	-	(2,691,268)	-	(10,926,404)	(10,926,404)
	-	(10,926,404)	-	(10,926,404)	(10,926,404)
	-	(13,617,672)	290,260,840	276,643,168	276,643,168
Balance as at Jun 30, 2024 (Unaudited)	1,000,000	(3,901,037)	1,374,021,037	1,370,120,000	1,371,120,000

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.





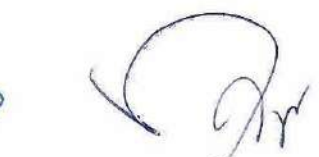
Chairman      Director      Director      Chief Executive Officer      Chief Financial Officer

**PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION**  
**CONDENSED INTERIM STATEMENT OF CASHFLOWS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2024**

	Operator's Retakaful Fund		Participant's Retakaful Fund	
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023
-----Rupees-----				
<b>Operating cash flow</b>				
<b>Retakaful activities</b>				
Contribution received	-	-	795,194,588	596,006,183
Retro takaful contribution paid	-	-	(84,464,040)	(103,282,691)
Benefits paid	-	-	(269,159,388)	(313,630,401)
Benefits recoveries from retro takaful	-	-	-	-
Commission paid	(181,855,454)	(106,420,618)	-	-
<b>Net cash (used in) / from retakaful activities</b>	<b>(181,855,454)</b>	<b>(106,420,618)</b>	<b>441,571,161</b>	<b>179,093,091</b>
<b>Other operating activities</b>				
Income tax paid	(7,884,736)	(5,075,084)	-	-
Management expenses paid	(9,820,196)	(12,771,026)	-	-
Other operating receipts/(payments)	156,154,725	140,354,285	(152,948,795)	(121,559,257)
<b>Net cash from/(used in) other operating activities</b>	<b>138,449,793</b>	<b>122,508,175</b>	<b>(152,948,795)</b>	<b>(121,559,257)</b>
<b>Total cash from/(used in) all operating activities</b>	<b>(43,405,662)</b>	<b>16,087,557</b>	<b>288,622,366</b>	<b>57,533,834</b>
<b>Investing activities</b>				
Payment for investments made	(172,358,981)	(2,130,218)	(650,970,115)	(10,583,754)
Receipt of profit on bank deposits	30,157,977	31,999,034	121,173,453	88,846,060
Receipt of investment income	14,539,977	2,506,139	59,964,847	12,451,521
<b>Total cash flow from investing activities</b>	<b>(127,661,027)</b>	<b>32,374,955</b>	<b>(469,831,815)</b>	<b>90,713,827</b>
<b>Financing activities</b>				
Statutory fund	-	300,000,000	-	-
<b>Total cash from financing activities</b>	<b>-</b>	<b>300,000,000</b>	<b>-</b>	<b>-</b>
<b>Net cash flow from/(used-in) all activities</b>	<b>(171,066,689)</b>	<b>348,462,512</b>	<b>(181,209,448)</b>	<b>148,247,661</b>
Cash and cash equivalents at beginning of the period	489,833,804	111,537,025	1,669,936,933	1,110,117,788
Cash and cash equivalents at end of the period	318,767,115	459,999,537	1,488,727,485	1,258,365,449
<b>Reconciliation to profit and loss</b>				
Operating cash flows	(43,405,662)	16,087,557	288,622,366	57,533,833
Receipt of Profit on bank deposits	30,157,977	31,999,034	121,173,453	88,846,060
Receipt of Investment income	14,539,977	2,506,139	59,964,847	12,451,521
(Decrease)/increase in operating assets other than cash	65,980,842	10,901,992	(21,479,672)	58,792,909
(Increase)/decrease in operating liabilities	17,443,929	(15,329,097)	(129,748,319)	90,307,723
Change in tax rate		(289,147)		
Other adjustments:				
Income tax paid	7,884,736	5,075,084	-	-
Profit/(deficit) before taxation	92,601,799	50,951,562	318,532,675	307,932,046
Provision for taxation	(36,114,702)	(19,871,109)	(30,963,103)	(14,938,646)
Profit after taxation	56,487,097	31,080,453	287,569,572	292,993,400

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

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Chairman      Director      Director      Chief Executive Officer      Chief Financial Officer

**PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2024**

**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) and it 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. 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.

**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:

-International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

-Provisions of and directives issued under the Companies Act, 2017, 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.

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## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

## 3 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2023

The following standards, amendments and interpretations are effective for the year ended December 31, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or do not have significant impact on the financial statements other than certain additional disclosures.

Amendments to approved accounting standards:

Definition of Accounting Estimates - IAS 8

Disclosure of Accounting Policies - IAS 1 and IFRS Practice Statement 2

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - IAS 12

International Tax Reform-Pillar Two Model Rules - IAS 12

#### **IFRS 9 - Financial Instruments and Amendment to IFRS 4 'Insurance Contracts- Applying IFRS 9 with IFRS 4'**

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

- a) IFRS 9 'Financial Instruments' and amendment (effective for period ending on or after June 30, 2019). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.
- b) Amendments to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

## Temporary Exemption from Application of IFRS 9

The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application IFRS 17.

### 3.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective date (Annual periods beginning on or after)</b>
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	
Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Disclosure: Supplier Finance Arrangement - Amendments to IAS 7 and IFRS 7	January 01, 2024
Sale or contribution of Assets between an investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

The Company's expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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, 2023.

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

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on January 01, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

**Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company**

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, 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, 2023.

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6 INVESTMENTS

Available for sale - Mutual Funds

	30-Jun-2024					
	Operator's Fund			Participant Retakaful Fund		
	Total cost of Investment	Market value	Unrealized gain/(loss)	Total cost of Investment	Market value	Unrealized gain/(loss)
	-----Rupees-----					
AL HAMRA ISLAMIC INCOME FUND	5,101,220	5,097,000	(4,220)	25,057,269	24,978,068	(79,201)
AL-AMEEN ISLAMIC SOVEREIGN FUND -Class-C	2,687,338	2,658,200	(29,138)	4,742,360	4,690,936	(51,424)
AL-AMEEN ISLAMIC CASH FUND	2,372,821	2,344,731	(28,090)	20,513,243	20,254,518	(258,725)
NBP ISLAMIC MAHANA AMDANI FUND	5,123,445	5,076,269	(47,176)	25,166,234	24,876,533	(289,701)
ABL ISLAMIC INCOME FUND	4,959,955	4,871,161	(88,794)	24,365,746	23,867,041	(498,705)
MEEZAN ROZANA AMDANI FUND - GROWTH-B	5,753,506	5,168,544	(584,962)	28,200,475	25,333,347	(2,867,128)
AL HAMRA ISLAMIC MONEY MARKET FUND	42,145,169	42,145,172	3	158,044,381	158,044,381	-
AL-AMEEN ISLAMIC CASH PLANE - 1 (AICP-1)	42,065,993	42,104,364	38,371	157,747,512	157,891,359	143,847
ABL ISLAMIC CASH FUND	42,155,494	42,155,494	-	158,083,102	158,083,102	-
HBL ISLAMIC MOENY MARKET FUND	42,076,793	42,076,793	-	157,787,972	157,787,972	-
	<b>194,441,734</b>	<b>193,697,728</b>	<b>(744,006)</b>	<b>759,708,294</b>	<b>755,807,257</b>	<b>(3,901,037)</b>

	31-December-2023					
	Operator's Fund			Participant Retakaful Fund		
	Total cost of Investment	Market value	Unrealized gain/(loss)	Total cost of Investment	Market value	Unrealized gain/(loss)
AL HAMRA ISLAMIC INCOME FUND	4,378,133	4,776,081	397,948	21,513,748	23,405,398	1,891,650
AL-AMEEN ISLAMIC SOVEREIGN FUND -Class-C	2,298,491	2,503,443	204,952	4,056,160	4,417,841	361,681
AL-AMEEN ISLAMIC CASH FUND	2,014,857	2,188,286	173,429	17,421,041	18,903,106	1,482,065
NBP ISLAMIC MAHANA AMDANI FUND (FORMERLY: NBP AITEMAAD MAHANA AMDANI FUND)	4,368,097	4,759,698	391,601	21,464,609	23,325,164	1,860,555
ABL ISLAMIC INCOME FUND	4,261,685	4,566,413	304,728	20,944,456	22,373,882	1,429,426
MEEZAN ROZANA AMDANI FUND - GROWTH-B	4,761,477	4,761,491	14	23,338,164	23,338,155	(9)
	<b>22,082,740</b>	<b>23,555,412</b>	<b>1,472,672</b>	<b>108,738,178</b>	<b>115,763,546</b>	<b>7,025,368</b>

Note	Operator's Retakaful Fund		Participant's Retakaful Fund	
	Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	-----Rupees-----			
7.1	1,137,000	1,099,904	-	-
	3,924,045	11,791,001	10,363,798	35,646,150
	-	-	(1,000)	34,598,043
	<b>5,061,045</b>	<b>12,890,905</b>	<b>10,362,798</b>	<b>70,244,193</b>

7 OTHER RECEIVABLES

Loan to employee	1,137,000	1,099,904	-	-
Accrued markup on bank deposits	3,924,045	11,791,001	10,363,798	35,646,150
Others	-	-	(1,000)	34,598,043
	<b>5,061,045</b>	<b>12,890,905</b>	<b>10,362,798</b>	<b>70,244,193</b>

7.1 This represents the amount, pertaining to receivable of Participant, erroneously received in the bank account of Window Retakaful Operator Fund.

8 TAKAFUL/RETAKAFUL RECEIVABLES

	Note	Participant's Retakaful Fund	
		Jun 30, 2024 (Unaudited)	Dec 31, 2023 (Audited)
		-----Rupees-----	
<b>Due from takaful participants holders</b>			
Treaty retakaful		519,411,551	454,880,644
Facultative retakaful		196,476,554	151,529,115
		<b>715,888,105</b>	<b>606,409,759</b>
Less: provision for impairment	8.1	(62,798,990)	(62,798,990)
		<b>653,089,115</b>	<b>543,610,769</b>
<b>8.1 Movement of provision for impairment</b>			
Opening balance		62,798,990	12,821,537
Provisions made during the period		-	49,977,453
Closing balance		<b>62,798,990</b>	<b>62,798,990</b>

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Note	Operator's Retakaful Fund		Participant's Retakaful Fund	
	Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)

-----Rupees-----

**9 RECEIVABLE FROM PARTICIPANT'S RETAKAFUL FUND / (PAYABLE TO OPERATOR'S RETAKAFUL FUND)**

Amount (payable) to / receivable from

Participant's Retakaful Fund Opening balance	9.1	78,055,762	(15,156,543)	(78,055,762)	15,156,543
Wakala fee	9.2	180,934,587	303,473,943	(180,934,587)	(303,473,943)
Modarib's share of participant's retakaful fund investment income and bank profit	9.3	45,284,575	63,466,835	(45,284,575)	(63,466,835)
Commission payable		(181,866,086)	(273,728,473)	181,866,086	273,728,473
		<u>122,408,838</u>	<u>78,055,762</u>	<u>(122,408,838)</u>	<u>(78,055,762)</u>

- 9.1 The amount is payable by the Operator to Participant's Retakaful Fund related to contribution received by the Operator from takaful participants.
- 9.2 It represents the amount receivable from Participant's Retakaful Fund related to wakala fee charged at 20% (2023: 20%) of gross contribution written amounted to Rs. 421,944,770 (2023: Rs. 1,517,369,717).
- 9.3 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.

**10 UNEARNED WAKALA FEE / DEFERRED WAKALA FEE**

Facultative business Treaty	10.1	8,133,252	13,759,587	8,133,252	13,759,587
		138,706,643	116,983,015	138,706,643	116,983,015
		<u>146,839,894</u>	<u>130,742,602</u>	<u>146,839,894</u>	<u>130,742,602</u>
10.1 Facultative business					
Fire		3,968,299	8,755,011	3,968,299	8,755,011
Marine Cargo		67,341	29,088	67,341	29,088
Marine Hull		-	-	-	-
Accident		754,050	537,071	754,050	537,071
Aviation		175,105	161,976	175,105	161,976
Engineering		3,168,456	4,276,441	3,168,456	4,276,441
		<u>8,133,252</u>	<u>13,759,587</u>	<u>8,133,252</u>	<u>13,759,587</u>

**11 DEFERRED COMMISSION EXPENSE**

Facultative business Treaty	11.1	1,357,105	2,781,948	-	-
		142,513,749	111,631,279	-	-
		<u>143,870,854</u>	<u>114,413,227</u>	-	-
11.1 Facultative business					
Fire		1,138,545	2,591,119	-	-
Marine Cargo		20,112	7,273	-	-
Marine Hull		-	-	-	-
Accident		171,565	116,779	-	-
Engineering		26,883	66,777	-	-
		<u>1,357,105</u>	<u>2,781,948</u>	-	-

Note	Operator's Retakaful Fund		Participant's Retakaful Fund	
	Jun 30, 2024 (UnAudited)	December 31, 2023 (Audited)	Jun 30, 2024 (UnAudited)	December 31, 2023 (Audited)

-----Rupees-----

**12 DEFERRED TAX ASSET/(LIABILITY)**

Opening balance	485,982	182,212	-	-
Deductible temporary differences on				
Unrealized gain on available for sale investments			-	-
Taxable temporary differences				
Unrealized loss on available for sale investments	(776,144)	303,770	-	-
	<u>(290,162)</u>	<u>485,982</u>	-	-

/h

	Operator's Retakaful Fund		Participant's Retakaful Fund	
	Jun 30, 2024 (UnAudited)	December 31, 2023 (Audited)	Jun 30, 2024 (UnAudited)	December 31, 2023 (Audited)

13 PREPAYMENTS

Note

Rupees

Treaty business  
Prepaid retakaful contribution ceded

-	-	61,648,164	165,831,810
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14 BANK BALANCES

Cash at bank in:  
Saving accounts

14.1	318,767,115	489,833,804	1,488,727,485	1,669,936,933
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14.1 Profit sharing rate on modaraba account ranging from 18% to 20% (December 31 2023: 18% to 20 %) per annum.

15 RESERVES

Revenue Reserves

Unappropriated profit / (loss)

238,059,094	181,571,997	1,374,021,037	1,083,760,197
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Capital Reserves

Unrealized (loss) /gain on available for sale reserve

(453,844)	1,342,622	(3,901,037)	9,716,635
237,605,250	182,914,619	1,370,120,000	1,093,476,832

16 OUTSTANDING CLAIMS INCLUDING IBNR

Note

Participant's Retakaful Fund	
Jun 30, 2024 (UnAudited)	December 31, 2023 (Audited)

Rupees

Facultative business  
Treaty

16.1	90,875,322	95,757,455
	642,085,500	516,866,447
	732,960,822	612,623,902

16.1 Facultative business

Fire  
Marine cargo  
Marine hull  
Accident  
Engineering

16.2	73,766,081	84,527,963
	99,137	99,137
	-	-
	7,428,420	2,817,282
	9,581,684	8,313,073
	90,875,322	95,757,455

16.2 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 24, 2023 which amounts to Rs. 11.037 million.

17 UNEARNED CONTRIBUTION RESERVES

Note

Participant's Retakaful Fund	
Jun 30, 2024 (UnAudited)	December 31, 2023 (Audited)

Rupees

Facultative business  
Treaty

17.1	40,666,258	68,797,933
	693,533,214	584,915,073
	734,199,472	653,713,006

Participant's Retakaful Fund	
Jun 30, 2024 (UnAudited)	December 31, 2023 (Audited)

17.1 Facultative business

	Jun 30, 2024 (UnAudited)	December 31, 2023 (Audited)
Fire	19,841,496	43,775,053
Marine cargo	336,707	145,438
Marine hull	-	-
Accident	3,770,251	2,685,353
Aviation	875,526	809,882
Engineering	15,842,278	21,382,207
	<u>40,666,258</u>	<u>68,797,933</u>

18 TAKAFUL/RETAKAFUL PAYABLES

Retakaful contribution payable

101,828,039 186,292,079

Operator's Retakaful Fund		Participant's Retakaful Fund	
Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)

Note

19 TAXATION- PROVISION LESS PAYMENT

	Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of the period/year	(67,637,066)	(20,615,023)	-	-
Income tax deducted at source on dividend income	2,624,817	443,821	8,994,732	2,200,587
Income tax deducted at source on bank profit	17,187,675	11,483,932	21,968,371	31,860,499
Payment of income tax	-	-	-	-
Provision for current tax	(36,114,702)	(47,022,041)	(30,963,103)	(34,061,086)
Balance at end of the period/year	<u>(83,939,276)</u>	<u>(55,709,311)</u>	<u>-</u>	<u>-</u>

20 OTHER CREDITORS AND ACCRUALS

	Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Jun 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Officers association payable	71,680	20,800	-	-
Employee income tax payable	1,393,799	363,464	-	-
PRCL employees professional tax payable	-	2,000	-	-
Sindh sales tax payable	147,997	25,872	3,960	3,960
Income tax deducted at source	181,859	73,378	26,730	26,730
Audit fee payable	660,500	853,500	-	-
Miscellaneous creditors	165,605	34,823,648	-	1,000
	<u>2,621,440</u>	<u>36,162,662</u>	<u>30,690</u>	<u>31,690</u>

20.1 This includes the amount of Rs. Nil (2023: Rs. 34,598,043), pertaining to receivable of Participant, erroneously received in the bank account of Window Retakaful Operator Fund

21 PAYABLE TO RELATED PARTY

Pakistan Reinsurance Company Limited

21.1	<u>12,733,937</u>	<u>12,733,937</u>	<u>-</u>	<u>-</u>
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21.1 Payable in respect of

Income tax	1,869,425	1,869,425	-	-
Salaries	10,102,241	10,102,241	-	-
Bonus	762,271	762,271	-	-
	<u>12,733,937</u>	<u>12,733,937</u>	<u>-</u>	<u>-</u>

22 CONTINGENCIES AND COMMITMENTS

22.1 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. 118.7 million pertaining to six months 2024 (2023: Rs. 156.6 millions) on retakaful operations excluding any additional penalty or default surcharge.

22.2 There are no commitments as at Jun 30, 2024 (December 31 2023: Nil).

	Note	Six months period Ended		Three months period Ended	
		Jun 30, 2024 (Unaudited)	Jun 30, 2023 (Unaudited)	Jun 30, 2024 (Unaudited)	Jun 30, 2023 (Unaudited)
<b>23 NET CONTRIBUTION REVENUE</b>					
Written gross contribution	29	904,672,934	617,913,356	482,728,163	256,013,096
Add: unearned contribution reserve opening	29	653,713,006	515,574,963	680,500,416	523,328,849
Less: unearned contribution reserve closing		(734,199,472)	(492,426,432)	(734,199,472)	(492,426,432)
Contribution earned		824,186,468	641,061,887	429,029,107	286,915,513
Retakaful contribution ceded		-	-	-	-
Add: prepaid retakaful contribution opening	29	165,831,810	87,351,654	109,663,520	56,162,312
Less: prepaid retakaful contribution closing	29	(61,648,164)	(32,992,919)	(61,648,164)	(32,992,919)
Retakaful expense		104,183,646	54,358,735	48,015,356	23,169,393
		<u>720,002,822</u>	<u>586,703,152</u>	<u>381,013,751</u>	<u>263,746,120</u>
<b>24 WAKALA FEE/EXPENSE</b>					
Gross wakala fee		180,934,587	123,582,671	96,545,633	51,202,619
Add: unearned Wakala fee opening		130,742,601	103,114,993	136,100,083	104,665,770
Less: unearned Wakala fee closing		(146,839,894)	(98,485,286)	(146,839,894)	(98,485,286)
		<u>164,837,294</u>	<u>128,212,378</u>	<u>85,805,821</u>	<u>57,383,103</u>
<b>25 NET CLAIMS - REPORTED / SETTLED - IBNR</b>					
Benefits/claims paid		269,159,388	313,630,401	234,744,891	234,067,053
Less: outstanding benefits/claims including IBNR - opening		(612,623,902)	(721,865,204)	(705,383,920)	(827,676,364)
Add: outstanding benefits / claims including IBNR - closing		732,960,822	745,591,446	732,960,822	745,591,446
Claims expense		389,496,308	337,356,643	262,321,793	151,982,135
Retakaful and other recoveries received		-	-	-	-
Add: retakaful and other recoveries received- closing		246,073,148	341,605,438	229,063,419	341,605,438
Less: retakaful and other recoveries received- opening		(229,063,419)	(230,780,709)	(229,063,419)	(230,780,709)
Retakaful and other recoveries revenue		17,009,729	110,824,729	-	110,824,729
Net claims expenses		<u>372,486,579</u>	<u>226,531,914</u>	<u>262,321,793</u>	<u>41,157,406</u>
<b>26 TAXATION PARTICIPANT RETAKAFUL FUND</b>					
Current tax-deducted at source		(30,963,103)	(14,938,646)	(25,829,628)	(14,821,980)
		<u>(30,963,103)</u>	<u>(14,938,646)</u>	<u>(25,829,628)</u>	<u>(14,821,980)</u>
<b>27 COMMISSION EXPENSE</b>					
Commission paid or payable		181,855,454	106,420,618	139,196,898	49,710,427
Add: deferred commission expense opening	29	114,413,227	103,795,712	92,774,845	99,402,554
Less: deferred commission expense closing		(143,870,854)	(85,896,973)	(143,870,854)	(85,896,973)
		<u>152,397,828</u>	<u>124,319,357</u>	<u>88,100,889</u>	<u>63,216,008</u>
<b>28 GENERAL, ADMINISTRATIVE AND</b>					
Salaries, allowance and other benefits		7,949,360	10,802,466	5,096,234	6,317,384
Shariah advisor fee		1,353,630	1,640,760	902,420	615,285
Auditor's remuneration		342,000	327,800	342,000	327,800
Others		175,206	-	140,464	-
		<u>9,820,196</u>	<u>12,771,026</u>	<u>6,481,118</u>	<u>7,260,469</u>

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29 SEGMENT REPORTING

PARTICIPANT'S RETAKAFUL FUND

	Six months ended June 30, 2024				TOTAL
	Fire and property damage	Marine	Miscellaneous	Treaty	
	-----Rupees-----				
Gross written contribution	44,631,001	606,795	10,704,827	848,730,311	904,672,934
Unearned contribution-opening	65,157,260	145,438	3,495,235	584,915,073	653,713,006
Unearned contribution-closing	35,683,774	336,707	4,645,777	693,533,214	734,199,472
<b>Contribution earned</b>	<b>74,104,487</b>	<b>415,526</b>	<b>9,554,285</b>	<b>740,112,170</b>	<b>824,186,468</b>
Retakaful-Ceded	-	-	-	-	-
Prepaid retakaful-opening	-	-	-	165,831,810	165,831,810
Prepaid retakaful-closing	-	-	-	61,648,164	61,648,164
<b>Retakaful expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104,183,646</b>	<b>104,183,646</b>
Net contribution	74,104,487	415,526	9,554,285	635,928,524	720,002,822
Rebate	-	-	-	-	-
<b>Net underwriting income (A)</b>	<b>74,104,487</b>	<b>415,526</b>	<b>9,554,285</b>	<b>635,928,524</b>	<b>720,002,822</b>
Benefits paid	14,195,743	-	368,826	254,594,819	269,159,388
Outstanding benefits/claims-opening	92,841,036	99,137	2,817,282	516,866,447	612,623,902
Outstanding benefits/claims-closing	83,347,765	99,137	7,428,420	642,085,500	732,960,822
<b>Claims expenses</b>	<b>4,702,472</b>	<b>-</b>	<b>4,979,964</b>	<b>379,813,872</b>	<b>389,496,308</b>
Retakaful recoveries received	-	-	-	-	-
Retakaful recoveries against outstanding claims-opening	-	-	-	229,063,419	229,063,419
Retakaful recoveries against outstanding claims-closing	-	-	-	246,073,148	246,073,148
<b>Retakaful recoveries revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,009,729</b>	<b>17,009,729</b>
Net benefit expenses	4,702,472	-	4,979,964	362,804,143	372,486,579
Wakala fee	14,820,897	83,105	1,910,857	148,022,434	164,837,294
Management expense	-	-	-	-	-
Contribution deficiency expense	-	-	-	-	-
<b>Net benefits and expenses (B)</b>	<b>19,523,369</b>	<b>83,105</b>	<b>6,890,821</b>	<b>510,826,577</b>	<b>537,323,873</b>
<b>Underwriting results (C=A-B)</b>	<b>54,581,118</b>	<b>332,421</b>	<b>2,663,464</b>	<b>125,101,947</b>	<b>182,678,949</b>
Profit on bank deposits	-	-	-	-	121,173,453
Modarib share of PTF investment income and bank investment income	-	-	-	-	(45,284,575)
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,964,847</b>
					<u>318,532,675</u>
Segment Assets	7,136,755	67,341	929,155	446,427,955	454,561,206
Unallocated Assets	-	-	-	-	2,907,986,655
					<u>3,362,547,862</u>
Segment Liabilities	119,031,539	435,844	12,074,197	1,335,618,714	1,467,160,294
Unallocated Liabilities	-	-	-	-	224,267,567
					<u>1,691,427,861</u>
<b>OPERATOR'S RETAKAFUL FUND</b>					
Wakala fee	14,820,897	83,105	1,910,857	148,022,434	164,837,294
Commission	(3,622,128)	(24,001)	(403,474)	(148,348,225)	(152,397,828)
Management expenses	(882,956)	(4,951)	(113,839)	(8,818,449)	(9,820,196)
<b>Segment Results</b>	<b>10,315,813</b>	<b>54,153</b>	<b>1,393,544</b>	<b>(9,144,240)</b>	<b>2,619,270</b>
Profit on bank deposits	-	-	-	-	30,157,977
Modarib share of PTF investment income and bank profit	-	-	-	-	45,284,575
Investment income	-	-	-	-	14,539,977
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,601,799</b>
Segment Assets	1,165,428	20,112	171,565	142,513,749	143,870,854
Unallocated Assets	-	-	-	-	940,224,888
					<u>1,084,095,742</u>
Segment Liabilities	7,136,755	67,341	929,155	138,706,643	146,839,894
Unallocated Liabilities	-	-	-	-	99,294,653
					<u>246,134,547</u>

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**PARTICIPANT'S RETAKAFUL FUND**

	Six months ended June 30, 2023				TOTAL
	Fire and property damage	Marine	Miscellaneous	Treaty	
	-----Rupees-----				
Gross written contribution	71,713,624	1,411,620	3,527,408	541,260,704	617,913,356
Unearned contribution-opening	29,302,693	182,303	2,807,774	483,282,193	515,574,963
Unearned contribution-closing	38,129,469	177,284	2,413,094	451,706,585	492,426,432
<b>Contribution Earned</b>	<b>62,886,848</b>	<b>1,416,639</b>	<b>3,922,088</b>	<b>572,836,312</b>	<b>641,061,887</b>
Retakaful-ceded	-	-	-	-	-
Prepaid Retakaful-opening	-	-	-	87,351,654	87,351,654
Prepaid Retakaful-closing	-	-	-	32,992,919	32,992,919
<b>Retakaful Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,358,735</b>	<b>54,358,735</b>
Net contribution	62,886,848	1,416,639	3,922,088	518,477,577	586,703,152
Rebate	-	-	-	-	-
<b>Net underwriting income (A)</b>	<b>62,886,848</b>	<b>1,416,639</b>	<b>3,922,088</b>	<b>518,477,577</b>	<b>586,703,152</b>
Benefits/claims paid	12,029,111	-	-	301,601,290	313,630,401
Outstanding benefits/claims-opening	92,981,163	145,896	3,721,474	625,016,671	721,865,204
Outstanding benefits/claims-closing	87,275,236	145,896	4,063,219	654,107,095	745,591,446
<b>Claims expenses</b>	<b>6,323,184</b>	<b>-</b>	<b>341,745</b>	<b>330,691,714</b>	<b>337,356,643</b>
Retakaful recoveries received	-	-	-	-	-
Retakaful recoveries against outstanding claims-	-	-	-	230,780,709	230,780,709
Retakaful recoveries against outstanding claims-	-	-	-	341,605,438	341,605,438
<b>Benefits recovered from retro takaful</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,824,729</b>	<b>110,824,729</b>
Net benefit expenses	6,323,184	-	341,745	219,866,985	226,531,914
Wakala Fee	12,577,370	283,328	784,418	114,567,262	128,212,378
Management expense	-	-	-	-	-
<b>Net benefits and expenses (B)</b>	<b>18,900,554</b>	<b>283,328</b>	<b>1,126,163</b>	<b>334,434,247</b>	<b>354,744,292</b>
<b>Underwriting results (C=A-B)</b>	<b>43,986,294</b>	<b>1,133,311</b>	<b>2,795,925</b>	<b>184,043,330</b>	<b>231,958,860</b>
Profit on bank deposits					88,846,060
Modarib share of PTF investment income and bank					(25,324,395)
Investment income					12,451,521
<b>Profit before tax</b>					<b>307,932,046</b>
Segment assets	7,625,894	35,457	482,619	464,939,674	473,083,643
Unallocated assets					1,899,559,733
					<u>2,372,643,376</u>
Segment liabilities	125,404,705	323,180	6,476,313	1,105,813,680	1,238,017,878
Unallocated liabilities					100,037,615
					<u>1,338,055,493</u>
<b>OPERATOR'S RETAKAFUL FUND</b>					
Wakala Fee	12,577,370	283,328	784,418	114,567,262	128,212,378
Commission	(4,755,445)	(113,719)	(196,278)	(119,253,915)	(124,319,357)
Management Expenses	(1,252,811)	(28,222)	(78,135)	(11,411,858)	(12,771,026)
<b>Segment Results</b>	<b>6,569,114</b>	<b>141,387</b>	<b>510,005</b>	<b>(16,098,511)</b>	<b>(8,878,005)</b>
Profit on bank deposits					31,999,034
Modarib share of PTF investment income and bank					25,324,395
Investment income					2,506,139
<b>Deficit before tax</b>					<b>30,951,563</b>
Segment Assets	1,376,879	9,436	119,462	84,391,196	85,896,973
Unallocated Assets					814,308,088
					<u>900,205,061</u>
Segment Liabilities	7,625,894	35,457	482,619	90,341,317	98,485,286
Unallocated Liabilities					84,347,635
					<u>182,832,921</u>

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30 FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
----- Rupees -----				
<b>PARTICIPANT'S RETAKAFUL FUND</b>				
June 30, 2024 (Un-audited)				
Open end mutual funds	755,807,257	-	-	755,807,257
<b>OPERATOR'S RETAKAFUL FUND</b>				
June 30, 2024 (Unaudited)				
Open end mutual funds	193,697,728	-	-	193,697,728
<b>PARTICIPANT'S RETAKAFUL FUND</b>				
December 31, 2023 (Audited)				
Open end mutual funds	115,763,546	-	-	115,763,546
<b>OPERATOR'S RETAKAFUL FUND</b>				
December 31, 2023 (Audited)				
Open end mutual funds	23,555,412	-	-	23,555,412

31 SUBSEQUENT NON ADJUSTING EVENTS

There are no significant subsequent events that need to be disclosed for the period ended Jun 30, 2024.

32 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.



33 DATE OF AUTHORIZATION FOR ISSUE



These condensed interim financial statements were authorized for issue on 29 AUG 2024 by the Board of Directors of the Operator.

34 GENERAL

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

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Chairman      Director      Director      Chief Executive Officer      Chief Financial Officer