Directors' Report
For Six Months Ended June30, 2023

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 endedJune30, 2023.

Review of Conventional Business Activities

The gross written premium is Rs. 13,480million against an amount of Rs. 9,374 million for the corresponding period of last year, showing an increase of Rs. 4,106 million (growth of 43.8%). The net premium is Rs.4,857 million against Rs. 4,016 million, showing an increase of Rs. 841million i.e. 21%. The net commission expense for the period is Rs. 564million as compared to Rs. 492million, showing an increase of Rs.72million (14.6%). The net claims are Rs. 3,097 million against Rs. 2,448 million, showing an increase of Rs.646million (26.5%).

The underwriting profit after management expenses for the period under review is Rs. 424million as compared to a profit of Rs.983million for the corresponding periods last year showing a decrease of Rs.559million i.e. 57%.

The income from investment increased from Rs. 537 million to Rs. 954 million in the period under review; an increase of Rs. 417 million i.e. 77.6%. Similarly, rental and other income for the period under review is recorded as Rs. 443million, as compared to Rs. 259 million in the corresponding period of last year, showing an increase of Rs. 184million i.e. 71.%.

The profit before tax for the period under review is Rs. 1,910million, as compared to Rs. 1,788million recorded in the corresponding period last year, showing an increase of Rs. 122millioni.e. 7%.

The profit after tax for the period under review is Rs. 1,248 million, as compared to Rs. 1,081million in the corresponding period of last year showing an increase of Rs. 167million (15%) resulting in earnings per share of Rs. 1.39 as compared to Rs. 1.20 for the corresponding period of last year showing an increase of Rs. 0.19 per share.

Review of Window Re-Takaful Business Activities

Participants' Re-takaful Fund

The gross written contribution is Rs. **618**million against an amount of Rs. 504million for the corresponding period of last year, showing an increase of Rs. 114million (22.6%). The net contribution is Rs. **586**million against Rs. 428million, showing an increase of Rs. 158million (36%). The wakala expense for the period is Rs. **128**million as compared to Rs. 101million, showing an increase of Rs. 27million (26.7%). The net claim expense for the period is Rs. **226**million as compared to Rs. 204million, showing an increase of Rs. 24million (10.7%).The income from investment and bank deposits for the period under review is recorded as

Rs. **101**million, as compared to Rs. 31 million in the corresponding period of last year, showing an increase of Rs.70 million (225%).

Operator's Re-takaful Fund

The wakala income for the period is Rs. **128**million as compared to Rs. 101 million, showing an increase of Rs. 27million (26.7%). The commission expense for the period is Rs. **124**million as compared to Rs. 100 million, showing an increase of Rs. 24million (24%), The general administrative & management expense for the period is Rs.**12.7** million as compared to Rs. 6.6 million, showing an increase of Rs. 6.1 million (92.4%), The income from investment and bank deposits for the period under review are recorded as Rs. **34.5**million, as compared to Rs. 11.2 million in the corresponding period of last year, showing an increase of Rs.23.3million (48%).

The profit after tax for the period under review is Rs. **31**million, as compared to Rs. 9.2million in the corresponding period of last year showing an increase of Rs. 21.8million (37%).

Future Outlook

The first half of 2023 was a challenging period for Pakistan; both economically and politically. The macroeconomic environment, higher inflation & multiple rounds of currency devaluation has made business conditions even more demanding. The decline in forex reserves not only put pressure on PKR but also created a backlog in retrocession payments. Despite the challenges, the company continuously engaged with the stakeholders including the State Bank of Pakistan, and succeeded in business continuity without any major hindrance. Going forward, we believe that the economic challenges will persist and inflationary pressure due to revision in power tariff and weakening of PKR will continue. Further increase in discount rate cannot be ruled out. Despite these challenge to economy, we are confident to post healthy profits in future.

Acknowledgment

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

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

For and on behalf of the Board of Directors.

Chairman Board
Karachi: 25th August 2023

Chief Executive Officer

ناظمین کی رپورٹ

برائے 30 جون 2023 پر اختتام پذیر چھ ماہ

قابل قدر حصص کنندگان

پاکستان ری-انشورنس کمپنی لمیٹڈ

بورڈ کے ناظمین کی جانب سے 30 جون 2023 کو اختتام پذیر دوسری سہ ماہی پر کمپنی کی درمیانی مدت کی ناظمین کی رپورٹ مالیاتی دستاویزات پیش کرتے ہوئے، میں خوشی محسوس کرتا ہوں۔

ریوایتی کاروباری سرگرمیوں کا جائزہ

مجموعی پریمیم بڑھ کر 13,480 ملین روپے ہو گیا جبکہ گذشتہ سال اسی مدت کے دوران اس کی مالیت 9,374 ملین روپے تھا، اس طرح سے اضافہ 4,106 ملین روپے (اضافہ 43.8 فیصد) رہا۔ خالص پریمیم بڑھ کر 4,857 ملین روپے ہو گیا جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت اس کی مالیت 4,016 ملین روپے تھی، اس طرح سے 841 ملین روپے (یعنی اضافہ 21 فیصد) دکھا رہا ہے۔ زیر غور مدت کے لیے خالص کمیشن اخراجات 564 ملین روپے رہے اس کے مقابلے میں گذشتہ مدت میں اس کی مالیت 492 ملین روپے تھی جو 72 ملین روپے (14.6 فیصد) کا اضافہ دکھا رہا ہے۔ گذشتہ سال اسی مدت کے 2,448 ملین روپے کے خالص دعوے بڑھ کر 3,097 ملین روپے ہو گئے اس طرح سے اضافہ 646 ملین روپے (یعنی 26.5 فیصد) دکھا رہا ہے۔

زیر غور سہ ماہی میں انتظامی اخراجات کے بعد ضمانتی بیمہ (Underwriting) کے نتیجہ 424 ملین روپے رہا جبکہ اس کے مقابلے میں گذشتہ سال کی اسی سہ ماہی میں اس کی مالیت 983 ملین روپے تھا جو 559 ملین روپے (57 فیصد) کی کمی دکھا رہا ہے۔

زیر غور سہ ماہی میں سرمایہ کاری سے آمدنی نے 537 ملین روپے کا اندراج کیا جبکہ گذشتہ سال اسی مدت کے دوران اس کی مالیت 417 ملین روپے تھی جو 231 ملین روپے (77.6 فیصد) کا اضافہ دکھا رہا ہے۔ اسی طرح، زیر غور مدت میں، کرایہ داری اور دیگر آمدنی 443 ملین روپے کا اندراج کیا جبکہ اس کے مقابلے میں گذشتہ سال اسی سہ ماہی میں 259 ملین روپے تھی جو 184 ملین روپے یعنی 71 فیصد کا اضافہ دکھا رہا ہے۔

زیر غور سیہ ماہی میں منافع قبل از محصول 1,910 ملین روپے کا اندراج کیا کے مقابلے میں گذشہ سال اسی مدت کے دوران اس کی مالیت 1,788 ملین روپے تھی جو 122 ملین روپے (7 فیصد) کا اضافہ دکھا رہا ہے۔

زیر غور سیہ ماہی میں منافع بعد از محصول 1,248 ملین روپے کے مقابلے میں گذشہ سال اسی مدت کے دوران اس کی مالیت 1,081 ملین روپے تھی جو 167 ملین روپے (15 فیصد) کا اضافہ دکھا رہا ہے جس کا نتیجہ 1.39 روپے آمدنی فی حصص رہا اس کے مقابلے میں گذشتہ سال اسی مدت کے دوران آمدنی فی حصص 1.20 روپے تھی جو 0.19 روپے فی حصص۔

ونڈوری-تکافل کی کاروباری سرگرمیوں کا جائزہ

شراکت داری ری-تکافل فنڈ

سال 2023 کی دوسری سہ ماہی میں مجموعی تحریر شدہ شراکت کے حصے کی مالیت 618 ملین روپے رہی جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 504 ملین روپے تھی جو 114 ملین روپے (22.6 فیصد) کا اضافہ دکھا رہا ہے۔ گذشتہ سال اسی مدت میں خالص حصہ کی مالیت 428 ملین روپے تھی، اس کے مقابلے میں زیر غور سہ ماہی میں اس کی مالیت **586** ملین روپے رہی جو 158 ملین روپے (36 فیصد) کا اضافہ دکھا رہا ہے۔ زیر غور مدت میں وکالہ اخراجات 128 ملین روپے رہے جو گذشتہ سال اسی مدت میں 101 ملین روپے تھے جو 27 ملین روپے (26.7 فیصد) کا اضافہ دکھا رہا ہے۔ زیر غور مدت میں خالص دعوے کے اخراجات 226 ملین روپے رہے اس کے مقابلے میں گذشتہ سال اسی مدت میں اس کی مالیت 204 ملین روپے تھی جو 24 ملین روپے (10.7 فیصد) کا اضافہ دکھا رہا ہے۔ زیر غور مدت میں سرمایہ کاری اور بینک ڈپازٹس میں 101 ملین روپے جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت میں اس کے مالیت 31 ملین تھی جو 70 ملین روپے (222 فیصد) کا اضافہ دکھا رہا ہے۔

آپریٹر کا ری-تکافل فنڈ

زیر غور مدت میں وکالہ آمدن 128 ملین روپے رہے جو گذشتہ سال اسی مدت میں 101 ملین روپے تھے 27 ملین روپے (26.7 فیصد) کا اضافہ دکھا رہا ہے۔ زیر غور مدت کے دوران کمیشن کے اخراجات 124 ملین روپے رہے جبکہ اس کے مقابلے میں گذشہ سال اسی مدت کے دوران اس کی مالیت 100 ملین روپے تھی جو 24 ملین (24 فیصد) کا اضافہ دکھا رہا ہے۔ زیر غور سہ ماہی میں عام انتظامی اور انتظامیہ کے اخراجات **12.7** ملین روپے رہے جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 6.6 ملین روپے تھی جو 6.1 ملین روپے (92.4 فیصد) کا اضافہ ظاہر کر رہا ہے۔۔ زیر غور مدت میں سرمایہ کاری اور بینک ڈپازٹس میں **34.5** ملین روپے جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت میں اس کے مالیت 11.2 ملین تھی جو 23.3 ملین روپے (48 فیصد) کا اضافہ دکھا رہا ہے۔

زیر جائزہ سہ ماہی میں منافع بعد از محصول **34.5** ملین روپے رہا جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 11.2 ملین روپے تھا جو 23.3 ملین روپے (48 فیصد) کا اضافہ دکھا رہا ہے۔.

زیر غور سیہ ماہی میں منافع بعد از محصول 31 ملین روپے کے مقابلے میں گذشہ سال اسی مدت کے دوران اس کی مالیت 9.2 ملین روپے تھی جو 21.8 ملین روپے (37 فیصد) کا اضافہ دکھا رہا ہے

مستقبل کا منظر نامہ

2023 کا پہلا نصف، پاکستان کے لیے معاشی اور سیاس طور پر مشکلات کا دور رہا۔ کلی معیشت (macroeconomic) کا ماحول، بلند تر افراط زر اور کرنسی کی قدر میں متعدد بار کمی نے کاروبار کے ماحول کو بھی زیادہ متقاضی بنا دیا ہے۔ غیر ملکی زر مبادلہ میں کمی نے نہ صرف پاکستانی روپے پر باؤ ڈالنے کے ساتھ ریٹروسیشینئر (retrocessionnaire) کی ادائیگیوں میں بھی رکاوٹ آئی۔ مشکلات کے باوجود کمپنی نے اپنے شرکاء مفاد (stakeholders) بشمول بینک دولت پاکستان سے رابطہ رکھا اور بغیر کسی بڑی رکاوٹ کے کاربار کو جاری رکھنے میں کامیاب رہے۔ آگے بڑھتے ہوئے، ہمیں یقین ہے کہ معاشی مشکلات بر قرار رہیں گی اور افراطی (inflationary) دباؤ بر قرار رہے گا جس کی وجہ توانائی کے نظر ثانی شدہ نرخ اور پاک روپے کی گراوٹ جاری رہے گی۔ مزید یہ کہ دسکاونٹ ریٹ میں اضافہ کے امکانات کو رد نہیں کیا جا سکتا۔ معیشت کو تمام در پیش تمام مشکلات کے باوجود، ہمیں امید ہے ہم تسلسل سے منافع دیتے رہیں گے۔

ستائش

آپ کے ناظمین اس موقع کا فائدہ اٹھاتے ہوئے کمپنی کے معزز گاہکوں، سیڈانٹس (cedants)، ریٹروسیشینئر (retrocessionnaire)، کاروباری شراکت دار، سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کی معاونت اور پیشہ ورانہ رہنمائی کا شکریہ ادا کرنا چاہتے ہیں۔

ہم اپنے حصص کنندگان کا بھی، ان کا کمپنی پر مسلسل اعتماد اور بھروسہ کرنے پر شکریہ ادا کرتے ہیں اور مستقبل میں اپنی بہترین کاوشوں کا یقین دلاتے ہیں۔ بالآخر، ناظمین کی یہ بھی خواہش ہے کہ وہ کمپنی کے افسران اور اسٹاف کی سخت محنت، وفاداری اور لگن پر اپنے سراہنے کو قلم بند کریں۔

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے

چیرمین / ڈائریکٹر

چیف ایگزیکٹیو آفیسر

کراچی: 25 اگست 2023

PAKISTAN REINSURANCE COMPANY LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

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, 2023 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

i. As disclosed in note 14 to the condensed interim financial statements, loans and other receivables include receivable from Sindh Revenue Board (SRB) amounting to Rs. 2,573.89 million (December 31, 2022: 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, shareholders' equity and solvency would have been reduced by the same amount accordingly.

ii. Note 15, 17, 18, 20, 22, 25, 26, 27 and 33 to the condensed interim financial statements include certain account balances and class of transactions which have been recorded against treaty proportional business. The Company solely relies on the amounts mentioned in statutory quarterly returns (and in one case bordereau is obtained) for the purpose of recording transactions including premium and claims. However, the Company does not have any systems and controls to verify such transactions. Consequently, we were unable to determine whether any adjustment to these amounts were necessary.

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

iii. The opening balance of insurance/reinsurance receivables to the extent of gross and net amount of Rs. 16,792 million and Rs. 16,626 million, respectively (refer note 15) and due to other insurance Companies amounting to Rs. 40.11 million (refer note 22), include balances which remain unreconciled as at the reporting date. The Company is in the process of reconciling these balances. Due to pending reconciliations relating to the above balances, we were unable to support our conclusion in respect of these balances and therefore resulting adjustments and consequential impact thereon, if any, on these condensed interim financial statements.

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

We draw attention to note 24.1 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

i. The figures for the quarters ended June 30, 2023 and June 30, 2022 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.

ii. The financial statements of the Company for the year ended December 31, 2022 and condensed interim financial statements of the Company for the half year ended June 30, 2022 were audited and reviewed by another firm of Chartered Accountants who have expressed a qualified opinion and qualified conclusion thereon vide their reports dated April 06, 2023 and August 27, 2022 respectively.

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

Chartered Accountants
Karachi
Dated: 25 August, 2023
UDIN: RR2023102227dX0DZv1H

PAKISTAN REINSURANCE COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITIED)

AS AT JUNE 30, 2023

	Note	June 30, 2023 Unaudited Rupees	December 31, 2022 Audited Rupees
ASSETS			
Property and equipment	7	465,678,916	446,068,118
Right of use asset		1,561,529,121	1,639,605,577
Intangible asset	8	10,617,052	10,083,343
Assest relating to Bangladesh	9	-	-
Investment property	10	817,499,679	722,274,603
Investments			
Equity securities	11	2,704,394,036	2,755,440,067
Debt securities	12	11,757,718,124	9,907,026,504
Loans and other receivables	13	447,426,349	462,488,314
Receivable from Sindh Revenue Board	14	2,573,888,727	2,573,888,727
Insurance / Reinsurance receivables	15	13,094,334,469	17,393,374,952
Reinsurance recoveries against outstanding claims	16	13,250,041,381	14,420,709,311
Deferred commission expense / acquisition cost	17	910,195,800	931,382,139
Taxation - payments less provision		17,770,900	78,557,588
Prepayments	18	8,864,538,169	8,943,542,637
Cash and bank	19	2,197,260,556	3,030,890,557
		58,672,893,279	63,315,332,436
Total assets from Window Takaful Operations - OPF		900,205,061	539,612,842
Total Assets		59,573,098,340	63,854,945,278
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		9,000,000,000	9,000,000,000
Revaluation surplus - net of tax		1,167,828,028	1,421,277,526
Reserves		4,400,786,966	3,900,130,136
Total Equity		14,568,614,994	14,321,407,662
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR	20	21,765,843,170	21,256,435,233
Unearned premium reserves		11,779,010,336	12,047,709,680
Unearned reisurance commission		574,504,799	539,143,250
Premium deficiency reserve		12,526,427	12,526,427
		34,131,884,732	33,855,814,590
Retirement benefit obligations		3,672,045,212	3,630,799,590
Deferred taxation	21	991,040,026	741,089,481
Insurance / reinsurance payables	22	5,807,018,321	10,932,282,952
Lease liabilities		24,217,688	23,033,149
Unclaimed Dividend		91,376,919	88,652,013
Other creditors and accruals	23	104,067,526	109,158,042
Total Liabilities		44,821,650,424	49,380,829,817
Total liabilities from Window Takaful Operations - OPF		182,832,922	152,707,799
Total Equity and Liabilities		59,573,098,340	63,854,945,278
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

CFO CEO DIRECTOR DIRECTOR CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Note	Six months period ended		Three months period ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		---------- Rupees ----------		---------- Rupees ----------	
Net insurance premium	25	4,857,748,180	4,016,450,644	2,406,290,212	1,736,611,635
Net insurance claims	26	(3,097,642,538)	(2,448,075,888)	(1,461,696,721)	(1,036,026,863)
Net commission and other acquistion costs	27	(564,221,599)	(491,891,948)	(300,574,032)	(236,416,288)
Insurance claims and acquisition expenses		(3,661,864,137)	(2,939,967,836)	(1,762,270,753)	(1,272,443,151)
Management expenses	28	(771,285,843)	(481,273,806)	(546,675,255)	(270,386,384)
Reversal of Provision for doubtful debts		-	387,702,417	-	387,702,417
Underwriting results		424,598,200	982,911,419	97,344,204	581,484,517
Investment income - net	29	954,002,119	537,835,158	545,769,829	273,594,965
Rental income - net	30	72,927,568	68,976,061	37,506,656	47,047,234
Finance cost		(1,528,796)	-	(1,511,153)	-
Fair value gain on investment property		95,225,076	-	95,225,076	-
Other income		370,168,865	189,923,227	175,088,412	110,458,254
Other expenses		(4,641,359)	(818,837)	(1,647,601)	(582,339)
Results of operating activities		1,910,751,673	1,778,827,029	947,775,423	1,012,002,631
Profit from Window Retakaful Operations - Operator's retakaful fund		31,080,453	9,279,739	28,019,563	9,890,858
Profit before tax		1,941,832,126	1,788,106,768	975,794,986	1,021,893,489
Taxation - Current	31	(718,123,571)	(707,274,818)	(401,821,006)	(424,615,340)
- Deferred		24,323,531	-	-	-
		(693,800,040)	(707,274,818)	(401,821,006)	(424,615,340)
Profit after tax		1,248,032,086	1,080,831,950	573,973,980	597,278,149
Earnings (after tax) per share - Rupees	34	1.39	1.20	0.64	0.66

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

CFO CEO DIRCTOR DIRECTOR CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Six months period ended		Three months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	---------- Rupees ----------		---------- Rupees ----------	
Profit for the Period	**1,248,032,086**	1,080,831,950	**573,973,980**	597,278,149
Other comprehensive income / (loss)				
Items that may be reclassified subsequently to profit and loss account				
Unrealized loss on available for sale investments - net	**(50,937,323)**	(416,088,948)	**68,375,293**	(258,182,827)
Impact of deferred tax	**19,865,556**	130,517,735	-	-
	(31,071,767)	(285,571,213)	**68,375,293**	(258,182,827)
Other Comprehensive Income- Window Retakaful Operations	**(550,526)**	(1,318,612)	**(1,094,851)**	(1,575,284)
Total other comprehensive (loss) / income for the period	**(31,622,293)**	(286,889,825)	**67,280,442**	(259,758,111)
Total comprehensive income for the period	**1,216,409,793**	793,942,125	**641,254,422**	337,520,038

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

CFO CEO DIRECTOR DIRECTOR CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Share capital	Reserves						
	Issued	Capital		Other	Revenue reserves			
	subscribed and paid-up	Reserve for exceptional losses	Unrealized loss on available for sale investment	Revaluation surplus	General reserve	Retained earnings	Total reserves	Total equity
	Rupees							
Balance as at start of January 01, 2022 (Audited)	3,000,000,000	281,000,000	1,054,853,340	1,545,282,086	1,777,419,085	5,413,640,105	10,072,194,616	13,072,194,616
Total Comprehensive income for the period ended June 30, 2022								
Profit after tax	-	-	-	-	-	1,080,831,950	1,080,831,950	1,080,831,950
Unrealized loss on available for sale investment - net	-	-	(416,088,948)	-	-	-	(416,088,948)	(416,088,948)
Unrealized loss on available for sale investment - window retakaful operations - Operator's retakaful fund	-		(1,318,612)				(1,318,612)	(1,318,612)
Deferred tax on available for sale investment	-	-	130,517,735	-	-	-	130,517,735	130,517,735
	-	-	(286,889,825)	-	-	1,080,831,950	793,942,125	793,942,125
Transactions with owners								
Final cash dividend 2021: Rs.2.00 @ 20% (2020 : Rs.2.50 @25%) per share		-			-	(600,000,000)	(600,000,000)	(600,000,000)
Issuance of bonus shares 2021: @ 200% (2020: Nil) per share	6,000,000,000	-	-	-	(642,122,769)	(5,357,877,231)	(6,000,000,000)	-
	6,000,000,000	-	-	-	(642,122,769)	(5,957,877,231)	(6,600,000,000)	(600,000,000)
Balance as at June 30, 2022	9,000,000,000	281,000,000	767,963,515	1,545,282,086	1,135,296,316	536,594,824	4,266,136,741	13,266,136,741
Balance as at start of January 01, 2023 (Audited)	**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	-	-	-	-	-	1,248,032,086	1,248,032,086	1,248,032,086
Unrealized loss on available for sale investment - net	-	-	(31,071,767)	-	-	-	(31,071,767)	(31,071,767)
Unrealized loss on available for sale investment - window retakaful operations - Operator's retakaful fund	-	-	(550,526)	-	-	-	(550,526)	(550,526)
	-	-	(31,622,293)	-	-	1,248,032,086	1,216,409,793	1,216,409,793
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	-	-
	-	-	-	(53,269,565)	-	53,269,565	-	-
Transactions with owners								
Final cash dividend 2022: Rs.0.75 @ 7.5% (2021 : Rs.2.00 @20%) per share	-	-	-	-	-	(675,000,000)	(675,000,000)	(675,000,000)
Balance as at June 30, 2023	9,000,000,000	281,000,000	471,473,703	1,167,828,028	1,135,296,316	2,513,016,947	5,568,614,994	14,568,614,994

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

CFO CEO DIRECTOR DIRECTOR CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASHFLOW (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	2023 (Rupees)	2022 (Rupees)
Operating Cash Flows:		
Underwriting activities:-		
Premium received	17,779,815,601	10,928,304,964
Reinsurance premium paid	(13,751,514,299)	(8,742,447,243)
Claims paid	(2,750,660,761)	(2,317,285,179)
Reinsurance and other recoveries received	1,333,094,090	1,917,142,882
Commission paid	(1,092,216,735)	(930,391,793)
Commission received	584,543,024	400,806,574
Other underwriting payments (management expenses)	(677,317,881)	(467,324,104)
Net cash flows generated from underwriting activities	1,425,743,039	788,806,101
Other Operating Activities		
Income tax paid	(657,336,884)	(301,418,782)
General management expenses paid	(4,641,359)	(818,837)
Other operating payments	(9,597,163)	(251,568,158)
Advances to employees - net	(14,381,944)	(25,340,938)
Net cash used in other operating activities	(685,957,350)	(579,146,715)
Total cash flow generated from all operating activities	739,785,689	209,659,386
Investment activities		
Fixed capital expenditure	(46,745,123)	(41,347,133)
Sale proceeds of fixed assets	-	481,480
Acquisition of investments	(6,924,110,829)	(9,276,157,611)
Rental income received - net of expenses	106,326,912	83,824,800
Dividend income received	156,084,007	82,846,294
Interest income on bank deposits	122,476,443	46,387,018
Investment income received - net of expenses	855,375,721	477,522,328
Proceeds on maturity of investments	4,829,452,274	9,097,694,526
Total cash used in investing activities	(901,140,595)	471,251,702
Financing activities		
Dividend paid	(672,275,094)	(716,781,673)
Total cash used in financing activities	(672,275,094)	(716,781,673)
Net cash used in all activities	(833,630,000)	(35,870,585)
Cash and cash equivalent at beginning of the period	3,030,890,556	1,140,841,359
Cash and cash equivalent at end of the period	2,197,260,556	1,104,970,774

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

CFO CEO DIRECTOR DIRECTOR CHAIRMAN

1 STATUS AND NATURE OF BUSINESS

1.1 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 government stakes in the Company through public offerings. The Privitization Commission has submitted the case of PRCL to CCOP for further guidance as Share Value of Stock Exchange is declined presently from the original approval of CCOP in 2018.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at PRC Towers, 32-A, Lalazar Drive, Maulvi Tamizuddin Khan Road, Karachi. The zonal office of the Company is located at 37-A, New Muslim Town, Lahore, Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

- Where the provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017. Takaful Rules, 2012 and General Takaful Regulation, 2019 differ with the requirements of IAS 34, provisions of and directives issued the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019 have been followed.

3.1.2 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange. These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjuction with annual financial statements of the Company as at and for the ended December 31, 2022 which have been prepared in accordance with approved accounting and reporting standards as applicable to insurance companies in Pakistan.

3.1.3 The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended December 31, 2022, whereas the comparative condensed profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the six months ended June 30, 2022.

3.1.4 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 regulation 6 of General Takaful Accounting Regulations, 2019. 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.

3.2 Basis of measurement

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

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

3.3 Functional and presentation currency

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

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and method of computation adopted by the Company in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual audited financial statements of the Company as at and for the year ended December 31, 2022.

4.1 Standards, amendments and interpretations to 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, 2023 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.

4.2 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 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, 2022.

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 year ended December 31, 2022.

	Note	(Unaudited) June 30, 2023	(Audited) December 31, 2022
		---------- Rupees ----------	
7 PROPERTY AND EQUIPMENT			
Operating fixed assets - WDV			
Opening balance		**446,068,118**	429,090,184
Additions at cost during the period / year		**35,725,742**	48,824,962
Disposal at WDV during the period / year		-	(377,638)
Depreciation charge for the period / year		**(16,114,944)**	(31,469,390)
Closing balance		**465,678,916**	446,068,118
8 INTANGIBLE ASSETS			
Capital Work-in-Progress - Computer Software			
Balance at beginning of the period		**10,083,343**	8,474,168
Additions during the period / Year		**533,709**	1,609,175
Balance at end of the period		**10,617,052**	10,083,343

8.1 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.

9 ASSETS RELATING TO BANGLADESH			
Total assets		**15,974,000**	15,974,000
Total liabilities	9.1	**(5,761,000)**	(5,761,000)
		10,213,000	10,213,000
Provision for loss on assets in Bangladesh		**(10,213,000)**	(10,213,000)
		-	-

9.1 These include claims related to Bangladesh amounting to Rs.4,952,000 (December 31, 2022 : Rs.4,952,000).

	Note	(Unaudited) June 30, 2023	(Audited) December 31, 2022
		---------- Rupees ----------	
10 INVESTMENT PROPERTIES			
Opening balance		**722,274,603**	722,274,603
Fair value gain		**95,225,076**	-
		817,499,679	722,274,603

11 INVESTMENT IN EQUITY SECURITIES

	Unaudited				Audited			
	June 30, 2023				Dec 31, 2022			
	Cost	Impairment / Provision	Unrealized Gain / (Loss)	Carrying Value	Cost	Impairment / Provision	Unrealized Gain / (Loss)	Carrying Value
	Rupees				Rupees			
Available for sale								
-Listed shares	509,998,497	-	1,017,787,213	1,527,785,710	509,998,497	-	1,026,745,078	1,536,743,575
-Unlisted Shares	2,608,106	(618,227)	(1,372,264)	617,615	2,608,106	(1,990,491)	-	617,615
-Mutual Funds	1,592,488,810	(300,680,906)	(246,174,996)	1,045,632,908	1,592,488,811	(300,680,906) -	207,940,212	1,083,867,693
Sub Total	2,105,095,413	(301,299,133)	770,239,953	2,574,036,233	2,105,095,414	(302,671,397)	818,804,865	2,621,228,882
Held For Trading								
-Listed Share	173,954,125	-	(43,596,298)	130,357,827	173,954,125	-	(39,742,940)	134,211,185
Total Equity Securities	2,279,049,538	(301,299,133)	726,643,655	2,704,394,060	2,279,049,539	(302,671,397)	779,061,925	2,755,440,067

12 INVESTMENT IN DEBT SECURITIES

	June 30, 2023		Dec 31, 2022	
	Cost	Amortized Cost / Market value	Cost	Amortized Cost / Market value
	Rupees		Rupees	
Held to Maturity				
Pakistan Investment Bonds	4,840,281,092	4,948,442,648	4,380,146,471	4,424,006,929
Term Finance Certificate	99,820,000	99,820,000	99,840,000	99,840,000
Treasury Bills	6,158,346,600	6,506,560,899	4,928,548,850	5,180,006,150
	11,098,447,692	11,554,823,547	9,408,535,321	9,703,853,079
Available for Sale				
Pakistan Investment Bonds	174,294,647	202,894,577	195,481,125	203,173,425
Total Debt Securities	11,272,742,339	11,757,718,124	9,604,016,446	9,907,026,504

	Note	(Unaudited) June 30, 2023	(Audited) Dec. 31, 2022
		---------- Rupees ----------	
13 LOANS AND OTHER RECEIVABLES - Considered good			
Accrued investment income		**131,927,198**	139,927,517
Loans to employees		**94,876,794**	80,494,850
Sundry receivables - net		**110,592,396**	100,726,049
Receivable from tenants		**110,029,961**	141,339,898
		447,426,349	462,488,314
14 RECEIVABLE FROM SINDH REVENUE BOARD			
Receivable from Sindh Revenue Board	14.1	**2,573,888,727**	2,573,888,727

14.1 The aggregate of Rs.2,573.889 million (December 31, 2022: 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 Apeal No. AT-109/2015.

15 INSURANCE / REINSURANCE RECEIVABLES			
Amount due from other reinsurers		**420,945,040**	721,774,617
Amount due from other insurers	15.1	**13,180,077,245**	17,178,288,151
		13,601,022,285	17,900,062,768
Less: provision for impairment in due from other insurers / reinsurers	15.2	**(506,687,816)**	(506,687,816)
		13,094,334,469	17,393,374,952
Premium and claim reserves retained by cedants		**24,831,633**	24,831,633
Less: Provision for impairment in premium and claim reserves retained by cedants		**(24,831,633)**	(24,831,633)
		-	-
		13,094,334,469	17,393,374,952

15.1 This includes an amount of Rs. 5,187,405,451 (December 31, 2022: Rs. 10,729,548,945) due from related party National Insurance Company Limited. The age analysis of amount due from related party is as follows:

Up to 3 months	**5,187,405,451**	9,757,572,410
Over 3 months and above	**-**	971,976,535
	5,187,405,451	10,729,548,945

15.2 Movement of provision for impairment

Balance at the beginning of the period/year	**506,687,816**	1,049,198,285
Provisions made during the period/year	**-**	(542,510,469)
Balance at the end of the period/year	**506,687,816**	506,687,816

16 REINSURANCE RECOVERIES AGAINST OUTSTANDING CLAIMS INCLUDING IBNR			
Facultative business	16.1	**12,539,164,224**	13,407,154,617
Treaty		**710,877,157**	1,013,554,694
		13,250,041,381	14,420,709,311

16.1 Facultative business

Fire	**389,566,753**	410,710,801
Marine cargo	**5,425,012**	5,425,012
Marine hull	**14,144,136**	14,565,192
Accident	**13,933,067**	13,933,067
Aviation	**916,208,568**	916,208,568
Engineering	**11,199,886,688**	12,046,311,977
	12,539,164,224	13,407,154,617

	Note	(Unaudited) June 30, 2023	(Audited) Dec. 31, 2022
		---------- Rupees ----------	
17 DEFERRED COMMISSION EXPENSE			
Facultative business	17.1	**384,003,561**	361,765,142
Treaty		**526,192,239**	569,616,997
		910,195,800	931,382,139
17.1 Facultative business			
Fire		**71,398,766**	53,334,034
Marine cargo		**528,199**	6,334,980
Marine hull		**14,757,244**	2,640,357
Accidents and others		**22,261,268**	7,220,759
Aviation		**56,868,899**	117,381,006
Engineering		**218,189,185**	174,854,006
		384,003,561	361,765,142
18 PREPAYMENTS			
Prepaid reinsurance ceded - facultative business	18.1	**8,050,733,546**	8,157,303,075
Prepaid reinsurance ceded - treaty business		**812,214,491**	783,025,375
		8,862,948,037	8,940,328,450
Other prepayments		**1,590,132**	3,214,187
		8,864,538,169	8,943,542,637
18.1 Prepayment reinsurance ceded - facultative business			
Fire		**1,981,809,023**	38,243,295
Marine Cargo		**-**	89,749,062
Marine hull		**221,573,811**	23,645,065
Accidents and others		**353,460,051**	80,909,326
Aviation		**2,124,596,638**	4,408,006,288
Engineering		**3,369,294,023**	3,516,750,039
		8,050,733,546	8,157,303,075
19 CASH AND BANK			
Cash in hand		**542,648**	335,020
Cash at bank in:			
Saving account			
- Local currency		**320,924,159**	1,541,818,348
- Foreign currency		**1,123,628,922**	686,452,556
		1,444,553,081	2,228,270,904
Current accounts			
- Local currency		**653,280,086**	711,204,528
Dividend accounts			
- Saving accounts		**79,758,557**	67,030,422
- Current accounts		**19,126,184**	24,049,683
		98,884,741	91,080,105
		2,197,260,556	3,030,890,556
20 OUTSTANDING CLAIMS INCLUDING IBNR			
Facultative business	20.1	**18,146,986,779**	17,772,634,303
Treaty		**3,623,808,391**	3,488,752,930
		21,770,795,170	21,261,387,233
Claims related to Bangladesh, (adjusted in Note 9)		**(4,952,000)**	(4,952,000)
		21,765,843,170	21,256,435,233

	Note	(Unaudited) June 30, 2023	(Audited) Dec. 31, 2022
		---------- Rupees ----------	
20.1 Facultative business			
Fire		**4,015,930,046**	3,497,442,825
Marine cargo		**71,092,223**	59,944,602
Marine hull		**69,772,488**	65,000,872
Accident and others		**240,791,087**	102,343,570
Aviation		**1,012,490,303**	1,011,311,668
Engineering		**12,736,910,632**	13,036,590,766
		18,146,986,779	17,772,634,303

21 DEFERRED TAXATION

Deferred tax liabilities on taxable temporary differences:		
Property and equipment	**156,915,406**	120,787,566
Right of use assets	**608,996,357**	475,485,617
Investment Property	**308,881,173**	202,065,600
Unrealized gain on investments	**294,544,998**	225,927,959
	1,369,337,934	1,024,266,742
Deferred tax assets on deductible temporary differences:		
Provision for doubtful debts	**(32,459,935)**	(24,136,875)
Provision for impairment of insurers / reinsurers receivable	**(197,608,248)**	(146,939,467)
Provision for impairment of receivables from other insurers / reinsurers	**(9,684,337)**	(7,201,174)
Lease liabilities	**(9,444,898)**	(6,679,613)
Notional interest on interest free loans	**(11,593,828)**	(10,445,427)
Provision for impairment in available for sale investments	**(117,506,662)**	(87,774,705)
	(378,297,908)	(283,177,261)
	991,040,026	741,089,481

22 INSURANCE / REINSURANCE PAYABLES

Due to other insurers/reinsurers	**5,791,193,965**	10,916,458,596
Premium and claim reserves retained from retrocessionaires	**15,824,356**	15,824,356
	5,807,018,321	10,932,282,952

23 OTHERS CREDITORS AND ACCRUALS

Other creditors and accruals	**22,176,115**	21,300,655
Rent Payable	**36,277,063**	36,277,063
Security deposits	**38,235,510**	32,496,917
Accrued expenses	**6,166,236**	18,007,846
Surplus profit payable	**1,212,602**	1,075,561
	104,067,526	109,158,042

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 Sindh Sales Tax

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

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

Subsequently, the Company received two orders in pursuance of Appellate Tribunal (SRB) Order against Appeal No. 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.

24.1.2 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 if 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.

24.1.3 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, 2022.

	(Unaudited)	(Audited)
	June 30, 2023	Dec. 31, 2022
	---------- **Rupees** ----------	
24.2 Commitments		
Commitments in respect of capital expenditure		
- Short term lease rentals (0 to 1 year)	**3,734,004**	565,908
- Capital expenditure (intangible assets)	**25,422,503**	25,422,503
	29,156,507	25,988,411

	Six months period ended		Three months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Rupees			
25 NET INSURANCE PREMIUM				
Written gross premium	13,480,775,118	9,374,070,476	7,463,679,157	4,799,186,861
Add: Unearned premium reserve opening	12,047,709,680	10,732,384,652	11,417,944,861	9,745,430,571
Less: Unearned premium reserve closing	(11,779,010,336)	(9,104,972,900)	(11,779,010,336)	(9,104,972,900)
Premium earned	13,749,474,462	11,001,482,228	7,102,613,682	5,439,644,532
Less: Reinsurance premium ceded	8,814,345,869	6,436,313,021	5,891,971,402	4,659,746,314
Add: Prepaid reinsurance premium opening	8,940,328,450	7,722,831,183	7,667,300,105	6,217,399,203
Less: Prepaid reinsurance premium closing	(8,862,948,037)	(7,174,112,620)	(8,862,948,037)	(7,174,112,620)
Reinsurance expense	(8,891,726,282)	(6,985,031,584)	(4,696,323,470)	(3,703,032,897)
	4,857,748,180	4,016,450,644	2,406,290,212	1,736,611,635
26 NET INSURANCE CLAIMS				
Claims paid	2,750,660,761	2,317,285,179	1,046,873,078	1,048,962,450
Add: Outstanding claims including IBNR closing	21,770,795,170	17,048,432,615	21,770,795,170	17,048,432,615
Less: Outstanding claims including IBNR opening	(21,261,387,233)	(9,406,389,187)	(21,777,647,512)	(17,148,288,806)
Claims expense	3,260,068,698	9,959,328,607	1,040,020,736	949,106,259
Less: Reinsurance and other recoveries received	1,333,094,090	1,917,142,882	-	1,921,931,902
Add: Reinsurance and other recoveries in respect of outstanding claims closing	13,250,041,381	10,202,237,072	13,250,041,381	10,202,237,072
Less: Reinsurance and other recoveries in respect of outstanding claims opening	(14,420,709,311)	(4,608,127,235)	(13,671,717,366)	(12,211,089,578)
Reinsurance and other recoveries revenue	(162,426,160)	(7,511,252,719)	421,675,985	86,920,604
	3,097,642,538	2,448,075,888	1,461,696,721	1,036,026,863
27 NET COMMISSION AND OTHER ACQUISTION COSTS				
Commission paid or payable	1,092,216,735	930,391,793	673,261,061	476,590,989
Add: Deferred commission expense opening	931,382,139	806,214,206	829,957,591	775,043,263
Less: Deferred commission expense closing	(910,195,800)	(756,523,689)	(910,195,800)	(756,523,689)
Net commission	1,113,403,074	980,082,310	593,022,852	495,110,563
Less: Commission received or recoverable	584,543,024	400,806,574	443,881,230	319,534,793
Add: Unearned reinsurance commission opening	539,143,250	523,294,102	423,072,389	375,069,796
Less: Unearned reinsurance commission closing	(574,504,799)	(435,910,314)	(574,504,799)	(435,910,314)
Commission from reinsurers	(549,181,475)	(488,190,362)	(292,448,820)	(258,694,275)
	564,221,599	491,891,948	300,574,032	236,416,288

28 MANAGEMENT EXPENSES

	Six months period ended		Three months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Rupees			
Salaries, Wages and Benefits	320,696,524	393,683,362	191,684,618	196,514,098
Employees benefits	250,460,000	-	200,460,000	-
Travelling and Conveyance	18,360,391	4,545,614	7,448,654	2,849,656
Entertainment expenses	1,825,314	1,099,719	1,089,438	788,442
Communication expense	1,227,156	1,682,136	660,918	778,118
Insurance	2,609,612	1,454,020	1,356,642	140,569
Utilities	4,577,543	5,123,848	3,985,190	6,385,742
Printing and stationery	3,111,906	1,712,075	1,560,042	1,041,906
Repairs and renewal	1,483,812	1,399,341	1,135,942	888,861
Medical expenses	6,436,073	8,976,046	2,260,648	4,046,549
Rent, Rates and Taxes	2,356,060	2,309,655	1,617,525	2,309,655
Computer related expenses	24,728,566	5,185,178	15,191,442	2,228,094
Consultant/Professional service charges.	2,917,224	2,526,684	1,875,974	2,102,934
Newspaper and periodicals	60,450	62,115	38,200	38,358
Financial charges	-	279,074	-	253,217
Depreciation on property and equipment	16,114,944	16,043,025	16,045,613	8,468,281
Depreciation on right of use assets	78,197,274	-	78,197,274	-
Directors' meeting expenses	8,533,832	5,760,546	5,114,769	3,553,132
Advertisement and business promotion	1,738,428	6,072,250	941,591	5,722,250
Training and research	3,933,560	1,270,750	137,474	55,143
Repairs and maintenance	23,325,392	8,139,009	15,220,814	6,684,995
Shares transaction costs	-	63,427	-	45,573
Others	1,681,695	35,219,370	842,184	35,388,549
Welfare fund	10,000,000	-	5,000,000	-
Donations	2,000,000	-	2,000,000	-
	786,375,756	502,607,245	553,864,952	280,284,122
Expenses allocated to Rental Income	(9,227,815)	(11,315,268)	(4,399,292)	(5,297,193)
Expenses allocated to Investment Income	(5,862,098)	(10,018,171)	(2,790,405)	(4,279,699)
	771,285,843	481,273,806	546,675,255	270,707,230

	Six months period ended		Three months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Rupees			
29 INVESTMENT INCOME				
Income from equity securities				
Available for sale				
Dividend income	146,471,907	77,882,294	103,717,617	-
Held for trading				
Dividend income	9,612,100	4,964,000	4,835,600	1,822,000
	156,084,007	82,846,294	108,553,217	1,822,000
Income from debt securities				
Return on debt securities				
Held to maturity				
Pakistan Investment Bonds	282,388,636	139,871,508	146,444,633	92,463,384
Treasury Bills	442,457,650	315,887,050	249,933,550	163,494,250
Profit on Term Finance Certificates	9,364,268	6,525,997	4,878,956	-
Amortization of discount on PIBs - net	59,777,719	8,669,826	33,412,752	7,483,449
	793,988,273	470,954,381	434,669,891	263,441,083
Available for sale				
Pakistan Investment Bonds	13,645,295	22,531,475	6,862,635	32,622,436
Net realized gains on investments				
Held for trading financial assets				
Realized gain on Equity securities	-	374,400	-	-
Net unrealized losses on investments				
Net unrealized (loss) on held for trading investment	(3,853,358)	(28,853,221)	(1,525,509)	(20,010,855)
Total investment income	959,864,217	547,853,329	548,560,234	277,874,664
Less: Investment related expenses	(5,862,098)	(10,018,171)	(2,790,405)	(4,279,699)
Net Investment income	954,002,119	537,835,158	545,769,829	273,594,965
30 RENTAL INCOME				
Rental income	82,155,383	80,291,329	41,905,948	46,369,119
Less: Expenses of investment property	(9,227,815)	(11,315,268)	(4,399,292)	(5,297,193)
	72,927,568	68,976,061	37,506,656	41,071,926
31 TAXATION				
For the year				
Current	718,123,571	445,838,227	401,821,006	233,318,788
Deferred	(24,323,531)	133,232,104	-	63,092,066
Prior	-	128,204,486	-	128,204,486
	693,800,040	707,274,817	401,821,006	424,615,340

32 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 ----------			
June 30, 2023 (Un-audited)				
Financial assets measured at fair value				
Held-for-trading investment				
Ordinary shares - listed	**130,357,827**	**130,357,827**	-	-
Available-for-sale investment				
Ordinary shares - listed	**1,527,785,710**	**1,527,785,710**	-	-
Mutual fund units	**1,045,632,908**	**1,045,632,908**	-	-
Ordinary shares - unlisted	**617,615**	-	-	**617,615**
	2,704,394,060	**2,703,776,445**	-	**617,615**
December 31, 2022 (Audited)				
Financial assets measured at fair value				
Held-for-trading investment				
Ordinary shares - listed	134,211,185	134,211,185	-	-
Available-for-sale investment				
Ordinary shares - listed	1,536,743,575	1,536,743,575	-	-
Mutual fund units	1,083,867,693	1,083,867,693	-	-
Ordinary shares - unlisted	617,615	-	-	617,615
	2,755,440,068	2,754,822,453	-	617,615

33 SEGMENT INFORMATION

33.1 Six month period ended

June 30, 2023	Fire	Marine cargo	Marine hull	Accident	Aviation	Engineering	Treaty	Total
	---Rupees---							
Gross written premium	3,823,454,742	214,702,728	334,346,466	710,928,210	81,803,360	4,675,298,007	3,640,241,605	13,480,775,118
Unearned-Opening	500,178,705	113,176,377	41,549,187	131,355,951	4,700,022,226	3,756,048,541	2,805,378,693	12,047,709,680
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)
Premium earned	2,025,551,913	320,860,748	126,099,072	361,203,208	2,475,129,147	5,024,653,381	3,415,976,993	13,749,474,462
Reinsurance-Ceded	3,200,985,642	67,440,705	294,088,876	427,765,609	-	3,902,015,422	922,049,615	8,814,345,869
Prepaid reinsurance-Opening	38,243,295	89,749,062	23,645,065	80,909,326	4,408,006,288	3,516,750,039	783,025,375	8,940,328,450
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)
Reinsurance expenses	1,257,419,914	157,189,767	96,160,130	155,214,884	2,283,409,650	4,049,471,438	892,860,499	8,891,726,282
Net insurance premium	768,131,999	163,670,981	29,938,942	205,988,324	191,719,497	975,181,943	2,523,116,494	4,857,748,180
Commission income	55,329,007	15,718,976	9,616,013	10,392,916	122,028,722	326,913,126	9,182,715	549,181,475
Net underwriting income (A)	823,461,006	179,389,957	39,554,955	216,381,240	313,748,219	1,302,095,069	2,532,299,209	5,406,929,655
Insurance claims paid	40,788,842	659,206	5,020,950	5,874,791	73,005,653	1,385,553,250	1,239,758,069	2,750,660,761
Outstanding-Opening	(3,497,442,825)	(59,944,602)	(65,000,872)	(102,343,570)	(1,011,311,668)	(13,036,590,766)	(3,488,752,930)	(21,261,387,233)
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
Insurance claims expenses	559,276,063	11,806,827	9,792,566	144,322,308	74,184,288	1,085,873,116	1,374,813,530	3,260,068,698
Reinsurance recoveries received	-	-	-	-	19,152,074	1,313,942,016	-	1,333,094,090
Recovery-Opening	(410,710,801)	(5,425,012)	(14,565,192)	(13,933,067)	(916,208,568)	(12,046,311,977)	(1,013,554,694)	(14,420,709,311)
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
Insurance claims recovered from reinsures	(21,144,048)	-	(421,056)	-	19,152,074	467,516,727	(302,677,537)	162,426,160
Net claims	580,420,111	11,806,827	10,213,622	144,322,308	55,032,214	618,356,389	1,677,491,067	3,097,642,538
Commission expense	111,061,768	18,459,447	7,699,539	20,595,077	64,271,763	249,827,297	641,488,183	1,113,403,074
Management expense	122,135,786	26,024,282	4,760,401	32,752,894	30,484,098	155,057,481	400,070,901	771,285,843
Net insurance claims and expenses (B)	813,617,665	56,290,556	22,673,562	197,670,279	149,788,075	1,023,241,167	2,719,050,151	4,982,331,455
Underwriting results (C=A-B)	9,843,341	123,099,401	16,881,393	18,710,961	163,960,144	278,853,902	(186,750,942)	424,598,200
Net investment income								954,002,119
Rental income								72,927,568
Other expenses								(4,641,359)
Finance Cost								(1,528,796)
Fair value gain on investment property								95,225,076
Other income								370,168,865
Profit before tax								1,910,751,673
Segment assets	823,461,006	179,389,957	39,554,955	216,381,240	313,748,219	1,302,095,069	2,532,299,209	5,406,929,655
Unallocated assets								
								5,406,929,655
Segment liabilities	813,617,665	56,290,556	22,673,562	197,670,279	149,788,075	1,023,241,167	2,719,050,151	4,982,331,455
Unallocated liabilities								
								4,982,331,455

June 30, 2022	Fire	Marine cargo	Marine hull	Accident	Aviation	Engineering	Treaty	Total
	---Rupees---							
Gross written premium	797,389,099	22,485,517	193,199,610	179,498,268	28,313,714	5,163,591,560	2,989,592,708	9,374,070,476
Unearned-Opening	709,287,738	9,793,225	52,201,183	41,133,807	4,455,283,060	3,295,066,824	2,169,618,815	10,732,384,652
Unearned-Closing	(452,785,134)	(10,050,779)	(95,130,330)	(96,936,370)	(2,205,324,835)	(3,868,542,995)	(2,376,202,457)	(9,104,972,900)
Premium earned	1,053,891,703	22,227,963	150,270,463	123,695,705	2,278,271,939	4,590,115,389	2,783,009,066	11,001,482,228
Reinsurance-Ceded	223,657,449	-	79,167,522	54,061,089	22,393,800	4,785,942,607	1,271,090,554	6,436,313,021
Prepaid reinsurance-Opening	40,842,152	-	22,227,920	3,150,578	4,237,630,265	3,095,679,708	323,300,560	7,722,831,183
Prepaid reinsurance-Closing	(123,910,845)	-	(54,921,831)	(43,661,992)	(2,071,814,252)	(3,768,698,589)	(1,111,105,111)	(7,174,112,620)
Reinsurance expenses	140,588,756	-	46,473,611	13,549,675	2,188,209,813	4,112,923,726	483,286,003	6,985,031,584
Net insurance premium	913,302,947	22,227,963	103,796,852	110,146,030	90,062,126	477,191,663	2,299,723,063	4,016,450,644
Commission income	9,277,541	-	4,647,361	951,058	114,926,705	353,195,354	5,192,343	488,190,362
Net underwriting income (A)	922,580,488	22,227,963	108,444,213	111,097,088	204,988,831	830,387,017	2,304,915,406	4,504,641,006
Insurance claims paid	232,204,812	1,325,386	2,661,960	49,696,545	733,945,892	40,611,241	1,256,839,343	2,317,285,179
Outstanding-Opening	(1,841,612,038)	(68,805,420)	(229,659,688)	(291,598,982)	(1,779,285,442)	(2,008,445,696)	(3,186,981,921)	(9,406,389,187)
Outstanding-Closing	3,555,182,761	75,449,477	229,585,351	241,587,020	1,202,828,414	5,783,901,410	5,959,898,182	17,048,432,615
Insurance claims expenses	1,945,775,535	7,969,443	2,587,623	(315,417)	157,488,864	3,816,066,955	4,029,755,604	9,959,328,607
Reinsurance recoveries received	-	-	-	-	659,335,525	(4,789,020)	1,262,596,377	1,917,142,882
Recovery-Opening	(317,808,041)	-	(65,747,545)	-	(1,642,925,619)	(1,559,407,642)	(1,022,238,388)	(4,608,127,235)
Recovery-Closing	1,599,067,287	-	67,497,544	-	1,079,827,718	5,143,077,690	2,312,766,833	10,202,237,072
Insurance claims recovered from reinsures	1,281,259,246	-	1,749,999	-	96,237,624	3,578,881,028	2,553,124,822	7,511,252,719
Net claims	664,516,289	7,969,443	837,624	(315,417)	61,251,240	237,185,927	1,476,630,782	2,448,075,888
Commission expense	137,487,711	1,535,825	9,829,162	7,980,762	57,129,973	193,574,488	572,544,389	980,082,310
Management expense	165,965,709	3,739,897	18,861,998	17,979,660	16,366,119	63,791,485	194,568,938	481,273,806
Premium deficiency expense	-	-	-	-	-	-	-	-
Net insurance claims and expenses (B)	967,969,709	13,245,165	29,528,784	25,645,005	134,747,332	494,551,900	2,243,744,109	3,909,432,004
Reversal of Provision for doubtful debts	-	-	-	-	-	-	-	387,702,417
Underwriting results (C=A-B)	(45,389,221)	8,982,798	78,915,429	85,452,083	70,241,499	335,835,117	61,171,297	982,911,419
Net investment income								537,835,158
Rental income								68,976,061
Other expenses								(818,837)
Other income								189,923,227
Profit before tax								1,778,827,028
Segment assets	922,580,488	22,227,963	108,444,213	111,097,088	204,988,831	830,387,017	2,304,915,406	4,504,641,006
Unallocated assets								47,192,532,671
								51,697,173,677
Segment liabilities	967,969,709	13,245,165	29,528,784	25,645,005	134,747,332	494,551,900	2,243,744,109	3,909,432,004
Unallocated liabilities								34,804,639,503
								38,714,071,507

33.2 Three month period ended

June 30, 2023	Fire	Marine cargo	Marine hull	Accident	Aviation	Engineering	Treaty	Total
	---Rupees---							
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)
Premium earned	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)
Reinsurance expenses	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
Net underwriting income (A)	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
Insurance claims expenses	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
Insurance claims recovered from reinsures	(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
Net insurance claims and expenses (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
Underwriting results (C=A-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								545,769,829
Net investment income								37,506,656
Rental income								(1,647,601)
Other expenses								(1,511,153)
Finance cost								95,225,076
Fair value gain on investment property								175,088,412
Other income								947,775,423
Profit before tax								
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								
								2,698,739,032
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								
								2,601,394,828

June 30, 2022	Fire	Marine cargo	Marine hull	Accident	Aviation	Engineering	Treaty	Total
	Rupees							
Gross written premium	347,674,072	9,583,919	170,986,606	140,772,993	27,184,096	3,046,020,086	1,056,965,089	4,799,186,861
Unearned-Opening	716,647,339	13,499,266	15,243,904	16,731,686	3,336,321,765	2,906,743,010	2,740,243,601	9,745,430,571
Unearned-Closing	(452,785,134)	(10,050,779)	(95,130,330)	(96,936,370)	(2,205,324,835)	(3,868,542,995)	(2,376,202,457)	(9,104,972,900)
Premium earned	611,536,277	13,032,406	91,100,180	60,568,309	1,158,181,026	2,084,220,101	1,421,006,233	5,439,644,532
Reinsurance-Ceded	-	-	72,961,848	54,061,089	22,393,800	3,239,239,023	1,271,090,554	4,659,746,314
Prepaid reinsurance-Opening	194,902,509	-	-	1,583,992	3,155,076,475	2,687,930,533	177,905,694	6,217,399,203
Prepaid reinsurance-Closing	(123,910,845)	-	(54,921,831)	(43,661,992)	(2,071,814,252)	(3,768,698,589)	(1,111,105,111)	(7,174,112,620)
Reinsurance expenses	70,991,664	-	18,040,017	11,983,089	1,105,656,023	2,158,470,967	337,891,137	3,703,032,897
Net insurance premium	540,544,613	13,032,406	73,060,163	48,585,220	52,525,003	(74,250,866)	1,083,115,096	1,736,611,635
Commission income	4,681,936	-	1,804,002	794,399	58,281,406	188,441,544	4,690,988	258,694,275
Net underwriting income (A)	545,226,549	13,032,406	74,864,165	49,379,619	110,806,409	114,190,678	1,087,806,084	1,995,305,910
Insurance claims paid	191,700,193	487,052	1,603,714	20,502,432	177,562,927	24,957,198	632,148,934	1,048,962,450
Outstanding-Opening	(3,889,711,713)	(74,445,713)	(229,768,399)	(234,417,697)	(1,252,796,474)	(5,685,755,159)	(5,781,393,651)	(17,148,288,806)
Outstanding-Closing	3,555,182,761	75,449,477	229,585,351	241,587,020	1,202,828,414	5,783,901,410	5,959,898,182	17,048,432,615
Insurance claims expenses	(142,828,759)	1,490,816	1,420,666	27,671,755	127,594,867	123,103,449	810,653,465	949,106,259
Reinsurance recoveries received	-	-	-	-	659,335,525	-	1,262,596,377	1,921,931,902
Recovery-Opening	(1,872,782,902)	-	(67,497,544)	-	(1,515,600,530)	(5,140,499,278)	(3,614,709,324)	(12,211,089,578)
Recovery-Closing	1,599,067,287	-	67,497,544	-	1,079,827,718	5,143,077,690	2,312,766,833	10,202,237,072
Insurance claims recovered from reinsures	(273,715,615)	-	-	-	223,562,713	2,578,412	(39,346,114)	(86,920,604)
Net claims	130,886,856	1,490,816	1,420,666	27,671,755	(95,967,846)	120,525,037	849,999,579	1,036,026,863
Commission expense	80,425,736	881,177	5,831,605	1,938,478	28,903,006	87,405,965	289,724,596	495,110,563
Management expense	131,517,734	2,890,102	16,021,507	12,290,598	12,897,175	12,830,643	81,938,623	270,386,382
Net insurance claims and expenses (B)	342,830,326	5,262,095	23,273,778	41,900,831	(54,167,665)	220,761,645	1,221,662,798	1,801,523,808
Underwriting results (C=A-B)	202,396,223	7,770,311	51,590,387	7,478,788	164,974,074	(106,570,967)	(133,856,714)	193,782,102
Provision for doubtful debts								387,702,417
Net investment income								273,594,965
Rental income								47,047,234
Other expenses								(582,339)
Other income								110,458,254
Profit before tax								1,012,002,633
Segment assets	545,226,549	13,032,406	74,864,165	49,379,619	110,806,409	114,190,678	1,087,806,084	1,995,305,910
Unallocated assets								
								1,995,305,910
Segment liabilities	342,830,326	5,262,095	23,273,778	41,900,831	(54,167,665)	220,761,645	1,221,662,798	1,801,523,808
Unallocated liabilities								
								1,801,523,808

34 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, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
Profit after tax for the period	**1,248,032,086**	1,080,831,950	**573,973,980**	597,278,149
Weighted average number of ordinary shares (Number of shares)	**900,000,000**	900,000,000	**900,000,000**	900,000,000
Earning per share - basic	**1.39**	1.20	**0.64**	0.66

35 TRANSACTIONS WITH RELATED PARTIES

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

	(Unaudited) Six months period ended		(Unaudited) Three months period ended	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
	---------- Rupees ----------			
Major shareholder				
Government of Pakistan through Ministry of Commerce				
Dividend paid during the period	**306,000,000**	305,999,512	**306,000,000**	305,999,512
State Life Insurance Corporation of Pakistan				
Dividend paid during the year	**146,464,402**	146,464,402	**146,464,402**	146,464,402
Related parties by virtue of GoP's holdings				
Purchase of investment (T-Bills)	**5,434,097,100**	8,358,943,200	**4,476,940,600**	4,221,610,700
Pakistan State Oil Company Limited				
Dividend received during the year	**-**	-	**-**	-
National Investment Trust Limited				
Dividend received during the year	**77,220,000**	27,720,000	**49,500,000**	-
National Insurance Company Limited				
Premium due but unpaid	**10,729,548,945**	8,797,497,324	**10,729,548,945**	8,797,497,324
Insurance premium written during the year	**8,570,769,698**	5,181,175,820	**5,768,909,947**	5,181,175,820
Premium received	**(14,112,913,192)**	(7,916,576,633)	**(11,311,053,442)**	(7,916,576,633)
Balance at the end of year	**5,187,405,451**	6,062,096,511	**5,187,405,450**	6,062,096,511
Insurance commission paid	**375,665,127**	230,106,146	**316,856,062**	172,554,451
Insurance claims paid	**1,452,022,939**	730,298,714	**94,008,544**	172,674,882
Other related parties				
Remuneration including benefits and perquisites of key management personnel	**-**	-	**-**	-

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36 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.

37 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 25 AUG 2023 by the Board of Directors of the Company.

38 GENERAL

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

CFO CEO DIRECTOR DIRECTOR CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED

WINDOW RETAKAFUL OPERATIONS

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

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, 2023 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 fund 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 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.

Disclaimer of Conclusion

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion section of our report, we have not been able to obtain sufficient appropriate evidence to form a conclusion on these condensed interim financial statements. Accordingly, we do not express a conclusion on these condensed Interim financial statements.

Basis for Disclaimer of Conclusion

I. As disclosed in 8, 10, 11, 16, 17, 24, 26, 28 and 30 to these condensed interim financial statements, certain account balances and class of transactions have been recorded against treaty proportional business. We were unable to obtain sufficient and appropriate evidence in respect of such account balances and class of transactions because the Company does not establish any system and controls to verify the transactions and only relies on the amounts provided in the statuary quarterly returns and bordereaux. Consequently, we were unable to verify and determine whether any adjustments to these amounts were necessary.

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

II. The opening balance of takaful / retakaful receivables to the extent of gross and net amount of Rs. 423.435 million and Rs. 410.660 million (refer note 8) include material balances which remains unreconciled as at the reporting date. The Company is in the process to reconcile these balances.

Due to pending reconciliations relating to the above balances, we were unable to support our conclusion in respect of these balances and therefore resulting adjustment and consequential impact thereon, (if any) on these financial statements remain unascertained.

Emphasis of Matter

We draw attention to the note 23.1 to these condensed interim financial statements which explains that the ultimate outcome of the matter stated cannot presently be determined for the reasons as mentioned in the aforementioned note.

Other matter

i. The figures for the quarters ended June 30, 2022 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 don't express a conclusion on them.

ii. The financial statements of the Operator for the year ended December 31, 2022 and condensed interim financial statements of the Operator for the half year ended June 30, 2022 were audited and reviewed by another firm of Chartered Accountants who have expressed disclaimer of opinion and disclaimer of conclusion vide their reports dated April 06, 2023 and August 27 2022, respectively.

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

Chartered Accountants
Karachi
Dated: 25 August,2023
UDIN: AR202310222QKgXB5YcM

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2023

	Note	Operator's Retakaful Fund		Participant's Retakaful fund	
		June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
		----------Rupees----------			
ASSETS					
Investments	6	21,423,775	20,196,059	105,287,368	99,193,301
Other receivable	7	5,441,937	4,084,045	10,363,798	10,631,103
Takaful/retakaful receivables	8	-	-	525,543,118	503,635,945
Receivables from Participant's/Operator's Retakaful fund - net	9	27,335,905	-	-	14,683,246
Qard-e-hasna to Participant's Retakaful Fund		300,000,000	300,000,000	-	-
Deferred wakala fee	10	-	-	98,485,287	103,114,993
Retakaful recoveries against outstanding claims		-	-	341,605,438	230,780,709
Deferred commission expense	11	85,896,973	103,795,712	-	-
Deferred tax asset	12	106,936	-	-	-
Prepayments	13	-	-	32,992,919	87,351,654
Bank balances	14	459,999,537	111,537,025	1,258,365,449	1,110,117,788
TOTAL ASSETS		900,205,063	539,612,841	2,372,643,377	2,159,508,739
FUND AND LIABILITIES					
FUNDS ATTRIBUTABLE TO:					
Operator's Retakaful Fund					
Statutory fund		600,000,000	300,000,000	-	-
Reserves	15	117,372,141	86,905,042	-	-
Total Operator's Funds		717,372,141	386,905,042	-	-
Participant's Retakaful Fund					
Seed money		-	-	1,000,000	1,000,000
Reserves	15	-	-	733,587,883	445,084,170
Balance of Participant's Takaful Fund				734,587,883	446,084,170
Qard-e-Hasna		-	-	300,000,000	300,000,000
		-	-	1,034,587,883	746,084,170
LIABILITIES					
Underwriting provisions					
Outstanding claims including IBNR	16	-	-	745,591,446	721,865,204
Unearned contribution reserves	17	-	-	492,426,432	515,574,963
		-	-	1,238,017,878	1,237,440,167
Unearned wakala fee	10	98,485,286	103,114,993	-	-
Takaful/retakaful payables	18	-	-	72,670,021	175,952,712
Payable to Participant/Operator's Retakaful Fund - net	9	-	14,683,246	27,335,905	-
Taxation - provision less payment	19	35,411,049	20,615,023	-	-
Deferred tax liability	12	-	182,212	-	-
Other creditors and accruals	20	36,048,422	2,437,660	31,690	31,690
Payable to related party	21	12,888,165	11,674,665	-	-
TOTAL LIABILITIES		182,832,922	152,707,799	1,338,055,494	1,413,424,569
TOTAL EQUITY AND LIABILITIES		900,205,063	539,612,841	2,372,643,377	2,159,508,739
CONTINGENCIES AND COMMITMENTS	22				

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

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR | DIRECTOR | CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTH PERIOD ENDED JUNE 30, 2023

	Note	Six months period Ended		Three months period Ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		----------Rupees----------			
Participant's Retakaful Fund					
Contributions earned	23	641,061,887	506,075,707	286,915,513	259,329,600
Less: contributions ceded to retrotakaful		(54,358,735)	(77,579,233)	(23,169,393)	(51,439,062)
Net contribution revenue		586,703,152	428,496,474	263,746,120	207,890,538
Wakala expense	24	(128,212,378)	(101,215,141)	(57,383,103)	(51,865,920)
Net underwriting income		458,490,774	327,281,333	206,363,017	156,024,618
Net claims - reported / settled - IBNR	25	(226,531,914)	(204,580,192)	(41,157,406)	(76,778,239)
Surplus before investment income		231,958,860	122,701,141	165,205,611	79,246,379
Profit on bank deposit		88,846,061	24,309,500	88,846,061	12,102,307
Investment income		12,451,521	6,940,861	11,673,749	6,081,437
Less: Modarib's share of investment income and profit on bank deposit		(25,324,396)	(7,812,590)	(25,129,953)	(4,545,936)
		75,973,186	23,437,771	75,389,857	13,637,808
Surplus before taxation		307,932,046	146,138,912	240,595,468	92,884,187
Taxation	26	(14,938,646)	(4,635,066)	(14,821,980)	(4,045,653)
Surplus transferred to accumulated surplus		292,993,400	141,503,846	225,773,488	88,838,534
Operator's Retakaful Fund					
Wakala fee income	24	128,212,378	101,215,141	57,383,103	51,865,920
Commission expense	27	(124,319,357)	(100,566,593)	(63,216,008)	(51,933,411)
General, administrative and management expenses	28	(12,771,026)	(6,602,386)	(7,260,469)	(4,348,591)
		(8,878,005)	(5,953,838)	(13,093,374)	(4,416,082)
Modarib's share of participant's investment income and profit on bank deposit		25,324,396	7,812,590	25,129,953	4,545,936
Investment income		2,506,139	1,406,945	2,347,457	1,268,331
Profit on bank deposits		31,999,033	9,804,359	31,999,033	12,339,117
Profit before taxation		50,951,563	13,070,056	46,383,069	13,737,302
Taxation		(19,871,110)	(3,790,316)	(18,089,397)	(3,983,818)
Profit after taxation		31,080,453	9,279,739	28,293,672	9,753,484

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

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR | DIRECTOR | CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTH PERIOD ENDED JUNE 30, 2023

	Six months period ended		Three months period Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----------Rupees----------			
Participant's Retakaful Fund				
Surplus for the period	292,993,400	141,503,846	240,595,468	88,838,534
Other comprehensive loss for the period:				
Item that may be subsequently reclassified to profit and loss account				
Unrealised loss on 'available for sale' investments	(4,489,687)	(2,452,290)	(7,198,890)	(3,631,888)
Total comprehensive income for the period	288,503,713	139,051,556	233,396,578	85,206,646
Operator's Retakaful Fund				
Profit after taxation	31,080,453	9,279,739	28,293,672	9,753,484
Other comprehensive loss for the period:				
Item that may be subsequently reclassified to profit and loss account				
Unrealised loss on 'available for sale investments' - net of tax	(902,502)	(362,911)	(1,446,827)	(619,584)
Impact of deferred tax	351,976	-	351,976	-
	(550,526)	(362,911)	(1,094,851)	(619,584)
Total comprehensive income for the period	30,529,927	8,916,828	27,198,821	9,133,900

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

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR | DIRECTOR | CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
CONDENSED INTERIM STATEMENT OF CHANGES IN FUNDS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Attributable to Operator's Retakaful Fund				
		Capital	Revenue		
	Statutory Fund	Unrealized gain / (loss) on available for sale investment	Unappropriated Profit	Total Reserves	Total
	----------Rupees----------				
Balance as at January 01, 2022 (Audited)	300,000,000	217,305	55,732,353	55,949,658	355,949,658
Total comprehensive income for the six month six month ended June 30, 2022					
Profit after tax	-		9,279,739	9,279,739	9,279,739
sale investments-net of tax	-	(362,911)	-	(362,911)	(362,911)
	-	(362,911)	9,279,739	8,916,828	8,916,828
Balance as at June 30, 2022 (Unaudited)	300,000,000	(145,606)	65,012,092	64,866,486	364,866,486
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 six month six month ended June 30, 2023					
Profit after tax	-	-	**31,080,453**	**31,080,453**	**31,080,453**
Unrealized loss on available for sale investments-net of tax	-	**(902,502)**	-	**(902,502)**	**(902,502)**
Deferred tax impact		**351,976**	-	**351,976**	**351,976**
	-	**(550,526)**	**31,080,453**	**30,529,927**	**30,529,927**
Effect of deferred tax due change in tax rate	-	**(62,828)**	-	**(62,828)**	**(62,828)**
Balance as at June 30, 2023 (Unaudited)	**600,000,000**	**188,684**	**117,183,457**	**117,372,141**	**717,372,141**

	Attributable to Participant's Retakaful Fund				
		Capital	Revenue		
	Seed money	Unrealized gain / (loss) on available for sale investment	Accumulated Surplus	Total Reserves	Total
	----------Rupees----------				
Balance as at January 01, 2022 (Audited)	1,000,000	3,304,137	93,843,816	97,147,953	98,147,953
Total comprehensive income for the six month six month ended June 30, 2023					
Unrealized loss on available for sale investments	-	(2,452,290)	-	(2,452,290)	(2,452,290)
Surplus for the period	-	-	141,503,846	141,503,846	141,503,846
	-	(2,452,290)	141,503,846	139,051,556	139,051,556
Balance as at June 30, 2022 (Unaudited)	1,000,000	851,847	235,347,662	236,199,509	237,199,509
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 six month six month ended June 30, 2023					
Surplus for the period	-	-	**292,993,400**	**292,993,400**	**292,993,400**
Unrealized loss on available for sale investments	-	**(4,489,687)**	-	**(4,489,687)**	**(4,489,687)**
	-	**(4,489,687)**	**292,993,400**	**288,503,713**	**288,503,713**
Balance as at June 30, 2023 (Unaudited)	**1,000,000**	**1,126,432**	**732,461,451**	**733,587,883**	**734,587,883**

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

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR | DIRECTOR | CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
CONDENSED INTERIM STATEMENT OF CASHFLOWS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2023

	Operator's Retakaful Fund		Participant's Retakaful Fund	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----------Rupees----------			
Operating cash flow				
Retakaful activities				
Contribution received	-	-	596,006,183	328,982,705
Retro takaful contribution paid	-	-	(103,282,691)	(95,331,670)
Benefits paid	-	-	(313,630,401)	(90,940,378)
Benefits recoveries from retro takaful	-	-	-	28,632,209
Commission paid	(106,420,618)	(93,689,920)	-	-
Net cash (used in) / generated from retakaful activities	(106,420,618)	(93,689,920)	179,093,091	171,342,867
Other operating activities				
Income tax paid	(5,075,084)	(1,675,503)	-	-
Management expenses paid	(12,771,026)	(6,602,386)	-	-
Other operating receipts/(payments)	140,354,285	339,884,479	(121,559,257)	(342,822,395)
	122,508,175	331,606,590	(121,559,257)	(342,822,395)
Net cash generated from / (used in) other operating activities	122,508,175	331,606,590	(121,559,257)	(342,822,395)
Total cash from/(used in) all operating activities	16,087,557	237,916,669	57,533,834	(171,479,528)
Investing activities				
Payment for investments made	(2,130,217)	(1,202,096)	(10,583,755)	(5,953,219)
Receipt of profit on bank deposits	31,999,033	9,804,359	88,846,061	24,309,500
Receipt of investment income	2,506,139	1,406,945	12,451,521	6,940,861
Funds received for statutory fund	300,000,000	-	-	-
Total cashflow from investing activities	332,374,955	10,009,208	90,713,827	25,297,142
Financing activities				
Net cash flow generated from all activities	348,462,512	247,925,877	148,247,661	(146,182,387)
Cash and cash equivalents at beginning of the period	111,537,025	110,526,812	1,110,117,788	598,618,743
Cash and cash equivalents at end of the period	459,999,537	358,452,690	1,258,365,449	452,436,357
Reconciliation to profit and loss account				
Operating cash flows	16,087,557	237,916,669	57,533,834	(171,479,528)
Receipt of Profit on bank deposits	31,999,033	9,804,359	88,846,061	24,309,500
Receipt of Investment income	2,506,139	1,406,945	12,451,521	6,940,861
Increase / (decrease) in operating assets other than cash	10,901,994	(239,236,337)	58,792,910	166,952,494
(Increase) / decrease in operating liabilities	(15,329,097)	1,502,916	90,307,721	119,415,585
(Increase) in liabilities and assets due to change in tax rate	(289,147)	-	-	-
Other adjustments:				
Income tax paid	5,075,084	1,675,503	-	-
Profit / surplus before taxation	50,951,563	13,070,056	307,932,046	146,138,911
Provision for taxation	(19,871,110)	(3,790,316)	(14,938,646)	(4,635,066)
Profit / surplus after taxation	31,080,453	9,279,739	292,993,400	141,503,845

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

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR | DIRECTOR | CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Pakistan Reinsurance Company Limited (the Company) is a pubic listed company incorporated in Pakistan on March 30, 2000 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Pakistan Reinsurance Company Limited - Window Retakaful Operations (the Operator) is listed on Pakistan Stock Exchange and is engaged in general retakaful business which comprise of fire, marine, aviation, engineering and accident. The registered office of the Operator is situated at PRC Tower. 32-A. Lalazar Drive. Maulvi Tamizuddin Khan Road, Karachi. The zonal office of the Operator is located at 1st floor, 15-A, Davis Road, State Life Building, Lahore, Pakistan.

1.2 The Operator has been authorized to undertake Window Retakaful Operations on September 26, 2018 by Securities and Exchange Commission of Pakistan (SECP) under Takaful Rules, 2012 to carry on General Window Retakaful Operations in Pakistan. For the purpose of carrying on the Retakaful business, the Operator has formed a Waqf (Participants' Retakaful Fund) on September 26, 2018 under the Waqf Deed with a Cede money of Rs. 1,000,000.

1.3 The Waqf Deed and Participant Retakaful Fund Policies (Waqf Rules) govern the relationship of Operator, Waqf and Participants for management of Retakaful operations, investment of Waqf and Operator's Fund as approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of Waqf remain separately identifiable. The financial statements of the Operator are prepared in such a manner that the financial position and results from the operations of Waqf and the Operator are shown separately.

1.4 During the period, Participant's Retakaful fund of the Window Retakaful Operations incurred a surplus of Rs. 292,993,400 (June 2022: Rs. 141,503,846 surplus), resulting in accumulated surplus of Rs. 732,461,451 (December 2022: Rs. 235,347,662) as of the date of statement of financial position. Further, as of that date total assets of Participant's Retakaful Fund exceed its total liabilities by Rs. 734,587,883 (2022: Rs. 237,199,509).

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required for audited annual financial statements and should be read in conjunction with the annual financial statements of the Operator as at and for the year ended December 31, 2022 which have been prepared in accordance with accounting and reporting standards as applicable to insurance companies in Pakistan.

2.3 The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Operator for the year ended December 31, 2022, whereas the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in funds are extracted from the unaudited condensed interim financial statements for the half year ended June 30, 2022.

2.4 Basis of measurement

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

2.5 Functional and presentation currency

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

3 USE OF JUDGEMENTS AND ESTIMATES

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Operators' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Operator as at and for the year ended December 31, 2022.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same and are consistent with those followed in the preparation of the annual audited financial statements of the Operator for the year ended December 31, 2022.

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, 2023 but are considered not to be relevant or to have any significant effect on the Operator'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 Operator'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, 2022.

6 INVESTMENTS

Available for sale - Mutual Funds

	30-June-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)
	----------Rupees----------					
AL HAMRA ISLAMIC INCOME FUND	4,378,133	4,323,750	(54,383)	21,513,748	21,188,728	(325,020)
AL-AMEEN ISLAMIC SOVEREIGN FUND -Class-C	2,298,491	2,267,857	(30,634)	4,056,160	4,002,100	(54,060)
AL-AMEEN ISLAMIC CASH FUND	2,014,857	1,982,613	(32,244)	17,421,041	17,126,436	(294,605)
NBP ISLAMIC MAHANA AMDANI FUND (FORMERLY:NBP AITEMAAD MAHANA AMDANI FUND)	4,368,097	4,310,236	(57,861)	21,464,609	21,122,551	(342,058)
ABL ISLAMIC INCOME FUND	4,261,684	4,162,607	(99,077)	20,944,457	20,395,375	(549,082)
MEEZAN ROZANA AMDANI FUND - GROWTH-B	4,376,697	4,376,702	5	21,452,190	21,452,179	(11)
	21,697,959	21,423,765	(274,194)	106,852,205	105,287,369	(1,564,836)

	31-December-2022					
	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	3,902,248	4,080,742	178,494	19,181,651	19,997,856	816,205
AL-AMEEN ISLAMIC SOVEREIGN FUND -Class-C	2,059,555	2,148,748	89,193	3,634,508	3,791,908	157,400
AL-AMEEN ISLAMIC CASH FUND	1,775,645	1,861,940	86,295	15,354,648	16,084,032	729,384
NBP ISLAMIC MAHANA AMDANI FUND (FORMERLY:NBP AITEMAAD MAHANA AMDANI FUND)	3,879,668	4,064,275	184,607	19,071,306	19,917,206	845,900
ABL ISLAMIC INCOME FUND	3,871,926	3,961,649	89,723	19,034,770	19,410,741	375,971
MEEZAN ROZANA AMDANI FUND - GROWTH-B	4,078,699	4,078,704	5	19,991,568	19,991,557	(11)
	19,567,741	20,196,058	628,317	96,268,451	99,193,300	2,924,849

	Operator's Retakaful Fund		Participant's Retakaful Fund	
	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	----------Rupees----------			
7 OTHER RECEIVABLES				
Loan to employee	1,517,892	160,000	-	-
Accrued markup on bank deposits	3,924,045	3,924,045	10,363,798	10,631,103
	5,441,937	4,084,045	10,363,798	10,631,103

	Note	Participant's Retakaful Fund	
		June 30, 2023 (Unaudited)	Dec 31, 2022 (Audited)
		----------Rupees----------	
8 TAKAFUL/RETAKAFUL RECEIVABLES			
Due from takaful participants holders			
Treaty retakaful		378,774,551	361,612,636
Facultative retakaful		159,590,104	154,844,846
		538,364,655	516,457,482
Less: provision for impairment	8.1	(12,821,537)	(12,821,537)
		525,543,118	503,635,945

8.1 Movement of provision for impairment

Opening balance	12,821,537	4,048,412
Provisions made during the period	-	8,773,125
Closing balance	12,821,537	12,821,537

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	Note	Operator's Retakaful Fund		Participant's Retakaful Fund	
		June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
		----------Rupees----------			
9 RECEIVABLE FROM PARTICIPANT'S RETAKAFUL FUND / (PAYABLE) TO OPERATOR'S RETAKAFUL FUND)					
Amount (payable) to / receivable from Participant's Retakaful Fund	9.1	**(15,150,543)**	(39,419,289)	**15,150,543**	39,419,289
Wakala fee	9.2	**123,582,670**	241,037,755	**(123,582,670)**	(241,037,755)
Modarib's share of participant's retakaful fund investment income and bank profit	9.3	**25,324,396**	20,306,173	**(25,324,396)**	(20,306,173)
Commission payable		**(106,420,618)**	(236,607,884)	**106,420,618**	236,607,884
		27,335,905	(14,683,245)	**(27,335,905)**	14,683,245

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% (2022: 20%) of gross contribution written.

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.

	Note	Operator's Retakaful Fund		Participant's Retakaful Fund	
		June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
		----------Rupees----------			
10 UNEARNED WAKALA FEE / DEFERRED WAKALA FEE					
Facultative business	10.1	**8,143,970**	6,458,554	**8,143,970**	6,458,554
Treaty		**90,341,317**	96,656,439	**90,341,317**	96,656,439
		98,485,287	103,114,993	**98,485,287**	103,114,993
10.1 Facultative business					
Fire		**3,187,954**	5,175,445	**3,187,954**	5,175,445
Marine Cargo		**35,457**	6,816	**35,457**	6,816
Marine Hull		**-**	29,644	**-**	29,644
Accident		**482,619**	561,555	**482,619**	561,555
Engineering		**4,437,940**	685,094	**4,437,940**	685,094
		8,143,970	6,458,554	**8,143,970**	6,458,554
11 DEFERRED COMMISSION EXPENSE					
Facultative business	11.1	**1,505,777**	2,437,160	**-**	-
Treaty		**84,391,196**	101,358,552	**-**	-
		85,896,973	103,795,712	**-**	-
11.1 Facultative business					
Fire		**1,275,594**	2,097,475	**-**	-
Marine Cargo		**9,436**	3,141	**-**	-
Marine Hull		**-**	11,117	**-**	-
Accident		**119,462**	137,899	**-**	-
Engineering		**101,285**	187,528	**-**	-
		1,505,777	2,437,160	**-**	-
12 DEFERRED TAX ASSET/(LIABILITY)					
Opening balance		**(182,212)**	(319,252)	**-**	-
Deductible temporary differences on Unrealized gain on available for sale investments		**-**		**-**	-
Taxable temporary differences Unrealized loss on available for sale investments		**289,148**	137,040	**-**	-
		106,936	(182,212)	**-**	-

	Note	Operator's Retakaful Fund		Participant's Retakaful Fund	
		June 30, 2023 (UnAudited)	December 31, 2022 (Audited)	June 30, 2023 (UnAudited)	December 31, 2022 (Audited)
		----------Rupees----------			
13 PREPAYMENTS					
Treaty business					
Prepaid retakaful contribution ceded		-	-	32,992,919	87,351,654
14 BANK BALANCES					
Cash at bank in:					
Saving accounts	14.1	459,999,537	111,537,025	1,258,365,449	1,110,117,788

14.1 Markup on profit and loss sharing account ranges from 14% to 16% (December 31 2022: 14% to 16 %) per annum.

15 RESERVES				
Revenue Reserves				
Unappropriated profit	117,183,457	86,103,004	732,461,451	439,468,051
Capital Reserves				
Unrealized gain on available for sale reserve	188,684	802,038	1,126,432	5,616,119
	117,372,141	86,905,042	733,587,883	445,084,170

	Note	Participant's Retakaful Fund	
		June 30, 2023 (UnAudited)	December 31, 2022 (Audited)
		----------Rupees----------	
16 OUTSTANDING CLAIMS INCLUDING IBNR			
Facultative business	16.1	91,484,351	96,848,533
Treaty	16.2	654,107,095	625,016,671
		745,591,446	721,865,204

16.1 Facultative business

Fire	76,738,568	83,479,953
Marine cargo	80,537	80,537
Marine hull	65,359	65,359
Accident	4,063,219	3,721,474
Engineering	10,536,668	9,501,210
	91,484,351	96,848,533

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 26, 2023 which amounts to Rs. 11.036 million and Rs. Nil respectively.

	Note	Participant's Retakaful Fund	
		June 30, 2023 (UnAudited)	December 31, 2022 (Audited)
		----------Rupees----------	
17 UNEARNED CONTRIBUTION RESERVES			
Facultative business	17.1	40,719,847	32,292,770
Treaty		451,706,585	483,282,193
		492,426,432	515,574,963
17.1 Facultative business			
Fire		15,939,769	25,877,225
Marine cargo		177,284	34,081
Marine hull		-	148,222
Accident		2,413,094	2,807,774
Engineering		22,189,700	3,425,468
		40,719,847	32,292,770
18 TAKAFUL/RETAKAFUL PAYABLES			
Retakaful contribution payable		72,670,021	175,952,712

	Note	Operator's Retakaful Fund		Participant's Retakaful Fund	
		June 30, 2023 (Unaudited)	December 31, 2022 (Audited)	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
		----------Rupees----------			
19 TAXATION- PROVISION LESS PAYMENT					
Balance at beginning of the period/year		(20,615,025)	(13,404,751)	-	
Income tax deducted at source on dividend income		375,921	246,937	1,867,767	1,193,917
Income tax deducted at source on bank profit		4,699,165	4,947,705	13,067,879	9,566,411
Payment of income tax		-	-	-	
Provision for current tax		(19,871,110)	(12,404,914)	(14,938,646)	(10,760,328)
Balance at end of the period/year		(35,411,049)	(20,615,023)	-	-
20 OTHER CREDITORS AND ACCRUALS					
Treaty reinsurers		34,489,095	-	-	-
Salaries payable		81,590	22,800	-	-
Income tax deducted at source		298,566	-	26,730	26,730
Employee income tax payable		400,293	363,464	-	-
Other Payable		26,738	-	-	-
Audit fee payable		588,500	975,800	-	-
Sindh sales tax payable		13,640	11,990	3,960	3,960
Miscellaneous creditors		150,000	1,063,606	1,000	1,000
		36,048,422	2,437,660	31,690	31,690
21 PAYABLE TO RELATED PARTY					
Pakistan Reinsurance Company Limited	21.1	12,903,133	11,674,665	-	-
21.1 Payable in respect of					
Income tax		1,884,393	1,884,393	-	-
Salaries		10,256,469	9,028,001	-	-
Bonus		762,271	762,271	-	-
		12,903,133	11,674,665	-	-

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. Pakistan Reinsurance Comapny Limited (PRC) 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. 156.6 million pertaining to the half year 2023 (2022: Rs. 156.6 million) on retakaful operations excluding any additional penalty or default surcharge.

22.2 There are no commitments as at June 31, 2023 (December 31 2022: Nil).

	Note	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
		----------Rupees----------			
23 NET CONTRIBUTION REVENUE					
Written gross contribution	29	617,913,356	503,839,712	256,013,096	221,460,942
Add: unearned contribution reserve opening	29	515,574,963	389,667,246	523,328,849	425,299,909
Less: unearned contribution reserve closing		(492,426,432)	(387,431,251)	(492,426,432)	(387,431,251)
Contribution earned		641,061,887	506,075,707	286,915,513	259,329,600
Retakaful contribution ceded		-	9,683,086	-	9,683,086
Add: prepaid retakaful contribution opening	29	87,351,654	76,368,848	56,162,312	50,228,677
Less: prepaid retakaful contribution closing	29	(32,992,919)	(8,472,701)	(32,992,919)	(8,472,701)
Retakaful expense		54,358,735	77,579,233	23,169,393	51,439,062
		586,703,152	428,496,474	263,746,120	207,890,538
24 WAKALA FEE/EXPENSE					
Gross wakala fee	29	123,582,671	100,767,942	51,202,619	44,292,188
Add: unearned Wakala fee opening		103,114,993	77,933,449	104,665,770	85,059,982
Less: unearned Wakala fee closing		(98,485,286)	(77,486,250)	(98,485,286)	(77,486,250)
		128,212,378	101,215,141	57,383,103	51,865,920
25 NET CLAIMS - REPORTED / SETTLED - IBNR					
Benefits/claims paid		313,630,401	90,940,378	234,067,053	59,793,081
Less: outstanding benefits/claims including IBNR - opening		(721,865,204)	(314,149,375)	(827,676,364)	(410,804,031)
Add: outstanding benefits / claims including IBNR - closing		745,591,446	519,902,407	745,591,446	519,902,407
Claims expense		337,356,643	296,693,410	151,982,135	168,891,457
Retakaful and other recoveries received		-	28,632,209	-	28,632,209
Add: retakaful and other recoveries received- closing		341,605,438	92,863,736	341,605,438	63,481,009
Less: retakaful and other recoveries received- opening		(230,780,709)	(29,382,727)	(230,780,709)	-
Retakaful and other recoveries revenue		110,824,729	92,113,218	110,824,729	92,113,218
Net claims expenses		226,531,914	204,580,192	41,157,406	76,778,239
26 TAXATION - PARTICIPANT RETAKAFUL FUND					
Current tax-deducted at source written off		14,938,646	4,635,066	(14,821,980)	(4,045,653)
		14,938,646	4,635,066	(14,821,980)	(4,045,653)
27 COMMISSION EXPENSE					
Commission paid or payable		106,420,618	93,689,920	49,710,427	42,991,145
Add: deferred commission expense opening	29	103,795,712	80,659,235	99,402,554	-
Less: deferred commission expense closing		(85,896,973)	(73,782,562)	(85,896,973)	8,942,266
		124,319,357	100,566,593	63,216,008	51,933,411
28 GENERAL, ADMINISTRATIVE AND MANAGEMENT					
Salaries, allowance and other benefits		10,802,466	5,732,736	6,317,384	3,997,919
Shariah advisor fee		1,640,760	825,000	615,285	330,000
Auditor's remuneration		327,800	-	327,800	-
Others		-	44,650	-	20,672
		12,771,026	6,602,386	7,260,469	4,348,591

29 SEGMENT REPORTING

PARTICIPANT'S RETAKAFUL FUND

	Six months ended June 30, 2023				
	Fire and property damage	Marine	Accident	Treaty	TOTAL
	----------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
Contribution earned	62,886,848	1,416,639	3,922,088	572,836,312	641,061,887
Retakaful-Ceded	-	-	-	-	-
Prepaid retakaful-opening	-	-	-	87,351,654	87,351,654
Prepaid retakaful-closing	-	-	-	32,992,919	32,992,919
Retakaful expenses	-	-	-	54,358,735	54,358,735
Net contribution	62,886,848	1,416,639	3,922,088	518,477,577	586,703,152
Net underwriting income (A)	62,886,848	1,416,639	3,922,088	518,477,577	586,703,152
Benefits 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
Claims expenses	6,323,184	-	341,745	330,691,714	337,356,643
Retakaful recoveries received	-	-	-	-	-
Retakaful recoveries against outstanding claims-opening	-	-	-	230,780,709	230,780,709
Retakaful recoveries against outstanding claims-closing	-	-	-	341,605,438	341,605,438
Retakaful recoveries revenue	-	-	-	110,824,729	110,824,729
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	128,212,377
Net benefits and expenses (B)	18,900,554	283,328	1,126,163	334,434,247	354,744,291
Underwriting results (C=A-B)	43,986,294	1,133,311	2,795,925	184,043,330	231,958,861
Profit on bank deposits					88,846,061
Modarib share of PTF investment income and bank					(25,324,396)
Investment income					12,451,521
Profit before tax					307,932,047
Segment Assets	7,625,894	35,457	482,619	464,939,674	473,083,644
Unallocated Assets					1,899,559,733
					2,372,643,377
Segment Liabilities	125,404,705	323,180	6,476,313	1,105,813,680	1,238,017,878
Unallocated Liabilities					100,037,616
					1,338,055,494

OPERATOR'S RETAKAFUL FUND

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)
Segment Results	6,569,114	141,387	510,005	(16,098,511)	(8,878,005)
Profit on bank deposits					31,999,033
Modarib share of PTF investment income and bank profit					25,324,396
Investment income					2,506,139
Profit before tax					50,951,563
Segment Assets	1,376,879	9,436	119,462	84,391,196	85,896,973
Unallocated Assets					814,308,090
					900,205,063
Segment Liabilities	7,625,894	35,457	482,619	90,341,317	98,485,287
Unallocated Liabilities					84,347,635
					182,832,922

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			
	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
PARTICIPANT'S RETAKAFUL FUND				
June 30, 2023 (Un-audited)				
Open end mutual funds	105,287,368	-	-	105,287,368
December 31, 2022 (Audited)				
Open end mutual funds	99,193,301	-	-	99,193,301
OPERATOR'S RETAKAFUL FUND				
June 30, 2023 (Unaudited)				
Open end mutual funds	21,423,775	-	-	21,423,775
December 31, 2022 (Audited)				
Open end mutual funds	20,196,059	-	-	20,196,059

31 SUBSEQUENT NON ADJUSTING EVENTS

There are no significant subsequent events that need to be disclosed for the period ended June 30, 2023.

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 25 AUG 2023 by the Board of Directors of the Operator.

34 GENERAL

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

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR | DIRECTOR | CHAIRMAN