

Directors' Report

For Nine Months Ended September 30, 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 Company for third quarter ended September 30, 2023.

Review of Conventional Business Activities

The gross written premium is Rs. **24,353** million against an amount of Rs. 17,289 million for the corresponding period of last year, showing an increase of Rs. 7,064 million (40.8%). The net premium is Rs. **6,998** million against Rs. 5,669 million, showing an increase of Rs. 1,329 million (23%). The net commission expense for the period is Rs. **748** million as compared to Rs. 729 million, showing an increase of Rs. 19 million (2.6%). The net claims are Rs. **4,326** million against Rs. 3,836 million, showing an increase of Rs. 490 million (12.7%).

The underwriting results after management expenses for the period under review are Rs. **900** million as compared to Rs. 825 million for the corresponding periods last year showing an increase of Rs. 75 million. (9%)

The income from investment, rental, and other income for the period under review is recorded as Rs. **2,180** million, as compared to Rs. 1,329 million in the corresponding period of last year, showing an increase of Rs. 851 million (64%).

The profit before tax for the period under review is Rs. **3,150** million, as compared to Rs. 2,150 million recorded in the corresponding period last year, showing an increase of Rs. 1,000 million (46.5%).

The profit after tax for the period under review is Rs. **2,021** million, as compared to Rs. 1,332 million in the corresponding period of last year showing a phenomenal increase of Rs. 688 million (51.6%) resulting in earnings per share of Rs. **2.25** as compared to earnings per share of Rs. 1.48 for the corresponding period of last year showing an increase of Rs. 0.77 per share.

Review of Window Re-Takaful Business Activities

Participants' Re-takaful Fund

The gross written contribution is Rs. **1,221** million against an amount of Rs. 944 million for the corresponding period of last year, showing an increase of Rs. 277 million (29%). The net contribution is Rs. **913** million against Rs. 703 million, showing an increase of Rs. 210 million (30%). The wakala expense for the period is Rs. **199** million as compared to Rs. 157 million, showing an increase of Rs. 42 million (27%). The net re-takaful benefit for the period is Rs. **433** million as compared to Rs. 129 million, showing an increase of Rs. 304 million (235%). The income from investment and others income for the period under review is recorded as Rs. **102** million, as compared to Rs. 45 million in the corresponding period of last year, showing an increase of Rs. 57 million (126%).

Operator's Re-takaful Fund

The wakala income for the period is Rs. **199** million as compared to Rs. 157 million, showing an increase of Rs. 42 million (27%). The commission expense for the period is Rs. **191** million as compared to Rs. 155 million, showing an increase of Rs. 36 million (23%). The general administrative & management expense for the period is Rs. **17.7** million as compared to Rs. 10.7 million, showing an increase of Rs. 7 million (65%). The income from investment and others income for the period under review is recorded as Rs. **34** million, as compared to Rs. 15 million in the corresponding period of last year, showing increase of Rs. 19 million.

The profit after tax for the period under review is Rs. **30** million, as compared to Rs. 12 million in the corresponding period of last year showing an increase of Rs. 18 million (150%).

Future Outlook

In the outgoing quarter, the economy after facing severe challenges in the past year, showed early signs of prospective recovery. The PKR showed some resilience owing to measures taken by the State Bank of Pakistan along with the administrative measures taken by the Caretaker Government. The interest rate remained high amid persistently high inflation.

We believe that as the economic challenges subside, PRCL is in good shape to take advantage of the positive developments in the economy. We have given consistent profits despite significant economic challenges.

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, loyalty, and devotion of the officers and staff of the Company.

For and on behalf of the Board of Directors.



Chairman Board
Karachi: 23rd October, 2023



Chief Executive Officer

ناظمین کی رپورٹ

برائے 30 ستمبر 2023 پر اختتام پذیر نو ماہ

قابل قدر حصص کنندگان

پاکستان ری-انشورنس کمپنی لمیٹڈ

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

ریوایتی کاروباری سرگرمیوں کا جائزہ

مجموعی پر بیمہ بڑھ کر 24,353 ملین روپے ہو گیا جبکہ گزشتہ سال اسی مدت کے دوران اس کی مالیت 17,289 ملین روپے تھا، اس طرح سے اضافہ 7,064 ملین روپے (اضافہ 40.8 فیصد) رہا۔ خالص پر بیمہ بڑھ کر 6,998 ملین روپے ہو گیا جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت اس کی مالیت 5,669 ملین روپے تھی، اس طرح سے 1,329 ملین روپے (یعنی اضافہ 23 فیصد) دکھارہا ہے۔ زیر غور مدت کے لیے خالص کمیشن اخراجات 748 ملین روپے رہے اس کے مقابلے میں گزشتہ مدت میں اس کی مالیت 729 ملین روپے تھی جو 19 ملین روپے (2.6 فیصد) کا اضافہ دکھارہا ہے۔ گزشتہ سال اسی مدت کے 3,836 ملین روپے کے خالص دعوے بڑھ کر 4,326 ملین روپے ہو گئے اس طرح سے اضافہ 490 ملین روپے (یعنی 12.7 فیصد) دکھارہا ہے۔

زیر غور سہ ماہی میں انتظامی اخراجات کے بعد ختماتی بیمہ (Underwriting) کے نتیجے میں 900 ملین روپے رہا جبکہ اس کے مقابلے میں گزشتہ سال کی اسی سہ ماہی میں اس کی مالیت 825 ملین روپے تھا جو 75 ملین روپے (9 فیصد) کا اضافہ دکھارہا ہے۔

زیر غور سہ ماہی میں سرمایہ کاری سے کرایہ داری اور دیگر آمدنی نے 2,180 ملین روپے کا اندراج کیا جبکہ گزشتہ سال اسی مدت کے دوران اس کی مالیت 1,329 ملین روپے تھی جو 851 ملین روپے (64 فیصد) کا اضافہ دکھارہا ہے۔

زیر غور سہ ماہی میں منافع قبل از محصول نے 3,150 ملین روپے کا اندراج کیا اس کے مقابلے میں گزشتہ سال اسی مدت کے دوران اس کی مالیت 2,150 ملین روپے تھی جو 1,000 ملین روپے (46.5 فیصد) کا اضافہ دکھارہا ہے۔

زیر غور سہ ماہی میں منافع بعد از محصول 2,021 ملین روپے کے مقابلے میں گزشتہ سال اسی مدت کے دوران اس کی مالیت 1,332 ملین روپے تھی جو 688 ملین روپے (51.6 فیصد) کا غیر معمولی اضافہ دکھارہا ہے جس کا نتیجہ 2.25 روپے آمدنی فی حصص رہا اس کے مقابلے میں گزشتہ سال اسی مدت کے دوران آمدنی فی حصص 1.48 روپے تھی جو 0.77 روپے فی حصص کا اضافہ دکھارہا ہے۔

ونڈوری-ٹکافل کی کاروباری سرگرمیوں کا جائزہ

شرکت داری-ٹکافل فنڈ

مجموعی تحریر شدہ شرکت کے حصے کی مالیت 1,221 ملین روپے رہی جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 944 ملین روپے تھی جو 277 ملین روپے (29 فیصد) کا اضافہ دکھارہا ہے۔ گزشتہ سال اسی مدت میں خالص حصص کی مالیت 703 ملین روپے تھی، اس کے مقابلے میں زیر غور سہ ماہی میں اس کی مالیت 913 ملین روپے رہی جو 210 ملین روپے (30 فیصد) کا اضافہ دکھارہا ہے۔ زیر غور مدت میں وکالہ اخراجات 199 ملین روپے رہے جو گزشتہ سال اسی مدت میں 157 ملین روپے تھے جو 27 ملین روپے (27 فیصد) کا اضافہ دکھارہا ہے۔ زیر غور مدت میں خالص دعوے کے اخراجات 433 ملین روپے رہے اس کے مقابلے

میں گزشتہ سال اسی مدت میں اس کی مالیت 129 ملین روپے تھی جو 304 ملین روپے (235 فیصد) کا اضافہ دکھارہا ہے۔ زیر غور مدت میں سرمایہ کاری اور دیگر آمدنی 102 ملین روپے جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت میں اس کے مالیت 45 ملین تھی جو 57 ملین روپے (126 فیصد) کا اضافہ دکھارہا ہے۔

آپریٹر کا رے - ٹیکس فنڈ

زیر غور مدت میں وکالہ آمدن 199 ملین روپے رہے جو گزشتہ سال اسی مدت میں 157 ملین روپے تھے 42 ملین روپے (27 فیصد) کا اضافہ دکھارہا ہے۔ زیر غور مدت کے دوران کمیشن کے اخراجات 191 ملین روپے رہے جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت کے دوران اس کی مالیت 155 ملین روپے تھی جو 36 ملین (23 فیصد) کا اضافہ دکھارہا ہے۔ زیر غور سہ ماہی میں عام انتظامی اور انتظامیہ کے اخراجات 17.7 ملین روپے رہے جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 10.7 ملین روپے تھی جو 7 ملین روپے (65 فیصد) کا اضافہ ظاہر کر رہا ہے۔ زیر غور مدت میں سرمایہ کاری اور دیگر آمدنی میں 34 ملین روپے جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت میں اس کے مالیت 15 ملین تھی جو 19 ملین روپے کا اضافہ دکھارہا ہے۔ زیر جائزہ سہ ماہی میں منافع بعد از محصول 30 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 12 ملین روپے تھا جو 18 ملین روپے (150 فیصد) کا اضافہ دکھارہا ہے۔

مستقبل کا منظر نامہ

گزشتہ سال کے شدید مشکلات کا سامنا کرنے کے بعد، معیشت نے جاری سہ ماہی میں ممکنہ بحالی کے اشارے دکھائے ہیں۔ بینک دولت پاکستان کے ساتھ نگران حکومت کی جانب سے اٹھائے گئے اقدامات کے سبب پاکستانی روپے نے بھی مثبت لپک دکھائی ہے۔ مسلسل بلند افراط زر کی موجودگی میں شرح سود بلند رہی۔ ہمیں یقین ہے کہ جو بھی معیشت کی مشکلات میں استحکام آئے گا، PRCL معیشت کی ترقی سے فائدہ اٹھانے کی صلاحیت رکھتی ہے۔ ہم نے خاصی معاشی مشکلات کے باوجود تسلسل سے منافع دیا۔

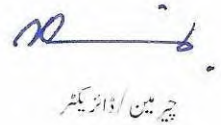
ستائش

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

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

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے


چیف ایگزیکٹو آفیسر


چیرمین / ڈائریکٹر

کراچی: 23 اکتوبر 2023

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Financial Position (Unaudited)
As at 30 September 2023

		30 September 2023 Unaudited Rupees	31 December 2022 Audited Rupees
ASSETS			
Property and equipment	Note 7	489,105,135	446,068,119
Intangible assets	7.1	10,617,052	10,083,343
Right of use asset	8	1,522,490,893	1,639,605,577
Assest relating to Bangladesh	9	-	-
Investment property	10	803,115,776	722,274,605
Investments			
Equity securities	11	2,972,439,252	2,755,440,064
Debt securities	12	13,246,240,629	9,907,026,504
Loans and other receivables	13	567,387,377	462,488,314
Receivable from Sindh Revenue Board	13	2,573,888,727	2,573,888,727
Insurance / Reinsurance receivables	14	14,533,329,580	17,393,374,952
Reinsurance recoveries against outstanding claims	15	12,450,041,381	14,420,709,311
Deferred Commission Expense / Acquisition cost	16	1,164,956,972	931,382,139
Taxation - payments less provision		-	78,557,588
Prepayments	17	10,461,478,140	8,943,542,637
Cash & Bank	18	4,964,555,982	3,030,890,556
Total assets from Window Takaful Operations - OPF		950,120,049	539,612,842
Total Assets		66,709,766,945	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		5,417,077,269	3,900,130,136
Total Equity		15,584,905,297	14,321,407,662
Liabilities			
Underwriting Provisions			
- Outstanding claims including IBNR	19	21,417,195,189	21,256,435,233
- Unearned premium reserves		14,944,227,244	12,047,709,680
- Unearned Reinsurance Commission		804,565,168	539,143,250
- Premium deficiency reserve		12,526,427	12,526,427
Retirement benefit obligations		3,599,648,124	3,630,799,590
Taxation liabilities- provision less payments		142,225,278	-
Deferred taxation	20	985,430,304	741,089,481
Insurance / Reinsurance Payables	21	8,724,293,958	10,932,282,952
Lease liabilities		24,217,689	23,033,149
Unclaimed Dividend		91,376,919	88,652,013
Other Creditors and Accruals	22	146,451,939	109,158,042
Total Liabilities		50,892,158,239	49,380,829,817
Total liabilities from Window Takaful Operations - OPF		232,703,409	152,707,799
Total Equity and Liabilities		66,709,766,945	63,854,945,278
Contingency(ies) and commitment(s)			

The annexed notes 1 to 37 form an integral part of this condensed interim financial information.


CFO


CEO


DIRECTOR

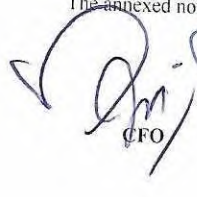

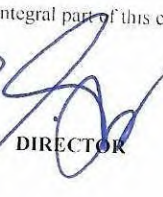
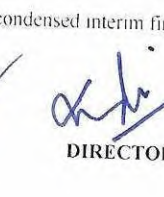
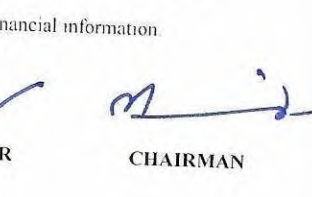

DIRECTOR


CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Profit and Loss Account (Unaudited)
For the period ended September 30, 2023

	Note	Nine months ended 30 Sep		Quarter ended 30 Sep	
		2023	2022	2023	2022
Net insurance premium	24	6,998,644,459	5,669,844,412	2,140,896,279	1,653,393,768
Net Insurance claims	25	(4,326,012,237)	(3,836,705,614)	(1,228,369,699)	(1,388,629,726)
Net Commission and other acquisition costs	26	(748,917,683)	(729,455,160)	(184,696,084)	(237,563,212)
Insurance claims and acquisition expenses		(5,074,929,920)	(4,566,160,774)	(1,413,065,783)	(1,626,192,938)
Management Expenses	27	(1,023,199,086)	(665,886,977)	(249,013,513)	(184,613,173)
Provision for doubtful debts		-	387,702,417	-	-
Underwriting results		900,515,453	825,499,078	478,816,983	(157,412,343)
Investment income	28	1,571,223,030	910,457,885	617,220,911	372,622,727
Rental income - net	29	123,482,733	100,243,204	50,555,165	31,267,143
Finance cost		(2,899,730)	-	(1,370,934)	-
Fair value gain on investment property		80,841,173	-	-	-
Other income		486,256,215	319,195,566	116,087,348	129,272,339
Other expenses		(8,650,754)	(5,298,793)	(4,009,395)	(4,479,956)
Profit before tax from general operations		3,150,768,120	2,150,096,940	1,257,300,078	371,269,910
Profit from Window Retakaful Operations		30,295,778	12,238,492	(784,676)	2,958,753
Profit before tax		3,181,063,898	2,162,335,432	1,256,515,402	374,228,663
Income tax expense	30	(1,189,938,264)	(829,444,002)	(477,424,415)	(122,169,184)
Deferred tax (income) / expense		29,933,253	-	-	-
Profit after tax		2,021,058,887	1,332,891,430	779,090,987	252,059,479
Earnings (after tax) per share - Rupees	35	2.25	1.48	0.87	0.28

The annexed notes 1 to 37 form an integral part of this condensed interim financial information

 CFO
 CEO
 DIRECTOR
 DIRECTOR
 CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement Of Total Comprehensive Income (Unaudited)
For the period ended September 30, 2023

	30 September 2023 Unaudited	30 September 2022 Unaudited	Three months period ended Sep 30	
	Rupees		30 Sep 2023 Unaudited	30 Sep 2022 Unaudited
Profit for the Period	2,021,058,887	1,332,891,430	779,090,987	252,059,479
Other comprehensive income / (loss)				
Items that may not be reclassified subsequently to profit and loss account				
Unrealized loss on available for sale investments - net	191,497,003	(498,327,890)	242,434,326	(82,238,942)
Impact of deferred tax	19,865,556	130,517,735	-	-
	211,362,559	(367,810,155)	242,434,326	(82,238,942)
Other Comprehensive Income Window Retakaful Operations	278,650	(56,136)	829,176	1,262,476
Total other comprehensive income / (loss) for the period	211,641,209	(367,866,291)	243,263,502	(80,976,466)
Total comprehensive income / (loss) for the period	<u>2,232,700,096</u>	<u>965,025,139</u>	<u>1,022,354,489</u>	<u>171,083,013</u>
Profit and loss appropriation account				
Balance at the commencement of year	14,321,407,662	13,072,194,616	14,859,652,997	13,266,136,742
Total comprehensive income for the Period	2,232,700,096	965,025,139	1,022,354,489	171,083,013
Final cash dividend paid 2022 Rs 0.75 @ 7.5% (2021 Rs 2.00 @ 20%) per share	(675,000,000)	(600,000,000)	-	-
Balance of unappropriated profit at the end of the period	<u>15,879,107,758</u>	<u>13,437,219,755</u>	<u>15,882,007,486</u>	<u>13,437,219,755</u>

CFO

CEO

DIRECTOR

DIRECTOR

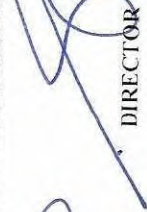
CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For the period ended September 30, 2023

	Share capital		Reserves				Total reserves	Total equity
	Issued	subscribed and paid-up	Capital	Other Revaluation surplus	General reserve	Revenue reserves Retained earnings		
			Reserve for exceptional losses	Unrealized gain on sale investment				
Balance as at January 01, 2022	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 September 30, 2022	-	-	-	-	-	1,332,891,429	1,332,891,429	1,332,891,429
Effect of changes in accounting policy (note 5.2)	-	-	(367,866,291)	-	-	-	(367,866,291)	(367,866,291)
Remeasurement of defined benefit obligations - net Transactions with owners	-	-	(367,866,291)	-	-	1,332,891,429	965,025,138	965,025,138
Final cash dividend 2021: Rs.2.00 @ 20% (2020 : Rs.2.50 @25%) per share	-	-	-	-	-	(600,000,000)	-	(600,000,000)
Issuance of bonus shares 2021: @ 200% (2020: Nil) per share	-	-	-	-	(642,122,769)	(5,357,877,231)	(6,000,000,000)	(6,000,000,000)
Balance as at September 30, 2022	9,000,000,000	281,000,000	686,987,049	1,545,282,086	1,135,296,316	788,654,303	5,037,219,754	13,437,219,754
Balance as at January 01, 2023	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 September 30, 2023	-	-	-	-	-	2,021,058,887	2,021,058,887	2,021,058,887
Effect of changes in accounting policy (note 5.2)	-	-	211,641,209	-	-	-	211,641,209	211,641,209
Remeasurement of defined benefit obligations - net	-	-	-	-	-	-	-	-
Effect of changes in deferred tax rate	-	-	211,641,209	-	-	2,021,058,887	2,232,700,096	2,232,700,096
Incremental depreciation	-	-	(94,022,528)	(200,179,933)	-	-	(294,202,461)	(294,202,461)
- Right of use assets	-	-	-	(47,243,874)	-	47,243,874	-	-
- Property and equipment	-	-	-	(6,025,691)	-	6,025,691	-	-
Transactions with owners	-	-	-	(53,269,565)	-	53,269,565	-	-
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 September 30, 2023	9,000,000,000	281,000,000	714,737,205	1,167,828,028	1,135,296,316	3,286,043,748	6,584,905,297	15,584,905,297

The annexed notes 1 to 7 form an integral part of these financial statements.


CFO


DIRECTOR







DIRECTOR


CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Cash Flows (Unaudited)
For the period ended September 30, 2023

	2023 (Rupees)	2022 (Rupees)
Operating Cash Flows:		
Underwriting activities:-		
Premium received	27,678,940,537	16,157,645,282
Reinsurance premium paid	(17,951,831,631)	(11,702,968,892)
Claims paid	(5,369,013,999)	(3,835,245,078)
Reinsurance and other recoveries received	3,174,429,648	2,804,557,360
Commission paid	(1,934,212,099)	(1,651,307,255)
Commission received	1,217,141,501	734,398,204
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	-	-
Other underwriting payments (management expenses)	(1,026,098,816)	(650,581,229)
Net cash flows generated from underwriting activities	5,789,355,141	1,856,498,392
Other Operating Activities		
Income tax paid	(969,086,045)	(1,053,859,176)
General management expenses paid	(8,650,754)	(5,298,793)
Payment unders defined benefit obligations		
Other operating (payments) / receipts	98,374,323	(373,077,151)
Advances to employees	(3,996,897)	(13,743,575)
Net cash used in other operating activities	(883,359,373)	(1,445,978,695)
Total cash flow generated from all operating activities	4,905,995,768	410,519,697
Investment activities		
Fixed Capital expenditure	(150,867,069)	(45,394,222)
Sale proceeds of Fixed Assets	-	-
Acquisition of investments	(12,393,641,809)	(12,717,305,127)
Rental income received - net of expenses	104,560,996	88,541,738
Dividend income received	222,463,079	157,549,835
Interest income on bank deposits	12,114,540	248,450,760
Investment income received - net of expenses	1,483,213,609	653,698,953
Proceeds on sale/ maturity of investments	8,422,101,406	12,925,531,583
Total cash used in investing activities	(2,300,055,248)	1,311,073,520
Financing activities		
Surplus paid	-	-
Dividend paid	(672,275,094)	(717,278,427)
Payments of finance leases	-	-
Total cash generated used in financing activities	(672,275,094)	(717,278,427)
Net cash generated from all activities	1,933,665,426	1,004,314,790
Cash at beginning of the period	3,030,890,556	1,140,841,359
Cash at end of the period	4,964,555,982	2,145,156,149

The annexed notes 1 to 7 form an integral part of these financial statements.

 CFO
 CEO
 DIRECTOR
 DIRECTOR
 CHAIRMAN

	2023 (Rupees)	2022 (Rupees)
Reconciliation to profit and loss account		
Operating cash flows	4,905,995,768	410,519,697
Depreciation expense		
-Fixed assets	(143,569,855)	(15,305,748)
Gain on disposal of fixed assets	-	-
-Investment property	-	-
Exchange gain	234,094,508	175,702,793
Other charges		
Rental income	123,482,733	100,243,204
Reinsurance recoveries against outstanding claims	(1,970,667,930)	4,940,118,629
Provision for outstanding claims	(160,759,956)	(7,746,136,525)
Provision for unearned premium	(2,896,517,564)	(514,595,252)
Prepaid reinsurance	1,519,674,285	304,468,869
Provision for employee benefits	31,151,466	313,395,167
Dividend income	222,463,079	157,549,835
Investment income	9,183,165	(45,643,257)
Interest income	1,249,558,066	777,494,299
Amortization of premium	90,018,720	20,682,608
Gain on sale of investment	-	374,400
(Decrease)/ Increase in operating assets other than cash	(3,320,569,669)	1,561,602,814
Decrease/(Increase) in operating liabilities	2,288,145,259	655,766,231
	2,181,682,075	1,096,237,764

Other adjustments:

Income tax paid	969,086,045	1,053,859,176
Profit/(Loss) before taxation	969,086,045	1,053,859,176
Provision for taxation	3,150,768,120	2,150,096,940
Deferred tax (income) / expense	(1,189,938,264)	(829,444,002)
Profit/(Loss) after taxation	29,933,253	-
Profit from Window Retakaful Operations - Operator's Fund	1,990,763,109	1,320,652,938
Profit after taxation for the period	30,295,778	12,238,492
	<u>Rupees 2,021,058,887</u>	<u>1,332,891,430</u>

Definition of cash

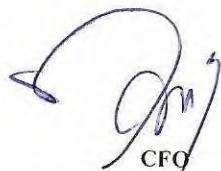
Cash comprises of cash in hand, policy stamps, postage stamps, revenue stamp, bank balances and other deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

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

Cash and cash equivalents:

Cash and other equivalent	621,917	343,246
Current and other accounts	4,963,934,065	2,144,812,903
Deposit maturing within 12 months	-	-
	<u>Rupees 4,964,555,982</u>	<u>2,145,156,149</u>

The annexed notes 1 to 7 form an integral part of these financial statements.


CFO


CEO


DIRECTOR


DIRECTOR


CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED September 30, 2023

1 STATUS AND NATURE OF BUSINESS

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

With effect from February 15, 2001, the Company took over all the assets and liabilities of former Pakistan Insurance Corporation (PIC) vide SRC 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 44.88% shares of the Company. The Cabinet Committee on Privatisation (CCoP) on August 21, 2020 approved divestment of 20% of government stakes in the Company through public offerings.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

3 BASIS OF PREPARATION

3.1 Basis of measurement

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 cash flow information.

3.2 Functional and presentation currency

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

3.3 Statement of compliance

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

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2021 which have been prepared in accordance with approved accounting standards as applicable to insurance companies in Pakistan.

These condensed interim financial statements of the Company for the Nine months period ended September 30, 2022 has been prepared in accordance with the requirements of the International Accounting Standard 34 – (IAS 34) Interim Financial Reporting, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the insurance Accounting Regulation, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000 and the SECP (Insurance) Rules, 2017 have been followed.

PAKISTAN REINSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED September 30, 2023

The comparative statement of financial position presented in this condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended December 31, 2021, whereas the comparative condensed interim statement of profit or loss, 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 Nine months ended September 30, 2021.

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

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.

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

4.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

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

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 17 Insurance Contracts	January 1, 2023

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.

PAKISTAN REINSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED September 30, 2023

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the period ended December 31, 2022.

	Note	(Unaudited) Sep. 30, 2023	(Audited) Dec. 31, 2022
		----- Rupees -----	
7 PROPERTY AND EQUIPMENT			
Operating fixed assets - WDV			
Opening balance		446,068,118	429,090,184
Addition during the period:		69,492,188	48,824,962
-Disposal		-	(377,638)
-Depreciation charge for the period/year		(26,455,171)	(31,469,390)
Closing balance		<u>489,105,135</u>	<u>446,068,118</u>

7.1 CAPITAL WORK IN PROGRESS

Computer software	<u>10,617,052</u>	<u>10,083,343</u>
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7.2 The movement in capital work in progress is as follows:

Balance at beginning of the year	10,083,343	8,474,168
Additions during the year	<u>533,709</u>	<u>1,609,175</u>
Closing balance	<u>10,617,052</u>	<u>10,083,343</u>

7.3 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

8 RIGHT OF USE ASSETS

Assets - Leasehold land

Net carrying value basis		
Opening net book value	1,639,605,577	1,801,531,334
Revaluation gain during the year	-	-
Depreciation	<u>(117,114,684)</u>	<u>(161,925,757)</u>
Closing net book value	<u>1,522,490,893</u>	<u>1,639,605,577</u>

8.1 The Company has entered into lease arrangement with Karachi Port Trust (KPT) for lease of land. The remaining lease term (useful life) of the right of use asset is 9.5 years.

9 ASSETS RELATING TO BANGLADESH

Total assets	15,974,000	15,974,000
Total liabilities	<u>9.1 (5,761,000)</u>	<u>(5,761,000)</u>
	10,213,000	10,213,000
Provision for loss on assets in Bangladesh	<u>(10,213,000)</u>	<u>(10,213,000)</u>

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

10 INVESTMENT PROPERTIES

Opening balance	722,274,603	722,274,603
Depreciation for the period/year	-	-
Revaluation Surplus	<u>80,841,173</u>	<u>-</u>
	<u>803,115,776</u>	<u>722,274,603</u>

PAKISTAN REINSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED September 30, 2023

11 INVESTMENT IN EQUITY SECURITIES

	September 30, 2023				December 31, 2022			
	Cost	Impairment / Provision	Unrealized Gain / Loss	Carrying Value	Cost	Impairment / Provision	Unrealized Gain / Loss	Carrying Value
Available for sale								
- Listed shares	509,966,996		1,173,166,851	1,683,133,847	509,998,497			
- Unlisted Shares	2,608,106	(1,990,491)	-	617,615	2,608,106	(1,990,491)	1,026,745,078	1,536,743,575
- Mutual Funds	1,592,488,810	(300,680,906)	(156,701,148)	1,135,106,756	1,592,488,811	(800,680,906)	(207,940,212)	1,083,867,693
Sub Total	2,105,063,912	(302,671,397)	1,016,465,703	2,818,858,218	2,105,095,414	(302,671,397)	818,804,866	2,621,228,883
Held For Trading								
- Listed Share	130,357,827	-	23,223,207	153,581,034	173,954,125	-	(39,742,940)	134,211,185
Sub Total	130,357,827	-	23,223,207	153,581,034	173,954,125	-	(39,742,940)	134,211,185
Grand Total	2,235,421,739	(302,671,397)	1,039,688,910	2,972,439,252	2,279,049,539	(302,671,397)	779,061,926	2,755,440,068

12 Investments in Debt Securities - Held For Maturity

	September 30, 2023		September 30, 2022	
	Amortized cost	Market value	Amortized cost	Market value
1				
2				
3				
4				
Pakistan Investment Bonds - Fixed	4,635,018,697	4,768,539,600	2,462,484,817	2,488,643,379
PfB (Floater)	175,206,768	175,144,048	554,936,954	550,542,366
Treasury Bills	7,698,902,000	8,076,365,500	5,384,098,450	5,601,282,951
Term Finance Certificate	99,820,000	99,820,000	99,860,000	99,860,000
Total Debt Securities	12,608,947,465	13,119,869,148	8,501,380,221	8,740,328,695
Investments in Debt Securities - Available for Sale				
1				
Pakistan Investment Bonds (AFS)	133,386,750	126,371,481	195,481,125	208,231,157
Total	12,742,334,215	13,246,240,629	8,696,861,346	8,948,559,852

PAKISTAN REINSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED September 30, 2023

		(Unaudited) September 30, 2023	(Audited) Dec. 31, 2022
	Note	Rupees	Rupees
13 LOANS AND OTHER RECEIVABLES - Considered good			
Accrued investment income		216,973,629	139,927,517
Loans to employees		84,491,747	80,494,850
Sundry receivables - Net		103,570,960	100,726,049
Receivable from tenants		162,351,042	141,339,898
Receivable from Window Retakaful Operations		-	-
		<u>567,387,378</u>	<u>462,488,314</u>
13 RECEIVABLE FROM SINDH REVENUE BOARD			
Receivable from Sindh Revenue Board		<u>2,573,888,727</u>	<u>2,573,888,727</u>
The aggregate of Rs.2,573.889 million (December 31, 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 Appeal No. AT-109/2015.			
14 INSURANCE / REINSURANCE RECEIVABLES			
Balance at period/year end	14.1	15,040,017,396	17,900,062,768
Less: Provision for impairment in due from other insurers/reinsurers	14.2	<u>(506,687,816)</u>	<u>(506,687,816)</u>
		14,533,329,580	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		<u>(24,831,633)</u>	<u>(24,831,633)</u>
		<u>14,533,329,580</u>	<u>17,393,374,952</u>
14.1 This includes an amount of Rs. 5,994,334,972 (December 31, 2022: Rs. 8,788,498,324) due from related party National Insurance Company Limited. The age analysis of amount due from related party is as follows:			
		(Unaudited) September 30, 2023	(Audited) Dec. 31, 2022
	Note	Rupees	Rupees
Up to 3 months		5,994,334,972	9,757,572,410
Over 3 months and above		-	971,976,535
		<u>5,994,334,972</u>	<u>10,729,548,945</u>
14.2 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		<u>506,687,816</u>	<u>506,687,816</u>
15 REINSURANCE RECOVERIES AGAINST OUTSTANDING CLAIMS			
Facultative business	15.1	11,739,164,224	13,407,154,617
Treaty		<u>710,877,157</u>	<u>1,013,554,694</u>
		<u>12,450,041,381</u>	<u>14,420,709,311</u>
15.1 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		<u>10,399,886,688</u>	<u>12,046,311,977</u>
		<u>11,739,164,224</u>	<u>13,407,154,617</u>

PAKISTAN REINSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED September 30, 2023

		(Unaudited) September 30, 2023	(Audited) Dec. 31, 2022
	Note	Rupees	Rupees
16 DEFERRED COMMISSION EXPENSE			
Facultative business			
Treaty	16.1	475,778,986	361,765,142
		<u>689,177,986</u>	<u>569,616,997</u>
		<u>1,164,956,972</u>	<u>931,382,139</u>
16.1 Facultative business			
Fire		118,546,213	53,334,034
Marine cargo		561,668	6,334,980
Marine hull		9,815,618	2,640,357
Accidents and others		37,165,386	7,220,759
Aviation		48,125,104	117,381,006
Engineering		261,564,997	174,854,006
		<u>475,778,986</u>	<u>361,765,142</u>
17 PREPAYMENTS			
Prepaid reinsurance ceded - facultative business			
Prepaid reinsurance ceded - treaty business	17.1	9,524,821,091	8,157,303,075
		<u>935,181,644</u>	<u>783,025,375</u>
		<u>10,460,002,735</u>	<u>8,940,328,450</u>
Other prepayments		1,475,405	3,214,187
		<u>10,461,478,140</u>	<u>8,943,542,637</u>
17.1 Prepayment reinsurance ceded - facultative business			
Fire		1,598,528,016	38,243,295
Marine Cargo		-	89,749,062
Marine hull		147,447,299	23,645,065
Accidents and others		674,394,441	80,909,326
Aviation		1,424,143,799	4,408,006,288
Engineering		5,680,307,536	3,516,750,039
		<u>9,524,821,091</u>	<u>8,157,303,075</u>
18 CASH AND BANK			
Cash in hand		621,917	335,020
Saving account		36,387,435	1,541,818,348
Current account			
- Local currency		3,781,591,957	711,204,528
- Foreign currency		1,043,847,314	686,452,556
		<u>4,825,439,271</u>	<u>1,397,657,084</u>
Dividend account		102,107,359.53	91,080,105
		<u>4,964,555,982</u>	<u>3,030,890,556</u>
19 OUTSTANDING CLAIMS INCLUDING IBNR			
Facultative business			
Treaty	19.1	17,433,509,950	17,772,634,303
		<u>3,988,637,239</u>	<u>3,488,752,930</u>
		<u>21,422,147,189</u>	<u>21,261,387,233</u>
Claims related to Bangladesh, adjusted in Note 9		(4,952,000)	(4,952,000)
		<u>21,417,195,189</u>	<u>21,256,435,233</u>
19.1 Facultative business			
Fire		4,213,265,311	3,497,442,825
Marine cargo		76,817,510	59,944,602
Marine hull		79,122,377	65,000,872
Accident and others		222,823,938	102,343,570
Aviation		1,027,599,384	1,011,311,668
Engineering		11,813,881,430	13,036,590,766
		<u>17,433,509,950</u>	<u>17,772,634,303</u>

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20 DEFERRED TAXATION

Deferred tax liabilities on taxable temporary differences:

Revaluation surplus on property and equipment

Revaluation surplus on Right-of-use assets - net of tax

Property and equipment

Right of use assets

Investment Property

Unrealized gain on investments

(Unaudited) (Audited)
September 30, 2023 Dec. 31, 2022
----- Rupees -----

156,915,406	120,787,566
608,996,357	475,485,617
303,271,451	202,065,600
294,544,998	225,927,959
1,363,728,212	1,024,266,742

Deferred tax assets on deductible temporary differences:

Provision for doubtful debts

Provision for impairment of insurers / reinsurers receivable

Provision for impairment of receivables from other insurers / reinsurers

Lease liabilities

Notional interest on interest free loans

Provision for impairment in available for sale investments

(32,459,935)	(24,136,875)
(197,608,248)	(146,939,467)
(9,684,337)	(7,201,174)
(9,444,898)	(6,679,613)
(11,593,828)	(10,445,427)
(117,506,662)	(87,774,705)
(378,297,908)	(283,177,261)
985,430,304	741,089,481

(Unaudited) (Audited)
September 30, 2023 Dec. 31, 2022
----- Rupees -----

21 INSURANCE / REINSURANCE PAYABLES

Due to other insurers/reinsurers

Premium and claim reserves retained from retrocessionaires

8,708,469,602	10,916,458,596
15,824,356	15,824,356
8,724,293,958	10,932,282,952

22 OTHERS CREDITORS AND ACCRUALS

Other creditors and accruals

Rent Payable

Security deposits

Accrued expenses

Surplus profit payable

33,755,621	21,300,655
36,277,063	36,277,063
38,942,471	32,496,917
36,264,182	18,007,846
1,212,602	1,075,561
146,451,939	109,158,042

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 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.

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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.

23.1.2 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.

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Further, the Company filed an appeal in the Honourable High Court of Sindh against the Civil Court judgment and there has been no further proceeding in the court but the management expects a favourable outcome. On the basis of meeting held with EOBI officials, the Company is considering registration of its contractual employees with EOBI which is pending approval from Ministry of Commerce. Further, it has been agreed that advice from Ministry of Law and Justice may be sought on the issue of registration of permanent employees who are already covered under Company's own pension scheme. The financial impact pertaining to contractual employees along with penalty, if any, amounts to Rs. 455,900 (Rs. 243,100) and the impact of permanent employees to the financial statements is currently not ascertainable. Therefore, no provision has been made in these financial statements.

23.1.3 Except as mentioned above, as at September 30, 2021, 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, 2020.

(Unaudited)	(Audited)
September 30, 2023	Dec. 31, 2022
----- Rupees -----	

23.2 Commitments

Commitments in respect of capital expenditure

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

	565,908
	25,422,503
	<u>25,988,411</u>

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	Nine months period ended		Three months period ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	Rupees			
24 NET INSURANCE PREMIUM				
Written gross premium	24,353,424,866	17,289,794,854	10,872,649,748	7,915,724,378
Add: Unearned premium reserve opening	12,047,709,680	10,732,384,652	11,779,010,336	9,104,972,900
Less: Unearned premium reserve closing	(14,944,227,244)	(11,246,979,904)	(14,944,227,244)	(11,246,979,904)
Premium earned	21,456,907,302	16,775,199,602	7,707,432,840	5,773,717,374
Less: Reinsurance premium ceded	15,977,937,128	11,409,824,059	7,163,591,259	4,973,511,038
Add: Prepaid reinsurance premium opening	8,940,328,450	7,722,831,183	8,862,948,037	7,174,112,620
Less: Prepaid reinsurance premium closing	(10,460,002,735)	(8,027,300,052)	(10,460,002,735)	(8,027,300,052)
Reinsurance expense	(14,458,262,843)	(11,105,355,190)	(5,566,536,561)	(4,120,323,606)
	6,998,644,459	5,669,844,412	2,140,896,279	1,653,393,768
25 NET INSURANCE CLAIMS				
Claims paid	5,369,013,999	3,835,245,078	2,618,353,238	1,517,959,899
Add: Outstanding claims including IBNR closing	21,422,147,189	17,152,525,712	21,422,147,189	17,152,525,712
Less: Outstanding claims including IBNR opening	(21,261,387,233)	(9,406,389,187)	(21,770,795,170)	(17,048,432,615)
Claims expense	5,529,773,955	11,581,381,603	2,269,705,257	1,622,052,996
Less: Reinsurance and other recoveries received	3,174,429,648	2,804,557,360	1,841,335,558	887,414,478
Add: Reinsurance and other recoveries in respect of outstanding claims closing	12,450,041,381	9,548,245,864	12,450,041,381	9,548,245,864
Less: Reinsurance and other recoveries in respect of outstanding claims opening	(14,420,709,311)	(4,608,127,235)	(13,250,041,381)	(10,202,237,072)
Reinsurance and other recoveries revenue	(1,203,761,718)	(7,744,675,989)	(1,041,335,558)	(233,423,270)
	4,326,012,237	3,836,705,614	1,228,369,699	1,388,629,726
26 NET COMMISSION AND OTHER ACQUISITION COSTS				
Commission paid or payable	1,934,212,099	1,651,307,255	841,995,364	720,915,462
Add: Deferred commission expense opening	931,382,139	806,214,206	910,195,800	756,523,689
Less: Deferred commission expense closing	(1,164,956,972)	(979,129,971)	(1,164,956,972)	(979,129,971)
Net commission	1,700,637,266	1,478,391,490	587,234,192	498,309,180
Less: Commission received or recoverable	1,217,141,501	734,398,204	632,598,477	333,591,630
Add: Unearned reinsurance commission opening	539,143,250	523,294,102	574,504,799	435,910,314
Less: Unearned reinsurance commission closing	(804,565,168)	(508,755,976)	(804,565,168)	(508,755,976)
Commission from reinsurers	(951,719,583)	(748,936,330)	(402,538,108)	(260,745,968)
	748,917,683	729,455,160	184,696,084	237,563,212
27 Management Expenses				
	Nine months period ended		Three months period ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	Rupees			
Salaries, Wages and Benefits	451,838,952	531,219,443	131,142,428	137,536,081
Employees Benefits	250,460,000	-	-	-
Travelling & Conveyance	25,385,194	8,272,604	7,024,803	3,726,990
Entertainment Expenses	3,250,079	1,723,506	1,424,765	623,787
Communication Exp.	1,948,086	2,595,951	720,930	913,815
Insurance	2,778,395	1,826,421	168,783	372,401
Utilities	15,882,717	12,294,431	11,305,174	7,170,583
Printing and Stationery	3,926,138	3,115,239	814,232	1,403,164
Repairs and Renewal	2,001,676	2,399,137	517,864	1,234,151
Medical Expenses	10,432,762	15,532,521	3,996,689	1,466,529
Rent, Rates and Taxes	3,421,460	3,776,184	1,065,400	7,744,651
Computer related Expenses	37,067,633	12,929,829	12,339,067	7,744,651
Consult./Professional Ser.Chgs.	7,251,597	3,183,884	4,334,373	657,200
Newspaper & Periodicals	100,655	102,455	40,205	40,340
Financial Charges	-	-	-	-
Depreciation	143,569,855	15,305,748	49,257,637	344,017
Directors' Meeting Expenses	12,899,985	9,608,732	4,366,153	3,848,186
Advertisement and Business Promotion	4,453,253	7,740,508	2,714,825	1,668,258
Training and Research	6,694,460	2,312,442	2,760,900	1,041,692
Repairs and Maintenance	47,690,803	16,102,002	24,365,411	7,728,638
Shares Transaction Costs	-	63,427	-	-
Others	6,258,830	43,408,909	4,577,135	7,716,281
Welfare Fund	10,000,000	-	-	-
Donations	2,000,000	-	-	-
	1,049,312,530	693,513,374	262,936,774	191,105,205
Exp. allocated to Rental Income	(15,938,760)	(15,368,647)	(11,098,237)	(4,053,379)
Exp. allocated to Investment Income	(10,129,684)	(12,720,341)	(7,114,991)	(2,702,170)
	1,023,199,086	665,424,386	244,723,546	184,349,656

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	Nine months period ended		Three months period ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	----- Rupees -----			
28 INVESTMENT INCOME				
Income from equity securities				
Available for sale				
Dividend income	208,511,979	150,659,835	62,040,072	72,777,541
Held for trading				
Dividend income	13,951,100	6,890,000	4,339,000	1,926,000
	<u>222,463,079</u>	<u>157,549,835</u>	<u>66,379,072</u>	<u>74,703,541</u>
Income from debt securities				
Return on debt securities				
Held to maturity				
Pakistan Investment Bonds	361,433,564	159,370,571	124,726,043	52,516,867
Pakistan Investment Bonds - Floating	55,559,697	-	9,878,582	-
Treasury Bills	798,963,850	363,181,550	356,506,200	47,294,500
Profit / (loss) on Term Finance Certificates	15,267,179	10,670,409	5,902,911	-
Premium / (amortization) of discount on PIBs	90,018,720	20,682,608	30,241,001	12,012,782
	<u>1,321,243,010</u>	<u>553,905,138</u>	<u>527,254,737</u>	<u>111,824,149</u>
Available for sale				
Pakistan Investment Bonds	18,333,776	244,271,769	4,688,481	192,866,902
Profit from saving accounts	-	-	-	-
Net realized gains on investments				
Available for sale financial assets				
Realized gain on Equity securities	-	-	-	-
Held for trading financial assets				
Realized gain on Equity securities		374,400	-	-
Net unrealized losses on investments				
Net unrealized losses / (gain) on held for trading investment	19,369,849	(32,922,916)	23,223,207	(4,069,695)
Total investment income	<u>1,581,409,714</u>	<u>923,178,226</u>	<u>621,545,497</u>	<u>375,324,897</u>
Less: Impairment in value of available for sale investment		-		-
Less: Investment related expenses	(10,186,684)	(12,720,341)	(4,324,586)	(2,702,170)
Net Investment income	<u>1,571,223,030</u>	<u>910,457,885</u>	<u>617,220,911</u>	<u>372,622,727</u>
29 RENTAL INCOME				
Rental income	139,409,493	115,611,851	57,254,110	35,320,522
Less:				
Expenses related rental income	(15,926,760)	(15,368,647)	(6,698,945)	(4,053,379)
	<u>123,482,733</u>	<u>100,243,204</u>	<u>50,555,165</u>	<u>31,267,143</u>
30 TAXATION				
For the year				
Current	1,189,938,264	829,444,002	477,424,415	122,169,184
Deferred				
Prior	-	-	-	-
	<u>1,189,938,264</u>	<u>829,444,002</u>	<u>477,424,415</u>	<u>122,169,184</u>

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31 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 -----			
September 30, 2023 (Un-audited)				
Financial assets measured at fair value				
Held-for-trading investment				
Ordinary shares - listed	153,581,034	153,581,034	-	-
Available-for-sale investment				
Ordinary shares - listed	1,683,133,847	1,683,133,847	-	-
Mutual fund units	1,135,106,756	1,135,106,756	-	-
Ordinary shares - unlisted	617,615	-	-	617,615
	<u>2,972,439,252</u>	<u>2,971,821,637</u>	<u>-</u>	<u>617,615</u>
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	-	-	617,613
	<u>2,755,440,068</u>	<u>2,754,822,453</u>	<u>-</u>	<u>617,613</u>

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32 SEGMENT INFORMATION

32.1 Nine month period ended

	Fire	Marine cargo	Marine hull	Accident	Aviation	Engineering	Treaty	Total
September 30, 2023								
Gross written premium	5,405,761,999	224,797,776	341,439,137	1,297,121,327	666,926,965	9,536,496,335	6,880,881,327	24,333,424,866
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	2,273,441,642	7,379,700	170,472,413	734,290,280	1,626,374,211	5,868,510,191	4,263,758,807	14,944,227,244
Premium earned	3,632,499,062	330,594,453	212,515,911	694,186,998	3,740,574,980	7,424,034,685	5,422,501,213	21,456,907,302
Reinsurance Ceded	4,074,345,826	67,440,705	293,539,943	948,982,324	468,378,287	8,618,851,822	1,506,398,221	15,977,937,128
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	1,598,528,016	-	147,447,299	674,394,441	1,424,143,799	5,680,307,536	935,181,644	10,460,002,735
Reinsurance expenses	2,514,061,105	157,189,767	169,737,709	355,497,209	3,452,240,776	6,455,294,325	1,354,241,952	14,458,262,843
Net insurance premium	1,118,437,957	173,404,686	42,778,202	338,689,789	288,334,204	968,740,360	4,068,259,261	6,998,644,459
Commission income	134,290,926	15,718,976	17,023,175	24,256,284	177,824,696	563,273,723	19,331,803	951,719,583
Net underwriting income (A)	1,252,728,883	189,123,662	59,801,377	362,946,073	466,158,900	1,532,014,083	4,087,591,064	7,950,364,042
Insurance claims paid	(48,157,835)	1,465,711	5,834,308	13,690,360	225,115,366	3,098,973,752	2,072,092,337	5,369,013,999
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	4,213,265,311	76,817,510	79,122,377	222,823,938	1,027,599,384	11,813,881,430	3,988,637,239	21,422,147,189
Insurance claims expenses	667,664,651	18,338,619	19,955,813	134,170,728	241,403,082	1,876,264,416	2,571,976,646	5,529,773,955
Reinsurance recoveries received	-	-	(166,726)	-	154,971,080	1,372,778,949	(302,677,537)	1,203,761,718
Recoveries Opening	410,710,801	5,425,012	254,330	13,933,067	154,971,080	3,019,204,238	-	3,174,429,648
Recoveries Closing	389,566,753	5,425,012	14,565,192	13,933,067	916,208,568	12,046,311,977	1,013,554,694	14,420,709,311
Insurance claims recovered from reinsurers	(21,144,048)	-	(166,726)	-	154,971,080	1,372,778,949	(302,677,537)	1,203,761,718
Net claims	688,808,699	18,338,619	20,122,539	134,170,728	86,432,002	503,485,467	2,874,654,183	4,326,012,237
Commission expense	191,474,357	19,294,278	12,689,654	38,390,873	89,376,790	367,895,896	981,515,418	1,700,637,266
Management expense	163,650,874	25,372,734	6,179,026	49,557,402	42,189,327	141,746,984	594,502,739	1,023,199,086
Net insurance claims and expenses (B)	1,043,933,930	63,005,631	38,991,219	222,119,003	217,998,119	1,013,128,347	4,450,672,340	7,049,848,589
Provisional for Doubtful Debts	-	-	-	-	-	-	-	-
Underwriting results (C=A-B)	208,794,953	126,118,031	20,810,158	140,827,070	248,160,781	518,885,736	(363,081,276)	900,515,453
Net investment income	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-	-	-
Fair value gain on investment property	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Profit before tax	1,252,728,883	189,123,662	59,801,377	362,946,073	466,158,900	1,532,014,083	4,087,591,064	7,950,364,042
Segment assets	-	-	-	-	-	-	-	-
Unallocated assets	-	-	-	-	-	-	-	-
Segment liabilities	-	-	-	-	-	-	-	-
Unallocated liabilities	-	-	-	-	-	-	-	-

PAKISTAN REINSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED September 30, 2023

September 30, 2022	Fire	Marine cargo	Marine hull	Accident	Aviation	Engineering	Treaty	Total
				Rupees				
Gross written premium	1,293,235,176	34,025,107	201,354,517	364,120,536	463,185,002	9,304,876,600	5,628,997,916	17,289,794,854
Unearned-Opening	709,287,738	9,793,225	52,201,183	41,133,807	4,455,283,060	3,295,066,824	2,169,618,815	10,732,384,652
Unearned-Closing	525,001,164	9,711,825	68,752,931	187,513,379	1,438,889,803	5,600,250,995	3,416,859,807	11,246,979,904
Premium earned	1,477,521,750	34,106,507	184,802,769	217,740,964	3,479,578,259	6,999,692,429	4,381,756,924	16,775,199,602
Reinsurance-Ceded	268,333,403	-	79,167,522	175,970,758	425,674,292	8,559,764,800	1,900,913,284	11,409,824,059
Prepaid reinsurance-Opening	40,842,152	-	22,227,920	3,150,578	4,237,630,265	3,095,679,708	323,300,560	7,722,831,183
Prepaid reinsurance-Closing	59,907,521	-	36,480,924	122,978,054	1,347,434,467	5,250,099,479	1,210,399,607	8,027,300,052
Reinsurance expenses	249,268,034	-	64,914,518	56,143,282	3,315,870,090	6,405,345,029	1,013,814,237	11,105,355,190
Net insurance premium	1,228,253,716	34,106,507	119,888,251	161,597,682	163,708,169	594,347,400	3,367,942,687	5,669,844,412
Commission income	17,701,677	-	6,491,451	4,076,169	174,820,861	530,947,024	14,899,148	748,936,330
Net underwriting income (A)	1,245,955,393	34,106,507	126,379,702	165,673,851	338,529,030	1,125,294,424	3,382,841,835	6,418,780,742
Insurance claims paid	368,850,561	1,351,471	2,661,960	65,884,810	956,264,212	124,091,097	2,316,140,967	3,835,245,078
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	3,856,229,177	75,587,739	230,359,458	229,905,681	1,083,294,639	6,143,614,030	5,533,534,988	17,152,525,712
Insurance claims expenses	2,383,467,700	8,133,790	3,361,730	4,191,509	260,273,409	4,259,259,431	4,662,694,034	11,581,381,603
Reinsurance recoveries received	-	-	-	-	967,741,156	(4,789,020)	1,841,605,224	2,804,557,360
Recovery-Opening	317,808,041	-	65,747,545	-	1,642,925,619	1,559,407,642	1,022,238,388	4,608,127,235
Recovery-Closing	1,287,817,287	-	67,497,544	-	973,338,557	5,169,986,740	2,049,605,736	9,548,245,864
Insurance claims recovered from reinsures	970,009,246	-	1,749,999	-	298,154,094	3,605,790,078	2,868,972,572	7,744,675,989
Net claims	1,413,458,454	8,133,790	1,611,731	4,191,509	(37,880,685)	653,469,353	1,793,721,462	3,836,705,614
Commission expense	183,630,208	2,615,967	12,029,644	13,890,036	86,929,168	305,086,513	874,209,954	1,478,391,490
Management expense	118,628,598	3,294,113	11,579,183	15,607,611	15,811,449	157,118,569	343,847,454	665,886,977
Premium deficiency expense	-	-	-	-	-	-	-	-
Net insurance claims and expenses (B)	1,715,717,260	14,043,870	25,220,558	33,689,156	64,859,932	1,115,674,435	3,011,778,870	5,980,984,081
Provision for doubtful debts	-	-	-	-	-	-	-	387,702,417
Underwriting results (C=A-B)	(469,761,867)	20,062,637	101,159,144	131,984,695	273,669,098	9,619,989	371,062,965	825,499,078
Net investment income	-	-	-	-	-	-	-	910,457,885
Rental income	-	-	-	-	-	-	-	100,243,204
Other expenses	-	-	-	-	-	-	-	(5,298,793)
Other income	-	-	-	-	-	-	-	319,195,566
Profit before tax	1,245,955,393	34,106,507	126,379,702	165,673,851	338,529,030	1,125,294,424	3,382,841,835	2,150,096,940
Segment assets	-	-	-	-	-	-	-	6,418,780,742
Unallocated assets	-	-	-	-	-	-	-	-
Segment liabilities	-	-	-	-	-	-	-	5,980,984,081
Unallocated liabilities	-	-	-	-	-	-	-	-

32.2 Three month period ended

Segment liabilities
Unallocated liabilities

PAKISTAN REINSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED September 30, 2023

September 30, 2022	Fire	Marine cargo	Marine hull	Accident	Aviation	Engineering	Treaty	Total
Gross written premium	495,846,077	11,539,590	8,154,907	184,622,268	434,871,288	4,141,285,040	2,639,405,208	7,915,724,378
Unearned-Opening	452,785,134	10,050,779	95,130,330	96,936,370	2,205,324,835	3,868,542,995	2,376,202,457	9,104,972,900
Unearned-Closing	525,001,164	9,711,825	68,752,931	187,513,379	1,438,889,803	5,600,250,995	3,416,859,807	11,246,979,904
Premium earned	423,630,047	11,878,544	34,532,306	94,045,259	1,201,306,320	2,409,577,040	1,598,747,858	5,773,717,374
Reinsurance-Ceded	44,675,954	-	-	121,909,669	403,280,492	3,773,822,193	629,822,730	4,973,511,038
Prepaid reinsurance-Opening	123,910,845	-	54,921,831	43,661,992	2,071,814,252	3,768,698,589	1,111,105,111	7,174,112,620
Prepaid reinsurance-Closing	59,907,521	-	36,480,924	122,978,054	1,347,434,467	5,250,099,479	1,210,399,607	8,027,300,052
Reinsurance expenses	108,679,278	-	18,440,907	42,593,607	1,127,660,277	2,292,421,303	530,528,234	4,120,323,606
Net insurance premium	314,950,769	11,878,544	16,091,399	51,451,652	73,646,043	117,155,737	1,068,219,624	1,653,393,768
Commission income	8,424,136	-	1,844,090	3,125,111	59,894,156	177,751,670	9,706,805	260,745,968
Net underwriting income (A)	323,374,905	11,878,544	17,935,489	54,576,763	133,540,199	294,907,407	1,077,926,429	1,914,139,736
Insurance claims paid	136,645,749	26,085	-	16,188,265	222,318,320	83,479,856	1,059,301,624	1,517,959,899
Outstanding-Opening	3,555,182,761	75,449,477	229,385,351	241,587,020	1,202,828,414	5,783,901,410	5,959,898,182	17,048,432,615
Outstanding-Closing	3,856,229,177	75,587,739	230,359,458	229,905,681	1,083,294,639	6,143,614,030	5,533,534,988	17,152,525,712
Insurance claims expenses	437,692,165	164,347	774,107	4,506,926	102,784,545	443,192,476	632,938,430	1,622,052,996
Reinsurance recoveries received	-	-	-	-	308,405,631	-	579,008,847	887,414,478
Recovery-Opening	1,599,067,287	-	67,497,544	-	1,079,827,718	5,143,077,690	2,312,766,833	10,202,237,072
Recovery-Closing	1,287,817,287	-	67,497,544	-	973,338,557	5,169,986,740	2,049,605,736	9,548,245,864
Insurance claims recovered from reinsures	(311,250,000)	-	-	-	308,405,631	-	579,008,847	1,622,052,996
Net claims	748,942,165	164,347	774,107	4,506,926	201,916,470	26,909,050	315,847,750	233,423,270
Commission expense	46,142,497	1,080,142	2,200,482	5,909,274	(99,131,925)	416,283,426	317,090,680	1,388,629,726
Management expense	-47,337,111	-445,784	-7,282,815	-2,372,049	29,799,195	111,512,025	301,665,565	-498,309,180
Net insurance claims and expenses (B)	747,747,551	798,705	(4,308,226)	8,044,151	(69,887,400)	621,122,535	768,034,763	2,071,552,079
Provision for doubtful debts	-	-	-	-	-	-	-	-
Underwriting results (C=A-B)	(424,372,646)	11,079,839	22,243,715	46,532,612	203,427,599	(326,215,128)	309,891,666	(157,412,343)
Provision for doubtful debts	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Profit before tax	323,374,905	11,878,544	17,935,489	54,576,763	133,540,199	294,907,407	1,077,926,429	371,269,910
Segment assets	-	-	-	-	-	-	-	-
Unallocated assets	-	-	-	-	-	-	-	-
Segment liabilities	747,747,551	798,705	(4,308,226)	8,044,151	(69,887,400)	621,122,535	768,034,763	2,071,552,079
Unallocated liabilities	-	-	-	-	-	-	-	-

PAKISTAN REINSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED September 30, 2023

33 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)	
	Nine months period ended	
	September 30, 2023	September 30, 2022
	----- Rupees -----	
Major shareholder		
Government of		
Dividend paid during the year	306,000,000	305,999,512
State Life		
Dividend paid during the year	146,464,402	146,464,402
Related parties by virtue of GoP's holdings		
Purchase of investment (T-Bills)	10,647,495,500	10,775,277,350
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
National Insurance Company Limited		
Premium due but unpaid	7,771,788,737	8,797,497,324
Insurance premium written during the year	16,059,238,260	10,305,926,608
Premium received	(17,836,692,025)	(11,105,764,147)
Balance at the end of year	5,994,334,972	7,997,659,785
Insurance commission paid	634,620,433	409,633,616
Insurance claims paid	3,299,985,841	962,101,382
State Life Insurance Company		
Premium received	60,392,423	66,327,461
Other related parties		
Remuneration including benefits and perquisites of key management personnel		

PAKISTAN REINSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED September 30, 2023

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) Nine months period ended		(Unaudited) Three months period ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Profit/(loss) after tax for the period	2,021,058,887	1,332,891,430	779,090,987	252,059,479
Weighted average number of ordinary shares (Number of shares)	900,000,000	900,000,000	900,000,000	900,000,000
Earning/(loss) per share - basic	2.25	1.48	0.87	0.28

35 CORRESPONDING FIGURES

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

36 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 23 OCT 2023 by the Board of Directors of the Company.

37 GENERAL

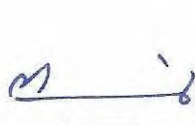




All figures have been rounded off to the nearest rupee unless otherwise stated.

 CFO  CEO  DIRECTOR  DIRECTOR  CHAIRMAN

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

		Operator's Retakaful Fund		Participant's Retakaful fund	
		Sep 30, 2023 (Unaudited)	December 31, 2022 (Audited)	Sep 30, 2023 (Unaudited)	December 31, 2022 (Audited)
		Rupees			
ASSETS		Note			
Investments	6	22,440,753	20,196,059	110,292,053	99,193,301
Other receivable	7	5,204,045	4,084,045	10,363,798	10,631,103
Takaful/retakaful receivables	8	-	-	818,323,641	503,635,945
Receivables from Participant's/Operator's Retakaful fund - net	9	27,699,870	-	-	14,683,246
Qard-e-hasna to Participant's Retakaful Fund	10	300,000,000	300,000,000	-	-
Deferred wakala fee	10	-	-	148,499,237	103,114,993
Retakaful recoveries against outstanding claims	11	-	-	237,085,750	230,780,709
Deferred commission expense	11	139,041,318	103,795,712	-	-
Deferred tax asset	12	106,935	-	-	-
Prepayments	13	-	-	-	-
Bank balances	14	-	-	47,318,746	87,351,654
TOTAL ASSETS		455,627,128	111,537,025	1,267,854,392	1,110,117,788
FUND AND LIABILITIES		950,120,049	539,612,841	2,639,737,617	2,159,508,739
FUNDS ATTRIBUTABLE TO:					
Operator's Retakaful Fund					
Statutory fund		600,000,000	300,000,000	-	-
Reserves	15	117,416,640	86,905,042	-	-
Total Operator's Funds		717,416,640	386,905,042	-	-
Participant's Retakaful Fund					
Seed money		-	-	1,000,000	1,000,000
Reserves	15	-	-	939,525,046	445,084,170
Balance of Participant's Takaful Fund		-	-	940,525,046	446,084,170
Qard-e-Hasna		-	-	300,000,000	300,000,000
		-	-	1,240,525,046	746,084,170
LIABILITIES					
Underwriting provisions					
Outstanding claims including IBNR	16	-	-	625,337,514	721,865,204
Unearned contribution reserves	17	-	-	742,496,185	515,574,963
Contribution deficiency reserve	0	-	-	-	-
Unearned wakala fee	10	-	-	1,367,833,699	1,237,440,167
Takaful/retakaful payables	18.1	148,499,237	103,114,993	-	-
Payable to Participant/Operator's Retakaful Fund - net		-	-	3,653,312	175,952,712
Taxation - provision less payment	19.1	-	14,683,246	27,699,870	-
Deferred tax liability	12	34,876,232	20,615,023	-	-
Other creditors and accruals	20	-	182,212	-	-
Payable to related party	21	36,439,775	2,437,660	31,690	31,690
		12,888,165	11,674,665	-	-
TOTAL LIABILITIES		232,703,409	152,707,799	1,399,218,571	1,413,424,569
TOTAL EQUITY AND LIABILITIES		950,120,049	539,612,841	2,639,743,617	2,159,508,739
CONTINGENCIES AND COMMITMENTS		22			


The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.


 Chairman
 Director
 Director
 Chief Executive Officer
 Chief Financial Officer


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


		Nine months period Ended		Three months period Ended	
		Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
	Note	Rupees			
Participant's Retakaful Fund					
Contributions earned	24	994,794,976	782,921,237	353,733,090	276,845,530
Less: contributions ceded to retrotakaful		(81,532,381)	(79,972,801)	(27,173,646)	(2,393,568)
Net contribution revenue		913,262,595	702,948,436	326,559,444	274,451,962
Wakala expense	24.1	(198,958,995)	(156,584,247)	(70,746,618)	(55,369,106)
Net underwriting income		714,303,600	546,364,189	255,812,826	219,082,856
Net claims - reported/ settled - IBNR	25.1	(281,147,530)	(417,284,489)	(54,615,616)	(212,704,297)
Charge of contribution deficiency reserve		-	-	-	-
Surplus / (Deficit) before investment income		433,156,070	129,079,700	201,197,210	6,378,559
Profit on bank deposit		88,846,060	37,577,694	-	(583,515)
Investment income		13,534,446	7,614,965	1,082,925	674,104
Less: Modarib's share of investment income and profit on bank deposit		(25,595,127)	(11,298,165)	(270,731)	(22,647)
Surplus / (deficit) before taxation		76,785,379	33,894,494	812,194	67,942
Taxation	26.1	509,941,449	162,974,194	202,009,404	6,446,501
Surplus / (deficit) transferred to accumulated		(15,095,086)	(6,726,406)	(156,440)	(1,463,023)
		494,846,363	156,247,788	201,852,964	4,983,478
Operator's Retakaful Fund					
Wakala fee income	24.1	198,958,995	156,584,247	70,746,618	55,369,106
Commission expense	27.1	(191,842,347)	(155,146,271)	(67,522,990)	(54,579,678)
General, administrative and management expenses	28.1	(17,772,680)	(10,791,546)	(5,001,654)	(4,189,160)
Cede money paid to participants' retakaful fund		(10,656,032)	(9,353,570)	(1,778,026)	(3,399,732)
Modarib's share of participant's investment income and profit on bank deposit		25,595,127	11,298,165	270,731	22,647
Investment income		2,727,080	13,748,247	220,941	(1,346,949)
Profit on bank deposit		31,999,034	1,544,471	-	137,526
Profit before taxation		49,665,210	17,237,313	(1,286,354)	(4,586,508)
Profit and loss appropriation account		-	-	-	-
Taxation		(19,369,432)	(4,998,821)	501,678	1,284,222
Profit after taxation		30,295,778	12,238,491	(784,676)	(3,302,286)
Balance at the beginning of the period		86,103,004	55,732,353	117,183,458	71,227,266
Profit for the period		30,295,778	12,238,491	(784,676)	(3,302,286)
		116,398,782	67,970,844	116,398,782	67,924,980
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		30,295,778	12,238,491	(784,676)	(3,302,286)


The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.


 Chairman


 Director


 Director



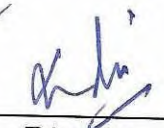



 Chief Executive Officer


 Chief Financial Officer

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

	Nine months period ended		Three months period Ended	
	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
	-----Rupees-----			
Participant's Retakaful Fund				
Surplus for the period	494,846,363	156,247,788	202,009,404	4,983,478
Other comprehensive loss for the period				
Item that may be subsequently reclassified to profit or				
Unrealised loss on 'available for sale' investments - net of tax	(405,487)	(2,452,290)	(3,114,690)	(3,631,888)
Total comprehensive income for the period	<u>494,440,876</u>	<u>153,795,498</u>	<u>198,894,714</u>	<u>1,351,590</u>
Operator's Retakaful Fund				
Profit after taxation	30,295,778	12,238,491	(784,676)	(3,302,286)
Other comprehensive loss for the period				
Item that may be subsequently reclassified to profit or				
Unrealised loss on 'available for sale investments' - net of tax	(73,326)	(362,911)	829,176	(619,584)
Total comprehensive income for the period	<u>30,222,452</u>	<u>11,875,580</u>	<u>44,500</u>	<u>(3,921,870)</u>

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

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

Attributable to Operator's Retakaful Fund				
Statutory Fund	Reserves			Total
	Capital	Revenue		
	Unrealized gain / (loss) on available for sale investment	Unappropriated Profit	Total Reserves	

Rupees

Balance as at January 01, 2022 (Audited)	300,000,000	217,305	55,732,353	55,949,658	355,949,658
Total comprehensive income for the period					
Profit for the year			9,279,739	9,279,739	9,279,739
sale investments-net of tax	-	(362,911)	-	(362,911)	(362,911)
Balance as at Sep 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
Profit for the period	-	-	30,295,778	30,295,778	30,295,778
Unrealized loss on available for sale investments-net of tax	-	(73,326)	-	(73,326)	(73,326)
Deferred tax impact	-	351,976	-	351,976	351,976
		278,650	30,295,778	30,574,428	30,574,428
Effect of deferred tax due change in tax rate		(62,829)		(62,829)	(62,829)

Balance as at Sep 30, 2023 (Unaudited)

600,000,000	1,017,859	116,398,782	117,416,641	717,416,641
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Attributable to Participant's Retakaful Fund				
Seed money	Reserves			Total
	Capital	Revenue		
	Unrealized (loss) on available for sale investment	Accumulated deficit	Total Reserves	

Rupees

Balance as at January 01, 2022 (Audited)	1,000,000	3,304,137	93,843,816	97,147,953	98,147,953
Total comprehensive income for the period					
Unrealized loss on available for sale investments	-	(2,452,290)	-	(2,452,290)	(2,452,290)
Surplus for the period	-	-	156,247,788	156,247,788	156,247,788
Balance as at Sep 30, 2022 (Unaudited)	1,000,000	851,847	250,091,604	250,943,451	251,943,451
Balance as at January 01, 2023 (Audited)	1,000,000	5,616,119	439,468,051	445,084,170	446,084,170
Surplus for the period	-	-	494,846,363	494,846,363	494,846,363
Unrealized loss on available for sale investments	-	(405,487)	-	(405,487)	(405,487)
Balance as at Sep 30, 2023 (Unaudited)	1,000,000	5,210,632	934,314,414	939,525,046	940,525,046

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.

Chairman

Director

Director

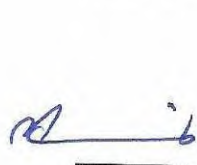
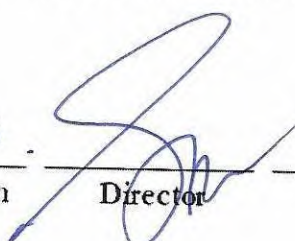
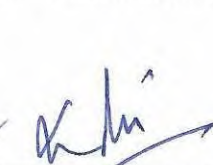


Chief Executive Officer

Chief Financial Officer

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

	Operator's Retakaful Fund		Participant's Retakaful Fund	
	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
-----Rupees-----				
Operating cash flow				
Retakaful activities				
Contribution received	-	-	907,028,502	627,428,021
Retro takaful contribution paid	-	-	(130,799,927)	(105,706,877)
Benefits paid	-	-	(492,432,930)	(187,111,132)
Benefits recoveries from retro takaful	-	-	108,452,669	27,954,638
Commission paid	(227,087,953)	(184,046,305)	-	-
Net cash (used in) / from retakaful activities	(227,087,953)	(184,046,305)	392,248,315	362,564,650
Other operating activities				
Income tax paid	(5,108,223)	(2,287,718)	-	-
Management expenses paid	(17,772,680)	(10,791,546)	-	-
Other operating receipts/(payments)	261,650,868	368,783,516	(325,387,978)	(371,330,531)
Net cash from/(used in) other operating activities	238,769,965	355,704,252	(325,387,978)	(371,330,531)
Total cash from/(used in) all operating activities	11,682,012	171,657,947	66,860,336	(8,765,881)
Investing activities				
Payment for investments made	(2,318,024)	(1,318,990)	(11,504,239)	(6,526,212)
Receipt of profit on bank deposits	31,999,034	13,748,247	88,846,060	37,577,694
Receipt of investment income	2,727,080	1,544,471	13,534,446	7,614,965
Statutory fund	300,000,000	-	-	-
Total cashflow from investing activities	332,408,090	13,973,728	90,876,267	38,666,447
Financing activities				
Qard-e-hasna	-	-	-	-
Total cash from financing activities	-	-	-	-
Net cash flow from/(used-in) all activities	344,090,103	185,631,675	157,736,603	29,900,566
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	455,627,128	296,158,487	1,267,854,391	628,519,309
Reconciliation to profit and loss				
Operating cash flows	11,682,012	171,657,947	66,860,336	(8,765,881)
Receipt of Profit on bank deposits	31,999,034	13,748,247	88,846,060	37,577,694
Receipt of Investment income	2,727,080	1,544,471	13,534,446	7,614,965
(Decrease)/increase in operating assets other than cash	64,172,411	(138,501,209)	311,393,522	412,527,068
(Increase)/decrease in operating liabilities	(66,023,551)	(33,499,861)	29,301,084	(285,979,652)
Other adjustments:				
Income tax paid	5,108,223	2,287,718	-	-
Profit/(deficit) before taxation	49,665,210	17,237,313	509,935,449	162,974,194
Provision for taxation	(19,369,432)	(4,998,821)	(15,095,086)	(6,726,406)
Profit after taxation	30,295,778	12,238,492	494,840,362	156,247,788

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.

Chairman Director Director Chief Executive Officer Chief Financial Officer

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

1 LEGAL STATUS AND NATURE OF BUSINESS

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

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

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

3 USE OF JUDGEMENTS AND ESTIMATES

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

These are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the company's accounting period beginning on or after January 01, 2023. These standards, interpretations and amendments are either not relevant to the company's operations or are not expected to have a significant effect on this condensed interim financial information except as disclosed in note 5.1 below.

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

The above amendments are not likely to have an impact on Company's condensed interim financial statements. In addition to above standards, there are certain new and amended standards, interpretations and amendments that are mandatory for accounting periods beginning on after 01 January 2023 but are considered not to be relevant to the Company's operations and therefore, are not detailed in these condensed interim financial statements.

5 INSURANCE AND FINANCIAL RISK MANAGEMENT

The insurance and financial risk management objectives and policies are consistent with those disclosed in annual audited financial statements of the Operator for the year ended December 31, 2022.

6 INVESTMENTS

Available for sale - Mutual Funds

30-Sep-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	4,531,506	153,373	21,513,748	22,206,846	693,098
AL-AMEEN ISLAMIC SOVEREIGN FUND -Class-C	2,298,491	2,380,461	81,970	4,056,160	4,200,814	144,654
AL-AMEEN ISLAMIC CASH FUND	2,014,857	2,082,686	67,829	17,421,041	17,990,899	569,858
NBP ISLAMIC MAHANA AMDANI FUND (FORMERLY:NBP AITEMAAD MAHANA AMDANI FUND)	4,368,097	4,522,641	154,544	21,464,609	22,163,452	698,843
ABL ISLAMIC INCOME FUND	4,261,685	4,358,948	97,263	20,944,456	21,357,376	412,920
MEEZAN ROZANA AMDANI FUND - GROWTH-B	4,442,914	4,564,501	121,587	22,372,675	22,372,667	(8)
	21,764,177	22,440,743	676,566	107,772,689	110,292,054	2,519,365

	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	
Sep 30, 2023 (Unaudited)	December 31, 2022 (Audited)	Sep 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Rupees			

7 OTHER RECEIVABLES

Loan to employee
Accrued markup on bank deposits

1,280,000	160,000	-	-
3,924,045	3,924,045	10,363,798	10,631,103
5,204,045	4,084,045	10,363,798	10,631,103

Participant's Retakaful Fund	
Sep 30, 2023 (Unaudited)	Dec 31, 2022 (Audited)
Rupees	

8 TAKAFUL/RETAKAFUL RECEIVABLES

Due from takaful participants holders
Treaty retakaful
Facultative retakaful

Less: provision for impairment

Note

8.1

8.1 Movement of provision for impairment

Opening balance
Provisions made during the period
Closing balance

626,597,835	361,612,636
204,547,343	154,844,846
831,145,178	516,457,482
(12,821,537)	(12,821,537)
818,323,641	503,635,945
12,821,537	4,048,412
-	8,773,125
12,821,537	12,821,537

Operator's Retakaful Fund		Participant's Retakaful Fund	
Sep 30, 2023 (Unaudited)	December 31, 2022 (Audited)	Sep 30, 2023 (Unaudited)	December 31, 2022 (Audited)

Note

-----Rupees-----

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

Amount (payable) to / receivable from

Participant's Retakaful Fund

Wakala fee

Modarib's share of participant's retakaful fund

investment income and bank profit

Commission payable

9.1	(15,150,543)	(39,419,289)	15,150,543	39,419,289
9.2	244,343,239	241,037,755	(244,343,239)	(241,037,755)
9.3	25,595,127	20,306,173	(25,595,127)	(20,306,173)
	(227,087,953)	(236,607,884)	227,087,953	236,607,884
	<u>27,699,870</u>	<u>(14,683,245)</u>	<u>(27,699,870)</u>	<u>14,683,245</u>

- 9.1 The amount is payable by the Operator to Participant's Retakaful Fund related to contribution received by the Operator from takaful participants.
- 9.2 It represents the amount receivable from Participant's Retakaful Fund related to wakala fee charged at 20% (2022: 20%) of gross contribution written amounted to Rs. 994,794,976 (2022: Rs. 782,921,237).
- 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.

Operator's Retakaful Fund		Participant's Retakaful Fund	
Sep 30, 2023 (Unaudited)	December 31, 2022 (Audited)	Sep 30, 2023 (Unaudited)	December 31, 2022 (Audited)

Note

-----Rupees-----

10 UNEARNED WAKALA FEE / DEFERRED WAKALA FEE

Facultative business

Treaty

10.1	13,960,956	6,458,554	13,960,956	6,458,554
	<u>134,538,281</u>	<u>96,656,439</u>	<u>134,538,281</u>	<u>96,656,439</u>
	<u>148,499,237</u>	<u>103,114,993</u>	<u>148,499,237</u>	<u>103,114,993</u>

10.1 Facultative business

Fire

Marine Cargo

Marine Hull

Accident

Engineering

	8,327,879	5,175,445	8,327,879	5,175,445
	41,108	6,816	41,108	6,816
	-	29,644	-	29,644
	415,425	561,555	415,425	561,555
	<u>5,176,544</u>	<u>685,094</u>	<u>5,176,544</u>	<u>685,094</u>
	<u>13,960,956</u>	<u>6,458,554</u>	<u>13,960,956</u>	<u>6,458,554</u>

11 DEFERRED COMMISSION EXPENSE

Facultative business

Treaty

11.1	2,800,696	2,437,160	-	-
	<u>136,240,622</u>	<u>101,358,552</u>	<u>-</u>	<u>-</u>
	<u>139,041,318</u>	<u>103,795,712</u>	<u>-</u>	<u>-</u>

11.1 Facultative business

Fire

Marine Cargo

Marine Hull

Accident

Engineering

	2,625,167	2,097,475	-	-
	10,800	3,141	-	-
	-	11,117	-	-
	99,842	137,899	-	-
	<u>64,887</u>	<u>187,528</u>	<u>-</u>	<u>-</u>
	<u>2,800,696</u>	<u>2,437,160</u>	<u>-</u>	<u>-</u>

Note	Operator's Retakaful Fund		Participant's Retakaful Fund	
	Sep 30, 2023 (UnAudited)	December 31, 2022 (Audited)	Sep 30, 2023 (UnAudited)	December 31, 2022 (Audited)
	-----Rupees-----			

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	289,147	137,040	-	-
	<u>106,935</u>	<u>(182,212)</u>	<u>-</u>	<u>-</u>

13 PREPAYMENTS

Treaty business				
Prepaid retakaful contribution ceded	-	-	47,318,746	87,351,654
	<u>-</u>	<u>-</u>	<u>47,318,746</u>	<u>87,351,654</u>

14 BANK BALANCES

Cash at bank in:				
Saving accounts	14.1	455,627,128	111,537,025	1,267,854,392
		<u>455,627,128</u>	<u>111,537,025</u>	<u>1,110,117,788</u>

14.1 Profit sharing rate on modaraba account ranging from 18% to 20% (December 31 2022: 14% to 16 %) per annum.

15 RESERVES

Revenue Reserves				
Unappropriated profit / (loss)	116,398,782	55,949,658	934,314,414	97,147,953
Capital Reserves				
Unrealized (loss) /gain on available for sale reserve	1,017,859	30,955,384	5,210,632	347,936,217
	<u>117,416,641</u>	<u>86,905,042</u>	<u>939,525,046</u>	<u>445,084,170</u>

16 OUTSTANDING CLAIMS INCLUDING IBNR

Note

Participant's Retakaful Fund	
Sep 30, 2023 (UnAudited)	December 31, 2022 (Audited)
-----Rupees-----	

Facultative business			
Treaty	16.1	82,356,791	96,848,533
		<u>542,980,723</u>	<u>625,016,671</u>
	16.2	<u>625,337,514</u>	<u>721,865,204</u>

16.1 Facultative business

Fire			
Marine cargo		69,383,746	83,479,953
Marine hull		80,537	80,537
Accident		65,359	65,359
Engineering		3,363,219	3,721,474
		<u>9,463,930</u>	<u>9,501,210</u>
		<u>82,356,791</u>	<u>96,848,533</u>

16.2 The Securities and Exchange Commission of Pakistan (SECP) issued guidelines for estimation of Incurred but Not Reported (IBNR) claim reserves for non-life insurer companies through Circular No. 9 of 2016 dated March 09, 2016. The guidelines prescribe the standard method for estimation of IBNR claim reserves so as to bring industry wide-uniformity in respect of such estimation and to ensure adequacy of IBNR claims reserve. All non-life insurance companies are required to comply with these guidelines with effect from July 01, 2016.

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

On the basis of above SECP specified guidelines, the Company wrote letter to each ceding Company to share data of IBNR Claims Reserves in accordance with its share in the reinsurance program both for facultative and treaty business. However, none of the ceding companies shared their IBNR Claim Reserves. The Operator recorded Facultative and Treaty IBNR claim reserves on basis of actuarial valuation dated March 24 2023 which amounts to Rs. 11 037 million

17 UNEARNED CONTRIBUTION RESERVES

Note

Participant's Retakaful Fund	
Sep 30, 2023 (UnAudited)	December 31, 2022 (Audited)

Rupees

Facultative business
Treaty

17.1

69,804,779	32,292,770
672,691,406	483,282,193
742,496,185	515,574,963

17.1 Facultative business

Fire
Marine cargo
Marine hull
Accident
Engineering

41,639,397	25,877,225
205,541	34,081
-	148,222
2,077,123	2,807,774
25,882,718	3,425,468
69,804,779	32,292,770

18.1 TAKAFUL/RETAKAFUL PAYABLES

Retakaful contribution payable

3,653,312	175,952,712
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19.1 TAXATION- PROVISION LESS PAYMENT

Note

Operator's Retakaful Fund		Participant's Retakaful Fund	
Sep 30, 2023 (Unaudited)	December 31, 2022 (Audited)	Sep 30, 2023 (Unaudited)	December 31, 2022 (Audited)

Rupees

Balance at beginning of the period/year
Income tax deducted at source on dividend income
Income tax deducted at source on bank profit
Payment of income tax
Provision for current tax
Balance at end of the period/year

(20,615,025)	(13,404,751)	-	-
409,060	246,937	2,030,207	1,193,917
4,699,165	4,947,705	13,067,879	9,566,411
-	-	-	-
(19,369,432)	(12,404,914)	(15,095,086)	(10,760,328)
(34,876,232)	(20,615,023)	-	-

20.1 OTHER CREDITORS AND ACCRUALS

Treaty reinsurers
Salaries payable
Income tax deducted at source
Employee income tax payable
Sindh sales tax payable
Other Payable
Audit fee payable
Sindh sales tax payable
Miscellaneous creditors

34,598,043	-	-	-
226,110	22,800	-	-
59,630	-	26,730	26,730
722,583	363,464	-	-
-	-	-	-
63,444	-	-	-
588,500	975,800	-	-
31,465	11,990	3,960	3,960
150,000	1,063,606	1,000	1,000
36,439,775	2,437,660	31,690	31,690

21.1 PAYABLE TO RELATED PARTY

Pakistan Reinsurance Company Limited

21.2

12,888,165	11,674,665	-	-
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21.2 Payable in respect of

Income tax
Salaries
Bonus

1,869,425	1,884,393	-	-
10,256,469	9,028,001	-	-
762,271	762,271	-	-
12,888,165	11,674,665	-	-

22.1 CONTINGENCIES AND COMMITMENTS

22.2 The Operator was served with a notice by Sindh Revenue Board (SRB) in 2016 for non filing of sales tax returns and raised sales tax liability via same notice on conventional reinsurance services provided by the Operator. Company has contested the notice and the case is pending with the Honorable High Court of Sindh. In case of unfavorable outcome of the said matter, the charge to profit or loss would to Rs. 118.7 million pertaining to nine months 2023 (2022: Rs. 156.6 millions) on retakaful operations excluding any additional penalty or default surcharge.

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

23.1 NET CONTRIBUTION REVENUE

NET CONTRIBUTION REVENUE	Note	Nine Months Ended		Three Months Ended	
		Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022
		-----Rupees-----			
Written gross contribution	29	1,221,716,198	943,787,915	603,802,843	439,948,203
Add: unearned contribution reserve opening	29	515,574,963	389,667,246	492,426,432	387,421,251
Less: unearned contribution reserve closing		(742,496,185)	(550,533,924)	(742,496,185)	(550,533,924)
Contribution earned		994,794,976	782,921,237	353,733,090	276,835,530
Retakaful contribution ceded		41,499,473	9,465,455	41,499,473	(217,631)
Add: prepaid retakaful contribution opening	29	87,351,654	76,368,848	32,992,919	8,472,701
Less: prepaid retakaful contribution closing	29	(47,318,746)	(5,861,502)	(47,318,746)	(5,861,502)
Retakaful expense		81,532,381	79,972,801	27,173,646	2,393,568
		913,262,595	702,948,436	326,559,444	274,441,962

24.1 WAKALA FEE/EXPENSE

Gross wakala fee		244,343,240	188,757,583	120,760,569	87,989,641
Add: unearned Wakala fee opening		103,114,993	77,933,449	98,485,286	77,484,250
Less: unearned Wakala fee closing		(148,499,237)	(110,106,785)	(148,499,237)	(110,106,785)
	29	198,958,995	156,584,247	70,746,618	55,367,106

25.1 NET CLAIMS - REPORTED / SETTLED - IBNR

Benefits/claims paid		492,432,930	187,111,132	178,802,529	96,170,754
Less: outstanding benefits/claims including IBNR -		(721,865,204)	(314,149,375)	(745,591,446)	(519,902,407)
Add: outstanding benefits / claims including IBNR -		625,337,514	709,820,729	625,337,514	709,820,729
Claims expense		395,905,240	582,782,486	58,548,597	286,089,076
Retakaful and other recoveries received		108,452,669	27,954,638	108,452,669	(677,571)
Add: retakaful and other recoveries received- closing		237,085,750	166,926,086	237,085,750	74,062,350
Less: retakaful and other recoveries received- opening		(230,780,709)	(29,382,727)	(341,605,438)	-
Retakaful and other recoveries revenue		114,757,710	165,497,997	3,932,981	73,384,779
Net claims expenses		281,147,530	417,284,489	54,615,616	212,704,297

26.1 TAXATION

Current tax-deducted at source		(15,095,086)	(6,726,406)	(156,440)	(1,463,023)
		(15,095,086)	(6,726,406)	(156,440)	(1,463,023)

27.1 COMMISSION EXPENSE

Commission paid or payable		227,087,953	184,046,305	120,667,335	90,356,385
Add: deferred commission expense opening	29	103,795,712	80,659,235	85,896,973	-
Less: deferred commission expense closing		(139,041,318)	(109,559,270)	(139,041,318)	(35,776,707)
		191,842,347	155,146,270	67,522,990	54,579,678

28.1 GENERAL, ADMINISTRATIVE AND

Salaries, allowance and other benefits		15,029,389	9,699,378	4,226,923	3,966,642
Shariah advisor fee		2,415,491	990,000	774,731	164,999
Auditor's remuneration		327,800	-	-	-
Others		-	102,167	-	57,517
		17,772,680	10,791,545	5,001,654	4,189,158

29 SEGMENT REPORTING

PARTICIPANT'S RETAKAFUL FUND

Nine months ended Sep 30, 2023					
	Fire and property damage	Marine	Accident	Treaty	TOTAL
	-----Rupees-----				
Gross written contribution	133,639,321	1,832,052	5,348,696	1,080,896,129	1,221,716,198
Unearned contribution-opening	29,302,693	182,303	2,807,774	483,282,193	515,574,963
Unearned contribution-closing	67,522,115	205,541	2,077,123	672,691,406	742,496,185
Contribution earned	95,419,899	1,808,814	6,079,347	891,486,916	994,794,976
Retakaful-Ceded	-	-	-	41,499,473	41,499,473
Prepaid retakaful-opening	-	-	-	87,351,654	87,351,654
Prepaid retakaful-closing	-	-	-	47,318,746	47,318,746
Retakaful expenses	-	-	-	81,532,381	81,532,381
Net contribution	95,419,899	1,808,814	6,079,347	809,954,535	913,262,595
Rebate	-	-	-	-	-
Net underwriting income (A)	95,419,899	1,808,814	6,079,347	809,954,535	913,262,595
Benefits paid	14,528,651	-	-	477,904,279	492,432,930
Outstanding benefits/claims-opening	92,981,163	145,896	3,721,474	625,016,671	721,865,204
Outstanding benefits/claims-closing	78,847,676	145,896	3,363,219	542,980,723	625,337,514
Claims expenses	395,164	-	(358,255)	395,868,331	395,905,240
Retakaful recoveries received	-	-	-	108,452,669	108,452,669
Retakaful recoveries against outstanding claims-opening	-	-	-	230,780,709	230,780,709
Retakaful recoveries against outstanding claims-closing	-	-	-	237,085,750	237,085,750
Retakaful recoveries revenue	-	-	-	114,757,710	114,757,710
Net benefit expenses	395,164	-	(358,255)	281,110,621	281,147,530
Wakala fee	19,083,980	361,763	1,215,869	178,297,383	198,958,995
Management expense	-	-	-	-	-
Contribution deficiency expense	-	-	-	-	-
Net benefits and expenses (B)	19,479,144	361,763	857,614	459,408,004	480,106,525
Underwriting results (C=A-B)	75,940,755	1,447,051	5,221,733	350,546,531	433,156,070
Profit on bank deposits					88,846,060
Modarib share of PTF investment income and bank					(25,595,127)
Investment income					13,534,446
Profit before tax					509,941,449
Segment Assets	13,504,423	41,108	415,425	418,942,777	432,903,733
Unallocated Assets					2,206,833,884
					2,639,737,617
Segment Liabilities	146,369,791	351,437	5,440,342	1,215,672,129	1,367,833,699
Unallocated Liabilities					31,384,872
					1,399,218,571
OPERATOR'S RETAKAFUL FUND					
Wakala fee	19,083,980	361,763	1,215,869	178,297,383	198,958,995
Commission	(6,471,975)	(147,437)	(304,745)	(184,918,190)	(191,842,347)
Management expenses	(1,704,741)	(32,316)	(108,612)	(15,927,012)	(17,772,680)
Segment Results	10,907,264	182,010	802,513	(22,547,819)	(10,656,032)
Profit on bank deposits					31,999,034
Modarib share of PTF investment income and bank					25,595,127
profit					2,727,080
Investment income					49,665,210
Profit before tax					
Segment Assets	2,690,054	10,800	99,842	136,240,622	139,041,318
Unallocated Assets					811,078,731
					950,120,049
Segment Liabilities	13,504,423	41,108	415,425	134,538,281	148,499,237
Unallocated Liabilities					84,204,172
					232,703,409

PARTICIPANT'S RETAKAFUL FUND

Three months period ended Sep 30, 2023					
	Fire and property damage	Marine	Accident	Treaty	TOTAL
	Rupees				
Gross written contribution	61,925,697	420,432	1,821,288	539,635,426	603,802,843
Unearned contribution-opening	38,129,469	177,284	2,413,094	451,706,585	492,426,432
Unearned contribution-closing	67,522,115	205,541	2,077,123	672,691,406	742,496,185
Contribution Earned	32,533,051	392,175	2,157,259	318,650,605	353,733,090
Retakaful-ceded	-	-	-	41,499,473	41,499,473
Prepaid Retakaful-opening	-	-	-	32,992,919	32,992,919
Prepaid Retakaful-closing	-	-	-	47,318,746	47,318,746
Retakaful Expenses	-	-	-	27,173,646	27,173,646
Net contribution	32,533,051	392,175	2,157,259	291,476,959	326,559,444
Rebate	-	-	-	-	-
Net underwriting income (A)	32,533,051	392,175	2,157,259	291,476,959	326,559,444
Benefits/claims paid	2,499,540	-	-	176,302,989	178,802,529
Outstanding benefits/claims-opening	87,275,236	145,896	4,063,219	654,107,095	745,591,446
Outstanding benefits/claims-closing	78,847,676	145,896	3,363,219	542,980,723	625,337,514
Claims expenses	(5,928,020)	-	(700,000)	65,176,617	58,548,597
Retakaful recoveries received	-	-	-	108,452,669	108,452,669
Retakaful recoveries against outstanding claims-	-	-	-	341,605,438	341,605,438
Retakaful recoveries against outstanding claims-	-	-	-	237,085,750	237,085,750
Benefits recovered from retro takaful	-	-	-	3,932,981	3,932,981
Net benefit expenses	(5,928,020)	-	-	61,243,636	54,615,616
Wakala Fee	6,506,610	78,435	431,452	63,730,121	70,746,618
Management expense	-	-	-	-	-
Net benefits and expenses (B)	578,590	78,435	(268,548)	124,973,757	125,362,234
Underwriting results (C=A-B)	31,954,461	313,740	2,425,807	166,503,202	201,197,210
Profit on bank deposits	-	-	-	-	-
Modarib share of PTF investment income and bank	-	-	-	-	(270,731)
Investment income	-	-	-	-	1,082,925
Profit before tax	-	-	-	-	202,009,404
Segment assets	13,504,423	41,108	415,425	418,942,777	432,903,733
Unallocated assets	-	-	-	-	2,206,833,884
	-	-	-	-	2,639,737,617
Segment liabilities	146,369,791	351,437	5,440,342	1,215,672,129	1,367,833,699
Unallocated liabilities	-	-	-	-	31,384,872
	-	-	-	-	1,399,218,571
OPERATOR'S RETAKAFUL FUND					
Wakala Fee	6,506,610	78,435	431,452	63,730,121	70,746,618
Commission	(1,716,530)	(33,718)	(108,467)	(65,664,275)	(67,522,990)
Management Expenses	(451,929)	(4,094)	(30,477)	(4,515,154)	(5,001,654)
Segment Results	4,338,151	40,623	292,508	(6,449,308)	(1,778,026)
Profit on bank deposits	-	-	-	-	-
Modarib share of PTF investment income and bank	-	-	-	-	270,731
Investment income	-	-	-	-	220,941
Deficit before tax	-	-	-	-	(1,286,354)
Segment Assets	2,690,054	10,800	99,842	136,240,622	139,041,318
Unallocated Assets	-	-	-	-	811,078,731
	-	-	-	-	950,120,049
Segment Liabilities	13,504,423	41,108	415,425	134,538,281	148,499,237
Unallocated Liabilities	-	-	-	-	84,204,172
	-	-	-	-	232,703,409

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

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

PARTICIPANT'S RETAKAFUL FUND

	Fair value measurement using		
	Level 1	Level 2	Level 3
	Rupees		
Sep 30, 2023 (Un-audited)			
Open end mutual funds	110,292,053	-	-
			110,292,053
December 31, 2022 (Audited)			
Open end mutual funds	99,193,301	-	-
			99,193,301

OPERATOR'S RETAKAFUL FUND

Sep 30, 2023 (Unaudited)			
Open end mutual funds	22,440,753	-	-
			22,440,753
December 31, 2022 (Audited)			
Open end mutual funds	20,196,059	-	-
			20,196,059

31 STATEMENT OF SOLVENCY

	Note	Participant's Retakaful Fund	
		Sep 30, 2023 (UnAudited)	December 31, 2022 (Audited)
		Rupees	
Assets			
Investments			
Takaful/retakaful receivables	6	110,292,053	99,193,301
Other Receivable	8	818,323,641	503,635,945
Prepayment	7	10,363,798	10,631,103
Deferred wakala fee	13	47,318,746	87,351,654
Receivable from Operator's Retakaful Fund-net	10	148,499,237	103,114,993
Retakaful Recoveries against outstanding claims	9	-	14,683,246
Bank balances		237,085,750	230,780,709
Total Assets (A)	14	1,267,854,392	1,110,117,788
In-admissible assets as per section 32 (2)		2,639,737,617	2,159,508,739
of Insurance Ordinance, 2000			
Contribution due since more than three months			
Total In-admissible assets (B)		(630,802,116)	(195,647,000)
Total Admissible Assets (C=A-B)		(630,802,116)	(195,647,000)
Total Liabilities		2,008,935,501	1,963,861,739
Outstanding benefits including IBNR			
Unearned contribution reserves	16	625,337,514	721,865,204
Contribution deficiency reserves	17	742,496,185	515,574,963
Takaful/retakaful payable	18	-	-
Other creditors and accruals	19	3,653,312	175,952,712
Total Liabilities (D)	21	31,690	31,690
		1,371,518,701	1,413,424,569
		637,416,799	550,437,170
Minimum Solvency Requirement (higher of following amounts)			
		(150,000,000)	(150,000,000)
Deficit in Net Admissible Assets over Minimum Requirements		487,416,799	400,437,170

31.2 The Participant's Retakaful Fund has not complied with the minimum solvency requirement as against the requirement of section 36 of the Insurance ordinance, 2000 and Takaful Rules, 2012 section 10 (k).

32 SUBSEQUENT NON ADJUSTING EVENTS

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

33 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.

34 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 23 OCT 2023 by the Board of Directors of the Operator.

35 GENERAL

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

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer