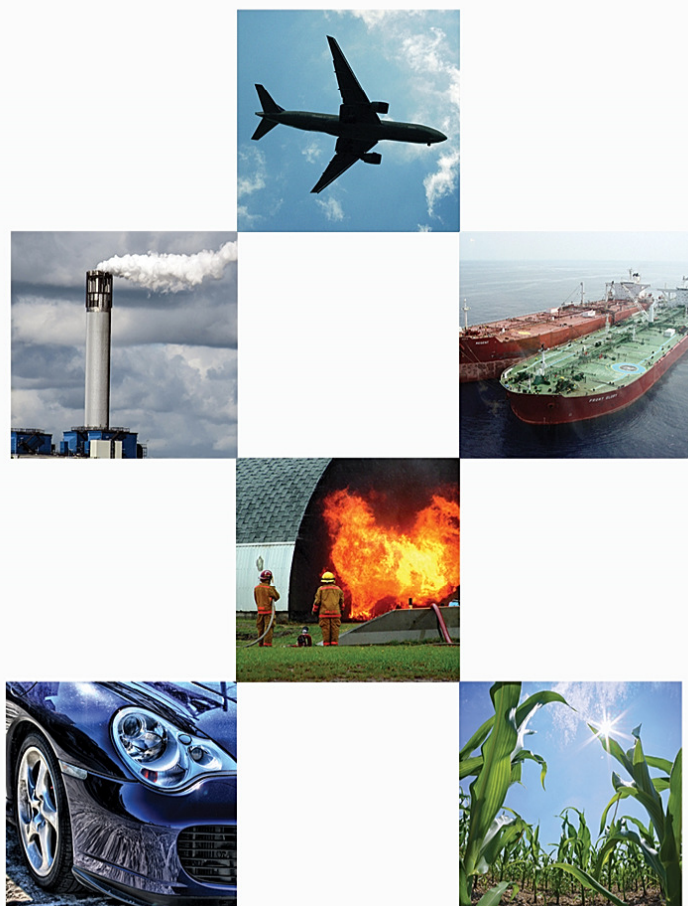


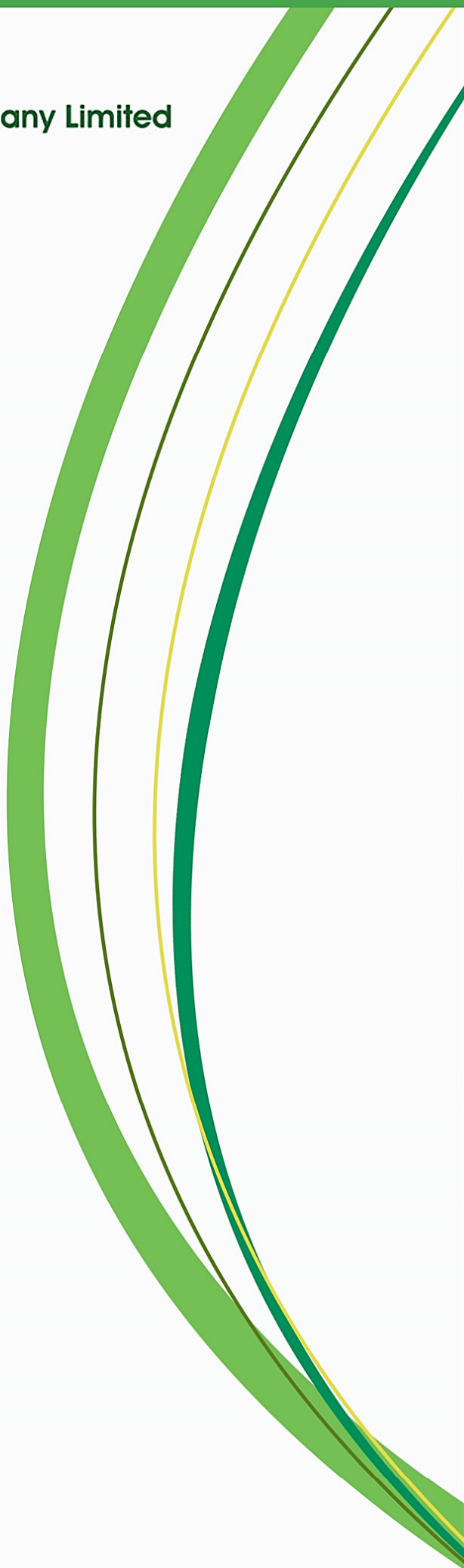


Pakistan Reinsurance Company Limited



1st Quarter 2019

Commitment To Excellence



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Vision

To be a leading provider of reinsurance and risk management services in the region



Mission

To provide secure reinsurance capacity and outstanding risk management advice in a profitable manner and to conduct business in a dependable and professional way with the highest standards of customer service.



Strategy

To remain the best provider of reinsurance and risk management services to the insurance industry and to have good business relationship with local insurers, reinsurance brokers and foreign reinsurers.



Objectives

- ❖ *To provide the best reinsurance services to the local insurance industry.*
- ❖ *To prepare employees to meet the challenges of fast changing business requirements as well as to provide them with conducive working environment.*
- ❖ *To assist in the development of National Insurance Industry.*
- ❖ *To enhance Domestic retention capacity in order to save valuable foreign exchange.*

Corporate Information

BOARD OF DIRECTORS OF PRCL

	<u>Members</u>	<u>Types</u>
Mr. Shahab Khawaja	Chairman Board	Independent
Mr. Shakeel Ahmed Mangnejo	CEO / Director	Executive
Mr. Abdul Sami Kehar	Director	Independent
Mr. Mumtaz Ali Rajper	Director	Non-Executive
Mr. Mushtaq Ahmed Mahar	Director	SLIC Nominee
Mr. Musleh-ud-Din	Director	Non-Executive
Dr. Nazim Latif	Director	Ex-Officio

COMPANY SECRETARY / COMPLIANCE OFFICER

Mr. Shams-ud-Din

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Abdul Sami Kehar	Chairman
Mr. Mumtaz Ali Rajper	Member
Dr. Nazim Latif, Joint Secretary (Ins.)	Member
Mr. Mushtaq Ahmed Mahar	Member
Mr. Muhammad Khurshid, CIA	Secretary

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Abdul Sami Kehar	Chairman
Dr. Nazim Latif, Joint Secretary (Ins.)	Member
Mr. Mushtaq Ahmed Mahar	Member
Mr. Shakeel Ahmed Mangnejo, CEO	Member
Mr. Shahzad F. Lodhi, ED (HR)	Secretary

INVESTMENT COMMITTEE

Mr. Musleh-ud-Din	Chairman
Mr. Shahab Khawaja	Member
Mr. Abdul Sami Kehar	Member
Mr. Mumtaz Ali Rajper	Member
Mr. Shakeel Ahmed Mangnejo, CEO	Member
Mr. Jamil Ahmed, CFO	Member
Mr. Naveed Iqbal, Manager (Head of Investment)	Secretary

MANAGEMENT COMMITTEES

RISK MANAGEMENT AND COMPLIANCE COMMITTEE

Mr. Musleh-ud-Din	Chairman
Mr. Shakeel Ahmed Mangnejo, CEO	Member
Mr. Shams-ud-Din / Compliance Officer	Secretary

PROCUREMENT COMMITTEE

Mr. Musleh-ud-Din	Chairman
Dr. Nazim Latif	Member
Mr. Shakeel Ahmed Mangnejo, CEO	Member
Mr. Shahzad F. Lodhi, ED (Admn.)	Secretary

UNDERWRITING / REINSURANCE COMMITTEE

Mr. Shahab Khawaja	Chairman
Mr. Abdul Sami Kehar	Member
Mr. Shakeel Ahmed Mangnejo, CEO	Member
Mr. Muhammad Junaid Moti, ED (Underwriting)	Secretary

CLAIMS SETTLEMENT COMMITTEE

Mr. Mumtaz Ali Rajper	Chairman
Dr. Nazim Latif	Member
Mr. Shakeel Ahmed Mangnejo, CEO	Member
Mr. Muhammad Junaid Moti, ED (Underwriting)	Secretary

SENIOR MANAGEMENT

Mr. Shakeel Ahmed Mangnejo	Chief Executive Officer
Mr. Shahzad Farooq Lodhi	Executive Director (HR/Admn)
Mr. Shams-ud-Din	Company Secretary / Compliance Officer
Mr. Muhammad Junaid Moti	Executive Director (Underwriting)
Mr. Muhammad Khurshid	Chief Internal Auditor
Mr. Jamil Ahmed	Chief Financial Officer
Mrs. Raana Muneer Ahmad	General Manager / Head of Northern Zone
Mr. Zohaib Hasan	General Manager / Head of IT Department

BANKERS

National Bank of Pakistan
Bank Al-Habib Limited
Sindh Bank Limited

ZONAL OFFICE

1st Floor, 15-A, Davis Road
State Life Building
Lahore.
Tele: (92-42) 36360242-45
Telefax: (92-42) 36360246

SHARE REGISTRAR

Central Depository Company of Pakistan Limited
CDC House, 99-B,Block-B, SMCHS
Main Shakra-e-Faisal
Karachi-74400, Pakistan
Tele: (92-21) 111-111-500

Directors' Report

For First Quarter Ended March 31, 2019

**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 first quarter ended March 31, 2019.

Review of Business Activities

The gross written premium is Rs. 3,294 million against an amount of Rs. 2,644 million for the corresponding period of last year, showing an increase of Rs. 649 million (24.5%). The net premium is Rs. 1,674 million against Rs. 1,530 million, showing an increase of Rs. 144 million (9.4%). The net commission (expense) for the period is Rs. 299 million as compared to Rs. 269 million, showing an increase of Rs. 29 million (10.78%). The net claims are Rs. 1,186 million against Rs. 1,008 million, showing an increase of Rs. 178 million (17.7%).

The underwriting results after management expenses for the quarter under review are Rs. 66 million as compared to Rs.126 million for the corresponding period last year showing a decrease of Rs. 60 million.

The income from investment including rentals and other items for the period under review is recorded as Rs. 221 million, as compared to Rs. 261 million in the corresponding period of last year, showing a decrease of Rs. 40 million (18.09%) mainly due to poor performance of the stock market.

The profit before tax for the quarter under review, is Rs. 283 million, as compared to Rs. 385 million recorded in the corresponding period last year, showing decrease of Rs. 102 million (26.49%).

Retakaful Business

The Company commenced its Retakaful business with effect from 1st quarter of 2019 and earned profit before tax amounting to Rs. 4 million.

The profit after tax for the quarter under review is Rs. 200 million, as compared to Rs. 274 million in the corresponding period of last year showing decrease of Rs. 74 million (27%) resulting in earning per share of Rs. 0.67 as compared to Rs. 0.91 for the corresponding period of last year.

Future Outlook

We are hopeful to deliver sustainable profitability in a challenging and competitive business environment.

Acknowledgement

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

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

For and on behalf of the Board of Directors.

Chairman Board
Karachi: 29th March, 2019

ناظمین کی رپورٹ 31 مارچ 2019 کو اختتام پذیر سہ ماہی کی رپورٹ

معزز حصص کنندگان

پاکستان ری-انسورنس کمپنی لمیٹڈ

پاکستان ری انشورنس کمپنی لمیٹڈ کے بورڈ کے ناظمین کی جانب سے 31 مارچ 2019 کو اختتام پذیر سہ ماہی کی، کمپنی کی عبوری مدت کی مختصر مالیاتی دستاویزات پیش کرتے ہوئے میں خوشی محسوس کرتا ہوں۔

کاروباری سرگرمیوں کا جائزہ

گذشتہ سال کا اسی مدت کے 2,644 ملین روپے مجموعی تحریری پر بیم کے مقابلے میں اس سہ ماہی میں اس کی مالیت 3,294 ملین روپے ہے جو 649 ملین (24.5 فیصد) کا اضافہ دکھا رہا ہے۔ گذشتہ سال کے اسی مدت کے 1,530 ملین روپے خالص پر بیم کے مقابلے میں اس سہ ماہی میں اس کی مالیت 1,674 ملین روپے ہے جو 144 ملین (9.4 فیصد) کا اضافہ دکھا رہا ہے۔ 299 ملین روپے خالص کمیشن (اخراجات) کے مقابلے میں اس کی مالیت 269 ملین روپے ہے جو 29 ملین (10.78 فیصد) کا اضافہ دکھا رہا ہے۔ خالص دعوے 1,008 ملین روپے کے مقابلے میں 1,186 ملین روپے رہے جو 178 ملین (17.7 فیصد) کا اضافہ دکھا رہا ہے۔

زیر غور سہ ماہی میں انتظامی اخراجات کے بعد مالیاتی (underwriting) نتائج 66 ملین روپے ہیں جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 126 ملین روپے تھی جو 60 ملین کی کمی دکھا رہا ہے۔

زیر جائزہ مدت میں سرمایہ کاری سے آمدنی بشمول کرایہ اور دیگر اشیاء نے 221 ملین روپے کا اندراج کیا جبکہ گذشتہ سال اسی مدت میں 261 ملین روپے تھا جو 40 ملین (18.09 فیصد) کی کمی دکھا رہا ہے جس کی وجہ حصص منڈی کی ناقص کارکردگی تھی۔

زیر جائزہ سہ ماہی میں منافع قبل از محصول 283 ملین روپے رہا جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 385 ملین روپے تھا جو 102 ملین روپے (26.49 فیصد) کی کمی دکھا رہا ہے۔

ری نکال کاروبار

کمپنی نے ری نکال کاروبار کا آغاز 2019 کی پہلی سہ ماہی سے کیا اور 4 ملین روپے مالیت کا منافع قبل از محصول حاصل کیا۔

زیر غور سہ ماہی میں منافع بعد از محصول 200 ملین روپے ہے جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 274 ملین روپے تھی جو 74 ملین (27 فیصد) روپے کی کمی دکھا رہا ہے جس کا نتیجہ گذشتہ سال اسی مدت میں 0.91 روپے آمدنی فی حصص کے مقابلے میں 0.67 روپے فی حصص رہی۔

مستقبل کا منظر نامہ

ہم پر امید ہیں کہ کاروباری مسائل اور مسابقت کے ماحول میں تسلسل سے منافع بخشی (profitability) فراہم کریں گے۔

ستائش

آپ کے ناظمین اس موقع کا فائدہ اٹھاتے ہوئے کمپنی کے معزز گاہکوں، سیڈ انٹس (cedants)، ریٹرو سٹیٹیشنئر (retrocessionaire)، کاروباری شراکت دار، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کا ان کی حمایت اور 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 اور لگن کے سراہنے کو قلم بند کریں۔

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے

بورڈ کے چیئرمین

کراچی: 29 مارچ 2019

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Financial Position (Unaudited)
As at 31 March 2019

		31 March 2019	31 December 2018
ASSETS	Note	Rupees	Rupees
Property and equipment	6	42,664,668	42,756,737
Investment property	7	27,925,398	28,284,000
Investments			
Equity securities	8	3,974,783,725	4,163,297,395
Debt securities	9	4,550,632,263	4,470,399,038
Loans and other receivables	10	2,883,628,260	2,935,562,440
Insurance / Reinsurance receivables	11	6,361,925,815	5,435,766,163
Reinsurance recoveries against outstanding claims		987,111,055	1,351,771,237
Deferred Commission Expense / Acquisition cost		657,659,818	565,597,976
Taxation - payments less provision		753,374,782	707,762,550
Prepayments		2,559,390,255	2,476,126,074
Stock of stationery		417,812	517,646
Cash & Bank	12	2,523,525,530	2,602,483,789
Total assets from Window Takaful Operations - OPF		55,032,260	50,545,771
Total Assets		25,378,071,641	24,830,870,816
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		3,000,000,000	3,000,000,000
Reserves	13	3,588,901,604	3,763,561,715
Unappropriated profit		3,307,835,287	3,107,927,660
Total Equity		9,896,736,891	9,871,489,375
Liabilities			
Underwriting Provisions			
- Outstanding claims including IBNR		4,153,850,014	4,170,758,556
- Unearned premium reserves		5,412,349,353	4,990,287,942
- Unearned Reinsurance Commission		76,623,569	74,957,159
Retirement benefit obligations		2,551,327,119	2,583,248,954
Deferred taxation		368,990,104	368,990,104
Insurance / Reinsurance Payables	14	2,703,310,677	2,538,418,948
Other Creditors and Accruals	15	214,371,614	232,252,478
Total Liabilities		15,480,822,450	14,958,914,141
Total liabilities from Window Takaful Operations - OPF		512,300	467,300
Total Equity and Liabilities		25,378,071,641	24,830,870,816
Contingency(ies) and commitment(s)			

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

CFO

CEO

DIRECTOR

DIRECTOR

CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Comprehensive Income (Unaudited)

For the period ended March 31, 2019

		31 March	31 March
		2019	2018
	Note		
Net insurance premium	17	1,674,704,967	1,530,455,368
Net Insurance claims	18	1,186,118,717	1,008,193,017
Net Commission and other acquisition costs	19	298,621,857	269,183,322
Insurance claims and acquisition expenses		1,484,740,574	1,277,376,339
Management Expenses		124,258,272	126,883,133
Underwriting results		65,706,121	126,195,896
Investment income		143,208,912	237,539,539
Rental income		17,261,468	14,333,119
Other income	20	60,599,467	9,519,414
Other expenses		(3,491,711)	(2,458,769)
Results of operating activities		283,284,257	385,129,199
Finance costs		-	
Profit before tax from general operations		283,284,257	385,129,199
Profit from Window Retakaful Operations		4,441,489	-
Profit before tax		287,725,746	385,129,199
Income tax expense	21	(87,818,120)	(111,419,127)
Profit after tax		199,907,626	273,710,072
Earnings (after tax) per share - Rupees		0.67	0.91

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

CFO CEO DIRECTOR DIRECTOR CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement Of Comprehensive Income (Unaudited)
For the period ended March 31, 2019

	31 March 2019	31 March 2018
	----- Rupees -----	
Profit for the Period	199,907,626	273,710,072
Other comprehensive (loss) / income		
Items that may not be reclassified to profit and loss account subsequently	(174,660,111)	495,597,773
Remeasurement of defined benefit obligations - net	-	-
Total comprehensive income for the period	25,247,515	769,307,845
Profit and loss appropriation account		
Balance at the commencement of year	6,871,489,376	7,506,035,491
Total comprehensive income for the Period	25,247,515	769,307,845
Final cash dividend paid 2017: Rs.3.50 @ 35% (2016 : Rs.3.00 @ 30%) per share	-	-
Balance of unappropriated profit at the end of the period	6,896,736,891	8,275,343,336

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

CFO

CEO

DIRECTOR

DIRECTOR

CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For the period ended March 31, 2019

	Share capital	Reserves			Revenue reserves		Total
	Issued subscribed and paid-up	Reserve for exceptional losses	Unrealized gain on available for sale investment	General reserve	Total reserves	Retained earnings	
	----- Rupees -----						
Balance as at January 01, 2018	3,000,000,000	281,000,000	2,200,414,464	1,777,419,085	4,258,833,549	3,247,201,942	7,506,035,491
Total Comprehensive income for the period ended March 31, 2018	-	-	-	-	-	273,710,071	273,710,071
Effect of changes in accounting policy (note 5.2)			495,597,773		495,597,773		495,597,773
Remeasurement of defined benefit obligations - net							
Transactions with owners	-	-	495,597,773	-	495,597,773	273,710,071	769,307,844
Final cash dividend 2017: Rs.3.50 @ 35% (2016 : Rs.3.00 @30%) per share							
Balance as at March 31, 2018	3,000,000,000	281,000,000	2,696,012,237	1,777,419,085	4,754,431,322	3,520,912,013	8,275,343,335
Balance as at January 01, 2019	3,000,000,000	281,000,000	1,705,142,630	1,777,419,085	3,763,561,715	3,107,927,661	6,871,489,376
Total Comprehensive income for the period ended March 31, 2019	-	-	-	-	-	199,907,626	199,907,626
Effect of changes in accounting policy (note 5.2)			(174,660,111)		(174,660,111)		(174,660,111)
Remeasurement of defined benefit obligations - net							
Transactions with owners	-	-	(174,660,111)	-	(174,660,111)	199,907,626	25,247,515
Effect of change in accounting policy - note							
Final cash dividend 2018: Rs.2.00 @ 20% (2017 : Rs.3.50 @35%) per share							
Balance as at March 31, 2019	3,000,000,000	281,000,000	1,530,482,519	1,777,419,085	3,588,901,604	3,307,835,287	6,896,736,891

The annexed notes 1 to 28 form an integral part of these financial statements.

CFO **CEO** **DIRECTOR** **DIRECTOR** **CHAIRMAN**

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Cash Flows (Unaudited)
For the period ended March 31, 2019

	31 March 2019 (Rupees)	31 March 2018 (Rupees)
Operating Cash Flows:		
Underwriting activities:-		
Premium received	2,367,759,643	1,652,558,130
Reinsurance premium paid	(1,054,976,807)	(955,545,673)
Claims paid	(1,144,620,800)	(585,572,496)
Reinsurance and other recoveries received	306,253,723	3,525,904
Commission paid	(447,578,289)	(347,263,476)
Commission received	58,561,001	110,029,913
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	(373,741)	(34,938,741)
Other underwriting payments (management expenses)	(117,935,746)	(118,385,298)
Net cash flows generated from underwriting activities	(32,911,016)	(275,591,737)
Other Operating Activities		
Income tax paid	(133,430,352)	(122,054,882)
General management expenses paid	(9,814,237)	(10,956,604)
Payment unders defined benefit obligations	-	-
Other operating (payments) / receipts	(53,933,374)	(38,300,075)
Advances to employees	10,735,872	3,862,046
Net cash used in other operating activities	(186,442,091)	(167,449,515)
Total cash flow generated from all operating activities	(219,353,107)	(443,041,252)
Investment activities		
Fixed Capital expenditure	450,671	494,851
Sale proceeds of Fixed Assets	-	-
Acquisition of investments	(2,786,356,206)	(1,600,234,975)
Rental income received - net of expenses	(1,019,795)	4,329,088
Dividend income received	26,180,855	21,237,264
Interest income on bank deposits	24,525,579	17,715,198
Investment income received - net of expenses	161,919,224	259,844,885
Proceeds on sale/ maturity of investments	2,716,041,379	1,843,074,511
Total cash used in investing activities	141,741,707	546,460,822
Financing activities		
Surplus paid	-	-
Dividend paid	(1,346,859)	(139,226)
Total cash generated used in financing activities	(1,346,859)	(139,226)
Net cash generated from all activities	(78,958,259)	103,280,344
Cash at beginning of the period	2,652,483,789	2,547,093,773
Cash at end of the period	2,573,525,530	2,650,374,117

The annexed notes 1 to 28 form an integral part of these financial statements.

CFO

CEO

DIRECTOR

DIRECTOR

CHAIRMAN

	31 March 2019 (Rupees)	31 March 2018 (Rupees)
Reconciliation to profit and loss account		
Operating cash flows	(219,353,107)	(443,041,252)
Depreciation expense		
-Fixed assets	(1,250,363)	(1,258,650)
-Investment property	(717,204)	(380,689)
Exchange gain	60,300,464	8,739,630
Rental income	17,261,468	14,333,119
Change for deferred liability - employee benefits	31,921,835	37,853,746
Reinsurance recoveries against outstanding claims	(364,660,182)	967,139,259
Provision for outstanding claims	16,908,542	(1,393,285,684)
Provision for unearned premium	(422,061,413)	(498,312,410)
Prepaid reinsurance	83,389,824	321,956,864
Dividend income	29,166,587	20,130,014
Investment income	(3,236,074)	6,171,270
Interest income	117,197,363	113,816,111
Amortization of premium	(2,779,878)	1,791,165
Gain on sale of investment	2,860,914	95,630,979
(Decrease)/Increase in operating assets other than cash	920,901,314	1,021,673,179
Decrease/(Increase) in operating liabilities	(115,996,185)	(9,882,334)
	149,853,905	263,074,317
<u>Other adjustments:</u>		
Income tax paid	133,430,352	122,054,882
	133,430,352	122,054,882
Profit/(Loss) before taxation	283,284,257	385,129,199
Profit from Window Retakaful Operations	4,441,489	-
Provision for taxation	(87,818,120)	(111,419,127)
Profit/(Loss) after taxation	<i>Rupees</i> 199,907,626	273,710,072

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	46,706	82,789
Current and other accounts	2,573,478,824	2,650,291,328
Deposit maturing within 12 months	-	-
	<i>Rupees</i> 2,573,525,530	2,650,374,117

The annexed notes 1 to 28 form an integral part of these financial statements.

CFO

CEO

DIRECTOR

DIRECTOR

CHAIRMAN

1 STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Reinsurance Company Limited (the Company) was incorporated in Pakistan as a public limited company on March 30, 2000. The Company is engaged in providing of reinsurance and other insurance business. The shares of the Company are quoted on Pakistan Stock Exchange Limited.

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

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

3 BASIS OF PREPARATION

3.1 Basis of measurement

This condensed interim financial information has been prepared under the historical cost 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 available for sale at market value.

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

3.2 Functional and presentation currency

This condensed interim financial information has been prepared and presented in Pakistan Rupees, which is the Company’s functional and presentation currency.

3.3 Statement of compliance

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

This condensed interim financial information does 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, 2018 which have been prepared in accordance with approved accounting standards as applicable to insurance companies in Pakistan.

This condensed interim financial information of the Company for the quarter ended March 31, 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 – (IAS 34): Interim Financial Reporting, provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2017 have been followed.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2018, whereas the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the quarter ended March 31, 2018.

4 USE OF ESTIMATES AND JUDGMENTS

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

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

In preparing this condensed interim financial information, 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, 2018.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted by the Company in the preparation of this condensed interim financial information 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, 2018 .

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.

	March 31, 2019 Rupees	Dec. 31, 2018 Rupees
6		
PROPERTY AND EQUIPMENT		
Opening balance as at	42,756,739	36,570,719
Additions during the period		
Furniture, fixtures and office equipments	1,516,893	12,986,969
Motor vehicles (owned)	-	-
Leasehold improvements	-	-
	1,516,893	12,986,969
Less:	44,273,632	49,557,688
Written down value of assets disposed/ transferred	-	419,594
Depreciation charge for the period	1,608,965	6,381,355
	42,664,667	42,756,739

7 **INVESTMENT PROPERTIES**

The market value of investment properties is Rs.833.832 million, as per valuation carried out by an independent valuer as at December 31, 2018.

Cost	158,716,140	158,716,140
Depreciation		
Balance at beginning of year	130,432,140	128,909,387
Depreciation for the period/year	358,602	1,522,753
	130,790,742	130,432,140
Carrying Value	27,925,398	28,284,000

8 **INVESTMENT IN EQUITY SECURITIES**

8.1 **Investments - Held For Trading**

	March 31,2019 (Unaudited)			December 31,2018		
	Cost	Unrealized Gain / Loss	Carrying Value	Cost	Unrealized Gain / Loss	Carrying Value
	Rupees			Rupees		
Listed Share	84,938,344	1,387,456	86,325,801	107,547,122	(22,608,777)	84,938,345
Total of Held For Trading	84,938,344	1,387,456	86,325,801	107,547,122	(22,608,777)	84,938,345

8.2 **Investments - Available For Sale**

	March 31,2019 (Unaudited)			March 31,2018 (Unaudited)		
	Cost	Unrealized Gain / Loss	Carrying Value	Cost	Unrealized Gain / Loss	Carrying Value
	Rupees			Rupees		
Listed shares	400,626,705	1,852,985,148	2,253,611,853	414,287,094	1,992,759,611	2,407,046,705
Unlisted Shares	2,608,104	(1,990,492)	617,613	2,608,105	(1,990,491)	617,613
Mutual Funds	1,701,038,079	(66,809,621)	1,634,228,458	1,701,457,734	(30,763,002)	1,670,694,732
Total Available For Sale	2,104,272,888	1,784,185,035	3,888,457,924	2,118,352,933	1,960,006,118	4,078,359,050
Total Equity Securities	2,189,211,232	1,785,572,491	3,974,783,725	2,225,900,055	1,937,397,341	4,163,297,395

9 **Investments in Debt Securities - Held For Maturity**

	Amortized cost as at	Market value as at	Amortized cost as at	Market value as at
	March 31,2019	March 31,2019	Dec. 31,2018	Dec. 31,2018
	Rupees		Rupees	
1 Pakistan Investment Bonds	2,461,075,097	2,425,160,286	2,163,261,750	2,227,198,249
2 Treasury Bills	1,989,557,165	1,989,557,165	2,207,137,288	2,184,623,575
3 Term Finance Certificate	100,000,000	100,000,000	100,000,000	100,000,000
Total Debt Securities	4,550,632,262	4,514,717,451	4,470,399,038	4,511,821,824

	March 31, 2019	Dec. 31, 2018
	Rupees	Rupees
10 LOANS AND OTHER RECEIVABLES		
- Considered good		
Accrued investment income	106,803,897	153,705,215
Loans to employees	154,389,299	165,125,171
Receivable from Sindh Revenue Board	2,573,888,727	2,573,888,727
Sundry receivables	48,546,337	42,843,328
	<u>2,883,628,260</u>	<u>2,935,562,441</u>

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

	March 31, 2019	Dec. 31, 2018
	Rupees	Rupees
11 INSURANCE / REINSURANCE RECEIVABLES - unsecured, considered good		
Due from insurance contract holders	6,878,129,219	5,952,343,308
Less: provision for impariment of receivables from insurance contract holders	(524,634,292)	(524,634,292)
	<u>6,353,494,927</u>	<u>5,427,709,016</u>
Premium and claim reserves retained by cedants	25,430,888	25,057,147
Less: provision for impariment of receivables from other insurers / reinsurers	(17,000,000)	(17,000,000)
	<u>6,361,925,815</u>	<u>5,435,766,163</u>

	March 31, 2019	Dec. 31, 2018
	Rupees	Rupees
12 CASH AND BANK		
Cash in Hand	46,706	39,508
Cash and other equivalent	43,526,008	11,673,945
Saving accounts	2,479,952,815	2,590,770,336
	<u>2,523,525,530</u>	<u>2,602,483,789</u>

12.1 The saving accounts carry markup at the rates ranging from 2.75% to 9.75% (2018: 2.75% to 8.75%) per annum.

	March 31, 2019	Dec. 31, 2018
	Rupees	Rupees
13 RESERVES		
Capital Reserve		
Reserve for exceptional losses	281,000,000	281,000,000
Revenue Reserve		
Available for Sale Reserve	1,530,482,519	1,705,142,630
General Reserve	1,777,419,085	1,777,419,085
	<u>3,588,901,604</u>	<u>3,763,561,715</u>

	March 31, 2019	Dec. 31, 2018
	Rupees	Rupees
14 INSURANCE / REINSURANCE PAYABLES		
Due to insurance contract holders	2,684,967,403	2,520,075,675
Premium and claim reserves retained	18,343,273	18,343,273
	<u>2,703,310,676</u>	<u>2,538,418,948</u>

	March 31, 2019	Dec. 31, 2018
	Rupees	Rupees
15 OTHER CREDITORS AND ACCRUALS		
Other Creditors and Accruals	34,213,659	33,635,846
Security Deposits	25,070,914	26,556,464
Accrued expenses	3,848,192	19,474,459
Unpaid and unclaimed dividend	150,026,248	151,373,107
Surplus profit payable	1,212,602	1,212,602
	<u>214,371,614</u>	<u>232,252,478</u>

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

16 CONTINGENCIES AND COMMITMENTS

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

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

- 16.2** 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 during the year 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 Honorable 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.

Therefore, during the year, 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. 372.200 million and Rs. 1,118.094 million respectively. The Company has filed reference in the Honorable High Court of Sindh, dated April 18, 2016 against the Orders of Appellant Tribunal. On May 31, 2016, SRB recovered an amount of Rs. 442.424 million from the Company's bank accounts under section 66 of Sindh Sales Tax Act, 2011. On June 03, 2016, the Honorable High Court of Sindh granted stay to the Company in respect of this matter which restrained SRB from proceeding against the Company. The case is still pending before the Honorable High Court of Sindh.

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 prior year, 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 appraised 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, approval from Board of Directors and Ministry of Commerce, the Company wrote a letter dated May 17, 2016, to the Commission (SRB) that the Company is in agreement to make payment of the principal amount of the demand under protest subject to 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 Superior courts 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 final appellate forum which is the Honorable Supreme Court of Pakistan.

SRB vide letter dated May 17, 2017, assured that SRB shall abide by all conditions as stated in the Company letter dated May 17, 2017.

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. However, in the event the matter is decided against the Company, the charge to profit and loss account would amount to Rs. 3,299.130 million pertaining to the years 2011, 2012 and 2013, excluding any additional penalty or default surcharge. Further, in the event of adverse decision, the Company would also have to record sales tax liability on re-insurance services with a corresponding charge to profit and loss accounts for the years 2014, 2015, 2016, 2017 and 2018, the financial impact of which on the financial statements has remained unascertained.

Based on the legal opinion from legal advisor, management is confident that strong grounds exist to contest the case. The management believes that eventual outcomes will come in favor of the Company. Accordingly, no provision for sales tax liability for the years 2011 to 2018 has been recorded in these financial statements.

Subsequent to year end, the SECP vide letter No. ID/PRDD/TAXATION/2019/15 dated March 13, 2019 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.

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

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

- 16.4** Federal Board of Revenue (FBR) has issued show-cause notices dated November 22, 2017, whereby the Company is required to explain as to why Federal Excise Duty (FED) on aggregate reinsurance premium revenue has not been paid in respect of tax periods from October 2012 to September 2017. The Company has submitted its reply against show-cause challenging levy of FED on various legal grounds. Further, the Company also filed Constitutional Petition against show cause notices in the Honorable High Court of Sindh and the Honorable High Court of Sindh vide order dated January 29, 2018 has suspended the proceedings initiated through the above show-cause notice. This case is pending for finalization before the Honorable High Court of Sindh. The Company is confident that outcome of the case will be in the favor of Company in light of 18th amendment in the Constitution of Pakistan.
- 16.5** Contingencies related to income tax are presented in note 22 to these interim condensed financial statements.
- 16.6** There are no commitments as on the reporting date (March Quarter, 2019: Nil).

		3 months	
		31-Mar	31-Mar
		2019	2018
		Rupees	
17	NET PREMIUM REVENUE		
	Written gross premium	3,293,545,554	2,644,501,282
	Add: Unearned premium reserve opening	4,990,287,938	3,856,658,993
	Less: Unearned premium reserve closing	5,412,349,353	4,354,971,403
	Premium earned	2,871,484,139	2,146,188,872
	Less: Reinsurance premium ceded	1,280,168,996	937,689,368
	Add: Prepaid reinsurance premium opening	2,472,406,314	1,870,094,821
	Less: Prepaid reinsurance premium closing	2,555,796,138	2,192,051,685
	Reinsurance expense	1,196,779,172	615,732,504
		1,674,704,967	1,530,456,368
18	NET INSURANCE CLAIMS		
	Claims paid	1,144,620,800	585,572,496
	Add: Outstanding claims including IBNR closing	4,158,802,014	6,111,887,884
	Less: Outstanding claims including IBNR opening	4,175,710,556	4,718,602,200
	Claims expense	1,127,712,258	1,978,858,180
	Less: Reinsurance and other recoveries received	306,253,723	3,525,904
	Add: Reinsurance and other recoveries in respect of outstanding claims closing	987,111,055	3,126,833,296
	Less: Reinsurance and other recoveries in respect of outstanding claims opening	1,351,771,237	2,159,694,037
	Reinsurance and other recoveries revenue	(58,406,459)	970,665,163
		1,186,118,717	1,008,193,017
19	NET COMMISSION AND OTHER ACQUISITION COSTS		
	Commission paid or payable	447,578,289	347,263,476
	Add: Deferred commission expense opening	565,597,977	696,641,094
	Less: Deferred commission expense closing	657,659,818	693,525,455
	Net commission	355,516,448	350,379,115
	Less: Commission received or recoverable	58,561,001	110,029,913
	Add: Unearned reinsurance commission opening	74,957,159	284,665,088
	Less: Unearned reinsurance commission closing	76,623,569	313,499,208
	Commission from reinsurers	56,894,591	81,195,793
		298,621,857	269,183,322

20 OTHER INCOME

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
	Rupees	Rupees
Miscellaneous income	299,003	779,781
Exchange gain	60,300,464	8,739,633
	<u>60,599,467</u>	<u>9,519,414</u>

21 TAXATION

21.1 Provision for taxation

Current	87,818,120	111,419,127
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21.2 The Assistant Commissioner of Inland Revenue (ACIR) has issued show cause notices under section 161/205 of the Income Tax Ordinance, 2001 for the Tax Years 2012, 2014, 2015 and 2016 for non-deduction of tax on commission paid to local reinsurance companies. The tax demand against these show causes notices amounts to Rs. 148,318,431, Rs.260,214,169 Rs. 55,305,922 and Rs. 182,669,756, respectively.

The Company filed appeals against the orders pertaining to Tax Years 2014, 2015 and 2016 which have been decided against the Company by CIRA before Appellate Tribunal Inland Revenue (ATIR) which are still pending in ATIR.

21.3 Further, ATIR has passed the order in favor of the Company through by ATIR for Tax Year 2012 and 2015 under section 161/205 amounting to Rs. 148,318,431 and Rs. 15,764,077 respectively. Pursuant to ATIR order, the Company filed an appeal effect order before FBR (department), which is granted and thus eliminated the aforementioned tax liabilities and also created refunds to Company for Tax year 2012 the appeal is pending before Additional Commissioner FBR.

The Assistant Commissioner of Inland Revenue (ACIR) has also issued order under section 122(5A) of the Income Tax Ordinance, 2001 for the Tax Years 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017 by initiating the concept of single/one basket income to insurance industry, i.e., clubbing all other sources of income (e.g. dividend and rental income) into business income for charging the business rate of tax under Fourth Schedule of the Ordinance, and charging Worker Welfare Fund and disallowance of actuarial loss through other comprehensive income) from Tax Year 2016 and onwards.

The tax demand against these show causes notices amounts to Rs. 217,443,078, Rs. 622,813,927 Rs. 159,499,231, Rs.508,263,856, Rs. 320,013,363, Rs. 191,405,099, Rs. 542,653,335, Rs, 515,794,286, Rs. 28,080,000 Rs. 776,220462 and Rs. 655,869,725 respectively. The Company filed appeal before Commissioner Inland Revenue Appeal (CIRA). The Commissioner Inland Revenue Appeal (CIRA) passed order against the Company for tax year 2009, the Company filed an appeal against CIRA order before ATIR, which is pending for final verdict.

21.4 Out of above orders, in tax year 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017 certain issues have been decided in favor of the Company by CIRA and deleted tax liability in aggregate amounting to Rs. 3,596,069,873. Pursuant to these orders, the Company filed appeal effect/refund applications to FBR (department), this resulted in reduction in tax liability for Tax Years 2010 and 2016 amounting to Rs. 82,409,843, Rs. 224,242,362 and refund created in favor of Company for tax Years 2011, 2015 and 2017 amounting to Rs. 220,905,279, Rs. 24,228,768 and Rs.92,401,764 respectively. The Company is contesting remaining outstanding issues before ATIR, (i.e withholding tax on commission expense, disallowance of actuarial loss through other comprehensive income).

Further, the Commissioner Inland Revenue (Appeals-II) passed order dated August 20, 2017 in respect of appeal filed by the Company against re-assessment order for Tax Year 2015 dated April 24, 2017 passed by ACIR under section 122(5A) of the Income Tax Ordinance, 2001 on re-measurement of defined benefit obligation in favor of Company. However, during the year the Company paid an amount of Rs. 100 million under protest.

21.5 Consequent upon filing of returns for the tax year 2018, FBR has issued order dated 31/01/2019 under section 122(5A) alongwith notice of demand under section 137(2) of the Income Tax Ordinance, 2001 to amend original assessment creating tax liability amounting to Rs.799,153,338 against re-measurement of defined benefits obligations, dividend income at corporate rate, commission expenses, investment property related expenses, provision for compensated absences, provision for ECGS and ECO Ins Pool, provision for KPT rate and taxes, loans to employees, depreciation on investment properties and disposal of motor vehicles.

In the light of the above demand of FBR, the Company filed appeal before the Commissioner Inland Revenue (Appeals-II), Karachi against the order passed under section 122(5A) of the ITO, 2001 and paid Rs.79,915,334 being 10% of the total tax liability under protest. Hearing has not yet been fixed and is still in the office.

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

22.1 Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Company's financial assets and financial liabilities as at March 31, 2019.

The Company considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

	As at March 31, 2019		(Restated) As at Dec. 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
	-----Rupees-----		-----Rupees-----	
Financial Assets				
Investment property	27,925,398	833,832,000	28,284,000	833,832,000
Investments				
Equity securities				
Held for trading				
Ordinary shares - listed	86,325,801	86,325,801	84,938,345	84,938,345
Available for sale				
Ordinary shares - listed	2,253,611,853	2,253,611,853	2,407,046,705	2,407,046,705
Mutual fund units	1,634,228,458	1,634,228,458	1,670,694,732	1,670,694,732
Ordinary shares - unlisted	617,613	617,613	617,613	617,613
Debt securities				
Pakistan Investment Bonds	2,461,075,097	2,425,160,286	2,163,261,750	2,227,198,249
Treasury Bills	1,989,557,165	1,989,557,165	2,207,137,288	2,184,623,575
T.F.C/	100,000,000	100,000,000	100,000,000	100,000,000
Term deposits	-	-	-	-
Loans and other receivables	2,883,628,260	2,883,628,260	2,935,562,441	2,935,562,441
Insurance / Reinsurance receivables	6,361,925,815	6,361,925,815	5,435,766,163	5,435,766,163
Reinsurance recoveries against outstanding claims	987,111,055	987,111,055	1,351,771,237	1,351,771,237
Deferred Commission Expense / Acquisition cost	657,659,818	657,659,818	565,597,974	565,597,974
Cash and Bank	2,523,525,530	2,523,525,530	2,602,483,789	2,602,483,789
Financial Liabilities				
Outstanding claims including IBNR	4,153,850,014	4,153,850,014	4,170,758,556	4,170,758,556
Unearned premium reserves	5,412,349,353	5,412,349,353	4,990,287,942	4,990,287,942
Unearned Reinsurance Commission	76,623,569	76,623,569	74,957,159	74,957,159
Retirement benefit obligations	2,551,327,119	2,551,327,119	2,583,248,954	2,583,248,954
Insurance / Reinsurance Payables	2,703,310,676	2,703,310,676	2,538,418,948	2,538,418,948
Other Creditors and Accruals	214,371,614	214,371,614	232,252,478	232,252,478

22.2 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:

	As at March 31, 2019	Level 1	Level 2	Level 3
-----Rupees-----				
Financial assets measured at fair value				
Investments at fair value through profit or loss - held for trading				
Ordinary shares - listed	86,325,801	86,325,801	-	-
Investments at fair value- available for sale				
Ordinary shares - listed	2,253,611,853	2,253,611,853	-	-
Mutual fund units	1,634,228,458	1,634,228,458	-	-
Ordinary shares - unlisted	617,613	-	-	617,613
Investments- held to maturity				
Pakistan Investment Bonds	2,425,160,286	-	2,425,160,286	-
Treasury Bills	1,989,557,165	-	1,989,557,165	-
	As at Dec. 31, 2018	Level 1	Level 2	Level 3
-----Rupees-----				
Financial assets measured at fair value				
Investments at fair value through profit or loss - held for trading				
Ordinary shares - listed	84,938,345	84,938,345	-	-
Investments at fair value - available for sale				
Ordinary shares - listed	2,407,046,705	2,407,046,705	-	-
Mutual fund units	1,670,694,732	1,670,694,732	-	-
Ordinary shares - unlisted	617,613	617,613	-	-
Investments- held to maturity				
Pakistan Investment Bonds	2,227,198,249	-	2,227,198,249	-
Treasury Bills	2,184,623,575	-	2,184,623,575	-

22.3 Transfers during the period

- There were no transfers between Level 1 and Level 2 fair value measurements
- There were no transfers into or out of Level 3 fair value measurements

22.4 Valuation techniques

Investments held to maturity

- For level 2 investments - held to maturity, the fair value has been determined by using the rates at reporting date as per Financial Market Association of Pakistan in respect of T bills and PIBs.
- For Level 3 available-for-sale investments the Company values the investment at lower of carrying value and breakup value.

23 SEGMENT REPORTING

Segment Current Year	Fire and property damage	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	TOTAL
	-----31 March 2019----- -----Rupees-----							
Gross written premium	748,508,184	23,511,373	22,482,075	92,167,245	32,608,421	873,070,405	1,501,197,851	3,293,545,554
Unearned-Opening	515,086,813	10,212,944	19,682,975	63,414,119	1,561,443,913	910,670,399	1,909,776,775	4,990,287,938
Unearned-Closing	822,623,684	16,764,968	5,422,982	101,303,944	1,185,431,851	1,096,167,176	2,184,634,748	5,412,349,353
Premium Earned	440,971,313	16,959,349	36,742,068	54,277,420	408,620,483	687,573,628	1,226,339,878	2,871,484,139
Reinsurance-Ceded	451,013,456	-	12,367,188	-	13,068,623	644,610,552	159,109,177	1,280,168,996
Prepaid Reinsurance-Opening	20,689,140	-	8,245,057	2,834,005	1,363,388,470	736,785,938	340,463,704	2,472,406,314
Prepaid Reinsurance-Closing	357,710,368	-	63,541	1,424,831	1,029,860,263	847,444,268	319,292,867	2,555,796,138
Reinsurance Expenses	113,992,228	-	20,548,704	1,409,174	346,596,830	533,952,222	180,280,014	1,196,779,172
Net insurance premium	326,979,085	16,959,349	16,193,364	52,868,246	62,023,653	153,621,406	1,046,059,864	1,674,704,967
Commission income	5,118,904	-	3,198,445	140,918	661,995	46,141,822	1,632,507	56,894,591
Net underwriting income	332,097,989	16,959,349	19,391,809	53,009,164	62,685,648	199,763,228	1,047,692,371	1,731,599,558
Insurance claims paid	216,737,481	1,145,941	13,650,253	22,416,938	303,360,933	63,609,364	523,699,890	1,144,620,800
Outstanding-opening	1,239,691,600	71,695,793	122,226,552	207,521,776	179,605,059	330,843,457	2,024,126,319	4,175,710,556
Outstanding-closing	1,053,627,624	77,792,201	99,159,008	204,010,618	169,976,436	328,795,896	2,225,440,231	4,158,802,014
Insurance claims expenses	30,673,505	7,242,349	(9,417,291)	18,905,780	293,732,310	61,561,803	725,013,802	1,127,712,258
Reinsurance Recoveries Received	46,707,226	-	8,144,991	-	224,363,061	-	27,038,445	306,253,723
Recovery-opening	388,223,063	18,693,025	43,266,176	-	96,177,837	133,235,349	672,175,787	1,351,771,237
Recovery-closing	205,047,738	18,693,025	21,650,734	-	93,725,046	133,235,349	514,759,163	987,111,055
Insurance claims recovered from reinsurers	(136,468,099)	-	(13,470,451)	-	221,910,270	-	(130,378,179)	(58,406,459)
Net claims	167,141,604	7,242,349	4,053,160	18,905,780	71,822,040	61,561,803	855,391,981	1,186,118,717
Commission expense	54,169,616	1,920,115	2,051,638	4,335,956	730,167	47,868,495	244,440,461	355,516,448
Management expense	24,260,904	1,258,335	1,201,501	3,922,671	4,601,976	11,398,265	77,614,621	124,258,272
Preium deficiency expense	-	-	-	-	-	-	-	-
Net insurance claims and expenses	245,572,124	10,420,799	7,306,299	27,164,407	77,154,183	120,828,563	1,177,447,063	1,665,893,437
Underwriting results	86,525,865	6,538,550	12,085,510	25,844,757	(14,468,535)	78,934,665	(129,754,692)	65,706,121
Net investment income								143,208,912
rental income								17,261,468
General and Admin expenses								(3,491,711)
Other income								60,599,467
Profit before tax								283,284,257
Segment Assets	1,489,925,409	79,374,908	99,656,996	213,027,218	1,201,508,870	1,218,799,778	3,069,964,789	7,372,257,968
Unallocated Assets								18,005,813,673
								25,378,071,641
Segment Liabilities	1,896,284,718	94,557,169	104,591,521	305,457,045	1,357,123,818	1,477,301,401	4,412,459,264	9,647,774,936
Unallocated Liabilities								5,833,047,514
								15,480,822,450

24 Transaction with related parties are summarised as follows:

Government of Pakistan through Ministry of Commerce owns 51% (2017: 51%) shares of the Company. Therefore, all entities owned and controlled by the Government of Pakistan are related parties of the Company. The related parties comprise major shareholders, associated company, directors, companies with common directorship, key management personnel, and staff retirement benefit funds. The Company in normal course of business pays for electricity, gas and telephone to entities controlled by Government of Pakistan which are not material and hence not disclosed in this condensed interim financial information. Moreover, transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

Nature of Nature of transaction	31-Mar-19	31-Mar-18
	----- (Rupees) -----	
Common d Dividend Income Group Company	23,760,000.00	47,520,000
Insurance claims paid	315,773,240	26,691,710
Insurance commission paid	18,914,343	61,143,627
Premium due but unpaid	2,277,212,869	1,544,908,122
Insurance premium written during period	778,439,551	4,352,797,287
Premium received	(549,394,706)	(3,620,492,540)
	<u>2,506,257,714</u>	<u>2,277,212,869</u>

25 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:

	Three Months ended March <u>2019</u>	Three Months ended March <u>2018</u>
Profit after tax for the period (Rupees)	<u>199,907,626</u>	<u>273,710,072</u>
Weighted average number of ordinary shares	<u>300,000,000</u>	<u>300,000,000</u>
Earning per share - basic (Rupees)	<u>0.67</u>	<u>0.91</u>

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

26 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended December, 31 2018.

27 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on 29th April, 2019 by the Board of Directors of the Company.

28 GENERAL

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

CFO

CEO

DIRECTOR

DIRECTOR

CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED (WINDOW RETAKAFUL OPERATIONS)
STATEMENT OF FINANCIAL POSITION-OPERATORS FUND
AS AT MARCH 31, 2019

		2019	2018
		Rupees	
	Note		
ASSETS			
Taxation - payments less provision		325,591	287,915
Deferred Commission Expense / Acquisition cost		9,329,497	
Receivable from Participants' retakaful fund		27,494,806	1,000
Cash and bank balances		17,882,366	50,256,856
TOTAL ASSETS		55,032,260	50,545,771
FUND AND LIABILITIES			
Statutory fund		50,000,000	50,000,000
Unappropriated profit		4,519,960	78,471
		54,519,960	50,078,471
Other creditors and accruals	5	512,300	467,300
		512,300	467,300
TOTAL FUND AND LIABILITIES		55,032,260	50,545,771
CONTINGENCIES AND COMMITMENT	6		

The annexed notes from 1 to 16 form an integral part of these financial statements.

CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

PAKISTAN REINSURANCE COMPANY LIMITED (WINDOW RETAKAFUL OPERATIONS)
STATEMENT OF FINANCIAL POSITION-PARTICIPANTS RETAKAFUL FUND
AS AT MARCH 31, 2019

	Note	<u>2019</u>	<u>2018</u>
ASSETS			
Takaful/Retakaful receivables		75,871,449	
Taxation - payments less provision		822	-
Prepayment		16,143,750	
Cash and bank balances		11,326,723	1,001,144
TOTAL ASSETS		<u><u>103,342,744</u></u>	<u><u>1,001,144</u></u>
FUND AND LIABILITIES			
Ceded money		1,000,000	1,000,000
Accumulated (deficit)/surplus		(814,623)	144
		<u>185,377</u>	<u>1,000,144</u>
Outstanding Claims including IBNR		12,207,544	
Unearned contribution reserves		62,324,664	
Takaful/Reitakaful payables		1,130,353	
Payable to Operator's fund		27,494,806	1,000
Other creditors and accruals		-	-
		<u>103,157,367</u>	<u>1,000</u>
TOTAL FUND AND LIABILITIES		<u><u>103,342,744</u></u>	<u><u>1,001,144</u></u>

The annexed notes from 1 to 16 form an integral part of these financial statements.

CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

**PAKISTAN REINSURANCE COMPANY LIMITED (WINDOW RETAKAFUL OPERATIONS)
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED MARCH 31, 2019**

	Note	(Rupees)
Revenue account		
Participants' retakaful fund		
Net contribution revenue		14,355,567
Wakala expense		(7,014,843)
Net retakaful benefits		(8,161,652)
Retakaful Rebate		-
		<u>(820,928)</u>
Underwriting result		
Profit on bank deposit		8,215
Modarib's shares		(2,054)
		6,161
Cede money received		
Deficit/Surplus for the period		<u>(814,767)</u>
Revenue account		
Operator's fund		
Wakala fee		7,014,843
Management expenses		(471,099)
Commission expense		(2,481,094)
Cede money paid to participants' retakaful fund		
		<u>4,062,650</u>
Modarib's share of participants' retakaful fund investment income		2,054
Profit on bank deposit		376,785
Profit before taxation		<u>4,441,489</u>
Profit and loss appropriation account		
Balance at the beginning of the period		78,471
Profit for the period		4,441,489
		<u>4,519,960</u>

The annexed notes from 1 to 16 form an integral part of these financial statements.

CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Changes in Fund
For the quarter ended March 31, 2019

OPERATORS FUND			
Statutory Fund	Retained earnings	Total	
Rupees			
Balance as at January 01, 2019	50,000,000	78,471	50,078,471
Total Comprehensive income for the period ended March 31, 2019	-	4,441,489	4,441,489
Balance as at March 31, 2019	50,000,000	4,519,960	54,519,960

PARTICIPANTS RETAKAFUL FUND			
Cede Money	Accumulated Surplus/(Deficit)	Total	
Rupees			
Effect of changes in accounting policy (note 5.2)			
Balance as at January 01, 2019	1,000,000	144	1,000,144
Total Comprehensive income for the period ended March 31, 2019	-	-814,767	(814,767)
Balance as at March 31, 2019	1,000,000	(814,623)	185,377

The annexed notes from 1 to 16 form an integral part of these financial statements.

CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Cash Flows (Unaudited)
For the period ended March 31, 2019 (WTO)

	Operator's Fund	Participants Retakaful Fund	Aggregate
	(Rupees)		
Operating Cash Flows:			
Underwriting activities:-			
Premium received		10,318,186	10,318,186
Reinsurance premium paid	(32,287,500)	-	-32,287,500
Net cash flows generated from underwriting activities	(32,287,500)	10,318,186	(21,969,314)
Other Operating Activities			
Income tax paid	(37,676)	(822)	(38,498)
General management expenses paid	(471,099)		(471,099)
Other operating (payments) / receipts	45,000		45,000
Net cash used in other operating activities	(463,775)	(822)	(464,597)
Total cash flow generated from all operating activities	(32,751,275)	10,317,364	(22,433,911)
Investment activities			
Interest income on bank deposits	376,785	8,215	385,000
Total cash used in investing activities	376,785	8,215	385,000
Financing activities			
Net cash generated from all activities	(32,374,490)	10,325,579	(22,048,911)
Cash at beginning of the period	50,256,856	1,001,144	51,258,000
Cash at end of the period	17,882,366	11,326,723	29,209,089

The annexed notes from 1 to 16 form an integral part of these financial statements.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

	Operator's Fund	Participants Retakaful Fund	Aggregate
	(Rupees)		
Reconciliation to profit and loss account			
Operating cash flows	(32,751,275)	10,317,364	(22,433,911)
Profit	339,109	7,393	346,502
(Decrease)/Increase in operating assets other than cash	48,671,570	103,826,612	152,498,182
Decrease/(Increase) in operating liabilities	(11,855,591)	(114,966,958)	(126,822,549)
	4,403,813	(815,589)	3,588,224
Other adjustments:			
Income tax paid	37,676	822	38,498
	37,676	822	38,498
Total Profit/Deficit for the period	4,441,489	-814,767	3,626,722
	-	-	-
	<u>4,441,489</u>	<u>(814,767)</u>	<u>3,626,722</u>
	<i>Rupees</i>		

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:

Current and other accounts	17,882,366	11,326,723	29,209,089
	<u>17,882,366</u>	<u>11,326,723</u>	<u>29,209,089</u>
	<i>Rupees</i>		

The annexed notes from 1 to 16 form an integral part of these financial statements.

CHAIRMAN CHIEF EXECUTIVE OFFICER DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

1 STATUS AND NATURE OF BUSINESS

1.1 Pakistan Reinsurance Company Limited (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.

1.2 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 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Operator is situated at PRC Towers, 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.

3 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through Securities and Exchange Commission (Insurance) Rules, 2002 [SEC(Insurance) Rules, 2002] and SECP Circular No.25 of 2015 dated July 9, 2015 with appropriate modifications based on the advice of the Shariah advisor of the Operator.

The financial statements are prepared and presented in Pakistani Rupees, which is the functional and presentation currency. These financial statements reflect the financial position and results of operations of both the Operator and Participant Retakaful Fund in a manner that the assets, liabilities, revenue and expenses of the Operator and Participant Retakaful Fund remain separately identifiable.

3.1 Basis of measurement

These financial statements have been prepared on the historical cost basis.

3.2 Functional and presentation currency

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

4 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these financial statements are set out below:

4.1 **Retakaful contracts**

Retakaful contracts are based on the principles of Wakala. Retakaful contracts so agreed usually inspire concept of Tabarru (to donate for benefit of others) and mutual sharing of losses with the overall objective of eliminating the element of uncertainty.

A separate Participants Retakaful Fund is created in which all contribution received under general Retakaful contribution net off any Government levies and administrative surcharge are credited. The role of Retakaful Operator is of the management of the Participants Retakaful Fund. At the initial stage of the setup of the Participants Retakaful Fund, the Retakaful Operator makes payment as ceded money to the Participants Retakaful Fund. The terms of the Retakaful contracts are in accordance with the generally accepted principles and norms of insurance business suitably modified with guidance by the Shariah Advisor of the Retakaful Operator.

Once a contract has been classified as a Retakaful contract, it remains a Retakaful contract for the remainder of its lifetime, even if the Retakaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The Operator underwrites non-life Retakaful contracts that can be categorised into:

- Fire and property damage
- Marine, aviation and transport
- Motor
- Miscellaneous

Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. The Retakaful risk involved in these contracts is similar to the contracts undertaken by the Operator as Retakaful operator.

Fire and property damage

Fire and property Retakaful contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities (business interruption cover).

Marine, aviation and transport

Marine, aviation and transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships, and liabilities to third parties and passengers arising from their use.

Motor

Motor Retakaful contracts cover physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

Miscellaneous

All other Retakaful contracts like machinery breakdown, bonds, cash in hand, cash in transit, personal accident, public liabilities, health, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, workers compensation etc. are included under Miscellaneous Retakaful cover.

4.2 Retakaful surplus

Retakaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves. Allocation to participants, if applicable, is made after adjustment of claims paid to them during the year.

4.3 Qard-e-Hasna

Qard-e-Hasna is provided by Operators' Fund to Participant Retakaful Fund in case of deficit in Participant Retakaful Fund. Qard-e-Hasna is recognised at the amount provided to Participant Retakaful Fund less impairment, if any. The Operator would be allowed to recover this Qard from the Participant Retakaful Fund over any period without charging any profit.

4.4 Cash and cash equivalents

Cash and cash equivalents comprise (a) cash in deposit accounts with banks (b) cash (and cheques) in hand, in transit and at banks in current accounts (c) stamps in hand and (d) term deposits maturing within 12 months as per the format prescribed by the Insurance Rules, 2017.

4.5 **Provisions**

A provision is recognized in the statement of financial position when the Operator has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

5 **OTHER CREDITORS AND ACCRUALS**

	31 March 2019	31 December 2018
Salaries payable	150,000	150,000
Income tax deducted at source	110,400	65,400
Sindh Sales Tax payable	800	800
Other Payable	1,100	1,100
Audit Fee Payable	250,000	250,000
	<u>512,300</u>	<u>467,300</u>

6 **CONTINGENCIES AND COMMITMENT**

There are no contingencies and commitment at period end.

7 **TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise associated companies, entities under common control, entities with common directors, major shareholders, directors, key management personnel and funded employee retirement benefit schemes

No transactions with related party occurred during the period.

8 **FINANCIAL INSTRUMENTS**

Financial instruments consist of financial assets and financial liabilities.

Financial assets of the Operator include receivable from Participant Retakaful Fund and cash and bank. Financial liabilities of the Operator are other creditors and accruals.

The carrying values of all financial assets and liabilities reflected in the financial statements are approximate to their fair values, except for non-trading investments, which are stated at cost.

		Quarter ended March 31, 2019
9	NET RETAKAFUL CONTRIBUTION	
	Written gross contribution	92,823,981
	Add: Unearned Contribution reserve opening	-
	Less: Unearned Contribution reserve closing	62,324,664
	Contribution earned	<u>30,499,317</u>
	Less: Retakaful Contribution ceded	<u>32,287,500</u>
	Add: Prepaid retakaful Contribution opening	-
	Less: Prepaid retakaful Contribution closing	16,143,750
	Retakaful expense	<u>16,143,750</u>
		<u><u>14,355,567</u></u>
		Quarter ended March 31, 2019
10	NET WAKALA FEE	
	Gross Wakala Fee	21,349,516
	Add: Unearned Wakala Fee opening	-
	Less: Unearned Wakala Fee closing	14,334,673
	Net Wakala Fee	<u>7,014,843</u>
11	NET RETAKAFUL CLAIMS	
	Claims paid	(4,045,892)
	Add: Outstanding claims including IBNR closing	12,207,544
	Less: Outstanding claims including IBNR opening	-
	Claims expense	<u>8,161,652</u>
	Less: Retakaful and other recoveries received	-
	Add: Retakaful and other recoveries in respect of outstanding claims closing	-
	Less: Retakaful and other recoveries in respect of outstanding claims opening	-
	Retakaful and other recoveries revenue	-
		<u>8,161,652</u>
12	NET COMMISSION AND OTHER ACQUISITION COSTS	
	Commission paid or payable	11,810,591
	Add: Deferred commission expense opening	-
	Less: Deferred commission expense closing	9,329,497
	Net commission	<u>2,481,094</u>

Pakistan Reinsurance Company Limited
Notes to the Financial Statements
For the quarter ended March 31, 2019

13 SEGMENT REPORTING
PARTICIPANTS RETAKAFUL FUND

Segment Current Year	Fire and property damage	Accident	Treaty	TOTAL
	Rupees			
Gross written Contribution	2,568,472	3,300,000	86,955,509	92,823,981
Unearned-Opening	-	-	-	-
Unearned-Closing	2,110,691	2,105,045	58,108,928	62,324,664
Contribution Earned	457,781	1,194,955	28,846,581	30,499,317
Retakaful-Ceded	-	-	32,287,500	32,287,500
Prepaid Retakaful-Opening	-	-	-	-
Prepaid Retakaful-Closing	-	-	16,143,750	16,143,750
Retakaful Expenses	-	-	16,143,750	16,143,750
Net insurance Contribution	457,781	1,194,955	12,702,831	14,355,567
Rebate	-	-	-	-
Net underwriting income	457,781	1,194,955	12,702,831	14,355,567
Insurance claims paid	-	-	(4,045,892)	(4,045,892)
Outstanding-opening	-	-	-	-
Outstanding-closing	-	-	12,207,544	12,207,544
Insurance claims expenses	-	-	8,161,652	8,161,652
Retakaful Recoveries Received	-	-	-	-
Recovery-opening	-	-	-	-
Recovery-closing	-	-	-	-
Insurance claims recovered from reinsurers	-	-	-	-
Net claims	-	-	8,161,652	8,161,652
Wakala Fee	105,290	274,840	6,634,714	7,014,843
Mangement expense	-	-	-	-
Preium deficiency expense	-	-	-	-
Net insurance claims and expenses	105,290	274,840	14,796,366	15,176,495
Underwriting results	352,491	920,115	(2,093,534)	(820,928)
Profit on bank deposits				8,215
Modarib Fee				(2,054)
Profit before tax				(814,767)
Segment Assets	-	-	28,351,294	28,351,294
Unallocated Assets				74,991,450
				103,342,744
Segment Liabilities	2,596,150	2,589,205	83,681,525	88,866,880
Unallocated Liabilities				14,290,487
				103,157,367

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

14.1 Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Company's financial assets and financial liabilities as at March 31, 2019.

The Company considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

	As at March 31, 2019		As at Dec. 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
	-----Rupees-----		-----Rupees-----	
Financial Assets				
Takaful / Retakaful receivables	75,871,449	75,871,449	-	-
Deferred Commission Expense / Acquisition cost	9,329,497	9,329,497	-	-
Cash and Bank	29,209,089	29,209,089	51,258,000	51,258,000
Financial Liabilities				
Outstanding claims including IBNR	12,207,544	12,207,544	-	-
Unearned contribution reserves	62,324,664	62,324,664	-	-
Unearned Retakaful Commission	-	-	-	-
Other Creditors and Accruals	512,300	512,300	-	-

15 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 29th April, 2019 by the Board of Directors of the Operator.

16 **GENERAL**

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

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



Commitment To Excellence



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