



Pakistan Reinsurance Company Limited



Quarterly Accounts (Un-audited) For the 3rd Quarter ended September 30, 2019

Commitment To Excellence





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. Mushtaq Ahmed Mahar	CEO / Director	Executive/ SLIC Nominee
Mr. Abdul Sami Kehar	Director	Independent
Mr. Mumtaz Ali Rajper	Director	Non-Executive
Mr. Musleh-ud-Din	Director	Non-Executive

COMPANY SECRETARY / COMPLIANCE OFFICER

Mr. Shams-ud-Din

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Abdul Sami Kehar	Chairman
Mr. Mumtaz Ali Rajper	Member
Mr. Musleh-ud-Din	Member
Mr. Shams ud-Din	Secretary

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Abdul Sami Kehar	Chairman
Mr. Mushtaq Ahmed Mahar	Member
Mr. Mumtaz Ali Rajper	Member
Mr. Shams-ud-Din	Secretary

INVESTMENT COMMITTEE

Mr. Musleh-ud-Din	Chairman
Mr. Shahab Khawaja	Member
Mr. Abdul Sami Kehar	Member
Mr. Mumtaz Ali Rajper	Member
Mr. Mushtaq Ahmed Mahar, 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. Mushtaq Ahmed Mahar, CEO	Member
Mr. Shams-ud-Din / Compliance Officer	Secretary

PROCUREMENT COMMITTEE

Mr. Musleh-ud-Din	Chairman
Mr. Shams-ud-Din	Secretary

UNDERWRITING / REINSURANCE COMMITTEE

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

CLAIMS SETTLEMENT COMMITTEE

Mr. Mumtaz Ali Rajper	Chairman
Mr. Mushtaq Ahmed Mahar, CEO	Member
Mr. Muhammad Junaid Moti, ED (Underwriting)	Secretary

SENIOR MANAGEMENT

Mr. Mushtaq Ahmed Mahar	Chief Executive Officer (CEO)
Mr. Muhammad Junaid Moti	Executive Director (Underwriting)
Mr. Jamil Ahmed	Chief Financial Officer (CFO)
Mr. Shams-ud-Din	Company Secretary / Compliance Officer
Mrs. Raana Muneer Ahmad	General Manager / Head of Northern Zone
Mr. Muhammad Sheeraz Ashraf	General Manager (Risk Management)
Mr. Zohaib Hassan	General Manager / Head of IT Department

AUDITORS

Grant Thornton Anjum Rehman
1st & 3rd Floor, Modern Motors House,
Beaumont Road,
Karachi.
Tele: (92-21) 3567 2951 (56)

BANKERS

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

SHARE REGISTRAR

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

REGISTERED OFFICE

PRC Towers, 32-A, Lalazar Drive
M. T. Khan Road, P.O. Box: 4777
Karachi-74000, Pakistan.
Tele: (92-21) 99202908-15
Telefax: (92-21) 99202921-22
Email: prcl@pakre.org.pk
Website: www.pakre.org.pk

ZONAL OFFICE

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

Directors' Report

For Nine Months Ended September 30, 2019

The Valued Shareholders,
Pakistan Reinsurance Company Limited.

On behalf of the Board of Directors of PRCL, I am pleased to present the condensed financial statements of Company for nine month ended September 30, 2019.

Review of Business Activities

Third Quarter Review

The gross written premium is Rs. **4,802** million against an amount of Rs. 2,515 million for the corresponding period of last year, showing an increase of Rs. 2,287 million (90.93%). The net premium is Rs. **2,889** million against Rs. 1,404 million, showing an increase of Rs. 1,485 million (105.77%). The net commission (expense) for the period is Rs. **363** million as compared to Rs. 240 million, showing an increase of Rs. 123 million (51.25%). The net claims are Rs. **1,400** million against Rs. 700 million, showing an increase of Rs. 700 million (100.00%).

The underwriting results after management expenses for the period under review are Rs. **999** million as compared to Rs. 299 million for the corresponding period last year showing an increase of Rs. 700 million (234%).

The income from investment, rental and other income for the period under review is recorded as Rs. **251** million, as compared to Rs. 190 million in the corresponding period of last year, showing a increase of Rs. 61 million (32.11%).

The profit before tax for the period under review, is Rs. **1,248** million, as compared to Rs. 489 million recorded in the corresponding period last year, showing increase of Rs. 759 million (155.21%).

The profit after tax for the period under review is Rs. **861** million, as compared to Rs. 341 million in the corresponding period of last year showing increase of Rs. 520 million (152.49%) resulting in earning per share of Rs. **2.87** as compared to Rs. 1.14 for the corresponding period of last year showing increase of Rs. 1.73 per share (151.75%).

Nine Month Review

The gross written premium is Rs. **12,596** million against an amount of Rs. 7,327 million for the corresponding period of last year, showing an increase of Rs. 5,269 million (71.91%). The net premium is Rs. **6,562** million against Rs. 4,049 million, showing an increase of Rs. 2,513 million (62.06%). The net commission (expense) for the period is Rs. **1,067** million as compared to Rs. 726 million, showing an increase of Rs. 341 million (46.97%). The net claims are Rs. **3,609** million against Rs. 2,156 million, showing an increase of Rs. 1,453 million (67.39%).

The underwriting results after management expenses for the period under review are Rs. **1,173** million as compared to Rs. 593 million for the corresponding period last year showing an increase of Rs. 580 million (97.8%).

The income from investment, rental and other income for the period under review is recorded as Rs. **1,081** million, as compared to Rs. 760 million in the corresponding period of last year, showing a increase of Rs. 321 million (42.24%) .

The profit before tax for the period under review, is Rs. **2,247** million, as compared to Rs. 1,348 million recorded in the corresponding period last year, showing increase of Rs. 899 million (66.70%). The profit after tax for the period under review is Rs. **1,550** million, as compared to Rs. 944 million in the corresponding period of last year showing increase of Rs. 606 million (64.19%) resulting in earning per share of Rs. **5.17** as compared to Rs. 3.15 for the corresponding period of last year showing an increase of Rs. 2.02 per share (64.13%).

The Company commenced Retakaful business with effect from 1st January 2019. The Operators' Fund earned profit after tax amounting to Rs. 6.2 million while the Participants' Retakaful Fund suffered deficit amounting to Rs. 20 million which has been met by the Operators' Fund through Qard-e-Hasna. The management is confident that the deficit was mainly due to the fact that this first year of operation of Retakaful business and the same shall be covered in the near future.

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: 30th October, 2019

ناظمین کی رپورٹ
30 ستمبر 2019 کو اختتام پذیر نو ماہ کی رپورٹ

معزز حصص کنندگان
پاکستان ری-انشورنس کمپنی لمیٹڈ

پاکستان ری انشورنس کمپنی لمیٹڈ کے بورڈ کے ناظمین کی جانب سے، کمپنی کی درمیانی مدت کی مختصر مالیاتی دستاویزات پیش کرتے ہوئے میں خوشی محسوس کرتا ہوں جس کا اختتام 30 ستمبر 2019 کو ہوا۔

کاروباری سرگرمیوں کا جائزہ

تیسری سہ ماہی کا جائزہ

گذشتہ سال کا اسی مدت کے 2,515 ملین روپے مجموعی تحریری پریمیوم کے مقابلے میں اس مدت میں اس کی مالیت 4,802 ملین روپے ہے جو 2,287 ملین (90.93 فیصد) کا اضافہ دکھا رہا ہے۔ گذشتہ سال کے اسی مدت کے 1,404 ملین روپے خالص پریمیوم کے مقابلے میں اس کی مالیت 2,889 ملین روپے ہے جو 1,485 ملین (105.77 فیصد) کا اضافہ دکھا رہا ہے۔ مذکورہ مدت میں 363 ملین روپے کے خالص کمیشن (اخراجات) کے مقابلے میں گذشتہ سال اسی مدت میں اس کی مالیت 240 ملین روپے ہے جو 123 ملین روپے (51.25 فیصد) کا اضافہ دکھا رہا ہے۔ خالص دعوے 700 ملین روپے کے مقابلے میں 1,400 ملین روپے رہے جو 700 ملین روپے (100.00 فیصد) کا اضافہ دکھا رہا ہے۔

زیر غور مدت میں انتظامی اخراجات کے بعد مالیاتی (underwriting) نتائج 999 ملین روپے ہیں جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 299 ملین روپے تھی جو 700 ملین روپے (234 فیصد) کا اضافہ دکھا رہا ہے۔

زیر جائزہ مدت میں سرمایہ کاری سے آمدنی بشمول کرایہ اور دیگر اشیاء نے 251 ملین روپے کا اندراج کیا جبکہ گذشتہ سال اسی مدت میں 190 ملین روپے تھا جو 61 ملین (32.11 فیصد) کا اضافہ دکھا رہا ہے۔

زیر جائزہ مدت میں منافع قبل از محصول 1,248 ملین روپے رہا جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 489 ملین روپے تھا جو 759 ملین روپے (155.21 فیصد) کا اضافہ دکھا رہا ہے۔

زیر جائزہ مدت میں منافع بعد از محصول 861 ملین روپے رہا جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 341 ملین روپے تھا جو 520 ملین روپے (152.49 فیصد) کی کا اضافہ دکھا رہا ہے جس کا نتیجہ گذشتہ سال کی اسی مدت کے 1.14 روپے فی حصص کی آمدنی کے مقابلے میں اس مدت میں فی حصص آمدنی 2.87 روپے رہی جو 1.73 روپے فی حصص (151.75 فیصد) کا اضافہ دکھا رہا ہے۔

نو ماہ کا جائزہ

گذشتہ سال کا اسی مدت کے 7,327 ملین روپے مجموعی تحریری پریمیوم کے مقابلے میں اس مدت میں اس کی مالیت 12,596 ملین روپے ہے جو 5,269 ملین (71.91 فیصد) کا اضافہ دکھا رہا ہے۔ گذشتہ سال کے اسی مدت کے 4,049 ملین روپے خالص پریمیوم کے مقابلے میں اس کی مالیت 6,562 ملین روپے ہے جو 2,513 ملین (62.06 فیصد) کا اضافہ دکھا رہا ہے۔ مذکورہ مدت میں 1,067 ملین روپے کے خالص کمیشن (اخراجات) کے مقابلے میں گذشتہ سال اسی مدت میں اس کی مالیت 726 ملین روپے ہے جو 341 ملین (46.97 فیصد) کا اضافہ دکھا رہا ہے۔ خالص دعوے 3,609 ملین روپے کے مقابلے میں 2,156 ملین روپے رہے جو 1,453 ملین روپے (67.39 فیصد) کا اضافہ دکھا رہا ہے۔

زیر غور مدت میں انتظامی اخراجات کے بعد مالیاتی (underwriting) نتائج 1,173 ملین روپے ہیں جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 593 ملین روپے تھی جو 580 ملین روپے (97.8 فیصد) کا اضافہ دکھا رہا ہے۔

زیر جائزہ مدت میں سرمایہ کاری سے آمدنی بشمول کرایہ اور دیگر اشیاء نے 1,081 ملین روپے کا اندراج کیا جبکہ گذشتہ سال اسی مدت میں 760 ملین روپے تھا جو 321 ملین (42.24 فیصد) کا اضافہ دکھا رہا ہے۔

زیر جائزہ مدت میں منافع قبل از محصول 2,247 ملین روپے رہا جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 1,348 ملین روپے تھا جو 899 ملین روپے (66.70 فیصد) کا اضافہ دکھا رہا۔

زیر جائزہ مدت میں منافع بعد از محصول 1,550 ملین روپے رہا جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 944 ملین روپے تھا جو 606 ملین روپے (64.19 فیصد) کی کا اضافہ دکھا رہا ہے جس کا نتیجہ گذشتہ سال کی اسی مدت کے 3.15 روپے فی حصص کی آمدنی کے مقابلے میں اس مدت میں فی حصص آمدنی 5.17 روپے رہی جو 2.02 روپے فی حصص (64.13 فیصد) کا اضافہ دکھا رہا ہے۔

کمپنی نے پہلی جنوری 2019 سے ری کفائل کا آغاز کر دیا ہے۔ آپریٹر کے فنڈ نے 6.2 ملین روپے کا منافع بعد از محصول کمایا جبکہ شراکت داروں (Participants) کے فنڈ میں 20 ملین روپے کی کمی کا سامنا رہا جو قرض حسنہ کی مد میں آپریٹر فنڈ سے پورا کیا۔ ہونے والے نقصان کی وجہ سے ری کفائل کاروبار کے آپریشن کا پہلا سال ہونا تھا اور انتظامیہ پر اعتماد ہے کہ اور یہ نقصان مستقبل قریب میں پورا ہو جائے گا۔

مستقبل کا منظر نامہ

ہم پر امید ہیں کہ کاروباری مسائل اور مسابقت کے ماحول میں منافع بخشی (profitability) کا تسلسل برقرار رکھیں۔

ستائش

آپ کے ناظمین اس موقع کا فائدہ اٹھاتے ہوئے کمپنی کے معزز گاہکوں، سیڈ انٹس (cedants)، ریٹرو سیشنسٹرز (retrocessionaire)، کاروباری شراکت دار، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کا ان کی معاونت 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: 30 اکتوبر 2019

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Financial Position (Unaudited)
As at 30 September 2019

		30 September 2019 Unaudited	31 December 2018 Audited
	Note	Rupees	Rupees
ASSETS			
Property and equipment	8	39,366,296	42,756,737
Assest relating to Bangladesh		-	-
Investment property	10	27,208,194	28,284,000
Investments			
Equity securities	11	3,188,150,872	4,163,297,395
Debt securities	12	4,457,010,627	4,470,399,038
Trem deposit receipt		-	-
Loans and other receivables	13	2,860,655,436	2,935,562,440
Insurance / Reinsurance receivables	14	9,050,217,397	5,435,766,163
Reinsurance recoveries against outstanding claims		3,865,503,181	1,351,771,237
Deferred Commission Expense / Acquisition cost		786,049,756	565,597,976
Taxation - payments less provision		286,537,381	707,762,550
Prepayments		5,009,159,268	2,476,126,074
Stock of stationery		515,311	517,646
Cash & Bank	15	2,770,173,525	2,602,483,789
Total assets from Window Takaful Operations - OPF		67,908,784	50,545,771
Total Assets		32,408,456,028	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	16	3,121,511,119	3,763,561,715
Unappropriated profit		4,057,441,657	3,107,927,660
Total Equity		10,178,952,776	9,871,489,375
Liabilities			
Underwriting Provisions			
- Outstanding claims including IBNR		7,772,260,913	4,170,758,556
- Unearned premium reserves		6,746,770,202	4,990,287,942
- Unearned Reinsurance Commission		371,284,286	74,957,159
Retirement benefit obligations		2,655,091,418	2,583,248,954
Deferred taxation	17	180,925,182	368,990,104
Insurance / Reinsurance Payables	18	4,315,934,137	2,538,418,948
Unclaimed Dividend		108,561,299	151,373,107
Other Creditors and Accruals	19	67,086,063	80,879,371
Total Liabilities		22,217,913,500	14,958,914,141
Total liabilities from Window Takaful Operations - OPF		11,589,752	467,300
Total Equity and Liabilities		32,408,456,028	24,830,870,816
Contingency(ies) and commitment(s)			

The annexed notes 1 to 35 form an integral part of this condensed interim financial information.

CFO

CEO

DIRECTOR

DIRECTOR

CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Profit & Loss Account (Unaudited)

	Note	Quarter ended 30 Sep		Nine months ended 30 Sep	
		2019	2018	2019	2018
Net insurance premium	21	2,888,557,009	1,403,878,564	6,562,025,730	4,048,712,349
Net Insurance claims	22	1,400,047,549	700,301,963	3,609,458,988	2,155,737,417
Net Commission and other acquisition costs	23	362,874,356	240,521,964	1,067,419,376	726,426,501
Insurance claims and acquisition expenses		1,762,921,905	940,823,927	4,676,878,364	2,882,163,918
Premium deficiency expenses		-	-	-	-
Management Expenses		126,586,899	163,559,273	712,505,462	573,154,435
Underwriting results		999,048,205	299,495,364	1,172,641,904	593,393,996
Investment income	24	126,623,417	137,795,421	391,125,535	521,696,203
Rental income	25	19,035,815	15,466,948	52,442,717	45,275,531
Other income		105,058,087	36,938,779	637,289,545	192,570,868
Other expenses		(1,432,592)	(587,243)	(6,924,566)	(5,090,669)
Results of operating activities		1,248,332,932	489,109,269	2,246,575,135	1,347,845,929
Finance costs		-	-	-	-
Profit before tax from general operations		1,248,332,932	489,109,269	2,246,575,135	1,347,845,929
Profit after tax from Retakaful Operations		1,677,787		6,240,561	
Profit before tax		1,250,010,719	489,109,269	2,252,815,696	1,347,845,929
Income tax expense	26	(389,109,058)	(148,449,740)	(703,301,698)	(403,575,598)
Profit after tax		860,901,661	340,659,529	1,549,513,998	944,270,331
Earnings (after tax) per share - Rupees		2.87	1.14	5.17	3.15

The annexed notes 1 to 35 form an integral part of this condensed interim financial information.

CFO

CEO

DIRECTOR

DIRECTOR

CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For the period ended September 30, 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	3,099,175,838	1,777,419,085	4,258,833,549	3,247,201,942	10,506,035,491
Total Comprehensive income for the period ended September 30, 2018	-	-	-	-	-	944,270,330	944,270,330
Effect of changes in accounting policy (note 5.2)			455,232,815		455,232,815		455,232,815
Remeasurement of defined benefit obligations - net						-	-
Transactions with owners	-	-	455,232,815	-	455,232,815	944,270,330	1,399,503,145
Final cash dividend 2017: Rs.3.50 @ 35% (2016 : Rs.3.00 @30%) per share						(1,050,000,000)	(1,050,000,000)
Balance as at September 30, 2018	3,000,000,000	281,000,000	3,554,408,653	1,777,419,085	4,714,066,364	3,141,472,272	10,855,538,636
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	9,871,489,376
Total Comprehensive income for the period ended September 30, 2019	-	-	-	-	-	1,549,513,998	1,549,513,998
Effect of changes in accounting policy (note 5.2)			(642,050,596)		(642,050,596)		(642,050,596)
Remeasurement of defined benefit obligations - net						-	-
Transactions with owners	-	-	(642,050,596)	-	(642,050,596)	1,549,513,998	907,463,402
Effect of change in accounting policy - note	-	-				-	-
Final cash dividend 2018: Rs.2.00 @ 20% (2017 : Rs.3.50 @35%) per share						(600,000,000)	(600,000,000)
Balance as at September 30, 2019	3,000,000,000	281,000,000	1,063,092,034	1,777,419,085	3,121,511,119	4,057,441,659	10,178,952,778

The annexed notes 1 to 35 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, 2019

	Three months period ended Sep 30		30 Sep 2019 Unaudited	30 Sep 2018 Unaudited
	30 Sep 2019 Unaudited	30 Sep 2018 Unaudited		
	----- Rupees -----		----- Rupees -----	
Profit for the Period	860,901,661	340,659,529	1,549,513,998	944,270,331
Other comprehensive (loss) / income				
Items that may not be reclassified to profit and loss account subsequently	(303,646,699)	63,414,261	(642,050,596)	560,937,180
Remeasurement of defined benefit obligations - n	-	-	-	(105,704,365)
Other comprehensive income for the period	557,254,962	404,073,790	907,463,402	1,399,503,146
Total comprehensive income for the period	557,254,962	404,073,790	907,463,402	1,399,503,146
Profit and loss appropriation account				
Balance at the commencement of year	3,191,977,224	6,065,890,499	9,871,489,376	10,506,035,491
Total comprehensive income for the Period	557,254,962	404,073,790	907,463,402	1,399,503,146
Final cash dividend paid 2017: Rs.3.50 @ 35% (2016 : Rs.3.00 @ 30%) per share			(600,000,000)	(1,050,000,000)
Balance of unappropriated profit at the end of the period	3,749,232,186	6,469,964,289	10,178,952,778	10,855,538,637

The annexed notes 1 to 35 form an integral part of this condensed interim financial information.

CFO

CEO

DIRECTOR

DIRECTOR

CHAIRMAN

Pakistan Reinsurance Company Limited
Condensed Interim Statement of Cash Flows (Unaudited)
For the period ended September 30, 2019

	2019 (Rupees)	2018 (Rupees)
Operating Cash Flows:		
Underwriting activities:-		
Premium received	8,981,447,421	6,565,131,456
Reinsurance premium paid	(4,395,289,032)	(2,843,784,444)
Claims paid	(5,016,845,596)	(1,976,467,741)
Reinsurance and other recoveries received	2,495,157,021	106,828,899
Commission paid	(1,503,623,455)	(995,335,114)
Commission received	512,079,427	230,634,376
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	(2,293,404)	(152,143)
Other underwriting payments (management expenses)	(706,578,102)	(538,728,987)
Net cash flows generated from underwriting activities	364,054,280	548,126,302
Other Operating Activities		
Income tax paid	(338,539,936)	(633,918,762)
General management expenses paid	(6,924,566)	(39,516,117)
Payment under defined benefit obligations		
Other operating (payments) / receipts	84,693,187	5,634,540
Advances to employees	11,315,305	7,040,143
Net cash used in other operating activities	(249,456,010)	(660,760,196)
Total cash flow generated from all operating activities	114,598,270	(112,633,894)
Investment activities		
Fixed Capital expenditure	(1,788,996)	(6,758,331)
Sale proceeds of Fixed Assets	327,883	-
Acquisition of investments	(7,885,817,694)	(5,440,685,332)
Rental income received - net of expenses	40,392,377	61,208,463
Dividend income received	132,451,974	88,404,147
Interest income on bank deposits	162,258,312	49,986,081
Investment income received - net of expenses	334,510,275	476,113,108
Proceeds on sale/ maturity of investments	7,913,569,143	5,599,969,326
Total cash used in investing activities	695,903,274	828,237,462
Financing activities		
Surplus paid	-	-
Dividend paid	(642,811,808)	(959,903,702)
Total cash generated used in financing activities	(642,811,808)	(959,903,702)
Net cash generated from all activities	167,689,736	(244,300,134)
Cash at beginning of the period	2,602,483,789	2,547,093,773
Cash at end of the period	2,770,173,525	2,302,793,639

The annexed notes 1 to 35 form an integral part of this condensed interim financial information.

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CHAIRMAN

	2019 (Rupees)	2018 (Rupees)
Reconciliation to profit and loss account		
Operating cash flows	114,598,270	(112,633,894)
Depreciation expense		
-Fixed assets	(4,851,554)	(4,543,601)
-Investment property	(1,075,806)	(1,142,064)
Exchange gain	636,677,178	187,917,031
Rental income	52,442,717	45,275,531
Provision for employee benefits	(71,842,464)	27,204,293
Reinsurance recoveries against outstanding claims	2,513,731,944	978,528,078
Provision for outstanding claims	(3,601,502,357)	(1,264,626,653)
Provision for unearned premium	(1,756,482,262)	(559,969,053)
Prepaid reinsurance	2,534,384,138	(44,968,832)
Dividend income	134,110,738	90,033,397
Investment income	(195,579,095)	269,444,198
Interest income	448,187,134	49,986,081
Amortization of premium	277,293	42,584
Gain on sale of investment	4,129,465	112,189,943
(Decrease)/Increase in operating assets other than cash	3,570,564,538	711,214,609
Decrease/(Increase) in operating liabilities	(2,469,734,678)	229,975,519
	1,908,035,199	713,927,167
Other adjustments:		
Income tax paid	338,539,936	633,918,762
	338,539,936	633,918,762
Profit/(Loss) before taxation	2,246,575,135	1,347,845,929
Provision for taxation	(703,301,698)	(403,575,598)
Profit/(Loss) after taxation	<i>Rupees</i> 1,543,273,437	944,270,331

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	50,171	91,946
Current and other accounts	2,820,123,354	2,302,701,693
Deposit maturing within 12 months	-	-
	<i>Rupees</i> 2,820,173,525	2,302,793,639

The annexed notes 1 to 35 form an integral part of this condensed interim financial information.

CFO

CEO

DIRECTOR

DIRECTOR

CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the Nine months period ended September 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

3.2 Functional and presentation currency

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

3.3 Statement of compliance

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

This condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2018 which have been prepared in accordance with approved accounting standards as applicable to insurance companies in Pakistan

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the Nine months period ended September 30, 2019

This condensed interim financial statement of the Company for the quarter ended September 30, 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 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 SEC (Insurance) Rules, 2017 have been followed.

The comparative statement of financial position presented in this condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended December 31, 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 statements for the quarter ended September 30, 2018.

4 SIGNIFICANT ACCOUNTING POLICIES

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

5 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

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

5.1 IFRS 16 Leases

IFRS 16 replaces existing lease guidance including IAS 17 Leases IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Lease - Incentives and SIC -27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard is effective for annual periods beginning on or after 1st January, 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS-16.

These amendments do not have any material impact on the Company's financial statements.

PAKISTAN REINSURANCE COMPANY LIMITED

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

For the Nine months period ended September 30, 2019

6 USE OF ESTIMATES AND JUDGMENTS

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

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

In preparing this condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the financial statements of the Company for the year ended December 31, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2018.

7 SUMMARY OF SIGNIFICANT EVENTS AND TRASCACION

Following is the summary of significant transactions and events that have affected the financial position and performance of the Company:

- a. During the period, total addition to investment amounted to Rs.7,885.818 million (2018: Rs.5,440.685 million) and total disposal from investments amounted to Rs.7,909.440 million (2018: Rs. 5,487.779 million).
- b. During the year, the Company recorded exchange gain amounted to Rs. 636.677 million.
- c. During the period, the Company impairment loss amounted to Rs.169.080 million in equity securities.

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the Nine months period ended September 30, 2019

8 PROPERTY AND EQUIPMENT

	September 30, 2019	(Audited) December 31, 2018
	-----Rupees-----	
Opening balance	42,756,739	36,570,719
Additions:		
-Furniture, fixtures and office equipments	1,788,993	12,986,969
Less:		
Written down value of assets disposed/transferred	(327,883)	(419,594)
Depreciation charge for the period	(4,851,553)	(6,381,355)
	(3,390,443)	6,186,020
Closing balance	39,366,296	42,756,739

**9 ASSETS RELATING TO BANGLADESH
(FORMER EAST PAKISTAN) - NET**

Fixed assets		
Land and building	8,608,000	8,608,000
Furniture and fixture	4,000	4,000
	8,612,000	8,612,000
Investments		
Stock and shares	7,112,000	7,112,000
Debenture	250,000	250,000
	7,362,000	7,362,000
	15,974,000	15,974,000
Liabilities		
Outstanding claims	(4,952,000)	(4,952,000)
Other liabilities	(809,000)	(809,000)
	(5,761,000)	(5,761,000)
	10,213,000	10,213,000
Provision for loss on assets in Bangladesh	(10,213,000)	(10,213,000)
	-	-

10 INVESTMENT PROPERTIES

Opening balance	158,716,140	158,716,140
Accumulated depreciation		
Balance at beginning of year	130,432,140	128,909,387
Depreciation for the period/year	1,075,806	1,522,753
	131,507,946	130,432,140
Closing balance	27,208,194	28,284,000

The market value of investment properties is Rs.1,144 million, as per valuation carried out by an independent valuer as at December 31, 2018.

11 INVESTMENTS IN EQUITY SECURITIES

	September 30, 2019 (Un Audited)				December 31, 2018 (Audited)			
	Cost	Accumulated impairment losses (11.1.1)	Unrealized Gain /Loss	Carrying Value	Cost	Accumulated impairment losses (11.1.1)	Unrealized Gain /Loss	Carrying Value
Rupees								
11.1 Available for Sale								
Listed Shares	400,626,705	-	1,376,558,407	1,777,185,112	414,287,094	-	1,992,759,611	2,407,046,705
Unlisted Shares	2,608,105	(1,990,492)	-	617,613	2,608,105	(1,990,491)	-	617,614
Mutual funds	1,701,038,079	(559,431,827)	195,305,636	1,336,911,888	1,701,457,734	(405,672,603)	374,909,601	1,670,694,732
Subtotal for Available for Sale	<u>2,104,272,889</u>	<u>(561,422,319)</u>	<u>1,571,864,043</u>	<u>3,114,640,681</u>	<u>2,118,352,933</u>	<u>(407,663,094)</u>	<u>2,367,669,212</u>	<u>4,078,359,051</u>
11.2 Held For Trading								
Listed Shares	84,938,345	-	(11,428,154)	73,510,191	107,547,122	-	(22,608,777)	84,938,345
Unlisted Shares	-	-	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	-	-
Subtotal for Held For Trading	<u>84,938,345</u>	<u>-</u>	<u>(11,428,154)</u>	<u>73,510,191</u>	<u>107,547,122</u>	<u>-</u>	<u>(22,608,777)</u>	<u>84,938,345</u>
Total Investment in Equity Securities	<u>2,189,211,234</u>	<u>(561,422,319)</u>	<u>1,560,435,889</u>	<u>3,188,150,872</u>	<u>2,225,900,055</u>	<u>(407,663,094)</u>	<u>2,345,060,435</u>	<u>4,163,297,396</u>

11.1.1 Movement in accumulated impairment losses on available for sale investments

	(Un- Audited) 30-Sep-19	(Audited) 31-Dec-18
	<u>Rupees</u>	
Opening balance	407,663,094	326,243,562
Change for the period /year	153,759,225	81,419,532
Closing balance	<u>561,422,319</u>	<u>407,663,094</u>

12 INVESTMENT IN DEBT SECURITIES

12.1 Investment - Held for Trading

	September 30, 2019		December 31, 2018	
	Cost	Carrying Value	Cost	Carrying Value
	-----Rupees-----		-----Rupees-----	
Pakistan Investment Bonds	1,549,852,202	1,525,726,716	2,227,198,249	2,163,261,750
Treasury Bills	2,233,180,450	2,269,083,534	2,184,623,575	2,207,137,288
Term Finance Certificate	99,980,000	99,980,000	100,000,000	100,000,000
	<u>3,883,012,652</u>	<u>3,894,677,902</u>	<u>4,511,821,824</u>	<u>4,470,399,038</u>

12.2 Investment - Available for sale

	September 30, 2019		December 31, 2018	
	Cost	Carrying Value	Cost	Carrying Value
	-----Rupees-----		-----Rupees-----	
Pakistan Investment Bonds	553,208,750	562,332,725	-	-
	<u>553,208,750</u>	<u>562,332,725</u>	<u>-</u>	<u>-</u>
Total Investment in Debt Securities	<u>4,436,221,402</u>	<u>4,457,010,627</u>	<u>4,511,821,824</u>	<u>4,470,399,038</u>

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the Nine months period ended September 30, 2019

13 LOANS AND OTHER RECEIVABLES - Considered good

		(Un-Audited) September 30, 2019	(Audited) December 31, 2018
	Note	-----Rupees-----	
Accrued investment income		115,404,271	153,705,215
Loans to employees	13.1	153,809,866	165,125,170
Receivable from Sindh Revenue Board		2,573,888,727	2,573,888,727
Sundry receivables		17,552,572	42,843,328
		<u>2,860,655,436</u>	<u>2,935,562,440</u>

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

13.2 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.

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.

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the Nine months period ended September 30, 2019

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 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 must 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 would agree to make payment of the principal amount of the demand under protest subject to condition that SRB would 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 would 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.

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the Nine months period ended September 30, 2019

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.

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.

14 INSURANCE / REINSURANCE RECEIVABLES - unsecured, considered good

		September 30, 2019	(Audited) December 31, 2018
	Note	-----Rupees-----	
Balance at period/year end		9,609,698,871	5,952,343,308
Less: provision for impariment in due from other insurers / reinsurers	14.1	<u>(567,313,108)</u>	<u>(524,634,292)</u>
		9,042,385,763	5,427,709,016
Premium and claim reserves retained by cedants		24,831,634	25,057,147
Less: provision for impariment in premium and claim reserves retained by cedants		<u>(17,000,000)</u>	<u>(17,000,000)</u>
		<u>9,050,217,397</u>	<u>5,435,766,163</u>

14.1 This includes gross amount Rs. 3,830,489,678. (December 31, 2018: Rs.2,277,212,869) due from related party National Insurance Company Limited.

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the Nine months period ended September 30, 2019

		September 30, 2019	(Audited) December 31, 2018
		-----Rupees-----	
	Upto 3 months	3,830,489,678	2,277,213,869
	Over 3 months and above	-	-
		<u>3,830,489,678</u>	<u>2,277,213,869</u>
14.2	Provision for impairment		
	Opening	524,634,292	524,634,292
	Charge for the period/year	42,678,816	-
	Reversal	-	-
	Closing	<u>567,313,108</u>	<u>524,634,292</u>
15	CASH AND BANK BALANCES		
		(Un-Audited) September 30, 2019	(Audited) December 31, 2018
		-----Rupees-----	
	Cash in Hand	50,171.06	39,508
	Saving Account	84,164,024.50	11,673,945
	Current Account		
	Local Currency	9,904,676.57	153171438
	Foreign Currency	2,561,711,364	2,281,379,566
	Dividend Account	114343289	156,219,332
		<u>2,685,959,330</u>	<u>2,590,770,336</u>
		<u>2,770,173,525</u>	<u>2,602,483,789</u>
15.1	The saving accounts carry markup at the rates ranging from 2.75% to 12.75% (2018: 2.75% to 8.75%) per annum.		
16	RESERVES		
		(Un-Audited) September 30, 2019	(Audited) December 31, 2018
		-----Rupees-----	
	Capital Reserve		
	-Reserve for exceptional losses	281,000,000	281,000,000
	Revenue Reserve		
	-Available for sale reserve	1,063,092,034	1,705,142,630
	-General Reserve	1,777,419,085	1,777,419,085
		<u>3,121,511,119</u>	<u>3,763,561,715</u>

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the Nine months period ended September 30, 2019

17 DEFERRED TAX

Deferred tax liabilities on taxable temporary differences:

Property and equipment	1,797,015	1,797,015
Held to maturity investments	1,193,290	1,193,290
Unrealized gain on available for sale investments	531,345,864	662,947,379
	<u>534,336,169</u>	<u>665,937,684</u>

Deferred tax assets
on deductible

Provision for doubtful debts	(22,614,006)	(22,614,006)
Provision for impairment of	(164,997,609)	(146,897,602)
Provision for impairment of	(4,760,000)	(4,760,000)
Provision for dividend receivable	(559,310)	(559,310)
Provision for impairment in	(146,874,765)	(115,893,723)
Provision for impairment of other receivables	(6,149,939)	-
Unrealized loss on held for trading investments	(7,455,358)	(6,222,939)
	<u>(353,410,987)</u>	<u>(296,947,580)</u>
	<u>180,925,182</u>	<u>368,990,104</u>

MOVEMENT IN DEFERRED TAX

Balance at the beginning of the year	368,990,104	609,429,942
Deferred tax through:		
Profit and Loss Account	(56,463,407)	(4,626,379)
Other Comprehensive Income	(131,601,515)	(235,813,458)
	<u>180,925,182</u>	<u>368,990,105</u>

18 INSURANCE / REINSURANCE PAYABLES

	(Un-Audited)	(Audited)
	September 30,	December 31,
	2019	2018
	-----Rupees-----	
Due to other insurers / reinsurers	4,300,109,781	2,520,075,675
Premium and claim reserves retained from retrocessionaires	15,824,356	18,343,273
	<u>4,315,934,137</u>	<u>2,538,418,948</u>

Note

PAKISTAN REINSURANCE COMPANY LIMITED
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19 OTHER CREDITORS AND ACCRUALS

Other Creditors and Accruals		34,936,033	33,635,846
Security Deposits	19.1	26,833,289	26,556,464
Accrued expenses		4,104,139	19,474,459
Surplus profit payable	19.2	1,212,602	1,212,602
		<u>67,086,063</u>	<u>80,879,371</u>

19.1 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.

19.2 This represents the amount set aside for the shareholders in accordance with the requirements of Pakistan Insurance Corporation Act, 1952 (repealed).

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

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

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

20.1.2 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.

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
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- 20.1.3** 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.
- 20.1.4** Contingencies related to income tax are presented in note 22 to these interim condensed financial statements.
- 20.1.5 Commitments**
- 20.1.6** There are no significant commitments as on the reporting date (December 31, 2018: Nil).

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
For the Nine months period ended September 30, 2019

21 NET PREMIUM REVENUE

	Unaudited <u>Nine months ended</u>		Unaudited <u>Quarter ended</u>	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	-----Rupees-----			
Written gross premium	12,596,124,168	7,326,890,449	4,801,951,733	2,515,499,974
Add: Unearned premium reserve opening	4,990,287,938	3,856,658,993	6,593,121,572	4,261,984,357
Less: Unearned premium reserve closing	6,746,770,202	4,416,628,046	6,746,770,202	4,416,628,046
Premium earned	10,839,641,904	6,766,921,396	4,648,303,103	2,360,856,285
Less: Reinsurance premium ceded	6,812,000,312	2,673,240,215	2,661,904,180	577,084,765
Add: Prepaid reinsurance premium opening	2,472,406,314	1,870,094,821	4,104,632,366	2,205,018,945
Less: Prepaid reinsurance premium closing	5,006,790,452	1,825,125,989	5,006,790,452	1,825,125,989
Reinsurance expense	4,277,616,174	2,718,209,047	1,759,746,094	956,977,721
	6,562,025,730	4,048,712,349	2,888,557,009	1,403,878,564

22 NET INSURANCE CLAIMS

Claims paid	5,016,845,596	1,976,467,741	2,938,282,833	737,221,468
Add: Outstanding claims including IBNR closing	7,777,212,913	5,983,228,853	7,993,321,196	5,983,228,853
Less: Outstanding claims including IBNR opening	4,175,710,556	4,718,602,200	8,701,196,009	6,135,847,606
Claims expense	8,618,347,953	3,241,094,394	2,230,408,020	584,602,715
Less: Reinsurance and other recoveries received	2,495,157,021	106,828,899	2,039,015,425	(115,385,041)
Add: Reinsurance and other recoveries in respect of outstanding claims closing	3,865,503,181	3,138,222,115	4,209,355,324	3,138,222,115
Less: Reinsurance and other recoveries in respect of outstanding claims opening	1,351,771,237	2,159,694,037	5,290,266,418	3,138,536,322
	5,008,888,965	1,085,356,977	958,104,331	(115,699,248)
Reinsurance and other recoveries revenue	3,609,458,988	2,155,737,417	1,272,303,689	700,301,963

23 NET COMMISSION AND OTHER ACQUISITION COSTS

Commission paid or payable	1,503,623,455	995,335,114	599,449,887	371,785,131
Add: Deferred commission expense opening	565,597,977	696,641,094	654,952,935	607,869,696
Less: Deferred commission expense closing	786,049,756	625,527,931	786,049,756	625,527,931
Net commission	1,283,171,676	1,066,448,277	468,353,066	354,126,896
Less: Commission received or recoverable	512,079,427	230,634,376	218,184,379	29,646,391
Add: Unearned reinsurance commission opening	74,957,159	284,665,088	258,578,617	259,236,229
Less: Unearned reinsurance commission closing	371,284,286	175,277,688	371,284,286	175,277,688
Commission from reinsurers	215,752,300	340,021,776	105,478,710	113,604,932
	1,067,419,376	726,426,501	362,874,356	240,521,964

PAKISTAN REINSURANCE COMPANY LIMITED
Notes To The Condensed Interim Financial statement (Un-Audited)
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24 Investment income

	Unaudited		Unaudited	
	<u>Nine months ended</u>		<u>Quarter ended</u>	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
-----Rupees-----				
Income from equity securities				
Available for sale				
Dividend income	131,119,988	85,792,647	24,239,931	33,242,790
Held for trading				
Dividend income	2,990,750	4,240,750	1,072,000	2,199,002
	<u>134,110,738</u>	<u>90,033,397</u>	<u>25,311,931</u>	<u>35,441,792</u>
Income from debt securities				
Held for maturity				
-Return on Pakistan Investment Bond (HTM)	176,755,999	208,765,505	53,475,572	70,465,030
-Return on Treasury Bills	161,182,871	68,463,742	65,651,576	20,819,287
-Amortization of (discount)/premium on PIBs	277,293	42,584	3,518,776	(4,869,815)
-Return on Pakistan Investment Bond (AFS)	8,314,544	-	8,314,544	-
Income from term finance certificate	9,450,509	-	3,525,962	-
	<u>355,981,216</u>	<u>277,271,831</u>	<u>134,486,430</u>	<u>86,414,502</u>
Profit received from bank	92,483,210	49,986,081	38,525,963	13,201,272
Net realised gains / (losses) on investments				
Available for sale				
- Gain on sale of Equity securities	4,129,465	112,189,943	-	9,532,296
Held for trading				
- Gain on sale of Equity securities	-	2,700,075	-	1,212,224
Net Unrealised gains/(losses) on investments at fair value through profit and loss (Held for trading purposes)	(11,428,154)	2,496,346	(7,026,658)	(3,847,993)
	<u>575,276,475</u>	<u>534,677,673</u>	<u>191,297,666</u>	<u>141,954,093</u>
Less: Impairment in value of available for sale securities	(169,080,364)	-	(58,439,486)	-
Less: Investment related expenses	(15,070,577)	(12,981,470)	(6,234,763)	(4,158,672)
Net investment income	<u>391,125,534</u>	<u>521,696,203</u>	<u>126,623,417</u>	<u>137,795,421</u>

25 RENTAL INCOME

Rental income	73,557,509	66,437,749	25,495,585	23,435,341
Less: Expenses of investment property	(21,114,792)	(21,162,218)	(6,459,770)	(7,968,393)
	<u>52,442,717</u>	<u>45,275,531</u>	<u>19,035,815</u>	<u>15,466,948</u>

26 TAXATION

For the period				
Current	703,301,698	403,575,598	389,109,058	148,449,740
Prior Year	-	-	-	-
Deferred	-	-	-	-
	<u>703,301,698</u>	<u>403,575,598</u>	<u>389,109,058</u>	<u>148,449,740</u>

PAKISTAN REINSURANCE COMPANY LIMITED
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26.1 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.

26.2 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.

26.3 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.

26.4 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 and intimated FBR for automatic stay against recovery of tax demand pursuant to section 140(1) of the Ordinance.

Hearing was fixed on 27.6.2019 and refixed on 2.7.2019 heard by Commissioner Inland Revenue (Appeal-II). Decision of CIRA -II is awaited.

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27 FAIR VALUE MEASUREMENT

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at September 30, 2019 and December 31, 2018:

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial assets measured at fair value				
Investments at fair value through				
Ordinary shares - listed	101,719,495	-	-	101,719,495
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
December 31, 2019 (Audited)	<u>4,179,460,932</u>	<u>-</u>	<u>617,613</u>	<u>4,180,078,545</u>
Financial assets measured at fair value				
Investments at fair value through profit or loss - held for trading				
Ordinary shares - listed	73,510,191	-	-	73,510,191
Investments at fair value- available for sale				
Ordinary shares - listed	1,777,185,112	-	-	1,777,185,112
Mutual fund units	1,336,911,888	-	-	1,336,911,888
Pakistan Investment Bond	-	562,332,725	-	562,332,725
Ordinary shares - unlisted	-	-	617,613	617,613
September 30, 2019 (Un-audited)	<u>3,187,607,191</u>	<u>562,332,725</u>	<u>617,613</u>	<u>3,750,557,529</u>

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 - Fair value measurement using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Fair value measurement using inputs other than quoted prices included with in 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 - Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e unobservable inputs).

The fair value of all other assets and liabilities is estimated to approximate their carrying value.

Pakistan Reinsurance Company Limited
Notes to the Financial Statements
For the Nine Months period ended September 30, 2019

28 SEGMENT REPORTING

Segment Current Year	Fire and property damage	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	TOTAL
	-----30 September 2019----- -----Rupees-----							
Gross written premium	1,522,708,654	37,366,441	385,565,107	205,075,519	552,432,661	5,844,053,050	4,048,922,736	12,596,124,168
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	568,735,743	12,221,081	177,515,953	86,100,218	635,229,860	2,803,684,806	2,463,282,541	6,746,770,202
Premium Earned	1,469,059,724	35,358,304	227,732,129	182,389,420	1,478,646,714	3,951,038,643	3,495,416,970	10,839,641,904
Reinsurance-Ceded	470,762,537	-	242,456,274	6,562,075	402,680,303	5,205,465,349	484,073,774	6,812,000,312
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	130,910,002	-	138,478,025	4,926,051	507,547,478	3,914,468,713	310,460,183	5,006,790,452
Reinsurance Expenses	360,541,675	-	112,223,306	4,470,029	1,258,521,295	2,027,782,574	514,077,295	4,277,616,174
Net insurance premium	1,108,518,049	35,358,304	115,508,823	177,919,391	220,125,419	1,923,256,069	2,981,339,675	6,562,025,730
Commission income	19,798,915	-	14,466,168	447,003	11,287,481	165,584,684	4,168,049	215,752,300
Net underwriting income	1,128,316,964	35,358,304	129,974,991	178,366,394	231,412,900	2,088,840,753	2,985,507,724	6,777,778,030
Insurance claims paid	333,030,331	2,600,752	20,068,505	34,720,307	2,841,537,462	111,607,383	1,673,280,856	5,016,845,596
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	1,229,481,045	102,470,491	98,408,345	215,864,522	1,258,830,528	2,633,538,932	2,238,619,050	7,777,212,913
Insurance claims expenses	322,819,776	33,375,450	(3,749,702)	43,063,053	3,920,762,931	2,414,302,858	1,887,773,587	8,618,347,953
Reinsurance Recoveries Received	46,707,226	-	1,726,739	-	2,419,684,611	-	27,038,445	2,495,157,021
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	205,047,789	39,375,499	21,650,734	-	1,114,778,417	2,313,743,773	170,906,969	3,865,503,181
Insurance claims recovered from reinsurers	(136,468,048)	20,682,474	(19,888,703)	-	3,438,285,191	2,180,508,424	(474,230,373)	5,008,888,965
Net claims	459,287,824	12,692,976	16,139,001	43,063,053	482,477,740	233,794,434	2,362,003,960	3,609,458,988
Commission expense	182,269,774	3,956,328	18,227,755	14,673,978	8,103,231	236,547,877	819,392,733	1,283,171,676
Management expense	112,219,073	(21,412,679)	28,406,917	8,693,137	78,158,173	207,082,334	299,358,507	712,505,462
Preium deficiency expense	-	-	-	-	-	-	-	-
Net insurance claims and expenses	753,776,671	(4,763,375)	62,773,673	66,430,168	568,739,144	677,424,645	3,480,755,200	5,605,136,126
Underwriting results	374,540,293	40,121,679	67,201,318	111,936,226	(337,326,244)	1,411,416,108	(495,247,476)	1,172,641,904
Net investment income								391,125,535
rental income								52,442,717
General and Admin expenses								(6,924,566)
Other income								637,289,545
Profit before tax								2,246,575,135
Segment Assets	409,112,053	40,620,748	175,370,757	12,016,235	1,628,567,221	6,392,728,599	999,927,776	9,658,343,389
Unallocated Assets								22,736,922,100
								32,395,265,489
Segment Liabilities	1,806,275,864	114,691,572	294,409,855	302,457,345	1,907,638,597	5,767,458,706	4,702,335,462	14,895,267,401
Unallocated Liabilitied								7,322,723,099
								22,217,990,500

Pakistan Reinsurance Company Limited
Notes to the Financial Statements
For the Three Months period ended September 30, 2019

29 SEGMENT REPORTING

Segment Current Year	Fire and property damage	Marine Cargo	Marine Hull	Accident	Aviation	Engineering	Treaty	TOTAL
-----Rupees-----								
Gross written premium	591,299,944	7,028,852	315,555,634	62,922,510	173,710,881	2,106,733,724	1,544,700,188	4,801,951,733
Unearned-Opening	547,231,958	14,308,189	36,357,586	95,549,454	1,036,218,753	2,731,810,571	2,131,645,061	6,593,121,572
Unearned-Closing	568,735,743	12,221,081	177,515,953	86,100,218	635,229,860	2,803,684,806	2,463,282,541	6,746,770,202
Premium Earned	569,796,159	9,115,960	174,397,267	72,371,746	574,699,774	2,034,859,489	1,213,062,708	4,648,303,103
Reinsurance-Ceded	18,397,501	-	204,315,964	6,562,075	127,095,417	2,062,289,341	243,243,882	2,661,904,180
Prepaid Reinsurance-Opening	232,463,517	-	18,536,961	-	806,511,387	2,812,764,039	234,356,462	4,104,632,366
Prepaid Reinsurance-Closing	130,910,002	-	138,478,025	4,926,051	507,547,478	3,914,468,713	310,460,183	5,006,790,452
Reinsurance Expenses	119,951,016	-	84,374,900	1,636,024	426,059,326	960,584,667	167,140,161	1,759,746,094
Net insurance premium	449,845,143	9,115,960	90,022,367	70,735,722	148,640,448	1,074,274,822	1,045,922,547	2,888,557,009
Commission income	6,963,179	-	10,508,196	163,602	4,377,635	82,346,630	1,119,468	105,478,710
Net underwriting income	456,808,322	9,115,960	100,530,563	70,899,324	153,018,083	1,156,621,452	1,047,042,015	2,994,035,719
Insurance claims paid	67,554,869	119,814	3,750,607	6,694,004	2,292,822,959	18,489,211	548,851,369	2,938,282,833
Outstanding-opening	1,120,090,186	102,207,299	99,159,008	176,173,792	2,473,078,610	2,598,199,080	2,132,288,034	8,701,196,009
Outstanding-closing	1,229,481,045	102,470,491	98,408,345	215,864,522	1,258,830,528	2,633,538,932	2,238,619,050	7,777,212,913
Insurance claims expenses	176,945,728	383,006	2,999,944	46,384,734	1,078,574,877	53,829,063	655,182,385	2,014,299,737
Reinsurance Recoveries Received	-	-	(3,750,607)	-	2,042,766,032	-	-	2,039,015,425
Recovery-opening	205,047,738	39,375,499	21,650,734	-	2,195,689,511	2,313,743,773	514,759,163	5,290,266,418
Recovery-closing	205,047,789	39,375,499	21,650,734	-	1,114,778,417	2,313,743,773	170,906,969	3,865,503,181
Insurance claims recovered from reinsurers	51	-	(3,750,607)	-	961,854,938	-	(343,852,194)	614,252,188
Net claims	176,945,677	383,006	6,750,551	46,384,734	116,719,939	53,829,063	999,034,579	1,400,047,549
Commission expense	71,933,919	976,558	15,032,694	6,496,647	4,985,176	117,731,558	251,196,514	468,353,066
Mangement expense	19,008,381	(25,126,308)	24,800,256	(6,474,731)	68,042,130	86,940,563	(40,603,392)	126,586,899
Preium deficiency expense	-	-	-	-	-	-	-	-
Net insurance claims and expenses	267,887,977	(23,766,744)	46,583,501	46,406,650	189,747,245	258,501,184	1,209,627,701	1,994,987,514
Underwriting results	188,920,345	32,882,704	53,947,062	24,492,674	(36,729,162)	898,120,268	(162,585,686)	999,048,205
Net investment income								126,623,417
rental income								19,035,815
General and Admin expenses								(1,432,592)
Other income								105,058,087
Profit before tax								1,248,332,932
Segment Assets	409,112,053	40,620,748	175,370,757	12,016,235	1,628,567,221	6,392,728,599	999,927,776	9,658,343,389
Unallocated Assets								(7,573,857,653)
								2,084,485,736
Segment Liabilities	1,806,275,864	114,691,572	294,409,855	302,457,345	1,907,638,597	5,767,458,706	4,702,335,462	14,895,267,401
Unallocated Liabilitied								(19,399,320,627)
								(4,504,053,226)

30 RELATED PARTIES TRANSACTIONS

The related parties comprise of holding company, associated companies, staff retirement fund, Director and key management personnel. The transactions with related parties are in normal course of business. Transaction with related parties and remuneration and benefits of key management personnel under the terms their employees as follow:-

Transaction with related parties are summarised as follows:

	<u>30-09-2019</u>	<u>2018</u>
	----- Rupees-----	
Government of Pakistan (GoP) through Ministry of Commerce		
Dividend paid for preceding year	269,279,570	471,239,248
State Life Insurance Corporation of Pakistan		
Dividend paid for preceding year	146,464,402	256,312,704
Related parties by virtue of GoP's holdings		
State Bank of Pakistan		
Purchase of invesment (Treasury Bills)	6,923,443,210	6,661,719,852
Dividend received during the year	-	49,000
Pakistan State Oil Company Limited		
Dividend received during the year	253,400	146,280
National Investment Trust Limited		
Dividend received during the year	23,760,000	47,520,000
National Insurance Company Limited		
Premium due but unpaid	2,277,212,868	1,544,908,121
Insurance premium written during the year	6,598,694,413	4,352,797,287
Premium received	(5,045,417,603)	(3,620,492,540)
Balance at the end of year	3,830,489,678	2,277,212,868
Insurance commission paid	339,944,711	61,143,627
Insurance claims paid	2,799,138,504	26,691,710
Other related parties		
Remuneration including benefits and perquisites of key management personnel	383,367,515	679,424,000

31 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

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>September 30,</u> <u>2019</u>	September 30, 2018	<u>September 30,</u> <u>2019</u>	September 30, 2018
	Unaudited			
	-----Rupees-----			
Profit after tax for the period	<u>1,549,513,998</u>	944,270,331	<u>860,901,661</u>	<u>340,659,529</u>
Weighted average number of ordinary shares	<u>300,000,000</u>	300,000,000	<u>300,000,000</u>	300,000,000
Earning per share - basic (Rupees)	<u>5.17</u>	3.15	<u>2.87</u>	<u>1.14</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.

32 CORRESPONDING FIGURES

Corresponding figure has been rearranged and reclassified, for the purpose of correct presentation.

Reclassified from	Reclassified to	Rupees
Other creditors and accruals	Unclaimed dividend	151,373,107

33 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.

34 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements have been authorized for issue on 30th October, 2019 by the Board of Directors of the Company.

35 GENERAL

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

CFO

CEO

DIRECTOR

DIRECTOR

CHAIRMAN

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS

Condensed Interim Statement Of Financial Position

As at September 30, 2019

	Note	September 30, 2019 (Un-audited)			Audited December 31, 2018 Aggregate
		Operator's Fund	Participants Retakaful Fund	Aggregate	
-----Rupees-----					
Assets					
Takaful/retakaful receivables		-	149,602,893	149,602,893	-
Other Receivable			8,899,567	8,899,567	
Receivable from Participant Retakaful Fund			-	-	1,000
Qard-e-Hasna to Participant Retakaful Fund		19,037,091	-	-	-
Taxation - payments less provision		388,570	62,703	451,273	287,915
Deferred commission expense / acquisition cost		31,044,945	-	31,044,945	-
Prepayment		-	36,444,375	36,444,375	-
Investments		8,500,000	15,000,000	23,500,000	-
Bank balances	8	8,938,178	30,636,155	39,574,333	51,258,000
Total Assets		67,908,784	240,645,693	289,517,386	51,546,915
Funds & Liabilities					
Funds attributable to:					
Participants` Fund					
Ceded money		-	1,000,000	1,000,000	1,000,000
Accumulated (deficit)/surplus		-	(20,037,091)	(20,037,091)	144
Qard-e-Hasna from Operator's Fund		-	19,037,091	19,037,091	-
Operator`s Fund					
Statutory fund		50,000,000	-	50,000,000	50,000,000
Unappropriated profit		6,319,032	-	6,319,032	78,471
Total Funds		56,319,032	-	56,319,032	51,078,615
Liabilities:					
Underwriting provisions					
Outstanding claims		-	58,722,397	58,722,397	-
Unearned contribution reserves		-	181,907,496	181,907,496	-
Takaful/Retakaful payables					
Payable to Operator's Fund		-	-	-	1,000
Provision for taxation		2,426,885	-	2,426,885	-
Payable to PTF		8,899,567		51,606,712	
Other creditors and accruals	9	263,300	15,800	279,100	467,300
Total liabilities		11,589,752	240,645,693	252,235,445	468,300
Total Equity and Liabilities		67,908,784	240,645,693	308,554,477	51,546,915
Contingencies and Commitments	10				

The annexed notes 1 to 21 form an integral part of the condensed interim financial statement.

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS
Condensed Interim Statement Of Comprehensive Income (Un-Audited)
For the Nine months period ended September 30, 2019

	Note	Nine Months Ended		Three Months Ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
-----Un-Audited-----					
-----Rupees-----					
Participants' retakaful fund					
Revenue account					
Net retakaful contribution	11	99,117,420	-	55,282,815	-
Wakala expense	12	(29,267,050)	-	(15,649,919)	-
Net retakaful benefits	13	(90,453,665)	-	(55,848,460)	-
Underwriting result		(20,603,295)	-	(16,215,564)	-
Profit on bank deposit		754,746	-	584,321	-
Modarib's shares		(188,686)	-	(146,080)	-
		566,060	-	438,241	-
Deficit for the period		(20,037,235)	-	(15,777,323)	-
Operator's fund					
Revenue account					
Wakala fee	12	29,267,050	-	15,649,919	-
Management expenses	14	(1,733,518)	-	(804,673)	-
Commission expense		(20,230,597)	-	(11,209,337)	-
		7,302,935	-	3,635,909	-
Modarib's share of participants' retakaful fund investment income		188,686	-	146,080	-
Profit on bank deposit		1,175,825	-	322,683	-
Profit before taxation		8,667,446	-	4,104,672	-
Taxation	16	(2,426,885)	-	(1,149,308)	-
Profit after taxation		6,240,561	-	2,955,364	-
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		6,240,561	-	2,955,364	-

The annexed notes 1 to 21 form an integral part of the condensed interim financial statement.

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS
Condensed Interim Statement of Cash Flows (Un-Audited)
For the six months period ended September 30, 2019

	September 30, 2019 (Un-audited)			Audited December 31, 2018 Aggregate
	Operator's Fund	Participants Retakaful Fund	Aggregate	
-----Rupees-----				
Operating Cash Flows				
Underwriting activities				
Contribution received	-	76,545,838	76,545,838	-
Retro takaful contribution paid	(32,287,500)	-	(32,287,500)	-
Benefits paid	-	(32,287,500)	(32,287,500)	-
Net cash flows generated from underwriting activities	(32,287,500)	44,258,338	11,970,838	-
Other Operating Activities				
Income tax paid	(419,087)	(62,703)	(481,790)	(318,432)
General management expenses paid	(1,733,518)	-	(1,733,518)	(3,075,329)
Other operating (payments) / receipts	445,602	(315,370)	130,232	467,300
Net cash used in other operating activities	(1,707,003)	(378,073)	(2,085,076)	(2,926,461)
Total cash flow generated from all operating activities	(33,994,503)	43,880,265	9,885,762	(2,926,461)
Investment activities				
Acquisition of investments	(8,500,000)	(15,000,000)	(23,500,000)	-
Profit on bank deposits	1,175,825	754,746	1,930,571	3,184,461
	(7,324,175)	(14,245,254)	(21,569,429)	3,184,461
Financing activities	-	-	-	51,000,000
Net cash generated from all activities	(41,318,678)	29,635,011	(11,683,667)	51,258,000
Cash at beginning of the period	50,256,856	1,001,144	51,258,000	-
Cash at end of the period	8,938,178	30,636,155	39,574,333	51,258,000
Reconciliation to profit and loss account				
Operating cash flows	(33,994,503)	43,880,265	9,885,762	(2,897,088)
Profit on bank account	1,175,825	754,746	1,930,571	3,184,317
Increase in operating assets other than cash	92,469,749	237,716,683	330,186,432	1,144
Decrease/(increase) in operating liabilities	(51,402,712)	(285,140,904)	(336,543,616)	(467,156)
	8,248,359	(2,789,210)	5,459,149	(178,783)
Other adjustments:				
Participants' retakaful fund	-	-	-	144
Provision for taxation	(2,426,885)	-	-	-
Income tax paid	419,087	-	-	287,915
	(2,007,798)	-	-	288,059
Total profit/(deficit) for the period	6,240,561	(2,789,210)	5,459,149	109,276

The annexed notes 1 to 21 form an integral part of the condensed interim financial statement.

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS

Condensed Interim Statement of Changes in Funds (Un-Audited)

For the Nine months period ended September 30, 2019

	Operator's Fund		
	Statutory Fund	Accumulated Surplus	Total
	-----Rupees-----		
Balance as at January 01, 2018	-	-	-
Total Comprehensive income for the period	-	-	-
Balance as at September 30, 2018	-	-	-
Balance as at January 01, 2019 - Audited	50,000,000	78,471	50,078,471
Total Comprehensive income for the period	-	6,240,561	6,240,561
Balance as at September 30, 2019 - Unaudited	50,000,000	6,319,032	56,319,032

	Participants' Retakaful Fund		
	Cede Money	Accumulated Deficit	Total
	-----Rupees-----		
Balance as at January 01, 2018	-	-	-
Total Comprehensive income for the period	-	-	-
Balance as at September 30, 2018	-	-	-
Balance as at January 01, 2019 - Audited	1,000,000	144	1,000,144
Total Comprehensive income for the period	-	(20,037,235)	(20,037,235)
Balance as at September 30, 2019 - Unaudited	1,000,000	(20,037,091)	(19,037,091)

The annexed notes 1 to 21 form an integral part of the condensed interim financial statement.

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS
Notes To The Condensed Interim Financial statement (Un-Audited)
For the nine months period ended September 30, 2019

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

- 3.1** These condensed interim financial information has been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

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

- 3.2** These condensed interim financial information do not include all the information required in the full annual financial statements. Accordingly, these condensed interim financial information should be read in conjunction with annual financial statements of the Company as at and for the year ended December 31, 2018.
- 3.3** These condensed interim financial information have been presented in Pakistani Rupees, which is also the functional currency of the Operator.

4 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.

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS

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

For the nine months period ended September 30, 2019

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial statement are in line with the audited annual accounts for the year ended December 31, 2018.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

7 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

Participant retakaful fund has incurred loss amounting to Rs. 4,259,912 during the period which has been compensated by operator fund as Qard-e-hasna.

8 CASH AND BANK BALANCES

	Sep 30, 2019 (Un-audited)			Audited
	Operator's Fund	Participants Retakaful Fund	Aggregate	December 31, 2018 Aggregate
	-----Rupees-----			
Cash at bank				
- Saving accounts	8,938,178	30,636,155	39,574,333	51,258,000

9 OTHER CREDITORS AND ACCRUALS

Salaries payable	150,000	-	150,000	150,000
Income tax deducted at source	107,400	-	107,400	65,400
Sindh sales tax payable	4,800	-	4,800	800
Other payable	1,100	15,800	16,900	1,100
Audit fee payable		-	-	250,000
	<u>263,300</u>	<u>15,800</u>	<u>279,100</u>	<u>467,300</u>

10 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at period end.

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS

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

For the nine months period ended September 30, 2019

11 NET RETAKAFUL CONTRIBUTION

	Six Months Ended		Three Months Ended	
	Sep 30, 2019	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018
	-----Un-Audited-----			
	-----Rupees-----			
Written gross contribution	309,155,541	-	141,340,144	-
Add: Unearned contribution reserve opening	-	-	-	-
Less: Unearned contribution reserve closing	181,907,496	-	73,297,017	-
Contribution earned	127,248,045	-	68,043,127	-
Less: Retakaful contribution ceded	64,575,000	-	32,287,500	-
Add: Prepaid retakaful contribution opening	-	-	-	-
Less: Prepaid retakaful contribution closing	36,444,375	-	19,527,188	-
Retakaful expense	28,130,625	-	12,760,312	-
	99,117,420	-	55,282,815	-

12 WAKALA FEE/EXPENSE

Gross wakala fee	71,105,774	-	32,508,233	-
Add: Unearned Wakala Fee opening	-	-	-	-
Less: Unearned Wakala Fee closing	41,838,724	-	16,858,314	-
	29,267,050	-	15,649,919	-

13 NET RETAKAFUL CLAIMS

Benefits paid	31,731,268	-	25,734,985	-
Add: Outstanding claims closing	58,722,397	-	30,113,475	-
Less: Outstanding claims opening	-	-	-	-
Benefits expense	90,453,665	-	55,848,460	-
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	-	-	-	-
	90,453,665	-	55,848,460	-

14 MANAGEMENT EXPENSES

Bank charges	55,018	-	31,173	-
Shariah advisor fee for retakaful	1,500,000	-	750,000	-
Auditors' fee	168,500	-	23,500	-
CDC charges	10,000	-	-	-
	1,733,518	-	804,673	-

15 COMMISSION EXPENSE

Commission paid or payable	24,606,261	-	12,795,670	-
Add: Deferred commission expense opening	-	-	-	-
Less: Deferred commission expense closing	15,585,001	-	11,112,271	-
	20,230,597	-	1,683,399	-

16 TAXATION

The current tax charged for the period is Rs. 1,277,577 at the tax rate of 28% and the same has been recorded in these condensed interim financial statements hence no tax reconciliation has been made.

PAKISTAN REINSURANCE COMPANY LIMITED WINDOW RETAKAFUL OPERATIONS

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

For the nine months period ended September 30, 2019

17 SEGMENT REPORTING

PARTICIPANTS' RETAKAFUL FUND

	Nine months ended September 30, 2019 (Un-Audited)				TOTAL
	Fire and property damage	Marine	Accident	Treaty	
	-----Rupees-----				
Gross written contribution	14,981,804	238,444	16,164,693	277,770,600	309,155,541
Unearned contribution-Opening	-	-	-	-	-
Unearned contribution-Closing	9,282,082	125,501	6,470,282	166,029,631	181,907,496
Contribution earned	5,699,722	112,943	9,694,411	111,740,969	127,248,045
Retakaful-Ceded	-	-	-	64,575,000	64,575,000
Prepaid retakaful-Opening	-	-	-	-	-
Prepaid retakaful-Closing	-	-	-	36,444,375	36,444,375
Retakaful expenses	-	-	-	28,130,625	28,130,625
Net contribution	5,699,722		9,694,411	83,610,344	99,117,420
Rebate	-		-	-	-
Net underwriting income	5,699,722		9,694,411	83,610,344	99,117,420
Benefits paid	-	-	-	31,731,268	31,731,268
Outstanding claims-Opening	-	-	-	-	-
Outstanding claims-Closing	-	-	881,166	57,841,231	58,722,397
Benefits expenses	-		881,166	89,572,499	90,453,665
Retakaful recoveries received	-		-	-	-
Recovery-Opening	-		-	-	-
Recovery-Closing	-		-	-	-
Benefits recovered from retro takaful	-		-	-	-
Net benefits	-		-	89,572,499	90,453,665
Wakala fee	1,310,936	25,977	2,229,715	25,700,423	29,267,050
Management expense	-		-	-	-
Contribution deficiency expense	-		-	-	-
Net benefits and expenses	1,310,936		2,229,715	115,272,922	119,720,715
Underwriting results	4,388,786		7,464,696	(31,662,578)	(20,603,295)
Profit on bank deposits					754,746
Modarib Fee					(188,686)
Profit before tax					(20,037,235)
Segment Assets	-	-	881,166	94,285,606	95,166,772
Unallocated Assets					188,186,066
					283,352,838
Segment Liabilities	11,416,961	154,366	8,839,613	262,057,677	282,468,617
Unallocated Liabilities					2,673,287
					285,141,904

PAKISTAN REINSURANCE COMPANY LIMITED WINDOW RETAKAFUL OPERATIONS

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

For the nine months period ended September 30, 2019

OPERATOR'S FUND

	Nine months ended September 30, 2019 (Un-Audited)				TOTAL
	Fire and property damage		Accident	Treaty	
-----Rupees-----					
Wakala Fee	1,310,936	25,977	2,229,715	25,700,423	29,267,050
Commission	(684,147)	(12,346)	(788,305)	(18,745,799)	(20,230,597)
Management Expenses	(77,648)	-	(132,068)	(1,522,263)	(1,731,979)
Segment Results	549,141	13,631	1,309,342	5,432,361	7,304,474
Profit on bank deposits					1,175,825
Modarib Fee					188,686
Profit before tax					8,668,985
Segment Assets	268,675	198,444	198,444	8,862,378	9,527,941
Unallocated Assets					83,839,963
					93,367,904
Segment Liabilities	2,134,879	28,865	1,488,165	38,186,815	41,838,724
Unallocated Liabilities					(41,575,424)
					263,300

18 FAIR VALUE MEASUREMENT

There are no assets or liabilities which have been carried at fair value. Retakaful operations have not disclosed fair value of any assets and liabilities because their carrying amounts are a reasonable approximation of fair value.

19 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Pakistan Reinsurance Company Limited, 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.

20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 30th October, 2019 by the Board of Directors of the Operator.

21 GENERAL

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

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

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Commitment To Excellence



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