



Pakistan Reinsurance Company Limited

Annual **REPORT** **2024**

*Commitment
to
Excellence*

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VISION

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

MISSION

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

STRATEGY

To continue being the premier provider of reinsurance and risk management services to the insurance industry, fostering strong business relationships with local insurers, reinsurance brokers, and foreign reinsurers.

OBJECTIVES

- ❖ To provide the best reinsurance services to the local insurance industry in order to check the outflow of foreign exchange, to the maximum possible extent.
- ❖ To develop good business relations with foreign reinsurers.
- ❖ To train staff in pace with the 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 the country in order to save valuable foreign exchange.

Corporate Information

BOARD OF DIRECTORS OF PRCL

<u>Name of Directors</u>	<u>Designations</u>	<u>Types</u>
Mr. Mumtaz Ali Rajper	Chairman Board / Director	Non-Executive
Mr. Shakeel Ahmed Mangnejo	Director	Ex-officio / Non-Executive
Dr. Musleh-ud-Din	Director	Independent / Non-Executive
Mr. Muhammad Rashid	Director	Non-Executive
Mrs. Zara Shaheen Awan	Director	Independent / Non-Executive
Mr. Shoaib Mir	Director	Independent / Non-Executive
Mr. Farmanullah Zarkoon	Chief Executive Officer	Executive

COMPANY SECRETARY

Mr. Sumeet Kumar

BOARD COMMITTEES

AUDIT COMMITTEE

Dr. Musleh-ud-Din	Chairman
Mr. Shakeel Ahmed Mangnejo	Member
Mr. Muhammad Rashid	Member
Mr. Shoaib Mir	Member
Chief Internal Auditor	Secretary

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Zara Shaheen Awan	Chairperson
Mr. Mumtaz Ali Rajper	Member
Mr. Shakeel Ahmed Mangnejo	Member
Chief Executive Officer	Member
Chief Human Resource Officer	Secretary

INVESTMENT COMMITTEE

Mr. Shoaib Mir	Chairperson
Mr. Muhammad Rashid	Member
Mr. Mumtaz Ali Rajper	Member
Chief Executive Officer	Member
Chief Financial Officer	Secretary

PROCUREMENT COMMITTEE*

Mrs. Zara Shaheen Awan	Chairman
Mr. Mumtaz Ali Rajper	Member
Chief Executive Officer	Member
Chief Administrative Officer	Secretary

**Pursuant to the enactment of the State-Owned Enterprises (Governance and Operations) Act, 2023, and its associated SOEs Ownership and Management Policy, 2023, the Procurement Committee, being no longer necessary under the prevailing legal framework, had been dissolved by the Board with effect from August 29, 2024. The Terms of Reference (TORs) and related responsibilities of the Procurement Committee had been assigned to be governed and overseen by the Board through the Ethics, Remuneration & Human Resources / Nomination Committee.*

MANAGEMENT COMMITTEES

RISK MANAGEMENT AND COMPLIANCE COMMITTEE

Chief Executive Officer	Chairman
Dr. Musleh-ud-Din	Member
Mrs. Zara Shaheen Awan	Member
Head of Risk Management Officer	In Mandatory Attendance
Head of Legal	In Mandatory Attendance
Compliance Officer	In Mandatory Attendance
Company Secretary	Secretary

UNDERWRITING / REINSURANCE COMMITTEE

Dr. Musleh-ud-Din	Chairman
Mr. Muhammad Rashid	Member
Mr. Shakeel Ahmed Mangnejo	Member
Chief Executive Officer	Member
Executive Director (Underwriting)	Secretary

CLAIMS SETTLEMENT COMMITTEE

Mr. Mumtaz Ali Rajper	Chairman
Mr. Shoaib Mir	Member
Mrs. Zara Shaheen Awan	Member
Chief Executive Officer	Member
Head of Claims Department	Secretary

SENIOR MANAGEMENT

Mr. Farmanullah Zarkoon	Chief Executive Officer
Mr. Muhammad Junaid Moti	Executive Director (Underwriting)
Syed Aamir	Chief Financial Officer

Mr. Tameezuddin
Mr. Sumeet Kumar
Mr. Muhammad Naveed Iqbal
Mr. Arham Rahim
Mr. Inayat ullah
Mr. Bashir Ahmad
Mr. Muhammad Rafiq
Mr. Hans Hussain Soomro
Mr. Muhammad Rizwan Sharif
Mr. Yousuf Hassan Rana
Mr. Uneeb Aslam Chaudhry
Mr. Muhammad Ahmed

AUDITORS

Kreston Hyder Bhimji & Co
Chartered Accountants
Suite No. 1601,
16th Floor, Kashif Centre,
Shahrah-e-Faisal,
Karachi.

BANKERS

National Bank of Pakistan
Bank Al Habib
Habib Bank Limited
Bank Al Falaha
Dubai Islamic Bank

SHARE REGISTRAR

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

Chief Internal Auditor
Company Secretary
Chief Investment Officer
Chief Human Resource Officer
Chief Administrative Officer
Compliance Officer
Chief Information Technology Officer
HOD (Accounts)
HOD (Underwriting Property)
HOD(Treaty)
HOD(Claims)
HOD (Window Retakaful Operation)

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

DIRECTORS' PROFILE

Mr. Mumtaz Ali Rajper

Mr. Mumtaz Ali Rajper holds a Master's Degree in Economics and has over 33 years of experience with Pakistan International Airlines, Sindh TV, and Mehran TV. He joined the PAKRE Board as a Nominee Director of the Government of Pakistan in April 2010 and was elected as Director in December 2013. He also serves on the Board of Matrix (Pvt) Limited and is a certified Board Director from the Institute of Chartered Accountants of Pakistan.

Dr. Musleh ud Din

Dr. Musleh ud Din holds a Ph.D. in Economics from Johns Hopkins University and has over 30 years of experience in teaching and policy-oriented research. He has published widely in national and international journals, focusing on macroeconomics, financial sector development, and trade policy. He is a member of the Economic Advisory Council and serves as the executive editor of the Pakistan Development Review. Dr. Musleh ud Din has conducted various research projects under organizations such as the World Bank, the Asian Development Bank, and the United Nations. He is also a certified Board Director from the Institute of Chartered Accountants of Pakistan.

Mrs. Zara S. Awan

Mrs. Zara S. Awan is a barrister from Lincoln's Inn and an advocate of the High Courts of Pakistan. She completed her education at the Inns of Court School of Law (UK), University of Kent at Canterbury (UK), Karachi Grammar School, and Convent of Jesus & Mary, Karachi. Zara is a practitioner and academician, advising and representing clients on a pro bono basis. She has extensive experience in civil, commercial, and arbitration law and serves as the Director of the University of London International Law Programs at an affiliated institution in Karachi.

Mr. Shakeel Ahmed Mangnejo

Mr. Shakeel Ahmed Mangnejo is a Pakistan Administrative Service officer who joined the Civil Services in 1996. He is currently serving as the Special Secretary, Ministry of Commerce. His previous roles include Chairman of the Chief Minister's Inspection Department, Planning and Development Board Sindh, and Employees Old Age Benefits Institution (EOBI), among others. He holds a Master's degree in Management from the London School of Economics, a Master's in Economics, and degrees in Law and Civil Engineering. He has extensive experience in public administration, financial management, public procurement, and human resource management, having served on the boards of several public sector companies.

Mr. Muhammad Rashid

Mr. Muhammad Rashid is currently the Chief Financial Officer at State Life Insurance Corporation of Pakistan. He is an F.C.M.A., C.I.A. (USA), and F.L.M.I. (USA), with around 31 years of experience in finance and accounts. He has served on the Board of Directors of Alpha Insurance Company Limited and Pakistan Cables Limited. Throughout his career, he has participated in numerous finance and administration-related programs, seminars, and trainings.

Mr. Shoaib Mir

Mr. Shoaib Mir is a retired Pakistan Administrative Service (PAS) Officer who held several top-tier administrative and financial positions, including Chief Secretary Balochistan and Federal Secretary to the Government of Pakistan. He joined the Civil Services in 1986 and has extensive experience in senior management roles across public sector management, finance, health, and planning. His academic contributions include being a visiting faculty member at premier institutions such as the National School of Public Policy and Civil Services Academy Lahore. He has led various leadership and training programs, including at the State Life Training Academies across Pakistan.

Mr. Farmanullah Zarkoon

Mr. Farmanullah Zarkoon is a distinguished professional with leadership experience across multiple sectors. He holds a

Certificate in Chartered Insurance (ACII) from the Chartered Insurance Institute, London, an MBA from Germany, and a Bachelor's degree in Computer Engineering from GIK Institute, Pakistan. His career includes roles such as CEO of the Balochistan Board of Investment and Trade and Commissioner (Operations) of the Balochistan Revenue Authority. Mr. Zarkoon is recognized for his strategic leadership, particularly in business development, automation, and digitization within government organizations.

PRCL is a Public Sector Company attached to the Ministry of Commerce. The Company is supervised by a Board of Directors, which is assisted by the Management comprising a strong team of professionals who effectively manage the business affairs of the Company. The Seven Member Board comprises four Government Nominee Directors, two Elected Directors, one Nominee of State Life Insurance Corporation.

PRCL's prime objective is the provision of reinsurance services in Pakistan. The company is the only national reinsurer. It provides reinsurance protection to the local insurance industry by way of treaty and facultative businesses.

Company History

PRCL was established in 1952 as Pakistan Insurance Corporation under the PIC Act, 1952, with the objective of supporting the local insurance industry. In the year 2000, Pakistan Insurance Corporation was converted and incorporated as a public limited company namely Pakistan Reinsurance Company Limited vide Ministry of Commerce SRO No.98(1)/2000 was issued under the Presidential Ordinance No. XXXVI of 2000 dated 14th February 2001.

Types of Businesses undertaken by Company

- ✓ Fire – Building, Stock, Plant, Machinery, Crop;
- ✓ Marine – Hull, Cargo, (Primary, War liabilities);
- ✓ Aviation – (Aircraft, Cargo, Crew, Passengers, Third Party Liability);
- ✓ Accident – Motor, Fidelity Guarantee, Personal Lines;
- ✓ Liability – Employers Liability, Professional Indemnity, Workman Compensation;
- ✓ Engineering – Property Damage, Business Interruption, Plant, Machinery Breakdown, TPL, Erection All Risks, Contractor All Risks, etc.
- ✓ Public Sector Risks: Oil Refineries, Power Projects, Oil and Gas Exploration, Fields / Operations, Hydel Power, and Nuclear Power Projects.

Business Operations

The reinsurance operation of the Company consists of the following departments:

- ✓ **Underwriting Department** deals with scrutiny and acceptance of risk offered by local insurers, both under the Facultative and Treaty arrangements.
- ✓ **Retrocession Department** undertakes to tender of risks ceded by National Insurance Company Limited including their placement with foreign insurers.
- ✓ **Claims Department** deals with claims notified by cedants under both the Facultative and Treaty arrangements and approval of claims.

Pakistan Reinsurance Company Limited

Pay Gap Statement under SECP Circular 10 of 2024 FY Ended December 12, 2024.

The disclosure, calculated in accordance with the methodology prescribed by SECP, has been categorized into Executive and Non-Executive employee groups:

Executives		Non-Executives	
Metric	Value	Metric	Value
Mean Gender Pay Gap	3.97%	Mean Gender Pay Gap	30.07%
Median Gender Pay Gap	-5.65%	Median Gender Pay Gap	35.02%

Interpretation (Executives): The gender pay gap at the executive level is modest. A mean gap of 3.97% indicates that, on average, male executives earn slightly more than their female counterparts. However, the **negative median gap of -5.65%** reveals that at the midpoint of the pay distribution, female executives earn more than male executives. These figures suggest a broadly equitable pay structure at senior levels, where compensation is driven by role, performance, and qualifications rather than gender.

Interpretation (Non-Executives): A more pronounced gender pay gap is observed at the non-executive level, with male employees earning on average **30.07% (mean)** and **35.02% (median)** more than female employees. This disparity primarily reflects differences in workforce composition and length of service rather than unequal pay for similar roles. Most female employees in this category have joined the Company in recent years and are placed within office-based administrative and support functions. In contrast, male employees are distributed across a wider range of non-executive roles and many have significantly longer tenures — in some cases exceeding two decades. Their pay levels have consequently benefited from consistent, service-based annual increments over time. This variation in pay is, therefore, a result of tenure-related progression within established salary scales and the current distribution of roles by gender within this category.

Company's Commitment

Pakistan Reinsurance Company Limited remains fully committed to the principles of fairness, equity, and inclusion. As a public listed entity, PRCL strives to ensure that compensation structures are transparent and merit-based across all levels of the organization. The Company recognizes the importance of improving gender representation across a wider range of functions and experience levels and will continue to evolve its human resource practices to align with both regulatory expectations and international standards



Farmanullah Zarkoon
Chief Executive Officer

(Signed on behalf of the Board of Directors)

April 9, 2025

PAKISTAN REINSURANCE COMPANY LIMITED
FINANCIAL ANALYSIS (10 YEARS)
FOR THE PERIOD ENDED 31ST DECEMBER

	FOR THE YEAR ENDED 31ST DECEMBER	FOR THE YEAR ENDED 31ST DECEMBER	FOR THE YEAR ENDED 31ST DECEMBER	FOR THE YEAR ENDED 31ST DECEMBER	FOR THE YEAR ENDED 31ST DECEMBER	FOR THE YEAR ENDED 31ST DECEMBER	FOR THE YEAR ENDED 31ST DECEMBER	FOR THE YEAR ENDED 31ST DECEMBER	FOR THE YEAR ENDED 31ST DECEMBER	FOR THE YEAR ENDED 31ST DECEMBER
ACCOUNT DESCRIPTION	2024 (Rs)	2023 (Rs)	2022 (Rs)	2021 (Rs)	2020 (Rs)	2019 (Rs)	2018 (Rs)	2017 (Rs)	2016 (Rs)	2015 (Rs)
PROFIT & LOSS ACCOUNT :										
Gross premium	24,702,082,514	33,969,248,175	24,271,390,418	20,993,560,184	16,896,000,000	17,655,000,000	10,734,000,000	8,036,000,000	8,807,000,000	8,135,000,000
Net Insurance Premium	10,854,927,767	9,323,453,350	7,929,369,976	7,225,623,532	6,708,834,772	6,905,155,171	5,463,586,365	5,006,373,921	5,801,847,899	5,218,941,690
Net Insurance Claims	5,436,150,719	4,707,325,117	4,311,851,021	3,777,804,999	3,924,588,676	4,258,866,001	2,991,795,443	3,739,974,172	3,335,559,819	2,774,829,237
Net Insurance Claims percentage versus Net Insurance Premium	50.08%	50.49%	54.38%	52.28%	58.50%	61.68%	54.76%	74.70%	57.49%	53.17%
Net Commission and other acquisition costs	1,073,782,937	949,366,578	1,025,917,948	968,356,238	925,195,332	1,242,908,813	1,046,692,516	1,147,699,954	1,264,466,697	1,100,863,220
Net Commission percentage versus Net Insurance Premium	9.89%	10.18%	12.94%	13.40%	13.79%	18.00%	19.16%	22.92%	21.79%	21.09%
Management Expenses	2,019,607,343	1,572,158,796	1,528,435,094	728,999,260	666,777,957	774,944,862	844,492,508	795,597,001	657,088,258	621,390,801
Management Expenses percentage versus Net Insurance Premium	18.61%	16.86%	19.28%	10.09%	9.94%	11.22%	15.46%	15.89%	11.33%	11.91%
Provision for doubtful debts	(113,945,262)	216,799,192	542,510,469	8,781,891	426,553,066	122,923,613	-	-	-	-
Underwriting Results	2,439,332,030	1,890,330,094	1,652,023,323	1,741,681,144	765,719,741	505,511,882	580,605,898	(676,897,206)	544,733,125	721,858,432
Underwriting Results percentage versus Net Insurance Premium	22.47%	20.27%	20.83%	24.10%	11.41%	7.32%	10.63%	-13.52%	9.39%	13.83%
Underwriting Results percentage versus Total Revenue from Operations	36.66%	37.06%	46.85%	48.40%	39.44%	23.19%	33.37%	-23.54%	38.17%	40.73%

Investment Income (Net)	3,443,381,114	2,389,536,960	1,338,391,205	981,709,956	1,043,379,592	868,380,788	690,969,818	3,325,868,531	961,156,893	934,709,691
Investment Income percentage versus Total Revenue from Operations	51.74%	46.84%	37.95%	27.28%	53.74%	39.83%	39.71%	115.65%	67.36%	52.74%
Investment Income percentage of Net Insurance Premium	31.72%	25.63%	16.88%	13.59%	15.55%	12.58%	12.65%	66.43%	16.57%	17.91%
Rental Income (Net)	149,961,507	148,543,674	126,643,188	104,379,330	83,419,433	69,900,127	62,319,058	56,267,795	55,779,280	47,783,138
Rental Income percentage versus Total Revenue from Operations	2.25%	2.91%	3.59%	2.90%	4.30%	3.21%	3.58%	1.96%	3.91%	2.70%
Finance Cost	9,222,676	7,327,337	2,760,634	2,548,867	2,750,485	1,739,500	-	-	-	-
Finance Cost percentage versus Total Revenue from Operations	0.14%	0.14%	0.08%	0.07%	0.14%	0.08%	0.00%	0.00%	0.00%	0.00%
Other Income	586,835,193	1,197,078,078	419,206,393	142,247,595	74,353,871	752,368,760	417,294,756	234,845,030	86,401,005	106,006,110
Other Income percentage versus Total Revenue from Operations	8.82%	23.47%	11.89%	3.95%	3.83%	34.51%	23.98%	8.17%	6.05%	5.98%
Other Expenses	30,762,419	611,958,117	7,130,355	8,195,243	22,587,261	14,413,545	11,354,981	64,254,996	221,122,504	38,083,492
Other Expenses percentage versus Total Revenue from Operations	0.46%	12.00%	0.20%	0.23%	1.16%	0.66%	0.65%	2.23%	15.50%	2.15%
Total Revenues from Operations	6,654,773,311	5,101,181,157	3,526,373,121	3,598,455,942	1,941,534,891	2,180,008,512	1,739,834,549	2,875,829,154	1,426,947,799	1,772,273,879
Total Revenues from Operations percentage versus Net Premium	61.31%	54.71%	44.47%	49.80%	28.94%	31.57%	31.84%	57.44%	24.59%	33.96%
Profit from Window Retakaful Operations	174,787,448	142,491,034	30,370,651	15,962,349	30,450,665	9,240,868	108,988	-	-	-
Profit before Tax	6,793,408,896	5,236,344,854	3,556,743,771	3,614,418,291	1,971,985,556	2,189,249,380	1,739,943,537	2,875,829,154	1,426,947,799	1,772,273,879
Profit before Tax percentage versus Net Insurance Premium	62.58%	56.16%	44.86%	50.02%	29.39%	31.70%	31.85%	57.44%	24.59%	33.96%
Income Tax Expenses	3,015,094,041	2,171,096,737	931,915,282	1,024,831,827	580,546,325	704,966,847	504,656,518	649,493,110	452,684,601	395,576,870
Income Tax Expenses Ratio:	27.78%	23.29%	11.75%	14.18%	8.65%	10.21%	9.24%	12.97%	7.80%	7.58%
Profit after Tax	3,778,314,855	3,065,248,117	2,624,828,489	2,589,586,464	1,391,439,231	1,484,282,533	1,235,287,019	2,226,336,044	974,263,198	1,376,697,009
Profit after Tax percentage versus Net Insurance Premium	34.81%	32.88%	33.10%	35.84%	20.74%	21.50%	22.61%	44.47%	16.79%	26.38%
Earning Per Share	4.20	3.41	2.92	2.88	4.64	4.95	4.12	7.42	3.25	4.59

PAKISTAN REINSURANCE COMPANY LIMITED
FINANCIAL ANALYSIS (10 YEARS)

FOR THE PERIOD ENDED 31ST DECEMBER

	AS AT 31ST DECEMBER	AS AT 31ST DECEMBER	AS AT 31ST DECEMBER	AS AT 31ST DECEMBER	AS AT 31ST DECEMBER	AS AT 31ST DECEMBER	AS AT 31ST DECEMBER	AS AT 31ST DECEMBER	AS AT 31ST DECEMBER	AS AT 31ST DECEMBER
ACCOUNT DESCRIPTION	2024 (Rs)	2023 (Rs)	2022 (Rs)	2021 (Rs)	2020 (Rs)	2019 (Rs)	2018 (Rs)	2017 (Rs)	2016 (Rs)	2015 (Rs)

BALANCE SHEET :										
Fixed Assets										
Property and equipment	935,839,100	668,689,565	446,068,118	429,090,184	57,228,369	67,270,717	42,756,737	36,570,719	38,926,471	43,574,000
Right of use asset	2,177,450,000	1,939,910,000	1,639,605,577	1,801,531,334	8,474,168	-	-	-	-	-
Intangible assets	19,761,107	11,119,198	10,083,343	8,474,168	8,474,168	-	-	-	-	-
Investment properties	864,476,353	798,450,467	722,274,603	722,274,603	25,496,671	26,849,593	28,284,000	29,806,753	31,425,711	32,107,170
Total Fixed Assets	3,997,526,560	3,418,169,230	2,818,031,641	2,961,370,289	99,673,376	94,120,310	71,040,737	66,377,472	70,352,182	75,681,170
Investment										
Equity Securities	6,901,912,955	4,183,710,304	2,755,440,067	3,388,832,943	3,763,247,842	3,865,745,207	4,163,297,395	5,006,807,519	8,829,519,340	6,317,718,882
Debt Securities	16,801,859,292	14,135,599,216	9,907,026,504	9,174,069,234	8,271,505,868	7,076,694,763	4,470,399,038	4,215,863,614	4,546,040,140	-
Total Investment	23,703,772,247	18,319,309,520	12,662,466,571	12,562,902,177	12,034,753,710	10,942,439,970	8,633,696,433	9,222,671,133	13,375,559,480	6,317,718,882
Current Assets										
Loans and other receivables	873,898,168	543,679,569	462,488,314	285,844,726	2,879,142,000	2,865,239,725	2,935,562,441	3,030,492,551	773,088,335	522,222,368
Receivable from Sindh Revenue Board	2,573,888,727	2,573,888,727	2,573,888,727	2,573,888,727	-	-	-	-	-	-
Insurance / reinsurance receivables	9,663,385,890	16,621,405,847	17,393,374,952	13,686,203,094	8,141,085,867	9,775,513,552	5,435,766,163	4,304,750,965	4,545,097,695	3,668,040,093
Reinsurance recoveries against outstanding claims including IBNR	15,767,126,860	18,206,185,158	14,420,709,311	4,608,127,235	5,603,808,031	3,934,364,721	1,351,771,237	2,159,694,037	2,732,782,143	1,406,544,395
Deferred commission expense	1,047,205,897	1,125,879,037	931,382,139	806,214,206	708,870,616	918,544,431	565,597,974	696,641,093	551,912,413	586,924,395
Taxation - payments less provision	-	-	78,557,588	-	181,407,606	646,673,594	707,762,550	467,706,127	114,406,208	14,280,941
Prepayments	6,955,327,497	11,900,386,846	8,943,542,637	7,723,545,836	4,144,875,197	5,454,167,080	2,476,126,074	1,875,781,584	1,580,130,623	1,510,443,584
Stock of Stationery	-	-	-	-	-	499,806	517,646	401,120	240,905	1,729,147
Cash and bank balances	3,235,526,667	3,159,752,669	3,030,890,557	1,140,841,359	1,570,505,178	815,678,747	2,602,483,789	2,517,093,774	2,240,002,368	3,284,965,074
Total Current Assets	40,116,359,706	54,131,177,853	47,834,834,225	30,824,665,183	23,229,694,495	24,410,681,656	16,075,587,874	15,052,561,251	12,537,660,690	10,995,149,997
Total Assets excluding windows Retakaful operations	67,817,658,513	75,868,656,603	63,315,332,437	46,348,937,649	35,355,647,413	35,447,241,936	24,780,325,044	24,341,609,856	25,983,572,352	17,388,550,049

Total Assets from windows Retakaful Operations	1,262,305,527	1,018,749,110	539,612,840	456,613,640	409,366,837	359,369,153	50,545,771	-	-	-
Total Assets	69,079,964,040	76,887,405,713	63,854,945,277	46,805,551,289	35,765,014,250	35,806,611,089	24,830,870,815	24,341,609,856	25,983,572,352	17,388,550,049

PAKISTAN REINSURANCE COMPANY LIMITED
FINANCIAL ANALYSIS (10 YEARS)
FOR THE PERIOD ENDED 31ST DECEMBER

	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT
	31ST DECEMBER	31ST DECEMBER	31ST DECEMBER	31ST DECEMBER	31ST DECEMBER	31ST DECEMBER	31ST DECEMBER	31ST DECEMBER	31ST DECEMBER	31ST DECEMBER
ACCOUNT DESCRIPTION	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	(Rs)		(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
Equity & Liabilities :										
Issued, subscribed and paid up share capital	9,000,000,000	9,000,000,000	9,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
revaluation surplus	1,695,820,477	1,590,000,034	1,421,277,526	1,545,282,086	-	-	-	-	-	-
Reserves	12,202,157,261	7,549,733,416	3,900,130,136	8,526,912,531	7,241,544,195	6,828,797,675	6,871,489,377	7,506,035,491	9,316,190,158	3,938,525,386
Total Equity	22,897,977,738	18,139,733,450	14,321,407,662	13,072,194,617	10,241,544,195	9,828,797,675	9,871,489,377	10,506,035,491	12,316,190,158	6,938,525,386
Liabilities :										
Underwriting Provision										
Outstanding claims including IBNR	24,333,649,075	25,927,694,396	21,256,435,233	9,401,437,187	10,475,734,890	8,011,646,909	4,170,758,556	4,713,650,200	4,590,671,732	3,093,187,482
Unearned premium reserves	10,621,849,438	16,235,915,117	12,047,709,680	10,732,384,652	6,513,672,434	8,451,658,849	4,990,287,940	3,856,658,995	3,879,309,390	4,111,141,130
Unearned reinsurance commission	505,496,153	810,160,213	539,143,250	523,294,102	338,532,613	452,020,316	74,957,159	284,665,087	19,768,657	18,763,334
premium deficiency reserve	-	-	12,526,427	58,873,368	-	-	-	-	-	-
	35,460,994,666	42,973,769,726	33,855,814,590	20,715,989,309	17,327,939,937	16,915,326,074	9,236,003,655	8,854,974,282	8,489,749,779	7,223,091,946
Retirement benefit obligations	3,401,370,786	3,350,608,187	3,630,799,590	3,206,839,590	3,188,627,998	2,998,194,096	2,583,248,954	2,193,559,697	1,296,307,190	1,499,261,054
taxation liabilities	533,341,570	603,756,603	-	366,732,044	-	-	-	-	-	-
Deferred taxation	2,945,023,429	1,434,851,980	741,089,480	810,480,910	116,933,390	293,019,659	368,990,104	609,429,942	1,708,668,518	-

Insurance/reinsurance payables	3,208,296,520	9,862,846,676	10,932,282,952	8,208,198,213	4,550,351,722	5,511,514,237	2,538,418,948	1,976,119,106	1,983,410,166	1,497,163,484
Lease liabilities	23,775,995	22,277,303	23,033,149	29,238,876	26,778,855	24,287,522	-	-	-	-
Unclaimed dividends	93,997,886	92,036,186	88,652,013	205,956,627	155,208,129	107,273,466	-	-	-	-
Other creditors and accruals	137,872,539	171,691,110	109,158,042	89,257,121	88,202,370	78,341,208	232,252,478	201,491,337	189,246,541	230,508,179
	10,343,678,725	15,538,068,045	15,525,015,226	12,916,703,381	8,126,102,464	9,012,630,188	5,722,910,484	4,980,600,082	5,177,632,415	3,226,932,717
Total liabilities from window retakaful operations	377,312,911	235,834,492	152,707,799	100,663,982	69,427,654	49,857,152	467,300	-	-	-
Total liabilities	46,181,986,302	58,747,672,263	49,533,537,615	33,733,356,672	25,523,470,055	25,977,813,414	14,959,381,439	13,835,574,364	13,667,382,194	10,450,024,663
Total equity and liabilities	69,079,964,040	76,887,405,713	63,854,945,277	46,805,551,289	35,765,014,250	35,806,611,089	24,830,870,816	24,341,609,855	25,983,572,352	17,388,550,049

PAKISTAN REINSURANCE COMPANY LIMITED

FINANCIAL ANALYSIS (10 YEARS)

FOR THE YEAR PERIOD ENDED 31ST DECEMBER

	FOR THE YEAR ENDED 31ST DECEMBER 2024	FOR THE YEAR ENDED 31ST DECEMBER 2023	FOR THE YEAR ENDED 31ST DECEMBER 2022	FOR THE YEAR ENDED 31ST DECEMBER 2021	FOR THE YEAR ENDED 31ST DECEMBER 2020	FOR THE YEAR ENDED 31ST DECEMBER 2019	FOR THE YEAR ENDED 31ST DECEMBER 2018	FOR THE YEAR ENDED 31ST DECEMBER 2017	FOR THE YEAR ENDED 31ST DECEMBER 2016	FOR THE YEAR ENDED 31ST DECEMBER 2015
ACCOUNT DESCRIPTION			(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
CASH FLOW STATEMENT:										
Operating Activities :										
Underwriting activities :-										
Insurance premium received	31,660,102,471	33,922,739,451	21,106,729,029	15,439,506,827	18,106,756,395	13,307,677,162	9,600,378,264	8,219,828,958	7,941,282,377	7,504,629,173
Reinsurance premium paid	(21,112,265,257)	(23,815,288,864)	(13,381,868,413)	(9,403,407,489)	(11,792,533,325)	(6,691,097,296)	(3,762,161,754)	(3,251,141,602)	(2,485,140,139)	(2,838,019,155)
Claims paid	(8,109,320,928)	(7,061,557,439)	(6,210,425,217)	(5,511,516,252)	(8,924,707,349)	(6,154,840,384)	(2,999,830,452)	(4,919,821,648)	(3,417,460,379)	(4,324,539,375)
Reinsurance and other recoveries received	3,518,183,186	3,240,015,638	3,940,990,166	1,655,094,346	5,794,763,344	2,563,907,944	273,066,165	1,875,914,050	253,147,062	1,663,323,660
Commission paid	(2,376,286,109)	(2,538,836,707)	(2,152,329,465)	(1,822,272,449)	(1,688,588,859)	(2,008,093,531)	(1,160,887,195)	(1,362,863,863)	(1,332,651,825)	(1,247,949,152)
Commission received	1,076,512,252	1,665,990,194	1,017,092,732	941,334,110	859,579,639	789,301,418	35,529,868	335,331,660	62,237,271	57,494,193
Premium and claim reserves retained by ceding companies	-	-	-	-	-	5,538,230	3,062,361	(154,160)	156,412,190	39,285,477
Management Expenses paid	(1,642,292,456)	(1,576,998,633)	(1,380,800,861)	(722,046,464)	(659,106,235)	(892,282,240)	(798,515,971)	(795,597,001)	(482,177,258)	(621,390,801)

Net cash flows generated from underwriting activities	3,014,633,159	3,836,063,640	2,939,387,971	576,692,629	1,696,163,610	920,111,303	1,190,641,286	101,496,394	695,649,299	232,834,020
Other Operating Activities :-										
Income tax paid	(3,032,559,177)	(1,444,914,332)	(1,266,634,926)	(272,051,728)	(297,215,024)	(412,196,875)	(749,308,803)	(1,107,576,368)	(552,809,868)	(421,883,791)
Other Operating payments	(52,215,291)	(13,757,520)	(7,130,383)	(8,195,243)	(7,546,453)	(13,440,254)	(57,331,600)	(64,254,996)	(170,546,607)	(183,428,837)
Loan repayment received	10,767,465	(5,311,676)	6,475,233	5,226,221	12,151,868	10,355,827	16,642,552	(2,194,792,258)	(415,837,050)	3,516,956
Other operating receipts	300,446,125	146,686,530	72,943,017	(146,231,913)	32,444,828	26,171,093	143,723,067	(53,275,082)	(1,870,144)	(459,006)
Net cash used in other operating activities	(2,773,560,878)	(1,317,296,998)	(1,207,297,525)	(421,252,663)	(260,164,781)	(389,110,209)	(646,274,784)	(3,419,898,704)	(1,141,063,669)	(602,254,678)
Total cash flow generated from all operating activities	241,072,281	2,518,766,642	1,732,090,446	155,439,966	1,435,998,829	531,001,094	544,366,502	(3,318,402,310)	(445,414,370)	(369,420,658)
Investment Activities :										
Fixed capital expenditure (excluding right of use assets)	(131,195,393)	(165,194,982)	(50,327,717)	(3,892,302)	(1,019,042)	(4,286,348)	(5,082,859)	3,974,709	(3,870,955)	(1,421,407)
Intangible assets	(8,864,079)	-	-	-	(5,084,501)	(3,389,667)	-	-	-	-
Sale proceeds of fixed assets	-	-	377,638	-	-	310,483	419,594	-	-	-
Payment for investments	(12,828,812,384)	(16,932,231,400)	(16,334,668,315)	(17,209,901,257)	(10,193,546,808)	(12,562,833,147)	(7,802,215,605)	(6,247,909,058)	(3,400,625,165)	(2,726,259,831)
Investment in re-takaful operations statutory fund	-	(300,000,000)	-	-	-	-	-	-	-	-
Proceeds from investments	10,366,565,375	13,189,126,328	15,599,890,340	16,152,265,083	8,988,453,439	9,857,624,042	7,524,298,307	6,433,147,172	3,142,087,022	3,072,500,000
Rental received	108,910,012	116,016,076	95,054,502	100,770,578	53,434,843	54,533,664	64,159,301	35,568,578	51,361,667	59,780,003
Dividend received	427,074,939	260,285,730	266,509,713	225,330,416	131,146,089	163,249,584	140,313,374	423,370,233	415,999,985	377,581,257
Profit/return received	711,375,505	136,025,091	79,536,193	190,752,525	178,294,745	171,703,139	72,332,920	82,781,979	98,463,411	134,744,515
Investment Income received - net of expenses	2,093,257,392	1,978,440,300	1,218,891,022	658,822,674	719,214,174	649,381,755	574,794,403	3,314,621,751	304,832,364	393,367,763
Total cash used in Investing activities	738,311,367	(1,717,532,857)	875,263,376	114,147,717	(129,107,061)	(1,673,706,495)	569,019,435	4,045,555,364	608,248,329	1,310,292,300
Financing Activities :										
Dividend paid	(898,038,300)	(671,615,827)	(717,304,614)	(699,251,502)	(552,065,337)	(644,099,641)	(1,027,995,922)	(890,061,648)	(767,796,665)	(737,276,837)
Payment of finance leases	(5,571,350)	(755,846)	-	-	-	-	-	-	-	-
Total cash used in financing activities	(903,609,650)	(672,371,673)	(717,304,614)	(699,251,502)	(552,065,337)	(644,099,641)	(1,027,995,922)	(890,061,648)	(767,796,665)	(737,276,837)
Net cash generated from all activities	75,773,998	128,862,112	1,890,049,208	(429,663,819)	754,826,431	(1,786,805,042)	85,390,015	(162,908,594)	(604,962,706)	203,594,805
Cash at the beginning of the period	3,159,752,669	3,030,890,557	1,140,841,359	1,570,505,178	815,678,747	2,602,483,789	2,517,093,774	2,680,002,368	3,284,965,074	3,081,370,269
Cash at the end of the period	3,235,526,667	3,159,752,669	3,030,890,567	1,140,841,359	1,570,505,178	815,678,747	2,602,483,789	2,517,093,774	2,680,002,368	3,284,965,074

CHAIRMAN'S REPORT

Dear Stakeholders,

I am pleased to present the Chairman's Review of Pakistan Reinsurance Company Limited (PRCL) for the year ended December 31, 2024. The past year was marked by continued global and domestic challenges, ranging from persistent inflationary pressures and geopolitical uncertainties to the residual impact of climate-related disruptions. Despite these testing conditions, PRCL has remained steadfast in its commitment to performance, resilience, and value creation for its stakeholders.

The economic landscape in 2024 posed considerable hurdles, particularly for emerging markets like Pakistan. Yet, PRCL navigated these complexities with strategic foresight, sound underwriting discipline, and robust governance mechanisms. Our risk management framework and commitment to innovation allowed us to adapt effectively and continue progressing toward sustainable growth.

While gross premiums written declined by 27% to PKR 24,702 million from PKR 33,969 million in 2023—mainly due to external market compression and selective underwriting—PRCL's underlying profitability tells a stronger story. Net premiums grew by 16% to PKR 10,854 million, signaling enhanced retention and prudent portfolio management. Most notably, underwriting profit surged by 29% to PKR 2,439 million, a testament to our strategic focus on operational efficiency and profitability over volume.

Claims management remained responsive and efficient, with net claims increasing in line with business activity to PKR 5,436 million—up 15% from the previous year—reflecting our continued commitment to timely claim settlements. Our ability to honor claims without compromising financial stability reinforces the trust placed in us by clients and partners.

I am also pleased to report that profit before tax rose impressively by 30%, reaching PKR 6,820 million compared to PKR 5,236 million in 2023. Profit after tax grew by 23%, totaling PKR 3,778 million versus PKR 3,065 million last year—demonstrating our sustained focus on profitability and efficient cost management. Notably, the profit after tax accounted for 35% of net premium revenue, an improvement from 33% in 2023.

The Window Retakaful Operations continued to support PRCL's diversification goals. Contribution earned increased by 29% to PKR 1,784 million, with net contributions growing 27% to PKR 1,590 million. While underwriting profit declined to PKR 321 million due to a significant rise in claims—primarily resulting from a few large exposures—the segment remains strategically important. Surplus for the year stood at PKR 562 million, reflecting a 13% dip from the previous year, yet remains robust in the context of a maturing Takaful market.

Corporate governance and ethical oversight remain at the heart of PRCL's culture. Our Board of Directors—alongside dedicated Board and Management Committees—continues to uphold the highest standards of transparency, accountability, and strategic leadership. These structures are vital in ensuring long-term value for shareholders and safeguarding the integrity of our operations.

CHAIRMAN'S REPORT

I would like to extend my deepest appreciation to our dedicated employees, whose professionalism and perseverance form the backbone of our success. I also thank our shareholders, business partners, and fellow Board members for their unwavering trust and support.

Looking ahead, PRCL remains committed to reinforcing its position as a leading reinsurer in the region. Despite a volatile external environment, our strong fundamentals, strategic vision, and commitment to innovation equip us to embrace emerging opportunities and continue delivering long-term value.

Sincerely,



Mumtaz Ali Rajper
Chairman

Dear Stakeholders,

It is with great pride and deep gratitude that I present to you the Annual Report for the year ending December 31, 2024. This has been a year of meaningful progress, renewed focus, and continued commitment to Pakistan Reinsurance Company Limited's vision and values.

Despite a challenging economic environment, PRCL delivered a strong financial performance. Profit before tax rose by an impressive 30% to PKR 6,820 million, compared to PKR 5,236 million in 2023. Profit after tax increased by 23%, reaching PKR 3,778 million, up from PKR 3,065 million last year. The profit after tax accounted for 35% of net premium revenue, improving from 33% in the previous year, which reflects our disciplined focus on profitability and prudent cost management.

Our Window Retakaful Operations played a key role in furthering PRCL's diversification strategy. Contribution earned increased by 29% to PKR 1,784 million, while net contributions rose by 27% to PKR 1,590 million. While underwriting profit declined to PKR 321 million due to a few large claims, the overall segment remains strategically significant. The surplus for the year stood at PKR 562 million, reflecting a 13% dip from the previous year, yet remains a healthy indicator within a growing Takaful market.

This year also saw major progress across the organization. We established a specialized Business Support Wing, ensuring smooth reconciliation and streamlined cash flow management. We successfully implemented a company-wide ERP and E-Filing system, achieving full automation and greater operational transparency. Our retrocession and retention capacities were significantly enhanced, reducing foreign exchange outflows and reinforcing PRCL's role in strengthening the national insurance infrastructure. In addition, we revamped our HR framework, transitioned to non-pensionable employment, and brought in qualified professionals aligned with modern practices.

PRCL has achieved highest ever profit in Year 2024 — an achievement that reflects our sound strategy and team commitment. Our strengthened retention capacity enabled us to attract and retain more business, delivering greater support to the market. Even amid volatile economic conditions, PRCL ensured timely and seamless reinsurance arrangements for critical national assets. This stability, combined with a notable increase in cash flows, positioned us strongly going into the next financial cycle.

We also took major strides in enhancing client servicing and operational integrity. The establishment of a centralized claims department enabled quicker processing and accurate reconciliation, greatly improving the customer experience. Another proud milestone was the reaffirmation of our AA+ credit rating by JCR-VIS, along with our 100% compliance with regulatory requirements, reflecting our financial strength, sound governance, and long-term sustainability.

Throughout the year, we continued to refine our treaty structures, consolidate facultative processes, and optimize our retrocession programs across property, casualty, and specialized energy lines. These measures have improved our ability to respond to large-scale risks and provided superior security to our ceding companies.

Looking ahead, we remain committed to advancing through digital innovation, regional collaboration, and customer-focused solutions. I extend my heartfelt thanks to our shareholders, clients, regulators, and the dedicated PRCL team. Your trust and continued support remain the foundation of our progress and ambition.

Warm regards,



Farman Zarkoon
Chief Executive Officer
Pakistan Reinsurance Company Limited

Directors' Report

To the Shareholders

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Directors' Report of the Company along with the audited financial statements and Auditors' report for the year ended December 31, 2024.

Economic Review:

Pakistan's economic outlook for 2025 and beyond reflects a trajectory of cautious optimism, influenced by strategic reforms and external support. In fiscal year 2024, the economy demonstrated resilience with a GDP growth of 2.5%, recovering from the previous year's contraction. This positive momentum continued into the first half of fiscal year 2025, with macroeconomic stability achieved through effective inflation control and fiscal management.

Monetary policy has played a pivotal role in stabilizing the economy. The State Bank of Pakistan (SBP) implemented a series of interest rate cuts throughout 2024, reducing the benchmark rate from 22% in June 2023 to 13% by December 2024. This aggressive monetary easing aimed to stimulate economic growth amid declining inflation.

Despite positive trends, challenges in external financing persisted. Pakistan faced substantial external debt repayments, totalling over \$22 billion in 2025. To address this, the government secured a \$7 billion IMF bailout and is in the process of raising up to \$4 billion from Middle Eastern banks. Fitch Ratings highlighted the importance of structural reforms to manage these financing risks effectively.

Looking ahead, Pakistan's Vision 2025 outlines goals to transform the nation into an upper-middle-income country by 2025, with aspirations to be among the top ten global economies by 2047. This vision emphasizes human capital development, sustained economic growth, improved governance, and infrastructure enhancements. Achieving these objectives requires unwavering commitment to reforms, investment in key sectors, and leveraging international partnerships to secure a prosperous economic future.

Company Performance Highlights:

2024 has been a good year for Pakistan Reinsurance Company Limited. The comparative financial highlights for the years 2024 and 2023 are presented as follows:

Rupees in million
(Except as otherwise stated)

Particular	2024	2023	YoY %
Net Premium	10,854	9,323	16%
Net Claims	-5,436	-4,707	15%
Underwriting Profit	2,439	1,890	29%
Investment Income	3,443	2,389	44%
Rental Income	150	148	1%
Other Income	586	1,197	-51%
Profit Before Tax	6,820	5,236	30%
Profit After Tax	3,778	3,065	23%
Earnings Per Share-PKR.	4.20	3.41	23%

During the financial year 2024, Gross premiums declined significantly to amount PKR 24,702 million from Previous FY23 amount PKR 33,969 million, reflecting a substantial decrease of PKR 9,267 million (27%). In contrast, net premiums experienced a growth, rising by PKR 1,531 million (16%) from PKR 9,323 million in the last year to PKR 10,854 in FY 24. Net claims also increased to PKR 5,436 million compared to PKR 4,707 million in FY23, marking an increase of PKR 729 million (15%). Meanwhile, underwriting profit experienced a notable rise, reaching to PKR 2,439 million, compared to PKR 1,892 million in FY23, reflecting a PKR 549 million (29%) growth.

Overall, the profit before tax clocked at PKR 6,820 Million as compared to PKR 5,236 Million in the 2023, a phenomenal increase of PKR 1,584 million (i.e. ~30%). Profit after tax recorded a year over year growth, increasing from PKR 3,065 million FY23 to PKR 3,778 million in FY24, representing a 23% rise. Additionally, the profit after tax accounted for 35% of net premium revenue, compared to 33% in FY23.

Treaty Business:

Proportional Treaty

Proportional Treaty business constitutes 23% in FY 2024 of the Companies' total business portfolio, compared to 17% in FY 23. Gross Premium underwritten during the year stood at PKR 5,748 million as compared to PKR 5,898 million in FY23, reflecting a PKR 150 million decline (2.5%). Net premium amounted to PKR 5,677 million showing an increase from PKR 5,358 million (6%) in FY23. The net claim to the net premium ratio declined to 56% from 66% in FY23, contributing to an underwriting profit of PKR 87 million. This represents a significant loss of PKR 398 million in previous year, reflecting a positive shift of PKR 485 million.

Non - Proportional Treaty

Non - Proportional Treaty business constitutes 8.8% of the Company's total business portfolio rising from 6.78% in FY 2023. Gross Premium underwritten for the year was PKR 2,187 million as compared to PKR 2,304 million in FY23, marking a decrease of PKR 117 million (5%). Despite the decline in Gross Premium, Net premium witnessed a significant growth, reaching to PKR 756 million as against PKR 410 million in FY23. The net claim to the net premium ratio changed marginally, increasing to 32% from 36% in FY23. However, underwriting profit for the year declined to PKR 406 million, as against PKR 503 million in FY23, representing a year over year decrease of PKR 97 million.

Facultative Business:

Fire:

Fire facultative business accounted for 23% of the total business portfolio. The Gross premium underwritten for the year stood at PKR 5,790 million, reflecting a notable decline of PKR 383 million (6.2%) from PKR 6,172 million in FY23. Net premium increased to PKR 2,203 million, compared to PKR 1,688 million in FY2023. The net claim to the net premium ratio for the year was 8%, contributing to an underwriting profit of PKR 1,508 million, contrasting with a profit of PKR 852 million in FY23.

Marine Cargo & Hull:

In Marine Cargo & Hull segment, facultative business represented 2.2% of the total premium portfolio, slightly above than 1.77% recorded in FY 23. The gross premium underwritten during the year amounted to PKR 542 million, reflecting a significant decrease of PKR 61 million (10%) from PKR 603 million in FY23. Net premium rose to PKR 195 million from PKR 135 million in FY23. The net claim to net premium ratio improved to 13%, down from 61% in previous year, resulting in an underwriting profit of PKR 132 million compared to PKR 42 million in prior year, representing an increase of PKR 90 million.

Aviation:

Facultative business in this Aviation class accounted for 2.6% of the total premium portfolio, a substantial drop from 19.66% in FY 23. The Gross premium underwritten during the year was PKR 646 million as compared to PKR 6,678 million in 2023, reflecting a sharp decline of PKR 6,032 million. Net premium remained steady at PKR 430 million as compared to PKR 425 million in FY23. The net claim to the net premium ratio for the year under review was 76% increasing from 61% in prior year, leading to underwriting profit of PKR 117 million compared to PKR 202 million recorded in FY23.

Accident:

In this category, facultative business represents 6.26% of the total premium portfolio, a significant increase from 4.3% reported in FY 23. The gross premium underwritten for the year amounted to PKR 1,545 million, reflecting a notable increase of PKR 77 million (5.2%) compared to PKR 1,468 million in last year. Net premium increased to PKR 323 million from PKR 238 million in FY23, representing an increase of PKR 85 million. The underwriting result posted a profit of PKR 167 million a significant increase from underwriting loss of PKR 95 million in FY23.

Engineering:

The Engineering Facultative business, comprising 33% of the total premium portfolio, a significant increase from 32% in FY23. The gross premium underwritten during the year amounted to PKR 8,242 million, reflecting a decline of PKR 2,602 million (24%) compared to PKR 10,844 million in previous year. Meanwhile, Net premium increased to PKR 1,269 million, marking a growth of PKR 201 million (19%) from PKR 1,068 million in FY 23. The net claim to net premium ratio for the year stood at 110% compared to FY23 20%, resulting in an underwriting loss of PKR 92 million, A sharp decline from PKR 990 million in FY 23.

Investment Income:

The company's investment performance exceeded expectations. Total Investment Income surged to PKR 3,443 million from PKR 2,389 million last year, showcasing significant growth. Furthermore, dividend income for the year increased to PKR 418 million, compared to PKR 271 million last year, while income from debt securities soared to PKR 2,597 million, up from PKR 1,929 million in FY23.

Rental Income:

Rental Income also increased to PKR 150 million from PKR 148 million.

Other Income:

During this period, the company experienced notable changes in its other income. Other income declined sharply from PKR 1,197 million to PKR 587 million. Return on deposits showed significant growth, rising from PKR 471 million in 2023 to PKR 478 million in 2024.

Claims Settlement:

The company places great emphasis on the prompt settlement of claims and customer satisfaction, reinforcing trust and goodwill among its valued clients. For the year, the overall net claims to net premium ratio was 50%.

Cost Control Measures:

During the year under review, management expenses amounted to PKR 2,019 million, compared to PKR 1,572 million in the previous year, reflecting an increase of PKR 447 million. As a percentage of net premium, management expenses stood at 18.6% in FY24. Moving forward, the management is committed to maintaining efforts to control costs as a percentage of net premiums.

Public Sector Business:

The Company acts as the re-insurer of National Insurance Company Limited. This includes some of the prestigious accounts such as PEPCO, PARCO, PSO, OGDCL, PPL, PNSC, KSEW, Public Sector Power Projects, etc. During the year under review, the company's Gross revenues from Public Sector business decreased from PKR 23,591 million to PKR 13,006 Million – a decrease of 45%.

Reinsurance Arrangements:

PRCL has an excess of loss retrocession arrangements & relationships with some of the top global reinsurers/retrocessionaires such as Hannover Re (rated AA- by S&P), Swiss Re (rated AA- by S&P), XL Re (rated AA- by S&P) and Lloyd's Syndicate (rated A+ by S&P), etc. The company adheres to a strategy aimed at optimizing risk retention by implementing a meticulously crafted retrocession program. This program is tailored to the company's specific exposures, considering factors such as accumulation and concentration of risk at various locations. Furthermore, PRCL at regular intervals conducts market research, benchmarking and uses optimization tools to streamline our retrocession arrangements. This also includes PRCL conducting CAT modelling to make sure our cover is adequate with regards to extreme events.

E.C.O. Reinsurance Company:

The Articles of Agreement (AoA) of ECO Reinsurance Company were signed on February 10, 2010, by the representatives of three Member States, the Islamic Republic of Pakistan, the Islamic Republic of Iran, and the Republic of Turkey, at Islamabad (Pakistan). The AoA was further ratified by the Member States and the last ratification was made by the Republic of Turkey on November 22, 2017. The objective of the Company shall be to supplement the existing Reinsurance services, promote the growth of the underwriting & retention capacities and support the economic development in the region.

The authorized capital of the Company shall be thirty million USD, divided into three thousand shares with a par value of ten thousand US Dollars each, to be equally subscribed by the entities of three countries. Any investment by PRCL in ECO Reinsurance Company shall be subject to the approval of the Board of Directors, Shareholders / AGM, and Compliance with Section 199 of the Companies Act-2017.

Credit Rating:

The credit rating of the Company for the year 2024-25 was undertaken by M/s. JCR-VIS. The Company's credit rating is AA+ with a stable outlook. As per the standard rating scale & definition, the "AA+" rating denotes a very low expectation of credit risk. It indicates a very strong capacity for timely payment of financial commitments and no significant vulnerability to foreseeable events.

Profit after Tax:

The profit after tax of the Company is PKR 3,778 million, reflecting a growth of PKR 713 million (23%) compared to PKR 3,065 million in the previous year.

Appropriations:

(PKR in millions)

Particulars	2024	2023
Profit before tax	6,793	5,236
Less: Tax	-3,015	-2,171
Profit after tax	3,778	3,065
 Add: Unappropriated profit brought forward	 4,748	 1,887
Add: Comprehensive Income	540	640
Less: Final cash dividend 2023 @ 10%	-900	-675
Less: Issuance of Bonus shares @200%	-	-
Unappropriated profit carried forward	8,078	4,748

Proposed Dividend:

The directors have recommended a final cash dividend of 20% i.e. Rs. 2 per share for the year 2024. (2023: Rs. 1/- per share).

Window Retakaful:

This was the fifth year of operations of the Retakaful window. The comparative financial highlights for the year 2024 and 2023 are presented as follows:

Particulars	2024	2023	YoY%
Participant's Retakaful Fund			
Net contribution revenue	1,590,000,316	1,249,344,539	27%
Wakala fee expense	-356,852,235	-275,846,335	29%
Net underwriting income	1,233,148,081	973,498,204	27%
Net claims - reported/ settled - IBNR	-912,215,685	-435,568,023	109%
Surplus before investment income	320,932,396	537,930,181	-40%
Investment income	88,863,572	14,670,315	506%
Other income	264,861,482	239,197,024	11%
Less: Modarib's fees	-88,431,264	-63,466,835	39%
Charges for doubtful contributions	35,657,889	-49,977,453	171%
Surplus before taxation	621,884,076	678,353,232	-8%
Taxation	-59,702,430	-34,061,086	75%
Surplus transferred to accumulated surplus	562,181,646	644,292,146	-13%
Operator's Retakaful Fund			
Wakala fee income	356,852,235	275,846,335	29%
Commission expense	-338,312,950	-263,110,958	29%
General, administrative and management expenses	-16,733,308	-21,767,791	-23%
Investment income	22,109,382	2,958,821	647%
Other income	62,440,826	85,097,792	-27%
Modarib's fee	88,431,264	63,466,835	39%
Profit before taxation	174,787,448	142,491,034	23%
Taxation	-76,716,567	-47,022,041	63%
Profit after taxation attributable to shareholders	98,070,881	95,468,993	3%

During the year under review, contribution earned increased to PKR 1,784 million from PKR 1,379 million in FY23, reflecting an increase of PKR 405million (29%). Net contribution increased to PKR 1,590 million from PKR 1,249 million in FY23, marking a rise of PKR 341 million (27%). Net claims surged to PKR 912 million as compared to PKR 435 million in FY23, an increase of PKR 477 million, (109%). The Underwriting Profit declined to PKR 321 million as compared to PKR 537 million in FY23, a substantial decrease of PKR 216 million (40%). While Surplus for the FY24 is PKR 562 million reflecting a 13% decrease from PKR 644 million in FY23.

Treaty Business:

Proportional Treaty:

Proportional Treaty business constitutes 80% of the total business portfolio. Gross Contribution underwritten for the year amounted to PKR 1,614 million, reflecting an increase of PKR 399 million (33%) from PKR 1,215 million in FY23. Net contribution stood at PKR 1,438 million as against PKR 1,122 million in 2023, an increase of PKR 316 million (28%). The net claim to net contribution ratio stood at 55% for the year, compared to 51% in FY23. Resulting in an underwriting surplus of PKR 362 million as against an underwriting surplus of PKR 327 million in FY23, marking an increase of PKR 35 million (11%).

Non-Proportional Treaty:

Non-Proportional Treaty Business accounted for 11% of total Portfolio rise from 8% in FY23. The Gross contribution underwritten for the year reached PKR 220 million reflecting an increase of PKR 102 million (86%) from PKR 118 million in previous year. Net contribution stood at PKR -24 million, compared to PKR -19 million in 2023. The underwriting result showed a deficit of PKR 85 million, marking a decline of PKR 192 million from the underwriting surplus of PKR 107 million recorded in 2023.

Facultative Business:

Fire:

Fire facultative business constitutes 7.7% of the total business portfolio in FY 24, down from 11.35% in FY 23. Gross Contribution underwritten during the year was PKR 155 million as compared to PKR 172 million in 2023, reflecting a decrease of PKR 17 million (9.78%). However, Net contribution stood at PKR 160 million as against PKR 135 million in 2023, an increase of PKR 25 million (18%). The net claim to net contribution ratio for the year was 86%, a significant rise from 11% in FY23. Consequently, an underwriting surplus dropped to PKR 40 million marking a sharp fall of PKR 53 million (57%) from a surplus of PKR 93 million in FY 23.

Marine Cargo & Hull:

Facultative business in this category represented 0.12% of the total business portfolio, slightly down from 0.13% in FY23. The Gross Contribution underwritten during the year reached PKR 2.4 million, reflecting an increase of PKR 0.5 million (26%) compared to PKR 1.9 million in FY23. Meanwhile, Net contribution declined by 0.2 million (11%) to PKR 1.7 Million, down from PKR 1.9 million in the previous year. The underwriting surplus stood at PKR 1.2 million, marking a notable reduction of PKR 0.4 million (25%) from PKR 1.6 million in FY23.

Accident:

Facultative business in this class comprised 0.7% of the total business portfolio, rise from 0.56% in FY23. The Gross Contribution underwritten during the year amounted to PKR 14 million, reflecting a rise of PKR 5.5 million (65%) compared to PKR 8.5 million in FY 23. Similarly, Net contribution increased by PKR 5.4 million (62%) to PKR 14 million, rise from PKR 8.64 million in the previous year. The Underwriting surplus was PKR 1.6 million a significant decline from 7.8 million in FY 23.

Employees' Welfare:

The Company has in place a fund to provide welfare facilities to its employees whereby six employees are sent for Hajj every year. Besides, the Company grants (a) cash awards to the Employees' Children who are Hafiz-e-Quran and secure A+ grades in Secondary and Higher Education, (b) pensions to the retiring employees having a long association with the company, and (c) burial & compensation packages for a family of employees who die during service.

Board Structure and Committees:

The Board structure is in accordance with the Listed Companies (Code of Corporate Governance), Regulations 2019, and Code of Corporate Governance for Insurers, 2016, issued by the Securities and Exchange Commission of Pakistan.

To ensure the effective implementation of sound internal control systems and compliance with the Code of Corporate Governance, the Board has constituted various Committees which are six (06) in number. This includes three Board Committees and three Management Committees. The composition of all Committees is separately shown in the report under the section of Corporate Information.

Future Outlook:

The future outlook for Pakistan Reinsurance Company Limited (PAKRE) appears promising with strategic expansions and partnerships on the horizon. One of the key developments is the company's potential entry into the Life Reinsurance business, either independently or through a joint venture. This move could significantly diversify PAKRE's portfolio and strengthen its market position. Additionally, PAKRE is exploring international presence opportunities, with a focus on establishing operations at prominent global hubs.

To facilitate this growth, securing an international rating from credit agencies will be crucial, as it is a prerequisite for attracting inward international business. Historically, PAKRE has engaged in inward business through market-based initiatives and bilateral treaties, and this trend is expected to continue, with an emphasis on building robust pools in niche sectors like Agri & Crop, Terrorism, and Mining. Furthermore, establishing international partnerships will be pivotal in enhancing PAKRE's capacity, improving risk pricing, and providing technical assistance, which will collectively support its business expansion and long-term sustainability.

Internal Controls:

The internal control framework has been successfully implemented through an in-house Internal Audit function established by the Board, ensuring independence from the External Audit Function. The Internal Audit function has diligently fulfilled its duties as outlined in the charter set by the Audit Committee. The Audit Committee has meticulously reviewed Internal Audit reports and taken prompt action when necessary. Collaboration between External and Internal Auditors has been fostered to enhance efficiency and support the Company's objectives, including maintaining a dependable financial reporting system and adherence to laws and regulations.

Risk Management Policy:

The company has established a robust framework of methods, systems, and processes to effectively manage risks and capitalize on opportunities aligned with business objectives. The Risk Management approach encompasses both quantitative and qualitative evaluations of risks, with a focus on minimizing potential hazards. A comprehensive risk management policy, endorsed by the Board and subject to periodic review, outlines the company's strategy. Additionally, detailed guidelines have been developed to articulate the risk mitigation process and associated measures.

Work Place Diversity:

At Pakistan Reinsurance Company limited (PRCL), we recognize that workplace diversity is essential for fostering innovation, enhancing employee performance, and driving long term success. Our Work force comprises individuals from various backgrounds, including differences in race, ethnicity, gender, age religion, and physical ability. PRCL, aim to establish a more vibrant, inclusive workplace that fosters innovation and teamwork by embracing diversity.

Our Management is committed to create a more diverse workplace. We have progressive policies and programs to accomplish this goal. Specifically, Gender diversity remains a key focus, as we strive to create an equitable environment where all staff members are offered equal opportunities, rights and respect regardless of gender. we offer paid maternity as well as paternity leaves.

PRCL continues to encourage women empowerment at all organizational levels and offers a Women Transportation Allowance to female employees, ensuring safe and convenient commuting.

We actively address social barriers that have traditionally limited women's professional growth. As part of this commitment, PRCL provides access to physical activities, training programs, celebration of Eid and Women's day. We provide cooperative work environment to promote work life balance enabling our employees to excel in their careers.

At PRCL, diversity is more than a policy – it is a core value that drives our success. Our hiring practices reflect our strong commitment to gender diversity, with a consistent increase in female representation across departments. We continuously review and improve our strategies to ensure an inclusive, fair and empowering work environment for all.

Code of Conduct:

The Company has designed a code of conduct to ensure ethical conduct & integrity by all employees. All the operations of the company are undertaken in a fair and transparent manner strictly following the code of conduct.

Directors' Training Program:

All the directors of the company are certified directors under the Directors Training program.

Directors' Remuneration Policy:

The remuneration of directors is approved by the Board of Directors in accordance with the clause 63 read with 68 (gg) of Article of Association of the Company.

Performance Evaluation of the Board of Directors:

On October 31, 2024, the Federal Government enacted the State-Owned Enterprises (SOEs) Manual for Board of Directors Appointment, Evaluation, and Disclosures, outlining the procedure for performance evaluation. As per Section 10(2)(c) of the SOEs (Governance and Operations) (Amendment) Ordinance, 2024, the Board Nomination Committee (BNC) is responsible for evaluating both ex-officio and independent Directors. The manual provides standardized proformas for Boards to conduct annual performance reviews for both the Board and individual Directors. Once completed, these evaluations are submitted to the Board Nomination Committee (BNC), which then shares them with the Central Monitoring Unit (CMU) for maintaining a database of Directors. In compliance with these new requirements, the Company, being a State-Owned Enterprise (SOE), has proceeded to conduct its Board's Performance Evaluation for the year ended 2024 accordingly. The evaluation framework is designed to provide a qualitative assessment of individual Board members, ensuring transparency and accountability.

Related Party Transactions:

At each board meeting, the Board of Directors approves the Company's transactions with Associated Companies / Related Parties. All the transactions executed with related parties are on an arm's length basis.

Ownership:

As of December 31, 2024, there were 3,680 shareholders on the record of the Company.

The Pattern of Shareholding:

The pattern of shareholding of the company as at December 31, 2024, along with the necessary information is available at the end of this report.

Statement on Corporate and Financial Reporting Framework:

PRCL being a Listed Company adheres to the Listed Companies (Code of Corporate Governance), 2019 and Code of Corporate Governance for Insurers, 2016. The Directors confirm compliance with all reporting and disclosure requirements as envisaged in the Companies Act, 2017, Insurance Ordinance 2000, and Regulations made there under. The Directors confirm compliance with the corporate and Financial Reporting Framework of the SECP Code of Corporate Governance for the following: -

- a) The financial statements, prepared by the management of the company, present fairly, its state of affairs, the result of its operations, cash flows and changes in equity;
- b) The Company has maintained proper books of accounts;
- c) The Company has followed consistently appropriate accounting policies in preparation of the financial statements, changes have been adequately disclosed and accounting estimates are made on the basis of prudent and reasonable judgement;
- d) Financial statements have been prepared by the company in accordance with the International Accounting Standards, as applicable in Pakistan, requirements of Companies Act, 2017, Insurance Ordinance, 2000, and the Securities and Exchange Commission (Insurance) Rules, 2017;
- e) The system of internal control is in place and internal audit department is in complete function;
- f) There are no doubts upon the Company's ability to continue as a going concern;
- g) There is no material departure from the best practices of Listed Companies (Code of Corporate Governance), 2019, as laid down in the listing regulations, and Code of Corporate Governance for Insurers, 2016;
- h) The directors are qualified under directors Training Programme;
- i) Presentation was given to newly appointed Directors to acquaint them with the relevant laws and their responsibilities;
- j) The Company has 8.34% shareholding of National Investment Trust Limited (NITL) and as such has its representation on the Board of NITL by one of its Directors. Currently, the CEO of PRCL is representing the Company on NITL Board.
- k) The appointment of the Chairman and other members of the Board and the terms of their appointment along with the remuneration policy are adopted in the best interests of the Company as well as in line with the best practices;

- l) The Non-executive Directors do not have fixed remuneration and are being paid a fixed fee for each meeting attended. Disclosure on remuneration of Chief Executives, Directors and Executives as applicable is separately shown in the report;
- m) Summarised key operating and financial data of the last 6 years is separately shown in the report;
- n) The statement of pattern of shareholding is separately shown in the report;
- o) The value of investment in pension, gratuity and provident fund is also disclosed as under:

	2024	2023
	(PKR. in millions)	
Pension and Gratuity Fund	2,305	1,585
General Provident Fund / Provident Fund	-	147

Board Meetings and Attendance:

In the year 2024, the Board formed various Committees, the detail of the meetings held and the attendance of each director is given hereunder: -

Sr.	Name Of Directors	No. of Meetings						
		Board of Directors	Audit Committee	Ethics, HR & Remuneration / Committee	Underwriting / Reinsurance Committee	Claim Settlement Committee	Investment Committee	Procurement Committee
		6	7	4	3	4	4	1
		Attended	Attended	Attended	Attended	Attended	Attended	Attended
1.	Mr. Mumtaz Ali Rajper, Chairman Board	6	—	4	1	4	4	1
2.	Mr. Musleh-ud-Din, Board Member	6	7	3	—	—	2	—
3.	Mr. Shoaib Mir, Board Member	6	7	—	—	4	4	—
4.	Mr. Muhammad Rashid, Board Member	6	4	—	—	—	3	—
5.	Ms. Zara Shaheen Awan, Board Member	6	—	4	—	2	—	1
6.	Dr. Kausar Ali Zaidi, Board Member	3	2	2	1	—	—	1
7.	Mr. Shakeel Ahmed Mangrejo	2	4	2	2	—	—	—
8.	Ms. Sarah Saeed	2	—	—	—	—	—	—
9.	Mr. Farmanullah Zarkoon, CEO / Director	6	—	4	3	4	4	1

Leave of absence, if any, was granted by Board to the Directors who could not attend some of the meetings after intimating the Board in advance.

Change in the Board of Directors:

During the year 2024, an Extraordinary General Meeting (EGM) for the Election of Directors was held on December 20, 2024, to elect two directors from among the Minority Shareholders. As a result, Mr. Mumtaz Ali Rajper and Mrs. Zara Shaheen Awan retired, while Mr. Tariq Qaddus and Ms. Maleeha Bangash were elected unopposed. Additionally, Mr. Muhammad Rashid, the nominee of the State Life Insurance Corporation of Pakistan (SLIC), resigned and was replaced by Mr. Shahid Iqbal Baloch, as per SLIC's nomination. Moreover, for the Ex-Officio Director position from the Ministry of Commerce, Ms. Sarah Saeed was initially nominated by the Ministry in place of Dr. Kausar Ali Zaidi, and was later succeeded by Mr. Shakeel Ahmed Mangnejo. The Board welcomed every Elected / Independent / Non-executive / Nominee / Ex-officio Directors, who joined it and it also recorded appreciation of the services and contribution of all those Directors who were retired/transferred/separated during the period under review.

Contribution to National Exchequer:

During the year, your Company contributed an amount of PKR 3,032 million (2023: PKR 1,445 million) into the government treasury on account of Taxes, Levies, and other duties.

Compliance with the Code of Corporate Governance:

The requirements of the Code of Corporate Governance set out by the regulatory authorities have been duly complied with.

Audit Committee of the Board:

The Board, in compliance with the Code of Corporate Governance, has constituted an Audit Committee and its terms of reference have been approved by the Board. The names of the members of the Committee are given in the section of Corporate Information.

Performance of the Company during the last six years

(PKR. in millions)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Gross Premium	24,702	33,969	24,271	20,994	16,896	17,655
Net Premium	10,855	9,323	7,929	7,226	6,709	6,905
Net Commission	(1,074)	(949)	(1,026)	(968)	(925)	(1,243)

Net Claims	(5,436)	(4,707)	(4,312)	(3,778)	(3,924)	(4,259)
Management Expenses	(2,018)	(1,572)	(1,529)	(729)	(666)	(775)
Underwriting Profit/(Loss)	2,439	1,890	1,401	1,742	765	628
Investment Income	3,443	2,389	1,338	982	1,043	868
Profit before Tax	6,793	5,236	3,556	3,614	1,941	2,189
Profit after Tax	3,778	3,065	2,624	2,589	1,392	1,484

Trading in the Company Shares:

Trading in the shares of the Company was not done by any of the Directors and by the Key Officers.

Appointment of Auditors:

Financial Statements for the year 2024 have been audited by Kreston Hyder Bhimji & Co. Chartered Accountants. The present auditors have given their consent to continue as Auditors for the year 2025. The Board of Directors on the recommendation of the Audit Committee has proposed the appointment of M/S Kreston Hyder Bhimji Chartered Accountants as statutory auditors for the next term of the year 2025.

Acknowledgment:

The Company extends its heartfelt gratitude to its shareholders for their unwavering confidence and support. We also express sincere appreciation to all insurance companies, strategic partners, vendors, the Securities and Exchange Commission of Pakistan, and the State Bank of Pakistan for their invaluable support and guidance. Additionally, we recognize and commend the dedication and hard work of the officers and staff of the Company, whose contributions have been instrumental in our continued success.

For and on behalf
of the Board of Directors



CHIEF EXECUTIVE OFFICER



CHAIRMAN BOARD OF DIRECTORS

ناظمین کی رپورٹ

برائے حصص کنندگان

محترم حصص کنندگان

بورڈ کے ناظمین کی جانب سے 31 دسمبر 2024 کو اختتام پذیر سال پر، ناظمین کی رپورٹ بمع مختص شدہ مالیاتی دستاویزات اور محاسبین (Auditors) کی رپورٹ پیش کرتے ہوئے ہم خوشی محسوس کرتے ہیں۔

معاشی جائزہ

سال 2025 اور اس سے آگے کے لیے پاکستان کی معیشت کا منظر نامہ کی رفتار محتاط پرامیدی ظاہر کرتی ہے جو حکمت عملی کی اصلاحات اور بیرونی معاونت سے ممکن ہوا۔ مالی سال 2024 میں معیشت نے لچک دکھا کر مجموعیومی پیداوار کی نمو کو 2.5 فیصد تک پہنچا دیا اور پچھلے سال کے سکڑاؤ سے نکل کھل بچا لیا ہوئی ہے۔ مالی سال 2025 کے پہلے نصف میں مثبت رفتار جاری رہی اس کے ساتھ مؤثر مہنگائی اور مالیاتی مینجمنٹ کے کنٹرول کر کے کلی معیشت حاصل کی۔

مالیاتی پالیسی نے معیشت کو مستحکم کرنے میں مرکزی کردار ادا کیا۔ بینک دولت پاکستان نے پورے سال 2024 میں تسلسل سے سودی نرخوں میں کمی کی، جون 2023 کے 22 فیصد کے ٹینج مارک کو کم کر کے دسمبر 2024 میں 13 فیصد پر لے آئے۔ یہ جارحانہ مالی سہولت کا مقصد کم ہوتی ہوئی افراط زر میں معاشی نمو میں اضافہ کرنا رہا۔

ثبت رجحان کے باوجود بیرونی فنانسنگ کی مشکلات موجود ہیں۔ پاکستان کو سال 2025 میں مجموعی طور پر کل 22 ارب امریکی ڈالر سے زیادہ کی بیرونی قرضوں کی ادائیگیوں کا سامنا ہے۔ اس کے تدارک کے لیے حکومت نے انٹرنیشنل مالیاتی فنڈ سے 7 ارب امریکی ڈالر کا قتل آؤٹ پیکیج حاصل کیا ہے اور اس میں 4 ارب امریکی ڈالر کے اضافے کے لیے مڈل ایسٹرن بینکوں سے مذاکرات جاری ہیں۔ فچ ریٹنگ نے ان فنانسنگ رسک کو مینج کرنے کے لیے ڈھانچاتی اصلاحات کی اہمیت پر روشنی ڈالی ہے۔

آگے بڑھتے ہوئے، پاکستان کا ویرژن 2025 کا مقصد سال 2025 میں ملک کو اپر-مڈل-انکم (upper-middle income) میں تبدیل کرنا ہے اور خواہش ہے 2047 تک دنیا کی دس بڑی معیشتوں میں شامل ہو۔ یہ ویرژن انسانی سرمایہ کی ترقی، تسلسل سے جاری رہنے والی معیشت، بہتر نظم و ضبط اور بنیادی ڈھانچے میں اضافے پر زور دیتا ہے۔ ان مقاصد کو حاصل کرنے کے لیے ضروری ہے اصلاحات، اہم سیکٹر میں سرمایہ کاری اور بین الاقوامی شراکت داری کی قوت کا مؤثر استعمال کے ذریعے ایک خوشحال معیشت کے حصول کے لیے غیر متزلزل عزم کی ضرورت ہے۔

کمپنی کی کارکردگی کی جھلکیاں

سال 2024 پاکستان ری انشورنس کمپنی لمیٹڈ کے لیے اچھا رہا۔ سال 2024 اور 2023 کی مالیاتی جھلکیوں کا تقابلی جائزہ درج ذیل ہے؛

روپے ملین میں

(سوائے بصورت دیگر بیان کردہ)

سال بہ سال	2023	2024	آنکلیات
فیصد			
16%	9,323	10,854	خالص پریمیم
15%	-4,707	-5,436	خالص دعوے
29%	1,890	2,439	ضامتی بیمہ (underwriting) کا منافع
44%	2,389	3,443	سرمایہ کاری سے آمدنی
1%	148	150	کرایہ داری کی آمدنی
-51%	1,197	586	دیگر آمدنی
30%	5,236	6,820	منافع قبل از محصول

منافع بعد از محصول	3,778	3,065	23%
آمدنی فی حصص - روپے	4.20	3.41	23%

زیر غور مالی سال 2024 کے دوران مجموعی پریمیم خاصہ کمی سے کم ہو کر 24,702 ملین روپے ہو گیا جبکہ مالی سال 2023 میں اس کی مالیت 33,969 ملین روپے تھا، اس طرح سے خاصی بڑی کمی سے اس کی مالیت 9,267 ملین روپے (یعنی 27 فیصد) ہو گئی۔ اس کے برخلاف سال 2024 میں خالص پریمیم بھی بڑھ کر 10,854 ملین روپے ہو گیا جبکہ سال 2023 میں اس کی مالیت 9,323 ملین روپے تھی، اس طرح سے اضافہ 1,531 ملین روپے (یعنی 16 فیصد)۔ خالص دعوے بڑھ ہو کر 5,436 ملین روپے ہو گئے جبکہ سال 2023 میں اس کی مالیت 4,707 ملین روپے تھا، اس طرح سے اضافہ 729 ملین روپے (یعنی 15 فیصد)۔ اسی دوران، ضمانتی بیمہ (Underwriting) کا منافع نمایاں طور پر بڑھ کر 2,439 ملین روپے ہو گیا جبکہ اس کے مقابلے میں سال 2023 میں 1,892 ملین تھا، اس طرح سے اضافہ 549 ملین روپے (یعنی 29 فیصد)۔

زیر غور سال میں مجموعی منافع قبل از محصول 6,820 ملین روپے ہو گیا کے مقابلے میں سال 2023 میں اس کی مالیت 5,236 ملین روپے ہو گیا جو ایک غیر معمولی 1,584 ملین روپے (یعنی تقریباً 30 فیصد) اضافہ ہے۔ خالص پریمیم پر منافع بعد از محصول نے سال بہ سال اضافہ کا اندراج کیا، سال 2023 کے ملین روپے 3,065 کے مقابلے میں سال 2024 میں 3,778 ملین روپے رہا 23 فیصد اضافہ دکھایا ہے۔ اس کے علاوہ سال 2024 میں منافع بعد از محصول خالص پریمیم کے ریونیو کا 35 فیصد رہا اس کے مقابلے میں سال 2023 میں یہ 33 فیصد تھا۔

متناسب معاہداتی (Treaty) کاروبار

مالی سال 2024 میں کمپنی کے کل کاروبار کے پورٹ فولیو میں متناسب معاہداتی (Treaty) کاروبار کا 23 فیصد اس کے مقابلے میں مالی سال 2023 میں 17 فیصد حصہ رہا۔ سال 2023 کے دوران تحریر شدہ مجموعی پریمیم کے 5,898 ملین روپے کے مقابلے میں اس سال 5,748 ملین روپے رہا، کمی 150 ملین روپے (یعنی 2.5 فیصد) خالص پریمیم سال 2023 کے 5,358 ملین روپے کے مقابلے میں سال 2024 میں یہ 5,677 ملین روپے رہا جو 6 فیصد کا اضافہ دکھایا ہے۔۔ زیر جائزہ سال کا خالص دعوے سے خالص پریمیم کا تناسب کم ہو کر 56 فیصد رہا اس کے مقابلے میں سال 2023 میں یہ 66 فیصد تھا جس کا نتیجہ سال 87 ملین روپے کے ضمانتی بیمہ (underwriting) منافع میں حصہ ڈالا۔ گزشتہ سال یہ 398 ملین روپے کا خاصہ نقصان دکھاتی ہے جو 485 ملین روپے کی مثبت تبدیلی ظاہر کرتی ہے۔

غیر متناسب معاہداتی (Treaty) کاروبار

مالی سال 2024 میں کمپنی کے کل کاروبار کے پورٹ فولیو میں غیر متناسب معاہداتی (Treaty) کاروبار بڑھ کر 8.8 فیصد رہا اس کے مقابلے میں مالی سال 2023 میں 6.78 فیصد حصہ تھا۔ سال 2024 کے دوران تحریر شدہ مجموعی پریمیم کے 2,187 ملین روپے رہا اس کے مقابلے میں گزشتہ سال اس کی مالیت 2,304 ملین روپے رہا، کمی 117 ملین روپے (یعنی 5 فیصد) رہا۔ مجموعی میں کمی کے باوجود، خالص پریمیم سال 2023 کے 410 ملین روپے میں خاصے اضافے کے بعد سال 2024 میں اس کی مالیت 756 ملین ہو گئی۔ زیر جائزہ سال کا خالص دعوے سے خالص پریمیم کا تناسب میں معمولی تبدیلی ہوئی، سال 2024 میں کم ہو کر 32 فیصد رہا اس کے مقابلے میں سال 2023 میں یہ 36 فیصد تھا۔ تاہم ضمانتی بیمہ (underwriting) منافع کم ہو کر 406

ملین روپے رہا اس کے مقابلے میں سال 2023 میں اس کی مالیت 503 ملین تھی جو سال بہ سال کی بنیاد پر 97 ملین روپے کی کمی ظاہر کرتی ہے۔

اختیاری کاروبار:

آگ:

اختیاری کاروبار کے سلسلے میں، آگ کے کاروبار کی قسم کا کل پر بیمہ پورٹ فولیو میں 23 فیصد حصہ ہے۔ سال کے دوران مجموعی پر بیمہ جو تحریر کیا گیا 5,790 ملین روپے رہا اس کے مقابلے میں 2023 میں 6,172 ملین روپے تھا، جو 383 ملین روپے (یعنی 6.2 فیصد) کی نمایاں کمی ظاہر کر رہا ہے۔ خالص پر بیمہ سال 2023 کے 1,688 ملین روپے سے بڑھ کر 2,203 ملین روپے ہو گیا۔ زیر غور سال کے لیے خالص دعوے سے خالص پر بیمہ کا تناسب 8 فیصد رہا جس کا نتیجہ انڈر رائٹنگ کا منافع 1,508 ملین روپے کا حصہ ڈالا اس کے مقابلے میں 2023 میں 852 ملین روپے کا منافع تھا۔

بحری ترسیل بار برداری (Marine Cargo) اور جہاز کا ڈھانچہ (Hull):

اختیاری کاروبار کے دیگر سلسلے میں بحری ترسیل بار برداری اور جہاز کے ڈھانچے کی قسم کے کاروبار کا کل پر بیمہ پورٹ فولیو میں 2.2 فیصد جو سال 2023 کے 1.77 فیصد سے معمولی زیادہ ہے۔ سال کے دوران تحریر کردہ مجموعی پر بیمہ 542 ملین روپے رہا، اس کے مقابلے میں سال 2023 میں اس کی مالیت 603 ملین روپے تھی، جس میں خاصی کمی 61 ملین روپے یعنی 10 فیصد ظاہر

کر رہا ہے۔ خالص پریم سال 2023 کے 135 ملین روپے سے بڑھ کر سال 2024 میں 195 ملین روپے ہو گیا۔ زیر غور سال کے لیے خالص دعوے سے خالص پریم کا تناسب بہتر ہو کر 13 فیصد رہا جو گزشتہ سال 61 فیصد تھا جس کا نتیجہ انڈر رائٹنگ کا منافع 132 ملین روپے رہا جبکہ اس کے مقابلے میں سال 2023 میں منافع 42 ملین روپے تھا جو 90 ملین روپے کا اضافہ دکھا رہا ہے۔

ہوا بازی (Aviation):

اختیاری کاروبار کے دیگر سلسلے میں ہوا بازی کی قسم کے کاروبار کا کل پریم پورٹ فولیو میں 2.6 فیصد رہا جو سال 2023 کے 19.66 فیصد میں نمایاں کمی ظاہر کر رہا ہے۔ سال کے دوران مجموعی پریم جو تحریر کیا گیا 646 ملین روپے تھا اس کے مقابلے میں 2023 میں 6,678 ملین روپے تھا، جو 6,032 ملین روپے کی نمایاں کمی ظاہر کر رہا ہے۔۔ خالص پریم 430 ملین روپے رہا اس کے مقابلے میں سال 2023 میں 425 ملین روپے تھا۔ زیر غور سال کے لیے خالص دعوے سے خالص پریم کا تناسب 76 فیصد رہا جو گزشتہ سال میں 61 فیصد تھا جس کا نتیجہ انڈر رائٹنگ کا منافع 117 ملین روپے رہا جبکہ سال 2023 میں 202 ملین روپے کا منافع تھا۔

حادثات

اختیاری کاروبار کے اس کیٹیگری کے کاروبار کا کل پریم پورٹ فولیو میں 6.26 فیصد حصہ رہا جس میں سال 2023 میں 4.3 فیصد میں خاصہ اضافہ رہا۔ سال کے دوران مجموعی پریم جو تحریر کیا گیا 1,545 ملین روپے تھا اس کے مقابلے میں 2023 میں 1,468 ملین روپے رہا، اضافہ 77 ملین (یعنی 5.2 فیصد)۔ خالص پریم سال 2023 کے 238 ملین روپے کے مقابلے میں

323 ملین رہا اضافہ 85 ملین روپے رہا۔ انڈر رائٹنگ کے منافع 167 ملین روپے کا اندراج کیا رہا جو سال 2023 میں انڈر رائٹنگ کا منافع 95 ملین روپے میں خاصہ اضافہ دکھایا ہے۔

انجینئرنگ

اختیاری کاروبار کے دیگر سلسلے میں انجینئرنگ کی قسم کے کاروبار کا کل پریکٹس پورٹ فولیو میں 33 فیصد جبکہ 2023 میں یہ 32 فیصد تھا۔ زیر غور سال کے دوران مجموعی پریکٹس جو تحریر کیا گیا 8,242 ملین روپے تھا اس کے مقابلے میں 2023 میں 10,844 ملین روپے تھا، کی 2,602 ملین روپے (24 فیصد)۔ اسی دوران خالص پریکٹس سال 2023 کے 1,068 ملین روپے کے مقابلے میں بڑھ کر 1,269 ملین ہو گیا، اضافہ 201 ملین روپے (یعنی 19 فیصد) رہا۔ زیر غور سال کے لیے خالص دعوے سے خالص پریکٹس کا تناسب 110 فیصد تھا جس کا نتیجہ انڈر رائٹنگ کا نقصان 92 ملین روپے رہا جس میں سال 2023 میں 990 ملین روپے کے مقابلے میں بہت زیادہ کمی ظاہر کرتی ہے۔

سرمایہ کاری سے آمدن

کمپنی کی سرمایہ کاری کو کارکردگی توقعات سے بڑھ کر رہی۔ سرمایہ کاری سے آمدنی میں تیزی سے اضافے کے بعد 3,443 ملین روپے ہو گئی جو گزشتہ سال 2,389 ملین روپے تھی جو نمایاں نمو کی مثال ہے۔ علاوہ ازیں، سال کے دوران منقسمہ آمدنی میں 418 ملین روپے ہو گئی اس کے مقابلے میں گزشتہ سال اس کی مالیت 271 ملین روپے تھی جبکہ سال کے دوران دیٹ سکیورٹیز سے آمدنی بڑھ کر 2,597 ملین روپے جس کے مقابلے میں گزشتہ سال اس کی مالیت 1,929 ملین روپے تھی۔

کرایہ داری سے آمدن

گزشتہ سال کے کرایہ سے آمدنی 148 ملین روپے سے بڑھ کر 150 ملین روپے ہو گئی۔

دیگر آمدنی:

زیر غور مدت کے دوران، کمپنی نے دیگر آمدنی میں نمایاں تبدیلیاں دیکھیں۔ دیگر آمدنی گزشتہ سال 1,197 ملین روپے سے خاصی کم ہو کر 587 ملین روپے ہو گئی۔ ڈپازٹس پر منافع (Return) گزشتہ سال 2023 کے 471 ملین روپے سے بڑھ کر سال 2024 میں بڑھ کر 478 ملین روپے ہو گئی۔

دعوں کا تھفیر

دعوں کا بروقت تھفیر اور لگاؤ کا اطمینان، کمپنی کی بہت زیادہ ترجیحات میں شامل ہے کیونکہ قابل قدر لگاؤ کے اعتبار اور گڈول (goodwill) بنانے میں مدد کرتی ہیں۔ زیر غور مدت میں مجموعی خالص دعوے سے خالص پریمیم کا تناسب 50 فیصد رہا۔

لاگت میں کمی کے اقدامات

زیر غور مدت میں، انتظامی اخراجات کی مالیت 2,019 ملین روپے رہی جس کے مقابلے میں گزشتہ سال اس کی مالیت 1,572 ملین روپے تھی جو 447 ملین روپے کا اضافہ دکھا رہا ہے۔ خالص پریمیم کی فیصد کے مطابق سال 2024 میں یہ 18.6 فیصد رہا۔

آگے بڑھتے ہوئے، انتظامیہ پر عزم ہے کہ انتظامی لاگت کو وہ خالص پر بیم کی فیصد کو کنٹرول میں رکھنے کی کوشش کرے گی۔

پبلک سیکٹر کاروبار

کمپنی، نیشنل انشورنس کمپنی لمیٹڈ کے ری انشورنس کرنے والی کمپنی کے طور پر کام کرتی ہے۔ اس میں شامل چند اعلیٰ شہرت کے اکاؤنٹس ہیں مثلاً KSEW، PNSC، PPL، OGDCL، PSO، PARCO، PEPCO، پبلک سیکٹر کے توانائی کے منصوبے وغیرہ شامل ہیں۔ زیر جائزہ سال کے دوران، کمپنی کی پبلک سیکٹر کاروبار سے مجموعی مالکداری (revenues) 23,591 ملین روپے سے کم ہو کر 13,006 ملین روپے ہو گئی تھی، کمی 45 فیصد۔

ری انشورنس کے انتظامات

PRCL کے پاس اضافی ری انشورنس کے نقصان کے انتظامات ہیں اور دنیا کے معروف ری انشورنس کرنے والی کمپنیوں سے انتظام اور تعلقات ہیں جیسا کہ بنوور ری (S&P کی AA-)، سونس ری (S&P کی AA-)، درجہ بندی، XL، ری (S&P کی AA-) درجہ بندی) اور لائسنسڈ کیٹ (S&P کی A+) درجہ بندی) وغیرہ وغیرہ۔ کمپنی زیادہ سے زیادہ خطرے کو سنبھالنے کی حکمت عملی پر عملدرآمد کرتی ہے جو کہ محتاط ری انشورنس پروگرام کے تحت بنائی گئی ہے۔ کمپنی کے ری انشورنس کے احاطہ کی بنیاد خطرے کے مقام پر کمپنی کی شمولیت، اس کا جمع ہونا اور اس کا ارتکاز ہے۔ عاودہ اڑیں، PRCL وقفے وقفے سے مارکیٹ ریسرچ کرتی ہے، شیڈ مارکیٹنگ اور فائدہ اٹھانے کے ٹولس کا استعمال کرتی ہے تاکہ ریسرچ سیشن کے انتظام کو

بہتر بنایا جاسکے۔ اس میں اس بات کو یقینی بنانا ہے کہ انتہائی صورتحال کی صورت میں، PRCL کا کوویر مناسب ہے جس کے لیے CAT مڈینگ کا کرنا بھی شامل ہے۔

E.C.O. ری انشورنس کمپنی

10 فروری 2010 پر اسلام آباد (پاکستان) میں E.C.O. ری انشورنس کمپنی کا آرٹیکل آف ایگریمنٹ (AoA) پر تین رکن ریاستوں، اسلامی جمہوریہ پاکستان، اسلامی جمہوریہ ایران اور ترکی کے نمائندگان کے درمیان دستخط ہوئے۔ AoA کی مزید منظوری رکن حکومتوں نے دی اور آخری منظوری ترکی نے 22 نومبر 2017 میں دی۔ کمپنی کا مقصد موجودہ ری انشورنس کی خدمات کو بڑھانا، انڈر رائٹنگ (underwriting) اور خطرے کا سنبھالنے کی صلاحیت کو بڑھانا اور خطے کی معاشی ترقی میں معاونت کرنا ہے۔

کمپنی کا منظور شدہ سرمایہ تیس ملین امریکی ڈالر ہو گا جو دس ہزار امریکی ڈالری حصص کی مالیت کے تین ہزار حصص پر مشتمل ہو گا اور تینوں ملکوں کے اداروں میں مساوی طور پر تقسیم ہو گا۔ PRCL کی جانب سے ECO ری انشورنس کمپنی میں کوئی بھی سرمایہ کاری بورڈ کے ناظمین، حصص کنندگان / AGM کی منظوری اور کمپنیز ایکٹ 2017 کے شق 199 کی تعمیل سے مشروط ہو گا۔

کریڈٹ درجہ بندی

کمپنی کی سال 2024-25 کی درجہ بندی کا کام میسرز JCR-VIS نے سنبھال لیا ہے۔ کمپنی کی درجہ بندی ”AA+“ مستقبل کا منظر نامہ (outlook) مثبت ہے۔ درجہ بندی کے معیار کے پیمانے اور تعریف کے مطابق ”AA+“ درجہ بندی کریڈٹ ریسک کی انتہائی کم توقع ظاہر کرتا ہے، اور یہ مالی ادائیگیوں کے وعدوں کی بروقت ادائیگی کی انتہائی مستحکم استعداد کی نشاندہی کرتی ہے اور کسی ممکنہ واقعات میں کوئی خاص عدم تحفظ (vulnerability) نہیں ہے۔

منافع بعد از محصول

کمپنی کا منافع بعد از محصول گزشتہ سال کے 3,065 ملین روپے کے مقابلے میں رواں سال 3,778 ملین روپے رہا جو 713 ملین روپے کا اضافہ یعنی 23 فیصد ظاہر کر رہا ہے۔

مختصات (appropriations)

<u>(روپے ملین میں)</u>		<u>مختصات (appropriations)</u>
<u>2023</u>	<u>2024</u>	تفصیلات
5,236	6,793	منافع قبل از محصول
-2,171	-3,015	نفی: محصول
3,065	3,778	منافع بعد از محصول

جمع: غیر مختص شدہ پچھلا منافع جو آگے بڑھایا گیا	4,748	1,887
جمع: مجموعی آمدن	540	640
نئی: حتمی نقد منقسمہ منافع 2023@10%	-900	-675
نئی: بونس حصص کا اجراء 200@%	-	-
غیر مختص شدہ منافع جو آگے بڑھایا گیا	8,078	4,748

مجوزہ منقسمہ منافع منقسمہ منافع

سال 2024 کے لیے ڈائریکٹرز 20 فیصد یعنی 2 روپے فی حصص کا حتمی نقد منقسمہ منافع تجویز کیا ہے (2023: 1 روپے فی حصص)

ونڈوری-مکافل

یہ ری-مکافل ونڈو کے آپریشن کا پانچواں سال ہے۔ 2024 اور 2023 کی مالیاتی جھلکیوں کا تقابلی جائزہ نیچے پیش کیا جاتا ہے؛

تفصیلات	2024	2023	سال پر سال فیصد
شراکت داری کاری - مکافض فنڈ	روپے	روپے	
خالص شراکت داری سے مال گذاری (revenue)	1,590,000,316	1,249,344,539	27%
وکالہ فیس کے اخراجات	-356,852,235	-	29%
		275,846,335	
خالص انڈر رائٹنگ آمدن	1,233,148,081	973,498,204	27%
خالص دعویٰ - ریپرمٹ / تصفیہ - IBNR	-912,215,685	-435,568,023	109%
سرمایہ کاری آمدن سے پہلے زائد از ضرورت	320,932,396	537,930,181	-40%
سرمایہ کاری آمدن	88,863,572	14,670,315	506%
دیگر آمدن	264,861,482	239,197,024	11%
نئی: مضارب کی فیس	-88,431,264	-63,466,835	39%
چار جز برائے مشکوک کنٹریبیوشن	35,657,889	-49,977,453	171%
زائد از ضرورت قبل از محصول	621,884,076	678,353,232	-8%

75%	-34,061,086	-59,702,430	محصولات
-13%	644,292,146	562,181,646	وامہ از ضرورت کی جمع شدہ رقم از ضرورت میں منتقلی
آپریٹر کاری مکمل فنڈ			
29%	275,846,335	356,852,235	وکالہ فیس سے آمدنی
29%	-263,110,958	-338,312,950	کمیشن کے اخراجات
-23%	-21,767,791	-16,733,308	عام، انتظامی اور مینجمنٹ کے اخراجات
647%	2,958,821	22,109,382	سرمایہ کاری سے آمدن
-27%	85,097,792	62,440,826	دیگر آمدن
39%	63,466,835	88,431,264	مضارب کی فیس
23%	142,491,034	174,787,448	منافع قبل از محصول
63%	-47,022,041	-76,716,567	محصول
3%	95,468,993	98,070,881	منافع بعد از محصول جو حصص کنندگان سے منسوب ہے

زیر غور سال کے دوران مجموعی حصہ (contribution) بڑھ کر 1,784 ملین روپے ہو گیا جبکہ 2023 میں اس کی مالیت 1,379 ملین روپے تھی، اضافہ 405 ملین روپے یعنی 29 فیصد۔ خالص حصہ (contribution) بڑھ کر 1,590 ملین روپے ہو گیا جبکہ سال 2023 میں اس کی مالیت 1,249 ملین روپے تھی میں اضافہ 341 ملین روپے یعنی 27 فیصد۔ خالص دعوے بڑھ کر 912 ملین روپے ہو گئے اس کے مقابلے میں سال 2023 میں اس کی مالیت 435 ملین روپے تھی، اضافہ 477 ملین روپے یعنی 109 فیصد۔ ضمانتی بیمہ (underwriting) کم ہو کر 321 ملین ہو گیا جبکہ سال 2023 میں اس کی مالیت 537 ملین تھی 216 ملین روپے (40%) کی خاصی کمی ظاہر کر رہی ہے۔ سال 2024 میں زائد از ضرورت کی مالیت 562 ملین روپے رہی جبکہ 2023 میں اس کی مالیت 644 ملین روپے تھی جو 13 فیصد کی کمی کو ظاہر کرتی ہے۔

معاهداتی (Treaty) کاروبار

متناسب معاهداتی (Treaty) کاروبار

کمپنی کے کل کاروبار کے پورٹ فولیو میں متناسب معاهداتی (Treaty) کاروبار کا 80 فیصد حصہ رہا۔ سال 2023 کے تحریر شدہ مجموعی حصے 1,215 ملین روپے کے مقابلے میں سال 2024 میں 1,614 ملین روپے رہا، اضافہ 399 ملین روپے یعنی 33 فیصد۔ خالص حصہ سال 2023 کے 1,122 ملین روپے کے مقابلے میں رواں سال 1,438 ملین روپے رہا، اضافہ 316 ملین روپے یعنی 28 فیصد۔ زیر جائزہ سال کا خالص دعوے سے خالص حصہ کا تناسب 55 فیصد تھا جس کے مقابلے میں 2023 میں 51 فیصد تھا جس کا نتیجہ سال 2023 کے 327 ملین روپے کے ضمانتی بیمہ (underwriting) زائد از ضرورت (surplus) کے مقابلے میں رواں سال 362 ملین روپے کا زائد از ضرورت رہا، اضافہ 35 ملین روپے یعنی 11 فیصد۔

غیر متناسب معاہداتی (Treaty) کاروبار

کمپنی کے کل کاروبار کے پورٹ فولیو میں غیر متناسب معاہداتی (Treaty) کاروبار کا 11 فیصد حصہ رہا جو 2023 میں 8 فیصد تھا۔ سال 2023 کے تحریر شدہ مجموعی حصے کے 118 ملین روپے کے مقابلے میں سال 2024 میں یہ 220 ملین روپے پہنچ گیا، اضافہ 102 ملین روپے یعنی 86 فیصد۔ خالص حصہ سال 2023 کے 19- ملین روپے کے مقابلے میں رواں سال 24- ملین روپے رہا، کمی 16 ملین روپے۔ سال 2022 کے 133 ملین روپے کے ضمانتی بیمہ (underwriting) زائد از ضرورت کے مقابلے میں رواں سال 107 ملین روپے زائد از ضرورت رہی۔ ضمانتی بیمہ (underwriting) کے نتائج 85 ملین روپے کا خسارہ دکھا رہا ہے جو 2023 کے 107 ملین روپے کے زائد از ضرورت کے مقابلے میں 192 ملین روپے کی کمی دکھا رہا ہے۔

اختیاری کاروبار:

آگ:

سال 2024 میں اختیاری کاروبار کے سلسلے میں، آگ کے کاروبار کی قسم کا کل پورٹ فولیو میں 7.7 فیصد حصہ ہے جو سال 2023 کے حصے سے 11.35 فیصد کم ہے۔ سال کے دوران مجموعی حصہ جو تحریر کیا گیا 155 ملین روپے تھا اس کے مقابلے میں 2023 میں 172 ملین روپے، کمی 17 ملین روپے یعنی 9.78 فیصد۔ تاہم خالص حصہ سال 2023 کے 135 ملین روپے کے مقابلے میں 135 رواں سال 160 ملین روپے رہا، اضافہ 25 ملین روپے یعنی 18 فیصد۔ زیر غور سال کے لیے خالص دعوے سے خالص حصہ کا تناسب 86 فیصد جس میں 2023 میں یہ 11 فیصد تھا، جس کا نتیجہ 2023 کے انڈر رائٹنگ کا زائد از ضرورت 93 ملین روپے سے بہت کم ہو کر 40 ملین روپے ہو گیا کمی 53 ملین روپے یعنی 57 فیصد۔

بحری ترسیل بار برداری (Marine Cargo) اور جہاز کا ڈھانچہ (Hull):

اختیاری کاروبار کے دیگر سلسلے میں بحری ترسیل بار برداری اور جہاز کے ڈھانچے کی قسم کے کاروبار کا کل پورٹ فولیو میں 0.12 فیصد تھا جو سال 2023 کے 0.13 فیصد سے معمولی سا کم ہے۔ سال کے دوران تحریر کردہ مجموعی حصہ 2.4 ملین روپے اور اس کے مقابلے میں سال 2023 میں 1.9 ملین روپے تھا، اضافہ 0.5 ملین روپے یعنی 26 فیصد۔ اسی دوران خالص حصہ 1.7 ملین روپے رہا اس کے مقابلے میں سال 2023 میں 1.9 ملین روپے تھا، کمی 0.2 ملین روپے یعنی 11 فیصد۔ زیر غور سال کے لیے انڈر رائٹنگ زائد از ضرورت 1.2 ملین روپے تھا جو سال 2023 میں 1.6 ملین روپے تھا، نمایاں کمی 0.4 ملین روپے یعنی 25 فیصد۔

حادثات (Accidents):

اختیاری کاروبار کے دیگر سلسلے میں حادثات کی قسم کے کاروبار کا کل پورٹ فولیو میں 0.7 فیصد حصہ رہا۔ سال 2023 میں 0.56 فیصد تھا۔ سال کے دوران مجموعی حصہ جو تحریر کیا گیا 14 ملین روپے تھا اس کے مقابلے میں 2023 میں 8.5 ملین روپے تھا، اضافہ 5.5 ملین روپے یعنی 65 فیصد۔ اسی طرح سے خالص حصہ 14 ملین روپے رہا اس کے مقابلے میں سال 2023 میں 8.64 ملین روپے تھا، اضافہ 5.4 ملین روپے یعنی 62 فیصد۔ زائد از ضرورت انڈر رائٹنگ نمایاں کمی کے ساتھ 1.6 ملین روپے تھا جبکہ سال 2023 میں 7.8 ملین روپے تھا۔

ملازمین کی قلاح و بہبود

کمپنی کے پاس ملازمین کی فلاح و بہبود کا فراہم کرنے کا فنڈ موجود ہے جس کے تحت چھ ملازمین کو ہر سال حج پر بھیجا جاتا ہے۔ اس کے علاوہ کمپنی (a) ملازمین کے بچوں کو قرآن حفظ کرنے پر اور سیکنڈری اور ہائر سیکنڈری تعلیم میں A+ گریڈ حاصل کرنے پر نقد انعام دیتی ہے، (b) کمپنی کے ساتھ طویل رفاقت رکھنے والے ملازمین کے لیے معاوضہ بعد از ملازمت (pension) اور (c) دوران ملازمت انتقال کرنے والے ملازمین کے اہل خانہ کے لیے تدفین اور حلافی کا بیکنج دیا جاتا ہے۔

بورڈ کی ساخت اور کمیٹیاں

بورڈ کی ساخت لسٹڈ کمپنیز کے اداراتی نظم و ضبط 2019، پبلک سیکٹر کمپنیز (کوڈ آف کارپوریٹ گورننس) رولز 2013 اور کارپوریٹ گورننس برائے بیمہ ساز اداروں، 2016، جس کا اجراء سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، کے مطابق ہے۔ مضبوط اندرونی کنٹرول کے نظام اور اداراتی نظم و ضبط کے ضابطے کی موثر نفاذ کو یقینی بنانے کے لیے، بورڈ نے متعدد کمیٹیاں تشکیل دی ہیں جن کی تعداد چھ (6) ہیں۔ ان میں بورڈ کی تین (3) کمیٹیاں اور انتظامیہ کی تین (3) کمیٹیاں شامل ہیں۔ تمام کمیٹیوں کی ساخت اس رپورٹ میں علیحدہ سے اداراتی معلومات کے حصے میں پیش کی گئی ہیں۔

مستقبل کا منظر نامہ

پاکستان ری انشورنس کمپنی لمیٹڈ کی توسیع کی حکمت عملی اور شراکت داری کے ساتھ، اس کے مستقبل کا منظر نامہ تابناک ہے۔ ایک اہم پیش رفت کمپنی کا ممکنہ طور پر زندگی کے ری۔ انشورنس کی فیلڈ میں داخل ہونا ہے، آزادانہ طور پر یا کسی کمپنی کے ساتھ مشترکہ طور پر۔ یہ عمل پاک۔ ری کا پورٹ فولیو خاصی طور پر تبدیل کر دے گا اور مارکیٹ میں کمپنی کی پوزیشن مستحکم کر سکتا

ہے۔ اس کے علاوہ پاک-سری اپنی بین الاقوامی موجودگی کے مواقع تلاش کر رہی ہے تاکہ نمایاں عالمی حب میں آپریشن شروع کیا جائے۔

اس نمو کی معاونت کے لئے کریڈٹ ریٹنگ ایجنسیوں سے بین الاقوامی ریٹنگ حاصل کرنا ہوگی جو بین الاقوامی بزنس کا ملک میں لانے کے ضروری ہے۔ تاریخی طور پر پاک-سری مارکیٹ پیڈ اقدامات اور دو طرفہ معاہدوں کے تحت ملک میں بزنس لاتا رہا ہے اور یہ رجحان جاری رہے گا، جس میں ذراعت اور فصلیں، دہشت گردی اور مائنگ کے لئے زور مضبوط پول بنانے پر ہوگا۔ علاوہ ازیں، پاک-سری کی استعداد بڑھانے کے لیے بین الاقوامی شراکت داری اہم ہوگی، جس سے رسک پرائسنگ اور ٹیکنیکل معاونت کی فراہمی میں بہتری، جو مجموعی طور پر بزنس میں توسیع اور طویل المدت تسلسل میں معاونت فراہم کرے گی۔

اندرونی نگرانی (Internal Controls)

کمپنی میں بورڈ کا تشکیل کردہ محاسب کا شعبہ، جو بیرونی آڈٹ فنکشن کے تحت نہیں ہے، کے ذریعے سے اندرونی نگرانی کا ڈھانچے کا موثر نفاذ کیا جا چکا ہے۔ اندرونی آڈٹ فنکشن نے آڈٹ کمیٹی کی متعین کردہ ہدایات پر محنت سے عملدرآمد کیا ہے۔ آڈٹ کمیٹی کا اندرونی آڈٹ رپورٹ کا بہت احتیاط سے جائزہ لے چکی ہے۔ اور جہاں ضروری ہو ان فوری اور مناسب قدم اٹھایا۔ بیرونی اور اندرونی محاسبین میں تعاون کی سہولت فراہم کی گئی ہے تاکہ بہتر کارکردگی کو یقینی بنایا جائے اور کمپنی کے مقاصد کو پورا کیا جاسکے بشمول معتبر مالیاتی رپورٹنگ نظام اور قوانین اور ضوابط کی تعمیل بھی کی جاسکے۔

خطرے سے انتظام کی پالیسی (Risk Management Policy)

کمپنی میں خطرے سے بچنے اور کاروباری مقاصد سے متعلق مواقعوں سے فائدہ طریقوں، نظام اور پرس اس کا مناسب ڈھانچہ

موجود ہے۔ کمپنی کا خطرے کی مینجمنٹ اپروچ میں شامل ہے خطرے کا مقداری (quantitative) اور ماہیتی

(qualitative) تخمینہ تاکہ خطرات کو کم سے کم کیا جاسکے۔ بورڈ، ایک تفصیلی خطرے کے انتظام کی پالیسی کی منظوری دے

چکا ہے جس کا وقتاً فوقتاً جائزہ لیا جاتا ہے۔ اس کے علاوہ خطرے کو کم کرنے طریقے اور اقدامات تیار کیے جاسکے ہیں اور ہدایات

میں وضاحت سے بیان کیا جاسکا ہے۔

کام کی جگہ پر تنوع

پاکستان ری انشورنس کمپنی لمیٹڈ میں، جدت پسندی کو بڑھانے میں، ملازمین کی کارکردگی بڑھانے اور طویل المدت کامیابی کے

لیے، کام کی جگہ پر تنوع لازمی ہے۔ ہماری کام کرنے والی تیم مختلف پس منظر کے افراد پر مشتمل ہے بشمول مختلف نسل، زبان،

جنس، عمر، مذہب اور جسمانی صلاحیت کے افراد۔ PRCL کا ارادہ ہے کہ وہ زیادہ متحرک، شمولیت والی کام کی جگہ تشکیل دے

جو تنوع کو اختیار کر کے جدت اور ٹیم ورک کو مزید آگے بڑھائے۔

ہماری انتظامیہ ایک مزید مختلف کام کی جگہ کی تشکیل دینے میں پر عزم ہے۔ اس مقصد کو حاصل کرنے کے لئے ہمارے پاس

ترقی پذیر پالیسیاں اور پروگرامز ہیں۔ خاص طور پر جنس پر تنوع خاص توجہ ہے اور ہم کو شش کر رہے ہیں کہ ایک یکساں ماحول

پیدا کریں جہاں تمام عملے کے ارکان کو برابر کے مواقع، حقوق اور جنس کی تفریق کے بغیر حاصل ہوں۔ ہم بچے کی پیدائش کا

خرچہ دینے کا ساتھ والد کو بھی باپ بننے کی چھٹیاں دیتے ہیں۔

PRCL تمام اداراتی سطح پر خواتین کو بااختیار بنانے کی حوصلہ افزائی جاری رکھے گی اور وہ خاتون ملازمین "ووٹین ٹرانسپورٹیشن الائنس" دیتی ہے تاکہ ان کا آنا جانا محفوظ اور آسان بنایا جاسکے۔

ہم روایتی طور پر خواتین کی محدود پیشہ ورانہ ترقی میں حائل رکاوٹوں دور کرنے میں سرگرمی سے مصروف ہیں۔ اپنے عزم کے حصہ کے طور پر، PRCL جسمانی سرگرمیوں، ٹریننگ پروگرامز، عید منانا اور خواتین کا دن منانے تک رسائی دیتے ہیں۔

PRCL میں تنوع پالیسی سے زیادہ ہے۔ یہ بنیادی قدر ہے ہماری کامیابی کا محرک ہے۔ ہماری ملازمت دینے کی پالیسی جنسی تنوع کے بارے میں ہمارا مضبوط عزم کا عکاس ہے، جس سے تمام شعبوں میں خواتین کی نمائندگی میں مسلسل اضافہ ہو رہا ہے۔ ہم اپنی حکمت عملی کا مسلسل جائزہ لیتے ہیں تاکہ اسے بہتر بنایا جاسکے تاکہ سب کے لیے شمولیت والا، منصفانہ اور بااختیار کرنے والا کام کا ماحول بنایا جاسکے۔

ضابطہ اخلاق

کمپنی نے ضابطہ اخلاق تیار کیا ہے تاکہ تمام ملازمین کے اخلاقی رویے اور سالمیت کو یقینی بنایا جاسکے۔ کمپنی کے تمام آپریشنز ضابطہ اخلاق کی سختی سے تعمیل کرتے ہوئے جائز اور شفاف طریقے سے کئے جاتے ہیں۔

ناظمین کا تربیتی پروگرام

کمپنی کے تمام ناظمین، "ناظمین کے تربیتی پروگرام" کے تحت مستند ناظمین ہیں۔

ناظمین کی مشاہرہ پالیسی

بورڈ کی تجویز پر ناظمین کا مشاہرہ کی منظوری، کمپنی کے آرٹیکل اف ایسوسی ایشن کی شق نمبر 63 کو 68 (gg) کے ساتھ پڑھا جائے، کے مطابق ہوئی ہے۔

بورڈ کے ناظمین کا کارکردگی کی قدر پذیری (Evaluation)

31 اکتوبر 2024 کو، وفاقی حکومت نے سرکاری ملکیت میں چلنے والے اداروں (SOEs) کا مینول جاری کیا ہے، جس میں بورڈ آف ڈائریکٹر کا انتخاب، قدر پذیری اور ڈسکلوزر، اور ان کی کارکردگی کے لئے پروسیجر درج ہے۔ شق (c)(2) 10 کے تحت SOEs (نظم و ضبط اور آپریشن) (ترمیم) آرڈینینس 2024، بورڈ کی نامزدگی کمیٹی کی ذمہ داری ہے کہ وہ دونوں، ایکس۔ آفیسو اور آزاد ڈائریکٹر کی قدر پذیری کرے۔ مینول بورڈ اور انفرادی ڈائریکٹر کی سالانہ کارکردگی کا جائزہ لینے کے لیے بورڈ کے لیے اسٹنڈرڈ انڈیکس پر فارماز فراہم کرتا ہے۔ اس مرتبہ یہ قدر پذیری مکمل ہوتی ہیں تو ان کو بورڈ کی نامزدگی کمیٹی بھیج دیتی ہے، جو اس کے بعد ڈائریکٹر کا ڈیٹا بیس رکھنے کے لیے مرکزی مانیٹرنگ یونٹ جو بھیج دیا جاتا ہے۔ ان نئی ضروریات کی تعمیل کرنے کے سلسلے میں، کمپنی جو ایک سرکاری ملکیت میں چلنے والے ادارہ (SOE) ہے، اس نے سال 2024 کا بورڈ کی کارکردگی کی قدر پذیری کا کام شروع کر دیا ہے۔ قدر پذیری کا ڈھانچہ ایسے ڈیزائن کیا گیا ہے کہ انفرادی بورڈ کے رکن کا عہدگی کا تخمینہ فراہم کیا جاسکے جس میں شفافیت اور احتساب کو یقینی بنایا جاسکے۔

متعلقہ فریق کے لین دین

بورڈ کے ناظمین ہر بورڈ کے اجلاس میں کمپنی کی شریک کمپنیوں / متعلقہ فریقوں کے لین دین کی منظوری دیتے ہیں۔ تمام متعلقہ فریقوں سے کئے گئے تمام لین دین متعین حدود کی بنیاد پر کئے گئے ہیں۔

ملکیت

31 دسمبر 2024 پر کمپنی کے ریکارڈز پر 3,680 حصص کنندگان موجود تھے۔

حصص رکھنے کا رجحان

31 دسمبر 2024 پر کمپنی کے حصص رکھنے کا رجحان بمع ضروری معلومات اس رپورٹ کے آخر میں دستیاب ہے۔

اداراتی اور مالیاتی رپورٹنگ کے ڈھانچے کا بیان

PRCL ایک مندرجہ (listed) کمپنی ہے پبلک سیکٹر کمپنیز (اداراتی نظم و ضبط کے ضوابط) قوانین 2019 اور اداراتی نظم و ضبط کے ضابطہ برائے انشوررز 2016 کے تحت کام کرتی ہے۔ ڈائریکٹرز تمام رپورٹنگ اور معلومات کو انشا کرنے کی ضروریات جو کمپنیز ایکٹ 2017، انشورنس آرڈیننس 2000 اور ان کے تحت بنائے گئے قوانین کی تعمیل کی تصدیق کرتے ہیں۔ ڈائریکٹرز SECP کے اداراتی گورننس کے ضابطے کے اداراتی اور مالیاتی رپورٹنگ کے مندرجہ ذیل ڈھانچے کی تعمیل کی تصدیق کرتے ہیں:-

a. کمپنی انتظامیہ کے تیار کردہ مالیاتی گوشوارے اس کے معاملات کی حالت، عملی امور کے نتائج، کیش فلو اور ملکیتی سرمایہ (equity) میں تبدیلی بہتر طور پر پیش کرتے ہیں۔

b. کمپنی نے موزوں کھاتوں کی کتابیں (Books of Accounts) قائم رکھی ہوئی ہیں۔

c. کمپنی نے مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب عملی پالیسیاں یکساں طور پر اپنائی گئی ہے، تبدیلیوں کو مناسب طور پر ظاہر کیا گیا ہے اور اکاؤنٹنگ تخمینوں کی بنیاد معقول اور محتاط پر رکھی ہے۔

d. پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیار، کمپنیز ایکٹ 2017، انشورنس آرڈیننس 2000 اور سیکوریٹیز اینڈ ایکسچینج کمیشن (انشورنس) قوانین 2017 کی ضروریات کے مطابق عمل کرتے ہوئے مالیاتی گوشوارے تیار کئے گئے ہیں۔

e. اندرونی نگرانی کا نظام موجود ہے اندرونی آڈٹ کا شعبہ پوری طرح کام کر رہا ہے۔

f. کمپنی کے کاروبار کے جاری رہنے والے ادارے کے طور پر کوئی ابہام نہیں ہے۔

g. پبلک سیکٹر کمپنیز (ادارتی نظم و ضبط کا ضابطہ) 2019 برائے انشوررز 2016 میں درج بہترین پریکٹسز سے کسی قسم کا مادی انحراف نہیں کیا گیا ہے۔

h. ڈائریکٹرز کے ترجیحی پروگرام کے تحت تمام ڈائریکٹرز تعلیم یافتہ ہیں۔

i. نو منتخب ڈائریکٹرز کو متعلقہ قوانین اور ان کی ذمہ داریوں کے بارے آگاہی کا تعارفی پروگرام کیا گیا تھا۔

j. کمپنی کی نیشنل انویسٹمنٹ ٹرسٹ لیٹڈ (NITL) میں 8.34 فیصد کی حصصی شراکت داری ہے اور اس طرح سے اس کے ڈائریکٹرز میں سے ایک ہیں۔ اس وقت جو PRCL کے موجودہ CEO ہیں وہ NITL کے بورڈ میں کمپنی کی نمائندگی ہے۔

k. چیرمین اور دیگر بورڈ کے ارکان کے انتخاب اور ان کے انتخاب کی شرائط کے ساتھ ساتھ ان کے مشاہرہ پالیسی کو کمپنی کے بہترین مفاد اور بہترین پریکٹسز کو مد نظر رکھتے ہوئے اختیار کیا گیا ہے۔

l. نان ایکزیکوٹیو ڈائریکٹرز کا متعین معاوضہ نہیں ہے اور ان کو ہر اجلاس میں شرکت کی ایک متعین فیس ادا کی جاتی ہے۔ چیف ایکزیکوٹیو، ڈائریکٹرز اور ایکزیکوٹیو زپر لاگو معاوضے علیحدہ سے رپورٹ میں دیے گئے ہیں۔

m. گزشتہ 6 سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ علیحدہ سے اس رپورٹ میں شامل ہے۔

n. حصص رکھنے کے رجحان کا بیان علیحدہ سے اس رپورٹ میں شامل ہے۔

o. وظیفہ بعد از ملازمت (pension)، گریجویٹی اور پراویڈنٹ فنڈ کی سرمایہ کاری کی مالیت درج ذیل ہے؛

(روپے ملین میں)

<u>2023</u>	<u>2024</u>	
1,585	3,680	پینشن اور گریجویٹی فنڈ
	-147	عام پراویڈنٹ فنڈ / پراویڈنٹ فنڈ

بورڈ کے ناظمین اجلاس اور حاضری

سال 2024 میں بورڈ نے متعدد کمیٹیاں تشکیل دیں، اور منعقدہ اجلاس اور ہر ڈائریکٹر کی حاضری کی تفصیلات درج ذیل ہیں

پروڈیوسر منٹ بجلی	سرباپہ گاڑی بجلی	دھولے کے قبضہ بجلی	انڈر ٹکنگ آری انفرس بجلی	شاہد اعجازی / اضافی مسائل / مشاہیرہ بجلی	آکٹ بجلی	بورڈ آف انفرس	
1	4	4	3	4	7	6	اجلاس کی تعداد
نمبر							نام
شمار							نام
1	4	4	1	4	-	6	جناب ممتاز علی راجہ، چیئر مین بورڈ
-	2	-	-	3	7	6	جناب مصلح الدین، رکن بورڈ
-	4	4	-	-	7	6	جناب شعیب میر، رکن بورڈ
-	3	-	-	-	4	6	جناب محمد راشد، رکن بورڈ

5	محترمہ زارا شاہین اعوان، رکن بورڈ	6	-	4	-	2	-	1
6	ڈاکٹر کوثر علی زیدی، رکن بورڈ	3	2	2	1	-	-	1
7	جناب فکیل احمد منگلشیو، رکن بورڈ	2	4	2	2	-	-	-
8	محترمہ سارہ سعید، رکن بورڈ	2	-	-	-	-	-	-
9	جناب فرمان اللہ درکون، CEO / ڈائریکٹر	6	-	4	3	4	4	1

جو ڈائریکٹر اجلاس میں شرکت نہ کر سکے اور انہوں نے اس کی پیشگی اطلاع دے دی تھی، بورڈ نے ان کی

اجلاس سے غیر حاضری کی رخصت کی منظوری دے دی تھی۔

بورڈ آف ڈائریکٹرز کی تبدیلی

سال 2024 میں، دسمبر 20، 2024 کو ڈائریکٹرز کے انتخاب کے لیے ایک غیر معمولی عام اجلاس ہوا جس میں اقلیتی حصص کنندگان میں سے دو ڈائریکٹرز کا انتخاب کرنا تھا۔ اس کے نتیجے میں جناب ممتاز علی راجپر اور بیگم زارا شاہین اعوان ریٹائر ہو گئے، جبکہ جناب طارق قدوس اور بیگم ملیحہ بگلش بلا مقابلہ منتخب ہو گئیں۔ اس کے علاوہ اسٹیٹ لائف انشورنس کارپوریشن (SLIC) کے نامزد کردہ ڈائریکٹر جناب محمد راشد مستعفی ہو گئے ہیں ان کی جگہ SLIC کے نامزد کردہ جناب شاہد اقبال بلوچ، ڈائریکٹر بن گئے ہیں۔ علاوہ ازیں، ایکس آفیسو (Ex-officio) ڈائریکٹر کی پوزیشن کے لیے پہلے مس سارہ سعید کو ڈاکٹر کوثر علی زیدی کی جگہ نامزد کیا تھا بعد میں ان کی جگہ فکیل احمد منگلشیو کو نامزد کر دیا۔ زیر غور مدت میں،

بورڈ ہر نان ایگزیکٹو / نامزد، ایکس آفیسو (Ex-officio) ڈائریکٹرز جو بورڈ میں شامل ہوئے ان کو خوش آمدید کیا اور بورڈ سے منتقل / علیحدہ ہونے والے تمام ارکان کی خدمات اور کمپنی کی کامیابی میں حصہ ڈالنے کو کارڈ پر سراہتا ہے۔

قوی خزانے میں حصہ

آپ کی کمپنی نے محصولات، لیویز اور ڈیویڈنڈ کی مدد میں گورنمنٹ کے خزانے میں 3,032 ملین روپے (2023: 1,445 ملین روپے) جمع کروائے گئے۔

اداراتی نظم و ضبط کی تعمیل

نگرانی کرنے کے حکام کی جانب سے جاری کردہ اداراتی نظم و ضبط کے قواعد تعمیل کی گئی ہیں۔

بورڈ کی آڈٹ کمیٹی

بورڈ نے اداراتی نظم و ضبط کے ضابطے کی تعمیل کرتے ہوئے ایک آڈٹ کمیٹی تشکیل دے دی ہے اور بورڈ اس کے قواعد و ضوابط منظور کر چکا ہے۔ کمیٹی کے ارکان کے نام اداراتی معلومات کے سیکشن میں دئے گئے ہیں۔

گزشتہ 6 سالوں میں کمپنی کی کارکردگی

(روپے ملین میں)

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	
17,655	16,896	20,994	24,271	33,696	24,702	مجموعی پر بیم
6,905	6,709	7,226	7,929	9,323	10,855	خالص پر بیم
(1,243)	(925)	(968)	(1,026)	(949)	(1,074)	خالص کمیشن
(4,259)	(3,924)	(3,778)	(4,312)	(4,707)	(5,436)	خالص دعوے
(775)	(666)	(729)	(1,529)	(1,569)	(2,018)	انتظامی اخراجات
628	765	1,742	1,401	1,890	2,439	انڈر رائٹنگ منافع / (نقصان)
868	1,043	982	1,338	2,389	3,443	سرمایہ کاری سے آمدنی
2,189	1,941	3,614	3,556	5,236	6,793	نفع قبل از محصول
1,484	1,392	2,589	2,624	3,065	3,778	نفع بعد از محصول

کمپنی کے حصص کی تجارت

کمپنی کے اہم افسران نے کمپنی کے حصص کے لین دین نہیں کیا گیا۔

حائین (Auditors) کا انتخاب

سال 2024 کے لیے کمپنی کی مالیاتی دستاویزات کا آڈٹ میسرز: کریسٹن حیدر بھیم جی، چارٹرڈ اکاؤنٹینٹس سے کرایا جاپکا ہے۔ موجودہ آڈیٹرز نے سال 2024 کے لیے بطور آڈیٹرز کے کام کرنے پر آمادگی ظاہر کر چکے ہیں۔ بورڈ کے ناظمین نے آڈٹ کمیٹی کی سفارش پر میسرز: کریسٹن حیدر بھیم جی، چارٹرڈ اکاؤنٹینٹس، کو سال 2025 کے لیے ان کی بطور دستوری بیرونی آڈیٹرز کے انتخاب کی منظوری کی تجویز دی ہے۔

سائنس

کمپنی اپنے حصص کنندگان کا کمپنی پر اپنے اعتماد کرنے کا شکریہ ادا کرنا چاہتی ہے۔ ہم تہہ دل سے تمام انشورنس کمپنیوں، تزویراتی شرکت داروں، بیوپاریوں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور بینک دولت پاکستان سے ان کی حمایت اور رہنمائی پر شکریہ کا اظہار کرتے ہیں۔ اس کے علاوہ، ہم کمپنی کے افسران اور عملے کے سخت محنت اور ان کی لگن کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے



چیرمین، بورڈ آف ڈائریکٹرز



چیف ایگزیکٹو آفیسر



NOTICE OF THE 25TH ANNUAL GENERAL MEETING (“AGM”)

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting (“AGM”) of Pakistan Reinsurance Company Limited (“the Company”) will be held on Wednesday, April 30, 2025, at 11:00 a.m., physically at the registered office of the Company situated at PRC Towers, 32-A, Lalazar Drive, M.T. Khan Road, Karachi, and through electronic means, Zoom video link facility, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 24th Annual General Meeting of the Company held on 26th April, 2024.
2. To receive, consider and adopt the Audited Financial Statements for the year ended December 31, 2024 together with the Auditors’ and Directors’ reports thereon.
3. To consider and if thought fit to approve the payment of final cash dividend at the rate of 20%, i.e., Rs. 2 per share of Rs. 10.00, as recommended by the Board of Directors.
4. To appoint External Auditors and fix their remuneration for the year ending December 31, 2025. The Board of Directors recommends the appointment of **M/s. Kreston Hyder Bhimji & Co.**, for reappointment as auditors, as suggested by the Audit Committee, till the next Annual General Meeting.

ANY OTHER BUSINESS:

5. To transact any other business with the permission of the Chair.

By Order of the Board

Place: Karachi
Dated: April 9, 2025

Sumeet Kumar
Company Secretary

NOTES:

1. CLOSURE OF SHARE TRANSFER BOOKS

The share transfer books of the Company shall remain closed for eight days i.e. from **April 23, 2025** to **April 30, 2025** (both days inclusive). No transfer will be accepted for registration during the period.

2. PARTICIPATION IN THE AGM PROCEEDING VIA VIDEOCONFERENCING FACILITY

All shareholders/members interested in attending the AGM through the videoconferencing facility are requested to register at <https://bit.ly/43CsnvD> by providing their names, folio numbers, cell

numbers, copies of CNICs/passport numbers, and email addresses at least 48 hours prior to the meeting. A confirmation email for video link and login credentials will be sent to the shareholders after due verification. Please note that the login facility will remain open 20 minutes before the meeting time to enable the participants to join the meeting.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address alihyder@pakre.org.pk at least 24 hours before the meeting schedule.

CDC account holders are advised to follow the following guidelines of the Securities and Exchange Commission of Pakistan (SECP) for attending the meeting physically:

- a) In the case of individuals, the account holder or sub-account holder and/or the person, whose securities are in a group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- b) In the case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

Note: *No gifts will be distributed at the meeting.*

3. APPOINTING PROXIES

- a) A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for him/her. The form of proxy must be deposited at the Company not less than 48 hours before the meeting and in case of default; the form of proxy will not be treated as valid.
- b) In the case of individuals, the account holder or sub-account holder and/or the person whose securities are in a group and their registration details are uploaded as per the CDC regulation, shall submit the form of proxy (provided on the Company's website) as per the above requirement.
- c) The form of proxy shall be witnessed by two persons whose names, addresses, and CNIC numbers shall be mentioned on the form.
- d) Attested copies of the CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- e) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- f) In the case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form to the Company.

4. UPDATING PARTICULARS

The shareholders are requested to promptly notify change in their address, if any, to the Company's Share Registrar. In the case of corporate entity, the shareholders are requested to promptly notify change in the particulars of their authorized representative, if applicable.

5. PAYMENT OF CASH DIVIDENDS VIA ELECTRONIC MEANS (COMPULSORY)

Members of the Company are hereby requested to comply with the provisions of Section 242 of the Companies Act, 2017 and provide the particulars of their bank accounts through E-dividend Form (annexed at the end of the annual report as well as available on the Company's website: www.pakre.org.pk) as dividends payable in cash shall only be paid through the electronic mode directly into the bank account designated by the entitled shareholders instead of through the issuance of Dividend Warrants. In the absence of bank account details or in case of incomplete details, the Company will be constrained to withhold the payment of cash dividend to those shareholders who have not provided the same.

6. PAYMENT DEDUCTION OF INCOME TAX FROM DIVIDEND

- a. Pursuant to the provisions of the Finance Act, 2019 effective July 1, 2019, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

1.	Persons appearing on the Active Taxpayer List (ATL)	15%
2.	Persons not appearing on the Active Taxpayer List (ATL)	30%

Shareholders, who are filers, are advised to make sure that their names are entered into latest Active Taxpayer List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non-filers and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

- b. As per FBR Circulars C. No.1 (29) WHT/2006 dated 30 June 2010 and C. No.1 (43) DG (WHT)/2008-Vol. 1166417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail the exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar M/s. CDC Pakistan Limited before book closure, otherwise tax will be deducted on dividend as per applicable rates.
- c. Further, according to clarification received from the Federal Board of Revenue (FBR), withholding tax will be determined separately on the 'Filer/Non-Filer' status of the Principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts.
- d. In this regard, all shareholders who hold shares jointly are requested to provide shareholding Proportions of Principal shareholders and Joint holder(s) in respect of shares held by them (only if not already provided) to our Shares Registrar, in writing as follows:

Company's Name	Folio/CDS Account No.	Principal Shareholder		Joint Shareholder	
		Name and CNIC Number	Shareholding Proportion (Number of Shares)	Name and CNIC number	Shareholding Proportion (Number of Shares)

The required information must reach our Shares Registrar within 10 days of this notice; otherwise, it will be assumed that the shares are equally held by the principal shareholder and Joint holder(s).

- e. For any query/problem/information, the investors may contact the Company and/or the Share Registrar at the following phone numbers and email address. The Corporate Secretariat Department can be reached at telephone numbers (+92-21) 99202908-14 (Ex-220) and email address alihyder@pakre.org.pk. Alternatively, Share Registrar services can be accessed through the contact number 0800-23275 and email address info@cdcsrsl.com.
- f. Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or CDC Pakistan Limited. Shareholders while sending NTN or NTN certificates, as the case may be, must quote the Company's name and their respective folio numbers. Without the NTN, the Company would not be in a position to check filer's status on the ATL, and as a result, higher tax of 30% may be applied in such cases.
- g. Members who desire to stop the deduction of Zakat from their dividends may submit a declaration on non-judicial stamp paper duly signed as required under the law (if not submitted earlier).

7. CONSENT FOR VIDEOCONFERENCING FACILITY

Pursuant to the provision to the Companies Act, 2017 the members can also avail the videoconferencing facility. In this regard, please fill in the following and submit at the registered address of the Company at least 10 days before the holding of the Annual General Meeting. If the Company receives consent from members holding aggregate 10% or more shareholding residing at the geographical location to participate in the meeting, the Company will arrange the videoconferencing facility in the city subject to availability of such facility in that city.

I/We, _____ of _____, being a member/members of Pakistan Reinsurance Company Limited holder of _____ ordinary share(s) as per registered folio/CDC no. _____ hereby opt for the videoconferencing facility.

8. UNCLAIMED/UNPAID DIVIDENDS AND SHARE CERTIFICATES

As per Section 244 of the Companies Act, 2017 shares/dividends which remain unclaimed or unpaid for a period of three years from the date these have been due and payable to be vested with the Federal Government. In this regard, Pakistan Reinsurance Company Limited had already sent individual letters earlier, on the available addresses through the Company's Share Registrar "CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi" requesting therein to claim their shares/dividends within 90-days of the receipt of the letter. After that, as per SECP directives, a final notice was also published in the daily Business Recorder and the daily Express dated June 12, 2019. In this regard, the details of unclaimed/undelivered shares and dividends are available on the Company's website.

Shareholders of the Company, regardless of their status as former or current members, are humbly requested to revisit the Company's website and ascertain if there are any unclaimed or undelivered shares or dividends under their name. If any such circumstances arise, our Share Registrar, CDC Share Registrar Services Limited, can be contacted for lodging a claim through an

application including the Folio number, present address, and a valid CNIC copy at the address mentioned above.

9. CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

In compliance with section 72 of the Companies Act, 2017 and SECP's letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, listed companies are required to replace existing physical shares issued by them into the Book-Entry form. Given the above requirement, shareholders of the Company having physical folios/share certificates are requested to convert their shares from the physical form into the Book-Entry form as soon as possible. Conversion of physical shares into the Book-Entry form would facilitate the shareholders in many ways, i.e. safe custody of shares, readily available market for instant sale and purchase of shares, elimination of the risk of loss or damage, easy and secure transfer with lesser formalities as compared to physical shares. The Company's shareholders may contact Share Registrar of the Company [i.e., M/s. CDC Pakistan Limited] for assistance in converting physical shares into the Book-Entry form.

10. MERGER OF DIFFERENT FOLIOS INTO ONE FOLIO

As per record, some of the shareholders are maintaining more than one folio under the same particulars. Carrying two different folios may be a hassle for the shareholders to reconcile and receive different benefits in the shape of dividends/bonus. In order to provide better services and convenience, such shareholders are requested to send requests to the Company's Share Registrar to merge their folios into one folio.

11. SUBMISSION OF COPIES OF CNIC NOT PROVIDED EARLIER

Non-CDC Individual Shareholders are once again reminded to submit copies of their valid CNICs to Share Registrar, if not provided earlier to the Company's Share Registrar, M/s. CDC Pakistan Limited.

12. AVAILABILITY OF AUDITED FINANCIAL STATEMENT ON THE COMPANY'S WEBSITE:

In accordance with Section 223 of the Companies Act, 2017 and pursuant to S.R.O.389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web-link and QR enabled code. A printed copy of the above-referred statements can be provided to members upon request:

<u>Web Link</u>	<u>QR Code</u>
https://www.pakre.org.pk/ms/investor-relations/financial-reports-by-year/2024.html	

Pakistan Reinsurance Company Limited

PRC Towers, 32-A, Lalazar Drive, M.T. Khan Road, P.O. Box No. 4777, Karachi, Pakistan

Telephone: 021-99202908-14 Fax: 021-99202921-22

Email: prcl@pakre.org.pk Website: www.pakre.org.pk

STATEMENT OF COMPLIANCE

With the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016.

Name of Company: PAKISTAN REINSURANCE COMPANY LIMITED
Name of Line Ministry: MINISTRY OF COMMERCE (GOP)
For the Year Ended: DECEMBER 31, 2024

This statement is being presented in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) and the Code of Corporate Governance for Insurers, 2016, (the Code) for the purpose of establishing a framework of good governance, whereby the Pakistan Reinsurance Company Limited (the insurer) is managed in compliance with the best practices of corporate governance and the Regulations.

The Company has applied the principles contained in the Regulations and the Code in the following manner:

1. The total number of directors are Seven as per the following:
 - a. Male: **SIX**
 - b. Female: **ONE**
2. The Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At the present the Board includes:

Category	Names
Independent Directors	Mr. Shoaib Mir Dr. Musleh-ud-Din Mrs. Zara Shaheen Awan - i)
Executive Director	Mr. Farmanullah Zarkoon
Non-Executive Directors	Mr. Mumtaz Ali Rajper - i) Mr. Shakeel Ahmed Mangnejo Mr. Muhammad Rashid - ii)

All independent directors meet the criteria of independence as laid down under the Code of Corporate Governance for Insurer, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

- i) Following the Company's Election of Directors on December 20, 2024, both directors representing Minority Shareholders, Mr. Mumtaz Ali Rajper and Mrs. Zara Shaheen Awan, retired from their positions. Mr. Tariq Qaddus and Mrs. Maleeha Bangash were elected unopposed as their successors, with their appointments subsequently approved by the Securities and Exchange Commission of Pakistan (SECP) on January 14 and January 24, 2025, respectively. Both directors were formally inducted into the Board during its meeting held on February 15, 2025.*
 - ii) Mr. Muhammad Rashid has been replaced by Mr. Shahid Iqbal Baloch upon nomination by State Life Corporation Limited as non-executive director on October 31, 2024 and his appointment has been approved by SECP on December 06, 2024 and was inducted in the Board of Directors in February 15, 2025.*
3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
4. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or NBFIs or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
5. No casual vacancy occurred on the Board during the year which required to be filled up by the Directors.
6. The Company has prepared a Code of Conduct, which has been disseminated among all the directors and employees of the Company.
7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
8. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, and the key officers, have been taken by the Board.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days (7) before the meeting. The minutes of the meetings were appropriately recorded and circulated.
10. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
11. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
12. All the Board members have attended orientation courses to acquaint them with the Code, the Regulations, applicable laws and their duties and responsibilities.
13. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment.
14. The directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016 and fully describes the salient matters required to be disclosed.

15. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
16. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
17. The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.
18. The Board has formed the following Management Committees:

Underwriting, Reinsurance & Business Development Committee:

Name of the Member	Category
Dr. Musleh-ud-Din	Chairman
Mr. Muhammad Rashid	Member
Mr. Shakeel Ahmed Mangnejo	Member
Chief Executive Officer	Member
Executive Director (Underwriting)	Secretary

Claims Settlement Committee:

Name of the Member	Category
Mr. Mumtaz Ali Rajper	Chairman
Mr. Shoaib Mir	Member
Mrs. Zara Shaheen Awan	Member
Chief Executive Officer	Member
Head of Claims Department	Secretary

Risk Management, Compliance and Legal Committee:

Name of the Member	Category
Chief Executive Officer	Chairman
Dr. Musleh-ud-Din	Member
Mrs. Zara Shaheen Awan	Member
Head of Risk Management Officer	In Mandatory Attendance
Head of Legal	In Mandatory Attendance
Compliance Officer	In Mandatory Attendance
Company Secretary	Secretary

19. The Board has formed the following Board Committees:

Ethics, Human Resource & Remuneration / Nomination Committee:

Name of the Member	Category
Mrs. Zara Shaheen Awan	Chairperson
Mr. Mumtaz Ali Rajper	Member
Mr. Shakeel Ahmed Mangnejo	Member
Chief Executive Officer	Member
Head of HR Department	Secretary

Investment Committee:

Name of the Member	Category
Mr. Shoaib Mir	Chairman
Mr. Muhammad Rashid	Member
Mr. Mumtaz Ali Rajper	Member
Chief Executive Officer	Member
Chief Financial Officer	Secretary

Procurement Committee: *

Name of the Member	Category
Mrs. Zara Shaheen Awan	Chairperson
Mr. Mumtaz Ali Rajper	Member
Chief Executive Officer	Member
Head of Administration Department	Secretary

** Pursuant to the enactment of the State-Owned Enterprises (Governance and Operations) Act, 2023, and its associated SOEs Ownership and Management Policy, 2023, the Procurement Committee, being no longer necessary under the prevailing legal framework, had been dissolved by the Board with effect from August 29, 2024. The Terms of Reference (TORs) and related responsibilities of the Procurement Committee had been assigned to be governed and overseen by the Board through the Ethics, Remuneration & Human Resources / Nomination Committee.*

20. The Board has formed an Audit Committee. It comprises of four members, of whom two are independent directors and two are non-executive directors. The chairman of the Committee is an independent / non-executive director. The composition of the Board Audit Committee is as follows:

Name of the Member	Category
Dr. Musleh-ud-Din	Chairman
Mr. Shakeel Ahmed Mangnejo	Member
Mr. Muhammad Rashid	Member

Mr. Shoaib Mir	Member
Chief Internal Auditor	Secretary

21. The terms of references of the Committees have been formed, documented and advised to the Committees for compliance.

22. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:

Name of the Committee	Frequency of Meeting
Board Audit Committee	Quarterly & As and when needed
Ethics, Human Resource & Remuneration/Nomination Committee	Half-Yearly & As and when needed
Investment Committee	Half-Yearly & As and when needed
Claims Settlement Committee	Half-Yearly & As and when needed
Underwriting Committee	Half-Yearly & As and when needed
Procurement Committee	Yearly
Risk Management, Compliance and Legal Committee	Yearly

23. The Board has setup an effective internal audit department which comprises of suitable qualified and experienced staff for the purpose and are conversant with the policies and procedures of the Company and are involved in the internal audit function on regular basis.

24. The Chief Executive Officer, Chief Financial Officer, Company Secretary, Compliance Officer and the Head of Internal Audit possess such qualification and experience as required under the Code of Corporate Governance for Insurers, 2016. Moreover, the persons heading the underwriting, claims, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under Section 12 of the Insurance Ordinance, 2000 (Ordinance No XXXIX of 2000):

Key Officers in Management:

Name of the Person	Designation
Mr. Farmanullah Zarkoon	Chief Executive Officer
Mr. Muhammad Junaid Moti	Executive Director (Underwriting)
Syed Aamir	Chief Financial Officer
Mr. Tameezuddin**	Chief Internal Auditor
Mr. Sumeet Kumar	Company Secretary
Mr. Muhammad Naveed Iqbal	Chief Investment Officer
Mr. Arham Rahim	Chief Human Resource Officer
Mr. Inayat ullah	Chief Administrative Officer
Mr. Muhammad Rafiq	Chief Information Technology Officer
Mr. Bashir Ahmad	Compliance Officer
Mr. Hans Hussain Soomro	HOD (Accounts)
Mr. Muhammad Rizwan Sharif	HOD (Underwriting Property)

Mr. Yousuf Hassan Rana	HOD(Treaty)
Mr. Uneeb Aslam Chaudhry	HOD(Claims)
Mr. Muhammad Ahmed	HOD (Window Retakaful Operation)

***Mr. Tameez-ud-Din was appointed as the Chief Internal Auditor with effect from April 27, 2024 following the completion of Mr. Asif Kamal's term, which concluded on April 15, 2024. The change in the Chief Internal Auditor was necessitated by Mr. Asif Kamal's unavailability due to personal reasons. Further, the process of hiring a new Chief Internal Auditor had been initiated to ensure proper recruitment in accordance with organizational policies and statutory requirements.*

25. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of Section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan, that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
26. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
27. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.
28. The Board ensured that the risk management system of the Company is in place as per the requirement of the Code of Corporate Governance for Insurers, 2016.
29. The Company has set up a risk management function / department, which carries out its task as covered under the Code of Corporate Governance for Insurers, 2016.
30. The Board ensures that as part of the risk management system, the Company gets itself rated from the VIS Credit Rating Company Limited (VIS) which is being used by its risk management function and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency on March 19, 2025, is AA+ with stable outlook.
31. The Board has set up a grievance function, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.
32. The Company has not obtained any exemptions from the Securities & Exchange Commission of Pakistan in Respect of any of the requirement of the Code.
33. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 and all the requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with.

34. Explanation for non-compliance with requirements of Listed Companies (Code Of Corporate Governance) Regulations, 2019 are as follows:

REQUIREMENTS	REGULATION	EXPLANATION FOR NOT MEETING NON-MANDATORY REQUIREMENT
<p>Nomination Committee</p> <p>The Board may constitute a separate committee designated as the nomination committee.</p>	29(1)	Currently, the Board has not established a separate Nomination Committee, as it was not deemed mandatory. The duties associated with this function are presently carried out by the Ethics, Human Resource & Remuneration Committee

By Order of the Board


 Farmanullah Zarkoon
 CEO


 Shoaib Mir
 Chairman

Date:

**PAKISTAN REINSURANCE COMPANY LIMITED -
CONVENTIONAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PAKISTAN REINSURANCE COMPANY LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Qualified Opinion

We have audited the annexed financial statements of Pakistan Reinsurance Company Limited, which comprise the statement of financial position as at December 31, 2024, profit and loss account, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters discussed in the Basis for Qualified Opinion section of our report, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit, total comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Qualified Opinion

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

As disclosed in note 15 and 36.2 to the financial statements, an amount of Rs. 2,573.889 million which has been carried from the year 2017 as receivable from Sindh Revenue Board (SRB) which was recovered by SRB in respect of sales tax on reinsurance services. The Company has recorded this amount as an asset; however, the Company could not substantiate any control over the underlying asset and the flow of economic benefits is remote due to ongoing Court case. Had the Company not recorded this asset, total assets, accumulated profit and shareholders' equity would have been reduced by the same amount accordingly.

2. Unreconciled Balances

The Company's amount due from other insurance and reinsurance companies on account of treaty and facultative business as appearing in note 16 in the annexed financial statements includes unreconciled gross amount of Rs. 6,791.78 million and net amount of Rs. 6,155.10 million and that gross amount includes balance of related party M/s National Insurance Company Limited amounting to Rs. 49.837 million whose financial statements are not yet being issued after the year 2022 for litigation issues. Similarly, the Company's amount due to other insurance companies on account of treaty and facultative business as appearing in note 31 in the annexed financial statements includes unreconciled amount of Rs. 94.92 million. Management asserted that the reason for time lag in reconciliation is intimations and communications of the transactions which normally takes place after 3 to 4 months of the transaction. The Company is in the process of reconciling these balances. Due to pending reconciliations relating to the above balances, resultant adjustment and consequential impact thereon, if any, on these financial statements remain unascertained.



We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

1. We draw attention to the notes 16, 17, 18, 25, 26, 27, 37, 38 and 54 to the financial statements, which reflect the transactions and balances relating to the Company's treaty proportional reinsurance business. Previously, no supporting documentation of the premium and claims of the ceding insurance companies were made available to the auditors. However, effective preceding year the management has developed some control mechanism over treaty proportional business premium and claims which includes obtaining relevant information from ceding companies in support of periodic returns on random basis and performing ceding company wise analysis of treaty proportional business as well as checking compliance of the treaty terms. However, this needs consistency and continuity of the internal control system over the years.
2. We draw attention to notes 36.1 to 36.9 of the financial statements, which provide details regarding contingencies in respect of which decisions are pending.

Our opinion is not further modified in respect of the matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the Basis for Qualified Opinion section and Emphasis of Matters section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key Audit Matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1.	Revenue Recognition -Facultative premium earned	
	Refer notes 5.13 and 37 to the financial statements for accounting policies and details in respect of revenue recognition. The Company recognizes facultative premium earned from facultative reinsurance policies representing 68% of gross premium written.	Our audit procedures to address this matter included the following: <ul style="list-style-type: none"> • Obtained an understanding, including the design and implementation of internal controls over process of capturing, processing in and recording of facultative premium income.

S. No.	Key Audit Matters	How the matter was addressed in our audit
	We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be accurately recorded, recognized in the appropriate period and not properly disclosed in the financial statements,	<ul style="list-style-type: none"> Assessed the appropriateness of the Company's accounting policies for recording of facultative premiums in line with the requirements of applicable laws, accounting and reporting standards. Tested the policies on sample basis where policies were written close to the year-end and subsequent to the year-end, and evaluated that these were recorded in the appropriate accounting period. Tested the facultative premium recorded on sample basis to test the accuracy from the underlying policies issued to insurance contract holders. Recalculated the unearned portion of facultative premium and ensured that appropriate amount has been recorded as provision for unearned premium in liabilities.
2.	Valuation of outstanding claims including claims incurred but not reported	
	<p>Refer to notes 5.6 and 25 to the financial statements for accounting policy and details in respect to facultative claim liabilities.</p> <p>The Company's facultative claim liabilities represent approximately 44% of the Company's total liabilities, both Conventional and Re-takaful. Valuation of these liabilities involves significant judgment because it requires a number of assumptions to be made with high estimation uncertainty such as loss ratios, trend of historical claims and estimates of the frequency and severity of claims. Facultative claim liabilities are recognized on intimation of the insured event based on management judgment and estimate.</p>	<p>Our audit procedures to address this matter included the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the accounting policy for recording of facultative claims in line with the requirements of applicable laws and accounting and reporting standards. Obtained an understanding of the Company's policies including the design and implementation of internal controls over the capturing, processing and recording of information related to claims. Performed test of details and test of controls on a sample basis to evaluate whether the facultative claims settled during the year-end and outstanding at the year-end are appropriately recorded in accordance with the requirements of company surface regulations.

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The Company maintains provision for IBNR claims based on the advice of an independent actuary. The actuarial valuation process involves significant judgment and the use of actuarial assumptions.</p> <p>Based on the above factors, we have considered it as a key audit matter.</p>	<ul style="list-style-type: none"> Assessed the competence, capability and objectivity of the actuary involved by the Company to value IBNR reserves for facultative claims. Reviewed the valuation report of management actuary to: <ul style="list-style-type: none"> Understand the basis and methodology used for such valuation. Evaluate the completeness and accuracy of source data used for the purpose of valuation. Evaluated the adequacy of disclosures given on outstanding claims including IBNR as per the insurance regulations and applicable accounting and reporting standards.
3.	Investments and related income	
	<p>The Company's total investments, amounting to Rs. 23,912 million, form a substantial portion (35%) of Company's total assets, both Conventional and Re-takaful. Moreover, the Company's investment income (both taken in profit and loss account and other comprehensive income) amounting to Rs. 5,936 million, form 59% of Company's total comprehensive income, gross of tax. The Company's investment portfolio comprises of government debt securities, equity securities and mutual funds. Because of significant impact of investments on the Company's financial position, results and solvency requirement as well as estimates and judgments involved in valuation of investments, it is considered as an area of significant audit risk as part of our audit procedures, we include it in key audit matter section of our report.</p>	<p>Our audit procedures to address this matter included the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of the management's processes and evaluating the design and implementation of key controls for valuation and classification of investments and recognition of investment and its related income. Obtaining the external confirmations of security custodians to verify existence and completeness of the investment portfolio and comparing and reconciling the contents of the responses with the books and records of the Company. In cases where confirmations were not received, statements of custodians were used to assess whether number of scripts have been accurately recorded by the Company.

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>Refer to note 12 and 13 to the financial statements and the accounting policies in Note 5.2 for investment and note 42 for investment income.</p>	<ul style="list-style-type: none"> Assessing the methodologies used to determine fair values such as quoted market prices or discounted cash flow models and performing recalculation by using the data used in valuation to evaluate the accuracy of carrying value of investments. Ensuring that any fair value adjustments are accounted for in the other comprehensive income (OCI) or profit and loss account as appropriate. Reviewing the impairment testing procedures, particularly for unlisted shares, and verifying the adequacy of impairment losses recognized and ensure they have been properly recorded in accordance with the relevant financial reporting standards. Performing substantive testing by checking dividend receipts, dividend announcements, and related documents to ensure that dividends are recognized in accordance with the Company's accounting policies. Performing tests to ensure the correct application of the effective interest rate method for recognition of interest income on Pakistan Investment Bonds and treasury bills. Assessing the appropriateness of accounting policy adopted by the Company for compliance with the requirements of applicable financial reporting framework. Assessing the appropriateness of disclosures made in financial statements to ascertain whether these are in compliance with applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

The board of directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, the requirements of Insurance Ordinance, 2000, Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion, except for the effects of the matters described in basis for qualified opinion section of our report:

- a) proper books of account have been kept by the Company as required by Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017) and the SOE Act, 2023 and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



Chartered Accountants

Karachi:

Dated: April 07, 2025

UDIN: AK202410222JXqY7HFNq

PAKISTAN REINSURANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

		December 31, 2024	December 31, 2023
		(Rupees)	
ASSETS	Notes		
Property and equipment	7	935,839,100	668,689,565
Intangible assets	8	19,761,107	11,119,198
Right-of-use-asset	9	2,177,450,000	1,939,910,000
Assets in Bangladesh	10	-	-
Investment property	11	864,476,353	798,450,867
Investments			
Equity securities	12	6,991,912,935	4,183,710,394
Debt securities	13	16,801,859,292	14,135,590,216
		23,793,772,247	18,319,300,610
Loans and other receivables	14	873,898,168	543,679,299
Receivable from Sindh Revenue Board	15	2,573,888,727	2,573,888,727
Insurance / reinsurance receivables	16	9,663,385,890	16,621,465,847
Reinsurance recoveries against outstanding claims including IBNR	17	15,767,126,860	18,206,185,158
Deferred commission expense / acquisition cost	18	1,047,205,897	1,125,879,637
Taxation - payments less provision	19	6,955,327,497	11,900,386,846
Prepayments	20	3,235,526,667	3,159,742,699
Cash and bank balances		67,817,658,513	75,868,656,003
Total Assets From Window Re-Takaful Operations - Operator's Fund	21	1,262,305,527	1,018,749,110
Total Assets		69,079,964,040	76,887,405,713
EQUITY AND LIABILITIES			
Capital and reserves attributable to			
Company's equity holders			
Ordinary share capital	22	9,000,000,000	9,000,000,000
Reserves	23	4,124,511,880	2,809,633,576
Unappropriated profit		8,077,645,381	4,718,899,542
Total Equity		21,202,157,261	16,528,533,118
Revaluation surplus - net of tax	24	1,695,820,477	1,590,900,711
Liabilities			
Underwriting Provisions			
- Outstanding claims including IBNR	25	24,333,649,075	23,927,664,595
- Unearned premium reserves	26	10,621,849,438	16,235,915,813
- Unearned reinsurance commission	27	505,496,153	260,159,514
- Premium deficiency reserve		-	-
		35,460,994,666	40,423,739,922
Retirement benefit obligations	28	3,401,370,786	3,350,608,187
Taxation liabilities- provision less payments	29	533,241,570	603,729,663
Deferred taxables	30	2,945,023,429	1,434,851,979
Insurance / reinsurance payables	31	3,208,296,820	9,862,846,676
Lease liabilities	32	23,775,995	21,272,365
Unclaimed dividend	33	93,997,886	92,036,189
Other creditors and accruals	34	137,872,539	172,691,110
		10,343,678,725	15,538,068,044
Total Liabilities		45,804,673,391	58,511,832,770
Total Liabilities from Window Re-Takaful Operations - Operator's Fund	35	377,312,911	215,834,492
		46,181,986,302	58,747,672,262
Total Equity and Liabilities		69,079,964,040	76,887,405,713
Contingency(ies) and commitment(s)	36		

The annexed notes 1 to 62 form an integral part of these financial statements


Chairman


Director


Director


Chief Executive Officer


Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

		December 31, 2024	December 31, 2023
	Notes	(Rupees)	
Net insurance premium	37	10,854,927,767	9,323,453,350
Net insurance claims	38	(5,436,150,719)	(4,707,325,117)
Net commission and other acquisition costs	40	(1,073,782,937)	(949,366,578)
Premium deficiency reserve expense		-	12,526,427
Insurance claims and acquisition expenses		(6,509,933,656)	(5,644,165,268)
Management expenses	41	(2,019,607,343)	(1,572,158,796)
Reversal / (Provision) for doubtful debts	16	113,945,262	(216,799,192)
Underwriting results		<u>2,439,332,030</u>	<u>1,890,330,094</u>
Investment income	42	3,443,381,114	2,389,536,960
Rental income - net	43	149,961,507	148,543,674
Fair value gain on investment property		66,025,886	87,650,468
Other income	44	586,835,193	1,197,078,078
Other expenses	45	(30,762,419)	(611,958,117)
		<u>4,215,441,281</u>	<u>3,210,851,063</u>
Results of operating activities		6,654,773,311	5,101,181,157
Finance cost	46	(9,222,676)	(7,327,337)
Profit from Window Retakaful Operations	47	174,787,448	142,491,034
Profit before levies and income tax		<u>6,820,338,083</u>	<u>5,236,344,854</u>
Levies	48	(26,929,187)	-
Profit before income tax		<u>6,793,408,896</u>	<u>5,236,344,854</u>
Income tax	48.1	(3,015,094,041)	(2,171,096,737)
Profit for the year		<u><u>3,778,314,855</u></u>	<u><u>3,065,248,117</u></u>
Earnings (after tax) per share - Rupees	49	<u>4.20</u>	<u>3.41</u>

The annexed notes 1 to 62 form an integral part of these financial statements.

 Chairman
  Director
  Director
  Chief Executive Officer
  Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	December 31, 2024	December 31, 2023
	(Rupees)	
Notes		
Profit for the year	3,778,314,855	3,065,248,117
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit and loss account		
Unrealized Gain on available for sale investments	2,388,909,209	1,223,971,796
Deferred tax on unrealised gain on available for sale investments	(931,674,592)	(436,993,844)
Impact of change in tax rate	(122,167,489)	-
	1,335,067,128	786,977,952
Unrealized gain on available for sale investments - Window Retakaful Operations- net of tax	6,713,880	844,354
Deferred tax on gain on revaluation Unrealized gain on available for sale investments - Window Retakaful Operations	(2,618,404)	(278,637)
Impact of change in tax rate	(88,360)	(25,135)
	4,007,116	540,584
	1,339,074,244	787,518,536
Items that will not be reclassified subsequently to profit and loss account		
Actuarial loss on defined benefit obligations	297,660,663	355,480,078
Surplus on revaluation of property and equipment- net of tax	194,396,213	88,544,201
Surplus on revaluation of right of use asset- net of tax	437,706,392	456,457,334
Deferred tax on revaluation surplus	(246,520,016)	(179,850,508)
Deferred tax on revaluation surplus - effect of change in tax rate	(142,388,063)	(80,671,973)
	540,855,189	640,559,135
	1,879,929,433	1,428,077,671
Total comprehensive income for the year	5,658,244,288	4,493,325,788

The annexed notes 1 to 62 form an integral part of these financial statements.


Chairman
 
Director
 
Director
 
Chief Executive Officer
 
Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
OPERATING CASH FLOWS:		
Underwriting activities:-		
Premium received	31,660,102,471	33,922,730,451
Reinsurance premium paid	(21,112,265,257)	(23,815,288,864)
Claims paid	(8,109,320,928)	(7,061,557,439)
Reinsurance and other recoveries received	3,518,183,186	3,240,015,638
Commission paid	(2,376,286,109)	(2,538,836,707)
Commission received	1,076,512,252	1,665,990,194
Premium and claim reserves retained from retrocessionaires/withheld by ceding companies	-	-
Other underwriting payments (management expenses)	(1,642,292,456)	(1,576,998,633)
Net cash flows generated from underwriting activities	3,014,633,159	3,836,063,640
Other operating activities:		
Levies and income tax paid	(3,032,559,177)	(1,444,914,332)
Other operating payments	(52,215,291)	(13,757,520)
Other operating receipts	300,446,125	146,686,530
Advances to employees	10,767,465	(5,311,676)
Net cash used in other operating activities	(2,773,560,878)	(1,317,296,998)
Total cash flow generated from all operating activities	241,072,281	2,518,766,642
Investment activities		
Additions to property and equipments	(131,195,393)	(165,194,982)
Additions to Intangible assets	(8,864,079)	-
Payments for investment	(12,828,812,384)	(16,932,231,400)
Investment in re-takaful operations statutory fund	-	(300,000,000)
Rental income received - net of expenses	108,910,012	116,016,076
Dividend income received	427,074,939	260,285,730
Interest income on bank deposits	711,375,505	136,025,000
Investment income received - net of expenses	2,093,257,392	1,978,440,300
Proceeds from investments	10,366,565,375	13,189,126,328
Total cash flow from / (used) in investing activities	738,311,367	(1,717,532,857)
Financing activities		
Dividend paid	(898,038,300)	(671,615,827)
Payments of finance leases	(5,571,350)	(755,846)
Total cash used in financing activities	(903,609,650)	(672,371,673)
Net cash flows from all activities	75,773,998	128,862,112
Cash and cash equivalents at beginning of the year	3,159,752,669	3,030,890,557
Cash and cash equivalents at end of the year	3,235,526,667	3,159,752,669

V

PAKISTAN REINSURANCE COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

December 31, 2024 December 31, 2023
 ----- (Rupees) -----

Reconciliation to profit and loss account

Operating cash flows	241,072,281	2,518,010,796
Depreciation expense	(263,369,625)	(204,573,107)
Exchange gain	56,908,483	671,618,175
Rental income	149,961,507	148,543,674
Reinsurance recoveries against outstanding claims	(2,439,058,298)	3,785,475,847
Provision for outstanding claims	1,594,045,321	(4,671,259,163)
Provision for unearned premium	5,614,065,679	(4,188,205,437)
Prepaid reinsurance	(4,946,596,842)	2,959,881,375
Premium deficiency reserve	-	12,526,427
Provision for employee benefits	(348,423,232)	(75,288,675)
Dividend income	418,256,896	270,567,309
Investment income	321,736,050	189,838,585
Interest income	2,429,821,139	1,808,755,076
Amortization of premium	167,464,810	120,375,990
Gain on sale of investment	89,978,073	-
Amount due from other insurer - written off	-	601,678,637
Decrease in operating assets other than cash	(7,191,071,926)	(1,381,014,929)
(Decrease) in operating liabilities	7,718,201,142	1,082,008,908
	3,612,991,458	3,648,939,488

Other adjustments:

Levies and income tax paid	3,032,559,177	1,444,914,332
Profit before levies and income tax	6,645,550,635	5,093,853,820
Provision for taxation	(3,042,023,228)	(2,124,074,096)
Profit after taxation	3,603,527,407	2,969,779,124
Profit from Window Retakaful Operations - Operator's Fund	174,787,448	95,468,993
Profit after taxation for the year	3,778,314,855	3,065,248,117

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

Cash and cash equivalents:

Cash and others	866,385	676,987
Cash at bank	3,234,660,282	3,159,075,682
	3,235,526,667	3,159,752,669

The annexed notes 1 to 62 form an integral part of these financial statements.


 Chairman


 Director


 Director


 Chief Executive Officer


 Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Balance at January 01, 2023

Total comprehensive income attributable to Company's equity holders

Profit for the year
Unrealized gain on available for sale investments
Deferred tax on available for sale investments
Unrealized loss on available for sale investments -
Wieder-Rückstellung Operations net of tax
Restatement of defined benefit obligations - net of tax
Surplus on resolution of reserves and equipment
Surplus on resolution of risk of accident
Deferred tax on resolution surplus
Deferred tax on resolution surplus - effect of change in tax rate

Transfer on account of incremental depreciation - net of tax
Incremental Depreciation- Property and equipment
Incremental Depreciation- Right of use asset

Transaction with owners

Final cash dividend for the year 2022 @ 125% of 7.3%
CIGI @ 2.00% of 20% provision
Dividend of bonus shares 2022, Nil (CIGI @ 200%) per share
Balance at December 31, 2023

Balance at January 01, 2024

Total comprehensive income attributable to Company's equity holders

Profit for the year
Unrealized loss on available for sale investments
Deferred tax on available for sale investments
Deferred tax on available for sale investments - effect of change in tax rate
Unrealized gain on available for sale investments -
Wieder-Rückstellung Operations net of tax
Restatement of defined benefit obligations - net of tax
Surplus on resolution of property and equipment
Surplus on resolution of right of use assets
Deferred tax on resolution surplus
Deferred tax on resolution surplus - effect of change in tax rate

Transfer on account of incremental depreciation - net of tax
Incremental Depreciation- Property and equipment
Incremental Depreciation- Right of use assets

Reclassification adjustment relating to "Available-for-sale" investments

Transaction with owners

Final cash dividend for the year 2023 @ 100% of 10%
CIGI @ 4.25% of 10% provision
Balance at December 31, 2023

The original form is to be signed by all directors and the Chairman

Share capital	Reserve					Total reserve	Total equity
	Capital	Other	Revenue	Revenue	Revenue		
	Reserve for exceptional losses	Unrealized gain on available for sale investment	Revaluation surplus	General reserve	Unappropriated profit		
Rupees							
0/000000/000	281,000,000	897,118,324	1,421,277,556	(1,155,206,316)	1,886,715,217	5,321,407,863	84,321,407,863
-	-	1,223,471,796	-	-	3,065,248,116	3,065,248,116	3,065,248,116
-	-	(436,933,844)	-	-	(436,933,844)	(436,933,844)	(436,933,844)
-	-	541,584	-	-	541,584	541,584	541,584
-	-	-	30,444,254	-	30,444,254	30,444,254	30,444,254
-	-	456,457,334	-	-	456,457,334	456,457,334	456,457,334
-	-	(1,718,554,568)	-	-	(1,718,554,568)	(1,718,554,568)	(1,718,554,568)
-	-	(8,001,527)	-	-	(8,001,527)	(8,001,527)	(8,001,527)
-	-	167,338,536	285,019,107	-	3,420,728,194	4,493,325,787	4,493,325,787
-	-	-	(12,574,925)	-	12,574,925	-	-
-	-	-	(93,781,624)	-	93,781,624	-	-
-	-	-	(23,356,245)	-	116,356,245	-	-
-	-	-	-	-	167,338,536	167,338,536	167,338,536
5,000,000/000	281,000,000	1,384,071,060	1,590,006,034	1,135,296,316	4,748,300,910	9,139,734,420	85,419,734,420
-	-	1,388,909,289	-	-	5,776,314,855	5,776,314,855	5,776,314,855
-	-	(931,674,592)	-	-	(931,674,592)	(931,674,592)	(931,674,592)
-	-	(132,167,489)	-	-	(132,167,489)	(132,167,489)	(132,167,489)
-	-	4,007,116	-	-	4,007,116	4,007,116	4,007,116
-	-	-	194,396,213	-	194,396,213	194,396,213	194,396,213
-	-	-	437,706,392	-	437,706,392	437,706,392	437,706,392
-	-	-	(246,528,016)	-	(246,528,016)	(246,528,016)	(246,528,016)
-	-	-	(142,388,263)	-	(142,388,263)	(142,388,263)	(142,388,263)
-	-	1,375,874,244	243,194,226	-	4,075,975,215	5,695,144,185	5,695,144,185
-	-	-	(13,276,578)	-	13,276,578	-	-
-	-	-	(925,797,143)	-	925,797,143	-	-
-	-	-	(137,374,893)	-	137,374,893	-	-
-	-	(15,485,748)	-	-	68,495,748	-	-
-	-	-	-	-	998,810,886	998,810,886	998,810,886
1,000,000/000	281,000,000	1,708,218,564	1,655,526,877	1,135,796,316	5,815,428,861	11,897,277,538	12,897,277,538

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at PRC Towers, 32-A, Lalazar Drive, Maulvi Tamizuddin Khan Road, Karachi, Pakistan.

Other geographical locations include:

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

3 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, General Takaful Accounting Regulations, 2019, Takaful Rules, 2012, State Owned Enterprises (Governance and Operations) Act, 2023 and Companies Act, 2017.

In case requirements differ, the provisions or directives of the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, General Takaful Accounting Regulations, 2019, Takaful Rules, 2012, State Owned Enterprises (Governance and Operations) Act, 2023 and Companies Act, 2017 shall prevail.

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

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

4 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2024

There are certain new standards, amendments and interpretations that are applicable for accounting periods beginning on or after 1 January 2024, that are considered not to have a material impact on the Company's financial statements.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

Amendment or Improvement	Effective date (annual periods beginning on or after)
Lack of Exchangeability (amendments to IAS 21)	January 01, 2025
Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 01, 2026
IFRS-17- Insurance Contracts	January 01, 2026
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	Not yet finalized

Temporary Exemption from Application of IFRS 9

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

4.3 Temporary exemption from IFRS 17 and IFRS 9

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I) / 2023 dated 21 November 2023 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance / takaful and re-insurance / re-takaful business from financial years commencing on or after 01 January 2026.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of SRO 1715 will also be required to adopt requirements of IFRS-9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

4.4 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at December 31, 2024:

i)	IFRS 1	First-time Adoption of International Financial Reporting Standards
ii)	IFRS 17	Insurance Contracts
iii)	IFRS 18	Presentation and Disclosure in the Financial Statements
iv)	IFRS 19	Subsidiaries without Public Accountability
v)	IFRIC 12	Service Concession Arrangement

5 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below and are consistent with those of the previous financial years.

5.1 Insurance contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

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

In addition to direct insurance, at times the Company also participates in risks under co-insurance from other companies and also accepts risks through reinsurance inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Company.

The Company neither issues investment contracts nor does it issue insurance contracts with Discretionary Participation Features (DPF).

5.1.1 Premiums

Premium written under a policy is recognized as income over the period of insurance from the date of issuance of the policy to which it relates to its expiry. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk.

Treaty is being carried out under the regulations 1978 as the data received is on prescribed forms (returns) therein. Due to the regulations being outdated (enacted decades before Insurance ordinance 2000 and insurance rules 2017), PRCL is completely relied on returns.

Provision for unearned premium

The portion of premium written relating to the unexpired period of coverage is recognized as unearned premium by the Company. The unearned portion of premium income is recognized as a liability. For treaty business the liability is calculated by applying 1/8 method and for facultative business over the period of insurance from the date of issuance of the policy to which it relates to its expiry.

5.1.2 Reinsurance contracts

The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the accepted reinsurance business being reinsured.

Reinsurance liabilities represent balances due to reinsurance companies. Amount payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balance due from reinsurance companies. Amount recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related insurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contracts are not offset against the expenses or income from related insurance contracts. Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired.

The Company assesses its reinsurance assets for impairment on reporting date. If there is an objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the statement of profit or loss.

5.1.3 Receivables and payables related to insurance contracts

Receivables including premium due but unpaid, relating to insurance contracts are recognized when due. The claim payable is recorded when intimation is received. These are recognized at cost, which is the fair value of the consideration given less provision for impairment losses, if any. Premium received in advance is recognized as liability till the time of issuance of insurance contract there against.

5.1.4 Reinsurance recoveries against outstanding claims

Claims recoveries receivable from the reinsurer are recognized as an asset at the same time as the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

5.1.5 Commission

Commission and other acquisition costs incurred in obtaining and recording on direct, facultative and reinsurance cessions have been deferred and recognized as assets and liability as under:

a) Commission income

The revenue recognition policy for commission from reinsurer is given under note 5.12.2.

b) Deferred commission expense

Commission expenses are deferred and recognized as an asset in correlation with pattern of recognition of premium revenue.

Other acquisition are charged to statement of profit and loss account at the time policies are accepted.

5.1.6 Premium deficiency reserve

The Company is required to maintain a provision in respect of premium deficiency for the individual class of business where the unearned premium liability is not adequate to meet the expected future liability, after reinsurance, from claims and other supplementary expenses expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. The movement in the premium deficiency reserve is recognized as an expense in the profit or loss account. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims.

The management considers that the unearned premium reserve for all classes of business as at the year end is adequate to meet the expected future liability after reinsurance, from claims and other expenses, expected to be incurred after the reporting date in respect of policies in those classes of business in force at the reporting date. Hence, no reserve for the same has been made in these financial statements.

5.2 Investments

5.2.1 Recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs, except for held for trading investments in which case transaction costs are charged to the Statement of profit or loss account. These are recognized and classified as follows:

- Held-for-trading;
- Held-to-maturity; and
- Available-for-sale.

5.2.2 Measurement

a) Held for trading

Investments which are designated as held for trading upon initial recognition.

After initial recognition, the above investments are remeasured at fair value determined with reference to the rates prevailing in the stock exchange, where applicable. Gains or losses on remeasurement of these investments are recognized in statement of profit and loss account.

b) Held to maturity

Investments with fixed maturity and fixed income investments, where management has both the intent and the ability to hold to maturity, are classified as held-to-maturity. After initial recognition, these are carried at amortized cost less provision for impairment loss, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition using effective yield method.

c) Available for sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as:

- (a) loans and receivables
- (b) held-to-maturity investments or
- (c) financial assets at fair value through profit or loss

5.2.3 Quoted securities - subsequent measurement

Subsequent to initial recognition, quoted investments are stated at market value for available for sale investments and fixed income investments redeemable at a given date and where the cost is different from the redemption value, require such difference to be amortized uniformly between the date of acquisition and the date of maturity. The Company uses stock exchange quotations at the reporting date to determine the market value.

5.2.4 Unquoted securities

Unquoted investments are recorded at cost less impairment loss (if any).

5.2.5 Impairment

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available for sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

5.2.6 Date of recognition

Regular way purchase and sale of investments that require delivery within the time frame established by regulations or market convention are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sell the investment.

5.3 Investment property

Investment property is stated at fair value, which reflects market conditions at the reporting date. Gain or loss on re-measurement of investment property at fair value is recognized in statement of other comprehensive income. Fair value is evaluated annually by an independent professional value. Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized as income in the period of de-recognition. Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains or losses on disposal of investment property, if any, are included in income currently.

5.4 Liability adequacy test

At the end of each reporting year, the Company assesses whether its recognized insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of estimated future cash flows, the entire deficiency is immediately recognized in the statement of profit or loss.

5.5 Commission expense, other acquisition costs and commission income

Commission expense and other acquisition costs are charged to the statement of profit and loss account at the time the policies are accepted. Commission income from reinsurers is recognized at the time of issuance of the underlying insurance policy by the Company. This income is deferred and brought to accounts as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit commission, if any, which the Company may be entitled to under the terms of reinsurance, is recognized on accrual basis.

5.6 Provision for outstanding claims including IBNR

A liability is recognized for outstanding claims incurred up to the reporting date and is considered to be incurred at the time of incident giving rise to the claim. Unpaid reported claims are based on prescribed statutory returns submitted by the ceding companies. Outstanding claims reserve and claims incurred but not reported (IBNR) to the Company up to the reporting date are recorded on the basis of actuarial valuation, results of which have been recognized in the financial statements. The above liability is measured at undiscounted value and includes expected settlement costs. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates and provision for those claims which are incurred and not reported as at reporting date are made on the basis of specified guidelines issued by the Securities and Exchange Commission of Pakistan, according to which the Company should record those claims which are incurred but not reported on the basis of collection of data of IBNR claims reserves from the ceding companies (non-life insurers) in accordance with the share of Company on account of facultative and treaty business.

5.7 Prepaid reinsurance ceded

Reinsurance premium is recognized as an expense evenly over the period of the underlying policies. The portion of reinsurance premium not yet recognized as expense is recognized as prepayment.

5.8 Staff retirement benefits

5.8.1 Gratuity and pension scheme

The Company operates approved funded gratuity scheme and pension scheme for all its permanent employees who are entitled to the scheme. The Company makes contributions or record liability in respect of defined benefit plans on the basis of actuarial valuations, carried out annually by independent actuaries and in line with the provisions of the Income Tax Ordinance, 2001. The latest actuarial valuations were carried out as of December 31, 2024 using the Projected Unit Credit Method based on the significant assumptions stated in relevant note for valuation of the funds.

5.8.2 Pension fund

The Company operates a defined benefit plan, a funded pension scheme for its employees and officers eligible for the pension scheme and payments are made annually to the extent allowed under the Income Tax Rules, 2002 to meet the obligations there-under on the basis of actuarial valuation. Liability for the fund is based on the advice of appointed actuary.

5.8.3 Provident fund

The Company contributes to a provident fund scheme which covers all permanent employees. Equal contributions are made both by the Company and the employees to the fund at the rate of 10 percent of basic salary.

5.8.4 Compensated absences

The Company accounts for all accumulated compensated absences when the employees render service that increases their entitlement to future compensated absences based on actuarial valuation.

The Company makes periodic provisions in the financial statements for its liability towards defined encashment of leaves up to maximum of 365 days in respect of leave preparatory to retirement (LPR) on the basis of basic pay. The liability is estimated on the basis of actuarial advice under the Projected Unit Credit method carried out by a qualified actuary.

5.8.5 Post retirement medical benefits

The Company operates post retirement medical benefit plan and recognizes liability for post retirement medical facilities in respect of its eligible employees in accordance with requirements of IAS - 19 (Revised).

5.9 Taxation

Income tax expense comprises current and deferred tax. Taxation is recognized in statement of profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

5.9.1 Current

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for taxation is based on taxable income at the current rates of tax after taking into account applicable tax credits, rebates and exemptions available, if any.

5.9.2 Deferred

Deferred tax is accounted for using the balance sheet liability method, in respect of temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is utilized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the statement of profit and loss account except in the case of items credited or charged to equity in which case it is included in equity.

5.9.3 Levies

Tax charged under the Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the income tax amount calculated based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss in accordance with the "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by Institute of Chartered Accountant of Pakistan (ICAP).

5.10 Property and equipment

Operating fixed assets except leasehold lands (other than land of PRC House and PRC Building, which has not been bifurcated) are stated at fair value less accumulated depreciation calculated on written down values and accumulated impairment losses thereon. Leasehold land is stated at cost.

Depreciation is charged to income applying the reducing balance method. The rates of depreciation are stated in note 7.1 to the financial statements.

Depreciation on additions during the financial year is charged from the month in which asset is available for use whereas no depreciation is charged from the month in which the asset is disposed off. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The assets residual value and useful life are continuously reviewed by the Company and adjusted if impairment or depreciation is significant.

Maintenance and normal repairs are charged to Statement of profit and loss account as and when incurred. Major renewals and improvements are capitalized and assets so replaced, if any are retired.

Gains and losses on disposal of fixed assets, if any, are included in other income.

In case of Right of use assets, depreciation is charged over lower of useful life and lease term. The calculation of useful life is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

5.11 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss. All expenditure including borrowing costs connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to operating fixed assets as and when these are available for use.

5.12 Revaluation Surplus

The revaluation of PRC Tower (Building), PRC House (Building) and PRC House (Leasehold land) is carried out with sufficient regularity to ensure that the carrying amounts of the assets does not differ materially from their fair values. Any revaluation increase in the carrying amounts of assets is recognized, net of tax, in other comprehensive income, and presented as separate component of equity, except to the extent that it reverses a revaluation decrease/deficit for the same asset previously recognized in profit and loss account, in which case the increase is first recognized in profit and loss account to the extent of the decrease previously charged. Any decrease, that reverses previous increase of the assets, is charged first to other comprehensive income to the extent of remaining surplus attributable to those assets, all other decreases are charged to profit and loss account. Each year, the difference between the depreciation based on the revalued carrying amount of the assets charged to profit and loss account and depreciation based on the assets' original cost, net of tax, is transferred from revaluation surplus directly to unappropriated profit in the statement of changes in equity. Also amount of revaluation surplus, relating to assets derecognized, is transferred from revaluation surplus directly to unappropriated profit in the statement of changes in equity in the period of derecognition.

5.13 Revenue recognition

5.13.1 Premium

Premium received / receivable under a policy are recognized evenly over the period of underlying policies or in accordance with the pattern of reinsurance service provided. Where the pattern of incidence of risk varies over the period of the policy, the premium is recognized as an income in accordance with the pattern of incidence of risk.

Revenue from premium is based on prescribed statutory returns submitted by the ceding companies. Premiums are taken to income, after (i) deducting reinsurance and (ii) adjusted for provision for unearned premium.

Premium recognition in case of co-insurance or pool arrangements is restricted to the Company's share only.

5.13.2 Commission income

Commission income is being taken to the statement of profit and loss account on a time proportion basis in accordance with the pattern of recognition of reinsurance premium.

5.13.3 Investment income

- Gain / loss on sale of investments is taken to the statement of profit and loss account in the year of sale.
- Profit / Interest income on investments securities are recognized on effective interest method.
- Gains or losses on remeasurement of investments recognised as held for trading are recognized in the statement of profit and loss account.
- Dividend income is recognized when the right to receive such dividend is established.

5.13.4 Rental income

Rentals from investment properties are recognized over the term of the lease.

5.13.5 Other income

Profit on bank deposits is recognized on a time proportion basis taking into account the effective yield.

5.14 Management expenses

Management expenses allocated to the underwriting business represent directly attributable expenses and indirect expenses allocated on the basis of net premium revenue under individual business.

5.15 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the statement of profit and loss account.

5.16 Foreign currency translations

Transactions in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing on the date of transactions. Significant exchange rates applied during the year are provided in relevant note. Non-monetary assets and liabilities are translated into Pakistani Rupees using exchange rates prevalent on transaction date. Exchange differences on foreign currency translations are included in the statement of profit and loss account currently.

5.17 Impairment of assets

Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

If a decline in fair value is significant or prolonged, then there is objective evidence of impairment, regardless of how long management intends to hold the investment.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

11

Non-financial assets

The carrying amounts of Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit and loss account. A previously recognized impairment loss is reversed only if there has been change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement profit and loss account.

5.18 Cash and cash equivalents

Cash and cash equivalents are carried at amortized cost. They comprise (a) cash in deposit accounts with banks (b) cash (and cheques) in hand, in transit and at banks in current accounts (c) stamps in hand and (d) term deposits maturing within 12 months.

5.19 Off setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.20 Segment reporting

For management purposes, the Company is organized into six departments which deal with specific type of insurance policies. These departments are business segments for financial reporting purposes. Moreover, there are 'treaty arrangement' under each department and is treated as a separate segment. Thus the Company has seven segment - fire, marine cargo, marine hull, accident and others, aviation, engineering and treaty.

These segments are the basis on which the Company report its primary segment information. Other operations of the Company comprises investment in securities and in properties. The Company operates in Pakistan only. There are no transactions between segments.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

5.21 Provision for doubtful debts

Receivables under insurance contracts are recognized when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. Provision for impairment of premium receivables is established when the chances of recovery are less. Receivables are also analyzed as per their ageing and accordingly provision is maintained on a systematic basis. The provision is made while taking into consideration of expected recoveries, if any.

5.22 Financial instruments

Financial instruments carried on the statement of financial position include cash and bank deposits, loans, investments, amounts due from / to other insurers / reinsurers, premium and claim reserves retained from / by retrocessionaires / cedants, accrued investment income, sundry receivables, provision for outstanding claims, long term deposits, other creditors and accruals, retention money payable, dividend payable and surplus profit payable.

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets, and in the case of financial liabilities, when the obligation specified in the contract is discharged, cancelled or expired. At the time of initial recognition, all financial assets and financial liabilities are measured at cost, which is the fair value of the consideration given or received for it. Any gain or loss on derecognition of financial assets and financial liabilities is taken to income directly.

5.23 Dividend and other appropriations

Dividend and appropriation to reserves are recognized as liability in the Company's financial statements in the year in which these are approved.

5.24 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. However, there were no dilutive potential ordinary shares in issue at December 31, 2024.

5.25 Leases

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly lease properties for its operations and recognizes a right-of use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of the right-of-use asset or end of lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate of the Company. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term and low value assets. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term.

5.26 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Amortization is calculated on a straight-line basis over the estimated useful life of the asset.

5.27 Change in accounting policy regarding presentation of levies, final tax and minimum tax

During the year the Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance- "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levies instead of showing it in current tax.

The Company has adopted the above guidance by making necessary changes in its accounting policies and the impact of same has been duly incorporated in the these financial statements in the current year, however, there is no impact of same in corresponding figures as in the previous year the Company was subject to normal tax and there was no income subject to final taxes earned by the Company. Whereas in the current year, had there been no change the profit before tax for the current year would have been higher by Rs 26,929,186 due to levies-final taxes of Rs 26,929,186 and provision for taxation would be higher by Rs 26,929,186 and there would have been no caption of levies in profit or loss account. Furthermore, except for change in captions of levies and taxation in the statement of financial position and statement of cashflows, there is no effect of same on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the requirements of the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The judgments, estimates and 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 estimates 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.

Significant areas where assumptions and estimates were exercised in application of accounting policies relate to:

6.1 Classification of investments

In classifying investments as held to maturity, the Company has determined financial assets with fixed or determinable payments and fixed maturity. In making this judgment, the Company evaluates its intention and ability to hold such investment to maturity.

In classifying investments as held for trading, the Company has determined securities, which are acquired with the intention to trade, taking advantage of short-term market / interest rate movements.

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available for sale. Subsequent to the initial recognition at cost, quoted investments are stated at market value. Unquoted investments are stated at cost less impairment losses, if any.

6.2 Income tax

In making the estimates for income taxes currently payable by the Company, the management looks, at the current income tax laws and the decision of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Company's future taxable profits are taken into account.

6.3 Property and equipment / right-of-use asset

In making estimates of the depreciation method, the management uses method which reflects pattern in which economic benefits are expected to be consumed by the Company. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method would be changed to reflect the change in pattern.

6.4 Impairment of available for sale investments

The Company determines that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged, requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

6.5 Premium deficiency reserve

The Company carries out an analysis of loss / combined ratios for the expired period, such ratio being calculated after taking into account the relevant IBNR provision for the determination of premium deficiency reserve for each class of business.

6.6 Outstanding claims including incurred but not reported (IBNR)

The Company estimates the liability for claims, which include amounts relating to unpaid, reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates and provision for those claims which are incurred and not reported as at the reporting date are made on the basis of specified guidelines issued by the Securities and Exchange Commission of Pakistan through letter no. ID/PRDD/IBNR/2017/9695 dated May 30, 2017, which states that Company should record those claims which are incurred but not reported on the basis of collection of data of IBNR claims reserves from the ceding companies (non-life insurers) in accordance with the share of Company on the account of facultative and treaty business.

6.7 Reinsurance

The Company is exposed to disputes with, and possibility of defaults by, its reinsurers. The Company monitors on a quarterly basis the evolution of disputes with and the strength of its reinsurers.

6.8 Provisions

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

6.9 Unearned premium reserve

The Company's estimate of the unearned premium reserve is based on current insurance industry practices in Pakistan and the directives issued by the Securities and Exchange Commission of Pakistan.

7. PROPERTY AND EQUIPMENT

Operating Fixed Assets
Capital work in progress PRC Tower

Note	December 31, 2024	December 31, 2023
7.1	827,634,889	642,119,354
7.2	108,204,211	26,570,211
	<u>935,839,100</u>	<u>668,689,565</u>

7.1 Operating fixed assets

OWNED										LEASED		Total
Building		Furniture and fixtures, office equipment, books and computer equipment				Electrical installation, air-conditioning and lifts			Motor vehicles	Leasehold land		
PRC Tower	PRC House*	Furniture and fixtures	Office equipments	Books	Computer equipments	Electrical installations	Air-conditioning	Lifts		PRC House*	PRC Towers**	

Rs. in Lakhs

Net carrying value basis
Year ended December 31, 2024

Opening net book value	207,046,071	11,474,603	17,328,492	34,851,685	185,448	35,721,325	2,764,921	1,593,957	37,226,005	43,902,725	149,840,900	223,622	642,119,354
Addition (at cost)	-	769,761	562,309	1,953,931	-	35,417,020	-	-	3,106,382	7,752,009	-	-	49,561,393
Revaluation surplus	167,939,383	84,839	-	-	-	-	-	-	-	-	26,372,600	-	194,396,213
Depreciation charge	(10,352,304)	(609,937)	(1,778,302)	(5,357,904)	(18,548)	(9,800,174)	(582,946)	(318,792)	(3,821,814)	(9,935,145)	(12,192,000)	-	(58,441,071)
Closing net book value	<u>364,633,150</u>	<u>11,719,256</u>	<u>16,112,499</u>	<u>31,447,712</u>	<u>166,903</u>	<u>62,335,171</u>	<u>2,211,937</u>	<u>1,275,165</u>	<u>32,310,593</u>	<u>41,678,589</u>	<u>263,720,680</u>	<u>223,622</u>	<u>827,634,889</u>

Gross carrying value basis
Year ended December 31, 2024

Cost / revalued amount	364,633,150	11,719,256	30,134,079	45,975,333	667,886	114,050,233	15,549,766	13,676,052	57,598,669	71,482,611	271,575,421	223,622	1,007,281,095
Accumulated depreciation	-	-	(14,021,558)	(14,527,621)	(500,983)	(51,915,062)	(13,337,829)	(22,400,887)	(25,288,157)	(29,803,641)	(7,854,741)	-	(179,648,209)
Closing net book value	<u>364,633,150</u>	<u>11,719,256</u>	<u>16,112,499</u>	<u>31,447,712</u>	<u>166,903</u>	<u>62,135,171</u>	<u>2,211,937</u>	<u>1,275,165</u>	<u>32,310,593</u>	<u>41,678,589</u>	<u>263,720,680</u>	<u>223,622</u>	<u>827,634,889</u>
Depreciation rate (% per annum)	5%	5%	10%	15%	10%	20%	20%	20%	20%	20%	5%	-	-

*This represents lease hold land and Building of 1,388 Square Yards located at House No. 30-B, Lofazar Drive, Marshi Tarunachin Khan Road, Karachi.

**This represents lease hold land of 2,916 Square Yards located at Plot No. 32-A, Lofazar Drive, Marshi Tarunachin Khan Road, Karachi.

OWNED										LEASED		Total
Building		Furniture and fixtures, office equipment, books and computer equipment				Electrical installations, air-conditioning and lifts			Motor vehicles	Leasehold		
PRC Tower	PRC House*	Furniture and fixtures	Office equipment	Books	Computer equipment	Electrical installations	Air-conditioning	Lifts		PRC House*	PRC Towers**	

Amount in Rupees

Net carrying value basis
Year ended December 31, 2023

Opening net book value	188,742,292	3,838,802	4,615,799	208,054	22,328,420	466,598	1,241,819	11,098,978	12,460,761	198,927,215	223,622	-	418,088,117
Addition (at cost)	550,700	14,671,354	10,991,375	-	20,649,106	2,989,883	843,195	25,979,080	40,573,000	92,300	-	-	148,932,073
Transfer from Investment Property to Property and Equipment*	-	18,940,000	-	-	-	-	-	-	-	-	-	-	18,940,000
Revaluations	27,204,448	534,603	-	-	-	-	-	-	-	80,888,133	-	-	88,594,284
Depreciation charge for the year	(9,430,869)	-	(1,201,924)	(2,715,649)	(20,650)	(7,156,201)	(681,239)	(291,257)	(3,449,050)	(8,973,536)	(9,984,668)	-	(44,554,968)
Closing net book value	207,046,071	11,474,603	17,328,492	185,404	22,322,325	2,354,921	1,303,957	37,726,035	43,862,715	219,840,000	213,632	-	647,119,354

Gross carrying value basis
Year ended December 31, 2023

Cost / revalued amount	250,545,877	11,474,603	29,571,778	44,021,402	667,305	78,631,213	13,549,766	23,676,052	54,482,278	63,726,821	279,603,661	223,622	840,799,779
Accumulated depreciation	(46,925,806)	-	(12,243,286)	(9,169,712)	(481,058)	(62,910,888)	(11,784,845)	(22,942,015)	(17,266,273)	(19,867,798)	(20,963,661)	-	(204,680,425)
Closing net book value	207,046,071	11,474,603	17,328,492	34,851,690	185,404	22,322,325	2,354,921	1,303,957	37,726,035	43,862,715	259,840,000	223,632	647,119,354
Depreciation rate (% per annum)	5%	5%	10%	15%	10%	20%	20%	20%	28%	2%	-	-	

*This leasehold land of 1,388 Square Yards are located at House No. 30-85, Lalazar Drive, Market Tarnadarah Khan Road, Karachi.

**This leasehold land of 7,918 Square Yards are located at Plot No. 32-A, Lalazar Drive, Market Tarnadarah Khan Road, Karachi.

7.1.1 Computer equipment includes servers and related management licenses amounting to Rs.33,862,952 maintained by M/s OCS (Pvt) Limited for data backup and disaster recovery.

7.1.2 Fair value measurement

The fair value of Land and Building is determined by Iqbal A. Naejee & Company (Private) Ltd which is an external, independent property valuers having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued and also registered with Pakistan Bar Council. The fair value of land are based on assumptions considered to be in level 3 i.e., inputs other than quoted prices included within level 3 that are not observable either directly or indirectly.

		December 31, 2024	December 31, 2023
	Note	(Rupees)	
7.1.3	Had there been no revaluation of operating fixed assets, the carrying value of the assets would have been as follows:		
Building - PRC Tower		9,785,871	10,300,917
Building - PRC House		11,126,553	10,940,000
Leasehold Land - PRC House		1,874,537	1,973,196
		<u>22,786,960</u>	<u>23,214,113</u>
7.2	Capital Work-In-Progress		
Civil works	7.4.1	88,641,424	23,131,568
Advances to suppliers		19,562,787	3,438,643
		<u>108,204,211</u>	<u>26,570,211</u>
7.2.1	The movement in capital work in progress PRC Tower is as follows:		
Balance at beginning of the year		23,131,568	23,131,568
Additions during the year		65,509,856	-
Closing balance		<u>88,641,424</u>	<u>23,131,568</u>
7.2.2	This pertains to renovation work being carried at PRC Towers from the 11th Floor to the 14th Floor		
7.3	Forced sales value		
Building- PRC tower		291,706,520	213,600,000
Building- PRC house		9,375,405	9,179,682
Leasehold land- PRC House		210,976,000	199,872,000
		<u>512,057,925</u>	<u>422,651,682</u>
8	INTANGIBLE ASSETS		
Computer Software	8.1	1,279,976	502,146
Capital work in progress- Computer Software	8.2	18,481,131	10,617,052
		<u>19,761,107</u>	<u>11,119,198</u>
8.1	INTANGIBLE ASSETS-COMPUTER SOFTWARE		
Opening balance		502,146	627,682
Additions during the year		1,000,000	-
Amortization		(222,170)	(125,536)
Closing balance		<u>1,279,976</u>	<u>502,146</u>
Rate of amortization		<u>-----20%-----</u>	
8.2	The movement in capital work in progress - computer software is as follows:		
Balance at beginning of the year		10,617,052	10,083,343
Additions during the year		7,864,079	533,709
Balance at end of the year	8.3	<u>18,481,131</u>	<u>10,617,052</u>
8.3	This pertains to implementation of ERP (Enterprise resources planning) and development of customized system solution which includes Reinsurance, Administration, Human Resource, Audit, Accounting and Finance, Investment, Corporate Affairs and Retakaful modules.		

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		December 31, 2024	December 31, 2023
	Note	(Rupees)	
9 RIGHT-OF-USE-ASSETS			
9.1 Assets - Leasehold land			
Net carrying value basis			
Opening net book value		1,939,910,000	1,639,605,577
Modification made during the year		4,538,993	-
Revaluation gain during the year		437,706,392	456,457,334
Depreciation for the year	9.2	(204,705,385)	(156,152,911)
Closing net book value		<u>2,177,450,000</u>	<u>1,939,910,000</u>
Gross carrying value basis			
Cost / revalued amount		2,700,234,053	2,257,988,668
Accumulated depreciation	9.2	<u>(522,784,053)</u>	<u>(318,078,668)</u>
		<u>2,177,450,000</u>	<u>1,939,910,000</u>
9.2 Accumulated depreciation			
Balance at beginning of the year		318,078,668	161,925,757
Depreciation for the year		204,705,385	156,152,911
Balance at end of the year		<u>522,784,053</u>	<u>318,078,668</u>
9.3	The Company has entered into lease arrangement with Karachi Port Trust (KPT) for lease of land. The remaining lease term (useful life) of the right of use asset is 8.5 years. (2023: 9.5 years)		
9.4	Had there been no revaluation of right-of-use-asset, the carrying value would have been Rs. 14,703,898 (2023: Rs. 11,924,203).		
10 ASSETS IN BANGLADESH - NET			
Assets and Liabilities in Bangladesh comprise of:			
Assets			
Fixed assets			
Land and building		8,608,000	8,608,000
Furniture and fixtures		4,000	4,000
		<u>8,612,000</u>	<u>8,612,000</u>
Investments			
Stock and shares		7,112,000	7,112,000
Debentures		250,000	250,000
		<u>7,362,000</u>	<u>7,362,000</u>
		15,974,000	15,974,000
Liabilities			
Outstanding claims	25	(4,952,000)	(4,952,000)
Other liabilities		(809,000)	(809,000)
		<u>(5,761,000)</u>	<u>(5,761,000)</u>
		10,213,000	10,213,000
Provision for loss on net assets in Bangladesh		<u>(10,213,000)</u>	<u>(10,213,000)</u>
		<u>-</u>	<u>-</u>

		December 31, 2024	December 31, 2023
	Note	(Rupees)	
11 INVESTMENT PROPERTY			
Opening net book value		798,450,467	722,274,602
Transfer to property and equipment		-	(11,474,603)
Unrealized fair value gain		66,025,886	87,650,468
Closing net book value	11.1	<u>864,476,353</u>	<u>798,450,467</u>

11.1 Investment property comprises of the following:

PRC Building, Kassim Quarters Karachi	7,257,290	6,724,654
Electrical installations	47,174	47,174
Air conditioning plant	67,158	67,158
Lifts	52,331	52,331
	<u>7,423,953</u>	<u>6,891,317</u>
Lease hold land- Kassim Quarters Karachi	289,250,000	267,000,000
PRC Towers, Karachi	567,802,400	524,559,150
PRC House	-	10,940,000
PRC House transfer to Property and Equipment*	-	(10,940,000)
	<u>857,052,400</u>	<u>791,559,150</u>
	<u>864,476,353</u>	<u>798,450,467</u>

* During the preceding year this has been transferred to Property and Equipment for the official use

11.2 Forced sales value

Owned

PRC Building, Kassim Quarters Karachi	5,805,832	5,379,724
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Leased

Lease hold land- Kassim Quarters Karachi	231,400,000	213,600,000
PRC tower	454,241,920	419,647,320
	<u>685,641,920</u>	<u>633,247,320</u>
	<u>691,447,752</u>	<u>638,627,044</u>

11.3 The Company uses revaluation model for its buildings and Lands. Investment property is remeasured at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains or losses arising from changes in the fair value of investment property must be included in net profit or loss for the period in which it arises. Where a property has previously been measured at fair value, it should continue to be measured at fair value until disposal, even if comparable market transactions become less frequent or market prices become less readily available.

11.4 The fair value of land and building is determined by Iqbal A. Nanjee & Co. Private Limited which is an external, independent property valuers having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued and also registered with Pakistan Bankers Association.

11.5 The fair value of the investment properties has been categorized as a Level 3 fair value (based on the inputs to the valuation techniques used) and which is considered as highest and best use of investment property.

12 INVESTMENTS IN EQUITY SECURITIES

		2024				2023			
		Cost	Impairment	Unrealized gain	Carrying amount	Cost	Impairment	Unrealized gain	Carrying amount
Note		Rupees							
Available for sale									
Related parties									
Listed shares	12.1	88,518,391	-	2,078,539,011	2,167,057,402	88,518,391	-	989,869,208	1,078,387,598
Unlisted shares	12.2	1,235,842	(618,227)	-	617,615	1,235,842	(618,227)	-	617,615
Mutual funds	12.3	800,000,000	-	363,470,509	1,163,470,509	800,000,000	(170,415,673)	-	629,584,327
		889,754,233	(618,227)	2,442,009,520	3,331,145,526	889,754,233	(171,033,900)	989,869,208	1,708,589,540
Others									
Listed shares	12.4	406,711,624	-	1,195,898,895	1,602,610,520	421,480,105	-	866,489,478	1,287,969,583
Unlisted shares	12.5	1,372,264	(1,372,264)	-	-	1,372,264	(1,372,264)	-	-
Mutual funds	12.6	792,441,114	-	791,605,214	1,584,046,328	792,488,811	-	187,420,875	979,909,686
		1,200,525,002	(1,372,264)	1,987,504,109	3,186,656,848	1,215,341,180	(1,372,264)	1,053,910,353	2,267,879,270
Sub total		2,090,279,235	(1,990,491)	4,429,513,629	6,517,802,374	2,105,095,413	(172,406,164)	2,043,779,561	3,976,468,810
Held for trading									
Related parties									
Listed shares	12.7	92,438,431	-	85,063,950	177,502,381	61,148,685	-	31,289,746	92,438,431
Others									
Listed shares	12.8	104,256,400	-	102,351,800	206,608,200	73,062,500	-	41,740,563	114,803,063
Sub total		196,694,831	-	187,415,750	384,110,581	134,211,185	-	73,030,309	207,241,494
Grand Total		2,286,974,066	(1,990,491)	4,616,929,379	6,901,912,955	2,239,306,598	(172,406,164)	2,116,809,870	4,183,710,304

Available for sale - Related parties

12.1 Listed shares

National Bank of Pakistan	6,394,139	6,834,793	-	418,727,450	425,562,243	6,394,139	6,834,793	-	197,366,518	384,191,311
Pakistan State Oil Company Limited	14,642	371,225	-	8,816,944	9,188,169	14,642	371,225	-	2,110,137	2,481,362
Pakistan Petroleum Limited	546,480	27,388,953	-	81,347,051	111,236,004	546,480	27,388,953	-	55,472,641	82,861,594
Sul Southern Gas Company Limited	12,694,227	36,461,888	-	585,047,866	621,509,754	12,694,227	36,461,888	-	107,384,104	145,825,992
Sul Northern Gas Pipelines Limited *	8,698,263	17,107,194	-	956,569,680	973,676,874	8,698,263	17,107,194	-	622,384,691	639,491,885
Pakistan Engineering Company Limited	43,776	364,738	-	25,430,049	25,804,787	43,776	364,738	-	25,171,116	25,535,854
	28,335,847	88,518,391	-	1,078,539,011	2,167,057,402	28,335,847	88,518,391	-	989,859,307	1,018,387,598

12.2 Unlisted shares**

State Bank of Pakistan	4,900	517,615	-	-	517,615	4,900	517,615	-	-	517,615
Industrial Development Bank Limited ***	6,213	618,227	(618,227)	-	-	6,213	618,227	(618,227)	-	-
National Investment Trust Limited *	79,280	100,000	-	-	100,000	79,280	100,000	-	-	100,000
	90,313	1,235,842	(618,227)	-	617,615	90,313	1,235,842	(618,227)	-	617,615

12.3 Mutual funds

National Investment Unit Trust	8,292,733	800,000,000	-	363,470,509	1,163,470,509	8,292,733	800,000,000	(170,435,673)	-	629,564,327
Grand total	36,738,893	889,754,233	(618,227)	2,442,009,520	3,331,148,556	36,738,893	889,754,233	(171,013,500)	989,859,307	1,708,387,598

* Frozen shares

This represents 8,698,263 ordinary shares of Sul Northern Gas Pipelines Limited and 79,280 units of National Investment Trust Limited which are frozen on the basis of Government of Pakistan (GoP) directives F.10(6&14)EN-94/2005 dated April 13, 2005, in the same form part of the strategic shareholding under the control of the GoP. As a result, the Company is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof.

Name of Company	2024		2023	
	CEO/Managing Director	Breakdown value	CEO/Managing Director	Breakdown value
State Bank of Pakistan	Jameel Ahmad	-	Jameel Ahmad	-
Industrial Development Bank of Pakistan	Not available		Not available	
National Investment Trust Limited	Ahmad Afshar	-	Ahmad Afshar	-

*** The Investor M/S Industrial Development Bank Limited is under winding up through court on the petition of State Bank of Pakistan.

2024					2023				
Number of shares	Cost	Impairment	Unrealized gain / (loss)	Carrying amount	Number of shares	Cost	Impairment	Unrealized gain / (loss)	Carrying amount
Rupees					Rupees				
-	-	-	-	-	150,000	14,589,542	-	60,192,958	80,382,900
52,333	-	-	1,995,487	1,995,487	52,333	-	-	-	-
928,689	195,915	-	151,115,384	151,311,299	928,689	195,915	-	124,499,157	124,695,072
307,281	35,595,431	-	295,694,236	330,689,667	307,281	35,595,431	-	203,653,126	259,148,987
	406,711,624	-	1,195,898,868	1,602,610,520		421,480,105	-	864,185,176	1,287,069,581

12.5 Unlisted shares

Cost of investment in unlisted companies
Less: provision for diminution in value

Note	2024	2023
	Rupees	Rupees
12.5.1	1,372,264 (1,372,264)	1,372,264 (1,372,264)
	-	-

2024					2023				
Number of shares	Cost	Impairment	Unrealized gain / (loss)	Carrying amount	Number of shares	Cost	Impairment	Unrealized gain / (loss)	Carrying amount
	Rupees					Rupees			

12.5.1 Cost of investment in unlisted companies

Insurance

Indus Assurance Limited
Pakistan Guarantee Insurance
Sterling Insurance Company Limited
Union Insurance Corporation of Pakistan

25,000	250,000	(250,000)	-	-	25,000	250,000	(250,000)	-	-
22,029	-	-	-	-	22,029	-	-	-	-
23,250	-	-	-	-	23,250	-	-	-	-
56,227	-	-	-	-	56,227	-	-	-	-
126,506	250,000	(250,000)	-	-	126,506	250,000	(250,000)	-	-

Cotton and Textile

Afkar Textile Mills Limited
Brothers Textile Mills Limited
Sahish Textile Mills Limited
Kohinoor Cotton Mills Limited

1,000	9,950	(9,950)	-	-	1,000	9,950	(9,950)	-	-
353	-	-	-	-	353	-	-	-	-
13,510	-	-	-	-	13,510	-	-	-	-
22,397	219,801	(219,801)	-	-	22,397	219,801	(219,801)	-	-
37,260	229,751	(229,751)	-	-	37,260	229,751	(229,751)	-	-

	2024				Number of shares	2023					
	Number of shares	Cost	Impairment	Unrealized gain / (loss)		Carrying amount	Number of shares	Cost	Impairment	Unrealized gain / (loss)	Carrying amount
	Rupees					Rupees					
Chemical											
Synthetic Chemical Limited	20,000	200,000	(200,000)	-	-	20,000	200,000	(200,000)	-	-	
Vanaspoti and Allied Industries											
Burns ON Limited	861	6,470	(6,470)	-	-	861	6,470	(6,470)	-	-	
Universal Oil Mills Limited	30,000	-	-	-	-	30,000	-	-	-	-	
Burns Soap Limited	64	640	(640)	-	-	64	640	(640)	-	-	
	30,925	7,110	(7,110)	-	-	30,925	7,110	(7,110)	-	-	
Food Products											
Pangro Sugar Mills Limited	100,000	-	-	-	-	100,000	-	-	-	-	
Electricity											
Southern Electric Power Company Limited	13,963	-	-	-	-	13,963	-	-	-	-	
Miscellaneous											
Ang Industries Limited	133,333	685,403	(685,403)	-	-	133,333	685,403	(685,403)	-	-	
		1,372,264	(1,372,264)	-	-		1,372,264	(1,372,264)	-	-	

12.5.2 Financial statements of these companies are not available, therefore, the book-up value and the name of the Chief Executive Officer is not presented.

	2024				2023					
	Number of units	Cost	Impairment	Unrealized gain / (loss)	Carrying amount	Number of units	Cost	Impairment	Unrealized gain / (loss)	Carrying amount
Mutual funds										
Open-End Mutual Funds										
JS Growth Fund (formerly JS value Fund)	50,951	1,267,483	-	16,017,365	18,284,848	50,951	1,267,483	-	8,552,471	10,819,954
NBP Stock Fund	20,671,728	400,000,000	-	307,360,659	707,398,659	20,671,728	400,000,000	-	31,042,238	431,042,738
(FORMERLY: NAFA STOCK FUND)	15,900,000	105,632,400	-	405,189,600	510,822,000	15,900,000	105,632,400	-	124,506,100	280,138,500
HBL Growth Funds - Class B Segment	35,722,679	507,899,883	-	728,597,624	1,236,497,507	35,722,679	507,899,883	-	214,301,309	722,001,192
Close-End Mutual Funds										
HBL Growth Funds - Class A	30,406,721	284,541,231	-	63,007,590	347,548,821	30,406,721	284,541,231	-	(26,602,236)	257,848,993
HBL Investment Funds - Class A	-	-	-	-	-	-	-	-	11,802	50,490
	30,406,721	284,541,231	-	63,007,590	347,548,821	30,423,967	284,588,928	-	(26,680,334)	257,908,494
	66,129,300	792,441,114	-	791,605,214	1,584,046,328	66,146,646	792,488,811	-	(87,420,873)	979,909,618

12.7 Held-for-trading

Related parties

Listed shares

National Bank of Pakistan	399,266	11,829,431	-	13,598,445	26,718,881	399,266	9,418,685	-	3,401,246	12,820,431
Oil & Gas Development Company Limited	350,000	39,357,500	-	40,185,500	79,543,000	350,000	37,181,000	-	(1,476,580)	39,357,500
Pakistan Petroleum Limited	350,000	40,260,500	-	50,982,000	71,242,500	350,000	23,849,000	-	16,411,500	40,260,500
	1,099,266	92,438,431	-	85,065,945	177,504,381	1,099,266	61,148,685	-	31,289,746	92,438,431

12.8

Held-for-trading
Others- listed shares

2024					2023				
Number of units	Cost	Impairment	Unrealized gain / (loss)	Carrying amount	Number of units	Cost	Impairment	Unrealized gain / (loss)	Carrying amount
	Rupees					Rupees			
-	-	-	-	-	69,100	3,901,950	-	1,935,250	6,639,180
-	-	-	-	-	319,500	1,948,950	-	1,918,518	3,907,465
200,000	34,511,800	-	21,760,000	56,268,800	200,000	21,252,000	-	11,278,000	34,510,080
250,000	44,468,000	-	51,092,500	95,558,500	250,000	25,187,500	-	19,272,500	44,460,000
700,000	6,076,800	-	2,618,000	8,694,800	700,000	5,747,000	-	329,000	6,076,000
550,000	12,419,800	-	11,698,500	24,117,500	550,000	7,122,500	-	3,296,500	12,419,000
60,000	6,791,400	-	15,187,800	21,978,200	60,000	5,922,600	-	868,800	6,791,400
1,760,000	104,256,400	-	102,351,800	206,608,200	1,148,100	75,062,500	-	41,740,565	114,803,055

12 INVESTMENTS IN DEBT SECURITIES

INVESTMENTS IN DEBT SECURITIES		2024		2023	
	Note	Cost	Carrying value	Cost	Carrying value/ Market
		Rupees		Rupees	
Investments - Held to maturity					
Pakistan Investment Bonds - fixed	13.1 & 13.2	10,221,828,249	10,532,338,027	9,312,154,693	6,476,824,908
Pakistan Investment Bonds - floating	13.2	176,287,899	175,838,827	176,287,899	175,122,913
Market Treasury Bills	13.2	5,673,772,600	6,048,698,000	6,891,347,300	7,252,443,209
Term Finance Certificates		-	-	99,800,000	99,800,000
	55	16,071,879,548	16,755,984,854	15,479,559,695	14,003,390,119
Investments - Available for sale					
Pakistan Investment Bonds	13.3	43,876,980	43,874,438	133,386,740	132,209,097
		16,115,756,898	16,801,859,292	15,612,945,835	14,135,599,216

13.1 This includes Pakistan Investment Bonds amounting to Rs. 1,106 million (2023: Rs. 1,108 million) deposited with the State Bank of Pakistan as required by section 25 of the Insurance Ordinance, 2000.

13.2 Held-to-maturity - secured

	2024	2023	2024	2023	2024	2023
	Pakistan Investment Bonds - fixed	Pakistan Investment Bonds - floating	Pakistan Investment Bonds - floating	Market Treasury Bills	Market Treasury Bills	Market Treasury Bills
	Rupees in million					
Carrying value	10,532.34	6,476.02	175.04	175.12	6,048.61	7,252.44
Tenure	3 to 10 years	3 to 10 years	5 years	3 to 5 years	up to 12 months	up to 12 months
Face value - Rupees in million	11,050	7,002	175	175	6,450	8,000
Market value - Rupees in million	10,532	6,476	175.04	175.12	6,049	7,252
Maturity dates	March 2025 to November 2033	July 2023 to November 2033	June 2025	June 2025	January 2025 to November 2025	January 2023 to October 2023
Profit repayment - frequency	Half yearly	Half yearly	Half yearly	Half yearly	On maturity	On maturity
Principal repayment - frequency	On maturity	On maturity	On maturity	On maturity	On maturity	On maturity
Effective interest rate / coupon rate - per annum	9.36% to 16.59%	9.36% to 14.96%	20.26% to 20.35%	17.17% to 21.82%	12.10% to 20.71%	13.10% to 21.41%

13.3 Available for sale - secured

Pakistan Investment Bonds

Tenure

Face value - Rupees in million
Market value - Rupees in million
Maturity dates

Profit repayment - frequency

Effective interest rate / coupon rate - per annum

December 31, 2024
December 31, 2023
(Rupees in million)

48.87	132.31
18 years	5 years to 10 years
50	150
46	133
September 19, 2029	September 2024 to September 2029
Half yearly	Half yearly
On maturity / disposal	On maturity / disposal
10.00%	9% to 10.00%

14	LOANS AND OTHER RECEIVABLES	Note	December 31, 2024	December 31, 2023
			(Rupees)	
	Loans to employees	14.1	75,039,061	85,806,526
	Accrued investment income	14.2	396,201,915	182,868,530
	Sundry receivables - net	14.3	35,546,240	83,269,326
	Receivable from Window Re-takful Operation	14.5	143,349,816	9,025,546
	Receivable from tenants	14.4	223,761,136	182,709,641
			<u>873,898,168</u>	<u>543,679,569</u>
14.1	Loans to employees			
	Non-current portion		58,740,227	61,538,910
	Current portion		<u>16,298,834</u>	<u>24,267,616</u>
		14.1.1	<u>75,039,061</u>	<u>85,806,526</u>
14.1.1	No loan has been provided to the Directors by the Company. Details of loans to Executives of the Company is as under:			
	Balance at beginning of the year		29,857,191	11,477,063
	Add: disbursements during the year		2,900,000	28,540,348
	Less: recoveries during the year		<u>(15,389,115)</u>	<u>(10,160,220)</u>
	Balance at end of the year		<u>17,368,076</u>	<u>29,857,191</u>
14.1.2	Loans to employees represent mark-up free loans and are secured against retirement benefits of the respective employee 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.			
14.1.3	The maximum aggregate month-end amount of these loan during the year has been amounting to Rs. 148,186,904 (2023: Rs. 156,453,456).			
14.2	Accrued investment income			
	Dividend receivable		1,463,536	10,281,579
	Accrued profit on bank deposit		43,486,474	40,788,602
	Interest on held to maturity debt securities		349,829,253	129,465,734
	Interest on available for sale debt securities		<u>1,422,652</u>	<u>2,332,615</u>
			<u>396,201,915</u>	<u>182,868,530</u>
14.3	Sundry receivables - net			
	Considered good			
	Advances		6,502,710	15,118,639
	Security deposits		6,682,922	6,718,922
	Other receivable		<u>72,360,608</u>	<u>61,431,765</u>
			<u>85,546,240</u>	<u>83,269,326</u>
	Considered doubtful			
	Export Credit Guarantee schemes	14.3.1	56,142,435	56,142,435
	Receivable against National Co-insurance Scheme		4,939,471	4,939,471
	Receivable against War Risk Insurance-Karachi	14.3.2	7,724,303	7,724,303
	Receivable against War Risk Insurance-Lahore		10,541,524	10,541,524
	Receivable from Investment Corporation of Pakistan		<u>868,470</u>	<u>868,470</u>
			<u>80,216,203</u>	<u>80,216,203</u>
			115,762,443	163,485,529
	Less: provision for doubtful debts	14.3.3	<u>(80,216,203)</u>	<u>(80,216,203)</u>
	Sundry receivables - net		<u>35,546,240</u>	<u>83,269,326</u>

- 14.3.1 This represents the total amount of income tax deposited by the Company since the year 1984-85 to the year 2001-02 in respect of Export Credits Guarantee Scheme (ECGS). The income of the respective years under the Scheme was transferred to the Government. The income tax department, however, taxed ECGS income by clubbing it with the Company's income. The Company's appeal in this respect which was pending before Honorable High Court has been dismissed. This amount was previously classified as advance tax and has been transferred as amount receivable from the Ministry of Finance, Government of Pakistan.

The Company had filed an appeal in the Honorable Supreme Court of Pakistan (SCP) in this respect which vide order dated August 21, 2007 granted leave to appeal filed by the Company against the judgment of the Honorable High Court. The matter is now before Alternate Dispute Resolution Committee (ADRC).

The ADRC therefore concluded that they would refer the matter to the FBR for providing a legal expert to the ADRC or to re-constitute the ADRC by including therein the legal expert who can interpret and decide on the applicability of the Article-165A of the Constitution of Pakistan in this case.

FBR via letter No. 2(48) IT-Jud/2006-ADR/45098-R regretted the request for reconstitution of ADRC. Therefore, the Company pursued its case with the SCP which has already granted a leave to appeal against order of High Court, has remanded back the case to the High Court of Sindh where the matter is still pending for date of hearing. The Company has recorded provision amounting to Rs. 56.142 million (2023: Rs. 56.142 million) in these financial statements.

- 14.3.2 Amount is receivable from Government of Pakistan against expenses for running the affairs of War Risk Insurance Department (the Department) working under the supervision of Pakistan Insurance Corporation (defunct). The Department was set up for insurance of losses which could have occurred due to war.

14.3.3 Provision for doubtful debts

Balance at beginning of the year	80,216,203	83,140,705
(Reversal) made during the year	-	(2,924,502)
Balance at end of the year	80,216,203	80,216,203

14.4 Receivable from tenants

Rentals	200,909,846	155,636,422
Electricity charges	22,941,188	27,163,117
Provision against electricity charges	(89,898)	(89,898)
	22,851,290	27,073,219
	223,761,136	182,709,641

14.5 Receivable from Window Retakaful Operations in respect of following:

	December 31, 2024	December 31, 2023
	(Rupees)	
Receipt from cedent	69,679,288	-
Income tax	64,258,772	1,869,425
Salaries	8,649,485	6,393,850
Bonus	762,271	762,271
	143,349,816	9,025,546

15 RECEIVABLE FROM SINDH REVENUE BOARD

2,573,888,727	2,573,888,727
---------------	---------------

- 15.1 The aggregate amount of Rs. 2,573.889 million (2023: Rs. 2,573.889 million) paid has been recorded as "receivable from SRB" in the financial statements. Moreover, the Company has not recorded provision against the orders passed by SRB in pursuance of Appellate Order dated February 01, 2016 in Appeal No. AT-02/2013 and order dated February 03, 2016 in Appeal No. AT-109/2015. The Company has also filed Sales Tax Reference Application no 63 and 64/2016 and 407/2017 before the Honorable High Court of Sindh against the said order of SRB and the legal counsel of the Company is very much optimistic about the favorable outcome of the case.

		December 31, 2024	December 31, 2023
	Note	(Rupees)	
16	INSURANCE / REINSURANCE RECEIVABLES		
Amount due from other reinsurers		1,111,209,727	684,246,373
Amount due from other insurers	16.1 & 16.2	9,161,717,909	16,660,646,482
		10,272,927,636	17,344,892,855
Less: provision for impairment in due from other insurers / reinsurers	16.3	(609,541,746)	(723,487,008)
		9,663,385,890	16,621,405,847
Premium and claim reserves retained by cedants		24,831,633	24,831,633
Less: provision for impairment in premium and claim reserves retained by cedants		(24,831,633)	(24,831,633)
		-	-
		9,663,385,890	16,621,405,847
16.1	This includes an amount of Rs. 266 million (2023: Rs. 266 million) which is under litigation and the Company has recorded a provision of Rs. 264 million (2023: Rs. 243.3 million) in respect of these balances.		
16.2	This includes an amount of Rs. 2,781,498,914 (2023: Rs. 10,468,111,935) due from a related party, National Insurance Company Limited (NICL). The ageing analysis of amount due from related party is as follows:		
Up to 3 months		1,933,391,532	8,871,838,652
Over 3 months and above		848,107,382	1,596,273,283
	53 & 16.2.1	2,781,498,914	10,468,111,935
16.2.1	The said balance has been adjusted due to direct settlement by NICL with retrocessionaires namely M/S Arthur J. Gallagher & Co amounting to Rs. 7,122,945,352.		
16.3	Movement of provision for impairment in due from other insurers / reinsurers		
Balance at beginning of the year		723,487,008	506,687,816
(Reversal) / Provision made during the year		(113,945,262)	216,799,192
Balance at end of the year		609,541,746	723,487,008
16.4	During the preceding year, as per the requirements mentioned in SECP letter no. ID/Offsite-I/Misc/2023/631 dated February 9, 2023 addressed to Insurance Association of Pakistan, the Company reconciled its balances as stood on December 31, 2022 with 11 insurers while remaining were still underway. Securities and Exchange Commission of Pakistan (SECP) had proposed that the reconciliation activity be concluded by December 31, 2023 but this deadline did not met due to non-cooperation by insurers. The Company is actively pursuing insurers and SECP for provision of requisite data so that the balances of remaining insurers are reconciled while reconciled balances are updated and to ensure that the balances are accurate and complete in respect of information available.		
17	REINSURANCE RECOVERIES AGAINST OUTSTANDING CLAIMS INCLUDING IBNR		
Facultative business	17.1	15,073,895,836	17,350,545,680
Treaty	17.2	693,231,024	855,639,478
		15,767,126,860	18,206,185,158
17.1	Facultative business		
Fire		530,968,245	713,250,470
Marine cargo		-	-
Marine hull		35,809,757	17,106,508
Accident		498,469,000	9,504,871
Aviation		1,733,981,568	2,878,857,616
Engineering		12,274,667,266	13,731,826,215
		15,073,895,836	17,350,545,680
17.2	Treaty		
Non-proportional		693,231,024	855,639,478

			December 31, 2024	December 31, 2023
			----- (Rupees) -----	
18	DEFERRED COMMISSION EXPENSE			
	Facultative business	18.1	414,785,121	495,135,566
	Treaty	18.2	632,420,776	630,743,471
			<u>1,047,205,897</u>	<u>1,125,879,037</u>
18.1	Facultative business			
	Fire		89,427,231	103,659,001
	Marine cargo		1,113,262	1,564,013
	Marine hull		5,137,992	4,902,836
	Accidents and others		26,310,208	27,057,018
	Aviation		39,805,069	156,676,845
	Engineering		252,991,359	201,275,853
			<u>414,785,121</u>	<u>495,135,566</u>
18.2	Treaty			
	Proportional		627,530,148	624,096,336
	Non-proportional		4,890,628	6,647,135
			<u>632,420,776</u>	<u>630,743,471</u>
19	PREPAYMENTS			
	Prepaid reinsurance ceded - facultative business	19.1	5,955,529,691	11,311,474,470
	Prepaid reinsurance ceded - treaty business	19.2	998,083,292	588,735,355
			<u>6,953,612,983</u>	<u>11,900,209,825</u>
	Others		1,714,514	177,021
			<u>6,955,327,497</u>	<u>11,900,386,846</u>
19.1	Prepaid reinsurance ceded - facultative business			
	Fire		659,817,075	788,452,964
	Marine Cargo		-	-
	Marine hull		75,793,379	73,320,788
	Accidents and others		420,226,441	441,422,065
	Aviation		1,311,444,608	5,854,244,079
	Engineering		3,488,248,188	4,154,034,574
			<u>5,955,529,691</u>	<u>11,311,474,470</u>
19.2	Prepaid reinsurance ceded - treaty business			
	Non-proportional		<u>998,083,292</u>	<u>588,735,355</u>
20	CASH AND BANK BALANCES			
	Cash			
	Cash in hand		865,000	673,807
	Policy & Revenue stamps, Bond papers		1,385	3,180
			<u>866,385</u>	<u>676,987</u>
	Cash at bank in:			
	Saving accounts			
	- Local currency		409,343,958	442,105,498
	- Foreign currency		1,951,717,041	955,751,677
		20.1	<u>2,361,060,999</u>	<u>1,397,857,175</u>
	Current accounts			
	- Local currency	20.2	783,424,293	1,655,955,746
	Dividend accounts			
	- Saving accounts	20.1	91,555,889	78,605,360
	- Current accounts		28,619,101	26,657,401
			<u>120,174,990</u>	<u>105,262,761</u>
			<u>3,234,660,282</u>	<u>3,159,075,682</u>
			<u>3,235,526,667</u>	<u>3,159,752,669</u>
20.1	Saving accounts carried markup at the rates ranging from 10% to 19.75% (2023: 18% to 20.5%) per annum.			
20.2	Current accounts also includes balances with T-Call arrangements.			

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		December 31,		December 31,	
		2024		2023	
		(Rupees)			
		Note			
21	TOTAL ASSETS FROM WINDOW RETAKAFUL OPERATIONS - OPERATOR'S FUND				
Assets					
	Investments		208,315,432		23,555,412
	Other receivable		7,484,813		12,890,905
	Qard-e-hasna to Participant's Retakaful Fund		300,000,000		300,000,000
	Operator's retakaful fund - receivables		159,393,278		78,055,762
	Deferred commission expense		184,582,058		114,413,227
	Bank balances		402,829,946		489,833,804
	Total Assets		1,262,305,527		1,018,749,110
22	SHARE CAPITAL				
22.1	Authorized share capital				
	2024	2023			
	(Number of shares)		Ordinary shares of Rs.10/- each.		
	2,500,000,000	2,500,000,000	25,000,000,000	25,000,000,000	
22.2	Issued, subscribed and paid-up share capital				
	2024	2023			
	(Number of shares)				
	8	8	80	80	
			Ordinary shares of Rs.10/- each fully paid in cash.		
	5,000,000	5,000,000	50,000,000	50,000,000	
			Ordinary shares of Rs.10/- each issued for consideration other than cash.		
	894,999,992	894,999,992	8,949,999,920	8,949,999,920	
			Ordinary shares of Rs.10/- each issued as fully paid bonus shares.		
	900,000,000	900,000,000	9,000,000,000	9,000,000,000	
22.3	Shares of the Company held by related parties:				
			Number of shares	Percentage of holding (%)	
	Ministry of Commerce		458,999,268	51.00%	
	State Life Insurance Corporation of Pakistan		219,696,603	24.41%	
			678,695,871	75.41%	
22.4	Voting rights, board selection and similar rights of shareholders are in proportion to the shareholding of the Company.				

		December 31, 2024	December 31, 2023
	Note	(Rupees)	
23	RESERVES		
Capital			
Reserve for exceptional losses	23.1	281,000,000	281,000,000
Revaluation reserve on available for sale investments	23.2	2,708,215,564	1,384,637,060
Revenue			
General reserve		<u>1,135,296,316</u>	<u>1,135,296,316</u>
		<u>4,124,511,880</u>	<u>2,800,933,376</u>
Unappropriated profit		<u>8,077,645,381</u>	<u>4,748,800,041</u>
		<u>12,202,157,261</u>	<u>7,549,733,417</u>
23.1	These reserves for exceptional losses was set aside prior to 1979 and was charged to statement of profit and loss with the provision of Income Tax Act, 1922 (repealed), and has been so retained to date.		
23.2	This represents unrealized gain on remeasurement of available for sale investments at fair value and is not available for distribution. This shall be transferred to statement of profit and loss on derecognition of investments as permitted under IAS 39.		
24	REVALUATION SURPLUS - NET OF TAX		
Opening balance		2,373,134,379	2,001,799,332
Add: Revaluation surplus recognized during the year		632,102,605	545,001,538
Transferred to retained earnings in respect of incremental depreciation for the year		<u>(225,203,414)</u>	<u>(173,666,491)</u>
		<u>2,780,033,570</u>	<u>2,373,134,379</u>
Less:			
Related deferred tax liability			
Balance at beginning of the year		(783,134,345)	(580,521,806)
Effect of surplus recognized during the year		(246,520,016)	(179,850,508)
Effect of change in tax rate		(142,388,063)	(80,071,973)
Impact of deferred tax on incremental depreciation charged during the year		<u>87,829,332</u>	<u>57,309,942</u>
Balance at end of the year		<u>(1,084,213,092)</u>	<u>(783,134,345)</u>
Closing balance		<u>1,695,820,477</u>	<u>1,590,000,034</u>
25	OUTSTANDING CLAIMS INCLUDING IBNR		
Facultative business	25.1	20,934,526,568	22,512,494,004
Treaty	25.2	<u>3,404,074,507</u>	<u>3,420,152,192</u>
		<u>24,338,601,075</u>	<u>25,932,646,396</u>
Claims related to Bangladesh,	10	<u>(4,952,000)</u>	<u>(4,952,000)</u>
		<u>24,333,649,075</u>	<u>25,927,694,396</u>
25.1	Facultative business		
Fire		3,329,035,649	4,146,521,448
Marine cargo		86,514,925	70,913,769
Marine hull		72,419,048	124,041,223
Accident and others		910,882,876	350,040,714
Aviation		2,284,482,664	3,138,534,650
Engineering		<u>14,251,191,406</u>	<u>14,682,442,200</u>
		<u>20,934,526,568</u>	<u>22,512,494,004</u>

			December 31, 2024	December 31, 2023
	Note		(Rupees)	
25.2	Treaty			
	Proportional		2,343,564,135	2,500,498,352
	Non-proportional		1,060,510,372	919,654,040
	25.3		<u>3,404,074,507</u>	<u>3,420,152,392</u>

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

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

On the basis of above SECP specified guidelines, the Company wrote letter to each ceding Company to share data of IBNR Claims Reserves in accordance with its share in the reinsurance program for facultative business. However, none of the ceding companies shared their IBNR Claim Reserves. The Company recorded Facultative IBNR claim reserves on basis of actuarial valuation amounting to Rs. 4,409,094,000 (2023: 5,008,612,000) and Nil (2023: Nil) respectively.

			December 31, 2024	December 31, 2023
	Note		(Rupees)	
25.4	Claims related to Bangladesh			
	Facultative business			
	Fire		2,382,000	2,382,000
	Marine		1,470,000	1,470,000
	Miscellaneous		1,100,000	1,100,000
			<u>4,952,000</u>	<u>4,952,000</u>
26	UNEARNED PREMIUM RESERVES			
	Facultative business	26.1	7,184,225,378	12,738,998,347
	Treaty	26.2	3,437,624,060	3,496,916,770
			<u>10,621,849,438</u>	<u>16,235,915,117</u>
26.1	Facultative business			
	Fire		1,285,441,645	1,478,547,379
	Marine cargo		13,489,100	18,449,715
	Marine hull		87,376,811	85,469,507
	Accident and others		490,134,575	506,421,391
	Aviation		1,468,166,144	6,287,785,687
	Engineering		3,839,617,103	4,362,324,668
			<u>7,184,225,378</u>	<u>12,738,998,347</u>
26.2	Treaty			
	Proportional		2,565,209,310	2,493,989,019
	Non-proportional		872,414,750	1,002,927,751
			<u>3,437,624,060</u>	<u>3,496,916,770</u>

			December 31, 2024	December 31, 2023
			(Rupees)	
27	UNEARNED REINSURANCE COMMISSION	Note		
	Facultative business	27.1	492,841,170	793,336,459
	Treaty	27.2	12,654,983	16,823,754
			<u>505,496,153</u>	<u>810,160,213</u>
27.1	Facultative business			
	Fire		49,557,216	57,215,228
	Marine hull		-	-
	Marine cargo		7,579,337	7,332,079
	Accident and others		33,604,043	35,488,986
	Aviation		55,095,449	279,668,702
	Engineering		347,005,125	413,631,464
			<u>492,841,170</u>	<u>793,336,459</u>
27.2	Treaty			
	Proportional		-	-
	Non-proportional		12,654,983	16,823,754
			<u>12,654,983</u>	<u>16,823,754</u>
28	RETIREMENT BENEFITS OBLIGATIONS			
	Defined benefit obligations of post employee benefits			
	Officers' pension benefits	28.1	1,204,469,258	1,390,137,187
	Employees' pension fund	28.1	739,681,297	840,264,000
	Gratuity fund	28.1	50,605,208	31,230,000
	Other post employment benefits			
	Post retirement medical benefits	28.1	1,292,578,874	1,021,455,000
	Other long term employment benefits			
	Compensated absences	28.1	114,036,149	67,522,000
			<u>3,401,370,786</u>	<u>3,350,608,187</u>

	2011					2010					Total	
	Post-employment benefits				Total	Post-employment benefits						
	Retirement benefits		Other post-employment benefits			Retirement benefits		Other post-employment benefits				
	Funding		Grants	Medical		Compensated absence	Funding		Grants	Medical		Compensated absence
	Officer	Employee					Officer	Employee				
Balance at beginning												
28.1 Possible to defined benefit plan	Present value of defined benefit obligations (PVDBO)											
28.4	3,740,940	509,014	30,608	1,292,579	134,006	5,796,529	3,430,811	384,923	31,130	1,021,409	67,522	4,935,644
28.5	(2,535,191)	290,637	-	-	-	(2,244,554)	(2,043,773)	299,741	-	-	-	(1,744,032)
28.3	1,204,499	799,651	30,608	1,292,579	134,006	3,481,379	1,387,038	684,664	31,130	1,021,409	67,522	3,191,612
28.2 Movement in possible to / (from) (200) from defined benefit plan	Opening balance											
	1,200,138	816,383	30,230	1,021,405	47,532	3,105,611	1,002,709	865,811	23,001	904,412	186,944	2,800,799
Expense recognized	- Current service cost											
	25,635	6,499	18,254	21,287	4,125	85,748	15,240	4,850	8,800	7,431	18,514	36,035
	815,911	87,571	4,445	166,087	9,527	1,083,541	440,563	62,838	2,488	227,194	9,723	642,806
	-	-	-	-	-	-	-	-	-	-	-	-
	(44,387)	-	-	-	-	(44,387)	-	-	-	-	-	-
	(116,110)	78,440	-	-	-	(37,670)	(203,169)	85,521	-	-	-	(117,648)
28.1	225,225	172,510	22,679	187,374	53,652	671,531	249,575	153,281	11,288	334,685	29,957	515,332
Other comprehensive income	- Expense (gain) / loss											
	1,094,708	(44,217)	3,552	-	-	1,053,043	62,180	(144,581)	(2,192)	8,797	(26,480)	(51,264)
	(1,121,728)	129,888	(9,370)	-	-	(991,210)	19,252	5,761	1,316	(2,004)	1,982	(26,017)
	(179,891)	(295,744)	-	119,933	-	(354,798)	(349,122)	(70,489)	-	-	-	(420,131)
28.2	(206,911)	(210,073)	(2,417)	119,933	-	(299,455)	(168,590)	(109,285)	(1,876)	7,622	(24,498)	(155,971)
Contribution to defined benefit plan	- net											
	(204,782)	(25,398)	(2,266)	(24,051)	(12,185)	(279,582)	(275,033)	(29,486)	-	-	-	(304,519)
28.1	(204,782)	(25,398)	(2,266)	(24,051)	(12,185)	(279,582)	(275,033)	(29,486)	-	-	-	(304,519)
Closing balance	1,204,499	799,651	30,608	1,292,579	134,006	3,481,380	1,387,038	684,664	31,130	1,021,409	67,522	3,191,612
28.3 Change for the year	Statement of profit or loss											
	115,225	172,510	22,679	187,374	53,652	671,531	249,575	153,281	11,288	334,685	29,957	515,332
	(206,911)	(210,073)	(2,417)	119,933	-	(299,455)	(168,590)	(109,285)	(1,876)	7,622	(24,498)	(155,971)

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2021					2020				
Post-employment benefits				Total	Post-employment benefits				Total
Retirement benefits			Other post-employment benefits		Retirement benefits			Other post-employment benefits	
Pension		Gratuity			Pension		Gratuity		
Officer	Employee				Officer	Employee			

Note

Amounts in millions

28.4	Measurement of PABBO											
	Opening balance	3,408,916	394,522	31,229	1,021,485	47,512	4,825,644	3,168,482	415,114	27,801	901,413	4,727,406
	Current service cost	15,425	6,459	19,394	38,557	8,305	85,148	13,443	4,886	9,656	7,471	36,055
	Post-employment cost	-	-	-	-	-	-	-	-	-	-	-
	Interest cost	805,921	57,570	4,865	155,687	9,517	925,550	440,547	62,818	3,068	127,194	545,900
	Benefit paid / payable	(384,783)	(16,189)	(2,364)	(34,851)	(11,185)	(279,344)	(275,101)	(50,438)	(2,821)	(25,215)	(346,311)
	Transfer	-	-	-	-	-	-	-	-	-	-	-
	Liability transferred from employer's pension fund	-	-	-	-	-	-	-	-	-	-	-
	Actual (gain) or loss on obligation - balancing figure	-	-	-	-	-	-	-	-	-	-	-
	Actuarial gains	-	-	-	-	-	-	-	-	-	-	-
	Actuarial losses	-	-	-	-	-	-	-	-	-	-	-
	Demographic adjustments	-	-	-	-	-	-	-	-	-	-	-
	Financial adjustments	-	-	-	-	-	-	-	-	-	-	-
	Insurance adjustments	(127,019)	86,681	(2,411)	319,950	44,887	235,887	62,180	(101,981)	(5,101)	9,527	(41,395)
28.1	Closing balance of obligation at the end of the period	3,740,668	505,044	56,695	1,281,278	114,016	5,708,324	3,433,915	584,933	31,258	1,021,415	4,927,645
28.5	Fair value of plan assets											
	Fair value at the beginning of the year	2,840,777	(255,141)	-	-	-	1,585,636	3,567,602	(800,534)	-	-	1,107,106
	Contributions to the fund	384,783	26,199	-	-	-	230,872	235,021	29,449	-	-	134,464
	Interest income on plan assets	(790,893)	255,144	-	-	-	474,827	223,393	(65,621)	-	-	157,769
	Benefit paid	(204,782)	(26,199)	-	-	-	(230,970)	(235,021)	(29,449)	-	-	(134,464)
	Return on plan assets	316,321	(78,640)	-	-	-	245,681	242,322	70,408	-	-	120,110
28.1	Fair value at the end of the year	2,556,191	(230,537)	-	-	-	1,305,354	3,640,377	(615,741)	-	-	1,205,036
28.6	Actual return on plan assets	495,414	225,106	-	-	-	728,518	472,115	4,784	-	-	477,899
28.7	Composition of fair value of plan assets											

	2021						2020					
	Pension - officers		Pension - employees		Gratuity		Pension - officers		Pension - employees		Gratuity	
	Amount in Rupees	Percentage	Amount in Rupees	Percentage	Amount in Rupees	Percentage	Amount in Rupees	Percentage	Amount in Rupees	Percentage	Amount in Rupees	Percentage
Assets with an active market												
Open-ended mutual funds units / Deposits / Treasury bills	285,496,088	15.28%	444,758,888	192.04%	288,875,042	59.68%	203,134,800	9.99%	140,807,008	40.91%	206,717,880	60.14%
Accrued interest on T-bill	545,676,252	21.52%	475,084,288	305.99%	25,848,399	4.13%	148,335,800	7.21%	458,289,008	128.01%	21,428,880	9.55%
	34,927,826	1.38%	1,367,067	0.09%	27,065	0.00%	21,624,800	1.55%	-	0.00%	-	0.00%
Assets with no active market												
Term deposit receipts	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Receivable from Gratuity Fund	220,810,388	8.67%	195,102,481	84.59%	-	0.00%	107,780,800	5.28%	121,505,008	33.91%	-	0.00%
Receivable from Employees Provident Fund	-	0.00%	-	0.00%	-	0.00%	301,513,800	0.87%	220,809,008	64.39%	-	0.00%
Receivable from Employees Pension Fund	1,345,400,022	51.37%	-	0.00%	-	0.00%	1,348,480,800	66.07%	-	0.00%	-	0.00%
Cash and bank balances	1,770,253	0.07%	1,435,837	0.02%	261,483	0.09%	-	0.00%	(32,000)	-0.12%	1,008,880	0.42%
Payable to General Provident Fund	-	0.00%	-	0.00%	-	0.00%	-	0.00%	(53,035,008)	17.81%	-	0.00%
Payable to Employees Pension Fund	-	0.00%	-	0.00%	(195,102,481)	47.69%	-	-	-	0%	-	-
Payable to Officers Pension Fund	-	0.00%	(1,345,408,888)	584.64%	(270,916,388)	53.09%	-	-	(1,348,400,800)	276.65%	(107,728,880)	47.09%
Defence Saving Certificate	-	0.00%	-	0.00%	-	0.00%	-	-	-	0%	(121,504,880)	47.09%
Net assets of the fund	2,436,190,822	100.00%	(220,627,424)	100.00%	-	0.00%	1,615,738,800	100.00%	(455,341,888)	100.00%	-	0.00%

28.8 The funds have no holding in the Company's equity instruments as plan assets. Moreover, the funds have no property or other assets, as its plan assets, occupied or used by the Company.

28.9 Actuarial valuation assumptions

	2024					2023				
	Pension		Gratuity	Medical	Compensated absences	Pension		Gratuity	Medical	Compensated absences
	Officer	Employees				Officer	Employees			
Valuation discount rate	12.25%	12.25%	12.25%	12.25%	12.25%	15.50%	15.50%	15.50%	14.75%	15.50%
Expected return in plan assets	12.25%	12.25%	12.25%	-	-	15.50%	15.50%	15.50%	-	-
Salary increase rate	13.25%	13.25%	13.25%	-	13.25%	15.50%	15.50%	15.50%	-	15.50%
Indexation in pension	9.00%	9.00%	-	-	-	11.50%	11.50%	-	-	-
Medical inflation rate	-	-	-	12.25%	-	-	-	-	14.75%	-

28.10 The effect of one percentage movement in the assumptions (rates) would have following effects:

Valuation discount rate

Present value of obligation - other than medical
Financial impact on present value of obligation
Valuation discount rate %

Salary increase rate

Present value of obligation - other than medical
Financial impact on present value of obligation
Salary increase rate %

Medical inflation rate

Present value of obligation - medical
Financial impact on present value of obligation
Medical inflation rate %

Life expectancy

Present value of obligation
Financial impact on present value of obligation
Years Changed in Mortality Age Set

Original	1% Increase	1% Decrease
Rupees in millions		
4,414,345	4,006,169	4,900,000
-	(408,176)	485,655
12.25%	13.25%	11.25%
4,414,345	4,482,105	4,351,851
-	67,760	(62,494)
12.25%	13.25%	11.25%
1,292,579	1,456,347	1,154,005
-	163,768	(138,574)
12.25%	13.25%	11.25%
5,592,888	5,598,069	5,587,915
-	5,181	(4,973)
-	+1 Year	-1 Year

28.11 Expected charge to the Funds for the year ending December 31, 2025

Post employment benefits					Total
Retirement benefits			Other post-employment benefits		
Pension		Gratuity	Medical	Compensated absences	
Officer	Employees				
166,149	97,586	27,665	133,209	16,437	441,046

Actuarial Assumption

28.12 The Mortality Table SLIC (2001-05) with 1 year setback, based on the experience of the lives insured with State Life Insurance Corporation of Pakistan, has been used in determining the Liability in respect of the Benefits payable under the Plan.

		December 31, 2024	December 31, 2023
	Note	(Rupees)	
29 TAXATION - PAYMENTS LESS PROVISION/ (PROVISION LESS PAYMENTS)			
Balance at beginning of the year		(603,756,603)	78,557,588
Tax paid / deducted at source during the year		3,032,559,177	1,444,914,332
Provision for taxation	48	(2,897,885,372)	(2,127,228,523)
Receivable from Window Retakaful Operations		(64,258,772)	-
Balance at end of the year		<u>(533,341,570)</u>	<u>(603,756,603)</u>
30 DEFERRED TAXATION			
Opening balance		1,434,851,979	741,089,481
Charged to profit and loss account		67,421,289	(3,153,827)
Charge to other comprehensive income		1,442,750,159	696,916,325
Closing balance	30.1	<u>2,945,023,429</u>	<u>1,434,851,979</u>
30.1 Deferred tax comprises of the following:			
Deferred tax liability on taxable temporary differences:			
Accelerated tax depreciation Property and equipment		14,366,437	35,046,441
Right-of-use assets		5,733,731	3,934,319
Revaluation surplus on property and equipment		240,741,324	146,898,365
Revaluation surplus on Right of use asset		843,471,769	636,235,981
Investment property		327,202,076	255,074,753
Unrealized gain on investments		1,728,289,336	698,547,257
		<u>3,159,804,673</u>	<u>1,775,737,116</u>
Deferred tax assets on deductible temporary differences:			
Provision for doubtful debts		(31,319,379)	(26,501,013)
Provision for impairment of receivables from other insurers / reinsurers		(237,721,281)	(238,750,713)
Lease liabilities		(9,684,337)	(8,194,439)
Notional interest on interest free loans		(9,272,638)	(7,351,510)
Held for trading investment		4,145,422	(3,193,428)
Provision for impairment in available for sale investments		69,847,260	-
		(776,291)	(56,894,033)
		<u>(214,781,244)</u>	<u>(340,885,137)</u>
		<u>2,945,023,429</u>	<u>1,434,851,979</u>
31 INSURANCE / REINSURANCE PAYABLES			
Due to other insurers/ reinsurers	31.1	3,208,296,520	9,847,022,320
Premium and claim reserves retained from retrocessionaires	31.2	-	15,824,356
		<u>3,208,296,520</u>	<u>9,862,846,676</u>
31.1 Due to other insurers / reinsurers			
Due to other insurers		164,823,170	199,291,111
Due to other reinsurers		3,043,473,350	9,647,731,209
	31.1.1	<u>3,208,296,520</u>	<u>9,847,022,320</u>

31.1.1 This includes Rs. 7,577,743 (2023: Rs 12,236,260) payable to Window Re-takaful Operations.

	Note	December 31, 2024	December 31, 2023
		(Rupees)	
31.2 Premium and claim reserves retained from retrocessionaires			
Premium reserves		-	(2,851,182)
Losses reserves		-	17,033,417
Cash losses received from retrocessionaires		-	1,642,121
	31.2.1	-	15,824,356
31.2.1 This represents the Company's retention of deposits withheld against the total amount retroceded to other companies.			
32 LEASE LIABILITIES			
Current portion		3,359,424	3,230,216
Non-current portion		20,416,571	19,047,087
		23,775,995	22,277,303
32.1 Reconciliation of total lease liabilities against right-of-use-assets			
Balance at the beginning of the year		22,277,303	23,033,149
Modification made during the year		4,538,993	-
Accretion of interest		2,531,049	2,350,131
Repayment made during the year		(5,571,350)	(3,105,977)
		23,775,995	22,277,303
32.2	The Company has entered into lease arrangement with Karachi Port Trust (KPT) for lease of land. Minimum lease payments, which are payable till the expiry of lease agreement, have been discounted by using 6 months KIBOR prevailing at the initial application date i.e. 13.44% (2023: 13.44%).		
32.3	Statement of profit and loss shows the following amounts relating to lease:		
- Depreciation charge on right-of-use asset	9	(204,705,385)	(156,152,911)
- Interest expense		2,531,049	2,350,131
		(202,174,336)	(153,802,780)
32.4	The amount of future payments under the finance lease arrangements and the year in which these payments will become due are as follows:		
Not later than one year		3,359,424	3,230,216
Later than one year but not later than five years		14,836,302	14,265,675
Later than five years		13,979,864	18,987,624
Total future minimum lease payments		32,175,590	36,483,515
Finance charge allocated to future years		(8,399,595)	(14,206,212)
Present value of future minimum lease payments		23,775,995	22,277,303
33 UNCLAIMED DIVIDENDS			
Balance at beginning of the year		92,036,186	88,652,013
Add: dividend announced during the year		900,000,000	675,000,000
Less: payments during the year		(898,038,300)	(672,501,179)
Add: accrual of interest		-	885,352
Balance at end of the year		93,997,886	92,036,186

		December 31, 2024	December 31, 2023
	Note	(Rupees)	
34 OTHERS CREDITORS AND ACCRUALS			
Creditors and accruals		3,278,355	12,518,901
Tax payable		5,561,126	29,561,697
Rent payable	34.1	-	39,383,040
Security deposits	34.2	43,074,026	44,718,092
Accrued expenses		84,746,430	44,433,819
Surplus profit payable	34.3	1,212,602	1,075,561
		<u>137,872,539</u>	<u>171,691,110</u>

- 34.1** The Company was in dispute in respect of the unilateral increase in rentals of its lease hold land by Karachi Port Trust (KPT). In this respect a stay was operating in favor of the Company and the matter was pending before the Honorable High Court of Sindh, for the issue and hearing of application. However, during the year the Company has entered into an out of court settlement with KPT to clear the dues which resulted in payment of Rs. 44,954,390 in respect of all outstanding dues till June 30, 2024.

Meanwhile, both the parties have agreed to withdraw the case pending before the Honorable High Court of Sindh in the hearing fixed on March 26, 2024 against 'second appeal 200/2020'.

- 34.2** This represents security 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.
- 34.3** This represents the amount set aside for the shareholders in accordance with the requirements of Pakistan Insurance Corporation Act, 1952 (repealed).

35 TOTAL LIABILITIES FROM WINDOW RETAKAFUL OPERATIONS - OPERATOR'S RETAKAFUL FUND

Liabilities:

Unearned wakala fee	175,296,606	130,742,601
Operator's retakaful fund - payable	-	34,598,043
Taxation- provision less payment	54,123,865	55,709,311
Deferred taxation	3,192,746	485,981
Other creditors and accruals	1,349,878	1,564,619
Payable to Pakistan Reinsurance Company Limited	143,349,816	12,733,937
Total liabilities	<u>377,312,911</u>	<u>235,834,492</u>

36 CONTINGENCIES AND COMMITMENTS

36.1 Contingencies

The Company is contingently liable for:

Sindh sales tax	36.2	25,193,026,335	22,049,017,881
Federal excise duty	36.3	4,073,379,063	4,073,379,063
Income tax	36.4	1,822,636,685	1,822,636,685
Insurance payables	36.6	61,568,840	61,568,840
EOBI	36.7	3,669,500	2,589,500
Super tax		-	323,647,001
Claims		-	483,673,389
		<u>31,154,280,423</u>	<u>28,816,512,359</u>

36.2 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 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.

Subsequently, the Company received two orders in pursuance of Appellate Tribunal (SRB) Order against Appeal No. AT-02/2013 and AT-109/2015 dated May 23, 2016 from Sindh Revenue Board (SRB) demanding the amount of sales tax liability on re-insurance services provided / rendered by the Company in Sindh from the period from July 2011 to November 2011 and for the period from December 2011 to December 2012 which were worked out and calculated by SRB amounting to Rs. 372.2 million and Rs. 1,118.1 million respectively. The Company has filed reference no 63 and 64/2016 in the Honorable High Court of Sindh, dated April 18, 2016 against the Orders of Appellant Tribunal.

Further, the Company has also received a notice from Sindh Revenue Board (SRB) for the period from January 2013 to December 2013. The Company contested the notice; however, the order was passed against the Company giving rise to sales tax liability amounting to Rs. 1,385 million and tax penalty amounting to Rs. 424 million. The Company filed an appeal against the order with Commissioner of Appeals, Sindh Revenue Board which was decided against the Company. The Company being aggrieved by the said order has filed an appeal before Appellant Tribunal-SRB which has been heard and order is awaited. Stay of tax demand has been obtained in this regard which was valid up to April 05, 2017.

During the year 2017, the Company has paid an amount of Rs. 2,131.464 million under protest against the principal amount of sales tax liability in respect of above notices issued by SRB for tax years 2011, 2012 and 2013.

The Company has also apprised Ministry of Commerce through letter dated April 14, 2017, on the matter of disputed sales tax demand raised by SRB. Ministry of Commerce through letter dated on May 03, 2017, directed to take action as per Board of Directors decision and also directed that the Company may keep contesting the case in High Court vigorously.

After obtaining legal opinion and approval from Board of Directors and Ministry of Commerce, the Company wrote a letter dated May 17, 2017, to the Commissioner (SRB) that the Company is in agreement to make payment of the principal amount of the demand under protest subject to the condition that SRB will withdraw all notices issued u/s 66 of Sindh Sales Tax Act, 2011, to the clients and debtors of the Company for the attachment of payables to the 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 Honorable High Court of Sindh and SRB will not initiate any further proceedings against the Company for the tax periods subsequent to these three tax periods and matter shall be decided after the decision of the Honorable High Court of Sindh.

Furthermore, the SECP vide letter No. ID/PRDD/TAXATION/2020/15 dated March 13, 2020 highlighted taxation issues to SRB faced by the insurance industry in Pakistan. SECP highlighted that, insurance companies obtained reinsurance services to mitigate their risk by sharing it with other insurance/reinsurance companies, hence, forming part of the overall risk management function of insurance companies. The imposition of sales tax on reinsurance services through service charge mechanism, may lead to double taxation on the insurance business, in the context of foreign reinsurance.

Imposition of sales tax on the reinsurance services would increase the cost of doing business for insurance companies, which may reflect as an increase in the rates of insurance premiums, making insurance more costly for the policyholders. As lowering the cost of business is the primary agenda of the Government of Pakistan and as such, the imposition of sales tax on reinsurance services would be working at odds with measures taken by the Government of Pakistan for ease of doing business in Pakistan.

SRB vide letter SRB/TP/57/2016 dated April 26, 2020 advised the Company with the provisions of Sindh Sales Tax Act, 2011 by issuing tax invoices, e-filing of tax returns and e-depositing the SST invoice.

The aggregate amount of Rs. 2,573.889 million paid has been recorded as "Receivable from SRB" in the financial statements. Moreover, the Company has not recorded provision against the orders passed by SRB in pursuance of Appellate Order dated February 01, 2016 in Appeal No. AT-02/2013 and order dated February 03, 2016 in Appeal No. AT-109/2015.

Further, if the matter is decided against the Company, the charge to accumulated profits would amount to Rs. 25.2 Billion (approximately) pertaining to the years 2011 to 2024 excluding any additional penalty or default surcharge. The pending legal proceeding may result in claims that the Company is unlikely to be able to satisfy. Further, in that case, the overall equity may erode and turn into negative and the Company would also face liquidity crunch and be unable to meet its solvency requirements in addition to "going concern assumption" basis of accounting.

Based on the legal opinion of the Company's legal advisor, management is confident that strong grounds exist to contest the case and that the eventual resolution of the matter would be in favor of the Company. Accordingly, no provision for sales tax liability for the years 2011 to 2023 has been recorded in these financial statements.

On January 10, 2023, the hearing of the said case was held in the High Court of Sindh, Karachi. Although it was discharged, due to the shortage of time till the next hearing date April 25, 2024. The case remains pending with no further progress. The last hearing, scheduled for September 30, 2024, was adjourned due to the adjournment request by the Advocate of SRB. The next hearing is scheduled for February 10, 2025.

36.3 Federal Excise Duty

S. no.	Year	Amount in Rupees	Status of the case
1	2012	161,753,030	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, 2019 has suspended the proceedings initiated through the above show-cause notice.
2	2013	755,903,899	
3	2014	765,427,619	
4	2015	835,030,670	
5	2016	928,295,664	
6	2017	626,968,181	
		<u>4,073,379,063</u>	

On March 09, 2023, the hearing of the said case was held in the High Court of Sindh, Karachi. The hearing was discharged, due to the shortage of time till the next hearing date of March 06, 2024. The matter is yet not heard. The next tentative date is appearing as 12.03.2025 by Roaster fixation.

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 favor of the Company in light of the 18th amendment in the Constitution of Pakistan.

36.4 Income Tax

Tax Year	Order Under Section	Tax Liability in Order & Refund in ROI	Liability Accepted by Company	Deleted by TDR/ CIR/ ATIR	Differential (Pending)	Status of the case
2010	122(SA)	61,946,267	183,799	-	61,262,517	CIRA has decided issues against Company which are pending in ATIR. Issue of Donations of Rs.125,000 accepted by Company.
2011	122(SA)	998,263,856		357,335,389	150,728,467	CIRA and/or ATIR have decided issues in Company's favour. Appeal effect given vide order dated October 12, 2017. Tax of Rs. 1,555,807 inadvertently under paid by Company in respect of Rental Income is now voluntarily paid by Company. Tax liability of Rs. 98,868,443 is arising due to unavailability of brought forward loss relating to TY 2010 due to assessment order passed for the aforesaid tax year.
2012	122(SA)	330,013,363	-	192,687,155	127,326,208	CIRA and/or ATIR have decided issues in the Company's favour. Tax liability of Rs. 127,326,208 is arising due to unavailability of loss of Rs.212,481,202 relating to Tax Year 2010 and tax refund of Rs.50,957,787 relating to Tax Year 2011, due to assessment orders passed for these tax years.
2013	122(SA)	191,402,099	32,841,303	149,221,136	9,342,660	CIRA and/or ATIR have decided issues in Company's favour. Appeal effect order with regard to CIRA & ATIR orders are pending. Tax liability of Rs. 42,540,463 is arising due to unavailability of tax refunds of Rs.1,025,968 and Rs. 41,014,495 relating to Tax Years 2010 and 2012 respectively, due to assessment orders passed for these tax years.
2014	122(SA)	542,653,355	-	129,928,563	412,724,772	CIRA has decided issues of Dividend Income and claim of expenses against Rental Income in Company's favour, whilst remaining issues were decided against Company and are pending in ATIR. Appeal effect with regard to CIRA's order is pending.
2015	122(SA)	498,357,134	-	497,585,902	771,232	CIRA has decided issues in the Company's favour except issue of Exchange loss of Rs. 50,578,845 which is decided against Company and is pending in ATIR. Appeal effect given vide order dated April 23, 2017.
2016	122(SA)	742,375,175	-	318,462,262	223,912,913	CIRA has decided issues in Company's favour except issue of Loss on re-measurement of defined benefit obligations of Rs.675,584,000 and Provision for compensated absences of Rs.60,868,000, which are decided against Company and are pending in ATIR, however same issue have been decided in Company's favour in tax year 2015. Appeal effect given vide order dated April 6, 2017. Full bench had been formed due to a conflicting decision of Honorable Tribunal in respect of issue of Commission, however, hearing in this respect has not yet been conducted.

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2017	122(4)/ 121(S)	565,727,043	-	565,727,053	-	The CIRA has passed the Appellate Order bearing bar code number 100500157933485 dated August 19, 2023 and disposed of the appeal in the favour of PRCCL in the following matters. In the light of the CIRA order, the impugned order of the DCIR is recalled while the demand of Rs. 565,727,053 is deleted. There is no further action required in this regard.
2018	122(5A)	799,153,338		445,541,192	353,612,146	Appeal before CIRA against the order dated January 31, 2019 has been filed which has been heard by CIRA. CIRA has decided various issues in Company's favour against which department has filed appeal before ATDR. However, major issue of Commission expense was decided in favor of the department against which appeal has been filed before ATDR by the Company which is pending.
2022	181	8,390,000			-	FBR issued a notice dated 18-01-2024 wherein a Penalty of Rs 8,390,000/- was imposed against the non-up-dation of company registration profile under section of 181 of the Ordinance. The company has submitted the reply along with supporting documents. The case is pending before the DCIR and the management is confident of the outcome in the favor of the company.
	137(1)	16,041,781			-	FBR issued show cause notice dated 18-01-2024 regarding delayed filing of return and imposed penalty of Rs 16,041,781/-. The case is pending before the DCIR. Company has submitted reply along with supporting documents to the DCIR and the management is confident of the favorable outcome.
	147	21,185,780			-	FBR issued show cause notice dated 18-01-2024 stating advance tax paid by the company under section 147 of the ordinance falls short of 90% of the admitted tax liability. The case is pending before the DCIR. Company has submitted reply along with supporting documents to the DCIR and is of the opinion the outcome will be favorable to the company.
2023	114	16,981,522			-	FBR issued show cause notice dated 18-01-2024 regarding delayed filing of return and imposed penalty of Rs. 16,981,522/-. Company has submitted reply along with supporting documents to the DCIR and the management is confident of the favorable outcome.
	181	8,390,000			-	FBR issued a notice dated 18-01-2024 wherein Penalty of Rs 8,390,000/- was imposed against the non-up-dation of company registration profile under section of 181 of the Ordinance. Company has submitted the reply along with supporting documents. The case is pending before the DCIR and the management is confident of the outcome in the favor of the company.
	147	21,291,395			-	FBR issued show cause notice dated 18-01-2024 stating advance tax paid by the company under section 147 of the ordinance falls short of 90% the admitted tax liability. Company has submitted reply along with supporting documents to the DCIR and the management is confident of the favorable outcome.
	147	43,435,477			-	FBR issued a notice dated 19-01-2024 wherein default surcharge of Rs 43,435,477 was levied against the delayed payment under section 147 of the ordinance. The case is pending before DCIR and the management is confident of the outcome in the favor of the company.
2024	122(5A)	249,525,186	-	-	249,525,186	FBR issued order for the tax year 2020 in which an impugned demand of Rs 249,252,180/- was created. The Company has filed an application with the Board for Alternative Dispute Resolution (ADR). The Company is confident of the outcome in the favor of the Company.

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The status of orders passed under section 161 of the Income Tax Ordinance, 2001 is as follows:

Tax year	Note	December 31, 2024	December 31, 2023
		(Rupees)	
2014		260,214,169	260,214,169
2015		39,541,845	39,541,845
2016		182,699,756	182,699,756
	36.5	482,455,770	482,455,770
Grand Total		1,822,636,685	1,822,636,685

- 36.5 The Company received various notices in respect of non deduction of with holding tax on commission paid to ceding companies. CIRA has decided issue of Commission expense against the Company and appeal is pending in ATIR. Full bench had been formed due to a conflicting decision of Honourable Tribunal in respect of issue of Commission, however, hearing of main appeal had not been fixed yet.

The above matters are pending before various forums. On the basis of the opinion of tax advisor, the Company is confident that the eventual outcome will be in favor of the Company.

36.6 Insurance payables

Certain ceding companies have filed various suits amounting to Rs. 61,568,840 (2023: Rs. 61,568,840) against the Company for recovery of claims. Based on the legal opinion of the Company's legal advisor, management is confident that strong grounds exist to contest the cases and that the eventual resolution of the matter would be in favor of the Company. Accordingly, no provision has been recorded in the financial statements relating to these claims.

36.7 Employee Old Age Benefit Institution

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

Further, the Company filed an appeal in the Honorable High Court of Sindh against the Civil Court judgment and there has been no further proceeding in the court but the management expects a favorable outcome. On the basis of meeting held with EOBI officials, the Company is considering registration of its contractual employees with EOBI which is pending approval from Ministry of Commerce. Further, it has been agreed that advice from Ministry of Law and Justice may be sought on the issue of registration of permanent employees who are already covered under Company's own pension scheme. The financial impact pertaining to contractual employees along with penalty, if any, amounts to Rs. 870,000 (2023 Rs. 870,000) and the impact of permanent employees to the financial statements is currently not ascertainable. Therefore, no provision has been made in these financial statements.

In continuance to above the company has filed an appeal 121/2020 in High Court of Sindh. The case was fixed for hearing on March 29, 2023 but due to fixation policy the case was discharged till next date for hearing i.e. February 21, 2024. However the case is still pending in High court of Sindh.

As of the last hearing on June 11, 2024, no further progress has been made, and the case was once again discharged as per the court's approved policy. The next scheduled hearing date is February 12, 2025.

36.8 As disclosed in note 34.1 the Company was in dispute with Karachi Port Trust (KPT) regarding rentals which has been settled out of the Court. However, the matter with respect to waiver of late payment surcharge / penalty is under discussion with KPT. The Company is confident that the matter will be settled in favour of the Company, no provision is recorded in this respect for the amount which may range from Rs 20 to 25 million.

36.9 As disclosed in the notes 16 and 32.1 to the financial statements, the balances of Rs.10.273 billion (net of provision amounting to Rs. 9.663 billion) and Rs. 3.208 billion were respectively due from and due to insurance/reinsurance companies. In order to reconcile the above balances with the insurance companies, management is in process of reconciling these balances till December 31, 2023 with the consultation of Securities and Exchange Commission of Pakistan (SECP) by outsourcing this function to an independent third party which is still underway.

However, the management is confident that the eventual outcome of reconciliation exercise would be in favor of the Company.

		December 31, 2024	December 31, 2023
	Note	(Rupees)	
36.10 Commitments			
Commitments in respect of:			
- Short term lease rentals (0 to 1 year)		3,992,521	3,860,728
- Capital expenditure (intangible assets)		25,422,503	25,422,503
		<u>29,415,024</u>	<u>29,283,231</u>
37 NET INSURANCE PREMIUM			
Gross premium written		24,702,082,514	33,969,248,175
Add: unearned premium reserve opening		16,235,915,117	12,047,709,680
Less: unearned premium reserve closing	26	(10,621,849,438)	(16,235,915,117)
Premiums earned		30,316,148,193	29,781,042,738
Less: reinsurance premium ceded		14,514,623,584	23,417,470,763
Add: prepaid reinsurance premium opening		11,900,209,825	8,940,328,450
Less: prepaid reinsurance premium closing	19	(6,953,612,983)	(11,900,209,825)
Reinsurance expense		<u>19,461,220,426</u>	<u>20,457,589,388</u>
		<u>10,854,927,767</u>	<u>9,323,453,350</u>

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38 NET INSURANCE CLAIMS

		December 31, 2024	December 31, 2023
Note		(Rupees)	
	Claims paid	8,109,320,928	7,061,557,439
	Add: outstanding claims including IBNR closing	24,338,601,075	25,932,646,396
	Less: outstanding claims including IBNR opening	(25,932,646,396)	(21,261,387,233)
	Claims expense	6,515,275,607	11,732,816,602
	Less: reinsurance and other recoveries received	3,518,183,186	3,240,015,638
	Add: reinsurance and other recoveries		
	in respect of outstanding claims closing	15,767,126,860	18,206,185,158
	Less: reinsurance and other recoveries		
	in respect of outstanding claims opening	(18,206,185,158)	(14,420,709,311)
	Reinsurance and other recoveries revenue	1,079,124,888	7,025,491,485
		5,436,150,719	4,707,325,117

39 CLAIM DEVELOPMENT

The Company maintains adequate reserves in respect of its reinsurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before reinsurance.

Accident year	2020	2021	2022	2023	2024	Total
Estimate of ultimate claims cost						
-At the end of accident year	4,190,866,862	5,108,125,310	14,480,978,776	8,489,163,900	8,750,185,956	41,019,320,810
-One year later	2,185,136,922	3,707,378,162	11,824,931,537	2,634,563,046	-	20,412,029,667
-Two years later	4,985,427,069	4,666,414,473	10,775,247,768	-	-	20,427,089,310
-Three years later	2,403,010,681	4,223,134,218	-	-	-	6,626,144,899
-Four years later	6,059,839,014	-	-	-	-	6,059,839,014
Current estimate of cumulative claims	6,059,839,014	4,223,134,218	10,775,247,768	2,634,563,046	8,750,185,956	32,442,970,002
Cumulative payments to date	906,941,496	478,113,450	2,757,615,646	1,808,090,361	2,158,539,974	8,109,320,927
Outstanding claims- Bangladesh	-	-	-	-	-	4,952,000
Liability recognised in the statement of financial position	5,152,897,518	3,745,000,768	8,017,632,122	826,472,685	6,591,645,982	24,338,601,075

40 NET COMMISSION AND OTHER ACQUISITION COSTS

		2,376,286,109	2,538,836,707
	Commission paid or payable		
	Add: deferred commission expense opening	1,125,879,037	931,382,139
	Less: deferred commission expense closing	(1,047,205,897)	(1,125,879,037)
	Net commission	2,454,959,249	2,344,339,809
	Less: commission received or receivable	1,076,512,252	1,665,990,194
	Add: unearned reinsurance commission opening	810,160,213	539,143,250
	Less: unearned reinsurance commission closing	(505,496,153)	(810,160,213)
	Commission from reinsurers	1,381,176,312	1,394,973,231
		1,073,782,937	949,366,578

		December 31, 2024	December 31, 2023
	Note	(Rupees)	
41 MANAGEMENT EXPENSES			
Employee benefit cost	41.1	1,481,863,563	1,075,916,718
Medical		20,803,278	17,214,627
Utilities		42,194,924	33,395,193
Security services expense		23,504,972	20,560,487
Janitorial Expense		13,070,808	8,059,609
Repairs and maintenance		12,660,634	56,116,941
Directors' meeting and other expenses	50	29,616,279	28,395,588
Depreciation expense	41.2	263,369,625	200,613,437
Advertisement and business promotion		5,118,066	5,182,023
Travelling and conveyance		26,406,919	50,971,589
Insurance		25,486,773	4,247,021
Legal fees		1,812,680	2,487,500
Computer related expenses		46,528,315	43,233,582
Rent, rates and taxes		9,560,693	6,120,351
Consultancy and professional charges		8,495,329	8,664,561
Printing and stationary		6,421,888	6,079,651
Entertainment		7,130,749	4,514,319
Communication		4,599,766	2,839,782
Newspaper and periodicals		130,850	149,090
Repairs and renewal		3,558,352	2,699,267
Training and research		2,304,590	8,591,723
Shares transaction costs		202,149	-
Charity and Donation		-	2,000,000
Others		34,269,220	18,187,098
		<u>2,069,110,422</u>	<u>1,606,240,157</u>
Expenses allocated to investment income	42	(19,507,623)	(13,456,960)
Expenses allocated to rental income	43	(29,995,456)	(20,624,401)
		<u>2,019,607,343</u>	<u>1,572,158,796</u>
41.1 Employee benefit cost			
Salaries, wages and benefits		854,045,243	654,292,795
Post employees benefits			
- Officers' pension		225,225,268	232,672,023
- Employees' pension		134,670,509	133,292,813
- Post retirement medical benefits		185,243,562	134,665,000
- Gratuity fund		24,059,302	12,134,000
- Compensated absences		58,619,679	(91,139,913)
		<u>627,818,320</u>	<u>421,623,923</u>
		<u>1,481,863,563</u>	<u>1,075,916,718</u>
41.2 Depreciation expense			
Property and equipment	7.1	58,442,071	44,334,990
Ammortization	8.1	222,169	125,536
Right-of-use assets	9.2	204,705,385	156,152,911
		<u>263,369,625</u>	<u>200,613,437</u>

		December 31, 2024	December 31, 2023
	Note	(Rupees)	
42 INVESTMENT INCOME - NET			
Income from equity securities			
Available for sale			
Dividend income		391,607,396	249,565,909
Held for trading			
Dividend income		26,649,500	21,001,400
		<u>418,256,896</u>	<u>270,567,309</u>
Income from debt securities			
Held to maturity			
Return on debt securities			
Pakistan Investment Bonds - fixed		1,128,671,568	492,814,016
Pakistan Investment Bonds - floating		36,896,245	65,123,962
Treasury Bills		1,240,822,625	1,206,969,650
Profit on Term Finance Certificates		9,131,135	21,140,660
Amortization of Pakistan Investment Bonds		167,464,810	120,375,990
		<u>2,582,986,383</u>	<u>1,906,424,278</u>
Available for sale			
Profit on Pakistan Investment Bonds		14,299,566	22,706,788
Net realized gains on investments			
Available for sale financial assets			
Realized gain on equity securities		74,149,383	-
Held for trading financial assets			
Realized gain on equity securities		15,828,690	-
Net unrealized gain/(losses) on investments			
Held for trading investments		186,952,145	73,030,312
Total investment income		<u>3,292,473,063</u>	<u>2,272,728,687</u>
Add: reversal of impairment in value of available for sale investment		170,415,674	130,265,233
Less: investment related expenses	41	(19,507,623)	(13,456,960)
Net investment income		<u>3,443,381,114</u>	<u>2,389,536,960</u>
43 RENTAL INCOME - NET			
Rental income earned	43.1	179,956,963	169,168,075
Less: expenses allocated to investment property	41	(29,995,456)	(20,624,401)
Less: depreciation on investment property	11	-	-
		<u>149,961,507</u>	<u>148,543,674</u>
43.1 The rental income represents income from renting out of PRC Tower.			
43.2 There are no direct expenses relating to investment property that did not generate rental income (2023: Nil)			
44 OTHER INCOME			
Return on bank deposits		478,049,675	470,592,837
Net return on loans to employees		9,666,265	12,083,761
Miscellaneous income		3,132,359	39,858,803
Liabilities written back		39,078,411	-
Exchange gain		56,908,483	671,618,175
Reversal for provision against sundry receivables		-	2,924,502
		<u>586,835,193</u>	<u>1,197,078,078</u>

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		December 31, 2024	December 31, 2023
	Note	----- (Rupees) -----	
45 OTHER EXPENSES			
Auditor's remuneration	45.1	1,596,000	1,330,000
Fee and subscription		24,705,771	3,197,265
Subscription and membership fee		4,460,648	5,752,215
Amount due from other insurer - written off	45.2	-	601,678,637
		<u>30,762,419</u>	<u>611,958,117</u>
45.1 Auditor's remuneration			
Annual audit fee		720,000	600,000
Other certification fee		420,000	350,000
Interim review		216,000	180,000
Out-of-pocket expenses		240,000	200,000
		<u>1,596,000</u>	<u>1,330,000</u>
45.2	This include balances written off consequent to reconciliation with other insurer based on underlying information and returns submitted by insurers / reinsurers periodically. As per the requirements mentioned in SECP letter no. ID/Offsite-U/Misc/2023/631 dated February 9, 2023 addressed to Insurance Association of Pakistan, the Company has reconciled its balances with 11 insurers and is in the process to reconcile remaining insurers. Securities and Exchange Commission of Pakistan (SECP) had proposed that the reconciliation activity be concluded by December 31, 2023 but this deadline was not met due to non-cooperation by insurers. The Company is actively pursuing insurers and SECP for provision of requisite data so that the balances of remaining insurers can be reconciled and to ensure that the balances are accurate and complete in respect of information available.		
46 FINANCE COST			
Finance cost - leases		2,531,049	2,350,131
Bank charges		6,691,627	4,977,206
		<u>9,222,676</u>	<u>7,327,337</u>
47 PROFIT FROM WINDOW RETAKAFUL OPERATIONS -OPERATOR'S RETAKAFUL FUND			
Revenue account			
Wakala fee		356,852,235	275,846,335
Commission expense		(338,312,950)	(263,110,958)
General, administrative and management expenses		(16,733,308)	(21,767,791)
		<u>1,805,977</u>	<u>(9,032,414)</u>
Investment income		22,109,382	2,958,821
Other income		62,440,826	85,097,792
Modarib's share of Participant's Retakaful investment and other income		<u>88,431,264</u>	<u>63,466,835</u>
		<u>172,981,471</u>	<u>151,523,448</u>
Profit before taxation		<u>174,787,448</u>	<u>142,491,034</u>
Taxation		(76,716,567)	(47,022,041)
Profit after taxation		<u>98,070,881</u>	<u>95,468,993</u>
48 TAXATION			
Levies		26,929,187	-
Income tax	48.1	3,015,094,041	2,171,096,737
		<u>3,042,023,228</u>	<u>2,171,096,737</u>

		December 31, 2024	December 31, 2023
	Note	----- (Rupees) -----	
48.1 Income tax			
Current		2,540,767,270	1,780,058,505
Prior year		330,188,915	347,170,018
		<u>2,870,956,185</u>	<u>2,127,228,523</u>
Current - Window Retakaful Operations		76,716,567	47,022,041
		<u>2,947,672,752</u>	<u>2,174,250,564</u>
Deferred		67,421,289	(3,153,827)
	48.2	<u>3,015,094,041</u>	<u>2,171,096,737</u>

48.2 Relationship between tax expense and accounting profit

Profit before tax		<u>6,820,338,083</u>	<u>5,236,344,854</u>
Tax at the applicable rate of 39% including super tax (2023: 33%)		2,659,931,852	1,759,498,869
Tax effect of temporary difference and others		24,973,274	64,428,151
Prior year tax adjustment		330,188,915	347,170,018
Charge for the year		<u>3,015,094,041</u>	<u>2,171,096,737</u>

48.3 Relationship between average effective tax rate and the applicable tax rate

Applicable tax rate		39.00%	33.00%
Tax effects of amounts that are:			
- Deductible temporary difference		(3.83%)	4.46%
- Taxable temporary difference		4.20%	(3.23%)
		<u>39.37%</u>	<u>34.23%</u>

49 EARNINGS PER SHARE - basic and diluted

Basic earning per share is calculated by dividing the net profit for the year by the weighted average number of shares outstanding as at the year end as follows:

	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
Profit for the year	<u>3,778,314,855</u>	<u>3,065,248,116</u>
Weighted average number of ordinary shares (number of shares)	<u>900,000,000</u>	<u>900,000,000</u>
Earnings per share	<u>4.20</u>	<u>3.41</u>

49.1 No figure for 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.

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50 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2024	2023	2024	2023	2024	2023
Rupees in '000						
Meeting fees	-	-	21,180	15,250	-	-
Managerial remuneration	28,800	27,060	-	-	57,950	55,522
Leave encashment	4,800	-	-	-	1,997	2,260
Bonus	38,797	8,300	-	-	26,830	27,796
Charge for defined benefit plan	-	-	-	-	-	-
Rent and house maintenance	-	-	-	-	35,939	42,225
Utilities	-	-	-	-	9,725	11,426
Dearness allowance	-	-	-	-	3,714	7,352
Conveyance / car monetization	3,300	3,300	-	-	29,832	19,497
Adhoc relief (2020, 2021, 2022 and 2023)	-	-	-	-	4,229	7,706
Education allowance	-	-	-	-	2,036	4,959
Others	180	-	8,133	13,146	46,834	22,166
	<u>75,877</u>	<u>38,660</u>	<u>29,313</u>	<u>28,396</u>	<u>219,086</u>	<u>200,908</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>9</u>	<u>7</u>	<u>31</u>	<u>38</u>

50.1 Executive means any employee who satisfies the definition / criteria as mentioned in the Insurance Regulations, 2017.

50.2 The Directors are entitled to meeting fee for attending each board and committee meeting amounting to Rs. 150,000 for meeting and other benefits comprising of accommodation, air travel allowance and conveyance allowance as recommended by Board on its 177th meeting held on August, 25 2023 in accordance with the articles of association of the Company.

	December 31, 2024	December 31, 2023
51 EMPLOYEES		
Number of employees at the year end		
Permanent	100	110
Contractual	63	72
	<u>163</u>	<u>182</u>
Average number of employees during the year		
Permanent	105	116
Contractual	72	62
	<u>177</u>	<u>178</u>

52 IMPLICATIONS OF REVISED IFRS 2 - SHARE-BASED PAYMENT ON BENAZIR EMPLOYEES' STOCK OPTION SCHEME (BESOS)

On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees' Stock Option Scheme ("the Scheme") for employees of certain State Owned Enterprises (SOEs) and Non-State Owned Enterprises, where GoP holds significant investments (Non-SOEs). The Scheme is applicable to permanent and contractual employees who were in employment of these entities including the Company on the date of launch of the Scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GoP has transferred 12% of its investment in such SOEs and Non-SOEs to a Trust Fund, established under a Trust Deed, created for the purpose by each of such entities. The eligible employees are entitled to be allotted units by each Trust Fund in proportion to their respective length of service and on retirement or termination, such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units, as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GoP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund, managed by the Privatization Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the re-purchase commitment would be met by GoP.

The Scheme, developed in compliance with the stated GoP policy of empowerment of employees of State Owned Enterprises, needs to be accounted for by the covered entities, including the Company, under the provisions of amended International Financial Reporting Standard-2, "Share-based Payments" (IFRS 2). However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, the SECP, on receiving representations from some of entities covered under the Scheme and after having consulted the Institute of Chartered Accountants of Pakistan, has granted exemption vide SRO 587(I)/2011 dated June 07, 2011 to such entities including the Company from the application of IFRS 2 to the Scheme.

Had the exemption not been granted, Staff costs of the Company would have been higher by Rs. 42.235 million, profit before taxation would have been lower by Rs. 42.235 million, earnings per share would have been lower by Rs. 0.14, reserves would have been higher by Rs. 42.235 million.

During the year, the company has received a notice from Ministry of Commerce, dated 17 March, 2022, to deposit principal amount along with interest accrued on the principal amount available with the Company under BESOS scheme under federal consolidated fund. The Company has paid the principal amount along with the interest accrued on the principal amounting to Rs. 558.525 million on November 29, 2022 to Ministry of Commerce. The Fund will be dissolved after the audit of the financial statements of the fund.

The interest amounting to Rs. 26.472 million has been paid to the Government on 1/8/2024 and the bank account has been closed on the same date.

53 RELATED PARTIES TRANSACTIONS AND BALANCES

Government of Pakistan through Ministry of Commerce owns 51% (2023: 51%) shares of the Company. Therefore, all entities owned and controlled by the Government of Pakistan are related parties of the Company. The related parties comprise major shareholders, associated company, directors, companies with common directorship, key management personnel, and staff retirement benefit funds. The Company in normal course of business pays for electricity, gas and telephone to entities controlled by Government of Pakistan which are not material and hence not disclosed in these financial statements. Moreover, transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment as disclosed in note 51 of these financial statements, are as follows:

		December 31, 2024 (Rupees)	December 31, 2023
Note			
Major shareholders			
Government of Pakistan (GoP) through Ministry of Commerce			
	Dividend paid for the year	<u>458,999,268</u>	<u>344,249,451</u>
State Life Insurance Corporation of Pakistan			
	Dividend paid for the year	<u>219,696,603</u>	<u>164,772,452</u>
Related parties by virtue of GoP's holdings			
State Bank of Pakistan			
	Purchase of investment	<u>11,957,923,031</u>	<u>17,319,827,053</u>
Pakistan State Oil Company Limited			
	Dividend received during the year	<u>140,420</u>	<u>105,315</u>
National Investment Trust Limited			
	Dividend received during the year	<u>81,180,000</u>	<u>77,220,000</u>
National Insurance Company Limited			
	Insurance / reinsurance receivables / (insurance / reinsurance payable)	10,468,111,935	10,729,548,945
	Insurance premium written during the year	13,799,551,329	23,591,227,879
	Commission Paid	(644,756,690)	(864,415,143)
	Claims paid	(3,109,416,991)	(3,351,662,735)
	Direct settlement with Retrocessionaire	(7,122,945,352)	-
16.2.1	Net receipts/payments	(10,609,045,317)	(19,636,587,010)
	Balance at the end of year	<u>2,781,498,914</u>	<u>10,468,111,935</u>
Alpha Insurance Company Limited			
	Insurance / reinsurance receivables / (insurance / reinsurance payable)	19,875,474	16,499,647
	Insurance premium written during the year	32,742,619	5,895,631
	Commission Paid	(771,899)	(786,991)
	Claims paid	(3,691,366)	(30,020)
	Net receipts	(15,531,213)	(1,702,793)
	Balance at the end of year	<u>32,623,615</u>	<u>19,875,474</u>
Other related parties			
	Remuneration including benefits and perquisites of key management personnel	<u>324,276,000</u>	<u>267,963,634</u>
50			

The transactions with related parties are in the normal course of business at contracted rates and terms and conditions determined on commercial terms.

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December 31, 2024

	Fire	Marine cargo	Marine hull	Accident	Aviation	Engineering	Proportional Treaty	Non Proportional Treaty	Total
Rapex									
Gross written premium	5,790,521,358	121,970,773	420,263,518	1,545,143,668	646,339,045	2,242,571,380	5,748,542,246	2,186,700,336	34,702,682,514
Unearned opening	1,478,547,379	18,149,713	85,469,507	306,421,391	6,287,783,087	4,362,334,668	2,493,989,019	1,062,927,751	16,235,915,117
Unearned closing	1,285,441,645	13,489,100	87,376,811	490,134,573	1,408,166,144	5,839,617,103	2,565,209,310	872,414,730	10,621,849,438
Premium earned	5,583,627,792	126,631,386	418,386,214	1,355,430,496	5,465,955,988	6,765,278,945	5,677,321,935	2,312,213,317	30,386,148,193
Reinsurance ceded	3,651,976,861	-	352,624,787	1,117,243,330	492,364,950	6,829,817,147	-	1,970,584,560	14,514,623,584
Prepaid reinsurance opening	788,452,984	-	73,320,788	441,422,065	8,854,344,079	4,154,034,574	-	588,735,315	11,900,289,825
Prepaid reinsurance closing	659,817,035	-	75,793,379	420,226,441	1,311,444,668	3,488,248,188	-	988,083,292	6,955,612,983
Reinsurance expense	3,780,614,750	-	379,152,196	1,138,448,954	5,035,664,421	7,495,603,533	-	1,561,236,572	19,861,730,426
Net insurance premium	2,205,012,542	126,931,386	48,234,018	222,081,530	430,794,167	1,269,675,812	5,677,321,935	735,976,735	10,854,927,767
Commission income	223,890,255	-	24,191,338	100,491,036	734,164,400	785,361,626	-	41,075,652	1,384,176,312
Net underwriting income (A)	2,426,902,797	126,931,386	103,425,356	423,474,566	664,958,567	2,019,037,038	5,677,321,935	797,052,412	12,236,104,079
Insurance claims paid	800,653,285	5,420,364	443,192,128	36,517,130	120,297,835	2,867,089,672	3,313,828,488	572,323,430	8,009,328,928
Outstanding opening	4,146,521,448	70,913,769	124,641,223	350,040,714	3,138,334,630	18,683,442,200	2,500,498,352	919,054,040	25,922,646,396
Outstanding closing	3,979,035,649	86,514,925	72,419,048	910,882,876	2,284,482,664	18,251,191,406	2,361,066,875	1,043,010,372	24,338,691,875
Insurance claims expenses	(1,633,314)	21,021,520	391,569,953	997,365,746	(733,754,563)	2,435,838,878	3,174,394,311	645,678,768	8,515,275,607
Reinsurance recoveries received	-	-	369,370,276	-	85,564,456	2,493,369,947	-	569,878,507	3,518,183,186
Recovery opening	713,250,470	-	17,100,108	9,594,871	2,878,857,618	15,731,820,215	-	855,639,478	18,266,183,158
Recovery closing	530,968,245	-	35,809,737	498,469,090	1,733,981,568	12,274,667,166	-	683,231,024	15,767,826,860
Insurance claims recovered from reinsurers	(182,282,225)	-	388,060,525	488,964,129	(1,050,311,592)	1,036,310,908	-	867,470,053	1,079,124,888
Net claims	655,449,711	21,021,520	3,496,428	108,395,143	325,537,031	1,799,627,880	3,174,394,371	238,208,713	5,426,150,719
Commissions expense	343,133,397	11,551,404	25,546,663	88,475,999	142,579,324	433,026,157	1,361,088,391	9,581,813	2,454,959,349
Management expense	409,880,252	23,616,146	12,695,248	60,692,143	80,151,861	256,238,729	1,038,136,866	142,788,825	2,069,607,343
Premium deficiency expense	-	-	-	-	-	-	-	-	-
Provision for doubtful debts net	-	-	-	-	-	-	-	-	(113,945,267)
Net insurance claims and expenses (B)	(918,465,780)	(56,160,071)	(41,738,334)	(236,961,305)	(548,283,311)	(2,108,882,766)	(5,589,679,228)	(136,577,052)	(9,796,772,049)
Underwriting results (C=A-B)	1,508,437,018	70,762,317	61,687,023	166,513,261	116,675,858	(92,845,728)	87,682,427	466,475,360	2,439,332,030
Net investment income	-	-	-	-	-	-	-	-	3,443,381,134
Rental income	-	-	-	-	-	-	-	-	149,961,507
Finance cost	-	-	-	-	-	-	-	-	(9,222,670)
Fair value gain on investment property	-	-	-	-	-	-	-	-	66,025,886
Other expenses	-	-	-	-	-	-	-	-	(30,762,419)
Other income	-	-	-	-	-	-	-	-	586,835,193
Profit from Winnow Re-takafal Operations	-	-	-	-	-	-	-	-	174,787,448
Profit before taxes and income tax	-	-	-	-	-	-	-	-	6,820,538,963
Taxes	-	-	-	-	-	-	-	-	(26,929,187)
Profit before income tax	-	-	-	-	-	-	-	-	6,793,609,776
Income tax	-	-	-	-	-	-	-	-	(3,015,694,041)
Profit after tax	-	-	-	-	-	-	-	-	3,777,915,735
Segment assets	1,280,212,551	1,118,262	116,741,328	945,905,610	3,085,231,243	16,012,966,813	627,530,148	1,606,204,941	23,749,660,294
Unallocated assets	-	-	-	-	-	-	-	-	45,330,303,716
									69,079,964,010
Segment liabilities	1,664,634,510	880,960,025	167,375,196	1,434,321,449	3,897,744,257	18,437,877,134	4,926,273,445	1,928,083,109	35,445,946,085
Unallocated liabilities	-	-	-	-	-	-	-	-	10,716,039,626
									46,161,985,711

38%

44%

49%

61%

82%

106%

188%

211%

11

December 31, 2023

Gross written premiums
Add: unearned-opening
Less: unearned-closing
Premium earned
Reinsurance-ceded
Add: Prepaid reinsurance-opening
Less: Prepaid reinsurance-closing
Reinsurance expense
Net insurance premium
Add: commission income
Net underwriting income - A
Insurance claims paid
Less: outstanding-opening
Add: outstanding-closing
Insurance claims expenses
Reinsurance recoveries received
Less: recovery-opening
Add: recovery-closing
Insurance claims recovered from reinsurers
Net claims
Commission expense
Management expense
Premium deficiency expense
Provision for doubtful debts-net
Net insurance claims and expenses - B
Underwriting results C = A-B
Net investment income
Rental income
Finance cost
Fair value gain on investment property
Other expenses
Other income
Profit from Window Re-takafol Operations
Profit before taxes and income tax
Taxation
Profit after tax

Segment assets
Unallocated assets

Segment liabilities
Unallocated liabilities

Fee	Marine cargo	Marine hull	Aviation	Aviation	Engineering	Proportional Treaty	Non Proportional Treaty	Total
Repete								
6,172,238,851	249,217,227	353,552,522	1,468,334,398	4,078,704,761	10,864,443,076	3,898,111,468	2,304,605,864	33,960,248,135
500,178,705	113,176,377	41,549,187	131,355,951	4,700,022,226	3,756,048,541	1,954,264,983	451,113,710	12,047,709,680
1,478,547,379	18,440,715	85,469,587	506,421,391	6,287,785,617	4,362,324,668	2,493,969,019	1,002,927,751	16,235,915,137
5,193,870,177	343,943,889	309,652,207	1,093,268,958	5,090,981,363	10,258,166,949	3,358,387,432	2,152,791,823	29,781,042,738
4,255,568,714	172,020,040	306,447,437	1,215,987,209	6,112,089,886	9,806,986,447	-	1,548,571,038	23,417,470,763
38,243,295	89,749,062	27,445,065	80,909,326	4,450,006,248	3,516,750,039	-	783,025,375	8,940,328,450
388,432,364	-	73,320,788	441,422,065	5,894,244,079	4,354,034,578	-	588,735,355	11,900,209,825
3,585,339,045	291,792,192	356,771,204	855,474,470	4,665,832,097	9,169,701,912	-	1,742,661,058	20,477,589,388
1,688,511,132	43,134,787	52,860,593	237,794,488	425,129,206	1,068,465,037	3,358,387,432	490,130,785	9,321,453,330
186,613,491	26,135,909	25,725,896	68,019,272	235,105,583	823,250,168	-	30,081,912	1,394,973,231
1,875,124,625	108,351,698	78,586,399	305,813,760	660,234,789	1,891,715,205	3,358,387,432	440,212,677	10,718,436,581
190,822,816	3,360,004	3,939,356	48,781,874	228,943,601	3,267,655,956	3,038,167,472	369,866,336	7,061,557,439
1,497,142,825	59,944,602	65,000,672	103,543,570	1,011,311,608	13,036,590,766	1,979,757,600	1,308,595,330	21,261,387,233
4,146,521,448	70,913,769	124,041,223	358,040,714	3,138,574,659	14,682,442,280	2,500,498,352	919,654,040	23,932,646,396
309,901,439	14,329,171	64,939,687	204,479,018	2,356,166,587	4,913,407,430	3,558,908,224	(219,471,054)	11,732,816,602
-	-	254,330	-	136,285,380	3,019,204,238	-	84,271,090	3,240,015,638
410,710,801	3,425,012	14,565,192	13,953,867	916,288,368	12,046,511,977	-	1,013,754,094	14,420,709,311
713,350,430	-	17,106,508	9,504,871	2,678,837,616	13,721,876,215	-	855,639,478	18,206,185,158
301,539,669	(3,425,012)	2,795,646	(4,428,196)	2,008,934,428	4,794,718,476	-	(73,643,528)	7,025,891,485
447,361,770	19,724,183	62,204,043	298,507,214	257,232,139	268,788,934	3,358,908,224	(145,831,428)	4,707,325,117
276,566,924	20,405,668	18,400,489	60,354,714	125,965,674	583,734,593	1,323,712,905	15,199,844	2,544,339,809
298,318,876	14,521,345	9,341,133	42,021,358	75,125,817	188,813,559	874,590,118	66,941,094	1,569,671,296
-	-	-	-	-	-	-	-	(12,526,427)
-	-	-	-	-	-	-	-	216,799,192
(1,022,247,369)	(14,681,197)	(89,945,663)	(401,283,282)	(458,323,455)	(991,335,106)	(5,757,211,245)	63,691,490	(8,825,698,987)
852,877,654	43,670,499	(11,359,264)	(95,469,522)	201,911,138	980,380,099	(508,323,813)	503,994,167	1,892,817,394
-	-	-	-	-	-	-	-	2,389,536,900
-	-	-	-	-	-	-	-	148,543,674
-	-	-	-	-	-	-	-	(7,327,337)
-	-	-	-	-	-	-	-	87,650,468
-	-	-	-	-	-	-	-	(614,445,617)
-	-	-	-	-	-	-	-	1,197,078,978
-	-	-	-	-	-	-	-	140,491,634
-	-	-	-	-	-	-	-	5,736,544,854
-	-	-	-	-	-	-	-	(2,171,096,737)
-	-	-	-	-	-	-	-	3,665,248,117
1,695,562,438	1,564,013	95,330,132	477,983,954	8,889,778,340	18,807,136,642	624,696,336	1,451,021,968	31,232,274,820
Unallocated assets								85,655,131,693
								76,187,404,713
5,682,284,055	89,363,484	216,842,809	891,951,091	9,705,989,039	19,458,398,332	4,994,487,371	1,939,405,345	42,978,721,326
Unallocated liabilities								15,768,936,137
								58,747,677,363

54.1 Geographical segment

Although the operations of the Company are based primarily on business segments, the Company also operates in geographical area. The following table shows the distribution of the Company's revenue, total assets and total liabilities by geographical segments:

Locations	2024		2023	
	Lahore	Karachi	Lahore	Karachi
	Rupees in thousands		Rupees in thousands	
Premium earned	-	24,702,083	1,535,839	28,245,204
Commission expense	-	2,454,959	426,470	2,112,367
Losses paid	-	8,109,321	466,840	6,594,717
Outstanding liabilities	-	24,333,649	1,399,560	24,528,134
Management expenses	-	2,019,607	5,831	1,563,840
Total assets	-	67,817,659	2,638,033	74,304,278

54.2 Management has allocated indirect management expenses to underwriting business on the basis of net premium revenue under individual business as per the stated accounting policy of the Company.

54.3 Information about major customer

The following table presents insurance premium written from transactions with external customer where such amounts equals and / or exceed ten per cent of the total premium written by the Company.

	December 31, 2024	December 31, 2023
Note	(Rupees)	
National Insurance Company Limited		
Facultative business		
Accident	1,285,341,376	1,211,376,664
Aviation	611,662,697	6,647,057,833
Engineering	7,323,600,512	10,305,652,716
Fire	3,379,287,139	4,055,624,172
Marine Cargo	-	202,454,352
Marine hull	405,823,533	343,238,377
	13,005,715,257	22,765,404,114
Treaty business	793,836,072	825,823,765
53	13,799,551,329	23,591,227,879

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55 MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Held for trading	Total
	Rupees			
At beginning of previous year	9,703,709,700	2,824,545,685	134,211,183	12,662,466,568
Additions	16,932,231,400	-	-	16,932,231,400
Disposals / redemptions	(13,620,159,250)	(75,000,000)	-	(13,695,159,250)
Amortization of Discount	987,752,786	5,038,568	-	992,791,354
Amortization of Premium	(144,517)	-	-	(144,517)
Reversal of impairment	-	130,265,236	-	130,265,236
Fair value net gains (excluding net realized gains)	-	1,223,828,418	73,030,311	1,296,858,729
At beginning of current year	14,003,390,119	4,108,677,907	207,241,494	18,319,309,520
Additions	11,846,607,300	-	-	11,846,607,300
Disposals / redemptions	(10,502,300,000)	(114,816,188)	(10,083,060)	(10,627,199,248)
Amortization of Discount	1,408,793,330	2,479,933	-	1,411,273,263
Amortization of Premium	(505,895)	-	-	(505,895)
Reversal of impairment	-	170,415,673	-	170,415,673
Fair value net gains (excluding net realized gains)	-	2,396,919,487	186,952,148	2,583,871,635
At end of current year	<u>16,755,984,854</u>	<u>6,363,676,812</u>	<u>384,110,581</u>	<u>23,503,772,247</u>

56 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty in the amount of compensation to the insured. Generally most insurance contracts carry the insurance risk for a period of one year.

56.1 Insurance risk

The Company's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate reinsurance is arranged to mitigate the effect of the potential loss to the Company from individual to large or catastrophic insured events. Further, the Company adopts strict claim review policies including active management and prompt pursuing of the claims, regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

a) Frequency and severity of claims

Risk associated with general insurance contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the insured events. This has been managed by having in place underwriting strategy, reinsurance arrangements and proactive claim handling procedures.

The Company's class wise major risk exposure is as follows:

	December 31, 2024	December 31, 2023
	— Rupees in thousand —	
Gross sum insured		
Fire	19,899,555	11,548,000
Marine cargo	1,443,811	1,238,000
Marine hull	1,690,735	1,209,000
Accident and others	743,850	700,000
Aviation	1,167,927	673,000
Engineering	32,191,006	9,475,000
	<u>57,136,884</u>	<u>23,843,000</u>

The reinsurance arrangements against major risk exposure include excess of loss, surplus arrangements and catastrophic coverage. The objective of having such arrangements is to mitigate adverse impacts of severe losses on Company's net retentions.

b) Source of uncertainty in estimation of future claim payments

Claims on general insurance contracts are payable on a claim occurrence basis. The Company is liable for all insured events that occur during the term of the insurance contract including the event reported after the expiry of the insurance contract term.

An estimated amount of the claim is recorded immediately on the intimation to the Company. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. The estimation of provision of claims incurred but not reported (IBNR) is based on analysis of the past claim reporting pattern and confirmation received from ceding companies.

There are several variable factors which affect the amount and timing of recognized claim liabilities. The Company takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from initial recognized amount. Similarly, the provision for claims incurred but not reported is based on historic reporting pattern of the claims; hence, actual amount of incurred but not reported claims may differ from the amount estimated.

Key assumptions

The principal assumption underlying the liability estimation of IBNR and Premium Deficiency Reserves is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc. The internal factors such as portfolio mix, policy conditions and claim handling procedures are further used in this regard.

The assumed net of reinsurance loss ratios for each class of business is as follows:

	December 31, 2024	December 31, 2023
	----- (Percentage) -----	
Assumed net loss ratio		
Fire	38%	55%
Marine cargo	44%	7%
Marine hull	40%	14%
Accident and others	61%	10%
Aviation	82%	7%
Engineering	105%	8%

Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for insurance claims recognized in the statement of financial position is adequate. However, actual experience will differ from the expected outcome.

As the Company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact of claims paid on profit before tax net of reinsurance recoveries.

	Profit before tax		Shareholders' equity	
	2024	2023	2024	2023
	----- Rupees in thousand -----		----- Rupees in thousand -----	
10% increase in expense	(5,436,151)	(4,707,325)	(3,316,052)	(2,871,468)
10% decrease in expense	5,436,151	4,707,325	3,316,052	2,871,468

56.2 Reinsurance and retrocession arrangements

The Company in the normal course of business, undertakes reinsurance business from local insurance companies and controls its exposure to potential losses from large risk, by retrocession to various foreign companies. Its significant portion of reinsurance and retrocession is effected under treaty pact and excess of loss contracts.

The Company further evaluates the financial condition of ceding companies as well as its reinsurers to minimize its exposures to significant losses from reinsurance insolvencies.

The Company continues to remain under obligation of the ceding companies during the validity of the contract and as a result it remains liable for the portion of outstanding claims reinsured to the extent that reinsurer fails to meet the obligation under their agreements.

An analysis of gross amount due from other insurers and reinsurers recognized by the rating of the entity, from which it is due are as follows:

	December 31, 2024	December 31, 2023
	(Rupees"000")	
A or above	6,048,357	5,892,324
BBB	2,927	1,305
Others	4,221,644	11,451,263
Total	10,272,928	17,344,892

56.3 Financial risk management objectives and policies

The Company's activities expose to financial risks, credit risk, liquidity risk and market risk (including interest / mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below. The Board of Directors (the Board) has overall responsibility to the establishment and oversight of Company's risk management framework. The Board is also responsible for developing the Company's risk management policies.

a) Credit risk and concentration of credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The Company's credit risk exposure is not significantly different from that reflected in the financial statements.

The management monitors and limits the Company's exposure to credit risk through monitoring of client's exposure and conservative estimates of provision for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

The carrying amount of financial assets represents the maximum credit exposure as specified below:

	Note	December 31, 2024	December 31, 2023
		(Rupees"000")	
Bank balances	20	3,234,660,282	3,159,075,682
Loans and other receivables	14	873,898,168	547,118,212
Receivable from Sindh Revenue Board	15	2,573,888,727	2,573,888,727
Debt securities	13	16,801,859,292	14,135,599,216
Insurance / reinsurance receivables	16	9,663,385,890	16,621,405,847
Reinsurance recoveries against outstanding claims	17	15,767,126,860	18,206,185,158
		48,914,819,219	55,243,272,842

The Company did not hold any collateral against the above during the year. General provision is made for insurance / reinsurance receivables and other receivables according to the Company's policy. The impairment provision is written off when the Company expects that it cannot recover the balance due.

	December 31, 2024	December 31, 2023
	----- (Rupees "000") -----	
The age analysis of insurance / reinsurance receivable is as follows:		
Up to three months	3,525,883	10,914,587
Over three months but up to one year	5,601,577	5,083,848
Over one year but up to two years	267,403	492,116
Over two years but up to three years	117,710	204,965
Over three years	760,355	649,378
	10,272,928	17,344,894
Provision against amount due from other insurers and reinsurers	(609,542)	(723,487)
	9,663,386	16,621,407

The credit quality of the Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating			2024	2023
	Short term	Long term	Rating agency		
	----- (Rupees"000") -----				
National Bank of Pakistan	A-1+	AAA	PACRA	331,835	332,473
Bank Al-Habib Limited	A-1+	AAA	PACRA	2,792,171	2,688,637
Bank Alfalah Limited	A-1+	AA+	PACRA	32,961	28,177
Sindh Bank Limited	A-1	A+	VIS	58	50
Dubai Islamic Bank	A-1+	AA	VIS	13,683	13,690
Habib Bank Limited	A-1+	AAA	VIS	64,819	66,048
				3,235,527	3,159,076

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity.

The following are the contractual maturities of financial liabilities, including estimated interest payments on an undiscounted cash flow basis:

	Carrying amount	Contractual cash flows	Maturity in one year	Maturity exceeding one year
	----- (Rupees "000") -----			
31-Dec-24				
Outstanding claims including IBNR	24,333,649	24,333,649	24,333,649	-
Insurance / reinsurance payables	3,208,297	3,208,297	3,208,297	-
Lease liabilities	23,776	23,776	23,776	-
Other creditors and accruals	137,873	137,873	137,873	-
Unclaimed dividend	93,997,886	93,997,886	93,997,886	-
	121,701,481	121,701,481	121,701,481	-
	Carrying amount	Contractual cash flows	Maturity in one year	Maturity exceeding one year
	----- (Rupees "000") -----			
31-Dec-23				
Outstanding claims including IBNR	25,927,694	25,927,694	25,927,694	-
Insurance / reinsurance payables	9,862,847	9,862,847	9,862,847	-
Lease liabilities	22,277	22,277	22,277	-
Other creditors and accruals	171,691	171,691	171,691	-
Unclaimed dividend	92,036,186	92,036,186	92,036,186	-
	128,020,695	128,020,695	128,020,695	-

c) **Market risk**

Market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices. The Company is exposed to market risk with respect to its investments. The Company has invested its funds in Government securities, ordinary shares, National Investment Trust Units and close ended mutual funds resulting in risk arising from fluctuation in the rate of interest and dividend earned thereon and the possibility of capital gains or losses arising from the sale of these investments.

The Company minimizes such risk by having a diversified investments portfolio. In addition, the Company actively monitors the key factors that affect investment market.

Sensitivity analysis

The table below summarizes the Company's equity price risk as of December 31, 2024 and 2023 and shows the effects of a 10% increase and a 10% decrease in market prices as at the year end. The selected change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse in Company's equity investment portfolio because of the nature of equity markets.

	Fair value	Estimated fair value after change in price	Increase / (decrease) in shareholders equity	Profit before tax
	(Rupees "000")			
31-Dec-24				
10% increase	6,901,913	7,592,104	421,017	690,191
10% decrease	-	6,211,722	(421,017)	(690,191)
31-Dec-23				
10% increase	4,183,710	4,602,081	255,206	418,371
10% decrease	-	3,765,339	(255,206)	(418,371)

d) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company invests in securities and has deposits that are subject to interest / mark-up rate risk. Interest / mark-up rate risk to the Company is the risk of changes in market interest / mark-up rates reducing the overall return on its interest bearing securities. The Company limits interest / mark-up rate risk by monitoring changes in interest / mark-up rates in the currencies in which its cash and investments are denominated. The following table provides information about the exposure of the Company to interest / mark-up rate risk at the balance sheet date based on contractual re-pricing or maturity dates which ever is earlier:

Effective rate per annum (percentage)	2024				Non-interest bearing financial instruments	Total
	Interest-bearing financial instruments					
	Maturity up to one year	Maturity over one year to five years	Maturity more than five years	Sub-total		
----- (Rupees "000") -----						
Financial assets						
Cash and bank deposits	14 to 16	2,452,617	-	2,452,617	782,910	3,235,527
Investments	9.35 to 24.5%	3,060,168	6,673,779	2,367,971	16,801,858	25,703,771
Insurance / reinsurance receivables	-	-	-	-	9,663,386	9,663,386
Receivable from State Insurance Board	-	-	-	-	2,573,889	2,573,889
Loans and other receivables	16.29%	-	-	16,299	431.02	447,316
Reinsurance recoverables against own holding of claims	-	-	-	-	13,767,427	13,767,427
Subtotal		16,229,854	6,673,779	2,367,971	19,270,774	35,689,855
Financial liabilities						
Outstanding claims including BSR	-	-	-	-	24,232,649	24,232,649
Insurance / reinsurance payables	-	-	-	-	2,208,297	2,208,297
Liability to policyholders	3.35%	14,836	5,580	23,776	-	23,776
Other creditors and accounts	-	-	-	-	127,893	127,893
Subtotal		3,339	14,836	5,580	23,776	21,752,994
Total		16,233,193	6,688,615	2,362,391	19,294,550	37,642,421
Interest risk sensitivity gap		16,225,663	6,688,615	2,362,391	19,294,550	
Counterparty interest risk sensitivity gap		16,225,663	16,894,603	19,294,550		

Effective rate per annum (percentage)	2023				Non-interest / mark-up bearing financial instruments	Total
	Weighted / mark-up bearing financial instruments					
	Maturity up to one year	Maturity over one year to five years	Maturity more than five years	Sub total		
----- (Rupees "000") -----						
Financial assets						
Cash and bank deposits	14 to 36	1,476,462	-	1,476,462	1,883,290	3,154,753
Investments	9.36 to 24.78	7,888,648	4,507,123	1,939,628	14,135,500	18,319,209
Insurance / reinsurance receivables	-	-	-	-	16,621,406	16,621,406
Receivable from Sindh Revenue Board	-	-	-	-	2,573,894	2,573,894
Loans and other receivables	24,268	-	-	24,268	423	24,691
Reinsurance recoveries against outstanding claims	-	-	-	-	18,206,185	18,206,185
Subtotal		9,169,578	4,507,123	1,939,628	42,298,900	58,965,232
Financial liabilities						
Outstanding claims including IBNR	-	-	-	-	25,027,694	25,027,694
Insurance / reinsurance payable	-	-	-	-	6,962,847	6,962,847
Loans liabilities	8,230	14,266	4,781	37,277	-	22,277
Other creditors and accruals	-	-	-	-	171,891	171,891
Subtotal	8,230	14,266	4,781	37,277	32,162,332	35,966,509
Total		9,169,547	4,492,857	1,954,847	7,306,671	23,931,223
Interest risk sensitivity gap		9,169,547	4,492,857	1,954,847		
Cumulative interest risk sensitivity gap		9,169,547	13,659,248	15,614,095		

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not effect fair value of any financial instrument. For cash flow sensitivity analysis of variable rate instruments a change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	2024		2023	
	Increase	Decrease	Increase	Decrease
	in profit / (loss) upon change of 100 bps		in profit / (loss) upon change of 100 bps	
----- (Rupees "000") -----				
Cash flow sensitivity - variable rate financial liabilities	-	-	-	-
Cash flow sensitivity - variable rate financial assets	998,000	(998,000)	998,000	(998,000)

e) Foreign currency risk

Foreign currency risk is the risk that the value of financial instrument will fluctuate due to change in foreign exchange rates. The Company principal transactions are carried out in Pakistani Rupee and its exposure to foreign exchange risk arises primarily with respect to US Dollar. Financial assets exposed to foreign exchange risk amounted to Rs. 1951.717 million (2023: Rs.955.752 million) at reporting date.

The following significant exchange rates were applied during the year:

	2024	2023	2024	2023
	Rupees per US Dollars		Rupees per UK Pound	
Average rate	278.40	271.82	355.74	348.57
Report date rate	278.35	281.36	348.64	357.95

56.4 Capital risk management

Capital management objectives and requirements related to regulatory, solvency and paid up capital requirements are set and regulated by the Securities and Exchange Commission of Pakistan (SECP). These objectives and requirements are put in place to ensure sufficient solvency margins. Further, objective are set by the Company to maintain a strong credit rating and healthy capital ratios in order to support business objectives, maximize shareholders value and provide returns for benefits for other stakeholders.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

Currently the Company has a paid up capital of Rs. 9,000 million against the minimum required paid-up capital of Rs. 500 million set by the SECP for the non-life insurance companies for the year ended December 31, 2024.

The Company monitors capital using gearing ratio. Net debt is calculated as total liabilities (as shown in statement of financial position) less cash and cash equivalents. Equity comprises all components of equity.

The Company's net debt to equity ratio as at December 31, 2024 was as follows:

	December 31, 2024	December 31, 2023
	(Rupees"000")	
Total liabilities	46,317,506	58,747,672
Less: cash and cash equivalents	(3,235,527)	(3,159,753)
Net debt (A)	43,081,979	55,587,919
Total equity (B)	21,066,638	18,139,733
Total debt and equity (C=A+B)	64,148,617	73,727,652
Gearing ratio (A/C)	67%	75%

57 FAIR VALUE OF FINANCIAL INSTRUMENTS

57.1 Carrying amount and fair value

The following table compares the carrying amounts and fair values of the Company's financial assets and financial liabilities as at December 31, 2024.

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

	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Equity securities				
Held for trading				
Ordinary shares - listed	384,110,581	384,110,581	207,241,494	207,241,494
Available for sale				
Ordinary shares - listed	2,167,057,402	2,167,057,402	1,078,387,599	1,078,387,599
Mutual fund units	1,163,470,509	1,163,470,509	629,584,327	629,584,327
Ordinary share - unlisted	617,615	617,615	617,615	617,615
Debt securities				
Pakistan Investment Bonds	10,753,251,292	10,753,251,292	6,651,146,919	6,651,146,919
Treasury Bills	6,048,608,000	6,048,608,000	7,252,443,200	7,252,443,200
Terms Finance Certificate	-	-	99,800,000	99,800,000
Loans and other receivables	873,898,168	873,898,168	547,118,212	547,118,212
Receivable from Sindh Revenue Board	2,573,888,727	2,573,888,727	2,573,888,727	2,573,888,727
Insurance / reinsurance receivables	9,663,385,890	9,663,385,890	16,621,405,847	16,621,405,847
Reinsurance recoveries against outstanding claims	15,767,126,860	15,767,126,860	18,206,185,158	18,206,185,158
Cash and cash equivalent	3,235,526,667	3,235,526,667	3,159,752,669	3,159,752,669
	52,630,941,711	52,630,941,711	57,027,571,767	57,027,571,767

	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Outstanding claims including IBNR	24,333,649,075	24,333,649,075	21,008,473,085	21,008,473,085
Unearned premium reserves	10,621,849,438	10,621,849,438	12,047,709,680	12,047,709,680
Unearned reinsurance commission	505,496,153	505,496,153	539,143,250	539,143,250
Retirement benefit obligations	3,401,370,786	3,401,370,786	3,039,780,500	3,039,780,500
	<u>38,862,365,452</u>	<u>38,862,365,452</u>	<u>36,635,106,515</u>	<u>36,635,106,515</u>

57.2 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

December 31, 2024	Total	Level 1	Level 2	Level 3
	Rupees			
Financial assets measured at fair value				
Held-for-trading investment				
Ordinary shares - listed	384,110,581	384,110,581	-	-
Available-for-sale investment				
Ordinary shares - listed	3,769,667,922	3,769,667,922	-	-
Mutual fund units	2,747,516,837	2,747,516,837	-	-
Ordinary shares - unlisted	617,615	-	-	617,615
December 31, 2023	Total	Level 1	Level 2	Level 3
	Rupees			
Financial assets measured at fair value				
Held-for-trading investment				
Ordinary shares - listed	207,241,496	207,241,496	-	-
Available-for-sale investment				
Ordinary shares - listed	2,366,357,178	2,366,357,178	-	-
Mutual fund units	1,609,494,013	1,609,494,013	-	-
Ordinary shares - unlisted	617,615	-	-	617,615

57.3 Transfers during the period

There were no transfers between Level 1 and Level 2 fair value measurements.

There were no transfers into or out of Level 3 fair value measurements.

57.4 Valuation techniques

For level 2 investments - held to maturity, the fair value has been determined by using the rates at the reporting date as per Financial Market Association of Pakistan in respect of T bills and PIBs.

For Level 3 available-for-sale investments, the Company values the investment at lower of carrying value and breakup value.

STATEMENT OF SOLVENCY

December 31, December 31,
2024 2023
----- (Rupees) -----

Assets

Property and equipment	935,839,100	668,689,565
Intangible Assets	19,761,107	11,119,198
Right of use asset	2,177,450,000	1,939,910,000
Investment property	864,476,353	798,450,467
Investments		
Equity securities	6,901,912,955	4,183,710,304
Debt securities	16,801,859,292	14,135,599,216
Receivable from Sindh Revenue Board	2,573,888,727	2,573,888,727
Loans and other receivables	873,898,168	543,679,569
Insurance / reinsurance receivables	9,663,385,890	16,621,405,847
Reinsurance recoveries against outstanding claims including IBNR	15,767,126,860	18,206,185,158
Deferred commission expense	1,047,205,897	1,125,879,037
Taxation - payments less provision	-	-
Prepayments	6,955,327,497	11,900,386,846
Cash and cash equivalent	3,235,526,667	3,159,752,669
Total Assets From Window re-takaful operations operator's Fund	1,262,305,527	1,018,749,110
Total assets (A)	69,079,964,040	76,887,405,713

In-admissible assets as per following clause of section 32 (2) of Insurance Ordinance, 2000

Property and equipment (2) (u-i, ii & iii)	463,001,739	435,575,430
Right of use asset SRO 1012(i) 2023	2,153,674,005	1,917,632,697
Receivable from Sindh Revenue Board	2,573,888,727	2,573,888,727
Capital work in progress - intangible asset (2) (i)	19,761,107	10,617,052
Investments (2) (p & s)	3,508,647,907	1,708,589,540
Insurance / reinsurance receivables more than three months (2) (h)	6,137,502,814	5,706,818,957
Total in-admissible assets (B)	14,856,476,299	12,353,122,403
Total admissible assets (C=A-B)	54,223,487,741	64,534,283,310

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	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
Total liabilities		
Underwriting provisions		
Outstanding claims including IBNR	24,333,649,075	25,927,694,396
Unearned premium reserves	10,621,849,438	16,235,915,117
Unearned reinsurance commission	505,496,153	810,160,213
Retirement benefit obligations	3,401,370,786	3,350,608,187
Taxation liabilities- provision less payments	533,341,570	603,756,603
Deferred taxation	2,945,023,429	1,434,851,979
Lease liabilities	23,775,995	22,277,303
Insurance / reinsurance payables	3,208,296,520	9,862,846,676
Unclaimed dividends	93,997,886	92,036,186
Other creditors and accruals	137,872,539	171,691,110
Total liabilities from Window Takaful Operations OPF	377,312,911	235,834,492
Total liabilities (D)	46,181,986,302	58,747,672,262
Total net admissible assets (E=C-D)	8,041,501,439	5,786,611,048
Minimum solvency requirement (higher of following)		
Method A - u/s 36(3)(a)	150,000,000	150,000,000
Method B - u/s 36(3)(b)	3,031,614,819	2,978,104,274
Method C - u/s 36(3)(c)	3,495,549,851	4,216,856,151
	(3,495,549,851)	(4,216,856,151)
Excess of net admissible assets over minimum requirements	4,545,951,588	1,569,754,897

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CORRESPONDING FIGURES

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

Reclassification from component	Reclassification to component	Amount
Capital work in progress - PRC Tower Renovation	Property and Equipment	23,131,568
Loans and other receivables - capital advance	Property and Equipment- capital work in progress	3,438,643
Property and Equipment- Computer equipments	Intangible Assets	507,146
Capital Work in progress	Intangible Assets	10,617,052
Other expenses- legal fees	Management expenses	2,487,500
Sundry receivables - net	Receivable from Window Re-takaful operations	9,025,546
Creditors and accruals	Tax payable	29,561,697
Management expenses- Repairs and maintenance	Management expenses- Janitorial Expense	8,059,609

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60 SUBSEQUENT NON ADJUSTING EVENTS

The Board of Directors in its meeting held on April 5, 2025 have recommended a final cash dividend of Rs. 2 per share and a bonus issue of Rs. — per share for the approval of the members in the annual general meeting to be held on



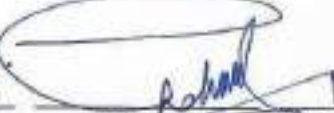


These financial statements for the year ended December 31, 2024 do not include the effect of these appropriations and these will be accounted in the financial statements for the year ending December 31, 2024.

61 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 05042025 by the Board of Directors of the Company.

62 GENERAL

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

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

Shariah Reveiw Report to the Board of Directors for the year ended 31 December 2024

الحمد لله رب العلمين والصلاة والسلام على سيد الانبياء والمرسلين محمد النبي الامي
وعلى آله وصحبه اجمعين، وبعد

Scope of Review

The review aimed to assess the Re-Takaful Operator's compliance with Shariah principles, rulings, decisions, and guidelines issued by the undersigned. This assessment encompassed a review of the company's:

- Principles, policies, and contracts
- Corresponding financial records
- Shariah Review carried out by the Shariah compliance officer

Management Responsibility

The management of the Re-Takaful Operator bears the ultimate responsibility for ensuring its business activities adhere to Shariah principles, rules, and guidelines.

Shariah Advisor's Role

The Shariah Advisor conducts an independent review of the Re-Takaful Operator's operations and reports the findings to the company's board of directors. This report reflects the Shariah Advisor's opinion based on the information and clarifications provided.

Review Methodology

The review entailed the following procedures:

- Examination, on a sample basis, of each type of transaction undertaken by different business functions.
- Evaluation of relevant documentation and procedures adopted by each business function.
- Assessment of the Shariah compliance officer's review.

Findings

Based on the comprehensive review, the Shariah Advisor is of the opinion, and to the best of their understanding, that:

1. **Financial Transactions and Documentation:** The Re-Takaful Operator's financial transactions and associated documentation and procedures for the year ended December 31, 2024, conform to the issued Shariah guidelines and the Takaful Rules 2012.
2. **Shariah Screening:** The Shariah Screening Criteria have been demonstrably applied to all investment and financial transactions.
3. **Non-Shariah Compliant Income:** No non-Shariah compliant income was identified. Any such income, if discovered in the future, shall be credited to the designated charity account.
4. **Shariah Compliance Efforts:** The Re-Takaful Operator has made a good faith effort to comply with Shariah guidelines. A few specific cases requiring consultation were addressed and appropriately resolved in accordance with Shariah rules and market practices.
5. **Overall Shariah Compliance:** Based on the review, the Shariah Advisor concludes that the Window Re-Takaful Operations of the Company are in compliance with Shariah principles for all reviewed transactions.

Recommendations

The following recommendations are made to further enhance the company's Shariah compliance:

1. **Proactive Planning for Industry Conversion:** We recommend a company review and strategic plan for transformation into an Islamic Insurer. This is driven by the convergence of several factors: The Federal Shariat Court's ruling (April 28, 2022) mandating riba elimination by December 31, 2027, SECP's press release (February 3, 2024) adopting AAOIFI standards for Islamic finance, and SBP's plans to convert conventional banks. Proactive Transformation Plan ensures compliance, market advantage, and sustainability in this rapidly evolving regulatory landscape for financial institutions.
2. **Internal Shariah Audit:** To ensure a robust system of checks and balances and enhance overall Shariah compliance, the Internal audit department should be bolstered with a dedicated Shariah audit resource who would maintain a close working relationship with the company's Shariah Advisor.
3. **Employee Training:** While the Re-Takaful business staff receives training on Takaful concepts, the review suggests that some employees may require additional training for a deeper understanding. It is recommended to conduct short, frequent refresher courses on Takaful concepts. Furthermore, when recruiting new staff, their knowledge and understanding of Islamic Financial Systems, Takaful models, and relevant contract types should be assessed. For existing employees, the HR department might consider offering an introductory course on Islamic Finance covering key topics within this field.

"And Allah Knows Best"



Mufti Muhammad Shakir Siddiqui

Shariah Advisor

Dated : 04 March, 2025

STATEMENT OF COMPLIANCE WITH THE TAKAFUL RULES, 2012 AND SHARIAH RULES AND PRINCIPLES

The financial arrangements, contracts, and transactions entered into by Pakistan Reinsurance Company Limited - Window Re-Takaful Operations (the Operator) for the year ended 31 December 2024 are in compliance with the Takaful Rules 2012 and the Shariah Rules and Principles determined by the Shariah Advisor of the Operator (Shariah Rules and Principles).

Further, we confirm that:

- The Operator has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor, along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations. Further, the governance arrangements, including the reporting of events and status of those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors, have been implemented.
- The Operator has imparted orientations and ensured the availability of all manuals / agreements approved by the Shariah Advisor / Board of Directors to maintain an adequate level of awareness, capacity, and sensitization of the staff and management.
- All the products and policies have been approved by the Shariah Advisor, and the financial arrangements, including investments made, policies, contracts, and transactions entered into by Window Re-Takaful Operations, are in accordance with the policies approved by the Shariah Advisor.
- The assets and liabilities of the Operator are segregated from Pakistan Reinsurance Company Limited's other assets and liabilities at all times, in accordance with the provisions of the Takaful Rules, 2012.

This has been duly confirmed by the Shariah Advisor of the Operator.

**PAKISTAN REINSURANCE COMPANY LIMITED –
WINDOW RETAKAFUL OPERATIONS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024**

INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan Reinsurance Company Limited – Window Retakaful Operations
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Pakistan Reinsurance Company Limited – Window Retakaful Operations (the Operator), which comprise the statement of financial position as at December 31, 2024, the profit and loss account, the statement of comprehensive income, the statement of cash flows, the statement of changes in funds for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters discussed in the Basis for Qualified Opinion section of our report, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of cash flows and the statement of changes in funds together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Operator's affairs as at December 31, 2024 and of the profit, total comprehensive income, its cash flows and the changes in funds for the year then ended.

Basis for Qualified Opinion

1. Unreconciled Balances

The Operator's amount due from other insurance and reinsurance entities on account of treaty and facultative business as appearing in note 8 in the annexed financial statements includes unreconciled gross amount of Rs. 364.956 million and net amount of Rs. 337.815 million and that gross amount includes balance of related party M/s National Insurance Company Limited amounting to Rs. 7.758 million whose financial statements are not yet being issued after the year 2022 for litigation issues. Similarly, the operator's amount due to other insurance companies on account of treaty and facultative business as appearing in Note 22 in the annexed financial statements includes unreconciled balance of Rs. 10.439 million. Management asserted that the reason for time lag in reconciliation is intimations and communications of the transactions which normally takes place after 3 to 4 months of transaction. The Operator is in the process of reconciling these balances. Due to pending reconciliations relating to the above balances, resultant adjustment and consequential impact thereon, if any, on these financial statements remain unascertained.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

1. We draw attention to the notes 8, 12, 13, 19, 20, 28, 30, 35 and 38 to the financial statements, which reflect the transactions and balances relating to the Operator's proportional treaty retakaful business. Hitherto fore, no supporting documentation of the contributions and claims of the ceding takaful companies were made available to the auditors. However, during the year the management has developed some control mechanism over treaty proportional business contributions and claims which includes obtaining relevant information from ceding companies in support of periodic returns on random basis and performing ceding company wise analysis of treaty proportional business carried out with ceding companies as well as checking compliance of the treaty terms. However, this needs consistency and continuity of the internal control system over the years.
2. We draw attention to the note 27.1 to these financial statements which explains that notice was served by Sindh Revenue Board (SRB) in 2016 for non-filing of sales tax returns and raised sales tax liability via same notice on conventional reinsurance service provider by the Operator.

Our opinion is not further modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000, Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Operator's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Operator or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Operator's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Operator's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Operator's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Operator to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion, except for the effects of the matter described in basis for qualified opinion section of our report:

- a) proper books of account have been kept by the Operator as required by Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of cash flows and the statement of changes in funds together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017) and the SOE Act, 2023 and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Operator's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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


Chartered Accountants

Karachi

Dated: April 7, 2025

UDIN: AR2024102228mpuXiD5

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

		Operator's Retakaful Fund		Participant's Retakaful fund	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Note	Rupees			
ASSETS					
Investments	6	208,315,432	23,555,412	813,894,056	115,763,546
Other receivable	7	7,484,813	12,890,905	23,412,420	35,646,150
Takaful/ retakaful receivables	8	-	-	585,782,001	578,208,812
Retakaful fund - net	9	159,393,278	78,055,762	-	-
Quota-share to Participant's Retakaful Fund	10	300,000,000	300,000,000	-	-
Retakaful recoveries against outstanding claims	11	-	-	207,495,090	229,063,419
Deferred wakala fee	12	-	-	175,296,606	130,742,601
Deferred commission expense	13	184,582,058	114,413,227	-	-
Prepayments	14	-	-	148,038,177	165,831,810
Bank balances	15	402,529,946	489,833,804	1,914,448,854	1,669,936,933
TOTAL ASSETS		1,262,305,527	1,018,749,110	3,867,567,204	2,925,193,271
FUND AND LIABILITIES					
FUNDS ATTRIBUTABLE TO:					
Operator's Retakaful Fund					
Statutory fund	16	600,000,000	600,000,000	-	-
Reserves	17	284,992,616	182,914,618	-	-
Total Operator's Funds		884,992,616	782,914,618	-	-
Participant's Retakaful Fund					
Seed money	18	-	-	1,000,000	1,000,000
Reserves	17	-	-	1,681,306,271	1,094,476,832
Balance of Participant's Retakaful Fund		-	-	1,681,306,271	1,094,476,832
Quota-share	10	-	-	300,000,000	300,000,000
		-	-	1,981,306,271	1,394,476,832
LIABILITIES					
Underwriting provisions					
Outstanding claims including IBNR	19	-	-	597,880,348	612,623,902
Unearned contribution reserves	20	-	-	876,483,028	653,713,006
Contribution deficiency reserve	21	-	-	-	-
		-	-	1,474,363,376	1,266,336,908
Unearned wakala fee	12	175,296,606	130,742,601	-	-
Takaful/retakaful payables	22	-	-	252,472,589	186,292,079
Payable to Participant/ Operator's Retakaful Fund - net	9	-	-	159,393,278	78,055,762
Taxation - provision less payment	23	54,123,865	55,709,310	-	-
Deferred taxation	24	3,192,746	485,982	-	-
Other creditors and accounts	25	1,349,878	36,162,662	31,690	31,690
Payable to Pakistan Reinsurance Company Limited	26	143,349,816	12,733,937	-	-
TOTAL LIABILITIES		377,312,911	235,834,492	1,886,260,933	1,530,716,439
TOTAL EQUITY AND LIABILITIES		1,262,305,527	1,018,749,110	3,867,567,204	2,925,193,271
CONTINGENCIES AND COMMITMENTS	27				

The annexed notes 1 to 45 form an integral part of these financial statements.



Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

		December 31, 2024	December 31, 2023
	Note	Rupees	
Participant's Retakaful Fund			
Contributions earned		1,784,261,177	1,379,231,674
Less: contributions ceded to retrotakaful		(194,260,861)	(129,887,135)
Net contribution revenue	28	1,590,000,316	1,249,344,539
Wakala fee expense	29	(356,852,235)	(275,846,335)
Net underwriting income		1,233,148,081	973,498,204
Net claims - reported/ settled - IBNR	30	(912,215,685)	(435,568,023)
Surplus before investment and other income		320,932,396	537,930,181
Investment income	31	88,863,572	14,670,315
Other income	32	264,861,482	239,197,024
Less: Modarib's fees		(88,431,264)	(63,466,835)
Reversal / (Provision) for doubtful contributions	8.2	35,657,889	(49,977,453)
Surplus before taxation		621,884,076	678,353,232
Taxation	34	(59,702,430)	(34,061,086)
Surplus transferred to accumulated surplus		562,181,646	644,292,146
Operator's Retakaful Fund			
Wakala fee income	29	356,852,235	275,846,335
Commission expense	35	(338,312,950)	(263,110,958)
General, administrative and management expenses	36	(16,733,308)	(21,767,791)
		1,805,977	(9,032,414)
Investment income	31	22,109,382	2,958,821
Other income	32	62,440,826	85,097,792
Modarib's fee	33	88,431,264	63,466,835
		172,981,471	151,523,448
Profit before taxation		174,787,448	142,491,034
Taxation	34	(76,716,567)	(47,022,041)
Profit after taxation attributable to shareholders		98,070,881	95,468,993

The annexed notes 1 to 45 form an integral part of these financial statements.

 Chairman
 Director
 Director
 Chief Executive Officer
 Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	December 31, <u>Rupees</u>	December 31, 2023
Participants' Retakaful Fund			
Surplus for the year		562,181,646	644,292,146
Other comprehensive income			
Item that may be subsequently reclassified to profit and loss account			
Unrealised gain on 'available for sale' investments - net of tax	6	24,647,793	4,100,516
Total comprehensive income for the year		<u>586,829,439</u>	<u>648,392,662</u>
Operator's Retakaful Fund			
Profit after taxation		98,070,881	95,468,993
Other comprehensive income for the year			
Item that may be subsequently reclassified to profit and loss account			
Unrealized gain on revaluation of available-for-sale investments		6,713,880	844,354
Deferred tax on gain on revaluation		(2,618,404)	(278,637)
Impact of change in tax rate		(88,360)	(25,133)
		<u>4,007,116</u>	<u>540,584</u>
Total comprehensive income for the year		<u>102,077,997</u>	<u>96,009,576</u>

The annexed notes 1 to 45 form an integral part of these financial statements.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Operator's Retakaful Fund		Participant's Retakaful Fund	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees			
OPERATING CASH FLOWS				
Retakaful activities				
Contributions received	-	-	2,035,115,900	1,442,796,850
Retro takaful contribution paid	-	-	242,647,738	218,708,658
Benefits paid	-	-	(919,208,658)	(651,544,704)
Benefit recoveries from retro takaful	-	-	13,809,748	108,452,669
Commission paid	(468,481,781)	(273,728,473)	-	-
Net cash inflow/outflow from retakaful activities	(468,481,781)	(273,728,473)	1,372,372,728	1,118,411,473
Other operating activities				
Income tax paid /payable	(78,302,014)	(11,927,755)	(59,702,429)	(34,061,086)
Other operating payments	(98,285,565)	(21,767,791)	(34,898,643)	-
Other operating receipts	594,736,949	300,179,184	(714,602,672)	(765,928,852)
Net cash inflow/outflow (used in) other operating activities	418,149,370	266,483,638	(808,963,144)	(799,989,939)
Total cash flow from all operating activities	9,667,589	(7,244,835)	563,469,584	318,421,534
Investment activities				
Payment for investments made	(178,046,140)	(2,515,000)	(672,682,718)	(12,469,728)
Receipt of profit on bank deposits	58,965,312	85,097,792	264,861,482	239,197,024
Receipt of investment income	22,109,382	2,958,821	88,863,573	14,670,315
Increase in Statutory Fund	-	300,000,000	-	-
Total cash flow from investing activities	(96,971,446)	385,541,613	(318,957,663)	241,297,611
Net cash inflow from all activities	(87,303,857)	378,296,778	244,511,921	599,819,145
Cash and cash equivalents at beginning of the year	489,833,804	111,537,026	1,669,936,933	1,110,117,788
Cash and cash equivalents at end of the year	402,529,946	489,833,804	1,914,448,854	1,669,936,933
Reconciliation to profit and loss				
Operating cash flows	9,667,589	(7,244,835)	563,469,584	318,421,534
Receipt of profit on bank deposits	58,965,312	85,097,792	264,861,482	239,197,024
Receipt of investment income	22,109,382	2,958,821	88,863,573	14,670,315
(Decrease) / increase in operating assets other than cash	146,100,252	97,480,137	531,501	189,295,143
(Increase) / decrease in operating liabilities	(148,357,101)	(47,728,636)	(355,544,493)	(117,291,870)
Other adjustments:				
Income tax paid	78,302,014	11,927,755	59,702,429	34,061,086
Profit before taxation	174,787,448	142,491,034	621,884,076	678,333,252
Provision for taxation	(76,716,567)	(47,022,041)	(59,702,430)	(34,061,086)
Profit after taxation	98,070,881	95,468,993	562,181,646	644,292,166

The annexed notes 1 to 45 form an integral part of these financial statements.






 Chairman
 Director
 Director
 Chief Executive Officer
 Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATION
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Attributable to Operator's Retakaful Fund					
Statutory Fund	Reserves			Total	
	Capital	Revenue			
	Unrealized gain on available for sale investment	Unappropriated profit	Total reserves		
Rupees					
Balance as at January 01, 2023	300,000,000	892,034	86,103,004	86,905,042	386,905,042
Increase in Statutory Fund	300,000,000	-	-	-	300,000,000
Unrealized gain on available for sale investments-net	-	540,584	-	540,584	540,584
Profit for the year	-	-	95,468,993	95,468,993	95,468,993
Balance as at December 31, 2023	600,000,000	1,342,622	181,571,997	182,914,618	782,914,618
Balance as at January 01, 2024	600,000,000	1,342,622	181,571,997	182,914,619	782,914,619
Unrealized gain on available for sale investments-net of tax	-	4,007,116	-	4,007,116	4,007,116
Profit for the year	-	-	98,070,881	98,070,881	98,070,881
Reclassification adjustment related to "available for sale" investments	-	(355,955)	355,955	-	-
Balance as at December 31, 2024	600,000,000	4,993,783	279,998,833	284,992,616	884,992,616

Attributable to Participant's Retakaful Fund					
Seed money	Reserves			Total	
	Capital	Revenue			
	Unrealized gain on available for sale investment	Accumulated (deficit) / surplus	Total reserves		
Rupees					
Balance as at January 01, 2023	1,000,000	5,616,119	439,468,051	445,084,170	446,084,170
Total comprehensive income for the year	-	-	644,292,146	644,292,146	644,292,146
Unrealized gain on available for sale investments-net	-	4,100,516	-	4,100,516	4,100,516
Surplus for the year	-	4,100,516	644,292,146	648,392,662	648,392,662
Balance as at December 31, 2023	1,000,000	9,716,635	1,083,760,197	1,093,476,832	1,094,476,832
Balance as at January 01, 2024	1,000,000	9,716,635	1,083,760,197	1,093,476,832	1,094,476,832
Total comprehensive income for the year	-	-	562,181,646	562,181,646	562,181,646
Surplus for the year	-	24,647,793	-	24,647,793	24,647,793
Unrealized gain on available for sale investments-net	-	24,647,793	562,181,646	586,829,439	586,829,439
Balance as at December 31, 2024	1,000,000	34,364,428	1,645,941,843	1,680,306,271	1,681,306,271

The annexed notes 1 to 45 form an integral part of these financial statements.

 Chairman
 Director
 Director
 Chief Executive Officer
 Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED - WINDOW RETAKAFUL OPERATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

-Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, General Takaful Accounting Regulations, 2019, Insurance Accounting regulations 2017, State Owned Enterprises (Governance and Operations) Act, 2023 and Takaful Rules, 2012.

In case requirements differ, the provisions or directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules 2017, General Takaful Accounting Regulations, 2019, Insurance Accounting regulations 2017, State Owned Enterprises (Governance and Operations) Act, 2023 and Takaful Rules, 2012 shall prevail.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements have been presented in Pak Rupees which is also the functional and presentation currency of the Operator.

3 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2024

There are certain new standards, amendments and interpretations that are applicable for accounting periods beginning on or after 1 January 2024, that are considered not to have a material impact on the Company's financial statements:

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

Amendment or Improvement	Effective date (annual periods beginning on or after)
Lack of Exchangeability (amendments to IAS 21)	January 01, 2025
Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 01, 2026
IFRS-17- Insurance Contract	January 01, 2026
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	Not yet finalized

Temporary Exemption from Application of IFRS 9

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

3.3 Temporary exemption from IFRS 17 and IFRS 9

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I) / 2023 dated 21 November 2023 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance / takaful and re-insurance / re-takaful business from financial years commencing on or after 01 January 2026.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of SRO 1715 will also be required to adopt requirements of IFRS-9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

- 3.4 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at December 31, 2024;

i)	IFRS 1	First-time Adoption of International Financial Reporting Standards
ii)	IFRS 17	Insurance Contracts
iii)	IFRS 18	Presentation and Disclosure in the Financial Statements
iv)	IFRS 19	Subsidiaries without Public Accountability
v)	IFRIC 12	Service Concession Arrangement

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below and are consistent with those of the previous financial years.

4.1 Retakaful contracts

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

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

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

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

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

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

Fire and property damage

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

Marine, aviation and transport

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

Motor

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

Miscellaneous

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

4.2 Retakaful surplus

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

4.3 Qard-e-Hasna

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

4.4 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in other comprehensive income and below funds, in which case it is recognized in equity.

4.4.1 Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

4.4.2 Deferred

Deferred tax is accounted for using the balance sheet liability method, in respect of temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

4.5 Revenue recognition

4.5.1 Contribution

For all takaful contracts, contributions including administrative surcharge under a takaful contract are recognized as written from date of issuance to the date of attachment of risk to the policy / cover note.

Contributions income net of wakala fee is determined after taking into account the unearned portion of contributions. The unearned portion of contribution income is recognized as a liability in Participant's Retakaful Fund.

Re-takaful coded is recognized as expense after taking into account the proportion of deferred re-takaful contribution expense which is calculated using twenty fourths method. The deferred portion of re-takaful contribution expense is recognized as a prepayment.

4.5.2 Rebate From Retrotakaful Operator

Rebate and other forms of revenue (apart from recoveries) from re-takaful operators are deferred and recognized as liability and recognized in the profit and loss account as revenue of Participants' Retakaful Fund in accordance with the pattern of recognition of the re-takaful contributions.

4.5.3 Investment income

Profit on bank deposits is recognized on a time proportion basis taking into account the effective yield.

Dividend income is recognized when the Operations' right to receive the payment is established.

Gain / loss on sale of investments is recognized at the time of sale.

4.5.4 Receivables and payables related to Retakaful contracts

Receivables including contribution due but unpaid, relating to retakaful contracts are recognized when due. The claim/benefits payable is recorded when intimation is received. These are recognized at cost, which is the fair value of the consideration given or received less provision for impairment losses, if any. Contribution received in advance is recognized as liability till the time of issuance of retakaful contract there against.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash in deposit accounts with banks (current and savings).

4.7 Provisions

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

4.8 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and or services received, whether or not billed to the Operator.

Provisions are recognized when the Operator has a legal or constructive obligation as a result of a past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, the provisions are reviewed at financial statement date and adjusted to reflect current best estimates.

4.9 Wakala fee

Wakala fee is recognized in the Profit and loss account. Wakala Fee is taken 20% of Contribution earned from all business categories. This is recognized as an expense of Participant Retakaful Fund and income of Operator Fund.

4.9.1 Provision for unearned wakala fee

The Operator manages the general takaful operations for the participants and charges wakala fee to Participants' Retakaful Fund on gross contributions recognized for each class. Unearned portion of wakala fee is determined on the basis of unearned portion of contribution received.

4.10 Commission

Commission and other acquisition costs incurred in obtaining and recording on direct, facultative and retrotakaful cessions has been deferred and recognized as assets and liability as under:

4.10.1 Commission income

Commission income is being taken to profit and loss account on a time proportion basis in accordance with the pattern of recognition of retrotakaful Contribution to comply with the requirements of Insurance Rules, 2017, issued by SECP vide its S.R.O. 89(1) / 2017 dated February 09, 2017.

4.10.2 Deferred commission expense

Commission expenses are deferred and recognized as an asset in correlation with unearned Contribution that will be recognized in the subsequent reporting period to comply with the requirements of Insurance Rules, 2017; issued by SECP vide its S.R.O. 89(1) / 2017 dated February 09, 2017.

4.11 Statutory fund

Total amount of Rs. 600 million (2023: Rs 600 million) is deposited as statutory fund to comply with provisions of paragraph 4 of circular no. 8 of 2014 read with section 11(1)(c) of Takaful Rules, 2012 issued by SECP, which states that 'every insurer who is interested to commence Window Takaful business shall transfer an amount of not less than Rs. 50 million to be deposited in the separate bank account for Window Takaful business duly maintained in a scheduled bank.

4.12 Contribution

Contribution written under a policy is recognized as income over the period of insurance from the date of issuance of the policy to which it relates to its expiry. Where the pattern of incidence of risk varies over the period of the policy, Contribution is recognized as revenue in accordance with the pattern of the incidence of risk.

4.12.1 Provision for unearned contribution

The portion of Contribution written relating to the unexpired period of coverage is recognized as unearned Contribution by the Operator. The unearned portion of Contribution income is recognized as a liability. For Treaty business, the liability is calculated by applying 1/8 method and for Facultative Business over the period of insurance from the date of issuance of the policy to which it relates to its expiry.

4.13 Retro-takaful ceded

The Operator enters into retrotakaful contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward retrotakaful Contributions are accounted for in the same period as the related Contributions for the accepted retrotakaful business being retakaful.

Retrotakaful liabilities represent balances due to retrotakaful companies. Amount payable are estimated in a manner consistent with the related retrotakaful contract. Retrotakaful assets represent balance due from retrotakaful companies. Amount recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the retrotakaful policies and are in accordance with the related insurance contract.

Retrotakaful assets are not offset against related insurance liabilities. Income for expenses from retrotakaful contracts are not offset against expenses or income from related insurance assets. Retrotakaful assets or liabilities are derecognized when the contractual rights are extinguished or expired.

The Operator assesses its retrotakaful assets for impairment on balance sheet date. If there is an objective evidence that the retrotakaful asset is impaired; the Operator reduces the carrying amount of the retrotakaful asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

4.14 Provision for outstanding claims including Incurred But Not Reported (IBNR)

A liability for outstanding claims is recognized in respect of all claims incurred up to the financial statement date which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs.

Retakaful recoveries against outstanding claims are recognized as an asset and measured at the amount expected to be received.

V

4.15 Retro - takaful recoveries against outstanding claims

Claims recoveries receivable from the reinsurer are recognized as an asset at the same time as the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

4.16 Off setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount are reported in the balance sheet if the Operator has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.17 Segment reporting

For management purposes, the Operator is organized into six departments which deal with specific type of insurance policies. These departments are business segments for financial reporting purposes. Moreover, there are 'treaty arrangement' under each department and is treated as a separate segment. Thus, the Operator has seven segment - fire, marine cargo, marine hull, accident and others, aviation, engineering and treaty.

These segments are the basis on which the Operator report its primary segment information. Other operations of the Operator comprises investment in securities and in properties. The Operator operates in Pakistan only. There are no transactions between segments.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

4.18 Investments

4.18.1 Classification and recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs, except for investment held for trading in which case transaction costs are charged to profit and loss account.

These are recognized and classified as follows:

- Held for trading,
- Held to maturity, and
- Available-for-sale.

The classification depends on the purpose for which the financial assets were acquired.

4.18.2 Measurement

(a) Held for trading

Investments which are designated as held for trading upon initial recognition.

After initial recognition, the above investments are remeasured at fair value determined with reference to the rates prevailing in the stock exchange, where applicable. Gains or losses on remeasurement of these investments are recognized in profit or loss account.

(b) Held to maturity

Investments with fixed maturity and fixed income investments, where management has both the intent and the ability to hold to maturity, are classified as held-to-maturity. After initial recognition, these are carried at amortized cost less provision for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition using effective yield method.

(c) Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as (a) loans and receivables (b) held-to-maturity investments or (c) financial assets held for trading.

W

Equity securities held by the Operator that are traded in an active market are classified as Available for Sale and are stated at fair value at the end of each reporting period. Dividend on AFS equity investments are recognized in profit and loss account. Other changes in the carrying amount of AFS financial assets are recognized in other comprehensive income and accumulated under the heading of capital reserve. When the investments is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in comprehensive income is reclassified to profit and loss account.

4.18.3 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For Available-for-Sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

4.19 Impairment of non financial assets

The carrying amount of assets are reviewed at each reporting date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Impairment losses are recognized in profit and loss account.

4.20 Management expenses

Management expenses directly attributable to Window Retakaful Operations are charged to Operator's Retakaful Fund on an accrual basis.

4.21 Modarib's fee

The Operator also manages the participants' investment as Modarib and charges 25 % of the investment income and profit on bank deposits earned by the Participant's Retakaful Fund as Modarib's fee. It is recognized on the same basis on which related revenue is recognized.

4.22 Benefits

Benefits are charged to Participant's Retakaful Fund as incurred based on estimated liability for compensation owed under the takaful contracts. It includes claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

4.23 Receivables and payables related to retakaful contracts

Receivables including contribution due but unpaid relating to takaful contracts are recognized when due. The claim payable is recorded when intimation is received. These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any. Contribution received in advance is recognized as liability till the time of issuance of takaful contract there against.

If there is an objective evidence that any contribution due but unpaid is impaired, the Operations reduces the carrying amount of that contribution receivable and recognizes the loss in profit and loss account.

4.24 Contribution deficiency reserve

The Participant's Retakaful Fund is required to maintain a provision in respect of contribution deficiency for the individual class of business where the unearned contribution liability is not adequate to meet the expected future liability, after reinsurance, from claims and other supplementary expenses expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. The movement in the contribution deficiency reserve is recognized as an expense in the profit or loss account. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims.

The management considers that the unearned contribution reserve for all classes of business as at the year end is adequate to meet the expected future liability after reinsurance, from claims and other expenses, expected to be incurred after the reporting date in respect of policies in those classes of business in force at the reporting date.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Operations' accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent years are included in following notes:

	Note
a) classification of investments;	4.18.1
b) impairment of available for sale investments ;	4.18.3
c) taxation;	4.4
d) provision for unearned wakala fee;	4.9.1
e) deferred commission expense;	4.10.2
f) provision for outstanding claims including IBNR;	4.14
g) provision for unearned contribution;	4.12.1
h) allocation of management expenses; and	4.20
i) contribution deficiency reserves.	4.24

W

INVESTMENTS

Available for sale - Mutual Funds

	December 31, 2024					
	Operator's Fund			Participant Retakaful Fund		
	Total cost of investment	Market value	Unrealized gain / (loss)	Total cost of investment	Market value	Unrealized gain / (loss)
	Rupees					
Al Hamra Islamic Income Fund	5,102,071	5,582,184	480,113	25,061,438	27,355,741	2,294,303
Al-Ameen Islamic Sovereign Fund -Class-C	2,687,338	2,916,262	228,924	4,742,360	5,146,344	403,984
Al-Ameen Islamic Cash Fund	2,372,821	2,542,988	170,167	20,513,243	21,967,140	1,453,897
NBP Islamic Mahana Amdani Fund (Formerly: NBP Aitemaad Mahana Amdani Fund)	5,129,765	5,523,054	393,289	25,197,203	27,066,033	1,868,830
ABL Islamic Income Fund	4,961,464	5,361,609	400,145	24,373,137	26,270,076	1,896,939
Meezan Rozana Amdani Fund - Growth-B	6,079,875	5,496,385	(583,490)	29,800,155	26,940,163	(2,859,992)
Al Hamra Islamic Money Market Fund	44,841,618	44,841,618	-	168,156,065	168,156,065	-
Al-Ameen Islamic Cash Plan - I (Aicp-I)	42,065,993	45,656,668	3,590,675	157,747,512	171,212,504	13,464,992
ABL Islamic Cash Fund	44,730,304	44,743,723	13,419	167,738,641	167,788,962	50,321
HBL Islamic Money Market Fund	42,157,638	45,650,941	3,493,303	158,091,144	171,191,028	13,099,884
	200,128,887	208,315,432	8,186,545	781,420,898	813,094,056	31,673,158

	December 31, 2023					
	Operator's Fund			Participant Retakaful Fund		
	Total cost of investment	Market value	Unrealized gain / (loss)	Total cost of investment	Market value	Unrealized gain / (loss)
Al Hamra Islamic income fund	4,378,133	4,776,081	397,948	21,513,748	23,405,398	1,891,650
Al-Ameen Islamic Sovereign Fund -Class-C	2,298,491	2,503,443	204,952	4,056,160	4,417,841	361,681
Al-Ameen Islamic Cash Fund	2,014,857	2,188,286	173,429	17,421,041	18,903,106	1,482,065
NBP Islamic Mahana Amdani Fund (Formerly: NBP Aitemaad Mahana Amdani Fund)	4,368,097	4,759,698	391,601	21,464,609	23,325,164	1,860,554
Abi Islamic Income Fund	4,261,685	4,566,413	304,728	20,944,456	22,373,882	1,429,426
Meezan Rozana Amdani Fund - Growth-B	4,761,477	4,761,492	15	23,338,164	23,338,155	(9)
	22,082,740	23,555,412	1,472,672	108,738,179	115,763,546	7,025,367

7 **OTHER RECEIVABLES**

Loan to employee
Accrued profit on bank deposits

Operator's Retakaful Fund		Participant's Retakaful Fund	
December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
-----Rupees-----			
1,147,000	1,099,904	-	-
<u>6,337,813</u>	<u>11,791,001</u>	<u>23,412,420</u>	<u>35,646,150</u>
<u>7,484,813</u>	<u>12,890,905</u>	<u>23,412,420</u>	<u>35,646,150</u>

8 **TAKAFUL/ RETAKAFUL RECEIVABLES**

Due from takaful participants holders
Amount due from other insurers
Amount due from other reinsurers

Less: provision for doubtful debts

Note

Participant's Retakaful Fund	
December 31, 2024	December 31, 2023
-----Rupees-----	
612,923,102	641,007,802
<u>612,923,102</u>	<u>641,007,802</u>
<u>(27,141,101)</u>	<u>(62,798,990)</u>
<u>585,782,001</u>	<u>578,208,812</u>

8.1 This includes Rs 7,577,743 (2023: Rs 8,832,529) receivable from related party.

8.2 **Movement of provision for doubtful debts**

Opening balance
(Reversal)/Provisions made during the year
Closing balance

62,798,990	12,821,537
<u>(35,657,889)</u>	<u>49,977,453</u>
<u>27,141,101</u>	<u>62,798,990</u>

9 **RECEIVABLE/ PAYABLE (Current account between OPF and PTF)**

Amount (payable) to / receivable
from Participant's Retakaful Fund
Wakala fee
Mudarib's share of participant's
retakaful fund investment
and bank profit
Bank charges payable
Commission payable

Note

Operator's Retakaful Fund		Participant's Retakaful Fund	
December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
-----Rupees-----			
78,055,762	(15,156,543)	(78,055,762)	15,156,543
401,406,240	303,473,943	(401,406,240)	(303,473,943)
88,431,264	63,466,835	(88,431,264)	(63,466,835)
(18,207)	-	18,207	-
<u>(408,481,781)</u>	<u>(273,728,473)</u>	<u>408,481,781</u>	<u>273,728,473</u>
<u>159,393,278</u>	<u>78,055,762</u>	<u>(159,393,278)</u>	<u>(78,055,762)</u>

9.1 The amount is payable by the Operator to Participant's Retakaful Fund related to contribution received by the Operator from takaful participants.

9.2 It represents the amount receivable from Participant's Retakaful Fund related to wakala fee charged at 20% (2023: 20%) of gross contribution written amounted to Rs. 400,591,352 (2023: Rs. 303,473,943).

9.3 It represents Mudarib fee receivable against managing the investments and funds of participants at the rate 25% of all investment income and profit on bank deposits.

	Operator's Retakaful Fund		Participant's Retakaful Fund	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	-----Rupees-----			
10 QARD-E-HASNA				
Balance at the beginning of the year	300,000,000	300,000,000	(300,000,000)	(300,000,000)
Qard-e-hasna transferred from OPF during the year	-	-	-	-
Qard-e-hasna returned by PITF during the year	-	-	-	-
Balance at the end of the year	<u>300,000,000</u>	<u>300,000,000</u>	<u>(300,000,000)</u>	<u>(300,000,000)</u>

	Participant's Retakaful Fund	
	December 31, 2024	December 31, 2023
	-----Rupees-----	
11 RETAKAFUL RECOVERIES AGAINST OUTSTANDING CLAIMS		
Balance at beginning of the year	229,063,419	230,780,709
(Reversa) / Charge for the year	(7,758,581)	106,735,379
Received during the year	<u>(13,809,748)</u>	<u>(108,452,669)</u>
Balance at the end of the year	<u>207,495,090</u>	<u>229,063,419</u>

		Operator's Retakaful Fund		Participant's Retakaful Fund	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		-----Rupees-----			
	Note				
12 DEFERRED / UNEARNED WAKALA FEE					
Facultative business	12.1	12,871,675	13,759,587	12,871,675	13,759,587
Treaty		<u>162,424,930</u>	<u>116,983,015</u>	<u>162,424,930</u>	<u>116,983,015</u>
		<u>175,296,606</u>	<u>130,742,601</u>	<u>175,296,606</u>	<u>130,742,601</u>
12.1 Facultative business					
Fire		8,213,718	8,755,011	8,213,718	8,755,011
Marine cargo		89,740	29,088	89,740	29,088
Marine Hull		77,571	-	77,571	-
Accident		496,746	537,071	496,746	537,071
Aviation		163,141	161,976	163,141	161,976
Engineering		<u>3,830,759</u>	<u>4,276,441</u>	<u>3,830,759</u>	<u>4,276,441</u>
		<u>12,871,675</u>	<u>13,759,587</u>	<u>12,871,675</u>	<u>13,759,587</u>

		Participant's Retakaful Fund	
		December 31, 2024	December 31, 2023
		-----Rupees-----	
	Note		
13 DEFERRED COMMISSION EXPENSE			
Facultative business	13.1	2,327,558	2,781,948
Treaty		<u>182,254,500</u>	<u>111,631,279</u>
		<u>184,582,058</u>	<u>114,413,227</u>
13.1 Facultative business			
Fire		2,170,293	2,591,119
Marine Cargo		25,131	7,273
Marine Hull		19,393	-
Accident		112,665	116,779
Engineering		<u>76</u>	<u>66,777</u>
		<u>2,327,558</u>	<u>2,781,948</u>

Operator's Retakaful Fund		Participant's Retakaful Fund	
December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023

Note

Rupees

14 PREPAYMENTS

Treaty business

Prepaid retakaful contribution ceded

-	-	148,038,177	165,831,810
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15 BANK BALANCES

Cash at bank in:

Saving accounts

15.1	402,529,946	489,833,804	1,914,448,854	1,669,936,933
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15.1 Markup on profit and loss sharing account ranging from 10% to 19.75% (2023 : 18% to 20 %) per annum.

16 STATUTORY FUND

Total amount of Rs. 600 million (2023: Rs.600 million) is deposited by the Operator as statutory fund to comply with the provisions of paragraph 4 of circular no. 8 of 2014 read with section 11(1)(c) of Takaful Rules, 2012 issued by SECP, which states that 'every insurer who is interested to commence Window Takaful business shall transfer an amount of not less than Rs. 50 million to be deposited in a separate bank account for Window Takaful business duly maintained in a scheduled bank.

Operator's Retakaful Fund		Participant's Retakaful Fund	
December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023

Rupees

17 RESERVES

Revenue Reserves

Unappropriated profit

279,998,833	181,571,997	1,645,941,843	1,083,760,197
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Capital Reserves

Unrealized gain on available for
sale investment

4,993,783	1,342,622	34,364,428	9,716,635
284,992,616	182,914,619	1,680,306,271	1,093,476,832

18 SEED MONEY

It represents the initial amount deposited by the Operator of Rs. 1,000,000 in Waqf fund to create a Participant's Retakaful Fund.

Participant's Retakaful Fund	
December 31, 2024	December 31, 2023

Rupees

19 OUTSTANDING CLAIMS
INCLUDING IBNR

Note

Facultative business

Treaty

19.1	220,011,192	95,757,455
	377,869,156	516,866,447
19.2	597,880,348	612,623,902

19.1 Facultative business

Fire

Marine cargo

Accident

Engineering

77,772,186	84,527,963
231,606	99,137
11,832,974	2,817,282
130,174,426	8,313,073
220,011,192	95,757,455

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

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

On the basis of above SECP specified guidelines, the Company wrote letter to each ceding entity to share data of IBNR Claims Reserves in accordance with its share in the reinsurance program both for facultative and treaty business. However, none of the ceding companies shared their IBNR Claim Reserves. The Operator recorded Facultative and Treaty IBNR claim reserves on basis of actuarial valuation which amounts to Rs. 25.653 million and Rs. Nil respectively.

		Participant's Retakaful Fund		
		December 31, 2024	December 31, 2023	
		-----Rupees-----		
20	UNEARNED CONTRIBUTION RESERVES			
	Facultative business	20.1	64,358,376	68,797,933
	Treaty	20.2	812,124,652	584,915,073
			876,483,028	653,713,006
20.1	Facultative business			
	Fire		41,068,588	43,775,053
	Marine cargo		448,699	145,438
	Marine hull		387,857	-
	Accident		2,483,732	2,685,353
	Aviation		815,706	809,882
	Engineering		19,153,794	21,382,207
			64,358,376	68,797,933
20.2	Treaty			
	Proportional		706,108,919	529,489,816
	Non-proportional		106,015,733	55,425,257
			812,124,652	584,915,073
21	CONTRIBUTION DEFICIENCY RESERVES			
	Fire		-	-
	Marine cargo		-	-
	Proportional treaty		-	-
	Non proportional treaty		-	-
		21.1	-	-
21.1	Movement of contribution deficiency reserve			
	Balance at beginning of the year		-	42,862,640
	Reversal during the year		-	(42,862,640)
	Balance at end of the year		-	-
22	TAKAFUL/ RETAKAFUL PAYABLES			
	Amount due to other insurers		71,420,978	44,203,217
	Amount due to other reinsurers		181,051,611	142,088,862
			252,472,589	186,292,079

23	TAXATION- PROVISION LESS PAYMENT	Operator's Retakaful Fund		Participant's Retakaful Fund	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		-----Rupees-----			
	Balance at beginning of the year	(55,709,310)	(20,615,023)	-	-
	Income tax deducted at source				
	on dividend income	4,063,241	443,821	16,180,854	2,200,587
	on bank profit	9,979,999	11,483,932	43,521,575	31,860,499
	Payment of income tax	14,043,240	11,927,753	59,702,429	34,061,086
	Provision for current tax	(68,167,105)	(47,022,041)	(59,702,429)	(34,061,086)
	Payable to Pakistan Reinsurance Company Limited	(55,709,310)	-	-	-
	Balance at end of the year	(54,123,865)	(55,709,310)	-	-

24	DEFERRED TAX ASSET / (LIABILITY)	Operator's Retakaful Fund		Participant's Retakaful Fund	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		-----Rupees-----			
	Opening balance			485,982	182,212
	Taxable temporary differences				
	Unrealized gain on available for sale of investments			2,706,764	303,770
				3,192,746	485,982

25	OTHER CREDITORS AND ACCRUALS	Operator's Retakaful Fund		Participant's Retakaful Fund	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Officers association payable	-	20,800	-	-
	Employee income tax payable	-	363,464	-	-
	PRCL employees professional tax payable	-	2,000	-	-
	Sindh sales tax payable	177,380	25,872	3,960	3,960
	Income tax deducted at source	142,638	73,378	26,730	26,730
	Audit fee payable	1,029,860	853,500	-	-
	Miscellaneous creditors/accrued Expenses	-	34,823,648	1,000	1,000
		1,349,878	36,162,662	31,690	31,690

26	PAYABLE TO PAKISTAN REINSURANCE COMPANY LIMITED	Operator's Retakaful Fund		Participant's Retakaful Fund	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Pakistan Reinsurance Company Limited	26.1	143,349,816	12,733,937	-
26.1	Payable in respect of				
	Receipt from cedent	26.1.1	69,679,288	-	-
	Income tax		64,258,772	1,869,425	-
	Salaries		8,649,485	10,102,241	-
	Bonus		762,271	762,271	-
			143,349,816	12,733,937	-

26.1.1 This represents deposit made erroneously in the banks of the operator which pertained to cedent of Pakistan Reinsurance Company Limited.

27 CONTINGENCIES AND COMMITMENTS

- 27.1 The Operator was served with a notice by Sindh Revenue Board (SRB) in 2016 for non filing of sales tax returns and raised sales tax liability via same notice on conventional reinsurance services provided by the Operator. Pakistan Reinsurance Company Ltd has contested the notice and the case is pending with the Honorable High Court of Sindh. In case of unfavorable outcome of the said matter, the charge to profit and loss account would amount to Rs. 260.914 million pertaining to the 2024 (2023: Rs. 158.672 millions) on retakaful operations excluding any additional penalty or default surcharge.
- 27.2 There are no commitments as at December 31, 2024 (December 31 2023: Nil).

28 NET CONTRIBUTION REVENUE

Note

Participant's Retakaful Fund	
December 31, 2024	December 31, 2023

Rupees

Written gross contribution	2,007,031,199	1,517,369,717
Add: unearned contribution reserve opening	653,713,006	515,574,963
Less: unearned contribution reserve closing	(876,483,028)	(653,713,006)
Contribution earned	1,784,261,177	1,379,231,674
Retakaful contribution ceded	176,467,228	208,367,291
Add: prepaid retakaful contribution opening	165,831,810	87,351,654
Less: prepaid retakaful contribution closing	(148,038,177)	(165,831,810)
Retakaful expense	(194,260,861)	(129,887,135)
	<u>1,590,000,316</u>	<u>1,249,344,539</u>

29 WAKALA FEE

Gross wakala fee	401,406,240	303,473,943
Add: unearned wakala fee opening	130,742,601	103,114,993
Less: unearned wakala fee closing	(175,296,606)	(130,742,601)
	<u>356,852,235</u>	<u>275,846,335</u>

- 29.1 This represents expense for Participants Retakaful Fund and revenue for Operator's Retakaful Fund. The Operator manages the Window Retakaful Operations for the participants and charges 20% of the gross contribution written as wakala fee against the services.

30 NET CLAIMS - REPORTED / SETTLED INCLUDING IBNR

Benefits/ claims paid	919,200,658	651,544,704
Less: outstanding benefits/ claims including IBNR - opening	(612,623,902)	(721,865,204)
Add: outstanding benefits / claims including IBNR - closing	597,880,348	612,623,902
Claims expense	904,457,104	542,303,402
Retakaful and other recoveries received	13,809,748	108,452,669
Add: retakaful and other recoveries received- opening	(229,063,419)	(230,780,709)
Less: retakaful and other recoveries received- closing	207,495,090	229,063,419
Retakaful and other recoveries revenue	7,758,581	(106,735,379)
Net claims expenses	<u>912,215,685</u>	<u>435,568,023</u>

V

30.1 Claim development table

The Operator maintains adequate reserves in respect of its retakaful business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before retakaful.

Accident year	2020	2021	2022	2023	2024	Total
Estimate of ultimate claims cost						
-At the end of accident year	67,385,314	419,141,589	668,723,829	514,956,709	857,546,295	2,528,333,736
-One year later	162,174,776	239,693,229	465,234,117	335,258,872	-	1,302,353,854
-Two years later	58,689,171	211,431,405	164,468,410	-	-	434,998,986
-Three years later	38,412,495	85,976,578	-	-	-	142,389,073
Current estimate of cumulative claims	75,878,851	85,976,578	164,468,410	335,258,872	857,546,295	1,517,881,806
Cumulative payments to date	6,685,499	48,955,834	81,334,343	221,184,394	561,110,828	919,200,698
Liability recognised in the statement of financial position	69,193,352	35,020,744	83,134,067	114,144,878	296,435,467	797,880,348

Operator's Retakaful Fund		Participant's Retakaful Fund	
December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023

Note

Rupees

31 INVESTMENT INCOME

Income from equity securities- available for sale

Dividend income	22,109,382	2,958,821	88,863,572	14,670,315
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32 OTHER INCOME

Profit on bank deposits	58,965,312	85,097,792	264,861,482	239,197,024
Liabilities written back	3,475,514	-	-	-
	62,440,826	85,097,792	264,861,482	239,197,024

33 MODARIB'S FEE

Investment income earned		88,863,572	14,670,315	(88,863,572)	(14,670,315)
Profit on bank deposits		<u>264,861,482</u>	<u>239,197,024</u>	<u>(264,861,482)</u>	<u>(239,197,024)</u>
		<u>353,725,054</u>	<u>253,867,339</u>	<u>(353,725,054)</u>	<u>(253,867,339)</u>
Mudarib' share of income	33.1	88,431,264	63,466,835	(88,431,264)	(63,466,835)

33.1 The Operator of the Window Retakaful manage the participant's investments as a Mudarib and charge 25% of Mudarib's share of the investment income earned and profit on bank deposits by the Participant's Retakaful Fund.

34 TAXATION

Current tax	76,716,567	47,022,041	59,702,429	34,061,086
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Operator's Retakaful Fund		Participant's Retakaful Fund	
December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023

Note

Rupees

34.1 Relationship between tax expense and accounting profit

Profit before tax	174,787,448	142,491,034	-	-
Tax at the applicable rate of 39% (2023: 33%)	68,167,105	47,022,041	-	-
Tax effect of temporary difference and others	-	-	59,702,429	34,061,086
Prior year	8,549,462	-	-	-
Charge for the year	76,716,567	47,022,041	59,702,429	34,061,086
Applicable tax rate	39%	33%		
Tax effects of amount that are:				
Permanent difference	0%	0%		
Effective tax rate	30%	32%		

Operator's Retakaful Fund	
December 31, 2024	December 31, 2023

Note

Rupees

35 COMMISSION EXPENSE

Commission paid or payable	408,481,781	273,728,473
Add: deferred commission expense opening	114,413,227	103,795,712
Less: deferred commission expense closing	(184,582,058)	(114,413,227)
	338,312,950	263,110,958

36 GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES

Salaries, allowance and other benefits	12,772,042	17,871,830
Shariah advisor fee	2,735,721	3,167,911
Auditor's remuneration	861,360	717,800
Others	364,185	10,250
	16,733,308	21,767,791

36.1

36.1 Auditor's remuneration

Half yearly review	132,000	110,000
Annual audit fee	240,000	200,000
Shariah audit fee	165,000	137,500
Regulatory returns	165,000	137,500
Out of pocket expense	159,360	132,800
	861,360	717,800

37 NUMBER OF EMPLOYEES

	2024	2023
Number of employees at the year end	6	6
Average number of employees during the year	6	6

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PARTICIPANT'S RETAKAFUL FUND

	For the year ended December 31, 2024					TOTAL
	Fire and property damage	Marine	Accident	Proportional Treaty	Non Proportional Treaty	
	-----Rupees-----					
Gross written contribution	155,369,820	2,410,574	14,047,849	1,614,764,590	220,438,366	2,007,031,199
Unearned contribution-opening	65,967,142	145,438	2,685,353	529,489,816	55,425,257	653,713,006
Unearned contribution-closing	(61,038,088)	(836,556)	(2,483,732)	(706,108,919)	(106,015,733)	(876,483,028)
Contribution earned	160,298,874	1,719,456	14,249,470	1,438,145,487	169,847,890	1,784,261,177
Retakaful-Ceded	-	-	-	-	176,467,228	176,467,228
Prepaid retakaful-opening	-	-	-	-	165,831,810	165,831,810
Prepaid retakaful-closing	-	-	-	-	(148,038,177)	(148,038,177)
Retakaful expenses	-	-	-	-	194,260,861	194,260,861
Net contribution	160,298,874	1,719,456	14,249,470	1,438,145,487	(24,412,971)	1,590,000,316
Net underwriting income (A)	160,298,874	1,719,456	14,249,470	1,438,145,487	(24,412,971)	1,590,000,316
Benefits paid	19,693,945	-	775,007	872,002,683	26,729,023	919,200,658
Outstanding benefits/claims-opening	(92,841,036)	(99,137)	(2,817,282)	(455,742,767)	(61,123,680)	(612,623,902)
Outstanding benefits/claims-closing	207,946,612	231,606	11,832,974	371,401,194	6,467,962	597,880,348
Claims expenses	134,799,521	132,469	9,790,699	787,661,110	(27,926,695)	904,457,104
Retakaful recoveries received	-	-	-	-	13,809,748	13,809,748
Retakaful recoveries against outstanding claims-opening	-	-	-	-	(229,063,419)	(229,063,419)
Retakaful recoveries against outstanding claims-closing	46,843,750	-	-	-	160,651,340	207,495,090
Retakaful recoveries revenue	46,843,750	-	-	-	(54,602,331)	(7,758,581)
Net benefit expenses	87,955,771	132,469	9,790,699	787,661,110	26,675,636	912,215,685
Wakala fee	32,059,775	343,891	2,849,894	287,629,097	33,969,578	356,852,235
Contribution deficiency expense	-	-	-	-	-	-
Net benefits and expenses (B)	120,015,546	476,360	12,640,593	1,075,290,207	60,645,214	1,269,067,920
Underwriting results (C=A-B)	40,283,328	1,243,096	1,608,877	362,855,280	(85,058,185)	320,932,396
Profit on bank deposits						264,861,482
Investment income						88,863,572
Modarib share of PTF investment income and bank profit						(88,431,264)
Reversal / (Provision) for doubtful contributions						35,657,889
Surplus before tax						621,884,076

For the year ended December 31, 2024						
	Fire and property damage	Marine	Accident	Proportional Treaty	Non Proportional Treaty	TOTAL
	-----Rupees-----					
Segment assets	59,051,368	167,311	496,746	141,221,784	181,854,487	382,791,696
Unallocated assets						3,484,775,508
Total assets						<u>3,867,567,203</u>
Segment liabilities	268,984,700	1,068,162	14,316,706	1,077,510,113	112,483,695	1,474,363,376
Unallocated liabilities						411,897,557
Total liabilities						<u>1,886,260,933</u>
OPERATOR'S RETAKAFUL FUND						
Wakala fee	32,059,775	343,891	2,849,894	287,629,097	33,969,578	356,852,235
Commission	(7,089,308)	(104,468)	(667,143)	(330,505,313)	53,282	(338,312,950)
Management expenses	(1,498,714)	(16,076)	(133,225)	(13,497,300)	(1,587,993)	(16,733,308)
Segment results	23,471,753	223,347	2,049,526	(56,373,516)	32,434,867	1,805,977
Profit on bank deposits						62,440,826
Investment income						22,109,382
Modarib share of PTF investment income and bank profit						88,431,264
Profit before tax						<u>174,787,448</u>
Segment assets	2,170,369	44,524	112,665	182,254,500	-	184,582,058
Unallocated assets						1,077,723,469
Total assets						<u>1,262,305,527</u>
Segment Liabilities	12,207,618	167,311	496,746	141,221,784	21,203,147	175,296,606
Unallocated Liabilities						202,016,305
Total liabilities						<u>377,312,911</u>

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PARTICIPANT'S RETAKAFUL FUND

For the year ended December 31, 2023

	Fire and property damage	Marine	Accident	Proportional Treaty	Non Proportional Treaty	TOTAL
	-----Rupees-----					
Gross written contribution	172,206,794	1,921,887	8,525,353	1,215,718,138	118,997,545	1,517,369,717
Unearned contribution-opening	29,302,693	182,303	2,807,774	436,019,476	47,262,717	515,574,963
Unearned contribution-closing	(65,967,142)	(145,438)	(2,685,353)	(529,489,816)	(55,425,257)	(653,713,006)
Contribution Earned	135,542,345	1,958,752	8,647,774	1,122,247,798	110,835,005	1,379,231,674
Retakaful-ceded	-	-	-	-	208,367,291	208,367,291
Prepaid Retakaful-opening	-	-	-	-	87,351,654	87,351,654
Prepaid Retakaful-closing	-	-	-	-	(165,831,810)	(165,831,810)
Retakaful Expenses	-	-	-	-	129,887,135	129,887,135
Net contribution	135,542,345	1,958,752	8,647,774	1,122,247,798	(19,052,130)	1,249,344,539
Net underwriting income (A)	135,542,345	1,958,752	8,647,774	1,122,247,798	(19,052,130)	1,249,344,539
Benefits/claims paid	14,699,728	-	-	630,235,271	6,609,705	651,544,704
Outstanding benefits/claims-opening	(92,981,163)	(145,896)	(3,721,474)	(563,892,991)	(61,123,680)	(721,865,204)
Outstanding benefits/claims-closing	92,841,036	99,137	2,817,282	504,075,570	12,790,877	612,623,902
Claims expenses	14,559,601	(46,759)	(904,192)	570,417,850	(41,723,098)	542,303,402
Retakaful recoveries received	-	-	-	-	108,452,669	108,452,669
Retakaful recoveries against outstanding claims-opening	-	-	-	-	(230,780,709)	(230,780,709)
Retakaful recoveries against outstanding claims-closing	-	-	-	-	229,063,419	229,063,419
Benefits recovered from retro takaful	-	-	-	-	106,735,379	106,735,379
Net benefit expenses	(14,559,601)	46,759	904,192	(570,417,850)	148,458,477	(435,568,023)
Wakala Fee	(27,108,469)	(391,750)	(1,729,555)	(224,449,560)	(22,167,001)	(275,846,335)
Contribution deficiency expense	-	-	-	-	-	-
Net benefits and expenses (B)	(41,668,070)	(344,991)	(825,363)	(794,867,410)	126,291,476	(711,414,358)
Underwriting results (C=A-B)	93,874,275	1,613,761	7,822,411	327,380,388	107,239,346	537,930,181
Profit on bank deposits						239,197,024
Dividend income						14,670,315
Modarib share of PTF investment income and bank profit						(63,466,835)
Reversal for doubtful contributions						(49,977,453)
Surplus before tax						678,353,232

	For the year ended December 31, 2023					
	Fire and property damage	Marine	Accident	Proportional Treaty	Non Proportional Treaty	TOTAL
	-----Rupees-----					
Segment assets	13,193,428	29,088	537,071	105,897,963	240,148,470	359,806,020
Unallocated assets						2,565,387,251
Total assets						<u>2,925,193,271</u>
Segment liabilities	158,808,178	244,575	5,502,635	1,033,565,386	68,216,134	1,266,336,908
Unallocated liabilities						264,379,531
Total liabilities						<u>1,530,716,439</u>
OPERATOR'S RETAKAFUL FUND						
Wakala Fee	27,108,469	391,750	1,729,555	224,449,560	22,167,001	275,846,335
Commission	(8,602,376)	(155,456)	(406,300)	(253,939,214)	(7,612)	(263,110,958)
Management Expenses	(2,139,204)	(30,914)	(136,484)	(17,711,930)	(1,749,259)	(21,767,791)
Segment Results	16,366,889	205,380	1,186,771	(47,201,584)	20,410,130	(9,032,414)
Profit on bank deposits						85,097,792
Modarib share of PTF investment income and bank profit						2,958,821
Dividend income						63,466,835
Profit before tax						<u>142,491,034</u>
Segment Assets	2,657,896	7,273	116,779	111,631,279	-	114,413,227
Unallocated Assets						904,335,883
Total assets						<u>1,018,749,110</u>
Segment Liabilities	13,193,428	29,088	537,071	105,897,963	11,085,051	130,742,601
Unallocated Liabilities						105,091,891
Total liabilities						<u>235,834,492</u>

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2024	
Operator's Retakaful Fund	Participant's Retakaful Fund
Available for sale	
Rupees	

39 MOVEMENT IN INVESTMENTS

At beginning of previous year	20,196,058	99,193,302
Additions	2,515,000	12,469,728
Fair value (loss) / gain - net	844,354	4,100,516
At beginning of current year	23,555,412	115,763,546
Additions	178,046,140	672,682,718
Fair value gain - net	6,713,880	24,647,793
At end of current year	208,315,432	813,094,056

40 MANAGEMENT OF RETAKAFUL AND FINANCIAL RISK

The risks involved with financial instruments and the Operator's approach to managing such risks are as follow:

40.1 Retakaful risk

The risk under a Retakaful contract is the possibility that the covered event occurs and the uncertainty of the amount of the resulting benefits. By the very nature of a Retakaful contract, it is random and therefore unpredictable. The principal risk faced under such contract is that, the occurrence of the covered events and the severity of reported benefits. The Operator's risk profile is improved by diversification of these risk of losses to a large portfolio of contracts as a diversified portfolio is less likely to be affected by an unexpected event in single subject.

The Operator principally issues the general Retakaful cover. Risks under these policies usually cover a twelve month duration.

Underwriting limits and retention policies and procedures precisely regulate who is authorized and accountable for concluding retakaful contracts and at what conditions. Compliance with these guidelines is regularly checked and developments in the global, regional and local markets are closely observed, reacting where necessary with appropriate measures that are translated without delay into underwriting guidelines, if required.

Frequency and severity of benefits

Risk associated with general Retakaful contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the Retakaful events. This has been managed by underwriting strategy, retakaful arrangements and proactive benefit handling procedures.

The Operator's class wise major risk exposure is as follows:

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

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Uncertainty in the estimation of future benefits payment

Benefits on general Retakaful contracts are payable on a benefit occurrence basis. The Participant Retakaful is liable for all covered events that occur during the term of the Retakaful contract including the event reported after the expiry of the Retakaful contract term.

An estimated amount of the benefit is recorded immediately on the intimation to the operations. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the benefits.

There are several variable factors which affect the amount and timing of recognized benefit liabilities. The operations takes all reasonable measures to mitigate the factors affecting the amount and timing of benefit settlements. However, uncertainty prevails with estimated benefit liabilities and it is likely that final settlement of these liabilities may be significantly different from initial recognized amount.

40.2 Credit risk

Credit risk is the risk that the counter party to a financial instrument will cause a financial loss for the Operator by failing to discharge its obligation. The Operator's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements. Further, management monitors exposure to credit risk through review of credit exposure, undertaking transactions with a large number of counter parties in various industries and by continuously assessing the credit worthiness of counter parties.

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The Operator's credit risk exposure is not significantly different from that reflected in the financial statements.

The management monitors and limits the Operator's exposure to credit risk through monitoring of client's exposure and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

The carrying amount of financial assets represents the maximum credit exposure as specified below:

		Operator's Retakaful Fund		Participant's Retakaful Fund	
		2024	2023	2024	2023
Note		Rupees			
Bank balances	15	402,529,946	489,833,804	1,914,448,854	1,669,936,933
Takaful / retakaful receivables	8	-	-	585,782,001	578,208,812
Accrued markup on bank deposit	7	6,337,813	11,791,001	23,412,420	35,646,150
Loan to employees	7	1,147,000	1,099,904	-	-
Receivable/Payable from Participant's Retakaful Fund / Operator's Retakaful Fund - net	9	159,393,278	78,055,762	(159,393,278)	(78,055,762)

The Operator did not hold any collateral against the above during the year. General provision is made for takaful / retakaful receivables and other receivables according to the Operator's policy. The impairment provision is written off when the Operator expects that it cannot recover the balance due.

The credit quality of the bank in which the Operator maintained its own and Participant's Funds' bank balance and markup on bank deposits accrued can be assessed below with reference to external credit ratings.

Rating			Operator's Retakaful Fund	Participant's Retakaful Fund
Short Term	Long Term	Rating Agency	Amount in Rs.	
A-1+	AAA	JCR-VIS	7,823,316	90,098,672
A-1	A+	JCR-VIS	-	-
A-1+	AA	JCR-VIS	402,529,946	1,824,348,854
			410,353,262	1,914,447,526

The management monitors exposure to credit risk in contribution receivable from customers through regular review of credit exposure and prudent estimates of provision for doubtful receivables.

The credit quality of customers from whom the amount of retakaful receivables can be assessed with reference to external credit ratings.

	Amount Receivable in Rs.
A or above	612,923,102
Others	-
	612,923,102

40.3 Impaired assets

The impairment provision is written-off when the Operator expects that it cannot recover the balance due. During the year, no amount has been impaired.

40.4 Liquidity risk

Liquidity risk is the risk that the Operator will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Operator could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Operator's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Operator's reputation. In the case of the Operator, the liquidity level remained on satisfactory level during the year and Operator did not face any difficulty in generation of liquidity.

The following are the contractual maturities of financial liabilities on the basis of an undiscounted cash flow:

Operator's Retakaful Fund	Carrying amount	Contractual cash flows	Maturity up to one year
		Rupees	
2024			
Financial liabilities:			
Other creditors and accruals	1,349,878	1,349,878	1,349,878
Payable to related party	143,349,816	143,349,816	143,349,816
	144,699,694	144,699,694	144,699,694
2023			
Financial liabilities:			
Payable to Participant Retakaful Fund-net	-	-	-
Other creditors and accruals	36,162,662	36,162,662	36,162,662
Payable to related party	12,733,937	12,733,937	12,733,937
	48,896,599	48,896,599	48,896,599

	Carrying amount	Contractual cash flows	Maturity up to one year
	Rupees		
Participant's Retakaful Fund			
2024			
Financial liabilities:			
Outstanding claims including IBNR	597,880,348	597,880,348	597,880,348
Takaful/retakaful payables	252,472,589	252,472,589	252,472,589
Other creditors and accruals	31,690	31,690	31,690
	<u>850,384,627</u>	<u>850,384,627</u>	<u>850,384,627</u>
2023			
Financial liabilities:			
Outstanding claims including IBNR	612,623,902	612,623,902	612,623,902
Takaful/retakaful payables	186,292,079	186,292,079	186,292,079
Other creditors and accruals	31,690	31,690	31,690
	<u>798,947,671</u>	<u>798,947,671</u>	<u>798,947,671</u>

40.5 Market risk

Market risk is a risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. The Operator manages the market risk through diversification of the portfolio and by following the internal guidelines established by the relevant committee. Market risk comprises of three types of risk: currency risk, profit rate risk and price risk.

40.5.1 Profit/interest rate risk

Profit/interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Operator invests in securities and has deposits that are subject to interest / mark-up rate risk. The Operator limits interest / mark-up rate risk by monitoring changes in interest / mark-up rates in the currencies in which its cash and investments are denominated.

The information about the Operator's and Participant's Retakaful fund to Profit/interest rate risk based on contractual repricing or maturity dates whichever earlier is as follows:

OPERATOR'S RETAKAFUL

2024	Effective rate per annum (%)	Profit/Interest / mark-up bearing financial instruments			Non-interest / mark-up bearing financial instruments	Total
		Maturity up to one year	Maturity over one year	Sub total		
Rupees						
Financial assets						
Bank balances	9% to 32%	402,520,946	-	402,520,946	-	402,520,946
Investments		-	-	-	208,315,432	208,315,432
Other receivable		-	-	-	7,684,813	7,684,813
Subtotal		402,520,946	-	402,520,946	215,900,245	618,421,191
Financial liabilities						
Other creditors and accruals		-	-	-	1,340,878	1,340,878
Subtotal		-	-	-	1,340,878	1,340,878
		402,520,946	-	402,520,946	214,430,367	616,960,313
On balance sheet sensitivity gap						
		402,520,946	-	402,520,946	214,430,367	-

303	Effective rate per annum (%)	Profit / Interest / mark-up bearing financial instruments			Non-interest / mark-up bearing financial instruments	Total
		Maturity up to one year	Maturity over one year	Sub total		
		Rupees				
Financial assets						
Bank balances	9% to 10%	489,833,804	-	489,833,804	-	489,833,804
Investments		-	-	-	23,555,412	23,555,412
Other receivables		-	-	-	12,881,906	12,881,906
Subtotal		489,833,804	-	489,833,804	36,437,317	526,271,121
Financial liabilities						
Insurance / reinsurance payables		-	-	-	-	-
Other creditors and accruals		-	-	-	1,564,619	1,564,619
Subtotal		-	-	-	1,564,619	1,564,619
		489,833,804	-	489,833,804	34,872,698	524,706,502
On balance sheet sensitivity gap		489,833,804	-	489,833,804	34,872,698	

PARTICIPANT'S

304	Effective rate per annum (%)	Profit / Interest / mark-up bearing financial instruments			Non-interest / mark-up bearing financial instruments	Total
		Maturity up to one year	Maturity over one year	Sub total		
		Rupees				
Financial assets						
Bank balances	3% to 6%	1,914,448,854	-	1,914,448,854	-	1,914,448,854
Investments		-	-	-	813,094,056	813,094,056
Other receivable		-	-	-	23,412,430	23,412,430
Receivable from Operator's Retakaful Fund - net		-	-	-	-	-
Takaful / retakaful receivables		-	-	-	585,782,801	585,782,801
Subtotal		1,914,448,854	-	1,914,448,854	1,422,289,287	3,336,737,331
Financial liabilities						
Outstanding claims including IBNR		-	-	-	299,136,344	299,136,344
Takaful / retakaful payables		-	-	-	58,819,041	58,819,041
Payable to Operator's Retakaful Fund		-	-	-	29,557,577	29,557,577
Other creditors and accruals		-	-	-	1,000	1,000
Subtotal		-	-	-	387,513,962	387,513,962
		1,914,448,854	-	1,914,448,854	1,804,774,316	3,719,223,169
On balance sheet sensitivity gap		1,914,448,854	-	1,914,448,854	1,804,774,316	

303	Effective rate per annum (%)	Interest / mark-up bearing financial instruments			Non-interest / mark-up bearing financial instruments	Total
		Maturity up to one year	Maturity over one year	Sub total		
Rupees						
Financial assets						
Bank balances	2% to 6%	1,609,936,933	-	1,609,936,933	-	1,609,936,933
Investments		-	-	-	115,763,546	115,763,546
Other receivable		-	-	-	35,646,130	35,646,130
Receivable from Operator's Retakaful Fund - net		-	-	-	-	-
Takaful / retakaful receivables		-	-	-	578,208,812	578,208,812
Subtotal		1,609,936,933	-	1,609,936,933	729,618,588	2,339,555,441
Financial liabilities						
Outstanding claims including IBNR		-	-	-	299,136,344	299,136,344
Takaful/retakaful payables		-	-	-	58,819,041	58,819,041
Payable to Operator's Retakaful Fund		-	-	-	28,557,577	28,557,577
Other creditors and accounts		-	-	-	1,000	1,000
Subtotal		-	-	-	387,513,962	387,513,962
		1,609,936,933	-	1,609,936,933	342,104,547	2,012,041,479
On balance sheet sensitivity gap		1,609,936,933	-	1,609,936,933	342,104,547	

Market risk

Market risk is a risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Operator is exposed to market risk with respect to its investments and bank balances maintained in profit & loss sharing accounts. The Operator has invested its funds in close ended mutual funds resulting in risk arising from fluctuation in the rate of return and dividend earned thereon and the possibility of capital gains or losses arising from the sale of these investments.

Sensitivity analysis for variable rate instruments

Profit rate risk arises from possibility that changes in profit rate will effect the value of financial instruments. Rate risk is the risk of decline in earning due to adverse movement of the rate curve. The operator is exposed to profit rate risk for certain deposits with the banks.

The below table summarize the price risk as at December 31, 2024 and 2023 and show the effect of 10% increase and decrease in market rate as at the year end. The selected changes does not reflect what could be considered to be the best or worst case scenarios.

OPERATOR'S RETAKAFUL FUND

	Fair value	Effect on profit before tax	Effect on Operator's Fund
Rupees			
December 31, 2024			
10% increase	402,529,946	40,252,995	28,579,626
10% decrease	402,529,946	(40,252,995)	(28,579,626)
December 31, 2023			
10% increase	489,833,804	48,983,380	34,778,200
10% decrease	489,833,804	(48,983,380)	(34,778,200)

Fair value	Effect on profit before tax	Effect on Operator's Fund
-----Rupees-----		

PARTICIPANT'S RETAKAFUL FUND

December 31, 2024

10% increase	1,914,448,854	191,444,885	135,925,869
10% decrease	1,914,448,854	(191,444,885)	(135,925,869)

December 31, 2023

10% increase	1,669,936,933	166,993,693	118,565,522
10% decrease	1,669,936,933	(166,993,693)	(118,565,522)

40.6 Foreign Currency risk

Foreign currency risk is a risk that the fair value of future cash flows financial instrument will fluctuate because of change in exchange rates. Current, the Operator is not exposed to currency risk as majority of the transactions are carried out in Pakistani rupees.

40.7 Equity Price Risk

The Operator's equity investments are susceptible to market price risk arising from uncertainty about the future value of investments securities. The Operator limit market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity market.

The table below summarize Operator's market price risk as of December 31, 2024 and 2023. it shows the effects of a 10% increase and decrease in the market prices of equity investments as on those dates on Operator's profit and total Operator's fund.

	Price Change	Fair value	Estimated fair value	Effect on Profit and loss account	Effect on Total Operator's Fund
	-----Rupees-----				
December 31, 2024	10% increase	208,315,432	229,146,975	-	20,831,543
	10% decrease	208,315,432	187,483,889	-	(20,831,543)
December 31, 2023	10% increase	23,555,412	25,910,953	-	2,355,541
	10% decrease	23,555,412	21,199,871	-	(2,355,541)

40.8 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Operator is not exposed to any such risk.

The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (un observable inputs).

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	Total	Level 1	Level 2	Level 3
2024	Rupees			
Financial assets measured at fair value				
Available-for-sale investment				
Mutual funds				
- Operator's Fund	208,315,432	208,315,432	-	-
- Participant Retakaful Fund	813,094,056	813,094,056	-	-
2023				
Financial assets measured at fair value				
Available-for-sale investment				
Mutual funds				
- Operator's Fund	23,555,412	23,555,412	-	-
- Participant Retakaful Fund	115,763,546	115,763,546	-	-

41	STATEMENT OF SOLVENCY	Note	December 31, 2024 Rupees
	Assets		
	Investments	6	813,094,056
	Takaful/retakaful receivables	8	585,782,001
	Other receivable	7	23,412,420
	Prepayment	14	148,038,177
	Deferred wakala fee	12	175,296,606
	Retakaful recoveries against outstanding claims	11	207,495,090
	Bank balances	15	1,914,448,854
	Total Assets (A)		<u>3,867,567,203</u>
	In-admissible assets as per section 32 (2) of Insurance Ordinance, 2000		
	Contribution due since more than three months		(339,818,899)
	Total In-admissible assets (B)		<u>(339,818,899)</u>
	Total Admissible Assets (C=A-B)		<u>3,527,748,304</u>
	Total Liabilities		
	Qard-e-Hasna	10	300,000,000
	Underwriting Provisions		
	Outstanding benefits including IBNR	19	597,880,348
	Unearned contribution reserves	20	876,483,028
	Receivable from Operator's Retakaful Fund - net	9	159,393,278
	Takaful/retakaful payable	22	252,472,589
	Other creditors and accruals	25	31,690
	Total Liabilities (D)		<u>2,186,260,933</u>
	Total Net Admissible Assets (E=C-D)		<u>1,341,487,372</u>

The Participant's Retakaful Fund has complied with the minimum solvency requirement as against the requirement of section 36 of the Insurance ordinance, 2000.

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42 CAPITAL MANAGEMENT

The Operator's objective when managing capital is to safeguard the Operator's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The objectives, policies and processes for managing capital of the Operator are as follows:

- to be an appropriately capitalized institution, as defined by regulatory authorities;
- maintain strong rating and to protect the Operator against unexpected events;
- availability of adequate capital at reasonable cost so as to enable the Operator to expand; and
- achieve low cost of capital with approximate mix of capital elements.

Amount of Rs. 300 million is deposited as statutory fund to comply with provisions of paragraph 4 of circular no. 8 of 2014 read with section 11(1)(c) of Takaful Rules, 2012 issued by SECP, which states that 'every insurer who is interested to commence Window Takaful business shall transfer an amount of not less than Rs. 50 million to be deposited in a separate bank account for Window Takaful business duly maintained in a scheduled bank.

The Operator monitors capital using a ratio of "net debt" to "equity". Net debt is calculated as total liabilities (as shown in statement of financial position) less cash and cash equivalents. Equity comprises all components of Operator' and Participant' Retakaful Fund

The Operator's net debt to equity ratio as at December 31, 2024 was as follows:

	Operator's Retakaful Fund		Participant's Retakaful Fund	
	2024	2023	2024	2023
	Rupees			
Total liabilities	377,312,911	235,834,492	1,886,260,933	1,530,716,439
Less: cash and cash equivalents	(402,529,946)	(489,833,804)	(1,914,448,854)	(1,609,936,933)
Net debt	(25,217,035)	(253,999,312)	(28,187,921)	(139,220,494)
Total Operator's Fund / Balance of Participant's Retakaful Fund	884,992,616	782,914,618	1,681,306,271	1,094,476,832
Net debt to equity ratio	-3%	-32%	-2%	-13%

43 SUBSEQUENT EVENT

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization.

44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 05042025 by the Board of Directors of the Operator.

45 GENERAL

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


 Chairman


 Director


 Director


 Chief Executive Officer


 Chief Financial Officer

PAKISTAN REINSURANCE COMPANY LIMITED

**Pattern of Shareholdings
as at December 31, 2024**

<u># Of Shareholders</u>	<u>Shareholdings'Slab</u>			<u>Total Shares Held</u>
482	1	to	100	12,142
390	101	to	500	134,245
337	501	to	1000	292,219
1043	1001	to	5000	2,844,026
415	5001	to	10000	3,243,499
188	10001	to	15000	2,502,576
134	15001	to	20000	2,454,837
83	20001	to	25000	1,961,122
87	25001	to	30000	2,506,491
47	30001	to	35000	1,547,795
31	35001	to	40000	1,182,363
20	40001	to	45000	873,935
44	45001	to	50000	2,154,510
19	50001	to	55000	992,058
22	55001	to	60000	1,298,806
10	60001	to	65000	623,815
16	65001	to	70000	1,098,430
15	70001	to	75000	1,111,601
13	75001	to	80000	1,026,634
12	80001	to	85000	1,006,001
10	85001	to	90000	893,785
6	90001	to	95000	559,629
24	95001	to	100000	2,389,979
12	100001	to	105000	1,232,749
3	105001	to	110000	325,601
4	110001	to	115000	452,099
10	115001	to	120000	1,192,350
8	120001	to	125000	998,326
6	125001	to	130000	768,164
2	130001	to	135000	267,466
7	135001	to	140000	975,012
2	140001	to	145000	285,500
10	145001	to	150000	1,495,500
1	150001	to	155000	152,510

PAKISTAN REINSURANCE COMPANY LIMITED

Pattern Of Shareholdings

as at December 31, 2024

4	155001	to	160000	630,897
2	160001	to	165000	329,500
1	165001	to	170000	165,066
5	170001	to	175000	862,796
6	175001	to	180000	1,078,329
1	180001	to	185000	182,500
2	185001	to	190000	376,600
7	190001	to	195000	1,354,816
8	195001	to	200000	1,595,297
1	200001	to	205000	205,000
3	210001	to	215000	637,500
5	220001	to	225000	1,120,745
2	225001	to	230000	453,950
1	240001	to	245000	244,000
2	245001	to	250000	500,000
1	255001	to	260000	259,197
1	260001	to	265000	264,625
2	270001	to	275000	547,957
1	280001	to	285000	282,000
11	295001	to	300000	3,295,782
2	310001	to	315000	626,050
1	330001	to	335000	334,500
1	345001	to	350000	345,500
1	350001	to	355000	354,581
2	355001	to	360000	717,687
1	365001	to	370000	369,699
1	370001	to	375000	373,660
2	375001	to	380000	759,387
1	380001	to	385000	380,500
4	395001	to	400000	1,600,000
1	400001	to	405000	403,000
1	415001	to	420000	417,000
1	435001	to	440000	439,197
1	445001	to	450000	449,997
1	455001	to	460000	455,681
1	460001	to	465000	463,500

PAKISTAN REINSURANCE COMPANY LIMITED

**Pattern Of Shareholdings
as at December 31, 2024**

2	465001	to	470000	934,974
2	470001	to	475000	948,000
3	480001	to	485000	1,452,896
1	490001	to	495000	494,599
6	495001	to	500000	2,995,950
1	500001	to	505000	501,500
1	535001	to	540000	536,785
2	585001	to	590000	1,176,664
5	595001	to	600000	3,000,000
1	600001	to	605000	601,800
1	610001	to	615000	611,500
1	620001	to	625000	624,000
1	625001	to	630000	629,997
2	645001	to	650000	1,295,500
1	665001	to	670000	667,797
2	695001	to	700000	1,400,000
2	715001	to	720000	1,437,000
1	745001	to	750000	750,000
1	795001	to	800000	800,000
1	820001	to	825000	824,397
1	840001	to	845000	844,364
1	845001	to	850000	846,729
2	860001	to	865000	1,725,529
1	895001	to	900000	899,997
1	955001	to	960000	957,597
1	995001	to	1000000	1,000,000
3	1120001	to	1125000	3,373,092
1	1125001	to	1130000	1,127,487
1	1135001	to	1140000	1,139,746
1	1150001	to	1155000	1,151,997
1	1185001	to	1190000	1,187,997
2	1195001	to	1200000	2,400,000
1	1215001	to	1220000	1,216,500
1	1260001	to	1265000	1,264,000
1	1385001	to	1390000	1,385,997
1	1495001	to	1500000	1,500,000

PAKISTAN REINSURANCE COMPANY LIMITED

Pattern Of Shareholdings

as at December 31, 2024

1	1535001	to	1540000	1,537,148
1	1630001	to	1635000	1,630,001
1	1660001	to	1665000	1,660,500
2	1795001	to	1800000	3,598,754
1	1845001	to	1850000	1,850,000
1	1915001	to	1920000	1,917,407
1	2335001	to	2340000	2,339,994
1	2445001	to	2450000	2,447,000
1	2745001	to	2750000	2,750,000
1	2995001	to	3000000	2,998,000
1	3295001	to	3300000	3,300,000
1	3800001	to	3805000	3,800,200
1	4020001	to	4025000	4,022,500
1	4175001	to	4180000	4,177,190
1	5880001	to	5885000	5,880,381
1	10045001	to	10050000	10,048,500
1	13305001	to	13310000	13,307,892
1	14935001	to	14940000	14,937,000
1	31660001	to	31665000	31,665,000
1	219695001	to	219700000	219,696,603
1	458995001	to	459000000	458,999,268
<hr/>				<hr/>
3680				900,000,000
<hr/>				<hr/>

PAKISTAN REINSURANCE COMPANY LIMITED

Pattern of Shareholding

as at December 31, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
Government of Pakistan			
THE SECRETARY MINISTRY OF COMMERCE,	1	458,999,268	51.00
Directors, Chief Executive Officer, and their spouse and minor children			
MR. MUSLEH UD DIN	1	165	0.00
MR. SHOAIB MIR	1	165	0.00
TARIQ QADDUS	1	100	0.00
MALEEHA MIMI BANGASH	1	100	0.00
Associated Companies, undertakings and related parties			
STATE LIFE INSURANCE CORP. OF PAKISTAN	1	219,696,603	24.41
Banks, Development Financial Institution, Non-Banking Financial Institution.	4	33,511,160	3.72
Insurance Companies	3	18,137,523	2.02
Foreign Companies	-	-	-
Modarabas and Mutual Funds	4	15,149,892	1.68
General Public			
a. Local	3,581	137,114,249	15.23
b. Foreign	29	331,602	0.04
Others	53	17,059,173	1.90
Totals	3,680	900,000,000	100.00

Share holders holding 10% or more	Shares Held	Percentage
THE SECRETARY MINISTRY OF COMMERCE,	458,999,268	51.00
STATE LIFE INSURANCE CORP. OF PAKISTAN	219,696,603	24.41



Pakistan Reinsurance Company Limited
FORM OF PROXY
Annual General Meeting

I/We, _____ of _____ being a member of **Pakistan Reinsurance Company Limited** and holder of _____ ordinary shares hereby appoint Mr/Mrs. _____ of _____ or failing him/her _____ of _____ as my / our proxy in my absence to attend and vote for me / us and on my / our behalf at the 25th Annual General Meeting of the Company to be held on April 30, 2025 at 11:00am at Karachi and at any adjournment thereof.

Signed this _____ day of April, 2025.

Affix Rupees Five
Revenue Stamp

Signature of Member(s)

Shareholder's Folio No. _____

or CDC

Participant I D. No. _____

and Sub Account No. _____

Witnesses:

1 Signature _____
Name _____
Address _____
CNIC or Passport No. _____

2. Signature _____
Name _____
Address _____
CNIC or Passport No. _____

NOTE:

1. The member is requested:
 - i) To affix revenue stamp of Rs.5/- at the place indicated above.
 - ii) To sign across the revenue stamp in the same style of signature as is registered with the Company.
 - iii) To write down his/her/their folio number.
 - iv) Attach an attested photocopy of their valid Computerized National Identity Card/Passport/Board Resolution and the copy of CNIC of the proxy, with this proxy form before submission.
2. In order to be valid, this proxy must be received at the registered office of the Company at least 48 hours before the time fixed for the meeting, duly completed in all respects.
3. CDS Shareholders or their proxies should bring their original computerized national identity card or passport along with the Participant's ID Number and their Account Number to facilitate their identification. Detailed procedure is given in the notes to the notice of AGM.

Date _____

Folio No. _____

Name of Shareholder

F/H Name

Address

Telephone/Cell #

**Bank Account Details for Payment of Cash Dividend
(Mandatory Requirement as per the Companies Act, 2017)**

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is **mandatory** and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

<u>Details of Shareholder</u>					
Name of shareholder					
F/H Name					
Folio / CDS Account No.					
CNIC No.					
Cell number & Landline of shareholder					
Email Address (mandatory)					
<u>Details of Bank Account</u>					
Title of Bank Account					
International Bank Account Number (IBAN) “ Mandatory ”	P	K			(24 digits) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank’s name					
Branch Name and Code					
Branch Address					
It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant / Share Registrar accordingly.					
<u> </u> Signature of shareholder Kindly ensure that the title of IBAN/Bank Account must be in your name.					

You are requested to kindly send us this letter immediately duly filled in and signed by you along with legible photocopy of your valid CNIC at our address, **Share Registrar Services, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, Main Shahrah-e-Faisal, Karachi. 74400, Pakistan.**

Regards,

**Share Registrar Department
Central Depository Company of Pakistan Limited
Share Registrar:**

Note: This letter is being computer generated and does not require any signature.



PakRe

Pakistan Reinsurance Company Limited



PRC Towers, 32-A, Lalazar Drive
M. T. Khan Road, P.O. Box: 4777
Karachi-74000, Pakistan.



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