

Quarterly Report



Serving
Reliably



Reliance Insurance Company Limited
Quarterly Report September 30, 2013
(Un-Audited)



OFFICES

Head Office

"Reliance Insurance House" 181-A, Sindhi Muslim Co-operative Housing Society, Karachi.	PABX : 34539415-17 Fax : 34539412 E-mail : reli-ins@cyber.net.pk. ric-re@cyber.net.pk. Web : www.relianceins.com
Mr. A. Razak Ahmed Chief Executive & Managing Director	Direct : 34539413, 34539414 Extension : 204
Mr. Haroon A. Shakoor Chief Accountant & Company Secretary	Direct : 34539409 Extension : 203
Mr. Rizwan Akhtar Executive Vice President (Operations)	Direct : 34304067 Extension : 210
Mr. M. Amin Bawany Vice President (Marine & Accident)	Direct : 34557079 Extension : 201
Mr. Muhammad Ishaque Azim Vice President (Fire)	Direct : 34304068 Extension : 212
Mr. Sadruddin Hussain Vice President (Claims)	Direct : 34550403 Extension : 208
Mr. Ghulam Mujaddid Chief Manager (Accounts)	Extension : 205
Mr. Abdul Rahim Patni Deputy Chief Manager (Reinsurance)	Direct : 34539411 Extension : 215
Mr. Muhammad Salim Memon Deputy Chief Manager (Investment/shares)	Extension : 214
Mr. Muhammad Masood Ali Deputy Chief Manager (I.T. Deptt.)	Extension : 202
Mr. Muhammad Masood Alam Manager (Administration)	Direct : 34539411 Extension : 206
Mr. Mahmood Shuja Baig Internal Auditor	Extension : 209

South Zone Offices & Branches

Business Plaza Branch 407, 4th floor, Business Plaza, Off. I.I.Chundrigar Road, Karachi.	Mr. Muhammad Iqbal Dhedhi Executive Vice President	Ph : (021) 32419581, 32419582 Fax : (021) 32421314, 32421317
Tariq Road Branch Room No. A-2 & A-3, 1st Floor, Rahat Jo Daro, Plot No.172/L, Block-2, PECHS, Main Tariq Road, Karachi.	Mr. Zafar A. Pasha Executive Vice President	Ph : (021) 34527806, 34532427 34525376, 34322642 Fax : (021) 34522829
Namco Centre Branch 1-A, 5th Floor, Campbell Street, Karachi.	Mr. Iqbal Umer Bawany Vice President	Ph : (021) 32625716, 32624427 Fax : (021) 32624783
Land Mark Plaza Branch 405, 4th Floor, Land Mark Plaza, Off. I. I. Chundrigar Road, Karachi.	Mr. Muhammad Reza Rajani Assistant Vice President	Ph : (021) 32628777, 32628778 Fax : (021) 32628779
M. A. Jinnah Road Branch 101, Japan Plaza, M. A. Jinnah Road, Karachi.	Mr. Rizwan Ahmed Khan Branch Manager	Ph : (021) 32727076, 32729961 Fax : (021) 32722601
Hyderabad Branch 1st Floor, Al-Falah Chamber, Tilak Road, Hyderabad.	Mr. Abdullah Ahmed Regional Manager	Ph : (022) 2615774 Fax : (022) 2623029
Sukkur Branch Minara Road, Sukkur.	Mr. Anees Memon Resident Representative	Ph : (071) 5622619 Cell : 0300-3138090

**North Zone Offices & Branches****Zonal Office, Lahore (North Zone)**
4th Floor, Gardee Trust Building. No.2,
Napier Road, Lahore.**Mr. Sh. Khushnood Ashraf**
Executive Vice PresidentPABX: (042) 37239063, 37353292
: 37234255, 37351353
Direct : (042) 37354689

Fax : (042) 37312526

Regional Office, Lahore
90-A/3, 1st Floor, Canal Park,
Gulberg-II, Lahore.**Mr. Fahad Barlas**
Vice PresidentPh : (042) 35761077, 35761078
: 35763446, 35763447
Fax : (042) 35761235**Gulberg Branch**
House No.17-A, Block-E/1,
Gulberg-III, Lahore.**Mr. Tehseen Ahmed Khan**
Executive Vice PresidentPh : (042) 35752245, 35752989
35751971, 35756557
Fax : (042) 35756217**Al-Rehman Branch**
2nd Floor, Al-Rehman Building,
Regal Cinema Lane, 65, The Mall,
Lahore.**Mr. Nisar Ahmed Chughtai**
Senior Vice PresidentPh : (042) 37323113, 37322473
: 37354848
Fax : (042) 37247925**Eden Centre Branch**
321, Eden Centre,
43 Ghausal Azam Road, (Jail Road)
Lahore.**Mr. Ch. H.S. Asghar**
Vice PresidentPh : (042) 37599277, 37599377
: 37589669
Fax : (042) 37576032**Garden Town Branch**
Suit No.17, 1st Floor, Shan Arcade,
New Garden Town, Lahore.**Mr. Basit Anwar Butt**
Executive Vice PresidentPh : (042) 35889258, 35889259
Fax : (042) 35889260**Empress Tower Branch**
Room -18, 1st Floor, Empress Tower 46
Empress Road, Lahore.**Mr. Syed Azhar Ali Shah**
Senior Vice PresidentPh : (042) 36297253
Fax : (042) 36297254, 36297255**Khan Plaza Branch**
4th Floor, Khan Plaza,
G. T. Road, Gujranwala.**Mr. Sohailuddin Zafar**
Assistant Vice PresidentPh : (055) 4215422, 4216422
Fax : (055) 4448139**Model Town Branch**
438/1-B, Mini Market,
Model Town, Gujranwala.**Mr. Amjad Rafique Dhillio**
Branch ManagerPh : (055) 3254415, 3840750
Fax : (055) 3253086**Gujrat Branch**
Marhaba Tower (Top Floor) Opp.
Ram Piary Mahal Near Fawara Chawk.,
Gujrat.**Mr. Muhammad Nawaz**

Ph : (053) 3522127

Faisal Complex Branch
3rd Floor, Faisal Complex,
Bilal Road, Civil Lines, Faisalabad.**Mr. A. Majeed Abid**
Senior Vice PresidentPh : (041) 2611938, 2611939
2626480
Fax : (041) 2621033**Taj Plaza Branch**
Room No.16, 2nd Floor, Taj Plaza,
Kotwali Road, Faisalabad.**Mr. Muhammad Akhlaq**
Vice PresidentPh : (041) 2617277, 2622182
2615922
Fax : (041) 2412010**Rawalpindi Branch**
3,3rd Floor, United Plaza,
Shamsabad, Murree Rd. Rawalpindi.**Mr. Abdul Karim Siddiqi**
Vice PresidentPh : (051) 4854200
Fax : (051) 4580008**Peshawar Branch**
T-3 & 4, Bilour Shopping Plaza,
3rd Floor, Saddar Road,
Peshawar Cantt.Ph : (091) 5274617, 5277328
5250830
Fax : (091) 5284683**Regional Office Multan**
1st Floor, 5-Commercial Plaza,
Opp. Civil Hospital, Abdali Road,
Multan.**Mr. Syed Mohsin Bukhari**
Assistant ManagerPh : (061) 4517349
Fax : (061) 4510049



Reliance Insurance Company Limited

OFFICES

Khanpur Branch

Old Ghalla Mandi, Khanpur,
Distt. Rahimyar Khan.

Mr. Abdul Razzak Choudhry
Vice President

Ph : (068) 5572772
Fax : (068) 5572772

Hasilpur Branch

27-B, 1st Floor, Main Bazar,
Hasilpur.

Mr. Muhammad Shafi Anjum
Senior Vice President

Ph : (062) 2442473
Fax : (062) 2448073

Sialkot Branch

Room No.4 & 5, 1st Floor,
Mughal Plaza, Kutchery Road,
Sialkot.

Mr. Ghulam Rasool Farrukh Zahidi
Branch Manager

Ph : (052) 4296075, 4296076
Fax : (052) 4296077

Gojra Branch

P-132, Post Office Road,
Gojra.

Mrs. Shahnaz Akhtar
Branch Manager

Ph : (046) 3511917
Fax : (046) 3513111

Rahimyar Khan

Gulshan-e-Iqbal

Mr. Shamsul Haq Chaudhry
Resident Representative

Ph : (068) 5887770
Cell : 0300-8717172



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**COMPANY INFORMATION**

BOARD OF DIRECTORS	ISMAIL H. ZAKARIA	Chairman
DIRECTORS	MOHAMMAD AMIN AHMED BAWANY A. AZIZ AYOOB IRFAN ZAKARIA BAWANY MOHAMMAD OMER BAWANY ZOHAIK ZAKARIA AHMED ALI BAWANY NOOR M. ZAKARIA YASIN SIDDIK ABDUL JABBAR	
CHIEF EXECUTIVE & MANAGING DIRECTOR	A. RAZAK AHMED	
CHIEF ACCOUNTANT AND COMPANY SECRETARY	HAROON A. SHAKOOR	
AUDIT COMMITTEE	ABDUL JABBAR IRFAN ZAKARIA BAWANY ZOHAIK ZAKARIA	Chairman Member Member
INVESTMENT COMMITTEE	IRFAN ZAKARIA BAWANY ZOHAIK ZAKARIA AHMED ALI BAWANY A. RAZAK AHMED	Chairman Member Member Member
AUDITORS	BDO Ebrahim & Co. Chartered Accountants	
CREDIT RATING	'A' (Single A) BY JCR-VIS Outlook 'Stable'	
BANKERS	HABIB BANK LIMITED NATIONAL BANK OF PAKISTAN MCB BANK LIMITED ALLIED BANK LIMITED UNITED BANK LIMITED NIB BANK LIMITED BANK ALFLAH LIMITED FAYSAL BANK LIMITED HABIB METROPOLITAN BANK LIMITED THE BANK OF PUNJAB JS BANK LIMITED	
REGISTERED OFFICE	96-A, Sindhi Muslim Co-operative Housing Society, Karachi.	
HEAD OFFICE	Reliance Insurance House, 181-A, Sindhi Muslim Co-operative Housing Society, P.O. Box No. 13356, Karachi-74400. Phone: 34539415-17 Fax: 92-21-34539412 E-mail: reli-ins@cyber.net.pk ric-re@cyber.net.pk Website: relianceins.com	
SHARES REGISTRAR	M/s. C & K Management Associates (Pvt.) Ltd. 404-Trade Tower, Abdullah Haroon Road, Near Hotel Metropole, Karachi-75530 Tel : (021) 35687839 & 35685930	



DIRECTOR'S REPORT

The Shareholders,
Reliance Insurance Company Limited,

Your Directors are pleased to present before you the Third Quarter (Un-audited) Accounts for the period ended September 30, 2013.

During the period under review, your Company underwrote a Gross Premium of Rs.523.758 million as compared to Rs.418.025 million of the corresponding period of last year – an increase of 25.29%. The Net Premium Income increased from Rs.160.578 million to Rs.192.348 million showing an increase of 19.78%.

Net claims incurred, however, stood at RS.71.243 million from Rs.59.849 million as compared to corresponding period of last year, showing an increase of 19.04%. Investment Income of your Company stood at Rs.49.802 million against Rs.88.485 million (restated) for the corresponding period of previous year.

Profit before tax for the period ended September 30, 2013 was Rs.40.994 million against Rs.77.834 million (restated) of corresponding period of last year. Earning per share stood at Rs.0.97.

We are delighted to inform members that your Company's rating has improved. JCR Vis Rating Company has upgraded Insurer Financial Strength (IFS) Rating of RICL from A- (A minus) to A (Single A). Outlook on the assigned Rating is Stable. The upgrade takes into account improved Capitalization Level, achieved on the back of higher internal Capital generation and market value of Investments. Improved Investment performance has provided with a significant support to the Company's earning profile, the dividend yield on Company's portfolio has also remained healthy and may be a more recurring source of income.

The economic indicators of the country are not very encouraging. Despite disturbed law and order situation, power shortages and load-shedding for longer durations have cumulatively affected commercial and industrial activities in the country. In spite of difficult scenario, your management was able to achieve above results. Your Management will continue to strive hard to improve upon the performance with the hope that the New Government would enforce policies to boost economic activities to meet challenges ahead and focusing upon improved Law and Order situation in the Country.

By order of the Board

(A.RAZAK AHMED)
Chief Executive & Managing Director

Karachi: 31st October, 2013.

**CONDENSED INTERIM BALANCE SHEET (UN AUDITED)****AS AT SEPTEMBER 30, 2013**

	Notes	(Un Audited) As At Sept. 30, 2013	(Audited) As At Dec.31, 2012
		Rupees	Rupees
SHARE CAPITAL AND RESERVES			
Authorised share capital (50,000,000 Ordinary Shares of Rs.10/- each)		<u>500,000,000</u>	<u>500,000,000</u>
Paid-up share capital	9	366,780,680	318,939,720
Retained earnings		87,426,951	169,773,078
Reserves		160,000,000	90,000,000
		614,207,631	578,712,798
UNDERWRITING PROVISIONS			
Provision for outstanding claims (including IBNR)		340,070,197	628,606,536
Provision for unearned premium		321,908,114	288,385,550
Commission income unearned		32,925,210	30,905,965
Total Underwriting Provisions		694,903,521	947,898,051
CREDITORS AND ACCRUALS			
Amounts due to other insurers/reinsurers		52,470,566	53,489,751
Accrued expenses		720,370	1,452,148
Taxation - provision less payments		1,426,028	556,401
Other Creditors and Accruals		44,654,419	50,342,685
		99,271,383	105,840,985
OTHER LIABILITIES			
Unclaimed dividend		566,879	572,523
TOTAL EQUITY AND LIABILITIES		1,408,949,414	1,633,024,357
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.

Karachi: 31st October, 2013.


Chairman
Director

**CONDENSED INTERIM BALANCE SHEET (UN AUDITED)**

AS AT SEPTEMBER 30, 2013

	Notes	(Un Audited) As At Sept. 30, 2013	FORM GA (Audited) As At Dec.31, 2012
		Rupees	Rupees
CASH AND BANK DEPOSITS			
Cash and other equivalents		1,043,485	203,898
Current and other accounts		65,456,551	43,214,130
Deposit maturing within 12 months		25,641,393	25,342,411
		92,141,429	68,760,439
Loans (secured)			
To employees		1,495,359	1,565,607
INVESTMENTS	11	444,468,306	436,862,458
CURRENT ASSETS-OTHERS			
Premiums due but unpaid		181,398,118	209,872,122
Amounts due from other insurers/reinsurers		42,872,007	22,171,296
Accrued investment income		10,506,774	6,324,203
Reinsurance recoveries against outstanding claims		298,554,556	586,678,431
Deferred commission expense		50,766,919	46,561,733
Prepaid reinsurance premium ceded		211,909,462	189,196,255
Trade deposits and prepayments		947,823	780,319
Sundry receivables		1,510,455	450,839
		798,466,114	1,062,035,198
FIXED ASSETS			
Tangible			
Land and buildings		11,693,313	12,641,419
Furniture, fixtures and office equipments		7,468,117	8,109,490
Motor vehicles		52,926,956	41,890,471
		72,088,386	62,641,380
Intangible			
Computer software		289,820	1,159,275
TOTAL ASSETS		1,408,949,414	1,633,024,357

Director

Chief Executive & Managing Director

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN AUDITED)**
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2013

FORM GB

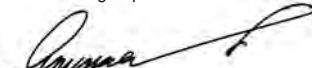
(Amount in Rs.)

	QUARTER ENDED SEPTEMBER 30					
	Fire & Property	Marine Aviation & Transport	Motor	Misc.	2013 Aggregate	2012 Aggregate
Revenue Account						
Net Premium Revenue	24,258,080	11,421,413	23,410,802	4,236,094	63,326,389	52,968,092
Net Claims	(3,619,253)	(6,221,220)	(12,964,049)	(100,309)	(22,904,831)	(21,004,288)
Expenses	(8,871,477)	(3,972,524)	(8,227,131)	(1,445,629)	(22,516,761)	(19,797,748)
Net Commission	(7,309,394)	(1,787,065)	(3,088,530)	(80,408)	(12,265,397)	(7,246,213)
Underwriting result	4,457,956	(559,396)	(868,908)	2,609,748	5,639,400	4,919,843
Investment Income					10,330,875	31,077,868
Other Income (Profit on Sale of Fixed Assets)					1,766,049	1,395,103
Financial Charges					(61,265)	(181,929)
General and administration expenses					(7,360,157)	(6,412,017)
Profit before tax during the quarter					10,314,902	30,798,868
Provision for Taxation :Current					(2,600,000)	(2,200,000)
Profit after tax during the quarter					7,714,902	28,598,868

	NINE MONTHS ENDED SEPTEMBER 30					
	Fire & Property	Marine Aviation & Transport	Motor	Misc.	2013 Aggregate	2012 Aggregate
Revenue Account						
Net Premium Revenue	59,480,168	39,801,347	76,704,011	16,362,824	192,348,350	160,578,893
Net Claims	(10,684,806)	(17,536,184)	(41,611,454)	(1,411,076)	(71,243,520)	(59,849,344)
Expenses	(23,249,278)	(15,557,330)	(29,981,638)	(6,395,810)	(75,184,056)	(65,872,329)
Net Commission	(14,939,051)	(4,805,855)	(10,982,067)	(886,154)	(31,613,127)	(22,758,087)
Underwriting result	10,607,033	1,901,978	(5,871,148)	7,669,784	14,307,647	12,099,133
Investment Income					49,802,842	88,485,467
Other Income (Profit on Sale of Fixed Assets)					2,744,470	1,935,475
Financial Charges					(61,265)	(592,399)
General and administration expenses					(25,798,861)	(24,092,756)
Profit before tax during the period					40,994,833	77,834,920
Provision for Taxation :Current					(5,500,000)	(4,900,000)
Profit after tax during the period					35,494,833	72,934,920
Profit and Loss Appropriation Account						
Balance at Commencement of the Period					169,773,078	106,488,467
Profit after tax during the period					35,494,833	72,934,920
Issuance of Final Cash Dividend for the year 2011 (7.5%)					-	(23,920,479)
Transfers to reserves (General Reserve)					(70,000,000)	-
Issuance of Bonus Shares for the year 2012 (15%)					(47,840,960)	-
Balance Unappropriated profit at the end of the period					87,426,951	155,502,908
Earnings per share - Basic and Diluted (Note.12)					0.97	1.99

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.


Chairman


Director


Director


Chief Executive & Managing Director

Karachi: 31st October, 2013.



Reliance Insurance Company Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2013

	(Amount in Rs.)			
	Quarter ended Sept. 30, 2013	2012	Nine months ended Sept. 30, 2013	2012
Profit/(loss) after tax	7,714,902	28,598,868	35,494,833	72,934,920
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>7,714,902</u>	<u>28,598,868</u>	<u>35,494,833</u>	<u>72,934,920</u>

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.


Chairman


Director


Director


Chief Executive & Managing Director

Karachi: 31st October, 2013.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN AUDITED)**
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2013

(Amount in Rs.)

	Share Capital	General Reserve	Unappropriated Profit	Total
Balance as at January 01, 2012 (restated)	318,939,720	90,000,000	106,488,467	515,428,187
Total comprehensive income for the period(as reported)			72,934,920	72,934,920
Cash Dividend	-	-	(23,920,479)	(23,920,479)
Balance as at september 30, 2012	<u>318,939,720</u>	<u>90,000,000</u>	<u>155,502,908</u>	<u>564,442,628</u>
Balance as at January 01, 2013	318,939,720	90,000,000	169,773,078	578,712,798
Total comprehensive income for the period	-	-	35,494,833	35,494,833
Issuance of bonus shares and transferred to general reserve	47,840,960	70,000,000	(117,840,960)	-
Balance as at September 30, 2013	<u>366,780,680</u>	<u>160,000,000</u>	<u>87,426,951</u>	<u>614,207,631</u>

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.

Chairman

Director

Director

Chief Executive & Managing Director

Karachi: 31st October, 2013.

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN AUDITED)**

FORM GC

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2013

January to September

	2013 Rupees	2012 Rupees
Operating Cash Flow		
a) Underwriting activities		
Premium received	551,887,838	409,297,221
Reinsurance premium paid	(562,327,922)	(260,104,022)
Claims paid	(424,380,082)	(267,804,083)
Reinsurance and other recoveries received	(576,630,375)	(227,634,208)
Commission paid	(79,294,598)	(226,349,528)
Commission received	(41,286,928)	(50,349,528)
	<u>41,805,829</u>	<u>43,671,202</u>
Net cash flow from underwriting activities	104,456,763	70,802,896
	<u>104,456,763</u>	<u>70,802,896</u>
b) Other operating activities		
Income tax paid	(4,630,373)	(4,114,672)
General management expenses paid	(2,638,085)	(65,872,140)
Other operating payments	(12,182,958)	(66,872,329)
Loans advanced / repayment received	(17,897,248)	(16,565,788)
Other payments on operating assets	76,240,044	(27,355,189)
Other receipts in respect of operating assets	(6,126,042)	(21,136,905)
	<u>(1,227,120)</u>	<u>(1,226,295)</u>
Net cash flow from other operating activities	(105,288,849)	(115,277,228)
	<u>(105,288,849)</u>	<u>(115,277,228)</u>
Total cash flow all operating activities	(832,086)	(44,474,332)
	<u>(832,086)</u>	<u>(44,474,332)</u>
Investment activities		
Interest / Dividend received	38,536,950	35,426,674
Payments for Investments	(57,821,190)	(41,767,380)
Proceeds from disposal of investments	5,248,661	73,866,297
Fixed Capital Expenditures	(21,359,436)	(12,856,459)
Proceeds from disposal of fixed assets	7,629,000	4,048,600
	<u>24,233,985</u>	<u>58,678,252</u>
Total cash flow from Investing activities	24,233,985	58,678,252
	<u>24,233,985</u>	<u>58,678,252</u>
Financing activities		
Dividend paid	-	(23,920,479)
un claimed Dividend	(5,644,644)	(592,399)
Financial Charges	(61,263,265)	(24,502,883)
	<u>(66,908,909)</u>	<u>(24,512,878)</u>
Total cash flow from financing activities	(66,908,909)	(24,512,878)
	<u>(66,908,909)</u>	<u>(24,512,878)</u>
Net cash Inflow/outflow from all activities	23,388,900	(10,308,958)
	<u>23,388,900</u>	<u>(10,308,958)</u>
Cash & cash equivalent at the beginning of the year	68,766,399	79,824,276
	<u>68,766,399</u>	<u>79,824,276</u>
Cash & cash equivalent at the end of the period	92,141,429	69,515,318
	<u>92,141,429</u>	<u>69,515,318</u>
Reconciliation to profit and loss Account		
Operating cash flow	(832,086)	(44,474,332)
Depreciation / amortization expense	(7,984,296)	(7,719,083)
Financial Charges	(61,263,265)	(592,399)
Profit/(loss) on disposal of fixed assets	2,746,765	(592,399)
Increase/(decrease) in assets other than cash	(267,621,973)	1,935,475
(Increase)/decrease in liabilities other than running finance	(256,821,903)	632,235,084
Investment Income	49,802,842	(596,935,392)
	<u>35,494,833</u>	<u>88,485,467</u>
Profit after tax as per profit & loss account.	35,494,833	72,236,920
	<u>35,494,833</u>	<u>72,236,920</u>

Definition of Cash

Cash in hand and at Bank, Stamps in hand and short term placements with banks cash for the purposes of the Statement of Cash Flows Consists of:

Cash and Equivalents	1,043,485	620,968	
Current and other accounts	1,631,651	43,551,940	620,968
Deposits Maturing Within 12 Months	62,404,593	28,342,410	
	<u>25,911,929</u>	<u>69,515,318</u>	
	<u>25,911,929</u>	<u>69,515,318</u>	

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.


Chairman


Director


Director


Chief Executive & Managing Director

Karachi: 31st October, 2013.



FORM GD

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN AUDITED)

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2013

Business underwritten inside Pakistan


(Amount in Rs.)

C l a s s	Quarter ended September 30										2012 Net Premium revenue
	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2013 Net Premium revenue			
	Opening	Closing			Ceded Opening	Ceded Closing					
Direct & facultative											
Fire and Property Damage	67,364,952	124,012,967	135,643,041	55,734,878	38,409,780	86,559,704	93,492,686	31,476,798	24,258,080		14,109,926
Marine, Aviation and Transport	96,468,944	102,427,984	119,841,794	79,055,134	82,337,027	94,093,827	108,797,133	67,633,721	11,421,413		13,235,545
Motor	27,064,682	46,563,028	49,426,310	24,201,400	888,141	964,422	1,061,965	790,598	23,410,802		21,651,983
Miscellaneous	7,935,460	16,988,753	16,996,969	7,927,244	3,707,650	8,541,178	8,557,678	3,691,150	4,236,094		3,970,638
Grand Total	198,834,038	289,992,732	321,908,114	166,918,656	125,342,598	190,159,131	211,909,462	103,592,267	63,326,389		52,968,092
	Nine Months ended September 30										
C l a s s	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2013 Net Premium revenue			
	Opening	Closing			Ceded Opening	Ceded Closing					
Direct and facultative											
Fire and Property Damage	157,492,737	124,771,437	135,643,041	146,621,133	93,599,317	87,034,334	93,492,686	87,140,965	59,480,168		38,564,187
Marine, Aviation and Transport	257,595,755	100,789,455	119,841,794	238,543,416	214,809,845	92,729,357	108,797,133	198,742,069	39,801,347		37,913,378
Motor	82,749,369	45,992,321	49,426,310	79,315,380	2,728,419	944,915	1,061,965	2,611,369	76,704,011		72,662,328
Miscellaneous	25,920,872	16,832,337	16,996,969	25,756,240	9,463,445	8,487,649	8,557,678	9,393,416	16,362,824		11,439,000
Grand Total	523,758,733	288,385,550	321,908,114	490,236,169	320,601,026	189,196,255	211,909,462	297,887,819	192,348,350		160,578,893

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.


Chairman


Director


Chief Executive & Managing Director

Karachi: 31st October, 2013.



FORM GE

CONDENSED INTERIM STATEMENT OF CLAIMS (UN AUDITED)
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2013

Business underwritten inside Pakistan

(Amount in Rs.)

C l a s s	Quarter ended September 30											
	Claims Paid		Outstanding Claims		Claims Expenses	Reinsurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2012 Net claims expenses	
	Opening	Closing	Opening	Closing		Opening	Closing	Opening	Closing			
Direct and facultative												
Fire and Property Damage	18,919,493	98,046,906	104,750,974	25,623,561	15,871,219	83,696,034	89,829,123	22,004,308			1,116,221	3,619,253
Marine, Aviation and Transport	58,811,321	261,016,003	215,224,545	13,019,863	49,767,361	247,824,840	204,856,122	6,798,643			3,713,107	6,221,220
Motor	11,120,041	14,524,647	17,231,805	13,827,199	226,750	897,326	1,533,726	863,150			15,469,659	12,964,049
Miscellaneous	717,870	2,838,637	2,862,873	742,106	646,086	2,339,874	2,335,585	641,797			294,751	100,309
Grand Total	89,568,725	376,426,193	340,070,197	53,212,729	66,511,416	334,758,074	298,554,556	30,307,898			20,593,738	22,904,831

C l a s s	NINE MONTHS ENDED SEPTEMBER 30											
	Claims Paid		Outstanding Claims		Claims Expenses	Reinsurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2012 Net claims expenses	
	Opening	Closing	Opening	Closing		Opening	Closing	Opening	Closing			
Direct and facultative												
Fire and Property Damage	41,718,353	88,920,574	104,750,974	57,548,753	32,155,209	75,120,385	89,829,123	46,863,947			3,097,327	10,684,806
Marine, Aviation and Transport	355,722,443	521,779,673	215,224,545	49,167,315	335,594,663	508,819,654	204,856,122	31,631,131			6,146,701	17,536,184
Motor	40,896,824	14,509,401	17,231,805	43,619,228	1,328,874	854,826	1,533,726	2,007,774			28,879,522	41,611,454
Miscellaneous	4,012,875	3,396,888	2,862,873	3,478,860	1,615,765	1,883,566	2,335,585	2,067,784			721,506	1,411,076
Grand Total	442,350,495	628,606,536	340,070,197	153,814,156	370,694,511	586,678,431	298,554,556	82,570,636			38,845,056	71,243,520

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.


Chairman


Director


Chief Executive & Managing Director

Karachi: 31st October, 2013.



FORM GF

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)


FINANCIAL PERIOD ENDED SEPTEMBER 30, 2013

Business underwritten inside Pakistan

(Amount in Rs.)

C l a s s	QUARTER ENDED SEPTEMBER 30							2012 Net underwriting expenses
	Commissions Paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net Commission expenses d=a+b-c	Other management expense e	underwriting expense f=d+e	Commission from reinsurers g	
Direct and facultative								
Fire and Property Damage	17,630,691	33,370,648	36,452,371	14,548,968	8,871,477	23,420,445	7,239,574	16,180,871
Marine, Aviation and Transport	6,796,406	3,169,552	3,841,148	6,124,810	3,972,524	10,097,334	4,337,745	5,759,589
Motor	3,559,597	6,984,454	7,413,946	3,130,105	8,227,131	11,357,236	41,575	11,315,661
Miscellaneous	1,279,611	3,057,975	3,059,454	1,278,132	1,445,629	2,723,761	1,197,724	1,526,037
Grand Total	29,266,305	46,582,629	50,766,919	25,082,015	22,516,761	47,598,776	12,816,618	34,782,158
								27,043,961
C l a s s	NINE MONTHS ENDED SEPTEMBER 30							2012 Net underwriting expenses
	Commissions Paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net Commission expenses d=a+b-c	Other management expense e	underwriting expense f=d+e	Commission from reinsurers g	
Direct and facultative								
Fire and Property Damage	41,044,887	33,466,195	36,452,371	38,058,711	23,249,278	61,307,989	23,119,660	38,188,329
Marine, Aviation and Transport	19,018,880	3,166,869	3,841,148	18,344,601	15,557,330	33,901,931	13,538,746	20,363,185
Motor	11,635,488	6,898,848	7,413,946	11,120,390	29,981,638	41,102,028	138,323	40,963,705
Miscellaneous	3,905,642	3,029,821	3,059,454	3,876,009	6,395,810	10,271,819	2,989,855	7,281,964
Grand Total	75,604,897	46,561,733	50,766,919	71,399,711	75,184,056	146,583,767	39,786,584	106,797,183
								88,630,416

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.


Chairman


Director


Director


Chief Executive & Managing Director

Karachi: 31st October, 2013.



CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2013

FORM GG

(Amount in Rs.)

	Quarter ended Sept. 30, 2013	2012	Nine months ended Sept. 30, 2013	2012
Income from Non-Trading Investments				
Held to maturity				
Return on Government Securities	3,065,290	2,568,289	7,046,021	7,305,910
Return on other fixed income securities and deposits	1,796,165	1,689,567	3,392,667	3,334,377
	4,861,455	4,257,856	10,438,688	10,640,287
Available for sale				
Dividend Income	1,151,338	1,189,601	1,294,874	1,229,276
Gain on sale of Available for sale investment	-	-	-	686,127
Impairment reversal	(137,187)	601,093	805,927	1,661,605
	1,014,151	1,790,694	2,100,801	3,577,008
Income from Trading Investments				
Held for Trading				
Dividend Income	10,500,528	13,340,057	31,086,218	30,137,062
Gain on sale of Investments	1,016,900	1,502,069	4,122,384	11,945,819
Unrealized (Loss)/gain on held for trading Investments	(7,055,374)	10,193,982	2,155,010	32,353,809
	4,462,054	25,036,108	37,363,612	74,436,690
less: Investment related expenses	(6,785)	(6,790)	(100,259)	(168,518)
Net Investment Income transferred to P&L A/c.	10,330,875	31,077,868	49,802,842	88,485,467

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.

Chairman

Director

Director

Chief Executive & Managing Director

Karachi: 31st October, 2013.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED)

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2013

1. STATUS AND NATURE OF BUSINESS

The Reliance Insurance Company Limited was incorporated in Pakistan as a Public Limited Company on 4th November 1981 and is engaged in General Insurance Business. The shares of the Company are quoted on Stock Exchanges of Karachi and Lahore. The registered Office of the Company is situated at 96-A, Sindhi Muslim Co-Operative Housing Society, Karachi.

2. BASIS OF PRESENTATION

- 2.1 These condensed interim financial statements are presented in condensed form in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting"

The disclosures made in these condensed interim financial statements have been limited based on the formats prescribed by the insurance rules, 2002 and approved accounting standards as applicable in Pakistan for interim financial reporting. These condensed financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements of the company for the year ended December 31, 2012.

- 2.2 These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the company.

3. BASIS OF MEASUREMENT

These condensed interim financial statement have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortized cost as applicable. These condensed interim financial statement have been prepared under the accrual basis of accounting except for cash flow information.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial statements are in line with the audited annual accounts for the year ended December 31, 2012.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended 31 December 2012.

6. TAXATION

The provision for taxation for the period ended 30 September, 2013 has been made using the estimated effective tax rate applicable to expected total annual earnings.

7. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, entities under common control, entities with common directors, major shareholders and key management personnel of the Company. Transactions with related parties are carried out at arm's length prices determined under "Comparable uncontrolled price method". Transactions with related parties are as follows.



	September 30 2013 Rupees	September 30 2012 Rupees
Premium Underwritten	18,373,223	9,855,729
Premium Collected	45,839,661	33,368,179
Claims Paid	20,556,724	28,677,769
Dividend received	276,480	514,513
Dividend Paid	-	3,729,498
Premium due but unpaid	26,456,492	15,402,901
Provision for outstanding claims	14,809,302	11,360,703
Key management personnel	11,149,719	10,253,737
Staff retirement benefits	1,490,737	1,307,307

8. OPERATING FIXED ASSETS AND DEPRECIATION

These are stated at cost less accumulated depreciation. Depreciation is charged to profit and loss account using the reducing balance method.

Depreciation on assets is charged from the month of addition while no depreciation is charged for the month in which, assets are disposed off .

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

9. SHARE CAPITAL

Issued, subscribed and paid up capital

September 30, 2013	December 31, 2012		September 30, 2013	December 31, 2012
(Number of Shares)			Rupees	Rupees
1,156,680	1,156,680	Ordinary share of Rs.10 each issued as fully paid in cash	11,566,800	11,566,800
35,521,388	30,737,292	Ordinary share of Rs.10 each issued as fully paid bonus shares	355,213,880	307,372,920
36,678,068	31,893,972		366,780,680	318,939,720

10. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at the Balance Sheet date.

11. INVESTMENT

The investments comprise of the following:

Held to maturity	11.1	98,947,661	100,863,929
Available for sale		57,493,596	17,493,596
Provision for impairment		(2,804,303)	(3,610,230)
	11.2	54,689,293	13,883,366
Held for trading		290,831,352	322,115,163
		<u>444,468,306</u>	<u>436,862,458</u>

11.1 The Pakistan Investment Bonds (PIB) for Rs.21.00 million and GOP Ijara Sukuk for the face value of Rs 17.5 Million are placed as statutory deposit with State Bank of Pakistan in accordance with the requirements of Section 29(2)(a) of Insurance Ordinance 2000.

11.2 The market value of investment in shares & securities (AFS) as on 30 th September. 2013, was Rs. 58,042 million (as at 31st December) 2012 Rs.15,464 million.



12. EARNINGS PER SHARE –BASIC AND DILUTED

	Sept.30 2013	Sept.30 2012
	Rupees	
Profit after tax for the period	<u>35,494,833</u>	<u>72,934,920</u>
Weighted average number of ordinary shares	<u>36,678,068</u>	<u>36,678,068</u>
Earnings per share - Basic and Diluted	<u>0.97</u>	<u>1.99</u>

12.1 No figures 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.

13 DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements have been authorized for issue on October 31, 2013 by the Board of Directors of the Company.

14 GENERAL

Figures have been rounded off to the nearest rupee.


Chairman


Director


Director


Chief Executive & Managing Director

Karachi: 31st October, 2013