

Quarterly Report



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












Reliance Insurance Company Limited
Quarterly Report September 30, 2015 (Un-Audited)



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Company Information

BOARD OF DIRECTORS

CHAIRMAN
ISMAIL H. ZAKARIA

DIRECTORS

MOHAMMED AMIN AHMED BAWANY
A. AZIZ AYOOB
IRFAN ZAKARIA BAWANY
MUHAMMAD 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	CHAIRMAN
IRFAN ZAKARIA BAWANY	MEMBER
ZOHAIK ZAKARIA	MEMBER

INVESTMENT COMMITTEE

IRFAN ZAKARIA BAWANY	CHAIRMAN
ZOHAIK ZAKARIA	MEMBER
AHMED ALI BAWANY	MEMBER
A. RAZAK AHMED	MEMBER

HUMAN RESOURCE & REMUNERATION COMMITTEE

ZOHAIK ZAKARIA	CHAIRMAN
IRFAN ZAKARIA BAWANY	MEMBER
A. RAZAK AHMED	MEMBER

CREDIT RATING

A (SINGLE A) BY JCR-VIS
OUTLOOK "STABLE"

AUDITORS

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

LEGAL ADVISOR

ABDUL SATTAR PINGAR

BANKERS

HABIB BANK LIMITED
MCB BANK LIMITED
THE BANK OF PUNJAB
ALLIED BANK LIMITED
STANDARD CHARTERED BANK
(PAKISTAN) LIMITED
BANK ALFALAH LIMITED
NATIONAL BANK OF PAKISTAN
UNITED BANK LIMITED
FAYSAL BANK LIMITED
HABIB METROPOLITAN BANK LIMITED
NIB BANK LIMITED
IS 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: www.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

Directors' 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, 2015.

During the period under review, your Company underwrote a Gross Premium of Rs.773.471 million as compared to Rs.703.471 million of the corresponding period of last year – an increase of 9.95%. The Net Premium Income stood at Rs.225.350 million as against Rs.204.577 million of last year – showing an increase of 10.15%.

Net claims incurred decreased from Rs.73.689 million to Rs.62.051 million compared to corresponding period of last year, a reduction of 15.79%. Underwriting profit increased from Rs.22.741 million to Rs.39.509 million.

Investment income for the nine months period has shrunk to Rs.72.137 million compared to Rs.77.008 million of the corresponding period of last year, registering a decrease of 6.32%, mainly due to fall in Stock prices in third quarter. Karachi Stock Exchange (KSE) 100 Index plunged to 32,287.00 points on 30th September from 34,398.00, as at 30th June 2015.

Profit before tax for the period ended September 30, 2015 was Rs.79.560 million against Rs.72.255 million of corresponding period of last year. Earnings per share stood at Rs.1.50 compared to Rs.1.44 for the corresponding period of last year.

Your Management will continue to strive hard to improve upon its performance with the hope that the Government would tackle energy crisis on priority basis, enforce policies to boost economic activities to meet challenges ahead and concentrate on improving upon Law and Order situation in the Country.

By order of the Board



A. RAZAK AHMED
Chief Executive & Managing Director

Karachi: 28th October, 2015

Condensed Interim Balance Sheet (Un Audited)

As At September 30, 2015

	Notes	(Un Audited) Sept. 30, 2015 (Rupees)	(Audited) Dec 31, 2014
SHARE CAPITAL AND RESERVES			
Authorised share capital (75,000,000 Ordinary Shares of Rs.10/-- each)		750,000,000	500,000,000
Paid-up share capital	9	463,977,560	403,458,750
Retained earnings		110,678,528	141,760,248
Reserves		200,000,000	180,000,000
		774,656,088	725,218,998
UNDERWRITING PROVISIONS			
Provision for outstanding claims (including IBNR)		266,311,469	273,401,444
Provision for unearned premium		488,160,954	461,012,732
Commission income unearned		33,928,869	30,420,729
Total underwriting provisions		788,401,292	764,834,905
CREDITORS AND ACCRUALS			
Amounts due to other insurers/reinsurers		34,644,351	37,994,635
Accrued expenses		2,090,387	2,851,602
Taxation - provision less payments		6,147,250	-
Other Creditors and Accruals		58,071,287	64,133,847
		100,953,275	104,980,084
OTHER LIABILITIES			
Unclaimed dividend		899,045	909,995
CONTINGENCIES AND COMMITMENTS			
	10	-	-
TOTAL EQUITY AND LIABILITIES		1,664,909,700	1,595,943,982

The annexed notes from 1 to 15 form an integral part of these financial statements.

Condensed Interim Balance Sheet (Un Audited)

As At September 30, 2015

		FORM GA
	(Un Audited)	(Audited)
	Sept. 30,	Dec 31,
	2015	2014
Notes	(Rupees)	
CASH AND BANK DEPOSITS		
Cash and other equivalent	1,864,327	145,274
Current and other accounts	67,615,040	78,369,734
Deposit maturing within 12 months	27,055,671	25,984,164
	96,535,038	104,499,172
LOANS (secured)		
To employees	1,726,130	1,534,110
INVESTMENTS	11	625,426,359
		584,867,636
CURRENT ASSETS-OTHERS		
Premiums due but unpaid	221,740,628	174,899,743
Amounts due from other insurers/reinsurers	4,144,469	27,209,800
Accrued investment income	11,594,996	3,234,955
Reinsurance recoveries against outstanding claims	218,465,631	230,576,451
Deferred commission expense	56,611,636	54,078,582
Prepaid reinsurance premium ceded	346,377,255	332,117,483
Taxation - provision less payments	-	129,804
Trade deposits and prepayments	815,996	701,819
Sundry receivables	1,061,325	442,509
	860,811,936	823,391,146
FIXED ASSETS		
Tangible		
Land and buildings	9,471,584	10,239,550
Furniture, fixtures and office equipments	5,904,223	6,028,890
Motor vehicles	65,034,430	65,383,478
	80,410,237	81,651,918
TOTAL ASSETS	1,664,909,700	1,595,943,982



Ismail H. Zakaria
Chairman



Ifan/Zakaria Bawany
Director



Mohammad Omer Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th October, 2015

Condensed Interim Profit & Loss Account (Un Audited)

Financial Period Ended September 30, 2015

FORM GB

	Quarter ended September 30				2015 Aggregate	2014 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Miscellaneous		
	(Rupees)					
Revenue account						
Net premium revenue	23,913,906	11,998,719	31,910,243	784,630	68,607,498	68,615,352
Net claims	(3,100,557)	(2,090,613)	(9,782,522)	(64,458)	(15,038,150)	(20,732,420)
Expenses	(9,332,713)	(4,753,004)	(12,655,911)	(370,977)	(27,112,605)	(25,236,263)
Net commission	(6,841,066)	(2,687,583)	(4,615,502)	346,471	(13,797,680)	(11,074,886)
Underwriting result	<u>4,639,570</u>	<u>2,467,519</u>	<u>4,856,308</u>	<u>695,666</u>	<u>12,659,063</u>	<u>11,571,783</u>
Investment Income					(23,367,580)	26,313,313
Other Income					165,934	829,577
Financial Charges					(38,874)	-
General and administration expenses					(9,117,607)	(8,874,208)
Profit before tax					<u>(19,699,064)</u>	<u>29,840,465</u>
Provision for Taxation:						
Current					<u>(2,950,000)</u>	<u>(2,300,000)</u>
Profit after tax					<u>(22,649,064)</u>	<u>27,540,465</u>

	Nine Months period ended September 30				2015 Aggregate	2014 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Miscellaneous		
	(Rupees)					
Revenue account						
Net Premium Revenue	68,974,679	40,330,586	108,513,423	7,531,601	225,350,289	204,577,799
Net Claims	(13,637,855)	(7,388,847)	(40,630,341)	(393,983)	(62,051,026)	(73,689,547)
Expenses	(25,320,595)	(14,805,352)	(39,835,263)	(2,764,850)	(82,726,060)	(79,001,464)
Net Commission	(19,903,923)	(8,586,077)	(11,935,751)	(638,407)	(41,064,158)	(29,145,669)
Underwriting result	<u>10,112,306</u>	<u>9,550,310</u>	<u>16,112,068</u>	<u>3,734,361</u>	<u>39,509,045</u>	<u>22,741,119</u>
Investment Income					72,137,445	77,008,075
Other Income					1,257,294	2,640,019
Financial Charges					(134,235)	-
General and administration expenses					(33,209,521)	(30,133,866)
Profit before tax					<u>79,560,028</u>	<u>72,255,347</u>
Provision for Taxation:						
Current					<u>(9,950,000)</u>	<u>(5,300,000)</u>
Profit after tax					<u>69,610,028</u>	<u>66,955,347</u>

Profit and Loss Appropriation Account		
Balance at Commencement of the Period	141,760,248	126,637,528
Profit after tax during the period	69,610,028	66,955,347
Cash Dividend for the year 2014: 5%(2013:5%)	(20,172,938)	(18,339,034)
Transfers to reserves (General Reserve)	(20,000,000)	(20,000,000)
Bonus Shares Issued for the year 2014 :15%(2013:10%)	(60,518,810)	(36,678,070)
Balance Unappropriated profit at the end of the period	<u>110,678,528</u>	<u>118,575,771</u>
Earning per Share - Basic and Diluted	<u>1.50</u>	<u>1.44</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.



Ismail H. Zakaria
Chairman



Ifan Zakaria Bawany
Director



Mohammad Omer Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th October, 2015

Condensed Interim Statement of Comprehensive Income (Un Audited)

Financial Period Ended September 30, 2015

	Quarter ended Sept. 30		Nine months ended Sept. 30	
	2015	2014	2015	2014
	(Rupees)		(Rupees)	
Profit after tax	(22,649,064)	27,540,465	69,610,028	66,955,347
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>(22,649,064)</u>	<u>27,540,465</u>	<u>69,610,028</u>	<u>66,955,347</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.



Ismail H. Zakaria
Chairman



Ifan/Zakaria Bawany
Director



Mohammad Omer Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th October, 2015

Condensed Statement of Changes in Equity (Un Audited)

Financial Period Ended September 30, 2015

	Share capital	General reserves	Unappropriated profit	Total
	(Rupees)			
Balance as at January 01, 2014	366,780,680	160,000,000	126,637,528	653,418,208
Total comprehensive income for the period	-	-	66,955,347	66,955,347
Issuance of bonus shares and transferred to general reserve	36,678,070	20,000,000	(56,678,070)	-
Cash Dividend			(18,339,034)	(18,339,034)
Balance as at September 30, 2014	<u>403,458,750</u>	<u>180,000,000</u>	<u>118,575,771</u>	<u>702,034,521</u>
Balance as at January 01, 2015	403,458,750	180,000,000	141,760,248	725,218,998
Total comprehensive income for the period	-	-	69,610,028	69,610,028
Issuance of bonus shares and transferred to general reserve	60,518,810	20,000,000	(80,518,810)	-
Cash Dividend	-	-	(20,172,938)	(20,172,938)
Balance as at September 30, 2015	<u>463,977,560</u>	<u>200,000,000</u>	<u>110,678,528</u>	<u>774,656,088</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.



Ismail H. Zakaria
Chairman



Ifan Zakaria Bawany
Director



Mohammad Omer Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th October, 2015

Condensed Interim Statement of Cash Flows (Un Audited)

Financial Period Year Ended September 30, 2015

FORM GC

	January to September 2015 2014	
	(Rupees)	
Operating Cash Flow		
a) Underwriting activities		
Premium received	718,379,578	701,689,638
Reinsurance premium paid	(515,517,933)	(506,746,363)
Claims paid	(186,510,301)	(167,189,662)
Reinsurance and other recoveries received	129,480,120	105,989,711
Commission paid	(75,928,929)	(70,446,508)
Commission received	44,091,113	45,928,824
Net cash flow from underwriting activities	<u>113,993,648</u>	<u>109,225,640</u>
b) Other operating activities		
Income tax paid	(3,672,946)	(4,239,580)
General management expenses paid	(82,726,060)	(79,001,464)
Other operating payments	(24,394,835)	(21,631,684)
Loans advanced / repayment received	(192,020)	(345,571)
Other payments on operating assets	(6,823,775)	(14,909,077)
Other receipts in respect of operating assets	(732,993)	(1,806,470)
Net cash flow from other operating activities	<u>(118,542,629)</u>	<u>(121,933,846)</u>
Total cash flow all operating activities	<u>(4,548,981)</u>	<u>(12,708,206)</u>
Investment activities		
Interest / Dividend received	29,910,644	36,448,899
Payments for Investments	(175,304,842)	(91,654,898)
Proceeds from disposal of investments	168,612,879	119,128,757
Fixed Capital Expenditures	(10,409,711)	(21,533,805)
Proceeds from disposal of fixed assets	4,094,000	4,987,500
Total cash flow from Investing activities	<u>16,902,970</u>	<u>47,376,453</u>
Financing activities		
Dividend paid	(20,183,888)	(18,339,308)
Financial Charges	(134,235)	-
Net cash use in financing activities	<u>(20,318,123)</u>	<u>(18,339,308)</u>
Net (Decrease) / Increase in cash and cash equivalent	<u>(7,964,134)</u>	<u>16,328,939</u>
Cash & cash equivalent at the beinning of the period	<u>104,499,172</u>	<u>103,078,929</u>
Cash & cash equivalent at the end of the period	<u>96,535,038</u>	<u>119,407,868</u>

Condensed Interim Statement Of Cash Flows (Un Audited)

Financial Period Year Ended September 30, 2015

FORM GC

	January to September	
	2015	2014
	(Rupees)	
Reconciliation to Profit and Loss Account		
Operating cash flow	(4,548,981)	(12,708,206)
Depreciation / amortization expense	(8,814,686)	(8,502,182)
Financial Charges	(134,235)	-
Profit on disposal of fixed assets	1,257,294	2,640,019
Increase in assets other then cash	29,252,769	105,014,997
Decrease in liabilities other then running finance	(19,539,578)	(96,497,356)
Investment Income	72,137,445	77,008,075
Profit after taxation	69,610,028	66,955,347
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	1,864,327	422,505
Current and other account	67,615,040	93,001,199
Deposits Maturing Within 12 Month	27,055,671	25,984,164
	96,535,038	119,407,868

The annexed notes from 1 to 15 form an integral part of these financial statements.



Ismail H. Zakaria
Chairman



Ifan Zakaria Bawany
Director



Mohammad Omer Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th October, 2015

Condensed Interim Statement of Premiums (Un Audited)

Financial Period Ended September 30, 2015

FORM GD

Class	Quarter ended September 30											
	Premium written		Unearned Premium reserve		Premium earned		Reinsurance ceded		Prepaid Reins. Premium ceded		2014 Net Premium revenue	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	2015 Net Premium revenue	2014 Net Premium revenue
Direct and facultative	Rupees											
Fire and property damage	65,836,937	151,909,335	152,371,093	65,375,179	43,873,555	96,005,052	98,417,334	41,461,273	23,913,906	26,336,088		
Marine, aviation and transport	158,911,447	242,084,883	249,037,213	151,959,117	143,482,462	235,256,326	238,778,390	139,960,398	11,998,719	12,563,580		
Motor	39,692,234	65,601,922	72,834,803	32,459,353	492,188	1,193,288	1,136,366	549,110	31,910,243	26,674,596		
Miscellaneous	7,577,535	11,560,588	13,917,845	5,220,278	4,668,091	7,812,722	8,045,165	4,435,648	784,630	3,041,088		
Grand total	272,018,153	471,156,728	488,160,954	255,013,927	192,516,296	340,267,388	346,377,255	186,406,429	68,607,498	68,615,352		

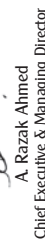
Class	Nine Months ended September 30											
	Premium written		Unearned Premium reserve		Premium earned		Reinsurance ceded		Prepaid Reins. Premium ceded		2014 Net Premium revenue	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	2015 Net Premium revenue	2014 Net Premium revenue
Direct and facultative	Rupees											
Fire and property damage	188,166,540	147,937,526	152,371,093	183,732,973	120,441,719	92,733,909	98,417,334	114,758,294	68,974,679	67,497,430		
Marine, aviation and transport	443,852,643	239,764,467	249,037,213	434,579,897	401,658,695	231,369,006	238,778,390	394,249,311	40,330,586	45,134,102		
Motor	124,271,285	59,541,406	72,834,803	110,977,888	1,897,821	1,703,010	1,136,366	2,464,465	108,513,423	81,610,095		
Miscellaneous	17,181,251	13,769,333	13,917,845	17,032,739	11,234,745	6,311,558	8,045,165	9,501,138	7,531,601	10,336,172		
Grand total	773,471,719	461,012,732	488,160,954	746,323,497	535,232,980	332,117,483	346,377,255	520,973,208	225,350,289	204,577,799		

The annexed notes from 1 to 15 form an integral part of these financial statements.


Ismail H. Zakaria
Chairman


Irfan Zakaria Bawany
Director


Mohammad Omer Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th October, 2015

Condensed Interim Statement of Claims (Un Audited)

Financial Period Ended September 30, 2015

Business underwritten inside Pakistan.

FORM GE

Class	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	2015 Net Claims expenses	2014 Net Claims expenses
	Opening	Closing	Opening	Closing			Opening	Closing			
Direct and facultative											
Fire and property damage	36,637,942	158,597,888	130,550,500	8,590,554	31,734,997	137,280,504	111,035,504	5,489,997	3,100,557	3,622,302	
Marine, aviation and transport	13,372,101	116,265,807	117,772,324	14,878,618	9,897,635	101,674,266	104,564,636	12,788,005	2,090,613	2,941,068	
Motor	10,581,543	15,376,573	14,575,620	9,780,590	-	403,318	401,386	(1,932)	9,782,522	11,599,602	
Miscellaneous	906,973	4,115,519	3,413,025	204,479	749,650	3,073,734	2,464,105	140,021	64,458	2,569,448	
Grand total	61,498,559	294,355,787	266,311,469	33,454,241	42,382,282	242,431,822	218,465,631	18,416,091	15,038,150	20,732,420	

Class	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	2015 Net Claims expenses	2014 Net Claims expenses
	Opening	Closing	Opening	Closing			Opening	Closing			
Direct and facultative											
Fire and property damage	105,231,181	126,591,434	130,550,500	109,190,247	93,208,384	108,691,496	111,035,504	95,552,392	13,637,855	13,698,471	
Marine, aviation and transport	44,083,339	134,984,940	117,772,324	26,870,723	34,294,364	119,377,124	104,564,636	19,481,876	7,388,847	15,236,287	
Motor	35,750,699	8,930,661	14,575,620	41,395,658	769,445	405,514	401,386	765,317	40,630,341	40,837,065	
Miscellaneous	1,445,082	2,894,409	3,413,025	1,963,698	1,207,927	2,102,317	2,464,105	1,569,715	393,983	3,917,724	
Grand total	186,510,301	273,401,444	266,311,469	179,420,326	129,480,120	230,576,451	218,465,631	117,369,300	62,051,026	73,689,547	

The annexed notes from 1 to 15 form an integral part of these financial statements.


Ismail H. Zakaria
Chairman


Ifran Zakaria Bawany
Director


Mohammad Omer Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th October, 2015

Condensed Interim Statement of Expenses (Un Audited)

Financial Period Ended September 30, 2015

Business underwritten inside Pakistan

FORM GF

Class	Quarter ended September 30									
	Commissions paid or payable	Opening Deferred commission	Closing Deferred commission	Net commission Expense	Other Management Expenses	Underwriting Expenses	Commission from reinsurers	2015 Net underwriting expense	2014 Net underwriting expense	
Direct and facultative										
Fire and property damage	17,360,740	39,437,132	39,635,514	17,162,358	9,332,713	26,495,071	10,321,292	16,173,779	16,180,984	
Marine, aviation and transport	8,598,019	3,294,288	5,264,281	6,628,026	4,753,004	11,381,030	3,940,443	7,440,587	6,597,557	
Motor	3,879,564	9,840,288	9,104,350	4,615,502	12,655,911	17,271,413	-	17,271,413	12,409,861	
Miscellaneous	1,282,686	2,238,566	2,607,491	913,761	370,977	1,284,738	1,260,232	24,506	1,122,747	
Grand total	31,121,009	54,810,274	56,611,636	29,319,647	27,112,605	56,432,252	15,521,967	40,910,285	36,311,149	

Class	Nine Months ended September 30									
	Commissions paid or payable	Opening Deferred commission	Closing Deferred commission	Net commission Expense	Other Management Expenses	Underwriting Expenses	Commission from reinsurers	2015 Net underwriting expense	2014 Net underwriting expense	
Direct and facultative										
Fire and property damage	48,081,682	38,678,939	39,635,514	47,125,107	25,320,595	72,445,702	27,221,184	45,224,518	39,623,774	
Marine, aviation and transport	20,904,190	3,796,614	5,264,281	19,436,523	14,805,352	34,241,875	10,850,446	23,391,429	23,737,360	
Motor	12,146,848	8,931,211	9,104,350	11,973,709	39,835,263	51,808,972	37,958	51,771,014	40,223,091	
Miscellaneous	3,047,465	2,671,818	2,607,491	3,111,792	2,764,850	5,876,642	2,473,385	3,403,257	4,562,908	
Grand total	84,180,185	54,078,582	56,611,636	81,647,131	82,726,060	164,373,191	40,582,973	123,790,218	108,147,133	

The annexed notes from 1 to 15 form an integral part of these financial statements.


Ismail H. Zakaria
Chairman


Irfan/Zakaria Bawany
Director


Mohammad Omer Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th October, 2015

Condensed Interim Statement of Investment Income (Un Audited)

Financial Period Ended September 30, 2015


FORM GG

	Quarter ended Sep 30		Nine months ended Sep 30	
	2015	2014	2015	2014
	(Rupees)		(Rupees)	
Income from non-trading investments				
Held to maturity				
Return on government securities	3,555,571	4,213,575	8,698,724	8,663,661
Return on other fixed income, securities and deposits	1,326,120	1,089,409	3,412,168	3,179,724
	4,881,691	5,302,984	12,110,892	11,843,385
Available for sale				
Dividend income	337,316	544,393	369,353	544,393
Gain on sale of available for sale investments	-	-	9,862,188	4,599,136
(Impairment) / Impairment reversal	(161,167)	130,854	(586,920)	762,389
	176,149	675,247	9,644,621	5,905,918
Income from trading investments				
Held for trading				
Dividend income	8,354,645	10,746,951	25,805,159	26,125,066
Gain on sale of investments	61,400	4,284,700	111,020	6,425,732
Unrealized (loss) / gain on held for trading investments	(36,832,574)	5,313,207	24,480,472	26,748,898
	(28,416,529)	20,344,858	50,396,651	59,299,696
Less: Investment related expenses	(8,891)	(9,776)	(14,719)	(40,924)
Net investment income transferred to profit and loss account	(23,367,580)	26,313,313	72,137,445	77,008,075

The annexed notes from 1 to 15 form an integral part of these financial statements.


Ismail H. Zakaria
Chairman


Irfan/Zakaria Bawany
Director


Mohammad Omer Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th October, 2015

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Financial Period Ended September 30, 2015

1. STATUS AND NATURE OF BUSINESS

Reliance Insurance Company Limited (the Company) was incorporated in Pakistan as a public limited company on November 4, 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 This condensed interim financial information is presented in condensed form in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting".

The disclosures made in this condensed interim financial information 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.

This condensed interim financial information do not include all of the information required for full financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2014.

2.2 This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

3. BASIS OF MEASUREMENT

This condensed interim financial information has 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.

This condensed interim financial information has 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 this condensed interim financial information are in line with the audited annual accounts for the year ended December 31, 2014.

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 December 31, 2014.

6. TAXATION

The provision for taxation for the period ended September 30, 2015 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:

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Financial Period Ended September 30, 2015

	September 30, 2015	September 30, 2014
	(Rupees)	
Premium underwritten	9,722,623	12,815,626
Premium collected	32,785,356	21,415,038
Claims paid	16,178,587	14,000,497
Dividend received	365,182	390,915
Dividend paid	29,430	-
Premium due but unpaid	29,696,812	35,705,579
Provision for outstanding claims	23,836,302	49,081,316
Key management personnel	15,470,958	14,401,518
Staff retirement benefits	1,726,685	1,642,081

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 year 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, 2015	December 31, 2014		September 30, 2015	December 31, 2014
(Number of shares)				
1,156,680	1,156,680	Ordinary shares of Rs.10 each issued as fully paid in cash	11,566,800	11,566,800
45,241,076	39,189,195	Ordinary shares of Rs.10 each issued as fully paid bonus shares	452,410,760	391,891,950
<u>46,397,756</u>	<u>40,345,875</u>		<u>463,977,560</u>	<u>403,458,750</u>

10. CONTINGENCIES AND COMMITMENTS

The Additional Commissioner of Inland Revenue (FBR) have issued show cause notices and orders under section 122(5A) of the Income Tax Ordinance, 2001 (The Ordinance) related to preceding tax year, by initiating the concept of single/one basket income to insurance industry, i.e., clubbing all other sources of income (e.g. dividend and rental income) into business income for charging the business rate of tax under Fourth Schedule of the Ordinance. Currently, the case is before Commissioner Appeal (FBR) for hearing. The Company has not made provision in this regard with consultation of tax advisor as it is confident that the case will be decided in the Company's favor.

	September 30, 2015	December 31, 2014
	(Rupees)	
11. INVESTMENTS		
The investments comprise of the following:		
Held to maturity	11.1 83,254,527	80,801,294
Available for sale	159,521,652	148,906,572
Less: Provision for impairment	(3,182,596)	(2,595,676)
	11.2 156,339,056	146,310,896
Held for trading	385,832,776	357,755,446
	<u>625,426,359</u>	<u>584,867,636</u>

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Financial Period Ended September 30, 2015

- 11.1 Pakistan Investment Bonds (PIB) amounting to Rs.16.908 million (December 31, 2014: 19.362 million) and GOP Ijara Sukuk for the face value of Rs. 45.323 million are placed as statutory deposits with State Bank of Pakistan in accordance with the requirement of Section 29(2)(a) of Insurance Ordinance, 2000.
- 11.2 Market value of investments in shares and securities (AFS) as at September 30, 2015 was Rs. 161.706 million (December 31, 2014: Rs.153.044 million).

12. SEGMENT REPORTING

Class of business wise revenue and results have been disclosed in the profit and loss account prepared in accordance with the requirements of Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets, liabilities as at September 30, 2015 and September 30, 2014, unallocated capital expenditure and non-cash expenses during the years:

	Fire & property		Marine		Motor		Misc		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
In Rupees										
SEGMENT ASSETS										
Segment assets	<u>153,907,972</u>	<u>182,628,388</u>	<u>89,992,426</u>	<u>122,119,736</u>	<u>242,133,505</u>	<u>220,813,150</u>	<u>16,805,782</u>	<u>27,966,671</u>	<u>502,839,685</u>	<u>553,527,945</u>
Unallocated corporate assets									<u>1,162,070,015</u>	<u>1,048,165,623</u>
Consolidated corporate assets									<u>1,664,909,700</u>	<u>1,601,693,568</u>
SEGMENT LIABILITIES										
Segment liabilities	<u>272,211,525</u>	<u>296,648,070</u>	<u>159,166,385</u>	<u>198,362,282</u>	<u>428,252,871</u>	<u>358,672,579</u>	<u>29,723,786</u>	<u>45,426,996</u>	<u>889,354,567</u>	<u>899,109,928</u>
Unallocated corporate liabilities									<u>899,045</u>	<u>549,121</u>
Consolidated corporate liabilities									<u>890,253,612</u>	<u>899,659,049</u>
CAPITAL EXPENDITURE										
Unallocated capital expenditure									<u>10,409,711</u>	<u>21,533,805</u>
Consolidated capital expenditure									<u>10,409,711</u>	<u>21,533,805</u>
Unallocated depreciation/Amortization									<u>8,814,686</u>	<u>8,502,182</u>

	Nine months ended September 30,		Quarter ended September 30,	
	2015	2014	2015	2014
	(Rupees)		(Rupees)	
13 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax	<u>69,610,028</u>	<u>66,955,347</u>	<u>(22,649,064)</u>	<u>27,540,465</u>
Weighted average number of shares during the period	<u>46,397,756</u>	<u>46,397,756</u>	<u>46,397,756</u>	<u>46,397,756</u>
Earnings per share - Rupees	<u>1.50</u>	<u>1.44</u>	<u>(0.49)</u>	<u>0.59</u>

- 13.1 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.

13.2 Earnings per share for the comparative period has been restated on account of issuance of bonus share as per IAS 33 "Earnings per share".

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed financial information has been authorized for issue on 28th October 2015 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off to the nearest rupee.



Ismail H. Zakaria
Chairman



Ifan/Zakaria Bawany
Director



Mohammad Omer Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th October, 2015

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Company Secretary

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Executive Vice President (Operations)

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Vice President (Marine & Accident)

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Mr. Muhammad Masood Ali
Deputy Chief Manager (I.T. Deptt.)

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Mr. Mahmood Shuja Baig
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Rahim Yar Khan

Gulshan-e-Iqbal

Mr. Shamsul Haq CH.
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SHARES DEPARTMENT

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