

Half Yearly Report



Serving
Reliably



Reliance Insurance Company Limited
Half Yearly June 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
ALLIED BANK LIMITED
STANDARD CHARTERED BANK
(PAKISTAN) LIMITED
BANK ALFALAH LIMITED
NATIONAL BANK OF PAKISTAN
UNITED BANK LIMITED
THE BANK OF PUNJAB
FAYSAL BANK LIMITED
HABIB METROPOLITAN BANK LIMITED
NIB BANK LIMITED
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: 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,

Your Directors are pleased to present before you the Half Yearly (Un-audited) Accounts for the period ended June 30, 2015.

During the period under review, your Company underwrote a Gross Premium of Rs.501.453 million as compared to Rs.455.362 million of the corresponding period of last year – an increase of 10.12%. The Net Premium Income stood at Rs.156.74 million as against Rs.135.96 million of last year – showing an increase of 15.28%.

Net claims incurred decreased from Rs.52.957 million to Rs.47.012 million compared to corresponding period of last year, showing a decrease of 11.23%.

Investment income for the six months period was Rs.95.505 million compared to Rs.50.694 million of the corresponding period of last year, showing an increase of 88.40%.

Profit before tax for the period ended June 30, 2015 was Rs.99.259 million against Rs.42.414 million of corresponding period of last year thereby improving Earnings per share (EPS) from Rs.0.85 to Rs.1.99 for the current period.

Presently, the economic indicators of the country are improving and it is expected that this trend will continue during the second half of the current year. Government is taking various measures to overcome the power shortages and load shading. The Government has shown its resolve to improve law and order situation and concrete efforts are being made to normalize the situation.

By order of the Board



A. RAZAK AHMED
Chief Executive & Managing Director

Karachi: 27th August, 2015

Auditor's Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying:

- condensed interim balance sheet;
- condensed interim profit and loss account;
- condensed interim statement of comprehensive income;
- condensed interim statement of changes in equity;
- condensed interim statement of cash flow;
- condensed interim statement of premiums;
- condensed interim statement of claims;
- condensed interim statement of expenses; and
- condensed interim statement of investment income

together with the explanatory notes of RELIANCE INSURANCE COMPANY LIMITED ("the Company") as at and for the six months period ended June 30, 2015 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review on Interim financial information performed by the Independent Auditor of the Entity". A review of interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standard on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months period ended June 30, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarters ended June 30, 2015 and June 30, 2014 in the accompanying interim financial information has not been reviewed and we do not express a conclusion on them.

BDO. Ebrahim & Co.
CHARTERED ACCOUNTANTS
Engagement partner: Zulfikar Ali Causer

Karachi: 27th August, 2015



Financial Statements

Condensed Interim Balance Sheet (Un Audited)

As At June 30, 2015

	Note	(Un Audited) June 30, 2015 (Rupees)	(Audited) Dec 31, 2014
SHARE CAPITAL AND RESERVES			
Authorised share capital		750,000,000	500,000,000
Issued, subscribed and paid-up capital	9	463,977,560	403,458,750
Retained earnings		133,327,592	141,760,248
General reserves		200,000,000	180,000,000
		797,305,152	725,218,998
UNDERWRITING PROVISIONS			
Provision for outstanding claims (including IBNR)		294,355,787	273,401,444
Provision for unearned premium		471,156,728	461,012,732
Commission income unearned		31,714,456	30,420,729
Total underwriting provision		797,226,971	764,834,905
CREDITORS AND ACCRUALS			
Amounts due to other insurers/reinsurers		51,245,213	37,994,635
Accrued expenses		2,446,456	2,851,602
Taxation - provision less payments		3,986,573	-
Other creditors and accruals		47,640,883	64,133,847
		105,319,125	104,980,084
OTHER LIABILITIES			
Unclaimed dividend		899,045	909,995
CONTINGENCIES AND COMMITMENTS			
	10		
TOTAL EQUITY AND LIABILITIES		1,700,750,293	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 June 30, 2015

FORM GA

	Note	(Un Audited) June 30, 2015 (Rupees)	(Audited) Dec 31, 2014
CASH AND BANK DEPOSITS			
Cash and other equivalent		1,201,653	145,274
Current and other accounts		48,794,666	78,369,734
Deposits maturing within 12 months		26,214,164	25,984,164
		76,210,483	104,499,172
LOANS			
To employees		1,649,460	1,534,110
INVESTMENTS			
	11	656,299,289	584,867,636
CURRENT ASSETS-OTHERS			
Premiums due but unpaid		243,355,041	174,899,743
Amounts due from other insurers/reinsurers		4,164,497	27,209,800
Accrued investment income		4,023,624	3,234,955
Reinsurance recoveries against outstanding claims		242,431,822	230,576,451
Deferred commission expense		54,810,274	54,078,582
Prepaid reinsurance premium ceded		340,267,388	332,117,483
Taxation - provision less payments		-	129,804
Trade deposits and prepayments		774,945	701,819
Sundry receivables		510,841	442,509
		890,338,432	823,391,146
FIXED ASSETS			
Tangible			
Land and buildings		9,727,572	10,239,550
Furniture, fixtures and office equipment		6,193,942	6,028,890
Motor vehicles		60,331,115	65,383,478
		76,252,629	81,651,918
TOTAL ASSETS		1,700,750,293	1,595,943,982



Mohammad Omer Bawany
Director / Chairman



A. Aziz Ayoob
Director



Ifan Zakaria Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 27th August, 2015

Condensed Interim Profit & Loss Account (Un Audited)


For the Quarter and Half Year Ended June 30, 2015

FORM GB

	Quarter ended June 30				2015 Aggregate	2014 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Miscellaneous		
	(Rupees)					
Revenue account						
Net premium revenue	17,846,572	13,770,794	40,358,293	4,701,649	76,677,308	66,584,223
Net claims	(7,954,213)	(2,466,735)	(16,422,586)	(57,403)	(26,900,937)	(28,905,264)
Expenses	(6,554,095)	(5,004,761)	(14,615,084)	(1,684,863)	(27,858,803)	(27,052,789)
Net commission	(5,096,064)	(2,982,788)	(3,800,916)	(783,843)	(12,663,611)	(7,548,633)
Underwriting result	<u>(1,757,800)</u>	<u>3,316,510</u>	<u>5,519,707</u>	<u>2,175,540</u>	<u>9,253,957</u>	<u>3,077,537</u>
Investment income					62,845,077	22,463,216
Other income					535,184	1,137,303
Financial charges					(95,361)	-
General and administration expenses					(12,950,530)	(11,071,425)
Profit before tax					59,588,327	15,606,631
Provision for taxation - Current					(2,000,000)	(1,150,000)
Profit after tax					<u>57,588,327</u>	<u>14,456,631</u>

	Six months ended June 30				2015 Aggregate	2014 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Miscellaneous		
	(Rupees)					
Revenue Account						
Net premium revenue	45,060,773	28,331,867	76,603,180	6,746,971	156,742,791	135,962,447
Net claims	(10,537,298)	(5,298,234)	(30,847,819)	(329,525)	(47,012,876)	(52,957,127)
Expenses	(15,987,882)	(10,052,348)	(27,179,352)	(2,393,873)	(55,613,455)	(53,765,201)
Net commission	(13,062,857)	(5,898,494)	(7,320,249)	(984,878)	(27,266,478)	(18,070,783)
Underwriting result	<u>5,472,736</u>	<u>7,082,791</u>	<u>11,255,760</u>	<u>3,038,695</u>	<u>26,849,982</u>	<u>11,169,336</u>
Investment income					95,505,025	50,694,762
Other income					1,091,360	1,810,442
Financial charges					(95,361)	-
General and administration expenses					(24,091,914)	(21,259,658)
Profit before tax					99,259,092	42,414,882
Provision for taxation- Current					(7,000,000)	(3,000,000)
Profit after tax					<u>92,259,092</u>	<u>39,414,882</u>
Profit and loss appropriation account						
Balance at commencement of the period					141,760,248	126,637,528
Profit after tax for the period					92,259,092	39,414,882
Cash dividend for the year 2014 5%: (2013:5%)					(20,172,938)	(18,339,034)
Transfers to reserves (General Reserves)					(20,000,000)	(20,000,000)
Bonus shares issued for the year 2014: 15% (2013: 10%)					(60,518,810)	(36,678,070)
Balance accumulated at the end of the period					<u>133,327,592</u>	<u>91,035,306</u>
Earnings per share - basic and diluted					<u>1.99</u>	<u>0.85</u>

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


 Mohammad Omer Bawany
 Director / Chairman
 Karachi: 27th August, 2015


 A. Aziz Ayoob
 Director


 Irfan Zakaria Bawany
 Director


 A. Razak Ahmed
 Chief Executive & Managing Director

Condensed Interim Statement of Comprehensive Income (Un Audited)

For the Half Year Ended June 30, 2015

	Quarter ended June 30		Six months ended June 30	
	2015 (Rupees)	2014	2015 (Rupees)	2014
Profit after tax	57,588,327	14,456,631	92,259,092	39,414,882
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>57,588,327</u>	<u>14,456,631</u>	<u>92,259,092</u>	<u>39,414,882</u>

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



Mohammad Omer Bawany
Director / Chairman



A. Aziz Ayoob
Director



Irfan Zakaria Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 27th August, 2015

Condensed Statement of Changes in Equity (Un Audited)

For the Half Year Ended June 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	-	-	39,414,882	39,414,882
Transfer to general reserves		20,000,000	(20,000,000)	-
Transactions with owners:				
Issuance of bonus shares	36,678,070	-	(36,678,070)	-
Cash dividend	-	-	(18,339,034)	(18,339,034)
Balance as at June 30, 2014	<u>403,458,750</u>	<u>180,000,000</u>	<u>91,035,306</u>	<u>674,494,056</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	-	-	92,259,092	92,259,092
Transfer to general reserves		20,000,000	(20,000,000)	-
Transactions with owners:				
Issuance of bonus shares	60,518,810	-	(60,518,810)	-
Cash dividend	-	-	(20,172,938)	(20,172,938)
	60,518,810	-	(80,691,748)	(20,172,938)
Balance as at June 30, 2015	<u>463,977,560</u>	<u>200,000,000</u>	<u>133,327,592</u>	<u>797,305,152</u>

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


 Mohammad Omer Bawany
 Director / Chairman


 A. Aziz Ayoob
 Director


 Ifran Zakaria Bawany
 Director


 A. Razak Ahmed
 Chief Executive & Managing Director

Karachi: 27th August, 2015

Condensed Interim Statement of Cash Flows (Un Audited)

For the Half Year Ended June 30, 2015

FORM GC

	June 30, 2015	June 30, 2014
	(Rupees)	
Operating cash flow		
a) Underwriting activities		
Premium received	432,789,200	453,376,026
Reinsurance premium paid	(306,420,802)	(318,092,450)
Claims paid	(125,011,742)	(112,780,581)
Reinsurance and other recoveries received	87,097,838	71,769,235
Commission paid	(52,850,109)	(47,009,369)
Commission received	26,354,733	30,699,552
Net cash generated from underwriting activities	<u>61,959,118</u>	<u>77,962,413</u>
b) Other operating activities		
Income tax paid	(2,883,623)	(2,600,404)
General management expenses paid	(55,613,455)	(53,765,201)
Other operating payments	(18,273,198)	(15,802,533)
Loans advanced / repayment received	(115,350)	(158,771)
Other payments on operating assets	(16,898,110)	(13,490,850)
Other receipts in respect of operating assets	(141,458)	(2,832,876)
Net cash used in other operating activities	<u>(93,925,194)</u>	<u>(88,650,635)</u>
Net cash used in operating activities	<u>(31,966,076)</u>	<u>(10,688,222)</u>
Investment activities		
Interest / dividend received	23,917,255	24,770,232
Payments for investments	(151,447,128)	(94,759,667)
Proceeds from disposal of investments	150,814,576	110,632,090
Fixed capital expenditures	(2,778,067)	(10,504,913)
Proceeds from disposal of fixed assets	3,450,000	3,857,500
Net cash flow from investing activities	<u>23,956,636</u>	<u>33,995,242</u>
Financing activities		
Dividend paid	(20,183,888)	(18,339,308)
Financial charges	(95,361)	-
Net cash used in financing activities	<u>(20,279,249)</u>	<u>(18,339,308)</u>
Net (Decrease)/ increase in cash and cash equivalent	<u>(28,288,689)</u>	<u>4,967,712</u>
Cash and cash equivalent at the beginning of the period	<u>104,499,172</u>	<u>103,078,929</u>
Cash and cash equivalent at the end of the period	<u>76,210,483</u>	<u>108,046,641</u>

Condensed Interim Statement Of Cash Flows (Un Audited)

For the Half Year Ended June 30, 2015

FORM GC

	June 30, 2015	June 30, 2014
	(Rupees)	
Reconciliation to Profit and Loss account		
Operating cash flow	(31,966,076)	(10,688,222)
Depreciation / amortization expense	(5,818,716)	(5,457,125)
Financial charges	(95,361)	-
Profit on disposal of fixed assets	1,091,360	1,810,442
Decrease in assets other than cash	66,273,967	42,851,016
(Decrease) in liabilities other than running finance	(32,731,107)	(39,795,991)
Investment income	95,505,025	50,694,762
Profit after taxation	<u>92,259,092</u>	<u>39,414,882</u>
Definition of cash		
Cash in hand and at banks, stamps in hand and short term placements with banks		
Cash for the purposes of the statement of cash flows consists of:		
Cash and equivalents	1,201,653	1,054,761
Current and other accounts	48,794,666	81,240,043
Deposits maturing within 12 months	26,214,164	25,751,837
	<u>76,210,483</u>	<u>108,046,641</u>

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



Mohammad Omer Bawany
Director / Chairman



A. Aziz Ayoob
Director



Ifran/Zakaria Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 27th August, 2015

Condensed Interim Statement of Premiums (Un Audited)

For the Half Year Ended June 30, 2015

Business underwritten inside Pakistan

FORM GD

Class	Quarter ended June 30												
	Premium written		Unearned Premium reserve		Premium earned		Reinsurance ceded		Prepaid Reins Premium ceded		Reinsurance expenses	2015 Net Premium revenue	2014 Net Premium revenue
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing			
Rupees													
Direct and facultative													
Fire and property damage	56,205,468	148,661,934	151,909,335	52,958,067	37,496,072	93,620,475	96,005,052	35,111,495	17,846,572	14,683,630			
Marine, aviation and transport	141,565,861	236,549,321	242,084,883	136,030,299	127,255,355	230,260,476	235,256,326	122,259,505	13,770,794	17,995,879			
Motor	45,658,885	61,284,035	65,601,922	41,340,998	807,001	1,368,992	1,193,288	982,705	40,358,293	29,323,823			
Miscellaneous	4,506,521	13,785,172	11,560,588	6,731,105	3,001,375	6,840,803	7,812,722	2,029,456	4,701,649	4,580,891			
Grand total	247,936,735	460,280,462	471,156,728	237,060,469	168,559,803	332,090,746	340,267,388	160,383,161	76,677,308	66,584,223			


Class	Six months ended June 30												
	Premium written		Unearned Premium reserve		Premium earned		Reinsurance ceded		Prepaid Reins Premium ceded		Reinsurance expenses	2015 Net Premium revenue	2014 Net Premium revenue
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing			
Rupees													
Direct and facultative													
Fire and property damage	122,329,603	147,937,526	151,909,335	118,357,794	76,568,164	92,733,909	96,005,052	73,297,021	45,060,773	41,161,342			
Marine, aviation and transport	284,941,196	239,764,467	242,084,883	282,620,780	258,176,233	231,369,006	235,256,326	254,288,913	28,331,867	32,570,522			
Motor	84,579,051	59,541,406	65,601,922	78,518,535	1,405,633	1,703,010	1,193,288	1,915,355	76,603,180	54,935,499			
Miscellaneous	9,603,716	13,769,333	11,560,588	11,812,461	6,566,654	6,311,558	7,812,722	5,065,490	6,746,971	7,295,084			
Grand total	501,453,566	461,012,732	471,156,728	491,309,570	342,716,684	332,117,483	340,267,388	334,566,779	156,742,791	135,962,447			

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


 Mohammad Omer Bawany
 Director / Chairman


 A. Aziz Ayoob
 Director


 Ifraz Zaharia Bawany
 Director


 A. Razak Ahmed
 Chief Executive & Managing Director

Karachi: 27th August, 2015

Condensed Interim Statement of Claims (Un Audited)

For the Half Year Ended June 30, 2015

Business underwritten inside Pakistan

FORM GE

Class	Quarter ended June 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	Rupees										
Fire and property damage	50,717,125	141,663,721	158,597,888	67,651,292	46,383,057	123,966,482	137,280,504	59,697,079	7,954,213	5,709,193	
Marine, aviation and transport	14,102,206	127,229,481	116,265,807	3,138,532	12,783,903	113,786,372	101,674,266	671,797	2,466,735	7,596,008	
Motor	12,247,108	11,198,306	15,376,573	16,425,375	754,095	1,154,624	403,318	2,789	16,422,586	14,369,092	
Miscellaneous	101,321	4,021,694	4,115,519	195,146	86,526	3,022,517	3,073,734	137,743	57,403	1,230,971	
Grand total	77,167,760	284,113,202	294,355,787	87,410,345	60,007,581	241,929,995	242,431,822	60,509,408	26,900,937	28,905,264	

Class	Six months ended June 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	Rupees										
Fire and property damage	68,593,239	126,591,434	158,597,888	100,599,693	61,473,387	108,691,496	137,280,504	90,062,395	10,537,298	10,076,169	
Marine, aviation and transport	30,711,238	134,984,940	116,265,807	11,992,105	24,396,729	119,377,124	101,674,266	6,693,871	5,298,234	12,295,219	
Motor	25,169,156	8,930,661	15,376,573	31,615,068	769,445	405,514	403,318	767,249	30,847,819	29,237,463	
Miscellaneous	538,109	2,894,409	4,115,519	1,759,219	458,277	2,102,317	3,073,734	1,429,694	329,525	1,348,276	
Grand total	125,011,742	273,401,444	294,355,787	145,966,085	87,097,838	230,576,451	242,431,822	98,953,209	47,012,876	52,957,127	

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



Mohammad Omer Bawany
Director / Chairman



A. Aziz Ayoob
Director



Ifrani/Zakaria Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 27th August, 2015

Condensed Interim Statement of Expenses(Un Audited)

For the Half Year Ended June 30, 2015

Business underwritten inside Pakistan

FORM GF

Class	Quarter ended June 30							2014 Net underwriting expense
	Commissions paid or payable	Opening Deferred commission	Closing Deferred commission	Net commission Expense	Other Management Expenses	Underwriting Expenses	Commission from reinsurers	
Direct and facultative								
Fire and property damage	13,904,076	38,862,242	39,437,132	13,329,186	6,554,095	19,883,281	8,233,122	11,650,159
Marine, aviation and transport	6,274,831	2,938,146	3,294,288	5,918,689	5,004,761	10,923,450	2,935,901	7,987,549
Motor	4,473,784	9,192,605	9,840,288	3,826,101	14,615,084	18,441,185	25,185	18,416,000
Miscellaneous	838,449	2,673,566	2,238,566	1,273,449	1,684,863	2,958,312	489,606	2,468,706
Grand total	25,491,140	53,666,559	54,810,274	24,347,425	27,858,803	52,206,228	11,683,814	40,522,414

Class	Six months ended June 30							2014 Net underwriting expense
	Commissions paid or payable	Opening Deferred commission	Closing Deferred commission	Net commission Expense	Other Management Expenses	Underwriting Expenses	Commission from reinsurers	
Direct and facultative								
Fire and property damage	30,720,942	38,678,939	39,437,132	29,962,749	15,987,882	45,950,631	16,899,892	29,050,739
Marine, aviation and transport	12,306,171	3,796,614	3,294,288	12,808,497	10,052,348	22,860,845	6,910,003	15,950,842
Motor	8,267,284	8,931,211	9,840,288	7,358,207	27,179,352	34,537,559	37,958	34,499,601
Miscellaneous	1,764,779	2,671,818	2,238,566	2,198,031	2,393,873	4,591,904	1,213,153	3,378,751
Grand total	53,059,176	54,078,582	54,810,274	52,327,484	55,613,455	107,940,939	25,061,006	82,879,933

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


 Mohammad Omer Bawany
 Director / Chairman


 A. Aziz Ayoob
 Director


 Irfan Zaheer Bawany
 Director


 A. Razak Ahmed
 Chief Executive & Managing Director

Karachi: 27th August, 2015

Condensed Interim Statement of Investment Income (Un Audited)

For the Half Year Ended June 30, 2015

FORM GG

	Quarter ended June 30		Six months ended June 30	
	2015	2014	2015	2014
	(Rupees)		(Rupees)	
Income from non-trading investments				
Held to maturity				
Return on government securities	1,055,389	1,690,329	5,143,153	4,450,086
Return on other fixed income, securities and deposits	1,778,024	1,681,878	2,086,048	2,090,315
	2,833,413	3,372,207	7,229,201	6,540,401
Available for sale				
Dividend income	13,708	-	32,037	-
Gain on sale of available for sale investments	9,862,188	4,599,136	9,862,188	4,599,136
(Impairment) / Impairment reversal	83,322	384,531	(425,753)	631,535
	9,959,218	4,983,667	9,468,472	5,230,671
Income from trading investments				
Held for trading				
Dividend income	6,272,922	5,113,449	17,450,514	15,378,115
Gain on sale of investments	-	156,902	49,620	2,141,032
Unrealized gain on held for trading investments	43,779,524	8,839,620	61,313,046	21,435,691
	50,052,446	14,109,971	78,813,180	38,954,838
Less: Investment related expenses	-	(2,629)	(5,828)	(31,148)
Net investment income transferred to profit and loss account	62,845,077	22,463,216	95,505,025	50,694,762

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


 Mohammad Omer Bawany
 Director / Chairman


 A. Aziz Ayoob
 Director


 Ifran/Zakaria Bawany
 Director


 A. Razak Ahmed
 Chief Executive & Managing Director

Karachi: 27th August, 2015

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 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 half year and quarter ended June 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 Half Year Ended June 30, 2015

	June 30, 2015	June 30, 2014
	(Rupees)	
Premium underwritten	7,431,264	9,533,373
Premium collected	27,896,872	19,434,775
Claims paid	16,142,587	4,585,622
Dividend received	18,329	-
Dividend paid	29,430	80,164
Premium due but unpaid	31,765,858	34,799,912
Provision for outstanding claims	25,156,761	64,266,777
Key management personnel	10,313,972	8,932,847
Staff retirement benefits	1,155,629	1,108,698

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

June 30, 2015	December 31, 2014		June 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.

	June 30, 2015	December 31, 2014
	(Rupees)	

11. INVESTMENTS

The investments comprise of the following:

Held to maturity	11.1	80,447,415	80,801,294
Available for sale		159,521,652	148,906,572
Less: Provision for impairment		(3,021,429)	(2,595,676)
	11.2	156,500,223	146,310,896
Held for trading		419,351,651	357,755,446
		<u>656,299,289</u>	<u>584,867,636</u>

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2015

- 11.1 Pakistan Investment Bonds (PIB) amounting to Rs.32.537 million (December 31, 2014: 19.362 million) and GOP Ijara Sukuk for the face value of Rs 25.569 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 June 30, 2015 was Rs.159.987 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 June 30, 2015 and June 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>156,978,951</u>	<u>152,793,059</u>	<u>98,700,188</u>	<u>120,903,485</u>	<u>266,863,749</u>	<u>203,923,451</u>	<u>23,504,533</u>	<u>27,079,734</u>	<u>546,047,420</u>	<u>504,699,729</u>
Unallocated corporate assets									<u>1,154,702,873</u>	<u>1,012,752,009</u>
Consolidated corporate assets									<u>1,700,750,293</u>	<u>1,517,451,738</u>
SEGMENT LIABILITIES										
Segment liabilities	<u>259,465,998</u>	<u>255,031,206</u>	<u>163,138,705</u>	<u>201,803,418</u>	<u>441,091,425</u>	<u>340,374,388</u>	<u>38,849,967</u>	<u>45,199,548</u>	<u>902,546,096</u>	<u>842,408,561</u>
Unallocated corporate liabilities									<u>899,045</u>	<u>549,121</u>
Consolidated corporate liabilities									<u>903,445,141</u>	<u>842,957,682</u>
CAPITAL EXPENDITURE										
Unallocated capital expenditure									<u>2,778,067</u>	<u>10,504,913</u>
Consolidated capital expenditure									<u>2,778,067</u>	<u>10,504,913</u>
Unallocated depreciation/Amortization									<u>5,818,716</u>	<u>5,457,125</u>

	Net Premium		Assets		Liabilities		Capital Expenditures	
	2015	2014	2015	2014	2015	2014	2015	2014
LOCATION								
Sindh	<u>102,722,867</u>	<u>90,449,345</u>	<u>1,194,212,562</u>	<u>1,009,488,419</u>	<u>554,460,241</u>	<u>560,779,625</u>	<u>622,000</u>	<u>6,988,418</u>
Punjab	<u>53,696,372</u>	<u>45,441,545</u>	<u>503,488,697</u>	<u>507,164,682</u>	<u>347,956,465</u>	<u>281,734,407</u>	<u>673,067</u>	<u>3,510,966</u>
KPK	<u>323,552</u>	<u>71,557</u>	<u>3,049,034</u>	<u>798,637</u>	<u>129,390</u>	<u>443,650</u>	<u>1,483,000</u>	<u>5,529</u>
	<u>156,742,791</u>	<u>135,962,447</u>	<u>1,700,750,293</u>	<u>1,517,451,738</u>	<u>902,546,096</u>	<u>842,957,682</u>	<u>2,778,067</u>	<u>10,504,913</u>

	Quarter ended June 30		Six months ended June 30	
	2015	2014	2015	2014
(Rupees)				
13 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after tax	<u>92,259,092</u>	<u>39,414,882</u>	<u>57,588,327</u>	<u>14,456,631</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>1.99</u>	<u>0.85</u>	<u>1.24</u>	<u>0.31</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 27th August, 2015 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off to the nearest rupee.



Mohammad Omer Bawany
Director / Chairman



A. Aziz Ayoob
Director



Irfan Zakaria Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 27th August, 2015

Categories of Share Holding

as at June 30, 2015

S/R NO.	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	TOTAL SHARES HELD	PERCENTAGE %
1	Individuals	1214	25308898	54.55%
2	Directors, CEO & other Spouses & Minor Children	18	11838540	25.52%
3	Associated Companies, Undertaking & Related Parties	1	67247	0.14%
4	Investment Companies (IDBP-ICP Units)	6	617	0.00%
5	Insurance Companies	1	541	0.00%
6	Joint Stock Companies	21	8304949	17.90%
7	Financial Institutions	1	188	0.00%
8	Stock Exchange	1	1689	0.00%
9	Welfare Society	1	54873	0.12%
10	Charitable Trusts	1	33132	0.07%
11	Modaraba Management Companies	1	1	0.00%
12	Wakf Alal Aulad	2	495455	1.07%
13	Trade	1	558	0.00%
14	Federal Board of Revenue (FBR)	2	291068	0.63%
		1271	46397756	100.00%
<u>Shareholding more than 5%</u>				
	M/s. Irfan Ashfaq & Co.(Pvt) Limited	1	6787543	14.63%
	Mr. Irfan Zakaria Bawany	1	2868929	6.18%
	Mrs. Shehla Irfan	1	2775583	5.98%

Pattern of Shareholding Shareholders Statistics

as at June 30, 2015

"Form 34"

NUMBER OF SHARE HOLDERS	FROM	SHARE HOLDING	TO	TOTAL SHARES HELD
390	1	-	100	7,225
178	101	-	500	45,399
122	501	-	1000	82,790
273	1001	-	5000	622,569
94	5001	-	10000	670,526
41	10001	-	15000	507,882
28	15001	-	20000	482,910
16	20001	-	25000	351,511
9	25001	-	30000	253,789
9	30001	-	35000	287,909
5	35001	-	40000	192,267
6	40001	-	45000	256,336
4	45001	-	50000	188,833
9	50001	-	55000	474,779
2	55001	-	60000	112,924
3	60001	-	65000	188,045
5	65001	-	70000	340,755
2	70001	-	75000	144,714
2	75001	-	80000	156,416
2	85001	-	90000	177,539
2	90001	-	95000	184,181
5	95001	-	100000	491,553
2	100001	-	105000	206,747
1	105001	-	110000	108,290
2	110001	-	115000	228,063
1	115001	-	120000	118,945
1	120001	-	125000	121,918
2	125001	-	130000	258,042
1	130001	-	135000	133,486
1	135001	-	140000	135,942
1	150001	-	155000	152,500
3	165001	-	170000	499,717
2	170001	-	175000	343,837
1	180001	-	185000	181,056
2	185001	-	190000	374,517
1	190001	-	195000	193,763
2	195001	-	200000	392,933
2	200001	-	205000	402,036
1	205001	-	210000	205,756
1	210001	-	215000	210,503
2	215001	-	220000	438,659
1	255001	-	260000	255,755
1	275001	-	280000	277,603
2	290001	-	295000	581,394
1	310001	-	315000	312,181
3	345001	-	350000	1,040,828
1	360001	-	365000	361,177
1	385001	-	390000	388,291
1	410001	-	415000	413,191
1	430001	-	435000	430,211
1	460001	-	465000	463,831
1	465001	-	470000	467,210
1	505001	-	510000	508,902
1	530001	-	535000	532,879
1	565001	-	570000	569,214
1	620001	-	625000	620,495
1	655001	-	660000	658,029
1	660001	-	665000	662,512
1	700001	-	705000	703,776
1	790001	-	795000	793,831
1	830001	-	835000	831,356
1	865001	-	870000	866,631
1	940001	-	945000	943,673
1	1070001	-	1075000	1,072,465
1	1390001	-	1395000	1,391,586
1	1475001	-	1480000	1,477,343
1	1720001	-	1725000	1,722,033
1	1775001	-	1780000	1,775,767
1	1800001	-	1805000	1,803,090
1	1980001	-	1985000	1,983,340
1	1995001	-	2000000	1,999,922
1	2770001	-	2775000	2,774,135
1	6785001	-	6790000	6,787,543
<u>1271</u>				<u>46,397,756</u>

Offices

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181-A, Sindhi Muslim Co-operative
Housing Society,
Karachi.

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ric-re@cyber.net.pk
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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. Syed 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 Saleem 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
Manager (Internal Auditor)

Extension : 209

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Mr. Ghulam Rasool Farrukh Zahidi
Branch Manager

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Mrs. Shahnaz Akhtar
Branch Manager

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Minara Road, Sukkur.

Mr. Anees Memon
Resident Representative

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