

QUARTERLY REPORT

Serving
Reliably



Reliance Insurance Company Limited
Quarter Ended March 31, 2017 (Un-Audited)

www.jamapunji.pk














 **Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Online Quizzes
-  Stock trading simulator (based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

Contents

Financial Statements

02	Company Information
03	Director's Report
04	Director's Report in Urdu
06	Condensed Interim Balance Sheet
08	Condensed Interim Profit & Loss Account
09	Condensed Interim Statement of Comprehensive Income
10	Condensed Interim Statement of Changes in Equity
11	Condensed Interim Statement of Cash Flow
13	Condensed Interim Statement of Premiums
14	Condensed Interim Statement of Claims
15	Condensed Interim Statement of Expenses
16	Condensed Interim Statement of Investment Income
17	Notes to the Condensed Interim Financial Statements

Reliance Window Takaful Operations

21	Financial Statements Reliance Window Takaful Operations
22	Condensed Interim Balance Sheet
24	Condensed Interim Profit & Loss Account
25	Condensed Interim Statement of Comprehensive Income
26	Condensed Interim Statement of Changes In Fund
27	Condensed Interim Statement of Cash Flow
28	Condensed Interim Statement of Contribution
29	Condensed Interim Statement of Claims
30	Condensed Interim Statement of Expenses - Operators' Fund
31	Condensed Interim Statement of Expenses - Participants' Takaful Fund
32	Condensed Interim Statement of Investment Income
33	Notes to the Condensed Interim Financial Statements
39	Offices

Company Information



BOARD OF DIRECTORS

CHAIRMAN
ISMAIL H. ZAKARIA

DIRECTORS

A. AZIZ AYOOB
IRFAN ZAKARIA BAWANY
MUHAMMAD OMER BAWANY
ZOHAIK ZAKARIA
AHMED ALI BAWANY
NOOR M. ZAKARIA
HAMZAOMER BAWANY
MUHAMMAD IQBAL

CHIEF EXECUTIVE & MANAGING DIRECTOR

A. RAZAK AHMED

CHIEF ACCOUNTANT AND COMPANY SECRETARY

HAROON A. SHAKOOR

AUDIT COMMITTEE

MUHAMMAD OMER BAWANY	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

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CREDIT RATING

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

AUDITORS

KRESTON HYDER BHIMIJI & CO.
CHARTERED ACCOUNTANTS

LEGAL ADVISOR

ABDUL SATTAR PINGAR

BANKERS

HABIB BANK LIMITED
MCB BANK LIMITED
ALLIED BANK LIMITED
SONERI BANK 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

DIRECTOR'S REPORT

The Shareholders,
Reliance Insurance Company Limited,

Your Directors are pleased to present before you the First Quarter (Un-audited) Accounts for the period ended March 31, 2017.

During the period under review, your Company underwrote a Gross Premium of Rs.293.153 million as compared to Rs.271.605 million of the corresponding period of last year – an increase of 7.93%, and contribution of Rs.16.868 million for Window Takaful Operation - cumulative growth of 14.14%. The Net Premium Income stood at Rs.90.767 million as against Rs.83.304 million of last year showing an increase of 8.96% and contribution to Window Takaful Operation stood at Rs.7.703, thus cumulative increase works out to 18.20%,

Net claims incurred increased from Rs.18.470 to Rs.20.997 million compared to corresponding period of last year, showing an increase of 13.68%. Underwriting profit surged from Rs.21.549 million to Rs.23.426 million, showing an increase of 8.71%.

Investment income for the quarter stood at Rs.7.272 million compared to a loss of Rs. (8.032) million of the corresponding period of last year. Insurance sector Dividend Income and Capital gain is now subject to tax at normal corporate tax rate i.e., 31.00% as against previous lower tax regime, resulting in severe blow to the profitability of insurance sector.

Profit before tax for the period ended March 31, 2017 was Rs.19.129 million against Rs.1.923 million of corresponding period of last year. Earnings per share (EPS) stood at Re.0.23 compared to Loss per Share (LPS) of Re.0.06 for the corresponding period of last year. There is a profit of Rs.0.311 before tax from Window Takaful Operations Fund for the Quarter ending 31st March, 2017.

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 continue to concentrate on improving upon Law and Order situation in the Country.

By order of the Board



A. RAZAK AHMED
Chief Executive & Managing Director

Karachi: 29th April, 2017.

ڈائریکٹرز کا جائزہ

بنام حصص یافتگان

ڈائریکٹرز بمسرت کمپنی کے غیر آڈٹ شدہ حسابات پہلی سہ ماہی برائے مدت ختمہ 31 مارچ 2017 پیش کرتے ہیں۔ اس مدت کے دوران، آپ کی کمپنی نے مجموعی پریٹیم 293,153 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے مجموعی پریٹیم 271,605 ملین روپے کے مقابلے میں 7.93 فیصد اضافہ ہوا ہے اور ونڈو تکفل آپریشن کی شراکت 16,868 ملین روپے ہے اس طرح مجموعی اضافہ 14.14 فیصد ہے۔ جبکہ خالص پریٹیم آمدن 90,767 ملین روپے ہے جو کہ گزشتہ سال 83,304 ملین روپے کے مقابلے میں 8.96 فیصد اضافہ ظاہر کرتی ہے۔ اور ونڈو تکفل آپریشن کی شراکت 7,703 ملین روپے ہے اس طرح مجموعی اضافہ 18.20 فیصد ہے۔

نیٹ گلیز 18,470 ملین روپے سے بڑھ کر 20,997 ملین روپے ہوئے ہیں جو کہ گزشتہ سال کے مقابلے میں 13.68 فیصد اضافہ ظاہر کرتا ہے۔ انڈر رائٹنگ منافع 21,549 ملین روپے سے بڑھ کر 23,426 ملین روپے رہا جو کہ 8.71 فیصد اضافہ ظاہر کرتا ہے۔

مذکورہ مدت میں سرمایہ کاری کی آمدنی 7,272 ملین روپے رہی ہے جو کہ گزشتہ سال اسی مدت میں (8,032) ملین روپے کا نقصان ہوا تھا۔ انشورنس سیکر کی ڈیویڈنڈ آمدنی اور حاصلات سرمایہ (کپینٹل گین) اب عام کارپوریشن ٹیکس کی شرح میں ٹیکس سے مشروط ہے جو کہ پچھلے کم حکومتی (regime) ٹیکس کے برعکس 31 فیصد ہے جس کے نتیجے میں انشورنس سیکر کے منافع کو شدید دھچکا پہنچا ہے۔

31 مارچ 2017 کو ختم ہونے والی مدت کے لیے قبل از ٹیکس منافع 19,129 ملین روپے تھا جب کہ گزشتہ سال اسی مدت کے لیے 1,923 ملین روپے تھا۔ فی حصص آمدن 0.23 روپے ہے جو گزشتہ سال اسی مدت کے لیے (0.06) روپے نقصان میں تھی۔ 31 مارچ 2017 کو ختم ہونے والی مدت کے لیے ونڈو تکفل آپریشن فنڈ کا قبل از ٹیکس منافع 0.311 ملین روپے رہا۔

آپ کی مینجمنٹ اس کارکردگی کو بہتر بنانے کی بھرپور کوشش کرتی رہے گی اس امید کہ ساتھ کہ حکومت ترجیحی بنیادوں پر توانائی کے تحران سے نمٹے گی اور آگے آنے والے چیلنجز کا سامنا کرنے کے لیے اقتصادی سرگرمیوں کو فروغ دینے کی پالیسیاں نافذ کرے گی اور ملک میں امن و امان کی صورتحال پر بہتر بنانے پر توجہ مرکوز رکھے گی

محکم یورڈ

اسے رزاق احمد

چیف ایگزیکٹو اور مینجنگ ڈائریکٹر

کراچی: 29 اپریل 2017



Reliance Insurance Company Limited underwrites all classes of General Insurance and enjoys reputation second to none. Apart from the traditional covers such as Fire and Allied perils, Accident, Motor, Marine (Import and Exports), Loss of Profits, personal Accident, Group Hospitalization, Workmen's Compensation, Burglary, Fidelity Guarantee, Public Liability, Products Liability, Cash-in-Safe or in Transit etc.

RICL also transact non-traditional covers such as Machinery Breakdown and Loss of Profits following Machinery Breakdown, Contractors All Risks, Erection All Risks, Bonds, Aviation Hull and Liabilities, Terrorism Insurance and the like.

Takaful Reliance Insurance has also commenced **Window Takaful Operations. Reliance Takaful** offering a wide range of Shariah Compliant General Takaful Products such as Fire & Property Takaful, Marine Cargo Takaful, Motor Takaful (Private/Commercial Vehicles), Engineering Takaful, Terrorism & Political Violence Takaful and Miscellaneous Accident Takaful.

Condensed Interim Balance Sheet (Un Audited)

As at March 31, 2017

	Notes	(Un Audited) March 31, 2017 (Rupees)	(Audited) Dec 31, 2016
SHARE CAPITAL AND RESERVES			
Authorised share capital (75,000,000 Ordinary Shares of Rs.10/-- each)		750,000,000	750,000,000
Paid-up share capital	9	510,375,320	510,375,320
Retained earnings		145,029,893	133,150,360
Reserves		220,000,000	220,000,000
		875,405,213	863,525,680
UNDERWRITING PROVISIONS			
Provision for outstanding claims (including IBNR)		212,823,799	220,507,963
Provision for unearned premium		526,961,572	527,368,394
Commission income unearned		34,083,917	34,712,441
Total Underwriting Provisions		773,869,288	782,588,798
CREDITORS AND ACCRUALS			
Amounts due to other insurers/reinsurers		98,802,148	71,401,782
Accrued expenses		2,353,790	3,779,536
Taxation - provision less payments		11,521,037	7,591,756
Other Creditors and Accruals		64,581,516	76,047,677
		177,258,491	158,820,751
OTHER LIABILITIES			
Unclaimed dividend		1,665,878	1,665,878
Total liabilities of window takaful operations - Operator's Fund		6,476,924	4,876,703
TOTAL EQUITY AND LIABILITIES		1,834,675,794	1,811,477,810
CONTINGENCIES AND COMMITMENTS			
	10		

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

Condensed Interim Balance Sheet (Un Audited)

As at March 31, 2017

FORM GA

	Notes	(Un Audited) March 31, 2017 (Rupees)	(Audited) Dec 31, 2016
CASH AND BANK DEPOSITS			
Cash and other equivalent		499,811	403,974
Current and other accounts		108,816,765	119,835,079
Deposit maturing within 12 months		26,476,181	26,719,457
		135,792,757	146,958,510
LOANS (SECURED)			
To employees		1,500,200	997,775
INVESTMENTS			
	11	749,975,413	751,662,862
CURRENT ASSETS-OTHERS			
Premiums due but unpaid		206,050,681	165,903,439
Amounts due from other insurers/reinsurers		908,903	2,781,333
Accrued investment income		3,857,557	1,436,343
Reinsurance recoveries against outstanding claims		166,348,622	172,078,362
Deferred commission expense		61,212,022	61,298,491
Prepaid reinsurance premium ceded		362,317,318	364,533,433
Trade deposits and prepayments		2,290,540	1,664,515
Sundry receivables		1,750,955	1,749,854
		804,736,598	771,445,770
FIXED ASSETS			
Tangible			
Land and buildings		8,086,685	8,294,036
Furniture, fixtures and office equipment		6,654,679	6,876,059
Motor vehicles		72,676,181	71,900,994
		87,417,545	87,071,089
Total assets of window takaful operations - Operator's Fund		55,253,281	53,341,804
TOTAL ASSETS		1,834,675,794	1,811,477,810


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Profit & Loss Account (Un Audited)

Financial Period Ended March 31, 2017

FORM GB

	Fire & Property	Marine Aviation & Transport	Motor	Misc.	2017 Aggregate	2016 Aggregate
	(Rupees)					
Revenue Account						
Net Premium Revenue	29,559,535	26,811,938	31,384,369	3,011,961	90,767,803	83,304,402
Net Claims	(1,036,173)	(7,274,736)	(12,491,032)	(195,000)	(20,996,941)	(18,470,494)
Expenses	(9,502,887)	(8,619,581)	(10,089,540)	(968,295)	(29,180,303)	(28,311,889)
Net Commission	(8,193,936)	(5,910,044)	(3,110,232)	49,786	(17,164,426)	(14,972,741)
	<u>10,826,539</u>	<u>5,007,577</u>	<u>5,693,565</u>	<u>1,898,452</u>	<u>23,426,133</u>	<u>21,549,278</u>
Underwriting result						
Investment Income / (loss)					7,272,428	(8,032,167)
Other Income (Profit on Sale of Fixed Assets)					589,298	175,490
General and administration expenses					(12,469,582)	(11,769,013)
Profit before tax from window takaful operations-Operator,s fund					<u>311,256</u>	-
Profit before tax					<u>19,129,533</u>	1,923,588
Provision for Taxation :Current					<u>(7,250,000)</u>	(5,300,000)
Profit after tax					<u>11,879,533</u>	<u>(3,376,412)</u>
Profit and Loss Appropriation Account						
Balance at Commencement of year					133,150,360	122,057,137
Profit / (loss) after tax for the period					11,879,533	(3,376,412)
Balance Unappropriated profit at the end of period					<u>145,029,893</u>	<u>118,680,725</u>
Earning per Share - Basic and Diluted (Note 13)					<u>0.23</u>	<u>(0.06)</u>

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


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Comprehensive Income (Un Audited)

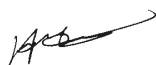
Financial Period Ended March 31, 2017

	Quarter ended March 31	
	2017	2016
	(Rupees)	
Profit / (Loss) after tax	11,879,533	(3,376,412)
Other comprehensive income	-	-
Total comprehensive income / (Loss) for the period	11,879,533	(3,376,412)

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



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Statement of Changes in Equity (Un Audited)

Financial Period Ended March 31, 2017

	Share capital	General reserves	Unappropriated profit	Total
	(Rupees)			
Balance as at January 01, 2016	463,977,560	200,000,000	122,057,137	786,034,697
Total comprehensive loss for the period			(3,376,412)	(3,376,412)
	-	-		-
Balance as at March 31, 2016	<u>463,977,560</u>	<u>200,000,000</u>	<u>118,680,725</u>	<u>782,658,285</u>
Balance as at January 01, 2017	510,375,320	220,000,000	133,150,360	863,525,680
Total comprehensive income for the period	-	-	11,879,533	11,879,533
Balance as at March 31, 2017	<u>510,375,320</u>	<u>220,000,000</u>	<u>145,029,893</u>	<u>875,405,213</u>

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



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Cash Flows (Un Audited)

Financial Period Ended March 31, 2017

	January to March	
	2017	2016
	(Rupees)	
Operating Cash Flow		
a) Underwriting activities		
Premium received	252,441,496	274,238,620
Reinsurance premium paid	(171,303,366)	(168,646,745)
Claims paid	(52,346,646)	(63,883,140)
Reinsurance and other recoveries received	29,395,281	39,731,077
Commission paid	(36,283,157)	(30,112,349)
Commission received	19,141,198	16,669,124
Net cash flow from underwriting activities	41,044,806	67,996,587
b) Other operating activities		
Income tax paid	(3,320,719)	(1,156,939)
General management expenses paid	(29,180,303)	(28,311,889)
Other operating payments	(9,247,440)	(8,793,133)
Loans advanced / repayment received	(502,425)	90,275
Other payments on operating assets	(12,891,907)	(25,040,483)
Other receipts in respect of operating assets	(627,128)	(52,686)
Net cash flow from other operating activities	(55,769,922)	(63,264,855)
Total cash flow all operating activities	(14,725,116)	4,731,732
Investment activities		
Interest / Dividend received	7,885,075	8,363,775
Payments for Investments	(10,773,779)	(131,045,331)
Proceeds from disposal of investments	9,427,367	126,698,199
Fixed Capital Expenditures	(3,747,000)	(3,041,644)
Proceeds from disposal of fixed assets	767,700	354,000
Total cash flow from Investing activities	3,559,363	1,328,999

Condensed Interim Statement of Cash Flows (Un Audited)

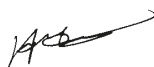
Financial Period Ended March 31, 2017

	January to March	
	2017	2016
	(Rupees)	
Financing activities		
Unclaimed Dividend paid	-	(243)
Total cash flow from financing activities	-	(243)
Net cash Inflow/outflow from all activities	(11,165,753)	6,060,488
Cash & cash equivalent at the beginning of the year	146,958,510	133,927,161
Cash & cash equivalent at the end of the period	135,792,757	139,987,649
Reconciliation to profit and loss Account		
Operating cash flow	(14,725,116)	4,731,732
Depreciation expense	(3,222,142)	(2,975,880)
Profit/(loss) on disposal of fixed assets	589,298	175,490
Increase/(decrease) in assets other than cash	31,372,039	(36,404,815)
(Increase)/decrease in liabilities other than running finance	(9,718,230)	39,129,228
Investment Income	7,272,428	(8,032,167)
Profit before tax from takaful operations-Operators'fund	311,256	-
Profit after tax as per profit & loss account.	11,879,533	(3,376,412)
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	499,811	1,508,909
Current and other account	108,816,765	112,016,382
Deposits Maturing Within 12 Month	26,476,181	26,462,358
	135,792,757	139,987,649
	135,792,757	139,987,649

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



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Premiums (Un Audited)

Financial Period Ended March 31, 2017

Business underwritten inside Pakistan.

FORM GD

Class	Premium written		Unearned Premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium ceded		Reinsurance expenses	2017 Net Premium revenue	2016 Net Premium revenue
	Opening	Closing	Opening	Closing			Opening	Closing			
	Rupees										
Direct and facultative											
Fire and Property Damage	79,136,505	175,693,171	176,010,925		78,818,751	47,692,813	111,979,460	110,413,057	49,259,216	29,559,535	26,973,567
Marine, Aviation and Transport	172,872,930	251,051,958	250,396,354		173,528,534	145,903,930	241,216,834	240,404,168	146,716,596	26,811,938	16,262,093
Motor	31,986,062	85,909,234	85,862,358		32,032,938	728,438	1,310,290	1,390,159	648,569	31,384,369	37,276,215
Miscellaneous	9,157,761	14,714,031	14,691,935		9,179,857	6,250,981	10,026,849	10,109,934	6,167,896	3,011,961	2,792,527
Grand Total	293,153,258	527,368,394	526,961,572		293,560,080	200,576,162	364,533,433	362,317,318	202,792,277	90,767,803	83,304,402

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


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Claims (Un Audited)

Financial Period Ended March 31, 2017

Business underwritten inside Pakistan.

FORM GE

Class	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	2017 Net Claims expenses	2016 Net Claims expenses
		Opening	Closing			Opening	Closing			
		Rupees								
Direct and facultative										
Fire and Property Damage	27,068,717	107,374,419	97,811,639	17,505,937	22,134,189	92,237,760	86,573,335	16,469,764	1,036,173	3,323,595
Marine, Aviation and Transport	9,602,445	86,294,663	90,822,740	14,130,522	5,152,395	74,492,121	76,195,512	6,855,786	7,274,736	2,187,656
Motor	14,106,465	23,975,092	22,407,659	12,539,032	853,000	3,275,896	2,470,896	48,000	12,491,032	12,910,089
Miscellaneous	1,569,019	2,863,789	1,781,761	486,991	1,255,697	2,072,585	1,108,879	291,991	195,000	49,154
Grand Total	52,346,646	220,507,963	212,823,799	44,662,482	29,395,281	172,078,362	166,348,622	23,665,541	20,996,941	18,470,494

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


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Expenses (Un Audited)

Financial Period Ended March 31, 2017

Business underwritten inside Pakistan

FORM GF

Class	Commissions paid or payable	Opening Deferred commission	Closing Deferred commission	Net commission Expense	Other Management Expenses	Underwriting Expenses	Commission from reinsurers	2017 Net underwriting expense	2016 Net underwriting expense
	a	b	c	d=a+b-c	c	f=d+e	g	h=f-g	
Direct and facultative									
Fire and Property Damage	20,425,989	45,351,626	45,439,531	20,338,084	9,502,887	29,840,971	12,144,148	17,696,823	17,116,219
Marine, Aviation and Transport	11,552,265	4,678,322	4,510,031	11,720,556	8,619,581	20,340,137	5,810,512	14,529,625	8,878,576
Motor	3,105,544	8,590,923	8,586,235	3,110,232	10,089,540	13,199,772	-	13,199,772	16,386,620
Miscellaneous	1,763,881	2,677,620	2,676,225	1,765,276	968,295	2,733,571	1,815,062	918,509	903,215
Grand Total	36,847,679	61,298,491	61,212,022	36,934,148	29,180,303	66,114,451	19,769,722	46,344,729	43,284,630

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


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Investment Income (Un Audited)

Financial Period Ended March 31, 2017

FORM GG

	2017	2016
	(Rupees)	
Income from Non-Trading Investments		
Held to maturity		
Return on Government Securities	24,341	1,677,531
Return on other fixed income, securities and deposits	438,209	444,385
	-	
	462,550	2,121,916
Available for sale		
Dividend Income	1,670,750	364,900
Gain on sale of Available for sale investment	-	4,381,532
(Impairment)/Impairment reversal	(1,849,546)	(1,324,734)
	(178,796)	3,421,698
Income from Trading Investments		
Held for Trading		
Dividend Income	8,172,989	10,844,706
Gain on sale of Investments	1,117,100	-
Unrealized gain on held for trading Investments	(2,299,515)	(24,418,795)
	6,990,574	(13,574,089)
less: Investment related expenses	(1,900)	(1,692)
Net Investment Income transferred to P&L A/c.	7,272,428	(8,032,167)

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



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Notes to the Condensed Interim Financial Statements (Un Audited)

Financial Period Ended March 31, 2017

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 Pakistan Stock Exchanges Limited. The registered office of the Company is situated at 96-A, Sindhi Muslim Co-operative Housing Society, Karachi. JCR-VIS Credit Rating Company Limited has assessed the Insurer Financial Strength (IFS) rating of the Company as 'A' (Single A). Outlook on the assigned rating is 'Positive'.

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, 2016.

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, 2016.

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, 2016.

6. TAXATION

The provision for taxation for the period ended March 31, 2017 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)

Financial Period Ended March 31, 2017

	March 31, 2017	March 31, 2016
	(Rupees)	
Premium underwritten	5,474,160	5,395,553
Premium collected	14,537,885	20,541,961
Claims paid	263,788	13,226,902
Premium due but unpaid	40,963,398	40,945,325
Provision for outstanding claims	7,248,095	11,360,419
Key management personnel	6,962,536	5,927,061
Staff retirement benefits	712,717	623,138

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

March 31, 2017	December 31, 2016		March 31, 2017	December 31, 2016
(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
49,880,852	49,880,852	Ordinary shares of Rs.10 each issued as fully paid bonus shares	498,808,520	498,808,520
<u>51,037,532</u>	<u>51,037,532</u>		<u>510,375,320</u>	<u>510,375,320</u>

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

- In previous year, the 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. During the year, the Commissioner Inland Revenue (Appeals) has annulled all the assessments under section 122(5A) in which dividend was taxed at corporate rate. The Commissioner of Inland Revenue has filed an appeal in Appellate Tribunal, Inland Revenue against the order passed by the Commissioner Inland Revenue (Appeals) which is pending adjudication. 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 favour.
- An aviation claim has been reported on November 3, 2015. Investigations are underway and loss adjustors have not yet established liability. Should this loss be considered payable at any later stage, a maximum gross reserve of Rs. 550.000 million would arise. The impact on the Company's net account would be Rs. 2.500 million and the rest would be recoverable under fronting arrangements as per agreed terms.

Notes to the Condensed Interim Financial Statements (Un Audited)

Financial Period Ended March 31, 2017

	Note	March 31, 2017	December 31, 2016
(Rupees)			

10.2 Commitments

There are no commitments as at the balance sheet date.

11. INVESTMENTS

The investments comprise of the following:

Held to maturity	11.1	70,416,667	70,833,333
Available for sale		284,503,848	273,731,970
Less: Provision for impairment		(7,204,057)	(5,354,511)
	11.2	277,299,791	268,377,459
Held for trading		402,258,955	412,452,070
		749,975,413	751,662,862

11.1 Government of Pakistan Ijara Sukuk Bonds (GOPI) having face value amounted to Rs. 55 million and market value amounted to Rs. 55.51 million (December 31, 2016: Rs. 55 million and market value amounted to Rs. 55.51 million) are placed with State Bank of Pakistan under section 29 of Insurance Ordinance, 2000.

11.2 Market value of investments in shares and securities (AFS) as at March 31, 2017 was Rs. 294.726 million (December 31, 2016: Rs. 285.286 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 March 31, 2017 and March 31, 2016, unallocated capital expenditure and non-cash expenses during the years:

	Fire & property		Marine		Motor		Misc		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
In Rupees										
SEGMENT ASSETS										
Segment assets	142,822,457	165,241,960	129,546,925	99,622,720	151,639,485	228,356,703	14,552,856	17,107,216	438,561,723	510,328,599
Unallocated corporate assets									1,396,114,071	1,213,726,910
Consolidated corporate assets									1,834,675,794	1,724,055,509
SEGMENT LIABILITIES										
Segment liabilities	309,745,239	304,415,158	280,954,019	183,528,846	328,867,111	420,687,590	31,561,410	31,515,577	951,127,779	940,147,171
Unallocated corporate liabilities									8,142,802	1,250,053
Consolidated corporate liabilities									959,270,581	941,397,224
CAPITAL EXPENDITURE										
Unallocated capital expenditure									3,747,000	3,041,544
Consolidated capital expenditure									3,747,000	3,041,544
Unallocated depreciation									3,222,142	2,975,880
									3,222,142	2,975,880

Notes to the Condensed Interim Financial Statements (Un Audited)

Financial Period Ended March 31, 2017

	March 31, 2017	March 31, 2016
	(Rupees)	
13. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax	11,879,533	(3,376,412)
Weighted average number of shares during the period	51,037,532	51,037,532
Earnings per share - Rupees	0.23	(0.06)

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 29th April 2017 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off to the nearest rupee.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

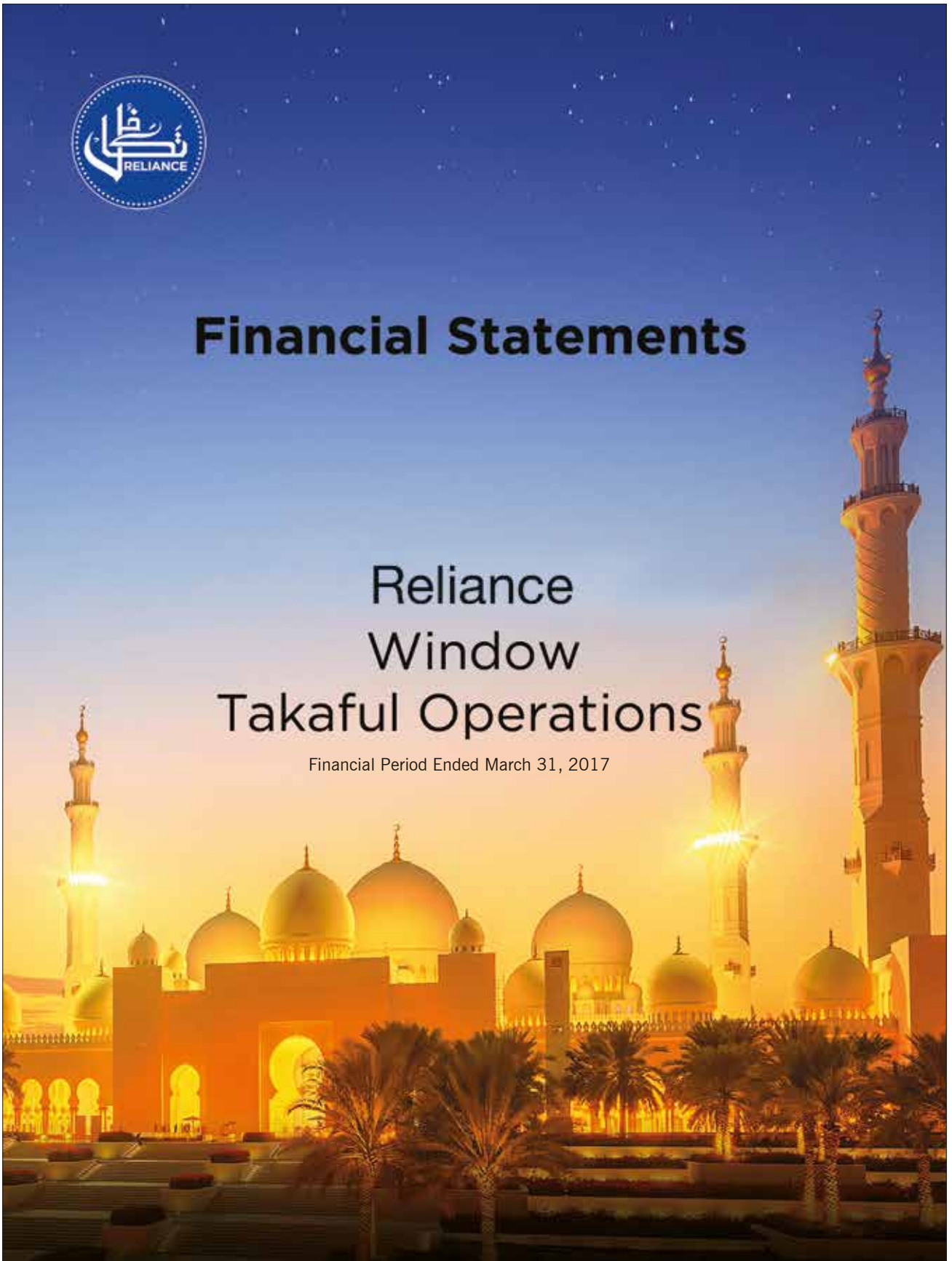
Karachi: 29th April, 2017



Financial Statements

Reliance Window Takaful Operations

Financial Period Ended March 31, 2017



Condensed Interim Balance Sheet (Un Audited)

As at March 31, 2017

	31st March 2017(UnAudited)			(Audited) Dec. 31.2016 Aggregate
	Operator's Fund	Participants' Takaful Fund	Aggregate	
	(Rupees)			
FUND AND LIABILITIES				
OPERATOR'S FUND				
Statutory Fund	50,000,000	-	50,000,000	50,000,000
Accumulated Loss	(1,223,643)	-	(1,223,643)	(1,534,899)
	48,776,357	-	48,776,357	48,465,101
WAQF/PATICIPANTS' TAKAFUL FUND				
Ceded Money	-	500,000	500,000	500,000
Accumulated Surplus	-	5,744,443	5,744,443	3,971,191
	-	6,244,443	6,244,443	4,471,191
Underwriting reserves				
Provision for outstanding claims (including IBNR)	-	5,270,000	5,270,000	2,200,000
Provision for unearned contribution	-	8,819,155	8,819,155	6,902,482
Unearned rebate from re-takaful operator	-	709,186	709,186	493,796
Total Underwriting Provisions	-	14,798,341	14,798,341	9,596,278
Creditors and accruals				
Amounts due to other other takaful /re-takaful operators	-	14,812,054	14,812,054	8,055,350
Unearned wakala fees	2,892,373	-	2,892,373	2,235,153
Accrued expenses	-	-	-	375,000
wakala and mudarib fees payable	-	5,834,618	5,834,618	30,900
Other Creditors and Accruals	3,584,551	427,903	4,012,454	2,271,953
	6,476,924	21,074,575	27,551,499	12,968,356
TOTAL LIABILITIES	6,476,924	35,872,916	42,349,840	22,564,634
TOTAL FUND AND LIABILITIES	55,253,281	42,117,359	97,370,640	75,500,926

CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 9 form an integral part of these financial statements.

Condensed Interim Balance Sheet (Un Audited)

As at March 31, 2017

	31st March 2017(UnAudited)			(Audited) Dec. 31,2016 Aggregate
	Operator's Fund	Participants' Takaful Fund	Aggregate	

(Rupees)

ASSTES

Cash and other equivalent	-	54,144	54,144	36,106
Saving accounts	37,583,881	12,079,554	49,663,435	44,854,990
	37,583,881	12,133,698	49,717,579	44,891,096

INVESTMENTS

	10,000,000	-	10,000,000	10,000,000
--	------------	---	------------	------------

Current assets-others

Contribution due but unpaid	-	18,448,147	18,448,147	9,857,736
Amounts due from other other takaful /re-takaful operators	-	1,681,157	1,681,157	1,828,061
Accrued investment income	158,908	-	158,908	206,654
Re-takaful recoveries against outstanding claims	-	2,802,500	2,802,500	2,045,500
Deferred wakala fees	-	2,892,373	2,892,373	2,235,153
Deferred commission expense	1,393,284	-	1,393,284	1,037,485
Prepaid re-takaful contribution ceded	-	4,159,484	4,159,484	3,150,427
wakala and mudarib fees receivable	5,834,618	-	5,834,618	30,900
Taxation	282,590	-	282,590	217,914
	7,669,400	29,983,661	37,653,061	20,609,830

TOTAL ASSETS

	55,253,281	42,117,359	97,370,640	75,500,926
--	------------	------------	------------	------------


Ismail H. Zakaria
Chairman


A. Aziz Ayooob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Profit & Loss Account (Un Audited)

Financial Period Ended March 31, 2017

	Fire & Property	Marine Aviation & Transport	Motor	Misc.	2017 Aggregate
	(Rupees)				
Participants' Takaful Fund-revenue account					
Net Contribution Revenue	527,904	5,735,899	1,439,610	-	7,703,413
Wakala expense	(500,551)	(3,999,528)	(628,270)	-	(5,128,349)
Direct expense	(1,072)	(15,042)	(4,757)	-	(20,871)
Net Claims		(2,283,000)	(77,982)		(2,360,982)
Rebate from re-takaful operations	207,516	1,309,005	-		1,516,521
Underwriting result	233,797	747,334	728,601	-	1,709,732
Investment Income					90,743
Modarib,s Shares					(27,223)
Surplus for the period					1,773,252
Accumulated surplus					
Balance at the beginning for the period					3,971,191
Surplus for the period					1,773,252
Balance at the end of the period					5,744,443
Opertor's Fund-revenue account					
Wakala fee	500,551	3,999,528	628,270	-	5,128,349
Commission expenses	(279,653)	(2,276,066)	(203,601)		(2,759,320)
Management expenses	(133,176)	(1,869,012)	(591,073)		(2,593,261)
	87,722	(145,550)	(166,404)	-	(224,232)
Investment Income					508,265
Modarib's share of PTF Investment					27,223
Profit for the period					311,256
Accumulated Profit/(loss)					
Balance at the beginning for the period					(1,534,899)
Profit for the period					311,256
Balance at the end of the period					(1,223,643)

The annexed notes from 1 to 9 form an integral part of these financial statements.



Ismail H. Zakaria
Chairman



A. Aziz Ayooob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Reliance Insurance Company Limited
Window Takaful Operations

Condensed Interim Statement of Comprehensive Income (Un Audited)

Financial Period Ended March 31, 2017

	2017
	(Rupees)

OPERATOR'S FUND

Profit for the period	311,256
Other comprehensive income	-
Total comprehensive profit for the period	<u>311,256</u>

The annexed notes from 1 to 9 form an integral part of these financial statements.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Changes In Fund (Un Audited)

Financial Period Ended March 31, 2017

	Operator's Fund		
	Statutory Fund	Accumulated (loss) (Rupees)	Total
Contribution made during the period	50,000,000	(1,534,899)	48,465,101
Profit for the period	-	311,256	311,256
Balance as at March 31, 2017	<u>50,000,000</u>	<u>(1,223,643)</u>	<u>48,776,357</u>

	Participants' Takaful Fund		
	Ceded Money	Accumulated surplus (Rupees)	Total
Ceded money	500,000	3,971,191	4,471,191
surplus for the period	-	1,773,252	1,773,252
Balance as at March 31, 2017	<u>500,000</u>	<u>5,744,443</u>	<u>6,244,443</u>

The annexed notes from 1 to 9 form an integral part of these financial statements.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Reliance Insurance Company Limited
Window Takaful Operations

Condensed Interim Statement of Cash Flow (Unaudited)

Financial Period Ended March 31, 2017

	Operator's Fund	Participants' Takaful Fund	Aggregate
	(Rupees)		
Operating Cash Flow			
a) Takaful activities			
Contribution received		11,379,502	11,379,502
Re-takaful Contributions paid		(216,781)	(216,781)
Claims paid		(47,982)	(47,982)
Commission paid	(1,811,744)	-	(1,811,744)
Net cash flow from takaful activities	(1,811,744)	11,114,739	9,302,995
b) Other operating activities			
Income tax paid	(64,676)	-	(64,676)
General management expenses paid	(2,593,261)	(20,871)	(2,614,132)
Other payments on operating assets	(360,374)	(2,093,158)	(2,453,532)
Other receipts in respect of operating assets	9,074		9,074
Net cash flow from other operating activities	(3,009,237)	(2,114,029)	(5,123,266)
Total cash flow all operating activities	(4,820,981)	9,000,710	4,179,729
Investment activities			
Interest / Dividend received	556,011	90,743	646,754
Payments for Investments			-
Total cash flow from Investing activities	556,011	90,743	646,754
Total cash flow from financing activities			
	-	-	-
Net cash Inflow/outflow from all activities	(4,264,970)	9,091,453	4,826,483
Cash & cash equivalent at the beginning of the year	41,848,851	3,042,245	44,891,096
Cash & cash equivalent at the end of the period	37,583,881	12,133,698	49,717,579
Reconciliation to profit and loss Account			
Operating cash flow	(4,820,981)	9,000,710	4,179,729
Increase/(decrease) in assets other than cash	6,224,193	10,866,784	17,090,977
(Increase)/decrease in liabilities other than running finance	(1,600,221)	(18,184,985)	(19,785,206)
Investment Income	508,265	90,743	599,008
Profit after tax as per profit & loss account.	311,256	1,773,252	2,084,508

The annexed notes from 1 to 9 form an integral part of these financial statements.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Contribution (Un Audited)

Financial Period Ended March 31, 2017

Business underwritten inside Pakistan.

Class	Contributions written		Unearned Contribution reserve		Contributions earned	Re-takaful Contribution ceded	Prepaid re-takaful Contribution ceded		Re-takaful expense	2017 Net Contribution revenue
	Opening	Closing	Opening	Closing			Opening	Closing		
	Rupees									
Direct and facultative										
Fire and Property Damage	1,725,297	2,296,689	2,591,838	1,430,148	1,154,219	1,261,765	1,513,740	902,244	527,904	
Marine, Aviation and Transport	12,776,424	1,168,781	2,517,981	11,427,224	6,375,832	639,882	1,324,389	5,691,325	5,735,899	
Motor	2,366,559	3,082,456	3,354,780	2,094,235	727,200	986,374	1,058,949	654,625	1,439,610	
Miscellaneous	-	354,556	354,556	-	-	262,406	262,406	-	-	
Grand Total	16,868,280	6,902,482	8,819,155	14,951,607	8,257,251	3,150,427	4,159,484	7,248,194	7,703,413	

The annexed notes from 1 to 9 form an integral part of these financial statements.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Claims (Un Audited)

Financial Period Ended March 31, 2017

Business underwritten inside Pakistan.

Class	Claims paid	Provision for Outstanding Claims		Claims expenses	Re-takaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Re-takaful and other recoveries revenue	2017 Net claims expense
		Opening	Closing			Opening	Closing		
Direct and facultative									
Fire and Property Damage		-	-	-	-	-	-	-	-
Marine, Aviation and Transport	-	2,175,000	5,215,000	3,040,000	-	2,045,500	2,802,500	757,000	2,283,000
Motor	47,982	25,000	55,000	77,982	-	-	-	-	77,982
Miscellaneous	-	-	-	-	-	-	-	-	-
Grand Total	47,982	2,200,000	5,270,000	3,117,982	-	2,045,500	2,802,500	757,000	2,360,982

The annexed notes from 1 to 9 form an integral part of these financial statements.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Expenses - Operators' Fund (Un Audited)

Financial Period Ended March 31, 2017

Business underwritten inside Pakistan.

Class	Commissions Paid or payable	Deferred commission		Net commission expense	Management expenses	2017 Net OPF expenses
		Opening	Closing			
		Rupees				
Direct and facultative						
Fire and Property Damage	338,380	451,164	509,891	279,653	133,176	412,829
Marine, Aviation and Transport	2,545,906	233,756	503,596	2,276,066	1,869,012	4,145,078
Motor	230,833	308,246	335,478	203,601	591,073	794,674
Miscellaneous	-	44,319	44,319	-	-	-
Grand Total	3,115,119	1,037,485	1,393,284	2,759,320	2,593,261	5,352,581

The annexed notes from 1 to 9 form an integral part of these financial statements.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Expenses - Participants' Takaful Fund (Un Audited)

Financial Period Ended March 31, 2017

Business underwritten inside Pakistan.

Class	Gross wakala fee	Deferred wakala fee		Net expense	PTF Direct expenses	Rebate from retakaful operators	2017 Net PTF expenses
		Opening	Closing				
		Rupees					
Direct and facultative							
Fire and Property Damage	603,853	803,841	907,143	500,551	1,072	207,516	294,107
Marine, Aviation and Transport	4,471,748	409,073	881,293	3,999,528	15,042	1,309,005	2,705,565
Motor	709,968	924,736	1,006,434	628,270	4,757	-	633,027
Miscellaneous	-	97,503	97,503	-	-	-	-
Grand Total	5,785,569	2,235,153	2,892,373	5,128,349	20,871	1,516,521	3,632,699

The annexed notes from 1 to 9 form an integral part of these financial statements.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

Condensed Interim Statement of Investment Income (Un Audited)

Financial Period Ended March 31, 2017

	2017
	(Rupees)

Participants' Takaful Fund

Profit on bank deposits	90,743
Investment Income	<u>90,743</u>

Operator's Fund-OPF

Profit on bank deposits	508,265
Investment Income	<u>508,265</u>

The annexed notes from 1 to 9 form an integral part of these financial statements.



Ismail H. Zakaria
Chairman

Karachi: 29th April, 2017



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Notes to the Condensed Interim Financial Information (Un Audited)

Financial Period Ended March 31, 2017

1. STATUS AND NATURE OF BUSINESS

Reliance Insurance Company Limited (the Operator) has been allowed to undertake Window Takaful Operations (WTO) on May 25, 2016 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on May 30, 2016 under the Waqf deed with a Cede money of Rs. 500,000. The Waqf deed and PTF policies (Waqf Rules) which govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund are approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of Waqf remain separately identifiable. The condensed interim financial information of the Operator are prepared such that the financial position and results from the operations of Waqf and the Operator are shown separately.

2. BASIS OF PRESENTATION

This condensed interim financial information have been prepared in accordance with the format of financial statements prescribed by the Securities and Exchange Commission of Pakistan (SECP) under Securities and Exchange Commission (Insurance) Rules, 2002 issued vide SRO 938 dated December 12, 2002 and Takaful Rules, 2012 read with Circular No. 25 of 2015 dated July 9, 2015.

This condensed interim financial information reflect the financial position and results of operations of both the Operator and PTF in a manner that the assets, liabilities, revenue and expenses of the Operator and PTF remain separately identifiable.

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.

2.1 Statement of compliance

This condensed interim financial information for the period from May 25, 2016 to March 31, 2017 has been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the Securities and Exchange Commission (Insurance) Rules, 2002 and Takaful Rules, 2012.

In case where the requirements differ, the provisions or directives of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the Securities and Exchange Commission (Insurance) Rules, 2002 and Takaful Rules, 2012 has been followed.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention.

This condensed interim financial information has been prepared under the accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

This condensed interim financial information is prepared and presented in Pakistani Rupees, which is the functional and presentation currency of the Operator.

2.4 Use of estimates and judgments

The preparation of this condensed interim financial information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Operator's accounting policies. The estimates / judgements and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Condensed Interim Financial Information (Un Audited)

Financial Period Ended March 31, 2017

The estimates / judgements and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to this condensed interim financial information, or judgements were exercised in application of accounting policies are as follows:

- Classification of Takaful Contracts
- Provision for unearned contribution
- Provision for outstanding claims including IBNR
- Contribution deficiency reserve
- Provision for current and deferred tax
- Provisions

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of this condensed interim financial information are set out below:

3.1 Contribution

Contribution income net off administrative surcharge under a policy is recognised over the period of takaful from the date of inception of the policy to which it relates to its expiry as follows:

Administrative surcharge is recognised as income at the time policies are written in PTF.

Contribution income net off administrative surcharge under a policy is recognised after taking into account the unearned portion of contribution by applying 1/24th method as prescribed by the Securities and Exchange Commission (Insurance) Rules, 2002. The unearned portion of contribution is recognised as liability.

Contribution due but unpaid under takaful contracts are recognised when due, at the Fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Operator reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss.

3.2 Re-takaful contracts

Re-takaful expense is recognised evenly in the period of indemnity. The portion of retakaful contribution not recognised as an expense is shown as a prepayment which is calculated in the same manner as of unearned contribution.

Rebate from retakaful operators is recognised at the time of issuance of the underlying takaful policy by the Operator. This income is deferred and brought to account as revenue in accordance with the pattern of recognition of the retakaful contribution to which it relates. Receivable against claims from the retakaful operators are recognised as an asset at the same time as the claims which gives rise to the right of recovery are recognised as a liability and are measured at the amount expected to be recovered after considering an impairment in relation thereto.

Amount due from other takaful / re-takaful operators are carried at cost less provision for impairment, if any. Cost represents the fair value of consideration to be received in the future.

Amount due to takaful / re-takaful companies represent the balance due to re-takaful companies.

Re-takaful assets or liabilities are derecognised when the contractual rights are extinguished or expired.

3.3 Claims expense

Takaful claims include all claims incurred during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, and any adjustments to claims outstanding from previous years.

Notes to the Condensed Interim Financial Information (Un Audited)

Financial Period Ended March 31, 2017

The PTF recognised liability in respect of all claims incurred upto the balance sheet date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in a takaful contract.

The liability for claims include amounts relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates. Provision for IBNR is based on the management's best estimate which takes into account expected future patterns of reporting of claims and the claims actually reported subsequent to the balance sheet date. Initial estimate includes expected claim settlement cost.

3.4 Retakaful recoveries against outstanding claims

Claims recoveries against outstanding claims from the retakaful operator and salvage are recognised as an asset at the same time as the claims which give rise to the right of recovery are recognised as a liability and are measured at the amount expected to be received.

3.5 Commission

Commission expense incurred in obtaining and recording policies is deferred and recognised in profit and loss account as an expense in accordance with the pattern of recognition of contribution revenue.

Commission income from retakaful is recognised at the time of issuance of the underlying takaful policy. These are deferred and recognised as liability and recognised in the profit and loss account as revenue in accordance with the pattern of recognition of the retakaful contributions.

3.6 Contribution deficiency reserve

The PTF is required as per SEC (Insurance) Rules, 2002 and IFRS-4, to maintain a provision in respect of contribution deficiency for the class of business where the unearned contribution reserve is not adequate to meet the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, commissions and other underwriting expenses, expected to be incurred after the balance sheet date in respect of the unexpired policies in that class of business at the balance sheet date. The movement in the contribution deficiency reserve is recorded as an expense in the profit and loss account and the same shall be recognised as a liability.

For this purpose, loss ratios for each class are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, contribution deficiency is determined. Further actuarial valuation has been carried out to determine the amount of contribution deficiency reserve in respect of Health insurance as required by SRO 16 (1) / 2012 issued by Securities and Exchange Commission of Pakistan on 9 January 2012.

3.7 Wakala and Mudarib fees

The Operator manages the general takaful operations for the participants and charges 35% for Fire, Engineering and property damage, 35% for Marine, aviation and transport, 30% for Motor, and 27.50% for Miscellaneous, of gross contribution written including administrative surcharge as wakala fee against the services. Wakala fee is recognised on the same basis on which the related revenue is recognised. Unexpired portion of wakala fee is recognized as a liability of OPF and an asset of PTF.

The Takaful operator also manages the participants' investment as Mudarib and charges 30% of the investment / deposit income earned by the Participants' Takaful Fund as Mudarib's share.

3.8 Rebate from Re-Takaful Operators

Rebate from retakaful operators is deferred and recognized as revenue in accordance with the pattern of recognition of the retakaful contribution to which it relates.

3.9 Profit on bank accounts and deposits

Profit on bank accounts and deposits is recognise on accrual basis.

Notes to the Condensed Interim Financial Information (Un Audited)

Financial Period Ended March 31, 2017

3.10 Management expenses

Underwriting expenses have been allocated to various classes of business on a basis deemed equitable by the management. Expenses not attributable to the underwriting business are charged as administrative expenses.

3.11 Takaful surplus

Takaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves. Allocation to participants, if applicable, is made after adjustment of claims paid to them during the year.

3.12 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consider to be paid in future for the goods and / or services received, whether or not billed to the Operator.

Provisions are recognised when the Operator / PTF has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

3.13 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Securities and Exchange Commission (Insurance) Rules, 2002. The reported segments are also consistent with the internal reporting provided to Strategy Committee and Board of Directors which are responsible for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment.

The Company has four primary business segments, namely, fire, marine, motor and miscellaneous.

The perils covered under fire insurance include damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and terrorism.

Marine insurance provides coverage against cargo risk, war risk and damages occurring in inland transit.

Motor insurance provide comprehensive car coverage and indemnity against third party loss.

Miscellaneous insurance provides cover against health, burglary, loss of cash in safe and in transit, travel, personal accident, money, engineering losses and other covers.

Financing, investment and income taxes are managed on an overall basis and are therefore, not allocated to any segment. The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

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

3.14 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash at bank in current and saving accounts, cash and stamps in hand and bank deposits.

Notes to the Condensed Interim Financial Information (Un Audited)

Financial Period Ended March 31, 2017

4. Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

Provisions for impairment are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Changes in the provisions are recognised as income or expense.

4.1 Taxation

4.1.1 Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

4.1.2 Deferred

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

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

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

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

Notes to the Condensed Interim Financial Information (Un Audited)

Financial Period Ended March 31, 2017

5. SEGMENT REPORTING

5.1 Operator's Fund

	Fire and property	Marine	Motor	Misc.	Unallocated	Total
	Un-audited 2017					
SEGEMENT ASSETS						
Segment assets	<u>1,724,617</u>	<u>13,780,119</u>	<u>2,164,664</u>	<u>-</u>	-	17,669,400
Unallocated corporate assets					37,583,881	37,583,881
Consolidated corporate assets						55,253,281
SEGEMENT LIABILITIES						
Segment liabilities	<u>282,309</u>	<u>2,255,721</u>	<u>354,342</u>	<u>-</u>		2,892,373
Unallocated corporate liabilities					3,584,551	3,584,551
Consolidated corporate liabilities						6,476,924

5.2 Participants, Takaful Fund

SEGEMENT ASSETS						
Segment assets	<u>2,040,095</u>	<u>22,166,495</u>	<u>5,563,402</u>	<u>213,669</u>	-	29,983,661
Unallocated corporate assets					12,133,698	12,133,698
Consolidated corporate assets						42,117,359
SEGEMENT LIABILITIES						
Segment liabilities	<u>2,411,687</u>	<u>26,203,995</u>	<u>6,576,743</u>	<u>252,588</u>		35,445,013
Unallocated corporate liabilities					427,903	427,903
Consolidated corporate liabilities						35,872,916

6. RELATED PARTY TRANSACTIONS

Related parties comprise the Operator, associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefits plan, directors and key officers of the Operator. All transaction involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Transactions with the key management personnel are made under their terms of employments / entitlements. There were no related party transactions during the period.

7. CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments as at March 31, 2017.

8. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorised for issue by the Board of Directors of the Operator on 29th April, 2017.

9. GENERAL

- 9.1 Statement of investment income is not included in this condensed interim financial information as there were no investments and related income earned by the Operator.
- 9.2 As this is the first year of the operation of the Window Takaful Operation, therefore comparative figures have not been presented in this condensed interim financial information.
- 9.3 Figures have been rounded off to the nearest rupee.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th April, 2017

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.
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. Syed Rizwan Akhtar
Executive Vice President (Operations)

Direct : 34304067
Extension : 210

Mr. Muhammad Ishaque Azim
Vice President (Underwriting)

Direct : 34304068
Extension : 212

Mr. Sadruddin Hussain
Vice President (Claims)

Direct : 34550403
Extension : 208

Mr. Ghulam Haider
Vice President (Compliance)

Extension : 209

Mr. Najamullah Khan
Head of Takaful

Direct : 34557079
Extension : 201

Mr. Muhammad Kashif Wadiwala
Sharia Compliance Officer

Extension : 216

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 Audit)

Extension : 208

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) 32624504, 32624427
Fax (021) 32624783

Offices

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

North Zone Offices & Branches

Zonal Office, Lahore (North Zone)

4th Floor, Gardee Trust Building. No.2,
Napier Road, Lahore.

Mr. Hassan Sabih
Chief Manager

PABX (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. Fahd Barlas
Vice President

Ph (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 President

Ph (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 President

Ph (042) 37323113, 37322473
37354848
Fax (042) 37247925

Garden Town Branch

Suit No.17, 1st Floor, Shan Arcade,
New Garden Town, Lahore.

Mr. Basit Anwar Butt
Executive Vice President

Ph (042) 35889258, 35889259
Fax (042) 35889260

Eden Centre Branch

321, Eden Centre,
43 Ghausul Azam Road, (Jail Road)
Lahore.

Mr. Ch. H.S. Asghar
Vice President

Ph (042) 37423613, 37423614
Fax (042) 37425649

Empress Tower Branch

Room No.18, 1st Floor,
Empress Tower,
46 Empress Road, Lahore.

Mr. S.Azhar Ali Shah
Senior Vice President

Ph (042) 36297253, 36297254
Fax (042) 36297255

Khan Plaza Branch

4th Floor, Khan Plaza,
G. T. Road, Gujranwala.

Mr. Sohailuddin Zafar
Assistant Vice President

Ph (055) 4215422, 4216422
Fax (055) 4448139

Gujrat Branch

Marhaba Tower (Top Floor) Opp.
Ram Piary Mahal Near Fawara Chawk,
Gujrat.

Mr. Abdul Sattar Malik
Branch Manager

Ph (053) 3522127

Faisal Complex Branch

3rd Floor, Faisal Complex,
Bilal Road, Civil Lines, Faisalabad.

Mr. A. Majeed Abid
Senior Vice President

Ph (041) 2611938, 2611939
2626480
Fax (041) 2621033

Offices

Taj Plaza Branch

Room No.16, 2nd Floor, Taj Plaza,
Kotwali Road, Faisalabad.

Mr. Muhammad Akhlaq
Vice President

Ph (041) 2617277, 2622182
2615922

Fax (041) 2412010

United Plaza Branch

3,3rd Floor, United Plaza,
Shamsabad, Murree Rd. Rawalpindi.

Mr. Abdul Karim Siddiqi
Vice President

Ph (051) 4854200
Fax (051) 4580008

Peshawar Branch

T-3 & 4, Bilour Shopping Plaza,
3rd Floor, Saddar Road, .
Peshawar Cantt.

Mr. Shah Mast Khan
Branch Manager

Ph (091) 5274617, 5277328
Fax (091) 5284683

Regional Office Multan

1st Floor, 5-Commercial Plaza,
Opp. Civil Hospital, Abdali Road,
Multan.

Mr. Syed Mohsin Bukhari
Assistant Vice President

Ph (061) 4517349
Fax (061) 4510049

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 ch.
Resident Representative

Cell 0300-8717172
0334-7717172

Sukkur

Minara Road, Sukkur.

Mr. Anees Memon
Resident Representative

Ph (071) 5622619
Cell 0300-3138090



BOOK POST

U.P.C./BY COURIER SERVICE

If undelivered please return to:



Reliance Insurance Company Limited

SHARES DEPARTMENT

181-A, Sindhi Muslim Co-operative Housing Society,
P.O. Box: 13356, Karachi-74400.
Ph: 021-34539415-17