

HALF YEARLY REPORT

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Reliance Insurance Company Limited
Half Yearly June 30, 2017 (Un-Audited)

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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

DIRECTORS' REPORT

The Shareholders,
Reliance Insurance Company Limited,

Your Directors are pleased to present before you the Half Yearly (Un-audited) Accounts for the period ended June 30, 2017.

During the period under review, your Company underwrote a Gross Premium of Rs.557.935 million as compared to Rs.580.801 million of the corresponding period of last year – a decrease of 3.94% and written contribution of Rs.33.839 million for Window Takaful Operation – totaling Rs.591.774 million compared to Rs.582.161 million of the corresponding period of the last year showing modest growth of 1.65%.

Net claims incurred, decreased from Rs.48.789 million to Rs.43.874 million compared to corresponding period of last year, showing a decrease of 10.07%. Underwriting profit increased from Rs.38.551 million to Rs.40.625 million, an increase of 5.38%

Investment income for the six months period declined to Rs. (19.458) million compared to Rs.47.893 million of the corresponding period of last year, due to the fact that insurance sector dividend income and capital gain is now subject to normal corporate tax instead of previous lower tax regime & secondly due to the political uncertainty and other external factors, Pakistan Stock Exchange index is continually showing downward trend with the result on re-measurement of investment unrealized loss / impairment was booked for Rs.48.418 million hence Loss after tax for the period ended June 30, 2017 was Rs.(19.547) million against profit of Rs.51.012 million of the corresponding period of last year. Earnings per share stood at loss Re.(0.34) against corresponding period of last year of Re.0.91.

Future Outlook:

Your management looks forward to the future with confidence and is optimistic that going forward political & economic scenario would improve.

By order of the Board



A. RAZAK AHMED
Chief Executive & Managing Director

Karachi: 29th August, 2017

ڈائریکٹرز کا جائزہ

بنام حصص یافتگان

ڈائریکٹرز بمسرت کمپنی کے غیر آڈٹ شدہ حسابات دوسری سہ ماہی برائے مدت ختمہ 30 جون 2017 پیش کرتے ہیں۔
زیر جائزہ مدت کے دوران، آپ کی کمپنی نے مجموعی پریمیم 557.935 ملین روپے انڈر رائٹ کیا ہے جو کہ گزشتہ سال کی اسی مدت کے
مجموعی پریمیم 580.801 ملین روپے کے مقابلے میں 3.94 فیصد کم ہے اور ونڈو کنفل آپریشن میں تحریری شراکت داری
33.839 ملین روپے رہی۔ مجموعی پریمیم 591.774 ملین روپے ہے جبکہ گزشتہ سال اسی مدت میں مجموعی
پریمیم 582.161 ملین روپے تھا جو کہ 1.65 فیصد کا معمولی اضافہ ظاہر کرتا ہے

نیٹ کلیم 48.789 ملین روپے سے کم ہو کر 43.874 ملین روپے رہے جو کہ گزشتہ سال کے مقابلے میں 10.07 فیصد کی کمی
ظاہر کرتا ہے۔

سرمایہ کاری کی آمدنی میں ششماہی مدت میں (19.458) ملین روپے کمی ہوئی ہے جبکہ پچھلے سال اسی مدت میں
47.893 ملین روپے اضافہ تھی انشورنس سیکٹرز کی ڈیویڈنڈ آمدنی اور حاصلات سرمایہ (کیپٹل گین) پچھلے کم حکومتی
(regime) ٹیکس کے برعکس اب عام کارپوریٹ ٹیکس کی شرح میں ٹیکس سے مشروط ہے
اور دوسرے یہ کہ سیاسی غیر یقینی اور دیگر بیرونی عوامل کی وجہ سے پاکستان اسٹاک ایکسچینج میں مسلسل منفی رجحان ہے جس کے نتیجے میں
نظر ثانی شدہ (Re-measurement) سرمایہ کاری میں 48.418 ملین روپے کی کمی واقع ہوئی ہے۔ اس طرح
30 جون 2017 کے اختتامی مدت کے لئے بعد از ٹیکس نقصان (19.547) ملین روپے ہے جو کہ گزشتہ سال اسی مدت میں
51.012 ملین روپے تھا۔ فی حصص نقصان (0.34) روپے ہے جو کہ پچھلے سال کی اسی مدت کے لئے
0.91 روپے منافع تھا

مستقبل کا نقطہ نظر

آپ کی مینجمنٹ اعتماد کے ساتھ پر امید ہے کہ مستقبل میں سیاسی اور معاشی صورتحال بہتر ہو جائیگی



محکم بورڈ

اے رزاق احمد

چیف ایگزیکٹو اور مینجنگ ڈائریکٹر

کراچی: 29 اگست 2017



REVIEW REPORT TO THE MEMBERS

We have reviewed the accompanying:

- i. condensed interim balance sheet;
- ii. condensed interim profit and loss account;
- iii. condensed interim statement of comprehensive income;
- iv. condensed interim statement of changes in equity;
- v. condensed interim cash flows statement;
- vi. condensed interim statement of premiums;
- vii. condensed interim statement of claims;
- viii. condensed interim statement of expenses; and
- ix. condensed interim statement of investment income.

of RELIANCE INSURANCE COMPANY LIMITED ("the Company") together with the explanatory notes as at and for the six months period ended June 30, 2017 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed 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 condensed 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 of Interim financial information performed by the Independent Auditor of the Entity". A review of interim financial information consists 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 condensed interim financial information as at and for the six months period ended June 30, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without modifying our opinion, we draw attention to note 8.1 to the condensed interim financial statements disclosing a contingent liability relating to an aviation claim reported on November 03, 2015.

Other matters

The figures for the quarters ended June 30, 2017 and June 30, 2016 in the accompanying condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The condensed interim financial information for six months ended June 30, 2016 and annual financial statements for the year ended December 31, 2016 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unqualified conclusion and opinion thereon with emphasis of matter paragraph to draw attention to the matter explained in note 8.1 vide their review report dated 29th August, 2016 and audit report dated 28th March 2017 respectively.

Kreston Hyder Bhimji & Co.
Chartered Accountants

Engagement Partner: Muhammad Hanif Razzak

Karachi: 29th August, 2017

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OTHER OFFICES LAHORE - FAISALABAD - ISLAMABAD

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Condensed Interim Balance Sheet (Un Audited)

As at June 30, 2017

	Notes	June 30, 2017 (Un Audited) (Rupees)	Dec 31, 2016 (Audited)
SHARE CAPITAL AND RESERVES			
Authorised share capital		750,000,000	750,000,000
Issued, subscribed and paid-up capital	7	561,412,850	510,375,320
Retained earnings		7,447,005	133,150,360
General reserves		250,000,000	220,000,000
		818,859,855	863,525,680
UNDERWRITING PROVISIONS			
Provision for outstanding claims (including IBNR)		231,672,984	220,507,963
Provision for unearned premium		513,744,553	527,368,394
Commission income unearned		33,455,251	34,712,441
Total underwriting provisions		778,872,788	782,588,798
CREDITORS AND ACCRUALS			
Amounts due to other insurers/reinsurers		95,917,578	71,401,782
Accrued expenses		2,405,595	3,779,536
Taxation - provision less payments		13,311,648	7,591,756
Other creditors and accruals		67,642,809	76,047,677
		179,277,630	158,820,751
OTHER LIABILITIES			
Unclaimed dividend		1,665,878	1,665,878
Total liabilities of takaful operations- Operator's Fund		9,681,845	4,876,703
CONTINGENCIES AND COMMITMENTS			
	8		
TOTAL EQUITY AND LIABILITIES		1,788,357,996	1,811,477,810

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

Condensed Interim Balance Sheet (Un Audited)


As at June 30, 2017

FORM GA

	Notes	June 30, 2017 (Un Audited) (Rupees)	Dec 31, 2016 (Audited)
CASH AND BANK DEPOSITS			
Cash and other equivalent		694,212	403,974
Current and other accounts		128,564,521	119,835,079
Deposits maturing within 12 months		26,560,998	26,719,457
	9	155,819,731	146,958,510
LOANS TO EMPLOYEES			
		1,454,775	997,775
INVESTMENTS			
	10	681,077,898	751,662,862
CURRENT ASSETS-OTHERS			
Premiums due but unpaid		194,308,134	165,903,439
Amounts due from other insurers/reinsurers		1,302,820	2,781,333
Accrued investment income		1,298,119	1,436,343
Reinsurance recoveries against outstanding claims		183,361,340	172,078,362
Deferred commission expense		58,484,673	61,298,491
Prepaid reinsurance premium ceded		360,884,366	364,533,433
Trade deposits and prepayments		1,711,074	1,664,515
Sundry receivables		2,024,524	1,749,854
		803,375,050	771,445,770
OPERATING FIXED ASSETS			
Tangible			
Land and buildings		7,879,334	8,294,036
Furniture, fixtures and office equipment		7,511,990	6,876,059
Motor vehicles		71,570,023	71,900,994
	11	86,961,347	87,071,089
Total assets of takaful operations- Operator's Fund		59,669,195	53,341,804
TOTAL ASSETS		1,788,357,996	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 August, 2017

Condensed Interim Profit & Loss Account (Un Audited)

For the Quarter and Half Year Ended June 30, 2017

FORM GB


Notes	Quarter ended June 30				2017 Aggregate	2016 Aggregate
	Fire & Property Damage	Marine Aviation & Transport	Motor	Misc.		
	(Rupees)					
Revenue account						
Net premium revenue	20,608,055	15,462,818	46,425,140	4,249,869	86,745,882	94,242,942
Net claims	(5,610,150)	(2,589,909)	(14,516,493)	(160,814)	(22,877,366)	(30,318,417)
Expenses	(8,025,991)	(6,151,490)	(17,097,602)	(1,569,035)	(32,844,118)	(31,431,905)
Net commission	(5,619,890)	(3,162,379)	(4,620,095)	(423,168)	(13,825,532)	(15,491,152)
Underwriting result	1,352,024	3,559,040	10,190,950	2,096,852	17,198,866	17,001,468
Investment (loss) / income					(26,730,844)	55,925,353
Other income					532,782	263,178
General and administration expenses					(17,288,389)	(15,961,204)
Profit / (loss) before tax from takaful operations-Operator's Fund					1,210,993	(1,340,044)
(Loss) / profit before tax					(25,076,592)	55,888,751
Provision for taxation - Current					(5,950,000)	(1,500,000)
(Loss) / profit after tax					(31,026,592)	54,388,751

Notes	Six months period ended June 30				2017 Aggregate	2016 Aggregate
	Fire & Property Damage	Marine Aviation & Transport	Motor	Misc.		
	(Rupees)					
Revenue Account						
Net premium revenue	50,167,590	42,274,756	77,809,509	7,261,830	177,513,685	177,547,344
Net claims	(6,646,323)	(9,864,645)	(27,007,525)	(355,814)	(43,874,307)	(48,788,911)
Expenses	(17,528,878)	(14,771,071)	(27,187,142)	(2,537,330)	(62,024,421)	(59,743,794)
Net commission	(13,813,826)	(9,072,423)	(7,730,327)	(373,382)	(30,989,958)	(30,463,893)
Underwriting result	12,178,563	8,566,617	15,884,515	3,995,304	40,624,999	38,550,746
Investment (loss) / income					(19,458,416)	47,893,186
Other income	12				1,122,080	438,668
General and administration expenses					(29,757,971)	(27,730,217)
Profit / (loss) before tax from takaful operations-Operator's Fund					1,522,249	(1,340,044)
(Loss) / profit before tax					(5,947,059)	57,812,339
Provision for taxation- Current					(13,200,000)	(6,800,000)
(Loss) / profit after tax					(19,147,059)	51,012,339
Profit and loss appropriation account						
Balance at commencement of the period					133,150,360	122,057,137
(Loss) / profit after tax for the period					(19,147,059)	51,012,339
Cash dividend for the year 2016: 5% (2015: 5%)					(25,518,766)	(23,198,878)
Transfers to reserves (General Reserves)					(30,000,000)	(20,000,000)
Bonus shares issued for the year 2016: 10% (2015: 10%)					(51,037,530)	(46,397,760)
Balance accumulated at the end of the period					7,447,005	83,472,838
(Loss) / earnings per share						
- basic and diluted (restated)	16				(0.34)	0.91

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Statement of Comprehensive Income (Un Audited)

For the Quarter and Half Year Ended June 30, 2017

	Quarter ended June 30		Six months period ended June 30	
	2017 (Rupees)	2016	2017 (Rupees)	2016
(Loss) / profit after tax	(31,026,592)	54,388,751	(19,147,059)	51,012,339
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(31,026,592)</u>	<u>54,388,751</u>	<u>(19,147,059)</u>	<u>51,012,339</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Statement of Changes in Equity (Un Audited)

For the Half Year Ended June 30, 2017

	Share Capital	General reserves	Unappro- riated profit	Total
	(Rupees)			
Balance as at January 01, 2016	463,977,560	200,000,000	122,057,137	786,034,697
Total comprehensive income for the period	-	-	51,012,339	51,012,339
Transfer to general reserves	-	20,000,000	(20,000,000)	-
Transactions with owners:				
Issuance of bonus shares	46,397,760	-	(46,397,760)	-
Final cash dividend for the year ended Dec 31, 2015	-	-	(23,198,878)	(23,198,878)
	46,397,760	-	(69,596,638)	(23,198,878)
Balance as at June 30, 2016	<u>510,375,320</u>	<u>220,000,000</u>	<u>83,472,838</u>	<u>813,848,158</u>
Balance as at January 01, 2017	510,375,320	220,000,000	133,150,360	863,525,680
Total comprehensive (loss) for the period	-	-	(19,147,059)	(19,147,059)
Transfer to general reserves	-	30,000,000	(30,000,000)	-
Transactions with owners:				
Issuance of bonus shares	51,037,530	-	(51,037,530)	-
Final cash dividend for the year ended Dec 31, 2016	-	-	(25,518,766)	(25,518,766)
	51,037,530	-	(76,556,296)	(25,518,766)
Balance as at June 30, 2017	<u>561,412,850</u>	<u>250,000,000</u>	<u>7,447,005</u>	<u>818,859,855</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Statement of Cash Flows (Un Audited)

For the Half Year Ended June 30, 2017

	June 30 2017	June 30 2016
	(Rupees)	
Operating cash flows		
a) Underwriting activities		
Premium received	529,531,090	570,346,845
Reinsurance premium paid	(364,402,565)	(376,915,860)
Claims paid	(102,151,973)	(122,261,637)
Reinsurance and other recoveries received	58,159,709	72,063,440
Commission paid	(64,649,156)	(68,278,885)
Commission received	35,215,826	35,001,090
Net cash generated from underwriting activities	91,702,931	109,954,993
b) Other operating activities		
Income tax paid	(7,480,108)	(3,734,628)
General management expenses paid	(62,024,421)	(59,743,794)
Other operating payments	(23,206,256)	(21,779,538)
Loans advanced / repayment received	(457,000)	153,900
Other payments on operating assets	(9,778,809)	(1,834,854)
Other receipts in respect of operating assets	(321,229)	325,534
Net cash used in other operating activities	(103,267,823)	(86,613,380)
Net cash (used in) / generated from operating activities	(11,564,892)	23,341,613
Investment activities		
Interest / dividend received	23,621,615	20,142,049
Payments for investments	(168,607,200)	(488,043,973)
Proceeds from disposal of investments	196,250,357	417,524,787
Fixed capital expenditures	(8,447,593)	(3,190,644)
Proceeds from disposal of fixed assets	3,127,700	1,634,000
Net cash flow generated from / (used in) investing activities	45,944,879	(51,933,781)

Condensed Interim Statement of Cash Flows (Un Audited)

For the Half Year Ended June 30, 2017

	June 30 2017	June 30 2016
	(Rupees)	
Financing activities		
Dividend paid	(25,518,766)	(23,199,121)
Net cash used in financing activities	<u>(25,518,766)</u>	<u>(23,199,121)</u>
Net increase / (decrease) in cash and cash equivalent	8,861,221	(51,791,289)
Cash and cash equivalent at the beginning of the period	146,958,510	133,927,161
Cash and cash equivalent at the end of the period	<u>155,819,731</u>	<u>82,135,872</u>
Reconciliation to Profit and Loss account		
Operating cash flow	(11,564,892)	23,341,613
Depreciation expense	(6,551,715)	(5,950,679)
Profit on disposal of fixed assets	1,122,080	438,668
Increase in assets other than cash	32,524,504	17,350,907
(Decrease) in liabilities other than running finance	(16,740,869)	(30,721,312)
Investment income	(19,458,416)	47,893,186
Profit / (loss) before tax from takaful operations-Operator's Fund	1,522,249	(1,340,044)
(Loss) / profit after taxation	<u>(19,147,059)</u>	<u>51,012,339</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 other equivalents	694,212	1,764,345
Current and other accounts	128,564,521	53,865,163
Deposits maturing within 12 months	26,560,998	26,506,364
	<u>155,819,731</u>	<u>82,135,872</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Statement of Premiums (Un Audited)

For the Quarter and Half Year Ended June 30, 2017

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	2017 Net Premium revenue	2016 Net Premium revenue
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing			
	Rupees												
Direct and facultative													
Fire and Property Damage	61,627,826	176,010,925	172,118,981	65,519,770	45,547,498	110,413,057	111,048,840	44,911,715	20,608,055	22,659,227			
Marine, Aviation and Transport	153,683,557	250,396,354	246,748,146	157,331,765	140,661,756	240,404,168	239,196,977	141,868,947	15,462,818	19,068,514			
Motor	44,049,024	85,862,358	82,816,331	47,095,051	728,438	1,390,159	1,448,686	689,911	46,425,140	48,581,207			
Miscellaneous	5,422,120	14,691,935	12,061,095	8,052,960	2,883,020	10,109,934	9,189,863	3,803,091	4,249,869	3,933,994			
Grand Total	264,782,527	526,961,572	513,744,553	277,999,546	189,820,712	362,317,318	360,884,366	191,253,664	86,745,882	94,242,942			

Class	Half Year ended June 30												
	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	Opening	Closing	Opening	Closing			
	Rupees												
Direct and facultative													
Fire and Property Damage	140,764,331	175,693,171	172,118,981	144,338,521	93,240,311	111,979,460	111,048,840	94,170,931	50,167,590	49,632,794			
Marine, Aviation and Transport	326,556,487	251,051,958	246,748,146	330,860,299	286,565,686	241,216,834	239,196,977	288,585,543	42,274,756	35,330,607			
Motor	76,035,086	85,909,234	82,816,331	79,127,989	1,456,876	1,310,290	1,448,686	1,318,480	77,809,509	85,857,422			
Miscellaneous	14,579,881	14,714,031	12,061,095	17,232,817	9,134,001	10,026,849	9,189,863	9,970,987	7,261,830	6,726,521			
Grand Total	557,935,785	527,368,394	513,744,553	571,559,626	390,396,874	364,533,433	360,884,366	394,045,941	177,513,685	177,547,344			

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawary
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Statement of Claims (Un Audited)

For the Quarter and Half Year Ended June 30, 2017

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	2017 Net Claims expenses	2016 Net Claims expenses	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing				
	Rupees													
Direct and facultative														
Fire and Property Damage	23,841,121	97,811,639	119,700,809	45,730,291	22,448,714	86,573,335	104,244,762	40,120,141	5,610,150	8,501,737				
Marine, Aviation and Transport	9,060,879	90,822,740	88,585,027	6,823,166	5,146,329	76,195,512	75,282,440	4,233,257	2,589,909	4,988,029				
Motor	15,441,597	22,407,659	21,482,555	14,516,493	-	2,470,896	2,470,896	-	14,516,493	16,441,361				
Miscellaneous	1,461,730	1,781,761	1,904,593	1,584,562	1,169,385	1,108,879	1,363,242	1,423,748	160,814	387,290				
Grand Total	49,805,327	212,823,799	231,672,984	68,654,512	28,764,428	166,348,622	183,361,340	45,777,146	22,877,366	30,318,417				
	Rupees													
Class	Half Year 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	2017 Net Claims expenses	2016 Net Claims expenses	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing				
Direct and facultative														
Fire and Property Damage	50,909,838	107,374,419	119,700,809	63,236,228	44,582,903	92,237,760	104,244,762	56,589,905	6,646,323	11,825,332				
Marine, Aviation and Transport	18,663,324	86,294,663	88,585,027	20,953,688	10,298,724	74,492,121	75,282,440	11,089,043	9,864,645	7,175,685				
Motor	29,548,062	23,975,092	21,482,555	27,055,525	853,000	3,275,896	2,470,896	48,000	27,007,525	29,351,450				
Miscellaneous	3,030,749	2,863,789	1,904,593	2,071,553	2,425,082	2,072,585	1,363,242	1,715,739	355,814	436,444				
Grand Total	102,151,973	220,507,963	231,672,984	113,316,994	58,159,709	172,078,362	183,361,340	69,442,687	43,874,307	48,788,911				

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Statement of Expenses (Un Audited)

For the Quarter and Half Year Ended June 30, 2017

Business underwritten inside Pakistan

FORM GF

Class	Quarter ended June 30							2016 Net underwriting expense
	Commissions paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net commission Expense d=a+b-c	Other Management Expenses e	Underwriting Expenses f=d+e	Commission from reinsurers g	
Rupees								
Direct and facultative								
Fire and Property Damage	15,686,149	45,439,531	44,463,684	16,661,996	8,025,991	24,687,987	11,042,106	13,645,881
Marine, Aviation and Transport	6,862,752	4,510,031	3,619,364	7,753,419	6,151,490	13,904,909	4,591,040	9,313,869
Motor	4,315,493	8,586,235	8,281,633	4,620,095	17,097,602	21,717,697	-	21,717,697
Miscellaneous	937,083	2,676,225	2,119,992	1,493,316	1,569,035	3,062,351	1,070,148	1,992,203
Grand Total	27,801,477	61,212,022	58,484,673	30,528,826	32,844,118	63,372,944	16,703,294	46,669,650
								46,923,057
Class	Half Year ended June 30							2016 Net underwriting expense
	Commissions paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net commission Expense d=a+b-c	Other Management Expenses e	Underwriting Expenses f=d+e	Commission from reinsurers g	
Rupees								
Direct and facultative								
Fire and Property Damage	36,112,138	45,351,626	44,463,684	37,000,080	17,528,878	54,528,958	23,186,254	31,342,704
Marine, Aviation and Transport	18,415,017	4,678,322	3,619,364	19,473,975	14,771,071	34,245,046	10,401,552	23,843,494
Motor	7,421,037	8,590,923	8,281,633	7,730,327	27,187,142	34,917,469	-	34,917,469
Miscellaneous	2,700,964	2,677,620	2,119,992	3,258,592	2,537,330	5,795,922	2,885,210	2,910,712
Grand Total	64,649,156	61,298,491	58,484,673	67,462,974	62,024,421	129,487,395	36,473,016	93,014,379
								90,207,687

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Statement of Investment Income (Un Audited)

For the Quarter and Half Year Ended June 30, 2017

FORM GG

	Quarter ended June 30		Six months ended June 30	
	2017	2016	2017	2016
(Rupees)				
Income from non-trading investments				
Held to maturity				
Return on Government securities	1,531,703	1,515,054	1,556,044	2,629,106
Return on other fixed income, securities and deposits	1,423,565	1,187,451	1,861,774	2,195,315
	2,955,268	2,702,505	3,417,818	4,824,421
Available for sale				
Dividend income	7,508,488	226,000	9,179,238	590,900
Gain on sale of available for sale investments	4,482,148	4,700,753	4,482,148	9,082,285
(Impairment) / Impairment reversal	(10,061,969)	1,022,460	(11,911,515)	(302,274)
	1,928,667	5,949,213	1,749,871	9,370,911
Income from trading investments				
Held for trading				
Dividend income	2,720,796	4,414,011	10,893,785	15,258,717
Gain on sale of investments	(122,204)	3,101,965	994,896	3,101,965
Unrealized (loss) / gain on remeasurement	(34,207,821)	39,771,224	(36,507,336)	15,352,429
	(31,609,229)	47,287,200	(24,618,655)	33,713,111
	(5,550)	(13,565)	(7,450)	(15,257)
Less: Investment related expenses				
Net investment (loss) / income transferred to profit and loss account	(26,730,844)	55,925,353	(19,458,416)	47,893,186

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 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. The Company is engaged in general insurance business and has also 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. The shares of the Company are quoted on Pakistan Stock Exchange 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 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting and provisions of and directives issued under the Repealed Companies Ordinance, 1984, the Insurance Ordinance, 2000, the Repealed SEC (Insurance) Rules, 2002 and Takaful Rules, 2012 read with Circular No. 25 of 2015 dated July 9, 2015. In case where the requirements differ, the provisions or directives issued under the Repealed Companies Ordinance, 1984, the Insurance Ordinance, 2000, the Repealed SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 have been followed.

During the period new Insurance Rules 2017 and Insurance Accounting Regulations 2017 have been issued; however SECP vide its letter No. ID/OSM /Reliance/2017/10575 dated 9th August 2017 has granted exemption to the Company for adopting these rules for this condensed interim financial information. Furthermore during the period Companies Act, 2017 (the Act) has been promulgated through notification in official Gazette and hence Companies Ordinance 1984 stands repealed; however the SECP vide its circular No. 17 /2017 dated 20th July 2017 has notified that the Companies whose financial year ends on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of repealed Companies Ordinance 1984. Accordingly the provisions of Repealed Insurance Rules 2002 and Repealed Companies Ordinance 1984 have been followed while preparing this condensed interim financial information.

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.

In term of requirements of Takaful Rules, 2012, read with SECP Circular 25 of 2015 dated July 9, 2015, the assets, liabilities and profit and loss of Operator Fund of General Takaful Operations of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

A separate set of financial statements of the General Takaful Operations has been annexed to these financial statements as per the requirements of the Takaful Rules, 2012.

2.2 Functional and presentation

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

2.3 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 statement.

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of this condensed interim financial information are same as those adopted in the preparation of annual financial statements for the year ended December 31, 2016.

During the period certain standards became effective; however, they are either irrelevant or do not have material effect on this condensed interim financial information, hence not disclosed.

4. USE OF ESTIMATES AND JUDGEMENTS

Preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and 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 half year and quarter ended June 30, 2017 has been made using the estimated effective tax rate applicable to expected total annual earnings.

7. SHARE CAPITAL

Issued, subscribed and paid up capital

June 30, 2017 (Unaudited)	December 31, 2016 (Audited)		June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
(Number of shares)			(Rupees)	
1,156,680	1,156,680	Ordinary shares of Rs.10 each issued as fully paid in cash	11,566,800	11,566,800
54,984,605	49,880,852	Ordinary shares of Rs.10 each issued as fully paid bonus shares	549,846,050	498,808,520
<u>56,141,285</u>	<u>51,037,532</u>		<u>561,412,850</u>	<u>510,375,320</u>

7.1 During the period the Company issued 5,103,753 (December 31, 2016: 4,639,776) bonus shares at 10% (December 31, 2016: 10%) amounting to Rs. 51.037 million (December 31, 2016: Rs. 46.398 million).

8. CONTINGENCIES AND COMMITMENTS

8.1 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 million would arise. The impact on the Company's net account would be Rs. 2.5 million and the rest would be recoverable under fronting arrangements as per agreed terms.

8.2 There is no other significant change in contingencies and commitments as disclosed in published annual statements for the year ended December 31, 2016.

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2017

	Note	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
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(Rupees)

9. CASH AND BANK DEPOSITS

Cash and other equivalents

Policy stamps and bond paper in hand

694,212 403,974

Current and other accounts

Current accounts

86,456,347 40,508,964

PLS saving accounts

9.1 42,108,174 79,326,115

128,564,521 119,835,079

Deposit maturing within 12 months

9.2 26,560,998 26,719,457

155,819,731 146,958,510

9.1 PLS saving accounts carry profit rates ranging from 3.75% to 5.50% per annum (December 31, 2016: 3.75% to 5.50% per annum).

9.2 The rate of return on term deposit certificates issued by various banks range from 4.0% to 5.75% per annum (December 31, 2016: 4.15% to 5.75% per annum) due on maturity. These deposits include an advantage account amounting to Rs. 11.10 million (December 31, 2016: Rs. 11.10 million) which is pledged against the running finance facility availed from a commercial bank.

	Note	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
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(Rupees)

10. INVESTMENTS

The investments comprise of the following:

Held to maturity

10.1 25,416,667 70,833,333

Available for sale

310,477,178 273,731,970

Less: Provision for impairment

(17,266,026) (5,354,511)

10.2 293,211,152 268,377,459

Held for trading

362,450,079 412,452,070

681,077,898 751,662,862

10.1 Held to maturity

GOP Ijara Sukuk Bonds

10.1.1 25,000,000 70,000,000

WAPDA Ijara Sukuk Bonds

10.1.2 416,667 833,333

25,416,667 70,833,333

10.1.1 Government of Pakistan Ijara Sukuk Bonds (GOPI) having face value amounted to Rs. 22.50 million (December 31, 2016: Rs. 55 million) and market value amounted to Rs. 22.95 (December 31, 2016: Rs. 55.51 million) as at June 30, 2017. Further in addition to this Rs. 35 million cash against encashment proceeding of GOPI. These are placed with State Bank of Pakistan as Statutory deposits in accordance with requirements of Section 29 of the Insurance Ordinance 2000.

10.1.2 The market value of WAPDA Sukuk Bonds amounted to Rs. 0.437 million (December 31, 2016: Rs. 0.846 million).

10.2 The market value of investments in shares and securities (AFS) as at June 30, 2017 was Rs. 300.896 million (December 31, 2016: Rs. 285.286 million).

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2017

	Note	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
(Rupees)			
11. OPERATING FIXED ASSETS			
Opening book value		87,071,089	80,742,839
Additions during the period / year			
Furniture, fixtures and office equipment		1,231,965	2,229,268
Motor vehicles		7,215,628	19,356,630
		8,447,593	21,585,898
Disposals - Operating assets (net book value)			
Motor vehicles		(2,005,620)	(2,855,952)
Depreciation Charged for the period / year		(6,551,715)	(12,401,696)
Closing book value		86,961,347	87,071,089

	Note	June 30, 2017 (Unaudited)	June 30, 2016 (Unaudited)
(Rupees)			

12. OTHER INCOME

Gain on sale of tangible fixed assets		1,122,080	438,668
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13. 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:

	Note	June 30, 2017 (Unaudited)	June 30, 2016 (Unaudited)
(Rupees)			
Balances as at period / year end			
Premium due but unpaid		27,173,324	31,413,607
Provision for outstanding claims		8,320,991	17,097,696
Transactions during the period			
Premium underwritten		8,369,562	5,491,578
Premium collected		31,756,704	29,256,207
Claims paid		947,641	14,181,010
Dividend paid		33,136	102,878
Remuneration to key management personnel		13,925,072	11,854,122
Staff retirement benefits		1,413,590	1,254,978

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2017

14. FAIR VALE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A number of the Company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and financial liabilities. When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy then the fair value as at balance sheet the fair value of all the financial assets and liabilities approximates to their carrying values in view of their short term maturities. Fair value of held to maturity invested approximates to Rs. 25.934 million (December 31, 2016: Rs. 72.564 million) and is estimated using level 2 hierarchy inputs whereas fair value of available for sale investments approximates to Rs. 300.895 million (December 31, 2016: Rs. 285.528 million) mainly based on using quoted market prices i.e level 1 input.

15. 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 Repealed SEC (Insurance) Rules, 2002. The following table presents information regarding segment assets, liabilities as at June 30, 2017 and December 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	(Un-audited) 2017	(Audited) 2016
	(Rupees)									
SEGMENT ASSETS										
Segment assets	<u>124,686,543</u>	<u>128,159,428</u>	<u>105,069,691</u>	<u>75,504,914</u>	<u>193,387,777</u>	<u>190,685,557</u>	<u>18,048,554</u>	<u>11,126,095</u>	<u>441,192,565</u>	405,475,994
Unallocated corporate assets									<u>1,347,165,431</u>	1,406,001,816
Consolidated corporate assets									<u>1,788,357,996</u>	<u>1,811,477,810</u>
SEGMENT LIABILITIES										
Segment liabilities	<u>270,785,305</u>	<u>297,552,779</u>	<u>228,182,831</u>	<u>175,302,727</u>	<u>419,985,724</u>	<u>442,722,150</u>	<u>39,196,558</u>	<u>25,831,893</u>	<u>958,150,418</u>	941,409,549
Unallocated corporate liabilities									<u>11,347,723</u>	6,542,581
Consolidated corporate liabilities									<u>969,498,141</u>	<u>947,952,130</u>
CAPITAL EXPENDITURE										
Unallocated capital expenditure									<u>8,447,593</u>	21,585,898
Consolidated capital expenditure									<u>8,447,593</u>	<u>21,585,898</u>
Unallocated depreciation									<u>6,551,715</u>	<u>12,401,696</u>

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2017

	Quarter ended 30 June (Unaudited)		Six month period ended 30 June (Unaudited)	
	2017	2016 Restated	2017	2016 Restated
	(Rupees)			
16. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED				
(Loss) / profit after tax	<u>(31,026,592)</u>	<u>54,388,751</u>	<u>(19,147,059)</u>	<u>51,012,339</u>
	Number			
Weighted average number of shares during the period	<u>56,141,285</u>	<u>56,141,285</u>	<u>56,141,285</u>	<u>56,141,285</u>
	(Rupees)			
(Loss) / earnings per share	<u>(0.55)</u>	<u>0.97</u>	<u>(0.34)</u>	<u>0.91</u>

16.1 No figures for diluted earnings per share has been presented as the Company has not issued any instrument which would have any diluted an impact on earnings per share when exercised.

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

17. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on 29th August 2017 by the Board of Directors of the Company.

18. GENERAL

Figures have been rounded off to the nearest rupee.



Ismail H. Zakaria
Chairman

Karachi: 29th August, 2017



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



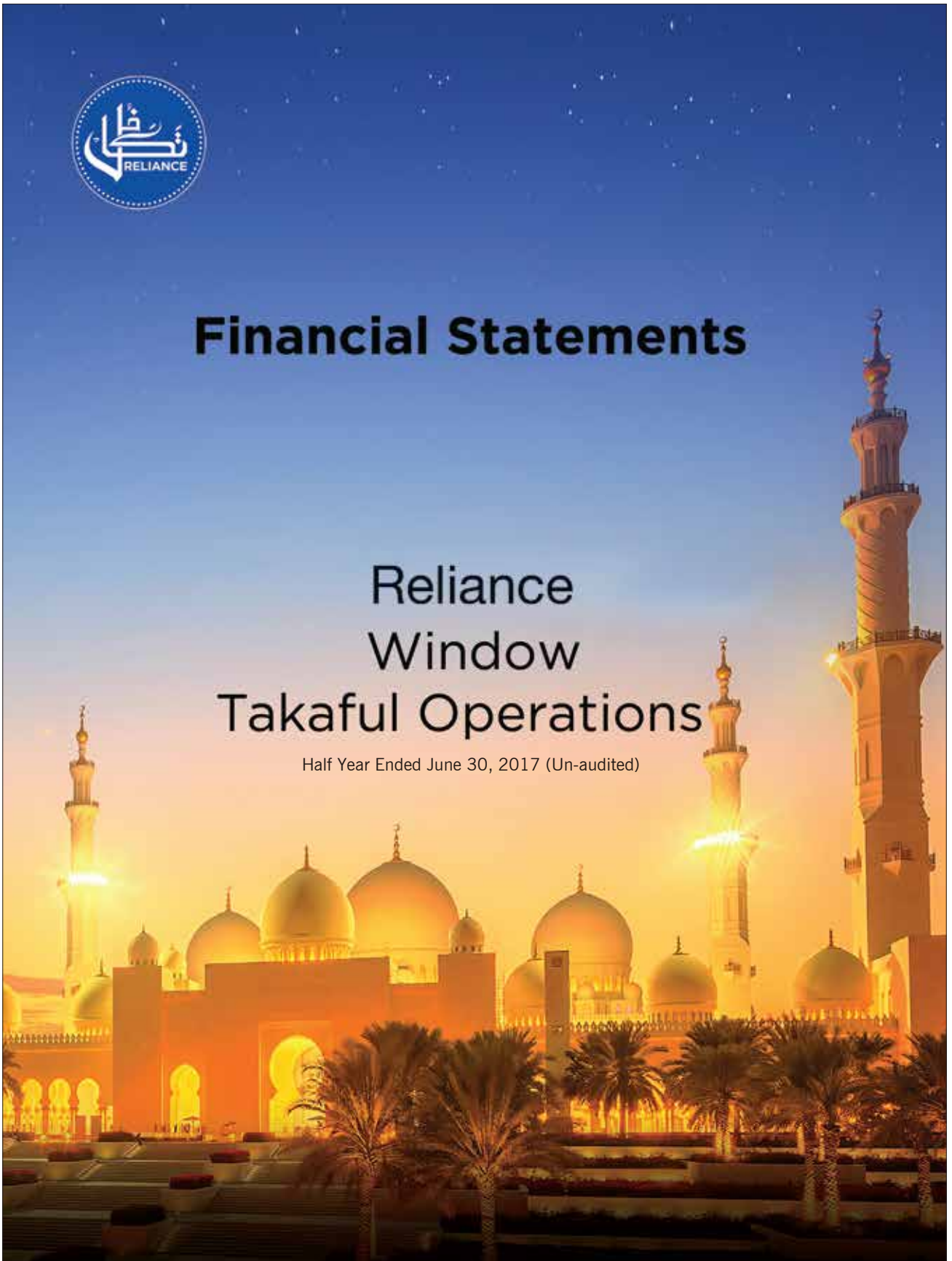
A. Razak Ahmed
Chief Executive & Managing Director



Financial Statements

Reliance Window Takaful Operations

Half Year Ended June 30, 2017 (Un-audited)





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.



REVIEW REPORT TO THE MEMBERS

We have reviewed the accompanying:

- i. condensed interim balance sheet;
- ii. condensed interim profit and loss account;
- iii. condensed interim statement of comprehensive income;
- iv. condensed interim statement of changes in equity;
- v. condensed interim cash flows statement;
- vi. condensed interim statement of contributions;
- vii. condensed interim statement of claims;
- viii. condensed interim statement of expenses; and

of RELIANCE INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATIONS) ("the Operator") together with the explanatory notes as at and for the six months period ended June 30, 2017 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed 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 condensed 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 of Interim financial information performed by the Independent Auditor of the Entity". A review of interim financial information consists 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 condensed interim financial information as at and for the six months period ended June 30, 2017 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, 2017 and June 30, 2016 in the accompanying condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The condensed interim financial information for six months ended June 30, 2016 and annual financial statements for the year ended December 31, 2016 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unqualified conclusion and opinion thereon vide their review report dated 29th August, 2016 and audit report dated 28th March 2017 respectively.

Kreston Hyder Bhimji & Co.
Chartered Accountants

Karachi: 29th August, 2017

Engagement Partner: Muhammad Hanif Razzak

Suite No. 1601, 16th Floor, Kashif Centre, Shahrah-e-Faisal, Karachi. Phone: 92-21-35640050 to 52 Fax: 92-21-35640053
Website: www.krestonhb.com E-mail: hyderbhimji@yahoo.com, hyderbhimji@gmail.com

OTHER OFFICES LAHORE - FAISALABAD - ISLAMABAD

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Condensed Interim Balance Sheet (Un Audited)

As at June 30, 2017

Notes	30th June 2017(Un Audited)			Dec. 31.2016 (Audited) 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	(12,650)	-	(12,650)	(1,534,899)
	49,987,350	-	49,987,350	48,465,101
Waqf / Participants' Takaful Fund				
Ceded Money	-	500,000	500,000	500,000
Accumulated Surplus	-	9,932,307	9,932,307	3,971,191
	-	10,432,307	10,432,307	4,471,191
Underwriting Reserves				
Provision for outstanding claims (including IBNR)	-	4,276,749	4,276,749	2,200,000
Provision for unearned contribution	-	13,236,769	13,236,769	6,902,482
Unearned re-takaful rebate	-	752,104	752,104	493,796
Total Underwriting Provisions	-	18,265,622	18,265,622	9,596,278
Creditors and Accruals				
Amounts due to other takaful / re-takaful operators	-	9,116,835	9,116,835	8,055,350
Unearned wakala fees	4,154,857	-	4,154,857	2,235,153
Accrued expenses	375,000	-	375,000	375,000
Wakala and mudarib fees payable	-	5,298,472	5,298,472	30,900
Other Creditors and Accruals	5,151,988	2,052,476	7,204,464	2,271,953
	9,681,845	16,467,783	26,149,628	12,968,356
TOTAL LIABILITIES	9,681,845	34,733,405	44,415,250	22,564,634
CONTINGENCIES AND COMMITMENTS 6				
TOTAL FUND AND LIABILITIES	59,669,195	45,165,712	104,834,907	75,500,926

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.

Condensed Interim Balance Sheet (Un Audited)

As at June 30, 2017

	30th June 2017(Un Audited)			Dec. 31,2016 (Audited) Aggregate
	Operator's Fund	Participants' Takaful Fund	Aggregate	

(Rupees)

ASSTES

Cash and other equivalent	-	32,000	32,000	36,106
Saving accounts	42,164,904	12,089,565	54,254,469	44,854,990
	42,164,904	12,121,565	54,286,469	44,891,096

INVESTMENTS

	10,000,000	-	10,000,000	10,000,000
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Current Assets-Others

Contribution due but unpaid	-	20,807,293	20,807,293	9,857,736
Amounts due from other takaful / re-takaful operators	-	1,229,425	1,229,425	1,828,061
Accrued investment income	121,209	-	121,209	206,654
Reinsurance recoveries against outstanding claims	-	2,199,487	2,199,487	2,045,500
Deferred wakala fee	-	4,154,857	4,154,857	2,235,153
Deferred commission expense	1,741,614	-	1,741,614	1,037,485
Prepaid re-takaful contribution ceded	-	4,653,085	4,653,085	3,150,427
Wakala and mudarib fees receivable	5,298,472	-	5,298,472	30,900
Taxation	342,996	-	342,996	217,914
	7,504,291	33,044,147	40,548,438	20,609,830

TOTAL ASSETS

	59,669,195	45,165,712	104,834,907	75,500,926
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Ismail H. Zakaria
Chairman


A. Aziz Ayooob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Profit & Loss Account (Un Audited)

For the Quarter and Half Year Ended June 30, 2017

	Quarter ended June 30				2017 Aggregate	2016 Aggregate
	Fire & Property Damage	Marine Aviation & Transport	Motor	Misc.		
	(Rupees)					
Participants' Takaful Fund-revenue account						
Net Contribution Revenue	508,051	1,140,130	6,426,091	143,184	8,217,456	535,544
Wakala expense	(744,982)	(1,049,582)	(2,060,513)	(153,372)	(4,008,449)	(238,511)
Direct expenses	(2,154)	(6,371)	(19,738)	(447)	(28,710)	-
Net Claims	-	(781,225)	(196,922)	-	(978,147)	-
Rebate from re-takaful operations	372,707	427,496	-	89,123	889,326	46,182
Underwriting result	133,622	(269,552)	4,148,918	78,488	4,091,476	343,215
Investment Income					137,697	-
Modarib's Shares					(41,309)	-
Surplus for the period					4,187,864	343,215
Opertor's Fund-revenue account						
Wakala fee	744,982	1,049,582	2,060,513	153,372	4,008,449	238,511
Commission expenses	(412,406)	(591,441)	(681,275)	(68,635)	(1,753,757)	(107,069)
Management expenses	(117,901)	203,262	(1,314,184)	(34,712)	(1,263,535)	(2,366,068)
	214,675	661,403	65,054	50,025	991,157	(2,234,626)
Investment Income					428,663	894,582
Modarib's Share of PTF Investment					41,309	-
General and administrative expenses					(250,136)	-
Profit / (loss) for the period					1,210,993	(1,340,044)
	Six Months ended June 30					
	Fire & Property Damage	Marine Aviation & Transport	Motor	Misc.	2017 Aggregate	2016 Aggregate
	(Rupees)					
Participants' Takaful Fund-revenue account						
Net Contribution Revenue	1,035,955	6,876,029	7,865,701	143,184	15,920,869	535,544
Wakala expense	(1,245,533)	(5,049,110)	(2,688,783)	(153,372)	(9,136,798)	(238,511)
Direct expenses	(3,226)	(21,413)	(24,495)	(447)	(49,581)	-
Net Claims	-	(3,064,225)	(274,904)	-	(3,339,129)	-
Rebate from re-takaful operations	580,223	1,736,501	-	89,123	2,405,847	46,182
Underwriting result	367,419	477,782	4,877,519	78,488	5,801,208	343,215
Investment Income					228,440	-
Modarib's Share					(68,532)	-
Surplus for the period					5,961,116	343,215
Accumulated surplus						
Balance at the beginning for the period					3,971,191	-
Surplus for the period					5,961,116	343,215
Balance at the end for the period					9,932,307	343,215
Opertor's Fund-revenue account						
Wakala fee	1,245,533	5,049,110	2,688,783	153,372	9,136,798	238,511
Commission expenses	(692,059)	(2,867,507)	(884,876)	(68,635)	(4,513,077)	(107,069)
Management expenses	(251,077)	(1,665,750)	(1,905,257)	(34,712)	(3,856,796)	(2,366,068)
	302,397	515,853	(101,350)	50,025	766,925	(2,234,626)
Investment Income					936,928	894,582
Modarib's Share of PTF Investment					68,532	-
General and administrative expenses					(250,136)	-
Profit / (Loss) for the period					1,522,249	(1,340,044)
Accumulated Profit / (loss)						
Balance at the beginning for the period					(1,534,899)	-
Profit/ (loss) for the period					1,522,249	(1,340,044)
Balance at the end for the period					(12,650)	(1,340,044)

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Reliance Insurance Company Limited
Window Takaful Operations

Condensed Interim Statement of Comprehensive Income (Un Audited)

For the Quarter and Half Year Ended June 30, 2017

	Quarter ended June 30,		Six Months ended June 30,	
	2017	2016	2017	2016
	(Rupees)			

OPERATOR'S FUND

Profit / (loss) for the period	1,210,993	(1,340,044)	1,522,249	(1,340,044)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>1,210,993</u>	<u>(1,340,044)</u>	<u>1,522,249</u>	<u>(1,340,044)</u>

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Statement of Changes In Fund (Un Audited)

For the Half Year Ended June 30, 2017

	Operator's Fund		
	Statutory Fund	Accumulated (loss) / Profit (Rupees)	Total
Balance as at January 01, 2016			
Contribution made during the period	50,000,000	-	50,000,000
Total Comprehensive loss for the period	-	(1,340,044)	(1,340,044)
Balance as at June 30, 2016	<u>50,000,000</u>	<u>(1,340,044)</u>	<u>48,659,956</u>
Balance as at January 01, 2017	50,000,000	(1,534,899)	48,465,101
Total Comprehensive income for the period	-	1,522,249	1,522,249
Balance as at June 30, 2017	<u>50,000,000</u>	<u>(12,650)</u>	<u>49,987,350</u>

	Participants' Takaful Fund		
	Ceded Money	Accumulated surplus (Rupees)	Total
Balance as at January 01, 2016			
Ceded money	500,000	-	500,000
Surplus for the period	-	343,215	343,215
Balance as at June 30, 2016	<u>500,000</u>	<u>343,215</u>	<u>843,215</u>
Balance as at January 01, 2017	500,000	3,971,191	4,471,191
Surplus for the period	-	5,961,116	5,961,116
Balance as at June 30, 2017	<u>500,000</u>	<u>9,932,307</u>	<u>10,432,307</u>

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Reliance Insurance Company Limited
Window Takaful Operations

Condensed Interim Statement of Cash Flows (Unaudited)

For the Half Year Ended June 30, 2017

	Operator's Fund	Participants' Takaful Fund	2017 Aggregate	2016 Aggregate
	(Rupees)			
Operating Cash Flow				
a) Takaful activities				
Contribution received	-	29,767,816	29,767,816	1,789,589
Re-takaful Contributions paid	-	(13,300,987)	(13,300,987)	-
Claims paid	-	(3,460,158)	(3,460,158)	-
Retakaful and other recoveries received	-	2,043,791	2,043,791	-
Commission paid	(2,318,813)	-	(2,318,813)	-
Re-takaful rebate received	-	2,664,155	2,664,155	-
Wakala and mudarib fees received	5,834,618	-	5,834,618	-
Wakala and mudarib fees paid	-	(5,834,618)	(5,834,618)	-
Net cash inflow from takaful activities	3,515,805	11,879,999	15,395,804	1,789,589
b) Other operating activities				
Income tax paid	(125,082)	-	(125,082)	-
General, administrative and management expenses paid	(3,681,932)	(49,581)	(3,731,513)	(575,375)
Other payments on operating assets	(437,955)	(2,979,538)	(3,417,493)	(68,187)
Other receipts in respect of operating assets	22,844	-	22,844	400
Net cash out flow from other operating activities	(4,222,125)	(3,029,119)	(7,251,244)	(643,162)
Total cash out flow/inflow all operating activities	(706,320)	8,850,880	8,144,560	1,146,427
Investment activities				
Profit received	1,022,373	228,440	1,250,813	681,870
Total cash inflow from Investing activities	1,022,373	228,440	1,250,813	681,870
Financing activities				
Contribution to the Operator's Fund	-	-	-	50,000,000
Cede money	-	-	-	500,000
Total cash flow from financing activities	-	-	-	50,500,000
Net cash inflows from all activities	316,053	9,079,320	9,395,373	52,328,297
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	42,164,904	12,121,565	54,286,469	52,328,297
Reconciliation to profit and loss Account				
Operating cash flow	(706,320)	8,850,880	8,144,560	1,146,427
Increase/(decrease) in assets other than cash	6,096,783	13,927,270	20,024,053	1,510,347
(Increase)/decrease in liabilities other than running finance	(4,805,142)	(17,045,474)	(21,850,616)	(4,548,185)
Investment Income	936,928	228,440	1,165,368	894,582
Profit / (loss) after tax as per profit & loss account	1,522,249	5,961,116	7,483,365	(996,829)

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Statement of Contribution (Un Audited)

For the Quarter and Half Year Ended June 30, 2017

Business underwritten inside Pakistan.

Class	Quarter ended June 30										
	Contributions written		Unearned Contribution reserve		Contributions earned	Re-takaful Contribution ceded	Prepaid re-takaful Contribution ceded		Re-takaful expense	2017 Net Contribution revenue	2016 Net Contribution revenue
	Opening	Closing	Opening	Closing			Opening	Closing			
	Rupees										
Direct and facultative											
Fire and Property Damage	3,235,068	2,591,838	3,698,387	2,128,519	2,609,150	1,513,740	2,502,422	1,620,468	508,051	151,423	
Marine, Aviation and Transport	863,852	2,517,981	383,027	2,998,806	740,021	1,324,389	205,734	1,858,676	1,140,130	-	
Motor	11,859,232	3,354,780	8,345,637	6,868,375	727,200	1,058,949	1,343,865	442,284	6,426,091	384,121	
Miscellaneous	1,012,875	354,556	809,718	557,713	753,187	262,406	601,064	414,529	143,184	-	
Grand Total	16,971,027	8,819,155	13,236,769	12,553,413	4,829,558	4,159,484	4,653,085	4,335,957	8,217,456	535,544	
	Rupees										
	Six Months ended June 30										
Class	Contributions written		Unearned Contribution reserve		Contributions earned	Re-takaful Contribution ceded	Prepaid re-takaful Contribution ceded		Re-takaful expense	2017 Net Contribution revenue	2016 Net Contribution revenue
	Opening	Closing	Opening	Closing			Opening	Closing			
Direct and facultative											
Fire and Property Damage	4,960,365	2,296,689	3,698,387	3,558,667	3,763,369	1,261,765	2,502,422	2,522,712	1,035,955	151,423	
Marine, Aviation and Transport	13,640,276	1,168,781	383,027	14,426,030	7,115,853	639,882	205,734	7,550,001	6,876,029	-	
Motor	14,225,791	3,082,456	8,345,637	8,962,610	1,454,400	986,374	1,343,865	1,096,909	7,865,701	384,121	
Miscellaneous	1,012,875	354,556	809,718	557,713	753,187	262,406	601,064	414,529	143,184	-	
Grand Total	33,839,307	6,902,482	13,236,769	27,505,020	13,086,809	3,150,427	4,653,085	11,584,151	15,920,869	535,544	

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawary
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Statement of Claims (Un Audited)

For the Quarter and Half Year Ended June 30, 2017
Business underwritten inside Pakistan.

Class	Quarter ended June 30										
	Claims paid		Provision for Outstanding Claims		Claims expenses	Re-takaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue	2017 Net Claims expenses	2016 Net Claims expenses
	Opening	Closing	Opening	Closing			Opening	Closing			
Direct and facultative	Rupees										
Fire and Property Damage	-	-	-	-	-	-	-	-	-	-	-
Marine, Aviation and Transport	3,331,514	4,105,489	2,222,003	2,043,791	2,802,500	2,199,487	1,440,778	781,225	-	-	
Motor	80,662	171,260	196,922	-	-	-	-	196,922	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	
Grand Total	3,412,176	4,276,749	2,418,925	2,043,791	2,802,500	2,199,487	1,440,778	978,147	-	-	
	Six Months ended June 30										
	Rupees										
Direct and facultative	Rupees										
Fire and Property Damage	-	-	-	-	-	-	-	-	-	-	-
Marine, Aviation and Transport	3,331,514	4,105,489	5,262,003	2,043,791	2,045,500	2,199,487	2,197,778	3,064,225	-	-	
Motor	128,644	25,000	274,904	-	-	-	-	274,904	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	
Grand Total	3,460,158	2,200,000	5,536,907	2,043,791	2,045,500	2,199,487	2,197,778	3,339,129	-	-	

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

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

For the Quarter and Half Year Ended June 30, 2017
Business underwritten inside Pakistan.

Class	Quarter ended June 30							2016 Net PTF expenses
	Gross Wakala fee	Deferred Wakala fee		Wakala fee expense	PTF Direct expenses	Rebate from retakaful operators	2017 Net PTF expenses	
		Opening	Closing					
Rupees								
Direct and facultative								
Fire and Property Damage	1,132,274	907,143	1,294,435	744,982	2,154	372,707	374,429	77,093
Marine, Aviation and Transport	302,348	881,293	134,059	1,049,582	6,371	427,496	628,457	-
Motor	3,557,770	1,006,434	2,503,691	2,060,513	19,738	-	2,080,251	115,236
Miscellaneous	278,541	97,503	222,672	153,372	447	89,123	64,696	-
Grand Total	5,270,933	2,892,373	4,154,857	4,008,449	28,710	889,326	3,147,833	192,329

Class	Six Months ended June 30							2016 Net PTF expenses
	Gross Wakala fee	Deferred Wakala fee		Wakala fee expense	PTF Direct expenses	Rebate from retakaful operators	2017 Net PTF expenses	
		Opening	Closing					
Rupees								
Direct and facultative								
Fire and Property Damage	1,736,127	803,841	1,294,435	1,245,533	3,226	580,223	668,536	77,093
Marine, Aviation and Transport	4,774,096	409,073	134,059	5,049,110	21,413	1,736,501	3,334,022	-
Motor	4,267,738	924,736	2,503,691	2,688,783	24,495	-	2,713,278	115,236
Miscellaneous	278,541	97,503	222,672	153,372	447	89,123	64,696	-
Grand Total	11,056,502	2,235,153	4,154,857	9,136,798	49,581	2,405,847	6,780,532	192,329

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman



A. Aziz Ayooob
Director



Mohammad Omar Bawany
Director



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

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

For the Quarter and Half Year Ended June 30, 2017
Business underwritten inside Pakistan.

Class	Quarter ended June 30						
	Commissions Paid or payable	Deferred commission		Net commission expense	Management expenses	2017 Net OPF expenses	2016 Net OPF expenses
		Opening	Closing				
		Rupees					
Direct and facultative							
Fire and Property Damage	631,745	509,891	729,230	412,406	117,901	530,307	738,142
Marine, Aviation and Transport	164,450	503,596	76,605	591,441	(203,262)	388,179	-
Motor	1,180,361	335,478	834,564	681,275	1,314,184	1,995,459	1,734,995
Miscellaneous	125,531	44,319	101,215	68,635	34,712	103,347	-
Grand Total	2,102,087	1,393,284	1,741,614	1,753,757	1,263,535	3,017,292	2,473,137

Class	Six Months ended June 30						
	Commissions Paid or payable	Deferred commission		Net commission expense	Management expenses	2017 Net OPF expenses	2016 Net OPF expenses
		Opening	Closing				
		Rupees					
Direct and facultative							
Fire and Property Damage	970,125	451,164	729,230	692,059	251,077	943,136	738,142
Marine, Aviation and Transport	2,710,356	233,756	76,605	2,867,507	1,665,750	4,533,257	-
Motor	1,411,194	308,246	834,564	884,876	1,905,257	2,790,133	1,734,995
Miscellaneous	125,531	44,319	101,215	68,635	34,712	103,347	-
Grand Total	5,217,206	1,037,485	1,741,614	4,513,077	3,856,796	8,369,873	2,473,137

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th August, 2017

Condensed Interim Statement of Investment Income (Un Audited)

For the Quarter and Half Year Ended June 30, 2017

	Quarter ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016

(Rupees)


Participants' Takaful Fund

Profit on bank deposits	137,697	-	228,440	-
Investment Income	137,697	-	228,440	-

Operator's Fund-OPF


Profit on bank deposits	428,663	894,582	936,928	894,582
Investment Income	428,663	894,582	936,928	894,582

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.



Ismail H. Zakaria
Chairman

Karachi: 29th August, 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)

For the Half Year Ended June 30, 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

2.1 Statement of Compliance

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 repealed 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.

This condensed interim financial information do not include all detailed note.

2.2 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 cash flows statement.

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 management to make judgments, estimates and assumption that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial information, the significant judgments made by the management in applying the Operator accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2016.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of this condensed interim financial information are same as those adopted in the preparation of annual financial statements for the year ended December 31, 2016.

Notes to the Condensed Interim Financial Information (Un Audited)

For the Half Year Ended June 30, 2017

4. SEGMENT REPORTING

4.1 Participants' Takaful Fund

	(Rupees)											
	Fire & property 2017	Fire & property 2016	Marine 2017	Marine 2016	Motor 2017	Motor 2016	Misc. 2017	Misc. 2016	Unallocated 2017	Unallocated 2016	Total 2017	Total 2016
SEGMENT ASSETS	4,504,595	531,555	18,260,613	-	9,724,254	378,169	554,685	-	-	33,044,147	909,724	
Segment assets												
Unallocated corporate assets								12,121,565	2,289,589	12,121,565	2,289,589	
Consolidated corporate assets								12,121,565	2,289,589	12,121,565	2,289,589	
SEGMENT LIABILITIES	4,455,081	1,613,130	18,059,894	-	9,617,366	537,770	548,588	-	2,052,476	205,198	32,660,929	2,150,900
Segment liabilities												
Unallocated corporate liabilities								2,052,476	205,198	2,052,476	205,198	
Consolidated corporate liabilities								2,052,476	205,198	2,052,476	205,198	

4.2 Operator's Fund

	(Rupees)											
	Fire & property 2017	Fire & property 2016	Marine 2017	Marine 2016	Motor 2017	Motor 2016	Misc. 2017	Misc. 2016	Unallocated 2017	Unallocated 2016	Total 2017	Total 2016
SEGMENT ASSETS	2,369,671	287,189	9,606,111	-	5,115,505	245,247	291,796	-	-	17,363,082	532,436	
Segment assets												
Unallocated corporate assets								42,286,113	50,319,607	42,286,113	50,319,607	
Consolidated corporate assets								42,286,113	50,319,607	42,286,113	50,319,607	
SEGMENT LIABILITIES	617,512	104,309	2,503,256	-	1,333,049	97,508	76,039	-	-	4,529,857	201,817	
Segment liabilities												
Unallocated corporate liabilities								5,151,988	1,990,270	5,151,988	1,990,270	
Consolidated corporate liabilities								5,151,988	1,990,270	5,151,988	1,990,270	

Notes to the Condensed Interim Financial Information (Un Audited)

For the Half Year Ended June 30, 2017

5. 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. There were no related party transactions during the period.

6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2017.

7. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue by the Board of Directors of the Operator on 29 August 2017.

8. GENERAL

8.1 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 August, 2017

Categories of Share Holding

as at June 30, 2017

Sr. No.	Categories of share holders	Number of share holders	Total shares hold	Percentage %
1	INDIVIDUALS	1601	46,300,263	82.470
2	INVESTMENT COMPANIES	6	1,687	0.003
3	INSURANCE COMPANIES	1	648	0.001
4	JOINT STOCK COMPANIES	27	8,828,735	15.730
5	FINANCIAL INSTITUTIONS	2	456	0.000
6	STOCK EXCHANGE	1	2,024	0.003
7	WELFARE SOCIETY	1	28,070	0.050
8	CHARITABLE TRUSTS	1	192,111	0.342
9	MODARABA MANAGEMENT COMPANIES	1	1	0.000
10	TRADE	1	669	0.001
11	GOVERNMENT DEPARTMENT	2	786,621	1.401
		<u>1644</u>	<u>56,141,285</u>	<u>100.00</u>

Pattern of Shareholding

as at June 30, 2017

Number of Shareholders	Shareholdings			Total shares held
	From		To	
432	1	-	100	8,314
201	101	-	500	52,798
172	501	-	1000	117,286
416	1001	-	5000	996,315
143	5001	-	10000	1,024,868
50	10001	-	15000	604,731
30	15001	-	20000	517,230
31	20001	-	25000	696,015
19	25001	-	30000	507,211
14	30001	-	35000	458,151
8	35001	-	40000	297,525
10	40001	-	45000	430,527
7	45001	-	50000	334,918
8	50001	-	55000	425,524
5	55001	-	60000	284,808
7	60001	-	65000	439,363
1	65001	-	70000	66,604
4	70001	-	75000	293,531
2	75001	-	80000	156,736
2	80001	-	85000	162,584
3	85001	-	90000	266,374
1	95001	-	100000	95,308
1	100001	-	105000	103,685
4	105001	-	110000	436,053
1	110001	-	115000	112,237
4	115001	-	120000	469,076
3	120001	-	125000	367,071
1	125001	-	130000	129,841
1	135001	-	140000	136,987
1	140001	-	145000	142,617
1	145001	-	150000	146,182
1	150001	-	155000	154,035
3	160001	-	165000	487,299
1	185001	-	190000	186,150
1	190001	-	195000	192,111
3	195001	-	200000	597,105
1	200001	-	205000	200,317
1	205001	-	210000	206,828
3	215001	-	220000	655,090
1	220001	-	225000	222,625
1	225001	-	230000	226,428
2	230001	-	235000	467,017
2	235001	-	240000	476,248
1	240001	-	245000	241,024
1	245001	-	250000	248,962
1	250001	-	255000	252,397
1	260001	-	265000	262,581
1	265001	-	270000	269,820
1	330001	-	335000	332,852
2	345001	-	350000	697,104
1	350001	-	355000	353,000
1	370001	-	375000	374,312
1	390001	-	395000	391,065
1	395001	-	400000	400,000
2	415001	-	420000	830,723
1	465001	-	470000	465,569
1	470001	-	475000	472,000
1	495001	-	500000	495,426
1	500001	-	505000	504,405
1	515001	-	520000	515,833
1	545001	-	550000	550,000
1	560001	-	565000	560,195
1	610001	-	615000	610,185
1	635001	-	640000	638,934
1	640001	-	645000	644,004
1	680001	-	685000	682,501
1	740001	-	745000	743,988
1	785001	-	790000	788,992
1	790001	-	795000	794,367
1	840001	-	845000	843,844
1	1035001	-	1040000	1,039,111
1	1130001	-	1135000	1,131,486
1	1285001	-	1290000	1,285,912
1	1680001	-	1685000	1,683,816
1	1785001	-	1790000	1,787,583
1	2125001	-	2130000	2,129,188
1	2160001	-	2165000	2,161,949
1	2190001	-	2195000	2,193,970
1	2395001	-	2400000	2,397,955
1	2495001	-	2500000	2,497,976
1	3355001	-	3360000	3,356,700
1	6155001	-	6160000	6,159,833
<u>1644</u>				<u>56,141,285</u>

Offices

Head Office

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

PABX : 34539415-17
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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 Complaine 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)

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Rahimyar Khan
Gulshan-e-Iqbal

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Mr. Anees Memon
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