

QUARTERLY REPORT

Quarter Ended March 31, 2018 (Un-Audited)


SERVING RELIABLY



Reliance Insurance
Company Limited



Window Takaful



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Company Information



BOARD OF DIRECTORS

CHAIRMAN
ISMAIL H. ZAKARIA

DIRECTORS

A. AZIZ AYOOB
IRFAN ZAKARIA BAWANY
MUHAMMAD OMAR BAWANY
ZOHAIK ZAKARIA
AHMED ALI BAWANY
NOOR M. ZAKARIA
HAMZA OMAR BAWANY
MUHAMMAD IQBAL

CHIEF EXECUTIVE & MANAGING DIRECTOR

A. RAZAK AHMED

CHIEF ACCOUNTANT AND COMPANY SECRETARY

HAROON A. SHAKOOR

AUDIT COMMITTEE

MUHAMMAD OMAR BAWANY	CHAIRMAN
IRFAN ZAKARIA BAWANY	MEMBER
ZOHAIK ZAKARIA	MEMBER
MUHAMMAD IQBAL	MEMBER

INVESTMENT COMMITTEE

IRFAN ZAKARIA BAWANY	CHAIRMAN
ZOHAIK ZAKARIA	MEMBER
AHMED ALI BAWANY	MEMBER
A. RAZAK AHMED	MEMBER
HAROON A. SHAKOOR	SECRETARY

ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

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

COMPLIANCE OFFICER

GHULAM HAIDER

CREDIT RATING

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

AUDITORS

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

LEGAL ADVISOR

ABDUL SATTAR PINGAR

SHARI'AH ADVISOR

MUFTI MUHAMMAD FARHAN FAROOQ

BANKERS

HABIB BANK LIMITED
MCB BANK LIMITED
ALLIED BANK LIMITED
SONERI BANK LIMITED
BANK ALFALAH LIMITED
NATIONAL BANK OF PAKISTAN
MEEZAN BANK LIMITED
DUBAI ISLAMIC BANK
MCB ISLAMIC BANK LIMITED
UNITED BANK LIMITED
THE BANK OF PUNJAB
FAYSAL BANK LIMITED
HABIB METROPOLITAN 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, 2018. These Accounts have been prepared according to the Insurance Rules 2017 and Insurance Accounting Regulation 2017, prescribed by SECP vide SRO No.89(I) dated 9th February 2017.

During the period under review, your Company underwrote a Gross Premium of Rs.273.444 million inclusive of Takaful Contribution for Rs.22.663 million as compared to Rs.310.021 million of the corresponding period of last year inclusive of Takaful Contribution for Rs.16.868 million – a decrease of 11.80%. Net Premium stood at Rs.75.312 million as against Rs.90.767 million of last year showing a decrease of 17.03%.

Net claims decrease from Rs.20.997 million to Rs.16.676 million compared to corresponding period of last year, showing a decrease of 20.58%. Underwriting profit decreased from Rs.23.426 million to Rs.14.447 million, showing a decrease of 38.33%.

Investment income for the quarter stood at Rs.49.173 million compared to Rs. 6.521 million (Restated) of the corresponding period of last year.

Profit before tax for the period ended March 31, 2018 was Rs.48.484 million against Rs.11.128 million (Restated) of corresponding period of last year. Earnings per share (EPS) stood at Re.0.86 compared to Re.0.20 (Restated) for the corresponding period of last year. There is a profit of Rs.0.702 million before tax from Window Takaful Operations Fund for the Quarter ended 31st March, 2018.

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: 28th April, 2018.

ڈائریکٹرز کا جائزہ

بنام حصص یافتگان

ڈائریکٹرز بمسرت کمپنی کے غیر آڈٹ شدہ حسابات پہلی سہ ماہی برائے مدت مختتمہ 31 مارچ 2018 پیش کرتے ہیں۔ یہ اکاؤنٹس ایس ای سی پی (SECP) کے SRO کے نمبر 2017/89(I) بتاریخ 9 فروری 2017 میں درج، انشورنس قوانین 2017 اور انشورنس اکاؤنٹنگ ریگولیشنز 2017 کے مطابق تیار کیے گئے ہیں۔

اس مدت کے دوران، آپ کی کمپنی نے بشمول مکافل شراکت 22.663 ملین روپے، مجموعی پربینیم 273.444 ملین روپے کیا جو گزشتہ سال کی اسی مدت کے مجموعی پربینیم 310.021 ملین روپے بشمول مکافل شراکت 16.868 ملین روپے کے مقابلے میں 11.80 فیصد کم ہوا ہے۔ خالص پربینیم آمدنی 90.767 ملین روپے سے کم ہو کر 75.312 ملین روپے رہی جو کہ گزشتہ سال کے مقابلے میں 17.03 فیصد کمی ظاہر کرتی ہے۔

نیٹ گلیٹر 20.997 ملین روپے سے کم ہو کر 16.676 ملین روپے ہوئے ہیں جو کہ گزشتہ سال کے مقابلے میں 20.58 فیصد کمی ظاہر کرتی ہے۔ انڈر رائٹنگ منافع 23.426 ملین روپے سے کم ہو کر 14.447 ملین روپے رہا جو کہ 38.33 فیصد کمی ظاہر کرتی ہے۔

مذکورہ مدت میں سرمایہ کاری کی آمدنی 49.173 ملین روپے رہی ہے جو کہ گزشتہ سال اسی مدت میں نظر ثانی شدہ (Restated) 6.521 ملین روپے تھی۔

31 مارچ 2018 کو ختم ہونے والی مدت کے لیے قبل از ٹیکس منافع 48.484 ملین روپے تھا جب کہ گزشتہ سال اسی مدت کے لیے نظر ثانی شدہ (Restated) 11.128 ملین روپے تھا۔ فی حصص آمدنی 0.86 روپے ہے جو کہ گزشتہ سال اسی مدت کے لیے نظر ثانی شدہ (Restated) 0.20 روپے نقصان میں تھی۔ 31 مارچ 2018 کو ختم ہونے والی مدت کے لیے وند و مکافل آپریشن فنڈ کا قبل از ٹیکس منافع 0.702 ملین روپے رہا۔

آپ کی مینجمنٹ اس کارکردگی کو بہتر بنانے کی بھرپور کوشش کرتی رہے گی اس امید کہ ساتھ کہ حکومت ترقی بنیادوں پر توانائی کے بحران سے نمٹنے 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 وامان کی صورتحال پر بہتر بنانے پر توجہ مرکوز رکھے گی

محکم بورڈ

اے رزاق احمد

چیف ایگزیکٹو اور مینجنگ ڈائریکٹر

کراچی 28 اپریل 2018



Our Services

Reliance underwrites in all classes of General Insurance and enjoys reputation second to none. Apart from Conventional General Insurance RIC has also commenced its General Takaful operations.



General Insurance (Conventional)

Reliance Insurance commenced its general insurance business in 1981 and it underwrites in all classes of traditional and non-traditional lines.

Reliance Insurance offering a wide range of covers such as Fire & Property, Marine Cargo, Motor Vehicles (Commercial & Private), Personal Accident, Money Insurance, Burglary & Liability (Public & Product) and Workmen Compensation while non-traditional covers such as Engineering Risks (MBD, CAR, EAR), Aviation Insurance, Terrorism and Bonds are also being offered.



General Takaful (Islamic)

Takaful is an Islamic alternate of Insurance and is growing steadily. Reliance Insurance commenced its Window Takaful Operations in June 2016 under the guidance of renowned, qualified and certified Sharia Scholars.

Reliance Takaful is offering a wide range of Sharia 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 Statement of Financial Position

As at March 31, 2018

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017 Restated
Rupees			
ASSETS			
Property and equipment	6	83,020,610	81,020,496
Intangible assets	7	-	-
Investment			
Equity securities	8	655,711,731	607,301,501
Debt securities	8.1	70,169,043	70,169,043
Term deposit	8.2	26,748,613	26,748,613
		752,629,387	704,219,157
Loan and other receivables	9	4,005,582	1,712,232
Insurance / Reinsurance receivables	10	200,102,429	207,786,920
Reinsurance recoveries against outstanding claims		153,714,754	167,283,860
Deferred Commission Expense		60,411,684	60,932,042
Prepayments	11	340,862,848	339,350,250
Accrued investment income		4,154,551	1,399,061
Deferred taxation		-	1,861,101
Cash & Bank deposits	12	129,553,968	160,185,536
Total Assets Window Takaful Operatoins		67,651,409	64,929,992
TOTAL ASSETS		1,796,107,222	1,790,680,647



Condensed Interim Statement of Financial Position

As at March 31, 2018

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017 Restated
Rupees			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 75,000,000 (2017: 75,000,000)		750,000,000	750,000,000
Ordinary shares of Rs 10/- each			
Issued, subscribed and paid-up share capital	13	561,412,850	561,412,850
Reserves		250,000,000	250,000,000
Accumulated Profit / (Loss)		45,063,973	(3,420,826)
Surplus/(Deficit) on revaluation of available for sale investments		864,032	(9,498,703)
Total Equity		857,340,855	798,493,321
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		190,330,050	209,590,488
Unearned premium reserves		491,982,775	494,450,943
Unearned Reinsurance Commission		35,756,259	35,347,057
Insurance / Reinsurance Payables		115,070,516	138,626,640
Other Creditors and Accruals	14	66,068,477	81,873,259
Taxation - provision less payment		17,396,262	13,925,667
Deferred taxation		2,348,038	-
Unclaimed dividend		2,184,182	2,221,253
Total Liabilities Window Takaful operations		17,629,808	16,152,019
Total Liabilities		938,766,367	992,187,326
TOTAL EQUITY AND LIABILITIES		1,796,107,222	1,790,680,647

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


Haroon A. Shakoor
Chief Accountant and
Company Secretary


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 28 April, 2018



Condensed Interim Profit & Loss Account (Un Audited)

For the Period Ended March 31, 2018

	Note	March 31, 2018	March 31, 2017 Restated
Rupees			
Net insurance premium	16	75,312,121	90,767,803
Net insurance claims	17	(16,676,546)	(20,996,941)
Net Commission	18	(13,014,761)	(17,164,426)
Total Insurance claims and commission		(29,691,307)	(38,161,367)
Management Expenses		(31,173,428)	(29,180,303)
Underwriting results		14,447,386	23,426,133
Investment Income	19	49,173,654	6,521,086
Other income		296,530	589,298
Other expenses		(11,501,206)	(12,469,582)
Profit before tax from takaful operations-Operators Fund		702,217	311,256
Results of operating activities	22	53,118,581	18,378,191
Income tax expense		(4,633,782)	(7,250,000)
Profit after tax		48,484,799	11,128,191
EARNINGS (after tax) PER SHARE - basic and diluted		0.86	0.20

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


Haroon A. Shakoor
Chief Accountant and
Company Secretary


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 28 April, 2018

Condensed Interim Statement Of Comprehensive Income (Un Audited)

For the Period Ended March 31, 2018

	Quarter ended March 31	
	2018	2017 Restated
	(Rupees)	
Profit after tax	48,484,799	11,128,191
Surplus on revaluation of available for sale investments	14,030,463	1,286,496
Surplus on revaluation of available for sale investments - takaful	541,411	135,809
Deferred taxation	(4,209,139)	(385,949)
	10,362,735	1,036,356
Total comprehensive income for the period	58,847,534	12,164,547

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


Haroon A. Shakoor
Chief Accountant and
Company Secretary


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 28 April, 2018

Condensed Interim Statement Of Changes in Equity (Un Audited)


For the Period Ended March 31, 2018


	Share capital	General reserves	Unappropriated profit / (Accumulated loss) (Rupees)	Surplus (Deficit) / on revaluation of AFS investments	Total
Balance as at January 01, 2017 (Restated)	510,375,320	220,000,000	141,604,871	7,972,550	879,952,741
Total comprehensive income for the period	-	-	11,128,191	1,036,356	12,164,547
Balance as at March 31, 2017	<u>510,375,320</u>	<u>220,000,000</u>	<u>152,733,062</u>	<u>9,008,906</u>	<u>892,117,288</u>
Balance as at January 01, 2018	561,412,850	250,000,000	(3,420,826)	(9,498,703)	798,493,321
Total comprehensive income for the period	-	-	48,484,799	10,362,735	58,847,534
Balance as at March 31, 2018	<u>561,412,850</u>	<u>250,000,000</u>	<u>45,063,973</u>	<u>864,032</u>	<u>857,340,855</u>

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


Haroon A. Shakoor
Chief Accountant and
Company Secretary


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 28 April, 2018

Condensed Interim Statement of Cash Flows (Un Audited)

Financial Period Ended March 31, 2018

	January to March	
	2018	2017 Restated
	————— (Rupees) —————	
Operating cash flow		
a) Underwriting activities		
Premium received	258,711,504	252,441,496
Reinsurance premium paid	(203,137,372)	(171,303,366)
Claims paid	(65,051,654)	(52,346,646)
Reinsurance and other recoveries received	42,683,776	29,395,281
Commission paid	(29,389,348)	(36,283,157)
Commission received	17,304,147	19,141,198
Net cash generated from underwriting activities	21,121,053	41,044,806
b) Other operating activities		
Income tax paid	(1,163,187)	(3,320,719)
General management expenses paid	(31,173,428)	(29,180,303)
Other operating payments	(8,476,790)	(9,247,440)
Repayment received / (Loans advanced)	(122,350)	(502,425)
Other creditors and accruals	(15,804,782)	(12,891,907)
Other (payments) / receipts in respect of operating assets	(2,285,410)	(627,128)
Net cash used in other operating activities	(59,025,947)	(55,769,922)
Net cash generated from operating activities	(37,904,894)	(14,725,116)
Investment activities		
Interest / dividend received	7,731,157	7,885,075
Payments for investments	(694,160)	(10,773,779)
Proceeds from disposal of investments	5,001,400	9,670,643
Fixed capital expenditures	(6,335,000)	(3,747,000)
Proceeds from disposal of fixed assets	1,607,000	767,700
Net cash generated from investing activities	7,310,397	3,802,639



Condensed Interim Statement of Cash Flows (Un Audited)

Financial Period Ended March 31, 2018

	January to March	
	2018	2017 Restated
	(Rupees)	
Financing activities		
Dividend paid	(37,071)	-
Net cash used in financing activities	(37,071)	-
Net increase in cash and cash equivalent	(30,631,568)	(10,922,477)
Cash and cash equivalent at the beginning of the period	160,185,536	120,239,053
Cash and cash equivalent at the end of the period	<u>129,553,968</u>	<u>109,316,576</u>
Reconciliation to profit and loss account		
Operating cash flow	(37,904,894)	(14,725,116)
Depreciation / amortization expense	(3,024,416)	(3,222,142)
Gain on disposal of fixed assets	296,530	589,298
(Decrease) / increase in assets other than cash	(17,968,007)	31,372,039
(Decrease) / increase in liabilities other than running finance	57,209,715	(9,718,230)
Investment income	49,173,654	6,521,086
Profit before tax from Takaful operations-Operators' Fund	702,217	311,256
Profit after taxation	<u>48,484,799</u>	<u>11,128,191</u>
Definition of cash		
Cash in hand and at banks, stamps in hand and short term placements with banks		
Cash for the purposes of the statement of cash flows consists of:		
Cash and equivalents	1,894,806	499,811
Current and other accounts	127,659,162	108,816,765
	<u>129,553,968</u>	<u>109,316,576</u>

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


Haroon A. Shakoore
Chief Accountant and
Company Secretary


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 28 April, 2018



Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

1. LEGAL 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 and has also been allowed to undertake Window Takaful operations (WTO) on May 25, 2016 by Securities & 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

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', as applicable in Pakistan and provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012. In case where the requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and SECP Takaful Rules 2012 shall prevail.

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan vide S.R.O 89(1)/2017 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December, 2017.

2.1 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.

3. 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, 2017, except as follows:

3.1 Change in Accounting Policy

According to S.R.O 89(1)/2017, the new Insurance Accounting Regulations 2017 have been notified. The new regulations require application of IAS 39 recognition and measurement in respect of the available for sale investments in the format prescribed in the Insurance Rules 2017. IAS 39 - Financial Instruments have become applicable to the Company which resulted in change in accounting policy in respect of investments in available for sale securities.

Previously investments in available for sale securities were stated at lower of cost or market value, if the decline in the market value is other than temporary (i.e. impaired). A fall in market value of a security is treated as "other than temporary (i.e. impaired)", if there is a significant or prolonged decline in fair value of security below its cost.

IAS 39 requires available for sale investments to be subsequently measured at fair value and any changes therein, other than impairment losses are recognized in other comprehensive income and presented in the surplus / (deficit) on revaluation of available for sale investments in equity. When an investment is derecognized, the gain and loss accumulated in equity is reclassified to profit and loss account.

This change in accounting policy was applied retrospectively in accordance with the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Effect of the retrospective application of change in accounting policy are as follows:



Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

Statement of financial position and statement of changes in equity

Increase in equity as at December 31, 2016	16,427,061
Increase in investment as at December 31, 2016	16,908,932
Deferred taxation as at December 31, 2016	481,871
Decrease in equity as at March 31, 2017	(751,342)
Increase in equity as at December 31, 2017	7,231,260
Increase in investment as at December 31, 2017	6,189,795
Decrease in deferred taxation as at March 31, 2017	(1,041,465)

Statement of Comprehensive Income

Increase in total comprehensive income for the period ended March 31, 2017	1,036,356
----------------------------------------------------------------------------	-----------

3.2 Certain changes have been made to the presentation of the financial statements which include the following:

Changes in the sequence of assets/liabilities in the statement of financial position.

Discontinuation of separate statements of premiums, claims, commission and investment income which are now presented (on aggregate basis) into the notes of the financial statements (notes 16, 17, 18 and 19).

Underwriting results in relation to various classes of business which were previously presented on the face of the profit and loss account are now presented in a separate note (note 22)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of the condensed interim financial information requires management to make judgements, 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, 2017.

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, 2017.

6. PROPERTY AND EQUIPMENT

	March 31, 2018	December 31, 2017
	(Rupees)	
Open written down value	81,020,496	87,071,089
Additions and transfers during the period / year at cost		
Furniture & fixtures	-	1,063,565
Motor Vehicles	6,335,000	9,724,920
Office Equipments	-	359,397
Office Computers	-	44,000
	<u>6,335,000</u>	11,191,882
Written down value of disposal during the period / year	(1,310,470)	(4,105,563)
Motor Vehicles		
Depreciation for the period / year	<u>(3,024,416)</u>	(13,136,912)
Closing writtend value	<u>83,020,610</u>	<u>81,020,496</u>



Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

	Note	March 31, 2018	December 31, 2017
(Rupees)			
7. INTANGIBLE ASSETS - Computer software			
Open written down value		3,477,823	3,477,823
Additions and transfers during the period / year at cost		-	-
Amortization		(3,477,823)	(3,477,823)
Closing writtend value		-	-
8. EQUITY SECURITIES			
Available for sale			
Mutual funds		217,470,645	212,490,534
Related parties		6,119,279	4,388,545
Others		74,677,095	67,124,278
		298,267,019	284,003,357
Investments at fair value through profit or loss - held for trading		357,444,712	323,298,144
Quoted shares		655,711,731	607,301,501
8.1 DEBT SECURITIES			
Held to maturity			
GOP Ijara Sukuk Bonds	8.1.2	70,169,043	70,169,043
8.1.2	The market value of GOP Ijara Sukuk amounted to Rs.69.098 million (December 31, 2017: Rs.70.150 million)		
8.1.3	Government of Pakistan Ijara Sukuk Bond (GOPI) having face value amounted to Rs.60 million and market value amounted to Rs. 59.298 million (December 31, 2017: Rs. 60 million) and market value amount to Rs. 60.157 million) are placed with the State Bank of Pakistan under section 29 of insurance ordinance 2000.		
8.2 TERM DEPOSIT			
Deposit maturing within 12 months		26,748,613	26,748,613
9. LOANS AND OTHER RECEIVABLES			
Loan to employees		1,458,550	1,336,200
Sundry receivables		2,547,032	376,032
		4,005,582	1,712,232
10. INSURANCE / REINSURANCE RECEIVABLE			
Premium due but unpaid		197,609,804	205,540,384
Amount due from other insurers/reinsurers		2,492,625	2,246,536
		200,102,429	207,786,920

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

	Note	March 31, 2018	December 31, 2017
(Rupees)			
11. PREPAYMENTS			
Prepaid reinsurance premium ceded		338,937,144	337,538,956
Trade deposit and prepayments		1,925,704	1,811,294
		<u>340,862,848</u>	<u>339,350,250</u>
12. CASH AND BANK DEPOSITS			
Cash and other equivalents			
Cash in hand, Policy stamps and bond paper in hand		1,894,806	498,290
Current and other accounts			
Current accounts		58,852,639	63,555,078
PLS saving accounts	12.1	68,806,523	96,132,168
		<u>127,659,162</u>	<u>159,687,246</u>
		<u>129,553,968</u>	<u>160,185,536</u>
12.1 PLS saving accounts carry mark-up at rates range from 4.00% to 5.50% per annum (2017: 4.00% to 5.50% per annum).			
13. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
		March 31, 2018	December 31, 2017
		(Number of shares)	(Rupees)
		1,156,680	1,156,680
			Ordinary shares of Rs. 10 each issued as fully paid in cash
		54,984,605	54,984,605
			Ordinary shares of Rs.10 each issued as fully paid bonus shares
		<u>56,141,285</u>	<u>56,141,285</u>
		March 31, 2018	December 31, 2017
		(Rupees)	(Rupees)
		11,566,800	11,566,800
		549,846,050	549,846,050
		<u>561,412,850</u>	<u>561,412,850</u>
14. OTHER CREDITORS AND ACCRUALS			
Other creditors		64,134,966	78,803,887
Accrued expenses		1,933,511	3,069,372
		<u>66,068,477</u>	<u>81,873,259</u>
15. CONTINGENCIES AND COMMITMENTS			
15.1 Contingencies			
a.			
			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 years, by initialing 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. In previous year, the Commissioner Inland Reveune (Appeals) has annulled all the assessments under section 122(5A) in which dividend was taxed at corporate rate. The Commissioner of Inland Revune 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 the regard with consultation of tax advisor as it is confident that the case will be decided in the Company's favor.

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

- b. 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.2.500 million and the rest would be recoverable under fronting arrangements as per agreed terms.

15.2 Commitments

There are no commitments as at the balance sheet date.

	March 31, 2018	March 31, 2017
	(Rupees)	
16. NET INSURANCE PREMIUM		
Written Gross Premium	250,780,924	293,153,258
Add: Unearned premium reserve opening	494,450,943	527,368,394
Less: Unearned premium reserve closing	(491,982,775)	(526,961,572)
Premium earned	253,249,092	293,560,080
Less: Reinsurance premium ceded	179,335,159	200,576,162
Add: Prepaid reinsurance premium opening	337,538,956	364,533,433
Less: Prepaid reinsurance premium closing	(338,937,144)	(362,317,318)
Reinsurance expense	177,936,971	202,792,277
Net Insurance Premium	<u>75,312,121</u>	<u>90,767,803</u>
17. NET INSURANCE CLAIMS EXPENSE		
Claim Paid	65,051,654	52,346,646
Add: Outstanding claims including IBNR closing	190,330,050	212,823,799
Less: Outstanding claims including IBNR opening	(209,590,488)	(220,507,963)
Claims expense	45,791,216	44,662,482
Less: Reinsurance and other recoveries received	42,683,776	29,395,281
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	153,714,754	166,348,622
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	(167,283,860)	(172,078,362)
Reinsurance and other recoveries revenue	29,114,670	23,665,541
Net claims expenses	<u>16,676,546</u>	<u>20,996,941</u>
18. NET COMMISSION EXPENSE		
Commission paid or payable	29,389,348	36,847,679
Add: Deferred commission expense opening	60,932,042	61,298,491
Less: Deferred commission expense closing	(60,411,684)	(61,212,022)
Net Commission	29,909,706	36,934,148
Less: Commission received or recoverable	17,304,147	19,141,198
Add: Unearned Reinsurance Commission	35,347,057	34,712,441
Less: Unearned Reinsurance Commission	(35,756,259)	(34,083,917)
Commission from reinsurers	16,894,945	19,769,722
	<u>13,014,761</u>	<u>17,164,426</u>

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

	March 31, 2018	March 31, 2017 Restated
	(Rupees)	
19. INVESTMENT INCOME		
Income from equity securities - AFS		
Dividend income	1,821,150	1,670,750
Realised gains on - Equity securities	197,934	-
	2,019,084	1,670,750
Income from equity securities - Held for trading		
Dividend Income	8,180,519	8,172,989
Gain on sale of investments	820,590	1,117,100
Net unrealised gains / (loss) on investments at fair value through profit or loss (held for trading purposes)	37,327,728	(2,299,515)
	46,328,837	6,990,574
Income from debt securities - Held to maturity		
Return on debt securities	-	24,341
Income from deposits		
Return on deposits	484,978	438,209
Total investment income	48,832,899	9,123,874
Impairment in value of available for sale investments		
Impairment / (Impairment) reversal - Equity Securities	344,915	(2,600,888)
Less: Investment related expenses	(4,160)	(1,900)
	340,755	(2,602,788)
Net investment income	49,173,654	6,521,086
20. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax	48,484,799	11,128,191
		Restated
Weighted average number of shares of Rs. 10 each	56,141,285	56,141,285
Earning per share - Rupees	0.86	0.20

No figures for diluted earnings per share has been presented as the Company has not issued any instrument which would have dilutive effect on earnings per share when exercised. Comparative figures have been restated on account of issuance of bonus shares.

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

21. 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".

Details of transactions with related parties during the period are as follows:

Relation with the Company	Nature of transaction	March 31, 2018	March 31, 2017
		(Rupees)	
Transactions during the period			
Associated companies	Premium underwritten	4,148,153	5,474,160
	Premium collected	8,690,714	14,537,885
	Claims paid	509,020	263,788
	Premium due but unpaid	54,710,770	40,963,398
	Provision for outstanding claims	12,727,569	7,248,095
Key management personnel Staff retirement benefits	Remuneration and other benefits	6,176,370	6,962,536
	Contribution to provident fund	705,693	712,717

22. SEGMENT INFORMATION

	March 31, 2018				Total
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	
	(Rupees)				
Gross written premium	<u>67,007,813</u>	<u>141,522,527</u>	<u>35,145,447</u>	<u>7,105,137</u>	<u>250,780,924</u>
(inclusive of Administrative surcharge)					
Insurance premium earned	<u>67,984,931</u>	<u>143,506,676</u>	<u>34,677,730</u>	<u>7,079,755</u>	<u>253,249,092</u>
Insurance premium ceded to reinsurers	<u>(42,291,516)</u>	<u>(129,833,713)</u>	<u>(813,514)</u>	<u>(4,998,228)</u>	<u>(177,936,971)</u>
Net insurance premium	<u>25,693,415</u>	<u>13,672,963</u>	<u>33,864,216</u>	<u>2,081,527</u>	<u>75,312,121</u>
Commission income	<u>10,454,265</u>	<u>4,852,387</u>	<u>9,159</u>	<u>1,579,134</u>	<u>16,894,945</u>
Net underwriting income	<u>36,147,680</u>	<u>18,525,350</u>	<u>33,873,375</u>	<u>3,660,661</u>	<u>92,207,066</u>
Insurance claims	<u>(28,375,857)</u>	<u>(4,066,612)</u>	<u>(12,547,360)</u>	<u>(801,387)</u>	<u>(45,791,216)</u>
Insurance claims recovered from reinsurers	<u>26,528,097</u>	<u>1,974,451</u>	<u>-</u>	<u>612,122</u>	<u>29,114,670</u>
Net claims	<u>(1,847,760)</u>	<u>(2,092,161)</u>	<u>(12,547,360)</u>	<u>(189,265)</u>	<u>(16,676,546)</u>
Commission expense	<u>(17,783,494)</u>	<u>(7,445,411)</u>	<u>(3,381,135)</u>	<u>(1,299,666)</u>	<u>(29,909,706)</u>
Management expense	<u>(10,635,098)</u>	<u>(5,659,555)</u>	<u>(14,017,182)</u>	<u>(861,592)</u>	<u>(31,173,428)</u>
Net insurance claims & expenses	<u>(30,266,352)</u>	<u>(15,197,127)</u>	<u>(29,945,677)</u>	<u>(2,350,523)</u>	<u>(77,759,680)</u>
Underwriting result	<u>5,881,328</u>	<u>3,328,223</u>	<u>3,927,698</u>	<u>1,310,138</u>	<u>14,447,386</u>
Net Investment income					<u>49,173,654</u>
Other income					<u>296,530</u>
Other expenses					<u>(11,501,206)</u>
Profit before tax from takaful operations-Operators' Fund					<u>702,217</u>
Profit before tax					<u>53,118,581</u>
Segment assets	<u>142,843,860</u>	<u>76,015,540</u>	<u>188,269,847</u>	<u>11,572,356</u>	<u>418,701,603</u>
Unallocated assets					<u>1,377,405,619</u>
					<u>1,796,107,222</u>
Segment liabilities	<u>313,508,961</u>	<u>166,836,383</u>	<u>413,208,410</u>	<u>25,398,623</u>	<u>918,952,377</u>
Unallocated liabilities					<u>19,813,990</u>
					<u>938,766,367</u>

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

	March 31, 2017				
	Restated				
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	Total
	(Rupees)				
Gross written premium (inclusive of Administrative surcharge)	79,136,505	172,872,930	31,986,062	9,157,761	293,153,258
Insurance premium earned	78,818,751	173,528,534	32,032,938	9,179,857	293,560,080
Insurance premium ceded to reinsurers	(49,259,216)	(146,716,596)	(648,569)	(6,167,896)	(202,792,277)
Net insurance premium	29,559,535	26,811,938	31,384,369	3,011,961	90,767,803
Commission income	12,144,148	5,810,512	-	1,815,062	19,769,722
Net underwriting income	41,703,683	32,622,450	31,384,369	4,827,023	110,537,525
Insurance claims	(17,505,937)	(14,130,522)	(12,539,032)	(486,991)	(44,662,482)
Insurance claims recovered from reinsurers	16,469,764	6,855,786	48,000	291,991	23,665,541
Net claims	(1,036,173)	(7,274,736)	(12,491,032)	(195,000)	(20,996,941)
Commission expense	(20,338,084)	(11,720,556)	(3,110,232)	(1,765,276)	(36,934,148)
Management expense	(9,502,887)	(8,619,581)	(10,089,540)	(968,295)	(29,180,303)
Net insurance claims & expenses	(30,877,144)	(27,614,873)	(25,690,804)	(2,928,571)	(87,111,392)
Underwriting result	10,826,539	5,007,577	5,693,565	1,898,452	23,426,133
Net investment income					6,521,086
Other income					589,298
Other expenses					(12,469,582)
Profit before tax from takaful operations-Operators' Fund					311,256
Profit before tax					18,378,191
Segment assets	142,822,457	129,546,925	151,639,485	14,552,856	438,561,723
Unallocated assets					1,413,558,157
					1,852,119,880
Segment liabilities	310,027,855	281,210,365	329,167,174	31,590,206	951,995,599
Unallocated liabilities					8,142,802
					960,138,401

23. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on 28th April, 2018 by the Board of Directors of the Company.

24. GENERAL

Figures have been rounded off to the nearest rupee.



Ismail H. Zakaria
Chairman



A. Aziz Ayoob
Director



Mohammad Omar Bawany
Director



Haroon A. Shakoor
Chief Accountant and
Company Secretary



A. Razak Ahmed
Chief Executive & Managing Director

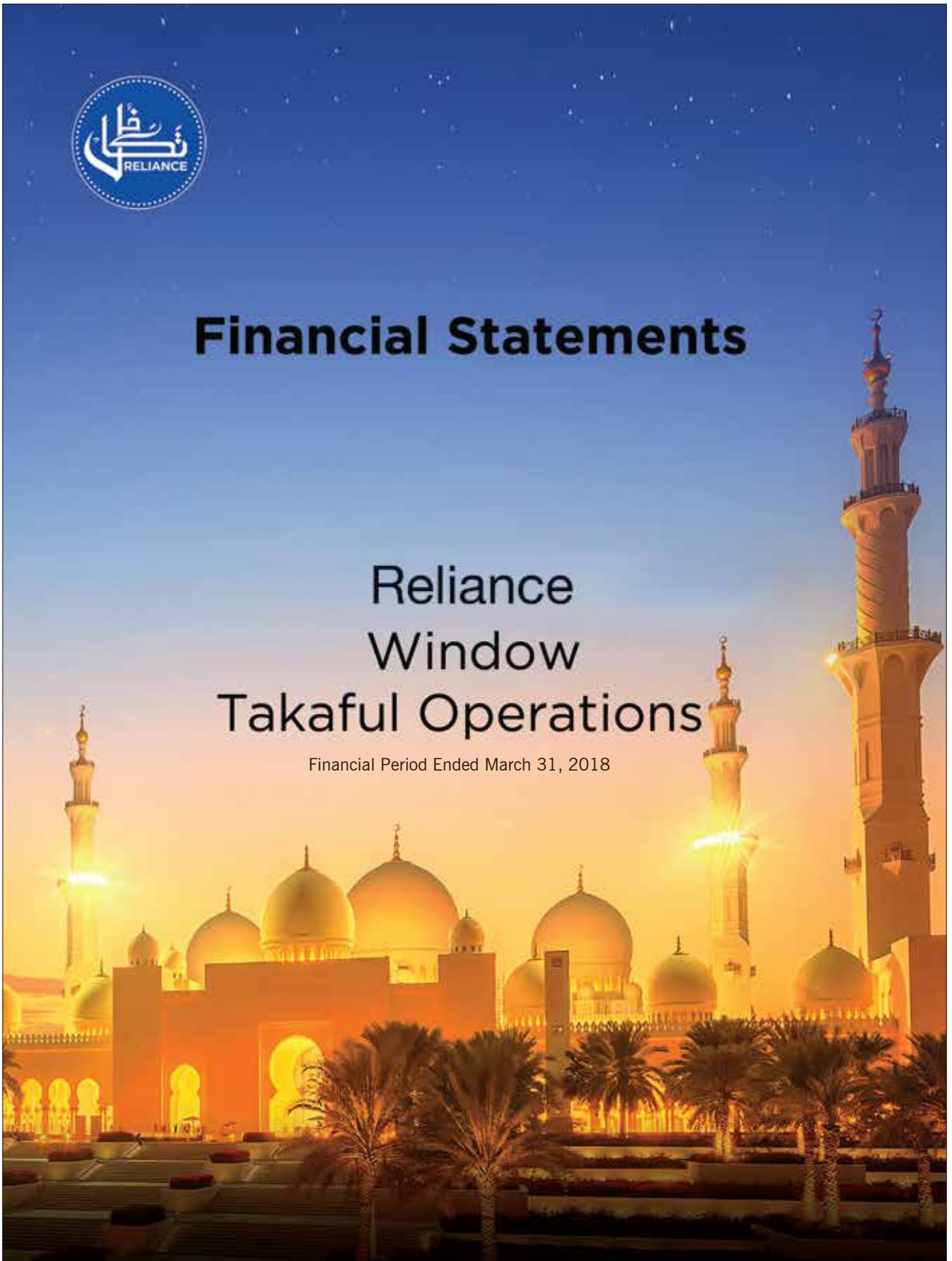
Karachi 28 April, 2018



Financial Statements

Reliance Window Takaful Operations

Financial Period Ended March 31, 2018



Condensed Interim Statement of Financial Position

As at March 31, 2018

Note	31st March 2018 (UnAudited)			Restated 31st December 2017 (Audited)				
	Operator's Fund	Participants' Fund	Aggregate	Operator's Fund	Participants' Fund	Aggregate		
(Rupees)								
ASSETS								
Investment								
	Equity securities	6	9,781,783	-	9,781,783	9,240,372	-	9,240,372
	Wakala and mudarib fees receivable		9,243,064	-	9,243,064	12,668,970	-	12,668,970
	Contribution takaful receivables	7	-	10,143,881	10,143,881	-	7,783,670	7,783,670
	Retakaful recoveries against outstanding claims		-	2,970,170	2,970,170	-	4,844,862	4,844,862
	Deferred Commission Expense		4,838,655	-	4,838,655	4,444,553	-	4,444,553
	Taxation payments		565,405	-	565,405	491,850	-	491,850
	Prepayments	8	211,875	9,780,861	9,992,736	423,750	8,848,312	9,272,062
	Accrued investment income		76,362	237,736	314,098	117,364	117,528	234,892
	Deferred wakala fee		-	16,030,185	16,030,185	-	14,920,998	14,920,998
	Cash & Bank deposits	9	42,934,265	42,624,324	85,558,589	37,543,133	38,875,556	76,418,689
	TOTAL ASSETS		<u>67,651,409</u>	<u>81,787,157</u>	<u>149,438,566</u>	<u>64,929,992</u>	<u>75,390,926</u>	<u>140,320,918</u>

Condensed Interim Statement of Financial Position

As at March 31, 2018

Note	31st March 2018 (UnAudited)			Restated 31st December 2017 (Audited)		
	Operator's Fund	Participants' Fund	Aggregate	Operator's Fund	Participants' Fund	Aggregate
	(Rupees)					
EQUITY AND LIABILITIES						
Operator's Fund						
Statutory Fund	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Accumulated profit / (loss)	299,826	-	299,826	(402,391)	-	(402,391)
Deficit on revaluation of AFS investments	(278,225)	-	(278,225)	(819,636)	-	(819,636)
	50,021,601	-	50,021,601	48,777,973	-	48,777,973
Waqf/Participants' Takaful Fund						
Ceded Money	-	500,000	500,000	-	500,000	500,000
Accumulated Surplus	-	13,776,619	13,776,619	-	10,212,062	10,212,062
	-	14,276,619	14,276,619	-	10,712,062	10,712,062
Liabilities						
Underwriting Provisions						
Outstanding claims including IBNR	-	7,156,935	7,156,935	-	7,444,085	7,444,085
Unearned contribution	-	40,075,464	40,075,464	-	37,302,496	37,302,496
Unearned re-takaful rebate	-	1,845,340	1,845,340	-	1,574,843	1,574,843
Retakaful operators payable	-	7,554,832	7,554,832	-	4,420,208	4,420,208
Wakala and mudarib fee payable	-	9,243,064	9,243,064	-	12,668,970	12,668,970
Unearned wakala fees	16,030,185	-	16,030,185	14,920,998	-	14,920,998
Other creditors and accruals	1,599,623	1,634,903	3,234,526	1,231,021	1,268,262	2,499,283
Total Liabilities	17,629,808	67,510,538	85,140,346	16,152,019	64,678,864	80,830,883
Contingencies and Commitments						
	10					
TOTAL FUND AND LIABILITIES	<u>67,651,409</u>	<u>81,787,157</u>	<u>149,438,566</u>	<u>64,929,992</u>	<u>75,390,926</u>	<u>140,320,918</u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayooob
Director


Mohammad Omar Bawany
Director


Haroon A. Shakoor
Chief Accountant and
Company Secretary


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 28 April, 2018



Condensed Interim Profit & Loss Account (Un Audited)

For the Period Ended March 31, 2018

	Note	March 31, 2018	March 31, 2017 Restated
Rupees			
Reveune Account			
Participants' Takaful Fund			
Net contribution revenue	11	12,321,569	7,703,413
Wakala expense	12	(7,956,281)	(5,128,349)
Net takaful claims	13	(2,619,463)	(2,360,982)
Direct expenses	14	(16,116)	(20,871)
Re-takaful rebate	15	1,503,697	1,516,521
Underwriting result		3,233,406	1,709,732
Investment Income	16	551,918	90,743
Modarib's share		(220,767)	(27,223)
Surplus for the period		3,564,557	1,773,252
Accumulated surplus			
Balance at the beginning of the period		10,212,062	3,971,191
Surplus for the period		3,564,557	1,773,252
Balance at the end of the period		13,776,619	5,744,443
Reveune Account			
Operator's Fund			
Wakala fee	17	7,956,281	5,128,349
Commission expenses	18	(2,795,716)	(2,759,320)
Management expenses		(4,691,955)	(2,593,261)
		468,610	(224,232)
Investment Income	16	262,840	508,265
Modarib's shares from PTF		220,767	27,223
General and administrative expenses		(250,000)	-
Profit for the period		702,217	311,256
Profit and loss appropriation account			
Balance at the beginning of the period		(402,391)	(1,534,899)
Profit for the period		702,217	311,256
Balance at the end of the period		299,826	(1,223,643)

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


Haroon A. Shakoor
Chief Accountant and
Company Secretary


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 28 April, 2018

Condensed Interim Statement Of Comprehensive Income (Un Audited)

For the Period Ended March 31, 2018

	Quarter ended March 31	
	2018	2017 Restated
	(Rupees)	
Operator's Fund		
Profit after tax	702,217	311,256
Surplus on revaluation of available for sale investments	541,411	135,809
Total comprehensive income for the period	<u>1,243,628</u>	<u>447,065</u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


Haroon A. Shakoor
Chief Accountant and
Company Secretary


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 28 April, 2018

Condensed Interim Statement Of Change in Fund (Un Audited)

For the Period Ended March 31, 2018

	Operator's Fund			
	Statutory Fund	(Accumulated loss) / Profit	Surplus / (Defecit) on revaluation of AFS investments	Total
	(Rupees)			
Balance as at 1st January 2017 (Restated)	50,000,000	(1,534,899)	8,720	48,473,821
Total comprehensive income for the period	-	311,256	135,809	447,065
Balance as at March 31, 2017	50,000,000	(1,223,643)	144,529	48,920,886
Balance as at January 01, 2018	50,000,000	(402,391)	(819,636)	48,777,973
Total comprehensive income for the period	-	702,217	541,411	1,243,628
Balance as at March 31, 2018	50,000,000	299,826	(278,225)	50,021,601


	Participants Takaful Fund			
	Ceded money	(Accumulated loss) / Profit	Surplus/(Defecit) on revaluation of AFS investments	Total
	(Rupees)			
Balance as at 1st January 2017	500,000	3,971,191	-	4,471,191
Surplus for the period		1,773,252		1,773,252
Balance as at March 31, 2017	500,000	5,744,443	-	6,244,443
Balance as at January 01, 2018	500,000	10,212,062	-	10,712,062
Surplus for the period		3,564,557		3,564,557
	500,000	13,776,619	-	14,276,619

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


Haroon A. Shakoor
Chief Accountant and
Company Secretary


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 28 April, 2018

Condensed Interim Statement of Cash Flows (Un Audited)

For the period ended March 31, 2018

	31st March 2018			31st March 2017
	Operator's Fund	Participants' Fund	Aggregate	
	(Rupees)			
Operating Cash Flow				
a) Takaful activities				
Contribution received	-	20,195,787	20,195,787	11,379,502
Retakaful contribution paid	-	(5,259,386)	(5,259,386)	(216,781)
Claims paid	-	(3,237,101)	(3,237,101)	(47,982)
Retakaful and other recoveries received	-	2,205,180	2,205,180	-
Commission paid	(3,189,818)	-	(3,189,818)	(1,811,744)
Retakaful rebate received	-	1,774,194	1,774,194	-
Wakala fee received / (paid)	12,491,374	(12,491,374)	-	-
Net cash inflows from takaful activities	9,301,556	3,187,300	12,488,856	9,302,995
b) Other operating activities				
Income tax paid	(73,555)	-	(73,555)	(64,676)
General, administration and management expenses paid	(4,941,955)	(16,116)	(4,958,071)	(2,614,132)
Other payments on operating assets	580,477	-	580,477	(2,453,532)
Other receipts in respect of operating assets	-	366,641	366,641	9,074
Net cash outflows from other operating activities	(4,435,033)	350,525	(4,084,508)	(5,123,266)
Total cash inflows from takaful activities	4,866,523	3,537,825	8,404,348	4,179,729
Investment activities				
Mudaraba shares received / (paid)	220,767	(220,767)	-	-
Profit received	303,842	431,710	735,552	646,754
Total cash inflows from investing activities	524,609	210,943	735,552	646,754
Net cash inflows from all activities	5,391,132	3,748,768	9,139,900	4,826,483
Cash and cash equivalent at the beginning of the year	37,543,133	38,875,556	76,418,689	44,891,096
Cash and cash equivalent at the end of the period	<u>42,934,265</u>	<u>42,624,324</u>	<u>85,558,589</u>	<u>49,717,579</u>



Condensed Interim Statement of Cash Flows (Un Audited)

For the period ended March 31, 2018

	31st March 2018			31st March 2017
	Operator's Fund	Participants' Fund	Aggregate	
	(Rupees)			
Reconciliation to profit and loss Account				
Operating cash flows	4,866,523	3,537,825	8,404,348	4,179,729
Increase / (decrease) in assets other than cash	(3,170,124)	2,527,255	(642,869)	17,090,977
Increase in liabilities other than running finance	(1,477,789)	(2,831,674)	(4,309,463)	(19,785,206)
Investment income	483,607	331,151	814,758	599,008
Surplus for the period	<u>702,217</u>	<u>3,564,557</u>	<u>4,266,774</u>	<u>2,084,508</u>
Cash for the purpose of the statement				
of cash flows consists of:				
Cash and other equivalents				
Current and bank deposits	<u>42,934,265</u>	<u>42,624,324</u>	<u>85,558,589</u>	<u>49,717,579</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.


Ismail H. Zakaria
Chairman


A. Aziz Ayoob
Director


Mohammad Omar Bawany
Director


Haroon A. Shakoor
Chief Accountant and
Company Secretary


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 28 April, 2018



Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

1. LEGAL 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 PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', as applicable in Pakistan and provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012. In case where the requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012 shall prevail.

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the Securities and Exchange Commission of Pakistan vide S.R.O 89(1)/2017 and International Accounting Standard (IAS) 34, "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December, 2017.

2.1 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.

3. 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, 2017.

3.1 Change in Accounting Policy

According to S.R.O 89(1)/2017, the new Insurance Accounting Regulations 2017 have been notified. The new regulations require application of IAS 39 recognition and measurement in respect of the available for sale investments in the format prescribed in the Insurance Rules 2017. IAS 39 - Financial Instruments have become applicable to the Company which resulted in change in accounting policy in respect of investments in available for sale securities.

Previously investments in available for sale securities were stated at lower of cost or market value, if the decline in the market value is other than temporary (i.e. impaired). A fall in market value of a security is treated as "other than temporary (i.e. impaired)", if there is a significant or prolonged decline in fair value of security below its cost.

IAS 39 requires available for sale investments to be subsequently measured at fair value and any changes therein, other than impairment losses are recognized in other comprehensive income and presented in the surplus / (deficit) on revaluation of available for sale investments in equity. When an investment is derecognized, the gain and loss accumulated in equity is reclassified to profit and loss account.

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

This change in accounting policy was applied retrospectively in accordance with the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Certain changes have been made to the presentation of the financial statements which include the following:

Changes in the sequence of assets/liabilities in the statement of financial position.

Discontinuation of separate statements of contribution, claims, expenses and investment income which are now presented (on aggregate basis) into the notes of the financial statements (notes 11, 12, 13, 14, 15 and 16).

Underwriting results in relation to various classes of business which were previously presented on the face of the profit and loss account are now presented in a separate note (note 19)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of the condensed interim financial information requires management to make judgements, 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, 2017.

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, 2017.

	March 31, 2018	December 31, 2017		
	(Rupees)			
6. EQUITY SECURITIES -OPF				
Available for sale Mutual funds	<u>9,781,783</u>	<u>9,240,372</u>		
7. CONTRIBUTION TAKAFUL RECEIVABLES - PTF				
Contribution due but unpaid	<u>8,043,776</u>	5,575,893		
Amount due from other takaful / retakaful operators	<u>2,100,105</u>	<u>2,207,777</u>		
	<u>10,143,881</u>	<u>7,783,670</u>		
8. PREPAYMENTS				
	OPF		PTF	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Prepaid re-takaful contribution ceded	-	-	<u>9,780,861</u>	8,848,312
Prepaid expenses	<u>211,875</u>	<u>423,750</u>	-	-
	<u>211,875</u>	<u>423,750</u>	<u>9,780,861</u>	<u>8,848,312</u>



Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

OPF		PTF	
March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017

9. CASH AND BANK DEPOSITS

Cash and other equivalents				
Stamps in hand	-	-	31,814	23,840
Saving accounts	42,934,265	37,543,133	42,592,510	38,851,716
	<u>42,934,265</u>	<u>37,543,133</u>	<u>42,624,324</u>	<u>38,875,556</u>

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the March 31, 2018.

11. NET CONTRIBUTION REVENUE

	March 31, 2018	March 31, 2017
	(Rupees)	
Written Gross Premium	22,663,670	16,868,280
Add: Unearned premium reserve opening	37,302,496	6,902,482
Less: Unearned premium reserve closing	(40,075,464)	(8,819,155)
Premium earned	19,890,702	14,951,607
Less: Reinsurance premium ceded	8,501,682	8,257,251
Add: Prepaid reinsurance premium opening	8,848,312	3,150,427
Less: Prepaid reinsurance premium closing	(9,780,861)	(4,159,484)
Reinsurance expense	7,569,133	7,248,194
Net Insurance Premium	<u>12,321,569</u>	<u>7,703,413</u>

12. WAKALA EXPENSE

Gross Wakala fee	9,065,468	5,785,569
Add: Deferred wakala fee Opening	14,920,998	2,235,153
Less: Deferred wakala fee closing	(16,030,185)	(2,892,373)
	<u>7,956,281</u>	<u>5,128,349</u>

13. NET TAKAFUL CLAIMS EXPENSE

Claim Paid	3,237,101	47,982
Add: Outstanding claims including IBNR closing	7,156,935	5,270,000
Less: Outstanding claims including IBNR opening	(7,444,085)	(2,200,000)
Claims expense	2,949,951	3,117,982
Less: Reinsurance and other recoveries received	2,205,180	-
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	2,970,170	2,802,500
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	(4,844,862)	(2,045,500)
Reinsurance and other recoveries revenue	330,488	757,000
Net Takaful claims expenses	<u>2,619,463</u>	<u>2,360,982</u>

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

	March 31, 2018	March 31, 2017
	(Rupees)	
14. DIRECT EXPENSES		
Fire and property damage	1,767	1,072
Marine, Aviation and Transport	1,806	15,042
Motor	12,187	4,757
Miscellaneous	356	-
	<u>16,116</u>	<u>20,871</u>

15. RE-TAKAFUL REBATE

Gross repate from retakaful operators	1,774,194	1,731,911
Add: Unearned retakaful rebate Opening	1,574,843	493,796
Less: Unearned retakaful rebate Closing	(1,845,340)	(709,186)
	<u>1,503,697</u>	<u>1,516,521</u>

	PTF		OPF	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
16. INVESTMENT INCOME				
Profit on bank deposits	551,918	90,743	262,840	508,265
Total investment income	<u>551,918</u>	<u>90,743</u>	<u>262,840</u>	<u>508,265</u>

	March 31, 2018	March 31, 2017
	(Rupees)	
17. WAKALA FEE INCOME		
Gross wakala fee	9,065,468	5,785,569
Add: Unearned wakala fee opening	14,920,998	2,235,153
Less: Unearned wakala fee closing	(16,030,185)	(2,892,373)
	<u>7,956,281</u>	<u>5,128,349</u>

18. COMMISSION EXPENSE

Commission paid or payable	3,189,818	3,115,119
Add: Deferred commission expense opening	4,444,553	1,037,485
Less: Deferred commission expense closing	(4,838,655)	(1,393,284)
Commission expenses	<u>2,795,716</u>	<u>2,759,320</u>

Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

19. SEGMENT INFORMATION

	March 31, 2018				
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	Total
	(Rupees)				
Gross Contributions (inclusive of Administrative surcharge)	5,181,639	4,526,537	11,707,458	1,248,036	22,663,670
Contributions earned	4,747,367	3,782,700	10,297,011	1,063,624	19,890,702
Retakaful premium ceded to reinsurers	(3,396,093)	(2,401,546)	(979,685)	(791,809)	(7,569,133)
Net insurance premium	1,351,274	1,381,154	9,317,326	271,815	12,321,569
Rebate from re-takaful	781,102	552,356	-	170,239	1,503,697
Net underwriting income	2,132,376	1,933,510	9,317,326	442,054	13,825,266
Insurance claims	(70,390)	(53,480)	(2,826,081)	-	(2,949,951)
Insurance claims recovered from reinsurers	55,444	48,132	226,912	-	330,488
Net claims	(14,946)	(5,348)	(2,599,169)	-	(2,619,463)
Wakala expense	(1,898,947)	(1,513,079)	(4,118,805)	(425,450)	(7,956,281)
Direct expense	(1,767)	(1,806)	(12,187)	(356)	(16,116)
Net insurance claims & expenses	(1,915,660)	(1,520,233)	(6,730,161)	(425,806)	(10,591,860)
Underwriting result	216,716	413,277	2,587,165	16,248	3,233,406
Net Investment income					551,918
Modarib's shares					(220,767)
Surplus for the period					3,564,557
Segment assets	3,198,365	3,269,089	22,053,417	643,366	29,164,236
Unallocated assets					52,622,921
					81,787,157
Segment liabilities	7,224,407	7,384,157	49,813,848	1,453,223	65,875,635
Unallocated liabilities					1,634,903
					67,510,538
	March 31, 2017				
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	Total
	(Rupees)				
Gross written premium (inclusive of Administrative surcharge)	1,725,297	12,776,424	2,366,559	-	16,868,280
Insurance premium earned	1,430,148	11,427,224	2,094,235	-	14,951,607
Insurance premium ceded to reinsurers	(902,244)	(5,691,325)	(654,625)	-	(7,248,194)
Net insurance premium	527,904	5,735,899	1,439,610	-	7,703,413
Rebate from re-takaful	207,516	1,309,005	-	-	1,516,521
Net underwriting income	735,420	7,044,904	1,439,610	-	9,219,934
Insurance claims	-	(3,040,000)	(77,982)	-	(3,117,982)
Insurance claims recovered from reinsurers	-	757,000	-	-	757,000
Net claims	-	(2,283,000)	(77,982)	-	(2,360,982)
Wakala expense	(500,551)	(3,999,528)	(628,270)	-	(5,128,349)
Direct expense	(1,072)	(15,042)	(4,757)	-	(20,871)
Net insurance claims & expenses	(501,623)	(6,297,570)	(711,009)	-	(7,510,202)
Underwriting result	233,797	747,334	728,601	-	1,709,732
Net Investment income					90,743
Modarib's shares					(27,223)
Surplus for the period					1,773,252
Segment assets	1,769,831	19,229,962	4,826,383	-	25,826,177
Unallocated assets					16,291,182
					42,117,359
Segment liabilities	2,428,997	26,392,070	6,623,946	-	35,445,013
Unallocated liabilities					427,903
					35,872,916



Notes to the Condensed Interim Financial Statements (Un Audited)

For the Period Ended March 31, 2018

20. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been authorized for issue on 28th April, 2018 by the Board of Directors of the Company.

21. GENERAL

Figures have been rounded off to the nearest rupee.

Ismail H. Zakaria
Chairman

A. Aziz Ayoob
Director

Mohammad Omar Bawany
Director

Haroon A. Shakoor
Chief Accountant and
Company Secretary

A. Razak Ahmed
Chief Executive & Managing Director

Karachi 28 April, 2018

Offices

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Chief Accountant &
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Executive Vice President (Operations)

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Mr. Muhammad Ishaque Azim
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Mr. Ghulam Haider
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Head of Takaful

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Mr. Muhammad Kashif Wadiwala
Sharia Complainece Officer

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Chief Manager (Accounts)

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Extension : 214

Mr. Muhammad Masood Ali
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Manager (Internal Audit)

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