

# HALF YEARLY REPORT

Half Yearly June 30, 2019  
(Un-Audited)

SERVING RELIABLY



Reliance Insurance  
Company Limited



Window Takaful

www.jamapunji.pk



## Be aware, Be alert, Be safe

Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

### Key features:

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



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

[jamapunji.pk](http://jamapunji.pk)

[@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

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

# Contents

Company Information	02
Directors' Review	03
Directors' Review in Urdu Language ڈائریکٹرز کا جائزہ	04
Auditor's Review Report to the Members	05
Condensed Interim Statement of Financial Position	06
Condensed Interim Profit & Loss Account	08
Condensed Interim Statement of Comprehensive Income	09
Condensed Interim Statement of Changes in Equity	10
Condensed Interim Statement of Cash Flow	11
Notes to the Condensed Interim Financial Statements	13

## Reliance Window Takaful Operations

تکافل

Condensed Interim Financial Statements Window Takaful Operations	23
Auditor's Review Report to the Members	25
Condensed Interim Statement of Financial Position	26
Condensed Interim Profit & Loss Account	28
Condensed Interim Statement of Comprehensive Income	29
Condensed Interim Statement of Changes in Fund	30
Condensed Interim Statement of Cash Flow	31
Notes to the Condensed Interim Financial Statements	33
Categories of Share Holding	40
Pattern of Share Holdings	41
Offices	42

# Company Information



## BOARD OF DIRECTORS

CHAIRMAN  
ISMAIL H. ZAKARIA

## DIRECTORS

MUHAMMAD OMAR BAWANY  
IRFAN ZAKARIA BAWANY  
NOOR M. ZAKARIA  
AHMED ALI BAWANY  
MUHAMMAD PATEL  
NAEEM AHMED SHAFI  
TASNEEM YUSUF  
JAHANGIR ADAM

## CHIEF EXECUTIVE & MANAGING DIRECTOR

A. RAZAK AHMED

## CHIEF ACCOUNTANT AND COMPANY SECRETARY

HAROON A. SHAKOOR

## AUDIT COMMITTEE

TASNEEM YUSUF	CHAIRPERSON
MUHAMMAD OMAR BAWANY	MEMBER
IRFAN ZAKARIA BAWANY	MEMBER

## INVESTMENT COMMITTEE

IRFAN ZAKARIA BAWANY	CHAIRMAN
AHMED ALI BAWANY	MEMBER
TASNEEM YUSUF	MEMBER
MUHAMMAD PATEL	MEMBER
A. RAZAK AHMED	MEMBER
HAROON A. SHAKOOR	SECRETARY

## ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

NAEEM AHMED SHAFI	CHAIRMAN
IRFAN ZAKARIA BAWANY	MEMBER
NOOR M. ZAKARIA	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

# Directors' Review

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, 2019.

During the period under review your Company underwrote gross premium of Rs.321.274 million inclusive of Takaful Contribution for Rs.51.644 million against 563.375 million inclusive of Takaful Contribution of the corresponding period of the previous year, showing a decrease of 42.97%. - mainly due to discontinuation of underwriting of Aviation business.

Net claims incurred decreased from Rs.43.922 million to Rs.36.179 million compared to corresponding period of last year, showing decrease of 17.63%. Underwriting profit decreased from Rs.20.936 million, of previous year to Rs.9.386 million.

Investment income for the six months period stood at Rs. (9.493) million compared to Rs.51.622 million of previous year - mainly attributed to unrealized loss of Rs.40.235 million against unrealized gain of Rs.33.784 million under "Held for Trading" investments of corresponding period of last year. Profit before Tax during the period stood at Rs.(14.546) million compared to Rs. 51.708 million for the corresponding period of last year. Earnings per share (EPS) for the current period stood at Re. (0.13), against Rs. 0.82 of last year.

## **Future Outlook:**

Your Management will continue to strive hard to improve upon its performance with the hope that the Government would formulate long term & consistent policies to boost economic activities and gain investors' confidence to meet challenges ahead and also continue to concentrate on improving upon Law and Order situation in the Country. We are optimistic that going forward political & economic scenario would improve.

By order of the Board



**A. RAZAK AHMED**  
Chief Executive & Managing Director

Karachi: 28th August, 2019

## ڈائریکٹرز کا جائزہ

### بنام حصص یافتگان

ڈائریکٹرز بمسرت کمپنی کے غیر آڈٹ شدہ حسابات دوسری سہ ماہی برائے مدت ختم شدہ 30 جون 2019 پیش کرتے ہیں۔  
زیر جائزہ مدت کے دوران، آپ کی کمپنی نے مجموعی پریمنیم 321,274 ملین روپے بشمول 51,644 ملین روپے نکافل تحریری شراکت داری انڈر رائٹ کیا ہے جو کہ گزشتہ سال کی اسی مدت کے مجموعی پریمنیم 563,375 ملین روپے بشمول نکافل تحریری شراکت داری کے مقابلے میں 42.97 فیصد کم ہے جس کا بنیادی سبب ایوی ایشن بزنس کی انڈر رائٹنگ کا ختم ہونا ہے۔

نیٹ کلیم 43,922 ملین روپے سے کم ہو کر 36,179 ملین روپے رہے جو کہ گزشتہ سال کے مقابلے میں 17.63 فیصد کمی ظاہر کرتا ہے۔ انڈر رائٹنگ منافع 20,936 ملین روپے سے کم ہو کر 9,386 ملین روپے رہا۔

سرمایہ کاری کی آمدنی گزشتہ سال کی ششماہی مدت کے 51,622 ملین روپے کے مقابلے میں (9,493) ملین روپے ہوئی ہے گزشتہ سال کی اسی مدت میں "تجارت کے لئے منعقدہ" (HELD FOR TRADING) سرمایہ کاری کے تحت 33,784 ملین روپے کے غیر تسلیم شدہ فائدہ کے مقابلے میں 40,235 ملین روپے کے غیر تسلیم شدہ نقصان رہا۔

اس مدت کے لئے قبل ازگیس نقصان (14,546) ملین روپے ہے جو کہ گزشتہ سال اسی مدت کے لئے 51,708 ملین روپے منافع تھا۔ فی حصص آمدن (0.13) روپے ہے جو گزشتہ سال اسی مدت کے لئے 0.82 روپے تھا۔

### مستقبل کا نقطہ نظر

آپ کی مینجمنٹ اس کارکردگی کو بہتر بنانے کی بھرپور کوشش کرتی رہے گی اس امید کے ساتھ کہ آگے آنے والے چیلنجز کا سامنا کرنے کے لئے حکومت اقتصادی سرگرمیوں کو فروغ دینے کے لئے طویل مدتی اور مستحکم پالیسیوں کو تشکیل دے گی اور سرمایہ کاروں کا اعتماد حاصل کرے گی اور ملک میں امن و امان کی صورتحال پر بہتر بنانے پر توجہ مرکوز کرے گی 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: 28 اگست 2019



## Auditor's Report to the Members

### ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

#### Introduction:

We have reviewed the accompanying condensed interim statement of financial position of RELIANCE INSURANCE COMPANY LIMITED ("the Company") as at June 30, 2019, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

#### Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Emphasis of matter:

Without modifying our opinion, we draw attention to note 17.1(b) to the condensed interim financial statements disclosing a contingent liability relating to an aviation claim reported on November 03, 2015.

#### Other Matter:

The figures for the quarter ended June 30, 2019 and June 30, 2018 in these condensed interim financial statements have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2019.

The engagement partner on the review resulting in this independent auditor's review report is Mohammad Hanif Razzak.

**Kreston Hyder Bhimji & Co.**  
**Chartered Accountants**

Engagement Partner: Muhammad Hanif Razzak

Karachi: 28th August, 2019

## Condensed Interim Statement of Financial Position (Un Audited)

As at June 30, 2019

	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
Rupees			
<b>ASSETS</b>			
Property and equipment	6	87,147,102	92,880,920
Investments			
Equity securities	7	599,127,834	639,872,879
Debt securities	8	60,104,169	45,104,169
Term deposits	9	26,130,453	26,130,453
		685,362,456	711,107,501
Loan and other receivables	10	5,897,953	2,217,906
Insurance / Reinsurance receivables	11	227,268,213	222,267,199
Reinsurance recoveries against outstanding claims		224,213,957	165,480,348
Deferred Commission Expense		62,595,223	65,913,719
Deferred taxation	12	22,723,709	4,287,468
Prepayments	13	131,487,176	173,198,218
Cash & Bank	14	106,333,460	144,372,805
Total Assets Window Takaful Operations - Operation's Fund		82,556,553	76,927,440
<b>TOTAL ASSETS</b>		<b>1,635,585,802</b>	<b>1,658,653,524</b>



## Condensed Interim Statement of Financial Position (Un Audited)

As at June 30, 2019

	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
Rupees			
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to company's equity holder</b>			
Ordinary share capital	15	561,412,850	561,412,850
General reserves		250,000,000	250,000,000
Unappropriated profit		34,589,960	42,152,779
(Deficit) / Surplus on revaluation of available for sale investment		(5,137,181)	2,359,153
<b>Total Equity</b>		<b>840,865,629</b>	<b>855,924,782</b>
<b>Liabilities</b>			
<b>Underwriting Provisions</b>			
Outstanding claims including IBNR		257,514,370	210,197,626
Unearned premium reserves		301,205,251	342,270,710
Unearned Reinsurance Commission		33,786,349	35,596,302
Insurance / Reinsurance Payables		111,852,740	114,933,742
Other Creditors and Accruals	16	66,660,470	72,632,028
Taxation - provision less payment		5,594,913	7,689,859
Total Liabilities Window Takaful Operations - Operation's Fund		18,106,080	19,408,475
<b>Total Liabilities</b>		<b>794,720,173</b>	<b>802,728,742</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	17	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,635,585,802</b>	<b>1,658,653,524</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

  
Ismail H. Zakaria  
Chairman

  
Muhammad Omar Bawany  
Director

  
Irfan Zakaria Bawany  
Director

  
Haroon A. Shakoore  
Chief Accountant and  
Company Secretary

  
A. Razak Ahmed  
Chief Executive &  
Managing Director

Karachi 28th August, 2019


## Condensed Interim Profit & Loss Account (Un Audited)

For the Half Year Ended June 30, 2019

	Note	Quarter ended June 30		Half year ended June 30	
		2019	2018	2019	2018
		(Rupees)		(Rupees)	
Net insurance premium	18	83,011,901	79,407,233	148,072,891	154,719,354
Net insurance claims	19	(21,386,785)	(27,245,479)	(36,179,494)	(43,922,025)
Net Commission	20	(13,919,050)	(11,496,214)	(28,670,252)	(24,510,975)
<b>Insurance claims and acquisition expenses</b>		<b>(35,305,835)</b>	<b>(38,741,693)</b>	<b>(64,849,746)</b>	<b>(68,433,000)</b>
Management Expenses		(40,308,816)	(34,176,473)	(73,837,390)	(65,349,901)
<b>Underwriting results</b>		<b>7,397,250</b>	<b>6,489,067</b>	<b>9,385,755</b>	<b>20,936,453</b>
Investment (loss) / Income	21	(31,050,441)	2,448,335	(9,493,381)	51,621,989
Other income		178,887	293,488	188,250	590,018
Other expenses		(11,570,234)	(16,751,129)	(21,561,412)	(28,252,335)
		(42,441,788)	(14,009,306)	(30,866,543)	23,959,672
<b>Results of operating activities</b>		<b>(35,044,538)</b>	<b>(7,520,239)</b>	<b>(21,480,788)</b>	<b>44,896,125</b>
Profit from takaful operations- Operator's Fund		5,614,323	6,110,331	6,935,026	6,812,548
<b>Loss / (profit) before taxation</b>		<b>(29,430,215)</b>	<b>(1,409,908)</b>	<b>(14,545,762)</b>	<b>51,708,673</b>
Taxation					
Current taxation		(6,546,137)	(1,169,052)	(8,489,926)	(5,802,834)
Deferred taxation		15,472,869	-	15,472,869	-
		8,926,732	(1,169,052)	6,982,943	(5,802,834)
<b>(Loss) / Profit after taxation</b>		<b>(20,503,483)</b>	<b>(2,578,960)</b>	<b>(7,562,819)</b>	<b>45,905,839</b>
<b>(Loss) / Earnings after tax per share- basic and diluted</b>	22	<b>(0.37)</b>	<b>(0.05)</b>	<b>(0.13)</b>	<b>0.82</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

  
Ismail H. Zakaria  
Chairman

  
Muhammad Omar Bawany  
Director

  
Irfan Zakaria Bawany  
Director

  
Haroon A. Shakoore  
Chief Accountant and  
Company Secretary

  
A. Razak Ahmed  
Chief Executive &  
Managing Director

Karachi 28th August, 2019

## Condensed Interim Statement Of Comprehensive Income (Un Audited)

For the Half Year Ended June 30, 2019

	Quarter ended June 30		Half year ended June 30	
	2019	2018	2019	2018
	(Rupees)		(Rupees)	
<b>(Loss) / Profit after tax</b>	<b>(20,503,483)</b>	(2,578,960)	<b>(7,562,819)</b>	45,905,839
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit and loss subsequently				
(Deficit) / Surplus on revaluation of available for sale securities	<b>(19,128,628)</b>	1,905,829	<b>(9,523,590)</b>	15,936,292
Reclassification adjustment related to loss / (gain) on disposal / redemption of available for sale investment	<b>2,177</b>	-	<b>(932,597)</b>	-
Surplus on revaluation of available for sale securities - Window Takaful	<b>(205,872)</b>	(406,609)	<b>(3,518)</b>	134,802
Impact of related deferred taxation	<b>5,294,260</b>	(185,328)	<b>2,963,372</b>	(4,394,467)
	<b>(14,038,063)</b>	1,313,892	<b>(7,496,334)</b>	11,676,627
<b>Total comprehensive (loss) / income for the period</b>	<b>(34,541,546)</b>	(1,265,068)	<b>(15,059,153)</b>	57,582,466

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.



Ismail H. Zakaria  
Chairman



Muhammad Omar Bawany  
Director



Irfan Zakaria Bawany  
Director



Haroon A. Shakoore  
Chief Accountant and  
Company Secretary



A. Razak Ahmed  
Chief Executive &  
Managing Director

Karachi 28th August, 2019

## Condensed Interim Statement Of Changes in Equity (Un Audited)

For the Half Year Ended June 30, 2019

	Share capital	General reserves	Surplus on revaluation of AFS investments	Unappropriated profit	Total
	(Rupees)				
<b>Balance as at January 01, 2018</b>	561,412,850	250,000,000	(5,634,758)	(6,844,348)	798,933,744
Total comprehensive income for the half year ended June 30, 2018	-	-	11,676,627	45,905,839	57,582,466
<b>Balance as at June 30, 2018</b>	<u>561,412,850</u>	<u>250,000,000</u>	<u>6,041,869</u>	<u>39,061,491</u>	<u>856,516,210</u>
<b>Balance as at January 01, 2019</b>	561,412,850	250,000,000	2,359,153	42,152,779	855,924,782
Total comprehensive loss for the half year ended June 30, 2019	-	-	(7,496,334)	(7,562,819)	(15,059,153)
<b>Balance as at June 30, 2019</b>	<u>561,412,850</u>	<u>250,000,000</u>	<u>(5,137,181)</u>	<u>34,589,960</u>	<u>840,865,629</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.



**Ismail H. Zakaria**  
Chairman



**Muhammad Omar Bawany**  
Director



**Irfan Zakaria Bawany**  
Director



**Haroon A. Shakoore**  
Chief Accountant and  
Company Secretary



**A. Razak Ahmed**  
Chief Executive &  
Managing Director

Karachi 28th August, 2019

## Condensed Interim Statement of Cash Flows (Un Audited)

For the Half Year Ended June 30, 2019

	June 30, 2019	June 30, 2018
	————— (Rupees) —————	
<b>Operating cash flow</b>		
<b>a) Underwriting activities</b>		
Premium received	264,895,709	459,852,936
Reinsurance premium paid	(124,612,704)	(333,460,650)
Claims paid	(122,393,204)	(110,128,786)
Reinsurance and other recoveries received	74,796,845	65,192,071
Commission paid	(57,811,794)	(57,656,753)
Commission received	30,650,085	33,322,487
Management expenses paid	(73,837,390)	(65,349,901)
Net cash flow from underwriting activities	(8,312,453)	(8,228,596)
<b>b) Other operating activities</b>		
Income tax paid	(10,584,872)	(4,264,229)
Other operating payments	(22,216,776)	(35,489,523)
Loans disbursed	(389,600)	(67,100)
Net cash flow from other operating activities	(33,191,248)	(39,820,852)
<b>Net cash flow from all operating activities</b>	(41,503,701)	(48,049,448)
<b>Investment activities</b>		
Profit / return / dividend received	31,729,162	15,016,141
Payments for investments	(63,928,601)	(612,890)
Proceeds from sale / redemption of investments	36,605,000	9,529,316
Fixed capital expenditures	(1,285,205)	(17,334,766)
Proceeds from disposal of property and equipment	344,000	2,378,000
<b>Total cash flow from investing activities</b>	3,464,356	8,975,801

## Condensed Interim Statement of Cash Flows (Un Audited)

For the Half Year Ended June 30, 2019

	June 30, 2019	June 30, 2018
	————— (Rupees) —————	
<b>Financing activities</b>		
Dividend paid	-	(37,072)
<b>Net cash flow all activities</b>	<b>(38,039,345)</b>	(39,110,719)
Cash and cash equivalent at the beginning of the period	<b>144,372,805</b>	160,185,536
<b>Cash and cash equivalent at the end of the period</b>	<b>106,333,460</b>	121,074,817
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	<b>(41,503,701)</b>	(48,049,448)
Depreciation expense	<b>(6,863,273)</b>	(6,134,157)
Profit on disposal of property, plant and equipment	<b>188,250</b>	590,018
Profit on disposal of investments	<b>1,211,760</b>	1,918,014
Dividend income	<b>28,814,239</b>	13,855,759
Other investment (loss) / income	<b>(39,519,380)</b>	35,848,216
Increase in assets other than cash	<b>20,995,217</b>	66,131,196
Decrease / (Increase) in liabilities other than borrowings	<b>6,706,174</b>	(25,066,307)
Deferred taxation	<b>15,472,869</b>	-
Profit before tax from Takaful operations-Operators' Fund	<b>6,935,026</b>	6,812,548
<b>(Loss) / Profit after taxation</b>	<b>(7,562,819)</b>	45,905,839
<b>Cash and cash equivalent consists of:</b>		
Cash and equivalents	<b>829,512</b>	1,413,894
Current and other accounts	<b>105,503,948</b>	119,660,923
	<b>14 106,333,460</b>	121,074,817

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.



Ismail H. Zakaria  
Chairman



Muhammad Omar Bawany  
Director



Irfan Zakaria Bawany  
Director



Haroon A. Shakoor  
Chief Accountant and  
Company Secretary



A. Razak Ahmed  
Chief Executive &  
Managing Director

Karachi 28th August, 2019

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

### 1. STATUS AND NATURE OF BUSINESS

Reliance Insurance Company Limited (the Company) was incorporated in Pakistan as a public limited company on November 4, 1981 and is engaged in general insurance business and has also been allowed to undertake General Window Takaful operations (WTO) on May 25, 2016 by Securities & Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012. 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. The Company has 24 operational branches throughout Pakistan. 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 PREPARATION

#### 2.1 STATEMENT OF COMPLIANCE

These condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under Companies Act, 2017 and
- Provisions of and directives issued under Companies Act, 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and SECP Takaful Rules 2017.

Where the provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and SECP Takaful Rules 2017 differ with the requirements of IAS 34, the provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and SECP Takaful Rules 2017 have been followed.

In terms of the requirements of the SECP Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operators' Fund of the General Takaful Operations of the Company have been presented as a single line item in the statement of financial position and statement of comprehensive income of the Company respectively. Further, a separate set of financial information of the General Takaful operations has been annexed to these financial statements as per the requirements of the SECP Takaful Rules 2012.

#### 2.2 BASIS OF MEASUREMENT

These condensed interim financial statements have 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.

These condensed interim financial statements have been prepared under the accrual basis of accounting except for cash flow statement.

These condensed interim financial statements have been presented in Pak Rupees which is also the Company's functional currency.

#### 2.3 NEW STANDARDS AND AMENDMENTS

There are certain new standards and amendments to existing standards which have been effective during the period; however these are either irrelevant or do not have significant impact on these condensed interim financial statements hence not detailed in these financial statements.

During the period IFRS 9 has been effective for the periods ending on or after June 30, 2019; however amendment has been introduced in IFRS 4 'Insurance Contracts' with respect to application of IFRS 9 'Financial Instruments'. The amendments address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

options for entities issuing contracts within the scope of IFRS 4, notably an overlay approach and deferral approach. The overlay approach allows an entity to apply IFRS 9 from its effective date to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied, whereas the deferral approach enables eligible entities (primarily issuing insurance contracts) to defer the implementation date of IFRS 9 till the effective date of new IFRS 17. The Company has adopted the deferral approach accordingly it assumes itself exempt from the application of IFRS 9 and IFRS 17 until 31 December 2021.

Further there has been new standards and amendments to existing standards that are not yet effective except as stated above which are also either irrelevant or do not have material impact therefore not detailed in these condensed interim financial statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial statements are in line with the audited annual financial statements for the year ended December 31, 2018.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affect 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 statements, 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, 2018.

### 5. FINANCIAL & INSURANCE RISK MANAGEMENT

The Company's financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2018.

	June 30, 2019	December 31, 2018
	(Rupees)	
<b>6. PROPERTY AND EQUIPMENT</b>		
<b>6.1 Operating assets</b>		
Opening written down value	<b>92,880,920</b>	81,020,496
Additions and transfers during the period / year at cost		
Furniture & fixtures	<b>269,500</b>	-
Motor Vehicles	<b>736,700</b>	36,638,735
Office Equipments	<b>279,005</b>	394,594
	<b>1,285,205</b>	37,033,329
Written down value of disposal during the period / year		
Motor Vehicles	<b>(155,750)</b>	(12,732,118)
Depreciation for the period / year	<b>(6,863,273)</b>	(12,440,787)
Closing written down value	<b>87,147,102</b>	92,880,920



## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

	Note	June 30, 2019	December 31, 2018
(Rupees)			
<b>7. EQUITY SECURITIES</b>			
<b>Available for sale</b>			
Related parties		4,714,776	7,388,140
Mutual funds		249,917,723	243,078,486
Other listed securities		65,323,091	71,092,792
		<b>319,955,590</b>	321,559,418
<b>Held for trading</b>			
Listed securities		279,172,244	318,313,461
		<b>599,127,834</b>	639,872,879
<b>8. DEBT SECURITIES</b>			
Held to maturity			
GOP Ijara Sukuk Bonds	8.1 & 8.2	60,104,169	45,104,169
8.1	The market value of GOP Ijara Sukuk amounted to Rs.57.748 million (December 31, 2018: Rs.44.195 million).		
8.2	Government of Pakistan Ijara Sukuk Bonds (GOPI) having face value amounted to Rs.60 million and market value amounted to Rs.57.748 million (December 31, 2018: Rs.45 million and market value amounted to Rs.44.195 million) are placed with State Bank of Pakistan under Section 29 of Insurance Ordinance, 2000.		
<b>9. TERM DEPOSIT</b>			
Deposit maturing within 12 months	9.1	26,130,453	26,130,453
9.1	These carry profit at the rate of 6% to 11.50% per annum ( December 31, 2018: 5.30% to 9.50% per annum) payable on maturity.		
9.2	These deposits include and advantage account amounting to Rs. 11.10 million (December 31, 2018: Rs.11.10 million) which is pledged against the running finance facility. The facility carry markup at rates of 2% over from the profit rate to be paid on the advantage account and 3 months KIBOR plus 175 bps. Total sanctioned limit of the facilities amounts to Rs.10.00 million (December 31, 2018 Rs.10.00 million).		
<b>10. LOANS AND OTHER RECEIVABLES</b>			
<b>Considered good</b>			
Loan to employees		1,380,350	990,750
Deposits		499,719	499,719
Sundry receivables		1,900,532	-
Accrued investment income		2,117,352	727,437
		<b>5,897,953</b>	2,217,906

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

Note	June 30, 2019	December 31, 2018
	—————(Rupees)—————	
<b>11. INSURANCE / REINSURANCE RECEIVABLE</b>		
Due from insurance contract holders		
Considered good	226,053,003	221,317,973
Considered doubtful	12,361,742	11,411,742
	<b>238,414,745</b>	232,729,715
Less: Allowance for impairment of receivables from Insurance contract holders	<b>(12,361,742)</b>	(11,411,742)
	<b>226,053,003</b>	221,317,973
Due from other insurers/reinsurers - considered good	1,215,210	949,226
	<b>227,268,213</b>	222,267,199
<b>12. DEFERRED TAXATION</b>		
Deferred tax credits / (debits) arising in respect of:		
Provision for impairment of doubtful receivables from insurance contract holders	3,584,905	3,195,288
Unrealized loss / (gain) on held for trading investments	11,668,177	(2,223,859)
Impairment loss on available for sale investments	5,424,704	4,233,488
Surplus / (Deficit) on revaluation of available for sale securities	2,045,923	(917,449)
	<b>22,723,709</b>	4,287,468
<b>Reconciliation of deferred tax</b>		
Opening provision	4,287,468	2,301,521
Credit to statement of profit or loss	15,472,869	5,204,917
Credit / (Debit) to other comprehensive income	2,963,372	(3,218,970)
Closing balance	<b>22,723,709</b>	4,287,468
<b>13. PREPAYMENTS</b>		
Prepaid reinsurance premium ceded	129,563,976	170,921,565
Other prepayments	1,923,200	2,276,653
	<b>131,487,176</b>	173,198,218
<b>14. CASH AND BANK DEPOSITS</b>		
<b>Cash and other equivalents</b>		
Cash in hand, Policy stamps and bond paper in hand	829,512	330,471
<b>Current and other bank accounts</b>		
Current accounts	58,130,697	95,504,867
Saving accounts	47,373,251	48,537,467
	<b>105,503,948</b>	144,042,334
	<b>106,333,460</b>	144,372,805
14.1 These accounts carry profit at rates range from 6.50 % to 11.50% per annum (2018: 5.00% to 9.50% per annum).		

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

### 15. SHARE CAPITAL

#### AUTHORIZED CAPITAL

	June 30, 2019	December 31, 2018
	(Rupees)	
75,000,000 Ordinary shares of Rs.10 each	<u>750,000,000</u>	<u>750,000,000</u>

#### Issued, subscribed and paid-up share capital

	June 30, 2019	December 31, 2018		June 30, 2019	December 31, 2018
	(Number of shares)				
1,156,680	1,156,680	1,156,680	Ordinary shares of Rs.10 each allotted for consideration paid in cash	11,566,800	11,566,800
54,984,605	54,984,605	54,984,605	Ordinary shares of Rs.10 each allotted as fully paid bonus shares	549,846,050	549,846,050
<u>56,141,285</u>	<u>56,141,285</u>	<u>56,141,285</u>		<u>561,412,850</u>	<u>561,412,850</u>

### 16. OTHER CREDITORS AND ACCRUALS

Accrued expenses	2,877,013	4,457,612
Unpaid and unclaimed dividend	2,170,666	2,170,665
Other creditors	<u>61,612,791</u>	<u>66,003,751</u>
	<u>66,660,470</u>	<u>72,632,028</u>

### 17. CONTINGENCIES AND COMMITMENTS

#### 17.1 Contingencies

- a. In the year 2016, the Commissioner of Inland Revenue (FBR) had issued show cause notices and then passed orders under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) related to preceding tax years, by initializing 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 the year 2016, the Commissioner Inland Revenue (Appeals) has annulled all the assessments under section 122(5A) in which dividend was taxed at normal corporate tax rate. The Commissioner of Inland Revenue has filed an appeal in Appellate Tribunal, Inland Revenue against the order passed by the Commissioner Inland Revenue (Appeals) which is pending adjudication. The Company has not made provision in the regard with consultation of tax advisor as it is confident that the case will be decided in the Company's favor.
- 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.

#### 17.2 Commitments

There are no commitments as at the reporting date.

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

	June 30, 2019	June 30, 2018
	(Rupees)	
<b>18. NET INSURANCE PREMIUM</b>		
Written Gross Premium	<b>269,630,739</b>	503,107,372
Add: Unearned premium reserve opening	<b>342,270,710</b>	494,450,943
Less: Unearned premium reserve closing	<b>(301,205,251)</b>	(487,205,110)
Premium earned	<b>310,696,198</b>	510,353,205
Less: Reinsurance premium ceded	<b>121,265,718</b>	347,406,365
Add: Prepaid reinsurance premium opening	<b>170,921,565</b>	337,538,956
Less: Prepaid reinsurance premium closing	<b>(129,563,976)</b>	(329,311,470)
Reinsurance expense	<b>162,623,307</b>	355,633,851
Net Insurance Premium	<b><u>148,072,891</u></b>	<u>154,719,354</u>
<b>19. NET INSURANCE CLAIMS EXPENSE</b>		
Claim Paid	<b>122,393,204</b>	110,128,786
Add: Outstanding claims including IBNR closing	<b>257,514,370</b>	240,953,861
Less: Outstanding claims including IBNR opening	<b>(210,197,626)</b>	(209,590,488)
Claims expense	<b>169,709,948</b>	141,492,159
Less: Reinsurance and other recoveries received	<b>74,796,845</b>	65,192,071
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	<b>224,213,957</b>	199,661,923
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	<b>(165,480,348)</b>	(167,283,860)
Reinsurance and other recoveries revenue	<b>133,530,454</b>	97,570,134
Net claims expenses	<b><u>36,179,494</u></b>	<u>43,922,025</u>
<b>20. NET COMMISSION EXPENSE</b>		
Commission paid or payable	<b>57,811,794</b>	57,656,753
Add: Deferred commission expense opening	<b>65,913,719</b>	60,932,042
Less: Deferred commission expense closing	<b>(62,595,223)</b>	(60,172,753)
Net Commission	<b>61,130,290</b>	58,416,042
Less: Commission received or recoverable	<b>30,650,085</b>	33,322,487
Add: Unearned Reinsurance Commission	<b>35,596,302</b>	35,347,057
Less: Unearned Reinsurance Commission from reinsurers	<b>(33,786,349)</b>	(34,764,477)
	<b>32,460,038</b>	33,905,067
	<b><u>28,670,252</u></b>	<u>24,510,975</u>

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

	June 30, 2019	June 30, 2018
	(Rupees)	
<b>21. INVESTMENT INCOME</b>		
<b>Income from equity securities</b>		
Dividend income		
Available for sale investments	17,019,069	2,533,800
Held for trading investments	11,795,170	11,321,959
	<b>28,814,239</b>	13,855,759
<b>Income from debt securities - Held for maturity</b>		
Return on debt securities	1,500,090	1,820,197
<b>Income from deposits</b>		
Return on term deposits and saving accounts	2,804,748	1,670,983
	<b>33,119,077</b>	17,346,939
<b>Net realised gains on investments</b>		
Realised gains on		
Available for sale investments	999,510	197,934
Held for trading investments	212,250	1,720,080
	<b>1,211,760</b>	1,918,014
<b>Net unrealised (losses) / gains on held for trading investment</b>	<b>(40,235,092)</b>	33,784,201
<b>Total investment income</b>	<b>(5,904,255)</b>	53,049,154
Less:		
Impairment in value of available for sale securities	(3,586,276)	(1,418,305)
Investment related expenses	(2,850)	(8,860)
<b>Net investment (loss) / income</b>	<b>(9,493,381)</b>	51,621,989
<b>22. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
(Loss) / Profit after tax	<b>(7,562,819)</b>	45,905,839
Weighted average number of shares of Rs. 10 each	<b>56,141,285</b>	56,141,285
(Loss) / Earnings per share - Rupees	<b>(0.13)</b>	0.82

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.

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

### 23. 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	June 30, 2019	June 30, 2018
<b>Transactions during the period</b>		—————(Rupees)—————	
Associated companies	Premium underwritten	<b>8,786,129</b>	6,550,894
	Premium collected	<b>40,030,166</b>	12,708,618
	Claims paid	<b>4,500,435</b>	2,494,020
	Dividend received	<b>68,734</b>	-
Key management personnel	Remuneration and other benefits	<b>14,145,810</b>	13,536,590
Staff retirement benefits	Contribution to provident fund	<b>1,505,176</b>	1,415,588
<b>Balances as at period end</b>			
Associate companies	Premium due but unpaid	<b>38,846,585</b>	56,823,427
	Provision for outstanding claims	<b>13,544,940</b>	14,913,871

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

### 24. SEGMENT INFORMATION

	June 30, 2019				
	Fire & property damage	Marine, aviation & Transport	Motor	Miscellaneous	Total
	(Rupees)				
Gross written premium (inclusive of Administrative surcharge)	<u>130,058,948</u>	<u>59,856,939</u>	<u>67,027,021</u>	<u>12,687,831</u>	<u>269,630,739</u>
Insurance premium earned	<u>128,273,222</u>	<u>98,941,666</u>	<u>71,363,192</u>	<u>12,118,118</u>	<u>310,696,198</u>
Insurance premium ceded to reinsurers	<u>(77,412,599)</u>	<u>(74,827,593)</u>	<u>(2,136,588)</u>	<u>(8,246,527)</u>	<u>(162,623,307)</u>
Net insurance premium	<u>50,860,623</u>	<u>24,114,073</u>	<u>69,226,604</u>	<u>3,871,591</u>	<u>148,072,891</u>
Commission income	<u>19,543,029</u>	<u>10,335,371</u>	<u>-</u>	<u>2,581,638</u>	<u>32,460,038</u>
Net underwriting income	<u>70,403,652</u>	<u>34,449,444</u>	<u>69,226,604</u>	<u>6,453,229</u>	<u>180,532,929</u>
Insurance claims	<u>(131,626,357)</u>	<u>(11,106,698)</u>	<u>(23,662,403)</u>	<u>(3,314,490)</u>	<u>(169,709,948)</u>
Insurance claims recovered from reinsurers	<u>120,488,513</u>	<u>10,128,727</u>	<u>600,000</u>	<u>2,313,214</u>	<u>133,530,454</u>
Net claims	<u>(11,137,844)</u>	<u>(977,971)</u>	<u>(23,062,403)</u>	<u>(1,001,276)</u>	<u>(36,179,494)</u>
Commission expense	<u>(34,757,415)</u>	<u>(14,964,434)</u>	<u>(8,705,732)</u>	<u>(2,702,709)</u>	<u>(61,130,290)</u>
Management expense	<u>(25,361,939)</u>	<u>(12,024,620)</u>	<u>(34,520,240)</u>	<u>(1,930,591)</u>	<u>(73,837,390)</u>
Net insurance claims & expenses	<u>(71,257,198)</u>	<u>(27,967,025)</u>	<u>(66,288,375)</u>	<u>(5,634,576)</u>	<u>(171,147,174)</u>
<b>Underwriting result</b>	<u>(853,546)</u>	<u>6,482,419</u>	<u>2,938,229</u>	<u>818,653</u>	<u>9,385,755</u>
Net Investment Loss					<u>(9,493,381)</u>
Other income					<u>188,250</u>
Other expenses					<u>(21,561,412)</u>
Profit from takaful operations-Operators' Fund					<u>6,935,026</u>
Loss before taxation					<u>(14,545,762)</u>
Segment assets	<u>176,682,157</u>	<u>83,768,664</u>	<u>240,482,814</u>	<u>13,449,325</u>	<u>514,382,960</u>
Unallocated assets					<u>1,121,202,842</u>
					<u>1,635,585,802</u>
Segment liabilities	<u>266,008,686</u>	<u>126,120,218</u>	<u>362,065,521</u>	<u>20,249,002</u>	<u>774,443,427</u>
Unallocated liabilities					<u>20,276,746</u>
					<u>794,720,173</u>

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

	June 30, 2018				
	Fire & property damage	Marine, aviation & Transport	Motor	Miscellaneous	Total
	(Rupees)				
Gross written premium (inclusive of Administrative surcharge)	<u>126,291,250</u>	<u>281,870,988</u>	<u>84,544,743</u>	<u>10,400,391</u>	<u>503,107,372</u>
Insurance premium earned	<u>129,474,720</u>	<u>288,148,894</u>	<u>81,710,416</u>	<u>11,019,175</u>	<u>510,353,205</u>
Insurance premium ceded to reinsurers	<u>(84,451,119)</u>	<u>(262,319,963)</u>	<u>(1,612,587)</u>	<u>(7,250,182)</u>	<u>(355,633,851)</u>
Net insurance premium	<u>45,023,601</u>	<u>25,828,931</u>	<u>80,097,829</u>	<u>3,768,993</u>	<u>154,719,354</u>
Commission income	<u>20,722,680</u>	<u>11,097,302</u>	<u>18,066</u>	<u>2,067,019</u>	<u>33,905,067</u>
Net underwriting income	<u>65,746,281</u>	<u>36,926,233</u>	<u>80,115,895</u>	<u>5,836,012</u>	<u>188,624,421</u>
Insurance claims	<u>(103,451,073)</u>	<u>(6,163,690)</u>	<u>(29,979,740)</u>	<u>(1,897,656)</u>	<u>(141,492,159)</u>
Insurance claims recovered from reinsurers	<u>92,884,828</u>	<u>3,249,829</u>	<u>-</u>	<u>1,435,477</u>	<u>97,570,134</u>
Net claims	<u>(10,566,245)</u>	<u>(2,913,861)</u>	<u>(29,979,740)</u>	<u>(462,179)</u>	<u>(43,922,025)</u>
Commission expense	<u>(33,613,441)</u>	<u>(14,786,973)</u>	<u>(8,000,744)</u>	<u>(2,014,884)</u>	<u>(58,416,042)</u>
Management expense	<u>(19,016,935)</u>	<u>(10,909,547)</u>	<u>(33,831,483)</u>	<u>(1,591,936)</u>	<u>(65,349,901)</u>
Net insurance claims & expenses	<u>(63,196,621)</u>	<u>(28,610,381)</u>	<u>(71,811,967)</u>	<u>(4,068,999)</u>	<u>(167,687,968)</u>
<b>Underwriting result</b>	<u><b>2,549,660</b></u>	<u><b>8,315,852</b></u>	<u><b>8,303,928</b></u>	<u><b>1,767,013</b></u>	<u><b>20,936,453</b></u>
Net Investment Income					51,621,989
Other income					590,018
Other expenses					(28,252,335)
Profit from takaful operations-Operators' Fund					6,812,548
Profit before taxation					<u>51,708,673</u>
<b>December 31, 2018</b>					
Segment assets	<u>152,949,780</u>	<u>66,419,456</u>	<u>224,038,707</u>	<u>13,029,695</u>	<u>456,437,638</u>
Unallocated assets					<u>1,202,215,886</u>
					<u>1,658,653,524</u>
Segment liabilities	<u>261,758,999</u>	<u>113,670,582</u>	<u>383,420,937</u>	<u>22,299,084</u>	<u>781,149,602</u>
Unallocated liabilities					<u>21,579,140</u>
					<u>802,728,742</u>

### 25. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 28th August, 2019 by the Board of Directors of the Company.

### 26. GENERAL

Figures have been rounded off to the nearest rupee.



Ismail H. Zakaria  
Chairman



Muhammad Omar Bawany  
Director



Irfan Zakaria Bawany  
Director



Haroon A. Shakoor  
Chief Accountant and  
Company Secretary



A. Razak Ahmed  
Chief Executive &  
Managing Director

Karachi 28th August, 2019

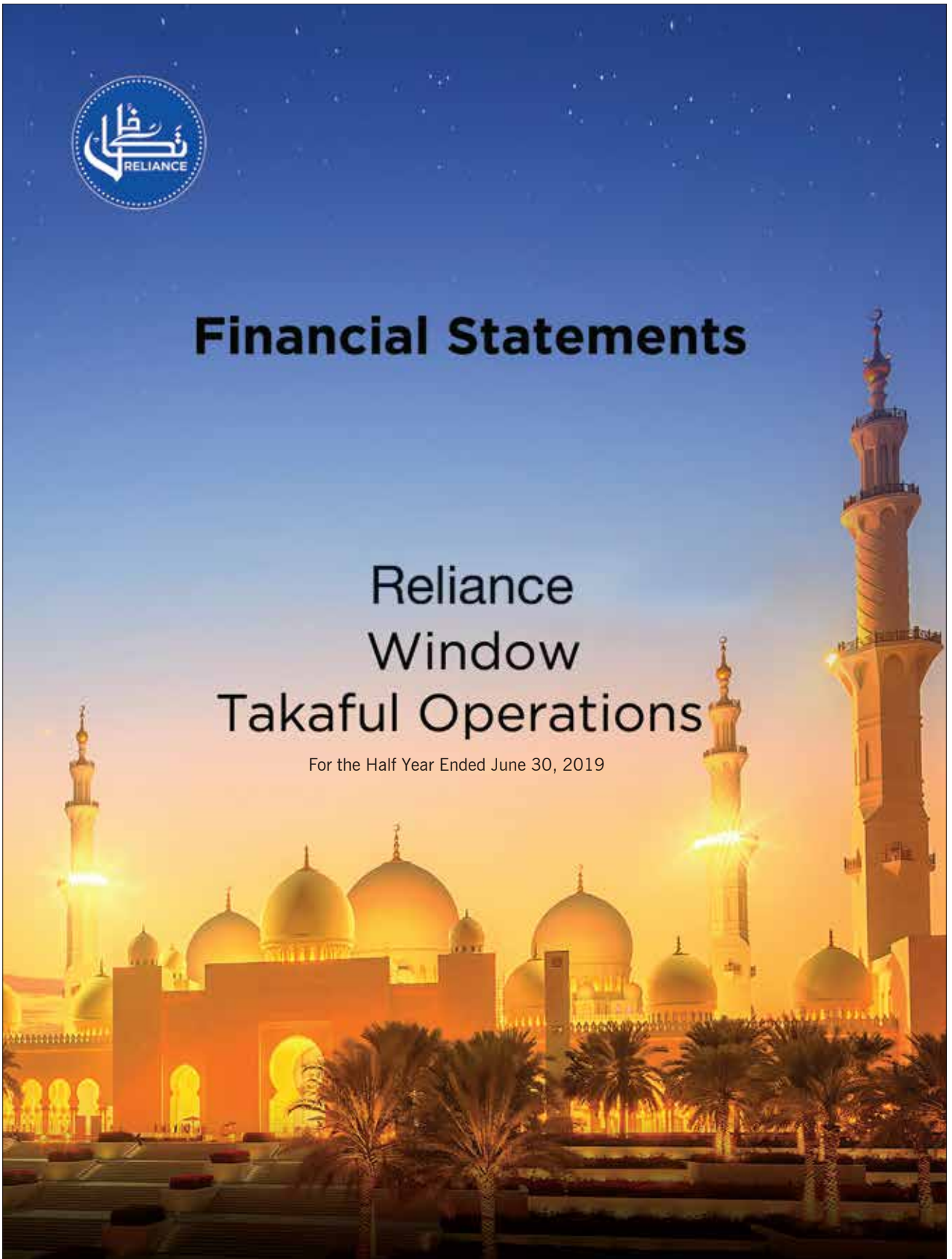




# Financial Statements

## Reliance Window Takaful Operations

For the Half Year Ended June 30, 2019





## Our Services

Reliance Insurance underwrites all classes of General Insurance and enjoys reputation second to none. Apart from Conventional General Insurance RIC has also commenced its General Takaful operations in the year 2016.



### 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.



## Auditor's Report to the Members

### ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

#### Introduction:

We have reviewed the accompanying condensed interim statement of financial position of RELIANCE INSURANCE COMPANY LIMITED ( WINDOW TAKAFUL OPERATIONS ) ("the Operator") as at June 30, 2019, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in fund, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

#### Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Other Matter:

The figures for the quarter ended June 30, 2019 and June 30, 2018 in these condensed interim financial statements have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2019.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Hanif Razzak.

**Kreston Hyder Bhimji & Co.**  
**Chartered Accountants**

Engagement Partner: Muhammad Hanif Razzak

Karachi: 28th August, 2019

## Condensed Interim Statement of Financial Position (Un Audited)

As at June 30, 2019

	Note	June 30, 2019 (UnAudited)			December 31, 2018 (Audited)		
		Operator's Fund	Participants' Fund	Aggregate	Operator's Fund	Participants' Fund	Aggregate
(Rupees)							
<b>ASSETS</b>							
Investment							
Equity securities	6	9,795,251	-	9,795,251	9,424,018	-	9,424,018
Loans and other receivables	7	15,459,472	378,205	15,837,677	10,069,761	426,239	10,496,000
Takaful / Re-takaful receivables	8	-	23,787,431	23,787,431	-	6,291,498	6,291,498
Retakaful recoveries against outstanding claims		-	1,202,789	1,202,789	-	566,671	566,671
Deferred Commission Expense		5,357,912	-	5,357,912	5,588,944	-	5,588,944
Prepayments	9	-	9,097,014	9,097,014	-	9,700,554	9,700,554
Deferred wakala fee		-	17,473,858	17,473,858	-	18,682,915	18,682,915
Cash & Bank	10	51,943,918	74,625,310	126,569,228	51,844,717	67,138,244	118,982,961
<b>TOTAL ASSETS</b>		<u>82,556,553</u>	<u>126,564,607</u>	<u>209,121,160</u>	<u>76,927,440</u>	<u>102,806,121</u>	<u>179,733,561</u>

## Condensed Interim Statement of Financial Position (Un Audited)

As at June 30, 2019

Note	June 30, 2019 (UnAudited)			December 31, 2018 (Audited)		
	Operator's Fund	Participants' Fund	Aggregate	Operator's Fund	Participants' Fund	Aggregate
	(Rupees)					
<b>EQUITY AND LIABILITIES</b>						
<b>Operator's Fund</b>						
Statutory Fund	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Accumulated profit	14,447,384	-	14,447,384	7,512,358	-	7,512,358
Surplus on revaluation of AFS investments	3,089	-	3,089	6,607	-	6,607
	64,450,473	-	64,450,473	57,518,965	-	57,518,965
<b>Waqf/Participants' Takaful Fund</b>						
Ceded Money	-	500,000	500,000	-	500,000	500,000
Accumulated Surplus	-	47,997,508	47,997,508	-	31,938,022	31,938,022
	-	48,497,508	48,497,508	-	32,438,022	32,438,022
<b>Liabilities</b>						
<b>Underwriting Provisions</b>						
Outstanding claims including IBNR	-	6,702,854	6,702,854	-	5,824,170	5,824,170
Unearned contribution	-	43,684,645	43,684,645	-	46,707,287	46,707,287
Unearned re-takaful rebate	-	1,577,898	1,577,898	-	1,803,108	1,803,108
Retakaful operators payable	-	9,766,556	9,766,556	-	5,551,739	5,551,739
Wakala and mudarib fee payable	-	13,817,199	13,817,199	-	8,908,496	8,908,496
Unearned wakala fee	17,473,858	-	17,473,858	18,682,915	-	18,682,915
Other creditors and accruals	632,222	2,517,947	3,150,169	725,560	1,573,299	2,298,859
<b>Total Liabilities</b>	18,106,080	78,067,099	96,173,179	19,408,475	70,368,099	89,776,574
<b>Contingencies and Commitments</b>						
<b>TOTAL FUND AND LIABILITIES</b>	<u>82,556,553</u>	<u>126,564,607</u>	<u>209,121,160</u>	<u>76,927,440</u>	<u>102,806,121</u>	<u>179,733,561</u>

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

  
Ismail H. Zakaria  
Chairman

  
Muhammad Omar Bawany  
Director

  
Irfan Zakaria Bawany  
Director

  
Haroon A. Shakoor  
Chief Accountant and  
Company Secretary

  
A. Razak Ahmed  
Chief Executive &  
Managing Director

Karachi 28th August, 2019

## Condensed Interim Profit & Loss Account (Un Audited)

For the Half Year Ended June 30, 2019

Note	Quarter ended June 30		Half year ended June 30		
	2019	2018	2019	2018	
		(Rupees)		(Rupees)	
<b>Reveune Account</b>					
<b>Participants' Takaful Fund</b>					
Net contribution revenue	13	28,297,839	22,359,822	37,082,950	34,681,391
Wakala expense	14	(14,614,458)	(12,102,146)	(21,866,685)	(20,058,427)
Net takaful claims	15	(2,436,366)	(2,526,237)	(4,170,311)	(5,145,700)
Direct expenses	16	(3,571)	(39,493)	(19,482)	(55,609)
Re-takaful rebate	17	1,690,468	1,600,667	3,619,536	3,104,364
<b>Underwriting results</b>		<b>12,933,912</b>	<b>9,292,613</b>	<b>14,646,008</b>	<b>12,526,019</b>
Investment Income	18	1,035,668	574,521	2,355,797	1,126,439
Modarib's share		(414,267)	(229,808)	(942,319)	(450,575)
<b>Surplus for the period</b>		<b>13,555,313</b>	<b>9,637,326</b>	<b>16,059,486</b>	<b>13,201,883</b>
<b>Reveune Account</b>					
<b>Operator's Fund</b>					
Wakala fee	19	14,614,458	12,102,146	21,866,685	20,058,427
Commission expenses	20	(4,632,320)	(3,728,498)	(7,356,289)	(6,524,214)
Management expenses		(5,594,492)	(2,569,424)	(10,020,688)	(7,261,379)
		<b>4,387,646</b>	<b>5,804,224</b>	<b>4,489,708</b>	<b>6,272,834</b>
Investment Income	18	1,062,410	356,799	2,002,999	619,639
Modarib's shares from PTF		414,267	229,808	942,319	450,575
Other expenses		(250,000)	(280,500)	(500,000)	(530,500)
<b>Profit for the period</b>		<b>5,614,323</b>	<b>6,110,331</b>	<b>6,935,026</b>	<b>6,812,548</b>

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



Ismail H. Zakaria  
Chairman



Muhammad Omar Bawany  
Director



Irfan Zakaria Bawany  
Director



Haroon A. Shakoor  
Chief Accountant and  
Company Secretary



A. Razak Ahmed  
Chief Executive &  
Managing Director

Karachi 28th August, 2019

## Condensed Interim Statement Of Comprehensive Income (Un Audited)

For the Half Year Ended June 30, 2019

	Quarter ended June 30		Half year ended June 30	
	2019	2018	2019	2018
	(Rupees)		(Rupees)	
<b>Operator's Fund</b>				
<b>Profit for the period</b>	<b>5,614,323</b>	6,110,331	<b>6,935,026</b>	6,812,548
<b>Other Comprehensive income</b>				
Items that will not be reclassified to profit and loss				
(Deficit) / Surplus on revaluation of available for sale investments	<b>(205,872)</b>	(406,609)	<b>(3,518)</b>	134,802
<b>Total comprehensive income for the period</b>	<b>5,408,451</b>	5,703,722	<b>6,931,508</b>	6,947,350

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



**Ismail H. Zakaria**  
Chairman

Karachi 28th August, 2019



**Muhammad Omar Bawany**  
Director



**Irfan Zakaria Bawany**  
Director



**Haroon A. Shakoor**  
Chief Accountant and  
Company Secretary



**A. Razak Ahmed**  
Chief Executive &  
Managing Director

## Condensed Interim Statement Of Change in Fund (Un Audited)

For the Half Year Ended June 30, 2019

	Operator's Fund			Total
	Statutory Fund	Accumulated (loss) / Profit	Surplus / (Defecit) on revaluation of AFS investments	
	(Rupees)			
Balance as at 1st January 2018	50,000,000	(402,391)	(819,636)	48,777,973
Total comprehensive income for the half year ended June 30, 2018	-	6,812,548	134,802	6,947,350
<b>Balance as at June 30, 2018</b>	<b>50,000,000</b>	<b>6,410,157</b>	<b>(684,834)</b>	<b>55,725,323</b>
<b>Balance as at January 01, 2019</b>	50,000,000	7,512,358	6,607	57,518,965
Total comprehensive income for the half year ended June 30, 2019	-	6,935,026	(3,518)	6,931,508
<b>Balance as at June 30, 2019</b>	<b>50,000,000</b>	<b>14,447,384</b>	<b>3,089</b>	<b>64,450,473</b>

	Participants Takaful Fund			Total
	Ceded money	Accumulated Profit	Surplus/(Defecit) on revaluation of AFS investments	
	(Rupees)			
Balance as at 1st January 2018	500,000	10,212,062	-	10,712,062
Surplus for the half year ended June 30, 2018	-	13,201,883	-	13,201,883
<b>Balance as at June 30, 2018</b>	<b>500,000</b>	<b>23,413,945</b>	<b>-</b>	<b>23,913,945</b>
<b>Balance as at January 01, 2019</b>	500,000	31,938,022	-	32,438,022
Surplus for the half year ended June 30, 2019	-	16,059,486	-	16,059,486
<b>Balance as at June 30, 2019</b>	<b>500,000</b>	<b>47,997,508</b>	<b>-</b>	<b>48,497,508</b>

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



**Ismail H. Zakaria**  
Chairman

Karachi 28th August, 2019



**Muhammad Omar Bawany**  
Director



**Irfan Zakaria Bawany**  
Director



**Haroon A. Shakoor**  
Chief Accountant and  
Company Secretary



**A. Razak Ahmed**  
Chief Executive &  
Managing Director



## Condensed Interim Statement of Cash Flows (Un Audited)

For the Half Year Ended June 30, 2019

	June 30, 2019			June 30, 2018
	Operator's Fund	Participants' - Takaful Fund	Aggregate	Aggregate
	(Rupees)			
<b>Operating Cash Flow</b>				
<b>a) Takaful activities</b>				
Contribution received	-	34,962,152	34,962,152	61,269,749
Re-takaful contribution paid	-	(13,579,420)	(13,579,420)	(15,029,822)
Claims paid	-	(4,065,779)	(4,065,779)	(6,850,859)
Re-takaful and other recoveries received	-	138,034	138,034	3,344,155
Commission paid	(7,125,257)	-	(7,125,257)	(7,677,601)
Management expenses paid	(10,520,688)	(19,482)	(10,540,170)	(7,423,738)
Re-takaful rebate received	-	3,394,326	3,394,326	3,505,011
Wakala fee received / (paid)	15,748,925	(15,748,925)	-	-
Net cash flows from takaful activities	(1,897,020)	5,080,906	3,183,886	31,136,895
<b>b) Other operating activities</b>				
Income tax paid	(460,695)	-	(460,695)	(163,902)
Other payments on operating assets	(93,338)	-	(93,338)	1,482,861
Other receipts in respect of operating assets	-	944,648	944,648	3,196,738
Net cash flows from other operating activities	(554,033)	944,648	390,615	4,515,697
<b>Total cash flow from all operating activities</b>	<b>(2,451,053)</b>	<b>6,025,554</b>	<b>3,574,501</b>	<b>35,652,592</b>
<b>Investment activities</b>				
Mudaraba shares received / (paid)	942,319	(942,319)	-	-
Payments made for investments	(374,751)	-	(374,751)	-
Profit / Dividend received	1,982,686	2,403,831	4,386,517	1,639,029
<b>Total cash flow from investing activities</b>	<b>2,550,254</b>	<b>1,461,512</b>	<b>4,011,766</b>	<b>1,639,029</b>
Net cash flow from all activities	99,201	7,487,066	7,586,267	37,291,621
Cash and cash equivalent at the beginning of the period	51,844,717	67,138,244	118,982,961	76,418,689
<b>Cash and cash equivalent at the end of the period</b>	<b>51,943,918</b>	<b>74,625,310</b>	<b>126,569,228</b>	<b>113,710,310</b>

## Condensed Interim Statement of Cash Flows (Un Audited)

For the Half Year Ended June 30, 2019

	30th June 2019			30 June 2018
	Operator's Fund	Participants' - Takaful Fund	Aggregate	Aggregate
	(Rupees)			
<b>Reconciliation to profit and loss Account</b>				
<b>Operating cash flows</b>	(2,451,053)	6,025,554	3,574,501	35,652,592
Increase in assets other than cash	5,138,366	16,319,454	21,457,820	6,373,213
Decrease/(Increase) in liabilities other than borrowings	1,302,395	(7,699,000)	(6,396,605)	(23,757,452)
Investment income	2,945,318	1,413,478	4,358,796	1,746,078
<b>Profit / Surplus for the period</b>	<b>6,935,026</b>	<b>16,059,486</b>	<b>22,994,512</b>	<b>20,014,431</b>
<b>Cash and cash equivalent consists of:</b>				
Cash and other equivalents	-	47,385	47,385	46,709
Cash at bank	51,943,918	74,577,925	126,521,843	113,663,601
	<u>51,943,918</u>	<u>74,625,310</u>	<u>126,569,228</u>	<u>113,710,310</u>

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



**Ismail H. Zakaria**  
Chairman

Karachi 28th August, 2019



**Muhammad Omar Bawany**  
Director



**Irfan Zakaria Bawany**  
Director



**Haroon A. Shakoor**  
Chief Accountant and  
Company Secretary



**A. Razak Ahmed**  
Chief Executive &  
Managing Director

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

### 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 statements 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

#### 2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under Companies Act 2017 and
- Provisions of and directives issued under Companies Act, 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and SECP Takaful Rules 2012.

Where the provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and SECP Takaful Rules 2012 differ with the requirements of IAS 34, the provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and SECP Takaful Rules 2012 have been followed.

These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

These condensed interim financial statements does not include all the information and disclosures required in the annual financial statements. Accordingly these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018.

These condensed interim financial statements are presented in Pak Rupees which is also the Operator's functional currency. All financial information presented in Pak Rupees has been rounded to nearest Rupees, unless otherwise stated.

#### 2.2 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or at amortized cost.

These condensed interim financial statements have been prepared under the accrual basis of accounting except for cash flow statement.

These condensed interim financial statements have been presented in Pak Rupees which is also the Operator's functional currency.

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

### 2.3. NEW STANDARDS AND AMENDMENTS

There are certain new standards and amendments to existing standards which have been effective during the period; however these are either irrelevant or do not have significant impact on these condensed interim financial statements hence not detailed in these financial statements.

During the period IFRS 9 has been effective for the periods ending on or after June 30, 2019; however amendment has been introduced in IFRS 4 'Insurance Contracts' with respect to application of IFRS 9 'Financial Instruments'. The amendments address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably an overlay approach and a deferral approach. The overlay approach allows an entity to apply IFRS 9 from its effective date to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied whereas deferral approach enables eligible entities (primarily issuing insurance contracts) to defer the implementation date of IFRS 9 till the effective date of new IFRS 17. The Operator has adopted the deferral approach accordingly it assumes itself exempt from the application of IFRS 9 and IFRS 17 until 31 December 2021.

Further there has been new standards and amendments to existing standards that are not yet effective except as stated above which are also either irrelevant or do not have material impact therefore not detailed in these condensed interim financial statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial statements are in line with the audited annual financial statements for the year ended December 31, 2018.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of the condensed interim financial statements 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 statements, the significant judgments made by the management in applying the Operator'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, 2018.

### 5. FINANCIAL RISK MANAGEMENT

The Operator's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2018.

	OPF		PTF	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
(Rupees)				
<b>6. INVESTMENT - EQUITY SECURITIES</b>				
Available for sale Mutual funds	<u>9,795,251</u>	<u>9,424,018</u>	<u>-</u>	<u>-</u>
<b>7. LOANS AND OTHER RECEIVABLES</b>				
Wakala and mudarib fees receivables	<u>13,817,199</u>	8,908,496	-	-
Advance Income tax	<u>1,397,626</u>	936,931	-	-
Accrued income	<u>244,647</u>	<u>224,334</u>	<u>378,205</u>	<u>426,239</u>
	<u>15,459,472</u>	<u>10,069,761</u>	<u>378,205</u>	<u>426,239</u>

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

8. TAKAFUL / RE-TAKAFUL RECEIVABLES	OPF		PTF	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
	(Rupees)			
Contribution due but unpaid - considered good	-	-	<b>18,477,768</b>	1,795,849
Amount due from other takaful / retakaful operators - considered good	-	-	<b>5,309,663</b>	4,495,649
	<u>-</u>	<u>-</u>	<u><b>23,787,431</b></u>	<u>6,291,498</u>
<b>9. PREPAYMENT</b>				
Prepaid re-takaful contribution ceded	-	-	<b>9,097,014</b>	9,700,554
	<u>-</u>	<u>-</u>	<u><b>9,097,014</b></u>	<u>9,700,554</u>
<b>10. CASH AND BANK DEPOSITS</b>				
<b>Cash and other equivalents</b>				
Stamps in hand	-	-	<b>47,385</b>	19,900
<b>Cash at bank</b>				
Saving accounts	<b>51,943,918</b>	51,844,717	<b>74,577,925</b>	67,118,344
	<u><b>51,943,918</b></u>	<u>51,844,717</u>	<u><b>74,625,310</b></u>	<u>67,138,244</u>
<b>11. OTHER CREDITORS AND ACCRUALS</b>				
Accrued expenses	<b>150,000</b>	523,750	-	-
Other payables	<b>482,222</b>	201,810	<b>2,517,947</b>	1,573,299
	<u><b>632,222</b></u>	<u>725,560</u>	<u><b>2,517,947</b></u>	<u>1,573,299</u>

### 12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the June 30, 2019.

13. NET CONTRIBUTION REVENUE	PTF	
	June 30, 2019	June 30, 2018
	(Rupees)	
Written Gross Contributions	<b>51,644,071</b>	60,268,602
Add: Unearned Contributions reserve opening	<b>46,707,287</b>	37,302,496
Less: Unearned Contributions reserve closing	<b>(43,684,645)</b>	(47,425,027)
Contributions earned	<b>54,666,713</b>	50,146,071
Less: Re-takaful Contributions ceded	<b>16,980,223</b>	16,908,926
Add: Prepaid re-takaful Contributions opening	<b>9,700,554</b>	8,848,312
Less: Prepaid re-takaful Contributions closing	<b>(9,097,014)</b>	(10,292,558)
Re-takaful expense	<b>17,583,763</b>	15,464,680
Net Contributions Revenue	<u><b>37,082,950</b></u>	<u>34,681,391</u>

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

	PTF	
	June 30, 2019	June 30, 2018
	(Rupees)	
<b>14. WAKALA EXPENSE</b>		
Gross Wakala fee	20,657,628	24,107,440
Add: Deferred wakala fee Opening	18,682,915	14,920,998
Less: Deferred wakala fee closing	(17,473,858)	(18,970,011)
	<u>21,866,685</u>	<u>20,058,427</u>
<b>15. NET TAKAFUL CLAIMS EXPENSE</b>		
Claim Paid	4,065,779	6,850,859
Add: Outstanding claims including IBNR closing	6,702,854	6,746,566
Less: Outstanding claims including IBNR opening	(5,824,170)	(7,444,085)
Claims expense	4,944,463	6,153,340
Less: Re-takaful and other recoveries received	138,034	3,344,155
Add: Re-takaful and other recoveries in respect of outstanding claims closing	1,202,789	2,508,347
Less: Re-takaful and other recoveries in respect of outstanding claims opening	(566,671)	(4,844,862)
Re-takaful and other recoveries revenue	774,152	1,007,640
Net claims expenses	<u>4,170,311</u>	<u>5,145,700</u>
<b>16. DIRECT EXPENSES</b>		
Fire and property damage	2,585	3,885
Marine, Aviation and Transport	661	3,101
Motor	15,726	47,270
Miscellaneous	510	1,353
	<u>19,482</u>	<u>55,609</u>
<b>17. RE-TAKAFUL REBATE</b>		
Gross rebate from retakaful operators	3,394,326	3,505,011
Add: Unearned retakaful rebate Opening	1,803,108	1,574,843
Less: Unearned retakaful rebate Closing	(1,577,898)	(1,975,490)
	<u>3,619,536</u>	<u>3,104,364</u>

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

	OPF		PTF	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
(Rupees)				
<b>18. INVESTMENT INCOME</b>				
Income from available for sale investments				
Dividend income	440,883	-	-	-
Profit on saving bank accounts	1,562,116	619,639	2,355,797	1,126,439
	<u>2,002,999</u>	<u>619,639</u>	<u>2,355,797</u>	<u>1,126,439</u>
<b>19. WAKALA FEE INCOME</b>				
Gross wakala fee	20,657,628	24,107,440	-	-
Add: Unearned wakala fee opening	18,682,915	14,920,998	-	-
Less: Unearned wakala fee closing	(17,473,858)	(18,970,011)	-	-
	<u>21,866,685</u>	<u>20,058,427</u>	<u>-</u>	<u>-</u>
<b>20. COMMISSION EXPENSE</b>				
Commission paid or payable	7,125,257	7,677,601	-	-
Add: Deferred commission expense opening	5,588,944	4,444,553	-	-
Less: Deferred commission expense closing	(5,357,912)	(5,597,940)	-	-
Commission expenses	<u>7,356,289</u>	<u>6,524,214</u>	<u>-</u>	<u>-</u>

### 21. RELATED PARTIES TRANSACTIONS

Related parties comprise of associated companies, entities under common control, entities with common directors, major shareholders and key management personnel of the Operator. Details of the transactions with related parties during the period are as follows:

Relation with the Company	Nature of transaction	June 30, 2019	June 30, 2018
(Rupees)			
<b>Transactions during the period</b>			
Associated companies	Contribution underwritten	2,842,967	-
	Contribution collected	2,571,346	-
	Contribution due but unpaid	1,289,187	-
Key management personnel	Remuneration and other benefits	900,000	900,000

## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

### 22. SEGMENT INFORMATION

	June 30, 2019				
	Fire & property damage	Marine, aviation & Transport	Motor	Miscellaneous	Total
	(Rupees)				
Gross Contributions (inclusive of Administrative surcharge)	13,919,103	6,490,097	28,404,645	2,830,226	51,644,071
Contributions earned	12,950,293	6,512,609	31,443,724	3,760,087	54,666,713
Takaful contributions ceded to re-takaful operators	(8,029,265)	(5,254,103)	(1,509,643)	(2,790,752)	(17,583,763)
Net contribution	4,921,028	1,258,506	29,934,081	969,335	37,082,950
Rebate from re-takaful	1,811,079	1,208,444	-	600,013	3,619,536
Net revenue	6,732,107	2,466,950	29,934,081	1,569,348	40,702,486
Takaful claims	(625,000)	(365,178)	(3,954,285)	-	(4,944,463)
Takaful claims recoveries from re-takaful operators	468,750	305,402	-	-	774,152
Net claims	(156,250)	(59,776)	(3,954,285)	-	(4,170,311)
Wakala expense	(5,180,117)	(2,605,044)	(12,577,490)	(1,504,034)	(21,866,685)
Direct expense	(2,585)	(661)	(15,726)	(510)	(19,482)
Net takaful claims & expenses	(5,338,952)	(2,665,481)	(16,547,501)	(1,504,544)	(26,056,478)
Net underwriting result	1,393,155	(198,531)	13,386,580	64,804	14,646,008
Net Investment income					2,355,797
Modarib's shares					(942,319)
Surplus for the period					16,059,486
Segment assets - PTF	6,842,325	1,749,859	41,621,120	1,347,788	51,561,092
Unallocated assets - PTF					75,003,515
Unallocated assets - OPF					82,556,553
					209,121,160
Segment liabilities - PTF	10,359,758	2,649,409	63,017,286	2,040,646	78,067,099
Unallocated liabilities - OPF					18,106,080
Consolidated total Liabilities					96,173,179



## Notes to the Condensed Interim Financial Statements (Un Audited)

For the Half Year Ended June 30, 2019

	June 30, 2018				
	Fire & property damage	Marine, aviation & Transport	Motor	Miscellaneous	Total
	(Rupees)				
Gross written contributions (inclusive of Administrative surcharge)	10,373,091	6,490,558	39,081,836	4,323,117	60,268,602
Contributions earned	9,186,794	6,375,661	31,282,214	3,301,402	50,146,071
Takaful contributions ceded to re-takaful operators	(6,763,808)	(4,441,817)	(1,801,712)	(2,457,343)	(15,464,680)
Net takaful contributions	2,422,986	1,933,844	29,480,502	844,059	34,681,391
Rebate from re-takaful	1,554,417	1,021,618	-	528,329	3,104,364
Net revenue	3,977,403	2,955,462	29,480,502	1,372,388	37,785,755
Takaful claims	(850,405)	(140,071)	(5,162,864)	-	(6,153,340)
Takaful claims recovered from re-takaful operators	695,876	84,421	227,343	-	1,007,640
Net claims	(154,529)	(55,650)	(4,935,521)	-	(5,145,700)
Wakala expense	(3,674,718)	(2,550,264)	(12,512,885)	(1,320,560)	(20,058,427)
Direct expense	(3,885)	(3,101)	(47,270)	(1,353)	(55,609)
Net takaful claims & expenses	(3,833,132)	(2,609,015)	(17,495,676)	(1,321,913)	(25,259,736)
Net underwriting results	144,271	346,447	11,984,826	50,475	12,526,019
Net investment income					1,126,439
Modarib's shares					(450,575)
Surplus for the period					13,201,883
<b>31-Dec-18</b>					
Segment assets - PTF	2,082,164	1,397,271	30,932,706	829,498	35,241,638
Unallocated assets - PTF					67,564,483
Unallocated assets - OPF					76,927,440
Consolidated total assets					179,733,561
Segment liabilities - PTF	4,157,523	2,789,975	61,764,317	1,656,284	70,368,099
Unallocated liabilities - OPF					19,408,475
Consolidated total Liabilities					89,776,574

### 23. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 28th August, 2019 by the Board of Directors of the Company.

### 24. GENERAL

Figures have been rounded off to the nearest rupee.



Ismail H. Zakaria  
Chairman



Muhammad Omar Bawany  
Director



Irfan Zakaria Bawany  
Director



Haroon A. Shakoor  
Chief Accountant and  
Company Secretary



A. Razak Ahmed  
Chief Executive &  
Managing Director

Karachi 28th August, 2019

## Categories of Share Holding

as at June 30, 2019

Sr. No.	Categories of share holders	Number of share holders	Total shares hold	Percentage %
1	INDIVIDUALS	1438	46,514,181	82.85
2	INVESTMENT COMPANIES	5	488	0
3	INSURANCE COMPANIES	1	648	0
4	JOINT STOCK COMPANIES	19	8,301,740	14.8
5	FINANCIAL INSTITUTIONS	1	232	0
6	WELFARE SOCIETY	2	166,070	0.29
7	CHARITABLE TRUSTS	1	368,611	0.66
8	MODARABA MANAGEMENT COMPANIES	1	1	0
9	TRADE	1	669	0
10	GOVERNMENT DEPARTMENT	2	786,621	1.4
11	REIT MANAGEMENT	1	2,024	0
		<u>1472</u>	<u>56,141,285</u>	<u>100</u>

## Pattern of Shareholding

as at June 30, 2019

Number of Shareholders	Shareholdings			Total shares held
	From	To	To	
402	1	-	100	7,229
193	101	-	500	55,445
147	501	-	1000	107,728
348	1001	-	5000	839,675
123	5001	-	10000	877,602
46	10001	-	15000	571,165
28	15001	-	20000	490,780
30	20001	-	25000	691,926
15	25001	-	30000	407,845
8	30001	-	35000	259,098
9	35001	-	40000	331,917
10	40001	-	45000	426,227
7	45001	-	50000	333,633
4	50001	-	55000	212,136
3	55001	-	60000	170,508
7	60001	-	65000	438,864
1	65001	-	70000	66,604
6	70001	-	75000	434,982
3	75001	-	80000	236,610
3	80001	-	85000	247,187
1	85001	-	90000	89,839
2	95001	-	100000	194,808
4	105001	-	110000	432,238
1	110001	-	115000	115,000
3	115001	-	120000	349,576
4	120001	-	125000	488,571
2	125001	-	130000	129,841
1	135001	-	140000	273,557
1	140001	-	145000	142,617
1	145001	-	150000	146,182
1	150001	-	155000	154,035
2	160001	-	165000	323,049
1	185001	-	190000	186,150
2	195001	-	200000	398,852
1	200001	-	205000	200,317
1	205001	-	210000	206,828
4	215001	-	220000	871,905
1	220001	-	225000	225,000
1	225001	-	230000	226,428
2	230001	-	235000	467,017
2	235001	-	240000	476,248
1	245001	-	250000	248,962
1	250001	-	255000	252,397
1	260001	-	265000	262,581
1	305001	-	310000	307,665
1	330001	-	335000	332,852
1	345001	-	350000	348,427
1	365001	-	370000	368,611
1	370001	-	375000	374,312
1	375001	-	380000	379,000
3	415001	-	420000	1,245,858
1	445001	-	450000	450,000
1	465001	-	470000	465,569
1	495001	-	500000	495,426
1	510001	-	515000	511,320
1	515001	-	520000	515,833
1	560001	-	565000	560,195
1	610001	-	615000	610,185
1	630001	-	635000	633,934
1	640001	-	645000	644,004
1	680001	-	685000	682,501
1	700001	-	705000	704,000
1	720001	-	725000	720,905
1	740001	-	745000	743,988
1	785001	-	790000	788,992
1	790001	-	795000	794,367
1	840001	-	845000	843,844
1	1100001	-	1105000	1,103,733
1	1130001	-	1135000	1,131,486
1	1285001	-	1290000	1,285,912
2	1480001	-	1485000	2,969,257
1	1680001	-	1685000	1,683,816
1	1785001	-	1790000	1,787,583
1	2125001	-	2130000	2,129,188
1	2190001	-	2195000	2,193,970
1	2250001	-	2255000	2,250,884
1	2495001	-	2500000	2,497,976
1	3355001	-	3360000	3,356,700
1	6155001	-	6160000	6,159,833
<u>1472</u>				<u>56,141,285</u>

## Offices

### Head Office

"Reliance Insurance House"  
181-A, Sindhi Muslim Co-operative  
Housing Society,  
Karachi.

PABX : 34539415-17  
Fax : 34539412  
E-mail : reli-ins@cyber.net.pk.  
ric-re@cyber.net.pk.  
www.relianceins.com

**Mr. A. Razak Ahmed**  
Chief Executive & Managing Director

Direct : 34539413, 34539414  
Extension : 204

**Mr. Haroon A. Shakoor**  
Chief Accountant &  
Company Secretary

Direct : 34539409  
Extension : 203

**Mr. Syed Rizwan Akhtar**  
Executive Vice President (Operations)

Direct : 34304067  
Extension : 210

**Mr. Muhammad Ishaque Azim**  
Vice President (Underwriting)

Direct : 34304068  
Extension : 212

**Mr. Muhammad Siddiq**  
Chief Manager

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**  
Shariah Compliance Officer

Extension : 216

**Mr. Ghulam Mujaddid**  
Chief Manager (Accounts)

Extension : 205

**Mr. Abdul Rahim Patni**  
Deputy Chief Manager (Reinsurance)

Direct : 34539411  
Extension : 215

**Mr. Muhammad Saleem Memon**  
Deputy Chief Manager (Investment/shares)

Extension : 214

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

Extension : 202

**Mr. Muhammad Masood Alam**  
Manager (Administration)

Direct : 34539411  
Extension : 206

**Mr. Mahmood Shuja Baig**  
Manager (Internal Audit)

Extension : 208

### South Zone Offices & Branches

#### Business Plaza Branch

407, 4th floor, Business Plaza,  
Off. I.I.Chundrigar Road, Karachi.

**Mr. Muhammad Iqbal Dhedhi**  
Executive Vice President

Ph (021) 32419581, 32419582  
Fax (021) 32421314, 32421317

#### Tariq Road Branch

Room No. A-2 & A-3,  
1st Floor, Rahat Jo Daro,  
Plot No.172/L, Block-2, PECHS,  
Main Tariq Road, Karachi.

**Mr. Zafar A. Pasha**  
Executive Vice President

Ph (021) 34527806, 34532427  
34525376, 34322642  
Fax (021) 34522829

#### Namco Centre Branch

1-A, 5th Floor, Campbell Street,  
Karachi.

**Mr. Iqbal Umer Bawany**  
Vice President

Ph (021) 32624504, 32624427  
Fax (021) 32624783

#### Land Mark Plaza Branch

405, 4th Floor, Land Mark Plaza,  
Off. I. I. Chundrigar Road,  
Karachi.

**Mr. Muhammad Reza Rajani**  
Assistant Vice President

Ph (021) 32628777, 32628778  
Fax (021) 32628779

#### M. A. Jinnah Road Branch

101, Japan Plaza,  
M. A. Jinnah Road, Karachi.

**Mr. Rizwan Ahmed Khan**  
Branch Manager

Ph (021) 32727076, 32729961  
Fax (021) 32722601

#### Hyderabad Branch

1st Floor, Al-Falah Chamber,  
Tilak Road, Hyderabad.

**Mr. Abdullah Ahmed**  
Regional Manager

Ph (022) 2615774  
Fax (022) 2623029

## Offices

### North Zone Offices & Branches

**Zonal Office, Lahore (North Zone)**  
4th Floor, Gardee Trust Building. No.2,  
Napier Road, Lahore.

Mr. Hassan Sabih  
Chief Manager

PABX (042) 37239063, 37353292  
37234255, 37351353  
Direct (042) 37354689  
Fax (042) 37312526

**Regional Office, Lahore**  
90-A/3, 1st Floor, Canal Park,  
Gulberg-II, Lahore.

Mr. Waseem John  
Branch Manager

Ph (042) 35761077, 35761078  
35763446, 35763447  
Fax (042) 35761235

**Gulberg Branch**  
House No.17-A, Block-E/1,  
Gulberg-III, Lahore.

Mr. Muhammad Javeed Ahmed  
Manager

Ph (042) 35752245, 35752989  
35751971, 35756557  
Fax (042) 35756217

**Al-Rehman Branch**  
2nd Floor, Al-Rehman Building,  
Regal Cinema Lane, 65, The Mall,  
Lahore.

Mr. Nisar Ahmed Chughtai  
Senior Vice President

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

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

Mr. Basit Anwar Butt  
Executive Vice President

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

**Eden Centre Branch**  
321, Eden Centre,  
43 Ghausal Azam Road, (Jail Road)  
Lahore.

Mr. Ch. H.S. Asghar  
Vice President

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

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

Mr. S.Azhar Ali Shah  
Senior Vice President

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

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

Mr. Sohailuddin Zafar  
Assistant Vice President

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

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

Mr. Abdul Sattar Malik  
Branch Manager

Ph (053) 3522127

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

Mr. A. Majeed Abid  
Senior Vice President

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

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

Mr. Muhammad Akhlaq  
Vice President

Ph (041) 2617277, 2622182  
2615922  
Fax (041) 2412010

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

Mr. Abdul Karim Siddiqi  
Vice President

Ph (051) 4854200  
Fax (051) 4935278

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

Mr. Shah Mast Khan  
Assistant Vice President

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

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

Mr. Syed Mohsin Bukhari  
Assistant Vice President

Ph (061) 4517349  
Fax (061) 4510049

**Hasilpur Branch**  
27-B, 1st Floor, Main Bazar,  
Hasilpur.

Mr. Muhammad Shafi Anjum  
Senior Vice President

Ph (062) 2442473  
Fax (062) 2448073

**Sialkot Branch**  
Room No.4 & 5, 1st Floor,  
Mughal Plaza, Kutchery Road,  
Sialkot.

-  
-

Ph (052) 4296075, 4296076  
Fax (052) 4296077

**Gojra Branch**  
P-132, Post Office Road,  
Gojra.

Mrs. Shahnaz Akhtar  
Branch Manager

Ph (046) 3511917  
Fax (046) 3513111

**Sukkur**  
Minara Road, Sukkur.

Mr. Anees Memon  
Resident Representative

Ph (071) 5622619  
Cell 0300-3138090



**BOOK POST**  
U.P.C./BY COURIER SERVICE

If undelivered please return to:



**Reliance Insurance Company Limited**

**SHARES DEPARTMENT**

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