

HALF YEARLY REPORT

Half Yearly June 30, 2020
(Un-Audited)

SERVING RELIABLY



Reliance Insurance
Company Limited



Window Takaful

Reliance Insurance Company Limited

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Reliance Window Takaful Operations

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Company Information



BOARD OF DIRECTORS

CHAIRMAN
IRFAN ZAKARIA BAWANY

DIRECTORS

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

CHIEF EXECUTIVE & MANAGING DIRECTOR

A. RAZAK AHMED

CHIEF FINANCIAL OFFICER

HAROON A. SHAKOOR

COMPANY SECRETARY & COMPLIANCE OFFICER

GHULAM HAIDER

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CREDIT RATING

A (SINGLE A) BY VIS
OUTLOOK "POSITIVE"

AUDITORS

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

LEGAL ADVISOR

IRFAN ADVOCATE

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
THE BANK OF KHYBER

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, 2020.

During the period under review your Company underwrote gross premium of Rs.242.972 million inclusive of Takaful Contribution for Rs.34.348 million against Rs.321.274 million inclusive of Takaful Contribution for Rs 51.644 million of the corresponding period of the previous year, a decrease of 24.37%. COVID-19 severely affected economic activities globally including Pakistan.

Net claims incurred decreased from Rs.36.179 million to Rs.15.582 million compared to corresponding period of last year, showing decrease of 56.93%. Underwriting profit decreased from Rs.9.386 million to Rs.6.088 million, of previous year.

Investment income for the six months period stood at Rs. 7.858 million compared to Loss of Rs. 9.493 million of previous year,

Profit before Tax during the period stood at Rs. 4.235 million compared to Loss for Rs. 14.546 million of the corresponding period of last year. Earnings per share (EPS) for the current period stood at Re. 0.22, against Re. (0.13) of corresponding period of last year. There is a profit of Rs. 12.018 million before tax from Window Takaful Operators Fund for the period ending 30th June 2020 as compared to Rs.6.935 million of previous year.

Board of Directors in their meeting held on 28th July 2020 unanimously elected Mr. Irfan Zakaria Bawany as the Chairman of Board for the remaining period ending April 30, 2022 due to the sad demise of Mr. Ismail H.Zakaria. Directors prayed for the departed soul and placed on record the invaluable contribution and able guidance made by late Mr. Ismail H. Zakaria during his long tenure as Chairman of RICL Board.

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 in the wake of COVID-19 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: 27th August, 2020

ڈائریکٹرز کا جائزہ

بنام حصص یافتگان

ڈائریکٹرز بمسرت کمپنی کے غیر آڈٹ شدہ حسابات دوسری سہ ماہی برائے مدت ختمہ 30 جون 2020 پیش کرتے ہیں۔

زیر جائزہ مدت کے دوران، آپ کی کمپنی نے مجموعی پربینیم 242.972 ملین روپے بشمول 34.348 ملین روپے نکافل تحریری شراکت داری انڈرائٹ کیا ہے جو کہ گزشتہ سال کی اسی مدت کے مجموعی پربینیم 321.274 ملین روپے بشمول نکافل 51.644 تحریری شراکت داری کے مقابلے میں 24.37 فیصد کم ہے۔ COVID-19 نے پاکستان سمیت عالمی سطح پر معاشی سرگرمیوں کو شدید متاثر کیا۔

نیٹ کلیم 36.179 ملین روپے سے کم ہو کر 15.582 ملین روپے رہے جو کہ گزشتہ سال کے مقابلے میں 56.93 فیصد کمی ظاہر کرتا ہے۔ انڈرائٹ منافع 9.386 ملین روپے سے کم ہو کر 6.088 ملین روپے رہا۔ سرمایہ کاری کی آمدنی ششماہی مدت کے لیے 7.858 ملین روپے ہے جب کہ گزشتہ سال کی اسی مدت کے لیے 9.493 ملین روپے نقصان کے تھی۔

اس مدت کے لئے قبل از ٹیکس نفع 4.235 روپے ہے ملین روپے ہے جو کہ گزشتہ سال اسی مدت کے لیے نقصان 14.546 ملین روپے تھا۔ نی حصص آمدن 0.22 روپے ہے جو کہ گزشتہ سال اسی مدت کے لیے (0.13) روپے تھا۔ 30 جون 2020 کو ختم ہونے والی مدت کے لیے ونڈو نکافل آپریٹرز فنڈ کا قبل از ٹیکس منافع گزشتہ سال کے 6.935 ملین روپے کے مقابلے میں 12.018 ملین روپے رہا۔

جناب اسماعیل ایچ زکریا کے غمزدہ انتقال کی وجہ سے بورڈ آف ڈائریکٹرز نے 28 جولائی 2020 کو منعقدہ اجلاس میں مسٹر عرفان زکریا وادانی کو متفقہ طور پر 30 اپریل 2022 کو ختم ہونے والی بقیہ مدت کے لئے بورڈ کا چیئر مین منتخب کیا ہے۔ ڈائریکٹرز نے مرحوم کی روح کے ایصال ثواب کے لئے دعا کی اور مرحوم جناب اسماعیل ایچ زکریا کی RICL بورڈ کے چیئر مین کی حیثیت سے اپنے طویل عرصے کے دوران انمول شراکت اور قابل رہنمائی کوریکارڈ کیا۔

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 لیے حکومت اقتصادی سرگرمیوں کو فروغ دینے کے لئے طویل مدتی اور مستحکم پالیسیوں کو تشکیل دے گی COVID-19 کے پیش نظر چیلنجز کا مقابلہ کرنے کے لئے سرمایہ کاروں کا اعتماد حاصل کرے گی اور ملک میں امن و امان کی صورتحال پر بہتر بنانے پر توجہ مرکوز رکھے گی

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

بحکم بورڈ

اے رزاق احمد

چیف ایگزیکٹو اور مینجنگ ڈائریکٹر

کراچی: 27 اگست 2020

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, 2020, 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 half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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(c) 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, 2020 and June 30, 2019 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, 2020.

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: 27th August, 2020

Condensed Interim Statement Of Financial Position (Un Audited)

As At June 30, 2020

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Rupees			
ASSETS			
Property and equipment	6	77,174,085	83,029,726
Investments			
Equity securities	7	595,041,484	687,114,861
Debt securities	8	120,000,000	60,036,671
Term deposits	9	37,659,978	30,159,978
		752,701,462	777,311,510
Loan and other receivables	10	5,203,378	3,327,768
Insurance / Reinsurance receivables	11	200,097,907	198,885,699
Reinsurance recoveries against outstanding claims		118,370,323	112,413,375
Deferred Commission Expense		59,903,472	62,977,589
Deferred taxation	12	17,790,508	-
Prepayments	13	133,395,494	134,819,584
Cash and Bank	14	131,787,696	131,227,604
Total Assets Window Takaful - Operation's fund		98,426,174	91,493,527
TOTAL ASSETS		1,594,850,499	1,595,486,382


Condensed Interim Statement Of Financial Position (Un Audited)

As At June 30, 2020

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
Rupees			
EQUITY AND LIABILITIES			
Capital and reserves attributable to company's equity holder			
Ordinary share capital	15	561,412,850	561,412,850
General reserves		250,000,000	250,000,000
Unappropriated profit		125,527,141	113,364,249
Surplus on revaluation of available for sale investment		256,952	8,752,130
Total Equity		937,196,943	933,529,229
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR		145,053,912	153,319,708
Unearned premium reserves		277,999,757	292,211,950
Unearned reinsurance commission		33,529,943	34,581,713
Deferred taxation		-	4,370,718
Insurance / Reinsurance Payables		151,923,881	122,865,424
Other Creditors and Accruals	16	20,805,771	23,830,684
Taxation - provision less payment		7,996,918	5,864,217
Total Liabilities Window Takaful - Operation's fund		20,343,374	24,912,739
Total Liabilities		657,653,556	661,957,153
CONTINGENCIES AND COMMITMENTS	17	-	-
TOTAL EQUITY AND LIABILITIES		1,594,850,499	1,595,486,382

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


Irfan Zakaria Bawany
Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 27th August, 2020


Condensed Interim Profit & Loss Account (Un Audited)

For The Half Year Ended June 30, 2020

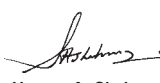
	Note	Quarter ended June 30		Half year ended June 30	
		2020	2019	2020	2019
		(Rupees)		(Rupees)	
Net insurance premium	18	59,136,116	83,011,901	116,948,497	148,072,891
Net insurance claims	19	(8,215,653)	(21,386,785)	(15,582,708)	(36,179,494)
Net Commission	20	(10,924,068)	(13,919,050)	(22,703,895)	(28,670,252)
Insurance claims and acquisition expenses		(19,139,721)	(35,305,835)	(38,286,603)	(64,849,746)
Management Expenses		(37,030,065)	(40,308,816)	(72,573,942)	(73,837,390)
Underwriting results		2,966,330	7,397,250	6,087,952	9,385,755
Investment Income / (Loss)	21	77,627,148	(31,050,441)	7,857,921	(9,493,381)
Other income		-	178,887	-	188,250
Other expenses		(12,405,702)	(11,570,234)	(21,729,092)	(21,561,412)
		65,221,446	(42,441,788)	(13,871,171)	(30,866,543)
Results of operating activities		68,187,776	(35,044,538)	(7,783,219)	(21,480,788)
Profit from takaful operations-Operator's Fund		7,727,237	5,614,323	12,018,062	6,935,026
Profit / (Loss) before taxation		75,915,013	(29,430,215)	4,234,843	(14,545,762)
Taxation					
Current taxation		(7,011,462)	(6,546,137)	(10,520,764)	(8,489,926)
Deferred taxation		(15,003,891)	15,472,869	18,448,813	15,472,869
		(22,015,353)	8,926,732	7,928,049	6,982,943
Profit / (Loss) after taxation		53,899,660	(20,503,483)	12,162,892	(7,562,819)
Earnings / (Loss) after tax per share - basic and diluted	22	0.96	(0.37)	0.22	(0.13)

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


Irfan Zakaria Bawany
Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 27th August, 2020


Condensed Interim Statement of Comprehensive Income (Un Audited)

For The Half Year Ended June 30, 2020

	Quarter ended June 30		Half year ended June 30	
	2020	2019	2020	2019
	(Rupees)		(Rupees)	
Profit / (Loss) after tax	53,899,660	(20,503,483)	12,162,892	(7,562,819)
Other Comprehensive Income				
Items that will not be reclassified to profit and loss subsequently				
Surplus / (Deficit) on revaluation of available for sale securities	497,017	(19,128,628)	(8,331,876)	(9,523,590)
Reclassification adjustment related to (gain) / loss on disposal / redemption of available for sale investment	(4,000,542)	2,177	(3,359,665)	(932,597)
(Deficit) on revaluation of available for sale securities - Window Takaful	(911,249)	(205,872)	(516,050)	(3,518)
Impact of related deferred taxation	1,280,279	5,294,260	3,712,413	2,963,372
	(3,134,495)	(14,038,063)	(8,495,178)	(7,496,333)
Total comprehensive income / (loss) for the period	50,765,165	(34,541,546)	3,667,714	(15,059,152)

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


Irfan Zakaria Bawany
Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 27th August, 2020


Condensed Interim Statement of Changes in Equity (Un Audited)

For The Half Year Ended June 30, 2020

	Ordinary Share capital	General reserves	Surplus on revaluation of AFS investments	Unappropriated profit	Total
	(Rupees)				
Balance as at January 01, 2019	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)
Balance as at June 30, 2019	<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>
Balance as at January 01, 2020	561,412,850	250,000,000	8,752,130	113,364,249	933,529,229
Total comprehensive (loss) / income for the half year ended June 30, 2020	-	-	(8,495,178)	12,162,892	3,667,714
Balance as at June 30, 2020	<u>561,412,850</u>	<u>250,000,000</u>	<u>256,952</u>	<u>125,527,141</u>	<u>937,196,943</u>

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


Irfan Zakaria Bawany
Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 27th August, 2020

Condensed Interim Statement of Cash Flows (Un Audited)

For The Half Year Ended June 30, 2020


Note	30-Jun 2020	30-Jun 2019
	————— (Rupees) —————	
Operating cash flow		
a) Underwriting activities		
Premium received	207,247,648	264,895,709
Reinsurance premium paid	(76,465,010)	(124,612,704)
Claims paid	(70,758,550)	(122,393,204)
Reinsurance and other recoveries received	40,953,098	74,796,845
Commission paid	(44,866,353)	(57,811,794)
Commission received	24,184,805	30,650,085
Management expenses paid	(72,573,942)	(73,837,390)
Net cash flow from / (used in) underwriting activities	7,721,696	(8,312,453)
b) Other operating activities		
Income tax paid	(8,388,063)	(10,584,872)
Other operating payments	(18,634,533)	(22,216,776)
Loans disbursed	(142,900)	(389,600)
Net cash flow used in other operating activities	(27,165,496)	(33,191,248)
Net cash flow from / (used in) all operating activities	(19,443,800)	(41,503,701)
Investment activities		
Profit / return / dividend received	32,408,798	31,729,162
Payments for investments	(189,916,531)	(63,928,601)
Proceeds from sale / redemption of investments	177,763,432	36,605,000
Fixed capital expenditures	(251,807)	(1,285,205)
Proceeds from disposal of property and equipment	-	344,000
Total cash flow from investing activities	20,003,892	3,464,356

Condensed Interim Statement of Cash Flows (Un Audited)


For The Half Year Ended June 30, 2020

Note	30-Jun 2020	30-Jun 2019
(Rupees)		
Net cash flow all activities	560,092	(38,039,345)
Cash and cash equivalent at the beginning of the period	131,227,604	144,372,805
Cash and cash equivalent at the end of the period	131,787,696	106,333,460
Reconciliation to profit and loss account		
Operating cash out flows	(19,443,800)	(41,503,701)
Depreciation expense	(6,107,448)	(6,863,273)
Profit on disposal of property and equipment	-	188,250
Profit on disposal of investments	6,972,049	1,211,760
Dividend income	25,835,581	28,814,239
Other investment (loss)	(24,949,709)	(39,519,380)
Increase in assets other than cash	4,025,830	20,995,217
(Decrease) / increase in liabilities other than borrowings	(4,636,486)	6,706,174
Deferred taxation	18,448,813	15,472,869
Profit before tax from Takaful operations-Operators' Fund	12,018,062	6,935,026
Profit / (Loss) after taxation	12,162,892	(7,562,819)
Cash and cash equivalent consists of:		
Cash and equivalents	915,906	829,512
Current and other accounts	130,871,790	105,503,948
14	131,787,696	106,333,460


Irfan Zakaria Bawany
Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Notes To The Condensed Interim Financial Statements (Un Audited)

For The Period Ended June 30, 2020

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. 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 AND 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.

- 2.3 These condensed interim financial statements have been prepared under the accrual basis of accounting except for cash flow statement.
- 2.4 These condensed interim financial statements have been presented in Pak Rupees which is also the Company's functional currency.

Notes To The Condensed Interim Financial Statements (Un Audited)

For The Period Ended June 30, 2020

2.5 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.

2.5.1 IFRS 9 'Financial Instruments' and amendment (effective for period ending on or after June 30, 2019). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from the 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. The Company has adopted the temporary exemption which allows the Company to defer the application of IFRS 9 until December 31, 2021. For the companies adopting the temporary exemption, the IFRS 4 requires certain disclosures which have been disclosed as follows:

Temporary exemption from application of IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below.

Fair value of financial assets as at June 30, 2020 and change in fair value during the period

	June 30, 2020	December 31, 2019	Change during the six months ended June 30, 2020
	(Rupees)		
Financial assets with contractual cash flows that meet the SPPI criteria excluding those held for trading			
- Debt securities - GoP Ijara Sukuk Bonds - Held to maturity	60,000,000	60,000,000	-
- Debt securities - Pakistan Energy Sukuk - Held to maturity	60,000,000	-	60,000,000
Financial assets that do not meet the SPPI Criteria			
- Equity Securities / Mutual Funds - Available for sale	275,953,758	288,097,375	(12,143,617)
- Equity Securities / Mutual Funds - Held for trading	319,087,726	354,276,461	(35,188,735)

Carrying value of all other financial assets approximates to their fair values since these either have short term maturity or are frequently repriced.

Notes To The Condensed Interim Financial Statements (Un Audited)

For The Period Ended June 30, 2020

2.5.2 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, 2019.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing the condensed interim financial 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, 2019.

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, 2019.

6. PROPERTY AND EQUIPMENT

6.1 Operating assets

	June 30, 2020	December 31, 2019
	—————(Rupees)—————	
Opening written down value	83,029,726	92,880,920
Additions and transfers during the period / year at cost		
Furniture and fixtures	-	452,500
Motor Vehicles	-	4,628,944
Computer equipments	32,000	187,000
Office Equipments	219,807	729,005
	251,807	5,997,449
Written down value of disposal during the period / year		
Motor Vehicles	-	(2,161,817)
Depreciation for the period / year	(6,107,448)	(13,686,826)
Closing written down value	77,174,085	83,029,726

Notes To The Condensed Interim Financial Statements (Un Audited)

For The Period Ended June 30, 2020

	Note	June 30, 2020	December 31, 2019
(Rupees)			
7. EQUITY SECURITIES			
Available for sale			
Related parties		5,029,228	6,369,109
Other listed securities		70,060,608	74,278,663
Mutual funds		200,863,922	256,166,596
		<u>275,953,758</u>	<u>336,814,368</u>
Held for trading			
Listed securities		319,087,726	350,300,493
		<u>595,041,484</u>	<u>687,114,861</u>
8. DEBT SECURITIES			
Held to maturity			
GOP Ijara Sukuk Bonds	8.1 & 8.3	60,000,000	60,036,671
Pakistan Energy Sukuk II	8.2 & 8.3	60,000,000	-
		<u>120,000,000</u>	<u>60,036,671</u>
8.1	These carry profit at the rate of 5.24% per annum (December 31, 2019: 5.24% per annum) due on maturity.		
8.2	These carry profit at the rate of 8.02% per annum (December 31, 2019: nil) due on maturity.		
8.3	Government of Pakistan Ijara Sukuk Bonds (GOPI) having face value amounted to Rs.60 million and market value amounted to Rs.60 million (December 31, 2019: Rs.60 million and market value amounted to Rs.59.364 million) and Pakistan Energy Sukuk II face value Rs.60 million are placed with State Bank of Pakistan under Section 29 of Insurance Ordinance, 2000.		
9. TERM DEPOSIT			
Deposit maturing within 12 months	9.1	37,659,978	30,159,978
9.1	These carry profit at the rate of 7% to 12.50% per annum (December 31, 2019: 11% to 13% per annum) payable on maturity.		
9.2	These deposits include an advantage account amounting to Rs.11.10 million (December 31, 2019: 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, 2019 Rs.10.00 million).		
10. LOANS AND OTHER RECEIVABLES			
Considered good			
Loan to employees		1,202,080	1,059,180
Deposits		591,441	591,441
Sundry receivables		1,211,981	-
Accrued investment income		2,197,876	1,677,147
		<u>5,203,378</u>	<u>3,327,768</u>

Notes To The Condensed Interim Financial Statements (Un Audited)

For The Period Ended June 30, 2020

	Note	June 30, 2020	December 31, 2019
		(Rupees)	
11. INSURANCE / REINSURANCE RECEIVABLE			
Due from insurance contract holders			
Considered good		199,562,065	198,185,522
Considered doubtful		12,361,742	12,361,742
		<u>211,923,807</u>	<u>210,547,264</u>
Less: Allowance for impairment of receivables from Insurance contract holders		(12,361,742)	(12,361,742)
		<u>199,562,065</u>	<u>198,185,522</u>
Due from other insurers/reinsurers - considered good		535,842	700,177
		<u>200,097,907</u>	<u>198,885,699</u>
12. DEFERRED TAXATION			
Deferred tax credits / (debits) arising in respect of:			
Provision for impairment of doubtful receivables from insurance contract holders		3,584,905	3,584,905
Unrealized loss / (gain) on held for trading investments		8,730,169	(9,156,153)
Impairment loss on available for sale investments		5,335,136	4,772,645
Surplus / (Deficit) on revaluation of available for sale securities		140,298	(3,572,115)
		<u>17,790,508</u>	<u>(4,370,718)</u>
Reconciliation of deferred tax			
Opening provision		(4,370,718)	4,287,468
Credit to statement of profit or loss		18,448,813	(6,003,520)
Credit / (Debit) to other comprehensive income		3,712,413	(2,654,666)
Closing balance		<u>17,790,508</u>	<u>(4,370,718)</u>
13. PREPAYMENTS			
Prepaid reinsurance premium ceded		131,809,887	132,009,972
Prepaid rent		100,000	490,025
Prepaid miscellaneous expenses		1,067,607	1,901,587
Others		418,000	418,000
		<u>133,395,494</u>	<u>134,819,584</u>
14. CASH AND BANK DEPOSITS			
Cash and other equivalents			
Cash in hand, Policy stamps and bond paper in hand		915,906	187,500
Current and other bank accounts			
Current accounts		50,840,029	44,419,237
Saving accounts	14.1	80,031,761	86,620,867
		<u>130,871,790</u>	<u>131,040,104</u>
		<u>131,787,696</u>	<u>131,227,604</u>
14.1	These accounts carry profit at rates ranging from 5.50 % to 7% per annum (December 31, 2019: 9.00% to 12% per annum).		

Notes To The Condensed Interim Financial Statements (Un Audited)

For The Period Ended June 30, 2020

	June 30, 2020	December 31, 2019	
	(Rupees)		
15. SHARE CAPITAL			
AUTHORISED CAPITAL			
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, 2020	December 31, 2019	
	(Number of shares)		
	<u>1,156,680</u>	1,156,680	Ordinary shares of Rs.10 each allotted for consideration paid in cash
	<u>54,984,605</u>	54,984,605	Ordinary shares of Rs.10 each allotted as fully paid bonus shares
	<u>56,141,285</u>	<u>56,141,285</u>	
	<u>11,566,800</u>	11,566,800	
	<u>549,846,050</u>	549,846,050	
	<u>561,412,850</u>	<u>561,412,850</u>	
16. OTHER CREDITORS AND ACCRUALS			
Accrued expenses	<u>2,310,267</u>	2,975,606	
Unpaid and Unclaimed dividend	<u>2,170,665</u>	2,170,665	
Other creditors	<u>16,324,839</u>	18,684,413	
	<u>20,805,771</u>	<u>23,830,684</u>	
17. CONTINGENCIES AND COMMITMENTS			
17.1 Contingencies			
a.	<p>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.</p>		
b.	<p>The Assistant Commissioner (AC) Sindh Revenue Board has passed an order for assessment under section 23(1) and (1A) of the Sindh Sales Tax on Services Act, 2011 (the Act) in respect of audit for the tax year December 2016 levied Sindh Sales tax at RS 110 Million on exempt marine activities and re-insurance under foreign treaties. The company have filed an appeal before the Commissioner-Appeals –SRB and in view of the tax advisor contesting the matter no eventual financial impact is likely to arise.</p>		
c.	<p>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.</p>		

Notes To The Condensed Interim Financial Statements (Un Audited)

For The Period Ended June 30, 2020

	June 30, 2020	December 31, 2019
17.2 Commitments		
The Company is committed to minimum rental payments for each of the following period as follows:		
- Not more than one year	-	2,502,561
	June 30, 2020	June 30, 2019
	(Rupees)	
18. NET INSURANCE PREMIUM		
Written Gross Premium	208,624,191	269,630,739
Add: Unearned premium reserve opening	292,211,950	342,270,710
Less: Unearned premium reserve closing	(277,999,757)	(301,205,251)
Premium earned	222,836,384	310,696,198
Less: Reinsurance premium ceded	105,687,802	121,265,718
Add: Prepaid reinsurance premium opening	132,009,972	170,921,565
Less: Prepaid reinsurance premium closing	(131,809,887)	(129,563,976)
Reinsurance expense	105,887,887	162,623,307
Net Insurance Premium	116,948,497	148,072,891
19. NET INSURANCE CLAIMS EXPENSE		
Claims Paid	70,758,550	122,393,204
Add: Outstanding claims including IBNR closing	145,053,912	257,514,370
Less: Outstanding claims including IBNR opening	(153,319,708)	(210,197,626)
Claims expense	62,492,754	169,709,948
Less: Reinsurance and other recoveries received	40,953,098	74,796,845
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) closing	118,370,323	224,213,957
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment (if any) opening	(112,413,375)	(165,480,348)
Reinsurance and other recoveries revenue	46,910,046	133,530,454
Net claims expenses	15,582,708	36,179,494
20. NET COMMISSION EXPENSE		
Commission paid or payable	44,866,353	57,811,794
Add: Deferred commission expense opening	62,977,589	65,913,719
Less: Deferred commission expense closing	(59,903,472)	(62,595,223)
Net Commission	47,940,470	61,130,290
Less: Commission received or recoverable	24,184,805	30,650,085
Add: Unearned Reinsurance Commission opening	34,581,713	35,596,302
Less: Unearned Reinsurance Commission closing	(33,529,943)	(33,786,349)
Commission from reinsurers	25,236,575	32,460,038
	22,703,895	28,670,252

Notes To The Condensed Interim Financial Statements (Un Audited)

For The Period Ended June 30, 2020

	June 30, 2020	June 30, 2019
	(Rupees)	
21. INVESTMENT INCOME		
Income from equity securities		
Dividend income		
Available for sale investments	15,614,487	17,019,069
Held for trading investments	10,221,094	11,795,170
	25,835,581	28,814,239
Income from debt securities - Held for maturity		
Return on debt securities	2,101,959	1,500,090
Income from deposits		
Return on term deposits and saving accounts	5,027,941	2,804,748
	32,965,481	33,119,077
Net realised gains on investments		
Realised gains on		
Available for sale investments	6,544,257	999,510
Held for trading investments	427,792	212,250
	6,972,049	1,211,760
Net unrealised (losses) on held for trading investment	(30,104,031)	(40,235,092)
Total investment income / (loss)	9,833,499	(5,904,255)
Less:		
Impairment in value of available for sale securities	(1,939,624)	(3,586,276)
Investment related expenses	(35,954)	(2,850)
Net investment income / (loss)	7,857,921	(9,493,381)
22. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit / (Loss) after tax	12,162,892	(7,562,819)
Weighted average number of shares of Rs. 10 each	56,141,285	56,141,285
Earning / (loss) per share - Rupees	0.22	(0.13)

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.

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".

Notes To The Condensed Interim Financial Statements (Un Audited)

For The Period Ended June 30, 2020

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

Relation with the Company	Nature of transaction	June 30, 2020	June 30, 2019
Transactions during the period		(Rupees)	
Associated companies	Premium underwritten	10,282,274	8,786,129
	Premium collected	45,531,676	40,030,166
	Claims paid	18,078,831	4,500,435
	Dividend received	18,329	68,734
Key management personnel	Remuneration and other benefits	16,480,035	14,145,810
Staff retirement benefits	Contribution to provident fund	1,725,080	1,505,176
Balances as at period end			
Associate companies	Premium due but unpaid	32,374,666	38,846,585
	Provision for outstanding claims	7,643,520	13,544,940

24. SEGMENT INFORMATION

	June 30, 2020				Total
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	
	(Rupees)				
Gross written premium (inclusive of Administrative surcharge)	104,718,356	55,974,937	39,552,167	8,378,731	208,624,191
Insurance premium earned	109,689,330	55,698,361	48,507,016	8,941,677	222,836,384
Insurance premium ceded to reinsurers	(62,247,248)	(34,682,693)	(2,856,919)	(6,101,027)	(105,887,887)
Net insurance premium	47,442,082	21,015,668	45,650,097	2,840,650	116,948,497
Commission income	15,350,726	8,384,133	13,341	1,488,375	25,236,575
Net underwriting income	62,792,808	29,399,801	45,663,438	4,329,025	142,185,072
Insurance claims	(45,249,045)	(5,123,652)	(11,277,662)	(842,395)	(62,492,754)
Insurance claims recovered from reinsurers	41,493,840	4,770,692	13,914	631,600	46,910,046
Net claims	(3,755,205)	(352,960)	(11,263,748)	(210,795)	(15,582,708)
Commission expense	(29,121,323)	(12,350,149)	(4,744,036)	(1,724,962)	(47,940,470)
Management expense	(29,440,813)	(13,041,552)	(28,328,773)	(1,762,803)	(72,573,942)
Net insurance claims and expenses	(62,317,341)	(25,744,661)	(44,336,557)	(3,698,560)	(136,097,120)
Underwriting result	475,467	3,655,140	1,326,881	630,465	6,087,952
Net Investment Income					7,857,921
Other expenses					(21,729,092)
Profit from takaful operations-Operators' Fund					12,018,062
Profit before taxation					4,234,843
Segment assets	208,826,015	92,504,755	200,938,227	12,503,701	514,772,698
Unallocated assets					1,080,077,801
					1,594,850,499
Segment liabilities	257,654,795	114,134,697	247,922,644	15,427,381	635,139,517
Unallocated liabilities					22,514,039
					657,653,556

Notes To The Condensed Interim Financial Statements (Un Audited)

For The Period Ended June 30, 2020

	June 30, 2019				Total
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	
	(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	128,273,222	98,941,666	71,363,192	12,118,118	310,696,198
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	50,860,623	24,114,073	69,226,604	3,871,591	148,072,891
Commission income	19,543,029	10,335,371	-	2,581,638	32,460,038
Net underwriting income	70,403,652	34,449,444	69,226,604	6,453,229	180,532,929
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	(11,137,844)	(977,971)	(23,062,403)	(1,001,276)	(36,179,494)
Commission expense	(34,757,415)	(14,964,434)	(8,705,732)	(2,702,709)	(61,130,290)
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>
Underwriting result	<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					(9,493,381)
Other income					188,250
Other expenses					(21,561,412)
Profit from takaful operations-Operators' Fund					6,935,026
Loss before taxation					<u>(14,545,762)</u>
December 31, 2019					
Segment assets	<u>140,288,927</u>	<u>51,659,727</u>	<u>173,600,653</u>	<u>12,128,409</u>	377,677,716
Unallocated assets					1,217,808,666
					<u>1,595,486,382</u>
Segment liabilities	<u>235,824,761</u>	<u>86,839,659</u>	<u>291,821,553</u>	<u>20,387,776</u>	634,873,749
Unallocated liabilities					27,083,404
					<u>661,957,153</u>

25. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 27th August, 2020 by the Board of Directors of the Company.

26. GENERAL

Figures have been rounded off to the nearest rupee.


Irfan Zakaria Bawany
Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

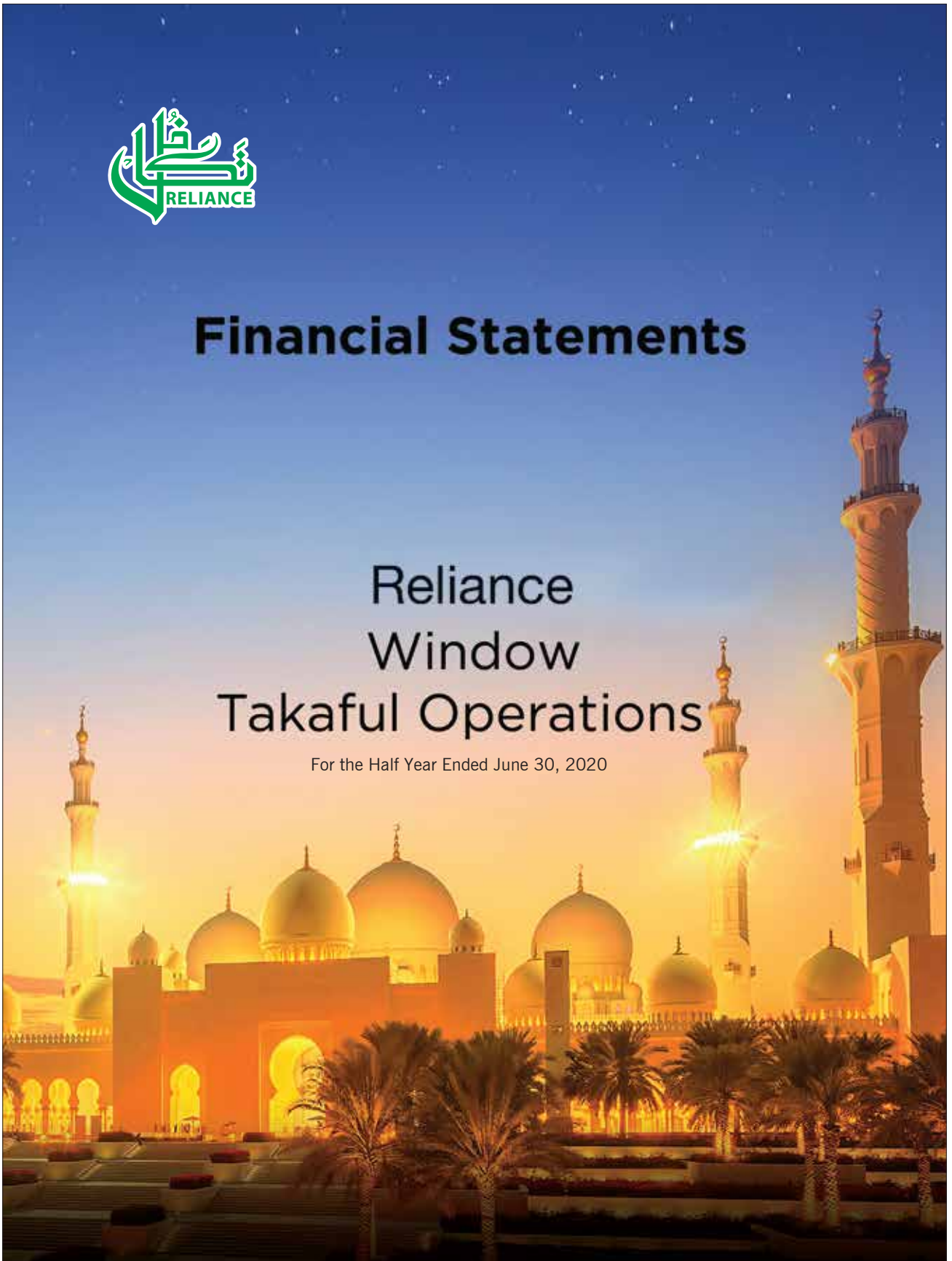
Karachi 27th August, 2020



Financial Statements

Reliance Window Takaful Operations

For the Half Year Ended June 30, 2020





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 OPERATION) ("the Operator") as at June 30, 2020, 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 these 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, 2020 and June 30, 2019 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, 2020.

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: 27th August, 2020

Condensed Interim Statement of Financial Position (Un Audited)

As At June 30, 2020

	Note	30 Jun 2020 (Un-Audited)			31st December 2019 (Audited)		
		Operator's Fund	Participants' Fund	Aggregate	Operator's Fund	Participants' Fund	Aggregate
(Rupees)							
ASSETS							
Investment							
Equity securities	6	20,794,362	10,323,786	31,118,148	10,392,601	-	10,392,601
Loans and other receivables	7	8,075,615	458,731	8,534,346	14,654,034	206,030	14,860,064
Takaful / Re-takaful receivables	8	-	20,163,787	20,163,787	-	17,334,881	17,334,881
Retakaful recoveries against outstanding claims		-	9,719,071	9,719,071	-	1,004,124	1,004,124
Deferred Commission Expense		5,551,152	-	5,551,152	6,786,091	-	6,786,091
Prepayments	9	-	10,859,438	10,859,438	423,750	12,813,627	13,237,377
Deferred wakala fee		-	17,877,566	17,877,566	-	21,431,843	21,431,843
Cash and Bank	10	64,005,045	84,920,949	148,925,994	59,237,051	102,537,065	161,774,116
TOTAL ASSETS		<u>98,426,174</u>	<u>154,323,328</u>	<u>252,749,502</u>	<u>91,493,527</u>	<u>155,327,570</u>	<u>246,821,097</u>

Condensed Interim Statement of Financial Position (Un Audited)

As At June 30, 2020

Note	30 Jun 2020 (Un-Audited)			31st December 2019 (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	27,998,410	-	27,998,410	15,980,348	-	15,980,348
Surplus on revaluation of available for sale investments	84,390	-	84,390	600,440	-	600,440
	78,082,800	-	78,082,800	66,580,788	-	66,580,788
Waqf/Participants' Takaful Fund						
Ceded Money	-	500,000	500,000	-	500,000	500,000
Accumulated Surplus	-	68,453,522	68,453,522	-	58,586,636	58,586,636
Deficit on revaluation of available for sale investments	-	(2,585)	(2,585)	-	-	-
	-	68,950,937	68,950,937	-	59,086,636	59,086,636
Liabilities						
Underwriting Provisions						
Outstanding claims including IBNR	-	20,606,052	20,606,052	-	9,719,558	9,719,558
Unearned contribution	-	44,693,916	44,693,916	-	53,579,610	53,579,610
Unearned re-takaful rebate	-	1,938,020	1,938,020	-	2,390,941	2,390,941
Retakaful operators payable	-	9,305,777	9,305,777	-	13,757,485	13,757,485
Wakala and mudarib fee payable	-	7,788,360	7,788,360	-	14,121,479	14,121,479
Unearned wakala fees	17,877,566	-	17,877,566	21,431,843	-	21,431,843
Taxation - provision less payments	110,956	-	110,956	1,208,762	-	1,208,762
Other creditors and accruals	2,354,852	1,040,266	3,395,118	2,272,134	2,671,861	4,943,995
	20,343,374	85,372,391	105,715,765	24,912,739	96,240,934	121,153,673
Total Liabilities	20,343,374	85,372,391	105,715,765	24,912,739	96,240,934	121,153,673
Contingencies and Commitments	12					
TOTAL FUND AND LIABILITIES	<u>98,426,174</u>	<u>154,323,328</u>	<u>252,749,502</u>	<u>91,493,527</u>	<u>155,327,570</u>	<u>246,821,097</u>

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


Irfan Zakaria Bawany
Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 27th August, 2020


Condensed Interim Profit & Loss Account (Un Audited)

For The Half Year Ended June 30, 2020

Note	Quarter ended June 30		Half year ended June 30		
	2020	2019	2020	2019	
		(Rupees)		(Rupees)	
Reveune Account					
Participants' Takaful Fund					
Net contribution revenue	13	19,896,844	28,297,839	28,331,716	37,082,950
Wakala expense	14	(10,506,683)	(14,614,458)	(17,293,635)	(21,866,685)
Net takaful claims	15	(4,080,040)	(2,436,366)	(7,179,486)	(4,170,311)
Direct expenses	16	(62,529)	(3,571)	(86,683)	(19,482)
Re-takaful rebate	17	1,268,530	1,690,468	2,986,177	3,619,536
Underwriting result		6,516,122	12,933,912	6,758,089	14,646,008
Investment Income	18	1,833,387	1,035,668	5,181,329	2,355,797
Modarib's share		(733,355)	(414,267)	(2,072,532)	(942,319)
Surplus for the period		7,616,154	13,555,313	9,866,886	16,059,486
Reveune Account					
Operator's Fund					
Wakala fee	19	10,506,683	14,614,458	17,293,635	21,866,685
Commission expenses	20	(3,499,486)	(4,632,320)	(6,060,380)	(7,356,289)
Management expenses		(1,885,872)	(5,594,492)	(4,426,301)	(10,020,688)
		5,121,325	4,387,646	6,806,954	4,489,708
Investment income	18	2,122,557	1,062,410	3,638,576	2,002,999
Modarib's shares from PTF		733,355	414,267	2,072,532	942,319
Other expenses		(250,000)	(250,000)	(500,000)	(500,000)
Profit for the period		7,727,237	5,614,323	12,018,062	6,935,026

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


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Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 27th August, 2020

Condensed Interim Statement of Comprehensive Income (Un Audited)

For The Half Year Ended June 30, 2020

	Quarter ended June 30		Half year ended June 30	
	2020	2019	2020	2019
	(Rupees)			
Operators Fund				
Profit for the period	7,727,237	5,614,323	12,018,062	6,935,026
Other Comprehensive income				
Items that will not be reclassified to profit and loss (Deficit) on revaluation of available for sale securities	(911,249)	(205,872)	(516,050)	(3,518)
Total comprehensive income for the period	<u>6,815,988</u>	<u>5,408,451</u>	<u>11,502,012</u>	<u>6,931,508</u>

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


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Chairman


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Director


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Director


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Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 27th August, 2020

Condensed Interim Statement of Changes in Fund (Un Audited)


For The Half Year Ended June 30, 2020

	Operator's Fund			Total
	Statutory Fund	(Accumulated loss) / Profit	Surplus / (Defecit) on revaluation of AFS investments	
	(Rupees)			
Balance as at 1st January 2019	50,000,000	7,512,358	6,607	57,518,965
Total comprehensive income / (loss) for the half year ended June 30, 2019	-	6,935,026	(3,518)	6,931,508
Balance as at June 30, 2019	50,000,000	14,447,384	3,089	64,450,473
Balance as at January 01, 2020	50,000,000	15,980,348	600,440	66,580,788
Total comprehensive income / (loss) for the half year ended June 30, 2020	-	12,018,062	(516,050)	11,502,012
Balance as at June 30, 2020	50,000,000	27,998,410	84,390	78,082,800


	Participants Takaful Fund			Total
	Ceded money	(Accumulated loss) / Profit	Surplus/(Defecit) on revaluation of AFS investments	
	(Rupees)			
Balance as at 1st January 2019	500,000	31,938,022	-	32,438,022
Surplus for the half year ended June 30, 2019	-	16,059,486	-	16,059,486
Balance as at June 30, 2019	500,000	47,997,508	-	48,497,508
Balance as at January 01, 2020	500,000	58,586,636	-	59,086,636
Surplus / (Deficit) for the half year ended June 30, 2020	-	9,866,886	(2,585)	9,864,301
Balance as at June 30, 2020	500,000	68,453,522	(2,585)	68,950,937

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


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Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 27th August, 2020

Condensed Interim Statement of Cash Flows (Un Audited)

For The Half Year Ended June 30, 2020

	30 Jun 2020			30 Jun 2019
	Operator's Fund	Participants' Takaful Fund	Aggregate	TOTAL
	(Rupees)			
Operating Cash Flows				
a) Takaful activities				
Contribution received	-	28,823,868	28,823,868	34,962,152
Retakaful contribution paid	-	(14,704,271)	(14,704,271)	(13,579,420)
Claims paid	-	(5,474,450)	(5,474,450)	(4,065,779)
Retakaful and other recoveries received	-	466,511	466,511	138,034
Commission paid	(4,825,441)	-	(4,825,441)	(7,125,257)
Management expenses paid	(4,926,301)	(86,683)	(5,012,984)	(10,540,170)
Retakaful rebate received	-	2,533,256	2,533,256	3,394,326
Wakala fee received / (paid)	20,072,477	(20,072,477)	-	-
Net cash flows from takaful activities	10,320,735	(8,514,246)	1,806,489	3,183,886
b) Other operating activities				
Income tax paid	(1,097,806)	-	(1,097,806)	(460,695)
Other payments on operating assets	-	-	-	(93,338)
Other receipts / (payments) in respect of operating assets	506,468	(1,631,595)	(1,125,127)	944,648
Net cash flow from other operating activities	(591,338)	(1,631,595)	(2,222,933)	390,615
Total cash flow from all operating activities	9,729,397	(10,145,841)	(416,444)	3,574,501
Investment activities				
Mudaraba shares received / (paid)	2,072,532	(2,072,532)	-	-
Payments for investments made	(10,917,811)	(10,326,371)	(21,244,182)	(374,751)
Profit / Investment income realized	3,883,876	4,928,628	8,812,504	4,386,517
Total cash flows from investing activities	(4,961,403)	(7,470,275)	(12,431,678)	4,011,766
Net cash flows from all activities	4,767,994	(17,616,116)	(12,848,122)	7,586,267
Cash and cash equivalent at the beginning of the period	59,237,051	102,537,065	161,774,116	118,982,961
Cash and cash equivalent at the end of the period	64,005,045	84,920,949	148,925,994	126,569,228

Condensed Interim Statement of Cash Flows (Un Audited)

For The Half Year Ended June 30, 2020

	30 Jun 2020			30 Jun 2019
	Operator's Fund	Participants' Takaful Fund	Aggregate	TOTAL
	(Rupees)			
Reconciliation to profit and loss Account				
Operating cash flows	9,729,397	(10,145,841)	(416,444)	3,574,501
Increase / (Decrease) in assets other than cash	(7,991,808)	6,035,387	(1,956,421)	21,457,820
Decrease in liabilities other than running finance	4,569,365	10,868,543	15,437,908	(6,396,605)
Investment income	5,711,108	3,108,797	8,819,905	4,358,796
Profit / Surplus for the period	12,018,062	9,866,886	21,884,948	22,994,512
Cash and other equivalents consists of:				
Cash and other equivalents	-	8,120	8,120	47,385
Cash at bank	64,005,045	84,912,829	148,917,874	126,521,843
	64,005,045	84,920,949	148,925,994	126,569,228

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


Irfan Zakaria Bawany
Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 27th August, 2020

Notes to the Condensed Interim Financial Statements (Un Audited)

For The Half Year Ended June 30, 2020

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 books of 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."

2.2 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.

2.3 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 2019.

2.4 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.

2.5 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.

Notes to the Condensed Interim Financial Statements (Un Audited)

For The Half Year Ended June 30, 2020

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

2.6 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.

- 2.6.1 IFRS 9 'Financial Instruments' and amendment (effective for period ending on or after June 30, 2019). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from the 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. The Company has adopted the temporary exemption which allows the Company to defer the application of IFRS 9 until December 31, 2021. For the companies adopting the temporary exemption, the IFRS 4 requires certain disclosures which have been disclosed as follows:

Temporary exemption from application of IFRS 9

As an takaful company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below.

Fair value of financial assets as at June 30, 2020 and change in fair value during the period

June 30, 2020	December 31, 2019	Change during the six months ended June 30, 2020
(Rupees)		

Financial assets that do not meet the SPPI criteria

- Equity Securities / Mutual Funds - Available for sale OPF	20,794,362	21,455,577	(661,215)
- Equity Securities / Mutual Funds - Available for sale PTF	10,323,786	11,198,727	(874,941)

Carrying value of these financial assets approximates to their fair values since these assets are short term in nature or are frequently repriced to market rate.

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, 2019.

Notes to the Condensed Interim Financial Statements (Un Audited)

For The Half Year Ended June 30, 2020

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of the condensed interim financial statements 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 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, 2019.

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, 2019.

	OPF		PTF	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
	(Rupees)			
6. INVESTMENT - EQUITY SECURITIES				
Available for sale				
Mutual funds	<u>20,794,362</u>	<u>10,392,601</u>	<u>10,323,786</u>	<u>-</u>
7. LOANS AND OTHER RECEIVABLES				
Wakala and mudarib fees receivable	<u>7,788,360</u>	<u>14,121,479</u>	<u>-</u>	<u>-</u>
Accrued income	<u>287,255</u>	<u>532,555</u>	<u>458,731</u>	<u>206,030</u>
	<u>8,075,615</u>	<u>14,654,034</u>	<u>458,731</u>	<u>206,030</u>
8. TAKAFUL / RE-TAKAFUL RECEIVABLES				
Contribution due but unpaid - considered good	-	-	<u>17,223,636</u>	11,699,108
Amount due from other takaful / retakaful operators-considered good	-	-	<u>2,940,151</u>	5,635,773
	-	-	<u>20,163,787</u>	17,334,881
9. PREPAYMENTS				
Prepaid re-takaful contribution ceded	-	-	<u>10,859,438</u>	12,813,627
Prepaid expenses	-	423,750	-	-
	-	423,750	<u>10,859,438</u>	12,813,627

Notes to the Condensed Interim Financial Statements (Un Audited)

For The Half Year Ended June 30, 2020

	OPF		PTF	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
(Rupees)				
10. CASH AND BANK DEPOSITS				
Cash and other equivalents				
Stamps in hand	-	-	8,120	56,405
Cash at bank				
Saving accounts	64,005,045	59,237,051	84,912,829	102,480,660
	<u>64,005,045</u>	<u>59,237,051</u>	<u>84,920,949</u>	<u>102,537,065</u>
11. OTHER CREDITORS AND ACCRUALS				
Audit Fee Payable	50,000	100,000	-	-
Accrued Expenses	423,750	-	-	-
Other payables	1,881,102	2,172,134	1,040,266	2,671,861
	<u>2,354,852</u>	<u>2,272,134</u>	<u>1,040,266</u>	<u>2,671,861</u>

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the June 30, 2020.

	OPF		PTF	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
(Rupees)				
13. NET CONTRIBUTION REVENUE				
Written Gross Contributions	-	-	34,348,396	51,644,071
Add: Unearned contributions reserve opening	-	-	53,579,610	46,707,287
Less: Unearned contributions reserve closing	-	-	(44,693,916)	(43,684,645)
Contributions earned	-	-	43,234,090	54,666,713
Less: Re-takaful contributions ceded	-	-	12,948,185	16,980,223
Add: Prepaid re-takaful contributions opening	-	-	12,813,627	9,700,554
Less: Prepaid re-takaful contributions closing	-	-	(10,859,438)	(9,097,014)
Re-takaful expense	-	-	14,902,374	17,583,763
Net contributions revenue	-	-	<u>28,331,716</u>	<u>37,082,950</u>
14. WAKALA EXPENSE				
Gross Wakala fee	-	-	13,739,358	20,657,628
Add: Deferred wakala fee opening	-	-	21,431,843	18,682,915
Less: Deferred wakala fee closing	-	-	(17,877,566)	(17,473,858)
	-	-	<u>17,293,635</u>	<u>21,866,685</u>
15. NET TAKAFUL CLAIMS EXPENSE				
Claim Paid	-	-	5,474,450	4,065,779
Add: Outstanding claims including IBNR closing	-	-	20,606,052	6,702,854
Less: Outstanding claims including IBNR opening	-	-	(9,719,558)	(5,824,170)
Claims expense	-	-	16,360,944	4,944,463
Less: Re-takaful and other recoveries received	-	-	466,511	138,034
Add: Re-takaful and other recoveries in respect of outstanding claims closing	-	-	9,719,071	1,202,789
Less: Re-takaful and other recoveries in respect of outstanding claims opening	-	-	(1,004,124)	(566,671)
Re-takaful and other recoveries revenue	-	-	9,181,458	774,152
Net claims expenses	-	-	<u>7,179,486</u>	<u>4,170,311</u>

Notes to the Condensed Interim Financial Statements (Un Audited)

For The Half Year Ended June 30, 2020

	OPF		PTF	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(Rupees)			
16. DIRECT EXPENSES				
Fire and property damage	-	-	13,617	2,585
Marine, Aviation and Transport	-	-	5,295	661
Motor	-	-	67,255	15,726
Miscellaneous	-	-	516	510
	<u>-</u>	<u>-</u>	<u>86,683</u>	<u>19,482</u>
17. RE-TAKAFUL REBATE				
Gross rebate from retakaful operators	-	-	2,533,256	3,394,326
Add: Unearned retakaful rebate Opening	-	-	2,390,941	1,803,108
Less: Unearned retakaful rebate Closing	-	-	(1,938,020)	(1,577,898)
	<u>-</u>	<u>-</u>	<u>2,986,177</u>	<u>3,619,536</u>
18. INVESTMENT INCOME				
Income from available for sale investments				
Dividend income	1,338,540	440,883	383,966	-
Profit on bank deposits	2,300,036	1,562,116	4,797,363	2,355,797
	<u>3,638,576</u>	<u>2,002,999</u>	<u>5,181,329</u>	<u>2,355,797</u>
19. WAKALA FEE INCOME				
Gross wakala fee	13,739,358	20,657,628	-	-
Add: Unearned wakala fee opening	21,431,843	18,682,915	-	-
Less: Unearned wakala fee closing	(17,877,566)	(17,473,858)	-	-
	<u>17,293,635</u>	<u>21,866,685</u>	<u>-</u>	<u>-</u>
20. COMMISSION EXPENSE				
Commission paid or payable	4,825,441	7,125,257	-	-
Add: Deferred commission expense opening	6,786,091	5,588,944	-	-
Less: Deferred commission expense closing	(5,551,152)	(5,357,912)	-	-
Commission expenses	<u>6,060,380</u>	<u>7,356,289</u>	<u>-</u>	<u>-</u>

Notes to the Condensed Interim Financial Statements (Un Audited)

For The Half Year Ended June 30, 2020

21. RELATED PARTY TRANSACTIONS

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

		June 30, 2020	June 30, 2019
		(Rupees)	
Relationship with the company	Nature of transaction		
Associated companies	Contribution underwritten	2,826,143	2,842,967
	Contribution collected	2,632,938	2,571,346
	Contribution due but unpaid	6,800,144	1,289,187
Key management personnel	Remuneration and other benefits	945,000	900,000

22. SEGMENT INFORMATION

	June 30, 2020				Total
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	
	(Rupees)				
Gross Contributions (inclusive of Administrative surcharge)	9,806,964	5,768,575	18,663,511	109,346	34,348,396
Contributions earned	10,775,595	8,018,515	23,828,514	611,466	43,234,090
Takaful contributions ceded to re-takaful operators	(6,325,023)	(6,287,945)	(1,846,735)	(442,671)	(14,902,374)
Net contribution	4,450,572	1,730,570	21,981,779	168,795	28,331,716
Rebate from re-takaful	1,444,774	1,446,228	-	95,175	2,986,177
Net revenue	5,895,346	3,176,798	21,981,779	263,970	31,317,893
Takaful claims	(34,200)	(3,279,761)	(13,046,983)	-	(16,360,944)
Takaful claims recoveries from re-takaful operators	25,650	2,623,808	6,532,000	-	9,181,458
Net claims	(8,550)	(655,953)	(6,514,983)	-	(7,179,486)
Wakala expense	(4,310,238)	(3,207,406)	(9,531,405)	(244,586)	(17,293,635)
Direct expense	(13,617)	(5,295)	(67,255)	(516)	(86,683)
Net takaful claims & expenses	(4,332,405)	(3,868,654)	(16,113,643)	(245,102)	(24,559,804)
Underwriting result	1,562,941	(691,856)	5,868,136	18,868	6,758,089
Net Investment income					5,181,329
Modarib's shares					(2,072,532)
Surplus for the period					9,866,886
Segment assets - PTF	10,830,218	4,211,245	53,491,431	410,753	68,943,648
Unallocated assets - PTF					85,379,680
Unallocated assets - OPF					98,426,174
					252,749,502
Segment liabilities - PTF	13,410,976	5,214,753	66,238,029	508,633	85,372,391
Unallocated liabilities - OPF					20,343,374
Consolidated total Liabilities					105,715,765

Notes to the Condensed Interim Financial Statements (Un Audited) For The Half Year Ended June 30, 2020

	June 30, 2019				Total
	Fire & property damage	Marine, aviation & Transport	Motor	Misc	
Gross written 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 takaful contributions	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 recovered 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)
Surplus before Investment Income	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
December 31, 2019					
Segment assets - PTF	5,350,404	2,083,106	44,301,001	849,964	52,584,475
Unallocated assets - PTF					102,743,095
Unallocated assets - OPF					91,493,527
Consolidated total assets					246,821,097
Segment liabilities - PTF	9,792,395	3,812,533	81,080,390	1,555,616	96,240,934
Unallocated liabilities - OPF					24,912,739
Consolidated total Liabilities					121,153,673

23. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 27th August, 2020 by the Board of Directors of the Company.

24. GENERAL

Figures have been rounded off to the nearest rupee.


Irfan Zakaria Bawany
Chairman


Mohammad Omar Bawany
Director


Noor M. Zakaria
Director


Haroon A. Shakoor
Chief Financial Officer


A. Razak Ahmed
Chief Executive & Managing Director

Karachi 27th August, 2020

Pattern of Shareholding as at June 30, 2020

Number of Shareholders	Shareholdings			Total shares held
	From		To	
401	1	-	100	7,212
180	101	-	500	51,439
145	501	-	1000	105,918
319	1001	-	5000	763,415
114	5001	-	10000	807,241
40	10001	-	15000	489,477
29	15001	-	20000	511,280
29	20001	-	25000	667,911
14	25001	-	30000	381,878
7	30001	-	35000	228,198
9	35001	-	40000	336,384
8	40001	-	45000	340,727
9	45001	-	50000	435,210
5	50001	-	55000	261,136
2	55001	-	60000	112,705
6	60001	-	65000	376,547
1	65001	-	70000	66,604
5	70001	-	75000	363,634
2	75001	-	80000	156,736
2	80001	-	85000	162,683
1	95001	-	100000	95,308
2	100001	-	105000	205,685
3	105001	-	110000	326,553
1	110001	-	115000	115,000
3	115001	-	120000	349,576
4	120001	-	125000	489,371
1	125001	-	130000	129,841
1	135001	-	140000	136,987
1	140001	-	145000	142,617
1	145001	-	150000	146,182
1	150001	-	155000	154,035
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
5	215001	-	220000	1,089,975
1	225001	-	230000	226,428
2	230001	-	235000	467,017
1	235001	-	240000	239,805
2	245001	-	250000	498,962
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	370001	-	375000	374,312
1	415001	-	420000	415,032
1	445001	-	450000	450,000
1	465001	-	470000	465,569
1	480001	-	485000	483,111
1	495001	-	500000	495,426
1	500001	-	505000	501,820
1	515001	-	520000	515,833
1	550001	-	555000	552,500
1	560001	-	565000	560,195
1	610001	-	615000	610,185
1	630001	-	635000	633,934
1	640001	-	645000	644,004
1	650001	-	655000	652,134
1	680001	-	685000	682,501
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
1	1400001	-	1405000	1,403,500
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>1403</u>			<u>56,141,285</u>

Sr. No.	Categories of share holders	Number of share holders	Total shares hold	Percentage %
1	INDIVIDUALS	1370	45,019,081	80.19
2	INVESTMENT COMPANIES	5	488	0
3	INSURANCE COMPANIES	1	648	0
4	JOINT STOCK COMPANIES	18	9,628,840	17.16
5	FINANCIAL INSTITUTIONS	1	232	0
6	WELFARE SOCIETY	1	218,070	0.39
7	CHARITABLE TRUSTS	1	483,111	0.86
8	MODARABA MANAGEMENT COMPANIES	1	1	0
9	TRADE	1	669	0
10	GOVERNMENT DEPARTMENT	2	786,621	1.4
11	EDUCATIONAL & WEL SOCIETY	1	1,500	0
12	REIT MANAGEMENT	1	2,024	0
		<u>1403</u>	<u>56,141,285</u>	<u>100</u>

Offices

Head Office

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Chief Executive & Managing Director

Direct : 34539413,
34539414
Extension : 204

Mr. Haroon A. Shakoor

Chief Financial Officer

Direct : 34539409
Extension : 203

Mr. Ghulam Haider

Company Secretary & Compliance Officer

Extension : 209

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 Siddique

Deputy Chief Manager (Claims)

Direct : 34550403
Extension : 208

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

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Minara Road, Sukkur.

Mr. Anees Memon
Resident Representative

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Cell 0300-3138090



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