# RELIANCE INSURANCE LIMITED

Registered Office: Shanta Western Tower, Level-5, 186, Tejgaon Industrial Area, Dhaka - 1208

## 3rd QUARTER FINANCIAL STATEMENTS (UN-AUDITED)

### STATEMENT OF FINANCIAL POSITION
As at 30 Sept 2018

| | 30 Sep 2018 Taka in million | 31 Dec 2017 Taka in million |
|---|---|---|
| **Non current assets** | | |
| Property, plant & equipment | 1,410.02 | 1,415.10 |
| Assets under construction | 310.53 | 303.11 |
| Investement | 2,532.61 | 3,246.26 |
| **Total non current assets** | 4,253.16 | 4,964.48 |
| **Current assets** | | |
| Inventories (stock of stationeries, postage & stamps) | 10.41 | 10.13 |
| Sundry Debtors (excluding advances, deposits & prepayments) | 1,661.74 | 1,245.24 |
| Cash & cash equivalents | 2,599.04 | 2,010.91 |
| **Total current assets** | 4,271.19 | 3,266.28 |
| **Current liabilities** | | |
| Fund accounts, creditors & accruals | 3,347.25 | 2,613.94 |
| **Net working capital** | 923.94 | 652.35 |
| **Net assets** | 5,177.10 | 5,616.81 |
| **Shareholders' equity** | | |
| Share capital | 956.01 | 869.10 |
| Land revaluation reserve | 1,109.68 | 1,109.68 |
| Fair value reserve | 1,339.97 | 1,982.94 |
| Capital reserve | 2.38 | 2.38 |
| Exceptional loss reserve | 1,121.86 | 1,033.63 |
| General reserve | 1.25 | 1.25 |
| Retained earnings | 645.96 | 617.83 |
| **Total shareholders' equity** | 5,177.10 | 5,616.81 |

### STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 Sept 2018

| | Jan-Sep 2018 Taka in million | Jan-Sep 2017 Taka in million | Jun-Sep 2018 Taka in million | Jun-Sep 2017 Taka in million |
|---|---|---|---|---|
| **Gross premium income** | 2,108.53 | 1,989.08 | 703.41 | 659.08 |
| Net premium income | 882.30 | 763.77 | 267.85 | 208.45 |
| Commission on re-insurance | 159.83 | 159.66 | 45.56 | 46.74 |
| | 1,042.13 | 923.42 | 313.41 | 255.19 |
| Allocable mgt. expenses (including claims & Commission) | (812.26) | (718.16) | (284.58) | (261.68) |
| Un-allocable mgt. expenses | (54.39) | (54.08) | (13.60) | (17.25) |
| Unexpired risk reserve | 21.28 | (23.51) | 17.18 | 11.56 |
| | (845.37) | (793.75) | (280.99) | (267.58) |
| **Profit before investment & other income** | 196.76 | 129.67 | 32.42 | (12.39) |
| Investment & other income | 267.62 | 241.95 | 45.61 | 63.35 |
| **Profit before tax** | 464.38 | 371.62 | 78.03 | 50.96 |
| **Income tax expense** | | | | |
| Current tax | (132.23) | (108.36) | (12.52) | (5.77) |
| Deferred tax | 1.48 | (0.71) | (2.00) | 1.07 |
| | (130.75) | (109.07) | (14.52) | (4.70) |
| **Net profit after tax** | 333.63 | 262.55 | 63.51 | 46.26 |
| **Other comprehensive income/(loss)** | | | | |
| Changes in fair value of shares available for sale | (714.42) | 1,132.27 | (100.44) | 431.96 |
| Deferred tax on available for sale shares | 71.44 | (113.23) | 10.04 | (43.20) |
| **Total comprehensive income/(loss)** | (309.35) | 1,281.59 | (26.89) | 435.02 |
| **Profit & loss appropriation** | | | | |
| Net profit after tax | 333.63 | 262.55 | 63.51 | 46.26 |
| Reserve for exceptional loss | (88.23) | (76.38) | (26.79) | (20.85) |
| | 245.40 | 186.18 | 36.72 | 25.41 |

### STATEMENT OF CHANGES IN EQUITY
for the period ended 30 Sept 2018

Taka in million

| Particulars | Share capital | Land revaluation reserve | Fair value reserve | Capital reserve | Exceptional loss reserve | General reserve | Retained earnings | Total |
|---|---|---|---|---|---|---|---|---|
| **Restated Opening balance as on 01Jan2017** | 790.09 | 1,109.68 | 1,116.01 | 2.38 | 909.86 | 1.25 | 480.03 | 4,409.30 |
| Dividend for 2016 (Bonus & cash) | 79.01 | - | - | - | - | - | (197.52) | (118.51) |
| Net profit after tax | - | - | - | - | - | - | 262.55 | 262.55 |
| Appropriation during the period | - | - | - | - | 76.38 | - | (76.38) | - |
| Changes in fair value of shares available for sale | - | - | 1,019.04 | - | - | - | - | 1,019.04 |
| **Balance as on 30 Sep 2017** | 869.10 | 1,109.68 | 2,135.05 | 2.38 | 986.24 | 1.25 | 468.68 | 5,572.38 |
| **Balance as on 01 Jan 2018** | 869.10 | 1,109.68 | 1,982.94 | 2.38 | 1,033.63 | 1.25 | 617.83 | 5,616.81 |
| Dividend for 2017 (Bonus & cash) | 86.91 | - | - | - | - | - | (217.27) | (130.36) |
| Net profit after tax | - | - | - | - | - | - | 333.63 | 333.63 |
| Appropriation for the period | - | - | - | - | 88.23 | - | (88.23) | - |
| Changes in fair value of shares available for sale | - | - | (642.98) | - | - | - | - | (642.98) |
| **Balance as on 30 Sep 2018** | 956.01 | 1,109.68 | 1,339.97 | 2.38 | 1,121.86 | 1.25 | 645.96 | 5,177.10 |

### STATEMENT OF CASH FLOWS
for the period ended 30 Sept 2018

| | Jan-Sep 2018 Taka in million | Jan-Sep 2017 Taka in million |
|---|---|---|
| **Cash flows from operating activities** | | |
| Collection from premium & others | 2,673.92 | 2,549.15 |
| Payment for commission, claim & others | (1,773.92) | (1,869.29) |
| VAT paid to Government | (242.47) | (238.23) |
| Income-tax paid and deducted at sources | (143.87) | (126.02) |
| **Net cash generated from operating activities** | 513.66 | 315.62 |
| **Cash flows from investing activities** | | |
| Payment for acquisition of assets | (17.72) | (22.95) |
| Payment for assets under construction | (6.30) | (66.54) |
| Proceeds from disposal of fixed asset | 1.40 | 1.01 |
| Payment against investments | (63.25) | (215.96) |
| Proceeds from disposal of investment | 74.73 | 63.10 |
| Dividend received | 79.01 | 80.14 |
| Interest received | 104.79 | 88.71 |
| Payment for TBL subordinated bond | 11.58 | 1.97 |
| Payment for BSRM & LBSL zero coupon bond | 20.61 | 20.38 |
| **Net cash used in investing activities** | 204.84 | (50.14) |
| **Cash flows from financing activities** | | |
| Dividend paid | (130.36) | (118.51) |
| **Net cash used in financing activities** | (130.36) | (118.51) |
| **Net changes in cash & cash equivalents** | 588.13 | 146.96 |
| Cash and cash equivalents at opening | 2,010.91 | 1,960.69 |
| **Cash and cash equivalents at closing** | 2,599.04 | 2,107.65 |

**Selected explanatory notes to the Financial Statements as at and for the period ended 30 September 2018:**

**1. Legal form of the Company:** Reliance Insurance Ltd. was incorporated as a public limited Company in Bangladesh in the year 1988 under the Companies Act 1913 (present 1994). The Company, within the stipulations laid down by Insurance Act 2010 and directives as received from Insurance Development & Regulatory Authority (IDRA) time to time, provides non-life Insurance services.

**2. Basis of preparation:** The interim Financial Statements have been prepared based on Bangladesh Accounting Standard (BAS) 34: "Interim Financial Reporting" and in accordance with other Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Insurance Act 2010, Securities and Exchange Rules 1987 and other applicable laws and regulations.

**3. Accounting policies and method of computations:** Accounting policies and methods of computations followed in preparing this interim Financial Statements are consistent with those used in the Annual Financial Statements, prepared and published for the year ended December 31, 2017.

**4. Dividend:** A cash dividend of Tk.1.50 per share and 10% bonus shares were approved for distribution to the valued shareholders for the year ended December 31, 2017

**5. Share Capital**

| | 30-Sep-18 | 31-Dec-17 |
|---|---|---|
| Authorized Capital: | | |
| 200,000,000 ordinary shares of Tk.10 each | 2,000,000,000 | 2,000,000,000 |
| Issued, subscribed and paid up Capital: | | |
| Group A—Sponsor Directors: | | |
| 41,548,991 ordinary shares of Tk.10 each fully paid in cash | 415,489,910 | 415,489,910 |
| 4,154,899 bonus shares of Tk.10 each fully issued | 41,548,990 | |
| Group B—Others: | | |
| 45,360,999 ordinary shares of Tk.10 each fully paid in cash | 453,609,990 | 453,609,990 |
| 4,536,100 bonus shares of Tk.10 each fully issued | 45,361,000 | |
| Total | 956,009,890 | 956,009,890 |

**6. Net Assets Value Per Share:** Net Assets Value Per Share has been calculated based on weighted average number of 95,600,989 shares outstanding as at September 30, 2018, after giving the effect of 10% bonus shares declared for the year 2017. Net Assets Value Per Share as at December 31, 2017 has also been restated based on 95,600,989 shares. Details calculations are as follows:

| | 30-Sep-18 | 31-Dec-17 |
|---|---|---|
| Net assets | 5,177,098,733 | 5,616,809,778 |
| Ordinary Shares at 1st January | 86,909,990 | 79,009,082 |
| Bonus Shares issued | 8,690,999 | 7,900,908 |
| Weighted average number of ordinary shares outstanding during the year | 95,600,989 | 86,909,990 |
| Weighted average number of ordinary shares | 95,600,989 | 95,600,989 |
| Net Assets Value Per Share | 54.15 | 58.75 |

Due to reduction of market value of investment in securities, value of investment as well as net assets value (NAV) of RIL as of September 30 , 2018 has been decreased .

**7. Earnings Per Share:** Earnings per Share (EPS) calculated in accordance with "BAS 33: Earnings Per Share". EPS in respect of previous period has been restated based on 95,600,989 shares. Details calculations are as follows:

| | Jan-Sep, 2018 | Jan-Sep, 2017 | Jul-Sep, 2018 | Jul-Sep, 2017 |
|---|---|---|---|---|
| Net profit after tax | 333,629,612 | 262,551,956 | 63,507,234 | 46,259,494 |
| Weighted average number of ordinary shares | 95,600,989 | 95,600,989 | 95,600,989 | 95,600,989 |
| Basic Earnings Per share | 3.49 | 2.75 | 0.66 | 0.48 |

There was no convertible securities during the period and hence no diluted EPS is required to be calculated.

**8. Net Operating Cash Flows Per Share:** Net Operating Cash Flows Per Share (NOCFPS) has been calculated based on weighted average number of 95,600,989 shares outstanding during the period. NOCFPS in respect of previous period has been restated based on 95,600,989 shares. Details calculations are as follows:

| | Jan-Sep, 2018 | Jan-Sep, 2017 |
|---|---|---|
| Net cash generated from operating activities | 513,658,329 | 315,615,290 |
| Weighted average number of ordinary shares | 95,600,989 | 95,600,989 |
| Net Operating Cash Flows Per Share | 5.37 | 3.30 |

**9. Statement of Cash Flows:** The Statement of Cash Flows has been prepared in accordance with BAS -7 and the cash from the operating activities has been presented under direct method. Reconciliation of net income with cash flows from operating activities to comply BSEC notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 will be provided from December 2018 after computer system updated to enable the report.

Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Chairman

**The details of the published quarterly (Q3) financial statements are available in the website of the company. The address of the website is www.reliance.com.bd**