



Sheltering Reliably

QUARTERLY ACCOUNTS
SEPTEMBER 30, 2010
(UNAUDITED)



Reliance Insurance Company Limited



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COMPANY INFORMATION

BOARD OF DIRECTORS	ISMAIL H. ZAKARIA	Chairman
DIRECTORS	MOHAMMAD AMIN AHMED BAWANY A. AZIZ AYOOB IRFAN ZAKARIA BAWANY MOHAMMAD OMER BAWANY ZOHAIR ZAKARIA AHMED ALI BAWANY NOOR M. ZAKARIA ASHFAQ PATEL YASIN SIDDIK	
CHIEF EXECUTIVE & MANAGING DIRECTOR	A. RAZAK AHMED	
MANAGEMENT	BASHARAT M. BARLAS SYED RIZWAN AKHTAR	SEVP EVP (Operation)
CHIEF ACCOUNTANT AND COMPANY SECRETARY	HAROON A. SHAKOOR	
AUDIT COMMITTEE	A. AZIZ AYOOB IRFAN ZAKARIA BAWANY ZOHAIR ZAKARIA	Chairman Member Member
INVESTMENT COMMITTEE	IRFAN ZAKARIA ZOHAIR ZAKARIA AHMED ALI BAWANY A. RAZAK AHMED	Chairman Member Member Member
AUDITORS	HYDER BHIMJI & CO. Chartered Accountants	
LEGAL ADVISOR	ABDUL SATTAR PINGAR	
BANKERS	HABIB BANK LIMITED NATIONAL BANK OF PAKISTAN MCB BANK LIMITED ALLIED BANK LIMITED UNITED BANK LIMITED NIB BANK LIMITED BANK ALFLAH LIMITED FAYSAL BANK LIMITED HABIB METROPOLITAN BANK LIMITED THE BANK OF PUNJAB 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: relianceins.com	
SHARES REGISTRAR	M/s. C & K Management Associates (Pvt.) Ltd. 404-Trade Tower, Abdullah Haroon Road, Near Hotel Metropole, Karachi-75530 Tel : (021) 35687839 & 35685930	

DIRECTOR'S REPORT

The Shareholders,

Reliance Insurance Company Limited,

Your Directors are pleased to present before you the third quarter (Un-audited) Accounts for the period ended September 30, 2010.

During the period under review, your Company underwrote a Gross Premium of Rs.355.789 million as compared to Rs.341.932 million of the corresponding period of last year – an increase of 4.05%. The Net Premium Income stood at Rs.167.739 million as compared to Rs.236.026 million of last year – showing a decrease of 28.93%.

Net claims incurred, however, decreased from Rs.115.082 million to Rs.71.088 million compared to corresponding period of last year, showing an improvement of 38.23%. However Investment Income surged to Rs.38.529 million from Rs.20.713 million of previous year showing a significant increase of 86.00%.

Profit before tax for the period ended September 30, 2009 was Rs.33.997 million against Rs.33.586 million of corresponding period of last year showing an increase of 1.22% Earning per share has improved to Rs.1.22 as compared to Rs.1.02 for the corresponding period of last year.

Your Management looks forward to the future with confidence and envisages that the present democratic Government would be able to address effectively the situation arising out of the recent devastating rain & floods. We hope Government would enforce policies to boost economic activities to meet challenges ahead, and concentrate on improvement Law and Order situation in the Country.

By order of the Board



A. RAZAK AHMED


Chief Executive & Managing Director

Karachi: 28th October 2010.

**CONDENSED INTERIM BALANCE SHEET (UN ADUITED)**

AS AT SEPTEMBER 30, 2010

	Notes	(Un Audited) As At Sept.30, 2010 Rs	(Audited) As At Dec.31, 2009 Rs
Share Capital and Reserves			
Authorised share capital (2009: 50,000,000 Ordinary Shares of Rs.10 each)		500,000,000	500,000,000
Paid-up share capital (252,001,750 Ordinary Shares of Rs. 10 each)	8	252,001,750	252,001,750
Retained earnings / (Loss) Reserves		8,822,738 92,605,000	(22,024,570) 92,605,000
		353,429,488	322,582,180
Underwriting provisions			
Provision for outstanding claims (including IBNR)		196,181,482	227,471,105
Provision for unearned premium		247,295,367	232,763,085
Commission income unearned		28,106,491	33,125,313
Total Underwriting Provisions		471,583,340	493,359,503
Creditors and accruals			
Amounts due to other insurers/reinsurers		67,900,087	38,532,437
Accrued expenses		629,944	3,047,417
Cash losses received from reinsurers		8,566,402	-
Sundry creditors and accruals		36,790,950	46,711,534
		113,887,383	88,291,388
Other liabilities			
Unclaimed dividend		115,331	115,331
TOTAL EQUITY AND LIABILITIES		939,015,542	904,348,402
CONTINGENCIES AND COMMITMENTS	12		


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director

Karachi: 28th October, 2010

**CONDENSED INTERIM BALANCE SHEET (UN ADUITED)**

AS AT SEPTEMBER 30, 2010

	Notes	(Un Audited) As At Sept .30, 2010 Rs	FORM GA (Audited) As At Dec.31, 2009 Rs
Cash and bank deposits			
Cash and other equivalent		137,092	111,273
Current and other accounts		49,121,584	34,909,559
Deposits maturing within 12 months		25,025,000	28,025,000
		74,283,676	63,045,832
Loans (secured)			
To employees		804,472	1,061,059
Investments	7	283,173,889	282,689,979
Current assets-others			
Premiums due but unpaid		212,261,744	169,145,269
Amounts due from other insurers/reinsurers		6,850,070	8,534,726
Accrued investment income		2,927,477	10,513,780
Reinsurance recoveries against outstanding claims		110,056,634	144,013,231
Deferred commission expense		49,593,717	53,563,015
Prepaid reinsurance premium ceded		125,545,341	98,174,944
Taxation - provision less payments		5,746,337	6,095,306
Trade deposits and prepayments		534,069	540,494
Sundry receivables		1,460,315	662,544
		514,975,704	491,243,309
Fixed assets			
Land and buildings		16,040,209	17,340,766
Furniture, fixtures and office equipment		10,057,994	10,607,651
Motor vehicles		37,071,755	36,531,963
		63,169,958	64,480,380
Capital work in progress		2,607,843	1,827,843
TOTAL ASSETS		939,015,542	904,348,402

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.


A. Aziz Ayoob
Director


A. Razak Ahmed
Chief Executive & Managing Director




CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN AUDITED)
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

FORM GB

(Amount in Rs.)

	QUARTER ENDED SEPTEMBER 30, 2010				2010 Aggregate	Quarter ended Sept. 30, 2009 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.		
Revenue Account						
Net Premium Revenue	16,085,543	12,058,129	27,319,323	883,532	56,346,527	76,889,119
Net Claims	(1,857,490)	(7,434,853)	(17,164,217)	(210,569)	(26,667,129)	(40,217,445)
Expenses	(4,485,201)	(3,217,667)	(8,017,911)	(223,858)	(15,944,637)	(22,652,050)
Net Commission	(3,607,255)	32,979	(3,953,968)	450,960	(7,077,284)	(8,480,752)
Underwriting result	6,135,597	1,438,588	(1,816,773)	900,065	6,657,477	5,538,872
Investment Income					12,933,459	9,053,211
Other Income (Profit on Sale of Fixed Assets)					453,051	141,481
Financial Charges					(53,680)	(21,800)
General and administration expenses					(5,918,831)	(4,192,151)
Profit before tax during the quarter					14,071,476	10,519,613
Provision for Taxation :						
Current					(1,750,000)	(2,200,000)
Profit after tax during the quarter					12,321,476	8,319,613

	NINE MONTHS ENDED SEPTEMBER 30, 2010				2010 Aggregate	Nine Month ended Sept. 30, 2009 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.		
Revenue Account						
Net Premium Revenue	49,341,640	40,148,356	75,047,165	3,202,187	167,739,348	236,026,199
Net Claims	(6,210,470)	(16,302,923)	(47,968,473)	(607,110)	(71,088,976)	(115,082,360)
Expenses	(18,423,677)	(14,990,996)	(28,021,864)	(1,195,665)	(62,632,202)	(72,161,536)
Net Commission	(7,546,022)	(5,092,326)	(10,962,820)	2,272,425	(21,328,743)	(24,889,991)
Underwriting result	17,161,471	3,762,111	(11,905,992)	3,671,837	12,689,427	23,892,312
Investment Income					38,529,406	20,712,639
Other Income (Profit on Sale of Fixed Assets)					776,166	900,930
Financial Charges					(158,917)	(286,031)
General and administration expenses					(17,838,774)	(11,632,884)
Profit before tax during the period					33,997,308	33,586,966
Provision for Taxation :						
Current					(3,150,000)	(7,700,000)
Profit after tax during the period					30,847,308	25,886,966
Profit and Loss Appropriation Account						
Balance at Commencement of the Period					(22,024,570)	41,029,056
Profit after tax during the period					30,847,308	25,886,966
Transfers to reserves (General Reserve)					-	(7,500,000)
Issuance of Bonus Shares for the year 2009 nil (2008:10%)					-	(22,909,250)
Balance Unappropriated profit at the end of the period					8,822,738	36,506,772
Earning per Share - Basic and Diluted (Note No. 10)					1.22	1.02


 Ismail H. Zakaria
 Chairman


 Mohammad Amin Ahmed Bawary
 Director


 A. Aziz Ayoob
 Director


 A. Razak Ahmed
 Chief Executive & Managing Director

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

Karachi : 28 th October, 2010

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN AUDITED)**
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

	<u>Quarter ended Sep 30</u>		<u>Nine Months ended Sep 30</u>	
	2010	2009	2010	2009
	(Rupees)		(Rupees)	
Profit after tax	12,321,476	8,319,613	30,847,308	25,886,966
Other comprehensive income			-	-
Total comprehensive income for the period	<u>12,321,476</u>	<u>8,319,613</u>	<u>30,847,308</u>	<u>25,886,966</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director


A. Aziz Ayoob
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi : 28 th October, 2010

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN AUDITED)**
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

	Share Capital	General Reserve	Permanent Diminution In Value Of Investment	Unappropriated Profit	Total
Balance as at 31-12-2008	229,092,500	80,000,000	5,105,000	41,029,056	355,226,556
Total comprehensive income for the year					
Net Loss after tax for the year	-	-	-	(32,644,376)	(32,644,376)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(32,644,376)	(32,644,376)
Transactions with owners recorded directly in equity	-	-	-	-	-
Issuance of bonus shares and transferred to general reserve	22,909,250	7,500,000	-	(30,409,250)	-
Balance as at 31-12-2009	<u>252,001,750</u>	<u>87,500,000</u>	<u>5,105,000</u>	<u>(22,024,570)</u>	<u>322,582,180</u>
Total comprehensive income for the period					
Net Profit after tax for the period	-	-	-	30,847,308	30,847,308
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	30,847,308	30,847,308
Transactions with owners recorded directly in equity	-	-	-	-	-
Issuance of bonus shares and transferred to general reserve	-	-	-	-	-
Balance as at 30-09-2010	<u>252,001,750</u>	<u>87,500,000</u>	<u>5,105,000</u>	<u>8,822,738</u>	<u>353,429,488</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director


A. Aziz Ayoob
Director


A. Razak Ahmed
Chief Executive & Managing Director

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)**

FORM GC

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

January to September
2010 2009**Operating Cash Flow****a) Underwriting activities**

	2010	2009
Premium received	309,474,487	275,956,541
Reinsurance premium paid	(169,836,335)	(140,874,554)
Claims paid	(197,520,343)	(177,025,845)
Reinsurance and other recoveries received	129,098,341	64,004,641
Commission paid	(61,047,397)	(41,860,749)
Commission received	41,868,042	43,479,483
Cash Losses received from reinsurers	8,566,402	-
Net cash flow from underwriting activities	<u>60,603,197</u>	<u>23,679,517</u>

b) Other operating activities

Income tax paid	(2,801,031)	(7,887,329)
General management expenses paid	(62,632,202)	(72,161,536)
Other operating payments	(10,830,996)	(3,874,820)
Loans advanced / repayment received	256,587	(234,250)
Other payments on operating assets	(12,338,057)	(2,090,718)
Other receipts in respect of operating assets	(791,346)	(668,290)
Net cash flow from other operating activities	<u>(89,137,045)</u>	<u>(86,916,943)</u>

Total cash flow from all operating activities**(28,533,848)** **(63,237,426)****Investment activities**

Interest / Dividend received	30,951,459	45,910,639
Payments for Investments	(58,568,930)	(40,130,513)
Proceeds from disposal of investments	73,249,270	61,592,612
Fixed Capital Expenditures	(9,481,190)	(4,697,954)
Proceeds from disposal of fixed assets	3,780,000	3,192,000
Total cash flow from Investing activities	<u>39,930,609</u>	<u>65,866,784</u>

Financing activities

Unclaimed Dividend paid	-	(5,204)
Financial Charges	(158,917)	(286,031)
Total cash flow from financing activities	<u>(158,917)</u>	<u>(291,235)</u>

Net cash Inflow/outflow from all activities

11,237,844 2,338,123

Cash & cash equivalent at the beginning of the year

63,045,832 79,257,002

Cash & cash equivalent at the end of the nine months period**74,283,676** **81,595,125****Reconciliation to profit and loss Account**

Operating cash flow	<u>(28,533,848)</u>	<u>(63,237,426)</u>
Depreciation expense	(7,007,778)	(7,758,064)
Financial Charges	(158,917)	(286,031)
Profit/(loss) on disposal of fixed assets	776,166	900,930
Increase/(decrease) in assets other than cash	31,062,111	31,793,024
(Increase)/decrease in liabilities other than running finance	(3,819,832)	43,761,894
Investment Income	38,529,406	20,712,639
Profit after tax as per profit & loss account.	<u>30,847,308</u>	<u>25,886,966</u>

Definition of Cash

Cash in hand and at Bank, Stamps in hand and short term placements with banks cash for the purposes of the Statement of Cash Flows Consists of:

Cash and Equivalents	137,092	166,196
Current and other accounts	49,121,584	55,690,584
Deposits Maturing Within 12 Months	25,025,000	27,525,000
	<u>74,283,676</u>	<u>83,381,780</u>
Short Term Running Finance-Secured	-	(1,786,655)
	<u>74,283,676</u>	<u>81,595,125</u>

The annexed notes from 1 to 14 form an integral part of these financial statements. & Managing Director


 Ismail H. Zakaria
 Chairman


 Mohammad Amin Ahmed Bawany
 Director


 A. Aziz Ayoob
 Director


 A. Razak Ahmed
 Chief Executive & Managing Director

Karachi: 28th October, 2010

FORM GD

CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010
Business underwritten inside Pakistan

(Amount in Rs.)

C l a s s	QUARTER ENDED SEPTEMBER 30, 2010										Quarter ended Sept. 30, 2009 Net Premium revenue
	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2010 Net Premium revenue			
	Opening	Closing			ceded Opening	ceded Closing					
Direct and facultative 1 Fire and Property Damage	49,185,790	138,749,385	136,581,612	51,353,563	33,747,794	78,103,748	76,583,522	35,288,020	16,085,543	22,723,069	
Marine, Aviation and Transport	48,572,305	25,455,034	43,927,816	30,099,523	36,837,332	18,770,331	37,566,269	18,041,394	12,058,129	13,646,408	
Motor	21,903,497	60,233,022	54,762,971	27,373,548	-	1,105,909	1,051,684	54,225	27,319,323	39,443,692	
Miscellaneous	3,953,978	13,040,335	12,022,968	4,971,345	3,252,487	11,179,192	10,343,866	4,087,813	883,532	1,075,950	
Grand Total	123,615,570	237,477,776	247,295,367	113,797,979	73,837,613	109,159,180	125,545,341	57,451,452	56,346,527	76,889,119	
	NINE MONTHS ENDED SEPTEMBER 30, 2010										
C l a s s	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2010 Net Premium revenue			
	Opening	Closing			ceded Opening	ceded Closing					
	Direct and facultative 1 Fire and Property Damage	143,309,134	442,381,455	436,581,612	149,708,977	95,990,185	80,960,674	76,583,522	100,367,337	49,341,640	71,991,489
Marine, Aviation and Transport	131,297,214	11,792,664	43,927,816	99,162,062	91,637,633	4,942,342	37,566,269	59,013,706	40,148,356	43,757,593	
Motor	65,994,026	65,126,960	54,762,971	76,358,015	1,125,000	1,237,534	1,051,684	1,310,850	75,047,165	117,267,222	
Miscellaneous	15,189,500	12,862,006	12,022,968	16,028,538	12,135,823	11,034,394	10,343,866	12,826,351	3,202,187	3,009,895	
Grand Total	355,789,874	232,763,085	247,295,367	341,257,592	200,888,641	98,174,944	125,545,341	173,518,244	167,739,348	236,026,199	

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

Ismail H. Zakaria
Chairman

A. Aziz Ayoob
Director

A. Razak Ahmed
Chief Executive & Managing Director

FORM GE

CONDENSED INTERIM STATEMENT OF CLAIMS (UN AUDITED)
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010
Business underwritten inside Pakistan

(Amount in Rs.)

Class	QUARTER ENDED SEPTEMBER 30, 2010										Quarter ended Sept. 30, 2009 Net claims expenses		
	Claims Paid		Outstanding Claims		Reinsurance and other recoveries		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue			2010 Net claims expenses	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing		Opening	Closing
Direct and facultative 1 Fire and Property Damage	45,223,665	147,181,618	113,140,890	11,182,937	42,112,215	103,336,538	70,549,770	9,325,447	1,857,490			9,259,718	
Marine, Aviation and Transport	6,149,655	42,743,710	49,743,607	13,149,552	2,241,245	31,090,333	34,563,787	5,714,699	7,434,853			2,329,091	
Motor	14,684,537	27,878,908	29,603,088	16,408,717	-	2,488,100	1,732,600	(755,500)	17,164,217			28,506,797	
Miscellaneous	1,420,422	3,458,624	3,693,897	1,655,695	1,278,381	3,043,732	3,210,477	1,445,126	210,569			121,839	
Grand Total	67,478,279	221,262,860	196,181,482	42,396,901	45,631,841	139,958,703	110,056,634	15,729,772	26,667,129			40,217,445	
NINE MONTHS ENDED SEPTEMBER 30, 2010													
Class	Claims Paid		Outstanding Claims		Reinsurance and other recoveries		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		2010 Net claims expenses		Nine Months ended Sept. 30, 2009 Net claims expenses
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	
	Direct and facultative 1 Fire and Property Damage	124,024,058	166,583,720	113,140,890	70,581,228	114,964,739	121,143,751	70,549,770	64,370,758	6,210,470			
Marine, Aviation and Transport	21,106,835	30,044,255	49,743,607	40,806,187	9,663,957	19,724,480	34,563,787	24,503,264	16,302,923			6,093,424	
Motor	48,002,515	28,368,130	29,603,088	49,237,473	52,140	985,000	1,732,600	1,269,000	47,968,473			89,712,219	
Miscellaneous	4,386,935	2,475,000	3,693,897	5,605,832	3,948,245	2,160,000	3,210,477	4,998,722	607,110			812,402	
Grand Total	197,520,343	227,471,105	196,181,482	166,230,720	129,098,341	144,013,231	110,056,634	95,141,744	71,088,976			115,082,360	

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

 Ismail H. Zakaria
 Chairman

 Mohammad Amin Ahmed Bawany
 Director

 A. Aziz Ayoob
 Director

 A. Razak Ahmed
 Chief Executive & Managing Director

FORM GF

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010
Business underwritten inside Pakistan

(Amount in Rs.)

		QUARTER ENDED JUNE 30, 2010							
Class	Commissions Paid or payable	Opening Deferred commission	Closing Deferred commission	Net Commission expenses	Other management expense	underwriting expense	Commission from reinsurers	2010 Net underwriting expense	Quarter ended Sept., 30 2009 Underwriting expenses
	a	b	c	d=a+b-c	e	f=d+e	g	h=f-g	
Direct and facultative									
1 Fire and Property Damage	12,966,115	37,379,778	36,782,452	13,563,441	4,485,201	18,048,642	9,956,186	8,092,456	8,915,578
Marine, Aviation and Transport	3,564,236	2,867,171	2,432,686	3,998,721	3,217,667	7,216,388	4,031,700	3,184,688	5,324,439
Motor	3,133,460	9,034,953	8,214,445	3,953,968	8,017,911	11,971,879	-	11,971,879	17,427,110
Miscellaneous	718,740	2,347,260	2,164,134	901,866	223,858	1,125,724	1,352,826	(227,102)	(534,325)
Grand Total	20,382,551	51,629,162	49,593,717	22,417,996	15,944,637	38,362,633	15,340,712	23,021,921	31,132,802
NINE MONTHS ENDED SEPTEMBER 30, 2010									
Class	Commissions Paid or payable	Opening Deferred commission	Closing Deferred commission	Net Commission expenses	Other management expense	underwriting expense	Commission from reinsurers	2010 Net underwriting expense	Nine Months ended Sept., 30 2009 Underwriting expenses
	a	b	c	d=a+b-c	e	f=d+e	g	h=f-g	
Direct and facultative									
1 Fire and Property Damage	37,758,771	38,530,642	36,782,452	39,506,961	18,423,677	57,930,638	31,960,939	25,969,699	29,664,311
Marine, Aviation and Transport	14,473,061	2,948,168	2,432,686	14,988,543	14,990,996	29,979,539	9,896,217	20,083,322	17,763,163
Motor	9,408,221	9,769,044	8,214,445	10,962,820	28,021,864	38,984,684	-	38,984,684	53,144,621
Miscellaneous	2,606,256	2,315,161	2,164,134	2,757,283	1,195,665	3,952,948	5,029,708	(1,076,760)	(3,520,568)
Grand Total	64,246,309	53,563,015	49,593,717	68,215,607	62,632,202	130,847,809	46,886,864	83,960,945	97,051,527

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

 Ismail H. Zakaria
 Chairman

 A. Aziz Ayoob
 Director

 A. Razak Ahmed
 Chief Executive & Managing Director

**CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)**

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

FORM GG

(Amount in Rs.)

Quarter ended Sept. 30		Nine Months ended Sept. 30	
2010	2009	2010	2009

Income from Non-Trading Investments**Held to maturity**

Return on Government Securities	1,421,240	1,831,475	6,006,707	6,382,668
Return on other Fixed income Securities and Deposits	1,652,720	1,968,695	3,870,349	4,179,582
	3,073,960	3,800,170	9,877,056	10,562,250

Investment Held for Trading

Dividend Income	3,744,799	3,961,816	13,616,402	12,074,246
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Available for sale

Dividend Income	-	-	33,795	120,082
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Gain on sale of 'available for sale investments'

	6,333,441	1,300,285	15,263,006	2,992,040
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Impairment in value of investments

	(98,756)	-	(98,756)	(5,000,000)
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Less: Investment related expenses

	(119,985)	(9,060)	(162,097)	(35,979)
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Net Investment Income transferred to P&L A/c.

	<u>12,933,459</u>	<u>9,053,211</u>	<u>38,529,406</u>	<u>20,712,639</u>
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The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director


A. Aziz Ayoob
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi : 28 th October, 2010



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FINANCIAL PERIOD ENDED SEPTEMBER 30, 2010

1. STATUS AND NATURE OF BUSINESS

The Reliance Insurance Company Limited was incorporated in Pakistan as a public Limited Company on 4th November 1981 and is engaged in General Insurance Business. The shares of the Company are quoted on Stock Exchanges of Karachi and Lahore.

The registered Office of the Company is situated at 96-A, Sindhi Muslim Co-Operative Housing Society, Karachi.

2. Basis of Presentation

These condensed financial information are un-audited have been prepared in accordance with the requirement of the Insurance Ordinance, 2000 and International Accounting Standard –34 (IAS-34) "Interim Financial Reporting" and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and with the Listing regulations of the Karachi and Lahore Stock Exchanges where Company is listed. This Condensed interim financial information are being presented in accordance with the format prescribed by the Securities and Exchange Commission of Pakistan for Non-Life Insurance Companies through circular # 7 of 2003 dated 27 August 2003.

These financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statement for the year ended December 31, 2009.

3. Accounting policies.

The accounting policies adopted in preparation of these accounts are the same as applied in preparation of financial statement for the preceding year ended December 31, 2009.

This condensed interim financial information have been presented in Pakistan rupee, which is also the company's functional currency.

4. Financial Risk Management

The Company' financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended 31 December, 2009.

5. Taxation

The amount set aside for Income Tax is provisional, final liability will be determined on the basis of annual results.


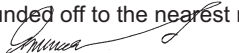


6. Transaction with Related Parties

Details of major transactions with related parties for the period ended September 30, 2010 are as follows.

	Jan - Sept 2010	Jan –Sept 2009
Premium Underwritten	17,686,230	11,737,474
Premium Collected	13,517,913	24,066,568
Claims Paid	3,949,404	11,431,153
Commission Paid	2,462,514	2,973,545
Dividend received	63,099	

The transactions were carried out at the arm's length in accordance with the policy of the company.



7. Investments		30th Sept. 2010	31st Dec. 2009
The investments comprise of the following:			
Held to maturity		97,139,768	98,832,706
Available for sale		15,746,522	25,664,285
Investment held for trading		166,527,670	154,334,303
In Related Parties		6,558,148	6,558,148
Provision for impairment		(2,798,219)	(2,699,463)
		<u>283,173,889</u>	<u>282,689,979</u>
7.1	The market value of investment in Shares & Securities as on 30th Sept 2010, was Rs. 313.33 million (as at 31st December 2009, Rs.318.312 million).		
7.2	In compliance with the directive of SECP vide its Circular No.15 of 2008, dated 7th July 2008. Pakistan Investment Bonds (PIB) for the face value of Rs.30.00 million have been deposited with State Bank of Pakistan under clause (a) of Section 29(2) of Insurance Ordinance 2000.		
8. Share Capital			
Issued, subscribed and fully paid.			
	Sept-2010	Sept-2010	December-2009
	December-2009		
	(Number of Shares)		
1,156,680	1,156,680	11,566,800	11,566,800
24,043,495	24,043,495	240,434,950	240,434,950
		<u>252,001,750</u>	<u>252,001,750</u>
9. Fixed Assets-Tangible and Intangible.			
The details of addition and disposals have been made in the fixed assets during the period ended September 30, 2010. are as Follows		Additions	Disposals
Vehicles		7,760,310	3,780,000
Office Furniture		66,550	—
Office Equipments		395,545	—
Computers		478,785	—
Computer Software		780,000	—
10. Earnings Per Share –Basic And Diluted		30 sept -2010	30 sept-2009
Profit after tax for the period		30,847,308	25,886,966
Weighted average number of ordinary shares		25,200,175	25,200,175
Earning per shares-basic and diluted		<u>1.22</u>	<u>1.02</u>
10.1	No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.		
11. Segment Reporting			
Class of business wise revenue and results have been disclosed in the condensed interim statement of premium and condensed interim profit and loss account respectively prepared in accordance with the requirements of insurance ordinance, 2000 and the SEC (insurance) Rules, 2002.			
12. Contingencies and Commitments			
12.1. There are no material contingencies existing at the Balance Sheet date.			
13. Date of Authorization for issue			
These financial statements have been authorized for issue on 28 th October 2010, by the Board of Directors of the Company.			
14. General			
Figures have been rounded off to the nearest rupee.			
			
Ismail H. Zakaria Chairman	Mohammad Amin Ahmed Bawany Director	A. Aziz Ayoob Director	A. Razak Ahmed Chief Executive & Managing Director
Karachi : 28 th October, 2010			



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
Web : www.relianceins.com

Mr. A. Razak Ahmed
Chief Executive & Managing Director

Direct : 34539413, 34539414
Extention : 204

Mr. Haroon A. Shakoor
Chief Accountant & Company Secretary

Direct : 34539409
Extention : 203

Mr. Syed Rizwan Akhtar
Executive Vice President (Operations)

Direct : 34304067
Extention : 210

Mr. M. Amin Bawany
Vice President (Marine & Accident)

Direct : 34557079
Extention : 201

Mr. Muhammad Ishaque Azim
Vice President (Fire)

Direct : 34304068
Extention : 212

Mr. Sadruddin Hussain
Vice President (Claims)

Direct : 34550403
Extention : 208

Mr. Abdul Rahim Patni
Deputy Chief Manager (Reinsurance)

Direct : 34539411
Extention : 215

Mr. Muhammad Salim Memon
Deputy Chief Manager (Investment / Shares)

Extention : 214

Mr. Ghulam Mujaddid
Chief Manager (Accounts)

Extention : 205

Mr. Muhammad Masood Alam
Manager (Administration)

Direct : 34539411
Extention : 206

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

Extention : 202

South Zone Office & Branches

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

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

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

Namco Centre Branch
1-A, 5th Floor, Campbell Street,
Karachi.

Mr. Iqbal Umer Bawany
Vice President

Ph : (021) 32625716, 32624427
Fax : (021) 32624783

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

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

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

Mr. Abdullah Ahmed
Regional Manager

Ph : (022) 2615774
Fax : (022) 2623029

North Zone Office & Branches

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

Mr. Sh. Khushnood Ashraf
Executive Vice President

PABX : (042) 7239063, 7353292
(042) 7234255, 7351353
Direct : (042) 7354689
Fax : (042) 7312526

North Zone Office & Branches (continued)

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

Mr. Basharat M. Barlas
Senior Executive Vice President

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

**Gulberg Branch**

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

Mr. Tehseen Ahmed Khan
Executive Vice President

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

Eden Centre Branch

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

Mr. Ch. H. S. Asghar
Vice President

Ph : (042) 37599277, 37599377
(042) 37589669
Fax : (042) 37576032

Al-Rehman Branch

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

Mr. Nisar Ahmed Chughtai
Senior Vice President

Ph : (042) 7323113, 7322473
(042) 7354848
Fax : (042) 7247925

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

Khan Plaza Branch

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

Mr. Sohailuddin Zafar
Assistant Vice President

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

Model Town Branch

438/1-B, Mini Market,
Model Town, Gujranwala.

Mr. Ch. H. S. Asghar
Vice President

Ph : (055) 3254415, 3840750
Fax : (055) 3523086

Gujrat Branch

Shams Plaza, Near Prince Cinema,
West Circular Road, Gujrat.

Mr. Ch. Nazir Ahmed
Vice President

Ph : (053) 3522127

Faisal Complex Branch

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

Mr. A. Majeed Abid
Vice President

Ph : (041) 2611938, 2611939
(041) 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, 2615922
Fax : (041) 2622182, 2412010

Circular Road Branch

P-156, 6th Floor, Ashraf Butt Center,
Circular Road

Mr. Mushtaq Ahmed
Vice President
Faisalabad.

Ph : (041) 2638034, 2635640
Fax : (041) 2412067, 2412068

Rawalpindi Branch

43/C, 2nd Floor, Bank Road,
Near NBP, Rawalpindi.

Mr. Abdul Karim Siddiqui
Vice President

Ph : (051) 5700223, 5523260
Fax : (051) 5514384

Peshawar Branch

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

Mr. Abdul Salam Niazi
Vice President

Ph : (091) 5274617, 5277328
(091) 5250830
Fax : (091) 5284683

Regional Office Multan

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

Mr. Syed Bahar Shah Bukhari
Senior Vice President &
Regional Head

Ph : (061) 4517349
Fax : (061) 4510049

Khanpur Branch

Olif Ghalla Mandi, Khanpur,
Distt. Rahimyar Khan.

Mr. Abdul Razzak Choudhry
Vice President

Ph : (068) 5572772
Fax : (068) 5572772

Hasilpur Branch

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

Mr. Muhammad Shafi Anjum
Vice President

Ph : (062) 2442473
Fax : (062) 2448073

Sahiwal Branch

147, Railway Road,
Sahiwal.

Mr. Muhammad Saeed
Branch Manager

Ph : (040) 4467477
Fax : (040) 4467477

Sialkot Branch

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

Mr. Ghulam Rasool Farrukh Zahidi
Branch Manager

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

Gojra Barnch

P-132, Post Road,
Gojra.

Mrs. Shahnaz Akhter
Branch Manager

Ph : (046) 3511917
Fax : (046) 3513111