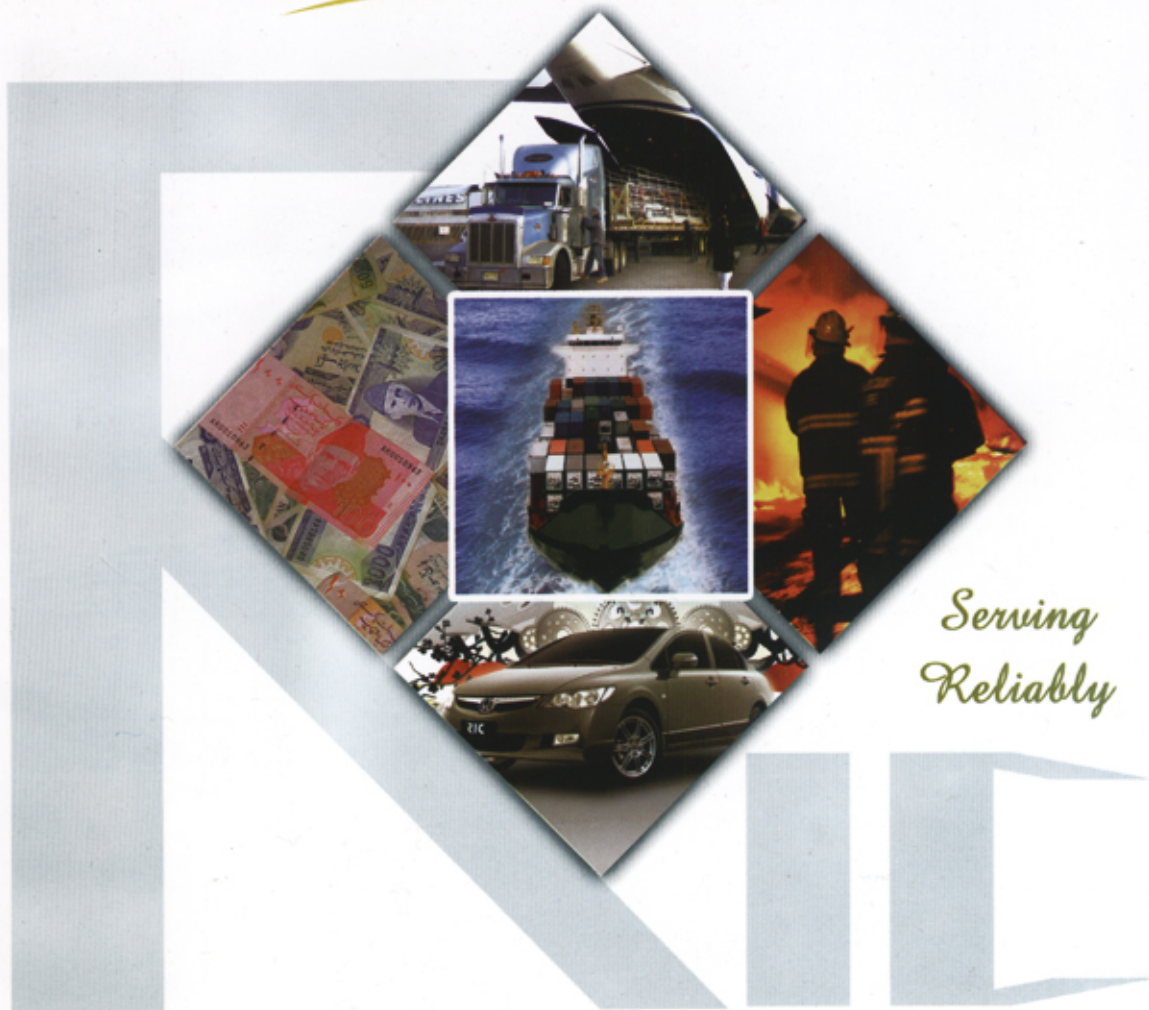


# Quarterly Report



*Serving  
Reliably*

Reliance Insurance Company Limited  
**QUARTERLY REPORT**  
**SEPTEMBER 30, 2011**  
**(UNAUDITED)**





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**COMPANY INFORMATION**

<b>BOARD OF DIRECTORS</b>	<b>ISMAIL H. ZAKARIA</b>	<b>Chairman</b>
<b>DIRECTORS</b>	<b>MOHAMMAD AMIN AHMED BAWANY</b> <b>A. AZIZ AYOOB</b> <b>IRFAN ZAKARIA BAWANY</b> <b>MOHAMMAD OMER BAWANY</b> <b>ZOHAIR ZAKARIA</b> <b>AHMED ALI BAWANY</b> <b>NOOR M. ZAKARIA</b> <b>ASHFAQ PATEL</b> <b>YASIN SIDDIK</b>	
<b>CHIEF EXECUTIVE &amp; MANAGING DIRECTOR</b>	<b>A. RAZAK AHMED</b>	
<b>MANAGEMENT</b>	<b>BASHARAT M. BARLAS</b> <b>SYED RIZWAN AKHTAR</b>	<b>SEVP</b> <b>EVP (Operation)</b>
<b>CHIEF ACCOUNTANT AND COMPANY SECRETARY</b>	<b>HAROON A. SHAKOOR</b>	
<b>AUDIT COMMITTEE</b>	<b>A. AZIZ AYOOB</b> <b>IRFAN ZAKARIA BAWANY</b> <b>ZOHAIR ZAKARIA</b>	<b>Chairman</b> <b>Member</b> <b>Member</b>
<b>INVESTMENT COMMITTEE</b>	<b>IRFAN ZAKARIA</b> <b>ZOHAIR ZAKARIA</b> <b>AHMED ALI BAWANY</b> <b>A. RAZAK AHMED</b>	<b>Chairman</b> <b>Member</b> <b>Member</b> <b>Member</b>
<b>AUDITORS</b>	<b>HYDER BHIMJI &amp; CO.</b> Chartered Accountants	
<b>LEGAL ADVISOR</b>	<b>ABDUL SATTAR PINGAR</b>	
<b>BANKERS</b>	<b>HABIB BANK LIMITED</b> <b>NATIONAL BANK OF PAKISTAN</b> <b>MCB BANK LIMITED</b> <b>ALLIED BANK LIMITED</b> <b>UNITED BANK LIMITED</b> <b>NIB BANK LIMITED</b> <b>BANK ALFLAH LIMITED</b> <b>FAYSAL BANK LIMITED</b> <b>HABIB METROPOLITAN BANK LIMITED</b> <b>THE BANK OF PUNJAB</b> <b>JS BANK LIMITED</b>	
<b>REGISTERED OFFICE</b>	<b>96-A, Sindhi Muslim Co-operative Housing Society, Karachi.</b>	
<b>HEAD OFFICE</b>	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	
<b>SHARES REGISTRAR</b>	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, 2011.

During the period under review, your Company underwrote a Gross Premium of Rs.376.143 million as compared to Rs.355.789 million of the corresponding period of last year – an increase of 5.72%. The Net Premium Income stood at Rs.162.406 million as compared to Rs.167.739 million of last year – showing a decrease of 3.18%.

Net claims incurred, however, decreased from Rs.71.088 million to Rs.66.912 million as compared to corresponding period of last year, showing an improvement of 5.87%. Investment Income of your Company has shown remarkable surge of Rs.32.604 - a significant rise of 84.62%, from RS.38.529 million to Rs.71.133 million due to higher dividend income and capital gain.

After announcement of interim bonus shares, on 24th August 2011, your company has attained minimum capital requirement (MCR) of Rs.300.00 million, as stipulated by the Securities and Exchange Commission of Pakistan (SECP). The paid-up capital of your Company now stands at 318.939 million.

Profit before tax for the period ended September 30, 2011 was Rs.65.833 million against Rs.33.997 million of corresponding period of last year, - showing an Improvement of 93.64%. Earnings per share has improved to Rs.1.92 as compared to Rs.0.97 for the corresponding period of last year.

The economic indicators of the country are not very promising. Despite disturbed law and order situation, your management was able to achieve above results. Your Management will continue to strive hard to improve upon further performance with the hope that the Government would enforce policies to boost economic activities to meet challenges ahead and concentrate on improved Law and Order situation in the Country.

By order of the Board

**(A.RAZAK AHMED)**

Chief Executive & Managing Director


Karachi: 29th October 2011.

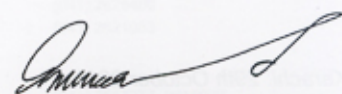


**CONDENSED INTERIM BALANCE SHEET (UNAUDITED)**  
**AS AT SEPTEMBER 30, 2011**

	Notes	(Un Audited) As At Sept.30, 2011 Rs	(Audited) As At Dec.31, 2010 Rs
<b>Share Capital and Reserves</b>			
Authorised share capital (50,000,000 Ordinary Shares of Rs.10/— each)		<u>500,000,000</u>	<u>500,000,000</u>
Paid-up share capital	7	318,939,720	252,001,750
Retained earnings		26,760,352	35,014,918
Reserves		90,000,000	87,500,000
		435,700,072	374,516,668
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		185,554,410	148,990,324
Provision for unearned premium		254,191,385	258,879,604
Commission income unearned		28,059,164	29,292,558
<b>Total Underwriting Provisions</b>		467,804,959	437,162,486
<b>Creditors and accruals</b>			
Amounts due to other insurers/reinsurers		83,131,137	49,552,405
Accrued expenses		1,816,846	2,137,978
Other creditors and Accruals		39,946,155	39,974,347
		124,894,138	91,664,730
<b>Other liabilities</b>			
Unclaimed dividend		115,331	115,331
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,028,514,500</u>	<u>903,459,215</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

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

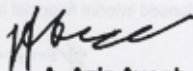
Karachi: 29th October, 2011

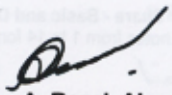


FORM GA

**CONDENSED INTERIM BALANCE SHEET (UNAUDITED)**  
**AS AT SEPTEMBER 30, 2011**

	Notes	(Un Audited) As At Sept.30, 2011 Rs	(Audited) As At Dec.31, 2010 Rs
<b>Cash and bank deposits</b>			
Cash and other equivalent		1,164,759	147,888
Current and other accounts		38,195,154	32,318,846
Deposit maturing within 12 months		25,043,103	25,075,000
		64,403,016	57,541,734
<b>Loans ( secured )</b>			
To employees		947,119	755,614
<b>Investments</b>	9	330,070,846	284,604,777
<b>Current assets-others</b>			
Premiums due but unpaid		219,373,018	176,919,203
Amounts due from other insurers/reinsurers		5,232,321	4,659,779
Accrued investment income		8,643,391	3,790,906
Reinsurance recoveries against outstanding claims		131,191,692	98,242,108
Deferred commission expense		44,733,864	45,943,667
Prepaid reinsurance premium ceded		154,540,892	159,777,804
Taxation - provision less payments		205,176	5,283,460
Trade deposits and prepayments		1,203,649	534,069
Sundry receivables		1,320,034	746,971
		566,444,037	495,897,967
<b>Fixed assets</b>			
<b>Tangible</b>	10		
Land and buildings		14,436,188	15,606,690
Furniture, fixtures and office equipment		9,020,862	9,694,181
Motor vehicles		40,982,850	36,412,409
		64,439,900	61,713,280
<b>Intangible</b>			
Computer software		2,209,582	2,945,843
<b>TOTAL ASSETS</b>		<b>1,028,514,500</b>	<b>903,459,215</b>

  
**A. Aziz Ayoob**  
 Director

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

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UNAUDITED)**  
**FINANCIAL PERIOD ENDED SEPTEMBER 30, 2011**

 FORM GB  
 (Amount in Rs.)

	QUARTER ENDED 30 SEPTEMBER					Quarter ended Sep 30 2010 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.	Sept. 30, 2011 Aggregate	
<b>Revenue Account</b>						
Net Premium Revenue	15,595,327	12,910,914	21,509,198	978,209	50,993,648	56,346,527
Net Claims	(3,430,268)	(5,941,486)	(12,100,741)	(193,752)	(21,666,247)	(26,667,129)
Expenses	(5,372,063)	(4,400,194)	(7,365,415)	(338,461)	(17,476,133)	(15,944,637)
Net Commission	(3,089,461)	(1,792,076)	(3,144,098)	241,438	(7,784,197)	(7,077,284)
<b>Underwriting result</b>	<b>3,703,535</b>	<b>777,158</b>	<b>(1,101,056)</b>	<b>687,434</b>	<b>4,067,071</b>	<b>6,657,477</b>
Investment Income					24,950,293	12,933,459
Other Income (Profit on Sale of Fixed Assets)					370,883	453,051
Financial charges					(315,544)	(53,680)
General and administration expenses					(6,921,822)	(5,918,831)
<b>Profit before tax during the quarter</b>					<b>22,150,881</b>	<b>14,071,476</b>
<b>Provision for Taxation :</b>						
Current					(1,650,000)	(1,750,000)
<b>Profit after tax during the quarter</b>					<b>20,500,881</b>	<b>12,321,476</b>

	NINE MONTHS ENDED 30 SEPTEMBER					Nine Months ended Sep 30 2010 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.	Sept. 30, 2011 Aggregate	
<b>Revenue Account</b>						
Net Premium Revenue	46,489,422	43,969,993	69,205,969	2,741,503	162,406,887	167,739,348
Net Claims	(8,416,435)	(15,378,863)	(42,569,815)	(546,944)	(66,912,057)	(71,088,976)
Expenses	(16,806,500)	(15,895,695)	(25,018,812)	(991,087)	(58,712,094)	(62,632,202)
Net Commission	(9,437,357)	(6,358,578)	(9,992,704)	1,550,763	(24,237,876)	(21,328,743)
<b>Underwriting result</b>	<b>11,829,130</b>	<b>6,336,857</b>	<b>(8,375,362)</b>	<b>2,754,235</b>	<b>12,544,860</b>	<b>12,689,427</b>
Investment Income					71,133,362	38,529,406
Other Income (Profit on Sale of Fixed Assets)					1,223,740	776,166
Financial Charges					(429,527)	(158,917)
General and administration expenses					(18,639,031)	(17,838,774)
<b>Profit before tax during the period</b>					<b>65,833,404</b>	<b>33,997,308</b>
<b>Provision for Taxation :</b>						
Current					(4,650,000)	(3,150,000)
<b>Profit after tax during the period</b>					<b>61,183,404</b>	<b>30,847,308</b>
<b>Profit and Loss Appropriation Account</b>						
<b>Balance at Commencement of the Period</b>					<b>35,014,918</b>	<b>(22,024,570)</b>
Profit after tax during the period					61,183,404	30,847,308
Transfers to reserves ( General Reserve)					(2,500,000)	-
Issuance of Bonus Shares for the year 2010:12.5% (2009: NIL)					(31,500,220)	-
Issuance of interim Bonus shares for the year 2011 12.5%					(35,437,750)	-
<b>Balance of Unappropriated profit at the end of the period</b>					<b>26,760,352</b>	<b>8,822,738</b>
					<b>1.92</b>	<b>0.97</b>

**Earnings per Share - Basic and Diluted (Note 11)**

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: 29th October, 2011

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FINANCIAL PERIOD ENDED SEPTEMBER 30, 2011**

(Amount in Rs.)

	Quarter ended September 30		Nine months ended Sep 30	
	2011	2010	2011	2010
Profit after tax	20,500,881	12,321,476	61,183,404	30,847,308
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>20,500,881</u>	<u>12,321,476</u>	<u>61,183,404</u>	<u>30,847,308</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: 29th October, 2011




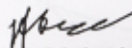
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FINANCIAL PERIOD ENDED SEPTEMBER 30, 2011**

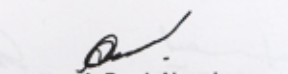
	Share Capital	General Reserve	Permanent Diminution In Value Of Investment	Unappropriated Profit	Total
<b>Balance as at 31-12-2009</b>	252,001,750	87,500,000	5,105,000	(22,024,570)	322,582,180
<b>Total comprehensive income for the period</b>					
Net Profit after tax for the period	-	-	-	51,934,488	51,934,488
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	51,934,488	51,934,488
<b>Transactions with owners recorded directly in equity</b>					
Issuance of bonus shares and transferred to general reserve	-	-	(5,105,000)	5,105,000	-
<b>Balance as at 31-12-2010</b>	<u>252,001,750</u>	<u>87,500,000</u>	<u>-</u>	<u>35,014,918</u>	<u>374,516,668</u>
<b>Total comprehensive income for the period</b>					
Net Profit after tax for the period	-	-	-	61,183,404	61,183,404
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	61,183,404	61,183,404
ended 30th September, 2011					
<b>Transactions with owners recorded directly in equity</b>					
Issuance of bonus shares and transferred to general reserve	31,500,220	2,500,000	-	(34,000,220)	-
Issuance of interim bonus shares for the year 2011	35,437,750	-	-	(35,437,750)	-
<b>Balance as at 30th September 2011</b>	<u>318,939,720</u>	<u>90,000,000</u>	<u>-</u>	<u>26,760,352</u>	<u>435,700,072</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: 29th October, 2011

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**

FORM GC

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2011

January to September  
2011 (Amount in Rs.) 2010**Operating Cash Flows****a) Underwriting activities**

Premium received	330,779,671	309,474,487
Reinsurance premium paid	(180,181,265)	(169,836,335)
Claims paid	(119,033,059)	(197,520,343)
Reinsurance and other recoveries received	55,735,504	129,098,341
Commission paid	(63,792,144)	(61,047,397)
Commission received	42,440,226	41,868,042
Cash losses received from reinsurers	-	8,566,402
<b>Net cash flow from underwriting activities</b>	<b>65,948,933</b>	<b>60,603,197</b>

**b) Other operating activities**

Income tax paid	428,284	(2,801,031)
General management expenses paid	(58,712,094)	(62,632,202)
Other operating payments	(10,955,721)	(10,830,996)
Loans advanced / repayment received	(191,505)	256,587
Other payments on operating assets	(349,324)	(12,338,057)
Other receipts in respect of operating assets	(1,242,643)	(791,346)
<b>Net cash flow from other operating activities</b>	<b>(71,023,003)</b>	<b>(89,137,045)</b>

**Total cash flow from all operating activities****(5,074,070)** **(28,533,848)****Investment activities**

Interest / Dividend received	31,234,561	30,951,459
Payments for Investments	(138,178,938)	(58,568,930)
Proceeds from disposal of investments	127,759,185	73,249,270
Fixed Capital Expenditures	(11,193,629)	(9,481,190)
Proceeds from disposal of fixed assets	2,743,700	3,780,000

**Total cash flow from Investing activities****12,364,879** **39,930,609****Financing activities**

Financial Charges	(429,527)	(158,917)
-------------------	-----------	-----------

**Total cash flow from financing activities****(429,527)** **(158,917)****Net cash Inflow/outflow from all activities**

6,861,282 (11,237,844)

**Cash & cash equivalent at the beginning of the period**

57,541,734 63,045,832

**Cash & cash equivalent at the end of the period****64,403,016** **74,283,676****Reconciliation to profit and loss Account**

<b>Operating cash flow</b>	<b>(5,074,070)</b>	<b>(28,533,848)</b>
Depreciation / Amortization expenses	(7,683,310)	(7,007,778)
Financial Charges	(429,527)	(158,917)
Profit/(loss) on disposal of fixed assets	1,223,740	776,166
Increase/(decrease) in assets other than cash	65,885,090	31,062,111
(Increase)/decrease in liabilities other than running finance	(63,871,881)	(3,819,832)
Investment Income	71,133,362	38,529,406
<b>Profit after tax as per profit &amp; loss account.</b>	<b>61,183,404</b>	<b>30,847,308</b>


**Definition of Cash**


Cash in hand and at Bank, Stamps in hand and short term placements with banks

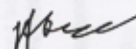
Cash for the purposes of the Statement of Cash Flows Consists of:

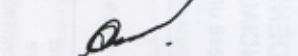
Cash and other Equivalents	1,164,759	137,092
Current and other account	38,195,154	49,121,584
Deposits Maturing Within 12 Months	25,043,103	25,025,000
	64,403,016	74,283,676
	<b>64,403,016</b>	<b>74,283,676</b>

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: 29th October, 2011

FORM GD

**CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)**  
**FINANCIAL PERIOD ENDED SEPTEMBER 30, 2011**

Business underwritten inside Pakistan

(Amount in Rs.)

Class	QUARTER ENDED SEPTEMBER 30										Quarter ended	
	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2011 Net Premium revenue	2010 Net Premium revenue		Sept. 30, 2010 Net Premium revenue	
	Opening	Closing			Opening	Closing			2010	2011		
Direct and facultative												
Fire and Property Damage	47,613,466	123,559,105	48,766,105	32,378,781	79,906,219	79,114,222	33,170,778	15,595,327			16,085,543	
Marine, Aviation and Transport	46,035,488	77,882,049	73,703,282	50,214,255	34,235,277	69,159,560	66,091,496	37,303,341	12,910,914		12,058,129	
Motor	21,758,541	47,716,140	47,514,448	21,960,233	450,000	719,859	718,824	451,035	21,509,198		27,319,323	
Miscellaneous	6,572,457	8,954,867	10,567,189	4,960,135	5,366,836	7,231,440	8,616,350	3,981,926	978,209		883,532	
<b>Grand Total</b>	<b>121,979,952</b>	<b>258,112,161</b>	<b>254,191,385</b>	<b>125,900,728</b>	<b>72,430,894</b>	<b>157,017,078</b>	<b>154,540,892</b>	<b>74,907,080</b>	<b>50,993,648</b>		<b>56,346,527</b>	
	<b>NINE MONTHS ENDED SEPTEMBER 30</b>											
Class	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2011 Net Premium revenue	2010 Net Premium revenue		Sept. 30, 2010 Net Premium revenue	
	Opening	Closing			Opening	Closing			2010	2011		
Direct and facultative												
Fire and Property Damage	136,079,151	124,719,281	122,406,466	138,391,966	90,339,668	80,677,098	79,114,222	91,902,544	46,489,422		49,341,640	
Marine, Aviation and Transport	149,775,962	79,757,578	73,703,282	155,830,258	107,171,353	70,780,408	66,091,496	111,860,265	43,969,993		40,148,356	
Motor	73,057,235	44,963,907	47,514,448	70,506,694	1,350,000	669,549	718,824	1,300,725	69,205,969		75,047,165	
Miscellaneous	17,230,687	9,438,838	10,567,189	16,102,336	14,326,434	7,650,749	8,616,350	13,360,833	2,741,503		3,202,187	
<b>Grand Total</b>	<b>376,143,035</b>	<b>258,879,604</b>	<b>254,191,385</b>	<b>380,831,254</b>	<b>213,187,455</b>	<b>159,777,804</b>	<b>154,540,892</b>	<b>218,824,367</b>	<b>162,406,887</b>		<b>167,739,348</b>	

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

**CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)**  
**FINANCIAL PERIOD ENDED SEPTEMBER 30, 2011**

Business underwritten inside Pakistan

(Amount in Rs.)

Class	QUARTER ENDED SEPTEMBER 30										Quarter ended Sept. 30, 2010 Net claims expenses
	Claims Paid		Outstanding Claims		Claims Expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2011 Net claims expenses	
	Opening	Closing	Opening	Closing			Opening	Closing			
Direct and facultative Fire and Property Damage	17,375,501	89,164,568	105,518,115	33,729,048	13,974,507	74,610,705	90,934,978	30,298,780	3,430,268	1,857,490	
Marine, Aviation and Transport	7,459,505	42,491,320	49,025,455	13,993,640	4,317,389	30,408,421	34,143,186	8,052,154	5,941,486	7,434,853	
Motor	16,375,130	30,282,037	26,169,253	12,262,346	994,605	2,595,400	1,762,400	161,605	12,100,741	17,164,217	
Miscellaneous	1,753,309	4,657,387	4,841,587	1,937,509	1,577,977	4,185,348	4,351,128	1,743,757	193,752	210,569	
<b>Grand Total</b>	<b>42,963,445</b>	<b>166,595,312</b>	<b>185,554,410</b>	<b>61,922,543</b>	<b>20,864,478</b>	<b>111,799,874</b>	<b>131,191,692</b>	<b>40,256,296</b>	<b>21,666,247</b>	<b>26,667,129</b>	
	<b>NINE MONTHS ENDED SEPTEMBER 30</b>										
Class	Claims Paid		Outstanding Claims		Claims Expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2011 Net claims expenses	Nine months ended Sept. 30, 2010 Net claims expenses
	Opening	Closing	Opening	Closing			Opening	Closing			
Direct and facultative Fire and Property Damage	40,151,908	78,138,053	105,518,115	67,531,970	33,961,937	65,781,380	90,934,978	59,115,535	8,416,435	6,210,470	
Marine, Aviation and Transport	25,855,027	36,922,170	49,025,455	37,958,312	16,083,322	27,647,059	34,143,186	22,579,449	15,378,863	16,302,923	
Motor	48,731,671	30,159,104	26,169,253	44,741,820	1,829,377	1,419,772	1,762,400	2,172,005	42,569,815	47,968,473	
Miscellaneous	4,294,453	3,770,997	4,841,587	5,365,043	3,860,868	3,393,897	4,351,128	4,818,099	546,944	607,110	
<b>Grand Total</b>	<b>119,033,059</b>	<b>148,990,324</b>	<b>185,554,410</b>	<b>155,597,145</b>	<b>55,735,504</b>	<b>98,242,108</b>	<b>131,191,692</b>	<b>88,695,088</b>	<b>66,912,057</b>	<b>71,088,976</b>	

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 Ayoub  
 Director

  
 A. Razak Ahmed  
 Chief Executive & Managing Director

**CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)**
**FINANCIAL PERIOD ENDED SEPTEMBER 30, 2011**

Business underwritten inside Pakistan

(Amount in Rs.)

Class	QUARTER ENDED SEPTEMBER 30									
	Commissions Paid or payable	Opening Deferred commission	Closing Deferred commission	Net Commission expenses	Other management expenses	Underwriting expenses	*Commission from reinsurers	2011 Net underwriting expense	Quarter ended Sept. 30 2010 Underwriting expenses	
a	b	c	d=a+b-c	e	f=d+e	g	h=f-g			
Direct and facultative Fire and Property Damage	12,675,012	33,255,933	33,019,143	12,911,802	5,372,063	18,283,865	9,822,341	8,461,524	8,092,456	
Marine, Aviation and Transport	5,560,610	2,946,094	2,685,460	5,841,244	4,400,194	10,241,438	4,049,168	6,192,270	3,184,688	
Motor	3,113,844	7,157,421	7,127,167	3,144,098	7,365,415	10,509,513	-	10,509,513	11,971,879	
Miscellaneous	1,199,389	1,618,876	1,902,094	916,171	338,461	1,254,632	1,157,609	97,023	(227,102)	
<b>Grand Total</b>	<b>22,568,855</b>	<b>44,978,324</b>	<b>44,733,864</b>	<b>22,813,315</b>	<b>17,476,133</b>	<b>40,289,448</b>	<b>15,029,118</b>	<b>25,260,330</b>	<b>23,021,921</b>	
Class	NINE MONTHS ENDED SEPTEMBER 30									
	Commissions Paid or payable	Opening Deferred commission	Closing Deferred commission	Net Commission expenses	Other management expenses	Underwriting expenses	*Commission from reinsurers	2011 Net underwriting expense	Nine Months Sept. 30 2010 Net Underwriting expenses	
a	b	c	d=a+b-c	e	f=d+e	g	h=f-g			
Direct and facultative Fire and Property Damage	35,954,238	33,544,810	33,019,143	36,479,905	16,806,500	53,286,405	27,042,548	26,243,857	25,969,699	
Marine, Aviation and Transport	17,463,609	3,955,280	2,685,460	18,733,429	15,895,695	34,629,124	12,374,851	22,254,273	20,083,322	
Motor	10,375,285	6,744,586	7,127,167	9,992,704	25,018,812	35,011,516	-	35,011,516	38,984,684	
Miscellaneous	2,908,561	1,698,991	1,902,094	2,705,458	991,087	3,696,545	4,256,221	(559,676)	(1,076,760)	
<b>Grand Total</b>	<b>66,701,693</b>	<b>45,943,667</b>	<b>44,733,864</b>	<b>67,911,496</b>	<b>58,712,094</b>	<b>126,623,590</b>	<b>43,673,620</b>	<b>82,949,970</b>	<b>83,960,945</b>	

\*Note: Commission from reinsurers is arrived after taking the impact of opening and closing balances of unearned commission.

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 Ayyoob  
Director

A. Razak Ahmed  
Chief Executive & Managing Director

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

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2011

FORM GG

(Amount in Rs.)

Quarter ended Sep 30		Nine Months ended Sep 30	
2011	2010	2011	2010

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

Return on Government Securities	2,233,447	1,421,240	6,896,846	6,006,707
Return on other Fixed income Securities and Deposits	1,434,393	1,652,720	3,217,498	3,870,349
	3,667,840	3,073,960	10,114,344	9,877,056

**Investment Held for Trading**

Dividend Income	11,015,490	3,744,799	24,907,206	13,616,402
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**Available for sale**

Dividend Income	1,234,106	-	1,315,371	33,795
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**Gain on sale of Investment**

	9,087,145	6,333,441	35,046,316	15,263,006
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**Impairment in value of investment**

	-	(98,756)	-	(98,756)
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**Less: Investment related expenses**


	(54,288)	(119,985)	(249,875)	(162,097)
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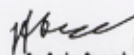
**Net Investment Income transferred to P&L A/c.**

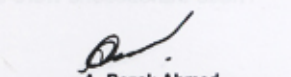
	<u>24,950,293</u>	<u>12,933,459</u>	<u>71,133,362</u>	<u>38,529,406</u>
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The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

  
Ismail H. Zakaria  
Chairman

  
Mohammad Amin Ahmed Bawany  
Director

  
A. Aziz Ayoob  
Director

  
A. Razak Ahmed  
Chief Executive & Managing Director

Karachi: 29th October, 2011

## NOTES TO THE ACCOUNTS INTERIM FINANCIAL INFORMATION (UNAUDITED) FINANCIAL PERIOD ENDED SEPTEMBER 30, 2011

### 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 August 27, 2003.

These condensed financial statement 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 statements for the year ended December 31, 2010.

### 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, 2010.

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's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2010.

### 5 Taxation

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

### 6 Transactions with Related Parties

Details of major transactions with related parties for the period ended September 30, 2011 are as follows:

	Jan - Sep 2011	Jan - Sep 2010
Premium Underwritten	17,859,313	17,686,230
Premium Collected	23,241,657	13,517,913
Claims Paid	5,084,276	3,949,404
Dividend received	590,562	63099

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

**7. Share Capital**

Issued, subscribed and paid up capital.

<u>30th Sep</u> <u>2011</u>	<u>31st Dec.</u> <u>2010</u>		<u>30th Sep</u> <u>2011</u>	<u>31st Dec.</u> <u>2010</u>
<b>(Number of Shares)</b>				
1,156,680	1,156,680	Ordinary Shares of Rs.10 each Fully paid in cash	11,566,800	11,566,800
30,737,292	24,043,495	Ordinary Shares of Rs.10 each Issued as fully paid Bonus Shares	307,372,920	240,434,950
<u>31,893,972</u>	<u>25,200,175</u>		<u>318,939,720</u>	<u>252,001,750</u>

**8. Contingencies and Commitments**

There are no material contingencies existing at the Balance Sheet date.

**9. Investment.**

The investments comprise of the following:

	<u>30th Sep.</u> <u>2011</u>	<u>31st Dec.</u> <u>2010</u>
Government Securities	89,701,790	86,796,600
Term finance certificates (TFC)	8,644,184	9,450,419
Certificate of investment (COI)	<u>2,500,000</u>	<u>2,500,000</u>
	100,845,974	98,747,019
Available for sale	26,242,371	22,585,944
Held for trading	208,856,180	169,145,493
Provision for impairment	(5,873,679)	(5,873,679)
	<u>330,070,846</u>	<u>284,604,777</u>

9.1 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.31.00 million and GOP Ijara sukuk for the face value of Rs.17.50 million have been deposited with State Bank of Pakistan under clause (a) of Section 29(2) of Insurance ordinance 2000.

9.2 The market value of investment in Shares & Securities as on 30th September 2011, was Rs.439.557 million (as at 31st December 2010, Rs.348.834 million)

**10. Fixed Assets-Tangible and Intangible.**

The details of additions and disposals made in the fixed assets during the period ended September 30, 2011 are as follows:

	<b>Additions</b>	<b>Disposals</b>
Vehicles	10,531,641	2,743,700
Office Equipments	245,363	—
Computers	416,625	—



CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UNAUDITED)  
 FINANCIAL PERIOD ENDED SEPTEMBER 30, 2011

11. Earnings Per Share –Basic And Diluted	30th Sep. 2011	30th Sep. 2010
Profit after tax for the period	61,183,404	30,847,308
Weighted average number of ordinary shares	31,893,972	31,893,972
<b>Earning per shares-basic and diluted</b>	<b>11.1</b>	<b>1.92</b>
		<b>0.97</b>

11.1 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.

**12. 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 SECP (insurance) rules 2002.

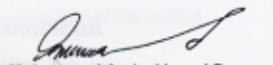
**13. General**

Figures have been rounded off to the nearest rupee.

**14. Date of Authorization for issue**

These financial statements have been authorized for issue on 29th October 2011, by the Board of Directors of the Company.

  
 Ismail H. Zakaria  
 Chairman

  
 Mohammad Amin Ahmed Bawany  
 Director

  
 A. Aziz Ayoob  
 Director

  
 A. Razak Ahmed  
 Chief Executive & Managing Director

Karachi: 29th October, 2011

**OFFICES****HEAD OFFICE**

**"Reliance Insurance House"**  
181-A, Sindh 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  
Extension : 204

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

Direct : 34539409  
Extension : 203

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

Direct : 34304067  
Extension : 210

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

Direct : 34557079  
Extension : 201

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

Direct : 34304068  
Extension : 212

**Mr. Sadruddin Hussain**  
Vice President (Claims)

Direct : 34550403  
Extension : 208

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

Extension : 205

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

Direct : 34539411  
Extension : 215

**Mr. Muhammad Salim 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

**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

**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 Chughtal**  
Senior Vice President

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

**Garden Town Branch**

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

**Mr. Basit Anwar Butt**  
Executive Vice President

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

**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. Amjad Rafique Dhillio**  
Branch Manager

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

**Gujrat Branch**

Marhaba Tower, (Top Floor)  
Opp. Ram Piary Mahal, Fawara Chowk,  
Gujrat

**Mr. Ch. Nazir Ahmed**  
Vice President

Ph : (053) 3522127

**Faisal Complex Branch**

3rd Floor, Faisal Complex,  
Bital 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



**Rawalpindi Branch**

3, 3rd Floor, United Plaza  
Shamsabad, Marriot Road, Rawalpindi

**Mr. Abdul Karim Siddiqui**  
Vice President

Ph : (051) 4854200  
Fax : (051) 4580008

**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**

Off 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

**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 Branch**

P-132, Post Road,  
Gojra.

**Mrs. Shahnaz Akhter**  
Branch Manager

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

Consolidated Income Statement Of Shareholders

Consolidated Income Statement Of Cash Flow

Consolidated Income Statement Of Premiums

Consolidated Income Statement Of Claims

Consolidated Income Statement Of Expenses

Consolidated Income Statement Of Investment Income

Note To Consolidated Income Statement