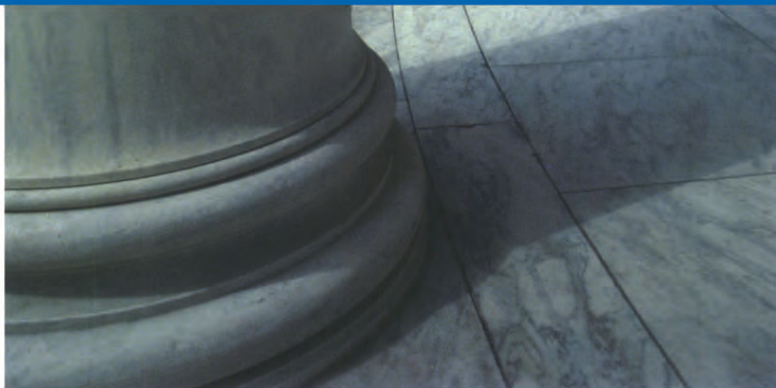


Half Yearly Report



Serving
Reliably



Reliance Insurance Company Limited
Half Yearly Report June 30, 2013
(Un-Audited)

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

Mr. 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

Mr. Mahmood Shuja Baig
 Internal Auditor

Extension : 209

South Zone Offices & Branches

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

Mr. Muhammad Iqbal Dhedhi
 Executive Vice President

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

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

Mr. Zafar A. Pasha
 Executive Vice President

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

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

Mr. Iqbal Umer Bawany
 Vice President

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

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

Mr. Muhammad Reza Rajani
 Assistant Vice President

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

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

Mr. Rizwan Ahmed Khan
 Branch Manager

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

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

Mr. Abdullah Ahmed
 Regional Manager

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

Sukkur Branch
 Minara Road, Sukkur.

Mr. Anees Memon
 Resident Representative

Ph : (071) 5622619
 Cell : 0300-3138090

**North Zone Offices & 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) 37239063, 37353292
: 37234255, 37351353
Direct: (042) 37354689

Fax: (042) 37312526

Regional Office, Lahore

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

Mr. Fahd M. Barlas
Vice President

Ph: (042) 35761077, 35761078
: 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
: 35751971, 35756557
Fax: (042) 35756217

Al-Rehman Branch

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

Mr. Nisar Ahmed Chughtai
Senior Vice President

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

Eden Centre Branch

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

Mr. Ch. H.S. Asghar
Vice President

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

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

Empress Tower Branch

Room -18, 1st Floor, Empress Tower 46
Empress Road, Lahore.

Mr. Syed Azhar Ali Shah
Senior Vice President

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

Khan Plaza Branch

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

Mr. Sohailuddin Zafar
Assistant Vice President

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

Model Town Branch

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

Mr. Amjad Rafique Dhillio
Branch Manager

Ph: (055) 3254415, 3840750
Fax: (055) 3253086

Gujrat Branch

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

Mr. Muhammad Nawaz

Ph: (053) 3522127

Faisal Complex Branch

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

Mr. A. Majeed Abid
Senior Vice President

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

Taj Plaza Branch

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

Mr. Muhammad Akhlaq
Vice President

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

Rawalpindi Branch

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

Mr. Abdul Karim Siddiqi
Vice President

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

Peshawar Branch

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

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

Regional Office Multan

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

Mr. Syed Mohsin Bukhari
Assistant Manager

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



OFFICES

Khanpur Branch Old 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 Senior 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 Office Road, Gojra.	Mrs. Shahnaz Akhtar Branch Manager	Ph : (046) 3511917 Fax : (046) 3513111
Rahimyar Khan Gulshan-e-Iqbal	Mr. Shamsul Haq Chaudhry Resident Representative	Ph : (068) 5887770 Cell : 0300-8717172

CONTENTS

Page No.

Company Information	02
Director's Report	03
Review Report	04
Condensed Interim Balance Sheet	05
Condensed Interim Profit & Loss Account	07
Condensed Interim Statement of Comprehensive Income	08
Condensed Interim Statement of Changes In Equity.....	09
Condensed Interim Statement of Cash Flow	10
Condensed Interim Statement of Premiums	11
Condensed Interim Statement of Claims	12
Condensed Interim Statement of Expenses	13
Condensed Interim Statement of Investment Income.....	14
Notes To Condensed Interim Financial Statement	15

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 YASIN SIDDIK ABDUL JABBAR	
CHIEF EXECUTIVE & MANAGING DIRECTOR	A. RAZAK AHMED	
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 BAWANY ZOHAIR ZAKARIA AHMED ALI BAWANY A. RAZAK AHMED	Chairman Member Member Member
AUDITORS	BDO Ebrahim & 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 Half Yearly (Un-audited) Accounts for the period ended June 30, 2013.

During the period under review, your Company underwrote a Gross Premium of Rs.324.924 million as compared to Rs.269.119 million of the corresponding period of last year – an increase of 20.74%. The Net Premium Income stood at Rs.129.021 million as against Rs.107.61 million of last year – showing an increase of 19.90%.

Net claims incurred, however, increased from Rs.38.845 million to Rs.48.338 million compared to corresponding period of last year, showing an increase of 24.44%.

Investment income for the six months period was Rs.39.472 million compared to Rs.57.407 million of the corresponding period of last year.

Profit before tax for the period ended June 30, 2013 was Rs.30.680 million against Rs.47.036 million of corresponding period of last year. Earnings per share stood at Rs.0.76 compared to Rs.1.21 for the corresponding period of last year.

The economic indicators of the country are not very promising. Unsatisfactory law and order situation, power shortages and load shading for longer durations has severely affected the commercial and industrial activities. In spite of the adverse scenario 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 new Government would enforce policies to boost economic activities to meet challenges ahead and concentrate on improving Law and Order situation in the Country.

By order of the Board



(A.RAZAK AHMED)
Chief Executive & Managing Director

Karachi: 29th August, 2013.

REVIEW REPORT

REVIEW REPORT TO THE MEMBERS

Introduction

We have reviewed the accompanying:

- 1 condensed interim balance sheet;
- 1 condensed interim profit and loss account;
- 1 condensed interim statement of comprehensive income;
- 1 condensed interim statement of changes in equity;
- 1 condensed interim statement of cash flows;
- 1 condensed interim statement of premiums;
- 1 condensed interim statement of claims;
- 1 condensed interim statement of expenses; and
- 1 condensed interim statement of investment income

together with the explanatory notes of **RELIANCE INSURANCE COMPANY LIMITED** ("the Company") as at and for the six months period ended June 30, 2013 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review of Interim financial information performed by the Independent Auditor of the Entity". A review of interim financial information 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 the International Standard 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 information as at and for the six months period ended June 30, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarters ended June 30, 2013 and June 30, 2012 in the accompanying interim financial information have not been reviewed and we do not express a conclusion on them.

CONDENSED INTERIM BALANCE SHEET (UN AUDITED)
AS AT JUNE 30, 2013

	Notes	(Un Audited) As At June 30, 2013	(Audited) As At Dec.31, 2012
		Rupees	Rupees
SHARE CAPITAL AND RESERVES			
Authorised share capital (50,000,000 Ordinary Shares of Rs.10/- each)		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up share capital	9	366,780,680	318,939,720
Retained earnings		79,712,049	169,773,078
General Reserves		160,000,000	90,000,000
		606,492,729	578,712,798
UNDERWRITING PROVISIONS			
Provision for outstanding claims (including IBNR)		376,426,193	628,606,536
Provision for unearned premium		289,992,732	288,385,550
Commission income unearned		29,832,474	30,905,965
Total Underwriting Provisions		696,251,399	947,898,051
CREDITORS AND ACCRUALS			
Amounts due to other insurers/reinsurers		68,985,341	53,489,751
Accrued expenses		715,361	1,452,148
Taxation - provision less payments		443,841	556,401
Other creditors and Accruals		40,152,188	50,342,685
		110,296,731	105,840,985
OTHER LIABILITIES			
Unclaimed dividend		572,523	572,523
TOTAL EQUITY AND LIABILITIES		<u>1,413,613,382</u>	<u>1,633,024,357</u>

CONTINGENCIES AND COMMITMENTS 10

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


 Chairman


 Director

Karachi: 29th August, 2013

CONDENSED INTERIM BALANCE SHEET (UN AUDITED)

AS AT JUNE 30, 2013

	Notes	(Un Audited) As At June 30, 2013	FORM GA (Audited) As At Dec.31, 2012
		Rupees	Rupees
CASH AND BANK DEPOSITS			
Cash and other equivalent		617,338	203,898
Current and other accounts		43,811,589	43,214,130
Deposit maturing within 12 months		25,357,031	25,342,411
		69,785,958	68,760,439
Loans (secured)			
To employees		1,616,159	1,565,607
INVESTMENTS			
	11	449,313,920	436,862,458
CURRENT ASSETS-OTHERS			
Premiums due but unpaid		207,664,550	209,872,122
Amounts due from other insurers/reinsurers		41,361,157	22,171,296
Accrued investment income		5,587,684	6,324,203
Reinsurance recoveries against outstanding claims		334,758,074	586,678,431
Deferred commission expense		46,582,629	46,561,733
Prepaid reinsurance premium ceded		190,159,131	189,196,255
Trade deposits and prepayments		618,069	780,319
Sundry receivables		1,259,873	450,839
		827,991,167	1,062,035,198
FIXED ASSETS			
Tangible			
Land and buildings		12,009,348	12,641,419
Furniture, fixtures and office equipment		7,680,985	8,109,490
Motor vehicles		44,636,206	41,890,471
		64,326,539	62,641,380
Intangible			
Computer software		579,639	1,159,275
		1,413,613,382	1,633,024,357
TOTAL ASSETS			



Director



Chief Executive & Managing Director

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2013**

FORM GB

(Amount in Rs.)

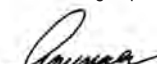
	QUARTER ENDED JUNE 30				2013 Aggregate	2012 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.		
Revenue Account						
Net Premium Revenue	16,136,066	14,471,489	26,251,260	7,068,941	63,927,756	54,995,146
Net Claims	(4,195,331)	(6,118,202)	(14,785,397)	(86,965)	(25,185,895)	(20,593,738)
Expenses	(6,738,675)	(6,017,990)	(10,931,044)	(2,925,815)	(26,613,524)	(23,595,277)
Net Commission	(3,226,547)	(1,407,994)	(3,913,812)	(454,213)	(9,002,566)	(7,696,936)
Underwriting result	1,975,513	927,303	(3,378,993)	3,601,948	3,125,771	3,109,195
Investment Income / (loss on investments)					25,851,382	(10,236,188)
Other Income					348,728	540,372
Financial Charges					-	(76,309)
General and administration expenses					(9,089,037)	(9,510,216)
Profit / (loss) before tax					20,236,844	(16,173,146)
Provision for Taxation -Current					(950,000)	(800,000)
Profit / (loss) after tax					19,286,844	(16,973,146)

	SIX MONTHS ENDED JUNE 30				2013 Aggregate	2012 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.		
Revenue Account						
Net Premium Revenue	35,222,088	28,379,934	53,293,209	12,126,730	129,021,961	107,610,801
Net Claims	(7,065,553)	(11,314,964)	(28,647,405)	(1,310,767)	(48,338,689)	(38,845,056)
Expenses	(14,377,801)	(11,584,806)	(21,754,507)	(4,950,181)	(52,667,295)	(46,074,581)
Net Commission	(7,629,657)	(3,018,790)	(7,893,537)	(805,746)	(19,347,730)	(15,511,874)
Underwriting result	6,149,077	2,461,374	(5,002,240)	5,060,036	8,668,247	7,179,290
Investment Income					39,471,967	57,407,599
Other Income					978,421	540,372
Financial Charges					-	(410,470)
General and administration expenses					(18,438,704)	(17,680,739)
Profit before tax					30,679,931	47,036,052
Provision for Taxation -Current					(2,900,000)	(2,700,000)
Profit after tax					27,779,931	44,336,052

Profit and Loss Appropriation Account		
Balance at Commencement of the Period	169,773,078	106,488,467
Profit after tax for the period	27,779,931	44,336,052
Cash Dividend for the year 2012 Nil: (2011: 7.5%)	-	(23,920,479)
Transfers to reserves (General Reserve)	(70,000,000)	-
Bonus Shares issued for the year 2012: 15% (2011: Nil)	(47,840,960)	-
Balance accumulated at the end of the period	79,712,049	126,904,040
Earnings per share-basic and diluted	0.76	1.21

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


 Chairman


 Director


 Director


 Chief Executive & Managing Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2013

	(Amount in Rs.)			
	Quarter ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Profit/(loss) after tax	19,286,844	(16,973,146)	27,779,931	44,336,052
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>19,286,844</u>	<u>(16,973,146)</u>	<u>27,779,931</u>	<u>44,336,052</u>

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


 Chairman


 Director


 Director


 Chief Executive & Managing Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2013

(Amount in Rs.)

	Share Capital	General Reserve	Unappropriated Profit	Total
Balance as at January 01, 2012	318,939,720	90,000,000	106,488,467	515,428,187
Total comprehensive income for the period			44,336,052	44,336,052
Cash Dividend	-	-	(23,920,479)	(23,920,479)
Balance as at June 30, 2012	<u>318,939,720</u>	<u>90,000,000</u>	<u>126,904,040</u>	<u>535,843,760</u>
Balance as at January 01, 2013	318,939,720	90,000,000	169,773,078	578,712,798
Total comprehensive income for the period	-	-	27,779,931	27,779,931
Issuance of bonus shares	47,840,960	-	(47,840,960)	-
Transferred to general reserve	-	70,000,000	(70,000,000)	-
Balance as at June 30, 2013	<u>366,780,680</u>	<u>160,000,000</u>	<u>79,712,049</u>	<u>606,492,729</u>

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



Chairman



Director



Director



Chief Executive & Managing Director


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2013

FORM GC

	June 30, 2013 Rupees	June 30, 2012 Rupees
Operating Cash Flow		
a) Underwriting activities		
Premium received	326,996,122	255,839,052
Reinsurance premium paid	(198,952,699)	(149,251,862)
Claims paid	(352,781,770)	(126,417,680)
Reinsurance and other recoveries received	304,183,095	75,888,278
Commission paid	(46,202,447)	(32,858,245)
Commission received	25,896,475	27,494,138
Net cash generated from underwriting activities	<u>59,138,776</u>	<u>50,693,681</u>
b) Other operating activities		
Income tax paid	(3,012,560)	(3,601,472)
General management expenses paid	(52,667,295)	(46,074,581)
Other operating payments	(13,238,399)	(11,626,081)
Loans advanced / repayment received	(50,552)	(536,203)
Other payments on operating assets	(10,927,284)	(23,339,830)
Other receipts in respect of operating assets	(646,784)	(930,524)
Net cash used in other operating activities	<u>(80,542,874)</u>	<u>(86,108,691)</u>
Net cash flow from all operating activities	<u>(21,404,098)</u>	<u>(35,415,010)</u>
Investment activities		
Interest / Dividend received	26,949,502	23,451,627
Payments for Investments	(45,055,591)	(36,741,432)
Proceeds from disposal of investments	45,863,111	66,845,807
Fixed Capital Expenditures	(7,382,405)	(7,548,939)
Proceeds from disposal of fixed assets	2,055,000	1,716,600
Net cash flow from Investing activities	<u>22,429,617</u>	<u>47,723,663</u>
Financing activities		
Dividend paid	-	(23,920,479)
Financial Charges	-	(410,470)
Net cash flows used in financing activities	<u>-</u>	<u>(24,330,949)</u>
Net increase/(decrease) in cash and cash equivalent	1,025,519	(12,022,296)
Cash & cash equivalent at the beginning of the period	<u>68,760,439</u>	<u>79,824,276</u>
Cash & cash equivalent at the end of the period	<u>69,785,958</u>	<u>67,801,980</u>
Reconciliation to profit and loss Account		
Operating cash flow	(21,404,098)	(35,415,010)
Depreciation / amortization expense	(5,200,305)	(5,149,840)
Financial Charges	-	(410,470)
Profit on disposal of fixed assets	978,421	540,372
Increase/decrease in assets other than cash	(233,256,960)	697,264,558
(Increase)/(decrease) in liabilities other than running finance	247,190,906	(669,901,157)
Investment Income	39,471,967	57,407,599
Profit after taxation	<u>27,779,931</u>	<u>44,336,052</u>
Definition of Cash		
Cash in hand and at Banks, Stamps in hand and short term placements with banks Cash for the purposes of the Statement of Cash Flows Consists of:		
Cash and Equivalents	617,338	1,179,411
Current and other accounts	43,811,589	41,579,466
Deposits Maturing Within 12 Months	25,357,031	25,043,103
	<u>69,785,958</u>	<u>67,801,980</u>

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


 Chairman


 Director


 Director


 Chief Executive & Managing Director

Karachi: 29th August, 2013

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN AUDITED)
FOR THE HALF YAER ENDED JUNE 30, 2013

Business underwritten inside Pakistan

(Amount in Rs.)

C l a s s	Quarter ended June 30									
	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2013 Net Premium revenue	2012 Net Premium revenue	
	Opening	Closing			Ceded Opening	Closing				
Direct and facultative										
Fire and Property Damage	37,427,316	125,627,440	124,012,967	39,041,789	21,881,511	87,583,916	86,559,704	22,905,723	16,136,066	9,633,971
Marine, Aviation and Transport	90,037,644	95,782,875	102,427,984	83,392,535	74,412,517	88,602,356	94,093,827	68,921,046	14,471,489	12,813,542
Motor	27,741,765	46,432,184	46,563,028	27,610,921	1,371,528	952,555	964,422	1,359,661	26,251,260	26,808,971
Miscellaneous	9,768,582	17,087,997	16,988,753	9,867,826	2,807,901	8,532,162	8,541,178	2,798,885	7,068,941	5,738,662
Grand Total	<u>164,975,307</u>	<u>284,930,496</u>	<u>289,992,732</u>	<u>159,913,071</u>	<u>100,473,457</u>	<u>185,670,989</u>	<u>190,159,131</u>	<u>95,985,315</u>	<u>63,927,756</u>	<u>54,995,146</u>

C l a s s	Six Months ended June 30									
	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2013 Net Premium revenue	2012 Net Premium revenue	
	Opening	Closing			Ceded Opening	Closing				
Direct and facultative										
Fire and Property Damage	90,127,785	124,771,437	124,012,967	90,886,255	55,189,537	87,094,334	86,559,704	55,664,167	35,222,088	24,454,261
Marine, Aviation and Transport	161,126,811	100,789,455	102,427,984	159,488,282	132,472,818	92,729,357	94,093,827	131,108,348	28,379,934	24,677,833
Motor	55,684,687	45,992,321	46,563,028	55,113,980	1,840,278	944,915	964,422	1,820,771	53,293,209	51,010,345
Miscellaneous	17,985,412	16,832,337	16,988,753	17,828,996	5,755,795	8,487,649	8,541,178	5,702,266	12,126,730	7,468,362
Grand Total	<u>324,924,695</u>	<u>288,385,550</u>	<u>289,992,732</u>	<u>323,317,513</u>	<u>195,258,428</u>	<u>189,196,255</u>	<u>190,159,131</u>	<u>194,295,552</u>	<u>129,021,961</u>	<u>107,610,801</u>

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

Chairman

Director

Chief Executive & Managing Director

CONDENSED INTERIM STATEMENT OF CLAIMS (UN AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2013

Business underwritten inside Pakistan

(Amount in Rs.)

C l a s s	QUARTER ENDED JUNE 30																
	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		2013 Net claims expenses		2012 Net claims expenses		
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	
Direct and facultative																	
Fire and Property Damage	13,990,697	98,306,149	98,046,906	13,731,454	9,189,669	83,349,580	83,696,034	9,536,123									1,116,221
Marine, Aviation and Transport	182,659,211	426,050,603	261,016,003	17,624,611	177,390,957	413,709,388	247,824,840	11,506,409									3,713,107
Motor	15,791,943	15,340,129	14,524,647	14,976,461	264,564	970,826	897,326	191,064									15,469,659
Miscellaneous	176,367	2,431,114	2,838,637	583,890	114,855	1,957,804	2,339,874	496,925									294,751
Grand Total	<u>212,618,218</u>	<u>542,127,995</u>	<u>376,426,193</u>	<u>46,916,416</u>	<u>186,960,045</u>	<u>499,987,598</u>	<u>334,758,074</u>	<u>21,730,521</u>									<u>20,593,738</u>

C l a s s	SIX MONTHS ENDED JUNE 30																	
	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		2013 Net claims expenses		2012 Net claims expenses			
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing		
Direct and facultative																		
Fire and Property Damage	22,798,860	88,920,574	98,046,906	31,925,192	16,283,990	75,120,385	83,696,034	24,859,639									3,097,327	
Marine, Aviation and Transport	296,911,122	521,779,673	261,016,003	36,147,452	285,827,302	508,819,654	247,824,840	24,832,488									6,146,701	
Motor	29,776,783	14,509,401	14,524,647	29,792,029	1,102,124	854,826	897,326	1,144,624									28,879,522	
Miscellaneous	3,295,005	3,396,888	2,838,637	2,736,754	969,679	1,883,566	2,339,874	1,425,987									721,506	
Grand Total	<u>352,781,770</u>	<u>628,606,536</u>	<u>376,426,193</u>	<u>100,601,427</u>	<u>304,183,095</u>	<u>586,678,431</u>	<u>334,758,074</u>	<u>52,262,738</u>										<u>38,845,056</u>

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

 Chairman

 Director

 Chief Executive & Managing Director

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2013

Business underwritten inside Pakistan

(Amount in Rs.)

Class	QUARTER ENDED JUNE 30							2012 Net Underwriting expenses
	Commissions Paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net Commission expenses d=a+b-c	Other management expense e	underwriting expense f=d+e	Commission from reinsurers g	
Direct and facultative Fire and Property Damage	9,693,740	33,863,504	33,370,648	10,186,596	6,738,675	16,925,271	6,960,049	9,965,222
Marine, Aviation and Transport	6,566,251	2,757,785	3,169,552	6,154,484	6,017,990	12,172,474	4,746,490	7,425,984
Motor	4,030,186	6,964,828	6,984,454	4,010,560	10,931,044	14,941,604	96,748	14,844,856
Miscellaneous	1,303,562	3,075,839	3,057,975	1,321,426	2,925,815	4,247,241	867,213	3,380,028
Grand Total	21,593,739	46,661,956	46,582,629	21,673,066	26,613,524	48,286,590	12,670,500	35,616,090

Class	SIX MONTHS ENDED JUNE 30							2012 Net Underwriting expenses
	Commissions Paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net Commission expenses d=a+b-c	Other management expense e	underwriting expense f=d+e	Commission from reinsurers g	
Direct and facultative Fire and Property Damage	23,414,196	33,466,195	33,370,648	23,509,743	14,377,801	37,887,544	15,880,086	22,007,458
Marine, Aviation and Transport	12,222,474	3,166,869	3,169,552	12,219,791	11,584,806	23,804,597	9,201,001	14,603,596
Motor	8,075,891	6,898,848	6,984,454	7,990,285	21,754,507	29,744,792	96,748	29,648,044
Miscellaneous	2,626,031	3,029,821	3,057,975	2,597,877	4,950,181	7,548,058	1,792,131	5,755,927
Grand Total	46,338,592	46,561,733	46,582,629	46,317,696	52,667,295	98,984,991	26,969,966	72,015,025

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

Chairman

Director

Chief Executive & Managing Director

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2013

FORM GG

(Amount in Rs.)

	Quarter ended June 30, 2013	2012	Six months ended June 30, 2013	2012
Income from Non-Trading Investments				
Held to maturity				
Return on Government Securities	892,050	2,440,088	3,980,731	4,737,621
Return on other fixed income, securities and deposits	1,233,763	1,368,265	1,596,502	1,644,810
	2,125,813	3,808,353	5,577,233	6,382,431
Available for sale				
Dividend Income			143,536	39,675
Gain / (loss) on sale of Available for sale investment	-			686,127
Impairment reversal	648,034	1,060,512	943,114	1,060,512
	648,034	1,060,512	1,086,650	1,786,314
Income from Trading Investments				
Held for Trading				
Dividend Income	5,460,365	4,273,135	20,585,690	16,797,005
Gain / (loss) on sale of Investments	2,896,085	(579,535)	3,105,484	10,443,750
Unrealized gain / (loss) on held for trading Investments	14,802,207	(18,732,063)	9,210,384	22,159,827
	23,158,657	(15,038,463)	32,901,558	49,400,582
Less: Investment related expenses	(81,122)	(66,590)	(93,474)	(161,728)
Net Investment Income transferred to P&L A/c.	25,851,382	(10,236,188)	39,471,967	57,407,599

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



Chairman



Director



Director



Chief Executive & Managing Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2013

1. STATUS AND NATURE OF BUSINESS

The Reliance Insurance Company Limited (the Company) was incorporated in Pakistan as a Public Limited Company on November 4th 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

- 2.1 These condensed interim financial statements are presented in condensed form in accordance with the requirement of International Accounting Standard 34 "Interim Financial Reporting"

The disclosures made in these condensed interim financial statements have been limited based on the formats prescribed by the insurance rules, 2002 and approved accounting standards as applicable in Pakistan for interim financial reporting.

These condensed financial statements do not include all the information required for full financial statements and should be read in conjunction with the financial statements of the company for the year ended December 31, 2012.

- 2.2 These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the company.

3. BASIS OF MEASUREMENT

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial statements are in line with the audited annual accounts for the year ended December 31, 2012.

5. 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 31 December 2012.

6. TAXATION

The provision for taxation for the half year and quarter ended June 30, 2013 has been made using the estimated effective tax rate applicable to expected total annual earnings.

7. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, entitles under common control, entites 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". Transactions with related parties are as follows:

	June 30 2013	June 30 2012
	Rupees	Rupees
Premium Underwritten	8,914,890	9,577,032
Premium Collected	30,458,011	26,960,564
Claims Paid	14,957,869	14,809,328
Dividend received	15,870	39,675
Dividend Paid	-	3,729,498
Premium due but unpaid	30,809,205	26,610,526
Provision for outstanding claims	17,465,325	25,906,432
Key management personnel	7,854,096	7,456,125
Staff retirement benefits	953,305	849,302

8. OPERATING FIXED ASSETS AND DEPRECIATION

These are stated at cost less accumulated depreciation. Depreciation is charged to profit and loss account using the reducing balance method.

Depreciation on assets is charged from the month of addition while no depreciation is charged for the month in which, assets are disposed off.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

9. SHARE CAPITAL

Issued, subscribed and paid up capital

June 30, 2013	December 31, 2012		June 30, 2013	December 31, 2012
(Number of Shares)			Rupees	Rupees
1,156,680	1,156,680	Ordinary share of Rs.10 each issued as fully paid in cash	11,566,800	11,566,800
35,521,388	30,737,292	Ordinary share of Rs.10 each issued as fully paid bonus shares	355,213,880	307,372,920
<u>36,678,068</u>	<u>31,893,972</u>		<u>366,780,680</u>	<u>318,939,720</u>

10. CONTINGENCIES AND COMMITMENTS

10.1 There are no contingencies and commitments as at the Balance Sheet date.

11. INVESTMENT

The investments comprise of the following:

Held to maturity	11.1	99,053,213	100,863,929
Available for sale		57,493,596	17,493,596
Provision for impairment		(2,667,116)	(3,610,230)
	11.2	54,826,480	13,883,366
Held for trading		295,434,227	322,115,163
		<u>449,313,920</u>	<u>436,862,458</u>

11.1 Pakistan Investment Bonds (PIB) amounting to Rs.21.00 million (December 31, 2012: 21.00 million) and GOP Ijara sukuk for the face value of Rs 17.5 Million are placed as statutory deposits with State Bank of Pakistan in accordance with the requirement of Section 29(2)(a) of Insurance Ordinance 2000.

11.2 The market value of investments as at June 30, 2013 was Rs. 57.432 million (December 31, 2012 Rs.15.464 million.)

12. EARNINGS PER SHARE –BASIC AND DILUTED

	Six months ended June 30		Quarter ended June 30	
	2013	2012	2013	2012
Profit / (loss) after tax	<u>27,779,931</u>	<u>44,336,052</u>	<u>19,286,844</u>	<u>(16,973,146)</u>
		Restated		Restated
Weighted average number of shares during the period	<u>36,678,068</u>	<u>36,678,068</u>	<u>36,678,068</u>	<u>36,678,068</u>
Earnings per shares - Rupees	<u>0.76</u>	<u>1.21</u>	<u>0.53</u>	<u>(0.46)</u>

12.1 No figures 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.

13 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on August 29, 2013 by the Board of Directors of the Company.

14 GENERAL
9. SHARE CAPITAL (been rounded off to the nearest rupee.

Issued, subscribed and paid up capital

June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
(Number of Shares)			
<u>1,156,680</u>	<u>1,156,680</u>	<u>11,566,800</u>	<u>11,566,800</u>
<u>35,521,388</u>	<u>30,737,292</u>	<u>355,213,880</u>	<u>307,372,920</u>
<u>36,678,068</u>	<u>31,893,972</u>	<u>366,780,680</u>	<u>318,939,720</u>

10. CONTINGENCIES AND COMMITMENTS

10.1 There are no contingencies and commitments as at the Balance Sheet date.

11. INVESTMENT

The investments comprise of the following:

Held to maturity	11.1	<u>99,053,213</u>	<u>100,863,929</u>
Available for sale		<u>57,493,596</u>	<u>17,493,596</u>
Provision for impairment		<u>(2,667,116)</u>	<u>(3,610,230)</u>
	11.2	<u>54,826,480</u>	<u>13,883,366</u>
Held for trading		<u>295,434,227</u>	<u>322,115,163</u>
		<u>449,313,920</u>	<u>436,862,458</u>

11.1 Pakistan Investment Bonds (PIB) amounting to Rs.21.00 million (December 31, 2012: 21.00 million) and GOP Ijara sukuk for the face value of Rs 17.5 Million are placed as statutory deposits with State Bank of Pakistan in accordance with the requirement of Section 29(2)(a) of Insurance Ordinance 2000.

11.2 The market value of investments as at June 30, 2013 was Rs. 57.432 million (December 31, 2012: Rs.15.464 million.)

Chairman

Director

Director

Chief Executive & Managing Director

Karachi: 29th August, 2013



BOOK POST

U.P.C./BY COURIER SERVICE

If undelivered please return to:



Reliance Insurance Company Limited

SHARES DEPARTMENT
181-A, SINDHI MUSLIM CO-OPERATIVE HOUSING SOCIETY, KARACHI-74400
PHONES: 4539415-417