



Providing Complete
Solutions

**HALF YEARLY ACCOUNTS
JUNE 30, 2008
(UNAUDITED)**

Reliance Insurance Company Limited



OFFICES

HEAD OFFICE:

"Reliance Insurance House"
181-A, Sindhi Muslim Co-operative
Housing Society,
Karachi.

PABX : 4539415-17
Fax : 4539412
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 : 4539413, 4539414
Extension : 204

Mr. Haroon A. Shakoor
Chief Accountant &
Company Secretary

Direct : 4539409
Extension : 203

Mr. Aminul Haque
Senior Vice President (Reinsurance)

Direct : 4539411
Extension : 213

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

Direct : 4557079
Extension : 201

Mr. Muhammad Ishaque Azeem
Vice President (Fire)

Direct : 4557079
Extension : 212

Mr. Sadruddin Hussain
Vice President (Claims)

Direct : 4550403
Extension : 208

Mr. Iqbal Nawaz Khan
Assistant Vice President (Engineering & Bonding)

Direct : 4550403
Extension : 209

Mr. Riaz Ali
Assistant Vice President (Fire)

Direct : 4557079
Extension : 212

Mr. Ghulam Mujaddid
Deputy Chief Manager (Accounts)

Extension : 205

Mr. Muhammad Masood Alam
Manager (Administration)

Direct : 4539411
Extension : 206

Mr. Muhammad Saquib Sami
Deputy Manager (Computer)

Extension : 202

Mr. Ramesh Kumar
Assistant Manager (Internal Audit)

Extension : 220

South Zone Offices & Branches

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

Ph : 2727076, 2729961
Fax : 2722601

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

Mr. Muhammad Iqbal Dhedhi
Executive Vice President

Ph : 2419581, 2419582
Fax : 2421314, 2421317

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

Mr. Iqbal Umer Bawany
Vice President

Ph : 2625716, 2624427
Fax : 2624783

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 : 4527806, 4532427
4525376, 4322642
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Land Mark Plaza Branch
405, 4th Floor, Land Mark Plaza,
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Karachi.

Mr. Muhammad Raza
Chief Manager

Ph : 2628777, 2628778
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Hyderabad Branch
1st Floor, Al-Falah Chamber,
Tilak Road, Hyderabad,

Mr. Abdullah Ahmed
Regional Manager

Ph : 2615774
Fax : 2623029

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 : 7239063, 7353292
7234255, 7351353
Direct : 7354689
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North Zone Offices & Branches (continued)

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

Mr. Basharat M. Barlas
Senior Executive Vice President

Ph : 5761077, 5761078
5763446, 5763447
Fax : 5761235

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

Mr. Tehseen Ahmed Khan
Executive Vice President

Ph : 5752245, 5752989
5751971, 5756557
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Eden Centre Branch
321, Eden Centre,
43 Ghausal Azam Road, (Jail Road)
Lahore.

Mr. Khawaja Ahmed Faraz
Chief Manager

Ph : 7599277, 7599377
7589669
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Al-Rehman Branch
2nd Floor, Al-Rehman Building,
Regal Cinema Lane, 65, The Mall,
Lahore.

Mr. Nisar Ahmed Chughtai
Senior Vice President

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

Mr. Basit Anwar Butt
Executive Vice President

Ph : 5889258, 5889259
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Khan Plaza Branch
4th Floor, Khan Plaza,
G. T. Road, Gujranwala.

Mr. Sohailuddin Zafar
Assistant Vice President

Ph : 4215422, 4216422
Fax : 4448139

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

Mr. Ch. H.S. Asghar
Vice President

Ph : 3254415, 3259421
Fax : 3253086

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

Mr. Ch. M. Nazir Ahmed
Vice President

Ph : 3522127

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

Mr. A. Majeed Abid
Vice President

Ph : 2611938, 2611939
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Fax : 2621033

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

Mr. Muhammad Akhlaq
Vice President

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Circular Road Branch
P-156, 6th Floor, Ashraf Butt Centre,
Circular Road, Faisalabad.

Mr. Mushtaq Ahmed
Vice President

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2412067
Fax : 2412068

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

Mr. Abdul Karim Siddiqi
Vice President

Ph : 5700223
Fax : 5514384

Islamabad Branch
Flat No.8, 2nd Floor,
Malik Complex, 80-E, Jinnah Avenue,
Blue Area, Islamabad.

Mr. H. S. Akber
Vice President

Ph : 2277681
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Peshawar Branch
T-3 & 4, Bilour Shopping Plaza,
3rd Floor, Saddar Road, Peshawar Cantt.

Mr. Abdul Salam Niazi
Vice President

Ph : 5274617, 5277328
5250830
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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 : 4517349
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Khanpur Branch
Old Ghalla Mandi, Khanpur,
Distt. Rahimyar Khan.

Mr. Abdul Razzak Choudhry
Vice President

Ph : 5572772
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Hasilpur Branch
27-B, 1st Floor, Main Bazar,
Hasilpur.

Mr. Muhammad Shafi Anjum
Vice President

Ph : 2442473
Fax : 2448073

Sahiwal Branch
147, Railway Road,
Sahiwal.

Mr. Muhammad Saeed
Branch Manager

Ph : 4467477

Sialkot Branch
Room No.11, 1st Floor,
Choudhry Plaza, Mujahid Road,
Sialkot.

Mr. Safwan Zainul Abideen Janjua
Branch Manager

Ph : 4602020, 4603030
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Gojra Branch
P-132, Post Office Road,
Gojra.

Mrs. Shahnaz Akhter
Branch Manager

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Fax : 3513111



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COMPANY INFORMATION

BOARD OF DIRECTORS

ISMAIL H. ZAKARIA
MOHAMMED AMIN AHMED BAWANY
A. AZIZ AYOOB
IRFAN ZAKARIA BAWANY
MOHAMMAD OMER BAWANY
ZOHAIK ZAKARIA
AHMED ALI BAWANY
NOOR M. ZAKARIA
ASHFAQ PATEL
YASIN SIDDIK
A. RAZAK AHMED

Chairman

Chief Executive &
Managing Director

MANAGEMENT

Senior Executive
Vice President

BASHARAT M. BARLAS

Chief Accountant and
Company Secretary

HAROON A. SHAKOOR

Audit Committee

A. AZIZ AYOOB
IRFAN ZAKARIA BAWANY
ZOHAIK ZAKARIA

Chairman
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 OF PAKISTAN LIMITED
UNITED BANK LIMITED
THE ROYAL BANK OF SCOTLAND LIMITED
BANK ALFALAH LIMITED
HABIB METROPOLITAN BANK LIMITED
BANK OF PUNJAB
FAYSAL BANK LIMITED

ADDRESS 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: 4539415-17
Fax: 92-21-4539412
E-mail: reli-ins@cyber.net.pk
ric-re@cyber.net.pk
Website: relianceins.com



DIRECTOR'S REPORT

The Shareholders,
Reliance Insurance Company Limited,

Your Directors are pleased to present before you the half yearly (Un-audited) Accounts duly reviewed by the auditors for the period ended June 30th 2008.

During the period under review, your Company underwrote a Gross Premium of Rs. 316.104 million as compared to Rs. 282.307million of the corresponding period of last year - an increase of 11.97%. The Net Premium Income also improved from Rs. 183.768 million to Rs. 222.404 million – showing an increase of 21.02 % over the previous year.

Net claims incurred, however, stood at Rs. 103.021 million – an increase of 40.33 % over the corresponding period of last year.

Investment Income stood at Rs.12.156 million as against 12.241 million of the previous year showing a marginal decrease of Rs.0.085.

Profit before tax for the half-year ended 30th June 2008 was Rs.35.019 million against Rs. 40.187 million of corresponding period of last year showing a decrease of Rs.5.168 million – 12.86 %.

Your Management looks forward to the future with confidence and envisages sustained performance during the remaining period of the year provided the economic scenario / law and order situation improve.

By order of the Board

(A.RAZAK AHMED)

Chief Executive & Managing Director

Karachi: 28th August 2008



REVIEW REPORT

Independent Auditors' Report on review of Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying;

- i. condensed interim balance sheet;
- ii. condensed interim profit and loss account;
- iii. condensed interim statement of changes in equity;
- iv. condensed interim statement of cash flows;
- v. condensed interim statement of premium;
- vi. condensed interim statement of claims;
- vii. condensed interim statement of expenses; and,
- viii. condensed interim statement of investment income

of Reliance Insurance Company Limited ("the Company") as at and for the six months period ended 30 June 2008 (here-in-after referred to as the "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. 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 International Standard 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 International Standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months period ended June 30, 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Other matters

The figures for the quarter ended 30 June 2008 and 30 June 2007 in the accompanying interim financial information have not been reviewed and we do not express a conclusion on them.

HYDER BHIMJI & CO.
Chartered Accountants

Karachi: 28th August, 2008

**CONDENSED INTERIM BALANCE SHEET (UNAUDITED)**

AS AT 30TH JUNE, 2008

	Note	(Unaudited) As at June 30, 2008 Rupees	(Audited) As at Dec. 31, 2007 Rupees
Share Capital and Reserves			
Authorised Share Capital (2007:50,000,000 Ordinary Shares of Rs.10/- each)		500,000,000	500,000,000
Paid-up share capital	7	229,092,500	176,225,000
Retained earnings		25,238,612	70,886,713
Reserves		85,105,000	67,605,000
		339,436,112	314,716,713
Underwriting Provisions			
Provision for outstanding claims (including IBNR)		133,226,603	125,485,135
Provision for unearned premium		296,493,622	291,405,737
Commission income unearned		32,636,079	31,380,604
Total Underwriting Provisions		462,356,304	448,271,476
Creditors and Accruals			
Amounts due to other insurers/reinsurers		23,424,042	15,512,421
Accrued Expenses		884,845	1,337,512
Taxation - Provision less payment		16,535,683	22,650,668
		40,844,570	39,500,601
Other liabilities			
Sundry Creditors		6,152,863	4,318,087
Unclaimed Dividend		120,535	123,978
		6,273,398	4,442,065
TOTAL EQUITY AND LIABILITIES		848,910,384	806,930,855
Contingencies and Commitment	9		

The annexed notes form an integral part of this condensed interim financial information.

Ismail H. Zakaria
ChairmanMohammad Amin Ahmed Bawany
Director

Karachi: 28th August 2008

**CONDENSED INTERIM BALANCE SHEET (UNAUDITED)**

AS AT 30TH JUNE, 2008

	Note	(Unaudited) As at June 30, 2008 Rupees	(Audited) As at Dec. 31, 2007 Rupees
Cash and Bank Deposits			
Cash and other equivalent		221,609	47,453
Current and other accounts		58,334,475	66,380,891
Deposit maturing within 12 months		28,725,000	28,525,000
		87,281,084	94,953,344
Loans (Secured)			
To employees		900,069	939,993
Investments	6	284,083,882	270,415,530
Other Assets			
Premiums due but unpaid		115,192,232	88,895,678
Amounts due from other insurers/reinsurers		5,881,651	4,288,250
Accrued investment income		25,630,476	37,873,131
Reinsurance recoveries against outstanding claims		98,550,565	88,713,254
Deferred commission expense		55,098,830	53,834,616
Prepaid reinsurance premium ceded		97,815,673	94,200,202
Trade Deposits and Prepayments		540,494	526,028
Sundry receivables		2,076,595	1,777,919
		400,786,516	370,109,078
Fixed Assets-Tangible and Intangible			
Land and Buildings		20,873,144	21,408,353
Furniture, Fixtures and Office Equipment		13,113,113	13,186,964
Motor Vehicles		40,595,933	35,917,593
Computer Software		1,276,643	-
		75,858,833	70,512,910
TOTAL ASSETS		848,910,384	806,930,855

A. Aziz Ayoob
DirectorA. Razak Ahmed
Chief Executive & Managing Director



CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UNAUDITED)


FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2008

(Amount in Rupees)

	QUARTER ENDED 30 JUNE					Quarter ended June 30, 2007 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.	2008 Aggregate	
Revenue Account						
Net Premium Revenue	27,159,415	18,868,918	58,688,145	1,388,354	106,104,832	92,018,179
Net Claims	(2,938,984)	(6,110,647)	(43,358,644)	(129,407)	(52,537,682)	(42,393,984)
Expenses	(7,773,060)	(5,415,379)	(16,624,620)	(403,353)	(30,216,412)	(27,152,174)
Net Commission	(3,383,762)	(2,227,456)	(8,361,175)	476,049	(13,496,344)	(11,671,670)
Underwriting result	13,063,609	5,115,436	(9,656,294)	1,331,643	9,854,394	10,800,351
Investment Income					7,224,685	6,048,160
Other Income (Profit on Sale of Fixed Assets)					900,620	546,190
General and administration expenses					(3,840,501)	(4,202,558)
Profit before tax during the half year					14,139,198	13,192,143
Provision for Taxation:						
Current					(4,300,000)	(3,500,000)
Profit after tax during the half year					9,839,198	9,692,143

	SIX MONTHS ENDED 30 JUNE					Six months ended June 30, 2007 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.	2008 Aggregate	
Revenue Account						
Net Premium Revenue	53,089,573	35,386,318	131,811,016	2,117,213	222,404,120	183,768,398
Net Claims	(7,198,896)	(9,743,149)	(85,449,426)	(630,058)	(103,021,529)	(73,413,803)
Expenses	(15,704,410)	(10,467,615)	(38,990,975)	(626,292)	(65,789,292)	(55,250,737)
Net Commission	(5,535,714)	(1,118,630)	(19,075,428)	1,728,319	(24,001,453)	(21,009,393)
Underwriting result	24,650,553	14,056,924	(11,704,813)	2,589,182	29,591,846	34,094,465
Investment Income					12,155,650	12,240,617
Other Income (Profit on Sale of Fixed Assets)					1,135,696	752,041
General and administration expenses					(7,863,793)	(6,899,166)
Profit before tax during the half year					35,019,399	40,187,957
Provision for Taxation:						
Current					(10,300,000)	(11,500,000)
Profit after tax during the half year					24,719,399	28,687,957
Profit and Loss Appropriation Account						
Balance at Commencement of the period					70,886,713	58,365,849
Profit after tax during the half year					24,719,399	28,687,957
Transfers to reserves (General Reserve)					(17,500,000)	(14,500,000)
Issuance of Bonus Shares for the year 2007 30% (2006:33%)					(52,867,500)	(43,725,000)
Balance Unappropriated profit at the end of the period					25,238,612	28,828,806
Earning per Share - Basic and Diluted					1.08	1.25

The annexed notes form an integral part of this condensed interim financial information.


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director


A. Aziz Ayooob
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th August, 2008

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2008

(Amount in Rupees)

	Share Capital	General reserve	Reserve for Bonus Shares	Permanent Diminution in value of Investment	Unappropriated Profit	Total
Balance as on 01-01-2006 - restated	100,000,000	38,000,000	-	5,105,000	42,539,234	185,644,234
Net Profit for the year	-	-	-	-	58,326,615	58,326,615
Issuance of bonus shares and general reserve	32,500,000	10,000,000	-	-	(42,500,000)	-
Balance as on 01-01-2007	132,500,000	48,000,000	-	5,105,000	58,365,849	243,970,849
Net Profit for the year	-	-	-	-	70,745,864	70,745,864
Issuance of bonus shares and general reserve	43,725,000	14,500,000	-	-	(58,225,000)	-
Balance as on 31-12-2007	176,225,000	62,500,000	-	5,105,000	70,886,713	314,716,713
Net Profit for the year	-	-	-	-	24,719,399	24,719,399
Issuance of bonus shares and general reserve	52,867,500	17,500,000	-	-	(70,367,500)	-
Balance as on 30-6-2008	229,092,500	80,000,000	-	5,105,000	25,238,612	339,436,112

The annexed notes form an integral part of this 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: 28th August, 2008



CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2008

	Half year Ended June 30, 2008 Rupees	Half year Ended June 30, 2007 Rupees
Operating Cash Flow		
a) Underwriting activities		
Premium received	276,168,830	240,689,385
Reinsurance premium paid	(85,910,168)	(86,595,851)
Claims paid	(154,909,350)	(107,402,530)
Reinsurance and other recoveries received	49,791,978	40,047,424
Commission paid	(43,491,141)	(32,271,126)
Commission received	33,120,487	30,415,875
Net cash flow from underwriting activities	<u>74,770,636</u>	<u>84,883,177</u>
b) Other operating activities		
Income tax paid	(16,414,985)	(4,714,177)
General management expenses paid	(65,789,292)	(55,250,737)
Other operating payments	(1,891,098)	(1,390,515)
Loans advanced / repayment received	39,924	121,802
Other payments on operating assets	1,382,109	(5,420,768)
Other receipts in respect of operating assets	(313,142)	(309,698)
Net cash flow from other operating activities	<u>(82,986,484)</u>	<u>(66,964,093)</u>
Total cash flow all operating activities	<u>(8,215,848)</u>	<u>17,919,084</u>
Investment activities		
Interest / Dividend received	23,021,067	12,863,751
Payments for Investments	(19,895,730)	(29,597,593)
Proceeds from disposal of investments	7,604,616	12,479,698
Fixed Capital Expenditures	(14,057,922)	(13,817,212)
Proceeds from disposal of fixed assets	3,875,000	3,396,500
Total cash flow from Investing activities	<u>547,031</u>	<u>(14,674,856)</u>
Financing activities		
Dividend paid	-	-
Unclaimed Dividend paid	(3,443)	-
Total cash flow from financing activities	<u>(3,443)</u>	<u>-</u>
Net cash Inflow/outflow from all activities	<u>(7,672,260)</u>	<u>3,244,228</u>
Cash & cash equivalent at the beginning of the year	<u>94,953,344</u>	<u>105,233,302</u>
Cash & cash equivalent at the end of the half year	<u>87,281,084</u>	<u>108,477,530</u>
Reconciliation to profit and loss Account		
Operating cash flow	(8,215,848)	17,919,084
Depreciation expense	(5,972,695)	(5,508,651)
Profit/(loss) on disposal of fixed assets	1,135,696	752,041
Increase/(decrease) in assets other than cash	42,880,169	55,121,621
(Increase)/decrease in liabilities other than running finance	(17,263,573)	(51,836,755)
Investment Income	12,155,650	12,240,617
Profit after tax as per profit & loss account	<u>24,719,399</u>	<u>28,687,957</u>

The annexed notes form an integral part of this condensed interim financial information.

Ismail H. Zakaria
Chairman

Mohammad Amin Ahmed Bawany
Director

A. Aziz Ayooob
Director

A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 28th August, 2008

CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2008

Business underwritten inside Pakistan.

C l a s s	QUARTER ENDED JUNE 30										Quarter ended June 30, 2007 Net Premium revenue
	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2008 Net Premium revenue	2007 Net Premium revenue		
	Opening	Closing			ceded opening	ceded closing			2007 Net Premium revenue	2007 Net Premium revenue	
Direct and facultative											
Fire and Property Damage	57,767,238	126,903,818	130,099,618	54,571,438	29,131,091	73,971,382	75,690,450	27,412,023	27,159,415	18,847,145	
Marine, Aviation and Transport	31,147,756	13,622,078	16,700,450	28,069,384	10,311,434	5,570,918	6,681,866	9,200,466	18,868,918	15,679,009	
Motor	54,533,761	141,456,437	137,211,725	58,780,473	(4,950)	5,048,076	4,950,798	92,328	58,688,145	56,006,384	
Miscellaneous	5,094,022	12,284,388	12,481,829	4,896,581	3,637,601	10,363,165	10,492,539	3,508,227	1,388,354	1,485,641	
Grand Total	148,542,777	294,268,721	296,493,622	146,317,876	43,075,176	94,953,541	97,815,673	40,213,044	106,104,832	92,018,179	
SIX MONTHS ENDED JUNE 30											
C l a s s											
Direct and facultative											
Fire and Property Damage	116,044,111	126,609,324	130,099,618	112,553,817	61,347,516	73,807,078	75,690,450	59,464,244	53,089,573	44,767,759	
Marine, Aviation and Transport	57,925,177	13,259,738	16,700,450	54,484,465	20,349,850	5,430,383	6,681,886	19,098,147	35,386,318	27,847,573	
Motor	131,577,737	139,702,481	137,211,725	134,068,493	2,213,213	4,995,062	4,950,798	2,257,477	131,811,016	109,236,414	
Miscellaneous	10,557,897	11,834,194	12,481,829	9,910,262	8,317,909	9,967,679	10,492,539	7,793,049	2,117,213	1,915,652	
Grand Total	316,104,922	291,405,737	296,493,622	311,017,037	92,228,388	94,200,202	97,815,673	88,612,917	222,404,120	183,768,398	

The annexed notes form an integral part of this 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)

FOR THE HALF YEAR ENDED JUNE 30, 2008

Business underwritten inside Pakistan.

		QUARTER ENDED JUNE 30										(Amount in Rupees)
C l a s s	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	2008 Net Claims expenses	Quarter ended June 30, 2007 Net Claims expenses		
		Opening	Closing			opening	closing					
Direct and facultative												
Fire and Property Damage	19,693,910	83,002,900	87,577,789	24,268,799	16,175,648	70,549,977	75,704,144	21,329,815	2,938,984	6,094,508		
Marine, Aviation and Transport	10,516,562	20,754,200	24,520,550	14,282,912	4,351,081	13,767,951	17,589,135	8,172,265	6,110,647	3,606,753		
Motor	44,139,302	17,818,175	16,524,264	42,845,391	2,377	1,801,416	1,285,786	(513,253)	43,358,644	31,782,725		
Miscellaneous	1,427,002	4,734,500	4,604,000	1,296,502	1,284,545	4,088,950	3,371,500	1,167,095	129,407	969,998		
Grand Total	75,776,776	126,309,775	133,226,603	82,693,604	21,813,651	90,208,294	98,550,565	30,155,922	52,537,682	42,393,984		
SIX MONTHS ENDED JUNE 30												
C l a s s	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	2008 Net Claims expenses	Six months ended June 30, 2007 Net Claims expenses		
		Opening	Closing			opening	closing					
Direct and facultative												
Fire and Property Damage	43,989,558	82,297,100	87,577,789	49,270,247	37,142,414	70,775,207	75,704,144	42,071,351	7,198,896	10,758,068		
Marine, Aviation and Transport	18,838,761	20,672,000	24,520,550	22,667,311	9,132,204	13,777,177	17,589,135	12,944,162	9,743,149	5,497,244		
Motor	88,274,832	19,335,535	16,524,264	85,463,561	108,859	1,380,510	1,285,786	14,135	85,449,426	55,319,859		
Miscellaneous	3,806,199	3,180,500	4,604,000	5,229,699	3,408,501	2,780,360	3,971,500	4,599,641	630,058	1,838,632		
Grand Total	154,909,350	125,485,135	133,226,603	162,650,818	49,791,978	88,713,254	98,550,565	59,629,289	103,021,529	73,413,803		

The annexed notes form an integral part of this 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 EXPENSES (Unaudited)

FOR THE HALF YEAR ENDED JUNE 30, 2008

Business underwritten inside Pakistan.

(Amount in Rupees)

		QUARTER ENDED JUNE 30							2008	Quarter	
C l a s s		Commissions Paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net commission expense d=a+b+c	Other Management expenses e	Underwriting expense f=d+e	Commission from reinsurers g	Net underwriting expense h=f-g	June 30, 2007 Net underwriting expenses	
Direct and facultative											
1.	Fire and Property Damage	12,635,609	28,219,601	28,930,252	11,924,958	7,773,060	19,698,018	8,541,196	11,156,822	6,082,481	
2.	Marine, Aviation and Transport	6,024,770	2,724,417	3,340,090	5,409,097	5,415,379	10,824,476	3,181,641	7,642,835	6,914,178	
3.	Motor	7,724,169	21,218,765	20,581,759	8,361,175	16,624,620	24,985,795	-	24,985,795	25,752,129	
4.	Miscellaneous	776,040	2,211,190	2,246,729	740,501	403,353	1,143,854	1,216,550	(72,696)	75,056	
	Grand Total	27,160,588	54,373,973	55,098,830	26,435,731	30,216,412	56,652,143	12,939,387	43,712,756	38,823,844	
		SIX MONTHS ENDED JUNE 30									
C l a s s		Commissions Paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net commission expense d=a+b+c	Other Management expenses e	Underwriting expense f=d+e	Commission from reinsurers g	Net underwriting expense h=f-g	Six months June 30, 2007 Net underwriting expenses	
Direct and facultative											
1.	Fire and Property Damage	25,477,381	28,097,142	28,930,252	24,644,271	15,704,410	40,348,681	19,108,557	21,240,124	15,491,120	
2.	Marine, Aviation and Transport	11,203,740	2,651,947	3,340,090	10,515,597	10,467,615	20,983,212	9,396,967	11,586,245	9,703,025	
3.	Motor	18,704,881	20,955,372	20,581,759	19,078,494	38,990,975	58,069,469	3,066	58,066,403	51,569,317	
4.	Miscellaneous	1,744,677	2,130,155	2,246,729	1,628,103	626,292	2,254,395	3,356,422	(1,102,027)	(503,332)	
	Grand Total	57,130,679	53,834,616	55,098,830	55,866,465	65,789,292	121,655,757	31,865,012	89,790,745	76,260,130	

The annexed notes form an integral part of this 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 INVESTMENT INCOME (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2008

(Amount in Rupees)

	Quarter ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Income from Non-Trading Investments				
Held to maturity				
Return on Government Securities	2,315,321	1,862,272	2,754,982	3,130,058
Return on other Fixed income Securities and Deposits	1,006,431	647,526	1,889,478	1,123,952
	3,321,752	2,509,798	4,644,460	4,254,010
Investment Held for Trading				
Dividend Income	2,404,853	1,605,711	5,983,653	5,166,996
Available for sale				
Dividend Income	140,495	135,180	171,067	262,120
Gain on sale of 'available for sale investment'	1,373,183	1,810,788	1,377,238	2,570,808
Less: Investment related expenses	(15,598)	(13,317)	(20,768)	(13,317)
Net Investment Income transferred to P&L A/c	7,224,685	6,048,160	12,155,650	12,240,617

The annexed notes form an integral part of this 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: 28th August, 2008



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2008

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 interim financial statements are un-audited but subject to review by the auditors and are being submitted to the shareholders in accordance with the listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of the approved accounting standard International Accounting Standard 34 "Interim Financial Reporting" (IAS-34) as applicable in Pakistan and in the format prescribed by Insurance Division of Securities and Exchange Commission of Pakistan (SECP) in its circular No. 7 of 2003 dated 27 August 2003.

These condensed interim financial statements does 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 31 December 2007.

3. Accounting policies

The accounting policies and methods of computation followed in these condensed interim financial statements are same as compared with the financial statements of the Company for the year end 31 December 2007.

4. Taxation

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

5. Transaction with Related Parties

Related parties comprise of associated entities, entities under common control, entities with common directors, major shareholders, directors and key management personnel. The transaction with related parties, other than remuneration under the terms of employment are as follows.

	Jan - June 2008	Jan - June 2007
Premium Underwritten	9,927,714	7,013,259
Premium Collected	15,213,595	8,320,445
Claims Paid	8,615,496	2,322,958
Commission Paid	1,971,883	2,208,252

Contributions in respect of provident fund are made in accordance with terms of the contribution plan.

Remuneration to Chief Executives and certain executive were paid in accordance with the terms of their employment.

6. Investment

The investments comprise of the following:

	30th June 2008	31st December 2007
Held to maturity	91,692,354	85,115,229
Available for sale	54,713,160	54,647,547
Investment held for trading	137,678,368	130,652,754
	284,083,882	270,415,530

Available for Sale

These investments are measured at cost as per SECP Memo # SC/MF/D/179/2002 dated 16-10-2002 addressed to Insurance Association of Pakistan.

The market value of investment in Shares & Securities as on 30th June 2008, was Rs.256.200 million (as at 31st December 2007, Rs.245.228 million).

As directed by the Securities and Exchange Commission of Pakistan Defence Saving Certificate for the Face Value of Rs.2.5 million were deposited with the State Bank of Pakistan under Section 29, of Insurance Ordinance 2000 and rules framed there under.

7. AUTHORIZED CAPITAL

Issued, subscribed and fully paid.

Jan 2008	Dec. 2007		June 2008	December 2007
(Number of Shares)				
1,156,680	1,156,680	Ordinary Shares of Rs.10 each Fully paid in cash	11,566,800	11,566,800
21,752,570	16,465,820	Ordinary Shares of Rs.10 each Issued as fully paid Bonus Shares	217,525,700	164,658,200
22,909,250	17,622,500		229,092,500	176,225,000

8. Fixed Assets - Tangible and Intangible

The details of additions and disposals have been made in the fixed assets during the period ended June 30, 2008.

	Additions	Disposals
Vehicles	11,928,303	3,875,000
Office Equipments	415,949	-
Computers	258,100	-
Office Furniture	33,400	-
Office Structure	145,527	-
Computer Software	1,276,643	-

9. Contingencies and Commitments

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


10. Date of Authorization for issue

These financial statements have been authorized for issue on 28th August 2008, by the Board of Directors of the Company.

11. 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