



Providing Complete
Solutions

**QUARTERLY ACCOUNTS
SEPTEMBER 30, 2008
(UNAUDITED)**

Reliance Insurance Company Limited



OFFICES

HEAD OFFICE:

"Reliance Insurance House"
181-A, Sindh 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
Fax : 4522829

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

Mr. Muhammad Raza
Chief Manager

Ph : 2628777, 2628778
Fax : 2628779

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
Fax : 7312526

**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 Fax : 5756217
Eden Centre Branch 321, Eden Centre, 43 Ghausial Azam Road, (Jail Road) Lahore.	Mr. Khawaja Ahmed Faraz Chief Manager	Ph : 7599277, 7599377 7589669 Fax : 7576032
Al-Rehman Branch 2nd Floor, Al-Rehman Building, Regal Cinema Lane, 65, The Mall, Lahore.	Mr. Nisar Ahmed Chughtai Senior Vice President	Ph : 7323113, 7322473 7354848 Fax : 7247925
Garden Town Branch Suit No.17, 1st Floor, Shan Arcade, New Garden Town, Lahore.	Mr. Basit Anwar Butt Executive Vice President	Ph : 5889258, 5889259 Fax : 5889260
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 439/1-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 2626480 Fax : 2621033
Taj Plaza Branch Room No.16, 2nd Floor, Taj Plaza, Kotwali Road, Faisalabad.	Mr. Muhammad Akhlaq Vice President	Ph : 2617277, 2615922, 2622182 Fax : 2412010
Circular Road Branch P-156, 6th Floor, Ashraf Butt Centre, Circular Road, Faisalabad.	Mr. Mushtaq Ahmed Vice President	Ph : 2638034, 2635640 2412067 Fax : 2412068
Rawalpindi Branch 43/C, 2nd Floor, Bank Road, Near NBP, Rawalpindi Cantt.	Mr. Abdul Karim Siddiqi Vice President	Ph : 5700223, 5523260 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 Fax : 2273164
Peshawar Branch T-3 & 4, Bilour Shopping Plaza, 3rd Floor, Saddar Road, Peshawar Cantt.	Mr. Abdul Salam Niazi Vice President	Ph : 5274617, 5277328 5250830 Fax : 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 : 4517349 Fax : 4510049
Khanpur Branch Old Ghalla Mandi, Khanpur, Distt. Rahimyar Khan.	Mr. Abdul Razzak Choudhry Vice President	Ph : 5572772 Fax : 5572772
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.4 & 5, 1st Floor, Mughal Plaza, Kutchery Road, Sialkot.	Mr. Ghulam Rasool Farrukh Zahidi Branch Manager	Ph : 4296075, 4296076 Fax : 4296077
Gojra Branch P-132, Post Office Road, Gojra.	Mrs. Shahnaz Akhter Branch Manager	Ph : 3511917 Fax : 3513111



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COMPANY INFORMATION

BOARD OF DIRECTORS

ISMAIL H. ZAKARIA Chairman
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 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 third quarter (Un-audited) Accounts for the period ended September 30, 2008.

During the period under review, your Company underwrote a Gross Premium of Rs.455.281 million as compared to Rs.433.883 million of the corresponding period of last year - an increase of 4.93 %. The Net Premium Income also improved from Rs.275.389 million to Rs.328.073 million – showing an increase of 19.13 % over the corresponding period of previous year.

Net claims incurred, however, stood at Rs.159.157 million – an increase of 33.86% over the corresponding period of last year.

Investment Income stood at Rs.19.297 million compared to Rs.22.008 million of previous year showing a decline of 12.32%, in view of decrease in realized Capital gain by Rs.4.702 million. However interest dividend income had increased during the period.

Profit before tax for the period ended September 30, 2008 was Rs.43.557 million against Rs.53.813 million of corresponding period of last year showing a decrease of Rs. 10.256 million - 19.06%.

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: 29th October 2008.



CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT 30TH SEPTEMBER, 2008

	Notes	(Unaudited) As at Sept. 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		32,076,226	70,886,713
Reserves		85,105,000	67,605,000
		346,273,726	314,716,713
Underwriting provisions			
Provision for outstanding claims (including IBNR)		112,066,150	125,485,135
Provision for unearned premium		284,471,280	291,405,737
Commission income unearned		33,573,919	31,380,604
		430,111,349	448,271,476
Creditors and Accruals			
Amounts due to other insurers/reinsurers		26,457,574	15,512,421
Accrued Expenses		854,260	1,337,512
Taxation - Provision less payment		14,169,395	22,650,668
		41,481,229	39,500,601
Other liabilities			
Sundry Creditors		6,384,027	4,318,087
Unclaimed Dividend		120,535	123,978
		6,504,562	4,442,065
TOTAL EQUITY AND LIABILITIES		824,370,866	806,930,855

CONTINGENCIES AND COMMITMENTS

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

Ismail H. Zakaria
Chairman

Mohammad Amin Ahmed Bawany
Director

Karachi: 29th October, 2008

**CONDENSED INTERIM BALANCE SHEET (UNAUDITED)**
AS AT 30TH SEPTEMBER, 2008

	Notes	(Unaudited) As at Sept. 30, 2008 Rupees	(Audited) As at Dec. 31, 2007 Rupees
Cash and Bank Deposits			
Cash and other equivalent		837,625	47,453
Current and other accounts		52,183,343	66,380,891
Deposit maturing within 12 months		28,725,000	28,525,000
		81,745,968	94,953,344
Loans (Secured)			
To employees		1,002,489	939,993
Investments	6	285,001,097	270,415,530
Other Assets			
Premiums due but unpaid		120,319,047	88,895,678
Amounts due from other insurers/reinsurers		4,796,537	4,288,250
Accrued investment income		25,611,231	37,873,131
Reinsurance recoveries against outstanding claims		73,836,185	88,713,254
Deferred commission expense		53,499,497	53,834,616
Prepaid reinsurance premium ceded		99,907,450	94,200,202
Trade Deposits and Prepayments		540,494	526,028
Sundry receivables		3,234,139	1,777,919
		381,744,580	370,109,078
Fixed Assets-Tangible and Intangible			
Land and Buildings		20,605,540	21,408,353
Furniture, Fixtures and Office Equipment		12,820,259	13,186,964
Motor Vehicles		40,174,290	35,917,593
Computer Software		1,276,643	-
		74,876,732	70,512,910
TOTAL ASSETS		824,370,866	806,930,855

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



CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UNAUDITED)


FINANCIAL PERIOD ENDED SEPTEMBER 30, 2008

(Amount in Rupees)

	QUARTER ENDED SEPTEMBER 30, 2008					Quarter ended Sept. 30, 2007 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.	2008 Aggregate	
Revenue Account						
Net Premium Revenue	25,910,006	18,692,678	60,203,171	863,502	105,669,357	91,620,687
Net Claims	(4,400,679)	(5,123,130)	(46,232,250)	(379,925)	(56,135,984)	(45,482,970)
Expenses	(7,622,363)	(5,500,678)	(17,706,433)	(253,845)	(31,083,319)	(29,634,901)
Net Commission	(3,101,069)	(1,997,664)	(8,955,645)	734,638	(13,319,740)	(10,013,224)
Underwriting result	10,785,895	6,071,206	(12,691,157)	964,370	5,130,314	6,489,592
Investment Income					7,141,793	9,767,900
Other Income (Profit on Sale of Fixed Assets)					100,485	126,680
General and administration expenses					(3,834,978)	(2,758,360)
Profit before tax during period					8,537,614	13,625,812
Provision for Taxation :						
Current					(1,700,000)	(1,837,416)
Prior					-	3,787,416
Profit after tax during period					6,837,614	15,575,812

	NINE MONTHS ENDED SEPTEMBER 30, 2008					Nine Months ended Sept. 30, 2007 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.	2008 Aggregate	
Revenue Account						
Net Premium Revenue	78,999,579	54,078,996	192,014,187	2,980,715	328,073,477	275,389,085
Net Claims	(11,599,575)	(14,866,279)	(131,681,676)	(1,009,983)	(159,157,513)	(118,896,773)
Expenses	(23,326,773)	(15,968,293)	(56,697,408)	(880,137)	(96,872,611)	(84,885,638)
Net Commission	(8,636,783)	(3,116,294)	(28,031,073)	2,462,957	(37,321,193)	(31,022,617)
Underwriting result	35,436,448	20,128,130	(24,395,970)	3,553,552	34,722,160	40,584,057
Investment Income					19,297,443	22,008,517
Other Income (Profit on Sale of Fixed Assets)					1,236,181	878,721
General and administration expenses					(11,698,771)	(9,657,526)
Profit before tax during the period					43,557,013	53,813,769
Provision for Taxation :						
Current					(12,000,000)	(13,337,416)
Prior					-	3,787,416
Profit after tax during the period					31,557,013	44,263,769
Profit and Loss Appropriation Account						
Balance at Commencement of the Period					70,886,713	58,365,849
Profit after tax during the period					31,557,013	44,263,769
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					32,076,226	44,404,618
Earning per Share - Basic and Diluted					1.37	1.93

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


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawary
Director


A. Aziz Ayooob
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 29th October, 2008

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FINANCIAL PERIOD ENDED SEPTEMBER 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	-	-	-	-	31,557,013	31,557,013
Issuance of bonus shares and general reserve	52,867,500	17,500,000	-	-	(70,367,500)	-
Balance as on						
30-9-2008	<u>229,092,500</u>	<u>80,000,000</u>	<u>-</u>	<u>5,105,000</u>	<u>32,076,226</u>	<u>346,273,726</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: 29th October, 2008



CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2008

	January to September	
	2008 Rupees	2007 Rupees
Operating Cash Flow		
a) Underwriting activities		
Premium received	405,004,500	417,738,099
Reinsurance premium paid	(129,412,661)	(135,776,523)
Claims paid	(252,978,726)	(179,201,362)
Reinsurance and other recoveries received	95,279,297	64,775,839
Commission paid	(64,175,456)	(80,614,263)
Commission received	48,236,127	45,427,816
Net cash flow from underwriting activities	101,953,081	132,349,606
b) Other operating activities		
Income tax paid	(20,481,273)	(13,676,153)
General management expenses paid	(96,872,611)	(84,885,638)
Other operating payments	(3,469,542)	(2,539,341)
Loans advanced / repayment received	(62,496)	148,353
Other payments on operating assets	1,582,688	(298,782)
Other receipts in respect of operating assets	(1,470,686)	(1,592,443)
Net cash flow from other operating activities	(120,773,920)	(102,844,004)
Total cash flow from all operating activities	(18,820,839)	29,505,602
Investment activities		
Interest / Dividend received	29,366,982	15,538,186
Payments for Investments	(31,965,678)	(44,657,563)
Proceeds from disposal of investments	19,572,472	23,566,788
Fixed Capital Expenditures	(15,681,870)	(16,264,790)
Proceeds from disposal of fixed assets	4,325,000	3,751,500
Total cash flow from Investing activities	5,616,906	(18,065,879)
Financing activities		
Unclaimed Dividend paid	(3,443)	-
Total cash flow from financing activities	(3,443)	-
Net cash inflow/outflow from all activities	(13,207,376)	11,439,723
Cash & cash equivalent at the beginning of the year	94,953,344	105,233,302
Cash & cash equivalent at the end of the period	81,745,968	116,673,025
Reconciliation to profit and loss Account		
Operating cash flow	(18,820,839)	29,505,602
Depreciation expense	(8,229,229)	(7,118,185)
Profit/(loss) on disposal of fixed assets	1,236,181	878,721
Increase/(decrease) in assets other than cash	23,959,898	46,785,116
(Increase)/decrease in liabilities other than running finance	14,113,559	(47,796,002)
Investment Income	19,297,443	22,008,517
Profit after tax as per profit & loss account	31,557,013	44,263,769

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: 29th October, 2008

CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2008

Business underwritten inside Pakistan.

(Amount in Rupees)

C l a s s	QUARTER ENDED SEPTEMBER 30, 2008										Quarter ended Sept. 30, 2007 Net Premium revenue
	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2008 Net Premium revenue	2008 Net Premium revenue		
	Opening	Closing			ceded opening	ceded closing			2007 Net Premium revenue	2008 Net Premium revenue	
Direct and facultative											
Fire and Property Damage	57,203,008	130,099,618	133,111,128	54,191,498	29,902,109	75,690,450	77,311,067	28,281,492	25,910,006	19,030,989	
Marine, Aviation and Transport	26,314,692	16,700,450	12,952,840	30,062,302	10,002,782	6,681,886	5,315,044	11,369,624	18,692,678	15,120,074	
Motor	47,487,797	137,211,725	123,449,200	61,250,322	804,161	4,950,798	4,707,808	1,047,151	60,203,171	57,013,131	
Miscellaneous	8,170,880	12,481,829	14,958,112	5,694,597	6,912,087	10,492,539	12,573,531	4,831,095	863,502	456,493	
Grand Total	<u>139,176,377</u>	<u>296,493,622</u>	<u>284,471,280</u>	<u>151,198,719</u>	<u>47,621,139</u>	<u>97,815,673</u>	<u>99,807,450</u>	<u>45,529,362</u>	<u>105,669,357</u>	<u>91,620,687</u>	

C l a s s	NINE MONTHS ENDED SEPTEMBER 30, 2008										Nine Months ended Sept. 30, 2007 Net Premium revenue
	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2008 Net Premium revenue	2008 Net Premium revenue		
	Opening	Closing			ceded opening	ceded closing			2007 Net Premium revenue	2008 Net Premium revenue	
Direct and facultative											
Fire and Property Damage	173,247,119	126,609,324	133,111,128	166,745,315	91,249,725	73,807,076	77,311,067	87,745,736	78,999,579	63,798,748	
Marine, Aviation and Transport	84,239,869	13,259,738	12,952,840	84,546,767	30,352,432	5,430,383	5,315,044	30,467,771	54,078,996	42,957,647	
Motor	179,065,534	139,702,481	123,449,200	195,318,815	3,017,374	4,995,062	4,707,808	3,304,628	192,014,187	166,249,545	
Miscellaneous	18,728,777	11,834,194	14,958,112	15,604,859	15,229,996	9,967,679	12,573,531	12,624,144	2,980,715	2,373,145	
Grand Total	<u>455,281,299</u>	<u>291,405,737</u>	<u>284,471,280</u>	<u>462,215,756</u>	<u>139,849,527</u>	<u>94,200,202</u>	<u>99,807,450</u>	<u>134,142,279</u>	<u>328,073,477</u>	<u>275,389,085</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 Ayoub
Director

A. Razak Ahmed
Chief Executive &
Managing Director

CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2008

Business underwritten inside Pakistan.

C l a s s		QUARTER ENDED SEPTEMBER 30, 2008										Quarter ended Sept 30, 2007
		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	Net Claims expenses			
		Opening	Closing			opening	closing					
Direct and facultative												
Fire and Property Damage		42,102,733	87,577,789	63,550,300	18,075,214	39,008,659	75,704,144	50,370,050	13,674,565	4,400,679	5,338,848	
Marine, Aviation and Transport		10,728,682	24,520,550	23,592,850	9,800,982	4,981,418	17,589,135	17,285,549	4,677,832	5,123,130	3,321,020	
Motor		43,574,514	16,524,264	19,982,000	47,032,250	-	1,285,786	2,085,786	800,000	46,232,250	36,687,190	
Miscellaneous		1,663,467	4,604,000	4,941,000	2,000,467	1,497,242	3,971,500	4,094,800	1,620,542	378,925	135,916	
Grand Total		98,069,376	133,226,603	112,066,150	76,908,923	45,487,319	98,550,585	73,836,185	20,772,939	56,135,984	45,482,970	
NINE MONTHS ENDED SEPTEMBER 30, 2008												
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	Net Claims expenses			
		Opening	Closing			opening	closing					
Direct and facultative										Nine months ended Sept 30, 2007		
Fire and Property Damage		85,092,291	82,297,100	63,550,300	67,345,491	76,151,073	70,775,207	50,370,050	55,745,916	15,096,912		
Marine, Aviation and Transport		29,567,423	20,672,000	23,592,850	32,488,273	14,113,622	13,777,177	17,285,549	17,621,994	8,819,264		
Motor		131,849,346	19,335,535	19,982,000	132,495,811	108,859	1,380,510	2,085,786	814,135	131,681,676		
Miscellaneous		5,489,686	3,190,500	4,941,000	7,230,166	4,905,743	2,780,360	4,094,800	6,220,163	1,009,983		
Grand Total		252,978,726	125,485,135	112,066,150	239,559,741	95,279,297	88,713,254	73,836,185	80,402,228	159,157,513	118,896,773	

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

Ismail H. Zakaria
Chairman

Mohammad Amin Ahmed Bawany
Director

A. Razak Ahmed
Chief Executive &
Managing Director

A. Aziz Ayoob
Director

CONDENSED INTERIM STATEMENT OF EXPENSES (Unaudited)

FINANCIAL PERIOD ENDED SEPTEMBER 30, 2008

Business underwritten inside Pakistan.



Reliance Insurance Company Limited

(Amount in Rupees)

QUARTER ENDED SEPTEMBER 30, 2008									
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	2008 Net underwriting expense h=f-g	Quarter ended Sept. 30, 2007 Net underwriting expenses
Direct and facultative									
Fire and Property Damage	12,548,853	25,930,252	29,699,089	11,780,016	7,622,363	19,402,379	8,678,947	10,723,432	6,994,750
Marine, Aviation and Transport	5,096,726	3,340,090	2,590,568	5,845,248	5,500,878	11,346,926	3,848,584	7,498,342	6,446,953
Motor	6,891,266	20,581,759	18,517,380	8,955,645	17,706,433	26,662,078	-	26,662,078	26,500,511
Miscellaneous	1,361,362	2,246,729	2,692,460	915,631	253,845	1,169,476	1,650,269	(480,793)	(294,089)
Grand Total	25,898,207	55,098,830	53,499,497	27,497,540	31,083,319	58,580,859	14,177,800	44,403,059	39,648,125

NINE MONTHS ENDED SEPTEMBER 30, 2008									
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	2008 Net underwriting expense h=f-g	Nine months ended Sept. 30, 2007 Net underwriting expenses
Direct and facultative									
Fire and Property Damage	38,026,234	28,097,142	29,699,089	36,424,287	23,326,773	59,751,060	27,787,504	31,963,556	22,485,870
Marine, Aviation and Transport	16,300,466	2,651,947	2,590,568	16,361,845	15,968,293	32,330,138	13,245,551	19,084,587	16,149,978
Motor	25,596,147	20,955,372	18,517,380	28,034,139	56,897,408	84,731,547	3,056	84,728,481	78,069,828
Miscellaneous	3,106,039	2,130,155	2,692,460	2,543,734	880,137	3,423,871	5,006,691	(1,582,820)	(797,421)
Grand Total	83,028,886	53,834,616	53,499,497	83,364,005	96,872,611	180,236,616	46,042,812	134,193,804	115,908,255

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

Ismail H. Zakaria

Ismail H. Zakaria
Chairman

Mohammad Amin Ahmed Bawany

Mohammad Amin Ahmed Bawany
Director

A. Aziz Ayoob

A. Aziz Ayoob
Director

A. Razak Ahmed

A. Razak Ahmed
Chief Executive &
Managing Director

Karachi: 29th October, 2008

CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)
FINANCIAL PERIOD ENDED SEPTEMBER 30, 2008

(Amount in Rupees)

	Quarter ended Septemehr 30		Nine months ended September 30	
	2008	2007	2008	2007
Income from Non-Trading Investments				
Held to maturity				
Return on Government Securities	971,609	211,787	3,726,591	3,341,845
Return on other Fixed income Securities and Deposits	1,087,903	486,932	2,977,381	1,610,884
	2,059,512	698,719	6,703,972	4,952,729
Investment Held for Trading				
Dividend Income	3,895,280	3,915,122	9,878,933	9,082,118
Avilable for sale				
Dividend Income	375,678	852,278	546,745	1,114,398
Gain on sale of 'available for sale investment'	815,123	4,323,405	2,192,361	6,894,213
Less: Investment related expenses	(3,800)	(21,624)	(24,568)	(34,941)
Net Investment Income transferred to P&L A/c.	<u>7,141,793</u>	<u>9,767,900</u>	<u>19,297,443</u>	<u>22,008,517</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 Ayoob
 Director


 A. Razak Ahmed
 Chief Executive & Managing Director

Karachi: 29th October, 2008



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FINANCIAL PERIOD ENDED SEPTEMBER 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 interim financial statements are unaudited and are being submitted to the shareholders in accordance with the listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and Section 245 of the Companies Ordinance, 1984 and being presented in condensed form in accordance with the requirements of International Accounting Standard-34 - "Interim Financial Reporting" 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 do not include all the information and disclosures required in the 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 adopted in preparation of these accounts are the same as applied in preparation of accounts for the preceding year ended December 31, 2007. The policies applied comply with the requirements of the SRO 938(I) /2002 issued by the Securities and Exchange Commission of Pakistan.

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 - Sept. 2008	Jan - Sept. 2007
Premium Underwritten	14,686,030	8,947,297
Premium Collected	19,749,519	24,499,529
Claims Paid	14,915,575	9,597,979
Commission Paid	2,193,305	2,208,252

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

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

6. INVESTMENT.

The investments comprise of the following:

	30th September 2008	31st December 2007
Held to maturity	91,453,196	85,115,229
Available for sale	53,528,314	54,647,547
Investment held for trading	140,019,587	130,652,754
	<u>285,001,097</u>	<u>270,415,530</u>

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 September 2008 was Rs. 200.741 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, which were replaced by PIB's for Rs. 30 million to meet the new requirements of statutory deposit as advised by SECP.

7. SHARE CAPITAL

Issued, subscribed and fully paid.

Sept. 2008	Dec. 2007		September 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
<u>22,909,250</u>	<u>17,622,500</u>		<u>229,092,500</u>	<u>176,225,000</u>

8. FIXED ASSETS-TANGIBLE AND INTANGIBLE

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

	Additions	Disposals
Vehicles	13,334,364	4,325,000
Office Equipments	425,801	-
Computers	466,135	-
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 29th October, 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

Karachi: 29th October, 2008