



Shaping Tomorrow

HALF YEARLY REPORTS
JUNE 30, 2009
(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
Extention ☐ : 204

Mr. Haroon A. Shakoor
Chief Accountant &
Company Secretary

Direct ☐ : 4539409
Extention ☐ : 203

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

Direct ☐ : 4557079
Extention ☐ : 201

Mr. Muhammad Ishaque Azeem
Vice President (Fire)

Direct ☐ : 4557079
Extention ☐ : 212

Mr. Sadruddin Hussain
Vice President (Claims)

Direct ☐ : 4550403
Extention ☐ : 208

Mr. Abdul Rahim Patni
Manager (Reinsurance)

Extention ☐ : 215

Mr. Muhammad Salim Memon
Manager (Investment / Shares)

Extention ☐ : 214

Mr. Ghulam Mujaddid
Deputy Chief Manager (Accounts)

Extention ☐ : 205

Mr. Muhammad Masood Alam
Manager (Administration)

Direct ☐ : 4539411
Extention ☐ : 206

Mr. Muhammad Masood Ali
Manager (IT)

Extention ☐ : 202

Mr. Ramesh Kumar
Assistant Manager (Internal Audit)

Extention ☐ : 220

South Zone Office & 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 ☐ : 2625176, 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 Reza Rajani
Chief Manager

Ph ☐ : 2628777, 2628778
Fax ☐ : 2628799

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

Mr. Abdullah Ahmed
Regional Manager

Ph ☐ : 2615774
Fax ☐ : 2623029

North Zone Office & Branches

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

Mr. Sh. Khushnood Ashraf
Executive Vice President

PABX ☐ : 7239063, 7353292
7234255, 7351353
Direct : 7354689
Fax : 7312526



North Zone Office & Branches (continued)

Regional Office. Lahore90-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 Ghausal Azam Road, (Jail Road) □
Lahore. □**Mr. Khawaja Ahmed Fraz** □
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**438/1-B, Mini Market, □
Model Town, Gujranwala. □**Mr. Ch. H.S. Asghar** □
Vice President □Ph □ : 3254415, 3259421
Fax □ : 3523086**Gujrat Branch**Shams Plaza, Near Prince Cinema, □
West Circular Road, Gujrat. □**Mr. Ch. 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, Asraf Butt Center, □
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. □**Mr. Abdul Karim Siddiqui** □
Vice President □Ph □ : 5700223, 5523260
Fax □ : 5514384**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 HeadPh □ : 4517349
Fax □ : 4510049**Khanpur Branch**Olf 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 BranchRoom No. 4 & 5 1st Floor, □
Mughal Plaza, Kutchery Road, □
Sialkot.**Mr. Ghulam Rasool Farrukh Zahidi** □
Branch Manager □Ph □ : 4296075, 4296076
Fax □ : 4296077**Gojra Barnch**P-132, Post Road,
Gojra.**Mrs. Shahnaz Akhter**
Branch ManagerPh □ : 3511917
Fax : 3513111



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COMPANY INFORMATION

BOARD OF DIRECTORS □	ISMAIL H. ZAKARIA □ MOHAMMAD AMIN AHMED BAWANY □ A. AZIZ AYOOB □ IRFAN ZAKARIA BAWANY □ MOHAMMAD OMER BAWANY □ ZOHAIR ZAKARIA □ AHMED ALI BAWANY □ NOOR M. ZAKARIA □ ASHFAQ PATEL □ YASIN SIDDIK □ A. RAZAK AHMED □	Chairman □ Chief Executive & Managing Director
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MANAGEMENT

Senior Executive Vice President □

BASHARAT M. BARLAS

Chief Accountant and Company Secretary □

HAROON A. SHAKOOR

Audit Committee □

A. AZIZ AYOOB □
IRFAN ZAKARIA BAWANY □
ZOHAIR 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 □
NIB BANK LIMITED □
BANK ALFLAH LIMITED □
HABIB METROPOLITAN BANK LIMITED □
BANK OF PUNJAB □
FAYSAL BANK LIMITED □
JS BANK LTD.

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

SHARES REGISTRAR

M/s. C & K Management Associates (Pvt.) Ltd. □
404-Trade Tower, Abdullah Haroon Road, □
Near Hotel Metropole, Karachi-75530
Tel : (021) 5687839 & 5685930

DIRECTOR'S REPORT

The Shareholders,
Reliance Insurance Company Limited,

Your Directors are pleased to present before you the Unaudited Condensed Interim Financial Statements duly reviewed by the auditors for the period ended June 30, 2009.

During the period under review, your Company underwrote a Gross Premium of Rs.233.586 million as compared to Rs.316.104 million of the corresponding period of last year – decrease of 26.10%. The Net Premium Income also reduced from Rs.222.404 million to Rs.159.137 million – decrease of 28.45% over the previous year. The main factor of decline in premium as also reported earlier in the Annual Report 2008, has been the management's decision to discontinue writing motor Leasing business in view of extremely adverse claim experience.

Net claims incurred, however, stood at Rs.74.864 million – decrease of 27.33% over the corresponding period of last year.

Investment Income stood at Rs.11.659 million as against Rs.12.156 million of the previous year reflecting a decrease of Rs.4.088% because of recognizing Rs.5.00 million towards impairment in value of Investment in compliance to Circular # 03\2009 of SECP.

Profit before tax for the half-year ended 30th June, 2009 was Rs.23.067 million against Rs.35.019 million of corresponding period of last year – a decrease of Rs.11.952 million – 34.13%.

Your Management looks forward to the future with confidence and envisages that the new democratic government would succeed to enforce policies to meet the challenges ahead, sustained growth and improved Law and Order situation in the country.□

By order of the Board □



A. RAZAK AHMED □
Chief Executive & Managing Director

Karachi: 20th August, 2009

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 Ltd. ("the Company") as at and for the six months period ended 30 June 2009 (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 condensed 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 condensed Interim financial Information performed by the Independent Auditor of the entity." A review of condensed 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 condensed interim financial information as at and for the six months period ended June 30, 2009 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 2009 and 30 June 2008 in the accompanying condensed interim financial information have not been reviewed and we do not express a conclusion on them. □



HYDER BHIMJI & CO.
Chartered Accountants
Engagement Partner Hyder Ali Bhimji

Karachi: 20th August, 2009


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

AS AT 30TH JUNE, 2009

	Notes	(Un Audited) As At June 30, 2009 Rs	(Audited) As At Dec.31, 2008 Rs
Share Capital and Reserves			
Authorised share capital (2008: 50,000,000 Ordinary Shares of Rs.10/— each)		500,000,000	500,000,000
Paid-up share capital	8	252,001,750	229,092,500
Retained earnings		28,187,159	41,029,056
Reserves		92,605,000	85,105,000
		372,793,909	355,226,556
Underwriting provisions			
Provision for outstanding claims (including IBNR)		275,889,180	252,838,389
Provision for unearned premium		228,159,868	243,900,820
Commission income unearned		29,737,556	30,344,351
Total Underwriting Provisions		533,786,604	527,083,560
Creditors and accruals			
Amounts due to other insurers/reinsurers		27,348,715	35,324,248
Accrued expenses		1,704,593	2,848,472
Taxation - provision less payments		3,651,093	5,309,407
Sundry creditors		6,071,351	7,032,961
		38,775,752	50,515,088
Borrowings			
Short term running finance-secured		2,015,158	5,776,363
Other liabilities			
Unclaimed dividend		115,331	120,535
TOTAL EQUITY AND LIABILITIES	10	947,486,754	938,722,102

CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director

Karachi: 20th August, 2009



CONDENSED INTERIM BALANCE SHEET (UN AUDITED)
AS AT 30TH JUNE, 2009

FORM GA

	Notes	(Un Audited) As At June 30, 2009 Rs	(Audited) As At Dec.31, 2008 Rs
Cash and bank deposits			
Cash and other equivalent		385,648	123,719
Current and other accounts		63,347,280	54,184,646
Deposit maturing within 12 months		27,525,000	30,725,000
		91,257,928	85,033,365
Loans (secured)			
To employees		1,172,849	964,899
Investments	7	263,123,289	285,858,481
Current assets-others			
Premiums due but unpaid		136,266,996	106,435,031
Amounts due from other insurers/reinsurers		7,962,011	6,225,857
Accrued investment income		6,464,650	30,902,424
Reinsurance recoveries against outstanding claims		239,446,901	214,067,719
Deferred commission expense		44,423,138	47,032,113
Prepaid reinsurance premium ceded		85,520,053	87,473,351
Trade deposits and prepayments		540,494	540,494
Sundry receivables		942,810	1,400,716
		521,567,053	494,077,705
Fixed assets			
Land and buildings		18,304,142	19,267,518
Furniture, fixtures and office equipment		11,411,810	11,987,922
Motor vehicles		38,821,840	40,255,569
		68,537,792	71,511,009
Capital work in progress		1,827,843	1,276,643
TOTAL ASSETS		947,486,754	938,722,102


A. Aziz Ayoob
Director


A. Razak Ahmed
Chief Executive & Managing Director



CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2009

FORM GB

(Amount in Rs.)

	QUARTER ENDED 30 JUNE				2009 Aggregate	Quarter ended June 30, 2008 Aggregate
	Fire & Property	Marine & Aviation & Transport	Motor	Misc.		
Revenue Account						
Net Premium Revenue	24,775,806	15,585,807	38,928,116	955,532	80,245,261	106,104,832
Net Claims	(7,427,672)	(2,576,875)	(30,266,642)	38,340	(40,232,849)	(52,537,682)
Expenses	(7,971,541)	(5,005,195)	(12,529,439)	(307,803)	(25,813,978)	(30,216,412)
Net Commission	(3,145,778)	(1,641,919)	(5,757,003)	677,752	(9,866,948)	(13,496,344)
Underwriting result	6,230,815	6,361,818	(9,624,968)	1,363,821	4,331,486	9,854,394
Investment Income					5,705,753	7,224,685
Other Income (Profit on Sale of Fixed Assets)					658,346	900,620
Financial Charges					(128,009)	
General and administration expenses					(2,770,552)	(3,840,501)
Profit before tax					7,797,024	14,139,198
Provision for Taxation :						
Current					(1,750,000)	(4,300,000)
Profit after tax					6,047,024	9,839,198

	SIX MONTHS ENDED 30 JUNE				2009 Aggregate	Six Months ended June 30, 2008 Aggregate
	Fire & Property	Marine & Aviation & Transport	Motor	Misc.		
Revenue Account						
Net Premium Revenue	49,268,420	30,111,185	77,823,530	1,933,945	159,137,080	222,404,120
Net Claims	(9,204,597)	(3,764,333)	(61,205,422)	(690,563)	(74,864,915)	(103,021,529)
Expenses	(15,328,006)	(9,367,957)	(24,211,849)	(601,674)	(49,509,486)	(65,789,292)
Net Commission	(5,420,727)	(3,070,767)	(11,505,662)	3,587,917	(16,409,239)	(24,001,453)
Underwriting result	19,315,090	13,908,128	(19,099,403)	4,229,625	18,353,440	29,591,846
Investment Income					11,659,428	12,155,650
Other Income (Profit on Sale of Fixed Assets)					759,449	1,135,696
Financial Charges					(264,231)	
General and administration expenses					(7,440,733)	(7,863,793)
Profit before tax during the half year					23,067,353	35,019,399
Provision for Taxation :						
Current					(5,500,000)	(10,300,000)
Profit after tax during the half year					17,567,353	24,719,399

Profit and Loss Appropriation Account

Balance at Commencement of the Period	41,029,056	70,886,713
Profit after tax during the half year	17,567,353	24,719,399
Transfers to reserves (General Reserve)	(7,500,000)	(17,500,000)
Issuance of Bonus Shares for the year 2008 10% (2007:30%)	(22,909,250)	(52,867,500)
Balance Unappropriated profit at the end of the period	28,187,159	25,238,612
Earning per Share - Basic and Diluted Note 8.1	0.70	0.98


Ismail H. Zakaria
 Chairman


Mohammad Amin Ahmed Bawany
 Director


A. Aziz Ayoob
 Director


A. Razak Ahmed
 Chief Executive & Managing Director

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

KARACHI : 20th August, 2009



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED JUNE 30, 2009

	Share Capital	General Reserve	Permanent Diminution In Value Of Investment	Unappro- priated Profit	Total
Balance as at 01-01-2008	176,225,000	62,500,000	5,105,000	70,886,713	314,716,713
Net Profit after tax for the year	-	-	-	40,509,843	40,509,843
Issuance of bonus shares and transferred to general reserve	52,867,500	17,500,000	-	(70,367,500)	-
Balance as at 31-12-2008	229,092,500	80,000,000	5,105,000	41,029,056	355,226,556
Net Profit after tax for the six month period	-	-	-	17,567,353	17,567,353
Issuance of bonus shares and transferred to general reserve	22,909,250	7,500,000	-	(30,409,250)	-
Balance as at 30-06-2009	<u>252,001,750</u>	<u>87,500,000</u>	<u>5,105,000</u>	<u>28,187,159</u>	<u>372,793,909</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

Ismail H. Zakaria
Chairman

Mohammad Amin Ahmed Bawany
Director

A. Aziz Ayoob
Director

A. Razak Ahmed
Chief Executive & Managing Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)****FORM GC****FOR THE HALF YEAR ENDED JUNE 30, 2009****Half Year Ended
June 30, 2009****Half Year Ended
June 30, 2008****(Amount in Rs.)****Operating Cash Flow****a) Underwriting activities**

Premium received	188,242,890	276,168,830
Reinsurance premium paid	(97,948,404)	(85,910,168)
Claims paid	(119,220,757)	(154,909,350)
Reinsurance and other recoveries received	42,027,451	49,791,978
Commission paid	(28,661,059)	(43,491,141)
Commission received	29,765,288	33,120,487
Net cash flow from underwriting activities	14,205,409	74,770,636

b) Other operating activities

Income tax paid	(7,158,314)	(16,414,985)
General management expenses paid	(49,509,486)	(65,789,292)
Other operating payments	(2,246,622)	(1,891,098)
Loans advanced / repayment received	(207,950)	39,924
Other payments on operating assets	(2,105,489)	1,382,109
Other receipts in respect of operating assets	457,906	(313,142)
Net cash flow from other operating activities	(60,769,955)	(82,986,484)

Total cash flow from all operating activities**(46,564,546)****(8,215,848)****Investment activities**

Interest / Dividend received	39,405,447	23,021,067
Payments for Investments	(36,337,980)	(19,895,730)
Proceeds from disposal of investments	55,764,927	7,604,616
Fixed Capital Expenditures	(4,182,645)	(14,057,922)
Proceeds from disposal of fixed assets	2,170,000	3,875,000
Total cash flow from Investing activities	56,819,749	547,031

Financing activities

Unclaimed Dividend paid	(5,204)	(3,443)
Financial Charges	(264,231)	
Total cash flow from financing activities	(269,435)	(3,443)

Net cash Inflow/outflow from all activities

9,985,768

(7,672,260)

Cash & cash equivalent at the beginning of the year

79,257,002

94,953,344

Cash & cash equivalent at the end of the period**89,242,770****87,281,084****Reconciliation to profit and loss Account:**

Operating cash flow	(46,564,546)	(8,215,848)
Depreciation expense	(5,194,111)	(5,972,695)
Financial Charges	(264,231)	
Profit/(loss) on disposal of fixed assets	759,449	1,135,696
Increase/(decrease) in assets other than cash	52,135,072	42,880,169
(Increase)/decrease in liabilities other than running finance	5,036,292	(17,263,573)
Investment Income	11,659,428	12,155,650
Profit after tax as per profit & loss account.	17,567,353	24,719,399

Definition of Cash

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

Cash and Equivalents	385,648	221,609
Current and other account	63,347,280	58,334,475
Deposits Maturing Within 12 Month	27,525,000	28,725,000

Short Term Running Finance-Secured

91,257,928

87,281,084

(2,015,158)

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

89,242,770**87,281,084****Ismail H. Zakaria**
Chairman**Mohammad Amin Ahmed Bawany**
Director**A. Aziz Ayoob**
Director**A. Razak Ahmed**
Chief Executive & Managing Director

Karachi:20th August,2009

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2009

Business underwritten inside Pakistan.

FORM GD

(Amount in Rs.)

Class	QUARTER ENDED JUNE 30										
	Premium written		Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2009 Net Premium revenue	Quarter ended June 30, 2008 Net Premium revenue
	Opening	Closing	Opening	Closing			ceded	Closing			
Direct and facultative											
1 Fire and Property Damage	40,768,432	128,445,549	125,919,384	52,297,597	25,715,764	68,991,098	87,145,071	27,521,791	24,775,696	27,159,415	
2 Marine, Aviation and Transport	24,597,858	11,442,118	11,993,600	24,048,379	8,864,872	4,512,645	4,716,748	8,460,599	15,585,897	18,688,918	
3 Motor	32,155,273	63,255,067	75,687,978	39,722,362	565,479	1,526,723	1,317,956	764,246	38,828,156	58,668,145	
4 Miscellaneous	5,272,431	14,569,817	14,561,906	5,280,442	4,352,631	12,312,297	12,340,278	4,324,910	955,632	1,388,354	
Grand Total	111,794,004	237,712,551	228,159,898	121,346,777	39,318,649	87,302,723	85,520,053	41,101,516	80,245,261	196,104,832	


Class	SIX MONTHS ENDED JUNE 30										
	Premium written		Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2009 Net Premium revenue	Six Months ended June 30, 2008 Net Premium revenue
	Opening	Closing	Opening	Closing			ceded	Closing			
Direct and facultative											
1 Fire and Property Damage	108,764,165	126,628,752	125,919,384	110,476,533	59,068,304	69,254,880	87,145,071	61,208,113	49,268,420	53,086,673	
2 Marine, Aviation and Transport	47,009,807	11,086,875	11,993,600	47,003,082	17,231,354	4,377,291	4,716,748	16,861,897	30,111,185	35,386,318	
3 Motor	66,270,591	68,698,266	75,687,978	79,280,879	1,210,222	1,565,083	1,317,956	1,457,349	77,823,530	131,811,010	
4 Miscellaneous	12,641,590	14,488,027	14,561,906	12,566,601	10,096,837	12,276,097	12,340,278	10,632,656	1,933,545	2,117,213	
Grand Total	233,686,143	243,600,820	228,159,898	249,327,095	88,208,717	87,473,351	85,520,053	90,160,015	159,137,680	222,404,120	

The annexed notes form 1 to 12 form an integral part of these condensed interim financial statements.


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director


A. Aziz Ayooob
Director


A. Razak Ahmed
Chief Executive & Managing Director



CONDENSED INTERIM STATEMENT OF CLAIMS (UN AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2009

Business underwritten inside Pakistan.

FORM GE

(Amount in Rs.)

QUARTER 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	2009 Net claims expenses	Quarter to date June 30, 2009 Net claims expenses
	Opening	Closing	Opening	Closing							
	Direct and facultative										
1 Fire and Property Damage	15,537,231	190,551,100	253,190,100	51,978,231	12,355,192	180,158,138	218,371,503	44,548,559	7,427,672	2,938,084	
2 Marine, Aviation and Transport	7,570,868	24,898,260	23,519,750	6,004,398	3,868,438	17,958,081	17,470,168	3,517,523	2,576,875	6,110,647	
3 Motor	50,978,243	18,058,731	18,058,830	30,428,342	734,700	1,541,030	968,030	159,700	30,265,642	43,368,644	
4 Miscellaneous	2,237,800	4,121,500	3,120,500	1,236,800	2,013,840	3,378,100	2,838,200	1,274,940	(38,249)	129,407	
Grand Total	66,121,972	242,277,581	278,889,180	89,753,571	19,068,168	209,015,347	239,446,801	49,500,722	40,232,849	52,537,682	

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	2009 Net claims expenses	Six Months ended June 30, 2009 Net claims expenses
	Opening	Closing	Opening	Closing							
	Direct and facultative										
1 Fire and Property Damage	37,268,702	204,149,800	253,190,100	88,338,202	28,818,725	189,855,823	218,371,503	57,134,805	9,284,597	7,198,898	
2 Marine, Aviation and Transport	13,048,441	27,454,450	23,519,750	9,113,741	7,088,508	19,177,288	17,470,168	5,349,408	3,764,333	9,743,149	
3 Motor	63,760,933	18,378,830	18,058,830	61,470,824	1,975,002	2,875,530	968,030	265,502	61,205,422	85,449,429	
4 Miscellaneous	5,082,881	2,855,500	3,120,500	5,347,881	4,377,218	2,369,300	2,838,200	4,657,118	680,563	630,658	
Grand Total	118,220,757	262,838,389	278,889,180	142,271,548	42,027,451	214,067,719	239,446,801	67,408,833	74,864,915	103,021,629	

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.


 Ismail H. Zakaria
 Chairman


 A. Aziz Ayoub
 Director


 A. Razaq Ahmed
 Chief Executive & Managing Director

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2009

Business underwritten inside Pakistan

FORM GF

(Amount in Rs.)

Class	QUARTER ENDED JUNE 30									
	Commissions Paid or payable	Opening Deferred commission	Closing Deferred commission	Net Commission expenses	Other management expense	underwriting expense	Commission from reinsurers	2009 Net underwriting expense h-f-g	2008 Net Underwriting expenses	
	a	b	c	d=a+b-c	e	f=d+e	g	h-f-g		
Direct and facultative										
1 Fire and Property Damage	10,777,315	28,076,760	28,040,078	11,403,027	7,971,041	19,374,468	8,247,249	11,117,319	11,150,822	
2 Marine, Aviation and Transport	4,720,668	2,388,424	2,388,720	4,610,262	5,005,195	9,615,457	2,068,343	6,647,114	7,642,835	
3 Motor	4,621,940	12,488,260	11,363,197	5,767,003	12,529,439	18,286,442	-	18,286,442	24,985,790	
4 Miscellaneous	846,262	2,622,567	2,621,143	846,676	307,803	1,154,479	1,524,428	(369,949)	(72,690)	
Grand Total	20,965,065	48,075,041	44,423,138	22,616,968	25,815,978	48,430,648	12,750,020	35,680,926	43,712,768	
	SIX MONTHS ENDED JUNE 30									
Class	Commissions Paid or payable	Opening Deferred commission	Closing Deferred commission	Net Commission expenses	Other management expense	underwriting expense	Commission from reinsurers	2009 Net underwriting expense h-f-g	2008 Net Underwriting expenses	
	a	b	c	d=a+b-c	e	f=d+e	g	h-f-g		
Direct and facultative										
1 Fire and Property Damage	23,196,747	28,602,361	28,050,078	24,048,020	15,328,000	39,376,020	18,627,293	20,748,733	21,240,124	
2 Marine, Aviation and Transport	9,226,067	2,217,376	2,388,720	9,044,722	9,367,957	18,412,679	5,073,966	12,438,724	11,588,245	
3 Motor	9,654,119	13,304,740	11,363,197	11,506,662	24,211,849	35,717,511	-	35,717,511	58,066,403	
4 Miscellaneous	2,196,414	2,607,647	2,621,143	2,182,918	601,674	2,784,592	5,770,836	(2,986,243)	(1,102,027)	
Grand Total	44,172,347	47,032,113	44,423,138	48,781,322	49,508,480	98,260,808	30,372,083	65,918,725	89,790,745	

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.


Ismail H. Zakaria
Chairman


Mohammad Anis Ahmed Bawany
Director


A. Aziz Ayroob
Director


A. Razzak Ahmed
Chief Executive & Managing Director

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

FOR THE HALF YEAR ENDED JUNE 30, 2009

FORM GG

(Amount in Rs.)

Quarter ended June 30		Six Months ended June 30	
2009	2008	2009	2008

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

Return on Government Securities	2,759,489	2,315,321	4,551,193	2,754,982
Return on other Fixed income Securities and Deposits	1,422,075	1,006,431	2,210,887	1,889,478
	4,181,564	3,321,752	6,762,080	4,644,460

Investment Held for Trading

Dividend Income	3,360,881	2,404,853	8,112,430	5,983,653
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Available for sale

Dividend Income	120,082	140,495	120,082	171,067
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Gain on sale of 'available for sale investment'

	554,726	1,373,183	1,691,755	1,377,238
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Impairment in value of investment

	(2,500,000)	-	(5,000,000)	-
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Less: Investment related expenses

	(11,500)	(15,598)	(26,919)	(20,768)
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	<u>5,705,753</u>	<u>7,224,685</u>	<u>11,659,428</u>	<u>12,155,650</u>
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Net Investment Income transferred to P&L A/c.

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director


A. Aziz Ayoob
Director


A. Razak Ahmed
Chief Executive & Managing Director

KARACHI :20th August, 2009

NOTES TO THE ACCOUNTS INTERIM FINANCIAL STATEMENT (UN AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2009

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

These condensed interim financial statement do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statement for the year ended December 31, 2008. □

The Security and Exchange Commission of Pakistan through its notification SRO-149(1) 2009 dated 11th February 2009, had adopted IFRS-4 on insurance contracts to be followed by insurance companies and others with effect from January 1st 2009. However the implementation of some paras in the said IFRS has been deferred by SECP through its circular # 22/2009 dated 30th June 2009, for the purpose of the quarterly accounts, for 1st, 2nd and 3rd Quarter of the year 2009. other related requirement of IFRS4 requirement have no impact on these condensed interim financial statement.

3. □ Accounting policies □

The accounting policies applied in preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 31 December 2008.

4. □ Premium Deficiency Reserves □

No provision has been made as the unearned premium reserve for each class of business as at six months period ended is adequate to meet the expected future liability after reinsurance from claims end other expenses, expected to be incurred after the balance sheet date in respect of policies in force at the balance sheet date.

5. □ Taxation □

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

6. □ Transactions with Related Parties □

Details of major transactions with related parties for the period ended 30th June,2009 are as follows: □

	Jan - June □ 2009 □	Jan - June □ 2008 □
Premium Underwritten □	11,092,601 □	9,927,714 □
Premium Collected □	12,347,872 □	15,213,595 □
Claims Paid □	3,004,936 □	8,615,496 □
Commission Paid □	1,805,961 □	1,971,883

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

7. Investment

The investments comprise of the following:

	31st June. 2009	31st Dec. 2008
Held to maturity	99,151,595	105,968,238
Available for sale	34,369,414	53,528,315
Investment held for trading	149,602,280	141,361,928
Impairment in value of investment	<u>(20,000,000)</u>	<u>(15,000,000)</u>
	<u>263,123,289</u>	<u>285,858,481</u>

7.1 The market value of investment in Shares & Securities as on 30th June 2009, was Rs. 185.714 million (as at 31st December 2008, Rs.139.982 million).

7.2 The impairment in value of Investment portfolio was recognized for Rs.2.5 million according to the SECP circular # 03/2009, treating the fall in value of available for sale investment as other than temporary 25% of the difference as at end of quarter between the cost and market value as at 31st December 2008, after adjusting for the price movement during the quarter, recognized through a Profit & Loss Account. During the six months period ended 30th June 2009, the company has recognized Rs.5.00 million.

7.3 In compliance with the directive of SECP vide its Circular No.15 of 2008, dated 7th July 2008. Pakistan Investment Bonds (PIB) for the face value of Rs.30.00 million have been deposited with State Bank of Pakistan under clause (a) of Section 29(2) of Insurance Ordinance 2000.

8. Share Capital

Issued, subscribed and fully paid.

<u>June 2009</u>	<u>December 2008</u>		<u>June 2009</u>	<u>December 2008</u>
(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
24,043,495	21,752,570	Ordinary Shares of Rs.10 each		
		Issued as fully paid Bonus Shares	240,434,950	217,525,700
<u>25,200,175</u>	<u>22,909,250</u>		<u>252,001,750</u>	<u>229,092,500</u>

8.1. Earning per share

	June 2009	June 2008
Profit after the tax during the period	17,567,353	24,719,399
Weighted average number of share of Rs. 10 each	25,200,175	25,200,175
Earnings per share Basic and Diluted	<u>0.70</u>	<u>0.98</u>

Earnings per share for the corresponding period have been adjusted for the effect of subsequent issue of bonus shares.

9. Fixed Assets-Tangible and Intangible.

The details of addition and disposals have been made in the fixed assets during the period ended June 30, 2009. are as Follows:

	Additions	Disposals
Vehicles	3,119,750	2,170,000
Furniture & Fixture	6,600	—
Office Equipments	306,425	—
Computers	198,670	—
Computer Software	551,200	—

10. Contingencies and Commitments

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

11. Date of Authorization for issue

These financial statements have been authorized for issue on 20th August 2009, by the Board of Directors of the Company.

12. 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



If undelivered please return to:

Reliance Insurance Company Limited

SHARES DEPARTMENT

"Reliance Insurance House"

181-A, SINDHI MUSLIM CO-OPERATIVE HOUSING SOCIETY, KARACHI-74400

PHONES: 4539415-417

