



Sheltering Reliably

HALF YEARLY REPORT
JUNE 30, 2010
(UNAUDITED)



Reliance Insurance Company Limited



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COMPANY INFORMATION

BOARD OF DIRECTORS	ISMAIL H. ZAKARIA	Chairman
DIRECTORS	MOHAMMAD AMIN AHMED BAWANY A. AZIZ AYOOB IRFAN ZAKARIA BAWANY MOHAMMAD OMER BAWANY ZOHAIK ZAKARIA AHMED ALI BAWANY NOOR M. ZAKARIA ASHFAQ PATEL YASIN SIDDIK	
CHIEF EXECUTIVE & MANAGING DIRECTOR	A. RAZAK AHMED	
MANAGEMENT	BASHARAT M. BARLAS SYED RIZWAN AKHTAR	SEVP EVP (Operation)
CHIEF ACCOUNTANT AND COMPANY SECRETARY	HAROON A. SHAKOOR	
AUDIT COMMITTEE	A. AZIZ AYOOB IRFAN ZAKARIA BAWANY ZOHAIK ZAKARIA	Chairman Member Member
INVESTMENT COMMITTEE	IRFAN ZAKARIA ZOHAIK ZAKARIA AHMED ALI BAWANY A. RAZAK AHMED	Chairman Member 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 LIMITED UNITED BANK LIMITED THE ROYAL BANK OF SCOTLAND NIB BANK LIMITED BANK ALFLAH LIMITED FAYSAL BANK LIMITED HABIB METROPOLITAN BANK LIMITED THE BANK OF PUNJAB JS BANK LIMITED	
REGISTERED OFFICE	96-A, Sindhi Muslim Co-operative Housing Society, Karachi.	
HEAD OFFICE	Reliance Insurance House, 181-A, Sindhi Muslim Co-operative Housing Society, P.O. Box No. 13356, Karachi-74400. Phone: 34539415-17 Fax: 92-21-34539412 E-mail: reli-ins@cyber.net.pk ric-re@cyber.net.pk Website: relianceins.com	
SHARES REGISTRAR	M/s. C & K Management Associates (Pvt.) Ltd. 404-Trade Tower, Abdullah Haroon Road, Near Hotel Metropole, Karachi-75530 Tel : (021) 35687839 & 35685930	

DIRECTOR'S REPORT

The Shareholders,

Reliance Insurance Company Limited,

Your Directors are pleased to present before you the half yearly (Un-audited) Accounts duly reviewed by the auditors for the period ended June 30th 2010.

During the period under review, your Company underwrote a Gross Premium of Rs.232.174 million as compared to Rs.233.586 million of the corresponding period of last year – showing decrease of 0.60%. The Net Premium Income also decreased from Rs.159.137 million to Rs.111.392 million a decrease of 30.00% over the previous year, because of management decision to trim down Motor business.

Net claims incurred, however, stood at Rs. 44.421 million – decrease of 40.66% over the corresponding period of last year.

Investment Income stood at Rs.25.596 million as against 11.659 million of the previous year showing an increase of 119.53%, because of improved Dividend Income and Capital gain.

Profit before tax for the half-year ended 30th June 2010 was Rs.19.925 million against Rs.23.067 million of corresponding period of last year showing a decrease of Rs.3.142 million – 13.621%, because of decrease in net premium income.

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: 19th August 2010.

REVIEW REPORT

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

Introduction

We have reviewed the accompanying;

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

of Reliance Insurance Company Ltd. ("the Company") as at and for the six months period ended 30 June 2010 (here-in-after referred to as the "condensed interim financial information"), Management is responsible for the preparation and presentation of this condensed 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

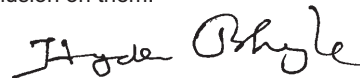
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial Information performed by the Independent Auditor of the entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible 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, 2010 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 2010 and 30 June 2009 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: 19th August, 2010

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


AS AT JUNE 30, 2010

	Notes	(Un Audited) As At June.30, 2010 Rs	(Audited) As At Dec.31, 2009 Rs
Share Capital and Reserves			
Authorised share capital (2009: 50,000,000 Ordinary Shares of Rs.10/— each)		<u>500,000,000</u>	<u>500,000,000</u>
Paid-up share capital	8	252,001,750	252,001,750
Accumulated Loss		(3,498,738)	(22,024,570)
Reserves		92,605,000	92,605,000
		341,108,012	322,582,180
Underwriting provisions			
Provision for outstanding claims (including IBNR)		221,262,860	227,471,105
Provision for unearned premium		237,477,776	232,763,085
Commission income unearned		29,229,258	33,125,313
Total Underwriting Provisions		487,969,894	493,359,503
Creditors and accruals			
Amounts due to other insurers/reinsurers		79,739,504	38,532,437
Accrued expenses		1,543,563	3,047,417
Cash losses received from reinsurers		11,365,606	-
Sundry creditors		42,473,824	46,711,534
		135,122,497	88,291,388
Other liabilities			
Unclaimed dividend		115,331	115,331
TOTAL EQUITY AND LIABILITIES		<u>964,315,734</u>	<u>904,348,402</u>

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director

Karachi:19th August, 2010

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

AS AT JUNE 30, 2010

	Notes	(Un Audited) As At June.30, 2010 Rs	FORM GA (Audited) As At Dec.31, 2009 Rs
Cash and bank deposits			
Cash and other equivalent		454,437	111,273
Current and other accounts		37,229,340	34,909,559
Deposit maturing within 12 months		25,025,000	28,025,000
		62,708,777	63,045,832
Loans (secured)			
To employees		943,017	1,061,059
Investments	7	289,582,524	282,689,979
Current assets-others			
Premiums due but unpaid		225,009,723	169,145,269
Amounts due from other insurers/reinsurers		7,608,021	8,534,726
Accrued investment income		3,708,117	10,513,780
Reinsurance recoveries against outstanding claims		139,958,703	144,013,231
Deferred commission expense		51,629,162	53,563,015
Prepaid reinsurance premium ceded		109,159,180	98,174,944
Taxation - provision less payments		6,664,287	6,095,306
Trade deposits and prepayments		528,819	540,494
Sundry receivables		781,095	662,544
		545,047,107	491,243,309
Fixed assets			
Land and buildings		16,473,728	17,340,766
Furniture, fixtures and office equipment		10,203,462	10,607,651
Motor vehicles		36,749,276	36,531,963
		63,426,466	64,480,380
Capital work in progress		2,607,843	1,827,843
TOTAL ASSETS		964,315,734	904,348,402


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, 2010

(Amount in Rs.)

	QUARTER ENDED 30 JUNE				2010 Aggregate	Quarter ended June 30, 2009 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.		
Revenue Account						
Net Premium Revenue	13,610,146	14,622,004	24,161,632	1,539,217	53,932,999	80,245,261
Net Claims	(2,619,872)	(6,057,459)	(16,552,616)	(175,481)	(25,405,428)	(40,232,849)
Expenses	(4,057,542)	(4,999,484)	(8,151,324)	(579,789)	(17,788,139)	(25,813,978)
Net Commission	(2,634,697)	(2,403,932)	(3,559,476)	377,780	(8,220,325)	(9,866,948)
Underwriting result	4,298,035	1,161,129	(4,101,784)	1,161,727	2,519,107	4,331,486
Investment Income					17,429,529	5,705,753
Other Income (Profit on Sale of Fixed Assets)					202,719	658,346
Financial Charges						(128,009)
General and administration expenses					(6,953,439)	(2,770,552)
Profit before tax during the quarter					13,197,916	7,797,024
Provision for Taxation :						
Current					(500,000)	(1,750,000)
Profit after tax during the quarter					12,697,916	6,047,024

	SIX MONTHS ENDED 30 JUNE				2010 Aggregate	Six Month ended June 30, 2009 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.		
Revenue Account						
Net Premium Revenue	33,256,097	28,090,227	47,727,842	2,318,655	111,392,821	159,137,080
Net Claims	(4,352,980)	(8,868,070)	(30,804,256)	(396,541)	(44,421,847)	(74,864,915)
Expenses	(13,938,476)	(11,773,329)	(20,003,953)	(971,807)	(46,687,565)	(49,509,486)
Net Commission	(3,938,767)	(5,125,305)	(7,008,852)	1,821,465	(14,251,459)	(16,409,239)
Underwriting result	11,025,874	2,323,523	(10,089,219)	2,771,772	6,031,950	18,353,440
Investment Income					25,595,947	11,659,428
Other Income (Profit on Sale of Fixed Assets)					323,115	759,449
Financial Charges					(105,237)	(264,231)
General and administration expenses					(11,919,943)	(7,440,733)
Profit before tax during the half year					19,925,832	23,067,353
Provision for Taxation :						
Current					(1,400,000)	(5,500,000)
Profit after tax during the half year					18,525,832	17,567,353

Profit and Loss Appropriation Account		
Balance at Commencement of the Period	(22,024,570)	41,029,056
Profit after tax during the half year	18,525,832	17,567,353
Transfers to reserves (General Reserve)	-	(7,500,000)
Issuance of Bonus Shares for the year 2009 NIL (2008:10%)	-	(22,909,250)
Balance Unappropriated profit at the end of the period	(3,498,738)	28,187,159
	0.73	0.70

Earning per Share - Basic and Diluted (Note 10)

 Ismail H. Zakaria Chairman	 Mohammad Amin Ahmed Bawary Director	 A. Aziz Ayoob Director	 A. Razak Ahmed Chief Executive & Managing Director
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The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

Karachi : 19th August, 2010

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)**
FOR THE HALF YEAR ENDED JUNE 30, 2010

	<u>Quarter ended June 30,</u>		<u>Six Months ended June 30,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>(Rupees)</u>		<u>(Rupees)</u>	
Profit after tax	12,697,916	6,047,024	18,525,832	17,567,353
Other comprehensive income	-	-		
Total comprehensive income for the period	<u>12,697,916</u>	<u>6,047,024</u>	<u>18,525,832</u>	<u>17,567,353</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director


A. Aziz Ayoob
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 19th August, 2010



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN AUDITED)
FOR THE HALF YEAR ENDED JUNE 30,2010

	Share Capital	General Reserve	Permanent Diminution In Value Of Investment	Unappropriated Profit	Total
Balance as at 31-12-2008	229,092,500	80,000,000	5,105,000	41,029,056	355,226,556
Total comprehensive income for the year					
Net Loss after tax for the year	-	-	-	(32,644,376)	(32,644,376)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(32,644,376)	(32,644,376)
Transactions with owners recorded directly in equity					
Issuance of bonus shares and transferred to general reserve	22,909,250	7,500,000	-	(30,409,250)	-
Balance as at 31-12-2009	<u>252,001,750</u>	<u>87,500,000</u>	<u>5,105,000</u>	<u>(22,024,570)</u>	<u>322,582,180</u>
Total comprehensive income for the quarter					
Net Profit after tax for the period	-	-	-	18,525,832	18,525,832
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	18,525,832	18,525,832
Transactions with owners recorded directly in equity					
Issuance of bonus shares and transferred to general reserve	-	-	-	-	-
Balance as at 30-06-2010	<u>252,001,750</u>	<u>87,500,000</u>	<u>5,105,000</u>	<u>(3,498,738)</u>	<u>341,108,012</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.


Ismail H. Zakaria
 Chairman


Mohammad Amin Ahmed Bawany
 Director


A. Aziz Ayoob
 Director


A. Razak Ahmed
 Chief Executive & Managing Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN AUDITED)**

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FOR THE HALF YEAR ENDED JUNE 30, 2010

2010 January to June 2009
(Amount in Rs.)**Operating Cash Flow****a) Underwriting activities**

Premium received	172,669,104	188,242,890
Reinsurance premium paid	(84,917,256)	(97,948,404)
Claims paid	(130,042,064)	(119,220,757)
Reinsurance and other recoveries received	83,466,500	42,027,451
Commission paid	(40,223,012)	(28,661,059)
Commission received	27,650,097	29,765,288
Cash losses received from reinsurers	11,365,606	
Net cash flow from underwriting activities	<u>39,968,975</u>	<u>14,205,409</u>

b) Other operating activities

Income tax paid	(1,968,981)	(7,158,314)
General management expenses paid	(46,687,565)	(49,509,486)
Other operating payments	(7,264,239)	(2,246,622)
Loans advanced / repayment received	118,042	(207,950)
Other payments on operating assets	(5,741,564)	(2,105,489)
Other receipts in respect of operating assets	(106,876)	457,906
Net cash flow from other operating activities	<u>(61,651,183)</u>	<u>(60,769,955)</u>

Total cash flow all operating activities(21,682,208) (46,564,546)**Investment activities**

Interest / Dividend received	23,472,045	39,405,447
Payments for Investments	(33,816,275)	(36,337,980)
Proceeds from disposal of investments	35,853,295	55,764,927
Fixed Capital Expenditures	(5,823,675)	(4,182,645)
Proceeds from disposal of fixed assets	1,765,000	2,170,000
Total cash flow from Investing activities	<u>21,450,390</u>	<u>56,819,749</u>

Financing activities

Unclaimed Dividend paid	-	(5,204)
Financial Charges	(105,237)	(264,231)
Total cash flow from financing activities	<u>(105,237)</u>	<u>(269,435)</u>

Total cash flow from financing activities(105,237) (269,435)**Net cash Inflow/outflow from all activities**(337,055) 9,985,768**Cash & cash equivalent at the beginning of six months period**

63,045,832 79,257,002

Cash & cash equivalent at the end of six months period62,708,777 89,242,770**Reconciliation to profit and loss Account**

Operating cash flow	(21,682,208)	(46,564,546)
Depreciation expense	(4,655,704)	(5,194,111)
Financial Charges	(105,237)	(264,231)
Profit/(loss) on disposal of fixed assets	323,115	759,449
Increase/(decrease) in assets other than cash	60,491,419	52,135,072
(Increase)/decrease in liabilities other than running finance	(41,441,500)	5,036,292
Investment Income	25,595,947	11,659,428
Profit after tax as per profit & loss account.	<u>18,525,832</u>	<u>17,567,353</u>

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	454,437	385,648
Current and other account	37,229,340	63,347,280
Deposits Maturing Within 12 Months	25,025,000	27,525,000
	62,708,777	91,257,928
Short Term Running Finance-Secured	-	(2,015,158)
	<u>62,708,777</u>	<u>89,242,770</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.


 Ismail H. Zakaria
 Chairman


 Mohammad Amin Ahmed Bawany
 Director


 A. Aziz Ayoob
 Director


 A. Razak Ahmed
 Chief Executive & Managing Director

Karachi: 19th August, 2010

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CONDENSED INTERIM STATEMENT OF PREMIUMS (UN AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2010

Business underwritten inside Pakistan

(Amount in Rs.)

C l a s s	QUARTER ENDED JUNE 30										Quarter ended June 30, 2009 Net Premium revenue	
	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2010 Net Premium revenue	Quarter ended June 30, 2009			
	Opening	Closing			ceded Opening	ceded Closing			Net Premium revenue	Net Premium revenue		
Direct and facultative												
1 Fire and Property Damage	40,738,927	142,643,128	138,749,385	44,632,670	28,385,667	80,740,605	78,103,748	31,022,524	13,610,146		24,775,806	
Marine, Aviation and Transport	60,928,579	10,769,481	25,455,034	46,243,026	45,884,121	4,507,232	18,770,331	31,621,022	14,622,004		15,585,807	
Motor	20,772,297	64,294,151	60,233,022	24,833,426	562,500	1,215,203	1,105,909	671,794	24,161,632		38,928,116	
Miscellaneous	5,978,099	12,700,150	13,040,335	5,637,914	4,386,059	10,891,830	11,179,192	4,098,697	1,539,217		955,532	
Grand Total	128,417,902	230,406,910	237,477,776	121,347,036	79,218,347	97,354,870	109,159,180	67,414,037	53,932,999		80,245,261	
	SIX MONTHS ENDED JUNE 30											
C l a s s	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2010 Net Premium revenue	Six Months ended June 30, 2009 Net Premium revenue		
		Opening	Closing			ceded Opening	ceded Closing			Net Premium revenue	Net Premium revenue	
Direct and facultative												
1 Fire and Property Damage	94,123,344	142,981,455	138,749,385	98,355,414	62,242,391	80,960,674	78,103,748	65,099,317	33,256,097		49,268,420	
Marine, Aviation and Transport	82,724,909	11,792,664	25,455,034	69,062,539	54,800,301	4,942,342	18,770,331	40,972,312	28,090,227		30,111,185	
Motor	44,090,529	65,126,960	60,233,022	48,984,467	1,125,000	1,237,534	1,105,909	1,256,625	47,727,842		77,823,530	
Miscellaneous	11,235,522	12,862,006	13,040,335	11,057,193	8,883,336	11,034,394	11,179,192	8,738,538	2,318,655		1,933,945	
Grand Total	232,174,304	232,763,085	237,477,776	227,459,613	127,051,028	98,174,944	109,159,180	116,066,792	111,392,821		159,137,080	

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

Ismail H. Zakaria
Chairman

Mohammad Amin Ahmed Bawany
Director

A. Aziz Ayoob
Director

A. Razak Ahmed
Chief Executive & Managing Director

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CONDENSED INTERIM STATEMENT OF CLAIMS (UN AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2010

Business underwritten inside Pakistan

(Amount in Rs.)

Class	QUARTER ENDED JUNE 30										Quarter ended June 30, 2009 Net claims expenses	
	Claims Paid		Outstanding Claims		Reinsurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue			2010 Net claims expenses
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing		
Direct and facultative 1 Fire and Property Damage	38,486,832	143,278,687	147,181,618	42,389,763	36,760,010	100,326,657	103,336,538	39,769,891	2,619,872	7,427,672	2,576,875	
Marine, Aviation and Transport	9,062,855	39,532,055	42,743,710	12,274,510	3,751,395	28,624,677	31,090,333	6,217,051	6,057,459	30,266,642	(38,340)	
Motor	20,487,818	30,993,110	27,878,908	17,373,616	521,400	2,188,500	2,488,100	821,000	16,552,616	40,232,849	25,405,428	
Miscellaneous	1,523,409	3,242,511	3,458,624	1,739,522	1,371,069	2,850,760	3,043,732	1,564,041	175,481			
Grand Total	69,560,914	217,046,363	221,262,860	73,777,411	42,403,874	133,990,594	139,958,703	48,371,983	25,405,428			
SIX MONTHS ENDED JUNE 30												
Class	Claims Paid		Outstanding Claims		Reinsurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		2010 Net claims expenses	Six Months ended June 30, 2009 Net claims expenses
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing		
Direct and facultative 1 Fire and Property Damage	78,800,393	166,583,720	147,181,618	59,398,291	72,852,524	121,143,751	103,336,538	55,045,311	4,352,980	9,204,597	3,764,333	
Marine, Aviation and Transport	14,957,180	30,044,255	42,743,710	27,656,635	7,422,712	19,724,480	31,090,333	18,788,565	8,868,070	61,205,422	690,563	
Motor	33,317,978	28,368,130	27,878,908	32,828,756	521,400	985,000	2,488,100	2,024,500	30,804,256	74,864,915	44,421,847	
Miscellaneous	2,966,513	2,475,000	3,458,624	3,950,137	2,669,864	2,160,000	3,043,732	3,553,596	396,541			
Grand Total	130,042,064	227,471,105	221,262,860	123,833,819	83,466,500	144,013,231	139,958,703	79,411,972	44,421,847			

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

 Ismail H. Zakaria
 Chairman

 Mohammad Amin Ahmed Bawany
 Director

 A. Aziz Ayoob
 Director

 A. Razak Ahmed
 Chief Executive & Managing Director

FORM GF

CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2010

Business underwritten inside Pakistan

(Amount in Rs.)

		QUARTER 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	2010 Net underwriting expense	Quarter ended June, 30 2009 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	10,713,072	38,394,537	37,379,778	11,727,831	4,057,542	15,785,373	9,093,134	6,692,239	11,117,319
2 Marine, Aviation and Transport	5,675,550	2,692,370	2,867,171	5,500,749	4,999,484	10,500,233	3,096,817	7,403,416	6,647,114
3 Motor	2,950,306	9,644,123	9,034,953	3,559,476	8,151,324	11,710,800	-	11,710,800	18,286,442
4 Miscellaneous	1,045,181	2,286,027	2,347,260	983,948	579,789	1,563,737	1,361,728	202,009	(369,949)
Grand Total	20,384,109	53,017,057	51,629,162	21,772,004	17,788,139	39,560,143	13,551,679	26,008,464	35,680,926
		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	2010 Net underwriting expense	Six Months June, 30 2009 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	24,792,656	38,530,642	37,379,778	25,843,520	13,938,476	39,881,996	22,004,753	17,877,243	20,748,733
2 Marine, Aviation and Transport	10,908,825	2,948,168	2,867,171	10,989,822	11,773,329	22,763,151	5,864,517	16,898,634	12,438,724
3 Motor	6,274,761	9,769,044	9,034,953	7,008,852	20,003,953	27,012,805	-	27,012,805	35,717,511
4 Miscellaneous	1,887,516	2,315,161	2,347,260	1,855,417	971,807	2,827,224	3,676,882	(849,658)	(2,986,243)
Grand Total	43,863,758	53,563,015	51,629,162	45,797,611	46,687,565	92,485,176	31,546,152	60,939,024	65,918,725

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

Ismail H. Zakaria
Chairman

Mohammad Amin Ahmed Bawany
Director

A. Razak Ahmed
Chief Executive & Managing Director



CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2010

FORM GG

(Amount in Rs.)

Quarter ended June 30		Six Months ended June 30	
2010	2009	2010	2009

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

Return on Government Securities	3,377,135	2,759,489	4,585,467	4,551,193
Return on other Fixed income Securities and Deposits	1,302,613	1,422,075	2,217,629	2,210,887
	4,679,748	4,181,564	6,803,096	6,762,080

Investment Held for Trading

Dividend Income	4,063,028	3,360,881	9,871,603	8,112,430
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Available for sale

Dividend Income -	-	120,082	33,795	120,082
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Gain on sale of 'available for sale investment'

	8,722,965	554,726	8,929,565	1,691,755
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Impairment in value of investment

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

	(36,212)	(11,500)	(42,112)	(26,919)
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	<u>17,429,529</u>	<u>5,705,753</u>	<u>25,595,947</u>	<u>11,659,428</u>
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Net Investment Income transferred to P&L A/c.

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.


Ismail H. Zakaria
 Chairman


Mohammad Amin Ahmed Bawany
 Director


A. Aziz Ayoob
 Director


A. Razak Ahmed
 Chief Executive & Managing Director

Karachi :19th August, 2010



NOTES TO THE ACCOUNTS INTERIM FINANCIAL INFORMATION (UN AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2010

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

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

This condensed interim financial information 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, 2009.

3. Accounting policies.

The accounting policies adopted in preparation of these accounts are the same as applied in preparation of financial statement for the preceding year ended December 31, 2009.

This condensed interim financial information have been presented in Pakistan rupee, which is also the company's functional currency.

4. Financial Risk Management

The Company' financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended 31 December 2009

5. Taxation

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

6. Transaction with Related Parties

Details of major transactions with related parties for the period ended 30th june 2010 are as follows.

	Jan - June 2010	Jan - June 2009
Premium Underwritten	9,471,725	11,092,601
Premium Collected	8,313,394	12,347,872
Claims Paid	2,338,328	3,004,936
Commission Paid	2,052,669	1,805,961

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

7. Investment.	30th June.	31st Dec.
The investments comprise of the following:	2010	2009
Held to maturity	97,136,945	98,832,706
Available for sale	29,161,452	25,664,285
Investment held for trading	159,425,442	154,334,303
In Relates Parties	6,558,148	6,558,148
Provision for impairment	(2,699,463)	(2,699,463)
	<u>289,582,524</u>	<u>282,689,979</u>

7.1 The market value of investment in Shares & Securities as on 30th June 2010, was Rs.318.20 million (as at 31st December 2009, Rs.318.31 million).

7.2 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</u> <u>2010</u>	<u>December</u> <u>2009</u>		<u>June</u> <u>2010</u>	<u>December</u> <u>2009</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	24,043,495	Ordinary Shares of Rs.10 each Issued as fully paid Bonus Shares	240,434,950	240,434,950
<u>25,200,175</u>	<u>25,200,175</u>		<u>252,001,750</u>	<u>252,001,750</u>

9. Fixed Assets-Tangible and Intangible.

The details of additions and disposals have been made in the fixed assets during the period ended June 30, 2010.

	Additions	Disposals
Vehicles	4,478,130	1,765,000
Office Furniture	26,050	
Office Equipments	199,095	—
Computers	340,400	—
Computer Software	780,000	—

10. Earnings Per Share –Basic And Diluted

	June 2010	June 2009
Profit after tax for the period	18,525,832	17,567,353
Weighted average number of ordinary shares	25,200,175	25,200,175
Earning per shares-basic and diluted	<u>0.73</u>	<u>0.70</u>

10.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

11. Segment Reporting

Class of business wise revenue and results have been disclosed in the condensed interim statement of premium and condensed interim profit and loss account respectively prepaid in accordance with the requirements of insurance ordinance,2000 and the SEC(insurance) Rules,2002.

12. Contingencies and Commitments

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

13. Date of Authorization for issue

These condensed interim financial information have been authorized for issue on 19th August 2010, by the Board of Directors of the Company.

14. 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



OFFICES

HEAD OFFICE

“Reliance Insurance House”
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Housing Society, Karachi.

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Chief Executive & Managing Director

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Chief Accountant & Company Secretary

Direct : 34539409
Extention : 203

M. Syed Rizwan Akhtar
Executive Vice President (Operations)

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Extention : 210

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

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Extention : 201

Mr. Muhammad Ishaque Azim
Vice President (Fire)

Direct : 34304068
Extention : 212

Mr. Sadruddin Hussain
Vice President (Claims)

Direct : 34550403
Extention : 208

Mr. Abdul Rahim Patni
Deputy Chief Manager (Reinsurance)

Direct : 34539411
Extention : 215

Mr. Muhammad Salim Memon
Deputy Chief Manager (Investment / Shares)

Extention : 214

Mr. Ghulam Mujaddid
Chief Manager (Accounts)

Extention : 205

Mr. Muhammad Masood Alam
Manager (Administration)

Direct : 34539411
Extention : 206

Mr. Muhammad Masood Ali
Deputy Chief Manager (I.T. Deptt.)

Extention : 202

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Hyderabad Branch

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North Zone Office & Branches

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Mr. Sh. Khushnood Ashraf
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Gujrat Branch

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Branch Manager

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Sialkot Branch

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