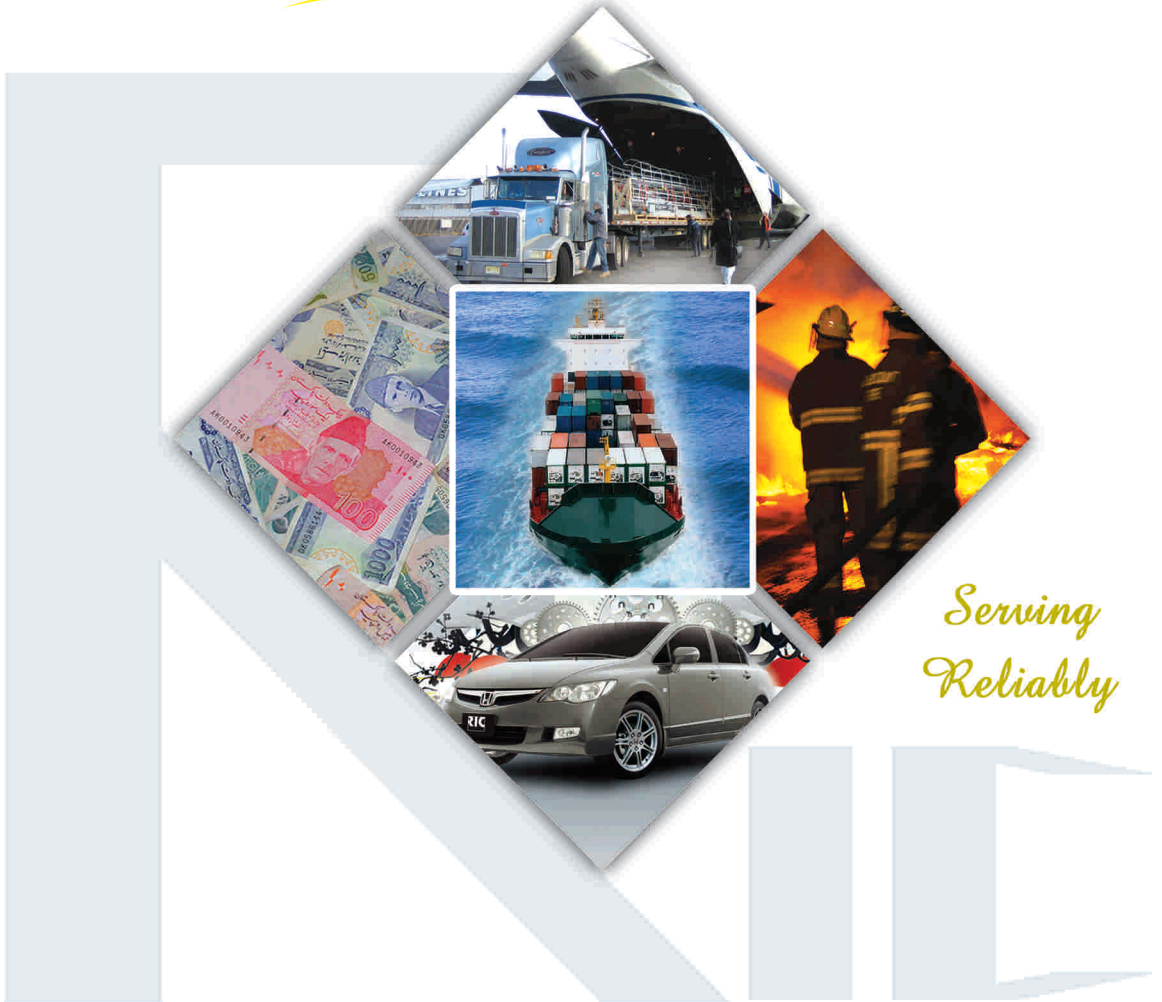


Half Yearly Report



*Serving
Reliably*

Reliance Insurance Company Limited

HALF YEARLY REPORT

JUNE 30, 2011

(UNAUDITED)



**OFFICES****HEAD OFFICE**

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

PABX : 34539415-17
Fax : 34539412
E-mail : reli-ins@cyber.net.pk
ric-re@cyber.net.pk
Web : www.relianceins.com

Mr. A. Razak Ahmed
Chief Executive & Managing Director

Direct : 34539413, 34539414
Extention : 204

Mr. Haroon A. Shakoor
Chief Accountant & Company Secretary

Direct : 34539409
Extention : 203

M. Syed Rizwan Akhtar
Executive Vice President (Operations)

Direct : 34304067
Extention : 210

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

Direct : 34557079
Extention : 201

Mr. Muhammad Ishaque Azim
Vice President (Fire)

Direct : 34304068
Extention : 212

Mr. Sadruddin Hussain
Vice President (Claims)

Direct : 34550403
Extention : 208

Mr. Ghulam Mujaddid
Chief Manager (Accounts)

Extention : 205

Mr. Abdul Rahim Patni
Deputy Chief Manager (Reinsurance)

Direct : 34539411
Extention : 215

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

Extention : 214

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

Extention : 202

Mr. Muhammad Masood Alam
Manager (Administration)

Direct : 34539411
Extention : 206

South Zone Office & Branches**M. A. Jinnah Road Branch**

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

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

Business Plaza Branch

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

Mr. Muhammad Iqbal Dhedhi
Executive Vice President

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

Namco Centre Branch

1-A, 5th Floor, Campbell Street,
Karachi.

Mr. Iqbal Umer Bawany
Vice President

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

Tariq Road Branch

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

Mr. Zafar A. Pasha
Executive Vice President

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



Land Mark Plaza Branch

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

Mr. Muhammad Reza Rajani
Assistant Vice President

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

Hyderabad Branch

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

Mr. Abdullah Ahmed
Regional Manager

Ph : (022) 2615774
Fax : (022) 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 : (042) 7239063, 7353292
(042) 7234255, 7351353
Direct : (042) 7354689
Fax : (042) 7312526

Regional Office. Lahore

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

Mr. Basharat M. Barlas
Senior Executive Vice President

Ph : (042) 35761077, 35761078
(042) 35763446, 35763447
Fax : (042) 35761235

Gulberg Branch

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

Mr. Tehseen Ahmed Khan
Executive Vice President

Ph : (042) 35752245, 35752989
(042) 35751971, 35756557
Fax : (042) 35756217

Eden Centre Branch

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

Mr. Ch. H. S. Asghar
Vice President

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

Al-Rehman Branch

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

Mr. Nisar Ahmed Chughtai
Senior Vice President

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

Garden Town Branch

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

Mr. Basit Anwar Butt
Executive Vice President

Ph : (042) 35889258, 35889259
Fax : (042) 35889260

Khan Plaza Branch

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

Mr. Sohailuddin Zafar
Assistant Vice President

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

Model Town Branch

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

Mr. Amjad Rafique Dihillo
Branch Manager

Ph : (055) 3254415, 3840750
Fax : (055) 3523086

Gujrat Branch

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

Mr. Ch. Nazir Ahmed
Vice President

Ph : (053) 3522127

Faisal Complex Branch

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

Mr. A. Majeed Abid
Vice President

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

Taj Plaza Branch

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

Mr. Muhammad Akhlaq
Vice President

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



Rawalpindi Branch

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

Mr. Abdul Karim Siddiqui
Vice President

Ph : (051) 5700223, 5523260
Fax : (051) 5514384

Peshawar Branch

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

Mr. Abdul Salam Niazi
Vice President

Ph : (091) 5274617, 5277328
(091) 5250830
Fax : (091) 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 : (061) 4517349
Fax : (061) 4510049

Khanpur Branch

Off Ghalla Mandi, Khanpur,
Distt. Rahimyar Khan.

Mr. Abdul Razzak Choudhry
Vice President

Ph : (068) 5572772
Fax : (068) 5572772

Hasilpur Branch

27-B, 1st Floor, Main Bazar,
Hasilpur.

Mr. Muhammad Shafi Anjum
Vice President

Ph : (062) 2442473
Fax : (062) 2448073

Sialkot Branch

Room No. 4 & 5 1st Floor,
Mughal Plaza, Kutchery Road,
Sialkot.

Mr. Ghulam Rasool Farrukh Zahidi
Branch Manager

Ph : (052) 4296075, 4296076
Fax : (052) 4296077

Gojra Branch

P-132, Post Road,
Gojra.

Mrs. Shahnaz Akhter
Branch Manager

Ph : (046) 3511917
Fax : (046) 3513111



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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 2011.

During the period under review, your Company underwrote a Gross Premium of Rs.254.163 million as compared to Rs.232.174 million of the corresponding period of last year – showing an increase of 9.47%. The Net Premium Income stood at Rs.111.413 million against Rs.111.392 of corresponding period of previous year.

Net claims incurred, however, stood at Rs. 45.246 million – an increase of 1.85% over the corresponding period of last year.

Investment Income stood at Rs.46.183 million as against 25.596 million of the previous year showing an increase of 80.43%, because of improved Dividend Income and Capital gains.

Profit before tax for the half-year ended 30th June 2011 was Rs.43.682 million against Rs.19.926 million of corresponding period of last year showing an increase of Rs.23.757 million – 119.22%, mainly because of improved Dividend income and Capital gains, Earnings per share for the period under review stood at Rs.1.43 compared to Rs.0.65 in the preceding year.

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: 24th August 2011.

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 2011 (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

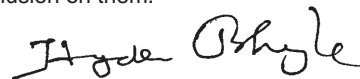
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial Information performed by the Independent Auditor of the entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible 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, 2011 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 2011 and 30 June 2010 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: 24th August, 2011

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

AS AT JUNE 30, 2011


	Notes	(Un Audited) As At June.30, 2011 Rs	(Audited) As At Dec.31, 2010 Rs
Share Capital and Reserves			
Authorised share capital (50,000,000 Ordinary Shares of Rs.10/— each)		<u>500,000,000</u>	<u>500,000,000</u>
Paid-up share capital	7	283,501,970	252,001,750
Retained earnings		41,697,221	35,014,918
Reserves		90,000,000	87,500,000
		415,199,191	374,516,668
Underwriting provisions			
Provision for outstanding claims (including IBNR)		166,595,312	148,990,324
Provision for unearned premium		258,112,161	258,879,604
Commission income unearned		27,648,370	29,292,558
Total Underwriting Provisions		452,355,843	437,162,486
Creditors and accruals			
Amounts due to other insurers/reinsurers		88,549,479	49,552,405
Accrued expenses		1,962,081	2,137,978
Other creditors and Accruals		39,732,620	39,974,347
		130,244,180	91,664,730
Other liabilities			
Unclaimed dividend		115,331	115,331
TOTAL EQUITY AND LIABILITIES		997,914,545	903,459,215

CONTINGENCIES AND COMMITMENTS

8

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

Karachi: 24th August, 2011


Ismail H. Zakaria
 Chairman


Mohammad Amin Ahmed Bawany
 Director

**CONDENSED INTERIM BALANCE SHEET (UN AUDITED)****AS AT JUNE 30, 2011**

	Notes	(Un Audited) As At June.30, 2011 Rs	FORM GA (Audited) As At Dec.31, 2010 Rs
Cash and bank deposits			
Cash and other equivalent		774,985	147,888
Current and other accounts		37,500,010	32,318,846
Deposit maturing within 12 months		25,000,000	25,075,000
		63,274,995	57,541,734
Loans (secured)			
To employees		1,077,514	755,614
Investments	9	321,018,145	284,604,777
Current assets-others			
Premiums due but unpaid		217,593,341	176,919,203
Amounts due from other insurers/reinsurers		7,765,226	4,659,779
Accrued investment income		4,090,514	3,790,906
Reinsurance recoveries against outstanding claims		111,799,874	98,242,108
Deferred commission expense		44,978,324	45,943,667
Prepaid reinsurance premium ceded		157,017,078	159,777,804
Taxation - provision less payments		676,127	5,283,460
Trade deposits and prepayments		1,016,149	534,069
Sundry receivables		1,543,265	746,971
		546,479,898	495,897,967
Fixed assets			
Tangible	10		
Land and buildings		14,826,355	15,606,690
Furniture, fixtures and office equipment		9,381,969	9,694,181
Motor vehicles		39,400,800	36,412,409
		63,609,124	61,713,280
Intangible			
Computer software		2,454,869	2,945,843
TOTAL ASSETS		997,914,545	903,459,215


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, 2011


FORM GB
(Amount in Rs.)

	QUARTER ENDED 30 JUNE				2011 Aggregate	Quarter ended June 30, 2010 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.		
Revenue Account						
Net Premium Revenue	11,992,448	16,060,428	23,975,516	884,428	52,912,820	53,932,999
Net Claims	(2,545,459)	(4,977,482)	(16,573,550)	(177,118)	(24,273,609)	(25,405,428)
Expenses	(4,454,327)	(5,956,712)	(8,893,474)	(328,073)	(19,632,586)	(17,788,139)
Net Commission	(2,270,246)	(2,206,664)	(3,431,851)	641,203	(7,267,558)	(8,220,325)
Underwriting result	2,722,416	2,919,570	(4,923,359)	1,020,440	1,739,067	2,519,107
Investment Income					34,493,832	17,429,529
Other Income (Profit on Sale of Fixed Assets)					855,969	202,719
General and administration expenses					(5,038,084)	(6,953,439)
Profit before tax during the quarter					32,050,784	13,197,916
Provision for Taxation :						
Current					(1,650,000)	(500,000)
Profit after tax during the quarter					30,400,784	12,697,916

	SIX MONTHS ENDED 30 JUNE				2011 Aggregate	Six Month ended June 30, 2010 Aggregate
	Fire & Property	Marine Aviation & Transport	Motor	Misc.		
Revenue Account						
Net Premium Revenue	30,894,095	31,059,079	47,696,771	1,763,294	111,413,239	111,392,821
Net Claims	(4,986,167)	(9,437,377)	(30,469,074)	(353,192)	(45,245,810)	(44,421,847)
Expenses	(11,434,437)	(11,495,501)	(17,653,397)	(652,626)	(41,235,961)	(46,687,565)
Net Commission	(6,347,896)	(4,566,502)	(6,848,606)	1,309,325	(16,453,679)	(14,251,459)
Underwriting result	8,125,595	5,559,699	(7,274,306)	2,066,801	8,477,789	6,031,950
Investment Income					46,183,069	25,595,947
Other Income (Profit on Sale of Fixed Assets)					852,857	323,115
Financial Charges					(113,983)	(105,237)
General and administration expenses					(11,717,209)	(11,919,943)
Profit before tax during the half year					43,682,523	19,925,832
Provision for Taxation :						
Current					(3,000,000)	(1,400,000)
Profit after tax during the half year					40,682,523	18,525,832
Profit and Loss Appropriation Account						
Balance at Commencement of the Period					35,014,918	(22,024,570)
Profit after tax during the half year					40,682,523	18,525,832
Transfers to reserves (General Reserve)					(2,500,000)	-
Issuance of Bonus Shares for the year 2010:12.5% (2009: NIL)					(31,500,220)	-
Balance Unappropriated profit at the end of the period					41,697,221	(3,498,738)
					1.43	0.65

Earning per Share - Basic and Diluted (Note 11)

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: 24th August, 2011

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)**
FOR THE HALF YEAR ENDED JUNE 30, 2011

	<u>Quarter ended June 30,</u>		<u>Six Months ended June 30,</u>	
	2011	2010	2011	2010
	(Rupees)		(Rupees)	
Profit after tax	30,400,784	12,697,916	40,682,523	18,525,832
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>30,400,784</u>	<u>12,697,916</u>	<u>40,682,523</u>	<u>18,525,832</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: 24th August, 2011

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN AUDITED)****FOR THE HALF YEAR ENDED JUNE 30,2011**

	Share Capital	General Reserve	Permanent Diminution In Value Of Investment	Unappropriated Profit	Total
Balance as at 31-12-2009	252,001,750	87,500,000	5,105,000	(22,024,570)	322,582,180
Total comprehensive income for the period					
Net Profit after tax for the period	-	-	-	51,934,488	51,934,488
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	51,934,488	51,934,488
Transactions with owners recorded directly in equity					
Issuance of bonus shares and transferred to general reserve			-		-
Transfer during the year			(5,105,000)	5,105,000	
Balance as at 31-12-2010	<u>252,001,750</u>	<u>87,500,000</u>	<u>-</u>	<u>35,014,918</u>	<u>374,516,668</u>
Total comprehensive income for the period					
Net Profit after tax for the period	-	-	-	40,682,523	40,682,523
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	40,682,523	40,682,523
Transactions with owners recorded directly in equity					
Issuance of bonus shares and transferred to general reserve	31,500,220	2,500,000	-	(34,000,220)	-
Balance as at 30-06-2011	<u>283,501,970</u>	<u>90,000,000</u>	<u>-</u>	<u>41,697,221</u>	<u>415,199,191</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: 24th August, 2011

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN AUDITED)****FOR THE HALF YEAR ENDED JUNE 30, 2011**

FORM GC

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

Premium received	208,840,496	172,669,104
Reinsurance premium paid	(104,864,934)	(84,917,256)
Claims paid	(76,069,614)	(130,042,064)
Reinsurance and other recoveries received	34,871,026	83,466,500
Commission paid	(39,484,389)	(40,223,012)
Commission received	27,000,314	27,650,097
Cash losses received from reinsurers	-	11,365,606
Net cash flow from underwriting activities	<u>50,292,899</u>	<u>39,968,975</u>

b) Other operating activities

Income tax paid	1,607,333	(1,968,981)
General management expenses paid	(41,235,961)	(46,687,565)
Other operating payments	(6,719,985)	(7,264,239)
Loans advanced / repayment received	321,900	118,042
Other payments on operating assets	(417,624)	(5,741,564)
Other receipts in respect of operating assets	(1,278,374)	(106,876)
Net cash flow from other operating activities	<u>(48,366,511)</u>	<u>(61,651,183)</u>

Total cash flow all operating activities1,926,388 (21,682,208)**Investment activities**

Interest / Dividend received	19,924,290	23,472,045
Payments for Investments	(112,505,436)	(33,816,275)
Proceeds from disposal of investments	102,051,239	35,853,295
Fixed Capital Expenditures	(7,399,937)	(5,823,675)
Proceeds from disposal of fixed assets	1,850,700	1,765,000

Total cash flow from Investing activities3,920,856 21,450,390**Financing activities**

Financial Charges	(113,983)	(105,237)
-------------------	-----------	-----------

Total cash flow from financing activities(113,983) (105,237)**Net cash Inflow/outflow from all activities**

5,733,261 (337,055)

Cash & cash equivalent at the beginning of the period

57,541,734 63,045,832

Cash & cash equivalent at the end of the period63,274,995 62,708,777**Reconciliation to profit and loss Account**

Operating cash flow	1,926,388	(21,682,208)
Depreciation / Amortization expenses	(4,997,224)	(4,655,704)
Financial Charges	(113,983)	(105,237)
Profit/(loss) on disposal of fixed assets	852,857	323,115
Increase/(decrease) in assets other than cash	50,604,223	60,491,419
(Increase)/decrease in liabilities other than running finance	(53,772,807)	(41,441,500)
Investment Income	46,183,069	25,595,947

Profit after tax as per profit & loss account.40,682,523 18,525,832**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	774,985	454,437
Current and other account	37,500,010	37,229,340
Deposits Maturing Within 12 Months	25,000,000	25,025,000
	<u>63,274,995</u>	<u>62,708,777</u>
	<u>63,274,995</u>	<u>62,708,777</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: 24th August, 2011

FORM GD

CONDENSED INTERIM STATEMENT OF PREMIUMS (UN AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2011

Business underwritten inside Pakistan

(Amount in Rs.)

C l a s s	QUARTER ENDED JUNE 30										Quarter ended June 30, 2010 Net Premium revenue	
	Premium written		Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2011 Net Premium revenue		
	Opening	Closing	Opening	Closing			Opening	Closing				
Direct and facultative												
Fire and Property Damage	37,600,795	125,047,148	123,559,105	39,088,838	26,115,331	80,887,278	79,906,219	27,096,390	11,992,448		13,610,146	
Marine, Aviation and Transport	65,648,476	79,125,539	77,882,049	66,891,966	49,607,279	70,383,819	69,159,560	50,831,538	16,060,428		14,622,004	
Motor	27,061,469	45,009,967	47,716,140	24,375,296	450,000	669,639	719,859	399,780	23,975,516		24,161,632	
Miscellaneous	4,521,330	9,569,835	8,954,867	5,136,298	3,717,765	7,765,545	7,231,440	4,251,870	884,428		1,539,217	
Grand Total	134,852,070	258,752,489	258,112,161	135,492,398	79,890,375	159,706,281	157,017,078	82,579,578	52,912,820		53,932,999	
	SIX MONTHS ENDED JUNE 30											
C l a s s	Premium written		Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2011 Net Premium revenue	Six Months ended June 30, 2010 Net Premium revenue	
	Opening	Closing	Opening	Closing			Opening	Closing				
Direct and facultative												
Fire and Property Damage	88,465,685	124,719,281	123,559,105	89,625,861	57,960,887	80,677,098	79,906,219	58,731,766	30,894,095		33,256,097	
Marine, Aviation and Transport	103,740,474	79,757,578	77,882,049	105,616,003	72,936,076	70,780,408	69,159,560	74,556,924	31,059,079		28,090,227	
Motor	51,298,694	44,963,907	47,716,140	48,546,461	900,000	669,549	719,859	849,690	47,696,771		47,727,842	
Miscellaneous	10,658,230	9,438,838	8,954,867	11,142,201	8,959,598	7,650,749	7,231,440	9,378,907	1,763,294		2,318,655	
Grand Total	254,163,083	258,879,604	258,112,161	254,930,526	140,756,561	159,777,804	157,017,078	143,517,287	111,413,239		111,392,821	

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 GE
CONDENSED INTERIM STATEMENT OF CLAIMS (UN AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2011

Business underwritten inside Pakistan

(Amount in Rs.)

C l a s s	QUARTER ENDED JUNE 30										Quarter ended June 30, 2010 Net claims expenses		
	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	2011 Net claims expenses
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing			
Direct and facultative Fire and Property Damage	12,081,630	84,839,989	89,164,568	16,406,209	10,698,653	71,448,608	74,610,705	13,860,750			2,545,459	2,619,872	
Marine, Aviation and Transport	11,532,634	38,403,420	42,491,320	15,620,534	8,235,858	28,001,227	30,408,421	10,643,052			4,977,482	6,057,459	
Motor	18,016,126	29,714,213	30,282,037	18,583,950	400,000	985,000	2,595,400	2,010,400			16,573,550	16,552,616	
Miscellaneous	796,898	3,787,497	4,657,387	1,666,788	713,069	3,408,747	4,185,348	1,489,670			177,118	175,481	
Grand Total	42,427,288	156,745,119	166,595,312	52,277,481	20,047,580	103,843,582	111,799,874	28,003,872			24,273,609	25,405,428	
C l a s s	QUARTER ENDED JUNE 30										Six Months ended June 30, 2010 Net claims expenses		
	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	2011 Net claims expenses
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing			
Direct and facultative 1 Fire and Property Damage	22,776,407	78,138,053	89,164,568	33,802,922	19,987,430	65,781,380	74,610,705	28,816,755			4,986,167	4,352,980	
Marine, Aviation and Transport	18,395,522	36,922,170	42,491,320	23,964,672	11,765,933	27,647,059	30,408,421	14,527,295			9,437,377	8,868,070	
Motor	32,356,541	30,159,104	30,282,037	32,479,474	834,772	1,419,772	2,595,400	2,010,400			30,469,074	30,804,256	
Miscellaneous	2,541,144	3,770,997	4,657,387	3,427,534	2,282,891	3,393,897	4,185,348	3,074,342			353,192	396,541	
Grand Total	76,069,614	148,990,324	166,595,312	93,674,602	34,871,026	98,242,108	111,799,874	48,428,792			45,245,810	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, 2011

Business underwritten inside Pakistan

(Amount in Rs.)

Class	QUARTER ENDED JUNE 30							Quarter ended June, 30 2010 Underwriting expenses	
	Commissions Paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net Commission expenses d=a+b-c	Other management expense e	underwriting expense f=d+e	Commission from reinsurers g		2011 Net underwriting expense h=f-g
Direct and facultative Fire and Property Damage	9,830,283	33,773,671	33,255,933	10,348,021	4,454,327	14,802,348	8,077,775	6,724,573	6,692,239
Marine, Aviation and Transport	5,976,715	3,136,613	2,946,094	6,167,234	5,956,712	12,123,946	3,960,570	8,163,376	7,403,416
Motor	3,837,777	6,751,495	7,157,421	3,431,851	8,893,474	12,325,325	-	12,325,325	11,710,800
Miscellaneous	729,420	1,722,570	1,618,876	833,114	328,073	1,161,187	1,474,317	(313,130)	202,009
Grand Total	20,374,195	45,384,349	44,978,324	20,780,220	19,632,586	40,412,806	13,512,662	26,900,144	26,008,464

Class	SIX MONTHS ENDED JUNE 30							Six Months June, 30 2010 Net Underwriting expenses	
	Commissions Paid or payable a	Opening Deferred commission b	Closing Deferred commission c	Net Commission expenses d=a+b-c	Other management expense e	underwriting expense f=d+e	Commission from reinsurers g		2011 Net underwriting expense h=f-g
Direct and facultative Fire and Property Damage	23,279,226	33,544,810	33,255,933	23,568,103	11,434,437	35,002,540	17,220,207	17,782,333	17,877,243
Marine, Aviation and Transport	11,882,999	3,955,280	2,946,094	12,892,185	11,495,501	24,387,686	8,325,683	16,062,003	16,898,634
Motor	7,261,441	6,744,586	7,157,421	6,848,606	17,653,397	24,502,003	-	24,502,003	27,012,805
Miscellaneous	1,709,172	1,698,991	1,618,876	1,789,287	652,626	2,441,913	3,098,612	(656,699)	(849,658)
Grand Total	44,132,838	45,943,667	44,978,324	45,098,181	41,235,961	86,334,142	28,644,502	57,689,640	60,939,024

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, 2011

FORM GG

(Amount in Rs.)

Quarter ended June 30		Six Months ended June 30	
2011	2010	2011	2010

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

Return on Government Securities	3,356,271	3,377,135	4,663,399	4,585,467
Return on other Fixed income Securities and Deposits	1,471,813	1,302,613	1,783,105	2,217,629
	4,828,084	4,679,748	6,446,504	6,803,096

Investment Held for Trading

Dividend Income	6,049,892	4,063,028	13,891,716	9,871,603
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Available for sale

Dividend Income -	50,693	-	81,265	33,795
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Gain on sale of investment¹

	23,735,851	8,722,965	25,959,171	8,929,565
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Less: Investment related expenses

	(170,688)	(36,212)	(195,587)	(42,112)
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	<u>34,493,832</u>	<u>17,429,529</u>	<u>46,183,069</u>	<u>25,595,947</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: 24th August, 2011

NOTES TO THE ACCOUNTS INTERIM FINANCIAL INFORMATION (UN AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2011

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 financial information are un-audited 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 August 27, 2003.

The condensed 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, 2010.

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, 2010.

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's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2010.

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 june 30th 2011 are as follows:

	Jan - June 2011	Jan - June 2010
Premium Underwritten	15,198,944	9,471,725
Premium Collected	16,974,479	8,313,394
Claims Paid	1,775,936	2,338,328

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

7. Share Capital

Issued, subscribed and paid up capital.

<u>June 2011</u>	<u>December 2010</u>		<u>June 2011</u>	<u>December 2010</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
27,193,517	24,043,495	Ordinary Shares of Rs.10 each Issued as fully paid Bonus Shares	271,935,170	240,434,950
<u>28,350,197</u>	<u>25,200,175</u>		<u>283,501,970</u>	<u>252,001,750</u>

8. Contingencies and Commitments

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

9. Investment.

The investments comprise of the following:

		<u>30th June. 2011</u>	<u>31st Dec. 2010</u>
Held to maturity	9.1	105,731,545	98,747,019
Available for sale	9.2	21,242,370	22,585,944
Held for trading		199,917,909	169,145,493
Provision for impairment		(5,873,679)	(5,873,679)
		<u>321,018,145</u>	<u>284,604,777</u>

9.1 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.31.00 million and GOP Ijara sukuk for the face value of Rs.17.50 million have been deposited with State Bank of Pakistan under clause (a) of Section 29(2) of Insurance Ordinance 2000.

9.2 The market value of investment in Shares & Securities as on 30th June 2011, was Rs.421.048 million (as at 31st December 2010, Rs.348.834 million)

10. Fixed Assets-Tangible and Intangible.

The following additions and disposals have been made in the fixed assets during the period ended June 30, 2011.

	<u>Additions</u>	<u>Disposals</u>
Vehicles	6,852,893	1,850,700
Office Equipments	192,163	---
Computers	354,880	---

11. Earnings Per Share –Basic And Diluted	June 2011	June 2010
Profit after tax for the period	40,682,523	18,525,832
Weighted average number of ordinary shares	28,350,197	28,350,197
Earning per shares-basic and diluted	11.1	1.43
		0.65

11.1 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.
The number of shares for the prior period have also been adjusted for the effect of bonus share issued during the current period.

12. 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 SECP (insurance) Rules, 2002.

13. General

Figures have been rounded off to the nearest rupee.

13.1 Non-Adjusting events after the balance sheet date.

The Board of Directors in their meeting held on 24th August 2011 have recommended bonus shares in the proportion of 1 share for every 8 shares held for the six months period ended 30th June 2011. These condensed interim financial statement do not include the effect of these appropriations.

14. Date of Authorization for issue

These condensed interim financial information have been authorized for issue on 24th August 2011, by the Board of Directors of the Company.


Ismail H. Zakaria
Chairman


Mohammad Amin Ahmed Bawany
Director


A. Aziz Ayoob
Director


A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 24th August, 2011



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