

## Selected explanatory notes to the half yearly Financial Statements

for the period ended June 30, 2013 (Un-audited)

### 1. Legal form of the Company

Reliance Insurance Ltd. was incorporated as a public limited Company in Bangladesh in the year 1988 under the Companies Act 1913 (present 1994). The Company, within the stipulations laid down by Insurance Act 2010 and directives as received from Insurance Development & Regulatory Authority (IDRA) time to time, provides non-life Insurance services.

### 2. Basis of preparation

Half yearly Financial Statements have been prepared based on Bangladesh Accounting Standard (BAS) 34: 'Interim Financial Reporting' and in accordance with other Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Insurance Act 2010, Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations.

### 3. Accounting policies and method of computations

Accounting policies and methods of computations followed in preparing half yearly Financial Statements are consistent with those used in the annual Financial Statements, prepared and published for the year ending December 31, 2012.

### 4. Gross and Net premium earned

During the half year ended June 30, 2013, Company earned gross and net premium income Tk.822.00 and 372.25 million as against Tk.780.74 and 363.33 million respectively for the corresponding same period of the previous year.

### 5. Dividend

A cash dividend of Tk.1.5 per share and 10% bonus shares were distributed to the valued shareholders for the year ended December 31, 2012.

### 6. Earnings per share

Earnings per share has been calculated based on weighted average number of shares outstanding for the period ended June 30, 2013. Weighted average number of shares outstanding as of June 30, 2013 was 51,949,755 shares. Earnings per share for the preceding first half of 2012 has also been calculated based on 51,949,755 shares, after giving the effect of 10% bonus shares declared and distributed for the year 2012.

## Vision and Mission

### Our Vision

#### Is to:

become the premier insurance organization and the insurer of first choice in Bangladesh with a sound reputation for dependability, professionalism and the highest standard of customer services.

### Our Mission

#### Is to:

- grow significantly and achieve significant non-life insurance market share.
- continue delivering attractive returns to our shareholders.
- become a caring organization and employer of choice.
- invest in top quality human resources and develop full potentials of employees by providing continued training and insurance education.
- bring innovation in insurance products and selling techniques.



#### Registered Office

Shanta Western Tower  
Level-5, Space 503 & 504  
186, Tejgaon Industrial Area  
Dhaka 1208  
www.reliance.com.bd

## HALF YEARLY REPORT 2013

25 YEARS OF FULFILLMENT OF PROMISE  
CELEBRATING SILVER JUBILEE



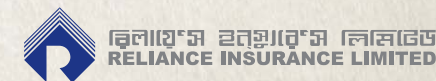
Brand Image  
Significant Growth  
Innovation  
HR Development  
Process Optimization  
Business Mechanism  
Transparency  
Integrity  
Professionalism & Excellence  
Customer Focus  
Result Focus  
Team Work

## Dear Shareholders,

We are pleased to forward herewith the un-audited Financial Statements of Reliance Insurance Limited for the half-year ended June 30, 2013 as per Rule 13 of the Bangladesh Securities and Exchange Rules, 1987 and BSEC letter no. SEC/CFD/Misc./233/2004/615 dated 2 February 2010.

The half yearly Financial Statements is also available in company's web-site [www.reliance.com.bd](http://www.reliance.com.bd).

**Akhtar Ahmed**  
Managing Director & CEO



## Statement of Financial Position

as of June 30, 2013 (Un-audited)

Particulars	As of June 30 2013	As of December 31 2012
	Taka	Taka
Property, Plant & Equipments	1,380,776,646	1,387,936,600
Fixed Assets under construction	6,121,702	4,503,702
Long term investment, loans & advances	1,481,182,557	1,254,697,546
Deferred Tax Assets	11,255,891	11,255,891
<b>Total Long-Term Assets</b>	<b>2,879,336,796</b>	<b>2,658,393,739</b>
Current assets		
Inventories (stock of stationeries, postage & insurance stamps)	8,904,110	6,586,977
Debtors (including advances, deposits & prepayments)	555,303,270	517,022,994
Short-term investment		
Cash & cash equivalents	1,334,096,700	1,228,738,562
<b>Total Current Assets</b>	<b>1,898,304,080</b>	<b>1,752,348,533</b>
Less: Current Liabilities		
Bank loans, overdraft and credits creditors & accruals	1,361,499,457	1,214,979,528
<b>Total Current Liabilities</b>	<b>1,361,499,457</b>	<b>1,214,979,528</b>
<b>Net Working Capital</b>	<b>536,804,623</b>	<b>537,369,005</b>
<b>Net Assets</b>	<b>3,416,141,419</b>	<b>3,195,762,744</b>
Financed by:		
Long-term liabilities		
Shareholders equity:		
Share capital	519,497,550	472,270,500
Land revaluation reserve	1,109,678,226	1,109,678,226
Fair value reserve	978,106,050	813,809,207
Capital reserve	428,319	428,319
Exceptional loss reserve	602,246,807	565,021,807
General reserve	1,250,000	1,250,000
Retained earnings	204,934,467	233,304,685
<b>Total Long-Term Liabilities &amp; Equity</b>	<b>3,416,141,419</b>	<b>3,195,762,744</b>

  
M. Sabir Ahmed, FCA, FCS  
Chief Financial Officer

  
Akhtar Ahmed  
Managing Director & CEO

## Statement of Comprehensive Income

for the period from January 01 to June 30, 2013 (Un-audited)

Particulars	Jan-June 2013	Jan-June 2012	April-June 2013	April-June 2012
	Taka	Taka	Taka	Taka
<b>Gross premium income</b>	<b>822,000,000</b>	<b>780,735,351</b>	<b>422,920,382</b>	<b>391,001,191</b>
Net premium income	372,250,000	363,331,630	191,677,244	183,566,863
Net R/I Commission earned	85,165,000	75,162,281	46,741,461	35,633,174
Add : Investment & other income	89,625,939	69,230,234	46,060,704	26,401,903
<b>Total income</b>	<b>547,040,939</b>	<b>507,724,145</b>	<b>284,479,409</b>	<b>245,601,940</b>
Allocable mgt. expenses	341,257,172	339,711,917	198,217,919	193,095,120
Unallocable mgt. expenses	26,361,360	23,391,304	12,273,137	11,837,542
<b>Total expenses</b>	<b>367,618,532</b>	<b>363,103,221</b>	<b>210,491,056</b>	<b>204,932,662</b>
<b>Net profit before tax</b>	<b>179,422,407</b>	<b>144,620,924</b>	<b>73,988,353</b>	<b>40,669,278</b>
Provision for income tax	52,500,000	35,000,000	30,000,000	13,000,000
<b>Net profit after tax</b>	<b>126,922,407</b>	<b>109,620,924</b>	<b>43,988,353</b>	<b>27,669,278</b>
<b>Number of outstanding shares</b>	<b>51,949,755</b>	<b>51,949,755</b>	<b>51,949,755</b>	<b>51,949,755</b>
<b>Earnings per share (EPS)</b>	<b>2.44</b>	<b>2.11</b>	<b>0.85</b>	<b>0.53</b>

  
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Chief Financial Officer

  
Akhtar Ahmed  
Managing Director & CEO

## Statement of Changes in Shareholder's Equity

for the period from January 01 to June 30, 2013 (Un-audited)

(Amount in Taka)

Particulars	Share Capital	Land Revaluation Reserve	Fair Value Reserve	Capital Reserve	Exceptional Loss Reserve	General Reserve	Retained Earnings	Total
<b>Opening balance</b>	<b>472,270,500</b>	<b>1,109,678,226</b>	<b>813,809,207</b>	<b>428,319</b>	<b>565,021,807</b>	<b>1,250,000</b>	<b>233,304,685</b>	<b>3,195,762,744</b>
<b>Items involved in changes in equity:</b>								
Issuance of cash dividend	-	-	-	-	-	-	(70,840,575)	(70,840,575)
Issuance of bonus share	47,227,050	-	-	-	-	-	(47,227,050)	-
Net profit after tax	-	-	-	-	-	-	126,922,407	126,922,407
Appropriation made during the year	-	-	-	-	37,225,000	-	(37,225,000)	-
Other comprehensive income	-	-	-	-	-	-	-	164,296,843
<b>January to June 2013</b>	<b>519,497,550</b>	<b>1,109,678,226</b>	<b>978,106,050</b>	<b>428,319</b>	<b>602,246,807</b>	<b>1,250,000</b>	<b>204,934,467</b>	<b>3,416,141,419</b>
<b>January to June 2012</b>	<b>472,270,500</b>	<b>1,109,678,226</b>	<b>1,187,894,852</b>	<b>428,319</b>	<b>537,241,942</b>	<b>1,250,000</b>	<b>166,778,969</b>	<b>3,475,542,808</b>

  
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## Statement of Cash Flows

for the period from January 01 to June 30, 2013 (Un-audited)

Particulars	Jan-June 2013	Jan-June 2012
	Taka	Taka
<b>Cash Flows from Operating Activities:</b>	<b>148,285,844</b>	<b>220,042,787</b>
Collections from turnover & other income	1,048,658,727	1,239,965,497
Payments for cost and expenses	(700,742,780)	(847,522,768)
Income-tax paid and deducted at sources	(91,234,372)	(63,433,079)
VAT Paid to Government	(108,395,731)	(108,966,863)
<b>Cash Flows from Investing Activities:</b>	<b>15,390,700</b>	<b>(22,373,096)</b>
Acquisition of fixed assets	(8,532,345)	(6,928,785)
Sale proceeds of fixed assets	4,106,047	42,586
Investment in shares	(24,139,474)	(58,578,476)
Redemption of debenture	360,233	-
Amortization OTBL bond	4,000,000	-
Dividend received	3,079,766	1,651,526
Interest received	57,016,473	41,440,053
Purchase of Govt. Treasury bond	(20,500,000)	-
<b>Cash Flows from Financing Activities:</b>	<b>(58,318,406)</b>	<b>(61,600,500)</b>
Dividend Paid	(58,318,406)	(61,600,500)
Net increase/(decrease) in cash and cash equivalents for the period	<b>105,358,138</b>	<b>136,069,191</b>
Cash and cash equivalents at the beginning of the period	1,228,738,562	864,801,966
Cash and cash equivalents at the end of the period	1,334,096,700	1,000,871,157
	<b>105,358,138</b>	<b>136,069,191</b>

  
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