

Selected explanatory notes to the half  
yearly Financial Statements  
for the period ended June 30, 2015 (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, Securities and Exchange Commission 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, 2014.
- 4. Gross and Net premium earned:** During the half year ended June 30, 2015, Company earned gross and net premium income Tk. 1,015.71 and 427.17 million as against Tk. 898.86 and 415.33 million respectively for the corresponding same period of the previous year.
- 5. Dividend:** A cash dividend of Tk.1.5 per share and 15% bonus shares were distributed to the valued shareholders for the year ended December 31, 2014.
- 6. Earnings per share:** Earnings per share has been calculated based on weighted average number of shares outstanding for the period ended June 30, 2015. Weighted average number of shares outstanding as of June 30, 2015 was 68,703,550 shares. Earnings per share for the preceding first half of 2014 has also been calculated based on 68,703,550 shares, after giving the effect of 15% bonus shares declared and distributed for the year 2014.
- 7. Re-statement of profit and reclassification of head of accounts:** Due to incorporation of deferred tax in quarterly accounts, profit after tax for the period ended June 30, 2014 have been re-stated. Moreover, previous year's figures have been rearranged, whenever necessary, to confirm the current year presentation.

## Vision

### 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.

## Mission

### 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.

#### CORPORATE OFFICE

Shanta Western Tower, Level-5, Space-503 & 504, 186  
Tejgaon Industrial Area, Dhaka-1208, Bangladesh  
Web: [www.reliance.com.bd](http://www.reliance.com.bd)

# Serving With Excellence

## Half Yearly Report 2015

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### Dear Shareholders,

We are pleased to forward herewith the un-audited Financial Statements of Reliance Insurance Limited for the half-year ended June 30, 2015 as per Rule 13 of the Bangladesh Securities and Exchange Commission 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).

**Md. Khaled Mamun**  
Chief Executive Officer

Statement of Financial Position  
as of June 30, 2015 (Un-audited)

Particulars	As of Jun 30 2015 BDT mn	As of Dec 31 2014 BDT mn
<b>Non Current Assets</b>	<b>3,159.20</b>	<b>3,161.23</b>
Property, plant & equipments	1,443.48	1,380.05
Fixed assets under construction	33.38	8.10
Long term investment, loans & advances	1,673.57	1,766.04
Deferred tax assets	8.77	7.04
<b>Current Assets</b>	<b>2,620.89</b>	<b>2,566.91</b>
Inventories (stock of stationeries, postage & insurance stamps)	9.23	10.28
Debtors (including advances, deposits & prepayments)	826.19	677.20
Short-term investment	-	-
Cash & cash equivalents	1,785.47	1,879.44
<b>Less : Current Liabilities</b>	<b>1,982.49</b>	<b>1,816.75</b>
Bank loans, overdraft and credits, creditors & accruals	1,982.49	1,816.75
<b>Net Working Capital</b>	<b>638.40</b>	<b>750.16</b>
<b>Net Assets</b>	<b>3,797.60</b>	<b>3,911.39</b>
Financed by		
Long-term liabilities		
<b>Shareholders Equity</b>	<b>3,797.60</b>	<b>3,911.39</b>
Share capital	687.04	597.42
Land revaluation reserve	1,109.68	1,109.68
Fair value reserve	917.90	1,101.01
Capital reserve	2.38	2.38
Exceptional loss reserve	768.95	726.24
General reserve	1.25	1.25
Retained earnings	310.40	373.41
<b>Total Long-Term Liabilities &amp; Shareholders Equity</b>	<b>3,797.60</b>	<b>3,911.39</b>

M. Sabir Ahmed FCA, FCS  
Chief Financial Officer

Md. Khaled Mamun  
Chief Executive Officer

Statement of Comprehensive Income  
for the half year ended June 30, 2015 (Un-audited)

Particulars	Jan-June 2015 BDT mn	Jan-June 2014 BDT mn	April-June 2015 BDT mn	April-June 2014 BDT mn
<b>Gross premium income</b>	<b>1,015.71</b>	<b>898.86</b>	<b>425.69</b>	<b>390.59</b>
Net premium income	427.17	415.33	193.96	198.89
Net R/I commission earned	97.65	87.26	38.07	34.11
Add : Investment & other income	134.31	124.59	83.65	71.86
<b>Total income</b>	<b>659.13</b>	<b>627.18</b>	<b>315.68</b>	<b>304.86</b>
Allocable mgt. expenses (including claim & commission)	412.38	375.21	213.66	200.92
Unallocable mgt. expenses	32.01	27.51	15.47	14.00
Unexpired risk reserve	(11.16)	27.81	(14.08)	10.66
<b>Total expenses</b>	<b>433.23</b>	<b>430.53</b>	<b>215.05</b>	<b>225.58</b>
<b>Net profit before tax</b>	<b>225.90</b>	<b>196.65</b>	<b>100.63</b>	<b>79.28</b>
<b>Provision for income tax</b>	<b>66.97</b>	<b>56.58</b>	<b>29.56</b>	<b>26.62</b>
Current tax	68.70	57.00	31.70	27.00
Deferred tax asset / liabilities	(1.73)	(0.42)	(2.14)	(0.38)
<b>Net profit after tax</b>	<b>158.93</b>	<b>140.07</b>	<b>71.07</b>	<b>52.66</b>
<b>Profit &amp; Loss Appropriation</b>				
Reserve for exceptional loss	42.72	41.53	19.40	19.89
<b>Transferred to Statement of Financial Position</b>	<b>116.21</b>	<b>98.54</b>	<b>51.67</b>	<b>32.77</b>
<b>Other Comprehensive Income / (Loss)</b>				
Changes in fair value of shares available for sale	(183.12)	(97.06)	(7.92)	(173.04)
<b>Total Comprehensive Income / (Loss)</b>	<b>(24.19)</b>	<b>43.01</b>	<b>63.15</b>	<b>(120.38)</b>
<b>Earnings Per Share (EPS) in Tk.</b>	<b>2.31</b>	<b>2.04</b>	<b>1.03</b>	<b>0.77</b>

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Chief Financial Officer

Md. Khaled Mamun  
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Statement of Changes in Equity  
for the half year ended June 30, 2015 (Un-audited)

Particulars	Opening balance	Items involved in changes in equity: Bonus & cash dividend for the year 2014	Net profit after tax	Appropriation made during the year	Changes in fair value of shares available for sale	January to June 2015	January to June 2014
Share Capital	597.42	89.61	-	-	-	687.04	597.42
Land Revaluation Reserve	1,109.68	-	-	-	-	1,109.68	1,109.68
Fair Value Reserve	1,101.01	-	-	(183.12)	-	917.90	683.81
Capital Reserve	2.38	-	-	-	-	2.38	2.38
Exceptional Loss Reserve	726.24	-	-	42.72	-	768.95	676.98
General Reserve	1.25	-	-	-	-	1.25	1.25
Retained Earnings	373.41	(179.23)	158.93	(42.72)	-	310.40	264.14
<b>Total</b>	<b>3,911.39</b>	<b>(89.61)</b>	<b>158.93</b>	<b>(42.72)</b>	<b>(183.12)</b>	<b>3,797.60</b>	<b>3,335.66</b>

M. Sabir Ahmed FCA, FCS  
Chief Financial Officer

Md. Khaled Mamun  
Chief Executive Officer

Statement of Cash Flows  
for the period from January 01 to  
June 30, 2015 (Un-audited)

Particulars	Jan-June 2015 BDT mn	Jan-June 2014 BDT mn
<b>Cash Flows from Operating Activities :</b>	<b>34.72</b>	<b>114.95</b>
Collections from turnover & Other Income	1,416.82	1,104.73
Payments for cost and expenses	(1,208.88)	(778.05)
Income-tax paid and deducted at sources	(45.90)	(85.20)
VAT Paid	(127.32)	(126.53)
<b>Cash Flows from Investing Activities:</b>	<b>(39.08)</b>	<b>82.99</b>
Acquisition of fixed assets	(6.73)	(15.86)
Advance for fixed assets	(20.05)	-
Sale proceeds of fixed assets	0.01	1.13
Fixed assets under construction	(24.84)	-
Investment in shares and bond	(92.70)	3.30
Redemption of debenture	-	2.00
Amortization OTBL bond	-	8.00
Dividend received	20.16	10.21
Interest received	85.07	74.21
<b>Cash Flows from Financing Activities:</b>	<b>(89.61)</b>	<b>(64.07)</b>
Dividend Paid	(89.61)	(64.07)
<b>Net Cash Inflows/(Outflows) for the period</b>	<b>(93.97)</b>	<b>133.87</b>
Opening cash and cash equivalents	1,879.44	1,559.30
<b>Closing cash and cash equivalents</b>	<b>1,785.47</b>	<b>1,693.17</b>

M. Sabir Ahmed FCA, FCS  
Chief Financial Officer

Md. Khaled Mamun  
Chief Executive Officer