

## SELECTED EXPLANATORY NOTES TO THE HALF YEARLY FINANCIAL STATEMENTS

for the period ended June 30, 2014 (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 Commission Rules 1987 and other applicable laws and regulations.

### 3. Accounting policies and method of computations

Accounting policies and method 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, 2013.

### 4. Gross and Net premium earned

During the half year ended June 30, 2014, Company earned gross and net premium income Tk. 898.86 and 415.33 million as against Tk.822.00 and 372.25 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, 2013.

### 6. Earnings per share

Earnings per share has been calculated based on weighted average number of shares outstanding for the period ended June 30, 2014. Weighted average number of shares outstanding as of June 30, 2014 was 59,742,218 shares. Earnings per share for the preceding first half of 2013 has also been calculated based on 59,742,218 shares, after giving the effect of 15% bonus shares declared and distributed for the year 2013.

## 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

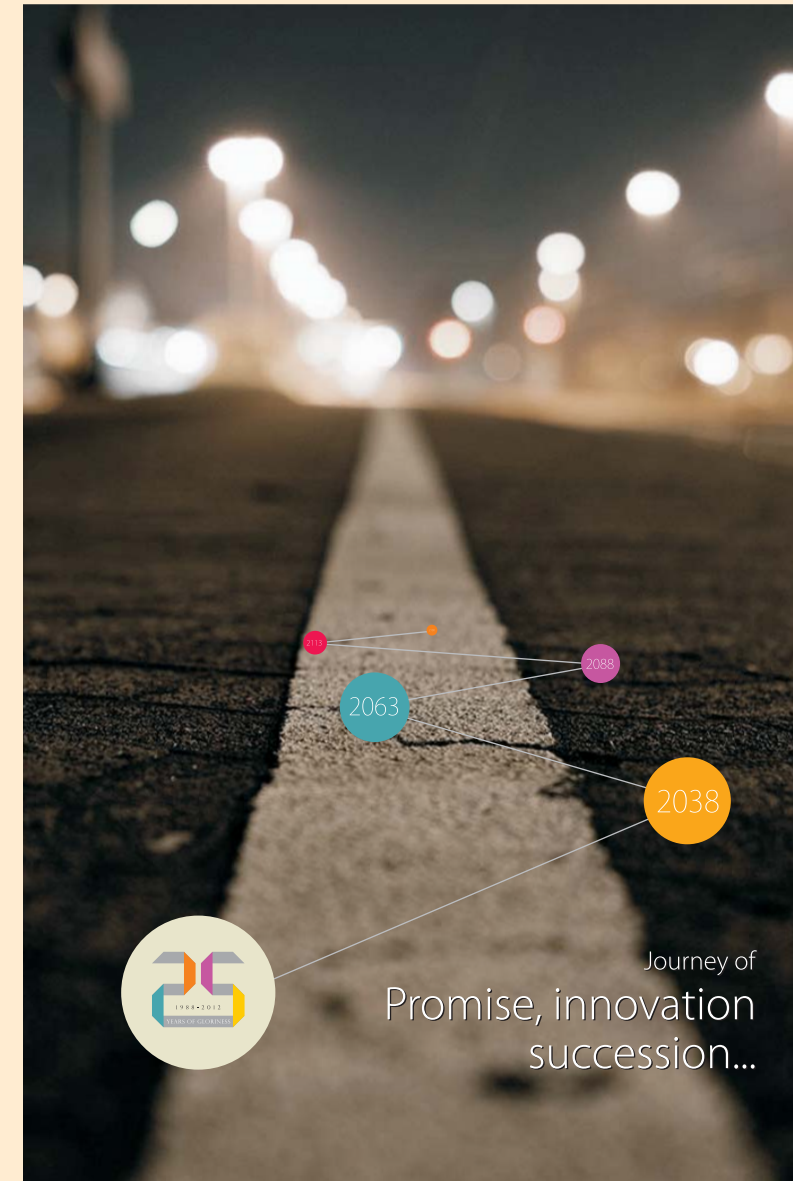
#### Is to:

- 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  
2014



## DEAR SHAREHOLDERS,

We are pleased to forward herewith the un-audited Financial Statements of Reliance Insurance Limited for the half-year ended June 30, 2014 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**  
Managing Director & CEO



Journey of  
Promise, innovation  
succession...

## STATEMENT OF FINANCIAL POSITION

as of June 30, 2014 (Un-audited)

Particulars	As of Jun 30 2014	As of Dec 31 2013
	BDT mn	BDT mn
<b>Non Current Assets</b>	<b>2,623.46</b>	<b>2,698.32</b>
Property, plant & equipments	1,383.93	1,378.88
Fixed assets under construction	5.93	6.02
Long term investment, loans & advances	1,221.45	1,301.27
Deferred tax assets	12.15	12.15
<b>Current Assets</b>	<b>2,403.15</b>	<b>2,098.06</b>
Inventories (stock of stationeries, postage & insurance stamps)	11.03	7.54
Debtors (including advances, deposits & prepayments)	698.95	531.22
Short-term investment	-	-
Cash & cash equivalents	1,693.17	1,559.30
<b>Less : Current Liabilities</b>	<b>1,690.95</b>	<b>1,425.38</b>
Bank loans, overdraft and credits, creditors & accruals	1,690.95	1,425.38
<b>Net Working Capital</b>	<b>712.20</b>	<b>672.68</b>
<b>Net Assets</b>	<b>3,335.66</b>	<b>3,371.00</b>
<b>Financed by</b>		
Long-term liabilities	-	-
<b>Shareholders Equity</b>	<b>3,335.66</b>	<b>3,371.00</b>
Share capital	597.42	519.50
Land revaluation reserve	1,109.68	1,109.68
Fair value reserve	683.81	780.87
Capital reserve	2.38	2.38
Exceptional loss reserve	676.98	635.45
General reserve	1.25	1.25
Retained earnings	264.14	321.87
<b>Total Long-Term Liabilities &amp; Shareholders Equity</b>	<b>3,335.66</b>	<b>3,371.00</b>

M. Sabir Ahmed FCA, FCS  
Chief Financial Officer

Md. Khaled Mamun  
Managing Director & CEO

## STATEMENT OF COMPREHENSIVE INCOME

for the half year ended June 30, 2014 (Un-audited)

Particulars	Jan-June 2014	Jan-June 2013	April- June 2014	April- June 2013
	BDT mn	BDT mn	BDT mn	BDT mn
Gross premium income	898.86	822.00	390.59	422.92
Net premium income	415.33	372.25	198.89	191.68
Net R/I commission earned	87.26	85.17	34.11	46.74
Investment & other income	124.59	89.62	71.86	46.06
<b>Total income</b>	<b>627.18</b>	<b>547.04</b>	<b>304.86</b>	<b>284.48</b>
Allocable mgt. expenses (including claim & commission)	375.21	321.87	200.92	186.40
Unallocable mgt. expenses	27.51	26.36	14.00	12.27
Unexpired risk reserve	27.81	19.39	10.66	11.82
<b>Total expenses</b>	<b>430.53</b>	<b>367.62</b>	<b>225.57</b>	<b>210.49</b>
<b>Net profit before tax</b>	<b>196.65</b>	<b>179.42</b>	<b>79.28</b>	<b>73.99</b>
Provision for income tax	57.00	52.50	27.00	30.00
<b>Net profit after tax</b>	<b>139.65</b>	<b>126.92</b>	<b>52.28</b>	<b>43.99</b>
<b>Profit &amp; Loss Appropriation</b>				
Reserve for exceptional loss	41.53	37.23	19.89	19.17
<b>Transferred to Statement of Financial Position</b>	<b>98.12</b>	<b>89.69</b>	<b>32.40</b>	<b>24.82</b>
<b>Other Comprehensive Income / (Loss)</b>				
Changes in fair value of shares available for sale	(97.06)	164.30	(173.03)	(131.24)
<b>Total Comprehensive Income / (Loss)</b>	<b>42.59</b>	<b>291.21</b>	<b>(120.75)</b>	<b>(87.25)</b>
<b>Earnings Per Share (EPS) in Taka</b>	<b>2.34</b>	<b>2.12</b>	<b>0.88</b>	<b>0.74</b>

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## STATEMENT OF CHANGES IN EQUITY

for the half year ended June 30, 2014 (Un-audited)

Particulars	(Amount in BDT mn)				
	Opening balance	Items involved in changes in equity:	Retained Earnings	General Reserve	Total
Opening balance	519.50		321.87	1.25	3,371.00
Items involved in changes in equity:					
Bonus & cash dividend for the year 2013		77.92	(155.85)	-	(77.92)
Net profit after tax		-	139.65	-	139.65
Appropriation made during the year		-	(41.53)	-	(41.53)
Changes in fair value of shares available for sale		-	-	-	-
January to June 2014	597.42		264.14	1.25	3,335.66
January to June 2013	519.50		204.93	1.25	3,416.14

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## STATEMENT OF CASH FLOWS

for the period from January 01 to June 30, 2014 (Un-audited)

Particulars	Jan-June 2014	Jan-June 2013
	BDT mn	BDT mn
<b>Cash Flows from Operating Activities :</b>	<b>114.95</b>	<b>148.29</b>
Collections from turnover & Other Income	1,104.73	1,048.66
Payments for cost and expenses	(778.05)	(700.74)
Income-tax paid and deducted at sources	(85.20)	(91.23)
VAT Paid	(126.53)	(108.40)
<b>Cash Flows from Investing Activities:</b>	<b>82.99</b>	<b>15.39</b>
Acquisition of fixed assets	(15.86)	(8.53)
Sale proceeds of fixed assets	1.13	4.11
Investment in shares	3.30	(24.14)
Redemption of debenture	2.00	0.36
Amortization OTBL bond	8.00	4.00
Dividend received	10.21	3.08
Interest received	74.21	57.02
Govt. Treasury bond	-	(20.50)
<b>Cash Flows from Financing Activities :</b>	<b>(64.07)</b>	<b>(58.32)</b>
Dividend Paid	(64.07)	(58.32)
<b>Net Cash Inflows/(Outflows) for the period</b>	<b>133.87</b>	<b>105.36</b>
Opening cash and cash equivalents	1,559.30	1,228.74
<b>Closing cash and cash equivalents</b>	<b>1,693.17</b>	<b>1,334.10</b>

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