

**Selected explanatory notes to the half yearly
Financial Statements**
for the period ended June 30, 2012 (Un-audited)

1. Legal form of the Company: Reliance Insurance Limited 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 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, 2011.
4. Gross and Net premium earned: During the half year ended June 30, 2012, Company earned gross and net premium Tk.780.74 and 363.33 million as against Tk.756.91 and 363.67 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, 2011.
6. Earnings per share: Earnings per share has been calculated based on weighted average number of shares outstanding for the period ended June 30, 2012. Weighted average number of shares outstanding as of June 30, 2012 was 4,72,27,050 shares. Earnings per share for the preceding first half of 2011 has also been calculated based on 4,72,27,050 shares, after giving the effect of 15% bonus shares declared and distributed for the year 2011.
7. Credit Rating Report: Credit Rating Information and Services Limited (CRISL) has upgraded the Claim Paying Ability (CPA) rating of the Company to AA+ (Pronounced as double A plus) from previous rating of AA (Pronounced as Double A) based on the audited Financial Statements up to December 31, 2011.

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

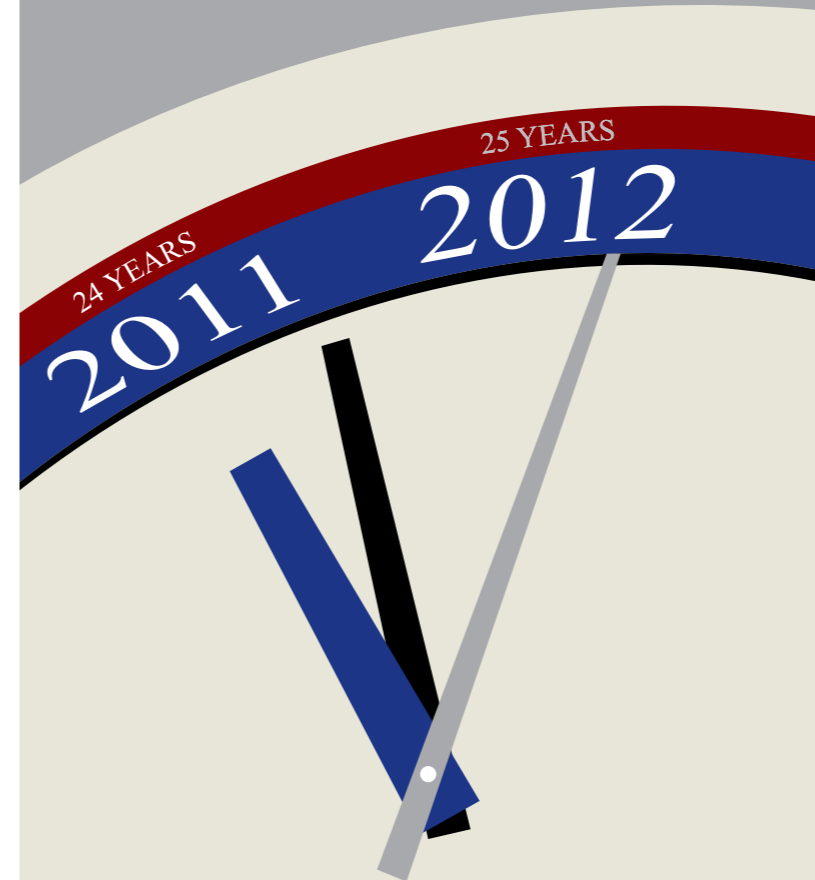
- grow significantly and achieve significant non-life insurance market share.
- continue delivering attractive returns to our shareholders.
- become a caring organization and employer of choice.
- invest in top quality human resources and develop full potentials of employees by providing continued training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

H A L F
Y E A R L Y
R E P O R T
2 0 1 2



Dear Shareholders,

We are pleased to forward herewith the un-audited Financial Statements of Reliance Insurance Limited for the half-year ended June 30, 2012 as per Rule 13 of the Securities & Exchange Rules, 1987 and SEC letter No. SEC/CFD/Misc./233/2004/615 dated 02 February 2010.

The half yearly Financial Statements is also available in company's web-site www.reliance.com.bd


Akhtar Ahmed
Managing Director & CEO

Statement of Financial Position
as of June 30, 2012
(Un-audited)

Particulars	As of June 30 2012 Taka	As of December 31 2011 Taka
Property, Plant & Equipments	1,397,499,070	1,400,881,905
Fixed assets under construction	4,503,702	2,555,742
Long term investment, loans & advances	1,618,067,057	1,539,704,997
Deferred tax assets	11,250,154	11,250,154
Total Long-Term Assets	3,031,319,983	2,954,392,798
Current assets		
Inventories (stock of stationaries, postage & insurance stamps)	7,754,577	4,817,406
Debtors (including advances, deposits & prepayments)	822,513,288	706,830,344
Short-term investment		
Cash & Bank balances	1,000,871,157	864,801,966
Total Current Assets	1,831,139,022	1,576,449,716
Less : Current liabilities		
Bank loans, overdraft and credits	-	-
Creditors & accruals	1,386,916,197	1,103,320,130
Total Current Liabilities	1,386,916,197	1,103,320,130
Net Working Capital	444,222,825	473,129,586
Net Assets	3,475,542,808	3,427,522,384
Financed by :		
Long-term liabilities		
Shareholders equity :		
Share capital	472,270,500	410,670,000
Land revaluation reserve	1,109,678,226	1,109,678,226
Fair value reserve	1,187,894,852	1,187,894,852
Capital reserve	428,319	428,319
Exceptional loss reserve	537,241,942	500,908,779
General reserve	1,250,000	1,250,000
Retained earnings	166,778,969	216,692,208
Total Long-Term Liabilities & Equity	3,475,542,808	3,427,522,384


M. Sabir Ahmed, FCA, FCS
DED & Company Secretary


Akhtar Ahmed
Managing Director & CEO

Statement of Comprehensive Income
for the half year ended June 30, 2012
(Un-audited)

Particulars	Jan-June 2012 Taka	Jan-June 2011 Taka	April-June 2012 Taka	April-June 2011 Taka
Net premium income	363,331,630	363,673,139	183,566,863	199,138,856
Net R/I Commission earned	75,162,281	64,146,522	35,633,174	40,440,809
Add : Investment & other income	69,230,234	60,364,737	26,401,903	36,417,604
Total income	507,724,145	488,184,398	245,601,940	275,997,269
Allocable Mgt. Expenses	339,711,917	345,690,023	193,095,120	233,270,400
Unallocable Mgt. Expenses	23,391,304	28,304,325	11,837,542	18,644,237
Total expenses	363,103,221	373,994,348	204,932,662	251,914,637
Net profit before tax	144,620,924	114,190,050	40,669,278	24,082,632
Provision for income tax	35,000,000	24,000,000	13,000,000	4,000,000
Net profit after tax	109,620,924	90,190,050	27,669,278	20,082,632
Earnings Per Share (EPS)	2.32	1.91	0.59	0.43


M. Sabir Ahmed, FCA, FCS
DED & Company Secretary


Akhtar Ahmed
Managing Director & CEO

Statement of Changes in Equity
for the period from January 01 to June 30, 2012
(Un-audited)

Particulars	(Amount in Taka)							
	Share Capital	Land Revaluation Reserve	Fair Value Reserve	Capital Reserve	Exceptional Loss Reserve	General Reserve	Retained Earnings	Total
Opening balance	410,670,000	1,109,678,226	1,187,894,852	428,319	500,908,779	1,250,000	216,692,208	3,427,522,384
Items involved in changes in equity:								
Issuance of cash bonus	-	-	-	-	-	-	(61,600,500)	(61,600,500)
Issuance of bonus share	61,600,500	-	-	-	-	-	(61,600,500)	-
Net profit after tax	-	-	-	-	-	-	109,620,924	109,620,924
Appropriation made during the year	-	-	-	-	36,333,163	-	(36,333,163)	-
January to June 2012	472,270,500	1,109,678,226	1,187,894,852	428,319	537,241,942	1,250,000	166,778,969	3,475,542,808
January to June 2011	410,670,000	260,479,726	-	428,319	464,135,608	1,250,000	123,313,029	1,260,276,682


M. Sabir Ahmed, FCA, FCS
DED & Company Secretary


Akhtar Ahmed
Managing Director & CEO

Statement of Cash Flows
for the period from January 01 to June 30, 2012
(Un-audited)

Particulars	Jan-June 2012 Taka	Jan-June 2011 Taka
Cash Flows from Operating Activities :	407,240,057	(122,679,044)
Collections from turnover & other income	1,427,162,767	533,866,008
Payments for cost and expenses	(847,522,768)	(514,343,814)
Income-tax paid and deducted at sources	(63,433,079)	(51,234,461)
VAT paid to Government	(108,966,863)	(90,966,777)
Cash Flows from Investing Activities :	(209,570,366)	61,471,962
Acquisition of fixed assets	(6,928,785)	(24,081,356)
Sale proceeds of fixed assets	42,586	470,460
Investment in Shares	(58,578,476)	6,314,000
Redemption in Zero Coupon Bonds	-	360,233
Fixed Deposit	(187,197,270)	35,000,700
Dividend received	1,651,526	16,276,016
Interest received	41,440,053	23,131,909
Amortization on OTBL Bond	-	4,000,000
Cash Flows from Financing Activities :	(61,600,500)	(52,030,000)
Bank Loan	-	(52,030,000)
Dividend paid	(61,600,500)	-
Net Cash Inflows/(Outflows) for the year	136,069,191	(113,237,082)
Opening cash and bank balances	864,801,966	791,885,896
Closing cash and bank balances	1,000,871,157	678,648,814


M. Sabir Ahmed, FCA, FCS
DED & Company Secretary


Akhtar Ahmed
Managing Director & CEO