



Shaping
Tomorrow

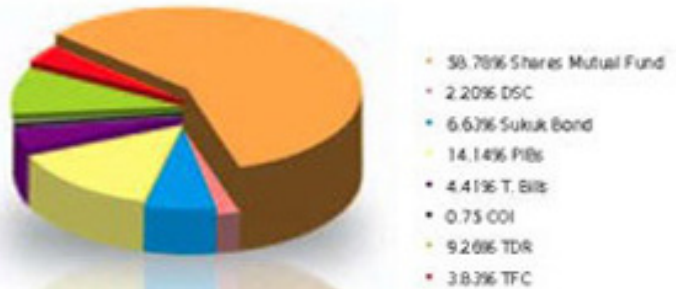


Reliance Insurance Company Limited

Gross Premium by Class of Business- 2008



Investment Portfolio 2008



Gross Premium

603.19

Rs. Million

Net Premium

445.54

Rs. Million

During the period under review your Company underwrote a gross premium of **Rs.603.193** million against **632.159** million of the last year showing decrease of **4.58%** mainly because of Management decision to discontinue writing Motor Leasing business. The net premium revenue increased to **445.542** million against **395.811** million of the last year showing an increase of **12.56%**.



Company Profile

Reliance Insurance Company Limited, was incorporated in Pakistan in the year 1981 with a Share Capital of Rs.5.0 Million by two Leading Industrial Houses of Pakistan, namely (i) Al-Noor Group and (ii) Amin Bawany Group. Al-Noor Group is headed by renowned industrialist Mr. Ismail H. Zakaria, who is also the Chairman of Reliance Insurance, while Amin Bawany Group is headed by Mr. Mohammed Amin Ahmed Bawany, who is also the Director of Reliance Insurance. Both the groups having successfully implemented a number of projects, are currently leading industrial groups of Pakistan.

The Present Authorised Capital of the Company is Rs.500 Million while Paid-up Capital has increased to 252.002 million after the issuance of 10% bonus shares this year.

Reliance is one of the leading General Insurance Company of Pakistan having a network of 28 Branches at all important places throughout Pakistan employing a full time work force of 236 persons. It underwrites all classes of General Insurance and enjoys reputation second to none. Apart from the traditional covers such as Fire, Accident, Motor, Marine (Import & Exports), Loss of Profits, Personal Accident, Group Hospitalization, Workmen's Compensation, Burglary, Cash-in-Safe or in Transit etc., it also transacts non-traditional covers such as Machinery Breakdown and Loss of Profits following Machinery Breakdown, Contractors All Risks, Erection All Risks, Bond and the like.

Since its establishment Reliance has progressed smoothly and steadily. Its Gross Premium Income has increased from Rs. One Million in 1983 to Rs.603.193 Million in 2008, while the Pre-Tax Profit has increased from Rs. 0.14 Million in 1983 to Rs.52.259 Million in 2008. At the end of 2008 General Reserve stood at Rs.87.50 Million and Technical Reserves at Rs.527.08 Million.

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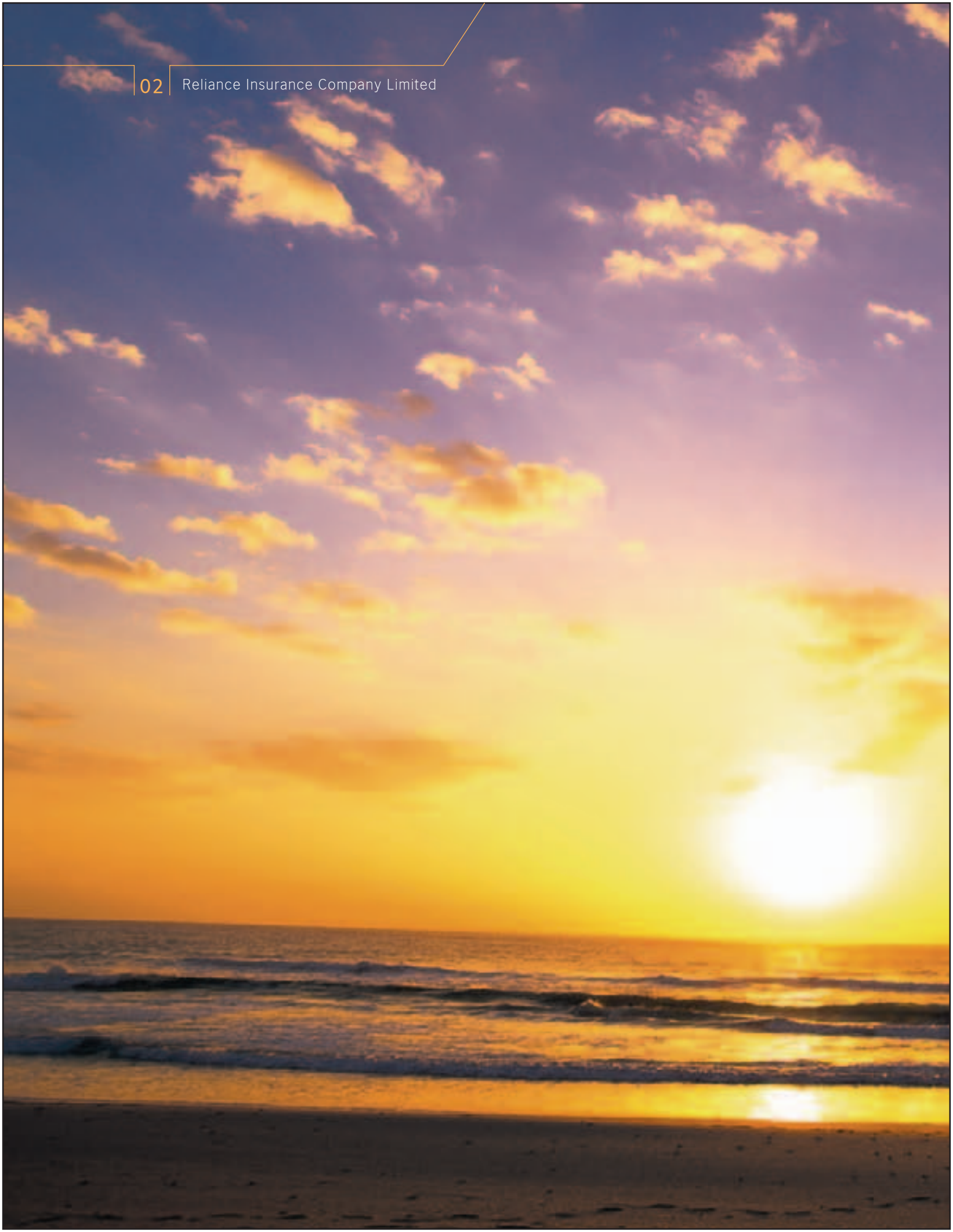
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Vision

To be recognized as a professional and dependable business entity committed to play a meaningful role in the development of insurance industry in Pakistan and to safeguard the legitimate interests of all stakeholders, namely policy-holders, share-holders, reinsurers, employees and all other business associates/partners.

Mission

To provide quality service and protection to its clients aiming at achieving a respectable volume of business and become a prominent player through good governance and sound professionalism focussing to become a well-known and respected Corporate entity in the eyes of Society and Government.

Company Information



/ Ismail H. Zakaria /
Chairman /



/ M. Amin Ahmed
Bawany /
Director /



/ A. Aziz Ayooob /
Director /



/ Irfan Zakaria
Bawany /
Director /



/ M. Omer Bawany /
Director /



/ Zohair Zakaria /
Director /



/ Ahmed Ali Bawany /
Director /



/ Noor M. Zakaria /
Director /



/ Ashfaq Patel /
Director /



/ Yasin Siddik /
Director /



/ A. Razak Ahmed /
Chief Executive & M.D. /



/ Haroon A. Shakoor /
C. A. & Company
Secretary /

Company Information

BOARD OF DIRECTORS

CHAIRMAN
ISMAIL H. ZAKARIA

DIRECTORS

MOHAMMED 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

SENIOR EXECUTIVE VICE PRESIDENT

BASHARAT M. BARLAS

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 BAWANY
ZOHAIK ZAKARIA
AHMED ALI BAWANY
A. RAZAK AHMED

CHAIRMAN
MEMBER
MEMBER
MEMBER

AUDITORS

HYDER BHIMJI & COMPANY
CHARTERED ACCOUNTANTS

LEGAL ADVISOR

ABDUL SATTAR PINGAR

BANKERS

HABIB BANK LIMITED
NATIONAL BANK OF PAKISTAN
MCB BANK LIMITED
ALLIED BANK OF PAKISTAN LIMITED
UNITED BANK LIMITED
THE ROYAL BANK OF SCOTLAND
NIB BANK LIMITED
BANK ALFALAH LIMITED
HABIB METROPOLITAN BANK LIMITED
BANK OF PUNJAB

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 : 4539415-17
Fax : 92-21-4539412
E-mail : reli-ins@cyber.net.pk
ric-re@cyber.net.pk.
Website: www.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) 5687839 & 5685930

OUR Services



Reliance Insurance Company Limited underwrites all classes of General Insurance and enjoys reputation second to none. Apart from the traditional covers such as Fire and Allied perils, Accident, Motor, Marine (Import and Exports), Loss of Profits, Personal Accident, Group Hospitalization, Workmen's Compensation, Burglary, Fidelity Guarantee, Public Liability, Products Liability, Travel Insurance, Cash-in-Safe or in Transit etc., it also transacts non-traditional covers such as Machinery Breakdown and Loss of Profits following Machinery Breakdown, Contractors All Risks, Erection All Risks, Bond and the like.

FIRE

I n s u r a n c e



The Standard Fire Policy covers loss and/or damage caused by fire and lightning.

The basic fire policy can be extended to include a number of additional risks known as 'special perils' or 'allied perils'. These include: riot and strike damage, malicious damage, atmospheric disturbance, earthquake fire and shock, explosion, impact damage, aircraft damage.

The property insured normally includes residential/commercial buildings, factory/warehouse buildings, stock and stock in process, fixtures and fittings, plant and machinery etc.

CARGO

Insurance



Cargo is usually insured on a warehouse (of departure) to warehouse (of arrival) basis and usually covering all risks as per Institute Cargo Clauses "A". For lesser risk Institute Cargo Clauses "B" & "C" are available. Even cover on TLO (Total Loss only, due to total loss of the vessel/aircraft) basis is also available.

MOTOR

Insurance



The minimum requirement by law under Motor Vehicle Act 1939 is in respect of legal liability to pay damages arising out of bodily injury caused to any third party person - The following policies are available under this section:

Act Liability only : provides cover in respect of liability incurred through death or injury to a third party person. This is minimum legal cover available under Motor Vehicle Act, 1939.

Third Party : provides cover as above plus damage to third party property.

Comprehensive Insurance : provides cover for third party liability plus protection against loss and/or damage to the car/vehicle itself as well as snatching /theft.

ENGINEERING

I n s u r a n c e



Engineering policies mainly cover damage to, or breakdown of specific items of plant and machinery, cost of repair of own/surrounding property, legal liability for damage to property of others, caused by the aforesaid damage or breakdown.

Cover for loss of profits and standing charges following machinery breakdown is also available. Additionally, cover against Contractor's All Risks (CAR), Erection All Risks (EAR) etc. are also available.

MISC./ ACCIDENT

I n s u r a n c e



The wide range of products available under the above head includes, but not limited to, Personal Accident Insurance, House-breaking and Burglary Insurance, Travel Insurance, Cash-in-safe /Cash-in-transit Insurance, Public Liability and Products Liability Insurance, Workmen's Compensation/ Employer's Liability Insurance, Group Hospitalization Insurance, Plate glass insurance etc.

Notice of the Twenty Seventh Annual General Meeting

Notice is hereby given that the 27th Annual General Meeting of the Shareholders of Reliance Insurance Company Limited will be held on Thursday the 30th April, 2009 at 12:00 noon at the Head Office of the Company at Reliance Insurance House, 181-A, Sindhi Muslim Housing Society, Near Mehdi Tower, Shahrah-e-Faisal, Karachi, to transact the following business:

Ordinary Business:

- 1 To confirm the minutes of the 26th Annual General Meeting of the Company held on 29th March 2008.
- 2 To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st December 2008, together with Directors' and Auditors' Reports thereon.
- 3 To re-appoint Auditors and fix their remuneration. M/s. Hyder Bhimji & Co., Chartered Accountants, retire and being eligible and willing to continue offer themselves for re-appointment. Accordingly the Audit Committee, in its meeting held on 31st March, 2009, recommended to the Board the name of M/s. Hyder Bhimji & Co., Chartered Accountants, for re-appointment as the statutory auditors for the year 2009 for a further term of one year.

Special Business:

- 4 To approve the issue of Bonus Shares in the ratio of one (1) bonus share for ten (10) existing Ordinary Shares held by the shareholders (10%) as recommended by the Board of Directors. To give effect to the above, the Directors have recommended to consider and, if thought fit, pass, with or without modification, the following resolution as an ordinary resolution:

"Resolved that a sum of Rs. 22,909,250 (Rupees twenty two million nine hundred nine thousand two hundred fifty only) out of the un-appropriated profit be capitalized and distributed by issuing 2,290,925 fully paid up Bonus Shares in the proportion of one share for every ten shares held, to those members whose names appear in the register of members as at the close of business on 23rd April 2009, and that the shares so distributed shall be treated for all purposes as an increase in the paid-up capital of the Company.

Further, resolved that Bonus Shares forming part of such fractional holding which is not in exact multiple of 1:10 shares will be sold in the Stock Market and proceeds for such shares shall be distributed amongst the shareholders in accordance with their entitlement.

That for the purpose of giving effect to the foregoing, the Directors be and are hereby authorized to give such directions as may be necessary and as they deem fit to settle any questions or any difficulties that may arise in the distribution of the said new shares or in the payment of the sale proceeds of the fractions. "

A statement under section 160 (1) (b) of the Companies Ordinance 1984 is annexed.

- 5 To transact any other business with the permission of the Chair.

Karachi: 31st March 2009

HAROON A. SHAKOOR
Chief Accountant & Company Secretary

Notes:

- 1 The Share Transfer Book of the Company will remain closed for the purpose of determining the entitlement of bonus shares from 24th April 2009 to 30th April 2009 (both days inclusive). Transfer received in order at the Company Share Registrar Office M/s. C & K Management Associates (Pvt.) Limited, 404 – Trade Tower, Abdullah Haroon Road, Near Hotel Metropole Karachi at the close of business on 23rd April, 2009 will be treated in time for the purpose of above entitlement of Bonus Shares to the transferees.
- 2 A member of the Company entitled to attend and vote may appoint any member as his/her proxy to attend and vote on his/her behalf. PROXIES MUST BE RECEIVED AT THE HEAD OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 3 For Attending the Meeting and Appointing Proxies CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

- i). In case of individuals, the account holder or sub-account holder and/or person whose securities are in group account and their registration detail are up-loaded as per the Regulations, shall authenticate his identity by showing his Original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing Proxies:

- i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy from as per the above requirements.
 - ii). The proxy form shall be witnessed by two person whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii). Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv). The proxy shall produce his original CNIC or Original Passport at the time of the meeting.
 - v). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.
- 4 Shareholders are requested to inform the Company of any change in their address, if any immediately.

STATEMENT UNDER SECTION 160(1) (b) OF THE COMPANIES ORDINANCE 1984 PERTAINING TO THE SPECIAL BUSINESS

The Statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on 30th April, 2009.

Your Directors have recommended the issue of Bonus Shares in the proportion of 1 share for every 10 ordinary shares held on 23rd April 2009. The Directors are interested in this business to the extent of their entitlement to Bonus Shares as Shareholders.

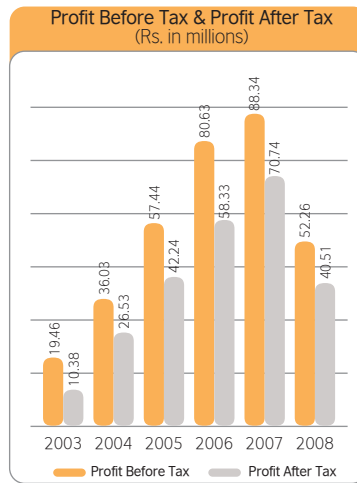
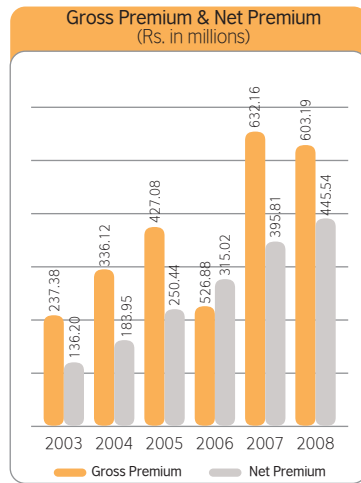
Karachi: 31st March 2009

Board of Directors' Meeting in Progress



Directors' Report

Appropriation would increase Paid up Capital to **Rs.252.002** million and General Reserve to **Rs. 87.500** million while the total Assets surge to **Rs. 938.722** million



Year 2008 was a challenging year for the Global economy – an overall economic meltdown. Financial market crisis, Stock market crashes, Soaring commodity prices and Extremely volatile oil prices were the hallmark of 2008. Specially second half of the year witnessed great turmoil, which also affected Pakistan economy negatively and consequently the insurance industry. The situation was further aggravated with a rise in discount rate. Due to extremely depressed equity market scenario, the Karachi Stock Exchange (KSE) imposed 'Floor Mechanism' which

remained in place from 28th August 2008 to 15th December, 2008. There was a huge plunge in equity market and KSE 100 index crashed at 5865.01 points on December 31, 2008 as against 14,075.83 points on December 31, 2007. All these factors had a cumulative adverse effect on the overall financial results of the insurance companies.

Performance Review

Your Company underwrote Gross Premium of Rs.603.193 million against 632.159 million of the last year showing

decrease of 4.58%. The decrease in Gross Premium is mainly attributed to the managements decision to discontinue writing motor leasing business effective 1st July, 2008 which had disastrous claims - experience. All other departments however had performed positively. The net premium revenue surged to 445.542 million against 395.811 million of the last year showing an increase of 12.56%. Investment income decreased from 43.234 million of last year to 33.263 million a decrease by 9.97 million before the provision of impairment in value of

investments of Rs.15 million. Pre tax profit and after tax profit also decreased. Pre tax profit after the impact of provision for impairment loss stood at 52.259 million against 88.345 million of last year and after tax profit from 70.745 million to 40.510 million after the impact of provision for impairment

Claims incurred during the year

were Rs.208.358 million against Rs.156.971 million of the previous year. Management Expenses stood at Rs.153.655 against Rs.148.431 million of the previous year.

Impairment

The impairment of equities classified as "Available for Sale - Investments" through profit and

loss account in accordance with the requirements of IAS-39 has been treated according to SECP notification SRO 150(1)2009 dated 13th February 2009, and Circular No. 3 of 2009 dated 16th February, 2009. This fact is also disclosed in more detail in note 13 of the attached financial statements for the year ended 31st December, 2008.

Your Directors recommend the appropriation of profit as under :-

Profit before Taxation	Rs.52,259,843
Less: Provision for Taxation	Rs.11,750,000
Add: Last year's un appropriated Profit	Rs. 519,213
Profit available for appropriation	Rs.41,029,056

Appropriation :-

Reserve for issue of Bonus Shares @ 10%	Rs.22,909,250
Transfer to General Reserve	Rs. 7,500,000
Unappropriated profit C/D	Rs.10,619,806
TOTAL	Rs.41,029,056

Board of Directors



Standing From Left to Right Mr. Zohair Zakaria, Mr. Yasin Siddik, Mr. Noor M. Zakaria, Mr. Ismail H. Zakaria, (Chairman), Mr. Amin Ahmed Bawany, Mr. Ahmed Ali Bawany, Mr. Mohammed Omer Bawany, Mr. A. Razak Ahmed, (Chief Executive & Managing Director), Mr. Ashfaq Patel,

Our workforce consists of a combination of youth and experience – perfectly suitable to the organization’s current requirement and future challenges. The key to our long-term success is the vision of our people and their **drive towards excellence**. Our employees are exposed to an **organizational commitment to continuous personal and professional development**. They get involved in various initiatives ranging from management skills, development and personal improvement, to technology advancement and process enhancement. In the result, we are a performance driven culture where ‘high performers’ are recognized for their exceptional contributions.



Your Company achieved these results despite extremely demanding business conditions. Repeating our earlier apprehensions as indicated in the last years Director's Report the situation almost remains unchanged. Due to competition, there has been a constant pressure on premium rates, which does not seem to augur well for the future of insurance industry, on the other hand, international reinsurance market no longer remains soft. The scenario is further clouded by arbitrarily fixing of the so called 'Bank Limits' and delisting/non

listing by banks and financial institutions. The Insurance Associations of Pakistan (IAP) is seized with this issue with relevant quarters emphasizing the importance of providing level playing field to all the players in the General Insurance market. We remain optimistic and hope that the scenario will gradually improve after the political and economic stability coupled with global economic recovery.

high credit debt instruments (TFCs), Government securities (PIB), Defence Saving Certificates, Sukuk, T. Bills and shares of blue chip companies. Conscious of the fact that capital markets are historically volatile the share portfolio of RICL is well spread & diversified amongst various sectors, primarily focusing on high dividend yield scripts. The investment position may be summarized as under :-

Investment

The investment strategy of your Company continues to invest in

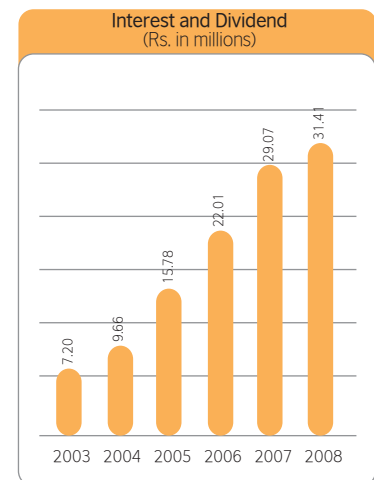
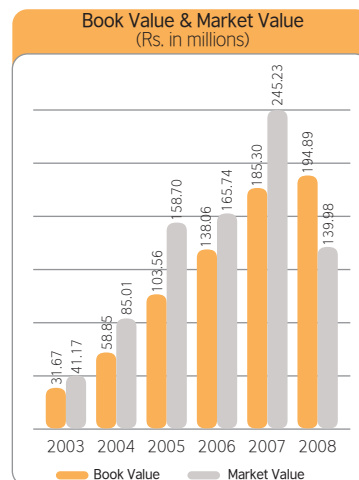
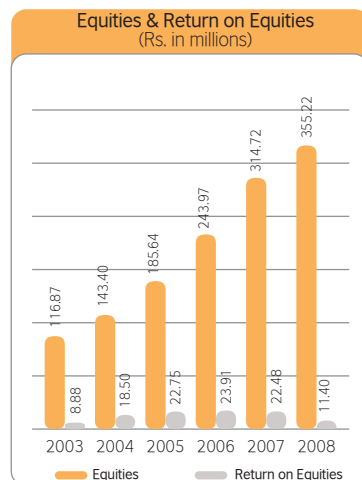
Nature of Investments	Book Value 31, Dec. 2008	Book Value 31, Dec. 2007
1 Quoted Shares & Mutual Funds	194,890,243	185,300,301
2 Defence Saving Certificate	7,300,000	10,400,000
3 WAPDA & KSEW Sukuk Bond	22,000,000	17,000,000
4 Pakistan Investment Bond	46,855,474	42,328,566
5 Government of Pakistan T. Bill	14,617,973	-
6 TFCs (Quoted)	12,694,791	12,886,663
7 Certificate of Investment	2,500,000	2,500,000
8 Impairment in value of Investments	(15,000,000)	-
Total	285,858,481	270,415,530

The Company's investment in Bank Deposit Accounts (TDR's) stood at Rs.30.725 million as against Rs.28.525 million last year.

Investment Income/Capital Gains

Investment Income depicts steady growth and it is hoped

that the same would continue to grow substantially in the coming years, thus supplementing the core income i.e. underwriting profits.



Interest and Dividend Income stood at Rs.31.414 million compared to Rs.29.150 million for the last year, registering a growth of 7.77% because of better Dividends received from investments in most of the blue chip companies. Your Company has also booked Rs.1.888 million in Capital gain on sale of Shares as against Rs.14.164 million of last year. The income from bank deposits has increased from

3.440 million to 4.667 million particularly on return from TFCs and PIBs. The return on equity works out to 11.40% and after tax earning per share to Rs.1.77. Decrease in return on equity and EPS as compared to last year is attributed to the impairment for decrease in value of investments of Rs.15 million booked through Profit and Loss Account.

Paid-up Capital And Reserves

Your Company believes in strengthening the Capital base and reserves keeping in view the robust growth and enhance the underwriting capacity of the Company. In line with this strategy, after appropriation, Paid up Capital would increase to Rs. 252.002 million and General

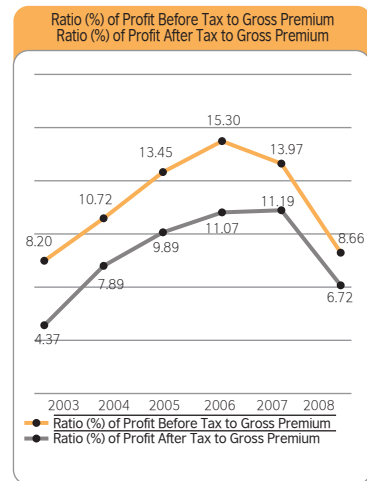
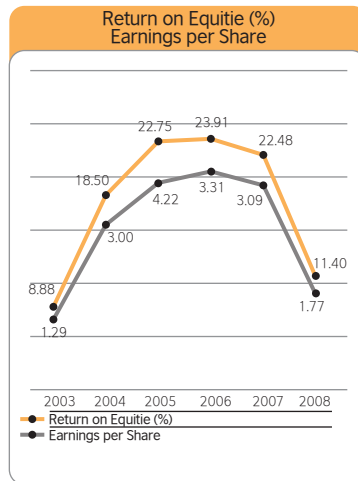
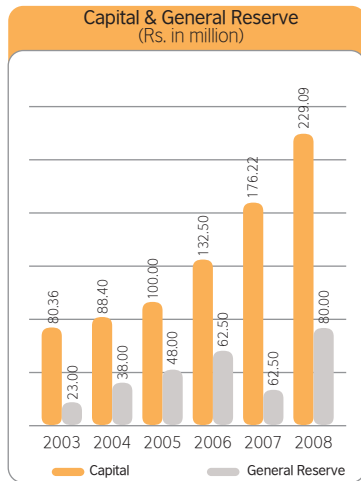
Management Team



Standing From Left to Right: Mr. Muhammed Masood Ali, Mr. Sadruddin Hussain, Mr. Ghulam Mujaddid, Mr. Muhammed. Ishaque Azeem Mr. Muhammed Masood Alam Mr. A. Razak Ahmed, (Managing Director & CEO) Mr. Haroon A. Sahkoor (C.A. & Company Secretary) , Mr. Abdul Rahim, Mr. M. Amin Bawany & Mr. Saleem Memon

Interest and Dividend Income stood at **Rs.31.414** million compared to **Rs.29.150** million for the last year, registering a growth of **7.77%** because of better Dividends received from investments in most of the blue chip companies.

View of Meeting with South Zone Sales Executives



Reserve to Rs.87.500 million, while the Total Assets surge to Rs.938.722 million from Rs.806.930 (restated) million reflecting sound financial health of the Company.

Information Technology

Computerization work continues to be in progress in order to meet the challenges of present day requirements and to optimize quality and standard of

services to our valued Clients. To further enhance the operating capability and efficiency, your Company has entered into an agreement with an experienced and professional software Company for implementing

Oracle based General Insurance & General Ledger Software to bring all branches on line through web base system. The new software system will not only ensure regular reporting on progress but would also provide timely MIS report to the management. Implementation of new software is in final stages and would be completed during the year.

Reinsurance

Your Company has one of the soundest panel of reinsurers of international repute comprising mainly of AA & A rated securities. The prudent underwriting policy has enabled the management to negotiate and renew its reinsurance treaty programme

for the year 2009 reinforcing leading reinsurers confidence in your Company's underwriting policy and approach

JCR VIS Credit Rating

JCR-VIS Credit Rating Company Limited – an affiliate of Japan Credit Rating Agency Limited has maintained Insurer Financial Strength (IFC) rating at A- (single A minus) with Stable outlook which signifies High Capacity to meet policy holder and contract obligations.

Auditors

Our present auditors M/s. Hyder Bhimji & Co., Chartered Accountants retire at the conclusion of the Annual General

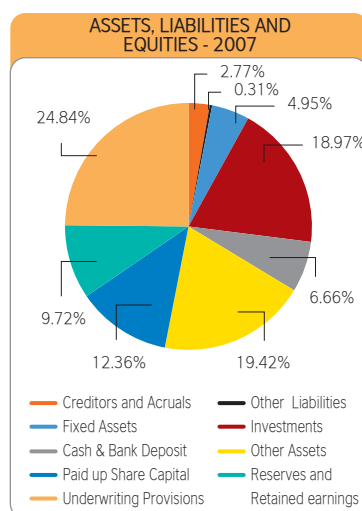
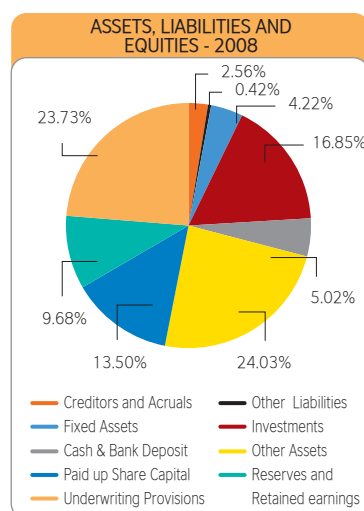
Meeting. Being eligible, offer themselves for re-appointment for the financial year ending 31st December 2009, at a fee to be mutually agreed. The audit committee has recommended the appointment of M/s Hyder Bhimji & Co., Chartered Accountants as auditors for the year ending 31st December, 2009.

Future Outlook

Pakistan's economic growth had been resilient over the years in the past. There had been consistent increase in GDP during past three years. GDP growth rate is now expected to remain in the range of 3.00% to 3.50% . High oil prices, frequent load-shedding, food inflation,



North Zone Executives Deliberating At Gulberg Branch, Lahore



Rated
A-
by
JCR VIS

rising import bill, change in commodity prices, pressure on current account deficit and budget are few of the challenges for the new government. Political uncertainty and adverse law and order situation may also hamper the growth momentum.

The management of your Company looks forward that the new Government would be able to enforce policies to cope up

with challenges ahead and would be able to sustain growth and improve law and order situation in the country.

Compliance with Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by the Karachi and Lahore Stock Exchanges in their listing Rules,

relevant for the year ended December 31, 2008 have been duly complied with. A statement to this effect is annexed with the report.

Board of Directors' Meetings

During the year Four (4) Board Meetings were held and the number of meetings attended by each Director is given hereunder:

Name of Directors	Attendance
1. Mr. Ismail H. Zakaria	4
2. Mr. Mohammad Amin Ahmed Bawany	4
3. Mr. A. Aziz Ayooob	4
4. Mr. Irfan Zakaria Bawany	3
5. Mr. Mohammad Omer Bawany	4
6. Mr. Zohair Zakaria	4
7. Mr. Ahmed Ali Bawany	3
8. Mr. Noor M. Zakaria	3
9. Mr. Ashfaq Patel	3
10. Mr. Yasin Siddik	2

Leave of absence was granted to the Directors who could not attend some of the Board Meetings due to their busy schedules and other prior engagements

Trading of Company's Shares

Except as stated below, no trading in the shares of the Company was carried-out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children:

NAME	No. of Shares Purchased / (Sale)
Roshan Ara Amin	39,000
Rukhsana Bai Omer	105,000
Ambreen Ahmed Ali	82,500
Mr. Yasin Siddik	(76,163)
Mr. Ashfaq Patel	(138,500)

Statement Of The Ethics And Business Practices

The Board has adopted the statement of Ethics and Business Practices. All employees are informed and are required to observe these rules of conduct.

Committees

The Board has constituted Audit/Investment Committees, which comprises of the following Non Executive Directors:

Audit Committee

- | | | |
|----|---------------------------|-----------|
| 1. | Mr. A. Aziz Ayoob | Chairman |
| 2. | Mr. Irfan Zakaria Bawany | Member |
| 3. | Mr. Zohair Zakaria | Member |
| 4. | Mr. Muhammad Saleem Memon | Secretary |

Investment Committee

- | | | |
|----|--------------------------|----------|
| 1. | Mr. Irfan Zakaria Bawany | Chairman |
| 2. | Mr. Zohair Zakaria | Member |
| 3. | Mr. Ahmed Ali Bawany | Member |
| 4. | Mr. A. Razak Ahmed | Member |

Code of Corporate Governance Statement of Directors Responsibilities

The Securities & Exchange Commission of Pakistan (SECP) introduced in March 2002, Code of Corporate Governance to enhance transparency and credibility in the corporate sector for listed Companies. The Code is being enforced through listing regulation No. 37 (Chapter XI) and regulation No.40 (Chapter XIII) of the Karachi and Lahore Stock Exchanges respectively. In compliance of the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting framework;

- a) The financial statements prepared by the management of the Company fairly present its state of affairs, the result of the operations, cash flow and change in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- d) International Accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) Pattern of Shareholding:
The pattern of shareholding as at 31st December, 2008 is annexed to the accounts.
- g) There are no significant doubts upon the Company's ability to continue as a going concern.
- h) There has been no material departure from the best practices of corporate governance as detailed in the listing regulation.
- i) Key operating and financial data for the last Ten years in summarized form is annexed.
- j) The Value of investments based on their respective audited accounts in respect of the Provident Fund Stands at Rs.22,729,743/=

ACKNOWLEDGMENT

We would like to thank our valued customers for their continued patronage and support. We also avail this opportunity to thank all Reinsurers including the Pakistan Reinsurance Company Limited, our Bankers, Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their continued guidance and assistance.

The Directors wish to place on record their appreciation for the efforts made by Officers, Field Force and Staff of the Company for their dedication and hard work and for their contribution to the growth of the Company. Your Directors are also grateful to the shareholders for their confidence, support and understanding.

By Order of the Board



A. Razak Ahmed
Chief Executive & Managing Director

Karachi: 31st March, 2009

Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 37 & 43 of listing regulations of Karachi & Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes 8 independent non-executive directors and 2 non-executive directors representing minority shareholders.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy arose in the Board during the year under consideration.
5. The Company has prepared a Statement of Ethics and Business Practices, which has been signed by all the directors and employees of the Company.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board is planning to arrange various orientation courses for its directors to apprise them of their duties and responsibilities.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises of (3) three members, of whom all are non-executive directors including the Chairman of the committee.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has set-up an effective internal audit function.
18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the Code have been complied with.



ISMAIL H. ZAKARIA
Chairman



A. RAZAK AHMED
Chief Executive & Managing Director

Karachi: 31st March, 2009

Key Financial Data

10 Years' Growth At A Glance

(Rs. In Million)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
PAID-UP CAPITAL	229.09	176.25	132.50	100.00	88.40	80.36	80.36	76.53	69.58	63.25
GROSS PREMIUM	603.19	632.16	526.88	427.08	336.12	237.38	191.31	155.86	145.11	131.65
NET PREMIUM	445.54	395.81	315.02	250.44	183.95	136.20	100.59	90.52	77.62	68.04
RATIO TO GROSS PREMIUM	73.86%	62.61%	59.79%	58.64%	54.73%	57.38%	52.58%	58.08%	53.49%	51.68%
NET CLAIMS INCURRED	208.36	156.97	100.21	82.66	64.75	48.37	39.61	33.51	27.58	26.55
RATIO TO NET PREMIUM	46.77%	39.66%	31.81%	33.01%	35.20%	35.51%	39.38%	37.02%	35.53%	39.02%
NET EXPENSES	153.65	148.43	128.06	113.21	86.52	66.20	53.62	39.82	36.38	32.38
RATIO TO GROSS PREMIUM	25.47%	23.48%	24.31%	26.51%	25.74%	27.89%	28.03%	25.55%	25.07%	24.59%
RATIO TO NET PREMIUM	34.49%	37.50%	40.65%	45.20%	47.03%	48.60%	53.30%	43.98%	46.87%	47.59%
INVESTMENT	285.85	298.94	234.97	168.16	95.38	63.37	55.66	55.47	52.42	50.05
INVESTMENT INCOME	18.26	43.23	30.41	23.62	9.85	7.93	6.96	6.61	4.48	3.57
PRE TAX PROFIT	52.26	88.34	80.63	57.44	36.03	19.46	16.02	15.95	12.63	10.77
EARNINGS PER SHARE	1.77	3.09	3.31	4.22	3.00	1.29	1.25	1.37	1.20	1.15
GENERAL RESERVE	80	62.50	62.50	48.00	38.00	23.00	22.60	20.30	19.50	18.00
RESERVE FOR PERMANENT DIMINUTION IN VALUE OF INVESTMENT	5.11	5.11	5.11	5.11	5.11	5.11	10.11	10.11	10.11	10.00
UNDERWRITING PROFIT	48.17	58.53	62.46	44.08	35.82	19.60	10.75	17.33	16.38	14.99
RESERVE FOR UNEXPIRED RISK	156.42	197.21	161.54	118.98	90.13	60.00	49.59	36.21	31.05	27.22

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

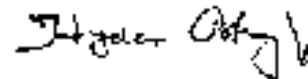
We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of RELIANCE INSURANCE COMPANY LIMITED to comply with the Listing Regulation No.37-Part X1 of the Karachi Stock Exchange and Chapter X111 of Lahore Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance.

Karachi: 31st March, 2009



HYDER BHIMJI & CO.
Chartered Accountants

Auditors' Report to the Members

We have audited the annexed financial statements comprising of:

- I. Balance sheet;
- ii. Profit and loss account;
- lii. Statement of changes in equity;
- lv. Statement of cash flows;
- V. Statement of premiums;
- Vi. Statement of claims;
- Vii. Statement of expenses; and
- Viii. Statement of investment income;

of Reliance Insurance Company Limited as at 31st December 2008, together with the notes forming part thereof, for the year then ended.

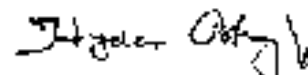
It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control and prepare and present the financial statements in conformity with the Approved Accounting Standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the companies ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the Auditing Standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- a) proper books of accounts have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- b) the financial statements together with the notes thereon have been drawn up in conformity with the insurance ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;
- c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at 31st December 2008, and of the profit, its cash flow and changes in equity for the year then ended, in accordance with Approved Accounting Standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies ordinance, 1984; and
- d) Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Karachi: 31st March, 2009



HYDER BHIMJI & CO.
Chartered Accountants

Events



Mr. Abdul Razak Ahmed MD. Reliance Insurance Company Limited drawing names of lucky winners of umrah Tickets.



Mr. A. Razak Ahmed (MD) congratulating Mr. M. Tahir & Mr. M. Habib for Winning Umrah Tickets for the year 2008.



Rely on Reliance



We at Reliance have always believed in providing you with incomparable and unmatched services in the world of Insurance. Our reliability and your continued trust have made us reach new heights of success.

We pledge to continue towards fulfilling our aim of endowing security and protection to our patrons along with playing a constructive role in the development of the Insurance Industry in Pakistan.



**Reliance Insurance
Company Limited**

Head Office:

Reliance Insurance House
181-A, Sindhi Muslim Co-operative Housing Society,
P.O. Box: 13356 Karachi-74 00.
Tel: 4539415-17 Fax: 92-21-4539412
E-mail: reli-ins@cyber.net.pk & ric-re@cyber.net.pk
Website: www.relianceins.com

BRANCH NETWORK ALL OVER PAKISTAN

Financial S t a t e m e n t s



Balance Sheet

as at December 31, 2008

	Note	2008 Rs	2007 Rs
Share Capital and Reserves			
Authorised share capital (2008: 50,000,000 Ordinary Shares of Rs.10/-- each)		500,000,000	500,000,000
Paid-up share capital	7	229,092,500	176,225,000
Retained earnings		41,029,056	70,886,713
Reserves	8	85,105,000	67,605,000
		355,226,556	314,716,713
Underwriting provisions			
Provision for outstanding claims (including IBNR)		252,838,389	125,485,135
Provision for unearned premium		243,900,820	291,405,737
Commission income unearned		30,344,351	31,380,604
Total Underwriting Provisions		527,083,560	448,271,476
Creditors and accruals			
Amounts due to other insurers/reinsurers		35,324,248	15,512,421
Accrued expenses		2,848,472	1,337,512
Taxation - provision less payments		5,309,407	22,650,668
Sundry creditors		7,032,961	4,318,087
		50,515,088	43,818,688
Borrowing			
Short term running finance-secured	9	5,776,363	-
Other liabilities			
Unclaimed dividend		120,535	123,978
TOTAL EQUITY AND LIABILITIES		938,722,102	806,930,855
CONTINGENCIES AND COMMITMENTS	10		

The annexed notes from 1 to 27 form an integral part of these financial statements.

Balance Sheet

as at December 31, 2008

	Note	2008 Rs	FORM GA 2007 Rs
Cash and bank deposits			
Cash and other equivalent		123,719	47,453
Current and other accounts		54,184,646	66,380,891
Deposit maturing within 12 months		30,725,000	28,525,000
	11	85,033,365	94,953,344
Loans (secured)			
To employees	12	964,899	939,993
Investments			
	13	285,858,481	270,415,530
Current assets-others			
Premiums due but unpaid		106,435,031	88,895,678
Amounts due from other insurers/reinsurers		6,225,857	4,288,250
Accrued investment income		30,902,424	37,873,131
Reinsurance recoveries against outstanding claims		214,067,719	88,713,254
Deferred commission expense		47,032,113	53,834,616
Prepaid reinsurance premium ceded		87,473,351	94,200,202
Trade deposits and prepayments		540,494	526,028
Sundry receivables		1,400,716	1,777,919
		494,077,705	370,109,078
Fixed assets			
Land and buildings		19,267,518	21,408,353
Furniture, fixtures and office equipment		11,987,922	13,186,964
Motor vehicles		40,255,569	35,917,593
	14	71,511,009	70,512,910
Capital work in progress	14.2	1,276,643	-
TOTAL ASSETS		938,722,102	806,930,855


ISMAIL H. ZAKARIA
Chairman


MOHAMMAD AMIN AHMED BAWANY
Director


A. AZIZ AYOORB
Director


A. RAZAK AHMED
Chief Executive & Managing Director

Profit & Loss Account

Financial Year Ended December 31, 2008

	Notes	Fire & Property	Marine Aviation & Transport	Motor	Misc.	FORM GB (Amount in Rs.)	
						2008 Aggregate	2007 Aggregate
Revenue Account							
Net Premium Revenue		112,383,635	68,098,425	260,814,260	4,246,017	445,542,337	395,811,149
Net Claims		(16,454,835)	(20,380,069)	(170,266,420)	(1,257,206)	(208,358,530)	(156,970,776)
Expenses		(34,834,883)	(21,108,062)	(80,843,037)	(1,316,112)	(138,102,094)	(134,117,799)
Net Commission		(11,287,582)	(4,140,900)	(38,710,866)	3,230,505	(50,908,843)	(46,196,545)
Underwriting result		49,806,335	22,469,394	(29,006,063)	4,903,204	48,172,870	58,526,029
Investment Income						18,262,903	43,233,859
Other Income (Profit on Sale of Fixed Assets)	14.3					1,377,799	899,307
Financial Charges						(199,478)	
General and administration expenses						(15,354,251)	(14,313,331)
Profit before tax during the year						52,259,843	88,345,864t
Provision for Taxation	23					(11,750,000)	(17,600,000)
Profit after tax during the year						40,509,843	70,745,864
Profit and Loss Appropriation Account							
Balance at Commencement of the year						70,886,713	58,365,849
Profit after tax during the year						40,509,843	70,745,864
Transfer to reserves (General Reserve)						(17,500,000)	(14,500,000)
Issuance of Bonus Shares for the year 2007: 30 % (2006:33%)						(52,867,500)	(43,725,000)
Balance Unappropriated profit at the end of year						41,029,056	70,886,713
Earning per Share - Basic and Diluted	18					1.77	3.09

The annexed notes from 1 to 27 form an integral part of these financial statements.



ISMAIL H. ZAKARIA
Chairman



MOHAMMAD AMIN AHMED BAWANY
Director



A. AZIZ AYOOB
Director



A. RAZAK AHMED
Chief Executive & Managing Director

Karachi 31st March 2009

Statement of Cash Flows

Financial Year Ended December 31, 2008

FORM GC

	January to December	
	2008	2007
	Rs	Rs
Operating Cash Flow		
a) Underwriting activities		
Premium received	556,203,437	597,269,932
Reinsurance premium paid	(180,555,056)	(206,947,945)
Claims paid	(331,002,483)	(270,490,607)
Reinsurance and other recoveries received	124,642,742	110,345,957
Commission paid	(82,191,386)	(102,087,013)
Commission received	66,499,550	66,866,748
Net cash inflow from underwriting activities	<u>153,596,804</u>	<u>194,957,072</u>
b) Other operating activities		
Income tax paid	(29,091,261)	(18,677,745)
General management expenses paid	(138,102,094)	(134,117,799)
Other operating payments	(4,784,136)	(4,028,616)
Loans advanced / repayment received	(24,906)	203,990
Other payments on operating assets	4,225,834	(9,722,038)
Other receipts in respect of operating assets	362,737	1,260,321
Net cash flow from other operating activities	<u>(167,413,826)</u>	<u>(165,081,887)</u>
Total cash outflow from all operating activities	<u>(13,817,022)</u>	<u>29,875,185</u>
Investment activities		
Interest / Dividend received	38,345,192	24,509,120
Payments for Investments	(48,128,605)	(84,015,162)
Proceeds from disposal of investments	19,574,072	34,004,323
Fixed Capital Expenditures	(16,652,058)	(18,704,924)
Proceeds from disposal of fixed assets	5,185,000	4,051,500
Total cash outflow from Investing activities	<u>(1,676,399)</u>	<u>(40,155,143)</u>

Statement of Cash Flows

Financial Year Ended December 31, 2008

	January to December 2008 Rs	2007 Rs
Financing activities		
Unclaimed Dividend paid	(3,443)	-
Financial Charges	(199,478)	-
Total cash outflow from financing activities	(202,921)	-
Net cash Inflow/outflow from all activities	(15,696,342)	(10,279,958)
Cash & other at the beginning of the year	94,953,344	105,233,302
Cash & other at the end of the year	79,257,002	94,953,344
Reconciliation to profit and loss Account		
Operating cash flow	(13,817,022)	29,875,185
Depreciation expense	(10,570,115)	(10,284,715)
Financial Charges	(199,478)	-
Profit on disposal of fixed assets	1,377,799	899,307
Increase in assets other than cash	130,964,240	73,624,207
Increase in liabilities other than running finance	(85,508,484)	(66,601,979)
Investment Income	18,262,903	43,233,859
Profit after tax as per profit & loss account.	40,509,843	70,745,864

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 Flow Consists of:

Cash and Equivalents	123,719	47,453
Current and Other account	54,184,646	66,380,891
Deposits Maturing Within 12 Months	30,725,000	28,525,000
Short Term Running Finance -Secured	85,033,365	94,953,344
	(5,776,363)	-
	79,257,002	94,953,344

The annexed notes from 1 to 27 form an integral part of these financial statements.


ISMAIL H. ZAKARIA
Chairman


MOHAMMAD AMIN AHMED BAWANY
Director


A. AZIZ AYOOB
Director


A. RAZAK AHMED
Chief Executive & Managing Director

Statement of Premiums

Financial Year Ended December 31, 2008

FORM GD

Business underwritten inside Pakistan.

(Amount in Rs.)

Class	Premium written	Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid Reins Premium		Reinsurance expense	2008 Net Premium revenue	2007 Net Premium revenue
		Opening	Closing			Opening	Closing			
Direct and facultative										
Fire and Property Damage	251,343,765	126,609,324	129,628,752	248,324,337	131,388,504	73,807,078	69,254,880	135,940,702	112,383,635	110,916,214
Marine, Aviation and Transport	108,312,850	13,259,738	11,086,875	110,485,713	41,334,196	5,430,383	4,377,291	42,387,288	68,098,425	56,859,235
Motor	216,895,051	139,702,481	88,698,266	267,899,266	3,655,027	4,995,062	1,565,083	7,085,006	260,814,260	224,648,676
Miscellaneous	26,641,881	11,834,194	14,486,927	23,989,148	22,051,549	9,967,679	12,276,097	19,743,131	4,246,017	3,387,024
Grand Total	603,193,547	291,405,737	243,900,820	650,698,464	198,429,276	94,200,202	87,473,351	205,156,127	445,542,337	395,811,149

The annexed notes from 1 to 27 form an integral part of these financial statements.


ISMAIL H. ZAKARIA
Chairman


MOHAMMAD AMIN AHMED BAWANY
Director


A. AZIZ AYOORB
Director


A. RAZAK AHMED
Chief Executive & Managing Director

Karachi 31st March 2009

Statement of Claims

Financial Year Ended December 31, 2008

FORM GE

Business underwritten inside Pakistan.

(Amount in Rs.)

Class	Claims Paid	Outstanding Claims		Claims Expenses	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		and other recoveries revenue	Reinsurance 2008 Net claims expense	2007 Net claims expense
		Opening	Closing			Opening	Closing			
Direct and facultative										
Fire and Property Damage	111,632,957	82,297,100	204,149,600	233,485,457	97,950,206	70,775,207	189,855,623	217,030,622	16,454,835	17,533,135
Marine, Aviation and Transport	37,860,653	20,672,000	27,454,450	44,643,103	18,862,945	13,777,177	19,177,266	24,263,034	20,380,069	9,923,994
Motor	172,626,995	19,335,535	18,378,839	171,670,299	108,859	1,380,510	2,675,530	1,403,879	170,266,420	127,252,062
Miscellaneous	8,881,878	3,180,500	2,855,500	8,556,878	7,720,732	2,780,360	2,359,300	7,299,672	1,257,206	2,261,585
Grand Total	331,002,483	125,485,135	252,838,389	458,355,737	124,642,742	88,713,254	214,067,719	249,997,207	208,358,530	156,970,776

The annexed notes from 1 to 27 form an integral part of these financial statements.



ISMAIL H. ZAKARIA
Chairman



MOHAMMAD AMIN AHMED BAWANY
Director



A. AZIZ AYOOB
Director



A. RAZAK AHMED
Chief Executive & Managing Director

Karachi 31st March 2009

Statement of Expenses

Financial Year Ended December 31, 2008

FORM GF

Business underwritten inside Pakistan.

(Amount in Rs.)

Class	Commissions	Opening Deferred	Closing Deferred	Net commission expense d=a+b-c	Other Management	Underwriting	Commission from reinsurers g	2008 Net underwriting expense h=f-g	2007 Net underwriting expense
	Paid or payable a	commission b	commission c		Expenses e	expense f=d+e		2007 Net underwriting expense	
Direct and facultative									
Fire and Property Damage	55,105,829	28,097,142	28,902,351	54,300,620	34,834,883	89,135,503	43,013,038	46,122,465	46,554,499
Marine, Aviation and Transport	20,982,348	2,651,947	2,217,375	21,416,920	21,108,062	42,524,982	17,276,020	25,248,962	23,459,880
Motor	31,063,300	20,955,372	13,304,740	38,713,932	80,843,037	119,556,969	3,066	119,553,903	111,504,630
Miscellaneous	4,490,666	2,130,155	2,607,647	4,013,174	1,316,112	5,329,286	7,243,679	(1,914,393)	(1,204,665)
Grand Total	111,642,143	53,834,616	47,032,113	118,444,646	138,102,094	256,546,740	67,535,803	189,010,937	180,314,344

The annexed notes from 1 to 27 form an integral part of these financial statements.



ISMAIL H. ZAKARIA
Chairman



MOHAMMAD AMIN AHMED BAWANY
Director



A. AZIZ AYOOB
Director



A. RAZAK AHMED
Chief Executive & Managing Director

Karachi 31st March 2009

Statement of Investment Income

Financial Year Ended December 31, 2008

	2008 Year Rs	FORM GG 2007 Year Rs
Income from Non-Trading Investments		
Held to maturity		
Return on Government Securities	12,723,243	13,271,445
Return on other fixed income securities and deposits	4,667,391	3,439,907
	17,390,634	16,711,352
Held for Trading		
Dividend Income	13,465,801	11,324,162
Available for sale		
Dividend Income	557,317	1,114,398
Gain on sale of 'available for sale investment'	1,888,418	14,163,519
Impairment in value of investments	(15,000,000)	-
less: Investment related expenses	(39,267)	(79,572)
Net Investment Income transferred to P&L A/c.	18,262,903	43,233,859

The annexed notes from 1 to 27 form an integral part of these financial statements.


ISMAIL H. ZAKARIA
Chairman


MOHAMMAD AMIN AHMED BAWANY
Director


A. AZIZ AYOOB
Director


A. RAZAK AHMED
Chief Executive & Managing Director

Karachi 31st March 2009

Statement of Changes in Equity

Financial Year Ended December 31, 2008

	SHARE CAPITAL	GENERAL RESERVE	PERMANENT DIMINUTION IN VALUE OF INVESTMENT	UNAPPRO- PRIATED PROFIT	TOTAL
Balance as at 01-01-2006 - restated	100,000,000	38,000,000	5,105,000	42,539,234	185,644,234
Net Profit after tax for the year	-	-	-	58,326,615	58,326,615
Issuance of bonus shares and transferred to general reserve	32,500,000	10,000,000	-	(42,500,000)	-
Balance as at 01-01-2007	132,500,000	48,000,000	5,105,000	58,365,849	243,970,849
Net Profit after tax for the year	-	-	-	70,745,864	70,745,864
Issuance of bonus shares and transferred to general reserve	43,725,000	14,500,000	-	(58,225,000)	-
Balance as at 31-12-2007	176,225,000	62,500,000	5,105,000	70,886,713	314,716,713
Net Profit after tax for the year	-	-	-	40,509,843	40,509,843
Issuance of bonus shares and transferred to general reserve	52,867,500	17,500,000	-	(70,367,500)	-
Balance as at 31-12-2008	229,092,500	80,000,000	5,105,000	41,029,056	355,226,556

The annexed notes from 1 to 27 form an integral part of these financial statements.


ISMAIL H. ZAKARIA
Chairman


MOHAMMAD AMIN AHMED BAWANY
Director


A. AZIZ AYOOB
Director


A. RAZAK AHMED
Chief Executive & Managing Director

Karachi 31st March 2009

Notes to the Financial Statements

Financial Year Ended December 31, 2008

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 PREPARATION

These financial Statements have been prepared in accordance with the Insurance Ordinance 2000 and the formats prescribed under Insurance Rules vide SRO 938(1) dated 12th December 2002.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984, the Insurance Ordinance 2000, and approved accounting standards as applicable to insurance companies in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards issued by IASB as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Insurance Ordinance, 2000, the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Insurance Ordinance, 2000, Companies Ordinance, 1984 or the requirements of the said directives shall take precedence.

3.1 Standards or interpretations not yet effective

The following standards, interpretations and amendments of approved accounting standards are effective for accounting period beginning on or after 1 January 2009. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements others than increase in disclosures in certain cases:

- Revised IASI- Presentation of Financial Statements
- Revised IASI 23 - Borrowing costs
- Revised IFRS 3 - Business Combinations
- IFRS 4 - Insurance Contracts (Notified by SECP vide SRO 149-(1)/2009)
- IFRS 8 - Operating Segments
- IFRIC - 17 - Distributions of Non-cash Assets to Owners
- IAS 19 - IFRIC 14 - The Limit on Defined Benefit Asset, Minimum Funding Requirement and their Interaction
- Amendment to IAS 39 - Financial Instruments: Recognition and Measurement - Eligible hedged items
- IFRS 5 Amendment - Improvement to IFRSs 5 Non-current Assets Held for Sale and Discontinued Operation
- IFRS 7 - Financial instruments: Disclosures
- IAS 27 - Consolidated and separate financial statements
- Amendments to IAS 36 - Impairment of Assets
- Amendments to IAS 1 - Presentation of Financial Statement
- Amendments to IAS 32 - Financial Instruments: Presentation
- Amendments to IAS 38 - Intangible Asset
- Amendments to IAS 19 - Employee Benefits
- Amendments to IAS 39 - Financial Instruments
- Amendments to IAS 40 - Investment Property

4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as modified if any.

Notes to the Financial Statements

Financial Year Ended December 31, 2008

5. USE OF ESTIMATES AND JUDGMENT

The preparation of financial statement in conformity with the requirements of approved accounting standards as applicable in Pakistan requires management to make judgment / estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The judgments/estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognized in the period in which the revision has been made.

Significant areas requiring the management to use estimates in these financial statements relate to provision for outstanding claims including IBNR, impairment of assets, premium deficiency reserve, provision for income tax, reinsurance recoveries against outstanding claims, staff retirement benefits and provision against premium due but unpaid.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Underwriting Result

Underwriting result is calculated by deducting from Gross Premium of each class of business, reinsurance cost incurred, claims, commission, allocable expenses of management and reserve for unearned premium.

6.1.1. Reserve for unearned premium

The Company is maintaining its Reserve for unearned premium, adopting 1/24th Method in accordance with regulation 8(4)(b) of the Accounting Regulation prescribed vide SRO 938(I) 2002 by the SECP.

6.1.2. Premium Deficiency Reserve

No provision for the premium deficiency reserve has been made. Management considers that the unearned reserve for all classes of business as at the year end is adequate to meet the expected future liability after reinsurance expenses, commission and other underwriting expenses, expected to be incurred after the balance sheet date in respect of policies in those classes of business in force at the balance sheet date.

6.1.3. Estimated Liability in respect of Outstanding Claims / IBNR

The liability in respect of Outstanding Claims is based on Claims intimated or assessed before the end of the accounting year less anticipated recoveries. The liability for claims incurred but not reported (IBNR) represents provision on an estimation basis for the claims, which have been incurred in the current reporting period but has not been reported to the Company until the cut-off date, after taking into consideration the expected recoveries and claims settlement cost.

Provision for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Reinsurance recoveries against outstanding claims are recognized as an asset and measured at the amount expected to be received.

6.1.4. Acquisition Costs

Commission and other acquisition costs incurred in obtaining and recording on direct, facultative and reinsurance cessions has been deferred and recognized as assets and liability as under:-

Notes to the Financial Statements

Financial Year Ended December 31, 2008

(a). Commission Income

Commission income is being taken to profit & loss account on a time proportion basis in accordance with the pattern of recognition of reinsurance premium to comply with the requirements of SRO 938 issued by the SECP in 2002.

(b). Deferred Commission Expense

Commission expenses are deferred and recognised as an asset in correlation with unearned premium that will be recognised in the subsequent reporting period to comply with the requirements of SRO 938 issued by the SECP in 2002.

6.2. Investments

All investments are initially recognised at cost being the fair value of the consideration given and include transaction costs. These are recognized and classified into the following categories.

6.2.1. Held to maturity

These are measured at Cost. Investment with fixed maturity where management has both intent and ability to hold to maturity are classified as held to maturity. Investments held to maturity are initially recognized at cost and subsequently measured at amortized cost.

6.2.2. Available for Sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available for sale. Subsequent to initial recognition at cost, quoted investments are stated at the lower of cost or market value. (market value in accordance with the requirements of SRO 938 issued by the SECP in December, 2002).

6.2.3. Held for trading.

Quoted investments which are acquired principally for the purpose of selling or purchasing in near future or are part of a portfolio for which there is a recent actual pattern of short term profit taking are classified as held for trading.

6.3. Revenue Recognition

- 6.3.1. Premium Income is recognized at the time of issuance of policy. Similarly, reinsurance premium is recorded at the time the reinsurance is ceded.
- 6.3.2. Administrative Surcharge recovered from insured is recognized as part of premium.
- 6.3.3. Dividend income is recognized when right to receive the same is established.
- 6.3.4. Entitlement of bonus shares is recognized when the right to receive the same is established by increasing the number of shares to which the company is entitled without given any monetary effect in the financial statement either in terms of cost or value thereof which is in accordance with the requirement of the Institute of Chartered Accountant of Pakistan (ICAP) Technical Release-15.
- 6.3.5. Profit or Loss on sale of investments is charged to Profit & Loss Account for the year at the time of disposal/sale.
- 6.3.6. Income on bank deposits and Defense Saving Certificates is recognized on accrual basis.

Notes to the Financial Statements

Financial Year Ended December 31, 2008

6.4. Cash and Cash equivalents

Cash and bank balances are defined as cash in hand and at banks, stamps in hand and short term placements with banks.

6.5. Operating Fixed Assets

These are stated at cost less accumulated depreciation computed on the reducing balance method on yearly basis applying the rates as mentioned in note No.14.

Depreciation on addition to fixed assets during the year is provided from the date of purchase while depreciation on assets disposed off during the year is ignored. Gain or Loss on disposal of fixed assets is taken to Profit & Loss Account.

Maintenance and normal repairs are charged to Profit & Loss Accounts as and when incurred, whereas major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Capital work in Progress

Capital work in progress is stated at cost. Transfers are made to operating assets when the assets are available for use.

6.6. Taxation

6.6.1. Current

Provision for taxation is based on taxable income at current rates of taxation, under the relevant provision of the Income Tax Ordinance, 2001, after taking into account rebates and tax credits available, if any. Income Tax assessment of the Company has been finalized up to and including the Tax year 2008.

6.6.2. Deferred

Deferred tax, if any, is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax assets and liabilities, if any, are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted, or subsequently enacted, at the balance sheet date.

Deferred tax assets, if any, are recognised only to the extent that it is probable that future taxable profit will be available against which the assets can be utilized.

Deferred Tax liability being immaterial has not been provided for.

6.7. Staff Retirement Benefits

Company maintains contributory recognised Provident Fund for all permanent employees for which contribution equal to one month's basic pay per annum is charged to Profit & Loss Account.

6.8. Transactions with Related Parties

All insurance business transactions with the related parties are in normal course of business and are carried out at an arm's length basis.

Notes to the Financial Statements

Financial Year Ended December 31, 2008

6.9. Financial Instruments

All the financial assets and financial liabilities are recognized at the time when company becomes a party to the contractual provisions of the instrument. Any gain or losses on de-recognition of the financial assets and financial liabilities are taken to the profit & loss account.

6.10. Offsetting of financial assets and liabilities.

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

6.11. Impairment.

The carrying amount of the Company's assets are reviewed on an ongoing basis to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the assets is determined and impairment losses are recognized in the Profit & Loss Account.

6.12. Expenses of Management.

Expenses of Management are allocated to various Revenue Accounts in proportion of the respective net premium income for the year.

6.13. Creditors, Accruals and Provision.

Liabilities for creditors and other amount payable are carried at cost which is the fair value of the consideration to be paid in future for goods and / or services. Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event, and its probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

6.14. Dividend and Bonus Share.

Dividend to shareholders is recognized as liability in the period in which it is declared. Similarly, reserve for issue of bonus share is recognized in the year in which such issue is declared.

6.15. Segment Reporting.

The Company's operating business are organized and managed separately according to the nature of services provided with each segment representing a strategic business unit that serves different markets.

The perils covered under fire insurance include damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and impact.

Marine insurance provides coverage against cargo risk, war risk and damages occurring in inland transit.

Motor insurance provides comprehensive car coverage and indemnity against third party loss.

Miscellaneous insurance provides cover against burglary, loss of cash in safe and cash in transit, personal accident, money, engineering losses and other coverage.

6.16. Change in Accounting Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised.

In view of more precise estimation, the company has changed the depreciation rates of the depreciable assets by assessing the expected pattern of consumption of the economic benefits.

Notes to the Financial Statements

Financial Year Ended December 31, 2008

7 PAID-UP SHARE CAPITAL

Issued, subscribed and fully paid:

2008 (Number of Shares)	2007		2008	2007
1,156,680	1,156,680	Ordinary Shares of Rs.10 each fully paid in cash	11,566,800	11,566,800
21,752,570	16,465,820	Ordinary Shares of Rs.10 each Issued as fully paid Bonus Shares	217,525,700	164,658,200
<u>22,909,250</u>	<u>17,622,500</u>		<u>229,092,500</u>	<u>176,225,000</u>

Share of the company held by associates amounting to Rs.2,553,680/= (255,368 Shares of Rs. 10/- each) [2007: Rs. 1,795,910/= (179,591 Shares of Rs. 10/- each)]

8 RESERVES

i) General Reserve	80,000,000	62,500,000
ii) Reserve for permanent Diminution in value of Investement	<u>5,105,000</u>	<u>5,105,000</u>
	<u>85,105,000</u>	<u>67,605,000</u>

9. SHORT TERM RUNNING FINANCE-SECURED

Running Finance	5,776,363	-
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A running finance facilities of Rs.10 million has been arranged from HBL at 2% percent above the TDR rate per annum.

This facility is secured against pledge on the company's TDR of Rs. 11.10 Million. This facility however has not been fully availed by the Company.

10. CONTINGENCIES AND COMMITMENTS

There are no material contingencies existing at the balance sheet date.

Notes to the Financial Statements

Financial Year Ended December 31, 2008

11 CASH AND BANK DEPOSITS

Cash and bank deposit comprises of Cash on deposit accounts with Bank, Cash and cheques in hand, in transit and, at banks on current and other accounts and stamps in hand.

	2008 Rs	2007 Rs
11.1 Cash / Stamps in hand	123,719	47,453
11.2 Current and other deposit accounts Cash at bank		
11.2.1 - on current & other accounts	54,184,646	66,030,891
11.2.2 -Statutory deposit with State Bank of Pakistan (U/s. 7 of repealed Insurance Act., 1938)	-	350,000
	54,184,646	66,380,891
11.3 - on deposit accounts	30,725,000	28,525,000
TOTAL CASH AND BANK DEPOSITS	85,033,365	94,953,344
12. LOANS TO EMPLOYEES-SECURED, CONSIDERED GOOD	964,899	939,993

This represent mark up free loans to employees of the company in accordance with the terms of the employment secured against their retirement benefits. These loans are recoverable in monthly installments over period of one year.

	Note	2008	2007
13 INVESTMENTS			
The investments comprise of the following:			
Held to maturity	13.1	105,968,238	85,115,229
Available for sale	13.2	53,528,315	54,647,547
Held for trading	13.3	141,361,928	130,652,754
Impairment in value of Investment		(15,000,000)	-
		285,858,481	270,415,530

During the year, the market value of available for sale investments as at Dec. 31 2008, is less than the cost, the fall in value is treated as other than temporary. As a result the company has recognised impairment loss of investment proportionately in pursuance of directive issued by SECP in circular No. 3/2009 dated 16th Feb. 2009.

Had the company not recognised the impairment loss through profit and loss account, the profit before income tax would have been higher by Rs.15 million.

Notes to the Financial Statements

Financial Year Ended December 31, 2008

13.1.1 GOVERNMENT SECURITIES Held to maturity

Face value	Profit Yield %	Profit payment	Particulars	Maturity date	2008	2007
3,000,000	8.15%	Semi annually	Pakistan Investment Bond	30/10/2011	3,331,040	3,441,388
4,000,000	7.15%	Semi annually	Pakistan Investment Bond	12/11/2009	3,994,593	3,989,186
5,000,000	7.95%	Semi annually	Pakistan Investment Bond**	24/12/2011	5,470,762	5,627,683
4,000,000	9.40%	Semi annually	Pakistan Investment Bond	14/02/2011	4,341,074	4,477,504
1,000,000	9.40%	Semi annually	Pakistan Investment Bond**	18/04/2011	1,089,945	1,125,923
5,000,000	9.43%	Semi annually	Pakistan Investment Bond**	19/05/2011	4,966,305	4,952,827
10,000,000	10.00%	Semi annually	Pakistan Investment Bond**	19/05/2011	9,859,921	9,803,889
4,000,000	9.75%	Semi annually	Pakistan Investment Bond**	19/05/2011	3,965,556	3,951,778
5,000,000	9.62%	Semi annually	Pakistan Investment Bond**	19/05/2011	4,970,278	4,958,388
5,000,000	10.23%	Semi annually	Pakistan Investment Bond	22/08/2012	4,866,000	-
10,000,000	Kibor+0.35%	Semi annually	W apda First Sukuk Bond	7 Years	10,000,000	10,000,000
5,000,000	Kibor-0.25%	Semi annually	W apda Second Sukuk Bond	10 Years	5,000,000	5,000,000
2,000,000	Kibor+0.40%	Semi annually	KSEW Sukuk I Certificates	8 Years	2,000,000	2,000,000
5,000,000	Kibor+0.40%	Semi annually	KSEW Sukuk II Certificates	8 Years	5,000,000	-
15,000,000	13.25%	on maturity	Government of Pakistan T. Bills	3 months	14,617,973	-
7,300,000	20.00%	-	Defence Savings Certificates	-	7,300,000	10,400,000
					<u>90,773,447</u>	<u>69,728,566</u>

13.1.2 TERM FINANCE CERTIFICATES (QUOTED)

Number of Certificates 2008	Number of Certificates 2007	Company's Name	Face value per certificates	Maturity	Profit Rate	Profit payment	2008	2007
600	600	Jahangir Siddqui & Co. Ltd. III	4,683	5 Years	KIBOR + 1.75%	Semi annually	2,809,686	2,997,600
600	600	Askari Commercial Bank Ltd. II	4,994	8 Years	KIBOR + 1.50%	Semi annually	2,996,400	2,997,600
379	379	Standard Chartered Bank III	4,995	7 Years	KIBOR + 2.00%	Semi annually	1,893,105	1,893,863
400	400	Pakistan Mobil Comm.Ltd. I	4,995	7 Years	KIBOR + 2.85%	Semi annually	1,998,000	1,998,800
600	600	Allied Bank Limited I	4,996	8 Years	KIBOR + 1.90%	Semi annually	2,997,600	2,998,800
							<u>12,694,791</u>	<u>12,886,663</u>

13.1.3 CERTIFICATE OF INVESTMENT

Number of Certificates 2008	Number of Certificates 2007	Company's Name	Face value per certificates	Maturity	Profit Rate	Profit payment	2008	2007
5	5	Orix Leasing Pak. Ltd.	500,000	7 Years	17.30%	on maturity	2,500,000	2,500,000

Total 13.1.1 , 13.1.2 & 13.1.3

105,968,238 85,115,229

Notes to the Financial Statements

Financial Year Ended December 31, 2008

13.2 Available for sale

ORDINARY SHARES & MUTUAL FUND OF LISTED COMPANIES INCORPORATED IN PAKISTAN (QUOTED)

NUMBER OF SHARES		FACE VALUE Rs.	COMPANY'S NAME	BOOK VALUE	
31 ST DEC. 2008	31 ST DEC. 2007			31. Dec. 2008 Rs.	31. Dec. 2007 Rs.
Investment shares / units					
300,000	300,000	10	MUTUAL FUNDS		
40,763	40,763	10	MEEZAN BALANCED FUNDS	3,000,000	3,000,000
57,500	57,500	10	PICIC INVESTMENT FUND	661,469	661,469
67,590	67,590	10	PAKISTAN PREMIER FUND	758,500	758,500
60,776	54,375	50	JS-GROWTH FUND	1,022,756	1,022,756
116,020	102,682	100	PAKIST AN INT'L ISLAMIC FUND (OPEN)	2,500,000	2,500,000
2,509,268	2,425,563	10	UNITED MONEY MARKET FUND A (OPEN)	10,204,822	10,204,822
35,069	31,014	100	NAFA CASH FUND (OPEN)	23,815,154	25,000,000
28,810	25,662	100	MCB DYNAMIC CASH FUND (OPEN)	3,000,000	3,000,000
64,143	60,000	50	HBL INCOME FUND (OPEN)	2,500,000	2,500,000
32,805	30,000	100	ALFALAH GHP INCOME FUND (OPEN)	3,065,614	3,000,000
			UNITED ISLAMIC INCOME FUND (OPEN)	3,000,000	3,000,000
<u>3,312,744</u>	<u>3,195,149</u>			<u>53,528,315</u>	<u>54,647,547</u>

13.3 Investment held for trading

Investment shares / units

105,204	97,865	10	MODARABAS		
521,220	521,220	10	* B.F. MODARABA	512,566	512,566
20,748	9,248	10	* FIRST AL-NOOR MODARABA	5,212,200	5,212,200
43,500	33,500	10	FIRST FIDELITY LEASING MODARABA	337,275	264,925
36,527	36,527	10	FIRST HABIB BANK MODARABA	533,140	449,140
			STANDARD CHARTERED MODARABA	691,500	691,500
0	7,678	10	INVESTMENT & COMMERCIAL BANKS		
0	1,000	10	*** BANKERS EQUITY LIMITED	232,194	232,194
0	2,000	10	***INDUS BANK LIMITED	14,450	14,450
130,971	100,500	10	***MEHRAN BANK LIMITED	57,300	57,300
			MEEZAN BANK LIMITED	1,952,250	1,952,250
			***Written off of Securities (default)	(303,944)	
3,672	2,783	10	INSURANCE		
13,376	11,632	10	CENTRAL INSURANCE COMPANY LIMITED	19,850	19,850
42,222	4,000	10	EFU GENERAL INSURANCE CO. LTD.	839,725	839,725
166,019	130,016	5	PAKISTAN REINSURANCE CO. LTD.	1,254,744	19,744
			PREMIER INSURANCE LTD.	2,630,198	2,289,433
32,793	27,793	10	SYNTHETIC AND RAYON		
2,831	2,831	10	DEWAN SALMAN FIBRE LTD.	564,554	535,804
			IBRAHIM FIBRES LIMITED	31,977	31,977
15,870	15,870	10	SUGAR AND ALLIED		
7,700	7,700	10	* FARAN SUGAR MILLS LTD.	369,220	369,220
23,551	23,551	10	SANGHAR SUGAR MILLS LTD.	181,100	181,100
-	3,000	10	* SHAHMURAD SUGAR MILLS LTD.	464,162	464,162
			SIND ABADGARS SUGAR MILLS LTD.	-	38,445
24,256	24,256	10	CEMENT		
			CHERAT CEMENT CO. LIMITED	460,635	460,635
150,000	100,000	10	FUEL AND ENERGY		
2,400	2,400	10	HUB POWER COMPANY LIMITED	2,837,745	2,142,745
155,076	150,076	10	NATIONAL REFINERY LTD.	331,594	331,594
60,057	50,048	10	O.G.D.C. LIMITED	12,483,916	11,941,416
23,028	23,028	10	PAKISTAN OILFIELDS LTD.	12,035,515	12,035,515
22,550	15,500	10	PAKISTAN STATE OIL CO. LTD.	6,078,467	6,078,467
6,000	6,000	10	PAKISTAN PETROLEUM LTD.	5,050,000	3,750,000
8,370	8,370	10	SITARA ENERGY LIMITED	169,800	169,800
103,963	78,963	10	SUI NORTHERN GAS CO. LTD.	345,708	345,708
77,000	65,000	10	SUI SOUTHERN GAS CO. LTD.	1,847,569	1,547,569
			KOT ADDU POWER CO. LTD.	3,127,820	2,667,000

Notes to the Financial Statements

Financial Year Ended December 31, 2008

NUMBER OF SHARES		FACE VALUE Rs.	COMPANY'S NAME	BOOK VALUE	
31 ST DEC. 2008	31 ST DEC. 2007			31. Dec. 2008 Rs.	31. Dec. 2007 Rs.
65,000	65,000	10	TECHNOLOGY & COMMUNICATION P.T.C.L "A"	2,405,260	2,405,260
70,429	64,027	10	FERTILIZER, CHEMICAL & PHARMACEUTICAL ENGRO CHEMICALS PAKISTAN LTD.	7,998,478	6,878,128
525,075	525,675	10	FAUJI FERTILIZER COMPANY LTD.	49,283,292	48,136,089
305,000	265,000	10	FAUJI FERTILIZER BIN QASIM LTD.	10,235,985	9,279,370
49,191	13,156	10	HIGHNOON LABORATORIES LIMITED	3,129,785	467,825
50,122	50,122	10	I.C.I. PAKISTAN LIMITED	5,807,878	5,807,878
125,060	50,060	10	PAKISTAN PTA LIMITED	902,700	796,450
12,000	12,000	10	WAH NOBLE CHEMICALS LTD.	328,978	328,978
15,662	12,530	10	PAPER AND BOARD CHERAT PAPERSACK LIMITED	623,441	623,441
4,105	3,570	10	PACKAGES LTD.	188,235	188,235
840	840	10	FOOD AND ALLIED MITCHELL'S FRUIT FARMS LTD.	44,887	44,887
1,200	1,200	10	SHEZAN INTERNATIONAL LTD.	49,780	49,780
<u>3,022,588</u>	<u>2,625,535</u>			<u>141,361,928</u>	<u>130,652,754</u>
<u>6,335,332</u>	<u>5,820,684</u>		Total 13.2 & 13.3 ----->	<u>194,890,243</u>	<u>185,300,301</u>
				<u>139,982,206</u>	<u>245,228,744</u>

The Market Value of Quoted Shares & Mutual funds as on ->

* Associated Undertaking.

** In compliance with the directives of SECP, Pakistan Investment Bonds (P.I.B.) for the face value of Rs. 30 million have been Deposited with the State Bank of Pakistan under clause (a) of Section 29 (2) of Insurance Ordinance 2000 and Commission's Circular 15 of 2008 dated July 7, 2008.

Notes to the Financial Statements

Financial Year Ended December 31, 2008

14. FIXED ASSETS

Particulars	C O S T			Rate %	D E P R E C I A T I O N				
	Cost as at 01-01-2008	Addition (Sales/ Adjustments) During the year	Cost as at 31-12-2008		As at 01-01-2008	On Sales & Adjustments	For the year	Total as at 31-12-2008	BookValue as at 31-12-2008
Land & Buildings	30,218,901		30,218,901	10	8,810,548		2,140,835	10,951,383	19,267,518
Furniture & Fixture	10,857,495	246,382	11,103,877	15	4,815,646		926,891	5,742,537	5,361,340
Motor Vehicles	61,922,123	14,153,850 (7,766,070)	68,309,903	15	26,004,530	(3,958,869)	6,008,673	28,054,334	40,255,569
Office Equipments	10,194,586	481,498	10,676,084	15	5,039,683	-	815,630	5,855,313	4,820,771
Office Computer	4,250,346	493,685	4,744,031	30	2,260,134	-	678,086	2,938,220	1,805,811
TOTAL 2008	<u>117,443,451</u>	<u>15,375,415</u> <u>(7,766,070)</u>	<u>125,052,796</u>		<u>46,930,541</u>	<u>(3,958,869)</u>	<u>10,570,115</u>	<u>53,541,787</u>	<u>71,511,009</u>
TOTAL 2007	<u>105,377,596</u>	<u>18,704,924</u> <u>(6,639,069)</u>	<u>117,443,451</u>		<u>40,132,702</u>	<u>(3,486,876)</u>	<u>10,284,715</u>	<u>46,930,541</u>	<u>70,512,910</u>

14.1 Revised Depreciation Rates

Had the company not revised the rates, the profit before taxation would have been increased by Rs.351,635.

14.2 Capital Work in Progress

	2008	2007
Computer software	1,276,643	-

Notes to the Financial Statements

Financial Year Ended December 31, 2008

14.3 DISPOSAL OF ASSETS - BY NEGOTIATION

14.3.1 VEHICLES

Sr. #	Particulars	Original Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Profit/ (Loss)	Sold to
MOTOR CARS							
1	Toyota Corolla AFU-182	418,800	35,070	383,730	610,000	226,270	Mr Mohammad Hanif S/o Abdul Ghani House no 10-A 5th Floor Rehmatullah Mansion KG-3/41 Street No-5 Kharadar Karachi
2	M-Lancer AGX -362	1,069,000	510,269	558,731	520,000	(38,731)	Mr. Muhammad Sajid S/o. Noor Muhammad H.#A-69, Block Gulshan-e-Iqbal, Karachi.
3	Toyota Corolla AFL-942	1,132,800	685,910	446,890	450,000	3,110	Mrs. Rehana Zafar W/o. Zafar Azmat Pasha H.#A-550 Block "D", North Nazimabad, Karachi
4	Suzuki Mehran LXO-8136	35,500	22,898	12,602	185,000	172,398	Mr. Muhammad Azam, K.F. Aroop Road, Near Masjid, Gujranwala.
5	Suzuki Mehran LRS-4799	315,000	177,912	137,088	200,000	62,912	Mr. Jameel S/o. Mir Zaman H.#. 93/A-1, Ramal College Jail Road Lahore.
6	Honda VTI LRM-201	1,158,715	712,216	446,499	620,000	173,501	Mr. Usman Farooq S/o. Farooq Azam H.#. 1/1, Sector # 6, Mohallah Khalid Masque Cavalary Lahore Cantt. Lahore.
7	Honda City LXR-0495	890,383	483,721	406,662	600,000	193,338	Mr. Imran Azmat S/o. Shaidh Azmatullah H.#. 377-P Phase I, DHA-Lahore, Cantt.
8	Honda City LW-3034	855,000	326,040	528,960	550,000	21,040	Mr. Muhammad Shaqil S/o. Muhammad Jawaid H.#. 7, Park Lane Muzain Lahore.
9	Suzuki Mehran LEA-2434	355,000	94,666	260,334	310,000	49,666	Mr. Muhammad Aleem S/o. Nazir Ahmed, Ahmed Plaza Country Bazar Madi Mured-K-Tepril Ferzodi Distt. Shadatpur
10	Honda City LRD-9832	139,050	58,957	80,093	494,000	413,907	Mr. Syed Kifayat Hussain S/o. Syed Shabir Hussain, Rajoya Sadat Tehsil Chint Distt. Jhang.
11	Suzuki Mehran LXP-0489	276,000	84,640	191,360	200,000	8,640	Mr. Muhammad Saqlin S/o. Malik Muhammad Dar, H.#. 349/E DHA Multan Road Sector E-M-E Lahore Centt. Lahore.
12	Suzuki Mehran GMA-6422	428,522	293,341	135,181	140,000	4,819	Mr. Imtiaz Khan S/o. Abdul Latif, Latifabad Technical College Kohat Road Peshawar .
13	Suzuki Mehran BRG-782	250,000	186,648	63,352	138,000	74,648	Mr. Mukhtar Hussain S/o. Muhammad Yousof, Ward #.III Near Chonginey Gareeb Mahallah Hail Pur Bahawalpur .
MOTOR CYCLE							
14	Star KBJ-9806	41,000	16,947	24,053	18,000	(6,053)	Mr. Muhammad Ilyas, H.#. KS-1728/801 Bloch Mohallah Mujahid Khan Road Baldia Town Karachi.
15	Pak Hero KAY-3422	48,000	31,288	16,712	17,000	288	Mr. Nasar Ahmed Khan, H.#. 7, Juvenile Jail Staff Quarter P.I.B. Colony Karachi.
16	Honda -125 LRU-9430	73,000	42,476	30,524	32,000	1,476	Mr. Abdul Rasheed Bhatte, H.#. 7, Street # 8, Mustafabad Lahore Cantt.
17	Honda LZM-7261	59,600	27,813	31,787	35,000	3,213	Mr. Abdul Rauf S/o. Nazir Din, H.#. 7-A, Gali # 147, Pir Gondhi Shah Chah-Shakha-Wala Lahore.
18	Yamaha LXL-1884	66,900	57,174	9,726	13,000	3,274	Mr. Akram Jan S/o. Ehsan Masih, H.#. 26 Gali # 5, New Abadi Taj Park Lahore
19	Yamaha JGA-9224	34,000	26,572	7,428	15,000	7,572	Mr. Malik Nasir Iqbal S/o. Malik Shamsar Ali, Chck # 34, Khas Khel Faisalabad
20	Yamaha SLM-6773	61,800	32,268	29,532	25,000	(4,532)	Mr. Muhammad Saeed Mirza S/o. Ali Muhammad, H.#. 680, Fared Town Sahiwal.
21	Honda BRG-1273	58,000	52,043	5,957	13,000	7,043	Mr. Mushtaq Ahmed Khan, H.#. 163, R/10, Shahi Road, Hasilpur .
TOTAL 2008 ->		7,766,070	3,958,869	3,807,201	5,185,000	1,377,799	
TOTAL 2007 ->		6,639,069	3,486,876	3,152,193	4,051,500	899,307	

Notes to the Financial Statements

Financial Year Ended December 31, 2008

	2008	2007
15 MANAGEMENT EXPENSES		
Salary, Wages and benefits	71,302,084	65,745,470
Rent, Taxes, electricity, gas etc.,	5,448,298	5,346,118
Communication	6,047,482	7,736,066
Printing & stationery	4,425,780	4,562,039
Traveling and entertainment	7,132,347	8,325,170
Depreciation	10,570,115	10,284,715
Repairs and maintenance	4,377,683	2,614,812
Legal and professional charges	380,930	128,200
Advertisement and sales promotion	5,670,575	5,020,970
Others expenses	38,101,051	38,667,570

16. ZAKAT

Zakat deductible compulsorily under the Zakat and Ushr Ordinance, 1980 is accounted for in the year of deduction.

	2008 Rs	2007 Rs
17 AUDITOR'S REMUNERATION		
i. Audit Fees	125,000	125,000
ii. Half Yearly Review Fees	25,000	25,000
	<u>150,000</u>	<u>150,000</u>
18 EARNING PER SHARE		
Profit after tax for the year	40,509,843	70,745,864
Weighted average number of shares outstanding during the year	22,909,250	22,909,250
Basic earning per share	<u>1.77</u>	<u>3.09</u>

18.1 No figures for diluted earning per share has been presented as the Company has not issued any instrument, which would have an impact on earning per share when exercised.

18.2 Earning per share for the corresponding period have been adjusted for the effect of subsequent issue of bonus shares during 2008

Notes to the Financial Statements

Financial Year Ended December 31, 2008

19. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES

	Chief Executive		Directors		Executive	
	2008	2007	2008	2007	2008	2007
Fees	-	-	170,000	83,500	-	-
Managerial Remuneration	2,310,000	1,959,000	-	-	3,406,125	2,818,200
Rent & Utilities	1,044,000	909,000	-	-	2,787,612	2,489,212
TOTAL >>>>	3,354,000	2,868,000	170,000	83,500	6,193,737	5,307,412
Number of Persons	1	1	10	10	6	6

Chief Executive is also provided with free use of Company's maintained Car and Telephone at residence for Company as well for personal use

20. TRANSACTIONS WITH RELATED PARTIES

Investment in related parties have been disclosed in the relevant balance sheet note. There are no transactions with management personnel other than their terms of employment. Remuneration to the key personnel are include in note 19 to these financial statements and are determined in accordance with the terms of their appointment.

	2008 Rupees	2007 Rupees
Premium Underwritten	34,995,705	22,897,009
Premium Collected	24,256,851	33,974,620
Claims Paid	16,066,522	9,913,542
Commission Paid	2,687,278	6,637,993
Dividend Received	532,995	343,092

Notes to the Financial Statements

Financial Year Ended December 31, 2008

21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

21.1 Yield/ Markup rate risk

Yield/ mark-up rate is the risk that the value of the financial instruments will fluctuate due to the changes in the market yield / markup rates. Sensitivity to yield / markup rate risk arises from mismatches of financial assets and liabilities that matures:

The Company's exposure to interest/mark-up rate risk on its financial assets and liabilities as at December 31, 2008 are summarized as follows:

DESCRIPTION	Interest / Mark-up Bearing			Non-Interest / Non Mark-up Bearing			2008 Total Rs.	2007 Total Rs.	
	Effective Yield / Mark-up Rate(%)	Maturity upto one year Rs	Maturity after one year Rs	Sub Total Rs	Maturity upto one year Rs	Maturity after one year Rs			Sub Total Rs
Financial Assets									
Investment	14-20	48,085,590	105,968,238	154,053,828	-	131,804,653	131,804,653	285,858,481	270,415,530
Premium due but unpaid	-	-	-	-	106,435,031	-	106,435,031	106,435,031	88,895,678
Accrued Investment Income	-	-	-	-	30,902,424	-	30,902,424	30,902,424	37,873,131
Amounts Due from other Insurers/Reinsurers	-	-	-	-	6,225,857	-	6,225,857	6,225,857	4,288,250
Loans and Sundry Receivables	-	-	-	-	1,400,716	964,899	2,365,615	2,365,615	2,717,912
Term deposits	1-4	30,725,000	-	30,725,000	-	-	-	30,725,000	28,525,000
Balance with banks in transit and in-hand	-	-	-	-	54,308,365	-	54,308,365	54,308,365	66,428,344
		78,810,590	105,968,238	184,778,828	199,272,393	132,769,552	332,041,945	516,820,773	499,143,845
Financial liabilities									
Provision for Outstanding claims	-	-	-	-	252,838,389	-	252,838,389	252,838,389	36,771,881
Amounts due to other Insurers/Reinsurers	-	-	-	-	35,324,248	-	35,324,248	35,324,248	15,512,421
Sundry Creditors	-	-	-	-	7,032,961	-	7,032,961	7,032,961	4,318,087
Unclaimed Dividend	-	-	-	-	120,535	-	120,535	120,535	123,978
Short Term Running Finance	-	577,6363	-	577,6363	-	-	-	577,6363	-
		577,6363	-	577,6363	295,316,133	-	295,316,133	301,092,496	56,726,367
GAP - 2008		73,034,227	105,968,238	179,002,465	(96,043,740)	132,769,552	36,725,812	215,728,277	-
GAP - 2007		77,729,823	85,115,229	162,845,052	142,536,955	137,035,471	279,572,426	-	442,417,478

Notes to the Financial Statements

Financial Year Ended December 31, 2008

21.2 Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company follows an effective cash management and planing policy to ensure availability of funds. The Company also aims at maintaining flexibility in funding by keeping committed credit lines available.

21.3 Credit Risk and Concentration of Credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control the credit risk by monitoring credit exposures by undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties

Concentration of credit risk occurs when a number of counter parties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligation in similar manner. The Company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits the Company's exposure to credit risk through monitoring of client's exposure and review and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various sector segments.

21.4 Reinsurance Risk

Reinsurance ceded do not relieve the company from its obligation to policy holders and as a result the company remains liable for the portion of outstanding claims reinsured to the extent that reinsurer fails to meet the obligation under the reinsurance agreement.

In common with the other insurance companies, in order to minimize the financial exposure arising from the large claims, the company in the normal course of business enters into the agreement for other parties for reinsurance purpose.

To minimize its exposure to significant losses from reinsurer insolvencies, the company obtains the reinsurance from a number of reinsurers, who are dispersed over several geographical regions.

21.5 Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of change in market prices, whether those changes are caused by factors specific to the individual security, or its issue, or factors affecting all securities traded in the market. The Company's investments are exposed to market risk. Market risk is limited by diversification of the portfolio and active monitoring of capital markets.

21.6 Fair Value of Financial Instruments

The estimated fair values of all financial instruments are not significantly different from the book values except investments which are carried at cost.

Notes to the Financial Statements

Financial Year Ended December 31, 2008

22. SEGMENT REPORTING

	Fire& property		Marine		Motor		Misc		Unallocated		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
REVENUE												
Premium less re-insurance	112,383,635	110,916,214	68,098,425	56,859,235	260,814,260	224,648,676	4,246,017	3,387,024	-	-	445,542,337	395,811,149
Commission	(11,287,582)	(8,971,327)	(4,140,900)	(4,193,532)	(38,710,866)	(35,384,020)	3,230,505	2,352,334	-	-	(50,908,843)	(46,196,545)
TOTAL	101,096,053	101,944,887	63,957,525	52,665,703	222,103,394	189,264,656	7,476,522	5,739,358	-	-	394,633,494	349,614,604
Segment result	49,806,335	46,828,580	22,469,394	23,475,361	(29,006,063)	(14,108,016)	4,903,204	2,330,104	-	-	48,172,870	58,526,029
Investment Income									18,262,903	43,233,859	18,262,903	43,233,859
Other Income (Profit on Sale of Fixed Assets)									1,377,799	899,307	1,377,799	899,307
Financial Charges									(199,478)		(199,478)	
General and administration expenses									(15,354,251)	(14,313,331)	(15,354,251)	(14,313,331)
									4,086,973	29,819,835	4,086,973	29,819,835
Profit before tax											52,259,843	88,345,864
Provision for Taxation											11,750,000	17,600,000
Profit After tax											40,509,843	70,745,864
OTHER INFORMATION												
Segment assets	94,767,085	66,703,588	57,423,745	34,194,414	219,930,661	135,100,831	3,580,438	2,036,912	-	-	375,701,930	238,035,745
Unallocated corporate assets									563,020,172	568,895,110	563,020,172	568,895,110
Consolidated corporate assets											938,722,102	806,930,855
Segment liabilities	145,692,661	111,625,536	88,281,899	56,930,319	338,116,164	160,080,412	5,504,480	2,651,716			577,595,205	492,090,164
Unallocated corporate liabilities									5,900,341	123,978	5,900,341	123,978
Consolidated corporate liabilities											583,495,546	492,214,142

Notes to the Financial Statements

Financial Year Ended December 31, 2008

23 PROVISION FOR TAXATION

Current Year	11,750,000	21,387,416
Prior Year	-	(3,787,416)
	<u>11,750,000</u>	<u>17,600,000</u>

23.1 Reconciliation of Tax charge

Profit for the year before taxation	52,259,843	88,345,864
Tax at the applicable of 35%	18,290,945	30,921,052
Capital gain exempt from tax	(660,946)	(4,957,232)
Tax effect of dividend income taxed at lower rate.	(3,505,779)	(3,731,568)
Others	(2,374,220)	(844,836)
Prior Year	-	(3,787,416)
Charge for the current year.	<u>11,750,000</u>	<u>17,600,000</u>

The applicable tax rate is 35% (2007: 35%)

24 EVENTS AFTER BALANCE SHEET DATE

The board of Directors in its meeting held on 31st March 2009, has announced bonus shares @10% (31 December 2007: 30%) in addition Board has approved transfer of Rs. 7.5 million (31st December 2007: Rs.17.50 million) to general Reserve from unappropriated profits. These financial statements for the year ended 31st December 2008 do not include the effect of appropriations which will be accounted for subsequent to the year end.

25 NUMBER OF EMPLOYEES

Number of employees as at year end	236	214
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26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 31st March 2009, by the Board of Directors of the company.

27 GENERAL

27.1 Figures have been rounded off to the nearest rupee.

27.2 Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made.


ISMAIL H. ZAKARIA
Chairman


MOHAMMAD AMIN AHMED BAWANY
Director


A. AZIZ AYOORB
Director


A. RAZAK AHMED
Chief Executive & Managing Director

Karachi 31st March 2009

Pattern of Shareholding form "34" Shareholders Statistics

As At December 31, 2008

Number of Shareholders	Share Holding		Total Shares Held
	From	To	
241	1	-	6,056
230	101	-	66,574
134	501	-	97,780
246	1001	-	580,391
73	5001	-	555,678
29	10001	-	362,591
18	15001	-	319,423
10	20001	-	233,347
6	25001	-	164,889
5	30001	-	160,161
4	35001	-	147,181
4	40001	-	165,522
5	45001	-	232,631
4	50001	-	208,515
1	55001	-	55,087
3	60001	-	189,445
4	65001	-	270,203
1	70001	-	70,002
4	80001	-	331,029
2	85001	-	177,987
2	90001	-	186,139
6	95001	-	590,403
1	100001	-	104,622
1	105001	-	106,024
1	110001	-	111,439
2	115001	-	233,225
1	120001	-	120,705
1	130001	-	134,306
2	135001	-	277,605
2	140001	-	288,957
1	145001	-	146,034
1	150001	-	151,444
3	170001	-	517,110
1	210001	-	213,817
1	225001	-	229,023
2	230001	-	465,672
3	240001	-	726,792
1	250001	-	252,926
1	260001	-	262,035
1	300001	-	304,570
1	305001	-	308,387
2	325001	-	656,311
1	345001	-	349,778
1	420001	-	422,424
1	430001	-	430,717
1	445001	-	448,728
1	465001	-	469,006
1	635001	-	639,902
2	660001	-	1,328,091
1	665001	-	668,860
1	690001	-	691,619
1	730001	-	734,240
1	895001	-	896,136
1	1375001	-	1,378,744
1	3665001	-	3,668,967
1075			22,909,250

S/R No	Categories of Shareholders	Number of Shareholders	Total Shares Held	Percentage %
1	INDIVIDUALS	1025	21,146,205	92.30
2	INVESTMENT COMPANIES	7	55,531	0.24
3	INSURANCE COMPANIES	2	41,220	0.18
4	JOINT STOCK COMPANIES	29	800,699	3.50
5	FINANCIAL INSTITUTIONS	4	315,189	1.38
6	MODARABAS	1	233,468	1.02
7	OTHERS	4	244,642	1.07
8	COOPERATIVE SOCIETIES	2	7,296	0.03
9	CHARITABLE TRUSTS	1	65,000	0.28
		1075	22,909,250	100.00

Categories of Shareholding

As At December 31, 2008

Categories of Shareholders	Number	Shares Held	%
ASSOCIATE COMPANIES UNDERTAKINGS AND RELATED PARTIES			
First Al-Noor Modaraba	1	233,468	1.02
Anam Fabrics	1	21,900	0.10
NIT / ICP/ IDBP			
Investment Corporation of Pakistan	7	450	0.00
DIRECTORS, CEO & OTHER SPOUSES AND MINOR CHILDREN	22	10,331,021	45.09
The detail are as under:			
MR. ISMAIL H. ZAKARIA	1	232,204	
MR. MOHD. AMIN AHMED BAWANY	1	26,790	
MR. A. AZIZ AYOOB	1	98,009	
MR. IRFAN ZAKARIA BAWANY	1	1,425,859	
MR. MOHD. OMER BAWANY	1	137,970	
MR. ZOHAIK ZAKARIA	1	104,622	
MR. AHMED ALI BAWANY	1	36,866	
MR. NOOR M. ZAKARIA	1	92,281	
MR. ASHFAQ PATEL	1	3,668,967	
MR. YASIN SIDDIK	1	2,909	
MRS. ZARINA BAI ISMAIL	1	213,817	
MRS. ROSHANARA AMIN	1	430,717	
MRS. MEHRUNNISA A. AZIZ	1	67,113	
MRS. SHEHLA IRFAN	1	1,379,466	
MRS. RUKHSANA BAI OMER	1	469,006	
MRS. AMBREEN AHMED ALI	1	896,136	
MRS. SHAHNAZ NOOR MOHAMMAD	1	144,530	
ANAM IRFAN ZAKARIA	1	120,705	
BILAL OMER	1	34,027	
RABEEHA OMER	1	26,345	
ALTAMASH AHMED ALI	1	53,822	
MOIN NOOR MOHAMMAD	1	668,860	
EXECUTIVE	-	-	
PUBLIC SECTOR COMPANIES AND CORP.	-	-	
BANK, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTION, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS	7	411,490	1.80
JOINT STOCK COMPANIES	29	800,699	3.50
INDIVIDUALS	1,001	10,793,284	47.11
OTHERS	7	316,938	1.38
TOTAL :-	1,075	22,909,250	100.00

SHAREHOLDERS HOLDING TEN PERCENT OR MORE VOTING INTEREST .

Mr. Ashfaq Patel	-	3,668,967	-
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Offices

Head Office

“Reliance Insurance House”

181-A, Sindhi Muslim Co-operative
Housing Society,
Karachi.

PABX : 4539415-17
Fax : 4539412
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 : 4539413, 4539414
Extension : 204

Mr. Haroon A. Shakoor

Chief Accountant &
Company Secretary

Direct : 4539409
Extension : 203

Mr. M. Amin Bawany

Vice President (Marine & Accident)

Direct : 4557079
Extension : 201

Mr. Muhammad Ishaque Azeem

Vice President (Fire)

Direct : 4557079
Extension : 212

Mr. Sadruddin Hussain

Vice President (Claims)

Direct : 4550403
Extension : 208

Mr. Abdul Rahim Patni

Manager (Reinsurance)

Extension : 215

Mr. Mohammad Salim Memon

Manager (Investment / Shares)

Extension : 214

Mr. Ghulam Mujaddid

Deputy Chief Manager (Accounts)

Extension : 205

Mr. Muhammad Masood Alam

Manager (Administration)

Direct : 4539411
Extension : 206

Mr. Muhammad Masood Ali

Manager (IT)

Extension : 202

Mr. Ramesh Kumar

Assistant Manager (Internal Audit)

Extension : 220

South Zone Offices & Branches

M. A. Jinnah Road Branch

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

Ph : 2727076, 2729961
Fax : 2722601

Business Plaza Branch

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

Mr. Muhammad Iqbal Dhedhi
Executive Vice President

Ph : 2419581, 2419582
Fax : 2421314, 2421317

Namco Centre Branch

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

Mr. Iqbal Umer Bawany
Vice President

Ph : 2625716, 2624427
Fax : 2624783

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 : 4527806, 4532427
4525376, 4322642
Fax : 4522829

Branch Offices

Land Mark Plaza Branch

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

Mr. Muhammad Reza Rajani
Chief Manager

Ph : 2628777, 2628778
Fax : 2628779

Hyderabad Branch

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

Mr. Abdullah Ahmed
Regional Manager

Ph : 2615774
Fax : 2623029

North Zone Offices & Branches

Zonal Office, Lahore (North Zone)

4th Floor, Gardee Trust Building, No.2,
Napier Road, Lahore.

Mr. Sh. Khushnood Ashraf
Executive Vice President

PABX : 7239063, 7353292
7234255, 7351353
Direct : 7354689
Fax : 7312526

Regional Office, Lahore

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

Mr. Basharat M. Barlas
Senior Executive Vice President

Ph : 5761077, 5761078
5763446, 5763447
Fax : 5761235

Gulberg Branch

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

Mr. Tehseen Ahmed Khan
Executive Vice President

Ph : 5752245, 5752989
5751971, 5756557
Fax : 5756217

Eden Centre Branch

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

Mr. Khawaja Ahmed Fraz
Chief Manager

Ph : 7599277, 7599377
7589669
Fax : 7576032

Al-Rehman Branch

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

Mr. Nisar Ahmed Chughtai
Senior Vice President

Ph : 7323113, 7322473
7354848
Fax : 7247925

Garden Town Branch

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

Mr. Basit Anwar Butt
Executive Vice President

Ph : 5889258, 5889259
Fax : 5889260

Khan Plaza Branch

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

Mr. Sohailuddin Zafar
Assistant Vice President

Ph : 4215422, 4216422
Fax : 4448139

Model Town Branch

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

Mr. Ch. H.S. Asghar
Vice President

Ph : 3254415, 3259421
Fax : 3253086

Gujrat Branch

Shams Plaza, Near Prince Cinema,
West Circular Road, Gujrat.

Mr. Ch. M. Nazir Ahmed
Vice President

Ph : 3522127

Faisal Complex Branch

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

Mr. A. Majeed Abid
Vice President

Ph : 2611938, 2611939
2626480
Fax : 2621033

Taj Plaza Branch

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

Mr. Muhammad Akhlaq
Vice President

Ph : 2617277, 2615922
Fax : 2622182

Branch Offices

Circular Road Branch

P-156,6th Floor,Ashraf Butt Center,
Circular Road
Faisalabad.

Mr. Mushtaq Ahmed

Vice President

Ph : 2638034, 2635640
2635355
Fax : 2618830

Rawalpindi Branch

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

Mr. Abdul Karim Siddiqi

Vice President

Ph : 5567117
Fax : 5514384

Islamabad Branch

Flat No.8, 2nd Floor,
Malik Complex, 80-E, Jinnah Avenue,
Blue Area, Islamabad.

Ph : 2277681
Fax : 2273164

Peshawar Branch

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

Mr. Abdul Salam Niazi

Vice President

Ph : 5274617, 5277328
5250830
Fax : 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 : 4517349
Fax : 4510049

Khanpur Branch

Old Ghalla Mandi, Khanpur,
Distt. Rahimyar Khan.

Mr. Abdul Razzak Choudhry

Vice President

Ph : 5572772
Fax : 5572772

Hasilpur Branch

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

Mr. Muhammad Shafi Anjum

Vice President

Ph : 2442473
Fax : 2448073

Sahiwal Branch

147, Railway Road,
Sahiwal.

Mr. Muhammad Saeed

Branch Manager

Ph : 4467477

Sialkot Branch

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

Mr. Ghulam Rasool Farrukh Zahidi

Branch Manager

Ph : 4296075, 4296076
Fax : 4296077

Gojra Branch

P-132, Post Office Road,
Gojra.

Mrs. Shahnaz Akhter

Branch Manager

Ph : 3511917
Fax : 3513111

Proxy Form

I/We _____
of _____ being a Member of Reliance Insurance Company Limited
and holder of _____ Ordinary Shares as per Share Register Folio No. _____
(Number of Shares)
and / or CDC Participant I.D. No. _____ and Investor Account / Sub Account No. _____
hereby appoint _____
of _____
or failing him _____
of _____
as my proxy to vote for me on my behalf at the annual general meeting of the Company to be held on Thursday, the
30th April, 2009 and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Witnesses:

1. Signature: _____
Name: _____
Address: _____
CNIC No. Or Passport No. _____
2. Signature: _____
Name: _____
Address: _____
CNIC No. Or Passport No. _____

Signature

Affix Rs.5/= Revenue Stamp

(Signature should agree with the
specimen signature registered with
the Company)

Note:

1. This form of Proxy, duly completed, must be deposited at the Company's Head Office at Reliance Insurance House, 181-A, Sindhi Muslim Co-operative Housing Society, Karachi, not later than 48 hours before the time appointed for the meeting.
2. CDC Shareholders and their Proxies are each requested to attach attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.
3. No person shall act as proxy unless he/ she is a member of the Company.
4. CDC Shareholders or their Proxies are requested to bring with them their Original Computerized National Identity Card or Passport alongwith the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.



Reliance Insurance Company Limited
181-A, Sindh Muslim Co-operative Housing Society,
Karachi-74400.