

CORPORATE BRIEFING SESSION 2020



Reliance Insurance



Takaful Window



- Company Profile
- Financial Review
- Future Outlook

Company Profile Introduction

- Reliance Insurance was incorporated as a Public Limited Company in 1981 and is listed on Pakistan Stock Exchange. The Company is also registered with Central Depository Company of Pakistan Ltd. (CDC) and is involved in general insurance and general takaful business.
- Reliance Insurance proven as one of the most reputable and brightest names in the insurance sector since it started operations in 1981 and its sustained growth has secured a place among the leading insurers of Pakistan.
- Reliance Insurance has the unique distinction of being jointly owned by two prestigious industrial groups of Pakistan. Its major sponsors are Al-Noor Group and Amin Bawany Group, both the groups having successfully implemented a number of projects are the respectable and reputed industrial houses of Pakistan.

Company profile Introduction

- Reliance Insurance underwrites all classes of General Insurance from the traditional covers such as Fire, Accident Motor, Marine (Import & Exports), Loss of Profits, Personal Accident, Workmen's Compensation, Burglary, Cash-in-Safe or in Transit etc., it also transacts non-traditional covers such as Machinery Breakdown, Loss of Profits following Machinery Breakdown, Terrorism, Contractors All Risks, Erection All Risks, Bonds, Products liability, Director's and Officer's liability, and Aviation.
- The Company's results have been consistently improving and yielding handsome results. The present Authorized Capital of the Company is Rs.750 Million while Paid-up Capital has increased to Rs.561.412 million. General Reserve to Rs.250 million & the Shareholders' equity to Rs.933.53 million.

Company profile Introduction

- Since its establishment Reliance has progressed smoothly and steadily. Its Gross Premium Income has increased from Rs. One Million in 1983 to Rs.725.912 million (inclusive of Takaful Contribution) at the end of the year 2019 and the Technical Reserves at Rs.480.113 million.
- Reliance Insurance having a network of 24 Branches at all important places throughout Pakistan employing a full time work force of 192 persons.
- RICL has an excellent Treaty Reinsurance arrangements under the lead of world's renowned reinsurer namely Swiss Re, having handsome automatic Treaty Capacity.

Vision Statement

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 Statement

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 focusing to become a well-known and respected Corporate entity in the eyes of Society and Government.

Board of Directors

Mr. Irfan Zakaria Bawany	Chairman
Mr. Muhammad Omar Bawany	Director
Mr. Noor M. Zakaria	Director
Mr. Ahmed Ali Bawany	Director
Mr. Zia Zakaria	Director
Mr. Muhammad Patel	Director
Mr. Naeem Ahmed Shafi	Director (Independent)
Ms. Tasneem Yusuf	Director (Independent)
Mr. Jahangir Adam	Director (Independent)
Mr. A. Razak Ahmed	Chief Executive & Managing Director

Management

Mr. A. Razak Ahmed	-Chief Executive & Managing Director
Mr. Haroon A. Shakoor	-Chief Financial Officer
Mr. Syed Rizwan Akhtar	-Executive Vice President (Operations)
Mr. Ghulam Haider	-Company Secretary & Compliance Officer
Mr. Najmullah Khan	-Vice President (Head Of Takaful)
Mr. Muhammad Siddiq	-Chief Manager (Claims)
Mr. Ghulam Mujaddid	-Chief Manager (Accounts)
Mr. Muhamamd Kashif Wadiwala	-Deputy Chief Manager (SCO)
Mr. Muhammad Masood Ali	-Deputy Chief Manager (IT)
Mr. Muhammad Saleem Memon	-Deputy Chief Manager (Investments)
Mr. Abdul Rahim Patni	-Deputy Chief Manager (Reinsurance)
Mr. Muhammad Masood Alam	-Manager (Administration)
Mr. Mahmood Shuja Baig	-Manager (Internal Audit)

Branch net work



1. Business Plaza Branch Karachi
2. Tariq Road Branch Karachi
3. Namco Centre Branch Karachi
4. Land Mark Plaza Branch Karachi
5. M. A. Jinnah Road Branch Karachi.
6. Hyderabad Branch
7. Sukkur Branch
8. Zonal Office Lahore
9. Regional Office Lahore
10. Gulberg Branch Lahore
11. Al Rehman Branch Lahore
12. Garden Town Branch Lahore
13. Eden Centre Branch Lahore
14. Empress Tower Branch Lahore
15. Gujranwala Branch
16. Gujrat Branch
17. Faisal Complex Branch Faisalabad
18. Taj Palza Branch Faisalabad
19. Rawalpindi Branch
20. Multan Branch
21. Hasilpur Branch
22. Sialkot Branch
23. Gojra Branch
24. Peshawar Branch

Products



Fire



Marine



Vehicle



House & Property



Engineering



Bond / Guarantee



Terrorism



MBD



Aviation



Liability



Burglary



CIT / CIS

Insurer Financial Strength Rating

VIS Credit Rating Company Limited maintains Insurer Financial Strength (IFS) rating of Reliance Insurance Company Limited at 'A' (single A). Outlook on the assigned Rating continues to be 'Positive'.



Economy Overview

- Pakistan's real GDP has contracted by 0.4% in the fiscal year 2020, making it the first time since the fiscal year 1951-52 that the country recorded a negative economic growth, the main reason for the negative economic growth was due to the coronavirus pandemic and its disastrous effects on business activities.
- In terms of growth, the government has set the GDP growth target at 2.1 percent for FY21. The SBP expects GDP growth to stay within the range of 1.5 – 2.5 percent during FY21.
- Year on Year improvement is expected to come from a steady performance of agriculture and a recovery in the services sector, especially finance & insurance, and transport and communications.
- SBP's Temporary Economic Refinance Facility have risen sharply. This scheme, which provides subsidized financing to businesses undertaking BMR. These developments, along with optimism in the housing and construction sectors, could help accelerate the economy's recovery process in FY21.

Insurance Industry Registered Insurers in Pakistan

<u>Type of Business</u>	<u>Public Sector</u>	<u>Private Sector</u>	<u>Total</u>
Life Insurance	1	9*	10
Non Life Insurance	1	33**	34
Reinsurance	1	0	1
Total	3	42	45

* Includes 2 Family Takaful Operators

** Includes 3 General Takaful Operators

Insurance Industry Performance

- 30 Non Life Insurance Companies Underwritten Gross Premium during the year 2019 is Rs.92 billion which is 0.24% of our GDP ratio.
- 22 Window Takaful Companies Gross contribution during the year 2019 is Rs.11 billion which is 0.03% of our of GDP ratio.
- Equity of Non Life Insurance Companies increased by 5.36% to Rs.106.579 billion as at December 31, 2019.
- Bottom line of asset of Non Life Insurance Companies stood at Rs.251.322 billion as at December 31, 2019.
- Investment Income of Non Life insurance industry is increased to Rs.8.683 billion for the year 2019 against Rs.6.855 billion for the year 2018.
- Net claims paid during the year 2019 is Rs.30.774 billion against Rs.26.824 billion in the year 2018.
- Profitability (before tax) of industry for the year ended December 31, 2019 is Rs.16.645 billion against Rs.13.639 billion as reported on December 31, 2018.

General & Takaful Operations



Nine months financial Position 2020 vs. 2019

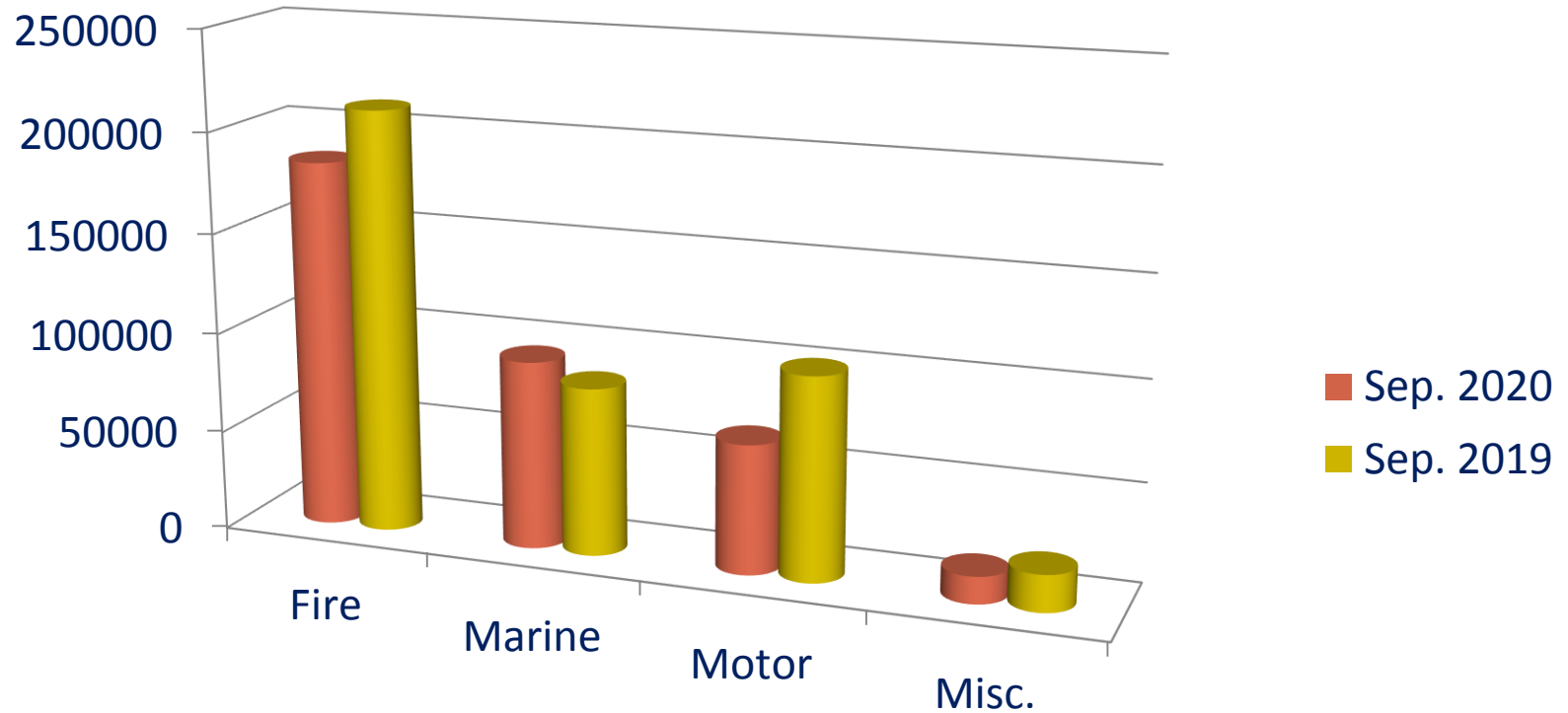
	Rupees in '000		
	Sep. 2020	Sep. 2019	Variance %
Gross Insurance premium/Takaful contribution	407,383	485,626	(16.11)
Net insurance premium/Takaful contribution	232,425	282,320	(17.68)
Net insurance claims/Takaful claims	51,072	65,014	(21.44)
Net Commission/Re-takaful rebate	32,805	38,503	(14.80)
Management Expenses/Takaful direct exp.	102,751	102,462	0.28
Underwriting results Conventional/Takaful	21,582	47,092	(54.17)
Investment income Conventional/ takaful	60,861	3,566	1607
Other income	-	1,000	(100)
Other expenses	33,278	34,817	(4.42)
Profit from takaful operations-Operators Fund	12,993	9,658	34.53
Profit before tax	51,385	4,873	954.48
Income tax expense	5,745	(1,352)	524.93
Profit after tax	45,639	6,224	633.27
Earnings after tax per share – Rupees	0.81	0.11	636.36

2 Years Key Financial Data

	Rupees in '000	
	2019	2018
• Ordinary Share Capital	561,413	561,413
• Share Holder's Equity	933,529	855,925
• Reserves	250,000	250,000
• Cash & Bank Balances	131,228	144,373
• Investment	777,312	711,108
• Total Assets	1595,486	1658,653
• Written Gross Premium	725,913	979,225
• Net Insurance Premium	413,726	413,081
• Net Insurance Claims	98,025	100,757
• Management Expenses	205,063	197,659
• Investment Income	92,724	46,673
• Underwriting Results	40,821	48,623
• Profit Before Tax	96,403	60,121
• Profit After Tax	71,211	48,997
• Earnings Per Shares-Rupee.	1.27	0.87
• Break up Value Per Share-Rupee.	16.63	15.24

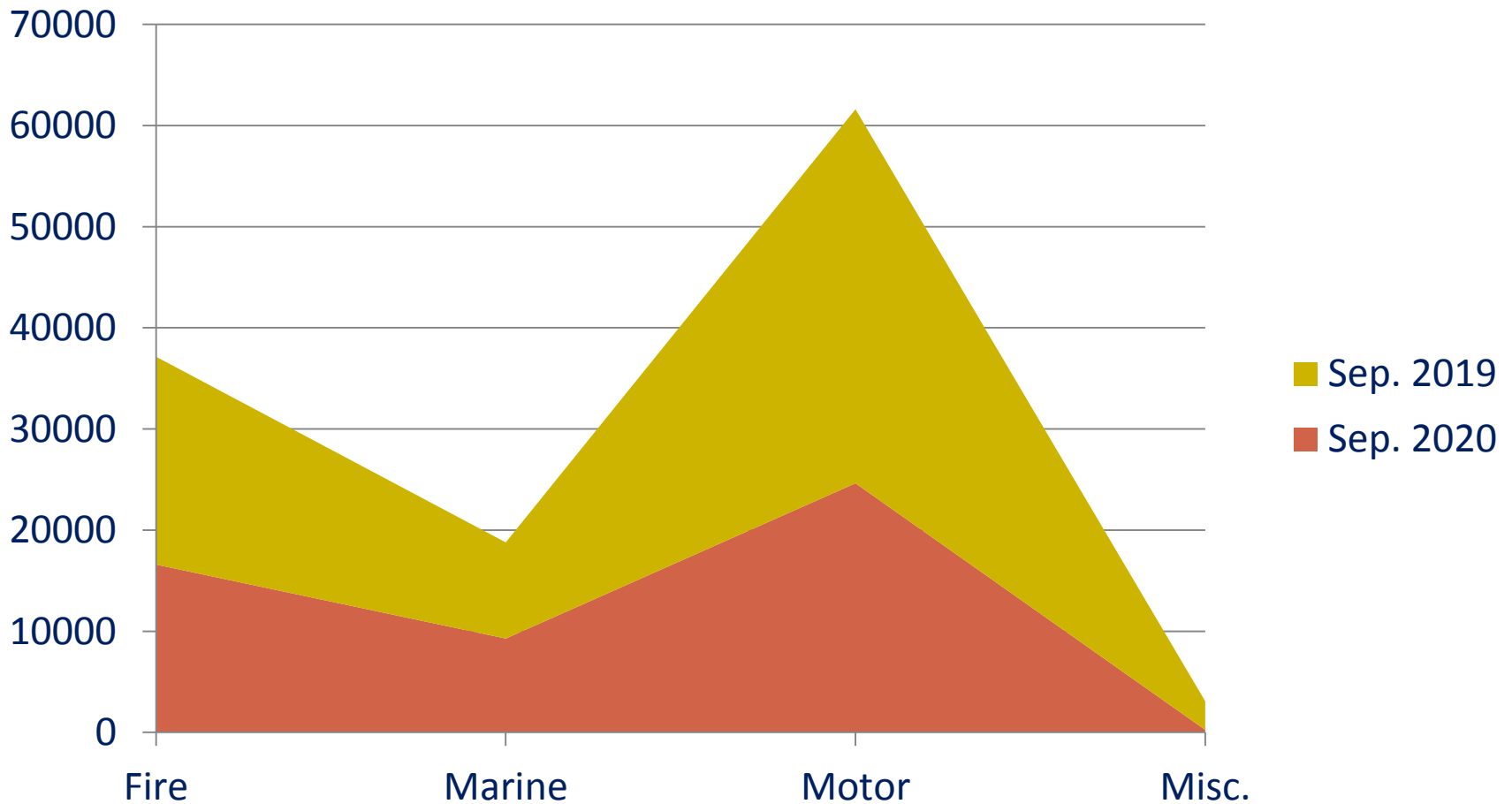
Top Line Analysis Gross Premium Sep. 2020 vs Sep. 2019 General

Rupees in '000

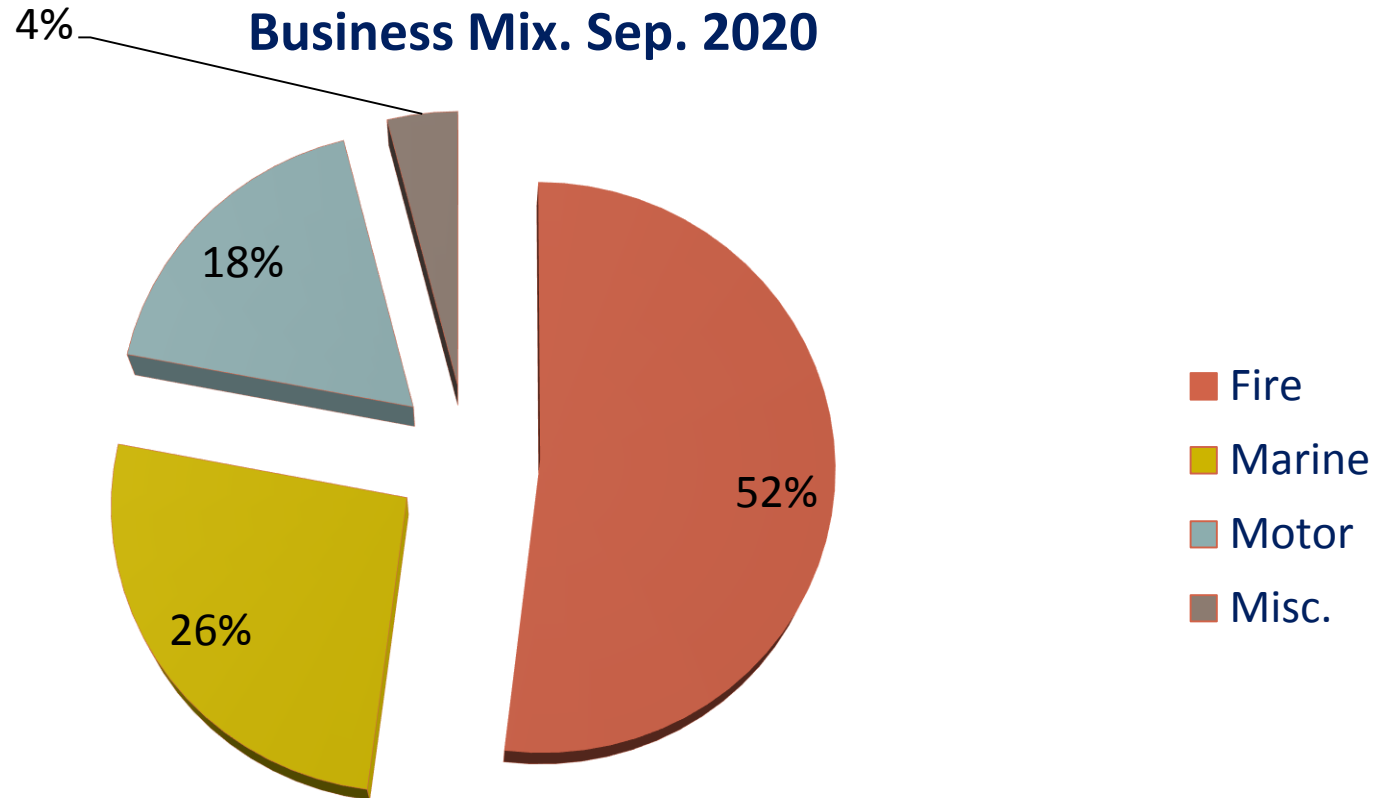


Top Line Analysis Gross Contribution Sep. 2020 vs Sep. 2019 Takaful

Rupees in '000

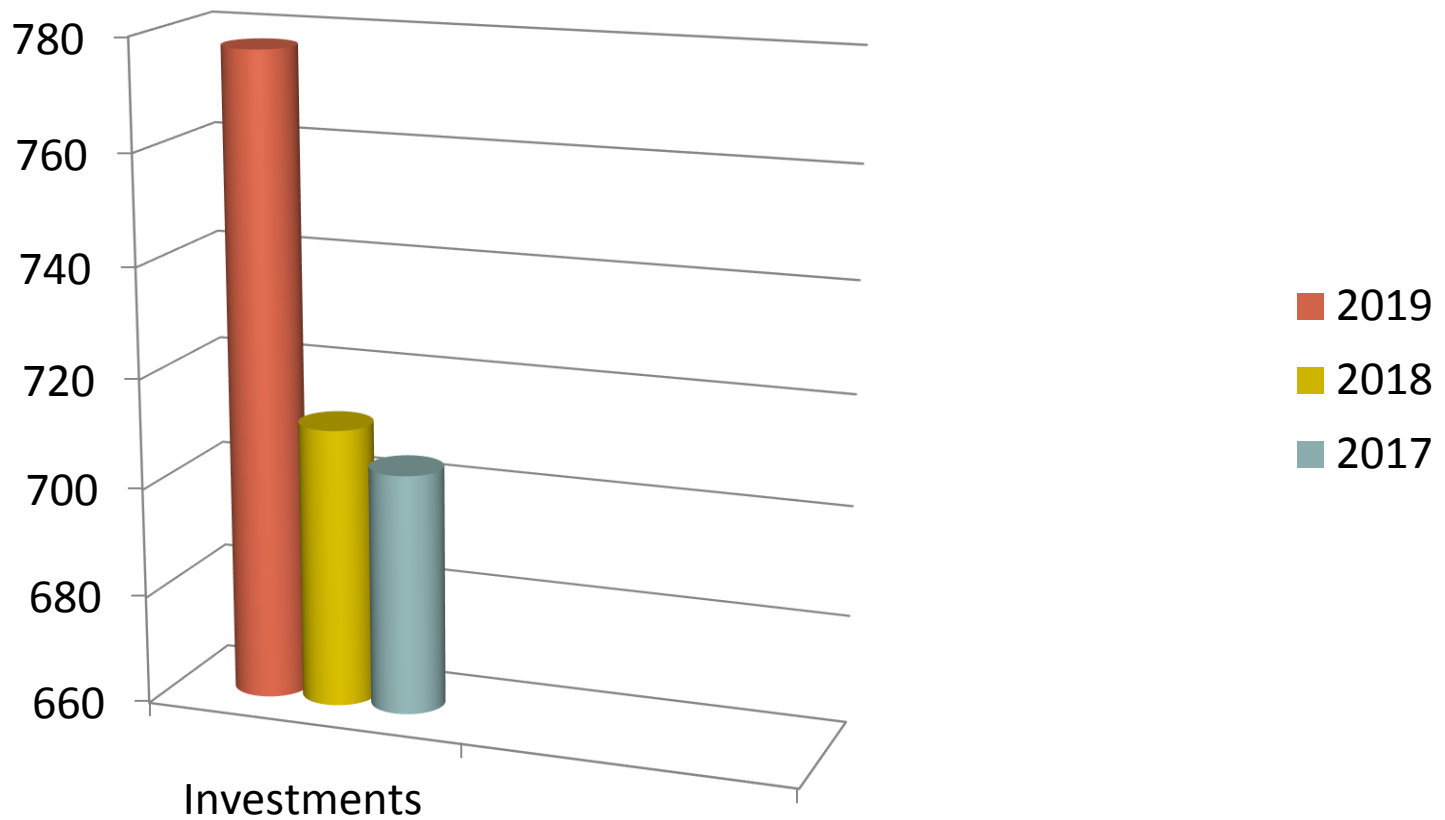


Gross premium department wise sharing



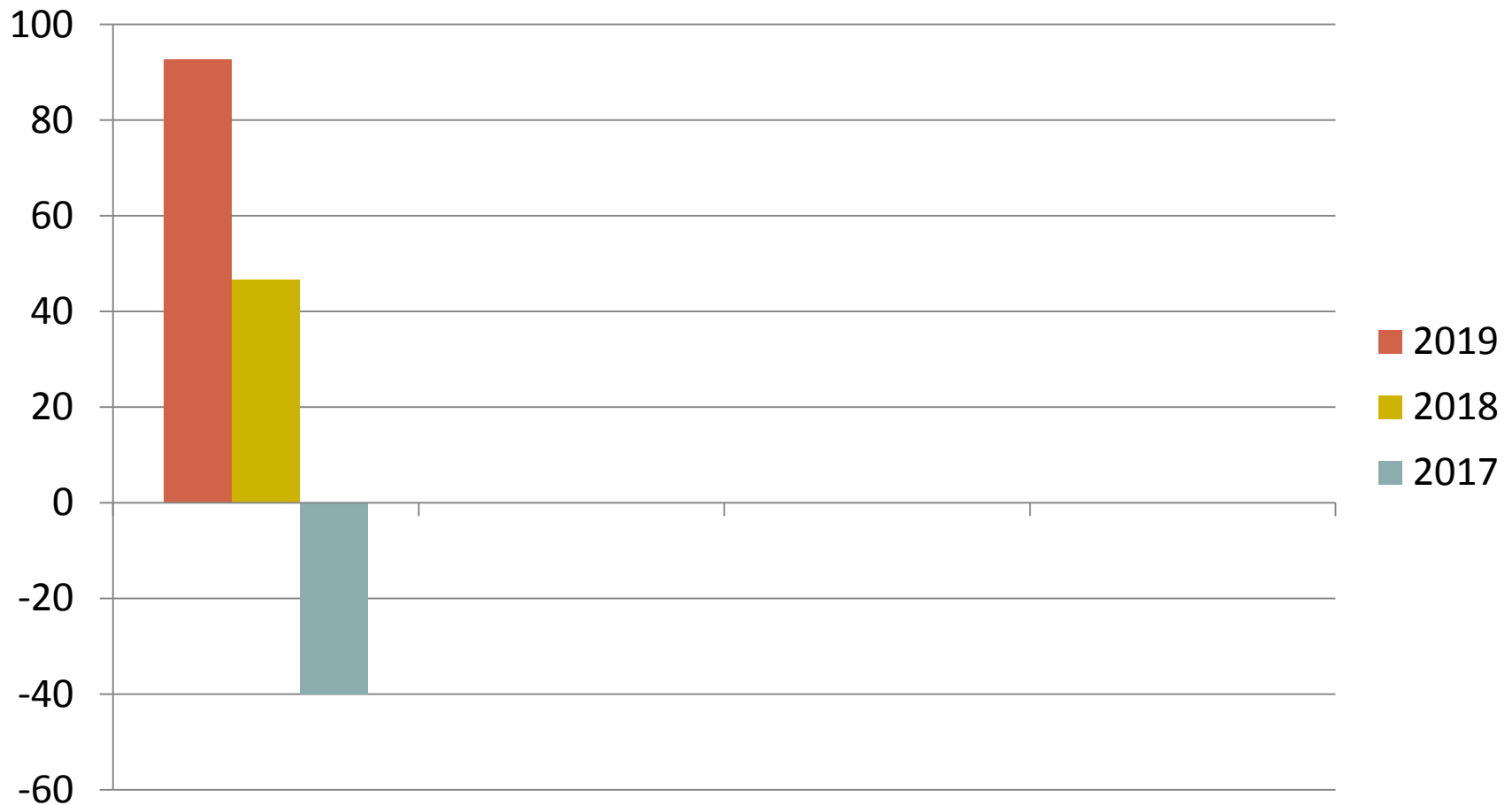
Investments

Rupees in '000



Investment income

Rupees in '000



Future outlook

Covid-19 Pandemic adversely affected the whole economy of country, similarly insurance business are also effected. However, the latest economic numbers are showing signs of improvement and therefore we anticipate improvement in insurance business in the last quarter and beyond.

The year 2020 would be a challenging year, GDP growth projection ranges between 2.5% to 3.0%.

The double digitted key discount rate continues to be the main hindrance and cause of concern and merits due attention to kick off the economy. The Insurance industry is likely to remain under stress until law and order situation, geo political stability and business friendly policies are implemented / enforced. Your company will focus on long-term profitable growth through consolidation, improvement in systems and quality management information systems facilitating prudent and real time decisions.

Takaful operations will further provide new avenues and opportunities to enhance your company's business.

Thank You