

CORPORATE BRIEFING SESSION 2022



Reliance Insurance





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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 & Property damage, 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 positive results. The present Authorized Capital of the Company is Rs.750 Million while Paid-up Capital has increased to Rs.633.694 million. General Reserve to Rs.290 million & the Shareholders' equity to Rs.1,049.081 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.726.436 million (inclusive of Takaful Contribution) at the end of the year 2021 and the Technical Reserves at Rs.550.129 million.
- Reliance Insurance having a network of 26 Branches at all important places throughout Pakistan employing a full time work force of 177 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. Ahmed Ali Bawany | Director |
| Mr. Noor M. Zakaria | 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. Ghulam Haider | -Company Secretary & Compliance Officer |
| Mr. Najmullah Khan | -Senior Vice President (Head Of Takaful) |
| Mr. M. A. Hannan Shadani | -Senior Vice President (Underwriting) |
| Mr. Muhammad Siddiq | -Chief Manager (Claims) |
| Mr. Ghulam Mujaddid | -Assistant Vice President (Accounts) |
| Mr. Muhamamd Kashif Wadiwala | -Deputy Chief Manager (SCO) |
| Mr. Muhammad Masood Ali | -Chief Manager (IT) |
| Mr. Muhammad Saleem Memon | -Chief Manager (Investments) |
| Mr. Abdul Rahim Patni | -Chief Manager (Reinsurance) |
| Mr. Muhammad Masood Alam | -Deputy Chief Manager (Administration) |
| Mr. Muhammad Naveed Jan | -Deputy Chief Manager (Internal Audit) |

Branch net work



1. Corporate Branch Head Office, Karachi
2. Business Plaza Branch Karachi
3. Tariq Road Branch Karachi
4. Namco Centre Branch Karachi
5. Land Mark Plaza Branch Karachi
6. M. A. Jinnah Road Branch Karachi.
7. Hyderabad 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. North Zone Corporate Branch, Lahore
16. Gujranwala Branch
17. Sahiwal Branch
18. Gujrat Branch
19. Faisal Complex Branch Faisalabad
20. Taj Palza Branch Faisalabad
21. Rawalpindi Branch
22. Multan Branch
23. Hasilpur Branch
24. Sialkot Branch
25. Gojra Branch
26. Peshawar Branch

Products



Fire



Marine



Vehicle



House & Property



Engineering



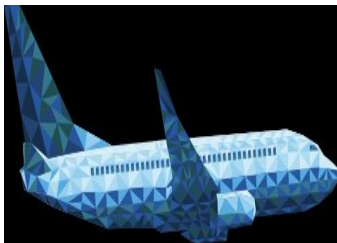
Bond / Guarantee



Terrorism



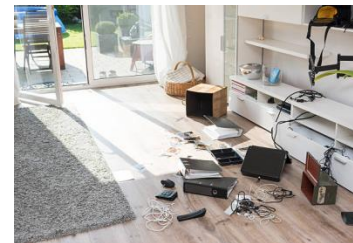
MBD



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+'. Outlook on the assigned Rating continues to be 'Stable'.

Economy Overview

- Recent flooding caused by unusually heavy and prolonged monsoon rains creates downside risks for agricultural production, especially cotton and seasonal crops, and could weigh on growth this year. SBP has revised GDP growth down to 2% for the year FY23.
- Currently SBP Monetary Policy Committee (MPC) decided to raise the policy rate by 100 basis points to 16 percent. This decision reflects the MPC's view that inflationary pressures have proven to be stronger and more persistent than expected.
- Inflation increased sharply, food prices have also accelerated significantly due to crop damage from the recent floods, a sharp decline in imports led to a significant control in the current account deficit. However, higher food prices and core inflation are now expected to push average FY23 inflation up to 21-23 percent.
- Home remittances fell by 8.6 percent to \$ 9.9 billion, reflecting/encouraging a widening gap between the interbank and open market exchange rate. At the same time, FBR tax revenue increased more than 16.6 percent during first four months of FY23.

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 | 8* | 9 |
| Non Life Insurance | 1 | 30** | 31 |
| Reinsurance | 1 | 0 | 1 |
| Total | 3 | 38 | 41 |

* Includes 2 Family Takaful Operators

** Includes 3 General Takaful Operators

Insurance Industry Performance

- 31 Non Life Insurance Companies including General Takaful Operators Underwritten Gross Premium during the year 2021 is Rs.120 billion which is 0.22% of our GDP ratio.
- 20 Window Takaful Companies Gross contribution during the year 2021 is Rs.13 billion which is 0.02% of our of GDP ratio.
- Equity of Non Life Insurance Companies increased by 8.45% to Rs.109.458 billion as at December 31, 2021.
- Bottom line of asset of Non Life Insurance Companies stood at Rs.255.346 billion as at December 31, 2021 which reflects increase by 6.50%.
- Investment Income of Non Life insurance industry increased to Rs.10.228 billion for the year 2021 against Rs.9.308 billion for the year 2020 showing an increase by 9.88%.
- Net claims paid during the year 2021 is Rs.26.431 billion against Rs.27.680 billion in the year 2020 reduced by 4.51%.
- Profitability (before tax) of industry for the year ended December 31, 2021 is Rs.18.587 billion against Rs.19.808 billion as reported on December 31, 2020.

General & Takaful Operations



Nine months financial Position 2022 vs. 2021

| | Rupees in '000 | | |
|---|----------------|-----------|------------|
| | Sep. 2022 | Sep. 2021 | Variance % |
| Gross Insurance premium/Takaful contribution | 567,311 | 462,354 | 22.70 |
| Net insurance premium/Takaful contribution | 256,795 | 215,639 | 19.09 |
| Net insurance claims/Takaful claims | 65,852 | 56,186 | 17.20 |
| Net Commission/Re-takaful rebate | 49,700 | 38,880 | 27.83 |
| Management Expenses/Takaful direct exp. | 105,111 | 103,231 | 1.82 |
| Underwriting results Conventional/Takaful | 36,132 | 17,342 | 108.35 |
| Investment income Conventional/ takaful | 37,544 | 67,333 | - 44.24 |
| Other income | 1,829 | 4,981 | - 63.28 |
| Other expenses | 37,317 | 34,648 | 7.70 |
| Profit from takaful operations-Operators Fund | 13,020 | 7,854 | 65.78 |
| Profit before tax | 44,786 | 62,114 | - 27.90 |
| Income tax expense | 13,439 | 15,063 | - 10.78 |
| Profit after tax | 31,347 | 47,051 | - 33.38 |
| Earnings after tax per share – Rupees | 0.49 | 0.74 | (Restated) |

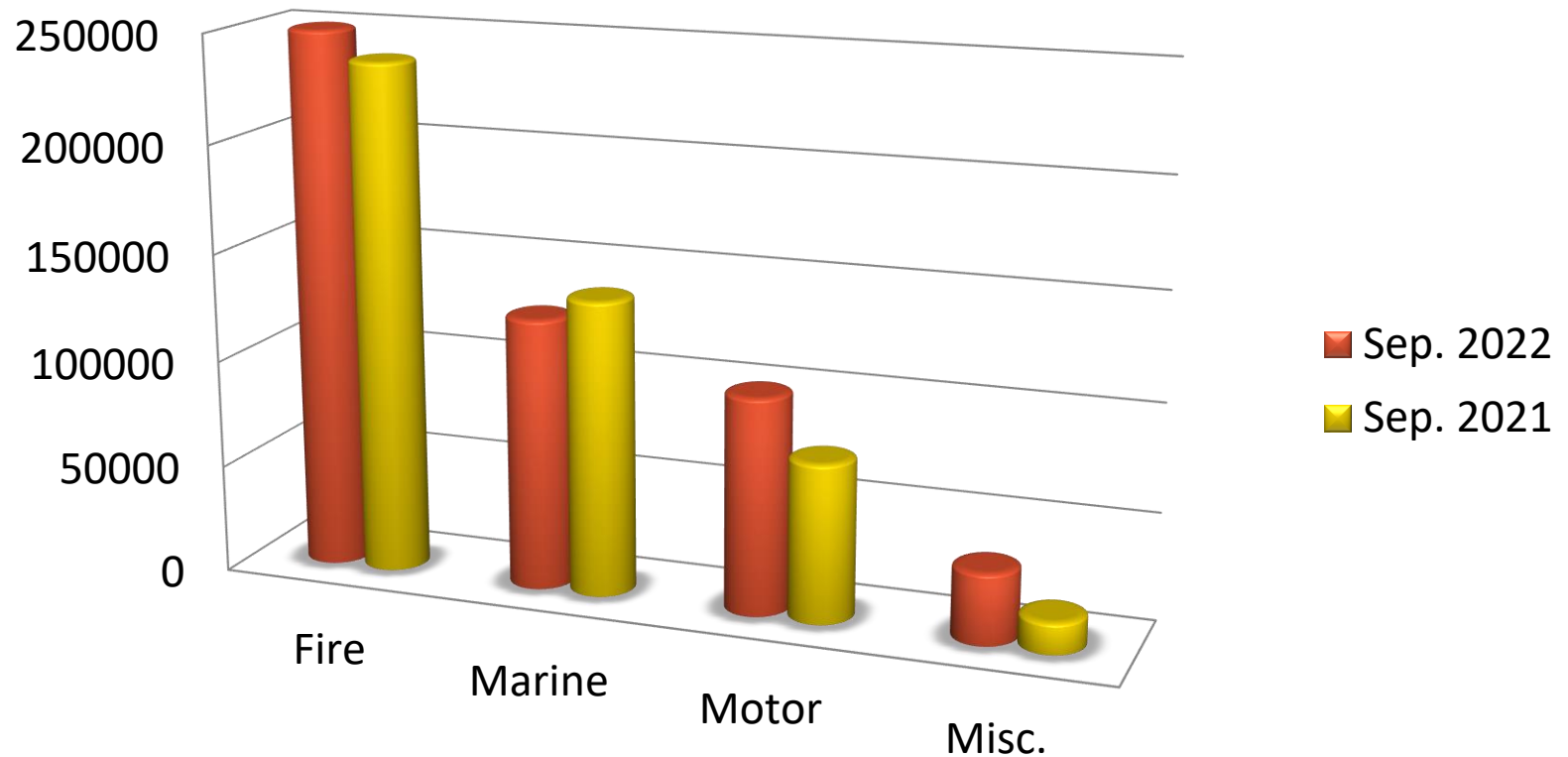
2 Years Key Financial Data

| | Rupees in '000 | |
|--|----------------|-----------|
| | 2021 | 2020 |
| • Ordinary Share Capital | 603,519 | 561,413 |
| • Share Holder's Equity | 1,048,061 | 997,634 |
| • Reserves | 270,000 | 250,000 |
| • Cash & Bank Balances | 93,709 | 111,310 |
| • Investment | 837,942 | 813,517 |
| • Total Assets | 1,847,695 | 1,713,974 |
| • Written Gross Premium/Takaful | 726,435 | 630,994 |
| • Net Insurance Premium/Takaful | 332,551 | 379,314 |
| • Net Insurance Claims/Takaful | 70,997 | 93,121 |
| • Management Expenses | 202,160 | 199,797 |
| • Investment Income | 74,747 | 83,543 |
| • Underwriting Results | 31,869 | 29,010 |
| • Profit Before Tax | 70,507 | 83,576 |
| • Profit After Tax | 53,010 | 68,495 |
| • Earnings Per Shares-Rupee.(Restated) | 0.88 | 1.13 |
| • Break up Value Per Share-Rupee. | 17.37 | 17.77 |

Top Line Analysis Gross Premium Sep. 2022 vs Sep. 2021 General

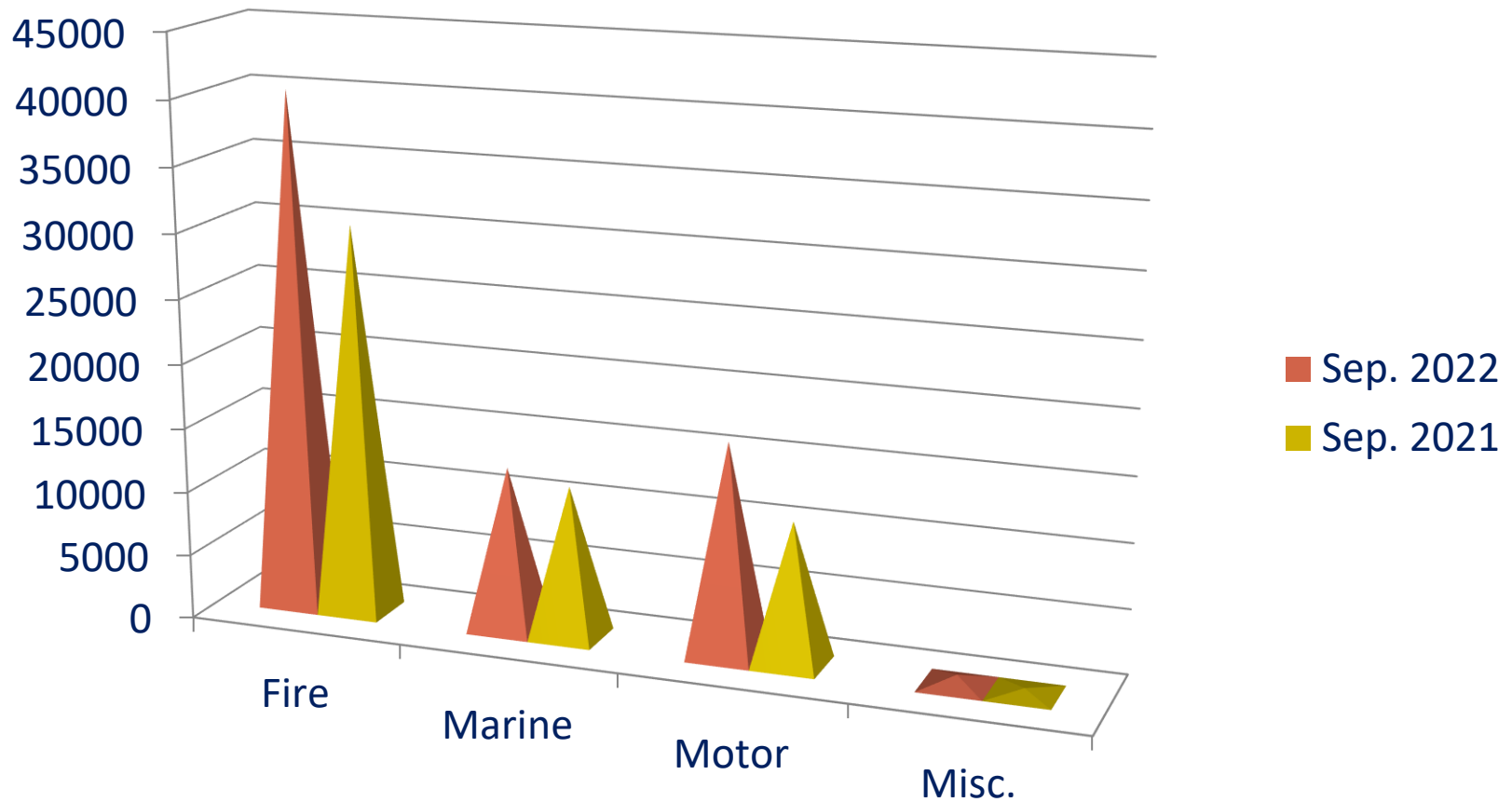
Rupees in '000

Segment-wise



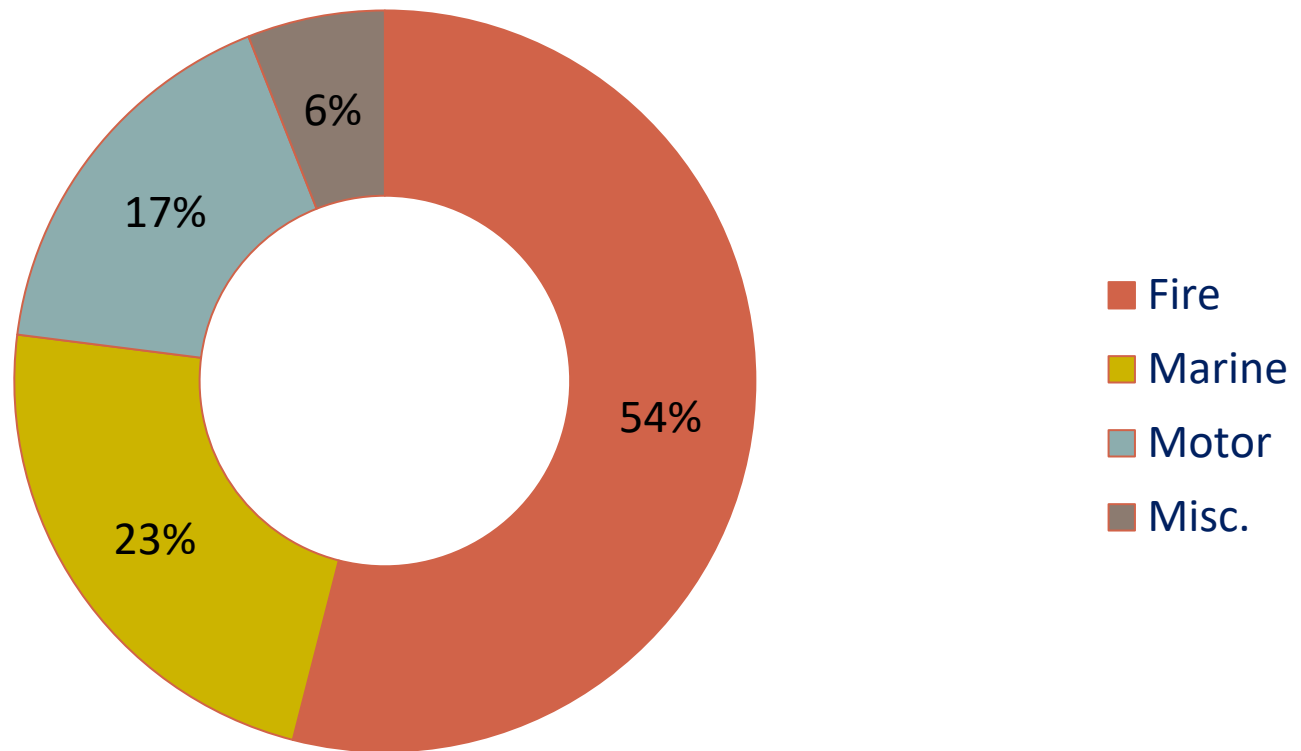
Top Line Analysis Gross Contribution Sep. 2022 vs Sep. 2021 Takaful

Rupees in '000



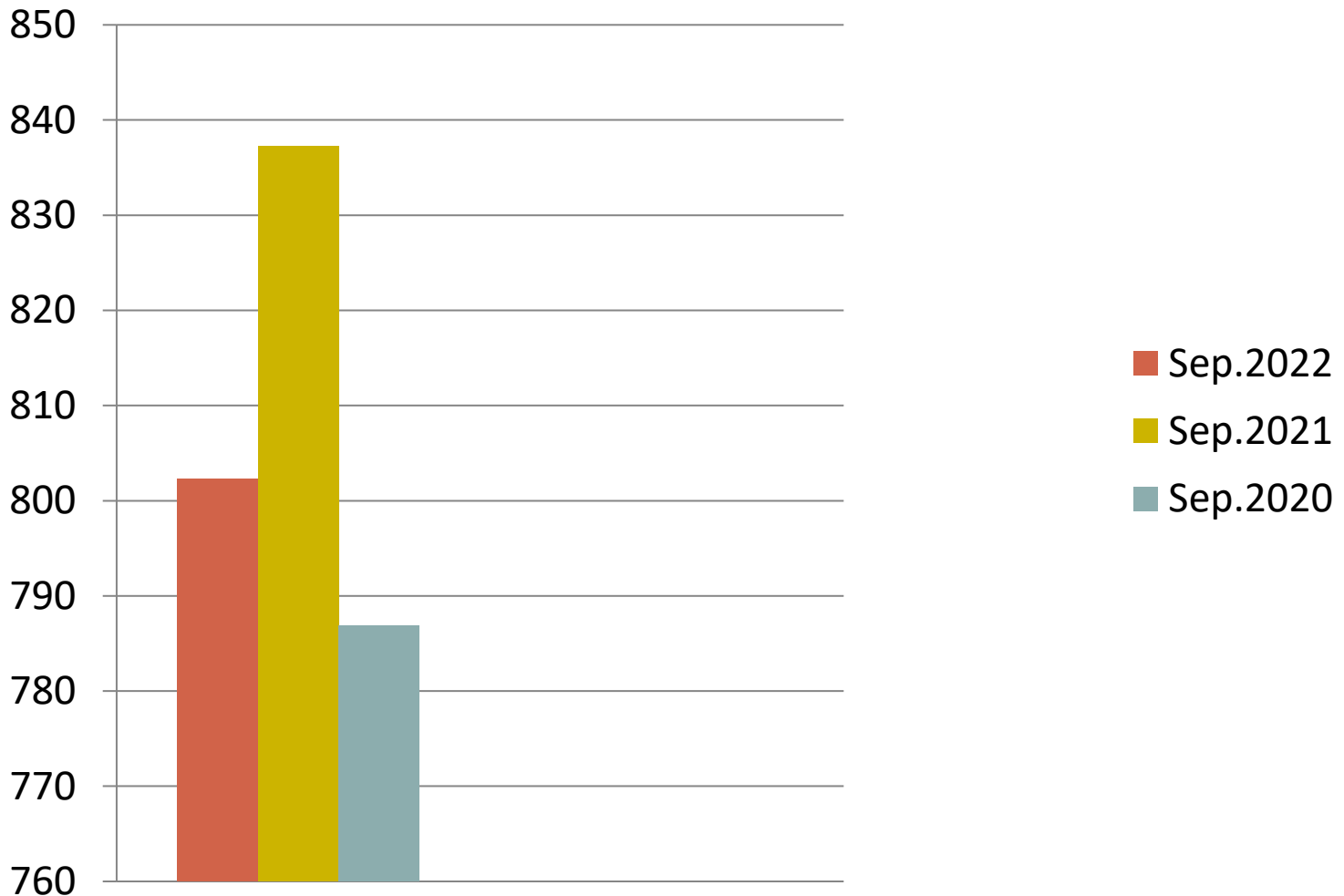
Gross premium department wise sharing

Business Mix. Sep. 2022



Investments

Rupees in '000



Investment income

Rupees in '000



Future outlook

- Pakistan's economic growth forecast for FY23 depressed to 2%.
- The continual ambiguity on political front is also unfavorably and affecting the business outlook.
- The Government has initiated a number of measures to check the rising current account deficit, local inflation and foreign exchange reserves.
- In the wake of global recession and also extreme climate change causing catastrophic flood and earthquake losses, the reinsurance market would be hardening consequently affecting underwriting margins.
- Your Company is reasonably confident that the growth trends witnessed in Gross Written Premium and Net Premium will flow through in the coming year and will focus on long-term profitable growth through consolidation, improvement in systems and quality management information systems facilitating prudent and real time decisions.

Thank You