

Corporate Briefing Session 2024



RELIANCE INSURANCE COMPANY LIMITED



EMBRACE
CONFIDENCE
EMBRACE RELIANCE INSURANCE



Reliance Insurance
Company Limited



Window Takaful

Reliance Insurance Company Limited

JOURNEY TOWARDS **AN INSURED PAKISTAN**

As we consider our self to safeguarding the dreams and aspirations of the people of Pakistan, so let's be part of a transformative voyage towards a secure and insured future. It's not just a claim-it's a promise - a promise to protect, empower, and uplift. Join Reliance Insurance Family.

Reliance Insurance Company Limited

181-A, Sindhi Muslim Co-operative Housing Society, P.O. Box: 13356, Karachi-74400.
Ph: 021-34539415-17 Web: www.relianceins.com



About Us

Reliance Insurance Company Limited (RICL) was incorporated in 1981 with a Share Capital of Rs.2.5 Million by two prominent industrialist groups in Pakistan, Al-Noor Group and Amin Bawany Group. Al-Noor Group, was led by (Late) Mr. Ismail H. Zakaria, and Amin Bawany Group, founded by (Late) Mr. Mohammed Amin Ahmed Bawany, were known for their successful implementation of numerous industrial and commercial projects. Mr. Irfan Zakaria Bawany was unanimously elected Chairman of Reliance Insurance Co. Ltd. In the Board of Directors meeting held on 28th July 2020. Mr. Bawany is associated with Reliance Insurance since 1991.

RICL has earned a strong reputation and is recognized as one of the most reputable and distinguished names in the sector. Its Head Office is in Karachi, Pakistan, and boasts an extensive and dynamic branch network covering major cities and towns throughout the country. This widespread presence ensures that the company can provide prompt service to its customers, no matter where they are located.

Our 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.

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

Our Board

Irfan Zakaria Bawany **Chairman**

Muhammad Omar Bawany **Director**

Ahmed Ali Bawany **Director**

Noor M. Zakaria **Director**

Zia Zakaria **Director**

Muhammad Patel **Director**

Naeem Ahmed Shafi **Director**

Tasneem Yusuf **Director**

Jahangir Adam **Director**

Our Team

Management (Team RICL)

The management of Reliance Insurance is fully conscious of the challenges lying ahead and has developed a comprehensive strategy which focuses on sustained growth in operations with a particular focus on the bottom line and offering reasonable returns to its valued shareholders.

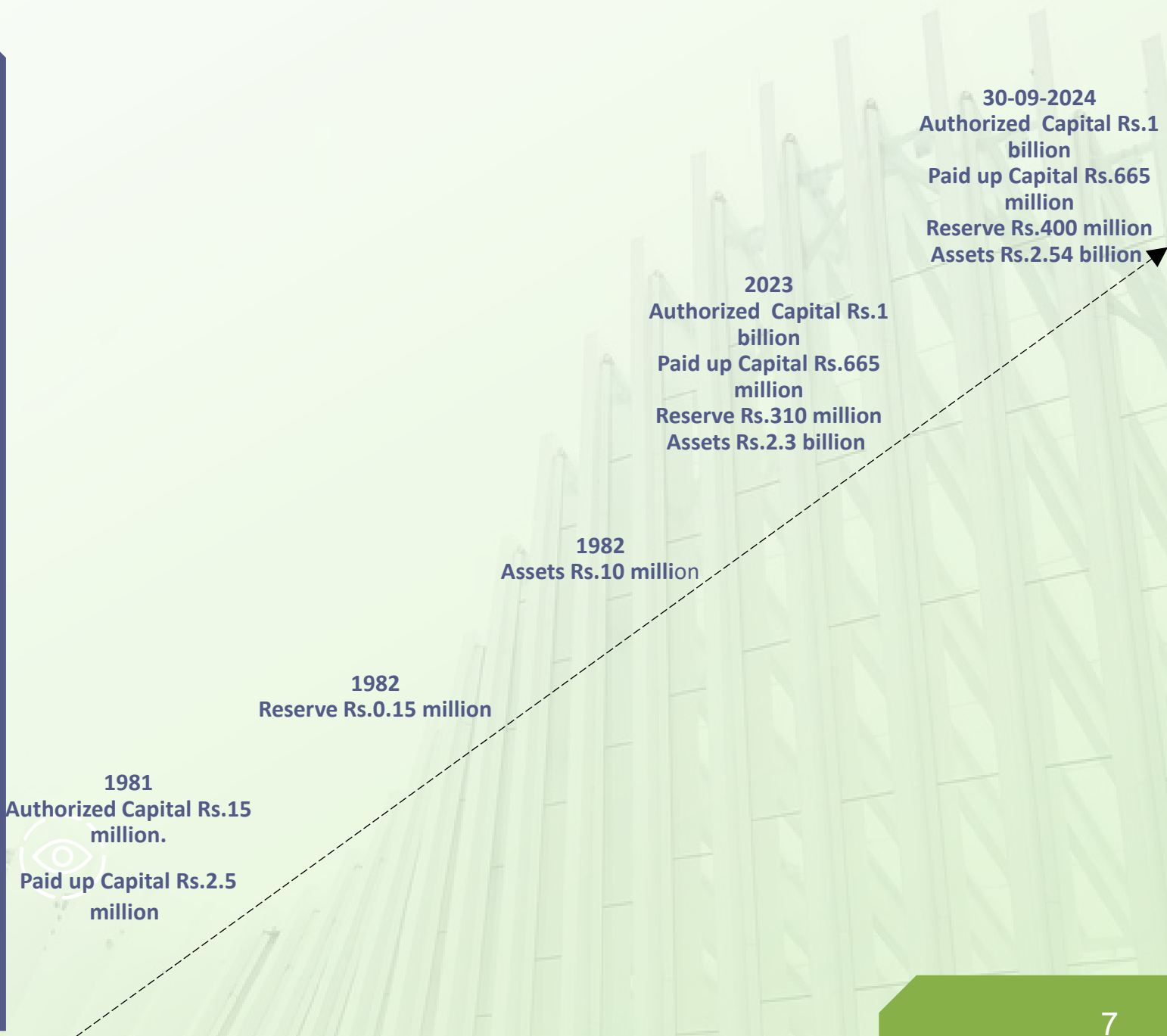
The operations of the Company are run by a team of professionals. Reliance Insurance is one of the most well managed company in the market. The team is headed by Mr. A Razak Ahmed, Chief Executive & Managing Director, FCII (Chartered Insurer). The senior management includes

A. Razak Ahmed	Chief Executive & Managing Director
Ghulam Haider	Chief Financial Officer
Faraz A. Razak	Company Secretary & Compliance Officer
M. A. Hannan Shadani	SVP - Underwriting Conventional
Najamullah Khan	SVP - Head of Takaful
Muhammad Siddique	Chief Manager Claims
Abdul Rahim Patni	Chief Manager Reinsurance

Company History



Reliance Insurance Company Limited (RICL) began its journey with an initial share capital of Rs. 2.5 million in 1981. Over the years, the company has shown consistent growth, culminating in an impressive financial standing today. Its Authorized Capital now stands at Rs. 1 billion, with a paid-up share capital of Rs. 665.379 million. This robust capital structure highlights the company's reliability and strong foundation. With a General Reserve of Rs. 400 million and total assets reaching Rs. 2.5 billion as of Sep. 30, 2024, RICL is well-positioned to maintain its steady growth trajectory. The company remains committed to enhancing its capital base in line with its expanding operations and long-term growth objectives.



Our Services

RICL offers a wide range of insurance products and services. The company underwrites various classes of insurance and provides risk coverage for a variety of needs. These offerings include:



Traditional insurance products

Fire & Allied Perils, Marine Cargo, Marine Export, Motor Vehicles, Personal & Group Accident, Workmen's Compensation, Burglary, and Cash in Safe or Transit



Non-Traditional insurance products

Machinery Breakdown, Loss of Profits, Terrorism and Contractor All Risks

General Takaful (Islamic Insurance)

In May 2016, RICL commenced its Window Takaful Operations (WTO), offered within the framework of conventional insurance company. This initiative was undertaken under the guidance of renowned, qualified, and certified Sharia Scholar. Window Takaful allows conventional insurance companies to offer Takaful products alongside their regular offerings, ensuring they comply with Islamic principles.

Our Products



Fire



Marine



Vehicle



House & Property



Engineering



Bond /Guarantee



Terrorism



MBD



Aviation



Liability



Burglary



CIT / CIS

Underwriting Capacity

RICL has demonstrated the capacity to meet the insured requirements across various classes of business. In addition to underwriting capacities covered by automatic treaty agreements, the company has back-to-back arrangements with foreign and domestic "A" rated insurance companies for facultative placements, providing substantial capacities on a case-by-case basis.

Reinsurance

RICL recognizes the importance of reinsurance and maintains sound reinsurance treaty arrangements with reputable foreign and local reinsurance companies of global repute. Notable reinsurance partners include Swiss Re, PRCL, Peak Re, Trust Re and Misr. Re

IFS Rating



Reliance Insurance strong financial position and prudent management practices have been recognized by reputable rating agencies in Pakistan. Specifically, both VIS Credit Rating Company Ltd and Pakistan Credit Rating Agency Ltd have assigned the company a Financial Strength Rating (IFS) of "A+" (Single A+), and the outlook on this rating is deemed "Stable." The "A+" rating indicates a strong financial strength and capacity of Reliance Insurance to fulfill its obligations to policyholders and contractual commitments.

Our Network

RICL Head Office is in Karachi, Pakistan, and boasts an extensive and dynamic branch network covering major cities and towns throughout the country. This widespread presence ensures that the company can provide prompt service to its customers, no matter where they are located.



Economy Overview

- The IMF projects Pakistan's GDP growth at 3.2% for FY2025, up from 2.4% in FY2024, driven by a recovery in agriculture and momentum in the industrial sector. Key large-scale manufacturing areas, including textiles, food, automobiles, POL, and tobacco, show strong growth, alongside high-frequency indicators like cement, auto, fertilizer, and POL sales. Improved performance in commodity-producing sectors and reduced inflation are expected to bolster the services sector. Enhanced business confidence and easing financial conditions are also anticipated to support economic growth.
- The State Bank of Pakistan reduced its key policy rate by 200 basis points to 13% effective December 17, 2024, as inflation fell to 4.9%. This marks a cumulative rate cut of 900 basis points in 2024, aimed at sustaining economic growth.
- The external sector continued to strengthen, with the current account posting a \$0.2 billion surplus during July-October FY25, supported by robust workers' remittances and an 8.7% growth in exports. Favorable global commodity prices helped mitigate the impact of rising import volumes on the import bill. These factors collectively contributed to an increase in Pakistan's foreign reserves, which reached \$16.63 billion as of December 19, 2024.

Insurance Industry Overview

- In 2023, Pakistan's non-life insurance industry achieved a Gross Written Premium (GWP) of Rs. 227 billion, marking a 28% growth compared to Rs. 178 billion in 2022. The Fire and Property Damage category led the market, contributing 31% of the total premium (Rs. 71 billion), followed by Motor Insurance at 20% (Rs. 45 billion). Engineering accounted for 16% (Rs. 37 billion), Marine for 12% (Rs. 27 billion), and Health for 11% (Rs. 25 billion). Personal lines, including Home & Household contents, Individual, Terrorism, Travel insurance and miscellaneous, comprised 10% (Rs. 22 billion) of the total GWP.
- The agency and sales force channel continued to be the cornerstone of our distribution network, collectively driving 49% of the total premium written. Direct channels demonstrated significant impact, contributing 34% to the total premium. Brokers played a pivotal role, adding 12% to the mix, while corporate agents accounted for 4%. Notably, the digital channel, though emerging, captured 0.73% of the total premium, signaling potential for future growth.
- Claims paid by non-life insurance industry stood at Rs.84 billion in the year 2023 compared to Rs.69 billion last year. Highest claims were paid in the category of Motor insurance at 34% (Rs.28 billion), followed by Accident and Health 22% (Rs.18 billion), Fire and property damage at 20% (Rs.17 billion).
- In 2023, Sindh dominated the non-life insurance market, contributing 54% of the total gross premium. Punjab followed with 35%, while KPK, Balochistan, GB, and AJK each accounted for 1%. The Federal region made up the remaining 7%.
- Premium distribution: 86% private and 14% public sectors. Major clients in 2023: 64% individuals, 10% corporate, and 26% others.

Nine months financial position 2024 vs 2023

	30 Sep. 2024	30 Sep. 2023	Rupees in '000 Variance %
Gross Insurance Premium / Takaful contribution	812,947	738,160	10.13
Net Insurance premium / Takaful contribution	422,566	335,041	26.12
Net Insurance claims / Takaful claims	134,875	110,059	22.54
Net Commission / Re-takaful rebate	81,638	62,413	30.80
Management Expenses / Takaful direct expense	139,763	118,076	18.36
Underwriting results Conventional / Takaful	66,289	44,492	48.99
Investment income Conventional / takaful	258,427	122,648	110.70
Other income	4,116	5,944	(30.75)
Other expense	48,535	43,488	11.60
Profit from takaful operations-Operators Fund	25,528	20,744	23.06
Profit before tax	304,231	142,924	112.86
Profit after tax	243,596	90,349	169.61
Earnings per share (Rs)	3.66	1.36	169.11

Balance Sheet

Rupees in '000

	30-09-2024	31-12-2023
Investments	1,030,323	952,596
Cash & Bank	128,506	108,555
Other Assets – Current	1,281,663	1,164,206
Other Assets – Non-current	<u>104,269</u>	<u>87,160</u>
Total Assets	<u>2,544,761</u>	<u>2,312,517</u>
Ordinary Share Capital	665,379	665,379
Reserves	774,583	557,042
Share Holder's Equity	1,439,962	1,222,421
Underwriting Provisions	701,748	709,610
Other Liabilities	<u>403,051</u>	<u>380,486</u>
Total Equity and Liabilities	<u>2,544,761</u>	<u>2,312,517</u>

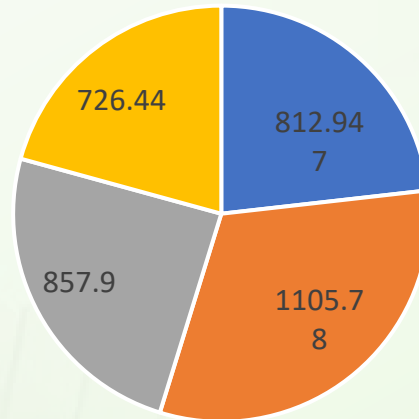
Graphical Presentation P & L



RICL growth driven by a combination of factors such as technological advancements, regulatory changes, market expansion, and a heightened awareness of the importance of insurance in managing various risks

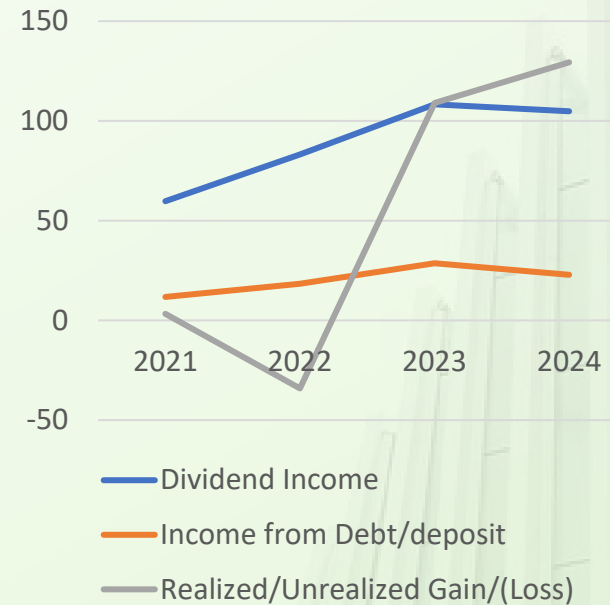


Gross premium



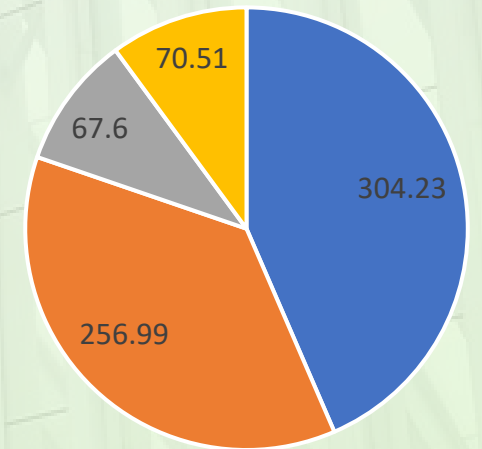
■ 30/09/2024 ■ 31/12/2023
■ 31/12/2022 ■ 31/12/2021

Investment Income



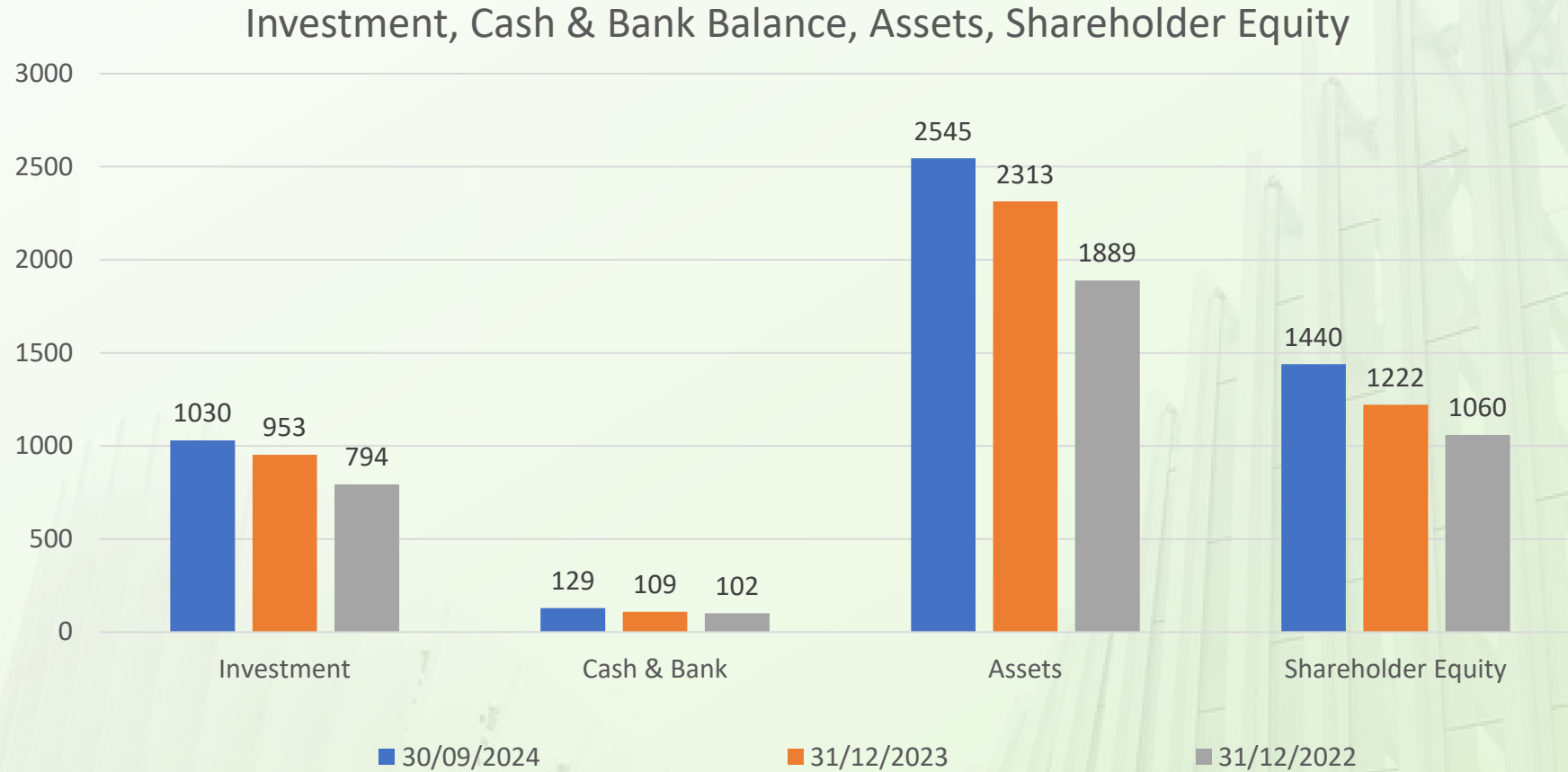
— Dividend Income
— Income from Debt/deposit
— Realized/Unrealized Gain/(Loss)

Gross Profit



■ 30/09/2024 ■ 31/12/2023
■ 31/12/2022 ■ 31/12/2021

Graphical Presentation Balance Sheet



Forward-looking



With inflationary pressures showing signs of moderation, the discount rate has been significantly reduced from 22% to 13%, signaling a favorable shift in the macroeconomic landscape. While key economic indicators exhibit promising improvements, considerable challenges remain on the journey toward sustainable growth. Despite these hurdles, our organization is unwavering in its dedication to fostering progress and seizing opportunities in the final quarter of the year. Our strategic focus remains on sustaining momentum, adeptly navigating the shifting economic dynamics, and securing a solid trajectory for long-term success.

THANK YOU