RELIANCE INSURANCE COMPANY LIMITED

Corporate Briefing Session 2025

About Us

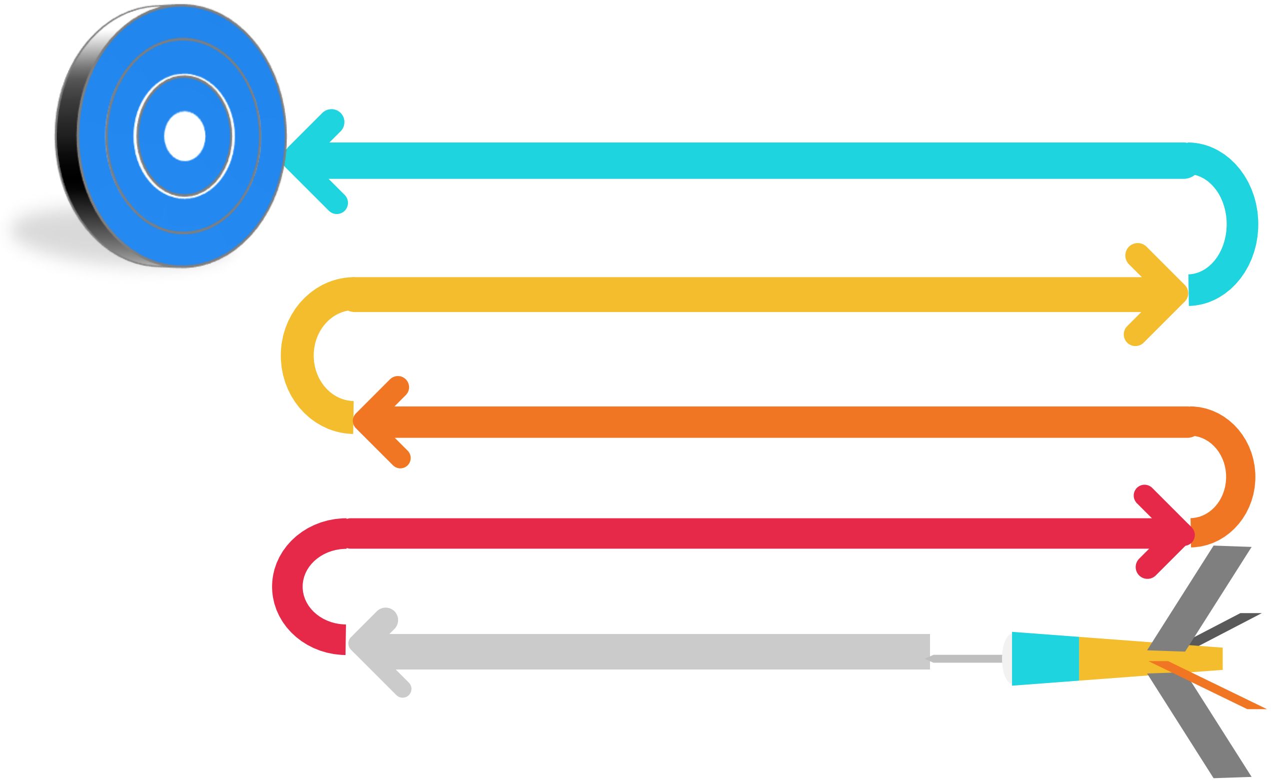
Reliance Insurance Company Limited (RICL) was incorporated in 1981 with a Share Capital of Rs.2.5 Million by two prominent industrialist groups in Pakistan, Al-Noor Group and Amin Bawany Group. Al-Noor Group, was led by (Late) Mr. Ismail H. Zakaria, and Amin Bawany Group, founded by (Late) Mr. Mohammed Amin Ahmed Bawany, were known for their successful implementation of numerous industrial and commercial projects. Mr. Irfan Zakaria Bawany was unanimously reelected Chairman of Reliance Insurance Co. Ltd, in the Board of Directors meeting held on 28th August 2025 for a further term of three years. 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 & Mission Statement

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 interest of all stakeholders, namely policy holders, share-holders, reinsurers, employees and all other business associates/partners



Mission

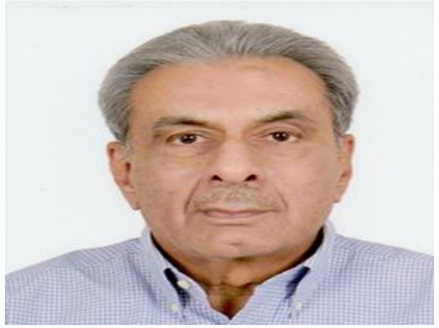
To provide quality service and protection to its clients aiming at achieving a respectable volume of business and become a prominent player through good governance and sound professionalism focusing to become a well-known and respected Corporate entity in the eyes of Society and Government

Our Board of Directors

Irfan Zakaria Bawany
Chairman

Muhammad Omar Bawany
Director

Ahmed Ali Bawany
Director



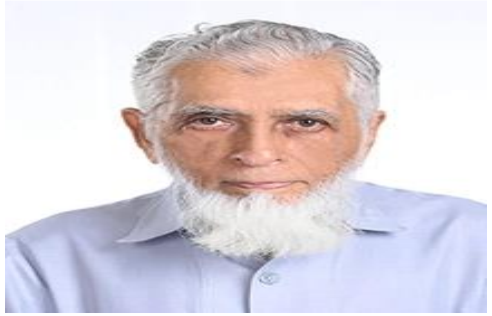
Noor M. Zakaria
Director

Zia Zakaria
Director

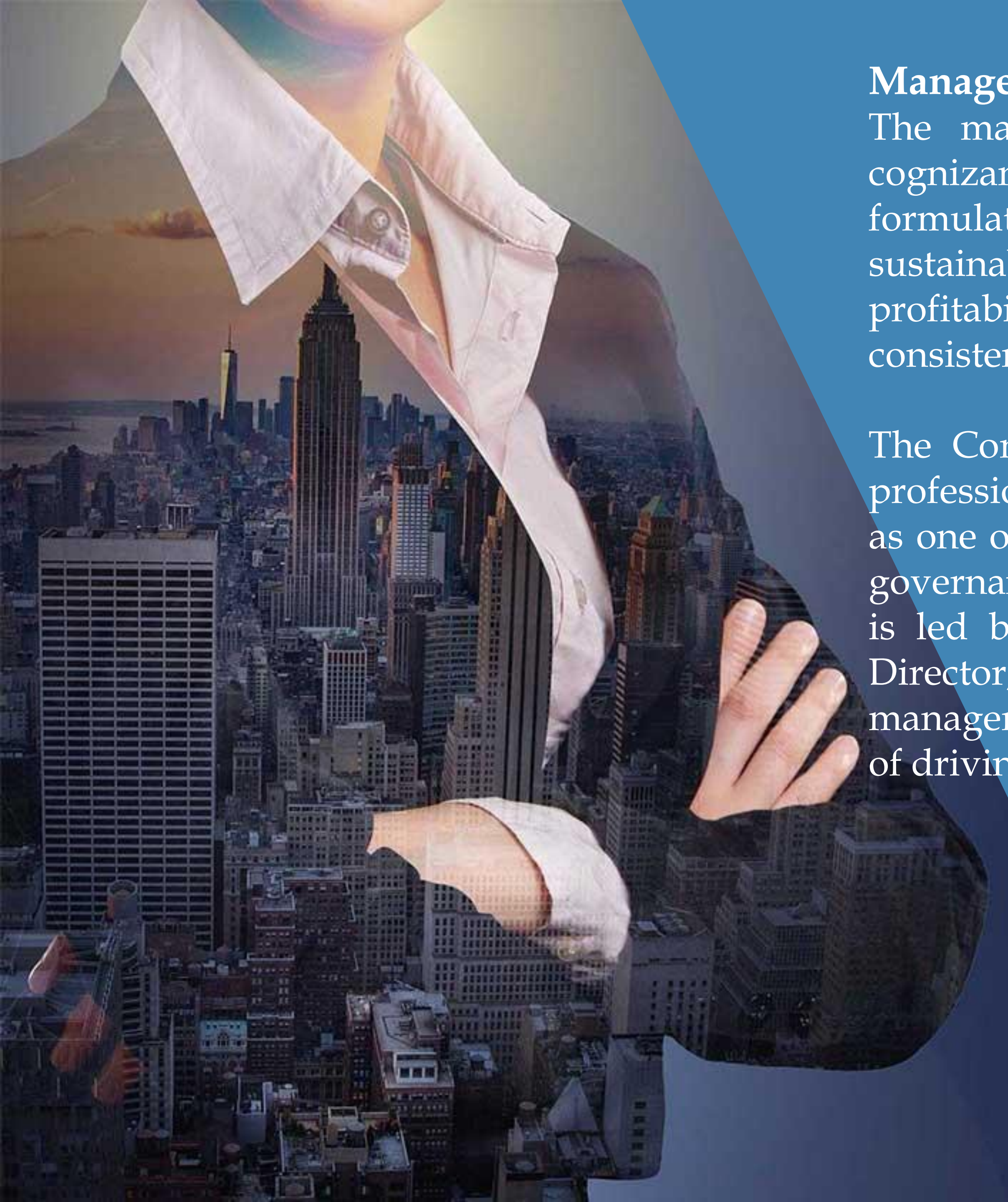
Muhammad Patel
Director

Naeem Ahmed Shafi
Director

Tasneem Yusuf
Director



Jahangir Adam
Director



Management (Team RICL)

The management of Reliance Insurance Company Limited is fully cognizant of the evolving challenges within the industry and has formulated a comprehensive, forward-looking strategy focused on sustainable operational growth. This strategy places strong emphasis on profitability, disciplined financial management, and the delivery of consistent and reasonable returns to its valued shareholders.

The Company's operations are overseen by a highly experienced and professional management team. Reliance Insurance is widely recognized as one of the best-managed companies in the market, reflecting its strong governance standards and operational excellence. The management team is led by Mr. A. Razak Ahmed, Chief Executive Officer & Managing Director, FCII (Chartered Insurer). He is supported by a seasoned senior management team with deep industry expertise and a proven track record of driving performance, innovation, and long-term value creation.

- A. Razak Ahmed - Chief Executive & Managing Director
- Ghulam Haider - Chief Financial Officer
- Faraz A. Razak - Company Secretary & Comp. Officer
- M. A. Hannan Shadani - SVP - Underwriting Conventional
- Najmullah Khan - SVP – Head of Takaful
- Ghulam Mujaddid - Vice President
- Saleem Memon - Assistant Vice President- Investment
- M. Masood Ali - Assistant Vice President- IT
- Muhammad Siddique - Assistant Vice President (Claims)
- Abdul Rahim Patni - Assistant Vice President Reinsurance

Company History

Reliance Insurance Company Limited (RICL) commenced operations in 1981 with an initial paid-up share capital of Rs. 2.5 million. Since inception, the Company has demonstrated consistent and sustainable growth, culminating in a strong and resilient financial position. As of today, RICL's Authorized Capital stands at Rs. 1.5 billion, while its paid-up share capital amounts to Rs. 1.0047 billion, reflecting a solid and well-capitalized balance sheet.

The Company's financial strength is further reinforced by a General Reserve of Rs. 400 million and total assets of Rs. 3.677 billion as at September 30, 2025. This robust capital base underscores RICL's financial stability, operational resilience, and capacity to support future growth. The Company remains committed to further strengthening its capital structure in alignment with its expanding business operations and long-term strategic objectives, thereby ensuring sustained value creation for its stakeholders.

Our Services

RICL offers a comprehensive portfolio of insurance products and services, underwriting a broad spectrum of insurance classes to address diverse risk management needs. Through its robust underwriting capabilities and customer-focused approach, the Company provides tailored risk coverage solutions designed to protect individuals, businesses, and institutions across multiple sectors. These offerings include:

In May 2016, RICL launched its Window Takaful Operations (WTO) within the framework of a conventional insurance company, under the supervision of a qualified and certified Sharia Scholar. This initiative enables RICL to offer Shariah-compliant Takaful products alongside its conventional insurance offerings seamlessly.

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

Our Products

Fire

Marine

Vehicle

House & Property

Engineering

Bond /Guarantee

Terrorism

MBD

Aviation

Liability

Burglary

CIT / CIS

RICL has consistently demonstrated strong capacity to meet insured requirements across a broad spectrum of general insurance classes. The company's underwriting strength enables it to effectively manage diverse portfolios while maintaining regulatory and market discipline.

Underwriting Capacity

A significant portion of RICL's underwriting capability is secured through well-structured automatic treaty reinsurance arrangements. These treaties provide reliable and predefined capacities, allowing the company to underwrite policies with confidence.

In addition to treaty support, RICL maintains robust back-to-back facultative reinsurance arrangements with foreign and domestic insurance and reinsurance companies holding strong "A" or equivalent financial strength ratings.

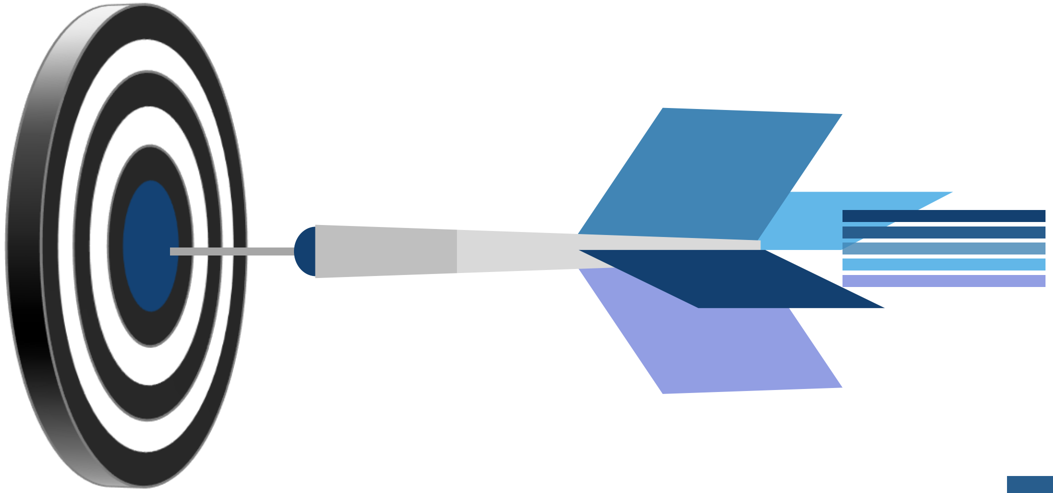
Through these facultative arrangements, RICL is able to secure substantial additional capacities on a case-by-case basis, enhancing its ability to underwrite large or specialized risks while maintaining sound risk management.

Reinsurance

RICL recognizes the critical role of reinsurance in ensuring financial stability and sustainable risk management. The company maintains well-structured reinsurance treaty arrangements with reputable foreign and local reinsurers of global standing. These partnerships enhance RICL's overall risk framework.

RICL's notable reinsurance partners include internationally recognized reinsurers such as Swiss Re, PRCL, Peak Re, Trust Re, and Misr. These reinsurers possess strong financial strength and technical expertise. Their support provides security, continuity, and confidence across RICL's portfolio of business.

IFS Rating



Reliance Insurance’s strong financial position and prudent management practices have been recognized by the Pakistan Credit Rating Agency (PACRA). PACRA recently upgraded the company’s Financial Strength Rating from "A+" to **"A++,"** reflecting its robust capital base, sound risk management, and strong ability to meet policyholder obligations. This upgrade underscores Reliance Insurance’s growing financial strength and stability in the market.

Similarly, VIS Credit Rating Company Ltd has also upgraded Reliance Insurance’s Financial Strength Rating to **"A++,"** reflecting the company’s solid financial performance and operational prudence, and further highlighting its continued financial resilience and strong capacity to honor contractual commitments.

Our Network

RICL's Head Office is located in Karachi, Pakistan, supported by an extensive and dynamic network of branches across major cities and towns nationwide. This strong geographical presence enables the Company to deliver timely, efficient, and consistent services to its customers, regardless of their location, reinforcing its commitment to accessibility and operational excellence.

Economy Overview

- According to the latest IMF projections, Pakistan's economy is expected to record moderate GDP growth of approximately 3.2% in FY2025-26, reflecting an improvement in macroeconomic conditions and a gradual recovery in key sectors such as agriculture and industry, although this remains below the Government's own target of 4.2% for the year. The Government of Pakistan has set an official growth target of 4.2% for FY2025-26 in its federal budget, demonstrating its policy commitment to strengthening economic performance. Meanwhile, the World Bank projects growth at around 3.0% for the same period, noting that recent floods and other structural challenges have tempered the outlook.

- On December 15, 2025 the Monetary Policy Committee (MPC) of the State Bank of Pakistan decided to reduce the key policy rate by 50 basis points, effective December 16, 2025, bringing it down to 10.5%. This decision was made as inflation remained within the target range of 5–7%. The cut represents a cumulative reduction of 250 basis points over 2025, aimed at supporting sustained economic growth.
- Economic momentum appears resilient, with LSM output up 4.1% y/y in Q1-FY26 and robust activity in automobiles, cement, and machinery imports. Wheat production is likely to exceed targets, supporting overall growth. The current account deficit stands at $0.7 billion (July–October), while remittances and SBP's FX have pushed reserves above $15.5 billion, expected to cross $17.8 billion by June 2026. Export pressures persist amid global headwinds, but lower oil prices may help contain import growth. Overall, economic fundamentals remain broadly positive.

Insurance Industry Overview

- In 2024, Pakistan's non-life insurance sector posted a GWP of PKR 243 billion, up 7% from PKR 227 billion in 2023. Private insurers dominated with 91% of premiums, while public sector insurers accounted for 9%. The conventional segment reached PKR 212 billion from Rs.202 billion, showing steady growth, and the Takaful segment rose to PKR 31 billion from PKR 25 billion, reflecting strong demand for Shariah-compliant solutions. The overall performance indicates a stable, steadily growing market, with conventional insurance maintaining its lead and Takaful showing accelerating adoption.

- The Fire and Property Damage segment remained the largest contributor to the non-life insurance portfolio, accounting for 32% of total premiums at PKR 77 billion, up from PKR 71 billion in 2023. This was followed by Motor Insurance at 24% (PKR 58 billion), Engineering Insurance at 14% (PKR 33 billion), and Marine Insurance at 10% (PKR 25 billion). Premiums from dedicated personal lines, including home and household contents, individual health, and travel insurance, continued to remain modest, contributing only 1.4% of the total premiums in 2024.

- Claims paid by non-life insurance industry stood at Rs. 92 billion in the year 2024 compared to Rs. 84 billion last year. Highest claims were paid in the category of Motor insurance at 36% (Rs. 33 billion), followed by Fire and Property Damage at 22% (Rs. 21 billion).

- In 2024, Sindh led the non-life insurance market, contributing 50% of the total gross premiums. Punjab followed with a 37% share, while Khyber Pakhtunkhwa, Balochistan, Gilgit-Baltistan, and Azad Jammu & Kashmir each accounted for 4%. The Federal region comprised the remaining 9% of the market.

Nine months financial position 2025 vs 2024

Rupees in '000

	30 Sep. 2025	30 Sep. 2024	Variance %
Gross Insurance Premium / Takaful contribution	1,017,290	812,947	25
Net Insurance premium / Takaful contribution	474,755	422,566	12
Net Insurance claims / Takaful claims	117,445	134,875	(13)
Net Commission / Re-takaful rebate	87,426	81,638	7
Management Expenses / Takaful direct expense	175,695	139,763	26
Underwriting results Conventional / Takaful	94,190	66,289	42
Investment income Conventional / takaful	451,958	258,427	75
Other income	5,460	4,116	33
Other expense	62,833	48,535	29
Profit from takaful operations-Operators Fund	15,134	25,528	(41)
Profit before tax	492,261	304,231	62
Profit after tax	349,505	243,596	43
Earnings per share (Rs)	3.48	2.42	43

Balance Sheet

Rupees in '000

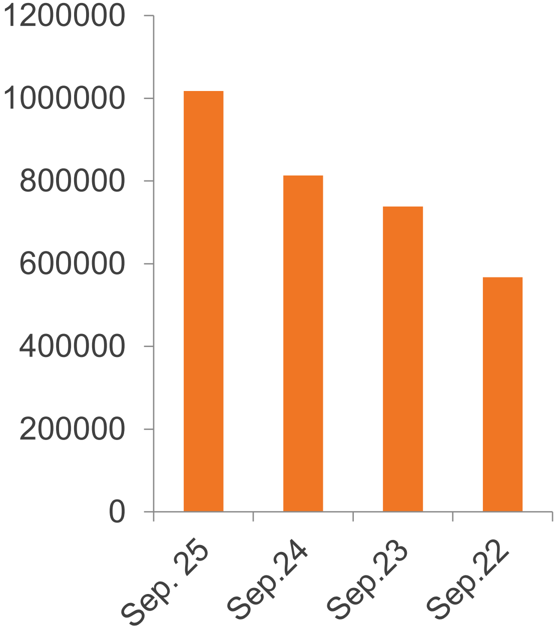
	30-09-2025	31-12-2024
Investments	1,620,546	1,313,687
Cash & Bank	121,031	102,206
Other Assets – Current	1,805,957	1,664,452
Other Assets – Non-current	129,792	104,760
Total Assets	**3,677,326**	**3,185,105**
Ordinary Share Capital	1,004,723	665,379
Reserves	968,019	907,052
Share Holder's Equity	1,972,742	1,572,431
Underwriting Provisions	834,277	866,700
Other Liabilities	870,307	745,974
Total Equity and Liabilities	**3,677,326**	**3,185,105**

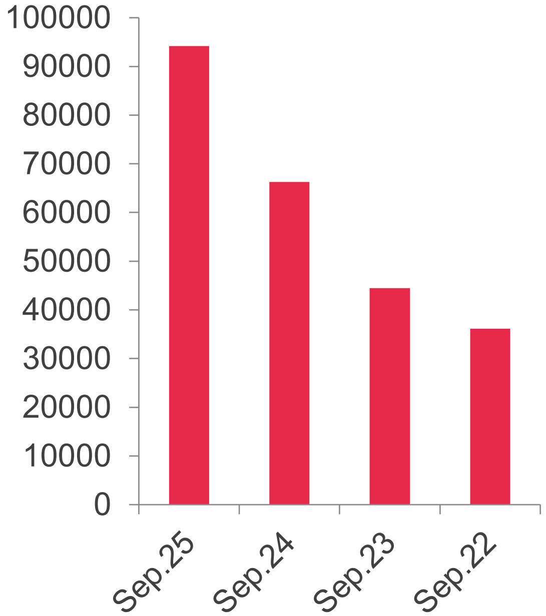
Twelve months financial position 2024 vs 2023

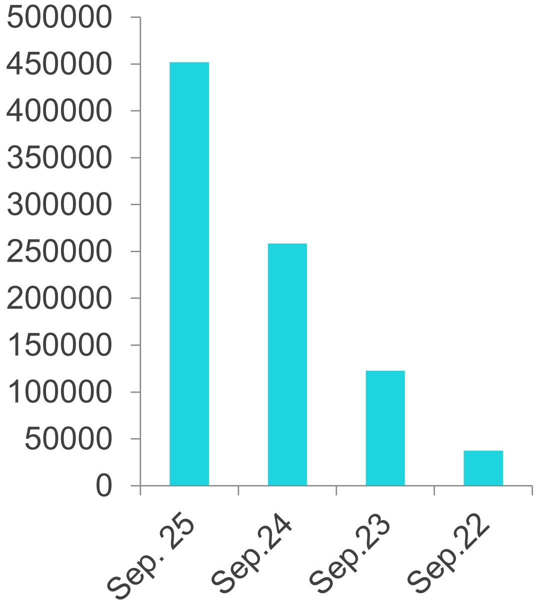
Rupees in ‘000

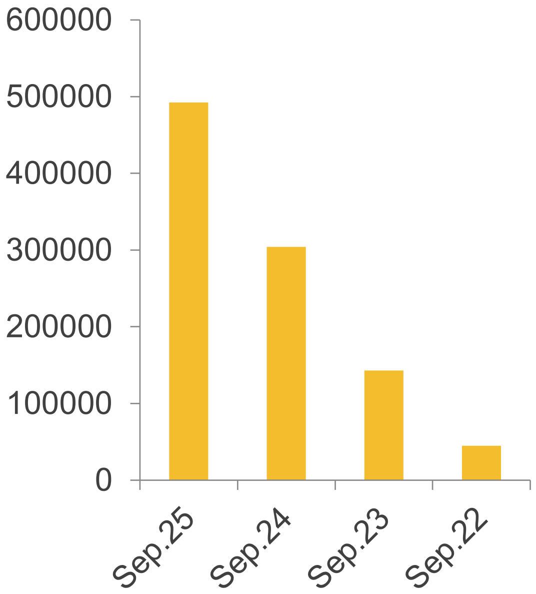
	31 Dec. 2024	31 Dec. 2023	Variance %
Gross Insurance Premium / Takaful contribution	1,217,148	1,105,781	10
Net Insurance premium / Takaful contribution	580,760	474,866	22
Net Insurance claims / Takaful claims	189,196	165,747	14
Net Commission / Re-takaful rebate	103,354	86,137	20
Management Expenses / Takaful direct expense	204,174	178,513	14
Underwriting results Conventional / Takaful	84,035	44,470	89
Investment income Conventional / takaful	412,249	253,767	62
Other income	4,501	5,564	(19)
Other expense	91,335	72,645	26
Profit from takaful operations-Operators Fund	30,072	29,171	3
Profit before tax	436,170	256,988	70
Profit after tax	301,853	171,898	76
Earnings per share (Rs)	4.54	2.58	76

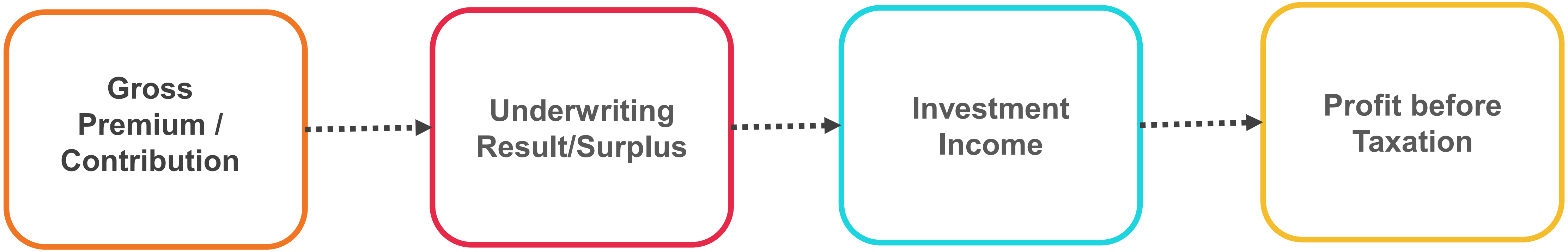
Graphical Presentation P & L



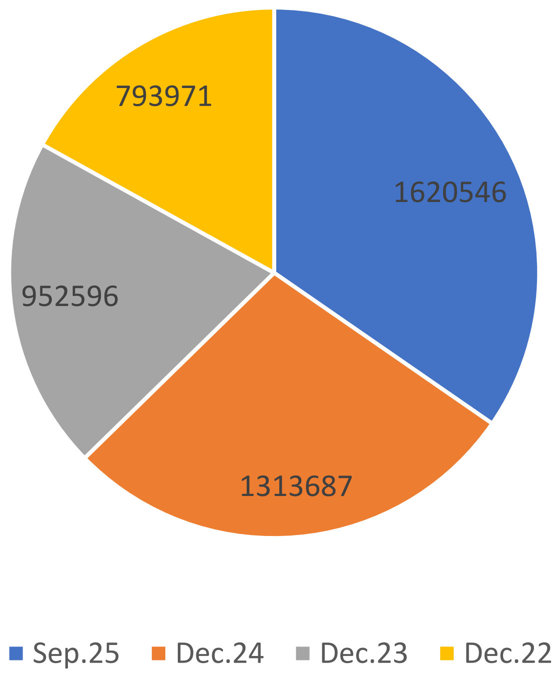




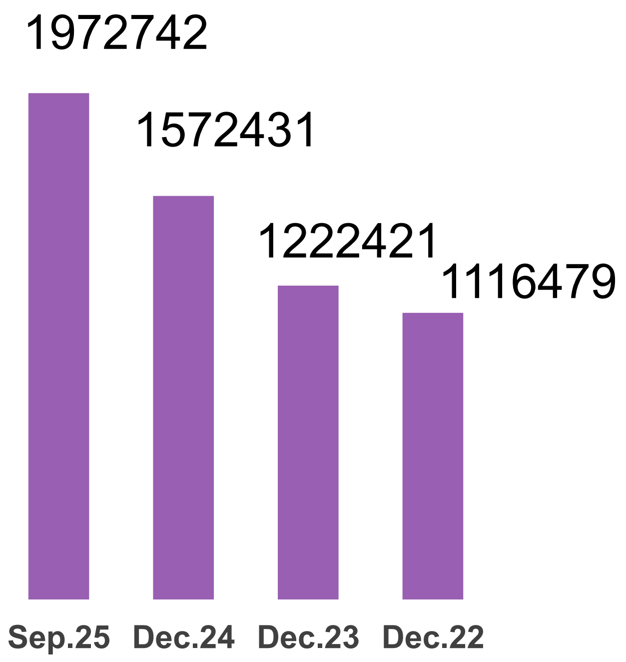




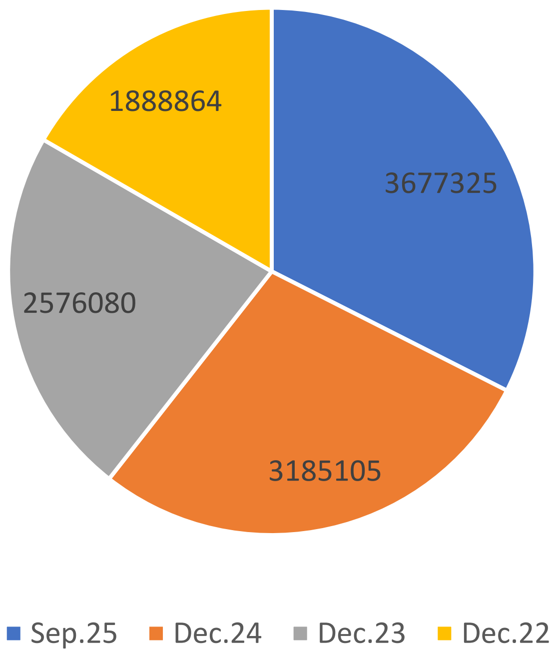
Graphical Presentation Balance Sheet



Investment



Shareholder Equity

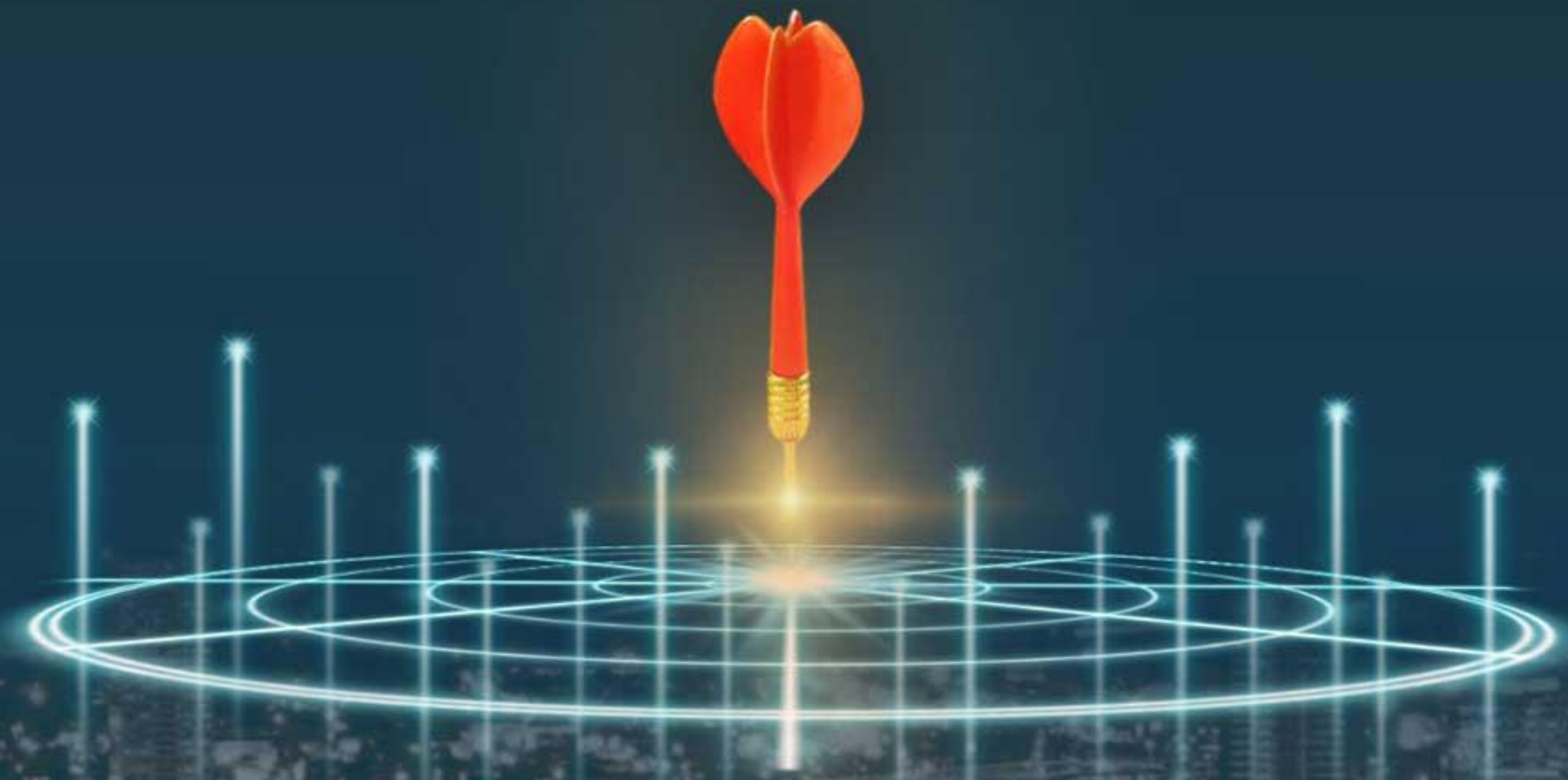


Assets

Forward-looking

With inflationary pressures easing, the reduction of the discount rate from **13% to 10.50%** signals a more supportive macroeconomic environment. Lower interest rates are expected to reduce financing costs, encourage investment activity, and strengthen overall market confidence. Key economic indicators have shown gradual improvement, including moderating inflation and more stable financial conditions. Nevertheless, achieving sustainable economic growth continues to face challenges, particularly amid global uncertainties and ongoing market volatility.

As we move into 2026, the Company remains cautiously optimistic. Our strategy will focus on **expanding the business while maintaining disciplined and prudent underwriting practices**. This balanced approach is critical to safeguarding profitability and managing risk effectively. We will continue to emphasize underwriting quality over volume, while also benefiting from improved investment income, to deliver stronger and more sustainable results.



THANK YOU

Q & A