

Corporate Briefing Session 2023



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.

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

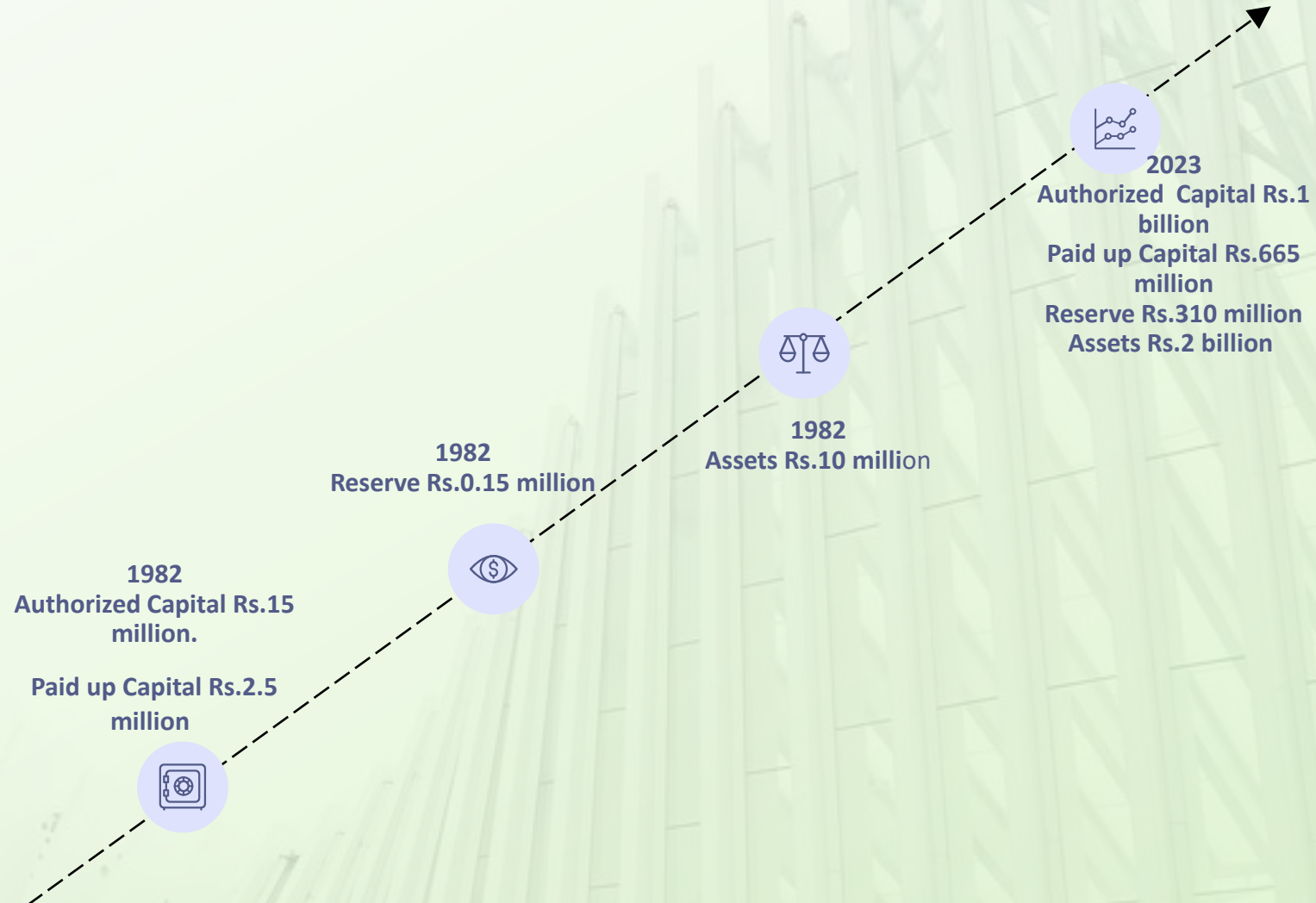
A. Razak Ahmed	Chief Executive & Managing Director
Ghulam Haider	Chief Financial Officer
Faraz	Company Secretary & Compliance Officer
M. A. Hannan Shadani	SVP - Underwriting Conventional
Najamullah Khan	SVP - Head of Takaful
Muhammad Siddique	Chief Manager Claims
Abdul Rahim Patni	Chief Manager Reinsurance

Company History



Capital Structure

RICL initiated its operations with a Share Capital of Rs.2.5 million and has demonstrated steady growth over time. The company's Authorized Capital has now reached Rs.1,000 million, with a paid-up share capital of Rs.665.379 million. This strong financial position underscores the company's reliability and stability. Reliance Insurance is growing steadily and stands on a sound footing with regards to its capital and intends to continue enhancing its capital base in the coming years commensurate with its growth. General Reserves stands at Rs.310 million.



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, Hannover Re, Kuwait Re, Peak Re, and Trust 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 GDP during FY24 is anticipated to remain moderate at 2.1 percent. The primary driver of this moderate growth is the recovery in the agriculture sector. The manufacturing sector has also experienced a moderate recovery, with growth in large-scale manufacturing turning positive. This positive trend follows a contraction in the preceding four quarters. In contrast to the positive trends in agriculture and manufacturing, growth in the services sector remains subdued.
- The SBP has decided to keep the policy rate unchanged at 22 percent. The policy rate, or the benchmark interest rate, is a crucial tool used by central banks to regulate economic activity. The decision takes into account the impact of the recent hike in gas prices on inflation in November. The inflation rate was higher than earlier expectations. The decision acknowledges that the recent increase in gas prices may have implications for the inflation outlook. Inflation refers to the general rise in prices of goods and services over time. Despite the impact of higher gas prices on inflation, the decision notes the presence of offsetting developments. Specifically mentioned are the recent decrease in international oil prices and improved availability of agricultural produce, which could help mitigate inflationary pressures.
- On external sector significant improvement in the current account balance, as the deficit narrowed by 65.9 percent y/y to \$1.1 billion during July-Oct FY24. While imports declined, exports inched up on the back of food items, especially rice.
- Improvement in fiscal sector continued, as both tax and non-tax revenues have shown strong growth. During July-Nov FY24 FBR tax collection grew by 29.6 percent.

Insurance Industry Overview

- Insurance Industry having 42 insurers which comprising 28 non-life Insurers, 2 General Takaful Operators, 8 Life Insurers, 3 Family Takaful Operators and 1 Reinsurance. On Takaful Sector having 7 Family Window Takaful Operators, 3 dedicated Family Takaful Operators, 21 General Window Takaful Operators and 2 dedicated General Takaful operators
- In terms of Gross Written Premium (GWP), Pakistan's non-life insurance industry has a total size of Rs.178 billion in the year 2022 compared to Rs. 140 billion in the year 2021, exhibiting growth of 27%. Premium written in the category of Fire and property damage was highest at 27% of total premium amounting to Rs.49 billion followed by motor insurance at 23% (Rs.40 billion) and Engineering at 17% (Rs. 30 billion). Dedicated personal lines of non-life insurance business (Home & Household contents, individual health and travel) constituted only 1% of the total premium in 2022.
- The agency/sales force channel remained a primary distribution channel. Together, these channels contributed to 84% of the total premium written. Brokers contributed 10% of the total premium. The digital channel accounted for 2% of the total premium.
- Claims paid by non-life insurance industry stood at Rs.69 billion in the year 2022 compared to Rs.53 billion last year. Highest claims were paid in the category of Motor insurance at 34% (Rs.23 billion), followed by Fire and property damage at 27% (Rs.18 billion).
- Out of the total gross premium of non-life insurance industry for the year 2022, 54% of the gross premium pertained to the province of Sindh followed by Punjab at 36% and Federal at 7%.
- Profitability (before tax) of industry for the year 2022 is Rs.17.70 billion against Rs.18.90 billion. The profitability for the year 2022 declined by 6 percent compared to the previous year.

Nine months financial position 2023 vs 2022

	Rupees in '000		
	Sep. 2023	Sep. 2022	Variance %
Gross Insurance Premium / Takaful contribution	738,160	567,311	30%
Net Insurance premium / Takaful contribution	335,041	256,796	30%
Net Insurance claims / Takaful claims	110,059	65,853	67%
Net Commission / Re-takaful rebate	62,413	49,700	26%
Management Expenses / Takaful direct expense	118,076	105,111	12%
Underwriting results Conventional / Takaful	47,635	38,109	25%
Investment income Conventional / takaful	122,648	37,544	227%
Other income	5,944	1,829	225%
Other expense	43,488	37,317	17%
Profit from takaful operations-Operators Fund	20,744	13,020	59%
Profit before tax	142,924	44,786	219%
Profit after tax	90,349	31,347	188%
Earnings per share (Rs)	1.36	0.47	189%

Balance Sheet

Rupees in '000

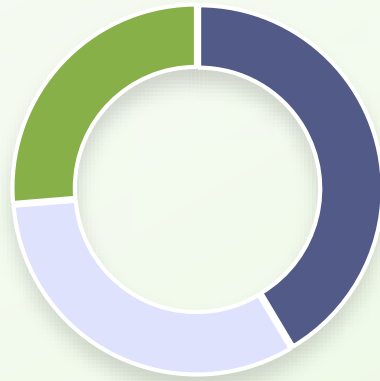
	30-09-2023	31-12-2022
Investments	832,568	793,971
Cash & Bank	108,183	101,815
Other Assets – Current	1,101,422	920,339
Other Assets – Non-current	<u>91,976</u>	<u>72,739</u>
Total Assets	<u>2,134,149</u>	<u>1,888.864</u>
Ordinary Share Capital	665,379	633,695
Share Holder's Equity	1,116,479	1,060,265
Reserves & Unappropriated Profit	453,501	426,521
Underwriting Provisions	742,471	559,371
Other Liabilities	<u>275,198</u>	<u>269,228</u>
Total Equity and Liabilities	<u>2,134,149</u>	<u>1,888,864</u>

Graphical Presentation Nine months P & L



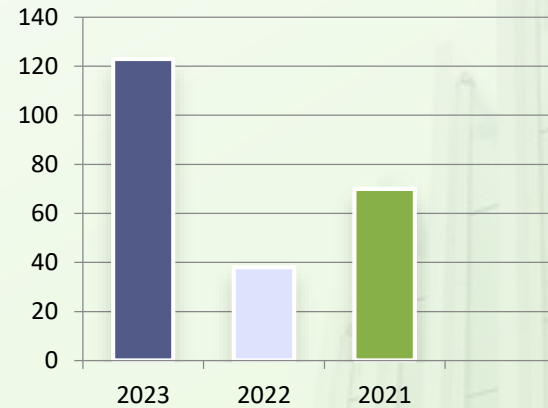
RICL growth driven by a combination of factors such as technological advancements, regulatory changes, market expansion, and a heightened awareness of the importance of insurance in managing various risks

Gross Premium



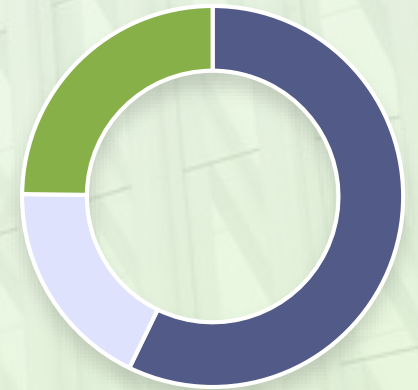
2023	Rs.728 m
2022	Rs.567 m
2021	Rs.462 m

Investment Income



2023	Rs.123 m
2022	Rs. 38 m
2021	Rs. 70 m

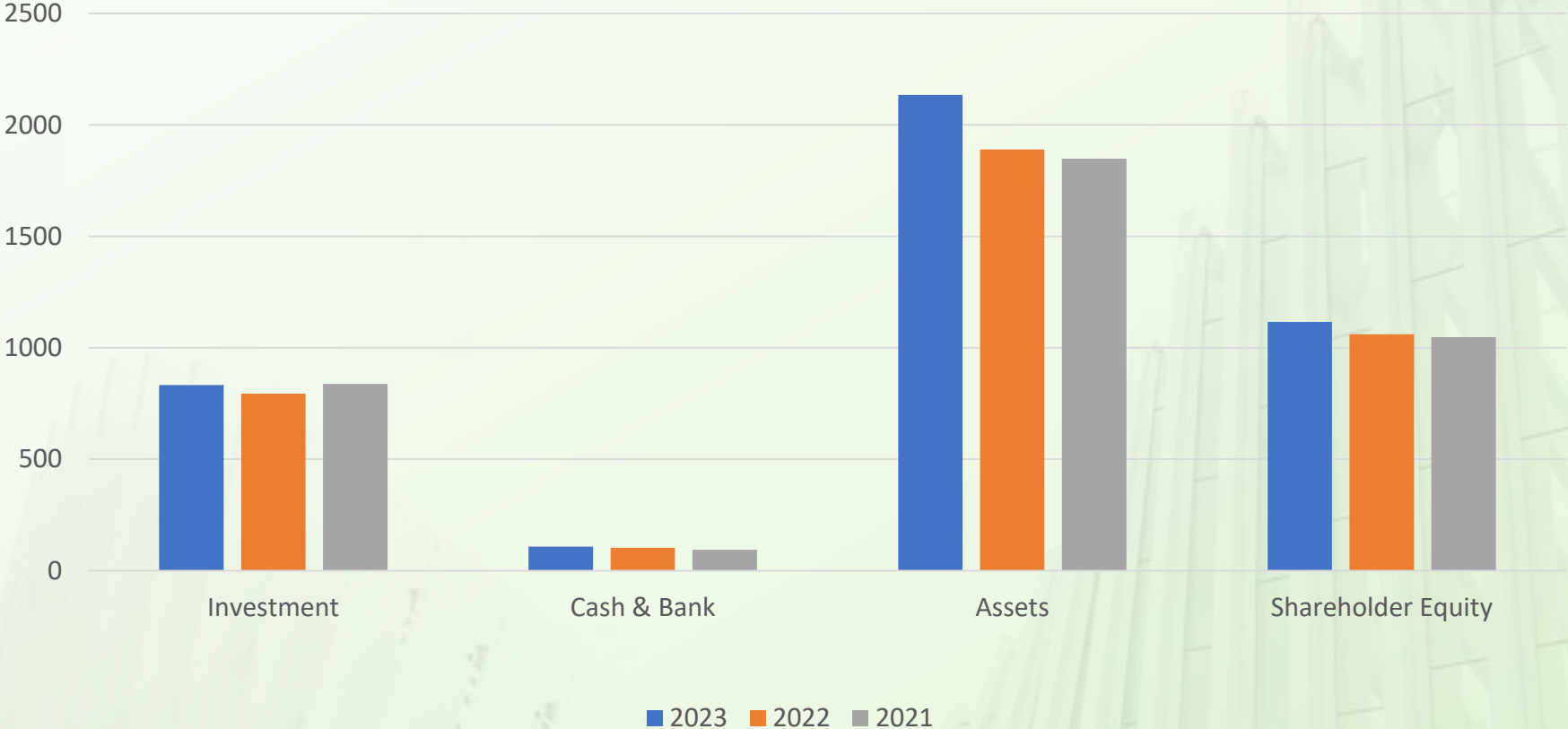
Profit before tax



2023	Rs.143 m
2022	Rs. 45 m
2021	Rs. 62 m

Graphical Presentation Balance Sheet

30-09-2023, 31-12-2022, 31-12-2021



Forward-looking



We, at Reliance Insurance are optimistic about future business prospects and strongly believe that we shall grow steadily and solidly in the years to come because of our positive businesslike approach and also the continued support of our valued clients, re-insurers and the shareholders. The Company is well positioned and fully focused to remain among one of the leading insurers of Pakistan not only in terms of volume but also in terms of financial strength, profitability, ethical conduct and social contribution. RICL is fully conscious of the challenges taking place and are taking necessary steps towards prudent & sound growth among others focusing on increasing the market share.

THANK YOU