Reliance Insurance Company Limited
....Rely on Reliance

CORPORATE BRIEFING SESSION 2021

Reliance Insurance

RELIANCE

- Company Brief
- Financial Details
- 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 & 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 handsome results. The present Authorized Capital of the Company is Rs.750 Million while Paid-up Capital has increased to Rs.603.52 million. General Reserve to Rs.270 million & the Shareholders' equity to Rs.1,042.37 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.630.99 million (inclusive of Takaful Contribution) at the end of the year 2020 and the Technical Reserves at Rs.523.73 million.

- Reliance Insurance having a network of 27 Branches at all important places throughout Pakistan employing a full time work force of 179 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. Muhammad Omar Zubair	-Chief Commercial Officer
Mr. Najmullah Khan	-Vice President (Head Of Takaful)
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 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. Sukkur Branch
9. Zonal Office Lahore
10. Regional Office Lahore
11. Gulberg Branch Lahore
12. Al Rehman Branch Lahore
13. Garden Town Branch Lahore
14. Eden Centre Branch Lahore
15. Empress Tower Branch Lahore
16. North Zone Corporate Branch, Lahore
17. Gujranwala Branch
18. Sahiwal Branch
19. Gujrat Branch
20. Faisal Complex Branch Faisalabad
21. Taj Palza Branch Faisalabad
22. Rawalpindi Branch
23. Multan Branch
24. Hasilpur Branch
25. Sialkot Branch
26. Gojra Branch
27. Peshawar Branch

Products

Fire

Marine

Vehicle

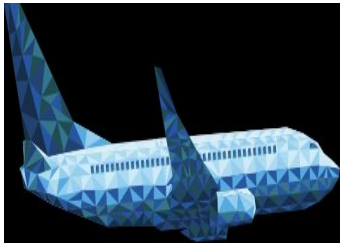
House & Property

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

- According to the SBP report, Pakistan' economy recovered during FY21, with real GDP growth to 3.9 percent.
- SBP Monetary Policy Committee decided to raise the policy rate by 100 basis points to 9.75 percent. The goal of this decision is to counter inflationary pressures and ensure that growth remains sustainable.
- Inflation and the trade deficit have risen further due to both high global prices and domestic economic growth. In November, headline inflation increased to 11.5 percent (y/y). On the external side, despite record exports, high global commodity prices contributed to a significant increase in the import bill. As a result, the November trade deficit rose to $5 billion based on PBS data.
- High-frequency indicators of domestic demand, including electricity generation, cement dispatches, and sales of fast-moving consumer goods and petroleum products, and continued strength in imports and tax revenues suggest that economic growth remains robust. The outlook for agriculture continues to be strong.

Insurance Industry
Registered Insurers in Pakistan

Type of Business	Public Sector	Private Sector	Total
Life Insurance	1	9*	10
Non Life Insurance	1	31**	32
Reinsurance	1	0	1
Total	3	40	43

* Includes 2 Family Takaful Operators

** Includes 2 General Takaful Operators

Insurance Industry Performance

- 31 Non Life Insurance Companies including General Takaful Operators Underwritten Gross Premium during the year 2020 is Rs.119 billion which is 0.28% of our GDP ratio.
- 22 Window Takaful Companies Gross contribution during the year 2020 is Rs.11 billion which is 0.03% of our of GDP ratio.
- Equity of Non Life Insurance Companies increased by 4.31% to Rs.111.176 billion as at December 31, 2020.
- Bottom line of asset of Non Life Insurance Companies stood at Rs.275.535 billion as at December 31, 2020 which is increase by 9.63%.
- Investment Income of Non Life insurance industry is increased to Rs.9.308 billion for the year 2020 against Rs.8.683 billion for the year 2019.
- Net claims paid during the year 2020 is Rs.27.680 billion against Rs.30.774 billion in the year 2019.
- Profitability (before tax) of industry for the year ended December 31, 2020 is Rs.19.808 billion against Rs.16.646 billion as reported on December 31, 2019.

General & Takaful Operations

Nine months financial Position 2021 vs. 2020

Rupees in '000

	Sep. 2021	Sep. 2020	Variance %
Gross Insurance premium/Takaful contribution	462,354	407,384	13.49
Net insurance premium/Takaful contribution	215,639	208,210	3.57
Net insurance claims/Takaful claims	56,186	51,072	10.01
Net Commission/Re-takaful rebate	38,880	32,804	18.52
Management Expenses/Takaful direct exp.	103,231	102,751	0.47
Underwriting results Conventional/Takaful	17,342	21,582	(19.65)
Investment income Conventional/ takaful	69,981	60,861	14.98
Other income	2,334	-	100.00
Other expenses	34,648	33,279	4.11
Profit from takaful operations-Operators Fund	7,854	12,993	(39.55)
Profit before tax	62,114	51,385	20.88
Income tax expense	15,063	5,745	162.19
Profit after tax	47,051	45,639	3.09
Earnings after tax per share – Rupees	0.78	0.76	

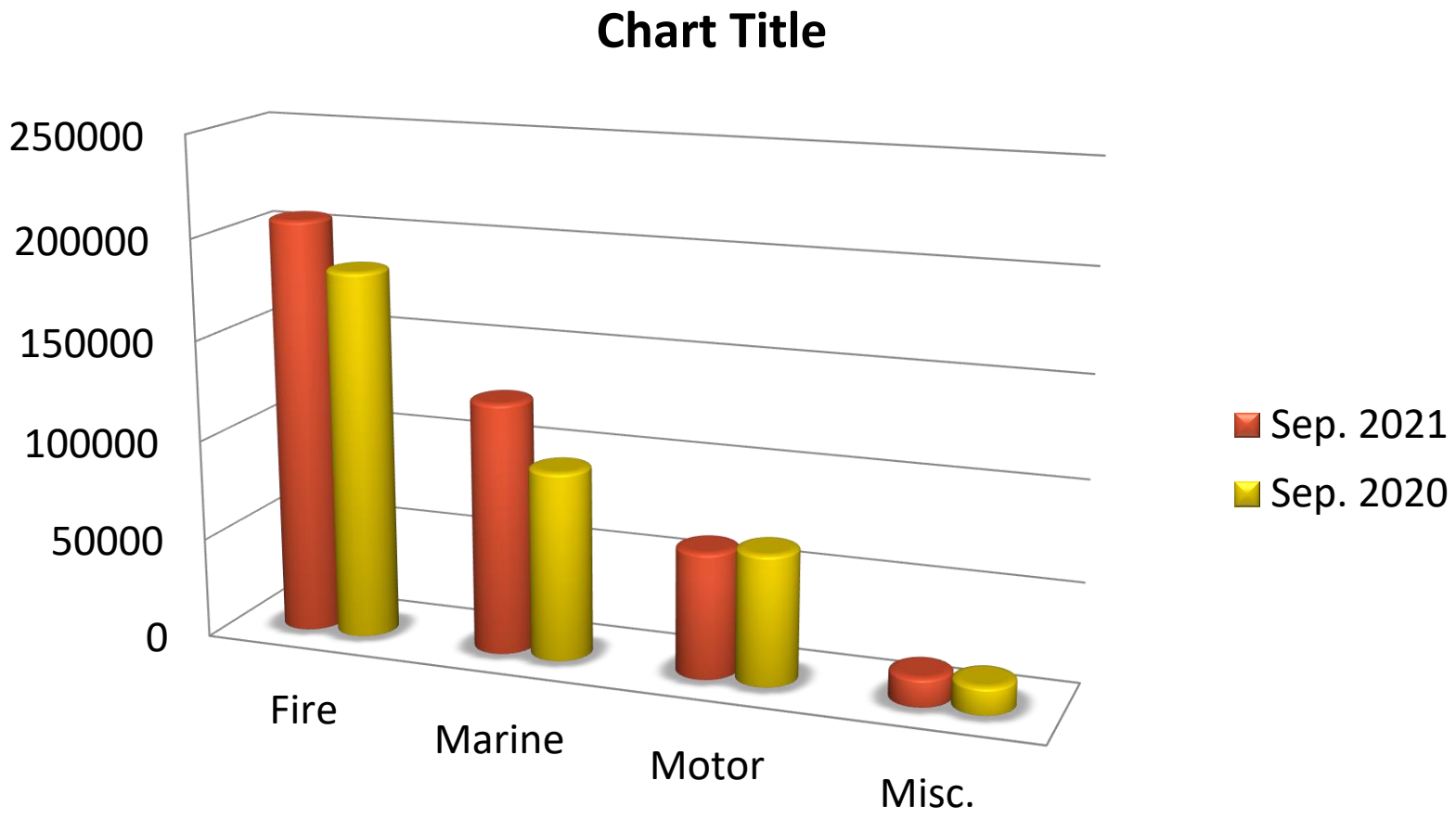
2 Years Key Financial Data

Rupees in '000

	2020	2019
• Ordinary Share Capital	561,413	561,413
• Share Holder's Equity	997,634	933,529
• Reserves	250,000	250,000
• Cash & Bank Balances	111,310	131,228
• Investment	813,517	777,312
• Total Assets	1,713,974	1,595,486
• Written Gross Premium	630,994	725,913
• Net Insurance Premium	379,314	413,736
• Net Insurance Claims	93,121	98,026
• Management Expenses	199,797	205,063
• Investment Income	83,543	92,725
• Underwriting Results	29,010	40,821
• Profit Before Tax	83,576	96,404
• Profit After Tax	68,495	71,211
• Earnings Per Shares-Rupee.	1.22	1.27
• Break up Value Per Share-Rupee.	17.77	16.63

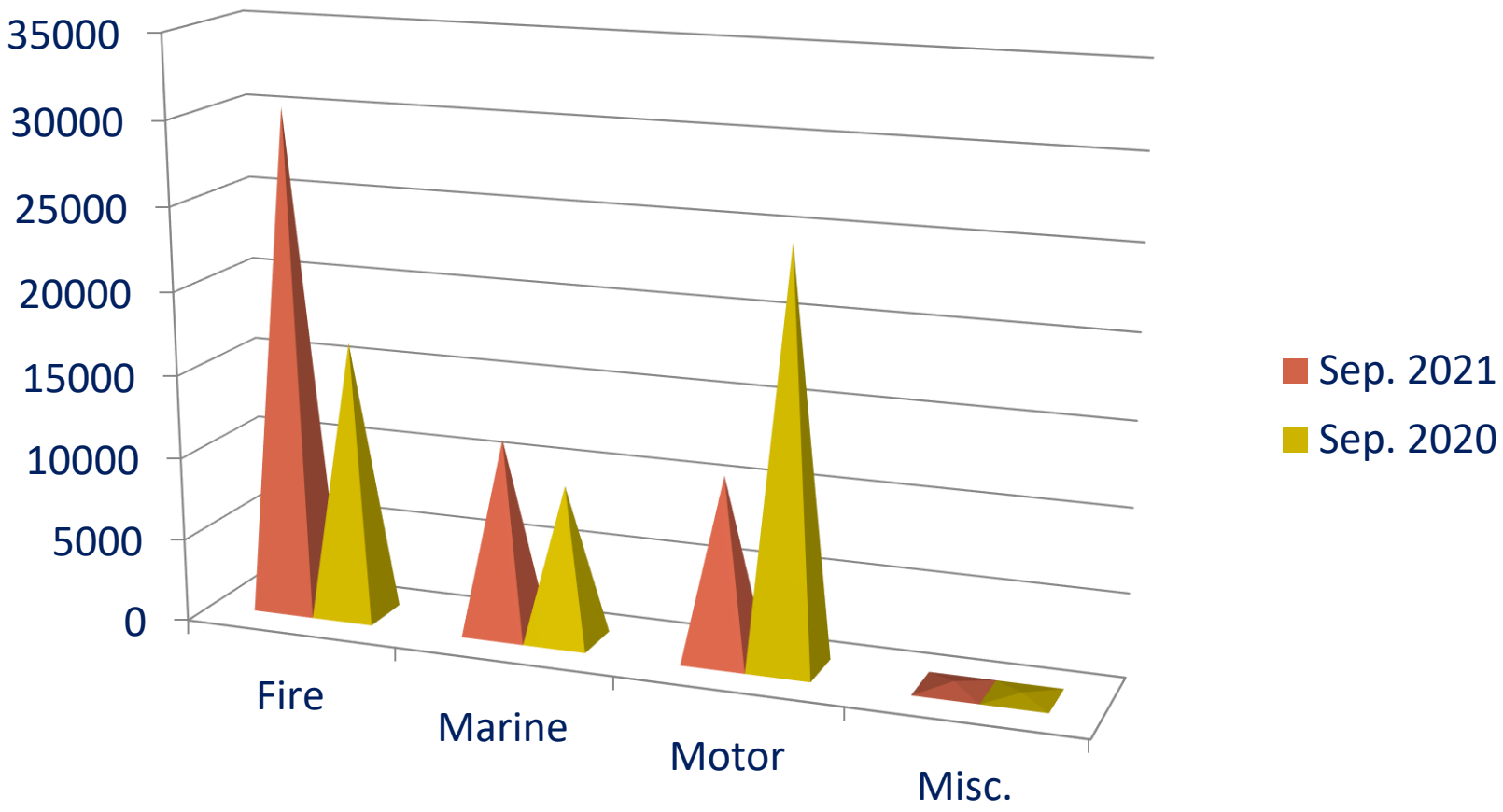
Top Line Analysis Gross Premium Sep. 2021 vs Sep. 2020 General

Rupees in '000

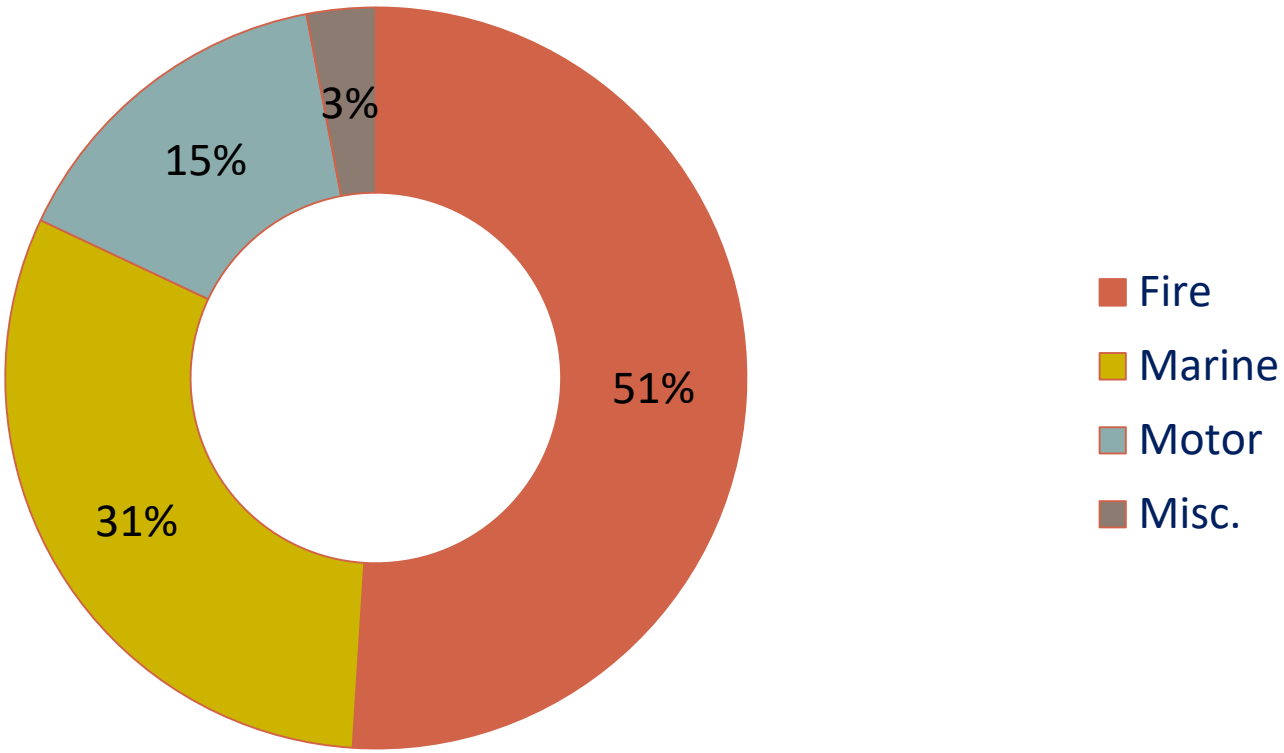


Top Line Analysis Gross Contribution Sep. 2021 vs Sep. 2020 Takaful

Rupees in '000

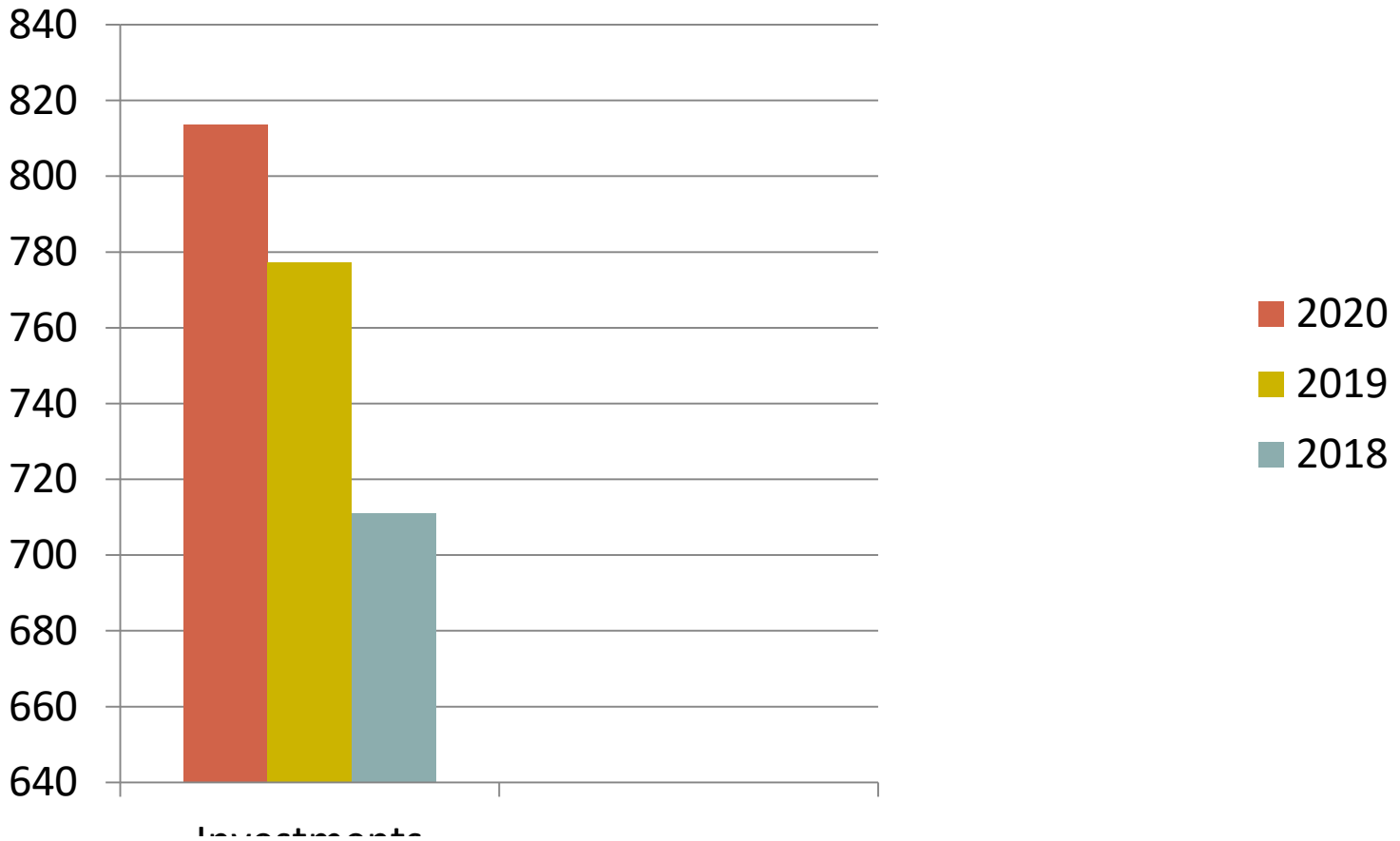


Gross premium department wise sharing



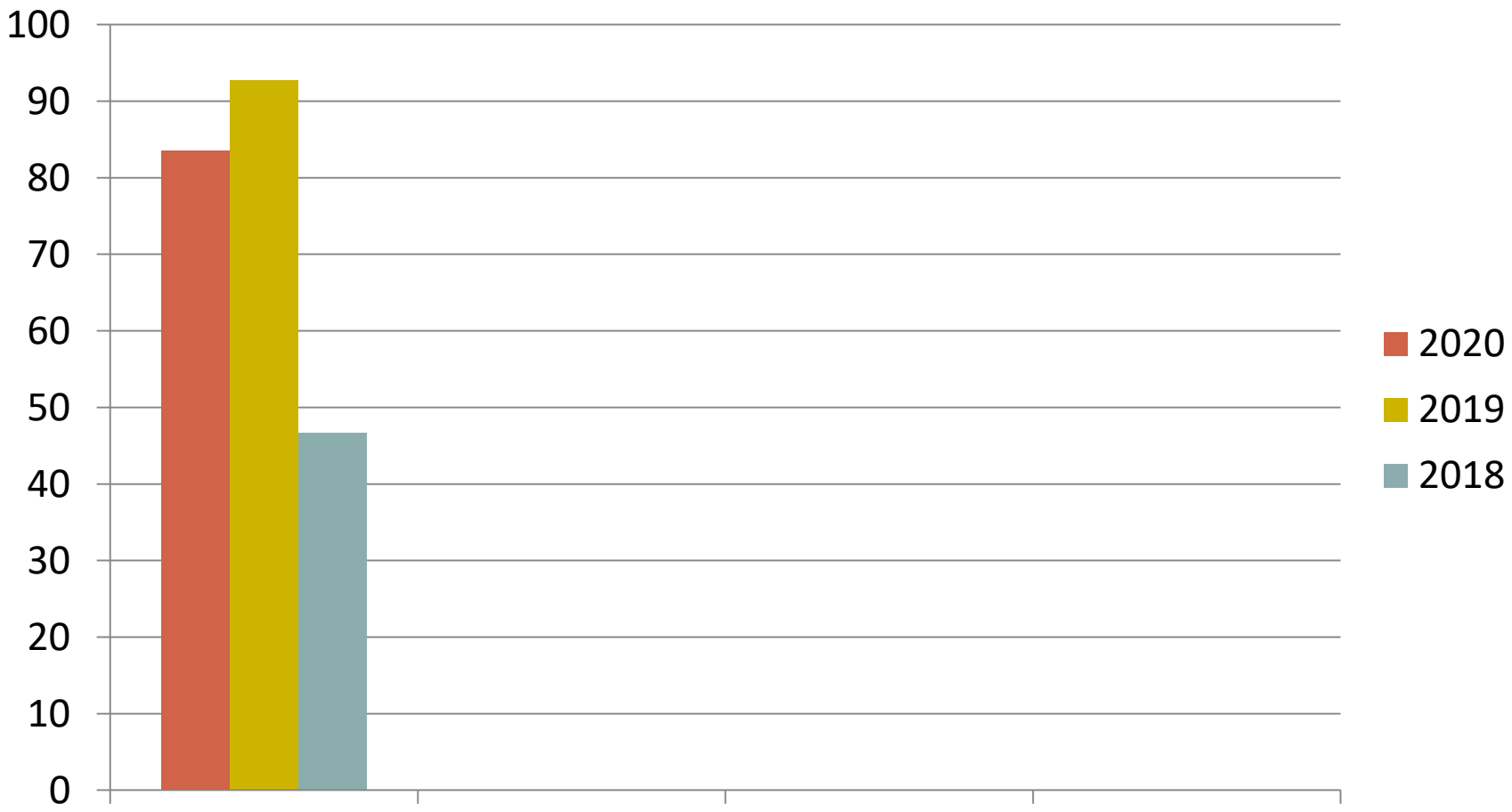
Investments

Rupees in ‘000



Investment income

Rupees in '000



Future outlook

The emergence of the new Coronavirus variant, Omicron, poses some concerns, but at this stage there is limited information about its severity.

Pakistan's economic growth rebounded to 3.9% in fiscal year (FY) 2021 and is expected to reach 4.0% in FY2022 as business activity gradually resumes in the second year of the coronavirus disease (COVID-19) pandemic.

The Government has already initiated a number of measures to check the rising current account deficit and local inflation, positive outcome on the IMF Program will strengthen foreign exchange reserves as well as bring the economic reforms on track.

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