

ADAMJEE INSURANCE COMPANY LTD.

# Corporate Briefing Session

*28 December 2023*



1. History & Introduction

2. Operational & Financial Performance

3. Outlook

4. Consolidated Financial Highlights

- Founded in 1960 and is listed on Pakistan Stock Exchange
- Belongs to Nishat Group
- Largest insurance company in Pakistan
- Commenced operations with a paid-up capital of Rs. 2.5 million, which now stands at Rs. 3.5 billion
- Incorporating 115 branches in Pakistan, 3 branches in the UAE and 1 branch in EPZ
- Staff strength of 938 employees
- AICL's (inclusive of UAE market) share stood at 24.7% in 2022 (2021: 22.5%). The market share of Pakistan business was at 18% in 2022 and 17% in 2021
- During the 6MCY23 AICL's share in Pakistan increased to 19%
- Only general insurer in Pakistan with overseas operations
- Market leader in the Power and Utility sectors
- Market leader in Infrastructure and Industrial Risks

# History & Introduction - Group Profile



- Nishat Group is one of the leading and most diverse business groups in Pakistan
- Assets over Rs. 2.980 trillion / USD 10 billion
- Strong presence in Financial Services (Banking, Insurance, Asset Management), Textiles, Cement and Power Generation
- Enhancing footprint in the Automobile, Real Estate, Hospitality & Shopping Malls, Dairy (wholesale & retail), Leasing & Aviation industry
- Direct and indirect holdings in the UAE, UK, SriLanka, Hong Kong, Bahrain and Azerbaijan
- Strategic partnerships with groups in Japan, Turkey & Malaysia



## Board of Directors

- Comprises eight Directors
- Two Independent Directors
- One Executive Director
- Five Non-executive Directors (including one female director)

## Board Committees

- Audit Committee
- Ethics, Human Resource & Remuneration Committee
- Investment Committee

## Management Committees

- Underwriting Committee
- Claim Settlement Committee
- Re-insurance & Co-insurance Committee
- Risk Management & Compliance Committee

# History & Introduction - Accomplishments



- IFS Rating of “AA++” by Pakistan Credit Rating Agency (PACRA)
- FSR of “B” (Negative Outlook) & ICR “BB” by AM Best, UK
- Secured Top Position in Insurance Sector for Best Corporate Report Awards for three consecutive years from 2020 to 2022 by ICAP & ICMAP
- Bronze Award in Insurance Category of SAFA Best Presented Annual Report Awards 2021 & Certificate of Merit in 2020 & 2022
- Secured Silver Position in SAARC Anniversary Award for Corporate Governance 2021 and Certificate of Merit in 2020
- Winner of Asia’s Outstanding Insurance Company in Pakistan 2020 by Asia Money
- Best Domestic General Insurer 2019 in Pakistan by Insurance Asia, Singapore
- Best General Insurance Company in Pakistan in 2020, 2019, 2018 & 2017 by World Finance
- Breakthrough Insurer of the Year 2019 by YALLACOMPARE Banking and Insurance Awards UAE
- First insurance company in Pakistan having Tier-3 compliant Data Centre
- Certified Green Office by WWF - ‘ To Reduce Carbon Footprint’
- Awarded as the “Distinguished Insurance Company 2018 under One Belt One Road initiative” by Insurance Research Institute of Fudan University, China
- Certification of ISO 9001:2015 by Lloyd’s Register Quality Assurance

# Operational & Financial Performance - Highlights



Particulars	31-Dec						30-Sep
	CY17	CY18	CY19	CY20	CY21	CY22	9MCY23
	(PKR in Mn's)						

## Balance Sheet

Total Assets	47,388	47,845	49,538	49,520	61,641	73,766	<b>93,786</b>
Liquid Assets	4,716	6,954	7,425	7,287	9,089	11,870	<b>12,810</b>
Investments - Market Value	23,749	24,114	25,888	26,596	31,069	27,975	<b>32,007</b>
Total Equity / Net Book Value	20,364	19,663	21,380	22,235	25,390	24,919	<b>28,000</b>

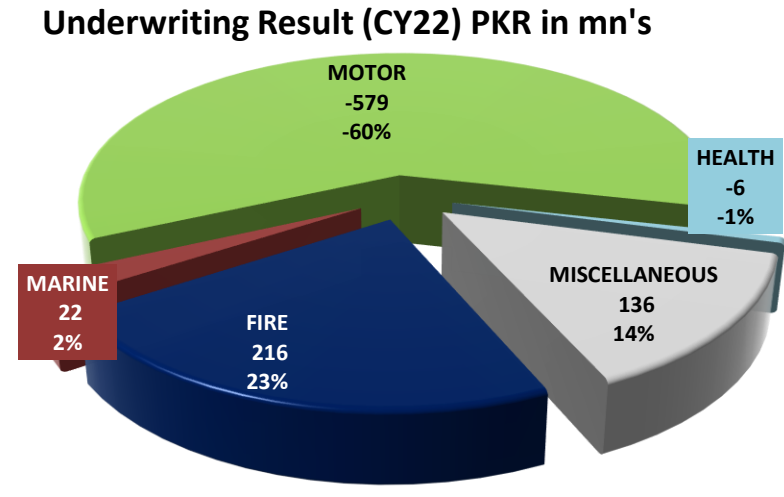
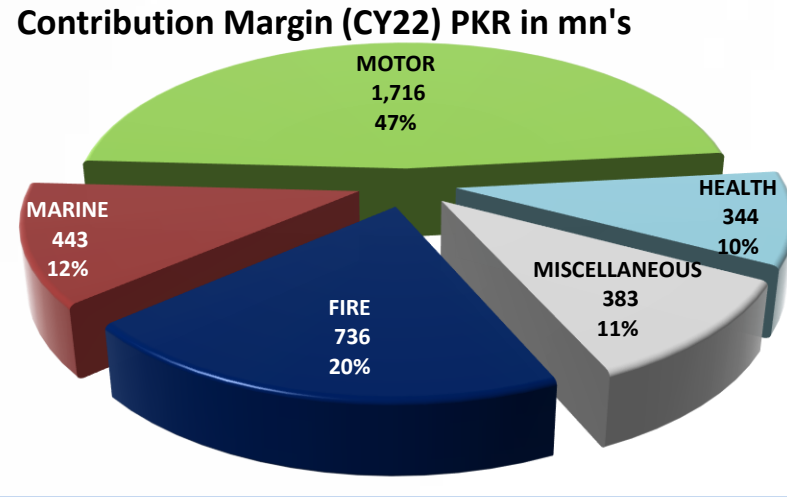
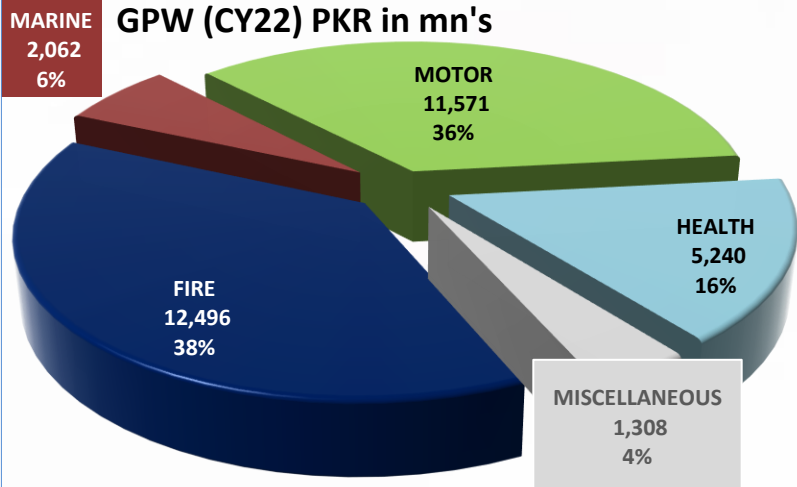
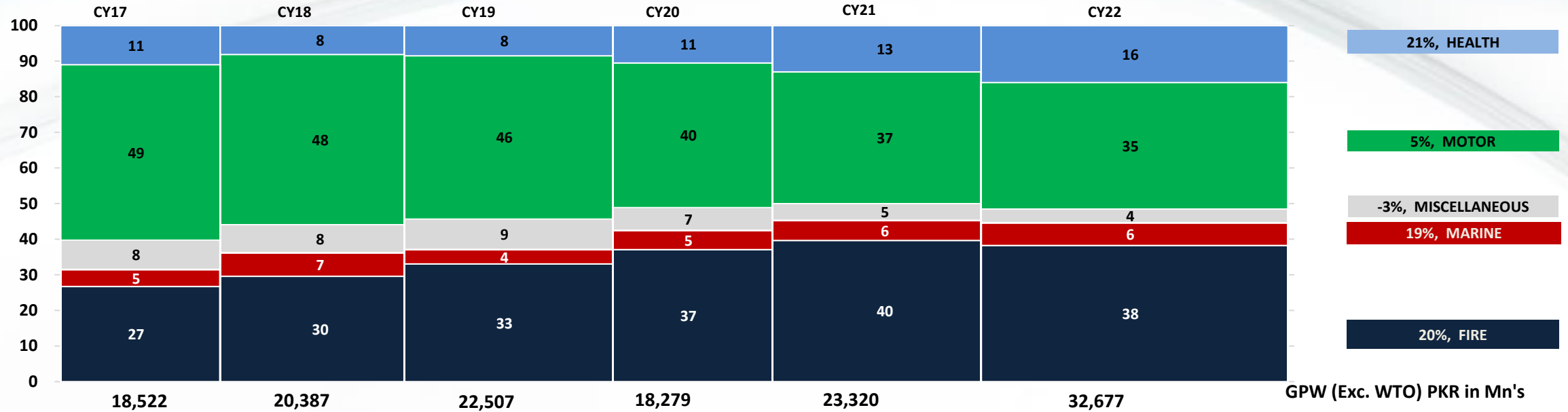
## Income Statement

Gross premium written (incl. Takaful operations)	19,265	21,489	23,720	19,805	24,785	35,191	<b>35,082</b>
Gross premium written (Conventional only)	18,522	20,387	22,507	18,279	23,320	32,677	<b>32,710</b>
Net Premium Revenue	11,535	13,806	15,434	13,295	12,552	16,980	<b>14,383</b>
Underwriting results	557	816	654	376	672	(209)	<b>(801)</b>
Investment Income	1,494	1,285	1,372	1,093	2,469	2,128	<b>3,089</b>
Operational Profit (incl. Takaful operations)	2,121	2,174	2,542	1,925	4,455	3,183	<b>3,285</b>
Profit After Tax	1,221	1,239	1,813	1,876	3,136	2,585	<b>1,868</b>

# Business Mix - 2022



### Historical Business Mix - GPW (%)

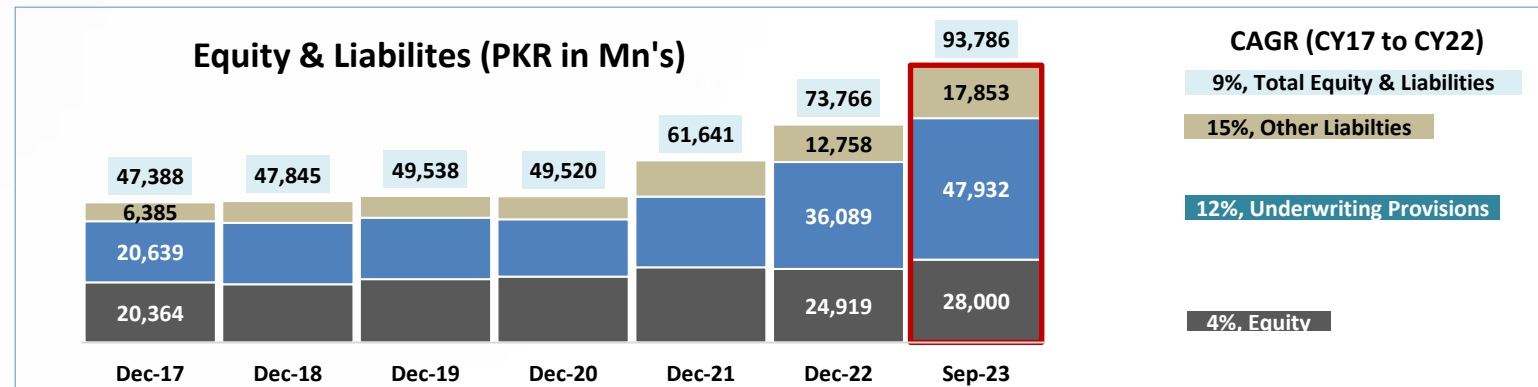
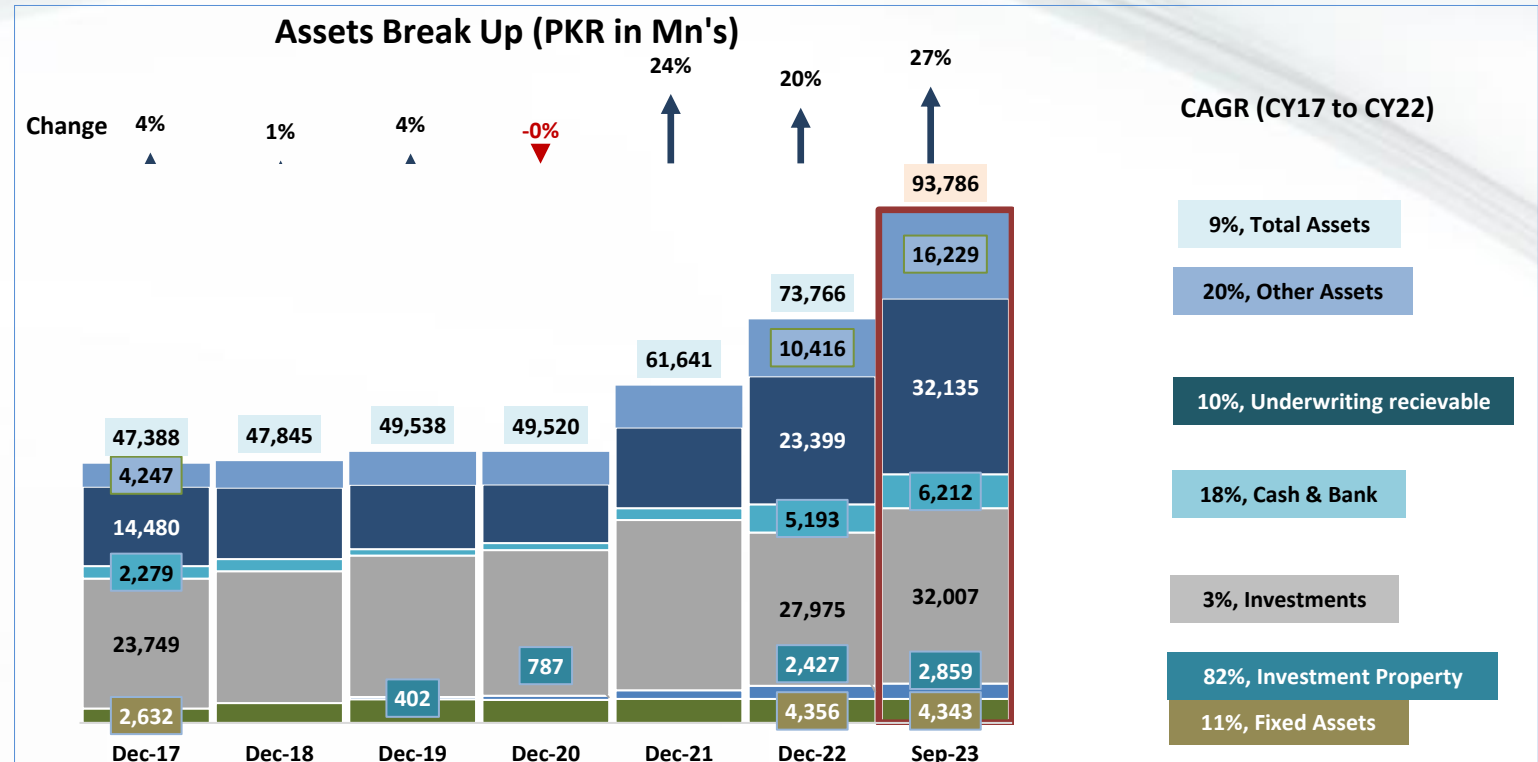




# Financial Strength



- Asset base of the Company has increased over the last five years, registering a CAGR of 9%.
- Investments grew at the CAGR of 3% during the last five years.
- Growth in Investment property witnessed a CAGR of 82% during the last three years.
- Equity has also registered a CAGR of 4% over the last five years despite the slowdown due to Covid-19.

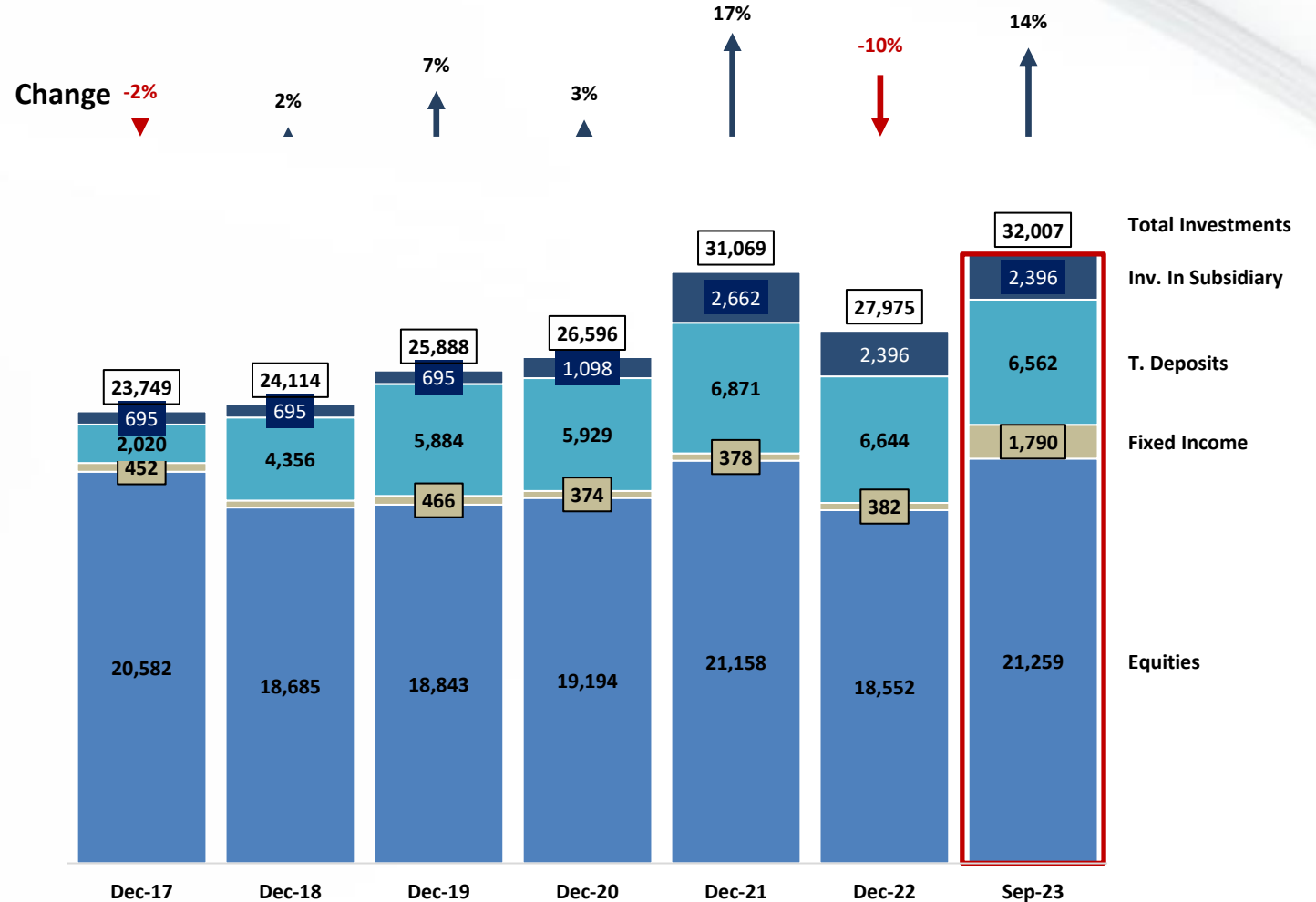


- Total Investments of the company increased at a CAGR of 3% over the span of recent 5 years.
- Recent Investment mix has been as follows:

Investments	Dec-21	Dec-22	Sep-23
Equities	68%	66%	66%
Fixed Income	1%	1%	6%
T. Deposits	22%	24%	21%
Subsidiary	9%	9%	7%

- During the year 2022, Allocation in equities decreased from 68% of investments to 66% of total investments while the share of term deposits increased from 22% to 24%

Investments Break up (PKR in Mn's)



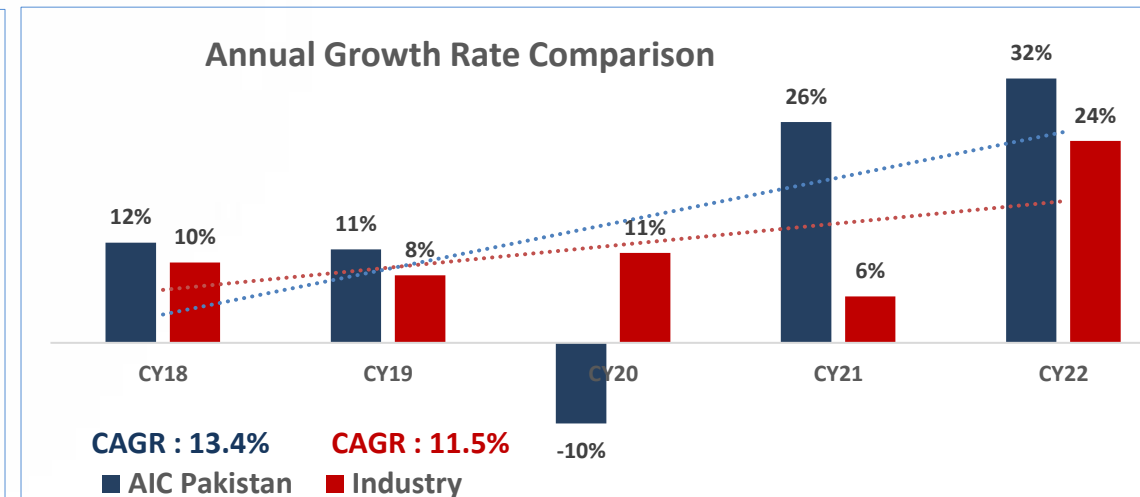
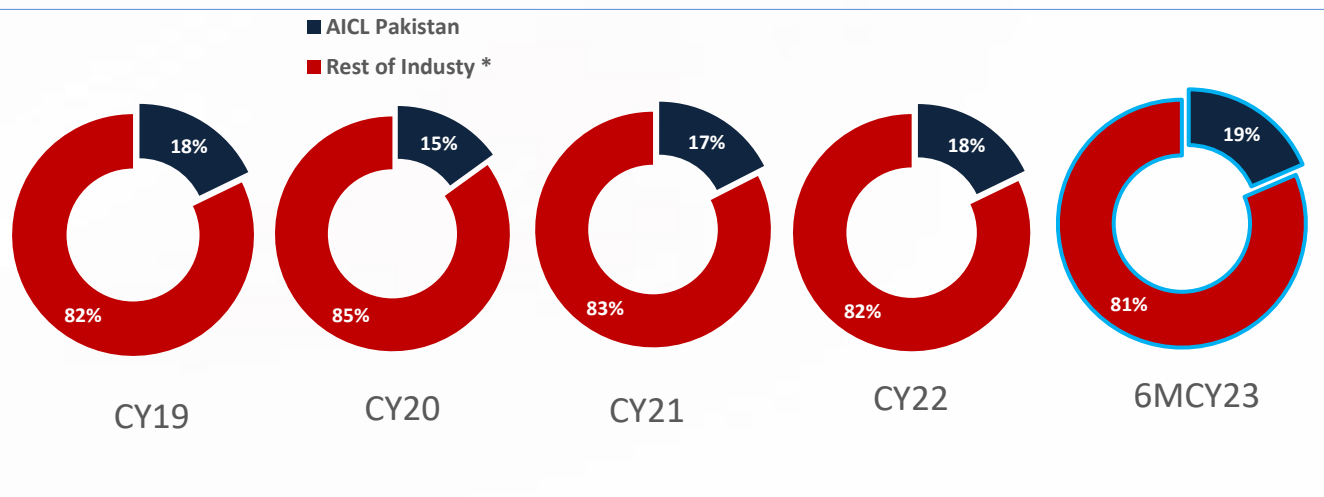
# Industry Comparison



## Gross Premium Written - AICL's Market Share in Pakistan

Year Ended 31 December	AICL Pakistan	Rest of Industry *	Total	AICL Inside Pakistan
	Rupees in thousand			% age
<b>6M CY23</b>	<b>13,452,209</b>	<b>59,051,187</b>	<b>72,503,396</b>	<b>19%</b>
CY22	22,442,428	99,845,483	122,287,911	18%
CY21	17,036,745	80,386,088	97,422,833	17%
CY20	13,469,232	76,164,738	89,633,970	15%
CY19	14,915,468	68,759,605	83,675,073	18%
CY18	13,413,513	63,621,774	77,035,287	17%
CY17	11,975,818	58,032,466	70,008,284	17%
<b>CAGR</b>	<b>13.4%</b>	<b>11.5%</b>	<b>11.8%</b>	

\* Rest of Industry figures obtained from website of Insurance Association of Pakistan (IAP).



# Dividend History



## Paid Basis

Year	Cash Dividend			Yield
	% age	Rs. Per share	Total (PKR in Mn's)	% age
CY22	30%	3.0	1,050	11%
CY21	28%	2.8	963	7%
CY20	28%	2.8	963	7%
CY19	25%	2.5	875	6%
CY18	20%	2.0	700	5%
CY17	40%	4.0	1,400	8%

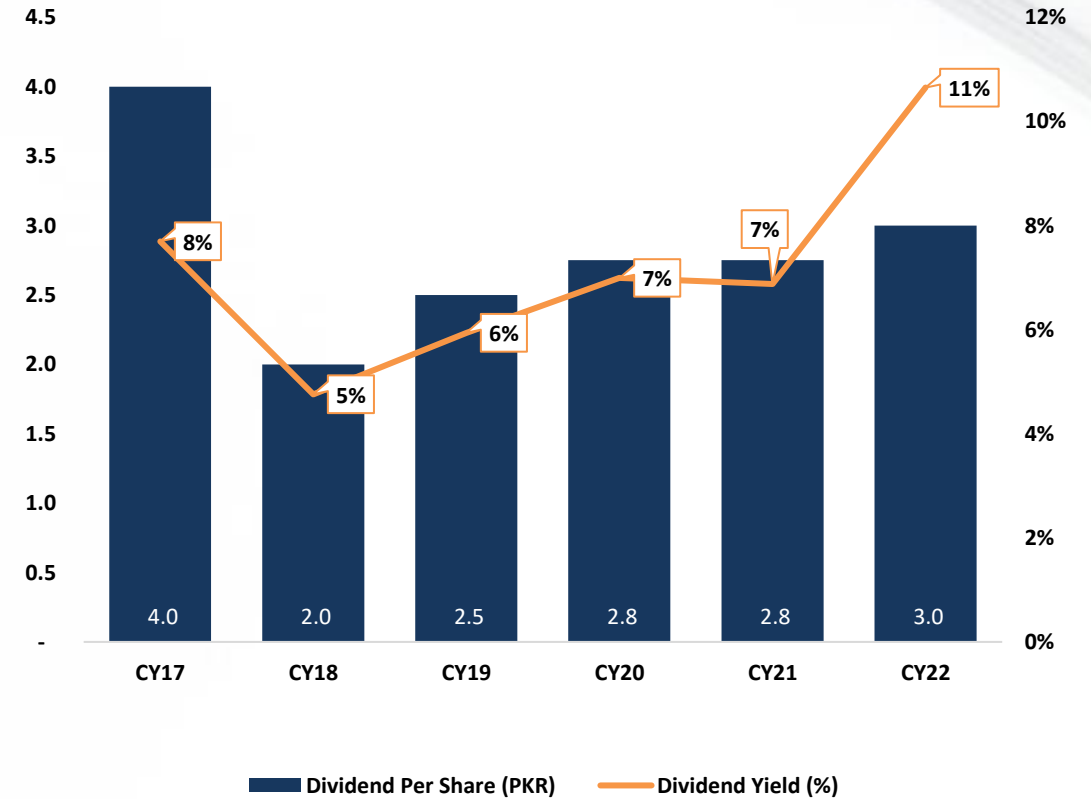
**Total**

**5,950**

**Average dividend per year**

**992**

**Dividend Paid Basis**



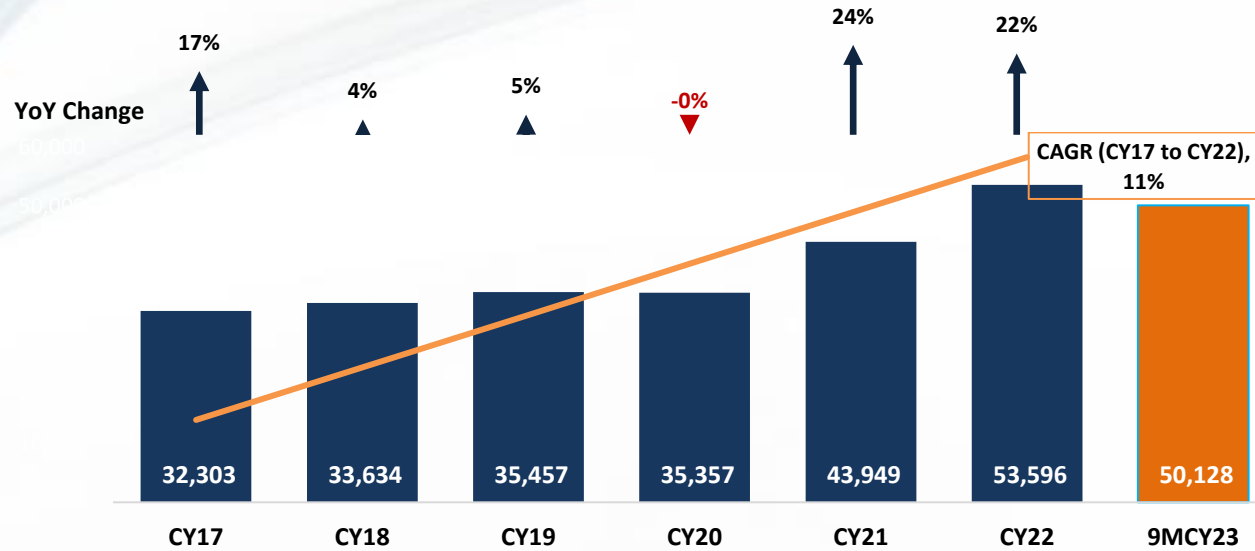
- The economy posted meager real GDP growth of 0.29 percent in the fiscal year 2023. This has been mainly due to deceleration of global economic growth and macroeconomic imbalances.
- The increase in international oil and commodity prices has resulted in high inflation in the country during the ongoing financial year. The inflation stood at 29.2% in Nov-23 (YoY).
- The government is maintaining tight monetary policies aimed at improving macroeconomic indicators focusing on addressing high inflation and improving economic growth which includes maintaining the SBP policy rate at 22%.
- We have been continuously monitoring the challenging ongoing economic situation and taking adequate measures which best suits the company and its shareholders. It is expected that political stability will return to the country in 2024 turning around the tough economic conditions, depleting foreign exchange reserves and increasing inflation.

- ALACL was incorporated on 4 August 2008 and started its operation on 24 April 2009.
- It was initially a joint venture between AICL and Hollard Life Assurance Company Limited, an associate company of IVM Intersurer B.V. Before February 2020, AICL held a 74.28% stake in ALACL. In February 2020, AICL acquired non-controlling shares (representing 25.72%) of ALACL after obtaining requisite approvals. Following this acquisition, ALACL became a wholly-owned subsidiary (100%) of AICL.
- ALACL is listed on Pakistan Stock Exchange (PSX) followed by an offer of 25 million ordinary shares of par value Rs10, i.e. 10 percent of the total post-IPO paid-up capital of the company subscribed at Rs. 28/ - per share.
- Listing of ALACL was completed on March 03, 2022, by offering 25,000,000 shares of ALACL constituting 10% of total shares of the ALACL held by AICL (Post-IPO, No. of Shares held by AICL are 225,000,000). Eventually, the percentage of holding of the ALACL by the AICL changed to 90% from 100%.

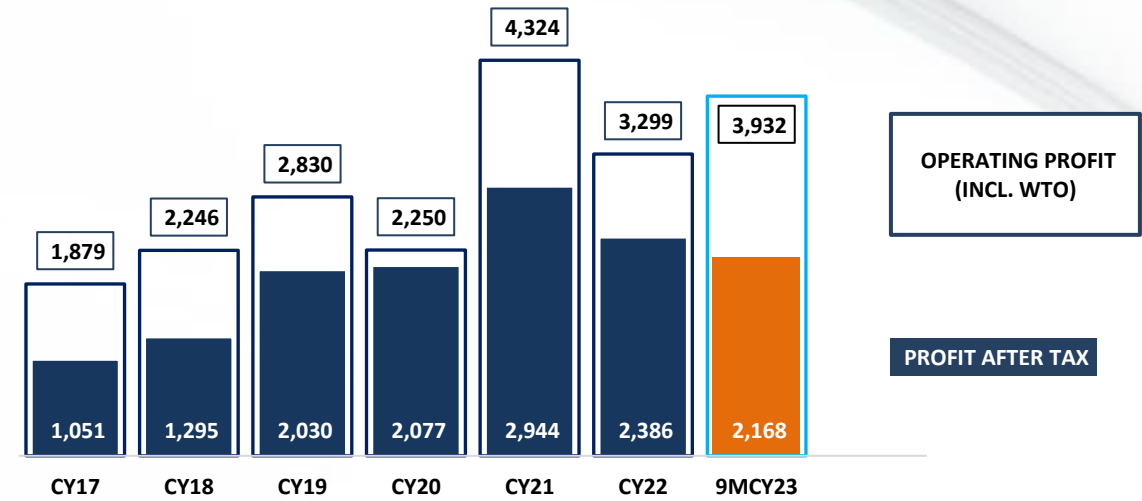
# Consolidated Financial Highlights



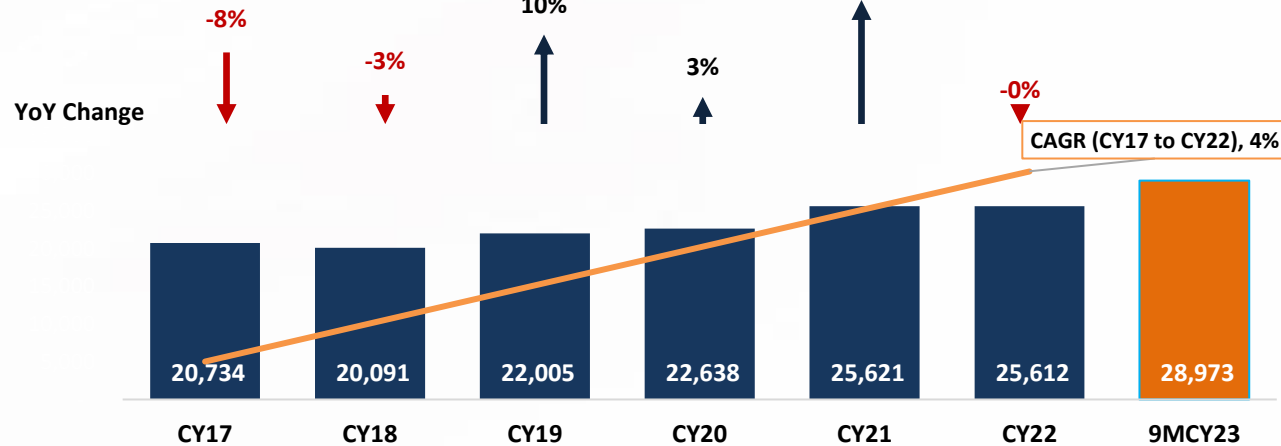
### Gross Premium Written (PKR in mn's)



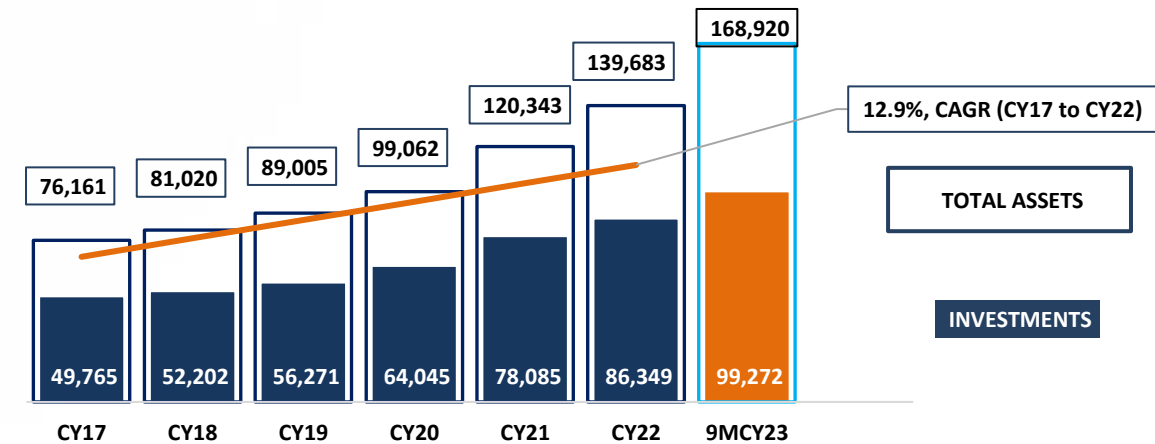
### Profit or Loss Analysis (PKR in mn's)



### Equity (PKR in mn's)



### Total Assets vs Investments (PKR in mn's)



Explore  
Innovate  
Differentiate

**Thank You!**

