

ADAMJEE INSURANCE COMPANY LTD.

# Corporate Briefing Session

December 30, 2024



1. Company Profile

2. Operational Development & Financial Performance

3. Outlook

4. Consolidated Financial Highlights

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# Profile of Company



- Founded in 1960 and is listed on Pakistan Stock Exchange
- Relates to Nishat Group
- Largest non-life 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 124 branches (117 Conventional & 7 WTO) in Pakistan, 1 branch in EPZ Karachi and 3 branches in the UAE
- Staff strength of 948 employees
- Market share of AICL's conventional business is 18% and window takaful operations is 13% in Pakistan
- The only general insurer in Pakistan with overseas operations, contributing 36% to the total conventional business
- Market leader in Utilities, Infrastructure and Industrial Risks

- Nishat Group is one of the leading and most diverse business groups in Pakistan
- Assets over Rs. 3.5 trillion (USD 12.5 billion approx.)
- Strong presence in Financial Services (Banking, Insurance, Asset Management), Textiles, Cement and Power Generation
- Increasing footprint in the Automobile, Dairy (wholesale & retail), Real Estate, Hospitality & Shopping Malls, Leasing & Aviation industry
- Direct and indirect holdings in the UAE, UK, Sri Lanka, 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

- IFS Rating of “AA++” by Pakistan Credit Rating Agency (PACRA)
- FSR of “B” (Fair) & ICR “BB” (Fair) with Negative Outlook by AM Best, UK
- Secured Top Position in Insurance Sector for Best Corporate Report Awards for Four consecutive years from 2020 to 2023 by ICAP & ICMAP
- Bronze Award in Insurance Category of SAFA Best Presented Annual Report Awards 2023 and 2021 & Certificate of Merit in 2020 & 2022. Secured Silver Position in SAARC Anniversary Award for Corporate Governance 2021
- Top 25 Companies Award in 2023 by Pakistan Stock Exchange (PSX)
- Digital Transformation Award 2024 by CXO Global
- Most Sustainable General Insurance Company Award 2024 by The Global Economics
- Winner of Asia’s Outstanding Insurance Company in Pakistan 2020 & 2023 by Asia Money
- First insurance company in Pakistan having Tier-3 compliant Data Centre
- Certification of ISO 9001:2015 by Lloyd’s Register Quality Assurance

# Operational & Financial Performance - Highlights



Particulars	31-Dec					30-Sep
	CY19	CY20	CY21	CY22	CY23	9MCY24
	(PKR in Mn's)					

## Balance Sheet

Total Assets	49,538	49,520	61,641	73,766	90,128	109,994
Liquid Assets	7,425	7,287	9,089	11,870	12,305	15,691
Investments - Market Value	25,888	26,596	31,069	26,991	36,039	46,392
Total Equity & Surplus	21,380	22,235	25,390	24,919	30,651	36,191

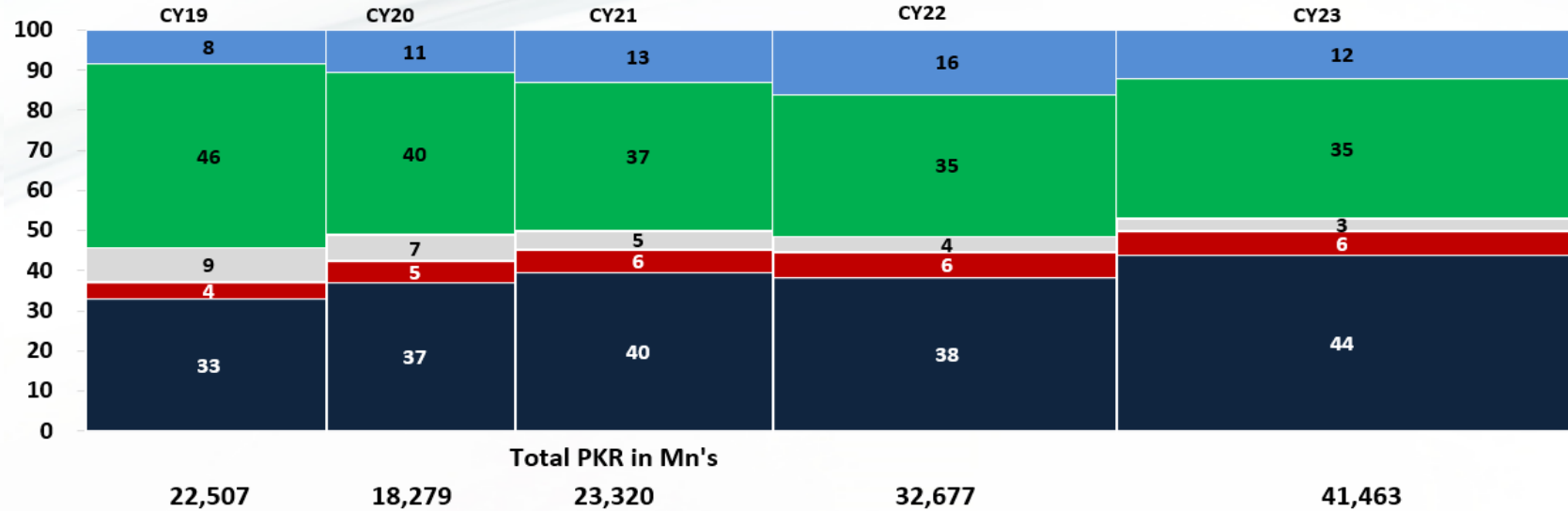
## Income Statement

Gross premium written (incl. Takaful operations)	23,720	19,805	24,785	35,191	44,329	46,909
Gross premium written (Conventional only)	22,507	18,279	23,320	32,677	41,463	43,889
Net Premium Revenue	15,434	13,295	12,552	16,980	19,319	19,065
Underwriting results	654	376	672	(209)	(1,365)	271
Investment Income	1,372	1,093	2,469	2,128	3,903	3,934
Operational Profit (incl. Takaful operations)	2,541	1,925	4,455	3,182	3,917	4,939
Profit After Tax	1,813	1,876	3,136	2,585	2,262	2,984

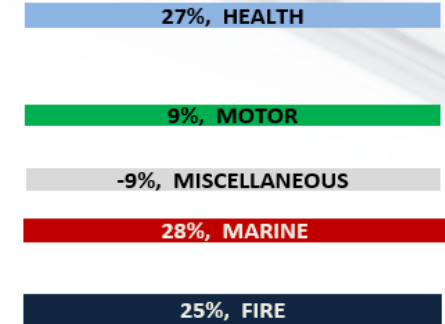
# Business Mix – 2019 to 2023



### Historical Business Mix - GPW (%)

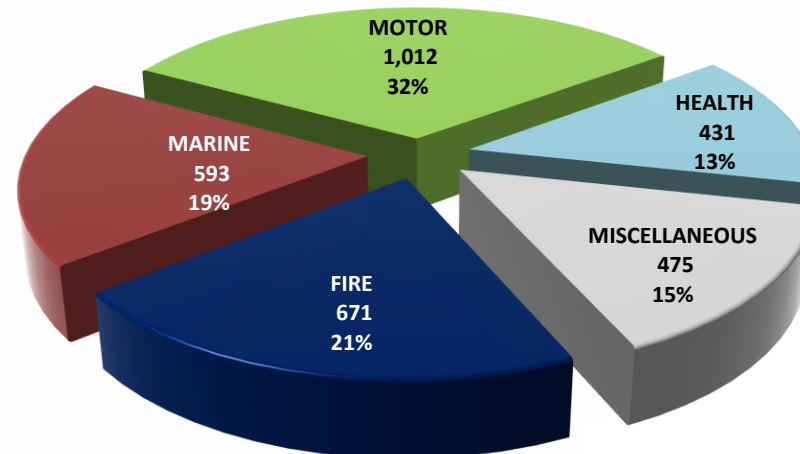


### CAGR (CY19 to CY23)



GPW (Exc. WTO) PKR in Mn's

### Contribution Margin (CY23) PKR in mn's

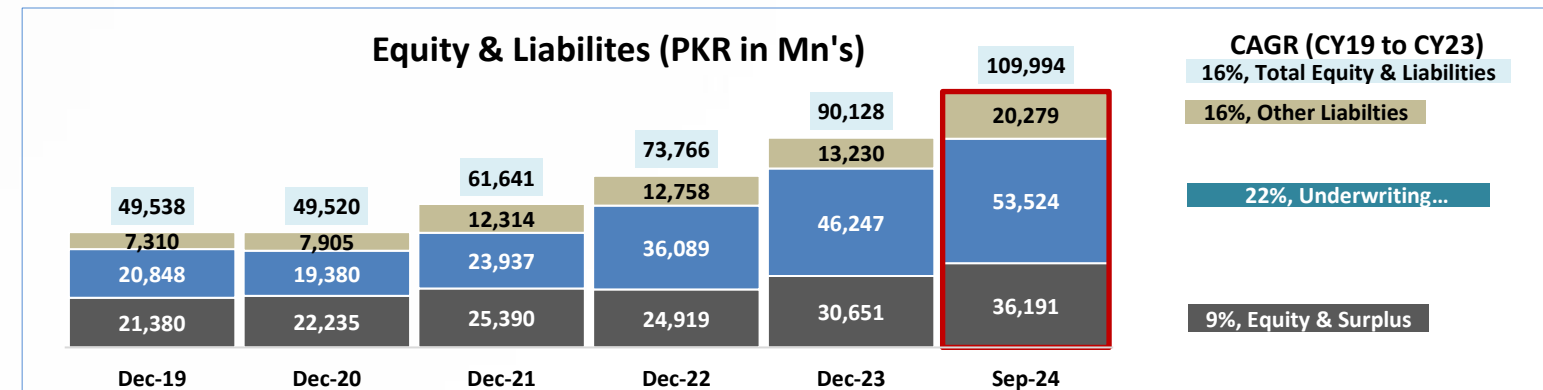
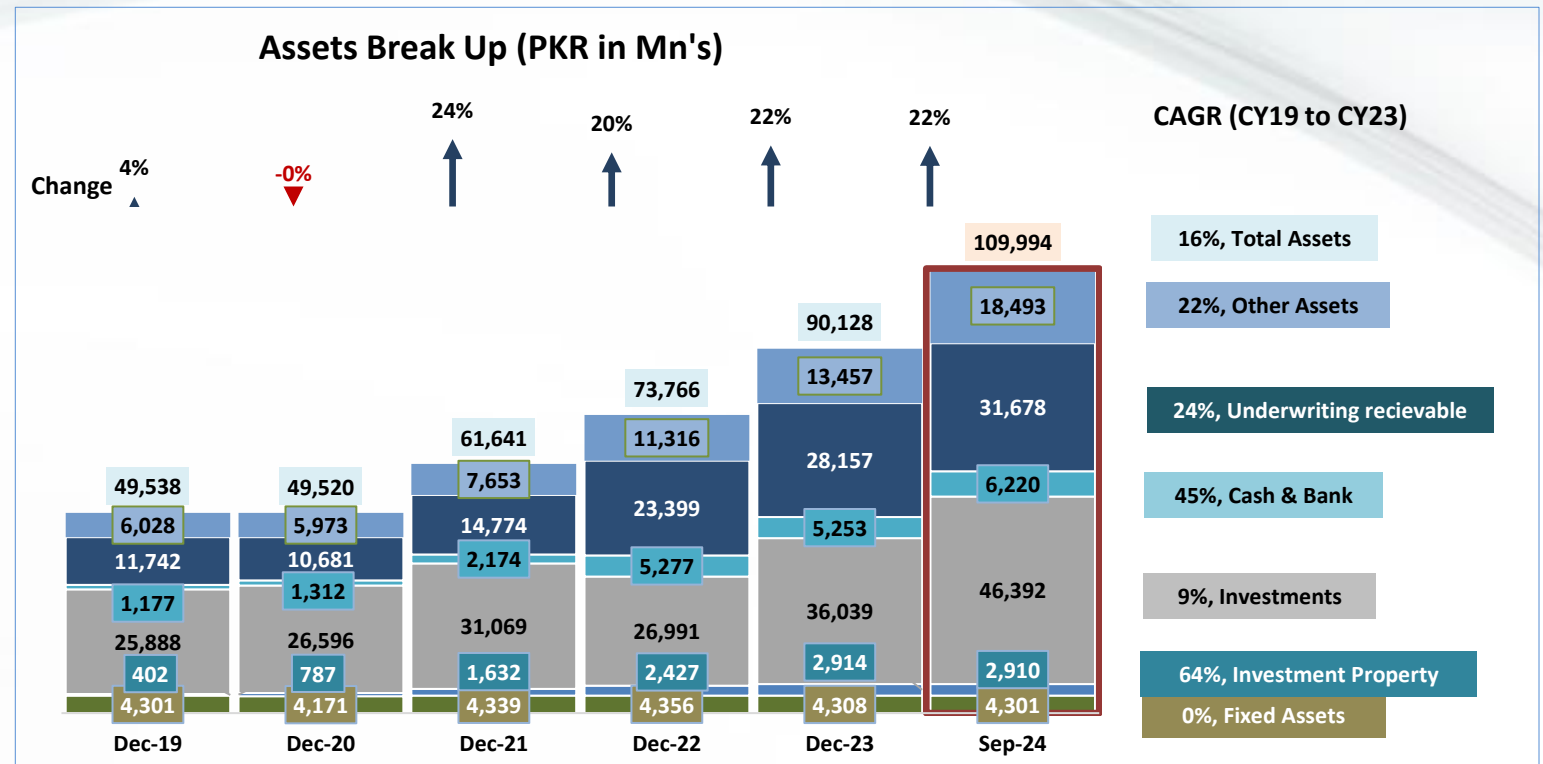




# Financial Strength



- Asset base of the Company has increased over the last five years, registering a CAGR of 16%.
- Liquid funds increased with a CAGR of 45% over the same period.
- Investments grew at the CAGR of 9% during the last five years.
- Growth in Investment property witnessed a CAGR of 64% during the last three years.
- Equity has also registered a CAGR of 9% over the last five years.



# Investments

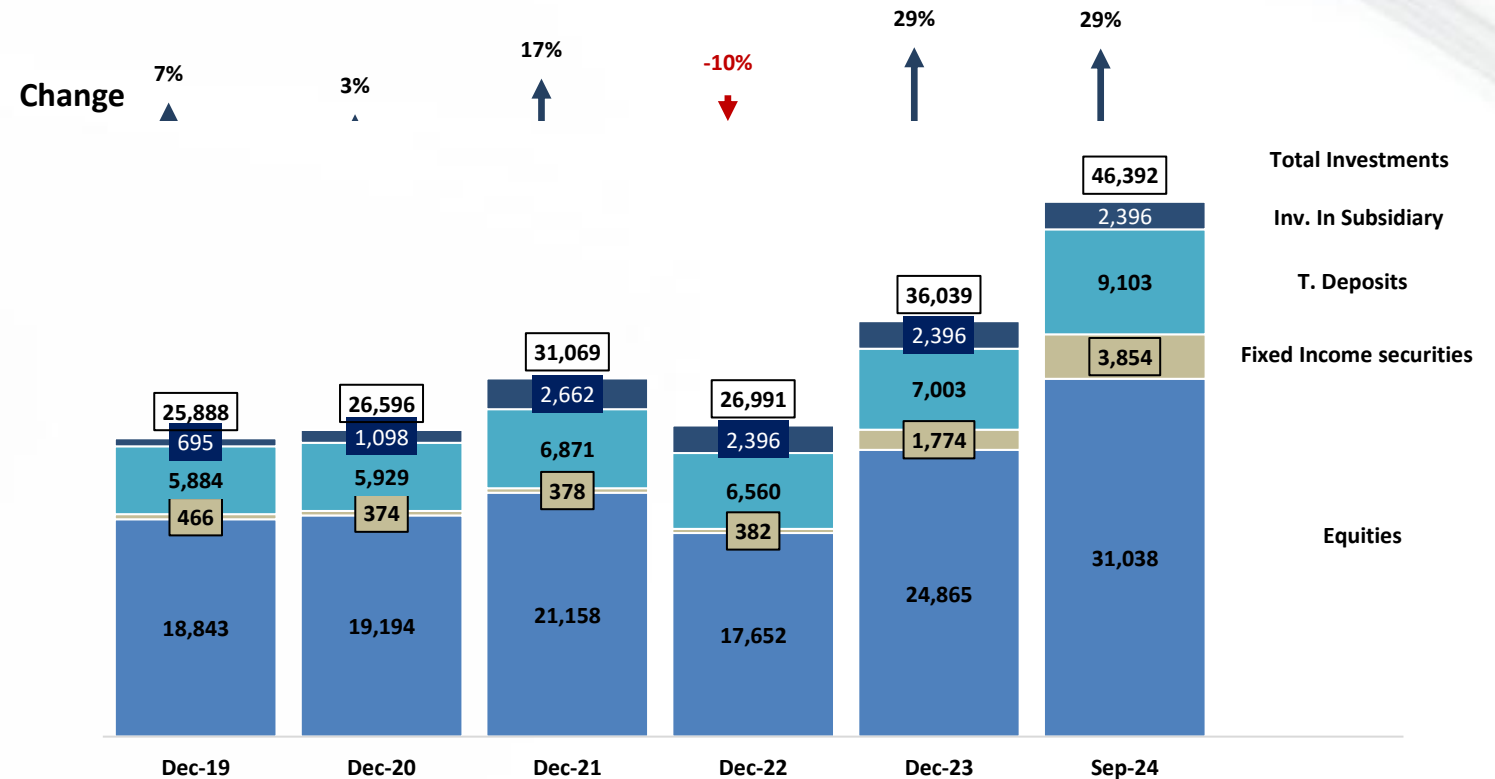


- Total Investments of the company increased at a CAGR of 9% over a span of recent 5 years.
- Recent Investment mix has been as follows:

Investments	Dec-22	Dec-23	Sep-24
Equities	67%	69%	67%
Fixed Income securities	1%	5%	8%
Term Deposits	23%	19%	20%
Subsidiary	9%	7%	5%

- During the 9 months ended September 2024, allocation in fixed income securities has increased from 5% as at December 31, 2023 to 8% as at September 30, 2024.

Investments Break up (PKR in Mn's)

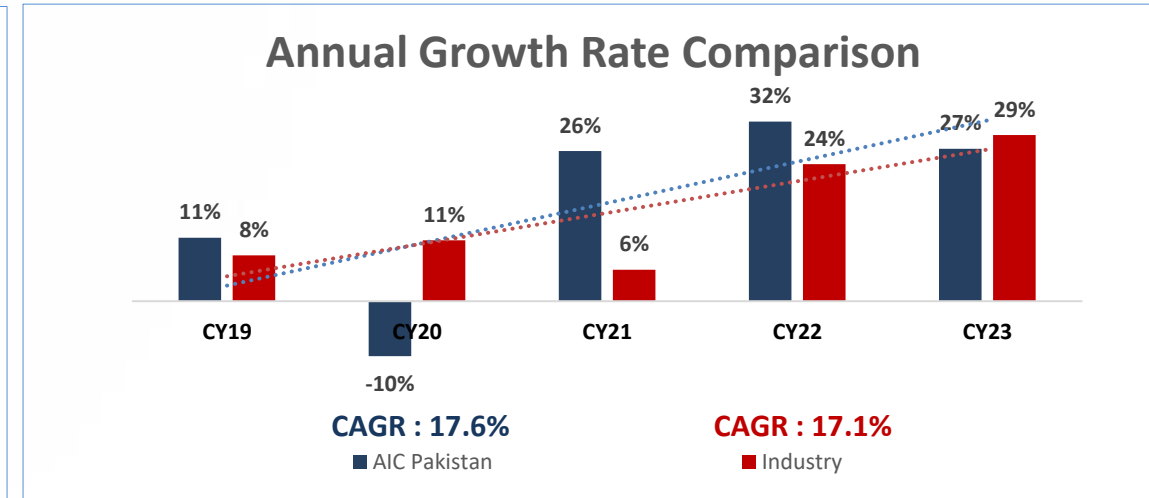
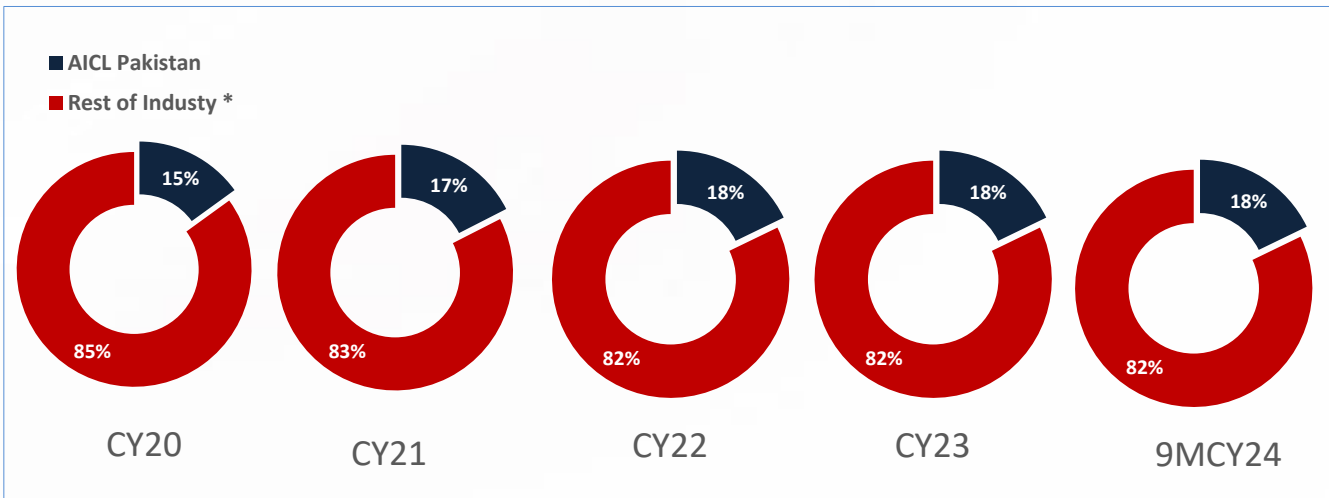


# Industry Comparison



Year Ended 31 December	Gross Premium Written - AICL's Market Share in Pakistan			
	AICL Pakistan	Rest of Industry *	Total	AICL Inside Pakistan
	Rupees in thousand			% age
<b>9MCY24</b>	<b>28,006,223</b>	<b>124,457,200</b>	<b>152,463,423</b>	<b>18%</b>
CY23	28,484,645	129,106,117	157,590,762	18%
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%
<b>CAGR</b>	<b>17.6%</b>	<b>17.1%</b>	<b>17.1%</b>	

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



# Dividend History

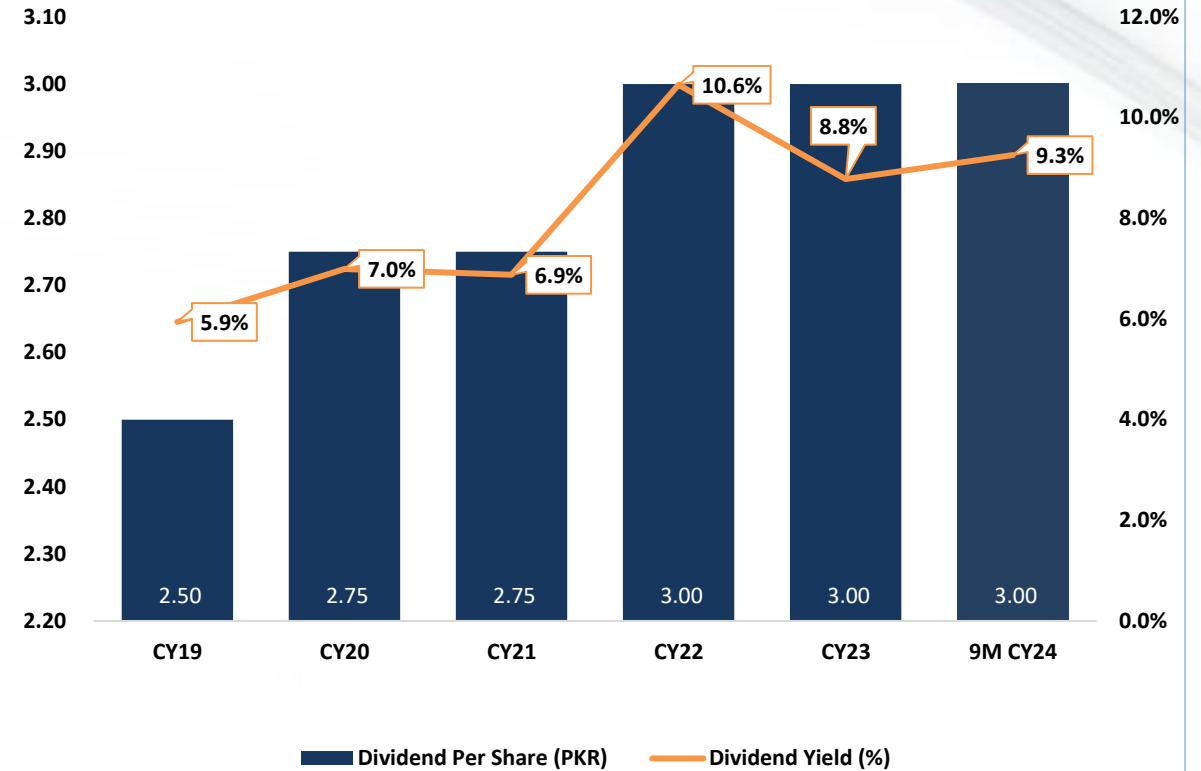


## Paid Basis

Year	Cash Dividend			Yield
	% age	Rs. Per share	Total (PKR in Mn's)	% age
9M CY24	30.0%	3.00	1,050.0	9.3%
CY23	30.0%	3.00	1,050.0	8.8%
CY22	30.0%	3.00	1,050.0	10.6%
CY21	27.5%	2.75	962.5	6.9%
CY20	27.5%	2.75	962.5	7.0%
CY19	25.0%	2.50	875.0	5.9%

<b>Total</b>	<b>5,950</b>
<b>Average dividend per year</b>	<b>992</b>

### Dividend Paid Basis



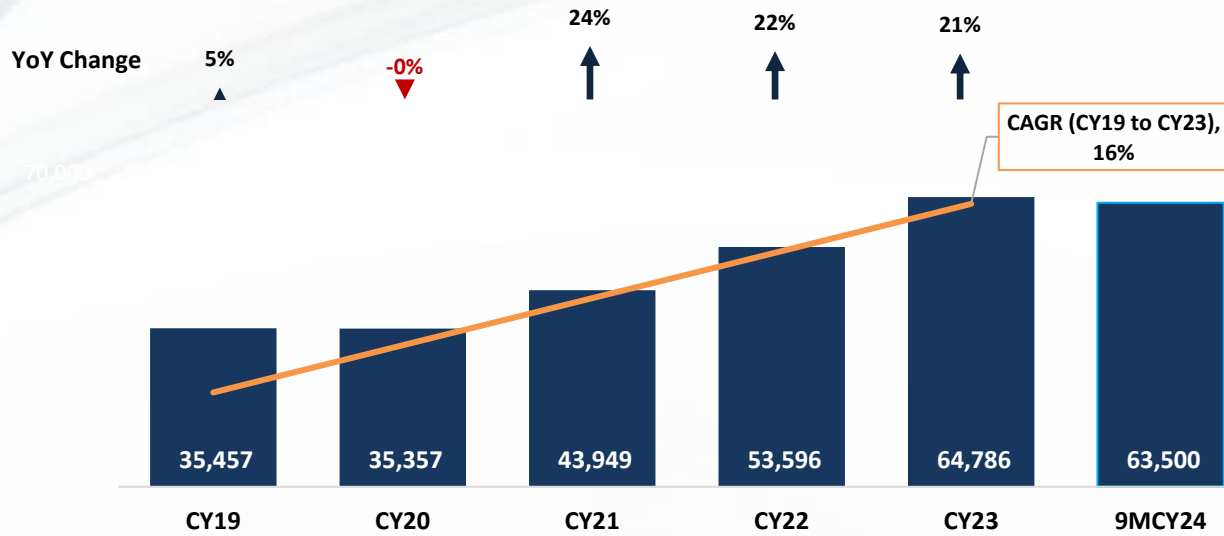
- International Monetary Fund (IMF) has projected GDP growth rate of 3.2% for fiscal year 2025 against 2.4% in 2024
- Pakistan's economy is observing sustained recovery in the first quarter of FY2025 marked by receding inflation, significant increase in remittances and IT exports and downward trend in interest rates
- The successful hosting of the SCO summit in 2024 and release of first tranche of USD 1.03 billion by IMF under EFF program also boosted market confidence
- CPI inflation stood at 8.7% during Jul-Oct FY2025 against 28.5% in corresponding period of FY2024. YoY inflation was recorded at 7.2% in October 2024 significantly lower than 26.8% in October 2023
- However, growth trajectory is expected to remain below potential due to current political uncertainties
- As we navigate the complexities of the current economic landscape, we remain committed to monitoring developments closely and adapting our strategies to best serve our company and its shareholders. Looking ahead to 2025, we are optimistic about the potential for political stability to emerge, which should help mitigate the ongoing economic challenges, including foreign exchange pressures and inflationary trends. This anticipated stability is expected to foster a more conducive environment for growth, enabling us to capitalize on new opportunities and enhance our overall performance.

- 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 Rs. 10, 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%.

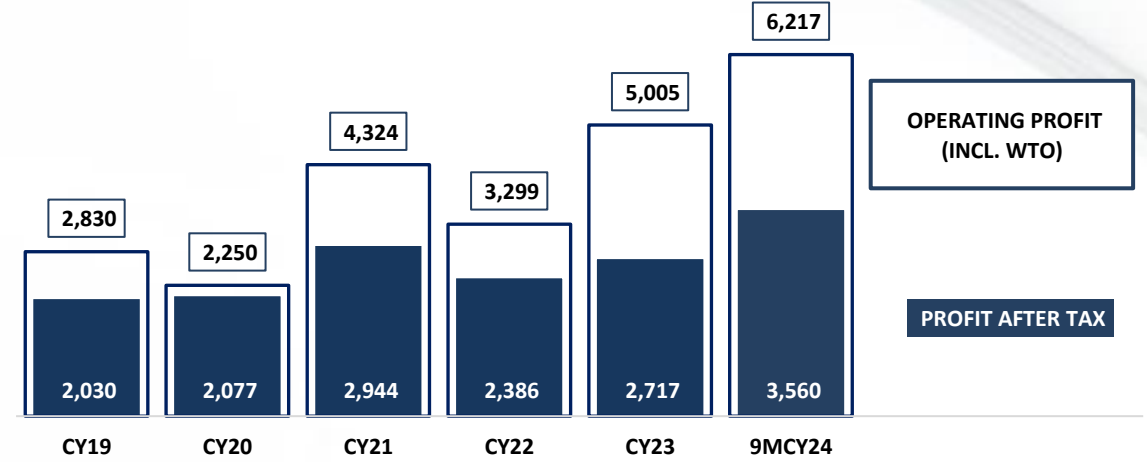
# Consolidated Financial Highlights



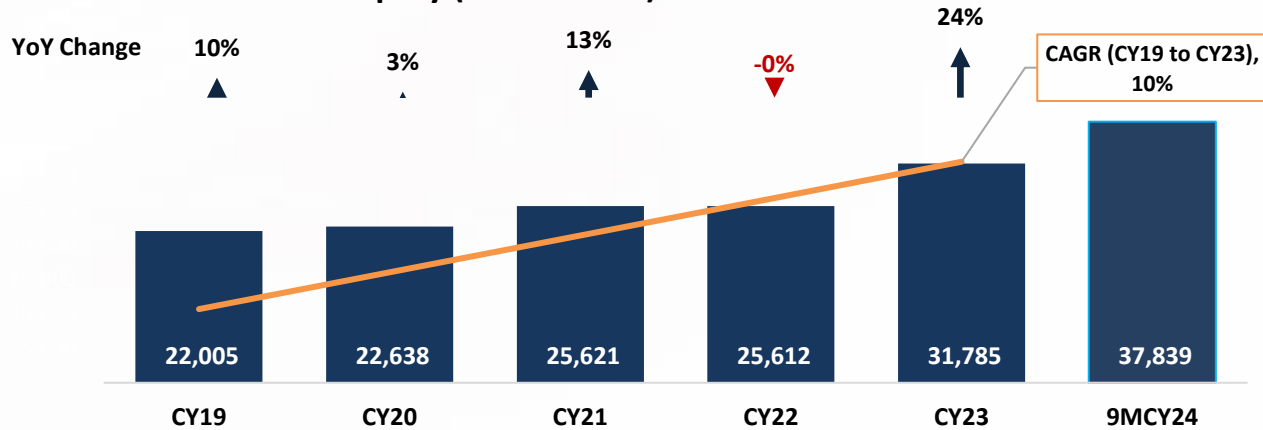
### Gross Premium Written (PKR in mn's)



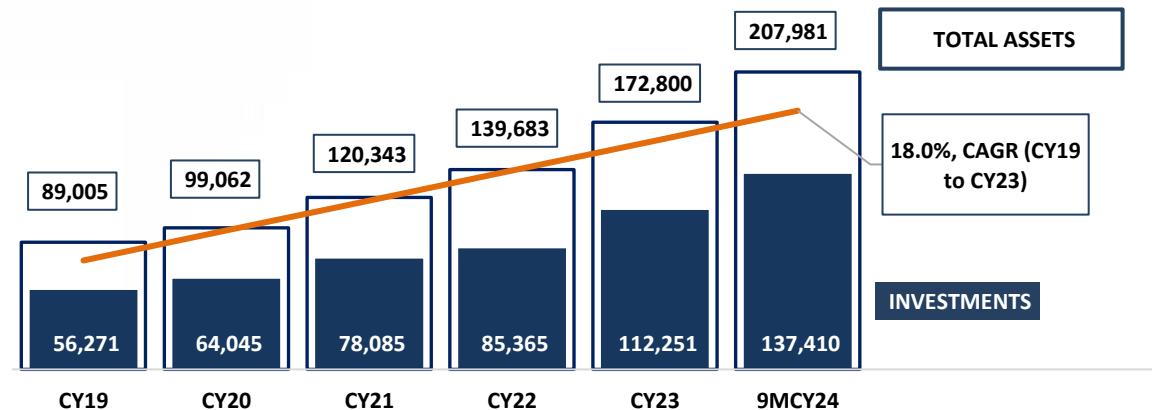
### Profit or Loss Analysis (PKR in mn's)



### Equity (PKR in mn's)



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



Explore  
Innovate  
Differentiate

**Thank You!**

