

# **A Glance at Pakistani General Insurance Industry Performance of Listed Companies Year End – 2022**

Based on preliminary results of EFU, AICL &  
JGICL

**March 24, 2023**





**BADRI**

Year End 2022 – Pakistani Listed General Insurance Companies

# About BADRI

## Management Consultancy

Driven by the passion to further the use of actuarial skills in the MENA region, Badri was established in the UAE. Since then, the company has expanded exponentially and now has offices in Dubai, Riyadh, Karachi, and Lahore.

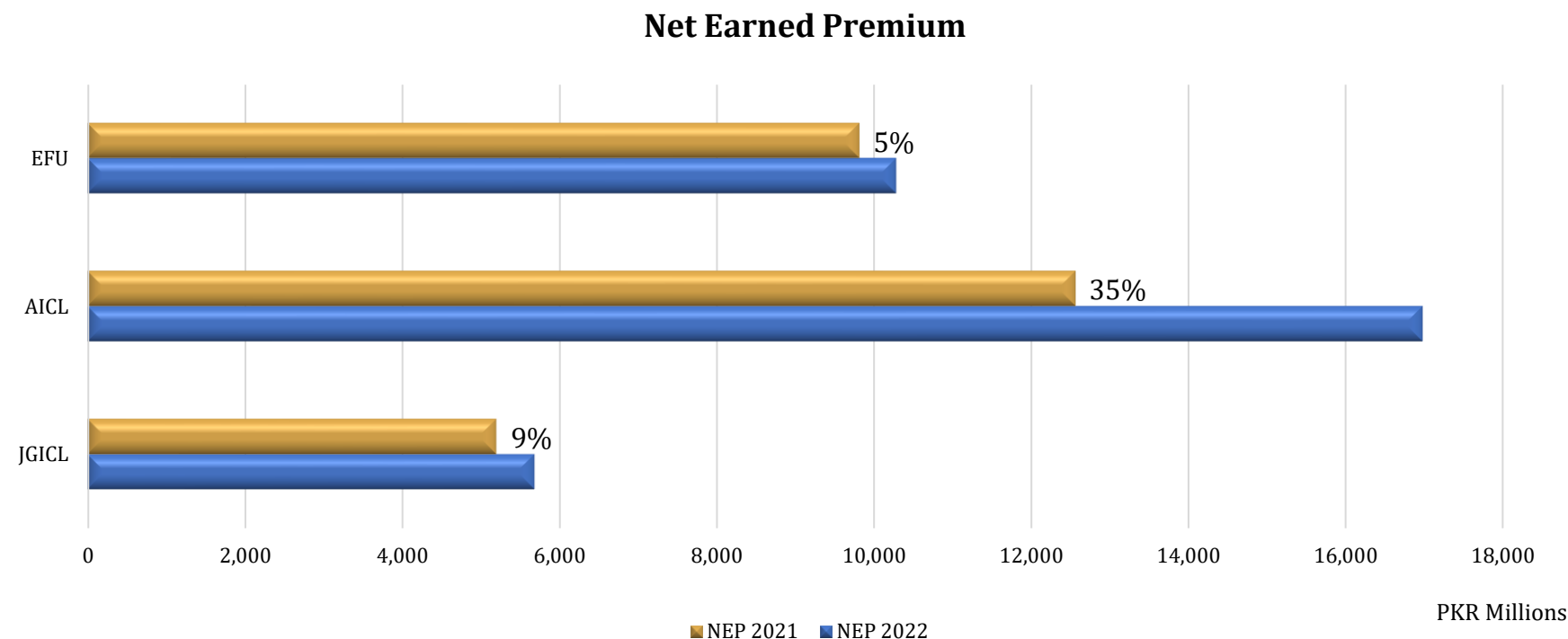
Today, our 120+ talented staff spread across KSA, UAE, Pakistan and India drive innovation and provide cutting edge solutions to our business partners across the globe. We strive to ensure that we provide the best quality solutions, turning our experience and industry knowledge into value for our clients.

We specialize in General, Life & Health Insurance / Takaful and provide customized solutions by using the latest analytical tools. We also provide IFRS17, ERM, Capital Modelling, and Big Data Analytics services to our clients.





# Net Earned Premium



On an overall basis, the net earned premium for the top 3 companies increased by 20% to PKR 33 billion.

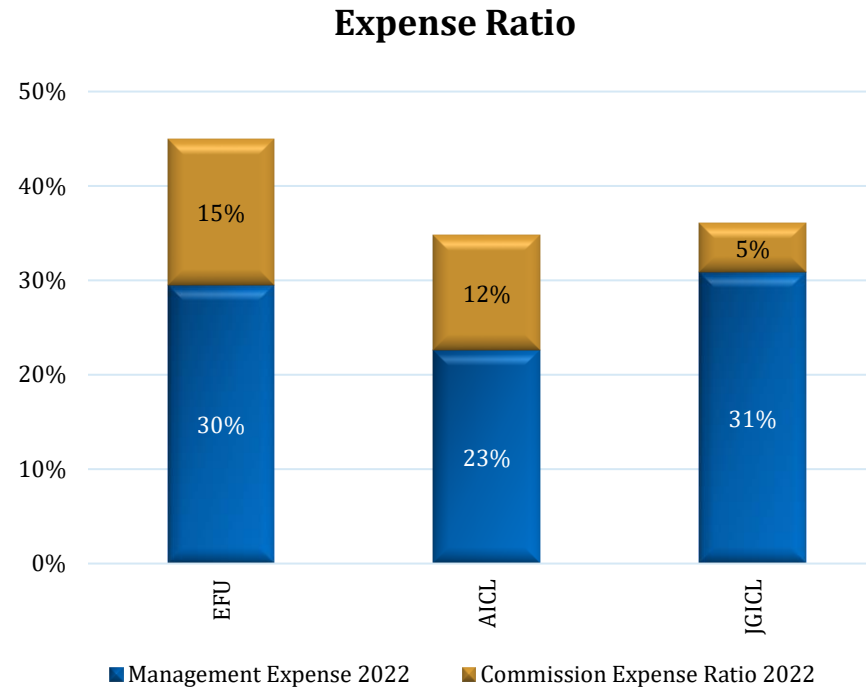
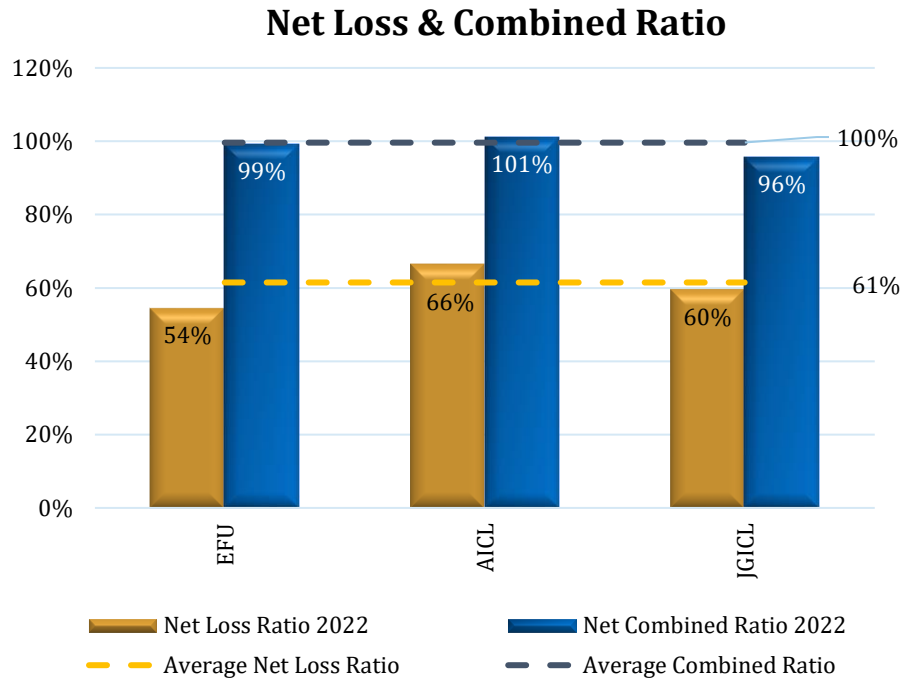
AICL dominates the market with a NEP of PKR 17 billion, followed by EFU and JGICL with NEP of PKR 10.3 billion and PKR 5.7 billion respectively. In comparison to the same period last year, AICL has seen a 35% rise in NEP, whereas EFU and JGICL have experienced a 5% and 9%.

*\*AICL includes business underwritten inside and outside Pakistan*

*\*\*the numbers reflect conventional business only throughout the report except for profit before tax which includes window takaful operations as well*



# Net Loss & Combined Ratio



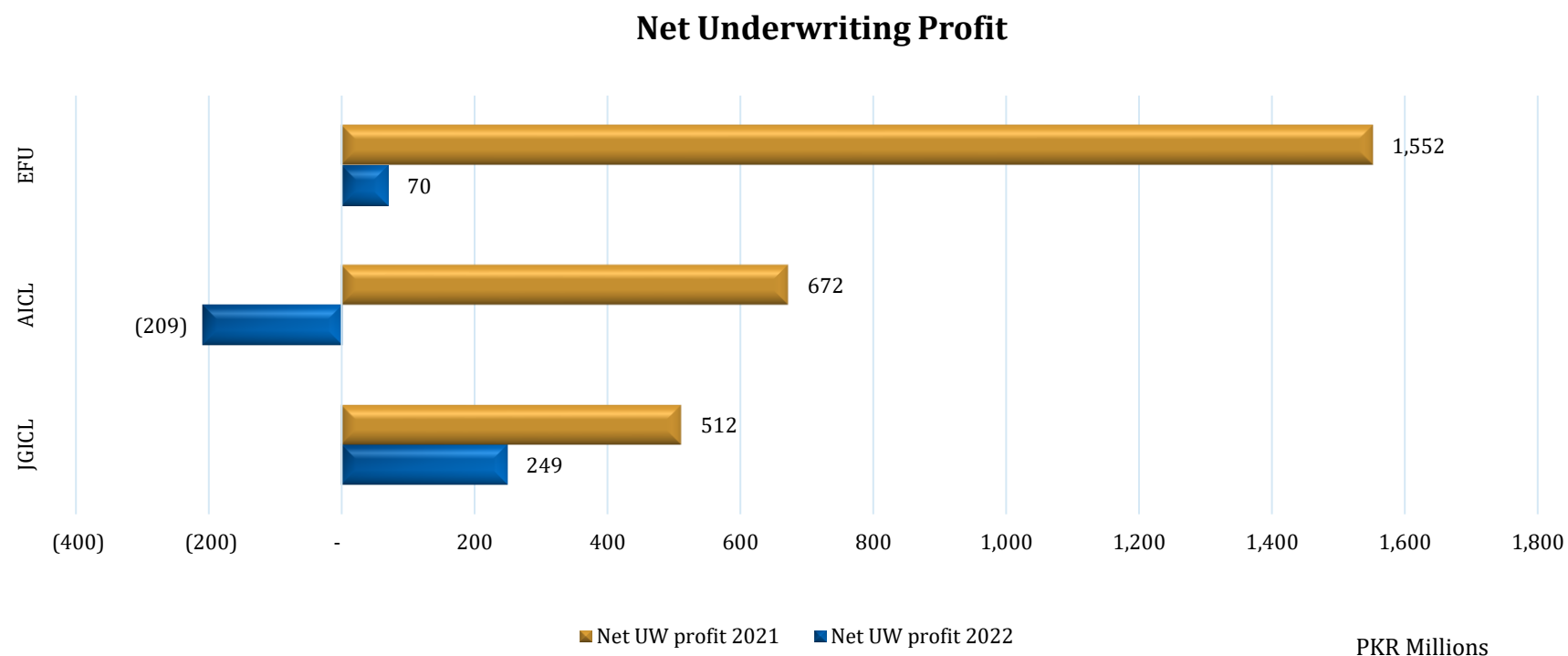
The weighted average net loss and combined ratios for EFU, AICL and JGICL stand at 61% and 100% respectively.

In 2022, EFU had the lowest loss ratio of 54%, while AICL had the highest loss ratio of 66%. AICL also recorded the highest combined ratio of 101%, whereas JGICL had the lowest combined ratio of 96%.

In terms of expense ratios, the weighted average management expense and commission ratio is 26% and 12% respectively. EFU had the highest expense ratio of 45%, followed by JGICL at 36% and AICL at 35%. JGICL experienced the lowest commission ratio of 5% while AICL had the lowest management expense ratio of 23%.



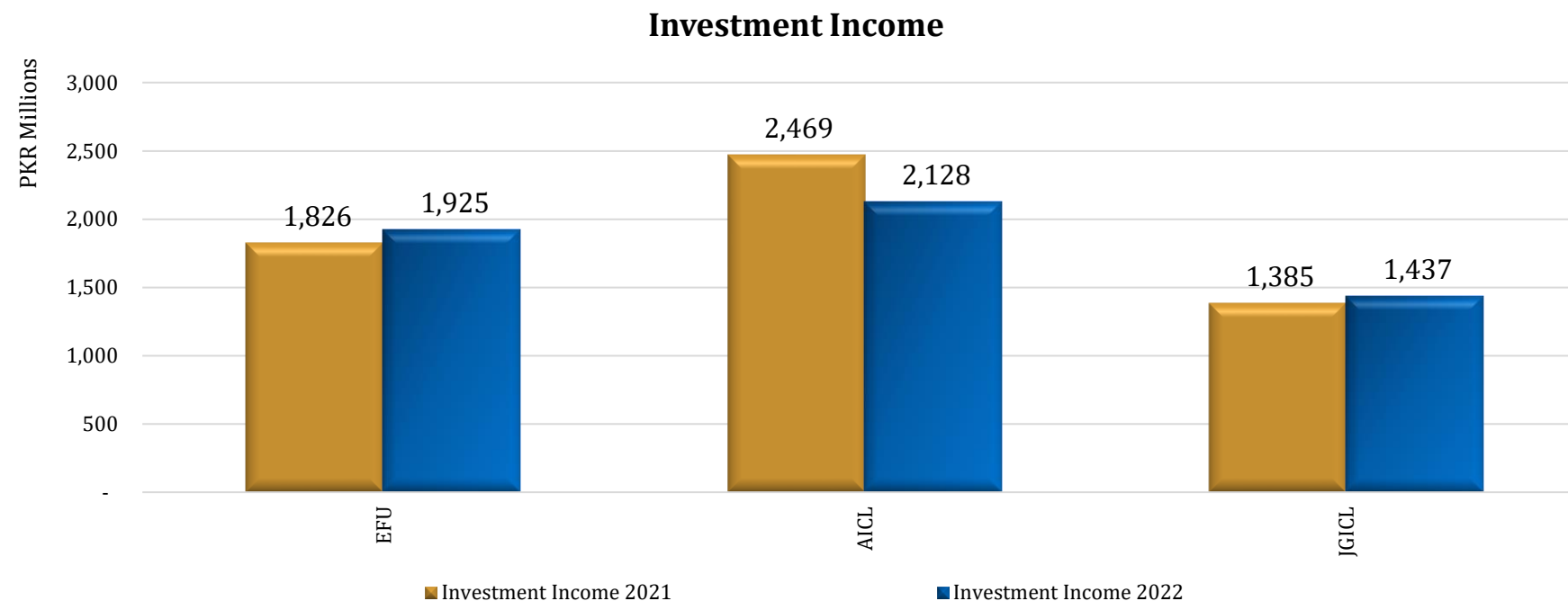
# Net UW Profit



In 2022, the net underwriting profit has plummeted by 96% to PKR 109 million, compared to the previous year's profitability of PKR 2,700 million. All three companies have suffered a notable decline in their underwriting profitability.



# Investment Income



Overall, investment incomes have decreased by 3%. AICL had a significant decline of 14%, whereas EFU and JGICL had an increase of 5% and 4%, respectively.

# Profit Before Tax

Company	PBT 2021	PBT 2022
EFU	3,817	3,116
AICL	4,405	3,147
JGICL	2,330	2,470
<b>Total</b>	<b>10,552</b>	<b>8,733</b>

On an overall basis, EFU, AICL, and JGICL suffered a 17% decrease in earnings, mainly due to poor underwriting and investment income performance. AICL and EFU experienced a double-digit decline in earnings, with 29% and 18%, respectively. In contrast, JGICL managed to increase its profit before tax by 6%.





# Earning Per Share

Company	EPS 2021	EPS 2022
EFU	13.53	10.03
AICL	8.96	7.39
JGICL	8.31	7.73

EPS has worsened for all three companies, with EFU having the most significant decline of 26%.





# Conclusion

2022 began with a hawkish central bank trying to curtail the consequences of post-pandemic supply chain issues and an expansionary fiscal policy which started translating into current account deficits. The current account deficit situation was further exacerbated by the Russia-Ukraine war resulting in higher fuel prices for petroleum-import-dependent Pakistan. Furthermore, the phenomenon of inflation was experienced across the globe resulting in hawkish policy rates across the US, UK and Europe. The combination of weak global macro-environment coupled with weak political and macro environment of Pakistan resulted in a challenging year with PKR devaluation against the dollar and exchange rates at record highest. The monsoon season also brought with it devastating floods which damaged agriculture, property and loss of precious lives.

In this challenging environment, the general insurance sector of Pakistan observed sharp growth in premiums. However, profitability took a hit due to higher-than-normal losses and due to a drop in investment incomes. This report focuses on the three leading general insurance companies based on their preliminary performance results. This report would be followed by a comprehensive performance analysis of the general insurance sector of Pakistan based on their annual reports for the year ended December 31, 2022.



# Disclaimer

We have undertaken an analysis of the Key Performance Indicators (KPIs) of the listed life insurance companies in Pakistan for the year end 2022. The data has been extracted from the preliminary reports of those companies which were publicly listed and available till the compilation of this report.

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# About Our Team

UAE/Oman Actuarial	KSA Actuarial	Business Intelligence	End of Service
35 staff	30 staff	8 staff	5 staff
Medical	IFRS-17	HR Consulting	Financial Services
4 staff	16 staff	2 staff	3 staff
Support & Admin: 23 staff			

**Total Strength 126**



# Invest In Your Team

métier – a Badri Group Company is a renowned boutique Executive search and HR solutions consulting firm that works with teams across the globe, to develop a tailored HR plan and resolve your business challenges.

We take a personalized approach in ensuring that the solutions provided to you are in line with your company strategy to help you achieve your business goals through sustainable HR practices.

Since our inception in 2014, we have been recognized as Executive search leaders across multiple industries in the MENA region. métier's seasoned professionals focus on your HR transformation, while you focus on your business.

## Our Competitive Edge

- Improving Workplace Productivity
- Increasing Value Through People
- Inspiring Partnerships

## Our Service Offerings

- Strategic HR Consulting
- Digital HR Solutions
- Talent Acquisition Services
- Training Solutions







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- Account Reconciliation Services
- Accounts Receivable and Payable Cleaning up Service
- Financial Due Diligence
- Virtual CFO services
- MIS Reporting
- Outsourced Service

## Business Management Consultancy

- Policies and Procedure Review
- Post Implementation Review
- Market Intelligence

## Other Services

- Tax Advisory Services
- Internal Audit Service
- Internal Controls Over Financial Reporting Services (ICoFR) Implementation
- Code of Corporate Services







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# How Can We Help?

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