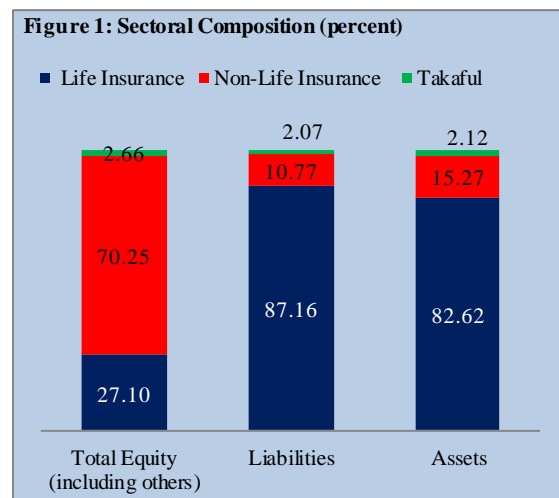


8. Insurance Companies

Performance at a Glance

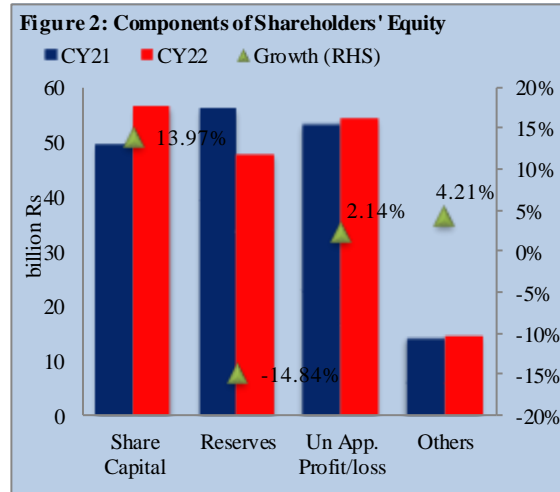
The assets of the sector grew by 3.48 percent, reaching Rs 2,296.08 billion in CY22 from Rs 2,218.87 billion in CY21. The liabilities grew by 3.76 percent whereas the equity (including others) increased by 0.20 percent during CY22. Life Insurance component was the main contributor in the growth of insurance sector assets in CY22 followed by Takaful (Figure 1). In terms of operational performance, the profit before taxation remained around Rs 36.20 billion however, profit after taxation declined YoY by Rs 1.16 billion in CY22.



Equity

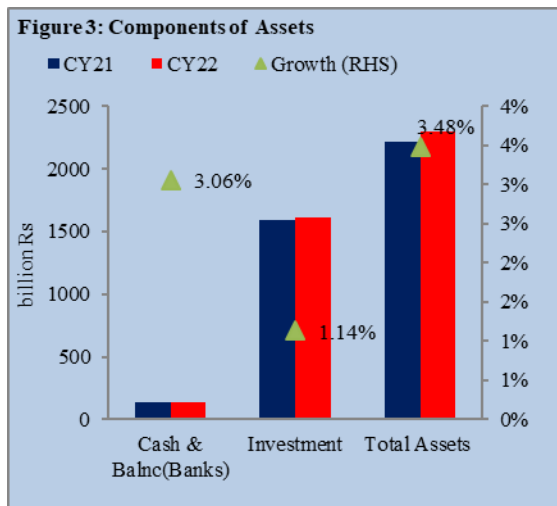
Total equity (including others) of insurance sector remained around last year's level of Rs 173 billion in CY22. The equity composition of the insurance sector is highly skewed towards the non-life insurance companies, which holds 70.25 percent share. The categories of life insurance and takaful posted a YoY equity growth of 3.49 percent and 9.05 percent respectively in CY22. However, a decline of 1.32 percent in the equity of the non-life insurance companies observed. A further analysis reveals that the share capital of all insurance companies increased by 13.97 percent in CY22, whereas the Reserves decreased by 14.84 percent during the year. The un-appropriated profit of insurance

sector increased by 2.14 percent, reaching Rs 54.40 billion during CY22.



Assets

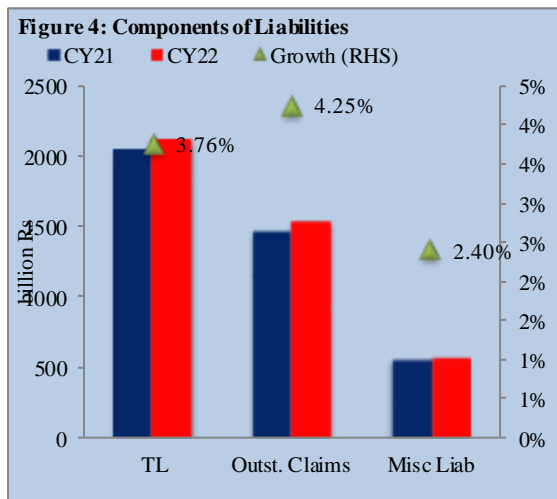
The total assets of insurance sector reached Rs 2,296.08 billion in CY22, recording a growth of 3.48 percent. The breakup of assets reveals that total investment (including securities & properties) that holds 70.24 percent share in the assets of the sector, reached Rs 1,612.67 billion, recording a growth of 1.14 percent in CY22. The cash and banks balances grew by 3.06 percent in CY22. The assets of life insurance and non-life insurance companies grew respectively by 1.05 percent and 18.15 percent in CY22. By the end-CY22, the assets of these two categories stood respectively at Rs 1,896.93 billion and Rs 350.50 billion.



Liabilities

Total liabilities of insurance sector stood at Rs 2,122.45 billion in CY22, recording a growth of 3.76 percent (Figure 4). A further analysis of liabilities reveals that outstanding claims (including advances & premium due to other insurers) having 72.48 percent share in total liabilities, grew by 4.25 percent, reaching Rs 1,538.25 billion in CY22. Besides, Balances of Statutory Funds (BSF) increased by 9.20 percent, reaching Rs 6.81 billion in CY22.

Life insurance companies having 87.16 percent share in total liabilities of insurance sector



recorded a growth of 0.99 percent during CY22. Similarly, total liabilities of non-life insurance and takaful companies increased respectively by 32.06 percent and 7.90 percent during CY22.

Profitability and Operating Efficiency

The gross premium (the main source of revenue of insurance sector) increased to Rs 451.86 billion in CY22, posting a YoY growth of 7.11 percent. Similarly, the net premium increased to Rs 356.69 billion in CY22, showing a YoY growth of 2.76 percent. Besides, investment income increased to Rs 153.81 billion in CY22 from Rs 136.92 billion in CY21. Under-writing profit, which stood at Rs 241.35 billion in CY21, showed a YoY growth of 2.31 percent to reach Rs 246.94 billion in CY22. Profit before tax grew by 0.05 percent but profit after tax declined by 4.47 percent in CY22. In terms of efficiency indicators, ROE decreased to 15.56 percent during CY22 from 16.27 percent in CY21. Similarly, ROA decreased to 1.08 percent in CY22 from 1.17 percent in CY21.

