

ASKARI GENERAL INSURANCE COMPANY

Analyst:

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RATING DETAILS

RATINGS CATEGORY	Latest Rating	Previous Rating
	IFS	IFS
IFS RATING	AA+ (IFS)	AA+ (IFS)
RATING OUTLOOK/ WATCH	Stable	Stable
RATING ACTION	Reaffirmed	Reaffirmed
RATING DATE	December 24, 2025	March 06, 2025

Shareholding (5% or More)

Army Welfare Trust – 60.23%

Individuals – 39.44%

Other Information

Incorporated in 1995

Public Limited Company

Chairman of the Board: Lt Gen (R) Nauman Mahmood

Chief Executive Officer: Mr. Abdul Waheed

External Auditors: Yousuf Adil Chartered Accountants

Applicable Rating Methodology

Applicable Rating Criteria: General Insurance

<https://docs.vis.com.pk/docs/GeneralInsurance-2023.pdf>

Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Rating Rationale

The rating reflects Askari General Insurance Company Limited ('AGIC' or the 'Company') strong sponsor profile with a diversified business footprint and a long operating history in the insurance sector. Business volumes continued to expand despite competitive pressures, driven by growth across both conventional and takaful windows, with the health and motor segments remaining the principal contributors. The underwriting profile exhibits resilience, aided by stable expense management and continued support from high-quality reinsurers that help moderate exposure to large losses. Although claims activity rose during the year, particularly in health and motor lines, overall risk absorption capacity remains adequate due to a balanced reinsurance structure and sustained operating efficiency. Investment earnings continued to underpin overall profitability, with a sizable allocation to sovereign securities providing stability. Liquidity remains sound, supported by healthy coverage of technical obligations and a diversified liquid asset base, though growth in premium receivables warrants close monitoring. Capitalization strengthened modestly, aided by retained earnings and the initiation of a right issue, which is expected to further reinforce solvency once fully realized. While leverage indicators have trended upward due to an expanding business base and higher technical reserves, management projects a reversion toward more comfortable levels as the right issue concludes and seasonal claim patterns normalize. Governance practices remain satisfactory, supported by an experienced Board and active oversight through well-structured committees, while ongoing investments in digital infrastructure and cybersecurity continue to enhance operational robustness. Going forward, the Company's ability to maintain underwriting discipline and manage rising claims pressures while sustaining capitalization indicators will remain critical.

Company Profile

AGIC was incorporated as a public limited company on April 12, 1995, under the Companies Ordinance, 1984 (repealed by the Companies Act, 2017), and commenced commercial operations on October 15, 1995. The Company operates in the non-life insurance segment, offering fire, marine, motor, health, and miscellaneous insurance products. It is listed on the Pakistan Stock Exchange Limited, with its registered office located at AWT Plaza, Rawalpindi, and a network of 20 plus branches across Pakistan. The Company is a subsidiary of Army Welfare Trust and holds a license from the Securities and Exchange Commission of Pakistan (SECP), granted on August 10, 2015, to conduct Window Takaful Operations under the Takaful Rules, 2012.

AUDITOR'S OPINION

Yousuf Adil Chartered Accountants has provided an unqualified and unmodified opinion, affirming that the Company's financial statements comply with accounting standards and accurately portray the Company's financial position as of December 2024.

Sponsor Profile

AGIC is a subsidiary of the Army Welfare Trust (AWT), which serves as its principal sponsor and majority shareholder, holding 60.23% of the Company's shares following the acquisition of 27.18% shares from Askari Bank Limited in October 2015 through open market purchase. AWT is a diversified business conglomerate operating across multiple sectors, including finance, information technology, consumer goods, insurance, agriculture, cement, pharmaceuticals, leasing, and energy.

Management and Governance

BOARD OF DIRECTORS OVERVIEW

The Board of Directors of AGIC comprises professionals with diverse experience in military, corporate, finance, and legal sectors. The Board includes senior retired military officers such as Lt. Gen. Nauman Mahmood (Retd), Maj. Gen. Kamran Ali (Retd), and Brig. Salman Nazar (Retd), alongside corporate and financial experts including Mr. Rizwan Ullah Khan, Malik Riffat Mehmood, Mr. Mohammad Munir Malik, Ms. Saima Akbar Khattak, and Mr. Imran Iqbal. One change was observed in BoD during the ongoing year, with Brig. Mukhtar Ahmed (Retd) exiting the board and his position was taken by Brig. Salman Nazar (Retd)

The directors collectively possess expertise in strategic management, corporate governance, finance, legal affairs, and organizational leadership, which supports effective oversight of the Company's operations. In line with the Code of Corporate Governance, the Board ensures compliance with applicable laws, maintains proper financial reporting, and oversees internal control systems. The Board conducts an annual self-evaluation based on defined parameters covering organizational structure, effectiveness of the Board and its Committees, and participation of individual members. As per the evaluation outcome, the Board's overall performance was found satisfactory against the established criteria. During the year 2024, five meetings of the Board of Directors were held with satisfactory attendance. An independent third-party evaluation of the Board may add to the governance value of the company.

Table 1: Board of Directors

Name	Category
Lt Gen Nauman Mahmood (Retd)	Non-Executive Director
Maj Gen Kamran Ali (Retd)	
Mr. Rizwan Ullah Khan	
Malik Riffat Mahmood	
Brig Mukhtar Ahmed (Retd) (He was replaced by Brig. Salman Nazar (Retd))	
Mr. M. Munir Malik	Independent Directors
Mr. Imran Iqbal	
Ms. Saima Akbar Khattak	

Mr. Abdul Waheed

CEO

BOARD COMMITTEES

The board maintains effective oversight through six board committees.

Executive, Risk Management and Compliance Committee:

Responsible for overseeing the Company's risk management and compliance functions. It monitors adherence to laws and internal policies, supervises whistleblowing mechanisms, reviews investments above PKR 10 million, and evaluates the annual budget and monthly performance. The Committee also reviews claim payments exceeding Rs. 1 million and legal suits filed by or against the Company.

MEMBER	POSITION
Maj Gen Kamran Ali (Retd)	Chairman
Mr. Rizwan Ullah Khan	Member
Brig. Salman Nazar (Retd.)	Member
Mr. Abdul Waheed	Member

Audit Committee (Chaired by a non-executive director)

Reviews quarterly, half-yearly, and annual financial statements prior to Board approval. It focuses on audit adjustments, internal control systems, and compliance with regulatory requirements. The Committee coordinates with internal and external auditors, reviews management letters, and ensures the adequacy and effectiveness of financial reporting and statutory compliance.

MEMBER	POSITION
Mr. M. Munir Malik	Chairman
Malik Riffat Mehmood	Member
Brig. Salman Nazar (Retd.)	Member

Ethics, Human Resource and Remuneration Committee (Chaired by an independent director)

Oversees human resource management policies, the selection and evaluation of key executives, and the determination of their remuneration and succession planning. It also reviews the compensation structure for Board members and senior management.

MEMBER	POSITION
Mr. Imran Iqbal	Chairman
Brig. Salman Nazar (Retd.)	Member
Mr. Abdul Waheed	Member

Underwriting, Reinsurance and Coinsurance Committee:

Formulates underwriting policies, determines premium structures, and reviews the Company's reinsurance arrangements. It ensures that reinsurance programs are appropriate and aligned with market developments.

MEMBER	POSITION
Maj Gen Kamran Ali (Retd)	Chairman

Syed Zaheer Abbas	Member
Mr. Shahzad Ameer	Member
Dr. Khurram Sheraz	Member

The Claims Settlement Committee:

Oversees the claims settlement process, ensures adequacy of claims reserves, and reviews major claim cases. It also monitors anti-fraud measures related to claims management

MEMBER	POSITION
Malik Riffat Mehmood	Chairman
Mr. Abdul Waheed	Member
Mr. M. Qasim	Member
Mr. Nadeem Ahmad	Member

Investment Committee:

The Investment Committee is responsible for formulating the investment policy and ensuring that the investment portfolio aligns with the Company's strategy. It reviews investment income, portfolio performance, and macroeconomic factors affecting investment decisions, while also recommending annual investment budgets to the Board.

MEMBER	POSITION
Malik Riffat Mehmood	Chairman
Mr. M. Munir Malik	Member
Mr. Abdul Waheed	Member
Mr. Suleman Khalid	Member
Mr. Shahid Qayyum	Member

During the year CY24, the Audit Committee held five meetings whereas the Ethics, Human Resource & Remuneration Committee held three meetings, and all other committees met two times.

SHARIA COMPLIANCE:

The Shariah compliance of AGIC was reviewed by Mufti Ehsan Waqar Ahmad, Shariah Advisor, who confirmed that all product structures and documents, including PTF policies, PMDs, Co-Takaful and Re-Takaful agreements, the Surplus Distribution Mechanism, and the Investment Policy, were in accordance with Shariah principles and the Takaful Rules, 2012. The Shariah Advisor further verified that transactions and activities undertaken during the year ended December 31, 2024, complied with the prescribed Shariah guidelines and SECP requirements. Based on the Shariah review and the independent assurance engagement, no non-Shariah-compliant income was identified, and no income purification was required. The independent reasonable assurance report on Shariah compliance was issued by S.M. Suhail & Co., Chartered Accountants, with Syed Imran Haider, FCA as the engagement partner, who concluded that the management's statement of compliance with the Takaful Rules, 2012, was fairly presented in all material respects. The Shariah Advisor's report was dated February 14, 2025.

CHAIRMAN/CEO PROFILE

Chairman: Lt Gen (R) Nauman Mahmood, HI (M) (Retired) passed out from Pakistan Military Academy in 1987 and was commissioned in an Infantry Battalion. He is graduate of Command and Staff College Quetta, Command and Staff College Cairo, Egypt and National Defence University Islamabad. The General Officer is a recipient of Hilal-e-Imtiaz (Military) and holds a master's degree in War Studies as well

CEO: Mr. Abdul Waheed has diverse experience in financial management, banking, and leasing sectors. He is a qualified Certified Public Accountant (USA). Mr. Waheed has held the position of CEO since 2010.

IT UPGRADES:

The Company continued its focus on strengthening its IT infrastructure during CY24. The General Insurance Software (iGIAS) was further deployed across branches, integrating key functions including Underwriting, Claims, Accounts, and Reinsurance. The system was also enhanced to accommodate General Takaful Operations, improving internal controls, operational efficiency, and management reporting.

In line with the SECP Cyber Security Framework (2020), additional security protocols were implemented and readiness for ISO 27001 certification was achieved. These upgrades ensured compliance with regulatory standards, enhanced system reliability, and improved data security and reporting capabilities.

AGIC undertook several digitization initiatives focused on automation, operational efficiency, and regulatory compliance. During the year, the Company completed an Enterprise Architectural Revamp to strengthen system integration and oversight. A key development was the Motor Claims Management System (MCMS), which digitized claims processing, integrated stakeholders, and enabled real-time interactions. The e-Health Card feature was introduced in the mobile application to facilitate cashless health services and approvals. AGIC expanded its digital ecosystem through portals for corporate and individual policyholders, providing access to policy details, claims submission, and status tracking. The Company also launched an e-Grievance portal for complaint submission and resolution tracking. In accordance with SECP guidelines, AGIC enhanced its cybersecurity infrastructure through Firewalls, AI-based detection systems, and SIEM tools.

RIGHT ISSUANCE

The Company has announced a Right Issue to be subscribed by existing shareholders primarily to strengthen its capital base and reinforce solvency in line with regulatory requirements and long-term strategic needs. The Right Issue is positioned to support the Company's broader financial strategy by improving its credit profile and ensuring continued compliance with regulatory expectations.

The total funds to be raised through the Right Issue amount to PKR 920,344,256, representing 100% financing through shareholder subscription, with no dependency on external sources. The proceeds will be deployed across two interlinked priorities; reinforce the Company's equity and solvency margins, enabling improved underwriting leverage, greater risk absorption capacity, and enhanced financial flexibility and augment the Company's investment portfolio.

Business Risk

INDUSTRY UPDATE

GLOBAL:

The global insurance industry recorded strong growth in 2024, with premiums rising by 8.6% and the global premium pool reaching around USD 7.6 trillion (Allianz 2025). Insurance penetration (premiums as a percentage of GDP) increased modestly to 7.4%, reflecting ongoing demand for protection despite macroeconomic and geopolitical uncertainties (McKinsey 2025). While all segments contributed to the expansion, the focus is increasingly shifting from raw growth figures to the structural trends reshaping the industry.

Growth across insurance segments in 2024 showed clear regional variation. Life insurance was the fastest growing line, expanding by over 10%, led by North America (14%) as households locked in higher annuity rates, and China (15%), which remains the largest growth engine in Asia (Allianz 2025). Property and casualty (P&C) insurance rose nearly 8%, with North America (8%) again leading, Western Europe steady at around 6%, and Asia lagging at only 4% despite its large population base (Allianz 2025). Health insurance grew by 7% overall, but demand was strongest in Asia (+12%), reflecting low penetration and weaker public healthcare systems (Allianz 2025). Globally, the United States dominates, accounting for about 40% of gross written premiums, followed by China (7–8%) and Western Europe's largest markets. Over the past decade, North America increased its market share to nearly 48%, while China nearly doubled to 11%. Although the US market, at USD 3.5 trillion in premiums, still outweighs China's USD 0.8 trillion (IAIS 2024; Allianz 2025).

A major driver of future change is the rapid adoption of artificial intelligence (AI) and digitalization. Generative AI is already transforming underwriting, claims management, and customer engagement by cutting costs and enabling personalized products (McKinsey 2025). Supervisors, however, highlight risks around governance, liquidity from faster policy surrenders, and cybersecurity vulnerabilities (IAIS 2024).

Insurtech and fintech platforms are also reshaping distribution. Embedded insurance is gaining traction, especially in Asia, while bancassurance accounts for up to 25% of non-life premiums in Latin America (McKinsey 2025). Smaller fintech platforms are pushing into microinsurance and digital-first solutions, helping reduce long-standing protection gaps in health and life insurance.

A parallel trend gaining momentum is the growth of Takaful Islamic insurance that operates on Shariah-compliant, risk-sharing principles. The global Takaful market was valued at around USD 45.5 billion in 2024 and is projected to double to approximately USD 111.9 billion by 2034, reflecting a compound annual growth rate of about 9.4% (Market Research Future 2025). Growth is fueled by rising demand for ethical financial products, strong government support in Muslim-majority regions, and expanding digital distribution channels—especially in Asia-Pacific, which is becoming the fastest-growing region for Takaful (Market Research Future 2025).

LOCAL REVIEW:

The insurance sector in Pakistan expanded in 2024, though its growth remains below global averages. Insurance premiums in Pakistan rose by 7.3% to PKR 677 billion from PKR 631 billion a year earlier (Allianz, 2025; SECP, 2024) with Insurance penetration stood only 0.7% of GDP.

In general insurance, gross written premium reached PKR 243 billion in 2024, a 7% increase over the previous year (SECP, 2024). Fire and property remained the largest class at 32% of total premium (PKR 77 billion), followed by motor at 24% (PKR 58 billion) and engineering at 14%. Personal lines remain marginal at 1.4% of premium, pointing to untapped retail potential. Distribution continues to be dominated by agency and direct channels, which together contribute around 81% of premium, though digital channels are beginning to make inroads with their share rising to 1.61% in 2024, up from 0.7% in 2023. The retention ratio improved to 43% from 42% the year before, and the number of policies grew to 2.4 million from 2.1 million, reflecting a broadening base of insured risks (SECP, 2024). During the ongoing year, SECP made amendments to the Insurance Accounting Regulations, 2017 to align regulatory reporting with IFRS 17 by limiting most regulations to regulatory returns while extending segment-reporting and audit-related requirements to both regulatory returns and published financial statements. The revisions mandate that insurers measure all outstanding claims, IBNR, and premium-deficiency provisions strictly through SECP-notified actuarial valuation standards and adopt a revised segment-reporting structure, with any business class representing 10% or more of GWP reported separately with full disclosures. As a result, insurers will need to strengthen actuarial governance, enhance data granularity, and recalibrate internal systems for mapping product lines to the new reporting structure, thereby increasing the level of reporting discipline and operational preparedness required under the IFRS 17 framework.

OPERATIONAL PERFORMANCE

During the review period, growth has been challenging in the insurance sector in line with increased competition resulting in lower prices and declining margins. Despite these challenges, the GWP (Conventional & Takaful), grew by 17.3%, reaching PKR 6.5bn (CY23: PKR 5.6bn) against the industry growth of 16.9%. Consequently, the market share of the Company increased to 4.13% (CY23: 3.11%). Conventional segment accounted for a 83.4% of GWP valued at PKR 5.4bn (CY23: PKR 4.9bn) whereas the Takaful segment aggregated to PKR 1.1bn constituting 16.6% of the GWP. A shift towards Takaful segment indicates a higher consumer preference for this segment. Growth in GWP was an outcome of an increase in business volumes and inclusion of new customers as opposed to inflation-driven growth. business mix remained dominated by A&H segment, followed by Motor segment during CY24.

BUSINESS MIX	CY23	%	CY24	%	9MCY24	%	9MCY25	%
Fire and property damage	1,082.6	19.5%	1,209.5	18.6%	896.3	17.2%	1,086.9	18.0%
Conventional	909.6		1,006.4		765.6		931.1	
Takaful	172.9		203.2		130.7		155.8	
Marine, aviation and transport	587.6	10.6%	563.2	8.6%	420.9	8.1%	387.4	6.4%
Conventional	502.0		451.5		342.1		300.7	
Takaful	85.5		111.7		78.8		86.7	
Motor	1,492.5	26.9%	1,587.1	24.4%	1,196.7	22.9%	1,415.3	23.4%
Conventional	1,245.8		1,267.1		963.9		1,061.5	
Takaful	246.7		319.9		232.8		353.8	
Accident & Health	1,499.6	27.0%	2,188.5	33.6%	2,018.1	38.6%	2,397.9	39.7%
Conventional	1,392.3		1,789.0		1,630.1		2,133.2	
Takaful	107.3		399.5		387.9		264.7	
Misc	888.1	16.0%	963.2	14.8%	691.1	13.2%	750.0	12.4%
Conventional	858.1		915.4		659.7		711.8	

<i>Takaful</i>	30.0		47.8		31.5		38.2		
Total	5,550.2		6,511.6		5,223.1		6,037.5		100.0%
<i>Conventional</i>	4,907.8	88.4%	5,429.4	83.4%	4,361.4	83.5%	5,138.2	85.1%	
<i>Takaful</i>	642.4	11.6%	1,082.1	16.6%	861.7	16.5%	899.2	14.9%	

During the ongoing year, the Gross Written Premium (Both conventional & takaful) of AGIC rose to PKR 6.0bn (9MCY24: PKR 5.2bn) at end-Sept'25 wherein conventional segment grew to PKR 5.1bn (9MCY24: PKR 4.4bn) and takaful segment reached PKR 899.2mn (9MCY24: PKR 861.7mn). Business mix remained unchanged with A&H segment remaining the dominant segment followed by Motor and Fire segment. Overall risk of the portfolio is high since the portfolio is dominated by Accident & Health business which is fully retained on net account.

UNDERWRITING PERFORMANCE

During CY24, AGIC rationalized their underwriting expense ratio due to higher commission income which moderated the impact of increase in the net claims ratio and resulted in an improved combined ratio of 93.0% (CY23: 94.1%) for the Company; the same subsequently led to an improvement in the underwriting profits to PKR 274.6mn (CY23: PKR 188.1mn). Additionally, the Company's recurring investment income also rose due to higher returns derived from equity investments by virtue of the boom observed in the stock market and the Company's Net Operating Ratio remained range-bound at end Dec 24. The net claims ratio deteriorated further in 9MCY25 due to an impact of floods and the underwriting expenses remained range-bound which subsequently led to a higher combined ratio of 99.4% (9MCY24: 93.5%). The investment income also declined leading to an increase in the NOR.

Table 2: Profitability Metrics (Amounts in PKR Millions)

	CY22	CY23	CY24	9M24	9M25
Net Claims Ratio	61.8%	62.1%	66.2%	66.7%	73.5%
Underwriting Expense Ratio	32.0%	31.9%	26.9%	26.9%	25.8%
Combined Ratio	93.7%	94.1%	93.0%	93.5%	99.4%
Recurring Investment Income	139.8	538.3	621.5	546.4	316.7
Net Premium Revenue	2,666.0	3,175.4	3,951.0	2,928.2	3,359.3
Net Operating Ratio	88.5%	77.1%	77.3%	74.9%	89.9%

Overall underwriting profits of AGIC declined to PKR 21.8mn at end-Sept'25 wherein Conventional segment reported underwriting profits of PKR 119.3mn (9MCY24: PKR 138.7mn) and the takaful segment witnessed underwriting losses to the tune of PKR 97.5mn as opposed to profits of PKR 50.2mn in the Subsequent Period Last Year (SPLY). Major underwriting losses were observed in Takaful's A&H segment due to higher claims that were entirely retained by the Company. Conventional Motor segment continued to incur underwriting losses on a timeline. But these losses declined to PKR 37.1mn (9MCY24: 53.2mn) at end-9MCY25. As per management, intense competition prevalent in the sector has reduced the underwriting profits because new policies are written at a lower rate relative to previous years.

Table 3: Amount in PKR Millions

UNDERWRITING PROFIT	CY22	CY23	CY24	9MCY24	9MCY25
Fire and property damage	17.0	48.4	89.7	91.9	31.8
<i>Conventional</i>	56.2	52.8	85.2	94.1	50.0
<i>Takaful</i>	(39.2)	(4.4)	4.5	(2.2)	(18.2)
Marine, aviation and transport	50.6	61.2	30.1	24.2	17.0
<i>Conventional</i>	43.0	69.3	22.8	19.5	35.2
<i>Takaful</i>	7.6	(8.0)	7.2	4.7	(18.2)
Motor	(73.6)	(49.4)	(37.1)	(53.2)	(37.1)
<i>Conventional</i>	(87.5)	(78.2)	(104.7)	(100.2)	(77.4)

<i>Takaful</i>	14.0	28.8	67.6	47.0	40.4
Accident & Health	88.6	18.4	56.0	38.8	(81.1)
<i>Conventional</i>	79.0	12.8	45.4	20.1	20.2
<i>Takaful</i>	9.6	5.6	10.6	18.8	(101.3)
Misc	84.5	109.4	135.9	87.3	91.2
<i>Conventional</i>	89.7	106.2	137.6	105.4	91.4
<i>Takaful</i>	(5.1)	3.3	(1.6)	(18.1)	(0.2)
Total	167.2	188.1	274.6	189.0	21.8
<i>Conventional</i>	180.3	162.8	186.3	138.7	119.3
<i>Takaful</i>	(13.1)	25.3	88.3	50.2	(97.5)

Financial Risk

CLAIMS EXPERIENCE

The overall gross claims expense treaded upwards to PKR 3.4bn (9MCY24: PKR 2.4bn) at end-Sept'25, with increases observed in all segments. The Conventional Claims amounted to PKR 2.7bn (9MCY24: PKR 2.1bn) whereas Takaful claims were to the tune of PKR 708.6mn (9MCY24: PKR 237.4mn). Higher claims in Takaful segment emanated from an increase in Fire and A&H claims. Consequently, the higher claims pertaining to all segments, especially F&P, Marine and A&H segments led to a higher gross claim ratio of 66.3% (9MCY24: 49.3%) at end -Sept'25.

Table 4: Gross Claims Ratio

GROSS CLAIMS RATIO	CY22	CY23	CY24	9MCY24	9MCY25
Fire and property damage	32.4%	86.6%	61.6%	19.5%	46.0%
<i>Conventional</i>	30.2%	105.4%	69.2%	20.0%	38.4%
<i>Takaful</i>	40.9%	12.5%	22.7%	17.6%	86.6%
Marine, aviation and transport	29.8%	33.3%	24.4%	16.6%	71.5%
<i>Conventional</i>	34.2%	28.2%	19.5%	15.9%	63.1%
<i>Takaful</i>	16.2%	51.5%	45.9%	19.4%	100.8%
Motor	44.3%	45.0%	47.3%	46.5%	49.0%
<i>Conventional</i>	47.6%	46.1%	49.9%	52.5%	50.0%
<i>Takaful</i>	32.8%	41.5%	35.6%	27.2%	45.3%
Accident & Health	85.8%	91.0%	89.0%	88.6%	95.0%
<i>Conventional</i>	87.1%	93.1%	90.6%	92.4%	91.6%
<i>Takaful</i>	25.3%	56.4%	75.8%	53.5%	111.6%
Misc	30.6%	47.8%	29.2%	30.9%	44.6%
<i>Conventional</i>	30.3%	47.4%	27.7%	28.9%	44.6%
<i>Takaful</i>	38.5%	57.1%	62.3%	61.0%	44.8%
Total	48.7%	63.4%	58.3%	49.3%	66.3%
<i>Conventional</i>	51.1%	67.8%	60.3%	52.9%	63.1%
<i>Takaful</i>	32.5%	37.9%	45.7%	30.6%	82.5%

Due to a decline in the cession ratio on a timeline, net claims expense also increased to PKR 2.5bn (9MCY24: PKR 2.0bn). Major net claims were observed under A&H and Motor segments since claims from these segments are fully retained in the Company's books. These motor claims are tied to a hailstorm in Islamabad whereas A&H claims are tied to higher medicinal costs that have increased the average claim cost. Consequently, higher net claims expense resulted in higher net claims ratio of 73.5% (9MCY24: 66.7%) for Sept'25.

Table 5: Net Claims Ratio

NET CLAIMS RATIO	CY22	CY23	CY24	9MCY24	9MCY25
Fire and property damage	39.5%	34.5%	31.9%	18.6%	99.8%
Conventional	41.0%	31.0%	36.4%	20.4%	86.9%
Takaful	34.6%	50.6%	13.8%	10.9%	161.2%
Marine, aviation and transport	21.0%	22.4%	40.3%	36.8%	54.6%
Conventional	21.6%	12.2%	42.3%	37.3%	35.5%
Takaful	18.1%	89.7%	33.2%	34.7%	145.0%
Motor	49.1%	46.3%	46.4%	48.8%	45.7%
Conventional	49.7%	45.7%	48.4%	51.0%	46.7%
Takaful	45.2%	49.2%	37.4%	37.8%	42.1%
Accident & Health	86.0%	91.1%	89.7%	90.4%	95.0%
Conventional	87.0%	92.1%	91.4%	92.4%	91.6%
Takaful	31.7%	70.5%	75.8%	66.9%	111.6%
Misc	30.6%	47.8%	29.2%	30.9%	44.6%
Conventional	34.9%	30.5%	18.5%	15.6%	27.3%
Takaful	44.2%	1.5%	34.6%	69.2%	42.7%
Total	61.8%	62.1%	66.2%	66.7%	73.5%
Conventional	63.8%	62.9%	68.6%	69.4%	71.2%
Takaful	41.3%	55.2%	51.2%	46.7%	83.9%

REINSURANCE TREATIES

AGIC maintains a comprehensive reinsurance program supported by a diversified panel of international reinsurers, the majority of whom are rated in the 'A' band or higher, thereby supporting the Company's overall risk absorption capacity. The treaty structure continues to be based on quota share and surplus arrangements across major business lines—including fire, marine, engineering, miscellaneous, and bond segments—augmented by excess-of-loss (XoL) protections for catastrophic, motor, and casualty exposures. Fire and engineering treaties continue to be backed by multilayered surplus protections. Non-proportional protections for Fire & Engineering Catastrophe risks in CY25 are arranged in three layers, with Hannover Re acting as the lead reinsurer on all layers. Overall, the treaty panel exhibits continuity across both years, with no material change in participating reinsurers or their ratings, and structural consistency in both proportional and non-proportional covers, thereby maintaining stability in AGIC's reinsurance risk profile. The maximum net retention on own account under treaties and otherwise was PKR 400.9mn in CY24 which was placed at PKR 457.5mn in CY25.

INVESTMENTS

Table 6: Investment Portfolio (Amount in Millions)

INVESTMENT MIX (Amount in Millions)	CY23	%	CY24	%	9MCY25	%
Equity Securities	732.8		1,652.7		1,291.7	
Mutual Funds	262.8	7.1%	626.8	16.8%	240.9	7.5%
Listed Shares	417.0	11.2%	742.0	19.9%	870.7	27.1%
Unrealized Surplus on Revaluation	53.1	1.4%	283.9	7.6%	180.1	5.6%
Debt Securities	2,984.1		2,078.2		1,916.3	
PIBs	1,749.5	47.1%	1,303.3	34.9%	1,319.1	41.1%
Ijarah Sukuk/ Sukuks	1,074.6	28.9%	614.9	16.5%	437.2	13.6%
TFCs	160.0	4.3%	160.0	4.3%	160.0	5.0%
Total	3,716.9	100.0%	3,730.9	100.0%	3,208.0	100.0%

Investment income increased to PKR 660.1mn (CY23: PKR 428.4mn) by end-CY24, mainly supported by higher returns from Available-for-Sale (AFS) investments and government securities. A further gain of PKR 137.6mn on AFS investments also contributed to the overall growth. During 9MCY25, investment income rose to PKR 570.8mn (9MCY24: PKR 468.3mn), primarily driven by higher realized gains on AFS securities. However, with the decline in interest rates during the ongoing year, yields on government securities have correspondingly decreased.

The carrying value of the investment portfolio declined to PKR 3.2bn at end-Sept'25 (CY24: PKR 3.7bn), mainly due to reduced exposure in mutual funds and Sukuks, while unrealized gains on revaluation moderated to PKR 180.1mn (CY24: PKR 283.9mn). The portfolio remains largely concentrated in Pakistan Investment Bonds (PIBs), which constituted 41.1% of total investments and stood at PKR 1.3bn, providing lower credit risk due to their sovereign backing. During 9MCY25, the Company partially divested from mutual funds—whose diversified asset base helps mitigate concentration risk—and reallocated these funds towards listed equities, increasing the carrying value of listed shares to PKR 870.7mn (CY24: PKR 742.0mn). While the shift towards equities enhances return potential, it also heightens exposure to market price risk. Sukuks and Ijarah instruments continue to form part of the Shariah-compliant investment strategy, offering moderate credit risk depending on issuer profiles. Overall, given the sizable allocation to government securities, credit risk remains manageable, although the increased equity exposure contributes to higher market volatility risk within the investment portfolio.

LIQUIDITY

Table 7: Liquidity Indicators

LIQUIDITY	CY22	CY23	CY24	9MCY25
Insurance Debt/ Gross Premium*	33.0%	26.8%	24.3%	26.1%
Liquid Assets to Net Technical Reserves	198.5%	193.8%	189.1%	110.9%

*Annualized

Liquidity profile of AGIC remains sound as indicated by a sound coverage of net technical reserves by the liquid asset; the same however declined to 110.9% (CY24: 189.1%) on account of a decline in carrying value of equity portfolio. Insurance debt to Gross Written Premium increased moderately to 26.1% (CY24: 24.3%; CY23: 26.8%) despite a sizable increase in insurance debt to PKR 2.1bn (CY24: 1.6bn; CY23: 1.5bn), driven primarily by higher premium receivables from policyholders and insurers. These receivables have an element of cyclicity and the management expects them to reduce at end-CY25.

CAPITALIZATION

Table 8: Capitalization Indicators (Amount in PKR Millions)

CAPITALIZATION	CY22	CY23	CY24	9MCY25
Total Equity	2,470.8	2,753.2	3,172.2	3,251.4
Operating Leverage (%) *	98.6%	115.3%	124.6%	137.8%
Adjusted Financial Leverage (%) *	37.2%	76.3%	69.4%	100.3%

AGIC's Tier I equity grew marginally to PKR 3.3bn (CY24: PKR 3.2bn; CY23: PKR 2.8bn) on account of an increase in the unappropriated profit. The Company made a dividend payment of PKR 356.5mn (9MCY24: PKR 373.7mn) during the review period. AGIC is considered sound from solvency risk point of view as the Company has adequate cushion in terms of admissible assets over its liabilities. During the review period, the Company announced a right issue, through which an amount of PKR 552.3mn was received from the substantial shareholders and directors against the subscription of 17.26mn right shares at an exercise price of PKR 32 per share, representing 60.01% of the total right issue. The proceeds from the right issue are expected to strengthen the Company's equity base, supporting its capitalization and solvency position in line with regulatory requirements.

The lower growth in equity base relative to business volume resulted in a higher operating leverage of 137.8% (CY24: 124.6%; CY23: 115.5%) at end-Sept'25. This operating leverage will be reduced once the right issue is completed. Additionally, financial leverage also increased to 100.3% (9MCY25: 69.4%; CY23: 76.3%); the same was outcome of an increase in the net technical reserves due to higher outstanding claims



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and unearned premium reserves but this is expected by management to revert to CY24 levels at end-CY25 due to inherent cyclicity in the sector. Aging of claims is satisfactory as none of the outstanding claims are due for more than two years.

FINANCIAL SUMMARY	CY21	CY22	CY23	CY24	9MCY25
Cash and Bank Balances	196.4	295.7	317.8	430.7	410.4
Investments	2,765.1	3,128.4	3,752.2	3,730.9	3,208.0
Liquid Assets	2,961.5	3,424.2	4,070.0	4,161.6	3,618.4
Insurance Debt	1,451.0	1,485.5	1,485.7	1,582.5	2,098.8
Total Assets	6,287.1	7,004.2	8,301.0	8,249.0	9,568.9
Ordinary Share Capital	719.0	719.0	719.0	719.0	719.0
Total Equity	2,316.5	2,470.8	2,753.2	3,172.2	3,251.4
Net Technical Reserves	1,651.2	1,724.9	2,100.2	2,200.8	3,261.5
Total Liabilities	3,867.9	4,423.2	5,394.7	5,012.2	6,042.9
INCOME STATEMENT	CY21	CY22	CY23	CY24	9MCY25
Gross Premium Revenue	3,606.5	4,500.3	5,550.2	6,511.6	6,037.5
Net premium Revenue	2,172.8	2,666.0	3,175.4	3,951.0	3,359.3
Net Claims	1,377.0	1,646.5	1,973.0	2,614.6	2,470.4
Underwriting Profit	185.8	167.2	188.1	274.6	21.8
Investment Income	252.4	268.0	449.9	660.1	570.8
Profit before Tax	504.2	540.0	772.4	1,060.1	815.9
Profit after Tax	367.4	355.1	428.4	655.9	508.0
RATIO ANALYSIS	CY21	CY22	CY23	CY24	9MCY25
Cession Ratio (%)	33.5%	37.7%	37.4%	35.6%	28.5%
Gross Claims Ratio (%)	53.0%	48.7%	63.4%	58.3%	66.3%
Net Claims Ratio (%)	63.4%	61.8%	62.1%	66.2%	73.5%
Underwriting Expense Ratio (%)	28.1%	32.0%	31.9%	26.9%	25.8%
Combined Ratio (%)	91.4%	92.7%	94.1%	93.0%	99.4%
Operating Leverage (%) *	93.8%	98.6%	115.3%	124.6%	137.8%
Adjusted Financial Leverage (%) *	33.5%	37.2%	76.3%	69.4%	100.3%
Insurance Debt/ Gross Premium*	40.2%	33.0%	26.8%	24.3%	26.1%
Liquid Assets to Adjusted Technical Reserves	179.4%	198.5%	193.8%	189.1%	110.9%

* Annualized

REGULATORY DISCLOSURES

Appendix II

Name of Rated Entity	Askari General Insurance Company			
Sector	Insurance			
Type of Relationship	Solicited			
Purpose of Rating	Insurer Financial Strength			
Rating History	Rating Date	Medium to Long Term	Outlook/ Rating Watch	Rating Action
	RATING TYPE: INSURER FINANCIAL STRENGTH			
	12/24/2025	AA+ (IFS)	Stable	Reaffirmed
	03/06/2025	AA+ (IFS)	Stable	Reaffirmed
	02/29/2025	AA+ (IFS)	Stable	Initial
Instrument Structure	N/A			
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.			
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.			
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Due Diligence Meetings Conducted	Name	Designation	Date	
	Suleman Khalid	CFO	13 th November, 2025	