

ASKARI GENERAL INSURANCE COMPANY

ANALYST:

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RATING DETAILS

RATINGS CATEGORY	LATEST RATING	PREVIOUS RATING
	LONG-TERM	LONG-TERM
ENTITY	AA+ (IFS)	AA+ (IFS)
RATING OUTLOOK	Stable	Stable
RATING ACTION	Reaffirmed	Reaffirmed
RATING DATE	October 07, 2026	December 24, 2025

SHAREHOLDING 5% OR MORE

Fauji Foundation – 51.00%
Army Welfare Trust – 9.23%

OTHER INFORMATION

Incorporated in 1995
Public Limited Company (Listed)
External Auditor: Yousuf Adil Chartered Accountants
CEO: Mr. Abdul Waheed
Chairman of the BOD: Lt Gen Anwar Ali Hyder HI(M) (Retd)

APPLICABLE RATING CRITERIA

VIS Entity Rating Criteria Methodology – General Insurance
<https://docs.vis.com.pk/docs/GeneralInsurance-2023.pdf>

APPLICABLE RATING SCALE

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

RATING RATIONALE

Askari General Insurance Company Limited ('AGIC' or the 'Company') rating reflects its strong overall credit profile, supported by a well-established franchise, experienced management, sound governance framework, and sponsor support expectations. The Company continues to grow its gross written premiums and expanding Window Takaful operations. Its capitalization has strengthened following the successful right issue and continued internal capital generation, providing support against growing business volumes and regulatory capital requirements. Liquidity remains sound, underpinned by a sizeable base of cash, bank balances, and investments, while the aging profile of insurance receivables provides additional comfort. The Company also benefits from established reinsurance arrangements and a panel of adequately rated reinsurers, although higher retention in key business segments increases risk of claims volatility. Underwriting performance weakened during the review period due to elevated claims, particularly in Accident & Health and Fire & Property, resulting in pressure on underwriting margins. However, the trend showed improvement during the ongoing year, supported by moderation in claims and improved underwriting profitability. Profitability also remained supported by investment income and takaful operations. Key rating considerations include the concentration in Accident & Health, elevated claims experience, rising insurance receivables, increasing leverage alongside business growth, and exposure to evolving catastrophe, geopolitical, and reinsurance risks.

COMPANY PROFILE

Askari General Insurance Company Limited ('AGIC' or the 'Company') 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 (PSX), with its registered office located at AWT Plaza, Rawalpindi, and a network of 20 plus branches across Pakistan. The Company is a subsidiary of Fauji Foundation after the recent transfer of majority holding from Army Welfare Trust.

SPONSOR PROFILE

Fauji Foundation is the largest social welfare network outside the Government, and one of the largest business conglomerates (widely known as "Fauji Group") operating in Agriculture & Food (Fertilizer, Corporate Farming & FMCG), Cement, Power Generation (both thermal & renewable), Oil & Gas Exploration, Minerals & Mining, IT & Digital Infrastructure, Marine Terminals, Employment Services, and Banking / Financial Brokerage & Currency Exchange sectors of the country.

MANAGEMENT & GOVERNANCE

CHAIRMAN PROFILE

Lieutenant General Anwar Ali Hyder, HI(M) (Retired) serves as the Chairman Fauji Group of Companies along with MD & CEO Fauji Foundation. With nearly four decades of distinguished military service, Lieutenant General Anwar Ali Hyder (Retired) brings consummate skill and experience in planning, organization and administration to his present assignment.

Throughout his distinguished career he held prestigious positions in various command, staff and instructional roles, culminating in the position of Principal Staff Officer to the Chief of Army Staff as Adjutant General of Pakistan Army. A role in which he provided leadership and spearheaded several important welfare initiatives and large-scale commercial projects at the Army and national level, including strategizing the development and growth of Fauji Foundation Companies and serving as the Chairman of Army Welfare Trust.

His extensive experience in Pakistan Army includes noteworthy contributions in planning and development of Defence Housing Authorities (DHAs) all over the country and supervising development and management of countrywide mega housing projects such as Askari Housing Colonies. He also had the distinctive opportunity of making contributions in the academic domain as President National Defence University and as member of the Board of Governors of NUST, NUMS and NUTECH.

Transitioning seamlessly into civilian leadership role, Lieutenant General Anwar Ali Hyder (Retired) assumed the chairmanship of Naya Pakistan Housing and Development Authority (NAPHDA) and played an important role in the interim Federal Cabinet as the Caretaker Minister for Defence and Defence Production. He also served as a member of the Apex Committee of Special Investment Facilitation Council (SIFC), where he made multifaceted contributions to national economic growth initiatives and in the process remained engaged with several public and private sector entities and multinational organizations.

His strategic prowess and commitment to excellence is complimented by his professional and academic qualifications, which include Masters in Strategic Studies from United States Army War College, Carlisle, Pennsylvania and MSc in War Studies from National Defence University, Islamabad. His dedication to duty and meritorious services in Pakistan Army were duly recognized through conferment of the Chief of Army Staff Commendation Card and the prestigious Hilal-e-Imtiaz (Military) by the President of Pakistan.

PRESIDENT & CEO PROFILE

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.

BOARD OVERVIEW

Sr. No.	Name	Position
1	Lt Gen Anwar Ali Hyder HI(M) (Retd)	Chairman
2	Mr. Abdul Waheed	CEO
3	Maj Gen Muhammad Ahmed Malik (Retd)	Non-Executive Director
4	Syed Bakhtiyar Kazmi (Retd)	Non-Executive Director
5	Brig. Irfan Khan (Retd)	Non-Executive Director
6	Mr. Muhammad Majid Munir	Non-Executive Director
7	Syed Haider Abbas	Independent Director
8	Mr. Badr-ul-Arifeen	Independent Director
9	Mr. Imran Iqbal	Independent Director
10	Ms. Nusrat Munshi	Independent Director

The Board of Directors (BoD) of Askari General Insurance Company Limited (AGIC) comprises professionals with diverse experience across military, corporate, finance, and legal sectors. The Board is structured to ensure regulatory compliance and effective oversight, featuring

nine members in total: two independent directors, one independent female director, five non-executive directors, and one executive director.

During CY26, Askari General Insurance experienced profound transitions at the highest level of Board leadership, culminating in a major corporate restructuring. Early in the year, Maj Gen Syed Anis Akbar (Retd) assumed the position of Chairman, succeeding Lt Gen Nauman Mahmood (Retd). Furthermore, Maj Gen Muhammad Ahmed Malik (Retd) was inducted into the Board, replacing Maj Gen Kamran Ali (Retd), while Brig Salman Nazar (Retd) formally filled the casual vacancy left by Brig Mukhtar Ahmed (Retd). In HY26, further shifts occurred: Maj Gen Abid Latif (Retd) replaced Mr. Rizwan Ullah Khan as a Non-Executive Director, Syed Haider Abbas and Mr. Badr-ul-Arifeen joined as Independent Directors (replacing Mr. Mohammad Munir Malik and Ms. Saima Akbar Khattak, respectively), and Ms. Nusrat Munshi was appointed as an Independent Director.

However, these changes were subsequently superseded by a landmark structural shift on October 1, 2026, when a 51% majority stake (51.34 million shares) was transferred from the Army Welfare Trust to the Fauji Foundation. Following this transaction, four existing directors—Maj Gen Syed Anis Akbar (Retd), Maj Gen Abid Latif Khan (Retd), Malik Riffat Mahmood, and Brig Salman Nazar (Retd)—resigned from the Board effective September 28, 2026. Replacing them, Lt Gen Anwar Ali Hyder (Retd) was inducted and appointed as the new Chairman of the Board, joined by Syed Bakhtiyar Kazmi, Mr. Muhammad Majid Munir, and Brig Irfan Khan (Retd) as newly inducted directors. To align with this strategic overhaul, the Board's Audit, Investment, and Ethics, Human Resource & Remuneration committees were completely reconstituted, establishing a new governance foundation under the Fauji Foundation's sponsorship.

The directors collectively possess expertise in strategic management, corporate governance, finance, and organizational leadership. In line with the Code of Corporate Governance, the Board ensures compliance with applicable laws 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. During CY25, five meetings of the Board of Directors were held with satisfactory attendance.

BOARD COMMITTEES:

The Board maintains active and effective oversight through six specialized sub-committees. During CY25, the Audit Committee held five meetings, whereas all other sub-committees met twice. Following the changes in the BoD, the Board committees were reconstituted. Keeping in view the above changes in board after FF acquisition following committees were also changed:

Committee Name	Members
Executive, Risk Management and Compliance Committee: Responsible for overseeing the Company's risk management and compliance functions, monitoring adherence to internal policies, reviewing investments above PKR 10 million, and evaluating the annual budget.	To be reconstituted.
Audit Committee: Chaired by an independent director, it reviews quarterly, half-yearly, and annual financial statements prior to Board approval. It focuses on internal controls, audit adjustments, and regulatory compliance.	Syed Haider Abbas (Chairman) Syed Bakhtiyar Kazmi Mr. Muhammad Majid Munir
Ethics, Human Resource and Remuneration Committee: Oversees human resource policies, the selection and evaluation of key executives, and succession planning.	Ms. Nusrat Munshi (Chairperson) Brig Irfan Khan (Retd) Mr. Imran Iqbal
Underwriting, Reinsurance and Coinsurance Committee: Formulates underwriting policies, determines premium structures, and reviews the appropriateness of the Company's reinsurance arrangements.	Maj Gen Muhammad Ahmed Malik (Retd) (Chairman) Mr. Zaheer Abbas Mr. Shahzad Ameer Dr. Khurram Sheraz
Claims Settlement Committee: Oversees the claims settlement process, ensures the adequacy of claims reserves, and monitors anti-fraud measures.	Yet to be Announced (Chairman) Mr. Abdul Waheed Mr. M. Qasim Mr. Nadeem Ahmad
Investment Committee: Formulates the investment policy, reviews portfolio performance, and ensures investments align with the Company's strategic macroeconomic outlook.	Maj Gen Muhammad Ahmed Malik (Retd) (Chairman) Mr. M. Majid Munir Mr. Badr-ul-Arifeen

MANAGEMENT TEAM

The executive management team is spearheaded by Mr. Abdul Waheed, who has served as President & CEO since 2010, providing long-term strategic continuity. The broader management team possesses relevant industry experience and stability, though a notable change

occurred in the control functions during CY25. Following the resignation of the previous Head of Internal Audit, the Board appointed Ms. Manahil Younas to the role, ensuring uninterrupted oversight of the Company's internal control framework.

IT INFRASTRUCTURE

AGIC accelerated its digital transformation strategy throughout CY25 to enhance operational efficiency, regulatory compliance, and customer experience. A major milestone was the completion of an Enterprise Architecture Revamp to strengthen system integration. In the core underwriting and claims functions, the Company deployed a new Motor Claims Management System (MCMS), a unified digital platform designed to eliminate paperwork and enable real-time coordination with surveyors to accelerate settlement and mitigate fraud. Furthermore, an e-Health Card feature was integrated into the mobile application to facilitate cashless hospital services. To safeguard these expanded digital touchpoints, AGIC reinforced its cybersecurity posture in alignment with SECP guidelines, deploying advanced firewalls, AI-driven threat detection, and Security Information and Event Management (SIEM) tools.

SHARIAH COMPLIANCE OF WTO

The Shariah compliance of AGIC's Window Takaful Operations (WTO) is overseen by Mufti Ehsan Waqar, Shariah Advisor, who confirmed that all product structures, Re-Takaful agreements, the Surplus Distribution Mechanism, and Investment Policies align with Shariah principles and the Takaful Rules, 2012. Furthermore, S.M. Suhail & Co., Chartered Accountants, acted as the Shariah Compliance Auditors for the year, issuing an independent reasonable assurance report that identified no non-Shariah-compliant income, requiring no income purification.

AUDIT OPINION

Yousuf Adil Chartered Accountants, categorized as 'Category A' on SBP's Panel of Auditors and with satisfactory QCR rating from ICAP, has provided an unqualified opinion.

BUSINESS RISK

INDUSTRY

Despite a challenging operating environment during CY25, Pakistan's insurance sector demonstrated resilient growth. Total gross premiums (including takaful) increased by 13.9% to PKR 245.2bn (CY24: PKR 215.2bn), primarily driven by the takaful segment, where gross contributions rose to PKR 41.7bn (CY24: PKR 26.2bn). Growth was supported by stronger demand for Shariah-compliant products, enhanced Shariah governance, and expanding banca-takaful partnerships. The positive momentum continued into 1QCY26, with total gross premiums reaching PKR 11.6bn (1QCY25: PKR 7.8bn).

Monsoon floods during 2025 led to a sharp increase in claims, particularly motor claims in Punjab and Khyber Pakhtunkhwa, resulting in the industry's net claims ratio deteriorating to 54.1% (CY24: 51.2%) and further to 57.4% in 1QCY26 (1QCY25: 50.6%). Although insured losses remained limited due to insurance penetration of below 1% of GDP, the events reinforced the need for effective catastrophe-risk financing. Reinsurance conditions improved relative to the hard market of 2023–24; with Pakistan Reinsurance Company anchoring compulsory cessions and international reinsurers focusing on upper-layer catastrophe cover.

In terms of composition, the non-life (general) and life insurance segments account for ~35% and ~65% of the Gross Written Premium, respectively, including the Takaful Contribution. Despite near-term challenges, the sector's underlying potential remains substantial. Penetration is still among the lowest in Asia, leaving major growth potential in bancassurance, telco-based micro-insurance, agricultural protection, health coverage expansion, and digital-first distribution untapped. Climate-related risks will continue to shape the operating environment, influencing reinsurance terms, capital requirements, and future claims volatility, but also creating new avenues for innovation. Overall, Pakistan's insurance industry demonstrated resilience in 2024 and adaptability in 2025.

Regional geopolitical tensions, particularly the Iran-Israel conflict, have heightened risks across key shipping corridors during CY26 and are expected to increase war-risk premiums, reinsurance costs, and claims inflation through higher freight, repair, and replacement costs. Prolonged instability may continue to tighten reinsurance capacity and exert pressure on underwriting margins, necessitating disciplined underwriting and prudent pricing. Meanwhile, the recent increase in Pakistan's policy rate is expected to enhance insurers' investment income through higher yields on fixed-income portfolios, albeit with potential mark-to-market losses on longer-duration securities. Higher borrowing costs may also moderate demand for auto and housing finance, constraining new motor and property insurance business and tempering premium growth across these segments.

REGULATORY DEVELOPMENTS

Alongside these business developments, structural shifts will continue to shape the competitive landscape. SECP has recently imposed a higher minimum capital requirement of PKR 2,000.0 million. As of Dec'25, out of the 28 companies in the general insurance sector, 8 fall short of meeting the minimum capital requirement, which is required to be achieved by 2030. SECP's recent approval of Pakistan's first digital-only non-life insurer in 2025 marked a significant milestone, signaling the emergence of tech-driven distribution.

Other disclosure-related changes are also on the anvil, including the implementation of IFRS 17 to become effective from January 2026. This will standardize the recording of claims liabilities across the sector and make comparisons more meaningful.

OPERATIONAL PERFORMANCE

Gross Premium Mix Including Takaful	CY24		CY25		1HCY26	
Fire and property damage	1,209.5	18.6%	1,404.7	18.4%	1,262.0	26.7%
Marine, aviation and transport	563.2	8.6%	557.0	7.3%	257.2	5.4%
Motor	1,587.1	24.4%	1,903.0	25.0%	1,050.3	22.2%
Accident and health	2,188.5	33.6%	2,682.8	35.2%	1,880.9	39.8%
Miscellaneous	963.2	14.8%	1,070.0	14.0%	277.8	5.9%
Gross Written Premiums & Contributions	6,511.6	100.0%	7,617.5	100.0%	4,728.1	100.0%

During the review period, AGIC demonstrated consistent top-line growth, supported by volume expansion and inflationary adjustments across its portfolio. The Gross Written Premium (GWP), inclusive of conventional and takaful contributions, registered a 17.0% YoY growth in CY25, reaching PKR 7.61 billion (CY24: PKR 6.51 billion). The Window Takaful Operations (WTO) continued to gain traction, with contributions expanding to PKR 1.28 billion and constituting 16.8% of total GWP. This expansion is aided by Islamic financing packages offered by banks, wherein Takaful rates remain comparable to conventional pricing.

The upward trajectory persisted into 1HCY26, where GWP grew by 11.0% compared to similar period last year, reaching PKR 4.78 billion (1HCY25: PKR 4.31 billion). The Takaful segment maintained its robust upward momentum during the half-year, with Window Takaful contributions increasing by approximately 34% to PKR 696.9 million (1HCY25: PKR 518.3 million), reflecting the continued expansion and strengthening of the Company's Window Takaful operations.

The portfolio remains heavily skewed towards the Accident & Health (A&H) segment, which accounted for 35.2% of the total business in CY25. This concentration increased in 1HCY26, accounting for 39.8% of the total business and driving the bulk of the half-year's premium generation. The Fire & Property (F&P) segment recorded the highest growth rate of 55%, increasing its share significantly to 26.7% of the business mix. Conversely, the Motor segment's overall share moderated to 22.2% in 1HCY26, though it remained a strong driver of underwriting performance. The marine business halfway into 2026 accounted for 5.4% of the premium mix, continuing to navigate capacity pressures and uncertainties brought about by regional conflicts and geopolitical risks. Going forward, management intends to rebalance the portfolio, targeting a reduction in the A&H share to 25.0% while increasing the Motor segment's contribution to 36.0% - 40.0% and optimizing the F&P share in line with current market dynamics.

REINSURANCE ARRANGEMENTS

The Company's conventional reinsurance treaty for 2026 was amended, with the Fire & Engineering Catastrophe XoL capacity for the 1st layer reduced to PKR 50 million (2025: PKR 100 million), while the 3rd layer was reduced to PKR 700 million (2025: PKR 800 million). Meanwhile, AGICO's retention under the 3rd layer increased to PKR 500 million (2025: PKR 400 million). Additionally, two new business segments were incorporated into the Miscellaneous/Accident Quota Share Treaty: (i) General TPL, PL, EL and PI for Architects/Engineers/Consultants/Contractors (subject to prior approval), with a total capacity of PKR 30 million and retention of PKR 6.0 million; and (ii) Bankers Blanket Bond/Insurance (BBB), with a total capacity of PKR 50 million and retention of PKR 10 million.

On the takaful side, the reinsurance treaties in 2026 have strengthened, with the total capacity under the Fire Retakaful Quota Share and Surplus Treaty increasing to PKR 1.26 billion (2025: PKR 1.0 billion), while retention also increased to PKR 27.0 million (2025: PKR 22.5 million). Similarly, the Marine Cargo Retakaful Quota Share and Surplus Treaty capacity increased to PKR 600 million (2025: PKR 500 million), with retention rising to PKR 15.0 million (2025: PKR 12.5 million). The Motor Retakaful Risk Excess of Loss Treaty capacity also increased to PKR 30.0 million (2025: PKR 20.0 million), with retention increasing to PKR 5.0 million (2025: PKR 3.0 million). The reinsurer panel under both reinsurance treaties remained unchanged, with the lowest-rated insurer in the conventional treaty carrying an 'A-' rating, while the lowest-rated insurer under the Shariah-compliant treaty was rated 'BBB+'.

The Company's overall cession ratio dropped to 30.5% in CY25 (CY24: 35.6%), reflecting a higher proportion of risk retained on the net account, largely due to the dominance of the A&H and Motor segments which operate with minimal treaty support. In 1HCY26, the cession ratio further reduced to 24.5%.

Cession Ratio	CY24	CY25	1HCY26
Fire and Property	85.2%	83.2%	49.6%
Marine and Transport	86.7%	72.7%	84.4%
Motor	5.6%	5.3%	4.7%
Health	0.0%	0.0%	0.0%
Other Classes	74.0%	60.6%	95.4%
Overall Cession Ratio (Total Reinsurance Ceded/Total Gross Premium)	35.6%	30.5%	24.5%

FINANCIAL RISK

CLAIMS PERFORMANCE

GROSS CLAIMS RATIO	CY24	CY25	1HCY26
Fire and property damage	61.6%	48.3%	24.9%
Conventional	69.2%	42.4%	25.2%
Takaful	22.7%	80.5%	23.2%
Marine, aviation and transport	24.4%	70.3%	43.7%
Conventional	19.5%	61.3%	40.1%
Takaful	45.9%	103.1%	54.3%
Motor	47.3%	43.6%	55.7%
Conventional	49.9%	43.3%	62.0%
Takaful	35.6%	44.6%	37.8%
Accident & Health	89.0%	96.5%	82.2%
Conventional	90.6%	93.5%	82.6%
Takaful	75.8%	111.8%	78.4%
Miscellaneous	29.2%	44.0%	70.1%
Conventional	27.7%	45.6%	91.5%
Takaful	62.3%	25.7%	5.7%
Total	58.3%	65.9%	60.7%
Conventional	60.3%	63.2%	65.2%
Takaful	45.7%	79.0%	40.6%

The overall gross claims expense treaded upwards, reaching PKR 4.59 billion in CY25 (CY24: PKR 3.65 billion), with heightened claims activity observed across almost all major segments. The Conventional segment's gross claims amounted to PKR 3.65 billion (CY24: PKR 3.26 billion), while Window Takaful Operations (WTO) experienced a significant surge, with gross claims more than doubling to PKR 937.0 million (CY24: PKR 387.4 million). This escalation in Takaful and overall claims primarily emanated from the Fire and Health lines that led to a deterioration in the overall gross claims' ratio to 65.9% in CY25 (CY24: 58.3%).

Net claims expense mirrored this trajectory, increasing to PKR 3.34 billion in CY25 (CY24: PKR 2.61 billion). The bulk of the net claims burden was concentrated in the A&H segment, which is heavily retained on the Company's net account. Driven by rising medical costs and higher utilization from corporate clients, the A&H net claims ratio spiked to an elevated 96.5% in CY25. Furthermore, the F&P segment experienced unexpected losses, driving its net claims ratio up sharply to 73.4% (CY24: 31.9%). As a result, the Company's overall net claims ratio deteriorated to 71.9% at end-CY25 (CY24: 66.2%).

NET CLAIMS RATIO	CY24	CY25	1HCY26
Fire and property damage	31.9%	73.4%	19.3%
Conventional	36.4%	71.8%	25.5%
Takaful	13.8%	78.4%	2.1%
Marine, aviation and transport	40.3%	50.0%	46.2%
Conventional	42.3%	33.7%	46.8%
Takaful	33.2%	121.4%	44.8%
Motor	46.4%	41.2%	53.2%
Conventional	48.4%	42.0%	57.2%
Takaful	37.4%	38.3%	40.8%
Accident & Health	89.7%	96.5%	82.2%
Conventional	91.4%	93.5%	82.6%
Takaful	75.8%	111.8%	78.4%
Miscellaneous	19.8%	30.0%	67.4%
Conventional	18.5%	30.1%	70.5%
Takaful	34.6%	27.8%	15.5%
Total	66.2%	71.9%	68.5%
Conventional	68.6%	70.4%	71.6%
Takaful	51.2%	78.5%	51.5%

Moving into the 1HCY26, claims showed signs of moderation. The overall gross claims ratio improved to 60.7%, and the net claims ratio eased to 68.5% for the half-year. This was primarily supported by a normalization of claims in the Fire segment, where the net claims ratio dropped significantly to 19.3%, alongside a noticeable improvement in the A&H net claims ratio to 82.2%. However, Motor claims witnessed an uptick with the net claim ratio rising to 53.2% as the Company's rebalancing efforts and volume expansion continued to take shape across the portfolio.

UNDERWRITING PERFORMANCE

Underwriting Metrics	CY24	CY25	1HCY26
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Net Claims Ratio	66.2%	71.9%	68.5%
Underwriting Expense Ratio	27.1%	27.3%	24.9%
Combined Ratio	93.3%	99.2%	93.3%
Net Operating Ratio	78.1%	90.4%	86.5%
Premium ceded/ Claims recovered (x)	2.23	1.86	2.34

During CY25, AGIC experienced a contraction in its overall underwriting profitability, primarily driven by heightened claims activity. The Company reported a consolidated underwriting profit of PKR 89.3 million for the year, representing a significant decline from PKR 201.1 million in CY24. This contraction was rooted in a deterioration of the net claim ratio, which climbed to 71.9% (CY24: 66.2%), overshadowing a relatively stable underwriting expense ratio of 27.3% (CY24: 27.1%). Consequently, the overall combined ratio edged close to the breakeven mark, at 99.2% in CY25 (CY24: 93.3%), with Net Operating Ratio worsening to 90.4% (CY24: 78.1%).

The impact of elevated gross claims was partially buffered by the Company's reinsurance arrangements. The ratio of Premium Ceded to Claims Recovered moderated to 1.86x in CY25 (CY24: 2.23x), indicating a proportional increase in claim recoveries from reinsurers amidst the heightened loss environment. However, because the Company fully retains its core A&H and Motor segments on its net account, the benefits of reinsurance recoveries were isolated to specific segments and insufficient to prevent the overall net claims ratio from rising.

Underwriting Profit	CY24	CY25	1HCY26
Fire and property damage	(73.9)	66.5	98.4
Conventional	(64.7)	76.3	82.6
Takaful	(9.2)	(9.7)	15.7
Marine, aviation and transport	(12.6)	33.2	24.8
Conventional	(13.2)	51.9	19.3
Takaful	0.6	(18.7)	5.5
Motor	104.7	53.6	(21.4)
Conventional	2.9	(25.6)	(79.8)
Takaful	101.8	79.2	58.5
Accident & Health	196.9	(165.0)	157.6
Conventional	180.8	(1.3)	142.5
Takaful	16.0	(163.7)	15.1
Miscellaneous	(14.0)	101.0	(40.6)
Conventional	(19.9)	102.8	(33.4)
Takaful	6.0	(1.8)	(7.2)
Total	201.1	89.3	218.7
Conventional	85.9	204.0	131.2
Takaful	115.2	(114.7)	87.5

The decline in underwriting performance during CY25 was predominantly concentrated in the Accident & Health (A&H) segment, the Company's largest portfolio contributor. The A&H segment shifted from an underwriting profit of PKR 196.8 million in CY24 to a substantial loss of PKR 165.0 million in CY25. Similarly, the Motor segment's profitability nearly halved to PKR 53.6 million (CY24: PKR 104.7 million). Conversely, these losses were partially offset by a strong recovery in the Miscellaneous segment, which posted a profit of PKR 101.0 million (CY24: loss of PKR 14.0 million), and the Fire & Property damage segment, which rebounded to a profit of PKR 66.5 million (CY24: loss of PKR 73.9 million).

During the 1HCY26, the Company demonstrated signs of recovery, with the total underwriting profit at PKR 218.7 million for the period. This improvement was facilitated by a moderation in the net claim expenses and an optimization of the underwriting expenses. The A&H segment reported an underwriting profit of PKR 157.6 million, while the Fire segment contributed PKR 98.4 million. However, the Miscellaneous and Motor segments posted underwriting losses of PKR 40.6 million and PKR 21.4 million, respectively, during the half-year.

PROFITABILITY:

P&L Extract	CY24	CY25	1HCY26
Gross Premium Revenue (Inc. Takaful)	6,511.6	7,617.5	4,728.1
Net Premium Revenue (Inc. Takaful)	3,951.0	4,653.8	2,690.2
Net Claims (Inc. Takaful)	2,614.6	3,345.2	1,841.6
Underwriting Profit (Inc. Takaful)	201.1	89.3	218.7
Investment Income (Inc. Takaful)	702.0	771.9	296.6
Profit After Tax (Inc. Takaful)	655.9	694.7	338.3

During CY25, profitability indicators trended upwards, with Profit Before Tax (PBT) reaching PKR 1.12 billion (CY24: PKR 1.06 billion) and Profit After Tax (PAT) increasing to PKR 694.7 million (CY24: PKR 655.9 million), driven primarily by investment income and rental income which offset contracted underwriting margins.

However, overall profitability remained stable in 1HCY26, with PAT at PKR 338.3 million (1HCY25: PKR 337.4 million). This was despite a decline in investment income to PKR 296.6 million (1HCY25: PKR 402.0 million), which was partially offset by an increase in profit from window takaful operations to PKR 94.7 million (1HCY25: PKR 51.5 million).

INVESTMENT PERFORMANCE

Investment Mix	CY24 (PKR mn)	%	CY25 (PKR mn)	%	1HCY26 (PKR mn)	%
Equities	2,054.85	46.4%	3,476.92	74.1%	3,490.54	75.6%
Mutual Funds	1,312.88	29.7%	2,660.29	56.7%	3,394.33	73.5%
Listed Shares	741.98	16.8%	816.63	17.4%	96.21	2.1%
Debt Securities	2,088.22	47.2%	1,119.00	23.9%	1,123.81	24.3%
Government Securities (PIBs)	1,303.35	29.4%	511.83	10.9%	515.87	11.2%
Ijarah Sukuk	564.85	12.8%	387.14	8.3%	387.92	8.4%
TFCs	160.00	3.6%	160.00	3.4%	160.00	3.5%
Sukuks	60.03	1.4%	60.03	1.3%	60.03	1.3%
Unrealised Surplus (AFS)	283.90	6.4%	94.02	2.0%	5.551	0.1%
Total Investment	4,426.97	100.0%	4,689.92	100.0%	4,619.90	100.0%

The carrying value of the total investment portfolio, inclusive of Window Takaful Operations, expanded to PKR 4.69 billion as at Dec'25 (Dec'24: PKR 4.43 billion) and stood at PKR 4.62 billion by the end of Jun'26. During the review period, a strategic shift was observed with exposure to Pakistan Investment Bonds (PIBs) reduced from PKR 1.30 billion (29.4% of portfolio) as at Dec'24 to PKR 515.9 million (11.2% of portfolio) by Jun'26. Concurrently, funds were reallocated into money market and income mutual funds, which increased to PKR 3.39 billion, accounting for 73.5% of total investments by the end Jun'26. Exposure to listed equity shares was significantly curtailed from PKR 816.6 million as at Dec'25 to PKR 96.2 million (2.1% of portfolio) as at Jun'26. This portfolio adjustment was undertaken as a capital preservation measure in response to market volatility and geopolitical developments surrounding the US-Iran conflict, directing liquidity toward yield-bearing instruments to protect the capital base.

MARKET AND LIQUIDITY

The liquidity profile of AGIC remains sound, underpinned by a sizable and growing base of liquid assets, comprising cash, bank balances, and investments. Total liquid assets expanded to PKR 5.67 billion as at Dec'25 (Dec'24: PKR 5.16 billion), driven largely by the proceeds from the Right Issue and subsequent deployment into the investment portfolio. Moving to Jun'26, liquid assets remained comfortable, standing at PKR 5.65 billion.

Despite growth in absolute liquid asset base, the liquid assets to net technical reserves ratio experienced a gradual decline, primarily due to the rapid expansion in unearned premium reserves and higher outstanding claims tracking the overall business growth. The ratio stands at 170.1% at end-Dec'25 (CY24: 188.6%) and further tapered to 127.3% as of Jun'26.

On the receivables front, insurance debt climbed to PKR 2.15 billion at of Dec'25 (Dec'24: PKR 1.89 billion). However, owing to the corresponding strong growth in the top line, the insurance debt to Gross Written Premium (GWP) ratio improved slightly to 28.0% in CY25 (CY24: 29.0%). Comfort is drawn from the aging profile of these receivables, as a substantial 92.6% of the outstanding balance remains in the most current aging bucket, with only a fractional 0.9% extending beyond two years, thereby mitigating the risk of material impairment. As of Jun'26, the absolute insurance debt climbed further to PKR 3.38 billion, causing the annualized insurance debt to GWP ratio to tick upwards to 35.8%. Management generally attributes such interim spikes to seasonal patterns and volume expansion in corporate premium collections, which historically normalize towards the year-end.

Liquidity Metrics	CY23	CY24	CY25	1HCY26
Liquid Assets to Net Technical Reserves	198.7%	188.6%	170.1%	127.3%
Insurance Debt/ Gross Premium	29.8%	29.0%	28.0%	35.8%

CAPITALIZATION

Capitalization indicators strengthened significantly during the review period, primarily driven by the successful execution of a Right Issue in the final quarter of 2025, alongside internal capital generation. The Company raised PKR 920.3 million by issuing approximately 28.76 million ordinary shares at a price of PKR 32 per share (inclusive of a PKR 22 premium). Consequently, the paid-up share capital expanded to PKR 1.06 billion at of Dec'25 (Dec'24: PKR 770.0 million), ensuring comfortable compliance with the SECP's enhanced minimum capital requirements.

Supported by the Right Issue proceeds and profit retention, the Company's adjusted Net Worth grew by 32.0% to reach PKR 4.62 billion at end-Dec'25 (Dec'24: PKR 3.50 billion). This upward trajectory continued into Jun'26, with the equity base augmenting further to PKR 4.76 billion, underpinned by the half-year's internal capital generation and profit retention.

Operating leverage which had previously elevated to 113.0% in CY24 due to rapid premium expansion improved to a more comfortable 100.8% by the end of CY25. Similarly, net financial leverage trended downward to 72.1% as of Dec'25 (Dec'24: 78.2%), reflecting improved reserve-to-equity coverage. However, as of Jun'26, both leverage metrics experienced an upward trajectory as top-line premium

generation and reserve requirements accelerated relative to the capital base. Operating leverage observed an annualized uptick to 113.1%, while net financial leverage increased to 93.3%, reflecting the rapid expansion in business volumes and the corresponding growth in insurance liabilities during the half-year.

Capitalization Metrics	CY23	CY24	CY25	1HCY26
Paid-Up Share Capital (PKR mn)	770.0	770.0	1,057.6	1,006.6
Net Worth (PKR mn)	3,149.2	3,497.1	4,617.1	4,755.7
Operating Leverage (%)	100.8%	113.0%	100.8%	113.1%
Net Financial Leverage (%)	76.1%	78.2%	72.1%	93.3%

FINANCIAL SUMMARY		(AMOUNTS IN PKR MN)		
BALANCE SHEET		2024	2025	1H2026
Cash and Bank Deposits Incl. WTO		731.2	976.0	1,028.4
Investments Incl. WTO		4,427.0	4,689.9	4,619.9
Insurance Debt Incl. WTO		1,888.6	2,132.0	3,383.6
Reinsurance recoveries against outstanding claims Incl. WTO		671.2	844.5	917.7
Other Assets Incl. WTO		2,026.9	3,055.1	3,311.9
Total Assets Incl. WTO Assets		9,744.8	11,697.5	13,261.5
Gross Technical Reserve		4,172.6	5,173.5	6,283.7
Paid-Up Share Capital		770.0	1,057.6	1,006.6
Net Worth		3,497.1	4,617.1	4,755.7
INCOME STATEMENT		2024	2025	1H2026
Gross Premium Revenue (Inc. Takaful)		6,511.6	7,617.5	4,728.1
Net Premium Revenue (Inc. Takaful)		3,951.0	4,653.8	2,690.2
Net Claims (Inc. Takaful)		2,614.6	3,345.2	1,841.6
Underwriting Profit (Inc. Takaful)		201.1	89.3	218.7
Investment Income (Inc. Takaful)		600.0	410.6	184.5
Profit After Tax (Inc. Takaful)		655.9	694.7	338.3
RATIO ANALYSIS		2024	2025	1H2026
Market Share (%)		3.0%	3.1%	3.5%
Cession Ratio (%)		35.6%	30.5%	24.5%
Gross Claims Ratio (%)		58.3%	65.9%	60.7%
Net Claims Ratio (%)		66.2%	71.9%	68.5%
Underwriting Expense Ratio (%)		27.1%	27.3%	24.9%
Combined Ratio (%)		93.3%	99.2%	93.3%
Net Operating Ratio (%)		78.1%	90.4%	86.5%
Insurance Debt to Gross Premium (%)		29.0%	28.0%	35.8%
Operating Leverage (%)		113.0%	100.8%	113.1%
Net Financial Leverage (%)		78.2%	72.1%	93.3%
Liquid Assets to Net Technical Reserves (%)		188.6%	170.1%	127.3%

REGULATORY DISCLOSURES

Appendix II

Name of Rated Entity	Askari General Insurance Company			
Sector	General Insurance			
Type of Relationship	Solicited			
Purpose of Rating	Entity Ratings			
Rating History	Rating Date	Medium to Long Term	Rating Outlook	Rating Action
	RATING TYPE: ENTITY			
	October 07, 2026	AA+ (IFS)	Stable	Reaffirmed
	December 24, 2025	AA+ (IFS)	Stable	Reaffirmed
	March 06, 2025	AA+ (IFS)	Stable	Reaffirmed
	February 29, 2024	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	
	Mr. Suleman Khalid	Chief Financial Officer	29 July 2026	
	Mr. Anwar Ahmed Malik	Head of Compliance, Grievance and Risk Management		
	Mr. Syed Zaheer Abbas	Head of Underwriting		
	Mr. Shahzad Ameer	Head of Re-Insurance		
	Mr. Muhammad Qasim	Head of Claims		
	Mr. Raza Ali	Head of Takaful		
	Mr. Waqas Ali	Company Secretary		