

JUBILEE LIFE INSURANCE COMPANY LIMITED

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	February 17, 2026	February 10, 2025

Shareholding (5% or More)

Aga Khan Fund for Economic Development S.A., Switzerland - 57.87%

Habib Bank Limited Treasury Division - 18.52%

Jubilee General Insurance Company Limited - 6.4%

Other Information

Incorporated in 1995

Public Limited Company

External auditors: M/s KPMG Taseer Hadi & Co. Chartered Accountants

Chairman of the Board: R. Zakir Mahmood

Chief Executive Officer & Managing Director: Javed Ahmed

Applicable Rating Methodology

Applicable Rating Criteria: Life Insurance and Family Takaful

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

Rating Scale

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

Rating Rationale

Jubilee Life Insurance Company Limited ('JLICL' or 'the Company') is the largest private sector life insurance Company in Pakistan, offering both individual and group life covers. The assigned rating derives strength from the Company's robust sponsorship profile which includes the Aga Khan Fund for Economic Development S.A. (AKFED), Switzerland in addition to indirect holding of AKFED through Habib Bank Limited (HBL). Business volumes continued to expand throughout CY24 and showed further positive momentum in 9MCY25, driven by new business acquisition, improved digital onboarding, and broader corporate outreach. Underwriting indicators also improved over this period, although underwriting results reflected expected unit-linked market dynamics. Profitability for 9MCY25 benefited from market-driven investment gains despite lower income from fixed-rate securities following policy rate cuts during the review period.

The investment portfolio remained conservative, continuing to be primarily allocated to government securities. Exposure to equities and mutual funds increased during the review period in response to favorable market conditions. Liquidity indicators remained adequate through CY24 and 9MCY25. Capitalization strengthened during this period through internal profit retention, while solvency margins remained well above regulatory requirements. Governance practices remained aligned with SECP's Code of Corporate Governance. The impact of digitization and ESG initiatives are positively reflected in the assigned rating.

A key sector-wide risk continues to stem from provincial sales-tax litigation. Provincial authorities withdrew exemptions beginning in 2021, and the Sindh High Court issued its decision in January 2025, after which appeals were filed before the Federal Constitution Court. The Company continues to treat exposures as contingent as of CY25 as a prudent basis for any adverse resolution.

Going forward, the rating will depend on JLICL's ability to sustain business growth and effectively realize the benefits of the digitization initiatives undertaken during the ongoing year, barring any material adverse impacts from legislation or regulatory action.

Company Profile

JLICL was incorporated in Pakistan on June 29, 1995, as Commercial Union Life Assurance Company (Pakistan) Limited under the Companies Ordinance, 1984. In 2003, it was acquired by the Aga Khan Fund for Economic Development, S.A., Switzerland, which remains the majority shareholder with a 57.87% ownership stake. Following its acquisition, the Company was renamed as New Jubilee Life Insurance Company Limited, and later in 2011, rebranded as Jubilee Life Insurance Company Limited in line with the global synergy of the "Jubilee Insurance" brand across Pakistan, Kenya, Uganda, Tanzania, Mauritius, and Burundi. In 2015, the Company commenced Window Takaful Operations, expanding its portfolio to include Shariah-compliant Takaful products.

JLICL is engaged in the life insurance business, offering both conventional and Takaful products across seven operating segments including individual life, group life, accident and health, and family Takaful. The Company operates through an extensive network of 139 branches across Pakistan and manages multiple distribution channels including Bancassurance, Direct Sales Force, Corporate Sales, and digital platforms. It has insured over 11mn lives and serves more than 500,000 individual and 4,000 corporate clients and maintains a panel network of over 600 healthcare centers. JLICL continues to uphold its position as a market leader in the private life insurance sector, supported by a strong sponsor profile, innovative product offerings, and sustained financial performance.

Sponsor Profile

The Aga Khan Fund for Economic Development (AKFED) is the commercial development arm of the Aga Khan Development Network. It operates with a mandate to support enterprise development, encourage private investment, and foster economic activity in underinvested regions. AKFED has a presence across several sectors, including financial services, infrastructure, tourism, media, and industrial development, through a network of affiliated companies. In Pakistan, its principal investments include its stake in HBL, acquired during the bank's privatization process in 2004, and a 57.87% shareholding in Jubilee Life Insurance.

Management and Governance

BOARD OF DIRECTORS OVERVIEW

The Board comprises one executive and eight non-executive directors, including one female director, with four independent members. No changes occurred in the Board's structure during the ongoing year. All directors have completed SECP-approved Director Training Programs. The Board also completed its annual performance evaluation for CY24 covering the Board, its committees, and individual directors. In terms of external oversight, the Company confirms that external search consultancy support (through PICG databases) was last used at the time of the most recent election of directors, fulfilling regulatory requirements for the appointment of independent directors.

Table 1: Board of Directors

BOARD OF DIRECTORS

R. Zakir Mahmood	Chairman
Sultan Ali Allana	Non- Independent
John Joseph Metcalf	
Sagheer Mufti	
Amyr Currimbhoy	Independent
Shahid Ghaffar	
Yasmin Ajani	
Muneer Kamal	Managing Director & CEO
Javed Ahmed	

BOARD COMMITTEES

The Board has constituted the following committees in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019: Audit Committee, Finance & Investment Committee, Human Resource & Remuneration, Ethics & Nomination Committee, Risk Management Committee, Technical Committee, Construction Advisory Committee, and the Sustainability Risk & Opportunities Committee. Each committee is chaired by a non-executive director, with independent directors chairing key oversight committees such as the Audit Committee and Human Resource & Remuneration, Ethics & Nomination Committee.

During 2024, the committees functioned in accordance with their approved Terms of Reference, providing oversight across financial reporting, risk management, investment activities, human resource policy, technical matters, and sustainability-related risks. Committee meetings were held as per regulatory expectations. Internal Audit and Compliance functions also reported directly to their respective committees, strengthening the control environment.

The performance of all Board committees formed part of the annual Board evaluation completed in 2024, which assessed committee effectiveness, quality of deliberations, adherence to TORs, and contribution to Board oversight. This evaluation, undertaken under the mechanism required by the Code of Corporate Governance, confirmed that the committees operated effectively and in compliance with statutory obligations.

SHARIA COMPLIANCE:

JLI's Window Takaful Operator (WTO) maintains compliance with the Takaful Rules, 2012, and all relevant SECP regulatory requirements through a structured Shariah governance framework. All products, contracts, investment avenues, operational processes, manuals, and re-Takaful arrangements are reviewed and approved by the Shariah Advisor before implementation, ensuring adherence to Shariah principles and full segregation of Takaful funds from conventional operations. The Shariah Advisor, Mufti Zeeshan Abdul Aziz, oversees Shariah compliance across the WTO and confirms in his 2024 report that all transactions, investments, and activities were carried out in accordance with Shariah principles and the Takaful Rules, 2012, with all investment placements made only in Shariah-compliant avenues and bank accounts opened with Islamic banking institutions upon prior Shariah approval.

The independent reasonable-assurance Shariah audit conducted by KPMG concluded that the Statement of Compliance "presents fairly" the status of adherence with Shariah principles in all material respects, validating the effectiveness of governance and control processes. During CY24, the WTO recorded PKR. 3,799,933 as charity arising from income purification, with PKR. 32,336 remaining payable at year-end.

CHAIRMAN/CEO PROFILE

Chairman: Mr. R. Zakir Mahmood has over four decades of banking experience across Europe, the Middle East, and Pakistan. He served as President and CEO of Habib Bank Limited for nearly 13 years, leading its restructuring and privatisation in 2004. He has held positions on various Government Commissions and Boards, including the Karachi Stock Exchange and Diamond Trust Bank Kenya. He holds engineering and business degrees from NED University and UCLA and has been awarded the Chevalier de l'Ordre National du Mérite (France) and Sitara-e-Imtiaz (Pakistan).

Managing Director and CEO: Mr. Javed Ahmed has been associated with Jubilee Life since 1997 and was appointed Managing Director and CEO in 2002. His prior roles at the Company include Head of Operations and Head of Sales & Marketing. He previously worked at EFU Life and State Life in Operations, Group & Pensions, and Actuarial functions. He is a Fellow of the Society of Actuaries (USA), Fellow of the Pakistan Society of Actuaries, and Associate of the Institute of Actuaries (Australia), and serves on the Executive Committee of the Insurance Association of Pakistan.

IT UPGRADES:

JLICL undertook several IT upgrades during the period, including deployment of Next Generation Firewalls at primary and disaster recovery sites, implementation of a Security Information and Event Management (SIEM) system, and adoption of advanced SOAR and XDR platforms to strengthen cyber-threat detection and response. The Company upgraded its core network infrastructure by replacing outdated network switches with high-redundancy modern alternatives and migrated customer-facing web applications to cloud platforms to enhance system uptime and availability. Operational resilience was improved through quarterly disaster recovery drills, activation of a dedicated disaster recovery site, and conduct of BCP and DR exercises. Remote-work security capabilities were strengthened through integration of Multi-Factor Authentication (MFA) and VPN-based access. Additionally, the Company advanced its digital transformation agenda by expanding Robotic

Process Automation (RPA) initiatives, upgrading business intelligence and analytics tools through a Data Warehouse, and integrating omnichannel communication platforms, including centralized email, SMS, and CRM systems, to streamline operations and support continuity.

IFRS 17 IMPLEMENTATION

The Securities and Exchange Commission of Pakistan (SECP), through S.R.O. 1336(I)/2025 dated 23rd July, 2025, has mandated insurers and takaful/re-takaful operators to implement IFRS 17 for periods beginning on or after January 1, 2027. IFRS 17 introduces a principle-based framework that fundamentally changes the measurement and presentation of insurance contracts and requires significant enhancements in insurers' IT systems, finance functions, actuarial processes, and operational practices. SECP has adopted a four-phase plan for implementation comprising Gap Analysis, Financial Impact Assessment, System Design and Methodology, and Parallel Runs and Implementation. The Company has completed the first three phases and is currently progressing through the fourth phase involving parallel runs. Implementation of IFRS 17 necessitates broad technical, operational, and financial adjustments and is expected to influence business strategies, decision-making processes, and reporting structures across the organization.

ESG INITIATIVES

The Company has implemented various environmental measures under its Net Zero Project 2030. Key initiatives include energy-efficiency upgrades such as LED lighting, motion sensors, inverter-based air-conditioning, and selective installation of solar power. Paper consumption has been reduced through digitalization and a shift from A4 to A5 paper usage. An external consultant has been engaged in carbon-footprint assessment and ESG monitoring. Environmentally responsible mobility is encouraged through promotion of electric and hybrid commuting options, pilot testing for electric bikes, and reduced courier reliance. The Company is also transitioning refrigerants from R-410A to R-32. Oversight is provided by the Board's Sustainability Risk & Opportunities Committee.

Waste generated from routine operations—including paper, toners, electronic equipment, and retired IT assets disposed of through registered waste management vendors. Energy-saving measures remain ongoing, and a plantation initiative is under review with WWF Pakistan and Government entities.

AUDITOR'S OPINION

The 2024 financial statements were audited by KPMG Taseer Hadi & Co. Chartered Accountants which is a QCR rated firm and categorized as 'Category A' on the SBP's Panel of Auditors. The auditor issued an unmodified opinion on the financial statements. However, the auditor has included an emphasis of matter regarding a contingent liability related with respect to the industry wide pending provincial sales tax matter on life and health insurance. The Company along with other insurance companies are contesting the matter in court of law.

Business Risk

INDUSTRY UPDATE

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 with Insurance penetration stood only 0.7% of GDP.

Life insurance premiums totaled PKR 434 billion in 2024 compared to PKR 404 billion in 2023, with 7.9 million policies in force and claims amounting to PKR 380 billion. Health policies accounting for 35% of premium, participating policies 31%, and unit-linked 27%. In the public sector, 48% of premium relates to health, while in the private sector 75% is unit-linked. Distribution patterns remain split: 98% of public-sector life premium is sourced via agency model, while in the private sector bancassurance contributes 47%. Regional concentration is high, with Punjab accounting for 62% of individual life premium. Public health purchasing is also significant, as the Sehat Sahulat Program made up 32% of total life premium in 2024. Digital is scaling rapidly, with premiums rising from PKR 430 million in 2023 to PKR 2.0 billion in 2024. Despite these gains, penetration remains minimal, reflecting limited enforcement of mandatory covers, coverage gaps in both formal and informal sectors, low awareness, and a historically narrow retail footprint. Statutory group life requirements remain poorly enforced: only 9.5 million workers are covered and just 5% of registered companies purchase group life policies.

POTENTIAL SALES TAX ON LIFE INSURERS:

Provincial revenue authorities in Sindh, Punjab and Khyber Pakhtunkhwa have withdrawn long-standing sales-tax exemptions on life insurance levying 3% SST in Sindh and 15% PST in KP from 2021 onward prompting industrywide litigation on constitutional grounds that insurance is a contingent contract under Federal jurisdiction. Courts have issued mixed outcomes, with the Sindh High Court dismissing petitions in January 2025 and insurers now seeking relief from the Federal Constitution Court. Owing to unresolved legal interpretation, insurers have not charged sales tax to policyholders and continue to treat the exposures as contingent; for some insurers, disputed amounts exceed Rs. 4.68 billion (2023: Rs. 3.54 billion). If the tax is ultimately upheld, insurers may need to reassess their financial and operational strategies, including potential adjustments to pricing and product structures. Such changes could influence future business dynamics, requiring careful planning to maintain customer confidence and market stability. The Company along with other insurers through the Insurance Association of Pakistan (IAP) is in dialogue with the provincial tax authorities for an amicable resolution of the ongoing matter and expect a favorable outcome.

OPERATIONAL PERFORMANCE

JLICL has an extensive branch network consisting of 139 locations across the country; six new branches were added during the ongoing year. The Company registered a growth of 22.8% in the Gross Written Premium/ Contribution (GWP) during 9MCY25. The GWP reached PKR 43.3bn (9MCY24: PKR 35.2bn) wherein Conventional and Takaful segments both posted growth to PKR 30.9bn (9MCY24: PKR 26.3bn) and comprising 71.4% of total GWP and PKR 12.4bn (9MCY24: PKR 8.9bn) comprising 28.6% respectively. As per, management the growth in GWP was an outcome of an increase in customer base, favorable pricing and inclusion of more corporate clients.

Table 2: Gross Written Contribution (Amount in PKR Millions)

Gross Premium/ Contribution	CY23	%	CY24	%	9MCY25	%	9MCY24	%
Individual Life	31,866.0	69.1%	31,145.2	63.9%	25,528.6	59.0%	20,858.4	59.2%
Conventional	21,702.4		20,207.6		16,104.0		13,927.5	
Takaful	10,163.6		10,937.5		9,424.7		6,930.9	
Group Policies	14,247.2	30.9%	17,567.5	36.1%	17,731.9	41.0%	14,383.7	40.8%
Conventional	12,356.2		15,015.1		14,774.5		12,388.3	
Takaful	1,891.1		2,552.4		2,957.4		1,995.4	
Gross Contribution (Takaful)	12,054.6	26.1%	13,489.9	27.7%	12,382.1	28.6%	8,926.3	25.3%
Gross Premium Written (Conv.)	34,058.6	73.9%	35,222.7	72.3%	30,878.5	71.4%	26,315.9	74.7%
Total Gross Premium/ Contribution	46,113.3		48,712.6	1.0	43,260.5	1.0	35,242.1	

The growth in premiums was reflected in both an increase in Individual and Group Life segments and is led by digitization initiatives undertaken by the Company. Substantial growth was observed in the Single premium / contribution individual policies; the same reached PKR 4.1bn (9MCY24: PKR 953.5mn).

Group policies without cash values also grew by 23.3% in the review period due to acquisition of new corporate clients. The improving macroeconomic conditions also resulted in the quantum of surrenders decreasing, reflected in the marginal increase in second year premiums by 5.6%, during 9MCY25. Additionally, first year premium also increased by 48.2% during the 9MCY25 which indicated a growth in new policies underwritten indicating the effectiveness of market growth strategies deployed during the review period. Breakdown of GWP is given below:

Table 3: Year-Wise Gross Written Premium (Amount in PKR Millions)

Business Mix (GWP)	CY23	%	CY24	%	9MCY25	%	9MCY24	%
First year	6,061.2	13.1%	6,028.5	12.4%	5,826.1	13.5%	3,932.1	11.2%
Second year renewal	4,809.6	10.4%	4,128.8	8.5%	3,201.7	7.4%	3,032.6	8.6%
Subsequent year renewal	20,379.4	44.2%	18,347.9	37.7%	12,405.5	28.7%	12,940.3	36.7%
Total Regular Premium / Contribution Individual Policies	31,250.2	67.8%	28,505.2	58.5%	21,433.3	49.5%	19,904.9	56.5%
Single premium / contribution individual policies	615.9	1.3%	2,639.9	5.4%	4,095.3	9.5%	953.5	2.7%

Group policies without cash values	14,247.2	30.9%	17,567.5	36.1%	17,731.9	41.0%	14,383.8	40.8%
Total	46,113.3	100.0%	48,712.6	100.0%	43,260.5	100.0%	35,242.2	100.0%

Channel wise distribution of individual GWP for CY24 indicates a growth tilt towards DSF channel whereas growth in Bancassurance channel remained subdued. Growth was driven by an increase in the other segments such as A&H and non-reportable segments during CY24.

Table 4: Channel wise GWP Breakdown (Amount in PKR Millions)

Channel Wise GWP Breakdown	CY22			CY23			CY24		
	DSF	Banca	Other	DSF	Banca	Other	DSF	Banca	Other
Individual GWP (total)	35,030			31,298			29,738.6		
First Year	1,819	4,762	-	1,636	4,070	-	1,117	3,905	
Conventional	827	3,057	-	911	2,159	-	702.7	1,788.5	
Takaful	992	1,705	-	725	1,911	-	414.7	2,116.6	
Renewal Premium	5,663	22,282	-	5,128	19,849	-	4,548.3	17,528.0	
Conventional	3,070	17,145	-	2,921	14,775	-	2,633.1	12,453.4	
Takaful	2,593	5,136	-	2,207	5,073	-	1,915.2	5,074.6	
Single Premium	437	68	-	518	98	-	2,408.7	231.2	
Conventional	315	49	-	404	79	-	1,429.4	67.8	
Takaful	122	20	-	115	19	-	979.3	163.4	
Group Premium	-	-	12,313	-	-	14,815			18,974.0
A&H	-	-	6,921	-	-	8,355			10,611.6
Non-reportable segments	-	-	5,392	-	-	6,460			8,362.4
Channel wise GWP	7,919	27,112	12,313	7,283	24,016	14,815	8,074	21,664	18,974.0
Total	47,344			46,113			48,712.6		

During 9MCY25, the persistency ratio improved to 79.6% (9MCY24: 73.7%), reflecting the positive impact of the Company's introduction of more affordable products.

PROFITABILITY

Table 5: Net Premium/ Contribution Revenue (Amounts in PKR Billions)

SEGMENT-WISE NWP, EXPENSES & SURPLUS	CY23			CY24			9MCY25			9MCY24		
	NWP	Claims/Exp	Surplus	NWP	Claims/Exp	Surplus	NWP	Claims/Exp	Surplus	NWP	Claims/Exp	Surplus
Individual life Unit												
Linked	21.0	38.4	2.8	18.9	40.8	2.5	14.8	27.3	2.1	13.0	30.2	1.7
Conventional Business	3.2	2.7	0.9	4.2	3.4	1.2	4.1	3.4	0.3	3.3	2.6	0.9
Accident and health business	8.2	7.6	1.1	10.4	9.8	1.5	10.3	9.1	0.9	8.7	7.1	1.2
Overseas group life & health business		(0.0)	0.0						-			0.0
individual Family Takaful	9.9	9.3	(0.3)	10.5	10.6	0.0	8.9	7.9	(0.1)	6.6	7.8	(0.0)
Group Family Takaful	0.2	0.1	0.0	0.3	0.2	0.1	0.2	0.2	0.1	0.2	0.2	0.1
Accident and health Family Takaful	1.6	1.4	0.2	2.3	2.1	0.2	3.0	2.5	0.2	1.7	1.4	0.1

Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.

Net Contribution Revenue	44.1	59.6	4.8	46.6	67.0	5.4	41.3	50.3	3.4	33.5	49.2	3.9
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*Surplus considers the Investment Income

The Net Written Premium/ Contribution (NWP) of JLICL registered a 23.2% growth, reaching PKR 41.3bn (9MCY24: PKR 33.5bn) during 9MCY25 wherein NWP. A volumetric increase is observed across all segments. Additionally segment-wise breakdown of NWP indicates that the same remains dominated by Individual Life Unit Linked products followed by Accident & Health (A&H) and Individual Family Takaful. However, a strategic shift towards Individual Family Takaful and A&H family takaful is observed over a timeline indicating the changing consumer preferences towards Shariah Compliant avenues.

Gross claim expenses declined to PKR 41.8bn (9MCY24: PKR 42.3bn) however on account of lower reinsurance recoveries the net insurance claims remained range-bound at PKR 40.6bn (9MCY24: PKR 40.8bn). This decline was an outcome of lower policy surrenders during the ongoing year following the stabilization of inflation. Consequently, gross and net claim ratios declined during 9MCY25. Additionally, premium growth further resulted in a lower expense ratio despite an increase in expenses to PKR 11.1bn (9MCY24: PKR 10.2bn). These indicators led to an improvement in combined ratio to 125.2% (9MCY24: 152%) still signifying underwriting losses to the Company.

The Company also reported an increase in net fair value gains on financial assets amounting to PKR 11.8bn (9MCY24: PKR 7.5bn) during 9MCY25. However, investment income posted decline to PKR 18.7bn (9MCY24: PKR 27.6bn) in line with lower returns from debt securities following the decline in interest rates. Net change in insurance liabilities (other than outstanding claim) increased PKR 18.8bn (9MCY24: PKR 16.1bn) due to the reduction in interest rate, indicating the impact of lower discounting and increased obligations. Consequently, profit after tax of PKR 1.9bn (9MCY24: PKR 1.7bn) was registered during 9MCY25.

Table 6: Gross Claims/ Net Insurance Benefits

Net Insurance Benefits (Rs. in m)	CY23	CY24	9MCY25	9MCY24
GROSS CLAIMS				
Claims under individual policies				
by death	1,947	1,703	1,055	1,337
by insured event other than death	156	160	84	127
by maturity	8,498	7,702	5,800	5,473
by surrender	26,787	32,063	19,922	23,912
by partial withdrawal	1,972	1,669	2,344	1,223
Total gross individual policy claims	39,360	43,298	29,205	32,072
Claims under group policies				
by death	2,940	4,104	3,393	3,180
by insured event other than death	7,580	10,014	9,194	7,019
Total gross policy claims	10,520	14,118	12,587	10,199
Total Gross Claims	49,880	57,416	41,792	42,271

Financial Risk

REINSURANCE TREATIES

JLICL has negotiated a reinsurance panel comprising financially strong counterparties with robust credit ratings from international agencies, including Hannover Re (rated 'AA-' by S&P and 'A+' by AM Best), Munich Re (rated 'AA-' by S&P and 'A+' by AM Best), Arch Re (rated 'A+' by S&P, 'A+' by AM Best, and 'AA-' by Fitch), and Generali (rated 'A+' by AM Best and 'A+' by Fitch). Certain changes were noted in the panel during the review period, including an enhancement in estimated premium income across all business classes. Hannover Re became the sole reinsurer for Individual Life (Surplus) after taking over Munich Re's share. Conversely, Munich Re assumed a portion of Hannover Re's share in Group Life (Quota Share and Surplus) treaties, where Hannover Re previously held the entire participation. In CY24, Arch Re (85%) and Saudi Re (15%) provided cover for the Individual and Group Life Catastrophic Excess of Loss segment; however, Arch Re became the sole reinsurer for this segment in CY25. Going forward, no changes in reinsurance panel are expected.

INVESTMENTS

The Company has a total of **eight unit-linked** funds which vary in terms of investment avenues as per the risk appetite of the clients; four of which pertain to Window Takaful business. The Assets Under Management (AUMs) under these funds amounted to PKR 202.9bn (CY24:

187.0bn) at end-Sept'25. Returns generated during the ongoing year declined in line with decline in policy rates. Going forward, equity market is expected to continue its upward trajectory, underpinned by strengthening macroeconomic indicators, consistent policy support, a stable inflation outlook, and a relatively calm political environment. But the impact of bullish trends in stock market will be moderated by lower returns from debt securities in line with lower interest rates. The ability to generate stable or growing returns relative to industry amid these circumstances will remain an important rating consideration.

Table 7: Unit Linked Funds Asset Under Management (AUMs) and Calendar YTD

UNIT LINKED FUNDS	CY23	CY24	9MCY25	CY23	CY24	9MCY25
Individual Life Unit Linked Funds (Conventional)	AUMs (In PKR Billions)			Returns (CYTD)		
Jubilee Life Balanced Fund	74.4	74.9	75.1	17.1%	28.0%	17.2%
Jubilee Life Aggressive Fund	26.2	33.3	36.5	25.5%	45.5%	19.9%
Meesaq Balanced Fund	5.1	4.4	3.8	16.2%	22.8%	7.2%
Jubilee Life government Securities Fund	20.9	28.9	35.3	19.1%	21.2%	12.8%
Individual Family Takaful Fund						
Balanced Takaful Fund	18.6	21.7	22.8	17.5%	22.2%	7.5%
Aggressive Takaful Fund	11.7	15.0	16.5	17.6%	42.9%	15.5%
Family Takaful Income Fund	3.8	7.6	11.2	18.8%	21.5%	10.4%
Family Takaful Balanced Fund	0.8	1.3	1.7	18.0%	21.7%	7.8%
Total AUMs	161.4	187.0	202.9			

The carrying value of the investment portfolio rose to PKR 239.8bn (CY24: PKR 219.3bn; CY23: PKR 189.4bn) by end-Sept'25, with government securities continuing to dominate the portfolio while the proportion of equities remained comparatively low. Since the last review, JLICL aligned its portfolio in anticipation of a declining interest rate and build significant exposure in fixed/floating rate PIBs and longer tenor T-bills. The mix within government securities shifted from PIBs towards T-bills during the rating review period, and exposure to GoP Ijarah Sukuk also decreased during the ongoing year. About 80.1% of government securities are recorded at fair value through profit or loss at end-Sept'25 (CY24: 78.6%; CY23: 81.1%; CY22: 78.1%).

JLICL increased its exposure to equity securities, which reached PKR 23.0bn (CY24: PKR 16.4bn) to capitalize on the bullish market trend, thereby elevating price risk. However, this risk is partly mitigated by a concurrent increase in exposure to mutual funds, which provides diversified equity exposure while containing overall market risk.

The remainder of the investment portfolio constituted debt securities, comprising largely TFCs and corporate Sukuk, amounting to PKR 5.7bn (CY24: PKR 5.9bn; CY23: PKR 7.4bn). Furthermore, since the investment mix was dominated by government securities, the associated credit risk of the overall portfolio is considered low.

Table 8: Investment Portfolio (Amount in Millions)

INVESTMENTS	CY23	%	CY24	%	9MCY25	%
Equity	9,086.3	4.8%	16,358.3	7.5%	23,044.4	9.6%
PIBs	60,358.3	31.9%	125,302.7	57.1%	119,324.8	49.8%
T-bills	64,698.3	34.2%	9,412.5	4.3%	20,214.9	8.4%
Ijarah Sukuk	43,859.2	23.2%	42,818.1	19.5%	41,579.3	17.3%
TDRs	2,100.0	1.1%	0.0	0.0%	0.0	0.0%
Mutual Funds	1,941.3	1.0%	19,492.7	8.9%	29,944.7	12.5%
TFCs	5,650.0	3.0%	4,545.1	2.1%	4,527.1	1.9%
Corporate Sukuks	1,702.8	0.9%	1,350.5	0.6%	1,113.4	0.5%
Total	189,396.1	100.0%	219,260.0	100.0%	239,748.6	100.0%

LIQUIDITY & CAPITALIZATION

Table 9: Liquidity & Capitalization

	CY22	CY23	CY24	9MCY25
Liquid Assets to Insurance Liabilities (x)	1.08	1.09	1.09	1.07
Liquid assets to Total Liabilities (x)	1.02	1.02	1.02	1.00
Equity to Assets	7.4%	7.5%	7.3%	6.9%
Solvency Margin (%)	270%	295%	266%	

In line with internal generation, the equity base grew over the rating review period to PKR 17.9bn at end-Sept'25 (CY24: PKR 17.3bn; CY23: PKR 15.4b). The Company announced a final and interim dividend of PKR 10 and PKR 3 per share during the review period. The overall risk absorption capacity of the Company is considered satisfactory in view of healthy solvency margin levels. Additionally, the liquidity position remains adequate with liquid assets relative to total liabilities being at 1.00x at end-9MCY25 (CY24: 1.02x; CY23: 1.02x) due to lower cash balances and higher liabilities during the ongoing year.

FINANCIAL SUMMARY (Amount in PKR Millions)

BALANCE SHEET	CY22	CY23	CY24	9M CY25
Cash and Bank Deposits	4,169.4	3,925.1	3,786.5	3,283.2
Investments	173,084.8	189,396.1	219,260.0	239,748.6
Liquid Assets	177,254.2	193,321.2	223,046.4	243,031.8
Total Assets	187,852.6	205,490.3	236,764.1	260,694.2
Paid Up Capital	872.6	1,003.5	1,003.5	1,003.5
Net Worth	13,941.5	15,353.1	17,334.0	17,943.7
Insurance Liabilities	163,708.8	178,066.7	205,087.3	226,985.9
Total Liabilities	173,911.2	190,137.2	219,430.1	242,750.5
INCOME STATEMENT	CY22	CY23	CY24	9M CY25
Gross Premium/ Contributions	47,343.4	46,113.3	48,712.6	43,260.5
Net Premium/ Contributions	45,571.2	44,086.4	46,563.0	41,304.9
Net insurance Benefit	42,933.8	48,713.1	55,613.5	40,603.9
Total expenses (other than net change)	11,038.5	12,009.7	13,574.0	11,097.5
Surplus – Overall	3,314.0	4,686.3	5,804.5	3,382.2
- Individual	1,927.1	2,432.8	2,680	1,973.4
- Group Family	484.1	953.5	1,364	315.8
- Group Health	902.7	1,300.0	1,761	1,093.1
Profit Before Tax	3,301.0	4,353.0	4,324.9	3,050.9
Profit After Tax	2,072.1	2,306.3	2,573.9	1,855.7
RATIO ANALYSIS	CY22	CY23	CY24	9M CY25
Market Share (private life insurance)	37.5%	34.3%	35.5%	35.4%
Cession Ratio	3.7%	4.4%	4.4%	4.5%
Gross Claims Ratio	94.0%	108.2%	117.9%	96.6%
Net Claims Ratio	94.2%	110.5%	119.4%	98.3%
Expense Ratio	24.2%	27.2%	29.2%	26.9%
Combined Ratio	118.4%	137.7%	148.6%	125.2%
Overall Persistency	74.3%	71.5%	70.5%	79.6%
Liquid assets to Total Liabilities (x)	1.02	1.02	1.02	1.00
Liquid Assets to Insurance Liabilities (x)	1.08	1.09	1.09	1.07

* Annualized

REGULATORY DISCLOSURES Appendix II

Name of Rated Entity	Jubilee Life Insurance Company Limited			
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			
	02/17/2026	AA++(IFS)	Stable	Reaffirmed
	02/10/2025	AA++(IFS)	Stable	Reaffirmed
	02/22/2024	AA++(IFS)	Stable	Reaffirmed
	02/23/2023	AA++(IFS)	Stable	Reaffirmed
	03/31/2022	AA++(IFS)	Stable	Harmonized
	03/01/2022	AA+	Stable	Reaffirmed
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. Omer Farooq	Chief Financial Officer	November 20, 2025	
	Mr. Muhammad Sameed Hasan	Chief Manager Finance		