RATING REPORT

Security General Insurance Company Limited (SGICL)

REPORT DATE:
December 26, 2023

RATING ANALYSTS:

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RATING DETAILS

	Latest Rating	Previous Rating
Rating Category	**Long-term**	**Long-term**
IFS	AA+	AA+
Rating Action	Reaffirmed	Reaffirmed
Rating Date	*26-Dec-23*	*Dec 29, '22*
Rating Outlook	Stable	Stable

COMPANY INFORMATION

Incorporated in 1996	**External Auditors:** Riaz Ahmad & Company Chartered Accountants
Unquoted Public Limited Company	**Internal Auditors:** Ahsan & Ahsan Chartered Accountants
	Chairman: Mian Hassan Mansha **Chief Executive Officer:** Mr. Farrukh Aleem
Key Shareholder(s) (above 5%):	
Nishat Mills Limited - 15.02%	
Adamjee Insurance Co. Ltd – 14.22%	
Mian Hassan Mansha – 13.30%	
Mian Umer Mansha – 13.30%	
Mian Raza Mansha – 11.95%	
Roomi Holdings (Pvt.) Limited -9.66%	
Mrs. Naz Mansha – 16.06%	

APPLICABLE METHODOLOGY(IES)

Applicable Rating Criteria: General Insurance
https://docs.vis.com.pk/docs/GeneralInsurance-2023.pdf

VIS Issue/Issuer Rating Scale:
https://docs.vis.com.pk/docs/VISRatingScales.pdf

Security General Insurance Company Limited (SGICL)

OVERVIEW OF THE INSTITUTION

SGICL was incorporated as an unquoted public limited company in May 1996. Headquartered in Lahore, the company operates with a network of 8 branches providing insurance coverage against risks related to fire, marine, motor and other categories.

Profile of Chairman

Mian Hassan Mansha continues to Chair the Board. Mr. Hassan carries over 13 years of professional experience and is on the Board of various Nishat group companies.

Profile of CEO

Mr. Farrukh Aleem serves as Chief Executive Officer (CEO) of the company. Mr. Aleem carries 15 years of experience in the insurance industry and holds a postgraduate degree in Business Administration.

Financial Snapshot

Net Equity: 1HCY23: Rs. 15.2b; CY22: Rs. 14.9b: CY21: Rs. 16.8b;

Net Profit: 1HCY23: Rs. 460.6m; CY22: Rs. 611m: CY21: Rs. 1.5b;

RATING RATIONALE

The rating assigned to Security General Insurance Company Limited (SGICL or "the Company") takes into account its association with a large diversified conglomerate "Nishat Group" having business interests in banking, textile, cement, power generation, real estate, and hospitality, automobile, dairy and paper products. The rating further incorporates reinsurance arrangements largely with counterparties having sound credit risk profiles with appropriate risk retention on net account to maintain risk appetite of the Company. The rating also derives strength from recurring investment income from blue chip companies. Overall conservative approach towards underwriting insurance policies, effective pre-screening of market-based clients for their past track record, and adequate reinsurance coverage led to consistently better claim performance in relation to peer rated companies.

Insurance Sector Update

Global Perspective

Despite building macroeconomic challenges, the insurance industry continued to grow in FY22, both globally and in Pakistan. Global insurance industry faced repricing of risks due to macroeconomic stresses and natural catastrophes with economic losses from natural disasters recorded higher in FY22; however insured losses covered 45% of these damages amounting to USD 123 billion. In addition, claims increased as high inflation increased the cost of repairing buildings, motor vehicles and other fixed assets that are usually covered by insurance. This led to continued rise in premium rates to cover the expenses. However, elevated interest rates augmented the investment income for insurers across the globe.

Local Perspective

Pakistan's insurance industry posted growth despite weak macroeconomic situation in CY22 with continued dominance of Life Insurance & Family Takaful segments in terms of assets and gross premiums. Gross premiums increased from Rs. 417.2 billion in CY21 to Rs. 531.7 billion in CY22 with Life & Family Takaful segment, and Non-Life & General Takaful segments posting increases of Rs. 81.9 billion and Rs. 29.4 billion respectively. Moreover, the industry's asset base grew by 14.8% in CY22 to Rs. 2,459.9 billion particularly on the back of significant growth in the Life Insurance segment. Moreover, despite building macroeconomic pressures characterized by dwindling foreign reserves, stabilization measures, slowdown in economic activity, etc. along with catastrophic floods affecting one-third of the country during the year under review, all segments of the industry continued to expand. This was the result of a combination of general factors affecting the whole insurance industry such as inflation leading to a rise in premium rates and idiosyncratic factors pertaining to all segments. The growth in Life Insurance segment was an outcome of the implementation of the government's health insurance programs carried out by State Life; the same increased health coverage to the low and middle-income strata of society. However, the claims ratio for the sector witnessed an increase due to a rise in group claims and higher surrender claims by individuals. Nevertheless, since life insurers maintain most of their investments in government securities due to lackluster performance of capital market, the resulting higher investment income boosted their profitability due to hike in interest rates.

In non-life insurance sector, motor premiums drove the growth in net premiums as the cost of motor vehicles increased drastically during the outgoing year. However, torrential rains and flooding, some major fire incidents, and higher cost of repairing fixed assets contributed to the larger increase in claims. Accordingly, financial performance indicators for the non-life sector slightly weakened on a timeline. Further, the industry's combined ratio increased in CY22, which was driven by a spike in both net claims and expense ratios. With the increase in combined ratio, insurers are expected to reprice their products in the ongoing year. Going forward, due to the prevailing slowdown in economic activity and stressed macro financial conditions, the growth trajectory in non-life premiums is expected to be uncertain while the growth in the life sector will continue to largely depend on traction in the health insurance programs. Moreover, the SECP has issued instructions of phase wise implementation of IFRS 17. The implementation is expected to translate in sizable provisioning burden for the industry; however, the actual impact of the same on industry capitalization is yet to be ascertained. No final timeline for the same is announced yet.

Future Outlook

Globally, it is expected that there will be premium rate hardening in CY23 in response to the high inflation, geopolitical tensions, natural catastrophes and financial market losses of CY22. These global insurance developments will lead to increases in reinsurance rates offered by international re/insurers which coupled with the exchange rate depreciation, may lead to increase in reinsurance expense for insurers in EMDEs, particularly non-life insurers that have extensive reinsurance arrangements with international reinsurers. The rate hardening along with the elevated policy rate is expected to influence insurers' financial performance in the near term. Global premiums are expected to grow at 2.1% in real terms on average in 2023. Given that non-life insurance is correlated with economic growth and the latest data indicates that Pakistan's economy will significantly slowdown in 2023, accordingly the growth trajectory of non-life premiums in Pakistan could also face pressures. Moreover, if inflation remains elevated, then there could be further rate hardening leading to an uncertain growth trajectory for non-life premiums. Furthermore, in the backdrop of elevated interest rates, non-life insurers may also consider recalibrating their investment portfolios in order to pad the bottom-line. Life insurance business, with a longer time horizon, is expected to remain relatively immune to the prevailing macroeconomic pressures. The growth in this sector is now partially dependent on the continuity of the government's health insurance programs.

Source: Financial Stability Review – 2022 | State Bank of Pakistan

Business Strategy

SGICL is operating through national network of 11 branches with branch network majorly concentrated in Punjab; the management of the same does not intend to expand the branch network in the medium term. SGICL primarily offers general insurance for fire and property damage, marine, aviation and transport, motor, and miscellaneous risks including crop, livestock, burglary, loss of cash in safe and cash in transit, engineering losses, business interruption losses, accident, and natural calamities. Significant change was evidenced in the business mix during the outgoing year with fire being the largest contributor followed by motor and miscellaneous segments as opposed highest contribution by marine in CY20. The gross written premium (GWP) increased slightly by 11% reaching Rs. 4.4b (CY21: Rs. 3.9b) during CY22; the growth was largely manifested in the fire segment. On the other hand, the proportion of marine segment declined in the outgoing year due to discontinuation of a major public sector aviation client. The aforementioned client was on boarded during CY20; however, the Company was not able to retain it owing to highly competitive insurance industry dynamics. In addition, the proportion of motor increased during the rating review period on account of significant increase in car prices coupled with high-price variants of SUVs introduced. Further, the representation of miscellaneous in the business mix has increased on a timeline; however, the same still remains the lowest. The Company reported growth of around 12% to Rs. 1.0b (1HCY22: Rs. 910m) when compared to CPLY; however, given insurance sector is cyclical in nature with majorly business written in the last two quarters, the GWP of 1HCY23 if annualized will depict downtrend. Furthermore, GWP target for CY23 is estimated around Rs. 5.5b with no significant change in the business mix; the same is realistic and achievable as the Company closed 9MCY23 with a GWP of Rs. 5.2b. As per the management, considerable support is extended by the sponsoring group with total group business constituting 72% (CY22: 71%) of the topline during 9MCY23. In addition, the Company plans to close CY24 with a GWP of Rs. 6.6b. The Company did not accept facultative business during the ongoing year owing to the higher risk involved. However, the facultative business accepted during CY22 was reported at Rs. 1.2b (CY21: Rs. 855.6m) constituting higher proportion in the GWP mix at 28.6% (CY21: 21.8%); the same was associated with fire & property business. The snapshot of business mix is presented in the table below:

BUSINESS MIX (Rs. In m)	**2020**	**2021**	**2022**	**1HCY23**
Fire	2,401	2,536	3,271	426
Marine	5,643	587	231	175
Motor	435	539	564	336
Misc	320	263	293	91
Gross Premium	**8,799**	**3,924**	**4,359**	**1,028**

The overall cession ratio decreased during the rating review period primarily due to reduction in marine cession levels; the same was a factor of increase in sum insured under surplus treaties procured for the segment. Going forward, the overall cession ratio is expected to remain at current levels if there is no change in the revenue mix. The breakdown of cession segment wise is provided below:

	2020	**2021**	**2022**	**1HCY23**
Cession Ratio	76%	90%	76%	76%
Fire	78%	79%	82%	80%
Marine	93%	99%	95%	79%
Motor	50%	51%	45%	48%
Miscellaneous	78%	74%	64%	74%

On the Window Takaful Operations (WTO) front, the gross and net takaful contribution rose to Rs. 275.4m (CY21: Rs. 194.3m) and Rs. 21.2m (CY21: Rs. -5.0m) respectively during CY22, mainly driven by an increase manifested in motor segment. Subsequently, stemming from growth in scale of operations coupled with higher wakala fee booked at Rs. 83.5m (CY21: Rs. 57.3m), the operators fund reaped a surplus of Rs. 20.9m (CY21: Rs. 14.5m) during CY22. Moreover, given WTO have been profitable for the past couple of years; the management expects to maintain growth momentum with key focus on motor segment. However, the materialization of the same will remain challenging as notable dip in volumetric sale of cars is evidenced lately owing to increase in car prices along with drop in the car leasing business in line with increasing market interest rate scenario prevalent.

Reinsurance Arrangement

SGICL's risk profile is supported by strong reinsurance coverage provided by diversified panel of reinsurers. Risk profile of the reinsurance is considered sound as all reinsurers are rated in 'A' band or higher. Apart from replacement of Peak Re by Oman Re, the composition of the panel remained unchanged during the rating review period. In addition, there was no change in the risk profile as both the new and existing reinsurer carried the same rating. In proportional treaties, Pakistan Reinsurance Company Limited (PRCL) has the highest share in all segments including fire, general accident, engineering and marine by virtue of specific quota to be extended to local reinsurer followed by Hannover Re. On the other hand, for non-proportional treaties obtained for marine cargo, motor, catastrophic cover and crop segments, Hannover Re leads with share of 65%. Majorly, the company has negotiated quota cum surplus treaties for all its major segments protected further by non-proportional treaties. In line with anticipation of enhanced business in marine cargo and bond segments, the total treaty capacities were enhanced during the ongoing year. On the flip side, given significant flood losses incurred by the sector recently, SGICL cautiously plans to reduce exposure in agriculture to curtail incurrence of claims from impacting profitability metrics. Therefore, the total treaty capacity and net retention was reduced during the ongoing year. Furthermore, retention in all major segments including fire surplus, marine cargo, motor and CAT (XOL) increased during the rating review period. Subsequently, size of maximum per risk claim changed during the period under review; however, the same is considered manageable in relation to the company's equity base. Going forward, as per the management, no major change in, panel, treaty terms and commission rate is expected in CY24.

Claims experiences

The overall claims performance showed weakening both on gross and net basis during the rating review period. The Company reported the highest claim ratios in CY22 in comparison to the last four financial years on account of increase in value and number of claims specifically emanating from motor and fire segment. The uptick in motor claims was a combined outcome of multiple factors including sizable fleet claims including DGKC (Rs. 44.8m), Sofi Coach (Rs. 23.0m), FM Express (Rs. 26.5m) etc. and increase in value of individual motor claims owing to car spare parts and accessories becoming expensive in lieu of inflation. Moreover, scale up of loss ratios in fire segment was on in line with large quantum loss on gross basis amounting to Rs. 4.2b reported pertaining to packaging sector during the ongoing year. The aforementioned claim was the biggest fire related loss in the insurance industry with SGICL having an exposure of 7.5% on gross terms; however, the net loss was less than 1% given over 93% was placed under facultative arrangements. In addition, three other gross fire losses aggregating to Rs. 5.5b were also incurred during the outgoing year; the same also contributed to increase in claim ratios of the fire segment. Nevertheless, the ratings take note that translation of loss to the net account in the fire segment was mostly mitigated on account of surplus treaties obtained for both group and non-group businesses. On the flip side, the loss reflection on net account increased significant in the marine segment owing to increase in retention limit of first layer in excess of loss treaty from Rs. 2.0m to Rs. 3.0m during the outgoing year. In addition, given no large quantum losses was recorded the gross and net claims rationalized from the peak during HY23. Moreover, overall conservative approach of the Company towards underwriting insurance policies, effective pre-screening of market-based clients for their past track record, and adequate reinsurance coverage will support claim experiences in the medium term. The segment wise net claims ratios are presented in the table below:

	2020	2021	2022	1HCY23
NET CLAIMS RATIO	13.7%	13.0%	23.8%	20.8%
Fire	3.3%	-0.7%	3.6%	1.8%
Marine	19.7%	6.6%	71.4%	8.6%
Motor	36.9%	44.2%	51.3%	43.1%
Miscellaneous	14.7%	17.6%	38.5%	106.6%

Underwriting Performance

The company's underwriting performance depicted a downward trend during the outgoing year on account of a combined outcome of deterioration of claims ratios coupled with slight increase in underwriting expense ratio. Despite higher average ticket size, no reduction in expense ratio was evidenced owing to general inflationary environment prevalent along with dip in net commission income to Rs. 2.1m (CY21: Rs. 11.4m) on account in lower cession recorded during CY22. Moreover, as per the management, as price-based competition is inherent in the insurance sector, high commission is often paid to agents to tap incremental business as the share of the pie has not increased sizably over the course of rating review. However, commission income in the marine segment exhibited positive momentum during CY22 as the company received higher end of the commission sliding scale rate on account of reporting very low loss ratio in the aforementioned segment in the preceding year. Furthermore, with slight curtailment of management expenses during the ongoing year, the expense ratio improved during the ongoing year. The combined ratio was recorded higher on a timeline in line with increase in loss ratio. Nevertheless, albeit increase the combined ratio was reported above 100% for both periods exhibiting that the company reported profit from its insurance operations. Apart from marine, all segments reported loss during CY22. The ability to maintain overall underwriting performance positive will remain imperative for ratings going forward. The snapshot of underwriting results (conventional & takaful) is tabulated below:

Rs. in Millions	2021	2022	1HCY22	1HCY23
Fire	290.5	191.4	129.6	230.1
Marine	34.6	(1.2)	(1.0)	(13.0)
Motor	24.9	69.5	4.1	(2.7)
Misc	23.6	9.7	15.7	(26.0)
Underwriting Profit	**373.5**	**269.3**	**148.5**	**188.4**

Investment income continues to support the bottom line of the company; the same however was reported lower on account of decline in investment income to Rs. 1.3b (CY21: Rs. 1.9b) coupled with reversal of impairment in value of available for sale equity securities amounting to Rs. 463.8m (CY21: Rs. 47.8m) during the ongoing year. Subsequently, in line with notable drop in investment income to Rs. 862.3m (CY21: Rs. 1.8b), SGICL reported lower profit after tax during the outgoing year. On the other hand, profitability indicators for 1HCY23 exhibited improvement underpinned by curtailment of expenses and augmentation of investment income.

Investment Mix

Investment portfolio majorly comprises of blue-chip companies, with strategic investment in group companies, namely MCB Bank Limited (MCB), Adamjee Insurance Company Limited (AIGL), DG Khan Cement Company Limited, Pakgen Power Limited, Lalpir Power Limited, Nishat Hotels and Properties Limited (NHPL), and Hyundai Nishat Motors (Private) Limited (HNML). The Carrying value of the investment portfolio decreased on a timeline to Rs. 17.3b (CY22: Rs.16.3b; CY21: Rs. 19.4b) primarily owing to reduction in cumulative unrealized gain to Rs. 3.2b (CY22: Rs. 2.9b; CY21: Rs. 5.7b) by end-1HCY23. Further, the Company reported unrealized loss on available for sale investments (net of tax) to the tune of Rs. 2.2b during CY22 as opposed to gain of Rs. 1.2b reaped in the preceding year. SGICL acquired 3.6m and 43,076 shares of Adamjee Life assurance Company and Millat Tractors respectively. Barring the aforementioned change, the stock market exposure Investment in debt securities comprising of Pakistan Investment Bonds (PIBs) also remained the same amounting Rs. 73.8m (CY22: Rs. 73.8m; CY21: Rs. 75.7m) at end-1HCY23. The PIBs are placed as statutory deposit with the State Bank of Pakistan (SBP) in accordance with the requirement Insurance Ordinance, 2000 (Section 29(2)(a)). Moreover, the investment in term deposits continued to remain minimal. Given, the Company's entire portfolio is vested in equity-based investments, the price risk is significantly high. In addition, with benchmark rates being the highest ever in history, the investment strategy is peculiar and not aligned with that practiced by the entire financial sector. Subsequently, management of market risk profile amid volatility prevalent in stock market performance will remain imperative for ratings going forward. On the other hand, credit risk emanating from the investment mix is relatively manageable as SGICL largely has equity investments in group companies having sound financial risk profile and credit ratings. Going forward, the management plans on continuing with existing investment strategy with main focus on stock market exposure.

Equity Securities	99.59%	99.44%	98.94%	99.24%
Debt Securities	0.41%	0.39%	0.45%	0.43%
Term Deposits	0.00%	0.17%	0.60%	0.33%

Adequate capitalization indicators with significant buffer over minimum solvency requirement; operating leverage has increased on a timeline.

Capitalization levels of the Company have reduced during the rating review period on account of reduction in fair value reserve to Rs. 1.9b (CY21: Rs. 4.1b) in line with unrealized loss on available for sale investments. SGI is considered sound from solvency risk point of view as the Company has adequate cushion in terms of admissible assets over its liabilities. Moreover, the operating leverage increased on a timeline to 7.2% (CY22: 6.2%; CY21: 5.5%) in line with slight enhancement of operations by end-HY23. On the flip side, financial leverage ratio reduced further to 3.6% (CY22: 5.7%; CY21: 4.0%) on account of decline in net technical reserves to Rs. 550.6m (CY22: Rs. 854.1m; CY21: Rs. 675.7m) by end-HY22; the decrease in the technical reserves was manifested in both outstanding claims and unearned premium reserves. The decline in outstanding claims was a result of sizable claims payments amounting to Rs. 880.6m made during the ongoing year. Moreover, the significant improvement in claim payments is also assessed from the aging profile as no claim was overdue for more than one year at year-end CY22 as opposed to 21% falling within 1-2 year overdue bracket in the preceding year. In addition, both operating and financial leverage continue remain the lowest amongst peers and below the rating benchmarks for the assigned rating. Subsequently, leverage indicators exhibit sizable room for growth in the operating scale. However, with no significant uptick expected in business volumes, the leverage indicators are projected to remain on a lower side during the rating horizon.

The Company has arranged borrowings from various banks to ensure sufficient availability of funds; the long-term debt increased to Rs. 1.4b (CY22: Rs. 1.0b; Rs. 1.1b) at end-HY23 as SGICL procured new long-term funding to the tune of Rs. 600.0m during the ongoing year. In addition, the Company has also arranged short-term running finances under markup arrangements amounting to Rs. 1.5b (CY22: Rs. 1.1b, CY21: Rs. 1.2b), out of which the availed portion was recorded at Rs. 227.5m (CY22: Rs. 52.7m; CY21: Rs. 246.6m) as of June 30, 2023. These facilities are secured against a pledge of 0.91m shares of Adamjee Insurance Company and 0.18m shares of MCB Bank Limited in favor of Habib Bank Limited, 10.5m shares of MCB Bank Limited in favor of Habib Metropolitan Bank Limited and 8.81m shares of MCB Bank Limited in favor of Allied Bank Limited.

Liquidity Profile

The overall liquidity profile, albeit comfortable, has weakened during the rating review period primarily owing to decline in carrying value of investment portfolio on account of unrealized loss booked. The same is reflected by decline in quantum of liquid assets (excluding strategic investments) maintained in relation adjusted technical reserves at end-HY23. In addition, liquid assets in relation to technical reserves and borrowings were also recorded lower at 21.9% (CY22: 39.8%; CY21: 36.4%) at end-HY23 in line with reduction in non-strategic investment portfolio coupled with increase in borrowings. The decline in liquidity indicators is also a function of higher claims paid resulting in divestment of capital parked in liquid avenues; the same can be evidenced rom decline in cash & bank balances on a timeline to Rs. 320.1m (CY22: 394.6m; CY21: Rs. 641.6m) at end-HY23. Moreover, insurance debt in relation to gross premium increased on a timeline during the ongoing year to 107.0% (CY22: 80.5%; CY21: 76.2%) on account of significant dip in GWP during the first half of the year. As per the management, given cyclicality inherent in the insurance sector with majority of fire *(power)* policies renewed post July for SGICL; the aforementioned indicator is going to revert back to normal range at end-CY23. Moreover, the operating cash flows in terms of net premium revenue were largely maintained on a timeline at 219.3% (CY22: 111.4%; CY21: 214.6%) during HY23; however, the same was recorded lower during the outgoing year on account of lower insurance premiums received.

Security General Insurance Company Limited — Annexure I

FINANCIAL SUMMARY		*(amount in millions)*		
BALANCE SHEET	**CY20**	**CY21**	**CY22**	**1HCY23**
Cash and Bank Balances	697.9	641.6	394.6	320.1
Investments	16,589.9	19,429.7	16,288.4	17,278.3
Insurance Debt	8,825.5	2,988.3	3,507.0	2,198.4
Total Assets	34,532.2	26,352.6	24,469.7	22,693.8
Total Borrowings	1,936.7	1,643.2	1,079.7	1,607.3
Total Liabilities	20,121.6	9,586.4	9,548.1	7,465.7
Paid Up Capital	680.6	680.6	680.6	680.6
Total Equity	14,410.6	16,766.2	14,921.6	15,228.1
INCOME STATEMENT	**CY20**	**CY21**	**CY22**	**1HCY23**
Gross Premium Revenue	8,799.0	3,924.0	4,358.8	1,027.6
Net Premium Revenue	815.9	924.4	925.8	546.0
Net Claims	111.5	119.9	220.4	113.7
Underwriting Profit	354.4	373.5	269.3	188.4
Investment Income	724.5	1,831.3	862.2	823.8
Profit Before Tax	1,008.0	2,104.4	1,043.3	834.1
Profit After Tax	707.1	1,499.6	611.0	460.6
RATIO ANALYSIS	**CY20**	**CY21**	**CY22**	**1HCY23**
Cession Ratio (%)	75.96%	89.84%	76.45%	75.53%
Gross Claims Ratio (%)	15.60%	6.70%	36.63%	31.96%
Net Claims Ratio (%)	13.70%	13.00%	23.81%	20.82%
Underwriting Expense Ratio (%)	43.00%	46.60%	47.11%	44.65%
Combined Ratio (%)	56.70%	59.60%	70.92%	65.47%
Insurance Debt to Gross Premium (%)	100.30%	76.15%	80.46%	106.97%
Operating Leverage (%)	5.66%	5.51%	6.20%	7.17%
Adjusted Financial Leverage (%)	4.75%	4.03%	5.72%	3.62%
Liquid Assets to Adjusted Technical Reserves (%)	120.90%	123.20%	90.00%	85.82%
Adjusted Liquid Assets to Adjusted Technical Reserves plus borrowings (%)	31.60%	36.40%	39.75%	21.90%

**Annualized*
***Liquid assets adjusted for strategic investments*

REGULATORY DISCLOSURES	Annexure III
Name of Rated Entity	Security General Insurance Company Limited (SGICL)
Sector	Insurance
Type of Relationship	Solicited
Purpose of Rating	Insurer Financial Strength (IFS) Rating
Rating History	

Rating Date	Medium to Long Term	Rating Outlook	Rating Action
RATING TYPE: IFS			
12/26/2023	AA+	Stable	Reaffirmed
29/12/2022	AA+	Stable	Harmonized
31/01/2022	AA	Stable	Reaffirmed
31/12/2020	AA	Stable	Reaffirmed
04/12/2019	AA	Stable	Reaffirmed
09/14/2017	AA	Stable	Upgrade
06/16/2016	AA-	Stable	Reaffirmed
09/23/2015	AA-	Stable	Reaffirmed
04/22/2015	AA-	Stable	Reaffirmed
02/04/2014	AA-	Stable	Upgrade
12/26/2012	A+	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.
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Due Diligence Meetings Conducted

Name	Designation	Date
Mr. Khuram Shahzad	CFO	