VIS
Credit Rating Company Limited

RATING REPORT

ALPHA INSURANCE COMPANY LIMITED

ANALYST:
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RATING DETAILS		
RATINGS CATEGORY	LATEST RATING	PREVIOUS RATING
	LONG-TERM	LONG-TERM
ENTITY	A+ (IFS)	A+ (IFS)
RATING OUTLOOK	Stable	Stable
RATING ACTION	Reaffirmed	Reaffirmed
RATING DATE	September 2, 2026	May 14, 2025

SHAREHOLDING 5% OR MORE	OTHER INFORMATION
State Life Insurance Corporation – 95%	**Incorporated in** 1951
General Public – 5%	Public Limited Company
	External Auditor: BDO Ebrahim & Co. Chartered Accountants
	Chairman of the BOD: Mr. Tariq Ikram
	CEO: Dr. Syed Arif Hussain

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

The Insurer Financial Strength rating of Alpha Insurance Company Limited ('AICL' or the 'Company') reflects the strong implicit support from its parent entity, State Life Insurance Corporation (SLIC). The rating incorporates the Company's adequate capitalization and satisfactory liquidity profile, supported by a conservative investment portfolio comprised primarily of debt securities.

While investment performance has helped mitigate the impact of underwriting losses, the rating remains constrained by sustained underwriting pressures. The Company continues to experience underwriting deficits driven by a still low business base, elevated claim incidences, particularly within the health and property segments, alongside high and rising management expenses linked to inflationary pressures. To mitigate these challenges, management has initiated strategic realignments, including the curtailment of loss-making portfolios and leveraging synergies with its parent entity to stimulate profitable volume expansion across core segments. Reinsurance treaty terms and capacities have also been revised to accommodate the evolving risks in business underwritten.

Going forward, the rating remains sensitive to the Company's ability to improve underwriting profitability, through optimization of underwriting expenses vis-a-vis business generated, enhancing capital to meet minimum SECP requirements on a timely basis, maintaining liquidity and minimizing accumulation of insurance debt in longer-aged buckets, while executing strategic growth initiatives. Investment performance is likely to be muted in the current year given market conditions, putting pressure on profitability which has been the primary buffer to underwriting losses till 2025. Given relatively weaker investment performance in Q1'26, the company incurred a loss after tax in Q1'26. The ongoing business portfolio restructuring may yield positive results by 2027.

COMPANY PROFILE

Alpha Insurance Company Limited ('AICL' or the 'Company') was incorporated in 1951. State Life Insurance Corporation (SLIC) is the parent company, possessing 95% stake. Registered office of the Company is in Karachi. AICL is primarily engaged in providing general insurance and window takaful operations to six primary segments namely fire & property damage, marine, aviation & transport, motor, accident & health (A&H), bond (excluding for takaful) and miscellaneous segments. The Company operates via eleven branches spread across Pakistan, covering all major cities.

SPONSOR PROFILE

SLIC was incorporated in Pakistan on November 01, 1972, under the Life Insurance Nationalization Order, 1972 (LINO). The Corporation is wholly owned by the Government of Pakistan, with the Ministry of Commerce exercising ownership authority. SLIC is the largest life insurance company in the country and carries a AAA rating assigned by a local rating agency.

MANAGEMENT & GOVERNANCE

CHAIRMAN PROFILE

Mr. Tariq Ikram is a Pakistani business leader, former Minister of State, and corporate executive with extensive experience in both the public and private sectors. He currently serves as Chairman of Alpha Insurance Company and is a Member of the Board of the Karachi Council of Foreign Affairs, Managing Trustee of Tasha Trust, and an Independent Director on the boards of Berger Paints Pakistan Limited, Excel Labs, and Tasha Enterprises (Private) Limited.

He has held several prominent leadership positions, including President of the Overseas Investors Chamber of Commerce and Industry (OICCI), and was the founding President of the Pakistan Advertisers Society and the Pakistan Market Research Society. During his public service, Mr. Ikram developed Pakistan's first national export strategy, contributing to a significant increase in exports and leading the restructuring of the Export Promotion Bureau into the Trade Development Authority of Pakistan (TDAP). In recognition of his contributions, he was awarded the Sitara-i-Imtiaz. He also remains actively involved in teaching and philanthropic initiatives.

CEO PROFILE

Dr. Arif Hussain has 24 years of experience in the insurance industry, holding progressive senior-level positions, including experience in underwriting, reinsurance, claims management, and marketing. He holds an M.B.B.S. and an MBA. Before joining Alpha Insurance, he served as the CEO of Dawood Family Takaful Limited, headed Takaful Pakistan Limited, and was the Head of Takaful at East West Insurance Company Limited.

BOD & MANAGEMENT

Sr. No.	Name	Position
1	Mr. Tariq Ikram	Chairman/ Independent Director
2	Dr. Syed Arif Hussain	Executive Officer
3	Mr. Muhammad Amjad	Non-Executive
4	Syed Shahnawaz Nadir	Non-Executive
5	Dr. Lubna Ayub	Non-Executive
6	Ms. Rafat Sultana	Non-Executive

The Board currently comprises six members following the resignation of Mr. Faisal Mumtaz during CY25. It maintains the required proportion of independent directors and demonstrates gender diversity through the presence of two female directors. During the year, the Board held ten meetings, with directors exhibiting satisfactory attendance. Board members bring a diverse range of professional expertise, including experience in taxation and regulatory matters, legal affairs, and the investment industry. The current Board was elected in 2023, and its tenure is set to expire this year, with new Board elections scheduled for September 2026.

The Board maintains oversight of strategic planning, finance, governance, and compliance through three primary committees: the Audit Committee; the Ethics, HR, Remuneration, Nomination and Procurement Committee; and the Investment Committee. These are complemented by management-level committees that guide daily operations, namely the Underwriting, Reinsurance, and Coinsurance Committee; the Claims Settlement Committee; and the Risk Management, Compliance, and IT Steering Committee.

In terms of senior management, changes occurred during the review period, with transition observed in the Chief Financial Officer and the Head of Takaful positions. Furthermore, the Company formalized a synergy agreement with its parent entity, SLIC. This arrangement structures cross-functional cooperation across areas such as finance, software, and actuarial support, integrating resources to support operations.

IT INFRASTRUCTURE

AICL continues to advance its technological infrastructure and digital transformation strategy to drive operational efficiency, enhance customer experience, and support sustainable business growth. The Company utilizes an integrated insurance management system covering core functions across its branch network, backed by centralized data management, electronic workflows, and specialized initiatives such as a dedicated nationwide customer hotline, digital coordination with State Life Insurance Corporation's field force, and streamlined policy processing. AICL remains committed to fortifying its information security, business continuity, and operational resilience through ongoing system upgrades and security controls, reinforcing its long-term competitiveness, regulatory compliance, and market position within Pakistan's insurance sector.

ESG INITIATIVES

AICL integrates Environmental, Social, and Governance (ESG) principles into its operational strategy to promote long-term sustainable growth and responsible corporate citizenship. In alignment with the SECP ESG Framework, AICL advances its environmental stewardship by transitioning to paperless operations and outlining a phased roadmap to install solar PV systems and introduce electric/hybrid vehicles into its operational fleet. Governed by an experienced Board of Directors, AICL strictly adheres to the Companies Act, 2017, the Insurance Ordinance, 2000, and SECP regulations, maintaining a robust corporate governance framework, strong internal controls, and proactive enterprise risk management.

IFRS 17 IMPLEMENTATION

During the review period, AICL continued to advance its IFRS 17 implementation program in line with the implementation timeline prescribed by the SECP. As of Dec'25, the Company had completed three implementation phases. In addition, the Company engaged external actuarial and audit consultants to support the implementation process and strengthen compliance. Management indicated that investments in systems, processes, and staff training remain ongoing to facilitate a smooth transition, with the objective of ensuring timely compliance and minimizing implementation-related disruptions once the standard becomes effective.

AUDIT OPINION

BDO Ebrahim & Co. 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 opportunity 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. 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

Under S.R.O. 311(I)/2025, SECP introduced key changes to the General Takaful Accounting Regulations, 2019. Insurers with Window Takaful Operations (WTO) must report and consolidate the total assets and liabilities of both the Operator's Fund (OPF) and the Participants' Takaful Fund (PTF) into their primary financial statements. Also, incomes and expenses of conventional business and window general Takaful operations must be combined in the main financial statements when applicable, backed by detailed segment disclosures. This requirement is applicable to the Companies where WTO constitutes 25% or more of their total business based on gross contribution.

Also, SECP has recently imposed a minimum higher capital requirement of PKR 2,000.0mn. As of Mar'26, out of 28 companies in General Insurance Sector, 5 fall short of meeting the minimum capital requirement, which is required to be met 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. In addition, the mandatory enforcement of Motor Third-Party Liability insurance is expected to improve regulatory compliance, expand insurance penetration, and support the sector's long-term structural development.

The implementation of IFRS 17, effective from January 2026, represents another key structural reform for the insurance industry. The new accounting standard is expected to enhance the consistency, transparency, and comparability of financial reporting by introducing a more uniform approach to the recognition and measurement of insurance contract liabilities.

OPERATIONAL PERFORMANCE

Gross Premium Mix Including Takaful	CY24	CY25
Fire and property damage	40.8%	37.9%
Marine, aviation and transport	15.7%	10.7%
Motor	18.1%	18.5%
Accident and health	15.0%	5.3%
Bond	0.4%	1.0%
Miscellaneous	10.1%	26.6%
Gross Written Premiums & Contributions	**580.5**	**561.3**

During CY25, AICL's business mix experienced compositional shifts. The portfolio was primarily led by the fire and property damage segment, followed by the miscellaneous, motor, and marine divisions. The miscellaneous segment's contribution increased to 26.7%, making it the second-largest line of business. This expansion was supported by the government mandate for mountaineering insurance a niche where AICL already has presence along with travel insurance initiatives coordinated with various embassies.

Conversely, the accident and health (A&H) segment's share contracted to 5.3% (CY24: 15.0%). This reduction was management's strategic decision to suspend underwriting new business in this portfolio to control elevated loss ratios. The marine segment's proportion also declined to 10.7% (CY24: 15.7%), constrained by market and discontinuation of Afghan Transit Route. The motor segment maintained a steady share, aided by mandatory third-party liability insurance requirements in Sindh, though growth remains moderated by industry-wide pricing competition.

Gross written premium (GWP) and contributions, inclusive of takaful operations, contracted to PKR 561.3m (CY24: PKR 580.5m) during CY25. Window takaful operations reported growth to PKR 114.3m (CY24: PKR 53.2m), which counterbalanced the contraction in the conventional operation. Conventional GWP declined by 15.2% to PKR 447.0m (CY24: PKR 527.3m), driven directly by the deliberate pullback in A&H underwriting.

During 1QCY26, operational momentum slowed, with GWP declining to PKR 94.9m (1QCY25: 133.1m). This moderation was primarily a consequence of geopolitical tensions in the Middle East impacting the marine and transit business due to temporary withdrawal of war risk coverage by reinsurers, alongside the ongoing curtailment of the A&H portfolio. Management's forward strategy targets volume expansion across core segments, supported by formalized synergy agreements to leverage the parent company's (State Life Insurance Corporation) sales network.

REINSURANCE ARRANGEMENTS

Cession Ratio	CY24	CY25
Fire and property (F&P) damage	25.8%	43.3%
Marine, aviation and transport	37.2%	35.2%
Motor	17.0%	22.8%
Accident and health	0.0%	0.0%
Bond	0.0%	24.4%
Miscellaneous	52.3%	19.3%
Total Cession Ratio	**24.7%**	**29.8%**

AICL's conventional reinsurance treaties underwent enhancements for CY26 from CY25. Total capacities increased across the board with F&P and Marine cover increasing to PKR 1.5b (CY25:1.0b), Misc. & Bond cover increased to PKR 150m (CY25: 20m) and Motor cover increased to PKR 24m (CY25: 19m). The Company maintained its maximum retention for each of these segments, PKR 20m (F&P), PKR 5m (Bond & Misc.) and PKR 2m (Motor). The Reinsurer panel underwent changes as Ocean Re exited the panel (CY25: 35% share and rating of A- from A.M Best) and their share was taken by Saudi Re (CY26: 35%; S&P A-) and new entrant Hanoi Re (formerly PVI) (CY26: 10%; A.M Best A-).

For the WTO, retakaful coverages have remained the same for all segments. For CY26 the retakaful panel has undergone changes, where PRCL's 80% share stands diluted to 35%, Kenya Re & Tunis Re have exited the panel. Saudi Re now holds 35% share, followed by Labuan Re (20%) and Hanoi Re (formerly PVI) (10%).

The Company's overall cession ratio increased steadily to 29.8% (CY24: 24.7%) in CY25. This upward trend was primarily driven by the F&P segment, where the cession ratio rose significantly. Motor business also recorded a gradual increase in cessions. In contrast, the Marine segment exhibited a declining cession trend. The Bond segment showed considerable volatility. Similarly, Miscellaneous business experienced a marked reduction in reinsurance dependence. Accident & Health remained fully retained throughout the period. The trend continued in 1QCY26 with cession ratio reported at 37.2%.

FINANCIAL RISK

CLAIMS PERFORMANCE

Gross Claims Ratio	CY24	CY25
Fire and property damage	30.3%	136.8%
Marine, aviation and transport	59.5%	72.3%
Motor	63.5%	75.7%
Accident and health	110.5%	225.5%
Bond	0.0%	0.0%
Miscellaneous	17.3%	24.8%
Total Gross Claims Ratio	**51.5%**	**92.2%**

AICL's gross claims expense inclusive of window takaful operations increased to PKR 517.4m (CY24: PKR 298.9m) by end-CY25, driven by higher claims incidence in the fire & property damage on account of a few exceptionally large fire claims during the year. The accident & health (A&H) segments have remained susceptible to higher claims incidence on an industry-wide basis. The overall gross claims ratio accordingly increased. During 1QCY26, gross claims expense has decreased to PKR 75.8m (1QCY24: PKR 122.5m) with claim ratio also improving to 79.9% (1QCY26: 92.1%). Management attributes this to the deliberate curtailment of underwriting within the loss-making A&H portfolio.

Net Claims Ratio	CY24	CY25
Fire and property damage	40.3%	77.8%
Marine, aviation and transport	61.9%	75.1%
Motor	51.3%	68.6%
Accident and health	137.2%	134.6%
Bond	0.0%	0.0%
Miscellaneous	42.2%	32.2%
Total Net Claims Ratio	**63.2%**	**70.3%**

On a net basis, aggregate claims expense increased to PKR 288.1m (CY24: PKR 245.8m) during CY25, taking the net claims ratio upwards to 70.3% (CY24: 62.4%). The net claims ratio remained elevated within the A&H segment, followed by the fire & property damage and marine segments. During 1QCY26, net claims noted a 35.1% YoY decline to PKR 42.6m (1QCY25: PKR 65.6m).

UNDERWRITING PERFORMANCE

The Company's combined ratio increased to 145.9% in CY25 (CY24: 136.5%), reflecting an upward movement in the net claim ratio. This was also indicative of lower claims recovery from reinsurers, vis-à-vis cession. Simultaneously, the underwriting expense ratio increased to 75.5% (CY24: 73.3%). Management expenses rose by 15.9% year-on-year, driven by prevailing inflationary pressures across operating cost lines and capacity-building initiatives. Consequently, AICL continued to report an underwriting loss, which widened to PKR 187.9m in CY25 (CY24: PKR 142.0m).

Underwriting Performance Metrics	CY24	CY25	1QCY26
Net Claims Ratio	63.2%	70.3%	61.3%
Underwriting Expense Ratio	73.3%	75.5%	86.7%
Combined Ratio	**136.5%**	**145.9%**	**148.0%**

During 1QCY26, underwriting performance remained under pressure, resulting in a loss of PKR 33.3m (1QCY25: profit of PKR 8.1m). Management attributes this primarily to a drop in net premium revenue. Nevertheless, the net claims ratio for the quarter eased to 61.3%, supported by the aforementioned elevated reinsurance recoveries.

INVESTMENT PERFORMANCE

The Company's investment portfolio comprises a mix of both debt instruments and equities, with a clear concentration in debt securities totaling PKR 711.7m at end-CY25, accompanied by an equity exposure of PKR 215.9m. Driven by this mix, net investment income increased to PKR 169.9m (CY24: PKR 160.9m) in CY25, serving as the primary support for the bottom line against ongoing underwriting deficits. This income performance was buoyed by dividend receipts of PKR 20.3m and elevated gains on the sale of equity securities, which yielded PKR 73.3m. Additionally, fixed income derived from government debt investments contributed PKR 72.7m to the annual returns. During 1QCY26, the portfolio generated a further PKR 20.1m in investment income, maintaining its role in sustaining the Company's overall earnings.

PROFITABILITY

P&L Extract (PKR m)	CY24	CY25	1QCY26	1QCY25
Total Underwriting Profit/ (Loss)	(142.0)	(187.9)	(33.35)	(8.1)
Investment Income	160.9	169.9	20.5	27.3
Profit After Tax	38.6	22.4	(6.4)	27.7
Net Operating Ratio	95.1%	104.4%	118.5%	85.4%

The Company's overall profitability continues to be constrained by persistent underwriting deficits. Consequently, the bottom line remains reliant on investment returns and the Window Takaful Operations (WTO), which contributed PKR 167.8m and PKR 9.5m respectively during the year to help post a profit after tax of PKR 22.4m (CY24: PKR 38.6m). However, this support proved inadequate during 1Q26, where a contraction in premium volumes and lower yields on fixed-income securities led to a net loss of PKR 6.4m, despite a PKR 3.3m profit from the WTO Operator's Fund. Going forward, management's ability to rationalize business volumes to be able to absorb underwriting expenses and improve underwriting portfolio quality will dictate the trajectory of core earnings.

LIQUIDITY

The quantum of adjusted liquid assets increased to PKR 1,137.0m (Dec'24: PKR 1,083.6m) by end-Dec'25, primarily on account of growth in liquid investments and cash margins. Consequently, the coverage of technical reserves by liquid assets improved to 379% by end-CY25 (CY24: 363%), reflecting a sound liquidity profile and providing an adequate cushion to meet policyholder obligations. However, operating cash flow weakened during the year, with net operating cash flow declining to PKR 1.2m in CY25 (CY24: PKR 77.0m), resulting in an operating cash flow-to-net premium revenue ratio of 0.4% (CY24: 20.8%). While the Company's liquidity indicators remain satisfactory, sustained improvement in internal cash generation will remain important from a ratings perspective.

As detailed in the aging schedule, the total insurance debt stood at PKR 252.76m by year-end Dec'25. While the majority of these receivables (62.3% or PKR 157.55m) are current within the "up to 1 year" bucket, a substantial 37.7% (PKR 95.21m) has aged past the one-year mark. This ageing is heavily weighted in the oldest bracket, with 18.9% (PKR 47.66m) of the total debt lingering in the "over 3 years" category, underscoring the need for moderation efforts even though these older receivables have been largely provided against.

Liquidity Metrics	Dec'24	Dec'25	Mar'26
Liquid Assets to Net Technical Reserves	386.2%	387.6%	384.4%
Insurance Debt/ Gross Premium	35.0%	39.4%	75.8%

CAPITALIZATION

Capitalization levels of the Company trended upwards, with total equity increasing to PKR 835.9m (Dec'24: PKR 826.9m) at end-CY25. This growth was largely underpinned by retention of profits, as unappropriated profit increased to PKR 216.9m (CY24: PKR 194.3m), offsetting a slight reduction in reserves to PKR 119.1m (CY24: PKR 132.5m) due to lower unrealized gains on AFS investment. The authorized and issued paid-up capital of the Company remained static at PKR 500.0m.

From a solvency perspective, AICL maintains an adequate cushion of admissible assets over its liabilities. Furthermore, as noted in the Directors' Report, the Board is actively evaluating options to ensure compliance with the SECP's revised minimum paid-up capital requirements of PKR 1.0 billion by December 2026 through an equity injection of PKR 500mn from the parent entity. As per management representation, authorized capital has been enhanced to accommodate further issuance of capital.

Operating leverage experienced an increase during CY25 due to the movement in consolidated net premium revenue relative to the equity base. Whereas net financial leverage remained stable. The Company's leverage metrics continue to reflect adequate capacity for growth in its operating scale without placing undue pressure on current capitalization levels.

Capitalization Metrics	Dec'24	Dec'25	Mar'26
Equity	826.9	835.9	803.0
Operating Leverage (%)	47.6%	49.6%	35.1%
Net Financial Leverage (%)	36.6%	36.3%	34.9%

FINANCIAL SUMMARY (PKR Mn)					
Balance Sheet	**CY22**	**CY23**	**CY24**	**CY25**	**Q1CY26**
Property and Equipment	7.1	17.6	25.5	21.0	19.6
Investments	682.9	463.9	849.0	932.7	740.2
Loan and other receivables	8.3	17.2	75.3	48.7	42.0
Insurance/Reinsurance receivables	107.1	137.5	192.8	179.2	228.1
Reinsurance recoveries against outstanding claims	91.7	101.3	122.6	226.9	225.0
Prepayments	27.5	47.3	59.2	66.2	58.1
Bank deposit held as Cash Margin	-	38.1	45.6	86.8	102.9
Cash and Bank	125.4	277.2	99.4	36.7	114.8
Other Assets	104.6	105.6	115.0	112.6	114.4
Total Conventional Assets	1,154.7	1,205.7	1,584.4	1,710.9	1,645.1
Total Assets of WTO	-	100.3	160.3	315.9	337.2
Total Assets	**1,154.7**	**1,306.0**	**1,744.7**	**2,026.7**	**1,982.3**
Total Equity	**688.2**	**718.1**	**826.9**	**835.9**	**803.0**
Outstanding claims including IBNR	297.3	339.5	451.7	544.7	500.1
Underwriting provisions	297.3	339.5	451.7	544.7	500.1
Insurance/ Reinsurance payables	68.9	92.1	164.1	229.4	259.9
Others Creditors & Accruals	92.4	78.2	94.2	113.6	114.1
Total liabilities of WTO-operator's fund	-	47.4	102.6	251.5	270.5
Total Equity & Libailities	**1,154.7**	**1,303.0**	**1,744.7**	**2,026.7**	**1,982.3**
Income Statement	**CY22**	**CY23**	**CY24**	**CY25**	**Q1CY26**
Gross Premium (Inc. Takaful)	255.5	376.0	580.5	561.3	94.9
Net Insurance Premium	182.6	250.1	389.0	409.7	69.5
Net Insurance Claims	116.6	145.4	245.8	288.1	42.6
Underwriting Profit (Loss)	(73.0)	(82.2)	(142.0)	(187.9)	(33.4)
Investment Income	48.1	136.9	160.9	169.9	20.5
Profit After Tax	**(14.3)**	**45.5**	**38.6**	**22.4**	**(6.4)**
Ratio Analysis	**CY22**	**CY23**	**CY24**	**CY25**	**Q1CY26**
Market Share (%)	0.18%	0.21%	0.27%	0.23%	0.18%
Cession Ratio (%)	23.4%	21.0%	24.7%	29.8%	37.2%
Gross Claims Ratio (%)	54.3%	54.4%	51.5%	92.2%	79.9%
Net Claims Ratio (%)	63.8%	58.2%	63.2%	70.3%	61.3%
Underwriting expense Ratio (%)	76.1%	74.7%	73.3%	75.5%	86.7%
Combined Ratio (%)	140.0%	132.9%	136.5%	145.9%	148.0%
Net Operation Ratio (%)	113.6%	78.1%	95.1%	104.4%	118.5%
Insurance Debt to Gross Premium (%)	41.9%	39.1%	35.0%	39.4%	75.8%
Operating Leverage (%)	26.9%	35.3%	47.6%	49.6%	35.1%
Net Financial Leverage (%)	26.3%	27.8%	36.6%	36.3%	34.9%
Liquid Assets to Net Technical Reserves	512.7%	460.9%	386.2%	387.6%	384.4%

REGULATORY DISCLOSURES — Appendix II

Name of Rated Entity	Alpha Insurance Company Limited
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			
9/02/2026	A+	Stable	Reaffirmed
5/14/2025	A+	Stable	Reaffirmed
02/01/2024	A+	Stable	Reaffirmed
3/31/2022	A+	Stable	Harmonized
9/29/2021	A	Stable	Maintained
10/20/2020	A	Negative	Reaffirmed
6/28/2019	A	Negative	Maintained
1/31/2018	A	Stable	Reaffirmed
12/07/2016	A	Stable	Reaffirmed
12/15/2015	A	Stable	Reaffirmed
12/10/2014	A	Stable	Reaffirmed
9/30/2013	A	Stable	Maintained

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. Muhammad Rashid	CFO & Company Secretary	14-July-2026
Mr. Umair Sattar Abro	Head Corporate Affairs & Risk Management	
Mr. Khwaja Balighuddin	General Manager – Operation	
Mr. Liaqut Ali Qamar	Head of HR Admin & Legal Affairs	