

## UBL INSURERS LIMITED

### Analyst:

Rida Hashmi  
(rida.hashmi@vis.com.pk)

### RATING DETAILS

RATINGS CATEGORY	Latest Rating	Previous Rating
	Long-term	Long-term
IFS RATING	AA+(IFS)	AA+(IFS)
RATING DATE	March 30, 2026	January 21, 2025
RATING OUTLOOK/ WATCH	Stable	Stable
RATING ACTION	Reaffirmed	Reaffirmed

### Shareholding (10% or more):

Bestway (Holdings) Limited – 55.6%

United Bank Limited – 30.0%

Bestway Cement Limited – 12.2%

### Other Information

Incorporated in 2006

Unlisted Public Limited Company

**External auditors:** EY Ford Rhodes Chartered Accountants

**Chief Executive Officer:** Mr. Sharjeel Shahid

**Chairman:** Mr. Syed Manzoor Hussain Zaidi

### Applicable Rating Methodology

Applicable Rating Criteria: General Insurance

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

### Rating Scale

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

### Rating Rationale

UBL Insurers Limited's ('UIL' or the 'Company') rating reflects its market position and strong sponsorship profile. The company is providing both conventional and takaful coverage. Reinsurance arrangements remain adequate, with a diversified panel of internationally rated reinsurers with about 80% of reinsurers are rated in the 'A' band or higher, providing risk mitigation across major segments; a sizeable proportion of business is also retained on net account.

During the review period, the Company experienced changes at the senior management level. While key positions have since been filled, the transition phase is noted from a governance perspective; maintaining management stability is important to ensure continuity in strategic execution and operational oversight.

Business emanating from health and motor constituted 7.1% and 21.9%, respectively in CY2023 on written gross premium basis. Proportion of these segments has increased considerably to 12.5% and 29.7%, respectively in 9MCY25. This reflects a riskier strategy as claims in health and motor are inherently high and retained largely on net account. During the review period, underwriting performance weakened due to elevated claims in fire, marine, and health segments. In Health, management has placed loss capping to safeguard profitability in 2026; impact of the same will be tracked. In 9MCY25, profitability moderated, with underwriting losses reported by the Company. These were partially offset by recurring investment income. The investment portfolio remains conservatively allocated, predominantly in government securities, limiting credit risk exposure and likely to provide continued support to bottom line.

Liquidity indicators remain adequate, supported by a largely liquid investment base, though insurance receivables have increased in line with business growth. Capitalization metrics remain within acceptable thresholds.

The rating incorporates the Company's capacity to absorb earnings volatility, supported by its capital base, reinsurance protection, and sponsor backing, while remaining sensitive to sustained underwriting discipline and claims management.

## Company Profile

UBL Insurers Limited ('UIL' or the 'Company') is an unlisted public limited company which commenced operations in January 2007. UIL has been licensed to transact general insurance, offering both conventional and takaful products through Window Takaful Operations (WTO), in Pakistan. It is registered as an insurer with the Securities and Exchange Commission of Pakistan (SECP).

## Sponsor Profile

UIL is jointly owned by United Bank Limited (UBL) and the bank's sponsors, the Bestway Group. UBL, the third largest private commercial bank in Pakistan with a AAA/A1+ rating by VIS. Bestway Group has business interests in commercial banking and cement sector in Pakistan along with wholesale, pharmacy and real estate sectors in the UK.

## Governance and Management

### CHAIRMAN/CEO PROFILE

Mr. Syed Manzoor Hussain Zaidi is the Chairman of UIL. He is an accomplished finance and banking executive with over two decades of leadership experience across Pakistan's financial services sector. He currently serves as CFO at UBL. He holds an MBA in Finance, is a CFA Charterholder and an Associate Cost and Management Accountant (ACMA).

Mr. Sharjeel Shahid is the CEO of UIL. He is a strategic transformation leader with 30+ years of experience. He has global expertise from senior leadership roles at Barclays, Standard Chartered, and UBL across multiple markets. He joined the company in May 2025.

### BOARD & SENIOR MANAGEMENT

UIL's Board comprises eight members, including seven non-executive directors (including one female director), and one executive director. The Board only has one independent director, which is a departure from governance best practices. Following the completion of 3-year term, 5 directors were re-elected while 2 new directors (Ms. Nadia Tabassum & Mr. Shabbir Hamza Khandwala) were onboarded. Additionally, Mr. Sharjeel Shahid replaced Mr. Zeeshan Muhammad Raza as the CEO.

The Board operates through several committees, including the Ethics, Nomination, Human Resource & Remuneration Committee (ENHRRC), Board Investment Committee (BIC), Board Audit Committee (BAC), and Management Committees (MC) to maintain oversight over various operational activities. The EHRRC and Audit Committee are chaired by non-executive directors.

During the outgoing year, the company experienced significant turnover in management. 5 vacancies occurred including the CEO, CFO, Head of Motor Claims, Head of Digital Transformation & Shared Services and Senior Claims Head. All these positions were filled during the year except for Senior Claims Head which was filled in January 2026. Continuity at key management positions is considered important for operational stability.

### SHARIAH COMPLIANCE

UIL's Window Retakaful Operations (WTO) are overseen by three-member Shariah Advisory Board, comprising Chairman, Shariah Advisor and Islamic Finance Expert, with independent assurance provided by EY Ford Rhodes Chartered Accountants. The Shariah Advisory Board's review confirms that the Re-takaful policies, contracts, investment screening processes, and all reviewed transactions for CY24 were conducted in accordance with Shariah principles and the Takaful Rules, 2012, with only one instance of non-Shariah-compliant income identified; accordingly, a prorated amount was allocated to the charity account. The independent assurance report further validates that governance arrangements, documentation, product approvals, and operational procedures remain compliant with applicable Shariah and regulatory requirements. Overall, disclosures indicate that the Company maintains an operational framework consistent with prescribed Shariah standards, supported by structured oversight from the Shariah Advisory Board and external auditors.

### AUDITOR'S OPINION

EY Ford Rhodes Chartered Accountants, categorized as 'Category A' on the SBP's Panel of Auditors and with satisfactory QCR rating from ICAP, has provided an unmodified opinion and unqualified report for FY24.

### SECP ONSITE REVIEW

The last full scope inspection of the UIL by the Securities and Exchange Commission of Pakistan (SECP) was conducted in 2023 and since then, no instances of on-site regulatory review have been reported by the management.

## Business Risk

### INDUSTRY UPDATE

The year 2024 was positive for the insurance sector as Total Premium (Incl. Takaful) rose 17.6% year-on-year and underwriting discipline was strengthened across major lines. Selective repricing in loss-heavy portfolios such as motor, health, and fire, together with tighter risk screening and improved retention, helped improve the net claims ratio from about 55% in 2023 to 51% in 2024 translating into improved combined ratio (FY24: 89%; FY23: 92%). While underwriting profit almost doubled in absolute terms, its contribution to the sector's bottom line reduced slightly as fixed instruments driven investment income remained strong. The sector's profitability jumped to PKR 11,092.3mn in FY24 (FY23: PKR 6,534.7mn).

As 2025 unfolded, however, operating conditions posed challenges. Total Premium (including takaful) contracted by 1.0% year-on-year in 9MCY25. At the same time, monsoon and flood events during 2025 resulted in a sharp rise in claims. Industry-wide net claims surged year-on-year in 9MCY25, particularly for damaged vehicles (sedans/saloons) in areas like Punjab and KP. As a result, the industry's net claims ratio deteriorated to 61.0% (9MCY24: 50.9%). Although insured losses represented only a fraction of total economic damage due to Pakistan's persistently low insurance penetration at under 1% of GDP, the events highlighted the need for national disaster-risk financing mechanisms. Reinsurers, while offering somewhat more capacity than in the hard-market years of 2023–24, maintained caution regarding nat-cat exposures. Renewal discussions in 2025 centered on improved data, clearer accumulation controls, and disciplined attachment structures, 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 ~33% and ~67% of the Gross Written Premium, respectively, including Takaful Contribution. Takaful's significant expansion to 19.3% (CY2024: 12.2%) in 9MCY25 of Total Premium (Incl. Takaful), powered by customer preference, strengthened Shariah governance, and banca-takaful partnerships continued to redefine market share dynamics and attract first-time insurance users.

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.

PKR 000s	2023	2024	9M24	9M25 <sup>1</sup>
Total Premium (Incl. Takaful)	182,784,096	214,971,796	171,606,119	171,104,776
Total Net Premium (Incl. Takaful)	83,470,941	103,193,554	74,133,148	86,805,193
Total Net Claims (Incl. Takaful)	45,724,996	52,822,298	37,766,250	52,269,138
Net Commission	7,269,069	8,544,068	6,113,837	9,124,576
Management Expense	20,845,352	27,190,619	19,449,763	20,365,022
General, Financial and other expense	3,091,802	3,544,319	3,314,299	2,531,687
Underwriting Profit	6,539,722	11,092,250	9,615,378	4,833,868
Investment Income (Incl. Takaful)	19,858,697	39,345,403	27,417,109	23,941,382
Other Income	5,369,019	4,576,629	2,473,908	2,032,278
Profit After Tax	18,116,451	35,304,710	23,539,341	19,576,011
Paid Up capital	31,550,303	31,012,280	30,871,751	36,691,489
Shareholder Equity	127,480,707	230,047,521	206,847,056	184,946,860
Total Asset	364,269,880	602,051,332	513,661,517	530,830,000
Underwriting expense ratio	37.4%	38.1%	39.0%	36.9%
Net Claim	54.8%	51.2%	50.9%	61.0%
Combined Ratio	92.2%	89.3%	89.9%	97.9%

<sup>1</sup> NICL's & Cooperative Insurance's numbers are not included in 9M25

## REGULATORY DEVELOPMENTS

Alongside these business developments, structural shifts continue to shape the competitive landscape. SECP has recently imposed a minimum higher capital requirement of PKR 2,000.0mn. As of Sep'25, out of 28 companies in General Insurance Sector, 6 fall short of this level, which is required to be met by 2030. SECP's approval of Pakistan's first digital-only non-life insurer in 2025 marked a significant milestone, paving the way for tech-driven distribution.

Other disclosure related changes are also upcoming including the implementation of IFRS 17 by the insurance sector; initially starting January 2026 with the timeline now extended to January 2027 by the SECP. This will standardize the recording of claims liability across the sector and make comparison more meaningful. In order to ensure timely and effective adoption, UIL has engaged the services of external consultant for the same.

## OPERATIONAL PERFORMANCE

Gross written Premium (GWP) Mix	CY23	CY24	9MCY25	9MCY24
Fire and property damage	49.9%	46.4%	41.0%	47.3%
Marine, aviation and transport	8.3%	9.3%	7.6%	9.0%
Motor	21.9%	26.1%	29.7%	25.7%
Bankers Blanket	1.4%	1.3%	0.0%	0.0%
Health	7.1%	7.7%	12.5%	6.6%
Miscellaneous	11.3%	9.1%	9.2%	11.4%
Total (PKR mn)	8,330.0	9,006.2	7,235.0	7,078.0
GWP (Conventional %)	87.5%	79.1%	77.0%	80.1%
GWP (Takaful %)	12.5%	20.9%	23.0%	19.9%

Gross written premium (GWP) was reported at PKR 7,235.0mn during 9MCY25 (9MCY24: PKR 7,078.0mn; CY24: PKR 9,006.2mn; CY23: PKR 8,330.0mn). Business sourced from related parties constituted close to 20% of total GWP during the period. Conventional business accounted for 77.0% of total GWP, while Takaful operations contributed the remaining 23.0%. The Company recorded growth of around 2.2% compared to 9MCY24. Management closed full-year GWP at PKR 9,000.0mn. For CY26, the management is expecting the GWP to reach PKR 10,000.0mn.

The business mix of UIL reflects an increasing contribution from the motor and health segments, while fire and property damage segment continued to remain the largest contributor during 9MCY25. Growth in the motor segment is primarily driven by a relatively lower interest rate environment, which has supported higher motor financing volumes, alongside an increase in the insurance of higher-value vehicles. Approximately one-fourth of the motor portfolio is generated through UBL, while the remaining business is diversified across retail customers, corporate clients, and other banking relationships, providing a balanced distribution mix.

The expansion in the health segment primarily reflects growth in business sourced through UBL. Approximately 70% of the health portfolio originates from UBL, supported in part by an increase in its staff strength. This includes both related-party business as well as business generated through UBL's distribution channels. Initially focused on employee coverage, the Company broadened its product offering in 2024 to include coverage for employees' parents, which contributed to portfolio expansion.

Given the fire segment's limited contribution to overall underwriting results, the Company has adopted a selective approach, underwriting only those risks that are commercially compelling or where participation is necessary to maintain key relationships. Henceforth, leading to a decline in fire business.

Going forward, the GWP from motor, marine and health segment is expected to increase. While this strategy may support top-line growth, these segments are inherently exposed to relatively higher claims volatility and severity risk while reinsurance coverage is also either minimal or absent. Accordingly, sustained underwriting discipline will remain critical to mitigating potential pressure on profitability and maintaining earnings stability.

Cession Ratio	CY23	CY24	9MCY25	9MCY24
Fire and property damage	77.5%	86.2%	84.0%	78.7%
Marine, aviation and transport	51.5%	50.3%	55.3%	45.2%
Motor	11.5%	16.6%	19.9%	12.6%
Bankers Blanket	80.8%	78.8%	N/A	N/A
Health	55.5%	57.2%	31.7%	59.9%
Miscellaneous	76.6%	77.1%	68.1%	65.5%
Overall Cession Ratio	59.2%	61.5%	54.8%	55.9%

Net Premium Revenue	CY23	CY24	9MCY25	9MCY24
Fire and property damage	323.6	487.7	358.4	359.7
Marine, aviation and transport	323.5	424.6	232.9	305.4
Motor	1,558.0	1,721.1	1,480.2	1,303.8
Bankers Blanket	24.6	25.4	-	-
Health	214.3	292.0	458.2	128.2
Miscellaneous	139.4	184.7	150.6	155.8
Total Net Premium Revenue	2,583.4	3,135.5	2,680.4	2,252.9

The overall cession ratio declined to 54.8% during 9MCY25 (9MCY24: 55.9%), reflecting higher retention on UIL's own account and resulting in an increase in net premium revenue to PKR 2,680.4mn (9MCY24: PKR 2,252.9mn). Cessions remain structurally high in fire and property damage (84.0%) and marine (55.3%), in line with the severity and catastrophe exposure of these segments. In contrast, motor & health business, together accounting for 42.2% of total premiums, are largely retained on net account. Miscellaneous segment constitutes high risk areas such as engineering, personal liability, travelling, etc; and largely ceded.

## REINSURANCE ARRANGEMENTS

The Company's risk profile is supported by sound reinsurance arrangements with a diversified panel of international and local reinsurers. The overall risk profile of the reinsurance panel is considered satisfactory, as more than 80% of reinsurers are rated in the 'A' band or higher. Hannover Re (rated AA- by S&P and A+ by A.M. Best) is the lead reinsurer across all segments (except crop loan, non-motor excess of loss, travel accident & motor private car quota share treaty) with around 25% of the share in treaty followed by Pakistan Reinsurance Company Limited (PRCL) owing to specific quota extended to the local reinsurer. The Company has negotiated quota share cum surplus treaties in major segments, namely, F&P and marine cargo, and quota share treaties in remaining segments which are further reinforced by non-proportional treaties.

In conventional business, capacity in fire segment has increased to PKR 5,000.0mn in 2026 from PKR 3,675mn in 2025. While the capacity has expanded, the overall retention on UIL's account has increased by PKR 35.0mn for the same. In contrast, capacity in engineering segment has declined by PKR 150.0mn to PKR 450.0mn, while increasing UIL's retention by PKR 57.5mn. There was no change in general accident capacities. The capacity in marine cargo has declined by PKR 67.5mn to PKR 1,395.0mn, however there was no change in UIL's retention.

In takaful business, capacity in fire segment has increased by PKR 1,080.0mn to PKR 2,400.0mn in 2026; retention on UIL's account has increased by PKR 8.0mn for the same. Moreover, the capacity in engineering segment has increased by PKR 100.0mn to PKR 400.0mn. The retention for same remained constant at PKR 10.0mn. Additionally, the capacity in general accident has increased by PKR 50.0mn to PKR 140.0mn, with retention increasing by PKR 0.5mn for the same. Furthermore, the capacity in marine cargo has increased by PKR 120.0mn to PKR 870.0mn, with retention increasing by PKR 2.4mn for the same.

From 2024 to 2025, the health segment was underwritten on a facultative basis. The initial policy period extended from May 2024 to May 2025 and included a loss cap of 110% with reinsurers, with UIL retaining 30% of the risk. For the client, there was no loss capping; which resulted in significant losses on net account in the health business. In 2025, the policy was renewed for a shortened tenure of seven months, from May 2025 to December 2025, following UBL's transition to a full calendar-year policy cycle. Under the revised arrangement, a 100% loss

cap was agreed with UBL, with all of it retained on net account. Losses continued in FY2025 as well in health segment. For 2026, UIL is negotiating a reduction in the loss cap to approximately 80–85% with the client. This adjustment is expected to improve underwriting margins and strengthen the profitability profile of the health segment.

In the conventional portfolio, the Company maintains a combination of quota share and Excess of Loss (XoL) treaties for both private and commercial motor business. For private motor, the quota share arrangement provides 50% retention with a capacity limit of PKR 25.0mn, while commercial motor carries a 30% quota share with a capacity limit of PKR 30.0mn. In addition, the XoL structure for private motor applies to losses exceeding PKR 7.0mn up to PKR 30.0mn, whereas for commercial motor it applies to losses exceeding PKR 5.0mn up to PKR 15.0mn. These treaty terms remained unchanged between 2025 and 2026. In the Takaful segment, the reinsurance structure comprises only an XoL arrangement, without a quota share component. In 2025, the maximum net retention was PKR 1.0mn, with XoL coverage for losses exceeding PKR 4.0mn up to PKR 25.0mn. In 2026, the maximum net retention increased to PKR 5.0mn, with the XoL layer revised to cover losses exceeding PKR 5.0mn up to PKR 30.0mn. For the last three years, net claims ratio in motor has been lower than the gross claims ratio; reflecting sound underwriting strategy.

There have been changes in the reinsurers panel. In the conventional segment, Odysse Re (AA- (Very Strong) by S&P & A+ (Superior) by A.M. Best) has been added, while African Re (AA- by S&P & A+ by A.M. Best) has been removed from the panel. Moreover, Mena ReDig (A- by S&P), PVI Insurance Corporation (A- (Excellent) by A.M. Best) and Redbridge Insurance Company Ltd (B++ (Good)) have been added. In the takaful segment, Saudi Re (A- by S&P) and Singapur Re (A by A.M. Best) has been added, while Africa Re (A- by S&P & A by A.M. Best) and Oman Re (B by A.M. Best) has been removed from the panel.

## DIGITAL INITIATIVE

During CY25, UIL initiated a structured digital transformation program focused on strengthening core systems, enhancing distribution, customer service, and data-driven decision-making.

Key initiatives included enhancement of the existing core insurance platform and completion of due diligence for a next-generation platform to support API-enabled, scalable operations. UIL also commenced development of UBL Digital Motor Insurance under embedded insurance framework, with the Minimum Viable Product (MVP) currently under implementation. On the service side, a managed Contact Centre was implemented to centralize customer engagement and support digital sales and claims.

In parallel, UIL significantly advanced its data analytics capabilities, enabling management decisions across underwriting, portfolio management, and distribution to be increasingly guided by real-time dashboards and analytical insights.

Collectively, these initiatives establish foundational digital capabilities for automation, improved customer experience, and data-led governance, while positioning UIL for phased expansion of digital products and services.

## Financial Risk

### CLAIMS EXPERIENCES

Gross Claims Ratio	CY23	CY24	9MCY25	9MCY24
Fire and property damage	33.6%	44.4%	84.1%	39.9%
Marine, aviation and transport	60.4%	47.7%	82.3%	45.3%
Motor	67.5%	78.0%	98.0%	74.3%
Bankers Blanket	23.2%	4.1%	N/A	N/A
Health	96.5%	122.8%	121.6%	134.1%
Miscellaneous	80.0%	47.2%	62.5%	36.7%
Overall Gross Claim Ratio	53.5%	58.2%	89.8%	54.1%
Gross Claim (Conventional %)	89.0%	75.4%	74.4%	76.4%
Gross Claim (Takaful %)	11.0%	24.6%	25.6%	23.6%

During CY24, claims expense amounted to PKR 4,796.0mn; after adjusting for reinsurance recoveries, net claims expense stood at PKR 1,377.3mn, translating into a gross claims ratio of 58.2% and a net claims ratio of 51.0% for the year. The higher claims ratio was primarily driven by a material increase in claims incidence within the fire, motor and health segments during the period.

In 9MCY25, net claims ratio significantly increased to 70.7% (9MCY24: 43.1%; CY24: 43.9%; CY23: 47.2%).

A significant fire incident at a beauty products company represented the most severe loss event in UIL's recent operating history and marked the first major occurrence in the past five years. In addition, a separate fire incident at a pharmaceutical company further elevated the claims experience within the segment. As a result, the claims ratio in the fire segment exceeded 90%, triggering the loss participation clause under the applicable treaty arrangements, which led to a higher net claims burden for the UIL.

Net claims in the marine segment were primarily driven by adverse weather conditions, including flooding, as well as delays and disruptions related to port clearance issues. In the health segment, net claims were high due to absence of loss capping till earlier part of 2025.

Net Claims Ratio	CY23	CY24	9M CY25	9M CY24
Fire and property damage	29.0%	21.2%	72.6%	20.5%
Marine, aviation and transport	14.5%	17.2%	34.9%	15.3%
Motor	53.3%	51.0%	53.1%	49.2%
Bankers Blanket	129.5%	-82.3%	N/A	N/A
Health	78.7%	84.8%	149.4%	140.7%
Miscellaneous	34.8%	51.9%	55.1%	18.0%
Overall Net Claims Ratio	47.2%	43.9%	70.7%	43.1%

### PROFITABILITY

	CY23	CY24	9M CY25	9M CY24
Net Claims Ratio	47.2%	43.9%	70.7%	43.1%
Underwriting Expense Ratio	42.7%	38.7%	42.0%	40.6%
Combined Ratio	89.9%	82.7%	112.7%	83.6%
Recurring Investment Income (PKR Mn)	621.3	917.5	553.7	703.3
Net Premium Revenue (PKR Mn)	2,583.4	3,135.5	2,680.4	2,252.9
Net Operating Ratio	65.9%	53.4%	92.0%	52.4%
Total Underwriting Profit (PKR Mn)	260.1	543.9	(340.5)	369.0

The underwriting expense ratio increased to 42.0% in 9M CY25 (9M CY24: 40.6%) and compared adversely with the industry average of 36.9%. Consequently, the combined ratio significantly increased to 112.7% in 9M CY25 (9M CY24: 83.6%; CY24: 82.7%; CY23: 89.9%), translating into an underwriting loss for the period.

The Company's investment portfolio declined to PKR 5,037.8mn by 9M CY25 (CY24: PKR 5,692.5mn; CY23: PKR 4,404.0mn). About only 5.9% of the portfolio is invested in equities (through mutual funds and listed shares); in relation to the Company's own equity, this is about 7.0%. The remaining portfolio is largely deployed in government securities (about 94.4%), representing minimal credit risk. The Company also has some holdings of fixed income instruments and bank deposits; with sound counterparty risk profiles.

In 9M CY25, the Company generated gross investment income of PKR 508.5mn (CY24: PKR 877.8mn); with an overall gross return (realized plus unrealized) of 10.1% for 9M CY25 (CY24: 15.4%); which outperformed the benchmarks for equity while lagged behind the benchmark for fixed income markets. While equity market had remained strong in this period, interest rates continued their downward trajectory in 9M CY25 which placed pressure on overall portfolio returns as majority is deployed in fixed income instruments. Going forward, the composition of investment portfolio is expected to remain the same; which may mean lower but stable returns.

### LIQUIDITY PROFILE

Liquidity Indicators	CY23	CY24	9M CY25	9M CY24
Liquid Assets/Net technical reserves	83.4%	87.2%	57.0%	82.9%
Insurance Debt to Gross Premium	25.4%	26.4%	30.2%	25.9%

The investment portfolio remains largely liquid, providing sizeable coverage of net technical reserves. The insurance debt-to-gross premium ratio increased to 30.2% in 9MCY25 (9MCY24: 25.9%; CY24: 26.4%; CY23: 25.4%). As of 9MCY25, premium receivable stood at PKR 2,940.6mn (CY24: PKR 2,378.6mn), of which PKR 1,458.6mn has been collected during the december quarter. The ageing profile of premium receivables remains satisfactory, with only 13.5% of premiums outstanding for more than one year as at end CY25.

## CAPITALIZATION

Capitalization Indicators	CY23	CY24	9MCY25	9MCY24
Equity (PKR Mn)	3,067.8	4,134.3	4,030.2	3,822.2
Operating Leverage	84.2%	75.8%	66.5%	58.9%
Financial Leverage	172.2%	157.8%	219.3%	178.2%

The operating and financial leverage ratio increased during the review period owing to higher net premium revenue and net technical reserves, respectively. Overall, UIL's capitalization levels have shown consistent improvement over time, driven by internal capital generation. The Company is compliant with the enhanced minimum paid up capital requirement. It maintains a sound solvency position, with a sufficient cushion of total admissible assets relative to liabilities.

Financial Summary	(PKR Mn)			
	CY23	CY24	9MCY25	9MCY24
<b>Balance Sheet</b>				
Cash and Bank Balances	341.4	282.9	329.9	173.5
Investments	2,904.0	3,684.8	2,875.7	3,709.7
Insurance Debt	1,646.5	1,789.3	2,024.0	1,912.0
Total Assets	10,825.2	12,715.8	14,135.8	12,713.0
Paid up capital	1,152.2	1,152.2	1,152.2	1,152.2
Total Equity	2,288.3	2,863.5	2,836.6	2,723.4
Total Liabilities	8,536.9	9,852.4	11,299.2	9,988.6
<b>Income Statement</b>				
Net Premium Revenue (incl. WTO)	2,583.4	3,135.5	2,680.4	2,252.9
Net Claims (Incl. WTO)	1,219.7	1,377.3	1,895.7	970.1
Underwriting Profit (Incl. WTO)	260.1	543.9	(340.5)	369.0
Recurring Investment Income (incl. WTO)	621.3	917.5	553.7	703.3
Profit Before Tax	737.5	1,123.6	347.8	897.0
Profit After Tax	455.4	680.9	212.5	544.7
<b>Ratio Analysis</b>				
Market Share (%)	4.6%	4.2%	4.2%	4.1%
Cession Ratio (%)	59.2%	61.5%	54.8%	55.9%
Gross Claims Ratio (%)	53.5%	58.2%	89.8%	54.1%
Net Claims Ratio (%)	47.2%	43.9%	70.7%	43.1%
Underwriting Expense Ratio (%)	42.7%	38.7%	42.0%	40.6%
Combined Ratio (%)	89.9%	82.7%	112.7%	83.6%
Net Operating Ratio (%)	65.9%	53.4%	92.0%	52.4%
Insurance Debt to Gross Premium (%)	25.4%	26.4%	30.2%	25.9%
Operating Leverage (%)	84.2%	75.8%	66.5%	58.9%
Net Financial Leverage (%)	172.2%	157.8%	219.3%	178.2%
Liquid Assets to Adjusted Technical Reserves (%)	83.4%	87.2%	57.0%	82.9%
Operating Cashflow/Net Premium Revenue (%)	51.0%	35.5%	-18.9%	49.9%

\*Annualized

Regulatory Disclosures		Appendix I		
Name of Rated Entity	UBL Insurers Limited			
Sector	General Insurance			
Type of Relationship	Solicited			
Purpose of Rating	Insurer Financial Strength			
Rating History	Rating Date	REIT Rating	Rating Outlook	Rating Action
	<b>RATING TYPE: ENTITY</b>			
	03/30/2026	AA+ (IFS)	Stable	Reaffirmed
	01/21/2025	AA+ (IFS)	Stable	Reaffirmed
	12/19/2023	AA+ (IFS)	Stable	Reaffirmed
	12/29/2022	AA+ (IFS)	Stable	Reaffirmed
	03/31/2022	AA+ (IFS)	Stable	Harmonized
	12/28/2021	AA	Stable	Reaffirmed
	11/17/2020	AA	Stable	Reaffirmed
	09/27/2019	AA	Stable	Upgrade
	08/20/2018	AA-	Stable	Reaffirmed
	05/29/2017	AA-	Stable	Upgrade
	12/30/2016	A+	Stable	Reaffirmed
	12/23/2015	A+	Stable	Reaffirmed
11/13/2014	A+	Stable	Upgrade	
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.			
Disclaimer	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.			
Due Diligence Meeting Conducted		<b>Name</b>	<b>Designation</b>	<b>Date</b>
	1	Mr. Syed Arsalan Zaman, FCA	CFO	February 10, 2026
	2	Mr. Raheel Iqbal	Head of Finance	
	3	Mr. Fahad Hussain	Head of Underwriting	