VIS
Credit Rating Company Limited

RATING REPORT

IGI GENERAL INSURANCE 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	December 30, 2025	February 26, 2025

Shareholding (5% or More)	Other Information
IGI Holdings Limited – 82.69%	Incorporated in 2016
	Public Limited Company
	Chief Executive: Mr. Faisal Khan
	External Auditor: M/s A.F. Ferguson & Co. Chartered Accountants

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

IGI General Insurance Limited ('IGI' or the 'Company') ratings reflect its strong sponsor profile, experienced governance structure, and sound operational foundations. The Company maintains a stable market position supported by a well-established business franchise, diversified product mix, and a prudent underwriting philosophy that emphasizes disciplined risk selection and long-standing corporate relationships.

Although the business continues to expand across both conventional and takaful segments, growth has recently been driven more by volume than by pricing gains, amid a stabilizing macroeconomic environment. The claims experience shows improvement on a gross basis due to enhanced premium flows, while net claims have risen because of higher retention, particularly in riskier health-related business where exposures are largely carried on the Company's own account.

Underwriting performance remains adequate; however, pressure has emerged from rising claims and operating expenses in selected segments. The investment portfolio continues to offer stability due to its concentration in government securities, though the increased tilt toward equities introduces greater exposure to market volatility.

Liquidity remains satisfactory, supported by healthy coverage of technical reserves and consistent internal capital generation. Capitalization is considered sound, though leverage indicators remain elevated relative to peer benchmarks, reflecting the Company's business scale and portfolio structure. Reinsurance arrangements are sound and diversified, backed by reputable international reinsurers, providing comfort against potential volatility in large risk exposures. The Company has also demonstrated continued progress in technology enhancement and regulatory compliance, including steady advancement in IFRS-related systems and data governance.

Company Profile

IGI General Insurance Limited ('IGI' or the 'Company') was incorporated as a public limited company in 2016, under the Companies Ordinance, 1984. Primary business of the Company includes provision of both general insurance and window takaful operations. IGI commenced its window takaful operations with effect from July 2017. The Company has a registered office situated in Karachi and operates through a network of nine branches nationwide.

AUDITOR'S OPINION

A.F Ferguson & Co. Chartered Accountants has provided an unqualified and unmodified opinion, affirming that the Company's financial statements comply with accounting standards and accurately portray the Company's financial position as of December 2024.

Sponsor Profile

IGI Holdings, a Packages Group (the Group) company, holds the majority stake in the Company (~82.69%), whereas the remaining shareholding is distributed between a consortium of institutions, individuals and directors & related parties. IGI Holdings Limited, a Packages Group Company, was incorporated as a public limited company in 1953. The shares of the company are quoted on the Pakistan Stock Exchange Limited. The objects of the Company include to act as an investment holding company and for that purpose invest, acquire, sell and hold the securities and financial instruments subject to compliance by the relevant laws prevailing in Pakistan from time to time.

Management and Governance

BOARD OF DIRECTORS OVERVIEW

During CY24, the Board of Directors (BoD) of IGI consisted of six members. Ms. Arjumand Ahmed Shah and Mr. Sajjad Iftikhar resigned during the year and were replaced by Syed Muhammad Hussain and Ms. Maheem Rehman as independent directors. The Board complies with the regulatory requirements regarding the timeframe for directors' training programs. All members are seasoned professionals with extensive expertise. In CY24, four BoD meetings were held with full attendance.

BOARD OF DIRECTORS

Mr. Shamin Ahmad Khan	Chairperson
Syed Haider Ali	Non-Executive Director
Syed Husnain Ali	Non-Executive Director
Syed Mohammed Hussain	Independent Director
Ms. Maheen Rahman	Independent Director
Mr. Faisal Khan	CEO

BOARD COMMITTEES

The board maintains effective oversight through following board committees. Digitization committee was recently launched by the Company.

a. Underwriting, Reinsurance and Co-Insurance Committee
b. Claim Committee
c. Risk management and Compliance Committee
d. Ethics, Human Resource & Renumeration Committee
e. Investment Committee
f. Audit Committee (Chaired by independent director)
g. Digitization Committee

SHARIAH COMPLIANCE:

IGI WTO operates strictly in accordance with Shari'ah principles as prescribed under the Takaful Rules, 2012. The operations are supervised by a qualified Shari'ah Advisor, who ensures that all products, investments, and business practices comply with Islamic guidelines. The

Participant Takaful Fund (PTF) is managed under a Waqf structure, whereby participants' contributions are treated as Tabarru' (donations) and utilized to provide mutual protection. All funds are invested solely in Shari'ah-compliant avenues, while income purification and charity mechanisms are in place to ensure full compliance. Regular Shari'ah audits are conducted, and key policies such as the Investment Policy, Surplus Distribution Mechanism, and Charity Policy are reviewed and approved by the Shari'ah Advisor, thereby maintaining complete adherence to Islamic financial and ethical standards.

Advisor Profile: Mufti Syed Zahid Siraj serves as the Shariah Advisor to IGI Insurance Window Takaful Operations. He is a highly qualified Islamic scholar with over 29 years of experience in Islamic banking, Takaful, Shariah audit, and Islamic finance. He holds Shahadah Al-Alimiyah and Shahadah Al-Takhasus Fil-Fiqh along with master's degrees in Islamic Studies and Economics, and an LLB from the University of Karachi. He is an AAOIFI Certified Shariah Advisor and Auditor (CSAA) and holds additional certifications in Islamic banking, Takaful, and Shariah compliance. Mufti Siraj has been associated with several financial and educational institutions, including U Microfinance Bank, Dawood Family Takaful, and LUMS, and has served on various advisory and review committees of the Securities and Exchange Commission of Pakistan (SECP).

CHAIRMAN/CEO PROFILE:

Mr. Shamim Ahmad Khan serves as the Chairman and Non-Executive Director of the Company. He has held senior positions in various government organizations, including the Securities and Exchange Commission of Pakistan (SECP) and the Ministry of Commerce. He has also undertaken consultancy assignments for the Asian Development Bank and other institutions. Currently, he serves on the boards of Abbott Laboratories Pakistan Limited and IGI Holdings Limited and is a member of the Advisory Committee of the Centre for International Private Enterprise Pakistan.

Mr. Faisal Khan has been serving as the Chief Executive Officer of IGI General Insurance Limited since February 16, 2024. With over 18 years of leadership experience within the Packages Group, he has been instrumental in transforming IGI General from a captive insurer into a market-oriented non-life business. He established the Company's Risk Management Function, promoting a strong risk-aware culture, and led the development of strategic partnerships with leading global reinsurers and multinational insurance networks. Combining an engineering background with extensive insurance expertise, he brings a balanced mix of technical insight and business acumen. Mr. Khan has attended professional development programs at LUMS and leading global institutions and is a member of the Chartered Insurance Institute (UK). He has also been part of the Executive Committee of the Insurance Association of Pakistan (IAP) from 2021 to 2024 and previously chaired its Property (Technical) Committee.

IT UPGRADES:

During the review period, several IT infrastructure and system upgrades were carried out. Under ERP WGIS, sub-account information, finance reports, and IFRS-17 functionalities were implemented within core business applications. Developments in AEGIS, portals, and business applications included the rollout of the trade insurance portal, Qlik dashboards, and the Cotton Fire cover letter portal. On the infrastructure side, the Company implemented new Fortinet firewalls, deployed a new PABX system, introduced Microsoft O365, and centralized access points. Furthermore, several key cybersecurity initiatives remained ongoing, including the management of SOC and SIEM systems, implementation of a cybersecurity framework, continuous risk assessments, and penetration testing exercises.

IFRS 17 IMPLEMENTATION:

Implementation of IFRS 17 at IGI is being jointly led by the Finance and IT departments with Prima Consulting as the technology partner and PwC A.F. Ferguson providing audit oversight. The Company has implemented the Delta system as the IFRS 17 engine, which is integrated with the ERP system for automated data extraction, general ledger mapping, and reporting. Dry Run 1 has been successfully completed, achieving reconciliation between IFRS 17 outputs and published financials. Accounting policies have been finalized in alignment with SECP guidance, and a comprehensive data governance framework has been established. Expense and claims allocation models were reviewed collaboratively with Finance and Actuarial teams. The SECP extended the Dry Run 1 submission deadline to December 31, 2025, with external audit completion due by May 2026. Going forward, the Company will execute Dry Run 2 with Prima Consulting, focusing on automated journal entries, integration of the Takaful module, and enhancement of data extraction and reporting processes. IGI remains fully on track for SECP compliance, with IFRS 17 processes integrated across departments, ensuring system stability and cross-functional coordination.

Business Risk

INDUSTRY UPDATE

GLOBAL:

The global insurance industry recorded strong growth in 2024, with premiums rising by 8.6% and the global premium pool reaching around USD 7.6 trillion (Allianz 2025). Insurance penetration (premiums as a percentage of GDP) increased modestly to 7.4%, reflecting ongoing demand for protection despite macroeconomic and geopolitical uncertainties (McKinsey 2025). While all segments contributed to the expansion, the focus is increasingly shifting from raw growth figures to the structural trends reshaping the industry.

Growth across insurance segments in 2024 showed clear regional variation. Life insurance was the fastest growing line, expanding by over 10%, led by North America (14%) as households locked in higher annuity rates, and China (15%), which remains the largest growth engine in Asia (Allianz 2025). Property and casualty (P&C) insurance rose nearly 8%, with North America (8%) again leading, Western Europe steady at around 6%, and Asia lagging at only 4% despite its large population base (Allianz 2025). Health insurance grew by 7% overall, but demand was strongest in Asia (+12%), reflecting low penetration and weaker public healthcare systems (Allianz 2025). Globally, the United States dominates, accounting for about 40% of gross written premiums, followed by China (7–8%) and Western Europe's largest markets. Over the past decade, North America increased its market share to nearly 48%, while China nearly doubled to 11%. Although the US market, at USD 3.5 trillion in premiums, still outweigh China's USD 0.8 trillion (IAIS 2024; Allianz 2025).

A major driver of future change is the rapid adoption of artificial intelligence (AI) and digitalization. Generative AI is already transforming underwriting, claims management, and customer engagement by cutting costs and enabling personalized products (McKinsey 2025). Supervisors, however, highlight risks around governance, liquidity from faster policy surrenders, and cybersecurity vulnerabilities (IAIS 2024).

Insurtech and fintech platforms are also reshaping distribution. Embedded insurance is gaining traction, especially in Asia, while bancassurance accounts for up to 25% of non-life premiums in Latin America (McKinsey 2025). Smaller fintech platforms are pushing into microinsurance and digital-first solutions, helping reduce long-standing protection gaps in health and life insurance.

A parallel trend gaining momentum is the growth of Takaful Islamic insurance that operates on Shariah-compliant, risk-sharing principles. The global Takaful market was valued at around USD 45.5 billion in 2024 and is projected to double to approximately USD 111.9 billion by 2034, reflecting a compound annual growth rate of about 9.4% (Market Research Future 2025). Growth is fueled by rising demand for ethical financial products, strong government support in Muslim-majority regions, and expanding digital distribution channels—especially in Asia-Pacific, which is becoming the fastest-growing region for Takaful (Market Research Future 2025).

LOCAL REVIEW:

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 (Allianz, 2025; SECP, 2024) with Insurance penetration stood only 0.7% of GDP.

In general insurance, gross written premium reached PKR 243 billion in 2024, a 7% increase over the previous year (SECP, 2024). Fire and property remained the largest class at 32% of total premium (PKR 77 billion), followed by motor at 24% (PKR 58 billion) and engineering at 14%. Personal lines remain marginal at 1.4% of premium, pointing to untapped retail potential. Distribution continues to be dominated by agency and direct channels, which together contribute around 81% of premium, though digital channels are beginning to make inroads with their share rising to 1.61% in 2024, up from 0.7% in 2023. The retention ratio improved to 43% from 42% the year before, and the number of policies grew to 2.4 million from 2.1 million, reflecting a broadening base of insured risks (SECP, 2024). During the ongoing year, SECP made amendments to the Insurance Accounting Regulations, 2017 to align regulatory reporting with IFRS 17 by limiting most regulations to regulatory returns while extending segment-reporting and audit-related requirements to both regulatory returns and published financial statements. The revisions mandate that insurers measure all outstanding claims, IBNR, and premium-deficiency provisions strictly through SECP-notified actuarial valuation standards and adopt a revised segment-reporting structure, with any business class representing 10% or more of GWP reported separately with full disclosures. As a result, insurers will need to strengthen actuarial governance, enhance data granularity, and recalibrate internal systems for mapping product lines to the new reporting structure, thereby increasing the level of reporting discipline and operational preparedness required under the IFRS 17 framework.

OPERATIONAL PERFORMANCE

IGI is primarily engaged in providing general insurance and window takaful (WTO) services in five primary segments namely fire & property damage, marine, aviation & transport, motor, accident & health (A&H) and miscellaneous. Miscellaneous segment includes Engineering and Contractor's All Risk Insurance, Trade credit, Travel, Bond and Pecuniary lines of business. The Company operates via nine branches spread across Pakistan; no new branch was opened during the rating review period.

The Company's GWP increased to PKR 16.1bn (CY23: PKR 14.3bn) wherein conventional and takaful segments grew to PKR13.5bn (CY23: PKR 12.4bn) and PKR 2.5bn (CY23: PKR 1.9bn) respectively at end-CY24 but despite this increase, the market share dropped to 7.5% (CY23: 7.8%). The growth is based on volumetric increase in business since the dollar stabilization has halted the growth driven based solely on growth in premium pricing. Group business comprised almost 10%-15% of the topline during the period under review. Meanwhile, the proportion of takaful business has been increasing on a timeline basis which is primarily driven by motor and A&H segments.

BUSINESS MIX (PKR million)	CY23	%	CY24	%	1HCY25	%	1HCY24	%
Fire and property damage	**5,955.9**	**41.5%**	**6,270.8**	**39.1%**	**2,637.1**	**32.2%**	**2,316.3**	**34.1%**
Conventional	5,580.5		5,817.9		2,452.4		2,187.0	
Takaful	375.4		452.9		184.7		129.4	
Marine, aviation and transport	**1,264.0**	**8.8%**	**1,642.5**	**10.2%**	**973.1**	**11.9%**	**869.5**	**12.8%**
Conventional	1,146.7		1,498.8		885.6		803.3	
Takaful	117.3		143.7		87.5		66.2	
Motor	**2,888.0**	**20.1%**	**3,179.1**	**19.8%**	**1,685.3**	**20.6%**	**1,431.7**	**21.1%**
Conventional	2,158.3		2,268.3		1,174.5		1,059.7	
Takaful	729.7		910.8		510.8		372.0	
Accident & Health	**2,305.2**	**16.1%**	**2,556.5**	**15.9%**	**1,616.9**	**19.8%**	**1,401.0**	**20.6%**
Conventional	1,630.8		1,602.2		1,079.5		748.6	
Takaful	674.4		954.4		537.5		652.3	
Miscellaneous	**1,922.8**	**13.4%**	**2,404.6**	**15.0%**	**1,265.8**	**15.5%**	**767.3**	**11.3%**
Conventional	1,872.4		2,343.1		1,209.3		743.8	
Takaful	50.5		61.5		56.5		23.5	
Total	**14,336.0**		**16,053.5**		**8,178.1**		**6,785.7**	
Conventional	12,388.6	**86.4%**	13,530.3	**84.3%**	6,801.2	**83.2%**	5,542.3	**81.7%**
Takaful	1,947.4	**13.6%**	2,523.2	**15.7%**	1,376.9	**16.8%**	1,243.4	**18.3%**

The business mix of IGI continues to be primarily dominated by the fire segment, followed by a combination of motor and A&H segment. GWP depicted slight changes during CY24, as evidenced by marginal decrease in A&H and fire segment followed by marginal increases in miscellaneous and marine segments. To maintain low loss ratios and healthy underwriting performance, the Company follows a steady business growth approach whereby business with reputed clients with tested track records is primarily undertaken.

The growth trajectory continued in the ongoing half year, with GWP growing to PKR 8.2bn as opposed to PKR 6.8bn in Subsequent Period Last Year (SPLY). Conventional business grew to PKR 6.8bn (1HCY24l PKR 5.5bn) and the takaful segment grew to PKR 1.4bn (1HCY24: PKR 1.2bn). In terms of business mix, proportion of miscellaneous segments increased during the ongoing year whereas the proportion of remaining segments declined. In terms of volume, all segments grew owing to business expansion. As per management, a certain portion of growth in takaful segment was driven by conventional clients that transitioned to takaful products.

CESSION RATIO

CESSION RATIO	CY23	CY24	1HCY25	1HCY24
Fire and property damage	**79.2%**	**86.4%**	**104.1%**	**109.9%**
Conventional	79.8%	85.7%	104.9%	108.5%
Takaful	70.9%	95.8%	93.6%	133.6%
Marine, aviation and transport	**73.8%**	**75.2%**	**76.3%**	**80.3%**
Conventional	72.8%	75.5%	78.5%	81.0%
Takaful	83.5%	72.9%	53.5%	70.8%
Motor	**9.9%**	**10.2%**	**9.2%**	**12.1%**
Conventional	11.7%	12.0%	11.1%	14.0%
Takaful	4.5%	5.7%	5.0%	6.8%
Accident & Health	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Conventional	0.0%	0.0%	0.0%	0.0%
Takaful	0.0%	0.0%	0.0%	0.0%
Miscellaneous	**75.7%**	**62.9%**	**92.9%**	**76.1%**
Conventional	76.4%	63.0%	95.8%	76.1%
Takaful	52.5%	57.0%	31.9%	76.5%
Overall Cession Ratio	**51.6%**	**52.9%**	**58.9%**	**59.0%**

Conventional	56.3%	58.1%	67.0%	67.4%
Takaful	21.8%	24.8%	19.1%	21.2%

Overall cession ratio remained in sync with the previous year; the same was recorded at 58.9% (1HCY24: 59.0%). Segment-wise breakdown indicates that the cession for motor and miscellaneous segments increased whereas the cession pertaining to F&P and marine segment declined. A&H related claims are fully retained on net account. Moreover, due to limited availability of WTO reinsurance coverage overall cession for takaful remains low.

UNDERWRITING PERFORMANCE

UNDERWRITING	CY23	CY24	1HCY25	1HCY24
Net Operating Ratio	**78.8%**	**74.9%**	**85.8%**	**76.5%**
Combined Ratio	**91.6%**	**91.4%**	**93.3%**	**90.3%**
Net Claims Ratio	49.9%	53.4%	56.5%	53.6%
Underwriting Expense Ratio	41.7%	38.0%	36.8%	36.6%

Underwriting expense ratio remained range-bound at 36.8% (1HCY24: 36.6%) during 1HCY25 as opposed to SPLY despite an increase in the underwriting expenses. This was an outcome of growth in the net premium revenue which moderated the inflation driven increase in underwriting expenses. Additionally, with an increase observed in the net claims ratio, the combined ratio increased moderately to 93.3% (1HCY24: 90.3%) resulting in a decline in underwriting profits for the ongoing year.

UNDERWRITING PROFIT (PKR million)	CY23	CY24	1HCY25	1HCY24
Fire and property damage	**(115.8)**	**(189.0)**	**115.5**	**17.7**
Conventional	(161.6)	(194.6)	39.4	(8.2)
Takaful	45.8	5.6	76.0	25.9
Marine, aviation and transport	**143.1**	**218.1**	**5.0**	**23.9**
Conventional	132.5	191.0	20.7	2.7
Takaful	10.6	27.1	(15.8)	21.1
Motor	**622.1**	**670.6**	**251.2**	**312.6**
Conventional	498.1	474.7	229.0	226.7
Takaful	124.0	196.0	22.2	85.9
Accident & Health	**(82.9)**	**(47.1)**	**(84.0)**	**(18.7)**
Conventional	(41.5)	(23.0)	(68.7)	(26.3)
Takaful	(41.4)	(24.1)	(15.3)	7.7
Miscellaneous	**(60.4)**	**(87.5)**	**(44.1)**	**(27.8)**
Conventional	(73.0)	(93.1)	(52.5)	(33.5)
Takaful	12.6	5.6	8.4	5.7
Total	**506.2**	**565.5**	**243.6**	**307.7**
Conventional	354.5	355.0	168.0	161.4
Takaful	151.7	210.5	75.6	146.2

Underwriting profits reduced to PKR 243.6mn (1HCY24: PKR 307.7mn) wherein Conventional segment witnessed underwriting profits of PKR 168mn (1HCY24: PKR 161.4mn) and Takaful segment had lower underwriting profit of PKR 75.6mn as opposed to an underwriting profit of PKR 146.2mn in the preceding year. A decline in underwriting profits was primarily driven by higher underwriting losses reported under A&H and Miscellaneous segments. A&H segment losses emanated due to higher net claims expenses that are fully retained on net account whereas the underwriting expenses relating in miscellaneous segment increased resulting in losses reported. Additionally, underwriting profits for motor segment also declined as a combined outcome of higher retention and increased management and commission expenses. On the flip side, IGI reported improved underwriting profits under F&P due to higher net premium revenue under this segment.

The net operating ratio (NOR) rose to 85.8% (1HCY24: 76.5%) at end-1HCY25, reflecting the combined impact of lower underwriting profits and weaker recurring investment income. The decline in investment income stemmed from reduced returns on government securities. Therefore, profitability declined due to higher expenses. The Company reported Profit Before Tax (PBT) of PKR 791.3mn (1HCY24: PKR 823.4mn) and Profit After Tax (PAT) of PKR 482.7mn (1HCY24: PKR 567.1mn) in June'25.

Financial Risk

CLAIMS EXPERIENCE

GROSS CLAIMS RATIO	CY23	CY24	1HCY25	1HCY24
Fire and property damage	**61.6%**	**33.2%**	**20.2%**	**5.9%**
Conventional	65.1%	34.5%	16.2%	2.7%
Takaful	-21.0%	17.9%	88.5%	71.3%
Marine, aviation and transport	**42.7%**	**17.2%**	**36.8%**	**2.2%**
Conventional	40.8%	17.7%	34.4%	0.7%
Takaful	73.9%	11.6%	73.1%	20.5%
Motor	**51.6%**	**48.0%**	**64.7%**	**49.9%**
Conventional	45.1%	47.8%	52.1%	47.0%
Takaful	80.2%	48.5%	108.7%	59.0%
Accident & Health	**64.8%**	**68.7%**	**76.8%**	**55.9%**
Conventional	49.6%	58.6%	63.5%	58.4%
Takaful	109.3%	85.3%	110.2%	52.9%
Miscellaneous	**5.5%**	**193.2%**	**19.0%**	**335.6%**
Conventional	3.2%	197.8%	18.4%	343.4%
Takaful	119.5%	51.4%	46.6%	81.3%
Gross Claims Ratio	**50.2%**	**60.9%**	**38.7%**	**58.8%**
Conventional	46.7%	62.0%	30.5%	59.5%
Takaful	76.7%	55.2%	101.6%	55.5%

The total gross claims expense of IGI decreased to PKR 3.2bn (1HCY24; PKR 4.3bn) wherein conventional and takaful related claims expenses amounted to PKR 2.2bn (1HCY24: PKR 3.6bn) and PKR 956.7mn (1HCY24: PKR 678.4mn). Some of the major claims incurred during June'25 included F&P claims of a chemical factory, Brewery, cloth mill and a well-known beverage manufacturer. Gross claim expenses for F&P, motor, A&H and marine increased due to floods and a decline was observed in Miscellaneous segment. Consequently, with growth in premiums, the gross claims ratio improved to 38.7% (1HCY24: 58.8) for June'25.

NET CLAIMS RATIO	CY23	CY24	1HCY25	1HCY24
Fire and property damage	**10.1%**	**22.6%**	**15.3%**	**19.8%**
Conventional	13.1%	20.1%	16.9%	18.2%
Takaful	-29.0%	-70.5%	8.8%	36.5%
Marine, aviation and transport	**43.5%**	**16.2%**	**51.4%**	**35.0%**
Conventional	42.9%	17.0%	42.8%	39.0%
Takaful	56.9%	8.7%	-299.4%	3.5%
Motor	**50.0%**	**51.4%**	**58.7%**	**52.0%**
Conventional	47.5%	50.1%	51.2%	50.0%
Takaful	57.0%	54.7%	75.3%	57.1%
Accident & Health	**61.8%**	**71.0%**	**72.9%**	**67.7%**
Conventional	49.6%	58.6%	63.5%	58.4%
Takaful	91.8%	93.2%	92.5%	85.7%
Miscellaneous	**36.9%**	**38.9%**	**29.7%**	**45.6%**
Conventional	36.1%	37.2%	29.0%	45.8%
Takaful	50.3%	68.0%	39.2%	41.7%
Total	**49.9%**	**53.4%**	**56.5%**	**53.6%**
Conventional	43.6%	45.9%	48.5%	48.2%
Takaful	70.9%	74.7%	78.3%	69.0%

On the other hand, net claims expense rose to PKR 2.1bn (1HCY24: PKR 1.7bn), driven by higher A&H claims; the same is attributable to increase in claims for this segment that are fully retained on net account. Net claims for motor, marine and F&P segments also increased whereas net claims expense for miscellaneous declined. Consequently, the increase in net claims expense resulted in a higher net claims ratio of 56.5% (1HCY24: 53.6%) at end-June'25. As per management, the higher net claims were an outcome of floods related claims.

REINSURANCE TREATIES

IGI's risk profile is supported by strong reinsurance coverage provided by a diversified panel of international and local reinsurers. Risk profile of the reinsurance panel is considered sound as all reinsurers are rated in 'A' band or higher. Two new reinsurers-Africa Re and Specialty MGA Insurance Corp.-were added to the panel increasing the diversification.

Hannover Re has the highest share in major segments including property, general accident, engineering, bond, motor, terrorism, crop and marine cargo. The Company has negotiated quota cum surplus treaties for all its major segments protected further by non-proportional treaties. During CY25, in line with anticipation of higher business, insurer retention under fire, fire & engineering fire CAT XL and Commercial Motor segments increased along with maximum liability under total treaty. The maximum net retention on own account under treaties and other wise was PKR 4.3mn in CY24 which was placed at PKR 4.7bn in CY25.

INVESTMENTS

INVESTMENT MIX (PKR million)	CY23	%	CY24	%	1HCY25	%
Equity Securities	**589.9**	**15.5%**	**945.5**	**18.3%**	**1,419.2**	**29.7%**
Listed Shares	149.3	3.9%	362.0	7.0%	535.8	11.2%
Mutual Funds	440.6	11.5%	583.5	11.3%	883.4	18.5%
Government Securities	**2,701.3**	**70.8%**	**3,932.3**	**76.1%**	**3,127.2**	**65.5%**
Market T-Bills	543.4	14.2%	1,004.8	19.4%	231.3	4.8%
PIBs (Fixed)	809.3	21.2%	803.7	15.5%	924.2	19.4%
PIBs (Floaters)	1,026.4	26.9%	1,162.1	22.5%	1,207.3	25.3%
GOP Ijarah Sukuk	322.2	8.4%	961.6	18.6%	764.4	16.0%
Debt Securities	**524.9**	**13.8%**	**292.8**	**5.7%**	**224.7**	**4.7%**
Term Finance Certificates	310.0	8.1%	242.8	4.7%	224.7	4.7%
Term Deposits	214.9	5.6%	50.0	1.0%	-	0.0%
TOTAL	**3,816.0**	**100.0%**	**5,170.6**	**100.0%**	**4,771.2**	**100.0%**

IGI's investment income increased to PKR 813.5mn (CY23: PKR 675.6mn) during CY24, on account of higher returns from government securities and a net realized gain on equity securities. Investment income grew marginally to PKR 341.8mn (1HCY24: PKR 337.2mn) primarily due to a realized gain on equities.

Carrying value of the investment portfolio declined to PKR 4.8bn (CY24: PKR 5.2bn; CY23: PKR 3.8bn) by end-1HCY25. Of this, investments pertaining to the takaful and conventional businesses stood at PKR 1.6bn (CY24: PKR 1.5bn; CY23: PKR 952.2mn) and PKR 3.2bn (CY24: PKR 3.6bn; CY23: PKR 2.9bn), respectively. The portfolio remained largely concentrated in government securities, comprising 65.5% (CY24: 76.1%) of total investments, followed by equities at 29.7% (CY24: 18.3%). The decline in the proportion of government securities was offset by a higher allocation towards equities during the ongoing year, albeit increasing the market risk of the Investment portfolio.

Almost 68.2% of the government securities constitute PIBs, aggregating PKR 2.1bn wherein fixed and floater PIBs amounted to PKR 924.2mn (CY24: PKR 803.7mn) and PKR 1.2bn (CY24: 1.2bn) respectively at end-June'25. Additionally, the Company has also invested in T-Bills and Ijarah Sukuk. In accordance with the Insurance Ordinance, IGI has placed PIBs with face value of PKR 223.5mn (CY24: PKR 221.7mn) with the State Bank.

IGI has an SMA agreement with a commercial bank for the management of its equity portfolio. The Company monitors performance against the benchmark rates that they derive based on the stock market performance and this is a discretionary agreement. The Company's equity and mutual fund investments had a carrying value of PKR 1.4bn (CY24: PKR 945.5mn). Equity investments largely pertained to listed companies across several sectors. Mutual fund investments were predominately a part of WTO business. Lastly, the Company's investment in Term Finance Certificates (TFCs) amounted to PKR 224.7mn (CY24: PKR 242.8mn). Given that the sizable portion investment portfolio constituted of government securities, the credit risk originating from the same is considered low. Moreover, amid volatility prevalent in stock market performance, the portfolio is more susceptible to price risk owing to an increase in equity investments. Going forward, return on investments would remain susceptible to interest rate regime and the performance of stock market.

LIQUIDITY

LIQUIDITY	CY22	CY23	CY24	1HCY25
Liquid Assets to Net Technical Reserves (%)	71.8%	146.5%	100.6%	105.2%
Insurance Debt to Gross Premium (%)	50.5%	32.1%	40.1%	40.8%*

**Annualized*

Liquidity profile of the Company remains adequate as indicated by an increase in the coverage of technical reserves by Liquid assets to 105.1% (CY24: 101.6%) during 1HCY25; the same was an outcome of decline in net technical reserves. This decline in net technical reserves resulted from decline in unearned premium reserves that are in sync with inherent cyclicality in the insurance sector. On the other hand, liquid assets declined as the Company reduced exposure in Market T-Bills. Additionally, insurance debt (*Conventional & Takaful*) in relation to Gross Premium (Conventional & Takaful) was recorded at 40.8% (CY24: 40.1%; CY23: 32.1%) during the ongoing half-year in line with an increase in receivables from insurance contract holders.

CAPITALIZATION

CAPITALIZATION	CY22	CY23	CY24	1HCY25
Total Equity (*Amount in Millions*)	2,113.7	2,843.3	3,231.8	3,282.3
Operating Leverage (%)	218.0%	204.9%	203.1%	222.2%
Net Financial Leverage (%)	214.2%	116.0%	196.6%	176.0%

IGI's total equity grew marginally to PKR 3.3bn (CY24: PKR 3.2bn; CY23: 2.9bn) at end-June'25 on account of internal capital generation. During the ongoing half-year, IGI made a higher dividend payment of PKR 450mn as opposed to PKR 395mn paid in SPLY. Additionally, with limited equity growth and increase in GWP, Operating Leverage (*Annualized*) treaded upwards to 222.2% (CY24: 201.1%); the same remains on a higher side but the Company's has a sound reinsurance coverage therefore higher operating leverage does not pose exponential risk to loss absorption capacity of the Company. IGI is considered sound from a solvency point of view as the Company has adequate cushion in terms of total admissible assets over its liabilities.

Financial leverage declined to 176.1% (CY24: 194.8%) in line with a decline manifested in the net technical reserves. This decline was an outcome of lower outstanding claims and unearned premium reserves. However, with cyclicality inherent in the sector leverage indicators are expected to change towards end of CY25. Leverage indicators are higher than the peer companies and going forward this trend is expected to continue.

FINANCIAL SUMMARY				(PKR in million)
BALANCE SHEET	**CY22**	**CY23**	**CY24**	**1HCY25**
Cash and Bank Deposits	426.0	1,014.9	1,223.7	1,303.9
Investments	2,826.3	3,815.9	5,170.6	4,771.2
Liquid Assets	3,252.4	4,830.9	6,394.2	6,075.1
Investment Properties	429.4	416.4	417.9	417.9
Insurance Debt	5,096.4	4,608.4	6,444.8	6,667.4
Total Assets	16,705.4	20,686.6	25,420.0	28,034.3
Net Technical Reserves	4,526.8	3,297.6	6,354.1	5,776.5
Paid-Up Share Capital	1,918.4	1,918.4	1,918.4	1,918.4
Net Worth	2,113.7	2,843.3	3,231.8	3,282.3
Total Liabilities	13,580.8	17,474.4	21,800.6	24,382.3
INCOME STATEMENT	**CY22**	**CY23**	**CY24**	**1HCY25**
Gross Premium + Written Contribution	10,089.1	14,336.0	16,053.5	8,178.1
Net Premium + Contribution Revenue	4,607.0	5,826.9	6,565.2	3,647.0
Net Claims (Inc. Takaful)	2,935.0	2,905.7	3,504.6	2,062.1
Underwriting Profit (Inc. Takaful)	244.7	506.2	565.1	243.6
Investment Income	291.0	674.1	1,104.1	430.4
Profit Before Tax	741.5	1,243.3	1,824.7	791.3
Profit After Tax	468.2	673.5	1,116.6	482.7
RATIO ANALYSIS	**CY22**	**CY23**	**CY24**	**1HCY25**
Market Share (%)	7.5%	7.8%	7.5%	
Cession Ratio (%)	50.0%	51.6%	52.9%	58.9%
Gross Claims Ratio (%)	119.9%	50.2%	60.9%	38.7%
Net Claims Ratio (%)	63.7%	49.9%	53.4%	56.5%
Underwriting Expense Ratio (%)	30.8%	41.7%	38.0%	36.8%
Combined Ratio (%)	94.5%	91.5%	91.4%	93.3%
Net Operating Ratio (%)	89.6%	78.7%	74.9%	85.8%
Insurance Debt to Gross Premium* (%)	50.5%	32.1%	40.1%	40.8%
Operating Leverage* (%)	218.0%	204.9%	203.1%	222.2%
Net Financial Leverage (%)	214.2%	116.0%	196.6%	176.0%
Liquid Assets to Net Technical Reserves (%)	71.8%	146.5%	100.6%	105.2%

*Annualized

REGULATORY DISCLOSURES — Appendix II

Name of Rated Entity	IGI General Insurance 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			
30/12/2025	AA+ (IFS)	Stable	Reaffirmed
26/02/2025	AA+ (IFS)	Stable	Reaffirmed
22/12/2023	AA+ (IFS)	Stable	Reaffirmed
29/12/2022	AA+ (IFS)	Stable	Reaffirmed
31/03/2022	AA+ (IFS)	Stable	Harmonized
05/11/2021	AA	Stable	Reaffirmed
30/12/2020	AA	Stable	Reaffirmed
06/12/2019	AA	Stable	Reaffirmed
13/9/2018	AA	Initial	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. Syed Awais Amjad	Chief Financial Officer	October 13, 2025
Mr. Murtaza Feroz	Financial Controller	