

## TRAFCO INSURANCE COMPANY LIMITED

### Analyst:

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### RATING DETAILS

RATINGS CATEGORY	Initial Rating
	Long-term
IFS RATING	BBB (IFS)
RATING OUTLOOK/ WATCH	Stable
RATING ACTION	Initial
RATING DATE	June 24, 2026

### Company Information

Incorporated in 1979	<b>External Auditors:</b> Parker Russell – A.J.S. Chartered Accountants
Public Limited Company (Unlisted)	<b>Chairman &amp; Chief Executive Officer:</b> Mr. Tahir Malik
<b>Key Shareholders (with stake 10% or more):</b>	
Mr. Tahir Malik – 40.0%	
Mr. Saboohi Tahir – 30.0%	
Mr. Kashif Malik – 10.0%	
Mr. Asif Malik – 10.0%	

### 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

Trafco Insurance Company Limited's ('TICL' or the 'Company') rating reflects its small scale of operations and limited market share within the domestic non-life insurance sector. The credit profile is primarily constrained by a weak capitalization profile and persistent regulatory non-compliance, with net admissible assets remaining below statutory solvency requirements. These deficiencies are further reflected in the company's failure to maintain the required statutory deposit with the State Bank of Pakistan. Governance risks are amplified by limited Board independence and vacancies in key management positions. A qualified audit opinion highlights further unresolved issues such as insufficient evidence for impairment assessments on related party receivables, and unsettled liabilities regarding taxes, payroll, and employee social security contributions. Collectively, these factors indicate significant weaknesses in the company's regulatory adherence framework.

The Company's underwriting profile remains concentrated in credit and suretyship business, primarily linked to construction and supply-related guarantees, while exposure to other segments remains limited. Although gross written premium has demonstrated steady growth over the review period, business diversification remains constrained. The Company's underwriting performance has improved materially, supported by higher net retention, a favourable claims experience, an improved combined ratio and underwriting profitability. Liquidity indicators have

shown some strengthening following the recovery of receivables and settlement of payables, yet capitalization remains significantly below the phased minimum capital requirement framework. This indicates reliance on future capital injection plans.

Future credit ratings for TICL remain sensitive to the timely materialization of capital injections to meet statutory requirements, the resolution of regulatory non-compliance and audit qualifications, and the stabilization of the management team.

## Company Profile

TRAFCO Insurance Company Limited ('TICL' or the 'the Company') was incorporated in Pakistan as a public limited company on October 25, 1979 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The Company is engaged in providing general insurance services. It offers a range of non-life insurance products to individuals and corporations. The Company deals in Fire and Property Damage, Marine, Aviation and Transport, Motor, Credit & Suretyship and Miscellaneous segments. The sponsoring Company, TRAFCO Group of Companies, acquired Credit Insurance Company in 2015 and subsequently changed the name to TRAFCO Insurance Company Limited. The registered office and principal place of the Company is located at TRAFCO House, 2nd Floor 1-C-1, Canal Bank Road, Canal Park, Gulberg-II, Lahore. The Company also operates a branch office in Pakistan located at 245/1-W, Block-6, PECHS, Shahrah-e-Faisal, Karachi.

## Sponsor Profile

TICL is part of TRAFCO Group of Companies, a family-owned business. The group has expanded into logistics with TRAFCO Logistics (Pvt.) Ltd, asset and vehicle tracking management with TRAFCO Tracking (Pvt.) Ltd, and Insurance businesses with TRAFCO Insurance Company Limited, demonstrating the sponsors' solid financial strength.

## Management and Governance

### CHAIRMAN/CEO PROFILE

Mr. Tahir Malik is the Chairman and CEO of TRAFCO Group of Companies. He commenced his professional career from his father's company where he rendered his services as a Director Sales and Marketing from 1980 to 1983. He started his own business by establishing a company TRAFCO Logistics (Pvt.) Ltd in 1984. Today, under his dynamic leadership TRAFCO Group of Companies has ventured into the logistics, supply chain solutions, assets/ vehicles tracking management and insurance businesses; and enjoys a great leverage on its nationwide infrastructure/ operating strengths accompanied with the experience of over two decades.

### BOARD & SENIOR MANAGEMENT

Sr. No.	Name	Position
1	Mr. Tahir Malik	Chairman & Acting Chief Executive Officer
2	Mrs. Saboohi Tahir	Non-Executive Director
3	Mrs. Sadia Atif	
4	Ms. Sundus Malik	
5	Mr. Asif Malik	Executive Director
6	Mr. Kashif Malik	
7	Mr. Syed Ashfaq Hussain Shah	Independent Director

In terms of composition, the Board includes four male and three female directors, reflecting gender diversity. Of the seven directors, three are non-executive, three are executive including the CEO and one is an independent director. As per Governance best practices, 1/3<sup>rd</sup> of the board representation should be independent; however, with only one independent director, TICL's Board lacks independence.

The Board oversees strategic planning, finance, governance, and compliance through eight committees: Audit, Investment, Ethics and Compliance, Underwriting, Reinsurance and Co-Insurance, Claim Settlement, Remuneration, Nominations, and Risk Management. As per the best practice, Audit and Remuneration committee must be chaired by Independent directors. However, TICL lacks independent chairs in its Audit & Remuneration Committees.

During the year, CEO resigned and Chairman held the additional charge as Acting CEO after the approval of Board of Directors. Since then, no personnel has been hired on a permanent basis for the CEO position. In terms of Management, key positions of Risk Manager and HOD Internal Audit remained vacant during the year. TICL intends to fill these positions in around 1 to 1.5 year.

#### AUDITOR'S OPINION

Parker Russell – A.J.S. Chartered Accountants, categorized as 'Category B' on the SBP's Panel of Auditors and satisfactory with improvements required QCR rating from ICAP, has provided a qualified and modified opinion. Except for the matters described in basis for qualified opinion section, the financial statements give a true and fair view of the state of Company affairs as of December 2025.

Following is the basis of qualified opinion:

- Pursuant to the Insurance Ordinance, 2000, non-life insurance companies are required to maintain minimum solvency of PKR 150.0mn. TICL reported net admissible assets of PKR 18.9mn, resulting in a shortfall of PKR 131.1mn and indicating non-compliance with the Ordinance. Further, such non-compliance may attract penalties under Section 156 of the Insurance Ordinance, 2000; however, no provision in this regard has been recognized in the financial statements. Under Sections 29(1) and 29(2) of the Insurance Ordinance, 2000, non-life insurance companies are required to maintain a minimum statutory deposit at higher of PKR 10.0mn or 10% of the paid-up capital of the insurer, with the State Bank of Pakistan. Based on our audit, the Company has not maintained the required deposit, resulting in non-compliance with the Ordinance. Further, under Section 157(1) of the Ordinance, such non-compliance may attract a penalty of up to PKR 2.0mn; however, no provision for this potential penalty has been recognized in the financial statements. To address capitalization constraints and support future business expansion, TICL plans to raise USD 10.0mn through foreign investment from investors based in the UK, China, and the UAE. However, the proposed capital injection has not yet materialized.
- Loan extended to related parties amounting to PKR 68.6mn in principal and PKR 38.5mn in accrued mark-up under the agreed terms, which are material to the financial statements. Management provided an ageing analysis of the receivable from related parties; however, the ageing was not supported by adequate documentation. Consequently, Auditors were unable to verify the accuracy of the ageing and, accordingly, were unable to evaluate the appropriateness of the expected credit loss (ECL) assessment and measurement in accordance with the impairment requirements of IFRS 9 Financial Instruments. The aforementioned loan is expected to be paid in full by 2027.
- TICL's records include federal excise duty (FED) payable of PKR 3.0mn, withholding tax (WHT) payable of PKR 2.7mn, and salaries payable included in accrued liabilities of PKR 3.8mn. Auditors were unable to obtain sufficient appropriate audit evidence regarding the validity and ageing of PKR 0.8mn of the FED balance, PKR 2.4mn of the WHT balance, and PKR 2.6mn of the salaries payable balance. These amounts have been carried forward from prior years, are without adequate management explanation as to their non-settlement and lack of appropriate audit evidence for verification of the underlying obligations. While each of the aforementioned amounts is individually not material to the financial statements, in aggregate they total PKR 5.9mn, which is material. Consequently, auditors were unable to determine whether any adjustments were necessary in respect of these liabilities, the related expenses, or the Company's compliance with applicable tax laws and regulations
- During the year, TICL did not comply with the Punjab Employees Social Security Ordinance, 1965, as it failed to deposit required contributions for eligible employees with the Punjab Employees Social Security Institution (PESSI). Accordingly, the related liability and expense have not been recognized, and the financial impact, including any potential penalties, has not been determined or provided for in the financial statements.

Also, there was a material uncertainty related to going concern. Based on the Company's current financial position and available resources, it may not be able to meet this enhanced capital requirement within the stipulated timeframe. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis for the reasons and mitigating factors disclosed in the aforesaid note. Henceforth, the Auditor's opinion isn't qualified in this regard.

Following is the other matter paragraph:

The financial statements of the company for the year ended December 31, 2024 were audited by another firm of Chartered accountants, M/s Mushtaq & co (Chartered accountants) who expressed qualified opinion on those statements in their report as on April 09, 2025.

#### SECP REVIEW

The last full scope inspection of TICL by the Securities and Exchange Commission of Pakistan (SECP) was conducted in 2024 and since then, no instances of on-site regulatory review have been reported by the management.

## Business Risk

### INDUSTRY UPDATE

As 2025 unfolded, operating conditions in the insurance sector posed challenges. Total Premium (including takaful) contracted by 0.8% year-on-year in CY25. At the same time, monsoon and flood events during 2025 generated a sharp rise in claims. Industry-wide net claims surged year-on-year in CY25, particularly for damaged vehicles (sedans/saloons) in areas like Punjab and KP. As a result, the industry's net claims ratio deteriorated to 56.7% (CY24: 51.2%). 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 ~32% and ~68% of the Gross Written Premium, respectively, including the Takaful Contribution. Takaful's significant expansion to 17.3% (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.

### REGULATORY DEVELOPMENTS

Alongside these business developments, structural shifts will continue to shape the competitive landscape. SECP has recently imposed a minimum higher capital requirement of PKR 2,000.0mn. As of Dec'25, out of 28 companies in General Insurance Sector, 8 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.

Other disclosure related changes are also upcoming including the implementation of IFRS 17 by the insurance sector, starting January 2026. This will standardize the recording of claims liability across the sector and make comparison more meaningful. In order to ensure timely and effective adoption, TICL has engaged the services of an external consultant.

### OPERATIONAL PERFORMANCE

Gross written Premium Mix	CY22	CY23	CY24	CY25
Fire and property damage	18.7%	35.7%	19.1%	5.8%
Marine, aviation and transport	0.0%	3.8%	1.1%	0.4%
Motor	65.4%	29.1%	8.6%	10.4%
Credit & Suretyship	0.0%	0.0%	68.7%	83.3%
Miscellaneous	15.9%	31.5%	2.5%	0.0%
Total (PKR Mn)	10.9	21.2	66.6	70.4

TICL's business mix remains heavily concentrated in the credit & suretyship segment, primarily comprising construction - and supply-related businesses. Under this segment, the insured is required to maintain a 10% cash margin against guarantees issued. The segment accounted for 83.3% of gross written premium (GWP) during CY25. Overall, GWP stood at PKR 70.4mn in CY25, compared to PKR 66.6mn in CY24, PKR 21.2mn in CY23, and PKR 10.9mn in CY22. The Company expects to close the year with an approximate GWP of PKR 100.0mn. Going forward, TICL anticipates stable growth in the credit & suretyship segment, which remains its core business line. In addition, the motor segment is also expected to witness growth following the introduction of Section 67-H in the Provincial Motor Vehicles Ordinance, 1965, by the Government of Sindh in February 2026, making third-party motor liability insurance mandatory for all vehicles. TICL intends to actively participate in this segment.

The overall cession declined to 8.5% (CY24: 11.2%; CY23: 24.1%; CY22: 36.5%) during CY25. Consequently, an increase was observed in net premium revenue, which stood at PKR 69.9mn (CY24: PKR 41.0mn). This trend is primarily driven by credit & suretyship segment, forming the core business, being largely retained on net account with only 1.8% (CY24: 5.1%) ceded in CY25. Cessions remain structurally high in fire and property damage (45.8%) and marine (278.9%), and miscellaneous (3,498.2%) in line with the severity and catastrophe exposure of these segments. Cession exceeding 100% in the aforementioned segments is mainly attributable to the minimum deposit requirement of the premium. This alignment between risk management and claims experience supports the company's prudent underwriting and reinsurance strategy.

## REINSURANCE ARRANGEMENTS

TICL maintains excess-of-loss (XoL) treaties with a panel of A-rated and B-rated reinsurers, including PRCL (AA+ by VIS), CICA Re (B+ by A.M. Best), BMI (A- by A.M. Best), and Kenya Re (BB+ by A.M. Best) between 2023 to 2025. For CY26, TICL also negotiated quota share treaties and an additional reinsurer, AM First insurance (A- by A.M. Best) was added to the panel.

In CY25, under the XoL treaty, Motor had two layers. In the first layer, with losses up-to PKR 2.0mn being paid by TICL and any losses in excess of this up-to PKR 4.0mn to be paid by the reinsurer. In the second layer, with losses up-to PKR 10.0mn being paid by TICL and any losses in excess of this up-to PKR 6.0mn to be paid by the reinsurer. Additionally, TICL agrees to pay minimum deposit premium of PKR 1.1mn in layer 1 and PKR 0.91mn in layer 2. Marine had three layers. In the first layer, with losses up-to PKR 15.0mn being paid by TICL and any losses in excess of this up-to PKR 15.0mn paid by the reinsurer. In the second layer, with losses up-to PKR 50.0mn being paid by TICL and any losses in excess of this up-to PKR 30.0mn paid by the reinsurer. In the third layer, with losses up-to PKR 100.0mn being paid by TICL and any losses in excess of this up-to PKR 80.0mn paid by the reinsurer. Moreover, TICL agrees to pay a minimum deposit premium of PKR 0.32mn in layer 1, PKR 0.29mn in layer 2 and PKR 0.20mn in layer 3. Non-marine had five layers. In the second layer, with losses up-to PKR 15.0mn being paid by TICL and any losses in excess of this up-to PKR 15.0mn paid by the reinsurer. In the third layer, with losses up-to PKR 30.0mn being paid by TICL and any losses in excess of this up-to PKR 30.0mn paid by the reinsurer. In the fourth layer, with losses up-to PKR 50.0mn being paid by TICL and any losses in excess of this up-to PKR 60.0mn paid by the reinsurer. In the fifth layer, with losses up-to PKR 100.0mn being paid by TICL and any losses in excess of this up-to PKR 110.0mn paid by the reinsurer. Furthermore, TICL agrees to pay a minimum deposit premium of PKR 0.25mn in layer 1, PKR 0.81mn in layer 2, PKR 0.20mn in layer 3, PKR 0.59mn in layer 4 and PKR 0.54mn in layer 5.

Following are the terms of treaty negotiated in CY26:

Segment (PKR Mn)	Treaty Type	Retention	Total Capacity	Total Capacity (case to case basis)	Specific Maximum limit
Fire	Quota-Share	10%	500	1,000	-
Engineering	Quota-Share	10%	500	1,000	-
Marine, Cargo, Hull & GIT	Quota-Share	10%	300	600	150
Miscellaneous	Quota-Share	10%	25	50	-
Bonds	Quota-Share	10%	500	1,000	-
Motor	XoL	Motor had two layers. In the first layer, with losses up-to PKR 2.0mn being paid by TICL and any losses in excess of this up-to PKR 4.0mn to be paid by the reinsurer. In the second layer, with losses up-to PKR 10.0mn being paid by TICL and any losses in excess of this up-to PKR 6.0mn to be paid by the reinsurer. In the first layer, TICL agrees to pay minimum deposit premium of PKR 1.1mn in layer 1 and PKR 0.9mn in layer 2.			

## Financial Risk

### CLAIMS EXPERIENCES

Net Claims Ratio	CY22	CY23	CY24	CY25
Fire and property damage	0.0%	0.0%	0.0%	0.0%
Marine, aviation and transport	-	0.0%	0.0%	0.0%
Motor	6.1%	33.5%	30.7%	14.7%
Credit & Suretyship	-	-	0.0%	0.0%
Miscellaneous	0.0%	8.8%	0.0%	0.0%
Total Net Claim Ratio	5.7%	21.8%	3.6%	0.9%

During CY24, gross claims expense amounted to PKR 1.5mn; since there were no reinsurance recoveries, net claims expense stood at PKR1.5mn, translating into a gross claims ratio of 3.0% and a net claims ratio of 3.6% for the year. The slightly higher claims ratio - though still

negligible - was primarily driven by a material increase in relative terms, for claims incidence within the motor segment during the period. During CY25, gross and net claims stood at PKR 0.7mn, translating into a gross and net claim ratio of 0.9%.

## UNDERWRITING PERFORMANCE

	CY22	CY23	CY24	CY25
Underwriting Expense Ratio	703.3%	405.9%	122.4%	92.6%
Combined Ratio	709.0%	427.8%	126.0%	93.5%
Recurring Investment Income (PKR Mn)	11.3	13.4	16.3	8.61
Net Premium Revenue (PKR Mn)	5.5	9.5	41.0	69.9
Net Operating Ratio	502.7%	286.8%	86.1%	81.2%
Total Underwriting Profit (PKR Mn)	(33.5)	(31.3)	(10.6)	4.5

The underwriting expense ratio declined significantly to 92.6% in CY25 (CY24: 122.4%; CY23: 405.9%; CY22: 703.3%). However, underwriting expense ratio significantly worsened at 129.4% in 3MCY26, owing to the lower net premium. It is important to note that operating expenses have largely increased in line with inflation, with no unusual or extraordinary expense items reported. TICL only incurred commission expense and didn't earn any commission income from reinsurers since 2022 mainly owing to the nature of the reinsurance treaties which were structured under excess of loss (XoL) arrangement. Commission expense increased to PKR 17.1mn in CY25 (CY24: PKR 11.0mn; CY23: PKR 3.1mn; CY22: PKR 0.6mn) and was recorded at PKR 1.3mn in 3MCY26. Combined ratio improved at 93.5% in CY25 (CY24: 126.0%; CY23: 427.8%; CY22: 709.0%), owing to higher net premium revenue. However, it deteriorated at 130.9% in 3MCY26 on account of lower net premium revenue.

The investment mix remained unchanged, with 100.0% as of CY25 allocated to government securities, ensuring minimal credit risk from the portfolio. Furthermore, term deposits continue to be placed with financially sound counterparty holding high credit rating of A-. Operational performance has improved, as indicated by the net operating ratio of 79.3% in CY25 (CY24: 86.1%; CY23: 286.8%; CY22: 502.7%), supported by a recurring investment income. Looking ahead, TICL plans to maintain the existing investment mix, with a primary focus on government securities and no exposure to the stock market.

## LIQUIDITY PROFILE

Liquidity Indicators	CY22	CY23	CY24	CY25
Liquid Assets/Net technical reserves	22.5%	28.3%	0.9%	249.6%
Insurance Debt to Gross Premium	30.6%	18.2%	4.6%	0.8%

Investment portfolio is largely liquid, providing sizable coverage to net technical reserves. It consists entirely of term deposit receipts, which are placed with Bank Makramah Limited, carrying mark-up at rates ranging from 7.0% to 9.5% per annum, with tenures ranging from three to six months and renewable at maturity. Insurance Debt to Gross Premium has significantly declined to 0.8% in CY25 (CY24: 4.6%; CY23: 18.2%; CY22: 30.6%). The gross premium has consistently increased over the previous periods while the insurance debt has declined due to decrease in receivables from insurers and reinsurers. As of March 2026, TICL has fully recovered and paid all outstanding insurance receivables and payable.

## CAPITALIZATION

Capitalization Indicators	CY22	CY23	CY24	CY25
Equity (PKR mn)	305.0	289.3	296.2	310.6
Operating Leverage	1.8%	3.3%	13.8%	22.5%
Financial Leverage	3.4%	4.3%	10.3%	8.1%

TICL's capitalization levels have remained constrained due to losses incurred in prior years. Although equity has shown improvement over the last three years, it remains significantly below the minimum paid-up capital requirement of PKR 2,000.0mn prescribed under the revised regulatory framework, which is subject to phased implementation through 2030. TICL complies with the current minimum paid-up capital requirement of PKR 500.0mn, with its minimum paid-up capital at PKR 570.0mn. The equity remains rangebound at PKR 301.6mn as at Mar'26. Consequently, the Company remains non-compliant with the solvency requirement, as its liabilities continue to exceed total admissible assets. During the review period, operating leverage increased, while the financial leverage ratio remained broadly range-bound.

Financial Summary	(PKR Mn)			
<b>Balance Sheet</b>	<b>CY22</b>	<b>CY23</b>	<b>CY24</b>	<b>CY25</b>
Property, plant and equipment	239.1	232.6	234.9	238.2
Investments	0.0	3.0	0.0	51.6
Loans and Other Receivables	60.7	71.5	99.2	112.4
Insurance Debt	3.3	3.9	3.0	0.7
Reinsurance Recoveries against Outstanding Claims	4.5	0.0	0.0	0.0
Prepayments	0.1	3.9	3.6	3.3
Cash and Bank Deposits	2.3	0.5	0.3	11.4
Other Assets	10.2	11.4	13.9	10.9
<b>Total Assets</b>	<b>320.2</b>	<b>326.8</b>	<b>354.9</b>	<b>428.6</b>
Paid Up Capital	570.0	570.0	570.0	570.0
<b>Net Worth</b>	<b>305.0</b>	<b>289.3</b>	<b>296.2</b>	<b>310.6</b>
<b>Total Liabilities</b>	<b>15.3</b>	<b>37.5</b>	<b>58.7</b>	<b>118.0</b>
<b>Income Statement</b>	<b>CY23</b>	<b>CY24</b>	<b>CY24</b>	<b>CY25</b>
Net Premium Revenue	5.5	9.5	41.0	69.9
Net Claims	0.3	2.1	1.5	0.7
Underwriting Profit	(33.5)	(31.3)	(10.6)	4.5
Net Investment Income	11.3	13.4	16.3	8.6
Profit Before Tax	(7.6)	(15.6)	8.4	17.4
Profit After Tax	(7.6)	(15.7)	7.0	14.4
<b>Ratio Analysis</b>	<b>CY23</b>	<b>CY24</b>	<b>CY24</b>	<b>CY25</b>
Market Share (%)	0.01%	0.01%	0.03%	0.03%
Cession Ratio (%)	36.5%	24.1%	11.2%	8.5%
Gross Claims Ratio (%)	77.2%	14.2%	3.0%	0.9%
Net Claims Ratio (%)	5.7%	21.8%	3.6%	0.9%
Liquid Assets/Gross Claims Outstanding (x)	53.9%	95.2%	8.1%	1876.4%
Underwriting Expense Ratio (%)	703.3%	405.9%	122.4%	92.6%
Combined Ratio (%)	709.0%	427.8%	126.0%	93.5%
Net Operating Ratio (%)	502.7%	286.8%	86.1%	81.2%
Insurance Debt to Gross Premium (%)	30.6%	18.2%	4.6%	0.8%
Operating Leverage (%)	1.8%	3.3%	13.8%	22.5%
Net Financial Leverage (%)	3.4%	4.3%	10.3%	8.1%
Net Technical Reserves/Liquid Assets	443.8%	353.2%	10598.1%	40.1%

REGULATORY DISCLOSURES				Appendix I
Name of Rated Entity	TRAFCO Insurance Company Limited			
Sector	Insurance			
Type of Relationship	Solicited			
Purpose of Rating	Insurer Financial Strength			
Rating History	Rating Date	REIT Rating	Rating Outlook	Rating Action
	<b>RATING TYPE: IFS</b>			
	24-Jun-2026	BBB (IFS)	Stable	Initial
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. Tahir Malik	Chairman & Acting Chief Executive Officer	May 14 <sup>th</sup> , 2026
	2	Mr. Mahmood ul Hassan	Chief Financial Officer	