

# Press Release

## VIS Reaffirms IFS Rating of Askari General Insurance Company Limited

**Karachi, March 06, 2025:** VIS Credit Rating Company Limited (VIS) has reaffirmed the Insurer Financial Strength (IFS) rating of Askari General Insurance Company Limited at 'AA+' (IFS) (Double A Plus). The rating signifies very strong capacity to meet policy holders and contract obligations. Risk factors are very low, and the impact of any adverse business and economic factors is expected to be very small. Outlook on the assigned rating is 'Stable'. Previous rating action was announced on February 29, 2024.

Askari General Insurance Company Limited ('AGIC' or the 'Company') is a prominent non-life insurance provider in Pakistan, established in 1995 and headquartered in Rawalpindi. As a subsidiary of the Army Welfare Trust, AGIC offers a comprehensive range of insurance products and services, including Fire, Marine, Motor and A&H. Operating through a network of 20 branches across Pakistan, the Company serves both commercial enterprises and individual clients, addressing a wide array of risks and liabilities. AGIC's commitment to providing diverse insurance solutions, backed by a strong organizational structure and extensive branch network, positions it as a significant player in Pakistan's insurance industry.

The rating assigned to AGIC reflects the strength of its majority shareholder, which maintains a diversified presence across various sectors of the economy. The rating factors in growth in business volumes driven by inflationary and forex adjustments to premiums, alongside onboarding of new clients. Underwriting profits improved during the rating review period, supported by growth in net premium revenue and rationalized expense management. While underwriting profits in the conventional segment increased, the takaful segment continued to report underwriting losses. Additionally, the bottom line benefited from higher investment income. The Company plans to focus on Shariah-compliant investments, particularly through Islamic Income funds, to align with its long-term strategy. The transition from fixed-rate to floating-rate investments is expected to mitigate market risk. The rating is further supported by strong reinsurance arrangements with counterparties holding sound ratings. AGIC maintains a strong solvency position, with adequate admissible assets providing sufficient cushion against liabilities. However, both operating and financial leverage have increased on a timeline basis. With significant business volume growth anticipated, leverage indicators are projected to rise further during the rating horizon. Looking ahead, improvement in underwriting profitability through rationalization of loss ratios, effective market risk management, and sustained profitability will remain key rating drivers. Additionally, management of leverage indicators to ensure alignment with the assigned rating will be critical to maintaining financial stability.

For further information on this ratings announcement, please contact at 021-35311861-64 or email at [info@vis.com.pk](mailto:info@vis.com.pk).

### Applicable Rating Criteria: General Insurance

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

### VIS Issue/Issuer Rating Scale

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