

## Date

22-Aug-25

## Analyst

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## Applicable Criteria

- Assessment Framework | General Insurance | Mar-25
- Methodology | Rating Modifiers | Apr-25

## Related Research

- Sector Study | General Insurance | Jul-25

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## PACRA Upgrades the IFS Rating of Shaheen Insurance Company Limited

Rating Type	IFS	
	Current (22-Aug-25 )	Previous (23-Aug-24 )
<b>Action</b>	Upgrade	Maintain
<b>IFS Rating</b>	A++ (ifs)	A+ (ifs)
<b>Outlook</b>	Stable	Stable
<b>Rating Watch</b>	-	-

Pakistan's General Insurance industry grew in CY24, reaching a total size of PKR 214bln, a ~14% increase from PKR 188bln in CY23. This expansion was driven by significantly improved financial performance, with underwriting profits surging by ~70% (PKR 12.2bln in CY24 compared to PKR 7.2bln in CY23). Combined with better investment returns, the industry's overall earnings rose to PKR 24bln from PKR 18bln in the previous year. Despite this positive momentum, the prevailing economic conditions will continue to be a crucial factor for the industry's sustained performance.

Shaheen Insurance Company Ltd. ('Shaheen Insurance' or 'the Company'), a stable player in non-life insurance, generates ~93% of its business from the conventional side, while the remaining (~7%) is booked through window takaful operations. The Company's Gross Premium Written (GPW) soared by ~76%, supported largely by fire & property (~27%) and motor (~25%) segments. This growth was a combination of both volume- and value-driven growth, stemming from both inflationary effects and the success of new businesses. This has favored the underwriting results. A notable advantage comes from its captive business, which provides a consistent ~11% of total GPW, offering a valuable cushion. The Company's net profits are on an upward trajectory, reflecting a broader improvement in financial performance. This is further underscored by a reduced combined ratio, achieved through disciplined expense control and a smart pivot from less profitable areas to higher-margin segments. Shaheen Insurance has improved its investment portfolio, which generates considerable income, benefitting the bottom line. On the financial risk front, the Company stands strong with robust risk absorption capacity and adequate liquidity. Coupled with a dependable reinsurance panel, these factors collectively enhance Shaheen Insurance's credit ratings. PACRA upgrades Shaheen Insurance's IFS rating backed by improvement in the equity base. Moreover, a formal equity injection plan has been undertaken by the management; adherence to which remains important. Demonstrated support from the sponsor, i.e., Shaheen Foundation, along with disciplined financial management, adds the requisite cushion. This, along with a sound governance framework and better managerial practices, bodes well for the Company. The rating is dependent upon sustained improvement in business profile of the Company. Growth in revenue streams are crucial. Sustaining equity levels and improvement in liquidity is core to the rating. This along with better investment income and corporate governance framework remains imperative for sustaining the rating.

### About the Entity

Shaheen Insurance Company Ltd. ('Shaheen Insurance' or 'the Company') a group Company of Shaheen Foundation was incorporated in 1995 as a public listed company. The Company operates as a non-life insurance provider, offering both conventional and takaful insurance through a network of 13 branches operating nationwide. Shaheen Foundation a conglomerate with interests in real state aviation, textile, trade, insurance, health and education sectors holds majority of the stake (~69.9%), followed by Foreign & Joint Stock Companies (~17.7%), Central Non Public Fund PAF (~4.0%) and General Public (~8.2%). The Company's Board is chaired by AVM Junaid Ahmed Siddiqui(Retd.). While, Mr. Syed Rizwan Akhtar serves as the Company' CEO. He is assisted by a team experienced professionals.

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