



Rating Action

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PACRA UPGRADES IFS RATING OF ALFALAH INSURANCE COMPANY LIMITED

The Pakistan Credit Rating Agency (PACRA) has upgraded the IFS rating of Alfalah Insurance Company Limited (AFIC) to "**A**" (**Single A**) [previously "A-" (Single A minus) with positive outlook]. The rating denotes strong capacity to meet policyholder and contract obligations. Risk factors are moderate, and the impact of any adverse business and economic factors is expected to be small.

The rating reflects sustained improvement in AFIC's underwriting performance supplemented by stable income from a prudently developed investment book. AFIC's association with Abu Dhabi group provides support to the company mainly in the form of captive business, adding stability to its revenue stream. The company's conservative business strategy, in the form of low risk retention, is expected to continue yielding profitability despite continuing volatile socio-economic environment. Nevertheless, the rating recognizes AFIC's improved financial profile, notably emanating from internal generation of profits.

About the company

Alfalah Insurance Company Limited (AFIC), licensed to undertake the insurance business in Sep06, is engaged in providing general insurance services. With its headquarter in Lahore, AFIC operates through a network of 8 branches in major cities of Pakistan. The Abu Dhabi Group (ADG), consisting of prominent members of the UAE's ruling family, leading businessmen of UAE and associates, owns AFIC through key sponsoring individuals and group companies including Bank Alfalah Limited (30%) - sixth largest bank having assets at end-Jun11 of PKR 439bln.

AFIC has a seven member board - chaired by Sheikh Hamdan Bin Mubarak Al Nahayan. The Chief Executive Officer, Mr. Nasar us Samad Qureshi, assisted by a team of professionals, possesses around three decades of related experience. As the board continues demonstrating interest in strategic oversight of the company, AFIC's governance framework would likewise strengthen.

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