



Date

31-Mar-22

Analyst

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Applicable Criteria

- Criteria | Rating Modifiers | Jun-21
- Methodology | General Insurance Rating | Mar-22

Related Research

- Sector Study | General Insurance | May-21

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PACRA Harmonizes IFS Rating of Alfalah Insurance Company Limited

Rating Type	IFS	
	Current (31-Mar-22)	Previous (18-Jun-21)
Action	Harmonize	Upgrade
IFS Rating	AA+ (ifs)	AA
Outlook	Stable	Stable
Rating Watch	-	-

Insurer Financial Strength (IFS) rating is an independent opinion on the relative “capacity of an insurance company to meet policyholder and contract obligations”. To facilitate insurance companies and users of IFS ratings, PACRA has modified the IFS rating scale. The primary objective behind this modification was to: a) Create distinction in symbols and definitions of IFS Ratings and Credit Ratings; previously same symbols were being used for both type of ratings. Now IFS symbols are exclusive for IFS ratings b) Eliminate ambiguities in terms of “Rating Category” and “Notch”; this has now been achieved in the modified scale, which will be helpful in understanding the meaning and connotation of each rating category and notch, c) Update certain definitions for more clarity.

This is expected to eliminate any overlap or ambiguity regarding rating categories and notches; thus, facilitating all stakeholders. The modified scale is applicable for all outstanding IFS ratings including “Alfalah Insurance Company Limited”.

About the Entity

Alfalah Insurance Company Limited, commencing business in Sep'06, is engaged in providing non-life insurance services. Alfalah Insurance, with its head office in Lahore, operates through two business Hubs North and South with a total of 10 branches. Abu Dhabi Group (ADG), consisting of members of UAE's ruling family and leading businesses, owns Alfalah insurance through key sponsoring individuals and group companies including Bank Alfalah Limited.

The company's seven-member board, including CEO, is chaired by H.H. Sheikh Nahayan Mubarak Al Nahayan. Three board members come from the sponsoring group; two members represent Bank Alfalah Limited, while one member holds executive position in ADG. The CEO, Mr. Abdul Haye, is assisted by a team of professionals, possesses around three decades of related experience.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.