

# Press Release

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## JCR-VIS Upgrades IFS Rating of EFU Life Assurance Ltd to AA+

Karachi, May 24, 2016: JCR-VIS Credit Rating Company Limited has upgraded the Insurer Financial Strength (IFS) Rating of EFU Life Assurance Ltd (EFUL) to 'AA+' (Double A Plus) from 'AA' (Double A). Outlook on the assigned rating is 'Stable'. The previous rating action was announced on March 11, 2015.

The rating of EFUL takes into account the well-established franchise value of the company along with its sizeable market share. Premium base depicted significant growth on the back of higher individual life unit linked single premium policies written during 2015. Investment risk in such policies is borne by the policyholders and risk emanating from losses on such policies is well defined through low historic crude death rate of the country and sound reinsurance panel. In view of a growing equity base, the assigned rating indicates a very high capacity to meet policy holder/contractual obligations; risk is considered modest.

The company benefits from the country-wide expansive sales network of its own branches and plans to continue focus on further developing its own sales force as an important source of business generation. Management anticipates improved productivity indicators in this area, going forward. EFUL also benefits from a widespread distribution network for bancassurance business with major banks which has led to growth in recent periods. Overall persistency ratio in individual life business has been maintained at an acceptable level. Improvement was also witnessed in EFUL's profitability.

Liquidity profile is also sound and liquid assets, largely comprising government securities, provide adequate coverage against the company's liabilities. Steps are being taken to further improve systems and controls. A conservative investment mix has been maintained with returns of funds managed by the company being competitive in relation to peers.

For further information on this rating announcement, please contact the undersigned at 021-35311861-70 or Mr. Maimoon Rasheed at 042-35723411-13.

Javed Callea  
Advisor

Applicable Rating Criteria: Life Insurance & Family Takaful Rating (Jan 2009)  
<http://www.jcrvis.com.pk/Images/lifetakaful.pdf>

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