

**JCR-VIS Credit Rating Company Limited**

Affiliate of Japan Credit Rating Agency, Ltd.

# Press Release

**JCR-VIS upgrades IFS Rating of EFU Life Assurance Ltd to AA- from A+ with a Stable Outlook**

Karachi, March 27, 2008: JCR-VIS Credit Rating Co. Ltd. (JCR-VIS) has upgraded the Insurer Financial Strength (IFS) rating of EFU Life Assurance Ltd (EFU Life) to 'AA-' (Double A Minus) from 'A+' (Single A Plus) with a 'Stable' Outlook.

EFU Life has completed 15 years of operation and has become the leading private sector life insurance company in Pakistan. Market share of the company has grown due to having a sizeable sales force and focus on productivity (through training) and persistency (through better client serving). There has also been significant focus on forging alliances and distribution through bancassurance channel. The major avenue of growth has been individual life insurance which primarily comprises unit-linked policies. The unit-linked schemes are linked to funds under management which have yielded attractive returns to policyholders. Group life insurance has also shown good growth and contributed positively to overall company profitability. The company is adequately capitalized and has strong liquidity vis-à-vis liabilities. Investments of unit linked funds are well matched with policyholders' liabilities. Performance of underwriting operations has improved contributing a significant portion of the surplus to net profit. Investment returns mostly stemming from capital gains have also been strong during 2007.

Senior management of EFU Life comprises experienced personnel backed by a team of experienced and qualified professionals including accountants, actuaries and underwriters. There has been stability in top management over the years and Management Information Systems are effective. While the management is also making efforts at improving the overall control environment and setup, the function of internal audit requires further strengthening. The management is making efforts at improving the overall internal control environment and setup. EFU Life's panel of reinsurers is also strong with business being reinsured by top reinsurers of the world.

For further information on this rating announcement, please contact Mr. Syed Ziauddin Ahmed (Ext: 506) or Ms. Sobia Maqbool (Ext: 506) at 5311861-70 or fax to 5311873.

Faheem Ahmad  
President & CEO

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