The Pakistan Credit Rating Agency Limited

PRESS RELEASE

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Applicable Criteria

- Methodology | Rating Modifiers | Apr-25
- Assessment Framework | General Insurance | Mar-26

Related Research

- Sector Study | General Insurance | Jul-25

PACRA Maintains IFS Rating of Alfalah Insurance Company Limited

Rating Type	IFS	
	Current (19-May-26)	Previous (19-May-25)
Action	Maintain	Maintain
IFS Rating	AA+ (ifs)	AA+ (ifs)
Outlook	Stable	Stable
Rating Watch	-	-

Alfalah Insurance Company Limited ("Alfalah Insurance" or "the Company") offers both conventional and takaful products, with conventional business comprising ~85% of its operations. The assigned rating derives comfort from the Company's sound financial profile supported by its affiliation with the Abu Dhabi Group and Bank Alfalah Limited (BAFL), underpinned by consistent top-line growth and a robust investment portfolio that continues to anchor profitability. During CY25, the Company recorded a gross premium written (GPW) growth of ~34%, the second highest among private sector general insurers, materially outperforming the industry's average growth of ~9–10%. The growth was board based across all lines of businesses, and the significant contribution came from the health segment, where the onboarding of a scalable group health account was a key contributor, alongside strong growth in marine and motor classes. Net Premium Revenue expanded by ~53%, from ~PKR 2.2bln to ~PKR 3.3bln, reflecting improved net retention alongside top-line expansion. The underwriting result remained under pressure on a consolidated basis in CY25, mainly due to: (a) elevated claims arising from a major fire incident at Lahore Airport, climate-related losses from flooding and hailstorms, and expansion of the health portfolio; and (b) a deliberate increase in management expenses, reflecting the Company’s strategic investments in IT, human capital, and infrastructure improvements under the Board-approved transformation roadmap. During CY25, the Company also onboarded key management resources in line with its strategic vision and long-term growth objectives. The Company structured its investment income to fund and support this growth strategy, contributing total investment income of ~PKR 1,176mln (CY24: ~PKR 1,001mln), which ensured healthy bottom-line delivery. Looking ahead, the Company is pursuing a focused growth strategy aimed at strengthening its market position within the general insurance sector. Portfolio recalibration towards higher-margin classes, expansion and optimization of direct sales force, deepening bancassurance and financial institution partnerships, and a concerted push on digital transformation are the principal levers being activated. These initiatives are at varying stages of execution and are expected to contribute meaningfully to performance from CY26 onwards. The pre-emptive equity portfolio rebalancing in early CY26 yielded a sizeable gain further strengthening the Company’s profitability and earnings stability. Alfalah Insurance's strategic relationship with BAFL, one of Pakistan's largest private banks, continues to support business acquisition, while steady growth on the non-captive side enhances revenue diversification. Risk management is further supported by internationally rated reinsurers. In addition, the Company’s paid-up capital has been increased to PKR 2 billion through the issuance of bonus shares, reflecting the shareholders’ continued commitment and confidence in the Company’s long-term growth strategy. Board governance has been strengthened, with the Board expanded from 7 to 10 members, with the addition of 3 independent directors during September 2025.
Sustaining underwriting discipline, managing the rising claims trajectory in health, and timely executing strategic initiatives remain critical to the rating trajectory.

About the Entity
Alfalah Insurance Company Limited ('Alfalah Insurance' or 'the Company') began operations in Sept-06 to provide non-life insurance services. The sponsor, Al Nahayan family holds the majority stake, with H.H. Sheikh Nahayan Mabarak Al Nahayan holding ~35% and other family-affiliated individuals holding ~25%, aggregating ~60% family ownership. Institutional investors Bank Alfalah Limited (~30%) and M/s Electromechanical Co. LLC (~10%) hold the remaining stake. The Company's ten-member Board, including the CEO, is chaired by H.H. Sheikh Nahayan Mabarak Al Nahayan. The CEO, Mr. Khurram Hussain, has extensive experience in the banking and financial services industry. He is assisted by a team of professionals, many of whom have been with the Company since its inception.