



Rating Action

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PACRA MAINTAINS IFS RATING OF EAST WEST INSURANCE COMPANY LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the Insurer Financial Strength (IFS) rating of East West Insurance Company Limited (EWI) at “A-” (single A minus). The rating denotes strong capacity to meet policyholder and contract obligations. At the same time, risk factors are considered moderate, and the impact of adverse economic factors is expected to be limited

EWI’s rating reflects the relative stability in the company’s underwriting performance. At the same time, the rating factors in the company’s high exposure to the market risk, aggravated by concentration in a single scrip that has already resulted in significant impairment loss. This has weakened the company’s equity base, and consequently reduced risk absorption capacity. Meanwhile, increasingly competitive environment requires further strengthening of the risk management policies and management information system to sustain the company’s profitability and market standing.

The company: EWI commenced commercial operations as a general insurance company in 1983 and is listed on the Karachi Stock Exchange. Yunus family effectively holds the majority shareholding in the company. The other major concern owned by the family is East West Life Assurance Company Limited (*formerly Metropolitan Life Assurance Company of Pakistan Limited*). Mian Mehboob Ahmad, having extensive exposure in the insurance sector, is the Chairman of BoD. The rest of the board is dominated by the sponsors, with five of the remaining six members including the CEO, belonging to the Yunus family.

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