



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 Sindh Insurance Limited

Rating Type	IFS	
	Current (31-Mar-22)	Previous (31-Jan-22)
Action	Harmonize	Maintain
IFS Rating	A++ (ifs)	A+
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 “Sindh Insurance Limited”.

About the Entity

Sindh Insurance Limited (SIL), incorporated as an unlisted public company in Dec-13, is a wholly-owned entity of Government of Sindh (GoS). GoS has presence in most dimensions of the financial market through Sindh Bank Limited, Sindh Modaraba, Sindh Insurance Limited and Sindh Microfinance Bank.

SIL has an eight-members board, chaired by Mr. Syed Akhtar Ul Islam. He has extensive experience of cargo marketing in Pakistan International Air Lines for more than thirty years. The CEO of the Company, Mr. Muhammad Faisal Siddique, brings with him a diversified experience of more than a decade in life and general insurance. He is supported by core management team comprising qualified and experienced professionals. The Company has hired new head of departments which shows the Company is committed to expand its operations.

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.