



The Pakistan Credit Rating Agency (Pvt) Limited

# PACRA News

Sep - Nov 2003



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## Review of Private Commercial Banks

*As part of its ongoing rating review process, PACRA has reviewed the performance of the banking sector during the current financial year. As PACRA's rating universe consists predominantly of private banks, this review focuses on the private bank segment.*

Private banks maintained the deposit-led growth momentum during the current year. Benefiting from the continuing consolidation process in nationalized banks and the cautious stance of foreign banks, private banks have managed to marginally increase their system share. This has largely been due to continuing improvement in service quality and the expanding geographical outreach.

The major challenge faced by the banking sector is the efficient deployment of funds into earning assets, given the increasingly competitive environment and less than robust growth in credit demand. However, most private banks managed to maintain their position and the overall credit-to-deposit ratio remained almost static. For a majority of these banks, considering their focus on trade finance, the growth in imports/exports business of the country provided the required impetus for expansion and the trend is likely to continue. Meanwhile, the increasing focus on consumer financing is expected to emerge as a major catalyst in volume growth, going forward. Housing finance is yet another area that is being targeted for credit expansion. A few of the banks have already launched their housing finance products, while some others are in the development stage. The impact towards credit expansion is expected to be more pronounced in the near-term, the prospects of which, with prevailing low interest rates, appears promising. However, at this stage it is difficult to forecast the extent of the success of these initiatives.

Contrary to expectations, the sector managed to resist the pressure on spreads, particularly the medium-sized private banks which, in fact, witnessed a slight improvement in spreads. This was made possible through lowering of deposit rates. Although with re-pricing of assets the benefit would progressively decline, a modest increase in return on government securities, though expected to be in a narrow range with an overall stable outlook, is expected to somewhat help in spread management. Going forward, while the increase in mark-up revenue is not expected to sustain profitability, the increasing contribution of non mark-up income is likely to lead to higher profitability levels by year-end. However, a major portion of non mark-up income – gain on securities – is not likely to be sustainable in the long run.

The asset quality of the loan portfolio of most banks has remained almost unchanged with risk of potential loss marginally declining through additional provisioning. Most banks largely maintained their equity to assets position. However, for certain individual banks this was made possible through realizing substantial capital gains to support their weakening equity against continued growth in total assets. On the other hand, banks, which continue to carry large unrealised surplus on their balance sheets, may not be able to maintain this level owing to erosion in market value of listed securities subsequent to 30<sup>th</sup> June and likely inching up of interest rates on government securities. This in turn could impact negatively on the risk absorption capacity. Going forward, entering into relatively new credit avenues requires further strengthening of risk management systems for ensuring that credit quality is not undermined by the pursuit of volume growth.

In PACRA's view, individual banks will face a critical testing time and some might find it difficult to replicate past performance. This is due to the current sluggish economic environment and particularly limited growth in private sector credit demand despite improving trends in recent



months. Nonetheless, in the short-term, the traditional trade finance business is expected to provide volumes for credit expansion, particularly in the textile sector, which is making substantial investment in anticipation of emerging opportunities as a consequence of the liberalised WTO trade regime. Meanwhile, the recent increase in cotton prices will help banks to increase the level of financing for meeting seasonal working capital requirements.

The State Bank of Pakistan continues to play a proactive role in bringing greater financial discipline and improving risk management within the banking sector. The SBP has issued three new Prudential Regulations covering (i) Corporate/Commercial Banking, (ii) SME Financing and (iii) Consumer Financing, which would come into effect from 1<sup>st</sup> January 2004. These regulations cover key areas of risk management, corporate governance, “know-your-customer” and anti-money laundering and operations, providing greater flexibility and authority to banks. The Central Bank has also issued detailed guidelines on risk management, which provide an overview of the control procedures that could be put in place to guard against risks that may be faced by the financial institutions. The objective is to build up internal capacity of the banks to prepare for Basle II Accord. All these measures are expected to promote self-regulation and bring more transparency to the banking sector.



## RECENT FINANCIAL DEVELOPMENTS

### September - November 2003

- ✓ Capital Intelligence, the international emerging market rating agency, has raised Pakistan's long-term foreign currency ratings to 'B' from 'B-' and affirmed its short-term rating to 'B'. The agency also assigned a long-term local currency rating of 'BB-' to the sovereign and short-term rating of 'B'. The outlook is positive.
- ✓ The State Bank Pakistan (SBP) has advised all banks/DFIs to publish and circulate un-audited financial statements along with directors' review on a quarterly basis and ensure that the statutory auditors subject half-yearly financial statements to a limited scope review. Quarterly un-audited financial statements are to be published/circulated within a period of 45 days from the end of each quarter.
- ✓ The Central Bank has allowed banks to establish subsidiaries to undertake asset management and investment advisory services under NBFC rules. However, banks would require prior permission from the SBP. Moreover, a subsidiary would have to be a public limited company and the transactions undertaken by the subsidiary should not create any financial obligation, contingent or otherwise, on the balance sheet of the holding bank.
- ✓ The Securities and Exchange Commission of Pakistan (SECP) has notified the formats to be used by all non-life insurance companies for reporting of quarterly and half-yearly accounts to the shareholders, the SECP as well as the general public.
- ✓ Moody's Investors Service has upgraded Pakistan's country ceiling for long-term foreign currency debt and bank deposits to 'B2' from 'B3' with stable outlook while Standard & Poor's has upgraded Pakistan's sovereign credit ratings to 'B/B' from 'B-/B' with positive outlook due to economic improvement in the last few years.
- ✓ The SECP has allowed carryover transaction (COT) in 30 listed companies effective from 15th December 2003 as against all traded companies at the KSE to protect investors against market abuse.

**Source:** Newspapers



## PACRA RATING ACTIONS

### **November 24, 2003: Pakistan Industrial Credit & Investment Corporation (PICIC)**

The Pakistan Credit Rating Agency (PACRA) has upgraded the long-term and short-term ratings of PICIC to 'AA-' (Double A Minus) and 'A1+' (A one Plus), respectively. These ratings denote a very low expectation of credit risk and a very strong capacity for timely payment of financial commitments.

PICIC's ratings reflect considerable improvement in the earning potential of the Corporation, given the improving risk profile of the loan portfolio and diversification in the asset base as well as revenue sources. The ratings also recognize the institution of effective and pre-emptive risk management measures. Continuing enhancement in the risk absorption capacity reflected in the expanding equity base of the Corporation is also a strong rating factor.

### **November 21, 2003: Pakistan Kuwait Investment Company (Pvt) Limited**

The Pakistan Credit Rating Agency (PACRA) has assigned a long-term rating of "AAA" (Triple A) and a short-term rating of A1+ (A One plus) to the Pakistan Kuwait Investment Company (Pvt) Limited (PKIC). These ratings denote the lowest expectation of credit risk emanating from an exceptionally strong capacity for timely payment of financial commitments. The ratings are applicable to the senior unsecured creditors of the company.

The ratings reflect the low risk profile of PKIC's asset portfolio. While PACRA recognizes the volatility risk emanating from a sizeable portfolio of marketable securities, the risk is mitigated by the policy of carrying a stock market fluctuation reserve equivalent to one quarter of the value of the portfolio at cost. Despite the prevailing difficult operating environment that could constrain performance prospects, PKIC, in PACRA's opinion, is well positioned to cope with such unforeseen risks considering its high risk absorption capacity, given the large and continuously expanding equity base. PKIC also draws comfort from the implicit support of the two joint venture partners. Of the two, the Kuwait Investment Authority (KIA) is perceived to be financially very strong being the investment arm of the State of Kuwait, which currently carries an international long-term foreign currency rating of 'AA-'.

*November 24, 2003:* PACRA Upgrades Entity Ratings of Pakistan Industrial Credit & Investment Corporation (PICIC)

*November 21, 2003:* PACRA Assigns 'AAA' Rating to Pakistan Kuwait Investment Company (Pvt) Limited

*November 12, 2003:* PACRA Upgrades Entity Ratings of Pakistan Mobile Communications Limited (Mobilink)

*November 08, 2003:* PACRA Upgrades Long-Term Entity & TFC Ratings of Trust Leasing Corporation Limited

*October 21, 2003:* PACRA Issues Provisional Ratings of NDLC-IFIC Bank Limited and withdraws Ratings of NDLC

*October 17, 2003:* PACRA Maintains Entity Ratings of House Building Finance Corporation (HBFC)

*October 08, 2003:* PACRA upgrades Ratings of National Investment (Unit) Trust (NIT)

*October 01, 2003:* PACRA maintains Ratings of Security Papers Limited

*September 25, 2003:* PACRA assigns Ratings to Pak Libya Holding Company (Pvt) Limited

*September 24, 2003:* PACRA Maintains 'AA' IFS Rating of International General Insurance Corporation of Pakistan (IGI)

*September 20, 2003:* PACRA Assigns Ratings to Legler Nafees Denim Mills Limited

*September 16, 2003:* PACRA Maintains IFS Rating of Muslim Insurance Company Limited

*September 08, 2003:* PACRA Maintains Rating of Securetel SPV Limited



### **November 12, 2003: Pakistan Mobile Communications Limited (Mobilink)**

The Pakistan Credit Rating Agency (PACRA) has upgraded the long-term entity rating of Pakistan Mobile Communications (Private) Limited (Mobilink) to 'AA-' (Double A minus) and maintained the short-term rating at 'A1' (A one). The ratings denote a very low expectation of credit risk and a very strong capacity for timely payment of financial obligations.

The ratings recognise Mobilink's improving profitability and financial structure through profit retention, with strong cash flows and sound coverages. The ratings also take into account the company's comprehensive policy of maintaining a gearing level comfortably below State Bank of Pakistan's specified limit. Additionally, the company's strong competitive position helps in mitigating the various business risk factors, given that the company keeps itself abreast of technological developments in the industry.

Mobilink has enjoyed a sustained accelerated growth in profitability and cash flows with a low risk of collection. Even with the ongoing capex for continuous expansion and investment in new value added services, the substantially improved internal cash generation ensures a high level of liquidity. Going forward, being the market leader in terms of number of subscribers and employing extensive capital investment in network expansion, Mobilink is well positioned to take advantage of the growing cellular market in Pakistan and the ongoing deregulation in the telecom sector.

### **November 08, 2003: Trust Leasing Corporation Limited**

The Pakistan Credit Rating Agency (PACRA) has upgraded the long-term entity rating to 'A' (single A) for Trust Leasing Corporation Limited (TLC), while short-term rating has been upgraded to 'A1' (Single A one). The rating of the secured TFC has also been upgraded to 'A+' (Single A plus). These ratings denote a low expectation of credit risk with strong capacity for timely payment of financial commitments.

TLC's ratings reflect its increasing risk absorption capacity as well as earning potential, and improving asset quality. They also take into account a moderate level of market risk emanating from the enhanced exposure to the equity market. While the company's past performance has been weighed down by its impaired portfolio, provisioning and settlements of NPLs in the current year are expected to enable the company to avoid making any material provisions in the future. This will have a consequential positive impact on profitability.

### **October 21, 2003: NDLC-IFIC Bank Limited**

Following the merger of National Development Leasing Corporation Limited (NDLC) and the Pakistani branches of International Finance Investment and Commerce Bank Limited (IFIC) with and into NDLC-IFIC Bank Limited (NIB), PACRA's ratings for NDLC have been withdrawn. PACRA has reviewed and evaluated the plans presented by the management of NIB for the post-merger operations of NIB including its projected financial position. Accordingly, PACRA is pleased to advise that the long-term rating of NIB has been determined at 'A' (Single A) and the short-term rating at 'A1' (A One). These ratings, which are provisional, imply that there is a low expectation of credit risk and the capacity for timely payment of financial commitments is considered strong.

The above mentioned provisional ratings of NIB are subject to review after detailed evaluation of the audited accounts of NDLC for the year ended 30th June 2003 (which have been published on 29th September 2003), the audited accounts of IFIC as at 2nd October 2003, and the audited accounts of the merged entity (NIB) as at 2nd October 2003.



NDLC had issued TFC of PKR 500.22mln in 1999 of which the presently outstanding principal amounts to PKR 333.11mln with rating of 'A+' (A Plus). As a consequence of the merger and creation of the new entity, NDLC-IFIC Bank Limited (NIB), all the liabilities of NDLC including the TFC obligations stand transferred to NIB. The rating of this TFC is placed on RatingWatch pending finalization of the ratings of NIB.

### **October 17, 2003: House Building Finance Corporation**

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term rating at 'A' (Single A) and the short-term rating at 'A1' (Single A One) of House Building Finance Corporation (HBFC). These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments. The ratings are applicable to the senior unsecured creditors of the Corporation.

The ratings reflect the Corporation's high liquidity, strong underlying security against loans and sound equity base signifying high risk absorption capacity. Additionally, the ratings recognize the concerted efforts by the new management to bring about the much-needed improvement in the image and operations of the Corporation through organizational restructuring principally aimed at (a) human resource development through induction of experienced professionals and skill training; (b) streamlining the policies and procedures and improvement in the management information systems; and (c) greater market orientation and improvement in client servicing. At the same time, the ratings also factor in the inconsistent performance in the core financing operations and substantial portion of overdue rentals.

### **October 08, 2003: National Investment (Unit) Trust**

The Pakistan Credit Rating Agency (PACRA) has upgraded the mutual fund rating of National Investment (Unit) Trust to 'AA(f)' (double A) from 'A(f)' (single A).

The rating reflects NI(U)T's demonstrated ability to outperform its peers and also its strong capacity to respond to future opportunities and stress situations. Having restructured its investment portfolio, the Fund is now well positioned to maintain a stable inflow of dividend income and adequate liquidity. This has been an outcome of the drive and initiative exhibited by the top management since the induction of the new Chief Executive. PACRA, therefore, remains concerned about the continuity of the top management and will continue to monitor the sustainability of the fund management strategy in the event of any change in top management.

### **October 01, 2003: Security Papers Limited**

The Pakistan Credit Rating Agency (Pvt) Limited (PACRA) has maintained the long-term rating of 'AA' (Double A) and the short-term rating of 'A1+' (Single A one plus) for Security Papers Limited. These ratings denote a very low expectation of credit risk and a very strong capacity for timely payment of financial commitments. The ratings are applicable to the senior unsecured creditors of the company.

The ratings recognize SPL's strong financial profile emanating from maintained performance and sound coverages. The company's position of being the sole supplier of currency paper with assured demand and low gearing is reflective of low business and financial risks.



### **September 25, 2003: Pak Libya Holding Company (Pvt) Limited**

The Pakistan Credit Rating Agency (PACRA) has assigned long-term and short-term ratings of 'AA-' (Double A minus) and 'A1+' (A One plus), respectively, to Pak Libya Holding Company. These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The assigned ratings reflect the strong risk absorption capacity of the company and the relatively low risk profile of its asset portfolio.

### **September 24, 2003: International General Insurance Company of Pakistan**

The Pakistan Credit Rating Agency (PACRA) has maintained Insurer Financial Strength (IFS) Rating of International General Insurance Company of Pakistan Limited (IGI) at "AA" (Double A). The rating denotes a very strong capacity to meet policyholder and contract obligations.

While assigning the rating, PACRA has recognized the very strong financial base and solvency margin of the company, both of which continue to be substantially higher than peers. This reflects the inherently strong ability to meet policyholder and contract obligations despite a difficult operating environment. The stable nature of revenue from the company's core business coupled with a strong investment portfolio and conservative risk management policies significantly enhance the comfort level for policyholders.

### **September 20, 2003: Legler Nafees Denim Mills Limited**

The Pakistan Credit Rating Agency (PACRA) has assigned a long-term entity rating of "A-" (Single A Minus) and a short-term rating of "A2" (A Two) to Legler Nafees Denim Mills Limited (LNDM). These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payments of financial commitments.

The ratings reflect the strong capacity of LNDM to meet its financial obligations, arising from a sustained improvement in performance, stability of earnings and a higher risk absorption capacity owing to the enhanced equity base. The ratings take into account the exposure of LNDM to a moderate level of business risk emanating from the inherent volatility in input and output prices. The ratings also consider the company's competitive edge on the strength of its unique product and customer base, and increased focus on value-addition.

### **September 16, 2003: Muslim Insurance Company Limited**

The Pakistan Credit Rating Agency (PACRA) has maintained Insurer Financial Strength (IFS) Rating of Muslim Insurance Company Limited (MICL) at "A" (single A). 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 and economic factors is expected to be small.

While assigning the rating, PACRA has recognized the company's sound solvency margin, maintained performance in terms of premium written during the year and adequate liquidity. The rating also takes into account very limited exposure in the high-risk motor insurance segment compared to peers, leading to much lower loss ratios.



**September 08, 2003: Securetel SPV Limited**

The Pakistan Credit Rating Agency (PACRA) has maintained the rating at "A" (Single A) for the securitised TFC A issue of PKR 840mln of Securetel SPV Limited (SPV). The rating denotes a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

While assigning the rating, PACRA has taken note of the high quality of underlying purchased receivables of Paktel Limited (PTL) and the availability of robust safety margins to TFC A holders based on their senior right on collections of securitised receivables. The rating also reflects growing cellular phone demand in the country and the expected launch of GSM services that is likely to enhance PTL's revenues and the cushion available to the TFC holders.



## List of Publicly Disseminated Ratings

(As At November 30, 2003)

### Entity Ratings:

Sr. No	Name of the Organisation	Type of Rating	Date of Notification (MM/DD/YYYY)	Rating Assigned		
				FS/MF /AMIR	Long-Term	Short-Term
<b>FINANCIAL SECTOR</b>						
<b>MUTUAL FUNDS / ASSET MANAGEMENT COS.</b>						
1.	ABAMCO Limited	AMIR <sup>1</sup>	04/30/2003	aa	---	---
2.	BSJS Balanced Fund Limited	MF <sup>2</sup>	02/18/2003	AA(f)	---	---
3.	National Investment (Unit) Trust – NIT	MF	09/15/2003	AA(f)	---	---
4.	Unit Trust Of Pakistan	MF	01/22/2003	AA(f)	---	---
<b>DFIS / INVESTMENT COS. / BROKERAGE HOUSES</b>						
1.	House Building Finance Corporation (HBFC)	Entity	10/07/2003		A	A1
2.	Jahangir Siddiqui & Co. Limited	Entity	12/02/2002		AA	A1+
3.	Khadim Ali Shah Bukhari & Co. Limited	Entity	01/29/2003		A	A1
4.	Pakistan Industrial Credit & Investment Corporation Limited (PICIC)	Entity	11/21/2003		AA-	A1+
5.	Pakistan Kuwait Investment Company (Pvt) limited	Entity	11/18/2003		AAA	A1+
6.	Pak Libya Holding Company	Entity	08/12/2003		AA-	A1+
<b>MODARABAS</b>						
1.	First Fidelity Leasing Modaraba	Entity	02/18/2003		BBB+	A2
2.	First Grindlays Modaraba	Entity	02/04/2003		AA+	A1+
3.	First Habib Modaraba	Entity	02/17/2003		AA-	A1+
4.	First Punjab Modaraba	Entity	01/29/2003		A-	A2
<b>LEASING COMPANIES</b>						
1.	Askari Leasing Limited	Entity	04/25/2003		A+	A1
2.	Dawood Leasing Company Limited	Entity	02/21/2003		A+	A1
3.	KASB Leasing Limited (Formerly Pak-Apex Leasing Company Limited)	Entity	11/15/2002		BBB+	A2
4.	Orix Leasing Pakistan Limited	Entity	02/24/2003		AA	A1+
5.	Pacific Leasing Company Limited <sup>3</sup>	Entity	11/25/2002		BBB	A3
6.	Trust Leasing Corporation Limited	Entity	10/20/2003		A	A1
7.	Union Leasing Limited	Entity	10/21/2002		A-	A1

<sup>1</sup> Asset Management Intrinsic Rating

<sup>2</sup> Mutual Fund Rating

<sup>3</sup> Placed on Rating Watch due to its ongoing merger with First Standard Investment Bank Limited



Sr. No	Name of the Organisation	Type of Rating	Date of Notification (MM/DD/YYYY)	Rating Assigned		
				FS/MF /AMIR	Long-Term	Short-Term
<b>BANKING COMMERCIAL</b>						
1.	Askari Commercial Bank Limited	Entity	06/27/2003		AA	A1+
2.	AlBaraka Islamic Bank (Pakistan Branches)	Entity	06/30/2003		A	A1
3.	Bank Alfalah Limited	Entity	06/10/2003		AA-	A1+
4.	Bank Al Habib Limited	Entity	06/10/2003		AA	A1+
5.	The Bank of Punjab	Entity	06/19/2003		A	A1
6.	First Women Bank Limited	Entity	08/08/2003		BBB+	A2
7.	Metropolitan Bank Limited	Entity	06/10/2003		AA+	A1+
8.	Muslim Commercial Bank Limited (MCB)	Entity	05/02/2003		AA	A1+
9.	NDLC-IFIC Bank Limited <sup>1</sup>	Entity	10/03/2003		A	A1
10.	Prime Commercial Bank Limited	Entity	06/30/2003		A	A1
11.	Soneri Bank Limited	Entity	06/10/2003		AA-	A1+
12.	Union Bank Limited	Entity	07/25/2003		A	A1
<b>BANKING INVESTMENT</b>						
1.	Atlas Investment Bank Limited	Entity	01/02/2003		A-	A2
2.	Fidelity Investment Bank Limited <sup>2</sup>	Entity	02/18/2003		BBB+	A2
3.	First International Investment Bank Limited	Entity	02/21/2003		A	A1
4.	Jahangir Siddiqui Investment Bank Limited	Entity	01/22/2003		A	A1
5.	Trust Investment Bank Limited <sup>2</sup>	Entity	04/02/2003		BBB-	A3
<b>INSURANCE COMPANIES</b>						
1.	International General Insurance Company of Pakistan Limited (IGI)	IFS <sup>3</sup>	09/02/2003	AA	---	---
2.	Muslim Insurance Company Limited	IFS	09/08/2003	A	---	---
3.	New Jubilee Insurance Company Limited (NJI)	IFS	11/18/2003	AA	---	---
<b>INDUSTRIAL CORPORATES</b>						
<b>TEXTILE</b>						
1.	Legler Nafees Denim Mills Limited	Entity	08/13/2003		A-	A2
2.	Nishat Mills Limited	Entity	03/28/2003		A	A1
<b>SUGAR &amp; ALLIED</b>						
1.	Al-Abbas Sugar Mills Limited	Entity	04/10/2003		A-	A2
<b>FUEL &amp; ENERGY</b>						
1.	Pak-Arab Refinery Company Limited (PARCO)	Entity	05/07/2003		AAA	A1+

<sup>1</sup> Provisional Rating

<sup>2</sup> Placed on Rating Watch due to ongoing merger of Fidelity Investment Bank Ltd and Trust Investment Bank Ltd

<sup>3</sup> Insurer Financial Strength Rating



Sr. No	Name of the Organisation	Type of Rating	Date of Notification (MM/DD/YYYY)	Rating Assigned		
				FS/MF /AMIR	Long-Term	Short-Term
<b>TRANSPORT &amp; COMMUNICATION</b>						
1.	Pakistan Mobile Communications (Pvt) Limited (Mobilink)	Entity	10/15/2003		AA-	A1
2.	WorldCall Communications Limited	Entity	03/12/2003		A+	A1
<b>CHEMICAL &amp; PHARMACEUTICALS</b>						
1.	Engro Chemical Pakistan Limited	Entity	06/03/2003		AA-	A1+
<b>PAPER &amp; BOARD</b>						
1.	Packages Limited	Entity	04/02/2003		AA	A1+
2.	Security Papers Limited	Entity	09/25/2003		AA	A1+
<b>MISCELLANEOUS</b>						
1.	Tri-Pack Films Limited	Entity	06/30/2003		A+	A1



## Term Finance Certificates (TFCs) Ratings:

Sr. No	Name of the Organisation	Amount PKR (mln)	Date of Notification (MM/DD/YYYY)	Date of Issue (MM/DD/YYYY)	Rating Assigned
1.	Al-Abbas Sugar Mills Limited <sup>&gt;</sup>	350.00	04/10/2003	07/03/2003	A
2.	Al-Noor Sugar Mills Limited	203.66	05/20/2003	10/31/2000	BBB
3.	Atlas Investment Bank Limited – I (Originally Issued By Atlas Lease)	200.00	01/02/2003	09/27/2000	A
4.	Atlas Investment Bank Limited - II (Originally Issued By Atlas Lease)	100.00	01/02/2003	08/16/2001	A
5.	Bank Alfalah Limited	650.00	06/10/2003	12/21/2002	A+
6.	Dawood Leasing Company Limited (1 <sup>st</sup> Tranche)	253.05	02/21/2003	09/21/2001	AA-
7.	Dawood Leasing Company Limited (2 <sup>nd</sup> Tranche)	345.00	02/21/2003	07/27/2002	AA-
8.	Engro Chemical Pakistan Limited (1 <sup>st</sup> Tranche)	500.00	06/03/2003	09/27/2001	AA
9.	Engro Chemical Pakistan Limited (2 <sup>nd</sup> Tranche)	1,000.00	06/03/2003	07/06/2002	AA
10.	First International Investment Bank Limited	326.00	02/21/2003	12/01/1998	A+
11.	First International Investment Bank Limited (M-Series)	57.04	02/21/2003	09/01/2001	A
12.	First International Investment Bank Limited (R-Series)	135.86	02/21/2003	09/01/2001	A
13.	Gulistan Textile Mills Limited	320.67	05/21/2003	09/05/2001	A-
14.	Jahangir Siddiqui & Co. Limited	500.00	12/02/2002	04/18/2003	AA
15.	KASB Leasing Limited (Formerly Pak-Apex Leasing Company Limited)	200.00	11/15/2002	07/15/2003	A-
16.	Maple Leaf Cement Factory Limited	250.00	06/13/2003	07/20/2002	A-
17.	Muslim Commercial Bank Limited (MCB)	1,600.00	05/02/2003	08/10/2002	AA-
18.	NDLC-IFIC Bank Limited*	500.22	10/03/2003	12/01/1999	A+
19.	Network Leasing Corporation Limited	100.00	12/11/2002	10/08/2000	BBB+
20.	Nishat Mills Limited	600.00	03/28/2003	09/19/2001	A+
21.	Orix Leasing Pakistan Limited (1 <sup>st</sup> Tranche)	742.00	02/24/2003	04/07/2001	AA+
22.	Orix Leasing Pakistan Limited (2 <sup>nd</sup> Tranche)	758.00	02/24/2003	08/01/2002	AA+
23.	Pacific Leasing Company Limited*	350.00	11/25/2002	07/09/2003	BBB+
24.	Packages Limited	850.00	04/02/2003	08/01/2001	AA
25.	Pak-Arab Refinery Company Limited (PARCO)	2,500.00	05/07/2003	12/12/2001	AAA
26.	Pakistan PTA Limited – I (Formerly ICI Pakistan Limited)	348.00	07/03/2003	04/23/2001	A
27.	Pakistan PTA Limited – II (Formerly ICI Pakistan Limited)	1,600.00	07/03/2003	08/02/2001	A
28.	Securitel SPV Limited – S-TFCs	850.00	09/01/2003	04/27/2003	A
29.	Shahmurad Sugar Mills Limited	230.00	05/20/2003	05/21/2002	BBB-
30.	Sui Southern Gas Company Limited (SSGC) (1 <sup>st</sup> Tranche)	1,000.00	02/28/2002	06/01/2001	AA
31.	Sui Southern Gas Company Limited (SSGC) (2 <sup>nd</sup> Tranche)	1,250.00	02/28/2002	06/11/2002	AA
32.	Trust Investment Bank Limited* – I (Originally Issued By PILCORP)	287.50	04/02/2003	12/21/1999	BBB
33.	Trust Investment Bank Limited* – II (Originally Issued By PILCORP)	334.13	04/02/2003	03/02/2001	BBB
34.	Trust Leasing Corporation Limited	250.00	10/20/2003	06/03/2003	A+
35.	Union Bank Limited	750.00	07/25/2003	12/21/2002	A-
36.	Union Leasing Limited	357.10	10/21/2002	04/20/2002	A
37.	WorldCall Communications Limited	350.00	03/12/2003	10/01/2002	AA-
<b>Total Amount Issued:</b>		20,998.23			

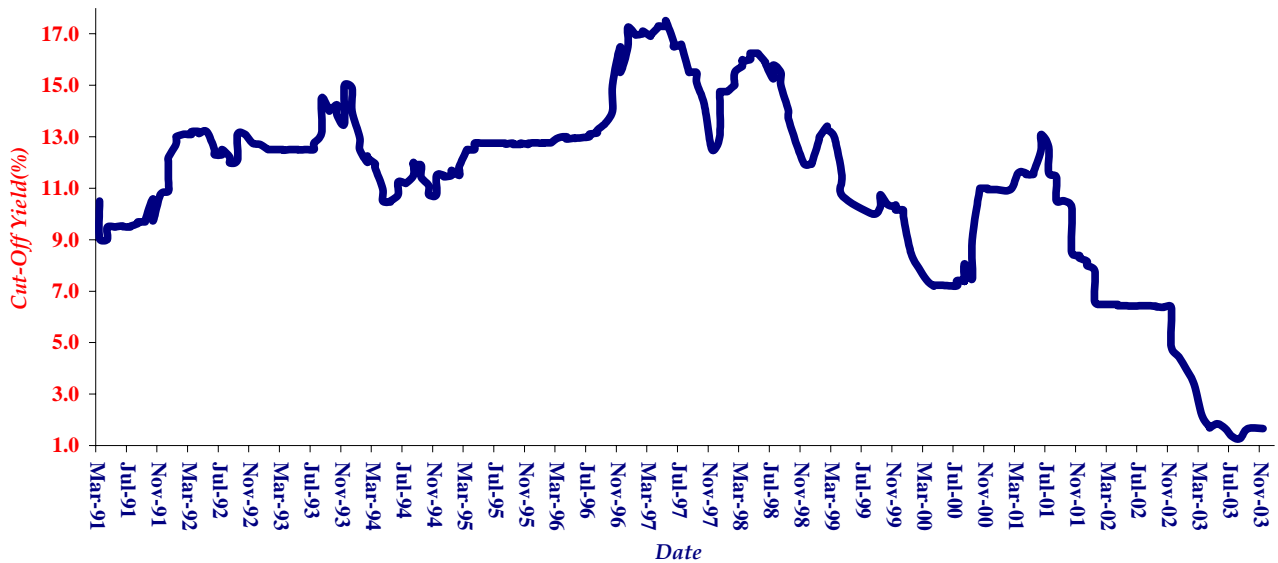
<sup>></sup> Privately Placed

\* On Rating Watch

# INTEREST RATE TRENDS

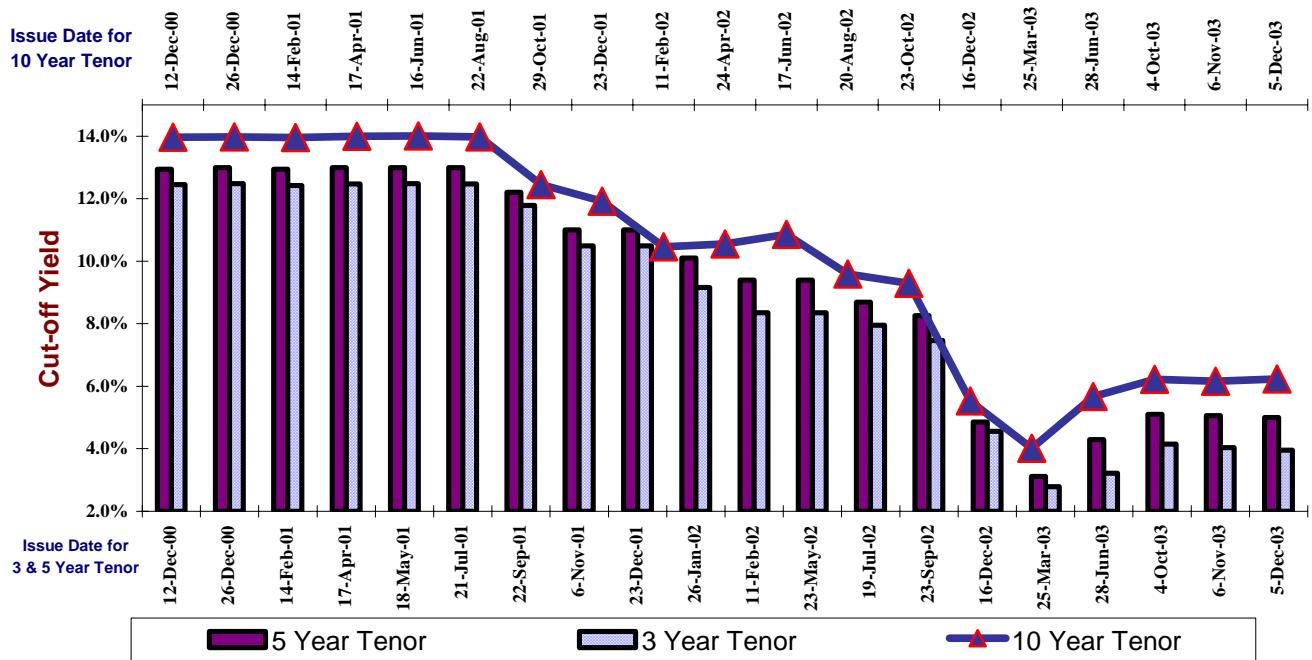
## Short Term: (Treasury Bills)

6-Month T-Bills Cut-Off Yield (1991 - 2003)



## Long Term: (PIBs)

Rates for 3, 5 & 10 Year Tenor

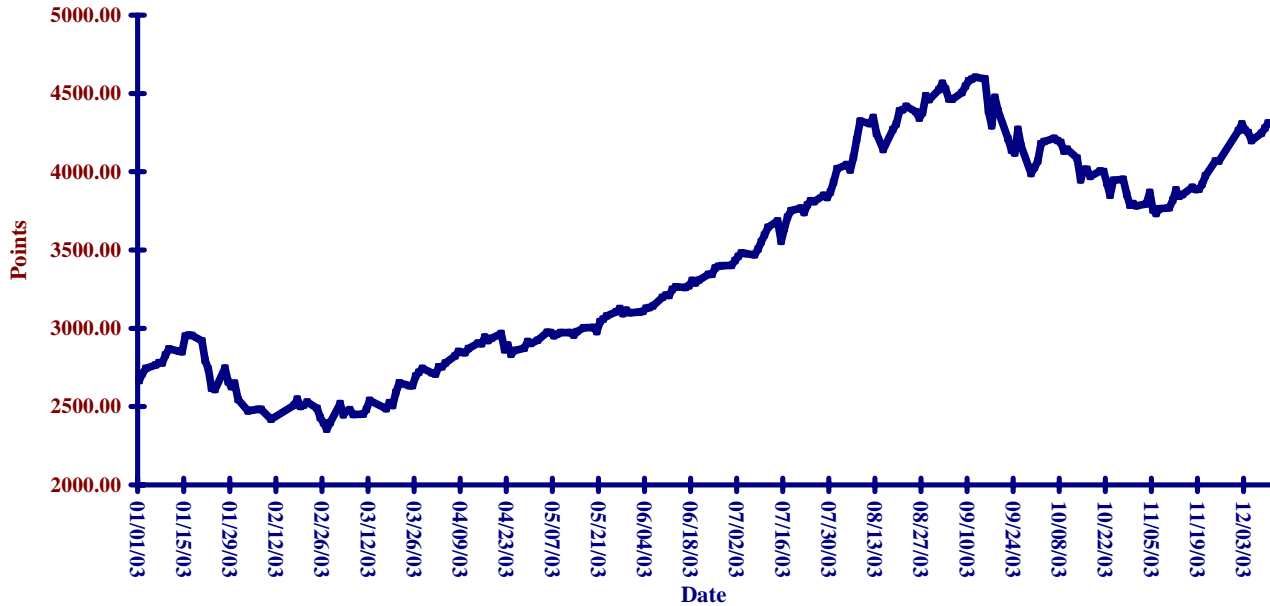




# STOCK MARKET AND KIBOR

## KSE-100 Index:

### KSE-100 Index Movement in 2003



## KIBOR:

### KIBOR (6-Month Average Ask Rate)

