



**Rating Action**

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**PACRA MAINTAINS ENTITY RATINGS OF STANDARD CHARTERED MODARABA (SCM)**

The Pakistan Credit Rating Agency (PACRA) has maintained the entity ratings of Standard Chartered Modaraba (SCM) at “AA+” (Double A plus) and “A1+” (A one plus) for the long-term and short-term, respectively. The ratings indicate low expectation of credit risk and very strong capacity for timely payment of financial commitments.

The ratings reflect SCM’s sound capital structure and sustained excellent asset quality, though the Modaraba’s profitability has remained relatively subdued recently. At the same time, the strong support factor drawn from affiliation with the Standard Chartered Group continues to be the key rating factor.

*About the Modaraba:* Established in 1987, SCM is a perpetual, multi-purpose Modaraba, listed on the Karachi and Lahore stock exchanges. It is primarily engaged in ijarah (lease) financing and operates from offices in Karachi, Lahore and Islamabad. Standard Chartered Services of Pakistan (Pvt.) Limited – a wholly owned subsidiary of Standard Chartered Bank Pakistan Limited (SCBPL) – manages the Modaraba. SCBPL – around 99% owned subsidiary of Standard Chartered Bank, UK- is Pakistan’s sixth largest bank, in terms of assets, and has a network of 115 branches across Pakistan. PACRA has assigned a long-term rating of “AAA” (Triple A) and a short-term rating of “A1+” (A One Plus) to the bank.

The chief executive of SCBPL chairs the six-member Board of the Modaraba management company. All members of the board are nominees of SCBPL. The Managing Director possesses over twenty-eight years of experience with leading multinational corporates and institutions.

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