



RATING ACTION

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PACRA MAINTAINS ASSET MANAGER RATING OF ASKARI INVESTMENT MANAGEMENT LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the asset manager rating of Askari Investment Management Limited (AIM) at “AM3”. The rating denotes that the asset manager has strong capacity to manage the risks inherent in asset management and meets high investment management industry standards and benchmarks.

The rating reflects company’s qualified management team, structured investment process, adequate support systems and expanded range of funds. Although the company has strengthened the investment management function, the support through research needs further improvement. AIM has experienced certain staff turnover while relocating to Karachi, it is expected to benefit from a broader human resource pool. Although the company’s association with an established bank -Askari Bank- is a key rating factor, the management, so far, has experienced limited success in capitalizing on bank’s support to expand its assets under management.

The rating is dependant upon the company’s ability to effectively execute its business strategy in an increasingly competitive operating environment. Meanwhile, attracting and retaining requisite human resource and establishing a robust research function would be critical.

About the company: AIM, a wholly owned subsidiary of Askari Bank Limited, commenced its business in May05 and is currently managing assets worth PKR 3.7bln. Askari Bank, with a network of above 200 branches, had assets of 240bln at end-Sep 09 (~ 4% system share). The bank has a very strong financial position, evidenced by a long-term entity rating of “AA” by PACRA. The seven-member BoD of AIM includes two independent directors. All directors are professionals, mainly from the financial sector.

The CEO, Mr. Saeed Aziz Khan, elevated to this position in Sep07, has diverse international experience in financial industry including fund management.

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