



Rating Action

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PACRA REVISES ENTITY RATINGS OF FIRST FIDELITY LEASING MODARABA

The Pakistan Credit Rating Agency (PACRA) has revised the long-term rating to **BBB** (Triple B) [Previous: A-] and short-term rating to **A3** (A three) [Previous: A2] of First Fidelity Leasing Modaraba. The ratings denote low expectation of credit risk and an adequate capacity for timely payment of financial commitments.

The ratings reflect stressed business profile of the Modaraba, mainly an outcome of continued subdued performance in the wake of suppressed socio-economic fundamentals of the country. Meanwhile, a sizeable portion of non-income generating investments has impaired FFLM's cash generation ability. Nevertheless, FFLM has an adequate risk absorption capacity emanating from low leveraged capital structure.

About the Modaraba: FFLM, listed on all the three stock exchanges of the country, was established in 1991 and is managed by Fidelity Capital Management (Pvt.) Limited. While the Modaraba operates principally through its head office in Lahore, it also has a branch in Islamabad. The Chief Executive of the Modaraba and his associates hold the majority shareholding in the management company of the Modaraba.

The board of directors, chaired by Mr. Siyyid Tahir Nawazish, comprises five members including the Chief Executive Officer. The CEO, Mr. Wasim-ul-Haq Osmani, a Chartered Accountant with extensive experience in the financial sector, has been with the Modaraba since 1994.

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