



Rating Development

Lahore: (14-Dec-10)

PACRA AND IFC JOIN HANDS FOR CORPORATE GOVERNANCE ASSESSMENTS

The Pakistan Credit Rating Agency Limited (PACRA) and International Finance Corporation (IFC) have joined hands to assess and improve corporate governance (CG) practices of companies in Pakistan. A memorandum of understanding (MoU) has been duly signed in this regard.

These CG assessments will be geared towards aligning governance practices of these companies with international best practices. PACRA and IFC, as part of the assessments, will analyze existing governance frameworks of these organizations, identify gaps vis-à-vis international best practices and make recommendations along with proposed timelines for their implementation.

The objective of this collaboration is to ensure continuous improvement of CG practices in the country. This will in turn, resolve long-term sustainability issues, enhance access to capital, and improve operational and financial performance of entities, hence, augmenting country's growth prospects.

IFC's widely accepted methodology for CG assessments, established through their extensive experience of conducting such assessments internationally over the years, will form basis for evaluations under this collaboration. This would be supplemented by PACRA's understanding of local corporate culture and operating environment, helping in conducting realistic CG assessments. Initially, PACRA will work with IFC for execution of the assessments. However, upon gaining the requisite knowledge, PACRA will lead the process.

About IFC: IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in developing countries. It creates opportunity for people to escape poverty and improve their lives. IFC does so by providing financing to help businesses employ more people and supply essential services, by mobilizing capital from others, and by delivering advisory services to ensure sustainable development. In a time of global economic uncertainty, its new investments climbed to a record \$18 billion in fiscal 2010. **For more information, visit www.ifc.org.**

About PACRA: PACRA, Pakistan's first rating agency, was established in 1994 as a joint venture among Fitch Ratings, International Finance Corporation (IFC), and the Lahore Stock Exchanges. After progressing into a mature rating institution, PACRA became independent of Fitch in 2003 in a mutually agreed decision. With an established track record of 15 years, PACRA has rated some of the biggest corporate sector entities and financial institutions in Pakistan while contributing towards the development of financial infrastructure of the country. PACRA's acceptance as a partner by IFC underscores its technical stature and its transformation from a nascent credit rating agency to one capable of supporting and providing knowledge and expertise to others.

Disclaimer

This press release is being transmitted for the sole purpose of dissemination through print/electronic media. The press release may be used in full or in part without changing the meaning or context thereof with due credit to PACRA.