



Rating Action

Lahore: (18-Jan-2010)

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PACRA MAINTAINS ENTITY RATINGS OF IGI FINEX SECURITIES LIMITED

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the long-term and short-term entity ratings of IGI Finex Securities Limited (IFSL) at “A-” (Single A Minus) and “A1” (A One), respectively. These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings of IFSL recognize its strong association with the Packages Group – a leading business conglomerate of Pakistan. Furthermore, minimal market risk emanating from the decision against maintaining a proprietary equity trading book lends support to the ratings. However, the ratings take into account the suppressed socio-economic environment in Pakistan, which has pressurized stock markets’ performance and resultantly lowered brokerage volumes. Moreover, the significant losses, mainly on account of customer defaults, has impacted the company’s risk absorption capacity.

About the company: IGI Finex Securities Limited (IFSL) - an IGI FS group company - primarily offers equity, money market, foreign exchange and commodity future brokerage services. The company has its head office in Karachi. IFSL has a five-member board of directors, including two independent directors. The board members with the exception of the CEO are all non-executive. IFSL’s top management comprises experienced professionals with significant experience of the brokerage business.

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