



Rating Action

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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 entity ratings of IGI Finex Securities Limited (IFSL) at “A-” (Single A Minus) and has assigned a short-term ratings of “A2” (A Two). These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings of IFSL reflect its association with a leading business conglomerate of Pakistan – Packages Group. The ratings recognize the low cost structure of the company resulting from sharing of resources among different companies of the IGI Financial Services group (IGI FS). IFSL, owing to its cost effective operations, is better positioned to argument its business volumes once capital market activity picks up. Meanwhile, the ratings draw comfort from the company’s policy against maintaining a proprietary portfolio.

The ratings are dependent on the company’s ability to capitalize on its group strengths to develop strong and sustainable market share. Meanwhile, developing strong systems and risk control mechanism remains critical. Nevertheless, persistent pressure on the bottom-line, thereby impacting the equity base, may have negative implications for the ratings.

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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The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity.

PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings.

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