



**Rating Action**

Lahore: (08-Apr-2011)

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**PACRA MAINTAINS RATINGS OF KASB SECURITIES LIMITED**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the long-term and short-term entity ratings of KASB Securities Limited (KSL) at “A” (Single A) and “A1” (A One), respectively. The rating of the secured TFC issue of PKR 500mln has also been maintained at “A+” (Single A plus). These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payments of financial commitments.

The ratings reflect KSL's established business profile in the capital market brokerage industry emanating from its well-built franchise supported by strong research function and advanced technology infrastructure. However, the ratings are constrained by subdued operational performance and depressed business volumes, a direct consequence of lower stock market turnover. The company has built a strong liquid investment portfolio, providing cushion to the company's upcoming debt obligations. Moreover, the proprietary trading activities keep the company exposed to market risk, though actively monitored. The ratings continue to draw comfort from the company's association with Bank of America Merrill Lynch (BAML).

**About the company:** KASB Securities Limited (KSL), a leading brokerage house with above 5% system share, has been providing a range of services including institutional and retail broking, securities and economic research, money market and forex broking services. KSL is a successor to brokerage business started by Mr. Khadim Ali Shah Bukhari (Late) in 1955. Currently, it operates as a subsidiary (78%) of KASB Bank Limited.

KSL has a seven-member board of directors. In addition to the two executive directors – Chief Executive Officer, and Chief Operating Officer - the board comprises five non-executive directors. The current CEO, Mr. Nadir Rahman, joined KSL in January 2011. Mr. Nadir has over two decades of experience in corporate and investment banking, sales and trading, direct investments and real estate. A team of experienced professionals supports him.

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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.

PACRA's opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.