



Rating Action

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**PACRA ASSIGNS RATINGS TO TFC ISSUE OF ORIX LEASING PAKISTAN LIMITED
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The Pakistan Credit Rating Agency (PACRA) has assigned the rating of 'AA+' (Double A plus) to the privately placed TFC issue of PKR 5,000mln issued by ORIX Leasing Pakistan Limited (OLP). This rating denotes a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The rating recognizes OLP's sustained position as a market leader, the stability and expertise of its management, and strong association with ORIX Corporation, Japan. The subdued socio-economic environment has put pressure on the company's performance. However, it is expected that the company will be able to revert to profitability with the help of its diversified product portfolio. Although increasing NPLs have strained the company's financial profile alongside high leveraging, the ratings draw comfort from demonstrated commitment from ORIX Corporation, Japan towards its operations in Pakistan.

About the company: ORIX Leasing Pakistan Limited (OLP), the largest leasing company in the country, commenced operations in 1987. The company has a network of 40 offices in 32 cities. OLP's major shareholder, ORIX Corporation, Japan (ORIX), rated A3 by Moody's, having just below 50% shareholding continues to exercise control through the Board of Directors. ORIX, with a consolidated asset base of over US\$ 85bln as at end-09, has operations in 26 countries and regions.

About the instrument: OLP issued a privately placed, secured TFC of PKR 5,000mln in Jan08 at a profit rate of 6-months KIBOR plus 120bps for a tenor of 5 years without any floor and cap, payable in six equal semi-annual installments. The first semi-annual payment (PKR 800mln) was made 24 months from the date of issue i.e. in Jan10. TFC holders have first charge on the company's specific leased assets and associated receivables.

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