



Rating Action

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Analyst

Muhammad Qasim Raza
(+92-42-3586 9504)
qasim.raza@pacra.com

PACRA MAINTAINS RATINGS OF ORIX LEASING PAKISTAN LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term entity rating of ORIX Leasing Pakistan Limited (OLP) at ‘AA’ (Double A), and the short-term rating at ‘A1+’ (A one plus). The rating for the Term Finance Certificate (TFC) of PKR 2,500mln has also been maintained at ‘AA+’ (Double A plus). These ratings denote a very low expectation of credit risk emanating from a strong capacity for timely payments of financial commitments.

The ratings recognize OLP’s sustained position as a market leader, the stability and expertise of its management and strong association with ORIX Corporation, Japan. The squeezed spreads and subdued socio-economic environment are likely to have pressure on the company’s performance prospects. 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 historically 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.

Experienced professionals with majority representation of ORIX Corporation dominate the Board. Mr. Humayun Murad, a Chartered Accountant who has been with the company since inception continues to be the CEO of the company. A team of experienced professionals, proactive in identifying and tapping new avenues, assists him.

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