



Rating Action

Lahore: (17-June-2010)

Analyst

Awais Z. Khan
(+92-42-586 9504)
awais@pacra.com

PACRA MAINTAINS ENTITY RATINGS OF PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained long-term and short-term entity ratings of Pakistan Kuwait Investment Company (Private) Limited (PKIC) at “AA+” (Double A Plus) and “A1+” (A one Plus), respectively. These ratings indicate a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The ratings reflect the joint ownership of PKIC by the Governments of Pakistan and Kuwait, implying strong sponsor support. The ratings also take into account the company’s strong risk absorption capacity emanating from a robust equity base and diversified portfolio of strategic investments. The company’s reliance on stock market operation remains high, which exposes it to inherent volatility risk. However, recently, the composition of investment portfolio has changed in favor of government securities (T-bills), improving the liquidity profile of the company.

About the company: PKIC was established in March 1979 as an equally owned joint venture between the governments of Pakistan (through SBP) and Kuwait (through KIA). The Board of Directors, including the Managing Director, has six members with equal representation by the joint venture partners.

The Managing Director, Mr. Shamsul Hasan, who joined PKIC in 2008, has over three decades of diversified national as well as international experience. Since his appointment, he has strengthened the management team with induction of individuals having relevant expertise. The management has taken several initiatives to fortify the overall control environment of the company by strengthening risk management framework, updating policies and procedures, and improving technological infrastructure.

Disclaimer

This press release is being transmitted for the sole purpose of dissemination through print/electronic media. The press release may be used in full or in part without changing the meaning or context thereof with due credit to PACRA.

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.