



Rating Action

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Analyst

Awais Zafarullah Khan
(+92-42-35869504)
awais@pacra.com
www.pacra.com

PACRA UPGRADES PAKISTAN KUWAIT INVESTMENT COMPANY'S RATING TO AAA

The Pakistan Credit Rating Agency (PACRA) has upgraded the long-term entity rating of PKIC to "AAA" (Triple A), while maintaining the short-term rating at "A1+" (A one plus), the highest level. These ratings denote the lowest expectation of credit risk emanating from an exceptionally 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. At the same time, the ratings recognize robust financial profile of the company, an outcome of its sound capital structure, diversified strategic investments and conservative lending stance. PKIC's key core investments are well established companies in their respective fields - mainly Islamic banking and asset management - and offers significant gains. Although PKIC's traditional dependence on stock market exposes its earning to market risk, the management is carefully developing a stable interest-based earning stream.

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.

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