



Rating Action

Lahore: (18-October-2010)

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PACRA ASSIGNS PRELIMINARY RATING TO PROPOSED SECURED, PRIVATELY PLACED TFC BY PAKLIBYA HOLDING COMPANY (PVT.) LIMITED

The Pakistan Credit Rating Agency (PACRA) has assigned a preliminary rating of ‘AA’ (Double A) to secured, Privately Place Term Finance Certificate (PPTFC) of PKR 1,000mln (inclusive of a green shoe option of PKR 250mln) to be issued by PakLibya Holding Company (Pvt.) Limited. The rating denotes a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The ratings reflect the sovereign ownership structure of PakLibya Holding (the issuer), jointly owned by the Governments of Pakistan and Libya, signifying strong financial support. The rating also draws strength from the security structure of the instrument. This includes a Fixed Charge over loan and lease receivable of the company with 25% margin.

The company: PakLibya Holding Company, established in 1978, is equally owned by the Government of Pakistan and the Socialist Peoples Libyan Arab Jamahiriya, through SBP and Libyan Foreign Investment Company (LFICO), respectively. LFICO, a state owned company, has a large portfolio of investments spread over Africa, Asia, Europe, and Americas.

Secured PPTFCs: The secured PPTFC issue would be for five years tenor including a grace period of two years. The instrument would be repaid in six equal semi-annual installments commencing from 30th month from the issue date. The profit is payable at 6 month KIBOR plus 160bps semi-annually in arrears. The instrument has a call option, which can be exercised after 12 months of the issue date by providing a 60 days notice to the trustee.

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