



**Rating Action**

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**PACRA MAINTAINS ENTITY RATINGS OF PAKLIBYA HOLDING COMPANY (PVT.) LIMITED**

The Pakistan Credit Rating Agency (PACRA) has maintained long-term and short-term entity ratings of PakLibya Holding Company (Pvt.) Limited (PLHC) at “AA-” (Double A Minus) 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 sovereign ownership structure of PakLibya Holding, jointly owned by the Governments of Pakistan and Libya, signifying strong financial support. The ratings factor in the company’s recent initiatives of fortifying its system and controls and management structure, which are expected to be beneficial for the future prospects. Meanwhile, performance of the company remains relatively constrained. Although a detailed business plan has been formulated, the efficacy of the plan, in terms of tangible outcomes in prevailing tough operating environment, remains to be seen.

**ABOUT 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.

The six-member board of PLHC has equal representation of both sponsor countries.

Mr. Kamaluddin Khan, the Managing Director of the company, who was appointed in Nov. 2008, and Dr. Saleh JM Abdalla, the DMD since July 2007 representing Libyan interest, have extensive experience in the financial sector, both local and international. During the year, the organizational structure has been revamped to supplement the envisaged plan and management team has been strengthened. The company has renewed focus on building its Development Financial Institution capacity. Moreover, the management is strengthening risk management framework and updating policies and procedures to improve the overall control environment.

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