



**Rating Action**

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**PACRA MAINTAINS THE ENTITY RATINGS OF UNION LEASING LIMITED**

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term entity ratings of Union Leasing Limited (ULL) at ‘A+’ (Single A Plus) and ‘A1’ (A One) respectively. These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The company’s ratings reflect its strong association with Standard Chartered Bank of Pakistan Limited (SCBPL). SCBPL, rated AAA by PACRA, owns 66% stake in the company and nominees from the bank’s professional staff dominate ULL’s BOD. The new management is in the process of formulating a business strategy for the company. However, on a standalone basis, ULL has experienced substantial weakening of its financial profile as reflected by deterioration in core performance, erosion in asset quality, and, in turn, depleted risk absorption capacity.

**About the company:** Union Leasing Limited (ULL), incorporated in October 1993, is listed on all the three stock exchanges of the country. SCBPL, subsequent to its acquisition of Union Bank Limited, acquired control of ULL in the second half of 2006. The new CEO, Mr. Syed Ali Azhar Naqvi, who has recently joined Union Leasing, is a seasoned banker with a diversified national and international experience. Prior to joining ULL, he was managing an independent consultancy firm mainly focusing on financial institutions. Mr. Badar Kazmi, the CEO of SCBPL, is the new chairman of ULL.

SCBPL – around 99% owned subsidiary of Standard Chartered Bank, UK (SCB) – is Pakistan’s sixth largest bank, in terms of assets, and has a network of 116 branches across Pakistan. While SCB is a London based international bank with a significant focus on emerging markets. It has a network of over 1,400 branches (including subsidiaries, associates and joint ventures) in over 50 countries.

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PACRA’s comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings.

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