



The Pakistan Credit Rating Agency Limited

Rating Report

UBL Financial Services (Pvt.) Limited - BFR

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Rating History

Dissemination Date	Rating	Outlook	Action	Rating Watch
01-Oct-2026	BFR 2	Stable	Maintain	-
01-Oct-2025	BFR 2	Stable	Initial	-

Rating Rationale

Factor	Comment
Ownership	UBL Financial Services (Pvt.) Ltd. ('UFSL' or 'The Company') is a wholly owned subsidiary of UBL Fund Managers Limited, ultimately backed by United Bank Limited, one of Pakistan largest banks by market capitalization, providing strong sponsor and financial support.
Governance	The Board of UFSL comprises three members: Ms. Fatima Shahzad (Chairperson/Nominee Director), Mr. Hadi Hassan Mukhi (Nominee Director), and Mr. Syed Ahmad Abbas Zaidi (Independent Director). The Board brings expertise across risk management, compliance, governance, and capital markets.
Management and Client Services	UFSL is supported by an experienced and gradually expanding management team, complemented by parent level expertise and shared services. Client servicing is facilitated through branch operations and an operational website, with the UBL Invest app under development.
Internal Controls and Regulatory Compliance	UFSL maintains a defined control and compliance framework aligned with SECP requirements, supported by requisite policies, AML/CFT and KYC/CDD procedures, risk oversight, and regulatory monitoring.
Business Sustainability	UFSL generated PKR 62mln in brokerage revenue and PKR 20.6mln PAT during 1HCY26. Sustainability is supported by growing brokerage operations, sponsor backing, expanding client outreach, and ongoing digital development.
Financial Sustainability	UFSL financial sustainability is supported by UBL Fund Managers Limited formal Letter of Comfort, providing capital and liquidity support. The Company maintains an adequate financial buffer, with equity of PKR 295mln and LCB of PKR 173.9mln as of Jun26.

Key Rating Drivers

The rating reflects UFSL strong sponsorship from the UBL Group, adequate capitalization, comfortable liquidity, and evolving brokerage franchise. Fiduciary practices across client servicing, compliance, and risk management remain central to the rating, supported by parent level expertise and shared services. Going forward, strengthening research capabilities, digital integration, client diversification, market positioning, and operational controls will remain important. Sustained profitability, regulatory compliance, adequate liquid capital, and sound fiduciary practices will remain critical to the rating trajectory over the medium term.

Disclosure

Name of Rated Entity	UBL Financial Services (Pvt.) Limited - BFR
Type of Relationship	Solicited
Purpose of the Rating	Broker Fiduciary Rating (BFR)
Applicable Criteria	Assessment Framework Broker Fiduciary Rating(Jan-26),Methodology Rating Modifiers(Apr-26)
Related Research	Sector Study Brokerage Firms(Feb-26)
Rating Analysts	Ayesha Tayyab ayesha.tayyab@pacra.com +92-42-35869504

Profile

Background UBL Financial Services (Pvt.) Limited (formerly Al Ameen Financial Services (Pvt.) Limited) (“UFSL” or the “Company”) was incorporated on 27th February 2014 to provide financial services, including distribution of financial products, collective investment schemes (CIS), and VPS. In June 2025, the Company was rebranded as UFSL to expand its offerings to capital market brokerage services. On 25th September 2025, UFSL secured its TREC certificate (No. 556), becoming Pakistan’s first brokerage house fully owned by a Fund Manager, marking a significant milestone in the country’s brokerage and fund management landscape. The establishment of the brokerage subsidiary is in line with SECP Circular No. 14 of 2025, which allows Asset Management Companies to set up wholly owned brokerage subsidiaries subject to defined structural and governance conditions. The circular requires clear functional segregation between asset management and brokerage activities, implementation of information barriers, independent oversight mechanisms, and Board-approved policies to ensure fair execution of trades. These regulatory safeguards are designed to mitigate potential conflicts of interest and enhance transparency within the integrated structure.

Operations UFSL aims to serve domestic institutions, high-net-worth clients, foreign investors and retail investors, offering services including trading in equities, commodities, and fixed-income securities, advisory services, and in-house research publications. In January 2026, the Company successfully launched its full brokerage operations, effectively onboarding both corporate and retail client segments. UFSL has established an active website to facilitate client onboarding and information access, while its proprietary mobile application, “UBL Invest,” is currently under development to enable seamless, full digital trading. Presently, trading operations and execution are centralized through its head office in Karachi, which acts as the core hub for client services, operations, and strategic management across all client tiers.

Ownership

Ownership Structure UFSL is a wholly owned subsidiary of UBL Fund Managers Limited and operates under the umbrella of United Bank Limited (UBL). This ownership structure ensures that UFSL benefits from substantial financial support, strategic oversight, and operational guidance, leveraging the parent group’s extensive resources, well-established governance framework, and deep expertise in financial markets. Such integration enhances UFSL’s operational resilience, risk management capabilities, and capacity to execute its brokerage strategy effectively.

Stability UFSL is owned by UBL Fund Managers Limited, a leading asset management firm, which in turn is part of the United Bank Limited (UBL) group. As the ultimate parent, UBL serves as the primary source of financial strength and stability for UFSL, providing capital support, strategic guidance, and operational oversight. This backing reinforces the Company’s ability to absorb losses, maintain liquidity, and pursue growth initiatives, enhancing confidence in its financial resilience and long-term sustainability.

Business Acumen The management team of UFSL possesses significant experience and industry knowledge, enabling the Company to implement its brokerage strategy effectively. By leveraging the established franchise, market presence, and client relationships of the United Bank Limited group, the team is well-positioned to capture market opportunities, diversify revenue streams, and support sustainable business growth, while maintaining effective operational and risk management practices.

Financial Strength UFSL benefits from a strong financial foundation, anchored by its parent, UBL Fund Managers Limited, and the wider United Bank Limited Group. The Company has access to a healthy equity base, and a formal Letter of Comfort from the parent provides for additional capital support if required. This combination of parent backing and operational earnings capacity strengthens UFSL’s financial resilience and underpins its ability to maintain stability and support growth over the long term.

Governance

Board Structure The Board of Directors of UFSL comprises three members, including: **1. Ms. Fatima Shahzad (Chairperson/Nominee Director)**, **2. Mr. Hadi Hassan Mukhi (Nominee Director)**, and **3. Mr. Syed Ahmad Abbas Zaidi (Independent Director)**. The Board brings relevant expertise across risk management, compliance, governance, investment management, brokerage, and capital markets. The presence of nominee, and independent representation provides a broader mix of management insight and independent oversight, supporting the Company's overall governance framework.

Members' Profile The Board comprises professionals with diverse experience across banking, risk management, compliance, investment management, brokerage, and capital markets. **Ms. Fatima Shahzad (Chairperson/Nominee Director)** brings over 15 years of experience across credit risk, corporate and financial institutions, overseas operations, remedial management, and Islamic credit, and currently serves as Head of International & FI Risk at UBL. **Mr. Hadi Hassan Mukhi (Nominee Director)** possesses over 14 years of experience across compliance, risk management, and internal audit, complemented by relevant professional certifications and financial-services exposure. **Mr. Syed Ahmad Abbas Zaidi (Independent Director)** brings more than three decades of experience across Pakistan's capital markets and international brokerage, including CEO and COO roles at leading financial institutions. His experience spans business turnaround and growth, digital products, risk management, and governance. He holds an MBA in Finance and is a Certified Stock Broker from the Institute of Financial Markets of Pakistan.

Board Effectiveness The Board of UFSL comprises experienced and professionally accomplished individuals who bring valuable industry and corporate expertise. The Board provides strategic guidance to the Company while ensuring governance standards are maintained. To support effective oversight, the Board has established three key committees: Audit, Risk, and HR & Remuneration. The Audit Committee oversees financial reporting, regulatory compliance, and internal controls, while the Risk Committee monitors market, credit, and operational risks, and the HR & Remuneration Committee manages policies related to executive appointments, compensation, and performance management.

Financial UFSL's financial statements are subject to independent external audits by Riaz Ahmad Saqib Gohar & Co., a 'B' category audit firm listed on the SBP panel, ensuring compliance with regulatory requirements.

Management And Client Services

Organizational Structure UFSL has established an organizational structure covering its core business and control functions, including **1. Sales, 2. Finance, 3. Operations, 4. Compliance and 5. Research**. The organizational setup continues to expand in line with the growing scale of brokerage operations. The Company additionally leverages shared support services from UBL Fund Managers Limited across IT, Internal Audit, Administration, HR, Marketing, and Information Security, enabling access to established parent-level infrastructure and expertise. Further strengthening of the Sales and Research functions remains important for developing UFSL's standalone business capabilities.

Management Team UFSL's management team comprises experienced professionals with relevant expertise across brokerage, investment management, finance, operations, compliance, and capital markets. **Mr. Abdul Aziz Anis, CFA (Chief Executive Officer)**, who assumed the position in Sep'26, brings over three decades of experience across capital markets, brokerage, investment management, institutional sales, and research, having held senior leadership positions at BIPL Securities, NCB Capital, Alfalah GHP Investment Management, Alfalah Securities, and Elixir Securities. **Mr. Syed Ayaz Ahmed (Chief Financial Officer)** brings over 12 years of experience across finance, compliance, and internal audit, with prior associations including Optimus Capital Management, Faysal Asset Management, and UBL. **Mr. Faiz Alam (Head of Operations)** possesses over three decades of experience in brokerage operations, back-office functions, and equity settlements, with prior associations including Jardine Fleming, Smith International Securities, Next Capital, and ORIX Investment Bank. **Mr. Mansoor Junaid Saya (Head of Compliance & Company Secretary)** is a qualified Chartered Accountant (UK) and ACCA, with over a decade of experience across compliance and internal audit, including associations with KPMG Pakistan, UBL Fund Managers, Faysal Asset Management, and HBL Asset Management. **Mr. Ahmad Khashe Lodhi (Head of Sales/Equities)**, brings over 30 years of experience in portfolio management, treasury, mutual funds, investment advisory, equities, and credit analysis, having served at leading institutions including Mashreq Bank Pakistan, HBL, PICIC, and UBL Fund Managers.

Client Servicing UFSL provides client servicing through its physical operations and developing digital channels. The Company's website is operational, improving accessibility to company and service information, while clients may also interact directly with the Company for account opening and servicing requirements. The UBL Invest mobile application remains under development and is expected to further facilitate digital onboarding, trading access, and client engagement. The combination of direct servicing and expanding digital capabilities is expected to support growth across retail and HNWI segments.

Complaint Management UFSL has established multiple channels for receipt of client complaints, including its website, email, telephone, walk-in submissions, and applicable regulatory channels. Complaints are recorded and monitored through the Compliance function, providing defined responsibility for investigation, escalation, and resolution. The framework supports documentation and monitoring of client grievances, while maintaining timely resolution and effective complaint handling will remain important as the Company's client base expands.

Extent Of Automation / Integration UFSL's technology and operational infrastructure remains under development, with certain processes continuing to involve manual intervention. The operational website represents progress towards greater digital enablement, while development of the UBL Invest application is expected to further automate client onboarding and servicing. Continued integration across onboarding, trading, reporting, risk monitoring, and client servicing would reduce manual dependencies, improve processing efficiency, and enhance scalability as business volumes increase.

Continuity Of Operations UFSL's continuity framework is supported by contingency arrangements and access to the wider UBL Group's established infrastructure. Shared IT and Information Security capabilities provide additional support for system availability, data protection, and operational resilience. As the Company increases its reliance on digital channels and expands transaction volumes, continued strengthening and periodic testing of business continuity and disaster-recovery arrangements will remain important for uninterrupted brokerage operations.

Internal Controls And Regulatory Compliance

Risk Management Framework UFSL maintains a defined risk-management framework covering key risks arising from its brokerage activities, including market, credit, liquidity, operational, and regulatory risks. Board-level risk oversight is supported by established policies, exposure monitoring, compliance reviews, stress testing, and contingency arrangements. The Company also benefits from the parent's internal-audit expertise through the shared-services framework. Given UFSL's ownership structure, continued maintenance of information barriers, functional segregation, and conflict-management controls remains particularly important.

Regulatory Compliance UFSL maintains a dedicated compliance framework aligned with applicable SECP and PSX requirements, supported by requisite internal policies and procedures. The framework incorporates AML/CFT, KYC, Customer Due Diligence (CDD), client acceptance, and enhanced due-diligence procedures, alongside ongoing regulatory monitoring. These controls facilitate identification and mitigation of client and regulatory risks while supporting adherence to applicable requirements. Continued compliance with the regulatory safeguards applicable to an AMC-owned brokerage remains central to UFSL's fiduciary and control framework.

Business Sustainability

Operating Environment Pakistan's brokerage sector continued to benefit from strong capital-market activity during FY26, supported by improving macroeconomic conditions, monetary easing, digital adoption, and growing investor participation. The KSE-100 Index delivered a return of 43.52% during FY26, closing at 174,054 points as of Jun'26, while PSX market capitalization increased to approximately PKR 19.7trln. Average daily turnover in the regular market rose to approximately 798mln shares, with average daily traded value reaching PKR 36.7bln, reflecting sustained market participation and liquidity. During the latter part of FY26, however, the operating environment witnessed heightened volatility amid the Middle East conflict, which affected global oil prices and investor sentiment. Going forward, brokerage activity remains exposed to geopolitical developments, macroeconomic stability, monetary policy direction, and investor confidence, while continued digitalization and regulatory reforms provide opportunities for further market penetration.

Performance UFSL's operating performance gained traction during 1HCY26, with brokerage revenue of PKR 62.0mln establishing brokerage as the Company's principal revenue stream. The earnings profile was further supported by other income and realized gains, resulting in profit before tax of PKR 30.2mln and profit after tax of PKR 20.6mln. Administrative and general expenses stood at PKR 43.6mln, primarily comprising employee and brokerage-related operating costs. The Company benefits from its association with UBL Fund Managers Limited, which provides an established institutional business base, shared infrastructure, parent-level expertise, and financial support. Going forward, leveraging the parent's established franchise, alongside broadening institutional, HNWI, and retail outreach, will remain important for scaling brokerage volumes, strengthening market presence, and supporting sustainable earnings growth.

Strategy UFSL's strategy focuses on establishing a broader brokerage franchise by leveraging its sponsor relationship while progressively expanding its external client base. Digital development remains an important component, with the UBL Invest application expected to support retail penetration and client accessibility. The Company also intends to strengthen its Research capabilities to support institutional client acquisition and broaden its service offering. Successful execution of these initiatives, together with improvement in market share from the current level, will be important for developing a more diversified and sustainable revenue profile.

Financial Sustainability

Credit Risk UFSL maintains defined controls for managing client and counterparty-related credit exposures through its KYC, CDD, client acceptance, and creditworthiness-assessment procedures. As of Jun'26, trade receivables stood at PKR 5.8mln and were classified as unsecured but considered good, with no impairment allowance recognized. The relatively modest receivable exposure compared with the Company's equity and liquid resources keeps direct credit risk contained. Continued monitoring of settlement exposures and receivable ageing will remain important as brokerage activity increases.

Market Risk UFSL's direct market risk remains limited, given the absence of material proprietary equity positions. As of Jun'26, short-term investments stood at PKR 200mln, compared with PKR 272.9mln at Dec'25. The placement of surplus liquidity in a money-market fund limits direct exposure to equity-market volatility while providing liquidity and return on surplus funds. Nevertheless, the Company remains indirectly exposed to market conditions as brokerage earnings are linked to trading volumes and investor participation.

Liquidity Risk UFSL maintains a comfortable liquidity profile, with current assets of PKR 299.3mln against current liabilities of PKR 50.9mln as of Jun'26, translating into current asset coverage of approximately 5.9x. Current assets primarily comprise PKR 200mln in short-term investments and PKR 77.4mln in cash and bank balances. The Company also generated positive net operating cash flows of PKR 13.5mln during 1HCY26. The sizeable liquid asset base, absence of material borrowings, and sponsor support provide adequate coverage against short-term funding requirements.

Capitalization UFSL's capitalization strengthened during the period, with shareholders' equity increasing to PKR 295.0mln as of Jun'26 from PKR 274.4mln at Dec'25, supported by retained profitability. Paid-up capital stood at PKR 120.6mln, while unappropriated profit amounted to PKR 174.4mln. The Company remains predominantly equity financed with no material short- or long-term borrowings. Moreover, the Liquid Capital Balance stood at PKR 173.9mln, providing an adequate financial and regulatory buffer to support brokerage operations as the business scales.

THE PAKISTAN CREDIT RATING AGENCY

UBL Financial Services
PRIVATE LIMITED
FINANCIAL SUMMARY

FS PRINT MODE DISABLED

Jun-26
CY26
6M
Management

Dec-25
CY25
12M
Audited

Dec-24
CY24
12M
Audited

Dec-23
CY23
12M
Audited

BALANCE SHEET

1 FINANCES	-	-	-	-
2 INVESTMENTS	223.65	272.93	167.42	81.40
3 OTHER EARNING ASSETS	48.57	-	-	-
4 NON-EARNING ASSETS	73.72	20.69	66.65	23.19
5 NON-PERFORMING FINANCES-net	-	-	0.05	0.07
TOTAL ASSETS	345.94	293.62	234.06	104.59
6 FUNDING	-	16.23	-	-
7 OTHER LIABILITIES (NON-INTEREST BEARING)	50.91	3.05	55.54	21.09
TOTAL LIABILITIES	50.91	19.28	55.54	21.09
TOTAL EQUITY	295.03	274.43	186.38	83.50

INCOME STATEMENT

INCOME

1 FEE BASED INCOME	62.02	135.80	227.47	128.93
2 OPERATING EXPENSES	(43.62)	(52.10)	(106.20)	(81.91)
3 NON-FEE BASED INCOME	11.96	23.64	18.02	9.08
TOTAL OPERATING INCOME (LOSS)	30.36	107.33	139.29	56.09
4 FINANCIAL CHARGES	(0.15)	(0.00)	(0.07)	(0.75)
PRE-TAX PROFIT	30.21	109.07	139.21	58.37
5 TAXES	(9.61)	(20.92)	(39.37)	(16.71)
PROFIT AFTER TAX	20.60	88.15	99.85	41.66

RATIOS

BUSINESS SUSTAINABILITY

1 PRE-TAX MARGIN	0.49	0.80	0.61	0.45
2 EBITDA MARGIN	0.49	0.80	0.61	0.46
3 EBIT RETURN ON ASSETS	0.19	0.41	0.82	0.71

FINANCIAL SUSTAINABILITY

1 TOTAL INVESTMENTS / EQUITY	0.68	0.99	0.90	0.97
2 LIQUID CAPITAL BALANCE (LCB) / EQUITY	0.59	N/A	N/A	N/A
3 (CASH, CASH EQUIVALENTS & GOVERNMENT SECURITIES) / TOTAL ASSETS	0.72	0.93	0.74	0.84
4 TOTAL DEBT / TOTAL ASSETS	-	0.06	-	-

Broker Fiduciary Rating Scale & Definitions

An independent opinion on a broker's quality of management and client services, and the sustainability of operations

Scale	Definition
BFR 1	Very Strong. Very Strong quality of management and client services, and a very high likelihood of sustaining operations.
BFR 2++ BFR 2+ BFR 2	Strong. Strong quality of management and client service, and a high likelihood of sustaining operations
BFR 3++ BFR 3+ BFR 3	Good. Good quality of management and client service, and average likelihood of sustaining operations.
BFR 4++ BFR 4+ BFR 4	Adequate. Adequate quality of management and client service, and average likelihood of sustaining operations.
BFR 5	Weak. Weak quality of management and client service, and a weak likelihood of sustaining operations.

Rating Modifiers | Rating Actions

Outlook (Stable, Positive, Negative, Developing) Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business / financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.	Rating Watch Alerts to the possibility of a rating change subsequent to, or in anticipation of, some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within the foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany the rating outlook of the respective opinion.	Suspension It is not possible to update an opinion due to a lack of requisite information. Opinion should be resumed in the foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.	Withdrawn A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults, or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.	Harmonization A change in rating due to a revision in the applicable methodology or underlying scale.
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Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening. Rating actions may include "maintain", "upgrade", or "downgrade".

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Rating Team Statements

(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) Conflict of Interest

- i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
- ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
- iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term “family members” shall include only those family members who are dependent on the analyst and members of the rating committee

Restrictions

- (3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
- (4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
- (5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business

- (6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
- (7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
- (8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
- (9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
- (10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
- (11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

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- (12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA’s opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
- (13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers’ associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
- (14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
- (15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
- (16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst’s area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
- (17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review

- (18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
- (19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
- (20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
- (21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument; | Chapter III | 17-(d)

Probability of Default

- (22) PACRA’s Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA’s transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA’s Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)

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