



Joint Venture Financial Institutions (JVFI)

May 2016

Players

Assets'
Structure

Capital and
Funding

Assets
Quality

Performance

JVFIs | Ratings' Transition

Sr. #	Joint Venture Financial Institution	Latest Rating (Apr16)	Outlook	Rating Agency	Last Rating	Last change
1	Pakistan Kuwait Investment Company (Private) Limited	AAA/A1+	Stable	PACRA	AA+	Jul-11
2	Pak China Investment Company Limited	AAA/A1+	Stable	JCR	-	-
3	Pak Brunei Investment Company Limited	AA+/A1+	Stable	PACRA	-	-
4	Pak Oman Investment Company Limited	AA+/A1+	Stable	JCR	-	-
5	Saudi Pak Industrial and Agricultural Investment Company Limited	AA+/A1+	Stable	JCR	AA	Jul-14
6	PAIR Investment Company Limited	AA/A1+	Stable	PACRA	AA-	May-13
7	Pak-Libya Holding Company (Private) Limited	AA-/A1+	Negative	PACRA	-	-

- Highly rated institutions owing to sovereign ownership

Initial Rating



Assets | JVFI

(PKR mln)

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak Brunei	29,115	32,901	35,508	14,046	32,544
2	Pak Kuwait	28,367	24,634	22,291	30,024	20,807
3	Pak Oman	27,195	23,366	17,728	18,578	18,816
4	Saudi Pak	25,087	22,173	14,774	15,904	14,378
5	PAIR	23,221	18,744	17,282	15,737	11,846
6	Pak China	20,549	20,008	12,731	15,973	11,177
7	Pak Libya	15,274	12,436	12,121	13,466	14,884
	Total	168,809	154,261	132,434	123,728	124,452
	Growth YoY	9%	16%	7%	-1%	9%

- Limited asset growth owing to limited outreach and funding base

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Advances | JVFI

(PKR mln)

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak Brunei	10,237	7,386	6,799	5,776	4,647
2	Pak Oman	9,993	9,070	7,494	6,347	5,767
3	Saudi Pak	6,675	5,688	3,954	4,962	5,236
4	Pak China	5,708	5,957	5,329	4,590	4,438
5	Pak Kuwait	5,114	2,798	3,772	5,242	6,554
6	PAIR	3,503	3,592	3,678	4,325	2,475
7	Pak Libya	3,238	3,708	4,353	4,841	7,039
Total		44,468	38,199	35,379	36,084	36,155
Growth YoY		16%	8%	-2%	0%	5%

Total Investments | JVFI

(PKR mln)

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak Kuwait	22,143	20,902	11,887	23,513	12,609
2	PAIR	18,807	14,115	12,745	10,842	8,974
3	Pak Brunei	16,850	24,247	27,431	7,121	25,741
4	Pak Oman	14,073	12,180	7,629	10,229	10,590
5	Saudi Pak	12,702	10,739	6,495	6,497	5,360
6	Pak China	12,091	11,289	4,283	8,021	4,078
7	Pak Libya	10,922	7,703	6,356	7,706	6,187
Total		107,590	101,174	76,826	73,929	73,539
Growth YoY		6%	32%	4%	1%	82%

- Sizable growth in financing in CY15
- Significant rise in investments over the past five years owing to higher investment in government securities

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Advances as percentage of Total Assets

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak Oman	37%	39%	42%	34%	31%
2	Pak Brunei	35%	22%	19%	41%	14%
3	Pak China	28%	30%	42%	29%	40%
4	Saudi Pak	27%	26%	27%	31%	36%
5	Pak Libya	21%	30%	36%	36%	47%
6	Pak Kuwait	18%	11%	17%	17%	31%
7	PAIR	15%	19%	21%	27%	21%
	Average	26%	25%	29%	31%	32%

- Assets' mix tilted towards the investment book

Total Investments as percentage of Total Assets

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak Kuwait	78%	85%	53%	78%	61%
2	Pak Brunei	58%	74%	77%	51%	79%
3	Saudi Pak	51%	48%	44%	41%	37%
4	PAIR	81%	75%	74%	69%	76%
5	Pak Libya	72%	62%	52%	57%	42%
6	Pak Oman	52%	52%	43%	55%	56%
7	Pak China	59%	56%	34%	50%	36%
	Average	64%	65%	54%	57%	55%

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Govt. Investments as percentage of Total Investments

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak China	82%	79%	58%	73%	50%
2	PAIR	79%	65%	51%	48%	44%
3	Pak Libya	79%	74%	61%	64%	39%
4	Saudi Pak	73%	67%	50%	51%	31%
5	Pak Oman	64%	60%	52%	53%	47%
6	Pak Brunei	41%	64%	70%	12%	81%
7	Pak Kuwait	29%	30%	8%	63%	67%
	Average	64%	63%	50%	52%	51%

Gov.t Investment	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
PIBs & Ijara Sukuk	74%	62%	15%	17%	11%
Tbills	26%	38%	85%	83%	89%

- A large portion of investments comprises government securities to gain the arbitrage spreads.
- Rising share of PIBs in the investment mix signifying interest rate risk



Equity* | JVFI

(PKR mln)

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak Kuwait	19,727	18,512	15,680	13,777	9,675
2	Pak China	13,385	12,762	12,290	11,729	11,058
3	Pak Brunei	9,724	8,989	8,285	8,579	7,996
4	Saudi Pak	9,380	8,586	7,358	6,535	6,100
5	PAIR	9,064	8,618	8,265	8,027	7,637
6	Pak Oman	7,770	7,419	7,284	7,158	6,945
7	Pak Libya	3,874	3,569	3,333	3,152	6,587
	Total	72,924	68,454	62,495	58,958	55,998
	Growth YoY	7%	10%	6%	5%	1%

- Lower MCR as compared to banks
- Pak Libya – Non compliant with MCR
- Capital structure of the company primarily comprises Tier-I capital

* Pure Equity



Funding | JVFI

(PKR mln)

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak Brunei	18,762	23,254	26,959	5,242	24,339
2	Pak Oman	18,489	15,165	10,156	10,897	11,344
3	PAIR	13,543	9,607	8,515	7,266	3,955
4	Saudi Pak	12,017	10,668	5,088	6,611	6,142
5	Pak Libya	11,178	8,568	8,425	9,969	8,190
6	Pak China	6,903	6,992	326	4,139	107
7	Pak Kuwait	6,427	3,955	5,392	15,855	10,888
Total		87,320	78,209	64,861	59,980	64,966
Growth YoY		12%	21%	8%	-8%	19%

Source	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
Deposits	14%	19%	14%	23%	19%
Borrowings	86%	81%	86%	77%	81%

- Consistent growth in financing
- Small share of deposits (COIs) in the total funding on account of limited outreach

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Advances / Deposits & Borrowings | JVFI

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak China	83%	85%	1634%*	111%	4152%*
2	Pak Kuwait	80%	71%	70%	33%	60%
3	Saudi Pak	56%	53%	78%	75%	85%
4	Pak Brunei	55%	32%	25%	110%	19%
5	Pak Oman	54%	60%	74%	58%	51%
6	Pak Libya	29%	43%	52%	49%	86%
7	PAIR	26%	37%	43%	60%	63%
	Average	54%	54%	282%	71%	645%

- Higher ADR as compared to banks (46.4% at end-Dec15)

* Equity funded advances book



Infection Ratio | JVFI

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak Brunei	3%	0%	0%	0%	0%
2	Pak China	10%	12%	12%	13%	12%
3	Pak Oman	11%	10%	13%	16%	18%
4	Pak Kuwait	24%	39%	36%	26%	21%
5	PAIR	29%	30%	21%	16%	15%
6	Saudi Pak	31%	27%	41%	38%	41%
7	Pak Libya	56%	52%	46%	44%	21%
	Average	24%	24%	24%	22%	18%

■ Increased credit risk as shown by higher infection ratio

■ Significant coverage; however declined at end-CY15

Loss Coverage | JVFI

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak China	99%	78%	76%	71%	81%
2	Pak Kuwait	93%	92%	87%	92%	92%
3	Pak Libya	80%	79%	82%	82%	62%
4	Pak Oman	77%	86%	83%	79%	81%
5	Saudi Pak	73%	94%	88%	81%	76%
6	PAIR	70%	65%	61%	28%	30%
7	Pak Brunei	50%	113%	113%	100%	58%
	Average	77%	87%	84%	76%	68%

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NIMR | JVFI's

(PKR mln)

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak China	1,144	1,112	933	1,210	1,266
2	Pak Oman	886	756	672	744	751
3	PAIR	883	725	665	809	920
4	Pak Kuwait	864	789	688	759	757
5	Saudi Pak	851	677	515	426	376
6	Pak Brunei	553	468	438	867	925
7	Pak Libya	360	315	254	245	628
	Total	5,540	4,842	4,166	5,062	5,623
	Growth YoY	14%	16%	-18%	-10%	12%

■ Improvement in cost management

Cost to Total Net Revenue | JVFI's

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak Kuwait	16%	16%	15%	18%	30%
2	Pak Brunei	17%	20%	19%	16%	17%
3	Pak China	22%	32%	24%	16%	15%
4	PAIR	24%	26%	23%	24%	17%
5	Saudi Pak	27%	17%	30%	36%	475%
6	Pak Oman	30%	33%	35%	28%	30%
7	Pak Libya	49%	66%	77%	182%	54%
	Average	26%	30%	32%	46%	91%

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Before Tax Profit | JVFI's

(PKR mln)

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak Kuwait	2,504	3,195	2,807	2,058	872
2	Pak Brunei	1,300	1,106	917	1,076	920
3	Saudi Pak	983	1,402	435	405	(1,412)
4	Pak Oman	975	545	488	606	579
5	Pak China	951	619	855	1,038	868
6	PAIR	923	464	456	636	487
7	Pak Libya	472	318	196	(3,317)	116
	Total	8,108	7,650	6,154	2,501	2,429
	Growth YoY	6%	24%	146%	3%	-32%

After Tax Profit | JVFI's

(PKR mln)

Sr #	JVFI	Dec-15	Dec-14	Dec-13	Dec-12	Dec-11
1	Pak Kuwait	1,829	2,678	2,360	1,641	613
2	Pak Brunei	937	905	706	784	604
3	Saudi Pak	724	1159	765	381	(1,468)
4	Pak China	621	469	564	674	514
5	Pak Oman	602	384	376	428	348
6	PAIR	597	352	339	440	243
7	Pak Libya	305	233	182	(3,429)	(64)
	Total	5,615	6,179	5,291	920	789
	Growth YoY	-9%	17%	475%	17%	-64%

■ Pak Kuwait contributing one third of the profitability of the sector owing to share of strategic investment

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Analysts	Rana Nadeem Unit Head Ratings nadeem@pacra.com	Aisha Khalid Manager Ratings aisha@pacra.com	Sanna Khan Financial Analyst sanna.khan@pacra.com
Contact Number: +92 42 3586 9504			

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