



**Rating Action**

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**PACRA MAINTAINS ENTITY RATINGS OF PAIR INVESTMENT COMPANY LIMITED**

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term entity ratings of 'AA-' (Double A Minus) and 'A1+' (A One Plus), respectively, assigned to PAIR Investment Company Limited (PAIR). These ratings denote a very low expectation of credit risk emanating from a very high capacity for timely payment of financial commitments.

The ratings reflect the joint ownership of PAIR by the Governments of Pakistan and Iran. The ratings recognize strong risk absorption capacity of the company emanating from sound equity base, improving profitability, and ample liquidity. The company is in the process of developing diversified revenue streams through building its finances book and investment portfolio. However, the management's success in achieving its business objectives while capitalizing on its identified niche - project financing - remains to be seen.

The ratings are dependent on the management's ability to tactfully structure its asset base, while establishing stable funding sources to support growth. As the company is in developmental phase, venturing into profitable businesses to establish its market position along with continuous strengthening of systems and controls to maintain strong asset quality would remain important. At the same time, any politically motivated intervention in the company's affairs, impacting the corporate governance standards would negatively affect the ratings.

**The company**

PAIR commenced operations in May 2007 as a Development Finance Institution (DFI). The objective of the company is to promote economic development, while facilitating investments from Iran to Pakistan.

Both the partners have equal representation on the six-member Board. Syed Ahmed Iqbal Ashraf, a Fellow of Association of Chartered Certified Accountants from England with three decades of local and international banking experience, has recently joined PAIR as its CEO. He has served as CEO of Bank of Khyber, DMD of Pak-China Investment Company and SEVP/ Group Chief of Overseas Banking Group at NBP.

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