



## Rating Action

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## PACRA REVISES ENTITY RATINGS OF IGI INVESTMENT BANK LIMITED

The Pakistan Credit Rating Agency (PACRA) has revised the long term and short term entity ratings of IGI Investment Bank Limited (IGI IBL) to 'A-' (Single A minus) and 'A2' (A two), respectively [Previous: A/A1]. The ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings of IGI IBL reflect its relatively stressed financial profile. This is due to sizeable quantum of non-earning assets - non-performing finances, investment in subsidiaries, and deferred tax - that has led to nominal revenues, while putting pressure on liquidity parameters. Thus the bank, while consolidating its existing fund-based operations, has shifted its focus to explore fee based avenues, mainly corporate finance and advisory, to cope with challenging market conditions. However, extent and timely materialization of the desired targets remains to be seen. Nevertheless, the ratings draw material comfort from IGI Bank's association with an established business group - Packages.

**About the bank:** IGI IBL, incorporated in 1990, is majority owned (FY11: 48%) by Packages group, directly by individuals and through different group companies mainly IGI Insurance Limited. All group companies in the financial segment - Insurance, investment finance services, brokerage, asset management - are branded together as "IGI Financial Services". The bank, listed on Karachi, Lahore, and Islamabad Stock Exchanges, provides services in four cities with the head office in Karachi. IGI Bank is the holding company for IGI Finex Securities Limited and IGI Funds Limited. Although the performance of IGI Securities is subdued on account of low business volumes in capital markets, IGI Funds has shown improving trends.

The bank's BOD comprises seven members, including the the Chief Executive Officer. Syed Babar Ali is the chairman of the board. The board is diverse in terms of their experience in financial and non financial markets. Recently, Mr. Tariq Hasan Quraishi has been appointed as CEO of the bank. He has been associated with the group for past 14 years and carries around four decades of financial market experience both locally and abroad. Building a stable management team at the bank remains critical.

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