## Rating Action

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# PACRA Upgrades Ratings of Standard Chartered Leasing Limited

The Pakistan Credit Rating Agency (PACRA) has upgraded the long-term and short-term entity ratings of Standard Chartered Leasing Limited (SCLL) to **"AA"** (Double A) and **"A1+"** (A One Plus) respectively [Previous: **AA-/A1+**].

The ratings reflect SCLL's strong association with Standard Chartered Bank (Pakistan) Limited (SCBPL), the majority shareholder in the company. Over the years the integration between the parent and the company has further strengthened. On standalone basis, though facing challenges of a relatively limited asset base and profitability, the company is embarked on a growth strategy capitalizing on the strong franchise of SCBPL. Also, the high risk absorption capacity emanating from a sound equity base and low leveraged financial profile provides comfort to the ratings.

The ratings are dependent on the company's ability to sustain its asset quality while building its lease portfolio and further strengthening its risk profile through sustainable profitability. Meanwhile, continuing support from SCBPL, particularly in the areas of risk management and access to its branch network to support business growth as well as funds mobilization would remain imperative.

**About The Company** SCLL, listed on all the three stock exchanges of the country, operates through a network of four branches spread across major cities. SCLL has been in commercial operations since May 1994. Standard Chartered Bank (Pakistan) Limited is the majority shareholder of the leasing company with an ownership of 86.45%. The bank is rated 'AAA' by PACRA.

SCLL has a seven member board, five of whom (including the CEO) are representatives of SCBPL while the remaining two are independent, non executive. Four of the directors hold key positions in SCBPL which represents an active involvement of the parent in SCLL's business. The BoD, with diversified background and expertise, is a key source of guidance to the management. Mr. Arjumand Ahmed Minai, CEO of SCLL joined the company in March 2010. He is assisted by a team of qualified and relatively young professionals.

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