

Press Release

VIS Maintains Ratings of Pak-Gulf Leasing Company Limited at A-/A-2

Karachi, May 16, 2022: VIS Credit Rating Company Limited (VIS) has maintained the entity ratings of Pak-Gulf Leasing Company Limited (PGLC) at 'A-/A-2' (Single A Minus/A-Two). The long term rating of 'A-' signifies good credit quality; Protection factors are adequate. Risk factors may vary with possible changes in the economy. The short-term rating of 'A-2' signifies good certainty of timely payment; liquidity factors and company fundamentals are sound. Access to capital markets is good. Risk factors are small. Outlook on the assigned ratings has revised from 'Negative' to 'Stable'. The previous rating action was announced on September 1, 2021.

The revision in Outlook incorporates improvement in asset quality indicators, on the back of provisioning reversals booked in 9MFY22. Gross and net infection has improved to 10.4% and 4.0% as at Mar'22 compared to 16.8% and 7.5% as at Jun'21, respectively.

The assigned rating takes into account operational track record of the Company which has been in the leasing business for a period of more than 25 years. The rating incorporates PGLC's regulatory environment, coming under the regulatory supervision of the SECP. Moreover the rating remains dependent on maintaining liquidity, capitalization and asset quality indicators. VIS will continue to monitor these metrics on an ongoing basis.

For further information on this rating announcement, please contact the undersigned at 021-35311861 (Ext-201) at 021-35311861 or fax to 021-35311872-3.

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VIS Entity Rating Criteria: Non-Bank Financial Companies (March 2020)<http://vis.com.pk/kc-meth.aspx>

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