

# Press Release

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## **JCR-VIS reaffirms A / A-1 entity ratings of Security Investment Bank Limited**

**Karachi, June 5, 2003:** JCR-VIS Credit Rating Company Limited has reaffirmed the entity ratings of Security Investment Bank Limited (SIBL) at A (Single A) for the medium to long-term rating and A-1 (A One) for the short term. Outlook on the medium to long-term rating is 'Stable'.

The reaffirmation is primarily based on the continuing strong asset quality combined with the high level of liquidity maintained by SIBL. These core strengths are backed by strong demonstrated sponsor support. The management has also consistently been able to control its administrative costs, and has significantly lowered borrowing costs during FY2002, thus reversing the declining trend in spreads that was threatening margins and was thus able to sustain reasonable profitability margins. In addition, Carry Over Transactions though volatile, have provided SIBL with good source of earning.

JCR-VIS will also follow with interest the impact of overall sector developments in the non-banking financial sector on SIBL. Although the new NBFC rules have opened several business opportunities for companies previously able to offer only a limited number of financial products, the prevailing low interest rate scenario combined with tough competition from the commercial banks has brought this sector under severe pressure. JCR-VIS will follow closely the efforts of the management of SIBL to ensure sustainable growth and profitability.

**Faheem Ahmad**  
**President & CEO**

**For further information**

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