



# Press Release PACRA ASSIGNS INITIAL BROKER FIDUCIARY RATING TO JS GLOBAL CAPITAL LIMITED

Date: 27-Apr-22

Rating Details	Rating Type	Broker Fiduciary Rating	
		Current (27-Apr-22)	Previous
	Action	Initial	--
	Rating	BFR 1	--
	Outlook	Stable	--
	Rating Watch	-	--

Rating Rationale	Factor	Comment
	Ownership	JS Bank Limited is the primary shareholder with ~93% of the ownership, remaining shares are owned by general public and institutions.
	Governance	The Board is comprised of eight directors including the chairman and CEO. Presence of two independent and a female director is well noted.
	Management and Client Services	JSGCL has a well-defined organizational structure headed by seasoned professionals. Well drafted policies are in place to ensure high quality of client services.
	Internal Controls and Regulatory Compliance	The internal audit is performed at group level. A dedicated risk manager is also present along with the compliance department.
	Business Sustainability	Major part of revenue emanates from equity brokerage; however, investment banking, money market, forex and commodity brokerage desk provides support.
	Financial Sustainability	The Company does not engage in Proprietary-Book, thus minimizing market risk. Capitalization indicators are strong with a low leveraged capital structure.

Key Rating Drivers	Key Rating Drivers
	The rating reflects the overall strength of the Company in the brokerage space. The rating signifies strong internal control framework whereby the internal audit is performed at the group level while a separate compliance department and a dedicated risk manager also provides support. JS Global Capital Limited (JSGCL) provides its clients with online trading, mobile-app, complaint management, dedicated research and real time reporting mechanism. The rating takes comfort from the strong ownership and governance framework emanating from its association with the JS Group. However, the independence of risk management function may be considered to enhance regulatory compliance. During CY21, brokerage revenue improved by ~52% to stand at ~PKR 882mln (CY20: ~PKR 582mln), contributing ~83% to the total operating revenue. Consultancy income has also shown improvement in CY21. The rating derives comfort from JSGCL's policy to not partake in Proprietary-Book; limiting the market risk. Going forward, sustainability and improvement in core revenue and profitability remains critical. Meanwhile, upholding strong internal controls, retention of key management and diligent monitoring of risk are important. Listed in 2005, JSGCL is part of one of the most prominent groups in the financial industry. JSGCL primarily provides the services of Equity Brokerage, Corporate Finance and Research while Margin Financing is also available.

About the Entity	Legal Structure	Year of Establishment	Type of License	Majority Ownership
	Listed	28-Jun-00	Trading and Self-clearing	JS Bank Limited

Regulatory Disclosures	Analyst	Applicable Criteria	Related Research
	Afnan Iqbal afnan.iqbal@pacra.com +92-42-35869504 www.pacra.com	Methodology   Broker Fiduciary Rating   Jan-21	Sector Study   Brokerage & Securities   Jan-22

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