



Date

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Analysts

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Applicable Criteria

- Methodology | Broker Management Rating (Jun 18)

Related Research

- Sector Study | Brokerage & Security (Nov 18)

PACRA Maintains Broker Management Rating of JS Global Capital Limited

Rating Type	Broker Management Rating
	Current (31-Dec-2018)
Action	Maintain
Long Term	BMR1
Short Term	
Outlook	Stable
Rating Watch	-

The rating reflects JS Global Capital Limited’s (JSGCL) strong market position in the brokerage industry emanating from an established franchise with sound geographical footprint, sizeable and sustained market share and cutting-edge technological framework. JSGCL’s experienced management team has a strong focus to deliver quality service to its foreign, institutional and retail clients. It offers various value-added services to its clients including online trading, research portal, and mobile app. A robust IT infrastructure is in place to ensure the smooth running of the operations. Strong risk management framework exists with an active involvement of the top management to constantly monitor its effectiveness. The rating derives comfort from the company’s investing policy limiting the market risk and liquidity risk. The rating also reflects the company’s strong financial profile with Net Capital Balance of ~PKR 1.7bln as at Sep-18. Going forward, with a focus to provide quality services and continue to be a market leader, the company has deployed an internationally acclaimed brokerage house software in parallel to its existing system and will be rolling this new system in 1QCY19. The company is also willing to act as the market leader once Exchange Traded Fund is launched in Pakistan.

The rating is dependent upon the company’s management ensuring strong control and governance framework continued update of client servicing tools, and careful monitoring of risks - mainly liquidity and market risk - emanating from investment activities. Materialization of efficiencies and effective control envisaged with the implementation of new software is important.

About the Entity

JSGCL, with commercial operations starting in May 2003, carries the legacy of stock brokerage business initiated in the early seventies by Mr. Jahangir Siddiqui. With its head office based in Karachi, the company operates with eleven branches across the country. Its main activities include brokerage, corporate finance, financial advisory, forex, and money market brokerage activities. The company is listed on the Pakistan Stock Exchange (PSX). JS Bank Limited (JSBL) and Global Investment House (GIH) are the major shareholders of the company, each holding 67% and 27% stake in JSGCL, respectively. Along with brokerage services, JSGCL provides financial advisory services as well.

The board of directors (BoD) of JSGCL comprises eight experienced professionals, including the CEO. Four members represent the JS Group. GIH has also nominated three well-qualified and resourceful members. The remaining member is an independent director. Lately, Mr. Muhammad Yousuf Amanullah replaced Mr. Raja Abdullah Khan as the company Chairman.

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