



**Rating Action**

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**PACRA MAINTAINS RATINGS OF ASKARI BANK LIMITED**

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term ratings of Askari Bank Limited (AKBL) at AA (Double A) and A1+ (A one plus) respectively. The ratings of first and the second unsecured, subordinated TFC issues of PKR 1,500mln have also been maintained at “AA-” (Double A Minus). The ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The ratings reflect AKBL’s strong capital structure supported by sound profitability, though lately under pressure due to higher provisioning against rising NPLs. While focusing on strengthening the risk management framework and recovery efforts to safeguard its asset quality, the management has adopted a multifaceted strategy to forge ahead in an increasingly competitive banking industry.

**The bank:** AKBL, operating a countrywide network of hundred and fifty branches (including 14 Islamic branches) and an offshore banking unit, commenced its operations in 1992. AKBL continues to benefit from the implied support and goodwill that emanates from its link with the Army and the use of the name ‘Askari’. Army Welfare Trust (AWT) remains its principal shareholder. AWT has business interests spread across a wide range of sectors. Serving and retired army officials nominated by AWT dominate the bank’s Board of Directors (BOD).

During the IQ08, the board removed the bank’s president, though his contractual term was not completed. Mr. M.R. Mehkari has been recently confirmed as the President and Chief Executive of the bank. Mr. Mehkari joined the bank in 1992 and carries 37 years of international and domestic banking experience. The bank’s senior management team comprises experienced professionals.

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