



Rating Action

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Analyst

Amara Gondal
(+92-42-35869504)
amara.gondal@pacra.com
www.pacra.com

PACRA Maintains Ratings of Bank AL Habib Limited

PACRA has maintained the long-term and short-term entity ratings of Bank AL Habib Limited at AA+ (Double A plus) and A1+ (A One plus), respectively. The ratings of the subordinated and unsecured TFCs issues of PKR 1,350mln, PKR 1,500mln and PKR 2,000mln have also been maintained at AA (Double A). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The ratings reflect the bank's sustained performance, exceptional asset quality, and satisfactory financial profile. The ratings draw comfort from prudent risk management policies and the management's conservative risk appetite. Meanwhile, the management is endeavoring to diversify its advances portfolio by venturing into new segments, capitalizing on its well established branch network, which continues to expand, and has enabled the bank to develop sound deposit base.

The Bank:

Bank AL Habib's sponsors are members of the Habib family - one of the oldest and most distinguished names in Pakistan's banking sector. They are actively involved in the management of the bank. Mr. Abbas D. Habib, the CEO, is with the bank since its inception. He has over four decades of experience in domestic and international markets. He is backed by a team of experienced professionals, most of whom have long association with the bank. The bank operates a network of 314 branches/ sub-branches/ representative office (end-Mar11). The network includes two overseas offices - a Wholesale Branch in the Kingdom of Bahrain and a representative office in Dubai, U.A.E.

The TFCs:

Bank AL Habib has issued three unsecured, subordinated TFCs of PKR 1,350mln (July 2004), PKR 1,500mln (Feb 2007) and PKR 2,000mln (June 2009). All instruments are for a tenor of 8 years with major principal redemption commencing in July 2011, Aug 2014, and Sep 2016, respectively. The bank is in process of issuing fourth privately placed, unsecured subordinated TFC of PKR 3,000mln for a tenor of 10 years in June 2011, which has been assigned instrument rating of AA (Double A) by PACRA.

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