



Rating Action

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PACRA MAINTAINS ENTITY RATINGS OF BANK ISLAMI PAKISTAN LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term entity ratings of BankIslami Pakistan Limited (BIPL) at **A-** (Single A Minus) and **A2** (A Two) respectively. These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings reflect BIPL's articulated business plan to fast establish itself as an active player in the emerging Islamic banking segment. The bank, in a short span of time, has set up an adequate operating platform, supplemented by an effective risk management framework, to execute its overall business plan. However, the extent to which the strategies materialize into desired results, and the related timeline remain to be seen. At the same time, the ratings take into account the sound financial standing of the sponsoring groups.

About the bank: BankIslami Pakistan Limited, commencing operations in Apr06, is listed on the Karachi Stock Exchange. BIPL is a joint venture among three financially sound business groups, holding a cumulative of 56% stake, namely DCD Group UK, Dubai Bank PSJC, and Jahangir Siddiqui & Company Limited (JSCL). With its head-office in Karachi, the bank currently has a network of 36 branches.

DCD, a UK based Group having stakes in diversified businesses, has participated in the establishment of various Islamic Banks in different countries. Dubai Bank PSJC, an Islamic bank, is 70% owned by Dubai Holdings, while the remaining 30% is with Emmar Properties. JSCL is the holding company of JS group – having presence in all important dimensions of the financial sector.

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PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings.

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