



Rating Action

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PACRA MAINTAINS RATINGS OF HABIB METROPOLITAN BANK LTD. (HMB)

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term entity ratings of Habib Metropolitan Bank Ltd. at “AA+” (Double A plus) and “A1+” (A one plus) respectively. 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 strong position of the bank in its respective niche – self-liquidating trade finance to corporates and SMEs. While consolidating its strength, the management continues to focus on product innovation, enhanced reach through network expansion, and technology up-gradation for ensuring quality services to its customers, thereby retaining its relative positioning in the face of intensifying competition within the sector. The bank continues to maintain outstanding asset quality – an outcome of conservative risk appetite as well as effective risk management. The ratings also take into account the bank’s association with a geographically diversified international sponsoring group – Habib Bank AG Zurich (HBZ).

About the bank: HMB, commencing operations in 1992, is listed on all bourses of Pakistan. Subsequent to recent merger, the bank is a 51% owned subsidiary of HBZ, incorporated in Switzerland. HBZ, with consolidated assets of above US\$6bln, has operations in eight countries directly and through subsidiaries. This provides inherent strength to the bank given high credibility and standing of HBZ. The Chief Executive of the bank is a former Governor of the State Bank and also a former president of Habib Bank Limited, one of the largest banks in the country. A highly professional team of senior executives including the executive director, who has emerged as the key professional in evolving the bank’s strategy as well as its implementation, assists the chief executive.

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The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity.

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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