



Rating Action

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PACRA MAINTAINS RATINGS OF HABIB METROPOLITAN BANK LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term entity ratings of Habib Metropolitan Bank Limited 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 HMB’s association with a swiss bank with international presence– Habib Bank AG Zurich. The ratings also recognize the leading position of HMB in its respective niche – self-liquidating trade finance to corporates and SMEs. The management’s ongoing initiatives in the ambit of technology upgradation and outreach expansion, while ensuring quality services to customers, have helped the bank in achieving a sustained growth thereby retaining its relative positioning in the sector. The bank continues to have outstanding asset quality emanating from it’s conservative risk appetite supplemented by effective risk management despite delinquencies experienced across the banking industry.

About the bank: Habib Metropolitan Bank, commencing operations in 1992, is listed on all bourses of Pakistan. Subsequent to recent merger, the bank is a 51% owned subsidiary of Habib Bank AG Zurich (HBZ), incorporated in Switzerland. HBZ, has operations in eight countries directly and through subsidiaries. This provides inherent strength to the bank given high credibility and standing of HBZ.

The bank’s CAR improved to 12.5% compared to the previous level of 11% on account of hefty increase in the Tier 1 capital through retention of profits. HMB is the only bank amongst its peers that has yet not tapped Tier 2 capital, showing significant room to support expansion.

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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