



Rating Action

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PACRA MAINTAINS THE ENTITY RATINGS OF KASB BANK LIMITED, ASSIGNS NEGATIVE OUTLOOK

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term entity ratings of KASB Bank (KBL) at “A” (Single A) and “A1” (A One) respectively. While, a “negative outlook” has been assigned to these ratings. These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings reflect KBL’s ability to withstand the challenges emerging in the operating environment, though it is increasingly coming under pressure. The ratings recognize the bank’s quality management team, improving systems and controls, and expanding outreach. Cognizant of the bank’s inherent limitations – moderate size, emergent network, and high funding costs – the management is in the process of developing a workable strategy in view of changing business dynamics while actively focusing on preserving its asset quality.

The ratings have been assigned a negative outlook highlighting the possible deterioration in the bank’s risk absorption capacity due to infection in its loan book. Moreover, the sizeable investment portfolio, inherited on merger is non-earning, whereby the timely completion of ongoing restructuring activity at group level is important to free up bank’s resources.

The bank: KASB Bank Limited, incorporated in October 1994 and listed on all three stock exchanges, was acquired by KASB group in October 2002. The bank’s seven member Board of Directors (BOD) has diverse experience and background and is involved in the development of the bank’s strategy and monitors its execution. The chief executive, Mr. Muneer Kamal is an experienced banker with a distinguished profile. A core team of experienced professionals assists him.

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