



RATING ACTION

Lahore: (17-February-2011)

ANALYST

Muhammad Aamir Khan
(+92-42-3586 9504)
aamir@pacra.com

PACRA ASSIGNS POSITIVE OUTLOOK TO THE ASSET MANAGER RATING OF MCB ASSET MANAGEMENT COMPANY LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the asset manager rating of MCB Asset Management Company (MCB AMC) at 'AM2-' (**AM Two Minus**) while '**Positive Outlook**' has been assigned to this rating.

The rating reflects the company's sound investment management platform in terms of superior systems and processes, and competent management team. The rating incorporates company's association with a leading commercial bank, MCB Bank. The company's funds have shown largely stable and superior performance as against peers. The company has notable strengths in core business functions, particularly risk management and investment research, enhancing the company's ability to deliver as per its funds' objectives, and investment policies.

The proposed merger between MCB AMC and Arif Habib Investments Limited is in final stages. This is expected to create synergies in various dimensions and have beneficial implications for the combined entity. The surviving entity, with a diverse product slate and investor profile, is expected to be better placed to leverage on the platform of MCB Bank to augment core business. In cognizance of this, '*Positive Outlook*' has been assigned to rating, while it would remain on '*Rating Watch*' till completion of the merger process.

About the company: MCB Asset Management Company Limited (MCB AMC), a wholly owned subsidiary of MCB Bank Limited (MCB), with a long term rating of AA+ by PACRA, commenced operations in Feb06. MCB, the fourth largest bank in Pakistan in terms of asset size, operates a large network of more than one thousand branches across Pakistan. The company currently has five funds – money market, income, equity, asset allocation and capital protected – with total assets under management amounting to around PKR 16.8bln as at end-Jan 11.

The seven-member BoD of MCB AMC mainly comprises senior officials of MCB Bank, including its CEO. The Chairman of Nishat Group, Mian Muhammad Mansha is the Chairman of MCB AMC's board. The Chief Executive Officer of MCB AMC has a good experience in the asset management industry. He is assisted by a young but dynamic management team.

Disclaimer

This press release is being transmitted for the sole purpose of dissemination through print/electronic media. The press release may be used in full or in part without changing the meaning or context thereof with due credit to PACRA.

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.
PACRA's opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.