



The Pakistan Credit Rating Agency Limited

## PRESS RELEASE

### Rating Action

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## PACRA EMPHASIZES RATING WATCH ON MYBANK LIMITED

Mybank has witnessed substantial weakness in its equity profile and risk absorption capacity – a consequence of sharp deterioration in asset quality. Performance prospects are also subdued owing to increase in non-earning assets, mainly NPLs, and increasing provisioning requirement against infected portfolio. Given the sizeable equity injection required to absorb the losses, the sponsors, facilitated by other stakeholders, are actively pursuing merger / acquisition options. Lately, the planned merger with Askari Bank has been terminated. Nevertheless, the sponsors are exploring other options.

Meanwhile, the long-term and the short-term entity ratings of **A-** (Single A Minus) and **A2** (A Two), with a “Negative Outlook”, of Mybank will remain on Rating Watch, pending further developments.

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