



Rating Action

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PACRA UPGRADES ENTITY RATINGS OF MYBANK LIMITED

The Pakistan Credit Rating Agency (PACRA) has upgraded the long-term and the short-term entity ratings of Mybank Limited (ML) to “A” (Single A) and “A1” (A one), respectively. The ratings denote low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings reflect ML’s improving financial profile in terms of performance and asset quality, which has strengthened its relative position among smaller commercial banks. The risk profile of the bank is expected to improve further given the new management’s low risk appetite for credit expansion and intensifying efforts to strengthen the existing risk management framework. The ratings also take into account the management’s plan to mobilize relatively low cost deposits to mitigate pressure on spreads. Meanwhile, the bank’s capitalization is expected to remain robust given the sponsor’s commitment to inject additional equity in order to meet prudential requirements.

About the bank: Mybank Limited (formerly Bolan Bank Limited, name changed in May 2005) commenced its operations in October 1992 as a scheduled commercial bank and is listed on the Karachi and Lahore Stock Exchanges.

In March 2004, the controlling interest (51%) of the bank was acquired from the sponsoring directors by Mr. Iqbal Alimohamed and family, an eminent name in business and industry. Mr. Alimohamed, formally the CEO and Chairman of Gul Ahmed Textile Mills Limited (1985-2002), is the chairman of the bank and is a Chartered Accountant by profession.

Recently, there were certain changes in the senior management of the bank. The new president; Mr. M. Bilal Sheikh, a distinguished banker, has assumed this position after having served in this position in PICIC Commercial Bank. During that tenor of over 5 years, Mr. Sheikh played a pivotal role in turning around that bank.

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