



Rating Action

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PACRA MAINTAINS ENTITY RATINGS OF MYBANK LIMITED

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the long-term and short-term entity ratings of the bank at “A-” (Single A Minus) and “A2” (A Two), respectively. The ratings denote low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments. The outlook on the ratings is negative

The ratings reflect the continuing weakness in the bank’s equity profile and risk absorption capacity. Performance prospects have remained subdued with a sizeable proportion of non-earning assets, mainly NPLs. While the bank is in the process of being acquired by Suroor Investments Limited, uncertainty exists with regards to its business plan in the near term. However, the bank’s ratings draw significant comfort from the vigilance and pro-activeness of the apex regulator – SBP. The ratings would remain on Rating Watch pending the outcome of the proposed acquisition.

About the bank: Mybank Limited, listed on all bourses in the country, commenced its operations in October 1992. In March 2004, the controlling interest (52%) in the bank was acquired by Mr. Iqbal Alimohamed and family. The sponsor shareholders have entered into an agreement to divest their stake to Suroor Investments Limited – a Mauritius-based firm, sponsored by a UAE-based group with key interests in real estate. To date, only 10% of the payment has been made to Mybank’s sponsors.

The President, Mr. Bilal Sheikh, who joined the bank in mid-2006, is a career banker with above three decades of extensive banking experience.

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