



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 ratings of MYBL reflect persistent pressure on the asset quality of the bank magnified by prevailing tough socio-economic environment. This continues to weaken MYBL's risk absorption capacity, of which a sizable portion has already been impacted. Nevertheless, the bank has witnessed considerable improvement in its net interest margin. This is attributed to MYBL's enhanced focus towards recovery efforts and emphasis on low cost deposit mobilization, both of which are expected to augur well for the bank's overall risk profile.

The bank is currently in final stages of merger with and into Summit Bank and expected to begin operations as merged entity by end FY11. The ratings would remain on Rating Watch pending the completion of proposed merger.

About the bank

Mybank Limited (MYBL), listed on all bourses in the country, commenced its operations in October 1992. The sponsor shareholders 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. During April 2011, the controlling interest (51%) in the bank was acquired by Summit Bank, owned by Suroor Investments, from Mr. Iqbal Alimohamed and family.

The President & CEO, Mr. Husain Lawai, recently appointed, is a career banker with above three decades of extensive experience in banking and financial services industry.

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