



Rating Action

Lahore: (27-December -2007)

Analyst

Aisha Khalid
(+92-42-586 9504)
aisha@pacra.com
www.pacra.com

PACRA MAINTAINS ENTITY RATINGS OF NETWORK MICROFINANCE BANK LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term entity ratings of Network Microfinance Bank Limited (NMBL) at “**BBB**” (Triple B) and “**A3**” (A three), respectively. The ratings denote low expectation of credit risk and an adequate capacity for timely payment of financial commitments.

The ratings reflect the bank’s limited scale of operations and the inherent constraints faced due to the initial stage of operations. At the same time, the ratings recognize the stressed profitability due to high cost structure emanating from the unconventional nature of the business compared to other financial institutions. The focus of the new management is to establish a strong infrastructure including branch network and comprehensive risk management framework. NMBL’s prospects are inevitably linked with the success of this strategy.

About the bank: NMBL, established under the Microfinance Institution Ordinance 2001, is listed on Karachi Stock Exchange. The bank started its operations in January 2005. The main sponsors of the bank are Jahangir Siddiqui & Co. Limited and KASB Capital Limited, collectively holding more than 50% of the bank’s equity. Currently, NMBL can only operate district-wide owing to minimum level of capital base as prescribed under the law.

Mr. M. Moazzam Khan has recently joined the bank as Chief Executive Officer. He is postgraduate from University of Karachi, diplomaed and the fellow member of the Institute of Bankers, Pakistan. He has more than 36 years of banking experience, holding several leading positions at both national and international levels.

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.