



**Rating Action**

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**PACRA MAINTAINS ENTITY AND TFC RATINGS OF SONERI BANK LIMITED**

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term entity ratings of Soneri Bank Limited at **AA-** (Double A minus) and **A1+** (A one plus), respectively. These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments

The rating of unsecured, subordinated term finance certificates of PKR 1,200mln by Soneri Bank Limited has been maintained at **A+** (Single A plus). The rating denotes a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings recognize the low risk appetite of SBL supplemented by prudent risk management as reflected by the consistently maintained good asset quality. However, at the same time, with its cautious stance towards growth, the bank is under pressure to maintain its relative position in the competitive and fast changing dynamics of the financial industry.

**The bank:** Established in 1992 and listed on all exchanges, SBL has gradually extended its network to 89 branches including four Islamic branches offering shariah complaint products. The Feerasta family, owners of the Rupali group, holds the controlling stake in the bank mainly through different trusts of the family. The group's primary activities are centered on the synthetic textile industry.

Mr. Safarali K. Lakhani, the CEO, has over four decades of domestic and international banking experience, and is associated with SBL since its inception. He is assisted by a team of experienced professionals. The bank has witnessed a fair degree of stability at top management level over the years.

**The TFC:** SBL issued unsecured listed, subordinated TFCs of PKR 1,200mln for a tenor of 8 years in May 2005. The profit payment, to be made semi-annually in arrears, is based on 6 month KIBOR *plus* 160bps. The principal will be redeemed in four equal semi-annual installments starting from the 78<sup>th</sup> month (October 2011) from the issue date.

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