



**Rating Action**

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**PACRA MAINTAINS RATINGS OF STANDARD CHARTERED BANK (PAKISTAN) LIMITED**

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term rating of **AAA** (Triple A), and the short-term rating of **A1+** (A One Plus) of Standard Chartered Bank (Pakistan) Limited (SCBPL). Meanwhile, the ratings of the bank's two listed, subordinated TFCs have also been maintained at **AAA** (Triple A). These ratings denote the lowest expectation of credit risk emanating from an exceptionally strong capacity for timely payment of financial commitments.

The ratings reflect SCBPL's strong association with a reputed international bank – Standard Chartered Bank, UK (SCB) – having presence in prominent emerging markets. During the past few years, SCBPL witnessed a notable increase in impaired loans, which in turn impacted the bottom line in the form of high provisioning expense. Nevertheless, the bank maintained its market position, a result of its sound financial profile, established franchise, healthy spreads, and quality human resource. The bank continues to benefit from the technical resources and cumulative expertise developed at the group level, strong oversight by the board, and increasing integration of group level risk management systems and processes.

**The bank:** SCBPL, a subsidiary (99% owned) of Standard Chartered Bank, UK, was incorporated in Pakistan in July 2006. The bank is currently the 7th largest bank in the industry in terms of assets. The bank is operating through 162 branches spread over 41 cities.

SCBPL is owned in majority by Standard Chartered Bank UK. The group has a network of 1700 branches and outlets with an employee base of 75,000 in 70 countries. Standard Chartered Bank, the main operating entity of the Standard Chartered group, is rated A+ by both Fitch and Standard & Poor's.

**The Issues:** SCBPL's two listed subordinated TFCs of PKR 750mln (tenor 7 years), PKR 1,000mln (tenor 7 years) are due to redeem in January 2011, and February 2013.

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