The Pakistan Credit Rating Agency Limited

Rating Report

Soneri Bank Limited | Tier 1 TFC

Report Contents

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
25-Jun-2025	A	-	Stable	Maintain	-
30-Dec-2024	A	-	Stable	Maintain	-
28-Jun-2024	A	-	Stable	Maintain	-
28-Dec-2023	A	-	Stable	Maintain	-
23-Jun-2023	A	-	Stable	Maintain	-
25-Jun-2022	A	-	Stable	Maintain	-
25-Jun-2021	A	-	Stable	Maintain	-
25-Jun-2020	A	-	Stable	Maintain	-
19-Dec-2019	A	-	Stable	Maintain	-
19-Jun-2019	A	-	Stable	Maintain	-
20-Dec-2018	A	-	Stable	Maintain	-
26-Sep-2018	A	-	Stable	Initial	-
27-Apr-2018	A	-	Stable	Preliminary	-

Rating Rationale and Key Rating Drivers

The ratings reflect the astute leadership of Soneri Bank ("SNBL" or the "Bank"), which has played a pivotal role in building and sustaining a strong business profile over the years. The Bank has achieved sizeable growth in its low-cost deposit base and continues to work on optimizing deposit composition and enhancing cost efficiency. In addition, it is experiencing notable growth in trade business volumes and is actively expanding its footprint through a growing branch network. The Bank is also taking strategic initiatives to strengthen its digital presence, aiming to improve customer experience and operational efficiency while staying aligned with evolving industry trends. The Bank expanded its branch network significantly in CY24, adding 101 new branches to reach a total of 544 (up from 443 in CY23). This milestone of 500+ branches reflects the Bank's strategic growth and strong focus on customer satisfaction. Notably, the newly established branches contributed 46% to the total deposit growth from CY23 to CY24. Additionally, in CY24, the Bank recorded a remarkable growth of 119% in its overall customer base. Over the same period, SNBL's deposits observed growth of ~5%, where CASA was inclined to 82% (CY23: 79%). With a greater contribution of 52% (CY23: 49%) from the SA and CA, stood the same as last year at 30%. The Bank's advances grew by 18.2%, increasing the ADR to 44.8% (CY23: 39.7%). Asset quality improved, with the NPL coverage ratio rising to 90% (CY23: 80%) and the infection ratio dropping to 3.1% (CY23: 4.9%), reflecting strong recovery efforts. In CY24, net-markup income rose by 9.6% to PKR 24.9bln (CY23: PKR 22.8bln), while non-markup income increased by 4.6% to PKR 6.8bln (CY23: PKR 6.5bln), driven by fee and commission income of PKR 4.3bln (CY23: PKR 3.1bln), with 40% from trade-related services. However, net profit declined by 2.86% to PKR 5.9bln (CY23: PKR 6.1bln), mainly due to a 26.2% rise in non-markup expenses to PKR 19.5bln (CY23: PKR 15.5bln), driven by elevated inflation, particularly in 1QCY24 and nationwide branch expansion. The equity base grew to PKR 30.8bln (CY23: PKR 28.6bln), while the CAR stood at 17.7% (CY23: 18.4%). The Bank plans to enhance its deposit base and customer relationships through digital innovation and customized solutions. Continued growth in core and trade-related income, along with a focus on non-fund-based exposures and operational efficiency, will drive long-term sustainability.

The sustained growth in the deposit share, while keeping the low cost deposit base and improvement in the risk absorption capacity would be important.

Disclosure

Name of Rated Entity	Soneri Bank Limited | Tier 1 TFC
Type of Relationship	Solicited
Purpose of the Rating	Debt Instrument Rating
Applicable Criteria	Methodology | Debt Instrument Rating(Oct-24),Methodology | Financial Institution Rating(Oct-24),Methodology | Rating Modifiers(Apr-25)
Related Research	Sector Study | Commercial Banks(Jun-25)
Rating Analysts	Madiha Sohail | madiha.sohail@pacra.com | +92-42-35869504

Issuer Profile

Profile Soneri Bank Limited ("SNBL" or the "Bank") was incorporated as a public limited company and commenced operations as a Scheduled Commercial Bank in 1991. The Bank is quoted on the Pakistan Stock Exchange under the category of Commercial Banks. Soneri Bank was founded by the Feerasta family to serve the underserved SME segment, often overlooked by larger banks. Starting with one branch in Lahore, the Bank operates over 500 branches across more than 200 cities in Pakistan as of Dec'24. With assets over PKR 700bln, the Bank excels in trade finance and continues innovating through advanced banking technologies. Soneri Bank's registered office is situated on the 2nd Floor, 307-Upper Mall Scheme, Lahore, while its central office is located on the 10th Floor, PNSC Building, M.T. Khan Road, Karachi. The Bank offers a wide range of financial products and services, including conventional and Islamic banking, digital banking solutions, and tailored financing options for individuals and businesses. Their portfolio includes various deposit accounts, consumer and Islamic financing, trade finance, and advanced cash management services. With a strong focus on innovation and customer convenience, Soneri Bank continues to expand its reach through digital platforms and specialized programs. At end-Dec'24, the Bank operates with 544 (end-Dec'23: 443) branches, including 68 Islamic banking branches, and 15 Islamic banking windows.

Ownership At end-Mar'25, the Feerasta Family-sponsors of the Rupali Group, own a 72.48% stake in the Bank, mainly through three trusts and individuals of the sponsor family. Other shareholders mainly include the National Bank of Pakistan (NBP), which, through National Investment Trust Limited (NITL), holds an 8.72% stake. The remaining stake is 18.80%, which is widely spread among financial institutions and the general public. The ownership structure of the Company is seen as stable as no material ownership changes are expected in the future. The majority stake rests with the Feerasta family. The Feerasta Family has been associated with a diverse set of businesses, for the last few decades and has been successfully managing them. Their business acumen is considered good. Given that Soneri Bank has the flagship business of sponsors, the willingness to support the Bank in case the need arises, is considered high.

Governance The overall control of the Bank vests with an eight-member Board of Directors (Board) comprising four non-executive directors, three independent directors, and one executive director, the Chief Executive Officer (CEO). Three of the Board members are nominees of the Feerasta family, while one is a National Investment Trust (NIT) representative. **Mr. Amin A. Feerasta** has been appointed as the Chairperson after the sad demise of late Mr. Allaudin J. Feerasta last year. He assumed office on June 6, 2024. With over 26 years at the Bank, he has served in key roles including Chief Risk Officer, Chief Operating Officer, Deputy CEO, and Executive Director. He holds a BSc in Finance from Santa Clara University, USA, and is a Certified Director. He has completed executive programs at the University of Oxford and in Malaysia. He also serves as Chairperson of the Aga Khan Foundation, Pakistan. There are six board committees: i) Audit, ii) Risk & Compliance, iii) Human Resource and Remuneration, iv) Credit, v) Independent Directors, and vi) Information Technology Committee, which assists the Board in the effective oversight of the bank’s overall operations on relevant matters. M/s. A.F. Ferguson & Co, Chartered Accountants, classified in category 'A' by SBP and having a satisfactory QCR rating are the external auditors for SNBL. They expressed an unqualified opinion on the financial statement for the year ended 31st December 2024.

Management Overall operations have been divided into thirteen functions and organized into Northern, Central, and Southern regions for effective management and control. SNBL’s management team comprises experienced individuals. **Mr. Muhtashim Ahmad Ashai –** President & CEO joined SNBL on 01 April 2020. He brings over 32 years of global banking experience, including leadership roles at MCB and ABN AMRO. He holds a BSc, an MBA from LUMS, and executive training from ICAP and McGill University. SNBL has eight management committees in place, all headed by the CEO. The committees are i) Management, ii) Executive Credit, iii) Compliance, iv) Assets & Liability, v) I.T Steering, vi) Credit Risk Management, vii) Operational Risk Management Committee and viii) Business Continuity Plan Steering. The Bank made substantial investments to add value to its risk management framework and upgraded its Operational Risk Rating (ORR) monitoring and related systems through in-house developments and external consultant support. Moreover, the Bank has also upgraded its data center and disaster recovery solutions and has also deployed a data warehouse to support the business functions. The Bank’s risk management framework ensures proactive, holistic risk identification and control across functions to support sustainable growth. Oversight by the Board and specialized committees ensures adherence to policies, regulatory compliance, and effective risk mitigation.

Business Risk SNBL, a small-sized Bank, holds a customer deposit base of PKR 486.2bln , other than financial institutions at end-Dec24 (end-Dec23: PKR 429.7bln). On such basis, the market share of deposits of the Bank stood at 1.7% (end-Dec23: 1.6%). In CY24, SNBL’s Net markup income witnessed an increase of 9.6% YoY to stand at PKR 24.9bln (CY23: PKR 22.8bln), on the back of improvement in average volumes, more than offsetting small compression in spreads. While the markup income witnessed an increase of 16.4% YoY to stand at PKR 114bln (CY23: PKR 98bln). Subsequently, the Asset yield of the Bank stood at 19.9% (CY23: 19.1%). Whereas, the Bank’s cost of funds inclined to 14.2% (CY23: 13.3%). The Bank’s spread stood the same as last year at 5.7%. The overall revenue of the Bank indicated an improvement by 8.5% YoY. In CY24, non-mark-up income increased by 4.6% to stand at PKR 6.8bln (CY23: PKR 6.5bln) mainly due to higher fee and commission income (CY24: PKR 4.3bln; CY23: PKR 3.1bln). Non-markup expenses inclined by 26.2% YoY to PKR 19.5bln (CY23: PKR 15.5bln), which coincides with the elevated inflation levels, especially in the 1QCY24, and expansion of the branch network by adding 101 branches across the country. The non-markup expenses to total income increased to 61.6% (CY23: 52.9%). Net profits decreased by 2.86% to stand at PKR 5.9bln (CY23: PKR 6.1bln). At end-Dec'24, the Bank operates with 544 (end-Dec'23: 443) branches, including 68 Islamic banking branches, and 15 Islamic banking windows. Moving ahead, the Bank intends to expand its branch network to assist further outreach. The Profitability stream is stable and supports the equity position. The Management’s focus is to improve the Bank's sustained market share while remaining compliant with minimum capital requirements.

Financial Risk At end-Dec24, SNBL's net advances have increased by 18.2% and were reported at PKR 243.3bln (end-Dec23: 205.7bln). The Bank's ADR was reported at 44.8% (end Dec23: 39.7%). The infection ratio decreased to 3.1% (end-Dec 23: 4.9%). This was driven by the incline of the advance base, and a decrease in NPLs (end-Dec24: 7.9bln, end-Dec23: 10.5bln). The Bank's investment portfolio witnessed a 23.83% increase at end-Dec24, SNBL has an investment book of PKR 384.3bln (end-Dec23: PKR 310.3bln), with a majorly skew towards Government securities (99%). The Government securities are mainly comprised of Pakistan Investment Bonds (PIBs) about PKR 302.4bln (end-Dec23: PKR 202.8bln), followed by T-Bills about PKR 51.1bln (end-Dec23: PKR 76.4bln), which have decreased from the last year. The higher investment in PIBs reflects the Bank’s strategy to secure long-term yields amid anticipated interest rate declines. The reduction in T-Bills indicates a deliberate shift away from short-term instruments, aiming to enhance duration and optimize returns within a stable, low-risk investment framework. The Bank's investment portfolio is heavily skewed towards government securities, which comprise 99% of total investments. The Bank’s strong focus on government securities shows its cautious and low-risk investment strategy, aimed at capital preservation and ensuring steady returns. Current Account (CA) stood at 30%, the same as last year, and Savings Account (SA) rose to 52% (CY23: 49%). The Bank’s liquidity, in terms of Liquid Assets-to-Deposits and borrowing ratio, inclined to 59.7% (CY23: 56.2%). The Bank remains well-capitalized, maintaining strong buffers above regulatory requirements. As of end-Dec24, the Capital Adequacy Ratio (CAR) stood at 17.7% (CY23: 18.4%), with a Tier I CAR of 13.9% (CY23: 15.5 %), in full compliance with SBP’s minimum thresholds. The Bank is committed to sustaining capital ratios significantly above the regulatory benchmarks to ensure robust risk absorption capacity. The Bank's core equity is supported by a perpetual ADT 1 instrument of PKR 4bln, which was raised in 2018 and Tier-II TFCs amounting to PKR 4bln, raised in the year 2022.

Instrument Rating Considerations

About The Instrument Soneri Bank Limited issued perpetual, unsecured, subordinated, rated, listed, and non-cumulative term finance certificate (“TFC” or the “Issue” or “Instruments”) The issue amounts to PKR 4bln inclusive of a Green Shoe option of PKR 1bln. The profit is being paid off semiannually at the rate of 6M KIBOR +200bps on a non-cumulative basis on the outstanding principal amount of the issue. The amount raised through this Issue, subject to necessary corporate and regulatory approvals, contributed towards SNBL’s Additional Tier 1 Capital in accordance with SBP guidelines on capital adequacy. Furthermore, the amount raised is utilized in SNBL’s normal business operations as permitted under its Memorandum & Articles of Association. Profit payments will only be paid from SNBL’s most recent/current year’s earnings on a non-cumulative basis subject to the SNBL’s compliance with SBP regulatory guidelines on Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR).

Relative Seniority/Subordination Of Instrument The Issue will be unsecured and subordinated to the payment of principal and profit of all other claims except ordinary shares. In addition to the Lock-In Clause, the Instrument will be subject to 1) loss absorption upon the occurrence of a Pre-Specified Trigger (“PST”) i.e. issuer’s CET1 the ratio falls to/below 6.625% of Risk-Weighted Assets; and 2) loss absorption and/or any other requirements of SBP upon the occurrence of a Point of Non-Viability (“PONV”). Upon reaching the pre-defined trigger point or point of non-viability (PONV), the Tier I TFC may be partially or fully converted into equity/written off as per the discretion/instructions of SBP.

Credit Enhancement The Instrument is unsecured.

The Pakistan Credit Rating Agency Limited

PKR Mln

Soneri Bank Limited Listed Public Company	Dec-24 12M	Dec-23 12M	Dec-22 12M
A BALANCE SHEET			
1 Stage I | Advances - net	227,494	203,655	205,548
2 Stage II | Advances - net	15,086	-	-
3 Stage III | Non-Performing Advances	7,883	10,497	10,169
4 Stage III | Impairment Provision	(7,096)	(8,398)	(7,282)
5 Investments in Government Securities	381,083	306,161	252,489
6 Other Investments	3,223	4,180	5,518
7 Other Earning Assets	8,598	0	52,339
8 Non-Earning Assets	103,229	142,467	60,980
Total Assets	739,499	658,562	579,760
6 Deposits	543,146	517,869	409,643
7 Borrowings	117,369	76,740	123,728
8 Other Liabilities (Non-Interest Bearing)	48,174	35,339	25,243
Total Liabilities	708,690	629,949	558,614
Equity	30,810	28,613	21,146
B INCOME STATEMENT			
1 Mark Up Earned	114,093	98,033	63,057
2 Mark Up Expensed	(89,146)	(75,275)	(51,790)
3 Non Mark Up Income	6,755	6,459	5,157
Total Income	31,702	29,217	16,424
4 Non-Mark Up Expenses	(19,525)	(15,471)	(12,245)
5 Provisions/Write offs/Reversals	461	(1,389)	375
Pre-Tax Profit	12,638	12,357	4,554
6 Taxes	(6,737)	(6,282)	(2,671)
Profit After Tax	5,901	6,075	1,883
C RATIO ANALYSIS			
1 Performance			
Net Mark Up Income / Avg. Assets	3.6%	3.7%	1.9%
Non-Mark Up Expenses / Total Income	61.6%	53.0%	74.6%
ROE	19.9%	24.4%	8.8%
2 Capital Adequacy			
Equity / Total Assets (D+E+F)	4.2%	4.3%	3.6%
Capital Adequacy Ratio	17.7%	18.4%	15.2%
3 Funding & Liquidity			
Liquid Assets / (Deposits + Borrowings Net of Repo)	59.7%	56.2%	44.1%
Net Financial Assets to Deposits Ratio [(Total Finances - net + Non-Performing Finances - net) / Deposits]	44.81%	39.73%	50.88%
Current Deposits / Deposits	30.1%	30.4%	32.7%
Saving Deposits / Deposits	51.8%	48.8%	46.5%
4 Credit Risk			
Impaired Loan Ratio | [Stage III | Non-Performing Advances / Gross Advances]	3.1%	4.9%	4.7%

Debt Instrument Rating

Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Scale	Long-Term Rating
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+ AA AA-	Very high credit quality. Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A+ A A-	High credit quality. Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.
BBB+ BBB BBB-	Good credit quality. Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BB+ BB BB-	Moderate risk. Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.
B+ B B-	High credit risk. A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
CCC CC C	Very high credit risk. Substantial credit risk “CCC” Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. “CC” Rating indicates that default of some kind appears probable. “C” Ratings signal imminent default.
D	Obligations are currently in default.

Scale	Short-Term Rating
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.

Rating Modifiers | Rating Actions

Outlook (Stable, Positive, Negative, Developing)
Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business / financial conditions. It is not necessarily a precursor to a rating change. ‘Stable’ outlook means a rating is not likely to change. ‘Positive’ means it may be raised. ‘Negative’ means it may be lowered. Where the trends have conflicting elements, the outlook may be described as ‘Developing’.

Rating Watch
Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.

Suspension
It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.

Withdrawn
A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults., or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.

Harmonization
A change in rating due to revision in applicable methodology or underlying scale.

Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening. Rating actions may include "maintain", "upgrade", or "downgrade".

Note: This scale is applicable to the following methodology(s):

a) Broker Entity Rating
b) Corporate Rating
c) Debt Instrument Rating
d) Financial Institution Rating
e) Holding Company Rating
f) Independent Power Producer Rating
g) Microfinance Institution Rating
h) Non-Banking Finance Company

Regulatory and Supplementary Disclosure
(Credit Rating Companies Regulations,2016)

Rating Team Statements
(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) **Conflict of Interest**
i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee

Restrictions
(3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
(4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
(5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business
(6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
(7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
(8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
(9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
(10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
(11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

Independence & Conflict of interest
(12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA´s opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
(13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers' associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
(14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
(15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
(16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst's area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
(17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review
(18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
(19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
(20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
(21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument;| Chapter III | 17-(d)
Probability of Default
(22) PACRA´s Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA´s transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA´s Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)
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Regulatory and Supplementary Disclosure

Soneri Bank Limited | Tier 1 TFC

Nature of Instrument	Size of Issue (PKR)	Tenor	Markup (KIBOR+Spread)	Security	Issue Agent	Book Value of Security Assets (PKR mln)
Listed Tier-I TFC	4bln (Inclusive of Green Shoe option of PKR1 bln)	Perpetual	6MK + 2.00%	N/A	Pak Brunei Investment Company Limited	N/A

Name of Issuer	Soneri Bank Limited
Issue Date	July-2018
Maturity	Perpetual
Call Option	Exercisable after 5 years of issue date

Redemption Schedule

Sr.	Due Date Principal & Markup	Opening Principal	6M KIBOR	Markup/Profit Rate (Kibor + Spread)	Markup/Profit Payment	Principal Payment	Total Installment	Principal Outstanding
		PKR (mln)			PKR (mln)			

N/A for TFC's with Perpetual Tenor.