



The Pakistan Credit Rating Agency Limited

Rating Report

Soneri Bank Limited | Tier 1 TFC

Report Contents

1. Rating Analysis
2. Financial Information
3. Rating Scale
4. Regulatory and Supplementary Disclosure

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
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 Limited ("SNBL" or "the Bank"). This has been the driving force behind the Bank's sustainable business profile over the years. The Bank saw a growth of 12% in deposits during 9MCY24, driven by a steady CASA ratio of 82.7%, while the Advances-to-Deposit Ratio (ADR) declined to 34% (9MCY23: 36%, CY23: 40%). Despite this, Soneri Bank maintained a strong NPL coverage of 119.5%, with the infection ratio improving to 3.6% (9MCY23: 6.3%, CY23: 4.9%), driven by the expansion of the advance base during the period. Financially, Soneri Bank's net profitability during 9MCY24 increased to PKR 4.7bln (9MCY23: PKR 4.1bln, CY23: PKR 6.0bln) primarily due to an increase in the net markup income. During Sep'24, the Bank's investment portfolio witnessed an increase of 15% reaching PKR 398bln (Sep'23: PKR346bln) with almost 99% skewed towards Government securities. In terms of market presence, Soneri Bank commands a 6% share in the trade business, reflecting its strengthened position. During the ongoing year, Bank's trade business crossed PKR 1trln further strengthening its trading income and profitability. The Bank's equity rose to PKR 30.5bln in 9MCY24 from (CY23: PKR 28.6bln), while its Capital Adequacy Ratio (CAR) stood at 18.6% (CY23: 18.4%). Looking ahead, Soneri Bank aims to continue enhancing its deposit base, sustain growth in net markup and non-markup income, and expand its digital platforms to offer innovative solutions to customers, thereby strengthening its market position and operational efficiency.

Bringing efficiency to the operational structure is important for long-term growth. Meanwhile, a sustainable increase in system share and consequent profitability would be ratings positive.

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 Rating Modifiers(Apr-24),Methodology Debt Instrument Rating(Oct-24),Methodology Financial Institution Rating(Oct-24)
Related Research	Sector Study Commercial Banks(Jun-24)
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'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 is engaged in the provision of banking and financial services. The Bank also provides Internet and mobile banking services to its customers. At end-Sep'24, the Bank operates with 521 (end-Dec'23: 443) branches including 62 Islamic banking branches, and 15 Islamic banking windows.

Ownership The Feerasta Family - sponsors of the Rupali Group own a 69.46% stake in the Bank; mainly through three trusts and individuals of the sponsor family. Other shareholders mainly include NBP which through NIT holds a 8.90% stake. The remaining stake is 21.64%, 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 is the flagship business of sponsors, 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 (BoD) comprising four non-executive directors, three independent directors, and one executive director (CEO). Three of the Board members are nominees of the Feerasta family while one is an NIT representative. Mr. Amin A. Feerasta is the newly appointed chairman after the sad demise of late Mr. Allaudin J. Feerasta this year. Independent directors on the Board are Ms. Navin Salim Merchant, Mr. Jamil Hassan Hamdani and Mr. Tariq Hafeez Malik. The Board members carry an extensive professional experience in banking and other sectors. The BoD provides overall guidance in managing risks associated with the Bank's operations and strategic direction. 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. KPMG Taseer Hadi & 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 2023. The Shareholders of the Bank, in their 32nd AGM held on 08th March 2024, approved the appointment of M/S A.F.Ferguson & Co, Chartered Accountants - classified in category 'A' by SBP's whilst also having QCR rating - as the new auditors of the Bank.

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 is the President and CEO, a seasoned banker, and carries almost three decades of banking experience. SNBL has established eight management committees, all of which are chaired by the CEO. The committees are i) Management, ii) Executive Credit, iii) Assets & Liability, iv) I.T Steering, v) Credit Risk Management, vi) Business Continuity Plan Steering, vii) Operational Risk Management Committee and viii) Compliance Committee. The Bank made substantial investments to add value to its risk management framework and upgraded its 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 risk management policy covers all major types of risks and is formulated in line with regulatory guidelines. SNBL's Risk Management Committee ensures that risk exposures are maintained within acceptable levels.

Business Risk In 9MCY24, Pakistan's listed Banks demonstrated resilience amid low-interest rate environment. Although year-on-year profitability saw a slight dip, quarterly performance improved, driven by volume growth and favorable repricing effects. Provisioning charges for the quarter ending September 2024 rose by approximately 28%, reflecting the impact of IFRS-9 implementation and sector-specific pressures, particularly in the textile and steel industries. SNBL, a small-sized Bank, holds a customer deposit base of PKR 429bln at end-Dec23 which has significantly increased from last year's customer deposit (end-Dec22: PKR 352bln). During 9MCY24, the customer deposit base of the Bank stood at PKR 482bln which has increased by 13% as compared to the same period last year's customer deposit (9MCY23: PKR 425bln). In CY23, SNBL's Net markup income witnessed a significant increase of 102% YoY to stand at PKR 22.7bln (CY22: PKR 11.3bln) with markup income witnessing an increase of 56% YoY to stand at PKR 98bln (CY22: PKR 63bln). Subsequently, the Asset yield of the Bank inclined to 19.1% (CY22: 12.3%). Whereas, the Bank's cost of funds inclined to 13.3% (CY22: 9.7%). Consequently, the Bank's spread also increased to 5.7% (CY22: 2.6%). During 9MCY24, the Bank's net markup income increased by 13% and stood at PKR 18.2bln (9MCY23: PKR 16.1bln) with markup income increasing by 26% and standing at PKR 87.9bln (9MCY23: PKR 69.5bln). Subsequently, the Asset yield of the Bank inclined to 21% (9MCY23: 17.5%). Whereas, the Bank's cost of funds inclined to 15% (9MCY23: 12.8%). Consequently, the Bank's spread also increased to 6% (9MCY23: 4.8%). In CY23, non-mark-up income increased by 25% to stand at PKR 6.45bln (CY22: PKR 5.15bln) mainly due to higher fee and commission income (CY23: PKR 3,086mln; CY22: PKR 2,430mln). Non-markup expenses inclined by 26% YoY to PKR 15.47bln (CY22: PKR 12.24bln). The non-markup expenses to total income decreased to 52.9% (CY22: 74.6%). Net profit increased by 223% to stand at PKR 6.0bln (CY22: PKR 1.8bln). During 9MCY24, non-mark-up income increased by 12% to stand at PKR 5.2bln (9MCY23: PKR 4.6bln) mainly due to higher fee and commission income (9MCY24: PKR 3,152mln; 9MCY23: PKR 2,192mln). Non-markup expenses inclined by 28% to PKR 14bln (9MCY23: PKR 11bln). The non-markup expenses to total income increased to 60% (9MCY23: 53%). Net profit increased by 14% to stand at PKR 4.7bln (9MCY23: PKR 4.1bln). At end-Sep'24, the Bank operates with 521 (end-Dec'23: 443) branches including 62 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-Dec23, SNBL's net advances have decreased by 1.29% to stand at PKR 205.7bln (end-Dec22: 208.4bln). The Bank's ADR was reported at 39.7% (end-Dec22: 50.9%). The infection ratio increased to 4.9% (end-Dec 22: 4.7%). This was driven by the reduction of the advance base, despite a slight increase in NPLs (End-Dec23: 10.5bln, end-Dec22: 10.1bln). At end-Sep24, the Bank's net advances have increased by 8% to stand at PKR 197.3bln (end-Sep23: 182.1bln). The Bank's ADR was reported at 34% (end-Sep23: 35.8%). The infection ratio decreased to 3.6% (end-Sep23: 6.3%). This was driven by the increase in the advance base. The Bank's investment portfolio witnessed a 20.1% increase at end-Dec23, SNBL has an investment book of PKR 310bln (end-Dec22: PKR 258bln) with majorly skewed towards Government securities (99%). During the end-Sep24, the Bank's investment portfolio witnessed an increase of 15% and its investment book stood at PKR 398bln (end-Sep23: PKR 346bln) with almost 99% skewed towards Government securities. At end-Dec23, customer deposits increased to PKR 429bln (end-Dec22: PKR 352bln), up by 21.8%. CA stood at 30.4% (end-Dec22: 32.7%) and SA stood at 48.8% (end-Dec22: 46.5%). However, Soneri Bank's CASA ratio stood at 79.2% at the end of Dec23. At end-Sep24, the Bank's CASA ratio stood at 82.7%. The Bank has consistently maintained a commendable Capital Adequacy Ratio (CAR) that exceeds regulatory requirements, ensuring a secure financial position. In CY23, the Bank reported CAR of 18.4% exhibiting improvement from the previous year's 15.2%. At end-Sep24, the Bank's CAR stood at 18.6%.

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.



PKR mln

Soneri Bank Limited
Listed Public Limited

Sep-24	Dec-23	Dec-22	Dec-21
9M	12M	12M	12M

A BALANCE SHEET

1 Total Finances - net	201,005	206,491	208,621	166,661
2 Investments	398,285	307,563	254,992	323,892
3 Other Earning Assets	5,940	0	52,339	22,113
4 Non-Earning Assets	115,013	142,467	60,980	64,455
5 Non-Performing Finances-net	(1,456)	2,041	2,828	2,366
Total Assets	718,787	658,562	579,760	579,489
6 Deposits	580,041	517,869	409,643	403,037
7 Borrowings	65,170	76,740	123,728	131,578
8 Other Liabilities (Non-Interest Bearing)	43,023	35,339	25,243	23,239
Total Liabilities	688,234	629,949	558,614	557,853
Equity	30,553	28,613	21,146	21,636

B INCOME STATEMENT

1 Mark Up Earned	87,904	98,033	63,057	37,133
2 Mark Up Expensed	(69,656)	(75,275)	(51,790)	(26,196)
3 Non Mark Up Income	5,225	6,459	5,157	4,290
Total Income	23,473	29,217	16,424	15,228
4 Non-Mark Up Expenses	(14,036)	(15,471)	(12,245)	(10,191)
5 Provisions/Write offs/Reversals	192	(1,389)	375	112
Pre-Tax Profit	9,629	12,357	4,554	5,149
6 Taxes	(4,912)	(6,282)	(2,671)	(2,295)
Profit After Tax	4,717	6,075	1,883	2,854

C RATIO ANALYSIS

1 Performance

Net Mark Up Income / Avg. Assets	3.5%	3.7%	1.9%	2.1%
Non-Mark Up Expenses / Total Income	59.8%	53.0%	74.6%	66.9%
ROE	21.3%	24.4%	8.8%	12.7%

2 Capital Adequacy

Equity / Total Assets (D+E+F)	4.3%	4.3%	3.6%	3.7%
Capital Adequacy Ratio	18.6%	18.4%	15.2%	13.8%

3 Funding & Liquidity

Liquid Assets / (Deposits + Borrowings Net of Repo)	68.1%	56.2%	44.2%	63.3%
(Advances + Net Non-Performing Advances) / Deposits	34.0%	39.7%	50.9%	41.1%
CA Deposits / Deposits	32.4%	30.4%	32.7%	27.2%
SA Deposits / Deposits	50.3%	48.8%	46.5%	42.6%

4 Credit Risk

Non-Performing Advances / Gross Advances	3.6%	4.9%	4.7%	5.9%
Non-Performing Finances-net / Equity	-4.8%	7.1%	13.4%	10.9%

Credit 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 Definition
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
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.
AA-	
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.
A-	
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.
BBB-	
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.
BB-	
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.
B-	
CCC	
CC	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.
C	
D	Obligations are currently in default.

Scale	Short-term Rating Definition
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.



*The correlation shown is indicative and, in certain cases, may not hold.

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.

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 Companies Rating

Disclaimer: PACRA has used due care in preparation of this document. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA shall owe no liability whatsoever to any loss or damage caused by or resulting from any error in such information. Contents of PACRA documents may be used, with due care and in the right context, with credit to PACRA. Our reports and ratings constitute opinions, not recommendations to buy or to sell.

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)

Proprietary Information

(23) All information contained herein is considered proprietary by PACRA. Hence, none of the information in this document can be copied or, otherwise reproduced, stored or disseminated in whole or in part in any form or by any means whatsoever by any person without PACRA’s prior written consent



Regulatory and Supplementary Disclosure

Nature of Instrument	Size of Issue (PKR)	Tenor	Security	Quantum of Security	Nature of Assets	Trustee	Book Value of Assets (PKR mln)
Listed Tier-I TFC	4 Bln Inclusive of Green Shoe option of PKR1 bln	Perpetual	N/A	N/A	N/A	Pak Brunei Investment Company Limited	N/A

Soneri Bank Limited TFC I Redemption Schedule								
Due Date Principle	Opening Principal	Principal Repayment	Due Date Markup/ Profit	Markup/Profit Rate	6MK + 2.0%	Markup/Profit Payment	Installment Payable	Principal Outstanding
	PKR in mln					PKR in mln		
Issuance								
N/A for TFC's with Perpetual Tenor								
	-					-	-	