

Press Release

JCR-VIS reaffirms Entity Ratings of Oman International Bank S.A.O.G – Pakistan Branches at BBB/A-2. Outlook, Stable

Karachi, May 2, 2003: JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the medium to long-term rating of Oman International Bank S.A.O.G – Pakistan Branches (OIBP) at BBB (Triple 'B') with a 'Stable' outlook. The assigned short-term rating is A-2 (A Two).

OIBP has met the minimum capital requirement of Rs. 1.0b as laid down by the State Bank of Pakistan (SBP), through partial conversion of head office deposits. The bank's capital is maintained in a foreign currency account with the SBP. However, the possibility of continuing losses and/or the effect of rupee appreciation remains a source of concern, as this may lead to erosion in the capital base.

Average funding cost of the bank has remained high relative to the market and in the prevailing markup rate environment, spread management will take on added importance. Going forward, the bank's endeavors in this regard will be monitored by JCR-VIS.

In terms of branch network, Oman International Bank S.A.O.G is the largest commercial bank operating in Oman, and has internationally been rated in the investment grade category.

Faheem Ahmad
President & CEO

For further information

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