

Press Release

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

Karachi, June 28, 2004: JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the medium to long-term entity 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 has also been reaffirmed at A-2 (A Two).

We noted with satisfaction that the Head Office acted swiftly and efficiently to ensure smooth operations of OIBP by inducting the new management team, when key officials of the local management, including the Country Manager Pakistan, had resigned.

Though the funding cost has been brought down and steps are being taken to further streamline the working of the bank’s operations in Pakistan, the bank’s capital that constitutes more than 60% of its assets is causing financial strain in the bank’s local operations as it is maintained in a non-remunerative foreign currency account with the SBP. Generation of higher business volumes and diversification in income streams are becoming increasingly important. The new management team is abreast of these issues and is taking steps to augment the bank’s earning potential.

Oman International Bank S.A.O.G is amongst the largest private commercial banks operating in Oman, in terms of branch network, and has internationally been rated in the investment grade category. The bank’s total assets are US\$ 1.69b as at December 31, 2003, and it maintains high capitalization levels.

Faheem Ahmad
President & CEO

For further information

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