

Press Release

JCR-VIS assigns initial entity ratings of A+/ A-1+ to Meezan Bank Limited. Outlook, Stable.

Karachi, January 8, 2003: JCR-VIS Credit Rating Company Ltd. (JCR-VIS) has assigned initial entity rating of A+ (Single A Plus) for the medium to long-term and A-1+ (A One Plus) for short-term to Meezan Bank Limited (MBL). The outlook on these ratings is 'Stable'.

These ratings primarily reflect the strength and repute of the foreign as well as local sponsors of MBL. The bank has positioned itself very well in the niche market of Islamic banking, which is evident from the growth in operations achieved so far since the start of commercial banking activities. Being the pioneer in this field, the management is also involved in establishing a comprehensive and effective framework for Islamic banking and its progress in this respect has been commendable to date. Capital base of MBL is very strong and quality of financing portfolio is excellent. Above ratings are also supported by the adequacy of MBL's control systems and the emphasis placed by the management to further enhance the quality of commercial banking solutions that have been largely inherited from the Pakistan operations of Societe Generale, Paris.

JCR-VIS is concerned about the recent plans of local conventional banks to explore the Islamic banking market that is likely to pose competition especially from the big sized banks. However, this change in market dynamics is expected to bring depth into the industry at the same time, which will benefit the sector in its evolution. JCR-VIS will also monitor the efforts of the management to increase the contribution of core income in total revenues and diversify its financing portfolio further amongst its customers.

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