



Rating Action

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PACRA UPGRADES ENTITY RATINGS OF BANKISLAMI PAKISTAN LIMITED

The Pakistan Credit Rating Agency (PACRA) has upgraded the long-term and short-term entity ratings of BankIslami Pakistan Limited (BIPL) to **A** (Single A) and **A1** (A One) respectively. These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings reflect BIPL's significant advancement towards establishing itself as an active player in the emerging Islamic banking industry. The bank, in a short span of time, has established an effective operating platform, supplemented by requisite technological infrastructure and risk management systems. At the same time, the bank's expanded outreach is expected to help maintain diversification in its deposit base and finances portfolio. However, given weakened economic fundamentals, BIPL may take a relatively long period to achieve the envisaged profitability. Meanwhile, the ratings take into account the sound financial standing of sponsoring groups

About the bank: BIPL, a scheduled Islamic bank, and listed on the Karachi Stock Exchange commenced operations in Apr06. BIPL is a joint venture among three financially sound business groups, holding a cumulative of ~ 65% stake, namely DCD Group UK, Dubai Bank PSJC, and Jahangir Siddiqui & Company Limited. With its head-office in Karachi, the bank currently has a network of 102 branches (end-07: 36)

The seven member BoD comprises representatives of sponsoring groups. The CEO, Mr Hasan A. Bilgrami, possesses extensive experience with leading financial institutions. He has played an active role in the development of the Islamic banking policies and products in the country.

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