

PACRA WITHDRAWS NEGATIVE OUTLOOK OF BOP RATINGS

The negative outlook earlier assigned to BOP's ratings has been withdrawn by PACRA. Now the assigned stable outlook captures the improvement in the bank's financial profile that would enable it to build up to fundamentals more commensurate with existing ratings.

While completing rating update process subsequent to release of pending financial statements of the BOP, PACRA has maintained long term and short term entity ratings of The Bank of Punjab at "**AA-**" (Double A Minus) and "**A1+**" (A One Plus), respectively. These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The ratings primarily reflect strong association of the bank with the Government of Punjab as majority shareholder, which has demonstrated continued commitment and support in the dire need. This association has benefited the bank in terms of capital acquisition, sustainable - indeed growing - deposit base, and relaxation for provisioning against major infected exposures. The bank has issued audited financial statements, pending from the last three years, and has reported positive bottomline due to reversal of provision. Furthermore, the Bank has reported positive net interest margins in 1st Q12. The progress is attributed to Mr. Naeemuddin Khan, the President of the Bank since Sep-08, who has over three decades of diversified banking experience and has been associated with reputed international and domestic banks during his career. The senior management consists of seasoned professionals with extensive experience in banking industry.