



PRESS RELEASE

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PACRA UPGRADES CREDIT RATING OF THE BANK OF PUNJAB TO “AA”

Lahore: In recognition of improved financial health of the Bank, the Pakistan Credit Rating Agency (PACRA) has upgraded the long-term entity rating of The Bank of Punjab to “AA” with short-term highest rating of “A1+”. These ratings denote a very low expectation of credit risk and indicate very strong capacity for timely payment of financial commitments.

While The Bank of Punjab continued its journey on the pathway to success by achieving improved financial results in last few years through sustained and marked improvement in all facets of operations, the Bank’s unprecedented turnaround has been duly acknowledged by the stakeholders.

In recent years, the Bank witnessed reduction in the non-performing loans inherited by the current management. Further, Bank envisaged growth in advances wherein the criteria is higher margins with sustained risk profile. Meanwhile, expansion in deposits base with low cost focus, while attracting a wide customer range, is on cards.

Besides being an indicator of a monumental change of fate for an institution once completely written-off by financial pundits due to historic fiasco resulting from imprudent lending decisions of previous management, it also brings in limelight the efforts put in by the current management in salvaging the institution. When the current management took over the helm of affairs of the institution, the Bank was on the verge of liquidation. With weak assets’ profile, negative public image and depleting deposits position, the Bank was unable to meet the basic statutory requirements.

At that time, Bank's credit ratings were also withheld for some time, later downgraded and assigned negative outlook by PACRA, indicating a very feeble financial position.

Since assumption of charge by the current management led by Mr. Naeemuddin Khan, President/CEO, the Bank started strengthening its position by initiating the process of restructuring and reorganization under the guidance of State Bank of Pakistan and supervision of Government of the Punjab. The new management introduced culture of merit and transparency in the organization and a renewed spirit was instilled in the human resource to work with extra zeal and fervor to achieve set goals.

While ensuring sustained growth in low cost deposits coupled with introduction of new products & services and a very prudently managed growth in advances with a view to earn better spread, the Bank has been able to achieve substantial growth in profitability in last few years. The strong financial position of the Bank exhibits that strategic decisions taken by the management have started yielding results and upgrading of Bank's credit rating by PACRA is yet another endorsement to the said fact.

The Bank currently operates a vast network of 415 online branches, strategically located and spanned across the country, with deposits base of over Rs. 400 billion. With current pace of improvement in Bank's financial health, the Bank is all set to achieve further laurels in the years to come and a very bright and prosperous future is ahead.