RATING REPORT

National Bank of Pakistan

REPORT DATE:
June 23, 2023

RATING ANALYST:

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RATING DETAILS

Rating Category	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
Entity	AAA	A-1+	AAA	A-1+
Rating Outlook	Stable		Stable	
Rating Date	*June 23, 2023*		*June 27, 2022*	

COMPANY INFORMATION

Incorporated in 1949	**External auditors:** Yousuf Adil CA & A.F. Ferguson & Co. CA
Public Limited Company	**President & CEO:** Mr. Rehmat Ali Hasnie
Key Shareholders (with stake 5% or more):	
Govt. of Pakistan (through SBP) ~75.6%	
General Public - Locals ~6.8%	
Foreign Companies ~5.4%	
Others ~6.3%	

APPLICABLE METHODOLOGY(IES)

Financial Institution Methodology – June 2023
https://docs.vis.com.pk/docs/FinancialInstitution.pdf

Rating Scale
https://docs.vis.com.pk/docs/VISRatingScales.pdf

National Bank of Pakistan (NBP)

OVERVIEW OF THE INSTITUTION

Incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949, National Bank of Pakistan (NBP) is the largest public sector bank in the country. Shares of the bank are listed and traded on Pakistan Stock Exchange (PSX).

Profile of Acting President

Mr. Rehmat Ali Hasnie was previously serving as Senior Executive Vice President, Group Chief of Corporate & Investment Banking and Group Chief of Inclusive Development Group. He holds over 26 years of diverse experience in the financial sector and has BA in Economics and MA in Development Banking.

RATING RATIONALE

Rating Rationale:
The ratings assigned to National Bank of Pakistan (NBP) incorporate the strategic position as the country's second largest commercial bank with systemic importance, sound domestic operations and sovereign sponsorship. The Bank also enjoys its role in handling treasury transactions for GoP as an agent to the State Bank of Pakistan (SBP). On international front, the Bank has advanced further in the process of closing certain overseas branches, which are a drag on profitability. Going forward, closure of 2 overseas subsidiaries along with 3 international branches is planned; regulatory approvals have been sought. Governance environment follows best practices with a well-composed board and its committees. In FY22, the financing portfolio of NBP experienced a growth of approximately 11%, which was lower than the industry's growth rate. The ratings take into account weakening in asset quality indicators on a timeline during the rating review period. Given infection levels compare unfavorably to peer rated banks, rectification of asset quality will remain important from ratings perspective. Subsequently, the ratings reflect the consolidation strategy opted by the management involving limited new to bank private lending and focus on risk-free government backed lending to avoid potential credit risk headwinds and NPL accretion in the medium-term. Moreover, on the lending side the concentration risk (funded & unfunded) in terms of Bank's core equity is on the higher side; however, the same remains mitigated as majority of the exposures pertain to sovereign-backed public accounts.

The ratings incorporate heightened market risk exposure as net deficit on investments increased sizably on a timeline. Given adequate liquidity available, the Bank has no plan to offload fixed tenor securities in the foreseeable future. However, as the weighted duration of fixed PIBs exceeded two and half years at end of the outgoing year, management of mark to market losses in case of further uptick in policy rate will remain challenging. Nevertheless, the Bank aims to consolidate the existing investment portfolio with repositioning to be made from fixed to floating rate securities in the medium term. Overall, liquidity profile is comfortable with sound liquid asset coverage to deposits and borrowings coupled with sufficient cushion over regulatory requirements for LCR and NSFR. Despite dip in deposit granularity, the withdrawal risk is manageable as around half of the deposits pertained to public sector entities' which tend to be stickier than private sector. The ratings factor in healthy profit generation despite spread compression, high taxation expense and increase in efficiency ratio. Capital Adequacy Ratio remains sound and compliant with the assigned ratings. However, net NPLs to Tier-1 Capital compares adversely vis-à-vis large-sized banks. Going forward, improvement in infection ratios, maintenance of capital and liquidity buffers and market risk management will remain important from the ratings perspective.

Economic Review

The economy is currently facing several challenges, including a decrease in foreign reserves, a devaluing currency, and high inflation levels. To combat rising inflation, caused by the commodity super cycle and effects of Ukraine war, the central bank has implemented stricter monetary policies, resulting in a significant increase in the policy rate. This has led to higher funding costs for banks and impacted borrower's debt servicing ability. As a result, banks are adjusting by increasing provisions for potential loan losses and writing off non-performing loans. The economic slowdown will likely prompt stricter lending standards with banks continuing to remain heavily invested in sovereign exposures. Counterbalancing this, rising interest rates should help banks maintain their margins, partially offsetting the decline in earnings and allowing for improved profitability. However, there is increased credit risk and market risk vulnerability, especially in the face of any potential interest rate or currency fluctuations, which could impact the capitalization levels of banks. Looking ahead, the medium to long-term outlook for the fiscal account is challenging because the government is struggling to expand its revenue base. Public debt accumulation is accelerating, crowding out private sector credit. This trend also increases the risk of potential sovereign debt restructuring. Given banking sector balance sheets are highly skewed towards Government paper, this could lead to liquidity and profitability challenges, particularly for small and medium-sized banks in the future.

Sizable asset growth primarily in investment portfolio evidenced: During FY22, NBP's asset base grew by 36.2% Y/Y outpacing industry growth of 19% Y/Y; the same registered a further increase of 16% while industry growth was recorded at 8% in 1QFY23. The growth during the review period was achieved through a substantial increase in borrowings, the proceeds of which were manifested in the investment portfolio; the same is largely consistent with the prudent liquidity indicators. As of Mar'23, NBP remains the second largest bank of Pakistan, both in terms of domestic deposits and financing.

Lending Portfolio

Advances growth subdued in comparison to industry: Net advances of the Bank grew by 10.5% Y/Y and 0.1% in FY22 and 1QFY23 respectively whereas industry's net advances increased by 17% in FY22 Y/Y and went down by 1% in Mar'23. As per the management, the Bank has followed consolidation strategy in order to curtail impairment risk in the current macroeconomic scenario, primarily involving high inflation and policy rates, resulting in hampered debt repayment capacity of obligors. Going forward, further consolidation is on the cards wherein the Bank is planning to keep the financing portfolio intact with no major growth expected. However, the growth pertaining to public entities cannot be projected as it is contingent upon GoP's decision and policy amendments. The ratio of domestic and international advances remained intact. In addition, the pandemic related restructured/deferred portfolio of Rs. 40b has already been settled and is currently regular.

Major growth emanating from retail & others segment: Corporate and investment banking (CIBG) constitutes nearly one-half of overall advances (44% & 47% as at Dec'22 & Mar'23) followed by commercial and retail segments. The review of top exposures exhibits sound credit quality given major exposures are outstanding against entities with sovereign guarantees or blue-chip companies. During FY22, the retail and others segment accounted for major uptick in domestic advances primarily in line with sizable gold-backed agriculture financing carried out to the tune of Rs. 27.9b (FY21: nil) during the outgoing year coupled with corporate portfolio worth Rs. 96.2b (FY21: Rs. 17.2b) tagged to head office (HO) agriculture during FY22. In line with the prevailing macroeconomic situation, enhanced focus remains on priority sectors of economy including agriculture and oil & gas. However, as at Mar'23, the overall gross advances are reflective of the Bank's consolidation strategy wherein only the CIBG department displayed growth in line with higher financing extended to public sector companies as all other segments registered a negative growth during 1QFY23. Going forward, cautious and selective underwriting strategy will be continued. In addition, the emphasis would remain on secured lending, financing under government guaranteed schemes and public sector clients going forward.

Concentration risk high; however, credit risk mitigated due to sizable quantum of public sector funding: Lending to private sector represents the majority of gross financing portfolio. In terms of segregation of total portfolio, funded and non-funded exposures accounted for 42% (FY21: 36%) and 58% (FY21: 64%) during FY22. In addition, top 10 exposures (funded & unfunded) constituted 54% of the total aggregate portfolio at end-FY22. Moreover, top-5 and top-10 funded and unfunded exposures amounted to Rs. 1.9t and Rs. 1.7t and represented 8.11x and 7.32x of Tier-1 equity at end-FY22. Furthermore, NBP's biggest exposure, unfunded, pertaining to Defence sector constituted 43% and 6.35x of total exposure and tier-1 equity respectively at end of the outgoing year. Given the Bank is backed by the sovereign with major exposures being public sector clients the concentration risk is on a higher side. Nevertheless, the credit risk on the aforementioned is limited. The loan book is diversified, with exposures in 30+ sectors. Since last review, there has been no significant change in sectoral concentration, however, oil & gas surpassed textile sector during the period under review in line with higher disbursements channelized owing to the same being categorized as an essential sector by SBP. In line with envisaged strategy, healthy growth was noted in commodity, agri and allied sectors. As per the management, NBP does not rely on sector-based disbursement allocations as the Bank completely undertakes cashflow based lending. Going forward, the growth in high-risk sectors will remain low amid weak economic conditions as per the consolidation strategy being followed by the Bank during the ongoing year.

Asset quality weakened during the rating review period: NBP's asset quality indictors compare adversely to peers, as reflected by increasing trend in non-performing loans (NPLs) with third highest gross infection in the industry after Summit and Sindh Bank. Gross and net infection were recorded at the all-time high at end-Mar'23; the escalated number of npls recorded was on account of impairment recorded on a public sector/sovereign backed client. The advance was extended by the international branch of NBP; owing to sovereign backing no provisioning has been booked against the same. Nevertheless, the management expects that either NBP will get a relaxation on this particular account to not be included in npl portfolio or the recovery would be made by end-HY23. As a result of the aforementioned, the specific provisioning has declined on a timeline during the rating review period. Subsequent to decline in specific provisioning coverage, total provisioning coverage also declined at end-1QFY23. On the other hand, NBP provided general provisioning of Rs. 17.3b (FY21: Rs. 12.5b) during the outgoing year on the anticipation that challenging economic conditions may have an adverse impact on performing loans and risk of increase in NPLs cannot be precluded. Although npls emanated from all functions in 1QFY23; however, the highest increase pertained to corporate segment recorded at 1.17x in a quarter. It is pertinent to mention that the Bank currently has relaxation for 5 clients from GoP wherein the Bank does not include delinquency recorded on these clients while reporting npls. The relaxation is based on each particular loan and not on the overall client portfolio.

Investment Mix

Significant growth witnessed; credit risk emanating from investment portfolio on a lower side: Gross investment portfolio exhibited a mammoth increase during the rating review period; the increase was a function of channeling of additional liquidity towards government securities PIB portfolio by end-1QFY23. Subsequently, credit risk emanating from investment portfolio is considered low as government securities constituted 96% (FY22: 95%; FY21: 90%) of the investment portfolio at end-1QFY23. PIBs constituted the major chunk of the government securities portfolio amounting to 2.9t (FY22: 2.4t; FY21: Rs. 917b); the same represented 78% (FY22: 68%; FY21: 47%) at end-1QFY23.

Elevated market risk: In order to mitigate market risk stemming from increasing benchmark rates, the Bank enhanced its floating rate PIB portfolio during the period under review; the same represented two-thirds (Rs. 1.9t) of the total PIB portfolio at end-1QFY23. Further, as per segregation by type, out of the total fixed PIBs worth Rs. 1.0t, Rs. 376.3b are categorized under Held to Maturity (HTM) therefore the same are not exposed to mark-to-mark losses emanating from interest rate movements. On the other hand, the remaining fixed rate PIBs amounting to Rs. 624.0b falling under AFS are susceptible to market risk. With the increase of 625bps in the outgoing year and further hike of 500bps in 1Q23, the loss on fixed income securities increased notably; major jack up was evidenced in PIB portfolio with the same reporting a loss 51.2b (FY22: 28.5b; FY21: Rs. 8.2b) at end-1QFY23. Subsequently, the aggregate deficit on investments stood at 8.5b at end-FY22 as opposed to surplus of Rs. 32.5b reported in the preceding year. The overall deficit further magnified to Rs. 34.2b at end-1QFY23.

Sizable comprehensive loss booked on investment during the period under review: Given two-thirds of the fixed PIB portfolio fell under AFS, other comprehensive loss booked under revaluation of investments amounted to Rs. 15.3b (FY22: (Rs. 24.1b); FY21: (Rs. 8.6b)) with net deficit on investments increasing to Rs. 19.5b (FY22: (Rs. 4.3b) at end-1QFY23. The exponential impact of interest rate movements can be addressed from the fact that a surplus of Rs. 19.9b recorded on investments at end-FY21 turned into loss of almost similar amount at end-1QFY23. The weighted duration of the fixed and floating tenor PIBs was recorded at 2.57 years (FY21: 2.57 years) and 0.19 years (FY21: 0.17 years) respectively at end-FY22. In line with higher proportion of floating rate PIBs, the weighted average duration of the total PIB portfolio was recorded at 0.37 years at end-May'23. In addition, the entire T-Bill portfolio comprises of three months securities. Subsequently, the weighted average duration of the entire government securities portfolio was reported at four months at end-1QFY23. The management does not plan to realize any loss accumulated on government securities amid adequate liquidity indicators. In addition, the Bank has embarked upon a consolidation strategy for the investment portfolio in the medium term. Nevertheless, any repositioning made will be done from fixed to floating rate securities.

Equity Market Investments: Equity portfolio is diversified and stands at ~13% (as at Dec'22) in relations to Bank's equity. Major exposure continues to remain in oil & gas, power, commercial banks and cement. Provision for diminution on value of equities was recorded at Rs. 11.4b (FY22: Rs. 10.6b; FY21: Rs. 6.5b) at end-1QFY23; however, the price risk originating from the aforementioned portfolio is largely mitigated as surplus worth Rs. 44.4b (FY22: Rs. 39.2b; FY21: Rs. 38.8b) was booked on the same at end-1QFY23. Carrying on with a conservative stance, NBP's management has no plan to increase stock market exposure in the current year.

Liquidity Profile

Comfortable liquidity position: NBP's liquidity profile is sound as evidenced from sizable coverage of liquid assets by deposits and borrowings (adjusted for collateral) recorded at end-1QFY23. Moreover, the liquidity indicators are supported by significant quantum of treasury operations. Incremental liquidity available through growth of deposits was channelized towards liquid avenues as the advances to deposit (ADR) ratio declined in the ongoing year. However, the same is not reflective in liquid asset coverage by deposits and borrowings as the same is adjusted by higher quantum investments given as collateral at end-1QFY23. NBP's deposit base displayed a contraction of 11.7% Y/Y as at Dec'22; however, the same rebounded by the same percentage as at Mar'23. Effectively, deposit base remained intact with no growth during the period under review. As per the management, the reduction is deposit base in 2022 was a focused strategy to reduce the ADR based tax imposition so as to deliver a higher-after tax profit to shareholders. NBP currently holds the second largest share of customer deposits in the banking industry with a market share of 12.6% (Dec'22: 11.9%, Dec'21: 14.4%) as at Mar'23. Significant uptick was witnessed in CASA mobilization, therefore the proportion of the same in the overall deposit mix increased on a timeline during the rating review period. The management is pursuing a prudent deposit mobilization strategy to maintain CASA ratio at higher levels. In addition, NBP aims to continue with the current deposit mix with no significant anticipated increase in high-cost fixed deposits during the ongoing year to curtail pressure on spreads. Going forward, management expects the deposit base to grow mainly through digital channels in the future, while physical branch growth will be limited.

Heavy public sector deposits available entailing relatively lower withdrawal risk; growth in borrowings: Deposit granularity has weakened over time, as reflected by proportion of top 10 depositors increasing to 26% at end-FY22 as opposed to 17% in the preceding year. However, comfort is drawn from Government and public sector entities' deposits constituting around half of the total deposit mix at end-FY22 which tend to be stickier than private sector. The Bank also maintains sizeable cushion over regulatory requirements for LCR and NSFR. The borrowings increased significantly during the rating review period. The borrowing mix largely comprised of repo borrowings representing 94% and 96% of the total borrowings as at Dec'22 and Mar'23 (Dec'21: 41%) respectively. The Bank has continuously remained in repo transactions throughout the review period in order to augment the investment book; the same has resulted in an upward pressure on cost of funds given repo borrowing rates reprice shortly after monetary policy announcement in comparison to investment duration of the NBP's portfolio impacting Bank's spread. Nevertheless, going forward, liquidity profile of the Bank expected to remain strong during the rating horizon.

Asset liability mismatch exists: At end-FY22, there was asset-liability mismatch in up to one day till 2-3 months buckets due to short-term borrowings procured to finance the investment portfolio along with current deposits entailing single day maturity. The liquidity risk arising from maturity mismatch is largely mitigated through borrowing lines available with local banks. In addition, the withdrawal risk is also manageable given the largest depositors are public/sovereign accounts that are relatively stickier in nature.

Profitability Metrics

Dip in spreads recorded owing to escalation in cost of funding and lag experienced in advances' portfolio reprising: NBP's profitability position largely remained intact and was marked by slight improvement with healthy profit after tax recorded at Rs. 30.4b (FY21: 28.0b) in line with growth in average earning asset base during the outgoing year. Nevertheless, the quantum growth did not fully reflect in the bottom line on account of dip in markup spreads, higher operating expenses amid inflationary pressure coupled with notable increase in taxation expense during FY22. Given monetary tightening undertaken by SBP during the period under review wherein the policy rates cumulatively soared up by 11.25% during FY22 and 1QFY23 to 21%, yield on earning assets increased during the outgoing year. However, as the earning assets were majorly financed by borrowings entailing higher cost as opposed to deposits the same has notably increased the cost of funds for the Bank resulting in shrinkage of spreads during FY22. In addition, with a higher tilt towards borrowings to finance treasury operations along with a further increase of 500bps in the discount rate during the ongoing year, the weighted average cost of borrowings of the Bank soared up to 17.2% (FY22: 9.7%) during 1QFY23. Consequently, the growth in cost of funds surpassed the increase in yield of earning assets which resulted in further compression of spreads in 1QFY23. The trend was in contrast to 'AAA' rated commercial banks trend wherein the effective spreads have increase amid policy rates hike. In addition, the effective spread of the Bank remained lower on historical basis when compared to peer rated banks. Going forward, in the near term, VIS expects commercial banks spreads to increase during FY23 as the repricing impact of increase of 500bps in 1QFY23 on lending portfolio will effectively come after 3-4 months, while for NBP, strategical change is required in order to cut down the cost of funds to register a rebound in spreads.

Efficiency ratio recorded higher on a timeline in line with increase in operating expenses: In addition, the effective Net Interest Margin also declined to 23% (FY21: 42%) during FY22; the same further contracted to 17% in 1QFY23 (1QFY22: 33%). The shrinkage in NIM is an underling impact of spread compression evidenced during the period under review. On the other hand, despite a lackluster trade and business activity during the outgoing year, the Bank succeeded in maintaining its non-mark-up earning stream at Rs. 36.7b (FY21: Rs. 36.9b). In line with significant uptick in general inflation, NBP's administrative expenses increased by 31% Y/Y in 2022; the employee related expenses that constituted around 62.5% of the total operating expenses, exhibited an increase of 31.8% during the outgoing year. It is pertinent to mention that YoY increase in employee related expenses was mainly due to the fact that in FY21 the cost was on a lower side as compared to FY20 due to reversals of certain accruals created in the prior years which were no longer required. Excluding the impact of such reversals, the cumulative average growth in staff cost stood at 11%. On the other hand, provisions of the Bank only increased marginally during FY22 and displayed a reduction in 1QFY23 when compared to SPLY. Subsequently, the efficiency ratio increased on a timeline by end-1QFY23.

<u>Healthy profit generated despite incorporation of one-off impact of higher super tax at 10%:</u> Despite increase in total income, the profit before tax (PBT) & extra-ordinary item remained unchanged at Rs. 62.7b (FY21: 62.7b) during FY22. On the other hand, during 1QFY23, the increase in total income of 18% Y/Y has translated to some extent in the bottom line with growth of PAT of 9% Y/Y. The budgetary measures of increase in super tax slabs wherein the super tax increased to 10% (FY21: 4%) on the entities generating PBT greater than Rs. 500m coupled with additional tax up to 50% on any abnormal gains that have arisen during any of the preceding 5 years from tax year 2023 put a considerable drag on NBP's profitability. As a conclusion, the Bank's topline is expected to increase on account of full year impact of policy rate jumps as the quantum of earning assets entailing investment portfolio and private sector lending is likely to remain at current levels; the only growth expected is likely to emanate from public sector financing during the ongoing year. Moreover, management of spreads will remain challenging owing to heavy reliance on repo-borrowings.

Sound capitalization indicators: NBP's paid-up capital remained unchanged during the review period. As at Mar'23, CAR stood significantly higher than the minimum requirement set by SBP and compliant with VIS's benchmark for 'AAA' rating. With no dividend payout during the rating review period, equity base continued to grow, however, the unrealized loss on AFS investments mounting to Rs. 19.5b (FY22: Rs. 4.3b) restricted the growth trajectory. In addition, net npls to Tier-1 equity increased sharply by end-1QFY23 as a combined outcome of multiple factors including high infection recorded, low specific provisioning booked against the same impairment as the Bank either expects recovery or relaxation by the government and slight dip in core equity. In line with largely consolidation strategy opted for both investment and lending portfolios, NBP's CAR is expected to remain at similar levels. Maintenance of strong capitalization indicators will remain imperative for ratings going forward.

FINANCIAL SUMMARY *(amounts in PKR millions) –Annexure I*					
BALANCE SHEET	**Dec'19**	**Dec'20**	**Dec'21**	**Dec'22**	**Mar'23**
Investments	1,449,555	1,463,398	1,938,171	3,477,354	3,741,390
Net Advances	1,008,139	983,255	1,113,392	1,230,522	1,231,517
Total Assets	3,124,389	3,008,527	3,846,684	5,240,425	6,055,626
Borrowings	471,757	138,539	312,925	1,940,486	2,503,004
Deposits & other accounts	2,198,049	2,418,966	3,019,155	2,666,184	2,976,228
Tier-1 Equity	142,716	172,896	199,752	231,191	228,129
Net Worth	232,614	267,559	286,203	300,848	304,949
Paid- up Capital	21,275	21,275	21,275	21,275	21,275
INCOME STATEMENT	**2019**	**2020**	**2021**	**2022**	**1Q23**
Net Spread Earned	71,907	104,155	97,618	116,827	32,523
Net Provisioning / (Reversal)	14,250	30,896	11,916	12,601	684
Non-Markup Income	36,199	36,077	36,942	36,684	7,500
Administrative expenses	65,705	62,797	59,657	78,100	21,146
Profit/ (Loss) Before Tax	28,003	46,224	52,860	62,737	18,177
Profit / (Loss) After Tax	15,810	30,559	28,008	30,410	10,689
RATIO ANALYSIS	**2019**	**2020**	**2021**	**2022**	**1Q23**
Market Share (Domestic Advances)	14.1%	13.7%	12.9%	12.1%	12.3%
Market Share (Domestic Deposits)	15.0%	13.5%	14.4%	11.9%	12.6%
Gross Infection	12.9%	14.8%	15.2%	14.3%	17.3%
Total Provisioning Coverage	96.3%	103.1%	96.9%	101.3%	87.9%
Net Infection	1.43%	1.71%	1.65%	1.17%	3.79%
Cost of Funds	7.5%	5.3%	5.0%	10.0%	13.6%
Gross Advances to Deposits Ratio	50.9%	45.9%	41.4%	50.8%	46.1%
Net NPLs to Tier-1 Capital	9.6%	8.8%	8.8%	5.9%	19.3%
Capital Adequacy Ratio (CAR)	15.48%	19.78%	20.39%	21.59%	20.06%
Markup Spreads	3.49%	4.20%	2.90%	2.31%	2.07%
Efficiency	66%	49%	47%	52%	54%
ROAA*	0.5%	1.0%	0.8%	0.67%	0.76%
ROAE*	10.2%	17.2%	13.5%	12.68%	15.98%
Liquid Assets to Deposits & Borrowings	62.3%	69.5%	74.0%	66.6%	64.8%

**Annualized*

REGULATORY DISCLOSURES	Appendix III
Name of Rated Entity	National Bank of Pakistan (NBP)
Sector	Public Sector Banks
Type of Relationship	Solicited
Purpose of Rating	Entity Rating
Rating History	see table below
Instrument Structure	N/A
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.
Disclaimer	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. Copyright 2023 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.
Due Diligence Meeting Conducted	see table below

Rating History

Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
RATING TYPE: ENTITY				
23-Jun-23	AAA	A-1+	Stable	Reaffirmed
27-Jun-22	AAA	A-1+	Stable	Reaffirmed
28-Jun-21	AAA	A-1+	Stable	Reaffirmed
29-Jun-20	AAA	A-1+	Stable	Reaffirmed
28-Jun-19	AAA	A-1+	Stable	Reaffirmed
29-Jun-18	AAA	A-1+	Stable	Reaffirmed
30-Jun-17	AAA	A-1+	Stable	Reaffirmed

Due Diligence Meeting Conducted

Name	Designation	Meeting Date
Abdul Wahid Sethi	Chief Financial Officer	May 30, 2023
Ehtesham Rashid	Head of Treasury	
Shahid Iqbal Choudhri	Head of CIBG	
Syed Shamim Bukhari	Head of Investor Relations & Policy Review	