RATING REPORT

Advans Pakistan Microfinance Bank Limited

REPORT DATE:
April 29, 2022

RATING ANALYST:
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RATING DETAILS

Rating Category	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
Entity	BBB+	A-3	BBB+	A-3
Rating Outlook	Stable		Stable	
Rating Date	*April 29, 2022*		*April 29, 2021*	

COMPANY INFORMATION

Incorporated in 2012	**External Auditors:** BDO Ebrahim & Co. Chartered Accountants
Public Limited Company	**Chairman of the Board:** Dr. Claude Falgon
Key Shareholders (with stake 5% or more):	**Chief Executive Officer:** Mr. Guillaume Valence
Advans SA SICAR – 100%	

APPLICABLE METHODOLOGY(IES)

Methodology: Micro Finance Banks (June 2019) https://www.vis.com.pk/kc-meth.aspx

Advans Pakistan Microfinance Bank Limited

OVERVIEW OF THE INSTITUTION	RATING RATIONALE

Advans Pakistan Microfinance Bank Limited (APMBL) was incorporated in 2012 as a public limited company under Microfinance Institutions Ordinance; 2001. The bank currently holds a province-specific license, limited to the jurisdiction of Sindh.

Advans SA is a venture capital investment firm established by Advans International (formerly Horus Development Finance) in 2005. Currently, the group has presence in nine countries: Cambodia, Cameroon, Ghana, Democratic Republic of Congo, Myanmar, Cote d'Ivoire, Pakistan, Nigeria and Tunisia.

Profile of Chairman

Dr. Claude Falgon serves as Chairman of the Board; his experience spans over 37 years during which he has chaired various organizations including La Fayette Participations and Advans SA. Mr. Claude has been associated with Advans International since 2005.

Profile of CEO

Mr. Guillaume Valence is a graduate with Master's Degree in Management and Management of Public Instituion from ICN Business School degree, Commercial Institute of Nancy, EQUIS accreditation and IAE

Headquartered in Karachi, Advans Pakistan Microfinance Bank Limited ('APMBL' or 'The Bank') operates as a public limited company under Microfinance Institutions Ordinance, 2001. APMBL is a small-sized microfinance bank with a decade-long operational history, holds a province-specific license for operating within Sindh. At present, the bank operates with a network of 16 (2021: 14) branches; of which 2 have been added recently in the ongoing year. As per management, there are plans to further add 3 branches by June'22 and 3 more in the subsequent period.

<u>Key Rating Drivers:</u>

Sound corporate governance framework, which is supported by a well-designed organizational structure and qualified senior management team.

<u>Board of Directors:</u>
Board of Directors (BoD) comprises total 7 members, including 5 non-executive and 2 independent directors. Non-executive directors mainly include professionals working in the executive roles in the parent company. Since last review, there has been no change in the board composition.

Table 1: Board Composition

Name	Status	Position
Dr. Claude Falgon	Chairman/ Non-Executive	Director Advans S.A Sicar
Emmanuel Aris	Non-Executive	Advans International – Senior Investment Officer
Steven Duchatelle	Non-Executive	CEO - Advans International
Montfort Isabelle	Non-Executive	Head of Finance – Advans International
Eelko Bronkhorst	Non-Executive	Chairman Board of Directors, Advans S.A
Yusra Arshad Gillani	Independent Director	Independent Legal Consultancy
Ayesha Gulzar	Independent Director	Diversified Experience – USAID & Government Policy Departments

For effective oversight, there are four board level committees in place namely; Board Audit Committee (BAC), Board Risk Committee (BRC), Board Remuneration Committee and Board Human Resource and Compensation Committee (BHRCC). As per best practices, an independent director chairs BAC and all committees complies with minimum independence criteria.

<u>Management Profile:</u>
The CEO, Mr. Guillaume Valence who joined in 2019, spearheads the management team. He is a seasoned banker and prominent microfinance professional, with 20+ years of diverse experience working with renowned financial institutions. The senior management has depicted stability and there was no turnover witnessed in the outgoing year.

Nancy 2 University. He is a seasoned banker and a prominent microfinance professional, with around 20 years of diverse experience working with renowned financial institutions. Prior to joining Advans Pakistan in 2019, he was the Chief Executive Officer and Managing Director of La Fayette MFB (Nigeria). His experience with Advans Group was spread across different countries with variety of cross-functional expertise including, SME Financing, Branch Operations, Risk and Financial analysis, Risk Management and Business Development.

Table 2: Senior Management

Names	Designation
Guillaume Valence	CEO
Muhammad Awais Masood	Deputy CEO, CFO & CS
Saira Qabool	Head of Human Resources
Ghulam Farid Bhutta	Head of Branch Banking
Zubair Hafeez	Head of Risk & Compliance
Mr. Ahmed Shaheryar Khan	Chief Information Officer
Mr. Muhammad Rizwan	Head of Internal Audit

The management level committees include Management Committee (MANCOM), Asset and Liability Committee (ALCO), Risk Committee (RC) and Human Resource Committee (HRC). Minutes of all the meetings are formally documented.

Distribution Network:
The bank entered into branch expansion phase with the start of the ongoing year; 2 branches have already been added in the Kherpur region while further addition of 6 branches is planned over the rating horizon. Majority of the branches are based in Karachi, with the presence in other cities including Hyderabad, Mirpurkhas, Sukkur, Larkana, Ghotki and Nawabshah. The bank currently holds a province-specific license, limited to the jurisdiction of Sindh. However, plans to acquire a nation-wide microfinance-banking license remain in place.

Productivity Indicators:
Total staff strength has increased significantly to 409 (end-Dec'20: 249) employees as at end-Dec'21. Similarly, number of loan officers stood higher at 216 (2020: 113); as a result caseload per loan officer has improved. Going forward, management plans to increase the total workforce to 600+ employees.

Table 3: Productivity Indicators

	2019	2020	2021
No. of LOs	150	113	216
No. of Branches	13	13	14
No. of Active Loans	11,400	8,517	14,942
LOs per branch	11.5	8.7	15.4
Case Load – Loan officer	76	75	69
Amount – Loan Officer (In Rs.)	1,326	1,760	1,170
No. of Active loans per Branch	877	655	1,067

Information Technology (IT):
'Orbit', a Linux/ Sybase based core banking system is deployed at the bank; the system was acquired from the parent company, Advans International. Under Orbit, the bank has installed four modules specifically KT admin, KT online, KT teller and RepWiz. Primary data center is situated at head office while disaster recovery site is also in place. Data back-up is being maintained on external hard drives on a daily basis.

Internal Audit (IA):
An audit manual governs the Internal Audit (IA) department while a risk-based audit plan is prepared annually, where the frequency and scope of audit is defined based on the results of risk assessment. Nevertheless, all branches must be visited at least once a year. Further, at least 80 credit files are required to be reviewed for each branch, of which 40 are visited as

well. BAC meetings are held on a quarterly basis to discuss the results of missions performed by IA.

Gross financing portfolio has registered a sizeable growth entirely funded by increase in deposit base.
Asset growth in 2021 was mainly driven by deposit growth, which was channeled towards the lending book. The management has continued focus towards deposit based lending growth over the years, has resulted in ADR improving to ~110% in 2021 from 181% in 2018.

With recovery in the global economy post pandemic, pace of disbursements escalated post June'21; subsequently gross financing portfolio registered a strong growth of ~127% in 2021. As a result, market share (in terms of lending size) also increased to 0.6% (2020: 0.3%) albeit remains on the lower side. Aggressive lending strategy led to sizeable portfolio growth as credit demand remained healthy with gradual recovery in various pandemic-hit sectors specifically MSME. Going forward, management is pursuing the aggressive growth attitude with targeted gross advances of Rs. 4.7b by end-2022.

Sectoral breakup comprises lending to four sectors, i.e. agriculture, MSMEs, Livestock and Gold. Since last review, financing mix has largely remained unchanged with MSME financing representing the largest chunk. Product suite can be broadly segmented into two categories; unsecured individual loans and secured gold-backed loans. Hypothecation of assets and personal guarantees constitute collaterals for unsecured loans. All unsecured loan products have monthly repayment structure while the secured gold backed loans feature both EMI and bullet repayment options. The portfolio mix is tilted towards EMI loans as the same comprised around 98% of total portfolio. Given the same, recovery ratio is favorable with effective management of credit risk. At present, there are total two eight products being offered as tabulated below:

Table 4: Product-wise Breakup of Gross Advances (Rs. in millions)

	Dec'20	%	Dec'21	%
Advans Sona Sarmaya - EMI	14.6	*1%*	23.6	*1%*
Advans Sona Sarmaya - Bullet	88.8	*8%*	227.7	*9%*
Advans Tijarat	412.8	*38%*	1,840.2	*74%*
Advans Tijarat Plus	21.8	*2%*	44.1	*2%*
Advans Tijarat Minus	133.0	*12%*	214.9	*9%*
Advans Kissan Bullet	-	-	30.9	*1%*
COVID-19 Restructured	403.5	*38%*	112.5	*5%*
Total Advances	**1,074.5**		**2,493.9**	

In terms of product mix, concentration exists as Advans Tijarat, which is the flagship product, represents the largest proportion of loan portfolio. Major growth was also manifested in the same as it grew by 3.5x vis-à-vis preceding year. In addition, Advans Tijarat is sub-segmented into Advans Tijarat Plus and Advans Tijarat Minus featuring repayment and interest rate flexibility. During the period under review, an agriculture loan product 'Advans Kissan Bullet' was launched. As per management, the new product is targeted to reach Rs. 250m by Dec'22.

In 2021, SBP granted an exclusive relaxation for the bank with increasing its upper lending credit limit to Rs. 1.0m from 0.5m. In line with the same, average loan-size has increased significantly to Rs. 253K (2020: Rs. 199K) at end-2021; compares favorably vis-à-vis industry peers. Moreover, number of active loans also grew by ~75% in 2021.

Asset quality indicators continue to remain strong.

Asset quality indicators have improved with the decrease in NPLs at end-2021 while provisioning coverage remains at comfortable levels. Given the sizeable fresh disbursements and decline in NPLs, overall gross and net infection ratios have noted marked improvement. However, it is to be noted that with recent changes in reporting and provisioning of NPLs announced in SBP's circular (dated 16-March'22), asset quality indicators do not present a true reflection of actual impaired portfolio.

Table 5: Asset Quality Indicators (Rs. in millions)

	2019	2020	2021
Gross Advances	1,269.6	1,074.4	2,494.0
Specific Provisioning	23.3	39.0	31.3
General Provisioning	11.5	79.8	32.6
Net Advances	1,234.7	955.6	2,430.1
NPLs	**65.1**	**95.5**	**77.7**
NPLs written off	**54.5**	**120.9**	**129.2**
Tier 1 Equity	525.3	552.7	756.6
Gross Infection	**5.1%**	**8.9%**	**3.1%**
Net Infection	**3.3%**	**5.5%**	**1.9%**
Incremental Infection	**7.9%**	**12.4%**	**6.1%**
Provisioning Coverage	**53.6%**	**124.4%**	**82.2%**
Net NPLs/Tier 1 Equity	**7.8%**	**8.9%**	**5.9%**

The covid-19 related deferred/re-structured portfolio stood at Rs. 580.0m in 2020; quantum of outstanding payments amounted Rs. 60.0m at end-March'22. Through concerted efforts, the bank managed to recover Rs. 21.2m (2020: Rs. 5.2m) against written off advances in 2021.

Room for improvement exists in liquidity coverage metrics.

Deposit base of the bank grew sizably by 126% in 2021, amounting to Rs. 2.3b (2020: Rs. 1.1b). Since last review, deposit mix has noted a shift from individuals to institutional depositors; major inflows pertain to retirement funds of corporates. Top 50 depositors constitute ~70% of total deposits depicting high concentration risk and increased vulnerability to liquidity shortfalls. However, proactive relationship management with large-sized depositors, in order to foresee any major withdrawals provides comfort to some extent.

Table 6: Break-up of Deposits (Rs. in millions)

	2019	%	2020	%	2021	%
Individual Depositors	920.6	*97%*	1,032.0	*98%*	643.9	*28%*
Corporation/ Firms	33.1	*3%*	23.1	*2%*	1,628.3	*72%*
Total Deposits	**953.7**		**1,055.2**		**2,272.3**	

The deposit growth was primarily manifested in all deposit types during 2021 while fixed deposits continue to represent the largest proportion of total deposit base. In absolute terms, the growth stood higher in saving deposits, resulting in CASA (%) improving to 42% (2020: 28%) in 2021.

Table 7: Deposit Mix (Rs. in millions)

	2019	%	2020	%	2021	%
Fixed Deposits	689.3	*72%*	756.2	*72%*	1,319.3	*58%*
Saving deposits	185.9	*19%*	250.7	*24%*	861.6	*38%*
Current deposits	78.5	*8%*	48.3	*4%*	91.3	*4%*
Total Deposits	**953.7**		**1,055.2**		**2,272.3**	

The short-term credit facility of Rs. 300m from Pakistan Microfinance Investment Company (PMIC) remain in place; however, its utilization has declined on a timeline basis. The facility carries mark-up at the average rate of 6M KIBOR plus 4% (to be set at the start of each quarter). Going forward, lending portfolio is planned to be funded two-third by deposits and the remaining by borrowings. In view of the same, there are plans to mobilize additional financing lines of ~Rs. 600m to manage liquidity requirements.

Table 8: Liquidity Metrics (Rs. in millions)

	2019	2020	2021
Investments	98.5	199.4	-
Cash and balances with SBP and NBP	85.8	115.1	259.9
Balances with other banks and MFBs	230.6	430.7	267.8
Liquid Assets	**414.8**	**745.2**	**527.7**
Deposits	953.7	1,055.2	2,272.3
Borrowing	300.0	225.0	100.0
Liquid Assets to Deposits and Borrowing(x)	**33%**	**58%**	**22%**
Advances to Deposits	**1.33**	**1.02**	**1.10**
CA (%)	**8%**	**5%**	**4%**
CASA (%)	**28%**	**28%**	**42%**

Overall coverage of liquid assets in relation to deposits & borrowings indicates room for improvement. Given projected increase in deposit base and borrowings, maintaining adequate liquidity profile is considered important from the ratings perspective.

Earning profile has noted a healthy recovery in 2021.

After a subdued performance in the previous year, earning profile has noted a healthy recovery in 2021 on the back of volumetric growth in markup bearing assets, sizeable uptick in spreads (against the industry trend) and non-markup income along with the drop in provisions. Topline registered a strong growth of ~72% in the outgoing year.

Table 9: Markup Income Earned (Rs. in millions)

(Rs. in millions)	2019	%	2020	%	2021	%
Advances	500.1	*96%*	418.7	*93%*	749.4	*97%*
Government Securities - Market Treasury bills	10.1	*2%*	17.1	*4%*	12.5	*2%*
Deposit Accounts	11.1	*2%*	14.0	*3%*	13.1	*2%*
Total Markup Earned	**521.3**		**449.8**		**775.0**	

Given the strong growth in recurring income, the bank's Operational Self Sufficiency (OSS) ratio has depicted considerable improvement to 116.8% (2020: 82.7%) in 2021. Administrative overheads were reported higher as compared to the pre-pandemic levels mainly due to increase in staff strength in line with branch expansion plans. Other income increased in 2021 mainly due to significantly higher recoveries against write-offs.

Table 10: Income Statement Figures (Rs. in millions)

	2019	2020	2021
Return on Markup Bearing Assets	*41.2%*	*28.6%*	*36.1%*
Cost of Funds (Deposits)	*13.4%*	*12.9%*	*10.1%*
Spreads	**27.8%**	**15.7%**	**26.0%**
Net Spread Income	393.4	286.3	590.4
Provisions	(69.0)	(204.8)	(74.2)
Fee Income	70.4	41.7	110.9
Other Income	80.9	18.8	31.3
Administrative Expenses	(474.4)	(396.5)	(600.5)
Other Expenses	(1.0)	(1.8)	(1.5)
Pre-tax profit/(loss)	**0.4**	**(256.4)**	**56.4**

Post consecutive two years of dismal earnings, the bank posted a pre-tax profit of Rs. 56.4m (2020: loss of Rs. 256.4m). Accounting for taxation, net profit amounted to Rs. 53.9m (2020: loss of Rs. 257.6m). Going forward, the management is targeting bottom-line of Rs. 90m for the year 2022 on the back of projected disbursements.

Capitalization buffers may be further strengthened.

Table 11: Capitalization Indicators (Rs. in millions)

	2019	2020	2021
Share Capital	1,290.2	1,575.2	1,725.2
Reserves	3.7	3.7	17.2
Accumulated losses	(768.6)	(1,026.2)	(985.8)
Tier 1 Equity	**525.3**	**552.7**	**756.6**
Deferred Grant	0.7	0.7	0.7
Total Equity	**526.0**	**553.4**	**757.3**

Paid-up capital grew by ~34% over the last two years owing to equity injection of Rs. 285m in 2020 and Rs. 150m in 2021 by the sponsor. Capital Adequacy Ratio (CAR), however, stood lower to 21.1% (2020: 41.4%) as at end-March'22 due to sizeable increase in risk-weighted assets. As per management, CAR is expected to remain above minimum requirement with the planned growth.

Going forward, there are plans for equity injection of Rs. 400 to 500m; negotiations of sponsor with potential investors are currently underway. The management has also expressed interest in issuance of a Tier-2 TFC in the medium-term. Ratings continue to draw comfort from the demonstrated sponsor-level support on a timeline basis.

Advans Pakistan Microfinance Bank Limited — Appendix I

FINANCIAL SUMMARY			*(amounts in PKR millions)*
BALANCE SHEET	**31-Dec-19**	**31-Dec-20**	**31-Dec-21**
Cash and Bank Balances with SBP and NBP	85.8	115.1	259.9
Balances with other Banks and/NBFIs/MFBs	230.6	430.7	267.8
Total Investments	98.5	199.4	-
Net Advances	**1,234.7**	**955.6**	**2,430.1**
Operating Fixed Assets	180.3	159.5	239.4
Other Assets	67.0	67.6	108.9
Total Assets	**1,946.2**	**1,983.8**	**3,371.2**
Total Deposits	**953.7**	**1,055.2**	**2,272.3**
Borrowings	**300.0**	**225.0**	**100.0**
Other Liabilities	166.5	150.2	241.6
Tier-1 Equity	525.3	552.7	756.6
Net Worth	**526.0**	**553.4**	**757.3**
Paid Up Capital	1,290.2	1,575.2	1,725.2
INCOME STATEMENT			
Net Mark-up Income	**393.4**	**286.3**	**590.4**
Net Provisioning / (Reversal)	69.0	204.8	74.2
Non-Markup Income	151.3	60.4	142.2
Operating Expenses	475.4	398.3	602.0
Profit Before Tax	**0.4**	**(256.4)**	**56.4**
Profit after tax	**14.9**	**(257.6)**	**53.9**
RATIO ANALYSIS			
Gross Infection (%)	5.1%	8.9%	3.1%
Incremental Infection (%)	7.9%	12.0%	6.1%
Provisioning Coverage (%)	53.6%	124.4%	82.2%
Net Infection (%)	3.3%	5.5%	1.9%
Net NPLs to Tier-1 Capital (%)	7.8%	8.9%	5.9%
Capital Adequacy Ratio (%)	31.2%	41.4%	26.1%
Markup on earning assets (%)	41.2%	28.6%	36.1%
Cost of Funds (%)	13.4%	12.9%	10.1%
Markup Spreads (%)	27.8%	15.7%	26.0%
OSS (%)	97.8%	82.7%	116.8%
ROAA (%)	0.9%	-13.1%	2.0%
ROAE (%)	2.9%	-47.8%	8.2%
Advances to Deposit Ratio	133.1%	101.8%	109.8%
Gearing (x)	na	na	na
Current Ratio (x)	na	na	na
Liquid Assets to deposits & borrowings (%)	33.1%	58.2%	22.2%

Added Information- COVID-19 Restructuring as per SBP's notification			
	31-Dec-19	**31-Dec-20**	**31-Dec-21**
Total Rollover Portfolio	na	580	-
Deferred Portfolio	na	na	-
Restructured Portfolio	na	na	113
Rollover Portfolio to Net Advances (%)	na	60%	3%
Current Cash Recovery (%)	na	75%	-
Amount Recovered	na	320	na
Amount to be Recovered	na	260	na
Write off	54	121	129
Write off to GLP (prior to write-off) (%)	4%	11%	5%
Provisioning to Total Income (%)	7%	84%	10%
Provisioning to Profit After Tax (%)	233%	-46%	119%
Provisioning to Gross Loan Portfolio (%)	3%	11%	3%
Mark-up Accrued (Rs. in b)	34	43	75
Mark-up Accrued to Net Interest Income (%)	9%	15%	13%
Categorization of NPL Classification (%)			
- *OAEM*	*25%*	*31%*	*21%*
- *Sub-Standard*	*22%*	*14%*	*16%*
- *Doubtful*	*45%*	*27%*	*51%*
- *Loss*	*8%*	*28%*	*12%*
Total NPL	**65.1**	**95.5**	**77.7**

ISSUE/ISSUER RATING SCALE & DEFINITIONS Appendix II

Medium to Long-Term

AAA
Highest credit quality; the risk factors are negligible, being only slightly more than for risk-free Government of Pakistan's debt.

AA+, AA, AA-
High credit quality; Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

A+, A, A-
Good credit quality; Protection factors are adequate. Risk factors may vary with possible changes in the economy.

BBB+, BBB, BBB-
Adequate credit quality; Protection factors are reasonable and sufficient. Risk factors are considered variable if changes occur in the economy.

BB+, BB, BB-
Obligations deemed likely to be met. Protection factors are capable of weakening if changes occur in the economy. Overall quality may move up or down frequently within this category.

B+, B, B-
Obligations deemed less likely to be met. Protection factors are capable of fluctuating widely if changes occur in the economy. Overall quality may move up or down frequently within this category or into higher or lower rating grade.

CCC
Considerable uncertainty exists towards meeting the obligations. Protection factors are scarce and risk may be substantial.

CC
A high default risk

C
A very high default risk

D
Defaulted obligations

Short-Term

A-1+
Highest certainty of timely payment; Short-term liquidity, including internal operating factors and /or access to alternative sources of funds, is outstanding and safety is just below risk free Government of Pakistan's short-term obligations.

A-1
High certainty of timely payment; Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are minor.

A-2
Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Access to capital markets is good. Risk factors are small.

A-3
Satisfactory liquidity and other protection factors qualify entities / issues as to investment grade. Risk factors are larger and subject to more variation. Nevertheless, timely payment is expected.

B
Speculative investment characteristics; Liquidity may not be sufficient to ensure timely payment of obligations.

C
Capacity for timely payment of obligations is doubtful.

Rating Watch: VIS places entities and issues on 'Rating Watch' when it deems that there are conditions present that necessitate re-evaluation of the assigned rating(s). Refer to our 'Criteria for Rating Watch' for details. www.vis.com.pk/images/criteria_watch.pdf

Rating Outlooks: The three outlooks 'Positive', 'Stable' and 'Negative' qualify the potential direction of the assigned rating(s). An outlook is not necessarily a precursor of a rating change. Refer to our 'Criteria for Rating Outlook' for details.www.vis.com.pk/images/criteria_outlook.pdf

(SO) Rating: A suffix (SO) is added to the ratings of 'structured' securities where the servicing of debt and related obligations is backed by some sort of financial assets and/or credit support from a third party to the transaction. The suffix (SO), abbreviated for 'structured obligation', denotes that the rating has been achieved on grounds of the structure backing the transaction that enhanced the credit quality of the securities and not on the basis of the credit quality of the issuing entity alone.

(blr) Rating: A suffix (blr) is added to the ratings of a particular banking facility obtained by the borrower from a financial institution. The suffix (blr), abbreviated for 'bank loan rating' denotes that the rating is based on the credit quality of the entity and security structure of the facility.

'p' Rating: A 'p' rating is assigned to entities, where the management has not requested a rating, however, agrees to provide informational support. A 'p' rating is shown with a 'p' subscript and is publicly disclosed. It is not modified by a plus (+) or a minus (-) sign which indicates relative standing within a rating category. Outlook is not assigned to these ratings. Refer to our 'Policy for Private Ratings' for details. www.vis.com.pk/images/policy_ratings.pdf

'SD' Rating: An 'SD' rating is assigned when VIS believes that the ratee has selectively defaulted on a specific issue or obligation but it will continue to meet its payment obligations on other issues or obligations in a timely manner.

REGULATORYDISCLOSURES					Appendix III
Name of Rated Entity	Advans Pakistan Microfinance Bank Limited (APMBL)				
Sector	Micro Finance Bank (MFB)				
Type of Relationship	Solicited				
Purpose of Rating	Entity Rating				
Rating History	**Rating Date**	**Medium to Long Term**	**Short Term**	**Rating Outlook**	**Rating Action**
	RATING TYPE: ENTITY				
	4/29/2022	BBB+	A-3	Stable	Reaffirmed
	4/29/2021	BBB+	A-3	Stable	Maintained
	4/28/2020	BBB+	A-3	Rating Watch - Developing	Maintained
	4/26/2019	BBB+	A-3	Stable	Reaffirmed
	4/25/2018	BBB+	A-3	Stable	Reaffirmed
	3/16/2017	BBB+	A-3	Stable	Reaffirmed
	4/29/2016	BBB+	A-3	Stable	Reaffirmed
	4/28/2015	BBB+	A-3	Stable	Reaffirmed
	4/25/2013	BBB+	A-3	Stable	Initial
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. VIS is not an NRSRO and its ratings are not NRSRO credit ratings. Copyright 2022 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.				
Due Diligence Meetings Conducted	**Name**	**Designation**	**Date**		
	Mr. Awais Masood	CFO	April 19, 2022		