



Rating Action

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PACRA UPGRADES ASSET MANAGER RATING OF MCB ASSET MANAGEMENT COMPANY LIMITED

The Pakistan Credit Rating Agency (PACRA) has upgraded the Asset Manager rating of MCB Asset Management Company (MCB AMC) to ‘AM2-’ (**AM Two Minus**). The rating denotes company’s very strong capacity to manage the risks inherent in asset management and meets high investment management industry standards and benchmarks.

The rating reflects the company’s experienced and competent management team which has also shown notable stability. The Company has reinforced its systems and processes, particularly the risk management and asset management platform, amidst weak dynamics of the industry. Although, the company has demonstrated strong growth in assets under management, it has limited diversity in products as compared to more established peers.

The rating is dependent on the management’s ability to effectively leverage on the parent bank’s network to elevate its franchise value and ensure stability in business strategy. The improvement in the products slate, while achieving a strong and stable funds’ performance, would be important. Moreover, consistent improvement in systems, processes and policies adopted in the investment management process would remain critical.

About the company: MCB Asset Management Company Limited (MCB AMC), a wholly owned subsidiary of MCB Bank Limited (MCB), with a long term rating of AA+ by PACRA, commenced operations in Feb06. MCB, the fourth largest bank in Pakistan in terms of asset size, operates a large network of more than one thousand branches across Pakistan. The company currently has four funds – money market, income, equity, and asset allocation – with total assets under management amounting to around PKR 14.1bln as at end-Nov09.

The seven-member BoD of MCB AMC mainly comprises senior officials of MCB Bank, including its CEO. The Chairman of Nishat Group, Mian Muhammad Mansha is the Chairman of MCB AMC’s board. The Chief Executive Officer of MCB AMC has a good experience in the asset management industry. He is assisted by a young but dynamic management team.

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