

Founder Shareholder - Islamic International Rating Agency (IIRA), Bahrain  
Joint Venture Partner - Credit Rating & Information Services Ltd. (CRISL), Bangladesh  
Member - Association of Credit Rating Agencies in Asia (ACRAA)

## Press Release

### JCR-VIS Upgrades Entity Ratings of Tameer Microfinance Bank Limited to A

**Karachi, April 29, 2011:** JCR-VIS Credit Rating Company Limited (JCR-VIS) has upgraded the entity ratings assigned to Tameer Microfinance Bank Limited (Tameer) from 'A-/A-2' (Single A Minus/A Two) to 'A/A-' (Single A/A One). Outlook on the assigned ratings is 'Stable.'

Telenor Pakistan Limited (TPL) possesses controlling share in Tameer and has provided considerable financial and structural support to the bank. Besides being the second largest telecommunications operator in the country, TPL is a 100% owned subsidiary of Telenor Group, which enjoys international credit rating of 'A-/A-2'. The rating assumes implicit support in terms of liquidity and equity, in case the need arises.

The rating upgrade incorporates healthy growth in asset base exhibited by the bank in 2010. The advances portfolio doubled during the year, highlighting Tameer's strategic focus on core banking operations for growth. Since growth is largely attributable to expansion of the secured loan portfolio, credit risk has remained stable. Moreover, qualitative changes to the lending process have contributed to reducing the rate of delinquency to feature strong asset quality. Diversification in the portfolio product mix is however important for sustained growth.

Liquidity reserves are sufficient vis-à-vis financial obligations. However, cultivating stronger deposit access in the retail market will assist the bank in managing both liquidity and spreads, going forward. Profitability depicted considerable improvement, with core loss (net of grant income) reducing and increased contribution from branchless banking. Inclusive of grant income, the bank posted profits for 2010. Capital adequacy ratio is likely to remain above the minimum regulatory requirement in the foreseeable future.

For further information on this rating announcement, please contact Ms. Sabeen Saleem, CFA (Ext: 510) or Ms. Sobia Maqbool, CFA (Ext: 506) at 35311861-70 or fax to 35311873.

  
**Faheem Ahmad**  
President & CEO

*Information herein was obtained from sources believed to be accurate and reliable; however, JCR-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. JCR-VIS Credit Rating Company Limited is paid a fee for most rating assignments. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. Copyright 2011 JCR-VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to JCR-VIS Credit Rating Company Limited.*