

JCR-VIS Credit Rating Company Limited

Affiliated with:
Japan Credit Rating Agency, Ltd.

Joint venture partner in:
Credit Rating Information & Services Ltd., Bangladesh
Islamic International Rating Agency Ltd., Bahrain

- May 2016 -

RATINGS THAT MATTER

BEYOND BORDERS

IIRA announces Sovereign Ratings of Bahrain

JCR-VIS' affiliate in Bahrain, Islamic International Rating Agency (IIRA) has assessed the long-term and short-term sovereign credit rating of the Kingdom of Bahrain at BBB & A3 respectively, on both the foreign and local currency scale. IIRA has also announced foreign currency sovereign rating of Republic of Turkey in 2015. Visit www.iirating.com for details.

JCR-VIS enters Kingdom of Saudi Arabia

JCR-VIS' affiliate, Islamic International Rating Agency (IIRA) submitted application with Capital Market Authority (CMA), KSA to carry out credit rating activities in the Kingdom. Other companies that applied for the license include: (SIMAH) the Saudi Credit Bureau, Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Services Middle East Limited, Fitch Ratings and A.M. Best Europe - Rating Services Ltd. The CMA announced that Credit Rating Agencies involved in activities within the Saudi Market and who applied for Authorization from the CMA would be allowed to carry out their activities uninterrupted until August 31st 2016. Furthermore, the CMA has required that all credit rating agencies that fall under this classification must acquire all necessary authorizations from the authority prior to 31st August 2016 and letter to continue operations as a licensed credit rating agency thereafter.

JCR-VIS rates Sukuk issue of Neelum Jhelum Hydropower Project, the largest ever issue in Pakistan

JCR-VIS has assigned preliminary rating of 'AAA' (Triple A) to the proposed Sukuk issue of Rs. 100 billion of Neelum Jhelum Hydropower Company (Private) Limited (NJHPC). Outlook on the assigned rating is 'Stable'. Ratings will be finalized upon review of signed legal documents and issuance of GoP guarantee. Sukuk will be unlisted, privately placed having a tenor of 10 years and will be used to fund the NJHPP.



JCR-VIS assigns Entity Rating to Quaid-e-Azam Thermal Power

JCR-VIS has assigned preliminary entity ratings of "AA/A-1+" to Quaid-e-Azam Thermal Power (Pvt.) Ltd (QATPL). Outlook on the assigned ratings is 'Stable'. Ratings will be finalized upon review of signed legal documents and issuance of Government of Pakistan (GoP) guarantee. QATPL is setting up a 1,180MW Re-Liquefied Natural Gas based Combined Cycle Gas Turbine power plant under the Power Generation Policy, 2015 based on the interim tariff which offers a guaranteed equity IRR, cost indexation and pass-through structure in line with other IPPs projects. The ratings are contingent upon timely completion of the project without significant cost overruns, signing of all material arrangements and issuance of GoP guarantee.

State Bank of Pakistan renewed JCR-VIS' ECAI status

The State Bank of Pakistan (SBP) vide its letter # BPRD/BA&CP-04/10305/2016 has renewed the status of JCR-VIS as eligible/ recognized External Credit Assessment Institution (ECAI).

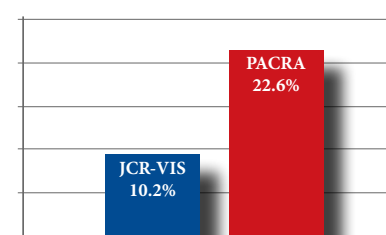
JCR-VIS updated Asset Manager Quality Rating methodology

With regards to its continuous efforts to update rating methodologies and criteria, JCR-VIS released its updated version of Asset Manager Quality Ratings methodology and rating scale. For harmony in notations, single plus (+) or double plus (++) have replaced previous notation of plus (+) or minus (-) to indicate the relative degree of strength within each category. JCR-VIS has harmonized all outstanding Asset Manager Quality Ratings with respect to this revised scale and a general press release to the effect has been issued.

State Bank of Pakistan encourages use of ratings for capital adequacy calculation

State Bank of Pakistan (SBP) vide BPRD Circular Letter No. 25 increased the risk weight on all unrated private sector borrowers. Effective from December 31, 2015, all unrated private sector corporate entities with aggregate outstanding exposure from financial institutions (both fund-based and non-fund based) of Rs. 3.0 billion or above, net of liquid assets, will attract risk weight of 125% in calculation of capital adequacy ratio of these financial institutions.

a NOTCH above!



Default Ratio: Size of defaulted Issues as % of size of all Issues rated by both CRAs (on ratings A- or above). Based on public data available on official websites of both CRAs.