The Pakistan Credit Rating Agency Limited

Rating Report

U Microfinance Bank Limited

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Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
14-Sep-2024	A+	A1	Stable	Maintain	-
15-Sep-2023	A+	A1	Stable	Maintain	-
16-Sep-2022	A+	A1	Stable	Upgrade	-
18-Aug-2021	A	A1	Stable	Maintain	Yes
18-Aug-2020	A	A1	Stable	Initial	Yes

Rating Rationale and Key Rating Drivers

The ratings reflect U Microfinance Bank Limited's (U Bank) association with Pakistan Telecommunication Company Limited (PTCL), the country’s leading ICT service provider, which is co-owned by the Government of Pakistan and Etisalat International Pakistan (LLC). The ownership has played a pivotal role in preserving the risk profile of the Bank. The bank's business model focuses on both core and branchless banking, leveraging the sponsor's network and the U-Paisa brand to accelerate expansion in the banking sector through mobile wallet accounts. The Bank's Gross Loan Portfolio (GLP) which stood at PKR 87.7bln at the end of Mar'24 (Dec'23 PKR: 88.7bln; Dec'22 PKR: 61.6bln), whereas the infection ratio of the Bank was 5.15% (Dec'23: 4.6%; Dec22: 1.8%). A primary driver of this expansion was the agriculture segment, which saw substantial growth. The gold-backed secured portfolio, in particular, has shown remarkable progress and continues to surpass the industry average. To strengthen its risk management and enhance financial stability, the Bank is strategically increasing its portfolio of secured gold-backed loans, effectively mitigating the risks associated with unsecured lending. The Deposit of the Bank stood at PKR 114.8bln (Dec'23: 105.7bln; Dec'22: PKR 92.2bln) with major Fixed accounts deposits. The Bank earned a markup income of PKR PKR 6.4bln at the end of Mar'24 (Dec'23: PKR 34.8bln; Dec'22: PKR 18.6bln) with a mark-up expense of PKR 8.3bln (Dec'23: PKR 32.5bln; Dec'22: PKR 14.7bln). The Bank reported a loss after tax of PKR 2.1bln at the end of Mar'24 (Dec'23: PAT of PKR 750.4mln; Dec'22: LAT of PKR 875.6mln). One of the major factors contributing to the losses in the first quarter of 2024 was the suspension of accrued markup income. Additionally, the Bank has adopted IFRS-9 and restated the financial statement for CY22 to align the same with IFRS-9. Subsequently, provisioning has been increased. The Equity of the Bank Stood at PKR 3.5bln (Dec'23: PKR 5.7bln; Dec'22: 3.9bln). The sponsors have firmly committed to supporting the Bank in case of financial distress, if any. As per management's representation, PKR ~1.2bln in subordinated debt and PKR ~1bln in preference shares have been converted into paid-up share capital. Additionally, the Bank has issued rights shares amounting to PKR ~1.2bln, thereby increasing its net paid-up share capital to ~PKR 5bln as of Jun'24. A comprehensive recapitalization plan is being developed through a comprehensive business plan, and the Bank will adhere to this plan moving forward. This plan will support the Bank in achieving compliance with regulatory CAR requirement. The management is diligently pursuing strategies to enhance business sustainability, with a particular emphasis on Islamic Banking and the expansion of Shariah-compliant product offerings, guided by its Shariah Board and experienced bankers.

The ratings depend on the Bank’s risk management, additional equity injections, healthy asset growth, adherence to Capital Adequacy Requirements (CAR), and overall profitability.

Disclosure

Name of Rated Entity	U Microfinance Bank Limited
Type of Relationship	Solicited
Purpose of the Rating	Entity Rating
Applicable Criteria	Methodology | Microfinance Institution Rating(Oct-23),Methodology | Rating Modifiers(Apr-24),Methodology | Correlation Between Long-term & Short-term Rating Scales(Jul-24)
Related Research	Sector Study | Microfinance(Sep-23)
Rating Analysts	Madiha Sohail | madiha.sohail@pacra.com | +92-42-35869504

Profile

Structure U Microfinance Bank Limited ("U Bank" or "the Bank") was incorporated, under section 32 of the Companies Ordinance, 1984 (now Companies Act, 2017). The Bank was granted license by SBP for commencement of nationwide operations in 2013.

Background Rozgar Microfinance Bank Ltd was established in 2003, as a district wide microfinance bank, operating in Karachi. Pakistan Telecommunication Company Limited (PTCL) acquired 100% of its shareholding in 2012. Henceforth, its name was changed to U Microfinance Bank Limited.

Operations The Bank offers a wide range of microfinance loans, deposit products, and branchless banking solutions. It has a network of 208 branches, across 183 cities and rural areas in Pakistan, while the head office is situated in Islamabad. The Bank is also establishing its foothold in BB operations via its mobile wallet, U Paisa.

Ownership

Ownership Structure The Bank is a wholly-owned subsidiary of PTCL, which is co-owned by the Government of Pakistan (62%) and Etisalat International Pakistan (LLC) (26%) (Etisalat), a state-owned Telecom Corporation of UAE. Management control of PTCL rests with Etisalat.

Stability Stable ownership and sovereign support of the Government of Pakistan available in the parent company, complemented by the technical and financial prowess of a global tech giant, bodes well for the future stability of the Bank.

Business Acumen PTCL, the backbone for the country's telecommunication infrastructure, is the market leader in providing telephone and internet services nationwide. The Etisalat Group is one of the world's leading telecom groups, which operates in ~16 countries across the Middle East, Asia and Africa. The Group provides U Bank with international expertise and strategic direction through its presence on the Board.

Financial Strength PTCL has been assigned credit ratings of AAA/A-1+ by VIS. The sponsor's ability to support the Bank can be gauged, with substantial subordinated lending to the Bank. Etisalat Group enjoys credit ratings of AA-/Stable (2024) and Aa3/Stable (2024) by S&P Global and Moody's, respectively.

Governance

Board Structure Including the CEO, the board of U Bank consists of Five directors, comprising representatives of Etisalat, PTCL, and Government of Pakistan

Members' Profile All of the board members have international exposure and carry diversified expertise. Mr Hatem Mohamed Ali Ahmed Bamatraf, the Chairperson of the Board, has over 29 years of experience. , Mr. Barmatraf currently serves as the President and Group CEO of PTCL and Ufone 4G, demonstrating his commitment to driving the success of these entities.

Board Effectiveness Attendance of board members in these meetings remained adequate. There are five board committees in place which help the board in the effective oversight of the Bank's overall operations on relevant matters

Transparency M/S A.F Ferguson & Co. Chartered Accountants (PwC), are the External Auditors of the Bank. An unqualified audit opinion was expressed on the financial statements for the year ended Dec'23. The internal audit department reports directly to the Audit Committee, ensuring independence.

Management

Organizational Structure U Bank has a horizontally spread organizational structure comprising nine departments. The reporting lines and job descriptions at each level are well defined.

Management Team Mr. Mohamed Essa Al Taheri, the President & Acting CEO, has 20 years of professional experience. A team of professionals assist him. Mr. Amir Siddique is the CFO of the Bank, with over 25 years of professional experience he brings expertise in telecom, management consulting, and audit. Mr. Muhammad Javed represents the Bank as Chief Compliance Officer & Chief Risk Officer (Acting). With over 22 years of experience, he has served in various capacities in the areas of Compliance, Internal controls, Risk management and fraud Investigations.

Effectiveness The Bank has formed various committees at the management level for effective and smooth functioning of each business segment.

MIS The Bank has deployed PIBAS for handling the core banking operations which has Visual Basic at the front-end whereas the back-end is Oracle based. The other IT platform is SYBASE-365, for the BB segment. It is a financial services platform which provides an end-to-end solution for mobile commerce businesses.

Risk Management Framework The Risk Management Committee exists to ensure the risk profile of the Bank remains within the check. A risk management manual contains guidelines to help management in improving the internal control environment. A Disaster Recovery site is in place in Lahore, located alongside the PTCL data center

Technology Infrastructure The management aims to scale up the IT infrastructure for future business growth and network expansion. Building on the synergies with Ufone, has a technological platform, to facilitate BB operations (UPaisa), utility payments, ATM service and G2P payments.

Business Risk

Industry Dynamics The microfinance Bank's asset quality witnessed significant impairment due to multiple factors, the high inflationary environment amidst a slowdown in the economy, and the high interest rate. In the Microfinance sector, the Microfinance Banks (MFBs) maintained the highest share of the total GLP at ~77%, while NBMFCs (including MFIs and RSPs) made up the remaining ~23% during CY23. MFBs' bottom line experienced a negative growth of ~52.7% (CY22: ~112.3%). Thereby, MFBs' equity continued to decline in CY23 by ~14.5%. Rising NPLs have been a major sign of concern for the MFBs sector. This issue not only stems from the fresh portfolio disbursed but also due to the carried-forward loan portfolio against the deferments allowed during the pandemic breakout. In CY23, the MFBs' NPLs increased to ~9.5% (~8.8% in CY22). Due to persistent losses and equity erosion, the MFBs sector capital structure also reflects a deteriorated outlook with the overall CAR of the sector falling way below the regulatory benchmark of 15.0% to ~7.6%in CY23. The Sector's Gross Loan Portfolio (GLP) clocked in at PKR~408bln as of End-Dec'23, up ~12.8% since End-Dec'22, when it recorded at PKR~361bln. However, during CY23, the sector's NPLs increased by ~12.3%, which is lower than the increase in NPLs during CY22 when the growth rate stood at ~61.8%. In 1QCY24 the Bank reported net advances of PKR 81.2bln compared to the PKR 82bln at the end Dec'23. The Bank carefully managed its loan portfolio amidst evolving market conditions.

Relative Position The Bank has a 17% market share in terms of Gross Loan Portfolio as of end-Mar24. In the branch banking domain, the bank is the leading player in the industry. The bank is committed to maintaining its dominant position in branch banking with its flagship product U-Paisa and strategically shifting to Branchless Banking .

Revenue During 3MCY24, markup earned was recorded at PKR 6.4bln (SPLY: PKR 9.7bln, CY23: PKR 34.8bln). Non mark up income of the bank was enhanced to PKR 423mln (SPLY: 593.5mln, CY23: PKR 5.9bln) attributable to improved fee and commission income along with other income.

Profitability During 3MCY24, the Bank reported a loss of PKR 2.1bln (SPLY: PKR PAT of PKR 357.5mln: CY23 PAT of PKR 750.4mln) the quarter loss is mainly due to increased markup expenses.

Sustainability Going forward, U Bank's key focus would be to enhance its lending book mainly through micro credit while diversifying its product base.

Financial Risk

Credit Risk At end Mar-24, the Gross Loan Portfolio of the Bank stood at PKR 87.7bln (Dec'23: PKR 88.7bln; Dec'22:PKR 61.6bln), Non Performing Loans of the bank recorded a significant increase to PKR 4.5bln (Dec'23: PKR 4.1bln, Dec22: PKR 1.1bln). The management of asset quality, going forward, remains essential.

Market Risk At end-Mar'24, the investment book stood at PKR 39.2bln (Dec'23: PKR 51.7bln; Dec22: PKR 137.3bln) investment portfolio remained dominated by government securities.

Funding At end Mar'24 the total borrowing stood at PKR 26.7bln (Dec'23: PKR 40.9bln, Dec22: PKR 115.1bln) elevated sizably to finance advances and investment side, the bank's advances to deposits ratio (ADR) stood at 71% (Dec'23 77.5%: Dec22: 59.6%). U Bank regularly monitors its liquidity through its Asset and Liability Management Committee (ALCO) and aligns asset-liability mismatch accordingly.

Cashflows & Coverages The Bank Liquid Assets as a % of Deposits & Short term Borrowings Stood at 37% at the end of Mar'24 (Dec'23: 37%; Dec'22: 180.1%) while Asset yield was 19.3% (Dec'23: 20.3%; Dec'22: 12.7%)

Capital Adequacy At the end Mar'24 equity of the Bank stood at PKR 3.5bln (Dec'23: PKR 5.8bln; Dec 22: PKR 3.9bln). As of end Mar'24, the Capital Adequacy Ratio was reported at 9.4% (Dec'23: 13.86), which remains non-compliant with the minimum CAR requirement as prescribed by SBP.

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PKR mln

U Microfinance Bank Limited	Mar-24	Dec-23	Dec-22	Dec-21
UnListed Public Limited	3M	12M	12M	12M
A BALANCE SHEET				
1 Total Finances - net	86,017	90,160	64,216	35,388
2 Investments	36,537	46,886	133,577	46,565
3 Other Earning Assets	4,763	1,195	7,165	6,212
4 Non-Earning Assets	26,968	24,992	18,923	17,427
5 Non-Performing Finances-net	(1,273)	(3,268)	(5,432)	(1,012)
Total Assets	153,011	159,966	218,449	104,578
6 Deposits	114,839	105,797	92,200	55,000
7 Borrowings	29,273	43,543	117,969	39,874
8 Other Liabilities (Non-Interest Bearing)	5,323	4,796	4,367	2,213
Total Liabilities	149,435	154,136	214,537	97,087
Equity	3,576	5,830	3,912	7,491
B INCOME STATEMENT				
1 Mark Up Earned	6,415	34,816	18,662	12,216
2 Mark Up Expensed	(8,388)	(32,548)	(14,738)	(5,589)
3 Non Mark Up Income	424	5,978	3,301	1,278
Total Income	(1,550)	8,246	7,225	7,904
4 Non-Mark Up Expenses	(2,856)	(9,857)	(6,635)	(5,035)
5 Provisions/Write offs/Reversals	852	513	(2,861)	(1,540)
Pre-Tax Profit	(3,554)	(1,099)	(2,271)	1,329
6 Taxes	1,389	1,849	1,395	(218)
Profit After Tax	(2,166)	750	(876)	1,111
C RATIO ANALYSIS				
1 Performance				
Portfolio Yield	18.9%	31.5%	29.2%	32.4%
Minimum Lending Rate	47.1%	55.6%	48.5%	34.9%
Operational Self Sufficiency (OSS)	65.7%	95.2%	87.8%	111.9%
Return on Equity	-184.2%	15.4%	-15.4%	16.9%
Cost per Borrower Ratio	28,469.7	24,564.8	16,534.1	13,544.2
2 Capital Adequacy				
Net NPL/Equity (Stage 3)	-35.6%	-54.9%	-138.8%	-13.5%
Equity / Total Assets (D+E+F)	2.3%	3.6%	0.0%	7.2%
Tier I Capital / Risk Weighted Assets	N/A	N/A	N/A	13.1%
Capital Adequacy Ratio	9.40%	13.68%	N/A	18.5%
Capital Formation Rate [(Profit After Tax - Cash Dividend) / Equity]	-148.6%	19.2%	-11.7%	19.6%
3 Funding & Liquidity				
Liquid Assets as a % of Deposits & Short term Borrowings	37.0%	50.8%	180.1%	104.0%
Demand Deposit Coverage Ratio	494.1%	551.2%	1819.1%	1072.1%
Liquid Assets/Top 20 Depositors	177.5%	224.7%	470.7%	171.5%
Funding Diversification (Deposits/(Deposits+Borrowings+Grants))	79.7%	70.8%	43.9%	58.0%
Net Advances to Deposits Ratio	73.8%	82.1%	63.8%	62.5%
4 Credit Risk				
Top 20 Advances / Advances	0.0%	0.0%	0.0%	0.0%
PAR 30 Ratio	5.2%	3.9%	1.9%	2.8%
Write Off Ratio	0.0%	0.0%	0.0%	0.0%
True Infection Ratio	5.2%	3.9%	1.9%	2.8%
Risk Coverage Ratio (PAR 30)	128.1%	192.9%	567.2%	198.9%

Credit Rating

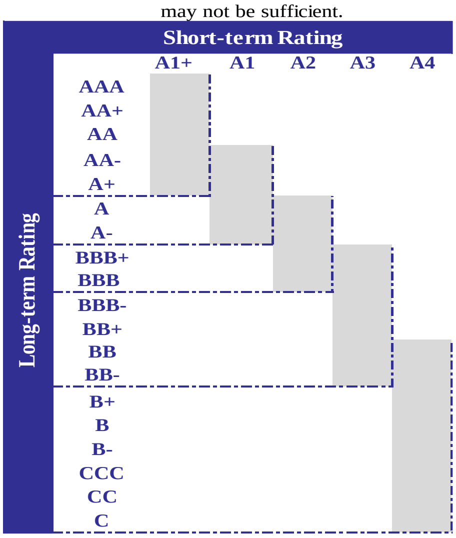
Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Long-term Rating

Scale	Definition
AAA	**Highest credit quality.** Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+ AA AA-	**Very high credit quality.** Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A+ A A-	**High credit quality.** Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.
BBB+ BBB BBB-	**Good credit quality.** Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BB+ BB BB-	**Moderate risk.** Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.
B+ B B-	**High credit risk.** A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
CCC CC C	**Very high credit risk.** Substantial credit risk "CCC" Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. "CC" Rating indicates that default of some kind appears probable. "C" Ratings signal imminent default.
D	Obligations are currently in default.

Short-term Rating

Scale	Definition
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.



**The correlation shown is indicative and, in certain cases, may not hold.*

Outlook (Stable, Positive, Negative, Developing) Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business/financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.

Rating Watch Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.

Suspension It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.

Withdrawn A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults., or/and e) PACRA finds it impractical to surveill the opinion due to lack of requisite information.

Harmonization A change in rating due to revision in applicable methodology or underlying scale.

Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening.

Note. This scale is applicable to the following methodology(s):

a) Broker Entity Rating
b) Corporate Rating
c) Debt Instrument Rating
d) Financial Institution Rating
e) Holding Company Rating
f) Independent Power Producer Rating
g) Microfinance Institution Rating
h) Non-Banking Finance Companies Rating

Regulatory and Supplementary Disclosure
(Credit Rating Companies Regulations,2016)

Rating Team Statements
(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) **Conflict of Interest**
i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee

Restrictions
(3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
(4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
(5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business
(6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
(7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
(8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
(9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
(10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
(11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

Independence & Conflict of interest
(12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA´s opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
(13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers' associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
(14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
(15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
(16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst's area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
(17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review
(18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
(19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
(20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
(21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument;| Chapter III | 17-(d)
Probability of Default
(22) PACRA´s Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA´s transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA´s Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)
Proprietary Information