



Rating Action

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PACRA MAINTAINS RATINGS OF FIRST HABIB MODARABA

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term rating of “AA+” (Double A plus) and “A1+” (A One Plus) respectively of First Habib Modaraba (FHM). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The ratings denote FHM’s sound risk absorption capacity emanating from a strong equity base with very low leveraging. FHM’s risk-averse business strategy has enabled the Modaraba to sustain its exceptional asset quality despite continuing distressed economic conditions. The management, while following a prudent approach, is working to diversify its financing portfolio, by tapping hitherto unexplored potential areas of business. The recent expansion in leased assets is expected to augment the Modaraba’s profitability. Meanwhile, FHM’s association with the House of Habib remains a key factor.

About the Modarab: First Habib Modaraba, established in 1985 and listed on all the bourses of the country, is a perpetual multipurpose modaraba engaged in Islamic modes of financing, mainly Ijarah (lease). FHM is managed by Habib Modaraba Management Company (Pvt.) Limited (HCML).

The board of directors of FHM comprises professionals having vast experience of banking and finance. The MD, Mr. Muhammad Shoaib, is the Chairman of Modaraba Association of Pakistan and has been associated with the Modaraba since its inception. The management team is composed of seasoned professionals who have been associated with the Modaraba for a long period.

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