



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 First Habib Modaraba (FHM) at "AA+" (Double A plus) and "A1+" (A One Plus), respectively. 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 an equity dominated financial structure and sustained profitability despite continuing volatile economic conditions. Moreover, the Modaraba has a strong liquidity profile, as reflected in its sizable investment book, yielding a stable earning stream. FHM's risk-averse business strategy has enabled the Modaraba to maintain very strong asset quality despite continuing volatile economic conditions. Ijarah financing continues to remain FHM's strong forte, though the management is working to diversify its financing portfolio by tapping hitherto unexplored potential areas of business. Meanwhile, FHM's association with the House of Habib remains a key factor.

About the Modaraba : 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 (HMCL).

The board of directors of FHM comprises professionals having vast experience of banking and finance. The MD, Mr. Muhammad Shoaib, Ex-Chairman of Modaraba Association of Pakistan, 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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