



Rating Action

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PACRA Maintains Asset Manager Rating of Habib Asset Management Limited

The Pakistan Credit Rating Agency (PACRA) has maintained the asset manager rating of Habib Asset Management Limited (HAML) at "AM3" (AM Three). The rating reflects that the company meets good investment management standards and benchmarks.

The rating captures the company's experienced management, adequately structured Investment process and reasonable fund slate. The rating also incorporates HAML's association with a strong commercial bank - Bank AL-Habib limited. The desired benefits towards enhancing the AUM base and strengthening the HAML's brand value remains limited. This has resulted in a decline in the company's AUMs, in turn, its system share. The performance of the funds lag behind its peers highlighting the need to strengthen the decision making process. The company's funds currently have significantly high concentration levels.

The development of a sound business plan aimed at effectively utilizing parent bank's support to increase the overall AUMs resulting in an enhancement in the system share remains crucial. Enhancing the diversity of fund slate along with the strengthening of human resource base supplementing the decision making process in turn improved performance is also important.

About the company:

HAML, incorporated in September 2005, is licensed to carry out asset management services under the Non-Banking Finance Companies Regulations. Habib family and associates - a distinguished name in Pakistan - own around 90% of shareholding in the company, wherein Bank AL Habib Limited (BAHL) being the single largest shareholder holds 30%. The bank has an asset base of PKR 648bln at end-Dec15. HAML is currently managing four open-end funds with an AUM of PKR 2.9bln.

HAML's BoD consists of seven members, including the CEO. The Chairman of BAHL - Mr. Ali Raza D. Habib, a senior distinguished entrepreneur, also chairs the BoD of the AMC. Mr. Imran Azim, the CEO of HAML, is an MBA and has profound experience in Pakistan's mutual fund industry. Ms. Maleeha Mimi Bangash is the deputy CEO of the company. She possess vast experience at senior management positions in the asset management industry.

Applicable Criteria and Related Research

- Asset Management Industry - Viewpoint | Apr-15
- Asset Manager Rating Methodology

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