



Rating Action

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PACRA Assigns Positive Outlook to IFS Rating of Habib Insurance Company Limited

The Pakistan Credit Rating Agency (PACRA) has assigned '**Positive Outlook**' to the IFS rating of "A+" (single A plus) of Habib Insurance Company Limited (HIC). The rating denotes strong capacity to meet policyholder and contract obligations and risk factors are considered moderate.

The rating reflects HIC's strong risk absorption capacity, emanating from a robust financial profile and sound liquidity position. The rating recognizes persistently improving profitability, despite challenging macroeconomic environment, due to management's conservative stance towards underwriting risk, as reflected in lower loss ratio. The rating draws comfort from improved information technology framework augmenting overall control environment. Meanwhile, the rating incorporates HIC's association with very strong sponsors - Habib Family. This, while adding stability to revenue stream in the form of low-risk captive business, boosts sound governance framework.

The company

Habib Insurance Company, with a nationwide network of 17 branches, has been in operation since 1942. It is listed on the Karachi and Lahore Stock Exchanges. Habib Group - one of the oldest and most well known groups with significant investments in the industrial and service sectors - is the majority shareholder. The overall control of the company vests in the Board of Directors, comprising seven members, with majority of directors belonging to the Habib family. Mr. Ali Raza Habib, a financial industry veteran, is the CEO of the company since 1993.

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