

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



# FIRST HABIB MODARABA CORPORATE BRIEFING SESSION JUNE 2022

# CORPORATE BRIEFING

- ❑ About First Habib Modaraba
- ❑ Group Structure
- ❑ Operational Activities
- ❑ Financial Performance
- ❑ Awards and Achievements

# ABOUT FIRST HABIB MODARABA

# BRIEF ON FHM

First Habib Modaraba (FHM) was established in 1985 as Non-Bank Islamic Financial Institution as one of the pioneers within Modaraba Sector. FHM Completed 37 years of successful business operations within the Modaraba Sector of Pakistan. With a track record of excellent performance of more than 3 decades is the success story of dedication and commitment to provide the investors a sound and continuous return.

Over the Years FHM as been continuously recognizing for its satisfactory results, good corporate governance, best report culture and sound and stable credit rating.

Our commitment to enhance value for our stakeholders, driven though resilience of our business model and determination of our team members made us sound and leading Modaraba within the Modaraba sector.

# GROUP STRUCTURE

**Parent Company**

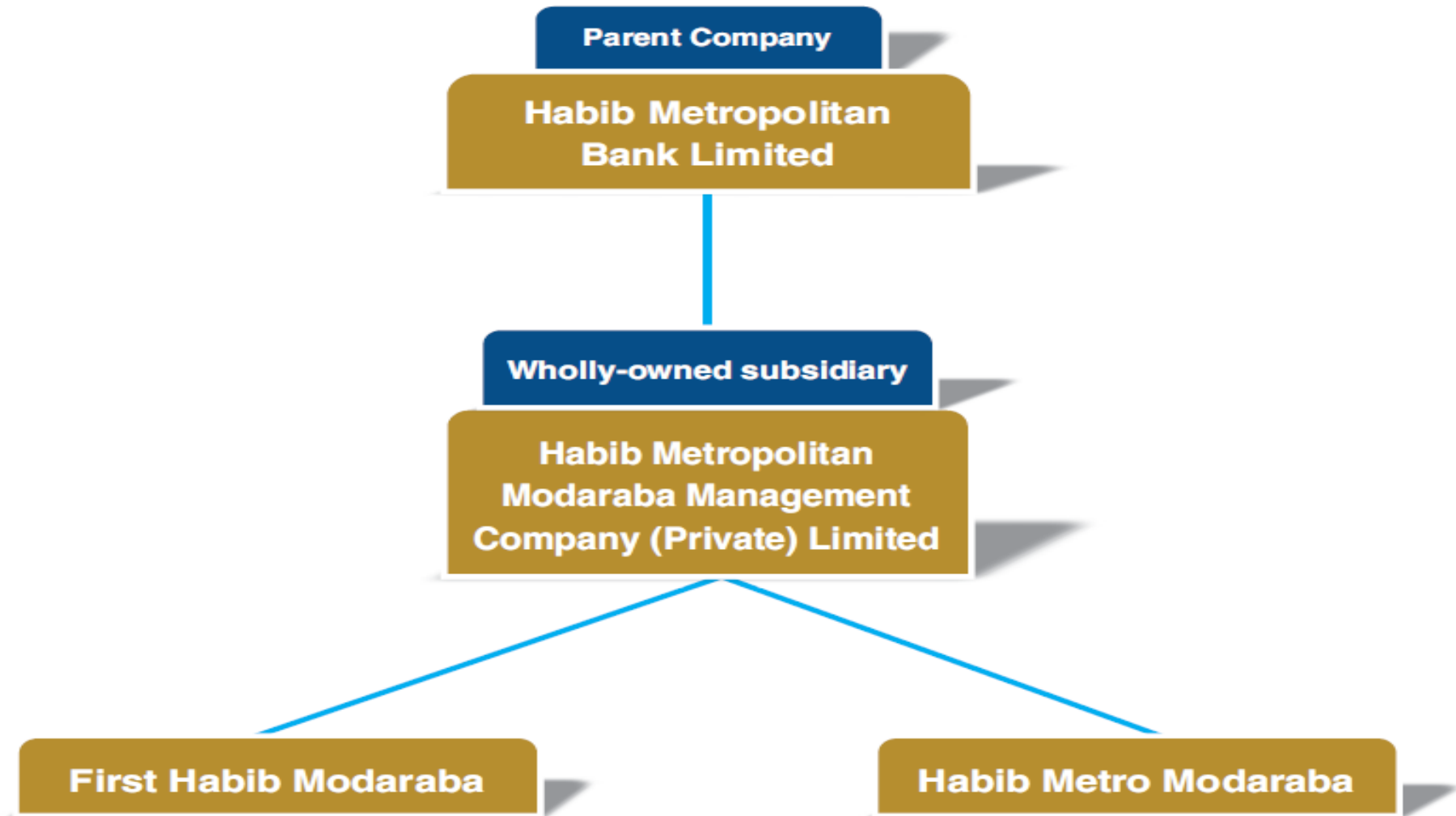
**Habib Metropolitan  
Bank Limited**

**Wholly-owned subsidiary**

**Habib Metropolitan  
Modaraba Management  
Company (Private) Limited**

**First Habib Modaraba**

**Habib Metro Modaraba**



# BRANCH NETWORK

- ▶ Karachi
- ▶ Lahore
- ▶ Islamabad
- ▶ Multan



# **BUSINESS ACTIVITIES OF FIRST HABIB MODARABA**

# BUSINESS ACTIVITIES OF FHM

## Ijarah (Lease) Financing

On rental basis for Motor Vehicle, Machinery and Equipment .

## Diminishing Musharaka Financing

Diminishing Musharakah (DM) is a form co-ownership between the financial institution (FI) and the customer on fixed asset. Customer gradually buy the ownership units from FI through pre-agreed instalments.

## Consumer Car Financing (SIRAT)

Auto financing for individuals

## Investment in equity market

Investment in Shariah compliant listed securities including Islamic debt instrument

## Certificate of Musharaka (COs) (Liability side)

Products of deposits for fixed term from 3 months to 5 years

# FINANCIAL PERFORMANCE

# Financial Highlights For the Year 2021-2022

- All time high disbursement of Rs.11.0 billion in any single year since business operations.
- First time Balance Sheet footing reached to Rs.17.0 billion mark
- Financing assets portfolio touched Rs.16.0 billion plus.
- Deposits reached to Rs.11.0 billion, again highest in any year since business operations.
- Total car units 3,569. Total outstanding units are 8,723



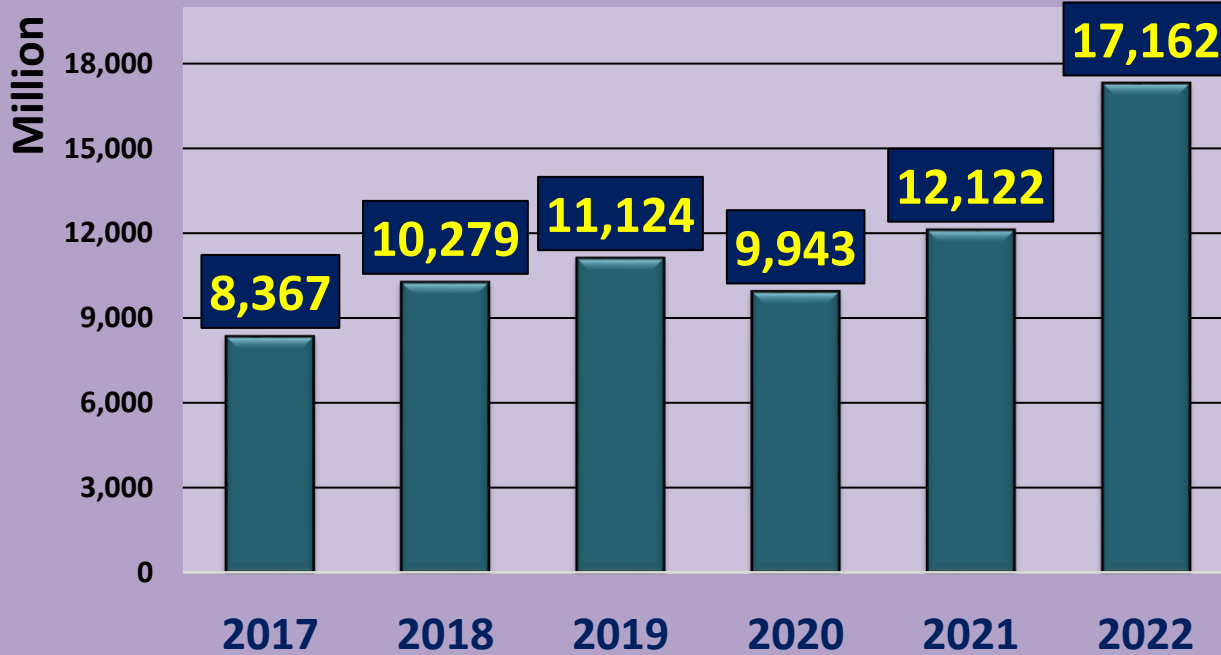
# Key Financial Data of Two Years

(Rupees in Million)

Key Financial Data	2022	2021	Variance
Total Assets	17,163	12,123	41.57% ↑
Certificate Holders' Equity	3,698	3,627	1.96% ↑
Certificate of Musharaka	11,263	7,291	54.48% ↑
Net Profit	382	363.15	5.91% ↑
Earning Per Certificate (Rs.5 each)	1.90	1.80	5.56% ↑
Return on equity (%)	10.39	10.01	3.80% ↑

## GROWTH PATTERN OF LAST SIX YEARS

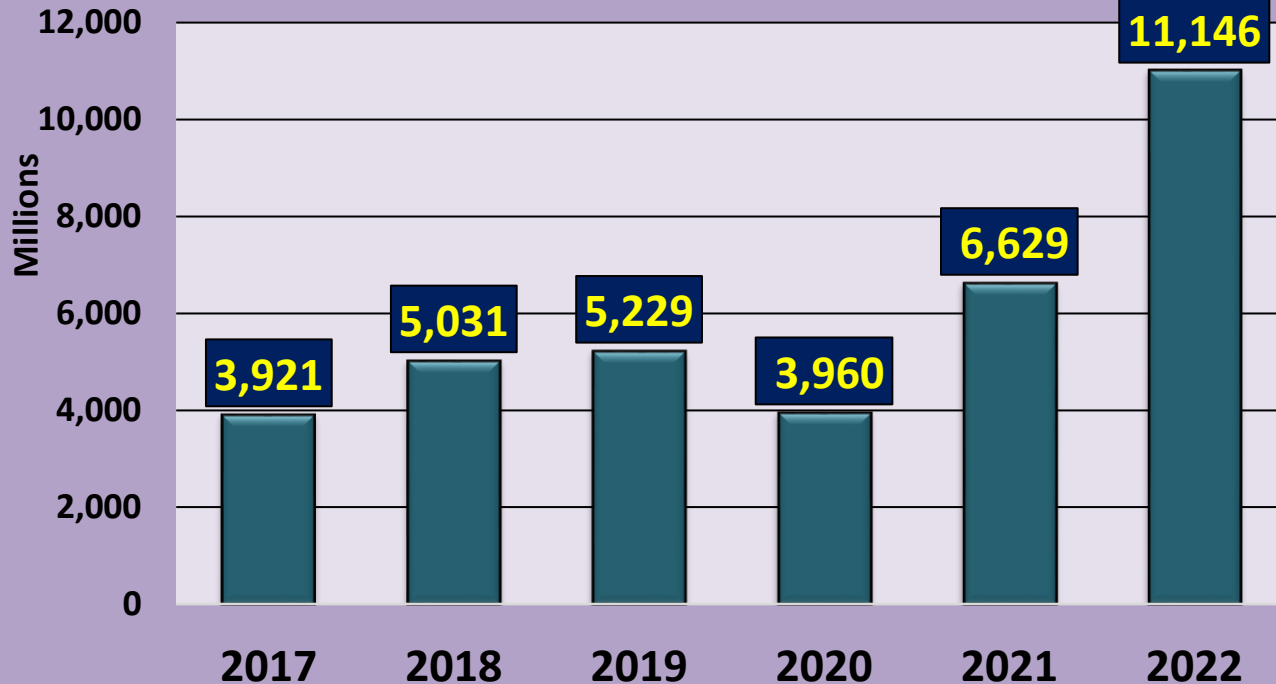
### Balance sheet Footing



**All time high  
Balance Sheet  
footing of  
Rs.17.1 Billion  
since business  
operations.**

## GROWTH PATTERN OF LAST SIX YEARS

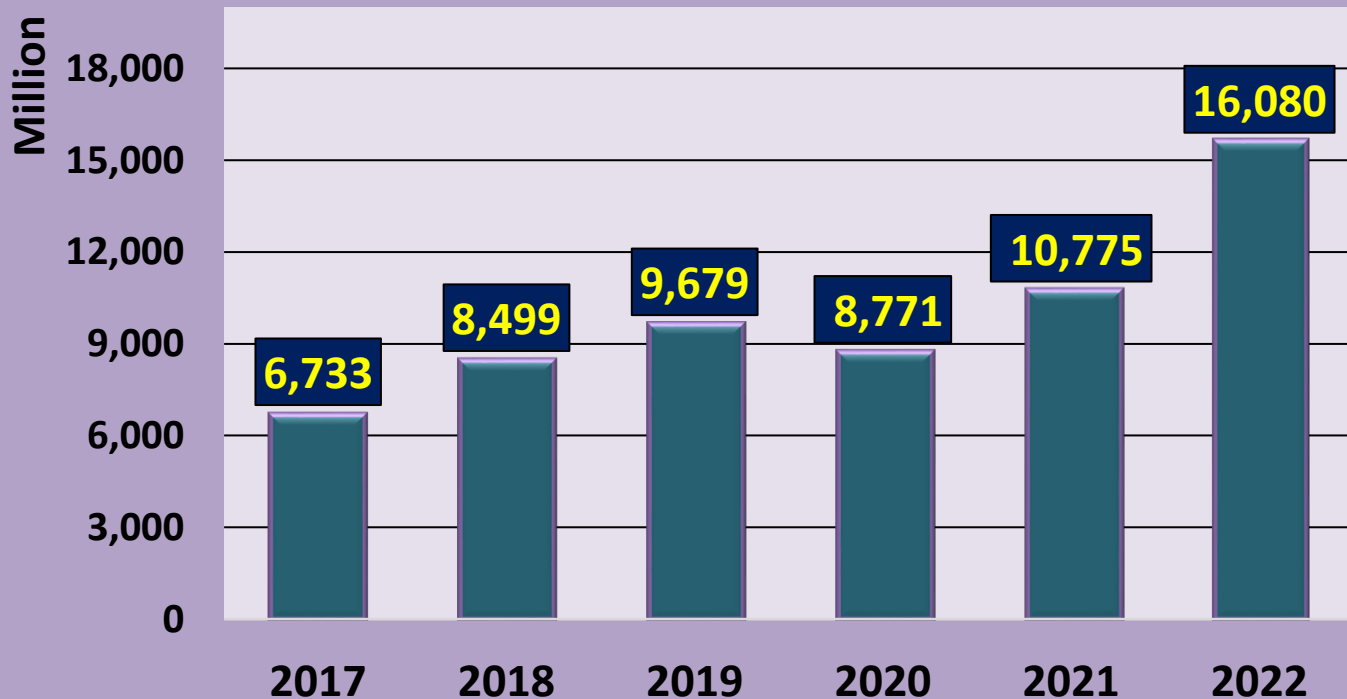
### Disbursement



**All time high disbursement of Rs.11.1 Billion in any single year since business operations.**

# GROWTH PATTERN OF LAST SIX YEARS

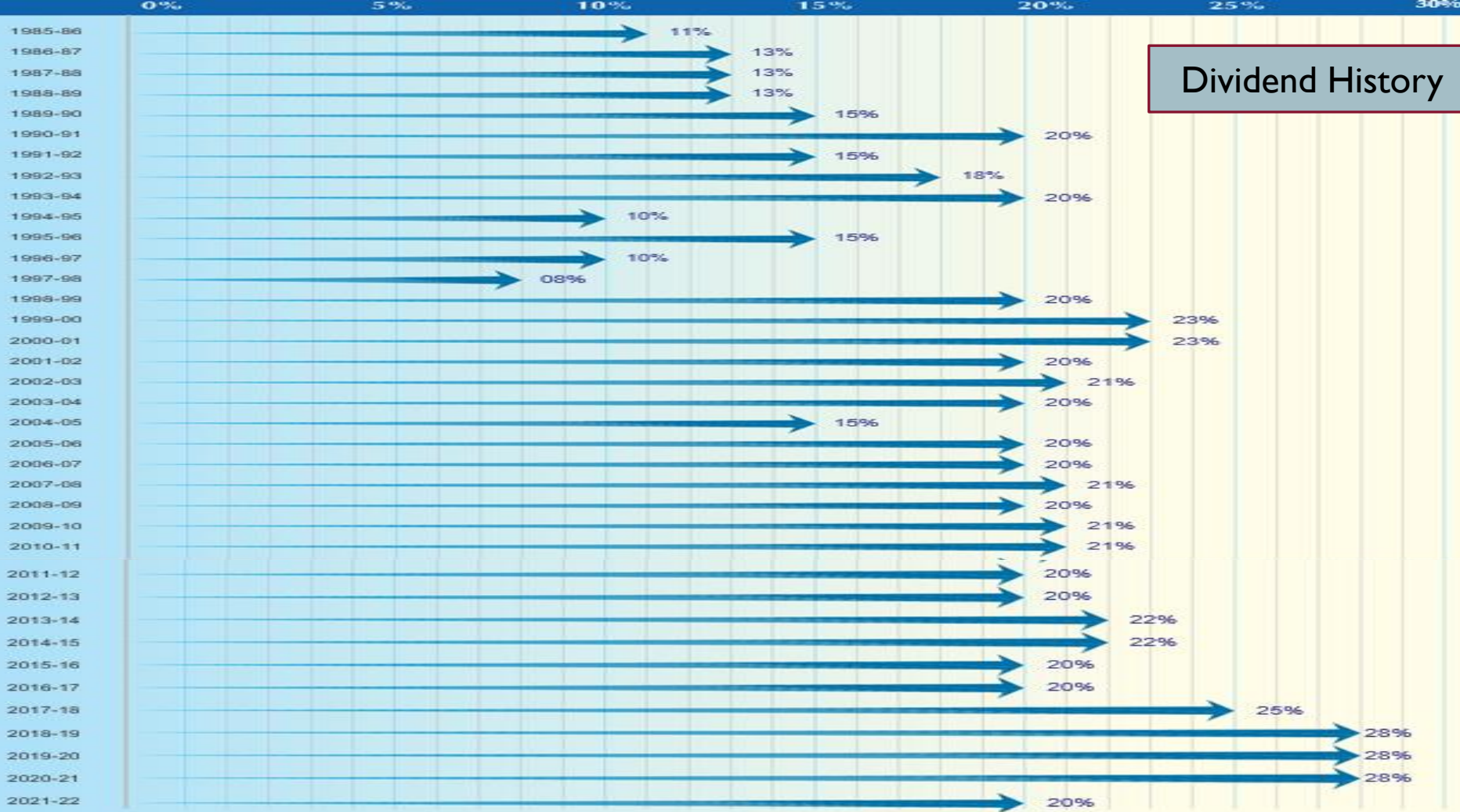
## Financing Assets



**All time High  
size of  
Financing  
assets i.e.  
Rs.16 Billion  
since  
business  
operations.**



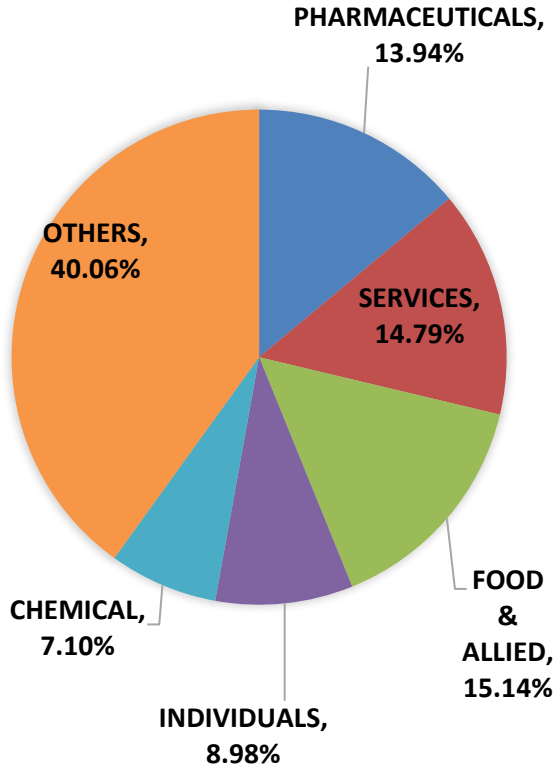
# Dividend History



**First Habib Modaraba never skipped dividend since inception**

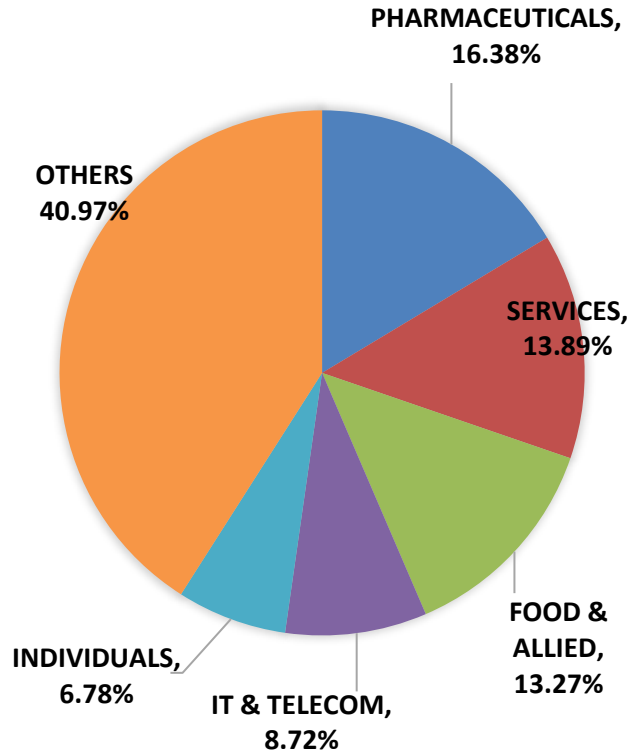
# SECTOR ENGAGEMENTS (TWO YEARS COMPARISON)

## AS ON JUN-2022



Other Sectors
TEXTILE
IT & TELECOM
AUTO & ALLIED
CARGO, COURIER LOGISTICS SERVICES
STEEL & ENGINEERING
CABLE & ELECTRICAL GOODS
REFINERY, LUBRICANT, OIL & GAS MARKETING
SUGAR ALLIED
HEALTH CARE
FINANCIAL INSTITUTIONS & INSURANCE
FERTILIZER
EDUCATION
CEMENT
PAPER AND BOARD
GLASS AND CERAMICS
CONSTRUCTION
OIL & GAS EXPLORATION
FUEL, POWER, AND ENERGY
OTHERS
LEATHER AND TENNARIES

## AS ON JUNE 2021



Other Sectors
TEXTILE
CHEMICAL
AUTO & ALLIED
CARGO, COURIER LOGISTICS SERVICES
STEEL & ENGINEERING
CABLE & ELECTRICAL GOODS
SUGAR ALLIED
REFINERY, LUBRICANT, OIL & GAS MARKETING
HEALTH CARE
FINANCIAL INSTITUTIONS & INSURANCE
FERTILIZER
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# AWARD AND ACHIEVEMENTS

# AWARDS RECEIVED DURING THE YEAR 2021-2022



ICAP and ICMAP

FHM has been awarded 1st Position "Best Corporate Report (BCR) 2020 under the category of NBFIs and Modaraba

The Management Association of Pakistan (MAP)

Corporate Excellence awarded to First Habib Modaraba (FHM) under the "Financial Category".

South Asian Federation of Accountants (SAFA)

FHM received joint 2nd Runner up "Best Presented Annual Report Award" from South Asian Federation of Accountants (SAFA) for overall category of Financial Services Sector.

NBFI & Modaraba Association of Pakistan

Received Best Performing Award (2nd Position) from NBFI & Modaraba Association of Pakistan

# UPDATE POSITION OF AWARDS AND ACHIEVEMENTS





# CREDIT RATING

**Date**

23-Sep-22

**Analyst**

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**Applicable Criteria**

- Methodology | Correlation Between Long-term & Short-term Rating Scales | Jun-22
- Methodology | Rating Modifiers | Jun-22
- Methodology | Non-Banking Finance Companies Rating | Jun-22

**Related Research**

- Sector Study | Modaraba & NBFCs | Apr-22

**PACRA Maintains Entity Ratings of First Habib Modaraba**

Rating Type	Entity	
	Current (23-Sep-22 )	Previous (23-Sep-21 )
<b>Action</b>	Maintain	Maintain
<b>Long Term</b>	AA+	AA+
<b>Short Term</b>	A1+	A1+
<b>Outlook</b>	Stable	Stable
<b>Rating Watch</b>	-	-

The ratings reflect First Habib Modaraba's (FHM or the Modaraba) strong business profile, emanating from a healthy asset base, sound asset quality, and improved profitability. FHM documented robust performance for FY 2021-22, which was one of the best years in the operational history of FHM in terms of profitability and overall business growth. Additional comfort is derived from the Modaraba's affiliation with a renowned sponsor entity (Habib Metropolitan Bank). The presence of industry veterans in the management structure, along with the implementation of a robust internal control system, is considered pivotal in the operational efficiency of the Modaraba. Liquidity is being well maintained by investing in term deposits. FHM managed to sail through its devised strategy to beef up its business volumes to maintain its bottom-line performance by maintaining its asset quality. FHM's capital provides strong support to the funding structure of the Modaraba, equally aided by Certificates of Musharaka (CoM). The strong capital adequacy ratio portrays Modaraba's strong capital position. Moreover, new tax regulations will potentially aid Modarabas to furnish their equity base. Going forward, the management, while continuing with its growth strategy, intends to diversify its revenue streams through a diversified product portfolio and different business models. The Modaraba is evolving its long-term strategic vision to remain competitive in the increasingly complex financial landscape.

The ratings remain dependent on the management's ability to sustain its competitive positioning while ensuring stable profitability. The ratings also depend upon keeping its financial profile intact. Any significant change in its risk profile may adversely impact the ratings.

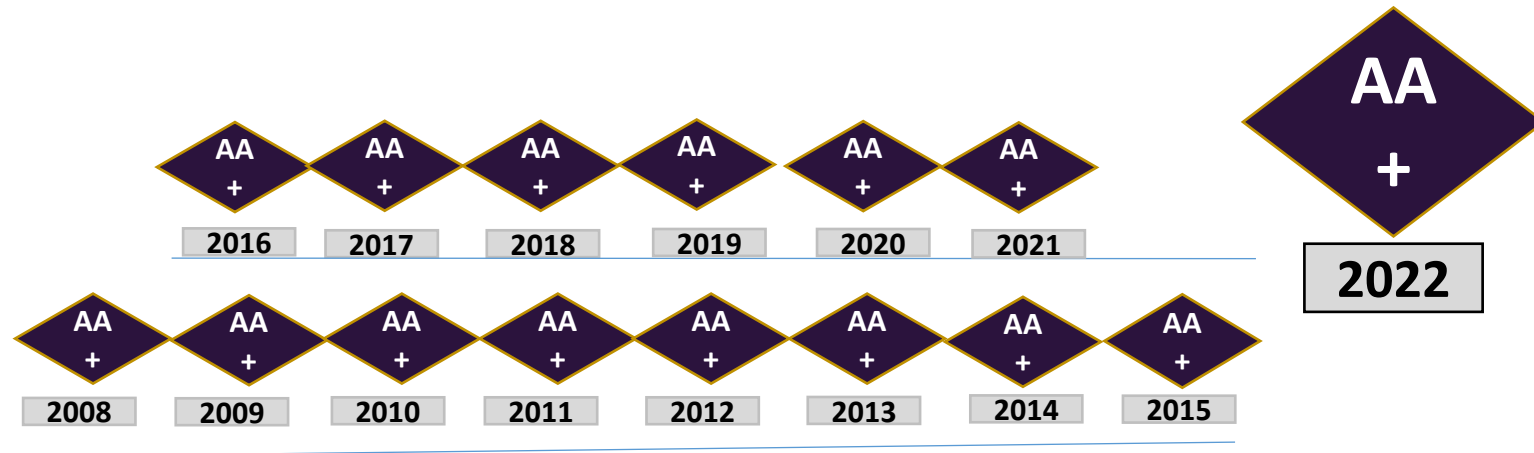
# CREDIT RATINGS

Assigned by Pakistan Credit Agency Ltd. (PACRA)

**AA+**  
Long Term

**A1+**  
Short Term

**AA+ Credit  
Rating since  
last 15 years**





THANK YOU

Question  
&  
Answer

