

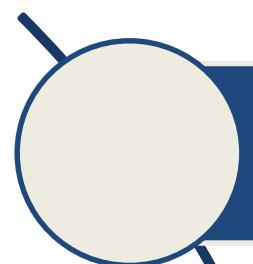


First Habib Modaraba (FHM)

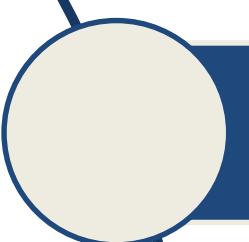
Corporate Briefing Session 2024-25
Wednesday, October 08, 2025



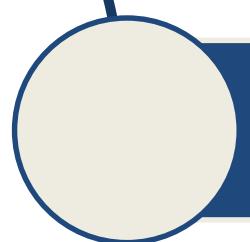
Presentation Outline



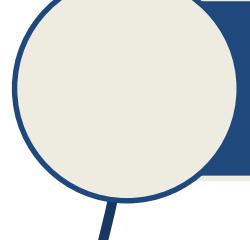
Modaraba Profile



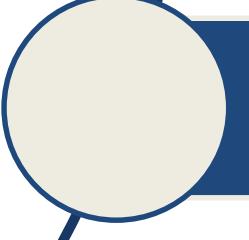
Governance



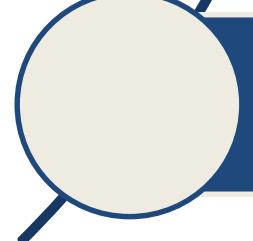
Operations



Financial Performance



Awards and Ratings Update



Way Forward



Modaraba Profile

YEARS

Continuous
Journey of Success

1985-2025



Brief Profile of First Habib Modaraba

First Habib Modaraba (FHM) a subsidiary of Habib Metropolitan Bank, Limited, established in 1985, and has completed 40th years of successful business operation. Throughout FHM has maintained longstanding drive towards sustaining its position as leading Modaraba within NBFI and Modaraba sector of Pakistan.

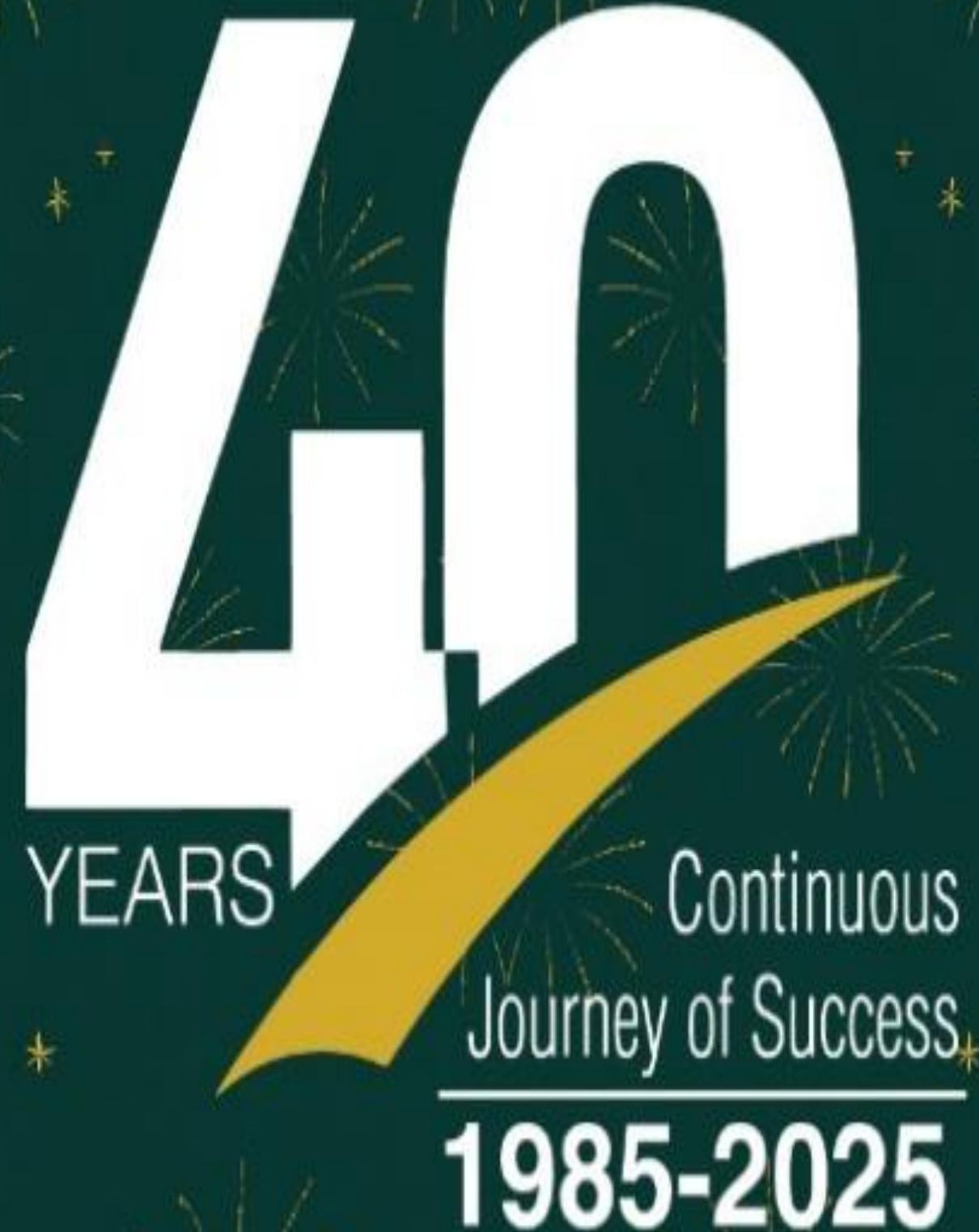
It is journey of 40 years of Dedication, Passion and Achievement through Legacy of Trust, Integrity and Innovation of First Habib Modaraba. Our commitment to excellence has enabled us to navigate challenges, seize opportunities, and achieve remarkable success. It is a testament to our institution's resilience and adaptability.

Our constant commitment for corporate excellence have not only kept us as leading Modaraba within the sector but also earned us recognition at national and international level. So far, FHM has secured several awards/accolades on best performance, best corporate report, best corporate disclosure and corporate excellence from reputable bodies, such as NBFI and Modaraba Association, ICAP and ICMAP, Management Association of Pakistan, and SAFA an apex body of SAARC. Furthermore, since last 18 years FHM has been securing AA+ rating as long term rating from Pakistan Credit Rating Agency Ltd., (PACRA) which depict soundness of the entity and also matter of great satisfaction for our investors.



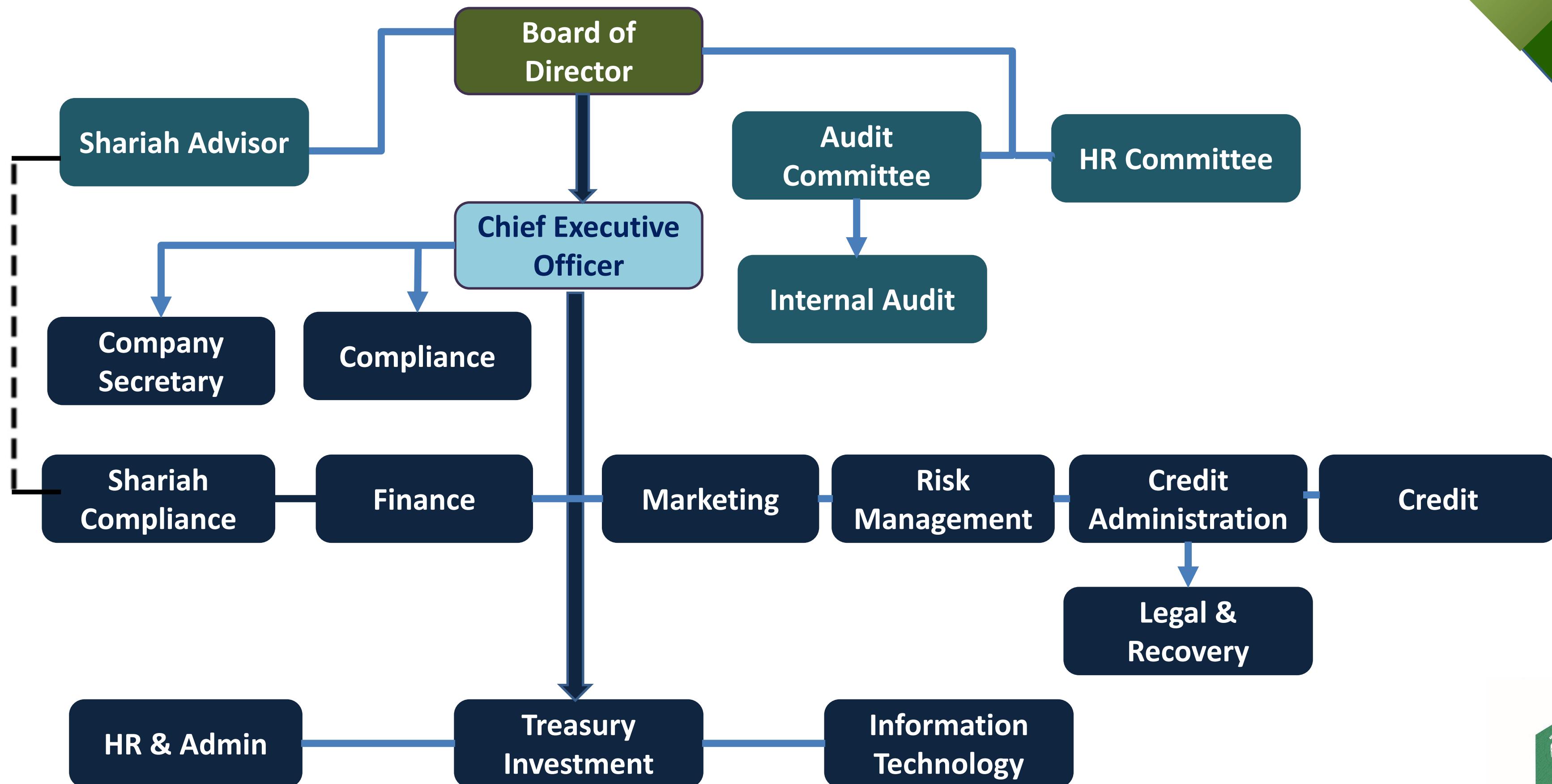
Alhamdulillah

Four Decades
of Dedication,
Passion
and
Achievement

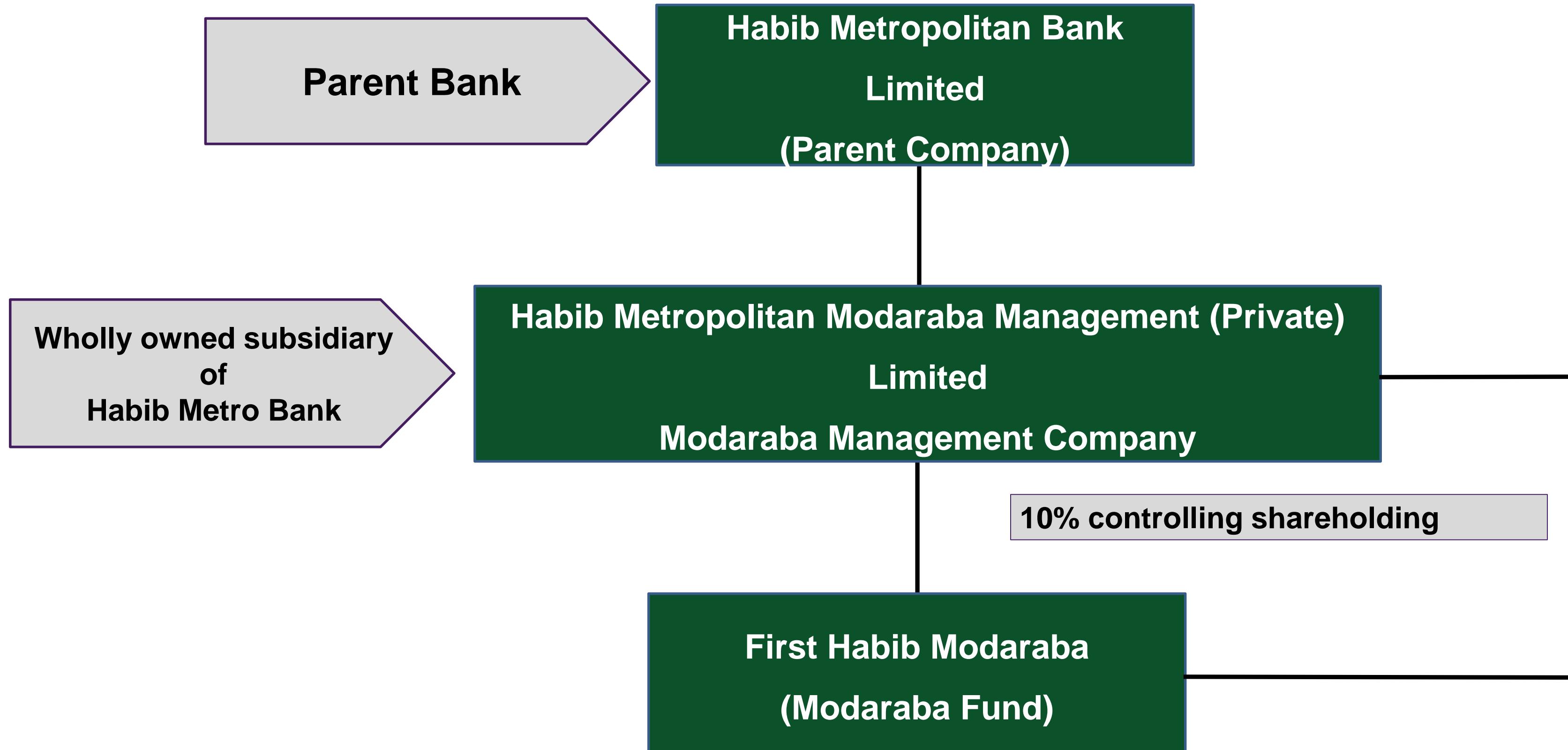


Legacy of Trust,
Integrity,
Innovation and
Progress

ORGANOGRAM



Group Structure





Governance



Board of Directors of Management Company

Mr. Mohammad Shams Izhar
Chairman
Non-Executive Director

Mr. Muhammad Shoaib Ibrahim
Chief Executive Officer
Executive Director

Mr. Saeed Uddin Khan
Non-Executive
Independent Director

Mr. Usman Nurul Abedin
Non-Executive Director

Dr. Irum Saba
Non-Executive Director

Mr. Syed Rasheed Akhtar
Non-Executive
Independent Director



Governance Structure

BOARD



Strategy Committee

Chief Executive Officer

Asset Liability Management committee

Credit Committee

Information Technology Steering Committee



SWOT

S

Strengths

- Successful business journey of 4 decades
- Strong financial position and profitability
- Well respected and reputable brand within Non-Banking Islamic Financial Sector
- Sound equity base and high Capital Adequacy Ratio
- Subsidiary of one the well reputed and sound institution of Pakistan i.e., Habib Metropolitan Bank
- Leading Modaraba within the Modaraba sector
- Highest market shares within Modaraba sector
- Highest credit rating within Modaraba sector i.e., AA+ of long term.
- Prudent and Sustainable Business Policies
- Diversified financing portfolio with stable sectors of the country

W

Weaknesses

- Lack of availability of low cost funds
- Slow moving litigation processes
- Limited products of resource mobilization
- Shortage of human resources having specialized knowledge of Islamic banking

O

Opportunities

- Growing demand of Islamic finance products
- Increase credit demand due to low profit rates
- Huge potential in Shariah based financing within the SME sector
- Strong support of entire network of Habib Metro Bank
- Avenues for digital based Avenues for digital based advancement

T

Threats

- Rising operating cost
- Macro and micro instability
- Excessive taxation on businesses
- Economic uncertainty



Shariah Governance

Uphold Shariah governance culture and atmosphere in line with Islamic principles

Shariah Advisor conduct Shariah review and present Shariah review report on yearly basis.

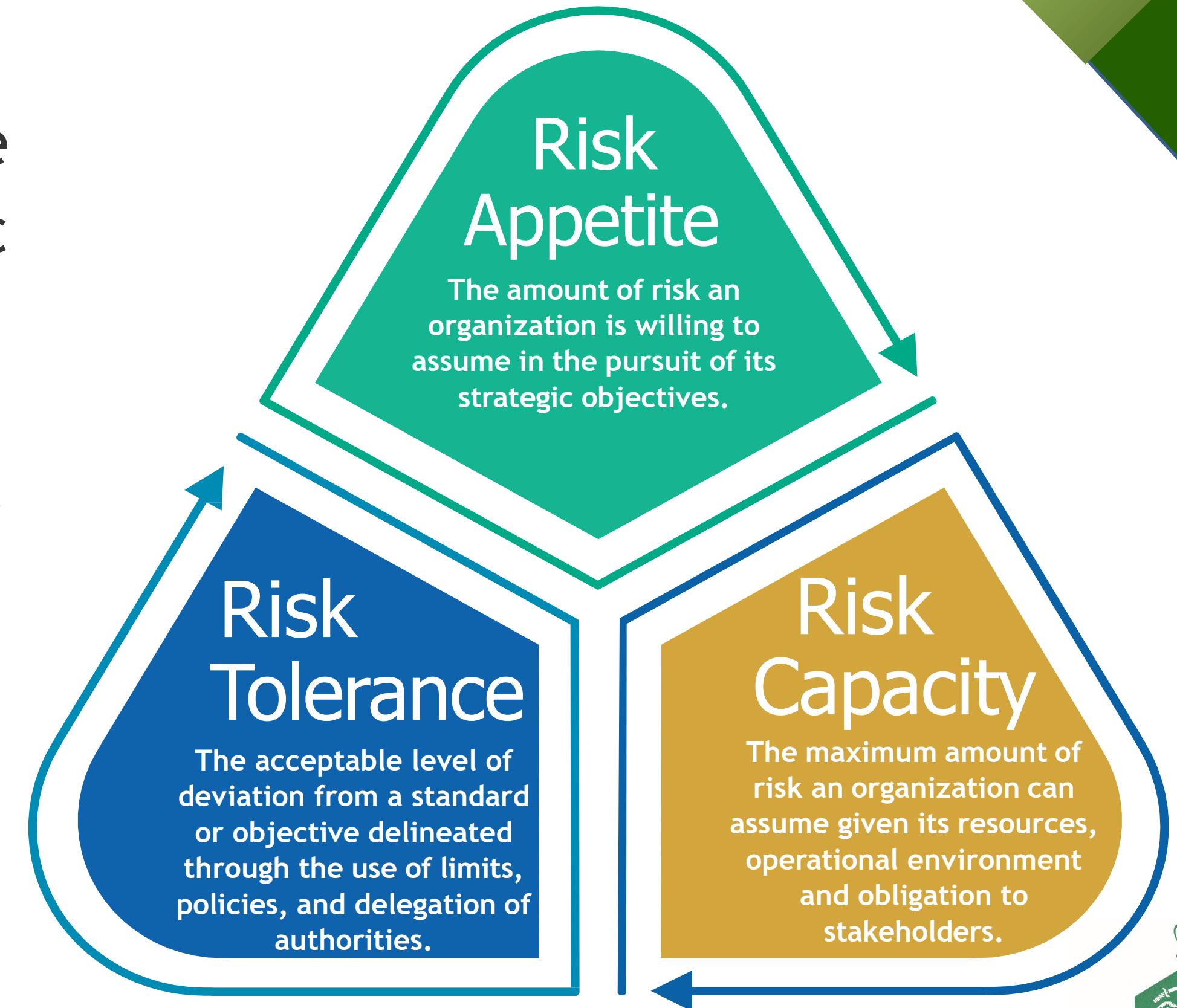
During the year 2024-25, the Shariah Compliance Department conducted six (6) training sessions aimed at enhancing the understanding and application of Shariah principles across various departments of the institution.

On the basis of Shariah guidelines , Shariah Auditor present its findings to Shariah Advisor and Board.

Legal agreements of products were approved by Securities and Exchange Commission of Pakistan (SECP)

Risk Governance

The Management has established a clear and prudent Risk Appetite Statement to guide FHM strategic decisions and ensure long-term stability. This statement defines the maximum level of risk FHM is willing to undertake in pursuit of the objectives, consciously prioritizing resilience over aggressive growth.



Operations

YEARS

Continuous
Journey of Success

1985-2025



FHM PRODUCT



**DIMINISHING
MUSHARAKA**



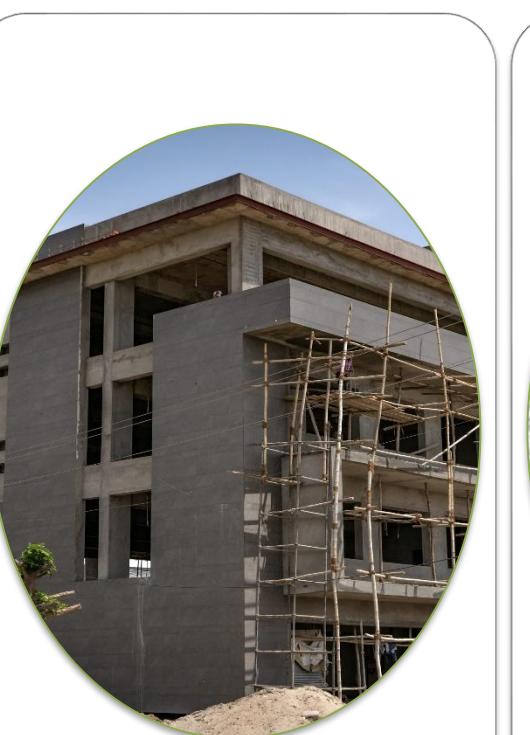
**CONSUMER
AUTO FINANCE**



MURABAHA



SALAM



ISTISNA



**CERTIFICATE OF
INVESTMENT
(MUSHARAKA)**

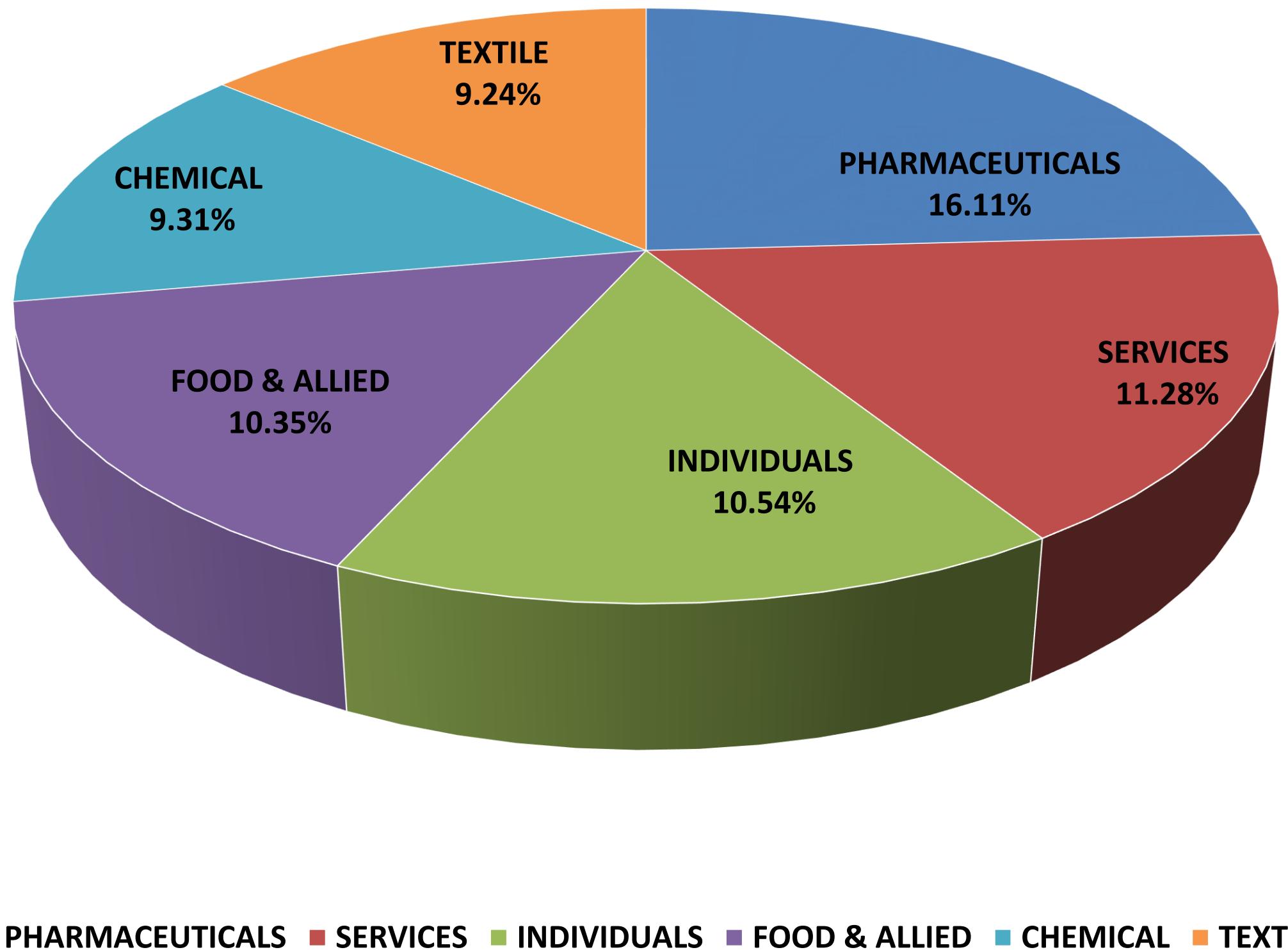


**HOUSE FINANCE
DIMINISHING
MUSHARAKA**

SECTOR ENGAGEMENTS

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

Top 6 Sectors
As on June 2025



Branch Offices

Karachi Branch:

3rd Floor, Al-Manzoor Building,
Dr. Ziauddin Ahmed Road. Karachi.

Tel : 021-32635949-51

Lahore Branch:

1st Floor, 5-Z Block, Phase III, Defence
Housing Authority, Lahore.

Tel : 042-35693074-76

Islamabad Branch:

Office No. 513, 5th Floor, ISE Towers,
Jinnah Avenue Blue Area, Islamabad.

Tel : 051-28994571-73

Multan Branch:

Office No. 707, 7th Floor, United Mall,
Abdali Road, Multan.

Tel : 061-4500121-3

Staff Strength

Total staff strength as at June 30, 2025

88

Training During 2024-25



Areas	No. of Trainings 2024-25
Business Development	5
Credit & Operations	7
AML & Compliance	7
Shariah Compliance	5
Islamic Finance & Audit	7
SSD	4
Soft Skills Training	5
Grand Total	40



Female Employee Ratio

- For the year 2024-25 is 22%

Financial Performance

YEARS

Continuous
Journey of Success

1985-2025



Financial Highlights For the Year 2024-25

Board Meeting conducted within 38 days for approval of Financial statements for the Year ended June 30, 2025

22.5% Cash Dividend declared for June 2025

- Profit before tax & management fee reached to Rs.1.42 billion highest since inception.
- Disbursement reached to Rs.19.6 billion highest in any year since business operations.
- All time high financing asset size of Rs.32.6 billion since business operations.
- First time Balance Sheet footing reached to around Rs.34.75 billion mark
- Fund mobilization through Deposits and fund lines reached to Rs.27.06 billion, again highest in any year since business operations.
- Profit after tax is Rs. 901 million highest since inception.

Finance Book touched to
Rs.32.7 billion
30.04%

Balance Sheet footing reached to
Rs.34.75 billion
31.51%

Disbursement
Rs.19.6 billion
29.17%

Business Performance

Profit After Tax
Rs. 901 million
31%

Fund mobilization reached to
Rs.27.06 billion
39.87%

Profit before Tax & Mgt.Fee
Rs.1.42 billion
6.14%



KEY FINANCIAL DATA COMPARING TWO YEARS

Rs. In millions

	2025	2024	%
Balance Sheet footing	34,749	26,410	32%
Financing Assets	32,659	25,126	30%
Disbursement for the period	19,637	15,202	29%
Deposit / Borrowing	27,068	19,353	40%
Profit before Tax	1,245	1,181	5%
Profit after Tax	901	690	31%
Earning Per Modaraba Certificate (Rs.)	8.13	6.23	31%

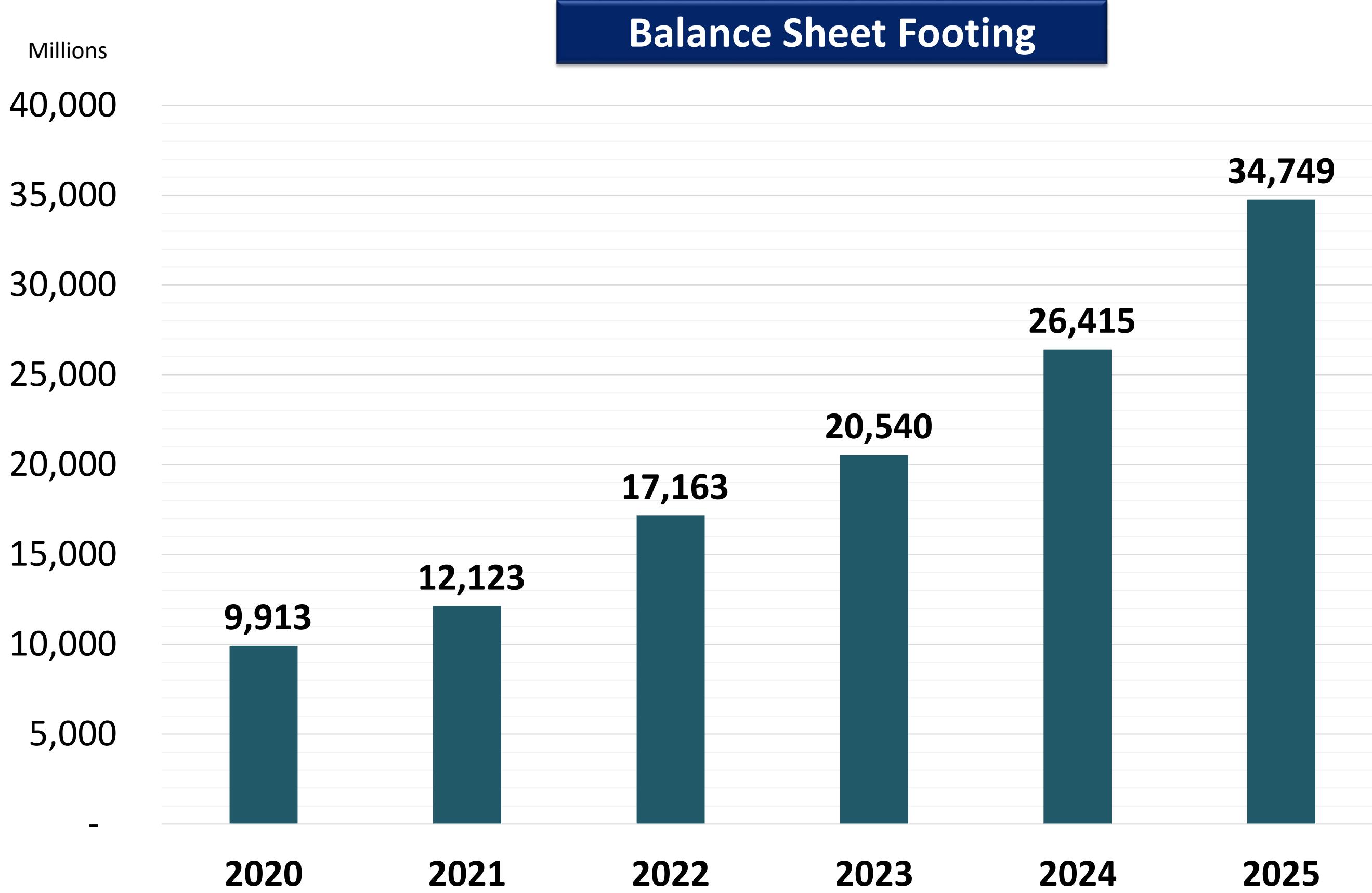


KEY FINANCIAL DATA FOR SIX YEARS

Rs. In millions	2025	2024	2023	2022	2021	2020
Total Assets	34,749.38	26,409.93	20,539.86	17,162.82	12,122.53	9,913.06
Diminishing Musharaka Financing Asset	32,658.43	25,125.60	17,981.78	13,183.23	9,913.81	7,002.50
Diminishing Musharaka Asset Disbursement	19,637.23	15,202.18	10,781.69	11,088.56	6,531.04	3,042.89
Current Assets	13,268.44	9,792.76	8,211.97	8,257.25	4,987.87	3,839.71
Current Liabilities	28,949.44	21,284.87	15,906.40	13,151.20	8,153.14	6,025.45
Total Liabilities	28,965.31	21,300.99	15,926.06	13,185.80	8,294.19	6,279.50
Paid-up Capital	1,108.31	1,108.31	1,108.31	1,008.00	1,008.00	1,008.00
Reserves	4,630.59	3,966.12	3,499.57	2,959.52	2,619.07	2,538.68
Certificate Holders' Equity	5,738.89	5,074.43	4,607.88	3,967.52	3,627.07	3,546.68
Gross Revenue	4,971.82	5,191.48	3,435.47	1,562.77	1,545.15	2,201.31
Income from Diminishing Musharaka Financing	4,971.82	5,191.48	3,396.95	1,424.75	796.47	1,017.66
Net Profit	901.50	690.20	519.63	382.12	363.15	316.68
Earning Per Certificate - Rs.10/- each	8.13	6.23	4.68	3.45	3.28	2.86
Cash Dividend	22.50%	21.00%	20.00%	20.00%	28.00%	28.00%



GROWTH PATTERN OF LAST SIX YEARS



**Balance Sheet
footing of
Rs.34.7 Billion
since business
operations.**



GROWTH PATTERN OF LAST SIX YEARS

Financing Assets

Millions

35,000

30,000

25,000

20,000

15,000

10,000

5,000

-

2021

2022

2023

2024

2025

10,775

15,903

19,226

25,126

32,659

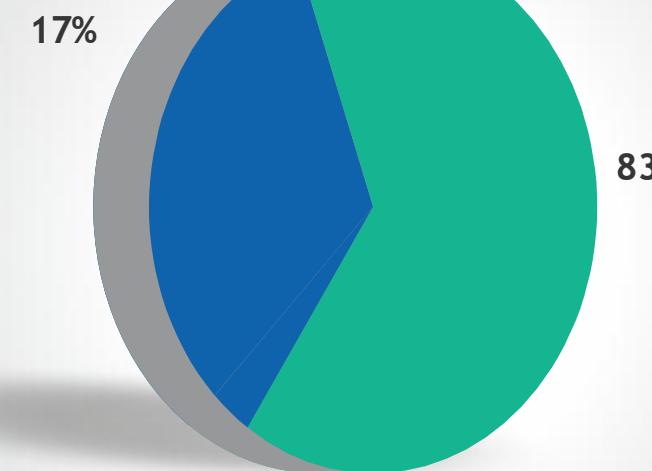
All time High size
of Financing
Assets (net) i.e.
Rs.32.6 Billion
since business
operations.



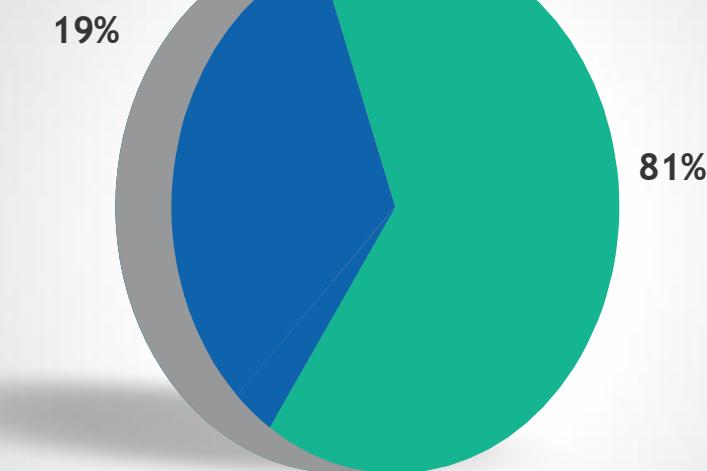
STATEMENT OF FINANCIAL POSITION COMPOSITION

Equity & Liabilities

2025

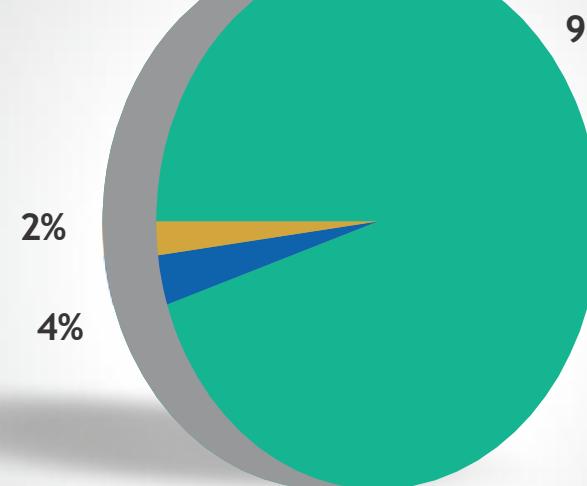


2024

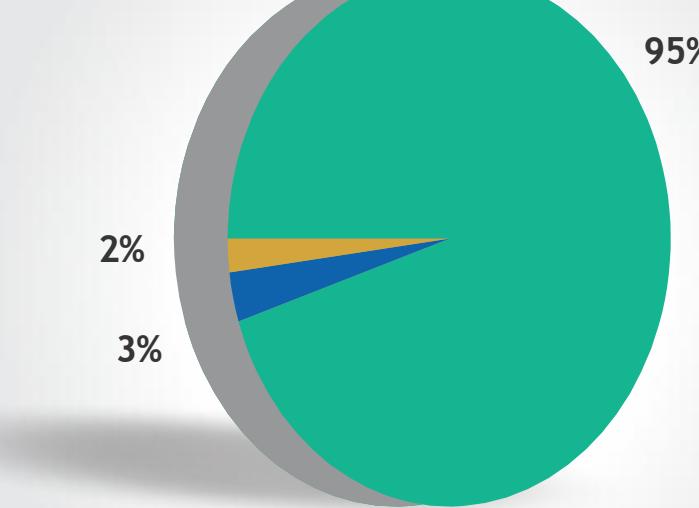


Assets

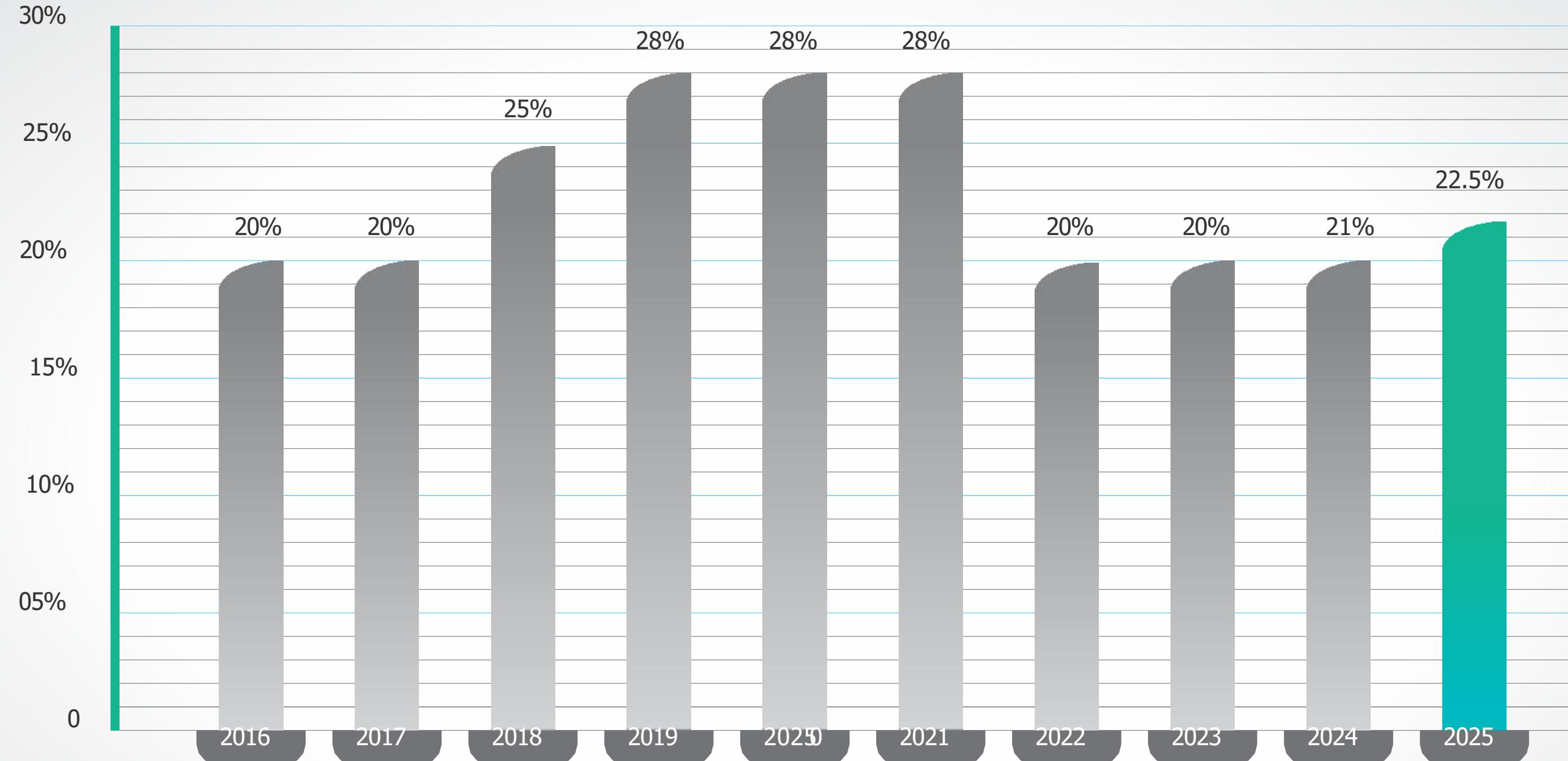
2025



2024



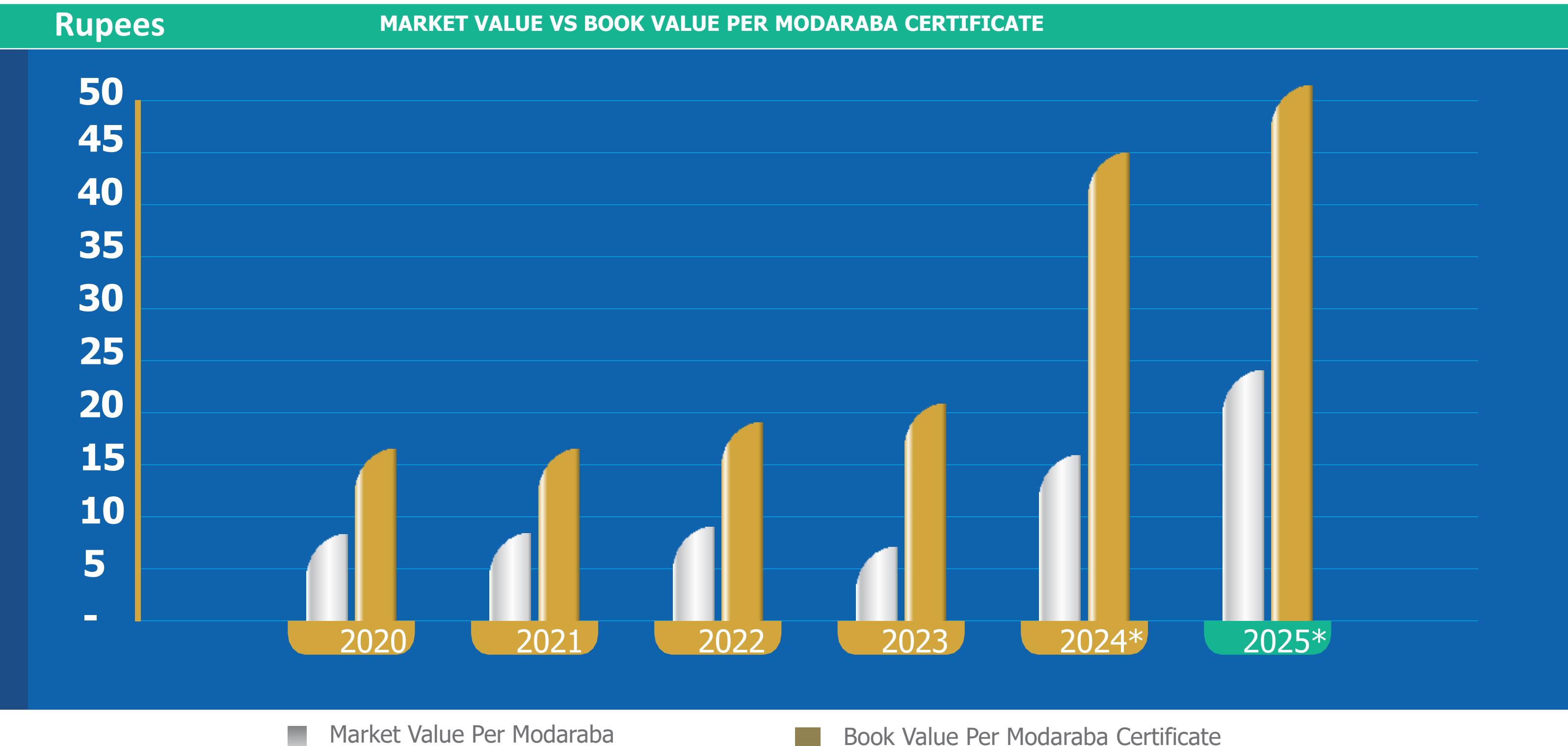
LAST 10 YEARS AVERAGE DIVIDEND PAYMENT 23.25% PER ANNUM



40 YEARS OF UNBROKEN DIVIDEND PAYOUT
FHM NEVER SKIPPED DIVIDEND SINCE INCEPTION



MARKET VALUE VS BOOK VALUE PER MODARABA CERTIFICATE



- High increase was due to change in face of value of Modaraba Certificate from Rs.5/- to Rs.10/- from the year 2024.



Awards and Ratings Update

YEARS

Continuous
Journey of Success

1985-2025



Award received during the Year

BEST CORPORATE REPORT AWARD from ICAP & ICMAP

The joint Committee of the Institute of Chartered Accountant of Pakistan (ICAP) and Institute of Cost & Management Accountant Pakistan (ICMAP) has awarded “**2nd Position**” in “Best Corporate Report Award to First Habib Modaraba (FHM) on annual report of 2023 within the category of NBFIs and Mutual Funds on October 18, 2024.

Since last consecutive 15 years, FHM is securing best report award, recognizing our commitment to excellence in our field and out of 15 awards, so far FHM has secured 6 awards of First Position.

SAFA Certificate of Merit

Alhamdulillah, this year again, First Habib Modaraba has received Certificate of Merit for the “Best Presented Annual Report Awards 2023” by South Asian Federation of Accountants (SAFA) within the countries at SAARC level and in the category of Financial Services Sector. The award was conferred in a ceremony held in Colombo, SriLanka on 11 November 2024.



Corporate Excellence Award from the Management Association of Pakistan (MAP)

On 23rd October, 2024, Management Association of Pakistan (MAP) has conferred “Certificate of Excellence” award to First Habib Modaraba (FHM) in Modaraba Sector. The recognition of Corporate Excellence Award from MAP acknowledges the strong commitment of FHM for promotion of best business practices, good governance and corporate excellence within FHM while maintaining financial discipline.



“Best Performing Modaraba Award” Of NBFI & Modaraba Association of Pakistan

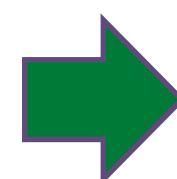
First Habib Modaraba has received 2nd Position “Best Performing Modaraba Award” from NBFI and Modaraba Association of Pakistan. The award ceremony was held on May 27, 2025. First Habib Modaraba (FHM) meets the said criteria every year since last several years. So far FHM has received 24 awards as “Best Performing Modaraba Award” within last 25 years from above association.



LAST 5 YEARS ACKNOWLEDGMENTS

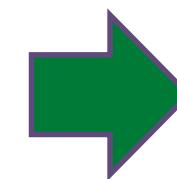


Best Performing Modaraba
NBFI & Modaraba Association Pakistan



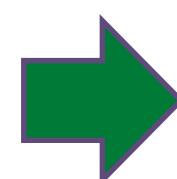
24 Awards

Best Corporate Report
ICAP & ICMAP



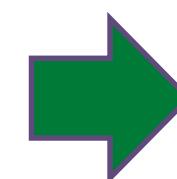
15 Awards

Corporate Excellence
Management Association of Pakistan



15 Awards

**Best Presented Accounts
& Disclosure**
SAFA an apex body of SAARC



15 Awards

Other Awards

Pakistan Observer
Best Modaraba Management Award

**Federation of Pakistan
Chambers of Commerce &
Industry (FPCCI)**

3 Achievement Awards
1st Position Gold Medal

Islamic Retail Bank Award
Dubai

**Award for best Islamic Retail
Investment Product**

COMSATS

2 Awards Best Islamic NBFC Award



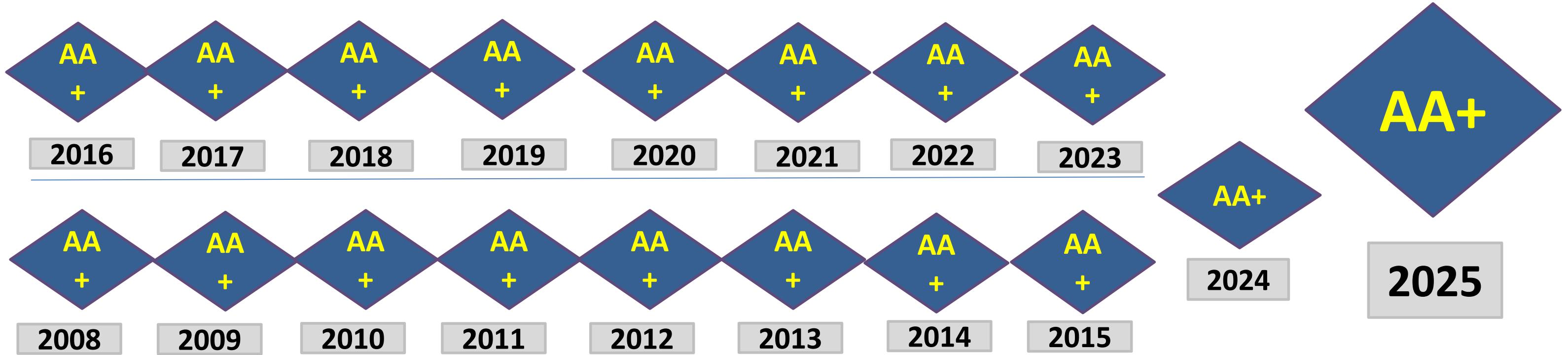
CREDIT RATINGS

Assigned by Pakistan Credit Agency Ltd. (PACRA)

AA+
Long Term

A1+
Short Term

AA+ Credit
Rating since
last **18 years**



Way Forward

YEARS

Continuous
Journey of Success

1985-2025



FOCUS AREA

2025-26





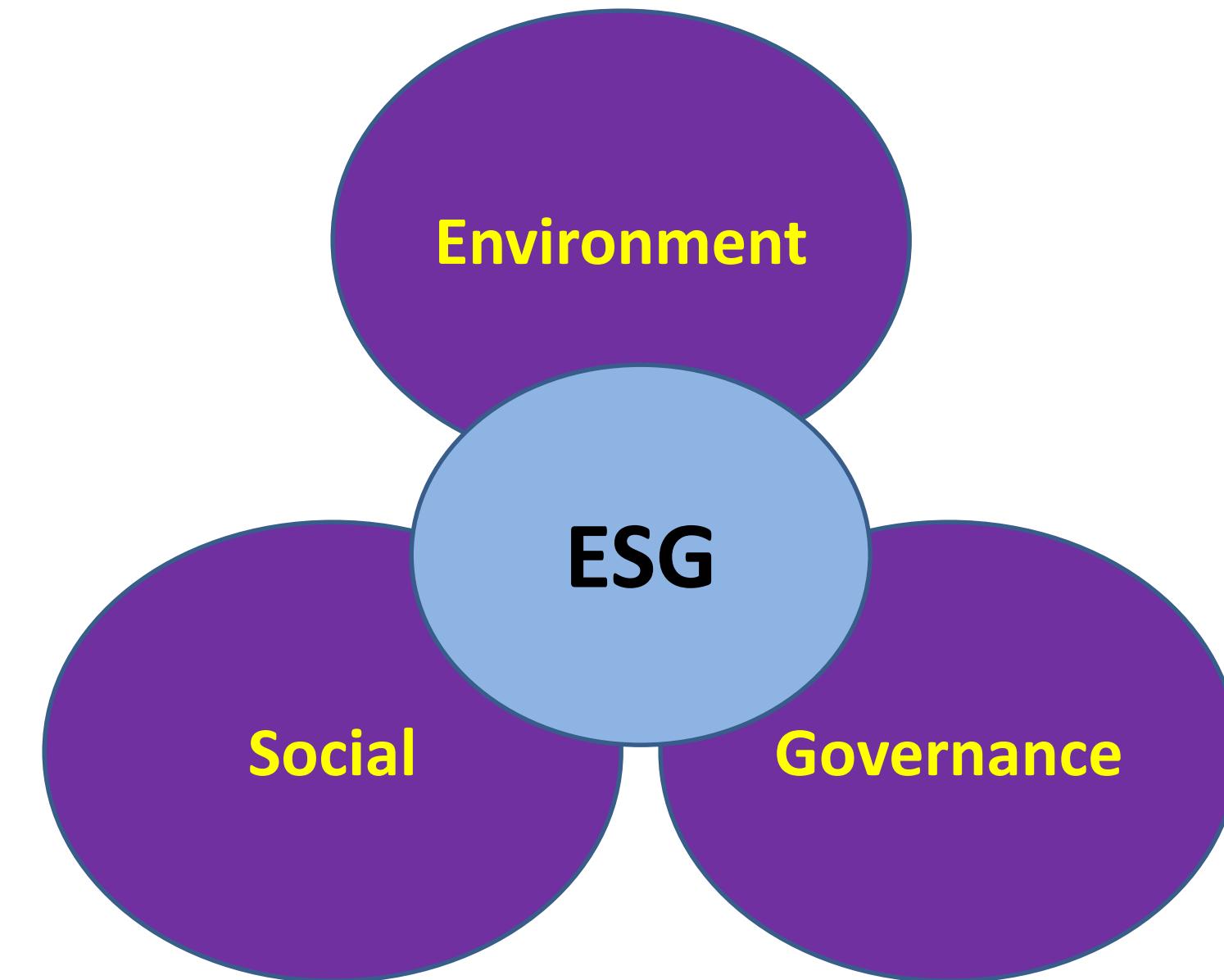
Enhancing CSR activities for Community Through Various Support Program

Our ESG approach and Sustainability Initiatives

Besides, financial soundness and high performance of the entity, our commitment to Environmental, Social, and Governance (ESG) principles remains our core objective and strategic priority.

These strategic commitments reflect our determination to remain a reputable and responsible corporate entity, encourage to deliver meaningful impact across financial sector of Pakistan for environment protection, social engagement and good governance.

The same will be followed in future with more rigour and dedication



Q & A Session

YEARS

Continuous
Journey of Success

1985-2025



THANK YOU

