



**QUARTERLY
FINANCIAL
STATEMENTS**

(UN-AUDITED)
March 31,
2026

FIRST HABIB MODARABA

40
YEARS

Continuous
Journey of Success
1985-2025

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CORPORATE INFORMATION

MODARABA MANAGEMENT COMPANY

Habib Metropolitan Modaraba Management Company (Private) Limited

BOARD OF DIRECTORS

Mohammad Shams Izhar	- Chairman
	- Non-Executive Director
Mr. Muhammad Shoaib Ibrahim	- Chief Executive Officer
Mr. Saeed Uddin Khan	- Non-Executive Director
Mr. Usman Nurul Abedin	- Non-Executive Director
Dr. Irum Saba	- Non-Executive Independent Director
Mr. Murtaza Ahmed Ali	- Non-Executive Director

AUDIT COMMITTEE

Mr. Saeed Uddin Khan	- Chairman
Dr. Irum Saba	- Member
Mr. Mohammad Shams Izhar	- Member

HUMAN RESOURCE COMMITTEE

Mr. Saeed Uddin Khan	- Chairman
Mr. Mohammad Shams Izhar	- Member

LEGAL ADVISOR

Mohsin Tayebaly & Company
Ahmed & Qazi Advocates & Legal Consultants

SHARES REGISTRAR

CDC Share Registrar Services Limited
Share Registrar Department
CDC House, 99-B, Block "B",
S.M.C.H.S
Main Shahrah-e-Faisal,
Karachi,
Pakistan. Tel: 111-111-500

AUDITORS

BDO Ebrahim & Co.
Chartered Accountants

COMPANY SECRETARY

Mr. Tehsin Abbas

SHARIAH ADVISOR

Mufti Faisal Ahmed

BANKERS

Al Baraka Bank Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited - (Islamic Banking)
Habib Metropolitan Bank Limited - (Islamic Banking)
MCB Bank Limited - (Islamic Banking)
Meezan Bank Limited
Soneri Bank Limited - (Islamic Banking)
Bank Al-Habib Limited
Bank Islami Pakistan Limited

REGISTERED OFFICE

6th Floor, HBZ Plaza (Hirani Centre)
I.I. Chundrigar Road, Karachi.
Tel : 021-32635949-51
UAN : 111-346-346
Web : www.habibmodaraba.com
Email : fhm@habibmodaraba.com

GEOGRAPHICAL PRESENCE

- BRANCH OFFICES

Karachi:

3rd Floor, Al-Manzoor Building,
Dr. Ziauddin Ahmed Road. Karachi.
Tel : 021-32635949-51

Lahore:

1st Floor, 5-Z Block, Phase III, Defence Housing
Authority, Lahore.
Tel : 042-35693074-76

Islamabad:

Office No. 513, 5th Floor, ISE Towers, Jinnah
Avenue Blue Area, Islamabad.
Tel : 051-28994571-73

Multan:

Office # 707, 7th Floor, United Mall,
Abdali Road, Multan
Tel : 061-4500121-22-23

On behalf of the Board of Directors, it is our great pleasure to present the unaudited financial statements of First Habib Modaraba (FHM) for the nine months ended 31st March, 2026.

Business Performance

Alhamdulillah, we witnessed stable and satisfactory performance during 3rd quarter ended March 31, 2026. Our balance sheet size has increased to Rs.40.309 billion as compared to size of Rs.34.750 billion as at 30th June, 2025. The disbursements of around Rs.16.529 billion was made during nine months' period as compared to disbursement of Rs.14.197 billion of same period of last year. Profit before tax remained satisfactory despite declining lending rates due to decreased in policy rates of State Bank of Pakistan (SBP).

Economic Outlook

At present, Pakistan's economy is navigating significant volatility due to the ongoing US-Iran conflict which has caused disruptions in supply chain and high prices of energy. Said conflict represents an intense geopolitical shock with far-reaching economic consequences particularly for energy importing and structurally weak economies such as Pakistan. The evolving crisis marked by high cost and disturbed supply of import led industrial raw materials, volatility in global oil and gas markets which have transformed into a systemic economic shocks for Pakistan. The said unrest is not merely an inflationary shock but it may carry broader macroeconomic disorder and stress. The said Gulf crisis poses a significant risk of reversing recent stabilization on economic front of Pakistan and could push the country again on high inflationary pressure along with strain on current account and foreign exchange reserves.

Recently, the government of Pakistan has initiated several measures to mitigate economic crisis from the Middle East conflict focusing on targeted subsidies, energy supply stabilization and diplomatic engagement. It is promising that Pakistan has emerged as a key intermediary in de-escalating gulf war and earning international praise for its diplomatic efforts. Pakistan's role leverages its deep regional surrounding to navigate complex strategic relationships. The ongoing mediation in the Middle East has certainly further strengthened Pakistan's diplomatic profile.

Conclusion

The outlook for the current financial year is linked with uncertainty arises from the gulf war. It is difficult to predict the duration and its ultimate impact. However, prolonged conflict may exert pressure on key macroeconomic indicators including international oil prices, exchange rate stability and inflation.

Our business performance up to Q3 remained satisfactory with solid growth in new financing assets and overall business volumes. Looking ahead, the war crisis will likely to further increase inflation as energy costs surge. That could push SBP to raise policy rates which ultimately hit cost of doing business. With economic uncertainty, external shocks and geopolitical unrest, we anticipate a further slowdown in business activities. However, any encouraging move towards war resolution and settlement of conflict between two countries could ease down economic crisis and will have positive impact on overall business activities.

The management of FHM is cautiously moving forward with current situation and will align its business strategy with prevailing conditions. As usual, our focus will remain on sustainable growth while maintaining a prudent and disciplined risk management approach.

Acknowledgment

We would like to express our sincere thanks and gratitude for the continued support and guidance provided by Securities & Exchange Commission of Pakistan and Registrar Modaraba customers of the Modaraba for their patronage and Certificate holders, investors who have remained committed to FHM. I also appreciate dedication, high level of professionalism and hard work of employees of FHM for smooth operations and achieving satisfactory results in extremely difficult business environment.

For and on behalf of Board of Directors

Muhammad Shoaib Ibrahim
Chief Executive Officer

Muhammad Shams Izhar
Chairman

Karachi: 28th April, 2026

ڈائریکٹرز رپورٹ

یہ ہمارے لئے باعث مسرت ہیکہ ہم بورڈ آف ڈائریکٹرز کی جانب سے ۳۱ مارچ، ۲۰۲۶ کو ختم ہونے والی نو ماہی مدت اختتام پر فرسٹ حبیب مضاربہ (ایف ایچ ایم) کی غیر محتسب شدہ کھاتے پیش کریں۔

کاروباری سرگرمیاں:

الحمد للہ، 31 مارچ 2026 کو ختم ہونے والی تیسری سہ ماہی کی کارکردگی مستحکم اور تسلی بخش دیکھی۔ ہماری بیلنس شیٹ کا سائز 30 جون، 2025 تک 34.750 بلین روپے کے سائز کے مقابلے میں بڑھ کر 40.309 بلین روپے ہو گیا۔ نو ماہ کی مدت کے دوران تقریباً 16.529 بلین روپے کی تقسیم گئی جبکہ گزشتہ سال کی اسی مدت کے 14.197 بلین روپے کی تقسیم کی گئی تھی۔ اسٹیٹ بینک آف پاکستان (SBP) کی پالیسی ریٹ میں کمی کی وجہ سے قرضے کی شرح میں کمی کے باوجود ٹیکس سے قبل منافع بھی تسلی بخش رہا۔

معاشی جائزہ:

اس وقت پاکستان کی معیشت امریکہ ایران تنازعہ کی وجہ سے نمایاں اتار چڑھاؤ کا شکار ہے جس کی وجہ سے سیلابی چین میں رکاوٹیں اور توانائی کی بلند و بالا قیمتیں ہیں۔ مذکورہ تنازعہ ایک شدید جغرافیائی سیاسی جھٹکے کی نمائندگی کرتا ہے جس کے دور رس معاشی نتائج ہیں خاص طور پر توانائی کی درآمد اور پاکستان جیسی ساختی طور پر کمزور معیشتوں کے لیے۔ بڑھتی ہوئی لاگت اور درآمدات کی رسد میں خلل کی وجہ سے صنعتی خام مال، تیل اور گیس کی عالمی منڈیوں میں اتار چڑھاؤ نے پاکستان کے لیے ایک نظامی اقتصادی جھٹکوں میں تبدیل کر دیا ہے۔ مذکورہ بدامنی محض مہنگائی کا جھکاؤ نہیں ہے بلکہ یہ وسیع تر معاشی خرابی اور تناؤ کو لے سکتی ہے۔ مذکورہ خرابی بحران پاکستان کے معاشی محاذ پر حالیہ استحکام کو تبدیل کرنے کا ایک اہم خطرہ ہے اور یہ ملک کو کرنٹ اکاؤنٹ اور زرمبادلہ کے ذخائر پر ایک بار پھر مہنگائی کے بلند دباؤ میں دھکیل سکتا ہے۔

حال ہی میں، حکومت پاکستان نے مشرق وسطیٰ کے تنازع سے معاشی بحران کو کم کرنے کے لیے متعدد اقدامات شروع کیے ہیں جن میں ٹارگٹڈ سبسڈیز، توانائی کی فراہمی میں استحکام اور سفارتی مشغولیت پر توجہ دی گئی ہے۔ یہ امید افزا ہے کہ پاکستان خلیجی جنگ کو کم کرنے اور اپنی سفارتی کوششوں کے لیے بین الاقوامی سطح پر پذیرائی حاصل کرنے میں ایک اہم ثالث کے طور پر ابھرا ہے۔ پاکستان کا کردار پیچیدہ اسٹریٹجک تعلقات کو نیوگیٹ کرنے کے لیے اپنے گہرے علاقائی ماحول سے فائدہ اٹھاتا ہے۔ مشرق وسطیٰ میں جاری ثالثی نے یقیناً پاکستان کے سفارتی پروفائل کو مزید مضبوط کیا ہے۔

نتیجہ اختتام:

موجودہ مالیاتی سال کا نقطہ نظر خلیجی جنگ سے پیدا ہونے والی غیر یقینی صورتحال سے منسلک ہے۔ مدت اور اس کے حتمی اثرات کا اندازہ لگانا مشکل ہے۔ تاہم، طویل تنازعہ تیل کی بین الاقوامی قیمتوں، شرح مبادلہ میں استحکام اور افراط زر سمیت کلیدی معاشی اشاریوں پر دباؤ ڈال سکتا ہے۔

نئے مالیاتی اثاثوں اور مجموعی کاروباری حجم میں ٹھوس نمو کے ساتھ تیسری سہ ماہی Q3 تک ہماری کاروباری کارکردگی تسلی بخش رہی۔ آگے دیکھتے ہوئے، توانائی کی قیمتوں میں اضافے کے ساتھ جنگی بحران مہنگائی میں مزید اضافہ کر سکتا ہے۔ یہ اسٹیٹ بینک کو پالیسی ریٹ بڑھانے پر مجبور کر سکتا ہے جس سے بالآخر کاروبار کرنے کی لاگت متاثر ہوتی ہے۔ معاشی غیر یقینی صورتحال، بیرونی جھٹکوں اور جغرافیائی سیاسی بدامنی کے ساتھ، ہم کاروباری سرگرمیوں میں مزید سست روی کی توقع کرتے ہیں۔ تاہم، دونوں ممالک کے درمیان جنگ کے حل اور تنازعات کے حل کی طرف کوئی بھی حوصلہ افزا اقدام معاشی بحران کو کم کر سکتا ہے اور مجموعی کاروباری سرگرمیوں پر مثبت اثرات مرتب کرے گا۔

FHM کی انتظامیہ موجودہ صورتحال کے ساتھ محتاط انداز میں آگے بڑھ رہی ہے اور اپنی کاروباری حکمت عملی کو موجودہ حالات کے ساتھ ہم آہنگ کرے گی۔ ہمیشہ کی طرح، ہماری توجہ ایک ہوشیار اور نظم و ضبط والے رسک مینجمنٹ اپروچ کو برقرار رکھتے ہوئے پائیدار ترقی پر رہے گی۔

اظہار تشکر:

ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور رجسٹرار مضاربہ، مضاربہ کے صارفین، ان کی سرپرستی اور سرٹیفکیٹ ہولڈرز، سرمایہ کاروں کی طرف سے فراہم کردہ مسلسل تعاون اور رہنمائی کے لیے تہہ دل سے شکر یہ ادا کرنا چاہتے ہیں، جو FHM کے لیے پر عزم ہیں۔ ہم بہترین آپریشنز اور انتہائی مشکل کاروباری ماحول میں تسلی بخش نتائج حاصل کرنے کے لیے FHM کے ملازمین کی لگن، اعلیٰ سطحی پیشہ ورانہ مہارت اور محنت کی بھی تعریف و حوصلہ افزائی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کیلئے اور ان کی جانب سے

محمد شمس اظہار

چیرمین

محمد شعیب ابراہیم

چیف ایگزیکٹو آفیسر

کراچی: 28 اپریل، 2026

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2026



		(Un-audited)	(Audited)
		March 31, 2026	June 30, 2025
Note	----- (Rupees) -----		
ASSETS			
NON-CURRENT ASSETS			
	4	82,429,114	88,484,327
		4,874,765	7,952,753
	5	23,908,420,133	20,557,392,328
		1,515,300	1,515,300
	6	175,110,000	446,575,160
		369,302,921	379,024,590
		24,541,652,233	21,480,944,458
CURRENT ASSETS			
	7	273,780,160	312,272,373
	5	12,387,441,541	10,246,759,431
	8	1,816,643	879,700
	9	2,370,734,130	1,857,505,633
		88,065,817	35,712,509
	10	645,200,394	815,309,565
		15,767,038,685	13,268,439,211
		40,308,690,918	34,749,383,669
TOTAL ASSETS			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
		1,400,000,000	1,400,000,000
		1,108,305,000	1,108,305,000
		4,970,263,909	4,630,589,940
		6,078,568,909	5,738,894,940
		36,969,717	45,175,598
SURPLUS ON REVALUATION OF INVESTMENTS			
NON-CURRENT LIABILITIES			
	11	11,973,717	15,869,077
CURRENT LIABILITIES			
	12	24,332,886,483	20,773,092,578
	11	11,544,078	8,160,336
		23,260,179	12,265,316
		11,435,033	14,329,272
		947,219,847	894,090,781
		7,831,614,060	6,295,389,223
		274,874,695	274,874,695
		158,124,732	124,467,679
		46,722,586	46,745,395
		13,629,382	9,150,852
		529,867,500	496,877,927
		34,181,178,575	28,949,444,054
		40,308,690,918	34,749,383,669
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			

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The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2026 (UN-AUDITED)

	Note	Nine-months ended		Quarter ended	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		----- (Rupees) -----			
Income from diminishing musharaka financing		3,557,458,345	3,801,019,449	1,247,461,495	1,093,978,190
Reversal / (provision) in respect of diminishing musharaka financing		28,559,737	(126,214,207)	(6,880,010)	(29,839,500)
Reversal / (provision) in respect of diminishing musharaka financing installments receivable		4,443,898	8,800,611	(6,963,441)	(3,215,384)
Modification loss in respect of diminishing musharaka financing		(9,450,141)	-	-	-
Administrative expenses		(232,946,743)	(197,103,090)	(72,767,176)	(71,399,224)
		3,348,065,096	3,486,502,763	1,160,850,868	989,524,082
Other income	14	138,344,860	164,572,543	44,658,264	45,733,529
		3,486,409,956	3,651,075,306	1,205,509,132	1,035,257,611
Financial charges	15	(2,414,033,373)	(2,579,032,122)	(833,920,675)	(732,713,572)
Modaraba Management Company's remuneration	16	(107,237,658)	(107,204,318)	(37,158,845)	(30,254,403)
Sales tax on Modaraba Management Company's remuneration	16	(16,085,649)	(16,080,648)	(5,573,827)	(4,538,161)
Provision for Workers' Welfare Fund		(18,981,066)	(18,975,164)	(6,577,116)	(5,355,029)
Profit before taxation and levy		930,072,210	929,783,054	322,278,669	262,396,446
Levy	17.1	(12,638,800)	(17,030,911)	(4,630,645)	(2,956,234)
Profit before taxation		917,433,410	912,752,143	317,648,024	259,440,212
Taxation	17.2	(328,390,815)	(256,835,118)	(109,381,186)	(72,050,544)
Profit after taxation		589,042,595	655,917,025	208,266,838	187,389,668
Earnings per certificate - basic and diluted	18	5.31	5.92	1.88	1.69

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Director

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME



FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2026 (UN-AUDITED)

	Nine-months ended		Quarter ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	----- (Rupees) -----			
Profit after taxation	589,042,595	655,917,025	208,266,838	187,389,668
Other comprehensive income				
Items that will not be reclassified subsequently to statement of profit or loss				
(Deficit) / surplus on revaluation of investments classified as at fair value through other comprehensive income'- net of tax	(8,205,881)	31,626,095	(11,019,650)	21,519,340
Total comprehensive income for the period	580,836,714	687,543,120	197,247,188	208,909,008

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED MARCH 31, 2026 (UN-AUDITED)

	Certificate capital	Capital reserves			Revenue reserves		Total equity
		Certificate premium	Amalgamation reserve	Statutory reserves	General reserves	Unappropriated profit	
(Rupees)							
Balance as at June 30, 2024 (Audited)	1,108,305,000	378,000,000	233,003,899	1,284,362,639	1,830,000,000	240,755,792	5,074,427,330
Transaction with certificate holders							
Profit distribution for the year ended June 30, 2024 @ Rs.2.10/- per certificate	-	-	-	-	-	(232,744,050)	(232,744,050)
Profit after taxation	-	-	-	-	-	655,917,025	655,917,025
Balance as at March 31, 2025	<u>1,108,305,000</u>	<u>378,000,000</u>	<u>233,003,899</u>	<u>1,284,362,639</u>	<u>1,830,000,000</u>	<u>663,928,767</u>	<u>5,497,600,305</u>
Balance as at June 30, 2025 (Audited)	1,108,305,000	378,000,000	233,003,899	1,284,362,639	1,830,000,000	905,223,401	5,738,894,939
Transaction with certificate holders							
Profit distribution for the year ended June 30, 2025 @ Rs.2.25/- per certificate	-	-	-	-	-	(249,368,625)	(249,368,625)
Transfer from unappropriated profit to general reserve	-	-	-	-	500,000,000	(500,000,000)	-
Profit after taxation	-	-	-	-	-	589,042,595	589,042,595
Balance as at March 31, 2026	<u>1,108,305,000</u>	<u>378,000,000</u>	<u>233,003,899</u>	<u>1,284,362,639</u>	<u>2,330,000,000</u>	<u>744,897,371</u>	<u>6,078,568,909</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Director

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED MARCH 31, 2026 (UN-AUDITED)

	March 31, 2026	March 31, 2025
Note	----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	917,433,410	912,752,143
Adjustment for:		
Levy	12,638,800	17,030,911
Depreciation and amortization	24,764,756	21,688,586
Financial charges	2,414,033,373	2,579,032,122
Gain on disposal of assets in own use - net	(260,530)	(850,795)
(Reversal) / provision in respect of diminishing musharaka financing	(28,559,737)	126,214,207
Reversal in respect of diminishing musharaka financing installment receivable	(4,443,898)	(8,800,611)
Modification loss in respect of diminishing musharaka financing	9,450,141	-
Provision for gratuity	3,750,003	3,510,000
Dividend income	(4,525,544)	(6,728,850)
Net cash generated from operations before working capital changes	2,426,847,364	2,731,095,570
Changes in working capital		
(Increase) / decrease in current assets		
Diminishing musharaka financing installments receivables	(936,943)	2,559,447
Advances and prepayments	(513,228,497)	(533,762,568)
Other receivables	(52,353,308)	(3,601,435)
	(566,518,748)	(534,804,556)
Increase / (decrease) in current liabilities		
Unearned diminishing musharaka installments	10,994,863	2,051,190
Advance diminishing musharaka installments	(2,894,239)	(8,952,881)
Trade and other payables	53,129,066	(844,249,158)
	61,229,690	(851,150,849)
Net Cash generated from operations	2,838,991,716	2,257,892,308
Net cash used in investing activities		
Diminishing musharaka financing - net	(8,575,550,552)	(5,740,032,180)
Long term deposits	-	(92,440)
Financial charges paid	(2,380,376,320)	(2,701,004,788)
Gratuity paid	(10,861,261)	(8,039,088)
Tax paid	(308,839,254)	(334,904,349)
	(11,275,627,387)	(8,784,072,845)
Net cash used in operating activities	(8,436,635,671)	(6,526,180,537)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of assets in own use	(18,842,025)	(23,007,419)
Proceed from sale of investments	309,957,373	(83,009,799)
Proceeds from sale of assets in own use	3,471,000	3,968,773
Dividends received	4,525,544	6,728,850
Net cash generated from / (used) in investing activities	299,111,892	(95,319,595)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(249,368,625)	(232,744,050)
Payments of lease rentals against right of use assets	(11,785,295)	(7,372,435)
Running Musharaka	1,536,224,837	843,041,424
Certificates of investment (musharaka)	2,559,793,905	5,099,182,622
Net cash generated from financing activities	3,834,864,822	5,702,107,561
Net decrease in cash and cash equivalents during the period	(4,302,658,957)	(919,392,571)
Cash and cash equivalents at the beginning of the period	(2,883,754,709)	(1,964,362,138)
Cash and cash equivalents at the end of the period	(7,186,413,666)	(2,883,754,709)

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2026 (UN-AUDITED)

1. STATUS AND NATURE OF BUSINESS

First Habib Modaraba (the Modaraba) is a perpetual, multi-purpose modaraba floated and managed by Habib Metropolitan Modaraba Management Company (Private) Limited (the Modaraba Management Company) The Modaraba is listed on Pakistan Stock Exchange Limited. The Modaraba is engaged in the business of leasing, Musharaka, Murabaha financing and other related business. The affairs, activities and transactions, performed by the Modaraba during the period comply with the rules and principles of Islamic Shariah in light of the guidelines and directives given by the Shariah Advisor and guidelines issued by office of the Registrar Modaraba, Securities and Exchange Commission of Pakistan Limited (SECP).

Geographical location and addresses of business units of the modaraba are as under:

Location	Address	Purpose
Karachi	6th Floor, HBZ plaza, I.I Chundrigar Road, Karachi	Head office (Registered office)
Karachi	3rd Floor, Al-Manzoor Building, Dr. Ziauddin Ahmed Road, Karachi	Branch office
Lahore	1st Floor, 5-Z Block, Phase III, Defence Housing Authority, Lahore	Branch office
Islamabad	Office No. 513, 5th Floor, ISE Tower, Jinnah Avenue, Blue Area, Islamabad	Branch office
Multan	7th Floor, United Mall, Abdali Road, Multan	Branch office

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) as notified under the Companies Act 2017 and made applicable to Modarabas;
- Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulation, 2021 and directives issues by the Securities and Exchange Commission of Pakistan (SECP) ['the Modaraba Regulation']; and
- Provisions of and directives issued under the Companies Act, 2017; and

Wherever, the requirements of 'the Modaraba Regulation' differ from the requirements of International Accounting Standards 'Interim Financial Reporting' - (IAS-34) and 'Islamic Financial Accounting Standards (IFAS)' as notified under the provisions of the Companies Act, 2017 and made applicable to Modaraba, requirements of 'the Modaraba Regulation' have been followed.

2.2 The condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba as at and for the year ended June 30, 2025 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Modaraba's financial position and performance since the last annual audited financial statements.

2.3 The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2025, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the un-audited condensed interim financial statements for the nine months ended March 31, 2025.

2.4 These condensed interim financial statements have been presented in Pak Rupee, which is the functional currency of the Modaraba.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual audited financial statements for the year ended June 30, 2025.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2026 (UN-AUDITED)



3.1 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, interpretations and amendments to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for annual accounting periods beginning on January 01, 2025. However, these do not have any significant impact on the Modaraba's operations and are therefore not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Modaraba

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Modaraba for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or will not have any material effect on the Modaraba's financial information except for:

'The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and

Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial assets or financial liabilities.

3.2 ACCOUNTING ESTIMATES, JUDGEMENTS, ASSUMPTIONS AND RISK MANAGEMENT POLICIES

3.2.1 The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Modaraba's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the annual audited financial statements for the year ended June 30, 2025.

3.2.2 The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Modaraba for the year ended June 30, 2025.

		(Un-audited)	(Audited)
		March 31, 2026	June 30, 2025
Note		----- (Rupees) -----	
4. FIXED ASSETS IN OWN USE			
Assets in own use	4.1	61,106,172	68,039,359
Right of use assets	4.2	21,322,942	20,444,968
		82,429,114	88,484,327
4.1 Opening net book value		68,039,359	63,142,121
Additions during the period / year	4.1.1	11,187,083	27,016,159
		79,226,442	90,158,280
Net book value of disposal during the period / year		(3,210,470)	(3,222,590)
Depreciation charged during the period / year		(14,909,800)	(18,896,331)
Closing net book value		61,106,172	68,039,359
4.1.1 Details of additions during the period are as follows:			
Office equipment		9,633,664	8,388,509
Furniture and fixture		1,067,119	873,810
Vehicles		319,800	17,432,840
Leasehold improvements		166,500	321,000
		11,187,083	27,016,159

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2026 (UN-AUDITED)

	(Un-audited)	(Audited)
	March 31, 2026	June 30, 2025
Note	----- (Rupees) -----	
4.2 Movement in right-of-use assets during the period is as follows:		
At the beginning of the period / year	20,444,968	21,914,106
Additions during the period / year	7,654,942	6,253,618
Depreciation during the period / year	(6,776,968)	(6,095,148)
Terminated during the period / year	-	(1,627,608)
At the end of the period / year	<u>21,322,942</u>	<u>20,444,968</u>
5. DIMINISHING MUSHARAKA FINANCING		
Diminishing Musharaka Financing	37,277,738,561	31,805,138,242
Less: Provision in respect of Diminishing Musharaka	(972,426,746)	(1,000,986,483)
Less: Modification loss adjustment	(9,450,141)	-
Non current portion	<u>36,295,861,674</u>	<u>30,804,151,759</u>
Less: Current portion	<u>(12,387,441,541)</u>	<u>(10,246,759,431)</u>
	<u>23,908,420,133</u>	<u>20,557,392,328</u>
5.1 Movement in provision in respect of Diminishing Musharaka		
At the beginning of the period / year	1,000,986,483	876,075,037
(Reversal) / charge for the period / year	(44,648,514)	124,927,933
Write off during the period / year	-	(16,487)
Transfer on rescheduling during the period / year	6,088,777	-
At the end of the period / year	<u>962,426,746</u>	<u>1,000,986,483</u>
5.1.1		
During the year, the Modaraba entered into a rescheduling agreement with a customer which resulted in a modification of contractual cash flows in accordance with IFRS 9. Under the revised terms, an amount of Rs. 6.089 million relating to outstanding diminishing musharaka installments receivable, against which provision had already been recognized, has been transferred to the provision against Diminishing Musharaka financing.		
The modification did not result in derecognition of the financial asset. Consequently, the related provision has been reclassified and presented as "Transfer on rescheduling" in the respective provision movement notes.		
5.2		
The Modaraba applies Expected Credit Loss (ECL) model to evaluate the provisioning impact. Consequently, as per the ECL model under IFRS 9, the impairment impact is not materially different than provisioning requirements under Modaraba Regulations, 2021.		
6. LONG TERM INVESTMENTS		
At fair value through other comprehensive income		
Investment in shares	95,110,000	92,795,000
Investment in sukuk bonds	80,000,000	80,000,000
	<u>175,110,000</u>	<u>172,795,000</u>
At amortised cost		
Investment in GOP Ijarah sukuk bonds	-	273,780,160
	<u>175,110,000</u>	<u>446,575,160</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2026 (UN-AUDITED)

	(Un-audited)	(Audited)
	March 31, 2026	June 30, 2025
	----- (Rupees) -----	
9. ADVANCES AND PREPAYMENTS		
Advances	82,925,708	1,571,398
Prepayments	9,418,124	1,652,105
Advance against diminishing musharaka financing	2,278,390,298	1,854,282,130
	2,370,734,130	1,857,505,633
10. CASH AND BANK BALANCES		
Stamps in hand	5,586,150	3,799,100
At banks in:		
Current accounts		
State Bank of Pakistan	1,141,259	1,141,259
With other banks	243,504,630	109,719,369
Profit bearing accounts		
Redemption Reserve Funds (RRF)	346,835,605	406,554,243
Modaraba deposit account with Habib Metropolitan Bank Limited (Islamic branch) - a related party	41,401,247	292,061,256
With other banks	6,731,503	2,034,338
	645,200,394	815,309,565

10.1 The balances held with banks in deposit account have been kept in order to comply with the requirement of the Modaraba Regulations, 2021 issued by the SECP with respect to the maintenance of the prescribed liquidity against the Certificates of Musharaka issued by the Modaraba.

	(Un-audited)	(Audited)
	March 31, 2026	June 30, 2025
	----- (Rupees) -----	
11. LIABILITY AGAINST RIGHT OF USE ASSETS		
As at beginning of the period / year	24,029,413	24,093,476
Additions during the period / year	7,654,942	6,253,618
Terminations during the period / year	-	(2,963,730)
Finance cost for the period / year	3,618,735	3,999,718
Payments made during the period / year	(11,785,295)	(7,353,669)
	23,517,795	24,029,413
Less: Current maturity	(11,544,078)	(8,160,336)
As at end of the period / year	11,973,717	15,869,077
12. CERTIFICATES OF INVESTMENT (MUSHARAKA)		
Unsecured		
Certificates of investment (musharaka)	24,332,886,483	20,773,092,578
12.1 Movement in Certificates of Investment (musharaka) is as follows:		
As at beginning of the period / year	20,773,092,578	16,188,522,739
Certificates issued during the period / year	96,665,581,655	79,522,043,150
	117,438,674,233	95,710,565,889
Encashment during the year period / year	(93,105,787,750)	(74,937,473,311)
As at end of the period / year	24,332,886,483	20,773,092,578

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2026 (UN-AUDITED)



12.1.1 The share of profit paid / payable on the above unsecured certificates of investment (musharaka) ranges between 8.10% to 11.14% (June 30, 2025: 8.35% to 20.47%) per annum having maturity from 3 months to 1 year.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There are no significant changes in the status of contingencies as reported in note 23 to the annual audited financial statements of the Modaraba for the year ended June 30, 2025.

13.2 Commitments

Commitments in respect of financing transactions amounted to Rs. 1,531 (June 30, 2025: Rs. 1,209) million.

	(Un-audited)			
	Nine-months ended		Quarter ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
----- (Rupees) -----				
14. OTHER INCOME				
Income from financial assets				
Dividend on shares	4,525,544	6,728,850	-	4,000,000
Profit on modaraba's deposit accounts	54,656,593	59,188,581	19,128,395	16,812,436
Profit on Redemption Reserve Funds (RRF)	1,161,858	5,353,923	201,673	36,000
Profit on Ijarah GOP sukuk bonds	24,790,414	36,752,894	7,452,122	10,754,098
Profit on Sukuk bonds	7,749,229	11,010,840	2,543,054	2,990,244
Dividend from mutual funds	14,266,110	15,245,535	2,978,064	3,460,408
Miscellaneous income	30,934,582	29,441,125	12,329,959	7,680,350
Income from non-financial assets				
Gain on sale of owned fixed assets - net	260,530	850,795	24,997	(7)
	138,344,860	164,572,543	44,658,264	45,733,529
15. FINANCIAL CHARGES				
Profit on certificates of investment (musharaka)	2,095,860,930	2,164,141,999	675,823,414	571,701,505
Profit on running musharaka financing	313,343,588	410,817,343	157,294,009	159,901,234
Mark-up on liability against right of use assets	3,618,735	2,985,474	907,841	855,717
Bank charges	1,210,120	1,087,306	(104,589)	255,116
	2,414,033,373	2,579,032,122	833,920,675	732,713,572

16. MODARABA MANAGEMENT COMPANY'S FEE INCLUSIVE OF SALES TAX

16.1 The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of the Modaraba. The fee for the period ended March 31, 2026 has been recognized at 10% (March 31, 2025: 10%) of profit for the period.

16.2 The Sindh Sales Tax levied by the Sindh Government at the rate of 15% (March 31, 2025: 15%) on the remuneration of the Modaraba Management Company. Further, there is no change in the status of Sindh Sales Tax on Management Company's remuneration as reported in note 21.5 to the annual audited financial statements of the Modaraba for the year ended June 30, 2025.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2026 (UN-AUDITED)

		(Un-audited)			
		Nine-months ended		Quarter ended	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Note		------(Rupees)-----			
17. TAXATION AND LEVY					
Levy	17.1	12,638,800	17,030,911	4,630,645	2,956,234
Taxation	17.2	328,390,815	256,835,118	109,381,186	72,050,544
		341,029,615	273,866,029	114,011,831	75,006,778

17.1 This represents final taxes paid under section 5AA and 150 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

		(Un-audited)			
		Nine-months ended		Quarter ended	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Note		------(Rupees)-----			
17.2 Taxation					
Current		329,190,027	372,127,413	112,011,254	96,059,466
Deferred		(799,212)	(115,292,295)	(2,630,068)	(24,008,922)
		328,390,815	256,835,118	109,381,186	72,050,544

18. EARNINGS PER CERTIFICATE - BASIC AND DILUTED

18.1 Basic

Basic earnings per certificate are calculated by dividing the profit after taxation with the weighted average number of certificates outstanding during the period as follows:

		(Un-audited)			
		Nine-months ended		Quarter ended	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Note		------(Rupees)-----			
Profit after taxation - Rupees		589,042,595	655,917,025	208,266,838	187,389,668
Weighted average number of certificates of Rs. 10/- each		110,830,500	110,830,500	110,830,500	110,830,500
Earnings per certificate		5.31	5.92	1.88	1.69

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2026 (UN-AUDITED)



18.2 Diluted

No figure for diluted earnings per certificate has been presented as the Modaraba has not issued any instruments which would have an impact on earnings per certificate when exercised.

19. CASH AND CASH EQUIVALENTS

Cash and bank balances
Running musharaka

	(Un-audited) March 31, 2026	(Un-audited) March 31, 2025
	----- (Rupees) -----	
	645,200,394	1,123,673,203
	(7,831,614,060)	(4,007,427,912)
	<u>(7,186,413,666)</u>	<u>(2,883,754,709)</u>

20. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise the Management Company (Habib Metropolitan Modaraba Management Company (Private) Limited), Habib Metropolitan Bank Limited, Habib Metropolitan Financial Services Limited, Habib Metro Exchange Services Limited, First Habib Modaraba Employees' Provident Fund, First Habib Modaraba Staff Gratuity Fund and key management personnel (which are employed by the management company). Transactions and balances outstanding with related parties and associated undertakings are as follows:

			(Un-audited) March 31, 2026	(Audited) June 30, 2025
			----- (Rupees) -----	
Balances held				
Related party	Basis of relationship	Nature of balances		
Habib Metropolitan Bank Limited	Holding Company	Bank balances	295,782,149	764,812,898
		Certificates of investment musharaka)	3,500,000,000	2,300,000,000
		Redemption Reserve Fund (RRF)	92,959,021	403,487,546
		Profit receivable	5,192,527	7,562,839
		Financial charges payable	61,149,178	34,498,767
		Utility charges payable	-	5,920,297
		Security deposit	130,000	130,000
Habib Metropolitan Modaraba Management Company (Private) Limited	Management Company	Management fee payable	107,237,658	146,537,214
		Sale tax on management fee payable	99,933,176	83,847,527
Staff Gratuity Fund	Staff retirement benefit	Payable to staff gratuity fund	3,750,003	4,671,798

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2026 (UN-AUDITED)

			(Un-audited)			
			Nine-months ended		Quarter ended	
			March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
			------(Rupees)-----			
Transactions during the period						
Related party	Basis of relationship	Nature of transactions				
Habib Metropolitan Bank Limited	Holding Company	Profit on bank accounts	5,192,527	16,812,437	(769,979)	(66,847,687)
		Dividend paid	13,541,175	12,638,430	-	-
		Bank charges	1,001,746	896,506	305,682	(325,865)
		Utility charges	6,472,782	3,459,663	86,025	(733,881)
		Financial charges	281,638,054	650,362,899	123,352,054	618,418,160
Habib Metropolitan Modaraba	Management Company	Management fee	107,237,658	107,204,318	37,158,845	30,254,403
		Sale tax on management fee	16,085,649	16,080,648	5,573,827	4,538,161
Company (Private) Limited		Management fee paid	146,537,214	137,733,353	-	-
		Dividend paid	24,936,863	23,274,405	-	-
Staff Gratuity Fund	Staff retirement benefit	Contribution to the fund	3,750,003	3,510,000	1,250,001	1,170,000
Provident Fund	Staff retirement benefit	Contribution to the fund	4,998,499	4,136,531	1,690,995	1,376,333

20.1 No remuneration in kind has been paid by the Modaraba to the directors and key management personnel of Modaraba Management Company.

20.2 The Modaraba carries out transactions with related parties at commercial terms and conditions as per Modaraba's policy.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

21.1 IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2026 (UN-AUDITED)



	March 31, 2026 (Un-audited)							
	Carrying amount			Fair value				
	At Fair value through OCI	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees)							
Financial assets measured at fair value								
Listed shares	95,110,000	-	-	95,110,000	95,110,000	-	-	95,110,000
Sukuks	80,000,000	-	-	80,000,000	-	80,000,000	-	80,000,000
	175,110,000	-	-	175,110,000	95,110,000	80,000,000	-	175,110,000

21.2 There were no transfers being made among the levels.

21.3 The carrying values of other assets and liabilities referred in these financial statements are approximate to their fair values.

	June 30, 2025 (Audited)							
	Carrying amount			Fair value				
	At Fair value through OCI	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees)							
Financial assets measured at fair value								
Listed shares	92,795,000	-	-	92,795,000	92,795,000	-	-	92,795,000
Sukuks	80,000,000	-	-	80,000,000	-	80,000,000	-	80,000,000
Mutual funds	-	264,699,476	-	264,699,476	-	264,699,476	-	264,699,476
	172,795,000	264,699,476	-	437,494,476	92,795,000	344,699,476	-	437,494,476

22. SEGMENT INFORMATION

As per IFRS 8, Operating Segments, operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive Officer is responsible for the Modaraba's entire product portfolio and considers the business to have a single operating segment. The Modaraba's asset allocation decisions are based on a single integrated investment strategy and the Modaraba's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the Modaraba's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of the approved accounting standards as applicable in Pakistan.

The Modaraba is domiciled in Pakistan. All of the Modaraba's income is from investments in entities incorporated in Pakistan.

23. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE MODARABA'S FINANCIAL POSITION AND PERFORMANCE

All other significant transactions and events that have affected the Modaraba's financial position and performance during the period have been adequately disclosed in the notes to these financial statements.

24. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the period.

25. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 28, 2026 by the Board of Directors of the Modaraba Management Company.

26. GENERAL

Figures have been rounded off to the nearest rupee.

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

Chief Executive Officer

Chief Financial Officer

Director

Director