First Habib Modaraba
(AN ISLAMIC FINANCIAL INSTITUTION)

QUARTERLY FINANCIAL STATEMENTS

(UN-AUDITED)
SEPTEMBER 30, 2025

FIRST HABIB MODARABA

40 YEARS

Continuous
Journey of Success
1985-2025

INSIDE THIS REPORT

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
Syed Rasheed Akhtar	- Non-Executive Independent Director
Mr. Saeed Uddin Khan	- Non-Executive Independent Director
Mr. Usman Nurul Abedin	- Non-Executive Director
Dr. Irum Saba	- Non-Executive Director

AUDIT COMMITTEE

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

HUMAN RESOURCE COMMITTEE

Mr. Saeed Uddin Khan	- Chairman
Syed Rasheed Akhtar	- Member
Mr. Mohammad Shams Izhar	- Member
Mr. Danish Zahid	- Secretary

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
Ms. Ayesha Rasheed

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

DIRECTORS' REPORT

On behalf of the Board of Directors, it is our great pleasure to present the un-audited Financial Statements of the First Habib Modaraba (FHM) for the quarter ended September 30, 2025.

Business Operation

Alhamdulillah, performance of first quarter of current year remained satisfactory. Disbursements of Rs.5.230 billion were made as compared to Rs.3.895 billion of corresponding quarter of last year. Balance sheet footing also increased and reach to Rs.36.081 billion as compared to Rs.28.195 billion same quarter of last year. Despite a reduction in the policy rates, the Modaraba's topline revenue supported to maintain the profitability. This was made possible due to enhancement in the business volumes driven through well focused strategy with dedicated efforts of our FHM's team.

Economic Outlook

Pakistan's economy shows a mixed trend in first quarter of current financial year. Few macroeconomic indicators shown positive trend such as growing home remittances, improved fiscal outcome and vibrant financial and equity market shows strong investors' confidence. However, simultaneously the economy has faced challenges of recent floods, a low growth of industrial sector, decline in exports and rising trend of inflation. The floods have caused colossal damage to crops, livestock, houses, and infrastructure, require significant reconstruction and food security challenges.

In recent report, the World Bank has revised the GDP growth rate projection downward for Pakistan by 0.50% to 2.60% for the current fiscal year 2025-26. The bank also stated that ongoing catastrophic floods have revised the forecast and also warned of a rise in inflation due to disruption in food supply chain. In September, 2025, the State Bank of Pakistan, decided to keep the policy rate unchanged at 11%. In monetary policy statement, it was stated that the macroeconomic outlook has slightly disturbed in the wake of the ongoing floods which may push up headline inflation and the current account deficit from earlier expectation.

It is expected that outlook of Pakistan's economy will remain under pressure. Country's external account faces renewed pressure as the current account deficit widened in Q1 of FY2025-26, driven by rising imports, weak export competitiveness and higher income outflows. Despite of healthy remittances, the trade gap remains elevated reflecting persistent import requirements. Furthermore, the country is also facing critical challenge of souring public debt which has crossed assigned limit under debt-to-GDP ratio. The rising debt will continue to pressure on growth and may further elevate budgetary deficit at the end of current fiscal year.

Credit Rating

Pakistan Credit Rating Agency (PACRA) maintained the Modaraba's long-term and short-term credit rating at AA+ and A1+ respectively. According to PACRA, the assigned ratings reflect FHM's sound assets quality supported by prudent risk management, strong business and financial profile and a streamlined governance framework. Rating further stated that Modaraba continues to lead the market and has demonstrated a prudent growth strategy by offering a diversified portfolio of Shariah-compliant products.

Alhamdulillah, FHM is maintaining rating scale of AA+ of long term since last consecutive of 18 years and at present enjoying highest rating band within the Modaraba sector of Pakistan.

Future outlook

Looking ahead, we foresee challenging economic environment which may disturb business activities and investors' confidence. Due to decline in policy rate, there will be pressure on profitability of FHM in FY2025-26. Despite these emerging challenges, we are confident that through FHM's well focused business strategy and prudent financial management, we will Insha'Allah, continue to stay abreast with evolving business position and will maintain our growth momentum with cautious 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. We 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
Karachi: 28th October, 2025

Muhammad Shams Izhar
Chairman/Non-Executive Director

ڈائریکٹرز رپورٹ

یہ ہمارے لئے باعثِ مسرت ہیکہ ہم بورڈ آف ڈائریکٹر کی جانب سے ۳۰ ستمبر، ۲۰۲۵ کو ختم ہونے والی سہ ماہی مدتِ اختتام پر فرسٹ حبیب مضاربہ (ایف ایچ ایم) کی غیر محتسب شدہ کھاتے پیش کریں۔

کاروباری سرگرمیاں:

الحمدللہ، رواں سال کی پہلی سہ ماہی کی کارکردگی تسلی بخش رہی۔ پچھلے سال کی اسی سہ ماہی کے 3.895 بلین روپے کے مقابلے میں 5.230 بلین روپے کی تقسیم کی گئی۔ بیلنس شیٹ کی سطح بھی بڑھ گئی اور گزشتہ سال کی اسی سہ ماہی کے 28.195 بلین روپے کے مقابلے میں 36.081 بلین روپے تک پہنچ گئی۔ پالیسی ریٹ میں کمی کے باوجود، مضاربہ کی ٹاپ لائن ریونیو نے منافع کو برقرار رکھنے میں سپورٹ فراہم کی۔ یہ ہماری FHM کی ٹیم کی سرشار کوششوں کے ساتھ اچھی توجہ مرکوز حکمت عملی کے ذریعے کارفرما کاروباری حجم میں اضافے کی وجہ سے ممکن ہوا۔

معاشی جائزہ:

پاکستان کی معیشت رواں مالی سال کی پہلی سہ ماہی میں ملے جلے رجحان کو ظاہر کرتی ہے۔ چند میکرو اکنامک اشاریوں نے مثبت رجحان دکھایا جیسے کہ گھریلو ترسیلات میں اضافہ، بہتر مالیاتی نتائج اور متحرک مالیاتی اور ایکویٹی مارکیٹ سرمایہ کاروں کے مضبوط اعتماد کو ظاہر کرتی ہے۔ تاہم، اس کے ساتھ ہی معیشت کو حالیہ سیلاب، صنعتی شعبے کی کم ترقی، برآمدات میں کمی اور افراط زر کے بڑھتے ہوئے رجحان کے چیلنجز کا سامنا ہے۔ سیلاب نے فصلوں، مویشیوں، مکانات اور بنیادی ڈھانچے کو زبردست نقصان پہنچایا ہے، اس کے لیے اہم تعمیر نو اور خوراک کی حفاظت جیسے چیلنجز سے مقابلہ ہے۔

حالیہ رپورٹ میں، ورلڈ بینک نے رواں مالی سال 2025-26 کے لیے پاکستان کے لیے جی ڈی پی کی شرح نمو کے تخمینے میں 0.50 فیصد سے 2.60 فیصد تک نظر ثانی کی ہے۔ بینک نے یہ بھی کہا کہ جاری تباہ کن سیلاب کی وجہ سے پیشن گوئی پر نظر ثانی کی ہے اور خوراک کی سپلائی چین میں خلل کی وجہ سے مہنگائی میں اضافے کا بھی انتباہ دیا ہے۔ ستمبر 2025 میں اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 11 فیصد پر برقرار رکھنے کا فیصلہ کیا۔ مانیٹری پالیسی کے بیان میں کہا گیا ہے کہ جاری سیلاب کے تناظر میں میکرو اکنامک آؤٹ لک قدرے پریشان ہوا ہے جس سے مہنگائی اور کرنٹ اکاؤنٹ خسارے میں پہلے کی توقع سے اضافہ ہو سکتا ہے۔

توقع ہے کہ پاکستان کی معیشت کا آؤٹ لک دباؤ میں رہے گا۔ ملک کے بیرونی کھاتوں کو نئے دباؤ کا سامنا ہے کیونکہ مالی سال 2025-26 کی پہلی سہ ماہی میں جاری کھاتے کا خسارہ بڑھ گیا، جس کی وجہ بڑھتی ہوئی درآمدات، کمزور برآمدی مسابقت اور زیادہ آمدنی کے بہاؤ کی وجہ سے ہے۔ صحت مند ترسیلات زر کے باوجود، تجارتی فرق بدستور بلند ہے جو مسلسل درآمدی ضروریات کی عکاسی کرتا ہے۔ مزید برآں، ملک کو عوامی قرضوں میں کمی کے سنگین چیلنج کا بھی سامنا ہے جس نے قرض سے جی ڈی پی کے تناسب کے تحت مقررہ حد کو عبور کر لیا ہے۔ بڑھتا ہوا قرض ترقی پر دباؤ ڈالتا رہے گا اور رواں مالی سال کے اختتام پر بجٹ خسارہ مزید بڑھ سکتا ہے۔

کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے مضاربہ کی طویل مدتی اور مختصر مدت کی کریڈٹ ریٹنگ کو بالترتیب +AA اور +A1 پر برقرار رکھا۔ PACRA کے مطابق، تفویض کردہ ریٹنگز FHM کے صوتی اثاثوں کے معیار کی عکاسی کرتی ہیں جو پروڈنٹ رسک مینجمنٹ، مضبوط کاروباری اور مالیاتی پروفائل اور ایک منظم گورننس فریم ورک سے تعاون یافتہ ہے۔ درجہ بندی میں مزید کہا گیا ہے کہ مضاربہ مارکیٹ کی قیادت جاری رکھے ہوئے ہے اور اس نے شریعہ کے مطابق مصنوعات کے متنوع پورٹ فولیو کی پیشکش کر کے ایک دانشمندانہ ترقی کی حکمت عملی کا مظاہرہ کیا ہے۔

الحمدللہ، FHM پچھلے مسلسل 18 سالوں سے طویل مدتی کے +AA کے ریٹنگ سکیل کو برقرار رکھے ہوئے ہے اور اس وقت پاکستان کے مضاربہ سیکٹر میں سب سے زیادہ ریٹنگ والے بینڈ سے لطف اندوز ہو رہا ہے۔

مستقبل کا جائزہ:

آگے دیکھتے ہوئے، ہم چیلنجنگ معاشی ماحول کی پیش گوئی کر رہے ہیں جو کاروباری سرگرمیوں اور سرمایہ کاروں کے اعتماد کو متاثر کر سکتا ہے۔ پالیسی ریٹ میں کمی کی وجہ سے مالی سال 2025-26 میں FHM کے منافع پر دباؤ رہے گا۔ ان ابھرتے ہوئے چیلنجوں کے باوجود، ہمیں یقین ہے کہ FHM کی اچھی توجہ مرکوز کاروباری حکمت عملی اور سمجھدار مالیاتی انتظام کے ذریعے، ہم انشاءاللہ، ابھرتی ہوئی کاروباری پوزیشن کے ساتھ برابر رہیں گے اور احتیاط کے ساتھ اپنی ترقی کی رفتار کو برقرار رکھیں گے۔

اظہارِ تشکر:

ہم سیکیورٹیز 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 شکریہ ادا کرنا چاہتے ہیں، جو FHM کے لیے پرعزم 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 اِن کی جانب سے

محمد شعیب ابراہیم
چیف ایگزیکٹو آفیسر

محمد شمس اظہار
چیئرمین / غیر ایگزیکٹو ڈائریکٹر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2025

	Note	(Un-audited) September 30, 2025	(Audited) June 30, 2025
		(Rupees)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets in own use	4	**88,272,453**	88,484,327
Intangible assets		**6,926,757**	7,952,753
Diminishing musharaka financing	5	**21,052,675,424**	20,557,392,328
Long term deposits		**1,515,300**	1,515,300
Long term investments		**464,620,160**	446,575,160
Deferred tax assets - net		**361,169,126**	379,024,590
		21,975,179,220	21,480,944,458
CURRENT ASSETS			
Short term investments	6	**317,210,187**	312,272,373
Current portion of diminishing musharaka financing	5	**10,956,558,976**	10,246,759,431
Diminishing musharaka financing installments receivables		**4,463,566**	879,700
Advances and prepayments	7	**2,488,197,036**	1,857,505,633
Other receivables		**52,068,135**	35,712,509
Cash and bank balances	8	**287,216,252**	815,309,565
		14,105,714,152	13,268,439,211
TOTAL ASSETS		**36,080,893,372**	34,749,383,669
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized certificate capital 140,000,000 of Rs.10/- each (June 30, 2025: 140,000,000 certificates of Rs.10/- each)		**1,400,000,000**	1,400,000,000
Issued, subscribed and paid-up certificate capital		**1,108,305,000**	1,108,305,000
Reserves		**4,566,213,353**	4,630,589,940
Certificate holders' equity		**5,674,518,353**	5,738,894,940
SURPLUS ON REVALUATION OF INVESTMENTS		**59,160,474**	45,175,598
NON-CURRENT LIABILITIES			
Liability against right of use assets	9	**13,830,287**	15,869,077
CURRENT LIABILITIES			
Certificates of investment (musharaka)	10	**24,419,779,812**	20,773,092,578
Current maturity of liability against right of use assets	9	**15,986,438**	8,160,336
Unearned diminishing musharaka installments		**32,820,642**	12,265,316
Advance diminishing musharaka installments		**12,145,936**	14,329,272
Trade and other payables		**823,160,097**	894,090,781
Profit payable on certificates of investment (musharaka)		**388,513,891**	274,874,695
Running musharaka		**3,740,389,223**	6,295,389,223
Profit payable on running musharaka		**73,932,457**	124,467,679
Unclaimed dividend		**46,745,395**	46,745,395
Dividend payable		**258,519,477**	9,150,852
Taxation - net		**521,390,890**	496,877,927
		30,333,384,258	28,949,444,054
TOTAL EQUITY AND LIABILITIES		**36,080,893,372**	34,749,383,669
CONTINGENCIES AND COMMITMENTS	11		

The annexed notes from 1 to 24 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 QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

	Note	Quarter ended September 30, 2025	Quarter ended September 30, 2024
		------- (Rupees) -------	
Income from diminishing musharaka financing		**1,119,953,187**	1,431,525,493
Reversal / (Provision) in respect of diminishing musharaka financing		**31,891,241**	(57,494,546)
Provision in respect of diminishing musharaka financing instalments receivable		**(5,450,247)**	(4,883,770)
Administrative expenses		**(75,101,855)**	(62,081,360)
		1,071,292,326	1,307,065,817
Other income	12	**46,584,374**	61,823,982
		1,117,876,700	1,368,889,799
Financial charges	13	**(762,499,129)**	(1,012,719,520)
Modaraba Management Company's remuneration	14	**(35,537,757)**	(35,617,028)
Sales tax on Modaraba Management Company's remuneration	14	**(5,330,664)**	(4,630,214)
Provision for Workers' Welfare Fund		**(6,290,183)**	(6,318,461)
Profit before taxation and levy		**308,218,967**	309,604,576
Levy	15.1	**(5,760,123)**	(8,096,003)
Profit before taxation		**302,458,844**	301,508,573
Taxation	15.2	**(117,466,806)**	(111,250,383)
Profit after taxation		**184,992,038**	190,258,190
Earnings per certificate - basic and diluted	16	**1.67**	1.72

The annexed notes from 1 to 24 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 COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

	Quarter ended	
	September 30, 2025	September 30, 2024
	---------------------- (Rupees) ----------------------	
Profit after taxation	**184,992,038**	190,258,190
Other comprehensive income		
Items that will not be reclassified subsequently to Statement of profit and loss		
Surplus on revaluation of investments classified as at 'fair value through other comprehensive income' - net of tax	**13,984,875**	8,541,160
Total comprehensive income for the period	**198,976,913**	198,799,350

The annexed notes from 1 to 24 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 QUARTER ENDED SEPTEMBER 30, 2025 (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
Profit distribution for the year ended June 30, 2024 @ Rs.2.10/- per certificate	-	-	-	-	-	(232,744,050)	(232,744,050)
Total comprehensive income for the period	-	-	-	-	-	190,258,190	190,258,190
Balance as at September 30, 2024	1,108,305,000	378,000,000	233,003,899	1,284,362,639	1,830,000,000	198,269,932	5,031,941,470
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	905,223,402	5,738,894,940
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)	-
Total comprehensive income for the period	-	-	-	-	-	184,992,038	184,992,038
Balance as at September 30, 2025	1,108,305,000	378,000,000	233,003,899	1,284,362,639	2,330,000,000	340,846,815	5,674,518,353

The annexed notes from 1 to 24 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 QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

	Note	September 30, 2025	September 30, 2024
		(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**302,458,844**	301,508,573
Adjustment for:			
Depreciation and amortization		**8,548,313**	7,603,504
Financial charges		**762,499,129**	1,012,719,520
Gain on sale of assets in own use	12	**(235,351)**	(655,905)
(Reversal) / Provision in respect of diminishing musharaka financing		**(31,891,241)**	57,494,546
Provision in respect of diminishing musharaka instalment receivable		**5,450,247**	4,883,770
Dividend income	12	**(2,108,744)**	(1,478,850)
		742,262,353	1,080,566,585
Changes in working capital			
Decrease / (increase) in current assets			
Diminishing musharaka financing installments receivables		**(3,583,866)**	(13,734,155)
Advances and prepayments		**(630,691,403)**	(290,818,459)
Other receivables		**(16,355,626)**	(10,108,990)
		(650,630,895)	(314,661,604)
(Decrease) / increase in current liabilities			
Unearned diminishing musharaka installments		**20,555,326**	12,457,542
Advance diminishing musharaka installments		**(2,183,336)**	(3,972,251)
Trade and other payables		**(70,930,684)**	(42,473,423)
		(52,558,694)	(33,988,132)
Cash generated from operations		**341,531,608**	1,033,425,422
Diminishing musharaka financing - net		**(1,552,592,182)**	(3,778,307,213)
Financial charges paid		**(648,859,933)**	(971,813,459)
Tax paid		**(82,477,953)**	(112,463,466)
		(2,283,930,068)	(4,862,584,138)
Net cash used in operating activities		**(1,942,398,460)**	(3,829,158,716)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of assets in own use	4.1.1	**(2,864,650)**	(13,408,332)
Purchase of investments		**(22,982,814)**	(100,586,472)
Payments of lease rentals	9	**(3,355,539)**	(596,924)
Proceeds from sale of assets in own use		**3,444,500**	3,773,671
Dividends received		**2,108,744**	1,478,850
Net cash used in investing activities		**(23,649,759)**	(109,339,207)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		**(249,368,625)**	(232,744,050)
Running Musharaka		**(2,555,000,000)**	(301,682,189)
Certificates of investment (musharaka)		**3,646,687,234**	1,844,693,085
Net cash inflow from financing activities		**842,318,609**	1,310,266,846
Net decrease in cash and cash equivalents during the period		**(1,123,729,610)**	(2,628,231,077)
Cash and cash equivalents at the beginning of the period		**(2,329,443,361)**	298,787,716
Cash and cash equivalents at the end of the period	17	**(3,453,172,971)**	(2,329,443,361)

The annexed notes from 1 to 24 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**

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 Diminishing Musharaka 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) issued by the Institute of Chartered Accountants of Pakistan and as notified under the Companies Act 2017;

- 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;

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 audited 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 the understanding of the changes in the Modaraba's financial position and financial 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 comparitive condensed interim statement of profit or loss, condensed interim statement of 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 quarter ended September 30, 2024.

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.

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 accounting periods beginning on January 01, 2024, but are considered not to be relevant or did not have any significant effect on the Modaraba's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Modaraba's accounting periods beginning on or after January 1, 2026, but are not considered to be relevant or expected to have any significant effect on the Modaraba's operations and are, therefore, not detailed in these condensed interim financial statements.

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.

		Note	(Un-audited) September 30, 2025	(Audited) June 30, 2025
			------ (Rupees) ------	
4.	**FIXED ASSETS IN OWN USE**			
	Assets in own use	4.1	**62,856,806**	68,039,359
	Right of use assets	4.2	**25,415,647**	20,444,968
			88,272,453	88,484,327
4.1	Opening net book value		**68,039,359**	63,142,121
	Additions during the period / year	4.1.1	**2,864,650**	27,016,159
			70,904,009	90,158,280
	Net book value of disposal during the period / year		**(3,209,149)**	(3,222,590)
	Depreciation charged during the period / year		**(4,838,054)**	(18,896,331)
	Closing net book value		**62,856,806**	68,039,359
4.1.1	**Details of additions during the period are as follows:**			
	Office equipment		**2,563,650**	8,388,509
	Furniture and fixture		**301,000**	873,810
	Vehicles		**-**	17,432,840
	Leasehold improvements		**-**	321,000
			2,864,650	27,016,159
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		**(2,684,263)**	(6,095,148)
	Terminated during the period / year		**-**	(1,627,608)
	At the end of the period / year		**25,415,647**	20,444,968
5.	**DIMINISHING MUSHARAKA FINANCING**			
	Diminishing musharka financing		**32,978,329,642**	31,805,138,242
	Less: Provision in respect of Diminishing Musharaka	5.1	**(969,095,242)**	(1,000,986,483)
			32,009,234,400	30,804,151,759
	Less: Current portion		**(10,956,558,976)**	(10,246,759,431)
	Non current portion		**21,052,675,424**	20,557,392,328
5.1	**Movement in provision in respect of diminishing musharaka financing**			
	At the beginning of the period / year		**1,000,986,483**	876,075,037
	(Reversal) / Charge for the period / year		**(31,891,241)**	124,927,933
	Write off during the period / year		**-**	(16,487)
	At the end of the period / year		**969,095,242**	1,000,986,483

5.2 This includes classification into various categories based on subjective evaluation of borrowers. The Modaraba also 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 Regulation 2021.

	Note	(Un-audited) September 30, 2025	(Audited) June 30, 2025
		------ (Rupees) ------	
6. INVESTMENTS			
Long-term			
At fair value through other comprehensive income			
Investment in shares of listed companies		**110,840,000**	92,795,000
Investment in sukuk bonds		**80,000,000**	80,000,000
		190,840,000	172,795,000
At Amortised cost			
Investment in GOP Ijarah sukuk bonds	6.1	**273,780,160**	273,780,160
		464,620,160	446,575,160
Short-term			
At fair value through profit or loss			
Investment in Mutual Funds			
MCB Alhamra Islamic Money Market Fund		**137,850,867**	135,540,137
NBP Islamic Saving Fund		**80,550,482**	79,064,481
Faysal Islamic Saving Fund		**51,235,941**	50,094,858
		269,637,290	264,699,476
At amortised cost			
Investment in GOP Ijarah sukuk bonds		**47,572,897**	47,572,897
		781,830,347	758,847,533

6.1 The GOP Ijarah Sukuk bonds classified in the long term portion will mature on October 31, 2026.

6.2 The balances held with Asset Management Companies (AMCs) and shariah compliant government securities 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) September 30, 2025	(Audited) June 30, 2025
	------ (Rupees) ------	
7. ADVANCES AND PREPAYMENTS		
Advances	**58,260,335**	1,571,398
Prepayments	**6,888,028**	1,652,105
Advance against diminishing musharaka financing	**2,423,048,673**	1,854,282,130
	2,488,197,036	1,857,505,633

	(Un-audited) September 30, 2025	(Audited) June 30, 2025
	---- (Rupees) ----	
8. CASH AND BANK BALANCES		
Stamps in hand	**5,830,500**	3,799,100
At banks in:		
Current accounts		
State Bank of Pakistan	**1,141,259**	1,141,259
With other banks	**22,198,274**	109,719,369
Profit bearing accounts		
Redemption Reserve Funds (RRF)	**117,609,353**	406,554,243
Modaraba deposit account with Habib Metropolitan Bank Limited (Islamic branch) - a related party	**114,518,060**	292,061,256
With other banks	**25,918,806**	2,034,338
	287,216,252	815,309,565

8.1 The balances held with banks in deposit account and investments in shariah compliant government securities 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.

	Note	(Un-audited) September 30, 2025	(Audited) June 30, 2025
		---- (Rupees) ----	
9. 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
Terminated during the period / year		**-**	(2,963,730)
Finance cost for the period / year	13	**1,487,909**	3,999,718
Payments made during the period / year		**(3,355,539)**	(7,353,669)
As at end of the period / year		**29,816,725**	24,029,413
Less: Current maturity		**(15,986,438)**	(8,160,336)
As at end of the period / year		**13,830,287**	15,869,077
10. CERTIFICATES OF INVESTMENT (MUSHARAKA)			
Unsecured			
Certificates of investment (musharaka)	10.1	**24,419,779,812**	20,773,092,578
10.1 Movement in Certificates of Investment (musharaka) is as follows:			
As at beginning of the period / year		**20,773,092,578**	16,188,522,739
Issued during the period / year		**23,373,907,404**	79,522,043,150
		44,146,999,982	95,710,565,889
Encashment during the period / year		**(19,727,220,170)**	(74,937,473,311)
As at end of the period / year		**24,419,779,812**	20,773,092,578

10.1.2 The estimated share of profit paid / payable on the above unsecured certificates of investment (musharaka) ranges between 8.60% to 12.10% (June 30, 2025: 9.10% to 22.19%) per annum having maturity from 3 months to 1 year.

11. CONTINGENCIES AND COMMITMENTS

11.1 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.

11.2 Commitments

Commitments in respect of financing transactions amounted to Rs. 1,641 (June 30, 2025: Rs. 1,209) million.

	Note	(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
		---------- (Rupees) ----------	
12. OTHER INCOME			
Income from financial assets			
Dividend on shares		**2,108,744**	1,478,850
Profit on modaraba's deposit accounts		**13,074,100**	20,077,985
Profit on Redemption Reserve Funds		**1,545,836**	4,150,977
Dividend from mutual funds		**6,254,768**	6,416,060
Profit on GOP Ijarah sukuk bonds		**8,865,850**	15,448,664
Profit on sukuk bonds		**2,633,133**	4,573,678
Miscellaneous income		**11,866,592**	9,021,863
Income from non-financial assets			
Gain on sale of owned fixed assets - net		**235,351**	655,905
		46,584,374	61,823,982
13. FINANCIAL CHARGES			
Profit on certificates of investment (musharaka)		**687,209,017**	884,144,282
Profit on Running Musharaka Financing		**73,287,945**	127,124,674
Financial charges on liability against right of use assets	9	**1,487,909**	1,056,490
Bank charges		**514,258**	394,074
		762,499,129	1,012,719,520

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

14.1 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 September 30, 2025 has been recognized at 10% (September 30, 2024: 10%) of profit for the period.

14.2 The Sindh Sales Tax levied by the Sindh Government at the rate of 15% (September 30, 2024: 13%) 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 financial statements of the Modaraba for the year ended June 30, 2025.

15. TAXATION AND LEVY

	Note	(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
		---- (Rupees) ----	
Levy	15.1	**5,760,123**	8,096,003
Taxation	15.2	**117,466,806**	111,250,383
		123,226,929	119,346,386

15.1 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.

15.2 Taxation

	(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
	---- (Rupees) ----	
Current	**103,671,467**	133,851,047
Deferred	**13,795,339**	(22,600,664)
	117,466,806	111,250,383

16. EARNINGS PER CERTIFICATE - BASIC AND DILUTED

16.1 Basic

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

	(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
	---- (Rupees) ----	
Profit for the period - Rupees	**184,992,038**	190,258,190
Weighted average number of certificates of Rs. 10/- each	**110,830,500**	110,830,500
Earnings per certificate	**1.67**	1.72

16.2 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.

17. CASH AND CASH EQUIVALENTS

	(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
	---- (Rupees) ----	
Cash and bank balances	**287,216,252**	533,260,938
Running musharaka	**(3,740,389,223)**	(2,862,704,299)
	(3,453,172,971)	(2,329,443,361)

18. 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)	(Audited)
			September 30, 2025	June 30, 2025
			(Rupees)	
Balances held				
Related party	**Basis of relationship**	**Nature of balances**		
Habib Metropolitan Bank Limited	Holding Company	Bank balances	**125,653,409**	764,812,898
		Certificates of investment (musharaka)	**3,300,000,000**	2,300,000,000
		Redemption Reserve Fund (RRF)	**117,590,978**	403,487,546
		Financial charges payable	**60,661,918**	34,498,767
		Utility charges payable	**3,193,373**	5,920,297
		Security deposit	**130,000**	130,000
Habib Metropolitan Modaraba Management Company (Private) Limited	Management Company	Management fee payable	**35,537,757**	146,537,214
		Sale tax on management fee payable	**89,178,191**	83,847,527
Staff Retirement Benefit Fund	Associate	Gratuity fund	**1,250,001**	4,671,798
		Contribution made	**-**	4,887,549
Provident Fund	Associate	Contribution made	**1,654,539**	5,479,381

			(Un-audited)	(Un-audited)
			September 30, 2025	September 30, 2024
			(Rupees)	
Transactions during the period				
Related party	**Basis of relationship**	**Nature of transactions**		
Habib Metropolitan Bank Limited	Holding Company	Profit on bank accounts	**24,940,692**	20,077,985
		Bank charges	**350,868**	225,287
		Utility charges	**3,193,373**	3,252,634
		Financial charges	**66,316,578**	297,853,507
Habib Metropolitan Modaraba Management Company (Private) Limited	Management Company	Management fee	**35,537,757**	35,617,028
		Sale tax on management fee	**5,330,664**	4,630,214
		Management fee paid	**24,936,863**	137,733,353
Staff Retirement Benefit Fund	Associate	Gratuity expense	**1,250,001**	1,170,000
Provident Fund	Associate	Contribution made	**1,654,539**	1,365,530

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

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

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

19.1 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.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

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).

	September 30, 2025 (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	110,840,000	-	-	110,840,000	110,840,000	-	-	110,840,000
Sukuks	80,000,000	-	-	80,000,000	-	80,000,000	-	80,000,000
Mutual funds	-	269,637,290	-	269,637,290	-	269,637,290	-	269,637,290
	190,840,000	269,637,290	-	460,477,290	110,840,000	349,637,290	-	460,477,290

19.2 There were no transfers being made among the levels.

19.3 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

20. 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.

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

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

22. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons. There were no significant reclassifications during the period except as discussed below:

Reclassified from	Reclassified to	---Rupees---
Income from diminishing musharaka financing	Provision in respect of diminishing musharaka financing instalments receivable	4,883,770

23. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on ________________ by the Board of Directors of the Modaraba Management Company.

24. 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