



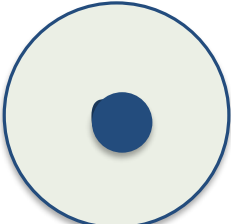
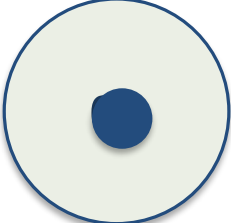
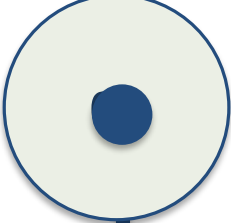
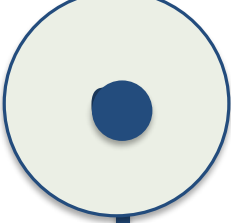
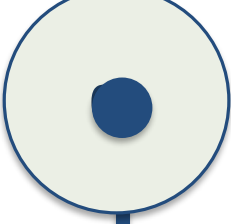
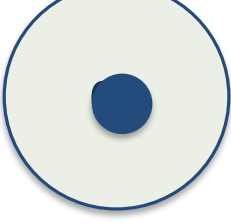
First Habib Modaraba (FHM)

Corporate Briefing Session 2025-26

Wednesday, October 07, 2026

Presentation Outline

AGENDA

	Modaraba Profile	
	Governance	
	Operations	
	Financial Performance	
	Awards and Ratings Update	
	Way Forward	

Modaraba Profile

Brief Profile of First Habib Modaraba

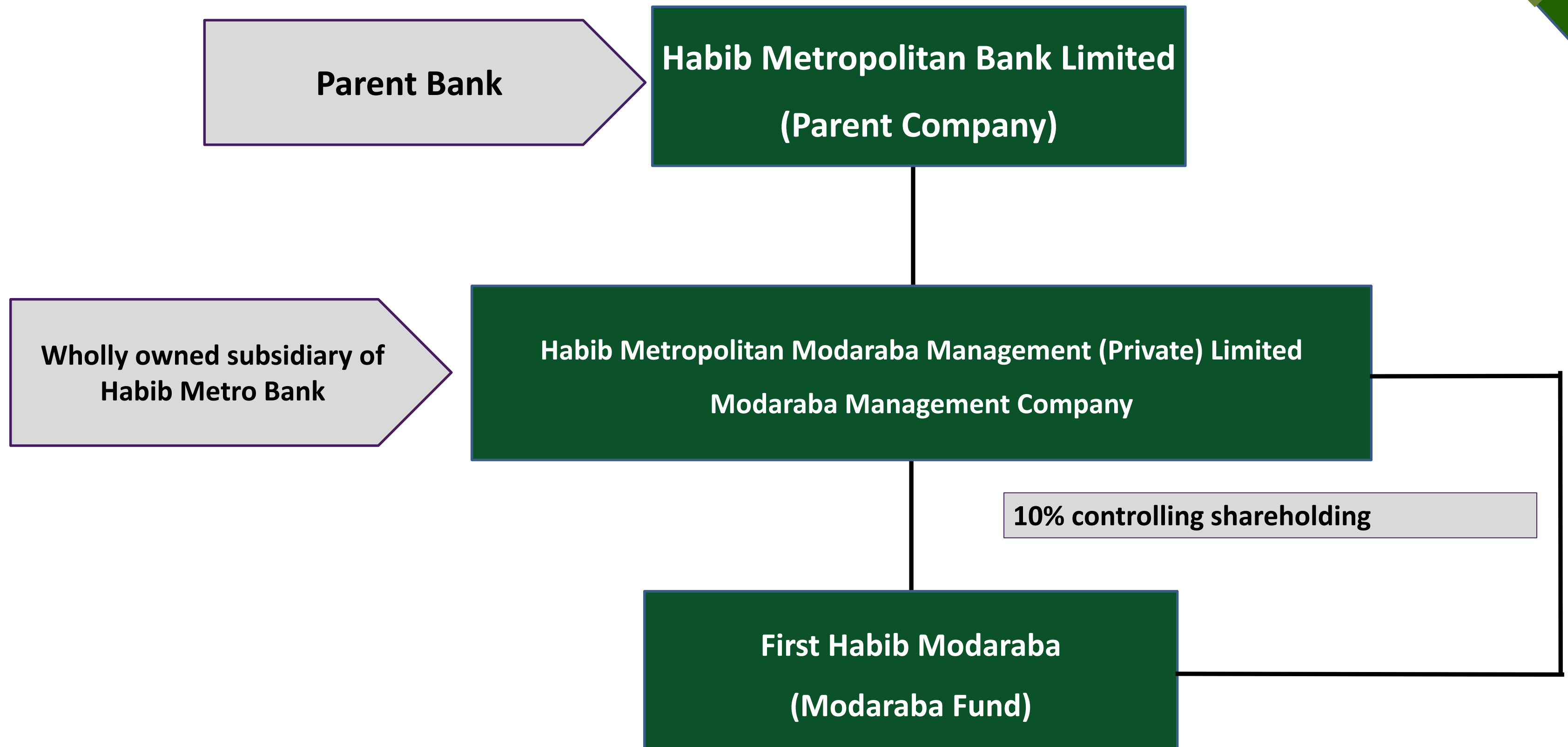
First Habib Modaraba (FHM) was established in 1985 and proudly completed 41 years of successful operations. For more than four decades, FHM has remained focused on sustainable growth and has strengthened its position as a leading Modaraba within Pakistan's NBFI and Modaraba sector.

FHM's unwavering commitment to excellence has enabled it to successfully navigate challenges, capitalize on emerging opportunities, and deliver sustainable growth. This achievement stands as a testament to the institution's resilience, adaptability, and enduring commitment to its stakeholders.

Our steadfast focus on corporate excellence has not only strengthened FHM's position as a leading Modaraba in Pakistan but has also earned recognition at both national and international levels. Over the years, FHM has received numerous awards and accolades for its performance, corporate reporting, corporate disclosures, and overall excellence from prestigious institutions, including the NBFI and Modaraba Association, ICAP, ICMAP, the Management Association of Pakistan, Cambridge IFA - UK and SAFA (the apex body of SAARC).

Furthermore, FHM has maintained an AA+ long-term entity rating from the Pakistan Credit Rating Agency Limited (PACRA) for the past 18 consecutive years. This sustained rating reflects the entity's strong financial standing, sound governance, and operational resilience, and remains a matter of great pride and satisfaction for our investors and stakeholders.

Group Structure



Governance

SWOT Analysis

STRENGTHS

- + Subsidiary of a reputable Bank
- + Leading Modaraba within the Modaraba sector
- + Highest credit rating within Modaraba sector i.e., AA+ of long term.
- + Strong financial position and profitability
- + Sound equity base and high Capital Adequacy Ratio
- + Highest market shares within Modaraba sector
- + Diversified financing portfolio
- + Competent & capable human resource

WEAKNESSES

- Lack of availability of low cost funds
- Inadequate products of resource mobilization
- Limited products of resource mobilization

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 advancement.

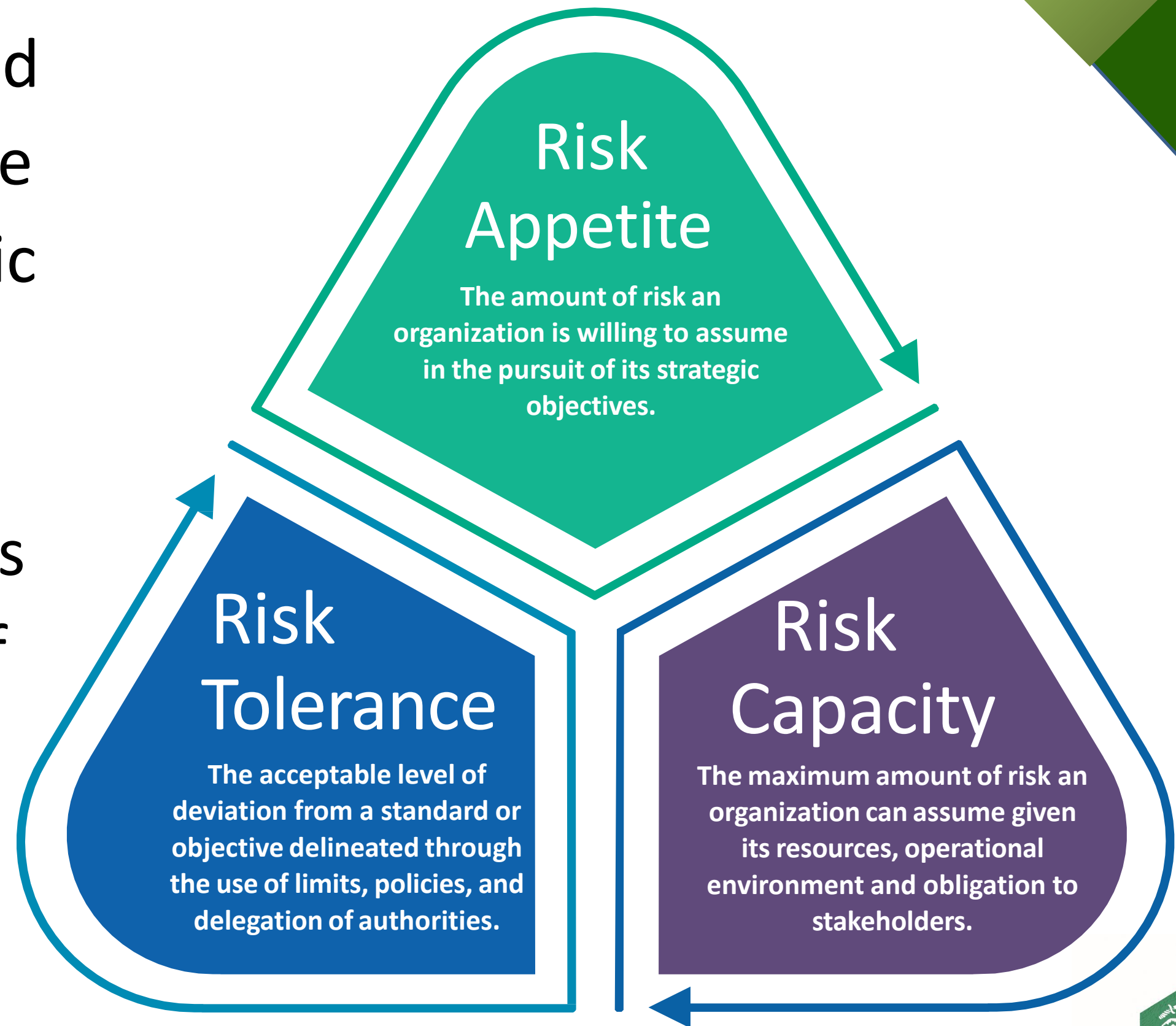
THREATS

- Rising operating cost
- Excessive taxation on businesses
- Economic uncertainty



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

FHM Products



**DIMINISHING
MUSHARAKAH**



**CONSUMER
AUTO FINANCE**



MURABAHA



SALAM



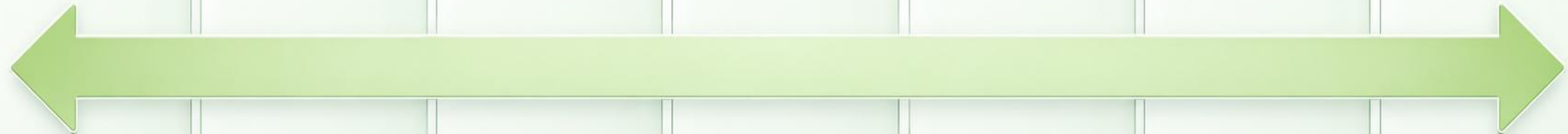
ISTISNA



**CERTIFICATE OF
INVESTMENT
(MUSHARAKAT)**

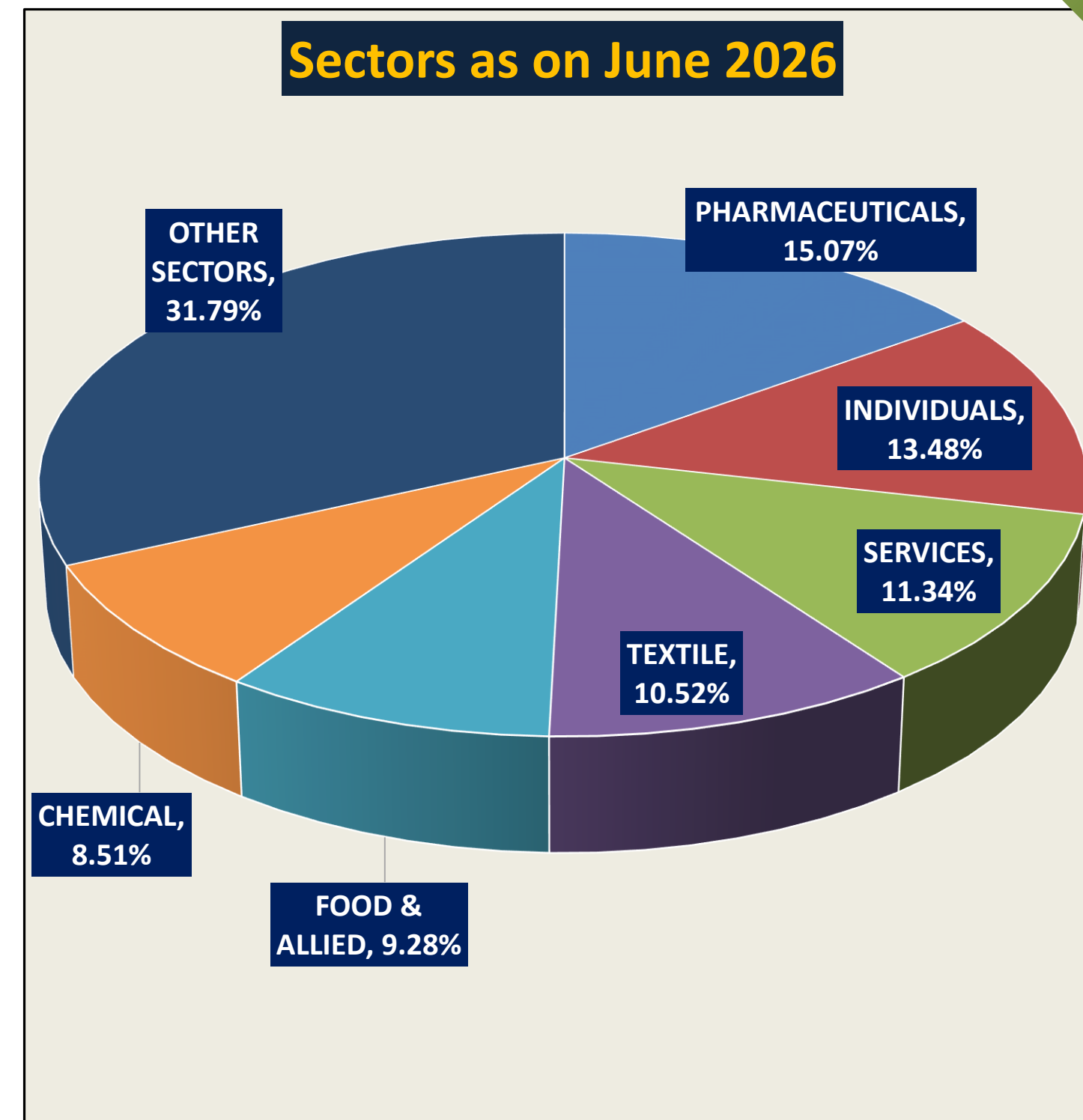


**HOUSE FINANCE
DIMINISHING
MUSHARAKA**



Sector wise Financing Assets

Sectors	As on June 2026 Exposure
	%
PHARMACEUTICALS	15.07%
CONSUMER FINANCE	13.48%
SERVICES	11.34%
TEXTILE	10.52%
FOOD & ALLIED	9.28%
CHEMICAL	8.51%
IT & TELECOM	4.93%
CABLE & ELECTRICAL GOODS	3.71%
CARGO, COURIER LOGISTICS SERVICES	3.13%
SUGAR ALLIED	3.05%
OIL & GAS EXPLORATION	2.57%
HEALTH CARE	1.95%
PAPER AND BOARD	1.86%
AUTO & ALLIED	1.62%
OTHERS	1.58%
CONSTRUCTION	1.50%
FUEL, POWER, AND ENERGY	1.23%
FERTILIZER	1.19%
FINANCIAL INSTITUTIONS & INSURANCE	0.87%
STEEL & ENGINEERING	0.84%
CEMENT	0.50%
EDUCATION	0.49%
REFINERY, LUBRICANT, OIL & GAS MARKETING	0.46%
GLASS AND CERAMICS	0.16%
LEATHER AND TENNARIES	0.14%
Total	100.00%



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 # 707, 7th Floor, United Mall,
Abdali Road, Multan.
Tel : 061-4500121-3

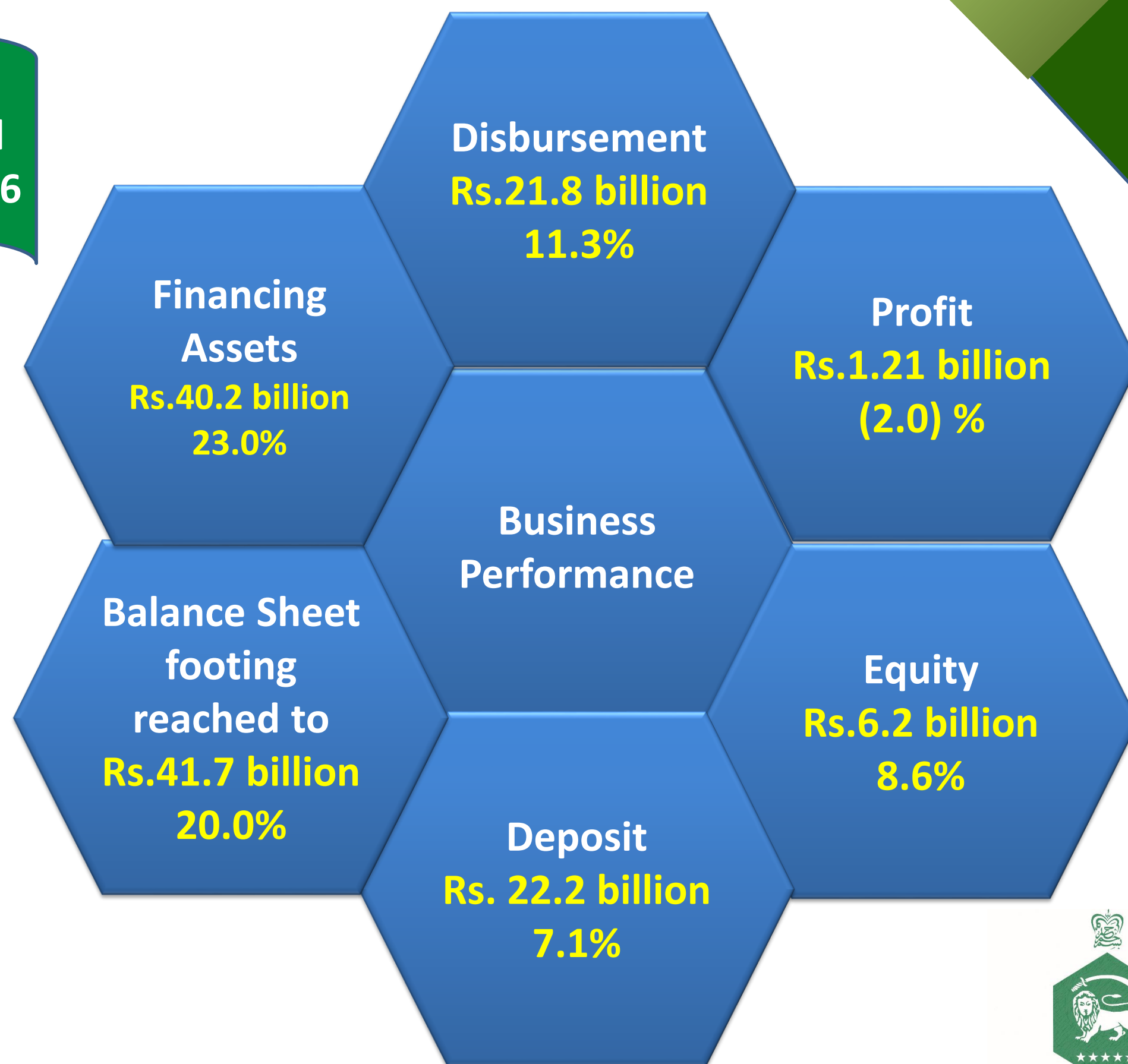
Financial Performance

Financial Highlights For the Year 2025-26

Board Meeting conducted within 37 days for approval of Financial statements for the Year ended June 30, 2026

22.5% Cash Dividend declared for June 2026

- Profit before tax for the year is Rs.1.21 billion.
- Disbursement reached to Rs.21.8 billion highest in any year since business operations
- All time high financing asset size of Rs.40.1 billion since business operations.
- First time Balance Sheet footing reached to around Rs.41.7 billion mark.
- Deposits reached to Rs.22.2 billion, highest in any year since business operations.
- Total car units disbursed were 3,460. Total outstanding car units are 10,921



Key Financial Data Comparing Two Years

<i>Rs. (in millions)</i>	2026	2025	%	Comments
Balance Sheet footing	41,727	34,749	20%	Due to increase in financing assets, the overall balance sheet has improved.
Financing Assets	40,172	32,658	23%	
Disbursement for the period	21,854	19,637	11%	
Deposit / Borrowing	33,193	27,068	23%	
Profit before Tax	1,217	1,245	(2)%	Due to decline in policy rates.
Profit after Tax	748	901	(17)%	Due to the impact of deferred taxation.

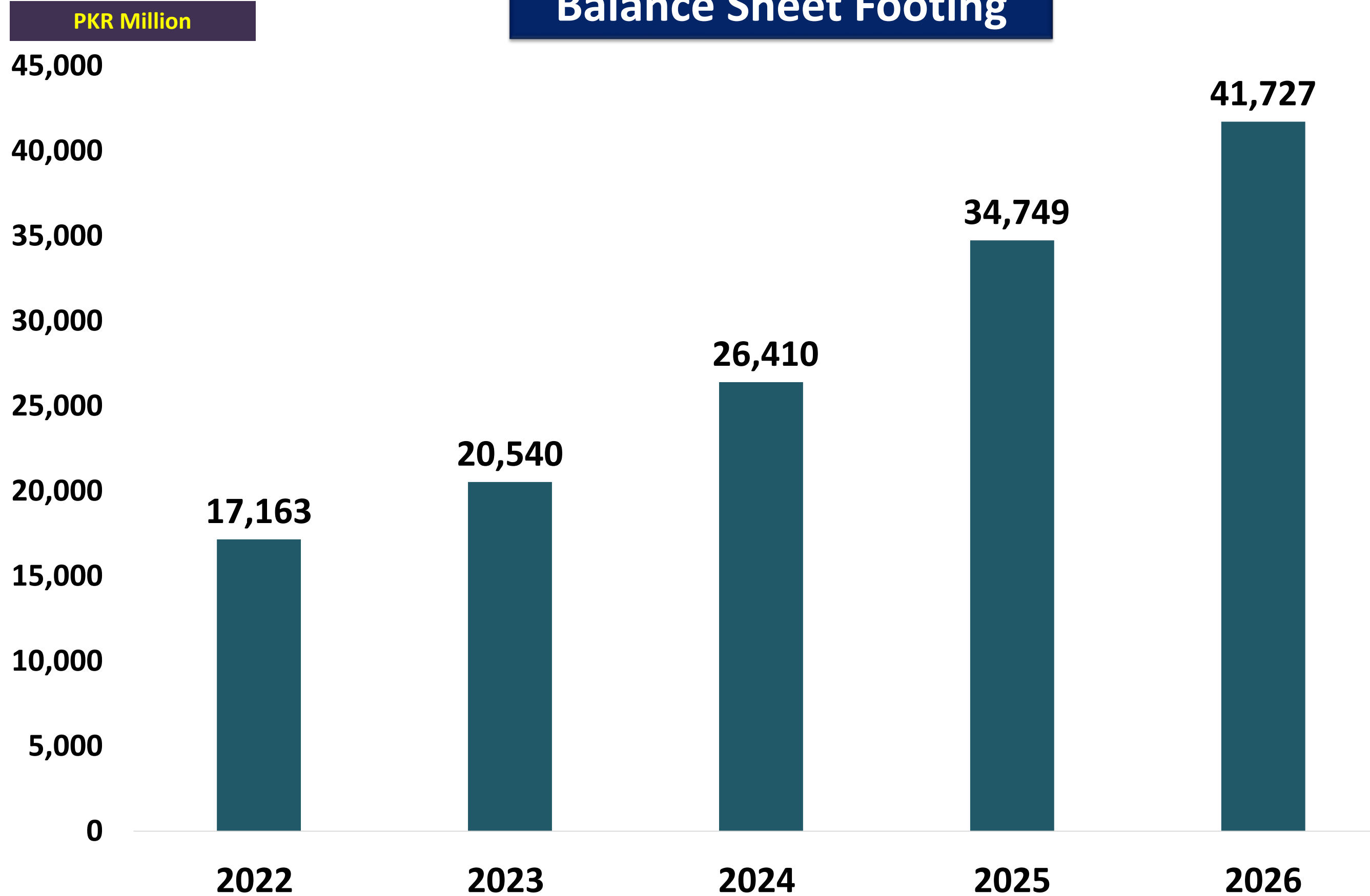
Key Financial Data for Six Years

<i>Rs. (in millions)</i>	2026	2025	2024	2023	2022	2021
Total Assets	41,727.10	34,749.38	26,409.93	20,539.86	17,162.82	12,122.53
Diminishing Musharaka Financing Asset	40,230.69	32,658.43	25,125.60	17,981.78	13,183.23	9,913.81
Diminishing Musharaka Asset Disbursement	21,854.00	19,637.23	15,202.18	10,781.69	11,088.56	6,531.04
Current Assets	16,615.33	13,268.44	9,792.76	8,211.97	8,257.25	4,987.87
Current Liabilities	35,452.43	13,268.44	9,792.76	8,211.97	8,257.25	4,987.87
Total Liabilities	35,466.06	28,965.31	21,300.99	15,926.06	13,185.80	8,294.19
Paid-up Capital	1,108.31	1,108.31	1,108.31	1,108.31	1,008.00	1,008.00
Reserves	5,122.72	4,630.59	3,966.12	3,499.57	2,959.52	2,619.07
Certificate Holders' Equity	6,231.03	5,738.89	5,074.43	4,607.88	3,967.52	3,627.07
Gross Revenue	4,850.54	4,971.82	5,191.48	3,435.47	1,562.77	1,545.15
Income from Diminishing Musharaka Financing	4,850.54	4,971.82	5,191.48	3,396.95	1,424.75	796.47
Net Profit	747.92	901.50	690.20	519.63	382.12	363.15
Earning Per Certificate - Rs.10/- each	6.75	8.13	6.23	4.68	3.45	3.28
Cash Dividend	22.50%	22.50%	21.00%	20.00%	20.00%	28.00%



Growth Pattern of Last Five Years

Balance Sheet Footing

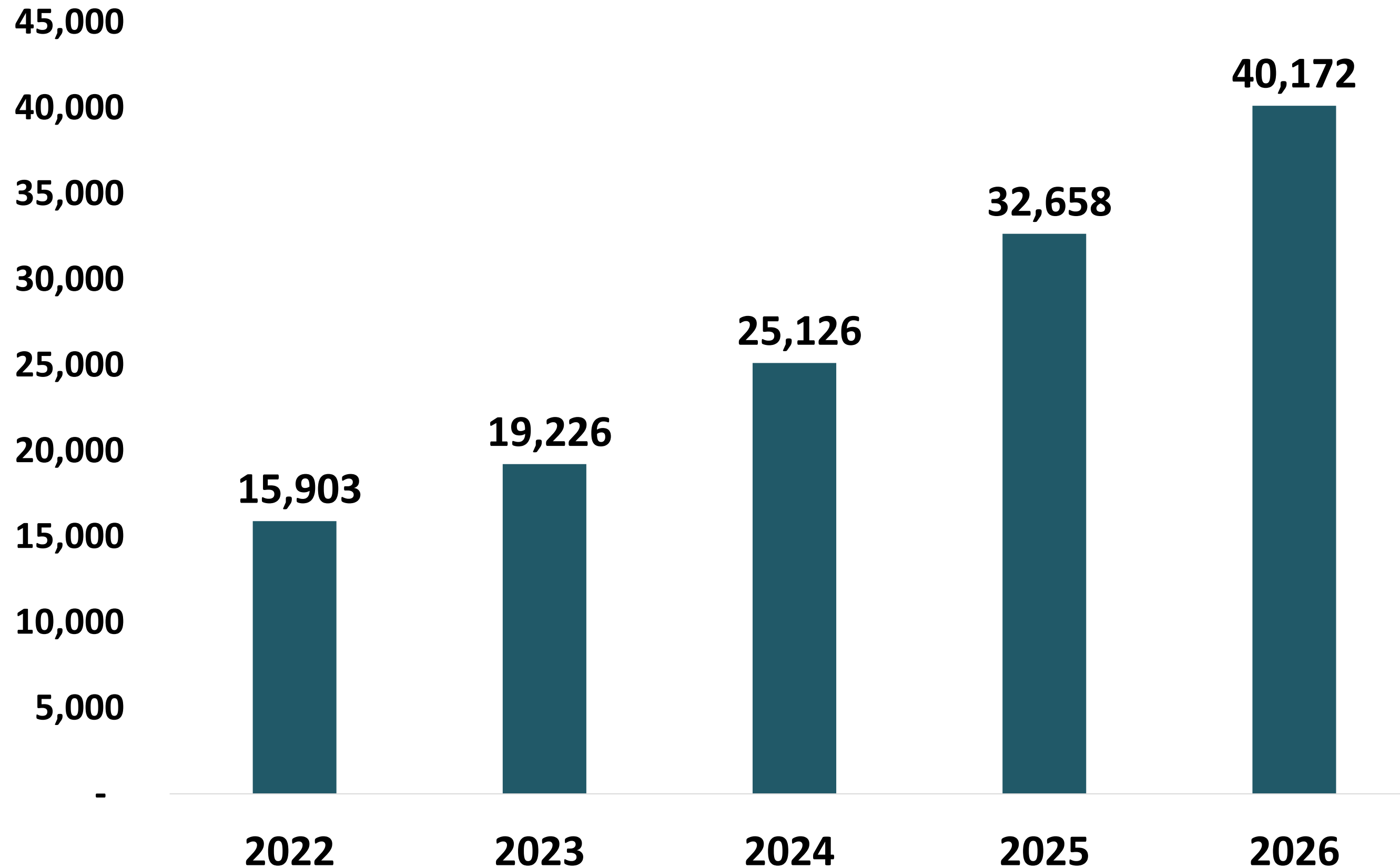


**Balance Sheet
footing of
Rs.41.7 Billion
highest since
business
operations.**

Growth Pattern of Last Five Years

Financing Assets

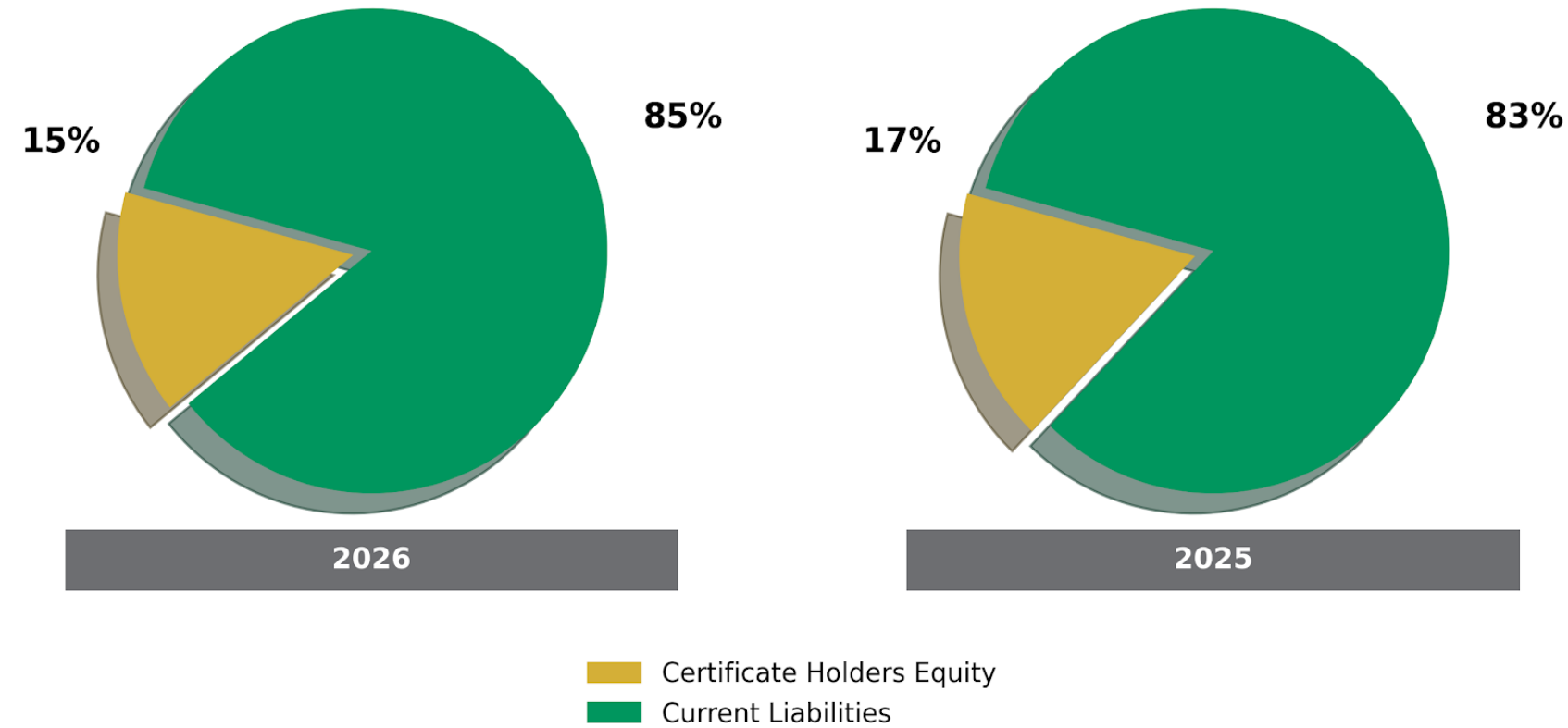
PKR Million



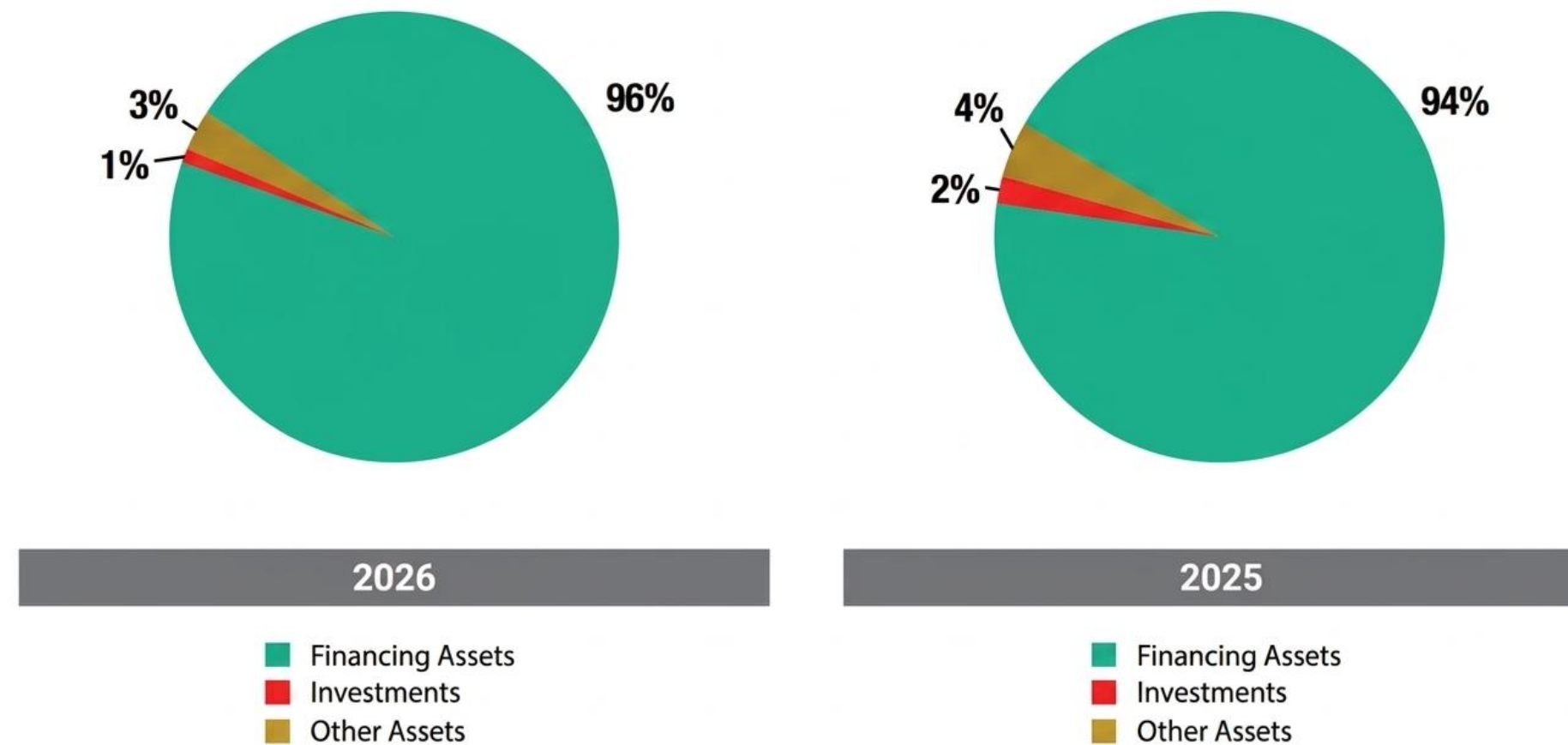
**All time High size
of Financing
Assets (net) i.e.
Rs.40.1 Billion
since business
operations.**

Statement of Financial Position Composition

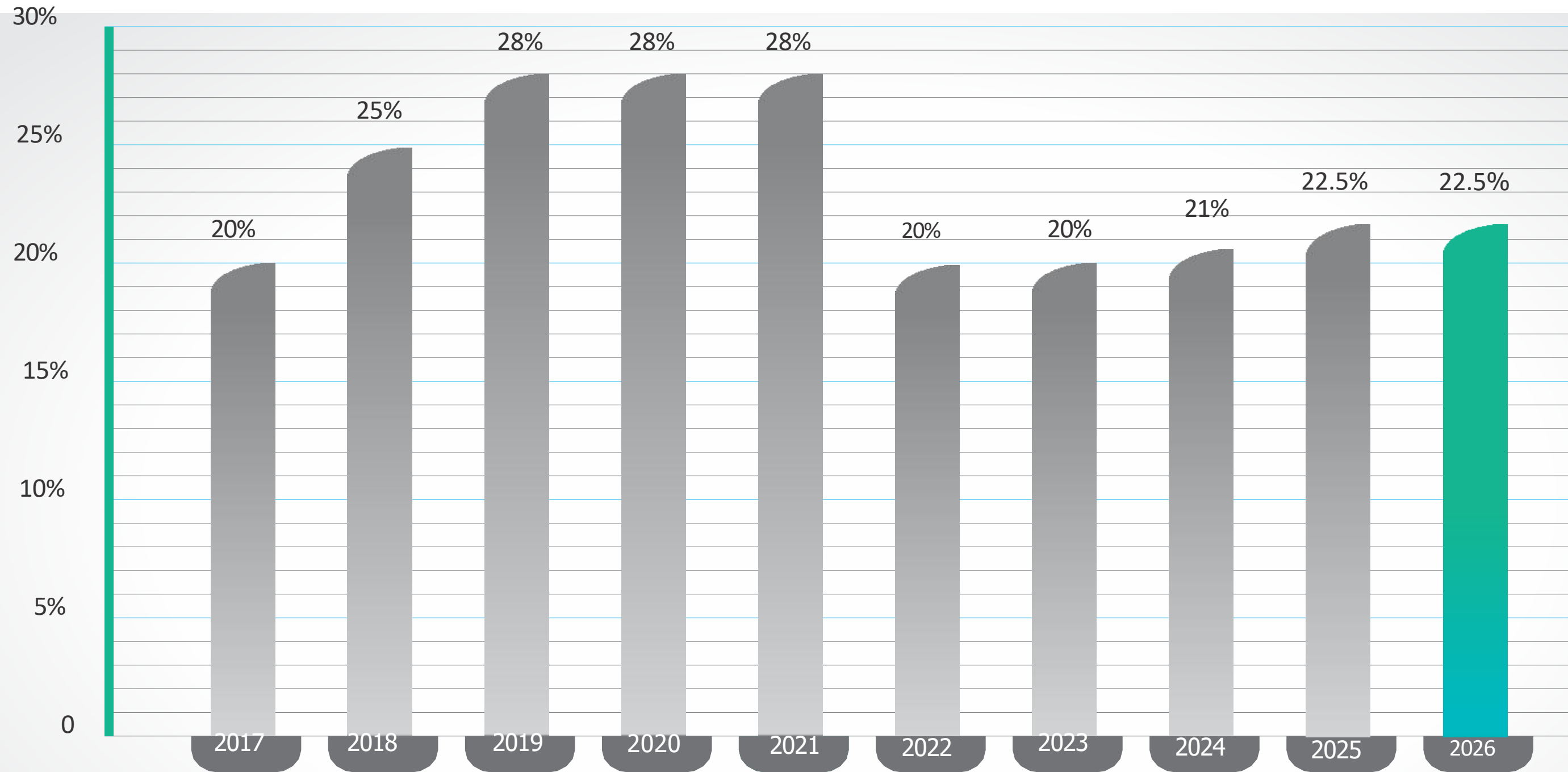
Equity & Liabilities



Assets



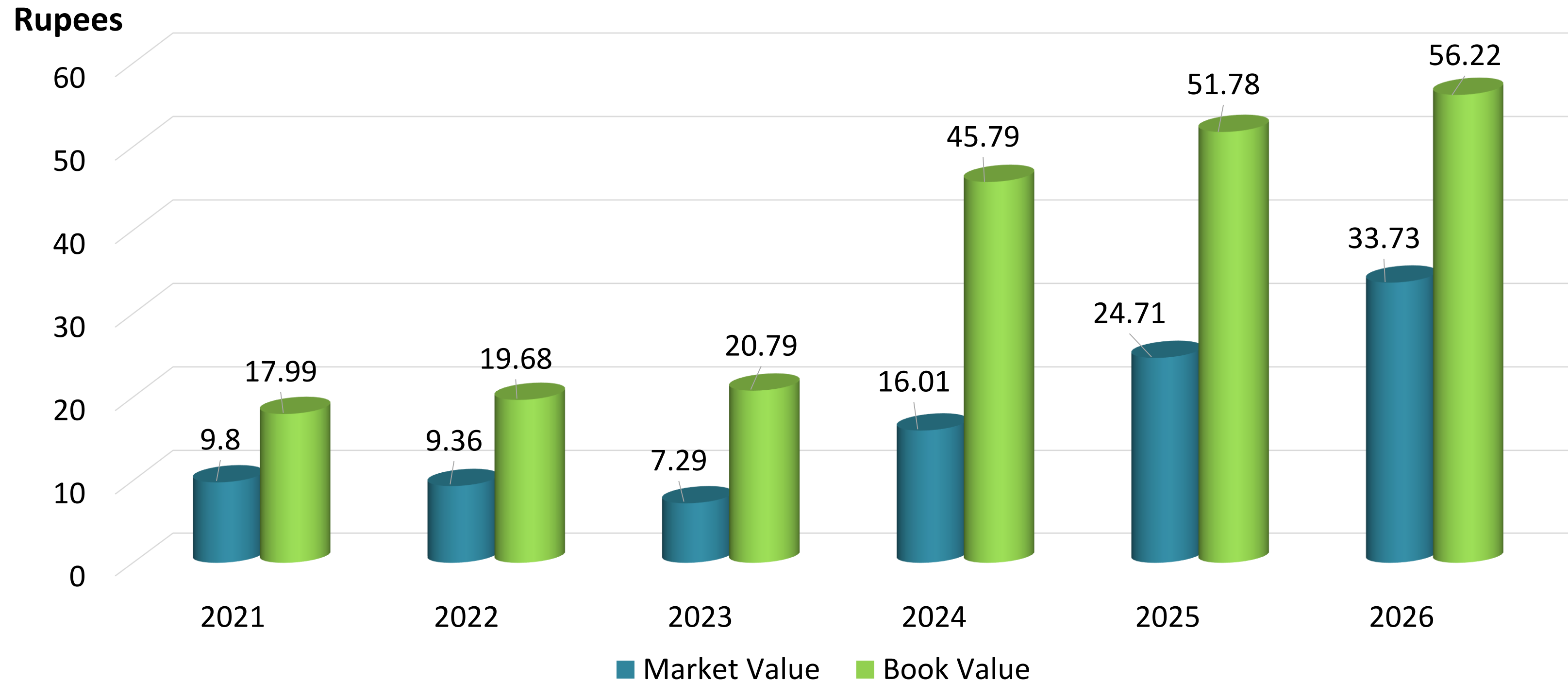
Last 10 Years Dividend Payment



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



Market Value vs Book Value



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

Key Business Risks

- **High cost of funds**
- **Shariah Compliance Risk**
- **Credit Risk**
- **Economic Uncertainty**

Awards and Ratings Update

Awards received during the Year 2025-26

BEST CORPORATE REPORT AWARD from ICAP & ICMAP

The Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost & Management Accountants of Pakistan (ICMAP) has awarded **“1st Position”** in “Best Corporate Report Award to First Habib Modaraba (FHM) for the annual report of 2024 within the category of NBFIs and Mutual Funds on November 6, 2025. For the last 16 consecutive years, FHM has secured the best report award, recognizing our commitment to excellence in our field, and out of 16 awards, so far FHM has secured 7 awards of First Position.



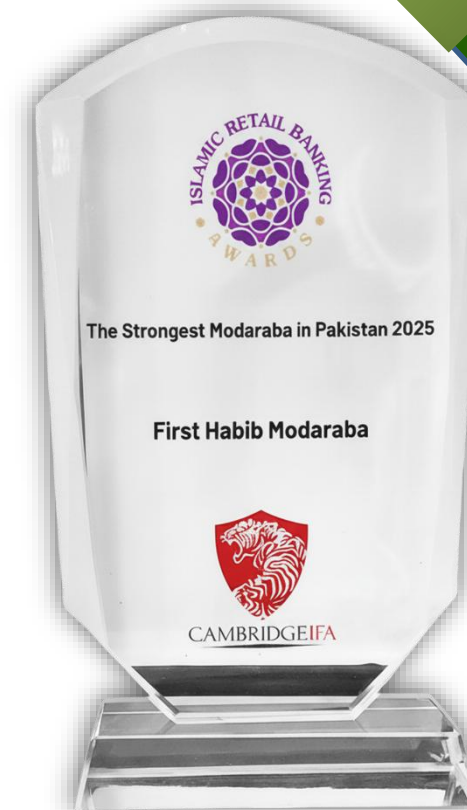
Corporate Excellence Award from the Management Association of Pakistan (MAP)

On December 4, 2025, Management Association of Pakistan (MAP) has conferred **“Runner-up”** 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.



Islamic Retail Banking Award (IRBA)

The Islamic Retail Banking Award (IRBA) by Cambridge IFA, UK has awarded **“The Strongest Modaraba in Pakistan 2025”** within Modaraba sector of Pakistan to First Habib Modaraba. The accomplishment of 4 decades truly reflects our dedication, passion and achievement through dedicated team efforts with strong commitment of sponsors and board of directors for progress and sustainable growth of the organization.



SAFA Certificate of Merit

Alhamdulillah, this year again, First Habib Modaraba has received Certificate of Merit for the **“Best Presented Annual Report Awards 2024”** 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 Islamabad, Pakistan on November 27, 2025.



Best Performing Modaraba Award” Of NBFi & Modaraba Association of Pakistan

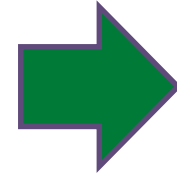
First Habib Modaraba has received **2nd Position “Best Performing Modaraba Award”** from NBFi and Modaraba Association of Pakistan. The award ceremony was held on June 08, 2026. First Habib Modaraba (FHM) meets the said criteria every year since last several years. So far FHM has received 25 awards as “Best Performing Modaraba Award” within last 26 years from above association.



Pakistan & International Awards Recognitions

Best Performing Modaraba

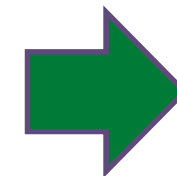
NBFI & Modaraba Association Pakistan



25 Awards

Best Corporate Report

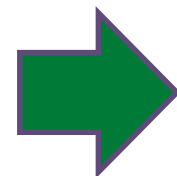
ICAP & ICMAP



16 Awards

Corporate Excellence

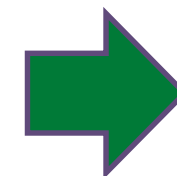
Management Association of Pakistan



16 Awards

Best Presented Accounts & Disclosure

SAFA an apex body of SAARC



16 Awards

Other Awards

Pakistan Observer

Best Modaraba Management Award

Federation of Pakistan Chambers of
Commerce & Industry (FPCCI)

3 Achievement Awards

1st Position Gold Medal

2 Islamic Retail Bank Award

Award for best Islamic Retail Investment
Product

COMSATS

2 Awards Best Islamic NBFC Award

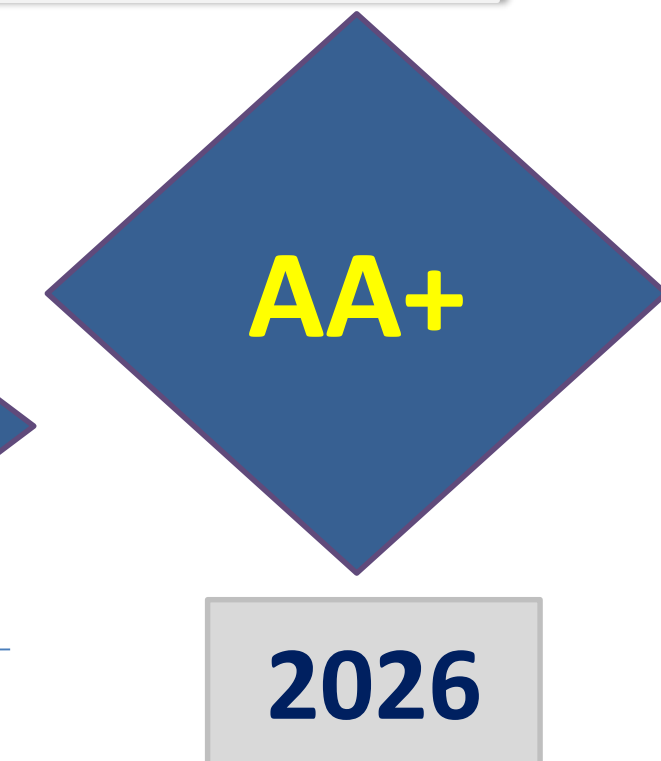
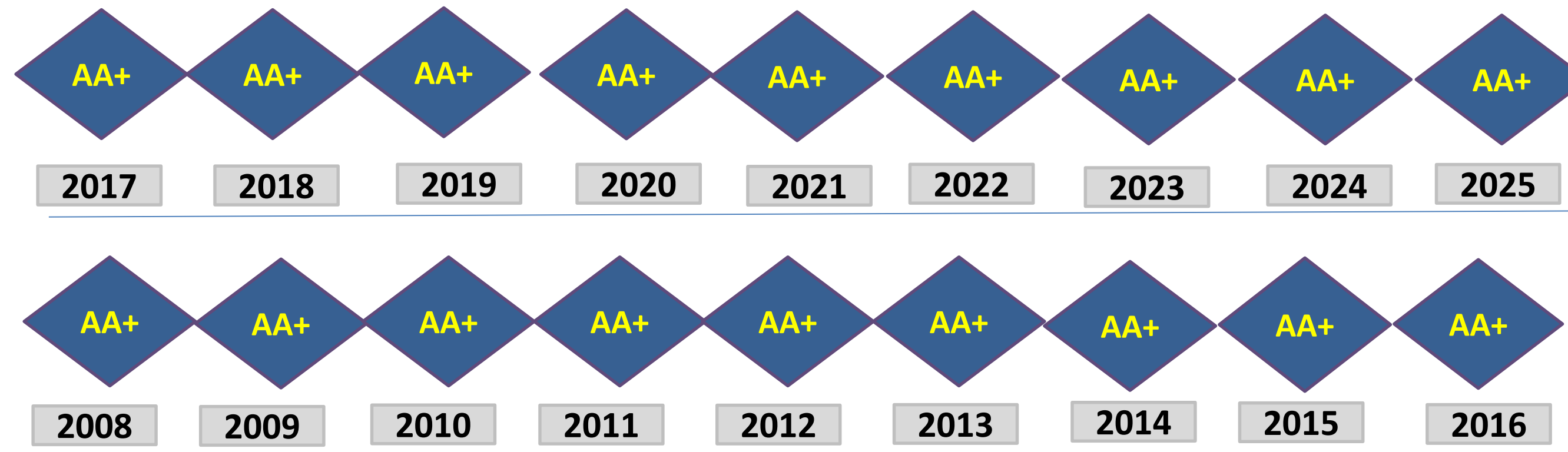


Credit Ratings assigned by PACRA

AA+
Long Term

A1+
Short Term

**AA+ Credit
Rating since
last 19 years**



Way Forward

Expected External and Internal challenges for businesses

External Challenges

- Geo Political Tension
- Volatility in Energy Prices
- Supply Chain Disruptions
- Shortage of Imported Raw Materials
- High Freight Charges
- Slow Home Remittances

Internal Challenges

- Rising trend in Inflation
- Tight monetary stance by SBP
- Pressure on FX
- Pressure on Current Account
- Slow business activities

Impact on Businesses

- High Domestic Energy Cost
- Rising Lending Rates
- Low Credit Demand
- High Cost of Funds
- Liquidity constraints at customer end.
- Recovery Challenges

Our Business & Operational Strategy of 2026-27

- **Prudent Growth with Risk Discipline**
- **Grow our market share by adding new sector, cities with sound customers.**
- **Strengthen credit appraisal using data analytics and Early Warning Systems.**
- **Maintain stable Asset-Liability profile.**
- **Further enhance Shariah governance mechanism, compliance culture with strong internal control management.**
- **Strengthen our CSR and ESG approach.**

Q & A Session

THANK YOU