

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



FIRST PUNJAB MODARABA

(Managed by Punjab Modaraba Services (Pvt.) Limited)

CORPORATE BRIEFING SESSION

January 15, 2026

Modaraba - Concept and Ideology

- ▶ Modaraba is a key mode of the Islamic financial system.
- ▶ Based on the Council of Islamic Ideology's recommendations in the 1980s, Pakistan established a legal framework through amendments to the Banking Companies Ordinance and the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. Modarabas may undertake Shariah-compliant activities like Ijarah, Murabaha, Musharaka, Salam and Istisna, project financing activities, investment in the stock market and can act as a special purpose vehicle.

Corporate profile

Management Company	Punjab Modaraba Services (Pvt.) Limited
Date of incorporation	1992
Board of Directors	Mr. Ijaz UR Rehman Qureshi - Chairman Mr. Muhammad Umer Khan - Director Mr. Umer Iqbal Sheikh – Director Mr. Rizwan Hameed – Director Mr. Maqsood Ahmad – Director Mr. Imran Bashir – Independent Director Ms. Samina Afsar – Independent Director Mr. Asim Jahangir Seth – Chief Executive
Registered Office	Office # 100, 3rd Floor, National Tower, 28-Egerton Road, Lahore
Credit Rating	A- (Long term) & A2 (Short term)
Auditors	Crowe Hussain Chaudhury & Co.
Share Registrar	Hameed Majeed Associates (Pvt) Ltd.

Group Organizational Structure

The Bank of Punjab
Holding 99.99% shares of PMSL

Punjab Modaraba Services (Pvt.) Limited
Holding 39.16% certificates of FPM

First Punjab Modaraba (FPM)



Profile of Parent Bank (The Bank of Punjab)

- Among the country's oldest and leading financial institutions, established in 1989.
- Listed on the Pakistan Stock Exchange.
- Offers a wide range of banking and financial services.
- Total assets exceeding Rs. 2,380 billion with equity of Rs. 92 billion.
- Rated AA+ (Long Term) and A1+ (Short Term) by PACRA.

Regulatory Framework (FPM)

- ▶ Managed by Punjab Modaraba Services (Private) Limited, a wholly owned subsidiary of the Bank of Punjab.
- ▶ Established under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.
- ▶ Commenced operations in 1992 as a perpetual, multi-purpose Modaraba, engaged in Ijarah, Musharakah, and Murabaha financing.
- ▶ Listed on the Pakistan Stock Exchange since 1993.
- ▶ A Shariah-compliant Islamic financial institution regulated by the SECP.

Lending Products

Ijarah (Leasing)

Musharikah

Murabaha

Home Decore
Services (HDS)

Fresh Asset Booking

- FPM has a demonstrated ability of booking fresh assets and has its own niche in the market.
- Prevailing market lending rates will be applied to respective products to meet financing needs of prospective customers.
- Repeat business from existing portfolio will constitute significant contribution towards fresh business, while new customers will be added as per historic trends.
- The assets entailing attributes like identifiability, standalone nature, easily repossessable and registerable in name of FPM will be preferred.
- Small ticket business will be preferred unless the party and the credit proposal is otherwise exceptionally sound.

Portfolio Recovery

- Recovery team will continue to play its role in regular recovery of rentals.
- Recovery through Banking Courts is an essential element of recovery campaign.
- In addition, FPM is successfully pursuing a new avenue, in form of criminal proceedings against defaulters.
- The pressure exerted through criminal proceedings bore fruits and substantial cash recovery from non-performing assets was made during last three years.
- Reasonable amount of recovery is expected in future from above avenue.

Diversification of Business Operations

- It has been vehemently considered that FPM should utilize its full potential as a multi-purpose Modaraba and should not restrict itself to financing model only.
- Resultantly, the Management of FPM is of considered opinion that Modaraba should diversify its business model by adding trading, provision of services and other permissible business segments.
- The new segments commensurate with capabilities and strengths of FPM with reasonable returns and sustainable growth opportunities are being explored.

Expansion of Outreach

- **Current Setup:** FPM operates from a single centralized office due to a limited client base.
This setup restricts its ability to serve clients in other cities efficiently.
- **Opportunity:** FPM has access to the nationwide branch network of Bank of Punjab (BOP).
This enables FPM to entertain outstation requests without opening new offices.
- **Geographic Reach:** FPM can maintain relationships in major cities like Karachi, Islamabad, Faisalabad, Gujranwala, Multan, and more.
- **Cost Optimization:** Avoids the overhead of setting up physical offices while expanding service coverage.
- **Client Convenience:** Clients in remote or secondary cities can access FPM services locally via BOP branches.
- **Brand Visibility:** Presence in multiple cities enhances FPM's reputation and trustworthiness.

Sustained Profitability

- In addition to above enunciated measures, the profitability of FPM will be improved by increasing average spread on current investment options.
- The financial cost will be kept align with declining trend in profit rates.
- FPM will be operated on a rational administrative approach with check on unnecessary overheads and wastage of resources, with a view to improve profitability.

FINANCIAL INFORMATION

(Rupees in millions)

Statement Financial Position

	June 20	June 2021	Dec 2021	Dec 2022	Dec 2023	Dec 2024
ASSETS						
NON CURRENT ASSETS						
Assets under ijarah	509.91	450.44	331.57	237.10	148.07	185.23
Musharikah investment	641.21	567.00	689.05	869.53	828.30	1,120.73
Morabaha investment	299.37	251.72	208.85	224.36	186.95	142.98
Other non current assets	144.21	144.32	147.95	142.44	114.98	99.62
TOTAL NON CURRENT ASSETS	1,594.69	1,413.48	1,377.41	1,473.43	1,278.30	1,548.56
Current assets						
Short term investments	-	6.98	239.48	253.37	399.70	109.82
Other current assets	464.17	415.81	329.93	277.85	278.20	294.12
Cash and bank balances	25.10	111.75	135.28	26.68	233.54	23.08
TOTAL CURRENT ASSETS	489.28	534.54	704.69	557.89	911.45	427.02
TOTAL ASSETS	2,083.97	1,948.02	2,082.10	2,031.32	2,189.74	1,975.58
EQUITY AND LIABILITIES						
Issued, subscribed and paid-up certificate capital	340.20	340.20	340.20	340.20	340.20	340.20
Reserves	(202.90)	(195.48)	(265.51)	(352.72)	(462.08)	(632.20)
Subordinated funds	-	-	-	-	500.00	500.00
TOTAL EQUITY	137.30	144.72	74.69	(12.52)	378.12	208.00
NON CURRENT LIABILITIES						
Bank borrowings	1,662.29	1,549.23	1,734.10	1,825.00	1,485.00	1,485.00
Other non current liabilities	65.55	42.78	50.33	27.09	17.29	17.76
TOTAL NON CURRENT LIABILITIES	1,727.84	1,592.01	1,784.43	1,852.09	1,502.29	1,502.76
CURRENT LIABILITIES						
Unclaimed dividend	17.46	17.37	17.20	17.19	17.19	17.11
Other Current liabilities	201.37	193.93	205.78	174.56	292.15	247.70
TOTAL CURRENT LIABILITIES	218.83	211.30	222.99	191.75	309.34	264.82
TOTAL EQUITY AND LIABILITIES	2,083.97	1,948.02	2,082.10	2,031.32	2,189.74	1,975.58

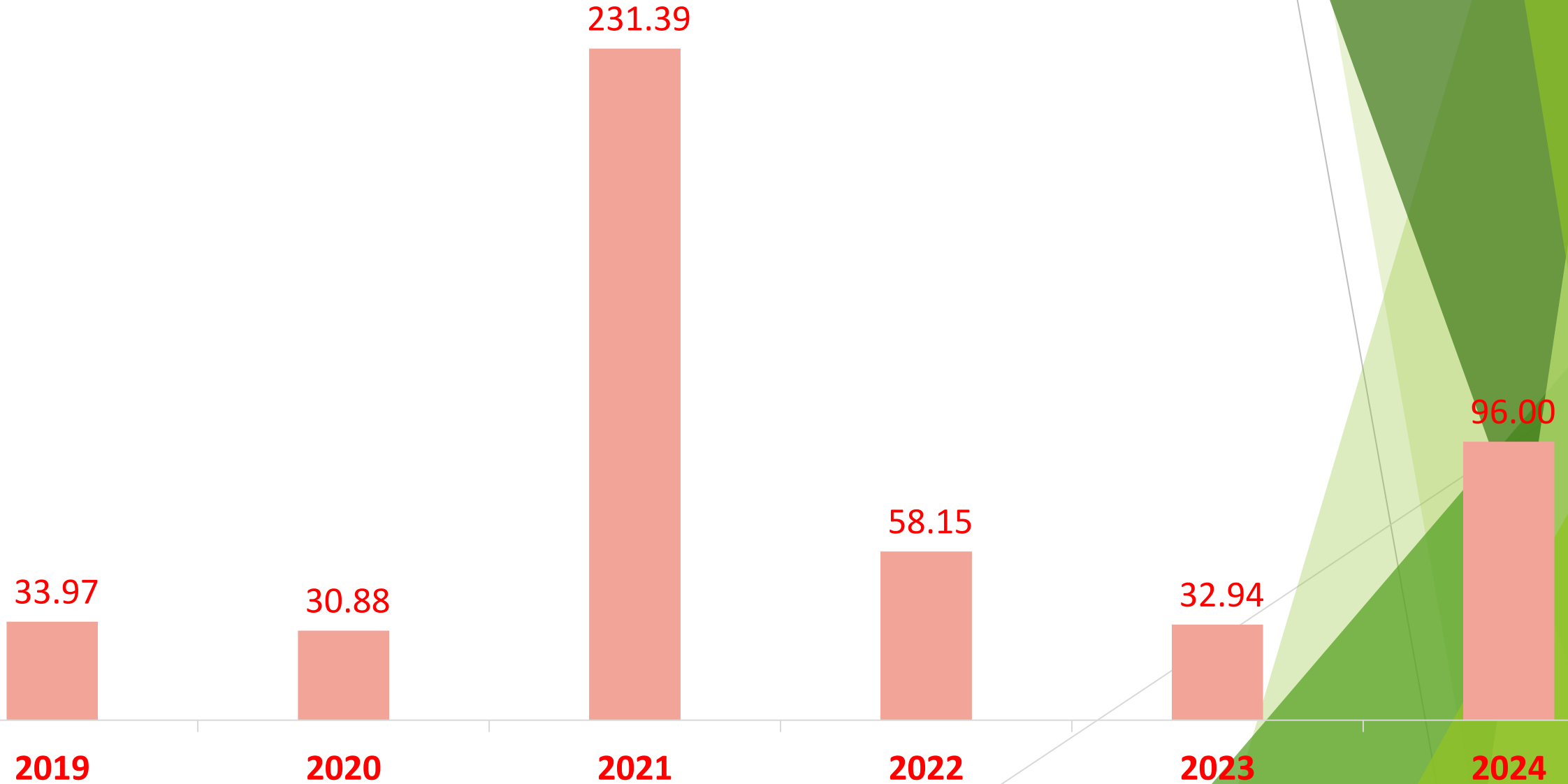
Statement of Profit & Loss

PROFIT & LOSS ACCOUNT

	June-20	June-21	December-21	December-22	December-23	December-24
Operating Income	187.39	139.45	63.85	150.68	244.36	276.29
Other Income	10.70	13.57	6.49	60.83	86.96	128.36
Total Income	198.09	153.02	70.35	211.51	331.32	404.65
Operating Expenses	45.72	24.88	26.72	69.60	79.99	98.46
Financial Charges	207.68	119.21	55.32	220.69	358.39	370.61
Total Expenses	253.40	144.08	82.04	290.28	438.38	469.07
Provision/ (Reversal)	-		(10.34)	2.57	46.24	9.24
Profit/ (Loss) before Taxation	(55.31)	8.94	(1.35)	(81.34)	(153.30)	(73.66)
Taxation	-	1.52	-	(6.20)	41.74	(20.71)
Profit for the year	(55.31)	7.42	(1.35)	(87.54)	(111.56)	(94.37)
Earning/ (Loss) per certificate	(1.63)	0.22	(0.04)	(2.57)	(3.28)	(2.77)

NPL - YEAR WISE CASH RECOVERY

Rupees in million



FRESH BUSINESS

Rupees in million

652.89



2019

387.24



2020

565.29



2021

840.10



2022

432.00



2023

923.76



2024

TOTAL EQUITY

Rupees in million

192.61

137.30

144.72

378.12

208.00

2019

2020

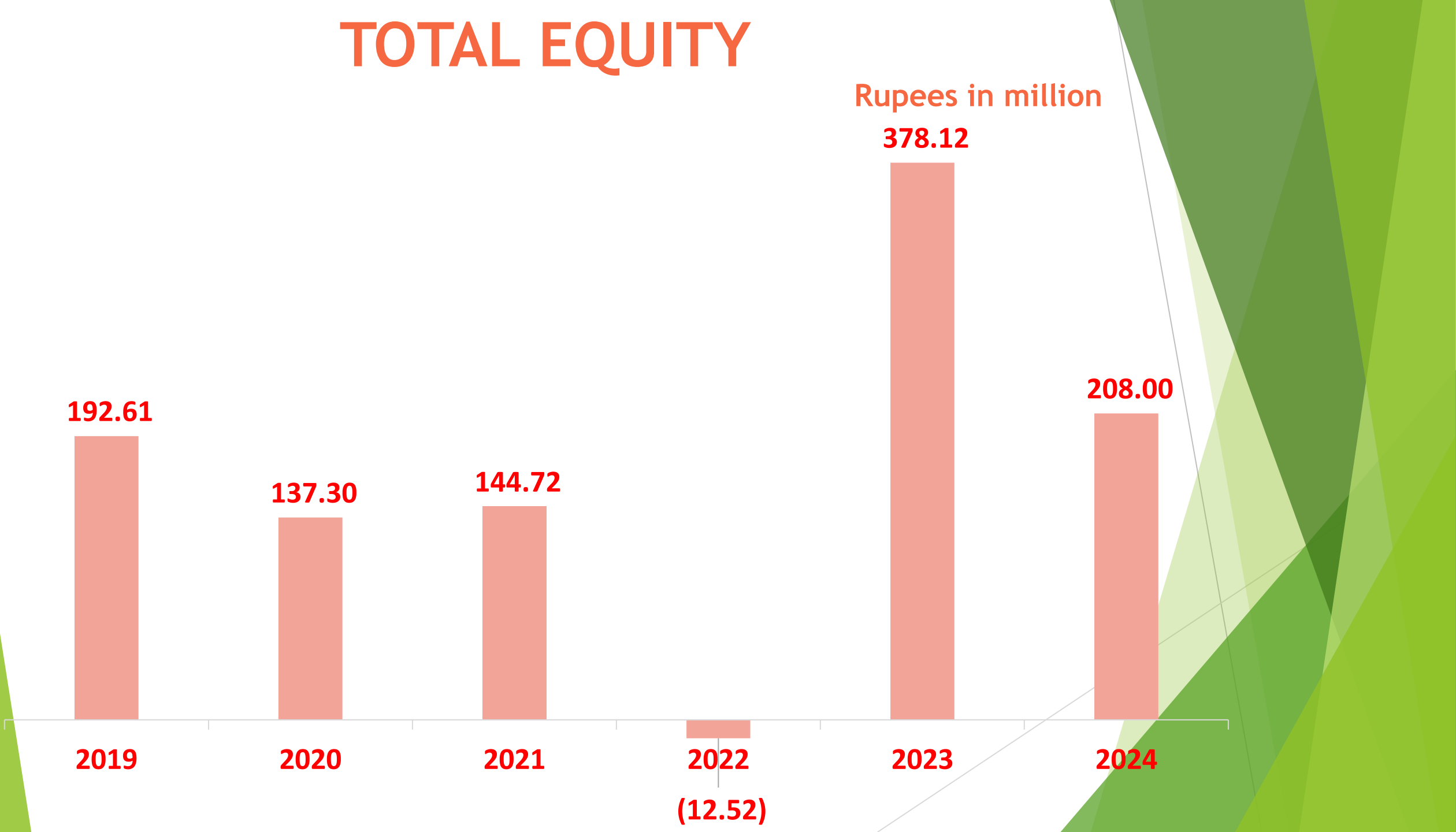
2021

2022

2023

2024

(12.52)



03 Years Credit Rating by PACRA

2022

LT - A-

ST - A2

2023

LT - A-

ST - A2

2024

LT - A-

ST - A2

With stable outlook

SWOT Analysis

Strength: FPM is owned by The Bank of Punjab, rated AA+ for long term and A1+ for short-term having vast branch network and large asset base. The continued support from parent bank forms fundamental strength of FPM.

Weakness: The highly leveraged position and stuck-up cases are hampering organic growth.

Opportunities: FPM is a perpetual and multi-purpose Modaraba which can undertake a broad spectrum of commercial and business activities as suited to its risk appetite and resources.

Threat: Increasing competition from banks and non-bank financial institutions may limit access to funding and increase financing costs.

Modaraba Sector Glimpse

Sector Glimpse

The Modarabas are operating in Pakistan for the last over 44 years as a unique model and no example of similar legal entities is found in rest of the world.

The key figures are as under:

(Rs. In million)

	2024	2023
No. of Modarabas	19	22
Total Equity	17,058	22,218
Financing assets	35,815	36,313
Investments	3,779	5,003
Total assets	50,017	53,021
Borrowings	2,079	3,508
Net Profit	1,667	1,491
Cash Dividend & Bonus	667	589

Sector Challenges

► Regulatory Challenges

There is an urgent need for regulatory reforms that simplify operational procedures, broaden the permissible business avenues for Modarabas, rationalize the tax framework, and provide greater regulatory clarity, thereby fostering an enabling environment for sustainable sectoral growth.

► Absence of Tech-based operations

In an era shaped by rapid technological innovation, the lack of a strong fintech ecosystem presents a significant operational and competitive challenge for Modaraba entities.

► Paucity of Funds / Liquidity

To address this challenge, concerted strategic measures are needed to attract larger pools of capital and expand the investor base.



QUESTION & ANSWERS