

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Corporate Briefing Session
POPULAR ISLAMIC MODARABA
for the year ended June 30, 2026

Corporate Briefing

- **About Popular Islamic Modaraba**
- **Operational Activities**
- **Financial Performance**
- **Future Outlook**

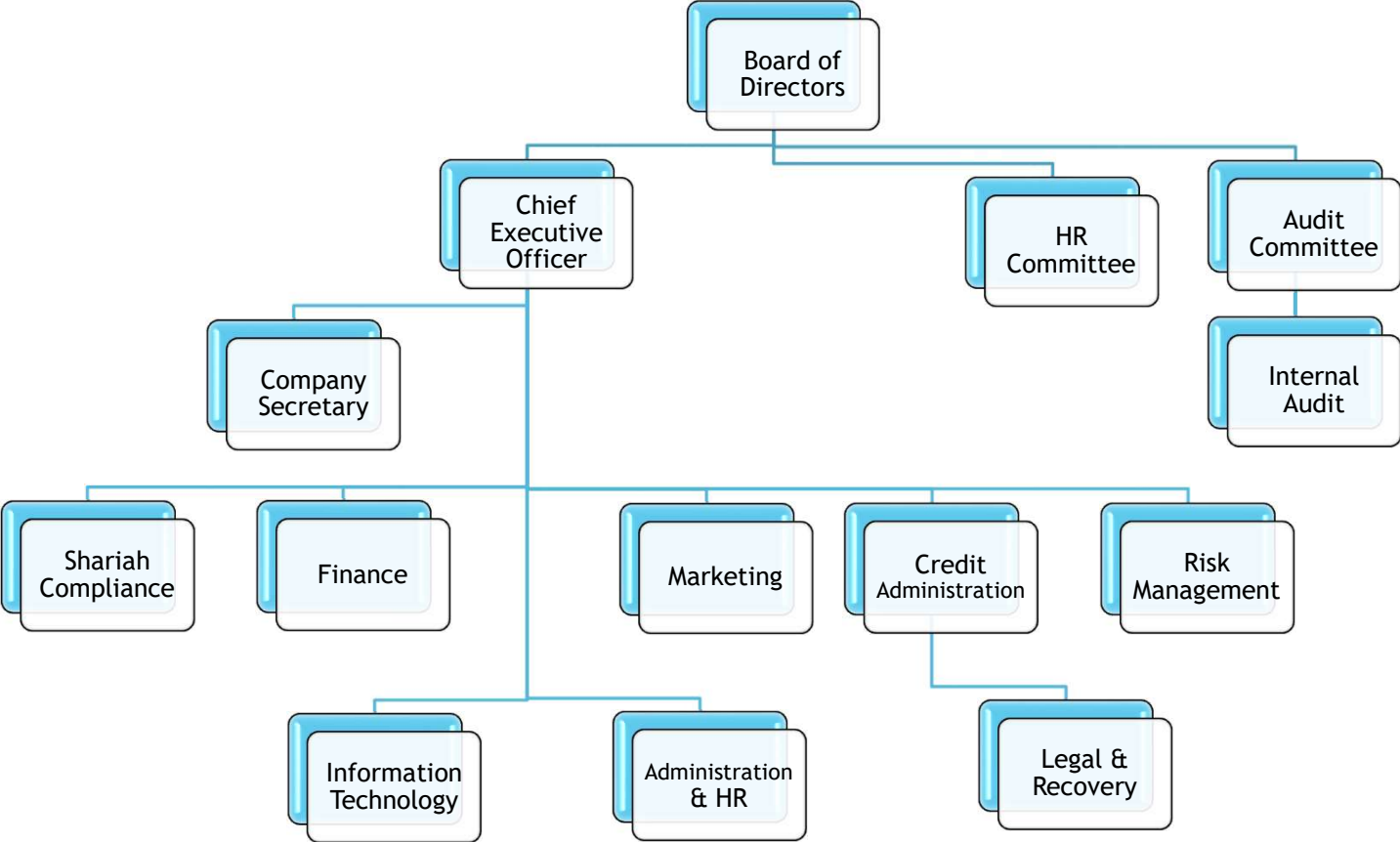
About Popular Islamic Modaraba



Brief of Popular Islamic Modaraba (PIM)

- ❖ Popular Islamic Modaraba (PIM) was established in 1994 and floated under the Modaraba Ordinance of 1980. Popular Islamic Modaraba is a multipurpose, perpetual and multi dimensional Modaraba. It is listed on the Pakistan Stock Exchange, and is a member of NBFIs & Modaraba Association of Pakistan.
- ❖ PIM has been acquired in 2013 by Popular Islamic Modaraba Management Company (Pvt.) Limited. Popular Group of Industries is its main sponsor. The Popular Group of Industries is a conglomerate having different Industries such as Fruit Juices, Textile, Sugar, Plastic, Packaging, Cement etc, The Group has now entered the field of Islamic Financing in order to play a vital role in the development of Islamic Financing in the country.
- ❖ PIM is offering various modes of Islamic Financing viz., Ijarah, Diminishing Musharaka and Murahaba.

Organizational Structure



OPERATIONAL ACTIVITIES



Products of PIM

- ❖ Ijarah (Leasing) Financing:

On Rental basis for Motor Vehicle, Machinery, Generators and Equipment.

- ❖ Diminishing Musharakah Financing:

Diminishing Musharakah (DM) is a form of co-ownership between the Financial Institution (FI) and the customer on fixed asset. Customer gradually buy the ownership units from FI through pre-agreed installments.

- ❖ Consumer Car Financing:

Auto Financing for Individuals and SMEs for Commercial purpose.

- ❖ Murabaha:

Working Capital for purchase of raw materials for industrial units.

FINANCIAL PERFORMANCE

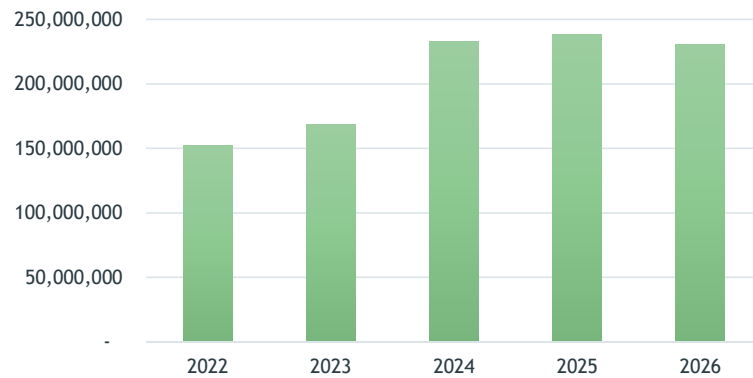


Key Financial Data of Five Years

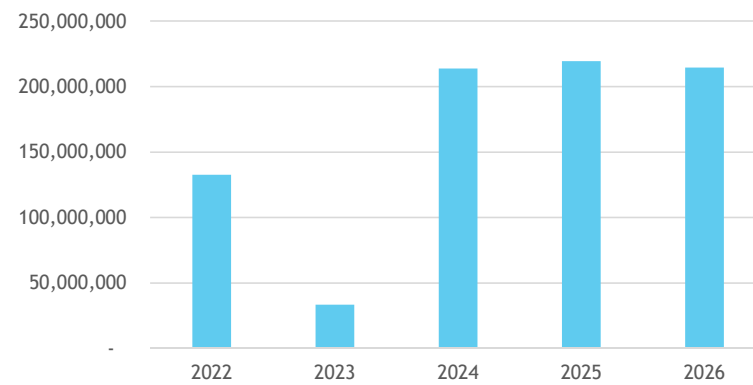
Key Financial Data	2026	2025	2024	2023	2022
Total Assets	230,470,941	238,082,778	232,653,757	168,629,000	152,086,435
Total Liabilities	16,094,580	18,742,353	19,022,065	33,313,517	19,503,918
Certificate Holders' Equity	214,376,361	219,340,425	213,631,692	135,315,483	132,582,517
Net Profit	15,035,936	25,708,733	24,696,010	7,974,566	6,551,228
Earning Per Certificate	0.75	1.39	1.76	0.57	0.47
Cash Dividend (Re per certificate)	0.700	1.000	1.000	0.456	0.374
Return on Equity	7.01%	11.72%	11.56%	5.89%	4.94%
Return on Assets	6.52%	10.80%	10.61%	4.73%	4.31%
Breakup Value	10.72	10.97	15.26	9.67	9.47

Graphical View of Financial Performance

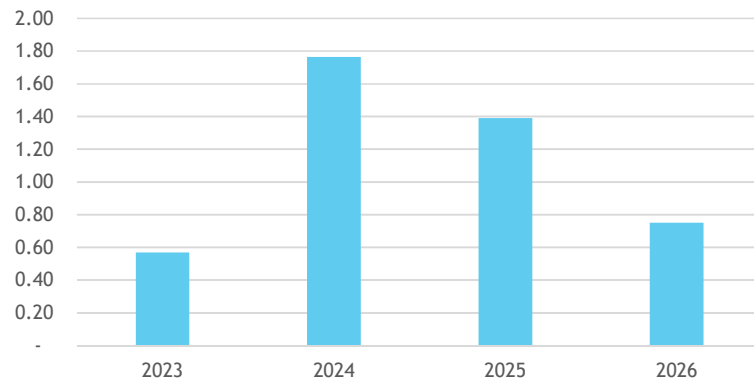
Total Assets



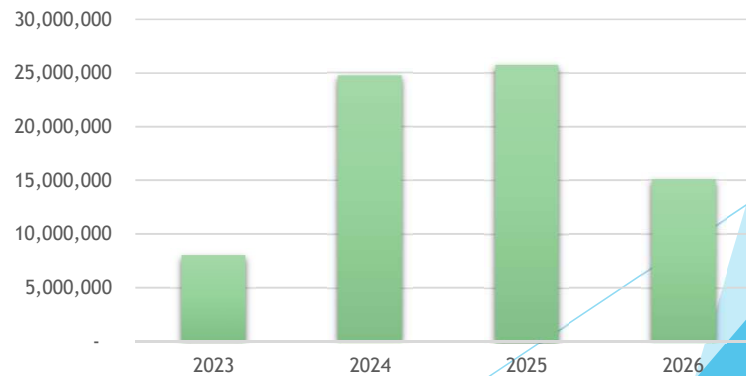
Equity



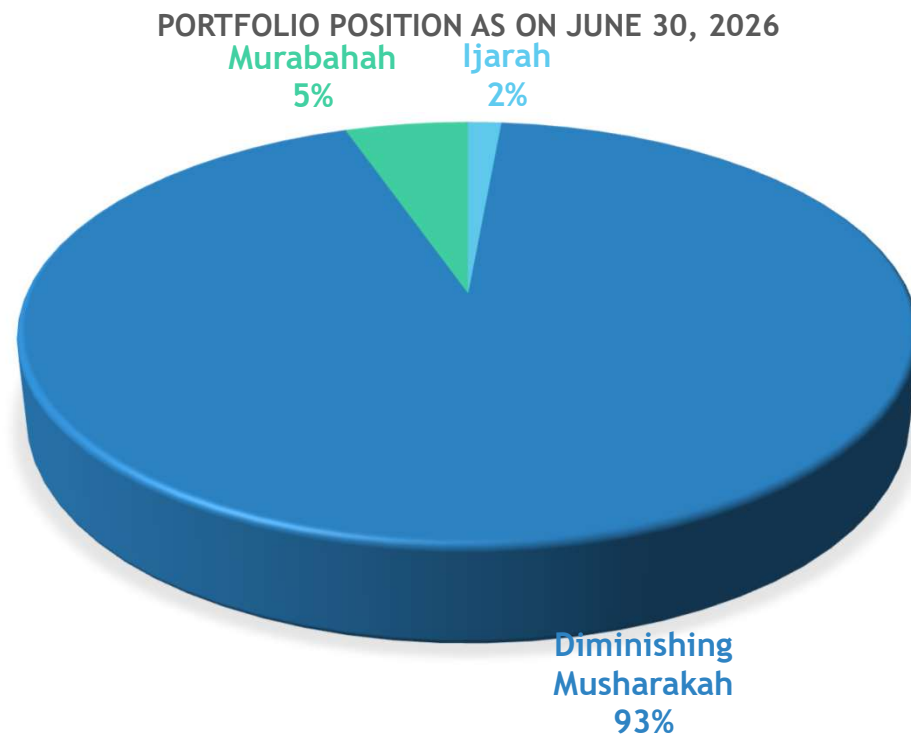
Earning Per Certificate



Net Profit



Portfolio Position as on June 30, 2026



FUTURE PROSPECTS



Future Prospects

Keeping in view of present economic and business circumstances, we have devised our future business strategy Business Outlook & Future Strategy in cautious and more prudent manner. Key points of our strategy would be as follows:

- ❖ Carefully move forward with our existing and new business engagements for new assets booking and financing, specially focus on SMEs to support economy.
- ❖ Need to enhance tools of risk management, appraisals & evaluation of credit proposals.
- ❖ Further strengthen risk assessment and internal controls parameters.
- ❖ Further strengthen compliance culture particularly regulatory and AML/CFT related compliances.
- ❖ Enhance capacity building and improve professional grooming of our team members.

CONCLUSION:

By the Grace of Almighty Allah, the performance of Popular Islamic Modaraba during the period under review continued to be strong. Popular Islamic Modaraba recorded a total income of Rs. 28.77 million, representing a 31% decline from Rs. 41.74 million in the previous year. This contraction was primarily driven by lower financing income resulting from sub-due economic activity, the normalization of benchmark interest rates, and a declining KIBOR environment. Consequently, profit before taxation fell by 36.9% to Rs. 17.92 million, while profit after taxation closed at Rs. 15.04 million (down 41.5% from Rs. 25.71 million), translating to an Earnings per Certificate (EPC) of Rs. 0.75.

To mitigate the top-line pressure, the management successfully implemented stringent cost discipline throughout the period. Operating expenses decreased by 15% to Rs. 7.55 million (down from Rs. 8.88 million), and depreciation on Ijarah assets saw a significant reduction of 48.4%, coming down to Rs. 2.35 million. While these robust cost-containment measures partially cushioned the bottom line, the core drop in operating and other income ultimately led to a 35.1% reduction in operating profit, which stood at Rs. 18.38 million.

In a strong gesture of commitment to certificate holders, the Management Company voluntarily reduced its Modaraba Management Fee from 10% to 5% for the year. This intervention enabled the board to approve a cash dividend/profit distribution of Rs. 0.70 per certificate (7% on a face value of Rs. 10) for the year ended June 30, 2026. Moving forward, the Modaraba aims to navigate the changing macroeconomic landscape by diversifying its income streams, optimizing its funding mix, and exploring new Shariah-compliant investment avenues backed by robust risk management frameworks.

**Thank
you!!**

Questions

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Answers

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