



QUARTERLY
FINANCIAL
STATEMENTS

(UN-AUDITED)
SEPTEMBER
30, 2026



FIRST HABIB MODARABA

INSIDE THIS REPORT

Corporate Information 3

Directors’ Report 4

Condensed Interim Statement of Financial Position (Un-audited) 6

Condensed Interim Statement of Profit or Loss (Un-audited) 7

Condensed Interim Statement of Comprehensive Income (Un-audited) 8

Condensed Interim Statement of Changes in Equity (Un-audited) 9

Condensed Interim Statement of Cash Flows (Un-audited) 10

Notes to the Condensed Interim Financial Statements (Un-audited) 11

CORPORATE INFORMATION

MODARABA MANAGEMENT COMPANY

Habib Metropolitan Modaraba Management Company (Private) Limited

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Saeed Uddin Khan	- Chairman
Mr. Mohammad Shams Izhar	- Member
Mr. Usman Nurul Abedin	- Member
Mr. Muhammad Jehanzeb	- Secretary

LEGAL ADVISOR

Mohsin Tayebaly & Company

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. Danish Liaquat Ali

SHARIAH ADVISOR

Mufti Faisal Ahmed

BANKERS

Al Baraka Bank Pakistan Limited
Bank Al-Habib Limited - (Islamic Banking)
Bank Islami 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)

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, 2026.

Business Operation

Alhamdulillah, performance of first quarter of current year remained satisfactory. Disbursements of Rs.5.89 billion were made as compared to Rs.5.23 billion of corresponding quarter of last year. Balance sheet footing also increased and reached to Rs.43.42 billion as compared to Rs.41.73 billion in June 30, 2026. 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

At present, economy is passing through with several domestic and external challenges. Recently, the Government downward revised the gross domestic product of current fiscal year attributing the adjustment to a mild slowdown in the industrial and services sectors. Macroeconomic environment remains challenging, average inflation is increased primarily on account of higher energy costs, volatility in global oil prices due to geopolitical tensions in the Middle East. Public debt remains high posing continued fiscal sustainability risks. Notwithstanding these challenges, the external account and foreign exchange reserves have shown resilience. Pakistan's remittances continue to provide much-needed support to the external account. However, country is deeply depending on remittances to cover its weak export performance and growing trade deficit.

The State Bank of Pakistan in its monetary policy statement on October 26, 2026 has decided to increase the policy rate by 50 basis points to 12.00%. In its policy statement, the SBP noted that the intensifying Middle East crisis and slim chances of an immediate settlement are sustaining high global energy prices. While active monetary policy and fiscal restraint have kept domestic fallout contained, the inflation outlook has deteriorated relative to earlier projections due to these geopolitical factors.

Looking ahead, Pakistan's macroeconomic environment is anticipated to remain under moderate pressure. The country's external balance remains sensitive to rising import demand alongside economic recovery, elevated income outflows and global market volatility. Although, tax collections and SBP profit transfers have strengthened the fiscal position, high public debt servicing costs continue to constrain fiscal space.

Credit Rating

Recently, Pakistan Credit Rating Agency Limited (PACRA) maintained FHM's credit rating at AA+ and A1+ long term and short term respectively. Alhamdulillah, said rating has been maintained by FHM for last 19 consecutive years and enjoying highest rating band within the Modaraba sector of Pakistan. According to PACRA, the assigned ratings reflect FHM's sound asset quality supported by prudent risk management, strong business and financial profile and a streamlined governance framework.

Future outlook

Going forward, the management anticipates a challenging macroeconomic environment that may continue to affect business activities and investor's sentiment. Keeping in view of high inflation numbers coupled with broader economic headwinds are expected to pose ongoing challenges to the business and profitability. Despite these internal and external challenges, we are confident that with focused business strategy and disciplined financial management, we will maintain our business growth with prudent 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: October 28, 2026

Muhammad Shams Izhar
Chairman

بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 30 ستمبر 2026 کو ختم ہونے والی سہ ماہی کے لیے فرسٹ حبیب مضاربہ (ایف ایچ ایم) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے بے حد خوشی محسوس ہو رہی ہے۔

کاروباری سرگرمیاں

الحمد للہ، رواں سال کی پہلی سہ ماہی کی کارکردگی اطمینان بخش رہی۔ گزشتہ سال کی اسی سہ ماہی کے 5.23 ارب روپے کے مقابلے میں 5.89 ارب روپے کی فنانسنگ فراہم کی گئی۔ بیلنس شیٹ کا حجم بھی بڑھ کر 43.42 ارب روپے ہو گیا، جبکہ 30 جون 2026 کو یہ 41.73 ارب روپے تھا۔ یہ اضافہ ہمارے ایف ایچ ایم کی ٹیم کی بھرپور کوششوں اور واضح توجہ کے ساتھ اختیار کی گئی حکمت عملی کے تحت کاروباری حجم میں بہتری کے باعث ممکن ہوا۔

معاشی جائزہ

اس وقت ملکی معیشت کو کئی اندرونی اور بیرونی چیلنجز کا سامنا ہے۔ حال ہی میں حکومت نے رواں مالی سال کے لیے مجموعی ملکی پیداوار (جی ڈی پی) کے تخمینے میں کمی کی، جس کی وجہ صنعتی اور خدمات کے شعبوں میں معمولی سست روی بتائی گئی۔ مجموعی معاشی ماحول بدستور مشکل ہے۔ اوسط مہنگائی میں اضافہ ہوا ہے، جس کی بنیادی وجوہات توانائی کی بلند لاگت اور مشرق وسطیٰ میں جغرافیائی سیاسی کشیدگی کے باعث عالمی تیل کی قیمتوں میں اتار چڑھاؤ ہیں۔ عوامی قرضہ بلند سطح پر ہے، جس سے مالیاتی استحکام کو مسلسل خطرات لاحق ہیں۔

ان چیلنجز کے باوجود بیرونی کھاتے اور زر مبادلہ کے ذخائر نے لچک کا مظاہرہ کیا ہے۔ پاکستان میں ترسیلات زر بیرونی کھاتے کو ضروری سہارا فراہم کر رہی ہیں۔ تاہم، کمزور برآمدات اور بڑھتے ہوئے تجارتی خسارے کی تلافی کے لیے ملک کا انحصار ترسیلات زر پر بہت زیادہ ہے۔

اسٹیٹ بینک آف پاکستان نے 26 اکتوبر 2026 کے مانیٹری پالیسی بیان میں پالیسی ریٹ 50 بیسیس پوائنٹس بڑھا کر 12.00 فیصد کرنے کا فیصلہ کیا۔ بیان میں ایس بی پی نے کہا کہ مشرق وسطیٰ کا بڑھتا ہوا بحران اور فوری تصفیے کے محدود امکانات عالمی توانائی کی قیمتوں کو بلند رکھے ہوئے ہیں۔ فعال مالیاتی پالیسی اور مالیاتی ضبط نے ملکی معیشت پر ان اثرات کو قابو میں رکھا ہے، تاہم جغرافیائی سیاسی عوامل کے باعث مہنگائی کا منظر نامہ پہلے کے تخمینوں کے مقابلے میں خراب ہوا ہے۔

آئندہ پاکستان کے مجموعی معاشی ماحول پر درمیانے درجے کا دباؤ برقرار رہنے کا امکان ہے۔ معاشی بحالی کے ساتھ درآمدی طلب میں اضافے، آمدنی کی بلند بیرونی منتقلی اور عالمی منڈیوں کے اتار چڑھاؤ کے باعث ملک کا بیرونی توازن حساس رہے گا۔ ٹیکس وصولیوں اور ایس بی پی کے منافع کی منتقلی سے مالیاتی پوزیشن مضبوط ہوئی ہے، تاہم عوامی قرضے کی ادائیگی پر آنے والی بھاری لاگت مالیاتی گنجائش کو محدود کرتی رہے گی۔

کریڈٹ ریٹنگ

حال ہی میں پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ایف ایچ ایم کی طویل مدتی اور قلیل مدتی کریڈٹ ریٹنگز بالترتیب AA+ اور A1+ برقرار رکھی ہیں۔ الحمد للہ، ایف ایچ ایم نے گزشتہ مسلسل 19 سال سے یہ ریٹنگ برقرار رکھی ہے اور پاکستان کے مضاربہ شعبے میں بلند ترین ریٹنگ بینڈ میں شامل ہے۔ PACRA کے مطابق، یہ ریٹنگز محتاط رسک مینجمنٹ کے تحت ایف ایچ ایم کے مضبوط اثاثہ جاتی معیار، مستحکم کاروباری اور مالیاتی پروفائل، اور مؤثر طرز حکمرانی کی عکاسی کرتی ہیں۔

مستقبل کا منظر نامہ

آئندہ مینجمنٹ کے اندازے کے مطابق مشکل معاشی ماحول کاروباری سرگرمیوں اور سرمایہ کاروں کے رجحان کو متاثر کر سکتا ہے۔ بلند مہنگائی اور وسیع تر معاشی دباؤ کاروبار اور منافع کے لیے مسلسل چیلنجز بننے کی توقع ہے۔ ان اندرونی اور بیرونی چیلنجز کے باوجود، ہمیں اعتماد ہے کہ کاروبار پر مرکوز حکمت عملی اور مالیاتی نظم و ضبط کے ذریعے ہم محتاط طرز عمل اپناتے ہوئے کاروباری نمونہ برقرار رکھیں گے۔

اظہار تشکر

ہم پاکستان سیکورٹیز اینڈ ایکسچینج کمیشن اور رجسٹرار مضاربہ کی جانب سے مسلسل تعاون اور رہنمائی، مضاربہ کے صارفین کی سرپرستی، اور سرٹیفکیٹ ہولڈرز و سرمایہ کاروں کی ایف ایچ ایم سے وابستگی پر تہ دل سے شکریہ ادا کرتے ہیں۔ ہم ایف ایچ ایم کے ملازمین کی لگن، اعلیٰ پیشہ ورانہ مہارت اور محنت کو بھی سراہتے ہیں، جن کی بدولت انتہائی مشکل کاروباری ماحول میں ہموار عملیاتی کارکردگی اور اطمینان بخش نتائج حاصل ہوئے۔

بورڈ آف ڈائریکٹرز کیلئے اور ان کی جانب سے

محمد شمس اظہار
چیئر مین

محمد شعیب ابراہیم
چیف ایگزیکٹو آفیسر

کراچی: اکتوبر 28، 2026

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2026

		(Un-audited)	(Audited)
		September 30, 2026	June 30, 2026
	Note	(Rupees)	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	83,882,834	88,838,077
Intangible assets		3,049,441	3,848,770
Diminishing musharaka financing	5	24,807,923,118	24,664,586,083
Long term deposits		1,820,300	1,920,300
Long term investments	6	176,510,000	179,475,000
Deferred tax assets - net		324,875,431	352,572,355
		25,398,061,124	25,291,240,585
CURRENT ASSETS			
Short term investments	7	273,780,160	273,780,160
Current portion of diminishing musharaka financing	5	13,347,732,763	12,556,008,508
Diminishing musharaka financing installments receivables	8	2,374,371	442,367
Advances and prepayments	9	3,892,216,992	3,010,093,886
Other receivables		27,240,730	17,672,184
Cash and bank balances	10	479,033,597	577,857,800
		18,022,378,613	16,435,854,905
TOTAL ASSETS		43,420,439,737	41,727,095,490
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized certificate capital 140,000,000 of Rs.10/- each (June 30, 2026: 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		5,080,573,778	5,122,720,320
Certificate holders' equity		6,188,878,778	6,231,025,320
SURPLUS ON REVALUATION OF INVESTMENTS		34,095,046	30,014,336
NON-CURRENT LIABILITIES			
Liability against right of use assets	11	12,879,933	13,630,444
CURRENT LIABILITIES			
Certificates of investment (musharaka)	12	27,527,913,210	22,261,256,971
Current maturity of liability against right of use assets	11	13,362,366	13,243,656
Unearned diminishing musharaka installments		49,973,369	34,229,470
Advance diminishing musharaka installments		13,391,530	14,989,358
Trade and other payables		871,081,487	1,010,174,936
Profit payable on certificates of investment (musharaka)		572,434,526	464,837,630
Running musharaka		7,192,040,504	10,932,008,831
Profit payable on running musharaka		231,811,205	249,421,337
Unclaimed dividend		49,615,068	49,615,068
Dividend payable		260,102,239	10,736,900
Taxation - net		402,860,476	411,911,233
		37,184,585,980	35,452,425,390
TOTAL EQUITY AND LIABILITIES		43,420,439,737	41,727,095,490

CONTINGENCIES AND COMMITMENTS

13

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 AND LOSS

FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UN-AUDITED)

	Note	Quarter ended	
		September 30, 2026	September 30, 2025
		----- (Rupees) -----	
Income from diminishing musharaka financing		1,391,341,987	1,119,953,187
Reversal in respect of diminishing musharaka financing		50,215,767	31,891,241
Provision in respect of diminishing musharaka financing instalments receivable		(4,450,425)	(5,450,247)
Administrative expenses		(81,870,017)	(75,101,855)
		1,355,237,312	1,071,292,326
Other income	14	46,594,221	46,584,374
		1,401,831,533	1,117,876,700
Financial charges	15	(1,003,565,107)	(762,499,129)
Modaraba Management Company's remuneration	16.1	(39,826,643)	(35,537,757)
Sales tax on Modaraba Management Company's remuneration	16.2	(5,973,996)	(5,330,664)
Provision for Workers' Welfare Fund		(7,049,316)	(6,290,183)
Profit before taxation and levy		345,416,471	308,218,967
Levy	17	(3,458,633)	(5,760,123)
Profit before taxation		341,957,838	302,458,844
Taxation	17	(134,735,755)	(117,466,806)
Profit after taxation		207,222,083	184,992,038
Earnings per certificate - basic and diluted	18	1.87	1.67

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
COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UN-AUDITED)

	Quarter ended	
	September 30, 2026	September 30, 2025
	----- (Rupees) -----	
Profit after taxation	207,222,083	184,992,038
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	4,080,710	13,984,875
Total comprehensive income for the period	211,302,793	198,976,913

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 QUARTER ENDED SEPTEMBER 30, 2026 (UN-AUDITED)

	Certificate capital	Certificate premium	Capital reserves Amalgamation Reserve	Statutory reserves	Revenue reserves General reserves	Unappropriated profit	Total equity
	Rupees						
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)	-
Profit after tax	-	-	-	-	-	184,992,038	184,992,038
Balance as at September 30, 2025	<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>340,846,815</u>	<u>5,674,518,353</u>
Balance as at June 30, 2026 (Audited)	1,108,305,000	378,000,000	233,003,899	1,284,362,639	2,330,000,000	897,353,782	6,231,025,320
Profit distribution for the year ended June 30, 2026 @ 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 tax	-	-	-	-	-	207,222,083	207,222,083
Balance as at September 30, 2026	<u>1,108,305,000</u>	<u>378,000,000</u>	<u>233,003,899</u>	<u>1,284,362,639</u>	<u>2,830,000,000</u>	<u>355,207,240</u>	<u>6,188,878,778</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 STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UN-AUDITED)

		Quarter ended	
		September 30, 2026	September 30, 2025
Note		(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before taxation	341,957,838	302,458,844
	Adjustment for:		
	Levy	3,458,633	5,760,123
	Depreciation and amortization	9,325,802	8,548,313
	Financial charges	1,003,565,107	762,499,129
	Gain on sale of assets in own use	(976,864)	(235,351)
	Reversal in respect of diminishing musharaka financing	(50,215,767)	(31,891,241)
	Provision in respect of diminishing musharaka instalment receivable	4,450,425	5,450,247
	Dividend income	(806,971)	(2,108,744)
		968,800,365	748,022,476
Changes in working capital			
Decrease / (increase) in current assets			
	Diminishing musharaka financing installments receivables	(1,932,004)	(3,583,866)
	Advances and prepayments	(882,123,106)	(630,691,403)
	Other receivables	(9,568,546)	(16,355,626)
		(893,623,656)	(650,630,895)
(Decrease) / increase in current liabilities			
	Unearned diminishing musharaka installments	15,743,899	20,555,326
	Advance diminishing musharaka installments	(1,597,828)	(2,183,336)
	Trade and other payables	(139,093,449)	(70,930,684)
		(124,947,378)	(52,558,694)
	Cash generated from operations	292,187,169	347,291,731
	Diminishing musharaka financing - net	(4,054,109,032)	(1,558,352,305)
	Long term deposits	(100,000)	-
	Financial charges paid	(912,241,511)	(648,859,933)
	Taxes and levy paid	(109,043,878)	(82,477,953)
		(5,075,494,421)	(2,289,690,191)
	Net cash used in operating activities	(4,783,307,252)	(1,942,398,460)
CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of assets in own use	(6,418,818)	(2,864,650)
	Purchase of investments	-	(22,982,814)
	Payments of lease rentals	(1,667,201)	(3,355,539)
	Proceeds from sale of assets in own use	4,064,452	3,444,500
	Dividends received	806,971	2,108,744
	Net cash used in investing activities	(3,214,596)	(23,649,759)
CASH FLOW FROM FINANCING ACTIVITIES			
	Dividend paid	-	(249,368,625)
	Running Musharaka	(3,739,968,327)	(2,555,000,000)
	Certificates of investment (musharaka)	5,266,656,239	3,646,687,234
	Net cash inflow from financing activities	1,526,687,912	842,318,609
	Net decrease in cash and cash equivalents during the period	(3,259,833,936)	(1,123,729,610)
	Cash and cash equivalents at the beginning of the period	(3,453,172,971)	(2,329,443,361)
	Cash and cash equivalents at the end of the period	(6,713,006,907)	(3,453,172,971)

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 QUARTER ENDED SEPTEMBER 30, 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 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) 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 Regulations, 2021 and directives issues by the Securities and Exchange Commission of Pakistan (SECP) ['the Modaraba Regulations']; and
- Provisions of and directives issued under the Companies Act, 2017;

Wherever, the requirements of 'the Modaraba Regulations' 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 Regulations' 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, 2026 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, 2026, whereas the comparative condensed interim statement of profit and loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the un-audited condensed interim financial statements for the quarter ended September 30, 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, 2026.

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

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

There are certain standards, amendments and improvements to accounting and reporting standards which are effective for accounting periods beginning on January 01, 2025, but are considered not to be relevant or did not have any significant effect on the Modaraba's operations and are, therefore, not disclosed in these condensed interim financial statements.

3.1.2 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 'Statement of profit and loss' with certain additional disclosures in the 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, 2026.

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, 2026.

		(Un-audited)	(Audited)
		September 30, 2026	June 30, 2026
Note		(Rupees)	
4. PROPERTY AND EQUIPMENT			
Tangible assets in own use	4.1	62,984,612	65,526,704
Right-of-use assets	4.2	20,898,222	23,311,373
		83,882,834	88,838,077
4.1 Tangible assets in own use			
Opening net book value		65,526,704	68,039,359
Additions during the period / year	4.1.1	6,418,818	21,216,797
		71,945,522	89,256,156
Net book value of disposals during the period / year		(3,087,588)	(3,210,479)
Depreciation charged during the period / year		(5,873,322)	(20,518,973)
Closing net book value		62,984,612	65,526,704
4.1.1 Details of additions during the period are as follows:			
Office equipment		3,772,688	13,053,518
Furniture and fixture		362,000	1,278,019
Vehicles		-	4,933,760
Leasehold improvements		2,284,130	1,951,500
		6,418,818	21,216,797
4.2 Movement in right-of-use assets during the period is as follows:			
At the beginning of the period / year		23,311,373	20,444,968
Additions during the period / year		-	12,056,525
Depreciation during the period / year		(2,413,151)	(9,190,120)
At the end of the period / year		20,898,222	23,311,373
5. DIMINISHING MUSHARAKA FINANCING			
Secured			
Staff		51,723,430	51,675,142
Others		39,024,516,960	38,139,719,725
		39,076,240,390	38,191,394,867
Less: Provision in respect of diminishing musharaka financing	5.1	(909,223,233)	(959,439,000)
Modification loss in respect of diminishing musharaka financing		(11,361,276)	(11,361,276)
		(920,584,509)	(970,800,276)
		38,155,655,881	37,220,594,591
Less: Current portion		(13,347,732,763)	(12,556,008,508)
Non-current portion		24,807,923,118	24,664,586,083
5.1 Movement in provision in respect of diminishing musharaka financing			
At the beginning of the period / year		959,439,000	1,000,986,483
Reversal for the period / year		(50,215,767)	(41,547,483)
At the end of the period / year		909,223,233	959,439,000

- 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 Regulations, 2021.

		(Un-audited) September 30, 2026	(Audited) June 30, 2026
	Note	(Rupees)	
6. LONG TERM INVESTMENTS			
At fair value through other comprehensive income			
Investment in shares of listed company		96,510,000	99,475,000
Investment in sukuk bonds		80,000,000	80,000,000
		176,510,000	179,475,000
7. SHORT TERM INVESTMENTS			
At Amortised cost			
Investment in GOP Ijarah sukuk bonds	7.1	273,780,160	273,780,160

- 7.1** This represents GOP Ijarah Sukuk bonds with a face value of Rs. 275.00 million (55,000 certificates, each with a denomination of Rs. 5,000) at a fair value of Rs. 273.78 million, maturing on October 29, 2026.

- 7.2** The deposits have been kept in order to comply with the requirement of the Modaraba Regulations, 2021, Section 17(4)(g) issued by the Securities and Exchange Commission of Pakistan with respect to the maintenance of the prescribed liquidity against the Certificates of Musharaka issued by the Modaraba.

		(Un-audited) September 30, 2026	(Audited) June 30, 2026
		(Rupees)	
8. DIMINISHING MUSHARAKA FINANCING INSTALLMENTS RECEIVABLE			
Secured			
Diminishing Musharaka financing installments receivable		17,526,947	11,144,518
Less: Provision against Diminishing Musharaka financing installments receivable		(15,152,576)	(10,702,151)
		2,374,371	442,367
8.1 Movement of provision in respect of diminishing musharaka financing installments receivable			
At the beginning of the period / year		10,702,151	21,542,674
Charge / (reversal) for the period / year		4,450,425	(2,754,891)
Write off during the period / year		-	(8,085,632)
At the end of the period / year		15,152,576	10,702,151
9. ADVANCES AND PREPAYMENTS			
Advances			
Advance against diminishing musharaka financing		3,738,802,964	2,951,473,730
Advance against booking of vehicle		55,645,866	-
Advance tax paid on booking of vehicle		78,204,059	49,379,887
Others		5,809,719	3,788,222
		3,878,462,608	3,004,641,839
Prepayments		13,754,384	5,452,047
		3,892,216,992	3,010,093,886

		(Un-audited)	(Audited)
		September 30, 2026	June 30, 2026
Note		(Rupees)	
10.	CASH AND BANK BALANCES		
	Stamps in hand	4,016,100	4,692,550
	At banks in:		
	Current accounts		
	State Bank of Pakistan	1,711,259	1,711,259
	With other banks	15,058,427	30,977,819
	Profit bearing accounts		
	Redemption Reserve Funds (RRF)	330,068,271	368,624,607
	Modaraba deposit account with Habib Metropolitan Bank Limited (Islamic branch) - a related party	13,614,477	154,081,320
	With other banks	114,565,063	17,770,245
		479,033,597	577,857,800

- 10.1** The deposits have been kept in order to comply with the requirement of the Modaraba Regulations, 2021, Section 17(4)(g) issued by the Securities and Exchange Commission of Pakistan with respect to the maintenance of the prescribed liquidity against the Certificates of Musharaka issued by the Modaraba.

		(Un-audited)	(Audited)
		September 30, 2026	June 30, 2026
Note		(Rupees)	
11.	LIABILITY AGAINST RIGHT OF USE ASSETS		
	As at beginning of the period / year	26,874,100	24,029,413
	Additions during the period / year	-	12,056,525
	Finance cost for the period / year	1,035,400	4,737,672
	Payments made during the period / year	(1,667,201)	(13,949,510)
	As at end of the period / year	26,242,299	26,874,100
	Less: Current maturity	(13,362,366)	(13,243,656)
	As at end of the period / year	12,879,933	13,630,444
12.	CERTIFICATES OF INVESTMENT (MUSHARAKA)		
	Unsecured		
	Certificates of investment (musharaka)	27,527,913,210	22,261,256,971
12.1	Movement in Certificates of Investment (musharaka) is as follows:		
	As at beginning of the period / year	22,261,256,971	20,773,092,578
	Issued during the period / year	27,855,513,912	94,454,621,633
		50,116,770,883	115,227,714,211
	Encashment during the period / year	(22,588,857,673)	(92,966,457,240)
	As at end of the period / year	27,527,913,210	22,261,256,971

- 12.1.1** The estimated share of profit paid / payable on the above unsecured certificates of investment (musharaka) ranges between 9.10% to 11.75% (June 30, 2026: 8.10% to 12.30%) 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, 2026.

13.2 Commitments

Commitments in respect of financing transactions amounted to Rs. 2,101 (June 30, 2026: Rs. 1,872) million.

14. OTHER INCOME

Income from financial assets

	(Un-audited) September 30, 2026	(Un-audited) September 30, 2025
Dividend on shares	806,971	2,108,744
Profit on modaraba's deposit accounts	15,671,722	13,074,100
Profit on Redemption Reserve Funds	10,411,852	1,545,836
Dividend from mutual funds	-	6,254,768
Profit on GOP Ijarah sukuk bonds	8,525,753	8,865,850
Profit on sukuk bonds	2,593,595	2,633,133
Miscellaneous income	7,607,464	11,866,592

Income from non-financial assets

Gain on sale of owned fixed assets - net	976,864	235,351
	46,594,221	46,584,374

15. FINANCIAL CHARGES

Profit on certificates of investment (musharaka)	769,696,136	687,209,017
Profit on running musharaka financing	232,532,139	73,287,945
Financial charges on liability against right of use assets	1,035,400	1,487,909
Bank charges	301,432	514,258
	1,003,565,107	762,499,129

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 September 30, 2026 has been recognized at 10% (September 30, 2025: 10%) of profit for the period.

16.2 The Sindh Sales Tax levied by the Sindh Government at the rate of 15% (September 30, 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 financial statements of the Modaraba for the year ended June 30, 2026.

17. TAXATION AND LEVY

	(Un-audited) September 30, 2026	(Un-audited) September 30, 2025
Levy	3,458,633	5,760,123
Taxation	134,735,755	117,466,806
	138,194,388	123,226,929

- 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.

17.2 Taxation

Current
Deferred

(Un-audited)	(Un-audited)
September 30, 2026	September 30, 2025
----- (Rupees) -----	
99,993,121	103,671,467
34,742,634	13,795,339
134,735,755	117,466,806

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:

Profit after taxation - Rupees
Weighted average number of certificates of Rs. 10/- each
Earnings per certificate

(Un-audited)	(Un-audited)
September 30, 2026	September 30, 2025
----- (Rupees) -----	
207,222,083	184,992,038
110,830,500	110,830,500
1.87	1.67

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)	(Un-audited)
	September 30, 2026	September 30, 2025
Note	----- (Rupees) -----	
10	479,033,597	287,216,252
	(7,192,040,504)	(3,740,389,223)
	(6,713,006,907)	(3,453,172,971)

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)	(Audited)
			September 30, 2026	June 30, 2026
			(Rupees)	
Balances held				
Related party	Basis of relationship	Nature of balances		
Habib Metropolitan Bank Limited	Holding Company	Bank balances	95,944,943	273,551,929
		Certificates of investment (musharaka)	1,200,000,000	2,200,000,000
		Redemption Reserve Fund (RRF)	69,466,877	111,825,499
		Financial charges payable	31,517,808	52,827,671
		Security deposit	130,000	130,000
Habib Metropolitan Modaraba Management Company (Private) Limited	Management Company	Management fee payable	39,826,643	142,114,644
		Sale tax on management fee payable	149,089,399	105,164,724
First Habib Modaraba Staff Gratuity Fund	Retirement Benefit	Gratuity payable	-	12,740,495
			(Un-audited)	(Un-audited)
			September 30, 2026	September 30, 2025
			(Rupees)	
Transactions during the period				
Related party	Basis of relationship	Nature of transactions		
Habib Metropolitan Bank Limited	Holding Company	Profit on bank accounts	15,671,722	24,940,692
		Bank charges	2,387	350,868
		Utility charges	973,392	3,193,373
		Financial charges	56,818,904	66,316,578
		Dividend paid	11,047,489	13,541,175
Habib Metropolitan Modaraba Management Company (Private) Limited	Management Company	Management fee	39,826,643	35,537,757
		Sale tax on management fee	5,973,996	5,330,664
		Management fee paid	142,114,644	24,936,863
		Dividend paid	24,936,863	24,936,863
First Habib Modaraba Staff Gratuity Fund	Retirement Benefit	Gratuity expense	-	1,250,001
		Contribution made to the fund	12,740,495	10,861,261
First Habib Modaraba Employees' Provident Fund	Retirement Benefit	Contribution made to the fund	2,106,907	1,654,539

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).

	September 30, 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	96,510,000	-	-	96,510,000	96,510,000	-	-	96,510,000
Sukuks	80,000,000	-	-	80,000,000	-	80,000,000	-	80,000,000
	176,510,000	-	-	176,510,000	96,510,000	80,000,000	-	176,510,000

- 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, 2026 (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	99,475,000	-	-	99,475,000	99,475,000	-	-	99,475,000
Sukuks	80,000,000	-	-	80,000,000	-	80,000,000	-	80,000,000
	179,475,000	-	-	179,475,000	99,475,000	80,000,000	-	179,475,000

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.

The Modaraba operates in a single reportable operating segment i.e diminishing musharaka financing. Accordingly, no separate segment information is required to be disclosed in accordance with IFRS 8.

23. 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.

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 October 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