

Corporate Briefing Session
POPULAR ISLAMIC MODARABA
for the Year ended June 30, 2022

The logo of Popular Industries Group is centered at the top of the slide. It consists of a circular emblem with a laurel wreath border. Inside the wreath, there is a minaret on the left, a gear in the center, and a brick wall on the right. Below the emblem is a banner with the words 'POPULAR' and 'GROUP' separated by three stars. The text below the logo is in a bold, sans-serif font, with the main title in blue and the subtitle in italics.

Corporate Briefing

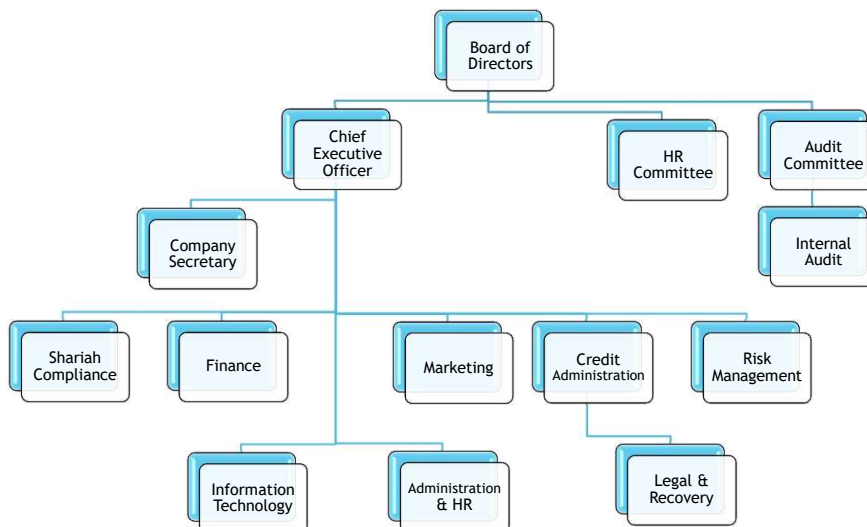
- **About Popular Islamic Modaraba**
- **Operational Activities**
- **Financial Performance**
- **Future Outlook**

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 NBFI & 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 sponsors. 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, Murahaba, Musharaka.

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

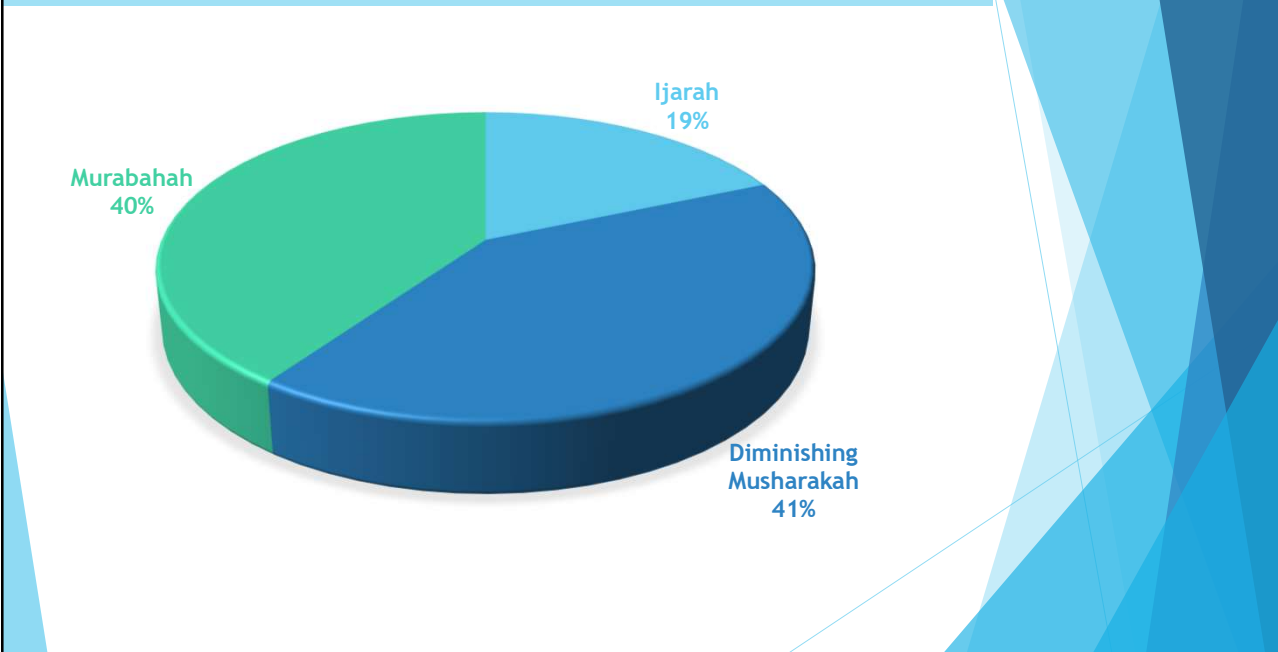
Key Financial Data of Five Years

Key Financial Data	2022	2021	2020	2019	2018
Total Assets	152,086,435	129,502,705	131,956,639	120,570,995	125,531,929
Total Liabilities	19,503,918	37,823,816	43,832,709	34,510,247	44,310,281
Certificate Holders' Equity	132,582,517	91,678,889	88,123,930	86,060,748	81,221,648
Net Profit	6,551,228	7,589,959	5,543,182	4,839,100	2,627,577
Earning Per Certificate	0.47	0.76	0.55	0.48	0.26
Cash Dividend (Re per certificate)	0.374	0.403	0.404	0.348	-
Return on Equity	4.94%	8.28%	6.29%	5.62%	3.24%
Return on Assets	4.31%	5.86%	4.20%	4.01%	2.09%
Breakup Value	9.47	9.17	8.81	8.61	8.12

Graphical View of Financial Performance



Portfolio Position as on June 30, 2022



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:

In spite of economy slowdown, rising inflation, rains, flooding and stiff competition with Financial Institutions our performance remained reasonably well. The reason in reduction in income is shifting portfolio from Ijarah to DM. Withdrawal of tax exemption on income of Modaraba Sector on distribution of 90% and above dividend has been significantly affected the profitability of the Modaraba. Resultantly, the profit after tax decreased as compared to the profit of corresponding period. The Earning Per Certificate has been worked out at Re. 0.48. The EPC reduced due to the conversion of loan into equity by issuance of 4,000,000 certificates to the Management Company. The above performance was achieved in difficult business operating environment and we are hopeful that Insha'Allah, we will be able to deliver more improved results in 2022-23 as well.

