

Habib Metropolitan Financial Services Limited

**Condensed Interim Financial Statements (Un-Audited)
For the Three Months Period ended 31 March 2025**

Habib Metropolitan Financial Services Limited
Condensed Interim Statement of Financial Position
As at 31 March 2025

		(Un-Audited) 31 March 2025	(Audited) 31 December 2024
	Note	----- (Rupees) -----	
ASSETS			
Non-current assets			
Property and equipment	5	13,592,211	14,112,765
Right of use asset	6	1,999,937	2,428,495
Intangible assets	7	2,044,424	2,046,543
Long term investment	8	40,394,416	44,481,946
		58,030,988	63,069,749
Current assets			
Trade debts- net	9	115,191,532	162,976,302
Loans to employees	10	1,977,172	1,794,006
Deposits and prepayments	11	74,025,890	135,641,737
Short term investments	12	98,073,597	97,944,858
Accrued profit		3,867,059	3,478,178
Other receivables		1,366,080	216,850
Advance taxation - net		43,036,341	42,308,092
Cash and bank balances	13	159,368,348	95,875,110
		496,906,019	540,235,133
Total assets		554,937,007	603,304,882
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
30,000,000 (31 December 2024: 30,000,000) ordinary shares of Rs. 10 each		300,000,000	300,000,000
Issued, subscribed and paid up share capital			
30,000,000 (31 December 2024: 30,000,000) ordinary shares of Rs. 10 each fully paid in cash	14	300,000,000	300,000,000
Unappropriated (loss) / profit		(4,977,930)	2,619,312
Surplus on revaluation of investments - net of tax		26,424,154	31,250,432
		321,446,224	333,869,744
Non-current liabilities			
Deferred tax liabilities	15	199,610	542,669
Liability against right of use assets - non current portion		424,640	1,049,448
		624,250	1,592,117
Current liabilities			
Liability against right of use assets - current portion		2,394,567	2,309,588
Trade and other payables	16	230,471,966	208,369,589
Short term borrowing - secured	17	-	57,163,844
		232,866,533	267,843,021
Total equity and liabilities		554,937,007	603,304,882
CONTINGENCIES AND COMMITMENTS			
	18		

The annexed notes 1 to 30 form an integral part of this condensed interim financial statements.

Chief Executive Officer

Director

Habib Metropolitan Financial Services Limited

Condensed Interim Statement of Profit or Loss (Un-Audited)

For the three months period ended 31 March 2025

		31 March	
	Note	2025	2024
		----- (Rupees) -----	
Brokerage income	19	22,055,942	10,813,036
Income from investments			
- Income on Market Treasury Bills		3,278,731	5,054,512
Administrative expenses	20	(34,261,713)	(28,934,964)
Finance cost		(105,350)	(127,457)
Provision for Sindh Workers' Welfare Fund		-	-
Provision against financial assets - net		(750,368)	(1,038,657)
		(35,117,431)	(30,101,078)
Other income	21	3,721,883	5,945,144
Loss before income tax and minimum tax differential		(6,060,875)	(8,288,386)
Minimum tax differential	23	(1,606,382)	(874,384)
Loss before income tax		(7,667,257)	(9,162,770)
Provision for taxation			
- Current		-	-
- Deferred		70,015	91,329
		70,015	91,329
Loss after taxation		(7,597,242)	(9,071,441)
Earning per share - basic and diluted	24	(0.25)	(0.30)

The annexed notes 1 to 30 form an integral part of this condensed interim financial statements.

Chief Executive Officer

Director

Habib Metropolitan Financial Services Limited
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the three months period ended 31 March 2025

	31 March	
	2025	2024
	----- (Rupees) -----	
Loss after taxation	(7,597,242)	(9,071,441)
Other comprehensive income:		
Items to be reclassified to statement of profit or loss in subsequent periods		
- Deficit on revaluation of debt investments carried at fair value	(1,011,792)	(82,133)
- Related deferred tax	273,044	1,207
	(738,748)	(80,926)
Items not to be reclassified to statement of profit or loss in subsequent periods		
- Deficit on revaluation of equity shares investments carried at fair value	(4,087,530)	(1,987,662)
Total comprehensive loss for the period	(12,423,520)	(11,140,029)

The annexed notes 1 to 30 form an integral part of this condensed interim financial statements.

Chief Executive Officer

Director

Habib Metropolitan Financial Services Limited
Condensed Interim Statement of Changes in Equity (Un-Audited)
For the three months period ended 31 March 2025

	Issued, subscribed and paid up capital	Unappropriated profit	Surplus / (deficit) on revaluation of investments	Total
	(Rupees)			
Balance as at 31 December 2023 (Audited)	300,000,000	6,232,009	2,276,750	308,508,759
<i>Total comprehensive income for the period</i>				
Net loss for the three months period ended 31 March 2024	-	(9,071,441)	-	(9,071,441)
Other Comprehensive Income - net surplus on revaluation of investments - net of tax	-	-	(2,068,588)	(2,068,588)
	-	(9,071,441)	(2,068,588)	(11,140,029)
Balance as at 31 March 2024 (Un-Audited)	<u>300,000,000</u>	<u>(2,839,432)</u>	<u>208,162</u>	<u>297,368,730</u>
Balance as at 31 December 2024 (Audited)	300,000,000	2,619,312	31,250,432	333,869,744
<i>Total comprehensive income for the period</i>				
Net loss for the three months period ended 31 March 2025	-	(7,597,242)	-	(7,597,242)
Other Comprehensive Income - net deficit on revaluation of investments - net of tax	-	-	(4,826,278)	(4,826,278)
	-	(7,597,242)	(4,826,278)	(12,423,520)
Balance as at 31 March 2025 (Un-Audited)	<u>300,000,000</u>	<u>(4,977,930)</u>	<u>26,424,154</u>	<u>321,446,224</u>

The annexed notes 1 to 30 form an integral part of this condensed interim financial statements.

Chief Executive Officer

Director

Habib Metropolitan Financial Services Limited
Condensed Interim Statement of Cash Flow (Un-Audited)
For the three months period ended 31 March 2025

		31 March	
	Note	2025	2024
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax and minimum tax differential		(6,060,875)	(8,288,386)
Adjustments for:			
Income on market treasury bills		(3,278,731)	(5,054,512)
Provision against financial assets		750,368	1,038,657
Interest on lease liability against right of use asset		69,141	116,194
Depreciation on property and equipment	20	1,056,719	1,034,295
Depreciation on right of use asset	20	428,558	428,558
Amortization on intangible asstes	20	311,119	354,949
		(662,826)	(2,081,859)
<i>(Increase) / decrease in current assets</i>			
Receivable from customers		47,034,402	52,504,059
Loans and advances		(183,166)	(61,888)
Deposits and prepayments		61,615,847	(3,529,591)
Accrued profit		(388,881)	28,715
Other receivables		(1,149,230)	(646,727)
		106,928,972	48,294,568
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payables		22,102,377	(66,863,769)
		122,307,648	(28,939,446)
Income taxes paid		(2,334,631)	(2,092,449)
Net cash used in operating activities		119,973,017	(31,031,895)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale / maturity of investments		99,698,900	100,000,000
Purchase of investments		(97,560,700)	(95,300,800)
Purchase of property and equipment		(536,165)	-
Purchase of Intangible assets		(309,000)	-
Net cash generated from investing activities		1,293,035	4,699,200
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability against right of use assets		(608,970)	(579,970)
Net cash used in financing activities		(608,970)	(579,970)
Decrease in cash and cash equivalent		120,657,082	(26,912,665)
Cash and cash equivalents at beginning of the period		38,711,266	140,251,593
Cash and cash equivalents at end of the period		159,368,348	113,338,928
CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	159,368,348	113,338,928
Short term borrowings - secured		-	-
		159,368,348	113,338,928

The annexed notes 1 to 30 form an integral part of this condensed interim financial statements.

Chief Executive Officer

Director

Habib Metropolitan Financial Services Limited

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the three months period ended 31 March 2025

1 STATUS AND NATURE OF BUSINESS

- 1.1** Habib Metropolitan Financial Services Limited (the Company) was incorporated in Pakistan on 28 September 2007 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is a wholly owned subsidiary of Habib Metropolitan Bank Limited (the Holding Company). The Ultimate Parent Company is Habib Bank AG Zurich, which is incorporated in Switzerland. The Company is engaged in the business of stock brokerage. The Company holds a Trading Rights Entitlement (TRE) Certificate from Pakistan Stock Exchange Limited (PSX). The registered office of the Company is located at 1st Floor, GPC 2, Block 5, Khedashan Clifton, Karachi. The Company commenced its operations on 06 March 2008.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** 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;
- Provisions of and directives issued under the Companies Act, 2017 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) from time to time.

Whenever the requirements of the Companies Act, 2017 or the directives issued by the SECP differ with the requirements of the IAS 34, the requirements of the Companies Act, 2017 and the said directives shall prevail.

2.2 Basis of accounting

These condensed interim financial statements of the Company do not include all of the information required for annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except that investments are carried at fair values.

2.4 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan rupees which is also the Company's functional currency and have been rounded off to the nearest rupee.

2.5 Use of estimates and judgment

The preparation of the condensed interim financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. However, actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements for the year ended 31 December 2024.

2.6 Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those that are disclosed in the annual audited financial statements as at and for the year ended 31 December 2024.

3 MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies applied for the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2024.

4 STANDARDS, INTERPRETATIONS OF AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

4.1 There are certain amendments to the standards and new interpretations that are mandatory for the Company's accounting periods beginning on January 1, 2025 but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4.2 Standards, amendments and improvements to approved accounting standards that are not yet effective

There are various standards, amendments and interpretations to the accounting and reporting standards as applicable in Pakistan which are not yet effective in the current year. These are not likely to have any significant impact on the Company's financial reporting and are therefore not detailed in these condensed interim financial statements

5 PROPERTY AND EQUIPMENT

(Un-Audited) 31 March 2025 ----- (Rupees) -----	(Audited) 31 December 2024
Operating Assets	
<u>13,592,211</u>	<u>14,112,765</u>

5.1 The following assets have been added during the three months period ended 31 March 2025:

(Un-Audited) 31 March 2025 ----- (Rupees) -----	2024
Computer equipment	-
<u>536,165</u>	<u>-</u>

6 RIGHT OF USE ASSET

(Un-Audited) 31 March 2025 ----- (Rupees) -----	(Audited) 31 December 2024
Right of use asset	
<u>1,999,937</u>	<u>2,428,495</u>

6.1 There have been no additions to right of use assets during the period.

7 INTANGIBLE ASSETS

(Un-Audited) 31 March 2025 ----- (Rupees) -----	(Audited) 31 December 2024
Operating intangible assets	
<u>2,044,424</u>	<u>2,046,543</u>

7.1 The following intangible assets have been added during the three months period ended 31 March 2025:

	(Un-Audited)	
	2025	2024
	31 March	
	----- (Rupees) -----	
Computer software	309,000	-

8 LONG TERM INVESTMENT
at fair value through other comprehensive income (OCI)

(Un-Audited)	(Audited)		(Un-Audited)	(Audited)
31 March	31 December		31 March	31 December
2025	2024	Note	2025	2024
(Number of shares)			----- (Rupees) -----	
1,602,953	1,602,953	Cost of investment	13,900,000	13,900,000
-	-	Surplus on revaluation of investment	26,494,416	30,581,946
<u>1,602,953</u>	<u>1,602,953</u>	Closing balance	<u>40,394,416</u>	<u>44,481,946</u>

8.1 This represents ordinary shares of Pakistan Stock Exchange Limited (PSX) having face value of Rs.10 each and are carried at the market value. These shares are pledged in favour of PSX and are classified as "Pledged" in the Central Depository Company (CDC) report of the Company.

8.2 At 31 March 2025, the required BMC amounted to Rs. 31.13 million. Accordingly, the Company has complied with the said requirement in the following manner:

- i) Transferable TRE Certificate lien marked with irrevocable authority in favour of the exchange;
- ii) Cash deposited with the exchange amounting to Rs. 18.5 million to fulfil the BMC requirement; and
- iii) Shares of PSX (1,602,953 shares) pledged in favour of the exchange.

9 TRADE DEBTS - NET

	Note	(Un-Audited)	(Audited)
		31 March	31 December
		2025	2024
		----- (Rupees) -----	
Trade receivables from the customers	9.1	118,343,940	116,928,212
Less: Loss allowance for expected credit loss (ECL)	9.2	(4,048,184)	(3,297,816)
		114,295,756	113,630,396
Receivable from NCCPL			
- ready market		-	48,807,872
- future market		895,776	538,034
		<u>115,191,532</u>	<u>162,976,302</u>

9.1 Details of the maximum aggregate amount due from the related parties outstanding at any time during the period (month-end balances) are as under:

	(Un-Audited)	(Audited)
	31 March	31 December
	2025	2024
	----- (Rupees) -----	
Habib Metropolitan Bank Limited (the Holding company)	1,083,878	1,337,835
First Habib Modaraba	67	67
Habib Metro Modaraba Management Company (Private Limited)	7,096	7,096

9.2 Loss allowance for expected credit loss (ECL)

Opening Balance	3,297,816	2,742,892
Charge during the period / year	750,368	554,924
Closing Balance	<u>4,048,184</u>	<u>3,297,816</u>

9.3 Aging analysis

(Un-Audited)

31 March 2025

The aging analysis of the trade receivables relating to purchase of shares is as follows:

	Amount	Custody value
	----- (Rupees) -----	
Up to five days	86,573,959	611,413,496
More than five days	31,769,981	2,935,904,153
	<u>118,343,940</u>	<u>3,547,317,648</u>

9.3.1 These custody values are shown at values on the basis of VAR notified by National Clearing Company of Pakistan Limited (NCCPL).

10 LOANS TO EMPLOYEES

(Un-Audited)

(Audited)

31 March

31 December

2025

2024

----- (Rupees) -----

Unsecured, considered good

Loans to Key Management Personnel

Loans to other employees

880,707	1,362,464
<u>1,096,465</u>	<u>431,542</u>
<u>1,977,172</u>	<u>1,794,006</u>

10.1 Above are unsecured interest free balances and are adjustable against the monthly salaries.

11 DEPOSITS AND PREPAYMENTS

Note

(Un-Audited)

(Audited)

31 March

31 December

2025

2024

----- (Rupees) -----

Deposits with:

- NCCPL against the exposure

11.1

49,916,627

114,916,627

- PSX under BMC requirement

11.2

18,500,000

18,500,000

- NCCPL for deliverable future contracts, ready contracts and initial deposit

11.3

1,400,000

1,400,000

- Central Depository Company of Pakistan Limited

11.4

100,000

100,000

- K-Electric Company Limited

34,390

34,390

- Pakistan Beverage Limited

6,000

6,000

69,957,017

134,957,017

Prepayments

4,068,873

684,720

74,025,890

135,641,737

11.1 This represents margin deposit with NCCPL in accordance with the provisions of the Securities Act, 2015. These deposits carry mark-up at the rate of 16.02% (31 December 2024: 14.65%) per annum.

11.2 This represents deposit with PSX to fulfil the base minimum capital requirement. These deposits carry mark-up at the rate of 12.10% (31 December 2024: 13.60%) per annum.

11.3 This represents amount of Rs. 1 million (31 December 2024: Rs. 1 million) on account of basic deposit for deliverable future contracts market, Rs. 0.2 million (31 December 2024: Rs. 0.2 million) for ready market and Rs. 0.2 million (31 December 2024: Rs. 0.2 million) as initial deposit.

11.4 This represent amount of Rs.100,000 (31 December 2024: Rs.100,000) on account of deposit with CDC at the commencement of brokerage business.

12 SHORT TERM INVESTMENTS - at fair value through OCI

	(Un-Audited) 31 March 2025	(Audited) 31 December 2024
	----- (Rupees) -----	
Market treasury bills		
Amortised cost	98,143,859	97,003,328
(Deficit) / surplus arising on revaluation during the period / year	(70,262)	941,530
Market Value	<u>98,073,597</u>	<u>97,944,858</u>

12.1 Government securities

Name of security	Maturity Date	Yield (IRR) %	As at 01 January 2025	Purchased during the period	Matured during the period	As at 31 March 2025	Carrying value as at 31 March 2025 (before revaluation)	Market value as at 31 March 2025
			----- (Units) -----				----- (Rupees) -----	
Market Treasury Bills - 3 months (face value of Rs 5,000)	29-May-25	11.7001%	<u>20,000</u>	20,000	20,000	<u>20,000</u>	98,143,859	98,073,597

12.2 Market treasury bills have been placed as collateral with the NCCPL on account of ready market exposure in the current period.

12.3 Total face value of the above instruments is Rs.100 million.

13 CASH AND BANK BALANCES

CASH AND BANK BALANCES		(Un-Audited) 31 March 2025	(Audited) 31 December 2024
		----- (Rupees) -----	-----
Cash in hand		25,000	25,000
Profit and loss sharing accounts:			
- Habib Metropolitan Bank Limited - The Holding Company	13.1	26,191,259	50,000
- Habib Bank Limited		604,091	613,370
- Meezan Bank Limited		8,462	8,518
		26,803,812	671,888
Current accounts:			
- Habib Metropolitan Bank Limited - The Holding Company	13.2	130,985,170	93,623,856
- MCB Bank Limited		1,554,366	1,554,366
		132,539,536	95,178,222
		159,368,348	95,875,110

13.1 These represent balances maintained in the profit and loss sharing accounts, carrying mark-up at 9% per annum (31 December 2024: 13.50%) per annum.

	(Un-Audited) 31 March 2025	(Audited) 31 December 2024
	----- (Rupees) -----	
13.2 Customers' assets held in the designated bank accounts	<u>130,985,170</u>	<u>93,623,856</u>
13.3 Customers' assets held in the CDC	<u>6,488,425,134</u>	<u>6,083,542,950</u>
13.4 Customers' securities pledged with financial institutions	<u>80,787,540</u>	<u>83,360,612</u>

14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

As of the balance sheet date, 29,999,997 (31 December 2024: 29,999,997) shares were held by the Holding company and 3 (31 December 2024: 3) shares were held by directors of the Company, as the nominees of the Holding Company.

15 DEFERRED TAX ASSET LIABILITIES - net

Deferred tax asset / (liability) comprises of temporary differences in respect of the following:

	Balance as at 1 January 2024	Recognised in profit and loss	Recognised in equity	(Audited) Balance as at 31 December 2024	Recognised in profit and loss	Recognised in equity	(Un-Audited) Balance as at 31 March 2025
	----- (Rupees) -----						
Taxable Temporary difference:							
Property and equipment	(677,724)	472,388	-	(205,336)	80,620	-	(124,716)
Intangible assets	(42,700)	(21,589)	-	(64,289)	(10,605)	-	(74,894)
(Surplus) / deficit on revaluation of investments - net	(1,207)	-	(271,837)	(273,044)	-	273,044	-
	<u>(721,631)</u>	<u>450,799</u>	<u>(271,837)</u>	<u>(542,669)</u>	<u>70,015</u>	<u>273,044</u>	<u>(199,610)</u>
Deductible Temporary difference:							
Provision for leave encashment	-	-	-	-	-	-	-
Liability against right of use asset - net	-	-	-	-	-	-	-
Provision against Receivables from Customers	-	-	-	-	-	-	-
	<u>(721,631)</u>	<u>450,799</u>	<u>(271,837)</u>	<u>(542,669)</u>	<u>70,015</u>	<u>273,044</u>	<u>(199,610)</u>

The Company, as a measure of prudence, has not recognized deferred tax asset of Rs. 1.87 million on deductible temporary differences.

16	TRADE AND OTHER PAYABLES	Note	(Un-Audited) 31 March 2025	(Audited) 31 December 2024
			----- (Rupees) -----	
	Due to customers in respect of securities transactions		134,241,099	192,174,433
	Payable to NCCPL		75,302,973	-
	Payable to workers' welfare fund	16.1	2,736,523	2,736,523
	Accrued expenses		18,191,371	13,370,957
	Sindh sales tax payable- net		-	87,676
			<u>230,471,966</u>	<u>208,369,589</u>

- 16.1** The Finance Act 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the different High Courts. The Company is of the view that it is not liable to pay this liability. However, the management has made provision for WWF for the years from 2008 to 2014 amounting to Rs. 1.79 million as a matter of abundant caution.

The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

The management, as a matter of abundant caution, has decided to maintain the provision of WWF till the decision of Supreme Court in respect of Civil Review Petition.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on 21 May 2015, requires every industrial establishment located in the province of Sindh and having total income of Rs. 0.5 million or more in any year of account commencing on or after the date of closing of account on or after 31 December 2013, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the banking or financial institution in the definition of "industrial undertaking" but does not define financial institution. From 2015 to the date, the Company has created provision of SWWF amounting to Rs.2.74 million.

17	SHORT TERM BORROWING	Note	(Un-Audited) 31 March 2025	(Audited) 31 December 2024
			----- (Rupees) -----	
	Habib Metropolitan Bank Limited - The Holding Company	17.1	-	57,163,844

- 17.1** The Company has obtained running finance facility from the Holding Company having credit limit up to Rs. 350 million (31 December 2024: Rs. 350 million). This carries mark up at the rate of 3 months KIBOR plus 2% per annum (31 December 2024: 3 months KIBOR plus 2% per annum) payable quarterly. This facility is available till 30 June 2025 and is renewable. It is secured by first hypothecation charge on the receivables of the Company registered with Securities and Exchange Commission of Pakistan duly insured in the Holding Company's favour amounting to Rs. 667 million.

18 CONTINGENCIES AND COMMITMENTS

- 18.1** There were no contingencies and commitments as at 31 March 2025.

19 BROKERAGE INCOME

	Note	(Un-Audited) 31 March 2025	2024
		----- (Rupees) -----	
Brokerage income	19.1, 19.2 & 19.3	<u>22,055,942</u>	<u>10,813,036</u>

19.1 Disaggregation revenue**(Un-Audited)
31 March**

In the following table, revenue is disaggregated by type of customers:

	2025	2024
	----- (Rupees) -----	
- Corporate customers	13,386,517	7,286,537
- Individual customers	8,669,425	3,526,499
	<u>22,055,942</u>	<u>10,813,036</u>

19.2 This includes brokerage from related parties amounting to Rs. 0.70 million (31 March 2024: Rs. 1.07 million)**19.3** Brokerage revenue includes Rs. 2.76 million (31 March 2024: Rs. 0.43 million) from customers outside the country.**20 ADMINISTRATIVE EXPENSES**

	<i>Note</i>	(Un-Audited) 31 March	
		2025	2024
		----- (Rupees) -----	
Salaries and benefits	20.1	23,100,229	20,140,240
Communication		1,834,083	1,688,145
Pakistan Stock Exchange (PSX) clearing house, CDC and NCCPL charges		1,769,143	969,242
Repairs and maintenance		1,743,476	1,599,993
Depreciation on property and equipment		1,056,719	1,034,295
Auditors' remuneration		765,000	579,000
Entertainment and business promotions		719,445	186,506
Insurance		701,736	655,759
Utilities and office general expenses		630,675	454,882
Fees and subscription		509,786	296,540
Depreciation on right of use asset		428,558	428,558
Legal and professional charges		360,000	262,230
Amortization of intangible assets		311,119	354,949
Printing and stationery		67,990	59,855
Travelling and conveyance		58,606	50,340
Professional tax		36,000	27,750
Rent		-	33,002
Others		169,148	113,678
		<u>34,261,713</u>	<u>28,934,964</u>

20.1 This includes remunerative of the Chief Executive and executive as follows:

	Chief Executive (CEO) (Un-Audited) 31 March		Executives (Un-Audited) 31 March	
	2025	2024	2025	2024
	----- (Rupees) -----			
Managerial remuneration	3,965,320	3,979,012	6,945,286	5,550,946
Bonus	625,000	-	956,977	-
	<u>4,590,320</u>	<u>3,979,012</u>	<u>7,902,263</u>	<u>5,550,946</u>
Number of persons	<u>1</u>	<u>1</u>	<u>7</u>	<u>5</u>

In addition to the above, the Chief Executive is entitled to company maintained car in accordance with the Company's HR policy.

21 OTHER INCOME

	(Un-Audited) 31 March	
	2025	2024
	----- (Rupees) -----	
Return on NCCPL exposure margin	2,541,130	2,881,488
Return on PSX BMC deposit	766,094	1,061,296
Mark-up on bank balances	394,201	1,884,341
IPO / book building brokerage income	-	-
Physical shares transfer	5	25
Gain on sale of fixed assets	-	-
Unwinding of interest on loan to employees	20,453	117,994
	<u>3,721,883</u>	<u>5,945,144</u>

22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprises of the Holding Company including the Ultimate Parent Company, associated companies, directors of the Company and key management personnel. Remuneration of key management personnel are in accordance with their terms of employment. Other transactions with related parties are at agreed terms.

22.1 Details of transactions during the period are other than those which have been disclosed else where in these condensed interim financial statements are as follows:

	(Un-Audited) 31 March	
	2025	2024
	----- (Rupees) -----	
Habib Metropolitan Bank Limited - the Holding Company		
- Mark-up on bank balance	394,201	1,884,341
- Equity brokerage commission	698,879	888,978
- Repayment of lease obligation against right of use asset	608,970	579,972
- Finance Cost	89,316	127,457
Key Management Personnel		
- Salaries and benefits	10,494,155	10,472,308
- Equity brokerage commission	3,467	11,594
Ultimate Parent Company		
Habib Bank AG Zurich - Equity brokerage commission	-	156,786
Associated Entities - Equity Brokerage Commission		
First Habib Modaraba - (Subsidiary of the Holding Company)	-	-
Habib Metro Modaraba Management Company	-	-
Habib Metro Exchange Services Limited	-	-
Habib Metro Modaraba Management Company		
- Employee Provident Fund	15,897	105,135

22.2 Details of the balances with the related parties are as follows:

	(Un-Audited) 31 March 2025	(Audited) 31 December 2024
	----- (Rupees) -----	
Habib Metropolitan Bank Limited - The Holding Company		
- Bank balances	157,176,429	93,673,856
- Accrued profit on bank balance	394,200	39,988
- Receivable in respect of securities transactions - net	1,083,750	280,039

	(Un-Audited) 31 March 2025 ----- (Rupees) -----	(Audited) 31 December 2024 -----
Key Management Personnel		
- Advances	<u>880,707</u>	<u>1,362,464</u>
- Payable against sale / purchase of securities - net	<u>(116,765)</u>	<u>(261,539)</u>
Ultimate Parent Company		
Habib Bank AG Zurich - Equity brokerage commission	<u>-</u>	<u>-</u>
Associated Entities		
First Habib Modaraba		
- Receivable against sale / purchase of securities - net	<u>67</u>	<u>67</u>
Habib Metro Modaraba Management Company		
- Receivable against sale / purchase of securities - net	<u>7,096</u>	<u>7,096</u>
Habib Metro Exchange Services Limited		
- Receivable against sale / purchase of securities - net	<u>-</u>	<u>-</u>
Habib Metro Modaraba Management Company		
- Employee Provident Fund		
- Receivable against sale / purchase of securities - net	<u>46,197</u>	<u>379,352</u>
Directors (Holding Company)		
- Payable against sale of securities -net	<u>(448,526)</u>	<u>(448,826)</u>
22.3 Number of employees	31 March 2025 (Un-Audited) (Number of employees)	31 December 2024 (Audited)
Number of Employees as at the period / year end	<u>29</u>	<u>26</u>
Average Number of Employees as at the period / year end	<u>29</u>	<u>26</u>
23 TAXATION		
This represents portion of minimum tax under section 233 and under section 5 of the Income Tax Ordinance (ITO), 2001, representing levy in terms of requirements of IFRIC 21 / IAS 37.		
24 EARNING PER SHARE BASIC AND DILUTED	(Un-Audited) 31 March 2025 ----- (Rupees) -----	2024 -----
Net Loss for the period	<u>(7,597,242)</u>	<u>(9,071,441)</u>
	(Number)	
Weighted average ordinary shares during the period	<u>30,000,000</u>	<u>30,000,000</u>
	----- (Rupees) -----	
Earning per share - basic and diluted	<u>(0.25)</u>	<u>(0.30)</u>

25 DISCLOSURE UNDER REGULATION 5(4) OF RESEARCH ANALYST REGULATIONS 2015

At present the Company has seven members in its Research Department (including head of research, three research analysts, one data base administrator and two graduate trainees). All members report to the head of research who in turn reports to Chief Executive Officer.

Compensation structure of research analysts is flat and is subject to qualification, experience and skill set of the person. However, the compensation of anyone employed in the research department does not in anyway depend on the contents/outcome of research report.

During the period ended 31 March 2025, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs. 2.41 million which comprises basic salary, medical allowance and other benefits and bonus as per the Company's policy.

26 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market prices used for financial assets held by the Company are current bid prices.

A financial instrument is regarded as quoted in an active market if quoted prices are readily available and regularly available from an exchange, dealer, broker, industry group, pricing services, or regulatory agency, and these prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

The different levels (methods) have been:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair value of the financial assets that are traded in active markets are based on quoted market prices.

		31 March 2025 (Un-Audited)							
		Carrying Value				Fair value			
		Fair value through Other Comprehensive Income	Fair value through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
(Rupees)									
On balance sheet financial instruments									
Financial assets measured at fair value									
- Short term investments									
- Market treasury bills		98,073,597	-	-	98,073,597	-	98,073,597	-	98,073,597
- Long term investments									
- Investment in the shares of Pakistan Stock Exchange Limited		40,394,416	-	-	40,394,416	40,394,416	-	-	40,394,416
		<u>138,468,013</u>	<u>-</u>	<u>-</u>	<u>138,468,013</u>	<u>40,394,416</u>	<u>98,073,597</u>	<u>-</u>	<u>138,468,013</u>
Financial assets not measured at fair value									
- Trade debts - net	26.2	-	-	115,191,532	115,191,532				
- Loan to employees		-	-	1,977,172	1,977,172				
- Deposits		-	-	69,957,017	69,957,017				
- Other receivables		-	-	148,975	148,975				
- Accrued profit		-	-	3,867,059	3,867,059				
- Cash and bank balances		-	-	159,368,348	159,368,348				
		<u>-</u>	<u>-</u>	<u>350,510,103</u>	<u>350,510,103</u>				
Financial liabilities not measured at fair value									
- Trade and other payables	26.2	-	-	227,735,443	227,735,443				
- Liabilities against right of use asset		-	-	2,819,207	2,819,207				
- Short Term Borrowing		-	-	-	-				
		<u>-</u>	<u>-</u>	<u>230,554,650</u>	<u>230,554,650</u>				
		31 December 2024 (Audited)							
		Carrying Value				Fair value			
		Fair value through Other Comprehensive Income	Fair value through Profit or Loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
(Rupees)									
On balance sheet financial instruments									
Financial assets measured at fair value									
- Short term investments									
- Market treasury bills		97,944,858	-	-	97,944,858	-	97,944,858	-	97,944,858
- Long term investments									
- Investment in shares of Pakistan Stock Exchange Limited		44,481,946	-	-	44,481,946	44,481,946	-	-	44,481,946
		<u>142,426,804</u>	<u>-</u>	<u>-</u>	<u>142,426,804</u>	<u>44,481,946</u>	<u>97,944,858</u>	<u>-</u>	<u>142,426,804</u>
Financial assets not measured at fair value									
- Trade debts - net	26.2	-	-	162,976,302	162,976,302				
- Loan to employees		-	-	1,794,006	1,794,006				
- Deposits		-	-	134,957,017	134,957,017				
- Other receivables		-	-	216,850	216,850				
- Accrued Profit		-	-	3,478,178	3,478,178				
- Cash and bank balances		-	-	95,875,110	95,875,110				
		<u>-</u>	<u>-</u>	<u>399,297,463</u>	<u>399,297,463</u>				
Financial liabilities not measured at fair value									
- Trade and other payables	26.2	-	-	205,545,390	205,545,390				
- Liabilities against right of use asset		-	-	3,359,036	3,359,036				
- Short Term Borrowing		-	-	57,163,844	57,163,844				
		<u>-</u>	<u>-</u>	<u>266,068,270</u>	<u>266,068,270</u>				

26.1 Valuation techniques used in determination of fair values within level 2:

Investments in Market Treasury Bills are valued on the basis of the PKRVs announced by the Mutual Funds Association of Pakistan (MUFAP).

26.2 Fair values of these financial instruments have not been disclosed as these are either short term in nature or repriced frequently. As such their carrying values are reasonable approximation of their Fair values.

26.3 Financial instruments not measured at fair values are stated at amortised cost.

27 CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost to safeguard the entity's ability to continue as a going concern.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. Furthermore, the Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

28 BASE MINIMUM CAPITAL

Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (the Act), all trading right entitlement certificate (TRE) certificate holders of Pakistan Stock Exchange (PSX), in compliance with the Schedule-I of Chapter 19: Risk Management Regulations of the PSX Rule Book, are required to maintain a Base Minimum Capital (BMC). As at 31 March 2025 and as per slabs given under the above mentioned regulations, the Company is required to maintain a BMC of Rs. 31.13 million with PSX. The Company is in compliance with the aforementioned requirement as at 31 March 2025.

29 CORRESPONDING FIGURES

Comparative figures have been re-arranged and reclassified wherever necessary for the purpose of comparison and better presentation. However, no material changes have been made.

30 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 29 April 2025 by the Board of Directors of the Company.

Chief Executive Officer

Director