

## **PRESS RELEASE**

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### **SECP Commissioner launches NBFIs & Modaraba Year Book 2023**

KARACHI, May 22: The Commissioner, Specialized Companies Division, SECP, Mujtaba Ahmed Lodhi, launched the NBFIs & Modaraba Association of Pakistan's Year Book 2023, which contains vital information regarding the NBFIs & Modaraba sector.

The launch ceremony, held at the Association's office was attended by a large number of industry representatives. The Year Book indicates that despite its challenges, the NBFIs and Modaraba sector has shown significant improvement, particularly in terms of assets, profitability, dividend distribution and tax payments. The assets of the sector increased to Rs 158,404 million in FY 2023 as compared to Rs. 142,918 million in FY 2022. However, the total equity of the sector decreased to Rs. 51,518 million in FY 2023 from Rs 55,358 million in FY 2022/ the decline in equity attributed to departure of a few of the Modaraba members owing to transformation in their business models. However, despite reduction in equity, the sector's overall profitability reached Rs 3,431 million in FY 2023 compared to Rs 2,445 million in FY 2022 reflecting an increase of Rs 986 million.

Lodhi emphasized the need for NBFIs and Modarabas to expand their role in order to effectively promote financial inclusion in Pakistan. He also urged market participants to focus on technological advancement, innovation, product diversification, capacity building, and high governance standards to ensure their role in the financial sector is further enhanced.

Furthermore, he highlighted that there is a renewed interest in fintech-based business models, evident from the growing number of licensed activities. Citing the high demand for tech-enabled platforms and Islamic financial services in Pakistan, he encouraged NBFIs and Modarabas to embrace technology for delivery of financial services and access to underserved segments of the population.

Earlier, Muhammad Shoaib Ibrahim, Chairman, NBFIs & Modaraba Association of Pakistan welcomed the participants and presented key highlights of the industry.

As the ceremony came to close, awards for the best performance were distributed amongst members who exhibited extraordinary performances during the year. The SECP and the Association reiterated their commitment to working together to advance the growth and development of this important sector.

