



FNB

First National Bank Modaraba

فرسٹ نیشنل بینک مضاربہ

QUARTERLY
REPORT
SEPTEMBER 30,
2026

FIRST NATIONAL BANK MODARABA

Managed By:

National Bank Modaraba Management Company Limited
(A wholly owned subsidiary of National Bank of Pakistan)

First National Bank Modaraba

Quarterly Report
September 30, 2026

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CORPORATE INFORMATION

Board of Directors*	Mr. Javaid Bashir Sheikh Mr. Fouad Farrukh Mr. Usman Shahid Mr. Hasan Ahmed Mr. Ijaz Bashir Sheikh Ms. Tosheeba Sarwar Mr. Shahid Iqbal Choudhri	Chairman Director Director Director Director Director Chief Executive Officer
Audit Committee	Mr. Hasan Ahmed Mr. Usman Shahid Ms. Tosheeba Sarwar	Chairman Member Member
HR & Remuneration Committee	Mr. Ijaz Bashir Sheikh Mr. Javaid Bashir Sheikh Mr. Fouad Farrukh	Chairman Member Member
Shari'ah Advisor	Mufti Ehsan Waquar Ahmed	
Company Secretary (A)	Ms. Nadia Jalil	
Chief Financial Officer	Mr. Naeem Tariq	
Auditors	Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants	
Bankers	National Bank of Pakistan Bank Islami Pakistan Limited	
Legal Advisor	Muhammad Aqeel Malik Advocates Supreme Court Aqeel & Associates, Advocate/Legal Consultants Office No. 12, 1st Floor, Khawaja Arcade Wahdat Road, Lahore Tel.: 042-35462464	
Shares Registrar	Hameed Majeed Associates (Pvt.) Limited H. M. House, 7 - Bank Square, Lahore Tel: 37235081-2, Fax: 37358817	
Registered Office	Ground Floor, NBP-RHQ Building, 26 - McLagon Road, Lahore Tel: 042-99211200, Fax: 042-99213247 URL: http://www.nbmodaraba.com E-mail: mail@nbmodaraba.com	

Directors' Review Report

On behalf of the Board of Directors of National Bank Modaraba Management Company Limited (NBMMCL), the Management Company of First National Bank Modaraba (FNBM), we are pleased to present the quarterly report, together with the unaudited financial statements of FNBM, for the first quarter ended September 30, 2026.

Pakistan's macroeconomic environment continues to show signs of gradual stabilization, supported by modest growth in key sectors and ongoing reform measures under international adjustment frameworks. However, the domestic economic recovery remains subject to significant external risks. The global economic outlook for 2026-27 remains fragile due to ongoing geopolitical conflicts in the Middle East, contributing to volatility in international oil prices, elevated freight costs and supply chain disruptions.

While the State Bank of Pakistan's monetary policy remains focused on domestic price stability and sustainable growth, fluctuations in international commodity prices, potential exchange-rate pressures and structural fiscal challenges continue to affect domestic economic activity.

During the first quarter under review, management remained focused on recovering outstanding amounts from the classified portfolio, achieving recoveries of Rs. 2.23 million during the period. Profit on investments amounting to Rs. 8.80 million remained the principal contributor to total operating income of Rs. 9.65 million.

Despite continued efforts to contain expenditure, total expenditure amounted to Rs. 11.01 million, including finance costs of Rs. 6.78 million. Consequently, the Modaraba incurred a loss before tax of Rs. 1.35 million during the period under review.

The Board-approved business plan for the revival and restructuring of the Modaraba's operations has been submitted to the sponsoring bank, National Bank of Pakistan (NBP), for its review and consideration. The plan aims to restore the Modaraba's financial viability and strengthen its operational sustainability. Its implementation remains subject to the requisite approvals and compliance with applicable legal and regulatory requirements.

A petition for the winding-up of the Modaraba is currently pending before the competent forum. Management is actively engaging with the relevant stakeholders in this regard. Any further developments will be addressed in accordance with applicable legal and regulatory requirements.

The Board takes this opportunity to thank its valued certificate holders and clients for their continued patronage. The Board also expresses its sincere gratitude to the Registrar Modarabas, the Securities and Exchange Commission of Pakistan (SECP), and the NBFI & Modaraba Association of Pakistan for their continued guidance and support. Finally, the Board appreciates the dedication and hard work of the management and staff of the Management Company and the Modaraba.

For and on Behalf of the Board



Chief Executive Officer



Director

Lahore:

Dated: October 24, 2026

ڈائریکٹرز کی جائزہ رپورٹ

نیشنل بینک مضاربہ مینجمنٹ کمپنی لمیٹڈ (NBMMCL)، جو فرسٹ نیشنل بینک مضاربہ (FNBM) کی مینجمنٹ کمپنی ہے، کے بورڈ آف ڈائریکٹرز کی جانب سے ہمیں یہ سہ ماہی رپورٹ، فرسٹ نیشنل بینک مضاربہ کے غیر آڈٹ شدہ مالی گوشواروں سمیت، 30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی کے لیے پیش کرتے ہیں۔

پاکستان کی مجموعی معاشی صورت حال میں بتدریج استحکام کے آثار دکھائی دے رہے ہیں۔ انہم شعبوں میں محدود ترقی اور بین الاقوامی مالیاتی ایڈجسٹمنٹ پروگراموں کے تحت جاری اصلاحاتی اقدامات اس میں معاون ہیں۔ تاہم، ملکی معیشت کی بحالی کو اب بھی بیرونی خطرات کا سامنا ہے۔ مشرق وسطیٰ میں جاری جغرافیائی و سیاسی تنازعات کے باعث مالی سال 2026-27 کے لیے عالمی معاشی منظر نامہ غیر یقینی ہے، جس سے عالمی منڈی میں تیل کی قیمتوں میں اتار چڑھاؤ، مال برداری کے بڑھتے ہوئے اخراجات اور سپلائی چین میں رکاوٹیں پیدا ہو رہی ہیں۔

اسٹیٹ بینک آف پاکستان کی مالیاتی پالیسی ملکی قیمتوں میں استحکام اور پائیدار ترقی پر توجہ مرکوز کیے ہوئے ہے۔ تاہم، عالمی اجناس کی قیمتوں میں تبدیلی، شرح مبادلہ پر کمندہ باؤ اور مالیاتی ڈھانچے سے متعلق بنیادی مسائل بدستور ملکی معاشی سرگرمیوں کو متاثر کر رہے ہیں۔

زیر جائزہ پہلی سہ ماہی کے دوران انتظامیہ نے غیر تسلی بخش / درجہ بند قرضوں اور واجبات کی مد میں بقایا رقوم کی وصولی پر توجہ برقرار رکھی، اور اس عرصے میں 2.23 ملین روپے کی وصولیاں حاصل کیں۔ سرمایہ کاری سے حاصل ہونے والا 8.80 ملین روپے کا منافع، مجموعی آپریٹنگ آمدن 9.65 ملین روپے کا بنیادی ذریعہ رہا۔ اخراجات کو قابو میں رکھنے کی مسلسل کوششوں کے باوجود مجموعی اخراجات 11.01 ملین روپے رہے، جن میں 6.78 ملین روپے کے مالیاتی اخراجات بھی شامل ہیں۔ نتیجتاً، زیر جائزہ مدت کے دوران مضاربہ کو ٹیکس سے پہلے 1.35 ملین روپے کا نقصان ہوا۔

مضاربہ کے کاروباری امور کی بحالی اور تنظیم نو کے لیے بورڈ سے منظور شدہ کاروباری منصوبے، جائزے اور غور و خوض کے لیے اسپانسر بینک، نیشنل بینک آف پاکستان (NBP)، کو جمع کرا دیا گیا ہے۔ اس منصوبے کا مقصد مضاربہ کی مالی استحکام کی صلاحیت بحال کرنا اور اس کے عملی نظام کو پائیدار بنانا ہے۔ اس منصوبے پر عمل درآمد متعلقہ منظور یوں کے حصول اور قابل اطلاق قانونی و ضابطہ جاتی تقاضوں کی پابندی سے مشروط ہے۔

مضاربہ کو بند کرنے سے متعلق ایک درخواست اس وقت مجاز فورم کے سامنے زیر سماعت ہے۔ انتظامیہ اس معاملے میں متعلقہ فریقین سے مسلسل رابطے میں ہے۔ اس حوالے سے ہونے والی مزید پیش رفت پر قابل اطلاق قانونی اور ضابطہ جاتی تقاضوں کے مطابق کارروائی کی جائے گی۔

بورڈ اس موقع پر اپنے قابل قدر سرٹیفکیٹ ہولڈرز اور صارفین کا مسلسل اعتماد اور تعاون پر رقرار رکھنے پر شکریہ ادا کرتا ہے۔ بورڈ، رجسٹرڈ مضاربہ، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، اور این بی ایف آئی اینڈ مضاربہ ایسوسی ایشن آف پاکستان کی مسلسل رہنمائی اور معاونت پر بھی دلی تشکر کا اظہار کرتا ہے۔ آخر میں، بورڈ مینجمنٹ کمپنی اور مضاربہ کے انتظامی عملے کی لگن اور محنت کو سراہتا ہے۔

منجانب / برائے بورڈ



چیف ایگزیکٹو آفیسر



ڈائریکٹر

لاہور: 24 اکتوبر 2026ء

Quarterly Report-September 30, 2026

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2026 (UN-AUDITED)

		September 30, 2026	June 30, 2026
	Note	Rupees (Un-audited)	Rupees (Audited)
ASSETS			
CURRENT ASSETS			
Cash and bank balances		761,302	4,171,405
Short term murabaha investments - secured	4	1,772,953	1,772,953
Accrued profit		3,524,686	3,560,584
Short term investments	5	362,436,669	354,012,983
Ijarah rentals receivable	6	11,804,533	11,804,532
Prepayments and other receivables		1,354,307	1,406,586
Income tax recoverable/ adjustable		22,077,192	20,479,936
Current portion of non-current assets	7	5,395,284	5,975,887
		409,126,926	403,184,866
NON-CURRENT ASSETS			
Net investment in ijarah finance	8	6,525,512	7,144,909
Long term murabaha investments - secured	9	-	-
Long term deposit		37,500	37,500
Intangible asset	10	-	-
Fixed assets under ijarah arrangements	11	32,949,326	32,949,326
Fixed assets under own use	12	197,636	29,173
		39,709,974	40,160,908
TOTAL ASSETS		448,836,900	443,345,774
LIABILITIES			
CURRENT LIABILITIES			
Accrued profit on short term financing		223,488,732	216,702,675
Short term financing - secured	13	217,063,388	217,063,388
Creditors, accrued and other liabilities	14	5,556,976	5,500,061
Unclaimed dividend		425,218	425,218
Security deposits against ijarah assets		32,996,026	32,996,026
Provision for taxation		661,161	540,491
TOTAL LIABILITIES		(480,191,501)	(473,227,859)
NET LIABILITIES		(31,354,601)	(29,882,085)
FINANCED BY:			
Certificate capital		250,000,000	250,000,000
Statutory reserve		45,519,244	45,519,244
Accumulated loss		(326,873,845)	(325,401,329)
		(31,354,601)	(29,882,085)
		-	-
TOTAL EQUITY AND RESERVES		(31,354,601)	(29,882,085)
CONTINGENCIES AND COMMITMENTS			
	15	-	-

The annexed notes 1 to 20 form an integral part of these financial statements.

 Chief Financial Officer National Bank Modaraba Management Company Limited	 Director National Bank Modaraba Management Company Limited	 Director National Bank Modaraba Management Company Limited	 Chief Executive Officer National Bank Modaraba Management Company Limited
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Lahore: October 24, 2026

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UN-AUDITED)

		For the quarter ended	
		September 30, 2026	September 30, 2025
	Note	Rupees	Rupees
INCOME FROM OPERATIONS			
Profit on bank deposits		70,068	107,767
Profit on short term investments		8,804,002	8,172,080
		8,874,070	8,279,847
OTHER INCOME			
Reversal of provision charged for doubtful receivables	16	-	-
Suspension reversed during the period		-	1,500,000
Other income		779,506	-
		779,506	1,500,000
TOTAL INCOME		9,653,576	9,779,847
EXPENSES			
Operating expenses		(4,217,685)	(3,702,009)
Finance cost		(6,787,737)	(6,383,797)
TOTAL EXPENSES		(11,005,422)	(10,085,806)
OPERATING (LOSS)/ PROFIT BEFORE PROVISIONS AND TAXATION		(1,351,846)	(305,959)
Provision charged for doubtful receivables		-	-
(LOSS)/ PROFIT BEFORE MANAGEMENT COMPANY'S FEE		(1,351,846)	(305,959)
Modaraba Management Company's fee		-	-
Provision for Worker's Welfare Fund		-	-
(LOSS)/ PROFIT BEFORE LEVIES AND INCOME TAX		(1,351,846)	(305,959)
Levies		(120,670)	(131,531)
(LOSS)/ PROFIT BEFORE INCOME TAX		(1,472,516)	(437,490)
Taxation - Income tax		-	-
(LOSS)/ PROFIT FOR THE PERIOD		(1,472,516)	(437,490)
OTHER COMPREHENSIVE LOSS - NET OF INCOME TAX			
Items that may be reclassified subsequently to the statement of profit or loss		-	-
Items that will not be reclassified subsequently to the statement of profit or loss			
- Unrealised loss on revaluation of sukuk		-	-
Other comprehensive loss for the period		-	-
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD		(1,472,516)	(437,490)
(LOSS)/ EARNINGS PER MODARABA CERTIFICATE - BASIC AND DILUTED	17	(0.06)	(0.02)

The annexed notes 1 to 20 form an integral part of these financial statements.

 Chief Financial Officer National Bank Modaraba Management Company Limited	 Director National Bank Modaraba Management Company Limited	 Director National Bank Modaraba Management Company Limited	 Chief Executive Officer National Bank Modaraba Management Company Limited
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Lahore: October 24, 2026

Quarterly Report-September 30, 2026

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UN-AUDITED)

Particulars	Certificate capital	Statutory reserve	Accumulated loss	Total equity and reserves
	Rupees			
Balance as at 01 July 2025 (Audited)	250,000,000	45,519,244	(321,047,725)	(25,528,481)
Total comprehensive income :				
Profit/ (Loss) for the period	-	-	(437,490)	(437,490)
Other comprehensive (loss)/ profit for the year				-
		-	(437,490)	(437,490)
Transferred to statutory reserve	-	-	-	-
Balance as at 30 Sep 2025 (Un-audited)	250,000,000	45,519,244	(321,485,215)	(25,965,971)
Balance as at 01 July 2026 (Audited)	250,000,000	45,519,244	(325,401,329)	(29,882,085)
Total comprehensive income :				
Profit/ (Loss) for the year	-	-	(1,472,516)	(1,472,516)
Other comprehensive (loss)/ profit for the year	-	-	-	-
	-	-	(1,472,516)	(1,472,516)
Balance as at 30 September 2026 (Un-audited)	250,000,000	45,519,244	(326,873,845)	(31,354,601)

The annexed notes 1 to 20 form an integral part of these financial statements.

 Chief Financial Officer National Bank Modaraba Management Company Limited	 Director National Bank Modaraba Management Company Limited	 Director National Bank Modaraba Management Company Limited	 Chief Executive Officer National Bank Modaraba Management Company Limited
Lahore: October 24, 2026			

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UN-AUDITED)

	For the quarter ended	
	September 30, 2026	September 30, 2025
	Rupees	Rupees
CASH FLOWS FORM OPERATING ACTIVITIES		
Profit before levies and income tax	(1,351,846)	(305,959)
Adjustments for non-cash and other items:		
- Depreciation on fixed assets under own use	16,537	24,433
- Profit on short term investments	(8,804,002)	(8,172,080)
- Suspension reversed during the year	-	(1,500,000)
- Finance cost	6,787,737	6,383,797
- Profit on term deposit receipts and bank deposits	(70,068)	(107,767)
	(2,069,796)	(3,371,617)
Operating cash flows before working capital changes	(3,421,642)	(3,677,576)
Changes in working capital:		
Decrease/ (increase) in current assets:		
- Accrued profit	8,839,900	7,806,136
- Ijarah rentals receivable	-	1,500,000
- Advances, prepayments and other receivables	52,279	(31,629)
- Income tax recoverable/ adjustable	(1,597,256)	(1,588,706)
- Long term murabaha investments - secured	1,200,000	1,200,000
- Net investment in ijara financing	-	138,091
Increase/ (decrease) in current liabilities:		
- Creditors, accrued and other liabilities	56,915	(120,187)
Net changes in working capital	8,551,838	8,903,705
	5,130,196	5,226,129
Finance cost paid	(1,680)	(1,300)
Profit received on bank deposits	70,068	107,767
Net cash generated from operating activities	5,198,584	5,332,596
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment made in fixed assets - under own use	(185,000)	-
Proceeds from disposal of fixed assets - under own use	-	-
Short term investments - net	(8,423,687)	(7,000,000)
Net cash used in investing activities	(8,608,687)	(7,000,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in cash and cash equivalents	(3,410,103)	(1,667,404)
Cash and cash equivalents at the beginning of the year	4,171,405	9,483,517
Cash and cash equivalents at the end of the period	761,302	7,816,113

The annexed notes 1 to 20 form an integral part of these financial statements.

 Chief Financial Officer National Bank Modaraba Management Company Limited	 Director National Bank Modaraba Management Company Limited	 Director National Bank Modaraba Management Company Limited	 Chief Executive Officer National Bank Modaraba Management Company Limited
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Lahore: October 24, 2026

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 First National Bank Modaraba ("the Modaraba") is a multi-purpose, perpetual and multi-dimensional Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed thereunder. The Modaraba is managed by National Bank Modaraba Management Company Limited, a wholly owned subsidiary of the National Bank of Pakistan (the Modaraba Management Company), incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at Ground Floor, National Bank of Pakistan, Regional Headquarters Building, 26-Mc Lagon Road, Lahore.

The Modaraba is listed on Pakistan Stock Exchange Limited (PSX). It commenced its operations on 4 December 2003 and is currently engaged in various Islamic modes of financing and operations including ijarah, musharaka and murabaha arrangements.

1.2 Going concern assumption

During the period, the Modaraba incurred loss after taxation amounting to Rs. 1.473 million (30 September 2025: Rs. 0.437 million). As at the reporting date, the Modaraba's current liabilities exceed its current assets by Rs. 71.064 million (30 June 2026: Rs. 70.042 million) and its accumulated loss amounts to Rs. 326.874 million (30 June 2026: Rs. 325.401 million) which exceeds its total subscribed certificate capital by Rs. 76.87 million (30 June 2026: Rs. 75.40 million). The trading in the certificates of Modaraba has already been suspended and the name of the Modaraba is included in the defaulter list of PSX.

Accumulated loss as on 30 September 2026 contain Rs. 205.871 million (30 June 2026: Rs. 205.871 million) against provision for doubtful receivables; the management believes that these amounts are notional in nature and these provisions are reversible in future to the extent of actual cash recoveries, as and when realized, from the defaulter clients.

The Modaraba has filed legal suits for recoveries against all its defaulter clients and Rs. 431.157 million (30 June 2026 : 431.157 million) have been decreed in the Modaraba's favor by the Honorable Banking Courts, against principal amount, that are pending execution. Further as referred in note 13.1, the short term running finance facility obtained from NBP was expired on 31 October 2019 that has yet not been renewed while markup outstanding thereupon is also yet to be paid. Outstanding markup on this facility upto 31 October 2019 was Rs. 10.800 million. The Modaraba, while its request of waiver/ reduction of markup is in pendency, has accrued a further amount of Rs. 212.688 million on account of finance cost against this facility accumulating to Rs. 223.488 million (30 June 2026: Rs. 216.703 million) as at the reporting date. Total current liabilities amounting to Rs. 480.192 million (30 June 2026: Rs. 473.228 million) include Rs. 440.552 million (30 June 2026: Rs. 433.766 million) payable to National Bank of Pakistan (NBP) on account of outstanding principal and markup on short term running finance facility that the management believes is not readily payable. Further, the current liabilities also include Rs. 32.996 million (30 June 2026 Rs. 32.996 million) worth security deposits that are not immediately repayable rather shall be adjusted against the residual value of ijarah assets. Furthermore, the Modaraba has recovered Rs. 2.229 million (30 September 2025: Rs. 2.838 million) from certain customers against non-performing finances during the current period.

In purview of the consistent losses of the Modaraba, the Registrar Modaraba issued a show cause notice to the Modaraba as to why should the proceedings to wind it up not be initiated in terms of Section 23(1)(ii)(b) of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. Further, the Registrar Modaraba, in exercise of powers conferred under Section 23(1)(ii)(b) of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and aforementioned show cause notice, has passed an order dated 31 October 2019, for filing an application for winding up before the Modaraba Tribunal, Lahore. Subsequent to the order dated 31 October 2019 of Registrar Modaraba, the winding up petition has been filed by Registrar Modaraba on 16 June 2020 under section 23(1)(ii)(b) before the Honorable Modaraba Tribunal, Lahore. However, the case is pending before the court and next date of hearing has been fixed on 25 November 2026.

The winding up petition filed by the Registrar Modaraba indicates the existence of material uncertainty that casts significant doubts about the Modaraba's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Therefore, these financial statements have been prepared on the basis of estimated realizable/ settlement values of assets and liabilities respectively. As per managements' evaluation disposal of assets in future is not expected to result in any gain, thus upside adjustment is not recognised in these financial statements.

2 BASIS OF PREPARATION

2.1 Accounting convention

These condensed interim financial statements have been prepared on the basis other than going concern using estimated realizable/ settlement values of the assets and liabilities respectively. In realizable/ settlement value basis, assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, that is the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business.

2.2 Statement of compliance

These condensed interim financial statements are unaudited and have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting (IAS-34), the provisions and requirements of the Companies Act, 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan (the Modaraba Regulations). In case above requirements of applicable accounting standards differ from the relevant laws, the relevant laws have been followed. The disclosures in these condensed interim financial statements do not include all the information reported in audited annual financial statements and should therefore be read in conjunction with the audited financial statements for the year ended 30 June 2026.

2.3 Presentation

These condensed interim financial statements are presented in Pak Rupees, which is also the Modaraba's functional currency. All the figures have been rounded off to the nearest Pak Rupees unless stated otherwise.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 The accounting policies adopted for the preparation of these condensed interim financial statements (unaudited) are consistent with those applied in the preparation of annual audited financial statements of the Modaraba for the year ended 30 June 2026.

3.2 Standards and amendments to published accounting and reporting standards which were effective during the quarter ended 30 September 2026

There are other new standards which are effective from 01 July 2026 but they do not have a material effect on the Modaraba's condensed interim financial statements.

3.3 Standards and amendments to approved accounting and reporting standards that are not yet

There are other new standards and certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Modaraba's annual accounting periods beginning on or after 01 July 2026. However, these standards, amendments and interpretations will not have any significant impact on the financial reporting of the Modaraba and, therefore, have not been disclosed in these condensed interim financial statements.

Quarterly Report-September 30, 2026

	Note	September 30, 2026 Rupees (Un-audited)	June 30, 2026 Rupees (Audited)					
4 SHORT TERM MURABAHA INVESTMENTS - SECURED								
Short term murabaha investments (considered doubtful)	4.1	89,979,046	89,979,046					
Add: Deferred murabaha income		274,022	274,022					
		90,253,068	90,253,068					
Less: Provision for non-performing murabaha investments	4.2	(88,206,093)	(88,206,093)					
Less: Suspended income		(274,022)	(274,022)					
		1,772,953	1,772,953					
4.1 These represent investments under murabaha arrangements from 6 (30 June 2026: 6) customers on deferred payment basis at expected profit rates ranging from 8.36% to 14.64% (30 June 2026: 8.36% to 14.64%) per annum. These investments are secured against charge over fixed and current assets, personal guarantees of directors of customers companies, registered and equitable mortgage of properties, demand promissory notes and post-dated cheques varying from case to case. Legal proceedings against these customers are in process in Honorable Courts of Law. The Courts have awarded decree in favour of the Modaraba in above cases for recovery of Rs. 174.431 million (30 June 2026: Rs. 174.431 million), while the execution of decree proceedings is underway in the court.								
4.2 Provision for non-performing murabaha investments								
Opening balance		88,206,093	89,933,634					
Reversed during the Period / year		-	(1,727,541)					
Closing balance	16	88,206,093	88,206,093					
5 SHORT TERM INVESTMENTS								
<table><tr><td>30-09-2026</td><td>30-06-2026</td></tr></table>				30-09-2026	30-06-2026			
30-09-2026	30-06-2026							
(Mutual Funds fair value through Profit & Loss)								
No. of units								
<table><tr><td>4,860,323</td><td>2,060,723</td><td>NBP - Islamic Money Market Fund</td><td>50,936,669</td><td>21,012,983</td></tr></table>				4,860,323	2,060,723	NBP - Islamic Money Market Fund	50,936,669	21,012,983
4,860,323	2,060,723	NBP - Islamic Money Market Fund	50,936,669	21,012,983				
National Bank Aitmaad - Term Deposit Certificates	5.1	311,500,000	333,000,000					
		362,436,669	354,012,983					
5.1 These term deposit certificates yield profit at the rates ranging from 9.50% to 10.00% (30 June 2026: 9.25% to 9.75%) per annum.								
	Note	September 30, 2026 Rupees (Un-audited)	June 30, 2026 Rupees (Audited)					
6 IJARAH RENTALS RECEIVABLE								
Considered doubtful	6.2	77,885,687	77,885,687					
Less: Provision for doubtful ijarah rentals receivable	6.3	(46,127,257)	(46,127,257)					
Less: Profit held in suspense account		(19,953,897)	(19,953,898)					
		11,804,533	11,804,532					

6.1 This represents receivables from various customers under the ijarah finance. Legal proceedings against 7 (30 June 2026: 7) customers are in process in the Honorable Courts of Law. The Courts have awarded decree in favour of Modaraba in above cases for recovery of Rs. 118.036 million (30 June 2026: 118.036 million), while the execution of decree proceedings in underway in the court.

6.2 Considered doubtful

Opening balance	77,885,687	83,599,076
Less: Received during the period / year	-	(5,713,389)
Considered doubtful	<u>77,885,687</u>	<u>77,885,687</u>

6.3 Provision for doubtful ijarah rentals receivable

Opening balance	46,127,257	46,127,257
Charged during the period / year	-	-
Written back during the period / year	-	-
Net charged/ (reversed) during the period / year	-	-
Closing balance	<u>46,127,257</u>	<u>46,127,257</u>

7 CURRENT AND OVERDUE PORTION OF NON-CURRENT ASSETS

Current portion:

Net investment in ijarah finance	8	2,393,125	2,308,662
Long term murabaha investments - secured	9	1,073,581	2,273,581
		3,466,706	4,582,243
Overdue portion of Net investment in ijarah finance	8	1,928,578	1,393,644
		<u>5,395,284</u>	<u>5,975,887</u>

8 NET INVESTMENT IN IJARAH FINANCE

Minimum ijarah rentals receivable		46,853,598	46,853,598
Add: Residual value of ijarah assets		46,700	46,700
Gross investment in ijarah finance		46,900,298	46,900,298
Less: Unearned finance income		(24,109,320)	(24,109,320)
Net investment in ijarah finance		22,790,978	22,790,978
Less: Provision for doubtful net investment in ijarah finance	8.1	(11,943,763)	(11,943,763)
		10,847,215	10,847,215
Less: Overdue portion	7	(1,928,578)	(1,393,644)
Less: Current portion	7	(2,393,125)	(2,308,662)
		<u>6,525,512</u>	<u>7,144,909</u>

8.1 Provision for doubtful net investment in ijarah financing

Opening balance	16	11,943,763	12,405,630
Charged/ (reversed) during the period / year		-	(461,867)
Closing balance		<u>11,943,763</u>	<u>11,943,763</u>

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- 8.2** The initial investment represents ijarah arrangement entered into with Chenab Limited (the company) for a period of 10 years at an implicit profit rate of 8.7% per annum against security deposits of Rs. 46,700 (30 June 2026: Rs. 46,700). The Lahore High Court has approved the scheme of arrangement of the company on 14 September 2021 for rehabilitation of the company, which has been implemented. The scheme is binding on all the creditors of the company. As per approved scheme of arrangement, recovery suit has been decreed in the Modaraba's favor through consent decree on 29 June 2022 and the execution proceedings have been adjourned in the court. The Modaraba has so far recovered pro rata share of Rs. 3.932 million (30 June 2026: Rs. 3.470 million) under the scheme through sale of non-core assets of the company.

Note	September 30, 2026 Rupees	June 30, 2026 Rupees
	(Un-audited)	(Audited)

9 LONG TERM MURABAHA INVESTMENTS - SECURED

Considered doubtful	9.1	60,667,630	61,867,630
Add: Deferred murabaha income		29,388,304	29,388,304
		90,055,934	91,255,934
Less: Provision for doubtful murabaha investments	9.2	(59,594,049)	(59,594,049)
Less: Suspension for doubtful murabaha investments		(29,388,304)	(29,388,304)
		1,073,581	2,273,581
Less: Current portion	7	(1,073,581)	(2,273,581)
		-	-

9.1 Movement in the account of long term murabaha investments Considered doubtful

Opening balance	61,867,630	66,667,630
Less: Received during the period / year	(1,200,000)	(4,800,000)
Closing balance	60,667,630	61,867,630

9.2 Provision for doubtful murabaha investments

Opening balance	59,594,049	59,594,049
Reversed during the period / year	16	-
Closing balance	59,594,049	59,594,049

10 INTANGIBLE ASSET

Cost	1,131,300	1,131,300
Accumulated amortization	(1,131,300)	(1,131,300)
Net book value	-	-

- 10.1** This represents ERP software. As at the reporting date, the intangible asset is fully amortized but still in use of the Modaraba.

11 FIXED ASSETS UNDER IJARAH ARRANGEMENTS

Written down value at the beginning of the period/ year	32,949,326	32,949,326
Less: Transfer during the period/year	-	-
Less: Depreciation charged during the period/ year	-	-
	32,949,326	32,949,326

11.1 General description of significant ijarah arrangements (IFAS-2)

The Modaraba had entered into various ijarah agreements for periods ranging from 3 to 14 years (30 June 2026: 3 to 14 years). Security deposits ranging from 0% to 71% (30 June 2026: 0% to 71%) were obtained at the time of disbursement. The expected rate of profit implicit in ijarah ranges from 9.87% to 16.99% (30 June 2026: 9.87% to 16.99%) per annum. These ijarahs are fully matured and no further rentals are receivable against these in future, except for those disclosed in financial statements (note 6). These ijarah assets would be adjusted against the security deposits received from customers.

12 FIXED ASSETS UNDER OWN USE

Written down value at the beginning of the period/ year	29,173	117,704
Additions made during the period/ year	185,000	
	214,173	117,704
Less: Depreciation charged during the period/ year	(16,537)	(88,531)
	197,636	29,173

Note	September 30, 2026 Rupees (Un-audited)	June 30, 2026 Rupees (Audited)
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13 SHORT TERM FINANCING - SECURED

From banking company - related party

Running finance	13.1	217,063,388	217,063,388
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13.1 The Modaraba, during the financial year ended 30 June 2018, obtained running finance facility of Rs. 250 million from the National Bank of Pakistan carrying markup at 1 month KIBOR plus 0.5% per annum payable monthly. The markup rate charged during the period ranged from 11.35% to 12.41% (30 June 2026: 11.25% to 12.59%) per annum. This facility is secured by way of first joint pari passu hypothecation charge on all present and future receivables, leased assets and related lease receivables and present and future assets of the Modaraba to the extent of Rs. 277.778 million (30 June 2025: Rs. 277.778 million). This facility was expired on 31 October 2019 and has yet not been renewed and repaid.

13.2 The Modaraba has submitted a business revival plan to National Bank of Pakistan (NBP). Under the proposal the Modaraba fully repay the outstanding Running Finance (RF) facility from its internal sources, covering both the principal and contractual period markup, while non-contractual markup is requested to be reversed or waived. Following the settlement of the RF facility, NBP may provide a fresh fund of Rs. 350 million as equity participation, enabling the Modaraba to resume fresh lending through Shariah-compliant modes of financing. The request is under process with NBP. The provisional finance cost is calculated using the facility's previous markup rate.

14 Creditors accrued and other liabilities

Advances from customers	46,637	46,637
Accrued expenses	2,137,511	2,291,921
Payable to Modaraba Management Company	944,018	944,018
WWF payable	897,637	897,637
Sales tax payable	71,993	60,407
Charity payable	1,459,180	1,259,441
	5,556,976	5,500,061

15 CONTINGENCIES AND COMMITMENTS

15.1 There is no significant change in the status of contingencies and commitments as reported in the annual audited financial statements of the modaraba for the year ended 30 June 2026.

Quarterly Report-September 30, 2026

16 PROVISION FOR DOUBTFUL RECEIVABLES

Note	4.2	6.3	8.1	9.2	September 30, 2026 Rupees	June 30, 2026 Rupees
	Short term morabaha investments	Ijara rental receivables	Net investment in ijara financing	Long term morabaha investments		
Opening balance	88,206,093	46,127,257	11,943,763	59,594,049	205,871,162	206,333,029
Add: Charged during the year	-	-	-	-	-	-
Less: Reversed during the year	-	-	-	-	-	(461,867)
Net provision (reversed) / charged during the year	-	-	-	-	-	(461,867)
Closing balance	88,206,093	46,127,257	11,943,763	59,594,049	205,871,162	205,871,162

September 30, 2026 Rupees (Un-audited)	September 30, 2025 Rupees (Un-audited)
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17 (LOSS)/ EARNINGS PER MODARABA CERTIFICATE - BASIC AND DILUTED

(Loss) / earnings attributable to certificates holders (Loss for the period)	Rupees	(1,472,516)	(437,490)
Weighted average number of certificates outstanding during the period / year	Numbers	25,000,000	25,000,000
(Loss) / earnings per modaraba certificate - basic	Rupees	(0.06)	(0.02)

17.1 No figure for diluted (loss)/ earnings per modaraba certificate has been presented as the Modaraba has not issued any instrument which would have an impact on its (loss)/ earnings per modaraba certificate when exercised.

18 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, Modaraba Management Company and its holding undertaking, directors of the Modaraba Management Company, their close relatives and key management personnel. Detail of transactions with related parties and balances outstanding with them as at the reporting dates, except for remuneration to officers are as follows:

18.1 Transactions during the period:

Particulars	Nature of transaction		
National Bank of Pakistan	Markup expense	6,786,057	6,382,497
National Bank of Pakistan	Profit on saving account	28,650	29,636
National Bank of Pakistan	Profit on short term investments	7,880,316	7,985,178
NBP Funds - Islamic Money Market Fund	Profit	923,686	-

First National Bank Modaraba

		September 30, 2026 Rupees (Un-audited)	June 30, 2026 Rupees (Audited)
18.2 Balances outstanding at the reporting date			
	Bank accounts	395,728	490,711
	Short term borrowings	217,063,388	217,063,388
National Bank of Pakistan	Markup payables	223,488,732	216,702,675
	Term Deposit Certificates	311,500,000	333,000,000
NBP Funds - Islamic Money Market Fund	Investment	50,936,669	21,012,983
National Bank Modaraba Management Company Limited	Management fee payable	944,018	944,018

18.3 Relationship

National Bank of Pakistan	Holding Company of the Modaraba Management Company
NBP Funds	Associated Company
National Bank Modaraba Management Company Limited	Holding Company/ Modaraba Management Company

19 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of National Bank Modaraba Management Company Limited and authorized for issuance on 24 October 2026.

20 GENERAL

All figures except for 30 June 2026, appearing in these condensed interim financial statements are un-audited.

 Chief Financial Officer National Bank Modaraba Management Company Limited	 Director National Bank Modaraba Management Company Limited	 Director National Bank Modaraba Management Company Limited	 Chief Executive Officer National Bank Modaraba Management Company Limited
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Lahore: October 24, 2026

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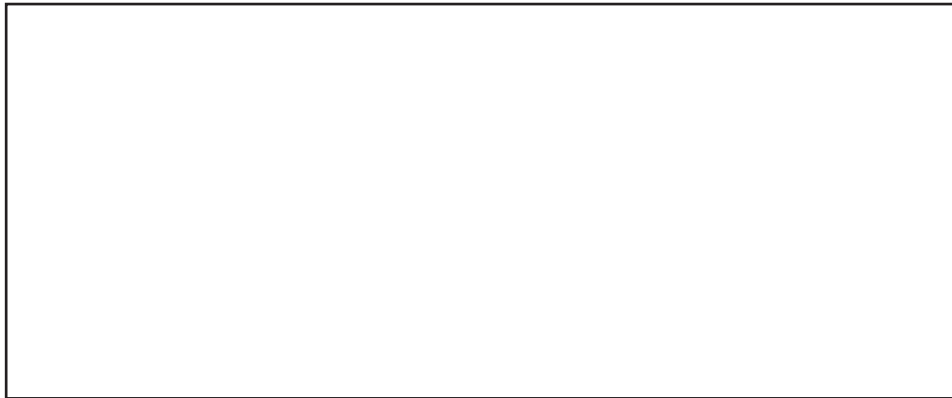
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