PUNJAB MODARABA SERVICES (PVT) LIMITED

A Wholly Owned Subsidiary of
The Bank of Punjab

FIRST PUNJAB MODARABA

(An Islamic Financial Institution)

QUARTERLY REPORT

JANUARY - SEPTEMBER 2026

(UN-AUDITED)

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CORPORATE PROFILE

Board of Directors

Punjab Modaraba Services (Pvt.) Ltd.

Ijaz ur Rehman Qureshi	Chairman
Rizwan Hameed	Director
Muhammad Umer Khan	Director
Imran Bashir	Director
Samina Afsar	Director
Asim Jahangir Seth	Chief Executive

Company Secretary

Shiraz Butt

Chief Financial Officer

Zeeshan Ahmed

Audit Committee

Imran Bashir	Chairman
Muhammad Umer Khan	Member

Human Resource Committee

Samina Afsar	Chairperson
Rizwan Hameed	Member

Board Risk Management Committee

Rizwan Hameed	Chairman
Asim Jahangir Seth	Member

Auditors of the Modaraba

Crowe Hussain Chaudhury & Co.

Chartered Accountants

Auditors of the Management Company

Shinewing Hameed Chaudhry & Co.

Chartered Accountants

Bankers

The Bank of Punjab

NRSP Microfinance Bank Limited

BankIslami Pakistan Limited

Registrar

Hameed Majeed Associates (Pvt.) Ltd.

H.M House, 7-Bank Square,

The Mall, Lahore

Tel : (+92-42) 37235081-2

Registered Office

Office # 100, 3rd Floor, National Tower,

28-Egerton Road, Lahore.

Postal Code No. 54600

PABX : (+92-42) 36365191

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www.jamapunji.pk

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*Mobile apps are also available for download for android and ios devices

Directors' review

The Board of Directors of Punjab Modaraba Services (Private) Limited, the Management Company of First Punjab Modaraba, is pleased to present the unaudited condensed interim financial statements of First Punjab Modaraba along with the Directors' Review for the quarter and nine months period ended September 30, 2026, to its valued certificate holders.

During the period under review, the Modaraba generated gross revenue of Rupees 159.55 million against total expenses of Rupees 242.47 million, resulting in a net loss of Rupees 47.69 million for the period. As at September 30, 2026, the total assets of the Modaraba stood at Rupees 1.7 billion, and total liabilities amounted to Rupees 243.95 million.

During the period from January to September 2026, Pakistan's economy experienced a gradual recovery, accompanied by renewed inflationary pressures and continued efforts to maintain macroeconomic stability. The government remained focused on fiscal consolidation, revenue mobilization, expenditure control, economic reforms and strengthening the country's external position. Nevertheless, public debt, energy costs and external sector vulnerabilities remained major challenges.

For the nine months ended September 30, 2026, the Modaraba continued to focus on managing its financing portfolio, strengthening recovery efforts, controlling operating expenses and improving operational efficiency. The overall financial performance for the period is reflected in the accompanying condensed interim financial statements.

The outlook for the Modaraba remains dependent on improvements in financing income, effective recovery of outstanding exposures, disciplined cost management and the development of viable Shariah-compliant financing opportunities.

The Board acknowledges the efforts and dedication of the management team and staff for their continued commitment and professionalism. The Board also extends its gratitude to the certificate holders, customers, and other stakeholders for their continued support and confidence.

For and on behalf of the Board

Asim Jahangir Seth
Chief Executive Officer

Imran Bashir
Director

Lahore: October 29, 2026

ڈائریکٹرز کا جائزہ

فرسٹ پنجاب مضاربہ کی انتظامی کمپنی، پنجاب مضاربہ سروسز (پرائیویٹ) لمیٹڈ کا بورڈ آف ڈائریکٹرز، اپنے قابلِ قدر سرٹیفکیٹ ہولڈرز کے سامنے 30 ستمبر 2026 کو ختم ہونے والی سہ ماہی اور نو ماہ کی مدت کے لیے 'فرسٹ پنجاب مضاربہ' کے غیر آڈٹ شدہ، مختصر عبوری مالیاتی گوشوارے اور ڈائریکٹرز کا جائزہ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

زیرِ جائزہ مدت کے دوران، مضاربہ نے 159.55 ملین روپے کی مجموعی آمدنی حاصل کی، جبکہ کل اخراجات 242.47 ملین روپے رہے، جس کے نتیجے میں اس مدت کے دوران 47.69 ملین روپے کا خالص نقصان ہوا۔ 30 ستمبر 2026 تک، مضاربہ کے کل اثاثوں کی مالیت 1.7 ارب روپے تھی، اور کل واجبات 243.95 ملین روپے تھے۔

جنوری سے ستمبر 2026 کے دوران، پاکستان کی معیشت میں بتدریج بہتری دیکھی گئی، جس کے ساتھ ساتھ افراطِ زر کے دباؤ میں دوبارہ اضافہ ہوا اور معاشی استحکام برقرار رکھنے کی کوششیں جاری رہیں۔ حکومت کی توجہ مالیاتی استحکام مجصولات میں اضافے، اخراجات پر قابو پانے، معاشی اصلاحات اور ملک کی بیرونی معاشی پوزیشن کو مضبوط بنانے پر مرکوز رہی۔ تاہم، عوامی قرضے، توانائی کی لاگت اور بیرونی شعبے کی کمزوریاں بدستور بڑے چیلنجز بنے رہے۔

30 ستمبر 2026 کو ختم ہونے والے نو ماہ کے دوران، مضاربہ نے اپنے فنانسنگ پورٹ فولیو کے انتظام، رقوم کی وصولی کی کوششوں کو مضبوط بنانے، آپریٹنگ اخراجات کو کنٹرول کرنے اور آپریشنل کارکردگی کو بہتر بنانے پر اپنی توجہ مرکوز رکھی۔ اس مدت کے دوران مجموعی مالیاتی کارکردگی، ساتھ منسلک مختصر عبوری مالیاتی گوشواروں میں عیاں ہے۔

مضاربہ کا مستقبل کا منظر نامہ فنانسنگ سے حاصل ہونے والی آمدنی میں بہتری، واجب الادا رقوم کی مؤثر وصولی، اخراجات کے نظم وضبط اور شریعہ کے مطابق قابلِ عمل فنانسنگ کے مواقع پیدا کرنے پر منحصر ہے۔

بورڈ، انتظامی ٹیم اور عملے کی جانب سے مسلسل عزم اور پیشہ ورانہ مہارت کے ساتھ کی گئی کوششوں اور لگن کو سراہتا ہے۔ بورڈ سرٹیفکیٹ ہولڈرز، صارفین اور دیگر اسٹیک ہولڈرز کا بھی شکریہ ادا کرتا ہے جنہوں نے مسلسل تعاون اور اعتماد کا اظہار کیا ہے۔

بورڈ اور اس کی جانب سے:

عاصم جہانگیر سیٹھ
چیف ایگزیکٹو آفیسر

عمران بشیر
ڈائریکٹر

لاہور: **29** اکتوبر **2026**

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

	Note	30-Sep-26 (Un-audited) Rupees	31-Dec-25 (Audited) Rupees
ASSETS			
Non Current Assets			
Fixed assets under ijarah arrangement	6	**111,548,220**	154,064,320
Fixed assets under own use	7	**2,603,449**	3,178,450
Long-term investment under musharakah arrangement	8	**677,062,294**	717,396,501
Long-term investment under murabahah arrangement	9	**10,339,163**	3,828,094
Long term deposits		**1,520,234**	1,422,494
Deferred tax asset		**94,239,022**	94,239,022
		897,312,382	974,128,881
Current Assets			
Short-term investment under murabahah arrangement	10	**113,603,678**	108,479,952
Current portion of non-current assets		**469,163,262**	423,433,862
Ijarah rentals receivable	11	**19,746,177**	54,154,717
Short term investment		**4,000,000**	4,000,000
Advances, deposits, prepayments and other receivables	12	**36,364,078**	59,733,567
Income tax refundable from the Government		**33,505,047**	34,500,088
Cash and bank balances	13	**157,953,149**	81,460,724
		834,335,391	765,762,910
Total assets		**1,731,647,773**	1,739,891,791
EQUITY AND LIABILITIES			
Certificate Capital and Reserves			
Authorized certificate capital			
50,000,000 (December 31, 2025: 50,000,000) modaraba certificates of Rs. 10 each		**500,000,000**	500,000,000
Issued, subscribed and paid up certificate capital			
34,020,000 (December 31, 2025: 34,020,000) modaraba certificates of Rs. 10 each		**340,200,000**	340,200,000
Capital reserves		**218,176,678**	218,176,678
Revenue reserves - accumulated losses		**(1,070,675,272)**	(1,022,980,092)
Subordinated funds	14	**2,000,000,000**	2,000,000,000
Certificate Holders' Equity		**1,487,701,406**	1,535,396,586
Non Current Liabilities			
Long term security deposits		**11,252,830**	18,026,827
Deferred murabahah income		**2,747,608**	1,328,128
Post employment benefits		**5,346,899**	7,465,007
		19,347,337	26,819,962
Current Liabilities			
Current portion of non current liabilities		**20,563,599**	29,365,174
Accrued finance cost		**89,355,606**	25,115,312
Trade and other payables		**95,776,892**	102,400,143
Provision for levies		**1,789,825**	3,679,706
Unclaimed dividends		**17,113,108**	17,114,908
		224,599,030	177,675,243
Contingencies and Commitments	15		
		1,731,647,773	1,739,891,791

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)

Chief Financial Officer	Chief Executive Officer	Director	Director

FIRST PUNJAB MODARABA
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2026

	Note	Nine Months Ended September 30,		Quarter Ended September 30,	
		2026	2025	2026	2025
		----------(Un-audited)----------			
		Rupees	Rupees	Rupees	Rupees
Income from Operations					
Income from ijarah rentals - net	16	**9,727,071**	23,444,437	**2,949,952**	5,673,839
Profit on murabahah financing		**2,567,406**	1,171,512	**2,240,255**	322,131
Profit on diminishing musharakah financing		**133,458,919**	139,033,666	**45,263,070**	40,061,805
Gain on sale of development properties		**-**	1,209,628	**-**	431,145
		145,753,396	164,859,242	**50,453,277**	46,488,919
Other Income					
Other income	17	**13,799,186**	28,190,438	**1,833,845**	15,645,972
Total Income		**159,552,582**	193,049,680	**52,287,122**	62,134,891
Expenses					
Administrative and general expenses	18	**69,847,615**	63,513,127	**27,108,567**	20,534,593
Finance cost	19	**172,624,398**	254,204,798	**61,371,100**	71,455,081
		242,472,013	317,717,925	**88,479,667**	91,989,674
Operating Loss before provisions		**(82,919,431)**	(124,668,245)	**(36,192,545)**	(29,854,783)
Reversal / (Provision) against Ijarah rentals -net		**3,523,248**	937,190	**359,676**	759,469
Reversal / (Provision) against murabahah arrangement - net		**15,753,496**	4,172,532	**4,661,650**	4,172,532
Reversal / (Provision) against musharakah arrangement - net		**13,086,706**	(4,195,122)	**162,070**	3,226,099
Reversal / (Provision) against Other Receivables		**4,650,626**	-	**-**	-
		37,014,076	914,600	**5,183,396**	8,158,100
Operating (Loss) before Management Company's Fee		**(45,905,355)**	(123,753,645)	**(31,009,149)**	(21,696,683)
Modaraba management company's management fee		**-**	-	**-**	-
(Loss) / Profit before Levy and Taxation		**(45,905,355)**	(123,753,645)	**(31,009,149)**	(21,696,683)
Levy / final taxation		**(1,789,825)**	(2,715,875)	**(277,252)**	(800,181)
(Loss) / Profit before Taxation		**(47,695,180)**	(126,469,520)	**(31,286,401)**	(22,496,864)
Taxation		-	-	-	-
Net (Loss) / Profit for the Period		**(47,695,180)**	(126,469,520)	**(31,286,401)**	(22,496,864)
Other Comprehensive Income for the Period					
Other Comprehensive Income /(loss) for the Period		-	-	-	-
Total Comprehensive (loss) / Income for the Period		**(47,695,180)**	(126,469,520)	**(31,286,401)**	(22,496,864)
(Loss) / Earning per Certificate - Basic and Diluted		**(1.40)**	(3.72)	**(0.92)**	(0.66)

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)

Chief Financial Officer	Chief Executive Officer	Director	Director

FIRST PUNJAB MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2026

Particulars	Issued, Subscribed and Paid up Capital	Reserves			Subordinated funds	Total
		Capital	Revenue	Total Reserves		
		Statutory Reserve	Accumulated Loss			
Balance as at December 31, 2024	340,200,000	218,176,678	(850,373,686)	(632,197,008)	500,000,000	208,002,992
Net loss for the period	-	-	(126,469,520)	(126,469,520)	-	(126,469,520)
Other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-		(126,469,520)	(126,469,520)		(126,469,520)
Subordinated funds Repaid	-	-	-	-	(500,000,000)	(500,000,000)
Subordinated funds received	-	-	-	-	2,000,000,000	2,000,000,000
Balance as at September 30, 2025 (un-audited)	340,200,000	218,176,678	(976,843,206)	(758,666,528)	2,000,000,000	1,581,533,472
Balance as at December 31, 2025	**340,200,000**	**218,176,678**	**(1,022,980,092)**	**(804,803,414)**	**2,000,000,000**	**1,535,396,586**
Net loss for the period	-	-	**(47,695,180)**	**(47,695,180)**	-	**(47,695,180)**
Other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-		**(47,695,180)**	**(47,695,180)**	-	**(47,695,180)**
Balance as at September 30, 2026 (un-audited)	**340,200,000**	**218,176,678**	**(1,070,675,272)**	**(852,498,594)**	**2,000,000,000**	**1,487,701,406**

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)

Chief Financial Officer | Chief Executive Officer | Director | Director

FIRST PUNJAB MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	Note	30-Sep-26 (Un-audited) Rupees	30-Sep-25 (Un-audited) Rupees
Cash Generated from Operations	**20**	**207,467,313**	397,441,626
Profit paid on redeemable capital and Subordinated funds		**(108,235,027)**	(301,142,940)
Bank charges paid	**19**	**(149,077)**	(35,968)
Employees retirement benefits paid		**(3,027,589)**	(546,996)
Levy / final taxation paid		**(2,684,665)**	(2,661,733)
		(114,096,358)	(304,387,637)
Net Cash Used in Operating Activities		**93,370,955**	93,053,989
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from transfer of ijarah assets		**9,681,775**	21,194,093
Proceeds from security deposit on new ijarah facility		**-**	4,450,580
Purchase of fixed assets under ijarah arrangements	**6**	**(31,602,000)**	(34,673,150)
Purchase of fixed assets under own use	**7**	**(575,715)**	(1,665,639)
Proceeds from disposal of fixed assets under own use		**61,096**	**-**
Security deposit paid against lesco		**(97,740)**	**-**
Profit received on bank deposits		**5,655,854**	11,846,522
Short term investments		**-**	108,056,096
Net Cash Generated (Used in)/from Investing Activities		**(16,876,730)**	109,208,502
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated funds received		**-**	2,000,000,000
Subordinated funds paid			(500,000,000)
Redeemable capital paid		**-**	(1,485,000,000)
Reversal of unclaimed dividend		**-**	1,369
Unclaimed dividend paid		**(1,800)**	(500)
Net Cash Generated (Used in)/from Financing Activities		**(1,800)**	15,000,869
Net (Decrease)/Increase in Cash and Cash Equivalents		**76,492,425**	217,263,360
Cash and cash equivalents at the beginning of the period	**13**	**81,460,724**	23,080,100
Cash and Cash Equivalents at the End of the Period		**157,953,149**	240,343,460

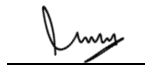
The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director



Director

FIRST PUNJAB MODARABA

NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

1 STATUS AND NATURE OF BUSINESS

First Punjab Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by Punjab Modaraba Services (Private) Limited (the "Modaraba Company") which is a wholly owned subsidiary of The Bank of Punjab. The registered office of the Modaraba is situated at Office No. 100, 3rd floor, National Tower, 28-Egerton Road, Lahore. The Modaraba commenced its operations on December 23, 1992. The Modaraba is listed on Pakistan Stock Exchange.

The Modaraba is a perpetual and multi-dimensional Modaraba and is primarily engaged in the business of Ijarah, Musharikah and Murabaha financing, equity investment and other related businesses in accordance with the injunctions of Islam. Modaraba has obtained approval of the Securities & Exchange Commission of Pakistan to undertake Building, Construction and Real Estate activity by insertion of a new clause for this purpose in prospectus of the Modaraba on January 13, 2021.

The Pakistan Credit Rating Agency (PACRA) has assigned long term rating of A- (2025: A-) and short term rating of A2 (2025: A2) to the Modaraba on September 18, 2026 (2025: September 19, 2025).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved accounting standards as applicable in Pakistan comprises of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan;
- Requirements of the Modaraba Companies and Modaraba (Floatation and & Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and the Modaraba Regulations, 2021; and
- Provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017.

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and & Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021 and Islamic Financial Accounting Standards (IFAS) and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 differ from IFRS Standards, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, IFAS and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 have been followed.

The SECP has issued directive (vide SRO 431 (I) / 2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS 2) shall be followed in preparation of the financial statements by Companies and Modarabas while accounting for Lease Financing transactions as defined by the said standard. The Modaraba has adopted the said standard.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for defined benefit obligation i.e. gratuity at the present value of the obligation determined through actuarial valuation and discussed further in the respective policy note.

Permissible Islamic financial products including Murabaha (as a liability) and Musharikah have been used by the Modaraba, in line with similar industry practices. The accounting and presentation of the same are in line with the substance of the transaction and are limited to the extent of actual amount of facility utilized and mutually agreed mark-up / profit thereon. Accordingly, purchases, sales and Musharikah profits / reserves are not reflected in these financial statements except for Murabaha facility (as an asset) which has been accounted for in line with Islamic Financial Accounting Standard - 1.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee (Rs.) which is the Modaraba's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee unless otherwise indicated.

2.4 Critical accounting estimates, judgments and assumptions

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Modaraba's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3 NEW STANDARDS, INTERPRETATIONS OF AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year:

There are certain amendments to the published approved accounting standards that are effective in the current year. However, these do not have any significant impact on the Modaraba's operations and, therefore, have not been detailed in these financial statements.

3.2 New accounting standards, amendments and interpretations that are not yet effective

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Modaraba's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or will not have any significant effect on the Modaraba's operations and are, therefore, not detailed in these financial statements.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year except for the changes, if any, explained below:

4.1 Assets in own use

Measurement

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amounts or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Modaraba and the cost of the items can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit and loss and other comprehensive income as and when incurred.

Depreciation

Depreciation on all operating fixed assets is charged to statement of profit and loss and other comprehensive income by applying the straight line method so as to write off the depreciable amount of the assets over their estimated useful lives. The residual values and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant. Depreciation on additions is charged from the date on which the assets are available for use and on disposals up to the date on which the assets are disposed off.

4.2 Intangible assets
Measurement

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent costs are included in the assets' carrying amounts or recognized as separate assets, as appropriate, only where it is probable that the future economic benefits associated with the assets will flow to the Modaraba and the cost of the items can be measured reliably. The useful lives and amortization method are reviewed and adjusted, as appropriate, at each reporting date. Amortization is charged when the asset is available for use as intended by management.

Research and development expenditure, if any, is charged to 'administrative and general expenses' in the statement of profit and loss and other comprehensive income, as and when incurred.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. Gain or loss on disposal of intangible assets, if any, is recognized in the statement of profit and loss and other comprehensive income.

5 Taxation

Income tax comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), and in which case the tax amounts are recognized directly in other comprehensive income or equity.

		Note	30-Sep-26 (Un-audited) Rupees	31-Dec-2025 (Audited) Rupees
6	**Fixed Assets under Ijarah Arrangement**			
	Opening written down value		**154,064,320**	185,227,848
	Additions during the period / year		**31,602,000**	40,293,150
	Transfers during the period / year - written down value		**(35,670,303)**	(15,390,014)
			149,996,017	210,130,984
	Depreciation charge for the period / year		**(38,447,797)**	(56,066,664)
			111,548,220	154,064,320
7	**Fixed Assets under Own Use**			
	Opening written down value		**3,178,450**	3,571,658
	Additions during the period / year		**575,715**	1,665,639
	Deletions during the period / year - written down value		**(56,096)**	(17,770)
			3,698,069	5,219,527
	Depreciation charge for the period / year	**18**	**(1,094,620)**	(2,041,077)
			2,603,449	3,178,450
8	**Long-Term Investment Under Musharakah Arrangement - Secured**			
	Investment under musharakah arrangement		**1,173,957,597**	1,185,819,718
	Less: Expected credit loss against musharakah arrangement	**8.1**	**(56,488,121)**	(69,574,827)
	Less: Current portion of long term investment		**(342,373,926)**	(299,259,830)
	Less: Principal due but not received		**(98,033,256)**	(99,588,560)
	Closing balance		**677,062,294**	717,396,501
8.1	**Expected credit losses against musharakah arrangement**			
	Opening balance		**69,574,827**	69,151,530
	Charge / (reversal) of provision during the period / year		**(13,086,706)**	423,297
	Closing balance		**56,488,121**	69,574,827
9	**Long-Term Investment Under Murabahah Arrangement - Secured**			
	Investment under murabahah arrangement		**37,168,881**	44,868,678
	Add: Unearned murabahah income		**6,051,364**	3,423,385
			43,220,245	48,292,063
	Less: Expected credit loss against murabahah arrangement	**9.1**	**(4,125,002)**	(19,878,498)
	Less: Current portion of long term murabahah arrangement		**(8,961,692)**	(6,599,612)
	Less: Principal due but not received		**(16,490,632)**	(15,890,602)
	Less: Current portion of unearned murabahah income		**(3,303,756)**	(2,095,257)
	Closing balance		**10,339,163**	3,828,094
9.1	**Expected credit losses against murabahah arrangement**			
	Opening balance		**19,878,498**	16,224,414
	Charge / (reversal) of provision during the period / year		**(15,753,496)**	3,654,084
	Closing balance		**4,125,002**	19,878,498
10	**Short-Term Investment Under Murabahah Arrangement - Secured**			
	Short-term investment under murabahah arrangement		**316,997,274**	311,873,548
	Less: Expected credit losses against short term murabahah arrangement	**10.1**	**(203,393,596)**	(203,393,596)
			113,603,678	108,479,952
10.1	**Expected credit losses against short term murabahah arrangement**			
	Opening balance		**203,393,596**	213,374,252
	Provision/(Reversal) of provision during the period / year		**-**	(9,980,656)
	Closing balance		**203,393,596**	203,393,596
11	**Ijarah Rentals Receivable**			
	Ijarah rentals receivable		**104,844,780**	142,897,817
	Less: Provision against ijarah rentals receivable	**11.1**	**(52,771,628)**	(56,294,876)
	Less: Income suspended		**(32,326,975)**	(32,448,224)
			19,746,177	54,154,717
11.1	**Provision against ijarah rentals receivable**			
	Opening balance		**56,294,876**	80,304,753
	(Reversal) / provision charged during the period / year		**(3,523,248)**	(24,009,877)
	Closing balance		**52,771,628**	56,294,876

	Note	30-Sep-26 (Un-audited) Rupees	31-Dec-2025 (Audited) Rupees
12 Advances, Deposits, Prepayments and Other Receivables			
Profit receivable against			
- Murabahah arrangement	12.1	**350,225**	5,866,767
- Musharakah arrangement	12.2	**7,113,328**	7,168,600
		7,463,553	13,035,367
Prepayments		**1,456,318**	2,425,777
Advances		**52,706**	52,706
Non-banking assets		**14,067,500**	14,067,500
Receivable from provident fund		**1,722,154**	2,486,991
Other receivables	12.3	**141,280,187**	161,994,192
		158,578,865	181,027,166
Less: Expected credit losses against advances and other receivables	12.4	**(129,678,340)**	(134,328,966)
		36,364,078	59,733,567
12.1 Murabahah arrangement			
Profit receivable on murabahah arrangement		**16,571,256**	22,316,406
Less: Income suspended		**(16,221,031)**	(16,449,639)
		350,225	5,866,767
12.2 Musharakah arrangement			
Profit receivable on Musharakah arrangement		**34,130,157**	34,816,034
Less: Income suspended		**(27,016,829)**	(27,647,434)
		7,113,328	7,168,600
12.3 Other receivables			
Receivable from Ijarah parties		**27,149,843**	29,033,863
Receivable from Musharakah parties		**39,800,915**	52,861,153
Receivable from Murabahah parties		**30,612,139**	31,629,575
Advance to employees		**880,000**	3,097,936
Sales tax receivable		**1,089,356**	802,351
Profit receivable from bank deposits		**669,238**	832,117
Others		**41,078,696**	43,737,197
		141,280,187	161,994,192
12.4 Expected credit losses against advances and other receivables			
Opening balance		**134,328,966**	89,502,803
(Reversal) / Provision charged for the period / year		**(4,650,626)**	44,826,163
Closing balance		**129,678,340**	134,328,966
13 Cash and Bank Balances			
Cash in hand		**183,769**	89,792
Cash at banks			
-Current accounts		**26,415,827**	9,013,391
-Saving accounts		**131,353,553**	72,357,541
		157,953,149	81,460,724
14 Subordinated Funds			
Opening balance		**2,000,000,000**	500,000,000
Add: Funds received during the year		**-**	2,000,000,000
Less: Funds paid during the year		**-**	(500,000,000)
Closing balance		**2,000,000,000**	2,000,000,000

15 Contingencies and Commitments

15.1 Contingencies

As at September 30, 2026, there has been no material change in the status of contingencies as disclosed in the notes to the financial statements of the Modaraba for the year ended December 31, 2025.

15.2 Commitments

There are no commitments during the period (2025: nil)

		Note	30-Sep-26 (Un-audited) Rupees	30-Sep-25 (Un-audited) Rupees
16	**Income from Ijarah Rentals - Net**			
	Income from ijarah rentals		**48,174,868**	66,127,510
	Less: Depreciation on ijarah assets		**(38,447,797)**	(42,683,073)
			9,727,071	23,444,437
17	**Other Income**			
	Profit on bank deposits and short-term investments		**5,492,975**	15,080,657
	Gain on transfer of ijarah assets		**-**	7,068,774
	Gain on sale of own assets		**5,000**	-
	Processing fee		**615,304**	458,075
	Documentation charges		**542,915**	512,550
	Cheque return charges		**1,219,000**	1,415,500
	Gain on settlement of Musharakah arrangements		**1,306,681**	2,493,569
	Gain on settlement of Murabahah arrangements		**3,873,143**	-
	Miscellaneous income		**744,168**	1,161,313
			13,799,186	28,190,438
18	**Administrative and General Expenses**			
	Salaries and benefits		**41,252,385**	36,373,470
	Rent, rates and taxes		**491,684**	5,900,619
	Insurance		**2,098,582**	3,417,133
	Fee & subscription		**2,398,330**	1,947,938
	Selling and marketing expenses		**162,100**	1,372,271
	Repair & maintenance		**2,622,798**	1,799,191
	Power and utilities		**3,007,930**	2,174,225
	Legal and professional		**2,860,523**	2,047,910
	Printing and stationery		**694,116**	1,624,788
	Auditor's remuneration		**250,000**	250,000
	Vehicle running and maintenance		**726,738**	898,440
	Entertainment		**960,384**	1,254,050
	Telephone and postage		**893,103**	1,082,547
	Corporate expenses		**36,774**	53,616
	Traveling and conveyance		**181,762**	41,513
	Loss on transfer of ijarah assets		**9,204,454**	-
	Depreciation of fixed assets under own use		**1,094,620**	1,065,176
	Amortization of intangible assets		**-**	388,332
	Income tax refundable from the Government written off		**-**	836,350
	Miscellaneous expenses		**911,332**	985,560
			69,847,615	63,513,127
19	**Finance Cost**			
	Redeemable capital		**-**	135,980,465
	Subordinated funds		**172,475,321**	118,188,365
	Bank charges		**149,077**	35,968
			172,624,398	254,204,798

	Note	30-Sep-26 (Un-audited) Rupees	30-Sep-25 (Un-audited) Rupees
20 Cash Generated from Operations			
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before levy and taxation		**(45,905,355)**	(123,753,645)
Adjustment for:			
- Depreciation on fixed assets under ijarah arrangement		**38,447,797**	42,683,073
- Depreciation on fixed assets under own use	**18**	**1,094,620**	1,065,176
- Amortization of intangible assets	**18**	**-**	388,332
- Income from ijarah rentals - net		**(9,727,071)**	(23,444,437)
- Profit on diminishing musharakah financing		**(133,458,919)**	(139,033,666)
- Profit on murabahah financing		**(2,567,406)**	(1,171,512)
- Loss / (Gain) on transfer of fixed assets under ijarah arrangement	**17**	**9,204,454**	(7,068,774)
- Gain on sale of fixed assets under own use		**(5,000)**	**-**
- Gain on sale of development properties		**-**	(1,209,628)
- Gain on settlement of investment under musharakah arrangement	**17**	**(1,306,681)**	(2,493,569)
- Gain on settlement of investment under murabahah arrangement	**17**	**(3,873,143)**	**-**
- (Reversal) / Provision of expected credit losses against Musharakah arrangement		**(13,086,706)**	4,195,122
- (Reversal) / provision of expected credit losses against murabahah arrangement		**(15,753,496)**	(4,172,532)
- (Reversal) / Provision of expected credit losses against Ijarah rental receivables		**(3,523,248)**	(937,190)
- (Reversal) / Provision of expected credit losses against other receivables		**(4,650,626)**	**-**
- Employees retirement benefits		**909,481**	1,224,694
- Profit on bank deposits		**(5,492,975)**	(15,080,657)
- Bank charges	**19**	**149,077**	35,968
- Income tax refundable from the Government written off		**-**	836,350
- Profit on redeemable capital and subordinated funds	**19**	**172,475,321**	254,168,830
		28,835,479	109,985,580
Operating profit before working capital changes		**(17,069,876)**	(13,768,065)
Decrease / (increase) in current assets:			
- Short-term investment under murabahah arrangement		**(5,123,726)**	37,552,807
- Long-term investment under murabahah arrangement		**14,140,346**	11,697,547
- Long-term investment under musharakah arrangement		**146,627,725**	265,735,210
- Development properties		**-**	25,290,372
- Ijarah rental receivables		**47,658,859**	62,184,958
- Advances, deposits, prepayments and other receivables		**27,857,236**	24,876,002
Increase / (decrease) in current liabilities:			
- Security deposits against ijarah assets		**-**	(5,443,720)
- Trade and other payables		**(6,623,251)**	(10,683,485)
		224,537,189	411,209,691
Cash generated from operations		**207,467,313**	397,441,626

21 RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES

21.1 Transactions with the related parties

Names of related parties	Relationship	Nature of transactions	Sep, 2026 Un audited Rupees	Sep, 2025 Un audited Rupees
The Bank of Punjab	Holding Company of Modaraba Company	Redeemable capital paid	**-**	1,485,000,000
		Subordinated funds received	**-**	2,000,000,000
		Subordinated funds paid	**-**	500,000,000
		Profit accrued on Subordinated fund	**172,475,321**	118,188,365
		Profit accrued on redeemable capital	**-**	135,980,465
		Profit paid on redeemable capital and subordinated fund	**108,235,027**	301,142,940
Punjab Modaraba Services (Pvt.) Limited	Modaraba Management Company	Rent expense of head office premises	**491,684**	5,749,235
Key Management Personnel	Key Management Personnel	Remuneration of key management personnel	**19,897,439**	16,436,980
		Staff loans disbursed	**15,750,000**	8,200,000
		Staff loans repaid	**11,030,441**	1,604,588
		Advances disbursed	**580,000**	3,994,000
		Advances repaid	**2,685,000**	1,042,500
First Punjab Modaraba Employees Provident Fund Trust	Associate	Provident fund contributions paid to the fund	**1,134,193**	965,095

21.2 Balances with the related parties

Names of related parties	Relationship	Nature of balances	Sep, 2026 Un audited Rupees	Dec, 2025 Audited Rupees
The Bank of Punjab	Holding Company of Modaraba's Management Company	Subordinated funds / loans	**2,000,000,000**	2,000,000,000
		Profit payable on subordinate funds / loans	**89,355,606**	25,115,312
		Outstanding Modaraba certificates	**47,880**	47,880
		Bank accounts maintained with BOP	**32,486,833**	9,784,295
The Bank of Punjab Employees Gratuity Fund	Associate	Outstanding Modaraba certificates	**50,995,000**	50,995,000
Punjab Modaraba Services (Pvt.) Limited	Modaraba Management Company	Outstanding Modaraba certificates	**133,206,940**	133,206,940
		Security deposit against leased premises	**1,219,050**	1,219,050
Key Management Personnel	Key Management Personnel	Outstanding loan under Ijarah/Musharikah arrangements during the period	**14,001,676**	12,967,880
		Outstanding advance	**795,000**	2,975,000
First Punjab Modaraba Employees Provident Fund Trust	Associate	Receivable from provident fund	**1,722,154**	2,516,179

22 Financial Risk Management

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in preceding audited financial statements for the year ended December 31, 2025.

23 Date of Authorization for Issue

These condensed interim financial statements (un-audited) are approved by the Board of Directors of the Modaraba for issuance on **October 29, 2026**

For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)

Chief Financial Officer	Chief Executive Officer	Director	Director

A Wholly Owned Subsidiary of
The Bank of Punjab

First Punjab Modaraba

A Wholly Owned Subsidiary of
The Bank of Punjab

FIRST PUNJAB MODARABA

(An Islamic Financial Institution)

Managed By:

Punjab Modaraba Services (Pvt) Ltd.

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