



Independent Auditors' Review Report

To the Certificate Holders of First National Bank Modaraba

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim balance sheet of **First National Bank Modaraba** (the Modaraba) as at 31 December 2023 and the related condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

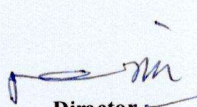
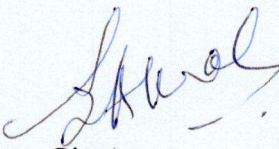
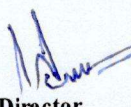

Emphasis of matter

We draw attention to note '1.2' to the condensed interim financial statements, describing circumstances which indicates that a material uncertainty exists that cast significant doubt on the Modaraba's ability to continue as a going concern. Particularly that its accumulated losses exceed its certificate capital by Rs. 67.647 million, its current liabilities exceed current assets by Rs. 76.875 million and winding up petition has been filed against the Modaraba by the Registrar Modaraba. Hence, these financial statements are prepared on the basis of estimated realizable/ settlement values of assets and liabilities respectively. Our conclusion is not modified in this regard. 2.

FIRST NATIONAL BANK MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Note	For the half year ended		For the quarter ended	
		December 31,	December 31,	December 31,	December 31,
		2023	2022	2023	2022
		Rupees	Rupees	Rupees	Rupees
Income from operations					
Profit on bank deposits		206,305	153,162	105,308	79,531
Profit on short term investments		21,483,215	12,488,196	11,585,486	7,666,393
		21,689,520	12,641,358	11,690,794	7,745,924
Other income					
Reversal of provision charged for doubtful receivables - net	18	54,573,581	19,189,654	54,573,581	14,711,092
Suspension reversed during the year		1,750,000	2,015,635	850,000	2,015,635
Gain on disposal of fixed assets under own use		6,000	-	6,000	-
Other income		2,441,979	2,404,408	2,191,979	2,404,408
		58,771,560	23,609,697	57,621,560	19,131,135
Total income		80,461,080	36,251,055	69,312,354	26,877,059
Expenses					
Operating expenses		(6,828,930)	(6,698,326)	(3,340,829)	(3,615,432)
Finance cost		(25,098,113)	(17,472,653)	(12,464,328)	(13,402,714)
Total expenses		(31,927,043)	(24,170,979)	(15,805,157)	(17,018,146)
Operating profit before provision and taxation		48,534,037	12,080,076	53,507,197	9,858,913
Provision charged for doubtful receivables - net		(4,355,648)	(5,593,432)	(4,355,648)	(5,593,432)
Profit before Modaraba Management Company's fee		44,178,389	6,486,644	49,151,549	4,265,481
Modaraba Management Company's fee		(4,417,839)	(648,664)	(4,417,839)	(426,548)
Provision for Workers' Welfare Fund		(795,211)	(116,760)	(795,211)	(76,779)
Profit before taxation		38,965,339	5,721,220	43,938,499	3,762,154
Taxation		(6,622,642)	(972,607)	(6,622,642)	(639,566)
Profit after taxation		32,342,697	4,748,613	37,315,857	3,122,588
Earning per modaraba certificate - basic and diluted	19	1.29	0.19	1.49	0.12

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

			
Director	Director	Director	Chief Financial Officer
National Bank Modaraba Management Company Limited	National Bank Modaraba Management Company Limited	National Bank Modaraba Management Company Limited	National Bank Modaraba Management Company Limited

