



QUARTERLY  
**REPORT**  
MARCH 31,  
**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*  
*March 31, 2026*

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### CORPORATE INFORMATION

<b>Board of Directors</b>	<b>Mr. Muhammad Imran Malik</b> <b>Mr. Fouad Farrukh</b> <b>Khawaja Waheed Raza</b> <b>Syed Zubair Ahmad Shah</b> <b>Mr. Hasan Ahmed</b> <b>Ms. Tosheeba Sarwar</b> <b>Mr. Shahid Iqbal Choudhri</b>	Chairman Director Director Director Director Director Chief Executive Officer
<b>Audit Committee</b>	<b>Mr. Hasan Ahmed</b> <b>Khawaja Waheed Raza</b> <b>Syed Zubair Ahmad Shah</b>	Chairman Member Member
<b>HR &amp; Remuneration Committee</b>	<b>Syed Zubair Ahmed Shah</b> <b>Mr. Muhammad Imran Malik</b> <b>Khawaja Waheed Raza</b>	Chairman Member Member
<b>Shari'ah Advisor</b>	<b>Mufti Ehsan Waquar Ahmed</b>	
<b>Company Secretary (A)</b>	<b>Ms. Nadia Jalil</b>	
<b>Chief Financial Officer</b>	<b>Mr. Naeem Tariq</b>	
<b>Auditors</b>	<b>Rahman Sarfaraz Rahim Iqbal Rafiq</b> Chartered Accountants	
<b>Bankers</b>	<b>National Bank of Pakistan</b> <b>Habib Bank Limited</b> <b>Bank Islami Pakistan Limited</b>	
<b>Legal Advisor</b>	<b>Muhammad Aqeel Malik</b> Advocates Supreme Court Aqeel & Associates, Advocate/Legal Consultants Office No. 12, 1st Floor, Khawaja Arcade Wahdat Road, Lahore Tel.: 042-35462464	
<b>Shares Registrar</b>	<b>Hameed Majeed Associates (Pvt.) Limited</b> H. M. House, 7 - Bank Square, Lahore Tel: 37235081-2, Fax: 37358817	
<b>Registered Office</b>	<b>Ground Floor, NBP-RHQ Building,</b> <b>26 - McLagon Road, Lahore</b> Tel: 042-99211200, Fax: 042-99213247	

## **Directors' Quarterly 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 present the un-audited financial statements of FNBM for the period ended March 31, 2026, together with this Directors' Review Report.

The economic environment of the country continues to remain challenging. While certain macroeconomic indicators have shown signs of stabilization over the past year, further improvement is required. The decline in interest rates is a positive development; however, elevated foreign exchange and petroleum prices continue to pose challenges to economic activity.

During the period under review, the management remained focused on recoveries from the classified portfolio. Recoveries amounting to Rs. 8.35 million were achieved. Profit on investments of Rs. 24.75 million remained the primary contributor to total operating income of Rs. 29.48 million. However, the reduction in interest rates has adversely impacted investment margins. The management continued its efforts to control costs; nevertheless, total expenditure stood at Rs. 30.63 million (including finance cost of Rs. 19.01 million), resulting in a loss before tax of Rs. 1.56 million for the period.

During the period, the Board approved a business plan aimed at the potential revival and restructuring of the Modaraba's operations. The plan has been submitted to the sponsoring bank, National Bank of Pakistan (NBP), for its review and consideration. Any implementation of the proposed plan will be subject to requisite approvals and compliance with applicable regulatory requirements.

A petition for winding-up of the Modaraba is currently pending. The management is actively engaging with relevant stakeholders in this regard, and any developments will be addressed in accordance with applicable legal and regulatory requirements.

The Board would like to thank its valued certificate holders and clients for their continued trust and patronage. The Board also expresses its sincere appreciation to the Registrar Modarabas, SECP, and the NBF & Modaraba Association of Pakistan for their continued guidance and support. The Board further acknowledges the dedication and efforts 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: April 27, 2026

## ڈائریکٹرز کی نو ماہی جائزہ رپورٹ

فرسٹ نیشنل بینک مضاربہ (FNBM) کی انتظامی کمپنی نیشنل بینک مضاربہ مینجمنٹ کمپنی لمیٹڈ (NBMMCL) کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2026ء کو اختتام پذیر مدت کے لئے ڈائریکٹرز کی جائزہ رپورٹ کے ہمراہ غیر پڑتال شدہ مالیاتی اسٹیٹمنٹس پیش کرتے ہیں۔

ملک کے معاشی ماحول میں مشکلات کا سلسلہ جاری ہے۔ جب کہ کئی کئی اقتصادی اشاریوں نے گذشتہ برس کے دوران استحکام کے آثار ظاہر کئے ہیں لیکن ان میں مزید بہتری درکار ہے۔ شرح سود میں کمی ایک مثبت پیش رفت ہے البتہ بڑھتے ہوئے شرح مبادلہ اور پٹرولیم مصنوعات کی قیمتوں میں اضافہ نے معاشی سرگرمیوں کو مشکلات میں ڈال دیا ہے۔

زیر جائزہ سہ ماہی کے دوران انتظامیہ کلاسیفائیڈ پورٹ فولیو سے وصولیوں پر توجہ دیتی رہی جہاں 8.35 ملین روپے کی وصولیاں کی گئیں۔ کل منافع جو کہ 29.48 ملین روپے تھا میں زیادہ حصہ سرمایہ کاری پر نفع تھا جو کہ 24.75 ملین روپے رہا۔ البتہ، شرح سود میں کمی نے انویسٹمنٹ مارجنز پر منفی اثرات مرتب کئے۔ انتظامیہ نے لاگت پر کنٹرول کے اپنی کوششیں جاری رکھیں جب کل اخراجات 30.63 ملین روپے (بشمول 19.01 ملین روپے کی قرضوں پر لاگت) کے باعث حالیہ مدت میں خسارہ بمقدار 1.56 ملین روپے تک پہنچ گیا۔

حالیہ مدت کے دوران، بورڈ نے ایک کاروباری منصوبہ کی منظوری دی جس کا مقصد مضاربہ کے آپریشنز کی ممکنہ بحالی اور ریٹرٹرننگ ہے۔ یہ منصوبہ جائزہ اور غور کے لئے سپانسرنگ بینک نیشنل بینک آف پاکستان (NBP) کو پیش کیا گیا۔ مجوزہ منصوبہ اطلاق لازمی منظور یوں اور موجود ریگولیٹری تقاضوں کی تعمیل سے مشروط ہوگا۔

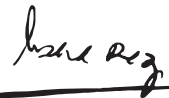
مضاربہ کو تحلیل کرنے کی درخواست زیر التوا ہے۔ انتظامیہ اس بابت متعلقہ اسٹیک ہولڈرز سے رابطہ میں ہے اور کسی بھی پیش رفت کو مروجہ قانونی ورگیولیٹری تقاضوں کے عین مطابق عمل میں لایا جائے گا۔

بورڈ اپنے معزز شیئہ کیٹ ہولڈرز اور کلائنٹس کے مسلسل اعتبار اور بھروسہ کے لئے شکریہ ادا کرنا چاہتا ہے۔ بورڈ رجسٹرار مضاربہ، SECP اور NBFBI مضاربہ ایسوسی ایشن آف پاکستان کی مسلسل رہنمائی اور سپورٹ کا بھی شکریہ ادا کرتا ہے۔ بورڈ مینجمنٹ کمپنی اور مضاربہ کی انتظامیہ اور عملے کے جذبہ اور کوششوں کو بھی سراہتا ہے۔

منجانب/برائے بورڈ



چیف ایگزیکٹو آفیسر



ڈائریکٹر

لاہور: 27 اپریل 2026ء

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT MARCH 31, 2026

	Note	March 31, 2026 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and bank balances	4	17,779,876	9,483,517
Short term murabaha investments - secured	5	1,772,953	1,772,953
Accrued profit		3,678,298	4,004,983
Short term investments	6	335,887,500	331,775,000
Ijarah rentals receivable	7	11,804,532	11,804,532
Prepayments and other receivables		1,152,553	1,248,025
Income tax recoverable/ adjustable		18,897,975	14,305,990
Current and overdue portion of non-current assets	8	6,556,490	6,655,511
		<b>397,530,177</b>	<b>381,050,511</b>
<b>NON-CURRENT ASSETS</b>			
Net investment in ijarah finance	9	7,764,306	8,991,704
Long term murabaha investments - secured	10	-	2,273,581
Long term deposits		37,500	39,500
Intangible asset	11	-	-
Fixed assets under ijarah arrangements	12	32,949,326	32,949,326
Fixed assets under own use	13	44,406	117,704
Deferred tax asset	14	-	-
		<b>40,795,538</b>	<b>44,371,815</b>
<b>TOTAL ASSETS</b>		<b>438,325,715</b>	<b>425,422,326</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued profit on short term financing		210,092,055	191,085,330
Short term financing - secured	15	217,063,388	217,063,388
Creditors, accrued and other liabilities	16	3,915,464	8,419,322
Unclaimed dividend		425,218	425,218
Security deposits against ijarah assets		32,996,026	32,996,026
Provision for taxation		419,310	961,523
		<b>(464,911,461)</b>	<b>(450,950,807)</b>
<b>NET LIABILITIES</b>		<b>(26,585,746)</b>	<b>(25,528,481)</b>
<b>FINANCED BY:</b>			
Certificate capital		250,000,000	250,000,000
Statutory reserve		45,519,244	45,519,244
Accumulated loss		(322,104,990)	(321,047,725)
<b>TOTAL EQUITY AND RESERVES</b>		<b>(26,585,746)</b>	<b>(25,528,481)</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	17	-	-

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

  
Chief Executive Officer  
National Bank Modaraba  
Management Company Limited

  
Director  
National Bank Modaraba  
Management Company Limited

  
Director  
National Bank Modaraba  
Management Company Limited

  
Chief Financial Officer  
National Bank Modaraba  
Management Company Limited




Lahore: April 27, 2026

## Quarterly Report-March 31, 2026

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2026

Note	For the nine months ended		For the quarter ended	
	March 31, 2026 Rupees	March 31, 2025 Rupees	March 31, 2026 Rupees	March 31, 2025 Rupees
<b>Income from operations</b>				
Profit on bank deposits	308,617	315,678	118,779	110,448
Profit on short term investments	24,434,562	33,400,705	7,914,075	8,305,118
	<b>24,743,179</b>	<b>33,716,383</b>	<b>8,032,854</b>	<b>8,415,566</b>
<b>Other income</b>				
Reversal of provision charged for doubtful receivables	461,867	-	-	-
Suspension reversed during the period	4,276,336	5,655,903	1,332,252	3,000,000
Other income	-	26,166	-	1,425
	<b>4,738,203</b>	<b>5,682,069</b>	<b>1,332,252</b>	<b>3,001,425</b>
<b>Total income</b>	<b>29,481,382</b>	<b>39,398,452</b>	<b>9,365,106</b>	<b>11,416,991</b>
<b>Expenses</b>				
Operating expenses	(11,616,071)	(12,347,065)	(3,971,012)	(3,447,118)
Finance cost	(19,013,874)	(27,316,331)	(6,047,169)	(6,875,864)
<b>Total expenses</b>	<b>(30,629,945)</b>	<b>(39,663,396)</b>	<b>(10,018,181)</b>	<b>(10,322,982)</b>
<b>Operating loss before provisions and taxation</b>	<b>(1,148,563)</b>	<b>(264,944)</b>	<b>(653,075)</b>	<b>1,094,009</b>
Provision charged for doubtful receivables	-	-	-	-
<b>Loss before Modaraba Management Company's fee</b>	<b>(1,148,563)</b>	<b>(264,944)</b>	<b>(653,075)</b>	<b>1,094,009</b>
Modaraba Management Company's fee	-	-	-	-
Provision for Workers' Welfare Fund	-	-	-	-
<b>Loss before levies and income tax</b>	<b>(1,148,563)</b>	<b>(264,944)</b>	<b>(653,075)</b>	<b>1,094,009</b>
Levies	(419,310)	(1,303,803)	(122,500)	-
<b>Loss before income tax</b>	<b>(1,567,873)</b>	<b>(1,568,747)</b>	<b>(775,575)</b>	<b>1,094,009</b>
Taxation - Income tax	510,608	-	-	-
<b>Loss for the period</b>	<b>(1,057,265)</b>	<b>(1,568,747)</b>	<b>(775,575)</b>	<b>1,094,009</b>
<b>OTHER COMPREHENSIVE LOSS - NET OF INCOME TAX</b>				
<i>Items that may be reclassified subsequently to the statement of profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified subsequently to the statement of profit or loss</i>	-	-	-	-
- Unrealized loss on revaluation of sukus	-	(1,719)	-	-
Other comprehensive loss for the period	-	(1,719)	-	-
<b>Total comprehensive loss for the period</b>	<b>(1,057,265)</b>	<b>(1,570,466)</b>	<b>(775,575)</b>	<b>1,094,009</b>
<b>Loss per modaraba certificate - basic and diluted</b>	<b>(0.04)</b>	<b>(0.06)</b>	<b>(0.03)</b>	<b>0.04</b>

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

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

Lahore: April 27, 2026

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2026

Particulars	Certificate capital	Statutory reserve	Accumulated loss	Subtotal	Unrealised loss on revaluation of sukus	Total equity and reserves
----- Rupees -----						
Balance as at 01 July 2024 (audited)	250,000,000	45,519,244	(314,583,212)	(19,063,968)	(1,781,028)	(20,844,996)
Total comprehensive loss for the period						
Loss for the period	-	-	(2,662,756)	(2,662,756)	-	(2,662,756)
Other comprehensive loss	-	-	-	-	-	-
	-	-	(2,662,756)	(2,662,756)	-	(2,662,756)
<b>Balance as at 31 December 2024 (unaudited)</b>	<b>250,000,000</b>	<b>45,519,244</b>	<b>(317,245,968)</b>	<b>(21,726,724)</b>	<b>(1,781,028)</b>	<b>(23,507,752)</b>
Total comprehensive loss for the period						
Loss for the period	-	-	(1,296,870)	(1,296,870)	-	(1,296,870)
Other comprehensive loss	-	-	-	-	(723,859)	(723,859)
Transfer from unrealized loss on revaluation of sukus to accumulated loss	-	-	(2,504,887)	(2,504,887)	2,504,887	-
	-	-	(3,801,757)	(3,801,757)	1,781,028	(2,020,729)
<b>Balance as at 30 June 2025 (audited)</b>	<b>250,000,000</b>	<b>45,519,244</b>	<b>(321,047,725)</b>	<b>(25,528,481)</b>	<b>-</b>	<b>(25,528,481)</b>
Total comprehensive loss for the period						
Loss for the period	-	-	(1,057,265)	(1,057,265)	-	(1,057,265)
Other comprehensive loss	-	-	-	-	-	-
	-	-	(1,057,265)	(1,057,265)	-	(1,057,265)
<b>Balance as at 31 March 2026 (unaudited)</b>	<b>250,000,000</b>	<b>45,519,244</b>	<b>(322,104,990)</b>	<b>(26,585,746)</b>	<b>-</b>	<b>(26,585,746)</b>

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



Chief Executive Officer  
National Bank Modaraba  
Management Company Limited



Director  
National Bank Modaraba  
Management Company Limited



Director  
National Bank Modaraba  
Management Company Limited



Chief Financial Officer  
National Bank Modaraba  
Management Company Limited

Lahore: April 27, 2026

## Quarterly Report-March 31, 2026

### CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2026

	For the nine months ended	
	March 31, 2026 Rupees	March 31, 2025 Rupees
<b>CASH FLOWS FORM OPERATING ACTIVITIES</b>		
Loss for the period	(1,148,563)	(264,944)
Adjustments for:		
- Depreciation on fixed assets under own use	73,298	46,957
- Profit on short term investments	(24,434,562)	(33,400,705)
- Long term security written off	2,000	-
- Reversal of provision for doubtful net investment in ijarah financing	(461,867)	-
- Suspension reversed during the period	(4,276,336)	(5,655,903)
- Finance cost	19,013,874	27,316,331
- Profit on bank deposits	(308,617)	(315,678)
	(10,392,210)	(12,008,998)
<b>Operating cash flows before working capital changes</b>	(11,540,773)	(12,273,942)
<b>Changes in working capital:</b>		
Decrease/ (increase) in current assets:		
- Accrued profit	24,761,247	30,690,360
- Ijarah rentals receivable	4,276,336	3,602,401
- Prepayments and other receivables	95,472	238,945
- Income tax recoverable/ adjustable	(4,591,985)	4,218,034
- Long term murabaha investments - secured	3,600,000	3,900,000
- Net investment in ijarah financing	461,867	-
(Decrease)/ increase in current liabilities:		
- Creditors, accrued and other liabilities	(4,503,858)	(52,114)
	24,099,079	42,597,626
<b>Net cash generated from operations</b>	12,558,306	30,323,684
Finance cost paid	(7,149)	(5,905)
Income taxes & levies paid	(450,915)	(9,918,322)
Profit received on bank deposits	308,617	205,230
<b>Net cash generated from operating activities</b>	12,408,859	20,604,687
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets under own use	-	(22,900)
Short term investments - net	(4,112,500)	(22,653,600)
<b>Net cash used in investing activities</b>	(4,112,500)	(22,676,500)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Net increase in cash and cash equivalents during the period</b>	8,296,359	(2,071,813)
Cash and cash equivalents at the beginning of the period	9,483,517	9,710,250
<b>Cash and cash equivalents at the end of the period</b>	17,779,876	7,638,437

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



Chief Executive Officer  
National Bank Modaraba  
Management Company Limited



Director  
National Bank Modaraba  
Management Company Limited



Director  
National Bank Modaraba  
Management Company Limited



Chief Financial Officer  
National Bank Modaraba  
Management Company Limited

Lahore: April 27, 2026

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2026

### 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 the 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 December 4, 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 has incurred loss for the period amounting to Rs. 1.057 million (31 March 2025: Rs. 1.569 million).

As at the reporting date, the Modaraba's current liabilities exceed its current assets by Rs. 67.381 million (30 June 2025: Rs. 69.900 million) and its accumulated loss amounts to Rs. 322.105 million (30 June 2025: Rs. 321.048 million) which exceeds its total subscribed certificate capital by Rs. 72.105 million (30 June 2025: Rs. 71.048 million). The trading in the certificates of the Modaraba has already been suspended and the name of the Modaraba is included in the defaulter list at PSX.

Accumulated loss as on 31 March 2026 contain Rs. 205.871 million (30 June 2025: Rs. 206.333 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. Besides fully charging the provision in accordance with the Prudential Regulations for Modarabas issued by SECP ('PRs'), the Modaraba has also subjectively assessed the carrying value of its classified receivables and has incorporated additional provision in the light of applicable regulations and management judgment. Accordingly, additional provision of Rs. Nil (30 June 2025: Rs. 0.849 million) was incorporated in these condensed interim financial statements. These assessments were made on the basis of relevant factors, including the expectation of reaching restructuring arrangements with respective parties for outstanding amounts within next one year or so.

The Modaraba has filed legal suits for recoveries against all its defaulter clients and Rs. 431.157 million (30 June 2025: 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 15, the short term running finance facility obtained from NBP 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. However, NBP is accruing markup beyond that date in its books; accordingly, the Modaraba, while its request of waiver/ reduction of markup is in pendency, has also accrued a further amount of Rs. 199.292 million (30 June 2025: Rs. 180.285 million) on account of finance cost against this facility accumulating to Rs. 210.092 million (30 June 2025: Rs. 191.085 million) as at the reporting date. Total current liabilities amounting to Rs. 464.911 million (30 June 2025: Rs. 450.951 million) include Rs. 427.155 million (30 June 2025: Rs. 408.149 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 2025: 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. 8.338 million (30 June 2025: Rs. 14.757 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 the 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 15 June 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 condensed interim financial statements have been prepared on the basis of estimated realizable/ settlement values of assets and liabilities respectively. As per managements' evaluation, other than "investment in sukuks", disposal of assets in future is not expected to result in any gain, thus upside adjustment not recognised in these financial statements related to sukuks is Rs. 92,302/- (30 June 2025: Rs. 36,810/-).

# Quarterly Report-March 31, 2026

## 2 BASIS OF PREPARATION

### 2.1 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. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017, the Modaraba Companies and Modarabas (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).

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the relevant requirements of IAS 34 and Islamic Financial Accounting Standards (IFASs), the provisions of, directives and notifications issued under the Companies Act, 2017 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 2025.

### 2.2 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.

### 2.3 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

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 2025.

### 3.1 Standards and amendments to published accounting and reporting standards which were effective during the nine months ended 31 March 2026

There are other new standards which are effective from 01 July 2025 but they do not have a material effect on the Modaraba's condensed interim financial statements.

### 3.2 Standards and amendments to approved accounting and reporting standards that are not yet effective

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 2025. 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.

## 4 CASH AND BANK BALANCES

Note	March 31, 2026 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
Cash in hand	19,274	-
Current accounts:		
Associated undertaking - National Bank of Pakistan	-	3,196
Others	10,942	10,942
	10,942	14,138
Saving accounts:		
Associated undertaking - National Bank of Pakistan	456,975	542,066
Others	17,292,685	8,927,313
21	17,749,660	9,469,379
	<u>17,779,876</u>	<u>9,483,517</u>

## 5 SHORT TERM MURABAHA INVESTMENTS - SECURED

Short term murabaha investments - considered doubtful	5.1	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	5.2	(88,206,093)	(88,206,093)
Less: Suspended income		(274,022)	(274,022)
21		<u>1,772,953</u>	<u>1,772,953</u>

# First National Bank Modaraba

5.1 These represent investments under murabaha arrangements from 6 (30 June 2025: 6) customers on deferred payment basis at expected profit rates ranging from 8.36% to 14.64% (30 June 2025: 8.36% to 14.64%) per annum. These investments are secured against charge over fixed and current assets, personal guarantees of directors of customer 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 2025: Rs. 174.431 million) and execution of decree proceedings is underway in the court.

	Note	March 31, 2026 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
<b>5.2 Provision for non-performing murabaha investments</b>			
Opening balance		88,206,093	89,933,634
Reversed during the period/ year		-	(1,727,541)
	18	<u>88,206,093</u>	<u>88,206,093</u>

## 6 SHORT TERM INVESTMENTS

March 31, 2026	June 30, 2025
Number of units	

Investments in sukuk of Rs. 100,000 each - Fair Value Through Other Comprehensive Income (FVTOCI)

550	550	Neelum Jhelum Hydropower (Pvt.) Ltd. Sukuk	6.1	2,887,500	5,775,000
		National Bank of Pakistan (Aitemaad) - Term deposit certificates	6.2	333,000,000	326,000,000
			21	<u>335,887,500</u>	<u>331,775,000</u>

6.1 The outstanding principal per unit is Rs. 5,250/- (30 June 2025: Rs. 10,500/-) having fair value of 105.9889% (30 June 2025: 100.6374%) per unit as at the reporting date. However, upside adjustment for fair value has not been recognised in these financial statements are explained in note 1.2.

6.2 These term deposit certificates yield profit at the rates ranging from 9.25% to 9.75% (30 June 2025: 9% to 18.42%) per annum.

## 7 IJARAH RENTALS RECEIVABLE

Considered doubtful	7.1 and 7.2	79,322,740	83,599,076
Less: Provision for doubtful ijarah rentals receivable	7.3	(46,127,257)	(46,127,257)
Less: Profit held in suspense account		(21,390,951)	(25,667,287)
		<u>11,804,532</u>	<u>11,804,532</u>

7.1 This represents receivables from various customers under the ijarah finance. Legal proceedings against 7 (30 June 2025: 7) customers are in process in the Honorable Courts of Law. The Courts have awarded decree in favour of the Modaraba in above cases for recovery of Rs. 118.036 million (30 June 2025: Rs. 118.036 million) and execution of decree proceedings is underway in the court.

### 7.2 Considered doubtful

Opening balance		83,599,076	91,775,166
Less: Received during the period/ year		(4,276,336)	(8,176,090)
		<u>79,322,740</u>	<u>83,599,076</u>

### 7.3 Provision for doubtful ijarah rentals receivable

Opening balance		46,127,257	46,127,257
Charged during the period/ year		-	-
	18	<u>46,127,257</u>	<u>46,127,257</u>

## 8 CURRENT AND OVERDUE PORTION OF NON-CURRENT ASSETS

Current portion:

Net investment in ijarah finance	9	2,224,199	1,717,420
Long term murabaha investments - secured	10	3,473,581	4,800,000
		5,697,780	6,517,420
Overdue portion of Net investment in ijarah finance	9	858,710	138,091
		<u>6,556,490</u>	<u>6,655,511</u>

## 9 NET INVESTMENT IN IJARAH FINANCE

Minimum ijarah rentals receivable		46,853,598	47,315,465
Add: Residual value of ijarah assets		46,700	46,700
Gross investment in ijarah finance		46,900,298	47,362,165
Less: Unearned finance income		(24,109,320)	(24,109,320)
Net investment in lease ijarah finance		22,790,978	23,252,845
Less: Provision for doubtful net investment in ijarah finance	9.2	(11,943,763)	(12,405,630)
	21	10,847,215	10,847,215
Less: Overdue portion	8	(858,710)	(138,091)
Less: Current portion	8	(2,224,199)	(1,717,420)
		<u>7,764,306</u>	<u>8,991,704</u>

## Quarterly Report-March 31, 2026

**9.1** This 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 2025: Rs. 46,700). The Lahore High Court has approved the scheme of arrangement of the company on September 14, 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. 3.470 million (30 June 2025: Rs. 3.470 million) under the scheme through sale of non-core assets of the company.

Note	March 31, 2026 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
<b>9.2 Provision for doubtful net investment in ijarah financing</b>		
Opening balance	12,405,630	11,556,453
(Reversed)/ charged during the period/ year	(461,867)	849,177
<b>18</b>	<b>11,943,763</b>	<b>12,405,630</b>
<b>10 LONG TERM MURABAHA INVESTMENTS - SECURED</b>		
Considered doubtful	63,067,630	66,667,630
Add: Deferred murabaha income	29,388,304	29,388,304
	92,455,934	96,055,934
Less: Provision for doubtful murabaha investments	(59,594,049)	(59,594,049)
Less: Suspension for doubtful murabaha investments	(29,388,304)	(29,388,304)
<b>10.1</b>	<b>3,473,581</b>	<b>7,073,581</b>
Less: Current portion	(3,473,581)	(4,800,000)
<b>8</b>	<b>-</b>	<b>2,273,581</b>
<b>10.1 Provision for doubtful long term murabaha investments</b>		
Opening balance	59,594,049	59,594,049
Reversed during the period/ year	-	-
<b>18</b>	<b>59,594,049</b>	<b>59,594,049</b>
<b>11 INTANGIBLE ASSET</b>		
Cost	1,131,300	1,131,300
Accumulated amortization	(1,131,300)	(1,131,300)
Net book value	-	-
<b>11.1</b> This represents ERP software. As at the reporting date, the intangible asset is fully amortized but still in use of the Modaraba.		
<b>12 FIXED ASSETS UNDER IJARAH ARRANGEMENTS</b>		
Written down value at the beginning of the period/ year	32,949,326	32,959,576
Less: Transfer during the period/ year	-	(10,250)
	32,949,326	32,949,326
<b>12.1 General description of significant ijarah arrangements (IFAS-2)</b>		
The Modaraba had entered into various Ijarah agreements for periods ranging from 3 to 14 years (30 June 2025: 3 to 14 years). Security deposits ranging from 0% to 71% (30 June 2025: 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 2025: 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 the condensed interim financial statements (Note 7). These ijarah assets would be adjusted against the security deposits received from customers.		
<b>13 FIXED ASSETS UNDER OWN USE</b>		
Written down value at the beginning of the period/ year	117,704	190,627
Additions made during the period/ year	-	22,900
	117,704	213,527
Less: Depreciation charged during the period/ year	(73,298)	(95,823)
	44,406	117,704
These contain fully depreciated assets at cost of Rs. 3,455,554/- (30 June 2025: Rs. 3,455,554/-) that are still in use by the Modaraba.		
<b>14 DEFERRED TAX ASSET</b>		
The deferred tax asset of Rs. 85.640 million (30 June 2025: Rs. 85.752 million) has not been recognized in these financial statements as the temporary differences are not expected to reverse in foreseeable future; taxable profits may not be available against which the temporary differences can be utilized.		

# First National Bank Modaraba

Note	March 31, 2026 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
<b>15 SHORT TERM FINANCING - SECURED</b>		
From banking company - related party		
Running finance	15.1 <u>217,063,388</u>	<u>217,063,388</u>

15.1 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 11.25% to 11.89% (30 June 2025: 22.04% to 23.27%) 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 expired on 31 October 2019 and has yet not been renewed and repaid.

## 16 CREDITORS, ACCRUED AND OTHER LIABILITIES

Advances from customers	46,637	46,637
Accrued expenses	725,443	1,285,377
Payable to Modaraba Management Company	944,018	5,944,018
Worker's Welfare Fund payable	897,637	897,637
Withholding sales tax payable	61,928	62,009
Charity payable	1,239,801	183,644
	<u>3,915,464</u>	<u>8,419,322</u>

## 17 CONTINGENCIES AND COMMITMENTS

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 2025.

## 18 PROVISION FOR DOUBTFUL RECEIVABLES

Note	5.2	10.1	7.3	9.2	March 31, 2026 (Unaudited)	June 30, 2025 (Audited)
	Short term morabaha investments	Long term murabaha investments	Ijara rental receivables	Net investment in ijarah finance		
	----- Rupees -----					
Opening balance	88,206,093	59,594,049	46,127,257	12,405,630	206,333,029	207,372,573
Add: Charged during the period/ year	18.1	-	-	-	-	849,177
Less: Reversed during the period/ year	21	-	-	(461,867)	(461,867)	(1,888,721)
Net provision charged/ (reversed) for the period/ year		-	-	(461,867)	(461,867)	(1,039,544)
Closing balance	<u>88,206,093</u>	<u>59,594,049</u>	<u>46,127,257</u>	<u>11,943,763</u>	<u>205,871,162</u>	<u>206,333,029</u>

18.1 This represents the provision recognized on the basis of subjective evaluation and in accordance with the Prudential Regulations for Modarabas issued by SECP (PRs) of non-performing ijarah rentals receivable.

	March 31, 2026 Rupees (Unaudited)	March 31, 2025 Rupees (Unaudited)
<b>19 LOSS PER MODARABA CERTIFICATE - BASIC AND DILUTED</b>		
Loss attributable to modaraba certificate holders (loss for the period)	Rupees <u>(1,057,265)</u>	<u>(1,568,747)</u>
Weighted average number of modaraba certificates in issue	Numbers <u>25,000,000</u>	<u>25,000,000</u>
Loss per modaraba certificate - basic	Rupees <u>(0.04)</u>	<u>(0.06)</u>

No figure for diluted loss per modaraba certificate has been presented as the Modaraba has not issued any instrument carrying options which would have an impact on loss per modaraba certificate when exercised.

## 20 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, the 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:

## Quarterly Report-March 31, 2026

Note	March 31, 2026 Rupees	March 31, 2025 Rupees
	(Unaudited)	(Unaudited)

### 20.1 Transactions during the period:

Particulars	Relationship	Nature of transaction		
National Bank of Pakistan	Holding Company of the Modaraba Management Company	Markup expense	19,006,725	22,556,910
		Profit on saving account	1,056,157	42,200
		Profit on short term investments	23,994,484	33,400,705
National Bank Modaraba Management Company Limited	Holding Company/ Modaraba Management Company	Management fee payment	5,000,000	-

March 31, 2026 Rupees	June 30, 2025 Rupees
(Unaudited)	(Audited)

### 20.2 Balances outstanding at the reporting date

National Bank of Pakistan	Holding Company of the Modaraba Management Company	Bank accounts	456,975	545,262
		Short term borrowings	217,063,388	217,063,388
		Markup payable	210,092,055	191,085,330
		Term Deposit Certificates	333,000,000	326,000,000
National Bank Modaraba Management Company Limited	Holding Company/ Modaraba Management Company	Management fee payable	944,018	5,944,018

## 21 SHARIAH COMPLIANT DISCLOSURE

During the period, the Securities and Exchange Commission of Pakistan (SECP) amended Item VII of the Fourth Schedule to the Companies Act, 2017, through the issuance of S.R.O. 1278(I)/2024, whereby companies are required to present specified Shariah related disclosures separately in the financial statements. Accordingly, the Company has presented the following disclosures, as applicable.

### Statement of financial position

#### Assets

Shariah compliant:

Bank balances	4	17,292,685	8,927,313
Short term murabaha investments - secured	5	1,772,953	1,772,953
Short term investments	6	335,887,500	331,775,000
Ijarah rentals receivable	7	11,804,532	11,804,532
Net investment in ijarah finance	9	10,847,215	10,847,215
Long term murabaha investments - secured	10	3,473,581	7,073,581

#### Liabilities

Accrued profit on short term financing - conventional		210,092,055	191,085,330
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# First National Bank Modaraba

	March 31, 2026 Rupees (Unaudited)	March 31, 2025 Rupees (Unaudited)
<b>Statement of profit or loss and other comprehensive income</b>		
Profit earned from Shariah compliant bank balances	308,617	315,678
Profit earned from Shariah compliant investments:		
- Term deposit certificates	23,994,484	32,176,282
- Sukuks	440,078	1,224,423
	24,434,562	33,400,705
Other income:		
- Shariah compliant		
Reversal of provision charged for doubtful receivables	18	461,867
Suspension reversed during the period	4,276,336	5,655,903
Scrap sale	-	26,166

## Relationship with Shariah-compliant financial institutions and takaful operator:

Name	Relationship
National Bank of Pakistan (Aitemaad)	Term deposit certificates
Bank Islami Pakistan Limited	Bank balance
Al Baraka Bank Pakistan Limited	Bank balance
Pak Brunei Investment Company	Investment agent - sukuks
Jubilee General Insurance Company Limited	Window Takaful

# Quarterly Report-March 31, 2026

## 22 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements (unaudited) have been approved by the Board of Directors of National Bank Modaraba Management Company Limited and authorized for issuance on April 27, 2026.

## 23 GENERAL

All figures except for 30 June 2025, appearing in these condensed interim financial statements are unaudited.



Chief Executive Officer  
National Bank Modaraba  
Management Company Limited



Director  
National Bank Modaraba  
Management Company Limited



Director  
National Bank Modaraba  
Management Company Limited



Chief Financial Officer  
National Bank Modaraba  
Management Company Limited

Lahore: April 27, 2026

*If undelivered please return to :*

**FIRST NATIONAL BANK MODARABA**

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26 McLagon Road,

Lahore.

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