



QUARTERLY **REPORT** SEPTEMBER 30, **2025**

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, 2025

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CORPORATE INFORMATION

Board of Directors	Mr. Muhammad Imran Malik Mr. Fouad Farrukh Khawaja Waheed Raza Syed Zubair Ahmad Shah Mr. Hasan Ahmed Mr. Shahid Iqbal Choudhri	Chairman Director Director Director Director Chief Executive Officer
Audit Committee	Mr. Hasan Ahmed Khawaja Waheed Raza Syed Zubair Ahmad Shah	Chairman Member Member
HR & Remuneration Committee	Syed Zubair Ahmed Shah Mr. Muhammad Imran Malik Khawaja Waheed Raza	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 Al Baraka (Pakistan) Limited Habib Bank Limited 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	

Directors' Quarterly Review Report

On behalf of Directors of National Bank Modaraba Management Company Limited (NBMMCL) the Management Company of First National Bank Modaraba (FNBM), quarterly report is being presented, together with un-audited financial statements of FNBM for the quarter ended September 30, 2025.

The economy of the country is stabilizing as many key economic indicators reflected a positive shift for over a year. The GDP growth rate for FY 2026 is forecasted at 3% to 3.2%, while the current inflation rate is 5.60% year-on-year in September 2025. The monetary policy rates were also cut to almost half of FY24, which is now at 11%. The stability in the stock market, a relatively stable position of country's foreign exchange reserves and rollout of next tranche of IMF program signaled positive growth for the national economy.

During the period under review the focus of management remained on recovery, particularly from the classified portfolio. Through various settlement arrangements already made with the defaulted customers, an amount of Rs 2.840 million was realized during the period, out of which suspended income of Rs. 1.5 million was reversed during the period. On the operations side the total income figured to Rs. 9.779 million for the period under review as compared to Rs 14.768 Million for corresponding period of the last year. The principal revenue stream continues to be profit earned on short-term deposit placements, largely funded by recovery proceeds from legacy NPLs. Due to a reduction in the State Bank of Pakistan's policy rate, income from these placements declined from Rs. 14.2 million to Rs. 8.3 million in the quarter under review. Financial cost figured at Rs 6.384 Million compared to Rs 11.259 Million in the corresponding period. This accrued finance costs on the short-term loan facility from National Bank of Pakistan (expired in 2019) is exerting continued pressure on profitability and contributing to an increase in accumulated losses. The operating expenses were at Rs 3.702 Million compared to Rs 3.871 Million in the corresponding period. The (loss) per certificate stood at Rs (0.02) against (loss) per certificate of Rs (0.01) in the corresponding period.

The Board would like to take this opportunity to thank its valued certificate holders and clients for their patronage and consistent patience. Besides, the board extends its sincere gratitude to Registrar Modarabas, SECP and NBFI & Modaraba Association of Pakistan for their continued guidance and support. The Board also acknowledged the professionalism of the management and staff for consistently maintaining the financials, administrative, legal and allied matters of the Modaraba and the management company.

For and on Behalf of the Board



Chief Executive Officer



Chairman

Lahore:

Dated: October 20, 2025

ڈائریکٹرز کی سہ ماہی جائزہ رپورٹ

فرسٹ نیشنل بینک مضاربہ (FNBM) کی انتظامی کمپنی نیشنل بینک مضاربہ مینجمنٹ کمپنی لمیٹڈ (NBMMCL) کے ڈائریکٹرز کی جانب سے 30 ستمبر 2025ء کو اختتام پذیر سہ ماہی کے لئے FNBM کی غیر پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ سہ ماہی رپورٹ پیش کی جارہی ہے۔

رواں برس بنیادی معاشی اشاریوں میں جاری مثبت رجحان کے نتیجے میں ملکی معیشت مستحکم ہو رہی ہے۔ مالیاتی سال 2026ء کے لئے GDP شرح نمو 3% سے 3.2% تک متوقع ہے جب کہ ستمبر 2025ء میں سال بہ سال کی بنیاد پر افراط زر کی شرح 5.60% ہے۔ مانیٹری پالیسی کی شرح بھی مالیاتی سال 2024ء کے مقابلے میں تقریباً نصف درجہ تک کم ہو چکی ہے جو فی الوقت 11% ہے۔ اسٹاک مارکیٹ میں استحکام، غیر ملکی شرح مبادلہ کی نسبتاً مستحکم پوزیشن اور IMF پروگرام کی اگلی قسط کے اجراء سے ملکی معیشت کے لئے مثبت نمو کا اشارہ ملتا ہے۔

زیر جائزہ مدت کے دوران انتظامیہ کی توجہ خصوصاً کلاسیفائیڈ پورٹ فولیو کی بحالی کی جانب گامزن رہی۔ نادہندہ صارفین کے ساتھ جاری متعدد تصفیہ معاہدوں کے ذریعے مذکورہ مدت میں 2.840 ملین روپے کی رقم وصول کی گئی جس میں سے 1.5 ملین روپے کی واجب الوصول آمدنی کو مذکورہ مدت میں تبدیل کیا گیا۔ آپریشنز کی بابت گزشتہ برس کی اسی مدت کے لئے 14.768 ملین روپے کے مقابلے میں زیر جائزہ مدت کے دوران 9.779 ملین روپے کی کل آمدنی درج ہوئی۔ آمدنی کا بنیادی ذریعہ شارٹ ٹرم ڈیپازٹ میں منافع کے باعث رہا جس کو سابقہ NPL سے حاصل آمدنی کے ذریعے زیادہ تر فنڈ کیا گیا۔ اسٹیٹ بینک آف پاکستان کی پالیسی شرح میں کمی کے باعث اس پیش رفت سے حاصل آمدنی زیر جائزہ سہ ماہی کے دوران 14.2 ملین روپے سے کم ہو کر 8.3 ملین روپے ہو گئی۔ قرضوں لاگت کا عدد گزشتہ برس کی اسی مدت میں 11.259 ملین روپے کے مقابلے میں 6.384 ملین روپے رہا۔ نیشنل بینک آف پاکستان سے لئے گئے قلیل مدتی قرضے کی سہولت (تاریخ انتہا 2019) پر عائد قرضوں پر لاگت منافع پر دباؤ بڑھا رہی ہے اور مجموعی خسارے میں اضافے کا باعث بن رہی ہے۔ آپریٹنگ اخراجات گزشتہ برس کی اسی مدت میں 3.871 ملین روپے کے مقابلے میں 3.702 ملین روپے رہے۔ فی ٹھیکیت خسارہ (0.02) روپے رہا جو گزشتہ برس کی اسی مدت میں (0.01) روپے تھا۔

بورڈ اس موقع پر اپنے معزز ٹھیکیت ہولڈرز اور کلائنٹس کے اعتماد اور مسلسل صبر کے لئے شکر گزار ہے۔ علاوہ ازیں، بورڈ رجسٹرڈ مضاربہ، SECP اور NBFI اور مضاربہ ایسوسی ایشن آف پاکستان کے مسلسل رہنمائی اور سپورٹ کو بھی خراج تحسین پیش کرتا ہے۔ بورڈ انتظامیہ اور عملے کی پیشہ ورانہ صلاحیتوں کو بھی تسلیم کرتا ہے جنہوں نے مضاربہ اور انتظامی کمپنی کے مالیاتی، انتظامی، قانونی اور دیگر معاملات کو احسن طریقے سے سرانجام دیا۔

منجانب/برائے بورڈ



چیف ایگزیکٹو آفیسر



چیئر مین

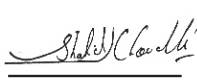
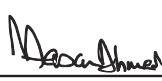
لاہور: 20 اکتوبر 2025ء

Quarterly Report-September 30, 2025

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2025 (UN-AUDITED)

	Note	September 30, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
ASSETS			
CURRENT ASSETS			
Cash and bank balances		7,816,113	9,483,517
Short term murabaha investments - secured	4	1,772,953	1,772,953
Accrued profit		4,370,927	4,004,983
Short term investments	5	338,775,000	331,775,000
Ijarah rentals receivable	6	11,804,532	11,804,532
Prepayments and other receivables		1,279,654	1,248,025
Income tax recoverable/ adjustable		15,894,696	14,305,990
Current and overdue portion of non-current assets	7	7,052,354	6,655,511
		388,766,229	381,050,511
NON-CURRENT ASSETS			
Net investment in ijarah finance	8	8,456,770	8,991,704
Long term murabaha investments - secured	9	1,073,581	2,273,581
Long term deposit		39,500	39,500
Intangible asset	10	-	-
Fixed assets under ijarah arrangements	11	32,949,326	32,949,326
Fixed assets under own use	12	93,271	117,704
Deferred tax asset	13	-	-
		42,612,448	44,371,815
TOTAL ASSETS		431,378,677	425,422,326
LIABILITIES			
CURRENT LIABILITIES			
Accrued profit on short term financing		197,467,827	191,085,330
Short term financing - secured	14	217,063,388	217,063,388
Creditors, accrued and other liabilities	15	8,299,135	8,419,322
Unclaimed dividend		425,218	425,218
Security deposits against ijarah assets		32,996,026	32,996,026
Deferred murabaha income		-	-
Provision for taxation		1,093,054	961,523
		(457,344,648)	(450,950,807)
TOTAL LIABILITIES		(457,344,648)	(450,950,807)
NET LIABILITIES		(25,965,971)	(25,528,481)
FINANCED BY:			
Certificate capital		250,000,000	250,000,000
Statutory reserve		45,519,244	45,519,244
Accumulated loss		(321,485,215)	(321,047,725)
		(25,965,971)	(25,528,481)
Unrealised loss on revaluation of sukuks		-	-
TOTAL EQUITY AND RESERVES		(25,965,971)	(25,528,481)
CONTINGENCIES AND COMMITMENTS	16	-	-

The annexed notes 1 to 21 form an integral part of these 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
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Lahore: October 20, 2025

First National Bank Modaraba

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

		For the quarter ended	
		September 30, 2025	September 30, 2024
	Note	Rupees	Rupees
INCOME FROM OPERATIONS			
Profit on bank deposits		107,767	125,463
Profit on short term investments		8,172,080	14,043,488
		8,279,847	14,168,951
OTHER INCOME			
Reversal of provision charged for doubtful receivables	17	-	-
Suspension reversed during the year	6.2	1,500,000	600,000
		1,500,000	600,000
TOTAL INCOME		9,779,847	14,768,951
EXPENSES			
Operating expenses		(3,702,009)	(3,870,562)
Finance cost		(6,383,797)	(11,259,468)
TOTAL EXPENSES		(10,085,806)	(15,130,030)
OPERATING LOSS BEFORE PROVISIONS AND TAXATION		(305,959)	(361,079)
Provision charged for doubtful receivables	17	-	-
LOSS BEFORE MANAGEMENT COMPANY'S FEE		(305,959)	(361,079)
Modaraba Management Company's fee		-	-
Provision for Worker's Welfare Fund	15.1	-	-
LOSS BEFORE LEVIES AND INCOME TAX		(305,959)	(361,079)
Levies		(131,531)	-
LOSS BEFORE INCOME TAX		(437,490)	(361,079)
Taxation - Income tax		-	-
LOSS FOR THE PERIOD		(437,490)	(361,079)
OTHER COMPREHENSIVE INCOME - 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		-	-
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(437,490)	(361,079)
LOSS PER MODARABA CERTIFICATE - BASIC AND DILUTED	18	(0.02)	(0.01)

The annexed notes 1 to 21 form an integral part of these 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
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Lahore: October 20, 2025

Quarterly Report-September 30, 2025

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

	For the quarter ended	
	September 30, 2025	September 30, 2024
	Rupees	Rupees
CASH FLOWS FORM OPERATING ACTIVITIES		
Loss before levies and income tax	(305,959)	(361,079)
Adjustments for non-cash and other items:		
- Depreciation on fixed assets under own use	24,433	7,149
- Profit on short term investments	(8,172,080)	(14,043,488)
- Suspension reversed during the year	(1,500,000)	-
- Finance cost	6,383,797	11,259,468
- Profit on term deposit receipts and bank deposits	(107,767)	(125,463)
	<u>(3,371,617)</u>	<u>(2,902,334)</u>
Operating cash flows before working capital changes	(3,677,576)	(3,263,413)
Changes in working capital:		
Decrease/ (increase) in current assets:		
- Accrued profit	7,806,136	7,148
- Ijarah rentals receivable	1,500,000	900,000
- Advances, prepayments and other receivables	(31,629)	240,937
- Income tax recoverable/ adjustable	(1,588,706)	(2,130,635)
- Long term murabaha investments - secured	1,200,000	1,200,000
- Net investment in ijarah financing	138,091	-
Increase/ (decrease) in current liabilities:		
- Creditors, accrued and other liabilities	(120,187)	82,935
Net changes in working capital	<u>8,903,705</u>	<u>300,385</u>
	5,226,129	(2,963,028)
Finance cost paid	(1,300)	(105)
Profit received on bank deposits	<u>107,767</u>	<u>125,463</u>
Net cash generated from/ (used in) operating activities	5,332,596	(2,837,670)
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term investments - net	<u>(7,000,000)</u>	<u>(1,729,512)</u>
Net cash used in investing activities	(7,000,000)	(1,729,512)
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
Net decrease in cash and cash equivalents	<u>(1,667,404)</u>	<u>(4,567,182)</u>
Cash and cash equivalents at the beginning of the period	<u>9,483,517</u>	<u>9,710,250</u>
Cash and cash equivalents at the end of the period	<u>7,816,113</u>	<u>5,143,068</u>

The annexed notes 1 to 21 form an integral part of these 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: October 20, 2025

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

Particulars	Certificate capital	Statutory reserve	Accumulated loss	Total equity and reserves
	Rupees			
Balance as at 01 July 2024 (Audited)	250,000,000	45,519,244	(314,583,212)	(19,063,968)
Total comprehensive loss :				
Loss for the period	-	-	(361,079)	(361,079)
Other comprehensive income for the period	-	-	-	-
		-	(361,079)	(361,079)
Transferred to statutory reserve	-	-	-	-
Balance as at 30 Sep 2024 (Unaudited)	250,000,000	45,519,244	(314,944,291)	(19,425,047)
Balance as at 01 July 2025 (Audited)	250,000,000	45,519,244	(321,047,725)	(25,528,481)
Total comprehensive loss :				
Loss for the period	-	-	(437,490)	(437,490)
Other comprehensive income for the period	-	-	-	-
	-	-	(437,490)	(437,490)
Transferred to statutory reserve	-	-	-	-
Balance as at 30 September 2025 (Unaudited)	250,000,000	45,519,244	(321,485,215)	(25,965,971)

The annexed notes 1 to 21 form an integral part of these 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
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Lahore: October 20, 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (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. 0.437 million (30 September 2024: Rs. 0.361 million). As at the reporting date, the Modaraba's current liabilities exceed its current assets by Rs. 68.578 million (30 June 2025: Rs. 69.900 million) and its accumulated loss amounts to Rs. 321.485 million (30 June 2025: Rs. 321.048 million) which exceeds its total subscribed certificate capital by Rs. 71.485 million (30 June 2025: Rs. 71.048 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 2025 contain Rs. 206.333 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.

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 14.1, 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. 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. 186.668 million on account of finance cost against this facility accumulating to Rs. 197.468 million (30 June 2025: Rs. 191.085 million) as at the reporting date. Total current liabilities amounting to Rs. 457.342 million (30 June 2025: Rs. 450.951 million) include Rs. 414.531 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. 2.838 million (30 September 2024: Rs. 2.700 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 23 October 2025.

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, 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. 23,046/- (30 June 2025: Rs. 36,810/-).

2 BASIS OF PREPARATION

2.1 Accounting convention

These condensed interim financial statements are unaudited and 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 2025.

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 2025.

3.2 Standards and amendments to published accounting and reporting standards which were effective during the quarter ended 30 September 2025

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.

3.3 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.

Quarterly Report-September 30, 2025

	Note	Septemebr 30, 2025 Rupees (Unudited)	June 30, 2025 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 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 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 2025: Rs. 174.431 million), while the execution of decree proceedings is underway in					
4.2 Provision for non-performing murabaha investments					
Opening balance		88,206,093	89,933,634		
Reversed during the period/ year		-	(1,727,541)		
	17	88,206,093	88,206,093		
5 SHORT TERM INVESTMENTS					
		September 30, 2025	June 30, 2025		
		Number of units			
Investments in sukuk of Rs. 100,000 each - Fair Value Through Other Comprehensive Income (FVTOCI)					
550	550	Neelum Jehlum Hydropower (Pvt.) Ltd. Sukuk	5.1	5,775,000	5,775,000
National Bank Aitmaad - term deposit certificates					
	5.2	333,000,000	326,000,000		
		338,775,000	331,775,000		
5.1 The outstanding principal per unit is Rs. 10,500 (30 June 2025: Rs. 10,500) having fair value of 101.0390% (30 June 2025: 100.6374%) per unit as at the reporting date. However upside adjustment for fair value has not been recognized in these financial statements as explained in note 1.2.					
5.2 These term deposit certificates yield profit at the rates ranging from 9.50% to 9.75% (30 June 2025: 9.00% to 18.42%) per annum.					
	Note	Septemebr 30, 2025 Rupees (Unudited)	June 30, 2025 Rupees (Audited)		
6 IJARAH RENTALS RECEIVABLE					
Considered doubtful	6.2	82,099,076	83,599,076		
Less: Provision for doubtful ijarah rentals receivable	6.3	(46,127,257)	(46,127,257)		
Less: Profit held in suspense account	6.4	(24,167,287)	(25,667,287)		
		11,804,532	11,804,532		

First National Bank Modaraba

- 6.1 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 Modaraba in above cases for recovery of Rs. 118.036 million (30 June 2025: 118.036 million), while the execution of decree proceedings is underway in the court.

	Note	Septemebr 30, 2025 Rupees (Unudited)	June 30, 2025 Rupees (Audited)
6.2 Considered doubtful			
Opening balance		83,599,076	91,775,166
Less: Received during the period/ year		(1,500,000)	(8,176,090)
Considered doubtful		<u>82,099,076</u>	<u>83,599,076</u>
6.3 Provision for doubtful ijarah rentals receivable			
Opening balance		46,127,257	46,127,257
Charged during the period/ year		-	-
	17	<u>46,127,257</u>	<u>46,127,257</u>
6.4 Profit held in suspense account			
Opening balance		25,667,287	32,042,461
Less: Reversed during the period/ year		(1,500,000)	(6,375,174)
		<u>24,167,287</u>	<u>25,667,287</u>
7 CURRENT AND OVERDUE PORTION OF NON-CURRENT ASSETS			
Current portion:			
Net investment in ijarah finance	8	<u>1,928,578</u>	<u>1,717,420</u>
Long term murabaha investments - secured	9	<u>4,800,000</u>	<u>4,800,000</u>
		6,728,578	6,517,420
Overdue portion of Net investment in ijarah finance	8	<u>323,776</u>	<u>138,091</u>
		<u>7,052,354</u>	<u>6,655,511</u>
8 NET INVESTMENT IN IJARAH FINANCE			
Minimum ijarah rentals receivable		47,177,374	47,315,465
Add: Residual value of ijarah assets		46,700	46,700
Gross investment in ijarah finance		<u>47,224,074</u>	<u>47,362,165</u>
Less: Unearned finance income		(24,109,320)	(24,109,320)
Net investment in ijarah finance		<u>23,114,754</u>	<u>23,252,845</u>
Less: Provision for doubtful net investment in ijarah finance	8.1	<u>(12,405,630)</u>	<u>(12,405,630)</u>
		10,709,124	10,847,215
Less: Overdue portion	7	(323,776)	(138,091)
Less: Current portion	7	<u>(1,928,578)</u>	<u>(1,717,420)</u>
		<u>8,456,770</u>	<u>8,991,704</u>
8.1 Provision for doubtful net investment in ijarah financing			
Opening balance		12,405,630	11,556,453
Charged during the period/ year	17	-	849,177
		<u>12,405,630</u>	<u>12,405,630</u>

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- 8.2** 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 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. 3.608 million (30 June 2025: Rs. 3.470 million) under the scheme through sale of non-core assets of the company.

	Note	Septemebr 30, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
9 LONG TERM MURABAHA INVESTMENTS - SECURED			
Considered doubtful	9.1	65,467,630	66,667,630
Add: Deferred murabaha income		29,388,304	29,388,304
		<u>94,855,934</u>	<u>96,055,934</u>
Less: Provision for doubtful murabaha investments	9.2	(59,594,049)	(59,594,049)
Less: Suspension for doubtful murabaha investments		<u>(29,388,304)</u>	<u>(29,388,304)</u>
		5,873,581	7,073,581
Less: Current portion	7	<u>(4,800,000)</u>	<u>(4,800,000)</u>
		<u>1,073,581</u>	<u>2,273,581</u>
9.1 Movement in the account of long term murabaha investments			
Considered doubtful			
Opening balance		66,667,630	71,467,630
Less: Received during the period/ year		<u>(1,200,000)</u>	<u>(4,800,000)</u>
		<u>65,467,630</u>	<u>66,667,630</u>
9.2 Provision for doubtful murabaha investments			
Opening balance		59,594,049	59,594,049
Charged during the period/ year	17	<u>-</u>	<u>-</u>
		<u>59,594,049</u>	<u>59,594,049</u>
10 INTANGIBLE ASSET			
Cost		1,131,300	1,131,300
Accumulated amortization		<u>(1,131,300)</u>	<u>(1,131,300)</u>
Net book value		<u>-</u>	<u>-</u>
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	32,959,576
Less: Transfer during the period/ year		-	(10,250)
Less: Depreciation charged during the period/ year		<u>-</u>	<u>-</u>
		<u>32,949,326</u>	<u>32,949,326</u>

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 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 rate of 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 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	117,704	190,627
Additions made during the period/ year	-	22,900
	<u>117,704</u>	<u>213,527</u>
Less: Depreciation charged during the period/ year	(24,433)	(95,823)
	<u>93,271</u>	<u>117,704</u>

12.1 These contain fully depreciated assets of Rs. 3,455,554/- (30 June 2025: Rs. 3,455,554/-) that are still in use by the Modaraba.

13 DEFERRED TAX ASSET

The deferred tax asset of Rs. 85.699 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.

Note	Septemehr 30, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
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14 SHORT TERM FINANCING - SECURED

From banking company - related party

Running finance	14.1	<u>217,063,388</u>	<u>217,063,388</u>
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14.1 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 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.

15 CREDITORS, ACCRUED AND OTHER LIABILITIES

Advances from customers		46,637	46,637
Accrued expenses		1,132,722	1,285,377
Payable to Modaraba Management Company		5,944,018	5,944,018
WWF payable	15.1	897,637	897,637
Sales tax payable		62,109	62,009
Income tax payable		2,732	-
Charity payable		213,280	183,644
		<u>8,299,135</u>	<u>8,419,322</u>

15.1 WWF payable:

Opening balance		897,637	897,637
Net movement during the period/ year		-	-
		<u>897,637</u>	<u>897,637</u>

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16 CONTINGENCIES AND COMMITMENTS

- 16.1 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 2025.

17 PROVISION FOR DOUBTFUL RECEIVABLES

Note	4.2	9.2	6.3	8.1	September 30, 2025 Rupees	June 30, 2025 Rupees
	Short term morabaha investments	Long term morabaha investments	Ijara rental receivables	Net investment in ijara financing		
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	-	-	-	-	-	849,177
Less: Reversed during the period/ year	-	-	-	-	-	(1,888,721)
	-	-	-	-	-	-
Net provision (reversed)/ charged during the period/ year	-	-	-	-	-	(1,039,544)
	88,206,093	59,594,049	46,127,257	12,405,630	206,333,029	206,333,029

- 17.1 This represents the provision recognized on the basis of subjective evaluation and in accordance with the Modaraba Regulations, 2021 issued by SECP.

Septemehr 30, 2025 Rupees (Unaudited)	Septemehr 30, 2024 Rupees (Unaudited)
--	--

18 LOSS PER MODARABA CERTIFICATE - BASIC AND DILUTED

Loss attributable to certificates holders (profit for the period)	Rupees	(437,490)	(361,079)
Weighted average number of certificates outstanding during the year	Numbers	25,000,000	25,000,000
Loss per modaraba certificate - basic	Rupees	(0.02)	(0.01)

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

19 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:

19.1 Transactions during the period:

Particulars	Nature of transaction		
National Bank of Pakistan	Markup expense	6,382,497	11,259,363
National Bank of Pakistan	Profit on saving account	29,636	28,133
National Bank of Pakistan	Profit on short term investments	7,985,178	13,428,685

Septemehr 30, 2025 Rupees (Unaudited)	June 30, 2025 Rupees (Audited)
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19.2 Balances outstanding at the reporting date

	Bank accounts	444,452	545,262
	Short term borrowings	217,063,388	217,063,388
National Bank of Pakistan	Markup payables	197,467,827	191,085,330
	Term Deposit Certificates	333,000,000	326,000,000
National Bank Modaraba Management Company Limited	Management fee payable	5,944,018	5,944,018

19.3 Relationship

National Bank of Pakistan	Holding Company of the Modaraba Management Company
National Bank Modaraba Management Company Limited	Holding Company (Modaraba Management Company)

20 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 October 20, 2025.

21 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

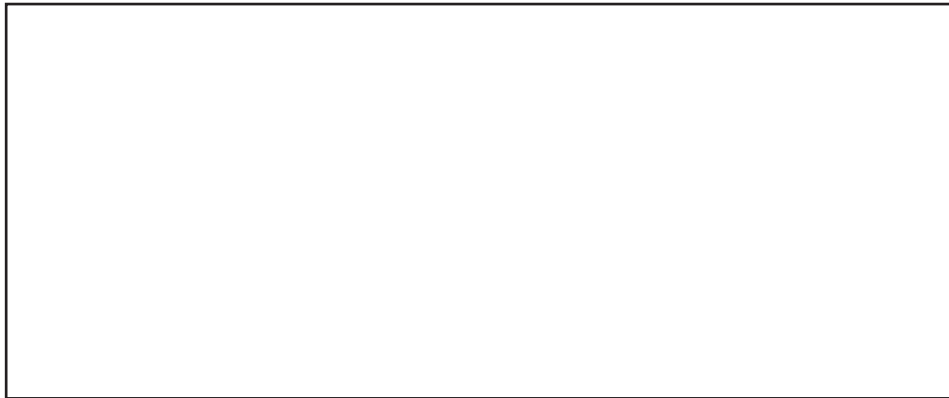


Chief Financial Officer
National Bank Modaraba
Management Company Limited

Lahore: October 20, 2025

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