

NBP FUNDS

Managing Your Savings

Aitemaad اعتماد



اسلامک سیونگز

Islamic Savings

NBP Fund Management Limited



NBP ISLAMIC INCOME FUND

HALF YEARLY REPORT
DECEMBER 31, 2025

AM1
Rated by PACRA

MISSION STATEMENT

"To become country's most
investor-focused company,
by assisting investors
in achieving their financial goals."

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Faisal Ahmed	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Umar Ahsan Khan	Director
Mr. Tahir Jawaid	Director
Mr. Saad Muzaffar Waraich	Director

Chief Financial Officer & Company Secretary

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Umar Ahsan Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Muzaffar Waraich	Member

Human Resource & Remuneration Committee

Mr. Tahir Jawaid	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Faisal Ahmed	Member
Mr. Umar Ahsan Khan	Member

Business Strategy & IT Committee

Mr. Saad Muzaffar Waraich	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Faisal Ahmed	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Tahir Jawaid	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

Bank Islami Pakistan Limited	MCB Bank Limited
United Bank Limited (Islamic)	Bank Alfalah Limited (Islamic)
Dubai Islamic Bank Pakistan Limited	Habib Metropolitan Bank Limited
Meezan Bank Limited	Soneri Bank Limited
Silk Bank Limited (Emaan Islamic)	JS Bank Limited
AlBaraka Bank (Pakistan) Limited	Faysal Bank Limited
National Bank of Pakistan (Islamic Banking)	
Habib Bank Limited (Islamic)	

Auditors

Grant Thornton Anjum Rahman.
1st & 3rd Floor,
Modern Motors House, Beaumont Road,
Karachi, 75530

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpfunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

Khan Center, 1st Floor,
Abdali Road, Multan.
Phone No. : 061-4540301-6, 061-4588661-2&4

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Islamic Income Fund (NBP-IIF)** for the half year ended December 31, 2025.

Fund's Performance

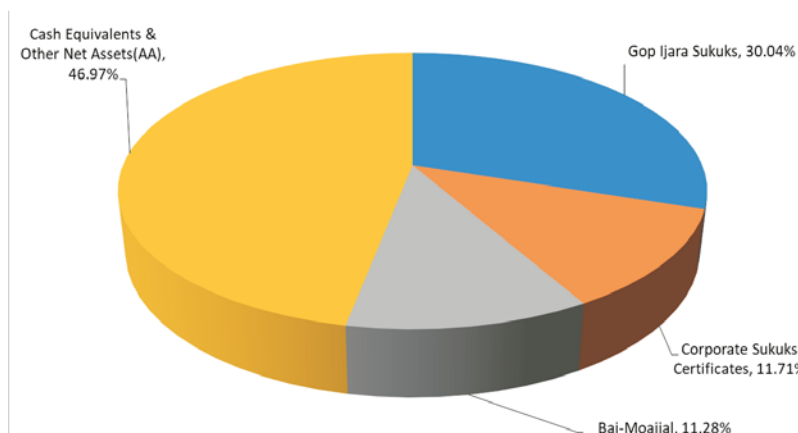
Despite benign inflation during 1HFY26, the State Bank of Pakistan (SBP) remained cautious and maintained the Policy Rate from May through November. In the latest Monetary Policy Committee Meeting held in December 2025, the policy rate was reduced by 50 basis points to 10.5%, aimed at supporting growth and stabilizing global commodity prices amid a favorable inflation outlook. Meanwhile, the National Consumer Price Index (NCPI) registered 5.6% YoY, bringing the six-month FY26 average to 5.1%, compared with 7.2% in the same period last year. GDP growth for FY26 is projected between 3.25% and 4.25%, supported by manufacturing, agriculture, and services. Nonetheless, risks persist from flood-related damages and global economic headwinds. On the external front, SBP reserves rose to USD 16.1 billion at Dec-end, bolstered by record remittances, improved investor confidence following a sovereign credit rating upgrade, and fiscal consolidation. Overall, Pakistan's macroeconomic outlook remains cautiously optimistic, underpinned by coordinated monetary and fiscal policies, structural reforms, and prudent debt management that aim to ensure stability and sustainable growth.

The secondary market yields on government securities and KIBOR witnessed notable declines, signaling reduced borrowing costs and improved liquidity conditions. This trend suggests scope for further rate reductions going forward. The Ministry of Finance (MoF) conducted six fixed and variable rate Sukuk auctions via PSX attracted about PKR 1.4 trillion across 1-year, 3-year FRR, 5-year FRR, 10-year zero-coupon, and 10-year VRR instruments, with rentals/cut-offs ranging from 9.99%-12.00% and spreads around -0.32% to -0.275%. Overall, the consolidated figures highlight SBP's active liquidity management, with balanced participation across Islamic instruments, moderate yields, and strong investor appetite across short- and long-term tenors, reinforcing stake-holders confidence in the debt market.

NBP-IIF is categorized as a Shariah Compliant Income Fund and has been awarded stability rating of 'A+(f)' by PACRA. The fund aims to provide competitive returns by investing in Shariah compliant debt securities and money market instruments. The Fund is allowed to invest with A- or above rated Islamic Banks, Islamic branches / windows of conventional banks providing easy liquidity. The Fund is allowed to invest in Shariah Compliant Money Market instruments & debt securities rated A or better. The Fund is not authorized to invest in Equities. The weighted average time to maturity of the Fund cannot exceed 4 years excluding government securities

The size of NBP Islamic Income Fund has decreased from Rs. 13,489 million to Rs. 9,364 million during the period, 31% down. The unit price of the Fund has increased from Rs. 10.1348 on June 30, 2025 to Rs. 10.5765 on December 31, 2025 thus showing return of 8.6% p.a. as compared to its benchmark return of 9.4% p.a. for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 558.52 million during the period. After deducting total expenses of Rs. 99.42 million, the net income is Rs. 459.10 million. The asset allocation of NBP-IIF as on December 31, 2025 is as follows:



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: February 17, 2026
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2025ء کو ختم ہونے والی ششماہی کے لئے NBP اسلامک انکم فنڈ (NBP-IIF) کے جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

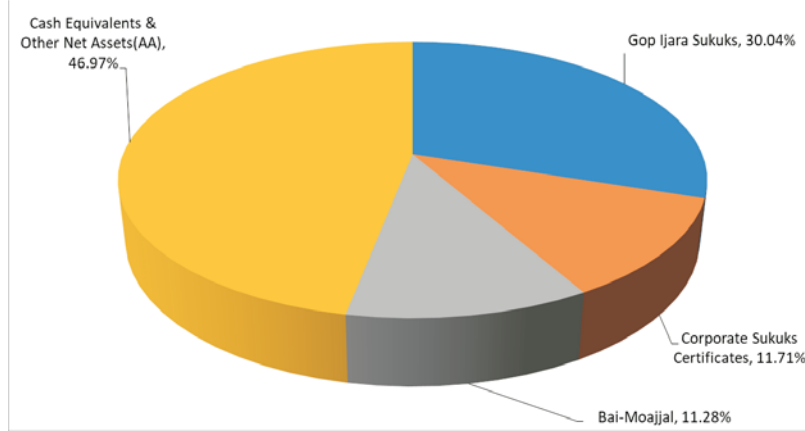
1HFY26 کے دوران افراط زر نسبتاً معتدل رہنے کے باوجود، اسٹیٹ بینک آف پاکستان (SBP) نے محتاط پالیسی اپنانے رکھی اور مئی سے نومبر تک پالیسی ریٹ کو برقرار رکھا۔ تاہم، دسمبر 2025 میں منعقدہ مانیٹری پالیسی کمیٹی کے تازہ ترین اجلاس میں، سازگار افراط زر کے منظر نامہ اور عالمی اجناس کی قیمتوں میں استحکام کے تناظر میں معاشی نمو کو سہارا دینے کے لیے پالیسی ریٹ میں 50 بیس پوائنٹس کی کمی کرتے ہوئے اسے 10.5% کر دیا گیا۔ اسی دوران، نیشنل کنزیومر پرائس انڈیکس (NCPI) کے مطابق افراط زر سال بہ سال بنیاد پر 5.6% ریکارڈ کیا گیا، جس کے نتیجے میں FY26 کے پہلے چھ ماہ کی اوسط افراط زر 5.1% رہی، جبکہ گزشتہ سال اسی مدت میں یہ 7.2% تھی۔ FY26 کے لیے مجموعی قومی پیداوار (GDP) کی شرح نمو 3.25% سے 4.25% کے درمیان رہنے کا امکان ہے، جس کی بنیاد مینوفیکچرنگ، زراعت اور خدمات کے شعبوں میں بہتری پر ہے۔ تاہم، سیلاب سے متعلق نقصانات اور عالمی معاشی دباؤ کے باعث خطرات بدستور موجود ہیں۔ بیرونی محاذ پر، دسمبر کے اختتام تک اسٹیٹ بینک پاکستان کے زرمبادلہ کے ذخائر بڑھ کر 16.1 بلین امریکی ڈالر تک پہنچ گئے، جنہیں ریکارڈ سطح کی ترسیلات زر، خود مختار کریڈٹ ریٹنگ میں بہتری کے بعد سرمایہ کاروں کے اعتماد میں اضافہ، اور مالیاتی استحکام نے تقویت دی۔ مجموعی طور پر، پاکستان کا معاشی منظر نامہ محتاط طور پر پُر امید ہے، جو مربوط مانیٹری اور مالی پالیسیوں، ساختی اصلاحات، اور محتاط قرضہ جاتی نظم پر مبنی ہے، جن کا مقصد استحکام اور پائیدار معاشی نمو کو یقینی بنانا ہے۔

گورنمنٹ سیکورٹیز کی ثانوی مارکیٹ کے شرح منافع (Yields) اور کابنر (KIBOR) میں نمایاں کمی دیکھنے میں آئی، جو قرض لینے کی لاگت میں کمی اور مالیاتی نظام میں لیکویڈٹی کی بہتر صورتحال کی عکاسی کرتی ہے۔ یہ رجحان آئندہ دنوں میں مزید شرح سود میں کمی کی گنجائش کی نشاندہی کرتا ہے۔ وزارت خزانہ (MoF) نے پاکستان اسٹاک ایکسچینج (PSX) کے ذریعے مقررہ اور متغیر شرح والے چھ سیکورٹیز کی نیلامیاں منعقد کیں، جن میں ایک سالہ، تین سالہ FRR، پانچ سالہ FRR، دس سالہ زیر کوپن، اور دس سالہ VRR آلات شامل تھے۔ ان نیلامیوں کے ذریعے مجموعی طور پر تقریباً 1.4 بلین روپے کی سرمایہ کاری موصول ہوئی، جبکہ کرایہ/کٹ آف ریٹس 9.99% سے 12.00% کے درمیان اور اسپریڈ تقریباً 0.32% سے 0.275% تک رہے۔ مجموعی طور پر، مشترکہ اعداد و شمار اسٹیٹ بینک آف پاکستان (SBP) کی فعال لیکویڈٹی مینجمنٹ کو اجاگر کرتے ہیں، جس میں اسلامی مالیاتی آلات میں متنوع شرکت، معتدل منافع کی شرحیں، اور قلیل و طویل مدتی میعادوں میں سرمایہ کاری کی مضبوط دلچسپی شامل ہے۔ یہ رجحان قرض مارکیٹ میں اسٹیک ہولڈرز کے اعتماد کو مزید مستحکم کرتا ہے۔

NBP-IIF کی درجہ بندی بطور شریعہ کھلائے آئم فنڈ کی گئی ہے اور اسے PACRA کی طرف سے A+(f) کی مستحکم ریٹنگ دی گئی ہے۔ اس فنڈ کا مقصد شریعت کے مطابق قرضوں کی سیکورٹیز اور مئی مارکیٹ کے آلات میں سرمایہ کاری کر کے مسابقتی منافع فراہم کرنا ہے۔ فنڈ اسلامک بینکوں، روایتی بینکوں کی اسلامک برانچز اور وڈوز میں آسانی سے لیکویڈٹی فراہم کرنے والے A یا بالا درجہ کے اسلامی بینکوں کے ساتھ سرمایہ کاری کی اجازت دیتا ہے۔ فنڈ کو شریعت کے مطابق A یا اس سے بالا درجہ بندی کے منشی مارکیٹ کے آلات اور ڈیٹ سیکورٹیز میں سرمایہ کاری کرنے کی اجازت ہے۔ فنڈ ایکویٹی میں سرمایہ کاری کرنے کا مجاز نہیں ہے۔ گورنمنٹ سیکورٹیز کے علاوہ فنڈ کی میچورٹی کی اوسط مدت 4 سال سے زیادہ نہیں ہو سکتی ہے۔

NBP اسلامک انکم فنڈ کا سائز 13,489 ملین روپے سے کم ہو کر اس مدت کے دوران 9,364 ملین روپے ہو گیا (یعنی 31% کمی) ہے۔ اس مدت کے دوران، فنڈ کے پورٹ کی قیمت 30 جون 2025 کو 10.1348 روپے سے بڑھ کر 31 دسمبر 2025 کو 10.5765 روپے ہو گئی۔ لہذا فنڈ نے اسی مدت میں بیچ مارک منافع 9.4% سالانہ کے مقابلے 8.6% سالانہ منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فونڈ کو اس مدت کے دوران 558.52 ملین روپے کی مجموعی آمدنی ہوئی۔ 99.42 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 459.10 ملین روپے ہے۔
31 دسمبر 2025 کو NBP-IIF کی ایسٹ ایلوکیشن درج ذیل ہے:



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔
بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 17 فروری 2026

مقام: کراچی

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Income Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period ended December 31, 2025, in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 26, 2026

INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of NBP Islamic Income Fund (the Fund) as at December 31, 2025, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund 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 Company (NBP Fund Management Limited) is responsible for the preparation and presentation of the interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statement 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 interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

1. Pursuant to the requirement of Section 237(1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the fund. Accordingly, the figures of the condensed interim income statement and condensed interim statement of other comprehensive income for the three months period ended December 31, 2025 have not been reviewed by us.
2. The condensed interim financial statements for the half year ended December 31, 2024, and the annual financial statements for the year ended June 30, 2025, of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated February 28, 2025 and audit report dated September 04, 2025 expressed an unmodified conclusion and an unmodified opinion, respectively on the aforementioned financial statements.
3. The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Shaukat Naseeb**.

Grant Thornton Anjum Rahman

Chartered Accountants

Date: February 25, 2026

Karachi.

UDIN: RR202510126xbJ3a241X

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2025

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
----- Rupees in '000' -----			
ASSETS	Note		
Bank balances	4	4,578,387	7,519,920
Investments	5	4,965,688	3,882,661
Profit receivable		146,620	85,342
Prepayments, deposits and other receivables		614	443
Receivable against transfer of units		10,614	4,700,001
Preliminary expenses and floatation costs	6	-	19
Total assets		9,701,923	16,188,386
LIABILITIES			
Payable to NBP Fund Management Limited - the Management Company	7	16,092	18,996
Payable to Central Depository Company of Pakistan Limited - the Trustee	8	707	567
Payable to the Securities and Exchange Commission of Pakistan	9	615	493
Payable against redemption of units		308,026	2,558,021
Accrued expenses and other liabilities	10	12,558	121,576
Total liabilities		337,998	2,699,653
NET ASSETS		9,363,924	13,488,733
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,363,924	13,488,733
CONTINGENCIES AND COMMITMENTS	11		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		885,348,269	1,330,937,637
		----- Rupees -----	
NET ASSET VALUE PER UNIT		10.5765	10.1348

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025

	Note	Half year ended December 31,		Quarter ended December 31,	
		2025	2024	2025	2024
INCOME					
Income on sukuk certificates		205,183	406,154	103,782	190,139
Income on term deposit receipts		-	50,944	-	38,718
Income on certificates of musharakah		26,537	18,031	14,655	4,998
Income on bai muajjal receivable		97,662	67,017	62,114	51,631
Profit on bank balances		237,108	183,681	82,630	83,521
Net (loss) / gain on sale of investment		(982)	(5,389)	(2,429)	(5,498)
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.5	(6,982)	83,660	(14,622)	45,375
		<u>(7,964)</u>	<u>78,271</u>	<u>(17,051)</u>	<u>39,877</u>
Total income		558,526	804,098	246,130	408,884
EXPENSES					
Remuneration of NBP Fund Management Limited - the Management Company	7.1	77,220	41,416	35,883	20,566
Sindh sales tax on remuneration of the Management Company	7.2	11,583	6,212	5,382	3,085
Reimbursement of Allocated expenses	7.3	-	5,389	-	3,468
Reimbursement of Selling and marketing expenses	7.4	-	14,960	-	9,389
Sindh sales tax on reimbursement of allocated expenses	7.5	-	808	-	520
Sindh sales tax on reimbursement of selling and marketing expenses	7.5	-	2,244	-	1,408
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	8.1	4,079	3,285	1,896	1,844
Sindh sales tax on remuneration of the Trustee	8.2	612	493	285	277
Fee to the Securities and Exchange Commission of Pakistan	9.1	4,079	3,285	1,896	1,844
Amortisation of preliminary expenses and floatation costs	6.1	19	78	-	39
Auditors' remuneration		502	452	379	329
Legal and professional charges		91	91	46	46
Listing fee		31	15	23	7
Shariah advisor fee		446	408	242	204
Settlement and bank charges		484	252	355	123
Printing expenses		-	40	-	20
Securities and transaction cost		142	59	3	18
Rating fee		140	126	77	63
Total expenses		99,428	79,613	46,467	43,250
Net income for the period before taxation		459,098	724,485	199,663	365,634
Taxation	12	-	-	-	-
Net income for the period after taxation		459,098	724,485	199,663	365,634
Allocation of net income for the period					
Net income for the period after taxation		459,098	724,485		
Income already paid on units redeemed		(117,553)	(148,167)		
		<u>341,545</u>	<u>576,318</u>		
Accounting income available for distribution					
- Relating to capital gains		-	78,271		
- Excluding capital gains		341,545	498,047		
		<u>341,545</u>	<u>576,318</u>		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- (Rupees in '000')-----			
Net income for the period after taxation	459,098	724,485	199,663	365,634
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	459,098	724,485	199,663	365,634

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	For the half year ended December 31, 2025			For the half year ended December 31, 2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000') -----			----- (Rupees in '000') -----		
Net assets at the beginning of the period (audited)	13,414,596	74,137	13,488,733	6,323,316	62,827	6,386,143
Issuance of 647,640,041 units (2024: 827,655,294 units)						
- Capital value (at net asset value per unit at the beginning of the period)	6,563,702	-	6,563,702	8,377,941	-	8,377,941
- Element of income	131,313	-	131,313	387,365	-	387,365
Total proceeds on issuance of units	6,695,015	-	6,695,015	8,765,306	-	8,765,306
Redemption 1,093,229,409 units (2024: 564,306,462 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(11,079,661)	-	(11,079,661)	(5,712,192)	-	(5,712,192)
- Element of loss	(81,708)	(117,553)	(199,261)	(161,441)	(148,167)	(309,608)
Total payments on redemption of units	(11,161,369)	(117,553)	(11,278,922)	(5,873,633)	(148,167)	(6,021,800)
Total comprehensive income for the period	-	459,098	459,098	-	724,485	724,485
Net assets at the end of the period (un-audited)	8,948,242	415,682	9,363,924	9,214,989	639,145	9,854,134
Undistributed income brought forward						
- Realised income		45,064			68,727	
- Unrealised income/loss		29,073			(5,900)	
		<u>74,137</u>			<u>62,827</u>	
Accounting income available for distribution:						
- Relating to capital gains		-			78,271	
- Excluding capital gains		341,545			498,047	
		<u>341,545</u>			<u>576,318</u>	
Undistributed income carried forward		<u>415,682</u>			<u>639,145</u>	
Undistributed income carried forward:						
- Realised income		422,664			555,485	
- Unrealised loss/income		(6,982)			83,660	
		<u>415,682</u>			<u>639,145</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			<u>10.1348</u>			<u>10.1225</u>
Net asset value per unit at the end of the period			<u>10.5765</u>			<u>11.0196</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	Half year ended	
		December 31, 2025	December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		459,098	724,485
Adjustments:			
Income on sukuk certificates		(205,183)	(406,154)
Income on term deposit receipts		-	(50,944)
Income on certificates of musharakah		(26,537)	(18,031)
Income on bai muajjal receivable		(97,662)	(67,017)
Profit on bank balances		(237,108)	(183,681)
Loss on sale of investment - net		982	5,389
Unrealised appreciation/diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.5	6,982	(83,660)
Amortisation of preliminary expenses and floatation costs	6.1	19	78
		(558,507)	(804,020)
(Increase)/Decrease in assets			
Investments - net		(1,605,477)	(1,581,931)
Deposits and other receivables		(171)	(145)
		(1,605,648)	(1,582,076)
Increase/(Decrease) in liabilities			
Payable to NBP Fund Management Limited - the Management company		(2,904)	7,613
Payable to Central Depository Company of Pakistan Limited - the Trustee		140	270
Payable to the Securities and Exchange Commission of Pakistan		122	228
Accrued expenses and other liabilities		(109,017)	(101,930)
		(111,659)	(93,819)
Profit received on bank balances		237,108	183,681
Profit received on sukuk certificates, term deposit receipts, certificate of musharakah and bai muajjal receivable		268,104	604,867
		(1,311,504)	(966,882)
Net cash used in operating activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units		11,384,402	8,916,945
Payments against redemption of units		(13,528,917)	(6,062,439)
Net cash used/generated from financing activities		(2,144,515)	2,854,506
Increase / (decrease) in cash and cash equivalents during the period		(3,456,019)	1,887,624
Cash and cash equivalents at the beginning of the period		8,034,406	1,713,843
Cash and cash equivalents at the end of the period	4.2	4,578,387	3,601,467

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 NBP Islamic Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 9, 2020.

In the year 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 16, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at the 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.3 The Fund has been categorised as an open end Shariah compliant income fund by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit. Thereafter, the units were being offered for public subscription on a continuous basis from August 13, 2020 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the Fund is to provide competitive returns by investing in Shariah compliant debt securities and money market instruments.

1.5 The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 ' with 'stable outlook' (June 30, 2025: AM1 ' with 'stable outlook') on May 05, 2025. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund at A+(f) (June 30, 2025: A+(f) on October 10, 2024) dated October 17, 2025.

1.6 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

- 2.1.1** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of the financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2025.
- 2.1.2** In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2025.
- 2.1.3** These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2025.
- 2.1.4** The comparative statement of assets and liabilities presented in this condensed interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2025, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2025.

3 MATERIAL ACCOUNTING POLICY INFORMATION, SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1** The material accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2025.
- 3.2** The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the annual audited financial statements as at and for the year ended June 30, 2025. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2025.
- 3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2025. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
4	BANK BALANCES	Note	----- Rupees in '000 -----
	Balances with banks in:		
	Current accounts	4.1 7,182	15,730
	Saving accounts	4.1 4,571,205	7,504,190
		4,578,387	7,519,920

4.1 These include balances of Rs 0.831 million (June 30, 2025: Rs 0.962 million) maintained with National Bank of Pakistan (related party) that carry profit at the rate of 6% (June 30, 2025: 6%) per annum. Other savings accounts of the Fund carry profit at the rate ranging from 6% to 10.60% (June 30, 2025: 0.10% to 10.60%) per annum.

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
4.2	Cash and cash equivalents:	Note	----- (Rupees in '000) -----
	Bank balances	4 4,578,387	7,519,920
	Certificates of musharakah	5.3 -	514,486
		4,578,387	8,034,406

5 INVESTMENTS

At fair value through profit or loss

	Government securities - GoP Ijarah sukuk	5.1	2,813,244	3,190,805
	Corporate sukuk certificates	5.2	1,096,182	177,370
	Certificates of musharakah	5.3	-	514,486
	Bai muajjal	5.4	1,056,262	-
			4,965,688	3,882,661

5.1 GoP Ijarah sukuk

Name of the security	Profit payments	Maturity date	Profit rate	As at July 1, 2025	Purchased during the period	Sold / Matured during the period	As at December 31, 2025	Carrying value as at December 31, 2025	Market value as at December 31, 2025	Unrealised appreciation / (diminution)	Market value as a percentage of	
											Total investments of the Fund	Net assets of the Fund
				----- Number of certificates -----				----- (Rupees in '000) -----		----- % -----		
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	December 03, 2025	11.00%	20,000	-	20,000	-	-	-	-	0.00%	0.00%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	November 06, 2025	11.00%	110,200	-	110,200	-	-	-	-	0.00%	0.00%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	August 15, 2025	15.99%	10,000	-	10,000	-	-	-	-	0.00%	0.00%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	September 17, 2025	15.00%	150,000	-	150,000	-	-	-	-	0.00%	0.00%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	October 20, 2025	11.75%	25,000	-	25,000	-	-	-	-	0.00%	0.00%

NBP ISLAMIC INCOME FUND

Name of the security	Profit payments	Maturity date	Profit rate	As at July 1, 2025	Purchased during the period	Sold / Matured during the period	As at December 31, 2025	Carrying value as at December 31, 2025	Market value as at December 31, 2025	Unrealised appreciation / (diminution)	Market value as a percentage of	
											Total investments of the Fund	Net assets of the Fund
				Number of certificates							(Rupees in '000)	
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	July 25, 2025	17.22%	30,000	-	30,000	-	-	-	-	0.00%	0.00%
GoP Ijarah sukuk GIS - Listed Sukuk (Face value of Rs. 5,000 per certificate)	Annually	July 23, 2026	9.99%	-	212,700	-	212,700	1,009,770	1,017,876	8,106	20.50%	10.87%
GoP Ijarah sukuk GIS - FRR - XXXIII (Face value of Rs. 100,000 per certificate)	Semi - Annually	December 04, 2026	16.19%	1,500	-	-	1,500	161,385	158,190	(3,195)	3.19%	1.69%
GoP Ijarah sukuk GIS - VRR - XL (Face value of Rs. 100,000 per certificate)	Semi - Annually	December 04, 2026	Weighted average 6 months T-Bills	750	-	-	750	75,465	75,165	(300)	1.51%	0.80%
GoP Ijarah sukuk GIS - Listed (Face value of Rs. 5,000 per certificate)	Semi - Annually	September 18, 2027	Weighted average 6 months T-Bills	52,500	-	-	52,500	264,626	262,841	(1,785)	5.29%	2.81%
GoP Ijarah sukuk GIS - Listed (Face value of Rs. 5,000 per certificate)	Semi - Annually	October 21, 2027	Weighted average 6 months T-Bills	30,000	-	-	30,000	151,245	149,640	(1,605)	3.01%	1.60%
GoP Ijarah sukuk GIS - Listed (Face value of Rs. 5,000 per certificate)	Semi - Annually	January 24, 2027	Weighted average 6 months T-Bills	35,000	-	-	35,000	177,433	175,998	(1,436)	3.54%	1.88%
GoP Ijarah sukuk GIS - Listed (Face value of Rs. 5,000 per certificate)	Semi - Annually	June 28, 2027	Weighted average 6 months T-Bills	5,000	-	-	5,000	25,243	25,003	(241)	0.50%	0.27%
GoP Ijarah sukuk GIS - VRR - XLII (Face value of Rs. 100,000 per certificate)	Semi - Annually	December 04, 2028	Weighted average 6 months T-Bills	1,000	4,000	1,000	4,000	403,830	403,120	(710)	8.12%	4.31%
GoP Ijarah sukuk GIS - Listed (Face value of Rs. 5,000 per certificate)	Semi - Annually	September 18, 2029	Weighted average 6 months T-Bills	12,500	-	-	12,500	63,644	62,950	(694)	1.27%	0.67%
GoP Ijarah sukuk GIS - Listed (Face value of Rs. 5,000 per certificate)	Semi - Annually	October 21, 2029	Weighted average 6 months T-Bills	25,000	-	-	25,000	127,313	124,663	2,650	2.51%	1.33%
GoP Ijarah sukuk GIS - Listed (Face value of Rs. 5,000 per certificate)	Semi - Annually	January 24, 2029	Weighted average 6 months T-Bills	35,000	-	-	35,000	179,883	178,343	(1,540)	3.59%	1.90%
GoP Ijarah sukuk GIS - VRR - XXV (Face value of Rs. 100,000 per certificate)	Semi - Annually	April 27, 2027	Weighted average 6 months T-Bills	38	-	-	38	3,853	3,827	(27)	0.08%	0.04%
GoP Ijarah sukuk GIS - Listed (Face value of Rs. 5,000 per certificate)	Semi - Annually	June 28, 2029	Weighted average 6 months T-Bills	5,000	-	-	5,000	25,265	25,015	(250)	0.50%	0.27%
GoP Ijarah sukuk GIS - VRR - XXIII (Face value of Rs. 100,000 per certificate)	Semi - Annually	October 06, 2026	Weighted average 6 months T-Bills	1,500	3,000	3,000	1,500	151,079	150,615	(464)	3.03%	1.61%
Total as at December 31, 2025								2,820,033	2,813,244	(6,789)	56.65%	30.04%
Total as at June 30, 2025								3,161,263	3,190,805	29,542	82.18%	23.66%

5.2 Corporate sukuk certificates

Name of the security	Rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2025	Purchases during the period	Sold / redeemed during the period	As at December 31, 2025	Carrying value as at December 31, 2025	Market value as at December 31, 2025	Unrealised (diminution) / appreciation	Market value as a percentage of	
												Total investments of the fund	Net assets of the fund
					----- Number of certificates -----			----- Rupees in '000 -----			----- % -----		
POWER GENERATION & DISTRIBUTION													
Air Link Communication Limited - STS (Face value of Rs 1,000,000 per certificate)	A1, PACRA	Monthly	March 23, 2026	1 month KIBOR plus base rate of 1.20%	-	275	-	275	275,000	275,000	-	5.54%	2.94%
Engro Fertilizers Limited - STS (Face value of Rs 1,000,000 per certificate)	A1+, VIS	Quarterly	May 18, 2026	3 months KIBOR plus base rate of 0.15%	-	300	-	300	300,000	300,000	-	6.04%	3.20%
K-Electric Limited - Sukuk V (Face value of Rs. 2,250 per certificate)	AA+, VIS	Quarterly	August 03, 2027	3 months KIBOR plus base rate of 1.70%	11,990	-	-	11,990	21,375	21,182	(193)	0.43%	0.23%
Pak Energy Sukuk-II (Face value of Rs 5,000 per certificate)	AA+, PACRA	Semi-annually	May 31, 2030	6 months KIBOR plus base rate of -0.10%	30,000	-	30,000	-	-	-	-	0.00%	0.00%
Mughal Iron & Steel Industries Limited - STS (Face value of Rs 1,000,000 per certificate)	A+, VIS	Quarterly	August 13, 2026	3 months KIBOR plus base rate of 1.75%	-	200	-	200	200,000	200,000	-	4.03%	2.14%
PTCL - STS (Face value of Rs 1,000,000 per certificate)	A1+, VIS	Semi-annually	March 18, 2026	1 month KIBOR plus base rate of 0.15%	-	300	-	300	300,000	300,000	-	6.04%	3.20%
Total as at December 31, 2025									1,096,375	1,096,182	(193)	22.08%	11.71%
Total as at June 30, 2025									177,839	177,370	(469)	4.57%	1.31%

5.3 Certificates of Musharakah

Name of investee company	Rating	Maturity date	Profit rate	----- Face Value -----				Carrying value as at December 31, 2025	Market value as at December 31, 2025	Unrealised appreciation / (diminution)	Market value as a percentage of			
				As at July 1, 2025	Placed during the period	Matured during the period	As at December 31, 2025				Total investments of the Fund	Net assets of the Fund		
											----- (Rupees in '000) -----		----- % -----	
Non-bank islamic financial institutions														
First Habib Modaraba	AA+, PACRA	July 29, 2025	12.00%	514,486	-	514,486	-	-	-	-	-	-	-	
Total as at December 31, 2025									-	-	-	0.00%	0.00%	
Total as at June 30, 2025									514,486	514,486	-	13.25%	3.81%	

5.4 Bai muajjal

Name of investee company	Rating	Maturity date	Profit rate	Carrying Value				Market value as a percentage of				
				As at July 01, 2025	Purchases during the period	Sales / matured during the period	As at December 31, 2025	Total investments of the Fund	Net assets of the Fund			
								----- (Rupees in '000) -----		----- % -----		
Non-bank islamic financial institutions												
United Bank Limited	A1+, VIS	January 26, 2026	10.35%	-	739,462	-	739,462	14.89%	7.90%			
Pakistan Mortgage Refinance Company Limited	A1+, VIS	February 18, 2026	10.60%	-	158,206	-	158,206	3.19%	1.69%			
Pakistan Mortgage Refinance Company Limited	A1+, VIS	February 26, 2026	10.60%	-	158,594	-	158,594	3.19%	1.69%			
Total as at December 31, 2025								1,056,262	-	1,056,262	21.27%	11.28%
Total as at June 30, 2025								-	-	-	-	-

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
		----- Rupees in '000 -----	
5.5	Unrealised (diminution)/appreciation/ on re-measurement of investments classified as 'at fair value through profit or loss' - net		
	Note		
	Market value of investments	4,965,688	3,882,661
	Less: carrying value of investments	(4,972,670)	(3,853,588)
		<u>(6,982)</u>	<u>29,073</u>

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

At the beginning of the period / year		19	173
Less: amortisation during the period / year	6.1	(19)	(154)
At the end of the period / year		<u>-</u>	<u>19</u>

6.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are paid by NBP Fund Management Limited (Management Company). These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
		----- Rupees in '000 -----	
7	PAYABLE TO NBP FUND MANAGEMENT LIMITED - THE MANAGEMENT COMPANY		
	Note		
	Remuneration payable to the Management Company	11,645	9,340
	Sindh sales tax on remuneration payable to the Management Company	1,747	1,401
	Reimbursement of allocated expenses payable	-	4,130
	Sindh sales tax payable on reimbursement of allocated expenses	-	620
	Reimbursement of selling and marketing expenses payable	-	1,953
	Sindh sales tax payable on reimbursement of selling and marketing expenses	-	293
	Sales and transfer load payable	2,021	914
	Sindh sales tax payable on sales load	303	140
	ADC charges payable including Sindh sales tax	223	52
	Other payable to the Management Company	153	153
		<u>16,092</u>	<u>18,996</u>

7.1 The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has substituted Regulation 60(5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, whereby the Management Company is entitled to remuneration not exceeding 1.5% per annum of the average daily net assets, applicable to "Income Scheme", with effect from July 01, 2025. Accordingly, during the period ended December 31, 2025, the Management Company has charged its remuneration as follows:

December 31, 2025:

- From July 01, 2025 to December 31, 2025 at the rate of 1.42% of the average annual net assets of the Fund.

June 30, 2025:

From July 1, 2024 to November 24, 2024 : 6% of Net Income, subject to floor and capping of 0.5% and 1.25% of average annual net assets

From November 25, 2024 to December 8, 2024 : 4.85% of Net Income, subject to floor and capping of 0.5% and 1.25% of average annual net assets

From December 9, 2024 to January 12, 2025 : 3.7% of Net Income, subject to floor and capping of 0.5% and 1.25% of average annual net assets

From January 13, 2025 to June 30, 2025 : 1.42% of average annual net assets

The remuneration is payable to the Management Company monthly in arrears.

- 7.2** Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of Management Company 15% (June 30, 2025: 15%).

Further, Sindh Sales tax at the rate of 15% has also been levied on any reimbursement expenditure to the Management Company effective July 1, 2024 vide Sindh Finance Act, 2024."

- 7.3** In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its discretion has charged allocated expenses under the following rates:

Rate applicable from July 01, 2025 to Dec 31, 2025	Rate applicable from January 13, 2025 to June 30, 2025	Rate applicable from November 25, 2024 to January 12, 2025
Nil	Nil	0.20% of average annual net assets

- 7.4** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at following rates:

Rate applicable from July 01, 2025 to Dec 31, 2025	Rate applicable from December 9, 2024 to January 2, 2025
Nil	0.59% of average annual net assets

- 7.5** Effective July 1, 2024, the Sindh Finance Act of 2024 introduced a 15% (June 30, 2025: 15%) sales tax on all reimbursable expenses for Management Companies. This resulted in Rs. 0.293 million in Sindh sales tax on reimbursed selling and marketing expenses.

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
8	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - THE TRUSTEE		
	Trustee fee payable	615	493
	Sindh sales tax payable on Trustee fee	92	74
		<u>707</u>	<u>567</u>

	Note	(Un-audited) December 31, 2025	(Audited) June 30, 2025
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Fee payable	9.1	<u>615</u>	<u>493</u>
		(Un-audited) December 31, 2025	(Audited) June 30, 2025
10 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		417	752
Legal and professional charges payable		217	285
Shariah advisor fee payable		469	2,757
Withholding tax payable		121	41,096
Capital gain tax payable		6,171	71,662
Printing charges payable		50	57
Bank and settlement charges payable		239	96
Securities and transaction cost payable		35	32
Other payables		4,839	4,839
		<u>12,558</u>	<u>121,576</u>

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2025 and June 30, 2025.

12 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2025 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

13 TOTAL EXPENSE RATIO

	%
Management fee	1.42
Regulatory fee	0.075
Trustee fee	0.075
Levies and taxes	0.22
Other expenses	0.04
Total TER with levies	1.83
Total TER without levies	1.61

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The previously applicable TER limit of 2.5% for a collective investment scheme categorised as an "Income Scheme" has been replaced with a management fee, which is disclosed in note 7.1 to these condensed interim financial statements for collective investment schemes categorised as "Income Scheme".

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons are essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

14.1 Details of transactions with related parties / connected persons during the period are as follows:

	----- (Un-audited) -----	
	Half year ended	
	December 31, 2025	December 31, 2024
	----- Rupees in '000 -----	
NBP Fund Management Limited - the Management Company		
Remuneration of NBP Fund Management Limited - the Management Company	77,220	41,416
Sindh sales tax on remuneration of the Management Company	11,583	6,212
Reimbursement of Allocated expenses	-	5,389
Sindh sales tax on reimbursement of allocated expenses	-	808
Reimbursement of Selling and marketing expenses	-	14,960
Sindh sales tax on reimbursement of selling and marketing expenses	-	2,244
Amortisation of preliminary expenses and floatation costs paid by the Management Company	19	78
Sales load and Sindh sales tax on sales load	2,324	10,971
ADC charges paid including Sindh sales tax during the period	1,164	1,271
Units issued to unitholders on behalf of management company	-	2,953
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration of Central Depository Company of Pakistan Limited - the Trustee	4,079	3,285
Sindh sales tax on remuneration of the Trustee	612	493
Settlement charges	98	5
Employees of Management Company		
Units issued: 4,561,511 (December 31, 2024: 11,836,035)	47,046	126,341
Units redeemed: 6,740,381 (December 31, 2024: 10,281,853)	69,200	109,863
Dividend re invested: Nil (December 31, 2024: 5010)	-	55
Portfolio managed by the Management Company		
Units issued: 19,887,562 (December 31, 2024: 7,846,067)	203,751	84,694
Units redeemed: 28,356,781 (December 31, 2024: 15,247,055)	295,408	165,154
Dividend re invested: Nil (December 31, 2024: 16,945)	-	187
National Bank of Pakistan - Parent of the Management Company		
Profit on bank balances	13	313

	----- (Un-audited) ----- Half year ended	
	December 31, 2025	December 31, 2024
	----- Rupees in '000 -----	
Pakistan Stock Exchange Limited - common directorship**		
Listing fee	-	15
K-Electric Limited - common directorship**		
Purchase of sukuk certificates	-	-
Profit on sukuk certificates	-	6,029
	(Un-audited)	(Audited)
	Half year ended	
	December	June 30,
	31, 2025	2025
	----- Rupees in '000 -----	
14.2 Amounts / balances outstanding as at period / year end are as follows:		
NBP Fund Management Limited - the Management Company		
Remuneration payable to the Management Company	11,645	9,340
Sindh sales tax payable on remuneration of the Management Company	1,747	1,401
Reimbursement of allocated expenses payable	-	4,130
Sindh sales tax payable on reimbursement of allocated expenses	-	620
Reimbursement of selling and marketing expenses payable	-	1,953
marketing expenses	-	293
Sales and transfer load payable	2,021	914
Sindh sales tax on sales load payable	303	140
ADC charges payable including Sindh sales tax	223	52
Other payable to the Management Company	153	153
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration payable to the Trustee	615	493
Sindh sales tax payable on remuneration of the Trustee	92	74
Settlement charges payable	98	45
Security deposit	100	100
National Bank of Pakistan - Parent of the Management Company		
Bank balances	831	962
Profit receivable on bank balances	4	-
Employees of Management Company		
Units held: 1,367,907 (June 30, 2025: 3,546,744)	14,468	35,946
Portfolio managed by the Management Company		
Units held in the Fund: 9,314,199 (June 30, 2025: 17,783,419)	98,512	180,231
K-Electric Limited - common directorship**		
Corporate sukuk certificates held	-	27,370
Profit receivable on corporate sukuk certificates	-	602
Fauji Fertilizer Company Limited**		
Units held: Nil (2025: 138,105,238 units)	-	1,399,669
Mr. Zaheer Iqbal - Chief Financial Officer *		
Units held: Nil (June 30, 2025: 373,740)	-	3,788

Mr Zaheer Iqbal has resigned as the CFO of NBP Fund Management Limited during the period.

** "Current year figures has not been shown as the company ceased to be a related party/connected person as at December 31, 2025"

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing at the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Fund held the following financial instruments measured at fair value.

		----- (Unaudited) -----			
		----- As at December 31, 2025 -----			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
Financial assets at fair value through profit or loss	Note				
GoP Ijarah sukuks	5.1	2,328,480	484,764	-	2,813,244
Corporate sukuk certificates	5.2	1,096,182	-	-	1,096,182
Certificates of musharakah	5.3	-	-	-	-
Bai muajjal	5.4	-	1,056,262	-	1,056,262
		<u>3,424,662</u>	<u>1,541,026</u>	<u>-</u>	<u>4,965,688</u>
		----- (Audited) -----			
		----- As at June 30, 2025 -----			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
Financial assets at fair value through profit or loss					
GoP Ijarah sukuks		2,697,102	493,703	-	3,190,805
Corporate sukuk certificates		177,370	-	-	177,370
Certificates of musharakah		-	514,486	-	514,486
Bai muajjal		-	-	-	-
		<u>2,874,472</u>	<u>1,008,189</u>	<u>-</u>	<u>3,882,661</u>

During the period ended December 31, 2025 and year ended June 30, 2025, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

16 GENERAL

- 16.1** Figures in these condensed interim financial statements have been rounded off to the nearest thousand of Rupees, unless otherwise stated.
- 17.2** These condensed interim financial statements are unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2025 have not been reviewed.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 17, 2026 by the Board of Directors of the Management Company.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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