



**National Bank Modaraba Management Company Ltd.**

(A subsidiary Of National Bank of Pakistan)

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

NBMMCL/LHR/  
February 22, 2017

Subject: Financial Results for the Half Year Ended December 31, 2016

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on February 22, 2017 at 10:00 a.m., at NBP Head Office Karachi recommended the following:

CASH DIVIDEND: NIL  
BONUS SHARES: NIL  
RIGHT SHARES: NIL

We have to inform you that the Board of Directors of our company in their meeting held on February 22, 2017 at 10:00 a.m., at NBP Head Office Karachi approved the half yearly financial statements of First National Bank Modaraba for the period ended December 31, 2016.

The external auditors have included an emphasis of matter paragraph (copy attached) in their review report to the certificate holders.

The complete profit and loss account of First National Bank Modaraba for the Half year ended December 31, 2016 is enclosed.

We will be sending you 200 copies of printed Accounts for distribution amongst the members of the Exchange.

Yours Sincerely,

**Ali Abbass**  
Company Secretary

***Emphasis of Matter***

We draw attention to note 1.1 to the condensed interim financial information which indicates that the modaraba has incurred a loss after taxation of Rupees 30.029 million during the half year ended 31 December 2016, while the accumulated loss, as at 31 December 2016 amounts to Rupees 236.292 million which exceeds fifty percent of the total amount subscribed by the holders of the modaraba certificates and as of that date the modaraba's current liabilities exceeded its current assets by Rupees 239.135 million. These conditions, along with other matters as explained in note 1.1, indicate the existence of material uncertainty which may cast significant doubts about the modaraba's ability to continue as going concern. Our conclusion is not qualified in respect of this matter.

**RIAZ AHMAD & COMPANY**  
Chartered Accountants

**Name of Engagement partner:**  
**Syed Mustafa Ali**


**Date:**

**LAHORE**

FIRST NATIONAL BANK MODARABA  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>				
Ijarah rentals earned / income from ijarah finance	101,678,323	174,645,920	51,976,949	82,817,232
Profit on diminishing musharaka	2,529,150	1,385,781	1,172,768	707,395
Profit on murabaha investments	601,000	2,243,773	(622,490)	769,883
Profit on bank deposits	448,227	511,459	295,278	511,459
Gain / (loss) on disposal of ijarah assets	2,867,771	(74,481)	1,544,474	(1,341,574)
Other income	733,231	1,704,901	701,621	1,514,983
	108,857,702	180,417,353	55,088,600	84,979,378
<b>EXPENSES</b>				
Depreciation on ijarah assets	(78,191,720)	(136,887,133)	(38,454,914)	(63,938,366)
Operating expenses	(7,181,260)	(10,015,500)	(3,422,734)	(4,995,173)
Finance cost	(14,404,411)	(25,551,301)	(5,967,641)	(11,105,534)
	(99,777,391)	(172,453,934)	(47,845,289)	(80,039,073)
<b>OPERATING PROFIT BEFORE PROVISION AND TAXATION</b>	9,080,311	7,963,419	7,223,311	4,940,305
Provision charged for doubtful receivables - net	(35,910,096)	(57,600,903)	(20,760,064)	(45,618,346)
Impairment loss on ijarah assets	(3,199,383)	-	(3,199,383)	-
	(30,029,168)	(49,637,484)	(16,736,136)	(40,678,041)
Modaraba management company fee	-	-	-	-
<b>LOSS BEFORE TAXATION</b>	(30,029,168)	(49,637,484)	(16,736,136)	(40,678,041)
Taxation	-	-	-	-
<b>LOSS AFTER TAXATION</b>	(30,029,168)	(49,637,484)	(16,736,136)	(40,678,041)
<b>LOSS PER CERTIFICATE - BASIC AND DILUTED</b>	(1.20)	(1.99)	(0.67)	(1.63)

The annexed notes form an integral part of this condensed interim financial information.

  
Chief Executive  
National Bank Modaraba  
Management Company Limited

  
Director  
National Bank Modaraba  
Management Company Limited

  
Director  
National Bank Modaraba  
Management Company Limited