National Bank Modaraba Management Company Ltd.
(A subsidiary Of National Bank of Pakistan)

FNBM/LHR/ 0061
October 05, 2017

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

Subject: **Financial Results for the Year Ended June 30, 2017**

Dear Sir,

We have to inform you that the Board of Directors of National Bank Modaraba Management Company Limited in their meeting held on October 05, 2017 at 11:00 a.m., in Meeting Room NBP RHQ Building, Lahore recommended the following in respect of First National Bank Modaraba:

(i) **CASH DIVIDEND: NIL**

(ii) **BONUS SHARES: NIL**

(ii) **RIGHT SHARES: NIL**

The Board of Directors in the meeting approved the financial statements for the year ended June 30, 2017.The complete Profit & Loss Account along with appropriations, earning per share and comparative figures of immediately preceding/corresponding period has been enclosed. In addition, the accounts do not contain any qualification by the auditors however it contains an emphasis of matter paragraph (copy attached) by the auditors.

The Annual Review Meeting of the Modaraba will be held on October 31, 2017 at 4th Floor, NBP RHQs Building, 26 – McLagon Road Lahore at 11:00 a.m.

The certificate holders whose names will appear in the Register of Certificate Holders at close of business on October 20, 2017 will be entitled to attend the Annual Review Meeting.

The Share Transfer Books of the Company will be closed from October 21, 2017 to October 31, 2017 (both days inclusive).

We will be sending you 200 copies of printed accounts for distribution amongst the members of the Exchange in the due course.

Yours Sincerely,

Ali Abbass
Company Secretary

FIRST NATIONAL BANK MODARABA

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 Rupees	2016 Rupees
INCOME			
Ijarah rentals earned / income from ijarah finance		169,679,959	305,749,520
Profit on diminishing musharaka financing		4,269,226	3,804,355
Profit on murabaha investments		255,086	1,979,454
Profit on bank deposits		974,792	1,002,006
Gain on disposal of ijarah assets		4,525,381	-
Other income	25	97,018	1,833,589
		179,801,462	314,368,924
EXPENSES			
Depreciation on ijarah assets	14	(124,356,047)	(237,061,840)
Loss on disposal of ijarah assets		-	(3,939,655)
Operating expenses	26	(15,175,035)	(16,130,081)
Finance cost	27	(23,700,399)	(44,916,618)
		(163,231,481)	(302,048,194)
Operating profit before provision and taxation		16,569,981	12,320,730
Provision charged for doubtful receivables - net	28	(86,033,497)	(61,179,143)
Impairment loss on ijarah assets - net	14	(1,896,166)	(4,974,089)
		(71,359,682)	(53,832,502)
Modaraba management company fee	29	-	-
LOSS BEFORE TAXATION		(71,359,682)	(53,832,502)
Taxation	30	-	-
LOSS AFTER TAXATION		(71,359,682)	(53,832,502)
LOSS PER CERTIFICATE - BASIC AND DILUTED	31	(2.85)	(2.15)

The annexed notes form an integral part of these financial statements.

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

FIRST NATIONAL BANK MODARABA

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	2017 Rupees	2016 Rupees
LOSS AFTER TAXATION	(71,359,682)	(53,832,502)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(71,359,682)	(53,832,502)

The annexed notes form an integral part of these financial statements.

Chief Executive
National Bank Modaraba
Management Company Limited

Director
National Bank Modaraba
Management Company Limited

Director
National Bank Modaraba
Management Company Limited

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981 in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at 30 June 2017 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to note 1.1 to the financial statements, which states that the Modaraba is no longer a going concern, therefore, these financial statements have been prepared on the basis of estimated realisable / settlement values of assets and liabilities respectively. This resulted in recognition of additional provision of Rupees 39.074 million based on the subjective evaluation of non-performing receivables. Estimated realisable / settlement values are based on the management's best estimate. Estimation involves judgements based on the latest available, reliable information, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In future, these estimates may need revision if changes occur in the circumstances on which the estimates are based or as a result of new information. Hence, the ultimate values at which assets will be realized and liabilities will be settled may be different from those carried in these financial statements. Our report is not qualified in respect of this matter.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Syed Mustafa Ali

Date:

LAHORE