

**QUARTERLY
REPORT
MARCH 31,
2011**



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
Interim Financial Statements
For the Quarter Ended March 31, 2011

CONTENTS

Corporate Information	2
Director' Report	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	5
Condensed Interim Statement of Comprehensive Income	6
Condensed Interim Cash Flow Statement	7
Condensed Interim Statement of Changes in Equity	8
Notes to the Condensed Interim Unaudited Financial Statements	9-12

CORPORATE INFORMATION

Board of Directors	Mr. Shahid Anwar Khan Mr. Wajahat A. Baqai Mr. Khawaja Waheed Raza Syed Mustafa Kamal Mrs. Naiyer Muzafar Hussain Mr. Jamal Nasim Mr. Javaid Sadiq	Chairman Director Director Director Director Director Chief Executive Officer
Chief Financial Officer/ Company Secretary	Mr. Abbas Azam	
Audit Committee	Mr. Wajahat A. Baqai Mr. Khawaja Waheed Raza Mr. Jamal Nasim	Chairman Member Member
Auditors	Horwath Hussain Chaudhury & Co. (A member firm of Crowe Horwath International)	
Bankers	National Bank of Pakistan Standard Chartered Bank Bank Alfalah Limited Al Baraka Islamic Bank Habib Bank Limited Allied Bank Limited MCB Bank Limited First Women Bank Limited HSBC Middle East Limited Bank Islami Pakistan Limited	
Legal Advisor	Cornelius Lane & Mufti Advocates and Solicitors Nawa-i-Waqt House 4 – Shahrah-e-Fatima Jinnah, Lahore Tel.: 36360824, Fax: 36303301	
Shares Registrar	Hameed Majeed Associates (Pvt.) Limited H. M. House, 7 – Bank Square, Lahore Tel: 37235081-2, Fax: 37358817	
Registered Office	5th Floor, NBP RHQs Building, 26 – McLagon Road, Lahore Tel: 042-99211200, Fax: 042-99213247 URL: http://www.nbmodaraba.com E-mail: info@nbmodaraba.com	

DIRECTORS' REPORT

On behalf of the Board of Directors of National Bank Modaraba Management Company Limited (NBMMCL), the management company of First National Bank Modaraba (FNBM), I am pleased to present the quarterly report, together with unaudited financial statements of FNBM for the quarter and nine months ended March 31, 2011.

During the period under review the credit appetite of the industry remained low as expected. However due to diligent marketing efforts, FNBM wrote new leases and also made new investment in morahaba transactions, resulting in an increase in balance sheet size from Rs.1,761 millions as on June 30, 2010 to Rs.2,084 millions at the end of the quarter under review..

The Modaraba generated total income of Rs.343.590 millions in the nine months under review as compared to Rs.270.852 millions in the corresponding period last year; and total operating expenses stood at Rs.319,938 Millions as against Rs.248.331 Millions in the corresponding period. FNBM's net profit remained at Rs.21.286 millions for the nine months ended March 31, 2011 as compared to the corresponding figure of Rs. 20.268 millions for the period ended March 31, 2010. Accordingly EPC was Rs.0.85 as against Rs.0.81 in the corresponding period.

Finally, I would like to, if I may, thank to the valued certificate holders for their patronage and consistent support in the prevailing challenging scenario. Besides, I extend my sincere gratitude to Registrar Modarabas, SECP and Modaraba Association of Pakistan for their continued guidance and support.

Javaid Sadiq
Chief Executive Officer

Lahore: April 28, 2011

Quarterly Report - March 31, 2011

CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT MARCH 31, 2011

	Note	(Un-audited) March 31 2011 Rupees	(Audited) June 30 2010 Rupees
ASSETS			
Current assets			
Cash and bank balances		10,422,640	5,019,214
Ijarah rental receivable		42,345,933	16,058,922
Advances, prepayments and other receivables		118,391,112	68,934,002
Accrued Profit		26,818,670	17,921,146
Short-term investments		2,064,467	1,856,657
Short-term morabaha investment - secured		747,669,258	595,584,052
Short-term musharaka investment - unsecured		-	2,500,000
Current portion of non-current assets		236,584,430	316,255,858
		1,184,296,510	1,024,129,851
Non - current assets			
Net investment in ijarah	5	167,995,139	254,672,831
Long-term morabaha investment - secured		2,656,458	55,271,791
Long-term sukuk certificate - secured		941,801	4,941,801
Long-term loans and deposits		1,577,308	1,211,401
Fixed assets - under ijarah arrangements	6	725,211,593	418,921,835
Fixed assets - under own use	6	1,595,849	2,108,292
		899,978,148	737,127,951
Total Assets		2,084,274,658	1,761,257,802
LIABILITIES			
Current liabilities			
Creditors, accrued and other liabilities		45,641,401	24,879,005
Accrued profit payable		29,526,266	22,228,812
Short-term finances - secured		884,530,254	466,728,456
Short-term certificates of musharaka - unsecured	7	37,722,587	80,475,882
Current portion of non-current liabilities		368,376,948	559,343,948
		1,365,797,456	1,153,656,103
Non - current liabilities			
Long-term security deposits		146,215,441	92,956,759
Long-term certificate of musharaka - unsecured	8	70,445,439	-
Long-term finances - secured	9	170,833,327	174,999,995
Deferred morahaba income		3,156,460	8,105,126
		390,650,667	276,061,880
Total liabilities		1,756,448,123	1,429,717,983
NET ASSETS		327,826,535	331,539,819
Represented by:			
CAPITAL AND RESERVES			
Certificate capital	10	250,000,000	250,000,000
Reserves		77,826,535	81,539,819
CONTINGENCIES AND COMMITMENTS			
	11	327,826,535	331,539,819

The annexed notes from 1 to 16 form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER
Lahore: April 28, 2011

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

First National Bank Modaraba

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2011

	Nine Months ended		Quarter ended	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	March 31 2011	March 31 2010	March 31 2011	March 31 2010
REVENUE				
Income from ijarah	260,796,550	169,847,835	110,011,849	56,413,992
Profit on morabaha investment	76,720,854	89,804,813	26,115,366	26,527,379
Profit on musharaka investment	753,262	6,224,556	235,096	3,616,729
Profit on bank deposits	493,592	309,834	128,887	127,888
Gain on short term investments	425,045	586,365	56,608	246,683
Gain on sale of fixed asset	69,637	792,003	10,443	620,000
Other income	4,331,509	3,286,634	2,690,695	3,176,948
	<u>343,590,449</u>	<u>270,852,040</u>	<u>139,248,944</u>	<u>90,729,619</u>
EXPENDITURES				
Finance cost	126,569,301	156,505,147	47,896,497	45,847,183
Operating expenses	11,891,346	11,070,465	3,662,380	3,149,646
Depreciation on assets under ijarah	172,477,895	70,436,374	72,570,469	27,127,302
Allowance for potential ijarah & morabaha losses	9,000,000	-	3,000,000	-
Impairment	-	10,319,270	-	-
	<u>319,938,542</u>	<u>248,331,256</u>	<u>127,129,346</u>	<u>76,124,131</u>
Modaraba Company's Management Fee	23,651,907	22,520,784	12,119,598	14,605,488
	<u>2,365,191</u>	<u>2,252,078</u>	<u>1,211,959</u>	<u>1,460,548</u>
PROFIT FOR THE PERIOD	<u>21,286,716</u>	<u>20,268,706</u>	<u>10,907,639</u>	<u>13,144,940</u>
Unappropriated profit brought forward	49,231,856	28,244,376	32,535,118	33,943,389
Profit available for appropriation	<u>70,518,572</u>	<u>48,513,082</u>	<u>43,442,757</u>	<u>47,088,329</u>
Appropriation:				
Transfer to statutory reserve	4,257,343	4,053,741	2,181,528	2,628,988
Dividend	25,000,000	-	-	-
Unappropriated profit carried forward	<u>41,261,229</u>	<u>44,459,341</u>	<u>41,261,229</u>	<u>44,459,341</u>
Earnings per Modaraba Certificate - Basic and diluted	<u>0.85</u>	<u>0.81</u>	<u>0.44</u>	<u>0.53</u>

The annexed notes from 1 to 16 form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER
Lahore: April 28, 2011

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

Quarterly Report - March 31, 2011

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2011

	Nine Months ended		Quarter ended	
	(Un-audited) March 31 2011	(Un-audited) March 31 2010	(Un-audited) March 31 2011	(Un-audited) March 31 2010
 Rupees Rupees Rupees Rupees
Profit for the period	21,286,716	20,268,706	10,907,639	13,144,940
Other comprehensive income				
Net unrealized gain / (loss) in value of available for sale investments	-	16,821,982	-	-
Total Comprehensive Income for the Period	21,286,716	37,090,688	10,907,639	13,144,940

The annexed notes from 1 to 16 form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER
Lahore: April 28, 2011

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

First National Bank Modaraba

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2011

	(Un-audited) March 31, 2011 Rupees	(Un-audited) March 31, 2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	21,286,716	20,268,706
Adjustments for:		
Depreciation / amortization	173,002,538	70,845,497
Allowance for potential ijarah & morabaha losses	9,000,000	-
Impairment loss-available for sale investment	-	10,319,270
Loss in value of short-term investments	(207,807)	(2,113,928)
(Gain)/loss on sale of short-term investments	-	2,043,573
Finance costs	126,569,301	156,505,147
Profit on bank deposits	(493,592)	(309,834)
Dividend income	(217,238)	(516,010)
Gain on disposal of fixed assets	(69,637)	(792,003)
	<u>307,583,565</u>	<u>235,981,712</u>
Operating profit before working capital changes	328,870,281	256,250,418
Working capital changes		
Decrease in advances, prepayments and other receivables	(49,262,482)	(11,005,347)
Ijarah rentals receivable	(26,287,011)	-
Increase in accrued profit	(8,897,524)	1,843,854
Increase in short-term morabaha investment	(148,872,858)	77,550,450
Decrease / (Increase) in short-term musharaka investment	2,500,000	16,000,000
Decrease / (increase) in investment in ijarah	186,075,766	343,179,094
Increase in long-term morabaha investment	24,916,667	90,541,666
Long term sukuk certificate	4,000,000	4,000,000
(Decrease) / increase in security deposits against ijarah	48,872,094	(18,152,018)
Increase in creditors, accrued and other liabilities	20,762,396	(3,290,483)
	<u>53,807,048</u>	<u>500,667,216</u>
Cash (used in) / generated from operations	382,677,329	756,917,634
Finance costs paid	(119,271,847)	(164,468,025)
Income taxes paid	(7,391)	(160,884)
Dividend income received	30,000	511,540
Profit received on bank deposits	493,592	409,833
	<u>(118,755,646)</u>	<u>(163,707,536)</u>
Net cash used in operating activities	263,921,683	593,210,098
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(479,455,757)	(177,621,406)
Proceeds on disposal of fixed assets	745,541	3,024,050
Long-term loans and deposits	(301,978)	(518,061)
Short-term investments	-	25,374,460
Net cash (used in) / from investing activities	(479,012,194)	(149,740,957)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finance obtained	(80,000,005)	75,000,000
Short term finance	417,801,798	(350,000,000)
Short-term certificate of musharaka - net	(42,753,295)	22,161,515
Long-term certificate of musharaka	(49,554,561)	(2,300,000)
Dividend paid	(25,000,000)	(168,941,470)
Net cash from financing activities	220,493,937	(424,079,955)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,403,426	19,389,186
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,019,214	13,878,858
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>10,422,640</u>	<u>33,268,044</u>

The annexed notes from 1 to 16 form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER
Lahore: April 28, 2011

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

Quarterly Report - March 31, 2011

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2011

	Certificate capital	Capital / Statutory reverse	Net unrealised gain / (loss) in the value of investments available for sale	Unappropriated profits	Total reserves	Total equity
..... Rupees						
Balance as at June 30, 2009	250,000,000	27,061,093	(16,821,982)	28,244,376	38,483,487	288,483,487
Profit for the period ended March 31, 2010	-	-	-	20,268,706	20,268,706	20,268,706
Transferred to statutory reserves	-	4,053,741	-	(4,053,741)	-	-
Net unrealized gain on investments available for sale	-	-	16,821,982	-	16,821,982	16,821,982
Balance as at March 31, 2010	250,000,000	31,114,834	-	44,459,341	75,574,175	325,574,175
Profit for the period ended June 30, 2010	-	-	-	5,965,644	5,965,644	5,965,644
Transferred to statutory reserves	-	1,193,129	-	(1,193,129)	-	-
Balance as at June 30, 2010	250,000,000	32,307,963	-	49,231,856	81,539,819	331,539,819
Profit for the period ended March 31, 2011	-	-	-	21,286,716	21,286,716	21,286,716
Transferred to statutory reserves	-	4,257,343	-	(4,257,343)	-	-
Profit distribution @ Re.1.0 per modaraba certificate	-	-	-	(25,000,000)	(25,000,000)	(25,000,000)
Balance as at March 31, 2011	250,000,000	36,565,306	-	41,261,229	77,826,535	327,826,535

The annexed notes from 1 to 16 form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER
Lahore: April 28, 2011

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

First National Bank Modaraba

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2011

1 General Information

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 and is managed by National Bank Modaraba Management Company Limited (a wholly owned subsidiary of National Bank of Pakistan), incorporated in Pakistan under the Companies Ordinance, 1984 and registered with Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 5th Floor, National Bank of Pakistan, Regional Headquarters Building, 26 - Mc Lagon Road, Lahore. The Modaraba is listed on Karachi and Lahore stock exchanges. The Modaraba commenced its business operations on December 04, 2003.

2 Basis Of Preparation

- 2.1 These condensed interim financial statements have been prepared in accordance with the directives issued by the Securities & Exchange Commission of Pakistan (SECP) and are in compliance with the International Accounting Standard 34 (Interim Financial Reporting) and being submitted to certificate holders as required by Section 245 of the Companies Ordinance, 1984.
- 2.2 These financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2010. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2010 whereas profit and loss account, comparative statement of changes in equity and comparative cash flows statement are stated from unaudited interim financial information for the nine months ended on March 31, 2010.
- 2.3 These financial statements have been prepared under the historical cost convention, except for short term investments that are measured at fair value in accordance with the requirements of International Accounting Standard - 39 (Financial Instruments Recognition and Measurement).
- 2.4 These condensed interim financial statements are unaudited.
- 2.5 These condensed interim financial statements are presented in Pak rupees, Which is the Modaraba's functional and presentational Currency

3 Accounting Policies

- 3.1 The accounting policies adopted for the preparation of these condensed interim financial statement, are consistent with those applied in the preparation of published financial statements of Modaraba for the year ended June 30, 2010.
- 3.2 **New accounting standards and IFRIC interpretations that are not yet effective**

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below:

Standards or interpretation	Effective date (Accounting periods beginning on / after)
IFRS 1 - First Time Adoption of International Financial Reporting Standards	July 01, 2011
IFRS 9 - Financial Instruments - Recognition and Measurement	January 01, 2013
IFRS 7 - Financial Instruments - Disclosures	July 01, 2010 & 2011
IAS 12 - Income Taxes	January 01, 2012

The Modaraba expects that the adoption of above standards and interpretations will have no material impact on its financial statements in the period of initial application.

4 Taxation

Under the current tax law, the income of non-trading Modarabas is exempt from tax provided that they distribute ninety (90) percent of its profits as cash dividend to the certificate holders out of current period's total profit after appropriating statutory reserves. Where such profit is not distributed, provision for tax is made on taxable income at the current tax rates applicable to Modaraba after taking into account the available tax exemptions and tax credits, if any. The Modaraba intends to continue availing the tax exemption and hence no provision has been made in condensed interim condensed financial statement for the tax liability of nine months ended March 31, 2011.

5 NET INVESTMENT IN IJARAH	Note	March 31	June 30
		2011 Rupees	2010 Rupees
Minimum ijarah rentals receivable		268,070,989	467,511,242
Residual value		89,781,548	106,916,892
Gross investment in ijarah		357,852,537	574,428,134
Less: Unearned finance income		39,622,143	70,121,974
Net investment in ijarah		318,230,394	504,306,160
Less: allowance for potential ijarah losses		4,920,743	4,920,743
Less: Current portion of net investment in ijarah		145,314,512	244,712,586
		<u>167,995,139</u>	<u>254,672,831</u>

Quarterly Report - March 31, 2011

6 FIXED ASSETS

Assets under Ijarah arrangements	6.1	725,211,593	418,921,835
Assets under own use	6.2	1,595,849	2,108,292
		<u>726,807,442</u>	<u>421,030,127</u>

		March 31 2011	June 30 2010
	Note	Rupees	Rupees
6.1 Assets under Ijarah arrangements			
Written down value-at beginning of period/year		418,921,835	209,889,450
Additions at cost		479,443,558	321,975,378
Less:			
Written down value of assets disposed off		675,905	2,524,578
Depreciation / amortization charged during the period/year		172,477,895	110,418,415
		<u>173,153,800</u>	<u>112,942,993</u>
		<u>725,211,593</u>	<u>418,921,835</u>

6.2 Assets under own use

Written down value-at beginning of period/year		2,108,292	1,626,605
Additions at cost		12,200	1,343,347
Less: depreciation / amortization charged during the period/year		524,643	861,660
		<u>1,595,849</u>	<u>2,108,292</u>

7 SHORT-TERM CERTIFICATES OF MUSHARAKA - UNSECURED

During the period the modaraba has issued Certificates of Musharaka which are repayable within next twelve months. The estimated share of profit payable on quarterly basis on these certificates ranges from Rs 11.00% to 12.85% per annum. The balance of Redemption Reerve fund against outstanding COMs is included under the heads Cash & Bank Balance and Short Term investments.

		March 31 2011	June 30 2010
		Rupees	Rupees
8 LONG-TERM CERTIFICATE OF MUSHARAKA - UNSECURED			
Certificate of Musharaka		70,445,439	120,000,000
Less: Current portion		-	120,000,000
		<u>70,445,439</u>	<u>-</u>

8.1 Amount represents the long-term Certificates of Musharaka issued through private placements. The estimated share of profit payable on quarterly basis on these certificates ranges from Rs 12.50% to 14.75% per annum. The balance of Redemption Reerve fund against outstanding COMs is included under the heads Cash & Bank Balance and Short term investments.

9 LONG-TERM FINANCES

Finance under musharaka arrangements

From National Bank of Pakistan		161,666,653	304,166,658
--------------------------------	--	-------------	-------------

Finance under morabaha arrangements

From other financial institutions		275,000,007	212,500,005
-----------------------------------	--	-------------	-------------

		436,666,660	516,666,663
--	--	-------------	-------------

Less: Current portion		265,833,333	341,666,668
-----------------------	--	-------------	-------------

		<u>170,833,327</u>	<u>174,999,995</u>
--	--	--------------------	--------------------

10 CERTIFICATE CAPITAL

	Number of certificate 2011	2010
--	-------------------------------	------

Authorized:

60,000,000	60,000,000		
		Modaraba certificates of Rs.10 each.	600,000,000 600,000,000

Issued, subscribed and paid up:

25,000,000	25,000,000		
		Modaraba certificates of Rs.10 each fully paid in cash.	250,000,000 250,000,000

First National Bank Modaraba

10.1 7,500,000(June 2010: 7,500,000) certificates are held by National Bank Modaraba Management Company Limited.

11 CONTINGENCIES AND COMMITMENTS

Contingencies

There was no significant change in the status of contingencies as stated in financial statements for the year ended June 30, 2010.

Commitments

Ijarah facilities approved but not disbursed

60,079,200 61,108,000

	Nine months ended		Quarter ended	
	March 31	March 31	March 31	March 31
	2011	2010	2011	2010
 Rupees Rupees	
12 OPERATING EXPENSES				
Salaries, allowances and other benefits	9,033,464	8,603,761	2,896,838	2,415,281
Communication expenses	180,877	194,549	70,276	60,067
Traveling and conveyance	135,716	198,268	29,072	62,399
Vehicle running expenses	123,605	130,863	49,997	28,266
Postage and stamps	62,857	57,792	10,399	11,078
Advertisement	102,880	37,742	-	5,140
Legal and professional charges	261,026	210,473	63,144	56,021
Auditor's remuneration	88,000	88,000	-	-
Fee and subscription	560,952	328,667	55,734	65,837
Repairs and maintenance	254,138	265,471	131,911	150,133
Insurance	118,880	132,435	30,070	34,506
Stationery, printing and other expenses	284,248	275,001	87,613	102,693
Depreciation / amortization	524,643	409,123	170,781	121,038
Central depository company charges	-	6,575	-	-
Entertainment	61,294	78,725	29,605	29,971
Other sundry expenses	98,766	46,520	36,940	7,216
Zakat	-	6,500	-	-
	<u>11,891,346</u>	<u>11,070,465</u>	<u>3,662,380</u>	<u>3,149,646</u>

13 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

13.1 Modaraba management fee at the rate of 10 % of profit before tax has been recorded as payable to National Bank Modaraba Management Company Limited, under section 18 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

13.2 Details of other transactions with related parties and balances outstanding with them at the end of nine month are as follows:

	Nine months ended	
	March 31	March 31
	2011	2010
 Rupees	
Balances outstanding at the period end		
National Income Daily Account with National Bank of Pakistan (running balance)	5,375,507	6,328,818
Finances under Musharaka arrangement from National Bank of Pakistan	361,499,481	484,847,509
Net investment in Ijarah finance to National Bank Limited	108,811,255	39,392,686
Current Account with National Bank	831,949	536,471
Balance payable to Modaraba Management company	6,395,031	5,114,912

Quarterly Report - March 31, 2011

			Nine months ended	
			March 31 2011	March 31 2010
		 Rupees	
Transactions with related parties				
Related Party	Relationship	Nature of Transactions		
Taurus Securities Limited	Common management & control	Commission paid	-	56,364
Taurus Securities Limited	Common management & control	Purchase and sale of securities	-	32,601,167
National Bank Of Pakistan	Management co's holding company	Musharaka obtained	44,763,847	85,930,868
National Bank Of Pakistan	Management co's holding company	Musharaka repaid	142,500,000	206,894,466
National Bank Of Pakistan	Management co's holding company	Ijarah disbursed	74,433,370	25,684,500
National Bank Of Pakistan	Management co's holding company	Ijarah repaid	31,166,341	13,740,568
National Bank Modaraba Management	Management company	Dividend paid	7,500,000	-
Profit / expenses during the period				
National Bank Modaraba management	Management company	Management fee	2,365,191	2,252,078
National Bank Of Pakistan	Management co's holding company	Profit paid	38,100,397	50,927,339
National Bank Of Pakistan	Management co's holding company	Profit on ijarah	9,826,401	4,817,293

Transactions with related parties are carried out at arm's length in the normal course of business. The consideration is computed on commercial terms and conditions except for the modaraba company's management fee as mentioned above.

14 OTHERS

There were no other significant activities since June 30, 2010 affecting the financial statements.

15 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 28, 2011 by the Board of Directors of the National Bank Modaraba Management Company Limited.

16 GENERAL

For better presentation of the financial statements, certain figures and their comparatives have been re-arranged as under:

Particulars		March 31, 2011 Rupees	March 31, 2010 Rupees	From	To
		Depreciation on assets under ijarah	Nine Months Quarter		
Allowance for potential ijarah & morabaha losses	Nine Months Quarter	9,000,000 3,000,000	- -	Operating Expenses (Note 12)	Face of Profit & Loss Account

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER
Lahore: April 28, 2011

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

BOOK POST
UNDER POSTAL CERTIFICATE

TO:



If undelivered please return to :
FIRST NATIONAL BANK MODARABA
5th Floor, NBP RHQs Building,
26 McLagon Road,
Lahore.
Tel : 99211200, Fax: 99213247