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/ 74
February 27, 2016

Subject: **Financial Results for the Half Year Ended December 31, 2015**

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on February 27, 2016 at 11:00 a.m., at NBP RHQs Building Lahore 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 27, 2016 at 11:00 a.m., at NBP RHQs Building Lahore approved the half yearly financial statements of First National Bank Modaraba for the period ended December 31, 2015.

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, 2015 is enclosed.

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

Yours Sincerely,

Abbas Azam
Company Secretary

Registered Office 26-McLegon Road, Lahore. Tel: (92-42) 99210641-70, Ext: 3530 99213249, 99213246. Fax: 99213247

FIRST NATIONAL BANK MODARABA

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Rupees	Rupees	Rupees	Rupees
INCOME				
Ijarah rentals earned / income from ijarah finance	174,645,920	237,288,040	82,817,232	110,498,426
Profit on diminishing musharaka	1,385,781	1,899,945	707,395	912,411
Profit on murabaha investments	2,243,773	9,203,176	769,883	5,062,183
Profit on bank deposits	511,459	10,185	511,459	10,185
Gain / (loss) on disposal of ijarah assets	(74,481)	5,726,045	(1,341,574)	3,795,459
Other income	1,704,901	2,662,700	1,514,983	2,529,402
	180,417,353	256,790,091	84,979,378	122,808,066
EXPENSES				
Depreciation on ijarah assets	(136,887,133)	(189,772,041)	(63,938,366)	(90,046,406)
Operating expenses	(10,015,500)	(12,703,462)	(4,995,173)	(5,505,749)
Finance cost	(25,551,301)	(50,592,999)	(11,105,534)	(24,455,818)
	(172,453,934)	(253,068,502)	(80,039,073)	(120,007,973)
OPERATING PROFIT BEFORE PROVISION AND TAXATION	7,963,419	3,721,589	4,940,305	2,800,093
Provision charged for doubtful receivables - net	(57,600,903)	(105,114,943)	(45,618,346)	(90,841,943)
	(49,637,484)	(101,393,354)	(40,678,041)	(88,041,850)
Modaraba management company fee	-	-	-	-
LOSS BEFORE TAXATION	(49,637,484)	(101,393,354)	(40,678,041)	(88,041,850)
Taxation	-	-	-	-
LOSS AFTER TAXATION	(49,637,484)	(101,393,354)	(40,678,041)	(88,041,850)
LOSS PER CERTIFICATE - BASIC AND DILUTED	(1.99)	(4.06)	(1.63)	(3.52)

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

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

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 49.637 million during the half year ended 31 December 2015, while the accumulated loss, as at 31 December 2015 amounts to Rupees 202.067 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 154.449 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.