



Quarterly Report March 31, 2010

# 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, 2010*

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CORPORATE INFORMATION

Board of Directors	Mr. Qamar Hussain Mr. Shahid Anwar Khan Dr. Asif A. Brohi Mr. Muhammad Nusrat Vohra Mr. Wajahat Baqai Mr. Qamar Hussain Mr. Barbruce Ishaq	Chairman Director Director Director Director Director Chief Executive
Chief Financial Officer/ Company Secretary	Mr. Abbas Azam	
Audit Committee	Mr. Shahid Anwar Khan Dr. Asif A. Brohi Mr. Wajahat Baqai	Chairman Member Member
Auditors	Horwath Hussain Chaudhury & Co. (A member firm of Horwath International)	
Bankers	National Bank of Pakistan Al Baraka Islamic Bank Standard Chartered Bank Bank Alfalah Limited Habib Bank Limited HSBC Bank Middle East Limited Allied Bank Limited MCB Bank Limited First Women Bank Limited Bank Islami Pakistan	
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	5 <sup>th</sup> Floor, NBP RHQs Building, 26 - Mc Lagon Road, Lahore Tel: 042-99211200, Fax: 042-99213247 URL: <a href="http://www.nbmodaraba.com">http://www.nbmodaraba.com</a> E-mail: <a href="mailto:info@nbmodaraba.com">info@nbmodaraba.com</a>	

## First National Bank Modaraba

### 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 un-audited financial statements of FNBM for the quarter and nine months ended March 31, 2010.

During the period under review FNBM, continuing the cautious policy, booked new leases to replace the maturing leases. However due to low appetite for credit in the market, the balance sheet footing slightly decreased from Rs.2.096billions to Rs.1.944 billions during the quarter under review.

The Modaraba generated total income of Rs.270.852 millions in the nine months under review as compared to Rs.248.262 millions in the corresponding period last year; and operating expenses stood at Rs.248,331 Millions as against Rs.224.124 Millions in the corresponding period, mainly because of accounting treatment of Ijarah assets under IFAS-II - (Ijarah) in the period under review. FNBM's net profit remained at Rs.20.268 millions for the nine months ended March 31, 2010 as compared to the corresponding figure of Rs.21.723 millions for the period ended March 31, 2009. Accordingly EPC was Rs.0.81 as against Rs.0.87 in the corresponding period.

The modaraba is going through consolidation phase after booking impairment losses in AFS investment. Since this loss has completely been charged to Profit & Loss a/c by December 31, 2009 the future outlook is good.

Finally, I would like to thank 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.

Barbruce Ishaq  
Chief Executive Officer

Lahore: April 22, 2010

Quarterly Report - March 31, 2010

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)  
AS AT MARCH 31, 2010

	Note	(Un-audited) March 31 2010 Rupees	(Audited) June 30 2009 Rupees
<b>ASSETS</b>			
Current assets			
Cash and bank balances		33,268,044	13,878,858
Advances, prepayments and other receivables		103,586,177	92,746,184
Accrued Profit		28,255,614	30,099,468
Short-term investments		3,134,164	21,704,851
Short-term morabaha investment - secured		652,760,687	732,293,129
Short-term musharaka investment - unsecured		9,000,000	25,000,000
Current portion of non-current assets		356,660,582	535,030,967
		1,186,665,268	1,450,753,457
Non - current assets			
Net investment in ijarah	5	355,189,673	565,865,257
Long-term morabaha investment - secured		79,977,940	172,238,527
Long-term musharaka investment - secured		4,941,801	8,941,801
Long-term loans and deposits		1,522,410	1,126,860
Fixed assets	6	316,059,917	211,516,055
		757,691,741	959,688,500
<b>Total Assets</b>		<b>1,944,357,009</b>	<b>2,410,441,957</b>
<b>LIABILITIES</b>			
Current liabilities			
Creditors, accrued and other liabilities		56,242,036	67,495,397
Short-term finances - secured		558,028,190	726,969,660
short-term certificates of musharaka - unsecured	7	75,986,515	53,825,000
Current portion of non-current liabilities		599,722,579	562,265,886
		1,289,979,320	1,410,555,943
Non - current liabilities			
Long-term security deposits		129,533,906	122,530,664
Long-term certificate of musharaka - unsecured	8	-	120,000,000
Long-term finances - secured	9	187,500,000	421,133,335
Deferred morahaba income		11,769,608	47,738,528
		328,803,514	711,402,527
<b>Total liabilities</b>		<b>1,618,782,834</b>	<b>2,121,958,470</b>
<b>NET ASSETS</b>		<b>325,574,175</b>	<b>288,483,487</b>
Represented by:			
<b>CAPITAL AND RESERVES</b>			
Certificate capital	10	250,000,000	250,000,000
Reserves		75,574,175	38,483,487
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	325,574,175	288,483,487

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

CHIEF EXECUTIVE OFFICER      DIRECTOR      DIRECTOR      CHIEF FINANCIAL OFFICER  
Lahore: April 22, 2010

## First National Bank Modaraba

### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2010

	Nine Months ended		Quarter ended	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	March 31 2010	March 31 2009	March 31 2010	March 31 2009
	..... Rupees .....		..... Rupees .....	
<b>REVENUE</b>				
Income from ijarah	169,847,835	151,412,355	56,413,992	49,577,310
Profit on morabaha investment	89,804,813	87,624,923	26,527,379	28,650,900
Profit on musharaka investment	6,224,556	7,528,510	3,616,729	1,844,447
Profit on bank deposits	309,834	243,287	127,888	122,499
Gain on sale of short term investments	586,365	(2,327,860)	246,683	1,213,752
Gain on sale of fixed asset	792,003	-	620,000	-
Other income	3,286,634	3,781,226	3,176,948	2,594,974
	<u>270,852,040</u>	<u>248,262,441</u>	<u>90,729,619</u>	<u>84,003,882</u>
<b>EXPENDITURES</b>				
Finance cost	156,505,147	205,248,086	45,847,183	66,880,737
Operating expenses	81,506,839	13,928,205	30,276,948	3,378,894
Impairment	10,319,270	4,948,391	-	4,948,391
	<u>248,331,256</u>	<u>224,124,682</u>	<u>76,124,131</u>	<u>75,208,022</u>
Modaraba Company's Management Fee	22,520,784	24,137,759	14,605,488	8,795,860
PROFIT FOR THE PERIOD	<u>20,268,706</u>	<u>21,723,983</u>	<u>13,144,940</u>	<u>7,916,274</u>
Unappropriated profit brought forward	28,244,376	44,624,375	33,943,389	30,670,542
Profit available for appropriation	<u>48,513,082</u>	<u>66,348,358</u>	<u>47,088,329</u>	<u>38,586,816</u>
Appropriation:				
Transfer to statutory reserve	4,053,741	4,344,797	2,628,988	1,583,255
Dividend	-	25,000,000	-	-
Unappropriated profit carried forward	<u>44,459,341</u>	<u>37,003,561</u>	<u>44,459,341</u>	<u>37,003,561</u>
Earnings per Modaraba Certificate - Basic and diluted	<u>0.81</u>	<u>0.87</u>	<u>0.53</u>	<u>0.32</u>

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

CHIEF EXECUTIVE OFFICER  
Lahore: April 22, 2010

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

Quarterly Report - March 31, 2010

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2010

	Nine Months ended		Quarter ended	
	(Un-audited) March 31 2010	(Un-audited) March 31 2009	(Un-audited) March 31 2010	(Un-audited) March 31 2009
	..... Rupees .....	..... Rupees .....	..... Rupees .....	..... Rupees .....
Profit for the period	20,268,706	21,723,983	13,144,940	7,916,274
Other comprehensive income				
Net unrealized gain / (loss) in value of available for sale investments	16,821,982	(12,175,708)	-	8,410,993
<b>Total Comprehensive Income for the Period</b>	<b>37,090,688</b>	<b>9,548,275</b>	<b>13,144,940</b>	<b>16,327,267</b>

CHIEF EXECUTIVE OFFICER  
Lahore: April 22, 2010

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

**First National Bank Modaraba**

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2010**

	Note	(Un-audited) March 31, 2010 Rupees	(Un-audited) March 31, 2009 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the year		20,268,706	21,723,983
Adjustments for:			
Depreciation / amortization		70,845,497	518,871
Amortization of deferred costs		-	839,813
Impairment loss-available for sale investment		10,319,270	-
Loss in value of short-term investments		(2,113,928)	(125,694)
(Gain)/loss on sale of short-term investments		2,043,573	3,554,579
Finance costs		156,505,147	4,948,391
Profit on bank deposits		(309,834)	205,248,086
Dividend income		(516,010)	(243,287)
Gain on disposal of fixed assets		(792,003)	(1,101,025)
		<u>235,981,712</u>	<u>213,639,734</u>
Operating profit before working capital changes		256,250,418	235,363,717
Working capital changes			
Decrease in advances, prepayments and other receivables		(11,005,347)	92,581,515
Increase in accrued profit		1,843,854	(6,094,460)
Increase in short-term morabaha investment		77,550,450	142,002,759
Decrease / (Increase) in short-term musharaka investment		16,000,000	-
Decrease / (increase) in investment in ijarah		343,179,094	157,075,569
Increase in long-term morabaha investment		90,541,666	(31,750,000)
Decrease in long-term musharaka investment		4,000,000	(4,000,000)
(Decrease) / increase in security deposits against ijarah		(18,152,018)	(13,129,069)
Increase in creditors, accrued and other liabilities		(3,290,483)	3,000,639
		<u>500,667,216</u>	<u>339,686,953</u>
Cash (used in) / generated from operations		756,917,634	575,050,670
Finance costs paid		(164,468,025)	(191,221,101)
Income taxes paid		(160,884)	(18,061)
Dividend income received		511,540	894,400
Profit received on bank deposits		409,834	270,362
		<u>(163,707,535)</u>	<u>(190,074,400)</u>
Net cash used in operating activities		593,210,098	384,976,270
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(177,621,406)	(306,360)
Proceeds on disposal of fixed assets		3,024,050	-
Long-term loans and deposits		(518,061)	(409,620)
Short-term investments		25,374,460	(1,202,202)
Net cash (used in) / from investing activities		(149,740,957)	(1,918,182)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term finance obtained		75,000,000	100,000,000
Payment of long-term finances		(350,000,000)	(458,366,668)
Short-term certificate of musharaka - net		22,161,515	-
Long-term certificate of musharaka		(2,300,000)	(38,100,000)
Increase / (Decrease) in short-term finance - net		(168,941,470)	31,800,643
Profit distribution to the modaraba certificate holders		-	(25,000,000)
Net cash from financing activities		(424,079,955)	(389,666,025)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		19,389,186	(6,607,937)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		13,878,858	12,264,803
CASH AND CASH EQUIVALENTS AT END OF YEAR	3	<u>33,268,044</u>	<u>5,656,866</u>

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

CHIEF EXECUTIVE OFFICER      DIRECTOR      DIRECTOR      CHIEF FINANCIAL OFFICER  
Lahore: April 22, 2010



Quarterly Report - March 31, 2010

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2010

	Certificate capital	Capital / Statutory reverse	Unappropriated profits	Total reserves	Total equity
	Rupees				
Balance as at June 30, 2008	250,000,000	24,906,093	44,624,375	56,473,205	306,473,205
Profit for the period ended March 31, 2009	-	-	21,723,983	21,723,983	21,723,983
Transferred to statutory reserves	-	4,344,797	(4,344,797)	-	-
Net unrealized gain on investments available for sale	-	-	-	(12,175,708)	(12,175,708)
Profit Distribution @ Re. 1.0 per modaraba certificate	-	-	(25,000,000)	(25,000,000)	(25,000,000)
Balance as at March 31, 2009	250,000,000	29,250,890	37,003,561	41,021,480	291,021,480
Profit for the period ended June 30, 2009	-	-	(10,948,982)	(10,948,982)	(10,948,982)
Transferred to statutory reserves	-	(2,189,797)	2,189,797	-	-
Net unrealised loss on available for sale investments	-	-	-	8,410,989	8,410,989
Balance as at June 30, 2009	250,000,000	27,061,093	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 unrealised loss on available for sale investments	-	-	-	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

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

CHIEF EXECUTIVE OFFICER  
Lahore: April 22, 2010

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

## First National Bank Modaraba

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2010

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, 2009. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2009 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, 2009

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

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, 2009. However, the treatment for impairment loss on available for sale investments has been made pursuant to the S.R.O. 150(I) / 2009 dated February 13, 2009 issued by SECP as explained in the published financial statements for the year ended June 30, 2009.

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 against the respective standards and interpretations.

Standards or interpretation	Effective date (Accounting periods beginning on / after)
IAS 24 - Related Party Disclosures	January 01, 2013
IAS 32 - Financial Instruments: Amended	January 01, 2013
IFRS 9 - Financial Instruments	January 01, 2013
IFRS 1 - First Time Adoption of International Financial Reporting Standards	January 01, 2010
IFRS 2 - Share Based Payment	January 01, 2010
IFRIC 14 - Prepayments of a Minimum Funding Requirement	January 01, 2011
IFRIC 18 - Transfer of Assets from Customers	July 01, 2010
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	July 01, 2010

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.

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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, 2010.			
			March 31	June 30
			2010	2009
5	NET INVESTMENT IN IJARAH	Note	Rupees	Rupees
	Minimum ijarah rentals receivable		553,659,388	929,984,242
	Residual value		<u>157,237,664</u>	<u>201,293,518</u>
	Gross investment in ijarah		710,897,052	1,131,277,760
	Less: Unearned finance income		<u>69,803,751</u>	<u>147,005,365</u>
	Net investment in ijarah		641,093,301	984,272,395
	Less: Current portion of net investment in ijarah		<u>285,903,628</u>	<u>418,407,138</u>
			<u>355,189,673</u>	<u>565,865,257</u>
6	FIXED ASSETS			
	Assets under Ijarah arrangements	6.1	313,520,588	209,889,450
	Assets under own use	6.2	<u>2,539,329</u>	<u>1,626,605</u>
			<u>316,059,917</u>	<u>211,516,055</u>
			March 31	June 30
			2010	2009
6.1	Assets under Ijarah arrangements	Note	Rupees	Rupees
	Written down value-at beginning of period/year		209,889,450	-
	Additions at cost		176,299,559	258,672,953
	Less:			
	Written down value of assets disposed off		<u>2,232,047</u>	<u>-</u>
	Depreciation / amortization charged during the period/year		<u>70,436,374</u>	<u>48,783,503</u>
			<u>72,668,421</u>	<u>48,783,503</u>
			<u>313,520,588</u>	<u>209,889,450</u>
6.2	Assets under own use			
	Written down value-at beginning of period/year		1,626,605	1,997,569
	Additions at cost		1,321,847	333,270
	Less: depreciation / amortization charged during the period/year		<u>409,123</u>	<u>704,234</u>
			<u>2,539,329</u>	<u>1,626,605</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 11.70% to 13.50% per annum.			
			March 31	June 30
			2010	2009
8	LONG-TERM CERTIFICATE OF MUSHARAKA - UNSECURED		Rupees	Rupees
	Certificate of Musharaka		120,000,000	122,300,000
	Less: Current portion		<u>120,000,000</u>	<u>2,300,000</u>
			<u>-</u>	<u>120,000,000</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 11.00% to 13.50% per annum.			

## First National Bank Modaraba

9	LONG-TERM FINANCES			
	Finance under musharaka arrangements			
	From National Bank of Pakistan	370,833,326	516,666,663	
	Finance under morabaha arrangements			
	From other financial institutions	<u>183,333,343</u>	<u>312,500,009</u>	
		554,166,669	829,166,672	
	Less: Current portion	<u>366,666,669</u>	<u>408,033,337</u>	
		<u>187,500,000</u>	<u>421,133,335</u>	
10	CERTIFICATE CAPITAL			
	Number of certificate			
	2010	2009		
	Authorized:			
	<u>60,000,000</u>	<u>60,000,000</u>	Modaraba certificates of Rs.10 each.	<u>600,000,000</u> <u>600,000,000</u>
	Issued, subscribed and paid up:			
	<u>25,000,000</u>	<u>25,000,000</u>	Modaraba certificates of Rs.10 each fully paid in cash.	<u>250,000,000</u> <u>250,000,000</u>
10.1	7,500,000(June 2009: 7,500,000) certificates are held by National Bank Modaraba Management Company Limited.			
11	CONTINGENCIES AND COMMITMENTS			
	Contingencies			
	There was no change in the status of contingencies as stated in financial statements for the year ended June 30, 2009.			
	Commitments			
	Ijarah facilities approved but not disbursed	<u>53,000,000</u>	<u>54,100,000</u>	
		Nine months ended	Quarter ended	
		March 31	March 31	March 31
		2010	2009	2010
		2010	2009	2009
12	OPERATING EXPENSES	Rupees	Rupees	Rupees
	Salaries, allowances and other benefits	8,603,761	10,088,627	2,415,281
	Communication expenses	194,549	242,724	60,067
	Traveling and conveyance	198,268	286,373	62,399
	Vehicle running expenses	130,863	60,956	28,266
	Postage and stamps	57,792	104,906	11,078
	Advertisement	37,742	43,250	5,140
	Legal and professional charges	210,473	288,470	56,021
	Auditor's remuneration	88,000	87,695	-
	Fee and subscription	328,667	380,143	65,837
	Repairs and maintenance	265,471	291,377	150,133
	Insurance	132,435	128,836	34,506
	Stationery, printing and other expenses	275,001	312,894	102,693
	Depreciation / amortization	70,845,497	518,871	27,248,340
	Amortization of deferred costs	-	839,813	-
	Central depository company charges	6,575	4,383	-
	Entertainment	78,725	81,786	29,971
	Other sundry expenses	46,520	90,901	7,216
	Zakat	6,500	47,760	-
	Fee and commission	28,440	28,440	5,000
		<u>81,506,839</u>	<u>13,928,205</u>	<u>30,276,948</u> <u>3,378,894</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:			

Quarterly Report - March 31, 2010

	March 31 2010 Rupees	June 30 2009 Rupees
Balances outstanding at the period end		
National Income Daily Account with National Bank of Pakistan (running balance)	6,328,818	10,356,275
Finances under Musharaka arrangement from National Bank of Pakistan	484,847,509	594,749,207
Net investment in Ijarah finance to National Bank Limited	39,392,686	28,831,584
Current Account with National Bank	536,471	649,537

Nine months ended	
March 31 2010	March 31 2009
..... Rupees .....	

Transactions with related parties				
Related Party	Relationship	Nature of Transactions		
Taurus Securities Limited	Common management & control	Commission paid	56,364	6,250
Taurus Securities Limited	Common management & control	Purchase and sale of securities	32,601,167	7,244,691
National Bank Of Pakistan	Management co's holding company	Musharaka obtained	85,930,868	18,128,438
National Bank Of Pakistan	Management co's holding company	Musharaka repaid	206,894,466	125,000,002
Transactions with related parties				
Related Party	Relationship	Nature of Transactions		
National Bank Of Pakistan	Management co's holding company	Ijarah disbursed	25,684,500	20,673,584
National Bank Of Pakistan	Management co's holding company	Ijarah repaid	13,740,568	12,154,050
National Bank Modaraba Management	Management company	Dividend paid	-	7,500,000
Profit / expenses during the period				
National Bank Modaraba Management	Management company	Management fee	2,252,078	2,413,776
National Bank Of Pakistan	Management co's holding company	Profit paid	50,927,339	49,525,230
National Bank Of Pakistan	Management co's holding company	Profit on ijarah	4,817,293	2,744,443

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, 2009 affecting the financial statements.

15 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 22, 2010 by the Board of Directors of the National Bank Modaraba Management Company Limited.

16 GENERAL

No significant re-arrangements have been made in condensed interim financial statements.

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER  
Lahore: April 22, 2010

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

*If undelivered please return to :*  
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