



FIRST PUNJAB MODARABA



Fawzi Khawaja
Chief Executive

Corporate History

Punjab Modaraba Services (Pvt.) Ltd., the management company of First Punjab Modaraba incorporated in 1991, is a wholly owned subsidiary of The Bank of Punjab. First Punjab Modaraba was launched on December 23, 1992 with paid-up capital of Rs.200(M). The Board of Directors and management include senior bankers having foreign as well as domestic banking experience in the credit and business.

First Punjab Modaraba is a multipurpose, perpetual and multi dimensional Modaraba engaged in Morabaha Financing, Leasing(Ijara), Musharika, Trade Facilities, Syndicate Finance Arrangements, Investment in Capital Markets Certificate of Musharika (Deposits), Corporate Advisory and listed at all three Stock Exchanges. Modaraba is providing finance facilities to well diversified corporate clients. It distributed 35% Stock Dividend in 1993, 26% in 1994 on enhanced Capital, in 1996 20% Cash Dividend was paid to certificate-holders. In the year 2002, 2003, 2004, 2005, 2006 and 2007 paid Cash Dividend @12%, 12.50%, 15.50%, 13%, 15% and 6% respectively.

Key Management Personnel

Mr. Fawzi Khawaja – *Chief Executive*: He is a senior banker and holds a Master Degree in Business Administration from IBA Karachi, and has over 28 years experience on key executive positions of banking & financial sector within and outside Pakistan.

Mr. Muhammad Salman, *Corporate Secretary*, Master in Business Administration, Master in statistics and Diplomate Associate Institute of Bankers, Pakistan. He has diversified

experience of 15 years in Corporate Affairs, Corporate Banking, Trade Finance and Consumer Leasing.

Mr. Mahmood Khan Yousafi, *CFO*, having over 32 years diversified experience in Administration, General Banking and Operations. He is fully equipped with policy and procedures related to financial sector, Legal affairs and Income Tax affairs. He holds Master degree.

Performance Highlights (2006-2007)

In the financial year 2006-2007 the focus of Modaraba was over consolidation of the Balance Sheet and paradigm shift for its current funding resources to maintain sustainable growth and profitability in future years. Consequently the deposits of Modaraba under Certificate of Musharika reached Rs:937.8 million this year as compared to Rs:216.4 million in the previous year, (333% increase). The Asset base of the Modaraba also improved by 3.67% which was mainly due to increase of Investments by 22% from Rs.74.689 milion previous year to Rs:91.166 million this year. Due to unfavourable conditions being faced by Textile Sector the Modaraba activity provisioned for any negative impact. The profit of the Modaraba for the year, therefore, remained under pressure and EPS for the year stood at 0.77 paisa per certificate.

FPM has made an aggressive strategy for expansion over the forth coming years with capacity enhancement and hiring of quality staff to support its plans & objectives. Excellent results are expected in the next financial year and thereafter.

Board of Directors

Mr. Hamesh Khan	Chairman/ Director
Mr. Fawzi Khawaja	Chief Executive
Mr. Nadeem Amir	Director
Mr. Azizul Hameed	Director
Mr. Shehryar A. Buksh	Director
Mr. Muhammad Salman	Company Secretary

Commenced

Business on	: December 23, 1992
Head Office	: 3rd Floor, National Tower, 28-Egerton Road, Lahore.
Phone	: (92-42) 6308702, 6305258, 6315917
Fax	: (92-42) 6308703
E-mail	: punjabmodaraba@yahoo.com
Website	: www.punjabmodaraba.com.pk
Branches	: NIL
Staff Strength	: 15
Auditors	: M/s. KPMG Taseer Hadi & Co. Chartered Accountants
Lawyers	: M/s. Irfan & Irfan
Registrar	: M/s. Hameed Majeed Associates (Pvt.) Ltd.
Bankers	: BOP, FBL, Bank Alfalah, Al-Barka Islamic Bank Ltd., Emerates Global





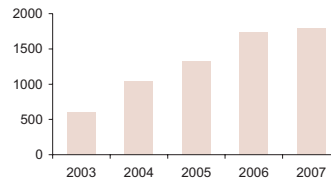
FIRST PUNJAB MODARABA

Balance Sheet Summary

(Rs. In Million)

Year Ended June 30,	2003	2004	2005	2006	2007
EQUITY					
Issued, subscribed and paid up capital	340.20	340.20	340.20	340.20	340.20
Statutory Reserve	63.66	76.49	87.28	100.34	105.58
Unrealized loss on re-measurement of investment	-	(1.71)	(8.18)	(3.18)	(4.13)
Revenue Reserve and unappropriated profit	2.67	1.26	0.16	52.39	22.33
Total Equity	406.54	416.24	419.46	489.75	463.98
LIABILITIES					
Redeemable Capital	-	-	-	-	-
Long Term Morabaha and Musharaka	-	-	523.17	254.87	27.74
Long Term Finance	-	-	-	-	-
Customer Security Deposit	22.60	69.54	96.15	108.65	107.36
Other Deferred Liabilities	-	-	-	-	-
Current Liabilities					
Current Maturity of Long Term Morabaha and Musharaka	-	-	-	-	-
Current Maturity of Long Term Loans	-	-	-	-	-
Short Term Morabaha and Musharaka	104.68	470.99	-	600.00	185.85
Short Term Finance (Redeemable Capital)	-	-	207.80	216.40	937.88
Other Current Liabilities	64.93	83.05	601.77	68.46	75.34
Total Current Liabilities	169.60	554.04	809.57	884.86	1,199.07
Total Liabilities	598.76	1039.82	1,325.17	1,738.13	1,798.15
ASSETS					
Assets Leased Out	215.19	595.56	678.39	777.22	792.32
Work-in Progress on Assets Leased Out	-	-	-	-	-
Net Investment in Lease Finance	-	-	-	-	-
Assets in Own Use	6.33	5.89	6.52	6.21	5.92
Long Term Morabaha and Musharaka	-	32.06	75.03	130.63	-
Long Term Investments	57.02	72.42	0.00	0.00	-
Other Long Term Assets	-	0.10	0.06	0.07	0.07
Current Assets					
Current Portion of Lease Finance	-	-	-	-	-
Trade Debts	-	-	-	-	-
Short Term Morabaha and Musharaka	308.26	317.87	398.70	664.64	746.51
Short Term Investment	-	-	89.24	72.86	106.76
Other Current Assets	11.43	15.80	66.56	74.69	98.36
Cash and Bank Balances	0.52	0.12	10.68	11.82	48.22
Total Current Assets	320.21	333.79	565.18	824.00	999.85
Total Assets	598.76	1039.82	1,325.17	1,738.12	1,798.15

Balance Sheet Growth



Equity Growth



Income Statement Highlights

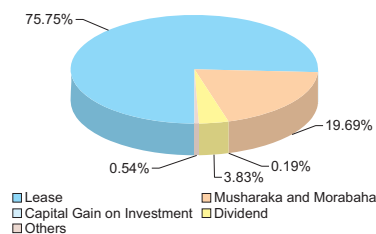
(Rs. In Million)

Year Ended June 30,	2003	2004	2005	2006	2007
INCOME					
Lease	56.33	147.27	251.38	321.53	329.71
Trading	-	-	-	-	-
Musharika and Morabaha	35.76	26.39	39.01	79.55	85.72
Capital Gain on investment	4.62	18.44	8.73	9.96	0.67
Dividend	0.16	4.14	4.44	8.78	16.70
COI	-	-	-	-	-
Other	4.49	2.41	7.05	9.36	2.31
Total Income	101.36	198.65	310.61	429.18	435.31
EXPENSES					
Operating	4.73	5.18	7.42	9.06	10.27
Financial	1.23	13.22	47.80	99.23	118.68
Amortisation, Depreciation	33.92	110.75	197.42	241.50	250.86
Provision for Doubtful receivable	12.03	-	-	6.85	26.39
Provision for Diminution in value of investment	-	-	-	-	-
Management Fee	4.95	6.95	5.99	7.25	2.91
Profit Before Taxation	44.52	62.54	53.90	65.29	26.21
Net Profit	44.52	64.15	53.90	65.29	26.21
APPROPRIATIONS					
Total Dividend	42.52	52.73	44.23	51.03	20.41
Bonus	-	-	-	-	-
Statutory Reserve	8.90	12.83	10.78	13.06	5.24
Other Reserves	-	-	-	-	-

Significant Ratios

	2003	2004	2005	2006	2007
Break-up Value per Certificate (Rs.)	11.95	12.24	12.33	12.90	13.64
Market Price on 30th June (Rs.)	7.50	14.25	9.20	9.90	8.00
Dividend per Certificate (Rs.)	1.25	1.55	1.30	1.50	0.60
Earning per Certificate (Rs.)	1.31	1.89	1.58	1.92	0.77
Total Assets/Net Worth (x)	1.47	2.50	3.16	3.96	3.88
Debt Leverage (x)	0.47	1.13	1.93	2.44	2.48
Current Ratio (x)	1.88	0.60	1.92	0.88	0.83
Net Profit Margin (%)	43.92	32.29	17.35	15.21	6.02
Return on Equity (%)	10.95	15.41	12.85	14.88	5.65
Return on Investment (%)	7.43	31.18	14.76	25.72	16.46
Financial Charges/Total Expenses (%)	20.62	10.24	18.92	37.49	40.86
Dividend payout (%)	119.41	97.32	97.49	98.16	97.90

Revenue Analysis (2006-2007)



Categories of Certificate Holders as at June 30, 2007

