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CORPORATE INFORMATION

HALF YEARLY REPORT JUNE 2010

Board of Directors

Chairman

Nasir Ali Shah Bukhari

Directors

Irshad Ali Shaban Ali Kassim

Leon Seynave

Muneer Kamal

N. K. Shahani

Tariq M. Rangoonwala

Waseem Haqqie

President / Chief Executive Officer

Muneer Kamal

Chief Operating Officer

Masood Karim Shaikh

Chief Financial Officer

Sheikh Muhammed Moeen

Company Secretary

Muhammad Hamidullah

Auditors

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Legal Advisors

Mandviwalla & Zafar

Advocates & Legal Consultants

Audit Committee

Irshad Ali Shaban Ali Kassim

Leon Seynave

N. K. Shahani

Waseem Haqqie (Chairman)

Human Resource and Remuneration Committee

Irshad Ali Shaban Ali Kassim

Leon Seynave

Muneer Kamal

Nasir Ali Shah Bukhari (Chairman)

Waseem Haqqie

Risk Management and Recovery Committee

Irshad Ali Shaban Ali Kassim (Chairman)

Muneer Kamal

N. K. Shahani

Tariq M. Rangoonwala

Waseem Haqqie

Branch Expansion Committee

Muneer Kamal

N. K. Shahani (Chairman)

Tariq M. Rangoonwala

(All names in alphabetical order)

Registered Office

Razia Sharif Plaza,

Jinnah Avenue, 90-Blue Area, Islamabad

Tel: (92-51) 2270725, 2276828-30

Fax: (92-51) 2270727

Principal Office

Business & Finance Centre

I.I. Chundrigar Road, Karachi

Tel: (92-21) 32446772-77

Fax: (92-21) 32446828 & 32446865

Website

<http://www.kasb.com/bank>

Regional Office, Lahore

KASB House

14-C, Jail Road,

Gulberg, Lahore.

Tel : (042) 35776723-4

Fax : (042) 35762192

Registrar and Share Transfer Office

Noble Computer Services (Pvt.) Limited

Mezzanine Floor, House of Habib Building,

(Siddiqsons Tower),

3-Jinnah Cooperative Housing Society,

Main Shahrah-e-Faisal,

Karachi - 75350.

Tel. # : (92-21) 34325482-87 (6 Lines)

Fax # : (92-21) 34325442

E-mail: ncsl@noble-computers.com

DIRECTORS' REVIEW

HALF YEARLY REPORT JUNE 2010

On behalf of the Board of Directors of KASB Bank Limited (Bank) I take this opportunity to present before you the review report of the Bank for the half year period ended June 30, 2010, along with the stand alone and consolidated financial statements for the same period.

Economic Overview

The overall economic position of the country registered modest improvement since the start of the calendar year. With the trade deficit shrinking and a record high support from home remittance counter the overall foreign exchange reserves position remained strong and as at June 30, 2010 the balance closed at around US\$ 15.77billion.

CPI has again surged over 11.71%, which was directly driven by increase in essential commodities and energy related pricings. On the external front, after receiving the support from trade and remittance side both the current account and the trade account deficit registered a decline of 62.12% and 18.57% respectively. Banking industry trends also registered modest variations. 15.90% growth in banked deposits during the first six months in the overall banking sector outperformed the increase of 4.91% in advances. Public sector borrowing continued crowding out private sector borrowings. In view of the present flood crises, the overall national economic scenario is certain to take a negative hit.

Performance

In line with the banking sector dynamics, your bank also moved in steady pace and continued its focus on network consolidation and recoveries and restructurings of its non-performing portfolio. Besides these initiative your bank has also laid due attention on nurturing its business initiatives such as Home Remittance and Cash Management and have closely monitored the performance of the newly Re-organized Commercial Banking Unit.

The recovery and restructuring drive has resulted in registering noticeable improvement in the profitability of your Bank, where the net interest income registered a substantial improvement and closed at positive Rs 107.59m as compared to the negative margin of Rs 286.87m in the corresponding period last year.

Management of your Bank is confident that this trend would now continue and besides controlling the non -performing loan portfolio the Bank shall deliver positive results on its core and non core business lines.

Key financial indicators

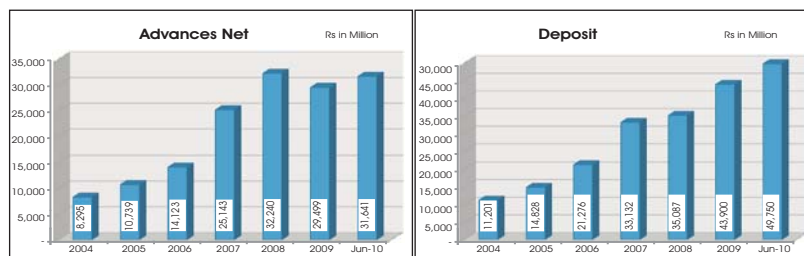
Key financial figures with comparatives for last year are as follows:

Balance Sheet	30 June, 2010	31 December, 2009
	-----Rs in Million-----	
Paid up Capital	9,509	9,509
Equity	4,184	4,959
Deposits	49,750	43,900
Advances-net	31,641	29,499
Investments-net	13,704	15,129

DIRECTORS' REVIEW

HALF YEARLY REPORT JUNE 2010

PROFIT & LOSS ACCOUNT	30 June, 2010	30 June, 2009
	-----Rs in Million-----	
Revenue	473	31
Non markup expenses	1,209	1,134
Operating (Loss)/Profit	(736)	(1,103)
Provisions - (Charge) / Reversal	63	(705)
(Loss) before tax	(673)	(1,808)
(Loss) after tax	(673)	(909)
(Loss) per share -Rupees	(0.71)	(0.96)



Business and operations review

Management of your bank while seriously working on the carved-out plan for FY2010 has not only been able to successfully contain the increase in further Non Performing Loans (NPLs) but at the same time was able to restructure and recover a considerable portion of the already-infected loan portfolio. The position of Non Performing Loans has therefore registered a decline of Rs 342.60m from December 2009 levels (Rs 7,354.40m) to close at Rs 7,011.80m as at June 30, 2010. This has also affected the profit and loss account by a reversal in provision for NPLs of Rs 89.09m for the period under review.

In line with the regulatory requirements and as a policy matter the Bank hold sufficient provision to counter any possible charge from NPLs. Additionally the Board Risk Management and Recovery Committee takes active interest in the progress of recoveries and restructurings made by the management and provide active guidance and support required for maximizing these recoveries in the minimum possible timeframe.

Despite presence of industry pressure and challenging environment your bank has continued to perform steadily on its drive to increase low cost and diversified deposit base. It is a result of this initiative that the bank was able to increase its deposits by Rs 5,849.84m (13.32%) to close at Rs 49,749.53m in the six month period ended June 30, 2010. In addition to this, the average cost of these deposits also registered a decline of over 3% when compared to June 2009 levels and is ranging in the single digit territory. This all along with some significant NPL settlements and restructuring have contributed in posting a positive net interest margin for the period under review.

Your bank has taken effective steps towards controlling its operating and administrative expense base, as a result of which the year on year increase of administrative expenses have remained just under 5% (as compared to June 30, 2009 expenses). This was made possible despite a double digit inflation challenge, coupled with substantial growth in branch network (27 new branches) and corresponding increase in human and other resources. Management of your bank believes that there is more room on containing these costs and has been continuously working to run its operations in the most cost-efficient manner.

Despite growth in overall Deposits, there is a potential to increase the share of CASA deposits (Current Account and Savings Accounts) in the total mix. This will have a direct bearing on sustainable and low cost deposit source and result in enhancing operating margins thus strengthen the core revenue base of your bank. The branch banking team being cognizant of this fact has planned necessary initiatives and is set to achieve the targets in the remaining part of the year.

Your Bank is operating with an efficient centralized operations structure, which ensures that operational costs of doing business are kept at the minimum and the desired levels of service quality are maintained. We believe that in order to ensure delivery of par excellence services, human resources, operations and technology plays a vital role. Considering the importance of these functions your bank has not only invested carefully in these areas but has also given attention on further strengthening its overall existing system and controls.

In this regard initiatives have already been taken to implement certified international standards such as COSO and COBIT, both of which are in the final stages of being rolled out. Once done your bank is expected to be one of the few banks in the country to have achieved this milestone.

Capital Injection Plan

Being aware of the current situation vis-à-vis your bank's equity position and in order to ensure that the capital structure is strengthened the sponsors and management of your bank is working on a capital enhancement plan aimed towards addressing the Minimum Capital and Capital Adequacy Ratio issues. This plan includes initiating steps targeted towards addressing the shortfall in meeting the prescribed minimum capital requirements by way of augmenting the equity base of your bank, divestment of investments in subsidiary and associated undertakings and seeking long term funding by way of Tier II Capital arrangement.

In this regard sponsors of your Bank have finalized an arrangement with Asia International Finance Limited a Chinese group to invest US\$40m in KASB Finance (Pvt.) Limited - the KASB Group Holding Company. Implementation of your Bank's Capital Enhancement Plan is dependent upon practical conclusion of the execution of the transaction between KASB Finance (Pvt.) Limited and Asia International Finance Limited. The same plan has also been presented to the State Bank of Pakistan based on which it has granted the earlier exemption with the above requirements till June 30, 2010. Management has been directed to ensure that a regular update is provided to the State Bank in this regard.

Both the management and Board of your Bank are aware of the significance of this matter and are proceeding ahead with the required level of urgency in this regard, particularly given the growth numbers that have been targeted to be achieved during the financial year 2010.

Credit Rating

As anticipated, the Rating Agency (PACRA) while reviewing the rating of your bank has taken cognizance of losses that were booked in FY2009 and while sensing the pressure from the equity injection side has downgraded the long term rating from "A" to "A-" and short term to "A-2" from "A-1". This denotes an adequate capacity of timely payment of financial commitments. With the capital injection and restructuring plan progressing ahead as explained above, we anticipate that your bank shall be able to regain the same in a relatively shorter span of time.

DIRECTORS' REVIEW

HALF YEARLY REPORT JUNE 2010

Auditors review report

Auditors in their review report for the interim financial information prepared for the half year ended June 30, 2010, have highlighted the non-compliance with the requirements of meeting the prescribed minimum capital and capital adequacy benchmarks as on June 30, 2010. Management and the Board of your bank is acutely aware of this fact and in this regard have been actively working on the capital plan as explained above and is confident that these issues would be addressed as per the deadlines mentioned in the plan in a swift manner.

Future Prospects

Management of your bank continues to see the FY2010 as a year of consolidation and realignment. In the first half of the year the management has successfully filled the gaps that existed in the organizational hierarchy and with some more key changes being implemented ahead; your bank is poised to perform as anticipated.

We have achieved some milestones as far as the recovery and growth benchmark are concerned and is pacing swiftly towards strengthening its sustainable earnings capacity, results of which are anticipated to be seen in the months to come. With the rejuvenated energy and clear focus, management of your bank is poised to take this institution forward and counter all challenges which it may have to face.

Subsequent to the half year period ended June 30, 2010, Mr. Muneer Kamal is designated as the Vice Chairman of KASB Finance (Private) Limited. Effective September 1, 2010, the position of President and Chief Executive of your Bank will be taken over by Mr. Mohammad Aftab Manzoor, who brings with him extensive senior management experience spanning over more than two decades.

On behalf of the Board of Directors, I wish to place on record sincere appreciation to Mr. Kamal on his dedicated services towards your Bank and would like to express a warm welcome to Mr. Manzoor.

Acknowledgment

We would like to record our appreciation for the continued guidance and support of the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

Also we would like to thank our valued customers for their continued patronage and support, our staff for their commitment, hard work and dedication, and our shareholders for the trust and confidence reposed in us.

On behalf of the Board of Directors.



Nasir Ali Shah Bukhari
Chairman

Karachi
August 26, 2010

AUDITORS' REPORT TO THE MEMBERS

HALF YEARLY REPORT JUNE 2010

Introduction

We have reviewed the accompanying interim condensed statement of financial position of KASB Bank Limited (the Bank) as at 30 June 2010 and the related interim condensed profit and loss account, interim condensed statement of comprehensive income, interim condensed cash flow statement and interim condensed statement of changes in equity and explanatory notes (here-in-after referred to as the "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to note 1.2 to the interim financial information which fully explains matters regarding the Bank's capital shortfall and its future plans including the injection of additional equity to comply with the regulatory capital requirements. Accordingly, the Board of Directors of the Bank is of the view that the Bank would have adequate resources to continue its business on a sustainable basis in the foreseeable future. Further, the Bank has applied to the State Bank of Pakistan for relaxation from minimum capital requirement till 30 September 2010 and in respect of capital adequacy ratio till 31 December 2010.

Other Matters

The financial statements of the Bank for the half year ended 30 June 2009 and for the year ended 31 December 2009 were reviewed / audited by another firm of chartered accountants, whose reports dated 28 August 2009 and 26 April 2010 respectively expressed an unqualified conclusion and opinion on those financial statements. However, the auditors' report dated 26 April 2010 on the financial statements for the year ended 31 December 2009 included emphasis of matter paragraphs regarding the Bank's capital shortfall and recoverability of deferred tax asset.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants


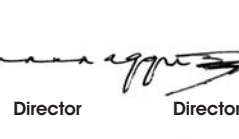

Dated: August 26, 2010
Karachi

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

HALF YEARLY REPORT JUNE 2010

As at 30 June, 2010	Note	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
ASSETS			
(Rs. in '000)			
Cash and balances with treasury banks		3,362,987	2,851,665
Balances with other banks		141,793	185,896
Lendings to financial institutions and others		2,411,996	2,815,159
Investments	4	13,703,678	15,129,090
Advances	5	31,641,290	29,498,752
Operating fixed assets		3,425,190	3,298,720
Deferred tax asset	9.2	3,217,743	3,217,743
Other assets		2,540,022	2,226,033
		60,444,699	59,223,058
LIABILITIES			
Bills payable		538,752	386,066
Borrowings		4,755,866	8,196,640
Deposits and other accounts	6	49,749,537	43,899,695
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		4,176	6,027
Deferred tax liabilities		-	-
Other liabilities		1,211,988	1,775,760
		56,260,319	54,264,188
NET ASSETS		4,184,380	4,958,870
REPRESENTED BY			
Share capital		9,508,617	9,508,617
Reserves		151,287	151,287
Accumulated losses		(5,826,422)	(5,179,823)
Share premium		23,724	23,724
		3,857,206	4,503,805
Surplus on revaluation of assets - net of tax	7	327,174	455,065
		4,184,380	4,958,870
CONTINGENCIES AND COMMITMENTS			
	8		

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

 President & Chief Executive	 Director	 Director
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INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

HALF YEARLY REPORT JUNE 2010

For the Half Year Ended 30 June, 2010

	Note	Half Year Ended		Quarter Ended	
		30 June 2010	30 June 2009	30 June 2010	30 June 2009
----- (Rs. in '000) -----					
Mark-up / return / interest earned		2,672,532	2,624,506	1,417,073	1,109,573
Mark-up / return / interest expensed		(2,564,939)	(2,911,383)	(1,254,108)	(1,449,141)
Net mark-up / return / interest income		107,593	(286,877)	162,965	(339,568)
Reversal / (provision) against non-performing loans and advances	5.2	89,095	(587,266)	28,249	(696,645)
Provision for diminution in the value of investments		(12,147)	(117,660)	(20,672)	(117,660)
Bad debts written off directly		(13,740)	(324)	(9,812)	(324)
		63,208	(705,250)	(2,235)	(814,629)
Net mark-up / return / interest after provisions		170,801	(992,127)	160,730	(1,154,197)
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income		153,672	70,149	92,635	30,620
Dividend income		31,167	46,323	14,878	31,265
Income / (loss) from dealing in foreign currencies		31,836	(20,318)	16,508	(33,369)
Gain on sale / redemption of securities		86,672	183,059	3,725	144,280
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading		5	-	119	(5)
Other income		62,229	38,825	40,164	27,310
Total non mark-up / interest income		365,581	318,038	168,029	200,101
		536,382	(674,089)	328,759	(954,096)
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses		(1,182,359)	(1,128,578)	(614,733)	(662,752)
Other provisions / write-offs		-	(681)	-	-
Other charges		(26,700)	(4,919)	(26,700)	(4,873)
Total non mark-up / interest expenses		(1,209,059)	(1,134,178)	(641,433)	(667,625)
		(672,677)	(1,808,267)	(312,674)	(1,621,721)
Extraordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(672,677)	(1,808,267)	(312,674)	(1,621,721)
Taxation	9	-	(55,380)	-	(55,380)
- Current		-	(55,380)	-	(55,380)
- Prior years		-	-	-	-
- Deferred		-	954,355	-	946,855
		-	898,975	-	891,475
LOSS AFTER TAXATION		(672,677)	(909,292)	(312,674)	(730,246)
			Restated		Restated
Basic and diluted loss per share (Rupees)		(0.71)	(0.96)	(0.33)	(0.77)

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


 President & Chief Executive

Director

Director


 Director

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)


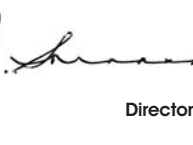


For the Half Year Ended 30 June, 2010

	Half Year Ended		Quarter Ended	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
	----- (Rs. in '000) -----			
Net loss for the period	(672,677)	(909,292)	(312,674)	(730,246)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(672,677)</u>	<u>(909,292)</u>	<u>(312,674)</u>	<u>(730,246)</u>

Surplus / deficit arising on revaluation of fixed assets and available-for-sale investments is required to be shown separately below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements specified by the State Bank of Pakistan (SBP). Accordingly, these have not been included in comprehensive income which has been shown as part of equity.

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

HALF YEARLY REPORT JUNE 2010

 President & Chief Executive	 Director	 Director	 Director
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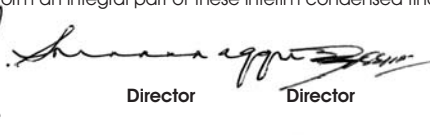

INTERIM CONDENSED CASH FLOW STATEMENT (UNAUDITED)

HALF YEARLY REPORT JUNE 2010

For the Half Year Ended 30 June, 2010

	30 June 2010	30 June 2009
	----- (Rs. in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(672,677)	(1,808,267)
Less: dividend income	(31,167)	(46,323)
	(703,844)	(1,854,590)
Adjustments:		
Depreciation	128,981	105,911
Amortisation	31,844	29,269
Provision against non-performing advances	(89,095)	587,266
Bad debts written off directly	13,740	324
Provision for diminution in value of investments and other assets	12,147	117,660
Provision for gratuity	20,732	16,540
Reversal of provision for compensated absences	(1,141)	-
Gain on disposal of operating fixed assets	(21,681)	(275)
Gain on sale of securities	(86,676)	(183,059)
Unrealised gain on revaluation of investments classified as held-for-trading	(5)	-
Financial charges on leased assets	642	775
	9,488	674,411
	(694,356)	(1,180,179)
Decrease / (increase) in operating assets		
Lendings to financial institutions	403,163	(1,722,054)
Investments - (held-for-trading securities)	2,701	261,584
Advances	(2,067,183)	1,550,828
Other assets (excluding advance taxation)	(309,395)	115,058
	(1,970,714)	205,416
Increase / (decrease) in operating Liabilities		
Bills payable	152,686	108,770
Borrowings from financial institutions	(3,447,484)	591,880
Deposits and other accounts	5,849,842	8,150,206
Other liabilities	(577,941)	453,436
	1,977,103	9,304,292
	(687,967)	8,329,529
Income tax paid	(4,635)	(18,520)
Compensated absences paid	-	(692)
Gratuity paid	(5,422)	(5,257)
Net cash (used in)/ inflow from operating activities	(698,024)	8,305,060
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	1,417,949	(6,401,143)
Net investments in held-to-maturity securities	35,483	(108,055)
Investment in associates and subsidiaries	(58,000)	-
Dividend received	31,207	41,219
Investments in operating fixed assets	(336,336)	(374,402)
Sale proceeds of operating fixed assets	70,723	13,806
Net cash inflow from/ (used in) investing activities	1,161,026	(6,828,575)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease obligations	(2,493)	(2,742)
Increase in cash and cash equivalents	460,509	1,473,743
Cash and cash equivalents at the beginning of the period	3,021,539	1,563,981
Cash and cash equivalents at the end of the period	3,482,048	3,037,724

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


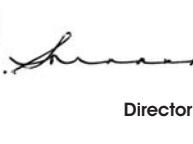


 President & Chief Executive	 Director	 Director
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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the Half Year Ended 30 June, 2010

	Share capital	Statutory reserve	General reserve	Proposed shares to be issued on amalgamation	Share Premium	Accumulated loss	Total
----- (Rupees in '000) -----							
Balance as at 01 January 2009	4,014,890	150,903	384	5,607,976	13,775	(974,788)	8,813,140
Net loss for the period	-	-	-	-	-	(909,293)	(909,293)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(909,293)	(909,293)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	11,357	11,357
Balance as at 30 June 2009	4,014,890	150,903	384	5,607,976	13,775	(1,872,724)	7,915,204
Net loss for the period	-	-	-	-	-	(3,318,455)	(3,318,455)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(3,318,455)	(3,318,455)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	11,356	11,356
Issue of ordinary shares to the shareholders of KASB Capital Limited and Network Leasing Corporation Limited upon amalgamation	3,618,050	-	-	(5,607,976)	1,989,926	-	-
Share issue cost	-	-	-	-	(17,881)	-	(17,881)
Issue of bonus shares	1,962,096	-	-	-	(1,962,096)	-	-
Shares cancelled during the period	(86,419)	-	-	-	-	-	(86,419)
Balance as at 31 December 2009	9,508,617	150,903	384	-	23,724	(5,179,823)	4,503,805
Net loss for the period	-	-	-	-	-	(672,677)	(672,677)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(672,677)	(672,677)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	26,078	26,078
Balance as at 30 June 2010	9,508,617	150,903	384	-	23,724	(5,826,422)	3,857,206

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

 President & Chief Executive	 Director	 Director	 Director
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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

For the Half Year Ended 30 June, 2010

1. STATUS AND NATURE OF BUSINESS

- 1.1** KASB Bank Limited (the Bank) was incorporated in Lahore, Pakistan on 13 October 1994 as a public limited company under the Companies Ordinance, 1984. The Bank received banking license from the SBP on 9 January 1995 and obtained certificate of commencement of business on 11 January 1995. The Bank is engaged in commercial banking, consumer banking and related services through 100 branches (including 30 sub branches) [31 December 2009: 100 branches (including 30 sub branches)] operating in 38 cities. The shares of the Bank are listed on the Karachi, Lahore and Islamabad stock exchanges.
- 1.2** In accordance with the SBP's BSD Circular No 7 dated 15 April 2009, the Minimum Capital Requirement (MCR) - net of losses for the Bank as at 31 December 2009 was Rs 6 billion and for the current year ending 31 December 2010 is Rs. 7 billion. Further, the Bank is also required to maintain a Capital Adequacy Ratio (CAR) of at least 10% as at 30 June 2010. The paid up capital of the Bank (net of losses) as of 30 June 2010 amounts to Rs. 3,682 million, while CAR stands at 1.93% (un-audited) as of that date.

Keeping in view the above capital shortfall, the sponsors of the Bank have finalised an arrangement with a foreign investor for additional equity injection into the Bank. Additionally, the Bank has plans to augment its equity base through long term financing by way of sub-ordinated debt to comply with the regulatory capital requirements.

Based on the above, the Board is of the view that the Bank would have adequate resources to continue its business on a sustainable basis in the foreseeable future. However, in view of corporate actions and the related time required to complete the process of equity injection into the Bank, the management has applied to SBP to grant an extension from the MCR till 30 September 2010 and in respect of CAR till 31 December 2010.

2. STATEMENT OF COMPLIANCE

- 2.1** These interim condensed financial statements of the Bank for the half year ended 30 June 2010 have been prepared, in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 2.2** The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of IAS 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated 28 April 2008, International Financial Reporting Standard (IFRS) - 7 "Financial Instruments: Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these interim condensed financial statements. However, investments have been classified, accounted for and valued in accordance with the requirement of various circulars issued by the SBP.
- 2.3** The disclosures made in these interim condensed financial statements have been limited based on the format prescribed by the SBP vide BSD Circular No. 2, dated 12 May 2004 and IAS 34 "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, these interim condensed financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2009.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

2.4 These are separate interim condensed financial statements of the Bank in which investments in subsidiaries and associates are reported on the basis of direct equity interest and are not consolidated or accounted for by using equity method of accounting.

3. ACCOUNTING POLICIES

3.1 The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2009.

3.2 In addition to above, following amendments and interpretation to accounting standards became effective during the period:

IFRS 2 - Share-Based Payments : Amendments relating to Group Cash-settled Share-based Payment Transactions
IFRIC 17 - Distributions of Non-cash Assets to owners

The adoption of the above amendments and interpretation did not have any effect on the interim condensed financial statements of the Bank.

4. INVESTMENTS	30 June 2010 (Un-Audited)			31 December, 2009 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
	----- (Rs. in '000) -----					
Held-for-trading securities						
Ordinary shares of listed companies	3,248	-	3,248	6,025	-	6,025
Available-for-sale securities						
Market Treasury Bills	5,044,689	-	5,044,689	2,942,583	3,110,828	6,053,411
Pakistan Investment Bonds	554,441	-	554,441	653,837	-	653,837
Listed Term Finance Certificates	415,551	-	415,551	420,651	-	420,651
Unlisted Term Finance Certificates	560,438	-	560,438	595,392	-	595,392
Ordinary shares of listed companies	263,796	-	263,796	320,773	-	320,773
Ordinary shares of unlisted companies	330,588	-	330,588	330,588	-	330,588
Open ended mutual funds units	650,000	-	650,000	850,000	-	850,000
	7,819,503	-	7,819,503	6,113,824	3,110,828	9,224,652
Held-to-maturity securities						
Pakistan Investment Bonds	652,591	-	652,591	665,565	-	665,565
Unlisted Term Finance Certificates	1,302,243	-	1,302,243	1,324,752	-	1,324,752
	1,954,834	-	1,954,834	1,990,317	-	1,990,317
Associated companies / Mutual Funds						
<i>Listed</i>						
KASB Liquid Fund	328,794	-	328,794	328,794	-	328,794
KASB Stock Market Fund	142,287	-	142,287	142,287	-	142,287
KASB Balanced Fund	298,424	-	298,424	298,424	-	298,424
KASB Capital Protected Gold Fund	71,039	-	71,039	100,000	-	100,000
KASB Cash Fund	28,961	-	28,961	-	-	-
KASB Islamic Income Fund	103,525	-	103,525	103,525	-	103,525
<i>Unlisted</i>						
Shakarganj Food Products Limited	627,942	-	627,942	627,942	-	627,942
New Horizon Exploration and Production Limited	558,000	-	558,000	500,000	-	500,000
KASB International Limited	41,867	-	41,867	41,867	-	41,867
	2,200,839	-	2,200,839	2,142,839	-	2,142,839
Subsidiary companies						
<i>Listed</i>						
KASB Securities Limited	2,394,937	-	2,394,937	2,394,937	-	2,394,937
KASB Modaraba	91,676	-	91,676	91,676	-	91,676
<i>Unlisted</i>						
KASB Funds Limited	432,302	-	432,302	432,302	-	432,302
KASB Technology Services Limited	104,771	-	104,771	104,771	-	104,771
KASB Modaraba Management (Private) Limited	28,000	-	28,000	28,000	-	28,000
	3,051,686	-	3,051,686	3,051,686	-	3,051,686
Investments at cost	15,030,110	-	15,030,110	13,304,691	3,110,828	16,415,519

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

	30 June, 2010 (Unaudited)			31 December, 2009 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
	----- (Rs. in '000) -----					
Provision for diminution in the value of investments	(1,193,197)	-	(1,193,197)	(1,195,886)	-	(1,195,886)
Investments - net of provisions	13,836,913	-	13,836,913	12,108,805	3,110,828	15,219,633
Surplus / (deficit) on revaluation of held-for-trading securities - net	5	-	5	(76)	-	(76)
Deficit on revaluation of available-for-sale investments - net 7.2	(133,240)	-	(133,240)	(83,351)	(7,116)	(90,467)
Total investments	13,703,678	-	13,703,678	12,025,378	3,103,712	15,129,090

5. **ADVANCES**

	Note	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
		----- (Rs. in '000) -----	
Loans, cash credits, running finances, etc. In Pakistan		33,074,864	31,737,539
Net investment in finance lease In Pakistan		1,395,623	1,456,998
Bills discounted and purchased - (excluding market treasury bills)			
Payable in Pakistan		978,671	334,957
Payable outside Pakistan		240,301	106,563
		1,218,972	441,520
Advances - gross	5.1	35,689,459	33,636,057
Provision against non-performing advances			
- Specific provision	5.1	(4,022,261)	(4,104,983)
- General provision against consumer advances		(25,908)	(32,322)
		(4,048,169)	(4,137,305)
Advances - net of provisions		31,641,290	29,498,752

5.1 Advances include Rs. 7,012 million (31 December 2009: Rs. 7,354 million) which have been placed under non-performing status as detailed below:

Category of classification	30 June, 2010 (Un-Audited)			Provision required	Provision held
	Domestic	Overseas	Total		
	----- Rupees in '000 -----				
Substandard	332,866	-	332,866	28,681	28,681
Doubtful	1,513,801	-	1,513,801	455,201	455,201
Loss	5,165,134	-	5,165,134	3,538,379	3,538,379
	7,011,801	-	7,011,801	4,022,261	4,022,261

Category of classification	31 December, 2009 (Audited)			Provision required	Provision held
	Domestic	Overseas	Total		
	----- Rupees in '000 -----				
Substandard	295,381	-	295,381	49,766	49,766
Doubtful	1,915,300	-	1,915,300	682,205	682,205
Loss	5,143,727	-	5,143,727	3,373,012	3,373,012
	7,354,408	-	7,354,408	4,104,983	4,104,983

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

HALF YEARLY REPORT JUNE 2010

5.2 Particulars of provision against non-performing advances

	30 June, 2010 (Un-audited)			31 December, 2009 (Audited)		
	Specific	General	Total	Specific	General	Total
Opening balance	4,104,983	32,322	4,137,305	2,875,909	48,745	2,924,654
Charge for the period	661,414	-	661,414	2,158,238	-	2,158,238
Reversals	(744,095)	(6,414)	(750,509)	(847,298)	(16,423)	(863,721)
	(82,681)	(6,414)	(89,095)	1,310,940	(16,423)	1,294,517
Amounts written off	(41)	-	(41)	(81,866)	-	(81,866)
Closing balance	4,022,261	25,908	4,048,169	4,104,983	32,322	4,137,305

5.2.1 The above provision against non-performing advances has been worked out after considering the benefit of forced sales value of collateral amounting to Rs. 2,099.373 million (31 December 2009: Rs. 2,301.034 million).

6. DEPOSITS AND OTHER ACCOUNTS

	Note	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
----- (Rs. in '000) -----			
Customers			
Remunerative			
Fixed deposits		26,804,430	26,108,643
Savings deposits		13,323,391	9,516,526
		40,127,821	35,625,169
Non-Remunerative			
Current accounts		7,620,751	5,325,218
Margin deposits		496,712	323,238
		8,117,463	5,648,456
		48,245,284	41,273,625
Financial Institutions			
Remunerative			
Saving deposits		1,165,787	1,814,312
Term deposits		316,000	787,000
		1,481,787	2,601,312
Non-remunerative			
Current accounts		22,466	24,758
		1,504,253	2,626,070
		49,749,537	43,899,695
7. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Operating fixed assets	7.1	434,178	460,256
Available-for-sale securities	7.2	(107,004)	(5,191)
		327,174	455,065
7.1 Operating fixed assets			
Surplus on revaluation of land and buildings		661,646	695,693
Related deferred tax liability		(227,468)	(235,437)
		434,178	460,256
7.2 Available-for-sale securities			
Market Treasury Bills		(25,602)	(26,318)
Pakistan Investment Bonds		(15,574)	(11,732)
Ordinary shares of listed companies		(28,538)	(4,740)
Listed term finance certificates		(21,011)	(30,702)
Open ended mutual funds units		(42,515)	(16,975)
		(133,240)	(90,467)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

HALF YEARLY REPORT JUNE 2010

	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
	----- (Rs. in '000) -----	
Reversal of impairment on available for sale securities transferred from provision for diminution in the value of investments	-	59,040
Related deferred tax asset	<u>26,236</u>	<u>26,236</u>
	<u>(107,004)</u>	<u>(5,191)</u>
8. CONTINGENCIES AND COMMITMENTS		
8.1 Direct credit substitutes		
Acceptances	<u>2,118,997</u>	<u>912,872</u>
8.2 Transaction-related contingent liabilities		
Guarantees issued favouring		
- Government	<u>9,451,353</u>	7,984,114
- Others	<u>1,744,561</u>	<u>1,530,282</u>
	<u>11,195,914</u>	<u>9,514,396</u>
8.3 Trade-related contingent liabilities		
Letters of credit	<u>3,462,148</u>	<u>2,306,118</u>
	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
	----- (Rs. in '000) -----	
8.4 Commitments in respect of forward exchange contracts		
Purchase		
From SBP	<u>338</u>	5,297
From other banks	<u>2,377,202</u>	2,745,825
From other customers	<u>308,387</u>	35,527
	<u>2,685,927</u>	2,786,649
Sale		
To other banks	<u>1,839,767</u>	<u>676,238</u>
8.5 Commitments for the acquisition of operating fixed assets	<u>396,742</u>	<u>699,546</u>
8.6 Commitment to extend credits		
The bank makes commitments to extend credit in the normal course of its business but these being irrevocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		
8.7 Tax contingencies		
There is no significant change during the period in the tax contingencies as disclosed in the annual financial statements for the year ended 31 December 2009.		
9. TAXATION		
9.1 In view of tax loss for the current period, no provision is required for taxation in these interim condensed financial statements.		
9.2 The net deferred tax asset arising in respect of temporary differences and tax loss for the current period amounts to Rs. 142 million. However, keeping in view the financial projections regarding the realisation of deferred tax asset of the Bank, the management has not recognised the additional deferred tax asset in these interim condensed financial statements.		

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

10. RELATED PARTY TRANSACTIONS

Related parties of the Bank comprise subsidiaries, associates, retirement benefit funds, major share holders, directors and key management personnel and their close family members.

Transactions with related parties, other than those disclosed elsewhere in financial statements, are summarized as follows:

	30 June 2010 (Un-Audited)					TOTAL
	Subsidiaries	Associates	Directors	Key Management Personnel	Other Related Parties	
	----- Rupees in '000 -----					
Deposits						
As at 01 January 2010	329,891	177,498	2,567	20,987	215,216	746,159
Deposits received during the period	44,303,307	1,009,497	43,054	158,579	485,009	45,999,446
Withdrawals during the period	(44,556,009)	(1,078,906)	(44,118)	(150,606)	(507,315)	(46,336,954)
As at 30 June 2010	77,189	108,089	1,503	28,960	192,910	408,661
Advances						
As at 01 January 2010	99,988	90,000	19,123	62,147	251,555	522,813
Disbursements during the period	1,468,158	169,811	4,933	25,215	20,571	1,688,688
Repayments during the period	(1,404,088)	(105,011)	(4,300)	(39,040)	(34,583)	(1,587,022)
As at 30 June 2010	164,058	154,800	19,756	48,322	237,543	624,479
Other assets	11,832	4,788	-	-	650,976	667,596
Other liabilities	105	-	24	165	54	348
Contingencies and commitments	-	377,191	-	-	39,944	417,135
	31 December 2009 (Audited)					
Deposits						
As at 01 January 2009	20,929	55,234	6,622	11,528	93,659	187,972
Deposits received during the period	43,935,454	7,439,551	268,611	171,422	1,361,169	53,176,207
Withdrawals during the period	(43,626,492)	(7,317,287)	(272,666)	(161,963)	(1,239,612)	(52,618,020)
As at 31 December 2009	329,891	177,498	2,567	20,987	215,216	746,159
Advances						
As at 01 January 2009	37,560	-	22,488	66,676	2,722	129,447
Disbursements during the period	495,745	115,000	15,039	59,779	250,000	935,833
Repayments during the period	(433,317)	(25,000)	(18,404)	(64,308)	(1,167)	(542,196)
As at 31 December 2009	99,988	90,000	19,123	62,147	251,555	523,084
Other assets	9,044	2,664	30	21	571,778	583,537
Other liabilities	452	6	9	116	98	681
Contingencies and commitments	-	338,250	-	-	29,171	367,421
	Half year ended 30 June 2010 (Un-Audited)					
	Subsidiaries	Associates	Directors	Key Management Personnel	Other Related Parties	TOTAL
	----- Rupees in '000 -----					
Mark-up earned	12,639	8,556	460	1,564	17,738	40,957
Mark-up expensed	(11,031)	(8,326)	(24)	(446)	(10,335)	(30,162)
Commission on letters of guarantee	-	136	-	-	76	212
Rental income	36	-	-	-	-	36
Group executive services	-	-	-	-	(20,731)	(20,731)
Brokerage commission paid	(147)	-	-	-	-	(147)
Salaries and allowances	-	-	-	(44,795)	-	(44,795)
Directors' fee	-	-	(3,450)	-	-	(3,450)
Other administrative expenses	(11,494)	-	-	-	-	(11,494)
Contribution to staff provident fund	-	-	-	-	(18,183)	(18,183)
Advance for acquisition of office premises	-	-	-	-	(79,809)	(79,809)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

Half year ended 30 June 2009 (Un-Audited)

	Subsidiaries	Associates	Directors	Key Management Personnel	Other Related Parties	TOTAL
Rupees in '000						
Mark-up earned	4,907	-	165	822	206	6,100
Mark-up expensed	(2,824)	(7,994)	(179)	(153)	(8,528)	(19,678)
Shared services income	4,848	-	-	-	-	4,848
Shared services expenses	(13,961)	-	-	-	-	(13,961)
Group executive services	-	-	-	-	(3,978)	(3,978)
Salaries and allowances	-	-	-	(35,317)	-	(35,317)
Directors' fee	-	-	(5,100)	-	-	(5,100)
Other administrative expenses	(6,946)	-	-	-	-	(6,946)
Contribution to staff provident fund	-	-	-	-	(17,425)	(17,425)
Advance for acquisition of office premises	-	-	-	-	(79,809)	(79,809)

11. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Half year ended 30 June 2010 (Un-Audited)

	Commercial Banking	Retail Banking	Trading and Sale	Corporate Finance	TOTAL
Rupees in '000					
Income / (loss) - net of interest expense and provisions	656,088	(80,273)	(66,015)	26,582	536,382
Administrative and other expenses	(996,684)	(122,568)	(47,967)	(41,840)	(1,209,059)
Net loss for the period	(340,596)	(202,841)	(113,982)	(15,258)	(672,677)

Half year ended 30 June 2009 (Un-Audited)

Income / (loss) - net of interest expense and provisions	93,202	(1,250,058)	463,927	18,840	(674,089)
Administrative and other expenses	(801,425)	(239,103)	(19,149)	(74,501)	(1,134,178)
Net profit / (loss) for the period	(708,223)	(1,489,161)	444,778	(55,661)	(1,808,267)

As at 30 June 2010 (Un-Audited)

Segment assets (gross)	42,403,901	3,945,817	17,886,207	1,455,414	65,691,339
Segment non performing loans	5,994,774	1,017,027	-	-	7,011,801
Segment provision held	3,565,165	488,377	1,193,197	-	5,246,739
Segment liabilities	55,155,042	1,268	1,104,009	-	56,260,319

As at 31 December 2009 (Audited)

Segment assets (gross)	36,344,822	3,875,978	22,447,429	1,892,727	64,560,956
Segment non performing loans	6,439,442	914,966	-	-	7,354,408
Segment provision held	3,736,513	405,499	1,195,886	-	5,337,898
Segment liabilities	50,588,859	4,114	3,671,215	-	54,264,188

12. GENERAL

12.1 Figures of the interim condensed profit and loss account and interim condensed statement of comprehensive income for the quarters ended 30 June 2010 and 30 June 2009 have not been subjected to limited scope review by the auditors.

12.2 Administrative expenses for the corresponding period has been restated for amortisation expense consequent to the valuation of intangibles acquired at the time of acquisition of KASB Capital Limited and Network Leasing Corporation Limited as disclosed in note 6.7 to the annual financial statements for the year ended 31 December 2009.

13. DATE OF AUTHORIZATION

These interim condensed financial statements were authorized for issue by the Board of Directors in their meeting held on 26 August 2010.


President & Chief Executive


Director


Director


Director

CONSOLIDATED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

HALF YEARLY REPORT JUNE 2010

AS AT 30 JUNE 2010

	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
(Rs. in '000)		
ASSETS		
Cash and balances with treasury banks	3,363,101	2,851,783
Balances with other banks	227,779	235,121
Lendings to financial institutions and others	2,411,996	2,815,159
Investments	12,391,471	13,580,973
Advances	32,311,041	29,916,379
Operating fixed assets	4,144,143	4,027,676
Deferred tax assets	3,053,735	3,037,071
Other assets	4,428,904	4,535,425
	62,332,170	60,999,587
LIABILITIES		
Bills payable	538,752	386,066
Borrowings	5,247,667	8,696,140
Deposits and other accounts	50,136,264	43,807,061
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	4,176	6,105
Deferred tax liabilities	-	-
Other liabilities	1,836,527	2,687,394
	57,763,386	55,582,766
NET ASSETS	4,568,784	5,416,821
REPRESENTED BY		
Share capital	9,508,617	9,508,617
Reserves	153,112	151,287
Share premium	23,724	23,724
Accumulated losses	(5,995,609)	(5,296,811)
	3,689,844	4,386,817
Non-controlling interests in equity	528,324	524,694
	4,218,168	4,911,511
Surplus on revaluation of assets - net of tax	350,616	505,310
	4,568,784	5,416,821

CONTINGENCIES AND COMMITMENTS

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





President & Chief Executive Director Director



Director





CONSOLIDATED INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

HALF YEARLY REPORT JUNE 2010

FOR THE HALF YEAR ENDED 30 JUNE 2010

	30 June 2010	30 June 2009
	(Rs. in '000)	
Mark-up / return / interest earned	2,735,059	2,622,558
Mark-up / return / interest expensed	(2,610,255)	(2,910,920)
Net mark-up / return / interest income	<u>124,804</u>	<u>(288,362)</u>
Reversal / (provision) against loans and advances	89,095	(587,266)
Provision for diminution in the value of investments	(41,441)	(117,660)
Bad debts written off directly	(13,740)	(324)
	<u>33,914</u>	<u>(705,250)</u>
Net mark-up / return / interest after provisions	158,718	(993,612)
NON MARK-UP / RETURN / INTEREST INCOME		
Fee, commission and brokerage income	333,161	70,149
Dividend income	31,167	46,323
Income / (Loss) from dealing in foreign currencies	31,836	(20,318)
Gain on sale / redemption of securities	110,966	183,059
Unrealised loss on revaluation of investments classified as held for trading	(3,159)	-
Other income	87,237	48,118
Total non mark-up / return / interest income	<u>591,208</u>	<u>327,331</u>
	749,926	(666,281)
NON MARK-UP / RETURN / INTEREST EXPENSES		
Administrative expenses	(1,423,572)	(1,137,224)
Other provisions / write offs	56,354	(681)
Other charges	(26,700)	(4,919)
Total non mark-up / return / interest expenses	<u>(1,393,918)</u>	<u>(1,142,824)</u>
Share of (loss) / profit from associates	(75,395)	93,920
Share of loss from subsidiaries classified as held for sale	-	(246,614)
Loss before taxation	<u>(719,387)</u>	<u>(1,961,799)</u>
Taxation - Current year	(16,696)	(55,380)
- Deferred	16,663	954,355
Taxation of subsidiaries classified as held for sale	-	(1,501)
	<u>(33)</u>	<u>897,474</u>
Loss after taxation	<u>(719,420)</u>	<u>(1,064,325)</u>
Loss after taxation attributable to:		
Equity holders of the holding company	(723,050)	(1,009,660)
Non-controlling interest	3,630	(54,665)
	<u>(719,420)</u>	<u>(1,064,325)</u>
	Rupees	
Basic and diluted loss per share	<u>(0.76)</u>	<u>Restated (1.12)</u>

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

			
President & Chief Executive	Director	Director	Director

CONSOLIDATED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)


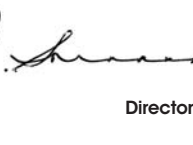


HALF YEARLY REPORT JUNE 2010

FOR THE HALF YEAR ENDED 30 JUNE 2010

	30 June 2010	30 June 2009
	(Rs. in '000)	
Net loss for the period	(719,420)	(1,064,325)
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(719,420)</u>	<u>(1,064,325)</u>

Surplus / deficit arising on revaluation of fixed assets and available-for-sale investments is required to be shown separately below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements specified by the State Bank of Pakistan (SBP). Accordingly these have not been included in comprehensive income which has been shown as part of equity.

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





President & Chief Executive Director Director Director

CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2010

	30 June 2010	30 June 2009
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(719,387)	(1,961,799)
Less: dividend income	(31,167)	(46,323)
	(750,554)	(2,008,122)
Adjustments for non cash and other items:		
Depreciation	140,106	105,911
Amortisation of intangibles	33,875	29,269
Reversal of provision against loans and advances - net	(89,095)	587,266
Share of profit from associates	75,395	(93,920)
Reversal of provision for compensated absences	(1,141)	(692)
Provision for gratuity	18,808	16,540
Gain on disposal of operating fixed assets - net	(21,681)	(275)
Finance charge on lease obligations	642	775
Unrealised gain on revaluation of investments classified as held for trading	3,159	-
Bad debts written off directly	13,740	324
Provision for diminution in the value of investments	41,441	117,660
Amortisation of premium on investments	14,252	13,908
	229,501	776,766
	(521,053)	(1,231,356)
(Increase) / decrease in operating assets		
Lendings to financial institutions and others	403,163	(1,722,054)
Held for trading securities	(340,561)	261,584
Advances	(2,319,307)	1,563,788
Other assets (excluding advance taxation)	83,444	462,359
	(2,173,261)	565,677
Increase / (decrease) in operating liabilities		
Bills payable	152,686	108,770
Borrowings	(3,442,986)	591,880
Deposits	6,329,203	8,101,140
Other liabilities	(865,139)	308,167
	2,173,764	9,109,957
	(520,550)	8,444,278
Income tax paid	(19,303)	(21,115)
Gratuity benefits paid	(3,395)	(5,257)
Net cash flow from operating activities	(543,248)	8,417,906
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	1,394,771	(6,474,281)
Net investments in held to maturity securities	33,311	(108,055)
Investments in associates	(160,883)	(33,582)
Dividend income received	64,820	41,219
Investments in operating fixed assets	(306,929)	(380,591)
Sale proceeds realised on disposal of fixed assets	30,192	13,806
Net cash flow from investing activities	1,055,282	(6,941,484)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments against lease obligations - net	(2,571)	(2,742)
Net cash flow from financing activities	(2,571)	(2,742)
Net increase in cash and cash equivalents during the period	509,463	1,473,680
Cash and cash equivalents at the beginning of the period	3,070,882	1,564,018
Cash and cash equivalents at the end of the period	3,580,345	3,037,698

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

 President & Chief Executive	 Director	 Director	 Director
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CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2010

	Attributable to equity holders of the Holding Company								Total
	Share Capital	Statutory reserve	General reserve	Proposed shares to be issued on amalgamation	Share premium	Accumulated loss	Total	Non-controlling interests	
	(Rs. in '000)								
Balance as at 01 January 2009	4,014,890	150,903	384	5,607,976	13,775	(1,096,473)	8,691,455	600,005	9,291,460
Net loss for the period	-	-	-	-	-	(1,064,325)	(1,064,325)	-	(1,064,325)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(1,064,325)	(1,064,325)	-	(1,064,325)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	11,356	11,356	-	11,356
Non-controlling interest related to subsidiaries recognized upon amalgamation of KCL into the holding company	-	-	-	-	-	-	-	(86,707)	(86,707)
Balance as at 30 June 2009	4,014,890	150,903	384	5,607,976	13,775	(2,149,442)	7,638,486	513,298	8,151,784
Net loss for the period	-	-	-	-	-	(3,159,601)	(3,159,601)	(8,116)	(3,167,717)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(3,159,601)	(3,159,601)	(8,116)	(3,167,717)
Issue of ordinary shares to the shareholders of KASB Capital Limited and Network Leasing Corporation Limited upon amalgamation	3,618,050	-	-	(5,607,976)	1,989,926	-	-	-	-
Share issue costs	-	-	-	-	(17,881)	-	(17,881)	-	(17,881)
Issue of bonus shares	1,962,096	-	-	-	(1,962,096)	-	-	-	-
Shares canceled during the period	(86,419)	-	-	-	-	-	(86,419)	-	(86,419)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	11,357	11,357	-	11,357
Effect of change in ownership interest in subsidiaries and associates without loss of control - net	-	-	-	-	-	875	875	19,512	20,387
Balance as at 31 December 2009	9,508,617	150,903	384	-	23,724	(5,296,811)	4,386,817	524,694	4,911,511
Net loss for the period	-	-	-	-	-	(723,050)	(723,050)	3,630	(719,420)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(723,050)	(723,050)	3,630	(719,420)
Transfer to statutory reserve	-	1,825	-	-	-	(1,825)	-	-	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	26,077	26,077	-	26,077
Balance as at 30 June 2010	9,508,617	152,728	384	-	23,724	(5,995,609)	3,689,844	528,324	4,218,168

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


**President
& Chief Executive**


Director


Director


Director

NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2010

1. STATUS AND NATURE OF BUSINESS

- 1.1 KASB Bank Limited ('the bank' or 'Holding Company') was incorporated in Lahore, Pakistan on October 13, 1994 as a public limited company under the Companies Ordinance, 1984 and received banking license from the State Bank of Pakistan (SBP) on January 9, 1995. The bank obtained certificate of commencement of business on January 11, 1995 and is engaged in commercial banking, consumer banking and related services through 100 branches (including 30 sub-branches) operating in 38 cities. The shares of the holding company are listed on the Karachi, Lahore and Islamabad stock exchanges. KASB Bank Limited, as the holding company, has five subsidiaries and nine associates. The group comprises of:

Holding Company

KASB Bank Limited

Name of subsidiaries	Percentage holding
KASB Technology Services Limited	100.00%
KASB Securities Limited	77.12%
KASB Funds Limited	67.18%
KASB Modaraba Management (Private) Limited	96.02%
KASB Modaraba	51.21%

- 1.2 In addition, the Group maintains significant influence in the following associates:

Name of associates	Percentage holding
New Horizon Exploration and Production Limited	40.00%
Shakarganj Food Products Limited	40.20%
KASB International Limited	21.78%
KASB Stock Market Fund	72.78%
KASB Balanced Fund	59.78%
KASB Liquid Fund	30.25%
KASB Islamic Income Fund	38.52%
KASB Cash Fund	35.35%
KASB Capital Protected Gold Fund	15.46%

- 1.3 In accordance with the SBP's BSD Circular No 7 dated 15 April 2009, the Minimum Capital Requirement (MCR) - net of losses for the holding company as at 31 December 2009 was Rs 6 billion and for the current year ending 31 December 2010 is Rs. 7 billion. Further, the holding company is also required to maintain a Capital Adequacy Ratio (CAR) of at least 10% as at 30 June 2010. The paid up capital (net of losses) as of 30 June 2010 amounts to Rs. 3,513 million, while CAR stands at 3.90% (un-audited) as of that date.

Keeping in view the above capital shortfall, the sponsors of the holding company have finalised an arrangement with a foreign investor for additional equity injection into the holding company. Additionally, the holding company has plans to augment its equity base through long term financing by way of sub-ordinated debt to comply with the regulatory capital requirements.

Based on the above, the Board is of the view that the holding company would have adequate resources to continue its business on a sustainable basis in the foreseeable future. However, in view of corporate actions and the related time required to complete the process of equity injection into the holding company, the management has applied to SBP to grant an extension from the MCR till 30 September 2010 and in respect of CAR till 31 December 2010.

2. BASIS OF PRESENTATION

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these condensed interim financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

2.1 Comparative information relating to subsidiaries classified as held for sale

During year ended December 31, 2008, the sponsor shareholder of the Holding Company had incorporated a company by the name of KASB Finance (Private) Limited (KFIN) (a company incorporated under the Companies Ordinance, 1984) to operate as the Holding Company of the Group. At the time of finalisation of the separate financial statements of the Holding Company for the year ended December 31, 2008 it was the management's intention to transfer its substantial holding in certain subsidiaries and associates to KFIN during the year ended December 31, 2009.

The transfer of the present Holding Company's investment to KFIN was partially dependant upon various external factors including arrangement of investments through a third party investor. However, the management believes that during the initial one year period the market conditions which existed at the date these assets were initially classified as held for sale, deteriorated (caused by events outside the present Holding Company's control) and, as a result, the preconditions set for executing the above transfer / disposal could not take place and accordingly the plan for the restructuring of the Group could not be executed.

During the quarter ended December 31, 2009, the management had reviewed its plan based on which the management believes that transfer of these investments to KFIN is dependent on further improvement of market conditions, at a price in excess of its current values and introduction of third party investor. Considering the above facts the management believed that the requirements specified by IFRS 5 under the changed circumstances were not fully met. Accordingly, the assets and liabilities of these subsidiaries were not classified as part of the disposal group in consolidated financial statements for the year ended December 31, 2009 and the investments of the Holding Company in these associates had ceased to be classified as held for sale.

Consequent to the change in plan and in accordance with the requirements of IFRS 5:

- the results of the operations of subsidiaries previously held for sale have been presented as income from continuing operations. The comparative information in profit and loss account for the corresponding period has not been revised / reclassified.
- the investments in associates that no longer meet the criteria to be classified as held for sale have been accounted for using the equity method.

3. STATEMENT OF COMPLIANCE

- 3.1 These consolidated condensed interim financial statements have been prepared

NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

in accordance with approved accounting standards as applicable to banks in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified by the Securities and Exchange Commission of Pakistan (SECP) from time to time, the requirements of the Companies Ordinance, 1984, the requirements of the Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives prevail.

- 3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular No. 10 dated August 26, 2002. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.
- 3.3 The disclosures made in these condensed interim financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the group for the year ended December 31, 2009.

4 BASIS OF MEASUREMENT

These condensed interim consolidated financial statements have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts, trading and available for sale investments and derivative financial instruments are measured at fair value.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 5.1 The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the annual financial statements of the holding company for the year ended 31 December 2009.
- 5.2 In addition to above, following amendments and interpretation to accounting standards became effective during the period:
IFRS 2 - Share-Based Payments : Amendments relating to Group Cash-settled Share-based Payment Transactions
IFRIC 17 - Distributions of Non-cash Assets to owners
The adoption of the above standards, amendments and interpretations did not have any effect on the interim condensed financial statements of the holding company.

6 RESTATEMENT OF PRIOR PERIOD

The initial accounting for a business combination involves identifying and determining the fair values to be assigned to the acquiree's identifiable assets, liabilities and

contingent liabilities and the cost of the combination. At the time of acquisition of KCL and NLCL, the management was in the process of carrying out a detailed exercise for the identification and valuation of intangible assets required to be separately recognized under the initial accounting for the acquisition under International Financial Reporting Standard (IFRS) 3, 'Business Combinations', and due to the proximity of the acquisition to the year ended December 31, 2008, the fair value amounts contained some provisional balances. IFRS 3 envisages such a situation and allows the acquirer to account for the acquisition using provisional values if the initial accounting for the acquisition can be determined only provisionally by the year end. However, adjustments to these provisional values consequent to completion of the initial accounting of the acquisition is required, under IFRS 3, to be incorporated in the financial statements with effect from the acquisition date, within a period of twelve months from the acquisition date.

Accordingly, during the year ended December 31, 2009, as allowed by IFRS 3, certain adjustments to these provisional balances have been made and management has completed its exercise for the identification and recognition of intangible assets. These adjustments and recognition of intangible assets have been incorporated in these financial statements as these were identified and finalized as at the date of acquisition (which was December 31, 2008) with a corresponding adjustment to goodwill. The adjustments primarily relate to identification and valuation of intangible assets & amortization charge thereon, which has been included in Administrative expenses for the corresponding period i.e. January to June 2009.

7. BASIS OF CONSOLIDATION

The consolidated financial statements of the group include the financial statements of KASB Bank (Holding company) and its subsidiaries. Subsidiaries are those companies in which the bank directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has the power to elect and appoint more than 50% of its directors.

The matter relating to the consolidation and classification of the Group's investments in these funds as subsidiaries has been referred by some of the Asset Management Companies to the Professional Standards and Technical Advisory Committee and Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP). Till such time as clarification is received from ICAP, the investments of the Group in these funds have not been classified as subsidiaries and accordingly have not been consolidated in these financial statements.

8. GENERAL





Figures have been rounded up to the nearest thousand rupees.

Comparative information has been reclassified and re-arranged wherever necessary, to facilitate comparison. Significant reclassifications include the following:

- Admin expense for the corresponding period has been restated consequent to the change in amortization on intangibles.
- Earnings per share for the corresponding period has been restated consequent to the change in amortization on intangibles.

9. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 26 August, 2010 by the Board of Directors of the holding company, KASB Bank Limited.

BRANCHES NETWORK

KARACHI BRANCHES

Main Branch

Tel: (021) 32446005-10 / 32446772-77
Fax: (021) 32446781
UAN: 111 555 666

Jodia Bazar Branch

Tel: (021) 32521351-6
Fax: (021) 32521357

Chochinwala Branch (Sub Branch)

PABX No. (021) 32462703-5
FAX No. (021) 32467643

Korangi Branch

Tel: (021) 35078922-25
Fax (021) 35078926

Preedy Street Branch

PABX No (021) 32724121-32724135-32724178
Fax (021) 32725175

Electronic Market Sadar Branch (Sub Branch)

PABX No. (021) 32700561-63
Fax No. (021)-32700567

DHA Shahbaz Branch

PABX No. (021) 35349154-7
Fax No.(021) 35349149

DHA Phase VI Branch (Sub Branch)

PABX (021) 35242734-37
FAX No. (021)-35242739

Defence Phase IV Branch (Sub Branch)

PABX (021) 35312961-4
Fax No. (021) 35312966

Garden Branch

PABX No. (021) 32292041-43
FAX No. (021)-32292046

Gulshan-e-Iqbal Branch

Tel: (021) 34981330-31
Fax: (021) 34981334

Gulshan Chowrangi Branch (Sub Branch)

PABX No. (021) 34832541-3
FAX No. (021)-34832548

New Challi Branch

Tel: (021) 32601231-6
Fax: (021) 32601337

Shaheed-e-Millat Road Branch

PABX No (021) 34145183-84-86
Fax No. (021) 34145187

Dohraji Branch (Sub Branch)

PABX No. (021) 34860180-2
Fax No. (021) 34860184

Khalid Bin Waleed Branch (Sub Branch)

PABX (021) 34302806-9
Fax No. (021) 34302813

SITE Branch

PABX No (021) 32550391-3
Fax (021) 32550395

Orangi Town (Sub Branch)

PABX No. (021) 36760060-2
FAX No. (021) 36760063

Shahrah-e-Faisal Branch

Tel: (021) 34313236-38
Fax: (021) 34538638

Muhammad Ali Society Branch (Sub Branch)

PABX No. (021) 34306061-3
FAX No. (021)-34306066

Manzoor Colony Branch (Sub Branch)

PABX No. (021) 35392805-7
FAX No. (021) 35392810

Hyderi Branch

PABX (021) 36724280-3-4
Fax No. (021) 36724282

Nazimabad (Sub Branch)

PABX No. (021) 36611912-3-908
Fax (021) 36611909.

F.B.Area Karimabad Branch (Sub Branch)

PABX No. (021) 36826728/31/35
FAX No. (021)-36826805

Karachi Stock Exchange Branch

Tel: (021) 32473560-63
Fax (021) 32473564

DHA Phase 1 Branch

PABX No. (021) 35314121-3
Fax No. (021) 35314127

Gulistan-e-Johar Branch

PABX No. (021) 34029901-3
Fax No. (021) 34029902

Malir City Branch

PABX No. (021) 34117381-34110812 / 822
FAX No. (021)-34117452

Clifton Branch

PABX No.: (021) 35879207-35879170-35879215
Fax: (021) 35879134

Clifton (Shireen Jinnah) Branch (Sub Branch)

PABX No. (021) 35305581-3
FAX No. (021) 35374579

BRANCHES NETWORK

LAHORE BRANCHES

Defence Branch

PABX No: (042) 35731811, 35740083
Fax: (042) 35722228

DHA-G Branch (Sub Branch)

PABX (042) 35690987-8
Fax No. (042) 35690986

Johar Town Branch

PABX (042) 35220813-5
Fax No. (042) 35220819

Baghbanpura Branch

PABX No. (042) 36820445-6
FAX No. (042)-36820447

Mughalpura Branch (Sub Branch)

PABX No. (042) 36524880-3
FAX No. (042) 36524887

Gulshan-e-Ravi Branch

PABX No. (042) 37415063-83-86
FAX No. (042)-37414892

Raiwind Road Branch

PABX No:(042) 35426923, 35437893
Fax (042) 35426926

Abbot Road Branch

PABX No: (042) 36305143-44
Fax: (042) 36305142

Mozang Branch (Sub Branch)

PABX No. (042) 36371254-6
Fax No. (042) 36371504

Shadman Town Branch (Sub Branch)

PABX No. (042) 37569488-9
Fax (042) 37569487

Lahore Stock Exchange Branch

PABX No: (042) 36280801-3
Fax No : (042) 36280804

Peco Road Branch

PABX No:(042) 35144951-4
FAX NO:(042) 35144955

Shah Alam Branch

PABX No: (042) 37656501, 37658221
FAX NO:(042) 37658275

Allama Iqbal Town Branch

PABX (042) 35424951-3
Fax No. (042) 35436226

Wahdat Road Branch (Sub Branch)

PABX (042) 35912863-4
Fax No. (042) 35912862

Circular Road Branch

PABX No: (042) 37639040-42
Fax: (042) 37660649

Shadbagh Branch (Sub Branch)

PABX No. (042) 37600953/986
FAX No. (042)-37600960

Gulberg Branch

PABX No: (042) 35764288-9
Fax No: (042) 35755358

KASB House (Jail Road) Branch (Sub Branch)

PABX No. (042) 35776723-5
FAX No. (042) 35875013

Model Town Branch (Sub Branch)

PABX No. (042) 35915673-6
FAX No. (042) 35915677

ISLAMABAD BRANCHES

Islamabad Branch

PABX No: (051) 2826181- 83
Fax: (051) 2826184
UAN: 111 555 666

G-10 Markaz Branch (Sub Branch)

PABX No. (051) 2819211-3
Fax No. (051) 2819214

I-9 Markaz Branch (Sub Branch)

PABX No. (051) 4858395-97
FAX No. (051)-4858401

F-11 Markaz Branch

PABX No. (051) 2111533-4
Fax No. (051) 2111532

Rawat Branch

PABX No. (051) 4612413-5
FAX No. (051)-4612418

Bahria Town Phase VIII Branch (Sub Branch)

PABX No. (051) 5705651-5705652-5705653
FAX No. (051) 5705658

SIALKOT BRANCH

Sialkot Branch

PABX No: (052) 3241671-74
Fax (052) 3241679

Sialkot Branch (Sub Branch)

PABX No. (052) 3242650-3
Fax No. (052)-3242658

MULTAN BRANCH

Multan Branch

PABX No: (061) 4587701-3
Fax No: (061) 4587705

Bosan Road Multan Branch (Sub Branch)

PABX No. (061) 6210213-4
Fax No. (061)-6210219

BRANCHES NETWORK

GUJRANWALA

Gujranwala Branch

PABX No: (055) 3252348 / 3252353
Fax: (055) 3254529

Gujranwala G.T. Road Branch (Sub Branch)

PABX No. (055) 4294014-6
FAX No. (055) 4274016

RAWALPINDI BRANCHES

Rawalpindi Branch

PABX No: (051) 5527840-43
Fax: (051) 5527844

Raja Bazar Branch (Sub Branch)

PABX No. (051) 5777451-2
Fax No. (051) 5777453

Bahria Town Rawalpindi Branch

PABX No: (051)5730371-3
Fax: (051) 5730376

Chandni Chowk Branch

PABX No. (051) 4417049-50
Fax No. (051) 4417051

PESHAWAR BRANCHES

Peshawar Branch

AYS Centre, Arbab Road, Saddar,
Peshawar Cantt
PABX No: (091) 5279432 / 5279425
Fax: (091) 5279838
UAN: 111 555 666

University Road Branch (Sub Branch)

Umer Plaza University Road/
Jamrud Road Jahangirabad Peshawar.
PABX No. (091) 5711526-7
Fax No. 091 5711529

Hayatabad Branch

PABX No. (091) 5830024-8
Fax No. (091) 5830025

HYDERABAD BRANCH

Hyderabad Branch

Tel: (022) 2729917-18
Fax: (022) 2785977
UAN: 111 555 666

Hyderabad Market Branch (Sub Branch)

PABX (022) 2636660-2
Fax (022) 2636275

MIRPUR (AJK)

Mirpur (A.K.) Branch

PABX No: (058610) 42841 / 44877
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Chaksawari Branch

PABX No. 05827-454810-11
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OTHER CITIES

Faisalabad Branch

PABX NO (041) 2649667-70
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Fax No. (071) 5619088

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Fateh Jang Branch

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Sadiqabad Branch

PABX No. (068) 5800067-69
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Mandi Bahaudin Branch

PABX No. (054) 6507207-9
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Bhawalpur Branch

PABX No. (062) 2880701-3
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Kasur Branch

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Gujrat Branch

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Jhelum Branch

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Fax No. (0544)-622938

Kandhkot Branch

PABX No.(0722) 570041-43
FAX No. (0722) 570044

Ghourghashti Branch

PABX No. (057)-2871291-2871292
FAX No. (057)-2871393

Mehar Branch

PABX No. (0254) 730375
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Jhang Branch

PABX No. (047) 7651670-2
FAX No. (047) 7651676

Kamoki Branch

PABX No. (055) 6814580-2
FAX No. (055) 6814584

Vehari Branch

PABX No. (067) 3360515-7
FAX No. (067) 3360519

Okara Branch

PABX No. (044) 2520526-8
FAX No. (044) 2520590

Sargodha Branch

PABX No. (048) 3768121-3
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Jacobabad Branch

PABX No. (0722) 654804/5
FAX No. (0722)654801

Rahimyarkhan Branch

PABX No. (068) 5871901-3
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D.G.Khan Branch

PABX No. (064) 2471560-2
FAX No. (064) 2471566

Mirpurkhas Branch

PABX (0233) 874612-4
Fax No. (0233) 874615

Gujjar Khan Branch

PABX No. (0571) 3511903-5
FAX No. (0571) 3511913

Sambriyal Branch

PABX No. (052) 6521003-5
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Sheikhupura Branch

PABX No. (056) 3780984-6
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Sanghar Branch

PABX No. (023) 5541479-80-5541478
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