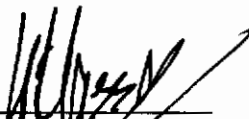


NIB BANK LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	Note	2010	2009
		(Rupees '000')	
ASSETS			
Cash and balances with treasury banks	7	8,836,449	8,834,275
Balances with other banks	8	2,951,479	3,683,783
Lendings to financial institutions	9	6,429,166	5,681,887
Investments	10	51,789,035	62,432,977
Advances	11	74,566,015	84,021,406
Operating fixed assets	12	2,718,975	3,114,632
Intangible assets	13	2,419,148	26,943,271
Deferred tax assets	14	9,480,983	6,474,384
Other assets	15	5,158,789	6,932,348
		164,350,039	208,118,963
LIABILITIES			
Bills payable	16	1,335,493	1,574,207
Borrowings	17	42,361,934	62,523,365
Deposits and other accounts	18	99,169,373	93,919,805
Sub-ordinated loans	19	3,996,000	3,997,600
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities	20	3,824,474	4,575,741
		150,687,274	166,590,718
NET ASSETS		<u>13,662,765</u>	<u>41,528,245</u>
REPRESENTED BY :			
Share capital	21	40,437,271	40,437,271
Reserves		8,464,894	8,464,894
Accumulated loss		(41,592,479)	(7,258,893)
Shareholders' equity		7,309,686	41,643,272
Advance against proposed rights issue	21.3	6,352,360	-
		13,662,046	41,643,272
Surplus / (Deficit) on revaluation of assets - net	22	719	(115,027)
		<u>13,662,765</u>	<u>41,528,245</u>
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes from 1 to 42 and annexure - 1 form an integral part of these unconsolidated financial statements.

KAMATH



 PRESIDENT /
 CHIEF EXECUTIVE

AK



 CHAIRMAN /
 DIRECTOR



 DIRECTOR



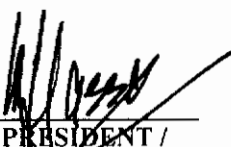
 DIRECTOR

NIB BANK LIMITED
UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2010

	Note	2010	2009
		(Rupees '000')	
Mark-up / Return / Interest earned	24	16,482,080	18,272,363
Mark-up / Return / Interest expensed	25	13,533,160	12,872,357
Net Mark-up / Interest Income		2,948,920	5,400,006
Provision against non-performing loans and advances	11.5	9,872,524	524,505
Provision for diminution in the value of investments	10.13	124,521	603,426
Bad debts written off directly		53,359	67,398
		10,050,404	1,195,329
Net Mark-up / Interest income after provisions		(7,101,484)	4,204,677
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		715,279	729,953
Dividend income		177,229	260,103
Income from dealing in foreign currencies		469,449	72,162
Gain on sale of securities	26	328,920	598,800
Unrealized gain on revaluation of investments classified as held-for-trading		-	-
Other income	27	24,475	20,815
Total Non-Mark-up / Interest income		1,715,352	1,681,833
		(5,386,132)	5,886,510
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses	28	6,955,148	5,345,307
Other provisions / write offs		158,359	6,229
Other charges	29	121,918	(122,097)
Workers welfare fund		-	13,000
Total Non-Mark-up / Interest expense		7,235,425	5,242,439
Extraordinary / Unusual items		-	-
PROFIT / (LOSS) BEFORE TAXATION		(12,621,557)	644,071
Taxation - Current	30	181,974	99,771
- Prior years	30	327,748	-
- Deferred	30	(3,019,165)	(146,748)
		(2,509,443)	(46,977)
PROFIT / (LOSS) AFTER TAXATION		(10,112,114)	691,048
Accumulated loss brought forward		(7,258,893)	(7,757,283)
ACCUMULATED LOSS CARRIED FORWARD		(17,371,007)	(7,066,235)
Basic / diluted Earnings / (Loss) per share (Rupees)	31	(2.50)	0.17

The annexed notes from 1 to 42 and annexure - 1 form an integral part of these unconsolidated financial statements.

KANIGTA


 PRESIDENT /
 CHIEF EXECUTIVE

42


 CHAIRMAN /
 DIRECTOR


 DIRECTOR


 DIRECTOR


NIB BANK LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
	(Rupees '000')	
Profit / (Loss) after taxation for the year	(10,112,114)	691,048
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(10,112,114)</u>	<u>691,048</u>

Surplus / deficit on revaluation of "Available for Sale" securities is presented under a separate head below equity as "Surplus / deficit on revaluation of assets" in accordance with the requirements specified by the Companies Ordinance, 1984, and the State Bank of Pakistan vide its BSD Circular 20 dated August 4, 2000 and BSD Circular 10 dated July 13, 2004.

The annexed notes from 1 to 42 and annexure - 1 form an integral part of these unconsolidated financial statements.

KAMRAN



 PRESIDENT /
 CHIEF EXECUTIVE

JK



 CHAIRMAN /
 DIRECTOR



 DIRECTOR




 DIRECTOR

NIB BANK LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

Note	Share capital	Share deposit money	Reserves				Total
			Capital		Revenue		
			Share premium	Statutory reserve	General reserve	Accumulated (loss)	
(Rupees '000')							
Balance as at December 31, 2008	28,437,271	12,000,000	8,246,618	74,594	5,472	(7,757,283)	41,006,672
Total comprehensive income for the year							
Profit after taxation for the year	-	-	-	-	-	691,048	691,048
Transaction with owners, recorded directly in equity							
Issue of share capital	12,000,000	(12,000,000)	-	-	-	-	-
Right shares issue cost (net of tax)	-	-	-	-	-	(54,448)	(54,448)
	12,000,000	(12,000,000)	-	-	-	(54,448)	(54,448)
Transfer to statutory reserve	-	-	-	138,210	-	(138,210)	-
Balance as at December 31, 2009	40,437,271	-	8,246,618	212,804	5,472	(7,258,893)	41,643,272
Total comprehensive income for the year							
Loss after taxation for the year	-	-	-	-	-	(10,112,114)	(10,112,114)
Goodwill adjustment	13.2	-	-	-	-	(24,221,472)	(24,221,472)
Balance as at December 31, 2010	40,437,271	-	8,246,618	212,804	5,472	(41,592,479)	7,309,686

The annexed notes from 1 to 42 and annexure - 1 form an integral part of these unconsolidated financial statements.

KAMATH


 PRESIDENT /
 CHIEF EXECUTIVE
 KC


 CHAIRMAN /
 DIRECTOR


 DIRECTOR


 DIRECTOR

NIB BANK LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

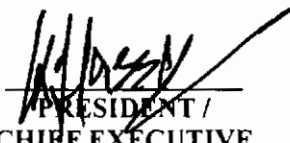
	2010	2009
	(Rupees '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(12,621,557)	644,071
Dividend income	(177,229)	(260,103)
	<u>(12,798,786)</u>	<u>383,968</u>
Adjustments for non-cash items		
Depreciation	386,964	465,298
Amortization	371,225	308,062
Workers welfare fund	-	13,000
Gain on sale of securities	(328,920)	(598,800)
Gain on sale of operating fixed assets	732	(1,716)
Provision against non-performing loans and advances	9,872,524	524,505
Bad debts written off directly	53,359	67,398
Fixed assets written off	159,680	1,312
Provision for diminution in the value of investments	124,521	603,426
Other provisions / write offs	158,359	6,229
	<u>10,798,444</u>	<u>1,388,714</u>
	(2,000,342)	1,772,682
(Increase) / decrease in operating assets		
Lendings to financial institutions	(747,279)	6,777,734
Advances	(470,492)	(4,269,115)
Other assets (excluding advance taxation)	1,781,836	(2,346,427)
Increase / (decrease) in operating liabilities		
Bills payable	(238,714)	142,123
Borrowings	(20,161,431)	38,871,999
Deposits and other accounts	5,249,568	(10,666,362)
Other liabilities (excluding current taxation)	(754,759)	(978,974)
	<u>(17,341,613)</u>	<u>29,303,660</u>
Income tax paid	(676,360)	(796,592)
Net cash from / (used in) operating activities	<u>(18,017,973)</u>	<u>28,507,068</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investments in available-for-sale securities	10,731,652	(26,264,742)
Net Investments in held-to-maturity securities	(35,501)	(21,061)
Net Investments in associates	284,134	223,751
Net Investments in subsidiaries	-	200,000
Dividend received	177,229	273,531
Payments for capital work in progress	(126,035)	(275,439)
Acquisition of property and equipment	(93,286)	(125,290)
Acquisition of intangible assets	(4,050)	(68,649)
Sale proceeds of property and equipment disposed off	3,078	5,383
Net cash (used in) / from investing activities	<u>10,937,221</u>	<u>(26,052,516)</u>

APMESH

	Note	2010 (Rupees '000')	2009
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of sub-ordinated loans		(1,600)	(1,600)
Advance against proposed rights issue		6,352,360	-
Dividend paid		(138)	(75)
Right shares issue cost		-	(83,766)
Net cash (used in) / from financing activities		<u>6,350,622</u>	<u>(85,441)</u>
Net increase / (decrease) in cash and cash equivalents		(730,130)	2,369,111
Cash and cash equivalents at beginning of the year		12,518,058	10,148,947
Cash and cash equivalents at end of the year	32	<u>11,787,928</u>	<u>12,518,058</u>

The annexed notes from 1 to 42 and annexure - 1 form an integral part of these unconsolidated financial statements.

KANAKTH


 PRESIDENT /
 CHIEF EXECUTIVE

4K


 CHAIRMAN /
 DIRECTOR


 DIRECTOR


 DIRECTOR

NIB BANK LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

1. STATUS AND NATURE OF BUSINESS

NIB Bank Limited "the Bank" is incorporated in Pakistan and its registered office is situated at Muhammadi House, I.I.Chundrigar Road, Karachi in the province of Sindh. The Bank is listed on all the stock exchanges in Pakistan and has 178 branches (2009: 223 branches). The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962.

NIB Bank Limited is a subsidiary of Bugis Investments (Mauritius) Pte. Limited which is a wholly owned subsidiary of Fullerton Financial Holdings Pte. Limited which in turn is a wholly owned subsidiary of Temasek Holdings, an investment arm of the Government of Singapore.

2. BASIS OF PRESENTATION

These unconsolidated financial statements represent separate financial statements of the Bank. The consolidated financial statements of the Bank, its subsidiary and associates are presented separately.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) 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 unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

These unconsolidated financial statements have been presented in Pakistan Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees.

3. STATEMENT OF COMPLIANCE

- 3.1 These unconsolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by the SBP. In case the requirements differ, the provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by the SBP shall prevail.

KPMG/TA

3.2 The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property for banking companies till further instructions. Further, according to a notification of the Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are effective for accounting periods beginning on or after January 1, 2011:

- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective for annual periods beginning on or after February 1, 2010). The IASB amended IAS 32 to allow rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as equity instruments provided the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This interpretation has no impact on the Bank's unconsolidated financial statements.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after July 1, 2010). This interpretation provides guidance on the accounting for debt for equity swaps. This interpretation has no impact on Bank's unconsolidated financial statements.
- IAS 24 Related Party Disclosures (revised 2009) – effective for annual periods beginning on or after January 1, 2011. The revision amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The amendment would result in certain changes in disclosures.
- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after January 1, 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense. This amendment is not likely to have any impact on Bank's unconsolidated financial statements.
- Improvements to IFRSs 2010 – In May 2010, the IASB issued improvements to IFRSs 2010, which comprise of 11 amendments to 7 standards. Effective dates, early application and transitional requirements are addressed on a standard by standard basis. The majority of amendments are effective for annual periods beginning on or after January 1, 2011. The amendments include list of events or transactions that require disclosure in the interim financial statements and fair value of award credits under the customer loyalty programmes to take into account the amount of discounts or incentives that otherwise would be offered to customers that have not earned the award credits. Certain of these amendments will result in increased disclosures in the unconsolidated financial statements.

MP/MTM

- Amendments to IAS 12 – deferred tax on investment property (effective for annual periods beginning on or after January 1, 2012). The 2010 amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property. The amendment has no impact on unconsolidated financial statements of the Bank.

4. BASIS OF MEASUREMENT

These unconsolidated financial statements have been prepared under the historical cost convention, except for the measurement of certain investments and commitments in respect of forward foreign exchange contracts that are stated at revalued amounts / fair values, staff retirement benefits (Gratuity) which are stated at present value and certain financial assets that are stated net of provisions.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgment was exercised in application of accounting policies are as follows:

5.1 Investments

Held-to-maturity securities

As described in note 6.4, held-to-maturity securities are investments where the management has positive intent and ability to hold to maturity. The classification of these securities involves management judgment as to whether the financial assets are held-to-maturity investments.

Held-for-trading securities

Investments classified as held-for-trading are those which the Bank has acquired with an intention to trade by taking advantage of short term market / interest rate movements and are to be sold within 90 days.

Available-for-sale securities

Investments which are not classified as held-for-trading or held-to-maturity are classified as available-for-sale.

KPMGTH

5.2 Impairment

Valuation and impairment of available-for-sale equity investments

The Bank determines that an available-for-sale equity investment is impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates, among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

Impairment of investments in associates and subsidiaries

The Bank considers that a significant or prolonged decline in the recoverable value of investments in associates and subsidiaries below their cost may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognized when the recoverable value falls below the carrying value and is charged to the profit and loss account. Subsequent reversal of impairment loss, upto the cost of investments in associates and subsidiaries, are credited to the profit and loss account.

Impairment of non financial assets (excluding deferred tax and goodwill)

Non financial assets are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable. If any such indication exists, the Bank estimates the recoverable amount of the asset and the impairment loss, if any. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows from the asset discounted at a rate that reflects market interest rates adjusted for risks specific to the asset. If the recoverable amount of an intangible or tangible asset is less than its carrying value, an impairment loss is recognised immediately in the profit and loss account and the carrying value of the asset reduced by the amount of the loss. A reversal of an impairment loss on intangible assets (excluding goodwill) is recognized as it arises provided the increased carrying value does not exceed that which it would have been had no impairment loss been recognized.

Impairment of Goodwill

Impairment testing involves a number of judgmental areas which are subject to inherent significant uncertainty, including the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting and the assessment of the discount rate appropriate to the business.

5.3 Provision against non-performing advances

Apart from the provision determined on the basis of time based criteria given in the Prudential Regulations of the SBP, management also applies subjective criteria of classification and accordingly the classification of an advance may be downgraded on the basis of evaluation of the credit worthiness of the borrower, its cash flows, operations in its account and adequacy of security in order to ensure accurate measurement of the provision.

KPMG/TM

5.4 Retirement Benefits

The key actuarial assumptions concerning the valuation of the defined benefit plan and the sources of estimation are disclosed in note 34.2 to these unconsolidated financial statements.

5.5 Useful life of property and equipment

Estimates of useful life of property and equipment are based on management's best estimate.

5.6 Income Taxes

In making the estimates for income taxes currently payable by the Bank, the management looks at the current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Bank's future taxable profits are taken into account.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2009 and are enumerated as follows:

6.1 Business combinations

Business combinations are accounted for using the purchase method. Under this method, identified assets acquired, liabilities and contingent liabilities assumed are fair valued at the acquisition date, irrespective of the extent of any minority interest. The excess of cost of acquisition over the fair value of identifiable net assets acquired is recorded as goodwill.

6.2 Revenue recognition

Mark-up / return on performing loans / advances and investments is recognized on time proportionate basis. Where debt securities are purchased at a premium or discount, such premium / discount is amortized through the profit and loss account over the remaining period of maturity using the effective interest rate method so as to produce a constant rate of return. Interest or mark-up recovered on non-performing advances is recognized on a receipt basis in accordance with the requirements of the Prudential Regulations issued by the SBP as amended from time to time.

The financing method is used in accounting for income on finance leases and hire purchase transactions. Under this method, the unearned income, i.e. the excess of aggregate lease rentals and the estimated residual value over the net investment (cost of leased assets) is deferred and then amortized to income over the term of the lease on a pattern reflecting a constant periodic rate of return on the net investment in the lease. Unrealized lease income is suspended, where necessary, in accordance with the requirements of the Prudential Regulations issued by the SBP.

Rental income from assets given on operating lease is recognized on time proportionate basis over the lease period.

Gains / losses on termination of lease contracts, documentation charges and other lease income are recognized as income when they are realized.

Fee, commission and brokerage income is recognized at the time of performance of the service.

Dividend income is recorded when the right to receive the dividend is established.

KPMG

6.3 Grants and assistance

In terms of Kreditanstalt für Wiederaufbau (KfW) loan re-lent by the Government of Pakistan (GoP), the Bank was required to bear interest at 11 percent per annum and pay interest to the GoP at 10 percent per annum and transfer the remaining 1 percent per annum margin to a counter part fund to be used by the Bank for financing feasibility surveys, market surveys and similar investigations destined for the preparation of projects.

6.4 Investments

Investments of the Bank, other than investments in subsidiaries and associates are classified as held-to-maturity, held-for-trading and available-for-sale.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity and the Bank has the positive intent and ability to hold upto maturity.

Held-for-trading

These securities are either acquired for generating a profit from short-term fluctuations in market prices, interest rate movements, dealer's margin or are securities included in the portfolio for which there is evidence of a recent actual pattern of short-term profit taking.

Available-for-sale

These are securities which do not fall under the classification of held-for-trading or held-to-maturity securities.

Initial measurement

All "regular way" purchases and sales of investments are recognized on the trade date, i.e., the date that the Bank commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of investments that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Investments are initially recognized at fair value which, in the case of investments other than held-for-trading, includes transaction costs associated with the investments.

Subsequent measurement

Held-to-maturity

These are measured at amortized cost using the effective interest rate method, less any impairment loss recognized to reflect irrecoverable amounts.

Held-for-trading

These are measured at subsequent reporting dates at fair value. Gains and losses on remeasurement are included in the profit and loss account.

KPMG

Available-for-sale

Quoted-securities classified as available-for-sale investments are measured at subsequent reporting dates at fair value. Any surplus / deficit arising thereon is kept in a separate account shown in the balance sheet below equity and taken to the profit and loss account when actually realized upon disposal or when the investment is considered to be impaired.

Unquoted equity securities are valued at the lower of cost and break-up value. A decline in the carrying value is charged to the profit and loss account. The break-up value of these equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments in other unquoted securities are valued at cost less impairment losses.

Provision for diminution in the value of securities (except term finance certificates) is made for impairment, if any. Provision for diminution in the value of term finance certificates is made as per the aging criteria prescribed by the Prudential Regulations issued by the SBP.

Investment in Subsidiaries and Associates

Investments in subsidiaries and associates are valued at cost less impairment, if any. A reversal of an impairment loss on associates and subsidiaries is recognized as it arises provided the increased carrying value does not exceed that it would have been had no impairment loss been recognized.

Gain or loss on sale of investments in subsidiaries and associates is included in the profit and loss account for the year.

6.5 Lendings to / borrowings from financial institutions

Securities sold subject to a repurchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings. Securities purchased under agreement to resale (reverse repo) are not recognized in the financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. In the case of the continuous funding system, transactions are shown under advances. The difference between sale and repurchase price is treated as mark-up / return expensed whereas difference between purchase and resale price is treated as mark-up / return earned.

Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability under borrowings from financial institutions.

6.6 Advances

Advances including continuous funding system and net investment in finance lease are stated net of provisions.

Provisions

Specific and general provisions are made based on an appraisal of the loan portfolio that takes into account Prudential Regulations issued by the State Bank of Pakistan from time to time. Specific provisions are made where the repayment of identified loans is in doubt and reflects an estimate of the amount of loss expected. The general provision is for the inherent risk of losses which are known from experience to be present in any loan portfolio. Provision made / reversed during the year is charged to the profit and loss account and accumulated provision is netted off against advances.

MAHESH

Advances are written off when there is no realistic prospect of recovery.

Net investment in finance lease

Leases include hire purchase where the Bank transfers substantially all the risks and rewards incidental to the ownership of an asset and are classified as finance leases. Net investment in finance lease is recognized at an amount equal to the aggregate of minimum lease payments and any guaranteed residual value less unearned finance income, if any.

6.7 Operating fixed assets

Owned

Property and equipment except freehold and leasehold land is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Freehold and leasehold land is stated at cost.

Depreciation is charged to income applying the straight line method over the estimated useful lives of the assets while taking into account any residual value, at the rates given in Note 12.2 to these unconsolidated financial statements. In respect of additions and deletions to assets during the year, depreciation is charged from the month of acquisition while depreciation on disposals during the year is charged upto the month of disposal.

Normal repairs and maintenance are charged to the profit and loss account for the year as and when incurred. Major repairs and improvements are capitalized and assets so replaced are retired.

Gains and losses on disposal of property and equipment if any, are taken to the profit and loss account for the year.

Assets Held under Finance Lease

Leasehold land is stated at cost.

Assets held under finance lease are stated at cost less accumulated depreciation. The outstanding obligations under the lease agreements are shown as a liability net of finance charges allocable to future periods. Depreciation on assets held under finance lease is charged in a manner consistent with that for depreciable assets which are owned by the Bank.

Finance charges are allocated to accounting periods so as to provide a constant periodic rate of return on the outstanding liability.

Assets Held under Operating Lease

Operating lease assets are stated at cost less accumulated depreciation and impairment, if any.

Repairs and maintenance are charged to the profit and loss account as and when incurred.

Capital work in progress

These assets are stated at cost.

NP/10/21

6.8 Intangible assets

Intangible assets include the value of the brand, core deposit relationships, and core overdraft / working capital loan relationships and are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged to the profit and loss account on a straight line basis over the assets' useful lives which are determined using methods that best reflect the pattern of economic benefits. The estimated useful lives are as follows:

Brand	5 years
Core deposit relationships	11 years
Core overdraft / working capital loan relationships	11 years

Computer software is stated at cost less accumulated amortization and accumulated impairment loss, if any. Amortization is carried out on the straight line method at the rates given in Note 13 to these unconsolidated financial statements.

6.9 Sub-Ordinated Loans

Sub-ordinated loans are initially recorded at the amount of proceeds received. Mark-up accrued on these loans is recognized separately as part of other liabilities and is charged to the profit and loss account over the period on an accrual basis.

6.10 Staff retirement benefits

Defined contribution plan

The Bank operates a defined contribution provident fund for all its permanent employees. Equal monthly contributions are made to the fund by both the Bank and the employees at the rate of 10% of basic salary.

Defined benefit plan

The Bank operates an unfunded gratuity scheme covering all eligible employees who have attained the minimum qualifying period of five years. Eligible employees are those employees who have joined the service of the Bank on or before March 31, 2006. Provision is made in accordance with actuarial recommendations. Actuarial valuation is carried out periodically using the "Projected Unit Credit Method".

Actuarial gain / loss is recognized using the 10% corridor approach. Corridor is defined as the greater of 10% of the present value of defined benefit obligations and plan assets.

6.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity.

Current

Provision for current taxation is based on taxable income at the current rates of taxation in accordance with the prevailing laws for taxation on income earned after taking into consideration tax credits and rebates available and any adjustments to tax payable in respect of previous years.

KPMG

Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences as at the balance sheet date between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The Bank records deferred tax assets / liabilities using tax rates, enacted or substantially enacted at the balance sheet date, that are expected to be applicable at the time of their reversal.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Bank recognizes a deferred tax asset / liability on deficit / surplus on revaluation of securities in accordance with the requirements of IAS 12 "Income Taxes". The related deferred tax asset / liability is adjusted against the related deficit / surplus.

The Bank recognizes a deferred tax asset for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized in accordance with the requirements of IAS 12 "Income Taxes".

6.12 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed quarterly and are adjusted to reflect the current best estimate.

6.13 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set-off the recognized amount and the Bank intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items relating to such assets and liabilities are also offset and the net amount is reported in the financial statements.

6.14 Dividend distribution

Dividend is recognized as a liability in the period in which it is declared.

6.15 Distributions of bonus shares and other appropriations to reserves

The Bank recognizes all appropriations, other than statutory appropriations, to reserves including those in respect of bonus shares made after the balance sheet date, in the period in which such appropriations are approved.

6.16 Foreign currencies

Transactions in foreign currencies are translated to Rupees at the foreign exchange rates prevailing at the transaction date. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rates of exchange prevailing at the balance sheet date. Forward foreign exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

AMM

Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated financial statements at committed amounts. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Rupee terms at the rates of exchange approximating those prevailing at the balance sheet date.

Assets against which the constituents have exercised their option to transfer exchange risk to the Bank and liabilities for which the Bank has exercised its option to transfer exchange risk to the Government, are translated at the rates of exchange guaranteed by the Bank and the Government, respectively.

Assets, liabilities, commitments and contingent liabilities in respect of Bangladesh are translated at foreign exchange rates approximating those prevailing prior to August 15, 1971.

Exchange gains and losses are included in income currently except net unrealized exchange gain on long-term monetary items which, as a matter of prudence, is carried forward as unrealized gain in view of the uncertainty associated with its realization.

6.17 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash and balances with treasury banks and balances with other banks.

6.18 Financial instruments

All financial assets and liabilities are recognized at the time when the Bank becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Bank loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income directly. Financial assets carried on the balance sheet include cash and bank balances, lendings to financial institutions, investments, advances and certain receivables. Financial liabilities include borrowings, deposits, bills payable and other payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

6.19 Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into and subsequently these instruments are marked to market and changes in fair values are taken to the profit and loss account. Fair values are obtained from quoted market prices in active markets.

6.20 Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Bank's primary format of reporting is based on business segments.

KPMG

6.20.1 Business Segments

Corporate and Investment Banking

It represents all funded and non funded credit facilities of working capital financing including seasonal finance, trade finance, cash finance, running finance, guarantees and bills of exchange relating to corporate customers, as well as for long term expansion, BMR, Project financing, syndicated financing along with advisory, underwriting, transactional banking, and IPO related activities.

Retail

It represents banking services offered to individuals and small businesses through a retail branch banking and alternate distribution network. These banking services include lending, deposits and distribution of insurance products along with other financial products and services tailored for such customers.

Small & Medium Enterprises and Commercial

It represents all funded and non funded credit facilities, deposit products & transaction services offered by the Bank to small & medium enterprises and commercial businesses operating in the manufacturing, trading, wholesale and service sectors.

Treasury

Treasury manages the asset and liability mix of the Bank, and provides customers with products that meet their demands for management of liquidity, cash flow, interest rate fluctuations and foreign exchange risk.

6.20.2 Geographical segments

The Bank operates in Pakistan only.

6.21 Assets acquired in satisfaction of claims

The Bank occasionally acquires assets in settlement of certain advances. These are stated at the lower of the carrying value of the related advances and the current fair value of such assets.

6.22 Deposits

Deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities and is charged to the profit and loss account on a time proportionate basis.

6.23 Earnings per share

The Bank presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year.

KPMG/TN

	Note	2010 (Rupees '000')	2009
7. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency	7.1	2,155,334	2,560,507
Foreign currencies		277,891	418,759
With State Bank of Pakistan in			
Local currency current accounts	7.2	4,287,132	3,638,671
Foreign currency current account	7.3	308,292	400,148
Foreign currency deposit accounts	7.4	1,034,595	1,233,705
With National Bank of Pakistan in local currency current accounts		773,205	582,485
		<u>8,836,449</u>	<u>8,834,275</u>

7.1 This includes National Prize Bonds of Rs. 4.611 million (2009: Rs. 7.010 million).

7.2 The current account is maintained under the requirements of Section 22 of the Banking Companies Ordinance, 1962.

7.3 This includes special cash reserve at Nil return (2009: Nil) required to be maintained with the SBP on deposits held under the new foreign currency accounts scheme.

7.4 This represents special cash reserve of 15% required to be maintained with the SBP on deposits held under the new foreign currency accounts scheme at Nil return (2009: Nil) per annum.

8. BALANCES WITH OTHER BANKS

In Pakistan in current accounts		309,957	373,354
Outside Pakistan in current accounts	8.1	2,645,486	3,314,393
		<u>2,955,443</u>	<u>3,687,747</u>
Provision against doubtful balances		(3,964)	(3,964)
		<u>2,951,479</u>	<u>3,683,783</u>

8.1 This includes amount held in automated investment plans. This balance is current by nature and on increase in the balance over a specified amount, interest is received from the correspondent banks at various rates.

9. LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings	9.2	725,000	725,000
Repurchase agreement lendings (Reverse Repo)	9.3 & 9.4	5,704,166	4,956,887
		<u>6,429,166</u>	<u>5,681,887</u>

9.1 Particulars of Lendings

In local currency		6,429,166	5,681,887
In foreign currencies		-	-
		<u>6,429,166</u>	<u>5,681,887</u>

9.2 These represent unsecured call money lendings to financial institutions carrying mark-up rates ranging from 12.75% to 15.00% (2009: 12.10% to 13.50%) per annum and having maturities upto two weeks.

9.3 These represent repurchase agreement lendings to financial institutions carrying mark-up rates ranging from 12.70% to 13.90% (2009: 11.97% to 12.40%) per annum and having maturities upto three months.

APMGTH

9.4 Securities held as collateral against lendings to financial institutions

	2010			2009		
	Held by Bank	Further given as collateral / sold	Total	Held by Bank	Further given as collateral / sold	Total
	(Rupees '000')					
Market Treasury Bills	499,931	3,461,900	3,961,831	2,154,092	1,961,844	4,115,936
Pakistan Investment Bonds	1,429,763	312,572	1,742,335	138,120	702,831	840,951
	<u>1,929,694</u>	<u>3,774,472</u>	<u>5,704,166</u>	<u>2,292,212</u>	<u>2,664,675</u>	<u>4,956,887</u>

9.4.1 The market value of securities held as collateral against lendings to financial institutions as at December 31, 2010 amounted to Rs. 5,717.943 million (2009: Rs. 4,964.548 million).

10. INVESTMENTS

10.1 (a) Investments by type:

	Note	2010			2009		
		Held by Bank	Given as Collateral	Total	Held by Bank	Given as Collateral	Total
		(Rupees '000')					
Held-for-trading securities		-	-	-	-	-	-
Available-for-sale securities							
Market Treasury Bills	10.2	12,450,355	18,562,576	31,012,931	4,691,032	37,923,905	42,614,937
Pakistan Investment Bonds	10.2	2,612,273	961,963	3,574,236	2,698,926	832,385	3,531,311
Defense Savings Certificates	10.3	5,771	2,730	8,501	5,771	2,730	8,501
Sukuk Bonds	10.4	505,126	-	505,126	205,304	-	205,304
Cumulative Preference shares	10.5	50,000	-	50,000	50,000	-	50,000
Ordinary shares /Certificates in listed companies/ modarabas	10.6	1,053,073	112,373	1,165,446	1,015,819	66,572	1,082,391
Ordinary shares of unlisted companies	10.7	66,049	-	66,049	66,217	-	66,217
Term Finance Certificates	10.8 & 10.9	5,171,496	-	5,171,496	4,424,427	-	4,424,427
Units / Certificates of mutual funds	10.10	269,172	-	269,172	430,765	-	430,765
		<u>22,183,315</u>	<u>19,639,642</u>	<u>41,822,957</u>	<u>13,588,261</u>	<u>38,825,592</u>	<u>52,413,853</u>
Held-to-maturity securities							
Pakistan Investment Bonds	10.2	4,691,896	-	4,691,896	4,652,033	-	4,652,033
Term Finance Certificates	10.8 & 10.9	118,961	-	118,961	123,323	-	123,323
		<u>4,810,857</u>	<u>-</u>	<u>4,810,857</u>	<u>4,775,356</u>	<u>-</u>	<u>4,775,356</u>
Associates	10.11 & 10.16	1,573,832	-	1,573,832	1,899,518	-	1,899,518
Subsidiaries	10.12 & 10.16	4,584,741	-	4,584,741	4,584,741	-	4,584,741
Investments at cost		<u>33,152,745</u>	<u>19,639,642</u>	<u>52,792,387</u>	<u>24,847,876</u>	<u>38,825,592</u>	<u>63,673,468</u>
Provision for diminution in value of investments	10.13 & 10.14	(923,899)	(24,873)	(948,772)	(1,033,551)	(20,418)	(1,053,969)
Investments - net of provisions		<u>32,228,846</u>	<u>19,614,769</u>	<u>51,843,615</u>	<u>23,814,325</u>	<u>38,805,174</u>	<u>62,619,499</u>
Deficit on revaluation of available-for-sale securities	22	22,924	(77,504)	(54,580)	(126,674)	(59,848)	(186,522)
Net Investments		<u>32,251,770</u>	<u>19,537,265</u>	<u>51,789,035</u>	<u>23,687,651</u>	<u>38,745,326</u>	<u>62,432,977</u>

KPAGTH

	Note	2010	2009
		(Rupees '000')	
10.1 (b) Investments by segments:			
Federal Government Securities			
Market Treasury Bills	10.2	31,012,931	42,614,937
Pakistan Investment Bonds	10.2	8,266,132	8,183,344
Defense Savings Certificates	10.3	8,501	8,501
Sukuk Bonds	10.4	505,126	205,304
Cumulative Preference Shares	10.5	50,000	50,000
Fully Paid-up Ordinary Shares & Modaraba Certificates			
Listed	10.6	1,165,446	1,082,391
Unlisted	10.7	66,049	66,217
Term Finance Certificates			
Listed	10.8	2,321,843	1,553,191
Unlisted	10.9	2,968,614	2,994,559
Units / Certificates of Mutual Funds	10.10	269,172	430,765
Associates	10.11 & 10.16	1,573,832	1,899,518
Subsidiaries	10.12 & 10.16	4,584,741	4,584,741
Total Investments at cost		<u>52,792,387</u>	<u>63,673,468</u>
Provision for diminution in value of investments	10.13 & 10.14	<u>(948,772)</u>	<u>(1,053,969)</u>
Investments - Net of Provisions		<u>51,843,615</u>	<u>62,619,499</u>
Deficit on revaluation of available-for-sale securities	22	<u>(54,580)</u>	<u>(186,522)</u>
Net Investments		<u><u>51,789,035</u></u>	<u><u>62,432,977</u></u>

10.2 Market Treasury Bills and Pakistan Investment Bonds are held with the SBP and are eligible for rediscounting. Market Treasury Bills embody effective yields ranging from 12.02% to 13.78% (2009: 11.76% to 12.47%) with remaining maturities of 13 days to 12 months and Pakistan Investment Bonds carry mark-up ranging from 8% to 14% (2009: 8.84% to 12.88%) per annum on semi-annual basis with remaining maturities of 45 days to 11 years. Certain government securities are required to be maintained with the SBP to meet statutory liquidity requirements calculated on the basis of demand and time liabilities.

10.2.1 This includes Rs. 100 million PIB outstanding as at December 31, 2010, which was pledged against borrowing from a Company in 2004. As the lender had failed to return the pledged PIB upon the maturity of the contract period, this amount is appearing as investment in PIBs with a corresponding amount appearing in Borrowings. No interest is accrued either as income from the PIB or as expense on this borrowing since the filing of the dispute between the Bank and the Company.

10.3 In 2007, the SBP issued Defense Savings Certificates (DSCs) of Rs 5.771 million against lost Foreign Exchange Bearer Certificates (FEBCs) to the Bank with 2 years restriction on disposal. These certificates carry interest rate of 6.5% per annum. Further, the Bank has purchased DSCs of Rs. 2.730 million carrying interest rate of 12.15 % which are pledged as security.

10.4 These Sukuk Bonds of Liberty Power Tech Limited carry mark-up rate of 3 months KIBOR + 300 bps and have an original maturity of 12 years.

UP MGT

10.5 Particulars of investment in Cumulative Preference Shares

Investee	Note	Number of Shares held		Total nominal value	
		2010	2009	2010	2009
				(Rupees '000')	
Pak Elektron Limited (PEL) - Convertible Loaded	10.5.1	625,000	625,000	6,250	6,250
Pak Elektron Limited (PEL) - Non-Convertible	10.5.1	1,875,000	1,875,000	18,750	18,750
Fazal Cloth Mills Limited	10.5.2	2,500,000	2,500,000	25,000	25,000
				50,000	50,000

10.5.1 These preference shares carry fixed dividend of 9.5% on cumulative basis payable when and if declared by the Board of Directors. For redemption, the call option can be exercised by PEL up to 100% after three years of the issue date at 1% premium on the issue price.

10.5.2 These preference shares are redeemable upon the exercise of a call option by the company after completion of three years from the issue date.

10.6 Particulars of investment in Listed Shares / Certificates

	Number of Shares / Certificates held		Cost of Investment	
	2010	2009	2010	2009
			(Rupees '000')	
Available-for-sale				
Abbott Laboratories (Pakistan) Limited	738,086	869,228	151,814	184,146
Adamjee Insurance Company Limited	1,533,330	-	172,304	-
Agriauto Industries Limited	311,572	-	21,504	-
Askari Bank Limited	-	250,000	-	6,674
Awan Textile Mills Limited	39,000	39,000	390	390
Bank Alfalah Limited	1,000,000	-	14,339	-
Bank Al-Habib Limited	742,041	179,287	24,023	8,350
Berger Paints Pakistan Limited	-	441,310	-	65,093
Brother Textile Mills Limited	87	87	2	2
Century Paper & Board Mills Limited	-	9	-	-
Dewan Farooq Motors Limited	944,225	944,225	30,184	30,184
Fatima Fertilizer Company Limited	195,349	-	2,755	-
First Fidelity Lease Modaraba	1	1	-	-
First National Bank Modaraba	699,751	699,751	5,948	5,948
First Tawakal Modaraba	446,774	446,774	-	-
Glamour Textile Mills Limited	200,000	200,000	5,016	5,016
GlaxoSmithKline Pakistan Limited	576,254	655,735	110,407	126,164
Habib Insurance Company Limited	*1,533,457	*1,526,179	89,231	89,140
Ibrahim Fibres Limited	300	300	5	5
Karam Ceramics Limited	430,146	425,656	8,326	8,300
KSB Pumps Company Limited	114,774	124,894	20,554	22,549
Lafarage Pakistan Cement Limited GDR (formerly Pakistan Cement Limited)	10,000	10,000	2,819	2,819
LTV Capital Modaraba	*171,473	*171,473	5,573	5,573
Millat Tractors Limited	413,592	450,855	150,910	142,442
Mohib Textile Mills Limited	5	5	-	-
Pakistan Oilfields Limited	-	227,600	-	75,759
Security Investment Bank Limited	10	10	-	-
Security Papers Limited	151,538	-	7,442	-
Sitara Chemical Industries Limited	105,862	112,120	33,735	37,672
Tariq Glass Industries Limited	2,116,404	2,021,904	37,113	61,466
Tawakal Garment Limited	150,000	150,000	-	-
The Hub Power Company Limited	8,314,581	6,415,477	271,049	204,696
Trust Modaraba	100	100	1	1
Yousuf Weaving Mills Limited	100	100	2	2
Total Listed Shares / Certificates			1,165,446	1,082,391

KAMRATH

	Note	Percentage of holding	Number of Shares held		Cost of Investment	
			2010	2009	2010	2009
10.7 Particulars of Unlisted Shares						
Pakistan Export Finance Guarantee Agency Limited Chief Executive: Syed Mohammad Zaeem	10.7.1	5.26%	568,044	568,044	5,680	5,680
Central Depository Company of Pakistan Limited Chief Executive: Mr. Muhammad Hanif Jakhura	10.7.2	5.00%	2,500,000	2,500,000	5,000	5,000
Crescent Capital Management (Private) Limited Chief Executive: Mr. Mahmood Ahmed	10.7.3	4.88%	100,000	100,000	1,000	1,000
Equity Participation Fund Limited Chief Executive: Mr. S. Shabahat Hussain	10.7.4	0.97%	**5,087	**5,087	509	509
Pakistan Textile City (Private) Limited Chief Executive: Mr. Zaheer A. Hussain	10.7.5	4.00%	5,000,000	5,000,000	50,000	50,000
National Investment Trust Limited Chief Executive: Mr. Wazir Ali Khoja	10.7.6	8.33%	**79,200	**79,200	100	100
Sunbiz (Private) Limited Chief Executive: Mr. Nisar Ahmed	10.7.7	4.65%	10,000	10,000	1,000	1,000
SWIFT Chief Executive: Mr. Lazaro Campos	10.7.8	0.01%	***9	***9	2,760	2,928
					<u>66,049</u>	<u>66,217</u>

10.7.1 This investment is fully provided in these unconsolidated financial statements.

10.7.2 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2010 amounts to Rs. 79.194 million.

10.7.3 This investment is fully provided in these unconsolidated financial statements.

10.7.4 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2008 amounts to Rs. 11.477 million.

10.7.5 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2010 amounts to Rs. 41.843 million.

10.7.6 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2010 amounts to Rs. 974.920 million.

10.7.7 This investment is fully provided in these unconsolidated financial statements.

10.7.8 Value of investment, based on the net assets stated in the audited financial statements of investee company as at December 31, 2009 amounts to Rs. 2.638 million.

KPMG

Note	Number of Certificates held		Amortized cost	
	2010	2009	2010	2009
10.8 Particulars of investment in Listed Term Finance Certificates				
Investee				
Allied Bank Limited	-	6,000	-	28,525
Askari Bank Limited	37,320	3,184	186,500	15,895
Azgard Nine Limited	10,000	10,000	37,584	37,649
Bank Alfalah Limited	60,000	-	300,197	-
Bank AL Habib Limited	8,500	17,247	42,398	82,439
Engro Fertilizer Limited (formerly Engro Corporation Limited)	199,038	50,000	978,687	246,055
Escorts Investment Bank Limited	2,016	2,016	5,036	8,393
Orix Leasing Pakistan Limited	71,400	33,900	173,912	133,119
PACE Pakistan Limited	6,000	6,000	29,976	29,982
Pakistan Mobile Communications Limited	24,000	60,000	99,840	299,580
Soneri Bank Limited	6,000	6,000	29,934	29,946
Telecard Limited	74,888	74,888	136,052	164,606
Trust Investment Bank Limited	-	10,000	-	10,428
United Bank Limited	65,000	101,443	301,727	466,574
			<u>2,321,843</u>	<u>1,553,191</u>

10.9 Particulars of investment in Unlisted Term Finance Certificates

Avari Hotels Limited		30,400	30,400	129,070	152,000
New Khan Transport Company (Private) Limited		20,000	20,000	50,544	53,559
Power Holdings (Private) Limited	10.9.1	557,800	557,800	2,789,000	2,789,000
				<u>2,968,614</u>	<u>2,994,559</u>

10.9.1 These term finance certificates carry mark-up rate of 6 months KIBOR plus 2% (2009: 6 months KIBOR plus 2%) per annum. The principal is receivable in six equal semi-annual instalments after a grace period of twenty four months from the first disbursement date i.e. September 18, 2009.

	Number of Units / Certificates held		Cost of Investment	
	2010	2009	2010	2009
10.10 Particulars of investment in Mutual Funds				
AKD Opportunity Fund	-	587,679	-	32,493
Atlas Money Market Fund	98,500	-	50,000	-
Askari Sovereign Cash Fund	-	971,110	-	100,000
Faysal Savings Growth Fund	951,022	-	100,000	-
First Dawood Mutual Fund	900,000	900,000	6,975	6,975
JS Growth Fund	227,410	227,410	2,911	2,911
JS Income Fund	-	970,402	-	100,000
JS Large Capital Fund	38,509	11,385,092	3,119	92,219
Lakson Money Market Fund	-	200,120	-	20,000
NAFA Government Securities Liquid Fund	1,500,000	-	15,000	-
NAFA Saving Plus Fund	1,500,000	-	15,000	-
Pakistan Strategic Allocation Fund	8,370,000	8,370,000	76,167	76,167
			<u>269,172</u>	<u>430,765</u>

	Note	Number of Shares / Units / Certificates		Cost of Investment	
		2010	2009	2010	2009
(Rupees '000')					
10.11 Particulars of investment in Associates					
NAFA Government Securities Liquid Fund		-	1,500,000	-	15,000
NAFA Islamic Multi Asset Fund		-	7,500,000	-	75,000
NAFA Islamic Income Fund		-	7,500,000	-	75,000
NAFA Saving Plus Fund		-	3,000,000	-	30,000
NAFA Stock Fund		-	7,500,000	-	63,186
National Fullerton Asset Management Limited	10.11.1	-	6,749,998	-	67,500
PICIC Energy Fund		11,130,160	11,130,160	83,476	83,476
PICIC Growth Fund		15,132,858	15,132,858	510,917	510,917
PICIC Insurance Limited		10,499,993	10,499,993	345,900	345,900
PICIC Investment Fund		41,544,649	41,544,649	633,539	633,539
				<u>1,573,832</u>	<u>1,899,518</u>

10.11.1 During the year, the Bank has disinvested its twenty seven percent holding in National Fullerton Asset Management Limited (NAFA) to National Bank of Pakistan, as under the NBFC Regulations, an entity cannot have an interest in two asset management companies. Subsequent to this sale, NAFA Funds have ceased to be Associates of the Bank. The Bank has reclassified its investment in NAFA Funds from Investment in Associates to Investment in Available-for-sale securities.

10.12 Particulars of investment in Subsidiaries

PICIC Asset Management Company Limited	10.16	299,999,995	299,999,995	4,584,017	4,584,017
Financial and Management Services (Private) Limited	**	88,850	88,850	724	724
				<u>4,584,741</u>	<u>4,584,741</u>

Unless otherwise stated, holdings in modaraba certificates and ordinary shares are of Rs. 10 each.

* Shares / Modaraba Certificates of Face Value of Rs. 5 each

** Shares / Modaraba Certificates of Face Value of Rs. 100 each

*** Shares of Face Value of Euro 2,680 each

All Term Finance Certificates are of Original Face Value of Rs. 5,000 each

	2010	2009
	(Rupees '000')	
10.13 Particulars of provision for diminution in value of investments		
Opening balance	1,053,969	901,791
Charge for the year	284,915	699,960
Reversal for the year		
- Term Finance Certificates	(3,015)	(1,138)
- Associates	(157,379)	(38,469)
- Subsidiary	-	(56,927)
	124,521	603,426
Reversal due to sale / change in category	(229,718)	(451,248)
Closing balance	<u>948,772</u>	<u>1,053,969</u>

KPMG

10.14 Particulars of Provision in respect of Type and Segment

	2010	2009
	(Rupees '000')	
Available-for-sale securities		
- Listed shares / Certificates / Units	407,436	497,940
- Unlisted shares	15,837	6,510
- Unlisted Term Finance Certificates	50,544	53,559
	473,817	558,009
Associates		
- Listed shares / Certificates / Units	474,231	495,236
Subsidiaries		
- Unlisted shares	724	724
	948,772	1,053,969

**10.15 Quality of Available-for-Sale Securities
Securities - at Market Value**

	2010		2009	
	(Rupees '000')	Rating	(Rupees '000')	Rating
Federal Government Securities				
Market Treasury Bills	30,956,373	Unrated	42,594,390	Unrated
Pakistan Investment Bonds	3,389,587	Unrated	3,373,840	Unrated
Defense Savings Certificates	8,501	Unrated	8,501	Unrated
Sukuk Bonds	505,126	Unrated	205,304	Unrated
Cumulative Preference shares				
Pak Elektron Limited	25,000	A/A1	25,000	A/A1
Fazal Cloth Mills Limited	25,000	A-/A2	25,000	*
Ordinary shares of Listed Companies				
Abbott Laboratories Pakistan Limited	80,998	*	105,368	*
Adamjee Insurance Company Limited	134,166	AA	-	-
Agriauto Industries Limited	23,742	*	-	-
Askari Bank Limited	-	-	6,825	AA/A1+
Bank Al-Habib Limited	26,906	AA+/A1+	5,873	AA+/A1+
Bank Alfalah Limited	11,210	AA / A1+	-	-
Berger Paints (Pakistan) Limited	-	-	13,950	*
Dewan Farooq Motors Limited	2,153	*	1,407	*
Fatima Fertilizer Company Limited	2,204	A/A1	-	-
First National Bank Modaraba	4,604	A+/A-1	2,428	A+/A-1
GlaxoSmithKline Pakistan Limited	50,820	*	71,652	*
Habib Insurance Company Limited	21,545	A+	24,419	A+
Karam Ceramics Limited	3,355	*	3,831	*
K.S.B. Pumps Limited	6,899	*	9,370	*
Millat Tractors Limited	206,705	*	171,235	*
Pakistan Oilfields Limited	-	-	52,523	*
Security Papers Limited	6,798	AAA / A-1+	-	-
Sitara Chemicals Industries Limited	13,524	AA-/A-1	17,941	AA-/A-1
Tariq Glass Limited	43,429	*	16,195	*
The Hub Power Company Limited	311,048	AA+/A1+	199,393	*
Ordinary shares of Unlisted Companies				
Central Depository Company of Pakistan Limited	5,000	*	5,000	*
Crescent Capital Management (Private) Limited	1,000	*	1,000	*
Equity Participation Fund Limited	509	*	509	*
National Investment Trust Limited	100	AM2	100	AM2
Pakistan Export Finance Guarantee Agency Limited	5,680	*	5,680	*
Pakistan Textile City (Private) Limited	50,000	*	50,000	*
Sun Biz (Private) Limited	1,000	*	1,000	*
SWIFT	2,760	*	2,928	*

10/11/2011

	2010		2009	
	(Rupees '000')	Rating	(Rupees '000')	Rating
Units / Certificates of Mutual Funds				
AKD Opportunity Fund	-	*	25,476	*
Askari Sovereign Cash Fund	-	-	100,013	*
Atlas Money Market Fund	50,777	AA+(f)	-	-
Faisal Saving Growth Fund	100,000	A(f)	-	-
First Dawood Mutual Fund	1,800	FR 2-STAR / 3-STAR	1,521	FR 4-STAR
JS Growth Fund	1,262	FR 3-STAR	1,123	FR 3-STAR
JS Income Fund	-	-	100,126	FR 5-STAR
JS Large Capital Fund	2,509	*	52,371	FR 4-STAR
Lakson Money Market Fund	-	-	20,278	*
NAFA Government Securities Liquid Fund	15,467	AAA(f)	-	-
NAFA Saving Plus Fund	15,424	AA-(f)	-	-
Pakistan Strategic Allocation Fund	70,308	FR 4-STAR	37,163	FR 4-STAR
Term Finance Certificates				
Allied Bank Limited	-	-	29,029	AA-
Askari Bank Limited	188,735	AA-	15,277	AA-
Avari Hotels Limited	129,070	A-	152,000	A-
Azgard Nine Limited	18,110	CCC(RW)	18,665	AA-
Bank Alfalah Limited	294,916	AA-	-	-
Bank AL Habib Limited	-	-	40,070	AA
Engro Fertilizer Limited (formerly Engro Corporation Limited)	982,381	AA	232,314	AA
Escorts Investment Bank Limited	4,996	A	8,321	A+
New Khan Transport Company (Private) Limited	50,544	*	53,559	*
Orix Leasing Pakistan Limited	176,941	AA+	141,730	AA+
PACE Pakistan Limited	29,096	A+(-)	29,100	A+
Pakistan Mobile Communication Limited	99,822	A+	300,419	AA-
Power Holdings (Private) Limited	2,789,000	*	2,789,000	*
Telecard Limited	128,904	BBB	146,626	BBB
Trust Investment Bank Limited	-	-	9,584	BBB
United Bank Limited	285,137	AA	424,963	AA
	<u>41,360,941</u>		<u>51,729,390</u>	

* Rating not Available

- 10.16 As per BSD circular No. 6 of 2007 dated September 6, 2007, investments in subsidiaries and associates are required to be reported separately and should be carried at cost. However, as per IAS 36, these need to be tested for impairment, if there is indication that such impairment may exist.

Management has tested the investment in its subsidiary, PICIC Asset Management Company Limited for impairment using a value in use calculation. The value in use calculation indicates that the value of the investment in the subsidiary exceeds the cost of investment, therefore no impairment was made during the year. Further, at the year end, the net assets value of investment in associates is greater than the carrying value, the increase over carrying value was recorded as reversal of impairment in these unconsolidated financial statements.

11. ADVANCES	Note	2010 (Rupees '000')	2009 (Rupees '000')
Loans, cash credits, running finance, etc. - in Pakistan	11.1	91,956,269	93,847,123
Net investment in finance lease - in Pakistan	11.3	2,310,162	3,061,322
Bills discounted and purchased (excluding Treasury Bills)			
Payable in Pakistan		247,310	412,889
Payable outside Pakistan		3,830,813	2,679,423
Advances - Gross		<u>98,344,554</u>	<u>100,000,757</u>
Provision against non performing advances	11.4	(22,826,463)	(15,746,457)
- Specific		(952,076)	(232,894)
- General			
Advances - Net of provision	11.5	<u>(23,778,539)</u>	<u>(15,979,351)</u>
		<u>74,566,015</u>	<u>84,021,406</u>

KPMG

11.1 This includes a sum of Rs. 72,337 million (2009: Rs. 79,074 million) representing unrealized exchange gain, which has not been recognised as income and deferred in these unconsolidated financial statements, in accordance with the policy of the Bank, as stated in note 6.16.

11.2 Particulars of advances	2010	2009
	(Rupees '000')	
11.2.1 In local currency	91,953,934	97,048,697
In foreign currencies	4,390,620	2,952,060
	<u>98,344,554</u>	<u>100,000,757</u>
11.2.2 Short term (for upto one year)	54,098,217	61,555,478
Long term (for over one year)	44,246,337	38,445,279
	<u>98,344,554</u>	<u>100,000,757</u>

11.3 Net Investment in Finance Lease

	2010				2009			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	(Rupees '000')							
Lease rentals receivable	1,940,975	48,101	-	1,989,076	2,150,226	218,485	-	2,368,711
Residual value	731,926	25,282	-	757,208	860,316	131,710	-	992,026
Minimum lease payments	2,672,901	73,383	-	2,746,284	3,010,542	350,195	-	3,360,737
Financial charges for future periods (including income suspended)	(428,917)	(7,205)	-	(436,122)	(267,863)	(31,552)	-	(299,415)
Present value of minimum lease payments	<u>2,243,984</u>	<u>66,178</u>	<u>-</u>	<u>2,310,162</u>	<u>2,742,679</u>	<u>318,643</u>	<u>-</u>	<u>3,061,322</u>

Minimum lease payments receivable includes a sum of Nil (2009: Nil) due from an associated undertaking

11.4 Advances include Rs. 34,711,468 million (2009: Rs. 23,429,526 million) which have been placed under non-performing status as detailed below:

Category of Classification	2010								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees '000')								
Substandard	6,276,443	-	6,276,443	1,353,623	-	1,353,623	1,353,623	-	1,353,623
Doubtful	5,966,804	-	5,966,804	2,859,483	-	2,859,483	2,859,483	-	2,859,483
Loss	11 4.1 22,468,221	-	22,468,221	18,613,357	-	18,613,357	18,613,357	-	18,613,357
	<u>34,711,468</u>	<u>-</u>	<u>34,711,468</u>	<u>22,826,463</u>	<u>-</u>	<u>22,826,463</u>	<u>22,826,463</u>	<u>-</u>	<u>22,826,463</u>

11.4.1 Included in the Provision required is an amount of Rs. 1,329,967 million (2009: Rs. 1,565,496 million) which represents provision in excess of the requirements of the State Bank of Pakistan

Category of Classification	2009								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees '000')								
Substandard	4,197,868	-	4,197,868	855,910	-	855,910	855,910	-	855,910
Doubtful	4,123,923	-	4,123,923	1,516,249	-	1,516,249	1,516,249	-	1,516,249
Loss	15,107,735	-	15,107,735	13,374,298	-	13,374,298	13,374,298	-	13,374,298
	<u>23,429,526</u>	<u>-</u>	<u>23,429,526</u>	<u>15,746,457</u>	<u>-</u>	<u>15,746,457</u>	<u>15,746,457</u>	<u>-</u>	<u>15,746,457</u>

In accordance with BSD Circular No. 2 dated January 27, 2009 and BSD Circular No. 10 dated October 20, 2009 issued by the State Bank of Pakistan, the Bank has availed the benefit of FSV against the non-performing advances. Had the benefit of FSV not been availed by the Bank the specific provision against non-performing advances for the current year would have been higher by Rs. 1,019,690 million (cumulative upto December 31, 2010: Rs. 1,124,368 million) and loss after tax for the current year would have been higher by approximately Rs. 662,798 million (cumulative upto December 31, 2010: Rs. 2,030,839 million). Increase in profit would not be available for the distribution of cash and stock dividend to shareholders.

11.5 Particulars of provision against non-performing advances

Note	2010			2009		
	Specific	General	Total	Specific	General	Total
	(Rupees '000')					
Opening balance	15,746,457	232,894	15,979,351	16,715,515	262,773	16,978,288
Charge for the year	10,603,469	804,406	11,407,875	3,754,080	59,681	3,813,761
Reversals	(1,450,127)	(85,224)	(1,535,351)	(3,199,696)	(89,560)	(3,289,256)
	9,153,342	719,182	9,872,524	554,384	(29,879)	524,505
Amounts written off	11.6 (2,073,336)	-	(2,073,336)	(1,523,442)	-	(1,523,442)
Closing balance	<u>22,826,463</u>	<u>952,076</u>	<u>23,778,539</u>	<u>15,746,457</u>	<u>232,894</u>	<u>15,979,351</u>

11.5.1 Particulars of provision against non-performing advances - currency wise

	2010			2009		
	Specific	General	Total	Specific	General	Total
	(Rupees '000')					
In local currency	22,826,463	952,076	23,778,539	15,746,457	232,894	15,979,351
In foreign currencies	-	-	-	-	-	-
	<u>22,826,463</u>	<u>952,076</u>	<u>23,778,539</u>	<u>15,746,457</u>	<u>232,894</u>	<u>15,979,351</u>

KPMGTA

	Note	2010 (Rupees '000')	2009
11.6 Particulars of write offs:			
11.6.1 Against provisions		2,073,336	1,523,442
Directly charged to profit and loss account		53,359	67,398
		<u>2,126,695</u>	<u>1,590,840</u>
11.6.2 Write offs of Rs. 500,000 and above	11.7	222,174	208,576
Write offs of below Rs. 500,000	11.7	1,904,521	1,382,264
		<u>2,126,695</u>	<u>1,590,840</u>

11.7 Details of loan write offs of Rs. 500,000 and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written off loans or any financial relief of five hundred thousand rupees or above allowed to person(s) during the year ended December 31, 2010 is given in Annexure 1. However, this write off does not affect the Bank's right to recover these debts from any of its customers.

11.8 Particulars of loans and advances to directors, associated companies etc.

Debts due by directors, executives or officers of the Bank or any of them either severally or jointly with any other persons:

Balance at the beginning of the year	1,347,471	1,010,321
Additions during the year	150,947	88,422
Loans granted during the year	452,684	565,909
Repayments during the year	(566,943)	(317,181)
Balance at the end of the year	<u>1,384,159</u>	<u>1,347,471</u>

Debts due by subsidiary companies, controlled firms, managed modarabas and other related parties

Balance at the beginning of the year	-	305,248
Loan granted during the year	53,170	300,000
Repayments during the year	(23,373)	(605,248)
Balance at the end of the year	<u>29,797</u>	<u>-</u>

12. OPERATING FIXED ASSETS

Capital work in progress	12.1	59,678	164,380
Property and equipment	12.2	2,659,297	2,950,252
		<u>2,718,975</u>	<u>3,114,632</u>

12.1 Capital work in progress

Civil works	49,652	62,236
Equipment and electrical work	2,431	16,313
Advances to suppliers and contractors	2,460	1,141
Advance for computer software	4,114	83,926
Others	1,021	764
	<u>59,678</u>	<u>164,380</u>

12.1.1 During the year, an amount of Rs. 62.630 million (2009: Rs. 1.030 million) was written off due to discontinuation of certain projects no longer necessary as a result of restructuring.

KPMG/TM

12.2 Property and Equipment

2010

C O S T

DEPRECIATION

Particulars	Note	As at		As at		As at		As at		Rate of Depreciation % per annum
		January 01, 2010	Additions / (Deletions)	Transfers	(Write - offs)	December 31, 2010	Accumulated as at January 01, 2010 (Rupees '000')	For the year / (on deletion)	Transfers	

Freehold land		336,617	-	-	-	336,617	-	-	-	-	336,617	-	
Leasehold land	12.2.3	1,064,456	-	-	-	1,064,456	15,634	-	-	-	1,048,822	-	
Buildings on freehold land		584,330	-	-	-	584,330	161,563	27,442	-	-	395,325	5%	
Buildings on leasehold land		158,073	-	-	-	158,073	25,551	7,639	-	-	124,883	5%	
Furniture and fixtures		241,668	3,698	825	(16,278)	224,454	98,852	22,371	1,571	(9,029)	113,406	10%	
			(5,459)				(2,717)						
Electrical, office and computer equipment		1,358,350	111,891	(5,806)	(113,171)	1,345,818	841,732	227,579	(1,560)	(109,361)	953,708	392,110	10% to 33%
			(5,446)				(4,682)						
Vehicles		35,472	39	-	(2,332)	32,642	18,190	5,515	-	(2,332)	20,842	11,800	20%
			(537)				(531)						
Leasehold Improvements		957,151	54,762	7,252	(261,252)	756,810	624,343	96,418	1,920	(201,400)	520,476	236,334	10%
			(1,103)				(805)						
		4,736,117	170,390	2,271	(393,033)	4,503,200	1,785,865	386,964	1,931	(322,122)	1,843,903	2,659,297	
			(12,545)				(8,735)						

12.2.1 Included in cost of property and equipment are fully depreciated items still in use having cost of Rs. 748.266 million (2009: Rs. 605.509 million).

12.2.2 Carrying amount of temporarily idle property is Rs. 910.138 million (2009: Rs. 526.184 million).

12.2.3 This includes a plot of land costing Rs. 9.240 million in Block-6, KDA Scheme-5, Clifton, Karachi (the "Plot"), possession of which was taken by the Bank (formerly PICIC) in April 1983 pursuant to an allotment order by City District Government Karachi ("CDGK") (formerly Karachi Development Authority). All the legal dues in respect of the Plot including Non-utilization Fees have been paid. In 2000, CDGK cancelled the allotment unilaterally based on certain building and construction restrictions. The Bank filed a Civil Suit against CDGK before the High Court of Sindh in respect of the said unilateral cancellation of the allotment. Meanwhile, also in 2000, a dispute arose with KPT in respect of construction of a boundary wall on the Plot by KPT as KPT claimed that the land had been reverted to KPT. The said claim by KPT was also challenged by way of Civil Suit before the High Court of Sindh. The High Court of Sindh initially issued restraining orders against CDGK and KPT in the respective suits in respect of cancellation of the allotment of the Plot. Subsequently, both the suits were decided in favor of the Bank. In the suit filed against CDGK, the High Court of Sindh held that the action of cancellation of the allotment by CDGK was improper and void, whereas, in the suit against KPT, the High Court of Sindh held that since allotment in favor of the Bank was valid therefore, KPT had no standing to claim that the land had been reverted back to KPT. Both the decisions of the High Court of Sindh are currently being challenged in two separate High Court Appeals by CDGK and KPT and the same are still pending. Furthermore, in November 2008, KPT filed a Civil Suit seeking a declaration from the High Court of Sindh to the effect that the Plot had been validly reverted to KPT. At present, the Bank is actively defending the case.

12.2.4 During the current year, the management has revised the estimate relating to useful life of certain operating fixed assets and accordingly the life of Leasehold Improvements and Generators have been increased from 5 years to 10 years. The said change in accounting estimate has been recognized in accordance with the requirements of International Accounting Standard (IAS) 8 "Accounting Policies, Change in Accounting Estimates and Errors". Had there been no change in accounting estimate, the loss before taxation for the year would have been higher by Rs. 45.416 million and the depreciation and accumulated depreciation would have been higher by the same amount.

KPMG 74

Property and Equipment

2009

Particulars	Note	C O S T				DEPRECIATION				Net Book value as at December 31, 2009	Rate of Depreciation % per annum
		As at		Transfers (Write-offs)	Transfers (Write-offs)	Accumulated		Transfers (Write-offs)	Accumulated		
		January 01, 2009	December 31, 2009			as at January 01, 2009	as at December 31, 2009				
Freehold land		336,617	336,617	-	-	-	-	-	-	336,617	-
Leasehold land	12.2.3	1,064,456	1,064,456	-	-	15,634	-	-	15,634	1,048,822	-
Buildings on freehold land		583,397	584,330	933	-	132,980	28,583	-	161,563	422,767	5%
Buildings on leasehold land		158,073	158,073	-	-	17,903	7,648	-	25,551	132,522	5%
Furniture and fixtures		224,652	241,668	24,937	-	82,678	22,552	-	98,852	142,816	10%
Electrical, office and computer equipment		1,072,279	1,358,350	330,249	-	651,735	234,108	-	841,732	516,618	20% & 33%
				(44,178)			(44,111)				
Vehicles		35,372	35,472	7,197	(1,923)	16,089	6,866	-	(1,641)	17,282	20%
				(5,174)			(3,124)				
Leasehold Improvements		842,529	957,151	114,639	-	458,812	165,541	-	624,343	332,808	20%
				(17)			(10)				
		4,317,375	4,736,117	477,955	(1,923)	1,375,831	465,298	-	(1,641)	2,950,252	
				(57,290)			(53,623)				

12.2.4 Detail of disposal of property and equipment during the year

Description	Cost	Accumulated depreciation	Book value	Sale proceeds
- Computer equipment	58	58	-	-
- Vehicles	537	531	6	67
- Furniture and fixtures	5,459	2,717	2,742	2,057
- Leasehold improvements	1,103	805	298	363
- Office equipment	5,388	4,624	764	591
2010	12,545	8,735	3,810	3,078
2009	57,290	53,623	3,667	5,383

KP 11/03/14

13. INTANGIBLE ASSETS

Particulars	2010										Rate of Amortization % per annum	
	C O S T					AMORTIZATION / IMPAIRMENT						Net Book value as at December 31, 2010
	As at January 01, 2010	Additions	Transfers	Adjustments (Write - offs)	As at December 31, 2010	Accumulated Amortization for the year	Transfers	Adjustments (Write - offs)	Accumulated as at December 31, 2010	Net Book value as at December 31, 2010		
Goodwill	25,261,472	-	-	(25,261,472)	-	1,040,000	-	(1,040,000)	-	792,098	1,697,355	9.09 %
Core Deposit Relationships	2,489,453	-	-	-	2,489,453	565,784	226,314	-	-	-	-	-
Core Overdraft/Working	-	-	-	-	-	-	-	-	-	-	-	-
Capital Loan Relationships	124,149	-	-	-	124,149	67,260	6,693	-	-	73,953	50,196	9.09 %
Brand	204,116	-	-	-	204,116	102,060	40,823	-	-	142,883	61,233	20 %
Computer Software	767,638	95,052	(2,271)	(27,832)	832,587	128,453	97,395	(1,931)	(1,694)	222,223	610,364	10% to 50%
	28,846,828	95,052	(2,271)	(25,261,472)	3,650,305	1,903,557	371,225	(1,931)	(1,040,000)	1,231,157	2,419,148	

13.1 Included in cost of computer software are fully amortized items still in use having cost of Rs. 88.359 million (2009: Rs.57.252 million.)

Particulars	2009										Rate of Amortization % per annum	
	C O S T					AMORTIZATION / IMPAIRMENT						Net Book value as at December 31, 2009
	As at January 01, 2009	Additions	Transfers	Adjustments (Write - offs)	As at December 31, 2009	Accumulated Amortization for the year	Transfers	Adjustments (Write - offs)	Accumulated as at December 31, 2009	Net Book value as at December 31, 2009		
Goodwill	25,261,472	-	-	-	25,261,472	1,040,000	-	-	-	1,040,000	24,221,472	9.09 %
Core Deposit Relationships	2,489,453	-	-	-	2,489,453	339,471	226,313	-	-	565,784	1,923,669	-
Core Overdraft/Working	-	-	-	-	-	-	-	-	-	-	-	-
Capital Loan Relationships	124,149	-	-	-	124,149	60,566	6,694	-	-	67,260	56,889	9.09 %
Brand	204,116	-	-	-	204,116	61,236	40,824	-	-	102,060	102,056	20 %
Computer Software	180,743	586,895	-	-	767,638	94,222	34,231	-	-	128,453	639,185	10% to 50%
	28,259,933	586,895	-	-	28,846,828	1,595,495	308,062	-	-	1,903,557	26,943,271	

13.2 Goodwill

From an accounting perspective, at the time of the acquisition and merger of Pakistan Industrial Credit and Investment Corporation Limited (PICIC) and PICIC Commercial Bank Limited (PCBL) into the Bank, goodwill of Rs. 25,261 million was created on the books of the Bank, which reflected the value that was paid for the PICIC and PCBL shares over the fair value of net assets. It is the Bank's view that it will derive substantial value from businesses, customers and the branch network acquired in the merger with PICIC and PCBL. Under the new strategies, this value will be derived more from the liabilities side of the business as opposed to the assets side. As the original intent of how value would be derived has been changed for now the Bank has decided to adjust the Goodwill that it is carrying on the books in a manner that is consistent with its new business realities. Consequently the Bank has adjusted the full amount of the goodwill appearing in its books at Rs. 24,221 million directly into equity and the State Bank of Pakistan has indicated its No Objection to this accounting treatment.

13.2.2 Annual test for impairment

Intangibles

In the current year, the Bank also assessed the recoverable amount of core overdraft / working capital loan relationships, core deposit relationships and brand and determined that no impairment loss exists.

KPMG

14. DEFERRED TAX ASSETS

Note 2010 2009
(Rupees '000')

Deferred debits arising due to:

Provision against loans and advances	7,329,965	6,393,933
Provision against other receivable	281,304	281,314
Provision against balances with other banks	1,387	1,387
Deficit on revaluation of securities	55,299	71,495
Gratuity	6,943	14,762
Unused tax losses	5,066,344	2,135,530
Excess of tax base of government securities / investments over accounting base	413,992	412,465
	13,155,234	9,310,886

Deferred credits arising due to:

Excess of accounting base of leased asset over tax base	(116,322)	(218,511)
Accelerated accounting depreciation on owned assets	(736,614)	(712,584)
Intangibles including goodwill	(2,252,620)	(1,344,257)
Fair valuation of subsidiaries and associates	(532,714)	(521,539)
Unrealised exchange gains	(2,377)	(6,007)
Unrealised exchange losses	(33,604)	(33,604)
	(3,674,251)	(2,836,502)
	9,480,983	6,474,384

14.1 In 1987 and 1989, the Bank (formerly PICIC) exercised its option to avail the exchange risk coverage offered by the Government of Pakistan, Ministry of Finance and Economic Affairs (Economic Affairs Division), through Office Memo 1(16)/50/DM/86 dated July 8, 1987 and 1(12)/50/DM/89 dated June 1, 1989 respectively and, in turn the Bank (formerly PICIC) offered the risk coverage to its Borrowers.

14.2 The unrealised exchange losses of the Bank (formerly PICIC) as on April 21, 1987, the effective date of exercise of both the options arising on related borrowings as reduced by gains arising on related advances was claimed as loss for tax purposes.

14.3 Movement in temporary differences during the year

	2010			Balance as at December 31, 2010
	Balance as at January 01, 2010	Recognised in profit and loss account	Recognised in equity / others	
	(Rupees '000')			
Deferred debits arising due to:				
Provision against loans and advances	6,393,933	1,287,791	(351,759)	7,329,965
Provision against other receivable	281,314	(10)	-	281,304
Provision against balances with other banks	1,387	-	-	1,387
Deficit on revaluation of securities	71,495	-	(16,196)	55,299
Gratuity	14,762	(7,819)	-	6,943
Unused tax losses	2,135,530	2,579,055	351,759	5,066,344
Excess of tax base of government securities / investments over accounting base	412,465	1,527	-	413,992
Deferred credits arising due to:				
Excess of accounting base of leased asset over tax base	(218,511)	102,189	-	(116,322)
Accelerated accounting depreciation on owned assets	(712,584)	(24,030)	-	(736,614)
Intangibles including goodwill	(1,344,257)	(908,363)	-	(2,252,620)
Fair valuation of subsidiaries and associates	(521,539)	(11,175)	-	(532,714)
Unrealised exchange gains	(6,007)	-	3,630	(2,377)
Unrealised exchange losses	(33,604)	-	-	(33,604)
	6,474,384	3,019,165	(12,566)	9,480,983

KPABETH

	2009			
	Balance as at January 01, 2009	Recognised in profit and loss account	Recognised in equity	Balance as at December 31, 2009
	----- (Rupees '000') -----			
Deferred debits arising due to:				
Provision against loans and advances	6,606,954	(213,021)	-	6,393,933
Provision against other receivables	288,338	(7,024)	-	281,314
Provision against balances with other banks	1,387	-	-	1,387
Deficit on revaluation of securities	277,087	-	(205,592)	71,495
Gratuity	15,482	(720)	-	14,762
Unused tax losses	472,939	1,662,591	-	2,135,530
Excess of tax base of government securities / investments over accounting base	461,239	(48,774)	-	412,465
Deferred credits arising due to:				
Excess of accounting base of leased asset over tax base	(328,460)	109,949	-	(218,511)
Accelerated accounting depreciation on owned assets	(650,583)	(62,001)	-	(712,584)
Intangibles including goodwill	-	(1,344,257)	-	(1,344,257)
Fair valuation of subsidiaries and associates	(571,544)	50,005	-	(521,539)
Unrealised exchange gains	(6,007)	-	-	(6,007)
Unrealised exchange losses	(33,604)	-	-	(33,604)
	<u>6,533,228</u>	<u>146,748</u>	<u>(205,592)</u>	<u>6,474,384</u>

14.4 Deferred tax asset

The Finance Act, 2009 had made significant amendments to the Seventh Schedule to the Income Tax Ordinance, 2001. The deduction for provisions for doubtful and loss categories of advances and off-balance sheet items was allowed up to a maximum of 1% of total advances. As per the said amendments provision in excess of 1% of total advances was allowed to be carried over to succeeding years.

Further, as per the said amendments the amount of bad debts classified as Substandard under the Prudential Regulations issued by the State Bank of Pakistan would not be allowed as an expense.

The Finance Act, 2010 has made certain further amendments to the Seventh Schedule to allow provisions for advances and off-balance sheet items relating to Consumer and SME advances up to 5% of such advances. Provisions for advances and off-balance sheet items relating to advances other than Consumer and SME would continue to be allowed up to 1% of such advances and provision in excess of 1% of total of such advances would be allowed to be carried forward to succeeding years.

However, while amending the relevant provisions of the Seventh Schedule through Finance Act, 2010, the laws relating to carry forward of provisions for advances and off-balance sheet items in excess of 5% of Consumer and SME advances and limiting the allowance up to the actual provisions have not been amended. The current law, by permanently disallowing Consumer and SME provisions in excess of 5% is unprecedented and widely recognized as being inequitable not only for Banks that are currently active in lending to customers in the Consumer and SME segments but also for Banks who would be contemplating to do so in the future.

The Pakistan Banks' Association (PBA) as well as the Presidents of some banks have made and are continuing to make representations to the Federal Board of Revenue (FBR) to issue the necessary clarification in the law. The State Bank of Pakistan (SBP) has also documented its support in obtaining this clarification from the FBR. However being prudent, the Bank has not booked a deferred tax asset of Rs. 1,085 million for provisions in 2010 of Rs. 3,100 million in excess over 5% of gross advances to Consumer and SMEs.

For provisions relating to other than Consumer and SME customers in 2010 and all customers (no distinction between Consumer & SME and others) in 2008 and 2009 deferred tax asset of Rs. 4,669 million has been recorded on provisions of Rs. 13,341 million in excess of 1% of gross advances.

APMATH

	Note	2010	2009
		(Rupees '000')	
15. OTHER ASSETS			
Income / mark-up accrued			
Local currency	15.1 & 15.6	3,272,003	4,295,703
Foreign currencies		29,561	31,732
Advances, deposits, advance rent and other prepayments	15.2	426,344	547,284
Advance taxation - net		1,142,143	975,505
Non - banking assets acquired in satisfaction of claims	15.3	541,913	611,663
Unrealized gain on forward foreign exchange contracts - net		-	36,380
Receivable against sale of investments		18,928	299,210
Stationery and stamps on hand		3,279	1,626
Branch adjustment account		106,579	-
Advance for purchase of term finance certificates		285,000	755,832
Assets in respect of Bangladesh	15.4	425,409	425,409
Insurance claim		156,298	105,242
Others		67,624	95,769
		<u>6,475,081</u>	<u>8,181,355</u>
Liabilities in respect of Bangladesh	15.4	(342,416)	(342,416)
Rupee Borrowings from Government of Pakistan in respect of Bangladesh		(82,993)	(82,993)
Provisions held against other assets	15.5	(890,883)	(823,598)
Other assets - net of provisions		<u>5,158,789</u>	<u>6,932,348</u>

15.1 This includes Rs. 1.027 million (2009: Rs. Nil) in respect of related parties.

15.2 Advances, deposits, advance rent and other prepayments

Advances	40,716	45,893
Deposits	36,813	40,807
Advance rent	249,071	340,439
Prepayments	99,744	120,145
	<u>426,344</u>	<u>547,284</u>

15.3 Represents cost of land, plant and machinery acquired by the Bank against advances and held for resale. The market value of the subject assets as of December 31, 2010 was Rs. 560 million (2009: Rs. 667 million).

15.4 All the assets and liabilities as of November 30, 1971 clearly identifiable as being in or in respect of the areas now under Bangladesh and referred to above were segregated as of that date and in such segregation, for purposes of conversion of foreign currency amounts, generally speaking, the parity rates ruling prior to August 15, 1971 were used, and all income accrued or due in 1971 but not received in that year and interest accrued but not due on borrowings in 1971 was eliminated. Subsequently, consequent to the assuming by Bangladesh of certain foreign currency loan obligations as of July 1, 1974, including amounts previously identified by the Bank (formerly PICIC) as its foreign currency liabilities in respect of Bangladesh, such amounts were eliminated from the books of the Bank (formerly PICIC) by reducing an equivalent sum from its related foreign assets in that area.

Arising from advices received from the lenders and as a result of diversion of shipments and of the meeting of certain contingent liabilities, there have been certain modifications to the foreign currency advances relating to Bangladesh. Furthermore, the difference between the actual amount of rupees required to remit maturities of foreign currency borrowings in respect of Bangladesh and the figures at which they appeared in the books and the interest paid to foreign lenders has been treated as increasing the rupee assets in that area.

The Government of Pakistan, while initially agreeing to provide the rupee finance required for discharging current maturities of foreign currency borrowings and interest related to Bangladesh, did not accept any responsibility for PICIC's assets in that area. However, following an agreement reached between PICIC and the Government of Pakistan during 1976, the Government has agreed that it would continue to provide the funds for servicing PICIC's foreign currency liabilities relating to Bangladesh and has further agreed that an amount equivalent to the rupee assets in Bangladesh financed from PICIC's own funds not exceeding Rs. 82 million would be deemed to have been allocated out of the rupee loans by the Government and that such allocated amount together with the rupee finance being provided by the Government including any interest thereon would not be recovered from PICIC until such time as PICIC recovers the related assets from Bangladesh and only to the extent of such recovery.

Accordingly, such allocated amounts, together with the rupee finance being provided by the Government for discharging the current maturities of foreign currency borrowings (including the interest and charges thereon and any exchange difference between the final rupee payment and the amount at which the liability, commitment or contingent liability as appearing in the books relating to Bangladesh) have been treated as liabilities in respect of Bangladesh. Further, in view of the aforesaid agreement no interest is being accrued on the allocated amount of rupee loans or in respect of the rupee finance provided by the Government related to PICIC's assets in Bangladesh nor is it considered necessary to provide for any loss that may arise in respect of PICIC's assets in Bangladesh.

KARACHI

	2010	2009
	(Rupees '000')	
15.5 Particulars of provision against other assets		
Opening balance	823,598	823,826
Charge for the year	67,316	19,841
Reversals	(31)	-
Write offs	-	(20,069)
Closing balance	<u>890,883</u>	<u>823,598</u>

15.6 This includes a sum of Rs. 30.466 million (2009: Rs. 34.099 million) representing unrealised exchange gain, which has not been recognised as income and deferred in the financial statements, in accordance with the policy of the Bank, as stated in note 6.16.

	Note	2010	2009
		(Rupees '000')	
16. BILLS PAYABLE			
In Pakistan		1,266,884	1,499,314
Outside Pakistan		68,609	74,893
		<u>1,335,493</u>	<u>1,574,207</u>

17. BORROWINGS			
In Pakistan		42,320,085	62,481,033
Outside Pakistan		41,849	42,332
		<u>42,361,934</u>	<u>62,523,365</u>

17.1 Particulars of borrowings with respect to currencies

In local currency		42,320,085	62,481,033
In foreign currencies		41,849	42,332
		<u>42,361,934</u>	<u>62,523,365</u>

17.2 Details of borrowings - secured / unsecured

Secured

Borrowings from SBP under			
Export Refinance Scheme	17.3	10,956,241	11,933,100
Long Term Financing Facility	17.4	261,962	116,261
Long Term Finance for Export Oriented Projects	17.5	1,683,880	2,245,680
Repurchase agreement borrowings	17.6 & 17.6.1	22,869,493	41,323,706

Unsecured

Call borrowings	17.7	6,059,036	6,700,000
Overdrawn nostro accounts		41,849	42,332
Foreign borrowings payable in local currency	17.8	162,286	162,286
Trading liabilities		327,187	-
		<u>42,361,934</u>	<u>62,523,365</u>

17.3 Borrowings from SBP under Export Refinance Scheme are subject to mark-up ranging from 8.50% to 9.00% (2009: 6.50% to 7.00%) per annum maturing within six months.

17.4 Borrowings from SBP under Long Term Financing Facility (LTFF) are subject to mark up ranging from 6.50% to 8.20% (2009: 6.50%) per annum maturing within ten years.

17.5 Borrowings from SBP under Long Term Finance for Export Oriented Projects are subject to mark up ranging from 4.00% to 5.00% (2009: 4.00% to 5.00%) per annum maturing within six years.

KPMG/TM

- 17.6 These borrowings are subject to mark-up at rates ranging from 12.51% to 13.90% (2009: 11.60% to 12.41%) per annum maturing within two months. Government securities have been given as collateral against these borrowings.
- 17.6.1 This includes Rs. 100 million outstanding as at December 31, 2010, which was borrowed from a Company in 2004 against pledge of a PIB. As the lender had failed to return the pledged PIB upon the maturity of the contract period, this amount is appearing as a pending transaction with a corresponding amount appearing as investment in PIBs. No interest is accrued either as expense on this borrowing or as income from the PIB since the filing of the dispute between the Bank and the Company.
- 17.7 These borrowings are subject to mark-up at rates ranging from 12.15% to 13.40% (2009: 11.40% to 12.90%) per annum maturing within six months.
- 17.8 The Government of Pakistan (GoP) has claimed an amount of Rs. 162.286 million in respect of liabilities against German credit representing principal amount of loan and Rs. 45.444 million as interest thereon till June 30, 2006. The principal amount has been accounted for and shown as payable to the GoP whereas interest has been accounted for in Other Liabilities (note 20). However, the Bank is contending that any amount of principal and interest is payable to the GoP only when recovered from the related sub-borrowers, who have availed the German credit. This also includes unrealized exchange loss of Rs. 96.011 million (2009: Rs. 96.011 million) which has been netted off against unrealized exchange gain (note 20) as it is payable when recovered from sub-borrowers, who have availed the related German credit.

	2010	2009
	(Rupees '000')	
18. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	39,939,138	35,912,235
Savings deposits	29,087,951	27,598,044
Current accounts - Non remunerative	24,120,456	23,578,156
Margin accounts	532,237	993,430
Financial institutions		
Remunerative deposits	5,162,128	5,616,126
Non-remunerative deposits	327,463	221,814
	<u>99,169,373</u>	<u>93,919,805</u>
18.1 Particulars of deposits		
In local currency	93,179,816	85,978,909
In foreign currencies	5,989,557	7,940,896
	<u>99,169,373</u>	<u>93,919,805</u>
19. SUB-ORDINATED LOANS		
Term Finance Certificates - Quoted, Unsecured	<u>3,996,000</u>	<u>3,997,600</u>
Mark-up	Floating (no floor, no cap) rate of return at Base Rate +1.15% (The Base Rate is defined as the average "Ask Side" rate of the six month Karachi Interbank Offered Rate ("KIBOR"))	
Subordination	The TFCs are subordinated to all other indebtedness of the Bank including deposits	
Issue Date	March 5, 2008	
Issue Amount	Rs. 4,000 million	
Rating	A+ (A plus)	
Tenor	8 years from the Issue Date	
Redemption	Ten equal semi-annual instalments of 0.02% of the Issue Amount for the first sixty months followed by six equal semi-annual instalments of 16.63% of the Issue Amount from the sixty-sixth month onwards.	
Maturity	March 5, 2016	
Call Option	The Bank can also exercise a Call Option or a Partial Call Option after obtaining written approval from the State Bank of Pakistan at any time after a period of sixty months from the Issue Date	

KPMB/TM

	Note	2010	2009
		(Rupees '000')	
20. OTHER LIABILITIES			
Mark-up / return / interest payable in:			
Local currency		1,304,830	1,890,142
Foreign currencies		11,167	11,266
Unearned income on inland bills		10,135	4,886
Accrued expenses		987,405	414,776
Insurance premium payable		55,371	68,155
Advance from lessees		135,850	154,752
Unclaimed dividend		45,051	45,189
Borrowing from Government of Pakistan		2,095	2,095
Branch adjustment account		-	310,036
Unrealized exchange loss - net		43,386	-
Security and other deposits		29,408	31,441
Payable to IBRD - Managed Fund		68,220	68,220
Payable against purchase of investments		18,443	7,574
Payable to Workers Welfare Fund		13,000	13,000
Payable to defined benefit plan	34.5	76,115	73,731
Security deposits against lease		754,435	992,026
Others		269,563	488,452
		<u>3,824,474</u>	<u>4,575,741</u>

21. SHARE CAPITAL

21.1 Authorized

2010	2009		2010	2009
(Number of Shares)			(Rupees '000')	
<u>5,000,000,000</u>	<u>5,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>50,000,000</u>	<u>50,000,000</u>

21.2 Issued, subscribed and paid up

Fully paid up ordinary shares of Rs.10 each

3,278,902,659	3,278,902,659	Fully paid in cash	32,789,027	32,789,027
764,824,417	764,824,417	Issued for consideration other than cash (under schemes of amalgamation)	7,648,244	7,648,244
<u>4,043,727,076</u>	<u>4,043,727,076</u>		<u>40,437,271</u>	<u>40,437,271</u>

21.2.1 The holding company Bugis Investments (Mauritius) Pte. Limited holds 2,995,744,425 (2009: 2,995,744,425) ordinary shares.

(Number of Shares)

21.2.2 Reconciliation of number of ordinary shares of Rs. 10 each

At the beginning of the year	4,043,727,076	2,843,727,076
Issued during the year for cash	-	1,200,000,000
At the end of the year	<u>4,043,727,076</u>	<u>4,043,727,076</u>

21.3 The issued, subscribed and paid-up capital of the Bank was Rs. 40,437.271 million as at December 31, 2010, comprising of 4,043.727 million shares of Rs. 10 each. In February 2011, the Bank announced a rights issue at discount for which the sponsor shareholder has already remitted its portion of the rights amounting to Rs. 6,352.360 million before December 31, 2010. The State Bank of Pakistan has allowed the portion of the rights already remitted by the sponsor shareholder, shown as advance against proposed rights issue, to be treated as Tier 1 Capital for the purposes of calculation of Capital Adequacy. For the remaining Rs. 2,222.640 million portion of the total rights issue of Rs. 8,575.000 million, the sponsor shareholder has provided an undertaking to take up any unsubscribed portion of the rights. The rights issue has been approved by the Board of Directors in their meeting held on March 01, 2011 and will be put forward for approval by the shareholders in the forthcoming Annual General Meeting of the Bank.

KAMSTH

2010 2009
(Rupees '000')

22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - Net Surplus / (Deficit) on revaluation of available-for-sale securities

Market Treasury Bills	(56,558)	(20,547)
Pakistan Investment Bonds	(184,648)	(157,471)
Term Finance Certificates	6,157	(33,770)
Mutual Funds	36,587	417
Investment in Shares of Listed Companies	143,882	24,849
	<u>(54,580)</u>	<u>(186,522)</u>
Related deferred tax asset	55,299	71,495
	<u>719</u>	<u>(115,027)</u>

23. CONTINGENCIES AND COMMITMENTS

23.1 Direct credit substitutes

Contingent liability in respect of guarantees given favouring:

Government	63,116	222,841
Others	-	75,000
	63,116	297,841

23.2 Transaction-related contingent liabilities / commitments

Guarantees given in favour of:

Government	8,138,146	4,842,809
Financial Institutions	500,856	-
Others	714,525	873,666
	9,353,527	5,716,475

23.3 Trade-related contingent liabilities

Letters of credit	7,919,441	6,353,446
Acceptances	1,067,720	1,459,864
	8,987,161	7,813,310

23.4 Other Contingencies

Claims against the Bank not acknowledged as debts	390,783	469,156
---	---------	---------

23.5 Commitments in respect of forward lending

Commitments to extend credit	314,372	294,696
------------------------------	---------	---------

The Bank makes commitments to extend credit in the normal course of its business but none of these commitments are irrevocable and do not attract any significant penalty or expense if the facility is ultimately withdrawn except commitments mentioned above.

23.6 Commitments in respect of forward exchange contracts

Purchase	66,004,625	54,098,436
Sale	67,312,030	54,609,998
	133,316,655	108,708,434

23.7 Commitments for the acquisition of operating fixed assets

	86,310	205,275
--	--------	---------

23.8 The returns of income of NIB Bank Limited have been filed up to and including tax year 2010 relevant to the financial year ended December 31, 2009. The tax authorities have made certain disallowances including additions on account of proration of expenses against dividends and capital gains, disallowances of interest and administrative expenses and renovation expenses incurred on rented premises (allowed historically) pertaining to tax years 2003 through 2008 for Ex-Pakistan Industrial Credit and Investment Corporation Limited (Ex-PICIC), from tax years 2004 through 2008 for Ex-PICIC Commercial Bank Limited (Ex-PCBL), tax years 2003 and 2004 for Ex-National Development Leasing Corporation Limited (Ex-NDLC) and from tax years 2004 through 2008 for NIB Bank Limited. These disallowances may result in additional tax aggregating to Rs. 1,370 million (2009: 1,104 million), which the management of the Bank in discussion with their tax consultants believes to be unjustified and not in accordance with the true interpretation of the law.

Appeals filed against orders are pending at various appellate forums. Management is confident that the eventual outcome of the cases will be in favour of the Bank.

KPMG/TH

	Note	2010	2009
		(Rupees '000')	
24. MARK-UP / RETURN / INTEREST EARNED			
On loans and advances to customers		10,219,090	12,679,321
On investments in:			
Available-for-sale securities		4,595,211	3,868,916
Held-to-maturity securities		463,487	462,514
On deposits with financial institutions		10,260	21,277
On securities purchased under resale agreements		1,094,491	1,066,747
On call money lending		99,541	173,588
		<u>16,482,080</u>	<u>18,272,363</u>
25. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits and other accounts		7,225,240	8,859,600
Securities sold under repurchase agreements		3,342,862	2,282,740
Other short term borrowings		2,312,127	1,051,022
Long term borrowings		652,931	652,687
Others		-	26,308
		<u>13,533,160</u>	<u>12,872,357</u>
26. GAIN ON SALE OF SECURITIES			
Market Treasury Bills		(5,359)	158,553
Pakistan Investment Bonds		(8,185)	3,460
Term Finance Certificates		15,088	46,244
Ordinary Shares of Listed and Unlisted Companies		292,514	283,661
Units of Mutual Funds		26,794	58,282
Others		8,068	48,600
		<u>328,920</u>	<u>598,800</u>
27. OTHER INCOME			
Gain / (loss) on disposal of property and equipment		(732)	1,716
Service charges		7,977	15,837
Rent		3,262	3,262
Gain on trading liabilities		3,417	-
Income from non-banking assets and profit from sale of / or dealing with such assets		10,551	-
		<u>24,475</u>	<u>20,815</u>
28. ADMINISTRATIVE EXPENSES			
Salaries, allowances, etc.		3,715,562	2,367,736
Charge for defined benefit plan	34.4	24,727	17,901
Contribution to defined contribution plan		121,204	116,633
Non-executive directors' fees, allowances and other expenses		5,709	6,558
Brokerage and commission		44,530	22,627
Rent, taxes, insurance, electricity, etc.		967,484	920,336
Legal and professional charges		196,743	98,596
Communication		207,399	281,747
Repairs and maintenance		284,665	227,789
Stationery and printing		81,377	114,879
Advertisement and publicity		20,816	73,441
Fees and subscriptions		74,706	74,125
Auditor's remuneration	28.1	8,201	8,140
Depreciation	12.2	386,964	465,298
Amortization	13	371,225	308,062
Donations	28.2	-	54
Travelling, conveyance and vehicles running		30,153	43,585
Security services		137,628	122,841
Fixed assets written off		159,680	1,312
Others		116,375	73,647
		<u>6,955,148</u>	<u>5,345,307</u>

KPMGTH

	2010	2009
	(Rupees '000')	
28.1 Auditors' remuneration		
Audit fee including fee for branch audit	4,300	4,300
Audit fee of consolidated financial statements	750	750
Review fee	1,100	1,100
Special certifications and sundry advisory services	1,375	1,375
Out-of-pocket expenses	676	615
	<u>8,201</u>	<u>8,140</u>
28.2 No donation was paid during the year in which any of the Directors or their spouses have any interest.		
29. OTHER CHARGES		
Penalties imposed by the State Bank of Pakistan	135,126	1,335
Others	(13,208)	(123,432)
	<u>121,918</u>	<u>(122,097)</u>
30. TAXATION		
For the year		
Current	181,974	99,771
Prior years	327,748	-
Deferred	(3,019,165)	(146,748)
	<u>(2,509,443)</u>	<u>(46,977)</u>
30.1 Relationship between tax expense and accounting profit		
Accounting profit / (loss) for the year	<u>(12,621,557)</u>	644,071
Tax on income @ 35%	(4,417,545)	225,425
Effect of permanent differences	47,294	(8,187)
Adjustment in respect of tax at reduced rates	-	(91,036)
Effect of provision against Consumer and SME advances in excess of 5 %	1,085,172	-
Effect of general provision against advances	279,583	-
Minimum tax	181,974	99,771
Tax charge for prior year	327,748	-
Others	(13,669)	(272,950)
Tax charge for the year	<u>(2,509,443)</u>	<u>(46,977)</u>
	2010	2009
31. BASIC / DILUTED EARNINGS / (LOSS) PER SHARE		
Profit / (Loss) after taxation (Rs. '000')	<u>(10,112,114)</u>	<u>691,048</u>
Weighted average number of ordinary shares outstanding during the year (in '000')	<u>4,043,727</u>	<u>4,043,727</u>
Earnings / (Loss) per share - basic / diluted (Rupees)	<u>(2.50)</u>	<u>0.17</u>
32. CASH AND CASH EQUIVALENTS	2010	2009
	(Rupees '000')	
Cash and balances with treasury banks	8,836,449	8,834,275
Balances with other banks (net of provision)	2,951,479	3,683,783
	<u>11,787,928</u>	<u>12,518,058</u>
	(Numbers)	
33. STAFF STRENGTH		
Permanent	2,853	4,890
Temporary / on contractual basis	29	65
Bank's own staff strength at the end of the year	<u>2,882</u>	<u>4,955</u>
Outsourced	713	1,430
Total staff strength	<u>3,595</u>	<u>6,385</u>

KPMGPK

34. DEFINED BENEFIT PLAN

34.1 The benefits under the gratuity scheme are payable in lump sum on retirement at the age of 60 years or earlier cessation of services. The benefit is equal to one month's last drawn basic salary for each year of confirmed service, subject to a minimum of five years of service.

34.2 Principal actuarial assumptions

The actuarial valuation is carried out periodically. The actuarial valuation was carried out for the year ended December 31, 2010 using the "Projected Unit Credit Method". The main assumptions used for actuarial valuation are as follows:

	Gratuity	
	2010	2009
- Valuation discount rate	14.5%	12%
- Salary increase rate	13.5%	11%
- Mortality rate	Based on LIC 1975-79 Ultimate Mortality table	
- Withdrawal rate	Heavy (double of moderate) Age - Wise withdrawal rates	

34.3 Reconciliation of (receivable from) / payable to defined benefit plan	Note	2010	2009	2008	2007	2006
----- (Rupees '000') -----						
Present value of defined benefit obligations	34.6	79,459	81,502	58,963	33,919	22,109
Unrecognized prior service cost		-	-	1,630	3,261	4,892
Net actuarial gains / (loss) not recognized		(3,344)	(7,771)	(3,536)	7,326	5,858
		76,115	73,731	57,057	44,506	32,859
Assumed on amalgamation		-	-	-	(76,634)	-
Net liability / (receivable)		76,115	73,731	57,057	(32,128)	32,859

34.4 (Income) / charge for defined benefit plan

Current service cost	14,660	13,962	10,922	10,808	9,357
Software project expense capitalized	-	(829)	-	-	-
Interest cost	10,067	6,398	3,834	2,751	1,651
Actuarial (gain) recognized	-	-	(303)	(281)	-
Amortisation of prior service cost	-	(1,630)	(1,631)	(1,631)	(1,631)
	24,727	17,901	12,822	11,647	9,377

34.5 Movement in balance (receivable) / payable

Opening balance	73,731	57,057	(32,128)	32,859	23,482
Expense recognized	24,727	17,901	12,822	11,647	9,377
Software project expense capitalized	-	829	-	-	-
Benefits paid to outgoing members	(22,343)	(2,056)	(271)	-	-
	76,115	73,731	(19,577)	44,506	32,859
Assumed on amalgamation	-	-	76,634	(76,634)	-
Closing balance	76,115	73,731	57,057	(32,128)	32,859

34.6 Summary of valuation results for the current and previous periods

Present value of defined benefit obligations	79,459	81,502	58,963	33,919	22,109
Fair value of plan assets	-	-	-	-	-
Deficit	79,459	81,502	58,963	33,919	22,109

Experience (gain) / loss on obligation	(4,427)	4,235	10,559	(1,749)	(823)
--	---------	-------	--------	---------	-------

34.7 Reconciliation of present value of defined benefit obligations

	2010	2009
(Rupees '000')		
Opening balance	81,502	58,963
Current service cost	14,660	13,962
Interest cost	10,067	6,398
Benefits paid	(22,343)	(2,056)
Actuarial (gain) / loss on obligations	(4,427)	4,235
Closing balance	79,459	81,502

KPMGTH

34.8 Expected contribution for the next one year

The Bank provides for gratuity as per the actuary's expected charge for the next one year. Based on actuarial advice, management estimates that the charge in respect of the defined benefit plan for the year ending December 31, 2011 would be Rs. 23.194 million.

35. DEFINED CONTRIBUTION PLAN

The Bank has established a provident fund scheme administered by the Board of Trustees for all permanent employees. Equal monthly contributions are made to the fund by both the Bank and the employees @ 10% of basic salary.

36. COMPENSATION OF DIRECTORS AND EXECUTIVES

	President / Chief Executive		Directors		Executives	
	2010	2009	2010	2009	2010	2009
	(Rupees '000')					
Fees	-	-	5,709	1,864	-	-
Managerial remuneration	17,419	17,419	-	-	787,164	692,637
Charge for defined benefit plan	2,461	2,433	-	-	14,142	13,238
Contribution to defined contribution plan	1,742	1,742	-	-	56,478	48,508
Rent and house maintenance	6,097	6,097	-	-	218,355	184,086
Utilities	1,742	1,742	-	-	62,387	52,596
Others	1,742	1,742	-	-	62,387	52,596
	31,203	31,175	5,709	1,864	1,200,913	1,043,661
Number of persons as at year-end	1	1	5	4	496	505

The President / Chief Executive is also provided with free use of a Bank maintained car, travel and medical insurance, security arrangements and reimbursement of household utilities, as per the terms of his employment.

Directors fees are paid to non executive directors only.

APMS/STH

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

37.1 On-balance sheet financial instruments

	2010		2009	
	Book value	Fair value	Book value	Fair value
	----- (Rupees '000') -----			
Assets				
Cash and balances with treasury banks	8,836,449	8,836,449	8,834,275	8,834,275
Balances with other banks	2,951,479	2,951,479	3,683,783	3,683,783
Lending to financial institutions	6,429,166	6,429,166	5,681,887	5,681,887
Investments	51,789,035	50,824,544	62,432,977	61,475,237
Advances	74,566,015	74,566,015	84,021,406	84,021,406
Other assets	3,449,633	3,449,633	5,352,971	5,352,971
	<u>148,021,777</u>	<u>147,057,286</u>	<u>170,007,299</u>	<u>169,049,559</u>
Liabilities				
Bills payable	1,335,493	1,335,493	1,574,207	1,574,207
Borrowings	42,361,934	42,361,934	62,523,365	62,523,365
Deposits and other accounts	99,169,373	99,169,373	93,919,805	93,919,805
Sub-ordinated loans	3,996,000	3,889,706	3,997,600	3,677,792
Other liabilities	3,582,055	3,582,055	3,808,217	3,808,217
	<u>150,444,855</u>	<u>150,338,561</u>	<u>165,823,194</u>	<u>165,503,386</u>

37.2 Off-balance sheet financial instruments

Forward purchase of foreign exchange	<u>66,004,625</u>	<u>65,049,598</u>	<u>54,098,436</u>	<u>53,754,151</u>
Forward sale of foreign exchange	<u>67,312,030</u>	<u>66,429,843</u>	<u>54,609,998</u>	<u>54,292,292</u>

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Fair values of held-to-maturity securities, sub-ordinated loans and investment in quoted associates have been stated at market values.

Fair value of unquoted equity securities have been stated at the lower of cost and Net Assets Value.

Except for investment in unquoted subsidiaries, fixed term advances of over one year, staff loans and fixed term deposits of over one year, the fair value of other on balance sheet financial assets and liabilities are not significantly different from their book value as these assets and liabilities are either short term in nature or are frequently re-priced.

The fair value of unquoted subsidiaries, fixed term advances of over one year, staff loans and fixed term deposits of over one year cannot be calculated with sufficient reliability due to non-availability of relevant active markets for similar assets and liabilities.

APR 15/14

38. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The Bank is organised into reportable segments as disclosed in note 6.20.1. These segments are managed by respective segment heads and the results of these segments are regularly reviewed by the Bank's President / Chief Executive. Segment performance is reviewed on the basis of various factors including profit before taxation.

Transactions between reportable segments are carried out on an arms length basis.

The segment analysis with respect to business activity is as follows:

	For the Year ended December 31, 2010					
	Corporate and Investment Banking	Small & Medium Enterprises and Commercial	Retail	Treasury	Head Office / Other	Adjustments*
	(Rupees '000')					
Net Interest Income	(198,579)	(215,919)	3,771,921	(248,521)	(159,982)	-
Non Funded Income	320,382	183,957	306,493	673,585	230,935	-
Net Interest and non mark-up Income	121,803	(31,962)	4,078,414	425,064	70,953	-
Total expenses including provisions (excluding Impairment)	2,738,512	5,080,278	7,648,615	166,708	1,527,195	-
Impairment against Investment	-	-	-	115,134	9,387	-
Total expenses including provisions	2,738,512	5,080,278	7,648,615	281,842	1,536,582	-
Segment Net income/ (loss) before tax	(2,616,709)	(5,112,240)	(3,570,201)	143,222	(1,465,629)	-
Segment Return on net assets (ROA) (%)	-3.36%	-13.35%	-2.80%	0.22%	-	N/A
Segment Cost of funds (%)	11.50%	6.64%	6.24%	12.47%	-	N/A

	For the Year ended December 31, 2009					
Net Interest Income	169,850	1,360,095	4,103,465	428,333	(661,737)	-
Non Funded Income	212,812	293,881	315,341	787,150	72,649	-
Net Interest and non mark-up Income	382,662	1,653,976	4,418,806	1,215,483	(589,088)	-
Total expenses including provisions (excluding Impairment)	(1,098,212)	1,903,413	4,865,986	179,294	(16,139)	-
Impairment against Investment	-	-	-	575,705	27,721	-
Total expenses including provisions	(1,098,212)	1,903,413	4,865,986	754,999	11,582	-
Segment Net income/ (loss) before tax	1,480,874	(249,437)	(447,180)	460,484	(600,670)	-
Segment Return on net assets (ROA) (%)	2.16%	-0.33%	-0.34%	0.68%	-	N/A
Segment Cost of funds (%)	11.35%	8.03%	7.85%	10.24%	-	N/A

	As at December 31, 2010					
Segment Assets (Gross)	65,288,984	31,301,155	85,301,088	42,382,391	7,019,972	(43,165,012)
Segment Non Performing Loans	18,814,492	10,795,340	4,904,273	-	197,363	-
Segment Provision (including general provisions)	14,712,848	6,415,309	2,524,598	-	125,784	-
Segment Assets (Net)	50,576,136	24,885,846	82,776,490	42,382,391	6,894,188	(43,165,012)
Segment Liabilities	46,112,224	23,016,713	79,530,605	41,401,559	3,791,185	(43,165,012)

	As at December 31, 2009					
Segment Assets (Gross)	60,818,284	47,006,481	81,323,632	52,711,667	6,225,250	(23,987,000)
Segment Non Performing Loans	15,704,688	4,439,824	3,190,204	-	94,810	-
Segment Provision (including general provisions)	12,453,510	2,021,756	1,431,033	-	73,052	-
Segment Assets (Net)	48,364,774	44,984,725	79,892,599	52,711,667	6,152,198	(23,987,000)
Segment Liabilities	44,384,145	32,632,054	61,727,499	48,743,572	3,090,448	(23,987,000)

* The respective segment assets and liabilities incorporate intersegment lending and borrowing, with appropriate transfer pricing. The adjustments column eliminates intersegment lending and borrowing.

KPMGTH

39. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its holding company (refer note 1), subsidiaries (refer note 10.1), associated undertakings (refer note 10.10), employee benefit plans (refer note 34) and its key management personnel. Transactions with related parties are executed on the same terms as those prevailing at the time for comparable transactions with unrelated parties.

The detail of transactions with related parties is given below:

	Holding company		Subsidiaries		Associates		Key management Personnel		Other related parties	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
39.1 Balances outstanding as at the year end										
Advances										
At the beginning of the year	-	-	-	-	-	305,248	172,906	104,275	-	-
Addition during the year	-	-	-	-	-	300,000	46,068	92,848	53,170	-
Repaid during the year	-	-	-	-	-	(605,248)	(116,832)	(24,217)	(23,373)	-
At the end of the year	-	-	-	-	-	-	102,142	172,906	29,797	-
Deposits										
At the beginning of the year	66,305	66,809	1,080,927	788,343	1,135,995	510,344	7,295	34,534	257,861	264,199
Deposits during the year	-	-	503,372	1,429,377	15,952,374	32,224,078	287,847	189,459	5,052,179	5,943,782
Exchange difference	381	1,376	18	18	-	-	-	-	-	-
Withdrawal during the year	(8,336)	(1,880)	(1,526,666)	(1,136,811)	(16,344,171)	(31,598,427)	(271,578)	(216,698)	(5,009,583)	(5,950,120)
NAFA funds ceased to be associates	-	-	-	-	(200,972)	-	-	-	-	-
At the end of the year	58,350	66,305	57,633	1,080,927	543,226	1,135,995	23,564	7,295	300,457	257,861
Investment in shares / mutual funds - cost										
At the beginning of the year	-	-	4,584,741	4,790,704	1,899,518	2,097,647	-	-	184,146	191,968
Investments made during the year	-	-	-	-	-	60,000	-	-	7,286	-
Investments sold / liquidated during the year	-	-	-	(205,963)	(82,500)	(258,129)	-	-	(39,617)	(7,822)
NAFA funds ceased to be associates	-	-	-	-	(243,186)	-	-	-	-	-
At the end of the year	-	-	4,584,741	4,584,741	1,573,832	1,899,518	-	-	151,815	184,146
Investment in Term Finance Certificates - cost										
At the end of the year	-	-	-	-	-	-	-	-	978,687	-
Receivables										
At the end of the year	117	133	-	698	-	-	-	-	3,795	-
Insurance claim receivable										
At the end of the year	-	-	-	-	50,000	84,083	-	-	-	-
Payables										
At the end of the year	738	2,563	-	-	-	-	-	-	184	269
Brokerage payable										
At the end of the year	-	-	-	-	-	-	-	-	104	161
Payable to Directors										
At the end of the year	-	-	-	-	-	-	-	-	174	-
Insurance premium payable										
At the end of the year	-	-	-	-	4,691	4,691	-	-	-	-
Sub-ordinated loans										
At the end of the year	-	-	-	-	-	-	-	-	49,950	49,970

	Holding company		Subsidiaries		Associates		Key Management Personnel		Other related parties	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
39.2 Income / Expense for the year										
Mark-up / return / interest earned on advances	-	-	-	-	-	8,963	6,101	5,840	2,240	-
Mark-up / return / interest expensed on deposits	-	-	65,634	99,040	102,446	198,350	754	466	48,049	39,207
Mark-up / Return / Interest earned on Term Finance Certificates	-	-	-	-	-	-	-	-	91,251	-
Dividend income from shares / mutual funds	-	-	-	17,744	26,713	61,797	-	-	3,675	10,874
Brokerage expense	-	-	-	-	-	-	-	-	3,131	2,348
Directors remuneration	-	-	-	-	-	-	-	-	5,709	1,864
Directors travelling expense	3,418	4,694	-	-	-	-	-	-	184	-
Insurance premium expense	-	-	-	-	-	4,395	-	-	-	-
Remuneration to key management personnel	-	-	-	-	-	-	139,524	149,838	-	-
Contribution to Provident Fund	-	-	-	-	-	-	-	-	115,909	118,031
Mark-up expense on sub-ordinated loans	-	-	-	-	-	-	-	-	6,862	7,163

Last year operating fixed assets amounting to Rs. 171,383 have been purchased from PICIC Exchange Company (Private) Limited

Advance against proposed rights issue (Note 21.3)

KANAKTH

40. CAPITAL-ASSESSMENT AND ADEQUACY BASEL II SPECIFIC

40.1 Scope Of Application

Capital Adequacy Ratio (CAR) has been calculated in accordance with the guidelines given by the SBP through BSD Circular No. 8 dated June 27, 2006. The Bank has adopted the Standardized Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The current requirement for CAR is 10% as per BSD Circular No. 07 dated April 15, 2009.

40.2 Capital Structure

The Bank's regulatory capital base comprises of:

- (a) Tier I capital which includes share capital, reserves and accumulated losses / unappropriated profit
- (b) Tier II capital which consists of sub-ordinated loans (subject to 50% of eligible Tier I capital), revaluation reserves (subject to 45% of balance in revaluation reserve) and general provision for loan losses (subject to 1.25% of Risk Weighted Assets).

The issued, subscribed and paid-up capital of the Bank was Rs. 40,437.271 million as at December 31, 2010, comprising of 4,043.727 million shares of Rs. 10 each. In February 2011, the Bank announced a rights issue at discount for which the sponsor shareholder has already remitted its portion of the rights amounting to Rs. 6,352.360 million before December 31, 2010. The State Bank of Pakistan has allowed the portion of the rights already remitted by the sponsor shareholder, shown as advance against proposed rights issue, to be treated as Tier I Capital for the purposes of calculation of Capital Adequacy. For the remaining Rs. 2,222.640 million portion of the total rights issue of Rs. 8,575.000 million, the sponsor shareholder has provided an undertaking to take up any unsubscribed portion of the rights. The rights issue has been approved by the Board of Directors in their meeting held on March 01, 2011 and will be put forward for approval by the shareholders in the forthcoming Annual General Meeting of the Bank.

The sub-ordinated loans amounting to Rs. 3,996.000 million represents unsecured TFCs of the Bank. The amount raised through the issue contributed towards the Bank's Tier II capital for Capital Adequacy Ratio requirements as per the guidelines of the SBP.

Details of the Bank's regulatory capital are as under:

	Note	2010	2009
(Rupees '000')			
Tier I Capital			
Fully paid-up capital		40,437,271	40,437,271
Share premium		8,246,618	8,246,618
Advance against proposed rights issue		6,352,360	-
Statutory and general reserves		218,276	218,276
Accumulated loss		(41,592,479)	(7,258,893)
		<u>13,662,046</u>	<u>41,643,272</u>
Less:			
Goodwill and intangibles	40.2.1	2,419,147	24,860,657
Deficit on account of revaluation of investments held as available-for-sale		-	186,522
Other deductions (represents 50% of investment in subsidiary and other significant associates)	40.2.1	<u>905,416</u>	<u>61,050</u>
Total Tier I Capital		<u>10,337,483</u>	<u>16,535,043</u>
Tier II Capital			
Subordinated Debt (upto 50% of total Tier I Capital)		3,946,000	3,997,600
General Provision for loan losses (subject to 1.25% of Total Risk Weighted Assets)		952,076	232,894
Revaluation Reserves (up to 45%)		323	-
Less: Other deductions (represents 50% of investment in subsidiary and other significant associates)	40.2.1	<u>905,416</u>	<u>61,050</u>
Total Tier II Capital		<u>3,992,983</u>	<u>4,169,444</u>
Eligible Tier III Capital			
Total Regulatory Capital Base (a)		<u>14,330,466</u>	<u>20,704,487</u>

KPMGTH

40.2.1 The SBP has allowed the Bank to break its investment in PICIC Asset Management Company Limited (PICIC AMC) into tangible and other components for the purpose of calculating CAR on unconsolidated basis. The tangible assets of PICIC AMC may be treated as a single asset in the banking book and assigned 100% risk weight. The difference between cost of PICIC AMC and tangible portion would be required to be deducted from Tier I capital. This relaxation is granted from December 2010 up to and including December 2011. In 2009 the total investment of PICIC AMC was exempt from deduction.

40.2.2 In 2009, Intangible assets (other than Goodwill and Computer software) were exempted from deduction in arriving at Tier I capital. No exemption in 2010.

40.3 Capital Adequacy

The purpose of capital management at the Bank is to ensure efficient utilization of capital in relation to business requirements, growth, risk appetite, shareholders' returns and expectations.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions, regulatory requirements and the risk profile of its activities. In order to maintain or adjust the capital structure, the Bank may issue capital / Tier II securities.

The Bank's capital adequacy ratio as at December 31, 2010 was 14.73 % compared to the minimum regulatory requirement of 10 %. The Bank ensures adherence to SBP's requirements by monitoring its capital adequacy on a regular basis.

Banking operations are categorised as either Trading book or Banking book, and Risk-Weighted Assets are determined according to SBP requirements that seek to reflect the varying levels of risk attached to the Bank's On and Off-balance sheet exposures.

Collateral, if any, is used as an outflow adjustment. Risk weights notified are applied to Net Adjusted Exposure.

Cash and near Cash collateral includes Government of Pakistan securities, shares listed on the stock exchanges, cash and cash equivalents (deposits / margins, lien on deposits).

The Bank has complied with all regulatory capital requirements as at the reporting date.

The capital requirement for the Bank as per the major risk categories is indicated below:

	Capital Requirements		Risk Weighted Assets	
	2010	2009	2010	2009
	----- (Rupees '000') -----			
Credit Risk				
Corporate	3,123,936	3,595,913	31,239,360	35,959,134
Sovereign	15,981	4,520	159,811	45,204
Retail	1,334,830	2,526,923	13,348,303	25,269,230
Banks	297,586	200,249	2,975,859	2,002,495
Equity investments	124,227	989,672	1,242,268	9,896,717
Public sector entities	63,230	30,240	632,296	302,399
Past due loans	1,120,452	799,374	11,204,520	7,993,743
Claims against residential mortgage	62,833	75,086	628,330	750,860
Investments in premises, plant and equipment and all other fixed assets	271,897	311,463	2,718,974	3,114,632
Other assets	1,361,644	456,556	13,616,442	4,565,558
Off balance sheet market related exposures	56,528	37,476	565,284	374,760
	<u>7,833,144</u>	<u>9,027,472</u>	<u>78,331,447</u>	<u>90,274,732</u>
Market Risk				
Interest Rate Risk	372,617	427,603	3,726,166	4,276,027
Equity Position Risk	239,567	-	2,395,668	-
Foreign Exchange Risk	118,058	6,650	1,180,579	66,499
	<u>730,242</u>	<u>434,253</u>	<u>7,302,413</u>	<u>4,342,526</u>
Operational Risk	1,168,224	1,113,750	11,682,242	11,137,496
TOTAL	<u>9,731,610</u>	<u>10,575,475</u>	<u>97,316,102</u>	<u>105,754,754</u>

(b)

APMGT

Capital Adequacy Ratio		2010	2009
		(Rupees '000')	
Total eligible regulatory capital held		14,330,466	20,704,487
Total Risk Weighted Assets		97,316,102	105,754,754
Capital Adequacy Ratio (a) / (b)		14.73%	19.58%

40.4 Types of Exposures and ECAs used

The Bank uses external ratings from local and foreign rating agencies. The Bank has obtained ratings from the websites of External Credit Assessment Institutions (ECAIs) and followed the SBP rating grade for mapping.

Exposures	JCR-VIS	PACRA	Fitch	Moody's	Standard & Poor
Corporate	√	√	-	-	-
Sovereign	-	-	-	-	-
Retail	-	-	-	-	-
Banks	√	√	√	√	√

40.5 Credit exposure subject to Standardized Approach

Exposure	2010			
	(Rupees '000')			
	Rating Category	Amount Outstanding	Deduction CRM	Net Amount
Corporate	1	453,453	-	453,453
Corporate	2	2,520,883	86,512	2,434,371
Corporate	3,4	321,240	618	320,622
Corporate	5,6	1,144,716	48,227	1,096,489
Corporate	Unrated	30,005,899	2,039,771	27,966,128
Retail		22,153,604	4,355,867	17,797,737
Banks				
- Over 3 Months	1	3,108,021	214,328	2,893,693
- Over 3 Months	2,3	1,826,251	399,945	1,426,306
- Over 3 Months	4,5	91,480	-	91,480
- Over 3 Months	Unrated	388,014	-	388,014
- Maturity Upto and under 3 Months in FCY	1,2,3	3,854,511	-	3,854,511
- Maturity Upto and under 3 Months in FCY	4,5	-	-	-
- Maturity Upto and under 3 Months in FCY	6	-	-	-
- Maturity Upto and under 3 Months in FCY	Unrated	462,572	-	462,572
- Maturity Upto and under 3 Months in PKR		6,220,194	3,544,872	2,675,322
Public Sector Entities				
	1	2,483,157	-	2,483,157
	Unrated	1,782,456	1,511,127	271,329
Sovereign		25,045,558	7,522,558	17,523,000
Others		32,649,609	6,652	32,642,957
Total		134,511,618	19,730,477	114,781,141

KPMG

41. RISK MANAGEMENT

While the overall responsibility of risk management rests with the Board of Directors, the Bank's senior management has implemented a risk management framework with well defined policies and procedures, duly approved by the Board, for mitigating, monitoring and controlling risks.

The Board of Directors of the Bank has approved the risk management strategy of the Bank and entrusted the implementation to the Board's Risk Management Committee (BRMC).

The Integrated Risk Management Committee (IRMC) is responsible for reviewing and highlighting key risk issues that require senior management's attention. IRMC comprises of members from business units and the risk functions. An enterprise level assessment of risk composition is made at this platform and where necessary, recommendations are made to improve upon processes and procedures to further strengthen the risk framework.

Risk management heads for the business segments report to the Chief Risk Officer (CRO). The risk management heads are responsible for ensuring the implementation of the Bank's risk framework in their respective domains in line with the business model of the Bank and also in compliance with SBP guidelines.

The Bank also conducts stress testing analysis across portfolios, by anticipating changes and applying shocks of different intensity values, thereby evaluating their effects on the value of the portfolios.

41.1 Credit Risk:

Credit risk is the risk of failure by a client or counterparty to meet its contractual obligations. It is inherent in loans, commitments to lend and contingent liabilities, such as letters of credit, repurchase agreements (repos and reverse repos) and securities borrowing and lending transactions.

The objective of credit risk management by the Bank is to ensure that the risk of default by a client or counterparty is reduced to a minimum, keeping in view the risk management policies of the Bank.

The Bank has established an appropriate credit risk environment which is operating under a sound credit-granting process, maintaining an appropriate credit administration, measurement and monitoring process and ensuring adequate controls.

A credit approval process has been defined and is followed by all businesses in the Bank. Initial credit approvals and extensions are only approved by Credit Committees established at various levels. In order to measure credit risk, an internally developed rating system is followed, which addresses Basel –II requirements.

Following are the basic guiding principles of credit risk management that are embedded in the Bank and across business segments:

- Clearly defined risk management policies and procedures covering risk identification, acceptance, measurement, monitoring, reporting and control.
- A well constituted organizational structure clearly defining roles and responsibilities of individuals involved in taking as well as managing risk.
- An effective management information system that ensures flow of information from the operational level to top management and a system to address any exceptions observed.
- An effective mechanism to ensure an ongoing review of systems, policies and procedures for risk management and procedures to adopt changes.
- Review of portfolios by BRMC on a quarterly basis and by IRMC on a monthly basis to evaluate the health of the portfolio.

KPMSTH

41.1.1 Segmental Information

41.1.1.1 Segments by class of business

	2010					
	Advances (Gross)		Deposits		Contingencies and Commitments	
	(Rupees '000')	Percent	(Rupees '000')	Percent	(Rupees '000')	Percent
Agriculture, Forestry, Hunting and Fishing	2,127,690	2.16	431,118	0.43	-	-
Automobile and Transportation Equipment	1,221,195	1.24	935,411	0.94	108,042	0.07
Cement, Glass and Ceramics	3,575,306	3.64	60,977	0.06	675,470	0.44
Chemicals and Pharmaceuticals	2,070,425	2.11	4,099,027	4.13	1,531,219	1.00
Construction	905,621	0.92	1,173,911	1.18	555,261	0.36
Electronics and Electrical Appliances	1,925,757	1.96	377,179	0.38	273,257	0.18
Engineering	593,436	0.60	457,706	0.46	1,215,419	0.80
Exports / Imports	2,639,680	2.68	667,950	0.67	378,194	0.25
Financial	520,367	0.53	6,397,046	6.45	130,811,534	85.77
Food and Beverages	9,819,615	9.98	659,112	0.66	1,081,074	0.71
Footwear and Leather Garments	1,055,048	1.07	115,638	0.12	34,616	0.02
Individuals	7,863,276	8.00	47,530,178	47.93	344,781	0.23
Insurance	-	-	259,553	0.26	-	-
Mining and Quarrying	244,304	0.25	1,928,351	1.94	74,453	0.05
Non Profit Organizations / Trusts	150,659	0.15	2,872,553	2.90	1,875	0.00
Oil and Gas	2,396,384	2.44	3,048,037	3.07	2,416,949	1.58
Paper and Printing	1,644,292	1.67	423,663	0.43	320,503	0.21
Power, Gas, Water, Sanitary	2,606,707	2.65	4,255,100	4.29	828,234	0.54
Services	4,549,830	4.63	2,988,233	3.01	521,661	0.34
Sugar	1,828,795	1.86	35,553	0.04	2,049	0.00
Textile	30,938,690	31.46	783,430	0.79	7,553,526	4.95
Transport, Storage and Communication	2,480,832	2.52	8,921,680	9.00	992,311	0.65
Wholesale and Retail Trade	9,519,320	9.68	2,530,102	2.55	1,323,278	0.87
Others	7,667,325	7.80	8,217,865	8.29	1,468,218	0.96
	<u>98,344,554</u>	<u>100</u>	<u>99,169,373</u>	<u>100</u>	<u>152,511,924</u>	<u>100</u>

	2009					
	Advances (Gross)		Deposits		Contingencies and Commitments	
	(Rupees '000')	Percent	(Rupees '000')	Percent	(Rupees '000')	Percent
Agriculture, Forestry, Hunting and Fishing	400,966	0.40	1,261,982	1.34	1,400	0.00
Automobile and Transportation equipment	731,475	0.73	142,459	0.15	142,596	0.12
Cement, Glass and Ceramics	2,639,775	2.64	211,520	0.23	848,778	0.68
Chemicals and Pharmaceuticals	2,322,143	2.32	1,469,676	1.56	982,228	0.80
Construction	1,051,582	1.05	1,153,125	1.23	739,228	0.60
Electronics and Electrical Appliances	1,749,316	1.75	198,077	0.21	473,028	0.38
Engineering	675,273	0.68	808,232	0.86	94,771	0.08
Exports / Imports	4,211,060	4.21	-	-	559,060	0.45
Financial	615,094	0.62	6,354,607	6.77	104,928,437	84.96
Food and Beverages	5,714,534	5.71	431,578	0.46	-	-
Footwear and Leather Garments	1,329,954	1.33	384,687	0.41	81,566	0.07
Individuals	9,953,453	9.95	43,199,123	46.00	282,525	0.22
Insurance	-	-	398,623	0.42	200	0.00
Mining and Quarrying	460,427	0.46	1,448,910	1.54	34,695	0.03
Non Profit Organizations / Trusts	855	0.00	5,023,090	5.35	-	-
Oil and Gas	363,584	0.36	3,664,433	3.90	109,252	0.09
Paper and Printing	1,338,753	1.34	187,453	0.20	302,987	0.25
Power, Gas, Water, Sanitary	2,586,385	2.59	2,204,557	2.35	1,993,607	1.61
Services	4,794,963	4.80	4,289,991	4.57	616,485	0.49
Sugar	2,109,984	2.11	139,413	0.15	19,426	0.02
Textile	30,280,691	30.28	962,298	1.02	4,494,888	3.64
Transport, Storage and Communication	1,827,523	1.83	6,972,624	7.42	2,161,623	1.75
Wholesale and Retail Trade	14,238,474	14.24	3,155,490	3.36	1,444,698	1.17
Others	10,604,493	10.60	9,857,857	10.50	3,193,709	2.59
	<u>100,000,757</u>	<u>100</u>	<u>93,919,805</u>	<u>100</u>	<u>123,505,187</u>	<u>100</u>

KPMGTH

2010

41.1.1.2 Segment by sector	Advances (Gross)		Deposits		Contingencies and Commitments	
	(Rupees '000')	Percent	(Rupees '000')	Percent	(Rupees '000')	Percent
	Public / Government	10,904,387	11.09	12,069,277	12.17	3,076,217
Private	87,440,167	88.91	87,100,096	87.83	149,435,707	97.98
	98,344,554	100	99,169,373	100	152,511,924	100

2009

41.1.1.2 Segment by sector	Advances (Gross)		Deposits		Contingencies and Commitments	
	(Rupees '000')	Percent	(Rupees '000')	Percent	(Rupees '000')	Percent
	Public / Government	5,777,183	5.78	12,131,321	12.92	2,245,237
Private	94,223,574	94.22	81,788,484	87.08	121,259,950	98.18
	100,000,757	100	93,919,805	100	123,505,187	100

41.1.1.3 Details of non-performing advances and specific provisions by class of business segment

	2010		2009	
	Classified Advances	Specific Provisions Held	Classified Advances	Specific Provisions Held
	(Rupees '000')			
Agriculture, Forestry, Hunting and Fishing	54,049	15,513	35,791	4,733
Automobile and Transportation Equipment	466,555	436,401	368,430	368,430
Cement, Glass and Ceramics	1,339,892	938,969	1,071,888	759,816
Chemicals and Pharmaceuticals	314,336	198,010	345,711	237,654
Construction	426,022	133,472	342,789	103,274
Electronics and Electrical Appliances	515,794	307,383	261,762	214,089
Engineering	270,381	121,485	616,824	532,536
Financial	182,079	73,066	4,995	3,527
Food and Beverages	1,060,392	756,651	318,148	261,955
Footwear and Leather Garments	340,708	268,207	69,376	66,076
Individuals	1,778,291	826,009	1,997,960	675,157
Mining and Quarrying	48,493	34,819	5,521	716
Oil and Gas	359,101	328,832	9,851	7,337
Paper and Printing	591,339	358,062	191,736	175,517
Power, Gas, Water, Sanitary	646,083	371,953	439,881	236,146
Services	2,131,558	1,096,966	349,259	179,243
Sugar	1,272,914	816,713	1,129,272	791,249
Textile	11,212,276	8,620,131	11,087,571	8,658,417
Transport, Storage and Communication	1,070,183	807,245	814,417	669,334
Wholesale and Retail Trade	6,041,388	3,962,528	3,068,280	1,334,106
Others	4,589,634	2,354,048	900,064	467,145
	34,711,468	22,826,463	23,429,526	15,746,457

41.1.1.4 Details of non-performing advances and specific provisions by sector

	2010		2009	
	Classified Advances	Specific Provisions Held	Classified Advances	Specific Provisions Held
	(Rupees '000')			
Public / Government	-	-	-	-
Private	34,711,468	22,826,463	23,429,526	15,746,457
	34,711,468	22,826,463	23,429,526	15,746,457

KPMSTH

2010

	Profit / (Loss) before taxation	Total assets employed	Net assets employed	Contingencies and commitments
	----- (Rupees '000') -----			

41.1.1.5 Geographical Segment Analysis

Pakistan	(12,621,557)	164,350,039	13,662,765	152,511,924
----------	--------------	-------------	------------	-------------

2009

Pakistan	644,071	208,118,963	41,528,245	123,505,187
----------	---------	-------------	------------	-------------

41.2 Market Risk

Market risk is primarily composed of price risk and arises out of treasury trading and investment activities. It is the risk that the value of on and off balance sheet positions of the Bank will be adversely affected by movements in market rates or prices.

The Bank recognizes that it may be exposed to market risk in a variety of ways. Market risk exposure may be explicit in the portfolio of equities and foreign currencies that are actively traded. Conversely, it may be implicit, such as interest rate risk due to mismatch of loans and deposits. Market risk may also arise from activities categorized as off balance sheet items.

41.2.1 Foreign Exchange Risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The core objective of foreign exchange risk management is to ensure that the exposure of the Bank remains within desired levels of risk appetite.

Furthermore, the Bank monitors Value at Risk (VaR) and Price Value Basis Point (PVBP) for the foreign exchange portfolio in order to estimate any potential losses due to changes in price. The Bank also monitors maturity mismatch gaps to identify any potential risks.

The Bank has implemented global / regulatory best practices in order to manage the inherent risk of product and market, such as credit limits, monitoring of foreign exchange exposure limits, review of mark to market portfolio etc.

2010

	Assets	Liabilities	Off Balance sheet items	Net foreign currency exposure
	----- (Rupees '000') -----			
Pakistan Rupee	155,385,408	144,575,893	1,307,404	12,116,919
United States Dollar	8,032,243	4,234,598	(2,322,995)	1,474,650
Great Britain Pound	221,540	1,018,965	843,190	45,765
Euro	671,042	848,178	172,401	(4,735)
Japanese Yen	18,618	12	-	18,606
Swiss Franc	5,569	752	-	4,817
Others	15,619	8,876	-	6,743
	164,350,039	150,687,274	-	13,662,765

2009

	Assets	Liabilities	Off Balance sheet items	Net foreign currency exposure
	----- (Rupees '000') -----			
Pakistan Rupee	199,501,186	158,625,175	511,563	41,387,574
United States Dollar	7,910,822	5,428,190	(2,476,479)	6,153
Great Britain Pound	177,869	1,299,944	1,182,588	60,513
Euro	477,273	1,209,010	782,328	50,591
Japanese Yen	11,059	5	-	11,054
Swiss Franc	23,957	19,861	-	4,096
Others	16,797	8,533	-	8,264
	208,118,963	166,590,718	-	41,528,245

KPMG TM

41.2.2 Equity price risk and Fixed Income rate risk

The Bank has a set of approved notional & dealer limits for managing risk across the trading & banking book. Furthermore bank has also established sensitivity base limit (DVO1) for monitoring treasury portfolio. In order to manage the market risk in the trading book, the Bank periodically applies a VaR methodology to assess the market risk positions held. Currently the Bank is using variance covariance model for calculating VaR across both the equity & fixed income portfolios.

Equity Price Risk is the risk to earnings or capital that results from adverse changes in the value of equity related portfolios of the Bank. Price risk associated with equities could be systemic or idiosyncratic. The Bank is also using Market Risk tools such as Alpha, Beta and Sharpe ratio for risk measurement and assessment.

Fixed income securities are subject to the risk of price volatility due to interest rate movements. Fixed rate debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. The Bank is using Market Risk tools such as PVBP, Duration, Parallel shift and Non Parallel shift for risk measurement and assessment.

41.2.3 Mismatch of Interest Rate Sensitive Assets and Liabilities

	Effective Yield / Interest rate	Exposed to Yield/ Interest risk									Non-interest bearing financial instruments	
		2010										
		Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years		Above 10 Years
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	0.00%	8,836,449	1,034,595	-	-	-	-	-	-	-	-	7,801,854
Balances with other banks	0.00%	2,951,479	2,641,522	-	-	-	-	-	-	-	-	309,957
Lending to financial institutions	12.11%	6,429,166	5,650,258	778,908	-	-	-	-	-	-	-	-
Investments	10.10%	51,789,035	1,261,164	24,445,215	6,438,990	6,227,196	889,674	3,235,181	1,704,227	289,342	306,563	6,991,483
Advances	12.31%	74,566,015	10,893,113	49,442,712	4,327,109	1,696,181	2,876,093	2,209,288	1,899,236	708,186	514,097	-
Other assets	-	3,449,633	-	-	-	-	-	-	-	-	-	3,449,633
		148,021,777	21,480,652	74,666,835	10,766,099	7,923,377	3,765,767	5,444,469	3,603,463	997,528	820,660	18,552,927
Liabilities												
Bills payable	-	1,335,493	-	-	-	-	-	-	-	-	-	1,335,493
Borrowings	11.46%	42,361,934	28,563,313	7,513,257	4,468,556	200,912	376,794	329,268	656,699	253,135	-	-
Deposits and other accounts	6.59%	99,169,373	10,937,759	16,839,285	36,699,048	9,172,595	305,670	215,272	18,589	134	-	24,981,021
Sub-ordinated loans	13.72%	3,996,000	-	-	3,996,000	-	-	-	-	-	-	-
Other liabilities	-	3,582,055	-	-	-	-	-	-	-	-	-	3,582,055
		150,444,855	39,501,072	24,352,542	45,163,604	9,373,507	682,464	544,540	673,288	253,269	-	29,898,569
On-balance sheet gap		(2,423,078)	(18,020,420)	50,314,293	(34,397,505)	(1,450,130)	3,083,303	4,899,929	2,928,175	744,259	820,660	(11,345,642)
Off-balance sheet financial instruments												
Foreign exchange contracts - purchase		66,004,625	24,112,287	22,501,915	17,536,494	1,853,929	-	-	-	-	-	-
Foreign exchange contracts - sale		67,312,030	28,820,121	24,938,063	13,553,846	-	-	-	-	-	-	-
Off-balance sheet gap		(1,307,405)	(4,707,834)	(2,436,148)	3,982,648	1,853,929	-	-	-	-	-	-
Total Yield / Interest Rate Risk Sensitivity Gap		(22,728,254)	47,878,145	30,883,303	(30,414,857)	403,799	3,083,303	4,899,929	2,928,175	744,259	820,660	(11,345,642)
Cumulative Yield / Interest Rate Risk Sensitivity Gap		(22,728,254)	25,149,891	(1,777,864)	(5,264,966)	(4,861,167)	(1,777,864)	3,122,065	6,050,240	6,794,499	7,615,159	(3,730,483)

KPMG

Effective Yield / Interest Rate	Exposed to Yield/ Interest risk								Non-interest bearing financial instruments
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	

On-balance sheet financial instruments

Assets	8,834,275	1,233,705	-	-	-	-	-	-	-	-	-	7,600,570
Cash and balances with treasury banks	3,683,783	3,310,429	-	-	-	-	-	-	-	-	-	373,354
Balances with other banks	5,681,887	5,321,887	360,000	-	-	-	-	-	-	-	-	-
Lending to financial institutions	62,432,977	100,015	3,367,623	18,909,992	24,988,256	1,405,060	889,667	4,958,972	46,236	628,668	7,138,488	-
Investments	84,021,406	7,619,594	48,894,939	12,592,539	2,262,002	3,985,726	3,115,557	3,973,945	899,647	677,457	-	-
Advances	5,352,971	-	470,832	-	-	-	-	-	-	-	-	4,882,139
Other assets	17,585,630	17,585,630	52,622,562	31,973,363	27,250,258	5,390,786	4,005,224	8,932,917	945,883	1,306,125	19,994,551	-

Liabilities

Liabilities	1,574,207	45,121,109	5,780,925	9,498,678	270,770	387,841	337,411	-	-	-	-	1,574,207
Bills payable	62,523,365	11,506,674	18,819,204	32,767,986	4,650,751	780,000	361,388	240,402	-	-	-	-
Borrowings	93,919,805	3,997,600	3,997,600	-	-	-	-	-	-	-	-	24,793,400
Deposits and other accounts	3,997,600	-	-	-	-	-	-	-	-	-	-	-
Sub-ordinated loans	3,808,217	-	-	-	-	-	-	-	-	-	-	3,808,217
Other liabilities	165,823,194	56,627,783	28,597,729	42,266,664	4,921,521	1,167,841	698,799	1,101,421	265,612	-	-	30,175,824
On-balance sheet gap	4,184,105	(39,042,153)	24,024,833	(10,293,301)	22,328,737	4,222,945	3,306,425	7,831,496	680,271	1,306,125	(10,181,273)	-

Off-balance sheet financial instruments

Foreign exchange contracts - purchase	54,098,436	16,997,554	28,754,551	7,378,361	967,970	-	-	-	-	-	-	-
Foreign exchange contracts - sale	54,609,998	18,178,682	29,944,602	6,486,714	-	-	-	-	-	-	-	-
Off-balance sheet gap	(511,562)	(1,181,128)	(1,190,051)	891,647	967,970	-	-	-	-	-	-	-
Total Yield / Interest Rate Risk Sensitivity Gap	(40,223,281)	22,834,782	(9,401,654)	23,296,707	4,222,945	4,222,945	3,306,425	7,831,496	680,271	1,306,125	(10,181,273)	-
Cumulative Yield / Interest Rate Risk Sensitivity Gap	(40,223,281)	(17,388,499)	(26,790,153)	(3,493,446)	(3,493,446)	729,499	4,035,924	11,867,420	12,547,691	13,853,816	3,672,543	-

41.3**Liquidity Risk**

Liquidity risk exposure is the risk caused, among others, by the inability of the Bank to settle its liabilities on their due dates.

The Bank's objective of liquidity management is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

The liquidity risk policy is formulated keeping in view SBP's guidelines on risk management and international best practices. The Bank maintains its liquidity by keeping a level of liquid assets that is considered sufficient to settle its obligations when due.

The Bank manages its liquidity risk through

- Controlling the cash flow mismatch between on- and off-balance sheet assets and liabilities;
- Maintaining stable and diversified sources of funding;
- Ensuring the Bank has the right asset portfolio mix and sufficient liquid assets on hand in relation to its daily cash flows.

KPMG

The Bank carries out careful monitoring and control of the daily liquidity position, and regular liquidity stress testing under a variety of scenarios. Scenarios encompass both normal and stressed market conditions, including general market crises and the possibility that access to markets could be impacted by a stress event affecting some part of the Bank's business. Exposure to liquidity risk is also monitored through regular review of liquidity risk limits and escalation of any liquidity risk limit excesses to senior management.

41.3.1 Maturities of Assets and Liabilities

	2010								
	Total	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Assets									
Cash and balances with treasury banks	8,836,449	-	-	-	-	-	-	-	-
Balances with other banks	2,951,479	-	-	-	-	-	-	-	-
Lending to financial institutions	6,429,166	778,908	-	-	-	-	-	-	-
Investments	51,789,035	25,167,345	1,539,302	6,362,527	1,122,503	4,309,570	4,368,873	1,642,224	6,015,528
Advances	74,566,015	8,575,231	4,829,904	2,580,891	4,034,919	3,435,273	3,346,101	1,016,741	662,429
Operating fixed assets	2,718,975	22,924	72,175	122,037	197,288	147,295	207,813	264,604	1,588,829
Intangible assets	2,419,148	30,818	92,291	183,606	345,735	324,494	600,033	780,537	-
Deferred tax assets	9,480,983	42,219	126,648	253,806	374,940	501,292	2,512,240	6,188,468	(603,062)
Other assets	5,158,789	419,205	181,170	21,827	323,368	297,119	583,235	11,971	-
	164,350,039	65,299,041	6,841,490	9,524,694	6,398,753	9,015,043	11,618,295	9,904,545	7,663,724
Liabilities									
Bills payable	1,335,493	1,335,493	-	-	-	-	-	-	-
Borrowings	42,361,934	28,563,313	4,468,556	200,912	376,794	329,268	656,699	253,135	-
Deposits and other accounts	99,169,373	16,839,285	2,926,695	9,172,595	305,670	215,272	18,589	134	-
Sub-ordinated loans	3,996,000	800	-	800	1,600	666,200	2,661,300	665,300	-
Other liabilities	3,824,474	1,192,664	401,424	579,639	28,664	15,412	2,370	76,115	-
	150,687,274	100,782,603	7,796,675	9,953,946	712,728	1,226,152	3,338,958	994,684	-
Net assets	13,662,765	(35,483,562)	(955,185)	(429,252)	5,686,025	7,788,891	8,279,337	8,909,861	7,663,724
Share capital	40,437,271								
Reserves	8,464,894								
Accumulated loss	(41,592,479)								
Shareholders' equity	7,309,686								
Advance against proposed rights issue	6,352,360								
	13,662,046								
Surplus on revaluation of assets - net	719								
	13,662,765								

The above maturity profile has been prepared in accordance with International Financial Reporting Standard 7, Financial Instruments: Disclosures, based on contractual maturities. Consequently, all demand assets and liabilities such as running finance, current accounts and saving accounts are shown as having a maturity upto one month. However, based on historical behaviour, management is of the opinion that the possibility of these inflows / outflows actually occurring entirely within one month is remote, as these flows normally occur over a period of one month to three years.

KPMG

2009

Total	(Rupees '000')									
	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	
Assets										
Cash and balances with treasury banks	8,834,275	-	-	-	-	-	-	-	-	-
Balances with other banks	3,683,783	-	-	-	-	-	-	-	-	-
Lending to financial institutions	5,321,887	360,000	-	-	-	-	-	-	-	-
Investments	62,432,977	4,295,301	14,819,419	25,131,865	1,718,946	2,104,939	7,551,037	373,751	6,337,702	-
Advances	84,021,406	3,597,391	10,427,559	2,314,047	5,707,139	4,666,797	5,058,361	1,521,940	787,294	-
Operating fixed assets	3,114,632	144,940	130,297	251,020	294,030	194,151	233,384	197,053	1,623,473	-
Intangible assets	26,943,271	61,517	91,976	183,395	360,624	338,012	622,873	1,032,378	24,221,472	-
Deferred tax assets	6,474,384	248,479	360,013	1,173,929	1,434,017	1,434,017	2,430,441	(999,999)	269,249	-
Other assets	6,932,348	4,615,070	386,328	1,048,211	102,246	38,483	61,254	3,487	-	-
	208,118,963	68,759,455	26,215,592	30,102,467	9,617,002	8,776,399	15,957,350	2,128,810	33,239,190	-
Liabilities										
Bills payable	1,574,207	-	-	-	-	-	-	-	-	-
Borrowings	62,523,365	5,780,925	9,498,678	270,770	387,841	337,411	861,019	265,612	-	-
Deposits and other accounts	93,919,805	18,819,204	2,293,690	4,650,751	780,000	361,388	240,402	-	-	-
Sub-ordinated loans	3,997,600	800	-	800	1,600	1,600	1,996,800	1,996,000	-	-
Other liabilities	4,575,741	2,014,137	211,230	319,281	145,472	33,336	19,121	73,738	-	-
	166,590,718	115,229,112	12,003,598	5,241,602	1,314,913	733,735	3,117,342	2,335,350	-	-
Net assets	41,528,245	(46,469,657)	14,211,994	24,860,865	8,302,089	8,042,664	12,840,008	(206,540)	33,239,190	-
Share capital	40,437,271									
Reserves	8,464,894									
Accumulated Loss	(7,258,893)									
Deficit on revaluation of assets - net	41,643,272									
	(115,027)									
	41,528,245									

The above maturity profile has been prepared in accordance with International Financial Reporting Standard 7, Financial Instruments: Disclosures, based on contractual maturities. Consequently, all demand assets and liabilities such as running finance, current accounts and saving accounts are shown as having a maturity upto one month. However, based on historical behaviour, management is of the opinion that the possibility of these inflows / outflows actually occurring entirely within one month is remote, as these flows normally occur over a period of one month to three years.

KPMG

41.4 Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Bank seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor, control and report such risks.

The key objectives of Operational Risk measurement and management include:

- Ensuring continued solvency of the Bank through capital adequacy and enhanced understanding and management of significant operational risk exposures.
- Ensuring that customer impact is minimized through proactive and focused risk management practices.
- Ensuring senior management attention on significant operational risk exposure areas and that risk mitigation is given prioritized focus.

The IRMC has the responsibility to supervise and direct the management of operational risks and key operational risk exposures. The IRMC is also responsible for ensuring that adequate and appropriate policies and procedures are in place for the identification, assessment, monitoring, control and reporting of operational risks.

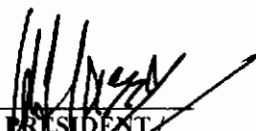
The Bank has undertaken the following high-level strategic initiatives for the effective implementation of Operational Risk Management:

- Recruiting skilled resources for Operational Risk Management
- Developing policies, procedures and defining end to end information flow to establish a vigorous governance infrastructure.

42. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on March 01, 2011 by the Board of Directors of the Bank.

KPMG/TH



PRESIDENT
CHIEF EXECUTIVE
4K



CHAIRMAN /
DIRECTOR



DIRECTOR



DIRECTOR

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure I
(Rupees '000')

S.No	Name & Address of borrower	Name of Individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Principal Written off	Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others				
1	ADIL TRADERS, 16-S-23 MEHMOOD ROAD NEW SAMNABAD LAHORE	IMRAN MALIK	35202-2870670-7	MALIK ZIA UD DIN	665	327	-	665	327	-	992
2	COSMOS MARKETING, H NO. 24 LMH COLONY, LAHORE	M KHALID IDRIES	35201-1002619-1	M IDRIES	657	377	-	657	377	-	1,034
3	ADNAN AMJAD, SUITE# 408/409 4TH FLOOR, BUISNESS ARCADE SHAHRA-I-FASIAL, KARACHI	ADNAN AJMAD	244-76-650936	Amjad Michmoed	1,397	-	-	1,397	-	-	1,397
4	GULSHAN/ RAFIQA BANO, C-1 AL-ZEHRA APARTMENTS 306/2 GARDEN EAST KARACHI	GULSHAN/ RAFIQA BANO	42201-0424805-2	Akbar Ali Hussain	1,683	-	-	1,683	-	-	1,683
5	CITY MEDICAL CENTRE, SNPA-10, SIRAJUDDOLA ROAD OFF. SHAHEED-E-MILLAT ROAD KARACHI	Nadeem Akhtar Siddiqui	42201-0719697-3	Masood Ul Nabi Siddiqui	704	-	-	704	-	-	704
6	Loyds Sons (Pvt) Ltd	Saeed Saharan	34603-8500918-5	M Hussain	1,063	-	-	1,063	-	-	1,063
7	ISHAQ CARPETS, 11/5 EMPRESS ROAD	Chan Zaib	13501-1337203-7	Mohammad Yaqoob	750	-	-	750	-	-	750
8	Nisar Ud Din, 199-RAVI PARK RAVI ROAD	Nisar Ud Din	270-88-441211	M.Amir Bakhsh	958	-	-	958	-	-	958
9	Seven Star Transport Co., House # 5,3, Block # 1, Shop # 9, Shireen Jinnah Colony., Karachi, Sindh	Mohammad Hanif	602-88-077265	Haji Safer Khan	677	242	-	677	242	-	919
10	MUHAMMAD ASLAM GULZA, FLAT NO. 1A-20, AZHAR APARTMENT 54 GARDEN WEST KARACHI	MUHAMMAD ASLAM GULZA	42301-1043203-1	Gulzar Mohammad	872	-	-	872	-	-	872
11	AL-MADINA GRINDING COMPANY, House No. 453, Main Boulevard Defence Near Adil Hospital Lahore	MUHAMMAD MASOOD	35201-1380814-3	Muhammad yousaf	2,670	-	-	2,670	-	-	2,670
12	M/s A.K Embroidery, 39-KM Mullan Tokhar Niaz Baig, Lahore	Ahmad Kamal	35202-3649270-9	Zafar Iqbal	679	354	-	679	354	-	1,033
13	M/s Wind Mill Restaurant, 89-A-B II Gulberg III, Lahore	Rao Naveed Yasin	231-89-126638	Rao M Yaseen	1,071	263	-	1,071	263	-	1,334
14	Nasreen Javed, 555, DOLIS-II Gujranwal Cantt III, Lahore	Mrs. Nasreen Javed & M Javed Rubbani	34101-5411472-6/34101-9578411-1	W/o M Javed Rabbani & S/o Ch Ayub Rabbani	934	-	-	934	-	-	934

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure I
(Rupees '000')

S.No	Name & Address of borrower	Name of Individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Principal Written off	Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others				
15	Bismillah Fabrics, 602/E-4-Z, Street No. 06, Ghousia Colony Walton Road, Lahore	Mr. Iftikhar Nawaz Qadri	35201-1850455-1	M Nawaz Bhatti	1,111	1,276	-	2,387	1,111	1,276	2,387
16	UNION SOCKS PVT LTD, 1ST FLOOR MARRIUM CHAMBER AKHUND A. REHMAN STREET JODIA BAZAR KARACHI	Younus Mandviwala	42301-0853875-5	Qasim Mandviwala	750	-	-	750	750	-	750
17	Al Falah Feed, 137, Sullan Park Lahore	Tahir Iqbal	35103-1374891-1	Nazir Ahmed	986	588	-	1,574	986	588	1,574
18	WAHID OIL MILLS, Plot # 837 / 338 Koli Mar Nawabshah	Zulfiqar Ali Satho	45402-3094997-9	Wahid Buksh Satho	3,999	-	-	3,999	3,999	-	3,999
19	M/s Sitara Toor, H No. 162, Unit No. 8, Block B/2, Haiderabad Tehsil Latifaabad District Haiderabad	Muhammad Rafique	41304-2963245-5	Ghulam Muhammad	1,635	-	-	1,635	1,635	-	1,635
20	M/s Sitara Toor, H No. 162, Unit No. 8, Block B/2, Haiderabad Tehsil Latifaabad District Haiderabad	Muhammad Rafique	41304-2963245-5	Ghulam Muhammad	505	-	-	505	505	-	505
21	Muhammad Azeem, Shop No. 1/57 Tufail Market, Shadan Main Market, Lahore	M Azeem	35202-7025039-7	Ejaz Hussain	771	905	-	1,676	771	905	1,676
22	Muhammad Shahab Siddiqui, H # 997-Z, street # 27, Phas III DHA Lahore	Muhammad Shahab Siddiqui	42201-0657101-9	Abdul Wahab Siddiqui	672	-	-	672	672	-	672
23	M. Ikhtlaq Butt, House # 164, Block-C/1, Nespak Employees Cooperative Housing Society Limited, Lahore	Muhammad Ikhtlaq Butt	35202-1457262-3	Abdul Rehman	700	-	-	700	700	-	700
24	FAZ HUSSAIN, MULTAN	FAZ HUSSAIN	36603-3085289-9		643	51	-	694	643	51	694
25	SAJID KHURSHIED, STREET NO 8 SIALVI COLONY, FAISALABAD	SAJID KHURSHIED	33100-3571666-9	KHURSHIED AHMED	722	66	-	788	722	66	788
26	AMEER KHAN, BUSINESS RECORDER ROAD, LASBELA PATEL PARA, KARACHI	AMEER KHAN	42401-1606715-9	MOHAMMAD JAN	724	121	-	845	724	121	845
27	KASHIF ELLAHI, PAPOSH NAGAR, NAZIMABAD, KARACHI	KASHIF ELLAHI	42101-5309082-3	MIRHBOOB ELLAHI	691	115	-	806	691	115	806
28	SHEIKH MUHAMMAD WASEEM, MULTAN	SHEIKH MUHAMMAD WASEEM	36302-9259499-3	SHEIKH NAMEET ALI	1,200	201	-	1,401	1,200	201	1,401
29	ZEESHAN UDDIN, BLOCK 8, AZIZABAD F B AREA, KARACHI	ZEESHAN UDDIN	42101-0935498-3	AZIZ UDDIN	1,987	332	-	2,319	1,987	332	2,319
30	SYED HAMID HASAN, BLOCK S, NORTH NAZIMABAD, KARACHI	SYED HAMID HASAN	42101-6425308-9	SYED SHARIF HASAN RIZVI	973	162	-	1,135	973	162	1,135

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure I
(Rupees '000')

S.No	Name & Address of borrower	Name of Individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Principal Written off	Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others				
31	IKRAM AFZAL, BLOCK B NAWAB COLONY, ITIHAD TOWN BALDIA TOWN, KARACHI	IKRAM AFZAL	42401-2002071-3	MUHAMMAD AFZAL	695	116	-	695	116	-	811
32	SAIFULLAH KHAN, GREEN PARK, CITY QUADABAD, KARACHI	SAIFULLAH KHAN	42201-3089615-5	GULADAM	724	121	-	724	121	-	845
33	QAZI NADIM ULLAH, BLOCK 16, GULISTAN-I-JAUHAR, KARACHI	QAZI NADIM ULLAH	42201-1197087-3	QAZI MATHEEN ULLAH	730	122	-	730	122	-	852
34	WAQAR AHMAD MALIK, MULTAN	WAQAR AHMAD MALIK	32203-6169610-1		505	41	-	505	41	-	546
35	ZULFIQAR AHMED, MOHALAH SHALIMAR LAREX SCHEME, MUGHIAL PURA, LAHORE	ZULFIQAR AHMED	35201-3051049-7	MUHAMMAD RAMZAN	712	51	-	712	51	-	763
36	MARATAB ALI, LAHORE	MARATAB ALI	35202-2833152-7		698	57	-	698	57	-	755
37	MUHAMMAD WASIM, FATEH GARH, MUGHIAL PURA, LAHORE	MUHAMMAD WASIM	35201-1516163-7	ABDUL RASHID	633	52	-	633	52	-	685
38	FAISAL AHMED SIDDIQUI, KARACHI	FAISAL AHMED SIDDIQUI	42101-9468767-9		612	50	-	612	50	-	662
39	SYED TASNEEM HUSSAIN ZAIDI, BLOCK 20, F B AREA, KARACHI	SYED TASNEEM HUSSAIN ZAIDI	42101-1855151-7	SYED MUZAHIR HUSSAIN ZAIDI	754	67	-	754	67	-	821
40	MUHAMMAD YASIR KIYANI, RAWALPINDI	MUHAMMAD YASIR KIYANI	82202-5211021-5		691	63	-	691	63	-	754
41	FAISAL MAHMOOD, STREET #12, BAHADURABAD, KARACHI	FAISAL MAHMOOD	42201-4055531-1	CHOUDHRY AHMED KHAN	525	45	-	525	45	-	570
42	MUHAMMAD AKBAR, KAHNA NAU, FEROFPUR ROAD, LAHORE	MUHAMMAD AKBAR	35201-7573629-5	NOOR MUHAMMAD	941	157	-	941	157	-	1,098
43	MUHAMMAD REHAN, ALI BASTI FAROOQ ABAD, GULBAHAR NO 01 GOLIMAR, KARACHI	MUHAMMAD REHAN	42101-1845914-7	MUHAMMAD RAMZAN	965	161	-	965	161	-	1,126
44	ADEEL BUTT, LAHORE	ADEEL BUTT	35202-2388970-1	JAHANGIR BUTT	1,068	178	-	1,068	178	-	1,246
45	NAVEED AKRAM, REHMAT ULLAH TOWN, OKARA	NAVEED AKRAM	35302-5115589-7	MUHAMMAD AKRAM	688	100	-	688	100	-	788
46	MUHAMMAD HANIF, MULTAN	MUHAMMAD HANIF	36302-0451591-7	FUMER DIN	745	124	-	745	124	-	869
47	UMAR AZIZ, BLOCK NO L, NORTH NAZIMABAD, KARACHI	UMAR AZIZ	42101-9812590-3	SHEIKH ABDUL AZIZ	980	163	-	980	163	-	1,143
48	MUHAMMAD AFZAL, SARGODHA	MUHAMMAD AFZAL	38403-5429407-9	MUHAMMAD IKRAM URFI BABU	729	122	-	729	122	-	851

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure 1
(Rupees '000')

S.No	Name & Address of borrower	Name of Individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC. No.		Principal	Accrued Markup	Others			
49	MUHAMMAD RASHID,UMER PLAZA KAIRY ROAD, GHANCIH PARA, KARACHI	MUHAMMAD RASHID	42301-3498181-3	MUHAMMAD ISHIAQ	730	122	-	730	122	852
50	IRSHAD BEGUM, DEFENCE, LAHORE	IRSHAD BEGUM	35202-9238411-4	M RAZK BUTT	658	47	-	658	47	705
51	YASIR BUTT, NEW UNION PARK, NEW SAMANABAD, LAHORE	YASIR BUTT	35202-8861426-5	MUHAMMAD IKRAM BUTT	648	59	-	648	59	707
52	MUHAMMAD FARHAN ANSARI, BLOCK 1, F B AREA SHARIF ABAD, KARACHI	MUHAMMAD FARHAN ANSARI	42101-8606802-5	MUHAMMAD SHARIF	572	42	-	572	42	614
53	MAUZAM NASIR, SANT NAGAR,OUT FALL ROAD, LAHORE	MAUZAM NASIR	35202-7084996-1	MNAVAT ULLAH BHATTI	599	56	-	599	56	655
54	ABDUL MAJEED, MOHALLAH KHAIBER COLONY, ZARAR SHAHEER ROAD, LAHORE	ABDUL MAJEED	35201-8238603-7	BARHAT ALI	2,522	1,122	-	2,522	1,122	3,644
55	HUMAYUN SIDDIQ, BLOCK 18, GULSHAN-E-IQBAL, KARACHI	HUMAYUN SIDDIQ	42201-0361123-1	MUHAMMAD SIDDIQ	719	120	-	719	120	839
56	MUHAMMAD AHMED SIDDIQUI, NEAR JAMIA MOSQUE NOORI, MULTAN	MUHAMMAD AHMED SIDDIQUI	36302-0476614-3	KHAWAJA IJANIF UR REHMAN	950	158	-	950	158	1,108
57	MAJID MAHMOOD, BAHAWALPUR	MAJID MAHMOOD	36302-9828305-9	HIAJI MUHAMMAD AYUB	634	86	-	634	86	720
58	ABDULL RAZZAQ, MULTAN	ABDULL RAZZAQ	36302-3234556-5	MALIK ALI AH DIITTA	735	123	-	735	123	858
59	MUHAMMAD IMRAN, GULSHAN-E-RAVI, LAHORE	MUHAMMAD IMRAN	35202-3840250-3	MUHAMMAD ASLAM	587	45	-	587	45	632
60	MUHAMMAD FASIH UDDIN,SECTOR 7-A, SARJANI TOWN, KARACHI	MUHAMMAD FASIH UDDIN	42201-5365360-1	MUHAMMAD MOIN UDDIN	936	76	-	936	76	1,012
61	MUHAMMAD ASHFAQ, MOHALLA SARFAZ COLONY RAJA W, FAISALABAD	MUHAMMAD ASHFAQ	33100-7847086-5	ABDUL SATTAR	1,085	569	-	1,085	569	1,654
62	NOOR BAHOO IMRAN, SABZADA SCHEME MULTAN ROAD, LAHORE	NOOR BAHOO IMRAN	35202-2056848-1	MUHAMMAD SHARIF	699	113	-	699	113	812
63	ABDULLAH OSMANI, LAHORE	ABDULLAH OSMANI	35202-2411519-3	ALI HAYDEER OSMANI	719	120	-	719	120	839
64	SHAHBAZ ZAFAR, BB PAK DAMAN, LAHORE	SHAHBAZ ZAFAR	35202-2793019-5	ZAFAR AIMED	862	144	-	862	144	1,006
65	MUHAMMAD NAEEM HASSAN, MULTAN	MUHAMMAD NAEEM HASSAN	36302-4879751-5	HEJISAN ELAHI	1,000	167	-	1,000	167	1,167

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure 1
(Rupees '000')

S.No	Name & Address of borrower	Name of Individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC. No.		Principal	Accrued Markup	Others			
66	MUJEEB UNNISA, BLOCK J TAQI CENTER, NORTH NAZIMABAD, KARACHI	MUJEEB UNNISA	42401-7252719-0	MUHAMMAD SALEEM	541	254	-	541	254	795
67	MUHAMMAD SULEMAN, MUJALLAH RUSTAM PARK GUIGUSHIT, LAHORE	MUHAMMAD SULEMAN	35202-2386661-1	NAZIM UD DIN	620	271	-	620	271	891
68	MUHAMMAD RAFIQUE, BLOCK 6-D, MUSHARRAF COLONY, HAWSBAY ROAD, KARACHI	MUHAMMAD RAFIQUE	42301-9164370-1	JUMMA	613	102	-	613	102	715
69	WAQAS MAHMOOD, STREET 7, MUSTAFA ABAD, FAISALABAD	WAQAS MAHMOOD	33100-9227920-7	SULTAN MAHMOOD KHAN	575	47	-	575	47	622
70	SHEIKH RIZWAN ALI, BLOCK A, GULSHAN RAVI, LAHORE	SHEIKH RIZWAN ALI	35202-5567973-3	SHEIKH MUHAMMAD WARIS	1,401	233	-	1,401	233	1,634
71	MUHAMMAD MOHSIN, LAHORE	MUHAMMAD MOHSIN	35202-7997147-9	MUHAMMAD SHARIF MALHI	942	157	-	942	157	1,099
72	ABDUL MOJIB MAJEED BAWANI, BLOCK 7/8 OWESEASE COOPERATIVE, DORAJEE COLONY, KARACHI	ABDUL MOJIB MAJEED BAWANI	42101-7652439-7	ABDUL MAJEED BAWANI	670	91	-	670	91	761
73	KHALIL AHMED SHAIKH, UNIT NO 11, MOHALLA DASTAGIR LATIFABAD, HYDERABAD	KHALIL AHMED SHAIKH	41304-9170005-5	MUHAMMAD HANIF	500	96	-	500	96	596
74	AMJAD ALI, MUJAHID ROAD, LAHORE	AMJAD ALI	33100-1027153-5	ASGER ALI	637	58	-	637	58	695
75	MASOOD AHMAD, STREET 1, GULSHAN COLONY, FAISALABAD	MASOOD AHMAD	33100-8759568-1	BASHIR AHMED SHEIKH	609	88	-	609	88	697
76	KHALID AHMED QURESHI, SUPER MARKET, LIAQUATABAD, KARACHI	KHALID AHMED QURESHI	42101-3496806-9	KHURSHIED AHMED JAMAL	522	35	-	522	35	557
77	MUHAMMAD QADEER, BLOCK 19, GULISTAN-E-JOHAR, KARACHI	MUHAMMAD QADEER	42101-9389173-9	MUHAMMAD YOUSUF	1,081	48	-	1,081	48	1,129
78	MUHAMMAD NASEEM AZHAR, MOHALLAH KHAIJ, MULATAN	MUHAMMAD NASEEM AZHAR	36302-5681792-1	MUHAMMAD RAMZAN	694	115	-	694	115	809
79	HAFIZ ABDUL SALAM, GENERAL STORE, STREET NO 02, MULATAN	HAFIZ ABDUL SALAM	36302-7061526-9	KHUDA BUKSHI	926	154	-	926	154	1,080
80	MUHAMMAD SALMAN, GATE SHAHEEN MARKET, MULATAN	MUHAMMAD SALMAN	36302-9909784-9	HAZ HUSSAIN	707	117	-	707	117	824
81	ABDUL GHAFOR, LAHORE	ABDUL GHAFOR	35202-0107939-3	SHEIKH REHMAT ULLAH	934	155	-	934	155	1,089

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure 1
(Rupees '000')

S.No	Name & Address of borrower	Name of Individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Principal Written off	Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others				
82	MUHAMMAD SHAMSHAD, SECTOR 11-K, NORTH KARACHI, KARACHI	MUHAMMAD SHAMSHAD	42101-9881384-7	TRAT HUSSAIN	987	165	-	987	165	-	1,152
83	JAMAL AHMED, BLOCK 8, AZIZABAD F B AREA, KARACHI	JAMAL AHMED	42101-1941243-5	WAQAR AHMED SIDDIQI	856	136	-	856	136	-	992
84	MUHAMMAD SOHAIL WAHID, CHAH MIRAN, LAHORE	MUHAMMAD SOHAIL WAHID	35202-2811961-9	ABDUL WAHID	730	122	-	730	122	-	852
85	AZAM MEHMOOD, MOHALLA P BLOCK, DHA SECTOR I, LAHORE	AZAM MEHMOOD	35201-3422898-1	GHULAM RASOOL	505	42	-	505	42	-	547
86	RANA WAHAB, MOHALLA, SANT NAGAT, NEAR UBL BANK, LAHORE	RANA WAHAB	35202-5805449-9	MUNIR AHMAD	664	55	-	664	55	-	719
87	MUHAMMAD ATHAR, SURJANI TOWN NORTH KARACHI, KARACHI	MUHAMMAD ATHAR	45504-4875132-3	GHULAM MUHAMMAD	727	67	-	727	67	-	794
88	MUKESH MAL, SUKKUR	MUKESH MAL	45203-1852104-3	KHIYANOT MAL	735	123	-	735	123	-	858
89	NADEEM RAFIQ, LAHORE	NADEEM RAFIQ	35201-1570954-5		660	56	-	660	56	-	716
90	SHER NAWAZ, A-11, ASKARI SOCIETY QAZAFI TOWN LAN, KARACHI	SHER NAWAZ	42501-1387807-7	BOSTAN KHAN	686	114	-	686	114	-	800
91	SHAMAS FAROOQ, SARGODHA	SHAMAS FAROOQ	38403-1034079-9	MUHAMMAD FAROOQ	614	27	-	614	27	-	641
92	FAROOQ USMAN, BLOCK ID-A, GULSHAN-E-IQBAL, KARACHI	FAROOQ USMAN	42201-9997888-5	USMAN HAIDER	719	120	-	719	120	-	839
93	SIKANDAR ALI, SEEMA BHATTI PLAZA, SADDAR, IYDERABAD	SIKANDAR ALI	41101-7148329-5	MITTAI KHAN KASAR	649	54	-	649	54	-	703
94	FAZAL UR REHMAN, HINA ARCADE, GULSHAN-E-IQBAL BLOCK -14, KARACHI	FAZAL UR REHMAN	42201-1425880-5	M QASIM SHAFI QADRI	568	42	-	568	42	-	610
95	NAZEER AHMED CHANDIO, PHASE II, NORTH QASIMABAD, IYDERABAD	NAZEER AHMED CHANDIO	41201-5765858-1	BAKSHAI KHAN	737	62	-	737	62	-	799
96	KASHIF AMIR, BAGHIAT PURA, LAHORE	KASHIF AMIR	35202-2548197-7	ASHIQ KHAN	537	43	-	537	43	-	580
97	BADAR ABBAS, BLOCK - N, NORTH NAZIMABAD, KARACHI	BADAR ABBAS	42101-4588562-1	HASHIM ABBAS	689	58	-	689	58	-	747
98	ZEGHAM ABBAS, GULSHAN COLONY JAHIGAN NAGRA, BUND ROAD, LAHORE	ZEGHAM ABBAS	35202-8411566-7	ANWAR ALI	591	53	-	591	53	-	644

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure I
(Rupees '000')

S.No	Name & Address of borrower	Name of individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Principal Written off	Interes/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others				
99	MUHAMMAD SAIED AKHTAR, KARACHI	MUHAMMAD SAIED AKHTAR	38201-1184461-5		537	44	537	44	-	581	
100	SYED MUHAMMAD SULTAN ZAIDI, KARACHI	SYED MUHAMMAD SULTAN ZAIDI	42301-2603696-7		615	56	615	56	-	671	
101	MUHAMMAD FAYYAZ RANA, LAHORE	MUHAMMAD FAYYAZ RANA	35202-2574889-1	MUHAMMAD ISLAM	701	31	701	31	-	732	
102	ABDUL MAJEED, SECTOR 11-L, NORTH KARACHI, KARACHI	ABDUL MAJEED	42101-7849004-9	ABDUL HAMEED	694	115	694	115	-	809	
103	IMRAN RAZA, LAHORE	IMRAN RAZA	35202-5801286-1	SHEIKH REHMAT ALI	688	114	688	114	-	802	
104	SOHAIL MAIRAJ, SECTOR 14-B, SHADMAN TOWN, NORTH KARACHI, KARACHI	SOHAIL MAIRAJ	42101-1220698-3	MAIRAJ UDDIN	980	163	980	163	-	1,143	
105	HABIB HASAN, ANCIOLI, F B AREA, KARACHI	HABIB HASAN	42101-5577141-3	HABIB MUHAMMAD	672	33	672	33	-	705	
106	SYED IMRAN ALI, SAGHIR CENTRE BLOCK NO 16, F B AREA, KARACHI	SYED IMRAN ALI	42401-6681725-1	SYED HAMID ALI	1,000	177	1,000	177	-	1,177	
107	AKHTAR IQBAL SHEIKH, MULTAN	AKHTAR IQBAL SHEIKH	36302-0320818-9	SHEIKH ASHIQ HUSSAIN	707	117	707	117	-	824	
108	MUHAMMAD ABDULLAH SHAHID, STREET # 2, SECTOR 5 J SAEEDABAD BALDIA TO, KARACHI	MUHAMMAD ABDULLAH SHAHID	42401-2047041-5	ABDUL GAHFOOR	638	106	638	106	-	744	
109	KISHAN LALA, BLOCK B KARACHI CENTRE PIB, KARACHI	KISHAN LALA	42201-2432398-1	NANGOMIL	701	116	701	116	-	817	
110	FAISAL, 4TH FLOOR PETAL WALA, GAW GALLY KAGZI BAZAR KHARDAR, KARACHI	FAISAL	42301-7439222-9	ABDUL GAHAR	584	97	584	97	-	681	
111	MUHAMMAD NAFEM UMER, KARACHI	MUHAMMAD NAFEM UMER	42101-2173377-3		638	57	638	57	-	695	
112	MUHAMMAD MOHISIN BUTT, MUHALLAH GULFISHAN COLONY, SAMANABAD, LAHORE	MUHAMMAD MOHISIN BUTT	35202-5918621-3	MUHAMMAD YOUNUS	800	487	800	487	-	1,287	
113	MUHAMMAD SULEMAN, MUJALLAH RUSTAM PARK GULGUSHIT, LAHORE	MUHAMMAD SULEMAN	35202-2386661-1	NAZIM UD DIN	624	276	624	276	-	900	
114	MUHAMMAD SULEMAN, MUJALLAH RUSTAM PARK GULGUSHIT, LAHORE	MUHAMMAD SULEMAN	35202-2386661-1	NAZIM UD DIN	632	354	632	354	-	986	

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure 1
(Rupees '000')

S.No	Name & Address of borrower	Name of individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Principal Written off	Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC. No.		Principal	Accrued Markup	Others				
115	ABID AZIZ, SABZAZAR SCHEME, MULTAN ROAD, LAHORE	ABID AZIZ	35202-2540694-5	ABDUL AZIZ	535	40	-	575	40	-	575
116	KHALIL AHMED, BLOCK NO C, LATIFABAD, HYDERABAD	KHALIL AHMED	41304-6957757-9	NABI BUX	578	50	-	628	50	-	628
117	MISHAL JAAN, ADAM CENTER BLOCK # 2, CLIFTON, KARACHI	MISHAL JAAN	21203-0214036-3	SYEDA JAAN	630	56	-	686	56	-	686
118	BARKAT ALI, SECTOR B, BHITTAI COLONY KORANGI, KARACHI	BARKAT ALI	42201-9402803-5	BASHEER AHMED	721	71	-	792	71	-	792
119	MANZAR TANVEER, BLOCK 7, F.B AREA, KARACHI	MANZAR TANVEER	42201-5146005-5	MUHAMMAD TANVEER	780	130	-	910	130	-	910
120	MUHAMMAD TAYYAB, LAHORE	MUHAMMAD TAYYAB	35201-6310967-1	FARIQ JAVAID	696	31	-	727	31	-	727
121	MUHAMMAD SALMAN, MOHALLA SECTOR 34/2, KORANGI NO 3, KARACHI	MUHAMMAD SALMAN	42301-3994442-3	MUHAMMAD SHAFIQ	979	163	-	1,142	163	-	1,142
122	GURNO MAL, MUHALLAI SHAHEED GUNJ, SUKKUR	GURNO MAL	45504-2676102-1	NAUTARN DASS	934	155	-	1,089	155	-	1,089
123	AZAM KHAN, STREET 156 AFZAL PARK ABDALI, ISLAM PURA, LAHORE	AZAM KHAN	35202-3035919-9	SALEEM KHAN	872	144	-	1,016	144	-	1,016
124	MUHAMMAD SHARIEF, LIAQUTABAD NO 1 KARACHI, KARACHI	MUHAMMAD SHARIEF	42101-6389777-7	ABDUL SAEED KHAN	1,146	190	-	1,336	190	-	1,336
125	HABIB ULLAH NASIR, MULTAN	HABIB ULLAH NASIR	36302-1204494-3	MUHAMMAD YAQOOB	629	104	-	733	104	-	733
126	SUDHAMO AHUJA, HAPPY HOMES QASIMABAD, HYDERABAD	SUDHAMO AHUJA	41306-2653616-7	NIRMAL DAS AHUJA	856	136	-	992	136	-	992
127	MUHAMMAD AMEER QASIM, POST OFFICE RANGEELPUR SAKHUDA, TEHSEEL MULTAN SADAR DISTRICT, MULTAN	MUHAMMAD AMEER QASIM	36303-0880969-7	MALIK ALI LAH BUKSHI	555	92	-	647	92	-	647
128	MOHAMMAD MUSHTAQ, STREET NO 24, LIAQAT ASHRAF COLONY 02 MEIMOO, KARACHI	MOHAMMAD MUSHTAQ	42201-0599684-9	MOHAMMAD GULZAR	934	155	-	1,089	155	-	1,089
129	NAZAKAT ALI, F AREA, MANSEHRA COLONY, KARACHI	NAZAKAT ALI	42501-6776734-5	KHANI ZAMAN	636	105	-	741	105	-	741
130	MUHAMMAD SHAFIQAT CHEEMA, WAZIRABAD, GHAKKAR MANDI	MUHAMMAD SHAFIQAT CHEEMA	34104-2318172-7	MUHAMMAD BASHIR CHEEMA	584	77	-	661	77	-	661

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure I
(Rupees '000')

S.No	Name & Address of borrower	Name of individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Principal Written off	Interest/ Markup written off	Other Financial Relief	Total	
		Name	NIC No.		Principal	Accrued Mark up	Others					Total
131	KHALIL UR REHMAN, AMEERABAD SHAI FAISAL COLONY M. MULTAN	KHALIL UR REHMAN	36302-1670990-3	MUHAMMAD RAFIQ	612	101	-	713	612	101	-	713
132	MEHMOOD RAZA, BLOCK F, NORTH NAZIMABAD, KARACHI	MEHMOOD RAZA	42101-3940208-7	HABIB RAZA	989	190	-	1,179	989	190	-	1,179
133	NADEEM WASIF KHAN, AISHA PALACE, BIHAR COLONY, I YARI, KARACHI	NADEEM WASIF KHAN	42301-1043492-9	ABDUL RAUF KHAN	741	142	-	883	741	142	-	883
134	SAMIA SHAHZAD, FAISALABAD	SAMIA SHAHZAD	33100-3363878-6	SHAHZAD TUFAIL	599	48	-	647	599	48	-	647
135	SYED SHAKEEL AKHTER, HUSSAINI, BLOCK NO 15, F B AREA, KARACHI	SYED SHAKEEL AKHTER HUSSAINI	42301-2203179-1	SYED JAMIL AKHTER HUSSAINI	591	49	-	640	591	49	-	640
136	MOHAMMAD JUNAID KHAN GHORI, SECTOR# 11-C-1 NORTH KARACHI, KARACHI	MOHAMMAD JUNAID KHAN GHORI	42101-1704333-5	MOHAMMAD HAFEEZ KHAN	543	40	-	583	543	40	-	583
137	WAQAS ALI KHAN, SAGAR ROAD CANTT, LAHORE	WAQAS ALI KHAN	35201-3163246-1	GHULAM MUSTAFA KHAN	620	52	-	672	620	52	-	672
138	MOHAMMAD KHURRAM, JOHER TOWN, LAHORE	MOHAMMAD KHURRAM	35202-2835081-9	MUHAMMAD RAFT	2,833	378	-	3,211	2,833	378	-	3,211
139	MIAN HAROON IJAZ, LAHORE	MIAN HAROON IJAZ	35202-3525194-9	MIAN MUHAMMAD IJAZ	611	33	-	644	611	33	-	644
140	ABDUL RAZZAQ, SEC 11-G, NEW KARACHI, KARACHI	ABDUL RAZZAQ	42101-5787177-7	AHDUL SAJAM SHIEKH	534	73	-	607	534	73	-	607
141	ASLAM GHULAM HAIDER, SALMA VILLAGE HOUSING SOCIETY, RUBY STREET GARDEN WEST, KARACHI	ASLAM GHULAM HAIDER	42301-2214239-5	GHULAM HAIDER HASHIM	1,108	154	-	1,262	1,108	154	-	1,262
142	MUHAMMAD ALI BALOCH, MALIR CITY MAIN NATIONAL HIGHW, KARACHI	MUHAMMAD ALI BALOCH	42501-5634246-3	FAIZ MUHAMMAD BALOCH	981	173	-	1,154	981	173	-	1,154
143	MUHAMMAD ADIL, BLOCK N, SAMANABAD, LAHORE	MUHAMMAD ADIL	35202-3054430-9	MUHAMMAD NAWAZ	1,425	237	-	1,662	1,425	237	-	1,662
144	FARKHUNDA SAEED, NAVY HOUSING SCHEM, ZAMZAMA CLIFTON, KARACHI	FARKHUNDA SAEED	42201-7141317-2	MUHAMMAD AKHTAR PARACHA	1,414	235	-	1,649	1,414	235	-	1,649
145	MUHAMMAD AKHTAR PARACHA, ZAMZAMA CLIFTON, KARACHI	MUHAMMAD AKHTAR PARACHA	42201-4583354-5	MUHAMMAD ASLAM PARACHA	1,414	235	-	1,649	1,414	235	-	1,649
146	SYED MUHAMMAD ASIF TIRMIZI, FRANGELLA STREET MILLAT PARK SA, NEAR SHABBIR MEDICAL STORE, LAHORE	SYED MUHAMMAD ASIF TIRMIZI	35202-5308016-1	SYED MUMTAZ MOHSIN TIRMIZI	917	41	-	958	917	41	-	958

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure I
(Rupees '000')

S.No	Name & Address of borrower	Name of Individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others			
147	NAVEED IFTIKHAR, TEHSIL MULTAN, MULTAN	NAVEED IFTIKHAR	36303-1007430-9	GHIJLAM FAREED	545	90	-	545	90	635
148	RIAZ BAHADUR KHAN, BLOCK C, MANGHOPIR ROAD, KARACHI	RIAZ BAHADUR KHAN	11201-8320339-9	SHER BAHADUR	642	106	-	642	106	748
149	RAMESH KUMAR, PIB COLONY, OLD SABZIMANDI, KARACHI	RAMESH KUMAR	42000-4961202-7	DHARAM DAS	660	110	-	660	110	770
150	ZUFIQAR, MULTAN	ZUFIQAR	36302-0558685-7	KIUSIII MUHAMMAD	694	115	-	694	115	809
151	ARSHAD HUSSAIN, PLOT# 133 GREEN TOWER, GARDEN WEST, KARACHI	ARSHAD HUSSAIN	42000-0470313-7	MUHAMMAD ISMAIL	646	87	-	646	87	733
152	MUHAMMAD ARSHAD KHAN, ST# NO 58, BHIALA STOP MULTAN ROAD, LAHORE	MUHAMMAD ARSHAD KHAN	35202-2257956-5	MUHAMMAD AKIITAR KHAN	732	140	-	732	140	872
153	REHAN ALI, BLOCK 8, F B AREA, KARACHI	REHAN ALI	42101-8037922-9	ABDUL RASHEED	541	111	-	541	111	652
154	KUNWER IMRAN ALI KHAN, NAZIMABAD NO 3, KARACHI	KUNWER IMRAN ALI KHAN	42101-7395518-9	KUNWER EJAZ ALI KHAN	938	78	-	938	78	1,016
155	MUBARAK ALI, MULTAN	MUBARAK ALI	36302-4574728-7		623	50	-	623	50	673
156	MUHAMMAD ASLAM MEMON, FRERE TOWN CLIFTON, KARACHI	MUHAMMAD ASLAM MEMON	41409-4228282-7	MUHAMMAD HUSSAIN MEMON	526	39	-	526	39	565
157	MUHAMMAD JAMEEL, RAHIM YAR KHAN	MUHAMMAD JAMEEL	31303-4159796-3	ABDUL KHALIQ	1,101	567	-	1,101	567	1,668
158	ABDUL FAHIM, KARACHI	ABDUL FAHIM	42201-6760622-7		1,590	787	-	1,590	787	2,377
159	SHAHID HASSAN, SATELLITE TOWN, KAWALPINDI	SHAHID HASSAN	37405-9875511-3	DILBER HASSAN	703	487	-	703	487	1,190
160	MUHAMMAD IMRAN BUTT, SATYANA ROAD, FAISALABAD	MUHAMMAD IMRAN BUTT	33100-0354095-9	MUHAMMAD ARSHAD	789	207	-	789	207	996
161	NADEEM UDDIN, SECTOR 5 E, ORANGI TOWN, KARACHI	NADEEM UDDIN	42101-9999194-3	BADAR UDDIN	899	149	-	899	149	1,048
162	FEROZ KHAN, MAIN BAZAR POONCH ROAD, SAMANABAD, LAHORE	FEROZ KHAN	35202-5674748-7	SIKANDAR KHAN	644	18	-	644	18	662
163	SHEIKH MUNAWAR ALI, TARIQ BIN ZIYAD HOUSING SOCIET, KARACHI	SHEIKH MUNAWAR ALI	42201-7418283-1	SHEIKH ANWER HUSSAIN	934	155	-	934	155	1,089
164	MUHAMMAD IMRAN, SECTOR 11-I, NORTH KARACHI, KARACHI	MUHAMMAD IMRAN	42101-5149101-9	WASIAHMED	710	63	-	710	63	773
165	RASHID MEHMOOD, MULTAN	RASHID MEHMOOD	36302-0423858-5	MUHAMMAD QAMAR	675	60	-	675	60	735

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure 1
(Rupees '000')

S.No	Name & Address of borrower	Name of Individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Principal Written off	Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others				
166	MUHAMMAMAD TARIQ ALI, BLOCK 09 P. LA HOUSING SOCIETY, GULISTAN F. JOHAR, KARACHI	MUHAMMAMAD TARIQ ALI	45504-6410858-1	AMEER ALI	736	130	-	736	130	-	866
167	MUHAMMAMAD USMAN, BLOCK 13 A, GULSHAN E IQBAL, KARACHI	MUHAMMAMAD USMAN	42501-0705085-1	ABDUL RAUF	1,472	260	-	1,472	260	-	1,732
168	ABDUL HAI, BLOCK-2 CC AREA AND CANT BAZAR, MALIR AND TARIQ ROAD, KARACHI	ABDUL HAI	42201-0776654-5	MOHAMMAD ASLAM	795	68	-	795	68	-	863
169	M R TRADERS, KARACHI	M R TRADERS			1,901	316	-	1,901	316	-	2,217
170	FAYYAZ HAIDER, 50 B HOUSE NO 3, KACHA LAWRENCE ROAD, LAHORE	FAYYAZ HAIDER	34203-9913127-1	MUHAMMAD IDREES	660	108	-	660	108	-	768
171	JAHANZAIB, HNO 633, SECTOR NO 5/F, ORANGI TOWN, KARACHI	JAHANZAIB	42401-0548776-7	SARDAR KIYAN	994	143	-	994	143	-	1,137
172	SYED MUHAMMAD ATIF ALVI, HOUSE: #R-918 SECTOR, A4 BUFFERZONE, NORTH KARACHI, KARACHI	SYED MUHAMMAD ATIF ALVI	42101-1807674-9	SYED ABDUL HASEEB ALVI	688	114	-	688	114	-	802
173	YOUSUF, HOUSE A-3/243, SECTOR A-3, SAEED/ABD BALDIA TOWN, KARACHI	YOUSUF	42401-3095168-1	ABDUL RAZZAQ	1,363	226	-	1,363	226	-	1,589
174	MUHAMMAMAD NAWAZ, HOUSE NO 4/743, LIAQUATABAD NO 4, LIAQUATABAD NO 4, KARACHI	MUHAMMAMAD NAWAZ	42101-1736873-7	AIJAZ HUSSAIN	899	149	-	899	149	-	1,048
175	ABDUL LATIF, HOUSE NO L-824, SECTOR 48-E, KORANGI NO 2-1/2, KARACHI	ABDUL LATIF	82203-5252804-1	MUHAMMAMAD ZAMAN	681	113	-	681	113	-	794
176	SYED HASSAN AZFAR GILLANI, NAYA MUHALLA WARD NO, MUZAFFRABAD	SYED HASSAN AZFAR GILLANI	82203-1297588-7	SYED RUKAN UDDIN GILLANI	543	84	-	543	84	-	627
177	MUHAMMAMAD KHALID RAFIQUE, HOUSE NO 3 STREET NO, MULTAN	MUHAMMAMAD KHALID RAFIQUE	42000-0492326-7	MUHAMMAMAD RAFIQ	880	145	-	880	145	-	1,025
178	MUHAMMAMAD SOHAIL, FLAT NO-03, 3RD FLOOR, CHAND MANZIL, ABDUL MAJEED KHAN ROAD, KARACHI	MUHAMMAMAD SOHAIL	42301-8662521-7	MUHAMMAMAD RAFIQU	890	147	-	890	147	-	1,037

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure I
(Rupees '000')

S.No	Name & Address of borrower	Name of individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others			
179	MUHAMMAD ASIF, H NO B-692-693 GALLI, MUHAMMAD ASIF MUHALLAH BALOCH GOHH, ORANGI TOWN, KARACHI II	MUHAMMAD ASIF	42401-9431842-9	NAZIR ALI	763	94	-	763	-	857
180	IMTIAZ AHMED FARSHVI, HOUSE NO F 371, PATEL PARA, NEW TOWN, KARACHI	IMTIAZ AHMED FARSHVI	42201-0902531-3	MAJIK ALLAH BUKSH	955	85	-	955	-	1,040
181	ARIF MEHMOOD, HOUSE NO 9/351 WASI, SIALKOT	ARIF MEHMOOD	34603-2320046-5	CHAUDHRY MUHAMMAD SADIQ	926	154	-	926	-	1,080
182	SYED MUHAMMAD RASHID, HOUSE NO 104, SECTOR 14-D, ORANGI TOWN, KARACHI	SYED MUHAMMAD RASHID	42401-1738012-7	ABDUL MUQEET	750	125	-	750	-	875
183	MOHAMMAD IRFAN QADRI, HOUSE NO C-10-2448, SHAHI BAZAR, HYDERABAD	MOHAMMAD IRFAN QADRI	41303-9146617-9	MOHAMMAD YAQOOB	637	104	-	637	-	741
184	AMIN MUHAMMAD, J 665, SULTANABAD COLONY, GULBAHAR NO 1, KARACHI	AMIN MUHAMMAD	42101-1896380-7	ANWAR ALI	966	161	-	966	-	1,127
185	MOHAMMAD AMIR, HOUSE# 201 AREA 35/B, KORANG# 4, KARACHI	MOHAMMAD AMIR	42201-0731709-5	BARKAT ULLAH	926	154	-	926	-	1,080
186	MUHAMMAD SULTAN, HOUSE NO 512, MOHAMMADI COLONY, MARIPUR ROAD, KARACHI	MUHAMMAD SULTAN	42301-0778065-5	MUHAMMAD SULTAN	609	100	-	609	-	709
187	KHAWJA MOBIN SADIQ, HOUSE NO R-387, SECTOR 15-A-4, BUFFER ZONE, NORTH KARACHI, KARACHI	KHAWJA MOBIN SADIQ	42101-1038774-9	KHAWAJA GIULAM AHMED	890	147	-	890	-	1,037
188	JAVAJD IQBAL, MIRZA SCHOOL, MUHALLA NALA, MANDI BAHAUDDIN	JAVAJD IQBAL MIRZA	34402-7206310-5	MIRZA ABDUL HAQ	660	109	-	660	-	769
189	CHAUDHRY ZUBAIR UL HAQ, HOUSE # 4759, GULSHAN E MAZDOR, SECTOR 16-17, KARACHI	CHAUDHRY ZUBAIR UL HAQ	42401-8008719-1	CHOUDRY SHAKAR DIN	732	140	-	732	-	872
190	ALI AHMED, HOUSE NO. A-888, SECTOR 11-A, NORTH KARACHI, KARACHI	ALI AHMED	42101-1662701-9	SYED WALI AHMED	570	94	-	570	-	664
191	MUHAMMAD NAQI, HOUSE NO. LS- 57 & 5, SECTOR 5/A-2, NORTH KARACHI, KARACHI	MUHAMMAD NAQI	42101-1567864-5	MUHAMMAD TAQI	572	106	-	572	-	678

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure I
(Rupees '000')

S.No	Name & Address of borrower	Name of Individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others			
192	ABDUL SALAM, HOUSE # 1732/203, DE, MAHAJIR CAMP NO. 3, BALDIA TOWN, KARACHI	ABDUL SALAM	42401-1690171-7	ABDUL REHEEM	642	106	-	642	106	748
193	MOHAMMAD NASIR, H NO 585 SECTOR F KO, KARACHI	MOHAMMAD NASIR	42201-0400903-3	BUNDO MIAN	585	97	-	585	97	682
194	QAYUUM NAWAZ KHAN, HOUSE NO 895 MUHALLA, NAWAN SHER, MULTAN	QAYUUM NAWAZ KHAN	36302-4213900-7	MEHMOOD KHAN TREEN	528	45	-	528	45	573
195	FEROZE SAADAT, ALHORE	FEROZE SAADAT	35202-6784057-1		623	50	-	623	50	673
196	MUNIB YOUSAF, H # 180-A BLOCK # 2, TARIQ STREET, KARIM PARK, LAHORE	MUNIB YOUSAF	35202-2731638-9	MUHAMMAD YOUSAF SHEIKH	996	83	-	996	83	1,079
197	MUHAMMED SHAHID, FLAT NO 6 AYUB MANZI, AREA AM-1 BURNS ROAD, KARACHI	MUHAMMED SHAHID	42301-0875301-7	M ARFEEN	561	47	-	561	47	608
198	ABDUL MUJEER BIN QAMAR, HOUSE NO 25, GALI NO -9- BLOCK - 3, H NAZIMABAD NO -3, KARACHI	ABDUL MUJEER BIN QAMAR	42101-1770841-3	QAMAR PARVAIZ	602	104	-	602	104	706
199	ABID RIZWAN SHAUKAT, H NO # 34 HILL ROAD, F 6/3, ISLAMABAD	ABID RIZWAN SHAUKAT	61101-0289026-7	CHAUDHRY SHAUKAT ALI	580	51	-	580	51	631
200	MUHAMMAD ASLAM, HOUSE NO 5 STREET NO, MUJALLAH AFTAB PARK, NEAR SHEHZAN FACTORY, LAHORE	MUHAMMAD ASLAM	35202-3490311-1	CHAUDERY MUHAMMAD ASHRAF	706	162	-	706	162	868
201	ARSHAD BASHEER, H NO 29 ST NO 04 NEA, LAHORE	ARSHAD BASHEER	35202-4286926-1	MUHAMMAD BASHEER	665	65	-	665	65	730
202	IMRAN SHAHID, AL SHEIKH STREET HOU, JHELUM	IMRAN SHAHID	37301-9189695-9	MUSHTAQ AHMED SHAHID	643	93	-	643	93	736
203	FARIHAN HUSSAIN, HOUSE NO A-31/4, U K BANGALOWS, GULSHAN-E-IQBAL, KARACHI	FARIHAN HUSSAIN	42201-2157861-1	Z/AHOOR HUSSAIN	642	106	-	642	106	748
204	MUHAMMAD NADEEM HANIF, HOUSE NO 7 STREET NO, MOHALLAH QURESHI, JANA/GAH MOZANG, LAHORE	MUHAMMAD NADEEM HANIF	35202-9069511-5	SHEIKH MUHAMMAD HANIF	890	147	-	890	147	1,037

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure I
(Rupees '000')

S.No	Name & Address of borrower	Name of individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Principal Written off	Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others				
205	KHALID YASEEN KIJAN LODHI, HOUSE NO 131 GARDEN, OPP DEENI MADISRA, LAHORE	KHALID YASEEN KIJAN LODHI	35403-9779380-3	MUHAMMAD YASIN KHAN LODHI	1,349	223	-	1,349	223	-	1,572
206	MOHAMMAD AYOOB, F.NO. 6, 3RD FLOOR, HUMA PALACE MEMON SOCIETY, KHADIDAR MARKET, KARACHI	MOHAMMAD AYOOB	42301-3811678-3	ABDUL SATTAR	674	112	-	674	112	-	786
207	HAMID NAWAZ, HOUSE NO 3/14 MUHALL, LAHORE	HAMID NAWAZ	35202-4978847-5	MUMTAZ-UL-HAQ	561	88	-	561	88	-	649
208	MUHAMMAD JAFFAR ALI, HOUSE NO L-1, SHAH FAISAL COLONY NO 1, SHAH FAISAL COLONY, KARACHI	MUHAMMAD JAFFAR ALI	42201-0546443-1	MUHAMMAD ALI	899	149	-	899	149	-	1,048
209	ALI SALMAN, FLAT# B-9, BLESSING APPARTMENT, GARDEN EAST, KARACHI	ALI SALMAN	42201-8140819-5	AMEER ALI	1,112	184	-	1,112	184	-	1,296
210	SALAH UD DIN, H NO 274 SECTOR A-2, LAHORE	SALAH UD DIN	35202-2722139-1	ZIA UD DIN	623	103	-	623	103	-	726
211	KHALID BAIG, HOUSE NUMBER MCB 10, NEW MOHALLAH, CHAKWAL	KHALID BAIG	37201-1600014-9	ABDUL QAYYUM BAIG	1,305	215	-	1,305	215	-	1,520
212	MOMIN TAJ FLAT# A24/4, FAHAD SQUARE BLOCK# 15, GULZAR E THJRI, KARACHI	MOMIN TAJ	15502-2568244-5	BABOS KIJAN	653	108	-	653	108	-	761
213	SHEIKH MUHAMMAD BILAL, HOUSE NO 05 STREET 7, WASSAN PURA, LAHORE	SHEIKH MUHAMMAD BILAL	35202-0957776-5	SHEIKH JAMAL DIN	1,711	126	-	1,711	126	-	1,837
214	RAJA ABDUL SATTAR, HOUSE NO 15 STREET N, GULBERG TOWN, GARI SHAHU, LAHORE	RAJA ABDUL SATTAR	35202-2309084-1	RAJA ABDUL KARIM	1,075	177	-	1,075	177	-	1,252
215	MUHAMMAD USMAN, HOUSE NO 2A STREET N, MUHALLA MAZHAR SHAH, ABUL MUALI ROAD, LAHORE	MUHAMMAD USMAN	35202-2671360-3	SHEIKH AKRAM	535	47	-	535	47	-	582
216	GHULAM MUSTAFA, HOUSE NO HIR-1222, GROUND FLOOR, BLOCK 18, SAMANABAD, KARACHI	GHULAM MUSTAFA	42101-1372177-1	ABDUL RAZZAQ	731	129	-	731	129	-	860
217	ISLAM UDDIN, HOUSE NO DV-183, DODD VILLAGE GULBAHAR, KARACHI	ISLAM UDDIN	42101-7461927-7	ABDUL RAZZAQ	908	150	-	908	150	-	1,058

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure I
(Rupees '000')

S.No	Name & Address of borrower	Name of individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others			
218	MUHAMMAD IRFAN BUTT, FLAT#B-408 4TH FLOOR, AKBER PARADISE BLOCK- 10-A, GULSHAN-E-IQBAL, KARACHI	MUHAMMAD IRFAN BUTT	42201-1071226-7	MAIRAJ UDDIN BUTT	927	82	-	927	-	1,009
219	ZAR MUHAMMAD, HOUSE NO L 219, STREET 1, SHIRI JINNAH COLONY 2, KARACHI	ZAR MUHAMMAD	14301-2018236-5	GHIAZIMERJAN	615	100	-	615	-	715
220	MUHAMMAD HUSSAIN MOOSA, HOUSE NO B-263, BLOCK A, NAZIMABAD, KARACHI	MUHAMMAD HUSSAIN MOOSA	42101-0377088-7	HASSAN ALI MOOSA	958	159	-	958	-	1,117
221	NAZEER AHMED, KHAWAJA NAZEER KHAWA, MULTAN	NAZEER AHMED	36302-0357980-9	GHULAM ALI	835	133	-	835	-	968
222	MUHAMMAD LATIF, HOUSE NO B-457, BLOCK-04, METROVILL SITE, KARACHI	MUHAMMAD LATIF	42401-8978524-1	MUHAMMAD UDDIN	908	150	-	908	-	1,058
223	ABDUL WAHEED, KARACHI	ABDUL WAHEED	42301-8963441-5		674	59	-	674	-	733
224	MUHAMMAD RAZZAQ, 241 SHAHBAZ BLOCK, MUSTAFA TOWN, WAHIDAT ROAD, LAHORE	MUHAMMAD RAZZAQ	35201-3986812-5	ALLAH DITTA AASI	588	52	-	588	-	640
225	MUHAMMAD AYAZ, CHAUDHARY, HOUSE NO 444/W 7 T.A.M. MULTAN	MUHAMMAD AYAZ CHAUDHARY	36302-7712428-1	S M FAYAZ	681	113	-	681	-	794
226	AFZAL MEHMOOD KHAN, HOUSE NO R- 421, SECTOR 14-A, SHADMAN TOWN, NORTH KARACHI, KARACHI	AFZAL MEHMOOD KHAN	42101-2958411-3	MUHAMMAD MEHMOOD KHAN	682	113	-	682	-	795
227	MUHAMMAD IMRAN, FLAT NO 209, ALSA CHAMA HOMES GHULAM HUSSAIN GARDEN WEST, KARACHI	MUHAMMAD IMRAN	42301-9337913-3	MUHAMMAD HANIF	519	99	-	519	-	618
228	ASLAM ASHFAQ, FLAT A- 53-54 FARAZ, BLOCK 20, GULISTAN E JOHAR, KARACHI	ASLAM ASHFAQ	42201-8909737-5	MUHAMMAD MEHBOOB	921	46	-	921	-	967
229	ABDUL SHAFIQ BHATTI, FLAT# A-308, PEARL APARTMENT, NORTH KARACHI, KARACHI	ABDUL SHAFIQ BHATTI	42101-9700965-9	ABDUL HAMEED BHATTI	667	110	-	667	-	777
230	SARA QADIR, HOUSE NO J-10/2 8TH, PHASE IV D.H.A. KARACHI	SARA QADIR	42301-0993143-0	ABDUL QADIR	602	51	-	602	-	653

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure I
(Rupees '000')

S.No	Name & Address of borrower	Name of Individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Principal Written off	Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Mark up	Others				
231	MUHAMMAD BILAL, FLAT NO A-202, BLOCK A PHASE I BILAL ARCADE, GHULAM HUSSAIN QASIM ROAD GARD, KARACHI	MUHAMMAD BILAL	42301-0847526-1	MUHAMMAD HAROON	674	59	-	674	59	-	733
232	MUHAMMAD KHALID, HOUSE N O. 34/16, STR. SAEEDABAD, KARACHI	MUHAMMAD KHALID	42401-1565620-1	ABDUL QADIR	688	114	-	688	114	-	802
233	Balaj Textile Mills (Pvt) Limited Room No. 3, 3rd Floor, Shaheen Arcade, New Garden Town, Lahore	Mian Muhammad Akram Mian Ikram Mahmood Mian Jawad Akram	35202-2875590-9 35201-1406276-5 35202-8920585-5	Mian Muhammad Ismail Mian Muhammad Ismail Mian Muhammad Akram	494	251	-	494	251	-	745
234	Master Plastic Pack Master Plastic Pack, G.T. Road, Gujranwala	Sh Pervaiz Iqbal Sh Kamran Pervaiz Mst. Zarina Bagum Sh Naeem Pervaiz	34101-3576835-1 34101-5363161-9 34101-7050925-8 34101-5366016-9	Sh Muhammad Tufail Sh Pervaiz Iqbal Sh Pervaiz Iqbal Sh Pervaiz Iqbal	-	5,216	-	-	5,216	-	5,216
235	Al Madina Transport Plot 440, sector 4-F/Bijli Nagar, Orangi Town, Karachi	Yousuf Abbas Ali Khan Behre Karam	42401-3763532-3 42401-2563054-7 42401-9548898-3	Dilawar Khan Dilawar Khan Dilawar Khan	12,425	1,280	3,450	1,626	1,280	3,450	6,356
236	Punjin Embroidery 36- Mominpura, Industrial Area, G.T Road, Lahore	Arif Mukhtar Malik Muhammad Shahzad Shahbaz Qadir Salahuddin Mahmood Subhani Malik	35202-29-090311 35201-21-205383 35201-02-437857 35201-16-160663 35202-29-090359	Malik Mukhtar Ahmed Muhammad Tufail Ghulam Qadir Muhammad Tufail Malik Mukhtar Ahmed	30,106	3,643	4,874	4,949	3,643	4,874	13,466
237	Tabassum Elahi Plot # 119, 21st Street Main Korangi Road Karachi	Tabassum Elahi	42301-1414526-1	Anwar Ellahi	-	7,579	-	-	7,579	-	7,579
238	Nazir Moosa Trading Company Shop No.52, Express Market, Saddar, KHI	Nazir Moosa	42201-0693363-5	Moosa Dhat	38,824	9,702	-	8,824	9,702	-	18,526
239	Trade Exchange Services F-451, Site, KHI	Nasir Kasim Ali Dossa Najumul Hussain Dossa	42201-0478169-9 42201-0490972-5	Kasim Ali Dossa Kasim Ali Dossa	12,592	1,723	-	1,592	1,723	-	3,315
240	Mama Fahad International 67 Block 6 Pechs KHI	Muhammad Abid Khan	42201-2434640-5	Muhammad Abdul Rauf Khan	32,288	1,879	-	8,773	1,879	-	10,652
241	Humayun Telecom Shop No 1/2 Asif Centre Model Town Link Road Lhr	Redwan Humayun	35202-4551197-1	Humayun Akhtar Sheikh	12,995	2,307	-	496	2,307	-	2,803
242	H S Enterprises	Haris	42101-0457834-9	Jamshaid Alam	9,725	1,190	-	800	1,190	-	1,990

**Statement showing written-off loans or any other financial relief of
five hundred thousand rupees or above provided
during the year ended December 31, 2010**

Annexure 1
(Rupees '000')

S.No	Name & Address of borrower	Name of individual/ partners/ directors		Father's/ Husband Name	Outstanding liabilities Before Adjustments			Principal Written off	Interest/ Markup written off	Other Financial Relief	Total
		Name	NIC No.		Principal	Accrued Markup	Others				
	D-14 Survey # 30 Aminabad Ind Project Old Main Manghopir Rd Site Khi										
243	Ajwa Textile Industries 23.5-Km Ferozpur Road Lhr-Sua Gajumatta, Kahnanau. 128-A Garden Block Garden Town Lhr	Iqbal Altara	42291-0712281-9	Haji Hamid Altara	31,874	5,086	-	36,960	3,961	-	3,961
244	Umer Marble Factory Chowk Talab Sheikh Mulabuksh Jammu Road Sialkot	Imran Khan	34603-1393379-3	Saidar Khan	-	544	-	544	544	-	544
245	Rummy International P.O. S.I.Estate- Shahab Pura Sialkot	Ilyas Ahmed Bhatti Billal Farzana	34603-7223377-1 34603-2837900-7 34603-7021894-6	Mohammad Saed Ilyas Ahmed W/o Ilyas Ahmed Bhatti	5,000	955	-	5,955	955	-	955
246	Saleem Trading Corporation Room No. 3 & 4 1st Floor- Chemical Chamber Adanjice Road Jodia Bazar Khi	Saleem Gaili	42201-0452582-3	Haji Suleman Gaili	6,692	1,374	-	8,066	1,374	-	1,374
247	Orient Marble Industries A-59, SITE, Manghopir Road, Karachi	Fareed Ahmed	42101-2917149-1	Mr. Ismail	9,998	727	-	10,725	727	-	727
248	Muhammad Farooque Store shop # 55, Empress Market, Saddar Karachi	Muhammad Farooque	42201-0693367-5	Moosa Bhai	2,099	1,567	-	3,666	1,567	-	3,666

397,633	76,347	8,324	482,304	222,174	75,222	8,324	305,720
---------	--------	-------	---------	---------	--------	-------	---------