

Oman International Bank S.A.O.G.

(Incorporated in the Sultanate of Oman)

Annual Report 1999

AUDITORS' REPORT TO THE DIRECTORS

We have audited the annexed balance sheet of OMAN INTERNATIONAL BANK S.A.O.G.-PAKISTAN BRANCHES as at December 31, 1999 and the related profit and loss account and the cash flow statement, together with the notes forming part thereof for the year then ended, and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and, after due verification thereof, found them satisfactory and, we report that:

a) in our opinion proper books of account have been kept of OMAN INTERNATIONAL BANK S.A.O.G.-PAKISTAN BRANCHES as required by the Companies Ordinance, 1984; in our opinion -

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962, and the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

(ii) the expenditure incurred during the year was for the purpose of the Branches' business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Branches and the transactions of the Branches which have come to our notice have been within the powers of the Branches;

(c) in our opinion and to the best of our information and according to the explanations given to us the balance sheet and the profit and loss account and the cash flow statement, together with the notes forming part thereof give the information required by the Banking Companies Ordinance, 1962, and the Companies Ordinance, 1984, in the manner so required and give a true and fair view of the state of the Branches' affairs as at December 31, 1999 and their true balance of the loss and the cash flow statement for the year then ended; and

(d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the Branches and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

**Karachi -
March 13, 2000**

'Sd/= **Chartered Accountants
FORD, RHODES, ROBSON, MORROW**

BALANCE SHEET AS AT DECEMBER 31, 1999

	Note	1999 Rupees	1998 Rupees
ASSETS			
CASH	4	764,369,078	670,432,486
BALANCES WITH OTHER BANKS	5	17,410,186	7,925,178
MONEY AT CALL AND SHORT NOTICE		100,000,000	250,000,000
INVESTMENTS	6	--	145,496,100
ADVANCES - NET OF PROVISION	7	1,035,194,466	756,451,876
OPERATING FIXED ASSETS	8	16,514,232	17,706,644
OTHER ASSETS	9	101,91 0,729	1 50,494,910
		-----	-----
		2,035,398,691	1,998,507,194

LIABILITIES

DEPOSITS AND OTHER ACCOUNTS	10	1,345,677,368	1,441,701,925
BORROWINGS FROM OTHER BANKS, AGENTS ETC.	11	93,229,000	32,663,092
BILLS PAYABLE		6,488,841	1,130,771
OTHER LIABILITIES	12	642,315,298	568,370,650
DEFERRED LIABILITY - PROVISION FOR GRATUITY		2,146,917	1,346,697

2,089,857,424 2,045,213,135

NET ASSETS

(54,458,733) (46,705,941)
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REPRESENTED BY:

ACCUMULATED LOSSES		(54,458,733)	(46,705,941)
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MEMORANDUM ITEMS

BILLS FOR COLLECTION	14	43,746,988	68,544,209
ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS		130,380,071	110,104,019
CONTINGENT LIABILITIES AND COMMITMENTS	15		

The annexed notes form an integral part of these accounts

Sd/=

Ashraf N. Irshaduddin
COUNTRY MANAGER

Sd/=

Parvaiz Ahmad
SENIOR MANAGER

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1999

	Note	1999 Rupees	1998 Rupees
Mark-up/interest and discount and/or return earned		168,732,867	177,403,712
Less: Cost/Return on deposits, borrowings etc.		152,993,903	212,906,888
		-----	-----
		15,738,964	(35,503,176)
Fees, commissions and brokerage		8,934,441	7,249,264
(Loss) from investment securities		--	(473,353)
Income from dealing in foreign currencies		10,146,123	42,873,811
		-----	-----
		19,080,564	49,649,722
Administrative expenses	16	(42,932,887)	(52,382,442)
Other income	17	360,567	4,683
		-----	-----
(Loss) before taxation		(7,752,792)	(38,211,213)
Taxation		--	--
		-----	-----
(Loss) after taxation		(7,752,792)	(38,211,213)
Accumulated losses brought forward		(46,705,941)	(8,494,728)
		-----	-----
Accumulated losses carded forward		(54,458,733)	(46,705,941)
		=====	=====

The annexed notes form an integral part of these accounts

Sd/= **Ashraf N. Irshaduddin**
COUNTRY MANAGER

Sd/= **Parvaiz Ahmad**
SENIOR MANAGER

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 1999

	1999 Rupees	1998 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(7,752,792)	(38,211,213)
Adjustment for non-cash charges and other items:		
Depreciation	2,952,853	2,059,122
Gain on sale of fixed assets	(281,727)	(4,683)
Provision for gratuity	1,065,432	2,369,163
	-----	-----
	(4,016,234)	(33,787,611)
(Increase)/decrease in operating assets:		
Government securities	145,496,100	70,136,977
Advances	(278,742,590)	(222,011,322)
Other assets (excluding advance tax)	48,602,608	(95,787,160)
	-----	-----
	(84,643,882)	(247,661,505)
Increase/(decrease) in operating liabilities:		
Deposits and other accounts	(96,024,557)	489,248,452
Bills payable	5,358,070	(345,916)
Other liabilities	3,159,048	(12,362,859)
	-----	-----
	(87,507,439)	476,539,677
Cash flows before tax	(176,167,555)	195,090,561
Income tax paid	(18,428)	--
Gratuity paid	(265,211)	(1,022,466)
	-----	-----
Net cash used/generated from operating activities	(176,451,194)	194,068,095
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,306,194)	(11,813,160)
Sale proceeds of fixed asset	828,000	80,800
	-----	-----
Net cash used in investing activities	(1,478,714)	(11,732,360)
CASH FLOW FROM FINANCING ACTIVITIES		
Capital from Head Office (inclusive of exchange revaluation)	70,785,600	199,600,000
Borrowing and due to banks	60,565,908	23,363,092
	-----	-----
Net cash generated from financing activities	131,351,508	222,963,092
(Decrease)/increase in cash and cash equivalents for the	(46,578,400)	405,298,827
Cash and cash equivalents at the beginning of the year	928,357,664	523,058,837
	-----	-----
Cash and cash equivalents at the end of the year	881,779,264	928,357,664
	=====	=====
Cash and cash equivalents:		
Cash	764,369,078	670,432,486
Balances with other banks	17,410,186	7,925,178
Money at call and short notice	100,000,000	250,000,000
	-----	-----
	881,779,264	928,357,664
	=====	=====

Sd/= **Ashraf N. Irshaduddin**
COUNTRY MANAGER

Sd/= **Parvaiz Ahmad**
SENIOR MANAGER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999

1. STATUS AND NATURE OF BUSINESS

Oman International Bank S.A.O.G. is an Omani joint stock company which was incorporated on January 1, 1979. The company operates as a commercial bank through a network of branches in the Sultanate of Oman, India and Pakistan. It commenced operations in Pakistan in April 1996 under a license issued by the State Bank of Pakistan. The bank presently operates in Pakistan through branches in Karachi and Lahore.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with the requirements of the State Bank of Pakistan under the powers conferred upon it under the Banking Companies Ordinance, 1962 to conform with BPRD Circular No. 31 dated August 13, 1997. Expenses of the head office allocable to the Pakistan branches are not incorporated in the books of account.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

These financial statements are prepared on the historical cost convention.

3.2 Recognition of revenue and expense

Interest/mark-up income and expense are recorded on an accrual basis. If the recovery of interest/mark-up income is doubtful, its recognition in the Profit and Loss Account is deferred until it is received. Commission and fees are credited to income at the time of affecting the transaction to which they relate.

3.3 Staff retirement benefits

The bank has established a recognized contributory Provident Fund for all its permanent employees. Contributions are made monthly in accordance with the fund rules.

The company also operates an unfunded Gratuity Scheme for all its employees who have completed three years of continuous services with the bank. Provisions have been made in the accounts to cover the obligation on an estimated basis, pending an actuarial valuation. Provisions in the future would be based on actuarial recommendations which are planned to be conducted once every 3 years.

3.4 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any.

Deferred

The tax effects for deferred taxation is calculated using the liability method on all deductible temporary differences and is being dealt with as stated in note 18 to the accounts.

3.5 Investments

Investments in government securities are stated at cost adjusted for amortization of premium or accretion of discount. Gains and losses arising on disposals are taken to income currently. The bank also enters into transactions of repo/reverse repo of government securities at contracted rates for specific periods of time. These are recorded as follows:

- (a) In the case of sale-under repurchase obligations the securities are deleted from the books and the charges arising from the differential in sale and repurchase values are accrued on a prorata basis and recorded under interest expense. Upon repurchase the securities are reinstated at their respective original cost.
- (b) In the case of purchase under resale obligations the securities are booked at the contracted purchase price and the differential of the contracted purchase and resale price is amortized

over the period of their contract and recorded under interest income.

3.6 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet if the bank has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.7 Provision for possible credit losses

Loans and advances are stated net of provisions for possible credit losses and reserved interest, if any. Irrecoverable loans and advances, if any, are written off or fully provided for and specific provision is made for all doubtful loans and advances in accordance with SBP's Prudential Regulations.

3.8 Operating fixed assets

Fixed assets are stated at cost less accumulated deprecation. Cost represents their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of an asset on a straight line basis over its estimated useful life. Depreciation is charged from the month following the month of acquisition of fixed assets and no depreciation is charged in the month of disposal.

3.9 Foreign currencies

Transactions in foreign currencies are translated into rupees at the exchange rates prevailing on the transaction date. Assets and liabilities denominated in foreign currencies are translated into rupees at the exchange rates prevailing at the balance sheet date except those in respect of which forward exchange contracts are booked. Exchange gains and losses are included in the profit and loss account currently. Forward exchange contracts are translated at the rates of exchange approximate to those prevalent at the balance sheet date.

	1999	1998
	Rupees	Rupees
4. CASH		
In hand - local currency	21,049,755	6,675,408
- foreign currencies	5,177,430	6,513,420
With State Bank of Pakistan in:		
Special deposit account:		
Capital deposited in foreign currency with the State Bank of Pakistan	622,785,600	552,000,000
Current account.	115,356,293	105,243,658
	-----	-----
	764,369,078	670,432,486
	=====	=====

5. BALANCES WITH OTHER BANKS

Current account:		
In Pakistan	551,786	904,526
Outside Pakistan	16,858,400	7,020,652
	-----	-----
	17,410,186	7,925,178
	=====	=====

6. INVESTMENTS

Unquoted - investment securities:		
Government Securities:		
Treasury Bills	--	145,496,100
	=====	=====

7. ADVANCES - NET OF PROVISION

Loans, cash credits, overdrafts etc:		
In Pakistan	1,016,663,640	736,250,892
Outside Pakistan	--	--
	-----	-----
	1,016,663,640	736,250,892

Bills discounted and purchased (excluding Government

Treasury Bills):

Payable in Pakistan	--	--
Payable outside Pakistan	18,530,826	20,200,984
	-----	-----
	18,530,826	20,200,984
	-----	-----
	1,035,194,466	756,451,876
Provision against non-performing advances	--	--
	-----	-----
	1,035,194,466	756,451,876
	=====	=====

Advances include Rs. nil (1998: Rs. nil) which have been placed on non-performing status.

7. Particulars of advances

In local currency	1,016,663,640	736,250,892
In foreign currencies	18,530,826	20,200,984
	-----	-----
	1,035,194,466	756,451,876
	=====	=====

Debts considered good in respect of which the bank is fully secured	1,035,194,466	756,451,876
Debts considered good for which the bank holds no other security than the debtors' personal security	--	--
Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	--	--
	-----	-----
	1,035,194,466	756,451,876
	=====	=====

**Maximum total
amount of advances
Balance outsta including temporary
at December 3 advances granted
1999 during the year**

Debts due by directors or executives of the bank or any of them either severally or jointly with any other persons.	13,695,910	13,915,156
	=====	=====

8. OPERATING FIXED ASSETS

Description	COST			DEPRECIATION			BOOK VALUE		Rate of depreciation %
	As at January 1, 1999 Rupees	Additions Rupees	Disposals Rupees	As at December 31, 1999 Rupees	Charge Accumulated for the year/ as at January 1, 1999 (accumulated on deletion) Rupees	Accumulated as at December 31, 1999 Rupees	As at December 31, 1999 Rupees		
Improvement to property on l	10,200,958	--	--	10,200,958	1,977,289	1,020,101	2,997,390	7,203,568	10
Furniture, fixtures and office equipment	10,526,830	1,699,864	(204,768)	12,021,926	1,972,857	1,704,400 (113,087)	3,564,170	8,457,756	10-20
Vehicles	1,114,000	606,850	(460,152)	1,260,698	184,998	228,352 (5,560)	407,790	852,908	20
	-----	-----	-----	-----	-----	-----	-----	-----	
	21,841,788	2,306,714	(664,920)	23,483,582	4,135,144	2,952,853 (118,647)	6,969,350	16,514,232	
	=====	=====	=====	=====	=====	=====	=====	=====	
1998	10,137,928	11,813,160	(109,300)	21,841,788	2,109,205	2,059,122 (33,183)	4,135,144	17,706,644	
	=====	=====	=====	=====	=====	=====	=====	=====	

8.1 Details of disposal during the year of fixed assets costing above Rs. 100,000

Assets	Cost Rupees	Book value Rupees	Sale price Rupees	Mode of disposal	Particulars of purchasers
Vehicle	418,452	418,452	578,000	Negotiations	Mr. Sami Ahmed Siddiqui-Karachi
Office equip	204,768	91,681	--	Write off	--

	1999 Rupees	1998 Rupees
9. OTHER ASSETS		
Stationery and stamps on hand	256,070	139,915
Income/mark-up accrued on advances and investments	33,926,098	26,336,382
Prepaid exchange risk fee	2,226,120	10,880,912
Other advances, deposits, advance rent and prepayments	7,305,080	8,009,262
Taxation	35,214	16,787
Balance of Head Office and Branches outside Pakistan	57,226,144	101,067,039
Other - exchange adjustment account	936,003	4,044,613
	-----	-----
	101,910,729	150,494,910
	=====	=====

10. DEPOSITS AND OTHER ACCOUNTS

Fixed deposits	1,078,405,362	1,165,357,087
Savings deposits	170,126,489	190,248,146
Current accounts	84,615,995	62,516,304
Call and shod notice deposits	4,996,467	839,033
Margin deposits	7,533,055	22,741,355
	-----	-----
	1,345,677,368	1,441,701,925
	=====	=====

10.1 Particulars of deposits and other accounts

In local currency	233,166,018	208,394,092
In foreign currencies	1,112,511,350	1,233,307,833
	-----	-----
	1,345,677,368	1,441,701,925
	=====	=====

11. BORROWINGS FROM OTHER BANKS, AGENTS ETC.

In Pakistan	93,229,000	31,500,000
Outside Pakistan	--	1,163,092
	-----	-----
	93,229,000	32,663,092
	=====	=====

The interest rates applicable to the above varied between 6% and 12.95% (1998: 5% and 6%) per annum.

11.1 Particulars of borrowings from other banks

In local currency	93,229,000	31,500,000
In foreign currencies	--	1,163,092
	-----	-----
	93,229,000	32,663,092
	=====	=====

11.2 Secured

Loans from State Bank of Pakistan - export refinance (note 11.2.1)	18,229,000	11,500,000
---	------------	------------

Unsecured

Borrowings from banks	75,000,000	21,163,092
	-----	-----
	93,229,000	32,663,092
	=====	=====

11.2.1 These loans are secured against the customers' promissory notes, undertaking of the bank and export documents.

12. OTHER LIABILITIES

Mark-up/Interest on loans/borrowings	1,165,735	1,350,243
Profit payable on PLS deposits and other accounts	12,032,371	5,001,452
Interest on foreign currency deposits	4,850,186	8,910,168
Accrued expenses	1,481,406	1,108,787
Due to Head Office - capital deposited in foreign currency with the State Bank of Pakistan	622,785,600	552,000,000
	-----	-----
	642,315,298	568,370,650
	=====	=====

13. HEAD OFFICE CAPITAL

Capital deposited in foreign currency with the State Bank of Pakistan under section 13(3) of the Banking Companies Ordinance, 1962 Rs. 622,785,600 (1998: Rs. 552,000,000) as per State Bank of Pakistan's certificate.

14. BILLS FOR COLLECTION

Payable in Pakistan	1,547,616	26,443,940
Payable outside Pakistan	42,199,372	42,100,269
	-----	-----
	43,748,988	68,544,209
	=====	=====

15. CONTINGENT LIABILITIES AND COMMITMENTS**CONTINGENT LIABILITIES**

Money for which the bank is contingently liable

Contingent liability in respect of guarantees given favouring:

(i) Government	9,534,900	6,035,164
(ii) Banking companies and other financial institutions	--	--
(iii) Others	19,771,312	269,583,351
	-----	-----
	29,306,212	275,618,515
	=====	=====

COMMITMENTS

Commitments in respect of forward exchange contracts:

Sale	110,425,903	361,657,981
Purchase	1,129,734,826	1,195,220,806
Commitments in respect of operating leases	628,840	4,466,875
Other Commitments - Government securities:		
Purchase and resale agreements (Reverse Repos)	--	194,485,301
Sale and repurchase agreements (Repos)	--	49,901,129

16. ADMINISTRATIVE EXPENSES

Salaries, allowances etc.	18,089,309	21,571,843
Staff retirement benefits	1,969,033	3,527,570
Brokerage and commission	344,643	1,157,680
Rent, taxes, insurance, electricity etc.	5,440,077	3,759,763
Legal and professional charges	191,924	81,533
Communication	400,681	962,513
Repairs and maintenance	1,555,504	1,798,084
Rentals of operating leases	2,114,220	4,339,625
Stationery and printing	838,623	1,324,070
Advertisement and publicity	459,144	1,513,892

Donations	40,000	--
Auditors' remuneration- note 16.1	368,403	387,500
Depreciation - note 8	2,952,853	2,059,122
Subscriptions	1,497,795	1,737,683
Travelling	335,744	2,101,057
Vehicle running expenses	1,408,774	856,631
Surveillance charges	795,532	686,681
Other expenditure	4,129,628	4,496,995
	-----	-----
	42,932,687	52,362,442
	=====	=====

16.1 Auditors' remuneration

Audit fee	180,000	180,000
Tax services	100,000--	
Special certifications and other services	55,000	195,000
Out of pocket expenses	33,403	12,500
	-----	-----
	368,403	387,500
	=====	=====

17. Other income

Net profit on sale of fixed assets	281,727	4,683
Other receipts	78,840	--
	-----	-----
	360,567	4,683
	=====	=====

18. TAXATION**Current**

As the bank has accumulated losses, no provision for taxation is required. Assessments for the assessment years 1996-1997 and 1997-1998 have been finalised resulting in an assessed taxable accumulated loss. Assessments for assessments years 1998-1999 and 1999-2000 are also expected to be finalised in an accumulated taxable loss.

Deferred

At year end total deductible temporary differences amounted to Rs. 1,023,077 (1998: Rs. 917,358 credit). These deductible temporary differences will reverse during the period for which losses can be carried forward. At year end total accumulated unused tax losses amounted to Rs. 69,966,836 (1998: 69,381,949). Deferred tax asset for these has not been recognized as it is not probable that taxable profit will be available against which the tax losses can be utilized.

19. REMUNERATION OF COUNTRY MANAGER AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including all benefits to the Country Manager and Executives of the bank was as follows:

	Country manager		Executives	
	1999	1998	1999	1998
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	1,839,996	2,393,537	2,285,028	3,350,675
Retirement benefits	337,329	1,101,408	418,911	1,266,819
Rent and house maintenance	735,996	1,408,646	914,004	1,414,591
Utilities	183,996	239,353	228,492	335,067
Bonus	306,665	439,224	374,180	542,136
	-----	-----	-----	-----
	3,403,982	5,582,168	4,220,615	6,909,288
	=====	=====	=====	=====
Number of persons	1	1	3	4
	=====	=====	=====	=====

The Country Manager and certain Executives are also provided with bank maintained cars.

20. MATURITIES OF ASSETS AND LIABILITIES

	Total Rupees	Upto one month Rupees	Over one month to one year Rupees	Over one year to five years Rupees	Over the years Rupees
ASSETS					
CASH	764,369,078	141,583,478	--	--	622,785,600
BALANCES WITH OTHER BANKS	17,410,186	17,410,186	--	--	--
MONEY AT CALL AND SHORT NOTICE	100,000,000	--	100,000,000	--	--
INVESTMENTS	--	--	--	--	--
ADVANCES	1,035,194,466	662,732,065	313,926,834	49,810,744	8,724,823
OPERATING FIXED ASSETS	16,514,232	--	--	--	16,514,232
OTHER ASSETS	101,910,729	93,634,432	5,764,250	981,674	1,530,373
	-----	-----	-----	-----	-----
	2,035,398,691	915,360,161	419,691,084	50,792,418	649,555,028
	=====	=====	=====	=====	=====
LIABILITIES					
DEPOSITS AND OTHER ACCOUNTS	1,345,677,368	505,796,815	839,880,553	--	--
BORROWINGS FROM OTHER BANKS	93,229,000	75,000,000	18,229,000	--	--
BILLS PAYABLE	6,488,841	6,488,841	--	--	--
OTHER LIABILITIES	642,315,298	19,529,698	--	--	622,785,600
DEFERRED LIABILITY - PROVISION FOR GRATUIT	2,146,917	--	--	--	2,146,917
	-----	-----	-----	-----	-----
	2,089,857,424	606,815,354	858,109,553	--	624,932,517
	=====	=====	=====	=====	=====
NET BALANCE	(54,458,733)	308,544,807	(438,418,469)	50,792,418	24,622,511
	=====	=====	=====	=====	=====
ACCUMULATED LOSSE	(54,458,733)				
	=====				

21. SEGMENT ANALYSIS

21.1 Geographic segment

	(Loss) before taxation Rupees	Total assets employed Rupees	Net assets employed Rupees	Bills for collection Rupees	Endorsements and other obligations Rupees
Pakistan	(7,752,792)	2,035,398,691	(54,458,733)	43,746,988	130,380,071
	=====	=====	=====	=====	=====

21.2 Segment by class of business

	Advances		Deposits	
	Rupees	Percentage	Rupees	Percentage
Chemicals and Pharmaceuticals	63,863,204	6.17	3,211,251	0.24
Textile	18,231,499	1.76	15,484	--
Financial	485,278,348	46.88	1,056,990,632	78.55
Insurance	1,412,278	0.14	8,120,495	0.60
Transportation	1,760,945	0.17	37,720	--
Services	9,782,249	0.94	22,007,044	1.64
Fuel and energy	25,990,874	2.51	1,000,018	0.07
Tobacco	29,666,299	2.87	--	--
Engineering	8,175,530	0.79	4,363,247	0.32

Food and allied	13,737,161	1.33	308,414	0.02
Personal and consumer	51,481,443	4.97	181,393,978	13.48
Others	325,814,636	31.47	68,229,087	5.08
	-----	-----	-----	-----
	1,035,194,466	100.00	1,345,677,368	100.00
	=====	=====	=====	=====

21.3 Segment by sector

	Advances		Deposits	
	Rupees	Percentage	Rupees	Percentage
Public/Government	49,923,110	4.82	997,872	0.07
Private	985,271,356	95.18	1,344,679,496	99.93
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	1,035,194,466	100.00	1,345,677,368	100.00
	=====	=====	=====	=====

22. CURRENCY BREAKDOWN OF ASSETS AND LIABILITIES

	Assets		Liabilities	
	Rupees	Percentage	Rupees	Percentage
Pak rupee	1,305,769,544	64.15	349,737,480	16.73
US dollar	703,305,719	34.55	1,009,697,040	48.31
Pound sterling	2,826,162	0.14	2,147,533	0.10
Japanese yen	381,182	0.02	659	--
Deutsche mark	--	--	728,255,087	34.86
Euro	23,010,615	1.13	19,625	--
Other currencies	105,469	0.01	--	--
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	2,035,398,691	100.00	2,089,857,424	100.00
	=====	=====	=====	=====

23. GENERAL

23.1 Corresponding figures have been rearranged wherever considered necessary for the purpose of comparison.

23.2 Figures have been rounded off to the nearest rupee.

23.3 'Return' means income from, or as the case may be, paid on non-interest bearing accounts.

Sd/=

Ashraf N. Irshaduddin
COUNTRY MANAGER

Sd/=

Parvaiz Ahmad
SENIOR MANAGER