

United Bank Limited
UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010



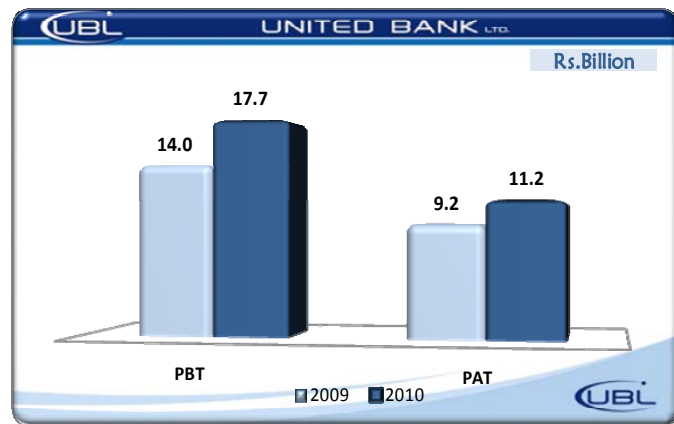
Directors' Report to the Members

On behalf of the Board of Directors, I am pleased to present to you the 52nd Annual Report of United Bank Limited for the year ended December 31, 2010.

Financial Highlights

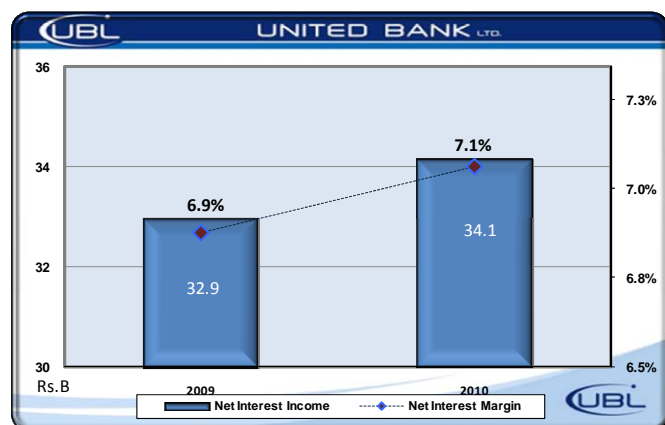
UBL achieved a profit after tax of Rs 11.2 billion which is 21% higher than the corresponding period last year and translates into earnings per share of Rs. 9.12 (2009: Rs. 7.51). On a consolidated basis, UBL achieved a profit after tax of Rs 11.0 billion, an increase of 16% over 2009.

The Board of Directors' is pleased to recommend a Final cash dividend of Rs 4 per share i.e. 40 % and a bonus share issue of Nil for the year ended December 31, 2010, bringing the total cash dividend for the year 2010 to 50 %.

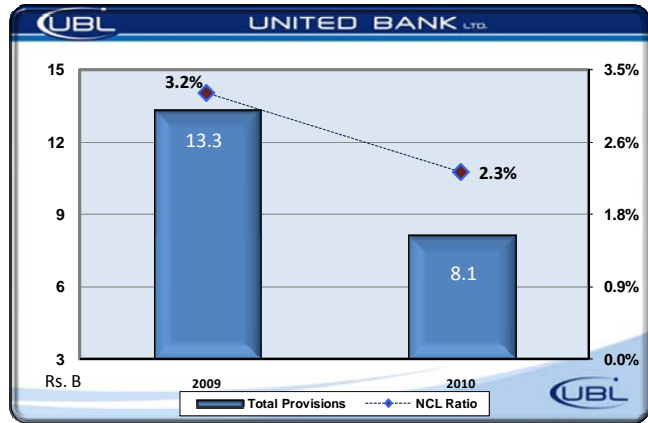


Despite the challenging economic environment, UBL has achieved a profit before tax of Rs 17.7 billion. This is 26% higher than last year as a result of continued improvement in operating efficiency and margins. Provisions for the year declined substantially due to the Bank's prudent approach given the difficult credit environment whilst the NPL formation has also reduced year on year.

Net interest income before provisions increased to Rs 34.1 billion, 4% higher than last year. The Bank's low cost deposit efforts resulted in an 80 bps reduction in the cost of deposits over last year. However, the yield on earning assets declined as average 6M KIBOR was 39 bps lower in 2010 compared to 2009. Consequently, net interest margin increased from 6.9% in 2009 to 7.1% in 2010.



Total provisions of Rs 8.1 billion for 2010 were significantly lower compared to Rs 13.3 billion in 2009 whilst our coverage at December 2010 stands at 69%. As a result, net credit loss ratio improved from 3.2% in 2009 to 2.3% in 2010. Net interest income after provisions is therefore up 28% to Rs 26.1 billion.



Fees and commissions generated from core banking businesses increased by 7% to Rs 6.3 billion as the bank significantly increased its market share of home remittances, and due to an overall growth in trade volumes and cross-sell of bancassurance. Exchange income increased by 36% to Rs 1.7 billion as a result of higher transaction volumes and better leveraging of market opportunities. In 2009, the bank recorded significant capital gains both on fixed income securities in the falling rate environment, as well as on equity securities as the stock market increased rapidly post the 2008 crisis. Consequently, capital gains reduced in 2010 by Rs 471 million. This, coupled with exceptional derivatives gains booked in the first half of 2009 resulted in the Bank recording lower Non-interest income, which reduced by 11% from the prior year.

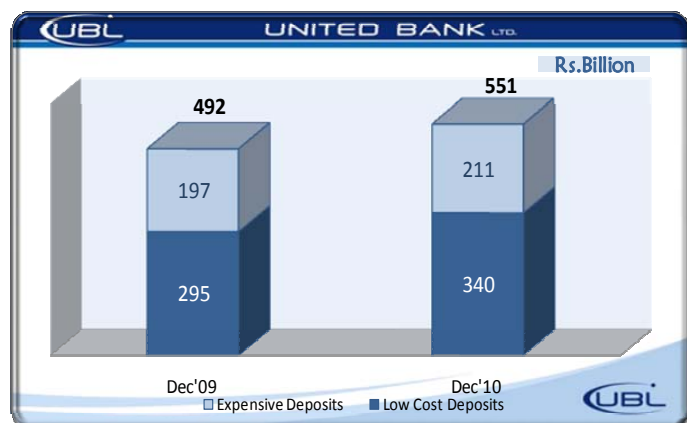
Focused cost management

Despite significant inflationary pressures (December YoY CPI of 15.5%), overall administrative expenses increased by only 7.0% over last year. Of this increase, nearly 60% (or Rs 692 million) was as a result of business building activities such as advertising spend and investments in IT, while 13% (approximately Rs 150 million) was due to the impact of Rupee devaluation on International expenses which, in US dollar terms, were restricted to 2009 levels.

UBL successfully managed to restrict the rise in premises and utility costs to 9% over last year, a considerable achievement given the spiraling increase in utility costs. Outsourced service charges increased by 15%. Some of these increases were partially offset by reduced personnel costs which declined by 3.7%.

Rationalized Balance Sheet

Gross advances have reduced by 3.6% as a result of rationalization across our portfolios and more prudent lending. The advances to deposits ratio (ADR) decreased from 78% in December 2009 to 67% in December 2010. The bank increased total

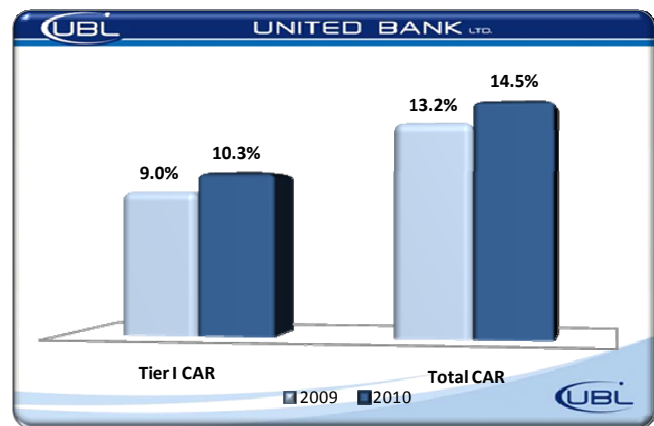


deposits by 11.9% over 2009 levels but at a significantly reduced cost, in line with its strategy of replacing high cost deposits with lower cost current and savings accounts. The Bank's domestic CASA increased from 76% in December 2009 to 78% in December 2010. Similarly, the bank's domestic low cost deposit mix improved from 66% in December 2009 to 68% in December 2010.

We were successful in improving our return on average assets from 1.5% in 2009 to 1.7% in 2010. Return on equity also improved from 19.5% in 2009 to 19.8% in 2010.

Improved Capital Ratios

UBL's strong internal capital generation resulted in a Rs 6.1 billion (14%) increase in Tier 1 Capital, despite keeping Risk Assets flat. Consequently, the unconsolidated Capital Adequacy Ratio (CAR) of the Bank improved from 13.2% in December 2009 to 14.5% in December 2010. The Tier-1 CAR of the Bank has also improved from 9.0% in December 2009 to 10.3% in December 2010. On a consolidated basis, the CAR improved to 15.0% in December 2010 (December 2009: 14.0%) while Tier-1 CAR improved from 9.5% in December 2009 to 10.4% in December 2010.



Economy Review

The year 2010 remained fraught with challenges, which impacted the macroeconomic landscape of the country. In the second half of the year, record floods inundated nearly 20% of the country and inflicted significant damage to the fragile economy. Continuing severe shortages of power and gas have exacerbated the situation and Large Scale Manufacturing (LSM), after exhibiting good growth of 5% in FY10, remained subdued during the first half of the current fiscal year. As a consequence, GDP growth estimates for 2010-11 have been scaled down to 2.8% from pre-flood estimates of 4.3%.

Inflationary pressures remained active throughout the year, with CPI at 15.5% year-on-year in December 2010 and averaging 13.9% for the year. Supply chain interruptions caused by crop damage resulted in volatile food prices and remained a key driver behind surging price pressures. Escalating power tariffs remained a regular feature throughout 2010, further fueling inflation.

The fiscal position remained fragile as revenue generation remained weak whilst expenditures escalated. FY 2010 fiscal deficit stood at 6.3% of GDP, far exceeding the IMF target.

Furthermore, taxation reforms including the Reformed General Sales Tax (RGST) have not yet been implemented due to severe opposition by political parties. The fiscal slippages and spiraling inflation have resulted in a steady increase in interest rates with the State Bank of Pakistan (SBP) raising the discount rate by 150 bps since July 2010 to 14.0%. Lack of fiscal austerity continues to strain domestic liquidity as banks shift towards government paper, which in turn has led to further crowding out of the private sector.

The external account position remained a key positive as the current account deficit for FY 2010 was better than expectations at 2% of GDP due to higher remittances and aid inflows, services inflows and increased exports. This trend has continued in FY 2011 as the country posted its first half-yearly current account surplus since 2003. Pakistan's equity markets also performed well and continued to attract foreign investment, with the KSE-100 Index gaining approximately 26% during 2010.

The banking sector of Pakistan has been in a consolidation phase since the beginning of 2009 due to the country's economic vulnerabilities. The sector has remained focused on deposits, which grew by nearly 15% in 2010, with aggressive solicitation of current and savings accounts (CASA). Credit lending has remained subdued and Gross Advances increased by only around 5% during 2010. The effects of the depressed economic activity, power shortages and high interest rates have significantly impacted borrowers. Non-Performing Loans (NPLs) have seen a sharp increase of 22%, standing at Rs 494 billion as of December 2010 while infection of the sector's portfolio has also deteriorated from 12.2% in December 2009 to 14.0% in December 2010.

International

UBL's International business continues to be a key segment for the Bank. In line with the Bank's overall policy, lending remained cautious, resulting in a reduction of 10% in loans and advances. Revenue from the International Business thus declined by 3% from 2009. This was more than offset by cost being contained at prior year levels as well as a 23% reduction in provisions. Consequently, pretax profit increased by 14% over last year. As the global economy continues to recover, UBL is enthusiastic about the future prospects of the International Business. The Bank will explore expansion into new territories which have the potential to enhance shareholder value and represent a natural progression from the existing footprint.

Core banking platform implementation (Project Genesis)

Project Genesis continues to move forward as planned and six branches went live this year on the new core banking system (CBS). This was a significant milestone as it enabled the Bank to test the capabilities of the system on a real time basis.

The Customer Service Platform (CSP), a customer relationship management tool, been rolled out in over 350 branches in 2010 and will be rolled out across the country in 2011. The Loan

Origination System (LOS) has been implemented for Commercial loans and Consumer products. LOS implementation for the rest of the Bank will be completed by 2012.

UBL is already starting to see the technological benefits and the improved service capability that these systems will bring to the Bank and its customers.

Key developments during 2010

Watan Card

The Government of Pakistan (GOP) selected UBL to disburse Rs. 20,000 each to over one million families displaced by the flooding. For this effort UBL issued debit cards, called “Watan cards”, to beneficiaries identified by NADRA and GOP. Additional planned installments in 2011 will assure beneficiaries have multiple opportunities to use (and get used to) the cards. UBL’s ultimate goal is to retain the beneficiaries as Branchless Banking customers by introducing them to the benefits of using additional services such as savings, remittances, and bill payments that are accessible via their Watan card Omni accounts.

The Bill & Melinda Gates Foundation will contribute US\$1.5 million through MEDA (Mennonite Economic Development Association) to support UBL’s management and administrative costs of procuring and distributing the cards as well as the cost of ongoing disbursements via Omni Agents. The funding will also support MEDA in monitoring and documenting the UBL Watan experience, in order to share learnings with the wider microfinance and financial sector communities globally.

UBL Omni

UBL Omni commenced commercial operations in April 2010 and with it achieved the honor of being the first commercial bank to launch branchless banking operations in Pakistan. With Omni, UBL aims to attract the unbanked population via its retail business agents called Omni Dukaans which are located in over 350 towns and cities of Pakistan and currently number more than 2,300.

Pakistan has nearly 65 million unique mobile phone subscribers whilst it has less than 20 million individuals with bank accounts. This provides the Bank with the unique platform of being able to include a large segment of the country’s unbanked population and provide them financial services which have previously remained inaccessible to them.

In recognition of UBL’s innovative product offering, strong management credentials and admirable goals of financial inclusion, the Bill and Melinda Gates Foundation has given UBL a

grant of US\$6.9 million through ShoreBank International to promote UBL Omni and ensure its reach to the widest possible community.

Launch of UBL First Minor Account

The Bank launched 'UBL First Minor PLS Savings Account' in 2010, a savings account designed especially for children, with exciting benefits that are unmatched in the industry. By providing an avenue to parents for financial planning for their children, it should also increase the number of parents in the banking system, as well as develop a new generation of customers loyal to UBL. This product has already generated a high degree of interest amongst children via the Bank's youth outreach and social media campaigns.

Launch of UBL Business Partner Plus

UBL launched 'Business Partner Plus' in 2010, the best current account offering in Pakistan. This is a specialized current checking account, with a full menu of services, aimed at providing the necessary tools for individuals, traders, businessmen and commercial customers to transact their entire bank related business activities nationwide through a single platform. This product has been a major success story in its first year of launch.

Signature: Priority Banking

2010 was the first full year of operations for the UBL Priority Banking lounges launched in November 2009. These exclusive lounges cater to the Bank's existing and potential high-net-worth customers, with relationship managers trained to offer a range of wealth management products to service customer needs. UBL has had a successful experience with this offering and plans to expand this business across Pakistan in the future.

Launch of Pakistan's First Premium Debit Card

In 2010, UBL in collaboration with MasterCard, announced the launch of Pakistan's first Premium Debit MasterCard, exclusively designed to cater to the needs of affluent consumers in Pakistan. Customers who fulfill the stipulated eligibility criteria are being offered this card, as part of UBL's continuing commitment to offering the best products to its customers. In addition to the features and privileges inherent in the card program, UBL has also teamed up with various partners to provide preferential benefits to its cardholders.

Wiz for ACCA

Wiz is a prepaid debit card which was launched in 2008, and UBL is the only bank in the country to have this offering. Customers can deposit up to a limit of Rs 200,000 in their debit card and

use it all over the world. The card can be topped-up for usage (just like a prepaid mobile phone connection) from any UBL online branch.

UBL entered into a partnership with the Association of Chartered Certified Accountants, UK (ACCA), a global body of accounting professionals, which has thousands of registered students in Pakistan. In this connection, the Bank has launched a Wiz prepaid card specifically for ACCA students, which is especially convenient to them in making fee payments online. This is a key initiative that is expected to increase awareness and usage of the Wiz card.

Credit Ratings

The credit rating company JCR-VIS re-affirmed the bank's long-term entity rating at AA+ and the ratings of its four subordinated debt instruments at AA. The short term ratings remain at A-1+ which is the highest rating denoting the greatest certainty of timely payments by a financial institution. All ratings for UBL have been assigned a Stable outlook.

Capital Intelligence (CI), the international credit rating agency, has re-affirmed UBL's Foreign Currency long-term rating at B-, while its Foreign Currency short-term rating has been upgraded from C to B in line with CI's sovereign ratings action on Pakistan. In addition, the Bank's Financial Strength rating has been re-affirmed at BB+, with the Outlook upgraded from Negative to Stable based on the Bank's strong performance in 2009 and the first half of 2010.

Future Outlook

Going forward, achieving macroeconomic stability remains a key challenge for Pakistan. Continued power and gas shortages along with high borrowing costs are expected to place further pressure on the LSM sector and consequently on GDP growth. Inflationary pressures are expected to remain high, averaging close to 15-16% for 2011.

Achieving fiscal austerity remains of utmost significance. The deficit target for 2011 is likely to be breached due to lower revenue generation along with weak expenditure control. However, the external account position should remain healthy as higher remittances, services inflows and increased exports are likely to continue during 2011. Inflationary pressures combined with the weak fiscal position are expected to result in a continued tight monetary policy during 2011.

Given the macroeconomic scenario, UBL's focus will remain on proactively managing its asset portfolio while exploring the acquisition of quality assets. The Bank will continue to grow its low cost deposit base by more efficiently leveraging its branch network. UBL also plans to significantly expand its Branchless Banking product to make financial services available to a

broader range of people. The Bank is confident that, with the investments it has made in people, technology and products, it is well positioned for further growth.

Statement under Section XIX of the Code of Corporate Governance

The Board is committed to ensure that requirements of corporate governance set by Securities and Exchange Commission of Pakistan are fully met. The Bank has adopted good Corporate Governance practices and the Directors are pleased to report that:

- The financial statements present fairly the state of affairs of the Bank, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Bank have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of these unconsolidated financial statements, except for the changes in the accounting policies as described in note 5.1. Accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable to Banks in Pakistan have been followed in the preparation of the Accounts of financial statements without any departure there-from.
- The system of internal control in the Bank is sound in design, and effectively implemented and monitored.
- There are no significant doubts upon the Bank's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance.
- The Board has appointed the following three Committees with defined terms of references
 - Board Risk Management Committee
 - Board Human Resources & Compensation Committee
 - Board Audit Committee
- Performance highlights for the last six years are attached to these unconsolidated financial statements.

The Bank operates five post retirement funds Provident Fund, Gratuity, Pension, Benevolent, and General Provident Fund and two benefit schemes Post Retirement Medical and

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Compensated Absences. Gratuity and Provident Fund Schemes are available to staff who joined the bank post privatization. The value of investments based on latest audited financial statements as at December 31, 2009 of these funds is as follows:

	Amounts in '000
Employees' Provident Fund	2,829,590
Employees' Gratuity Fund	297,030
Staff Pension Fund	6,132,050
Staff General Provident Fund	1,296,753
Officers / Non-Officers Benevolent Fund	787,303

Meetings of the Board

During the year under review, the Board of Directors met six times. The number of meetings attended by each director during the year is shown below:

Name of the Director		Meetings attended
His Highness Sheikh Nahayan Mubarak Al Nahayan	<i>Chairman</i>	03
Sir Mohammed Anwar Pervez, OBE, HPk	<i>Deputy Chairman</i>	06
Mr. Omar Z. Al Askari	<i>Director</i>	06
Mr. Zameer Mohammed Choudrey	<i>Director</i>	06
Dr. Ashfaque Hasan Khan *	<i>Director</i>	01
Mr. Muhammad Sami Saeed	<i>Director</i>	06
Mr. Amin Uddin	<i>Director</i>	06
Mr. Arshad Ahmad Mir	<i>Director</i>	06
Mr. Seerat Asghar *	<i>Director</i>	05
Mr. Atif R. Bokhari,	<i>President & CEO</i>	06

The Board appreciated the services rendered by Dr. Ashfaque Hasan Khan, the out going director.

UNITED BANK LIMITED

* Mr. Seerat Asghar was appointed as a Director of UBL in place of Dr. Ashfaque Hasan Khan with effect from March 30, 2010.

Pattern of Shareholding

The pattern of shareholding as required u/s 236 of the Companies Ordinance, 1984 and Articles (xix) of the Code of Corporate Governance is given below :

Shareholders	No. of Shares	% of ordinary Shares
Bestway Group (BG)	380,355,324	31.07
Abu Dhabi Group (ADG)	312,165,804	25.50
State Bank of Pakistan	238,567,381	19.49
Government of Pakistan	3,354,550	0.27
Privatization Commission of Pakistan	1,714	0.00
General Public & others	169,818,347	13.87
NIT	1,307,327	0.11
Bank, DFIs & NBFIs	15,267,751	1.25
Insurance Companies	7,355,969	0.60
Modarabas & Mutual Funds	17,482,437	1.43
Securities & Exchange Commission of Pakistan	1	0.00
* International GDRs (non voting shares)	78,503,082	6.41
TOTAL OUTSTANDING SHARES	1,224,179,687	100.00

* ADG also holds 4.80% additional shares in the form of GDRs.

The aggregate shares held by the following are:

	No. of shares
a) Associated Companies, undertakings & related parties	
- Bestway (Holdings) Limited	222,775,183
- Bestway Cement Limited	93,649,744
- Al Jaber Transport & General Contracting	59,993,236
b) NIT	
-National Bank of Pakistan – Trustee Department NI(U)T Fund	1,302,665
-National Investment Trust Limited	4,662
c) Public sector companies and corporations	147,515
d) Banks, DFIs, NBFIs, Insurance Companies, Modaraba & Mutual Funds	40,106,157
e) Directors / CEO / Executives	
-H.H. Sheikh Nahayan Mabark Al Nahayan	78,942,102
-Sir Mohammed Anwar Pervez,OBE,HPk	62,433,163
-Omar Z. Al Askari	14,998,307
-Zameer Mohammed Choudrey	1,497,234

UNITED BANK LIMITED

-Amin Uddin	2,750
-Atif R. Bokhari	931,519
-Other Executives *	2,985,792

* Figure for Other Executives includes 942 shares held by their spouses and minor children.

Shareholders holding 10% or more voting interest	No. of shares	%
-State Bank of Pakistan	238,567,381	19.4879
-Bestway (Holdings) Limited	222,775,183	18.1979

There was no trading in UBL shares carried out by any of the directors, CEO, CFO, and Company Secretary, or their spouses and minor children during the year

Risk Management Framework

The Bank has an integrated Risk Management structure in place. The Board Risk Management Committee (BRMC) oversees the whole risk management process of the Bank. The Risk and Credit Policy Group assists the BRMC. The Group is organized into the functions of Credit Administration, Market and Treasury Risk, Commercial and FI Credit Policy, Consumer and Retail Credit, Credit Risk Management and Operational Risk & Basel II. Each risk category is headed by a senior manager who reports directly to the Group Executive, Risk and Credit Policy.

As Pakistan progresses through a period of eco-political turmoil, UBL strengthened its capacity for identifying and reducing risk. The year saw emphasis on close monitoring of the asset portfolio across all segments, including actively working with clients to help them with repayments and restructuring. Steps were also taken to enhance the efficiency of the credit approval process through appropriate delegation of approval authority. A holistic Risk Management Policy was finalized in 2010. This is an umbrella policy, providing an integrated framework to encompass Credit, Liquidity, Agricultural, International, Market and Human Resource risk, aimed at portfolio quality improvement. A comprehensive Agriculture Credit Policy was also developed and finalized over the year. The formulation and approval of these policies involved input from the Board and senior management to ensure that risks were accurately assessed. In order to keep businesses aware of market and industry developments, the Credit Policy & Research Division provided regular updates on major macroeconomic issues and specific industry developments.

The Capital Adequacy Ratio (CAR) was maintained well above the prescribed regulatory threshold throughout the year. The CAR calculation process has been optimized through automation and system based reporting is expected to commence from 2011. The Bank continued its efforts towards implementing the Operational Risk Management Framework

across the bank and achieved the deployment of operational risk monitor, a key milestone in this regard. The Bank plans to move to the Advanced Approach for Basel II, including all its components and has prepared a roadmap towards implementation.

In order to automate the loan origination process for Corporate, Commercial and SME borrowers, a Loan Origination System (LOS), one of the most critical components of UBL's new Core Banking System, has been implemented. LOS facilitates routing of credit applications created on a predefined format to recommenders and approvers electronically. During the year, the LOS has been successfully implemented for Consumer & SME loans. User Acceptance Testing (UAT) for Corporate and Commercial credit applications on LOS has been done successfully and Bank wide roll out covering all segments and customers is expected in 2012

Consumer financing portfolios remain stressed around the country due to the high inflationary environment with consequent escalation in borrowing costs. UBL continued to effectively manage its portfolio and developed a behavior scoring model as a risk management tool to facilitate automated credit limit management, collections management and transaction authorization. The Bank is in the process of developing an Application Scoring model for identification of quality acquisition prospects across the consumer portfolio

The Market and Treasury Risk unit has continued to review risk policies and procedures to ensure that operating controls are robust and limits are in place to manage risk without unduly hampering business. Towards this end, several initiatives have been taken during the current year. For the equity trading portfolio, a Value-at-Risk approach is being back tested and fine-tuned whereas for the derivatives portfolio a revised mechanism has been rolled out to measure and monitor pre-settlement risk. Market Risk Limit setting mechanisms have also been updated to place greater reliance on quantitative rather than subjective methods. For the banking book, several analytical tools are under review to supplement stress testing requirements.

The Bank also continues to invest in systems and people as part of its process of continuously strengthening the risk management function.

Auditors

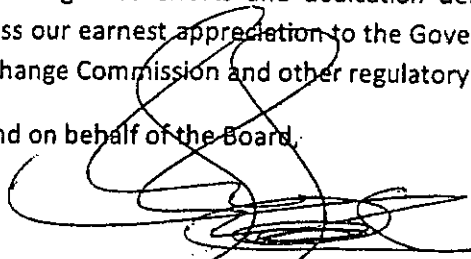
The present auditors M/S. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants and M/S. BDO Ebrahim & Co., Chartered Accountants retire and being eligible, offer themselves for re-appointment in the forthcoming Annual General Meeting.

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Conclusion

In conclusion, I extend my thanks and appreciation to UBL shareholders and customers as well as to my fellow members of the Board of Directors for their trust and support. We acknowledge the efforts and dedication demonstrated by our staff and would also like to express our earnest appreciation to the Government, the State Bank of Pakistan, the Securities & Exchange Commission and other regulatory bodies for their continued support.

For and on behalf of the Board,



Nahayan Mabarak Al Nahayan
Chairman

Abu Dhabi
February 21, 2011

Corporate Social Responsibility

The commitment to continuously create value for its customers, employees and local communities is a major priority of UBL. In 2010, UBL provided support of over Rs. 80 million for CSR initiatives principally in the areas of education, health care and community development. UBL's efforts in the field of CSR were also acknowledged by the **Pakistan Center for Philanthropy (PCP)**, an independent organization, as one of the largest donors to charitable causes in Pakistan.

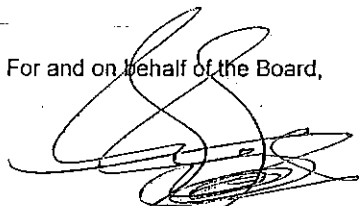
UBL, as a "Contributing Sponsor" of the Karachi Education Initiative (KEI), contributed Rs 40 million to this cause. This initiative aims to set up a world class School of Business and Leadership in Karachi. Additionally, Rs. 3.9 million were also donated to other organizations operating in the field of education, including The Citizens' Foundation and the Lahore University of Management Sciences.

In the areas of health and community development, UBL contributed over Rs. 10 million including to the Edhi Foundation, SOS Villages of Pakistan, Marie Adelaide Leprosy Centers, Special Olympics Pakistan, The Police Hospital Fund and Friends of Burns Center.

The massive floods across Pakistan in July 2010, resulted in almost 20% of the country being inundated, and over 20 million people rendered homeless and stripped of basic needs such as food and clean drinking water. UBL initiated a donation program nationwide, accompanied by a significant media campaign, with a pledge to match each donation rupee for rupee. UBL's employees also answered the call, voluntarily donating one day's salary, which was also matched by the Bank. These funds were then utilized towards rehabilitation of the flood affectees, with a focus on the provision of clean drinking water.

As a result of its previous success and credibility in distributing Government aid to the Internally Displaced Persons in Swat, the Government of Pakistan chose UBL to route payments of Rs 20,000 each to 1 million households displaced in the floods. UBL made this possible by collaborating with NADRA and using the Bank's established Omni Branchless Banking platform to deliver payments to recipients via "Watan"-Visa debit cards. UBL successfully disbursed the funds in 70 districts of Pakistan in record time, and with a transparency that has been appreciated by several international donor organizations. Recognizing the efforts of UBL Omni's efforts for financial inclusion of this previously unbanked population, were also recognized by the Bill and Melinda Gates Foundation which has supported UBL through a USD 1.5 million grant for supporting the Watan project.

For and on behalf of the Board,



Nahayan Mabarak Al Nahayan
Chairman

Abu Dhabi

February 21, 2011

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2010

	Note	2010 ----- (Rupees in '000) -----	2009 ----- (Rupees in '000) -----
ASSETS			
Cash and balances with treasury banks	6	67,461,668	61,470,047
Balances with other banks	7	18,192,142	5,407,470
Lendings to financial institutions	8	12,384,778	23,162,130
Investments	9	224,578,556	136,145,524
Advances			
Performing	10	318,673,884	342,663,339
Non-performing - net of provision	10	15,058,288	11,428,374
		333,732,172	354,091,713
Operating fixed assets	11	22,424,072	21,925,669
Deferred tax asset - net	12	1,298,403	608,876
Other assets	13	18,713,188	16,905,004
		698,784,979	619,716,433
LIABILITIES			
Bills payable	15	5,045,815	5,147,259
Borrowings	16	45,104,849	35,144,823
Deposits and other accounts	17	550,645,767	492,036,103
Sub-ordinated loans	18	11,985,748	11,989,800
Other liabilities	19	17,587,735	14,461,725
		630,369,914	558,779,710
NET ASSETS		68,415,065	60,936,723
REPRESENTED BY:			
Share capital	20	12,241,798	11,128,907
Reserves		21,688,637	18,959,537
Unappropriated profit		26,250,489	22,187,802
		60,180,924	52,276,246
Surplus on revaluation of assets - net of deferred tax	21	8,234,141	8,660,477
		68,415,065	60,936,723

CONTINGENCIES AND COMMITMENTS

22

The annexed notes from 1 to 48 and annexures form an integral part of these unconsolidated financial statements.

Atif R. Bokhari
President &
Chief Executive Officer

Muhammad Sami Saeed
Director

Sir Mohammed Anwar Pervez, OBE, HPk
Deputy Chairman



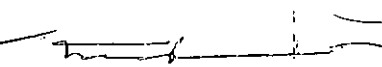
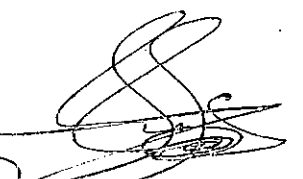
Nahayan Mabarak Al Nahayan
Chairman



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

	Note	2010 ----- (Rupees in '000) -----	2009
Mark-up / return / interest earned	24	59,331,761	61,107,025
Mark-up / return / interest expensed	25	25,223,253	28,163,787
Net mark-up / interest income		34,108,508	32,943,238
Provision against loans and advances - net	10.5	6,803,355	9,623,204
Provision against lending to financial institutions	8.5	-	560,852
Provision for diminution in value of investments - net	9.3	204,573	945,342
Bad debts written off directly	10.6	996,772	1,485,976
		8,004,700	12,615,374
Net mark-up / return / interest income after provisions		26,103,808	20,327,864
Non Mark-up / Interest Income			
Fee, commission and brokerage income		6,337,745	5,925,082
Dividend income		591,017	606,347
Income from dealing in foreign currencies		1,653,793	1,213,881
Gain on sale of securities - net	26	158,885	629,418
Unrealized loss on revaluation of investments classified as held for trading	9.4	(38,365)	(3,006)
Other income	27	1,417,557	3,047,849
Total non mark-up / return / interest income		10,120,632	11,419,571
		36,224,440	31,747,435
Non Mark-up / Interest Expenses			
Administrative expenses	28	17,765,056	16,608,561
Other provisions / write offs - net	29	63,233	642,274
Workers' Welfare Fund	30	413,542	397,547
Other charges	31	240,391	64,552
Total non mark-up / interest expenses		18,482,222	17,712,934
Profit before taxation		17,742,218	14,034,501
Taxation - Current	32	6,805,506	6,930,585
- Prior years	32	415,136	76,328
- Deferred	32	(638,354)	(2,165,099)
		6,582,288	4,841,814
Profit after taxation		11,159,930	9,192,687
			----- (Rupees) -----
Earnings per share - basic and diluted	33	9.12	Restated 7.51

The annexed notes from 1 to 48 and annexures form an integral part of these unconsolidated financial statements.

			
Atif R. Bokhari President & Chief Executive Officer	Muhammad Sami Saeed Director	Sir Mohammed Anwar Pervez: OBE, HPK Deputy Chairman	Nahayan Mabarak Al Nahayan Chairman


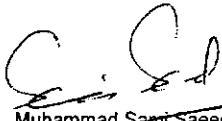
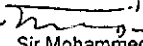
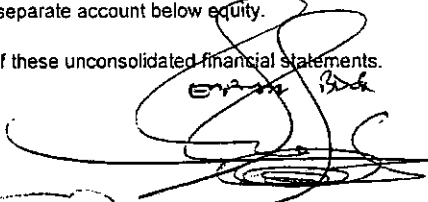


UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
	----- (Rupees in '000) -----	
Profit after taxation	11,159,930	9,192,687
Other comprehensive income / (loss):		
Exchange differences on translation of net investment in foreign branches	419,851	1,549,269
Net gain on cash flow hedges	118,866	108,028
Related deferred tax liability on cash flow hedges	(41,603)	(37,810)
	77,263	70,218
	497,114	1,619,487
Comprehensive income transferred to equity - net of tax	11,657,044	10,812,174

Surplus / (deficit) arising on revaluation of assets has been reported in accordance with the requirements of the Companies Ordinance, 1984 and the directives of the State Bank of Pakistan in a separate account below equity.

The annexed notes from 1 to 48 and annexures form an integral part of these unconsolidated financial statements.


			
Atif R. Bokhari President and Chief Executive Officer	Muhammad Sami Saeed Director	Sir Mohammed Anwar Pervez, OBE, HPk Deputy Chairman	Nahayan Mabarak Al Nahayan Chairman




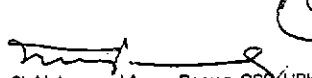
UNCONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

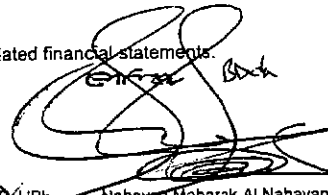
	Note	2010	2009
		----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		17,742,218	14,034,501
Less: Dividend income		591,017	606,347
		<u>17,151,201</u>	<u>13,428,154</u>
Adjustments:			
Depreciation		1,492,922	1,471,525
Amortization		221,047	184,241
Workers Welfare Fund		413,542	397,547
Provision for retirement benefits		16,638	462,726
Provision against loans and advances		6,803,355	9,623,204
Provision against lending to financial institutions		-	560,852
Provision for diminution in value of investments		204,573	945,342
Reversal of provision in respect of investments disposed off during the year		(337,899)	(1,208,712)
Provision against off balance sheet items		-	20,250
Gain on sale of fixed assets		(16,248)	(30,856)
Bad debts written-off directly		996,772	1,485,976
Amortization of cash flow hedge reserve		118,866	108,028
Unrealized loss on revaluation of investments classified as held for trading		38,365	3,006
Provision / (reversal of provision) against other assets		63,233	622,024
		<u>10,015,166</u>	<u>14,645,153</u>
		<u>27,166,367</u>	<u>28,073,307</u>
Decrease / (increase) in operating assets			
Lendings to financial institutions		10,777,352	(917,641)
Held for trading securities		(12,484,294)	743,410
Advances		12,559,414	5,938,782
Other assets (excluding advance taxation)		(1,185,766)	1,563,434
		<u>9,666,706</u>	<u>7,327,985</u>
(Decrease) / increase in operating liabilities			
Bills payable		(101,444)	(47,190)
Borrowings		9,960,026	(9,051,063)
Deposits and other accounts		58,609,664	8,476,041
Other liabilities (excluding current taxation)		2,697,443	(1,383,783)
		<u>71,165,689</u>	<u>(2,005,995)</u>
		<u>107,998,762</u>	<u>33,395,297</u>
Staff retirement benefits received / (paid)		977,691	(637,322)
Income taxes paid		(8,906,105)	(9,658,543)
Net cash inflow from operating activities		<u>100,070,348</u>	<u>23,099,432</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in securities		(76,127,684)	(13,565,270)
Dividend income received		591,017	620,499
Investment in operating fixed assets		(2,263,630)	(1,550,661)
Sale proceeds from disposal of property and equipment		96,850	172,876
Net cash outflow from investing activities		<u>(77,703,447)</u>	<u>(14,322,556)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of principal of sub-ordinated loans		(4,052)	(4,048)
Dividends paid		(4,006,407)	(1,011,719)
Net cash used in financing activities		<u>(4,010,459)</u>	<u>(1,015,767)</u>
Exchange differences on translation of net investment in foreign branches		419,851	1,549,269
Increase in cash and cash equivalents		<u>18,776,293</u>	<u>9,310,378</u>
Cash and cash equivalents at beginning of the year		<u>66,877,517</u>	<u>57,567,139</u>
Cash and cash equivalents at end of the year	34	<u><u>85,653,810</u></u>	<u><u>66,877,517</u></u>

The annexed notes from 1 to 48 and annexures form an integral part of these unconsolidated financial statements.


 Atif R. Bokhan
 President and
 Chief Executive Officer


 Muhammad Samir Saeed
 Director


 Sir Mohammed Anwar Pervez, OBE, HPK
 Deputy Chairman


 Nahayan Mabarak Al Nahayan
 Chairman

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

	Share capital	Capital reserves			Cash flow hedge reserve	Unappropriated profit	Total
		Statutory reserve	Exchange translation reserve	Reserve for issue of bonus shares			
(Rupees in '000)							
Balance as at January 1, 2009	10,117,188	10,376,375	5,401,771	-	(276,633)	16,604,076	42,222,777
Final cash dividend for the year ended December 31, 2008 declared subsequent to year end at Re.1.00 per share	-	-	-	-	-	(1,011,719)	(1,011,719)
Transfer to reserve for issue of bonus share	-	-	-	1,011,719	-	(1,011,719)	-
Issue of bonus shares at 10%	1,011,719	-	-	(1,011,719)	-	-	-
Changes in equity for 2009							
Profit after taxation for the year ended December 31, 2009	-	-	-	-	-	9,192,687	9,192,687
Other comprehensive income - net of tax	-	-	1,549,269	-	70,218	-	1,619,487
Total comprehensive income	-	-	1,549,269	-	70,218	9,192,687	10,812,174
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	253,014	253,014
Transfer to statutory reserve	-	1,838,537	-	-	-	(1,838,537)	-
Balance as at December 31, 2009	11,128,907	12,214,912	6,951,040	-	(206,415)	22,187,802	52,276,246
Final cash dividend for the year ended December 31, 2009 declared subsequent to year end at Rs.2.50 per share	-	-	-	-	-	(2,782,227)	(2,782,227)
Interim cash dividend for the half year ended June 30, 2010 declared at Re. 1.00 per share	-	-	-	-	-	(1,224,180)	(1,224,180)
Transfer to reserve for issue of bonus shares	-	-	-	1,112,891	-	(1,112,891)	-
Issue of bonus shares at 10%	1,112,891	-	-	(1,112,891)	-	-	-
Changes in equity for 2010							
Profit after taxation for the year ended December 31, 2010	-	-	-	-	-	11,159,930	11,159,930
Other comprehensive income - net of tax	-	-	419,851	-	77,263	-	497,114
Total comprehensive income	-	-	419,851	-	77,263	11,159,930	11,657,044
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	254,041	254,041
Transfer to statutory reserve	-	2,231,986	-	-	-	(2,231,986)	-
Balance as at December 31, 2010	12,241,798	14,446,898	7,370,891	-	(129,152)	28,250,489	60,180,924

Appropriations made by the Directors subsequent to the year ended December 31, 2010 are disclosed in note 46 to these unconsolidated financial statements.

The annexed notes from 1 to 48 and annexures form an integral part of these unconsolidated financial statements.

Aftab Beheran
President and
Chief Executive Officer

Muhammad Sami Saeed
Director

Sir Mohammed Anwar Pervez, OBE, MPK
Deputy Chairman

Nahayan Wabarak Al Nahayan
Chairman

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010****1. STATUS AND NATURE OF BUSINESS**

United Bank Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's registered office and principal office are situated at UBL building, Jinnah Avenue, Blue Area, Islamabad and at State Life Building No. 1, I. I. Chundrigar Road, Karachi respectively. The Bank operates 1,123 (2009: 1,120) branches including 6 (2009: 5) Islamic banking branches, 1 (2009: 1) branch in Karachi Export Processing Zone (KEPZ) and 17 (2009: 17) branches outside Pakistan.

The Bank's Ordinary shares are listed on all three stock exchanges in Pakistan whereas its Global Depository Receipts (GDRs) are on the list of the UK Listing Authority and the London Stock Exchange Professional Securities Market. These GDRs are also eligible for trading on the International Order Book System of the London Stock Exchange. Further, the GDRs constitute an offering in the United States only to qualified institutional buyers in reliance on Rule 144A under the US Securities Act of 1933 and an offering outside the United States in reliance on Regulation S.

2. BASIS OF PRESENTATION

- 2.1** 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. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan and notified under the provisions of the Companies Ordinance, 1984.
- 2.2** The financial results of the Islamic banking branches of the Bank have been included in these unconsolidated financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in note 45 to these unconsolidated financial statements.
- 2.3** With effect from the current year, 'Balance Sheet' has been renamed as 'Statement of Financial Position' keeping in view the requirement of BSD Circular letter No.7 of 2010 dated April 20, 2010 issued by the SBP.

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) and interpretations issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or said directives prevail.
- 3.2** The SBP vide BSD Circular letter 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 (IAS 40) for banking companies till further instructions. Further, according to the notification of SECP issued vide SRO 411(I)/2008 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 financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- 3.3** These unconsolidated financial statements represent the separate standalone financial statements of the Bank. The consolidated financial statements of the Bank and its subsidiary companies are presented separately.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
3.4 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)	01 February 2010
IAS 24 - Related Party Disclosures (Revised)	01 January 2011
IAS 12 - Income Taxes: Deferred Tax Amendment – Recognition of Underlying Assets	01 January 2012
IFRIC 14 - IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	01 January 2011
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	01 July 2010

The Bank expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect the Bank's financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2011. The Bank expects that such improvements to the standards will not have any material impact on the Bank's financial statements in the period of initial application.

4. BASIS OF MEASUREMENT
4.1 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except that certain operating fixed assets have been stated at revalued amounts and certain investments and derivative financial instruments have been stated at fair value.

4.2 Critical accounting estimates and judgments

The preparation of these unconsolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- i) classification of investments (notes 5.4 and 9)
- ii) provision against investments (notes 5.4 and 9.3) and advances (notes 5.5 and 10.5)
- iii) income taxes (notes 5.8 and 32)
- iv) staff retirement benefits (notes 5.10 and 36)
- v) fair value of derivatives (notes 5.15 and 19.4)
- vi) operating fixed assets, depreciation and amortization (notes 5.6 and 11)
- vii) impairment (note 5.7)

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010****5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****5.1 Significant accounting policies**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as follows:

The Bank has adopted the following new and amended IFRS and related interpretations which became effective during the year:

IFRS 2 - Share-based Payments: Amendments relating to Group Cash-settled Share-based Payment Transactions

IFRS 3 - Business Combinations (Revised)

IAS 27 - Consolidated and Separate Financial Statements (Amendment)

IFRIC 17 - Distributions of Non-cash Assets to owners

In May 2008 and April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

Issued in May 2008

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations

Issued in April 2009

IFRS 2 – Share-based Payments (note 37.3)

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations

IFRS 8 – Operating Segments

IAS 1 – Presentation of Financial Statements

IAS 7 – Statement of Cash Flows

IAS 17 – Leases

IAS 36 – Impairment of Assets

IAS 38 – Intangible Assets

IAS 39 – Financial Instruments: Recognition and measurement

IFRIC 9 – Reassessment of Embedded Derivatives

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation

The adoption of the above standards, amendments / improvements and interpretations did not have a material effect on the financial statements.

5.2 Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement represent cash and balances with treasury banks and balances with other banks in current and deposit accounts.

5.3 Lendings to / borrowings from financial institutions

The Bank enters into transactions of repos and reverse repos at contracted rates for a specified period of time. These are recorded as under:

5.3.1 Sale under repurchase agreements

Securities sold subject to a re-purchase agreement (repo) are retained in the unconsolidated financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and re-purchase value is accrued over the period of the agreement and recorded as an expense.

5.3.2 Purchase under resale agreements

Securities purchased under agreement to resell (reverse repo) are included in lendings to financial institutions. The differential between the purchase price and resale price is amortized over the period of the agreement and recorded as income.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Securities held as collateral are not recognized in the unconsolidated 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.

5.4 Investments

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

Held for trading

These are securities which 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 a portfolio in which a pattern of short-term profit taking exists.

Held to maturity

These are securities with fixed or determinable payments and fixed maturity in respect of which the Bank has the positive intent and ability to hold to maturity.

Available for sale

These are investments, other than those in subsidiaries and associates, that do not fall under the held for trading or held to maturity categories.

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 for trading**

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

Held to maturity

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

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.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010****Investments 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.

5.5 Advances

Advances are stated net of specific and general provisions. Specific provision against domestic advances is determined on the basis of the Prudential Regulations and other directives issued by the SBP and is charged to the profit and loss account. General provision against consumer loans is made in accordance with the requirements of the Prudential Regulations issued by the SBP. General and specific provisions pertaining to overseas advances are made in accordance with the requirements of the monetary agencies and the regulatory authorities of the respective countries. The Bank, from time to time, makes general provision against weaknesses in its portfolio if circumstances warrant on the basis of management's estimation. Advances are written off when there is no realistic prospect of recovery. The amount so written off is a book entry without prejudice to the Bank's right of recovery against the customer.

The Bank determines write-offs in accordance with the criteria prescribed by the SBP vide BPRD Circular No. 06 dated June 05, 2007.

5.6 Operating fixed assets and depreciation**5.6.1 Owned**

Property and equipment, other than freehold land (which is not depreciated) and capital work-in-progress, are stated at cost or revalued amount less accumulated depreciation and accumulated impairment losses (if any). Freehold land is carried at revalued amount less impairment losses while capital work-in-progress is stated at cost less impairment losses. The cost of property and equipment of foreign branches includes exchange difference arising on currency translation at the year-end rates of exchange.

Depreciation is calculated so as to write off the depreciable amount of the assets over their expected economic lives at the rates specified in note 11.2 to these unconsolidated financial statements. The depreciation charge for the year is calculated after taking into account residual value, if any, and using methods depending on the nature of the asset and the country of its location. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Depreciation on additions is charged from the month the asset is available for use. No depreciation is charged in the month of disposal.

Land and buildings are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value.

Surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. Deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the above-mentioned surplus account as allowed under the provisions of the Companies Ordinance, 1984. The surplus on revaluation of fixed assets, to the extent of incremental depreciation charged on the related assets, is transferred to unappropriated profit.

Gains and losses on sale of fixed assets are included in income currently, except that the related surplus on revaluation of fixed assets (net of deferred taxation) is transferred directly to unappropriated profit.

Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Normal repairs and maintenance are charged to the profit and loss account as and when incurred.

5.6.2 Leased (Ijarah)

Assets leased out under Ijarah are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Assets under Ijarah are depreciated over the period of the lease term.

Ijarah income is recognized on an accrual basis as and when the rental becomes due.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010****5.6.3 Intangible assets**

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized using the straight line method, from the month when these assets are available for use, whereby the cost of the intangible asset is amortized on the basis of the estimated useful life over which economic benefits are expected to flow to the Bank. The residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

5.7 Impairment**Impairment in available for sale equity investments**

Available for sale equity investments are 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.

Impairment in investments in associates and subsidiaries

The Bank considers that a decline in the recoverable value of investment 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 investment in associates and subsidiaries is credited to the profit and loss account.

Impairment in non-financial assets (excluding deferred tax)

The carrying amounts of non-financial assets are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of the revalued assets.

5.8 Taxation**5.8.1 Current**

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income earned from local as well as foreign operations, as applicable to the respective jurisdictions. The charge for current tax is calculated using prevailing tax rates. The charge for current tax also includes, where considered necessary, adjustments relating to prior years, arising from assessments made during the year.

5.8.2 Deferred

Deferred tax is recognized using the liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In addition, the Bank also records a deferred tax asset on available tax losses. Deferred tax is calculated at the rates that are expected to apply to the period when the differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

The carrying amount of the deferred tax asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

The Bank also recognizes a deferred tax asset / liability on deficit / surplus on revaluation of fixed assets, cash flow hedge reserve and securities which is adjusted against the related deficit / surplus in accordance with the requirements of the revised International Accounting Standard (IAS) 12, Income Taxes.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010****5.9 Provisions**

Provisions are recognized when the Bank has a legal or constructive obligation as a result of past events which makes it probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provision against identified non-funded losses is recognized when intimated and reasonable certainty exists for the Bank to settle the obligation. The loss is charged to the profit and loss account net of expected recovery and the provision is classified under other liabilities.

Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

5.10 Staff retirement and other benefits**5.10.1 Staff retirement benefit schemes**

The Bank operates the following staff retirement schemes for its employees

- a) For new employees and for those who opted for the new scheme introduced in 1991, the Bank operates an
 - approved contributory provident fund (defined contribution scheme); and
 - approved gratuity scheme (defined benefit scheme).
- b) For employees who have not opted for the new scheme introduced in 1991, the Bank operates an
 - approved funded pension scheme, introduced in 1986 (defined benefit scheme); and
 - approved non-contributory provident fund in lieu of the contributory provident fund.

In the year 2001, the Bank modified the pension scheme and introduced a conversion option for employees covered under option (b) above to move to option (a). This conversion option ceased on December 31, 2003.

The Bank also operates a contributory benevolent fund for all its eligible employees (defined benefit scheme).

Annual contributions towards the defined benefit schemes are made on the basis of actuarial advice using the Projected Unit Credit Method.

For defined contribution plans, the Bank pays contributions to the Fund on a periodic basis. The Bank has no further payment obligation once the contributions have been paid. The contributions are recognized as an expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction of the future payments is available.

5.10.2 Other benefits**a) Employees' compensated absences**

The Bank makes provisions for compensated vested and non-vested absences accumulated by its eligible employees on the basis of actuarial advice under the Projected Unit Credit Method.

b) Post retirement medical benefits (defined benefit scheme)

The Bank provides post retirement medical benefits to eligible retired employees. Provision is made annually to meet the cost of such medical benefits on the basis of actuarial advice under the Projected Unit Credit Method.

c) Employee motivation and retention scheme

The Bank operates a long term motivation and retention scheme for its employees with the objective of rewarding, motivating and retaining its high performing executives and officers. The liability of the Bank is fixed and is determined each year based on the performance of the Bank.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010****5.10.3 Actuarial gains and losses**

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of the plan assets or 10% of the defined benefit obligation at the end of the last reporting year are charged or credited to income over the employees' expected average remaining working lives. These limits are calculated and applied separately for each defined benefit plan.

Actuarial gains and losses pertaining to long term compensated absences are recognized immediately.

5.11 Sub-ordinated Debt

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

5.12 Borrowings / deposits and their cost

- a) Borrowings / deposits are recorded at the proceeds received.
- b) Borrowings / deposits costs are recognized as an expense in the period in which these are incurred.

5.13 Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognized.

5.13.1 Advances and investments

Mark-up / return on performing advances and investments is recognized on a time proportionate basis over the term of the advances and investments. Where debt securities are purchased at premium or discount, such premium / discount is amortized through the profit and loss account over the remaining period of maturity.

Interest or mark-up recoverable on non-performing advances and classified investments is recognized on receipt basis. Interest / return / mark-up on rescheduled / restructured loans and advances and investments is recognized as permitted by the regulations of the SBP or overseas regulatory authorities of the countries where the branches operate, except where, in the opinion of the management, it would not be prudent to do so.

5.13.2 Dividend income

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

5.13.3 Fee, brokerage and commission

Fee, brokerage, commission and other income is recognized on an accrual basis.

5.14 Foreign currencies**5.14.1 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates. The financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

5.14.2 Foreign currency transactions

Transactions in foreign currencies are translated to rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010****5.14.3 Foreign operations**

The assets and liabilities of foreign operations are translated to rupees at exchange rates prevailing at the statement of financial position date. The results of foreign operations are translated at the average rate of exchange for the year.

5.14.4 Translation gains and losses

Translation gains and losses are taken to the profit and loss account, except those arising on the translation of net investment in foreign branches which are taken to capital reserve (Exchange Translation Reserve) until the disposal of the net investment at which time these are recognised in the profit and loss account.

5.14.5 Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the unconsolidated financial statements at contracted rates. 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 prevailing at the date of the statement of financial position. All other commitments are disclosed in the unconsolidated financial statements at the committed amount.

5.15 Financial instruments**5.15.1 Financial assets and liabilities**

Financial instruments carried on the statement of financial position include cash and bank balances, lendings to financial institutions, investments, advances, certain receivables, bills payable, borrowings from financial institutions, deposits, subordinated loans and certain other payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy notes associated with them.

5.15.2 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when their fair value is positive and liabilities when their fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account.

5.15.3 Hedge accounting

The Bank makes use of derivative instruments to manage exposures to interest rate, foreign currency and credit risks, including exposures arising from forecast transactions. In order to manage particular risks, the Bank applies hedge accounting for transactions which meet the specified criteria.

At the inception of the hedge relationship, the Bank formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship.

Also, at the inception of the hedge relationship, a formal assessment is undertaken to ensure the hedging instrument is expected to be highly effective in offsetting the designated risk in the hedged item. Hedges are formally assessed each quarter. A hedge is regarded as highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated are expected to offset in a range of 80% to 125%. For situations where the hedged item is a forecast transaction, the Bank assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the profit and loss account.

(a) Fair value hedges

For designated and qualifying fair value hedges, the change in the fair value of a hedging derivative is recognised in the profit and loss account within other income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the profit and loss account within other income.

(b) Cash flow hedges

For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognised initially in the statement of changes in equity, and recycled to the profit and loss account in the periods when the hedged item will affect profit or loss. Any ineffective portion of the gain or loss on the hedging instrument is recognised in the profit and loss account immediately.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged item is ultimately recognised in the profit and loss account. When a forecast transaction occurs or is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the profit and loss account.

5.15.4 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the unconsolidated financial statements when there is a legally enforceable right to set off and the Bank intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

5.16 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing particular 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.

5.16.1 Business segments**(a) Corporate finance**

Corporate banking includes services provided in connection with mergers and acquisition, underwriting, privatization, securitization, research, debts instruments, equity, syndication, IPO and secondary private placements.

(b) Trading and sales

Trading and sales includes fixed income, equity, foreign exchange, commodities, credit, funding, own position securities, lending and repos, brokerage debt and prime brokerage.

(c) Retail banking

Retail banking includes retail lending and deposits, banking services, trusts and estates, private lending and deposits, investment advice, merchant / commercial / corporate cards.

(d) Commercial banking

Commercial banking includes project finance, real estate, export finance, trade finance, factoring, leasing, lending, guarantees, bills of exchange and deposits.

(e) Others

Other includes support functions of the bank which can not be classified in any of the above segment.

5.16.2 Geographical segments

The Bank operates in four geographical regions being:

- Pakistan
- Karachi Export Processing Zone
- United States of America
- Middle East

5.17 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recorded in the year in which these are approved, except appropriations required by the law which are recorded in the period to which they pertain.

5.18 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its shareholders. Basic 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.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Note	2010 ----- (Rupees in '000) -----	2009
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		11,680,324	10,911,325
Foreign currency		2,539,542	3,088,167
		14,219,866	13,999,492
With State Bank of Pakistan in			
Local currency current account	6.1	22,362,478	18,937,149
Local currency deposit account		3,864	3,864
Foreign currency current account	6.2	1,287,860	1,125,581
Foreign currency deposit account	6.3	3,781,588	3,365,199
		27,435,790	23,431,793
With other central banks in foreign currency current account	6.4	11,960,999	15,372,202
With National Bank of Pakistan in local currency current account		13,798,332	8,609,162
National Prize Bonds		46,681	57,398
		<u>67,461,668</u>	<u>61,470,047</u>

6.1 This represents current accounts maintained with the SBP under the requirements of section 22 (Cash Reserve Requirement) of the Banking Companies Ordinance, 1962.

6.2 This represents US Dollar Settlement Account maintained with SBP and includes current accounts maintained with SBP to meet cash reserve requirement of 5% on FE 25 deposits, under the requirements of BSD Circular No. 18 dated March 31, 2001 and OSED Circular No. 1 dated November 13, 2006.

6.3 This represents special cash reserve requirement maintained with SBP under the requirements of BSD Circular No. 14 of 2008 dated June 21, 2008. The return on this account is declared by SBP on a monthly basis and, as at December 31, 2010 carries, mark-up at the rate of 0% (2009: 0%) per annum.

6.4 Deposits with other central banks are maintained to meet the minimum cash reserves and capital requirements pertaining to the foreign branches of the Bank.

	Note	2010 ----- (Rupees in '000) -----	2009
7. BALANCES WITH OTHER BANKS			
Inside Pakistan			
In current accounts		-	26,715
In deposit accounts	7.1	3,472	75,630
		3,472	102,345
Outside Pakistan			
In current accounts		2,902,027	3,933,891
In deposit accounts	7.1	15,286,643	1,371,234
		18,188,670	5,305,125
		<u>18,192,142</u>	<u>5,407,470</u>

7.1 These carry mark-up at rates ranging from 0.10% to 5.00% (2009: 0.12% to 2.01%) per annum.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Note	2010 ----- (Rupees in '000) -----	2009
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings	8.2	450,000	1,110,610
Repurchase agreement lendings	8.3	4,431,877	17,941,216
Other lendings to financial institutions	8.4	7,502,901	4,671,156
		<u>12,384,778</u>	<u>23,722,982</u>
Provision against lendings to financial institutions	8.5	-	(560,852)
		<u>12,384,778</u>	<u>23,162,130</u>
8.1 Particulars of lendings to financial institutions			
In local currency		6,466,878	21,140,954
In foreign currencies		5,917,900	2,021,176
		<u>12,384,778</u>	<u>23,162,130</u>

8.2 These are unsecured lendings carrying mark-up at rates ranging from 10.25% to 11.75% per annum (2009: 11.95% to 12.65% per annum) and are due to mature latest by March 2011.

8.3 Securities held as collateral against repurchase agreement lendings

	2010			2009		
	Held by Bank	Further given as collateral /	Total	Held by Bank	Further given as collateral /	Total
	----- (Rupees in '000) -----					
Market Treasury Bills	2,881,877	-	2,881,877	16,691,063	990,566	17,681,629
Pakistan Investment Bonds	650,000	900,000	1,550,000	159,587	100,000	259,587
	<u>3,531,877</u>	<u>900,000</u>	<u>4,431,877</u>	<u>16,850,650</u>	<u>1,090,566</u>	<u>17,941,216</u>

These carry mark-up at rates ranging from 11.75% to 13.50% per annum (2009: 10.75% to 12.35% per annum) and are due to mature latest by February 2011.

8.4 Lendings pertaining to domestic operations carry mark-up at rates ranging from 3.00% to 15.34% per annum (2009: 3.00% to 15.87% per annum) and are due to mature latest by April 2014, whereas lendings pertaining to overseas operations carry mark-up at rates ranging from 0.75% to 3.8% per annum (2009: 1.03% to 3.46% per annum) and are due to mature latest by December 2012.

8.5 This represents provision made against lendings to overseas financial institutions with movement as follows:

	Note	2010 ----- (Rupees in '000) -----	2009
Opening balance		560,852	-
Charged during the year		-	560,852
Transferred during the year	8.5.1	(560,852)	-
Closing balance		<u>-</u>	<u>560,852</u>

8.5.1 The balance has been transferred to 'Investments' on issuance of recovery notes and preference shares by the financial institution.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
9. INVESTMENTS

9.1 Investments by type	Note	2010			2009		
		Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
------(Rupees in '000)-----							
Held for trading securities							
Market Treasury Bills		12,984,400	1,189,144	14,173,544	3,268,035	-	3,268,035
Pakistan Investment Bonds		805,257	-	805,257	438,505	97,306	535,811
Ordinary shares of listed companies		8,928	-	8,928	-	-	-
Foreign securities		1,297,405	-	1,297,405	-	-	-
		15,095,990	1,189,144	16,285,134	3,706,540	97,306	3,803,846
Available for sale securities							
Market Treasury Bills		39,519,598	20,695,498	60,215,096	35,572,747	3,978,323	39,551,070
Pakistan Investment Bonds		18,988,194	536,428	19,524,622	16,728,759	-	16,728,759
Government of Pakistan - Sukuk		4,122,000	-	4,122,000	3,470,000	-	3,470,000
Government of Pakistan Eurobonds		3,938,516	-	3,938,516	3,870,557	-	3,870,557
Ordinary shares of listed companies		3,629,299	-	3,629,299	3,639,088	-	3,639,088
Preference shares		463,977	-	463,977	188,895	-	188,895
Ordinary shares of unlisted companies	9.7	445,382	-	445,382	441,574	-	441,574
Term Finance Certificates		2,163,810	-	2,163,810	1,948,689	-	1,948,689
Units of mutual funds		164,662	-	164,662	191,299	-	191,299
Foreign securities		14,878,099	-	14,878,099	12,740,879	-	12,740,879
		88,313,537	21,231,926	109,545,463	78,792,487	3,978,323	82,770,810
Held to maturity securities							
Market Treasury Bills		58,843,648	-	58,843,648	11,611,110	-	11,611,110
Pakistan Investment Bonds		4,392,225	-	4,392,225	2,497,301	-	2,497,301
Government of Pakistan - Sukuk		30,000	-	30,000	30,000	-	30,000
Government of Pakistan - Eurobonds		-	-	-	478,184	-	478,184
Government of Pakistan - Guaranteed Bonds		51,399	-	51,399	1,485,057	-	1,485,057
Term Finance Certificates		27,106,749	-	27,106,749	25,289,199	-	25,289,199
Sukuk Bonds		2,548,739	-	2,548,739	2,640,040	-	2,640,040
Participation Term Certificates		19,202	-	19,202	26,838	-	26,838
Debentures		4,392	-	4,392	4,592	-	4,592
Foreign securities		2,184,264	-	2,184,264	1,687,712	-	1,687,712
CDC SAARC Fund		428	-	428	421	-	421
		95,181,046	-	95,181,046	45,750,454	-	45,750,454
Associates							
United Growth and Income Fund		3,030,136	-	3,030,136	5,002,027	-	5,002,027
UBL Liquidity Plus Fund		2,600,000	-	2,600,000	600,000	-	600,000
United Composite Islamic Fund		250,000	-	250,000	386,997	-	386,997
United Islamic Income Fund		200,000	-	200,000	250,000	-	250,000
United Stock Advantage Fund		250,000	-	250,000	250,000	-	250,000
UBL Participation Protected Plan		200,000	-	200,000	200,000	-	200,000
UBL Capital Protected Fund - II		100,000	-	100,000	-	-	-
UBL Savings Income Fund		100,000	-	100,000	-	-	-
UBL Islamic Savings Fund		150,000	-	150,000	-	-	-
UBL Islamic Retirement Savings Fund		90,000	-	90,000	-	-	-
UBL Retirement Savings Fund		90,000	-	90,000	-	-	-
UBL Capital Protected Fund - I		75,075	-	75,075	75,075	-	75,075
UBL Insurers Limited		240,000	-	240,000	150,000	-	150,000
Oman United Exchange Company, Muscat		6,981	-	6,981	6,981	-	6,981
	9.9	7,382,192	-	7,382,192	6,921,080	-	6,921,080
Subsidiaries							
United National Bank, UK		1,482,011	-	1,482,011	1,482,011	-	1,482,011
United Bank AG Zurich, Switzerland		589,837	-	589,837	589,837	-	589,837
UBL Fund Managers Limited		100,000	-	100,000	100,000	-	100,000
United Executors and Trustees Company Ltd		30,100	-	30,100	30,100	-	30,100
		2,201,948	-	2,201,948	2,201,948	-	2,201,948
Provision for diminution in value of investments	9.3	(2,658,000)	-	(2,658,000)	(2,252,653)	-	(2,252,653)
Investments (net of provisions)		205,516,713	22,421,070	227,937,783	135,119,856	4,075,629	139,195,485
Deficit on revaluation of available for sale securities	21.2	(3,309,144)	(11,718)	(3,320,862)	(3,049,359)	2,404	(3,046,955)
Deficit on revaluation of held for trading securities	9.4	(38,201)	(164)	(38,365)	(2,286)	(720)	(3,006)
Total investments		202,169,368	22,409,188	224,578,556	132,068,211	4,077,313	136,145,524

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Note	2010 ----- (Rupees in '000) -----	2009
9.2 Investments by segment			
Federal Government Securities			
Market Treasury Bills		127,315,215	48,577,758
Pakistan Investment Bonds		24,722,104	19,761,871
Government of Pakistan - Sukuk		4,152,000	3,500,000
Government of Pakistan - Eurobonds		3,938,516	4,348,741
Government of Pakistan - Guaranteed Bonds		51,399	1,485,057
		160,179,234	77,673,427
Foreign Securities			
Market Treasury Bills		5,917,073	5,852,457
Government securities		4,770,078	3,214,893
CDC SAARC Fund		428	421
Other securities		13,589,690	11,213,698
		24,277,269	20,281,469
Ordinary Shares			
Listed companies		3,638,227	3,639,088
Unlisted companies	9.7	445,382	441,574
		4,083,609	4,080,662
Preference Shares			
		463,977	188,895
Units of Mutual Funds			
		164,662	191,299
Term Finance Certificates			
Listed companies		2,437,296	2,667,774
Unlisted companies		26,833,263	24,570,114
		29,270,559	27,237,888
Sukuk Bonds		2,548,739	2,640,040
Debentures		4,392	4,592
Participation Term Certificates		19,202	26,838
Investments in subsidiaries and associates	9.9	9,584,140	9,123,028
Total investments at cost		230,595,783	141,448,138
Provision for diminution in value of investments	9.3	(2,658,000)	(2,252,653)
Investments (net of provisions)		227,937,783	139,195,485
Deficit on revaluation of available for sale securities	21.2	(3,320,862)	(3,046,955)
Deficit on revaluation of held for trading securities	9.4	(38,365)	(3,006)
Total investments		224,578,556	136,145,524

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	2010	2009
	----- (Rupees in '000) -----	
9.3 Particulars of provision for diminution in value of investments:		
9.3.1 Opening balance	2,252,653	2,536,770
Charged during the year	342,610	1,249,158
Reversed during the year	(138,037)	(303,816)
Net charge for the year	204,573	945,342
Reversed on disposal	(337,899)	(1,208,712)
Transfers	548,318	-
	210,419	(1,208,712)
Written off during the year	(9,645)	(20,747)
Closing balance	2,658,000	2,252,653
9.3.2 Particulars of provision for diminution in value of investments by type		
Available for sale securities		
Ordinary shares of listed companies	2,017,835	1,830,318
Ordinary shares of unlisted companies	141,512	150,275
Foreign securities	281,585	-
	2,440,932	1,980,593
Held to maturity securities		
Term Finance Certificates	100,448	104,985
Sukuk	77,667	-
Debentures	4,391	4,591
Participation Term Certificates	19,202	26,838
	201,708	136,414
Associates	15,360	135,646
	2,658,000	2,252,653
9.3.3 Particulars of provision for diminution in value of investments by segment		
Ordinary Shares		
Listed companies	2,017,835	1,830,318
Unlisted companies	141,512	150,275
Foreign securities	281,585	-
	2,440,932	1,980,593
Term Finance Certificates, Debentures and Participation Term Certificates		
Term Finance Certificates	100,448	104,985
Sukuk	77,667	-
Debentures	4,391	4,591
Participation Term Certificates	19,202	26,838
	201,708	136,414
Associates	15,360	135,646
	2,658,000	2,252,653
9.4 Unrealized gain / (loss) on revaluation of held for trading securities		
Market Treasury Bills	(353)	1,416
Pakistan Investment Bonds	2,440	(4,422)
Ordinary shares of listed companies	91	-
Foreign securities	(40,543)	-
	(38,365)	(3,006)

9.5 Investments include certain approved / government securities which are held by the Bank to comply with the Statutory Liquidity Requirement as set out under Section 29 of the Banking Companies Ordinance, 1962.

9.6 Investments include Rs.282 million (2009: Rs.282 million) held by the State Bank of Pakistan and National Bank of Pakistan as pledge against demand loan, TT / DD discounting facilities and foreign exchange exposure limit sanctioned to the Bank and Rs.5 million (2009: Rs.5 million) held by the Controller of Military Accounts (CMA) under Regimental Fund Arrangements.

9.7 This includes the Bank's subscription towards the paid-up capital of Khushhali Bank Limited amounting to Rs.200 million (2009: Rs.200 million). Pursuant to Section 10 of the Khushhali Bank Ordinance, 2000 strategic investors including the Bank could not sell or transfer their investment before a period of five years that has expired on October 10, 2005. Thereafter, such sale / transfer would be subject to the prior approval of the SBP. In addition, the profit of Khushhali Bank Limited cannot be distributed as dividend under clause 35(i) of the Khushhali Bank Ordinance, 2000.

The SBP prepared a conversion structure for Khushhali Bank Limited to operate as a Microfinance Bank under the Microfinance Institutions Ordinance, 2001 which was approved by the Ministry of Finance. The scheme of conversion was also approved by the shareholders of Khushhali Bank Limited in an Extra-Ordinary General Meeting held on December 17, 2007. Accordingly, an application for incorporation was submitted to the SECP on February 15, 2008. The SECP has incorporated Khushhali Bank Limited under the Microfinance Institutions Ordinance, 2001 and issued a Certificate of Incorporation on February 28, 2008 under section 32 of the Companies Ordinance, 1984.

In a meeting between SBP and the Board of Directors of Khushhali Bank Limited held on June 12, 2008, it was agreed that since Khushhali Bank Limited has a majority of private sector commercial banks as its shareholders and is legally a private sector bank, it is required to be managed as a private sector institution.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

In order to achieve the strategic restructuring of Khushhali Bank Limited, a consortium of commercial banks including the Bank decided to completely divest their shareholding in Khushhali Bank Limited. Thereafter, the Consortium appointed Advisors (financial, legal and accounting) for conducting preliminary due diligence for valuation and preparing a data room for the prospective purchasers. Khushhali Bank Limited, on behalf of the Consortium of the Commercial Banks has sought prior clearance/approval of the SBP for appointment of Advisors to conduct due diligence of Khushhali Bank Limited.

SBP has conveyed its, in principle, no objection to the consortium of selling shareholders of Khushhali Bank Limited for conducting due diligence/valuation of Khushhali Bank Limited subject to compliance with all the applicable laws/rules/regulations etc. The due diligence / valuation is in the process of being carried out. The establishment of a data room and due diligence report/ valuation from Accounting and Financial Advisor is in process.

9.8 Information relating to investments in Ordinary and Preference shares / certificates of listed and unlisted companies / modarabas / mutual funds, term finance certificates, debentures and bonds, required to be disclosed as part of the financial statements under State Bank of Pakistan's BSD Circular No. 4 dated February 17, 2006, is given in Annexure 'A' to these unconsolidated financial statements. Details in respect of quality of available for sale securities are also disclosed in Annexure 'A'.

9.9 This includes investment in the seed capital aggregating to Rs.630 million (2009: Rs.1,100 million) which is required to be kept for a period of two years.

9.10 The Bank has tested the investment in its associates for impairment by comparing the recoverable value to the carrying value.

For Mutual Funds, the recoverable value is determined to be the Net Asset Value of the Fund. The Bank has determined that no impairment loss exists for the year. For certain Funds, an improvement in the recoverable value during the year has resulted in reversal of impairment losses recognized till the year ended December 31, 2009 which has been credited to the profit and loss account for the year.

For UBL Insurers Ltd (UIL), the recoverable value was determined using a value in use (VIU) calculation using cashflow projections based on financial budgets prepared by the management of UIL for the forecast period. Cashflows beyond the forecast period have been extrapolated using growth rates consistent with the economic environment of the country.

The discount rate of 18.77% is used for determining the VIU of UIL, which reflects UIL management's estimate of the cost of equity applicable to UIL. The cost of equity has been calculated using the Capital Asset Pricing Model (CAPM). Parameters used in the CAPM calculation are based on published third party data. In the current year, the Bank has determined that no impairment loss exists in its investment in UIL. Accordingly, reversal of impairment losses on UIL recognized till the year ended December 31, 2009 has been credited to the profit and loss account for the year.

10. ADVANCES	Note	Performing		Non-performing		Total	
		2010	2009	2010	2009	2010	2009
----- (Rupees in '000) -----							
Loans, cash credits, running finances, etc.							
In Pakistan	10.2	228,034,418	244,389,399	40,726,130	32,220,534	268,760,548	276,609,933
Outside Pakistan		75,230,030	82,463,971	5,198,923	4,064,166	80,428,953	86,528,137
		303,264,448	326,853,370	45,925,053	36,284,700	349,189,501	363,138,070
Bills discounted and purchased							
Payable in Pakistan		12,429,950	11,607,055	2,235,582	2,400,013	14,665,532	14,007,068
Payable outside Pakistan		4,404,982	4,916,421	431,925	416,683	4,836,907	5,333,104
		16,834,932	16,523,476	2,667,507	2,816,696	19,502,439	19,340,172
Advances - gross		320,099,380	343,376,846	48,592,560	39,101,396	368,691,940	382,478,242
Provision against advances	10.5	-	-	(33,534,272)	(27,673,022)	(33,534,272)	(27,673,022)
- Specific		-	-	(33,534,272)	(27,673,022)	(33,534,272)	(27,673,022)
- General		(1,425,496)	(713,507)	-	-	(1,425,496)	(713,507)
		(1,425,496)	(713,507)	(33,534,272)	(27,673,022)	(34,959,768)	(28,386,529)
Advances - net of provision		318,673,884	342,663,339	15,058,288	11,428,374	333,732,172	354,091,713
		Performing		Non-performing		Total	
		2010	2009	2010	2009	2010	2009
----- (Rupees in '000) -----							

10.1 Particulars of advances - gross

10.1.1	In local currency	235,079,268	253,182,814	42,816,359	33,781,868	277,895,627	286,964,682
	In foreign currencies	85,020,112	90,194,032	5,776,201	5,319,528	90,796,313	95,513,560
		<u>320,099,380</u>	<u>343,376,846</u>	<u>48,592,560</u>	<u>39,101,396</u>	<u>368,691,940</u>	<u>382,478,242</u>
10.1.2	Short term	244,216,178	230,096,641	-	-	244,216,178	230,096,641
	Long term	75,883,202	113,280,205	48,592,560	39,101,396	124,475,762	152,381,601
		<u>320,099,380</u>	<u>343,376,846</u>	<u>48,592,560</u>	<u>39,101,396</u>	<u>368,691,940</u>	<u>382,478,242</u>

10.2 This includes performing advances given under various Islamic financing modes amounting to Rs.461.342 million (2009: Rs.638.131 million).

10.3 Non-performing advances include advances having gross book value of Rs.5,774.675 million (2009: Rs.1,596.136 million) and net book value of Rs.2,110.614 million (2009: Rs.919.006 million) which, though restructured and performing have been placed under non-performing status as required by the revised Prudential Regulations issued by the SBP, which requires monitoring for at least one year before any upgradation is considered.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

10.4 Advances include Rs.48,593 million (2009: Rs.39,101 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 in '000)								
Other Assets Especially Mentioned *	336,651	-	336,651	-	-	-	-	-	-
Substandard	6,320,318	1,037,361	7,357,679	1,414,035	259,344	1,673,379	1,414,035	259,344	1,673,379
Doubtful	5,716,839	3,005,088	8,721,927	1,530,397	1,502,546	3,032,943	1,530,397	1,502,546	3,032,943
Loss	30,587,904	1,588,399	32,176,303	27,239,551	1,588,399	28,827,950	27,239,551	1,588,399	28,827,950
	<u>42,961,712</u>	<u>5,630,848</u>	<u>48,592,560</u>	<u>30,183,983</u>	<u>3,350,289</u>	<u>33,534,272</u>	<u>30,183,983</u>	<u>3,350,289</u>	<u>33,534,272</u>

Category of Classification	2009								
	Classified advances			Provision Required			Provision held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Other Assets Especially Mentioned *	386,517	-	386,517	-	-	-	-	-	-
Substandard	3,802,275	1,473,002	5,275,277	891,498	368,251	1,259,749	891,498	368,251	1,259,749
Doubtful	6,007,332	1,696,401	7,703,733	2,651,589	848,206	3,499,795	2,651,589	848,206	3,499,795
Loss	24,424,423	1,311,446	25,735,869	21,602,032	1,311,446	22,913,478	21,602,032	1,311,446	22,913,478
	<u>34,620,547</u>	<u>4,480,849</u>	<u>39,101,396</u>	<u>25,145,119</u>	<u>2,527,903</u>	<u>27,673,022</u>	<u>25,145,119</u>	<u>2,527,903</u>	<u>27,673,022</u>

* The Other Assets Especially Mentioned category pertains to agricultural finance only.

10.5 Particulars of provision against advances

Note	2010			2009		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	27,673,022	713,507	28,386,529	18,563,334	1,199,769	19,763,103
Exchange adjustments	197,274	-	197,274	272,286	13,018	285,304
Charge / (Reversals)						
Charge for the year	8,043,159	910,973	8,954,132	11,530,793	-	11,530,793
Reversals	(1,956,300)	(194,477)	(2,150,777)	(944,245)	(963,344)	(1,907,589)
Transfers	6,086,859	716,496	6,803,355	10,586,548	(963,344)	9,623,204
Amounts written off	133,267	(4,507)	128,760	(464,064)	464,064	-
Closing balance	(556,150)	-	(556,150)	(1,285,082)	-	(1,285,082)
	<u>33,534,272</u>	<u>1,425,496</u>	<u>34,959,768</u>	<u>27,673,022</u>	<u>713,507</u>	<u>28,386,529</u>

10.5.1 General provision represents provision amounting to Rs.375.327 million (2009: Rs.569.195 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP, Rs.415.169 million (2009: Rs.144.311 million) pertaining to overseas advances to meet the requirements of monetary agencies and regulatory authorities of the respective countries in which the overseas branches operate. General provisions also include an amount of Rs.635 million (2009: Nil) which the Bank carries as matter of prudence given the current economic environment and is based on management estimates.

10.5.2 Particulars of provision against advances

	2010			2009		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
In local currency	30,183,984	1,010,327	31,194,311	24,327,702	569,195	24,896,897
In foreign currencies	3,350,288	415,169	3,765,457	3,345,320	144,311	3,489,631
	<u>33,534,272</u>	<u>1,425,496</u>	<u>34,959,768</u>	<u>27,673,022</u>	<u>713,506</u>	<u>28,386,528</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Note	2010	2009
		----- (Rupees in '000) -----	
10.6 Particulars of write-offs			
10.6.1 Against provisions	10.5	556,150	1,285,082
Directly charged to profit and loss account		996,772	1,485,976
		<u>1,552,922</u>	<u>2,771,058</u>
10.6.2 Write-offs of Rs.500,000 and above	10.7	764,563	1,588,946
Write-offs of below Rs.500,000		788,359	1,182,112
		<u>1,552,922</u>	<u>2,771,058</u>
10.7 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 other financial relief of five hundred thousand rupees or above allowed to a person during the year ended December 31, 2010 is given in Annexure 'B' to these unconsolidated financial statements. These loans are written off as a book entry without prejudice to the Bank's right of recovery against the customers.

	Note	2010	2009
		----- (Rupees in '000) -----	
10.8 Particulars of loans and advances to executives, directors, associated companies etc.			
Debts due by directors or executives of the Bank or any of them either severally or jointly with any other persons			
Balance at the beginning of the year		1,482,474	981,319
Loans granted during the year		717,242	1,020,264
Repayments made during the year		(581,135)	(519,109)
Balance at the end of the year		<u>1,618,581</u>	<u>1,482,474</u>

11. OPERATING FIXED ASSETS

Capital work-in-progress	11.1	1,334,951	997,617
Property and equipment	11.2	20,166,071	20,439,417
Intangible assets	11.3	923,050	488,635
		<u>22,424,072</u>	<u>21,925,669</u>
11.1 Capital work-in-progress			
Civil works	11.1.1	537,257	484,612
Equipment		268,949	202,119
Software	11.1.2	517,776	297,984
Advances to suppliers and contractors		10,969	12,902
		<u>1,334,951</u>	<u>997,617</u>

11.1.1 This includes Rs. 437.916 million (2009:297.430 million) paid in respect of construction of the Head Office building.

11.1.2 This includes Rs. 516.081 million (2009:221.56 million) paid in respect of the Core Banking Software.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
11.2 Property and equipment

Note	2010					2009					Net book value at December 31, 2010	Annual rate of depreciation %	
	At January 01, 2010	Additions / (deletions)	COST/ REVALUATION Surplus on revaluation/ (Reversal of accumulated depreciation)	Reclassification	Exchange Adjustment/ Other adjustments	At December 31, 2010	At January 01, 2009	ACCUMULATED DEPRECIATION Charge for the year / (depreciation on deletions)	Reversal due to revaluation	Exchange Adjustment/ Other adjustments			At December 31, 2009
----- (Rupees in '000) -----													
Owned													
Freehold land	1,825,754	125,305	-	1,090,717	-	3,041,776	-	-	-	-	-	3,041,776	-
Leasehold land	12,802,015	9,865	-	(1,090,717)	22	11,721,185	1,052	291,697	-	18	292,767	11,428,418	1 - 3.33
Buildings on freehold land	118,967	22,025	-	173,900	-	314,892	-	15,002	-	-	15,002	299,890	5
Buildings on leasehold land	2,149,539	56,072 (5,431)	8,788 (8,707)	(173,900)	161	2,026,522	36,283	99,979 (5,431)	- (8,707)	347	122,471	1,904,051	5
Leasehold Improvements	1,495,013	169,079 (7,818)	-	-	4,911	1,661,185	415,414	153,380 (5,436)	-	(502)	562,856	1,098,329	10
Furniture and fixtures	885,786	75,064 (17,770)	-	-	2,192	945,272	477,661	78,998 (14,760)	-	2,196	544,095	401,177	10
Electrical, office and computer equipment	3,896,827	704,628 (31,186)	-	-	(8,199)	4,562,070	2,427,235	682,097 (29,681)	-	(24,665)	3,054,986	1,507,084	20-25
Vehicles	267,752	48,877 (34,854)	-	-	174	281,949	158,981	34,307 (22,631)	-	(2,549)	168,108	113,841	20
Assets held under operating lease													
Ijarah assets	11.8	810,456	59,658 (133,066)	-	2,931	739,979	296,066	137,463 (65,055)	-	-	368,474	371,505	20 - 33.33
2010		24,252,109	1,270,573 (230,125)	8,788 (8,707)	1,264,617 (1,264,617)	10,391 (8,199)	25,294,830	3,812,692 (142,994)	1,492,923 (8,707)	2,561 (27,716)	5,128,759	20,166,071	
----- (Rupees in '000) -----													
Owned													
Freehold land	1,502,746	1,724 (11,142)	332,426	-	-	1,825,754	-	-	-	-	-	1,825,754	-
Leasehold land	10,092,131	9,470 (106,551)	3,328,235 (523,063)	-	1,793	12,802,015	307,447	305,640 (87,760)	- (523,063)	63 (1,275)	1,052	12,800,963	1 - 3.33
Buildings on freehold land	81,021	- (112)	44,923 (7,840)	-	975	118,967	3,826	4,126 (112)	- (7,840)	-	-	118,967	5
Buildings on leasehold land	1,904,654	- (5,240)	434,008 (184,470)	-	587	2,149,539	128,769	93,934 (1,965)	- (184,470)	498 (483)	36,283	2,113,256	5
Leasehold Improvements	1,169,850	305,714	-	-	19,449	1,495,013	255,761	149,724	-	9,929	415,414	1,079,599	10
Furniture and fixtures	801,949	104,078 (28,986)	-	-	8,745	885,786	418,311	73,279 (22,734)	-	8,805	477,661	408,125	10
Electrical, office and computer equipment	3,137,525	777,812 (52,476)	-	-	33,966	3,896,827	1,833,212	616,013 (42,430)	-	20,440	2,427,235	1,469,592	20-25
Vehicles	272,066	51,958 (58,969)	-	-	2,697	267,752	141,973	58,523 (43,690)	-	2,175	158,981	108,771	20
Assets held under operating lease													
Ijarah assets	11.8	895,217	39,648 (104,750)	-	- (19,659)	810,456	153,297	170,285 (27,516)	-	-	296,066	514,390	20-33.33
2009		19,857,159	1,290,404 (368,226)	4,139,592 (715,373)	- (19,659)	24,252,109	3,242,596	1,471,524 (226,207)	- (715,373)	41,910 (1,758)	3,812,692	20,439,417	

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
11.3 Intangible assets

	2010									
	Cost				Accumulated Amortization				Net book value at December 31, 2010	Annual rate of amortisation %
	At January 01, 2010	Additions / (deletions)	Exchange Adjustment/ Other adjustments	At December 31, 2010	At January 01, 2010	Charge for the year / (reversal on deletion)	Exchange Adjustment/ Other adjustments	At December 31, 2010		
	----- (Rupees in '000) -----									
Software	1,043,528	654,002 (4,140)	19,899	1,713,289	554,893	221,047 (2,691)	16,990	790,239	923,050	10-25

	2009									
	Cost				Accumulated Amortization				Net book value at December 31, 2009	Annual rate of amortisation %
	At January 01, 2009	Additions / (deletions)	Exchange Adjustment/ Other adjustments	At December 31, 2009	At January 01, 2009	Charge for the year / (reversal on deletion)	Exchange Adjustment/ Other adjustments	At December 31, 2009		
	----- (Rupees in '000) -----									
Software	777,027	267,182 (8,825)	8,144	1,043,528	374,687	184,241 (8,825)	4,790	554,893	488,635	10-25

11.4 Revaluation of properties

The properties of the Bank were last revalued by independent professional valuers as at December 31, 2009. The revaluation was carried out by M/s. Pirsons Chemicals Engineering (Private) Limited, M/s. Sadruddin Associates, M/s. Maricon Consultants (Private) Limited and M/s. Engineering Pakistan International (Private) Limited on the basis of professional assessment of present market values and resulted in a surplus of Rs.4,139.592 million. Had there been no revaluation, the carrying amount of revalued assets at December 31, 2010 would have been as follows:

	2010 ----- (Rupees in '000) -----	2009 ----- (Rupees in '000) -----
Freehold land	1,484,906	1,484,906
Leasehold land	9,168,903	9,472,729
Buildings on freehold land	69,201	73,256
Buildings on leasehold land	1,584,701	1,679,280

11.5 Carrying amount of temporarily idle property

59,812	158,927
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11.6 The cost of fully depreciated assets still in use

Furniture and fixtures	234,275	233,962
Electrical, office and computer equipment	1,665,921	1,220,822
Vehicles	69,474	33,601
	<u>1,969,670</u>	<u>1,488,385</u>

11.7 Details of disposal of operating fixed assets

The information relating to operating fixed assets disposed off during the year is given in Annexure 'C' and is an integral part of these unconsolidated financial statements.

11.8 The Islamic Banking Branches of the Bank have entered into Ijarah transactions with customers during the year. The majority of Ijarah transactions entered into are in respect of vehicles.

The Ijarah payments receivable from customers for each of the following periods under the terms of the respective arrangements are given below:

	2010 ----- (Rupees in '000) -----	2009 ----- (Rupees in '000) -----
Not later than one year	103,811	270,864
Later than one year but not later than five years	242,387	436,129
Later than five years	94	3,020
	<u>346,292</u>	<u>710,013</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Note	2010 ----- (Rupees in '000) -----	2009
12. DEFERRED TAX ASSET - NET			
Deferred tax asset - net	12.1	<u>1,298,403</u>	<u>608,876</u>

12.1 Movement in temporary differences during the year

	2010			
	At January 01, 2010	Recognised in profit and loss account	Others	At December 31, 2010
	----- (Rupees in '000) -----			
Deductible temporary differences on				
- Deficit on revaluation of investments	1,066,434	-	95,868	1,162,302
- Ijarah financing	52,314	(66,685)	-	(14,371)
- Workers' Welfare Fund	139,142	5,598	-	144,740
- Cash flow hedge reserve	111,148	-	(41,603)	69,545
- Provision against off balance sheet items, post retirement medical benefits and advances	4,662,598	541,702	-	5,204,300
	<u>6,031,636</u>	<u>480,615</u>	<u>54,265</u>	<u>6,566,516</u>
Taxable temporary differences on				
- Surplus on revaluation of fixed assets	(5,275,900)	136,794	(3,092)	(5,142,198)
- Accelerated tax depreciation	(146,860)	20,945	-	(125,915)
	<u>(5,422,760)</u>	<u>157,739</u>	<u>(3,092)</u>	<u>(5,268,113)</u>
	<u>608,876</u>	<u>638,354</u>	<u>51,173</u>	<u>1,298,403</u>
	2009			
	At January 01, 2009	Recognised in profit and loss account	Others	At December 31, 2009
	----- (Rupees in '000) -----			
Deductible temporary differences on				
- Deficit on revaluation of investments	3,201,075	-	(2,134,641)	1,066,434
- Ijarah financing	118,653	(66,339)	-	52,314
- Workers' Welfare Fund	117,950	21,192	-	139,142
- Cash flow hedge reserve	148,956	-	(37,808)	111,148
- Provision against off balance sheet items, post retirement medical benefits and advances	2,658,457	2,004,141	-	4,662,598
	<u>6,245,091</u>	<u>1,958,994</u>	<u>(2,172,449)</u>	<u>6,031,636</u>
Taxable temporary differences on				
- Surplus on revaluation of fixed assets	(3,972,755)	136,238	(1,439,383)	(5,275,900)
- Accelerated tax depreciation	(216,727)	69,867	-	(146,860)
	<u>(4,189,482)</u>	<u>206,105</u>	<u>(1,439,383)</u>	<u>(5,422,760)</u>
	<u>2,055,609</u>	<u>2,165,099</u>	<u>(3,611,832)</u>	<u>608,876</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Note	2010 ----- (Rupees in '000) -----	2009
13. OTHER ASSETS			
Income / mark-up accrued in local currency		11,753,658	11,036,384
Income / mark-up accrued in foreign currency		1,181,889	272,232
		12,935,547	11,308,616
Advance taxation - net of provision for taxation	13.1	3,686,910	2,001,447
Receivable from staff retirement funds		66,595	1,045,899
Receivable on account of encashment of savings certificates		43,086	74,406
Receivable in respect of derivative transactions		31,121	124,977
Receivable against sale of securities		-	897,457
Receivable from other banks against telegraphic transfers and demand drafts		1,219,425	836,556
Unrealized gain on forward foreign exchange contracts		145,346	142,266
Unrealized gain on derivative financial instruments	23.2	693,675	499,672
Advance against Murabaha		-	383,929
Suspense accounts		224,948	169,309
Stationery and stamps on hand		151,528	143,825
Advances, deposits, advance rent and other prepayments		727,888	771,109
Others		1,139,563	1,139,428
		21,065,632	19,538,896
Provision held against other assets	13.2	(2,352,444)	(2,633,892)
Other assets (net of provisions)		18,713,188	16,905,004

- 13.1** The Income Tax returns of the Bank have been filed up to the tax year 2010 (accounting year ended December 31, 2009) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance) unless amended by the Commissioner of Inland Revenue.

The tax authorities have issued the amended assessment orders for the tax years 2003 to 2010 (accounting year ended December 31, 2002 to 2009) determining additional tax liability of Rs.7,308 million. The amount has been fully paid as required under the law. For the tax years 2004 to 2009, appeals have been decided by the Commissioner of Inland Revenue [CIR(A)] by allowing relief on certain issues. For the remaining issues, the Bank has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). For the tax years 2003 and 2010, the hearing is still pending with CIR (A). The management is confident that the appeals will be decided in favor of the Bank.

During the year, the tax authorities have further amended the assessment order for the tax year 2009 adding back unrealized losses on derivative transactions resulting in a demand of Rs.146 million, which has been paid. CIR(A) has upheld the order of the taxation officer, however, the Bank is in the process of filing an appeal before ATIR. The Management is confident that this matter will be decided in favor of the Bank.

The tax returns for Azad Kashmir (AK) Branches have been filed for tax years 2005 to 2010 (financial years ended December 31, 2004 to 2009) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The Seventh Schedule to the Ordinance has been amended through the Finance Act, 2010. Through this amendment, provision for advances and off balance sheet exposures would be allowed @ 5% of advances to consumer and small and medium enterprises (SMEs), and 1% for other advances. The said change will be applicable from current year. A deferred tax asset of Rs. 2,574 million has been recognized relating to amounts in excess of the allowable limits which is carried forward to future years.

The Bank also carries a tax asset amounting to Rs.5,454 million (2009: 5,454 million), representing disallowance of provisions against advances and off balance sheet obligations, for the periods prior to the applicability of the Seventh schedule. The Management, in consultation with its tax advisors, is confident that these would be allowed to the Bank at appellate levels.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Note	2010	2009
		----- (Rupees in '000) -----	
13.2 Provision against other assets			
Opening balance		2,633,892	2,473,775
Exchange adjustments		8,638	32,381
		<u>2,642,530</u>	<u>2,506,156</u>
Charge for the year		40,598	361,391
Reversals		(162,859)	(22,260)
	29	(122,261)	339,131
Transfers		221,772	117,690
Amounts written off		(389,597)	(329,085)
Closing balance		<u>2,352,444</u>	<u>2,633,892</u>
14. CONTINGENT ASSETS			
There were no contingent assets as at the balance sheet date.			
15. BILLS PAYABLE			
In Pakistan		4,136,487	4,944,903
Outside Pakistan		909,328	202,356
		<u>5,045,815</u>	<u>5,147,259</u>
16. BORROWINGS			
In Pakistan		43,401,942	30,953,356
Outside Pakistan		1,702,907	4,191,467
		<u>45,104,849</u>	<u>35,144,823</u>
16.1 Particulars of borrowings with respect to currencies			
In local currency		43,401,942	30,953,357
In foreign currencies		1,702,907	4,191,466
		<u>45,104,849</u>	<u>35,144,823</u>
16.2 Details of borrowings from financial institutions			
Secured			
Borrowings from the State Bank of Pakistan under:			
- Export refinance scheme	16.3	14,840,163	14,666,570
- Refinance facility for modernization of SME	16.4	27,500	-
- Long term fixed finance	16.5	2,444,872	1,018,535
- Long-term financing under export oriented projects	16.6	2,770,789	3,705,568
		20,083,324	19,390,673
Repurchase agreement borrowings	16.7	22,412,235	5,066,098
		<u>42,495,559</u>	<u>24,456,771</u>
Unsecured			
Call borrowings	16.8	428,195	8,679,283
Overdrawn nostro accounts		456,617	648,559
Trading liabilities		806,942	96,586
Other borrowings	16.9	917,536	1,263,624
		2,609,290	10,688,052
		<u>45,104,849</u>	<u>35,144,823</u>
16.3 The Bank has entered into agreements with the SBP for extending export finance to customers. As per the terms of the agreement, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings are repayable within six months, latest by June 2011. These carry markup rates at 9% per annum (2009: 7.5% per annum).			
16.4 These borrowings have been obtained from the SBP for modernization of Small and Medium Enterprises (SMEs) by providing financing facilities for purchase of new plant & machinery for BMR of existing units and setting up of new units. In addition, financing for import /local purchase of new generators upto a maximum capacity of 500 KVA shall also be eligible under this Scheme. These borrowings are repayable within a period ranging from 3 years to 10 years and the Scheme will remain effective up to December 31, 2012. These carry markup rates ranging from 5.5% to 7.0% per annum.			

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

- 16.5** These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernizing their plant and machinery. These borrowings are repayable within a period ranging from 3 years to 10 years. These carry markup rates ranging from 8.2% to 9.5% per annum (2009: 7.2% to 7.7% per annum).
- 16.6** These borrowings have been obtained from the SBP for providing financing facilities to customers for import of machinery, plant, equipment and accessories thereof by export oriented units. These carry markup rates ranging from 4% to 5% per annum (2009: 4% to 5% per annum).
- 16.7** These repurchase agreement borrowings are secured against Market Treasury Bills and Pakistan Investment Bonds and carry mark-up at rates ranging from 12.50% to 13.25% per annum (2009: 11.50% to 12.40% per annum). These borrowings are repayable latest by January 2011. The carrying value of securities given as collateral is given in note 9.1.
- 16.8** These are borrowings pertaining to overseas operations which carry mark-up at rates ranging from 0.35% to 1.58% per annum (2009: 0.5% to 0.6% per annum) and are due to mature latest by June 2011.
- 16.9** This represents borrowing from an overseas bank for the development of Small and Medium Sized Enterprises (SMEs) in Pakistan, carries mark-up at the rate of six months LIBOR + 1.2% (2009: six months LIBOR + 1.2%) and is repayable by June 2013.

17. DEPOSITS AND OTHER ACCOUNTS	2010	2009
	----- (Rupees in '000) -----	
Customers		
Fixed deposits	162,426,884	150,792,206
Savings deposits	193,982,616	178,287,618
Sundry deposits	4,767,873	4,643,923
Margin deposits	3,696,330	4,319,476
Current accounts - remunerative	3,412,476	2,114,809
Current accounts - non-remunerative	180,688,420	150,803,732
	<u>548,974,599</u>	<u>490,961,764</u>
Financial Institutions		
Remunerative deposits	1,518,443	964,066
Non-remunerative deposits	152,725	110,273
	<u>1,671,168</u>	<u>1,074,339</u>
	<u>550,645,767</u>	<u>492,036,103</u>
17.1 Particulars of deposits and other accounts		
In local currency	415,739,343	368,303,869
In foreign currencies	134,906,424	123,732,234
	<u>550,645,767</u>	<u>492,036,103</u>

18. SUB-ORDINATED LOANS - UNSECURED

	Note	Issue Date	Tenor	Rate % per annum	Maturity	Frequency of principal redemption	2010	2009
----- (Rupees in '000) -----								
Term Finance Certificates - I	18.1	August 2004	8 years	8.45%	August 2012	Semi Annual	1,995,388	1,996,160
Term Finance Certificates - II	18.1	March 2005	8 years	9.49%	March 2013	Semi Annual	1,999,560	1,999,640
Term Finance Certificates - III	18.1	September 2006	8 years	6 months Kibor+1.70%	September 2014	Semi Annual	1,996,800	1,997,600
Term Finance Certificates - IV	18.2	February 2008	10 years	For the first five years 6 months, Kibor+0.85% and for the remaining term, 6 months Kibor+1.35%	February 2018	Semi Annual	5,994,000	5,996,400
							<u>11,985,748</u>	<u>11,989,800</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

18.1 These represent listed Term Finance Certificates (TFCs) issued by the Bank. The liability of the Bank is subordinated as to the payment of principal and profit to all other indebtedness of the Bank (including deposits) and is not redeemable before maturity without approval of the State Bank of Pakistan.

18.2 This represents listed Term Finance Certificates (TFCs) issued by the Bank. The liability of the Bank is subordinated as to the payment of principal and profit to all other indebtedness of the Bank (including deposits). The Bank has the right to exercise a call option after a period of 5 years from the issue date.

	Note	2010	2009
----- (Rupees in '000) -----			
19. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		8,427,554	7,015,536
Mark-up / return / interest payable in foreign currency		334,841	353,032
Accrued expenses	19.1	2,141,153	1,528,824
Branch adjustment account		1,399,052	839,346
Payable against purchase of securities		236,683	197,722
Payable under severance scheme		32,563	33,452
Unearned commission		99,544	95,736
Provision against off - balance sheet obligations	19.2	669,891	682,141
Unrealized loss on forward foreign exchange contracts		654,579	207,567
Deferred liabilities	19.3	2,113,439	2,098,414
Unrealized loss on derivative financial instruments	19.4.1 & 23.2	753,854	557,414
Workers Welfare Fund payable		413,542	397,547
Insurance payable against consumer assets		183,095	393,288
Others		127,945	61,706
		17,587,735	14,461,725

19.1 This includes an accrual of Rs.250 million (2009: Rs.210 million) for the year ended December 31, 2010 in respect of employee benefit scheme. The objective of the scheme is to reward, motivate and retain high performing executives and officers of the Bank by way of bonus in the form of shares of the Bank. The liability of the Bank in respect of this scheme is fixed and is approved each year by the Board of Directors of the Bank. The scheme for each year is managed by a separate Trust formed for this purpose.

	Note	2010	2009
----- (Rupees in '000) -----			
19.2 Provision against off - balance sheet obligations			
Opening balance		682,141	651,697
Charge during the year	29	-	20,250
Transfers during the year		-	10,194
		-	30,444
Payments during the year		(12,250)	-
		669,891	682,141

19.3 Deferred liabilities

Provision for post retirement medical benefits	36.4	1,139,616	1,147,095
Provision for gratuity		296,671	219,411
Provision for compensated absences	36.4	677,152	731,908
		2,113,439	2,098,414

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
19.4 Unrealized gain / (loss) on derivative financial instruments

	Note	Contract / notional amount		Unrealised gain / (loss)	
		2010	2009	2010	2009
----- (Rupees in '000) -----					
Derivatives held for trading					
- Interest rate swaps		6,985,703	11,014,381	(111,793)	(187,593)
- Cross currency swaps		35,570,843	36,372,837	51,100	143,894
- Swaptions		-	2,527,248	-	(14,044)
- Fx options		4,110,884	821,070	-	-
- Forward sale contracts of government securities		441,981	-	514	-
19.4.1		<u>47,109,411</u>	<u>50,735,536</u>	<u>(60,179)</u>	<u>(57,743)</u>

	Note	2010	2009
----- (Rupees in '000) -----			
19.4.1 Unrealized loss on derivative financial instruments - net			
Unrealized gain on derivative financial instruments	13	693,675	499,671
Unrealized loss on derivative financial instruments	19	(753,854)	(557,414)
	23.2	<u>(60,179)</u>	<u>(57,743)</u>

20. SHARE CAPITAL
20.1 Authorized Capital

2010	2009		2010	2009
(Number of shares)				
<u>2,000,000,000</u>	<u>2,000,000,000</u>	Ordinary shares of Rs.10 each	<u>20,000,000</u>	<u>20,000,000</u>

20.2 Issued, subscribed and paid-up capital

Fully paid-up ordinary shares of Rs.10 each

2010	2009		2010	2009
(Number of shares)				
518,000,000	518,000,000	Fully paid-up ordinary shares of Rs.10 each		
706,179,687	594,890,625	Issued for cash	5,180,000	5,180,000
<u>1,224,179,687</u>	<u>1,112,890,625</u>	Issued as bonus shares	7,061,798	5,948,907
			<u>12,241,798</u>	<u>11,128,907</u>

20.3 During the year 2007, the Bank was admitted to the official list of the UK Listing Authority and to the London Stock Exchange Professional Securities Market for trading of Global Depository Receipts (GDRs), each representing four ordinary equity shares issued by the Bank. The GDRs constitute an offering in the United States only to qualified institutional buyers in reliance on Rule 144A under the U.S Securities Act of 1933 and an offering outside the United States in reliance on Regulation S.

Holders of GDRs are entitled, subject to the provision of the depository agreement, to receive dividends, if any, and rank pari passu with other equity shareholders in respect of such entitlement to receive dividends. However, the holders of GDRs have no voting rights or other direct rights of shareholders with respect to the equity shares underlying such GDRs. Subject to the terms and restrictions set out in the offering circular dated June 25, 2007, the deposited equity shares in respect of which the GDRs were issued may be withdrawn from the depository facility. Upon withdrawal, the holders will rank pari passu with other equity shareholders in respect of voting powers. As at December 31, 2010: 78,503,082 (2009: 92,519,435) GDR shares were in issue.

20.4 Major shareholders (holding more than 5% of total paid-up capital)

Name of shareholder	2010		2009	
	Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
Government of Pakistan	238,567,381	19.49%	216,879,438	19.49%
Bestway (Holdings) Limited	222,775,183	18.20%	202,522,894	18.20%
Bestway Cement Limited	93,649,744	7.65%	85,136,131	7.65%
His Highness Shaikh Nahayan Mabararak Al Nahayan	78,942,102	6.45%	71,765,548	6.45%
H.E. Dr. Mana'a Saeed Al Otaiba	67,492,392	5.51%	61,356,720	5.51%
Sir Mohammed Anwar Pervez, OBE, HPk	62,433,163	5.10%	56,757,421	5.10%

As at December 31, 2010 the Abu Dhabi Group (ADG) held 30.30% (2009: 30.30%) shareholding (including GDRs) and the Bestway Group (Bestway) held 31.07% (2009: 31.07%) shareholding of the Bank.

ADG and Bestway (Holdings) Limited had entered into a Share Purchase Agreement dated December 28, 2010 for the sale of 20% of the issued and outstanding ordinary shares of the Bank held by ADG to Bestway (Holdings) Limited.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Subsequent to the statement of financial position date, Bestway held 51.07% of the issued and outstanding ordinary shares of the Bank whereas control shall continue to rest with the consortium of ADG and Bestway for which all regulatory approvals have been obtained.

	Note	2010 ----- (Rupees in '000) -----	2009
21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF DEFERRED TAX			
Surplus arising on revaluation of assets - net of tax:			
Fixed assets	21.1	10,392,701	10,640,998
Securities	21.2	<u>(2,158,560)</u>	<u>(1,980,521)</u>
		<u>8,234,141</u>	<u>8,660,477</u>
21.1 Surplus on revaluation of fixed assets			
Surplus on revaluation of fixed assets at January 01			
		15,916,898	12,193,629
Revaluation of fixed assets during the year / adjustments			
Written off during the year		8,788	4,139,592
Exchange adjustments		-	(27,071)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		48	-
Related deferred tax liability on incremental depreciation charged during the year	12.1	<u>(254,041)</u>	<u>(253,014)</u>
		<u>(136,794)</u>	<u>(136,238)</u>
		<u>(381,999)</u>	<u>3,723,269</u>
		15,534,899	15,916,898
Less: Related deferred tax liability on:			
Revaluation as on January 01		5,275,900	3,972,755
Revaluation of fixed assets during the year		3,092	1,448,858
Written off during the year		-	(9,475)
Incremental depreciation charged on related assets	12.1	<u>(136,794)</u>	<u>(136,238)</u>
		<u>5,142,198</u>	<u>5,275,900</u>
		<u>10,392,701</u>	<u>10,640,998</u>
21.2 Surplus / (Deficit) on revaluation of available-for-sale securities			
Market Treasury Bills			
		(55,830)	20,995
Pakistan Investment Bonds			
		(1,937,605)	(1,129,224)
Listed shares			
		(34,452)	93,619
Mutual fund units			
		(709)	(2,302)
Term Finance Certificates, Sukuk, other Bonds etc.			
		(27,242)	(43,856)
Overseas securities			
		<u>(1,265,024)</u>	<u>(1,986,187)</u>
		<u>(3,320,862)</u>	<u>(3,046,955)</u>
Related deferred tax asset	12.1	1,162,302	1,066,434
		<u>(2,158,560)</u>	<u>(1,980,521)</u>
22. CONTINGENCIES AND COMMITMENTS			
22.1 Direct credit substitutes			
Contingent liabilities in respect of guarantees given favouring			
Government			
		8,742,208	10,818,102
Banking companies and other financial institutions			
		5,316,009	2,758,243
Others			
		<u>6,079,170</u>	<u>7,396,201</u>
		<u>20,137,387</u>	<u>20,972,546</u>
22.2 Transaction-related contingent liabilities			
Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring			
Government			
		82,423,478	77,448,985
Banking companies and other financial institutions			
		2,470,740	3,311,075
Others			
		<u>14,018,380</u>	<u>18,521,775</u>
		<u>98,912,598</u>	<u>99,281,835</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	2010	2009
	----- (Rupees in '000) -----	
22.3 Trade-related contingent liabilities		
Contingent liabilities in respect of letters of credit opened favouring		
Government	58,157,874	56,186,541
Others	69,337,219	61,762,728
	<u>127,495,093</u>	<u>117,949,269</u>

22.4 Other contingencies		
Claims against the bank not acknowledged as debts	<u>29,934,358</u>	<u>20,668,309</u>

22.5 Commitments in respect of forward lending

The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	2010	2009
	----- (Rupees in '000) -----	
22.6 Commitments in respect of forward foreign exchange contracts		
Sale	<u>85,434,818</u>	<u>46,364,122</u>
Purchase	<u>130,653,749</u>	<u>90,952,188</u>

22.7 Commitments in respect of derivatives

Interest rate swaps	<u>6,985,703</u>	<u>11,014,381</u>
Cross currency swaps	<u>35,570,843</u>	<u>36,372,837</u>
Swaptions	<u>-</u>	<u>2,527,248</u>
FX options - purchased	<u>2,055,442</u>	<u>410,535</u>
FX options - sold	<u>2,055,442</u>	<u>410,535</u>
Forward sale contracts of government securities	<u>441,981</u>	<u>-</u>

22.8 Commitments in respect of capital expenditure	<u>571,403</u>	<u>567,882</u>
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22.9 For contingencies relating to taxation refer note 13.1

23. DERIVATIVE INSTRUMENTS

Derivatives are a type of financial contract, the value of which is determined by reference to one or more underlying assets or indices. The major categories of such contracts include forwards, futures, swaps and options. Derivatives also include structured financial products that have one or more characteristics of forwards, futures, swaps and options.

The Bank as an Authorized Derivative Dealer (ADD) is an active participant in the Pakistan derivatives market. Although the ADD license covers the below mentioned transactions only (permitted under Financial Derivatives Business Regulations issued by the SBP), the Bank offers a wide variety of derivative products to satisfy customers' needs, specific approval for which is sought from the SBP on a transaction by transaction basis:

- (a) Foreign Currency Options
- (b) Forward Rate Agreements
- (c) Interest Rate Swaps
- (d) Cross Currency Swaps
- (e) Equity indices
- (f) Commodity options

These transactions cover the aspects of both market making and hedging.

The authority for approving policies lies with the Board of Directors (BoD) and Board Risk Management Committee (BRMC), who has delegated its powers to the Market Risk Committee (MRC).

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

With regard to derivatives, the MRC is authorized to:

- Review the derivatives business with reference to market risk exposure and assign various limits in accordance with the risk appetite of the Bank
- Review and approve the Derivatives Business Policy
- Review and sign off derivatives product programs
- Authorize changes in procedures and processes regarding derivatives and structured products

Overall responsibility for derivatives trading activity lies with the Treasury and Capital Markets Group (TCM). Identifying and quantifying market risk on derivatives, coordinating approvals on temporary or permanent market risk limits, formulation of policies and procedures with respect to market risk arising from derivatives, formal monitoring of market and credit risk exposure and limits and its reporting to the senior management and BoD is done by the Treasury and Market Risk (TMR) Department. Treasury Operations records derivative activity in the Bank's books, and handles its reporting to the SBP.

Derivative Risk Management

There are a number of risks undertaken by the Bank, which need to be monitored and assessed, and they include:

Credit Risk

Credit risk refers to the risk of non-performance or default by a party (a customer, guarantor, trade counterparty, third party, etc.), resulting in an adverse impact on the Bank's profitability. Credit risk associated with derivative transactions is categorized into settlement risk and pre-settlement risk. Credit limit proposals for derivative transactions are reviewed by Head Market and Treasury Risk who recommends the appropriate limits to the Credit Committee for approval. Credit exposure of each counterparty is estimated and monitored by Treasury Middle Office on daily basis. Settlement risk is also mitigated by netting off the amounts receivable and payable i.e., the net amount is either received or paid.

Market Risk

The Bank, as a policy, hedges back-to-back all Options transactions. The Bank also does not carry any exchange risk on its Cross Currency Swaps portfolio as it hedges the exposure in the interbank market. To manage interest rate risk of Interest Rate Derivatives the Bank has implemented various limits which are monitored and reported by Treasury Middle Office on daily basis.

Liquidity Risk

Derivative transactions, usually being non-funded in nature, do not involve funds therefore there is no specific liquidity risk.

However, there is another aspect of liquidity which is the availability of certain instruments or hedges in the market. This is relevant to the Pakistan market, as interest rate derivatives have a uni-directional demand, and no perfect hedge is available. The Bank mitigates its risk, on one side, by limiting the portfolio in terms of tenor, notional and sensitivity limits, and on the other side by taking on and off balance sheet positions in the interbank market, where available.

Operational Risk

The staff involved in the process of trading, settlement and risk management of derivatives are carefully trained to deal with the complexities involved in the process. A state-of-the-art system has been put in place which handles derivative transactions. Each transaction is processed in accordance with the product program or transaction memo, which contains detailed accounting and operational aspects of the transaction to further mitigate operational risk. In addition, the Treasury Middle Office and the Compliance and Control Department are assigned the responsibility of monitoring any deviation from the policies and procedures. The Bank's Audit and Inspection Group also reviews this function, which covers regular review of systems, transactional processes, accounting practices, end-user roles and responsibilities.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

The Bank has installed a state of the art derivatives system called 'Super Derivatives' which provides an end-to-end solution. Other than supporting the routine transactional process it also provides analytical tools to measure various risk exposures, stress tests and sensitivity analysis.

Treasury Middle Office produces various reports for higher management (BoD, BRMC, MRC, etc) on a periodic basis. These reports provide details of the derivatives business profile and various risk exposures.

23.1 Product Analysis

		2010										
		Interest rate swaps		Cross currency swaps		Swaptions		FX options		Forward sale contracts of government securities		
		Number of contracts	Notional principal	Number of contracts	Notional principal	Number of contracts	Notional principal	Number of contracts	Notional principal	Number of contracts	Notional principal	Total Notional
		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)
With Banks for												
Hedging		4	3,475,777	4	14,996,850	-	-	82	2,055,442	-	-	20,528,069
Market Making		3	1,871,064	2	2,201,000	-	-	-	-	-	-	4,072,064
		7	5,346,841	6	17,197,850	-	-	82	2,055,442	-	-	24,600,133
With other entities												
Market Making		4	1,638,862	9	18,372,993	-	-	82	2,055,442	2	441,981	22,509,278
Total												
Hedging		4	3,475,777	4	14,996,850	-	-	82	2,055,442	-	-	20,528,069
Market Making		7	3,509,926	11	20,573,993	-	-	82	2,055,442	2	441,981	26,581,342
		11	6,985,703	15	35,570,843	-	-	164	4,110,884	2	441,981	47,109,411
		2009										
		Interest rate swaps		Cross currency swaps		Swaption		FX options		Forward sale contracts of government securities		
		Number of contracts	Notional principal	Number of contracts	Notional principal	Number of contracts	Notional principal	Number of contracts	Notional principal	Number of contracts	Notional principal	Total Notional
		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)
With Banks for												
Hedging		8	7,740,900	4	14,571,600	-	-	4	410,535	-	-	22,723,035
Market Making		4	2,206,208	5	2,335,884	1	2,527,248	-	-	-	-	7,069,340
		12	9,947,108	9	16,907,484	1	2,527,248	4	410,535	-	-	29,792,375
With other entities												
Market Making		8	1,067,273	8	19,465,353	-	-	4	410,535	-	-	20,943,161
Total												
Hedging		8	7,740,900	4	14,571,600	-	-	4	410,535	-	-	22,723,035
Market Making		12	3,273,481	13	21,801,237	1	2,527,248	4	410,535	-	-	28,012,501
		20	11,014,381	17	36,372,837	1	2,527,248	8	821,070	-	-	50,735,536

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
23.2 Maturity analysis of derivatives

Remaining Maturity	No. of contracts	Notional principal	2010		
			Mark to market		Net
			(Loss)	Gain	
(Rupees in '000)					
Upto 1 Month	66	1,152,095	-	514	514
1 to 3 Months	101	3,425,771	(360)	-	(360)
3 to 6 Months	1	9,091	(264)	-	(264)
6 Months to 1 Year	2	1,050,000	(27,191)	117	(27,074)
1 to 2 Years	2	6,921,500	(19,363)	220,133	200,770
2 to 3 Years	8	6,039,258	(60,313)	195,625	135,312
3 to 5 Years	4	8,883,870	(816)	254,858	254,042
5 to 10 Years	8	19,627,826	(645,547)	22,428	(623,119)
Above 10 Years	-	-	-	-	-
	<u>192</u>	<u>47,109,411</u>	<u>(753,854)</u>	<u>693,675</u>	<u>(60,179)</u>

Remaining Maturity	No. of contracts	Notional principal	2009		
			Mark to market		Net
			(Loss)	Gain	
(Rupees in '000)					
Upto 1 Month	2	40,000	(918)	-	(918)
1 to 3 Months	11	979,704	-	2,150	2,150
3 to 6 Months	-	-	-	-	-
6 Months to 1 Year	7	1,225,196	(8,367)	21,138	12,771
1 to 2 Years	4	1,202,273	(61,448)	57	(61,391)
2 to 3 Years	2	6,975,000	(32,171)	119,516	87,345
3 to 5 Years	14	17,317,094	(145,045)	215,404	70,359
5 to 10 Years	6	22,996,269	(309,465)	141,406	(168,059)
Above 10 Years	-	-	-	-	-
	<u>46</u>	<u>50,735,536</u>	<u>(557,414)</u>	<u>499,671</u>	<u>(57,743)</u>

24. MARK-UP / RETURN / INTEREST EARNED	2010	2009
	(Rupees in '000)	
On loans and advances to customers	40,027,810	45,512,875
On lendings to financial institutions		
- Call money lending	75,784	300,863
- Securities purchased under resale agreements	930,386	1,115,663
- Advances to financial institutions	227,360	286,755
	1,233,530	1,703,281
On investments in		
- Held for trading securities	780,660	941,878
- Available for sale securities	8,116,778	9,417,929
- Held to maturity securities	8,921,541	3,372,692
- Associates and subsidiaries	340	18,532
	17,819,319	13,751,031
On deposits with financial institutions	218,100	115,508
Discount income	33,002	24,330
	<u>59,331,761</u>	<u>61,107,025</u>
25. MARK-UP / RETURN / INTEREST EXPENSED		
On deposits	18,962,625	22,210,362
On securities sold under repurchase agreements	1,686,337	1,622,552
On other short - term borrowings	2,974,333	2,584,549
On long - term borrowings	1,428,292	1,511,574
Discount expense	171,666	234,750
	<u>25,223,253</u>	<u>28,163,787</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

26. GAIN ON SALE OF SECURITIES - NET	Note	2010	2009
		----- (Rupees in '000) -----	
Federal Government Securities			
Market Treasury Bills		(598)	108,683
Pakistan Investment Bonds		(12,899)	46,290
		<u>(13,497)</u>	<u>154,973</u>
Ordinary shares			
Listed companies		110,967	331,362
Other securities			
		61,415	143,083
		<u>158,885</u>	<u>629,418</u>
27. OTHER INCOME			
Charges recovered from customers		770,293	1,162,018
Rent on properties		121,551	134,643
Income from dealing in derivatives		509,465	1,720,332
Others		16,248	30,856
		<u>1,417,557</u>	<u>3,047,849</u>
28. ADMINISTRATIVE EXPENSES			
Personnel Cost			
Salaries, allowances etc.	28.1	7,067,760	6,914,343
Charge for compensated absences	36.7	152,261	418,143
Medical expenses		380,919	373,907
Contribution to defined contribution plan		104,035	416,114
Reversal in respect of defined benefit obligations		(239,658)	(371,531)
		7,465,317	7,750,976
Premises Cost			
Rent, taxes, insurance, electricity etc.		2,266,225	2,025,555
Depreciation	11.2	560,058	553,425
Repairs and maintenance		82,906	85,684
		2,909,189	2,664,664
Other Operating Cost			
Outsourced service charges including sales commission		1,515,927	1,313,164
Advertisement and publicity		765,856	221,107
Communications		742,184	722,241
Depreciation	11.2	932,864	918,100
Legal and professional charges		276,249	217,776
Banking service charges		408,576	355,089
Stationery and printing		431,297	336,597
Travelling		176,953	161,192
Cash transportation charges		287,641	339,024
Repairs and maintenance		102,485	82,607
Maintenance contracts		509,225	362,105
Insurance expense		82,819	164,073
Vehicle expense		132,446	107,213
Amortization	11.3	221,047	184,241
Training and seminars		43,497	44,326
Office running expense		199,861	152,318
Entertainment		96,486	89,921
Cartage, freight and conveyance		64,411	68,553
Auditors' remuneration	28.3	39,620	44,835
Subscriptions		22,097	26,121
Brokerage expenses		16,521	19,457
Sub-ordinated debt related costs		7,086	7,990
Donations	28.2	82,282	55,975
Non-executive Directors' fee and allowances		42,993	54,090
Miscellaneous expenses		190,127	144,806
		<u>7,390,550</u>	<u>6,192,921</u>
		<u>17,765,056</u>	<u>16,608,561</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

28.1 This includes employee benefits in the form of awards / bonus to all permanent staff including the Chief Executive Officer and is determined on the basis of employees' evaluation and the Bank's performance during the year. The aggregate benefit determined in respect of all permanent staff amounted to Rs. 570.475 million (2009: Rs. 312.106 million).

	Note	2010	2009
		----- (Rupees in '000) -----	
28.2 Donations exceeding Rs.0.1 million			
Karachi Education Initiative	28.2.1	40,000	40,000
UBL Flood Relief Campaign		28,142	-
Police Hospital Fund		5,000	-
The Citizens Foundation		2,200	-
Hisaar Foundation		1,086	550
Friends of Burns Centre		1,008	1,728
Family Education Services Foundation		900	900
Marie Adelaide Leprosy Centre		850	850
Lahore University of Management Sciences		815	315
Patient Welfare Association		800	-
SOS Childrens' Villages of Sindh		581	451
Edhi Foundation		550	-
Special Olympics Pakistan		200	-
Umeed-e-Noor		150	-
Karachi City Police		-	9,793
Shalamar Hospital		-	545
Sun Development Foundation		-	483
Institute of Business Administration		-	360
		<u>82,282</u>	<u>55,975</u>

28.2.1 The President is a Director on the Board of the Karachi Education Initiative, a sponsoring and fund raising entity of the Karachi School for Business & Leadership.

28.3 Auditors' remuneration

	2010			Total
	Ernst & Young Ford Rhodes Sidat Hyder	BDO Ebrahim & Co.	Overseas Auditors	
	----- (Rupees in '000) -----			
Audit fee	5,738	5,738	24,226	35,702
Fee for audit of EPZ branch	250	-	-	250
Out of pocket expenses	1,725	1,709	234	3,668
	<u>7,713</u>	<u>7,447</u>	<u>24,460</u>	<u>39,620</u>
	2009			
	Ernst & Young Ford Rhodes Sidat Hyder	BDO Ebrahim & Co.	Overseas Auditors	Total
	----- (Rupees in '000) -----			
Audit fee	5,738	5,738	29,588	41,064
Fee for audit of EPZ branch	221	-	-	221
Out of pocket expenses	1,868	1,682	-	3,550
	<u>7,827</u>	<u>7,420</u>	<u>29,588</u>	<u>44,835</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Note	2010 ----- (Rupees in '000) -----	2009
29. OTHER PROVISIONS / WRITE OFFS - NET			
(Reversal) / provision against other assets - net	13.2	(122,261)	339,131
Provision against off - balance sheet obligations	19.2	-	20,250
Other provisions / write offs		188,424	276,716
Provision against Ijara Assets - Specific		(803)	9,191
Reversal against Ijara Assets - General		(2,127)	(3,014)
		<u>63,233</u>	<u>642,274</u>

30. WORKERS' WELFARE FUND

The Bank is liable to pay Workers' Welfare Fund @ 2% of profit before tax as per the accounts or declared income as per the income tax return, whichever is higher, under the Workers' Welfare Ordinance, 1971.

	2010 ----- (Rupees in '000) -----	2009
31. OTHER CHARGES		
Penalties imposed by the SBP		
Pertaining to current year	107,491	25,535
Pertaining to prior year	<u>128,000</u>	<u>39,000</u>
	235,491	64,535
Other penalties	4,900	17
	<u>240,391</u>	<u>64,552</u>

	2010			
	Overseas	Azad Kashmir	Domestic	Total
	----- (Rupees in '000) -----			
32. TAXATION				
Current tax	1,002,082	22,653	5,780,771	6,805,506
Prior year tax	415,136	-	-	415,136
Deferred tax	(2,343)	(239)	(635,772)	(638,354)
	<u>1,414,875</u>	<u>22,414</u>	<u>5,144,999</u>	<u>6,582,288</u>
	2009			
	Overseas	Azad Kashmir	Domestic	Total
	----- (Rupees in '000) -----			
Current tax	872,430	113,181	5,944,974	6,930,585
Prior year tax	76,328	-	-	76,328
Deferred tax	(7,677)	(684)	(2,156,738)	(2,165,099)
	<u>941,081</u>	<u>112,497</u>	<u>3,788,236</u>	<u>4,841,814</u>

	2010 ----- (Rupees in '000) -----	2009
32.1 Relationship between tax expense and accounting profit		
Accounting profit for the year	<u>17,742,218</u>	<u>14,034,501</u>
Tax on income @ 35% (2009: 35%)	6,209,776	4,912,075
Tax effect of items that are either not included in determining taxable profit or taxed at reduced rates / permanent differences	(44,107)	(271,683)
Prior year tax charge	415,136	76,328
Others	1,483	125,094
Tax charge	<u>6,582,288</u>	<u>4,841,814</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
33. EARNINGS PER SHARE

	2010	2009
	----- (Rupees in '000) -----	
Profit after taxation for the year	<u>11,159,930</u>	<u>9,192,687</u>
	----- (Number of shares) -----	
Weighted average number of ordinary shares	<u>1,224,179,687</u>	<u>1,224,179,687</u>
	----- (Rupees) -----	
Earnings per share - basic and diluted	<u>9.12</u>	<u>7.51</u>

33.1 Diluted earnings per share has not been presented as the Bank does not have any convertible instruments in issue at December 31, 2010 and 2009 which would have any effect on the earnings per share if the option to convert is exercised.

33.2 Earnings per share for the year 2009 has been restated for the effect of bonus shares issued during the year.

34. CASH AND CASH EQUIVALENTS

	Note	2010	2009
		----- (Rupees in '000) -----	
Cash and balances with treasury banks	6	67,461,668	61,470,047
Balances with other banks	7	<u>18,192,142</u>	<u>5,407,470</u>
		<u>85,653,810</u>	<u>66,877,517</u>

35. STAFF STRENGTH

	----- (Number) -----	
Permanent	8,473	8,448
Contractual basis	<u>26</u>	<u>18</u>
Bank's own staff strength at the end of the year	8,499	8,466
Outsourced	<u>3,074</u>	<u>2,905</u>
Total number of employees at the end of the year	<u>11,573</u>	<u>11,371</u>

36. DEFINED BENEFIT PLANS
36.1 General description

The Bank operates a funded pension scheme established in 1986. The Bank also operates a funded gratuity scheme for new employees and those employees who have not opted for the pension scheme. The Bank also operates a contributory benevolent fund scheme and provides post retirement medical benefits to eligible retired employees. The benevolent fund plan and the post-retirement medical plan cover all regular employees of the Bank who joined the Bank pre-privatisation. The Bank also maintains an employee compensated absences scheme. The liability of the Bank in respect of long-term employee compensated absences is determined based on actuarial valuation carried out using the Projected Unit Credit Method. Actuarial valuation of the defined benefit plan scheme is carried out every year and the latest valuation was carried out as at December 31, 2010.

36.2 Number of Employees under the scheme

The number of employees covered under the following defined benefit scheme / plans are:

	2010	2009
	----- (Number) -----	
- Pension fund	7,723	7,845
- Gratuity fund	5,589	5,416
- Benevolent fund	7,490	7,888
- Employee's compensated absences	6,708	6,942
- Post retirement medical benefit scheme	4,480	4,790

The Pension fund, benevolent fund and post retirement medical benefit schemes include 5,384 (2009: 5,372), 3,010 (2009: 3,098) and 2,228 (2009: 2,152) members respectively who have retired or whose widows are receiving the benefits.

36.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2010 based on the Projected Unit Credit Actuarial Cost Method, using the following significant assumptions:

	2010	2009
	----- Per annum -----	
Discount rate	14.50%	12.75%
Expected rate of return on plan assets	14.50%	12.75%
Expected rate of salary increase	12.50%	10.50%
Expected rate of pension increase	6.75%	5.00%

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
36.4 Reconciliation of (receivable from) / payable to defined benefit plans

Note	2010				
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
	----- (Rupees in '000) -----				
Present value of funded obligations	3,598,231	417,733	420,778	-	-
Fair value of plan assets	(5,527,239)	(325,781)	(799,917)	-	-
	(1,929,008)	91,952	(379,139)	-	-
Present value of unfunded obligation	-	-	-	826,088	677,152
Net actuarial gains or (losses) not recognized (Receivable) / payable	1,925,416	(100,137)	198,356	313,528	-
	(3,592)	(8,185)	(180,783)	1,139,616	677,152
	----- (Rupees in '000) -----				
	2009				
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
	----- (Rupees in '000) -----				
Present value of funded obligations	3,585,208	365,292	459,080	-	-
Fair value of plan assets	(6,107,212)	(301,174)	(796,302)	-	-
	(2,522,004)	64,118	(337,222)	-	-
Present value of unfunded obligation	-	-	-	852,603	731,908
Net actuarial gains or (losses) not recognized (Receivable) / payable	2,119,273	(79,620)	205,656	294,492	-
	(402,731)	(15,502)	(131,566)	1,147,095	731,908

36.5 Movement in defined benefit obligation

	2010				
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
	----- (Rupees in '000) -----				
Obligation at the beginning of the year	3,585,208	365,292	459,080	852,603	731,908
Current service cost	10,788	48,711	6,694	6,430	41,106
Interest cost	118,861	48,331	48,347	112,903	104,760
Benefits paid by the Bank	(333,708)	(61,513)	(73,242)	(100,658)	(207,017)
Recognition of prior service cost	-	-	-	-	-
Return allocated to other funds	36.8.1 232,232	-	-	-	-
Early retirement liability	-	-	-	-	-
Actuarial (gain) / loss on obligation	(15,150)	16,912	(20,101)	(45,190)	6,395
Obligation at the end of the year	3,598,231	417,733	420,778	826,088	677,152
	----- (Rupees in '000) -----				
	2009				
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
	----- (Rupees in '000) -----				
Obligation at the beginning of the year	3,625,280	384,786	529,647	875,509	613,602
Current service cost	10,051	46,619	7,103	5,914	34,461
Interest cost	156,655	53,312	62,995	103,084	110,245
Benefits paid by the Bank	(653,986)	(86,446)	(127,518)	(125,019)	(299,837)
Recognition of prior service cost	-	-	-	-	62,201
Return allocated to other funds	322,253	-	-	-	-
Early retirement liability	-	-	-	(24,242)	-
Actuarial (gain) / loss on obligation	124,955	(32,979)	(13,147)	17,357	211,236
Obligation at the end of the year	3,585,208	365,292	459,080	852,603	731,908

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
36.6 Movement in fair value of plan assets

	2010				
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
	----- (Rupees in '000) -----				
Fair value at the beginning of the year	6,107,212	301,174	796,302	-	-
Expected return on plan assets	642,077	40,904	87,822	-	-
Contribution by the Bank	-	68,631	5,450	-	-
Contribution by the employees	-	-	5,450	-	-
Amount paid by the fund to the Bank	(1,214,658)	(77,251)	(85,232)	-	-
Payment received on behalf of the fund	-	-	-	-	-
Actuarial gain / (loss) on plan assets	(7,392)	(7,677)	(9,875)	-	-
Fair value at the end of the year	<u>5,527,239</u>	<u>325,781</u>	<u>799,917</u>	<u>-</u>	<u>-</u>

	2009				
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
	----- (Rupees in '000) -----				
Fair value at the beginning of the year	6,526,828	291,292	739,180	-	-
Expected return on plan assets	843,551	41,702	90,031	-	-
Contribution by the Bank	-	75,044	5,979	-	-
Contribution by the employees	-	-	5,979	-	-
Amount paid by the fund to the Bank	(1,272,621)	(119,390)	(122,924)	-	-
Payment received on behalf of the fund	-	-	-	-	-
Actuarial gain / (loss) on plan assets	9,454	12,526	78,057	-	-
Fair value at the end of the year	<u>6,107,212</u>	<u>301,174</u>	<u>796,302</u>	<u>-</u>	<u>-</u>

36.7 Movement in (receivable from) / payable to defined benefit plans

	2010				
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
	----- (Rupees in '000) -----				
Opening balance	(402,731)	(15,502)	(131,566)	1,147,095	731,908
Mark-up receivable on Bank's balance	(13,046)	(237)	(1,773)	-	-
Charge / (reversal) for the year	(468,765)	60,447	(53,984)	93,179	152,261
Contribution by the Bank	-	(68,631)	(5,450)	-	-
Amount paid by the Fund to the Bank	1,214,658	77,251	85,232	-	-
Payment received on behalf of the Bank	-	-	-	-	-
Benefits paid by the Bank	(333,708)	(61,513)	(73,242)	(100,658)	(207,017)
Closing balance	<u>(3,592)</u>	<u>(8,185)</u>	<u>(180,783)</u>	<u>1,139,616</u>	<u>677,152</u>

	2009				
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
	----- (Rupees in '000) -----				
Opening balance	(414,783)	(40,318)	(89,177)	1,219,400	613,602
Mark-up receivable on Bank's balance	(22,731)	(846)	(99)	-	-
Charge / (reversal) for the year	(583,852)	67,762	(31,717)	52,714	418,143
Contribution by the Bank	-	(75,044)	(5,979)	-	-
Amount paid by the Fund to the Bank	1,272,621	119,390	122,924	-	-
Payment received on behalf of the Bank	-	-	-	-	-
Benefits paid by the Bank	(653,986)	(86,446)	(127,518)	(125,019)	(299,837)
Closing balance	<u>(402,731)</u>	<u>(15,502)</u>	<u>(131,566)</u>	<u>1,147,095</u>	<u>731,908</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
36.8 Charge for defined benefit plans

		2010				
		Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
		(Rupees in '000)				
	Current service cost	10,788	48,711	6,694	6,430	41,106
	Interest cost	118,861	48,331	48,347	112,903	104,760
	Expected return on plan assets	(642,077)	(40,904)	(87,822)	-	-
	Recognition of prior service cost	-	-	-	-	-
	Actuarial (gains) and losses	(188,569)	4,309	(15,753)	(26,154)	6,395
36.8.1	Return allocated to other funds	232,232	-	-	-	-
	Employees' contribution	-	-	(5,450)	-	-
	Settlement loss / gains	-	-	-	-	-
		(468,765)	60,447	(53,984)	93,179	152,261
		2009				
		Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
		(Rupees in '000)				
	Current service cost	10,051	46,619	7,103	5,914	34,461
	Interest cost	156,655	53,312	62,995	103,084	110,245
	Expected return on plan assets	(843,551)	(41,702)	(90,031)	-	-
	Recognition of prior service cost	-	-	-	-	62,201
	Actuarial (gains) and losses	(229,260)	9,533	(5,805)	(32,042)	211,236
	Return allocated to other funds	322,253	-	-	-	-
	Employees' contribution	-	-	(5,979)	-	-
	Settlement loss / gains	-	-	-	(24,242)	-
		(583,852)	67,762	(31,717)	52,714	418,143

36.8.1 This represents return allocated to those employees who exercised the conversion option offered in the year 2001, as referred to in note 5.10.1.

36.9 Actual return on plan assets

Amongst the defined benefit plans, the pension, gratuity and benevolent fund plans are funded. The actual return earned on the assets during the year are:

		2010				
		Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
	Expected return on plan assets	642,077	40,904	87,822	-	-
	Actual gain / (loss) on plan assets	(7,392)	(7,677)	(9,875)	-	-
		634,685	33,227	77,947	-	-
		2009				
		Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
	Expected return on plan assets	843,551	41,702	90,031	-	-
	Actual gain / (loss) on plan assets	9,454	12,526	78,057	-	-
		853,005	54,228	168,088	-	-

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
36.10 Five year data on surplus/ (deficit) of the plans and experience adjustments

Pension Fund	2010	2009	2008	2007	2006
	(Rupees in '000)				
Present value of defined benefit obligation	(3,598,231)	(3,585,208)	(3,625,280)	(4,343,529)	(4,433,583)
Fair value of plan assets	5,527,239	6,107,212	6,526,828	7,260,256	7,116,577
Surplus / (deficit)	1,929,008	2,522,004	2,901,548	2,916,727	2,682,994
Experience adjustments on plan liabilities [loss / (gain)]	(214,828)	89,216	(87,141)	126,265	238,500
Experience adjustments on plan assets [loss / (gain)]	57,726	(282,376)	(1,195)	(11,848)	(411,713)
Gratuity Fund					
Present value of defined benefit obligation	(417,733)	(365,292)	(384,786)	(399,289)	(437,373)
Fair value of plan assets	325,781	301,174	291,292	356,676	335,449
Surplus / (deficit)	(91,952)	(64,118)	(93,494)	(42,613)	(101,924)
Experience adjustments on plan liabilities [loss / (gain)]	36,338	137,106	43,905	27,782	33,547
Experience adjustments on plan assets [loss / (gain)]	6,400	96,896	55,290	(5,179)	10,979
Benevolent Fund					
Present value of defined benefit obligation	(420,778)	(459,080)	(529,647)	(564,591)	(670,979)
Fair value of plan assets	799,917	796,302	739,180	914,356	917,522
Surplus / (deficit)	379,139	337,222	209,533	349,765	246,543
Experience adjustments on plan liabilities [loss / (gain)]	1,505	(8,798)	138,712	(90,203)	(11,064)
Experience adjustments on plan assets [loss / (gain)]	2,737	(56,670)	144,550	(45,638)	(64,187)
Post retirement medical benefit					
Present value of defined benefit obligation	(826,088)	(852,603)	(875,509)	(1,202,462)	(1,298,048)
Experience adjustments on plan liabilities [loss / (gain)]	(26,232)	37,473	761	(67,904)	(37,633)
Employee compensated absences					
Present value of defined benefit obligation	677,152	731,908	613,602	843,193	1,074,258
Experience adjustments on plan liabilities [loss / (gain)]	-	-	-	-	-

36.11 Effects of a 1% movement in assumed medical cost trend rates

Annual medical expense limit is based on frozen non-monetized basic pay of employees as on June 30, 2001. Accordingly, movement in medical cost trend rates would not affect current service cost, interest cost and defined benefit obligations.

36.12 Components of plan assets as a percentage of total plan assets

	2010				
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
Government securities	6.58%	98.51%	95.35%	-	-
Units of mutual funds	5.20%	0.00%	0.00%	-	-
Ordinary shares of listed companies	0.68%	0.75%	2.55%	-	-
Term finance certificates	9.72%	0.73%	1.99%	-	-
Others (including bank balances)	77.82%	0.01%	0.11%	-	-
	100.00%	100.00%	100.00%	-	-
	2009				
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit	Employee compensated absences
Government securities	15.95%	51.14%	41.32%	-	-
Units of mutual funds	24.98%	17.84%	45.40%	-	-
Ordinary shares of listed companies	0.62%	0.77%	3.63%	-	-
Term finance certificates	7.23%	29.35%	-	-	-
Others (including bank balances)	51.22%	0.90%	9.65%	-	-
	100.00%	100.00%	100.00%	-	-

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

As per the actuarial recommendations the expected return on plan assets was taken as 14.5% per annum on Pension Fund Assets, Gratuity Fund Assets and Benevolent Fund Assets. The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy.

36.13 Expected contributions to be paid to the funds in the next financial year

The Bank contributes to the pension and gratuity funds according to the actuary's advice. Contribution to the benevolent fund is made by the Bank as per the rates set out in the benevolent scheme. Based on actuarial advice, the management estimates that the charge in respect of defined benefit plans for the year ended December 31, 2011 would be as follows:

	2011				
	Pension fund	Gratuity fund	Benevolent fund	Post retire- ment medical benefit	Employee compensated absences
	----- (Rupees in '000) -----				
Expected charge for the year	(410,926)	71,743	(59,992)	96,810	190,540

37. OTHER EMPLOYEE BENEFITS
37.1 Defined contribution plan

The Bank operates a contributory provident fund scheme for 5,209 (2009: 5,356) employees who are not in the pension scheme. The employer and employee both contribute 8.33% of the basic salary to the funded scheme every month.

37.2 Employee Motivation and Retention Scheme

The Bank operates a long term motivation and retention scheme for its employees. The objective of the scheme is to reward, motivate and retain high performing executives and officers of the Bank by way of bonus in the form of shares of the Bank. The liability of the Bank in respect of this scheme is fixed and approved each year by the Board of Directors of the Bank. The scheme is managed by separate Trusts formed in respect of each year. During the year, Rs. 206.819 million (2009: Rs. 40.212 million) and Rs. 33.817 million (2009: Rs. 6.409 million) were received by the executives and the chief executive respectively from the scheme. For further details, refer note 19.1.

37.3 Benazir Employees' Stock Option Scheme

The Government of Pakistan (GoP), being one of the shareholders of the Bank, decided to launch the Benazir Employees' Stock Option Scheme on August 14, 2009, whereby the GoP intends to transfer free of cost 26,391,483 shares of the Bank, including 26,025,533 shares held by the SBP as at December 31, 2010, to UBL Employees Empowerment Trust [the "Trust"].

As per the Trust Deed such shares will be allocated through Unit Certificates to eligible employees in proportion to their entitlement which will be based on length of service subject to certain restrictions. The Trust is entitled to receive dividends declared, of which 50 percent will be distributed amongst employees on the basis of units held. The balance 50 percent would be remitted to a Central Revolving Fund of the Privatization Commission of Pakistan for payment to employees at the time of end of service settlement on fulfilment of vesting conditions, against surrendered units with the shares underlying such surrendered units being transferred back to the GoP.

This generalized scheme being a government policy to provide empowerment to employees of State Owned Enterprises and other entities where the GoP has a shareholding, may attract the provisions of amended IFRS- 2 (Share-based Payments). However, keeping in view the nature, characteristics, exceptions and manner of operation of the generalized scheme, the applicability of IFRS-2 to the said scheme is under consideration of the Institute of Chartered Accountants of Pakistan and the Securities and Exchange Commission of Pakistan.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
38. COMPENSATION OF DIRECTORS AND EXECUTIVES

	President / Chief Executive		Directors		Executives	
	2010	2009	2010	2009	2010	2009
	----- (Rupees in '000) -----					
Fees	-	-	42,993	54,090	-	-
Managerial remuneration	61,349	61,287	-	-	2,415,831	2,272,550
Charge for defined benefit plans	1,001	1,001	-	-	215,447	189,601
Charge for defined contribution plan	1,880	1,880	-	-	56,021	48,875
Rent and house maintenance	4,750	2,375	-	-	384,325	333,228
Utilities	269	148	-	-	171,749	105,803
Medical	65	56	-	-	78,025	66,902
Conveyance	-	-	-	-	306,773	292,845
Reimbursement of children's education fees	1,106	5,928	-	-	-	-
Others	3,133	1,880	-	-	123,137	110,800
	<u>73,553</u>	<u>74,555</u>	<u>42,993</u>	<u>54,090</u>	<u>3,751,308</u>	<u>3,420,604</u>
Number of persons	<u>1</u>	<u>1</u>	<u>9</u>	<u>7</u>	<u>1,244</u>	<u>1,135</u>

The Bank's President / Chief Executive Officer and certain Executives are provided with free use of Bank maintained cars and household equipment.

In addition to the above, all executives including Chief Executive Officer of the Bank, are also entitled to certain short and long term employee benefits which are disclosed in notes 36 and 37 to these financial statements.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of traded investments other than those classified as held to maturity is based on quoted market price. Fair value of unquoted equity investments, other than investments in associates and subsidiaries, is determined on the basis of break-up value of these investments as per the latest available audited financial statements. The provision for impairment of associates and other investments has been determined in accordance with the Bank's accounting policy as stated in notes 4.2 and 5.7 to these unconsolidated financial statements respectively.

The fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to the absence of a current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5.5 to these unconsolidated financial statements.

The repricing profile, effective rates and maturity of financial instruments are stated in note 44 to these unconsolidated financial statements.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
40. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	For the year ended December 31, 2010				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Others
	----- (Rupees in '000) -----				
Total income	471,169	2,647,783	31,156,420	9,208,767	745,001
Total expenses	(102,402)	(690,072)	(20,600,157)	(4,291,011)	(803,280)
Profit before tax	368,767	1,957,710	10,556,263	4,917,756	(58,279)
Segment return on assets (ROA) (%)	5.4%	0.7%	1.2%	1.8%	-
Segment cost of funds (%)	0.3%	8.0%	4.0%	10.7%	-

	For the year ended December 31, 2009				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Others
	----- (Rupees in '000) -----				
Total income	187,140	3,860,120	29,250,527	9,456,906	1,608,116
Total expenses	(641,566)	(831,738)	(20,483,277)	(7,302,410)	(1,069,316)
(Loss) / profit before tax	(454,426)	3,028,383	8,767,250	2,154,496	538,799
Segment return on assets (ROA) (%)	-5.4%	1.4%	1.0%	1.0%	-
Segment cost of funds (%)	6.6%	9.3%	4.9%	10.0%	-

	As at December 31, 2010				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Others
	----- (Rupees in '000) -----				
Segment assets (gross of NPL provisions)	5,004,302	257,667,931	173,895,858	265,008,433	30,742,726
Segment non performing loans (NPL)	-	2,002,017	21,766,521	24,810,869	13,153
Segment provision required against NPL	-	10,105	16,682,106	16,828,908	13,153
Segment liabilities	4,665,722	258,459,687	150,835,644	245,510,597	(29,101,736)

	As at December 31, 2009				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Others
	----- (Rupees in '000) -----				
Segment assets (gross of NPL provisions)	7,166,858	166,715,474	199,789,782	247,434,473	26,282,869
Segment non performing loans (NPL)	-	-	18,378,603	20,709,293	13,500
Segment provision required against NPL	-	-	13,519,170	14,140,352	13,500
Segment liabilities	6,410,759	161,934,319	189,251,044	221,518,027	(20,334,440)

41. TRUST ACTIVITIES

The Bank is not engaged in any significant trust activities. However, it acts as custodian for some of the Term Finance Certificates it arranges and distributes on behalf of its customers.

42. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its associates, subsidiary companies (refer note 9), employee benefit plans (refer notes 36 and 37) and its directors and executive officers (including their associates).

Details of loans and advances to key management personnel, the companies or firms in which the Directors of the Bank are interested as directors, partners or in case of private companies as members are given in note 10.8 to these unconsolidated financial statements.

Contributions to and accruals in respect of staff retirements and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan (refer note 36 to these unconsolidated financial statements for the details of plans).

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010****43. CAPITAL ADEQUACY**

43.1 The Basel II Framework is applicable to the Bank whereby the Standardized Approach for reporting Capital Adequacy is currently implemented. Under the said approach, credit risk and market risk exposures are measured using the Standardized Approach and operational risk is measured using the Basic Indicator Approach.

The Bank's capital adequacy is reported using the rules and ratios provided by the State Bank of Pakistan.

The capital adequacy ratio is a measure of the amount of a Bank's capital expressed as a percentage of its risk weighted assets. Measuring capital adequacy requires risk mitigants to be applied to the amount of assets shown on a Bank's balance sheet. These assets are then applied weightages according to the degree of inherent risk. The capital adequacy ratios compare the amount of eligible capital with the total of risk-weighted assets (RWAs).

The Bank has developed Internal Capital Adequacy Assessment Process (ICAAP) as per the guidelines provided by the SBP. This framework has been approved by the Bank's Board of Directors and submitted to the SBP. The Bank additionally covers risk not yet included under Pillar I, so as to carry adequate capital to cater for any future business requirements. The Bank will review the ICAAP framework on an annual basis and changes/updates will be recommended to the Basel II committee for onward submission to the Board of Directors.

The Bank plans to move towards the Advanced Approach for Basel II, including the Foundation Internal Ratings Based Approach for credit risk, Internal Models Approach for market risk and the Alternate Standardized Approach for operational risk.

43.2 Capital Management

The objective of managing capital is to safeguard the Bank's ability to continue as a going concern. It is the policy of the Bank to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

Statutory minimum capital and capital adequacy requirements

The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for Banks / Development Finance Institutions to be raised to Rs.10 billion by the year ending December 31, 2013.

The paid-up capital of the Bank for the year ended December 31, 2010 stood at Rs.12,241.798 million (2009:11,128.907 million) and is in compliance with SBP requirements. In addition, banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10% of the risk weighted exposure of the Bank. The Bank's CAR as at December 31, 2010 was 14.51% (2009: 13.18%). The Bank and its individually regulated operations have complied with all capital requirements throughout the year.

Tier 1 capital, includes fully paid-up capital, balance in share premium account, general reserves as per the financial statements and net un-appropriated profits after deduction of book value of goodwill / intangibles, deficit on revaluation of available for sale investments and 50% of investments in equity and other regulatory capital of majority owned securities or other financial subsidiaries not consolidated in the statement of financial position as per the guidelines laid under the Basel II framework.

Tier 2 capital includes general provisions for loan losses, reserves on the revaluation of fixed assets and equity investments, foreign exchange translation reserves and subordinated debts (upto maximum of 50% of total eligible tier 1 capital) after deduction of 50% of investments in equity and other regulatory capital of majority owned securities or other financial subsidiaries not consolidated in the statement of financial position as per the guidelines laid under the Basel II Framework.

Tier 3 capital has also been prescribed by the SBP for managing market risk; however, the Bank does not have any Tier 3 capital.

Banking operations are categorized as either trading book or banking book and risk-weighted assets are determined according to specified requirements of the SBP that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures. The total risk-weighted exposures comprise of credit risk, market risk and operational risk.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
43.3 Capital Adequacy Ratio

The capital adequacy ratio, calculated in accordance with the SBP's guidelines on capital adequacy was as follows:

	2010	2009
	----- (Rupees in '000) -----	
Regulatory capital base		
Tier 1 Capital		
- Fully paid-up capital	12,241,798	11,128,907
- Statutory reserves	14,446,898	12,214,912
- Un-appropriated profit	26,250,489	22,187,802
	52,939,185	45,531,621
Deductions:		
- Book value of intangibles	1,440,826	488,635
- Shortfall in provisions irrespective of relaxation provided	261,637	-
- Reciprocal cross holdings by banks	5,999	-
- 50 % of Investments in equity and other regulatory capital of majority owned securities or other financial subsidiaries not consolidated in the statement of financial position	-	-
	1,224,465	1,134,633
	2,932,927	1,623,268
Total eligible Tier 1 Capital	50,006,258	43,908,353
Supplementary Capital		
Tier 2 Capital		
- General provisions or general reserves for loan losses-up to maximum of 1.25% of risk weighted assets	1,425,496	569,195
- Revaluation reserves up to 45%	5,496,317	5,791,474
- Foreign exchange translation reserves	7,370,891	6,951,040
- Subordinated debt - upto maximum of 50% of total eligible Tier 1 capital	7,852,176	8,300,938
- Cash flow hedge reserve	(198,695)	(317,562)
Total Tier 2 Capital	21,946,185	21,295,085
Deductions:		
- 50 % of Investments in equity and other regulatory capital of majority owned securities or other financial subsidiaries not consolidated in the statement of financial position	1,224,465	1,134,633
Total eligible Tier 2 Capital	20,721,720	20,160,452
Total eligible Capital	70,727,978	64,068,805

Risk weighted exposures

	Capital requirements		Risk weighted assets	
	2010	2009	2010	2009
	----- (Rupees in '000) -----			
Credit risk				
Claims on:				
Federal and Provincial Government, SBP and Other Sovereigns – in foreign currency	1,806,245	1,247,825	18,062,446	12,478,248
Public Sector Enterprises	1,285,319	1,197,023	12,853,191	11,970,232
Banks	3,197,031	2,159,799	31,970,310	21,597,993
Corporate	22,086,826	24,197,367	220,868,255	241,973,670
Retail portfolio	3,428,589	4,683,906	34,285,894	46,839,059
Secured by residential property	174,425	196,697	1,744,250	1,966,966
Past due loans	1,944,316	1,289,105	19,443,160	12,891,048
Listed equity investments	900,932	841,421	9,009,323	8,414,206
Unlisted equity investments	83,307	66,236	833,073	662,361
Investments in fixed assets	2,098,325	2,143,704	20,983,246	21,437,035
Other assets	530,330	623,550	5,303,299	6,235,503
	37,535,645	38,646,633	375,356,447	386,466,321
Market risk				
Interest rate risk	2,268,723	1,810,310	28,359,037	22,628,873
Equity exposure risk	296,776	303,257	3,709,701	3,790,707
Foreign exchange risk	40,273	45,689	503,413	571,112
	2,605,772	2,159,256	32,572,151	26,990,692
Operational risk	6,356,450	5,800,078	79,455,626	72,500,981
	46,497,867	46,605,967	487,384,224	485,957,994
Capital adequacy ratio				
Total eligible regulatory capital held	70,727,978	64,068,805		
Total risk weighted assets	487,384,224	485,957,994		
Capital adequacy ratio	14.51%	13.18%		

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
43.4. Credit Risk - General Disclosures

The Bank follows the standardized approach for all its Credit Risk Exposures. The standardized approach to credit risk sets out fixed risk weights corresponding, where appropriate, to external credit assessment levels. Where no external rating is available, a 100% risk weight is used.

Under the standardized approach, the capital requirement is based on the credit rating assigned to counterparties by External Credit Assessment Institutions (ECAIs) duly recognized by SBP for capital adequacy purposes. The Bank selects particular ECAI(s) for each type of claim. In this connection, the Bank utilizes the credit ratings assigned by ECAIs such as PACRA (Pakistan Credit Rating Agency), JCR-VIS (Japan Credit Rating Company Limited – Vital Information Systems), Fitch, Moody's and Standard & Poors. The Bank also utilizes rating scores of Export Credit Agencies (ECA) participating in the "Arrangement on Officially Supported Export Credits".

Mapping to SBP Rating Grades

The selected final ratings (after application of the principles stated above) for all exposures need to be translated to the standard rating grades given by the SBP. In this regard, the mapping tables to be used for converting ECAI ratings to SBP rating grades are given below:

Long – Term Rating Grades Mapping

SBP Rating grade	Fitch	Moody's	S & P	PACRA	JCR-VIS	ECA Scores
1	AAA	Aaa	AAA	AAA	AAA	0
	AA+	Aa1	AA+	AA+	AA+	1
	AA	Aa2	AA	AA	AA	
2	AA-	Aa3	AA-	AA-	AA-	
	A+	A1	A+	A+	A+	2
	A	A2	A	A	A	
3	A-	A3	A-	A-	A-	
	BBB+	Baa1	BBB+	BBB+	BBB+	3
	BBB	Baa2	BBB	BBB	BBB	
4	BBB-	Baa3	BBB-	BBB-	BBB-	
	BB+	Ba1	BB+	BB+	BB+	4
	BB	Ba2	BB	BB	BB	
5	BB-	Ba3	BB-	BB-	BB-	
	B+	B1	B+	B+	B+	5
	B	B2	B	B	B	6
6	B-	B3	B-	B-	B-	
				CCC	CCC	7
	CCC+ and below	Caa1 and below	CCC+ and below	CC C	CC C D	

Short – Term Rating Grades Mapping

SBP Rating Grade	Fitch	Moody's	S & P	PACRA	JCR-VIS
S1	F1	P-1	A-1+ A-1	A-1+ A-1	A-1+ A-1
S2	F2	P-2	A-2	A-2	A-2
S3	F3	P-3	A-3	A-3	A-3
S4	Others	Others	Others	Others	Others

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
Types of exposures and ECAI's used

	JCR-VIS	PACRA	FITCH	Moody's	ECA scores
Corporate	✓	✓	✓	-	-
Banks	✓	✓	✓	-	-
Sovereigns	-	-	-	-	✓
PSE	✓	✓	-	-	-

Credit exposures subject to Standardized Approach

Exposures	2010			2009			
	Rupees in '000						
	Rating category	Amount outstanding	Deduction CRM	Net amount	Amount outstanding	Deduction CRM	Net amount
Cash and Cash Equivalents	-	14,266,546	-	14,266,546	13,747,521	-	13,747,521
Claims on Government of Pakistan (Federal or Provincial Governments) and SBP, denominated in PKR	-	121,556,124	12,686,226	108,869,898	62,121,705	6,228,951	55,892,754
Foreign Currency claims on SBP arising out of statutory obligations of banks in Pakistan	-	5,043,830	-	5,043,830	4,487,971	-	4,487,971
Claims on other sovereigns and on Government of Pakistan or provincial governments or SBP denominated in currencies other than PKR	1	207,144	-	207,144	1,946,332	-	1,946,332
	2	3,063,371	-	3,063,371	12,669,156	-	12,669,156
	3	7,766,882	-	7,766,882	-	-	-
	4,5	-	-	-	6,668,157	(22,570)	6,690,727
	6	9,046,552	2,332	9,044,220	2,169,127	-	2,169,127
	Unrated	-	-	-	-	-	-
		20,083,949	2,332	20,081,617	23,452,772	(22,570)	23,475,342
Corporate	0	-	-	-	-	-	-
	1	24,189,772	2,437,971	21,751,801	15,388,248	9,092	15,379,156
	2	22,955,606	191	22,955,415	6,182,276	107,907	6,074,369
	3,4	1,081,533	-	1,081,533	1,679,117	-	1,679,117
	5,6	1,456,141	75,002	1,381,139	1,182,235	-	1,182,235
	Unrated	219,662,847	17,775,900	201,886,947	260,692,866	28,284,682	232,408,184
		269,345,899	20,289,064	249,056,835	285,124,742	28,401,681	256,723,061
Banks	0	-	-	-	-	-	-
	1	46,327,423	17,890,757	28,436,666	37,788,122	22,769,911	15,018,211
	2,3	36,295,927	2,470,749	33,825,178	26,124,854	47,116	26,077,738
	4,5	7,171,065	1,162,030	6,009,035	3,506,514	576	3,505,938
	6	-	-	-	-	-	-
	Unrated	6,722,706	-	6,722,706	4,257,435	158,346	4,099,089
		96,517,121	21,523,536	74,993,585	71,676,925	22,975,949	48,700,976
Claims on banks with maturity less than 3 months and denominated in foreign currency	1,2,3	-	-	-	-	-	-
	4,5	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
Public sector	0	-	-	-	-	-	-
	1	89,861	193	89,668	6,656,459	589,581	6,066,878
	2,3	4,666	2,678	1,988	-	-	-
	4,5	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	81,359,035	55,690,508	25,668,527	66,982,129	45,468,416	21,513,713
		81,453,562	55,693,379	25,760,183	73,638,588	46,057,997	27,580,591
Retail	75%	48,894,320	3,179,795	45,714,525	65,720,344	3,268,265	62,452,079
	35%	4,983,571	-	4,983,571	5,619,903	-	5,619,903
		53,877,891	3,179,795	50,698,096	71,340,247	3,268,265	68,071,982
Equity Investments	- Listed	9,009,323	-	9,009,323	8,414,206	-	8,414,206
	- Unlisted	555,382	-	555,382	441,574	-	441,574
		9,564,705	-	9,564,705	8,855,780	-	8,855,780
Past due loans	- Less than 20%	4,923,887	1,450,172	3,473,715	2,612,613	184,591	2,428,022
	- Between 20% to 50%	11,360,230	-	11,360,230	11,399,342	4,191,246	7,208,096
	- More than 50%	3,677,090	-	3,677,090	25,846,230	23,347,721	2,498,509
		19,961,207	1,450,172	18,511,035	39,858,185	27,723,558	12,134,627
Past due loans secured against mortgage of residential property:	- past due for more than 90 days	560,433	-	560,433	626,876	80,912	545,964
	- past due by 90 days	946,757	-	946,757	891,713	400,312	491,401
		1,507,190	-	1,507,190	1,518,589	481,224	1,037,365
All Fixed Assets	100%	20,983,246	-	20,983,246	21,437,035	-	21,437,035
Others		5,303,299	-	5,303,299	7,782,206	1,546,703	6,235,503
Total		719,464,569	114,824,504	604,640,066	685,042,266	136,661,758	548,380,508

Credit Risk: Disclosures with respect to Credit Risk Mitigation for Standardized Approach

The Bank has adopted the Comprehensive Approach of Credit Risk Mitigation for the Banking Book. No credit risk mitigation benefit is taken in the Trading Book. In instances where the Bank's exposure on an obligor is secured by collateral that conforms to the eligibility criteria under the Comprehensive Approach of CRM, then the Bank reduces its exposure under that particular transaction by taking into account the risk mitigating effect of the collateral for the calculation of capital requirement i.e. the risk weight of the collateral instrument securing the exposure is substituted for the risk weight of the counter party.

Cash, lien on deposits, government securities and eligible guarantees etc. are considered as eligible collateral under the Comprehensive Approach of Credit Risk Mitigation. The Bank has in place detailed guidelines with respect to valuation and management of these types of collateral. In order to be prudent, the Bank calculates the Credit Risk Mitigation benefit using the realizable value of eligible collateral.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENT:
FOR THE YEAR ENDED DECEMBER 31, 2010****44. RISK MANAGEMENT**

This section presents information about the Bank's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

- Credit risk is the risk of loss resulting from client or counterparty default
- Market risk is the risk of loss arising from adverse movements in market variables such as interest rates, exchange rates and equity indices
- Liquidity risk is the risk that the Bank may be unable to meet its payment obligations when due
- Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and therefore includes legal risk
- Equity position risk is the risk that arises due to changes in prices of individual stocks or levels of equity indices.

Managing risk continues to present a major challenge to the entire banking industry. Success in the banking business depends on how well an institution manages its risks. The main goal is not to eliminate risk, but rather to be proactive in identifying, assessing and managing risks to the organisation's strategic advantage at the optimum.

The Bank has an integrated risk management structure in place. The Board Risk Management Committee oversees the whole risk management process of the bank. The Risk & Credit Policy Group assists the Board Risk Management Committee. The group is organized into the functions of Credit Administration, Market and Treasury Risk, Commercial and FIRMU Credit Policy, Consumer and Retail Credit, Credit Risk Management and Operational Risk and Basel II. Each risk category is headed by a senior manager who reports directly to the Group Executive, Risk and Credit Policy. The role of the Risk and Credit Policy Group includes:

- Determining guidelines relating to Bank's appetite for risk.
- Recommending risk management policies in accordance with the Basel-II framework and international best practices.
- Reviewing policies/ manuals and ensuring that these are in accordance with the risk management policies.
- Developing systems and resources to review the key risk exposures of the Bank .
- Approving credits.
- Granting approval authority to qualified and experienced individuals.
- Reviewing the adequacy of credit training across the Bank.
- Organizing portfolio reviews focusing on quality assessment, risk profiles, industry concentrations, etc.
- Setting systems to identify significant portfolio indicators, problem credits and level of provisioning required.

44.1 Credit risk

Credit risk is the risk that a customer or counterparty may not settle an obligation for full value, either when due or at any time thereafter. This risk arises from the potential that a customer or counterparty is either unwilling to perform an obligation or its ability to perform such an obligation is impaired resulting in an economic loss to the Bank.

The credit risk management process is driven by the Bank's Credit Policy, which provides policies and procedures in relation to credit initiation, approval, documentation and disbursement, credit maintenance and remedial management.

The Credit risk function is organized into Corporate, Commercial/SME and Retail credit. Corporate and Retail credit functions are centrally organized while the Commercial credit function is organized regionally across the network. Individual credit authorities are delegated by the Board according to seasoning/maturity of respective credit officers.

The Bank manages, limits and controls concentrations of credit risk as identified, in particular, to individual counterparties and groups, and to industries, where appropriate. Concentrations of credit risk exist if clients are engaged in similar activities, or are located in the same geographical region or have comparable economic characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. Limits are also applied in a variety of forms to portfolios or sectors where the Bank considers it appropriate to restrict credit risk concentrations or areas of higher risk, or to control the rate of portfolio growth.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENT:
FOR THE YEAR ENDED DECEMBER 31, 2010**
44.2 Segmental information
44.2.1 Segments by class of business

	2010					
	Gross advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemical and pharmaceuticals	6,217,583	1.69%	8,389,268	1.52%	6,082,131	1.13%
Agri business	53,034,196	14.38%	33,824,201	6.14%	315,807	0.06%
Textile spinning	17,497,654	4.75%	1,289,002	0.23%	5,058,213	0.94%
Textile weaving	6,722,278	1.82%	2,477,437	0.45%	4,289,442	0.79%
Textile composite	23,145,685	6.28%	330,764	0.06%	814,737	0.15%
Textile others	13,779,179	3.74%	2,182,465	0.40%	3,740,450	0.69%
Cement	6,803,468	1.85%	1,908,802	0.35%	2,801,403	0.52%
Sugar	8,153,681	2.21%	3,078,292	0.56%	358,817	0.07%
Shoes and leather garments	2,447,523	0.66%	2,216,787	0.40%	298,515	0.06%
Automobile and transportation equipment	4,455,055	1.21%	3,027,770	0.55%	4,940,641	0.92%
Financial	4,895,906	1.33%	15,918,040	2.89%	298,818,733	55.37%
Insurance	-	0.00%	22,443,630	4.08%	43,143	0.01%
Electronics and electrical appliances	2,385,744	0.65%	3,265,744	0.59%	1,541,579	0.29%
Production and transmission of energy	39,057,078	10.59%	17,157,862	3.12%	58,716,619	10.88%
Paper and allied	789,310	0.21%	2,189,563	0.40%	660,772	0.12%
Surgical and metal	2,265,932	0.61%	1,450,750	0.26%	335,306	0.06%
Contractors	4,263,223	1.16%	16,640,821	3.02%	19,463,140	3.61%
Wholesale traders	20,775,990	5.64%	36,074,167	6.55%	1,290,820	0.24%
Fertilizer dealers	6,823,565	1.85%	8,494,701	1.54%	677,458	0.13%
Sports goods	803,919	0.22%	840,738	0.15%	17,885	0.00%
Food industries	6,848,598	1.86%	3,931,436	0.71%	3,699,826	0.69%
Airlines	6,033,039	1.64%	308,457	0.06%	108,106	0.02%
Cables	661,900	0.18%	96,185	0.02%	744,510	0.14%
Construction	21,866,860	5.93%	8,675,833	1.58%	10,260,326	1.90%
Containers and ports	1,813,903	0.49%	1,543,051	0.28%	2,974,909	0.55%
Engineering	1,531,426	0.42%	3,472,111	0.63%	1,618,692	0.30%
Glass and allied	301,653	0.08%	385,593	0.07%	220,958	0.04%
Hotels	2,708,633	0.73%	1,223,853	0.22%	438,627	0.08%
Infrastructure	2,273,671	0.62%	4,285,714	0.78%	31,461,991	5.83%
Media	620,575	0.17%	365,056	0.07%	40,879	0.01%
Polyester and fibre	1,980,509	0.54%	623,175	0.11%	78,234	0.01%
Telecommunication	11,333,927	3.07%	3,894,923	0.71%	1,167,952	0.22%
Individuals	65,802,937	17.85%	267,478,119	48.58%	17,737,304	3.29%
Others	20,597,340	5.59%	71,161,457	12.92%	58,859,489	10.91%
	<u>368,691,940</u>	<u>100.00%</u>	<u>550,645,767</u>	<u>100.00%</u>	<u>539,677,414</u>	<u>100.00%</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENT:
FOR THE YEAR ENDED DECEMBER 31, 2010**

	2009					
	Gross advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Chemical and pharmaceuticals	6,081,931	1.59%	11,971,327	2.43%	1,235,141	0.28%
Agri business	50,894,347	13.31%	21,026,267	4.27%	48,362	0.01%
Textile spinning	19,541,766	5.11%	1,225,983	0.25%	3,153,486	0.71%
Textile weaving	7,788,745	2.04%	804,049	0.16%	3,307,899	0.74%
Textile composite	21,246,034	5.55%	965,467	0.20%	244,588	0.05%
Textile others	13,088,122	3.42%	1,981,459	0.40%	2,521,137	0.56%
Cement	6,508,094	1.70%	988,097	0.20%	1,471,077	0.33%
Sugar	7,068,609	1.85%	2,360,348	0.48%	16,915	0.00%
Shoes and leather garments	2,200,397	0.58%	1,827,377	0.37%	11,522	0.00%
Automobile and transportation equipment	5,213,278	1.36%	4,318,840	0.88%	1,306,428	0.29%
Financial	5,485,383	1.43%	11,227,495	2.28%	261,681,089	58.55%
Insurance	-	-	13,802,720	2.81%	37,673	0.01%
Electronics and electrical appliances	2,143,745	0.56%	7,076,567	1.44%	1,931,037	0.43%
Production and transmission of energy	41,179,308	10.77%	19,932,300	4.05%	20,328,644	4.55%
Paper and allied	1,125,589	0.29%	1,016,292	0.21%	267,165	0.06%
Surgical and metal	567,366	0.15%	1,553,961	0.32%	95,659	0.02%
Contractors	2,600,466	0.68%	18,104,119	3.68%	20,133,503	4.50%
Wholesale traders	11,558,910	3.02%	26,658,663	5.42%	1,383,149	0.31%
Fertilizer dealers	5,729,029	1.50%	9,516,985	1.93%	1,461,840	0.33%
Sports goods	432,121	0.11%	868,470	0.18%	70,510	0.02%
Food industries	7,301,248	1.91%	3,231,634	0.66%	2,241,180	0.50%
Airlines	5,569,645	1.46%	1,621,206	0.33%	118,910	0.03%
Cables	379,600	0.10%	225,097	0.05%	255,330	0.06%
Construction	26,087,922	6.82%	7,793,699	1.58%	7,829,209	1.75%
Containers and ports	95,855	0.03%	1,223,696	0.25%	1,036,486	0.23%
Engineering	1,496,050	0.39%	3,124,994	0.64%	3,093,417	0.69%
Glass and allied	444,982	0.12%	914,092	0.19%	316,022	0.07%
Hotels	2,692,321	0.70%	1,018,965	0.21%	303,976	0.07%
Infrastructure	2,507,584	0.66%	4,547,147	0.92%	32,018	0.01%
Media	-	0.00%	448,233	0.09%	77,411	0.02%
Polyester and fibre	3,403,956	0.89%	409,196	0.08%	117,122	0.03%
Telecommunication	8,557,307	2.24%	3,526,634	0.72%	25,329,025	5.67%
Individuals	78,997,010	20.65%	258,791,280	52.60%	732,798	0.16%
Others	34,491,522	9.02%	47,933,444	9.74%	84,734,075	18.96%
	382,478,242	100.00%	492,036,103	100.00%	446,923,805	100.00%

44.2.2 Segment by Sector

	2010					
	Gross advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Public / Government	64,861,230	17.59%	71,320,777	12.95%	84,207,505	15.60%
Private	303,830,710	82.41%	479,324,990	87.05%	455,469,909	84.40%
	368,691,940	100.00%	550,645,767	100.00%	539,677,414	100.00%

	2009					
	Gross advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent	(Rupees in '000)	Percent	(Rupees in '000)	Percent
Public / Government	66,893,877	17.49%	48,825,774	9.92%	63,089,984	14.12%
Private	315,584,365	82.51%	443,210,329	90.08%	383,833,821	85.88%
	382,478,242	100.00%	492,036,103	100.00%	446,923,805	100.00%

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
44.2.3 Details of non performing advances and specific provisions by class of business segment

	2010		2009	
	Classified advances	Specific provision held	Classified advances	Specific provision held
----- (Rupees in '000) -----				
Chemical and pharmaceuticals	226,502	196,114	309,349	177,596
Agri business	1,430,020	903,057	1,508,525	862,526
Textile spinning	5,417,208	4,479,514	5,017,860	3,927,267
Textile weaving	910,470	873,022	888,722	867,460
Textile composite	5,210,214	2,337,315	998,902	765,271
Textile others	2,282,350	1,937,098	2,935,380	2,365,528
Cement	-	-	4,450	4,450
Sugar	33,638	33,638	33,638	33,638
Shoes and leather garments	226,903	224,110	241,948	180,321
Automobile and transportation equipment	726,577	650,422	750,787	704,676
Financial	2,151,805	57,003	10,125	10,125
Electronics and electrical appliances	365,354	345,164	542,892	428,957
Production and transmission of energy	3,049,109	2,981,719	2,927,748	1,942,137
Paper and allied	179,264	113,240	173,212	116,438
Surgical and metal	-	-	1,775	1,775
Wholesale traders	1,167,377	881,274	1,024,613	648,018
Fertilizer dealers	7,490	6,878	6,182	4,364
Sports goods	128,325	128,325	280,675	279,310
Food industries	1,258,725	964,667	795,442	781,194
Construction	3,885,120	1,134,507	4,106,175	1,249,378
Engineering	440,297	410,139	353,454	353,454
Glass and allied	24,527	12,264	29,796	14,899
Hotels	485,993	113,086	489,493	116,586
Polyester and fibre	1,751,479	1,743,679	1,702,376	1,668,561
Individuals	13,238,040	9,816,791	11,142,751	8,073,785
Others	3,995,773	3,191,246	2,825,126	2,095,308
	<u>48,592,560</u>	<u>33,534,272</u>	<u>39,101,396</u>	<u>27,673,022</u>

44.2.4 Details of non performing advances and specific provision by sector

	2010		2009	
	Classified advances	Specific provision held	Classified advances	Specific provision held
----- (Rupees in '000) -----				
Public / Government	-	-	-	-
Private	48,592,560	33,534,272	39,101,396	27,673,022
	<u>48,592,560</u>	<u>33,534,272</u>	<u>39,101,396</u>	<u>27,673,022</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
44.2.5 Geographical segment analysis

	2010			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies & commitments
	----- (Rupees in '000) -----			
Pakistan operations	14,879,127	556,278,906	42,331,160	428,490,946
Middle East	2,655,182	138,860,848	24,430,003	108,368,163
United States of America	173,800	3,158,076	1,322,216	2,586,153
Karachi Export Processing Zone	34,109	487,149	331,686	232,152
	<u>2,863,091</u>	<u>142,506,073</u>	<u>26,083,905</u>	<u>111,186,468</u>
	<u>17,742,218</u>	<u>698,784,979</u>	<u>68,415,065</u>	<u>539,677,414</u>
	2009			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies & commitments
	----- (Rupees in '000) -----			
Pakistan operations	11,541,844	486,389,793	33,999,377	369,230,089
Middle East	2,322,795	130,479,211	25,356,043	77,206,577
United States of America	111,414	2,138,970	1,259,785	320,870
Karachi Export Processing Zone	58,448	708,459	321,518	166,269
	<u>2,492,657</u>	<u>133,326,640</u>	<u>26,937,346</u>	<u>77,693,716</u>
	<u>14,034,501</u>	<u>619,716,433</u>	<u>60,936,723</u>	<u>446,923,805</u>

Total assets employed include intra group items of Rs.Nil.

44.3 Market Risk

Market risk is the uncertainty that the Bank may experience due to movements in market prices. It results from changes in interest rates, exchange rates, equity prices and volatilities of individual market factors as well as the correlations between them. Each component of risk includes a general market risk and a specific aspect of market risk that originates in the portfolio structure of a bank.

Measuring and controlling market risk is usually carried out at the portfolio level. However, certain controls are applied, where necessary, to individual risk types, to particular books and to specific exposures. Controls are also applied to prevent any undue risk concentrations in trading books, taking into account variations in price, volatility, market depth and liquidity. These controls also include limits on exposure to individual market risk variables ('risk factors') as well as on concentrations of tenors, issuers etc.

Trading activities are centered in the Treasury and Capital Markets (TCM) Group to facilitate clients as well as run proprietary positions. The Bank is active in the cash and derivative markets for equity, interest rate and foreign exchange.

Market and Treasury Risk (MTR) division performs market risk management activities. The division is composed of two units, i.e., Market Risk Management and Treasury Middle Office. The Market Risk Management unit is responsible for the development and review of market risk policies and processes, and is involved in research, financial modeling and testing/implementation of risk management systems. Treasury Middle Office is responsible for monitoring and implementation of market risk and other policies, escalation of any deviation to senior management, and MIS reporting.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

The scope of market risk management is as follows:

- To keep the market risk exposure within the Bank's risk appetite as assigned by the Board of Directors (BoD) and the Board Risk Management Committee (BRMC).
- To implement Risk Management policies approved by the BoD and BRMC jointly with the senior management through Market Risk Committee (MRC).
- To review new product proposals, propose/recommend/approve procedures for market risk management. Various limits are assigned to different businesses on a product-portfolio basis. The products are approved through product programs, where risks are identified and limits and parameters are set. Any transaction/ product falling beyond the Product Policy Manual are approved through separate transaction / product memos.
- To develop, review and upgrade procedures for effective implementation of market risk management policy. It also includes implementation of an Enterprise Risk Management solution for market risk.
- To maintain a comprehensive database for performing risk analysis, stress testing and scenario analysis. Stress testing activities are performed on a quarterly basis which also includes banking book along with trading book.

44.3.1 Foreign Exchange Risk

	2010			
	Assets	Liabilities	Off - balance sheet items	Net foreign currency exposure
	----- (Rupees in '000) -----			
Pakistan Rupee	546,744,646	470,070,512	(8,122,491)	68,551,643
US Dollar	51,721,592	39,509,427	(12,599,803)	(387,638)
Pound Sterling	4,441,658	9,743,709	5,342,193	40,142
Japanese Yen	10,406	7,916	1,053	3,543
Euro	2,731,292	5,970,493	3,414,013	174,812
UAE Dirham	73,556,548	82,624,436	8,968,295	(99,593)
Bahraini Dinar	9,079,631	11,750,538	2,654,725	(16,182)
Qatari Riyal	3,541,983	3,746,636	256,878	52,225
Other Currencies	6,957,223	6,946,247	85,137	96,113
	<u>698,784,979</u>	<u>630,369,914</u>	<u>-</u>	<u>68,415,065</u>
	2009			
	Assets	Liabilities	Off - balance sheet items	Net foreign currency exposure
	----- (Rupees in '000) -----			
Pakistan Rupee	546,286,005	477,497,360	(7,384,117)	61,404,528
US Dollar	33,366,944	33,073,859	(544,997)	(251,912)
Pound Sterling	998,474	7,051,265	5,995,613	(57,178)
Japanese Yen	315,278	275,066	(41,117)	(905)
Euro	1,040,133	4,601,339	3,497,421	(63,785)
UAE Dirham	3,078,195	2,121,758	(1,061,846)	(105,409)
Bahraini Dinar	18,850,218	18,874,901	-	(24,683)
Qatari Riyal	795,762	-	(842,508)	(46,746)
Other Currencies	14,985,424	15,284,162	381,551	82,813
	<u>619,716,433</u>	<u>558,779,710</u>	<u>-</u>	<u>60,936,723</u>

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Foreign Exchange Risk is the uncertainty that the Bank is exposed to due to changes in exchange rates. Foreign exchange positions are reported on a consolidated basis and limits are used to monitor exposure in individual currencies.

The Bank is an active participant in currency cash and derivatives markets and carries currency risk from these trading activities, conducted primarily by Treasury and Capital Markets Group. These trading exposures are subject to prescribed stress tests and sensitivity analysis.

The Bank's reporting currency is the Pakistani Rupee, but its assets, liabilities, income and expenses are denominated in different currencies. Treasury and Capital Markets Group from time to time, proactively hedges significant expected foreign currency earnings / costs within a time horizon of up to one year, in accordance with the instructions of the SBP and subject to pre-defined limits.

44.3.2 Equity position risk

Equity position risk arises due to changes in prices of individual stocks or levels of equity indices. The Bank's equity book comprises of Held for Trading (HFT) & Available for Sale (AFS) portfolios. The objective of the HFT portfolio is to make short-term capital gains, whilst the AFS portfolio is maintained with a medium-term view of capital gains and dividend income. Separate product program manuals have been developed to discuss in detail the objectives and policies, risks and mitigants, limits and controls for the equity portfolios of the Bank.

44.3.3 Yield / Interest Rate Risk

Interest rate risk is the uncertainty resulting from changes in interest rates, including changes in the shape of yield curves. Interest rate risk is inherent in many of the Bank's businesses and arises from factors such as mismatches between contractual maturities or re-pricing of on and off balance sheet assets and liabilities. Interest rate risk arises mainly through HTM investments, advances and deposits. The interest sensitivity profile is prepared on a quarterly basis based on the re-pricing or maturities of assets and liabilities.

The objective of yield / interest rate risk management is to minimize adverse variances in the Bank's profitability. Interest rate risk in the banking book is managed by performing periodic gap analysis, sensitivity analysis and stress testing.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
44.3.4 Mismatch of interest rate sensitive assets and liabilities

		2010										Non-interest bearing financial instruments	
Effective yield / interest rate	Total	Exposed to yield / interest risk											
		Upto 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years			
		----- (Rupees in '000) -----											
On-balance sheet financial instruments													
Assets													
Cash and balances with treasury banks	0.28%	67,461,668	-	-	-	-	-	-	-	-	-	-	67,461,668
Balances with other banks	0.67%	18,192,142	15,290,082	-	-	-	-	-	-	-	-	-	2,902,060
Lendings to financial institutions	9.20%	12,384,778	5,170,604	2,679,720	732,223	1,284,550	2,165,956	145,058	206,667	-	-	-	-
Investments	11.01%	224,578,556	12,623,734	71,921,560	81,181,895	14,806,550	3,291,050	3,640,867	4,300,605	17,197,357	3,952,527	-	11,662,411
Advances	11.75%	-	-	-	-	-	-	-	-	-	-	-	-
Performing		318,673,884	46,588,038	186,585,426	55,872,077	11,908,971	4,104,428	7,623,532	5,875,584	41,330	74,498	-	-
Non-performing		15,058,288	-	-	-	-	-	-	-	-	-	-	15,058,288
Operating fixed assets - Ijara assets	6.55%-25.00%	692,584	346,292	9,765	18,603	26,533	48,910	125,787	80,692	35,908	94	-	-
Other assets	0%	12,782,351	-	-	-	-	-	-	-	-	-	-	12,782,351
		669,824,251	80,018,750	261,196,471	137,804,798	28,026,604	9,610,344	11,535,244	10,463,548	17,274,595	4,027,119	-	109,866,778
Liabilities													
Bills payable	0%	5,045,815	-	-	-	-	-	-	-	-	-	-	5,045,815
Borrowings	11.02%	45,104,849	26,295,293	5,499,203	7,670,247	544,798	332,891	855,859	569,933	3,336,625	-	-	-
Deposits and other accounts	3.98%	550,645,767	106,133,728	128,561,488	59,940,763	50,327,484	3,044,356	2,281,413	2,358,697	8,692,490	-	-	189,305,348
Subordinated loans	11.91%	11,985,748	-	7,991,228	-	665,040	1,330,080	1,999,400	-	-	-	-	-
Other liabilities	0%	15,371,258	-	-	-	-	-	-	-	-	-	-	15,371,258
		628,153,437	132,429,021	142,051,919	67,611,010	51,537,322	4,707,327	5,136,672	2,928,630	12,029,115	-	-	209,722,421
On-balance sheet gap		41,670,814	(52,410,271)	119,144,552	70,193,788	(23,510,718)	4,903,017	6,398,572	7,534,918	5,245,480	4,027,119	-	(99,855,643)
Non financial net assets		26,744,251											
Total net assets		68,415,065											
Off-balance sheet financial instruments													
Interest Rate Derivatives - Long position		6,985,703	2,000,000	1,129,713	380,183	-	500,000	1,000,000	-	1,975,807	-	-	-
Interest Rate Derivatives - Short position		(6,985,702)	-	(1,629,713)	(1,880,183)	(1,000,000)	-	(1,000,000)	-	(1,475,806)	-	-	-
Cross Currency Swap - Long position		35,570,843	5,255,285	24,893,088	5,422,470	-	-	-	-	-	-	-	-
Cross Currency Swap - Short Position		(35,570,843)	(5,255,285)	(24,893,088)	(5,422,470)	-	-	-	-	-	-	-	-
Swaptions - Long Position		-	-	-	-	-	-	-	-	-	-	-	-
Swaptions -Short Position		-	-	-	-	-	-	-	-	-	-	-	-
FX Options - Long position		2,055,442	-	-	-	-	-	-	-	-	-	-	2,055,442
FX Options - Short position		(2,055,442)	-	-	-	-	-	-	-	-	-	-	(2,055,442)
Commodity options - Long position		-	-	-	-	-	-	-	-	-	-	-	-
Commodity options - Short position		-	-	-	-	-	-	-	-	-	-	-	-
Equity Indices - Long position		-	-	-	-	-	-	-	-	-	-	-	-
Equity Indices - Short position		-	-	-	-	-	-	-	-	-	-	-	-
Forward Rate Agreements-Short position		-	-	-	-	-	-	-	-	-	-	-	-
Forward Rate Agreements-Long position		-	-	-	-	-	-	-	-	-	-	-	-
Forward Purchase of Govt. Securities		-	-	-	-	-	-	-	-	-	-	-	-
Forward Sale of Govt. Securities		(441,981)	-	(441,981)	-	-	-	-	-	-	-	-	-
Foreign currency forward sales		(85,434,818)	(47,916,643)	(32,245,519)	(5,246,944)	(25,712)	-	-	-	-	-	-	-
Foreign currency forward purchases		130,653,749	51,863,243	50,772,312	26,823,607	1,149,200	45,387	-	-	-	-	-	-
Off-balance sheet gap		44,776,951	5,946,600	17,584,812	20,076,663	123,488	545,387	-	-	500,001	-	-	-
Total Yield/Interest Risk Sensitivity Gap		86,447,765	(46,463,671)	136,729,364	90,270,451	(23,387,230)	5,448,404	6,398,572	7,534,918	5,745,481	4,027,119	-	(99,855,643)
Cumulative Yield/Interest Risk Sensitivity Gap			(46,463,671)	90,265,693	180,536,144	157,148,914	162,597,318	168,995,890	176,530,808	182,276,289	186,303,408	-	86,447,765

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve.

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Effective yield / interest rate	Total	2009 Exposed to yield / interest risk								Non-interest bearing financial instruments	
			Upto 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years		Over 10 years
(Rupees in '000)												
On-balance sheet financial instruments	%											
Assets												
Cash and balances with treasury banks	0.01%	61,470,047	15,681,570	-	-	-	-	-	-	-	-	45,788,477
Balances with other banks	0.60%	5,407,470	1,371,234	509,093	-	-	-	-	-	-	-	3,527,143
Lendings to financial institutions	10.80%	23,162,130	18,483,355	2,773,622	385,669	143,875	1,210,609	165,000	-	-	-	-
Investments	10.40%	136,145,524	5,374,947	47,973,335	28,353,250	16,789,553	3,041,921	4,271,666	1,432,058	12,855,537	3,639,751	12,413,506
Advances	13.00%	-	-	-	-	-	-	-	-	-	-	-
Performing		342,663,339	71,959,301	143,918,602	51,399,501	51,399,501	10,279,900	6,853,266	6,853,268	-	-	-
Non-performing		11,428,374	-	-	-	-	-	-	-	-	-	11,428,374
Operating fixed assets - Ijara assets	10% - 23%	514,391	-	-	514,391	-	-	-	-	-	-	-
Other assets	0%	12,679,886	-	-	-	-	-	-	-	-	-	12,679,886
		593,471,161	112,870,407	195,174,652	80,652,811	68,332,929	14,532,430	11,289,932	8,285,326	12,855,537	3,639,751	85,837,386
Liabilities												
Bills payable	0%	5,147,259	-	-	-	-	-	-	-	-	-	5,147,259
Borrowings	11.20%	35,144,823	9,707,789	6,701,606	14,316,171	455,496	526,093	283,755	137,058	2,928,274	88,581	-
Deposits and other accounts	4.78%	492,036,103	97,982,622	122,687,037	41,990,016	51,671,445	7,234,507	3,539,662	3,539,662	3,513,600	-	159,877,552
Subordinated loans	12.60%	11,989,800	-	7,994,424	-	424	665,467	1,330,085	1,999,400	-	-	-
Other liabilities	0%	12,912,216	-	-	-	-	-	-	-	-	-	12,912,216
		557,230,201	107,690,411	137,383,067	56,306,187	52,127,365	8,426,067	5,153,502	5,676,120	6,441,874	88,581	177,937,027
On-balance sheet gap		36,240,960	5,179,996	57,791,585	24,346,624	16,205,564	6,106,363	6,136,430	2,609,206	6,413,663	3,551,170	(92,099,641)
Non financial net assets		25,005,130										
Total net assets		60,936,723										
Off-balance sheet financial instruments												
Interest Rate Derivatives - Long position		11,014,381	7,094,496	175,000	421,208	1,050,196	102,273	750,000	1,000,000	421,208	-	-
Interest Rate Derivatives - Short position		(11,014,381)	(957,598)	(382,598)	(2,198,481)	-	(1,000,000)	-	(6,054,496)	(421,208)	-	-
Cross Currency Swap - Long position		36,372,837	5,712,267	25,438,470	5,222,100	-	-	-	-	-	-	-
Cross Currency Swap - Short Position		(36,372,837)	(5,712,267)	(25,438,470)	(5,222,100)	-	-	-	-	-	-	-
Swaptions - Long Position		2,527,248	-	2,527,248	-	-	-	-	-	-	-	-
Swaptions - Short Position		(2,527,248)	-	(2,527,248)	-	-	-	-	-	-	-	-
FX Options - Long position		410,535	-	-	-	-	-	-	-	-	-	410,535
FX Options - Short position		(410,535)	-	-	-	-	-	-	-	-	-	(410,535)
Commodity options - Long position		-	-	-	-	-	-	-	-	-	-	-
Commodity options - Short position		-	-	-	-	-	-	-	-	-	-	-
Equity Indices - Long position		-	-	-	-	-	-	-	-	-	-	-
Equity Indices - Short position		-	-	-	-	-	-	-	-	-	-	-
Forward Rate Agreements-Short position		-	-	-	-	-	-	-	-	-	-	-
Forward Rate Agreements-Long position		-	-	-	-	-	-	-	-	-	-	-
Forward Purchase of Govt. Securities		-	-	-	-	-	-	-	-	-	-	-
Forward Sale of Govt. Securities		-	-	-	-	-	-	-	-	-	-	-
Foreign currency forward sales		(46,364,122)	(34,192,008)	(11,286,064)	(886,050)	-	-	-	-	-	-	-
Foreign currency forward purchases		90,952,188	25,276,683	42,328,428	22,624,587	722,490	-	-	-	-	-	-
Off-balance sheet gap		44,588,066	(2,778,427)	30,834,766	19,961,264	1,772,686	(897,727)	750,000	(5,054,496)	-	-	-
Total Yield/Interest Risk Sensitivity Gap		80,829,026	2,401,569	88,626,351	44,307,888	17,978,250	5,208,636	6,886,430	(2,445,290)	6,413,663	3,551,170	(92,099,641)
Cumulative Yield/Interest Risk Sensitivity Gap			2,401,569	91,027,920	135,335,808	153,314,058	158,522,694	165,409,124	162,963,834	169,377,497	172,928,667	80,829,026

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve.

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
44.4 Liquidity risk

Liquidity risk is the risk to the Bank arising from either its inability to meet its obligations or to fund increase in assets as they fall due without incurring unacceptable cost or losses.

The Assets and Liability Management Committee (ALCO) of the Bank has the responsibility for the formulation overall strategy and oversight of liquidity management and meets on a monthly basis or more frequently, if required.

The Bank's approach to liquidity management is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking sustained damage to business franchises. A centralized approach is adopted, based on an integrated framework incorporating an assessment of all material known and expected cash flows and the availability of collateral which could be used to secure additional funding if required. The framework entails 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.

44.4.1 Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the bank

The maturity profile set out below has been prepared as required by IAS on the basis of contractual maturities, except for products that do not have a contractual maturity which are shown in the first bucket. The maturity profile disclosed in note 44.4.2 includes maturities of products that do not have a contractual maturity, as determined by the Assets and Liabilities Management Committee (ALCO) keeping in view the historical behavioural pattern of these products.

	2010									
	Total	Upto 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years
----- (Rupees in '000) -----										
Assets										
Cash and balances with treasury banks	67,461,668	62,413,974	-	-	-	-	-	-	-	5,047,694
Balances with other banks	18,192,142	18,192,142	-	-	-	-	-	-	-	-
Lendings to financial institutions	12,384,778	5,996,232	2,679,728	897,322	1,071,050	1,388,722	145,058	206,666	-	-
Investments	224,578,556	11,307,380	42,175,850	60,507,870	34,639,810	16,341,063	22,691,364	10,876,835	12,124,178	13,914,206
Advances	333,732,172	108,993,549	49,121,031	32,235,289	26,694,559	8,189,310	13,515,536	45,505,611	40,277,897	9,199,390
Operating fixed assets	22,424,072	215,464	408,990	880,577	1,406,380	1,951,254	986,522	1,559,780	2,267,867	12,747,238
Deferred tax asset	1,298,403	-	-	-	584,281	714,122	-	-	-	-
Other assets	18,713,188	4,766,639	9,279,214	183,940	4,176,229	297,012	-	9,504	650	-
	698,784,979	211,885,380	103,664,813	94,704,998	68,572,309	28,881,483	37,338,480	58,158,396	54,670,592	40,908,528
Liabilities										
Bills payable	5,045,815	4,866,536	179,279	-	-	-	-	-	-	-
Borrowings	45,104,849	27,225,236	5,499,203	7,547,247	544,798	332,891	761,776	524,380	2,669,318	-
Deposits and other accounts	550,645,767	425,310,960	53,655,661	21,965,865	19,939,781	5,269,612	4,073,609	4,003,809	16,426,470	-
Subordinated loans	11,985,748	-	2,028	-	666,640	1,997,816	2,667,136	670,128	5,982,000	-
Other liabilities	17,587,735	(1,197,203)	7,150,286	679,457	5,847,004	2,711,842	494,052	-	1,902,297	-
	630,369,914	456,205,529	66,486,457	30,192,569	26,998,223	10,312,161	7,996,573	5,198,317	26,980,085	-
Net assets	68,415,065	(244,320,149)	37,178,356	64,512,429	41,574,086	18,569,322	29,341,907	52,960,079	27,690,507	40,908,528
Represented by:										
Share capital	12,241,798									
Reserves	21,688,637									
Unappropriated profit	26,250,489									
Surplus on revaluation of assets	8,234,141									
	<u>68,415,065</u>									



NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

2009

	Total	Upto 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years
----- (Rupees in '000) -----										
Assets										
Cash and balances with treasury banks	61,470,047	48,369,050	-	-	-	-	-	-	-	13,100,997
Balances with other banks	5,407,470	4,679,858	218,519	75,630	-	-	-	-	-	433,463
Lendings to financial institutions	23,162,130	18,323,555	2,319,313	783,185	216,592	354,485	1,000,000	165,001	-	-
Investments	136,145,524	1,397,991	19,884,073	19,544,119	19,633,800	5,864,771	7,334,674	33,785,590	24,952,486	3,748,020
Advances	354,091,713	119,816,466	44,750,609	37,577,696	37,313,539	25,371,579	6,859,613	24,697,592	50,393,665	7,310,954
Operating fixed assets	21,925,669	195,205	364,608	749,032	769,222	2,285,090	907,601	1,613,853	2,622,572	12,418,486
Deferred tax asset	608,876	-	-	-	273,994	334,882	-	-	-	-
Other assets	16,905,004	1,246,295	1,781,912	9,618,760	2,133,949	1,740,158	-	383,929	-	-
	619,716,433	194,028,420	69,319,035	68,348,422	60,341,096	35,950,964	16,101,888	60,645,965	77,968,723	37,011,920
Liabilities										
Bills payable	5,147,259	4,953,418	193,841	-	-	-	-	-	-	-
Borrowings	35,144,823	9,707,789	6,701,606	14,366,171	405,496	526,093	283,755	137,058	2,928,274	88,581
Deposits and other accounts	492,036,103	419,323,521	39,126,304	7,717,590	9,433,776	6,712,383	702,303	1,062,379	7,957,846	-
Subordinated loans	11,989,800	-	2,024	-	2,024	668,667	1,997,821	3,334,864	5,984,400	-
Other liabilities	14,461,725	30,545,771	(26,713,934)	1,729,996	7,113,960	(126,524)	-	-	1,912,455	-
	558,779,710	464,530,499	19,309,841	23,813,758	16,955,257	7,780,619	2,983,880	4,534,301	18,782,975	88,581
Net assets	60,936,723	(270,502,079)	50,009,194	44,534,664	43,385,839	28,170,345	13,118,008	56,111,665	59,185,748	36,923,339
Represented by:										
Share capital	11,128,907									
Reserves	18,959,537									
Unappropriated profit	22,187,802									
Surplus on revaluation of assets	8,660,477									
	<u>60,936,723</u>									

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
44.4.2 Maturities of assets and liabilities - based on working prepared by the Assets and Liabilities Management Committee (ALCO) of the bank

Current and savings deposits do not have any contractual maturity therefore, current deposits and savings accounts have been classified between all four maturities. Further, it has been assumed that on a going concern basis, these deposits are not expected to fall below the current year's level.

	2010									
	Total	Upto 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years
----- (Rupees in '000) -----										
Assets										
Cash and balances with treasury banks	67,461,668	32,424,575	5,961,763	4,315,224	4,895,167	5,617,703	226,485	184,107	13,836,644	-
Balances with other banks	18,192,142	16,387,752	1,804,390	-	-	-	-	-	-	-
Lendings to financial institutions	12,384,778	5,096,880	3,579,671	897,322	1,070,458	1,388,722	145,058	206,667	-	-
Investments	224,578,556	12,307,779	40,816,574	64,100,679	26,996,398	7,830,314	14,295,267	28,384,640	27,742,531	2,104,374
Advances - Performing	318,673,884	95,348,986	98,192,050	25,932,792	24,742,350	5,178,136	12,017,576	20,777,863	27,702,735	8,781,396
- Non-performing	15,058,288	-	-	-	-	-	-	-	15,058,288	-
Other assets	18,713,188	576,525	1,484,016	11,867,123	3,850,892	297,012	-	9,504	628,116	-
Operating fixed assets	22,424,072	-	-	-	-	-	-	-	22,424,072	-
Deferred tax assets	1,298,403	-	-	-	584,281	714,122	-	-	-	-
	698,784,979	162,142,497	151,838,464	107,113,140	62,139,546	21,026,009	26,684,386	49,562,781	107,392,386	10,885,770
Liabilities										
Bills payable	5,045,815	4,039,238	1,006,577	-	-	-	-	-	-	-
Borrowings	45,104,849	28,819,625	10,041,662	5,326,026	-	-	-	917,536	-	-
Deposits and other accounts	550,645,767	114,986,109	87,333,984	60,045,885	57,431,382	63,119,549	4,073,702	4,003,813	159,651,343	-
Subordinated loan	11,985,748	-	2,028	-	666,640	1,997,816	2,667,136	670,128	5,982,000	-
Deferred tax liability	-	-	-	-	-	-	-	-	-	-
Other liabilities	17,587,735	(6,462,963)	1,272,008	(561,825)	5,154,457	2,711,842	494,053	10,040,293	2,841,692	2,098,178
	630,369,914	141,382,009	99,656,259	64,810,086	63,252,479	67,829,207	7,234,891	15,631,770	168,475,035	2,098,178
Net assets	68,415,065	20,760,488	52,182,205	42,303,054	(1,112,933)	(46,803,198)	19,449,495	33,931,011	(61,082,649)	8,787,592
Represented by:										
Share capital	12,241,798									
Reserves	21,688,637									
Unappropriated profit	26,250,489									
Surplus on revaluation of assets	8,234,141									
	<u>68,415,065</u>									

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	2009									
	Total	Upto 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years
	----- (Rupees in '000) -----									
Assets										
Cash and balances with treasury banks	61,470,047	30,325,615	5,744,339	3,821,791	4,031,174	5,046,748	107,770	294,807	12,097,803	-
Balances with other banks	5,407,470	5,207,470	-	-	-	-	-	-	200,000	-
Lendings to financial institutions	23,162,130	20,623,296	2,159,149	169,075	-	210,610	-	-	-	-
Investments	136,145,524	16,822,851	19,079,744	18,917,627	15,623,377	4,625,770	3,044,623	29,472,280	24,641,335	3,917,917
Advances - Performing	342,663,339	112,349,635	53,294,291	33,947,309	30,505,405	24,355,413	8,133,613	25,331,327	46,632,514	8,113,832
- Non-performing	11,428,374	-	-	-	-	-	-	-	11,428,374	-
Other assets	16,905,004	2,622,082	1,019,732	12,540,173	62,799	-	-	-	660,218	-
Operating fixed assets	21,925,669	-	-	-	-	-	-	-	21,925,669	-
Deferred tax assets	608,876	-	-	-	273,994	334,882	-	-	-	-
	619,716,433	187,950,949	81,297,255	69,395,975	50,496,749	34,573,423	11,286,006	55,098,414	117,585,913	12,031,749
Liabilities										
Bills payable	5,147,259	3,964,437	1,182,822	-	-	-	-	-	-	-
Borrowings	35,144,823	13,459,781	13,572,786	6,848,198	-	-	-	1,264,058	-	-
Deposits and other accounts	492,036,103	92,137,743	98,482,287	48,499,198	53,489,947	59,949,910	1,826,977	4,593,456	133,056,585	-
Subordinated loan	11,989,800	-	2,024	-	2,024	668,667	1,997,821	3,334,864	5,984,400	-
Deferred tax liability	-	-	-	-	-	-	-	-	-	-
Other liabilities	14,461,725	309,369	12,053,942	-	-	-	-	-	2,098,414	-
	558,779,710	109,871,330	125,293,861	55,347,396	53,491,971	60,618,577	3,824,798	9,192,378	141,139,399	-
Net assets	60,936,723	78,079,619	(43,996,606)	14,048,579	(2,995,222)	(26,045,154)	7,461,208	45,906,036	(23,553,486)	12,031,749
Represented by:										
Share capital	11,128,907									
Reserves	18,959,537									
Unappropriated profit	22,187,802									
Surplus on revaluation of assets	8,660,477									
	<u>60,936,723</u>									

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

44.5 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Bank's Operational Risk Management implementation framework is based on the advanced risk management architecture. The framework is flexible enough to implement in stages, and permits the overall risk management approach to evolve in response to organizational learning and the future needs of the organization.

Following are the high-level strategic initiatives that the Bank has undertaken for the effective implementation of Operational Risk Management:

- Recruiting skilled resources for Operational Risk Management.
- Developing an operational risk management infrastructure.
- Determining the current state of key risks and their controls residing in each business unit.
- Developing policies, procedures and defining end-to-end information flow to establish a vigorous governance infrastructure.
- Implementing systems for data collection, migration, validation and retention for current and historical reference and calculation.

A consolidated Business Continuity Plan is being augmented for the Bank which encompasses roles and responsibilities, recovery strategy, IT and structural backups, scenario and impact analyses and testing directives.

There are several IT developments underway in the credit, market and operational risk areas. Specifically for operational risk mitigation and control, an IT infrastructure is being developed along with the other high-level initiatives, including process re-engineering and creating an inventory of risks and controls within the Bank. A methodology for Risk and Control Self Assessment has been implemented at all core units of the Bank.

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**
45. ISLAMIC BANKING BUSINESS

The Bank operates 6 (2009: 5) Islamic banking branches and 17 (2009: 15) Islamic banking windows. The statement of financial position of the Bank's Islamic Banking Branches at December 31, 2010 is as follows:

	2010	2009
	----- (Rupees in '000) -----	
ASSETS		
Cash and balances with treasury banks	389,582	208,180
Balances with other banks	46,654	93,410
Lendings to financial institutions	450,000	100,000
Investments	2,884,260	1,563,953
Financing and receivables		
- Murabaha	203,787	154,650
- Musharaka	166,667	222,222
- Diminishing Musharaka	90,888	261,259
	461,342	638,131
Operating fixed assets including assets given on Ijarah	426,052	598,452
Due from head office	83,725	-
Other assets	297,649	548,396
Total Assets	5,039,264	3,750,522
LIABILITIES		
Bills payable	970	4,522
Deposits and other accounts		
- Current accounts	724,750	429,412
- Saving accounts	933,100	209,676
- Term deposits	1,456,596	459,878
- Deposits from financial institutions - remunerative	1,344,775	1,109,452
	4,459,221	2,208,418
Due to head office	-	948,744
Other liabilities	101,782	84,544
	4,561,973	3,246,228
NET ASSETS	477,291	504,294
REPRESENTED BY		
Islamic Banking Fund	681,000	681,000
Accumulated losses	(203,000)	(174,404)
	478,000	506,596
Deficit on revaluation of assets	(709)	(2,302)
	477,291	504,294

**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

The profit and loss account of the Bank's Islamic Banking Branches for the year ended December 31, 2010 is as follows:

	2010	2009
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Return earned	623,262	484,098
Return expensed	<u>(308,015)</u>	<u>(110,927)</u>
	315,247	373,171
(Provision) / Reversal for diminution in value of investments	<u>(69,091)</u>	<u>99,904</u>
Reversal / (Provision) against assets given on Ijarah	<u>2,930</u>	<u>(6,177)</u>
	<u>(66,161)</u>	<u>93,727</u>
Net return after provision	<u>249,086</u>	<u>466,898</u>
Other Income		
Fee, commission and brokerage income	<u>5,996</u>	<u>4,444</u>
Dividend income	<u>9,871</u>	<u>12,169</u>
Income from dealing in foreign currencies	<u>1,414</u>	<u>2,904</u>
Loss on sale of securities	<u>(4,750)</u>	<u>(14,969)</u>
Other income	<u>2,184</u>	<u>4,201</u>
Total other income	<u>14,715</u>	<u>8,749</u>
	263,801	475,647
Other Expenses		
Administrative expenses	<u>(289,921)</u>	<u>(304,000)</u>
Other provision / write offs	<u>(2,476)</u>	<u>-</u>
Total other expenses	<u>(292,397)</u>	<u>(304,000)</u>
Net (loss) / profit for the year	<u>(28,596)</u>	<u>171,647</u>
Accumulated losses brought forward	<u>(174,404)</u>	<u>(346,051)</u>
Accumulated losses carried forward	<u>(203,000)</u>	<u>(174,404)</u>
	<u>(174,404)</u>	<u>(346,051)</u>
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NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

47. DATE OF AUTHORIZATION

These financial statements were authorized for issue on February 21, 2011, by the Board of Directors of the Bank.


48. GENERAL

48.1 Comparatives


Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated financial statements for the purposes of better presentation. Major reclassifications made are as follows:

- Rs.249.990 million has been reclassified from other income - others to mark-up/interest earned on advances to customers (income on ijarah financing)
- Rs.1,122.772 million has been reclassified from balance with SBP in foreign currency deposit account to balance with SBP in foreign currency current account
- Rs.1,650.896 million has been reclassified from borrowing in Pakistan to borrowing outside Pakistan.
- Unrealized mark-up held in suspense account amounting to Rs. 1,087.189 million has been merged with provision against other assets.

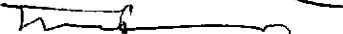
48.2 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.



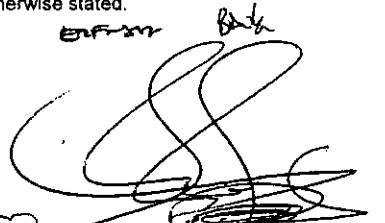
Alif R. Bokhari
President and
Chief Executive Officer



Muhammad Sami Saeed
Director



Sir Mohammed Anwar Pervez, OBE, HPK
Deputy Chairman



Nahayan Mubarak Al Nahayan
Chairman

Annexure 'A' as referred to in note 9.8 of Bank's unconsolidated financial statements
1) Particulars of Investment held in listed companies and Modarbas

Investee	Number of shares / certificates held	Paid up value per share / certificate (Rupees)	Total paid up value (Rupees in '000)	Cost
<u>Held for trading securities</u>				
Investment in ordinary shares				
Engro Corporation Limited	20,000	10.00	200	3,912
Lotte Pakistan PTA Limited	250,000	10.00	2,500	3,287
Nishat Chunian Limited	50,000	10.00	500	1,150
Pakistan Telecommunication Company Limited	30,000	10.00	300	579
				8,928
<u>Available for sale securities</u>				
Investment in ordinary shares				
Adamjee Insurance Company Limited	2,006,000	10.00	20,060	269,001
Arif Habib Corporation Limited	1,810,000	10.00	18,100	78,803
Atlas Fund Of Funds	800,000	10.00	8,000	7,619
Bank Al-Falah Limited	3,683,029	10.00	36,830	46,634
BOC Pakistan Limited	338,202	10.00	3,382	44,831
D.G. Khan Cement Limited	3,337,387	10.00	33,374	192,199
Engro Polymer & Chemicals Limited	3,950,857	10.00	39,509	69,785
Fauji Cement Company Limited	105,378,671	10.00	1,053,787	1,710,520
First Dawood Mutual Fund	491,000	10.00	4,910	4,227
Hira Textile Mills Limited	2,000,000	10.00	20,000	25,000
IGI Investment Bank Limited	9,986,501	10.00	99,865	99,865
Jahangir Siddiqui & Company Limited	2,000,000	10.00	20,000	91,564
KASB Securities Limited	2,342,117	10.00	23,421	158,093
Kohat Textile Mills Ltd	100,000	10.00	1,000	1,000
Lotte Pakistan PTA Limited	2,489,771	10.00	24,898	33,593
National Bank Of Pakistan	1,000,000	10.00	10,000	75,073
Nishat Mills Limited	400,000	10.00	4,000	23,230
Nishat Power Limited	3,359,679	10.00	33,597	53,318
Pak Oilfields Limited	300,000	10.00	3,000	88,111
Pakistan Petroleum Limited	523,148	10.00	5,231	113,580
Pakistan State Oil Company Limited	1,003,000	10.00	10,030	301,337
Pakistan Telecommunication Company Limited	650,000	10.00	6,500	32,800
Sakrand Sugar Mills Limited	1,443,540	10.00	14,435	10,936
Saritow Spinning Mills Limited	409,000	10.00	4,090	4,090
Shell Pakistan Limited	106,672	10.00	1,067	24,966
Visa Inc.	12,805	4,193.83	53,702	53,702
DP World	138,528	8.56	1,186	15,422
				3,629,299
Investments in preference shares				
Chenab Limited	7,889,482	10.00	78,895	78,895
Masood Textile Mills Limited	11,000,000	10.00	110,000	110,000
JSC Alliance Bank	95,720	3,892	275,082	275,082
				463,977
Investments in units of mutual funds				
Atlas Stock Market Fund	17,364	100	1,736	5,000
Faysal Asset Allocation Fund	406,890	500	203,445	38,386
Faysal Balance Growth Funds	117,392	50	5,870	7,201
Meezan Islamic Income Funds	2,209,003	50	110,450	114,075
				164,662

Annexure 'A' as referred to in note 9.8 of Bank's unconsolidated financial statements
3) Particulars of Bonds

Investee	Terms of Redemption		Rate of Interest/Profit	Outstanding Amount
	Principal	Interest/Profit		
(Rupees in '000)				
<u>Held for trading securities</u>				
<u>Foreign securities</u>				
Abu Dhabi Islamic Bank 2015	At Maturity	Annually	3.746%	256,917
DEWA 2016	At Maturity	Semi Annually	6.375%	171,278
Dexia Kommunalbank	At Maturity	Annually	1.625%	226,262
Dubai Government 2015 EMTN	At Maturity	Semi Annually	6.700%	86,816
HSBC Bank Middle East	At Maturity	Annually	3.000%	88,683
IPIC GMTN Limited -2015	At Maturity	Semi Annually	3.125%	192,005
Qatar Int'l Finance - QTEL 2025	At Maturity	Semi Annually	5.000%	254,245
QNB Finance Limited 2015	At Maturity	Semi Annually	3.125%	21,199
				1,297,405
<u>Available for sale securities</u>				
<u>Government of Pakistan Islamic Bonds</u>				
Govt. of Pakistan Ijara Sukuk Bonds	Maturity	Bi-annually	Weighted average yeild of 6M T-Bills plus 45 bps	272,000
Govt. of Pakistan Ijara Sukuk Bonds	Maturity	Bi-annually	Weighted average yeild of 6M T-Bills plus 75 bps	750,000
Govt. of Pakistan Ijara Sukuk Bonds	Maturity	Bi-annually	Weighted average yeild of 6M T-Bills plus 0 bps	2,400,000
	Maturity	Bi-annually	Weighted average yeild of 6M T-Bill plus 0 bps	700,000
				4,122,000
<u>Government of Pakistan - Eurobond</u>				
Islamic Republic of Pakistan - 2017 - Eurobond	At Maturity	Bi-annually	6.875%	3,938,516
				3,938,516
<u>Foreign securities</u>				
Atlantic Finance Limited -2014	At Maturity	Semi Annually	10.500%	276,163
Bank of Bahrain & Kuwait -2015 USD Bonds	At Maturity	Semi Annually	4.500%	171,552
DEWA Sukuk - AL IJARA FRN 2013	At Maturity	Semi Annually	6M EBOR + 125bps	6,994,740
Dubai Government AED FRN-2014	At Maturity	Quarterly	3M EBOR + 370bps	514,134
Dubai Govt EMTN-2015 USD	At maturity	BI Annually	6.700%	524,096
Dubai Govt. USD FRN -2014	At Maturity	Semi Annually	6.396%	76,224
IPIC GMTN Limited -2020	At Maturity	Semi Annually	5.000%	69,349
Qatar DIAR Finance QSC-2020	At Maturity	Quarterly	5.000%	429,937
State of Qatar-2030 -USD Bonds	At Maturity	Quarterly	9.750%	1,424,175
Tabreed 06 Financing Corporation FRN-2011	At Maturity	Semi Annually	6M LIBOR + 125bps	900,359
TAMWEEL Sukuk FRN 2013	At Maturity	Quarterly	3M EBOR + 225bps	3,497,370
				14,878,099

Annexure 'A' as referred to in note 9.8 of Bank's unconsolidated financial statements
3) Particulars of Bonds

Investee	Terms of Redemption		Rate of Interest/Profit	Outstanding Amount
	Principal	Interest/Profit		
(Rupees in '000)				
Held to maturity securities				
Government of Pakistan Islamic Bonds				
Government of Pakistan Sukuk Bond	At Maturity	Half Yearly	6M weighted avg. cutt off yeild pf T-Bills plus 45 Bps	30,000
				30,000
Government of Pakistan - Guaranteed Bonds				
Wapda Bonds - Sukuk II	At Maturity	Half Yearly	6M KIBOR minus 25bps	51,399
				51,399
Sukuk Bonds				
Dawood Hercules Chemicals Limited	^	Half Yearly	*	542,880
Security Leasing Corporation	Bullet Repayment	Half Yearly	Simple Avg. of 6 months KIBOR ask side	43,164
B.R.R Guardian Modaraba	7 equal installments starting from 2011	Half Yearly	Simple Avg. of 6 months KIBOR ask side	100,000
K.S. Suleman G. - Diminishing Musharika	Quarterly	Quarterly	Simple Avg. of 3 months KIBOR ask side	303,997
Sitara Energy Limited	Repayment after completion of 2 years	Half Yearly	Avg. rate of 6 Month KIBOR ask side plus 1.15%	73,977
Sitara Peroxide Limited	Quarterly	Quarterly	Avg rate of 3 Months KIBOR ask side plus 1.1%	281,250
Pakistan International Airlines Ltd	Half Yearly	Half Yearly	6 month KIBOR plus 1.75%	890,000
Islamic Sukuk Bonds - Central Bank of Bahrain	at maturity	BI Annually	3.750%	313,471
				2,548,739

^ Principal redemption on semi annual basis after expiry of twelve months.

* Average of 6 months KIBOR ask side plus 120 bps. The rental bench mark rate will be subject to a floor of 3.5% and cap of 25%

Foreign securities

JSC Alliance Bank - US \$ Discount Bonds	At Maturity	Semi Annually	10.500%	185,756
JSC Alliance Bank - US \$ Recovery Notes	At Maturity	N/A	N/A	283,812
Srilanka Euro Bonds	At Maturity	Bi-annually	8.250%	1,714,696
				2,184,264

4) Particulars of Debentures

Investee	Terms of Redemption		Rate of Interest	Outstanding Amount
	Principal	Interest		
(Rupees in '000)				
Public Sector				
SDA - Cold Storage Haripur	Overdue	Overdue	12.50%	1,300
SDA - Cold Storage Haripur	Overdue	Overdue	12.00%	825
Private Sector				
Effef Ind Ltd	Overdue	Overdue	11.00%	1,017
Effef Ind Ltd	Overdue	Overdue	14.00%	379
Khyber Textile Mills Ltd	Overdue	Overdue	14.00%	395
Morgah Valey Ltd	Overdue	Overdue	11.00%	316
Morgah Valey Ltd	Overdue	Overdue	14.00%	160
				4,392

Annexure 'A' as referred to in note 9.8 of Bank's unconsolidated financial statements
5) Particulars of Investments in Term Finance Certificates

Investee	No. of Certificates held	Paid up value per certificate	Total Paid up value	Outstanding Amount	Name of Chief Executive
		(Rupees)	(Rupees in '000)	(Rupees in '000)	
Unlisted - available for sale					
Pakistan International Airlines	1,700	5,000	8,500	8,495	Captain Muhammad Aijaz Haroon
Engro Corporation Limited	7,000	100,000	700,000	702,241	Asad Umar
Faysal Bank Limited	46,000	5,000	230,000	230,000	Naved A. Khan
				940,736	
Listed - available for sale					
Allied Bank Limited TFC-II	53,000	5,000	265,000	273,208	Khalid A. Sherwani
Azgard Nine Limited	60,000	5,000	300,000	224,694	Ahmed H. Shaikh
Bank Al Falah Limited TFC II	3,000	5,000	15,000	15,061	Sirajuddin Aziz
Bank Al Falah Limited TFC III	26,200	5,000	131,000	133,307	Sirajuddin Aziz
Bank Al Habib Limited TFC II	44,766	5,000	223,830	228,860	Abbas D. Habib
Bank Al Habib Limited TFC III	46,000	5,000	230,000	229,724	Abbas D. Habib
Engro Corporation Limited TFC III	22,562	5,000	112,810	113,220	Asad Umar
Standard Chartered Bank Pakistan Limited TFC II	4,000	5,000	20,000	5,000	Mohsin Ali Nathani
				1,223,074	
Unlisted - held to maturity					
Power Holding (Pvt) Limited	4,615,800	5,000	23,079,000	23,079,000	Fazeel Asif
Pakistan International Airlines Corporation	408,867	5,000	2,044,335	2,043,518	Captain Muhammad Aijaz Haroon
Orix Leasing Pakistan Limited	2,000	100,000	200,000	166,667	Teizoon Kisat
Crescent Textile Mills Limited	110,000	5,000	550,000	99,985	Muhammad Anwar
Al Abbas Sugar Mills Limited	12,000	5,000	60,000	36,000	Shunaid Qureshi
Dewan Farooq Spining Mills Limited	30,000	5,000	150,000	37,472	Dewan Abdul Baqi Farooqui
Security Leasing Corporation Limited	40,000	5,000	200,000	60,937	Mohammad Khalid Ali
SME Leasing Limited	24,000	5,000	120,000	30,000	Mrs. Arjumand Qazi
Faysal Bank Limited	24,000	5,000	120,000	120,000	Naved A. Khan
Al-Azhar Textile Mills Ltd	14	774,670	10,845	5,418	Mirza Muhammad Azhar Baig
Bachani Sugar Mills Ltd.	-	-	-	25,500	Noorul Amin Bachani
Bentonite (Pakistan) Ltd	14	268,894	3,765	3,417	Khalid Shakil
Blue Star Textile Mills Ltd	17	497,020	8,449	3,392	Chaudry Ghulam Farid
Cast-N-Link Products Limited	16	369,054	5,905	2,549	Nisar Ahmed
Frontier Ceramics Limited	46	370	17	1,965	Omer Khalid
Khairpur Sugar Mills Limited	28	1,642,964	46,003	2,783	Mubeen Jumani
Regency Textile Ltd	24	108,958	2,615	6,165	M. Iqtidar Pervaiz
Tanocrafts Ltd	22	156,227	3,437	537	Ashfaq Hussain
Tharparkar Sugar Mills	5	1,754,000	8,770	26,238	Irfan Ali Shah
				25,751,543	
Listed - held to maturity					
Allied Bank Limited TFC II	129,397	5,000	646,985	646,352	Khalid A. Sherwani
Askari Commercial Bank Limited	43,525	5,000	217,625	217,146	Mohammad Rafiquddin Mehkari
Askari Commercial Bank Limited	40,000	5,000	200,000	199,600	Mohammad Rafiquddin Mehkari
Bank Al Habib Limited	5,000	5,000	25,000	24,940	Abbas D. Habib
Faysal Bank Limited (Formerly Royal Bank of Scotland)	22,000	5,000	110,000	82,346	Naved A. Khan
Soneri Bank Limited	999	5,000	4,995	4,984	Atif A. Bajwa
IGI Investment Bank Limited	31,083	5,000	155,415	38,838	Syed Javed Hassan
Pak Arab Fertilizer (Private) Limited	30,000	5,000	150,000	141,000	Fawad Ahmad Mukhtar
				1,355,206	

6) Particulars of Participation Term Certificates

Investee	No. of Certificates held	Paid up value per certificate	Total Paid up value	Outstanding Amount	Name of Chief Executive
		(Rupees)	(Rupees in '000)	(Rupees in '000)	
Brother Steel Industries Ltd	17	108,024	2,144,313	2,144	Mian Yousuf Aziz
Crystal Chemicals Ltd	14	145,933	3,897,000	3,897	Maqsood A. Shaikh
Leatherite Ltd	15	22,200	888,603	889	-
Mass Dairies Ltd	11	136,818	2,523,000	2,523	Mian Mohammad Akhtar
Morgah Valey Ltd	16	29,250	436,414	436	Air Marshal A. Rahim Khan
Pangrio Sugar Mills Ltd	44	64,000	11,198,023	6,955	Aftab Ahmed
Zamrock Fibers Glass Ltd	12	32,833	2,358,000	2,358	-
				19,202	

Annexure 'A' as referred to in note 9.8 of Bank's unconsolidated financial statements
7) Quality of Investments classified as Available For Sale (AFS)

Investee	Market Value	Credit Rating
	(Rupees in '000)	
Investment in ordinary shares		
Adamjee Insurance Company Limited	175,525	AA
Arif Habib Corporation Limited	45,051	
Atlas Fund Of Funds	3,664	-
Bank Al-Falah Limited	41,287	AA
BOC Pakistan Limited	30,810	-
D.G. Khan Cement Limited	100,689	-
Engro Polymer & Chemicals Limited	56,379	-
Fauji Cement Company Limited	575,600	
First Dawood Mutual Fund	982	2-Star
Hira Textile Mills Limited	7,800	-
IGI Investment Bank Limited	29,260	A
Jahangir Siddiqui & Company Limited	21,800	AA
KASB Securities Limited	10,469	A
Kohat Textile Mills Ltd	140	-
Lotte Pakistan PTA Limited	34,110	-
National Bank Of Pakistan	76,820	AAA
Nishat Mills Limited	25,668	A+
Nishat Power Limited	54,528	AA-
Pak Oilfields Limited	88,788	-
Pakistan Petroleum Limited	113,602	-
Pakistan State Oil Company Limited	296,066	AA+
Pakistan Telecommunication Company Limited	12,636	-
Sakrand Sugar Mills Limited	4,331	-
Saritow Spinning Mills Limited	818	-
Shell Pakistan Limited	22,211	-
Visa Inc.	77,078	-
DP World	7,438	-
	1,913,550	
Investments in preference shares		
Chenab Limited.	19,724	-
Masood Textile Mills Limited	110,000	-
JSC Alliance Bank	-	Unrated
	129,724	
Investments in units of mutual funds		
AMZ Plus Stock Fund	7,040	2-Star
Atlas Stock Market Fund	26,827	3-Star
Faysal Balance Growth Funds	8,926	5-Star
Meezan Islamic Income Fund	113,366	A(f)
	156,159	

Annexure 'A' as referred to in note 9.8 of Bank's unconsolidated financial statements
7) Quality of Investments classified as Available For Sale (AFS)

Investee	Cost	Credit Rating
(Rupees in '000)		
Investment in unlisted shares		
Shareholding more than 10%		
Khushhali Bank Limited	200,000	A-
World Bridge Connect Inc.	77,606	unrated
Cinepax Limited	50,372	unrated
Pakistan Agricultural Storage & Services Corporation Limited	5,500	unrated
National Investment Trust Limited	100	AM-DS
Shareholding upto 10%		
National Institutional Facilitation Technologies (Pvt.) Limited	1,527	unrated
Techlogix International Limited	50,703	unrated
SME Bank Limited	26,950	BBB
First Women Bank Limited	21,100	BBB+
Kay Textile Mills Limited	3,778	unrated
SWIFT	2,905	unrated
Equity Participation Fund	2,700	unrated
News - VIS Credit Information Services (Pvt.) Limited	325	unrated
MasterCard Incorporated	0	unrated
The Benefit Company B.S.C ©	1,817	unrated
	445,382	

Particulars	Market Value	Credit Rating
(Rupees in '000)		
Federal Government Securities		
Market Treasury Bills	60,159,266	Unrated - Govt Securities
Pakistan Investment Bonds	17,586,966	Unrated - Govt Securities
	77,746,232	
Government of Pakistan Islamic Bonds		
Government of Pakistan Ijara Sukuk	4,122,000	B- (S&P)
	4,122,000	
Government of Pakistan - Euro Bond		
Islamic Republic of Pakistan - 2017 - Euro Bond	3,947,801	B- (S&P)
	3,947,801	
Foreign securities		
Atlantic Finance Limited -2014	278,112	B1 (Moody's)
Bank of Bahrain & Kuwait Bond - 2015	171,870	A3 (Moody's)
DEWA Sukuk Al Ijara FRN	6,749,924	Ba2 (Moody's)
Dubai Government AED FRN-2014	552,743	Un-rated
Dubai Govt EMTN-2015 USD	521,476	N/A
Dubai Govt. USD FRN -2014	84,372	Un-rated
IPIC GMTN Limited -2020	68,568	Aa3 (Moody's)
Qatar DIAR Finance QSC-2020	428,224	AA
State of Qatar-2030 -USD Bonds	1,348,894	AA
Tabreed 06 Financing Corporation FRN-2011	696,881	CCC+ (S&P)
TAMWEEL Sukuk 2013 FRN	2,710,462	Baa3 (Moody's)
	13,611,525	

Investee	Market Value	Credit Rating
(Rupees in '000)		
Term Finance Certificates		
Listed		
Allied Bank Limited TFC-II	259,892	AA-
Azgard Nine Limited	224,694	CCC(RW)
Bank Al Falah Limited TFC II	14,795	AA-
Bank Al Falah Limited TFC III	128,396	AA-
Bank Al Habib Limited TFC II	222,418	AA
Bank Al Habib Limited TFC III	230,149	AA
Engro Chemicals Pakistan Limited - TFC III	110,494	AA
Standard Chartered Bank Pakistan Limited TFC II	4,993	AAA
	1,195,832	
Un Listed		
Pakistan International Airlines	8,495	Unrated
Engro Chemical Pakistan Limited	702,241	AA
Faysal Bank Limited	230,000	AA-
	940,736	

Annexure 'B' as referred to in note 10.7 of the Bank's unconsolidated financial statements and consolidated financial statements

(PKR in '000)

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

S. No	Name and address	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Outstanding liabilities at the beginning of the year				Write off during the year			
					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
1	Apex Fabrics Limited Chunian Distt. Kasur	Iftikhar Ahmed Nafees-Ur-Rehman Mubashir Baig Barlas Mubarak-Un-Nisa Muzafar Baig Barlas Nisar Ahmed Nasreen Mirza			2,640	2,535	-	5,175	2,640	1,584	2,300	6,524
2	Saga Sports (Pvt) Limited Daska Road, Sialkot	Mussarar Khurshid; Aanum Khurshid; Mehreen Khurshid; Zainab Khurshid		Sufi Khurshid Ahmed (Deceseed) Sufi Khurshid Ahmed (Deceseed) Sufi Khurshid Ahmed (Deceseed) Sufi Khurshid Ahmed (Deceseed)	148,000	-	-	148,000	23,000	-	64,900	87,900
3	Hala Enterprises Hala Group 120/E/1, Gulberg-III, Lahore	Tahir Jehangir Fazal Ahmed Jellani Jehangir Saleema Jehangir Munezay Jehangir	35200-1529763-1 35202-2657225-1 35202-0251493-1 35202-8574317-2 35202-3541828-6	Fazal Ahmed Sh. Mian Muhammad Tahir Jehangir W/O Tahir Jehangir Tahir Jehangir	33,080	25,615	-	58,695	25,080	679	24,936	50,695
4	Akbarali Yousufali Rambhari Street, Jodia Bazar, Karachi	Sirajuddin Jackwala Moizuddin Kulsoom Nafeesa Ali Asghar Abass Ali	32301-7871996-1 42000-0386072-5 32301-9055437-6 42301-6871316-0 42301-9415323-5 42301-7891091-1	Akber Ali Akber Ali W/O Akber Ali D/O Akber Ali Siraj Jackwala	4,117	4,850	-	8,967	-	3,067	9,250	12,317
5	Adam Motor Co. Ltd. DSU - 10, 11, Pakistan Steel Industrial Estate, Bin Qasim, Karachi	Ferozuddin Khan Omar Khan Khan Muhammad Ilyas Shahid Hameed Paracha	422013-052098-1 422019-829197-9 42201-0447768-3 42301-7734356-7	Omar Daraz Feroz Khan Omar Daraz A.Hameed Paracha	136,889	-	-	136,889	1,889	-	60,428	62,317
6	Safa Textile Traders 10-B Model Town Lahore	Fazal Qadir (Prop)			6,000	-	-	6,000	-	-	1,166	1,166
7	Sajjad Textile Mills Ltd 19-B,Zafar Ali Road,Gulberg V,Lahore.	Mehr Allah Yar Sultan Mahmood M.Asim Sajjad Salman M.Aslam Muhammad Amjad Miss Batool Zahra Aftab Anwar	38403-9701620-5 38403-2214042-1 35202-7748317-9 35202-1081956-7 33100-3065319-1 35202-4509799-2 38403-4061922-5	Mehr Ahmed Yar Muhammad Iqbal Sajjad Aslam Sajjad Aslam Muhammad Saeed D/O Ghulam Hussain Muhammad Anwar	75,976	-	-	75,976	-	-	11,991	11,991
8	Atlantic Carpet Corporation 1347-C/II Outside Pak Gate, Mohallah Kari Dawood Khan, Multan	Abdul Sattar Nasir	36302-0452624-9		305	302	-	607	-	-	788	788
9	Ali Paper & Board Industries Ltd. 27-KM Lahore Sheikhpura Road, Lahore	Farooq Alam Butt Siraj Din Butt Asad Akhtar M. Saleem Lone Sheikh Amir Ali Sheikh Amir Haider Syed Nisar Ahmed Ghulam Nabi Butt Maqbool Alam Butt Sheikh Yawar Hussain Sheikh Mahmud Hussain		Ghulam Nabi Butt N.A N.A N.A Sh. Daulat Ali Sh. Amir Ali N.A N.A Ghulam Nabi Butt Ghulam Nabi Butt Ghulam Nabi Butt	5,581	2,070	-	7,651	5,581	1,666	13,026	20,272

Annexure 'B' as referred to in note 10.7 of the Bank's unconsolidated financial statements and consolidated financial statements
(PKR in '000)
Details of loan write-offs of Rs.500,000 and above

S. No	Name and address	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Outstanding liabilities at the beginning of the year				Write off during the year			
					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
10	State Textile Pvt. Ltd. 3/3-C & B-3/75, Shah Faisal Colony, Karachi.	Shamsuzaman (Deceased) Shamsa Zamani Begum Yasmin Zaman Safdar Jamil(Alias Afshan Jamil) Chaudhry Abdul Majeed		Abdul Majeed (Deceased) W/O Shamsuzaman W/O Shamsuzaman W/O S.Jamil Chaudhryghulam Mohiuddin	3,655	591	-	4,246	-	-	12,974	12,974
11	Malik Johar & Co Khan Main Bazar Akora Khattak	Malik Mohammad Johar	17101-0301470-5	Malik Mohammad Umer Khan	1,527	-	-	1,527	458	-	133	591
12	Alley Hosiery Mills Ltd. 26-D Sanda Road, Lahore	Fazal Elahi Malik (Deceased) Fahmida Malik (Deceased) Sheikh Ghulam Nabi Dr. Bhawal Din Tasneem Ahmed			2,366	5,170	-	7,536	2,366	2,491	2,680	7,536
13	Al-Madina Dairy Farm F-1220, Soomar Village, Hub River Road, Karachi	Ali Muhammad Sajid (Prop) Muhammad Hussain (Mortg) (Deceased)	641-86-180578 508-29-187330	Mian Khan Baloch Haroon	1,483	1,855	-	3,338	333	1,855	4,093	6,281
14	Khalid Flour Mills Khanewali Road, Near Wapda Grid Station, Bahawalpur	Malik Muhammad Khalid (Prop.& Mortgagor)	31202-3240434-9	Malik Muhammad Buksh	13,000	-	-	13,000	-	-	5,179	5,179
15	Habib Jute Mills Ltd Rehman Plaza,4th Floor,Shahrah-e-Fatima Jinnah,Lahore.	Azhar M.Peracha Javaid M. Peracha Munize Azhar Peracha	35202-3050439-5 42201-0268648-7 35202-2778956-0	Muzzaffar Din Peracah Muzzaffar Din Peracah Azhar M.Peracha	101,260	-	3,184	104,444	3,411	-	41,195	44,606
16	Faisalabad Lubricant Pvt. Ltd. HAK # 232/R, Resalewala Railway Station, Faisalabad	Perwez Sattar Farhat Sattar	91509-0129384-1	Muhammad Abdul Sattar W/O Perwez Sattar	16,404	1,197	-	17,601	16,404	1,197	26,786	44,387
17	Index Commodities Pvt. Ltd. C-116, Block-2, KDA Scheme # 5, Kehkashan, Clifton, Karachi	Syed Hussain Abbas Rizvi Muhammad Akbar Naseem Baz Khan	502-44-196787 519-88-062463 210-38-394291	Ghulam Haider Qazi Muhammad Ahmeddin Gul Baz Khan	30,749	-	-	30,749	30,749	-	21,476	52,225
18	Munro & Miller Pakistan Ltd Sid	Yousuf Shaheen Daud Pota M. Saleem Daud Pota K. A. Daud Pota			368	326	-	694	-	-	1,599	1,599
19	Saleem Flour Mills Mir Wah Road, Jaffarabad, Quetta	Haji Safar Uddin Saleem Akhtar Niaz Muhammad Faiz Muhammad	53404-4677397-3 53404-4678442-3 53404-1494561-5 53202-8920388-9	Pir Buksh Haji Safar Uddin Muhammad Yakoob Fazal Muhammad	24,998	-	-	24,998	2,871	-	-	2,871
20	Faruki Pulp Mills Ltd. Mangowal, Tehsil & Distt. Gujrat	Mian Majeed A. Faruki Maj.@ Nasim Faruki Kaleem A. Faruki Naeem A. Faruki Salim A. Faruki Abdul Sami Parvaiz Aslam Faruki	34201-0453242-5 34201-0350518-3 35201-1513228-7 35201-1425526-3 35202-7905561-1 35202-4367455-7 35201-6788982-5	Mian Mohammad.Akbar Faruki Mian Mohammad.Akbar Faruki Mian Mohammad. Akbar Faruki Mian Mohammad. Akbar Faruki Mian Mohammad. Akbar Faruki Mian Abdus Samad Aslam Riaz Faruki	17,550	19,234	-	36,784	-	-	78,561	78,561
21	Sialkot Dairies Ltd. 15-KM, Botra Badiana Road, Village, Baidpur, Distt. Sialkot.	Chaudhry Javed Mehdi Chaudhry Mehdi Khan Ehsan Elahi Qureshi Kh. Muhammad Asif Mussarat Asif Naseem Akhtar Ghulam Fatima		Chaudhry Mehdi Khan Chaudhry Ghulam Mustafa Ahmed Din Kh. Muhammad Safdar W/O Kh. Muhammad Asif Chaudhry Javed Mehdi W/O Chaudhry Mehdi Khan	2,320	918	-	3,238	2,320	228	2,361	4,909
22	County Craft Pvt. Ltd. Shahabpur, PO Box # 523, Ugoki Road, Sialkot.	Rashad Waseem Sana Rashad Nusrat Rashad	300-92-187272 300-31-265847 300-26-413252	Muhammad Zafar Ellahi W/O Rashad Waseem W/O Rashad Waseem	674	77	-	751	-	-	748	748
23	Hayyab College Of Commerce Hassan Bin Sabat Road, Kasur	Muhammad Arif Imran	35202-1675404-3	Shahbaz Din	3,000	-	-	3,000	-	-	928	928

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24	Auto Care Industries Pvt. Ltd. 13/2/A, Khayaban-e-Tanzeem, DHA, Karachi.	Mukhtar Ali Samejo Suresh Gangwani	421-43-022543 42000-0554567-1	Ghulam Nabi Permanad Gangwani	4,187	1,189	-	5,376	4,187	1,189	569	5,945
25	Medisure Laboratories Pakistan Pvt. Ltd. Super Highway, Karachi	Dr. Kaiser Waheed Shabnum Kaiser Raheel Kaiser	42301-1167498-1 42301-4465954-9	M. Amwar Magoon W/O Dr. Kaiser Waheed Dr.Kaiser Waheed	26,454	-	-	26,454	-	-	8,786	8,786
26	Associates Fisheries Corporation 3rd Floor, Nadir House, I.I.Chundrigar Road, Karachi	M.M.A. Cheema (Deceased)		Saeed Mohammad. Cheema	983	1,472	-	2,455	983	245	1,226	2,455
27	Nasim Steel Mills Mominpura Road Daroghawala, Old G.T. Road, Lahore	Mian Muhammad Aslam Kishwar Begum Saeeda Riaz Zahid Naeem Muhammad Zaman Khan			2,004	3,256	-	5,260	2,004	3,256	11,506	16,766
28	Syed Munawar Shah Village Shabaz Bacha Killi Mardan Tehsil & District Mardan.	Syed Munawar Shah	16101-0718794-7	Syed Muzzafer Shah	1,735	486	-	2,221	1,735	486	-	2,221
29	National Woolleen Mills Shershah Point, University Road, Dera Ismail Khan	Haji Sher Shah Tariq Jamil Jehangir Shah Jehanzeb Khan Muhammad Arshad			702	66	-	768	337	-	2,901	3,238
30	Al-Noor Enterprises 160/A, Block-C Unit # 2, Latifabad, Distt. Hyderabad	Waseem Maqsood Farhan Maqsood	41304-2921447-1 41304-3981737-9	Maqsood Ahmed Khan Maqsood Ahmed Khan	14,182	-	-	14,182	-	-	2,940	2,940
31	Hospitex International Products Ltd. Plot # A-421 S.I.T.E. Nooriabad, Sindh	Dr. Amanullah Khan Dr. Mustafa Shakeel Rauf Mohiuddin Ali Rauf Shahbaz Shirazi Ayesha Rauf Jamila Amanullah Khan Asima Shirazi		Late Ataullah Khan M. Mohiuddin Ali Rauf Late Abu Muhammad Late Shirazi Bamdad Dr.Mustafa Shakeel Rauf W/O Dr.Amanullah Khan W/O Shahbaz Shirazi	511	519	-	1,030	511	383	2,759	3,653
32	Scan Recycling Pakistan Ltd. Hub Industrial Estate, Lasbella, Balochistan	Mazhar-Ul-Haq Amin Mukaty Fauzan Qasim Ishtiaq Ahmed Khan M.Salim Ahmed Khurshid Ahmed		Muhammad Qasim Muhammad Qasim M. B. Ahmed	726	473	-	1,198	582	92	1,844	2,518
33	Bismillah Cold Storage Kutchi Paya, Vanianwala, Sialkot Bye Pass, Gujranwala	Riaz Ahmed Cheema	34101-6631877-3	Chaudhry Hidayatullah	2,622	-	-	2,622	-	-	664	664
34	Byte Links Flat # 17-21, Shoukat Plaza, Shahrah-e-Hazara, Haripur	Shoukat Zeb Shahzad Shamim Adil Zeb	122-88-203514 122-59-368740	Aurang Zeb M. Ashraf Khan Aurang Zeb	2,591	-	-	2,591	-	-	3,141	3,141
35	Zahoor Industries Adil Chowk, Sargodha Road, Faisalabad	Dr. Bilal Ahmed Naseem Zaheer Yasmin Bilal	33100-0783448-5 270-31-521137 514-58-124971	Zahoor Ahmed W/O Zahoor Ahmed W/O Dr. Bilal Ahmed	9,500	-	-	9,500	-	-	3,863	3,863
36	Mukhtar Industries 1-2/6, Rangpura Road, Sialkot	Khawaja Mukhtar Hassan (Expired)			2,531	-	-	2,531	2,531	-	13,932	16,462
37	United Wood Works & Allied Ind. Pvt. Ltd. 37-Garden Road, Saddar, Karachi	Kaleemullah Khan Marium Khan		Late Zafarullah Khan W/O Kaleemullah Khan	2,528	4,723	-	7,251	-	-	16,958	16,958
38	Dhudhal Precasting Hafizabad Road, Jalalpur Bhattian, Near Peelo Kharal, Hafizabad.	Muhammad Abbas	34302-9276121-3	Muhammad Khan	3,746	-	-	3,746	778	-	667	1,445
39	Teejays Corporation Pvt.Ltd. 120-E/1, Gulberg-III, Lahore	Mian Fazl-E-Ahmed Mian Tahir Jahangir	35200-1529763-1	Mian Fazl-E-Ahmed	4,895	-	-	4,895	-	-	6,515	6,515
40	Zafar Islam & Company New Ghallah Mandi Sialkot	Zafar Islam (Proprietor) Deceased	34606-2295752-3	Abdul Ghani	499	-	-	499	-	-	1,068	1,068

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41	Asghar Ali Basti Manik Wali, P.O Ghazi Pur	Asghar Ali	36301-0707589-3	Muhammad Ramzan	5,000	-	-	5,000	-	-	592	592
42	Al-Inayat International 198-A, Sir Syed Town 3, Dijkot Road, Faisalabad	Muhammad Arif	33100-5610186-9	Muhammad Rafiq	6,000	-	-	6,000	-	-	855	855
43	Al-Arsh Engineering Ahmed Lodge, Khayaban Colony, Faisalabad	Abdul Hayee (Late), Ahmed Kamal	33100-4887088-3 33102-1778457-5	Chaudhry Ghulam Ahmed Abdul Hayee	2,000	-	-	2,000	-	-	811	811
44	Mian Ikram Ul Haq House No.94,Khayabana Sehar, Phae 6, Defence Street 28,DHA , Karachi	Mian Ikram Ul Haq	42301-0886200-5	Mian Asghar Ali	37,051	4,060	-	41,111	-	1,367	-	1,367
45	Aslam & Company Siraj Din Park, Amir Road, Shadbagh, Lahore.	Aslam Hussain	35200-1549664-5	Sheikh Nazir Hussain	17,103	-	-	17,103	-	-	1,145	1,145
46	Yasmeen Begum O-44, Sector O, Korangi, Karachi	Yasmeen Begum	42201-7448160-4	Nizamuddin	300	103	-	403	176	-	464	640
47	Muhammad Akbar Ghanipur	Muhammad Akbar		Sarfraz Khan	2,900	-	-	2,900	-	900	-	900
48	Aijaz Ahmed By Pass Hyderabad Hala Naka	Aijaz Ahmed	41303-8738635-9	Muhammad Imran	721	264	110	1,094	206	264	110	579
49	Muhammad Azam Plot Survy # 16 Road # 10 Cattle Colony	Muhammad Azam	42501-8176797-5	Ali Asghar Bhatti	676	151	273	1,100	155	151	273	580
50	Mukhtar Ahmed Gulistan Colony No 1,St No 5, Walton Road	Mukhtar Ahmed	35201-1649246-3	Lal Din Butt	496	195	304	995	114	195	304	613
51	Syed Zameer Haider House No-69-B Block-2 Gulshan-e-Iqbal Karachi	Syed Zameer Haider	4220155333005	Syed Zul Hussain	475	376	62	913	75	376	62	513
52	Javed Hussain Kachi Kothi, Allaqa Nawab Sahib, 2-KM, Raiwind Road Lahore Lahore	Javed Hussain	3520219754293	Din Muhammad	500	448	34	983	110	448	34	593
53	Muhammad Aslam P-216, Street No. 15, Model Town B, Near Fawara Chowk,	Muhammad Aslam	3310067861415		2,715	681	5	3,401	-	646	4	650
54	Ibrar Hussain Imaging Technologies Pvt Ltd Wheel House 30-C No.1 Baddar Commercial Area Phase 5	Ibrar Hussain Naqvi	4230186466391		3,411	759	-	4,170	-	759	-	759
55	Hameeda Al Hamd General Store Shop No 5 Adeel Mini Square Block 7 Aisha Manzil F B Area, Karachi	Hameeda	4210116166826	Saleem Abbas	450	37	26	513	450	37	26	513
56	Shagufta Jabee SS Traders 1St Floor H No 34/1 Khayaban-E-Tanzim Phase 5 DHA, Karachi	Shagufta Jabee	4230146319026	Rashid Ahmed	431	57	36	524	431	57	36	524
57	Tabassum Shafiq Sultan Motors 24/3 Jail Road	Tabassum Shafiq	3520221140139	Sh M Shafiq	455	44	16	515	455	44	16	515
58	Fahad Akhtar Fahad Corporation 179 Block M Gulberg III	Fahad Akhtar	3520217145145	Khushi M Akhtar	477	24	18	518	477	24	18	518
59	Fayyaz Ahmed Minhas Minhas Chemist 13-Chishitiabad Saidpur	Fayyaz Ahmed Minhas	3740528501567	Ejaz Ahmed Minhas	490	41	19	550	490	41	19	550
60	Shamraiz Khan Hassan Garments Shop No B-343 Satellite Town Commercial Market, Rawalpindi	Shamraiz Khan	3740533258963	Muhammad Ishaq	499	62	18	580	499	62	18	580
61	Talib Hussain H-P-988 D/1 Mohallah Angatpura Said Pur Road Near Tariq Bakery, Rawalpindi	Talib Hussain	3740502736167	Shamshad Hussain	498	47	44	588	498	47	44	588
62	Faisal Rehmat Rehmat Market Harbans Pura Cantt	Faisal Rehmat	3520135645319	Malik Rehmat Ali	480	48	22	550	480	48	22	550
63	Irfan B Qureshi Cafe Zouk Canodies Internatioa S 9/10 Ijaz Centre Mair Boulevard Gulberg III	Irfan B Qureshi	6110158672153	Abdul Ghafoor	499	65	22	586	499	65	22	586

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					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
64	Muhd Naveed Shop # 2 E-18/5 Khayaban-E-Jami Clifton Near Furniture 4 U	Muhd Naveed	4220105527847	Muhammad Naseem	490	42	19	552	490	42	19	552
65	Aziz Anjum Anjum Weaving Factory P-1421 St No 3 Fiaz Abad	Aziz Anjum	3310085361555	Ch Saif Ur Rehman	497	40	21	558	497	40	21	558
66	Malik Mohammad Ayub Madina Corporation 8/9 Ali Park Thokar Niaz Baig Multan Road	Malik Mohammad Ayub	3520226804999	Malik Hassan Ahmed	481	35	19	535	481	35	19	535
67	Kashif Ali Akz International 71-C-3 Gulberg III	Kashif Ali	3520126155227	Saleem Akbar Farooqi	433	52	24	509	433	52	24	509
68	Zeeshan Fakhra Khawaja Electronics Amir Elec Mark Shop No 11 12 Surahab Khata Road Saddar	Zeeshan Fakhra	4220103209567	Fakar Uddin	494	46	22	561	494	46	22	561
69	Mohammad Farooq Parekh Plastic Ent Ground Floor Am-4 Madina Bldg Burns Road	Mohammad Farooq	4220170618103	Abdul Jabbar	476	65	20	561	476	65	20	561
70	Zulfiqar Mehmood Inter System E-14/5 Kora Chowk Walton Road	Zulfiqar Mehmood	3520014541241	Ch Riasat Ali	494	59	26	579	494	59	26	579
71	Humayun Siddiq Shop No-9 Amijee Valjee Bldg Shahrah-E-Liaqat New Challi	Humayun Siddiq	4220103611231	Mohammad Siddiq	478	37	18	533	478	37	18	533
72	Chaudry Abid Ali Chaudry Abid Ali Steel Traders 27/A Peco Road Badami Bagh Nr Baf	Chaudry Abid Ali	3520015104309	Ch Ghulam Murtaza	498	58	24	580	498	58	24	580
73	Chaudhry Azhar Hameed Madina Motors Charaghia Market Defence Chowk Walton Road	Chaudhry Azhar Hameed	3520188200703	Hameed Ullah	500	53	21	573	500	53	21	573
74	Naeem Sadiq New Arif Zari House Sultania Centre Shop No 18 St No 7/10 Munshi Muhalla	Naeem Sadiq	3310008667205	Sadiq Ali	498	55	16	570	498	55	16	570
75	Muhammad Rizwan Music Inn Plot No 10-C Phase 2 Ext Sunset Lane 4 DHA	Muhammad Rizwan	4230135161419	Abdul Aziz	-	54	478	532	-	54	478	532
76	Adeel Razzaq Ahmad Adeel Cloth Room No 14 2Nd Floor Amin Plaz Muhammadi Makki Trail Bazar	Adeel Razzaq	3310041190305	Abdul Razzaq	498	63	20	581	498	63	20	581
77	Mohammad Iqbal Khan Tni Group Plot No 26-C 1St Floor Stadium Lane No 1 DHA Phase 5	Mohammad Iqbal Khan	4230110610809	M Latif Khan	478	14	18	509	478	14	18	509
78	Rahat Javed Qaiser Enterprises P-163 Sabzi Mandi	Rahat Javed	3310008684985	Abdul Sattar	440	57	18	515	440	57	18	515
79	Muhammad Nazim Malik Noor Autos 85-Lytton Road Lahore	Muhammad Nazim	3520273659153	Mohd Nazir	478	59	19	557	478	59	19	557
80	Imran A Dhamee Gac Shipping Pvt Ltd Ground Floor U/6 7 Trade Tower Abdullah Haroon Road Saddar	Imran A Dhamee	4230137168093	Amir Hussain Dhamee	474	8	22	503	474	8	22	503
81	Raja M Tariq New Modren Way Dry Cleaner Shop No 11 Mehran Centre Blk 2 Plot No 10-A Clifton	Raja M Tariq	3740141510881	Raja Muhammad Ashraf	490	43	19	553	490	43	19	553
82	Qaisar Shahzad Jamil Perfumery Sh No 01 None Bohar Bazar	Qaisar Shahzad	6110196418079	S Muhammad Sharif	491	40	19	550	491	40	19	550
83	Malik Shahzad M-Y Model High School 36 Empress Park Bibi Pak Daman	Malik Shahzad	3520214106997	Malik Muhammad	458	60	19	537	458	60	19	537
84	Tariq Mehmood Rana And Sons Garments Plot No 46 St No 4 Toheed Park, Mugalpura	Tariq Mehmood	3520285760989	Ghulam Rasool	472	24	13	509	472	24	13	509

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85	Hussain Ali Khan Powerrex Computers,A-148 Blk 2 Gulshan-E-Iqbal Near Rub Medical Centre	Hussain Ali Khan	4220104310769	Mohammad Ali Khan	485	51	22	558	485	51	22	558
86	Moazzam Masaud Pentagon Engineers Traders Office No 234 Abid Chamber Fatima Jinah Road Lahore	Moazzam Masaud	3520228083345	Taj Uddin	489	40	20	550	489	40	20	550
87	Haroon Ur Rashid M A H Rice Mill Pvt Ltd 433 M Block Model Town Extension	Haroon Ur Rashid	3520115833331	Mian Abdul Hamid	408	57	39	504	408	57	39	504
88	Malik Muhammad Ali Al Hamd Mobiles Shop No 18 Royal Arcade Ferozpur Road Qanchi Amer Sidhu	Malik Muhammad Ali	3520116179271	Malik Barkat Ali	498	62	20	579	498	62	20	579
89	Zahir Khitab Asmacs Agency M-14 Mezzanine Floor Corniche Residenc Blk 2 Clifton	Zahir Khitab	4210198185445	Sharkand Badshah	603	132	27	762	603	132	27	762
90	Nazar Ul Islam Saif Enterpriess A-756 Eo Society Abul Hasan Asphahni Road	Nazar Ul Islam	4220107786085	Qamarulislam	479	25	30	533	479	25	30	533
91	Sohail Alam Khan Photo Stat Point Shop No 2 Basement Nazar Plaza Commercial Market	Sohail Alam Khan	3740502467577	Sardar Alam Khan	1,152	300	99	1,551	1,152	300	99	1,551
92	Adnan J Lari United Bank Limited Dept Sales Manager 8Th Flor Slic Bldg No 1 I Chu	Adnan J Lari	4210141921719	Javed Anwer Lari	458	59	17	534	458	59	17	534
93	Farhan Anjum Farhan Leather M-86 Mzn Floor Munir Paradise Block 17 Gulistan-E-Johar	Farhan Anjum	4220199772049	Anjum Mushtaq	461	55	54	570	461	55	54	570
94	Shahid Rashid H# 94-B, Street#7 I- 10/ 3 Islamabad	Shahid Rashid	4250165636667	Choudary Abdul	400	95	40	535	400	95	40	535
95	Sohail Farooq Farooq Sons Suit 905 9T Flr Al Raheem Towe I I Chundrigar Road	Sohail Farooq	4230148077973	Mohammad Farooq	499	66	23	587	499	66	23	587
96	Shoaib Ahmad S S Group Of Companies 31 Km Multan Road Near Sundar Lahore	Shoaib Ahmad	3520114887779	Mian Ghulam Ahmed	432	27	47	506	432	27	47	506
97	Muhammad Jaffer G M Universal Tractor Pakistan Pvt.Ltd 172-G Ahmed Shopping Mall Pechs Block-2 Main Tariq Road	Muhammad Jaffer G M	4200004223087	Gul Mohammad Essa	452	54	21	528	452	54	21	528
98	Shaikh Rehan Ellahi Link.Net Franchise Shop No 2 Ground Floor Gul Tower I I Chundrigar Road	Shaikh Rehan Ellahi	4220108551185	Shaikh Mushtaq	457	60	21	538	457	60	21	538
99	Ghous Bakhsh Shfay Inter National Shop No 30 Navy Heights Near Kalla Pul	Ghous Bakhsh	4220104300199	Wahid Bakhsh	875	231	40	1,146	875	231	40	1,146
100	Muhammad Akram Data Steel Works Shop Sh No 201 Naya Pathak 84/A Resala Road Samanabad	Muhammad Akram	3310079975161	Safdar Azeem	499	56	24	579	499	56	24	579
101	Bilal Iqbal Al-Mustafa Centre Basement Shop # 7 Street # 3 Montgomery Bazar	Bilal Iqbal	3310015858523	Sheikh Muhammad Iqbal	447	50	14	511	447	50	14	511
102	Azam Ali Nizam Fabrics And Zari Shop No 201-G Liberty Plaza Liberty Market Gulberg III	Azam Ali	3520211959245	Nazam Din	498	64	20	582	498	64	20	582
103	Sadiq Nadeem Star Carriers Rahim Steel Mill Stop Shera Ko Bund Road	Sadiq Nadeem	3520290209729	Sheikh Manzoor	479	31	17	527	479	31	17	527

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104	Muhammad Shiraz Sb International Off No 7 Basement Al Mustafa Center Street No 3 Mantgomery Bazar	Muhammad Shiraz	3310064948635	Sh Muhammad Iqbal	500	52	15	567	500	52	15	567
105	Muhammad Rashid Fabricon 407/B Anam Classic 4Th Floor DCHS Shahrah-E-Fasial	Muhammad Rashid	4220104832113	Shaikh M Yousuf	483	64	21	567	483	64	21	567
106	Tanveer Ahmed Future Tech Off No 2 Javed Plaza Mezz Floor Blue Area	Tanveer Ahmed	3740574704505	Haji Muhammad Aslam	450	35	18	503	450	35	18	503
107	Sheikh Amir Asghar Traders And Mill Store Sh No 352 Babo Mohallah Saddar	Sheikh Amir	3740591715081	Sheikh M Asgher	442	54	18	514	442	54	18	514
108	Nadeem Bhurgri Ubl National Sales Center Schon Circle Br Clifton	Nadeem Bhurgri	4230120397043	Capt A Q Bhurgri	499	11	22	532	499	11	22	532
109	Syed Hassan Mehdi Shop No M 1 - 11 Hong Kong Centre Dr Daud Pota Road Saddar	Syed Hassan Mehdi	4220194748699	Syed Iftikhar Mehdi	429	69	22	519	429	69	22	519
110	Imran Farooq Chema Recto Sports Pvt Ltd Daska Road Sialkot	Imran Farooq Chema	3460317928509	Ch Farooq Ahmed	498	49	24	571	498	49	24	571
111	Mansour Hussain National Commercial Traders Flat No 8 3Rd Floor United Centre Shamsabad	Mansour Hussain	6110143853245	Manzoor Hussain	499	29	30	557	499	29	30	557
112	M Junaid Arshad 47-C-1 Agro Square Shadman Market	M Junaid Arshad	3520223849459	Mian Muhammad Arshad	484	16	18	518	484	16	18	518
113	Muhammad Ijaz Iqra Mobile And Customer Cente Shop No 11,30 Zaildar Road Umer Market Ichra	Muhammad Ijaz	3520224132061	Muhammad Ashraf	455	43	18	515	455	43	18	515
114	Iftikhar Ahmed New Abrar Jewellers Plot No 281-A Ground Flr Corp Gate Mehmoodabad Main Road	Iftikhar Ahmed	4230109960521	Abdul Gani	476	56	19	552	476	56	19	552
115	Jam Saleem Ali Sanghar Farms Sanghar Farms Jam Goth Sanghar	Jam Saleem Ali	4230134966633	Nawab Jam Sadiq Ali Khan	474	52	48	574	474	52	48	574
116	Saif Ulmansoor Khan Saif Electronics Shop No G-11 Motiwala Mansion Sarmad Road Saddar	Saif Ulmansoor Khan	4200005603741	Mansoor Khan	479	47	19	545	479	47	19	545
117	Azeem Waris Khan Al Waris Traders H No 175-J Block 2 Pechs	Azeem Waris Khan	4220186335575	Khan Kamal Waris	448	60	23	532	448	60	23	532
118	Chaudhary G Qumais Afaco H No 731 St No 74 None	Chaudhary G Qumais	6110132165955	Ch Nizam Ul Din	483	65	19	567	483	65	19	567
119	Arabian Gulf Company P.O.Box. 1922 Al Ain	Abdul Mohsin Ali Hassan Nazar Hussain Khan	UAE National Pakistani	Ali Hassan Sadu Khan	4,453	769	-	5,223	4,453	769	4,453	9,676
120	Paper Mate. P.O.Box.23257, Sharjah	H.E. Shaikh Saud Khalid Sultan Sponsor Only Vinay Kumar Tandon	UAE National Indian		4,174	1,516	-	5,689	4,174	1,516	3,101	8,790
121	Alia Contracting Co Llc P.O.Box.45427 Abu Dhabi	Abdullah Ghaloom Abdullah Mohammad Moinuddin Ghori	UAE National Indian		-	1,865	-	1,865	-	1,865	-	1,865
122	Hamad Azan Mohammad Al Mazroui P.O.Box.5025 Abu Dhabi	Hamad Azan Mohammad Al Mazroui	UAE National		38,821	-	-	38,821	38,821	-	24,785	63,606
123	Khizar Abdullah Ahmed. P.O.Box.791, Abu Dhabi	Khizar Abdullah Ahmed.	Yemeni National		979	1,585	-	2,565	979	1,585	956	3,521

Annexure 'B' as referred to in note 10.7 of the Bank's unconsolidated financial statements and consolidated financial statements

(PKR in '000)

S. No	Name and address	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Outstanding liabilities at the beginning of the year				Write off during the year			
					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
124	Gulf Group Information P.O.Box.46964, 20, Abu Dhabi	Issa Aman Obaid Aman Asaad Al Amiri	UAE National Iraqi National		-	4,080	-	4,080	-	4,080	-	4,080
125	Al Amlaq Engineering Llc P.O.Box.26423 Sharjah	Mohammad Abdul Karim Inayat Ali (Pakistani)	UAE National 9040-60-1505447	Muhammad Shafi	7,578	5,503	-	13,080	7,578	5,503	117	13,197
126	Al Majid Engg. & Supply Co P.O.Box.313, Abu Dhabi	Marron Kharraish	Lebanese National		-	12,940	-	12,940	-	12,940	-	12,940
127	Virk House Trading Llc Dubai P.O.Box.4284, Dubai	Mohammad Jawad Habib Jaffar Chaudhary Habibullah Virk Shehryar Ali Virk	UAE National 293-41-098837 293-91-328840	Chaudhary Khushi Muhammad Virk Chaudhary Habibullah Virk	50,199	6,505	-	56,704	50,199	6,505	71,463	128,167
128	Pak Arab Enterprises P.O.Box.77, Ras Al Khaimah	Zaal Bin Sohail Mufta Younis Khan	UAE National Pakistani		1,376	4,523	-	5,899	1,376	4,523	1,376	7,275
129	Al Rashid Building Material P.O.Box.5041, Sharjah	Mohammad Hassan Yousaf	UAE National		3,288	7,531	-	10,819	3,288	7,531	3,288	14,106
130	Sereen Establishment P.O.Box.4231, Dubai	Mohammad Ahmed Hamid Al Humaidi Ahmed Mohammad Ismail Zakria Mohammad Ismail	UAE National 517-56-148247 513-58-057091	Mohammad Ismail Mohammad Ismail	20,285	5,013	-	25,298	20,285	5,013	23,759	49,056
131	Delmon Transport P.O.Box.52864, Dubai	Abdullah Mirza Hassan Al Rahma Shah Jahan Ghulam Sarwar (Pakistani National)	UAE National 228-53-384058		36,699	25,577	-	62,277	36,699	25,577	-	62,277
132	Al Saigalco Trading Co P.O.Box.7101, Dubai	Abdul Rahim Mohammad Al Mulla Surendar Lal Makhan Lal	UAE National Indian National	Makhan Lal	42,784	23,013	-	65,797	42,784	23,013	53,696	119,493
133	Agadeer General Trading P.O.Box.20018, Ajman	Ahmed Rashid Abdullah (National) Raja Safdar Hussain(Pakistani National)	244-42-044038	Akhbar Hussain	8,837	3,777	-	12,614	8,837	3,777	14,945	27,559
134	Wrsm Trading Co Llc P.O.Box.5305, Dubai	Juma Darwish Salem Abdul Rashid (Pakistani) Abdul Waheed (Pakistani) Abdul Saeed (Pakistani) Abdul Majid (Pakistani)	UAE National 270-37-104304	Ghulam Mohyuddin Ghulam Mohyuddin Ghulam Mohyuddin Ghulam Mohyuddin	56,821	9,047	-	65,867	56,821	9,047	54,349	120,216
135	Haji Furniture P.O.Box.1422, Dubai	Mohammad Akram (Pakistani National)	301-63-154005	Allah Rakha	233	3,054	-	3,288	233	3,054	-	3,288
136	Chemlink Llc P.O.Box.80610, Dubai	Majeed Jaffar Habib Mehdi Sadegh Syed Mohsin Awais	UAE National Iranian National 271-60-005704	Syed Owais Awais	-	4,034	-	4,034	-	4,034	746	4,780
137	Al Mehran Golds P.O.Box.3893, Sharjah	Sultan Mohammed Ali Riaz Ahmed (Pakistani National)	UAE National 358-64-013176	Adam Khan Khatak	6,225	3,474	-	9,699	6,225	3,474	6,225	15,925
138	American Furniture Centre Old Airport Road, Abu Dhabi	Juma Ali Khalfan	UAE National		1,959	1,795	-	3,754	1,959	1,795	2,052	5,806
139	Major Khalid Abdulla A. Rehman Dubai P.O.Box.12863	Major Khalid Abdulla A. Rehman			303	816	-	1,119	303	816	303	1,422
140	International Lighting Decoration Co. P.O.Box.25845, Abu Dhabi	Mohammad Ahmed Khalfan Mohammad Manzer	UAE National Syrian National		-	1,632	-	1,632	-	1,632	-	1,632
141	Noor Wali Khan Trading Llc P.O.Box. 8906, Al Ain	Muhayer Khamis Al Mazroui Noor Wali Khan Sher Wali	UAE National Afghan National Afghan National		3,381	-	-	3,381	3,381	-	2,705	6,085
142	Delta Star Industries L.L.C. Plot # 2&3, Sector A-1, Kepz	Ali Mohammed Motiwala. Salim Motiwala Yakub Motiwala. Omar Motiwala	42201-5543809-1 42301-0815377-9 42201-6693980-3 42301-0899462-1	Abdul Sattar Motiwala(Late) Abdul Sattar Motiwala(Late) Abdul Sattar Motiwala(Late) Salim Motiwala	39,307	-	-	39,307	4,967	-	171	5,138
143	Abdul Majid Ebrahim Palangi P.O.Box.150, Sharjah	Abdul Majid Ebrahim Palangi			1,610	488	72	2,170	1,610	488	72	2,170
144	Ravi Kumar P.O.Box.3237 Abu Dhabi	Ravi Kumar			409	358	70	837	409	358	70	837

Annexure 'B' as referred to in note 10.7 of the Bank's unconsolidated financial statements and consolidated financial statements

(PKR in '000)

S. No	Name and address	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Outstanding liabilities at the beginning of the year				Write off during the year			
					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
145	Joe Mar Trinidad Al Faro P.O.Box.121890 Abu Dhabi	Joe Mar Trinidad Al Faro			1,243	278	-	1,521	1,243	278	-	1,521
146	Sergio Nitoral Sena P.O.Box.15258, Al Ain	Sergio Nitoral Sena			4,221	1,336	56	5,613	4,221	1,336	56	5,613
147	Haresh Arjandas Chandiramani P.O.Box.12407, Dubai	Haresh Arjandas Chandiramani			1,194	261	26	1,481	1,194	261	26	1,481
148	Aasit Ratanlal Parekh P.O.Box.51591, Dubai	Aasit Ratanlal Parekh			520	317	65	902	520	317	65	902
149	Samer Hekmat Meho P.O.Box.33761, Dubai	Samer Hekmat Meho			302	134	86	522	302	134	86	522
150	Martha Arcenas Manzanilla P.O.Box.3167, Abu Dhabi	Martha Arcenas Manzanilla			566	369	39	975	566	369	39	975
151	Abdul Kharim Abdul Vahab P.O.Box.37564, Dubai	Abdul Kharim Abdul Vahab			1,750	477	-	2,228	1,750	477	-	2,228
152	Jalal Emad P.O.Box.1038, Dubai	Jalal Emad			1,330	579	53	1,962	1,330	579	53	1,962
153	Maha Mohamed Fouad Mohamed P.O.Box.1038, Dubai	Maha Mohamed Fouad Mohamed			1,444	457	23	1,924	1,444	457	23	1,924
154	Sarpudeen Abbas Alias Alias Settu P.O.Box.3258, Duabi	Sarpudeen Abbas Alias Alias Settu			1,453	812	26	2,291	1,453	812	26	2,291
155	Khalid Mahmood P.O.Box.17580, Al Ain	Khalid Mahmood			1,622	574	77	2,272	1,622	574	77	2,272
156	Allan Dimalanta Bansil P.O.Box.1038, Dubai	Allan Dimalanta Bansil			1,368	287	-	1,655	1,368	287	-	1,655
157	Thekinyedath Prasannakumar P.O.Box.6512, Dubai	Thekinyedath Prasannakumar			584	685	-	1,269	584	685	-	1,269
158	Danyal Krakat Adnan P.O.Box.3915, Abu Dhabi	Danyal Krakat Adnan			1,582	651	39	2,272	1,582	651	39	2,272
159	Chin Chin Joy H. Atienza P.O.Box.46713, Abu Dhabi	Chin Chin Joy H. Atienza			497	328	37	862	497	328	37	862
160	Jawed Ali P.O.Box.251876, Dubai	Jawed Ali			388	136	30	554	388	136	30	554
161	Zulfiqar Ali Tahir P.O.Box.894, Dubai	Zulfiqar Ali Tahir			664	278	-	942	664	278	-	942
162	Shrawana Kumar Shukla P.O.Box. 6891, Dubai	Shrawana Kumar Shukla			1,743	451	26	2,220	1,743	451	26	2,220
163	Yudara Malith De Silva Manam P.O.Box. 6891, Dubai	Yudara Malith De Silva Manam			1,279	312	-	1,591	1,279	312	-	1,591
164	Shahul Hameed Syedu Ali P.O.Box.22577, Dubai	Shahul Hameed Syedu Ali			540	222	56	819	540	222	56	819
165	Chacko Thomas P.O.Box.286, Dubai	Chacko Thomas			560	187	-	747	560	187	-	747
166	Hasan Ahmed Azeri P.O.Box.4017, Abu Dhabi	Hasan Ahmed Azeri			2,421	592	-	3,013	2,421	592	-	3,013
167	Brian Jose Ayson Barin P.O.Box.30439, Dubai	Brian Jose Ayson Barin			394	227	-	622	394	227	-	622
168	Muhammad Junaid Bawany P.O.Box.1123, Dubai	Muhammad Junaid Bawany			1,701	826	-	2,527	1,701	826	-	2,527
169	Nihal Christopher Paul.F.Maln P.O.Box.3668, Abu Dhabi	Nihal Christopher Paul.F.Maln			1,691	464	58	2,213	1,691	464	58	2,213
170	Mohamed Nayef Omar Nour Eldin Besiso P.O.Box.839, Abu Dhabi	Mohamed Nayef Omar Nour Eldin Besiso			656	220	26	902	656	220	26	902
171	Mustafa Turen P.O.Box.898, Abu Dhabi	Mustafa Turen			656	356	65	1,078	656	356	65	1,078
172	Regino Santader Laders P.O.Box.15258, Abu Dhabi	Regino Santader Laders			1,636	376	-	2,012	1,636	376	-	2,012

Annexure 'B' as referred to in note 10.7 of the Bank's unconsolidated financial statements and consolidated financial statements

(PKR in '000)

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

S. No	Name and address	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Outstanding liabilities at the beginning of the year				Write off during the year			
					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
173	Elmer Nagales Dela Cruz P.O.Box.46153, Abu Dhabi	Elmer Nagales Dela Cruz			3,519	574	-	4,092	3,519	574	-	4,092
174	Iqbal Ahmed Abdul Rehman P.O.Box.3258, Dubai	Iqbal Ahmed Abdul Rehman			1,215	914	-	2,129	1,215	914	-	2,129
175	Qazi Ghollam Hussain P.O.Box.34164, Sharjah	Qazi Ghollam Hussain			543	198	30	771	543	198	30	771
176	Arvind Raina P.O.Box.20212, Sharjah	Arvind Raina			758	232	-	990	758	232	-	990
177	Shoukath Pasha P.O.Box.32852, Dubai	Shoukath Pasha			408	229	-	637	408	229	-	637
178	Lafir Mohamed Ghouse P.O.Box.135, Sharjah	Lafir Mohamed Ghouse			1,270	353	53	1,676	1,270	353	53	1,676
179	Mohammad Hatmian P.O.Box.17000, Dubai	Mohammad Hatmian			784	743	-	1,527	784	743	-	1,527
180	Fasmeer Kuillathayi Pullanthol P.O.Box.894, Dubai	Fasmeer Kuillathayi Pullanthol			1,460	297	-	1,757	1,460	297	-	1,757
181	Oscar David Ochieng Ogutu P.O.Box.30439, Dubai	Oscar David Ochieng Ogutu			811	355	-	1,166	811	355	-	1,166
182	Juan Nestor Ramos Mateo P.O.Box.3258, Dubai	Juan Nestor Ramos Mateo			1,626	1,246	28	2,899	1,626	1,246	28	2,899
183	Lorenzo Teng Nulud P.O.Box.16870, Dubai	Lorenzo Teng Nulud			3,108	796	-	3,905	3,108	796	-	3,905
184	Asharaf Kunnummal P.O.Box.16870, Dubai	Asharaf Kunnummal			1,403	496	35	1,934	1,403	496	35	1,934
185	Mohamed Ismail Nishar P.O.Box.3258, Dubai	Mohamed Ismail Nishar			1,011	786	42	1,839	1,011	786	42	1,839
186	Liaquath Hussain Wahab P.O.Box.7000 Abu Dhabi	Liaquath Hussain Wahab			1,091	878	84	2,053	1,091	878	84	2,053
187	Amparo Banana Ampey P.O.Box.46713 Abu Dhabi	Amparo Banana Ampey			937	275	60	1,272	937	275	60	1,272
188	Chaminda Jayanath Kuruppu G P.O.Box.16876, Dubai	Chaminda Jayanath Kuruppu G			1,028	338	28	1,394	1,028	338	28	1,394
189	Amir Massoud Ahmed Moezzi P.O.Box.27237, Dubai	Amir Massoud Ahmed Moezzi			350	147	26	523	350	147	26	523
190	Muhammad Mobeen P.O.Box.99999, Dubai	Muhammad Mobeen			427	376	77	879	427	376	77	879
191	Aniceto Morales Gabinete P.O.Box.32835, Abu Dhabi	Aniceto Morales Gabinete			748	448	49	1,245	748	448	49	1,245
192	Edmon De Jesus Magat P.O.Box.47814, Dubai	Edmon De Jesus Magat			989	643	32	1,665	989	643	32	1,665
193	Margee Joy Garcesa P.O.Box.500220, Dubai	Margee Joy Garcesa			1,215	374	21	1,609	1,215	374	21	1,609
194	Ramil Santos Parinas P.O.Box.44486 Abu Dhabi	Ramil Santos Parinas			357	534	109	1,000	357	534	109	1,000
195	Aghiad Wael Kujan P.O.Box.60772, Dubai	Aghiad Wael Kujan			490	310	49	849	490	310	49	849
196	Sajid Mahmood P.O.Box.115242, Dubai	Sajid Mahmood			748	212	23	983	748	212	23	983
197	Geeta Aasit Parekh P.O.Box.51591, Dubai	Geeta Aasit Parekh			493	191	53	737	493	191	53	737
198	Muhammed Aqeel Khan P.O.Box.42457, Dubai	Muhammed Aqeel Khan			371	120	53	544	371	120	53	544
199	Andoor Nilath Kunju M Musthafa P.O.Box.3258, Dubai	Andoor Nilath Kunju M Musthafa			1,443	783	-	2,226	1,443	783	-	2,226
200	Kochikkaran Kader Abdul Majeed P.O.Box.2149, Dubai	Kochikkaran Kader Abdul Majeed			1,105	801	21	1,927	1,105	801	21	1,927

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					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
201	Loreto Jr. Sanchez Sunga P.O.Box.3258, Dubai	Loreto Jr. Sanchez Sunga			624	853	-	1,477	624	853	-	1,477
202	Dennis Vejerano Creencia P.O.Box.47814, Dubai	Dennis Vejerano Creencia			2,004	640	-	2,644	2,004	640	-	2,644
203	Abdul Latiff Mohamed Zahir P.O.Box. 3258, Dubai	Abdul Latiff Mohamed Zahir			1,733	894	-	2,627	1,733	894	-	2,627
204	Yuvraj Gurung P.O.Box.71084, Abu Dhabi	Yuvraj Gurung			288	472	53	813	288	472	53	813
205	Mohamed Jifry Mohamed Zifnaas P.O.Box.44014, Abu Dhabi	Mohamed Jifry Mohamed Zifnaas			1,653	423	49	2,125	1,653	423	49	2,125
206	Mohammed Mahmood Abdul Kareem P.O.Box.18484, Dubai	Mohammed Mahmood Abdul Kareem			840	279	-	1,119	840	279	-	1,119
207	Poojary Ashoka Gopala P.O.Box. 3258, Dubai	Poojary Ashoka Gopala			1,485	568	-	2,053	1,485	568	-	2,053
208	Anwar Hasen Shaikasan P.O.Box. 3258, Dubai	Anwar Hasen Shaikasan			1,119	824	-	1,943	1,119	824	-	1,943
209	Akbar Ali Udumangani P.O.Box. 3258, Dubai	Akbar Ali Udumangani			891	910	-	1,801	891	910	-	1,801
210	Wilfredo Miranda Casalme P.O.Box.121890, Dubai	Wilfredo Miranda Casalme			960	268	-	1,228	960	268	-	1,228
211	Rick Manaloto Nitug P.O.Box.15937, Abu Dhabi	Rick Manaloto Nitug			508	256	125	889	508	256	125	889
212	Abdul Rauf Edhi P.O.Box.19521, Sharjah	Abdul Rauf Edhi			581	173	26	779	581	173	26	779
213	Ali Ibrahim Jama P.O.Box.928, Abu Dhabi	Ali Ibrahim Jama			509	125	30	664	509	125	30	664
214	M Shafaqat Shazad P.O.Box. 20814, Sharjah	M Shafaqat Shazad			509	113	28	650	509	113	28	650
215	Kamal Kanayalal Ahuja P.O.Box.8799, Dubai	Kamal Kanayalal Ahuja			472	117	26	614	472	117	26	614
216	Amapola Arnoco Mayuga P.O.Box.202088 Al Ain	Amapola Arnoco Mayuga			278	282	-	560	278	282	-	560
217	Jaikishan Shyamdas Gamnani P.O.Box.46444, Dubai	Jaikishan Shyamdas Gamnani			354	129	63	546	354	129	63	546
218	Muhammad Nadeem Hameed Puri P.O.Box.40132, Ajman	Muhammad Nadeem Hameed Puri			392	124	26	542	392	124	26	542
219	Abdullah Mohammad Ramkani P.O.Box.15469, Dubai	Abdullah Mohammad Ramkani			376	97	26	499	376	97	26	499
220	Hashim Mohammad Jaddoua Al Qurnen P.O.Box.15258, Al Ain	Hashim Mohammad Jaddoua Al Qurnen			2,925	2,175	56	5,155	2,925	2,175	56	5,155
221	Nelia Santezo Tejero P.O.Box.15258, Al Ain	Nelia Santezo Tejero			2,214	895	-	3,109	2,214	895	-	3,109
222	Claro Jr Rio Ramirez P.O.Box.3258, Dubai	Claro Jr Rio Ramirez			1,520	1,352	-	2,872	1,520	1,352	-	2,872
223	Ibrahim Ramos Uri P.O.Box.3668, Abu Dhabi	Ibrahim Ramos Uri			1,851	529	58	2,438	1,851	529	58	2,438
224	Thandiyakkal R. Radha Krishnan P.O.Box.65948, Dubai	Thandiyakkal R. Radha Krishnan			2,295	1,143	19	3,456	2,295	1,143	19	3,456
225	Muhammad Abdi Ismail P.O.Box.51900 Abu Dhabi	Muhammad Abdi Ismail			2,655	749	-	3,403	2,655	749	-	3,403
226	Meiaad Jalal A.J.J.Al Boloushi P.O.Box.6525, Dubai	Meiaad Jalal A.J.J.Al Boloushi			5,999	2,306	-	8,305	5,999	2,306	-	8,305
227	Aniceta A Cempron P.O.Box.16713, Abu Dhabi	Aniceta A Cempron			1,057	521	-	1,578	1,057	521	-	1,578
228	Ram Shankar P.O.Box.253, Abu Dhabi	Ram Shankar			235	404	51	690	235	404	51	690

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(PKR in '000)

S. No	Name and address	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Outstanding liabilities at the beginning of the year				Write off during the year			
					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
229	Bhagwan Sadhwani P.O.Box.21967, Ajman	Bhagwan Sadhwani			300	207	21	528	300	207	21	528
230	Dipti Mahendra Nagindas P.O.Box.669, Sharjah	Dipti Mahendra Nagindas			320	114	86	520	320	114	86	520
231	Moryani Chandru Gobindram P.O.Box.34186, Dubai	Moryani Chandru Gobindram			373	105	26	503	373	105	26	503
232	Murugan Veeramuthu P.O.Box.121890, Dubai	Murugan Veeramuthu			1,537	381	-	1,918	1,537	381	-	1,918
233	Remeo Contreras Loalhati P.O.Box. 16785, Dubai	Remeo Contreras Loalhati			1,404	405	-	1,809	1,404	405	-	1,809
234	Sa-Adudin Macarimbang Ala P.O.Box. 12189, Dubai	Sa-Adudin Macarimbang Ala			502	551	51	1,104	502	551	51	1,104
235	Irfan Haider P.O.Box.1123, Dubai	Irfan Haider			541	376	93	1,010	541	376	93	1,010
236	Shakeel Ahmed Khan P.O.Box.158, Dubai	Shakeel Ahmed Khan			313	409	26	747	313	409	26	747
237	Beverly Mendonza Balingit P.O.Box. 30439, Dubai	Beverly Mendonza Balingit			430	264	-	694	430	264	-	694
238	Oswald Milen Johnson P.O.Box. 51304, Dubai	Oswald Milen Johnson			363	150	2	515	363	150	2	515
239	Jurajj Punnakkantakkath P.O.Box. 13001, Dubai	Jurajj Punnakkantakkath			1,140	465	21	1,626	1,140	465	21	1,626
240	Poikayil Mathai Ginumon P.O.Box 320, Dubai	Poikayil Mathai Ginumon			1,084	467	26	1,577	1,084	467	26	1,577
241	Rashid Mehboob P.O.Box. 7631, Dubai	Rashid Mehboob			630	440	21	1,091	630	440	21	1,091
242	Hani Salah E. Ibrahim Mohammad P.O.Box. 1184, Dubai	Hani Salah E. Ibrahim Mohammad			712	219	32	964	712	219	32	964
243	Chidambaram Shenbaga Kumar P.O.Box. 30165, Sharjah	Chidambaram Shenbaga Kumar			643	185	56	884	643	185	56	884
243	Hilariona Rivera Ablalle P.O.Box.502300, Dubai	Hilariona Rivera Ablalle			1,342	570	-	1,912	1,342	570	-	1,912
244	Muhammad Yousaf Saeedi P.O.Box. 31308, Dubai	Muhammad Yousaf Saeedi			567	57	23	647	567	57	23	647
245	Eyattu P.A.Rehman Binshad P.O.Box.61450, Dubai	Eyattu P.A.Rehman Binshad			1,173	534	42	1,749	1,173	534	42	1,749
246	Shuban Ali P.O.Box.25672, Abu Dhabi	Shuban Ali			551	249	-	800	551	249	-	800
247	Muhammad Imran Chaudry P.O.Box. 62524, Sharjah	Muhammad Imran Chaudry			364	192	67	622	364	192	67	622
248	Mary Joseph P.O.Box.62870, Dubai	Mary Joseph			2,659	691	-	3,350	2,659	691	-	3,350
250	Agnes Mandocdoc P.O.Box.62532, Dubai	Agnes Mandocdoc			1,675	367	-	2,043	1,675	367	-	2,043
251	Reda Abdel Kader. P.O.Box.17000, Dubai	Reda Abdel Kader.			1,260	894	-	2,155	1,260	894	-	2,155
252	Jorge Galura Nulud P.O.Box.2222, Dubai	Jorge Galura Nulud			276	169	63	507	276	169	63	507
253	Adnan Ali Syed P.O.Box.63111, Abu Dhabi	Adnan Ali Syed			2,326	399	46	2,771	2,326	399	46	2,771
254	Mildred Inocencio Mercado P.O.Box.34491, Abu Dhabi	Mildred Inocencio Mercado			959	911	100	1,970	959	911	100	1,970
255	Martin Vargheese P.O.Box.2403, Abu Dhabi	Martin Vargheese			224	324	49	597	224	324	49	597
256	Amrit Bahadur Khadka P.O.Box.580, Abu Dhabi	Amrit Bahadur Khadka			592	184	46	822	592	184	46	822

Annexure 'B' as referred to in note 10.7 of the Bank's unconsolidated financial statements and consolidated financial statements
(PKR in '000)

S. No	Name and address	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Outstanding liabilities at the beginning of the year				Write off during the year			
					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
257	Ali Abd Mohammad Dhaif P.O.Box.3649, Abu Dhabi	Ali Abd Mohammad Dhaif			1,936	1,012	-	2,949	1,936	1,012	-	2,949
258	Josephine Orbanan P.O.Box. 3147, Abu Dhabi	Josephine Orbanan			186	247	118	551	186	247	118	551
259	Md Azizul Haque P.O.Box.253, Abu Dhabi	Md Azizul Haque			530	327	104	961	530	327	104	961
260	John Pius P.O.Box.17322 Abu Dhabi	John Pius			1,408	671	-	2,079	1,408	671	-	2,079
261	Raj Mohammad Haja Mydeen P.O.Box.3147, Abu Dhabi	Raj Mohammad Haja Mydeen			1,134	929	37	2,100	1,134	929	37	2,100
262	Wimala Weera Liyanag P.O.Box.3668, Abu Dhabi	Wimala Weera Liyanag			1,210	406	-	1,616	1,210	406	-	1,616
263	Hamza Mannanthara P.O.Box.95857, Sharjah	Hamza Mannanthara			431	76	42	549	431	76	42	549
264	Audrylane Rubia P.O.Box.46713, Abu Dhabi	Audrylane Rubia			521	345	74	939	521	345	74	939
265	Gloria Cedilla Sepe P.O.Box.3167, Abu Dhabi	Gloria Cedilla Sepe			762	524	77	1,362	762	524	77	1,362
266	Dennis Tan Faldan P.O.Box.121890, Dubai	Dennis Tan Faldan			1,188	476	-	1,664	1,188	476	-	1,664
267	Damodaran Nepal P.O.Box.580, Abu Dhabi	Damodaran Nepal			500	137	-	637	500	137	-	637
268	Cheryl Cabalar Ecaldre P.O.Box.46713, Abu Dhabi	Cheryl Cabalar Ecaldre			958	366	-	1,324	958	366	-	1,324
269	Christian Mangawang Bautista P.O.Box.3167, Abu Dhabi	Christian Mangawang Bautista			892	443	104	1,439	892	443	104	1,439
270	Said Aghaf P.O.Box. 34216, Dubai	Said Aghaf			1,347	482	-	1,829	1,347	482	-	1,829
271	Marilyn Antonio Ruanto P.O.Box.500220, Dubai	Marilyn Antonio Ruanto			1,138	590	56	1,784	1,138	590	56	1,784
272	Nelson Franco Munsayac P.O.Box.3167, Abu Dhabi	Nelson Franco Munsayac			387	421	-	808	387	421	-	808
273	Kunhickadan Kunnummal P.O.Box.2692, Abu Dhabi	Kunhickadan Kunnummal			249	295	-	544	249	295	-	544
274	Javed Akhtar Raja P.O.Box.2378 Abu Dhabi	Javed Akhtar Raja			571	275	-	846	571	275	-	846
275	Surendra Sharma P.O.Box.7125 Abu Dhabi	Surendra Sharma			581	353	67	1,001	581	353	67	1,001
276	Biju Oommen Arayal Ummoottil P.O.Box.1000 Al Ain	Biju Oommen Arayal Ummoottil			4,216	839	-	5,056	4,216	839	-	5,056
277	Salim Ghulam Farid P.O.Box.80771, Dubai	Salim Ghulam Farid			456	319	63	838	456	319	63	838
278	Narayanan Karimbu Valappil P.O.Box 27029, Abu Dhabi	Narayanan Karimbu Valappil			340	299	-	639	340	299	-	639
279	Michelle Dones Pancho P.O.Box.500220, Dubai	Michelle Dones Pancho			827	400	37	1,264	827	400	37	1,264
280	Syed Sajid Ali P.O.Box.66774, Dubai	Syed Sajid Ali			679	443	65	1,187	679	443	65	1,187
281	Mohammed Abdul Moid P.O.Box.29, Sharjah	Mohammed Abdul Moid			524	444	37	1,005	524	444	37	1,005
282	Aqeel Ahmed P.O.Box.36010, Sharjah	Aqeel Ahmed			628	276	88	993	628	276	88	993
283	Elsa Cristales Arcigal P.O.Box.30439, Dubai	Elsa Cristales Arcigal			596	324	58	978	596	324	58	978
284	Mohammad Amanulla Sabrideen P.O.Box 2915 Abu Dhabi	Mohammad Amanulla Sabrideen			405	337	39	781	405	337	39	781

Annexure 'B' as referred to in note 10.7 of the Bank's unconsolidated financial statements and consolidated financial statements
(PKR in '000)
Details of loan write-offs of Rs.500,000 and above

S. No	Name and address	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Outstanding liabilities at the beginning of the year				Write off during the year			
					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
285	Usman Gani Musbah P.O.Box.1123 Dubai	Usman Gani Musbah			214	507	37	758	214	507	37	758
286	Ganesh Kumar Eramath P.O.Box.13001, Dubai	Ganesh Kumar Eramath			118	421	56	595	118	421	56	595
287	Felicidad Talvo Pimentel P.O.Box 370 Abu Dhabi	Felicidad Talvo Pimentel			2,426	823	90	3,339	2,426	823	90	3,339
288	Leelaratne Bope Kananamge P.O.Box 3668 Abu Dhabi	Leelaratne Bope Kananamge			1,959	1,102	39	3,101	1,959	1,102	39	3,101
289	Ummer Kutty Mohamdeesa P.O.Box 3668 Abu Dhabi	Ummer Kutty Mohamdeesa			2,024	628	-	2,652	2,024	628	-	2,652
290	Sankaran Bhadrans P.O.Box 4017 Abu Dhabi	Sankaran Bhadrans			1,751	637	37	2,425	1,751	637	37	2,425
291	Abdul Saleam Appattillath P.O.Box 1065 Al Ain	Abdul Saleam Appattillath			1,193	694	81	1,969	1,193	694	81	1,969
292	Robina Lasola Martin P.O.Box 23727 Al Ain	Robina Lasola Martin			1,333	469	60	1,863	1,333	469	60	1,863
293	Hamdan Amed Mohammad Khalid Alafar P.O.Box 1969 Al Ain	Hamdan Amed Mohammad Khalid Alafar			1,117	93	-	1,210	1,117	93	-	1,210
294	Mohammad Ramzan P.O.Box.80771, Dubai	Mohammad Ramzan			568	461	21	1,050	568	461	21	1,050
295	Ruel Ilaos Cuevas P.O.Box.5530, Dubai	Ruel Ilaos Cuevas			673	204	-	877	673	204	-	877
296	Abdul Naser Ali Hussein P.O.Box 46231 Abu Dhabi	Abdul Naser Ali Hussein			543	243	70	856	543	243	70	856
	Ali Fawzi Abdel Rahim Natour P.O.Box.500220, Dubai	Ali Fawzi Abdel Rahim Natour			137	672	42	851	137	672	42	851
298	Sunil Varikkayil Heriya Ayyappan P.O.Box.54372, Dubai	Sunil Varikkayil Heriya Ayyappan			331	388	26	744	331	388	26	744
299	Sultan Mapillai Thambi P.O.Box.22577 Dubai	Sultan Mapillai Thambi			363	340	35	737	363	340	35	737
300	Akber Ali Qureshi P.O.Box 372 Abu Dhabi	Akber Ali Qureshi			460	230	-	690	460	230	-	690
301	Ghanem Jumaa Khalfa Al Romaithi P.O.Box 31196 Abu Dhabi	Ghanem Jumaa Khalfa Al Romaithi			633	-	51	684	633	-	51	684
302	Poonkaran John Biju P.O.Box 47600 Abu Dhabi	Poonkaran John Biju			300	302	58	660	300	302	58	660
303	Sunny John P.O.Box.2623, Dubai	Sunny John			258	380	-	638	258	380	-	638
304	Raja Haroon Saleem Kayani P.O.Box.6597, Sharjah	Raja Haroon Saleem Kayani			283	281	51	614	283	281	51	614
305	Syed Mussarat Hussain Shah P.O.Box.27016, Dubai	Syed Mussarat Hussain Shah			137	470	-	607	137	470	-	607
306	Saood Mohammed Hassan P.O.Box.67747, Sharjah	Saood Mohammed Hassan			1,841	194	28	2,063	1,841	194	28	2,063
307	Hassan Juma Ahmed P.O.Box. 19280, Sharjah	Hassan Juma Ahmed			659	119	56	834	659	119	56	834
308	Obaid Al Mansouri P.O.Box. 1367, Dubai	Obaid Al Mansouri			217	324	70	610	217	324	70	610
309	Shaikha Khazal Saed Khair P.O.Box.1367, Dubai	Shaikha Khazal Saed Khair			411	87	49	547	411	87	49	547
310	Rajendran Kalliyottu M.Achary P.O.Box 46121 Abu Dhabi	Rajendran Kalliyottu M.Achary			1,038	806	100	1,944	1,038	806	100	1,944
311	Najeeru Deen Sayed Hameed P.O.Box 45553 Abu Dhabi	Najeeru Deen Sayed Hameed			1,316	206	-	1,522	1,316	206	-	1,522
312	Md. Abul Kalam P.O.Box 640, Abu Dhabi	Md. Abul Kalam			922	583	-	1,505	922	583	-	1,505

Annexure 'B' as referred to in note 10.7 of the Bank's unconsolidated financial statements and consolidated financial statements

(PKR in '000)

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

S. No	Name and address	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Outstanding liabilities at the beginning of the year				Write off during the year			
					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
313	Walid Fawzy P.O.Box 3167 Abu Dhabi	Walid Fawzy			1,143	266	95	1,504	1,143	266	95	1,504
314	Rayammar Veetil Pulipambal Abdul P.O.Box 97 ,Abu Dhabi	Rayammar Veetil Pulipambal Abdul			578	535	-	1,113	578	535	-	1,113
315	Elias Bairam P.O.Box 45041, Abu Dhabi	Elias Bairam			464	598	-	1,062	464	598	-	1,062
316	Vazhavila K.T. John P.O.Box 2378, Abu Dhabi	Vazhavila K.T. John			460	332	72	864	460	332	72	864
317	Muhammad Iqbal P.O.Box.42, Dubai	Muhammad Iqbal			427	316	72	815	427	316	72	815
318	Noushad Payayil P.O.Box.12848, Dubai	Noushad Payayil			363	321	49	732	363	321	49	732
319	Reynaldo Galura Nulud P.O.Box.2222, Dubai	Reynaldo Galura Nulud			368	279	21	667	368	279	21	667
320	Khadim Hussain P.O.Box 1828, Al Ain	Khadim Hussain			180	342	-	522	180	342	-	522
321	Sidi Ould Mohamed Salem P.O.Box 7644 Al Ain	Mr Sidi Ould Mohamed Salem			3,499	889	-	4,388	3,499	889	-	4,388
322	Fayaz Ghafoor P.O.Box.1123, Dubai	Fayaz Ghafoor			1,957	1,586	60	3,604	1,957	1,586	60	3,604
323	Kamal Eldin Hamada A.R. Shalabi P.O.Box 2283, Abu Dhabi	Kamal Eldin Hamada A.R. Shalabi			2,101	1,316	63	3,479	2,101	1,316	63	3,479
324	Mohammed Israil P.O.Box.3258, Dubai	Mohammed Israil			1,302	1,123	88	2,513	1,302	1,123	88	2,513
325	Mohan Vettiyattil Karappandy P.O.Box 9138 Abu Dhabi	Mohan Vettiyattil Karappandy			1,045	394	-	1,439	1,045	394	-	1,439
326	Ghasem Chakeri P.O.Box.29, Sharjah	Ghasem Chakeri			832	561	-	1,393	832	561	-	1,393
327	Riyaz Abdul Shukoor Sab P.O.Box.1123, Dubai	Riyaz Abdul Shukoor Sab			406	259	-	665	406	259	-	665
328	Christian Ignacio P.O.Box 6258, Abu Dhabi	Christian Ignacio			278	310	-	588	278	310	-	588
329	Amjad Ali P.O.Box 124, Abu Dhabi	Amjad Ali			357	185	-	542	357	185	-	542
330	Imran Rafiq P.O.Box.12752, Dubai	Imran Rafiq			209	325	-	534	209	325	-	534
331	Nissar Thalayillath P.O.Box.4292, Abu Dhabi	Nissar Thalayillath			1,568	299	123	1,990	1,568	299	123	1,990
332	Ali Karama Saeed Saleh P.O.Box 3649, Abu Dhabi	Ali Karama Saeed Saleh			2,667	1,015	-	3,682	2,667	1,015	-	3,682
333	Subair Mohammed Rafi P.O.Box.6891, Dubai	Subair Mohammed Rafi			740	761	53	1,554	740	761	53	1,554
334	Mohammed Javid Iqbal P.O.Box 6365, Abu Dhabi	Mohammed Javid Iqbal			789	570	-	1,358	789	570	-	1,358
335	Doaa Ziad Bou Mosieh, P.O.Box.888, Dubai	Doaa Ziad Bou Mosieh			489	243	-	732	489	243	-	732
336	Awn Eissa Alsayegh P.O.Box 3305, Abu Dhabi	Awn Eissa Alsayegh			533	22	97	653	533	22	97	653
337	Annamalai. S. Senthil Kumar P.O.Box 31769, Abu Dhabi	Annamalai. S. Senthil Kumar			-	614	-	614	-	614	-	614
338	Mehboob Alam P.O.Box.3258, Dubai	Mehboob Alam			809	1,104	26	1,938	809	1,104	26	1,938
339	Thomas Jose Kavampurathu P.O.Box.7271, Dubai	Thomas Jose Kavampurathu			1,069	407	-	1,475	1,069	407	-	1,475
340	Ratheesh Ariyakkara Rajeev P.O.Box.54372, Dubai	Ratheesh Ariyakkara Rajeev			582	467	77	1,126	582	467	77	1,126

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					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
341	Rafiq Ramzan Ali Panjwani P.O.Box.47246, Abu Dhabi	Rafiq Ramzan Ali Panjwani			626	47	168	842	626	47	168	842
342	Fahad Saleh Almawti	Fahad Saleh Almawti			653	316		969	653	-		653
343	Ricardo Sarte Baqorio	Ricardo Sarte Baqorio			457	221		678	457	-		457
344	Adriana Natalia	Adriana Natalia			1,349	532		1,881	1,328	-		1,328
345	Manal Yousif Farah	Manal Yousif Farah			549	88		637	549	-		549
346	Jonathan Gasper	Jonathan Gasper			503	220		724	503	-		503
347	Ganesh Navaneetha Nambi	Ganesh Navaneetha Nambi			1,137	145		1,282	1,137	-		1,137
348	Jamal Hussain Saeed	Jamal Hussain Saeed			1,936	461		2,397	1,936	-		1,936
349	Julia Powell	Julia Powell			-	1,022		1,022	-	943		943
350	Shailesh Kumar	Shailesh Kumar			531	227		758	531	-		531
351	Ameer Mohammad Hammooda	Ameer Mohammad Hammooda			1,073	1,097		2,169	1,072	-		1,072
352	Tuan Taraam Jaliel	Tuan Taraam Jaliel			525	113		638	523	-		523
353	Chempattuvilai Masillamony	Chempattuvilai Masillamony			435	289		723	433	-		433
354	Camilo Jr Daileg Tolention	Camilo Jr Daileg Tolention			579	399		978	579	-		579
355	Hasan Abdulrahman Abu Bakr	Hasan Abdulrahman Abu Bakr			415	98		513	413	-		413
356	Ramyalal De Silva Deva	Ramyalal De Silva Deva			379	204		583	379	-		379
357	Noman Khan Zulfiqar Khan	Noman Khan Zulfiqar Khan			425	150		575	424	-		424
358	Rodrick Joseph Demicoli	Rodrick Joseph Demicoli			950	840		1,790	946	-		946
359	Prajith Lal Cheeni	Prajith Lal Cheeni			475	121		596	473	-		473
360	Rashid Hussain Haji	Rashid Hussain Haji			339	354		692	339	-		339
361	A. Basit Haji Murad	Abdul Basit Haji Murad			603	1,012		1,615	603	-		603
362	Ayman Moosa	Ayman Moosa			-	783		783	-	-		-
363	Shirley Joaquin	Shirley Joaquin			750	396		1,146	745	-		745
364	Michael Chu Dimaculangan	Michael Chu Dimaculangan			355	397		752	355	-		355
365	Nadeem Ahmed Amirulla	Nadeem Ahmed Amirulla			998	335		1,334	998	-		998
366	Gilbert Baheej	Gilbert Baheej			504	194		698	500	-		500
367	Anyumba Tony	Anyumba Tony			901	886		1,787	900	-		900
368	Bassam M.J Alqattan	Bassam M.J Alqattan			1,217	105		1,323	1,217	-		1,217
369	Hussain Abdulnabi Ahmed	Hussain Abdulnabi Ahmed			1,741	141		1,882	1,741	-		1,741
370	Tariq Mohammed Salim	Tariq Mohammed Salim			497	493		990	497	-		497
371	Rekha Bhaskaran Nair	Rekha Bhaskaran Nair			570	191		761	569	-		569
372	Priyantha Sanjeeva J. Konara	Priyantha Sanjeeva J. Konara			437	394		831	433	-		433
373	Abdulla A. Rahman Abdul Wahab	Abdulla A. Rahman Abdul Wahab			1,647	264		1,911	1,647	-		1,647
374	Zuhair Mohammed Jaafar	Zuhair Mohammed Jaafar			536	155		691	535	-		535
375	Hijaz Maqbol Ahmed Wahed	Hijaz Maqbol Ahmed Wahed			1,012	276		1,289	1,012	-		1,012
376	Mohammad Alawi Sayed Mohsin	Mohammad Alawi Sayed Mohsin			630	94		724	630	-		630
377	Marjan Mohammed Jawad	Marjan Mohammed Jawad			2,300	562		2,862	2,300	-		2,300
378	Qassim Mustafa Khalaf Moosa	Qassim Mustafa Khalaf Moosa			2,300	554		2,855	2,300	-		2,300
379	Nishantha R.A. Arachchige P.O.Box 22550 Doha Qatar	Nishantha R.A. Arachchige	26614401476		8,570	1,882	-	10,452	8,570	1,882	-	10,452
380	Mohammed Mubarak Said Al Breiki P.O.Box No 100001 Doha Qatar	Mohammed Mubarak Said Al Breiki	28251200163		7,075	1,060	-	8,135	7,075	1,060	-	8,135
381	Udaya Medduma B.Ratnayake P.O.Box 383 Doha Qatar	Udaya Medduma B.Ratnayake	27014404310		6,067	1,543	-	7,611	6,067	1,543	-	7,611
382	Ibrahim Mohammed Rashid Al Jabri P.O.Box No 50227 Doha Qatar	Ibrahim Mohammed Rashid Al Jabri	28351200202		3,770	1,300	-	5,070	3,770	1,300	-	5,070
383	Napoleon Emit Dionzon P.O.Box No 383 Doha Qatar	Napoleon Emit Dionzon	25960803290		3,675	1,233	-	4,908	3,675	1,233	-	4,908
384	Sharif Jahan P.O.Box 22383 Doha Qatar	Sharif Jahan	26005002383		3,908	790	-	4,698	3,908	790	-	4,698
385	Khalil I.Salim P.O.Box 90555 Doha Qatar	Khalil I.Salim	28551200164		4,034	612	-	4,647	4,034	612	-	4,647
386	Majeed Khan Khader Khan P.O.Box 22550 Doha Qatar	Majeed Khan Khader Khan	27235603919		3,649	883	-	4,532	3,649	883	-	4,532
387	Sultan Qamar Ejaz P.O.Box No 16750 Doha Qatar	Sultan Qamar Ejaz	26458602041		3,280	1,088	-	4,368	3,280	1,088	-	4,368

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(PKR in '000)

S. No	Name and address	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Outstanding liabilities at the beginning of the year				Write off during the year			
					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
388	Manoharan Vellian P.O.Box No 383 Doha Qatar	Manoharan Vellian	26735600877		2,970	1,231	-	4,201	2,970	1,231	-	4,201
389	Editha Galang Dizon P.O.Box 22550 Doha Qatar	Editha Galang Dizon	27060801831		3,032	952	-	3,984	3,032	952	-	3,984
390	Redentor Regala Tolentino P.O.Box 383 Doha Qatar	Redentor Regala Tolentino	26060803515		3,233	659	-	3,892	3,233	659	-	3,892
391	Nadia Fawaz Kamhaz P.O.Box No 82 Doha Qatar	Nadia Fawaz Kamhaz	27542200239		2,614	732	-	3,346	2,614	732	-	3,346
392	Wilfredo Al Cober Tolibas P.O.Box 3050 Doha Qatar	Wilfredo Al Cober Tolibas	26660803009		2,467	527	-	2,995	2,467	527	-	2,995
393	Mohanty Abhaya Kumar P.O.Box 50090 Doha Qatar	Mohanty Abhaya Kumar	25835603775		2,220	677	-	2,896	2,220	677	-	2,896
394	Abdul Rahiman M.Ahmad P.O.Box No 22550 Doha Qatar	Abdul Rahiman M.Ahmad	26735600156		2,214	612	-	2,826	2,214	612	-	2,826
395	Tauqir Ahmed Khan P.O.Box No 32140 Doha Qatar	Tauqir Ahmed Khan	26235604018		1,835	886	-	2,721	1,835	886	-	2,721
396	Paulino Jr.Talampas Cabrera P.O.Box No 50090 Doha Qatar	Paulino Jr.Talampas Cabrera	25460800178		2,014	533	-	2,547	2,014	533	-	2,547
397	Ibrahim Hassan I. Albalushi P.O.Box 17951 Doha Qatar	Ibrahim Hassan I. Albalushi	27351200081		1,573	704	-	2,277	1,573	704	-	2,277
398	Mary Ann Dalupang Reys P.O.Box No 22550 Doha Qatar	Mary Ann Dalupang Reys	27160800956		1,388	802	-	2,190	1,388	802	-	2,190
399	Yousuf Khalifa S. Al Sahi P.O.Box 6796 Doha Qatar	Yousuf Khalifa S. Al Sahi	26751200087		1,418	732	-	2,151	1,418	732	-	2,151
400	Harvey Santos Perez P.O.Box No 363, Doha Qatar	Harvey Santos Perez	28660800069		1,583	442	-	2,026	1,583	442	-	2,026
401	Wilfredo G.San Pedro P.O.Box No 16750 Doha Qatar	Wilfredo G.San Pedro	26560805076		1,326	512	-	1,839	1,326	512	-	1,839
402	Sandaruwan Lankeshwara P.O.Box 4803 Doha Qatar	Sandaruwan Lankeshwara	27114404284		1,330	481	-	1,811	1,330	481	-	1,811
403	Alberto Rodriguez Rodolfo P.O.Box 7098 Doha Qatar	Alberto Rodriguez Rodolfo	26860802629		1,256	501	-	1,757	1,256	501	-	1,757
404	Abdel Baset M.Shaker P.O.Box 23024 Doha Qatar	Abdel Baset M.Shaker	26540000668		1,240	298	-	1,538	1,240	298	-	1,538
405	Imad Yehya Jaber P.O.Box 24798 Doha Qatar	Imad Yehya Jaber	27742200415		1,219	204	-	1,423	1,219	204	-	1,423
406	Ahmed Abdusattar Alakkoumi P.O.Box No 93116 Doha Qatar	Ahmed Abdusattar Alakkoumi	27742200617		1,158	112	-	1,270	1,158	112	-	1,270
407	Ronald Bobis De La Pasion P.O.Box No 1290 Doha Qatar	Ronald Bobis De La Pasion	28160800565		930	309	-	1,239	930	309	-	1,239
408	Eduardo Bucol Mansueto P.O.Box No 63938 Doha Qatar	Eduardo Bucol Mansueto	28060802091		594	478	-	1,072	594	478	-	1,072
409	Hamood Suwaid Juma Al Hooti P.O.Box No 36 Doha Qatar	Hamood Suwaid Juma Al Hooti	27651200156		604	424	-	1,028	604	424	-	1,028
410	Ahmed Hassan El Banna P.O.Box 24798 Doha Qatar	Ahmed Hassan El Banna	28081801129		550	424	-	974	550	424	-	974
411	Garry Talenjale Ibanez P.O.Box No 153 Doha Qatar	Garry Talenjale Ibanez	26360804352		681	263	-	944	681	263	-	944
412	Alberto Bocala Conda P.O.Box 1290 Doha Qatar	Alberto Bocala Conda	27160804999		566	271	-	837	566	271	-	837
413	Yousef Mohammad.A.Y P.O.Box No 80325 Doha Qatar	Yousef Mohammad.A.Y	27463400081		706	119	-	824	706	119	-	824
414	Mustafa Khammash P.O.Box 5164 Doha Qatar	Mustafa Khammash	25484000132		706	108	-	813	706	108	-	813
415	Amber Bahadur Shrestha P.O.Box 153 Doha Qatar	Amber Bahadur Shrestha	27352405293		651	116	-	768	651	116	-	768

Annexure 'B' as referred to in note 10.7 of the Bank's unconsolidated financial statements and consolidated financial statements

(PKR in '000)

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

S. No	Name and address	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Outstanding liabilities at the beginning of the year				Write off during the year			
					Principal	Markup	Others	Total	Principal written off	Markup written off	Other financial relief provided	Total
416	Kumar Khadka P.O.Box 153 Doha Qatar	Kumar Khadka	26552403849		483	279	-	762	483	279	-	762
417	Udukalage Don Sirikumara P.O.Box No 383 Doha Qatar	Udukalage Don Sirikumara	25414401706		309	451	-	760	309	451	-	760
418	Arjunan Veeradiyan P.O.Box No 153, Doha Qatar	Arjunan Veeradiyan	26935613564		380	356	-	736	380	356	-	736
419	Moti Lal Pandey P.O.Box No 153, Doha Qatar	Moti Lal Pandey	27852405967		283	360	-	644	283	360	-	644
420	Ronald De Lara Pacis P.O.Box No 22247, Doha Qatar	Ronald De Lara Pacis	26260804343		-	611	-	611	-	611	-	611
421	Ahmed Mohamed S.A.Al Romaihi P.O.Box No 24571, Doha Qatar	Ahmed Mohamed S.A.Al Romaihi	26263402349		470	64	-	534	470	64	-	534
422	Jacob Thottathil Koshy P.O.Box 80303 Doha Qatar	Jacob Thottathil Koshy	26035607028		521	-	-	521	521	-	-	521
					1,468,696	350,165	12,510	1,831,371	774,208	276,539	748,518	1,799,265

Disposals of operating fixed assets during the year 2010

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of Buyers
	----- (Rupees in '000) -----					
Furniture and fixtures						
Items having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000	17,770	14,760	3,010	549	Auction	Various
Electrical, office and computer equipment						
Items having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000	31,186	29,681	1,505	1,759	Auction	Various
Vehicles						
Items having book value of more than Rs. 250,000 or cost of more than Rs. 1,000,000						
M/Lancer	1,399	1,399	-	550	Auction	Ejaz Ahmed
H/Civic	1,042	1,042	-	766	Auction	Wasim Mirza
M/Lancer	1,439	1,439	-	288	Buy Back	Atif Riaz Bokhari
T/Corolla	1,309	916	393	633	Buy Back	Aqeel A. Nasir
S/Cultus	652	337	315	424	Buy Back	Zeeshanul Haq
S/Cultus	636	223	413	456	Buy Back	Amjad Pervaiz
S/Cultus	636	223	413	456	Buy Back	Muhammad Munir Tariq
S/Cultus	636	223	413	456	Buy Back	Mumtaz Ali Abro
S/Cultus	636	233	403	552	Buy Back	Shaukat Ali
S/Cultus	636	233	403	570	Buy Back	Munnawar Ali
S/Cultus	636	223	413	552	Buy Back	Javaid Afzal Qazi
H/accord	6,300	210	6,090	5,573	Insurance Claimed	UBL Insurers
T/Corolla	1,389	208	1,181	1,354	Insurance Claimed	UBL Insurers
Items having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000						
T/Corolla	849	849	-	678	Auction	Ahmed Hussain Qadri
T/Corolla	849	849	-	650	Auction	Shahzad Mangi
T/Corolla	849	849	-	813	Auction	Naveed
T/Corolla	849	849	-	780	Auction	Sikander Ali
S/Cultus	620	548	72	532	Auction	Sikander Ali
S/Cultus	620	527	93	528	Auction	Sikander Ali
S/Cultus	560	392	168	480	Auction	Nasir & Co.
S/Cultus	560	523	37	516	Auction	Tariq Ajmeri
S/Cultus	555	555	-	441	Auction	Tariq Ajmeri
S/Cultus	555	555	-	427	Auction	Sikander Ali
S/Cultus	555	555	-	423	Auction	Wasim Mirza
S/Cultus	555	555	-	424	Auction	M. Imran Ayub
S/Cultus	555	555	-	435	Auction	Sikander Ali
S/Cultus	555	555	-	416	Auction	Imran Shaikh
S/Alto	419	419	-	84	Auction	Suhail Ahmed Qazi
S/Bolan	367	355	12	345	Auction	Khalil Ur Rehman
S/Cultus	620	393	227	362	Buy Back	Naveed Khan Anjum
S/Cultus	620	444	176	310	Buy Back	Zahid Hamid
S/Cultus	615	430	185	318	Buy Back	Mushtaq Ali
S/Cultus	560	355	205	391	Buy Back	Zakaria Naseem Mir
S/Cultus	560	355	205	205	Buy Back	Mahmood Saeed Siddiqui
S/Cultus	560	364	196	317	Buy Back	Hammad Umer Shafiq
S/Cultus	555	500	55	241	Buy Back	Toufique Ahmed Shaikh
S/Cultus	555	509	46	222	Buy Back	Sheikh Muhammad Tayyab
S/Alto	419	314	105	84	Buy Back	Rasool Bux Soomro
S/Cultus	550	550	-	-	Write-off	
S/Cultus	550	550	-	-	Write-off	
S/Alto	419	419	-	-	Write-off	
S/Alto	419	419	-	-	Write-off	
S/Alto	419	419	-	-	Write-off	
Various	215	211	4	5	Auction	Various
	34,854	22,631	12,223	23,057		

Disposals of operating fixed assets during the year 2010

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of Buyers
	------(Rupees in '000)-----					
Ijara Assets						
Items having book value of more than Rs. 250,000 or cost of more than Rs. 1,000,000						
Commercial Ijarah - Atlas Honda Limited	3,325	210	3,115	3,139	Buy Back	Atlas Honda Limited
H/Civic	1,564	462	1,102	917	Buy Back	M.Kamran Sabowala
T/Corolla	1,389	230	1,159	1,050	Buy Back	Riaz Hussain
T/Altis	1,319	402	917	598	Buy Back	Mahinder Kumar
T/Corolla	1,286	366	920	886	Buy Back	Muhammad Shoaib Khanzada
T/Corolla	1,240	426	814	898	Buy Back	Abdullah Shaikh
T/Corolla	1,237	412	825	322	Buy Back	Muhammad Aslam Paracha
T/Corolla	1,225	471	754	278	Buy Back	Khader Kheil
H/City	1,215	408	807	793	Buy Back	Sarfraz Khan
T/Corolla	1,205	422	783	616	Buy Back	Arshad Hussain
T/Corolla	1,205	299	906	987	Buy Back	Maheen Afaq
T/Corolla	1,204	301	903	774	Buy Back	Ghulam Hussain
T/Corolla	980	391	589	426	Buy Back	Dahar Junejo
T/Corolla	980	564	416	256	Buy Back	Mohammad Ayoob Jamali
S/Liana	955	456	499	551	Buy Back	Muhammad Junaid Ghaffar
T/Corolla	950	487	463	660	Buy Back	Muhammad Irfan
S/Cultus	940	308	632	442	Buy Back	Talat Mehmood
T/Corolla	940	486	454	620	Buy Back	Mohammad Hamid Ali Khan
T/Corolla	940	528	412	255	Buy Back	Sharmeen Zindani
T/Corolla	925	435	490	559	Buy Back	Yaar Gul
T/Corolla	915	511	404	492	Buy Back	Muhammad Kousar
S/Liana	907	434	473	534	Buy Back	Manohar Lal Wadhwani
H/City	907	484	423	461	Buy Back	Tarana Zafar
T/Belta	900	460	440	241	Buy Back	Muhammad Naeem
T/Corolla	890	319	571	502	Buy Back	Waheed Ahmed Shaikh
T/Corolla	890	526	364	476	Buy Back	Mohammad Asmat Paracha
H/City	879	343	536	559	Buy Back	Aasima Khan
S/Liana	856	540	316	355	Buy Back	Mohammad Rehan
H/City	852	235	617	674	Buy Back	Syed Muhammad Hasan Qutb
H/City	846	451	395	493	Buy Back	Mohammad Asim Saleem
S/Liana	825	406	419	490	Buy Back	Farooq Ahmed Siddiqui
T/Vitz	811	560	251	151	Buy Back	Saqib Khan
K/Sportage	800	494	306	403	Buy Back	Noor Ahmed Shahtaj
S/Cultus	742	448	294	435	Buy Back	Ahson Iqbal Raza
S/Cultus	704	286	418	424	Buy Back	Muhammad Ashraf
S/Cultus	694	211	483	177	Buy Back	Zubair Akram
S/Cultus	694	257	437	442	Buy Back	Suman Khurram
S/Cultus	694	292	402	379	Buy Back	Muhammad Haroon
S/Cultus	682	252	430	345	Buy Back	Syed Javed Akhtar
S/Cultus	647	163	484	536	Buy Back	Tanzeel Ul Rehman
S/Bolan	644	209	435	380	Buy Back	Syed Fahim Hasan
S/Cultus	632	208	424	385	Buy Back	Asif Ali Abbasi
S/Cultus	632	225	407	353	Buy Back	Babar Gulzar Butt
S/Cultus	632	241	391	380	Buy Back	Khalid Mahmood Mirza
S/Cultus	632	274	358	297	Buy Back	Imran Ijaz
S/Cultus	632	288	344	417	Buy Back	Syed Asim Uddin
S/Cultus	632	329	303	358	Buy Back	Mohammad Buksh
S/Cultus	631	302	329	262	Buy Back	Samiullah
T/Vitz	600	209	391	447	Buy Back	Fawad Iqbal
S/Cultus	600	311	289	365	Buy Back	Maria Noreen
S/Alto	590	181	409	491	Buy Back	Sandra Grace
S/Alto	590	188	402	157	Buy Back	Muhammad Raees
S/Alto	590	191	399	346	Buy Back	Javed Akhtar
S/Alto	585	158	427	310	Buy Back	Asif
S/Liana	560	142	418	377	Buy Back	Sami Ullah
C/Joy	555	251	304	359	Buy Back	Mailik Anas Rabbani
S/Alto	529	106	423	200	Buy Back	Sameen Umair
S/Alto	521	162	359	147	Buy Back	Mahmood Ul Haq
S/Alto	521	219	302	361	Buy Back	Atif Syed
D/Cuore	519	181	338	321	Buy Back	Muhammad Musawwir Khan
S/Alto	513	214	299	296	Buy Back	Waqar Ahmed
S/Alto	508	151	357	187	Buy Back	Shuja Haider
S/Alto	508	201	307	326	Buy Back	Tariq Qazi
S/Alto	508	258	250	262	Buy Back	Mohammad Ali Siddiqui
S/Alto	504	88	416	295	Buy Back	Muhammad Fasihuddin Khan
S/Cultus	500	179	321	286	Buy Back	Shazia Marium Siyal
S/Ravi	497	99	398	282	Buy Back	Mohisin Jhangir
D/Cuore	497	145	352	238	Buy Back	Amna Akmal
D/Cuore	497	163	334	223	Buy Back	Atif Hameed Bajwa

Disposals of operating fixed assets during the year 2010

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of Buyers
	----- (Rupees in '000) -----					
S/Mehran	495	245	250	372	Buy Back	Muhammad Ali
D/Cuore	492	217	275	176	Buy Back	Ittikhar Muhiuddin
S/Bolan	458	114	344	156	Buy Back	Rehan Ahmed Ghaffar
D/Cuore	455	50	405	140	Buy Back	Tanveer Imran Niaz
S/Every	450	160	290	155	Buy Back	Abdul Khaliq
S/Ravi	447	140	307	278	Buy Back	Afzaal Khalil
S/Mehran	431	171	260	308	Buy Back	Zafar Iqbal
S/Mehran	431	171	260	308	Buy Back	Zafar Iqbal
S/Mehran	426	101	325	332	Buy Back	Hummad Ali
S/Bolan	418	159	259	261	Buy Back	Irfan
S/Ravi	372	118	254	179	Buy Back	Shahid Arab
S/Mehran	366	70	296	242	Buy Back	Zeeshan Suchwani
S/Ravi	357	84	273	338	Buy Back	Mohammad Rashid Imran Kayani
T/Surf	2,450	918	1,532	1,138	Buy Back	Amir Hader Butt
T/Corolla	1,336	463	873	713	Buy Back	Syed Arshad Abbas Zaidi
T/Corolla	1,260	515	745	454	Buy Back	M.Saleem
T/Corolla	1,260	516	744	479	Buy Back	Sikander Imran
T/Corolla	1,205	505	700	702	Buy Back	Syed Muhammad Tanzeem
T/Corolla	1,205	556	649	787	Buy Back	Pervaiz Saeed
T/Corolla	915	472	443	524	Buy Back	Muhammad Afroze
T/Corolla	915	481	434	332	Buy Back	Rashida Khanum
T/Corolla	915	489	426	504	Buy Back	Ghulam Sarwar Qureshi
S/Liana	906	543	363	449	Buy Back	Muhammad Aleem
H/City	888	488	400	272	Buy Back	Muhammad Ibrar Hussain
H/City	879	478	401	168	Buy Back	Saba Zehra
H/City	854	456	398	470	Buy Back	Sajid Shabir
H/City	852	456	396	469	Buy Back	Fazal Elahii
S/Cultus	752	288	464	171	Buy Back	Mian Riffat Baqar
S/Cultus	687	345	342	111	Buy Back	Ayaz Mustafa Chaudhry
S/Alto	685	370	315	336	Buy Back	Adeel Anwer
Shehzore	675	408	267	329	Buy Back	M. Khalid
S/Alto	601	247	354	344	Buy Back	Muhammad Umair Mazhar
S/Alto	521	214	307	363	Buy Back	Mustaq Ahmed
D/Cuore	519	227	292	361	Buy Back	Mallick Muhammad Afroz Alam Dawoodi
S/Alto	508	254	254	301	Buy Back	Asif-Ur-Rehman
S/Liana	888	420	468	472	Auction	Muhammad Rashid
S/Cultus	712	320	392	405	Auction	Raza Ullah Khaldi
S/Cultus	632	201	431	343	Auction	Sikander Ali
S/Alto	590	241	349	349	Auction	Munaweer Hussain
S/Alto	542	158	384	460	Auction	Muhammad Atif Bhatti
S/Bolan	520	125	395	457	Auction	Muhammad Rashid
T/Corolla	950	261	689	694	Insurance Claimed	Pak Qattar Takaful
T/Corolla	829	415	414	345	Insurance Claimed	Pak Qattar Takaful
D/Cuore	587	95	492	360	Insurance Claimed	Pak Kwait Takaful
D/Cuore	502	247	255	351	Insurance Claimed	Pak Qattar Takaful
D/Cuore	497	214	283	375	Insurance Claimed	Pak Qattar Takaful
S/Mehran	409	115	294	115	Insurance Claimed	Pak Kwait Takaful
Items having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000						
T/Corolla	879	769	110	191	Buy Back	Masood Textile
T/Vitz	750	549	201	507	Buy Back	Abid Hussain
S/Cultus	730	524	206	113	Buy Back	Syed Asim Zafar Zaidi
S/Cultus	704	504	200	492	Buy Back	Imtiaz Ahmed
T/Corolla	704	515	189	372	Buy Back	Imran Ul Hafeez
T/Corolla	704	515	189	472	Buy Back	Imran Ul Hafeez
Shehzore	699	477	222	307	Buy Back	Syed Farooq Ali Shah
S/Cultus	694	449	245	308	Buy Back	Muhammad Saeed Jamsa
S/Cultus	682	469	213	315	Buy Back	Mohammad Aslam Sabri
S/Liana	660	476	184	295	Buy Back	Muhammad Faisal
S/Cultus	632	476	156	184	Buy Back	Muhammad Zeeshan Ali
S/Cultus	600	399	201	252	Buy Back	Mohammad Yousuf
S/Cultus	600	474	126	224	Buy Back	Ramesh Babu
S/Cultus	595	521	74	130	Buy Back	Masood Textile
S/Alto	590	403	187	415	Buy Back	Muhammad Rizwan Afzal Khan
S/Alto	529	283	246	291	Buy Back	Mohammad Islam
S/Alto	529	330	199	113	Buy Back	Muhammad Ahsan
S/Alto	529	449	80	147	Buy Back	Akbar Hussain
S/Alto	524	292	232	395	Buy Back	Mohammad Saeed
D/Cuore	520	421	99	210	Buy Back	Javed
S/Alto	519	285	234	225	Buy Back	Sofia Paracha
S/Alto	519	404	115	214	Buy Back	Mohammad Shahid
S/Alto	519	415	104	125	Buy Back	Mehboob Alam Mazari

Disposals of operating fixed assets during the year 2010

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of Buyers
	(Rupees in '000)					
S/Alto	521	468	53	163	Buy Back	Mirza Ahmed Ali
D/Cuore	507	387	120	232	Buy Back	Syed Matloob Hussain Rizvi
D/Cuore	495	271	224	106	Buy Back	Asif Nisar
S/Mehran	497	370	127	170	Buy Back	Abbas Ali
D/Cuore	492	416	76	111	Buy Back	Muhammad Umair Abbasi
D/Cuore	464	406	58	101	Buy Back	Masood Textile
S/Bolan	458	259	199	142	Buy Back	Yahya Khan
S/Ravi	447	223	224	247	Buy Back	Niaz Iqbal Siddiq
S/Bolan	444	227	217	147	Buy Back	Jamil Ahmed Shaikh
S/Bolan	444	327	117	138	Buy Back	Salamat Ali Anjum
S/Mehran	435	190	245	268	Buy Back	Syed Ammad Uddin Grami
S/Mehran	435	320	115	135	Buy Back	Syed Latif Mirza
D/Cuore	430	365	65	141	Buy Back	Saima Malik
S/Bolan	428	182	246	293	Buy Back	Muhammad Saleem
S/Bolan	428	363	65	276	Buy Back	Itfikhra Ali Khan
S/Bolan	418	188	230	225	Buy Back	Ali Ahmed Khan
S/Bolan	418	264	154	270	Buy Back	Muhammad Imran
S/Bolan	407	260	147	111	Buy Back	Mudasir Hussain
S/Mehran	408	319	89	216	Buy Back	Mohammad Noor-E-Arshi Khan
S/Bolan	402	289	113	135	Buy Back	Mirza Shadab Baig
S/Mehran	395	203	192	170	Buy Back	Syeda Safoora Hamid
D/Cuore	390	335	55	162	Buy Back	Abdul Waheed
S/Bolan	382	315	67	278	Buy Back	Muhammad Akram Noor
S/Mehran	362	140	222	305	Buy Back	Muhammad Fakhra Uz Zaman Khan
D/Cuore	360	144	216	351	Buy Back	Denial Christopher
T/Premio	358	239	119	148	Buy Back	Mohammad Arif Khan
S/Mehran	353	142	211	243	Buy Back	Muhammad Shafi
S/Mehran	352	110	242	235	Buy Back	Muhammad Haider Hussain Hashmi
S/Mehran	350	289	61	136	Buy Back	Danish Kazmi
T/Corolla	750	510	240	223	Buy Back	Talha Anwar
S/Cultus	632	500	132	226	Buy Back	Qasim Mansoor
S/Alto	632	431	201	246	Buy Back	Shahzad Ahmed Khan
S/Cultus	632	496	136	295	Buy Back	Muhammad Suleman Ansari
S/Cultus	617	456	161	190	Buy Back	Muhammad Ayaz Imam Rizvi
S/Bolan	526	383	143	249	Buy Back	Muhammad Zubair Khan
T/Corolla	522	468	54	288	Buy Back	Yasir Yousaf
T/Corolla	522	468	54	277	Buy Back	Yasir Yousaf
S/Alto	508	278	230	272	Buy Back	Wasim Raza
S/Alto	508	466	42	150	Buy Back	Mumtaz Ahmed
S/Alto	504	422	82	373	Buy Back	Saima Anjum
S/Alto	504	422	82	273	Buy Back	Saima Anjum
D/Cuore	487	238	249	233	Buy Back	Amina
S/Bolan	483	272	211	131	Buy Back	Liaquat Ali Abbasi
D/Cuore	456	343	113	135	Buy Back	Hammad Haider
S/Ravi	447	222	225	248	Buy Back	Nadeem-Ul-Haq Najmi
S/Ravi	447	222	225	248	Buy Back	Nadeem-Ul-Haq Najmi
S/Ravi	447	290	157	282	Buy Back	Naeem-Ur-Rehman Shaikh
S/Ravi	447	290	157	262	Buy Back	Naeem-Ur-Rehman Shaikh
S/Alto	425	316	109	138	Buy Back	Asif Ali
S/Bolan	414	233	181	213	Buy Back	Syed Arshad Iqbal
S/Bolan	408	371	37	170	Buy Back	Shabbir Ahmed Memon
S/Ravi	402	305	97	160	Buy Back	Riyasat Hussain Tahir
S/Mehran	398	321	77	257	Buy Back	Shahab Sharif
S/Ravi	397	349	48	131	Buy Back	Jalil-Ur-Rehman Shaikh
S/Ravi	397	349	48	231	Buy Back	Jalil-Ur-Rehman Shaikh
S/Bolan	370	219	151	186	Buy Back	Syed Ghazanfar Ahmed
D/Cuore	497	275	222	326	Auction	Muhammad Furrakh
D/Cuore	519	404	115	255	Insurance Claimed	Pak Qattar Takaful
S/Bolan	515	416	99	213	Insurance Claimed	Pak Kwait Takaful
	133,066	65,055	68,011	69,285		
Buildings on leasehold land						
Items having book value of more than Rs. 250,000 or cost of more than Rs. 1,000,000						
Old lifts of Jinnah Ave. Building	5,431	5,431	-	2,200	Auction	Rehmat Ullah
Leasehold Improvement						
Items having book value of more than Rs. 250,000 or cost of more than Rs. 1,000,000						
Various	7,818	5,436	2,382	-	Write-off	
Intangibles						
Items having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000						
Various	5,861	2,691	3,170	-	Write-off	
Total	235,986	145,685	90,301	96,850		

Annexure 'D' of the Bank's Unconsolidated Financial Statements**Guidelines for mapping of Business Lines****Segment Reporting**

A segment is a distinguishable component of the Bank that is engaged either in providing product or services (business segment), or in providing products or services within a particular economic environment, which is subject to risks and rewards that are different from those of other segments.

Business segments**(a) Corporate finance**

Corporate banking includes services provided in connection with mergers and acquisition, underwriting, privatization, securitization, research, debts instruments, equity, syndication, IPO and secondary private placements.

(b) Trading and sales

Trading and sales includes fixed income, equity, foreign exchange, commodities, credit, funding, own position securities, lending and repos, brokerage debt and prime brokerage.

(c) Retail Banking

Retail banking includes retail lending and deposits, banking services, trusts and estates, private lending and deposits, investment advice, merchant / commercial / corporate cards.

(d) Commercial banking

Commercial banking includes project finance, real estate, export finance, trade finance, factoring, leasing, lending, guarantees, bills of exchange and deposits.

(e) Others

Other includes support functions of the bank which can not be classified in any of the above segment.