National Bank of Pakistan

Standalone Financial Statements

For the quarter ended March 31, 2010

Directors' Report

It gives me pleasure to present on behalf of the Board of Directors the accounts for the three months period ended March 31, 2010. The Profit for the three months period ended March 31,2010 after carry over of accumulated profit of 2009 is proposed to be appropriated as follows: -

Rs. in million

Net Profit before taxation for the quarter ended 31-Mar-10	6,304
Taxation	
-Current year	2,431
-Deferred	(343)
	2,088
After tax profit	4,216
Un-appropriated profit brought forward	61,347
Transfer from surplus on revaluation of fixed assets – Incremental depreciation	29
Profit available for appropriation	65,592
Appropriations	
Transfer to Statutory Reserve (10% of after tax	(422)
Cash Dividend (Rs. 7.5 per share)	(8,073)
Reserve for issue of bonus shares	(2,691)
	(11,185)
Un-appropriated profit carried forward	54,406

The bank recorded pre tax profit of Rs. 6,304 million in the quarter under review, same as comparative period last year. Earnings per share stand at Rs. 3.92, with pre tax return on equity and assets at 27.2% and 2.7% respectively. Cost to income ratio of the bank is at 0.41.

The core interest revenue of the bank increased by Rs. 2.2 billion or 11.9% with increase in net interest income by Rs. 585 million. Non interest markup income increased by Rs. 342 million or 9.3% compared to corresponding period last year despite decline of Rs. 500 million in exchange income on account of better arbitrage opportunities available last year. Commission income increased by Rs. 491 million. Capital gains are higher by Rs. 530 million due to combination of settlement of 2.5% bank's holding in NIT Units and renewed focus on equity investments. Administrative Expenses are higher in line with inflation

Deposits register decline of Rs. 12.6 billion from year end December 2009 mainly due to reduction in overseas deposits. Compared to March 2009, increase in deposit is Rs.73 billion.

Advances decreased by Rs. 18.0 billion compared to year end December 2009 due to repayment of loans under commodity financing. Non-performing loans increased marginally by Rs. 1.3 billion mainly in agriculture sector on account of seasonal factors.

Lastly we extend our gratitude to the bank's staff for their allegiance, dedication and hard work in achieving these results. We would like to express our appreciation to our stakeholders, regulators and our valued customers for their support and sustained level of trust in NBP.

On behalf of Board of Directors

S. Ali Raza
Chairman & President
Date: April 30, 2010

National Bank of Pakistan
Condensed Interim Balance Sheet
As at March 31, 2010

	Note	(Un-Audited) March 31 2010	(Audited) December 31 2009
		---------- (Rupees in '000') --------	
ASSETS			
Cash & balances with Treasury Banks		**73,224,494**	115,827,868
Balances with Other Banks		**23,825,268**	28,405,564
Lendings to Financial Institutions		**14,766,924**	19,587,176
Investments - net	6	**254,184,333**	217,642,822
Advances - net	7	**457,227,209**	475,243,431
Operating Fixed Assets - net		**25,414,938**	25,147,192
Deferred Tax Assets - net	8	**3,603,456**	3,062,271
Other Assets		**62,250,318**	59,316,438
		914,496,940	944,232,762
LIABILITIES			
Bills Payable		**6,504,437**	10,621,169
Borrowings		**33,574,682**	45,278,138
Deposits & Other Accounts	9	**713,839,705**	726,464,825
Sub-ordinated Loans		**-**	-
Liabilities against Assets subject to Finance Lease		**40,145**	42,629
Deferred Tax Liabilities		**-**	-
Other Liabilities		**46,066,301**	42,269,623
		800,025,270	824,676,384
NET ASSETS		**114,471,670**	119,556,378
REPRESENTED BY			
Share Capital		**10,763,701**	10,763,701
Reserves		**25,700,255**	22,681,707
Unappropriated Profit		**54,406,433**	61,346,510
		90,870,389	94,791,918
Surplus on revaluation of assets	10	**23,601,281**	24,764,459
		114,471,670	119,556,378
CONTINGENCIES AND COMMITMENTS	11		

The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.

Chairman & President **Director** **Director** **Director**

National Bank of Pakistan
Condensed Interim Profit & Loss Account - (Un-Audited)
For the Three Months Ended March 31, 2010

	Note	Quarter Ended March 31 2010	Quarter Ended March 31 2009
		---------- (Rupees in '000') --------	
Mark-up / Return / Interest Earned		**21,036,290**	18,796,238
Mark-up / Return / Interest Expensed		**10,984,427**	9,329,689
Net mark-up / Interest Income		**10,051,863**	9,466,549
Provision against Non-Performing Loans & Advances		**1,942,426**	1,584,427
Provision for Diminution in Value of Investments		**(3,272)**	116,912
		1,939,154	1,701,339
Net Mark-up / Interest Income after Provisions		**8,112,709**	7,765,210
NON MARK-UP/ INTEREST INCOME			
Fee, Commission & Brokerage Income		**2,238,829**	1,748,017
Dividend Income		**285,467**	232,564
Income from Dealing in Foreign Currencies		**657,917**	1,158,349
Gain on Sale of Securities		**789,119**	259,426
Unrealized Gain / (Loss) on Revaluation of Investments classified as Held-for-Trading		**(6,028)**	-
Other Income		**35,171**	260,185
Total Non-Mark-up / Interest Income		**4,000,475**	3,658,541
		12,113,184	11,423,751
NON MARK-UP/ INTEREST EXPENSES			
Administrative Expenses		**5,776,434**	5,117,957
Other Provisions / Write Offs		**15,617**	2,572
Other Charges		**17,554**	-
Total Non-Mark-up / Interest Expenses		**5,809,605**	5,120,529
		6,303,579	6,303,222
Extra Ordinary Items		**-**	-
PROFIT BEFORE TAXATION		**6,303,579**	6,303,222
Taxation - Current		**2,430,898**	2,790,873
- Prior Year(s)			
- Deferred		**(343,086)**	(701,996)
		2,087,812	2,088,877
PROFIT AFTER TAXATION		**4,215,767**	4,214,345
		----------Rupees----------	
Basic & Diluted Earnings per Share	**12**	**3.92**	3.92

The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.

Chairman & President **Director** **Director** **Director**

National Bank of Pakistan
Condensed Interim Statement of Changes in Equity - (Un-Audited)
For the Three Months Ended March 31, 2010

		Reserves					
		Capital			Revenue		
	Share capital	Exchange Translation	Reserve for issue of Bonus shares	Statutory	General	Unappropriated profit	Total
	(Rupees in '000)						
Balance as at January 1, 2009	8,969,751	5,987,376	-	13,432,333	521,338	52,456,204	81,367,002
Total Comprehensive Income for the Three Months period ended March 31, 2009	-	(33,160)	-	-	-	4,214,346	4,181,186
Transferred from Surplus on Revaluation Fix Assets	-	-	-	-	-	30,983	30,983
Transfer to Statutory Reserve	-	-	-	421,435	-	(421,435)	-
Balance as at March 31, 2009	**8,969,751**	**5,954,216**	**-**	**13,853,768**	**521,338**	**56,280,098**	**85,579,171**
Balance as at April 1, 2009	8,969,751	5,954,216	-	13,853,768	521,338	56,280,098	85,579,171
Total comprehensive income for the Nine Months period ended December 31, 2009	-	952,635	-	-	-	13,997,499	14,950,134
Transferred from Surplus on Revaluation Fix Assets	-	-	-	-	-	92,951	92,951
Transfer to Statutory Reserve	-	-	-	1,399,750	-	(1,399,750)	-
Transactions with Owners							
Issue of Bonus Shares (20%)	1,793,950	-	-	-	-	(1,793,950)	-
Cash dividend (Rs. 6.5 per share)	-	-	-	-	-	(5,830,338)	(5,830,338)
Balance as at December 31, 2009	**10,763,701**	**6,906,851**	**-**	**15,253,518**	**521,338**	**61,346,510**	**94,791,918**
Balance as at January 1, 2010	10,763,701	6,906,851	-	15,253,518	521,338	61,346,510	94,791,918
Total Comprehensive Income for the Three Months period ended March 31, 2010	-	(93,954)	-	-	-	4,215,767	4,121,813
Transferred from Surplus on Revaluation Fix Assets	-	-	-	-	-	29,434	29,434
Transfer to Statutory Reserve	-	-	-	421,577	-	(421,577)	-
Transactions with Owners							
Issue of Bonus Shares (25%)	-	-	2,690,925	-	-	(2,690,925)	-
Cash dividend (Rs. 7.5 per share)	-	-	-	-	-	(8,072,776)	(8,072,776)
Balance as at March 31, 2010	**10,763,701**	**6,812,897**	**2,690,925**	**15,675,095**	**521,338**	**54,406,433**	**90,870,389**

The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.

Chairman & President	Director	Director	Director

National Bank of Pakistan

Condensed Interim Statement of Comprehensive Income

For the Three Months Ended March 31, 2010

	Quarter Ended March 31 2010	Quarter Ended March 31 **2009**
	---------- (Rupees in '000') --------	
Profit after taxation for the year	4,215,767	4,214,346
Other comprehensive income:		
Exchange adjustments on translation of net assets of foreign branches	(93,954)	(33,160)
Total Comprehensive Income for the Three Months	4,121,813	4,181,186

The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.

Chairman & President **Director** **Director** **Director**

National Bank of Pakistan
Condensed Interim Cash Flow Statement - (Un-Audited)
For the Three Months Ended March 31, 2010

	March 31 2010	March 31 2009
	---------- (Rupees in '000') --------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	**6,303,579**	6,303,222
Less: Dividend Income	**285,467**	232,564
	6,018,112	6,070,658
Adjustments		
Depreciation	**250,651**	250,627
Provision against Non-Performing Loans & Advances	**1,942,426**	1,584,427
Provision for Diminution in Value of Investments	**(3,272)**	116,912
Other Provision / Write Off	**15,617**	2,572
Gain on Sale of Fixed Assets	**(7,848)**	(1,403)
Financial Charges on Leased Assets	**2,951**	2,742
	2,200,525	1,955,877
	8,218,637	8,026,535
(Increase) / Decrease in Operating Assets		
Lendings to Financial Institutions	**4,820,252**	(1,969,497)
Held-for-Trading Securities	**(7,756,907)**	1,007,496
Advances	**16,103,796**	6,125,358
Other Assets	**(4,657,071)**	(4,119,404)
	8,510,070	1,043,953
Increase / (Decrease) in Operating Liabilities		
Bills Payable	**(4,116,732)**	(3,908,412)
Borrowings	**(12,180,412)**	7,231,265
Deposits & Other Accounts	**(12,625,120)**	15,570,399
Other Liabilities (excluding Current Taxation)	**(4,276,098)**	(3,191,376)
	(33,198,362)	15,701,876
Income Tax Paid	**(723,324)**	(1,537,910)
Financial Charges Paid	**(2,951)**	(2,742)
	(726,275)	(1,540,652)
Net Cash Flow from Operating Activities	**(17,195,930)**	23,231,712
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investments in Available-for-Sale Securities	**(35,863,078)**	(21,183,944)
Proceeds from Held-to-Maturity Securities	**6,073,037**	9,316,154
Investments In Associates & Subsidiaries	**(328,853)**	-
Dividend Received	**285,467**	232,564
Investments in Operating Fixed Assets	**(540,032)**	(514,907)
Sale Proceeds of Operating Fixed Assets Disposed Off	**7,848**	1,403
Net Cash Used in Investing Activities	**(30,365,611)**	(12,148,730)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of Lease Obligations	**(5,131)**	(5,787)
Net Cash used in Financing Activities	**(5,131)**	(5,787)
Effects Of Exchange Rate Changes On Cash And Cash Equivalents	**(93,954)**	(33,160)
Net Increase in Cash & Cash Equivalents	**(47,660,626)**	11,044,035
Cash & Cash Equivalents at Beginning of the period	**144,169,195**	144,676,388
Cash & Cash Equivalents at the End of the period	**96,508,569**	155,720,423

The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.

Chairman & President | **Director** | **Director** | **Director**

National Bank of Pakistan
Notes To The Interim Condensed Financial Statements (Un-Audited)
For the Three Months Ended March 31, 2010

1. STATUS AND NATURE OF BUSINESS

1.1 National Bank of Pakistan (the bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on all the stock exchanges in Pakistan. It's registered and head office is situated at I.I. Chundrigar Road, Karachi. The bank is engaged in providing commercial banking and related services in Pakistan and overseas. The bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The bank operates 1,265 (2009: 1,265) branches in Pakistan and 22 (2009: 22) overseas branches (including the Export Processing Zone branch, Karachi). The bank also provides services as trustee to National Investment Trust (NIT), Long-Term Credit Fund (LTCF) and Endowment Fund for student loans scheme.

2. STATEMENT OF COMPLIANCE

2.1 These interim condensed unconsolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives shall prevail.

2.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of SECP dated April 28, 2008, the 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 SBP.

2.3 The disclosures made in these interim condensed financial statements have been limited based on the format prescribed by the SBP vide BSD Circular No. 2, dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information requirerd in the annual financial statements. Accordingly, these interim condensed unconsolidated financial statements should be read in conjunction with the annual financial statements of the bank for the year ended December 31, 2009.

2.4 These interim condensed financial statements are separate financial statements of the bank in which the investments in subsidiaries, associates and joint ventures are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees.

3. ACCOUNTING POLICIES

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

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates/judgments and associated assumptions used in the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the annual financial statements of the bank for the year ended December 31, 2009.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies applied during the period are consistent with those disclosed in the annual financial statements of the bank for the year ended December 31, 2009.

6. INVESTMENTS

	(Audited) March 31, 2010			(Un-Audited) December 31, 2009		
	Held by Bank	**Given as Collateral**	**Total**	Held by Bank	Given as Collateral	Total
	---------- (Rupees in '000') --------			**---------- (Rupees in '000') --------**		
6.1 Investments by type:						
Held-for-trading securities						
Market Treasury Bills	**9,649,986**	**-**	**9,649,986**	1,987,272	-	1,987,272
Pakistan Investment Bonds	**474,650**	**-**	**474,650**	221,275	-	221,275
Ordinary Shares of Listed companies	**11,201**	**-**	**11,201**	170,383	-	170,383
Ijarah Sukuk Bonds	**-**	**-**	**-**	-	-	-
	10,135,837	**-**	**10,135,837**	2,378,930	-	2,378,930
Available- for- sale securities						
Ordinary Shares of Listed companies	**17,392,689**	**-**	**17,392,689**	15,499,059	-	15,499,059
Ordinary Shares of Un-Listed companies	**891,411**	**-**	**891,411**	753,114	-	753,114
	18,284,100	**-**	**18,284,100**	16,252,173	-	16,252,173
Market Treasury Bills	**121,838,165**	**13,654,150**	**135,492,315**	91,064,768	23,504,630	114,569,398
Preference Shares	**255,920**	**-**	**255,920**	271,533	-	271,533
Pakistan Investment Bonds	**11,715,357**	**482,429**	**12,197,786**	10,907,159	1,213,247	12,120,406
Gop Foreign Curency Bonds	**3,016,383**	**-**	**3,016,383**	3,021,990	-	3,021,990
Foreign Government Securities	**209,753**	**-**	**209,753**	210,003	-	210,003
Term Finance Certificates / Mushairka,			**-**			-
Foreign Currency Debt Securities			**-**			-
and Sukuk Bonds	**43,674,000**	**-**	**43,674,000**	30,914,446		30,914,446
Mutual Funds	**1,070,114**	**-**	**1,070,114**	977,335	-	977,335
Investment outside Pakistan - note 6.2	**463,295**	**-**	**463,295**	463,295	-	463,295
National Investment Trust (NIT) Units - note 6.3	**1,042,430**	**-**	**1,042,430**	1,042,439	-	1,042,439
NIT Market Opportunity Fund	**1,530,000**	**-**	**1,530,000**	1,530,000		1,530,000
Total Available- for- sale securities	**203,099,516**	**14,136,579**	**217,236,096**	156,655,141	24,717,877	181,373,018
Held-to-maturity securities						
Government Compensation Bonds	**1,132,963**	**-**	**1,132,963**	1,132,963	-	1,132,963
Provincial Government Securities		**-**	**-**	-	-	-
Pakistan Investment Bonds	**8,846,351**	**-**	**8,846,351**	8,616,000	263,661	8,879,661
GoP Foreign Currency Bonds	**370,894**	**-**	**370,894**	371,910	-	371,910
Foreign Government Securities	**1,073,225**	**-**	**1,073,225**	1,392,168	-	1,392,168
Debentures, Bonds, Participation Term			**-**			-
Certificates & Term Finance Certificates	**4,788,710**	**-**	**4,788,710**	10,508,477	-	10,508,477
Total Held-to-Maturity Securities	**16,212,143**	**-**	**16,212,143**	22,021,518	263,661	22,285,179
Investments in Associates	**1,049,669**	**-**	**1,049,669**	989,669	-	989,669
Investments in Joint Ventures - note 6.4	**1,244,835**	**-**	**1,244,835**	1,312,335	-	1,312,335
Investments in Subsidiaries - note 6.4	**2,276,306**	**-**	**2,276,306**	1,939,953	-	1,939,953
Investment at cost	**234,018,306**	**14,136,579**	**248,154,885**	185,297,546	24,981,538	210,279,084
Less: Provision for Diminution in Value of Investments	**(2,138,262)**	**-**	**(2,138,262)**	(2,141,534)	-	(2,141,534)
Investments (net of Provisions)	**231,880,044**	**14,136,579**	**246,016,623**	183,156,012	24,981,538	208,137,550
Surplus / (Deficit) on Revaluation of Held-for-trading securities	**(6,028)**	**-**	**(6,028)**	2,355	-	2,355
Surplus on Revaluation of Available-for-Sale Securities	**8,135,593**	**38,145**	**8,173,738**	9,502,001	916	9,502,917
Total Investments at Market Value	**240,009,608**	**14,174,725**	**254,184,333**	192,660,368	24,982,454	217,642,822

6.2 Investment outside Pakistan - Bank Al-Jazira

The Bank holds 17,500,000 (2009: 17,500,000) shares in Bank Al-Jazira (BAJ) incorporated in the Kingdom of Saudi Arabia, representing 5.83% (2009: 5.83%) holding in total share capital of BAJ. The investment has been marked to market using closing price as quoted on the Saudi Stock Exchange in accordance with SBP concurrence vide letter No. BSD/SU-13/331/685/2006 dated February 17, 2006.

6.3 National Investment (Unit) Trust - [NI(U)T]

As per the agreement executed between NITL and the bank having effective date of December 31, 2009, to settle the issue of LOC, 5% of the Balance Assets of each segment would be transferred to NITL and 5% of net cash realized pursuant to transfer of Strategic Assets would be paid to NITL. The GoP was requested by the bank to revise its decision to the extent of this 5% transfer to be made to NITL. The bank also contested over the matter of 10% discount on the value of the shares of PSO & SNGPL. The GOP considered the viewepoint of the bank over the matter of 5% as baove and reduced the same to 2.5% for the benfits of all LOC Holders.Accordingly the bank has recorded its share of Balance Assets and a capital gain of Rs 294 million. The GOP also considered the bank's view point over 10% discount however, the GOP didn't acceed to the request. The bank would again take up the matter of discount with GOP and any settlement will be made on the basis of further decision from the GOP.

6.4 Acquisition of Major Share Holding in NAFA

During the year the bank has acquired entire holding (27%) consisting of 6.75 million shares of NIB Bank Limited in NAFA at Rs 39.83 per share which has resulted in increase in bank's post acquisition holding from current holding of 27% to 54% thereby changing the status from Joint Venture to Subsidiary Company as on March 31, 2010

	Note	March 31 2010 (Un-audited)	December 31 2009 (Audited)
		---------- (Rupees in '000') --------	
7 ADVANCES			
Loans, cash credits, running finances, etc.			
In Pakistan		**448,029,476**	469,366,422
Outside Pakistan		**42,345,014**	38,669,185
		490,374,490	508,035,607
Bills discounted and purchased (excluding Government treasury bills)			
Payable in Pakistan		**2,653,706**	2,854,682
Payable outside Pakistan		**21,077,563**	19,911,141
		23,731,269	22,765,823
Margin Financing		**60,963**	90,963
Advances - gross		**514,166,722**	530,892,393
Less: Provision against non-performing loans		**(56,939,513)**	(55,618,962)
Advances - net of provision		**457,227,209**	475,273,431

7.1 Advances include Rs.72,249 million (2009: Rs.70,923 million) which have been placed under the non-performing status as detailed below:

Category of Classification	Domestic	Overseas	Total	Provision Required	Provision Held
	---------- (Rupees in '000') ----------				
Other Assets Especially Mentior	1,531,803	-	1,531,803	-	-
Substandard	5,632,662	39,032	5,671,694	1,274,406	1,274,406
Doubtful	6,817,362	818,116	7,635,478	3,427,960	3,427,960
Loss	56,042,466	1,367,794	57,410,260	50,238,824	50,238,824
	70,024,293	**2,224,942**	**72,249,235**	**54,941,190**	**54,941,190**

7.2 During 2009, the SBP vide its BSD Circular No.10 dated October 20, 2009 has amended Prudential Regulations in respect of provisioning against non-performing advances. The revised regulations that were effective from September 30, 2009 had increased the percentage of benefit of Forced Sale Value (FSV) from 30% to 40% for mortgaged residential and commercial properties held as collateral against advances by the bank and aforesaid regulation also allowed the benefit of FSV in respect of mortgaged industrial properties (land and building only). FSV benefit shall be considered in determining provisioning against non-performing advances classified during the last three years.

The aforesaid changes in the computation of provisioning has resulted in reduction of provision against non-performing advances by Rs. 2,428 million and a consequent increase in profit after tax by Rs. 1,578 million.

However, the increase in profit after tax of Rs. 1,578 million shall not available for payment of cash or stock dividend as required by aforementioned SBP directives.

	Note	**March 31 2010 (Un-Audited)**	December 31 2009 (Audited)
8. DEFERRED TAX ASSETS - net		-------- (Rupees in '000) ------	
Deferred tax assets arising in respect of			
Provision for diminution in the value of investments		**551,389**	552,534
Provision against advances and off-balance sheet obligations		**5,067,415**	4,837,462
Other provisions		**280,000**	280,000
Charge against defined benefits plans		**1,054,070**	927,443
		6,952,874	6,597,439
Deferred tax (liabilities) arising in respect of			
Excess of accounting book value of leased assets over lease liabilities		**(7,043)**	(7,065)
Difference between accounting book value of fixed assets and tax base		**(250,513)**	(222,293)
Revaluation of securities		**(1,830,760)**	(2,028,859)
Revaluation of fixed assets		**(1,261,102)**	(1,276,951)
		(3,349,418)	(3,535,168)
Net deferred tax assets		**3,603,456**	3,062,271

	March 31 2010 (Un-audited)	December 31 2009 (Audited)
	---------- (Rupees in '000') --------	
9. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	**222,741,690**	194,731,591
Savings deposits	**200,051,012**	196,373,780
Current accounts - remunerative	**60,059,382**	74,133,946
Current accounts - non-remunerative	**161,347,552**	169,043,847
	644,199,636	634,283,164
Financial Institutions		
Remunerative deposits	**46,735,761**	48,428,983
Non-remunerative deposits	**22,904,308**	43,752,678
	69,640,069	92,181,661
	713,839,705	726,464,825

10. SURPLUS ON REVALUATION OF ASSETS - net

Surplus on revaluation of fixed assets - net of tax	**17,258,303**	17,290,401
Surplus / (deficit) on revaluation of Available-for-sale securities - net of tax		
Federal Government securities	**(206,514)**	(70,166)
Term Finance Certificates	**(705,708)**	(763,683)
Quoted shares and mutual funds	**523,659**	1,739,784
Gop Foreign Currency Bonds	**382,587**	556,772
NIT Units	**682,122**	616,024
NIT Market Opportunity Fund	**446,547**	360,573
Investment outside Pakistan - Bank Al-Jazira	**7,051,045**	7,063,613
	8,173,738	9,502,917
Deferred tax liability	**(1,830,760)**	(2,028,859)
	23,601,281	24,764,459

11. CONTINGENCIES AND COMMITMENTS

11.1 Direct credit substitutes

Includes general guarantee of indebtedness, bank acceptance guarantees and standby letters of credit serving as financial guarantees for loans and securities issued in favour of:

	March 31 2010 (Un-audited)	December 31 2009 (Audited)
	---------- (Rupees in '000') --------	
- Government	**19,031,309**	17,443,452
- Financial institutions	**4,876,219**	4,469,377
- Others	**12,235,215**	11,214,383
	36,142,743	33,127,212

11.2 Transaction-related contingent liabilities

Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credits related to particular transactions issued in favour of:

- Government	**18,724,069**	18,524,777
- Financial institutions	**4,278,320**	4,232,783
- Others	**9,336,740**	9,237,363
	32,339,129	31,994,923

11.3 Trade-related contingent liabilities

Letters of credit		
Issued in favour of		
- Government	**139,016,249**	126,151,618
- Financial institutions	**177,648**	161,208
- Others	**42,686,462**	38,736,236
	181,880,359	165,049,062

11.4 Other contingencies

11.4.1 Claims against the bank not acknowledged as debts [including SBP liabilities on Bangladesh borrowing and interest thereon amounting to Rs.172 million (2009: Rs.172 million) and claims relating to former Mehran Bank Limited amounting to Rs.965 million (2009: Rs.965 million)].

	6,561,411	6,561,411

11.4.2 Taxation

The income tax returns of the bank for global operations and for Azad Jammu Kashmir have been filed under section 120 and amended by the Taxation Officer under section 122(5A) of the Income Tax Ordinance, 2001 upto the tax year 2009 (accounting year ended December 31, 2008).

Appeals filed by the bank and tax department for various assessment years are pending before various appellate forums/court of law. The major issues involved include interest credited to suspense account, allocation of common expenditure between taxable and exempt / low tax rate, disallowance for bad debts on the basis of State Bank of Pakistan certificates and disallowance of loss on Barter Trader Balances.

In the event that the pending issues are decided against the bank, a further tax liability of Rs.7,368 million (December 31, 2009: Rs. 7,368 million) may arise in addition to the provision made by the Bank.

However, no additional provision against pending issues have been made by the Bank as the management, based on the opinion of tax lawyers and consultants, expects favourable outcome of these matters.

11.4.3 Provident Fund / Barter Trade Agreements / Golden Handshake

The current status of these contingencies is same as disclosed in the annual financial statements of the bank for the year ended December 31, 2009.

		March 31 2010 (Un-Audited)	December 31 2009 (Audited)
		---------- (Rupees in '000') --------	
11.5	**Commitments in respect of forward exchange contracts**		
	Purchase	**52,061,719**	87,829,307
	Sale	**108,697,369**	38,568,464
11.6.	**Commitments in respect of forward trading of government securities**		
	Purchase	**100,000**	5,000,000
11.7.	**Other Commitments**		
	Cross Currency SWAP	**6,525,273**	6,914,649
11.8	**Commitments for the acquisition of operating fixed assets**	**1,507,150**	1,537,996

12. BASIC AND DILUTED EARNINGS PER SHARE

	Quarter Ended March 31 2010 (Un-Audited)	Quarter Ended March 31 2009 **(Un-Audited)**
Profit after taxation (Rupees in '000)	**4,215,767**	4,214,345
Weighted average number of ordinary shares (in '000)	**1,076,370**	1,076,370
Basic and diluted earnings per share (Rupees)	**3.92**	3.92

13. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate Finance	**Trading & Sales**	**Retail Banking**	**Commercial Banking**	**Payment & Settlement**	**Agency Services**	**Total**
	---------- Rupees in '000 ----------						
March 31, 2010 - Unaudited							
Total income	51,500	32,939	2,689,149	9,952,906	417,427	908,416	14,052,338
Total expenses	518	19,723	2,470,085	4,113,808	247,475	897,150	7,748,759
Net income	50,982	13,216	219,064	5,839,098	169,952	11,266	6,303,579
March 31, 2009 - Unaudited							
Total income	75,529	(18,512)	2,689,231	9,247,997	334,114	796,731	13,125,090
Total expenses	148	14,779	2,604,501	3,190,484	232,434	779,521	6,821,867
Net income	75,381	(33,291)	84,730	6,057,513	101,680	17,210	6,303,222

14. RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its associated undertakings, subsidiary companies, joint ventures, employee benefit plans, and its key management personnel (including their associates). Transactions between the Bank and its related parties are carried out under normal commercial term except employee staff loans, return on provident fund and loan given to NBP Exchange Company Limited, that are as per the agreed term. Transactions with related parties during the period are as under:

	For the Three Months Period Ended March 31, 2010 (Un-Audited)			For the Year Ended December 31, 2009 (Audited)		
	Key Management Executives	Subsidiaries	Associates	Key Management Executives	Subsidiaries	Associates
	(Rupees in '000')					
Advances						
At January 01	97,439	575,404	1,287,942	95,931	682,730	1,269,498
Given during the period / year	783	-	4,629	4,524	-	18,444
Repaid during the period / year	-	(88,439)	-	(3,016)	(107,326)	-
At March 31 / Dec 31	98,222	486,965	1,292,571	97,439	575,404	1,287,942
		108,808				

	For the Three Months Period Ended March 31, 2010 (Un-Audited)				For the Year Ended December 31, 2009 (Audited)			
	Subsidiaries	Pension Fund (Current a/c)	Pension Fund (Fix Deposit)	Provident Fund	Subsidiaries	Pension Fund (Current a/c)	Pension Fund (Fix Deposit)	Provident Fund
	(Rupees in '000')							
Deposits								
At January 01	259,618	405,351	7,300,000	8,448,101	167,224	3,940,161	5,900,000	8,507,300
Received during the period / year	73,967	1,463,109	1,000,000	138,233	92,394	12,791,620	4,800,000	3,548,530
Repaid during the period / year	-	(1,056,677)	(3,300,000)	(131,775)	-	(16,326,430)	(3,400,000)	(3,607,729)
At March 31 / Dec 31	333,585	811,783	5,000,000	8,454,559	259,618	405,351	7,300,000	8,448,101

	March 31 2010 (Un-Audited)	March 31 2009 (Audited)
	(Rupees in '000')	
Placements with:		
Pension Fund	**-**	2,900,000
Joint venture	**417,290**	421,119
Associates / Subsidiaries	**25,881**	25,881
Borrowing from		
Subsidiary	**450,000**	450,000
Other Receivables	**42,445**	34,469
Other Payables	**2,965**	11,308

	Three months period ended March 31 2010 (Un-Audited)	Three months period ended March 31 2009 (Un-Audited)
	(Rupees in '000')	
Income for the year		
On Advances / Placements with:		
Subsidiaries	**-**	2,164
Joint venture	**597**	671
Expenses for the year		
Remuneration to Key Management Executives	**152,460**	114,423
Charge for Defined Benefit Plan	**4,367**	2,396
Mark-up on Deposits of:		
Subsidiaries	**2,977**	79
Provident fund	**410,379**	250,969
Pension fund	**151,674**	-
Mark-up on Repo Borrowing of:		
Subsidiaries	**11,333**	50,830
Commission Paid to Subsidiaries	**1,813**	224

14.1 Although the Federal Government and the SBP held about 75.48% shares of the bank (2009: 75.48%), the transactions with these entities have not been treated as related party transactions for the purpose of this

15. ISLAMIC BANKING BUSINESS

The bank is operating 8 (December 31, 2009: 8) Islamic banking branch as at March 31, 2010. The balance sheet and profit and loss account is as under:

	March 31 2010 (Un-Audited)	December 31 2009 (Audited)
	---------- (Rupees in '000') --------	
Balance Sheet		
ASSETS		
Cash and balances with treasury banks	**45,237**	43,290
Investments	**438,000**	144,789
Financing and Receivables	**351,068**	736,417
Fixed Assets	**138,048**	104,314
Other assets	**30,804**	8,627
Total Assets	**1,003,157**	1,037,437
LIABILITIES		
Bills payable	**3,022**	6,070
Deposits and other accounts	**496,232**	507,760
Due to Head Office	**177,573**	246,385
Other liabilities	**46,740**	58,870
	723,567	819,085
NET ASSETS	**279,590**	218,352
REPRESENTED BY		
Islamic Banking Fund	**300,000**	300,000
Un remitted (loss) / profit	**(1,116)**	(11,437)
	298,884	288,563
Surplus on Revaluation of Assets	**(19,294)**	(70,211)
	279,590	218,352

	March 31 2010 (Un-Audited)	March 31 2009 (Un-Audited)
	---------- (Rupees in '000) ----------	
Profit and Loss Account		
Profit / return on financing and placements earned	**41,865**	42,293
Profit / return on deposit and other dues expensed	**12,823**	18,909
Net spread earned	**29,042**	23,384
OTHER INCOME		
Fee, commission and brokerage income	**854**	235
Income from dealing in foreign currencies	**37**	-
Other income	**-**	28
Total other income	**891**	263
OTHER EXPENSES		
Administrative expenses	**31,049**	24,407
Other charges	**-**	200
Total other expenses	**31,049**	**24,607**
PROFIT BEFORE TAXATION	**(1,116)**	(960)

16. DATE OF AUTHORIZATION FOR ISSUE

The interim condensed financial statements were authorized for issue on April 30, 2010 by the Board of Directors of the Bank.

17. GENERAL

17.1 Figures have been rounded-off to the nearest thousand rupees.

Chairman & President	Director	Director	Director

National Bank of Pakistan

Consolidated Financial Statements

For the quarter ended March 31, 2010

National Bank of Pakistan
Consolidated Condensed Interim Balance Sheet
As at March 31, 2010

	Note	(Un-Audited) Mar 31 2010	(Audited) Dec 31 2009
		---------- (Rupees in '000') ----------	
ASSETS			
Cash and Balances with Treasury Banks		**74,137,725**	116,668,514
Balances with other Banks		**24,112,606**	28,786,397
Lendings to Financial Institutions		**14,880,924**	19,683,526
Investments - Net	6	**254,157,573**	217,596,037
Advances - Net	7	**457,438,927**	475,338,439
Operating Fixed Assets - Net		**25,773,578**	25,200,870
Deferred Tax Assets	8	**3,586,011**	3,064,459
Other Assets		**62,589,705**	59,565,027
		916,677,049	945,903,269
LIABILITIES			
Bills Payable		**6,504,437**	10,621,169
Borrowings		**33,574,682**	44,828,138
Deposits and other Accounts	9	**713,749,613**	726,513,013
Sub-ordinated Loans		**-**	-
Liabilities against Assets subject to Finance Lease		**61,327**	42,629
Deferred Tax Liabilities		**-**	-
Other Liabilities		**46,239,167**	42,455,768
		800,129,226	824,460,717
NET ASSETS		**116,547,823**	121,442,552
REPRESENTED BY			
Share Capital		**10,763,701**	10,763,702
Reserves		**26,434,995**	23,395,059
Unappropriated Profit		**55,433,225**	62,346,594
		92,631,922	96,505,355
Minority Interest		**262,163**	110,930
		92,894,084	96,616,285
Surplus on Revaluation of Assets - net	10	**23,653,738**	24,826,267
		116,547,823	121,442,552
CONTINGENCIES AND COMMITMENTS	11		

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.

Chairman & President	**Director**	**Director**	**Director**

National Bank of Pakistan
Consolidated Condensed Interim Profit & Loss Account - (Un-Audited)
For the Three Months Period Ended March 31, 2010

	Note	**Quarter Ended Mar 31 2010**	Quarter Ended Mar 31 2009
		--------- (Rupees in '000') ---------	
Mark-up / Return / Interest Earned		**21,099,943**	18,843,493
Mark-up / Return / Interest Expensed		**10,981,559**	9,280,862
Net Mark-up / Interest Income		**10,118,384**	9,562,631
Provision against Non-Performing Loans & Advances		**1,942,426**	1,584,427
Provision / Reversal for Diminution in the Investments Value		**(3,130)**	129,324
		1,939,296	1,713,751
Net Mark-up / Interest Income after Provisions		**8,179,088**	7,848,880
NON MARK-UP / INTEREST INCOME			
Fee, Commission & Brokerage Income		**2,261,370**	1,763,911
Dividend income		**285,467**	232,564
Income from Dealing In Foreign Currencies		**658,876**	1,221,883
Gain / (Loss) on Sale of Securities		**797,022**	259,426
Unrealized Gain / (Loss) on Revaluation of Investments Classified as Held-for-Trading		**(6,028)**	-
Share of loss from Joint Ventures		**(15,694)**	7,717
Share of Profit from Associate		**3,987**	3,991
Other income		**36,601**	268,673
Total non mark-up / interest income		**4,021,602**	3,758,165
		12,200,689	11,607,045
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses		**5,839,931**	5,196,243
Other provisions / write offs		**13,071**	2,572
Other charges		**17,554**	-
Total non mark-up / interest expenses		**5,870,555**	5,198,815
		6,330,134	6,408,230
Extra ordinary items		**-**	-
PROFIT BEFORE TAXATION		**6,330,134**	6,408,230
Taxation - Current		**2,431,831**	2,816,072
- Prior year(s)		**-**	-
- Deferred		**(344,172)**	(702,033)
		2,087,659	2,114,039
PROFIT AFTER TAXATION		**4,242,475**	4,294,191
Attributable to:			
Shareholders of the Bank		**4,242,762**	4,294,636
Minority Interest		**(287)**	(445)
Profit Available for Appropriation		**4,242,475**	4,294,191
		----------Rupees----------	
Basic and Diluted Earnings per Share (Rupees)	**12**	**3.94**	3.99

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.

Chairman & President	**Director**	**Director**	**Director**

National Bank of Pakistan

Consolidated Condensed Interim Statement of Comprehensive Income

For the Three Months Period Ended March 31, 2010

	Quarter Ended Mar 31 2010	Quarter Ended Mar 31 **2009**
	----- (Rupees in '000) ------	
Profit after taxation for the year	4,242,475	4,294,191
Other comprehensive income:		
Exchange adjustments on translation of net assets of foreign branches Subsidiary, & Joint Venture	(72,566)	(527,231)
Total Comprehensive Income for the Three Months	4,169,909	3,766,960
Total Comprehensive Income attributable to :		
Share Holders of the Bank	4,170,196	3,767,405
Minority Interest	(287)	(445)
	4,169,909	3,766,960

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.

Chairman & President	**Director**	**Director**	**Director**

National Bank of Pakistan
Consolidated Condensed Interim Cash Flow Statement - (Un-Audited)
For the Three Months Period Ended March 31, 2010

	Quarter Ended Mar 31 2010	Quarter Ended Mar 31 2009
	---------- (Rupees in '000) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**6,330,134**	6,408,230
Less: Dividend income	**285,467**	232,564
	6,044,667	6,175,666
Adjustments:		
Depreciation	**253,831**	255,734
Provision against non-performing advances	**1,942,426**	1,584,427
Provision / (reversal) for diminution in the value of investments	**(3,130)**	129,324
Other provisions / write offs	**13,071**	2,572
Gain on sale of fixed assets	**(2,261)**	(1,403)
Financial charges on leased assets	**2,503**	2,742
Share of loss from joint ventures	**15,694**	(7,717)
Share of profit from associates	**(3,987)**	(3,991)
	2,218,147	1,961,688
	8,262,814	8,137,354
(Increase) / decrease in operating assets		
Lendings to financial institutions	**4,802,602**	(2,386,304)
Held-for-trading securities	**(8,223,080)**	1,001,099
Advances	**15,957,086**	6,059,814
Other assets (excluding advance taxation - net)	**(4,734,657)**	(4,337,778)
	7,801,952	336,831
Increase / (decrease) in operating liabilities		
Bills payable	**(4,116,732)**	(3,908,412)
Borrowings	**(11,730,412)**	7,645,900
Deposits and other accounts	**(12,763,400)**	15,235,479
Other liabilities	**(4,289,377)**	(3,333,379)
	(32,899,921)	15,639,588
Income tax paid	**(734,922)**	(1,482,464)
Financial charges paid	**(2,503)**	(2,742)
	(737,425)	(1,485,206)
Net cash flow from operating activities	**(17,572,581)**	22,628,567
CASH FLOWS FROM INVESTING ACTIVITIES		
(Net investments) in available-for-sale securities	**(35,599,416)**	(21,050,635)
Proceeds from held-to-maturity securities	**5,950,011**	9,222,805
Dividend income received	**285,467**	232,564
Investments in operating fixed assets	**(653,820)**	(506,293)
Sale proceeds of property and equipment disposed off	**2,261**	1,403
Net cash (used) in investing activities	**(30,015,497)**	(12,100,156)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of lease obligations	**(5,131)**	(5,787)
Net cash used in financing activities	**(5,131)**	(5,787)
Effects of exchange rate changes on cash and cash equivalents	**(88,327)**	(173,836)
Net increase in cash and cash equivalents	**(47,681,536)**	10,348,788
Cash and cash equivalents at beginning of the period	**145,390,674**	146,097,099
Cash and cash equivalents at the end of the period	**97,709,138**	156,445,885

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.

Chairman & President | **Director** | **Director** | **Director**

National Bank of Pakistan
Consolidated Condensed Interim Statement of Changes in Equity - (Un-Audited)
For the Three Months Period Ended March 31, 2010

		Reserves							
		Capital			Revenue				
	Share capital	Exchange Translation	Reserve for Bonus Shares Issue	Statutory	General	Unappropriated profit	Sub Total	Minority Interest	Total
	---------- (Rupees in '000) ----------								
Balance as at January 1, 2009	8,969,751	6,432,145	-	13,523,380	521,338	53,567,323	83,013,937	112,699	83,126,636
Total Comprehensive Income for the Three Months period ended March 31, 2009	-	(527,231)	-	-	-	4,294,636	3,767,405	(445)	3,766,960
Transfer from Surplus on Revaluation of Fixed Assets						30,983	30,983		30,983
Transfer to Statutory Reserve	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2009	**8,969,751**	**5,904,914**	**-**	**13,523,380**	**521,338**	**57,892,942**	**86,812,325**	**112,254**	**86,924,579**
Balance as at April 1, 2009	8,969,751	5,904,914	-	13,523,380	521,338	57,892,942	86,812,325	112,254	86,924,579
Total comprehensive income for the Nine Months period ended December 31, 2009	-	1,624,242	-	-	-	13,806,174	15,430,416	(1,324)	15,429,092
Transfer from Surplus on Revaluation of Fixed Assets						92,951	92,951		92,951
Transfer to Statutory Reserve	-	-	-	1,821,185	-	(1,821,185)	-	-	-
Transactions with Owners									
Issue of Bonus Shares (20%)	1,793,950	-	-	-	-	(1,793,950)	-	-	-
Cash dividend (Rs. 6.5 per share)	-	-	-	-	-	(5,830,338)	(5,830,338)	-	(5,830,338)
Balance as at December 31, 2009	**10,763,701**	**7,529,156**	**-**	**15,344,565**	**521,338**	**62,346,594**	**96,505,354**	**110,930**	**96,616,284**
Balance as at January 1, 2010	10,763,701	7,529,156	-	15,344,565	521,338	62,346,594	96,505,354	110,930	96,616,284
Minority Interest @ 46% - NAFA	-	-	-	-	-	-	-	150,946	150,946
Total Comprehensive Income for the Three Months period ended March 31, 2010	-	(72,566)	-	-	-	4,242,475	4,169,909	287	4,170,196
Transfer from Surplus on Revaluation of Fixed Assets						29,434	29,434		29,434
Transfer to Statutory Reserve	-	-	-	421,577	-	(421,577)	-	-	-
Transactions with Owners									
Issue of Bonus Shares (25%)	-	-	2,690,925	-	-	(2,690,925)	-	-	-
Cash dividend (Rs. 7.5 per share)	-	-	-	-	-	(8,072,776)	(8,072,776)	-	(8,072,776)
Balance as at March 31, 2010	**10,763,701**	**7,456,590**	**2,690,925**	**15,766,142**	**521,338**	**55,433,225**	**92,631,922**	**262,163**	**92,894,085**

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.

Chairman & President	Director	Director	Director

National Bank of Pakistan
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
For the Three Months Period Ended March 31, 2010

1. THE GROUP AND ITS OPERATIONS

1.1 The "Group" Consist of:

Holding Company
- National Bank of Pakistan

Subsidiary Companies
- CJSC Subsidiary Bank of NBP in Kazakhistan
- NBP Capital Limited
- NBP Exchange Company Limited
- NBP Modaraba Management Company Limited
- Taurus Securities Limited
- National Fullerton Alexandra Management (NAFA) Company Limited
- National Agriculture & Storage Company Limited
- Cast-N-Link Products Limited

The Group is engaged in commercial banking, modaraba management, brokerage, leasing and discounting services.

The holding company was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on all the stock exchanges in Pakistan. Its registered and head office is situated at I.I. Chundrigar Road, Karachi. The holding company is engaged in providing commercial banking and related services in Pakistan and overseas. The holding company also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The holding company operates 1,265 (2009: 1,265) branches in Pakistan and 22 (2009: 22) overseas branches (including the Export Processing Zone branch, Karachi). Under a Trust Deed, the holding company also provides services as trustee to National Investment Trust (NIT) and Long Term Credit Fund (LTCF).

NBP Capital Limited, CJSC Subsidiary Bank of NBP in Kazakhistan, NBP Exchange Company Limited, NBP Modaraba Management Company Limited and National Agricultural & Storage Company Limited are wholly owned subsidiaries of the holding company while the controlling interest in Taurus Securities Limited is 58.32%, NAFA is 54%, and Cast-N-Link Products Limited is 76.51%.

1.2 Basis of Consolidation

- The interim condensed consolidated financial statements include the interim condensed financial statements of the holding company and its subsidiary companies - "the Group".
- The assets and liabilities of subsidiary companies have been consolidated on a line by line basis and the carrying value of investments held by the holding comany is eliminated against the subsidiaries' shareholders' equity in the interim condensed consolidated financial statements.
- Minority interest are that part of the net results of operations and of net assets of subsidiary companies attributable to interests which are not owned by the holding company.
- Material intra-group balances and transactions have been eliminated.
- National Agriculture & Storage Company Limited and Cast-N-Link Product Limited have not been Consolidated, as these investments are fully provided and financial statements of these subsidiaries are not available.

2. STATEMENT OF COMPLIANCE

2.1 These consolidated condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirements of the said directives prevail.

2.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of SECP dated April 28, 2008, the 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 SBP.

2.3 The disclosures made in these condensed consolidated interim financial statements have been limited based on the format prescribed by the SBP vide BSD Circular No. 2, dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these consolidated condensed interim financial statements should be read in conjunction with the annual consolidated financial statements of the Bank for the year ended December 31, 2009.

3. ACCOUNTING POLICIES

The accounting policies adopted in preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements of the holding company for the year ended December 31, 2009.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The estimates/judgments and associated assumptions used in the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the bank for the year ended December 31, 2009.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the bank for the year ended December 31, 2009.

6. INVESTMENTS

	Note	March 31, 2010 (Un-audited) Held by bank	Given as collateral	Total	December 31, 2009 (Audited) Held by bank	Given as collateral	Total
		---------- (Rupees in '000) ----------			---------- (Rupees in '000) ----------		
6.1 Investments by type:							
Held-for-trading securities							
Ordinary shares of listed companies		**75,613**	**-**	**75,613**	170,383	-	170,383
Market Treasury Bills		**10,051,746**	**-**	**10,051,746**	1,987,272	-	1,987,272
Pakistan Investment Bonds		**474,650**	**-**	**474,650**	221,275	-	221,275
Total Held-for-Trading Securities		**10,602,010**	**-**	**10,602,010**	2,378,930	-	2,378,930
Available- for- sale securities							
Ordinary shares of listed companies		**17,393,169**	**-**	**17,393,169**	15,507,402	-	15,507,402
Ordinary shares of unlisted companies		**891,411**	**-**	**891,411**	753,114	-	753,114
		18,284,580	**-**	**18,284,580**	16,260,516	-	16,260,516
Market Treasury Bills		**121,838,165**	**13,654,150**	**135,492,315**	91,064,768	23,504,630	114,569,398
Preference shares		**278,750**	**-**	**278,750**	294,033	-	294,033
Pakistan Investment Bonds		**11,924,686**	**482,429**	**12,407,115**	11,117,142	1,213,247	12,330,389
Federal Investment Bonds		**-**	**-**	**-**	-	-	-
GoP Foreign Currency Bonds		**3,016,383**	**-**	**3,016,383**	3,021,990	-	3,021,990
Debentures, Bonds, Participation Term Certificates and Term Finance Certificates		**43,739,963**	**-**	**43,739,963**	30,985,145	-	30,985,145
Mutual funds		**1,097,242**	**-**	**1,097,242**	1,041,137	-	1,041,137
Foreign Government Securities		**209,753**	**-**	**209,753**	424,078	-	424,078
Investment outside Pakistan	6.2	**463,295**	**-**	**463,295**	463,295	-	463,295
NIT Market Opportunity Fund		**1,530,000**	**-**	**1,530,000**	1,530,000	-	1,530,000
National Investment Trust (NIT) Units	6.3	**1,042,439**	**-**	**1,042,439**	1,042,439	-	1,042,439
Total Available- for- sale securities		**203,425,257**	**14,136,579**	**217,561,836**	157,244,543	24,717,877	181,962,420
Held-to-maturity securities							
Government Compensation Bonds		**1,132,963**	**-**	**1,132,963**	1,132,963	-	1,132,963
Pakistan Investment Bonds		**8,846,351**	**-**	**8,846,351**	8,702,404	263,661	8,966,065
Federal Investment Bonds		**85,056**	**-**	**85,056**		-	-
Market Treasury Bills		**-**	**-**	**-**		-	-
GoP Foreign Currency Bonds		**370,894**	**-**	**370,894**	371,910	-	371,910
Foreign Government Securities		**1,147,599**	**-**	**1,147,599**	1,392,168	-	1,392,168
Debentures, Bonds, Participation Term Certificates and Term Finance Certificates		**4,838,710**	**-**	**4,838,710**	10,508,477	-	10,508,477
Certificates of Investment		**-**	**-**	**-**	-	-	-
Total Held-to-maturity securities		**16,421,572**	**-**	**16,421,572**	22,107,922	263,661	22,371,583
Investments in associates		**1,249,938**	**-**	**1,249,938**	1,185,085	-	1,185,085
Investments in joint ventures	6.4	**2,323,607**	**-**	**2,323,607**	2,412,261	-	2,412,261
Investments in subsidiaries	6.4	**3,245**	**-**	**3,245**	3,245	-	3,245
Investment at cost		**234,025,628**	**14,136,579**	**248,162,207**	185,331,986	24,981,538	210,313,524
Less: Provision for diminution in value of Investments		**(2,138,262)**	**-**	**(2,138,262)**	(2,187,187)	-	(2,187,187)
Investments (net of provisions)		**231,887,366**	**14,136,579**	**246,023,945**	183,144,799	24,981,538	208,126,337
Deficit on revaluation of Held-for-trading securities		**(6,028)**	**-**	**(6,028)**	2,355	-	2,355
Surplus on revaluation of Available-for-sale securities		**8,101,510**	**38,145**	**8,139,655**	9,466,428	916	9,467,344
Total investments at market value		**239,982,848**	**14,174,725**	**254,157,573**	192,613,582	24,982,454	217,596,036

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6.2 Investment outside Pakistan - Bank Al-Jazira

The Bank holds 17,500,000 (2009: 17,500,000) shares in Bank Al-Jazira (BAJ) incorporated in the Kingdom of Saudi Arabia, representing 5.83% (2009: 5.83%) holding in total share capital of BAJ. The investment has been marked to market using closing price as quoted on the Saudi Stock Exchange in accordance with SBP concurrence vide letter No. BSD/SU-13/331/685/2006 dated February 17, 2006.

6.3 National Investment (Unit) Trust - [NI(U)T]

As per the agreement executed between NITL and the bank having effective date of December 31, 2009, to settle the issue of LOC, 5% of the Balance Assets of each segment would be transferred to NITL and 5% of net cash realized pursuant to transfer of Strategic Assets would be paid to NITL. The GoP was requested by the bank to revise its decision to the extent of this 5% transfer to be made to NITL. The bank also contested over the matter of 10% discount on the value of the shares of PSO & SNGPL. The GOP considered the viewepoint of the bank over the matter of 5% as baove and reduced the same to 2.5% for the benfits of all LOC Holders.Accordingly the bank has recorded its share of Balance Assets and a capital gain of Rs 294 million. The GOP also considered the bank's view point over 10% discount however, the GOP didn't acceed to the request. The bank would again take up the matter of discount with GOP and any settlement will be made on the basis of further decision from the GOP.

6.4 Acquisition of Major Share Holding in NAFA

On March 31, 2010, the bank has acquired entire holding (27%) consisting of 6.75 million shares of NIB Bank Limited in NAFA at Rs 39.83 per share which has resulted in increase in bank's post acquisition holding from current holding of 27% to 54% thereby changing the status from Joint Venture to Subsidiary Company as on March 31, 2010.

6.4.1 Details of net assets acquired and goodwill are as follows:

	Rs '000'
Balance as on Dec 31, 2009 - Investment in Joint Venture under Equity Method	95,012
Share of Loss for the three months period ended March 31, 2010	(6,291)
	88,721
Purchase Consideration Paid in Cash	268,853
	357,574
Minority Interest @46%	150,946
	508,520
Fair value of net assets acquired	(328,144)
Goodwill	180,376

6.4.2 The initial accounting for a business combination involves identifying and determining the fair values to be assigned to the acquiree's identifiable assets liabilities and contingent liabilities and the cost of the combination.

6.4.3 In connection with the above, the management is in the process of carrying out a detailed exercise under the initial accounting for the acquisition under International Financial Reporting Standards ("IFRS") 3 (Revised), Business Combinations, and the exercise is expected to be completed shortly. IFRS 3 (Revised) envisages such a situation and allows the acquirer to account for the acquisition using provisional values if the initial accounting for the acquisition can not be determined. However, adjustments to these provisional values consequent to completion of the initial accounting of the acquisition is required, under IFRS 3 (Revised), to be incorporated in the financial statements with effect from the acquisition date, within a period of twelve months from the acquisition date

The management expects to finalize the determination of such valuation before one year from the acquisition date, in compliance with the time frame envisaged in IFRS 3 (Revised).

6.4.4 The goodwill is attributable to the significant synergies expected to arise from the Asset Management Buisness of NAFA.

6.4.5 The carrying value of net assets of NAFA as on March 31, 2010 was as follows:

	Rs ' 000
ASSETS	
Cash and Balances with Treasury Banks	55,864
Investments - Net	61,870
Advances - Net	53,191
Operating Fixed Assets - Net	122,806
Other Assets	96,651
	390,382
LIABILITIES	
Liabilities against Assets subject to Finance Lease	21,182
Deferred Tax Liabilities	19,747
Other Liabilities	21,309
	62,238
Net Assets	**328,144**

	Note	Mar 31 2010 (Un-audited)	Dec 31 2009 (Audited)
		---------- (Rupees in '000) ----------	
7. ADVANCES -net			
Loans, cash credits, running finances, etc.			
In Pakistan		**447,705,932**	468,860,532
Outside Pakistan		**42,834,074**	39,050,979
		490,540,006	507,911,511
Net investment in finance lease			
In Pakistan		**191,823**	365,210
Outside Pakistan		**-**	-
		191,823	365,210
Bills discounted and purchased (excluding Government treasury bills)			
Payable in Pakistan		**2,654,191**	2,854,682
Payable outside Pakistan		**21,077,563**	19,911,141
		23,731,754	22,765,823
Margin Financing		**60,963**	60,963
Advances - gross		**514,524,546**	531,103,507
Less: Provision against non-performing loans		**(57,085,619)**	(55,765,068)
Advances - net of provision		**457,438,927**	475,338,439

7.1 Advances include Rs.72,500 million (2009: Rs.71,174 million) which have been placed under the non-performing status as detailed below:

	March 31, 2010 (Un-audited)				
Category of Classification	**Domestic**	**Overseas**	**Total**	**Provision Required**	**Provision Held**
	----------(Rupees in '000)----------				
Other Assets Especially Mentioned	**1,531,803**	**-**	**1,531,803**	**-**	**-**
Substandard	**5,632,662**	**39,032**	**5,671,694**	**1,274,406**	**1,274,406**
Doubtful	**6,817,362**	**818,116**	**7,635,478**	**3,427,960**	**3,427,960**
Loss	**56,293,427**	**1,367,794**	**57,661,221**	**50,384,930**	**50,384,930**
	70,275,254	**2,224,942**	**72,500,196**	**55,087,296**	**55,087,296**

	December 31, 2009 (Audited)				
Category of Classification	**Domestic**	**Overseas**	**Total**	**Provision Required**	**Provision Held**
	----------(Rupees in '000)----------				
Other Assets Especially Mentioned	748,091	-	748,091	-	-
Substandard	6,868,363	2,639	6,871,002	1,498,492	1,498,492
Doubtful	6,595,335	648,234	7,243,569	3,194,416	3,194,416
Loss	55,013,578	1,297,794	56,311,372	49,057,246	49,057,246
	69,225,367	1,948,667	71,174,034	53,750,154	53,750,154

7.2 During 2009, the SBP vide its BSD Circular No.10 dated October 20, 2009 has amended Prudential Regulations in respect of provisioning against non-performing advances. The revised regulations that were effective from September 30, 2009 had increased the percentage of benefit of Forced Sale Value (FSV) from 30% to 40% for mortgaged residential and commercial properties held as collateral against advances by the bank and aforesaid regulation also allowed the benefit of FSV in respect of mortgaged industrial properties (land and building only). FSV benefit shall be considered in determining provisioning against non-performing advances classified during the last three years.

The aforesaid changes in the computation of provisioning has resulted in reduction of provision against non-performing advances by Rs. 2,428 million and a consequent increase in profit after tax by Rs. 1,578 million.

However, the increase in profit after tax of Rs. 1,578 million shall not available for payment of cash or stock dividend as required by aforementioned SBP directives.

		Note	Mar 31 2010 (Un-audited)	Dec 31 2009 (Audited)
8.	**DEFERRED TAX ASSETS - net**		------- (Rupees in '000') -------	
	Deferred tax assets arising in respect of			
	Provision for diminution in the value of investments		**551,389**	553,506
	Provision against advances and off-balance sheet obligations		**5,067,415**	4,837,462
	Other provision		**280,000**	281,966
	Charge against defined benefits plans		**1,054,070**	927,443
			6,952,874	6,600,377
	Deferred tax (liabilities) arising in respect of			
	Excess of accounting book value of leased assets over lease liabilities		**(7,043)**	(7,065)
	Difference between accounting book value of fixed assets and tax base		**(250,513)**	(222,293)
	Revaluation of securities	10	**(1,830,760)**	(2,028,859)
	Revaluation of fixed assets		**(1,261,102)**	(1,276,951)
	Others		**(17,445)**	(750)
			(3,366,863)	(3,535,918)
	Net deferred tax liabilities		**3,586,011**	3,064,459

		Mar 31 2010 (Un-audited)	Dec 31 2009 (Audited)
9.	**DEPOSITS AND OTHER ACCOUNTS**	---------- (Rupees in '000') ----------	
	Customers		
	Fixed deposits	**222,765,898**	194,851,862
	Savings deposits	**200,051,319**	196,374,087
	Current accounts - remunerative	**60,278,360**	74,321,341
	Current accounts - non-remunerative	**161,347,552**	169,043,847
		644,443,129	634,591,137
	Financial Institutions		
	Remunerative deposits	**46,402,176**	48,399,678
	Non-remunerative deposits	**22,904,308**	43,522,198
		69,306,484	91,921,876
		713,749,613	726,513,013

		Mar 31 2010 (Un-audited)	Dec 31 2009 (Audited)
10.	**SURPLUS ON REVALUATION OF ASSETS**	---------- (Rupees in '000) ----------	
	Surplus on Revaluation of Fixed Assets - net of Tax	**17,344,868**	17,387,804
	Surplus on Revaluation of Securities - net of Tax		
	Federal Government securities	**(240,541)**	(106,461)
	Term Finance Certificates	**(705,221)**	(763,248)
	Quoted shares and Mutual Funds	**523,116**	1,740,074
	GoP Foreign Currency Bonds	**382,587**	556,772
	NIT Units	**682,122**	616,024
	NIT Market Opportunity Fund	**446,547**	360,573
	Investment outside Pakistan	**7,051,045**	7,063,613
		8,139,655	9,467,347
	Deferred tax Liability Recognized	**(1,830,760)**	(2,028,859)
	Share of Revaluation Loss on Securities of Associates	**(25)**	(25)
		23,653,738	24,826,267

11. CONTINGENCIES AND COMMITMENTS

11.1 Direct credit substitutes

Includes general guarantee of indebtedness, bank acceptance guarantees and standby letters of credit serving as financial guarantees for loans and securities issued in favour of:

	Mar 31 2010 (Un-audited)	Dec 31 2009 (Audited)
	---------- (Rupees in '000) ----------	
- Government	**19,031,309**	17,443,452
- Financial institutions	**4,876,219**	4,469,377
- Others	**12,235,215**	11,214,383
	36,142,743	33,127,212

11.2 Transaction-related contingent liabilities

Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credits related to particular transactions issued in favour of:

- Government	**18,724,069**	18,524,777
- Financial institutions	**4,278,320**	4,232,783
- Others	**9,336,740**	9,237,363
	32,339,129	31,994,923

11.3 Trade-related contingent liabilities

Letters of credit		
Issued in favour of		
- Government	**139,016,249**	126,151,618
- Financial institutions	**177,648**	161,208
- Others	**42,686,462**	38,736,236
	181,880,359	165,049,062

11.4 Other contingencies

11.4.1 Claims against the bank not acknowledged as debts [including SBP liabilities on Bangladesh borrowing and interest thereon amounting to Rs.172 million (2009: Rs.172 million) and claims relating to former Mehran Bank Limited amounting to Rs.965 million (2009: Rs.965 million)].

	6,561,411	6,561,411

11.4.2 Taxation

The income tax returns of the bank for global operations and for Azad Jammu Kashmir have been filed under section 120 and amended by the Taxation Officer under section 122(5A) of the Income Tax Ordinance, 2001 upto the tax year 2009 (accounting year ended December 31, 2008).

Appeals filed by the bank and tax department for various assessment years are pending before various appellate forums/court of law. The major issues involved include interest credited to suspense account, allocation of common expenditure between taxable and exempt / low tax rate, disallowance for bad debts on the basis of State Bank of Pakistan certificates and disallowance of loss on Barter Trader Balances.

In the event that the pending issues are decided against the bank, a further tax liability of Rs.7,368 million (December 31, 2009: Rs. 7,368 million) may arise in addition to the provision made by the Bank.

However, no additional provision against pending issues have been made by the Bank as the management, based on the opinion of tax lawyers and consultants, expects favourable outcome of these matters.

11.4.3 Provident Fund / Barter Trade Agreements / Golden Handshake

The current status of these contingencies is same as disclosed in the annual consolidated financial statements of the bank for the year ended December 31, 2009.

			Mar 31 2010 (Un-audited)	Dec 31 2009 (Audited)
			------- (Rupees in '000) -------	
11.5	**Commitments in respect of forward exchange contracts**			
	Purchase		**52,061,719**	87,829,307
	Sale		**108,697,369**	38,568,464
11.6	**Commitments in respect of trading with Govt. securities**			
	Purchase		**100,000**	5,000,000
11.7	**Other Commitments**			
	Cross Currency SWAP		**6,525,273**	6,914,649
11.8	**Commitments for the acquisition of operating fixed assets**		**1,507,150**	1,537,996
12.	**BASIC AND DILUTED EARNINGS PER SHARE**			
	Profit after taxation	(Rupees in '000)	**4,242,475**	4,294,191
	Weighted average number of ordinary shares	(Number '000)	**1,076,370**	1,076,370
	Basic and diluted earnings per share	(Rupees)	**3.94**	3.99

13. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES - (Un-Audited)

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

	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Agency Services	Assets Management	Retail Brokerage	Total
	---------- Rupees in '000 ----------								
Mar 31, 2010									
Total income	51,500	94,773	2,689,149	9,952,906	417,427	908,416	6,653	19,161	14,139,985
Total expenses	518	59,509	2,470,085	4,113,808	247,475	897,150	3,651	17,655	7,809,851
Net income	50,982	35,264	219,064	5,839,098	169,952	11,266	3,001	1,506	6,330,134
Mar 31, 2009									
Total income	75,529	153,397	2,689,231	9,247,997	334,114	796,731	6,927	16,870	13,320,796
Total expenses	148	85,866	2,604,501	3,190,484	232,434	779,521	2,479	17,133	6,912,566
Net income	75,381	67,531	84,730	6,057,513	101,680	17,210	4,448	(263)	6,408,230

14. RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its associated undertakings, joint ventures, employee benefit plans, and its key management personnel (including their associates). Transactions between the Holding Company and its related parties are carried out under normal commercial term except employee staff loans and return on provident fund and loan given to NBP Exchange Company Limited, that are as per the agreed term. Transactions with related parties during the period are as under:

	For the Three Months ended Mar 31, 2010 (Un-Audited)		For the Three Months ended Dec 31, 2009 (Audited)	
	Key Management Executives	**Associates**	Key Management Executives	Associates
	----------(Rupees in '000)----------			
Advances				
At January 01	97,439	1,287,942	95,931	1,269,498
Given during the period / year	783	4,629	4,524	18,444
Repaid during the period / year	-	-	(3,016)	-
At Mar 31 / Dec 31	98,222	1,292,571	97,439	1,287,942

	For the Three Months Period Ended March 31, 2010 (Un-Audited)			For the Three Months Period Ended December 31, 2010 (Audited)		
	Pension Fund (Current a/c)	**Pension Fund (Fix Deposit)**	**Provident Fund**	Pension Fund (Current a/c)	Pension Fund (Fix Deposit)	Provident Fund
	----------(Rupees in '000)----------					
Deposits						
At January 01	405,351	7,300,000	8,448,101	3,940,161	5,900,000	8,507,300
Given during the period / year	1,463,109	1,000,000	138,233	12,791,620	4,800,000	3,548,530
Repaid during the period / year	(1,056,677)	(3,300,000)	(131,775)	(16,326,430)	(3,400,000)	(3,607,729)
At Mar 31 / Dec 31	811,783	5,000,000	8,454,559	405,351	7,300,000	8,448,101

	31-Mar 2010 (Un-audited)	31-Dec 2009 (Audited)
	---------- (Rupees in '000) ----------	
Placements with:		
Pension Fund	**-**	2,900,000
Joint venture	**417,290**	421,119
Associates	**25,881**	25,881

	Quarter ended March 31 2010 (Un-audited)	Quarter ended March 31 2009 (Un-audited)
	---------- (Rupees in '000) ----------	
Income on Advances / Placement with:		
Joint Venture	**597**	671
Expenses for the period		
Remuneration to key management executives	**152,460**	101,405
Charge for defined benefit plan	**4,367**	2,396
Mark-up on deposits of:		
Provident fund	**410,379**	250,969
Pensionfund	**151,674**	-

14.1 Although the Federal Government and the SBP held about 75.48% shares of the holding company (2009: 75.48%), the transactions with these entities have not been treated as related party transactions for the purpose of this disclosure.

15. ISLAMIC BANKING BUSINESS

The Bank is operating 8 (December 31, 2009: 8) Islamic banking branches as at Mar 31, 2010. The balance sheet and profit and loss account of such branches is as under:

Balance Sheet	Mar 31 2010 (Un-audited)	Mar 31 2009 (Audited)
	------ (Rupees in '000) ------	
ASSETS		
Cash and balances with treasury banks	**45,237**	43,290
Investments	**438,000**	144,789
Financing and Receivables	**351,068**	736,417
Fixed Assets	**138,048**	104,314
Other assets	**30,804**	8,627
Total Assets	**1,003,157**	1,037,437
LIABILITIES		
Bills payable	**3,022**	6,070
Deposits and other accounts	**496,232**	507,760
Due to Head Office	**177,573**	246,385
Other liabilities	**46,740**	58,870
	723,567	819,085
NET ASSETS	**279,590**	218,352
REPRESENTED BY		
Islamic Banking Fund	**300,000**	300,000
Un remitted (loss) / profit	**(1,116)**	(11,437)
	298,884	288,563
Surplus on Revaluation of Assets	**(19,294)**	(70,211)
	279,590	218,352

Profit and Loss Account	Mar 31 2010 (Un-audited)	Mar 31 2009 (Un-audited)
	------ (Rupees in '000) ------	
Profit / return on financing and placements earned	**41,865**	42,293
Profit / return on deposit and other dues expensed	**12,823**	18,909
Net spread earned	**29,042**	23,384
OTHER INCOME		
Fee, commission and brokerage income	**854**	235
Income from dealing in foreign currencies	**37**	-
Other income	**-**	28
Total other income	**891**	263
OTHER EXPENSES		
Administrative expenses	**31,049**	24,407
Other charges	**-**	200
Total other expenses	**31,049**	**24,607**
	(1,116)	(960)

16. DATE OF AUTHORIZATION FOR ISSUE

The consolidated condensed interim financial statements were authorized for issue on April 30, 2010 by the Board of Directors of the Holding Company.

17. GENERAL

Figures have been rounded-off to the nearest thousand rupees.

Chairman & President **Director** **Director** **Director**