

Financial Statements 2007

Balance Sheet

As at December 31, 2007

2006	2007		Note	2007	2006
US Dollars in '000				Rupees in '000	
ASSETS					
1,268,149	1,530,214	Cash and balances with treasury banks	6	94,873,249	78,625,227
655,511	604,401	Balances with other banks	7	37,472,832	40,641,679
371,173	346,203	Lendings to financial institutions	8	21,464,600	23,012,732
2,257,210	3,399,804	Investments	9	210,787,868	139,946,995
5,098,555	5,494,792	Advances	10	340,677,100	316,110,406
156,160	418,113	Operating fixed assets	11	25,922,979	9,681,974
-	-	Deferred tax assets		-	-
437,318	499,919	Other assets	12	30,994,965	27,113,698
10,244,076	12,293,446			762,193,593	635,132,711
LIABILITIES					
171,059	113,902	Bills payable	13	7,061,902	10,605,663
188,775	175,582	Borrowings	14	10,886,063	11,704,079
8,094,714	9,546,894	Deposits and other accounts	15	591,907,435	501,872,243
-	-	Sub-ordinated loans		-	-
213	541	Liabilities against assets subject to finance lease	16	33,554	13,235
38,501	82,223	Deferred tax liabilities - net	17	5,097,831	2,387,073
428,973	497,890	Other liabilities	18	30,869,154	26,596,300
8,922,235	10,417,032			645,855,939	553,178,593
1,321,841	1,876,414	NET ASSETS		116,337,654	81,954,118
REPRESENTED BY					
114,366	131,521	Share capital	19	8,154,319	7,090,712
223,859	254,389	Reserves		15,772,124	13,879,260
517,334	731,358	Unappropriated profit		45,344,188	32,074,677
855,559	1,117,268			69,270,631	53,044,649
466,282	759,146	Surplus on revaluation of assets - net	20	47,067,023	28,909,469
1,321,841	1,876,414			116,337,654	81,954,118
CONTINGENCIES AND COMMITMENTS 21					

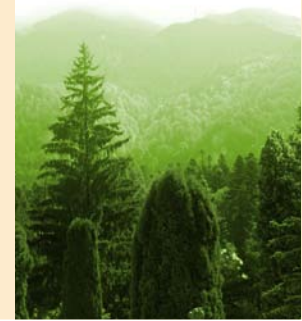
The annexed notes 1 to 45 form an integral part of these financial statements.

Syed Ali Raza
Chairman & President

Muhammad Ayub Khan Tarin
Director

Tariq Kirmani
Director

Ibrar A. Mumtaz
Director



Profit and Loss Account

For the year ended December 31, 2007

2006	2007		Note	2007	2006
US Dollars in '000				Rupees in '000	
711,305	815,637	Mark-up / return / interest earned	23	50,569,481	44,100,934
224,955	273,226	Mark-up / return / interest expensed	24	16,940,011	13,947,218
486,350	542,411	Net mark-up / interest income		33,629,470	30,153,716
49,608	76,179	Provision against non-performing loans and advances	10.3	4,723,084	3,075,723
(11,443)	(649)	Reversal of provision for diminution in the value of investments	9.12	(40,248)	(709,461)
85	644	Bad debts written off directly	10.6.1	39,899	5,284
38,250	76,174			4,722,735	2,371,546
448,100	466,237	Net mark-up / interest income after provisions		28,906,735	27,782,170
NON MARK-UP/INTEREST INCOME					
99,107	109,382	Fee, commission and brokerage income		6,781,683	6,144,628
46,641	52,633	Dividend income		3,263,246	2,891,755
21,514	16,820	Income from dealing in foreign currencies		1,042,827	1,333,840
18,863	37,769	Gain on sale and redemption of securities	25	2,341,690	1,169,515
-	-	Unrealized loss on revaluation of investments classified as held-for-trading	9.13	(31,964)	(4,464)
(72)	(516)	Other income	26	147,363	627,618
10,123	2,377	Total non mark-up / interest income		13,544,845	12,162,892
196,176	218,465			42,451,580	39,945,062
644,276	684,702				
NON MARK-UP/INTEREST EXPENSES					
216,830	229,128	Administrative expenses	27	14,205,911	13,443,441
(279)	2,710	Other provisions / write offs / (reversals)		168,027	(17,283)
3,360	276	Other charges	28	17,141	208,327
219,911	232,114	Total non mark-up / interest expenses		14,391,079	13,634,485
424,365	452,588			28,060,501	26,310,577
-	-	Extra ordinary / unusual items		-	-
424,365	452,588	PROFIT BEFORE TAXATION		28,060,501	26,310,577
140,252	134,056	Taxation - Current		8,311,500	8,695,598
8,559	6,314	- Prior years		391,497	530,652
1,000	5,221	- Deferred		323,731	61,981
149,811	145,591	PROFIT AFTER TAXATION	29	9,026,728	9,288,231
274,554	306,997	Unappropriated profit brought forward		19,033,773	17,022,346
312,460	517,334	Transfer from surplus on revaluation of fixed assets on account of incremental depreciation		32,074,677	19,372,523
662	629	Profit available for appropriation		39,007	41,060
587,676	824,960			51,147,457	36,435,929
----- US Dollars -----				----- Rupees -----	
0.34	0.38	Basic earnings per share	30	23.34	20.88
0.34	0.38	Diluted earnings per share	31	23.34	20.88

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Cash Flow Statement

For the year ended December 31, 2007

2006	2007		Note	2007	2006
US Dollars in '000				Rupees in '000	
424,364	452,589	CASH FLOWS FROM OPERATING ACTIVITIES		28,060,501	26,310,577
(46,641)	(52,633)	Profit before taxation		(3,263,246)	(2,891,755)
<u>377,723</u>	<u>399,956</u>	Less: Dividend income		<u>24,797,255</u>	<u>23,418,822</u>
		Adjustments:			
7,820	8,921	Depreciation	11.2	553,114	484,810
29	55	Amortization	11.3	3,409	1,824
49,608	76,179	Provision against non-performing loans and advances	10.3	4,723,084	3,075,723
(11,443)	(649)	Reversal of provision for diminution in the value of investments	9.12	(40,248)	(709,461)
(135)	(44)	(Gain) on sale of fixed assets	11.6	(2,702)	(8,350)
30	148	Financial charges on leased assets		9,183	1,830
85	644	Bad debts written off directly	10.6.1	39,899	5,284
(279)	2,710	Other provisions / write offs / (reversals)		168,027	(17,283)
<u>45,715</u>	<u>87,964</u>			<u>5,453,766</u>	<u>2,834,377</u>
<u>423,438</u>	<u>487,920</u>			<u>30,251,021</u>	<u>26,253,199</u>
		(Increase) / decrease in operating assets			
(108,545)	24,970	Lendings to financial institutions		1,548,132	(6,729,790)
(2,315)	(7,307)	Held-for-trading securities		(453,020)	(143,532)
(812,139)	(473,059)	Advances		(29,329,677)	(50,352,634)
(61,679)	(47,555)	Other assets (excluding advance tax)		(2,948,435)	(3,824,108)
<u>(984,678)</u>	<u>(502,951)</u>			<u>(31,183,000)</u>	<u>(61,050,064)</u>
		Increase / (decrease) in operating liabilities			
142,976	(57,157)	Bills payable		(3,543,761)	8,864,507
50,423	(20,215)	Borrowings		(1,253,323)	3,126,198
620,091	1,452,181	Deposits and other accounts		90,035,192	38,445,641
49,948	68,846	Other liabilities (excluding current taxation)		4,268,464	3,096,763
<u>863,438</u>	<u>1,443,655</u>			<u>89,506,572</u>	<u>53,533,109</u>
		Income tax paid		(9,760,991)	(8,557,501)
(138,024)	(157,435)	Financial charges paid		(9,183)	(1,830)
(30)	(148)			(9,770,174)	(8,559,331)
<u>(138,054)</u>	<u>(157,583)</u>			<u>78,804,419</u>	<u>10,176,913</u>
<u>164,144</u>	<u>1,271,041</u>	Net cash from operating activities			
		CASH FLOWS FROM INVESTING ACTIVITIES			
139,542	(1,094,872)	Net investments in / proceeds from available-for-sale		(67,882,071)	8,651,609
(33,743)	37,286	Net proceeds from / investments in held-to-maturity securities		2,311,757	(2,092,069)
46,641	52,633	Dividend income received		3,263,246	2,891,755
(11,536)	(16,553)	Investment in operating fixed assets		(1,026,266)	(715,215)
(605)	326	Investment in subsidiaries, associates and joint venture		20,195	(37,499)
215	141	Sale proceeds of property and equipment disposed off	11.6	8,747	13,342
<u>140,514</u>	<u>(1,021,039)</u>	Net cash (used in) / from investing activities		<u>(63,304,392)</u>	<u>8,711,923</u>
		CASH FLOWS FROM FINANCING ACTIVITIES			
(120)	(222)	Payments of lease obligations		(13,751)	(7,414)
(23,784)	(45,676)	Dividend paid		(2,831,895)	(1,474,605)
(23,904)	(45,898)	Net cash used in financing activities		(2,845,646)	(1,482,019)
		Effects of exchange rate changes on cash and cash equivalents		(10,513)	(177,231)
<u>(2,859)</u>	<u>(170)</u>	Increase in cash and cash equivalents		<u>12,643,868</u>	<u>17,229,586</u>
<u>277,895</u>	<u>203,934</u>				
1,638,446	1,916,341	Cash and cash equivalents at beginning of the year	32	118,813,121	101,583,535
<u>1,916,341</u>	<u>2,120,275</u>	Cash and cash equivalents at end of the year	32	<u>131,456,989</u>	<u>118,813,121</u>

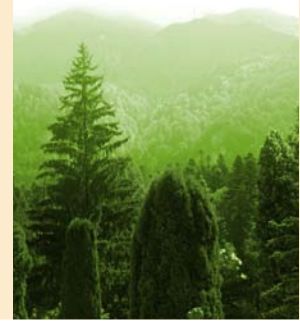
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Statement of Changes in Equity

For the year ended December 31, 2007

	Reserves				Unappropriated profit	Total
	Capital		Revenue			
	Share capital	Exchange equalisation	Statutory	General		
	----- (Rupees in '000) -----					
Balance as at January 1, 2006	5,908,927	3,552,056	8,280,862	521,338	19,372,523	37,635,706
Exchange adjustments on translation of net assets of foreign branches	-	321,265	-	-	-	321,265
Adjustment due to closure of Cairo branch	-	(498,496)	-	-	-	(498,496)
Transfer from surplus on revaluation of fixed assets-incremental depreciation - net of tax	-	-	-	-	41,060	41,060
Net income recognised directly in equity	-	(177,231)	-	-	41,060	(136,171)
Profit after taxation for the year ended December 31, 2006	-	-	-	-	17,022,346	17,022,346
Total recognised income and expense for the year	-	(177,231)	-	-	17,063,406	16,886,175
Issue of bonus shares 20%	1,181,785	-	-	-	(1,181,785)	-
Cash dividend (Rs.2.5 per share)	-	-	-	-	(1,477,232)	(1,477,232)
Transfer to statutory reserve	-	-	1,702,235	-	(1,702,235)	-
Balance as at December 31, 2006	<u>7,090,712</u>	<u>3,374,825</u>	<u>9,983,097</u>	<u>521,338</u>	<u>32,074,677</u>	<u>53,044,649</u>
Balance as at January 1, 2007	7,090,712	3,374,825	9,983,097	521,338	32,074,677	53,044,649
Exchange adjustments on translation of net assets of foreign branches	-	(10,513)	-	-	-	(10,513)
Transfer from surplus on revaluation of fixed assets-incremental depreciation - net of tax	-	-	-	-	39,007	39,007
Net income recognised directly in equity	-	(10,513)	-	-	39,007	28,494
Profit after taxation for the year ended December 31, 2007	-	-	-	-	19,033,773	19,033,773
Total recognised income and expense for the year	-	(10,513)	-	-	19,072,780	19,062,267
Issue of bonus shares 15%	1,063,607	-	-	-	(1,063,607)	-
Cash dividend (Rs. 4 per share)	-	-	-	-	(2,836,285)	(2,836,285)
Transfer to statutory reserve	-	-	1,903,377	-	(1,903,377)	-
Balance as at December 31, 2007	<u>8,154,319</u>	<u>3,364,312</u>	<u>11,886,474</u>	<u>521,338</u>	<u>45,344,188</u>	<u>69,270,631</u>

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