

Unconsolidated Balance Sheet

As at December 31, 2007

2007 (US \$ in '000) (Restated)	2006		Note	2007 (Rupees in '000)	2006 (Restated)
ASSETS					
892,932	745,884	Cash and balances with treasury banks	5	55,361,813	46,244,803
315,452	379,551	Balances with other banks	6	19,558,051	23,532,165
26,260	105,647	Lendings to financial institutions	7	1,628,130	6,550,128
2,773,101	1,868,105	Investments	8	171,932,281	115,822,511
5,842,912	5,419,120	Advances	9	362,260,528	335,985,458
409,626	342,226	Other assets	10	25,396,781	21,217,988
219,068	190,369	Operating fixed assets	11	13,582,240	11,802,870
98,694	44,585	Deferred tax asset	12	6,119,032	2,764,261
<u>10,578,045</u>	<u>9,095,487</u>			<u>655,838,856</u>	<u>563,920,184</u>
LIABILITIES					
248,055	150,768	Bills payable	13	15,379,440	9,347,609
842,229	806,142	Borrowings from financial institutions	14	52,218,228	49,980,794
8,209,460	7,092,328	Deposits and other accounts	15	508,986,541	439,724,335
50,000	-	Sub-ordinated loans	16	3,100,000	-
-	-	Liabilities against assets subject to finance lease		-	-
293,721	234,220	Other liabilities	17	18,210,692	14,521,645
-	-	Deferred tax liability		-	-
<u>9,643,465</u>	<u>8,283,458</u>			<u>597,894,901</u>	<u>513,574,383</u>
<u>934,580</u>	<u>812,029</u>			<u>57,943,955</u>	<u>50,345,801</u>
NET ASSETS REPRESENTED BY:					
Shareholders' equity					
111,290	111,290	Share capital	18	6,900,000	6,900,000
300,461	271,250	Reserves		18,628,584	16,817,472
406,661	310,999	Unappropriated profit		25,212,980	19,281,940
818,412	693,539			50,741,564	42,999,412
116,168	118,490	Surplus on revaluation of assets - net of tax	19	7,202,391	7,346,389
<u>934,580</u>	<u>812,029</u>			<u>57,943,955</u>	<u>50,345,801</u>
CONTINGENCIES AND COMMITMENTS					
			20		

The annexed notes 1 to 47 and annexures I to III form an integral part of these Unconsolidated Financial Statements.

R. Zakir Mahmood
President and Chief Executive Officer

Iain Donald Cheyne
Director

Sajid Zahid
Director

Ahmed Jawad
Director

Unconsolidated Profit and Loss Account

For the Year Ended December 31, 2007

2007 (US \$ in '000)	2006 (Restated)		Note	2007 (Rupees in '000)	2006 (Restated)
779,710	679,879	Mark-up / return / interest earned	21	48,342,047	42,152,520
290,347	201,681	Mark-up / return / interest expensed	22	18,001,496	12,504,236
489,363	478,198	Net mark-up / interest income		30,340,551	29,648,284
131,608	46,147	Provision against Non-Performing loans and advances-net	9.6/9.6.1	8,159,702	2,861,093
(881)	(733)	(Reversal) / provision against off-balance sheet obligations	17.1	(54,626)	(45,438)
(1,360)	(221)	Reversal of provision against diminution in value of investments	8.8	(84,310)	(13,697)
-	-	Bad debts written off directly		-	-
129,367	45,193			8,020,766	2,801,958
359,996	433,005	Net mark-up / interest income after provisions		22,319,785	26,846,326
Non mark-up / interest income					
51,303	58,196	Fee, commission and brokerage income		3,180,789	3,608,127
14,660	12,746	Income / gain on investments	23	908,914	790,248
22,902	17,708	Income from dealing in foreign currencies		1,419,915	1,097,887
39,716	35,070	Other income	24	2,462,372	2,174,369
128,581	123,720	Total non mark-up / interest income		7,971,990	7,670,631
488,577	556,725			30,291,775	34,516,957
Non mark-up / interest expense					
279,931	263,106	Administrative expenses	25	17,355,732	16,312,585
(4,453)	1,976	Other provisions / write offs-net		(276,111)	122,510
1,373	885	Other charges	26	85,152	54,898
276,851	265,967	Total non mark-up / interest expenses		17,164,773	16,489,993
211,726	290,758			13,127,002	18,026,964
Profit before taxation					
Taxation					
108,278	113,133	-current	27	6,713,241	7,014,251
26,900	(996)	-prior years		1,667,787	(61,738)
(53,152)	(15,740)	-deferred		(3,295,442)	(975,898)
82,026	96,397			5,085,586	5,976,615
129,700	194,361	Profit after taxation		8,041,416	12,050,349
Basic and diluted earnings per share					
0.188	0.282		28	11.65	17.46

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Unconsolidated Cash Flow Statement

For the Year Ended December 31, 2007

2007 (US \$ in '000)	2006 (Restated)		Note	2007 (Rupees in '000)	2006 (Restated)
211,726	290,758	CASH FLOWS FROM OPERATING ACTIVITIES			
(9,788)	(12,304)	Profit before taxation		13,127,002	18,026,964
(4,871)	(442)	Less: Dividend income		(606,882)	(762,838)
(14,659)	(12,746)	Gain on sale of investments - net		(302,032)	(27,410)
197,067	278,012			(908,914)	(790,248)
				12,218,088	17,236,716
		Adjustment for:			
18,073	14,757	Depreciation / amortisation / adjustments		1,120,511	914,942
(1,360)	(221)	Reversal against diminution in the value of investments		(84,310)	(13,697)
131,608	46,147	Provision against Non-Performing loans and advances-net of reversals		8,159,702	2,861,093
5,164	5,835	Amortisation of premium on investments		320,166	361,750
(836)	(1,186)	Gain on sale of property and equipment - net		(51,817)	(73,539)
(7,495)	(1,153)	Miscellaneous provisions		(464,718)	(71,469)
145,154	64,179			8,999,534	3,979,080
342,221	342,191			21,217,622	21,215,796
		(Increase) / decrease in operating assets			
(754,910)	(219,458)	Government securities		(46,804,412)	(13,606,379)
79,387	92,292	Lendings to financial institutions		4,921,998	5,722,120
(555,400)	(503,932)	Loans and advances		(34,434,772)	(31,243,803)
(91,568)	(23,817)	Other assets - net		(5,677,238)	(1,476,665)
(1,322,491)	(654,915)			(81,994,424)	(40,604,727)
		Increase / (decrease) in operating liabilities			
1,117,132	372,924	Deposits and other accounts		69,262,206	23,121,305
36,088	319,682	Borrowings from financial institutions		2,237,434	19,820,293
97,288	(1,880)	Bills payable		6,031,831	(116,589)
78,730	11,549	Other liabilities - net		3,426,261	716,063
1,329,238	702,275			80,957,732	43,541,072
348,968	389,551	Income tax paid-net		20,180,930	24,152,141
(119,765)	(139,697)	Net cash flows from operating activities		(5,970,404)	(8,661,207)
229,203	249,854			14,210,526	15,490,934
		CASH FLOWS FROM INVESTING ACTIVITIES			
(157,886)	(3,257)	Net investments in securities, associated and joint venture companies		(9,788,917)	(201,914)
3,915	(3,226)	Repatriation from / (Investment in) subsidiary companies		242,747	(200,000)
9,672	12,298	Dividend income received		599,634	762,457
(47,686)	(28,732)	Fixed capital expenditure		(2,956,509)	(1,781,366)
1,749	1,458	Proceeds from sale of fixed assets		108,445	90,371
16,241	(165)	Exchange adjustments on translation of balances in foreign branches		1,006,970	(10,228)
(173,995)	(21,624)	Net cash flows used in investing activities		(10,787,630)	(1,340,680)
		CASH FLOWS FROM FINANCING ACTIVITIES			
50,000	-	Sub-ordinated loans		3,100,000	-
(22,259)	(11,166)	Dividend paid		(1,380,000)	(692,295)
27,741	(11,166)	Net cash flows from / (used in) financing activities		1,720,000	(692,295)
82,949	217,064	Increase in cash and cash equivalents during the year		5,142,896	13,457,959
1,097,481	876,094	Cash and cash equivalents at beginning of the year		68,043,803	54,317,840
27,954	32,277	Effects of exchange rate changes on cash and cash equivalents		1,733,165	2,001,169
1,125,435	908,371			69,776,968	56,319,009
1,208,384	1,125,435	Cash and cash equivalents at end of the year	29	74,919,864	69,776,968

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Unconsolidated Statement of Changes in Equity

For the Year Ended December 31, 2007

	Share Capital	RESERVES			Total	
		Exchange Translation Reserve	Statutory	General		Unappropriated profit (Restated)
(Rupees in '000)						
Balance as at December 31, 2005 as previously reported	6,900,000	1,539,181	7,787,094	6,073,812	9,822,330	32,122,417
Effect of change in accounting policy with respect to subsidiaries, associates and joint venture	-	-	-	-	(539,984)	(539,984)
Balance as at December 31, 2005 (restated)	6,900,000	1,539,181	7,787,094	6,073,812	9,282,346	31,582,433
Profit for the year ended December 31, 2006 (restated)	-	-	-	-	12,050,349	12,050,349
Exchange translation released on disposal of investment	-	(55,709)	-	-	-	(55,709)
Transferred from surplus on revaluation of fixed assets	-	-	-	-	66,858	66,858
Effect of translation of net investment in foreign branches	-	45,481	-	-	-	45,481
Total recognised income and expense for the year	-	(10,228)	-	-	12,117,207	12,106,979
Transferred to statutory reserves	-	-	1,427,613	-	(1,427,613)	-
Cash dividend paid at Rs. 1 per share	-	-	-	-	(690,000)	(690,000)
Balance as at December 31, 2006 as restated	6,900,000	1,528,953	9,214,707	6,073,812	19,281,940	42,999,412
Profit for the year ended December 31, 2007	-	-	-	-	8,041,416	8,041,416
Transferred from surplus on revaluation of fixed assets	-	-	-	-	73,766	73,766
Effect of translation of net investment in foreign branches	-	1,006,970	-	-	-	1,006,970
Total recognised income and expense for the year	-	1,006,970	-	-	8,115,182	9,122,152
Transferred to statutory reserves	-	-	804,142	-	(804,142)	-
Cash dividend paid at Rs. 2 per share	-	-	-	-	(1,380,000)	(1,380,000)
Balance as at December 31, 2007	6,900,000	2,535,923	10,018,849	6,073,812	25,212,980	50,741,564

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