

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2011

## 1. STATUS AND NATURE OF BUSINESS

The Group comprise of Allied Bank Limited (the Bank and holding company) and ABL Asset Management Company Limited (the subsidiary), hereinafter referred as "the Bank and its subsidiary".

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a Scheduled Bank, engaged in commercial banking and related services. The Bank is listed on all stock exchanges in Pakistan. The Bank operates a total of 807 (2010: 806) branches in Pakistan including the Karachi Export Processing Zone Branch (overseas business unit). The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency Limited (PACRA) is 'AA'. Short term rating of the Bank is 'A1+'. The Bank is the holding of ABL Asset Management Company Limited.

The registered office of the Bank is situated in Lahore whereas the principal office is situated at Khayaban-e-Iqbal, Main Clifton Road, Bath Island, Karachi.

### ABL Asset Management Company Limited (the subsidiary company, wholly owned)

ABL Asset Management Company Limited, a wholly owned subsidiary of the Bank, is a public unlisted company incorporated in Pakistan as a limited liability company on October 12, 2007 under the Companies Ordinance, 1984. The subsidiary company has obtained licenses from the Securities and Exchange Commission of Pakistan (SECP) to carry out Asset Management Services and Investment Advisory Services as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O.1131(I) 2007 (the NBFC Rules, 2003). The subsidiary company received certificate of commencement of business on December 31, 2007. The registered office of the subsidiary company is situated at 11-B Lalazar, M.T. Khan Road, Karachi. The Management quality rating of the company, as assigned by JCR-VIS credit rating company limited, is AM3.

ABL Asset Management company is managing following open ended funds:

- ABL-Income Fund	Launched on September 20, 2008
- ABL-Stock Fund	Launched on June 28, 2009
- ABL-Cash Fund	Launched on July 31, 2010
- ABL-Islamic Cash Fund	Launched on July 31, 2010

## 2. STATEMENT OF COMPLIANCE

- 2.1 These consolidated condensed interim financial statements of the Bank for the quarter ended March 31, 2011 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan. In case where requirements differ, the provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984, and the directives issued by the State Bank of Pakistan shall prevail.
- 2.2 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 a notification of Securities and Exchange Commission of Pakistan dated April 28, 2008, International Financial Reporting Standard (IFRS) 7 "Financial Instruments Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars.
- 2.3 These consolidated condensed interim financial statements are being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984.

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2011

## 3. BASIS OF PRESENTATION

3.1 The disclosures included in these consolidated condensed interim financial statements are limited based on the format prescribed by the State Bank of Pakistan, vide BSD Circular Letter No. 2 dated May 12, 2004, vide BSD Circular Letter No. 7 dated April 20, 2010 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the consolidated financial statements of the Bank for the year ended December 31, 2010.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND RISK MANAGEMENT POLICIES

4.1 The accounting policies, underlying estimates and methods of computation followed in the preparation of these consolidated condensed interim financial statements are same as those applied in preparing the most recent annual consolidated financial statements of the Bank.

4.2 The financial risk management objectives and policies adopted by the Bank are consistent with that disclosed in the financial statements of the Bank for the year ended December 31, 2010.

Note	Un-audited March 31, 2011	Audited December 31, 2010
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Rupees in '000

## 5. LENDINGS TO FINANCIAL INSTITUTIONS

Call money lending	5.1	100,000	-
Repurchase agreement lendings (Reverse Repo)	5.2	18,646,973	11,392,277
Certificates of investment	5.3	86,667	96,667
		<u>18,833,640</u>	<u>11,488,944</u>

5.1 This represents an unsecured placement with financial institution carrying mark-up at rate of 13.00% (December 31, 2010: Nil) per annum and maturing on April 01, 2011.

5.2 These are short-term lendings to various financial institutions against the government securities, carrying mark-up at rates, ranging between 13.00% and 13.90% (December 31, 2010: ranging between 12.50% and 13.25%) per annum and will mature on various dates, latest by April 21, 2011.

5.3 The certificate of investment carries mark-up at the rate of 13.37% (December 31, 2010: 13.26%) per annum and will mature on April 11, 2011.

## 6. INVESTMENTS

Note	Held by Bank	Given as collateral	Total
	Rupees in '000		
Current period - March 31, 2011 (Un-audited)	6.1	<u>126,995,337</u>	<u>314,482</u>
Prior year - December 31, 2010 (Audited)	6.1	<u>118,862,000</u>	<u>2,296,730</u>
		<u>127,309,819</u>	<u>121,158,730</u>

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2011

	Un-audited As at March 31, 2011			Audited As at December 31, 2010		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total

Rupees in '000

## 6.1 Investments by types

### Held-for-trading securities

Ordinary shares of listed companies  
Units of open-end mutual funds

Ordinary shares of listed companies	-	-	-	16,053	-	16,053
Units of open-end mutual funds	398,843	-	398,843	1,229,049	-	1,229,049
	398,843	-	398,843	1,245,102	-	1,245,102

### Available-for-sale securities

Market Treasury Bills  
Pakistan Investment Bonds  
Ordinary shares of listed companies /  
certificates of mutual funds  
Preference Shares  
Units of open end mutual funds  
Ordinary shares of unlisted companies  
Investment in related parties  
- Listed shares  
- Unlisted shares  
- Open-end mutual funds  
Sukuk Bonds  
Term Finance Certificates (TFCs)

Market Treasury Bills	64,770,499	316,289	65,086,788	57,547,817	2,298,869	59,846,686
Pakistan Investment Bonds	246,910	-	246,910	246,764	-	246,764
Ordinary shares of listed companies / certificates of mutual funds	6,286,498	-	6,286,498	5,564,180	-	5,564,180
Preference Shares	282,688	-	282,688	282,688	-	282,688
Units of open end mutual funds	3,663,048	-	3,663,048	1,655,757	-	1,655,757
Ordinary shares of unlisted companies	743,487	-	743,487	245,193	-	245,193
Investment in related parties						
- Listed shares	1,081,304	-	1,081,304	1,948,264	-	1,948,264
- Unlisted shares	247,496	-	247,496	602,496	-	602,496
- Open-end mutual funds	-	-	-	1,000,000	-	1,000,000
Sukuk Bonds	4,842,033	-	4,842,033	4,783,539	-	4,783,539
Term Finance Certificates (TFCs)	29,475,706	-	29,475,706	29,967,464	-	29,967,464
	111,639,669	316,289	111,955,958	103,844,162	2,298,869	106,143,031

### Held-to-maturity securities

Pakistan Investment Bonds  
Foreign Currency Bonds (US\$)  
TFCs, Debentures, Bonds and PTCs

Pakistan Investment Bonds	7,095,718	-	7,095,718	7,493,147	-	7,493,147
Foreign Currency Bonds (US\$)	1,160,979	-	1,160,979	645,701	-	645,701
TFCs, Debentures, Bonds and PTCs	5,874,088	-	5,874,088	5,878,932	-	5,878,932
	14,130,785	-	14,130,785	14,017,780	-	14,017,780

### Investment at cost

Provision for diminution in the  
value of investments

Investment at cost	126,169,297	316,289	126,485,586	119,107,044	2,298,869	121,405,913
Provision for diminution in the value of investments	(2,603,851)	-	(2,603,851)	(2,681,810)	-	(2,681,810)

### Unrealized gain / (loss) on revaluation of

Held-for-trading securities

Unrealized gain / (loss) on revaluation of Held-for-trading securities	11,157	-	11,157	(2,668)	-	(2,668)
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### Surplus / (Deficit) on revaluation of

Available-for-sale securities

Surplus / (Deficit) on revaluation of Available-for-sale securities	3,418,734	(1,807)	3,416,927	2,439,434	(2,139)	2,437,295
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### Total investments

<b>Total investments</b>	<b>126,995,337</b>	<b>314,482</b>	<b>127,309,819</b>	<b>118,862,000</b>	<b>2,296,730</b>	<b>121,158,730</b>
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## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2011

	Note	Un-audited March 31, 2011	Audited December 31, 2010
Rupees in '000			
<b>7. ADVANCES</b>			
Loans, cash credits, running finances, etc. – in Pakistan		251,693,956	263,057,934
Net investment in finance lease – in Pakistan		1,441,454	1,261,371
Bills discounted and purchased (excluding government treasury bills)			
Payable in Pakistan		1,202,747	973,826
Payable outside Pakistan		2,913,822	3,239,841
		4,116,569	4,213,667
Advances – gross		257,251,979	268,532,972
Provision against non-performing advances	7.1	(15,770,480)	(15,420,788)
General provision against consumer financing		(10,484)	(9,474)
		241,471,015	253,102,710

- 7.1 Advances include Rs. 19,393.983 million (2010: Rs. 18,688.166 million) which have been placed under non-performing status as detailed below:-

Category of Classification	March 31, 2011 (Un-audited)				
	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
Rupees in '000					
Other Assets Especially					
Mentioned	33,058	–	33,058	–	–
Substandard	1,953,074	–	1,953,074	351,149	351,149
Doubtful	3,902,041	–	3,902,041	1,913,521	1,913,521
Loss	13,505,810	–	13,505,810	13,505,810	13,505,810
	19,393,983	–	19,393,983	15,770,480	15,770,480

Category of Classification	December 31, 2010 (Audited)				
	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
Rupees in '000					
Other Assets Especially					
Mentioned	24,340	–	24,340	–	–
Substandard	1,604,264	–	1,604,264	330,109	330,109
Doubtful	3,937,765	–	3,937,765	1,968,882	1,968,882
Loss	13,121,797	–	13,121,797	13,121,797	13,121,797
	18,688,166	–	18,688,166	15,420,788	15,420,788

- 7.2 No benefit of Forced Sales Value of the collaterals held by the Bank has been taken while determining the provision against non performing loans as allowed under BSD Circular No. 02 dated June 03, 2010.

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2011

	Un-audited March 31, 2011	Audited December 31, 2010
	Rupees in '000	
<b>8. OPERATING FIXED ASSETS</b>		
Capital work-in-progress	3,542,048	3,279,994
Property and equipment	11,914,369	11,906,454
Intangible assets	177,072	184,670
	<u>15,633,489</u>	<u>15,371,118</u>

## 9. DEFERRED TAX ASSET / (LIABILITY) - NET

### Deferred debits arising due to:

Compensated leave absences	148,997	153,605
Provision against:		
Investments	79,098	79,098
Other assets	275,846	275,847
Off balance sheet obligations	169,525	169,525
Provision against advances	1,045,373	1,025,796
Post retirement medical benefits	267,161	276,249
Workers Welfare Fund	116,873	86,455
	<u>2,102,873</u>	<u>2,066,575</u>

### Deferred credits arising due to:

Surplus on revaluation of fixed assets	(310,679)	(314,611)
Surplus on revaluation of investments	(322,242)	(403,875)
Accelerated tax depreciation / amortization	(796,084)	(846,420)
Excess of investment in finance lease over written down value of leased assets	(20,895)	(18,517)
	<u>(1,449,900)</u>	<u>(1,583,423)</u>
	<u>652,973</u>	<u>483,152</u>

- 9.1 Through Finance Act 2007, a new section 100A read with the 7th Schedule (the Schedule) was inserted in the Income Tax Ordinance, 2001 for the taxation of banking companies. The Schedule seeks to simplify the taxation of banking companies and is applicable from the tax year 2009 (financial year ending on December 31, 2008).

The deferred tax asset on the deductible temporary differences disallowed as a deduction in the past up to December 31, 2007, for which transitory provisions are not available, is being kept as an asset as the Bank is confident that transitory provisions would be introduced to set out the mechanism of claiming where benefit of these allowances can be claimed.

	Un-audited March 31, 2011	Audited December 31, 2010
	Rupees in '000	
<b>10. DEPOSITS AND OTHER ACCOUNTS</b>		
Customers		
Fixed deposits	112,632,009	109,051,434
Savings deposits	99,144,513	93,632,849
Current accounts - Remunerative	53,023,831	57,006,516
- Non-remunerative	105,245,604	110,871,294
	<u>370,045,957</u>	<u>370,562,093</u>
Financial Institutions		
Remunerative deposits	2,206,107	718,855
	<u>372,252,064</u>	<u>371,280,948</u>

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2011

## 11. SHARE CAPITAL

### 11.1 Authorised capital

Un-audited March 31, 2011 No. of shares	Audited December 31, 2010		Un-audited March 31, 2011 Rupees in '000	Audited December 31, 2010
<u>1,500,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>15,000,000</u>	<u>10,000,000</u>

### 11.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10 each

Un-audited March 31, 2011 No. of shares	Audited December 31, 2010	Ordinary Shares	Un-audited March 31, 2011 Rupees in '000	Audited December 31, 2010
<u>406,780,094</u>	<u>406,780,094</u>	Fully paid in cash	<u>4,067,801</u>	<u>4,067,801</u>
<u>357,772,190</u>	<u>357,772,190</u>	Issued as bonus shares	<u>3,577,722</u>	<u>3,577,722</u>
<u>764,552,284</u>	<u>764,552,284</u>		<u>7,645,523</u>	<u>7,645,523</u>
		18,348,550 Ordinary Shares of Rs.10 each determined pursuant to the Scheme of Amalgamation of ILL with ABL in accordance with the share swap ratio stipulated therein less 9,200,000 Ordinary Shares of Rs.10 each held by ILL on the cut-off date (September 30, 2004).	<u>91,486</u>	<u>91,486</u>
		8,400,000 Ordinary Shares of Rs.10 each determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein	<u>84,000</u>	<u>84,000</u>
<u>9,148,550</u>	<u>9,148,550</u>		<u>7,821,009</u>	<u>7,821,009</u>
<u>8,400,000</u>	<u>8,400,000</u>			
<u>782,100,834</u>	<u>782,100,834</u>			

Ibrahim Fibres Limited, related party of the bank, held 287,078,695 (36.71%) [December 31, 2010: 287,078,695 (36.71%)] Ordinary shares of Rs.10 each.

Note	Un-audited March 31, 2011 Rupees in '000	Audited December 31, 2010
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## 12. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus/(deficit) arising on revaluation of:			
- fixed assets	12.1	<u>2,757,735</u>	<u>2,765,036</u>
- available for sale securities	12.2	<u>3,094,685</u>	<u>2,033,420</u>
Surplus on revaluation of assets - net of tax		<u>5,852,420</u>	<u>4,798,456</u>

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2011

Un-audited                      Audited  
March 31,                      December 31,  
2011                              2010  
Rupees in '000

## 12.1 Surplus on revaluation of fixed assets

Surplus on revaluation of fixed assets as at January 1	3,079,647	3,132,247
Surplus realized on disposal of revalued properties	-	(5,303)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(7,301)	(30,743)
Related deferred tax liability	(3,932)	(16,554)
	(11,233)	(47,297)
Surplus on revaluation of fixed assets as at March 31 and December 31	3,068,414	3,079,647
Less: Related deferred tax liability on :		
Revaluation as at January 1	314,611	331,165
Incremental depreciation charged during the period / year transferred to profit and loss account	(3,932)	(16,554)
	310,679	314,611
	2,757,735	2,765,036

## 12.2 Surplus/(Deficit) on revaluation of available-for-sale securities

Federal Government Securities		
Market Treasury Bills	(66,120)	(120,712)
Pakistan Investment Bonds	(21,279)	(23,870)
Term Finance Certificates	(39,097)	(9,949)
Shares/Certificates - Listed	3,529,925	2,528,671
Mutual Funds	13,498	63,155
	3,416,927	2,437,295
Less : Related deferred tax liability	(322,242)	(403,875)
	3,094,685	2,033,420

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2011

	Un-audited March 31, 2011	Audited December 31, 2010
	Rupees in '000	
13. CONTINGENCIES AND COMMITMENTS		
13.1 Direct credit substitutes		
Guarantees in favour of:		
Banks and financial institutions	670,331	1,769,128
13.2 Transaction-related contingent liabilities		
Guarantees in favour of:		
Government	12,371,039	9,512,438
Others	12,494,406	8,585,255
	24,865,445	18,097,693
13.3 Trade-related contingent liabilities	54,311,288	52,044,205
13.4 Claims against the Bank not acknowledged as debt	4,704,933	3,943,404
13.5 Commitments to extend credit		

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

	Un-audited March 31, 2011	Audited December 31, 2010
	Rupees in '000	
13.6 Commitments in respect of forward foreign exchange contracts		
Purchase	26,180,371	23,100,518
Sale	11,681,515	7,371,457
13.7 Commitments in respect of operating fixed assets		
Civil works	990,054	1,260,603
Acquisition of operating fixed assets	568,787	372,584
13.8 Commitments in respect of lease financing	215,749	168,437
13.9 Commitments in respect of procurement of shares	223	258

## 13.10 Contingencies

13.10.1 There is no change in the status of contingencies, set out in note 22.10 to the financial statements of the Bank for the year ended December 31, 2010, except for the contingency as mentioned below:

13.10.2 The income tax assessments of the Bank have been finalized upto and including tax year 2010 for local and Azad Kashmir operations. While finalizing income tax assessments upto tax year 2010, income tax authorities made certain add backs with aggregate tax impact of Rs.10,718 million. As a result of appeals filed by the Bank before appellate authorities, the add backs with tax impact amounting to Rs. 2,524 million and Rs.8,682 million were set-aside and deleted respectively. The bank has further filed appeals before higher appellate authorities where relief has not been allowed against add backs by income tax authorities. While giving appeal effects on most of the deleted issues, a refund of Rs. 5,794 million has been determined. Against most of the deleted and set-aside issues, Department is in appeal before higher appellate authorities. Pending finalization of appeals no provision has been made by the Bank on aggregate sum of Rs.10,718 million. The management is hopeful that the outcome of these appeals will be in favor of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements  
(Un-audited) for the quarter ended March 31, 2011

	Quarter ended March 31, 2011	Quarter ended March 31, 2010
	Rupees in '000	
<b>14. MARK-UP/RETURN/INTEREST EARNED</b>		
On loans and advances	8,460,457	7,728,336
On investments in:		
Available-for-sale securities	3,047,424	1,955,036
Held-to-maturity securities	192,421	548,874
	3,239,845	2,503,910
On deposits with financial institutions	5,884	4,997
On securities purchased under resale agreements	584,004	665,776
On certificates of investment	2,140	11,047
On letters of placement	-	5,889
On call money lending	9,566	19,769
	12,301,896	10,939,724
<b>15. MARK-UP/RETURN/INTEREST EXPENSED</b>		
Deposits	5,049,451	4,251,900
Long term borrowings	78,917	84,106
Securities sold under repurchase agreements	29,876	195,563
Call money borrowing	30,221	231,698
Brokerage and commission	42,928	29,447
Markup on sub-ordinated loans	199,062	186,907
Other short term borrowings	675,181	586,165
	6,105,636	5,565,786
<b>16. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit after tax for the period attributable to ordinary shareholders	2,531,176	1,798,489
	Number of Shares	
Weighted average number of Ordinary Shares outstanding during the period	782,100,834	782,100,834
	Rupees	
Earnings per share - basic and diluted	3.24	2.30
There is no dilution effect on basic earnings per share.		

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2011

17.

## RELATED PARTY TRANSACTIONS

The Bank and its subsidiary have related party relationships with companies with common directorship, directors, employee benefit plans and key management personnel. Contributions to the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation / terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

Nature of related party transactions	Un-audited March 31, 2011			Audited December 31, 2010				
	Directors	Associated companies	Key management personnel	Other related parties	Directors	Associated companies	Key management personnel	Other related parties
Rupees in '000								
<b>Loans</b>								
Loans at the beginning of the period/year	61,581	-	211,703	16,061,896	22,461	-	248,967	14,318,863
Loans given during the period/year	11,700	-	5,117	-	85,655	-	38,959	2,173,199
Loans repaid/adjusted during the period/year	(13,890)	-	(8,889)	(14,119,085)	(46,535)	-	(76,223)	(630,166)
Loans at the end of the period/year	59,391	-	207,930	1,942,811	61,581	-	211,703	16,061,896
<b>Deposits</b>								
Deposits at the beginning of the period/year	9,821	93,965	16,128	-	9,661	9,400	10,782	-
Deposits received during the period/year	6,450	2,189,730	23,392	-	2,973,552	9,298,676	179,754	-
Deposits repaid during the period/year	(6,584)	(2,222,775)	(25,697)	-	(2,973,392)	(9,214,111)	(174,408)	-
Deposits at the end of the period/year	11,687	60,920	13,823	-	9,821	93,965	16,128	-
<b>Nostro balances</b>	-	117,227	-	-	-	126,448	-	-
<b>Lendings</b>	-	969,205	-	-	-	523,239	-	-
<b>Borrowings</b>	-	152,113	-	-	-	161,850	-	-
Investments in shares / open-end mutual funds	-	236,682	-	3,142,143	-	240,969	-	3,304,790
Non Funded Exposures	-	-	-	3,291,062	-	-	-	4,111,021
Net receivable from : staff retirement benefit funds	-	-	-	1,335,958	-	-	-	1,452,077
staff retirement fund deposits	-	-	-	1,757,031	-	-	-	3,042,357

Notes to the Consolidated Condensed Interim Financial Statements  
(Un-audited) for the quarter ended March 31, 2011

	Un-audited March 31, 2011				Un-audited March 31, 2010			
	Directors	Associated companies	Key management personnel	Other related parties	Directors	Associated companies	Key management personnel	Other related
	Rupees in '000							
Mark-up earned	732	-	3,864	76,293	244	-	3,014	650,192
Income on placements	-	4	-	-	-	3	-	-
Income on lendings	-	38	-	-	-	-	-	-
Dividend Income	-	-	-	84,996	-	-	-	142,136
Commission income	-	-	-	425	-	-	-	-
Management fee sharing expense	-	-	-	1,435	-	-	-	1,665
Management fee income	-	-	-	50,117	-	-	-	38,334
Mark-up expense on Deposits	126	3	23	73,907	159	-	31	144,125
Interest expense on Borrowings	-	6,024	-	-	-	92	-	-
Directors' meeting fee	675	-	-	-	300	-	-	-
NIFT charges	-	-	-	19,920	-	-	-	16,660
Bank charges levied	-	-	-	-	-	3	-	595
Rent expense	-	3,705	-	-	-	1,993	-	-
Charge / (reversal) in respect of staff retirement benefit funds	-	-	-	(128,820)	-	-	-	77,390

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2011

## 18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	For the Period Ended March 31, 2011 (Un-audited)							Total
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Eliminations	
	Rupees in '000							
Total Income	210,402	601,662	6,782,893	10,977,261	110,322	65,999	[4,936,928]	13,811,611
Total Expenses	[109,707]	[481,793]	[5,868,937]	[9,649,114]	[62,016]	[45,796]	4,936,928	[11,280,435]
Net Income	100,695	119,869	913,956	1,328,147	48,306	20,203	-	2,531,176

	For the Period Ended March 31, 2010 (Un-audited)							Total
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Eliminations	
	Rupees in '000							
Total Income	306,036	707,545	4,547,068	9,479,948	93,834	60,990	[2,630,951]	12,564,470
Total Expenses	[159,056]	[364,246]	[4,042,942]	[8,743,345]	[47,428]	[39,915]	2,630,951	[10,765,981]
Net Income	146,980	343,299	504,126	736,603	46,406	21,075	-	1,798,489

	As at March 31, 2011 (Un-audited)							Total
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Eliminations	
	Rupees in '000							
Segment Assets	248,125	14,390,455	102,793,511	352,028,071	307,455	551,136	470,318,753	

	As at December 31, 2010 (Audited)							Total
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Eliminations	
	Rupees in '000							
Segment Assets	222,575	12,393,503	106,907,076	349,369,145	214,079	539,436	469,645,814	

## 19. GENERAL

- 19.1 Figures have been rounded off to the nearest thousand rupees.
- 19.2 Corresponding figures have been re-arranged and reclassified to reflect more appropriate presentation of transactions for the purpose of comparison. However, no significant reclassifications have been made in these consolidated condensed interim financial statements.

## 20. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 25 April, 2011 by the Board of Directors of the Bank.

Chief Financial Officer  
Director

President and Chief Executive Officer  
Director

Chairman