

Statement of Changes in Equity

for the year ended December 31, 2005

	Share capital	Share premium	Statutory reserve	Special* reserve	Capital reserve	Merger** reserve	General reserve	(Accumulated loss) / Un-appropriated profit	Total
	Rupees in '000								
Balance as at January 01, 2004 – ABL	1,063,156	-	557,876	-	-	-	-	(6,490,139)	(4,869,107)
Balance as at January 01, 2004 – ILL	251,350	-	-	60,687	34,300	-	6,000	19,012	371,349
Shares issued during the year – ABL	3,250,000	10,950,000	-	-	-	-	-	-	14,200,000
Transferred from surplus on revaluation of fixed assets to accumulated loss - net of tax – ABL	-	-	-	-	-	-	-	14,989	14,989
Profit after taxation for the year ended December 31, 2004 – ABL	-	-	-	-	-	-	-	168,270	168,270
Transfer to statutory reserve – ABL	-	-	16,827	-	-	-	-	(16,827)	-
Profit after taxation for the year ended December 31, 2004 – ILL	-	-	-	-	-	-	-	23,503	23,503
Transfer to special reserve – ILL	-	-	-	7,308	-	-	-	(7,308)	-
Transfer to deferred taxation – ILL	-	-	-	-	(34,300)	-	-	-	(34,300)
Proposed dividend for 2004 – ILL	-	-	-	-	-	-	-	(25,135)	(25,135)
Balance as at December 31, 2004 – ABL	4,313,156	10,950,000	574,703	-	-	-	-	(6,323,707)	9,514,152
Balance as at December 31, 2004 – ILL	251,350	-	-	67,995	-	-	6,000	10,072	335,417
Elimination of share capital of ILL and creation of merger reserve as a result of merger of ABL and ILL	(251,350)	-	-	-	-	67,864	-	-	(183,486)
Adjustments pertaining to additional issue of share capital (note 18.2)	91,486	(309,969)	-	-	-	-	-	-	(218,483)
Amalgamated balance as at December 31, 2004	4,404,642	10,640,031	574,703	67,995	-	67,864	6,000	(6,313,635)	9,447,600
Transferred from surplus on revaluation of fixed assets to accumulated loss - net of tax	-	-	-	-	-	-	-	19,882	19,882
Profit after taxation for the year ended December 31, 2005	-	-	-	-	-	-	-	3,033,372	3,033,372
Transfer to statutory reserve	-	-	303,337	-	-	-	-	(303,337)	-
Accumulated losses offset against share premium account (note 19.1)	-	(6,323,707)	-	-	-	-	-	6,323,707	-
Proposed dividend	-	-	-	-	-	-	-	(1,101,160)	(1,101,160)
Balance as at December 31, 2005	4,404,642	4,316,324	878,040	67,995	-	67,864	6,000	1,658,829	11,399,694

* This represents reserve created by transferring 20% of after tax profit of Ibrahim Leasing Limited (ILL) before its amalgamation with the bank, as required under Non Banking Finance Companies (NBFC) Rules, 2003.

** This represents excess of (a) assets of ILL over its reserves and liabilities of ILL merged with ABL over (b) consideration to share holders of ILL as per the scheme of amalgamation approved by the SBP.

The annexed notes 1 to 44 form an integral part of these financial statements.

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman