

Cash Flow Statement (Un-audited)

for the quarter ended March 31, 2006

	Quarter ended March 31, 2006	Quarter ended March 31, 2005
Rupees in '000'		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,588,871	772,601
Less: Dividend income	12,245	9,399
	<u>1,576,626</u>	<u>763,202</u>
Adjustments for non-cash charges		
Depreciation / amortisation	71,820	75,477
Provision against non-performing loans and advances (including general provision)	251,500	100,000
Reversal of provision for diminution in the value of investments	(974)	(1,518)
Unrealised loss on revaluation of held for trading securities	7,095	110,164
Provision against off balance sheet items	-	1,414
Net gain on sale of property and equipment	(41,389)	(3,103)
Bad debts written off directly	-	106
	<u>288,052</u>	<u>282,540</u>
	1,864,678	1,045,742
(Increase)/ decrease in operating assets		
Lendings to financial institutions	(16,279,889)	(1,919,393)
Held for trading securities	112,101	(558,921)
Advances - net	(5,865,035)	(7,723,248)
Other assets (excluding advance taxation)	(1,428,427)	(932,824)
	<u>(23,461,250)</u>	<u>(11,134,386)</u>
Increase/ (decrease) in operating liabilities		
Bills payable	(41,893)	(508,220)
Borrowings from financial institutions	5,888,760	(7,183,707)
Deposits	9,913,969	10,144,188
Other liabilities	(508,371)	391,564
	<u>15,252,465</u>	<u>2,843,825</u>
	(6,344,107)	(7,244,819)
Income tax paid	(126,524)	(80,808)
Net cash flow from operating activities	<u>(6,470,631)</u>	<u>(7,325,627)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	4,606,460	7,087,975
Dividends received	12,245	6,215
Net Investments in operating fixed assets	(154,410)	(611,592)
Net cash flow on investing activities	<u>4,464,295</u>	<u>6,482,598</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations	-	-
Issue of share capital	-	-
Dividend paid	-	(985)
Others	-	-
Net cash flow on financing activities	<u>-</u>	<u>(985)</u>
Decrease in cash and cash equivalents during the period	<u>(2,006,336)</u>	<u>(844,014)</u>
Cash and cash equivalents at beginning of the year	<u>17,877,212</u>	<u>12,106,927</u>
Cash and cash equivalents at end of the period	<u>15,870,876</u>	<u>11,262,913</u>

The annexed notes 1 to 10 form an integral part of these financial statements

Chief Financial Officer

President & Chief Executive Officer

Director