

NIB Bank Limited

Annual Report 2008



Enabling success, Realising dreams

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**Board of Directors**

| | |
|------------------------|--------------------------|
| Francis Andrew Rozario | Chairman |
| Syed Aamir Zahidi | Director |
| Tan Soo Nan | Director |
| Tejpal Singh Hora | Director |
| Willie Wai Kong Chan | Director |
| Mahmudul Huq Bhuiyan | Director |
| Asif Jooma | Director |
| Khawaja Iqbal Hassan | Director & President/CEO |

Board Audit Committee

| | |
|----------------------|----------|
| Tan Soo Nan | Chairman |
| Syed Aamir Zahidi | Member |
| Mahmudul Huq Bhuiyan | Member |

Company Secretary

Yameen Kerai (Acting)

Chief Financial Officer

Rayomond Kotwal

Registered Office

Muhammadi House
I.I. Chundrigar Road
Karachi-74000.
UAN: (021) 111 333 111
Email: info@nibpk.com
URL: www.nibpk.com

Share Registrar Office

M/s. THK Associates (Pvt.) Limited
Ground Floor, State Life Building No. 3
Dr. Ziauddin Ahmed Road
Karachi-75530.
UAN: (021) 111 000 322

Auditors

M/s. M. Yousuf Adil Saleem & Co.
Chartered Accountants

Legal Advisor

M/s. Mandviwalla & Zafar
Advocates and Legal Consultants

Credit Rating

Long Term: AA-
Short Term: A1+
Rating Agency: PACRA

Notice of Annual General Meeting



Notice is hereby given that the Sixth Annual General Meeting of the NIB Bank Limited will be held at Moosa G. Desai Auditorium, Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton, Karachi at 09:00 am on Friday, the 24th April 2009 to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting held on 24th November 2008.
2. To receive, consider and adopt the Audited Accounts of the Bank for the year ended 31st December 2008 together with Directors' and Auditors' Reports thereon.
3. To appoint auditors and fix their remuneration. M/s. KPMG Taseer Hadi & Co., Chartered Accountants have offered themselves for the appointment. (The previous auditors, M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants have completed their term).
4. Any other business with the permission of the Chair.

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolution as and by way of special resolution, namely:

5. **RESOLVED** that the remuneration paid and payable to the non-executive directors of the bank for the year 2008 amounting to Rs. 0.934 million in terms of SBP, BPD Circular No. 45 of 2004, be and is hereby approved.

A statement as required under Section 160(1)(b) of the Companies Ordinance, 1984 in respect of above resolution is attached.

By Order of the Board

Karachi.
Dated: 2nd April, 2009

Yameen Kerai
Company Secretary (Acting)

Notes:

1. Share Transfer Books of the Bank will remain closed from 17th April to 24th April 2009 (both days inclusive).
2. A shareholder entitled to attend and vote at this meeting may appoint another shareholder as his / her proxy to attend and vote. Proxies, in order to be effective, must be received at the Registered Office of the Bank situated at Muhammadi House, I.I. Chundrigar Road, Karachi (Pakistan) not later than 48 (forty eight) hours before the time of meeting, and must be duly stamped, signed and witnessed.
3. Shareholders are requested to notify any change in their addresses immediately to the Bank or Share Registrar, M/s. THK Associates (Pvt.) Limited, Ground Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi (Pakistan).
4. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated the 26th January 2000 issued by the Securities and Exchange Commission of Pakistan:

For attending the meeting:

In case of individuals, the account holder or sub-account holder or investor account holder shall authenticate identity by showing his / her original computerized national identity card (CNIC) or original passport at the time of attending the meeting.

Notice of Annual General Meeting



In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

For appointing proxies:

In case of individuals, the account holder or sub-account holder or investor account holder shall submit the proxy form as per the above requirement.

The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.

Attested copy of CNIC or the Passport, of the account holder or sub-account holder or investor account holder shall be furnished with the proxy form.

The proxy shall produce his original CNIC or original Passport at the time of the meeting.

In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Bank.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

Remuneration to Non-executive Directors and Chairman:

As per State Bank of Pakistan's BPD Circular Letter No. 45 dated 22nd November 2004, total amount of remuneration to be paid to the Non-executive Directors and Chairman during a calendar year should be approved on a pre or post facto basis in the Annual General Meeting.

THE ECONOMY

After a period of relative prosperity, Pakistan's economy is going through a period of stress which has resulted in the country going back into an IMF program. In 2008 inflation reached a 33-year peak of 25% and both current account and fiscal account deficits were also high at 8.4% and 7.4% of GDP respectively. As a consequence of escalating inflation, the State Bank of Pakistan implemented a tight monetary policy which caused interest rates to rise substantially.

BANKING SECTOR

The banking sector began to show signs of a decline in profitability in 2008 as higher interest rates and spiraling inflation resulted in increasing the cost of deposits and operating expenses. The level of non-performing loans also increased due to the weaker general economic environment and higher cost of borrowing. Loan growth was relatively strong at 19%, however, a majority of new loans was extended to public sector entities with a lower growth in credit extended to smaller companies and retail customers. Deposit growth in the industry slowed down as there was a short-term loss of confidence in the health of the banking sector in the third quarter of 2008. This trend has now reversed. While a select few banks that have large branch networks continued to benefit from lower funding costs, for the remainder of the banking sector the cost of funds increased as a result of the introduction of banking regulations on minimum interest rate on savings accounts as well as the general rise in interest rates.

OPERATING RESULTS

NIB completed the first year of its merger with PICIC and PICIC Commercial Bank (PCBL) in 2008, amidst a difficult economic environment. The merger was made more challenging by the growing pressure on portfolio quality, rising costs of funds and spiraling inflation. A fundamental transformation in business models, risk management processes and organizational culture were some of the bank's priorities in 2008. While such capacity enhancements are part of a continuous improvement process, NIB has substantially achieved the integration goals that it set for itself at the end of 2007.

NIB now has 244 branches in 61 cities across the country, of which 242 are dedicated to Retail, SME and Small Businesses. A key element of the bank's strategy is to group customers with similar needs into one of its main business segments. This has enabled NIB to construct a distinctive business model for each segment, with appropriate specialized products and services.

NIB's strategic focus on Retail, SME and Small Businesses is reflected in the fact that 207 out of its 244 branches, and 76% of its employees, are dedicated to these customers. Salaam Banking, with 97 dedicated branches, provides a full range of financial products and services specially designed for small businesses. It gives us great satisfaction to report that 80% of the Salaam Banking customers have never before been supported by any formal financial institution. From inception in late 2007 this business has grown rapidly to almost 200,000 relationships, and 90% of such customers state that they would recommend Salaam Banking to a friend or business associate.

The SME business provides a unique value proposition to under-served mid-sized businesses. This segment provides a "one window" banking solution to such businesses across 35 branches and facilitates lending, depository and trade activities.

NIB continues to maintain a focused and targeted presence in the Corporate Banking segment where it has brought together the skills of lending with cash management and investment banking services.

For the year 2008 NIB Bank has declared a loss after tax of Rs 7,475 million, principally as a result of a very conservative approach to provisioning of loans and impairment of assets. These results have been impacted principally by three factors which together contributed a negative Rs 8.2 billion (after-tax):

- Credit provisions
- Goodwill Impairment
- Fall in equity markets

Credit Provisions

Given the weaker economy through most of 2008, even normally robust borrowers have been under pressure. Additionally, many borrowers inherited from PICIC and PCBL proved to be marginal in these stressful times and consequently the bank has taken substantial provisions on such borrowers. Of the total provisions of Rs 9.2 billion, almost Rs 5.0 billion are subjective, where NIB has provided over and above what is required by the State Bank of Pakistan's Prudential Regulations.

After this provisioning, NIB's coverage ratio of total provisions to total non-performing loans is 75%. This is better than where the banking sector as a whole is expected to be at the end of 2008. NIB is also expected to be ahead of the industry in that it is perhaps the only large bank to have taken a 100% provision against some very large corporate borrowers.

Goodwill Impairment

As a part of the acquisition of PICIC and PCBL, Goodwill of Rs 25,261 million was recorded in the books of NIB. Goodwill is the difference between the price paid for the acquisition and the net assets of these entities as recorded in NIB's books. Accounting rules require Goodwill to be tested each year for impairment. This is done by estimating the value in use, which in NIB's case is the present value of future cash flows from the Retail and SME businesses (to which the Goodwill is allocated), and comparing this to the carrying value (which includes Goodwill) of these two businesses. NIB's forecasts indicate that the projected value in use of both these businesses exceeds the carrying value by a substantial margin and therefore no impairment of Goodwill is required. However, given the current environment, the bank conducted sensitivity analyses, the most conservative of which indicated an impairment of less than 5% of the Goodwill. As a matter of prudence the bank has decided to take this as a charge in 2008, which contributed Rs 1,040 million to the after-tax loss.

Fall in Equity Markets

The collapse of the equity markets during 2008 affected the value of investments inherited from PICIC. This was evident in the equity holdings inherited as well as the investment in PICIC Insurance, PICIC Asset Management Company and the funds it manages. The combined after tax impact of the write downs taken on these investments was Rs 665 million.

While BSD Circular No 4 of 2009 allowed banks to defer recognition of the full decline in the value of equity securities held as Available for Sale in the profit and loss account, NIB decided to take a charge of 20% in 2008. This has been fully disclosed in the financial statements in line with the requirements of the Circular.

To sustain the conservative position taken on these subjective matters, the bank raised Rs 12 billion in new capital through a Rights Issue in December 2008. As a consequence, NIB continues to remain extremely sound and healthy. After accounting for 2008 results, the bank remains significantly better capitalized than required. Its Capital Adequacy Ratio is well in excess of the industry average and the State Bank of Pakistan's mandated ratio of 9%.

Business Performance

Despite the difficult operating environment, the underlying growth of the core businesses of NIB has been strong. The bank has segregated the loan portfolios of each of its business segments into core and non-core, and its strategy is to grow core businesses as these are fundamentally sound and present the platform on which the bank will grow. In 2008, in the core parts of the SME, Retail and Small Business segments, NIB added 107,000 customers and disbursed new loans worth Rs 17.8 billion, representing a 22% growth in new advances. This growth in advances is not evident from the Balance Sheet because of a planned reduction in non-core loans and the previously explained increase in provisions. It is the bank's intention to continue to shrink its non-core businesses, a bulk of which have been inherited from PICIC and PCBL, as they are generally poorly priced and vulnerable to credit losses.

Deposits reduced by Rs 9.0 billion, excluding the Rs 3.0 billion pre-IPO proceeds of subordinated debt required to be shown as deposits in the previous year. Rs 10.0 billion of expensive term deposits were shed in the first quarter of 2008, since these were not needed from a liquidity standpoint. As deposit rates are now normalizing, the bank is building its deposit base and during 2009, it expects to grow deposits aggressively.

During the year NIB hired over 2,500 employees and improved staff quality through more than 12,000 man days of training. The bank also upgraded infrastructure in most branches, fully converted all branches to their relevant business models, and made significant progress in technology. All branches now operate on one NIB platform. The bank implemented a specialized system to support efficient loan processing for high-growth segments, and increased bandwidth to cut down transaction processing time. Progress was also made towards the implementation of new HR and MIS systems, and a new core banking system is expected to be rolled out during the first half of 2009. As a result of the above, and due to the addition of the expenses of PICIC and PCBL, NIB's overall expenses increased, however, some of this increase was caused by one time expenses which are not expected to be repeated.

Consolidated Results

On a consolidated basis, there was a loss after tax of Rs 9,179 million. The difference of Rs 1,705 million between the standalone and consolidated results is primarily due to losses in the value of the funds of PICIC Asset Management Company caused by collapse of the equity markets, which contributed Rs 1,517 million to the after-tax loss.

FUTURE OUTLOOK

The conservative approach taken in 2008, supported by a strong capital base and business strategies that are now being rolled-out, should position the bank for profitable performance in 2009, notwithstanding the difficult environment. NIB's revenue growth is on the right trajectory and it continues to improve productivity and operating efficiencies by introducing greater automation and keeping a strong control over costs.

CREDIT RATING

Recognizing the progress that NIB has made PACRA **upgraded NIB's long term rating to AA-** (Double A minus) and short term rating to A1+ (A one plus) in June 2008. The rating on our term finance certificates issued in March of this year has **also improved to A+** (A plus).

CORPORATE GOVERNANCE

During the year under review, the Bank is compliant with the provisions of the Code of Corporate Governance. Being aware of their responsibilities under the Code of Corporate Governance, the Board of Directors state that:

- The Financial Statements prepared by the management of the bank, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the bank have been maintained.
- Appropriate accounting policies, except hereinafter mentioned, have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations of Stock Exchanges and the Company is following these meticulously.
- As of 31st December 2008, the value of investments of the Provident Fund (un-audited) was Rs. 40.4 million.
- No trading during the year in the shares of the bank was carried out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children.

SIX YEARS FINANCIAL DATA

| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|----------|---------|---------|--------|--------|-------|
| Mark-up / Return / Interest earned | 15,202 | 7,000 | 3,473 | 1,717 | 804 | 172 |
| Mark-up / Return / Interest expensed | 10,800 | 4,996 | 2,452 | 1,119 | 413 | 83 |
| Net Mark-up / Interest Income | 4,402 | 2,004 | 1,021 | 598 | 391 | 89 |
| Provision against non-performing loans and advances | 8,834 | 1,495 | 270 | 121 | 73 | 7 |
| Provision for diminution in the value of investments | 809 | – | – | (30) | – | – |
| Bad debts written off directly | 14 | – | – | – | – | – |
| | (9,657) | (1,495) | (270) | (91) | (73) | (7) |
| Net Mark-up / Interest income after provisions | (5,255) | 509 | 751 | 507 | 318 | 82 |
| Fee, commission and brokerage income | 679 | 315 | 180 | 92 | 40 | 4 |
| Dividend income | 1,047 | 14 | 15 | 17 | 16 | 1 |
| Income from dealing in foreign currencies | 436 | 225 | 209 | 109 | 25 | 1 |
| Gain on sale of securities | 194 | 24 | 0 | 3 | 13 | – |
| Unrealized gain/(loss) on revaluation of investments classified as held-for-trading | – | – | – | – | – | – |
| Other income | 65 | 349 | 91 | 12 | 17 | 1 |
| Total Non-Markup / Interest income | 2,421 | 927 | 495 | 233 | 111 | 7 |
| | (2,834) | 1,436 | 1,246 | 740 | 429 | 89 |
| Administrative expenses | 6,433 | 2,141 | 1,221 | 712 | 394 | 62 |
| Other provisions / (reversals) / write offs | 322 | 3 | (0) | 0 | 4 | – |
| Other charges | 325 | 2 | 3 | 1 | 0 | – |
| Goodwill impairment | 1,040 | – | – | – | – | – |
| Other intangibles impairment | 44 | – | – | – | – | – |
| Total Non-Markup / Interest expense | (8,164) | (2,146) | (1,224) | (713) | (398) | (62) |
| (Loss) / Profit before taxation | (10,998) | (710) | 22 | 27 | 31 | 27 |
| (Loss) / Profit after taxation | (7,475) | (490) | 118 | 104 | 123 | 21 |
| Basic / diluted (loss) / earnings per share (Rupees) | (2.63) | (0.44) | 0.21 | 0.45 | 0.99 | 0.17 |
| Cash and balances with treasury banks | 9,355 | 10,319 | 2,928 | 2,085 | 975 | 331 |
| Balances with other banks | 794 | 1,402 | 1,363 | 1,966 | 309 | 17 |
| Lendings to financial institutions | 12,460 | 4,753 | 2,600 | 2,270 | 1,813 | 348 |
| Investments | 35,177 | 40,440 | 6,559 | 5,129 | 1,188 | 952 |
| Advances | 80,344 | 81,932 | 31,052 | 19,623 | 11,737 | 6,792 |
| Operating fixed assets | 3,702 | 3,925 | 622 | 369 | 129 | 67 |
| Intangible assets | 26,665 | 28,039 | – | – | – | – |
| Deferred tax assets | 6,533 | 2,733 | 127 | – | – | – |
| Other assets | 3,879 | 3,329 | 1,172 | 577 | 406 | 186 |
| | 178,909 | 176,872 | 46,423 | 32,019 | 16,557 | 8,693 |

Directors' Report to the Shareholders



| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|---------------|---------------|--------------|--------------|--------------|--------------|
| Bills payable | 1,432 | 2,110 | 216 | 274 | 99 | 74 |
| Borrowings | 23,651 | 16,669 | 9,164 | 4,547 | 4,159 | 1,975 |
| Deposits and other accounts | 104,586 | 116,671 | 30,566 | 21,124 | 10,648 | 4,779 |
| Redeemable capital | - | - | - | - | - | 167 |
| Sub-ordinated loans | 3,999 | - | - | - | - | - |
| Liabilities against assets subject to finance lease | - | 7 | - | - | - | - |
| Deferred tax liabilities | - | - | - | 3 | 99 | 199 |
| Other liabilities | 5,542 | 4,962 | 2,150 | 1,858 | 188 | 240 |
| | 139,210 | 140,419 | 42,096 | 27,806 | 15,193 | 7,434 |
| NET ASSETS | 39,699 | 36,453 | 4,327 | 4,213 | 1,364 | 1,259 |
| REPRESENTED BY : | | | | | | |
| Share capital | 28,437 | 22,018 | 3,362 | 3,362 | 1,229 | 1,229 |
| Share deposit money | 12,000 | - | - | - | - | - |
| Reserves | 8,327 | 720 | 720 | 695 | 34 | 10 |
| Accumulated (loss)/profit | (7,757) | (283) | 293 | 198 | 115 | 16 |
| | 41,007 | 22,455 | 4,375 | 4,255 | 1,378 | 1,255 |
| Shares to be issued | - | 14,026 | - | - | - | - |
| | 41,007 | 36,481 | 4,375 | 4,255 | 1,378 | 1,255 |
| Deficit on revaluation of assets - net | (1,308) | (28) | (48) | (42) | (14) | 4 |
| | 39,699 | 36,453 | 4,327 | 4,213 | 1,364 | 1,259 |

- During the period, the Board of Directors met five times. The attendance by each director was as follows:

| <u>Name of Directors</u> | <u>Total Meetings Eligible to Attend</u> | <u>Total Meetings Attended</u> | <u>Percentage</u> |
|------------------------------|--|--------------------------------|-------------------|
| Mr. Francis Andrew Rozario | 5 | 5 | 100% |
| Syed Aamir Zahidi | 5 | 5 | 100% |
| Mr. Tan Soo Nan | 5 | 2 | 40% |
| Mr. Willie Wai Kong Chan | 5 | 2 | 40% |
| Mr. Tejpal Singh Hora * | 3 | 3 | 100% |
| Mr. Mahmudul Huq Bhuiyan | 5 | 5 | 100% |
| Mr. Asif Jooma * | 3 | 3 | 100% |
| Khawaja Iqbal Hassan | 5 | 5 | 100% |
| Mr. Thomas Patrick Sodano ** | 1 | 1 | 100% |
| Mr. Phua Kok Kim ** | 0 | 0 | - |

* Appointed in 2008

** Resigned in 2008

Leave of absence was granted in case the directors were not able to attend the Board Meeting.

TRANSFER PRICING

The bank has complied with the best practices on Transfer Pricing as contained in the Listing Regulations of Stock Exchanges. However, Securities and Exchange Commission of Pakistan has deferred the implementation/applicability of the regulation till 31st December 2008.

INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORK

The Board is pleased to endorse the statements made by the management relating to internal control and the risk assessment framework to meet the requirement of the State Bank of Pakistan (SBP) BSD Circular No. 7 of 2004, BSD Circular letter No. 2 of 2005 and Code of Corporate Governance issued by the Securities & Exchange Commission of Pakistan (SECP). The management's statements are included in the annual report.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at 31st December 2008 is included in the annual report.

On the close of business on 17th January 2009, 1,200,000,000 Right Shares were allotted to those shareholders who had either subscribed or had underwritten the Rights Issue. The present paid up capital of NIB Bank Limited is Rs. 40,437,270,760/- (i.e. 4,043,727,076 shares of Rs. 10/- each).

ACKNOWLEDGEMENT

NIB would like to thank its customers for their continued support, particularly during this difficult year, with a pledge to always keep them first, and to continuously strive to improve the quality of innovative products and services that are delivered to them. The SBP, SECP and other regulatory bodies have, as always, been a constant source of support and guidance which is sincerely appreciated. And lastly, but most importantly, appreciation goes out to the employees for their dedication and commitment, and for their tireless and continuous efforts to help achieve NIB's vision of becoming the most admired financial institution in Pakistan.

SUMMARY

The Board of Directors and the management of NIB remain committed to building a unique bank that will cater to both the established and the under-served market segments. NIB is grateful to its major shareholder, Fullerton Financial Holdings, a subsidiary of Temasek Holdings of Singapore, who have repeatedly demonstrated their commitment to the bank and to Pakistan. The Board is confident that NIB's strategy will allow it to achieve its mission of improving the quality of life of millions. We ask customers and shareholders of NIB to stay the course with us and invite those who are not yet part of our franchise to join us in our journey of enabling the success and realizing the dreams of the people of Pakistan.

On behalf of the Board

Francis A. Rozario
Chairman

Khawaja Iqbal Hassan
President & CEO

Statement of Compliance with Code of Corporate Governance For the year ended December 31, 2008



This statement is being presented to comply with Code of Corporate Governance contained in Listing Regulations of Stock Exchanges where the Bank's shares are listed and Regulation G-1 of SBP's Prudential Regulations.

The Bank has applied the principles contained in the Code of Corporate Governance (CCG) in the following manner:

1. The Bank encourages representation of independent non-executive directors on its Board including those representing minority interests. At present all the directors are non executive (as defined under CCG) except for the Chief Executive Officer.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including the Bank.
3. All the resident directors of the Bank are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or Non Banking Finance Company. None of the directors of the Bank are members of any Stock Exchange.
4. Two casual vacancies occurred during 2008 were duly filled in.
5. The Bank has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the Bank.
6. The Board has developed a vision/mission statement and an overall corporate strategy. Significant policies of the Bank have been prepared and approved by the Board. A complete record of particulars of significant policies along with the dates on which these were approved is being maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board at the appropriate time.
8. The meetings of the Board were presided over by the Chairman. The Board held five meetings during the year. Written notices of Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings (in two instances notices were 1-2 days late). The minutes of the meetings were appropriately recorded and circulated. The CFO and Company Secretary attended all the meetings of the Board of Directors during the year.
9. The directors of the Bank have given a declaration that they are aware of their duties, powers and responsibilities. The in-coming directors on the Board will attend talks, workshops and/or seminars on the subject of corporate governance in order to apprise themselves of their duties and responsibilities.
10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit and the terms and condition of their employment, determined by the CEO, are duly authorized by the Board of Directors.
11. The Directors' report has been prepared in compliance with the requirements of the code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Bank were duly endorsed by the CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Bank other than that disclosed in the pattern of shareholding.
14. The Bank has complied with all the corporate and financial reporting requirements of the code.
15. The Audit Committee comprises of three members, all of whom are non-executive directors (as defined under CCG).
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Bank as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Bank has an effective Internal Audit department. An Internal Audit Manual is approved by the Board. The Internal Audit department has conducted audit of branches and various departments of the Bank during the year.
18. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of

Statement of Compliance with Code of Corporate Governance For the year ended December 31, 2008



the firms, their spouses and minor children do not hold shares of the Bank and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. The Board of Directors has also constituted two additional sub-committees namely Risk Management Committee and Human Resource Committee. The terms of reference of these Committees have been formulated and advised for compliance. The Risk Management Committee comprises of three members and is required to meet at least four times a year, and during the year it had held 5 meetings. Whereas, the Human Resource Committee is comprised of three members and as per its terms of reference it has met 3 times during the year against 2 required.
21. We confirm that all the material principles contained in the code have been complied with.

Francis A. Rozario
Chairman

Khawaja Iqbal Hassan
President & CEO

Statement on Internal Controls For the year ended December 31, 2008



Internal Control System

Management acknowledges its responsibility for establishing and maintaining a system of internal control directly related to and designed to provide reasonable assurance to achieve the following objectives:

- Efficiency and effectiveness of operations
- Compliance with applicable laws and regulations
- Reliability of financial reporting

The bank is continuously adding to its internal control systems by enhancing the quality of processes, staff and IT infrastructure and will continue to do so to strengthen internal controls as it grows its business volumes and activities.

During the year, the management has broadly evaluated the internal control system in the light of internal control guidelines issued by the State Bank of Pakistan, and is pleased to make the following disclosures on the components of the internal control system.

Control Environment

1. The Bank has written and implemented policies and procedures for most of the areas of the Bank's business, which have been approved by the Board of Directors.
2. The Bank has adopted a mission/vision statement and corporate strategy, duly approved by the Board.
3. A clear organizational structure exists which supports clear lines of communication.
4. The management has defined roles and responsibilities of key management personnel.
5. The Audit Committee, which comprises of non-executive directors, has written terms of reference and reports to the Board. It reviews the approach adopted by the company's internal audit department and the scope of, and the relationship with, the external auditors. It also receives reports from the internal audit department and the external auditors on the system of internal control and any material control weaknesses that have been identified and discusses the actions to be taken in areas of concern with the executive management.
6. An effective internal audit system exists which is responsible for evaluation of internal control system on continuous basis and reports directly to the Audit Committee.
7. The Bank has adopted a statement of ethics and business practices that is signed by all employees. Furthermore this statement is annually signed by all Directors.
8. Management has set up an effective compliance function to ensure ongoing monitoring of the Bank's adherence with all laws and regulations.
9. The Bank has also developed a 'Regulatory Matrix' that allows mapping applicable regulations with specific controls. The underlying controls are periodically tested by means of a continuous process of self assessment.

Risk Assessment

10. The Bank is largely compliant with the risk management guidelines issued by the SBP and has given a separate statement on the same.

Statement on Internal Controls For the year ended December 31, 2008



Control Activities

11. Post merger, the Bank has successfully consolidated the major inherited IT environments into one platform, thereby strengthening IT controls. The Bank has also developed a Business Continuity Plan and has also successfully tested the operation of its Disaster Recovery site.
12. The Bank has strict Know Your Customer/Anti Money Laundering policies and has developed stringent anti-fraud programs and controls. The Bank continues to use an e-KYC form to further strengthen its KYC/AML regime.

Information and Communication

13. The Bank has a functioning Management Information System and has developed Key Performance Indicators for its businesses enabling it to monitor budget versus actual performance.

Monitoring

14. Internal Audit periodically carries out audits for branches and Head Office Divisions to monitor compliance with the Bank's standards.
15. Management gives due consideration to the recommendations made by the internal, external auditors and regulators especially for improvements in the internal control system and takes timely action to implement such recommendations.

Based on the results of an evaluation of the internal control system and key features of the control framework enumerated above, management is of the view that the internal control system during the year was acceptable in design and has been effectively implemented throughout the year.

It is pertinent to mention that development of an internal control system is an ongoing process through which management reviews and strengthens the internal control system, which is designed to manage rather than eliminate risks. As such, it can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk Management Framework

The acceptance and management of financial risk is inherent to banking business activities. It involves the identification, measurement, monitoring and controlling of Risk.

In accordance with the Risk Management guidelines issued by the SBP, an Integrated Risk Management Group in the Bank formulates risk management Policies and Procedures in line with Bank's defined strategies and to monitor the following areas:

- a) Credit Risk Management
- b) Market and Liquidity Risk Management
- c) Operational Risk Management

Credit Risk Management (CRM)

CRM is viewed as an ongoing activity where credit risks are regularly identified and assessed. It determines the quality of the credit portfolio and assists in balancing risk and reward. To manage credit risks appropriately, credit committees at different locations have been established.

In order to achieve earnings targets with a high degree of reliability and to avoid losses through a strong credit process, the Credit Risk Policy Manual has been developed and duly implemented. This Manual is under constant review and regular updates are made therein through the issuance of various "Credit Bulletins", thereby, not only incorporating best practices but also ensuring the establishment of a robust credit control environment.

Statement on Internal Controls For the year ended December 31, 2008



Market Risk Management (MRM)

Market Risk Management is a control system, which allows management to closely supervise and monitor risks caused by movements in market rates or prices such as interest rates, FX rates, equity prices, credit spreads and/or commodity prices, resulting in a potential loss to earnings and capital.

Treasury Mid Office, under the supervision of Integrated Risk Management Group, is responsible for ensuring that market risk parameters are properly adhered to.

Operational Risk Management (ORM)

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Bank has written and implemented its Operational Risk Policy duly approved by the Board. The Bank has also implemented tools for identification, monitoring, and management of key operational risks and has also implemented a template for collecting Operational loss data on a periodic basis.

Khawaja Iqbal Hassan
President & CEO

Karachi.
Date: 7th March, 2009

Auditors' Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance



We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of NIB Bank Limited (the Bank) to comply with Regulation G-1 of the Prudential Regulations for Corporate/Commercial Banking issued by the State Bank of Pakistan, Listing Regulation No.37 of the Karachi Stock Exchange, Chapter XIII of the Listing Regulations of the Lahore Stock Exchange and Chapter XI of the Listing Regulations of the Islamabad Stock Exchange, where the Bank is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Bank. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Bank's personnel and review of various documents prepared by the Bank to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Bank for the year ended December 31, 2008.

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Karachi.
Date: 7th March, 2009

We have audited the annexed balance sheet of **NIB Bank Limited (the Bank)** as at December 31, 2008 and the related profit and loss account, cash flow statement and statement of changes in equity, together with the notes forming part thereof (here-in-after referred to as the 'financial statements') for the year then ended, in which are incorporated the unaudited certified returns from the branches except for twelve (12) branches which have been audited by us and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Bank's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with approved accounting standards and the requirements of the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and after due verification, which in case of loans and advances covered more than 60% of the total loans and advances of the Bank, we report that:

- (a) in our opinion proper books of account have been kept by the Bank as required by the Companies Ordinance, 1984 (XLVII of 1984), and the returns referred to above received from the branches have been found adequate for the purposes of our audit;
- (b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Bank's business; and
 - iii) the business conducted, investments made and the expenditures incurred during the year were in accordance with the objects of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank;
- (c) in our opinion and to the best of our information and according to the explanations given to us the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan and give the information required by the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), in the manner so required

and give a true and fair view of the state of the Bank's affairs as at December 31, 2008 and its true balance of loss, cash flows and changes in equity for the year then ended; and

- (d) in our opinion, zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Without qualifying our opinion, we draw attention to Notes 5.8, 6.12 and 15.2 to the financial statements where management has described the assumptions which it has used in the determining the value in use of cash-generating units (CGUs) to which goodwill has been allocated for impairment testing. These assumptions represent management's estimates on the basis of market research, industry and country data and performance of the relevant CGUs. There is a significant inherent uncertainty in the assumptions underlying the value in use computations which are dependent on future events.

M. Yousuf Adil Saleem & Co.
Chartered Accountants
Karachi.
Date: March 07, 2009

Balance Sheet As at December 31, 2008



| | Note | 2008 (Rupees '000') | 2007 Restated |
|---|--------|------------------------|-------------------|
| ASSETS | | | |
| Cash and balances with treasury banks | 9 | 9,355,104 | 10,318,722 |
| Balances with other banks | 10 | 793,843 | 1,401,796 |
| Lendings to financial institutions | 11 | 12,459,621 | 4,753,113 |
| Investments (a) | 12 | 35,176,823 | 40,439,935 |
| Advances | 13 | 80,344,193 | 81,932,379 |
| Operating fixed assets | 14 | 3,702,426 | 3,925,383 |
| Intangible assets | 15 | 26,664,438 | 28,039,207 |
| Deferred tax assets | 16 | 6,533,228 | 2,732,623 |
| Other assets | 17 | 3,879,439 | 3,329,283 |
| | | 178,909,115 | 176,872,441 |
| LIABILITIES | | | |
| Bills payable | 18 | 1,432,084 | 2,110,211 |
| Borrowings | 19 | 23,651,366 | 16,669,412 |
| Deposits and other accounts | 20 | 104,586,167 | 116,671,219 |
| Sub-ordinated loans | 21 | 3,999,200 | – |
| Liabilities against assets subject to finance lease | 22 | – | 7,176 |
| Deferred tax liabilities | | – | – |
| Other liabilities | 23 | 5,541,790 | 4,961,601 |
| | | 139,210,607 | 140,419,619 |
| NET ASSETS | | 39,698,508 | 36,452,822 |
| REPRESENTED BY : | | | |
| Share capital | 24 | 28,437,271 | 22,017,968 |
| Share deposit money | 43.1.2 | 12,000,000 | – |
| Reserves | | 8,326,684 | 719,810 |
| Accumulated loss (b) | | (7,757,283) | (282,604) |
| | | 41,006,672 | 22,455,174 |
| Shares to be issued | 24 | – | 14,026,177 |
| | | 41,006,672 | 36,481,351 |
| Deficit on revaluation of assets - net | 25 | (1,308,164) | (28,529) |
| | | 39,698,508 | 36,452,822 |
| CONTINGENCIES AND COMMITMENTS | 26 | | |

(a) The investments in listed equity securities and mutual funds held as available-for-sale are valued at prices quoted on the stock exchanges and the relevant net asset values as at December 31, 2008. Out of the total decline in value of Rs. 1,375.928 million on such investments, an amount of Rs. 275 million has been recognized in the profit and loss account and the remaining amount has been reflected as deficit in equity in accordance with the option provided in BSD Circular No. 4 dated February 13, 2009.

(b) Had the entire amount of decline in value been recognized in the profit and loss account, the accumulated loss would have been higher by Rs. 990.835 million (net of deferred tax). See note 12.15

The annexed notes from 1 to 47 and annexure - 1 form an integral part of these financial statements.

Khawaja Iqbal Hassan
President / Chief Executive

Francis A. Rozario
Chairman / Director

Tejpal Singh Hora
Director

Syed Aamir Zahidi
Director

Profit and Loss Account For the year ended December 31, 2008



| | Note | 2008 (Rupees '000') | 2007 Restated |
|---|------|------------------------|------------------|
| Mark-up / Return / Interest earned | 27 | 15,201,691 | 6,999,888 |
| Mark-up / Return / Interest expensed | 28 | 10,799,816 | 4,995,955 |
| Net Mark-up / Interest Income | | 4,401,875 | 2,003,933 |
| Provision against non-performing loans and advances | 13.5 | 8,833,641 | 1,494,801 |
| Provision for diminution in the value of investments (a) | | 809,387 | - |
| Bad debts written off directly | | 14,372 | - |
| | | (9,657,400) | (1,494,801) |
| Net Mark-up / Interest income after provisions | | (5,255,525) | 509,132 |
| NON MARK-UP / INTEREST INCOME | | | |
| Fee, commission and brokerage income | | 678,970 | 314,545 |
| Dividend income | | 1,047,259 | 13,723 |
| Income from dealing in foreign currencies | | 436,330 | 225,235 |
| Gain on sale of securities | 29 | 194,310 | 24,021 |
| Unrealized gain / (loss) on revaluation of investments classified as held-for-trading | | - | - |
| Other income | 30 | 65,007 | 21,247 |
| Total Non-Markup / Interest income | | 2,421,876 | 598,771 |
| | | (2,833,649) | 1,107,903 |
| NON MARK-UP / INTEREST EXPENSES | | | |
| Administrative expenses | 31 | 6,433,122 | 2,141,371 |
| Other provisions / (reversals) / write offs | | 322,211 | 2,669 |
| Other charges | 32 | 325,271 | 2,133 |
| Goodwill impairment | | 1,040,000 | - |
| Other intangibles impairment | | 43,637 | - |
| Total Non-Markup / Interest expense | | (8,164,241) | (2,146,173) |
| | | (10,997,890) | (1,038,270) |
| Share of post acquisition profit of amalgamating entities | 7.8 | - | 327,851 |
| Extra ordinary / Unusual items | | - | - |
| (Loss) / Profit before taxation | | (10,997,890) | (710,419) |
| Taxation - Current | 33 | - | 37,925 |
| - Prior years | | - | - |
| - Deferred | 33 | (3,523,211) | (258,575) |
| | | (3,523,211) | (220,650) |
| (Loss) / Profit after taxation (b) | | (7,474,679) | (489,769) |
| Accumulated (loss) / unappropriated profit brought forward | | (282,604) | 293,073 |
| Accumulated loss carried forward | | (7,757,283) | (196,696) |
| Basic / diluted (loss) / earnings per share (Rupees) | 34 | (2.63) | (0.44) |

(a) The investments in the listed equity securities and mutual funds held as available-for-sale are valued at prices quoted on the stock exchanges and the relevant net asset values as at December 31, 2008. Out of the total decline in value of Rs. 1,375.928 million on such investments, an amount of Rs. 275 million has been recognized in the profit and loss account and the remaining amount has been reflected as deficit in equity in accordance with the option provided in BSD Circular No. 4 dated February 13, 2009.

(b) Had the entire amount of decline in value been recognized in the profit and loss account, the loss for the year and the loss per share would have been higher by Rs. 990.835 million (net of deferred tax) and Rs. 0.35 respectively. See note 12.15

The annexed notes from 1 to 47 and annexure - 1 form an integral part of these financial statements.

Khawaja Iqbal Hassan
President / Chief Executive

Francis A. Rozario
Chairman / Director

Tejpal Singh Hora
Director

Syed Aamir Zahidi
Director

Cash Flow Statement

For the year ended December 31, 2008



| | 2008 | 2007 Restated |
|---|---------------------|---------------------|
| | (Rupees '000') | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss) / Profit before taxation | (10,997,890) | (710,419) |
| Dividend Income | (1,047,259) | (13,723) |
| | <u>(12,045,149)</u> | <u>(724,142)</u> |
| Adjustments for non-cash items | | |
| Depreciation | 498,418 | 170,093 |
| Amortization | 298,075 | 155,558 |
| Gain on sale of securities | (194,310) | (24,021) |
| Gain on sale of operating fixed assets | (34,983) | (6,009) |
| Provision against non-performing loans and advances | 8,833,641 | 1,494,801 |
| Bad Debts written off directly | 14,372 | - |
| Fixed assets written off | 75,228 | - |
| Impairment of intangible assets | 43,637 | - |
| Impairment of goodwill | 1,040,000 | - |
| Provision for diminution in the value of investments | 809,387 | - |
| Share of post acquisition profit of amalgamating entities | - | (327,851) |
| Other provisions / (reversals) / write offs | 322,211 | 2,669 |
| | <u>11,705,676</u> | <u>1,465,240</u> |
| | (339,473) | 741,098 |
| (Increase) / decrease in operating assets | | |
| Lendings to financial institutions | (7,706,508) | (13,791,437) |
| Held for trading securities | 59,675 | - |
| Advances | (7,246,265) | (15,286,309) |
| Others assets | (616,303) | (449,892) |
| Increase / (decrease) in operating liabilities | | |
| Bills Payable | (678,127) | 400,118 |
| Borrowings | 6,981,954 | 21,498,115 |
| Deposits and other accounts | (12,085,052) | 15,027,190 |
| Other liabilities | 875,621 | (82,916) |
| | <u>(20,754,478)</u> | <u>8,055,967</u> |
| Income tax paid | (547,691) | (66,422) |
| Net cash flows (used in) / from operating activities | <u>(21,302,169)</u> | <u>7,989,545</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Net Investments in available-for-sale securities | 7,023,095 | (2,275,418) |
| Net Investments in held-to-maturity securities | (3,956,986) | 78,795 |
| Net Investments in associates | (45,000) | (256,315) |
| Acquisition of PICIC Group | - | (15,852,178) |
| Dividend received | 1,041,516 | 13,723 |
| Investment in intangible assets | (7,073) | - |
| Investment in operating fixed assets | (520,389) | (862,649) |
| Sale proceeds of operating fixed assets disposed-off | 203,861 | 23,576 |
| Net cash flows from / (used in) investing activities | <u>3,739,024</u> | <u>(19,130,466)</u> |

Cash Flow Statement

For the year ended December 31, 2008



| | Note | 2008 (Rupees '000') | 2007 Restated |
|--|------|------------------------|------------------|
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Issue of sub-ordinated debt - net of redemption | | 3,999,200 | - |
| Issue of share capital | | - | 18,656,446 |
| Share Deposit Money | | 12,000,000 | - |
| Dividend paid | | (450) | - |
| Payment of lease obligations | | (7,176) | - |
| Issuance cost against right shares | | - | (85,908) |
| Net cash flows from financing activities | | 15,991,574 | 18,570,538 |
| Net (decrease) / increase in cash and cash equivalents | | (1,571,571) | 7,429,617 |
| Cash and cash equivalents at beginning of the year | | 11,720,518 | 4,290,901 |
| Cash and cash equivalents at end of the year | 35 | 10,148,947 | 11,720,518 |

The annexed notes from 1 to 47 and annexure - 1 form an integral part of these financial statements.

Khawaja Iqbal Hassan
President / Chief Executive

Francis A. Rozario
Chairman / Director

Tejpal Singh Hora
Director

Syed Aamir Zahidi
Director

Statement of Changes in Equity For the year ended December 31, 2008



| | Reserves | | | | | | | Total |
|--|----------------------------|---------------------|------------------|-------------------|-----------------|--------------------|--|-------|
| | Share capital | Share deposit money | Capital | | Revenue | | Unappropriated profit / (accumulated loss) | |
| | | | Share premium | Statutory reserve | General reserve | | | |
| | ----- (Rupees '000') ----- | | | | | | | |
| Balance as at December 31, 2006 | 3,361,522 | – | 639,744 | 74,594 | 5,472 | 293,073 | 4,374,405 | |
| Recognised income and expense for the year - Restated (Note-8) | – | – | – | – | – | (489,769) | (489,769) | |
| Issue of right shares | 18,656,446 | – | – | – | – | – | 18,656,446 | |
| Right share issue cost - net of tax | – | – | – | – | – | (85,908) | (85,908) | |
| Balance as at December 31, 2007 - Restated (Note-8) | 22,017,968 | – | 639,744 | 74,594 | 5,472 | (282,604) | 22,455,174 | |
| Recognised income and expense for the year | – | – | – | – | – | (7,474,679) | (7,474,679) | |
| Transfer to statutory reserve | – | – | – | – | – | – | – | |
| Shares issued under scheme of amalgamation | 6,419,303 | – | 7,606,874 | – | – | – | 14,026,177 | |
| Share Deposit Money | – | 12,000,000 | – | – | – | – | 12,000,000 | |
| Balance as at December 31, 2008 | 28,437,271 | 12,000,000 | 8,246,618 | 74,594 | 5,472 | (7,757,283) | 41,006,672 | |

| | 2008 | 2007 Restated |
|--|----------------|------------------|
| | (Rupees '000') | |
| Statement of Recognised Income and Expenses | | |
| (Loss) / profit after taxation | (7,474,679) | (489,769) |
| Total recognised income and expense for the year | (7,474,679) | (489,769) |

The annexed notes from 1 to 47 and annexure - 1 form an integral part of these financial statements.

Khawaja Iqbal Hassan
President / Chief Executive

Francis A. Rozario
Chairman / Director

Tejpal Singh Hora
Director

Syed Aamir Zahidi
Director

1. STATUS AND NATURE OF BUSINESS

NIB Bank Limited "the Bank" is incorporated in Pakistan and its registered office is situated at Muhammadi House, I.I.Chundrigar Road, Karachi in the province of Sindh. The Bank is listed on all the stock exchanges in Pakistan and has 244 branches (2007: 240 branches). The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962.

Last year, the State Bank of Pakistan (SBP) sanctioned a scheme of amalgamation (the scheme) under section 48 of Banking Companies Ordinance 1962, on December 31, 2007 by virtue of which Pakistan Industrial Credit and Investment Corporation Limited "PICIC" and PICIC Commercial Bank Limited "PCBL" were amalgamated with and into NIB Bank Limited on December 31, 2007 (at close of business). This scheme of amalgamation had earlier been approved by shareholders of the Bank in their extraordinary general meeting held on November 26, 2007.

NIB Bank Limited is a subsidiary of Bugis Investments (Mauritius) Pte. Limited which is a wholly owned subsidiary of Fullerton Financial Holdings Pte. Limited which in turn is a wholly owned subsidiary of Temasek Holdings, an investment arm of the Government of Singapore.

2. BASIS OF PRESENTATION

These financial statements represent separate financial statements of the Bank. The consolidated financial statements of the Bank, its subsidiaries and associates are presented separately.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by Banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

3. STATEMENT OF COMPLIANCE

3.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by SBP. In case requirements differ, the provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by SBP shall prevail.

3.2 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. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. The change is subject to modification in the format of financial statements by SBP.

Revised IAS 23 – Borrowing costs (effective for annual periods beginning on or after 1 January 2009) removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The application of the standard is not likely to have an effect on the Bank's financial statements.

IAS 29 – Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008). The Bank does not have any operations in Hyperinflationary Economies and therefore the application of the standard is not likely to have an effect on the Bank's financial statements.

Amendments to IAS 32 Financial instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009) – Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which require retrospective application, are not expected to have any impact on the Bank's financial statements.

Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009) clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The application of this standard is not likely to have a material effect on the Bank's financial statements.

Revised IFRS 3 – Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognised in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis. The application of this standard is not likely to have an effect on the Bank's financial statements.

Amended IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in the profit or loss. The application of the standard is not likely to have an effect on the Bank's financial statements.

IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008) supersedes IAS 30 – Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 – Financial Instruments: Disclosure and Presentation. The standard would be applied when IAS 39 – Financial Instruments – Recognition and Measurement becomes applicable for Banks and would require significant increase in disclosures.

IFRS 8 – Operating Segments (effective for annual periods beginning on or after 1 January 2009) introduces the "management approach" to segment reporting. IFRS 8 will require a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Bank's "chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Currently, the Bank presents segment information in respect of its business and geographical segments. This standard will have no effect on the Bank's reported total profit or loss or equity.

IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 is not likely to have a material effect on the Bank's financial statements.

IFRIC 15 – Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009) clarifies the recognition of revenue by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete. The amendment is not relevant to the Bank's operations.

IFRIC 16 – Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008) clarifies that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation, the hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The Interpretation allows an entity that uses the step-by-step method of consolidation, an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used. The amendment is not likely to have an effect on the Bank's financial statements.

The International Accounting Standards Board made certain amendments to existing standards as part of its first annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Group/Bank's 2009 financial statements.

IAS 27 – Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 January 2009). The amendment removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.

The Bank has early adopted amendments to IAS 27, which is applicable for annual periods beginning on or after January 01, 2009 which permits earlier application. As a result of such adoption, dividends received from Subsidiaries and Associates are recognised in the profit and loss account when the Bank's right to receive the dividend is established. These amendments have been applied prospectively.

IFRIC 17 – Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009) states that when a company distributes non cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognised in equity. When the non cash asset is distributed, the difference between the carrying amount and fair value is recognised in the income statement. As the Bank does not distribute non-cash assets to its shareholders, this interpretation has no impact on the Bank's financial statements.

IFRS 5 Amendment - Improvements to IFRSs - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (effective for annual periods beginning on or after 1 July 2009) specify that: if an entity is committed to a sale plan involving the loss of control of a subsidiary, then it would classify all of that subsidiary's assets and liabilities as held for sale when the held for sale criteria in paragraphs 6 to 8 of IFRS 5 are met. Disclosures for discontinued operations would be required by the parent when a subsidiary meets the definition of a discontinued operation. The amendment is not likely to have an effect on Bank's financial statements.

4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except for the measurement of certain investments and commitments in respect of forward foreign exchange contracts that are taken at revalued amounts and staff retirement benefits (Gratuity) which are stated at present value.

These financial statements have been presented in Pakistani Rupee, which is the Bank's functional as well as the reporting currency.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Business combinations

Acquisition of entities not under common control

Business combinations are accounted for using the purchase method. Under this method the cost of acquisition is measured as the fair value of the assets given and the liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identified assets acquired, liabilities

and contingent liabilities assumed are fair valued at the acquisition date, irrespective of the extent of any minority interest. The excess of cost of acquisition over the fair value of identifiable net assets acquired is recorded as goodwill.

Acquisition of entities under common control

Further acquisition of control in subsidiaries in the second and third phases is determined as "business combinations under common control". The fair value of net assets acquired at the first phase of the acquisition is treated as carrying value and, after taking effect of operations between the periods after the first phase of acquisition till the cut off date for subsequent acquisitions, the carrying value of net assets were determined. The excess of cost of acquisition over the carrying value of identifiable net assets acquired is included in goodwill.

5.2 Revenue recognition

Mark-up / return on performing loans / advances and investments is recognized on time proportionate basis. Where debt securities are purchased at premium or discount, such premium / discount is amortized using the effective interest rate method through the profit and loss account over the remaining period of maturity so as to produce a constant rate of return. Interest or mark-up recoverable on non-performing advances is recognized on a receipt basis in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan as amended from time to time.

The financing method is used in accounting for income on finance leases and hire purchase transactions. Under this method, the unearned income, i.e. the excess of aggregate lease rentals and the estimated residual value over the net investment (cost of leased assets) is deferred and then amortized to income over the term of the lease on a pattern reflecting a constant periodic rate of return on the net investment in lease. Unrealized lease income is suspended, where necessary, in accordance with the requirements of the Prudential Regulations issued by the SBP.

Rental income from assets given on operating lease is recognized on time proportionate basis over the lease period.

Gains / losses on termination of lease contracts, documentation charges and other lease income are recognized as income when they are realized.

Fee, commission and brokerage income is recognized at the time of performance of service.

Dividend income is recorded when the right to receive dividend is established.

5.3 Grants and assistance

In terms of Kreditanstalt fur Wiederaufbau (KfW) loan relented by the Government of Pakistan (GoP), the Bank is required to bear interest at 11 percent per annum and pay to GoP interest at 10 percent per annum and transfer the remaining 1 percent per annum margin to a counter part fund to be used by the bank for financing feasibility surveys, market surveys and similar investigations destined for the preparation of projects.

Future benefits comprising of funds available for utilization is presented in the balance sheet as deferred income. Benefits availed to the extent of matching expenses charged to the income have been recognized in the profit and loss account as miscellaneous income.

5.4 Investments

Investments of the Bank, other than investments in subsidiaries and associates are classified as securities held-to-maturity, held-for-trading and available-for-sale.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity and the Bank has the positive intent and ability to hold upto maturity.

Held-for-trading

These securities are either acquired for generating a profit from short-term fluctuations in prices or securities included in the portfolio, for which there is evidence of a recent actual pattern of short-term profit taking.

Available-for-sale

These are securities which do not fall under held-for-trading or held-to-maturity securities.

Initial Measurement

Investments are initially recognized at fair value which in case of investments other than held-for-trading includes transaction cost associated with the investments.

Subsequent measurement

Held-to-maturity

These are measured at amortized cost using the effective interest rate method, less any impairment loss recognized to reflect irrecoverable amount.

Held-for-trading

These are measured at subsequent reporting dates at fair value. Gains and losses on remeasurement are included in the net profit and loss for the year.

Available-for-sale

Quoted securities classified as available-for-sale investments are measured at subsequent reporting dates at fair value and surplus / deficit arising thereon is kept in a separate account shown in the balance sheet below equity. The surplus / deficit arising on these securities is taken to the profit and loss account when actually realized upon disposal.

Unquoted equity securities are valued at the lower of cost and break-up value, increase or decrease in the carrying value is credited / charged to profit and loss account. Break-up value of equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments in other unquoted securities are valued at cost less impairment losses.

Provision for diminution in the value of securities (except term finance certificates) is made for impairment, if any. Provision for diminution in value of term finance certificates is made as per the aging criteria prescribed by the Prudential Regulations issued by the SBP.

In the current year, due to rare circumstances determined in note 12.15, the SECP has allowed the recognition of impairment in the equity.

Investment in Subsidiaries and Associates

Investments in subsidiaries and associates are valued at cost.

Provision for diminution in the value of investments is made for permanent impairment, if any, in their value.

Gain or loss on sale of investments is included in profit and loss for the year.

5.5 Lendings to / borrowings from financial institutions

Securities sold subject to a repurchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings. Securities purchased under agreement to resale (reverse repo) are not recognized in the financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. In case of continuous funding system transactions are shown under advances. The difference between sale and repurchase / purchase and resale price is treated as mark-up / return expensed or earned as the case may be.

5.6 Advances

Advances including continuous funding system and net investment in finance lease are stated net of provisions. Provisions comprise of:

Specific provision

The bank maintains specific provisions for doubtful debts at a level that can reasonably be anticipated, keeping in view the requirements of the Prudential Regulations issued by the SBP.

General provision

The bank maintains general provision at the rate of 5% against unsecured consumer portfolio and at the rate of 1.5% against secured consumer portfolio in accordance with the Prudential Regulations issued by the SBP.

Advances are written off when there is no realistic prospect of recovery.

Net investment in finance lease

Leases include hire purchase where the Bank transfers substantially all the risks and rewards incidental to the ownership of an asset and are classified as finance leases. Net investment in finance lease is recognized at an amount equal to the aggregate of minimum lease payments including any guaranteed residual value and excluding unearned finance income, if any.

5.7 Operating fixed assets

Property and equipment

Property and equipment except freehold and leasehold land is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Leasehold and freehold land is stated at cost.

Depreciation is charged to income applying the straight line method over the estimated useful lives while taking into account any residual value, at the rates given in Note 14.2 to the financial statements. In respect of additions and deletions to assets during the year, depreciation is charged from the month of acquisition while depreciation on disposals during the year is charged upto the month of disposal.

Normal repairs and maintenance are charged to profit and loss account for the year as and when incurred. Major repairs and improvements are capitalized and assets so replaced are retired.

Gains and losses on disposal of property and equipment if any, are taken to profit and loss account for the year.

Assets held under finance leases are stated at cost less accumulated depreciation. The outstanding obligations under the lease agreements are shown as a liability net of finance charges allocable to future periods. Depreciation on assets held under finance lease is charged in a manner consistent with that for depreciable assets which are owned by the Bank.

Finance charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of return on the outstanding liability.

Assets Held under Operating Lease

Operating lease assets are stated at cost less accumulated depreciation and impairment, if any.

Repairs and maintenance are charged to profit and loss account as and when incurred.

Capital work in progress

These are stated at cost.

5.8 Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Bank's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity. Goodwill is initially recognised as an asset at cost and is subsequently measured less any accumulated impairment loss. Impairment losses are charged to the profit and loss account.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit (CGU) expected to benefit from the synergies of the acquisition. CGUs to which goodwill is allocated are tested for impairment annually, or more frequently when there is an indication that the carrying value of the CGU may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. The recoverable amount is the higher of the CGU's fair value less cost to sell and its value in use. Value in use is the present value of expected future cash flows from the CGU. Fair value less cost to sell is the amount obtainable for the sale of the CGU in an arm's length transaction between knowledgeable, willing parties. Impairment losses on goodwill are not reversed.

Other intangible assets

Other intangible assets are recognised separately from goodwill when they are specifically identifiable or arise from contractual or other legal rights, and their fair value can be measured reliably.

Intangible assets include the value of the brand name, core deposit relationships, and core loan relationships and are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to profit or loss over the assets' economic lives using methods that best reflect the pattern of economic benefits. The estimated useful lives, on a straight line basis, are as follows:

| | |
|---|----------|
| Brand name | 5 years |
| Core deposit relationships | 11 years |
| Core overdraft / working capital loan relationships | 11 years |

Computer software is stated at cost less accumulated amortization and accumulated impairment loss, if any. Amortization is carried out on the straight line method at the rates given in Note 15 to the financial statements.

5.9 Sub-Ordinated Loans

During the period, the Bank issued sub-ordinated loans which are initially recorded at the amount of proceeds received. Mark-up accrued on these loans is recognized separately as part of other liabilities and is charged to profit and loss account over the period on accrual basis.

5.10 Impairment of non financial assets (excluding deferred tax and goodwill)

Non financial assets are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable. If any such indication exists, the bank estimates the recoverable amount of the asset and the impairment loss, if any. The recoverable amount of an asset

is the higher of its fair value less cost to sell and its value in use. Value in use is the present value of future cash flows from the asset discounted at a rate that reflects market interest rates adjusted for risks specific to the asset. If the recoverable amount of an asset is less than its carrying value, an impairment loss is recognised immediately in profit or loss and the carrying value of the asset reduced by the amount of the loss. A reversal of an impairment loss on assets (excluding goodwill) is recognized as it arises provided the increased carrying value does not exceed that which it would have been had no impairment loss been recognized.

5.11 Staff retirement benefits

Defined Contribution plan

The Bank operates a defined contribution provident fund for all its permanent employees. Equal monthly contributions are made both by the bank and the employees to the fund at the rate of 10% of basic salary.

Defined Benefit plan

The Bank operates an unfunded gratuity scheme covering all eligible employees who have attained the minimum qualifying period of five years. Eligible employees are those employees who have joined the service of the bank on or before March 31, 2006. Provision is made in accordance with actuarial recommendations. Actuarial valuation is carried out periodically using the "Projected Unit Credit Method".

Actuarial gain / loss is recognized using the 10% corridor approach. Corridor is defined as the greater of 10% of present value of defined benefit obligation and plan assets.

5.12 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into consideration the tax credits and rebates available and any adjustments to tax payable in respect of previous years.

Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. However, deferred tax is not recognized on the initial recognition of goodwill. The bank records deferred tax assets / liabilities using the tax rates, enacted or substantially enacted at the balance sheet date expected to be applicable at the time of its reversal.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Bank recognizes deferred tax asset / liability on deficit / surplus on revaluation of securities in accordance with the requirements of the International Accounting Standard (IAS) 12 "Income Taxes". The related deferred tax asset / liability is adjusted against the related deficit / surplus.

The Bank recognizes deferred tax asset for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized in accordance with the requirements of the International Accounting Standard (IAS) 12 "Income Taxes".

5.13 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable

estimate of the amount can be made. Provisions are reviewed quarterly and are adjusted to reflect the current best estimate.

5.14 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set-off the recognized amount and the Bank intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements.

5.15 Dividend distribution

Dividend is recognized as a liability in the period in which it is declared.

5.16 Distributions of bonus shares and other appropriations to reserves

The Bank recognizes all appropriations, other than statutory appropriations, to reserves including those in respect of bonus shares made after the balance sheet date, in the period in which such appropriations are approved.

5.17 Foreign currencies

Transactions in foreign currencies are translated to Rupees at the foreign exchange rates prevailing at the transaction date. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rates of exchange prevailing at the balance sheet date. Forward foreign exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

Commitments for outstanding forward foreign exchange contracts are disclosed in these financial statements at committed amounts. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Rupee terms at the rates of exchange approximating those prevailing at the balance sheet date.

Assets against which the constituents have exercised their option to transfer exchange risk to the bank and liabilities for which the bank has exercised its option to transfer exchange risk to the Government, are translated at the rates of exchange guaranteed by the Bank and the Government, respectively.

Assets, liabilities, commitments and contingent liabilities in respect of Bangladesh are translated at parity rates approximating those prevailing prior to August 15, 1971.

Exchange gains and losses are included in income currently except net unrealized exchange gain on long-term monetary items which, as a matter of prudence, is carried forward as unrealized gain in view of the uncertainty associated with its realization.

5.18 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents include cash and balances with treasury banks and balances with other banks.

5.19 Financial instruments

All financial assets and liabilities are recognized at the time when the Bank becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Bank loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income directly. Financial assets carried on the balance sheet include cash and bank balances, lendings to financial institutions, investments, advances, certain receivables and financial liabilities include borrowings, deposits, bills payable and other payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

5.20 Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into and subsequently these instruments are marked to market and changes in fair values are taken to the profit and loss account. Fair values are obtained from quoted market prices in active markets.

5.21 Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Bank's primary format of reporting is based on business segments.

5.21.1 Business Segments

Corporate and Investment Banking

It represents seasonal finance, export finance, trade finance, leasing, lending, guarantees and bills of exchange relating to corporate and commercial customers, along with advisory, underwriting and IPO related activities.

Consumer and Small Enterprises

It represents banking services offered to individual and small businesses through a large retail branch banking and alternate distribution network. These banking services include lending, deposits, distribution of Insurance products along with many other financial products and services tailored for such customers.

Small and Medium Enterprises and Commercial

It represents all working capital based financing and export-oriented facilities along with depository products & services and one window solution to SME and Commercial businesses operating in manufacturing, trade and service sectors.

Treasury

It represents fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos, brokerage debt, prime brokerage.

5.21.2 Geographical segments

The bank operates in Pakistan only.

6. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgment was exercised in application of accounting policies are as follows:

6.1 Held-to-maturity securities

As described in note 5.4, held-to-maturity securities are investments where the management has positive intent and ability to hold to maturity. The classification of these securities involves management judgment whether the financial assets are held-to-maturity investments.

6.2 Held-for-trading securities

In classifying investments as 'held-for-trading', the Bank has determined securities which are acquired with an intention to trade by taking advantage of short term market / interest rate movements and are to be sold within 90 days.

6.3 Available-for-sale securities

The investments which are not classified as 'held-for-trading' or 'held-to-maturity' are classified as 'available-for-sale'.

6.4 Valuation and impairment of available-for-sale equity investments

The Bank determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows. The equity securities have been valued at prices quoted on the KSE on 31 December 2008 as required by the State Bank of Pakistan (SBP) BSD Circular Letter No. 2 dated 27 January 2009.

6.5 Impairment of investments in associates and subsidiaries

The Bank considers that a significant or prolonged decline in the recoverable value of investments in associates and subsidiaries below their cost may be evidence of impairment. Recoverable value is calculated as the higher of fair value less cost to sell and value in use. An impairment loss is recognized when the recoverable value falls below the carrying value.

During the year, an impairment loss relating to certain of the subsidiaries and associates was charged to the profit and loss account in the note 12.14.

6.6 Provision against non-performing advances

Apart from the provision determined on the basis of time based criteria given in the Prudential Regulations of the SBP, management also applies subjective criteria of classification and accordingly the classification of an advance is downgraded on the basis of evaluation of credit worthiness of the borrower, its cash flows, operations in its account and adequacy of security in order to ensure accurate measurement of the provision. For portfolio impairment provision on consumer advances, the Bank follows the general provision requirement set out in Prudential Regulations.

6.7 Retirement Benefits

The key actuarial assumptions concerning the valuation of the defined benefit plan and the sources of estimation are disclosed in note 37.2 to the financial statements.

6.8 Useful life of property and equipment and intangibles

Estimates of useful life of the property and equipment and intangibles are based on management's best estimate.

6.9 Fair value determination on acquisition

The fair value determined on acquisition is disclosed in note 7 to the financial statements.

6.10 Deferred taxation

As described in note 5.12, a deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Assessment of future taxable profits involves management judgment.

6.11 Income Taxes

During 2007, a new schedule was introduced for taxation for banks in Pakistan, applicable for taxation of the Bank's income for the year ended December 31, 2008. According to the provisions of this schedule, provisions for doubtful loans and advances falling under the category of "doubtful" or "loss" were to be allowed as a deduction in the year in which the provision is made. However, through amendments in the Finance Act, the allowance for bad debts has been restricted to actual write offs. In the case of consumer advances, provision equivalent to 3% of consumer revenue would continue to apply. The schedule does not contain transitory provisions with respect to leases and other provisions treated differently before the applicability of the new schedule. The matter of introduction of such transitory provisions has been taken up with the Federal Board of Revenue by the Pakistan Banks Association and, based on discussions to date, the Bank's management is confident that such provisions will be made in the new schedule. Accordingly, the deferred tax calculations assume that such transitory rules will be made and the bank would be able to get the benefit of the asset so recognised. In making the estimates for income taxes currently payable by the Bank, the management looks at the current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Bank's future taxable profits are taken into account.

6.12 Impairment of Goodwill

Impairment testing involves a number of judgmental areas which are subject to inherent significant uncertainty, including the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting and the assessment of the discount rate appropriate to the business. The carrying amount of goodwill at the balance sheet date was Rs. 24.221 billion after an impairment loss of Rs. 1.040 billion recognized during the year. Details of the impairment loss calculation are provided in note 15.2.

Notes to the Financial Statements For the year ended December 31, 2008



7. BUSINESS COMBINATION

7.1 Pursuant to a scheme of amalgamation duly approved by State Bank of Pakistan, the entire undertakings of PICIC and PCBL were merged with and into NIB Bank Limited effective December 31, 2007 as at close of business. PCBL was a subsidiary of PICIC by virtue of a 60% holding in its share capital.

7.2 The above mentioned entities were acquired by the bank in phases as follows: -

Pakistan Industrial Credit and Investment Corporation Limited A Development Finance Institution

| | Mode of Acquisition | Date of acquisition | Proportion of shares acquired |
|-----------|----------------------------|----------------------------|--------------------------------------|
| 1st Phase | Cash consideration | 30-Jun-07 | 63.36% |
| 2nd Phase | Cash consideration | 30-Sep-07 | 4.51% |
| 3rd Phase | Issuance of shares | 31-Dec-07 | 32.13% |

PICIC Commercial Bank Limited A Scheduled Commercial Bank

| | | | |
|-----------|--------------------|-----------|--------|
| 1st Phase | *Indirect | 30-Jun-07 | 38.02% |
| 2nd Phase | Cash consideration | 30-Sep-07 | 4.96% |
| | *Indirect | 30-Sep-07 | 2.70% |
| 3rd Phase | Issuance of shares | 31-Dec-07 | 35.04% |
| | *Indirect | 31-Dec-07 | 19.28% |

*Shareholding by the Bank in PCBL was acquired indirectly by virtue of acquisition of shares in PICIC.

7.3 The details of net assets acquired (after incorporating adjustments described in note 8) and goodwill are as follows: -

| | Note | 1st Phase | 2nd Phase | 3rd Phase | Total |
|--|-------------|------------------|------------------|------------------|--------------|
| ----- (Rupees '000') ----- | | | | | |
| Purchase consideration: | | | | | |
| Cash paid | | 20,521,393 | 1,911,898 | - | 22,433,291 |
| Shares to be issued | 24.2.3 | - | - | 14,026,177 | 14,026,177 |
| Direct costs relating to the acquisition | | 164,802 | - | - | 164,802 |
| Total Purchase consideration | | 20,686,195 | 1,911,898 | 14,026,177 | 36,624,270 |
| Less: | | | | | |
| Fair value of net assets acquired | | | | | |
| PICIC | | 4,700,117 | - | - | 4,700,117 |
| PCBL | | 2,194,154 | - | - | 2,194,154 |
| | | 6,894,271 | - | - | 6,894,271 |
| Carrying value of net assets acquired | | | | | |
| PICIC | | - | 111,389 | 947,529 | 1,058,918 |
| PCBL | | - | 429,205 | 2,980,404 | 3,409,609 |
| | | - | 540,594 | 3,927,933 | 4,468,527 |
| Total net assets acquired | | 6,894,271 | 540,594 | 3,927,933 | 11,362,798 |
| Goodwill | | 13,791,924 | 1,371,304 | 10,098,244 | 25,261,472 |

Notes to the Financial Statements For the year ended December 31, 2008



- 7.4** The goodwill is attributable to the significant synergies expected to arise from the development of PICIC and PCBL within the NIB Group and to those other intangibles, such as the branch network, which are not recognized separately from goodwill as the future economic benefits arising from them cannot be reliably measured.
- 7.5** The adjusted assets and liabilities arising from the acquisition on June 30, 2007 are as follows: -

| | PICIC | | PCBL | | Total |
|---|-------------------|---------------------------|-------------------|---------------------------|--------------------|
| | Fair Value | Acquiree's carrying value | Fair Value | Acquiree's carrying value | Fair Value |
| ----- (Rupees '000') ----- | | | | | |
| Cash and balances with treasury banks | 212,049 | 212,049 | 6,932,504 | 6,932,504 | 7,144,553 |
| Balances with other banks | 1,000,350 | 1,000,350 | 3,245,910 | 3,245,910 | 4,246,260 |
| Lendings to financial institutions | 575,048 | 575,048 | 5,077,039 | 5,077,039 | 5,652,087 |
| Investments | 14,861,032 | 13,241,134 | 27,490,223 | 28,019,863 | 42,351,255 |
| Advances | 12,904,077 | 16,033,028 | 31,653,723 | 33,334,675 | 44,557,800 |
| Operating fixed assets | 1,508,135 | 315,778 | 1,352,175 | 917,678 | 2,860,310 |
| Intangible assets other than goodwill | 204,116 | - | 2,613,602 | - | 2,817,718 |
| Deferred tax assets | 834,846 | 1,009,344 | 1,243,360 | 478,071 | 2,078,206 |
| Other assets | 705,809 | 705,809 | 1,344,241 | 1,390,753 | 2,050,050 |
| Total Assets | 32,805,462 | 33,092,540 | 80,952,777 | 79,396,493 | 113,758,239 |
| Bills Payable | - | - | 837,434 | 837,434 | 837,434 |
| Borrowings from financial institutions | 6,189,335 | 6,189,335 | 3,889,475 | 3,889,475 | 10,078,810 |
| Deposits and other accounts | 17,545,730 | 17,545,730 | 68,730,058 | 68,730,058 | 86,275,788 |
| Liabilities against assets subject to finance lease | - | - | 9,526 | 9,526 | 9,526 |
| Other liabilities | 1,652,283 | 1,652,283 | 1,714,625 | 1,351,625 | 3,366,908 |
| Total Liabilities | 25,387,348 | 25,387,348 | 75,181,118 | 74,818,118 | 100,568,466 |
| Net Assets | 7,418,114 | 7,705,192 | 5,771,659 | 4,578,375 | 13,189,773 |

- 7.6** The carrying values of the net assets as on September 30, 2007 of PICIC and PCBL were Rs.7,339.430 million and Rs.5,973.717 million respectively.

Notes to the Financial Statements For the year ended December 31, 2008



7.7 Amalgamation

The adjusted assets and liabilities balances of PICIC and PCBL as at December 31, 2007 were as follows:-

| | PICIC | PCBL | TOTAL |
|---|----------------------------|------------|-------------|
| | ----- (Rupees '000') ----- | | |
| Assets | | | |
| Cash and balances with treasury banks | 156,717 | 6,147,494 | 6,304,211 |
| Balances with other banks | 534,704 | 326,125 | 860,829 |
| Lendings to financial institutions | 1,294,225 | 17,500,000 | 18,794,225 |
| Investments | 11,847,255 | 19,539,974 | 31,387,229 |
| Advances | 10,556,821 | 26,531,882 | 37,088,703 |
| Operating fixed assets | 1,468,581 | 1,275,171 | 2,743,752 |
| Intangible assets other than goodwill | 204,116 | 2,613,602 | 2,817,718 |
| Deferred tax assets | 1,052,925 | 1,291,676 | 2,344,601 |
| Other assets | 705,057 | 1,234,410 | 1,939,467 |
| Total Assets | 27,820,401 | 76,460,334 | 104,280,735 |
| Liabilities | | | |
| Bills Payable | - | 1,494,323 | 1,494,323 |
| Borrowings from financial institutions | 9,569,646 | 6,870,079 | 16,439,725 |
| Deposits and other accounts | 10,792,948 | 60,723,665 | 71,516,613 |
| Liabilities against assets subject to finance lease | - | 7,176 | 7,176 |
| Other liabilities | 1,493,617 | 1,638,629 | 3,132,246 |
| Total Liabilities | 21,856,211 | 70,733,872 | 92,590,083 |
| Net Assets | 5,964,190 | 5,726,462 | 11,690,652 |

Notes to the Financial Statements For the year ended December 31, 2008



7.8 Share of post acquisition profit from amalgamating entities - Net of tax For the period from July 01, 2007 to December 31, 2007

| | PICIC | PCBL | Total |
|---|----------------------------|-----------|-----------|
| | ----- (Rupees '000') ----- | | |
| Mark-up / return / interest earned | 559,219 | 1,372,116 | 1,931,335 |
| Mark-up / return / interest expensed | 636,157 | 955,698 | 1,591,855 |
| Net mark-up / interest (loss) / income | (76,938) | 416,418 | 339,480 |
| Provision / diminution / write offs | 72,307 | 126,166 | 198,473 |
| Net mark-up / interest (loss) / income after provisions | (149,245) | 290,252 | 141,007 |
| Non mark-up / interest income | 417,819 | 164,364 | 582,183 |
| | 268,574 | 454,616 | 723,190 |
| Non mark-up / interest expenses | 194,359 | 328,072 | 522,431 |
| Profit before taxation | 74,215 | 126,544 | 200,759 |
| Taxation | (130,977) | 3,885 | (127,092) |
| Profit after taxation | 205,192 | 122,659 | 327,851 |

8. RESTATEMENT OF PRIOR PERIODS

In the financial statements as at December 31, 2007, the fair value amounts in relation to the acquisition of PICIC and PCBL contained some provisional balances. During the year ended December 31, 2008, as allowed by IFRS 3 "Business Combinations", certain adjustments to these provisional balances have been made and have been accounted for as if these adjustments had been accounted for at the date of acquisition with a corresponding adjustment to goodwill. Accordingly, goodwill on acquisition relating to PICIC has increased by Rs. 701.603 million and relating to PCBL has decreased by Rs. 2,215.654 million. The adjustments primarily relate to reassessment of the value of certain advances, investments, other assets, other liabilities and intangible assets acquired, together with related deferred tax adjustments. The accumulated loss for the year 2007 has been restated due to amortization of intangible assets relating to the period July to December 2007. These intangible assets were identified and valued separately from goodwill in the current period.

| | Note | As Reported at December 31, 2007 | Adjustment | Restated as at December 31, 2007 |
|---------------------|------|--|------------|--|
| | | ----- (Rupees '000') ----- | | |
| Advances | | 82,160,074 | (227,695) | 81,932,379 |
| Intangible asset | 8.1 | 26,874,593 | 1,164,455 | 28,039,048 |
| Deferred tax assets | | 3,366,766 | (634,143) | 2,732,623 |
| Investments | | 40,498,840 | (58,905) | 40,439,935 |
| Other assets | | 3,353,958 | (24,675) | 3,329,283 |
| Other liabilities | | (4,603,352) | (358,249) | (4,961,601) |
| Accumulated loss | | 143,392 | 139,212 | 282,604 |

8.1 These include intangible assets acquired as part of the acquisition of PICIC Group, the valuation report of which has been received in August 2008. The details are as given below:

| | PICIC | PCBL | Total |
|----------------------------------|----------------------------|-----------|-----------|
| | ----- (Rupees '000') ----- | | |
| Core Deposits Relationships | - | 2,489,453 | 2,489,453 |
| Core overdraft / Working Capital | | | |
| Loan Relationships | - | 124,149 | 124,149 |
| PICIC Brand | 204,116 | - | 204,116 |
| | 204,116 | 2,613,602 | 2,817,718 |

Notes to the Financial Statements For the year ended December 31, 2008



9. CASH AND BALANCES WITH TREASURY BANKS

| | Note | 2008 (Rupees '000') | 2007 |
|--|------|------------------------|-------------------|
| In hand | | | |
| Local currency | 9.1 | 2,601,720 | 1,739,577 |
| Foreign currencies | | 722,550 | 376,153 |
| With State Bank of Pakistan in | | | |
| Local currency current account | 9.2 | 3,587,674 | 7,073,138 |
| Local currency deposit account | | – | 124,000 |
| Foreign currency current accounts | 9.3 | 407,357 | 399,545 |
| Foreign currency deposit account | 9.4 | 1,324,101 | 370,581 |
| With National Bank of Pakistan in local currency current account | | 711,702 | 235,728 |
| | | <u>9,355,104</u> | <u>10,318,722</u> |

9.1 These includes National Prize Bonds of Rs.4.255 million (2007 : Rs.10.369 million).

9.2 The current account is maintained under the requirements of Section 22 of the Banking Companies Ordinance, 1962.

9.3 This includes special cash reserve at nil return required to be maintained with the SBP on deposits held under the new foreign currency accounts scheme.

9.4 This represents special cash reserve of 15% required to be maintained with SBP on deposits held under the new foreign currency accounts scheme at the rate of return of 0.90% (2007 : 4.24%) per annum.

10. BALANCES WITH OTHER BANKS

| | | | |
|-------------------------------------|------|----------------|------------------|
| In Pakistan | | | |
| On current accounts | | 126,217 | 140,819 |
| On deposit accounts | | – | 534,649 |
| Outside Pakistan | | | |
| On current accounts | 10.1 | 671,590 | 729,217 |
| On deposit accounts | | – | 1,075 |
| | | <u>797,807</u> | <u>1,405,760</u> |
| Provision against doubtful balances | | (3,964) | (3,964) |
| | | <u>793,843</u> | <u>1,401,796</u> |

10.1 This includes amount held in automated investment plans. This balance is current by nature and on increase in the balance over a specified amount, interest is received from the correspondent banks at various rates.

11. LENDINGS TO FINANCIAL INSTITUTIONS

| | | | |
|--|-------------|-------------------|------------------|
| Call money lendings | 11.2 | 1,285,000 | 2,875,000 |
| Repurchase agreement lendings (Reverse Repo) | 11.3 & 11.4 | 11,174,621 | 1,878,113 |
| | | <u>12,459,621</u> | <u>4,753,113</u> |
| 11.1 Particulars of Lendings | | | |
| In local currency | | 12,459,621 | 4,753,113 |
| In foreign currencies | | – | – |
| | | <u>12,459,621</u> | <u>4,753,113</u> |

Notes to the Financial Statements for the year ended December 31, 2008

These represent Cash money lendings to financial institutions (20.00% to 27.90% to 10.70%) per annum.

These represent purchase agreements (100% to 100%) (2007: 8.35% to 8.35%)

Securities held for sale

Market Treasury Bills
Pakistan Ministry of Finance

11.4.1 Market Treasury Securities
2008/09 Rs. 11,000,000

12. INVESTMENTS

12.1 Investments

Held-for-sale Available

Market Treasury Bills

Notes to the Financial Statements For the year ended December 31, 2008



| | Note | 2008 (Rupees '000') | 2007 Restated |
|--|---------------|------------------------|-------------------|
| 12.1 (b) Investments by segments: | | | |
| Federal Government Securities | | | |
| – Market Treasury Bills | 12.3 | 18,796,392 | 18,964,955 |
| – Pakistan Investment Bonds | 12.3 | 7,663,170 | 8,705,435 |
| – GoP Ijara Sukuk Bonds | 12.3 | 500,000 | – |
| – Defense Savings Certificates | 12.4 | 8,421 | 5,771 |
| Cumulative Preference Shares | 12.5 | 100,000 | 100,000 |
| Fully Paid-up Ordinary Shares & Modaraba Certificates | | | |
| – Listed | 12.6 | 2,342,182 | 3,619,946 |
| – Unlisted | 12.7 | 64,280 | 64,280 |
| Term Finance Certificates | | | |
| – Listed | 12.8 | 784,305 | 900,401 |
| – Unlisted | 12.9 | 206,697 | 1,014,371 |
| Investment in Listed Mutual Funds | 12.10 | 310,067 | 375,003 |
| Investment in Associates | 12.11 | 2,097,647 | 2,052,647 |
| Investment in Subsidiaries | 12.12 | 4,790,704 | 4,790,704 |
| Total investments at cost | | 37,663,865 | 40,593,513 |
| Provision for diminution in value of investments | 12.13 & 12.14 | (901,791) | (123,006) |
| Investments - net of provisions | | 36,762,074 | 40,470,507 |
| Deficit on revaluation of securities - available-for-sale | 25 | (1,585,251) | (30,572) |
| Net investments | | <u>35,176,823</u> | <u>40,439,935</u> |

12.2 Held-for-trading securities

| | 2008 No. of Shares | 2007 | | |
|---|-----------------------|-----------------------------------|---|---------------|
| – | 64,000 | Engro Chemicals Pakistan Limited | – | 17,008 |
| – | 50,000 | National Bank of Pakistan Limited | – | 11,607 |
| – | 100,000 | Pakistan Petroleum Limited | – | 24,505 |
| – | 100,000 | Sui Northern Gas Company Limited | – | 6,555 |
| | | | – | <u>59,675</u> |

- 12.3** Market Treasury Bills and Pakistan Investment Bonds are held with SBP and are eligible for rediscounting. Market Treasury Bills embody effective yields ranging from 9.95% to 14.02% (2007: 8.95% to 9.45%) with remaining maturities of 1 to 6 months and Pakistan Investment Bonds carry markup ranging from 5.94% to 11.12% (2007: 8% to 10%) per annum on semi-annual basis with remaining maturities of 3 to 13 years. Certain government securities are required to be maintained with SBP to meet statutory liquidity requirements calculated on the basis of demand and time liabilities.
- 12.3.1** These include securities acquired as part of acquisition of PICIC and PCBL that were classified as "Held-to-Maturity" on acquisition by NIB and recorded as "Available-for-Sale" in the merged accounts of NIB as at December 31, 2007. With the consent of SBP, these have been reclassified as "Held-to-Maturity" securities for the reason that management intends to hold them to maturity, and accordingly, effective January 01, 2008, these are now measured at amortized cost instead of fair value as required for "Available-for-Sale" category. Had there been no change in the classification, the "Deficit on revaluation of securities - net" would have been higher by Rs. 517.845 million (net of deferred tax).
- 12.3.2** This includes Rs. 100 million PIB outstanding as at December 31, 2008, which was pledged against borrowing from a Company in 2004. As the lender had failed to return the pledged PIB upon the maturity of the contract period, this amount is appearing as investment in PIBs with a corresponding amount appearing in Borrowings. No interest is accrued either as income from the PIB or expense on this borrowing since the filing of the dispute between the Bank and the Company.
- 12.3.3** GOP Ijara Sukuk Bonds carry effective yield of 14.76% and having maturity on December 29, 2011.
- 12.4** During the last year SBP issued Defense Saving Certificates (DSCs) of Rs 5.771 million against lost Foreign Exchange Bearer Certificates (FEBC) to the bank with 2 years restriction on disposal. These certificates carry interest rate of 6.5% per annum. Further, during the year, the bank has purchased DSCs of Rs. 2.650 million carrying interest rate of 12.15% which are pledged as security.

12.5 Particulars of investment in Cumulative Preference Shares

| Investee | | Number of Shares / Certificates held | | Total nominal value | |
|---|--------|---|-----------|---------------------|---------|
| | | 2008 | 2007 | 2008 | 2007 |
| | | | | (Rupees '000') | |
| Pak Electron Limited (PEL) - Convertible Loaded | 12.5.1 | 625,000 | – | 6,250 | – |
| Pak Electron Limited (PEL) - Non-Convertible | 12.5.1 | 1,875,000 | 2,500,000 | 18,750 | 25,000 |
| Fazal Cloth Mills Limited | 12.5.2 | 2,500,000 | 2,500,000 | 25,000 | 25,000 |
| Jamshoro Joint Venture Company Limited | 12.5.3 | 5,000,000 | 5,000,000 | 50,000 | 50,000 |
| | | | | 100,000 | 100,000 |

- 12.5.1** These preference shares carry fixed dividend of 9.5% on cumulative basis payable when and if declared by the Board of Directors. For redemption, the payment of call option can be exercised by PEL up to 100% after three years of the issue date at 1% premium on the issue price.
- 12.5.2** These preference shares are redeemable upon the exercise of call option by the company after completion of three years from the issue date.
- 12.5.3** Redeemable after 5 years of issuance, subject to 60% of the Rs. 1.18 billion of debts having been repaid.

Notes to the Financial Statements For the year ended December 31, 2008



12.6 Particulars of listed shares / Certificates

| | Number of Shares/Certificates held | | Total value at cost | |
|---|------------------------------------|------------|-----------------------|---------------|
| | 2008 | 2007 | 2008 | 2007 |
| Held for trading | | | (Rupees '000') | |
| Engro Chemicals Pakistan Limited | – | 64,000 | – | 17,008 |
| National Bank of Pakistan | – | 50,000 | – | 11,607 |
| Pakistan Petroleum Limited | – | 100,000 | – | 24,505 |
| Sui Northern Gas Pipelines Limited | – | 100,000 | – | 6,555 |
| | | | <u>–</u> | <u>59,675</u> |
| Available for sale | | | | |
| Abbott Laboratories (Pakistan) Limited | 906,152 | 906,152 | 191,968 | 191,968 |
| Adamjee Insurance Company Limited | – | 300,000 | – | 107,505 |
| Allied Bank Limited | 514,800 | 429,000 | 55,834 | 55,834 |
| Attock Cement Pakistan Limited | 139,200 | 164,200 | 13,878 | 16,371 |
| Attock Refinery Limited | – | 499,140 | – | 125,434 |
| Awan Textile Mills Limited | 39,000 | 39,000 | 390 | 390 |
| B.R.R. Guardian Modaraba | – | 899,250 | – | 10,468 |
| Bank Al-Habib Limited | 140,618 | 355,168 | 8,350 | 27,419 |
| Bankislami Pakistan Limited | 88,646 | 335,146 | 1,436 | 5,429 |
| Berger Paints Pakistan Limited | 447,160 | 447,160 | 65,956 | 65,956 |
| Bosicor Pakistan Limited | – | 800,000 | – | 17,080 |
| Brother Textile Mills Limited | 87 | 87 | 2 | 2 |
| Pakistan Cement Limited (formerly Chakwal Cement-GDR) | 10,000 | 10,000 | 2,819 | 2,819 |
| Century Paper & Board Mills Limited | 9 | – | – | – |
| Clariant Pakistan Limited | 282,398 | 225,919 | 49,691 | 49,691 |
| Samba Bank Limited (formerly Crescent Commercial Bank Limited) | 576,402 | 626,402 | 12,076 | 13,123 |
| Crescent Steel & Allied Products Limited | 454,236 | 412,942 | 40,220 | 40,220 |
| Dewan Farooq Motors Limited | 1,018,225 | 1,018,225 | 32,549 | 32,549 |
| Engro Chemical Pakistan Limited | 57,500 | 575,000 | 10,063 | 152,805 |
| Fateh Industries Limited | – | 35 | – | – |
| Fauji Cement Company Limited | 788,500 | 1,025,000 | 11,749 | 15,273 |
| Fauji Fertilizer Company Limited | 372,964 | 2,911,564 | 44,289 | 345,748 |
| Fauji Fertilizer Bin Qasim Limited | 547,500 | – | 20,557 | – |
| First Equity Modaraba | 1,380,000 | 1,480,000 | 14,067 | 15,085 |
| First Fidelity Lease Modaraba | 1 | 1 | – | – |
| First Habib Bank Modaraba | 60,507 | 146,507 | 520 | 1,260 |
| First National Bank Modaraba | 1,475,000 | 1,481,500 | 12,538 | 12,593 |
| First Tawakal Modaraba | 446,774 | 446,774 | – | – |
| The General Tyre & Rubber Co. of Pakistan Limited | 841,000 | 841,000 | 46,155 | 46,155 |
| Glamour Textile Mills Limited | 200,000 | 200,000 | 5,016 | 5,016 |
| Glaxosmithkline Pakistan Limited | 666,545 | 666,545 | 128,243 | 128,243 |
| Habib Bank Limited | – | 100 | – | 24 |
| Habib Insurance Company Limited | *1,356,604 | *1,130,504 | 89,140 | 89,140 |
| Habib Sugar Mills Limited | *515,702 | *412,562 | 22,134 | 22,134 |
| Hira Textile Mills Limited | 1,406,624 | 1,406,624 | 11,183 | 11,183 |
| The Hub Power Company Limited | 11,384,000 | 16,856,500 | 389,216 | 567,069 |
| Ibrahim Fibres Limited | 300 | 300 | 5 | 5 |
| ICI Pakistan Limited | 766,400 | 1,113,500 | 150,713 | 218,970 |
| IGI Investment Bank Limited | 908,684 | 922,184 | 13,403 | 13,602 |

Notes to the Financial Statements

For the year ended December 31, 2008



| | Number of Shares / Certificates held | | Total value at cost | |
|--|--------------------------------------|-----------|---------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | | | (Rupees '000') | |
| Indus Motors Company Limited | – | 228,900 | – | 73,065 |
| LTV Capital Modaraba | **171,473 | **171,473 | 5,573 | 5,573 |
| KSB Pumps Company Limited | 136,772 | 136,772 | 27,163 | 27,163 |
| Karam Ceramics Limited | 426,156 | 426,656 | 8,310 | 8,320 |
| Kohinoor Energy Limited | 100,000 | 100,000 | 3,180 | 3,180 |
| Maple Leaf Cement Factory Limited | – | 281,250 | – | 9,926 |
| Millat Tractors Limited | 699,000 | 559,200 | 151,264 | 151,264 |
| Mohib Textile Mills Limited | 5 | 5 | – | – |
| Mybank Limited | 1,146,750 | 1,146,750 | 27,465 | 27,465 |
| Nagina Cotton Mills Limited | 187,100 | 229,600 | 2,900 | 3,559 |
| National Bank of Pakistan | 92,100 | 25,000 | 18,130 | 5,804 |
| New Jubilee Life Insurance Company Limited | 175,000 | 175,000 | 12,346 | 12,346 |
| Nimir Industries Chemicals Limited | 4,938,759 | 5,077,259 | 19,755 | 20,309 |
| Oil & Gas Development Company Limited | 1,000,000 | 441 | 119,653 | 14 |
| Orix Leasing Pakistan Limited | – | 920,000 | – | 24,978 |
| Pakistan Oilfields Limited | 237,600 | 110,000 | 79,088 | 36,784 |
| Pakistan Petroleum Limited | 550,000 | 440,000 | 127,224 | 107,822 |
| Pakistan PTA Limited | – | 1,557,000 | – | 27,228 |
| Pakistan Refinery Limited | 3 | 16,800 | – | 4,197 |
| Pakistan State Oil Company Limited | – | 20,000 | – | 8,132 |
| Pakistan Telecommunication Company Limited | – | 3,940,000 | – | 165,677 |
| Pakistan Tobacco Company Limited | 159,700 | 159,700 | 24,833 | 24,833 |
| Pioneer Cement Limited | – | 430,450 | – | 13,602 |
| Premier Insurance Limited | * 135,332 | *133,610 | 5,453 | 6,460 |
| Prosperity Weaving Mills Limited | 127,820 | 127,820 | 1,598 | 1,598 |
| Rupali Polyester Limited | 134,500 | 169,500 | 5,447 | 6,865 |
| Saudi Pak Leasing Company Limited | 130,835 | 336,835 | 1,852 | 4,769 |
| Security Investment Bank Limited | 10 | 10 | – | – |
| Shahtaj Sugar Mills Limited | – | 430,646 | – | 22,587 |
| Shakarganj Mills Limited | 546,740 | 455,617 | 17,564 | 17,564 |
| Sitara Chemical Industries Limited | 112,120 | 112,120 | 37,672 | 37,672 |
| Sitara Energy Limited | – | 990,500 | – | 23,475 |
| Standard Chartered Leasing Limited | 333,500 | 522,500 | 3,669 | 5,748 |
| Standard Chartered Modaraba | 146,423 | 496,923 | 1,838 | 6,236 |
| Sui Southern Gas Company Limited | – | 500,000 | – | 13,075 |
| Suraj Cotton Mills Limited | 1,551,000 | 1,552,000 | 74,293 | 74,341 |
| Tariq Glass Industries Limited | 2,021,904 | 2,022,404 | 61,466 | 61,481 |
| Tawakal Garment Limited | 150,000 | 150,000 | – | – |
| Telecard Limited | – | 25,000 | – | 779 |
| Tri-Pack Films Limited | 210,000 | 280,000 | 42,693 | 56,924 |
| Trust Modaraba | 100 | 100 | 1 | 1 |
| Trust Security & Brokerage Limited | 120,000 | 120,000 | 1,020 | 1,020 |
| United Bank Limited | 125,000 | 300,000 | 16,570 | 51,870 |
| Yousuf Weaving Mills Limited | 100 | 100 | 2 | 2 |
| | | | <u>2,342,182</u> | <u>3,560,271</u> |
| Total Listed Shares / Certificates | | | <u>2,342,182</u> | <u>3,619,946</u> |

Notes to the Financial Statements For the year ended December 31, 2008



| | Percentage Note of holding | Number of Shares held | | Cost of Investment (Rupees '000') | | |
|---|-------------------------------|-----------------------|-----------|--------------------------------------|---------------|---------------|
| | | 2008 | 2007 | 2008 | 2007 | |
| 12.7 Particulars of unlisted Shares | | | | | | |
| Pakistan Export Finance Guarantee Agency Limited Chief Executive; Mr. S.M. Zaeem | 12.7.1 | 5.26% | 568,044 | 568,044 | 5,680 | 5,680 |
| Central Depository Company of Pakistan Limited Chief Executive; Mr. Muhammad Hanif Jakhura | 12.7.2 | 8.27% | 2,500,000 | 1,511,250 | 5,000 | 5,000 |
| Crescent Capital Management (Private) Limited Chief Executive; Mr. Tariq Aleem | 12.7.3 | 4.88% | 100,000 | 100,000 | 1,000 | 1,000 |
| Equity Participation Fund Limited Chief Executive; Mr. S. Shabahat Hussain | 12.7.4 | 0.97% | ***15,000 | ***15,000 | 1,500 | 1,500 |
| Pakistan Textile City (Private) Limited Chief Executive; Mr. Zaheer A. Hussain | 12.7.5 | 4.55% | 5,000,000 | 5,000,000 | 50,000 | 50,000 |
| National Investment Trust Limited Chief Executive; Mr. Tariq Iqbal Khan | 12.7.6 | 8.33% | ***52,800 | ***52,800 | 100 | 100 |
| Sunbiz (Private) Limited Chief Executive; Mr. Nisar Ahmed | 12.7.7 | 4.65% | 10,000 | 10,000 | 1,000 | 1,000 |
| | | | | | <u>64,280</u> | <u>64,280</u> |

12.7.1 Value of investment, based on the net assets stated in the audited financial statements of investee company as at December 31, 2007 amounts to Rs. 1.785 million.

12.7.2 Value of investment, based on the net assets stated in the audited financial statements of investee company as at December 31, 2008 amounts to Rs. 116.539 million.

12.7.3 Adequate provision has been made in these financial statements.

12.7.4 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2008 amounts to Rs. 11.477 million.

12.7.5 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2008 amounts to Rs. 55.942 million.

12.7.6 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2008 amounts to Rs. 238.689 million.

12.7.7 Adequate provision has been made in these financial statements.

Notes to the Financial Statements For the year ended December 31, 2008



| | Note | Number of Certificates held | | Amortized cost | |
|---|------|-----------------------------|--------|----------------|----------------|
| | | 2008 | 2007 | 2008 | 2007 |
| 12.8 Particulars of investment in Listed Term Finance Certificates | | | | | |
| Investee | | | | | |
| Askari Commercial Bank Limited | | 3,184 | 3,184 | 15,901 | 15,907 |
| Azgard Nine Limited | | 10,000 | 10,000 | 46,800 | 52,503 |
| Azgard Nine Limited | | 5,000 | 5,000 | 6,250 | 12,500 |
| Bank Al-Habib Limited | | 8,500 | 8,500 | 42,432 | 42,449 |
| Engro Chemicals Pakistan Limited | | 10,000 | 10,000 | 50,153 | 50,200 |
| Escorts Investment Bank Limited | | 2,016 | 2,016 | 10,074 | 10,078 |
| PACE Pakistan Limited | | 6,000 | 6,000 | 29,994 | 30,000 |
| Pakistan Mobile Communications Limited | | 60,000 | 60,000 | 299,700 | 299,820 |
| Pakistan Services Limited | | – | 2,988 | – | 4,266 |
| Saudi Pak Leasing Company Limited | | – | 7,000 | – | 35,000 |
| Soneri Bank Limited | | 2,000 | 2,000 | 9,986 | 9,990 |
| Soneri Bank Limited | | 4,000 | 4,000 | 19,972 | 19,980 |
| Telecard Limited | | 74,888 | 74,888 | 206,640 | 258,654 |
| Trust Leasing & Investment Bank Limited | | 10,000 | 10,947 | 21,406 | 34,056 |
| United Bank Limited | | 5,000 | 5,000 | 24,997 | 24,998 |
| | | | | <u>784,305</u> | <u>900,401</u> |

12.9 Particulars of investment in unlisted Term Finance Certificates

| | | | | | |
|---|--------|--------|--------|----------------|------------------|
| Avari Hotels Limited | | 30,400 | 30,400 | 152,000 | 152,000 |
| Chanda Oil & Gas Securitization Co. Limited | | – | 15,619 | – | 56,229 |
| Choudhary Sugar Mills Limited | | – | 10,000 | – | 14,693 |
| New Khan Transport Company (Pvt.) Limited | | 20,000 | 20,000 | 54,697 | 60,135 |
| Dewan Mushtaq Cement Limited | 12.9.1 | – | – | – | 198,464 |
| Dewan Hattar Cement Limited | 12.9.1 | – | – | – | 100,081 |
| Zaver Petroleum Corporation Limited | | – | 60,000 | – | 299,400 |
| Dewan Farooq Spinning Mills Limited | | – | 15,000 | – | 37,535 |
| Dominion Fertilizer (Pvt.) Limited | | – | 100 | – | 95,834 |
| | | | | <u>206,697</u> | <u>1,014,371</u> |

12.9.1 This represents the unlisted Term Finance Certificates (TFCs) of Rs. 285.00 million (2007: 298.546 million) issued by Dewan Cement Limited to restructure the TFCs of Rs. 298.546 million previously issued by Dewan Mushtaq Cement Limited (Formerly Pakland Cement Limited) and Dewan Hattar Cement Limited (Formerly Saadi Cement Limited). Dewan Cement Limited launched a listed TFC issue of Rs. 5,000 million which included a pre-IPO portion of Rs. 3,750 million. The Bank participated in the pre-IPO portion to the extent of Rs. 285.00 million. Since the TFCs have not yet been issued, these are included in Other Assets (note 17).

Notes to the Financial Statements For the year ended December 31, 2008



| | Note | Number of Certificates held | | Total value at cost | |
|--|------|-----------------------------|------------|---------------------|----------------|
| | | 2008 | 2007 | 2008 | 2007 |
| 12.10 Listed Mutual Funds | | | | | |
| AKD Opportunity Fund | | 587,679 | 538,859 | 32,493 | 32,493 |
| Faisal Saving Growth Fund | | – | 101,248 | – | 10,638 |
| First Dawood Mutual Fund | | 1,455,100 | 1,556,100 | 11,277 | 12,060 |
| First Habib Income Fund | | 203,000 | 355,250 | 20,000 | 35,951 |
| HBL Income Fund | | 576,209 | 513,239 | 50,000 | 50,000 |
| HBL Multi Asset Fund | | 260,721 | 250,000 | 25,000 | 25,000 |
| IGI Income Fund Limited | | – | 100,109 | – | 10,505 |
| MCB Dynamic Cash Fund | | – | 258,449 | – | 27,059 |
| Pakistan Strategic Allocation Fund | | 8,370,000 | 8,370,000 | 76,167 | 76,167 |
| JS Growth Fund (formerly UTP Growth Fund) | | 227,410 | 227,410 | 2,911 | 2,911 |
| UTP Large Capital Fund (ABAMCO Composite Fund) | | 11,385,092 | 11,385,092 | 92,219 | 92,219 |
| | | | | <u>310,067</u> | <u>375,003</u> |

12.11 Associates

| | | | | | |
|---|---------|------------|------------|------------------|------------------|
| NAFA Cash Fund | | 20,000,000 | 20,000,000 | 177,667 | 177,667 |
| NAFA Islamic Multi Asset Fund | | 7,500,000 | 7,500,000 | 75,000 | 75,000 |
| NAFA Islamic Income Fund | | 7,500,000 | 7,500,000 | 75,000 | 75,000 |
| NAFA Multi Asset Fund | | 7,500,000 | 7,500,000 | 65,462 | 65,462 |
| NAFA Stock Fund | | 7,500,000 | 7,500,000 | 63,186 | 63,186 |
| National Fullerton Asset Management Limited | 12.11.1 | 6,749,998 | 6,749,998 | 67,500 | 67,500 |
| PICIC Energy Fund | | 11,130,160 | 11,130,160 | 83,476 | 83,476 |
| PICIC Growth Fund | | 15,132,858 | 15,132,858 | 510,917 | 510,917 |
| PICIC Insurance Limited | | 10,499,993 | 5,999,996 | 345,900 | 300,900 |
| PICIC Investment Fund | | 41,544,649 | 41,544,649 | 633,539 | 633,539 |
| | | | | <u>2,097,647</u> | <u>2,052,647</u> |

12.11.1 The shareholders of PICIC Asset Management Company Limited (PICIC AMC) and National Fullerton Asset Management Limited (NAFA) have reviewed their respective valuations and swap ratios as a basis for merging into one asset management company. However, the current exceptional market conditions have prevented the formation of a meaningful view and hence a decision on whether or not this merger will take place has been deferred for the time being.

12.12 Subsidiaries

| | | | | | |
|--|---------|-------------|-------------|------------------|------------------|
| PICIC Asset Management Company Limited | 12.11.1 | 299,999,995 | 299,999,995 | 4,584,017 | 4,584,017 |
| PICIC Exchange Company (Pvt.) Limited | 12.12.1 | 20,000,000 | 20,000,000 | 205,963 | 205,963 |
| Financial and Management Services (Pvt.) Limited | *** | 88,850 | 88,850 | 724 | 724 |
| | | | | <u>4,790,704</u> | <u>4,790,704</u> |

12.12.1 During the year, the management initiated voluntary winding up process for PICIC Exchange Company as it was not a strategic fit with the rest of the business. This voluntary winding up was approved by the share holders in an extraordinary general meeting held on November 24, 2008. Consequently, a liquidator has been appointed. The process is expected to be completed by May 2009.

Unless otherwise stated, holdings in modaraba certificates and ordinary shares are of Rs. 10 each.

* Shares / Modaraba Certificates of Face Value of Rs. 5 each

** Shares / Modaraba Certificates of Face Value of Rs. 15 to Rs. 65 each

*** Shares / Modaraba Certificates of Face Value of Rs. 100 each

All Term Finance Certificates are of Original Face Value of Rs. 5,000 each

Notes to the Financial Statements For the year ended December 31, 2008



| | 2008 | 2007 |
|--|----------------|---------|
| | (Rupees '000') | |
| 12.13 Particulars of provision for diminution in value of investments | | |
| Opening balance | 123,006 | 35,488 |
| Charge for the year | 809,387 | - |
| Reversals | (30,602) | - |
| Amount written off | - | - |
| Assumed on amalgamation | - | 87,518 |
| | 901,791 | 123,006 |
| Closing balance | 901,791 | 123,006 |
| 12.14 Particulars of Provision in respect of Type and Segment | | |
| Available-for-sale securities | | |
| - Listed shares / Certificates / Units | 361,379 | 116,981 |
| - Unlisted shares | 5,301 | 5,301 |
| - Unlisted Term Finance Certificates | 54,697 | - |
| | 421,377 | 122,282 |
| Associates | | |
| - Listed shares / Certificates / Units | 422,763 | - |
| - Unlisted shares | - | - |
| | 422,763 | - |
| Subsidiaries | | |
| - Unlisted shares | 57,651 | 724 |
| | 901,791 | 123,006 |
| | 901,791 | 123,006 |

12.15 The Karachi Stock Exchange (Guarantee) Limited ("KSE") placed a "Floor Mechanism" on the market value of securities based on the closing prices of securities prevailing as on August 27, 2008. Under the "Floor Mechanism", the individual security price of equity securities could vary within normal circuit breaker limit, but not below the floor price level. The mechanism was effective from August 28, 2008 and remained in place until December 15, 2008. Consequent to the introduction of "Floor Mechanism" by KSE, the market volume declined significantly during the period from August 27, 2008 to December 15, 2008. There were lower floors on a number of securities at December 31, 2008. The equity securities have been valued at prices quoted on the KSE on December 31, 2008 as required by the State Bank of Pakistan (SBP) BSD Circular Letter No. 2 dated January 27, 2009.

Furthermore, SBP BSD Circular No. 4 dated February 13, 2009 has allowed Banks to follow the Securities and Exchange Commission of Pakistan (SECP) notification vide SRO 150 (1)/2009 dated February 13, 2009 allowing that the impairment loss, if any, recognized as on December 31, 2008 due to valuation of listed equity investments held as "Available for Sale" to quoted market prices may be shown under equity. The amount taken to equity including any adjustment/effect for price movements shall be taken to Profit and Loss Account on quarterly basis during the year ending December 31, 2009. The amount taken to equity at December 31, 2008 shall be treated as a charge to Profit and Loss Account for the purposes of distribution as dividend.

The impairment loss based on market values as at December 31, 2008 has been determined at Rs. 1,375.928 million. In view of the "Floor Mechanism" as explained above and current economic conditions in the country, the management believes that these are "rare circumstances" and the plunge in equity markets cannot necessarily be considered to be a fair reflection of equity values. Accordingly, the management on the basis of their estimates and prudence has made a provision of Rs. 275 million against the above amount. Therefore, full recognition of impairment for 'Available for Sale' equity securities through Profit and Loss account will not reflect the correct financial performance of the Bank.

Notes to the Financial Statements

For the year ended December 31, 2008



The recognition of the full impairment loss based on the market values as at December 31, 2008 would have had the following effect on these financial statements:

| | 2008 (Rupees '000') |
|---|--------------------------------------|
| Increase in Provision for diminution in the value of investments in Profit and Loss Account | 1,100,928 |
| Increase in deferred tax credit for the year | (110,093) |
| Increase in loss for the year - after tax | <u>990,835</u> |
| Increase in loss per share - Rupee | <u>0.35</u> |
| Decrease in deficit on revaluation of available-for-sale securities - net | <u>990,835</u> |
| Increase in accumulated loss | <u>990,835</u> |

As mentioned in note 3.2, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars. As per BSD circular 6, 2007 dated September 6, 2007, investments in subsidiaries and associates are required to be reported separately and should be carried at cost. However, as per IAS 36, these need to be tested for impairment, if there is any indication that such impairment may exist.

Given the equity markets situation in Pakistan, management has tested the investment in subsidiary and certain of the investments in associates for impairment using a value in use calculation. The value in use calculation indicates that a portion of the investment in subsidiary and associates is impaired. This impairment has been charged to profit & loss account in the current period. The value of the remaining associates has been calculated using their fair value and any impairment has been charged to profit & loss account in the current period.

The total impairment booked on subsidiary is Rs. 56.927 million and on associates is Rs. 422.763 million.

| | 2008 | | 2007 | |
|---|-----------------------|---------------|-----------------------|---------------|
| | (Rupees '000') | Rating | (Rupees '000') | Rating |
| 12.16 Quality of available-for-sale securities | | | | |
| Securities - at market value | | | | |
| Federal Government Securities | | | | |
| Market Treasury Bills | 18,779,400 | Unrated | 18,961,771 | Unrated |
| Pakistan Investment Bonds | 2,589,721 | Unrated | 8,265,039 | Unrated |
| GOP Ijara Sukuk Bonds | 500,000 | Unrated | - | - |
| Defense Savings Certificates | 8,421 | Unrated | 5,771 | Unrated |
| Cumulative Preference shares | | | | |
| Pak Electron Limited | 25,000 | A/A1 | 25,000 | A/A1 |
| Fazal Cloth Mills Limited | 25,000 | * | 25,000 | * |
| Jamshoro Joint Venture Company Limited | 50,000 | A+/A-1 | 50,000 | A+ |
| Ordinary shares | | | | |
| Abbott Laboratories Pakistan Limited | 81,200 | * | 191,968 | * |
| Adamjee Insurance Company Limited | - | - | 107,505 | AA |

Notes to the Financial Statements For the year ended December 31, 2008



| | 2008 | | 2007 | |
|--|----------------|----------|----------------|----------|
| | (Rupees '000') | Rating | (Rupees '000') | Rating |
| Allied Bank Limited | 16,124 | AA/A1+ | 55,834 | AA/A1+ |
| Attock Cement Limited | 5,245 | * | 16,371 | * |
| Attock Refinery Limited | – | – | 125,434 | AA-/A1+ |
| B.R.R. Guardian Modaraba (formerly B.R.R. International Modaraba) | – | – | 6,385 | A/A-2 |
| Bank Al-Habib Limited | 3,497 | AA/A1+ | 27,419 | AA/A1+ |
| Bank Islami Pakistan Limited | 643 | A-/A2 | 5,429 | A-/A2 |
| Berger Paints (Pakistan) Limited | 15,338 | * | 65,956 | * |
| Bosicor Pakistan Limited | – | – | 17,080 | * |
| Clariant Pakistan Limited | 46,118 | * | 49,691 | * |
| Samba Bank Limited, (formerly Crescent Commercial Bank Limited) | 2,847 | A/A-1 | 13,123 | A/A-1 |
| Crescent Steel & Allied Products Limited | 7,736 | A+/A-1 | 40,221 | A+/A-1 |
| Dewan Farooq Motors Limited | 2,047 | * | 13,237 | A/A2 |
| Engro Chemicals Pakistan Limited | 5,546 | AA/A1+ | 152,806 | AA/A1+ |
| Fauji Cement Company Limited | 3,706 | * | 15,273 | * |
| Fauji Fertilizer Bin Qasim Limited | 7,063 | * | | |
| Fauji Fertilizer Company Limited | 21,904 | * | 345,748 | * |
| First Equity Modaraba | 1,628 | * | 6,808 | * |
| First Habib Bank Modaraba | 183 | AA-/A-1+ | 1,260 | AA-/A-1+ |
| IGI Investment Bank Limited | 2,862 | A/A1 | 13,602 | A/A1 |
| First National Bank Modaraba | 4,425 | A+/A-1 | 12,593 | A-/A-2 |
| General Tyres and Rubber Limited | 13,961 | * | 22,455 | * |
| GlaxoSmithKline Pakistan Limited | 50,617 | * | 128,243 | * |
| Habib Bank Limited | – | – | 24 | A-1+/AA+ |
| Habib Insurance Company Limited | 37,551 | A+ | 89,140 | A+ |
| Habib Sugar Mills Limited | 15,590 | * | 22,134 | * |
| Hira Textile Mills Limited | 3,179 | * | 11,183 | * |
| Hub Power Company Limited | 160,402 | * | 514,124 | * |
| ICI Pakistan Limited | 52,659 | * | 218,970 | * |
| Indus Motor Company Limited | – | – | 73,065 | * |
| K.S.B. Pumps Limited | 31,592 | * | 27,163 | * |
| Karam Ceramics Limited | 11,817 | * | 8,320 | * |
| Kohinoor Energy Limited | 1,925 | * | 3,180 | * |
| Maple Leaf Cement Limited | – | – | 5,400 | * |
| Millat Tractors Limited | 93,603 | * | 151,264 | * |
| MY Bank Limited | 13,302 | A/A1 | 27,465 | BBB/A-2 |
| Nagina Cotton Mills Limited | 2,900 | * | 3,559 | * |
| National Bank of Pakistan | 4,634 | AAA/A-1+ | 5,804 | AAA/A-1+ |
| New Jubilee Life Insurance Company Limited | 7,898 | * | 12,346 | * |
| Nimir Industries Chemical Limited | 7,260 | * | 22,340 | * |
| Oil and Gas Development Company Limited | 49,990 | AAA/A-1+ | 53 | AAA/A1+ |
| Orix Leasing Company Limited | – | – | 24,978 | AA+/A1+ |
| Pakistan Oil Fields Limited | 24,352 | * | 36,784 | * |
| Pakistan Petroleum Limited | 55,341 | * | 107,822 | * |
| Pakistan PTA Limited | – | – | 7,863 | * |
| Pakistan Refinery Limited | – | – | 4,197 | * |
| Pakistan State Oil Company Limited | – | – | 8,132 | AAA/A1+ |

Notes to the Financial Statements

For the year ended December 31, 2008



NIB Bank

| | 2008 | | 2007 | |
|--|----------------|-----------|----------------|-----------|
| | (Rupees '000') | Rating | (Rupees '000') | Rating |
| Pakistan Telecommunication Company Limited | – | – | 165,677 | * |
| Pakistan Tobacco Company Limited | 16,976 | * | 24,833 | * |
| Pioneer Cement Limited | – | – | 13,602 | A-/A2 |
| Premier Insurance Company Limited | 2,569 | A | 6,460 | A |
| Prosperity Weaving Mills Limited | 1,023 | * | 1,598 | * |
| Rupali Polyester Limited | 5,246 | * | 6,865 | * |
| Saudi Pak Leasing Company Limited | 379 | BBB+/A-3 | 2,543 | A-/A-2 |
| Shahtaj Sugar Mills Limited | – | – | 22,587 | * |
| Shakarganj Mills Limited | 3,964 | BBB+/A2 | 17,564 | * |
| Sitara Chemicals Industries Limited | 23,702 | AA-/A-1 | 37,672 | * |
| Sitara Energy Limited | – | – | 23,475 | * |
| Standard Chartered Leasing Limited | 584 | A+/A1 | 5,747 | A(P) |
| Standard Chartered Modaraba | 997 | AA+/A1+ | 6,236 | AA+/A1+ |
| Sui Southern Gas Company Limited | – | – | 13,075 | AA-/A1+ |
| Suraj Cotton Mills Limited | 63,979 | * | 74,341 | * |
| Tariq Glass Limited | 13,749 | * | 61,481 | * |
| Telecard Limited | – | – | 271 | * |
| Tripack Films Limited | 26,174 | A+/A1 | 56,924 | A+/A1 |
| Trust Securities and Brokerage Limited | 1,016 | * | 1,020 | * |
| United Bank Limited | 4,614 | AA+/A-1+ | 51,870 | AA+/A-1+ |
| Ordinary shares of unlisted companies | | | | |
| Central Depository Company of Pakistan Limited | 5,000 | * | 5,000 | * |
| Crescent Capital Management (Private) Limited | 1,000 | * | 86 | * |
| Equity Participation Fund Limited | 1,500 | * | 1,500 | * |
| National Investment Trust Limited | 100 | AM-DS | 100 | AM2 |
| Pakistan Export Finance Guarantee Agency Limited | 5,680 | * | 2,292 | * |
| Sun Biz (Private) Limited | 1,000 | * | – | – |
| Pakistan Textile City (Private) Limited | 50,000 | * | 50,000 | * |
| Certificates of Mutual Funds | | | | |
| 1st Habib Income Fund | 19,697 | * | 21,268 | * |
| AKD Opportunity Fund | 17,513 | * | 32,493 | * |
| Faisal Saving Growth Fund | – | – | 10,638 | * |
| First Dawood Mutual Fund | 3,143 | FR 4-STAR | 12,060 | FR 4-STAR |
| First Habib Income Fund | – | – | 15,951 | * |
| HBL Income Fund | 54,815 | * | 53,664 | * |
| HBL Multi Asset Fund | 17,171 | * | 25,034 | * |
| IGI Income Fund | – | – | 10,505 | * |
| MCB Dynamic Cash Fund | – | – | 27,059 | * |
| Pakistan Strategic Allocation Fund | 19,082 | FR 4-STAR | 76,167 | FR 4-STAR |
| JS Growth Fund (formerly UTP Growth Fund) | 678 | * | 2,911 | * |
| UTP Large Cap Fund (ABAMCO Composite Fund) | 26,186 | FR 4-STAR | 92,219 | FR 4-STAR |
| Term Finance Certificates | | | | |
| Askari Commercial Bank Limited | 16,028 | AA- | 15,907 | AA- |
| Avari Hotels Limited | 152,000 | A- | 152,000 | A- |
| Azgard Nine Limited | 23,585 | AA- | 52,503 | A+ |
| Chanda Oil & Gas Securitization Company Limited | – | – | 56,228 | A+ |
| Choudhary Sugar Mills Limited | – | – | 14,693 | * |

Notes to the Financial Statements For the year ended December 31, 2008



| | 2008 | | 2007 | |
|--|-------------------|--------|-------------------|--------|
| | (Rupees '000') | Rating | (Rupees '000') | Rating |
| Dewan Farooq Spinning Mills Limited | - | - | 37,535 | * |
| Dominion Fertilizer (Private) Limited | - | - | 95,834 | * |
| Engro Chemicals Pakistan Limited | 48,121 | AA | 50,200 | AA |
| Escorts Investment Bank Limited | 10,384 | A+ | 10,078 | A+ |
| New Khan Transport Company (Private) Limited | 54,697 | * | 60,135 | * |
| PACE Pakistan Limited | 30,348 | AA- | 30,000 | * |
| Pakistan Mobile Communication Limited | 320,559 | AA- | 299,820 | AA- |
| Pakistan Services Limited | - | - | 4,266 | A |
| Saudi Pak Leasing Company Limited | - | - | 35,000 | A |
| Soneri Bank Limited | - | - | 19,980 | A+ |
| Telecard Limited | 166,963 | BBB | 258,654 | BBB |
| Trust Leasing and Investment Bank Limited | 20,140 | A | 34,056 | AA |
| United Bank Limited | - | - | 24,998 | AA |
| World Call Telecom Limited | - | - | - | AA- |
| Zaver Petroleum Corporation Limited | - | - | 299,400 | * |
| | <u>24,074,589</u> | | <u>32,736,407</u> | |

* Not Available

| | Note | 2008 | 2007 |
|---|---|---------------------|---------------------|
| | | (Rupees '000') | Restated |
| 13. ADVANCES | | | |
| Loans, cash credits, running finance, etc. | | | |
| In Pakistan | 13.1 | 90,877,027 | 83,454,286 |
| Outside Pakistan | | - | - |
| Net investment in finance lease | | | |
| In Pakistan | 13.3 | 4,374,849 | 6,116,106 |
| Outside Pakistan | | - | - |
| Bills discounted and purchased (excluding treasury bills) | | | |
| Payable in Pakistan | | 527,618 | 1,309,849 |
| Payable outside Pakistan | | 1,542,987 | 1,689,436 |
| Financing in respect of margin finance | | - | 16,659 |
| Advances - Gross | | <u>97,322,481</u> | <u>92,586,336</u> |
| Provision against non-performing advances- | | | |
| Specific | 13.4 | (16,715,515) | (10,040,046) |
| General | | (262,773) | (613,911) |
| | 13.5 | <u>(16,978,288)</u> | <u>(10,653,957)</u> |
| Advances - Net of provision | | <u>80,344,193</u> | <u>81,932,379</u> |
| 13.1 | This includes a sum of Rs. 79.074 million (2007 : Rs. 85.791 million) representing unrealized exchange gain, which has not been recognised as income and deferred in the financial statements, in accordance with the policy of the bank, as stated in note 5.17. | | |
| 13.2 Particulars of advances | | | |
| 13.2.1 In local currency | | 95,066,054 | 89,443,520 |
| In foreign currencies | | 2,256,427 | 3,142,816 |
| | | <u>97,322,481</u> | <u>92,586,336</u> |
| 13.2.2 Short term (for upto one year) | | 62,762,818 | 59,775,392 |
| Long term (for over one year) | | 34,559,663 | 32,810,944 |
| | | <u>97,322,481</u> | <u>92,586,336</u> |

13.5 Particulars of provision against non-performing advances

| Note | 2008 | | | 2007-Restated | | |
|-------------------------|----------------------------|-----------|-------------|---------------|----------|------------|
| | Specific | General | Total | Specific | General | Total |
| | ----- (Rupees '000') ----- | | | | | |
| Opening balance | 10,040,046 | 613,911 | 10,653,957 | 610,184 | 212,498 | 822,682 |
| Charge for the year | 10,782,574 | 115,589 | 10,898,163 | 1,572,351 | 36,513 | 1,608,864 |
| Reversals | (1,945,434) | (119,088) | (2,064,522) | (78,551) | (35,512) | (114,063) |
| | 8,837,140 | (3,499) | 8,833,641 | 1,493,800 | 1,001 | 1,494,801 |
| Assumed on Amalgamation | - | - | - | 8,186,141 | 400,412 | 8,586,553 |
| Amounts written off | (2,509,310) | - | (2,509,310) | (250,079) | - | (250,079) |
| Transfer to / (from) | 347,639 | (347,639) | - | - | - | - |
| Closing balance | 16,715,515 | 262,773 | 16,978,288 | 10,040,046 | 613,911 | 10,653,957 |

13.5.1 Particulars of provision against non-performing advances - currency wise

| | 2008 | | | 2007-Restated | | |
|-----------------------|----------------------------|---------|------------|---------------|---------|------------|
| | Specific | General | Total | Specific | General | Total |
| | ----- (Rupees '000') ----- | | | | | |
| In local currency | 16,715,515 | 262,773 | 16,978,288 | 10,040,046 | 613,911 | 10,653,957 |
| In foreign currencies | - | - | - | - | - | - |
| | 16,715,515 | 262,773 | 16,978,288 | 10,040,046 | 613,911 | 10,653,957 |

Notes to the Financial Statements For the year ended December 31, 2008



| 13.6 Particulars of write off: | Note | 2008 | 2007 |
|---|------|----------------|---------|
| | | (Rupees '000') | |
| 13.6.1 Against provisions | 13.5 | 2,509,310 | 250,079 |
| Directly charged to profit and loss account | | 1,800 | - |
| | | 2,511,110 | 250,079 |
| 13.6.2 Write offs of Rs. 500,000 and above | 13.7 | 210,077 | 13,274 |
| Write offs of below Rs. 500,000 | 13.7 | 2,301,033 | 236,805 |
| | | 2,511,110 | 250,079 |

13.7 Details of loan write offs of Rs.500,000/- and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the Statement in respect of written off loans or any financial relief of five hundred thousand rupees or above allowed to person(s) during the year ended December 31, 2008 is given in Annexure 1. However, this write off does not affect the Bank's right to recover the debts from any customers.

13.8 Particulars of loans and advances to directors, associated companies etc.

Debts due by directors, executives or officers of the bank or any of them either severally or jointly with any other persons.

| | | Restated |
|--------------------------------------|-----------|----------|
| Balance at the beginning of the year | 586,755 | 246,612 |
| Additions during the year | 97,854 | - |
| Loans granted during the year | 607,255 | 263,469 |
| Less: Repayments during the year | 281,543 | 58,973 |
| Assumed on amalgamation | - | 135,647 |
| Balance at the end of the year | 1,010,321 | 586,755 |

Debts due by subsidiary companies, controlled firms, managed modarabas and other related parties.

| | | |
|--------------------------------------|---------|-------|
| Balance at the beginning of the year | 7,545 | - |
| Loan granted during the year | 807,686 | - |
| Repayments during the year | 509,983 | - |
| Assumed on amalgamation | - | 7,545 |
| Balance at the end of the year | 305,248 | 7,545 |

| 14. OPERATING FIXED ASSETS | Note | 2008 | 2007 |
|---------------------------------------|------|----------------|-----------|
| | | (Rupees '000') | |
| Capital work in progress | 14.1 | 760,882 | 583,054 |
| Property and equipment | 14.2 | 2,941,544 | 3,342,329 |
| | | 3,702,426 | 3,925,383 |
| 14.1 Capital work in progress | | | |
| Civil works | | 53,751 | 15,417 |
| Equipment and electric work | | 36,047 | 41,375 |
| Advances to suppliers and contractors | | 227,710 | 195,399 |
| Advance for computer software | | 423,532 | 284,795 |
| Others | | 19,842 | 46,068 |
| | | 760,882 | 583,054 |

14.1.1 During the year, an amount of Rs.27.285 million was written off as this represented long outstanding and unidentifiable items.

Notes to the Financial Statements For the year ended December 31, 2008



14.2.3 Detail of disposal of property and equipment during the year

| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|-------|--------------------------|------------|---------------|------------------------|-------------------------------------|
| (Rupees '000') | | | | | | |
| Vehicles | 1,599 | 182 | 1,417 | 1,410 | EMPLOYEE SERVICES RULE | FAISAL ZIA QURESHI-EMPLOYEE |
| Vehicles | 1,557 | 182 | 1,375 | 1,310 | EMPLOYEE SERVICES RULE | AZIZ MUSTAFA ZUBERI-EMPLOYEE |
| Vehicles | 1,543 | 307 | 1,236 | 1,150 | EMPLOYEE SERVICES RULE | AKBAR A. CHUGHTAI-EMPLOYEE |
| Vehicles | 1,543 | 307 | 1,236 | 1,130 | EMPLOYEE SERVICES RULE | MASROOR AHMAD QURESHI-EMPLOYEE |
| Vehicles | 1,543 | 206 | 1,337 | 1,285 | EMPLOYEE SERVICES RULE | ALI MASOOD-EMPLOYEE |
| Vehicles | 1,431 | 182 | 1,249 | 1,251 | EMPLOYEE SERVICES RULE | ASFANDYAR HASSAN QURESHI-EMPLOYEE |
| Vehicles | 1,422 | 47 | 1,375 | 1,280 | EMPLOYEE SERVICES RULE | AASHIR HASNAIN-EMPLOYEE |
| Vehicles | 1,422 | 95 | 1,327 | 1,308 | EMPLOYEE SERVICES RULE | SHAIKH ABDUS SAMI-EMPLOYEE |
| Vehicles | 1,411 | 212 | 1,199 | 1,222 | EMPLOYEE SERVICES RULE | IVAN JOHNS-EMPLOYEE |
| Vehicles | 1,381 | 115 | 1,266 | 1,175 | EMPLOYEE SERVICES RULE | M.IMRAN -EMPLOYEE |
| Vehicles | 1,380 | 344 | 1,036 | 1,225 | EMPLOYEE SERVICES RULE | ASIM KHAN-EMPLOYEE |
| Vehicles | 1,369 | 160 | 1,209 | 1,191 | EMPLOYEE SERVICES RULE | MUHAMMAD ARSHAD-EMPLOYEE |
| Vehicles | 1,369 | 160 | 1,209 | 1,127 | EMPLOYEE SERVICES RULE | SHAHID ALI KHAN-EMPLOYEE |
| Vehicles | 1,367 | 342 | 1,025 | 975 | EMPLOYEE SERVICES RULE | MUHAMMAD YAQOOB SHAIKH-EMPLOYEE |
| Vehicles | 1,361 | 431 | 930 | 855 | EMPLOYEE SERVICES RULE | NAUMAN HUSSAIN-EMPLOYEE |
| Vehicles | 1,360 | 453 | 907 | 890 | EMPLOYEE SERVICES RULE | ANIS ALAM KAZMI-EMPLOYEE |
| Vehicles | 1,288 | 429 | 859 | 843 | EMPLOYEE SERVICES RULE | ZIA AKHTER ABBAS-EMPLOYEE |
| Vehicles | 1,237 | 557 | 680 | 766 | EMPLOYEE SERVICES RULE | IRSHAD RAHEEM-EMPLOYEE |
| Vehicles | 1,148 | 421 | 727 | 738 | EMPLOYEE SERVICES RULE | NAJEEB GILLANI-EMPLOYEE |
| Vehicles | 1,108 | 646 | 462 | 786 | EMPLOYEE SERVICES RULE | AIZAZ BUKHARI-EMPLOYEE |
| Vehicles | 1,069 | 338 | 731 | 805 | EMPLOYEE SERVICES RULE | MOIZ MUKHTAR-EMPLOYEE |
| Vehicles | 1,060 | 265 | 795 | 805 | EMPLOYEE SERVICES RULE | FARIYA ZAEEM-EMPLOYEE |
| Vehicles | 1,043 | 487 | 556 | 632 | EMPLOYEE SERVICES RULE | MUHAMMAD UMAR BUTT-EMPLOYEE |
| Vehicles | 1,036 | 242 | 794 | 752 | EMPLOYEE SERVICES RULE | NAVAID IQBAL-EMPLOYEE |
| Vehicles | 1,036 | 328 | 708 | 705 | EMPLOYEE SERVICES RULE | BEENISH METHANI-EMPLOYEE |
| Vehicles | 1,036 | 345 | 691 | 738 | EMPLOYEE SERVICES RULE | M.IMRAN KHAN-EMPLOYEE |
| Vehicles | 1,006 | 69 | 937 | 782 | EMPLOYEE SERVICES RULE | NAVAID IQBAL-EMPLOYEE |
| Vehicles | 1,006 | 85 | 921 | 775 | EMPLOYEE SERVICES RULE | SADIA RIZWAN-EMPLOYEE |
| Vehicles | 1,003 | 418 | 585 | 799 | EMPLOYEE SERVICES RULE | ALI IMRAN AKBER-EMPLOYEE |
| Vehicles | 1,002 | 384 | 618 | 551 | EMPLOYEE SERVICES RULE | AKBAR A. LADAK-EMPLOYEE |
| Vehicles | 998 | 449 | 549 | 802 | EMPLOYEE SERVICES RULE | KHAWAR SAEED-EMPLOYEE |
| Vehicles | 969 | 194 | 775 | 711 | EMPLOYEE SERVICES RULE | ZAHID QURESHI-EMPLOYEE |
| Vehicles | 969 | 194 | 775 | 711 | EMPLOYEE SERVICES RULE | NAVAID IQBAL-EMPLOYEE |
| Vehicles | 967 | 162 | 805 | 741 | EMPLOYEE SERVICES RULE | SYED IMTIAZ BOKHARI-EMPLOYEE |
| Vehicles | 944 | 65 | 879 | 760 | EMPLOYEE SERVICES RULE | MUHAMMAD FARHAN KHAN-EMPLOYEE |
| Vehicles | 942 | 63 | 879 | 725 | EMPLOYEE SERVICES RULE | MUHAMMAD BILAL ANJUM-EMPLOYEE |
| Vehicles | 936 | 233 | 703 | 666 | EMPLOYEE SERVICES RULE | JAWAD SHAMI-EMPLOYEE |
| Vehicles | 936 | 296 | 640 | 705 | EMPLOYEE SERVICES RULE | ZULFIQAR ALI LEHRI-EMPLOYEE |
| Vehicles | 936 | 296 | 640 | 766 | EMPLOYEE SERVICES RULE | KALEEM ABDULLAH KHAN NIAZI-EMPLOYEE |
| Vehicles | 933 | 171 | 762 | 708 | EMPLOYEE SERVICES RULE | MUZAMIL SHAH-EMPLOYEE |
| Vehicles | 933 | 63 | 870 | 758 | EMPLOYEE SERVICES RULE | SALEEM QURESHI-EMPLOYEE |

Notes to the Financial Statements

For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|------|--------------------------|------------|---------------|------------------------|------------------------------------|
| (Rupees '000') | | | | | | |
| Vehicles | 923 | 61 | 862 | 768 | EMPLOYEE SERVICES RULE | LLEWELYN D. SOUZA-EMPLOYEE |
| Vehicles | 921 | 61 | 860 | 775 | EMPLOYEE SERVICES RULE | AFZAL HUSSAIN-EMPLOYEE |
| Vehicles | 921 | 61 | 860 | 781 | EMPLOYEE SERVICES RULE | UZAIR AHMED SIDDIQUI-EMPLOYEE |
| Vehicles | 921 | 61 | 860 | 750 | EMPLOYEE SERVICES RULE | FARHAN NAQVI-EMPLOYEE |
| Vehicles | 921 | 61 | 860 | 788 | EMPLOYEE SERVICES RULE | SHAHIDA RAJKOTWALA-EMPLOYEE |
| Vehicles | 915 | 234 | 681 | 675 | EMPLOYEE SERVICES RULE | SYED IBN-E-ALI BUKHARI-EMPLOYEE |
| Vehicles | 915 | 214 | 701 | 676 | EMPLOYEE SERVICES RULE | MARIAM IMRAN-EMPLOYEE |
| Vehicles | 915 | 230 | 685 | 691 | EMPLOYEE SERVICES RULE | ALI MASOOD-EMPLOYEE |
| Vehicles | 915 | 153 | 762 | 750 | EMPLOYEE SERVICES RULE | MUHAMMAD FARHAN KHAN-EMPLOYEE |
| Vehicles | 915 | 183 | 732 | 715 | EMPLOYEE SERVICES RULE | GHULAM MUHAMMAD DURVAISH-EMPLOYEE |
| Vehicles | 915 | 122 | 793 | 744 | EMPLOYEE SERVICES RULE | SHAHMIR KHAN-EMPLOYEE |
| Vehicles | 915 | 106 | 809 | 770 | EMPLOYEE SERVICES RULE | YAMEEN KERAI-EMPLOYEE |
| Vehicles | 915 | 107 | 808 | 755 | EMPLOYEE SERVICES RULE | NAVEED YOUNUS-EMPLOYEE |
| Vehicles | 914 | 259 | 655 | 683 | EMPLOYEE SERVICES RULE | KASHIF GAYA-EMPLOYEE |
| Vehicles | 914 | 228 | 686 | 620 | EMPLOYEE SERVICES RULE | ABDUL AHAD WAHDNA-EMPLOYEE |
| Vehicles | 910 | 660 | 250 | 455 | EMPLOYEE SERVICES RULE | AMYN ESSA-EMPLOYEE |
| Vehicles | 885 | 311 | 574 | 517 | EMPLOYEE SERVICES RULE | SADAQAT KHAN-EMPLOYEE |
| Vehicles | 885 | 326 | 559 | 650 | EMPLOYEE SERVICES RULE | SHAKEEL ABBAS JAFRI-EMPLOYEE |
| Vehicles | 885 | 324 | 561 | 652 | EMPLOYEE SERVICES RULE | ASFANDYAR QURESHI-EMPLOYEE |
| Vehicles | 879 | 147 | 732 | 674 | EMPLOYEE SERVICES RULE | TASAWWAR HUSSAIN SIDDIQUI-EMPLOYEE |
| Vehicles | 879 | 381 | 498 | 440 | EMPLOYEE SERVICES RULE | NAVEED ELAHI MALIK-EMPLOYEE |
| Vehicles | 879 | 440 | 439 | 757 | EMPLOYEE SERVICES RULE | MAMOON H. FAROOQI-EMPLOYEE |
| Vehicles | 849 | 778 | 71 | 615 | EMPLOYEE SERVICES RULE | HADI ALI KHAN-EMPLOYEE |
| Vehicles | 849 | 594 | 255 | 725 | EMPLOYEE SERVICES RULE | MANZOOR ELAHI-EMPLOYEE |
| Vehicles | 846 | 113 | 733 | 677 | EMPLOYEE SERVICES RULE | SYED MUHAMMAD HUSSAIN-EMPLOYEE |
| Vehicles | 846 | 113 | 733 | 705 | EMPLOYEE SERVICES RULE | HOSHEM NASIR KHAN-EMPLOYEE |
| Vehicles | 846 | 113 | 733 | 677 | EMPLOYEE SERVICES RULE | RASHID KAZI-EMPLOYEE |
| Vehicles | 846 | 141 | 705 | 649 | EMPLOYEE SERVICES RULE | S.M. ANWAR AHMED-EMPLOYEE |
| Vehicles | 846 | 141 | 705 | 649 | EMPLOYEE SERVICES RULE | MASOOD AHMED SIDDIQUI-EMPLOYEE |
| Vehicles | 846 | 141 | 705 | 649 | EMPLOYEE SERVICES RULE | BEHZAD RASHID-EMPLOYEE |
| Vehicles | 846 | 141 | 705 | 649 | EMPLOYEE SERVICES RULE | TARIQ QAZI-EMPLOYEE |
| Vehicles | 846 | 141 | 705 | 649 | EMPLOYEE SERVICES RULE | SYED JAMSHED HAMID-EMPLOYEE |
| Vehicles | 836 | 348 | 488 | 597 | EMPLOYEE SERVICES RULE | MEHERYAR MAVALVALA-EMPLOYEE |
| Vehicles | 835 | 306 | 529 | 612 | EMPLOYEE SERVICES RULE | SARWAR KHAN-EMPLOYEE |
| Vehicles | 835 | 348 | 487 | 610 | EMPLOYEE SERVICES RULE | MUHAMMAD RIAZUDDIN-EMPLOYEE |
| Vehicles | 835 | 348 | 487 | 595 | EMPLOYEE SERVICES RULE | IMTIAZ AHMAD -EMPLOYEE |
| Vehicles | 835 | 376 | 459 | 560 | EMPLOYEE SERVICES RULE | SYED JAFFER SHAH-EMPLOYEE |
| Vehicles | 835 | 376 | 459 | 600 | EMPLOYEE SERVICES RULE | MEHMOOD HUSSAIN RIZVI-EMPLOYEE |
| Vehicles | 835 | 404 | 431 | 615 | EMPLOYEE SERVICES RULE | TALAL JAWED-EMPLOYEE |
| Vehicles | 835 | 404 | 431 | 603 | EMPLOYEE SERVICES RULE | ABID ALI KHAN-EMPLOYEE |
| Vehicles | 835 | 404 | 431 | 580 | EMPLOYEE SERVICES RULE | WAQAR A. MEMON-EMPLOYEE |
| Vehicles | 835 | 404 | 431 | 603 | EMPLOYEE SERVICES RULE | FALAK HASSAN JAFRI-EMPLOYEE |

Notes to the Financial Statements

For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|------|--------------------------|------------|---------------|------------------------|-----------------------------------|
| (Rupees '000') | | | | | | |
| Vehicles | 835 | 404 | 431 | 622 | EMPLOYEE SERVICES RULE | AFTAB AHMED-EMPLOYEE |
| Vehicles | 749 | 350 | 399 | 492 | EMPLOYEE SERVICES RULE | M. IQBAL TAI-EMPLOYEE |
| Vehicles | 739 | 443 | 296 | 246 | EMPLOYEE SERVICES RULE | M. AKRAM AZAD-EMPLOYEE |
| Vehicles | 739 | 443 | 296 | 337 | EMPLOYEE SERVICES RULE | FAISAL MAHMOOD-EMPLOYEE |
| Vehicles | 739 | 443 | 296 | 246 | EMPLOYEE SERVICES RULE | ATHER ALI-EMPLOYEE |
| Vehicles | 739 | 443 | 296 | 246 | EMPLOYEE SERVICES RULE | SYED ZAHID HUSSAIN -EMPLOYEE |
| Vehicles | 739 | 443 | 296 | 246 | EMPLOYEE SERVICES RULE | MUMTAZ AHMED KHAN-EMPLOYEE |
| Vehicles | 680 | 408 | 272 | 340 | EMPLOYEE SERVICES RULE | YASIR HUSSAIN-EMPLOYEE |
| Vehicles | 679 | 23 | 656 | 585 | EMPLOYEE SERVICES RULE | SYED TAHIR HUSSAIN RIZVI-EMPLOYEE |
| Vehicles | 660 | 132 | 528 | 635 | EMPLOYEE SERVICES RULE | YAZDI R. SIDHWA-EMPLOYEE |
| Vehicles | 651 | 33 | 618 | 575 | EMPLOYEE SERVICES RULE | RAO KHALIQ UR REHMAN-EMPLOYEE |
| Vehicles | 651 | 43 | 608 | 575 | EMPLOYEE SERVICES RULE | NAUMAN MUNAWAR-EMPLOYEE |
| Vehicles | 645 | 32 | 613 | 575 | EMPLOYEE SERVICES RULE | ATHAR HUSSAIN-EMPLOYEE |
| Vehicles | 645 | 32 | 613 | 575 | EMPLOYEE SERVICES RULE | ASIF ALI KHAN-EMPLOYEE |
| Vehicles | 640 | 43 | 597 | 545 | EMPLOYEE SERVICES RULE | MUHAMMAD QASIM BHAAM-EMPLOYEE |
| Vehicles | 640 | 43 | 597 | 570 | EMPLOYEE SERVICES RULE | SULEMAN BHOPAL-EMPLOYEE |
| Vehicles | 640 | 21 | 619 | 565 | EMPLOYEE SERVICES RULE | QAISER GHANI-EMPLOYEE |
| Vehicles | 640 | 21 | 619 | 575 | EMPLOYEE SERVICES RULE | ZEESHAN HASHMI-EMPLOYEE |
| Vehicles | 640 | 21 | 619 | 578 | EMPLOYEE SERVICES RULE | ALI MASOOD-EMPLOYEE |
| Vehicles | 640 | 32 | 608 | 570 | EMPLOYEE SERVICES RULE | FARHAD HUSSAIN-EMPLOYEE |
| Vehicles | 640 | 32 | 608 | 590 | EMPLOYEE SERVICES RULE | MUHAMMAD ADNAN SIDDIQUE-EMPLOYEE |
| Vehicles | 627 | 158 | 469 | 521 | EMPLOYEE SERVICES RULE | HAMMAD AHMAD KHAN-EMPLOYEE |
| Vehicles | 626 | 104 | 522 | 590 | EMPLOYEE SERVICES RULE | QAMAR UDDIN-EMPLOYEE |
| Vehicles | 626 | 125 | 501 | 473 | EMPLOYEE SERVICES RULE | SHAHID HAIDER-EMPLOYEE |
| Vehicles | 622 | 197 | 425 | 483 | EMPLOYEE SERVICES RULE | FAROOQ QAISAR-EMPLOYEE |
| Vehicles | 619 | 174 | 445 | 472 | EMPLOYEE SERVICES RULE | JAVED IQBAL RAO-EMPLOYEE |
| Vehicles | 618 | 154 | 464 | 464 | EMPLOYEE SERVICES RULE | IJAZ AHMED -EMPLOYEE |
| Vehicles | 618 | 154 | 464 | 483 | EMPLOYEE SERVICES RULE | AMNA BUTT-EMPLOYEE |
| Vehicles | 618 | 92 | 526 | 545 | EMPLOYEE SERVICES RULE | ARBAB ZARAK-EMPLOYEE |
| Vehicles | 618 | 134 | 484 | 463 | EMPLOYEE SERVICES RULE | MOBIN KHAN-EMPLOYEE |
| Vehicles | 618 | 123 | 495 | 573 | EMPLOYEE SERVICES RULE | HAMMAD AHMAD KHAN-EMPLOYEE |
| Vehicles | 618 | 154 | 464 | 502 | EMPLOYEE SERVICES RULE | GHULAM MUSTAFA SHAD-EMPLOYEE |
| Vehicles | 618 | 154 | 464 | 480 | EMPLOYEE SERVICES RULE | ASIM KHAN-EMPLOYEE |
| Vehicles | 618 | 154 | 464 | 522 | EMPLOYEE SERVICES RULE | HAMMAD AHMAD KHAN-EMPLOYEE |
| Vehicles | 617 | 82 | 535 | 490 | EMPLOYEE SERVICES RULE | IMADULLAH KHAN-EMPLOYEE |
| Vehicles | 617 | 92 | 525 | 538 | EMPLOYEE SERVICES RULE | MAZFOOR GILLANI-EMPLOYEE |
| Vehicles | 616 | 153 | 463 | 490 | EMPLOYEE SERVICES RULE | QAMAR ALI-EMPLOYEE |
| Vehicles | 616 | 92 | 524 | 538 | EMPLOYEE SERVICES RULE | AAMIR ABID-EMPLOYEE |
| Vehicles | 616 | 92 | 524 | 538 | EMPLOYEE SERVICES RULE | AHMAD ZEESHAN-EMPLOYEE |
| Vehicles | 610 | 152 | 458 | 465 | EMPLOYEE SERVICES RULE | KHALID MEHMOOD BHATTI-EMPLOYEE |
| Vehicles | 610 | 152 | 458 | 481 | EMPLOYEE SERVICES RULE | SHAHZAD KASIM-EMPLOYEE |
| Vehicles | 610 | 152 | 458 | 481 | EMPLOYEE SERVICES RULE | MUHAMMAD SHAHZAD-EMPLOYEE |

Notes to the Financial Statements

For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|------|--------------------------|------------|---------------|------------------------|--|
| (Rupees '000') | | | | | | |
| Vehicles | 610 | 152 | 458 | 503 | EMPLOYEE SERVICES RULE | SYED SAJJAD HUSSAIN-EMPLOYEE |
| Vehicles | 610 | 121 | 489 | 510 | EMPLOYEE SERVICES RULE | TAHIR NAVEED-EMPLOYEE |
| Vehicles | 609 | 81 | 528 | 525 | EMPLOYEE SERVICES RULE | ZAKAUR REHMAN-EMPLOYEE |
| Vehicles | 609 | 609 | - | 404 | EMPLOYEE SERVICES RULE | ZAFAR AZIZ-EMPLOYEE |
| Vehicles | 609 | 190 | 419 | 451 | EMPLOYEE SERVICES RULE | MOHAMMAD KHAN-EMPLOYEE |
| Vehicles | 609 | 244 | 365 | 477 | EMPLOYEE SERVICES RULE | M. SAEED KHAN-EMPLOYEE |
| Vehicles | 609 | 170 | 439 | 488 | EMPLOYEE SERVICES RULE | FAISAL SIDDIQUI-EMPLOYEE |
| Vehicles | 609 | 172 | 437 | 470 | EMPLOYEE SERVICES RULE | SYED HAROON AKHTAR-EMPLOYEE |
| Vehicles | 609 | 172 | 437 | 463 | EMPLOYEE SERVICES RULE | MUZAMIL RIZVI-EMPLOYEE |
| Vehicles | 609 | 172 | 437 | 475 | EMPLOYEE SERVICES RULE | AZEEM AHMAD-EMPLOYEE |
| Vehicles | 609 | 172 | 437 | 473 | EMPLOYEE SERVICES RULE | QASEEM AHMED-EMPLOYEE |
| Vehicles | 609 | 172 | 437 | 500 | EMPLOYEE SERVICES RULE | SHAMSHAD A MEMON-EMPLOYEE |
| Vehicles | 609 | 152 | 457 | 482 | EMPLOYEE SERVICES RULE | SYED SHAMIM BUKHARI-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 535 | EMPLOYEE SERVICES RULE | M. AHMED HUSSAIN-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 525 | EMPLOYEE SERVICES RULE | GHULAM MUHAMMAD DURVAISH-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 526 | EMPLOYEE SERVICES RULE | ALI MASOOD-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 540 | EMPLOYEE SERVICES RULE | MUHAMMAD ALI AZIZ-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 544 | EMPLOYEE SERVICES RULE | IRFAN MOHIUDDIN-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 527 | EMPLOYEE SERVICES RULE | S. HABIB-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 522 | EMPLOYEE SERVICES RULE | BURHAN SABIR-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 540 | EMPLOYEE SERVICES RULE | SYED MUNAWAR ALI SHAH BUKHARI-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 540 | EMPLOYEE SERVICES RULE | KABEER SHAIKH-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 537 | EMPLOYEE SERVICES RULE | FARHAN KHAN-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 535 | EMPLOYEE SERVICES RULE | SAAD AHMAD-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 550 | EMPLOYEE SERVICES RULE | MUHAMMAD FARHAN KHAN-EMPLOYEE |
| Vehicles | 608 | 81 | 527 | 541 | EMPLOYEE SERVICES RULE | ALI AZIZ-EMPLOYEE |
| Vehicles | 608 | 91 | 517 | 519 | EMPLOYEE SERVICES RULE | ANAS-EMPLOYEE |
| Vehicles | 604 | 90 | 514 | 515 | EMPLOYEE SERVICES RULE | MUHAMMAD FAROOQ-EMPLOYEE |
| Vehicles | 604 | 110 | 494 | 541 | EMPLOYEE SERVICES RULE | GHULAM MUSTAFA SHAD-EMPLOYEE |
| Vehicles | 603 | 140 | 463 | 470 | EMPLOYEE SERVICES RULE | SOHAIL AKHTAR-EMPLOYEE |
| Vehicles | 600 | 190 | 410 | 468 | EMPLOYEE SERVICES RULE | ABDUL RAZZAQ-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 483 | EMPLOYEE SERVICES RULE | MUHAMMAD AMIR-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 455 | EMPLOYEE SERVICES RULE | MUZAFFAR-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 473 | EMPLOYEE SERVICES RULE | TAHIR RIAZ -EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 470 | EMPLOYEE SERVICES RULE | S. ARSHAD ALI-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 470 | EMPLOYEE SERVICES RULE | AKHLAQ QURESHI-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 473 | EMPLOYEE SERVICES RULE | AQEEL MUSLIM-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 473 | EMPLOYEE SERVICES RULE | REHMAN SHAHID-EMPLOYEE |
| Vehicles | 595 | 518 | 77 | 453 | EMPLOYEE SERVICES RULE | MUHAMMAD TAYYAB RAUF-EMPLOYEE |
| Vehicles | 560 | 93 | 467 | 430 | EMPLOYEE SERVICES RULE | M. ASHAQUE KHAN-EMPLOYEE |
| Vehicles | 560 | 93 | 467 | 429 | EMPLOYEE SERVICES RULE | MALIK MUHAMMAD INAM-EMPLOYEE |
| Vehicles | 560 | 93 | 467 | 429 | EMPLOYEE SERVICES RULE | KHAWAJA M. HANIF KHAN-EMPLOYEE |

Notes to the Financial Statements

For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|-------|--------------------------|------------|---------------|------------------------|--|
| (Rupees '000') | | | | | | |
| Vehicles | 560 | 93 | 467 | 429 | EMPLOYEE SERVICES RULE | SAQIB ASHRAF-EMPLOYEE |
| Vehicles | 560 | 93 | 467 | 429 | EMPLOYEE SERVICES RULE | KHALID A. KHAN-EMPLOYEE |
| Vehicles | 560 | 93 | 467 | 429 | EMPLOYEE SERVICES RULE | ZAFAR IQBAL YOUSAF-EMPLOYEE |
| Vehicles | 560 | 103 | 457 | 420 | EMPLOYEE SERVICES RULE | NAVEED UR REHMAN KHAN-EMPLOYEE |
| Vehicles | 560 | 196 | 364 | 327 | EMPLOYEE SERVICES RULE | MAIMOONA AIJAZ-EMPLOYEE |
| Vehicles | 560 | 196 | 364 | 327 | EMPLOYEE SERVICES RULE | M. ARIF QURESHI-EMPLOYEE |
| Vehicles | 560 | 205 | 355 | 317 | EMPLOYEE SERVICES RULE | GHOUSE MOHIUDDIN-EMPLOYEE |
| Vehicles | 560 | 205 | 355 | 317 | EMPLOYEE SERVICES RULE | ASIF ALI KHAN-EMPLOYEE |
| Vehicles | 560 | 205 | 355 | 317 | EMPLOYEE SERVICES RULE | SYED MUZAMIL HUSSAIN RIZVI-EMPLOYEE |
| Vehicles | 560 | 233 | 327 | 435 | EMPLOYEE SERVICES RULE | MIRZA MUHAMMAD MOHSIN BAIG-EMPLOYEE |
| Vehicles | 560 | 233 | 327 | 413 | EMPLOYEE SERVICES RULE | SAIFULLAH KHALID-EMPLOYEE |
| Vehicles | 560 | 271 | 289 | 368 | EMPLOYEE SERVICES RULE | SALMAN AKBAR-EMPLOYEE |
| Vehicles | 560 | 289 | 271 | 433 | EMPLOYEE SERVICES RULE | ALI AMMAR-EMPLOYEE |
| Vehicles | 560 | 289 | 271 | 378 | EMPLOYEE SERVICES RULE | JAWED AKHTER-EMPLOYEE |
| Vehicles | 560 | 289 | 271 | 400 | EMPLOYEE SERVICES RULE | SAJAN BALANI-EMPLOYEE |
| Vehicles | 560 | 289 | 271 | 423 | EMPLOYEE SERVICES RULE | JUNAID ANWAR-EMPLOYEE |
| Vehicles | 560 | 289 | 271 | 402 | EMPLOYEE SERVICES RULE | M. SALEEM BUTT-EMPLOYEE |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | JEANETTE A. CHOCHAN-EMPLOYEE |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | SYED MANSOOR RAZA-EMPLOYEE |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | TAHSEEN AHMED SIDDIQUI-EMPLOYEE |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | ASIF ALI-EMPLOYEE |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | JAWAID IQBAL TABASSUM-EMPLOYEE |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | MUHAMMAD HANIF KHAN-EMPLOYEE |
| Vehicles | 560 | 336 | 224 | 187 | EMPLOYEE SERVICES RULE | IQBAL AHMED KHAN-EMPLOYEE |
| Vehicles | 560 | 383 | 177 | 140 | EMPLOYEE SERVICES RULE | ANSAR NAWAZ-EMPLOYEE |
| Vehicles | 560 | 336 | 224 | 187 | EMPLOYEE SERVICES RULE | ABDUL BASIT KHAN-EMPLOYEE |
| Vehicles | 560 | 336 | 224 | 187 | EMPLOYEE SERVICES RULE | SHABBIR AHMED-EMPLOYEE |
| Vehicles | 558 | 93 | 465 | 428 | EMPLOYEE SERVICES RULE | MUHAMMAD ASIF ALAM-EMPLOYEE |
| Vehicles | 555 | 241 | 314 | 443 | EMPLOYEE SERVICES RULE | FAWAD ABDUL LATIF-EMPLOYEE |
| Vehicles | 555 | 287 | 268 | 405 | EMPLOYEE SERVICES RULE | AJEET KUMAR-EMPLOYEE |
| Vehicles | 434 | 174 | 260 | 412 | EMPLOYEE SERVICES RULE | SALEEM AKHTER-EMPLOYEE |
| Vehicles | 395 | 158 | 237 | 331 | EMPLOYEE SERVICES RULE | SYED FASIH AHMED-EMPLOYEE |
| Vehicles | 375 | 206 | 169 | 300 | EMPLOYEE SERVICES RULE | SAEED HABIB-EMPLOYEE |
| Vehicles | 375 | 206 | 169 | 281 | EMPLOYEE SERVICES RULE | GHULAM MUSTAFA SHAD-EMPLOYEE |
| Vehicles | 365 | 79 | 286 | 301 | EMPLOYEE SERVICES RULE | ABID ANSAR-EMPLOYEE |
| Vehicles | 1,381 | 159 | 1,222 | 1,155 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 1,299 | 779 | 520 | 676 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 1,288 | 429 | 859 | 861 | BIDDING | NOMAN JAVAID-HOUSE # 74/II, STREET 12, PHASE VII, DHA, KARACHI |

Notes to the Financial Statements

For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|-------|--------------------------|------------|---------------|------------------|--|
| (Rupees '000') | | | | | | |
| Vehicles | 1,158 | 751 | 407 | 680 | BIDDING | MUHAMMAD ZUBAIR-HOUSE # 580, DOHS PHASE-I, MALIR CANTT. DISTT. MALIR |
| Vehicles | 1,158 | 695 | 463 | 880 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 1,146 | 439 | 707 | 790 | BIDDING | MUHAMMAD JAVEED-HOUSE # 198, KAMRAN BLOCK, ALLAMA IQBAL TOWN, METROPOLITAN CORPORATION, LAHORE |
| Vehicles | 1,042 | 504 | 538 | 826 | BIDDING | NAUMAN JAWAID-HOUSE # 74/II, STREET 12, PHASE VII, DHA, KARACHI |
| Vehicles | 1,036 | 328 | 708 | 774 | BIDDING | KHURRAM IMTIAZ-188-E, MODEL TOWN EXTENSION, LAHORE |
| Vehicles | 1,035 | 362 | 673 | 668 | BIDDING | SHAHID ABDUL GHAFAR-HOUSE # C-18, BLOCK-B, GULSHAN-E-JAMAL, KARACHI |
| Vehicles | 1,006 | 151 | 855 | 815 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 1,006 | 85 | 921 | 820 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 1,006 | 85 | 921 | 816 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 936 | 296 | 640 | 689 | BIDDING | SHAHID ABDUL GHAFAR-HOUSE # C-18, GULSHAN-E-JAMAL, BLOCK "B", KARACHI EAST |
| Vehicles | 936 | 296 | 640 | 725 | BIDDING | MUHAMMAD RIZWAN GHORI-HOUSE # A-80, BLOCK "I", NORTH NAZIMABAD, KARACHI |
| Vehicles | 936 | 296 | 640 | 693 | BIDDING | SHAHID ABDUL GHAFAR-HOUSE # C-18, GULSHAN-E-JAMAL, BLOCK "B", KARACHI EAST |
| Vehicles | 936 | 296 | 640 | 681 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 916 | 213 | 703 | 711 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 915 | 77 | 838 | 769 | BIDDING | MUHAMMAD IMRAN-HOUSE # 74, DHA-LANE VII, GALI # 11, PHASE 12, KARACHI |
| Vehicles | 915 | 137 | 778 | 755 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 914 | 258 | 656 | 683 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 886 | 310 | 576 | 659 | BIDDING | KHURRAM IMTIAZ-188-E, MODEL TOWN EXTENSION, LAHORE |
| Vehicles | 886 | 310 | 576 | 1,000 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 886 | 310 | 576 | 724 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 885 | 311 | 574 | 626 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |

Notes to the Financial Statements For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|------|--------------------------|------------|---------------|------------------|--|
| (Rupees '000') | | | | | | |
| Vehicles | 879 | 440 | 439 | 492 | BIDDING | WASIF IQBAL-HOUSE NO. E-202, DEFENCE VIEW, PHASE-II, KARACHI |
| Vehicles | 849 | 580 | 269 | 730 | BIDDING | KHURRAM IMTIAZ-188-E, MODEL TOWN EXTENSION, LAHORE |
| Vehicles | 835 | 362 | 473 | 640 | BIDDING | M. FAROOQ AHMAD-HOUSE # 3/188, TEHSIL C-1 SHIP, SECTOR LAHORE CITY, LAHORE |
| Vehicles | 835 | 418 | 417 | 610 | BIDDING | ABDUL WAHID-HOUSE # 377/1727, MOHALLA DILAWAR MOHAJIR CAMP, BALDIA TOWN, KARACHI. |
| Vehicles | 749 | 399 | 350 | 433 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 739 | 443 | 296 | 496 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 739 | 456 | 283 | 476 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 620 | 248 | 372 | 519 | BIDDING | ZAHID QADRI-R-536, 15-A/4, BUFFER ZONE, KARACHI |
| Vehicles | 620 | 248 | 372 | 466 | BIDDING | KHURRAM IMTIAZ-188-E, MODEL TOWN EXTENSION, LAHORE |
| Vehicles | 620 | 248 | 372 | 533 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 618 | 112 | 506 | 500 | BIDDING | ABDUL KHALIQ-HOUSE # 717, NARGIS BLOCK, ALLAMA IQBAL TOWN, LAHORE |
| Vehicles | 618 | 113 | 505 | 540 | BIDDING | AMMAND KASHIF SIDDIQUI-HOUSE # 18 E/1, GULBERG 111, TEHSIL LAHORE CITY, LAHORE |
| Vehicles | 617 | 153 | 464 | 477 | BIDDING | M. ILYAS-HOUSE # 42, B-11, MOHALLA GHALIB, GULBERG 111, TEHSIL LAHORE CITY, LAHORE |
| Vehicles | 611 | 92 | 519 | 500 | BIDDING | QAMAR ALI-HOUSE # 31, S-87/2, SHAMSI SQUARE BANK COLONY, MULTAN ROAD, DAKH GHANA, SAMNA ABAD, LAHORE |
| Vehicles | 610 | 102 | 508 | 500 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 610 | 152 | 458 | 469 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 609 | 152 | 457 | 478 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 609 | 111 | 498 | 539 | BIDDING | FAISAL ABDULLAH-HOUSE # C-30, BLOCK 9, GULSHAN-E-IQBAL, KARACHI |

Notes to the Financial Statements For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|------|--------------------------|------------|---------------|------------------|---|
| (Rupees '000') | | | | | | |
| Vehicles | 609 | 170 | 439 | 514 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 609 | 91 | 518 | 546 | BIDDING | FAISAL ABDUL AZIZ-HOUSE # C-30, BLOCK 9, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 609 | 91 | 518 | 540 | BIDDING | MIRZA ATIF-HOUSE # A-32, BLOCK 2, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 609 | 91 | 518 | 561 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 608 | 81 | 527 | 555 | BIDDING | ATI IQ-UL-HAQ KHAN -HOUSE # B-87/1, D/2, SECTOR 13, GULSHAN-E-IQBAL, KARACHI. |
| Vehicles | 608 | 81 | 527 | 537 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 608 | 71 | 537 | 535 | BIDDING | MUHAMMAD ISMAIL-HOUSE # 250, ADAMJEE NAGAR, BLOCK-B, KARACHI |
| Vehicles | 608 | 71 | 537 | 536 | BIDDING | FAISAL ADBULLAH-HOUSE # C-30, BLOCK 9, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 608 | 71 | 537 | 556 | BIDDING | FAISAL ABDUL AZIZ-HOUSE # C-30, BLOCK 9, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 600 | 200 | 400 | 478 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 560 | 84 | 476 | 510 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 560 | 93 | 467 | 429 | BIDDING | ABDUL KHALIQ-HOUSE # 717, NARGIS BLOCK, ALLAMA IQBAL TOWN, LAHORE |
| Vehicles | 560 | 121 | 439 | 527 | BIDDING | TANVEER ASHRAF ALI-HOUSE # 97/4, MOHALLA NASIR ROAD, LAHORE CANTT. |
| Vehicles | 560 | 196 | 364 | 479 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 560 | 205 | 355 | 481 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 560 | 252 | 308 | 419 | BIDDING | ANJUM AHMED -HOUSE # 1094, MOHALLA FEDERAL B AREA, BLOCK 14, KARACHI |
| Vehicles | 560 | 271 | 289 | 387 | BIDDING | MUHAMMAD HANIF KHAN-HOUSE NO. 55, PAHAR COLONY, JAMSHED ROAD, KARACHI |
| Vehicles | 560 | 271 | 289 | 423 | BIDDING | ANJUM AHMED-HOUSE # 1094, MOHALLA FEDERAL B AREA, BLOCK 14, KARACHI |
| Vehicles | 560 | 289 | 271 | 428 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 560 | 299 | 261 | 402 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |

Notes to the Financial Statements For the year ended December 31, 2008



| Description | Accumulated | | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|---|----------------|----------------|----------------|----------------|------------------|---|
| | Cost | depreciation | | | | |
| (Rupees '000') | | | | | | |
| Vehicles | 560 | 299 | 261 | 401 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 474 | 190 | 284 | 400 | BIDDING | SAEED IQBAL -HOUSE NO. 29, STREET NO.5, MUSLIM GUNJ, LYTON ROAD, MOZANG, LAHORE |
| Vehicles | 453 | 249 | 204 | 311 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 450 | 426 | 24 | 252 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 443 | 172 | 271 | 358 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 427 | 149 | 278 | 365 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 395 | 79 | 316 | 331 | BIDDING | SYED RIAZ AHMAD-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 395 | 79 | 316 | 351 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 365 | 79 | 286 | 329 | BIDDING | ZAHID QADRI-R-536, 15-A/4, BUFFER ZONE, KARACHI |
| Vehicles | 365 | 79 | 286 | 575 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 795 | 593 | 202 | 580 | BIDDING | KHALID HUSSAIN-EMPLOYEE |
| Sub Total | 210,473 | 61,487 | 148,986 | 160,113 | | |
| Items having cost less than Rs.1 million or net book value not exceeding Rs. 0.25 million | | | | | | |
| - Vehicles | 68,558 | 49,157 | 19,401 | 43,440 | | |
| - Furniture and fixtures | 517 | 355 | 162 | 121 | | |
| - Leasehold improvements | 614 | 368 | 246 | 135 | | |
| - Office equipment | 164 | 81 | 83 | 52 | | |
| Sub Total | 69,853 | 49,961 | 19,892 | 43,748 | | |
| 2008 | 280,326 | 111,448 | 168,878 | 203,861 | | |
| 2007 | 33,941 | 16,374 | 17,567 | 23,576 | | |

Notes to the Financial Statements For the year ended December 31, 2008

15. INTANGIBLE ASSETS

| Particulars | COST | | AMORTIZATION / IMPAIRMENT | | | Rate of Amortization % per annum | | | |
|---|------------------------|-------------------------|------------------------------------|---------------------------|-------------------------|----------------------------------|-------------------------------------|--|------------|
| | As at January 01, 2008 | As at December 31, 2008 | Accumulated as at January 01, 2008 | Amortization for the year | Impairment for the year | | Accumulated as at December 31, 2008 | Net Book value as at December 31, 2008 | |
| Goodwill | 25,261,472 | 25,261,472 | - | - | 1,040,000 | - | 1,040,000 | 24,221,472 | 9.09 % |
| Core Deposit Relationships | 2,489,453 | 2,489,453 | 113,157 | 226,314 | - | - | 339,471 | 2,149,982 | 9.09 % |
| Core Overdraft / Working Capital loan relationships | 124,149 | 124,149 | 5,643 | 11,286 | 43,637 | - | 60,566 | 63,583 | 9.09 % |
| Brand names | 204,116 | 204,116 | 20,412 | 40,824 | - | - | 61,236 | 142,880 | 20 % |
| Computer software | 173,855 | 180,743 | 74,626 | 19,651 | - | (55) | 94,222 | 86,521 | 10% to 50% |
| | 28,253,045 | 28,259,933 | 213,838 | 298,075 | 1,083,637 | (55) | 1,595,495 | 26,664,438 | |

15.1 Included in cost of computer software are fully amortized items still in use having cost of Rs. 55.331 million (2007: Rs.36.508 million.)

Notes to the Financial Statements For the year ended December 31, 2008



| 2007 - Restated | | | | | | | | | | |
|---|------------------------|--|-------------------------|------------------------------------|---------------------------|--|-------------------------------------|--|----------------|----------------------------------|
| Particulars | COST | | | AMORTIZATION / IMPAIRMENT | | | | | | Rate of Amortization % per annum |
| | As at January 01, 2007 | Addition by amalgamation / acquisition | As at December 31, 2007 | Accumulated as at January 01, 2007 | Amortization for the year | Addition by amalgamation / acquisition | Accumulated as at December 31, 2007 | Net Book value as at December 31, 2007 | | |
| | | | | | | | | | | |
| | | | | | | | | | (Rupees '000') | |
| Goodwill | - | - | 25,261,472 | - | - | - | - | 25,261,472 | - | |
| Core Deposit Relationships | - | - | 2,489,453 | - | 113,157 | - | 113,157 | 2,376,296 | 9.09 % | |
| Core Overdraft / Working Capital loan relationships | - | - | 124,149 | - | 5,643 | - | 5,643 | 118,506 | 9.09 % | |
| Brand names | - | - | 204,116 | - | 20,412 | - | 20,412 | 183,704 | 20 % | |
| Computer software | 53,473 | 80,179 | 173,855 | 18,236 | 16,346 | 40,044 | 74,626 | 99,229 | 10% to 50% | |
| | 53,473 | 80,179 | 28,253,045 | 18,236 | 155,558 | 40,044 | 213,838 | 28,039,207 | | |

15.2 Allocation of goodwill to CGUs:

Goodwill acquired through acquisition with indefinite life has been allocated to two CGUs, which are also reportable segments, for impairment testing as follows:

| | Rs. in Billion |
|--|-----------------------|
| Consumer & Small Enterprises Group (CSEG) | 15.7 |
| Small & Medium Enterprises and Commercial (SMEC) | 9.6 |

15.2.1 Key assumptions used in value in use calculations:

The recoverable amounts of CSEG and SMEC units have been determined based on value in use calculations, using cash flow projections based on financial budgets by the management covering a ten year period. Cash flows beyond that ten year period have been extrapolated using declining growth rates and management believes it will require a period of ten years to capture the niche market.

The following post-tax rates are used by the Bank:

| | CSEG/SMEC 2008 |
|----------------------|---------------------------|
| Discount rates | |
| - Projections | 19.52% |
| - Terminal value | 17.52% |
| Terminal growth rate | 10.35% |

The calculation of value in use for both CSEG and SMEC units is most sensitive to the following assumptions:

- Discount rate
- Terminal growth rate used to extrapolate the cash flows beyond the budgeted period
- Weighted average yield/cost of funds
- Loan loss rates
- Local inflation rates
- Non-interest income
- Market share

Discount rate

Discount rate reflects the management's estimate of cost of equity required in each unit. The cost of equity is calculated using the Capital Asset Pricing Model (CAPM).

Terminal growth rate used to extrapolate the cash flows beyond the budgeted period

Assumptions are based on published industry research.

Weighted average yield / cost of funds

These are based on the actual yield/cost of funds of the recent past and market research conducted by the management.

Loan loss rates

These rates are based on the historical loss rate trend of the Bank in the respective units before merger and the results of the performance of the two CGUs since the launch of these businesses post merger.

Non-interest income

Growth in non-interest income is based on management's estimate of growth in advances and deposits.

Market Share

Management assesses that the relative positions of each of the two CGUs to niche (untapped) market will grow over the budgeted period on the basis of the market research, results of the pilot branches and performance to date.

15.2.2 Annual test for impairment:

Goodwill:

During the year, the Bank assessed the recoverable amount of the goodwill associated with both CGUs i.e. CSEG and SMEC, by determining the value in use over a ten year period as these businesses are long term by nature. A number of scenarios were run with varying degrees of conservatism. In the most conservative scenario, which represents a combination of events that adversely impacts all key parameters significantly, there would be impairment of Rs. 0.64 billion in CSEG and Rs. 0.4 billion in SMEC. As a matter of abundant caution, the bank has decided to take the impairment charge of Rs. 1.04 billion.

Intangibles:

In the current year, the Bank also assessed the recoverable amount of core overdraft/working capital loan relationships and determined an impairment loss of Rs. 43.637 million. The main factor contributing to the impairment is a run-off of those particular acquired loans on the basis of which the original intangible was assessed.

| | Note | 2008 | 2007 Restated (Rupees '000') |
|--|------|-------------|------------------------------------|
| 16. DEFERRED TAX ASSETS | | | |
| Deferred debits arising due to: | | | |
| Provision against loans and advances | | 6,895,292 | 3,789,974 |
| Provision against other receivables | | – | 7,202 |
| Provision against balances with other banks | | 1,387 | 1,387 |
| Provision for leave encashment | | – | 26,604 |
| Deficit on revaluation of securities | | 277,087 | 2,043 |
| Gratuity | | 15,482 | 15,577 |
| Unused tax losses | | 472,939 | 373,545 |
| Excess of tax base of government securities / investments over accounting base | | 461,239 | 383,438 |
| | | 8,123,426 | 4,599,770 |
| Deferred credits arising due to: | | | |
| Excess of accounting base of leased asset over tax base | | (328,460) | (552,639) |
| Accelerated accounting depreciation on owned assets | | (650,583) | (638,801) |
| Fair valuation of subsidiaries and associates | | (571,544) | (633,745) |
| Unrealised exchange gains | 16.1 | (6,007) | (8,358) |
| Unrealised exchange losses | 16.2 | (33,604) | (33,604) |
| | | (1,590,198) | (1,867,147) |
| | | 6,533,228 | 2,732,623 |

Notes to the Financial Statements

For the year ended December 31, 2008



16.1 In 1987 and 1989, the Bank (formerly PICIC) exercised its option to avail the exchange risk coverage offered by the Government of Pakistan, Ministry of Finance and Economic Affairs (Economic Affairs Division), through Office Memo 1(16)/50/DM/86 dated July 8, 1987 and 1(12)/50/DM/89 dated June 1, 1989 respectively and, in turn the Bank (formerly PICIC) offered the risk coverage to its Borrowers.

16.2 The unrealised exchange losses of the Bank (formerly PICIC) as on April 21, 1987, the effective date of exercise of both the options arising on related borrowings as reduced by gains arising on related advances was claimed as loss for tax purposes.

| | Note | 2008 | 2007 Restated |
|---|-------------|-----------|------------------|
| (Rupees '000') | | | |
| 17. OTHER ASSETS | | | |
| Income / mark-up accrued | | | |
| Local currency | 17.1 & 17.6 | 3,048,219 | 2,834,219 |
| Foreign currencies | | 23,137 | 16,544 |
| Advances, deposits, advance rent and other prepayments | 17.2 | 701,410 | 694,168 |
| Advance taxation - net | | 249,366 | – |
| Non - banking assets acquired in satisfaction of claims | 17.3 | 24,546 | 28,472 |
| Unrealized gain on forward foreign exchange contracts - net | | – | 43,555 |
| Dividend receivable | | 13,428 | 7,685 |
| Receivable against sale of investments | | – | 744 |
| Receivable from Financial and Management Services (Private) Limited | | 13,225 | 10,329 |
| Receivable from Provident Fund | | – | 107,245 |
| Receivable from Leave Encashment Fund | | – | 61,914 |
| Receivable from Gratuity Fund | | – | 76,634 |
| Stationery and stamps on hand | | 6,261 | 6,564 |
| Advance for purchase of term finance certificates | | 463,000 | – |
| Assets in respect of Bangladesh | 17.4 | 425,409 | 425,409 |
| Sundry debtors | | – | 110,981 |
| Insurance claim | | 122,756 | 27,907 |
| Others | | 37,917 | 20,842 |
| | | 5,128,674 | 4,473,212 |
| Liabilities in respect of Bangladesh | 17.4 | (342,416) | (342,416) |
| Rupee Borrowings from Government of Pakistan in respect of Bangladesh | | (82,993) | (82,993) |
| Provisions held against other assets | 17.5 | (823,826) | (718,520) |
| Other assets - net of provisions | | 3,879,439 | 3,329,283 |

17.1 This includes Rs. 0.025 million (2007: Rs. 1.290 million) in respect of associated undertakings.

17.2 Advances, deposits, advance rent and other prepayments

| | | |
|--------------|---------|---------|
| Advances | 194,046 | 380,302 |
| Deposits | 36,409 | 13,654 |
| Advance rent | 396,445 | 209,994 |
| Prepayments | 74,510 | 90,218 |
| | 701,410 | 694,168 |

Notes to the Financial Statements For the year ended December 31, 2008



17.3 Represents cost of land, plant and machinery of textile units acquired by the Bank (formerly PICIC) against advances and held for resale. Market value as of December 31, 2008 of the subject assets were Rs. 41.101 million (2007: Rs. 67.388 million).

17.4 All the assets and liabilities as of November 30, 1971 clearly identifiable as being in or in respect of the areas now under Bangladesh and referred to above were segregated as of that date and in such segregation, for purposes of conversion of foreign currency amounts, generally speaking, the parity rates ruling prior to August 15, 1971 were used, and all income accrued or due in 1971 but not received in that year and interest accrued but not due on borrowings in 1971 was eliminated. Subsequently, consequent to the assuming by Bangladesh of certain foreign currency loan obligations as of July 1, 1974, including amounts previously identified by the Bank (formerly PICIC) as its foreign currency liabilities in respect of Bangladesh, such amounts were eliminated from the books of the Bank (formerly PICIC) by reducing an equivalent sum from its related foreign assets in that area.

Arising from advices received from the lenders and as a result of diversion of shipments and of the meeting of certain contingent liabilities, there have been certain modifications to the foreign currency advances relating to Bangladesh. Furthermore, the difference between the actual amount of rupees required to remit maturities of foreign currency borrowings in respect of Bangladesh and the figures at which they appeared in the books and the interest paid to foreign lenders has been treated as increasing the rupee assets in that area.

The Government of Pakistan, while initially agreeing to provide the rupee finance required for discharging current maturities of foreign currency borrowings and interest related to Bangladesh, did not accept any responsibility for PICIC's assets in that area. However, following an agreement reached between PICIC and the Government of Pakistan during 1976, the Government has agreed that it would continue to provide the funds for servicing PICIC's foreign currency liabilities relating to Bangladesh and has further agreed that an amount equivalent to the rupee assets in Bangladesh financed from PICIC's own funds not exceeding Rs. 82 million would be deemed to have been allocated out of the rupee loans by the Government and that such allocated amount together with the rupee finance being provided by the Government including any interest thereon would not be recovered from PICIC until such time as PICIC recovers the related assets from Bangladesh and only to the extent of such recovery.

Accordingly, such allocated amounts, together with the rupee finance being provided by the Government for discharging the current maturities of foreign currency borrowings (including the interest and charges thereon and any exchange difference between the final rupee payment and the amount at which the liability, commitment or contingent liability as appearing in the books relating to Bangladesh) have been treated as liabilities in respect of Bangladesh. Further, in view of the aforesaid agreement no interest is being accrued on the allocated amount of rupee loans or in respect of the rupee finance provided by the Government related to PICIC's assets in Bangladesh nor is it considered necessary to provide for any loss that may arise in respect of PICIC's assets in Bangladesh.

| | 2008 | 2007 |
|---|----------------|----------------|
| | (Rupees '000') | |
| 17.5 Particulars of provision against other assets | | |
| Opening balance | 718,520 | 18,739 |
| Charge for the year | 322,211 | 1,838 |
| Reversals | (117,642) | - |
| Write-off | (99,263) | - |
| Assumed on amalgamation | - | 697,943 |
| Closing balance | <u>823,826</u> | <u>718,520</u> |

Notes to the Financial Statements For the year ended December 31, 2008



17.6 This includes a sum of Rs. 34.099 million (2007: Rs. 34.101 million) representing unrealised exchange gain, which has not been recognised as income and deferred in the financial statements, in accordance with the policy of the Bank, as stated in note 5.17.

| 18. BILLS PAYABLE | Note | 2008 | 2007 |
|--|-------------|-----------------------|-------------------|
| | | (Rupees '000') | |
| In Pakistan | | 1,383,095 | 2,098,881 |
| Outside Pakistan | | 48,989 | 11,330 |
| | | <u>1,432,084</u> | <u>2,110,211</u> |
| 19. BORROWINGS | | | |
| In Pakistan | | 23,409,701 | 16,551,487 |
| Outside Pakistan | | 241,665 | 117,925 |
| | | <u>23,651,366</u> | <u>16,669,412</u> |
| 19.1 Particulars of borrowings with respect to currencies | | | |
| In local currency | | 23,409,701 | 16,551,487 |
| In foreign currencies | | 241,665 | 117,925 |
| | | <u>23,651,366</u> | <u>16,669,412</u> |
| 19.2 Details of borrowings - secured / unsecured | | | |
| Secured | | | |
| Borrowings from SBP under | | | |
| Export Refinance Scheme | 19.3 | 9,216,351 | 8,800,524 |
| Long term finance for export oriented projects | 19.4 | 2,454,233 | 1,154,583 |
| Repurchase agreement borrowings | 19.5 | 11,376,831 | 4,554,094 |
| Unsecured | | | |
| Call borrowings | 19.6 | 200,000 | 1,880,000 |
| Overdrawn nostro accounts | | 241,665 | 117,925 |
| Foreign borrowings payable in local currency | 19.7 | 162,286 | 162,286 |
| | | <u>23,651,366</u> | <u>16,669,412</u> |

19.3 Borrowings from SBP under Export Refinance Scheme are subject to mark-up rate of 6.5% (2007 : 6.5%) per annum maturing within six months.

19.4 Borrowings from SBP under export oriented projects are subject to mark-up ranging from 4% to 5% (2007: 2% to 5%) per annum maturing within seven years.

19.5 These borrowings are subject to markup at rates ranging from 10% to 14.90% (2007: 9.3% to 9.95 %) per annum maturing within one month. Government securities have been given as collateral against these borrowings.

Notes to the Financial Statements

For the year ended December 31, 2008



19.5.1 This includes Rs. 100 million outstanding as at December 31, 2008, which was borrowed from a Company in 2004 against pledge of a PIB. As the lender had failed to return the pledged PIB upon the maturity of the contract period, this amount is appearing as a pending transaction with a corresponding amount appearing as investment in PIBs. No interest is accrued either as expense on this borrowing or as income from the PIB since the filing of the dispute between the Bank and the Company.

19.6 These borrowings are subject to markup at the rate of 13.50% (2007: 9.55% to 10%) per annum maturing within one week.

19.7 Government of Pakistan (GoP) has claimed an amount of Rs. 162.286 million in respect of liabilities against German credit representing principal amount of loan and Rs. 45.444 million as interest thereon till June 30, 2006, the principal amount has been accounted for and shown as payable to GoP whereas interest has been accounted for in other Liabilities (note 23). However, the Bank is contending that any amount of principal and interest is payable to GoP only when recovered from the related sub-borrowers, who have availed the German credit. This also includes unrealized exchange loss of Rs. 96.011 million (2007: Rs. 96.011 million) which has been netted off against unrealized exchange gain (note 23) as it is payable when recovered from sub-borrowers, who have availed the related German credit.

| | Note | 2008 (Rupees '000') | 2007 (Rupees '000') |
|--|------|------------------------|------------------------|
| 20. DEPOSITS AND OTHER ACCOUNTS | | | |
| Customers | | | |
| Fixed deposits | | 56,032,439 | 50,711,633 |
| Savings deposits | | 22,942,597 | 37,048,642 |
| Current accounts - Remunerative | 20.2 | – | 3,000,000 |
| Current accounts - Non remunerative | | 19,769,327 | 21,986,636 |
| Margin accounts | | 1,067,940 | 304,503 |
| Financial institutions | | | |
| Remunerative deposits | | 4,718,614 | 3,389,538 |
| Non-remunerative deposits | | 55,250 | 230,267 |
| | | 104,586,167 | 116,671,219 |
| 20.1 Particulars of deposits | | | |
| In local currency | | 95,521,460 | 109,526,493 |
| In foreign currencies | | 9,064,707 | 7,144,726 |
| | | 104,586,167 | 116,671,219 |

20.2 These are Pre IPO receipts deposited with the Bank amounting to Rs. 3,000 million on account of subscription money received towards issue of 8 year term finance certificates (TFCs) which are included in sub-ordinated loans in the current period.

Notes to the Financial Statements For the year ended December 31, 2008



2008 2007
(Rupees '000')

21. SUB-ORDINATED LOANS

Term Finance Certificates - Quoted, Unsecured

3,999,200 -

| | |
|----------------------|---|
| Mark-up | Floating (no floor, no cap) rate of return at Base Rate + 1.15% (The Base Rate is defined as the average "Ask Side" rate of the six month Karachi Interbank Offered Rate ("KIBOR")) |
| Subordination | The TFCs are subordinated to all other indebtedness of the Bank including deposits |
| Issue date | March 5, 2008 |
| Total Issue | 4,000 million |
| Rating | A+ (A plus) |
| Tenor | 8 years from the issue date |
| Redemption | Ten equal semi-annual installments of 0.02% of the Issue Amount for the first sixty months followed by six equal semi-annual installments of 16.63% of the Issue Amount from the sixty-sixth month onwards. |
| Maturity | March 5, 2016 |
| Call Option | The Bank can also exercise the Call Option or the Partial Call Option after obtaining written approval from the State Bank of Pakistan at any time after a period of sixty months from the Issue Date |

22. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

| | 2008 | | |
|---|------------------------------|---|--------------------------|
| | Minimum lease payments | Financial charges for future periods (Rupees '000') | Principal outstanding |
| Not later than one year | - | - | - |
| Later than one year and not later than five years | - | - | - |
| | - | - | - |
| | 2007 | | |
| | Minimum lease payments | Financial charges for future periods (Rupees '000') | Principal outstanding |
| Not later than one year | 3,501 | 576 | 2,925 |
| Later than one year and not later than five years | 4,518 | 267 | 4,251 |
| | 8,019 | 843 | 7,176 |

Notes to the Financial Statements For the year ended December 31, 2008



| | Note | 2008 | 2007 Restated |
|---|------|------------------|------------------|
| | | (Rupees '000') | |
| 23. OTHER LIABILITIES | | | |
| Mark-up / return / interest payable in: | | | |
| Local currency | | 1,883,473 | 1,341,947 |
| Foreign currencies | | 38,294 | 53,241 |
| Unearned Income on Inland Bills | | 13,122 | 3,883 |
| Taxation - Net of advance tax | | - | 298,325 |
| Accrued expenses | | 1,056,883 | 481,553 |
| Insurance premium payable | | 103,461 | 69,751 |
| Advance from lessees | | 65,329 | 11,567 |
| Unclaimed dividend | | 45,264 | 45,714 |
| Central Excise Duty payable | | 35,858 | 35,681 |
| Borrowing from Government of Pakistan | | 2,095 | 2,095 |
| Branch adjustment account | | 72,317 | 86,158 |
| Unrealized exchange loss - net | | 474,009 | 15,522 |
| Security and other deposits | | 34,699 | 174,996 |
| Payable to IBRD - Managed Fund | | 68,220 | 44,767 |
| Payable against purchase of investments | | - | 30,960 |
| Payable to defined benefit plan | 37.5 | 57,057 | 44,506 |
| Security deposits against lease | | 1,415,541 | 1,873,528 |
| Locker claims payable | | 21,000 | 21,000 |
| Others | | 155,168 | 326,407 |
| | | <u>5,541,790</u> | <u>4,961,601</u> |

24. SHARE CAPITAL

24.1 Authorized

| 2008 | 2007 | | 2008 | 2007 |
|----------------------|----------------------|--------------------------------|-------------------|-------------------|
| No. of Shares | | | (Rupees '000') | |
| <u>5,000,000,000</u> | <u>3,500,000,000</u> | Ordinary shares of Rs. 10 each | <u>50,000,000</u> | <u>35,000,000</u> |

24.2 Issued, subscribed and paid up

Fully paid up ordinary shares of Rs. 10/ each

| | | | | |
|----------------------|----------------------|--|-------------------|-------------------|
| 2,078,902,659 | 2,078,902,659 | Fully paid in cash | 20,789,027 | 20,789,027 |
| | | Issued for consideration other than cash | | |
| <u>764,824,417</u> | <u>122,894,100</u> | (under schemes of amalgamation) | <u>7,648,244</u> | <u>1,228,941</u> |
| <u>2,843,727,076</u> | <u>2,201,796,759</u> | | <u>28,437,271</u> | <u>22,017,968</u> |

Notes to the Financial Statements

For the year ended December 31, 2008



24.2.1 The holding Company Bugis Investments (Mauritius) Pte. Limited holds 1,795,911,770 (2007: 1,795,911,770) ordinary shares.

2008 **2007**
No. of Shares

24.2.2 Reconciliation of number of ordinary shares of Rs. 10 each

| | | |
|------------------------------|-----------------------------|-----------------------------|
| At the beginning of the year | 2,201,796,759 | 336,152,177 |
| Issued during the year | <u>641,930,317</u> | <u>1,865,644,582</u> |
| At the end of the year | <u><u>2,843,727,076</u></u> | <u><u>2,201,796,759</u></u> |

24.2.3 Shares to be issued

The amount of Rs.14,026,177,426 is in respect of shares which were issued pursuant to scheme of amalgamation representing 424,409,837 and 217,520,480 number of shares issued to shareholders of PICIC and PCBL at a fair value as proposed by the external consultants and subsequently revised to Rs. 21.85 per share by State Bank of Pakistan.

2008 **2007**
(Rupees '000')

25. DEFICIT ON REVALUATION OF ASSETS - Net
Deficit on revaluation of available-for-sale securities

| | | |
|-----------------------------|---------------------------|------------------------|
| Market Treasury Bills | (16,992) | (2,683) |
| Pakistan Investment Bonds | (457,256) | (3,155) |
| Term Finance Certificates | (10,075) | - |
| Mutual Funds | (151,782) | 4,968 |
| Investment in listed shares | <u>(949,146)</u> | <u>(29,702)</u> |
| | (1,585,251) | (30,572) |
| Related deferred tax asset | <u>277,087</u> | <u>2,043</u> |
| | <u><u>(1,308,164)</u></u> | <u><u>(28,529)</u></u> |

26. CONTINGENCIES AND COMMITMENTS

26.1 Direct credit substitutes

Contingent liability in respect of guarantees given favoring:

| | | |
|-------------------|----------------|----------------|
| Government | 52,367 | 170,012 |
| Banking companies | - | 52,417 |
| Others | 88,464 | 104,632 |
| | <u>140,831</u> | <u>327,061</u> |

26.2 Transaction-related contingent liabilities / commitments

Guarantees given in favor of:

| | | |
|--|------------------|------------------|
| Government | 3,869,098 | 1,907,352 |
| Banking Companies and other financial institutions | - | 52,173 |
| Others | 929,175 | 2,721,173 |
| | <u>4,798,273</u> | <u>4,680,698</u> |

Notes to the Financial Statements

For the year ended December 31, 2008



| | 2008 | 2007 |
|---|----------------|------------|
| | (Rupees '000') | |
| 26.3 Trade-related contingent liabilities | | |
| Letters of credit | 7,643,035 | 13,314,617 |
| Acceptances | 4,233,176 | 3,076,058 |
| | 11,876,211 | 16,390,675 |
| 26.4 Other Contingencies | | |
| Claims against the Bank not acknowledged as debts | 382,275 | 261,275 |
| 26.5 Commitments in respect of forward lending | | |
| Forward call lending | - | - |
| Forward repurchase agreement lending | - | - |
| Commitments to extend credit | - | 1,090,095 |
| | - | 1,090,095 |
| 26.6 Commitments in respect of forward exchange contracts | | |
| Purchase | 39,228,162 | 18,548,465 |
| Sale | 35,313,470 | 14,766,871 |
| | 74,541,632 | 33,315,336 |
| 26.7 Commitments in respect of operating leases | | |
| Not later than one year | - | 3,103 |
| Later than one year and not later than five years | - | - |
| Later than five years | - | - |
| | - | 3,103 |
| 26.8 Commitments for the acquisition of operating fixed assets | 304,742 | 57,145 |

26.9 The returns of income of Ex - PICIC Commercial Bank Limited have been filed up to the tax year 2008 relevant to the financial year ended December 31, 2007. Tax authorities have made certain disallowances including additions on account of proration of expenses against dividends and capital gains and renovation expenses incurred on rented premises (allowed historically) for tax years 2004 to 2007. The said disallowances may result in additional tax aggregating to Rs.410 million which the management of the Bank in discussion with their tax consultant believes to be unjustified and not in accordance with the true interpretation of the law.

Appeals against the aforesaid assessments are pending before the Income Tax Appellate Tribunal and management is confident that the eventual outcome of the cases will be in favor of the Bank.

Notes to the Financial Statements

For the year ended December 31, 2008



2008 2007
(Rupees '000')

27. MARK-UP / RETURN / INTEREST EARNED

| | | |
|---|-------------------|------------------|
| On loans and advances to: | | |
| Customers | 11,403,400 | 5,076,630 |
| On investments in: | | |
| Available-for-sale securities | 2,023,023 | 667,488 |
| Held-to-maturity securities | 465,778 | 78,930 |
| On deposits with financial institutions | 33,252 | 37,013 |
| On securities purchased under resale agreements | 991,914 | 652,005 |
| On call money Lending | 284,324 | 487,660 |
| Others | – | 162 |
| | <u>15,201,691</u> | <u>6,999,888</u> |

28. MARK-UP / RETURN / INTEREST EXPENSED

| | | |
|---|-------------------|------------------|
| Deposits and other accounts | 8,694,680 | 2,786,403 |
| Securities sold under repurchase agreements | 1,003,527 | 727,369 |
| Other short term borrowings | 432,176 | 1,339,426 |
| Long term borrowings | 609,521 | 34,422 |
| Others | 59,912 | 108,335 |
| | <u>10,799,816</u> | <u>4,995,955</u> |

29. GAIN ON SALE OF SECURITIES

| | | |
|-------------------------------------|----------------|---------------|
| Market Treasury Bills | 18,602 | 5,007 |
| Pakistan Investment Bonds | 3,094 | 1,577 |
| Listed Term Finance Certificates | – | 1,808 |
| Ordinary Shares of Listed Companies | 172,181 | – |
| Units of Mutual Funds | 433 | 15,629 |
| | <u>194,310</u> | <u>24,021</u> |

30. OTHER INCOME

| | | |
|--|---------------|---------------|
| Gain on disposal of property and equipment | 34,983 | 6,009 |
| Service charges | 28,301 | 15,238 |
| Rental income on premises | 1,723 | – |
| | <u>65,007</u> | <u>21,247</u> |

Notes to the Financial Statements

For the year ended December 31, 2008



| | Note | 2008 | 2007 Restated |
|--|------|-----------|------------------|
| (Rupees '000') | | | |
| 31. ADMINISTRATIVE EXPENSES | | | |
| Salaries, allowances, etc. | | 3,388,786 | 1,073,328 |
| Charge to defined benefit plan | 37.4 | 12,822 | 11,647 |
| Contribution to defined contribution plan | | 104,498 | 33,305 |
| Non-executive directors' fees, allowances and other expenses | | 934 | 2,117 |
| Brokerage and commission | | 30,777 | 11,553 |
| Rent, taxes, insurance, electricity, etc. | | 853,891 | 245,134 |
| Legal and professional charges | | 118,357 | 35,030 |
| Communications | | 276,668 | 131,752 |
| Repairs and maintenance | | 154,503 | 34,407 |
| Rentals for operating lease | | – | 5,183 |
| Stationery and printing | | 189,986 | 45,211 |
| Advertisement and publicity | | 83,716 | 13,180 |
| Fees and subscriptions | | 62,983 | 32,168 |
| Auditor's remuneration | 31.1 | 10,335 | 5,000 |
| Depreciation | 14.2 | 498,418 | 170,093 |
| Amortization | 15 | 298,075 | 155,558 |
| Traveling, conveyance and vehicles running | | 56,670 | 74,486 |
| Security services | | 130,324 | 29,719 |
| Fixed assets written off | | 75,228 | – |
| Others | | 86,151 | 32,500 |
| | | 6,433,122 | 2,141,371 |

| | 2008 | 2007 |
|---|--------|-------|
| (Rupees '000') | | |
| 31.1 Auditors' remuneration | | |
| Audit fee including fee for branch audit | 4,288 | 1,675 |
| Audit fee of consolidated financial statements | 712 | 1,500 |
| Review fee | 500 | 350 |
| Special certifications and sundry advisory services | 3,845 | 1,340 |
| Tax services | – | – |
| Out-of-pocket expenses | 990 | 135 |
| | 10,335 | 5,000 |

Notes to the Financial Statements

For the year ended December 31, 2008



| | Note | 2008 (Rupees '000') | 2007 |
|--|---|------------------------|--------------------------|
| 32. OTHER CHARGES | | | |
| Penalties imposed by the State Bank of Pakistan | | 59,674 | 2,133 |
| Others | 32.1 | 265,597 | — |
| | | <u>325,271</u> | <u>2,133</u> |
| 32.1 | This includes fraud lossess of Rs. 243 million, primarily originating in branches acquired from Ex-PICIC and Ex-PCBL. | | |
| 33. TAXATION | | | |
| For the year | | | |
| Current | | — | 37,925 |
| Prior | | — | — |
| Deferred | | (3,523,211) | (258,575) |
| | | <u>(3,523,211)</u> | <u>(220,650)</u> |
| 33.1 Relationship between tax expense and accounting profit | | | |
| The relationship between tax expense and accounting profit of the bank has not been presented in these financial statements as the bank has incurred loss during the year. | | | |
| 34. BASIC / DILUTED EARNINGS / (LOSS) PER SHARE | | 2008 | 2007 Restated |
| (Loss) / Profit after taxation (Rs. in 000) | | <u>(7,474,679)</u> | <u>(489,769)</u> |
| Weighted average number of ordinary shares outstanding during the year (in 000) | | <u>2,843,727</u> | <u>1,106,822</u> |
| (Loss) / earnings per share - basic / diluted (Rupees) | | <u>(2.63)</u> | <u>(0.44)</u> |
| 35. CASH AND CASH EQUIVALENTS | | 2008 | 2007 |
| | | (Rupees '000') | |
| Cash and balances with treasury banks | | 9,355,104 | 10,318,722 |
| Balances with other banks net of provision | | 793,843 | 1,401,796 |
| | | <u>10,148,947</u> | <u>11,720,518</u> |
| 36. STAFF STRENGTH | | (Numbers) | |
| Permanent | | 5,126 | 3,358 |
| Temporary / on contractual basis | | 128 | 321 |
| Daily wages | | — | 6 |
| Others | | — | 8 |
| Bank's own staff strength at the end of the year | | <u>5,254</u> | <u>3,693</u> |
| Outsourced | | <u>1,656</u> | <u>1,887</u> |
| Total staff strength | | <u>6,910</u> | <u>5,580</u> |

37. DEFINED BENEFIT PLAN

37.1 The benefits under the gratuity scheme are payable in lump sum on retirement at the age of 60 years or earlier cessation of services. The benefit is equal to one month's last drawn basic salary of each year of confirmed service, subject to a minimum of five years of service.

37.2 Principal actuarial assumptions

The actuarial valuation is carried out periodically. The actuarial valuation was carried out for the year ended December 31, 2008 using "Projected Unit Credit Method". The main assumptions used for actuarial valuation are as follows:

| | Gratuity | |
|---------------------------|---|--|
| | 2008 | 2007 |
| - Valuation discount rate | 15% | 10% |
| - Salary increase rate | 14% | 9% |
| - Mortality rate | Based on LIC 1975-79 Ultimate Mortality | Based on LIC 1975-79 Rated down one year |
| - Withdrawal rate | Heavy Age - Wise withdrawal rates | Moderate Age-Wise withdrawal rates |

| | Note | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|------|---------|----------|---------|--------|--------|
| ----- (Rupees '000') ----- | | | | | | |
| 37.3 Reconciliation of (receivable from) / payable to defined benefit plan | | | | | | |
| Present value of defined benefit obligations | 37.6 | 58,963 | 33,919 | 22,109 | 23,453 | 11,545 |
| Unrecognized Prior Service Cost | | 1,630 | 3,261 | 4,892 | - | - |
| Net actuarial gains not recognized | | (3,536) | 7,326 | 5,858 | 29 | (756) |
| | | 57,057 | 44,506 | 32,859 | 23,482 | 10,789 |
| Assumed on amalgamation | | - | (76,634) | - | - | - |
| Net liability/(receivable) in balance sheet | | 57,057 | (32,128) | 32,859 | 23,482 | 10,789 |
| 37.4 (Income) / Charge for defined benefit plan | | | | | | |
| Current service cost | | 10,922 | 10,808 | 9,357 | 11,317 | 9,073 |
| Interest cost | | 3,834 | 2,751 | 1,651 | 1,376 | 463 |
| Actuarial (gain) recognized | | (303) | (281) | - | - | - |
| Amortisation of prior service cost | | (1,631) | (1,631) | (1,631) | - | - |
| | | 12,822 | 11,647 | 9,377 | 12,693 | 9,536 |

Notes to the Financial Statements For the year ended December 31, 2008



| | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|----------------------------|-----------------|---------------|---------------|---------------|
| | ----- (Rupees '000') ----- | | | | |
| 37.5 Movement in balance (receivable) / payable | | | | | |
| Opening balance (receivable) / payable | (32,128) | 32,859 | 23,482 | 10,789 | 1,253 |
| Expense recognized | 12,822 | 11,647 | 9,377 | 12,693 | 9,536 |
| (Contribution to) / payments from the fund made during the year | (271) | - | - | - | - |
| | (19,577) | 44,506 | 32,859 | 23,482 | 10,789 |
| Assumed on acquisition | 76,634 | (76,634) | - | - | - |
| Closing balance (receivable) / payable | <u>57,057</u> | <u>(32,128)</u> | <u>32,859</u> | <u>23,482</u> | <u>10,789</u> |

| | 2008 | 2007 |
|--|----------------|---------------|
| | (Rupees '000') | |
| 37.6 Reconciliation of present value of defined benefit obligations | | |
| Defined benefit obligation as at opening date | 33,919 | 22,109 |
| Current service cost | 10,922 | 10,808 |
| Interest cost | 3,834 | 2,751 |
| Benefits paid | (271) | - |
| Actuarial gain / (loss) on obligations | 10,559 | (1,749) |
| Defined benefit obligation as at closing date | <u>58,963</u> | <u>33,919</u> |

| | | |
|---|--------|--------|
| 37.7 Expected contribution for the next one year | 18,729 | 12,822 |
|---|--------|--------|

38. DEFINED CONTRIBUTION PLAN

The Bank has established a provident fund scheme administered by the Board of Trustees for all permanent employees. Equal monthly contributions are made by both the bank and the employees to the fund @ 10% of basic salary.

39. COMPENSATION OF DIRECTORS AND EXECUTIVES

| | President / Chief Executive | | Directors | | Executives | |
|---|-----------------------------|------------------|------------|--------------|------------------|------------------|
| | 2008 | 2007 Restated | 2008 | 2007 | 2008 | 2007 Restated |
| ----- (Rupees '000') ----- | | | | | | |
| Fees | – | – | 934 | 2,117 | – | – |
| Managerial remuneration | 33,365 | 39,677 | – | – | 710,199 | 170,943 |
| Charge for defined benefit plan | 858 | 832 | – | – | 8,188 | 6,434 |
| Contribution to defined contribution plan | 2,036 | 968 | – | – | 40,605 | 15,008 |
| Rent and house maintenance | 7,127 | 3,387 | – | – | 160,272 | 59,830 |
| Utilities | 2,036 | 968 | – | – | 45,792 | 17,094 |
| Others | 2,036 | 968 | – | – | 45,792 | 76,445 |
| | <u>47,458</u> | <u>46,800</u> | <u>934</u> | <u>2,117</u> | <u>1,010,848</u> | <u>345,754</u> |
| Number of persons | <u>1</u> | <u>1</u> | <u>3</u> | <u>7</u> | <u>446</u> | <u>137</u> |

The President is also provided with free use of a bank maintained car, overseas travel and medical insurance, security arrangements and reimbursement of household utilities, as per the terms of his employment.

Certain Executives are provided with reimbursement of driver's salary as per terms of their employment.

The compensation is paid to non executive directors only.

40. FAIR VALUE OF FINANCIAL INSTRUMENTS

40.1 On-balance sheet financial instruments

| | 2008 | | 2007- Restated | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Book value | Fair value | Book value | Fair value |
| ----- (Rupees '000') ----- | | | | |
| Assets | | | | |
| Cash and balances with treasury banks | 9,355,104 | 9,355,104 | 10,318,722 | 10,318,722 |
| Balances with other banks | 793,843 | 793,843 | 1,401,796 | 1,401,796 |
| Lending to financial institutions | 12,459,621 | 12,459,621 | 4,753,113 | 4,753,113 |
| Investments | 35,176,823 | 33,348,730 | 40,439,935 | 40,212,178 |
| Advances | 80,344,193 | 80,344,193 | 81,932,379 | 81,932,379 |
| Other assets | 2,931,416 | 2,931,416 | 3,063,106 | 3,063,106 |
| | <u>141,061,000</u> | <u>139,232,907</u> | <u>141,909,051</u> | <u>141,681,294</u> |
| Liabilities | | | | |
| Bills payable | 1,432,084 | 1,432,084 | 2,110,211 | 2,110,211 |
| Borrowings | 23,651,366 | 23,651,366 | 16,669,412 | 16,669,412 |
| Deposits and other accounts | 104,586,167 | 104,586,167 | 116,671,219 | 116,671,219 |
| Sub-ordinated loans | 3,999,200 | 3,688,000 | – | – |
| Liabilities against assets subject to finance lease | – | – | 7,176 | 7,176 |
| Other liabilities | 5,301,183 | 5,301,183 | 1,440,902 | 1,440,902 |
| | <u>138,970,000</u> | <u>138,658,800</u> | <u>136,898,920</u> | <u>136,898,920</u> |

Notes to the Financial Statements For the year ended December 31, 2008



40.2 Off-balance sheet financial instruments

| | 2008 | | 2007-Restated | |
|--------------------------------------|------------|------------|---------------|------------|
| | Book value | Fair value | Book value | Fair value |
| ----- (Rupees '000') ----- | | | | |
| Forward purchase of foreign exchange | 39,228,162 | 39,228,162 | 18,548,465 | 18,548,465 |
| Forward sale of foreign exchange | 35,313,470 | 35,313,470 | 14,766,871 | 14,766,871 |

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Fair values of held-to-maturity securities, subordinated loans and investment in quoted associates have been stated at market values.

Except for investment in unquoted subsidiaries, fixed term advances of over one year, staff loans and fixed term deposits of over one year, the fair value of other on balance sheet financial assets and liabilities are not significantly different from their book value as these assets and liabilities are either short term in nature or are frequently re-priced.

The value of unquoted subsidiaries, fixed term advances of over one year, staff loans and fixed term deposits of over one year cannot be calculated with sufficient reliability due to non-availability of relevant active markets for similar assets and liabilities.

41. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

| | 2008 | | | | |
|--|----------------------------------|---|--------------------------------|------------|-----------------------------|
| | Corporate and Investment Banking | Small and Medium Enterprises and Commercial | Consumer and Small Enterprises | Treasury | Head Office and Unallocated |
| ----- (Rupees '000') ----- | | | | | |
| Total income | 535,275 | 1,439,123 | 3,217,723 | 1,226,596 | 405,034 |
| Total expenses (including provisions) | 6,300,648 | 2,489,869 | 7,832,105 | 540,937 | 658,082 |
| Net income before tax | (5,765,373) | (1,050,746) | (4,614,382) | 685,659 | (253,048) |
| Segment Assets (Gross) | 48,934,426 | 51,644,530 | 82,629,574 | 36,050,795 | 7,135,559 |
| Segment Non Performing Loans | 17,628,565 | 2,005,142 | 2,731,618 | – | 92,487 |
| Segment Provision (including general provisions) | 14,104,484 | 1,016,573 | 1,764,744 | – | 92,487 |
| Segment Assets (Net) | 34,829,942 | 50,627,957 | 80,864,830 | 36,050,795 | 7,043,072 |
| Segment Liabilities | 30,540,780 | 39,013,655 | 63,110,622 | 34,726,619 | 2,326,412 |
| Segment Return on net assets (ROA) (%) | (11.06%) | (1.43%) | (3.93%) | (1.29%) | 0.00% |
| Segment Cost of funds (%) | 10.80% | 7.22% | 6.72% | 9.58% | 0.00% |
| 2007 - Restated | | | | | |
| Total income | 290,209 | 646,949 | 1,582,366 | 83,180 | 327,851 |
| Total expenses (including provisions) | 987,587 | 834,786 | 1,738,072 | 80,529 | – |
| Net income before tax | (697,378) | (187,837) | (155,706) | 2,651 | 327,851 |
| Segment Assets (Gross) | 57,917,642 | 41,898,148 | 84,733,560 | 37,159,837 | 6,917,695 |
| Segment Non Performing Loans | 10,411,105 | 1,172,873 | 1,668,339 | – | – |
| Segment Provision (including general provisions) | 8,796,792 | 634,414 | 1,222,751 | – | – |
| Segment Assets (Net) | 49,120,850 | 41,263,734 | 83,510,809 | 37,159,837 | 6,917,695 |
| Segment Liabilities | 46,551,682 | 29,881,417 | 65,239,749 | 36,388,407 | 3,458,848 |
| Segment Return on net assets (ROA) (%) | (0.98%) | (0.28%) | (0.04%) | 0.00% | 0.00% |
| Segment Cost of funds (%) | 9.96% | 6.23% | 7.44% | 0.79% | 0.00% |

The respective segment assets and liabilities incorporate funding gaps and excess funding between segments, with appropriate transfer pricing.

Notes to the Financial Statements For the year ended December 31, 2008

42. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its holding company, subsidiaries, associated undertakings, employee benefit plans and its key management personnel.

Transactions with related parties are executed on the same terms as those prevailing at the time for comparable transactions with unrelated parties.

The detail of transactions with related parties is given below:

| | Holding company | | Subsidiaries | | Associates | | Key Management Personnel | | Other related parties | |
|---|-----------------|-------------|--------------|-------------|--------------|--------------|--------------------------|-----------|-----------------------|-----------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Advances | | | | | | | | | | |
| At the beginning of the year | - | - | - | - | 7,545 | 10,537 | 146,633 | 76,427 | - | - |
| Given / addition during the year | - | - | - | - | 807,686 | - | 44,298 | 79,294 | - | - |
| Repaid during the year | - | - | - | - | (509,983) | (2,992) | (86,656) | (9,088) | - | - |
| At the end of the year | - | - | - | - | 305,248 | 7,545 | 104,275 | 146,633 | - | - |
| Deposits | | | | | | | | | | |
| At the beginning of the year | 43,089 | 16,469 | 148,604 | 97,828 | 322,425 | 641,357 | 9,257 | 4,705 | 84,272 | 30,220 |
| Deposits during the year | 22,987 | 3,609,975 | 1,170,467 | 1,225,313 | 40,012,702 | 26,756,591 | 173,024 | 313,959 | 4,953,083 | 429,663 |
| Exchange difference | 4,765 | 293 | 2,095 | - | - | - | - | - | - | - |
| Withdrawal during the year | (4,032) | (3,583,648) | (532,823) | (1,174,537) | (39,824,783) | (27,075,523) | (147,747) | (309,407) | (4,773,156) | (375,611) |
| At the end of the year | 66,809 | 43,089 | 788,343 | 148,604 | 510,344 | 322,425 | 34,534 | 9,257 | 264,199 | 84,272 |
| Investment in shares / mutual funds - cost | | | | | | | | | | |
| At the beginning of the year | - | - | 4,790,704 | - | 2,052,647 | 267,500 | - | - | 191,968 | - |
| Investments made during the year | - | - | - | 4,790,704 | 45,000 | 1,807,480 | - | - | - | 191,968 |
| Investments sold during the year | - | - | - | - | - | (22,333) | - | - | - | - |
| At the end of the year | - | - | 4,790,704 | 4,790,704 | 2,097,647 | 2,052,647 | - | - | 191,968 | 191,968 |
| Receivables | | | | | | | | | | |
| Outstanding at the end of the year | 133 | 133 | 301 | - | - | - | - | - | - | - |
| Payables | | | | | | | | | | |
| Outstanding at the end of the year | 1,195 | - | - | - | - | - | - | - | - | 3 |
| Brokerage payable | | | | | | | | | | |
| Outstanding at the end of the year | - | - | - | - | - | - | - | - | 136 | 51 |
| Payable to Directors | | | | | | | | | | |
| Outstanding at the end of the year | - | - | - | - | - | - | - | - | 5,434 | 5,016 |
| Insurance premium payable | | | | | | | | | | |
| Outstanding at the end of the year | - | - | - | - | 296 | 717 | - | - | - | - |

Notes to the Financial Statements For the year ended December 31, 2008



42.1

| | 2008 | | | | | 2007 | | | | |
|--|-----------------|--------------|------------|--------------------------|-----------------------|-----------------|--------------|------------|--------------------------|-----------------------|
| | Holding company | Subsidiaries | Associates | Key Management Personnel | Other Related parties | Holding Company | Subsidiaries | Associates | Key Management Personnel | Other related parties |
| | (Rupees '000') | | | | | | | | | |
| Profit paid to Provident Fund | - | - | - | - | 4,834 | - | - | - | - | 2,037 |
| Contribution to Provident Fund | - | - | - | - | 90,653 | - | - | - | - | 33,305 |
| Profit paid on deposits | - | 46,196 | 98,562 | 241 | 2,135 | - | 1,738 | 62,822 | 176 | 71 |
| Brokerage paid | - | - | - | - | 1,937 | - | - | - | - | 1,610 |
| Dividend income from shares / mutual funds | - | 750,000 | 117,543 | - | 4,531 | - | - | - | - | - |
| Insurance premium paid | - | - | 66,740 | - | - | - | - | 103,736 | - | - |
| Consultancy charges paid | - | - | - | - | - | - | - | - | - | 14,394 |
| Insurance commission earned | - | - | - | - | - | - | - | 820 | - | - |
| Remuneration to key management personnel | - | - | - | - | 205,493 | - | - | - | - | 135,344 |
| Mark-up earned on advances | - | - | 8,049 | 5,501 | - | - | - | 841 | 4,067 | - |
| Share deposit money (Note 43.1.2) | | | | | | | | | | |

43. CAPITAL ADEQUACY

43.1 CAPITAL-ASSESSMENT AND ADEQUACY

43.1.1 Scope of Applications

Capital Adequacy Ratio (CAR) has been calculated in accordance with the guidelines given by SBP through BSD Circular No. 8 dated June 27, 2006. The Bank has adopted Standardized Approach for Credit and Market Risk where as Basic Indicator Approach for Operational Risk. The current requirement for CAR is 9% as per BSD Circular No. 30 dated November 25, 2008.

43.1.2 Capital Structure

The Bank's regulatory capital base comprises of:

- Tier 1 capital which includes share capital, reserves and accumulated losses / unappropriated profit.
- Tier 2 capital which consists of Subordinated debt (subject to 50% of eligible Tier 1 capital), Revaluation reserves (subject to 45% of balance in revaluation reserve) and General provision for loan losses (subject to 1.25% of Risk Weighted Asset).

The issued, subscribed and paid-up capital of the Bank was Rs.28,437.271 million as at December 31, 2008, comprising of 2,843.727 million shares of Rs. 10 each. The Bank announced a rights issue of 42.198%, at par value, on October 27, 2008 fully under written by its principal shareholder. All the rights monies including the under-written portion were received by the Bank before December 31, 2008 and no objection letters for the use of funds were received from all three stock exchanges as of that date. Consequently, the State Bank of Pakistan granted the Bank permission to include the rights monies in Tier 1 for Capital Adequacy purposes as at December 31, 2008. These funds are appearing below under the head of Share Deposit Money. The rights shares were issued on January 17th, 2009.

The subordinated debt amounting to Rs. 3,999.200 million represents unsecured TFCs of the Bank. The amount raised through the issue contributed towards the Bank's Tier II capital for Minimum Capital Requirement as per the guidelines of SBP.

Notes to the Financial Statements For the year ended December 31, 2008



Detail of Bank's regulatory capital are as under:

| | Note | 2008 (Rupees '000') | 2007 Unaudited (Rupees '000') |
|--|----------|------------------------|-------------------------------------|
| Tier I Capital | | | |
| Fully Paid-up capital | | 28,437,271 | 22,017,968 |
| Shares to be issued | | – | 14,026,177 |
| Share premium | | 8,246,618 | 639,744 |
| Share Deposit Money | 43.1.2.1 | 12,000,000 | – |
| Reserves (Statutory and General Reserves) | | 80,066 | 80,066 |
| Accumulated loss | | (7,757,283) | (282,604) |
| | | <u>41,006,672</u> | <u>36,481,351</u> |
| Less: | | | |
| Goodwill and intangibles | 43.1.2.2 | 24,307,993 | 28,039,207 |
| Deficit on account of revaluation of investments held in AFS category | | 1,585,251 | 30,572 |
| Other deductions (represents 50% of investment in subsidiary and other significant minorities) | 43.1.2.2 | 199,679 | 2,579,190 |
| | | <u>14,913,749</u> | <u>5,832,382</u> |
| Total Tier I Capital | | | |
| Tier II Capital | | | |
| Subordinated Debt (subject to 50% of total Tier 1 Capital) | | 3,999,200 | – |
| General Provision for loan losses (subject to 1.25% of Total Risk Weighted Assets) | | 262,773 | 613,911 |
| Revaluation Reserve (subject to 45% of balance in revaluation reserve) | | – | – |
| | | <u>4,261,973</u> | <u>613,911</u> |
| Less: | | | |
| Other deductions (represents 50% of investment in subsidiary and other significant minorities) | 43.1.2.2 | 199,679 | 2,579,190 |
| | | <u>4,062,294</u> | <u>(1,965,279)</u> |
| Total Tier II Capital | | | |
| Eligible Tier III Capital | | | |
| | | – | – |
| Total Regulatory Capital Base (a) | | <u>18,976,043</u> | <u>3,867,103</u> |

43.1.2.1 SBP has allowed the Bank to include the share deposit money received against issuance of right shares in Tier-1 capital.

43.1.2.2 The Bank has been granted an exemption by SBP with respect to the deduction of its investment in PICIC AMC amounting to Rs 4,527.090 million and intangible assets (excluding Goodwill and Computer software) amounting to Rs 2,356.445 million created as a result of acquisition of PICIC and PCBL till December 31, 2009 from Tier I and Tier II capital.

43.1.3 Capital Adequacy

The purpose of capital management at the Bank is to ensure efficient utilization of capital in relation to business requirements, growth, risk appetite, shareholders' returns and expectations.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions, regulatory requirements and the risk profile of its activities. In order to maintain or adjust the capital structure, the Bank may issue capital / Tier II securities.

The Bank's capital adequacy ratio as at December 31, 2008 was 19.53% compared to the minimum regulatory requirement of 9%. The Bank ensures adherence to SBP's requirements by monitoring its capital adequacy on a regular basis.

Banking operations are categorised as either Trading book or Banking book, and Risk-Weighted Assets are determined according to SBP requirements that seek to reflect the varying levels of risk attached to Bank's On and Off-balance sheet exposures.

Collateral if any, is used as an outflow adjustment. Risk weights notified, are applied to Net Adjusted Exposure. Cash and near Cash collateral includes Government of Pakistan Securities, Shares listed on KSE, Cash and Cash equivalent (deposits / margins, lien on deposits).

The Bank and its individually regulated operations have complied with all regulatory capital requirements as at the reporting date.

Notes to the Financial Statements For the year ended December 31, 2008



The capital requirements for the Bank as per the major risk categories are indicated below:

| | Capital Requirements | | Risk Weighted Assets | |
|---|----------------------|------------------|----------------------|--------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | Unaudited | | Unaudited | |
| | (Rupees '000') | | | |
| Credit Risk | | | | |
| Corporate | 2,675,023 | 4,477,521 | 33,437,790 | 55,969,013 |
| Sovereign | – | – | – | – |
| Retail | 2,340,684 | 1,336,524 | 29,258,549 | 16,706,554 |
| Banks | 85,749 | 143,259 | 1,071,867 | 1,790,739 |
| Equity Investments | 775,514 | 248,083 | 9,693,928 | 3,101,034 |
| Public sector Entities | 816 | 1 | 10,201 | 7 |
| Past Due Loans | 427,057 | 247,968 | 5,338,218 | 3,099,596 |
| Claims against Residential Mortgage | 48,566 | 42,759 | 607,080 | 534,494 |
| Investments in premises, plant and equipment and all other fixed assets | 296,194 | 314,031 | 3,702,426 | 3,925,383 |
| Other assets | 231,575 | 244,667 | 2,894,686 | 3,058,338 |
| Off Balance Sheet Market Related Exposures | 30,500 | 557,484 | 381,252 | 6,968,544 |
| | 6,911,678 | 7,612,297 | 86,395,997 | 95,153,702 |
| Market Risk | | | | |
| Interest Rate Risk | 54,282 | 276,385 | 678,531 | 3,454,812 |
| Equity Position Risk | – | 461,357 | – | 5,766,961 |
| Foreign Exchange Risk | 4,314 | 173,396 | 53,924 | 2,167,454 |
| | 58,596 | 911,138 | 732,455 | 11,389,227 |
| Operational Risk | 802,967 | 759,706 | 10,037,088 | 9,496,333 |
| TOTAL (b) | 7,773,241 | 9,283,141 | 97,165,540 | 116,039,262 |

| | 2008 | 2007 |
|--|----------------|--------------|
| | (Rupees '000') | |
| Total eligible regulatory capital held | 18,976,043 | 3,867,103 |
| Total Risk Weighted Assets | 97,165,540 | 116,039,262 |
| Capital Adequacy Ratio (a) / (b) | 19.53% | 3.33% |

Initially, the Bank had been submitting its Basel-I Capital Adequacy Ratio (CAR) calculations under SBP's BSD Circular No. 12 of 2004. Furthermore, the SBP vide its BSD Circular No. 02 of 2007 instructed all banks to commence a parallel run of Basel-II CAR calculation alongside Basel-I. In November 2008, the SBP as per its BSD Circular letter No. 06 of 2008 advised all banks to discontinue the submission of their CAR returns on the basis of Basel-I and henceforth submit the same on the basis of Basel-II.

The comparative figures for Basel-II CAR calculations have been prepared in light of instructions issued by the SBP vide its aforementioned Circular No. 02 of 2007. As at December 31, 2007, the Bank's Capital Adequacy Ratio stood at 3.33%, which was below the benchmark requirement of 8%. However, the Bank was allowed a one time exemption in this regard by the SBP vide its letter No. BSD/SU-1/608/207/2007.

Notes to the Financial Statements For the year ended December 31, 2008



43.1.4 Types of Exposures and ECAI's used

The Bank uses external ratings from JCR-VIS and PACRA. The Bank has obtained ratings from websites of External Credit Assessment Institutions (ECAIs) and followed the SBP rating grade for mapping.

| Exposures | JCR-VIS | PACRA | Fitch | Moodys | Standard & Poor |
|-----------|---------|-------|-------|--------|-----------------|
| Corporate | √ | √ | - | - | - |
| Sovereign | - | - | - | - | - |
| Retail | - | - | - | - | - |
| Banks | √ | √ | √ | √ | √ |

43.1.5 Credit exposure amounts after risk mitigation subject to Standardized Approach

| Exposure | December 2008 (Rupees '000') | | | |
|---|------------------------------|--------------------|---------------|-------------|
| | Rating Category | Amount Outstanding | Deduction CRM | Net Amount |
| Corporate | 1 | 1,038,114 | 173,745 | 864,369 |
| | 2 | 2,361,576 | - | 2,361,576 |
| | 3,4 | 620,987 | - | 620,987 |
| | unrated | 34,792,188 | 3,329,047 | 31,463,141 |
| Retail | | 41,140,652 | 2,199,872 | 38,940,780 |
| Banks | | | | - |
| - Over 3 Months | 1 | 534,324 | - | 534,324 |
| | 2,3 | 2,022,179 | 1,785,100 | 237,079 |
| | 4,5 | 20,635 | - | 20,635 |
| | unrated | 415,802 | - | 415,802 |
| - Maturity Upto and under 3 Months in FCY | 1,2,3 | 1,317,559 | - | 1,317,559 |
| | unrated | 286,490 | - | 286,490 |
| - Maturity Upto and under 3 Months in PKR | | 10,875,100 | 9,389,521 | 1,485,579 |
| Public Sector Entities | unrated | 20,402 | - | 20,402 |
| Sovereigns etc. | | 25,164,190 | - | 25,164,190 |
| Unrated | | 24,452,795 | - | 24,452,795 |
| Total | | 145,062,993 | 16,877,285 | 128,185,708 |

44. RISK MANAGEMENT

While the overall responsibility of risk management rests with the Board of Directors, senior management has implemented a risk management framework with well defined policies and procedures for mitigating / controlling risks, duly approved by the Board.

The Board of Directors has set forth the vision / strategy of the Bank and has entrusted the implementation to the Board's Risk Management Committee (BRMC).

The Integrated Risk Management Committee (IRMC) is responsible for review and highlighting of all risk issues that require senior management's attention. IRMC comprises of members from business units and the risk functions. An enterprise level assessment of risk composition is made at this platform and, where necessary, recommendations are made to improve upon processes and procedures to further strengthen the risk framework.

Risk Management Heads are embedded in various business segments, who are responsible for ensuring the implementation of the Bank's risk framework in their respective domains in line with the business model of the Bank and also in compliance with SBP guidelines.

44.1 Credit Risk:

The objective of credit risk management by the Bank is to ensure that the risk of default by a client or counterparty is reduced to a minimum, keeping in view the risk management policies of the Bank.

The Bank's nature of credit risk exposure is that of a risk of failure by a client or counterparty to meet its contractual obligations. It is inherent in loans, commitments to lend and contingent liabilities, such as letters of credit, repurchase agreements (repos and reverse repos) and securities borrowing and lending transactions.

The Bank has established an appropriate credit risk environment which is operating under a sound credit-granting process; maintaining an appropriate credit administration, measurement and monitoring process and ensuring adequate controls.

Credit approval process is followed by all businesses in the Bank. Initial credit approvals and extensions are only approved by Credit Committees established at various levels (a credit committee has minimum of three members). Further, in order to measure credit risk, an internally developed rating system is followed. This rating system is being fine tuned to address Basel II requirements and is under testing.

The Bank manages credit risk through:

- Accurate and detailed information about the borrower, cash flows, production, service and operations of the company.
- Insights into the major factors influencing customer attrition and product cancellation.
- Establishment of acceptable risk levels.

Notes to the Financial Statements For the year ended December 31, 2008



44.1.1 Segmental Information

44.1.1.1 Segments by class of business

| | 2008 | | | | | |
|--|-------------------|---------------|--------------------|---------------|-------------------------------|---------------|
| | Advances (Gross) | | Deposits | | Contingencies and Commitments | |
| | Rupees '000' | Percent | Rupees '000' | Percent | Rupees '000' | Percent |
| Agriculture, Forestry, Hunting and Fishing | 556,752 | 0.57 | 921,503 | 0.88 | 76,546 | 0.08 |
| Mining and Quarrying | 317,007 | 0.33 | 2,345,035 | 2.24 | – | – |
| Textile | 30,587,442 | 31.43 | 968,858 | 0.93 | 2,537,815 | 2.76 |
| Chemical and Pharmaceuticals | 2,119,215 | 2.18 | 1,871,256 | 1.79 | 997,125 | 1.08 |
| Cement, Glass and Ceramics | 2,689,299 | 2.76 | 888,399 | 0.85 | 1,021,848 | 1.11 |
| Sugar | 3,090,445 | 3.18 | 143,137 | 0.14 | 35,910 | 0.04 |
| Footwear and Leather garments | 1,822,504 | 1.87 | 577,877 | 0.55 | 239,063 | 0.26 |
| Automobile and transportation equipment | 1,124,302 | 1.16 | 156,963 | 0.15 | 318,496 | 0.35 |
| Electronics and electrical appliances | 2,420,992 | 2.49 | 381,294 | 0.36 | 910,281 | 0.99 |
| Construction | 1,713,133 | 1.76 | 889,092 | 0.85 | 368,223 | 0.40 |
| Power (electricity), Gas, Water, Sanitary | 1,251,478 | 1.29 | 1,574,481 | 1.51 | 2,449,877 | 2.66 |
| Wholesale and Retail Trade | 12,925,767 | 13.28 | 3,195,654 | 3.06 | 578,494 | 0.63 |
| Exports / Imports | 3,307,610 | 3.40 | – | – | 2,919,384 | 3.17 |
| Transport, Storage and Communication | 1,642,367 | 1.69 | 5,911,400 | 5.65 | 2,799,597 | 3.04 |
| Non profit organization / Trust | 28,822 | 0.03 | 10,973,473 | 10.49 | 2,770 | 0.00 |
| Insurance | – | – | 436,131 | 0.42 | 200 | 0.00 |
| Paper and printing | 1,669,655 | 1.72 | 387,195 | 0.37 | 368,558 | 0.40 |
| Food and Beverages | 4,285,239 | 4.40 | 450,995 | 0.43 | 182,851 | 0.20 |
| Engineering | 406,099 | 0.42 | 373,537 | 0.36 | 689,278 | 0.75 |
| Financial | 456,619 | 0.47 | 3,152,945 | 3.01 | 73,620,567 | 79.98 |
| Services | 4,194,538 | 4.30 | 4,192,669 | 4.01 | 244,305 | 0.27 |
| Individuals | 9,122,813 | 9.37 | 41,038,914 | 39.24 | 439,169 | 0.48 |
| Others | 11,590,383 | 11.90 | 23,755,359 | 22.71 | 1,243,607 | 1.35 |
| | <u>97,322,481</u> | <u>100.00</u> | <u>104,586,167</u> | <u>100.00</u> | <u>92,043,964</u> | <u>100.00</u> |

Notes to the Financial Statements

For the year ended December 31, 2008


NIB Bank

| | 2007 - Restated | | | | | |
|--|-------------------|---------------|--------------------|---------------|-------------------------------|---------------|
| | Advances (Gross) | | Deposits | | Contingencies and Commitments | |
| | Rupees | Percent | Rupees | Percent | Rupees | Percent |
| | '000' | | '000' | | '000' | |
| Agriculture, Forestry, Hunting and Fishing | 309,085 | 0.33 | 737,669 | 0.63 | 23,950 | 0.04 |
| Mining and Quarrying | 821,532 | 0.89 | 765,056 | 0.66 | 17,670 | 0.03 |
| Textile | 26,143,819 | 28.24 | 1,910,907 | 1.64 | 7,012,797 | 12.49 |
| Chemical and Pharmaceuticals | 3,089,302 | 3.34 | 2,828,641 | 2.42 | 861,652 | 1.54 |
| Cement, Glass and Ceramics | 3,006,577 | 3.25 | 101,846 | 0.09 | 1,499,643 | 2.67 |
| Sugar | 4,767,384 | 5.15 | 523,100 | 0.45 | 65,502 | 0.12 |
| Footwear and Leather garments | 737,940 | 0.80 | 244,476 | 0.21 | 129,148 | 0.23 |
| Automobile and transportation equipment | 1,590,324 | 1.72 | 273,050 | 0.23 | 825,593 | 1.47 |
| Electronics and electrical appliances | 1,399,994 | 1.51 | 144,645 | 0.12 | 488,045 | 0.87 |
| Construction | 1,420,295 | 1.53 | 1,959,267 | 1.68 | 96,413 | 0.17 |
| Power (electricity), Gas, Water, Sanitary | 919,277 | 0.99 | 381,414 | 0.33 | 3,616,511 | 6.44 |
| Wholesale and Retail Trade | 8,331,103 | 9.00 | 3,424,672 | 2.94 | 3,692,534 | 6.58 |
| Exports / Imports | 5,001,725 | 5.40 | 548,345 | 0.47 | 1,447,294 | 2.58 |
| Transport, Storage and Communication | 1,975,936 | 2.14 | 3,727,695 | 3.20 | 4,330,196 | 7.72 |
| Non profit organization / Trust | 82 | 0.00 | 4,667,189 | 4.00 | - | - |
| Insurance | 8,128 | 0.01 | 958,937 | 0.82 | - | - |
| Paper and printing | 124,531 | 0.13 | - | - | - | - |
| Food and Beverages | 54,456 | 0.06 | - | - | - | - |
| Engineering | 53,966 | 0.06 | - | - | 19,692 | 0.04 |
| Financial | 66,830 | 0.07 | 3,171,222 | 2.72 | 22,811,651 | 40.64 |
| Services | 3,297,159 | 3.56 | 6,526,227 | 5.59 | 28,863 | 0.05 |
| Individuals | 18,760,638 | 20.26 | 40,651,468 | 34.84 | 4,683,765 | 8.35 |
| Others | 10,706,253 | 11.56 | 43,125,393 | 36.96 | 4,474,469 | 7.97 |
| | <u>92,586,336</u> | <u>100.00</u> | <u>116,671,219</u> | <u>100.00</u> | <u>56,125,388</u> | <u>100.00</u> |

44.1.1.2 Segment by sector

| | 2008 | | | | | |
|---------------------|-------------------|------------|--------------------|------------|-------------------------------|------------|
| | Advances (Gross) | | Deposits | | Contingencies and Commitments | |
| | Rupees | Percent | Rupees | Percent | Rupees | Percent |
| | '000' | | '000' | | '000' | |
| Public / Government | 1,019,821 | 1 | 20,597,285 | 20 | 3,921,465 | 4 |
| Private | 96,302,660 | 99 | 83,988,882 | 80 | 88,122,499 | 96 |
| | <u>97,322,481</u> | <u>100</u> | <u>104,586,167</u> | <u>100</u> | <u>92,043,964</u> | <u>100</u> |

| | 2007 - Restated | | | | | |
|---------------------|-------------------|------------|--------------------|------------|-------------------------------|------------|
| | Advances (Gross) | | Deposits | | Contingencies and Commitments | |
| | Rupees | Percent | Rupees | Percent | Rupees | Percent |
| | '000' | | '000' | | '000' | |
| Public / Government | 10,604 | 0 | 24,704,262 | 21 | 2,077,364 | 4 |
| Private | 92,575,732 | 100 | 91,966,957 | 79 | 54,048,024 | 96 |
| | <u>92,586,336</u> | <u>100</u> | <u>116,671,219</u> | <u>100</u> | <u>56,125,388</u> | <u>100</u> |

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For the year ended December 31, 2008



| 2008 | | 2007 - Restated | |
|----------------------------|--------------------------|---------------------|--------------------------|
| Classified Advances | Specific Provisions Held | Classified Advances | Specific Provisions Held |
| ----- (Rupees '000') ----- | | | |

44.1.1.3 Details of non-performing advances and specific provisions by class of business segment

| | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| Agriculture, Forestry, Hunting and Fishing | 497 | 124 | 44,976 | 23,592 |
| Mining and Quarrying | – | – | 459 | 180 |
| Textile | 11,225,043 | 9,056,623 | 6,418,577 | 5,074,447 |
| Chemical and Pharmaceuticals | 309,720 | 295,666 | 644,167 | 489,912 |
| Cement, Glass and Ceramics | 1,156,943 | 848,274 | 130,275 | 93,072 |
| Sugar | 1,196,256 | 854,872 | 747,195 | 449,358 |
| Footwear and Leather garments | 63,754 | 59,771 | 61,480 | 59,243 |
| Automobile and transportation equipment | 380,198 | 365,005 | 902,344 | 589,590 |
| Electronics and electrical appliances | 745,766 | 309,069 | 171,038 | 171,038 |
| Construction | 155,891 | 74,365 | 340,505 | 282,830 |
| Power (electricity), Gas, Water, Sanitary | 467,638 | 250,939 | 27,341 | 23,920 |
| Wholesale and Retail Trade | 1,600,884 | 950,534 | 250,490 | 157,608 |
| Exports / Imports | – | – | 197,536 | 197,959 |
| Transport, Storage and Communication | 589,136 | 485,410 | 118,711 | 127,091 |
| Paper and printing | 174,233 | 168,200 | 124,531 | 118,892 |
| Food and Beverages | 304,645 | 292,528 | 45,275 | 29,783 |
| Engineering | 570,054 | 490,972 | 31,744 | 16,639 |
| Services | 73,446 | 56,210 | 15,549 | 13,054 |
| Individuals | 2,442,253 | 1,498,016 | 1,399,796 | 880,818 |
| Others | 1,001,455 | 658,937 | 1,580,327 | 1,241,020 |
| | <u>22,457,812</u> | <u>16,715,515</u> | <u>13,252,316</u> | <u>10,040,046</u> |

| 2008 | | 2007 - Restated | |
|----------------------------|--------------------------|---------------------|--------------------------|
| Classified Advances | Specific Provisions Held | Classified Advances | Specific Provisions Held |
| ----- (Rupees '000') ----- | | | |

44.1.1.4 Details of non-performing advances and specific provisions by sector

| | | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| Public / Government | – | – | – | – |
| Private | 22,457,812 | 16,715,515 | 13,252,316 | 10,040,046 |
| | <u>22,457,812</u> | <u>16,715,515</u> | <u>13,252,316</u> | <u>10,040,046</u> |

44.1.1.5 Geographical Segment Analysis

| | 2008 | | | Contingencies and commitments |
|----------------------------|------------------------------------|--------------------------|------------------------|-------------------------------------|
| | (Loss) / Profit before taxation | Total assets employed | Net assets employed | |
| ----- (Rupees '000') ----- | | | | |
| Pakistan | (10,997,890) | 178,909,115 | 39,698,508 | 92,043,964 |
| 2007 - Restated | | | | |
| Pakistan | (710,419) | 176,872,441 | 36,452,822 | 56,125,388 |

44.2 Market Risk

Market risk is primarily composed of price risk and arises out of treasury trading and investment activities. It is the risk that the value of on and off balance sheet positions of the Bank will be adversely affected by movements in market rates or prices.

The Bank recognizes that it may be exposed to market risk in a variety of ways. Market risk exposure may be explicit in portfolio of equities and foreign currencies that are actively traded. Conversely, it may be implicit, such as interest rate risk due to mismatch of loans and deposits. Market risk may also arise from activities categorized as off balance sheet items.

44.2.1 Foreign Exchange Risk

The Bank has set the following objectives for managing the inherent risk on foreign currency exposures:

Maximise profitability with minimum risk by keeping the exposure at desirable levels in view of strict compliance with regulatory / international standards and the Bank's internal guidelines.

Manage appropriate maturity mismatch gaps.

Identify warning and stress zones for mismatch gaps.

Implement global / regulatory best practices to manage the inherent risk of product and market, such as compliance with credit limits, monitoring of foreign exchange exposure limits, review of mark to market portfolio etc.

| | 2008 | | | Net foreign currency exposure |
|----------------------------|--------------------|--------------------|----------------------------|-------------------------------------|
| | Assets | Liabilities | Off Balance sheet items | |
| ----- (Rupees '000') ----- | | | | |
| Pakistan Rupee | 173,503,954 | 129,816,465 | (3,963,632) | 39,723,857 |
| United States Dollar | 4,520,301 | 6,997,947 | 2,438,132 | (39,514) |
| Great Britain Pound | 227,212 | 1,197,768 | 964,159 | (6,397) |
| Euro | 607,700 | 1,177,053 | 561,341 | (8,012) |
| Japanese Yen | 12,016 | 60 | - | 11,956 |
| Swiss Franc | 16,491 | 14,024 | - | 2,467 |
| Others | 21,441 | 7,290 | - | 14,151 |
| | <u>178,909,115</u> | <u>139,210,607</u> | <u>-</u> | <u>39,698,508</u> |

Notes to the Financial Statements

For the year ended December 31, 2008



| | 2007 - Restated | | | Net foreign |
|----------------------|----------------------------|--------------------|----------------------------|----------------------|
| | Assets | Liabilities | Off Balance sheet items | currency exposure |
| | ----- (Rupees '000') ----- | | | |
| Pakistan Rupee | 172,360,524 | 134,162,597 | (2,871,744) | 35,326,183 |
| United States Dollar | 3,837,755 | 4,934,929 | 1,756,334 | 659,160 |
| Great Britain Pound | 222,221 | 775,689 | 1,032,434 | 478,966 |
| Euro | 291,307 | 199,147 | (123,869) | (31,709) |
| Japanese Yen | 145,399 | 347,097 | 206,843 | 5,145 |
| Swiss Franc | 4,133 | 152 | - | 3,981 |
| Others | 11,102 | 8 | 2 | 11,096 |
| | <u>176,872,441</u> | <u>140,419,619</u> | <u>-</u> | <u>36,452,822</u> |

44.2.2 Equity Price Risk and Fixed Income Rate Risk

The Bank has a set of approved notional & dealer limits for managing risk across the trading & banking book. In order to manage the market risk in the trading book, the Bank periodically applies a VaR (value at risk) methodology to assess the market risk positions held. Currently the Bank is using variance covariance model for generating VaR numbers across both the equity & fixed income portfolios.

Equity Price Risk is the risk to earnings or capital that results from adverse changes in the value of equity related portfolios of the Bank. Price risk associated with equities could be systematic or unsystematic. The yield of shares consists of dividend payments and capital gains / losses through price appreciation / depreciation. The Bank is also using Market Risk tools such as Alpha, Beta and Sharpe ratio for risk measurement and assessment.

Fixed income securities are subject to the risk of price volatility due to interest rate sensitivity. When interest rates rise, the value of corporate debt securities can be expected to decline. Fixed rate debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. The Bank is using Market Risk tools such as Price Value Basis Point (PVBP), Duration, Parallel shift and Non Parallel shift for risk measurement and assessment.

The Bank conducts stress testing analysis on the equity portfolio, by anticipating changes / shocks of -5%, -10% and -20% on the current price of shares within a portfolio, thereby monitoring the effects of the predicted changes in the value of the equity portfolio on the Capital Adequacy Ratio (CAR). Further, the Bank reviews new products to ensure that the market risk aspects are properly quantified and mitigated.

Notes to the Financial Statements For the year ended December 31, 2008


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44.2.3 Mismatch of Interest Rate Sensitive Assets and Liabilities

2008

| | Effective Yield / Interest rate | Exposed to Yield / Interest risk | | | | | | | | | | Above 10 Years | Non-interest bearing financial instruments | |
|---|---------------------------------|----------------------------------|--------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|---------------|----------------|--|-----------|
| | | Total | Upto 1 Month | Over 1 to 3 Months | Over 3 to 6 Months | Over 6 Months to 1 Year | Over 1 to 2 Years | Over 2 to 3 Years | Over 3 to 5 Years | Over 5 to 10 Years | Over 10 Years | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | | |
| Cash and balances with treasury banks | 0.90% | 1,324,100 | - | - | - | - | - | - | - | - | - | - | - | 8,031,004 |
| Balances with other banks | 0.25% | 667,626 | - | - | - | - | - | - | - | - | - | - | - | 126,217 |
| Lending to financial institutions | 14.10% | 10,209,752 | 2,249,869 | - | - | - | - | - | - | - | - | - | - | - |
| Investments | 11.93% | 33,348,730 | 9,532,558 | 6,739,478 | - | - | 1,289,141 | 3,329,981 | 1,294,588 | 261,036 | 6,810,916 | - | - | |
| Advances | 15.17% | 80,344,193 | 5,813,726 | 43,759,714 | - | 8,753,496 | 6,384,010 | 5,914,017 | 1,227,609 | 978,200 | - | - | - | |
| Other assets | - | 2,931,416 | - | - | - | - | - | - | - | - | - | - | - | 2,931,416 |
| | | 199,232,907 | 17,596,153 | 50,499,192 | 8,753,496 | 4,267,874 | 7,673,151 | 9,243,998 | 2,522,197 | 1,239,236 | 17,899,553 | - | - | |
| Liabilities | | | | | | | | | | | | | | |
| Bills payable | - | 1,432,084 | - | - | - | - | - | - | - | - | - | - | - | 1,432,084 |
| Borrowings | 9.42% | 23,651,366 | 5,852,819 | 2,989,216 | - | - | 367,533 | 607,002 | 511,866 | - | - | - | - | |
| Deposits and other accounts | 10.08% | 104,586,167 | 12,780,635 | 31,052,150 | 15,130,040 | 1,021,241 | 976,550 | 688,880 | 300 | - | 20,892,517 | - | - | |
| Sub-ordinated loans | 14.98% | 3,688,000 | 3,688,000 | - | - | - | - | - | - | - | - | - | - | |
| Liabilities against assets subject to finance lease | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other liabilities | - | 5,301,183 | - | - | - | - | - | - | - | - | - | - | - | 5,301,183 |
| | | 138,658,800 | 22,321,454 | 34,041,366 | 15,346,604 | 1,590,848 | 1,344,083 | 1,295,882 | 512,166 | - | 27,625,784 | - | - | |
| On-balance sheet gap | | 574,107 | (15,042,556) | 16,457,826 | (6,593,108) | 2,677,026 | 6,329,068 | 7,948,116 | 2,010,031 | 1,239,236 | (9,726,231) | - | - | |
| Off-balance sheet financial instruments | | | | | | | | | | | | | | |
| Forward Lending (including call lending, repurchase agreement lending, commitments to extend credit, etc.) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Foreign exchange contracts - purchase | - | 20,167,074 | 12,936,121 | 5,456,177 | 668,790 | - | - | - | - | - | - | - | - | |
| Forward borrowings (including call borrowing, repurchase agreement borrowing, etc.) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Foreign exchange contracts - sale | - | 13,899,042 | 11,363,575 | 10,050,853 | 668,790 | - | - | - | - | - | - | - | - | |
| Off-balance sheet gap | | 3,914,692 | 6,268,032 | 1,572,546 | (4,594,676) | - | - | - | - | - | - | - | - | |
| Total Yield / Interest Risk Sensitivity Gap | | (8,774,524) | (3,152,755) | 11,863,150 | (5,924,318) | 2,677,026 | 6,329,068 | 7,948,116 | 2,010,031 | 1,239,236 | (9,726,231) | - | - | |
| Cumulative Yield / Interest Risk Sensitivity Gap | | (8,774,524) | (11,927,279) | (64,129) | (5,988,447) | (3,311,421) | 3,017,647 | 10,965,763 | 12,975,794 | 14,215,030 | 4,488,799 | - | - | |

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| Effective Yield / Interest rate | Total | Exposed to Yield / Interest risk | | | | | | | | Above 10 Years | Non-interest bearing financial instruments | |
|--|-------------|----------------------------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|----------------|--|-----------|
| | | Upto 1 Month | Over 1 to 3 Months | Over 3 to 6 Months | Over 6 Months to 1 Year | Over 1 to 2 Years | Over 2 to 3 Years | Over 3 to 5 Years | Over 5 to 10 Years | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| 4.24% | 10,318,722 | 373,755 | - | - | - | - | - | - | - | - | - | 9,944,967 |
| 6.72% | 1,401,796 | 508,146 | 500,000 | - | - | - | - | - | - | - | - | 393,650 |
| 9.77% | 4,753,113 | 4,153,113 | 600,000 | - | - | - | - | - | - | - | - | - |
| 9.19% | 40,439,935 | 6,137,570 | 11,221,879 | 2,622,041 | 2,506,154 | 9,439 | 2,888,170 | 5,065,520 | 395,049 | 9,566,855 | 1,710,310 | |
| 12.79% | 81,932,379 | 2,722,025 | 10,126,440 | 43,403,961 | 3,631,223 | 5,991,547 | 6,564,744 | 1,676,362 | 606,783 | 3,063,106 | 24,678,888 | |
| - | 3,063,106 | - | - | - | 6,137,377 | 6,018,805 | 5,508,423 | 9,452,914 | 1,001,832 | 1,001,832 | 24,678,888 | |
| Liabilities | | | | | | | | | | | | |
| - | 2,110,211 | - | - | - | - | - | - | - | - | - | - | 2,110,211 |
| 8.79% | 16,669,412 | 6,255,249 | 3,429,353 | 4,208,879 | 130,996 | 400,089 | 572,307 | 642,978 | 865,440 | 164,121 | 20,922,089 | |
| 7.08% | 116,671,219 | 25,915,860 | 21,716,830 | 34,906,831 | 8,244,723 | 924,584 | 1,747,399 | 2,246,801 | 46,102 | - | - | |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13.02% | 7,176 | 233 | 474 | 868 | 1,350 | 4,251 | - | - | - | - | - | 1,440,902 |
| - | 1,440,902 | - | - | - | - | - | - | - | - | - | - | 1,440,902 |
| Off-balance sheet financial instruments | | | | | | | | | | | | |
| Forward Lending | | | | | | | | | | | | |
| (including call lending, repurchase agreement lending, commitments to extend credit, etc.) | | | | | | | | | | | | |
| 1,090,095 | 1,090,095 | 1,090,095 | - | - | - | - | - | - | - | - | - | - |
| Foreign exchange contracts - purchase | | | | | | | | | | | | |
| 18,548,465 | 14,669,863 | 2,220,113 | 1,658,489 | - | - | - | - | - | - | - | - | - |
| Forward borrowings (including call borrowing, repurchase agreement borrowing, etc.) | | | | | | | | | | | | |
| 14,766,871 | 11,254,872 | 3,511,999 | - | - | - | - | - | - | - | - | - | - |
| 4,871,689 | 4,505,086 | (1,291,886) | 1,658,489 | - | - | - | - | - | - | - | - | - |
| Off-balance sheet gap | | | | | | | | | | | | |
| Foreign exchange contracts - sale | | | | | | | | | | | | |
| Total Yield / Interest Risk Sensitivity Gap | | | | | | | | | | | | |
| (13,771,647) | | | | | | | | | | | | |
| Cumulative Yield / Interest Risk Sensitivity Gap | | | | | | | | | | | | |
| (13,771,647) | | | | | | | | | | | | |

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44.3 Liquidity Risk

The Bank's objective of liquidity management is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking sustained damage to business franchises.

The Bank's nature of liquidity risk exposure is that of the risk caused, among others, by the inability of the Bank to settle liabilities on their due date.

The liquidity risk policy is formulated keeping in view SBP's guidelines on risk management, Basel standards and best practices. The bank maintains its liquidity by keeping a level of liquid assets in such amount which is considered sufficient to anticipate payment of customers' deposits.

The Bank manages its liquidity risk through

- Maintaining solvency of the Bank at all times (by monitoring, measuring and limiting liquidity risk)
- Ensuring and managing market access to funding (by diversifying funding sources and asset portfolio mix)
- Optimizing balance sheet structure

The Bank carries out careful monitoring and control of the daily liquidity position, and regular liquidity stress testing under a variety of scenarios. Scenarios encompass both normal and stressed market conditions, including general market crises and the possibility that access to markets could be impacted by a stress event affecting some part of the Bank's business. Exposure to liquidity risk is also monitored through regular review of liquidity risk limits and escalation of any liquidity risk limit excesses to senior management.

44.3.1 Maturities of Assets and Liabilities

| | | 2008 | | | | | | | | | |
|--|-------------|----------------------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|----------------|---|
| | | ----- (Rupees '000') ----- | | | | | | | | | |
| | Total | Upto 1 Month | Over 1 to 3 Months | Over 3 to 6 Months | Over 6 Months to 1 Year | Over 1 to 2 Years | Over 2 to 3 Years | Over 3 to 5 Years | Over 5 to 10 Years | Above 10 Years | |
| Assets | | | | | | | | | | | |
| Cash and balances with treasury banks | 9,355,104 | 9,355,104 | - | - | - | - | - | - | - | - | - |
| Balances with other banks | 793,843 | 793,843 | - | - | - | - | - | - | - | - | - |
| Lending to financial institutions | 12,459,621 | 10,209,752 | 2,249,869 | - | - | - | - | - | - | - | - |
| Investments | 35,176,823 | 3,666,914 | 11,246,444 | 5,349,361 | 59,450 | 196,083 | 2,005,372 | 4,258,692 | 1,725,534 | 6,668,973 | |
| Advances | 80,344,193 | 12,859,076 | 16,914,035 | 18,600,196 | 9,348,134 | 5,293,442 | 7,669,065 | 7,011,143 | 1,624,434 | 1,024,668 | |
| Operating fixed assets | 3,702,426 | 191,385 | 222,537 | 215,644 | 263,445 | 404,259 | 241,345 | 300,149 | 141,008 | 1,722,654 | |
| Intangible assets | 26,664,438 | 24,237 | 48,475 | 72,712 | 145,424 | 247,210 | 289,601 | 514,644 | 130,461 | 25,191,674 | |
| Deferred tax assets | 6,533,228 | 43,199 | 86,398 | 129,597 | 260,582 | (81,721) | (81,721) | 55,532 | 492,930 | 5,628,432 | |
| Other assets | 3,879,439 | 21,881 | 98,706 | 3,169,006 | 355,891 | 121,678 | 43,001 | 68,527 | 749 | - | |
| | 178,909,115 | 37,165,391 | 30,866,464 | 27,536,516 | 10,432,926 | 6,180,951 | 10,166,663 | 12,208,687 | 4,115,116 | 40,236,401 | |
| Liabilities | | | | | | | | | | | |
| Bills payable | 1,432,084 | 1,432,084 | - | - | - | - | - | - | - | - | - |
| Borrowings | 23,651,366 | 12,536,759 | 5,852,819 | 2,989,216 | 216,564 | 569,607 | 367,533 | 607,002 | 511,866 | - | |
| Deposits and other accounts | 104,586,167 | 28,981,957 | 17,577,701 | 9,059,002 | 17,857,025 | 2,828,562 | 4,459,810 | 6,242,222 | 7,623,723 | 9,956,165 | |
| Sub-ordinated loans | 3,999,200 | - | 800 | - | 800 | 1,600 | 1,600 | 667,733 | 3,326,667 | - | |
| Liabilities against assets subject to finance lease | - | - | - | - | - | - | - | - | - | - | |
| Deferred tax liabilities | - | - | - | - | - | - | - | - | - | - | |
| Other liabilities | 5,541,790 | 1,994,229 | 311,311 | 2,276,261 | 575,519 | 164,091 | 130,130 | 33,192 | 57,057 | - | |
| | 139,210,607 | 44,945,029 | 23,742,631 | 14,324,479 | 18,649,908 | 3,563,860 | 4,959,073 | 7,550,149 | 11,519,313 | 9,956,165 | |
| Net assets | 39,698,508 | (7,779,638) | 7,123,833 | 13,212,037 | (8,216,982) | 2,617,091 | 5,207,590 | 4,658,538 | (7,404,197) | 30,280,236 | |
| Share capital | 28,437,271 | | | | | | | | | | |
| Share Deposit Money | 12,000,000 | | | | | | | | | | |
| Reserves | 8,326,684 | | | | | | | | | | |
| Accumulated loss | (7,757,283) | | | | | | | | | | |
| | 41,006,672 | | | | | | | | | | |
| Shares to be issued in pursuance of Scheme of Amalgamation | - | | | | | | | | | | |
| | 41,006,672 | | | | | | | | | | |
| Deficit on revaluation of assets - net | (1,308,164) | | | | | | | | | | |
| | 39,698,508 | | | | | | | | | | |

Current and saving deposits of the Bank are assumed to mature on the basis of historical trends.

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| | Total | Upto 1 Month | Over 1 to 3 Months | Over 3 to 6 Months | Over 6 Months to 1 Year | Over 1 to 2 Years | Over 2 to 3 Years | Over 3 to 5 Years | Over 5 to 10 Years | Above 10 Years |
|--|-------------|--------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|----------------|
| ----- (Rupees '000) ----- | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury banks | 10,318,722 | 10,318,722 | - | - | - | - | - | - | - | - |
| Balances with other banks | 1,401,796 | 901,796 | 500,000 | - | - | - | - | - | - | - |
| Lending to financial institutions | 4,753,113 | 4,153,113 | 600,000 | - | - | - | - | - | - | - |
| Investments | 40,439,935 | 23,763,331 | 8,221,879 | 1,622,031 | 2,506,164 | 27,258 | 9,439 | 1,888,170 | 2,006,614 | 395,049 |
| Advances | 81,932,379 | 4,432,335 | 10,126,440 | 43,403,961 | 3,631,223 | 5,991,547 | 5,498,984 | 6,564,744 | 1,676,362 | 606,783 |
| Operating fixed assets | 3,925,542 | 2,405,946 | 922,435 | 234,578 | 124,534 | 120,234 | 78,934 | 15,433 | 21,097 | 2,351 |
| Intangible assets | 28,039,048 | 24,921 | 49,731 | 84,577 | 169,154 | 327,495 | 278,423 | 556,848 | 1,167,584 | 25,380,315 |
| Deferred tax assets | 2,732,623 | 152,944 | 76,974 | 90,338 | 267,498 | 220,188 | 304,385 | 1,501,315 | 29,681 | 89,300 |
| Other assets | 3,329,283 | 1,589,186 | 859,635 | 432,908 | 191,825 | 125,264 | 87,643 | 16,624 | 23,282 | 2,916 |
| | 176,872,441 | 47,742,294 | 21,357,094 | 45,868,393 | 6,890,398 | 6,811,986 | 6,257,808 | 10,543,134 | 4,924,620 | 26,476,714 |
| Liabilities | | | | | | | | | | |
| Bills payable | 2,110,211 | 1,363,049 | 747,162 | - | - | - | - | - | - | - |
| Borrowings | 16,669,412 | 6,419,470 | 3,429,253 | 4,208,879 | 130,996 | 400,089 | 572,307 | 642,978 | 865,440 | - |
| Deposits and other accounts | 116,671,219 | 44,837,948 | 21,716,831 | 34,906,831 | 8,244,723 | 2,924,564 | 1,747,399 | 2,246,801 | 46,102 | - |
| Sub-ordinated loans | - | - | - | - | - | - | - | - | - | - |
| Liabilities against assets subject to finance lease | 7,176 | 233 | 474 | 868 | 1,350 | 4,251 | - | - | - | - |
| Deferred tax liabilities | - | - | - | - | - | - | - | - | - | - |
| Other liabilities | 4,961,601 | 2,117,059 | 1,302,925 | 697,065 | 290,279 | 301,763 | 106,756 | 101,249 | 44,505 | - |
| | 140,419,619 | 54,737,759 | 27,196,645 | 39,813,643 | 8,667,348 | 3,630,687 | 2,426,462 | 2,991,028 | 956,047 | - |
| Net assets | 36,452,822 | (6,995,465) | (5,839,551) | 6,054,750 | (1,776,950) | 3,181,299 | 3,831,346 | 7,552,106 | 3,968,573 | 26,476,714 |
| Share capital | 22,017,968 | | | | | | | | | |
| Reserves | 719,810 | | | | | | | | | |
| Accumulated loss | (282,604) | | | | | | | | | |
| | 22,455,174 | | | | | | | | | |
| Shares to be issued in pursuance of Scheme of Amalgamation | 14,026,177 | | | | | | | | | |
| | 36,481,351 | | | | | | | | | |
| Deficit on revaluation of assets - net | (28,529) | | | | | | | | | |
| | 36,452,822 | | | | | | | | | |

Current and saving deposits of the Bank are assumed to mature on the basis of historical trends.

44.4 Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Bank seeks to ensure that key operational risks are managed in a timely and effectively manner through a framework of policies, procedures and tools to identify, assess, monitor, control and report such risks.

The key objectives of Operational Risk measurement and management include:

- Ensuring continued solvency of the Bank through capital adequacy and enhanced understanding and management of significant operational risk exposures.
- Ensuring that customer impact is minimized through proactive and focused risk management practices.
- Ensuring senior management attention on significant operational risk exposure areas and that risk mitigation is given prioritized focus.

Notes to the Financial Statements For the year ended December 31, 2008



The Bank's Integrated Risk Management Committee (IRMC) has the responsibility to supervise and direct the management of operational risks and key operational risk exposures. IRMC is also responsible for ensuring that adequate and appropriate policies and procedures are in place for the identification, assessment, monitoring, control and reporting of operational risks.

The Bank has undertaken the following high-level strategic initiatives for the effective implementation of Operational Risk Management:

- Recruiting skilled resources for Operational Risk Management
- Developing policies, procedures and defining end to end information flow to establish a vigorous governance infrastructure.

45. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on March 7, 2009 by the Board of Directors of the Bank.

46. RECLASSIFICATION

Comparative figures of the following operating fixed assets and intangible assets, some of which were assumed upon amalgamation, have been reclassified in notes 14.2 and 15 respectively, to reflect the correct nature of the items.

| | As reported at December 31, 2007 | Transfer to / (from) | Reclassified as at December 31, 2007 |
|--|-------------------------------------|-------------------------|--|
| | ----- (Rupees '000') ----- | | |
| Freehold land | 33,239 | 303,378 | 336,617 |
| Leasehold land | 1,395,296 | (346,474) | 1,048,822 |
| Buildings on freehold land | 106,341 | 372,721 | 479,062 |
| Buildings on leasehold land | 477,422 | (329,615) | 147,807 |
| Furniture and fixtures | 648,771 | (510,724) | 138,047 |
| Electrical office and computer equipment | 221,805 | 279,187 | 500,992 |
| Vehicles | 195,127 | (2,702) | 192,425 |
| Leasehold Improvements | 258,949 | 234,068 | 493,017 |
| Software | 99,070 | 159 | 99,229 |

47. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Khawaja Iqbal Hassan
President / Chief Executive

Francis A. Rozario
Chairman / Director

Tejpal Singh Hora
Director

Syed Aamir Zahidi
Director

Notes to the Financial Statements For the year ended December 31, 2008

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|---------------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 1 | SYED MURAD ALAM ADDRESS: BUILDING # S-01 COMMERCIAL GROUND, HASAN GSM CONSULTANT, FLOOR GULSHAN E JAMAL P.R.E.C.H.S, MAIN RASHID MINHAS ROAD KARACHI | SYED MURAD ALAM | 42101-1798975-1 | SHAH MUHAMMAD | 436 | 66 | - | 502 | 436 | 66 | - | 502 |
| 2 | RIFFAT ULLAH SIDDIQUI ADDRESS: NEAR JAMIA MOSQUE, E-43 RAFAH E AAMI SOCIETY, RAFAH E AAMI MALIR HAIT, KARACHI | RIFFAT ULLAH SIDDIQUI | 42201-0696075-5 | MUHAMMAD ROOH ULLAH SIDDIQUI | 462 | 40 | - | 502 | 462 | 40 | - | 502 |
| 3 | EJAZ AHMAD ADDRESS: OFFICER COLONY# 2, HOUSE# 247/C, NEAR SHARJEEL HOSPITAL, FAISALABAD | EJAZ AHMAD | 33100-7494532-7 | MUSHTAQ AHMED | 492 | 10 | - | 502 | 492 | 10 | - | 502 |
| 4 | CHAUHDRY MUHAMMAD RIAZ ADDRESS: 6-7 ABDULLAH MARKET MAIN, UMER SILK CENTRE, GOLDEN BAZAR CHOWK YATEEM, KHANA BLIND ROAD LAHORE | CHAUHDRY MUHAMMAD RIAZ | 35202-2808447-5 | BHAI KHAN | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 5 | SAJID NAEEM ADDRESS: AL MADINA TRACTOR CHOWK BY PASS, AL MADINA TRACTOR HOUSE, MULTAN. | SAJID NAEEM | 36302-7050172-9 | ABDUL MAJEED | 462 | 40 | - | 502 | 462 | 40 | - | 502 |
| 6 | MUHAMMAD RAFAQAT SHAUKAT ADDRESS: JINNAH PAR KAR SULTAN PURA, HOUSE# 36 STREET# 20, NEAR BILLA GENERAL STORE, LAHORE | MUHAMMAD RAFAQAT SHAUKAT | 35202-2731765-1 | MUHAMMAD SHAUKAT ASMAT | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 7 | MUHAMMAD QASIM ADDRESS: SHOP# 4 GOOD TIME APARTMENT, JAMBO BOOK SALE, BLOCK 13-B OPP BAITUL MUJARRAM, MASJID GULSHAN E IQBAL KARACHI | MUHAMMAD QASIM | 42201-7732173-5 | AHMED | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 8 | TARIQ MEHMOOD ADDRESS: COLONY MANGHOPIRI ROAD FLAT# C-114 1ST FLOOR ZUBARI, NEAR OLD PAK COLONY POLICE STATION, & SIDDIQUI MASJID KARACHI | TARIQ MEHMOOD | 42401-1949024-7 | MUHAMMAD AKBER | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 9 | SHEIKH MUHAMMAD AYUB ADDRESS: NEAR AUCTOR ACADEMY SCHOOL, HOUSE# A-417 SECTOR 11-B, NORTH KARACHI, KARACHI | SHEIKH MUHAMMAD AYUB | 42101-5345035-3 | ABDUL QADIER | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 10 | CHAUDHRY MUHAMMAD USMAN ADDRESS: 8 BASHIR CENTRE, MANSABADERS, PAFKABIR STREET URDU BAZAR, LAHORE | CHAUDHRY MUHAMMAD USMAN | 35202-9181124-1 | CHAUDHRY MUHAMMAD IBRAHIM | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 11 | WAJAHAT ALI ADDRESS: SHOP# 99 BALOUCHE PARK, WAJAHAT ALI & CO., NEW TRAJ MAHAL MARKET, M/A JINNAH ROAD KARACHI | WAJAHAT ALI | 42201-6976969-3 | MUHAMMAD MUSTAFA | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 12 | ASIF MALIK | ASIF MALIK | 42201-2598133-9 | ALLAH DIN | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 13 | MAGSOOD AHMAD ADDRESS: P-386 CHAK# 224, PAPER CONE, R B FATEH DIN WALLI, FAISALABAD | MAGSOOD AHMAD | 33100-9431902-9 | GHULAM MUSTAFA | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 14 | SHAKEEL AHMED ADDRESS: UNIT# S-43-S-58 FALAK NAZ HEIGHTS, ESNAF GLOBAL MARKETING SERVICES, MAIN SHAHRAH E FAISAL OPP JINNAH, TERMINAL KARACHI | SHAKEEL AHMED | 42501-2926621-7 | MUHAMMAD IKRAMUL HAQ | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 15 | MOHAMMAD RIZWAN KHAN ADDRESS: NORTH NAZIMABAD NEAR NOOR JAHAN, HOUSE # C-153 BLOCK -C, POLICE STATION AND ASGHAR, STADIUM. | MOHAMMAD RIZWAN KHAN | 42101-5249807-7 | MOHAMMAD MASHALLAH KHAN | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 16 | MOHAMMAD ASHRAF ADDRESS: SHOP# 7 MEMON MARKET RAMPARTI MITHANI BROTHERS, ROAD JODIA NEAR ACHAI KABBAR, KARACHI | MOHAMMAD ASHRAF | 42301-4576336-9 | MOHAMMAD | 438 | 64 | - | 502 | 438 | 64 | - | 502 |

Notes to the Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|---|---|-----------------|-------------------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 17 | MUHAMMAD ASIF HABIB ADDRESS: NEAR OMER MASJID, R # 1457 BL/F 18 FB AREA, KARACHI. | MUHAMMAD ASIF HABIB | 42101-8496349-3 | MUHAMMAD HABIB | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 18 | MUHAMMAD ZUBAIR MASOOD ADDRESS: NORTH KARACHI SECTOR# 7D/3, HOUSE# R-221, NEAR HIRA MASJID, KARACHI | MUHAMMAD ZUBAIR MASOOD | 42101-4496881-9 | ABDUL ALI KHAN | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 19 | MUKHTAR AHMED ADDRESS: FB AREA BLOCK 5, FLAT#C-117 AREA USMAN ARCADE, KARACHI. | MUKHTAR AHMED | 42000-0539931-7 | MUSHI QAIM DEEN | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 20 | ABDUL WAHEED ADDRESS: MUHALLAH RAMZAN STREET, ASHYANA RAMZAN, SHAH GOHAR ABAD, LAHORE | ABDUL WAHEED | 35201-6778903-3 | HAFIZ ABDUL RAHEEM | 462 | 40 | - | 502 | 462 | 40 | - | 502 |
| 21 | MALIK MUHAMMAD JAMSHAD AWAN ADDRESS: HAZOORI BAGH ROAD, AWAN BROTHER SANITARY STORE, MULTAN. | MALIK MUHAMMAD JAMSHAD AWAN | 36302-7467142-5 | MALIK MUHAMMAD SHAFI AWAN | 489 | 15 | - | 504 | 489 | 15 | - | 504 |
| 22 | MUHAMMAD TANVEER SAJJID ADDRESS: SHOP# 50 COMMERCIAL CENTRE, AL QURESHI TRADING COMPANY, AL QURESHI TOWN PHASE-II SHER, SHAH ROAD MULTAN. | MUHAMMAD TANVEER SAJJID | 36303-0938673-3 | ANJEER MOHAMMAD KHAN SAJJID | 464 | 40 | - | 504 | 464 | 40 | - | 504 |
| 23 | KHAWAJA SHAH RUKH SIDDIQUEI ADDRESS: SHOP# 42 AL ARCADE MOBILE CLUB, KACHERY CHOWK LIMQ, ROAD MULTAN. | KHAWAJA SHAH RUKH SIDDIQUEI | 36302-6591644-1 | KHAWAJA HAFEEZ UR REHMAN SIDDIQI | 439 | 66 | - | 505 | 439 | 66 | - | 505 |
| 24 | SAMEER FAYAZ KHAN ADDRESS: JALALI STREET, HOUSE# 93 BLOCK 0, AL FASAL TOWN, LAHORE CANTT. | SAMEER FAYAZ KHAN | 35201-1496828-1 | FAYAZ ALAM KHAN | 465 | 40 | - | 505 | 465 | 40 | - | 505 |
| 25 | MUHAMMAD JAVID IQBAL ADDRESS: SADIQUE GUNJ, HOUSE# 10-A SHOLEI# 11, HIRSHAN PURA NEAR NA KHUDDA CHOWK, LAHORE | MUHAMMAD JAVID IQBAL | 35202-9496484-9 | SH M SHARIF | 466 | 40 | - | 506 | 466 | 40 | - | 506 |
| 26 | CHAUDHRY HAMID MEHMOOD ADDRESS: MOHALLAH DATA NAGAR, HOUSE# 1 STREET# 13, BADAMI BAGH, LAHORE | CHAUDHRY HAMID MEHMOOD | 35202-8571886-7 | CHODHRY GHULAM NABI | 506 | - | - | 506 | 506 | - | - | 506 |
| 27 | KAMRAN KHAN ADDRESS: SHOP # 38 3RD FLOOR, MR MOBILES, NEW RAFT PLAZA MALL ROAD, LAHORE | KAMRAN KHAN | 35202-2304029-5 | ABDUL SATTAR KHAN | 467 | 40 | - | 507 | 467 | 40 | - | 507 |
| 28 | MUHAMMAD RIZWAN ASHRAF ADDRESS: SHOP# 215 MAIN JHANG BAZAR, M SHAFI & SONS, FAISALABAD. | MUHAMMAD RIZWAN ASHRAF | 33100-0614182-9 | CHAUDHRY MUHAMMAD ASHRAF | 443 | 64 | - | 507 | 443 | 64 | - | 507 |
| 29 | MUHAMMAD FIAZ ADDRESS: MOHALLA BANGALI SADAR BAZAR, HOUSE# 1198 STREET# 92, OPPOSITE CANTONMENT HOSPITAL, CANTT LAHORE | MUHAMMAD FIAZ | 35201-1407183-5 | HAJI NIAZ MOHAMMAD | 465 | 43 | - | 508 | 465 | 43 | - | 508 |
| 30 | AOURANGZAIB ADDRESS: SHOP# 1 & 3 PLOT# 771-C BLOCK 2, ZAB BROTHERS, PECHS TARIQ ROAD NEAR DOLMENT, CENTRE KARACHI. | AOURANGZAIB | 54203-2272316-5 | HAJI ALI SHAH | 443 | 64 | - | 507 | 443 | 64 | - | 507 |
| 31 | SHABIR AHMED ADDRESS: A 15 USMAN PLAZA THE REGENT SINDH INTERNATIONAL, SB 37 GULSHAN-E-IOBAL BLOCK 13 B, KARACHI | SHABIR AHMED | 42201-6125540-5 | QADER BUX | 443 | 64 | - | 507 | 443 | 64 | - | 507 |
| 32 | SHAHID AZIZ ADDRESS: SIR SYED TOWN, HOUSE# R-340 SECTOR# 11-C-3, NORTH KARACHI NEAR NOMANVA MASJID KARACHI | SHAHID AZIZ | 42101-0817269-3 | ABDUL AZIZ | 443 | 64 | - | 507 | 443 | 64 | - | 507 |
| 33 | ALI MURTAZA ADDRESS: GULSHAN E IOBAL HOUSE# A-20 BLOCK# 5, NEAR SAMDANI HOSPITAL, KARACHI. | ALI MURTAZA | 42201-0377880-9 | SYED AMEER UDDIN AHMED KAZMI | 443 | 64 | - | 507 | 443 | 64 | - | 507 |

Notes to the Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total |
|-------|--|---|-----------------|----------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | |
| 34 | RANA MUHAMMAD JAVAD ADDRESS: SECTOR D II GREEN TOWN, HOUSE 422 BLOCK 5, LAHORE. | RANA MUHAMMAD JAVAD | 35202-2708305-3 | MIAN MUHAMMAD DIN | 508 | - | 508 | 508 | - | - | 508 |
| 35 | MOHAMMAD YAWAR SHAH ADDRESS: UBL STREET PREEES JUNG, FLAT# 31 & 36 MAMOON PLAZA, 11 CHUNDRIGAR ROAD NEAR UBL, KARACHI | MOHAMMAD YAWAR SHAH | 42301-8927502-1 | BAHADUR KHAN | 444 | 65 | 444 | 444 | 65 | - | 509 |
| 36 | RASHID ULLAH ADDRESS: F B AREA, HOUSE# 453/15, NEAR T GROUND, KARACHI | RASHID ULLAH | 42101-1798130-1 | QUDRAT ULLAH | 444 | 65 | 444 | 444 | 65 | - | 509 |
| 37 | MUHAMMAD SHAFIQUE ADDRESS: SAIDPUR ROAD, HOUSE# NW 700-A, NEAR WITE TANKI, RAWALPINDI | MUHAMMAD SHAFIQUE | 37405-4597266-1 | MUHAMMAD HANIF | 444 | 65 | 444 | 444 | 65 | - | 509 |
| 38 | ALTAF HUSSAIN GANATARA ADDRESS: SHOP# 135 AL FALAH MARKET, SPACE # NK, ABDULLAH HAROON ROAD, KARACHI. | ALTAF HUSSAIN GANATARA | 42101-9675430-9 | ABDULLAH GANATARA | 444 | 65 | 444 | 444 | 65 | - | 509 |
| 39 | ALTAF HUSSAIN ADDRESS: SHOP# 1, STREET# 14, MAKKAH MARKET APARTMENTS, NEW ANARKALI NEAR ALFALAH CENTER, DIGLUS PURA FAISALABAD | ALTAF HUSSAIN | 33100-0945017-1 | MUHAMMAD SAEED AHMAD | 444 | 65 | 444 | 444 | 65 | - | 509 |
| 40 | HAMID JAVED ADDRESS: 85 I&T CENTRE SECTOR# G-8/1, NEW UNIQUE ENTERPRISE, ISLAMABAD. | HAMID JAVED | 37405-0682866-1 | RAHIM BUKSH QADRI | 444 | 65 | 444 | 444 | 65 | - | 509 |
| 41 | ASGHAR ALI ADDRESS: SHEIKHU PURA ROAD, REHMANIA CORPORATION, NEAR STEAM POWER, FAISALABAD | ASGHAR ALI | 33100-4900914-9 | BASHIR AHMAD | 444 | 65 | 444 | 444 | 65 | - | 509 |
| 42 | SAJJAD SOHAIL GHOURI ADDRESS: 166-LYRIC, CINEMA SODIWAJ STOP, GHOURY STEEL FURNITURE, MULTAN ROAD LAHORE. JAHAN GIR, MARKET LAHORE | SAJJAD SOHAIL GHOURI | 35202-9338589-3 | MUHAMMAD GHORI | 444 | 65 | 444 | 444 | 65 | - | 509 |
| 43 | MUHAMMAD IDREES ADDRESS: OPP MCB MAIN BRANCH CIRCULAR ROAD, TYRE CENTRE, FAISALABAD. | MUHAMMAD IDREES | 33100-9019236-5 | ZIA UL HAQ | 444 | 65 | 444 | 444 | 65 | - | 509 |
| 44 | MUHAMMAD HUSSAIN ADDRESS: SHOP# 5 FARHAN MANSION NEAR, AL HUSSAIN ELECTRIC, MACHIMIAN MARKET KHARADAR, KARACHI. | MUHAMMAD HUSSAIN | 42301-0760889-5 | MUHAMMAD LATIF | 469 | 40 | 469 | 469 | 40 | - | 509 |
| 45 | MOHAMMAD WAQAS CHAUDHRY ADDRESS: OFFICE 21, 2ND FLOOR, CHAUDHRY TRADERS, MASHALLAH PLAZA ASGHAR MALL CHOWK, RAWALPINDI. | MOHAMMAD WAQAS CHAUDHRY | 37405-2563233-3 | MUHAMMAD JAHANGIR | 438 | 75 | 438 | 438 | 75 | - | 513 |
| 46 | SYED SHAFQAT ALI NAQVI ADDRESS: 700-RAI SHAHEED ROAD, HOUSE -502 ASKARI HOUSING COMPLEX, LAHORE. | SYED SHAFQAT ALI NAQVI | 35201-7253217-3 | SYED KAFAYAT ALI NAQVI | 447 | 65 | 447 | 447 | 65 | - | 512 |
| 47 | AAMIR MUSTAFA SIDDIQUI ADDRESS: MEET SATWAN MEEL NEAR GAZI MEET SATWAN JIROULIMP NEAR COLONY, TEXTILE MILLS MULTAN. | AAMIR MUSTAFA SIDDIQUI | 36302-9561529-5 | KHALID MUSTAFA SIDDIQUI | 513 | - | 513 | 513 | - | - | 513 |
| 48 | HUMAIR SALEEM SEHGAL ADDRESS: MALIK SAITAR CHOWK, SHAHZAI TRADERS, JHANG ROAD, FAISALABAD | HUMAIR SALEEM SEHGAL | 33100-9406467-1 | QAMAR SALEEM SEHGAL | 513 | - | 513 | 513 | - | - | 513 |
| 49 | FARHAN WAHEED IQBAL ADDRESS: SHOP# 1, B RUKHNUDDIN FLATS, K R COMMUNICATION, BLOCK 1 F B AREA NEAR INP, KARACHI. | FARHAN WAHEED IQBAL | 42201-0469280-3 | WAHEED IQBAL QURESHI | 449 | 65 | 449 | 449 | 65 | - | 514 |
| 50 | SULTAN HAIDER JAVA ADDRESS: SHOP# 2 RAHAT MANZIL TAYYAB JI ROAD, JAWA INSIGHT MEMBER TRADERS, SHARAF E UJAQUAT PAPER MARKET, KARACHI. | SULTAN HAIDER JAVA | 42301-1171228-3 | ZAH-EER HAIDER | 449 | 65 | 449 | 449 | 65 | - | 514 |
| 51 | REHMAN ULLAH KHAN ADDRESS: STREET# 4 PHASE 1, FLAT# C2 GROUND FLOOR, NEAR IQORA UNIVERSITY DEFENCE, CLIFTON KARACHI | REHMAN ULLAH KHAN | 42201-6590661-1 | AMAN ULLAH KHAN | 449 | 65 | 449 | 449 | 65 | - | 514 |

Notes to the Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|-------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 52 | MUHAMMAD SHAFIQ ADDRESS: 24/25 MIAN TRUST, JAPAN BATTERY SERVICE, MARKET GENERAL BUS STAND, FAISALABAD. | MUHAMMAD SHAFIQ | 33100-5987637-7 | HAJI MUHAMMAD NAZIR | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 53 | AMIR ADDRESS: F-314 SITE KARACHI SUNRISE WEAVING NEAR BARRATE HOGSON COMPANY, KARACHI. | AMIR | 42301-6236086-9 | YOUNUS | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 54 | MUHAMMAD KHALID ADDRESS: AL HASHIM ARCADE PLOT# 435, FLAT# 503 5TH FLOOR, ADAM JEE NAGAR BLOCK# 7/8, PECHS KARACHI | MUHAMMAD KHALID | 42201-5672639-7 | ABDUL RAZAQ PASTA | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 55 | MUHAMMAD BADAR UZAMAN ADDRESS: 451, JINNAH COLONY NARRWALA ROAD, SAJEN ALLAH RAKHA AUTOES STORE, NEAR NADIR CINEMA, FAISALABAD | MUHAMMAD BADAR UZAMAN | 33100-0733216-1 | MUHAMMAD YOUNAS | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 56 | GOHAR ALI ADDRESS: OFFICE# AM-36/37 BEACH BLESSING ALZ LOGISTIC CELL CENTRE OPP CHINA TOWN BLOCK# 2, RESTAURANT CLIFTON KARACHI | GOHAR ALI | 16102-2307548-3 | FAZAL HADI | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 57 | MUHAMMAD MUSTAFA ADDRESS: SHOP# 65 AL BURHAN BUILDING, YOURS COMPUTER BLOCK-E NORTH NAZIMABAD, NEAR MOBILINK FRANCHISE KARACHI | MUHAMMAD MUSTAFA | 42101-1807022-5 | MUSTAFA AHMED ALI | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 58 | ABDULLAH HAROON MEMON ADDRESS: MEHRAN EXCELLENCY BATH ISLAND, FLAT# 216 2ND FLOOR, NEAR OLD CLIFTON BRIDGE CLIFTON, KARACHI | ABDULLAH HAROON MEMON | 41204-7989622-3 | MUHAMMAD HAROON | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 59 | MUHAMMAD FAROOQ ADDRESS: SHOP # 90, A STREET # 35, FAROOQ OLD METAL, MILLAT STREET FAZAL PARK, MISRI, SHAH LAHORE | MUHAMMAD FAROOQ | 35202-2401373-5 | MIRAJ DIN | 449 | 66 | - | 515 | 449 | 66 | - | 515 |
| 60 | SHAIKAT KHAN ADDRESS: 28 SOF SHEKHU PURA, KHAN BROTHERS & CO, ROAD SHAHDARA, LAHORE | SHAIKAT KHAN | 13302-0398861-1 | ABDUL RAHEEM KHAN | 447 | 68 | - | 515 | 447 | 68 | - | 515 |
| 61 | MUHAMMAD NASIR ASHFAQ ADDRESS: ROOM# 309 3RD FLOOR, SIGMA ENTERPRISES, DASHIYAR CHAMBER UNIVERSITY ROAD, BLOCK# 13-C GULSHAN E IQBAL, KARACHI | MUHAMMAD NASIR ASHFAQ | 42101-1570760-1 | MOHAMMAD ASHFAQ | 450 | 66 | - | 516 | 450 | 66 | - | 516 |
| 62 | NAVEED MUHAMMAD SHEIKH ADDRESS: SHOP# 16 JUNAID PLAZA BLOCK 6, SONERI TRADERS, GULSHAN E IQBAL, KARACHI | NAVEED MUHAMMAD SHEIKH | 42201-1472310-5 | MOHAMMAD IQBAL SHEIKH | 449 | 67 | - | 516 | 449 | 67 | - | 516 |
| 63 | SARDAR MUHAMMAD AJMAL ADDRESS: MUHALA SANDA, HOUSE#14, STREET #2, ZAHID STREET, KHUHD NEAR TAKIA, MEHMOOD SHAH, LAHORE. | SARDAR MUHAMMAD AJMAL | 35202-9417499-9 | MUHAMMAD ASHRAF | 475 | 41 | - | 516 | 475 | 41 | - | 516 |
| 64 | MUHAMMAD IMRAN ADDRESS: NEW MULTAN NEAR GHIOUS, HOUSE# 18 STREET-N BLOCK-Z, PURA MULTAN. | MUHAMMAD IMRAN | 36302-7863583-3 | ABDUL WAHEED | 474 | 42 | - | 516 | 474 | 42 | - | 516 |
| 65 | KAMRAN SADDIQUE ADDRESS: 13-B GROUND FLOOR HAFEEZ CENTRE, BLUE BELLS COMMUNICATION, GULBERG 3, LAHORE | KAMRAN SADDIQUE | 35202-8351440-5 | RIASAT HUSSAIN | 476 | 41 | - | 517 | 476 | 41 | - | 517 |
| 66 | RASHEED AHMED AWAN ADDRESS: SUPPLIER, AWAN BUILDERS GENERAL ORDER, 25/16/1 DARBAR HAFIZ JAMAL ROAD, UPPER PORTION MULTAN | RASHEED AHMED AWAN | 36302-4104344-5 | HABIB AHMED AWAN | 476 | 42 | - | 518 | 476 | 42 | - | 518 |
| 67 | ABDUL GHANI IMAMDANI ADDRESS: 3RD FLOOR TARU NARU LANE, O-T -8/41-42 SABOONI MANSION, MITHADAR, KARACHI | ABDUL GHANI IMAMDANI | 42301-1271638-3 | AHMED ISMAEEL MAMDANI | 454 | 65 | - | 519 | 454 | 65 | - | 519 |

Notes to the Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|---|---|-----------------|-------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 68 | MUHAMMAD MUBEEN ADDRESS: SHOP # 4 FIRST FLOOR, MUBREEN CHOCKERY, NATIONAL BARA MARKET SHAHALAMI, MARKET LAHORE | MUHAMMAD MUBEEN | 35202-2630194-1 | KARAM BUKSH | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 69 | MALIK ZAHEER YOUNAS ADDRESS: MOHALLAH OASIS ABAD, HOUSE# L 177 STREET# 13, RAWALPINDI. | MALIK ZAHEER YOUNAS | 37405-0509158-5 | MALIK MUHAMMAD YOUNAS | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 70 | MALIK MOHAMMAD EJAZ ADDRESS: MODEL COLONY, HOUSE# D-20 STREET# 26, NEAR LEE BROST, KARACHI | MALIK MOHAMMAD EJAZ | 42501-3170965-9 | MALIK RAISHAM KHAN | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 71 | AFTAB AHMED ADDRESS: MARIA LUXURY APARTMENT SECTOR FLAT# A-357 BLOCK 1, 14IB NORTH KARACHI, OPP KARACHI BROST KARACHI | AFTAB AHMED | 42101-7982043-5 | MOHAMMAD YASEEN KHAN | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 72 | MOHAMMAD SHAMIM ADDRESS: MARIOT ROAD DENSO HALL, NASEEM BROTHERS, QUETTA WALA BUILDING MR 129, MEDICINE MARKET KARACHI | MOHAMMAD SHAMIM | 42101-3147374-1 | MOHAMMAD YOUSUF | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 73 | MUNIR AHMED KHAN ADDRESS: OFFICE# 55/62 2ND FLOOR, FUTURE VISION, ZEESHAN PLAZA BANK ROAD, SADDAR RAWALPINDI | MUNIR AHMED KHAN | 37405-0375008-5 | MAROOF KHAN | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 74 | NOOR AHMED TAHIR BHATTI ADDRESS: OFFICE# 6 SHALIMAR HEIGHTS DIVINE LIGHT AVIATION TRAVELS, MAZNAINE FLOOR MAIN UNIVERSITY ROAD, NEAR NED UNIVERSITY KARACHI | NOOR AHMED TAHIR BHATTI | 42501-7283766-9 | MUHAMMAD DIN | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 75 | SHEIKH NADEEM AKHTAR ADDRESS: PLOT# 10 MARKET SHAHZADA OPTICO, SHAHALAMI GATE, LAHORE | SHEIKH NADEEM AKHTAR | 35202-2974145-5 | MUNAWAR HUSSAIN | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 76 | MOHAMMAD IRFAN PARKAR ADDRESS: KOKAN SOCIETY, HOUSE# 121, ALAMGIR ROAD, KARACHI | MOHAMMAD IRFAN PARKAR | 42000-0509176-5 | ABDUR REHMAN | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 77 | NAZIM ALI ADDRESS: CB-4 GROUND FLOOR BLOCK #1, M/S KAWISH PRINTERS, AL KARAM SQUARE F-C AREA KARACHI | NAZIM ALI | 42201-7857254-5 | HAIDER ALI | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 78 | MOHAMMAD SALEEM KHANI ADDRESS: COMMERCIAL AREA SAEEDABAD, HOUSE# 78 SECTOR# A-3, BALDIA TOWN NEAR AKRAM FURNITURE, KARACH | MOHAMMAD SALEEM KHAN | 42401-8377988-9 | MOHAMMAD HAROON KHAN | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 79 | MUHAMMAD SHABIR SHEHZAD ADDRESS: P-20 X-BLOCK SAIFULLAH SHAHEED, ZEESHAN PHOTOS & PHOTO STATE, ROAD MADINA TOWN NEAR, BISMILLAH CHOWK FAISALABAD | MUHAMMAD SHABIR SHEHZAD | 33100-7007689-1 | MUHAMMAD SHARIF | 454 | 66 | - | 520 | 454 | 66 | - | 520 |
| 80 | IMRAN ADDRESS: SHOP# G-166 RAINBOW CENTRE, HAJRA GARMENTS & HOSIERY, NEAR IMPRESS MARKET SADDAR, KARACHI | IMRAN | 42201-0639197-1 | ABA ALI | 454 | 68 | - | 522 | 454 | 68 | - | 522 |
| 81 | SULTAN AHMED ADDRESS: GULSHAN HOUSE LABOUR, HOUSE# M-229 NEW, SQUARE SITE BLOCK-M, KARACHI | SULTAN AHMED | 42401-3407201-1 | SIRAJ MUHAMMAD | 481 | 41 | - | 522 | 481 | 41 | - | 522 |
| 82 | NASIR MEHMOOD ADDRESS: GUN MUGHAL PURA, HOUSE# 39 STREET# 26, NEAR CORPORATION DISPANCARY, LAHORE CANTT | NASIR MEHMOOD | 35201-1882048-1 | GHULAM RASOOL | 481 | 42 | - | 523 | 481 | 42 | - | 523 |
| 83 | ZULFIQAR ALI BHATTI ADDRESS: 30/281 MALIR MANDIR, HASNAIN TRADERS, BUS STOP MAIN NATIONAL HIGHWAY ROAD, KARACHI | ZULFIQAR ALI BHATTI | 35103-0185355-7 | HAKIM ALI BHATTI | 457 | 67 | - | 524 | 457 | 67 | - | 524 |
| 84 | MUHAMMAD ARSHAD ABBASI ADDRESS: PLOT# 10 MARKET SHAHZADA OPTICO, SHAHALAMI GATE, LAHORE OPPOSITE ABBASI CNG CRICKET STADIUM, DOUBLE ROAD RAWALPINDI | MUHAMMAD ARSHAD ABBASI | 37405-2984736-7 | MUHAMMAD SAKHI ABBASI | 483 | 41 | - | 524 | 483 | 41 | - | 524 |

Notes to the Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|-----------------|-----------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | |
| 85 | DILIP KUMAR ADDRESS: OFFICER# 3 10TH FLOOR SHARJAH, ANAND TRADERS, TRADE CENTRE ALTAJAF HUSSAIN ROAD, NEAR NEW CHALLI KARACHI | DILIP KUMAR | 42301-1197903-1 | MANGO MAL | 483 | 41 | - | 483 | 41 | - | 524 |
| 86 | NAEEM AKRAM ADDRESS: HABIB COLONY OPP SHAISTA, IQRA ELECTRONICS, CLINIC SHER SHAH ROAD, MULTAN | NAEEM AKRAM | 36104-0414704-5 | MUHAMMAD AKRAM | 455 | 69 | - | 455 | 69 | - | 524 |
| 87 | RASHID MEHMOOD ADDRESS: SHOP# 18 SECTOR 9-C BALDIA TOWN, MINHAS VETINARY, NEAR QAZI HOSPITAL & AL-MUSTAFA, WELFER HOSPITAL KARACHI | RASHID MEHMOOD | 37101-6711123-1 | HAQ NAWAZ | 455 | 69 | - | 455 | 69 | - | 524 |
| 88 | RAFIQ UR REHMAN ADDRESS: GULSHAN E IQBAL, NEAR RABIA, HOUSE# A-37 BLOCK 13/D-3, LAVIN KARACHI. | RAFIQ UR REHMAN | 42000-6669937-9 | RAHIM BAKSH | 455 | 69 | - | 455 | 69 | - | 524 |
| 89 | SARDAR GHUJALM FAREED TAGAR ADDRESS: SHOP# 9 PLOT# 1 COMMERCIAL MARKET 3, RAZIK RAHIM ENTERPRISES, PHASE 2 NEAR MASJID SAHIB E ASAR, GULSHAN E HADEED KARACHI | SARDAR GHUJALM FAREED TAGAR | 42501-5496974-7 | SARDAR BUX | 455 | 69 | - | 455 | 69 | - | 524 |
| 90 | MUHAMMAD UMAR ADDRESS: G-145 RAINBOW CENTRE, DELTA VIDEO, SADDAR, KARACHI | MUHAMMAD UMAR | 42301-8471913-5 | MUHAMMAD TAYYAB | 459 | 67 | - | 459 | 67 | - | 526 |
| 91 | YASIR EHSAN KHAN ADDRESS: GULSHAN E SAJA STREET # 21, FLAT# B-1 1ST FLOOR ROSE, SECTOR # 11-B NORTH KARACHI, KARACHI | YASIR EHSAN KHAN | 42101-4433940-3 | MUHAMMAD EHSAN KHAN | 459 | 67 | - | 459 | 67 | - | 526 |
| 92 | SHAHID KHAN ADDRESS: S-SHANDAR AUTO MARKET, SHAHID KHAN AUTO, BADAMI BAGH, LAHORE | SHAHID KHAN | 35202-5636985-7 | GULL GHANI | 459 | 67 | - | 459 | 67 | - | 526 |
| 93 | MUHAMMAD ISHAQ ADDRESS: SHOP# D-1 AL ASIF SQUARE, KHURRAM TRADERS, SCHEME 33 NEAR SUPER HIGHWAY, KARACHI | MUHAMMAD ISHAQ | 42501-1455010-7 | GHULAM DASTAGIR | 459 | 67 | - | 459 | 67 | - | 526 |
| 94 | SYED SHAHID HUSAIN KAZMI ADDRESS: NEW SAEEDABAD BALDIA, HOUSE# 438 SECTOR# 4-F, TOWN NEAR TOTAL PUMP, KARACHI | SYED SHAHID HUSAIN KAZMI | 42401-3702762-5 | ANWER SHAH | 459 | 67 | - | 459 | 67 | - | 526 |
| 95 | MUHAMMAD SAJJAD ADDRESS: COLONY# 1 JARANWALA ROAD, HOUSE# 23-A KHAKASHAN, NEAR LAST STOP, FAISALABAD | MUHAMMAD SAJJAD | 33100-0412075-1 | MUHAMMAD HASSAN | 459 | 67 | - | 459 | 67 | - | 526 |
| 96 | SYED MEHBOOB UDDIN HUSSAIN QADRI ADDRESS: PLOT# 104 CP BERAR HOUSING SOCIETY, SADAT ASSOCIATES, STREET # 9 BLOCK 3 BAHARABAD, KARACHI | SYED MEHBOOB UDDIN HUSSAIN QADRI | 42101-6418637-1 | SYED QADRI HUSSAIN QADRI | 459 | 67 | - | 459 | 67 | - | 526 |
| 97 | BILAL YOUSAF ADDRESS: SECTOR W-1 B-34, GULSHAN E MAYMAR, KARACHI | BILAL YOUSAF | 42101-1806675-5 | MUHAMMAD YOUSAF KHAN | 459 | 67 | - | 459 | 67 | - | 526 |
| 98 | MALIK MUHAMMAD JAMIL ADDRESS: OFFICER# 13 SKYRWAR PLAZA OPPOSITE J.S. TRADERS, JEWELRY MARKET SADQABAD, RAWALPINDI | MALIK MUHAMMAD JAMIL | 37405-0657269-1 | MALIK MUNIF KHAN | 459 | 67 | - | 459 | 67 | - | 526 |
| 99 | ARSHAD HANIF ADDRESS: CHINIA STREET DEPUTY SHAWHANIE MEMORIAL MEDICAL CNTR, YACOUB COLONY BAGHBAN PURA, LAHORE | ARSHAD HANIF | 35200-1480246-3 | MOHAMMAD HANIF | 459 | 67 | - | 459 | 67 | - | 526 |
| 100 | MUHAMMAD IRFAN SOHAIL RAZA ADDRESS: CHINOTI BAZAR NEAR, BISMILLAH BAGHIN STORE, JAHANGIR MURAG PULAO, FAISALABAD | MUHAMMAD IRFAN SOHAIL RAZA | 33100-1012959-9 | MUHAMMAD RAMZAN | 459 | 67 | - | 459 | 67 | - | 526 |
| 101 | MUHAMMAD AKHTAR ADDRESS: F. BAREA NEAR, HOUSE # R-821 1ST FLOOR BLOCK 19, AL NOOR HOSPITAL, KARACHI | MUHAMMAD AKHTAR | 42101-3706523-9 | ACHCHAN MIAN | 505 | 23 | - | 505 | 23 | - | 528 |

Notes to the Financial Statements For the year ended December 31, 2008


NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

 Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|----------------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 102 | MUHAMMAD PERVAIZ AKHTAR ADDRESS: 1ST FLOOR MARRHABA TOWER, AL FURQAN ENTERPRISES, COMMERCIAL ZONE #8 KARIM BLOCK, ALLAMA IQBAL TOWN LAHORE | MUHAMMAD PERVAIZ AKHTAR | 35101-3513634-7 | MUHAMMAD SHARIF | 486 | 42 | - | 528 | 486 | 42 | - | 528 |
| 103 | SALMAN UMER QURESHI ADDRESS: ALLAMA IQBAL TOWN, HOUSE# 246-G PAK BLOCK, STANDARD CHARTERED BANK, LAHORE | SALMAN UMER QURESHI | 35202-8748936-9 | MUHAMMAD UMER QURESHI | 528 | - | - | 528 | 528 | - | - | 528 |
| 104 | ATIF IFTIKHAR ADDRESS: ROAD LAHORE, HOUSE #2 GULFISHAN COLONY MULTAN. | ATIF IFTIKHAR | 35202-6639179-5 | IFTIKHAR SAEED LIAM | 483 | 47 | - | 530 | 483 | 47 | - | 530 |
| 105 | SYED ATTA UR REHMAN ADDRESS: SHOP# 02 BUTT PLAZA CHOWK MATTI, REHMAN MEDA HOUSE, NEW BAZAR LOHARI, LAHORE | SYED ATTA UR REHMAN | 35202-8221341-1 | SYED SHAFIQUE UR REHMAN SABIR | 485 | 44 | - | 529 | 485 | 44 | - | 529 |
| 106 | MUHAMMAD REHMAN ADDRESS: HAMEED CENTRE YARN MARKET, OFF # 5 GROUND FLOOR, MONTGOMERY BAZAR, FAISALABAD | MUHAMMAD REHMAN | 33100-6976361-3 | HAJI SHAMAS UDDIN | 462 | 68 | - | 530 | 462 | 68 | - | 530 |
| 107 | RAHEEL BUTT ADDRESS: SERVICE, MODERN MEDICINE CO, SHOP# 2674 SADDAR, CHOTA BAZAR NEAR, HATHI CHOWK RAWALPINDI | RAHEEL BUTT | 37405-9068329-5 | TARIQ BUTT | 460 | 70 | - | 530 | 460 | 70 | - | 530 |
| 108 | MUHAMMAD NASEER KHAN ADDRESS: YOUNG KHAPAT, M NASEER DYEING, INDUSTRIAL ESTATE, LAHORE | MUHAMMAD NASEER KHAN | 35202-2791709-5 | KHAN MUHAMMAD KHAN | 460 | 70 | - | 530 | 460 | 70 | - | 530 |
| 109 | MUHAMMAD KAMAL KHAN ADDRESS: SHOP # SP-4 MEZZENINE FLOOR, SUPER STAR ADVERTISING, BLOCK#2 AL KARAWI SQUARE, KARACHI | MUHAMMAD KAMAL KHAN | 42201-1299227-9 | MUHAMMAD AFSAR KHAN | 460 | 70 | - | 530 | 460 | 70 | - | 530 |
| 110 | MUHAMMAD YOUSUF ADDRESS: SHOP# 16 NADIA SQUARE, M SUJAMAN & SONS, NEAR DISCO BAKERY GULSHAN, E IQBAL, KARACHI | MUHAMMAD YOUSUF | 45402-9142096-1 | MUHAMMAD SULEMAN | 460 | 70 | - | 530 | 460 | 70 | - | 530 |
| 111 | RAIS GHULAM MUSTAFA ADDRESS: FLAT# 71-G BLOCK N, J.R TRADER, MODEL TOWN EXT, LAHORE | RAIS GHULAM MUSTAFA | 31301-1483036-3 | RAIS MEERAN | 464 | 68 | - | 532 | 464 | 68 | - | 532 |
| 112 | WAQAR WAHEED KHAN ADDRESS: AL GAMER CENTRE SHOP# 1, AL RAHEEM GARMENTS, BACK SIDE RIAZ BUILDING RANG MAHAL, KHAN LAHORE | WAQAR WAHEED KHAN | 35202-1336666-5 | MUHAMMAD WAHEED AHMAD KHAN | 464 | 68 | - | 532 | 464 | 68 | - | 532 |
| 113 | HUMA NADEEM ADDRESS: KORANGH# 5-1/2, HOUSE# C-382, NEAR MODEL CITY PARK, KARACHI | HUMA NADEEM | 42201-0923629-6 | MOHAMMAD NADEEM | 464 | 68 | - | 532 | 464 | 68 | - | 532 |
| 114 | NISSAR AHMAD ADDRESS: MUHAMMAD ABAD SATYANA ROAD, HOUSE# 942 GALL# 12, FAISALABAD. | NISSAR AHMAD | 33100-0809598-9 | SHAIKH JAMAL DIN | 464 | 68 | - | 532 | 464 | 68 | - | 532 |
| 115 | MUHAMMAD BILAL ADDRESS: SAIF ULLAH SHAHEED ROAD, HOUSE# 14 BLOCK # X, IMADINA TOWN, FAISALABAD | MUHAMMAD BILAL | 33100-6769832-7 | SHEIKH AMEER UDDIN | 464 | 68 | - | 532 | 464 | 68 | - | 532 |
| 116 | SAJAN ADDRESS: 207-R GUL HOUSES BLOCK 7, UNITED TRADERS, NEAR SAFORA CHOWK GUJSTAN E JOHAR, UNIVERSITY ROAD KARACHI | SAJAN | 42201-9417824-1 | RANOWAL | 464 | 68 | - | 532 | 464 | 68 | - | 532 |
| 117 | SHAKEEL AHMED ADDRESS: OFFICE# F-11 2ND FLOOR MOIN STEEL, M SULTAN IMPEX, MARKET BARA, F, URDU ROAD NEAR, NIB BANK KARACHI | SHAKEEL AHMED | 42401-2552778-1 | ABDUL AZIZ | 465 | 68 | - | 533 | 465 | 68 | - | 533 |
| 118 | MUHAMMAD HAFEEZ ADDRESS: ZABANDA PARK PAKI THATHI, HOUSE# 12B SEEMI STREET, SAMANABAD NEAR HUMZA FOUNDATION, LAHORE | MUHAMMAD HAFEEZ | 35202-2894293-9 | MUHAMMAD SADIQ | 486 | 47 | - | 533 | 486 | 47 | - | 533 |

Notes to the Financial Statements For the year ended December 31, 2008


NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|-----------------|----------------------------|--|----------------|--------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | |
| 119 | SHAHID SARWAR ADDRESS: MOHALA ISLAMABAD SINGPURA, HOUSE 114 STREET 3, NEAR DOCT ASHIQ CLINIC, BAGHBIAN PURA LAHORE | SHAHID SARWAR | 35201-4222067-3 | GHULAM SARWER | 465 | 71 | - | 465 | 71 | 536 |
| 120 | AMJAD HUSSAIN ADDRESS: HOUSE# 73 2ND FLOOR COMMITTEE, ANS INTERNATIONAL PVT LTD, CHOWK MURREE ROAD, RAWALPINDI | AMJAD HUSSAIN | 37405-0254202-7 | CHOUDHRY AKBAR HUSSAIN | 465 | 71 | - | 465 | 71 | 536 |
| 121 | KARAM DIN BHATTI ADDRESS: BHITTAI COLONY CROSSING, HOUSE# 770 BLOCK-D, NEAR FATIMA JINNAH DENTAL COLLEGE KARACHI | KARAM DIN BHATTI | 42000-0569767-3 | NIZAM UDDIN | 468 | 69 | - | 468 | 69 | 537 |
| 122 | MUHAMMAD UBaid ADDRESS: SHOP# 6 PLOT# 3/32 5/A, ANIS CLOTH HOUSE, TAHIR CENTER PAPOSH NAGAR, NAZIMABAD# 5 KARACHI | MUHAMMAD UBaid | 42101-8636623-9 | MUHAMMAD ANEES | 467 | 70 | - | 467 | 70 | 537 |
| 123 | MUHAMMAD AFZAL ADDRESS: CHOWK # 249 JB BORE WALA, HAJI RAMZAN & COMPANY, MONDA PIND, FAISALABAD | MUHAMMAD AFZAL | 33100-8222046-1 | MUHAMMAD RAMZAN | 469 | 69 | - | 469 | 69 | 538 |
| 124 | SHEHNAZ ADDRESS: USMANIA COLONY, HOUSE# 69, LAHORE | SHEHNAZ | 35202-6596599-8 | ABDUL WAHEED | 494 | 43 | - | 494 | 43 | 537 |
| 125 | SARDAR BASHARAT ULLAH KHAN ADDRESS: JOHAR TOWN, 315-111, LAHORE. | SARDAR BASHARAT ULLAH KHAN | 35202-9744947-3 | SARDAR AMEEN ULLAH KHAN | 492 | 45 | - | 492 | 45 | 537 |
| 126 | MUHAMMAD YASEEN ADDRESS: SHOP 45 FIRST FLOOR, HONG KONG MOBILE, SINGA PUR PLAZA NEAR KFC BANK ROAD, SADAR RAWALPINDI | MUHAMMAD YASEEN | 37405-5966451-5 | MUHAMMAD YOUSAF | 469 | 69 | - | 469 | 69 | 538 |
| 127 | ATHAR ALI ADDRESS: SHOP# 86 AL RAHIM SHOPPING CENTRE, BURRAQUEE PROVISION & GENERAL STORE, PHASE-II NEAR TOTAL PETROL PUMP, HYDERABAD | ATHAR ALI | 41303-6195119-3 | ASGHAR ALI | 469 | 69 | - | 469 | 69 | 538 |
| 128 | ATIF ALI ADDRESS: PLOT # 71 BLOCK # 8 NEAR GHANI, A A BROTHERS, PCO & 420 HOTEL LIAQUATABAD, KARACHI | ATIF ALI | 42101-7332634-5 | AZHAR ALI | 469 | 69 | - | 469 | 69 | 538 |
| 129 | MAJID ALI ADDRESS: PESHAWAR ROAD NEAR SHAH, HOUSE# 342-E-1 LANE# 4, NAWAZ MOTORS/ CHAIRING CROSS, RAWALPINDI | MAJID ALI | 37405-9720676-3 | MUHAMMAD KHALID KHAN | 469 | 69 | - | 469 | 69 | 538 |
| 130 | AFZAL MASIH ADDRESS: SENT PITER CHERCH KOT, PORANI ABADI MOHALLAH, LAKHPAT, LAHORE | AFZAL MASIH | 35202-0846370-3 | AMANAT MASIH | 538 | - | - | 538 | - | 538 |
| 131 | MUHAMMAD ASLAM ADDRESS: 34 F 1ST FLOOR, R B TRADERS, SHAMA PLAZA SHAMA STOP# 72, FEROZPUR ROAD LAHORE | MUHAMMAD ASLAM | 37201-2990679-1 | M ZAMAN | 460 | 79 | - | 460 | 79 | 539 |
| 132 | MUHAMMAD HASHIM ADDRESS: 201/202, PAFAY CHAMBER, POPULAR PARKER MART, SHAHRAHE-MILLAT GUNPAT ROAD, LAHORE | MUHAMMAD HASHIM | 35202-5378703-5 | SHEKH BASHIR AHMAD | 486 | 43 | - | 486 | 43 | 539 |
| 133 | ASGHAR ALI SHAH ADDRESS: 32-KM SHEIKHUPURA ROAD, BISMILLAH TOWER, HEAD OFFICE BAZAR NEAR, BANK AL FALAH FAISALABAD | ASGHAR ALI SHAH | 35403-7824813-9 | SYED YAQOOB ALI SHAH | 493 | 46 | - | 493 | 46 | 539 |
| 134 | RIZWAN BABAR ADDRESS: SHOP# 1 PABI CENTRE, RAFAY ROAD, RAJATI MARKET, REHMANABAD MURREE ROAD, RAWALPINDI | RIZWAN BABAR | 37405-6540159-3 | MUHAMMAD RAMZAN | 450 | 90 | - | 450 | 90 | 540 |
| 135 | LIAQAT ALI ATIF ADDRESS: HOUSE# 4A STREET# 7, QASWA SOFT, F-8/3, ISLAMABAD | LIAQAT ALI ATIF | 61101-7015854-5 | MUHAMMAD SARWAR | 471 | 69 | - | 471 | 69 | 540 |
| 136 | MUHAMMAD WAQAS ADDRESS: SHOP# 40 MAIN BAZAR QAINCHI, SHAIKH BROTHERS BISCUIT HOUSE, AMAR SEDHOU, LAHORE | MUHAMMAD WAQAS | 35202-7934285-3 | BASHIR AHMED | 540 | - | - | 540 | - | 540 |

Notes to the Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|---|---|-----------------|-------------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 137 | GHULAM GHOUS ADDRESS: COMMERCIAL MARKET EX, GAMESH, SHOP NO 422, 423 AL MADINA CITY, MILK FACTORY AREA, FAISALABAD | GHULAM GHOUS | 42301-2683408-3 | M HUSSAIN | 472 | 69 | - | 541 | 472 | 69 | - | 541 |
| 138 | MUHAMMAD ARIF ADDRESS: SHAH FAISAL COLONY, HOUSE# MC-572 GREEN TOWN, NEAR SHAHZAD MEDICAL STORE, KARACHI | MUHAMMAD ARIF | 42201-3248486-5 | WAHEED UDDIN | 470 | 71 | - | 541 | 470 | 71 | - | 541 |
| 139 | MUNAWAR HUSSAIN ADDRESS: MOHALLA DEFENCE, HOUSE# 71, FORT HOUSING SOCIETY, LAHORE | MUNAWAR HUSSAIN | 35201-9270612-3 | KHADAM HUSAIN | 470 | 71 | - | 541 | 470 | 71 | - | 541 |
| 140 | SHAHID AAMIR ADDRESS: SHOP# F8 K AREA, AL SHERAZ TRADERS, K MARKET DOUBLE STORY, KORANGI# 5 KARACHI | SHAHID AAMIR | 42000-0445085-1 | ZAFAR IOBAL | 470 | 71 | - | 541 | 470 | 71 | - | 541 |
| 141 | IFTIKHAR HUSSAIN ADDRESS: 9A-AKBAR BLOCK AZAM CLOTH, ASGHARI SHAWI, MARKET NEAR SONHRI MASJID, LAHORE | IFTIKHAR HUSSAIN | 35202-3029219-1 | MOHAMMAD SHAREEF RANDEHAWA | 473 | 69 | - | 542 | 473 | 69 | - | 542 |
| 142 | MUHAMMAD RIZWAN ADDRESS: STREET# 5, P-503 MOHALLAH PERTAB NAGAR, REHMANIA ROAD, FAISALABAD | MUHAMMAD RIZWAN | 33100-0986880-3 | KHANWAJA MUHAMMAD SULEMAN | 474 | 69 | - | 543 | 474 | 69 | - | 543 |
| 143 | FAYYAZ AHMED ADDRESS: NEAR OLD NAVY GATE, HOUSE# 6, STREET # 4, GIZRI KARACHI. | FAYYAZ AHMED | 42301-5477192-7 | MUHAMMAD MASKEEN | 474 | 69 | - | 543 | 474 | 69 | - | 543 |
| 144 | ZULFIQAR ALI MINHAS ADDRESS: 155 ALAMGIR MARKET, ZULFIQAR PARUS HOUSE, SHAHALAM GATE, LAHORE | ZULFIQAR ALI MINHAS | 35202-2469881-5 | ALI MUHAMMAD | 474 | 69 | - | 543 | 474 | 69 | - | 543 |
| 145 | RIZWAN MUKHTAR ADDRESS: 40-JUMER ROAD ISLAM PURA, NATIONAL DISTRIBUTORS NESTLE, NEAR ALLAH HO GOAL CHAKAR, LAHORE | RIZWAN MUKHTAR | 35202-9354061-5 | MUKHTAR AHMAD | 474 | 69 | - | 543 | 474 | 69 | - | 543 |
| 146 | ZAHID ADDRESS: HUSANABAD COLONY NORTH, FLAT# 311 BLOCK-E, NAZIMABAD NEAR NASA DIGITAL, COLOUR LAB KARACHI | ZAHID | 42101-1732267-7 | BASHEER AHMED | 500 | 44 | - | 544 | 500 | 44 | - | 544 |
| 147 | ADEEL AHMED ADDRESS: OFFICE# 417 4TH FLOOR, A S COMPUTER, REGAL TRADE SQUARE SADDAR, KARACHI | ADEEL AHMED | 42201-0757502-1 | NAZEER AHMED | 471 | 75 | - | 546 | 471 | 75 | - | 546 |
| 148 | ZAIN UL ABIDIN ADDRESS: NEAR ZAIDI KARYANA STORE, ALI RAZA ABAD NAWAB SAHIB RAIMIND, LAHORE. | ZAIN UL ABIDIN | 35202-2940057-9 | ARIF HASSAN | 502 | 44 | - | 546 | 502 | 44 | - | 546 |
| 149 | SHAHID ALI ADDRESS: SHOP# B-13 FL-2-3-4 BLOCK B, SAMEEL COMMUNICATION, KDA COMMERCIAL CENTRE GULSHAN E, IOBAL KARACHI | SHAHID ALI | 42101-1766049-7 | AYYUB ALI | 474 | 72 | - | 546 | 474 | 72 | - | 546 |
| 150 | ABRAR HUSSAIN ADDRESS: OFFICE# 1 SHARJAH CENTRE OPP FAIZAN COMMUNICATION, LASANIA RESTAURANT 5TH ROAD, REHMAN ABAD RAWALPINDI | ABRAR HUSSAIN | 37405-2304316-1 | LAL HUSSAIN | 474 | 72 | - | 546 | 474 | 72 | - | 546 |
| 151 | MUHAMMAD ANWAR ADDRESS: BASE IOBAL MAHILA ANARKALI APARTMENT# A4/136 COMPLEX PHASE 3 SECTOR 15/B, NORTH KARACHI KARACHI | MUHAMMAD ANWAR | 42101-3994754-3 | NABI AHMED | 478 | 70 | - | 548 | 478 | 70 | - | 548 |
| 152 | MUHAMMAD TARIQ MEHMOOD ADDRESS: GULBERG III, HOUSE# 62-A2, LAHORE. | MUHAMMAD TARIQ MEHMOOD | 35200-1489556-1 | MUHAMMAD SIDDIQUE | 478 | 70 | - | 548 | 478 | 70 | - | 548 |
| 153 | KHURRAM MUMTAZ ADDRESS: SHOP # 17 ROYAL CENTER GROUND, TREND MICRO TECHNOLOGIES, FLOOR 6 TH ROAD RAWALPINDI. | KHURRAM MUMTAZ | 37401-4066467-7 | MUMTAZ NADEEM | 478 | 70 | - | 548 | 478 | 70 | - | 548 |

Notes to the Financial Statements For the year ended December 31, 2008


NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|---------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 154 | SANA ULLAH ADDRESS: MAIN RASHID MINHAS ROAD, FLAT# A-20 4TH FLOOR OBAID HIGHT, GULSHAN BLOCK-11 KARACHI. | SANA ULLAH | 42201-2423236-9 | MUSHTAQ ULLAH | 478 | 70 | - | 548 | 478 | 70 | - | 548 |
| 155 | MAQBOOL ALI ADDRESS: SHOP# 1 KOTWALI CHOWK, MAQBOOL ALI RADDI FEROSH, NEAR MASJID GULZAR MADINA, FAISALABAD | MAQBOOL ALI | 33100-5845495-5 | ABDUL GHANI | 478 | 70 | - | 548 | 478 | 70 | - | 548 |
| 156 | MUHAMMAD SARFRAZ ADDRESS: FACTORY# 137 SHAH JAMAL, STYLISH POSSES HOUSE, ABADI NEW ANWAR E MADINA MASJID, KARACHI | MUHAMMAD SARFRAZ | 35202-1985860-3 | PHOOL MUHAMMAD | 478 | 70 | - | 548 | 478 | 70 | - | 548 |
| 157 | NAVEED AHMAD ADDRESS: SHOP# 2-3 STREET# 7-8, NAVEED FABRICS, MAIN BAZAR MANSOORABAD NEAR, REHMANI SWEETS FAISALABAD | NAVEED AHMAD | 33100-0658489-3 | GHULAM MUHAMMAD | 477 | 72 | - | 549 | 477 | 72 | - | 549 |
| 158 | MUHAMMAD AMIN ADDRESS: KASHMIR ROAD GHULAM MUHAMMADABAD, P-III A BLOCK, NEAR JAMIA GULZARIA MADINA MASJID, FAISALABAD | MUHAMMAD AMIN | 33100-0922630-7 | M RAMZAN | 505 | 44 | - | 549 | 505 | 44 | - | 549 |
| 159 | MUHAMMAD AWAIS ADDRESS: SHAH FAISAL COLONY# 2, HOUSE# 2/97 7A COMMERCIAL AREA, NEAR AL MANSOOR CLINIC, KARACHI | MUHAMMAD AWAIS | 42000-0572962-9 | FALAH UDDIN | 502 | 47 | - | 549 | 502 | 47 | - | 549 |
| 160 | MOHAMMAD FAHEEM ADDRESS: STREET# 10, HOUSE# 22 RAMNAGAR CHOUBURGI, LAHORE. | MOHAMMAD FAHEEM | 35202-3048497-7 | RIAZ AHMAD | 480 | 70 | - | 550 | 480 | 70 | - | 550 |
| 161 | SYED IMRAN ALI ADDRESS: NEAR ZAIKI KARYANA STORE, ALI RIZVA ABAD NAMAB SAHIB RAIWIND, LAHORE. | SYED IMRAN ALI | 42101-7800582-5 | SYED GHAFAR ALI | 506 | 45 | - | 551 | 506 | 45 | - | 551 |
| 162 | ZAIN UL ABIDIN ADDRESS: NEAR ZAIKI KARYANA STORE, ALI RIZVA ABAD NAMAB SAHIB RAIWIND, LAHORE. | ZAIN UL ABIDIN | 35202-2940057-9 | ARIF HASSAN | 506 | 45 | - | 551 | 506 | 45 | - | 551 |
| 163 | FAREED AHMED KORAI ADDRESS: SHAH FAISAL TOWN, HOUSE C 40, MALIR, KARACHI | FAREED AHMED KORAI | 42501-9817811-3 | ABDUL HAQ KORAI | 475 | 76 | - | 551 | 475 | 76 | - | 551 |
| 164 | ILYAS GILL ADDRESS: PLOT# 715/5 D/16 MAZZANINE FLOOR, ILYAS TRADERS, AL MADINA PRIDE NEW M/A JINNAH ROAD, ISLAMIA COLLEGE ROAD KARACHI | ILYAS GILL | 42401-2460126-1 | BASHEER GILL | 483 | 71 | - | 554 | 483 | 71 | - | 554 |
| 165 | TAUQUEER AHMED ADDRESS: FLAT# 4-B 3RD FLOOR UNITED CENTRE, HFB POULTRY BREEDING COMPANY, SHAMSABAD MUIRREE ROAD, RAWALPINDI | TAUQUEER AHMED | 37405-5046882-1 | ABDUL RASHEED | 483 | 71 | - | 554 | 483 | 71 | - | 554 |
| 166 | SHABNAM IRFAN ADDRESS: PLOT# 05 SADDIQUE TRADE CENTRE, RAMIS ENTERPRISES, MAIN BOULEVARD GULBERG, LAHORE | SHABNAM IRFAN | 35202-1718442-6 | IRFAN AHMED MALIK | 483 | 71 | - | 554 | 483 | 71 | - | 554 |
| 167 | SHAUKAT ALI ADDRESS: PLOT# ZC-5 BLOCK# 6, FLAT# A-19 BARI CXENTER, GULSHAN E IQBAL, KARACHI | SHAUKAT ALI | 42101-5939151-1 | CHOUDARY SHAWA UD DIN | 483 | 71 | - | 554 | 483 | 71 | - | 554 |
| 168 | MOHAMMAD YOUNUS ADDRESS: SHOE MARKET BADSHAHI ROAD, AZEEM PLAZA BLOCK# G/10, KARACHI. | MOHAMMAD YOUNUS | 42301-1073207-3 | ABDUL SATTAR | 483 | 71 | - | 554 | 483 | 71 | - | 554 |
| 169 | RASHID ALI KHAN ADDRESS: SHOPPING CENTER RACHNA TOWN, FLAT# 5B 2ND FLOOR RACHNA, MAIN G. T. ROAD SHAHDRA, LAHORE | RASHID ALI KHAN | 33101-4828531-3 | MUHAMMAD YAQOOB KILIAN | 505 | 49 | - | 554 | 505 | 49 | - | 554 |
| 170 | CHAUDHARY TASNEEM RASHID ADDRESS: IBOSPITAL ROAD, INFRA MOBILE & COMPUTER, MULTAN | CHAUDHARY TASNEEM RASHID | 36302-9718968-9 | CHAUDHARY BARKAT ALI | 482 | 74 | - | 556 | 482 | 74 | - | 556 |

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NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

 Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|---|---|-----------------|--------------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 171 | ABDUL RASHEED ADDRESS: SHOP# M-32 MEZZANINE FLOOR HARMEEN, CONSUMER MARKETING SERVICES, TOWER BLOCK A, GULISTAN E JOUHAR, KARACHI | ABDUL RASHEED | 42201-3841329-7 | HAJI MUHAMMAD RAMZAN | 482 | 74 | - | 556 | 482 | 74 | - | 556 |
| 172 | ANIQ AHMED KHAN ADDRESS: GULGASHT COLONY, ALI STREET NEW, NEAR KHAN VILLAGE, MULTAN | ANIQ AHMED KHAN | 36302-7976884-7 | SHAFIQUE AHMED KHAN | 507 | 49 | - | 556 | 507 | 49 | - | 556 |
| 173 | SHEIKH SHABIR HASSAN ADDRESS: SHAH CHUNGI PIR SHAHDRA TOWN, HOUSE # 67 STREET # 67 MOHALA, LAHORE. | SHEIKH SHABIR HASSAN | 35202-3777157-9 | SHEIKH MUHAMMAD HASSAN | 510 | 47 | - | 557 | 510 | 47 | - | 557 |
| 174 | BASHEER AHMED MEMON ADDRESS: GULSHAN E HADEED, HOUSE# A-370 PHASE-I, BIN QASIM TOWN, NEAR BATA MORE KARACHI | BASHEER AHMED MEMON | 42501-1437280-7 | HAJI ABDULLAH MEMON | 557 | - | - | 557 | 557 | - | - | 557 |
| 175 | TANZEEL UR REHMAN ADDRESS: SHOP# FF-49 NEW AURIGA CENTRE, PIONEER SERVICES, MAIN BOULEVARD GULBERG II, LAHORE | TANZEEL UR REHMAN | 34603-1086993-7 | BASHIR AHMAD MALIK | 510 | 49 | - | 559 | 510 | 49 | - | 559 |
| 176 | KANAYA LAL ADDRESS: NAZ TOWER MAIN SHAHRAH-E-FAISAL, FLAT# C-312 3RD FLOOR, OPPOSITE JINNAH TERMINAL, KARACHI | KANAYA LAL | 42000-9646270-3 | BAZARI LAL | 515 | 45 | - | 560 | 515 | 45 | - | 560 |
| 177 | MAZHAR AHMED ADDRESS: KEHKASHANI SCHEME 5 HOUSE# 3/G/30 BLOCK 8, NEAR TEEN TALWAR CLUFTON, KARACHI | MAZHAR AHMED | 42201-3218609-9 | PERVEEZ AHMED | 488 | 74 | - | 562 | 488 | 74 | - | 562 |
| 178 | M FERDZ SIDDIQUI ADDRESS: LOWER BLOCK# 15, A-28 GULSHAN-E-AMIN, GULISTAN-E-JOHAR, KARACHI | M FERDZ SIDDIQUI | 42101-1507498-1 | ANWAR UL HAQ | 518 | 46 | - | 564 | 518 | 46 | - | 564 |
| 179 | MUHAMMAD TAHIR RAUF ADDRESS: OUT SIDE BHOPE GATE, HOUSE# 227/B-4, JISWANT ROEL ROAD, MULTAN | MUHAMMAD TAHIR RAUF | 36302-7228306-5 | ABDUL RAUF | 492 | 72 | - | 564 | 492 | 72 | - | 564 |
| 180 | FAHAD ALI KHAN ADDRESS: MAIN BAZAR MUHAMMADABAD, HOUSE # 563 STREET # 2, FAISALABAD. | FAHAD ALI KHAN | 33100-0633558-3 | KHAN MUHAMMAD | 515 | 48 | - | 563 | 515 | 48 | - | 563 |
| 181 | SYED RIAZ AHMED ADDRESS: BHAYANI HEAVEN BLOCK-K, FLAT# C-8 4TH FLOOR, OPP JAN PLAZA NORTH, NAZIMABAD KARACHI | SYED RIAZ AHMED | 42201-9095374-5 | SYED SHAFIQ UL HASSAN | 492 | 75 | - | 567 | 492 | 75 | - | 567 |
| 182 | MUHAMMAD AZMAT JAWAID RANA ADDRESS: BAGH LAHORE, HOUSES #30 BERI STREET TALJ. | MUHAMMAD AZMAT JAWAID RANA | 35201-7704794-7 | CHAUDARY MAQBOOL AHMED KHAN | 523 | 46 | - | 569 | 523 | 46 | - | 569 |
| 183 | M NAVEED ALAM ADDRESS: BLOCK # 16 FB AREA WATER PUMP, FLAT # 5 AL HASHER CORNER, KARACHI. | M NAVEED ALAM | 42101-6509819-7 | SAGEER ALAM FAZI | 525 | 46 | - | 571 | 525 | 46 | - | 571 |
| 184 | AFFAN AMJAD CHOUDHRY ADDRESS: ROOM # 05 SECOND FLOOR GOHAR, GARB FASHION, CENTRE WAHDAT ROAD, LAHORE | AFFAN AMJAD CHOUDHRY | 35202-5823264-3 | AMJAD AZIZ | 496 | 76 | - | 572 | 496 | 76 | - | 572 |
| 185 | RANA MUHAMMAD SAEED ADDRESS: TOUIDABAD, H# 17 ST# 48, PAVI ROAD, LAHORE | RANA MUHAMMAD SAEED | 35202-7864199-3 | RANA MUHAMMAD RAFIQ | 489 | 83 | - | 572 | 489 | 83 | - | 572 |
| 186 | ARIF ALI ADDRESS: LAHORE, 96-B A3 PUNJAB SOCIETY. | ARIF ALI | 35202-3357189-7 | DILAWAR ALI | 523 | 51 | - | 574 | 523 | 51 | - | 574 |
| 187 | CHAUDHRY HAMID MEHMOOD ADDRESS: MOHALLAH DATA NAGAR, HOUSE# 1 STREET# 13, BADAMI BAGH, LAHORE | CHAUDHRY HAMID MEHMOOD | 35202-8571886-7 | CHOUDHRY GHULAM NABI | 527 | 49 | - | 576 | 527 | 49 | - | 576 |

Notes to the Financial Statements For the year ended December 31, 2008

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|-----------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 188 | KHAWAJA YOUSUF UDDIN ADDRESS: GULSHAN E IQBAL, HOUSE A 587 BLOCK 3, KARACHI. | KHAWAJA YOUSUF UDDIN | 42201-8457833-3 | QADIR | 493 | 84 | - | 577 | 493 | 84 | - | 577 |
| 189 | MIAN MUHAMMAD YOUNIS ADDRESS: NEAR NOVELTY CINEMA, HOUSE 01 ST 01, AMINA ABAD, FAISALABAD | MIAN MUHAMMAD YOUNIS | 33100-2417394-1 | CHUDHRY ALLAH DITTA | 503 | 75 | - | 578 | 503 | 75 | - | 578 |
| 190 | SAMIA ALI ADDRESS: GULBERG III, 48 C ASKARI FLATS, LAHORE. | SAMIA ALI | 35202-2655860-6 | ALI MASOOD QURESHI | 578 | - | - | 578 | 578 | - | - | 578 |
| 191 | MUHAMMAD ASHRAF SHUKETI ADDRESS: P 594, ASHRAF TRADERS, FATIMA BLOCK AL MADINA COMMERCIAL, MARKET FACTORY AREA FAISALABAD | MUHAMMAD ASHRAF SHUKETI | 42101-8967647-9 | ALLAH DITTA | 496 | 85 | - | 581 | 496 | 85 | - | 581 |
| 192 | RASHID MAHMOOD KHALID ADDRESS: COLONY NEAR JALALI, 723-C GUL GASHI, MASJID CHOWK, MULTAN | RASHID MAHMOOD KHALID | 36102-1918812-7 | MUHAMMAD RAMZAN | 531 | 52 | - | 583 | 531 | 52 | - | 583 |
| 193 | MUHAMMAD IMRAN ADDRESS: BANGLOW# 7 FL-4 BLOCK 5, ANGLO PHILE ENGLISH LEARNING, MAIN RASHIDMINHAS ROAD, KARACHI | MUHAMMAD IMRAN | 42101-1789301-7 | GHULAM MURTAZA | 584 | - | - | 584 | 584 | - | - | 584 |
| 194 | JAMIL AHMED ADDRESS: BLOCK 7, FLAT# 1 SUNNY ARCADE, NEAR SHAHEEN HEIGHTS, GULISTAN E JOHAR KARACHI | JAMIL AHMED | 42201-9710754-7 | MUHAMMAD HANIF | 562 | 26 | - | 588 | 562 | 26 | - | 588 |
| 195 | AAMIR BAIG ADDRESS: ROOM # 512 MURSHID GARMENTS, A S GOLD SMITH, TOWER SADDAR, KARACHI | AAMIR BAIG | 42201-0558936-1 | RIAZ BAIG | 548 | 45 | - | 593 | 548 | 45 | - | 593 |
| 196 | WASIF BUTT ADDRESS: HAWALY MISRA INSIDE, HOUSE# 1314 MUJALLAH, AKBARI GATE, LAHORE | WASIF BUTT | 35202-2117621-7 | MUHAMMAD SAEED | 557 | 55 | - | 612 | 557 | 55 | - | 612 |
| 197 | UMAIR ASHRAF ADDRESS: SHOP# 18 MALL ROAD, AHMED ELECTRONICS, MULTAN CANTT. | UMAIR ASHRAF | 36302-3749713-3 | MUHAMMAD ASHRAF | 567 | 49 | - | 616 | 567 | 49 | - | 616 |
| 198 | MUHAMMAD MEHROZ ADDRESS: FASAL TOWN, HOUSE# 24 MOHALAH B BLOCK, LAHORE CANTT. | MUHAMMAD MEHROZ | 42101-0909225-7 | MOHAMMAD GULZATR | 557 | 60 | - | 617 | 557 | 60 | - | 617 |
| 199 | KHALID SHAHZAD ADDRESS: PEOPLES COLONY# 1, P-376/A CHITTI D GROUND, NEAR LAL MASJID, FAISALABAD | KHALID SHAHZAD | 33100-0868637-9 | MUHAMMAD ILYAS | 539 | 78 | - | 617 | 539 | 78 | - | 617 |
| 200 | ALI MAZHAR ADDRESS: JINHA PARK, HOUSE # 2-B STREET # 21, SULTAN PURA, LAHORE | ALI MAZHAR | 35202-9609792-7 | MAZHAR IQBAL CH | 620 | - | - | 620 | 620 | - | - | 620 |
| 201 | MUHAMMAD SAQIB KHALID ADDRESS: BUSINESS RECORD ROAD, H-69/11 PATEL PARA, KARACHI. | MUHAMMAD SAQIB KHALID | 42201-7550676-5 | MUHAMMAD KHALID | 574 | 48 | - | 622 | 574 | 48 | - | 622 |
| 202 | RAJA GHULAM HAIDER ADDRESS: BROHI GOTH MEMON GOTH, HOUSE# 40 MUHAMMAD KHAN, MALIR CITY, KARACHI | RAJA GHULAM HAIDER | 42501-1520605-3 | RAJA GHULAM HAIDER BALEA | 625 | - | - | 625 | 625 | - | - | 625 |
| 203 | FAZAL OASIM ADDRESS: P# 122 SHEET # 1 SECTOR# 3&2-B, RABBI TRADERS, BANARAS BAZAR NEAR ALLAH WALI, MASJID ORANGI TOWN KARACHI | FAZAL OASIM | 42301-0422910-9 | SAMI ALLAH | 551 | 80 | - | 631 | 551 | 80 | - | 631 |
| 204 | AAMIR BAIG ADDRESS: ROOM # 512 MURSHID GARMENTS, A S GOLD SMITH, TOWER SADDAR, KARACHI | AAMIR BAIG | 42201-0558936-1 | RIAZ BAIG | 588 | 49 | - | 637 | 588 | 49 | - | 637 |
| 205 | GHIAS UD DIN ADDRESS: OFFICE# L G 63, GOHAR CENTRE, JUNNAH AVENUE, MALIRHALT KARACHI | GHIAS UD DIN | 44103-7336146-9 | SIRAJ UDDIN | 599 | 52 | - | 651 | 599 | 52 | - | 651 |
| 206 | SYED TAJALI SHAH ADDRESS: OFFICE# L G 63, GOHAR CENTRE, TAJALI SHAH & CO., 7 WAHDAI ROAD, LAHORE | SYED TAJALI SHAH | 35201-1686635-3 | SYED NASEER SHAH | 653 | - | - | 653 | 653 | - | - | 653 |

Notes to the Financial Statements For the year ended December 31, 2008

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|-----------------|----------------------------------|--|-------------------|--------|------------------------------------|------------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | |
| 207 | MUHAMMAD ASIF SHEHZAD ADDRESS: SHOP# 3 MASHALLAH MARKET EK MORIA, HAFIZ MOBEEN AUTO, PULL MISRI SHAH, LAHORE | MUHAMMAD ASIF SHEHZAD | 35202-2683390-9 | MUHAMMAD | 672 | - | 672 | - | - | 672 |
| 208 | SYED ATTA UR REHMAN ADDRESS: SHOP# 02 BUTT PLAZA CHOWK MATTI, REHMAN MEDA HOUSE, NEW BAZAR LOHARI, LAHORE | SYED ATTA UR REHMAN | 35202-8221341-1 | SYED SHAFIQUE UR REHMAN SABIR | 625 | 53 | 625 | 53 | - | 678 |
| 209 | MUJTUBA HUSSAIN ADDRESS: INDUS CENTRE C-20, RAK ENTERPRISES, 14TH COMMERCIAL STREET, PHASE# 11 EXT DHA, KARACHI | MUJTUBA HUSSAIN | 42301-5239726-5 | GHULAM NABI | 679 | - | 679 | - | - | 679 |
| 210 | MIRZA MUHAMMAD IOBAL ANWAR ADDRESS: SHOP # 2 SHAM NAGAR ROAD OPP NORANI, MADINA TAYYABA ELECTRIC STORE, MOSQUE CHAUBURJI, LAHORE | MIRZA MUHAMMAD IOBAL ANWAR | 35202-2560860-3 | MIRZA NAWAB ANWAR | 687 | - | 687 | - | - | 687 |
| 211 | ZAHEER ABBAS ADDRESS: PLOT# A-1425 1ST FLOOR, SHABEER SNOOKER, GULSHAN E HADEED PHASE I, KARACHI | ZAHEER ABBAS | 42501-0836432-5 | MOHAMMAD AMEER | 637 | 55 | 637 | 55 | - | 692 |
| 212 | SYED IMRAN HAIDER ADDRESS: DEFENCE VIEW PHASE-II, FLAT # D-2 GROUND FLOOR, KARACHI. | SYED IMRAN HAIDER | 42201-9387965-7 | SYED ZAKIR HUSSAIN | 645 | 55 | 645 | 55 | - | 700 |
| 213 | SYED EJAZ AHMED ADDRESS: HOUSING SOCIETY PHASE II, HOUSE# 31, SR# 535 AMARYASIR, MALIR, KARACHI | SYED EJAZ AHMED | 42501-0804405-1 | SYED IRSHAD HUSSAIN | 646 | 55 | 646 | 55 | - | 701 |
| 214 | NAEEM ALI ADDRESS: BLOCK# 19 HERMAIN TOWER, FLAT# D-21 2/F, GULSHAN E JOHAR, NEAR JOHAR MOR KARACHI | NAEEM ALI | 43203-1338822-3 | MOHAMMAD SALEH TUNIO | 704 | - | 704 | - | - | 704 |
| 215 | BILAL AHMAD ADDRESS: MARKETING MANAGER SALES, FAHAD LABORATORIES, 38-G LODHI ARCADE 42 FERDOSPUR ROAD, LAHORE | BILAL AHMAD | 35102-9815841-5 | GHULAM MOHI-U-DIN | 706 | - | 706 | - | - | 706 |
| 216 | MUHAMMAD ALI ARSHAD ADDRESS: KARIM PLAZA STADIUM ROAD, FLAT# G-8 BLOCK# 14, GULSHAN E IOBAL, KARACHI | MUHAMMAD ALI ARSHAD | 42201-8384288-9 | SHEIKH MUHAMMAD ARSHAD | 616 | 90 | 616 | 90 | - | 706 |
| 217 | MUHAMMAD SABIR ADDRESS: OFFICE# 2 3RD FLOOR, RIBAS INTERNATIONAL, PEARL PLAZA SHAH JAMAL CHOWK, ICHRA LAHORE | MUHAMMAD SABIR | 35102-0604091-7 | MUHAMMAD ASHIQ | 707 | - | 707 | - | - | 707 |
| 218 | MUHAMMAD SHAHAB FAROOQI ADDRESS: BLOCK# 8 F B AREA, HOUSE# R-122 PHASE# 2, GULSHAN E SHAMIM, NEAR MARRIAGE LAWN KARACHI | MUHAMMAD SHAHAB FAROOQI | 42101-9220887-9 | MUHAMMAD SHAMIM FAROOQI | 648 | 60 | 648 | 60 | - | 708 |
| 219 | FOZIA KOSAR ADDRESS: JOHAR TOWN, HOUSE# 883/F-2, LAHORE. | FOZIA KOSAR | 35202-7406585-0 | OASIM MIRAZ DIN | 710 | - | 710 | - | - | 710 |
| 220 | SHAMIM HAIDER ADDRESS: FAISALABAD, 48-Z MADINA TOWN, KARACHI. | SHAMIM HAIDER | 33100-1194705-5 | RASHEED AHMED | 710 | - | 710 | - | - | 710 |
| 221 | WASEEM AHMED KHAN ADDRESS: MODEL COLONY, HOUSE# 10/28-A, KARACHI. | WASEEM AHMED KHAN | 42501-1577645-9 | MUHAMMAD ULLAH KHAN | 657 | 56 | 657 | 56 | - | 713 |
| 222 | RAFI AHMED ADDRESS: SUIT# 407 A RAFEG CENTRE, ADORN COMMUNICATION, ABDULLAH FAROON ROAD SADDAR, KARACHI | RAFI AHMED | 42101-3838209-9 | MIRZA MUHAMMAD SHARIF | 657 | 56 | 657 | 56 | - | 713 |
| 223 | TABRAIZ SIDDIQUI ADDRESS: SECTOR 50-A, HOUSE# B-591, KORANGI, KARACHI | TABRAIZ SIDDIQUI | 42201-0271593-1 | KHILAFAT SIDDIQUI | 657 | 56 | 657 | 56 | - | 713 |
| 224 | DILIP KUMAR ADDRESS: 3RD FLOOR FALAK NAZ, FLAT# C-312, TOWER NEAR AIR PORT, KARACHI | DILIP KUMAR | 45104-4666502-3 | BAZARI MALL | 654 | 64 | 654 | 64 | - | 718 |

Notes to the Financial Statements For the year ended December 31, 2008

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|---|---|-----------------|-----------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 225 | ABDUL SHAHID ADDRESS: KORANGI # 5, HOUSE# 58 SECTOR# 35-D, NEAR EDHI CENTRE, KARACHI | ABDUL SHAHID | 42201-1625812-1 | SIRAJ UDDIN | 630 | 91 | - | 721 | 630 | 91 | - | 721 |
| 226 | ABDUL GHAFFAR ADDRESS: SHOP# 10 FRAIR COURT, ANGLO ELECTRONICS, SADDAR OPPOSITE ODION CENTRE, KARACHI | ABDUL GHAFFAR | 42301-5092531-1 | NOOR MUHAMMAD | 662 | 63 | - | 725 | 662 | 63 | - | 725 |
| 227 | SHAKEEL KHAN ADDRESS: KHOKRAPAR, HOUSE # B-18 NAZEER TOWN, MALIR EXTANTION COLONY, KARACHI | SHAKEEL KHAN | 42201-4719718-9 | MOBEEN KHAN AHMED | 668 | 58 | - | 726 | 668 | 58 | - | 726 |
| 228 | QUTUB UDDIN ADDRESS: GULSHAN VIEW FLAT# B-14, GULSHAN E IOBAL, NEAR ASMA GARDEN KARACHI | QUTUB UDDIN | 42201-9980068-1 | SHAFI MOHAMMAD PIRZADA | 669 | 61 | - | 730 | 669 | 61 | - | 730 |
| 229 | DUR MOHAMMAD ADDRESS: BLOCK 7 GULISTAN E JOHAR, HOUSE # R 58 GULL HOUSE, KARACHI. | DUR MOHAMMAD | 43303-8107300-9 | MOHAMMAD YOUSUF | 678 | 58 | - | 736 | 678 | 58 | - | 736 |
| 230 | ABDUL GHAFFAR ADDRESS: PARK SHAFIQ ABAD #2 BAND ROAD HOUSE#50, STR#4 MOHALLAH KHALID, NEAR SHEIKH QRYANA STORE, LAHORE | ABDUL GHAFFAR | 35202-3539243-1 | WALI MUHAMMAD | 678 | 58 | - | 736 | 678 | 58 | - | 736 |
| 231 | MALIK TARIQ MEHMOOD AWAN ADDRESS: OFFICE 103 1ST FLOOR, GREEN CAPITAL ROYAL CENTRE, FAZAL E HAO ROAD, BLUE AREA ISLAMABAD | MALIK TARIQ MEHMOOD AWAN | 34501-1911150-7 | MALIK NOOR MOHAMMAD AWAN | 630 | 108 | - | 738 | 630 | 108 | - | 738 |
| 232 | QASIR MEHMOOD ADDRESS: ROYAL COMPLEX 34 M CIVIC OFFICE, MARKET, NEAR RIVER, MODEL OWEN EXT, NEAR INTERNATIONAL, MARKET LAHORE | QASIR MEHMOOD | 35202-1465155-3 | MIRZA MUHAMMAD RASHEED | 739 | - | - | 739 | 739 | - | - | 739 |
| 233 | MUBARIK ALI ADDRESS: MAIN BAZAR, BATA SHOES POINT, LIQA/ABAD KOT LAKHPAI, LAHORE | MUBARIK ALI | 35202-0945904-7 | ALLAH DITTA | 739 | - | - | 739 | 739 | - | - | 739 |
| 234 | KHALID MEHMOOD ADDRESS: BLOCK 6, HOUSE# 20 E E MARKET, PECHS, KARACHI | KHALID MEHMOOD | 42301-0874870-7 | FAZAL DIN | 652 | 93 | - | 745 | 652 | 93 | - | 745 |
| 235 | ASIF HASEEB KIDWAI ADDRESS: GULBERG F B AREA, B-731 BLOCK 13, KARACHI. | ASIF HASEEB KIDWAI | 42101-1397643-9 | HASEEB AHMED KIDWAI | 688 | 59 | - | 747 | 688 | 59 | - | 747 |
| 236 | BABER ALI ADDRESS: SHAH KAMAL ROAD, HOUSE# 7 STREET# 32, WAHDAT COLONY, LAHORE | BABER ALI | 35202-0614095-1 | MUHAMMAD RAFI | 750 | - | - | 750 | 750 | - | - | 750 |
| 237 | NISAR AHMED ADDRESS: NORTH KARACHI HOUSE# R-76 SECTOR# 11-C/2 NEAR PROFESSIONAL EDUCATOR SCHOOL, KARACHI | NISAR AHMED | 42101-3096768-1 | HAJI ALLAH DIYA | 698 | 60 | - | 758 | 698 | 60 | - | 758 |
| 238 | MALIK ZEESHAN SIKANDAR ADDRESS: GULBERG 3, HOUSE# 46- M MUHALLA, LAHORE. | MALIK ZEESHAN SIKANDAR | 35202-3206617-7 | MALIK KHURSHED AHMED | 698 | 60 | - | 758 | 698 | 60 | - | 758 |
| 239 | SOHAIL RIAZ ADDRESS: C/O AZAM SHADI HALL, S.P ENTERPRISES, AZADI CHOWK, 314-RAVI ROAD LAHORE | SOHAIL RIAZ | 35200-1506146-7 | RIAZ UL HAQ | 759 | - | - | 759 | 759 | - | - | 759 |
| 240 | MUHAMMAD ASIF SHAREEF ADDRESS: SECTOR 15 A 11, FLAT# D-9 BUDHAWAN APARTMENT, NEAR DC OFFICE BUFFERZONE, KARACHI | MUHAMMAD ASIF SHAREEF | 42101-6228470-9 | MUHAMMAD SHARIF | 700 | 62 | - | 762 | 700 | 62 | - | 762 |
| 241 | MUHAMMAD SAEED ADDRESS: SHOP # 73 MARIA APARTMENT, MADINA CROKERY, NAGAN CHOWRANGI NORTH KARACHI, KARACHI | MUHAMMAD SAEED | 42101-3692146-5 | MUHAMMAD ISMAIL SHIKH | 698 | 67 | - | 765 | 698 | 67 | - | 765 |

Notes to the Financial Statements For the year ended December 31, 2008


NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

 Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total |
|-------|--|---|-----------------|-------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | |
| 242 | MUHAMMAD KAMRAN ADDRESS: SHOP# 29-R-A, KAMRAN ELECTRIC STORE, BAZAR LAHORE CANTT. | MUHAMMAD KAMRAN | 35201-1217315-5 | MUHAMMAD AKLEEM | 700 | 65 | - | 765 | 65 | - | 765 |
| 243 | WAOQAS SHAFIQ ADDRESS: ICHRA LAHORE, HOUSE#18-A, RASUL PARK. | WAOQAS SHAFIQ | 35202-2265842-1 | MUHAMMAD SHAFIQ | 705 | 62 | - | 767 | 62 | - | 767 |
| 244 | SYED MUHAMMAD DAWOOD SHAH ADDRESS: SHOP# 2-3, 444-2-B-2 BISMILLAH ELECTRONICS, TOWNSHIP, LAHORE | SYED MUHAMMAD DAWOOD SHAH | 35202-2272584-5 | SYED ABDUL HAMEED | 708 | 61 | - | 769 | 61 | - | 769 |
| 245 | MALIK MUHAMMAD IMRAN ISLAMABAD BANK COLONY, SAMANABAD LAHORE | MALIK MUHAMMAD IMRAN | 35202-1265263-9 | ASIF ALI | 708 | 61 | - | 769 | 61 | - | 769 |
| 246 | ZAHID HUSSAIN ADDRESS: MODEL COLONY, HOUSE # J-7 SHEET # 27, KARACHI. | ZAHID HUSSAIN | 42201-2630522-7 | MUHAMMAD BUX | 708 | 61 | - | 769 | 61 | - | 769 |
| 247 | MOHAMMAD ASLAM ADDRESS: ROOM# M-28 FALAK NAZ PLAZA, MEHRAN TRADERS, SHAHRAHE FAISAL, KARACHI | MOHAMMAD ASLAM | 42201-9821115-7 | M ARSHAD | 709 | 62 | - | 771 | 62 | - | 771 |
| 248 | ABDUL RAUF ADDRESS: SHOP 7 DOHA HOTEL, UNIQUE TRADERS, DAWOOD ROAD, FAISALABAD | ABDUL RAUF | 33100-0808659-5 | MUHAMMAD ASLAM | 707 | 66 | - | 773 | 66 | - | 773 |
| 249 | MUHAMMAD YOUSAF ADDRESS: MAIN BAZAR, HOUSE# 4 STREET# 1, SAID PUR MULTAN ROAD, LAHORE | MUHAMMAD YOUSAF | 38404-0938575-3 | AHMED KHAN | 710 | 65 | - | 775 | 65 | - | 775 |
| 250 | TAHIR AYUB ADDRESS: PLOT# 321 A-BLOCK, HAFEEZ GENERAL STORE, SAEZAZAR SCHEME MULTAN ROAD, LAHORE | TAHIR AYUB | 35202-2119886-7 | ABDUL MAJEED | 778 | - | - | 778 | - | - | 778 |
| 251 | MUHAMMAD TARIQ ADDRESS: GULZAR COLONY GHULAM, HOUSE# P-57 STREET# 2, MUHAMMAD ABAD, FAISALABAD | MUHAMMAD TARIQ | 33100-6831773-9 | ATTA MUHAMMAD | 711 | 68 | - | 779 | 68 | - | 779 |
| 252 | ABDUL RAUF ADDRESS: NEAR MADNI MASJID, HOUSE# 2 BALOOCH PARA, SHERSHAH HIRONABAD, KARACHI | ABDUL RAUF | 54400-0382161-9 | MUHAMMAD KHAN | 717 | 62 | - | 779 | 62 | - | 779 |
| 253 | AMIR MUMTAZ ADDRESS: NEW ANAR KALI, HOUSE # 2 BAKHSI MARKET, LAHORE. | AMIR MUMTAZ | 35202-3031581-7 | MUMTAZ AHMAD | 717 | 62 | - | 779 | 62 | - | 779 |
| 254 | NAVEED JAN BALOCH ADDRESS: NEAR KAZIMABAD, BALOCH HOUSE # A/158 BLOCK-J, KARACHI. | NAVEED JAN BALOCH | 52101-4195975-1 | JAN MOHAMMAD | 716 | 63 | - | 779 | 63 | - | 779 |
| 255 | MUHAMMAD SHAHBAZ UL HASSAN CHAUDHARY ADDRESS: SHOP NO.5D F UPPER STORY KALANJAL SHI TAR COMPUTERS, MULTAN CANTT. | MUHAMMAD SHAHBAZ UL HASSAN CHAUDHARY | 36303-0974432-1 | CHAUDHRY ABUL SATTAR | 781 | - | - | 781 | - | - | 781 |
| 256 | SHAZLI MOHAMMED ADDRESS: SHOP #7 BLOCK-7 AL-SAEED CENTRE, CYBERIAN WORLD, QUID A BAD KARACHI. | SHAZLI MOHAMMED | 42501-1033750-7 | NAJAZ MOHAMMED | 720 | 68 | - | 788 | 68 | - | 788 |
| 257 | AKBARI KHALID ADDRESS: NEAR MEHMOOD SWEETS, P-825 BLOCK 14, F B AREA WATER PUMP, KARACHI | AKBARI KHALID | 42101-1670325-4 | KHALID JAWAID | 721 | 69 | - | 790 | 69 | - | 790 |
| 258 | NAYYAB SAEED ADDRESS: MUHALLAH 4 KOCHA MIAN GHAR, HOUSE# 1086 G, DIN YAKI GATE, LAHORE | NAYYAB SAEED | 35202-2404289-9 | MUHAMMAD SAEED | 720 | 69 | - | 789 | 69 | - | 789 |
| 259 | SYED MOHAMMAD BILAL ADDRESS: DHA PHASE IV, HOUSE # 30 5TH COMMERCIAL STREET, KARACHI. | SYED MOHAMMAD BILAL | 42301-4191471-5 | MOHAMMAD IRFAN | 727 | 63 | - | 790 | 63 | - | 790 |

Notes to the Financial Statements For the year ended December 31, 2008

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|-------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 260 | AFTAB AHMAD ADDRESS: ALI COLONY WALTON ROAD, HOUSE# E 27/28-A ABU BAKAR STREET, NEAR DECENT SCHOOL, LAHORE CANTT | AFTAB AHMAD | 35201-3150065-3 | MUHAMMAD TUFAIL | 727 | 63 | - | 790 | 727 | 63 | - | 790 |
| 261 | KHIZAR MUHAMMAD BAHSHAH ADDRESS: UNIVERSITY ROAD, HOUSE # C-14 GULASTAN COLONY, KARACHI. | KHIZAR MUHAMMAD BAHSHAH | 42201-2764524-7 | BADSHAH MUHAMAD | 723 | 70 | - | 793 | 723 | 70 | - | 793 |
| 262 | MOHAMMAD ZAKIR ATA ADDRESS: ROAD KARACHI CANTT STATION, HOUSE# 227-A LILLY BRIDGE, RAILWAY POLICE LINE, KARACHI | MOHAMMAD ZAKIR ATA | 42301-0517842-3 | MOHAMMAD DIN SHEIKH | 729 | 64 | - | 793 | 729 | 64 | - | 793 |
| 263 | RUBINA NAZ ADDRESS: HAQANI TOWN, FOR SEASONS BEAUTY PARLOUR, MAKHDOOM RASHEED HASHMI CHOWK, DIST MULTAN | RUBINA NAZ | 36303-9314953-8 | TANVEER HUSSAIN SHAH | 797 | - | - | 797 | 797 | - | - | 797 |
| 264 | AKBARI KHALID ADDRESS: NEAR MEHMOOD, SWEETS P-825 BLOCK 14, F B AREA WATER PUMP, KARACHI | AKBARI KHALID | 42101-1670325-4 | KHALID JAVAID | 735 | 65 | - | 800 | 735 | 65 | - | 800 |
| 265 | KHALIL UR REHMAN SIDDIQUI ADDRESS: FERIZIA, GULSHAN HOUSE# 34, OPPOSITE BEHRANIA MASJID, NAZIMABAD# 1 KARACHI. | KHALIL UR REHMAN SIDDIQUI | 42101-9889055-5 | ABDUL GHAFAR | 741 | 65 | - | 806 | 741 | 65 | - | 806 |
| 266 | GHULAM DASTGIR KHAN KAKAR ADDRESS: STREET# 3, HOUSE# 15/C, SHARHEEN PARK, IMASKEEN PURA LAHORE | GHULAM DASTGIR KHAN KAKAR | 35201-2664629-5 | EHSAN ULLAH KHAN | 738 | 69 | - | 807 | 738 | 69 | - | 807 |
| 267 | AFZAL RAZA ADDRESS: SHOP # 1 RAFIQUE SHAHEED ROAD, BUBBLE MEDICAL & SURGICAL STORE, OPP NICH & JPMC, KARACHI | AFZAL RAZA | 42301-6315259-3 | GHULAM RAZA | 746 | 65 | - | 811 | 746 | 65 | - | 811 |
| 268 | MOHAMMAD TAHIR SOLANGI ADDRESS: NEW LAHOUR SQUARE KORANGI, HOUSE # 11 SECTOR-32/A, KARACHI. | MOHAMMAD TAHIR SOLANGI | 45204-6537793-3 | ROSHAN UDDIN SULANGI | 739 | 72 | - | 811 | 739 | 72 | - | 811 |
| 269 | MUHAMMAD IMRAN ADDRESS: MARIA HILL VIEW APTT SHADMAN TOWN, FLAT# BB-002 GROUND FLOOR FL-15, SECTOR# 14-B NORTH KARACHI, MASJID-E-KIZRA KARACHI | MUHAMMAD IMRAN | 42101-4615683-7 | MEHBOOB | 818 | - | - | 818 | 818 | - | - | 818 |
| 270 | MUHAMMAD FARAZ ADDRESS: CHAK 279 ABC CENIMA ROAD, P 236 STREET 7, OPP KHAN GENERAL STORE, FAISALABAD | MUHAMMAD FARAZ | 33100-6847508-9 | MUHAMMAD NAWAZ | 712 | 108 | - | 820 | 712 | 108 | - | 820 |
| 271 | KHURRAM ALEEM ADDRESS: 56-A 56-C COMMERCIAL-III RABIA CITY, AL MADINA CHICKEN CENTRE, BLOCK# 18 GULISTAN E JOHAR, KARACHI | KHURRAM ALEEM | 42201-0113481-5 | ALEEM UDDIN | 748 | 72 | - | 820 | 748 | 72 | - | 820 |
| 272 | RANA INAM NASEER ADDRESS: SANDA ROAD, 62 KARAM ELAHI PARK, LAHORE. | RANA INAM NASEER | 35202-1888919-3 | RANA NASEER AHMED | 748 | 72 | - | 820 | 748 | 72 | - | 820 |
| 273 | GUL RUKH KHALID ADDRESS: SHADMAN TOWN, FLAT #801 FALAK NAZ PLAZA MAIN, OPP PSO & SHEEL PUMP, KARACHI | GUL RUKH KHALID | 42201-5905402-0 | KHALID SAEED | 755 | 66 | - | 821 | 755 | 66 | - | 821 |
| 274 | SAEED AKHTER ADDRESS: JAVEED BAHRIA HOUSING SCHEMATIC, HOUSE # 37 GALI # 2, HAWKS BAY, KARACHI | SAEED AKHTER | 42401-7294136-3 | MOHAMMAD IDREES | 755 | 66 | - | 821 | 755 | 66 | - | 821 |
| 275 | MUHAMMAD SHAHID NOOR KHAN ADDRESS: PLOT# 9 SHOP# 2 MAIN, WAGAS ELECTRONICS, ELECTRONICS MARKET SHOPPING COMPLEX, COLONY# 1 NEAR A-1 HOSPITAL KARACHI | MUHAMMAD SHAHID NOOR KHAN | 42201-2859535-5 | MUHAMMAD ASLAM KHAN | 753 | 70 | - | 823 | 753 | 70 | - | 823 |
| 276 | ABDUL SATTAR ADDRESS: OFFICE 4 2ND FLOOR STREET 8, SEAPLE TRADERS, PRIME CENTRE MUNSHI MOHALLA, FAISALABAD | ABDUL SATTAR | 33100-5462512-5 | MUHAMMAD RAMZAN | 824 | - | - | 824 | 824 | - | - | 824 |

Notes to the Financial Statements For the year ended December 31, 2008

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|---------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 277 | MUHAMMAD AZAM ADDRESS: PEOPLES COLONY, HOUSE# 135, STREET# 05, SHAHDRRA, LAHORE | MUHAMMAD AZAM | 35401-7708363-5 | M HASHIM | 756 | 71 | - | 827 | 756 | 71 | - | 827 |
| 278 | MUHAMMAD ARSHAD JAVED ADDRESS: GULISTAN COLONY, HOUSE# 432-D STREET# 5, GHAZI ROAD NEAR BULHAY SHAH, DARBAR LAHORE | MUHAMMAD ARSHAD JAVED | 35201-1435012-3 | AMANAT JAVEED ABIB | 756 | 71 | - | 827 | 756 | 71 | - | 827 |
| 279 | ARIF ALI ADDRESS: STREET# 27-S, HOUSE# 39, JINNAH COLONY ALI PARK, ICHRA LAHORE | ARIF ALI | 35202-0648805-1 | SHAUKAT ALI | 759 | 71 | - | 830 | 759 | 71 | - | 830 |
| 280 | SAEED KHAN ADDRESS: STREET# 6 GULNAR COLONY, HOUSE# 9 A, MULTAN ROAD, LAHORE | SAEED KHAN | 35202-3062420-5 | BARKAT ULLAH | 757 | 73 | - | 830 | 757 | 73 | - | 830 |
| 281 | SYED NASEEM AKBAR ADDRESS: RAWI ROAD, HOUSE# 67, MUHALLAH KARIM PARK, BLOCK 1 NEAR KARIM PARK GOL BAGH, LAHORE | SYED NASEEM AKBAR | 35202-6270639-1 | SYED AFZAL AKBAR SHAH | 757 | 73 | - | 830 | 757 | 73 | - | 830 |
| 282 | IFTIKHAR AHMAD SHARIF ADDRESS: SHOP# 151, FLOOR 17-KM, ALFAR, SOUTH TRAFFIC LIGHT, FERDZPUR ROAD YOUNAS MARKET, LAHORE | IFTIKHAR AHMAD SHARIF | 35201-6247336-1 | CH MUHAMMAD SHARIF | 757 | 73 | - | 830 | 757 | 73 | - | 830 |
| 283 | MUHAMMAD SAFDAR ADDRESS: MUHAMMAD ALI PARK, HOUSE# 2 STREET# 1, SHAHRA DARKHANA RUSTUM SOHRAB, LAHORE | MUHAMMAD SAFDAR | 35202-2089611-5 | SAAIN MUHAMMAD | 757 | 73 | - | 830 | 757 | 73 | - | 830 |
| 284 | SAQIB QAMAR ADDRESS: SHOP# 3 GROUND FLOOR, AZZURE COLLECTIONS, JINNAH PLAZA MODEL TOWN, LINK ROAD LAHORE | SAQIB QAMAR | 35202-2523151-5 | QAMAR SULTAN | 764 | 67 | - | 831 | 764 | 67 | - | 831 |
| 285 | NAVEED ALAM ADDRESS: MAIN RASHID MINHAS ROAD, FLAT # G-90 ASKARI # 4, GULISTAN E JOHAR, KARACHI | NAVEED ALAM | 42401-5666525-7 | ALAM UD DIN | 764 | 68 | - | 832 | 764 | 68 | - | 832 |
| 286 | MIRZA NASEEM BAIG ADDRESS: SHEEN PARK SULTAN PURA, HOUSE# 23-A STREET# 34, NEAR GOHRE SHAH CHOWK, LAHORE | MIRZA NASEEM BAIG | 35202-2864094-1 | MIRZA AQEEL BAIG | 761 | 75 | - | 836 | 761 | 75 | - | 836 |
| 287 | ANSAR IQBAL BUTT ADDRESS: PLOT# 74 BLOCK# 2, SANGAM DIGITAL STUDIO, KARIM PARK RAWI ROAD, LAHORE | ANSAR IQBAL BUTT | 35202-7713668-5 | MUHAMMAD HUSSAIN BUTT | 766 | 75 | - | 841 | 766 | 75 | - | 841 |
| 288 | ZAFAR NIAZ AHMED KHAN ADDRESS: GROUND FLOOR KHAWAT# 151, ZAFAR MEDICAL CENTER, OLD SHUJABAD ROAD COLONY, MULTAN | ZAFAR NIAZ AHMED KHAN | 36302-6271312-1 | NIAZ AHMED KHAN | 843 | - | - | 843 | 843 | - | - | 843 |
| 289 | NAZIR AHMED ADDRESS: SUIT # 004 MEZZANINE FLOOR WODEN, SEARCH, TOWER BLOCK # 14, GULSHAN E IQBAL, RASHID MINHAS ROAD KARACHI | NAZIR AHMED | 42100-2702304-3 | ABDUL QADEER AHMED | 775 | 69 | - | 844 | 775 | 69 | - | 844 |
| 290 | MUHAMMAD SOHAIL ADDRESS: NEAR GOSIA GENERAL STORE HOUSE# 1 STREET# 9, ABDUL STAAR PARK NEAR, KOT LAKHPAT LAHORE | MUHAMMAD SOHAIL | 35202-5711210-1 | SH MAQBOOL AHMAD SHAMS | 774 | 73 | - | 847 | 774 | 73 | - | 847 |
| 291 | DANISH IQBAL ADDRESS: SUITE# 7 2ND FLOOR, CRESENT EDUCATION CONSULTANTS, SAMAN ARCADE FIRDOUS, MARKET GULBERG LAHORE | DANISH IQBAL | 61101-9968277-7 | SHAHID IQBAL | 774 | 75 | - | 849 | 774 | 75 | - | 849 |
| 292 | MUHAMMAD SADEEQ ADDRESS: SUITE# 02 OTHERS TRADERS, SHARHAN STREET SUMANDARI ROAD, FANSALE ABAD | MUHAMMAD SADEEQ | 33100-2870756-3 | MEHNGA | 855 | - | - | 855 | 855 | - | - | 855 |
| 293 | SYED WAHID IQBAL SHAH ADDRESS: SHERAZI STREET MOHALLAH, HOUSE# 4 STREET# 24, GAWHI SHAHI NEAR KHALIFA, FOULIARY SALE LAHORE | SYED WAHID IQBAL SHAH | 35202-5239995-9 | SYED MUHAMMAD YOUSAF SHAH | 783 | 76 | - | 859 | 783 | 76 | - | 859 |

Notes to the Financial Statements For the year ended December 31, 2008

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total |
|-------|--|---|-----------------|----------------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | |
| 294 | KASHAN ASGHAR ADDRESS: MOOTI BAZAR AJWA CENTER, BESTO BABY SHOES, NEAR LARI ADDA, LAHORE | KASHAN ASGHAR | 35404-4749079-3 | CH ASGHAR ALI | 783 | 76 | - | 859 | 76 | - | 859 |
| 295 | ISMAL ADDRESS: LAHORE, H # 22 ST # 3 B BABU KOT SHERAN KOT. | ISMAL | 82202-9555072-7 | SHAH ZAMAN | 783 | 76 | - | 859 | 76 | - | 859 |
| 296 | NAVEED RASHID ADDRESS: BLOCK# 8 F B AREA, HOUSE# 11308 AZIZABAD, NEAR MAHAGIR PARK, KARACHI | NAVEED RASHID | 42101-0690797-1 | RAHID ALI | 786 | 77 | - | 863 | 77 | - | 863 |
| 297 | MUHAMMAD IRFAN SHAHID ADDRESS: STREET# 51 DHARAM PURA, HOUSE# 91-A, MUSTAFA ABAD, LAHORE | MUHAMMAD IRFAN SHAHID | 35201-1279919-1 | MIANI MUHAMMAD RAFIQUE SHAHID | 786 | 77 | - | 863 | 77 | - | 863 |
| 298 | SHOKAT ALI ADDRESS: MAIN LARANWALA ROAD, NEW SHAHBAZ QALANDAR MOTOR, MAKOANA ADDA, Faisalabad | SHOKAT ALI | 33100-8875867-1 | AHMED BAKHSH | 788 | 76 | - | 864 | 76 | - | 864 |
| 299 | MUHAMMAD SALEEM ADDRESS: NOMAN GHAND CITY, FLAT# 4, BLOCK 17 GULISTAN E JOHAR, KARACHI | MUHAMMAD SALEEM | 42201-6432636-9 | ABDUL GHAFFAR | 801 | 70 | - | 871 | 70 | - | 871 |
| 300 | MUHAMMAD KHALIL ADDRESS: MOHALLAH KAJA BURJ NEAR, HOUSE# 76 STREET# 816 CROWN ICE FACTORY BAGHBAN PURA, LAHORE | MUHAMMAD KHALIL | 35201-2742716-7 | MUHAMMAD RAFIQUE | 797 | 76 | - | 873 | 76 | - | 873 |
| 301 | FARAN HAMEED ADDRESS: KARIM PARK KASUR PURA, HOUSE# 226-A BLOCK 2, LAHORE, . | FARAN HAMEED | 35202-6436090-9 | ABDUL HAMEED | 797 | 77 | - | 874 | 77 | - | 874 |
| 302 | SHAHID SHAHZAD ADDRESS: AMEEN PARK BAND ROAD, HOUSE# 53 STREET # 3, LAHORE. | SHAHID SHAHZAD | 35202-5990170-9 | SHAHZAD HASSAN | 797 | 77 | - | 874 | 77 | - | 874 |
| 303 | MUHAMMAD IMRAN ADDRESS: JOHAR TOWN, 31-A ABDULLAH TOWN, NEAR ISLAM PARK, LAHORE | MUHAMMAD IMRAN | 35202-1457778-7 | ABDUL MAJEED | 797 | 77 | - | 874 | 77 | - | 874 |
| 304 | ABDUL JABBAR ADDRESS: JK SHOES STREET# 2 WRITER COLONY JK SHOES, MASOOM SHAH ROAD, MULTAN | ABDUL JABBAR | 36302-6290766-1 | ABDUL RAHEEM | 806 | 76 | - | 882 | 76 | - | 882 |
| 305 | ZAHID ALI ADDRESS: SABAR STREET SADIO COLONY, HOUSE# 40 STREET# 1 RAVI ROAD, NR AYESHA DEGREE COLLEGE, LAHORE | ZAHID ALI | 35202-4398565-5 | SABIR ALI | 803 | 79 | - | 882 | 79 | - | 882 |
| 306 | MUHAMMAD NAVEES ADDRESS: ICE FACTORY, FLAT# 15 WINDSER PARK, MIANI NAZIR ICHRA, LAHORE | MUHAMMAD NAVEES | 35202-2543410-9 | MUHAMMAD BASHIR | 806 | 78 | - | 884 | 78 | - | 884 |
| 307 | HAMID RAZA ADDRESS: BUTT CHOWK COLLEGE ROAD, 92 MAITEEN AVENUE, MODEL TOWN, LAHORE | HAMID RAZA | 17301-3851159-7 | MUHAMMAD ISHAQ | 815 | 79 | - | 894 | 79 | - | 894 |
| 308 | WAQAS ADDRESS: SOHAIL STREET, 2 BHATTI COLONY, MODEL TOWN LINK ROAD, LAHORE | WAQAS | 35202-3815046-7 | MUNAWAR MUNEE | 815 | 79 | - | 894 | 79 | - | 894 |
| 309 | MUHAMMAD NADEEM ADDRESS: SHOP# 195/11 MACHI, NADEEM FISH POINT, WALA GALE JHAN BAZAR, FAISALABAD | MUHAMMAD NADEEM | 33100-4308453-3 | ABDUL HAMEED | 816 | 82 | - | 898 | 82 | - | 898 |
| 310 | HAFIZ HAMID ALI ADDRESS: 95 MAIN ROAD HAJI QAMAR DIN PARK, ALI ELECTRONICS CENTER, KOT KHAWAJA SAIED CHINA SCHOOL, LAHORE | HAFIZ HAMID ALI | 35202-3222518-5 | MUHAMMAD ALI | 818 | 81 | - | 899 | 81 | - | 899 |
| 311 | MIRZA MUHAMMAD SHAHID KAMRAN ADDRESS: DARWAZA MARKET COMMERCIAL, NABEEL FLUSH DOORS, PLOT# 3 LIBLOCK CHOWK QAZAFI, NEAR BLUXID CENTER MULTAN | MIRZA MUHAMMAD SHAHID KAMRAN | 36302-0432416-5 | MIRZA FAQEER U DIN ANJUM | 818 | 81 | - | 899 | 81 | - | 899 |

Notes to the Financial Statements For the year ended December 31, 2008


NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

 Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|-----------------|------------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | |
| 312 | SYED UMAIR AKHTER ADDRESS: OFFICE # 1 3RD FLOOR, SYED BROTHER TRADE IMPEX, KISSAN STREET GULSHAN CENTER, AKBARI GATE CIRCULAR ROAD LAHORE | SYED UMAIR AKHTER | 35201-3389453-1 | SYED AKHTAR ALI | 818 | 81 | - | 818 | 81 | - | 899 |
| 313 | ADNAN AHMED, ADDRESS: SHAH FAISAL COLONY, HOUSE 1/304, KARACHI | ADNAN AHMED | 42201-3628332-1 | ASHFAQ AHMED | 907 | - | - | 907 | - | - | 907 |
| 314 | GHULAM HAIDER MEMON ADDRESS: CLIFTON TOWER BLOCK-4, FLAT# M-3 PLOT# BC-08, CLIFTON BAGH IBN E QASIM, KARACHI | GHULAM HAIDER MEMON | 41408-6248354-9 | MOHAMMAD ISHAQ MEMON | 832 | 91 | - | 832 | 91 | - | 923 |
| 315 | MUHAMMAD SHAHZAD ADDRESS: MAIN BAZAR MAKKI MASJID, HOUSE# P-96 STREET# 1, RADHAJA TOWN, FAISALABAD | MUHAMMAD SHAHZAD | 33100-5907713-5 | MUHAMMAD BASHIR | 851 | 82 | - | 851 | 82 | - | 933 |
| 316 | BISMILLAH ADDRESS: OLD SUBZI MANDI, FLAT# A-15 SULTAN COMPLEX, NEAR ASKARI PARK, KARACHI | BISMILLAH | 42201-7656605-7 | JUMA KHAN | 934 | 81 | - | 934 | 81 | - | 1,015 |
| 317 | MUHAMMAD MEHROZ ADDRESS: AL FAISAL TOWN, HOUSE# 24 MOHALLAH B BLOCK, LAHORE CANTT, LAHORE | MUHAMMAD MEHROZ | 42101-0909225-7 | MOHAMMAD GULZATR | 950 | 103 | - | 950 | 103 | - | 1,053 |
| 318 | ABDUL QADIR, FEAQ MARKET, QADARY, SWEETS, AKBARI MANDI INALIA, LAHORE | ABDUL QADIR | 35202-6670928-7 | MUHAMMAD NAWAZ | 1,076 | - | - | 1,076 | - | - | 1,076 |
| 319 | MUHAMMAD YOUSAF ADDRESS: JAHANGEER ROAD, HOUSE# G R E-5965, KARACHI, | MUHAMMAD YOUSAF | 42201-2900768-7 | NOOR MUHAMMAD | 994 | 87 | - | 994 | 87 | - | 1,081 |
| 320 | TARIQ MEHMOOD ADDRESS: MUHALLA FAQIR COLONY, HOUSE# 380 USMANIA, ORANGI TOWN, KARACHI | TARIQ MEHMOOD | 35102-0715006-5 | NOOR MUHAMMAD | 1,011 | 89 | - | 1,011 | 89 | - | 1,100 |
| 321 | MUHAMMAD ADNAN AMEER ADDRESS: JILANI COLONY SADDIQA ROAD, KHAWAJA STREET, GULGASHT COLONY, MULTAN | MUHAMMAD ADNAN AMEER | 36302-9232163-7 | AMEEER BUKSH | 1,129 | - | - | 1,129 | - | - | 1,129 |
| 322 | MUHAMMAD NAEEM ADDRESS: MAHALLAH BAZAR, HOUSE # 3 STREET # 73, SADAR BAZAR, LAHORE | MUHAMMAD NAEEM | 35201-1056591-3 | MUJEEN UDDIN | 1,071 | 93 | - | 1,071 | 93 | - | 1,164 |
| 323 | SYED TAHA HUSSAIN JAFFERY ADDRESS: SHOP# 17 HARAIB GARDEN BLOCK# 1, TAHA TRADING & BROCS, GULSHAN E IOBAL NEAR ABID TOWN, KARACHI | SYED TAHA HUSSAIN JAFFERY | 42101-1372878-5 | ALI ATHAR HUSSAIN JAFFRI | 1,188 | - | - | 1,188 | - | - | 1,188 |
| 324 | LIAQAT ALI ADDRESS: YASFEEN TOWN NEAR SHAIKAT TOWN, HOUSE# 165 STREET# 6, GHAZI ROAD, LAHORE | LIAQAT ALI | 35201-3019505-9 | MERAJ DIN | 1,099 | 105 | - | 1,099 | 105 | - | 1,204 |
| 325 | MUHAMMAD AZHAR ADDRESS: SULTAN B, AKHTER, HOUSE# 001 INER 2, COLONY KARACHI. | MUHAMMAD AZHAR | 42000-2128917-3 | MUHAMMAD RASHEED | 1,144 | 113 | - | 1,144 | 113 | - | 1,257 |
| 326 | HAMID RAZA ADDRESS: BUTT CHOWK COLLEGE ROAD 32, MATIEN AVENUE, MODEL TOWN, LAHORE | HAMID RAZA | 17301-3851159-7 | MUHAMMAD ISHAQ | 1,167 | 115 | - | 1,167 | 115 | - | 1,282 |
| 327 | SHAHID HAFEEZ ADDRESS: HAQ NAWAZ ROAD, 115-A, AL MASS PAN SHOP, BAGHIBAN PURA LAHORE | SHAHID HAFEEZ | 35201-6192950-5 | HAFEEZ UR REHMAN | 1,185 | 111 | - | 1,185 | 111 | - | 1,296 |
| 328 | TAHIR AHMED ASHGAR KHOKHAR ADDRESS: CANTT MULTAN, 105 KHALID COLONY, Multan | TAHIR AHMED ASHGAR KHOKHAR | 36302-5571904-7 | MALIK RASHEED ASGHAR KHAN | 1,178 | 119 | - | 1,178 | 119 | - | 1,297 |

Notes to the Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|--|--|--|----------------|--------|-----------------------|------------------------------|------------------------|--------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | |
| 329 | BASIT HAFEZ ADDRESS: JAHANGIR TOWN KACHA SANDA, HOUSE # 9 NEW FANAIL STREET, LAHORE | BASIT HAFEZ | 35202-8520586-7 | M HAFEZ SULMAN | 1,203 | 113 | - | 1,316 | 113 | - | 1,316 |
| 330 | AFZAL RAZA ADDRESS: SHOP # 1 RAFIQUE SHAHEED ROAD, BUBBLE MEDICAL & SURGICAL STORE, OPP NICH & JPMC, KARACHI | AFZAL RAZA | 42301-8315259-3 | GHULAM RAZA | 1,222 | 106 | - | 1,328 | 106 | - | 1,328 |
| 331 | ARV INDUSTRIES ADDRESS: SUIT # 3, 2ND FLOOR, NAWAB BUILDING, SHADMAN MARKET, LAHORE | MIAN MUHAMMAD JAHANGIR | 35202-6720357-3 267-84-630930 | GHULAM QADIR MIAN MUHAMMAD JAHANGIR | 4,787 | 240 | - | 5,027 | 240 | - | 775 |
| 332 | DEW SPOT INTERNATIONAL ADDRESS: 1-DIAL SINGH MENSION SHAHRAH-E-QUAID-E-AZAM, LAHORE | YASMEEN RASHEED | 35201-1532619-8 | MR. ABDUR RASHEED | 4,000 | 509 | - | 4,509 | 509 | - | 509 |
| 333 | AHMBRO INDUSTRIES ADDRESS: 13-AG GULBURG III, LAHORE | MUHAMMAD MATEEN AHMED | 35201-1200157-5 | MUBEEN AHMAD | 6,800 | 1,091 | - | 7,891 | 890 | - | 890 |
| 334 | KAGHAN GHEE MILLS ADDRESS: 4TH FLOOR, BLOR PLAZA, SADDAR ROAD, PESHAWAR | IFTIKHAR HUSSAIN ALVI ABBAS AHMED SHAH SYED NOOR-UD-DIN | 101-48-117837 123-37-549522 123-47-128909 | ABDUL AZIZ SYED GHULAM AHMED SHAH SYED GHULAM AHMED SHAH | 23,460 | 716 | - | 24,176 | 13,459 | 716 | 14,175 |
| 335 | SURAJ COTTON MILLS LIMITED ADDRESS: 7-B, HAZIZ AVENUE, GULBERG-V, LAHORE | KHALID BASHIR KUTUB KHAN ANWAR AMJAD MAHMOOD ASIF BASHIR ADIL BASHIR NADDEEM MAQBOOL | 246-42-086413 244-40-005490 244-92-273520 35202-2631607-3 35202-9150680-3 502-50-443796 | MUHAMMAD BASHIR MIAN MUHAMMAD SHAFI GULZAR AHMAD KHALID BASHIR KHALID BASHIR MAQBOOL AHMAD | - | 166,527 | 105 | 166,632 | 65,182 | 105 | 65,287 |
| 336 | SHAMS TEXTILE MILLS LIMITED ADDRESS: 7-B, III, AZIZ AVENUE, GULBERG-V, LAHORE | KHALID BASHIR MUHAMMAD ANWAR AMJAD MAHMOOD ASIF BASHIR ADIL BASHIR NADDEEM MAQBOOL | 246-42-086413 244-40-005490 244-92-273520 35202-2631607-3 35202-9150680-3 502-50-443796 | MUHAMMAD BASHIR HAJI MUHAMMAD SHAFI GULZAR AHMAD KHALID BASHIR KHALID BASHIR MAQBOOL AHMAD | - | 36,122 | - | 36,122 | 27,467 | - | 27,467 |
| 337 | ATTOCK TEXTILE MILLS LIMITED ADDRESS: SUIT NO. 3, FIRST FLOOR, PANTHER PLAZA, F-8 MARKAZ, ISLAMABAD | ARSHAD ALI CHAUDHARY RIZWAN ARSHAD FARIDA KHANUM MOHAMMAD SHARIF MOHAMMAD ALAM EFFAT ARSHAD BUSHRA ARSHAD AHSANULLAH | 101-55-396224 101-87-341902 224-59-022038 225-24-066154 225-29-246008 224-78-140523 224-77-140524 225-93-066223 | CH. MOHAMMAD SHARIF RASHID AHMED MOHAMMAD ALAM GHULAM SARWAR RAJA KHAN ARSHAD ALI CHAUDHARY ARSHAD ALI CHAUDHARY ARSHAD ALI CHAUDHARY | - | 26,180 | - | 26,180 | 26,180 | - | 26,180 |
| 338 | INTERNATIONAL FLOOR COVERINGS LTD. ADDRESS: FIRST FLOOR, STANDARD CHARTERED BANK CHAMBERS I.I CHUNDRIGAR ROAD, KARACHI | MIAN MUHAMMAD SAID KHAN MRS. SHAZIA SAID KHAN MISS SHARMEEN SAID KHAN MRS. ANYESHA SAID KHAN MR. S. MUNEEB-UZ- ZAMAN | 42301-0927852-7 42301-3199750-0 35201-3115880-0 35201-0181203-2 42101-4771457-3 | HAJI MUHAMMAD DIN MIAN MUHAMMAD SAID KHAN MIAN MUHAMMAD SAID KHAN MIAN MUHAMMAD SAID KHAN S. NASEEM-UZ-ZAMAN | 9,980 | 20,020 | 121 | 30,121 | 16,499 | 121 | 16,620 |
| 339 | BURJOR ARDESHIRE INDUSTRIES LIMITED ADDRESS: 12-CHARTERED BANK CHAMBER, I.I CHUNDRIGAR ROAD, KARACHI | MAJEED A ABDULLAH AHMED ABDULLAH ANWAR A ABDULLAH AKBER ABDULLAH DARAGSHAH B DALAL DOST MUHAMMAD REHMAN D DALAL BURJOR A DALAL | * N/A * N/A * N/A * N/A * N/A * N/A * N/A | AHMED ABDULLAH SHAKOOR ABDULLAH AHMED ABDULLAH AHMED ABDULLAH BURJOR A DALAL N.A. ARSHAH B DALAL ARDESHIRE DALAL | - | 79,016 | 705 | 79,721 | 76,273 | - | 76,273 |
| 340 | VISION INTERNATIONAL APP. NO. 506, 5TH FLOOR, DIAMOND TOWER, SUBHRAJ/CHETUMAL RD GHRDEN ROAD, KARACHI | MUHAMMAD SALEEM MUHAMMAD YOUSUF HASHMIANI | 42201-0599162-5 42201-1512793-5 | HAJI NOORMUHAMMAD ABDUL LATIF | 3,150 | 732 | - | 3,882 | 549 | 732 | 1,281 |

247,705 350,476 931 599,112 210,077 234,011 226 444,314

* Burjor Ardeshire Industries Limited went into default prior to the time when GoP started issuing NICs.

Consolidated Financial Statements
for the year ended December 31, 2008



Enabling success, Realising dreams

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements of **NIB Bank Limited (the holding company) and its subsidiary companies (together, the Group)** which comprise consolidated balance sheet as of December 31, 2008 and the related consolidated profit and loss account, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof (the consolidated financial statements), for the year then ended. These consolidated financial statements include unaudited certified returns from the branches, except for twelve (12) branches, which have been audited by us. Subsidiaries, PICIC Assets Management Company Limited and PICIC Exchange Company (Private) Limited, were also reviewed by others firms of chartered accountants, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included for these subsidiaries is based solely on the review reports of other auditors.

These consolidated financial statements are responsibility of the Group's management. Our responsibility is to express our opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2008 and the results of its operations, its cash flows and changes in equity for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Without qualifying our opinion, we draw attention to notes 5.9, 6.11 and 16.2 to the consolidated financial statements where management has described the assumptions which it has used in the determining value in use of cash-generating units (CGUs) to which goodwill has been allocated for impairment testing. These assumptions represent management's estimates on the basis of market research, industry and country data and performance of the relevant CGUs. There is significant inherent uncertainty in the assumptions underlying the value in use computations which are dependent on future events.

M. Yousuf Adil Saleem & Co.
Chartered Accountants
Karachi.
Date: March 07, 2009

Consolidated Balance Sheet As at December 31, 2008



| | Note | 2008 | 2007 Restated |
|---|--------|-------------|------------------|
| (Rupees '000') | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | 10 | 9,357,450 | 10,330,072 |
| Balances with other banks | 11 | 868,019 | 2,309,386 |
| Lendings to financial institutions | 12 | 12,459,621 | 4,753,113 |
| Investments (a) | 13 | 31,135,628 | 38,973,586 |
| Advances | 14 | 80,344,193 | 81,932,379 |
| Operating fixed assets | 15 | 3,707,620 | 3,933,500 |
| Intangible assets | 16 | 28,391,164 | 29,766,288 |
| Deferred tax assets | 17 | 6,533,228 | 2,332,917 |
| Other assets | 18 | 3,899,304 | 3,546,143 |
| | | 176,696,227 | 177,877,384 |
| LIABILITIES | | | |
| Bills payable | 19 | 1,432,084 | 2,110,211 |
| Borrowings | 20 | 23,651,366 | 16,669,412 |
| Deposits and other accounts | 21 | 103,798,092 | 116,523,928 |
| Sub-ordinated loans | 22 | 3,999,200 | - |
| Liabilities against assets subject to finance lease | 23 | - | 7,176 |
| Deferred tax liabilities | | - | - |
| Other liabilities | 24 | 5,543,368 | 5,002,887 |
| | | 138,424,110 | 140,313,614 |
| NET ASSETS | | | |
| | | 38,272,117 | 37,563,770 |
| REPRESENTED BY : | | | |
| Share capital | 25 | 28,437,271 | 22,017,968 |
| Share deposit money | 44.2.1 | 12,000,000 | - |
| Reserves | | 8,326,684 | 719,810 |
| Accumulated (loss) / unappropriated profit (b) | | (8,382,793) | 796,600 |
| | | 40,381,162 | 23,534,378 |
| Shares to be issued | 25.5 | - | 14,026,177 |
| | | 40,381,162 | 37,560,555 |
| (Deficit) / surplus on revaluation of assets - net | 26 | (2,109,045) | 3,215 |
| | | 38,272,117 | 37,563,770 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 27 | | |

(a) The investments in listed equity securities and mutual funds held as available-for-sale are valued at prices quoted on the stock exchanges and the relevant net asset values as at December 31, 2008. Out of the total decline in value of Rs. 1,375.928 million on such investments, an amount of Rs. 275 million has been recognized in the profit and loss account and the remaining amount has been reflected as deficit in equity in accordance with the option provided in BSD Circular No. 4 dated February 13, 2009.

(b) Had the entire amount of decline in value been recognized in the profit and loss account, the accumulated loss would have been higher by Rs. 990.835 million (net of deferred tax). See note 13.13.

The annexed notes from 1 to 48 and annexure - 1 form an integral part of these consolidated financial statements.

Khawaja Iqbal Hassan
President / Chief Executive

Francis A. Rozario
Chairman / Director

Tejpal Singh Hora
Director

Syed Aamir Zahidi
Director

Consolidated Profit and Loss Account For the year ended December 31, 2008



| | Note | 2008 (Rupees '000') | 2007 Restated |
|---|---------|------------------------|------------------|
| Mark-up / Return / Interest earned | 28 | 15,246,632 | 7,034,967 |
| Mark-up / Return / Interest expensed | 29 | 10,754,066 | 4,994,243 |
| Net Mark-up / Interest Income | | 4,492,566 | 2,040,724 |
| Provision against non-performing advances | 14.5 | 8,833,641 | 1,494,801 |
| Provision for diminution in the value of investments (a) | 13.12 | 329,697 | - |
| Bad debts written off directly | | 14,372 | - |
| | | (9,177,710) | (1,494,801) |
| Net Mark-up / Interest income after provisions | | (4,685,144) | 545,923 |
| NON MARK-UP / INTEREST INCOME | | | |
| Fee, commission and brokerage income | | 1,002,657 | 507,418 |
| Dividend income | | 187,646 | 23,924 |
| Income from dealing in foreign currencies | | 440,499 | 226,364 |
| Gain on sale of securities | 30 | 194,310 | 24,021 |
| Unrealized loss on revaluation of investments classified as held-for-trading | | (149,010) | (1,963) |
| Other income | 31 | 65,148 | 21,486 |
| Total Non-Markup / Interest income | | 1,741,250 | 801,250 |
| | | (2,943,894) | 1,347,173 |
| NON MARK-UP / INTEREST EXPENSES | | | |
| Administrative expenses | 32 | 6,720,824 | 2,186,494 |
| Other provisions / (reversals) / write offs | 18.5 | 322,211 | 2,669 |
| Other charges | 33 | 325,271 | 2,133 |
| Impairment of goodwill | | 1,040,000 | - |
| Impairment of other intangible assets | | 43,637 | - |
| Total Non-Markup / Interest expense | | (8,451,943) | (2,191,296) |
| Share of (loss) / profit from associates | 13.10.2 | (1,613,049) | 159,161 |
| Share of post acquisition profit of amalgamating entities | | - | 136,465 |
| (Loss) / Profit before taxation | | (13,008,886) | (548,497) |
| Taxation - Current | 34 | 98,981 | 124,341 |
| - Prior years | 34 | (4,169) | - |
| - Deferred | 34 | (3,924,305) | (347,089) |
| | | (3,829,493) | (222,748) |
| (Loss) / Profit after taxation (b) | | (9,179,393) | (325,749) |
| Unappropriated profit brought forward | | 796,600 | 298,376 |
| Accumulated loss carried forward | | (8,382,793) | (27,373) |
| Basic / diluted (loss) / earnings per share (Rupees) | 35 | (3.23) | (0.29) |

(a) The investments in the listed equity securities and mutual funds held as available-for-sale are valued at prices quoted on the stock exchanges and the relevant net asset values as at December 31, 2008. Out of the total decline in value of Rs. 1,375.928 million on such investments, an amount of Rs. 275 million has been recognized in the profit and loss account and the remaining amount has been reflected as deficit in equity in accordance with the option provided in BSD Circular No. 4 dated February 13, 2009.

(b) Had the entire amount of decline in value been recognized in the profit and loss account, the loss for the year and the loss per share would have been higher by Rs. 990.835 million (net of deferred tax) and Rs. 0.35 respectively. See note 13.13.

The annexed notes from 1 to 48 and annexure - 1 form an integral part of these consolidated financial statements.

Khawaja Iqbal Hassan
President / Chief Executive

Francis A. Rozario
Chairman / Director

Tejpal Singh Hora
Director

Syed Aamir Zahidi
Director

Consolidated Cash Flow Statement For the year ended December 31, 2008



| | 2008 | 2007 Restated |
|---|---------------------|---------------------|
| | (Rupees '000') | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss) / Profit before taxation | (13,008,886) | (548,497) |
| Dividend income | (187,646) | (23,924) |
| | <u>(13,196,532)</u> | <u>(572,421)</u> |
| Adjustments for non-cash items | | |
| Depreciation | 501,043 | 171,778 |
| Amortization | 298,075 | 155,558 |
| Gain on sale of securities | (194,310) | (24,021) |
| Gain on sale of operating fixed assets | (35,110) | (6,248) |
| Provision against non-performing advances | 8,833,641 | 1,494,801 |
| Bad debts written off directly | 14,372 | - |
| Fixed assets written off | 75,098 | - |
| Intangibles written off | 485 | - |
| Impairment of investments in associates | 220,005 | - |
| Impairment of goodwill | 1,040,000 | - |
| Impairment of other intangible assets | 43,637 | - |
| Provision for diminution in the value of investments | 329,697 | - |
| Unrealized loss on revaluation of investments classified as held-for-trading | 149,010 | 1,963 |
| Share of loss / (profit) from associates | 1,613,049 | (159,161) |
| Share of post acquisition profit of amalgamating entities | - | (136,465) |
| Other provisions / (reversals) / write offs | 322,211 | 2,669 |
| | <u>13,210,903</u> | <u>1,500,874</u> |
| | 14,371 | 928,453 |
| (Increase) / decrease in operating assets | | |
| Lendings to financial institutions | (7,706,508) | (2,153,113) |
| Held-for-trading securities | 59,675 | - |
| Advances | (7,259,827) | (25,294,909) |
| Other assets | (112,030) | (369,402) |
| | <u>(15,018,690)</u> | <u>(27,817,424)</u> |
| Increase / (decrease) in operating liabilities | | |
| Bills payable | (678,127) | 400,119 |
| Borrowings | 6,981,954 | 2,703,890 |
| Deposits and other accounts | (12,725,836) | 14,440,775 |
| Other liabilities | 540,931 | (156,721) |
| | <u>(5,881,078)</u> | <u>17,388,063</u> |
| | <u>(20,885,397)</u> | <u>(9,500,908)</u> |
| Income tax paid | (652,311) | (156,718) |
| Net cash flows used in operating activities | <u>(21,537,708)</u> | <u>(9,657,626)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net Investments in available-for-sale securities | 7,274,552 | (13,526,080) |
| Net Investments in held-to-maturity securities | (3,956,986) | - |
| Net Investments in associates | (45,000) | (256,315) |
| Dividend received | 181,803 | 111,152 |
| Investment in intangible assets | (7,073) | - |
| Investment in operating fixed assets | (519,437) | (944,460) |
| Sale proceeds of operating fixed assets disposed off | 204,286 | 25,171 |
| Net cash flows from / (used in) investing activities | <u>3,132,145</u> | <u>(14,590,532)</u> |

Consolidated Cash Flow Statement For the year ended December 31, 2008



| | 2008 | 2007 Restated |
|--|----------------|------------------|
| | (Rupees '000') | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Issue of sub-ordinated loans - net of redemption | 3,999,200 | - |
| Share deposit money | 12,000,000 | - |
| Issue of share capital | - | 32,682,623 |
| Dividend paid | (450) | - |
| Issuance cost against right shares | - | (85,908) |
| Payments of lease obligations | (7,176) | - |
| Net cash flow from financing activities | 15,991,574 | 32,596,715 |
| Net (Decrease) / Increase in cash and cash equivalents | (2,413,989) | 8,348,557 |
| Cash and cash equivalents at the beginning of the year | 12,639,458 | 4,290,901 |
| Cash and cash equivalents at the end of the year | 10,225,469 | 12,639,458 |

The annexed notes from 1 to 48 and annexure - 1 form an integral part of these consolidated financial statements.

Khawaja Iqbal Hassan
President / Chief Executive

Francis A. Rozario
Chairman / Director

Tejpal Singh Hora
Director

Syed Aamir Zahidi
Director

Consolidated Statement of Changes in Equity For the year ended December 31, 2008



| | Reserves | | | | | | | Total |
|---|-------------------|---------------------|------------------|-------------------|-----------------|--------------------|--|-------|
| | Share capital | Share deposit money | Capital | | Revenue | | Unappropriated profit / (accumulated loss) | |
| | | | Share premium | Statutory reserve | General reserve | | | |
| ----- (Rupees '000') ----- | | | | | | | | |
| Balance as at December 31, 2006 | 3,361,522 | – | 639,744 | 74,594 | 5,472 | 298,376 | 4,379,708 | |
| Recognized income and expense for the year - Restated (Note 9.2.1) | – | – | – | – | – | (325,749) | (325,749) | |
| Equity method adjustment related to investment in associates (Note 9.2) | – | – | – | – | – | 909,881 | 909,881 | |
| Issue of right shares | 18,656,446 | – | – | – | – | – | 18,656,446 | |
| Right shares issue cost - net of tax | – | – | – | – | – | (85,908) | (85,908) | |
| Balance as at December 31, 2007 - Restated | 22,017,968 | – | 639,744 | 74,594 | 5,472 | 796,600 | 23,534,378 | |
| Recognized income and expense for the year | – | – | – | – | – | (9,179,393) | (9,179,393) | |
| Transfer to statutory reserves | – | – | – | – | – | – | – | |
| Shares issued under scheme of amalgamation | 6,419,303 | – | 7,606,874 | – | – | – | 14,026,177 | |
| Share deposit money | – | 12,000,000 | – | – | – | – | 12,000,000 | |
| Balance as at December 31, 2008 | 28,437,271 | 12,000,000 | 8,246,618 | 74,594 | 5,472 | (8,382,793) | 40,381,162 | |

2008 **2007**
Restated
(Rupees '000')

Statement of Recognized Income and Expenses

| | | |
|--|-------------|-----------|
| (Loss) / profit after taxation | (9,179,393) | (325,749) |
| Total recognized income and expense for the year | (9,179,393) | (325,749) |

The annexed notes from 1 to 48 and annexure - 1 form an integral part of these consolidated financial statements.

Khawaja Iqbal Hassan
President / Chief Executive

Francis A. Rozario
Chairman / Director

Tejpal Singh Hora
Director

Syed Aamir Zahidi
Director

1. STATUS AND NATURE OF BUSINESS

The "Group" consists of:

Holding Company

NIB Bank Limited (the Bank)

NIB Bank Limited is incorporated in Pakistan and its registered office is situated at Muhammadi House, I.I.Chundrigar Road, Karachi in the province of Sindh. The Bank is listed on all the stock exchanges in Pakistan and has 244 branches (2007: 240 branches). The Bank is a scheduled commercial Bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962.

Last year, the State Bank of Pakistan (SBP) sanctioned a scheme of amalgamation (the scheme) under section 48 of Banking Companies Ordinance 1962, on December 31, 2007 by virtue of which Pakistan Industrial Credit and Investment Corporation Limited "PICIC" and PICIC Commercial Bank Limited "PCBL" were amalgamated with and into NIB Bank Limited on December 31, 2007 (at close of business). This scheme of amalgamation had earlier been approved by shareholders of the Bank in their extraordinary general meeting held on November 26, 2007.

NIB Bank Limited is a subsidiary of Bugis Investments (Mauritius) Pte. Limited which is a wholly owned subsidiary of Fullerton Financial Holdings Pte. Limited which in turn is a wholly owned subsidiary of Temasek Holdings, an investment arm of the Government of Singapore.

Subsidiary Companies

Following are the subsidiaries consolidated in these consolidated financial statements:-

| Subsidiary | Share holding | Date of acquisition | Nature of business | Listed / unlisted | Country of incorporation |
|--|---------------|---------------------|---|-------------------|--------------------------|
| PICIC Asset Management Company Limited | 100% | June 30, 2007 | Investment Advisory and Asset Management Services | Unlisted | Pakistan |
| PICIC Exchange Company (Private) Limited | 100% | June 30, 2007 | Dealing in Foreign Exchange | Unlisted | Pakistan |

The Group has acquired interest in PICIC Asset Management Company Limited (PICIC AMC) and PICIC Exchange Company (Pvt.) Limited by virtue of acquisition and amalgamation of PICIC and PCBL respectively. Interest in these subsidiaries was acquired in the same phase as mentioned in note 8.2.

The Group has also acquired 95.89% interest in Financial and Management Services (Pvt.) Limited by virtue of acquisition and amalgamation of PICIC.

During the year, the management initiated a voluntary winding up process for PICIC Exchange Company as it was not a strategic fit with the rest of the business. This voluntary winding up was approved by the shareholders in an Extraordinary General Meeting held on 24 November 2008. Consequently, a liquidator has been appointed. The process is expected to be completed by May 2009.

2. BASIS OF PRESENTATION

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

3. STATEMENT OF COMPLIANCE

3.1 These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by SBP. In case requirements differ, the provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by SBP shall prevail.

3.2 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. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. The change is subject to modification in the format of financial statements by SBP.

Revised IAS 23 - Borrowing costs (effective for annual periods beginning on or after 1 January 2009) removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The application of the standard is not likely to have an effect on the Group's financial statements.

IAS 29 – Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008). The Group does not have any operations in Hyperinflationary Economies and therefore the application of the standard is not likely to have an effect on the Group's financial statements.

Amendments to IAS 32 Financial instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009) – Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which require retrospective application, are not expected to have any impact on the Group's financial statements.

Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009) clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The application of this standard is not likely to have a material effect on the Group's financial statements.

Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognised in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis. The application of this standard is not likely to have an effect on the Group's financial statements.

Amended IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in the profit or loss. The application of the standard is not likely to have an effect on the Group's financial statements.

IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008) supersedes IAS 30 – Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 – Financial Instruments: Disclosure and Presentation. The standard would be applied when IAS 39 – Financial Instruments – Recognition and Measurement becomes applicable for Banks and would require significant increase in disclosures.

IFRS 8 – Operating Segments (effective for annual periods beginning on or after 1 January 2009) introduces the “management approach” to segment reporting. IFRS 8 will require a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Bank's “chief operating decision maker” in order to assess each segment's performance and to allocate resources to them. Currently, the Bank presents segment information in respect of its business and geographical segments. This standard will have no effect on the Bank's reported total profit or loss or equity.

IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after 01 July 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 is not likely to have a material effect on the Group's financial statements.

IFRIC 15 – Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009) clarifies the recognition of revenue by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete. The amendment is not relevant to the Group's operations.

IFRIC 16 – Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008) clarifies that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation, the hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The Interpretation allows an entity that uses the step-by-step method of consolidation, an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used. The amendment is not likely to have an effect on the Group's financial statements.

The International Accounting Standards Board made certain amendments to existing standards as part of its first annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Group's 2009 financial statements.

IAS 27 – Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 January 2009). The amendment removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. However, this requirement will not affect these consolidated financial statements.

IFRIC 17 – Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009) states that when a company distributes non cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognised in equity. When the non cash asset is distributed, the difference between the carrying amount and fair value is recognised in the income statement. As the Bank does not distribute non-cash assets to its shareholders, this interpretation has no impact on the Group's financial statements.

IFRS 5 Amendment – Improvements to IFRSs - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (effective for annual periods beginning on or after 1 July 2009) specify that: if an entity is committed to a sale plan involving the loss of control of a subsidiary, then it would classify all of that subsidiary's assets

and liabilities as held for sale when the held for sale criteria in paragraphs 6 to 8 of IFRS 5 are met. Disclosures for discontinued operations would be required by the parent when a subsidiary meets the definition of a discontinued operation. The amendment is not likely to have an effect on Group's financial statements.

4. BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention, except for the measurement of certain investments and commitments in respect of forward foreign exchange contracts that are taken at revalued amounts and staff retirement benefits (Gratuity) which are stated at present value.

These consolidated financial statements have been presented in Pakistani Rupee, which is the Group's functional as well as the reporting currency.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

5.2 Business combinations

Acquisition of entities not under common control

Business combinations are accounted for using the purchase method. Under this method the cost of acquisition is measured as the fair value of the assets given and the liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identified assets acquired, liabilities and contingent liabilities assumed are fair valued at the acquisition date, irrespective of the extent of any minority interest. The excess of cost of acquisition over the fair value of identifiable net assets acquired is recorded as goodwill.

Acquisition of entities under common control

Further acquisition of control in subsidiaries in the second and third phases is determined as "business combinations under common control". The fair value of net assets acquired at the first phase of the acquisition is treated as carrying value and, after taking effect of operations between the periods after the first phase of acquisition till the cut off date for subsequent acquisitions, the carrying value of net assets were determined. The excess of cost of acquisition over the carrying value of identifiable net assets acquired is included in goodwill.

Transactions eliminated on consolidation

Material intra - group balances and transactions are eliminated on consolidation.

5.3 Revenue recognition

Mark-up / return on performing loans / advances and investments is recognized on time proportionate basis. Where debt securities are purchased at premium or discount, such premium / discount is amortized using the effective interest rate method through the profit and loss account over the remaining period of maturity so as to produce a constant rate of return. Interest or mark-up recoverable on non-performing advances is recognized on a receipt basis in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan as amended from time to time.



Subsequent measurement

Held-to-maturity

These are measured at amortized cost using the effective interest rate method, less any impairment loss recognized to reflect irrecoverable amount.

Held-for-trading

These are measured at subsequent reporting dates at fair value. Gains and losses on remeasurement are included in the net profit and loss for the year.

Available-for-sale

Quoted securities classified as available-for-sale investments are measured at subsequent reporting dates at fair value and surplus / deficit arising thereon is kept in a separate account shown in the balance sheet below equity. The surplus / deficit arising on these securities is taken to the profit and loss account when actually realized upon disposal.

Unquoted equity securities are valued at the lower of cost and break-up value, increase or decrease in the carrying value is credited / charged to profit and loss account. Break-up value of equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments in other unquoted securities are valued at cost less impairment losses.

Provision for diminution in the value of securities (except term finance certificates) is made for impairment, if any. Provision for diminution in value of term finance certificates is made as per the aging criteria prescribed by the Prudential Regulations issued by the SBP.

In the current year, due to rare circumstances determined in note (13.13), the SECP has allowed the recognition of impairment in the equity.

Investment in Associates

Investments in associates are accounted for under equity method.

Gain or loss on sale of investments is included in profit and loss for the year.

5.6 Lendings to / borrowings from financial institutions

Securities sold subject to a repurchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings. Securities purchased under agreement to resale (reverse repo) are not recognized in the financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. In case of continuous funding system transactions are shown under advances. The difference between sale and repurchase / purchase and resale price is treated as mark-up / return expensed or earned as the case may be.

5.7 Advances

Advances including continuous funding system and net investment in finance lease are stated net of provisions. Provisions comprise of:

Specific provision

The bank maintains specific provisions for doubtful debts at a level that can reasonably be anticipated, keeping in view the requirements of the Prudential Regulations issued by the SBP.

General provision

The bank maintains general provision at the rate of 5% against unsecured consumer portfolio and at the rate of 1.5% against secured consumer portfolio in accordance with the Prudential Regulations issued by the SBP.

Advances are written off when there is no realistic prospect of recovery.

Net investment in finance lease

Leases include hire purchase where the bank transfers substantially all the risks and rewards incidental to the ownership of an asset and are classified as finance leases. Net investment in finance lease is recognized at an amount equal to the aggregate of minimum lease payments including any guaranteed residual value and excluding unearned finance income, if any.

5.8 Operating fixed assets

Property and equipment

Property and equipment except freehold and leasehold land is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Leasehold and freehold land is stated at cost.

Depreciation is charged to income applying the straight line method over the estimated useful lives while taking into account any residual value, at the rates given in Note 15.2 to the financial statements. In respect of additions and deletions to assets during the year, depreciation is charged from the month of acquisition while depreciation on disposals during the year is charged up to the month of disposal.

Normal repairs and maintenance are charged to profit and loss account for the year as and when incurred. Major repairs and improvements are capitalized and assets so replaced are retired.

Gains and losses on disposal of property and equipment if any, are taken to profit and loss account for the year.

Assets held under finance leases are stated at cost less accumulated depreciation. The outstanding obligations under the lease agreements are shown as a liability net of finance charges allocable to future periods. Depreciation on assets held under finance lease is charged in a manner consistent with that for depreciable assets which are owned by the Group.

Finance charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of return on the outstanding liability.

Assets Held under Operating Lease

Operating lease assets are stated at cost less accumulated depreciation and impairment, if any.

Repairs and maintenance are charged to profit and loss account as and when incurred.

Capital work in progress

These are stated at cost.

5.9 Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Bank's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity. Goodwill is initially recognised as an asset at cost and is subsequently measured less any accumulated impairment loss. Impairment losses are charged to the profit and loss account.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit (CGU) expected to benefit from the synergies of the acquisition. CGUs to which goodwill is allocated are tested for impairment annually, or more frequently when there is an indication that the carrying value of the CGU may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. The recoverable amount is the higher of the CGU's fair value less cost to sell and its value in use. Value in use is the present value of expected future cash flows from the CGU. Fair value less cost to sell is the amount obtainable for the sale of the CGU in an arm's length transaction between knowledgeable, willing parties. Impairment losses on goodwill are not reversed.

Other intangible assets

Other intangible assets are recognised separately from goodwill when they are specifically identifiable or arise from contractual or other legal rights, and their fair value can be measured reliably.

Intangible assets include the value of the brand name, core deposit relationships, and core loan relationships and are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to profit or loss over the assets' economic lives using methods that best reflect the pattern of economic benefits. The estimated useful lives, on a straight line basis, are as follows:

| | |
|---|----------|
| Brand name | 5 years |
| Core deposit relationships | 11 years |
| Core overdraft / working capital loan relationships | 11 years |

Intangible assets with indefinite life comprise of Management Rights of PICIC Investment Fund, PICIC Growth Fund and PICIC Energy Fund. These rights are stated at cost being the fair value at the time of acquisition. These are tested annually for impairment and carried at cost less accumulated impairment, if any. These rights were stated at cost less accumulated amortization and impairment losses, if any in PICIC AMC. Up to December 31, 2007, amortization had been charged on straight line basis over a period of 10 years. But now the management has revised its estimate for useful life to indefinite period, accordingly the change is applied with effect from the date of acquisition of PICIC AMC.

Computer software is stated at cost less accumulated amortization and accumulated impairment loss, if any. Amortization is carried out on the straight line method at the rates given in Note 16 to the financial statements.

5.10 Sub-Ordinated Loans

During the period, the Bank issued sub-ordinated loans which are initially recorded at the amount of proceeds received. Mark-up accrued on these loans is recognized separately as part of other liabilities and is charged to profit and loss account over the period on accrual basis.

5.11 Impairment of non financial assets

Non financial assets (excluding deferred tax and goodwill) are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable. If any such indication exists, the bank estimates the recoverable amount of the asset and the impairment loss, if any. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Value in use is the present value of future cash flows from the asset discounted at a rate that reflects market interest rates adjusted for risks specific to the asset. If the recoverable amount of an asset is less than its carrying value, an impairment loss is recognised immediately in profit or loss and the carrying value of the asset reduced by the amount of the loss. A reversal of an impairment loss on assets (excluding goodwill) is recognized as it arises provided the increased carrying value does not exceed that which it would have been had no impairment loss been recognized.

5.12 Staff retirement benefits

Defined Contribution plan

The Bank operates a defined contribution provident fund for all its permanent employees. Equal monthly contributions are made both by the bank and the employees to the fund at the rate of 10% of basic salary.

PICIC AMC also operates an approved funded contributory provident fund for all its regular employees. Equal monthly contributions are made both by the subsidiary and the employees at the rate of 10% per annum of the basic salary.

Defined Benefit plan

The Bank operates an unfunded gratuity scheme covering all eligible employees who have attained the minimum qualifying period of five years. Eligible employees are those employees who have joined the service of the bank on or before March 31, 2006. Provision is made in accordance with actuarial recommendations. Actuarial valuation is carried out periodically using the "Projected Unit Credit Method".

Actuarial gain / loss is recognized using the 10% corridor approach. Corridor is defined as the greater of 10% of present value of defined benefit obligation and plan assets.

PICIC AMC operates an approved funded gratuity scheme for all its regular employees who have completed the minimum qualifying period of service as defined under the scheme. Contributions are made to cover the obligations under the scheme on the basis of actuarial valuation and are charged to income.

5.13 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into consideration the tax credits and rebates available and any adjustments to tax payable in respect of previous years.

Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. However, deferred tax is not recognized on the initial recognition of goodwill. The Group records deferred tax assets / liabilities using the tax rates, enacted or substantially enacted at the balance sheet date expected to be applicable at the time of its reversal.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Group recognizes deferred tax asset / liability on deficit / surplus on revaluation of securities in accordance with the requirements of the International Accounting Standard (IAS) 12 "Income Taxes". The related deferred tax asset / liability is adjusted against the related deficit / surplus.

The Group recognizes deferred tax asset for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized in accordance with the requirements of the International Accounting Standard (IAS) 12 "Income Taxes".

5.14 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable

estimate of the amount can be made. Provisions are reviewed quarterly and are adjusted to reflect the current best estimate.

5.15 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set-off the recognized amount and the Group intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements.

5.16 Dividend distribution

Dividend is recognized as a liability in the period in which it is declared.

5.17 Distributions of bonus shares / units and other appropriations to reserves

The Group recognizes all appropriations, other than statutory appropriations, to reserves including those in respect of bonus shares made after the balance sheet date, in the period in which such appropriations are approved.

5.18 Foreign currencies

Transactions in foreign currencies are translated to Rupees at the foreign exchange rates prevailing at the transaction date. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rates of exchange prevailing at the balance sheet date. Forward foreign exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

Commitments for outstanding forward foreign exchange contracts are disclosed in these financial statements at committed amounts. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Rupee terms at the rates of exchange approximating those prevailing at the balance sheet date.

Assets against which the constituents have exercised their option to transfer exchange risk to the Bank and liabilities for which the Bank has exercised its option to transfer exchange guaranteed by the Bank and the Government, respectively.

Assets, liabilities, commitments and contingent liabilities in respect of Bangladesh are translated at parity rates approximating those prevailing prior to August 15, 1971.

Exchange gains and losses are included in income currently except net unrealized exchange gain on long-term monetary items which, as a matter of prudence, is carried forward as unrealized gain in view of the uncertainty associated with its realization.

5.19 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents include cash and balances with treasury banks and balances with other banks.

5.20 Financial instruments

All financial assets and liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Group loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income directly. Financial assets carried on the balance sheet include cash and bank balances, lendings to financial institutions, investments, advances, certain receivables and financial liabilities include borrowings, deposits, bills payable and other payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

5.21 Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into and subsequently these instruments are marked to market and changes in fair values are taken to the profit and loss account. Fair values are obtained from quoted market prices in active markets.

5.22 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format of reporting is based on business segments.

5.22.1 Business Segments

Corporate and Investment Banking

It represents seasonal finance, export finance, trade finance, leasing, lending, guarantees and bills of exchange relating to corporate and commercial customers, along with advisory, underwriting and IPO related activities.

Consumer and Small Enterprises

It represents banking services offered to individual and small businesses through a large retail branch banking and alternate distribution network. These banking services include lending, deposits, distribution of Insurance products along with many other financial products and services tailored for such customers.

Small and Medium Enterprises and Commercial

It represents all working capital based financing and export-oriented facilities along with depository products & services and one window solution to SME and Commercial businesses operating in manufacturing, trade and service sectors.

Treasury

It represents fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos, brokerage debt, prime brokerage.

5.22.2 Geographical segments

The Group operates in Pakistan only.

6. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgment was exercised in application of accounting policies are as follows:

6.1 Held-to-maturity securities

As described in note 5.5, held-to-maturity securities are investments where the management has positive intent and ability to hold to maturity. The classification of these securities involves management judgment whether the financial assets are held-to-maturity investments.

6.2 Held-for-trading securities

In classifying investments as held-for-trading, the Group has determined securities which are acquired with an intention to trade by taking advantage of short term market / interest rate movements and are to be sold within 90 days.

6.3 Available-for-sale securities

The investments which are not classified as held-for-trading or held-to-maturity are classified as available-for-sale.

6.4 Valuation and impairment of available for sale equity investments

The Group considers that available-for-sale equity investments may be impaired when there has been a significant or prolonged decline in the fair value below their cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates, among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows. The equity securities have been valued at prices quoted on the KSE on 31 December 2008 as required by the State Bank of Pakistan (SBP) BSD Circular Letter No. 2 dated 27 January 2009.

6.5 Provision against non-performing advances

Apart from the provision determined on the basis of time based criteria given in the Prudential Regulations of the SBP, management also applies subjective criteria of classification and accordingly the classification of an advance is downgraded on the basis of evaluation of credit worthiness of the borrower, its cash flows, operations in its account and adequacy of security in order to ensure accurate measurement of the provision. For portfolio impairment provision on consumer advances, the Bank follows the general provision requirement set out in Prudential Regulations.

6.6 Retirement Benefits

The key actuarial assumptions concerning the valuation of the defined benefit plan and the sources of estimation are disclosed in note 38.2 to the financial statements.

6.7 Useful life of property and equipment and intangible assets

Estimates of useful life of the property and equipment and intangible assets are based on management's best estimate.

6.8 Fair value determination on acquisition

The fair value determined on acquisition is disclosed in note 8 to the consolidated financial statements.

6.9 Deferred taxation

As described in note 5.13, a deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Assessment of future taxable profits involves management judgment.

6.10 Income Taxes

During 2007, a new schedule was introduced for taxation for banks in Pakistan, applicable for taxation of the bank's income for the year ended December 31, 2008. According to the provisions of this schedule, provisions for doubtful loans and advances falling under the category of "doubtful" or "loss" were to be allowed as a deduction in the year in which the provision is made. However, through amendments in the Finance Act, the allowance for bad debts has been restricted to actual write offs. In the case of consumer advances,

provision equivalent to 3% of consumer revenue would continue to apply. The schedule does not contain transitory provisions with respect to leases and other provisions treated differently before the applicability of the new schedule. The matter of introduction of such transitory provisions has been taken up with the Federal Board of Revenue by the Pakistan Banks Association and, based on discussions to date, the Bank's management is confident that such provisions will be made in the new schedule. Accordingly, the deferred tax calculations assume that such transitory rules will be made and the bank would be able to get the benefit of the asset so recognised. In making the estimates for income taxes currently payable by the Bank, the management looks at the current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Bank's future taxable profits are taken into account.

6.11 Impairment of Goodwill

Impairment testing involves a number of judgmental areas which are subject to inherent significant uncertainty, including the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting and the assessment of the discount rate appropriate to the business.

The carrying amount of goodwill at the balance sheet date was Rs. 24.221 billion after an impairment loss of Rs. 1.040 billion recognised during the year. Details of the impairment loss calculation are provided in note 16.2.

7. BASIS OF CONSOLIDATION

The assets and liabilities of subsidiary companies have been consolidated on a line by line basis and the carrying value of investment in subsidiaries held by the holding company is eliminated against the shareholders' equity in the consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

Financial and Management Services (Pvt.) Limited has not been consolidated as it is not material and this investment has been fully provided.

8. BUSINESS COMBINATION

8.1 Pursuant to a scheme of amalgamation duly approved by State Bank of Pakistan, the entire undertakings of PICIC and PCBL were merged with and into NIB Bank Limited effective on December 31, 2007 as at close of business. PCBL was a subsidiary of PICIC by virtue of a 60% holding in its share capital.

8.2 The above mentioned entities were acquired by the Bank in phases as follows: -

**Pakistan Industrial Credit and Investment Corporation Limited
A Development Finance Institution**

| | Mode of Acquisition | Date of acquisition | Proportion of shares acquired |
|-----------|----------------------------|----------------------------|--------------------------------------|
| 1st Phase | Cash consideration | 30-Jun-07 | 63.36% |
| 2nd Phase | Cash consideration | 30-Sep-07 | 4.51% |
| 3rd Phase | Issuance of shares | 31-Dec-07 | 32.13% |

**PICIC Commercial Bank Limited
A Scheduled Commercial Bank**

| | | | |
|-----------|--------------------|-----------|--------|
| 1st Phase | *Indirect | 30-Jun-07 | 38.02% |
| 2nd Phase | Cash consideration | 30-Sep-07 | 4.96% |
| | *Indirect | 30-Sep-07 | 2.70% |
| 3rd Phase | Issuance of shares | 31-Dec-07 | 35.04% |
| | *Indirect | 31-Dec-07 | 19.28% |

*Shareholding by the Bank in PCBL was acquired indirectly by virtue of acquisition of shares in PICIC.

8.3 The details of net assets acquired (after incorporating adjustments described in note 9) and goodwill are as follows:

| | Note | 1st Phase | 2nd Phase | 3rd Phase | Total |
|--|-------------|-----------------------------------|------------------|------------------|--------------|
| | | ----- (Rupees '000') ----- | | | |
| Purchase consideration: | | | | | |
| Cash paid | | 20,521,393 | 1,911,898 | – | 22,433,291 |
| Shares to be issued | 25.5 | – | – | 14,026,177 | 14,026,177 |
| Direct costs relating to the acquisition | | 164,802 | – | – | 164,802 |
| Total Purchase consideration | | 20,686,195 | 1,911,898 | 14,026,177 | 36,624,270 |
| Less: | | | | | |
| Fair value of net assets acquired | | | | | |
| PICIC | | 4,700,117 | – | – | 4,700,117 |
| PCBL | | 2,194,154 | – | – | 2,194,154 |
| | | 6,894,271 | – | – | 6,894,271 |
| Carrying value of net assets acquired | | | | | |
| PICIC | | – | 111,389 | 947,529 | 1,058,918 |
| PCBL | | – | 429,205 | 2,980,404 | 3,409,609 |
| | | – | 540,594 | 3,927,933 | 4,468,527 |
| Total net assets acquired | | 6,894,271 | 540,594 | 3,927,933 | 11,362,798 |
| Goodwill | | 13,791,924 | 1,371,304 | 10,098,244 | 25,261,472 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



- 8.4** The goodwill is attributable to the significant synergies expected to arise from the development of PICIC & PCBL within the NIB Group and to those other intangibles, such as the branch network, which are not recognized separately from goodwill as the future economic benefits arising from them cannot be reliably measured.
- 8.5** The adjusted assets and liabilities arising from the acquisition on June 30, 2007 are as follows: -

| | PICIC | | PCBL | | Total |
|---|-------------------|---------------------------|-------------------|---------------------------|--------------------|
| | Fair Value | Acquiree's carrying value | Fair Value | Acquiree's carrying value | Fair Value |
| ----- (Rupees '000') ----- | | | | | |
| Cash and balances with treasury banks | 212,049 | 212,049 | 6,932,504 | 6,932,504 | 7,144,553 |
| Balances with other banks | 1,000,350 | 1,000,350 | 3,245,910 | 3,245,910 | 4,246,260 |
| Lendings to financial institutions | 575,048 | 575,048 | 5,077,039 | 5,077,039 | 5,652,087 |
| Investments | 14,861,032 | 13,241,134 | 27,490,223 | 28,019,863 | 42,351,255 |
| Advances | 12,904,077 | 16,033,028 | 31,653,723 | 33,334,675 | 44,557,800 |
| Operating fixed assets | 1,508,135 | 315,778 | 1,352,175 | 917,678 | 2,860,310 |
| Intangible assets other than goodwill | 204,116 | - | 2,613,602 | - | 2,817,718 |
| Deferred tax assets | 834,846 | 1,009,344 | 1,243,360 | 478,071 | 2,078,206 |
| Other assets | 705,809 | 705,809 | 1,344,241 | 1,390,753 | 2,050,050 |
| Total Assets | 32,805,462 | 33,092,540 | 80,952,777 | 79,396,493 | 113,758,239 |
| Bills Payable | - | - | 837,434 | 837,434 | 837,434 |
| Borrowings from financial institutions | 6,189,335 | 6,189,335 | 3,889,475 | 3,889,475 | 10,078,810 |
| Deposits and other accounts | 17,545,730 | 17,545,730 | 68,730,058 | 68,730,058 | 86,275,788 |
| Liabilities against assets subject to finance lease | - | - | 9,526 | 9,526 | 9,526 |
| Other liabilities | 1,652,283 | 1,652,283 | 1,714,625 | 1,351,625 | 3,366,908 |
| Total Liabilities | 25,387,348 | 25,387,348 | 75,181,118 | 74,818,118 | 100,568,466 |
| Net Assets | 7,418,114 | 7,705,192 | 5,771,659 | 4,578,375 | 13,189,773 |

- 8.6** The carrying values of the net assets as on September 30, 2007 of PICIC and PCBL were Rs. 7,339.430 million and Rs. 5,973.717 million respectively.

8.7 Amalgamation

The adjusted assets and liabilities balances of PICIC and PCBL as at December 31, 2007 were as follows:-

| | PICIC | PCBL | TOTAL |
|---|----------------------------|------------|-------------|
| | ----- (Rupees '000') ----- | | |
| Assets | | | |
| Cash and balances with treasury banks | 156,717 | 6,147,494 | 6,304,211 |
| Balances with other banks | 534,704 | 326,125 | 860,829 |
| Lendings to financial institutions | 1,294,225 | 17,500,000 | 18,794,225 |
| Investments | 11,847,255 | 19,539,974 | 31,387,229 |
| Advances | 10,556,821 | 26,531,882 | 37,088,703 |
| Operating fixed assets | 1,468,581 | 1,275,171 | 2,743,752 |
| Intangible assets other than goodwill | 204,116 | 2,613,602 | 2,817,718 |
| Deferred tax assets | 1,052,925 | 1,291,676 | 2,344,601 |
| Other assets | 705,057 | 1,234,410 | 1,939,467 |
| Total Assets | 27,820,401 | 76,460,334 | 104,280,735 |
| Liabilities | | | |
| Bills Payable | - | 1,494,323 | 1,494,323 |
| Borrowings from financial institutions | 9,569,646 | 6,870,079 | 16,439,725 |
| Deposits and other accounts | 10,792,948 | 60,723,665 | 71,516,613 |
| Liabilities against assets subject to finance lease | - | 7,176 | 7,176 |
| Other liabilities | 1,493,617 | 1,638,629 | 3,132,246 |
| Total Liabilities | 21,856,211 | 70,733,872 | 92,590,083 |
| Net Assets | 5,964,190 | 5,726,462 | 11,690,652 |

9. RESTATEMENT OF PRIOR PERIODS

In the financial statements as at December 31, 2007, the fair value amounts in relation to the acquisition of PICIC and PCBL contained some provisional balances. During the year ended December 31, 2008, as allowed by IFRS 3 "Business Combinations", certain adjustments to these provisional balances have been made and have been accounted for as if these adjustments had been accounted for at the date of acquisition with a corresponding adjustment to goodwill. Accordingly, goodwill on acquisition relating to PICIC has increased by Rs. 701.603 million and relating to PCBL has decreased by Rs. 2,215.654 million. The adjustments primarily relate to reassessment of the value of certain advances, investments, other assets, other liabilities and intangible assets acquired, together with related deferred tax adjustments. The accumulated loss for the year 2007 has been restated due to amortization of intangible assets relating to the period July to December 2007. These intangible assets were identified and valued separately from goodwill in the current period.

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| | Note | As Reported at December 31, 2007 | Adjustments | Restated as at December 31, 2007 |
|--------------------------------------|------|--|-------------|--|
| ----- (Rupees '000') ----- | | | | |
| Advances | | 82,160,074 | (227,695) | 81,932,379 |
| Intangible assets | 9.1 | 27,567,560 | 2,198,569 | 29,766,129 |
| Deferred tax assets | | 3,368,742 | (1,035,825) | 2,332,917 |
| Investments | | 38,601,627 | 371,959 | 38,973,586 |
| Other assets | | 3,558,285 | (12,142) | 3,546,143 |
| Other liabilities | | (4,632,105) | (370,782) | (5,002,887) |
| Accumulated loss | 9.2 | (8,903) | (787,697) | (796,600) |
| Deficit on revaluation of securities | | 133,172 | (136,387) | (3,215) |

9.1 Intangible assets

These include intangible assets acquired as part of the acquisition of PICIC Group, the valuation report of which has been received in August 2008. The details are as given below:

| | PICIC | PCBL | Total |
|--|-----------|-----------|-----------|
| ----- (Rupees '000') ----- | | | |
| Core Deposits Relationship | - | 2,489,453 | 2,489,453 |
| Core Overdraft / Working Capital Loan Relationship | - | 124,149 | 124,149 |
| Brand names | 204,116 | - | 204,116 |
| Management Rights | 1,047,726 | - | 1,047,726 |
| | 1,251,842 | 2,613,602 | 3,865,444 |

9.2 Accumulated profit

| | As Reported at December 31, 2007 | Adjustments | Restated as at December 31, 2007 |
|--|--|-------------|--|
| ----- (Rupees '000') ----- | | | |
| As at December 31, 2006 | 298,376 | - | 298,376 |
| Loss after taxation | (203,565) | - | (203,565) |
| Fair value adjustments related to goodwill | - | (122,184) | (122,184) |
| | (203,565) | (122,184) | (325,749) |
| Equity method adjustment related to investment in associates | - | 909,881 | 909,881 |
| Right shares issue cost - net of tax | (85,908) | - | (85,908) |
| | 8,903 | 787,697 | 796,600 |

9.2.1 As a result of finalization of fair value adjustments related to goodwill and recording of intangible assets, the profit and loss account for the year ended December 31, 2007 has been restated in respect of dividend income, other income, administrative expenses, share of (loss) / profit from associates, share of post acquisition profit from amalgamating entities and related deferred tax. The aggregate increase in loss after taxation is Rs.122.184 million.

10. CASH AND BALANCES WITH TREASURY BANKS

| | Note | 2008 (Rupees '000') | 2007 |
|--|------|------------------------|-------------------|
| In hand | | | |
| Local currency | 10.1 | 2,601,740 | 1,741,488 |
| Foreign currencies | | 722,550 | 385,341 |
| With State Bank of Pakistan in | | | |
| Local currency current account | 10.2 | 3,590,000 | 7,073,389 |
| Local currency deposit account | | – | 124,000 |
| Foreign currency current accounts | 10.3 | 407,357 | 399,545 |
| Foreign currency deposit account | 10.4 | 1,324,101 | 370,581 |
| With National Bank of Pakistan in local currency current account | | 711,702 | 235,728 |
| | | <u>9,357,450</u> | <u>10,330,072</u> |

10.1 These includes National Prize Bonds of Rs. 4.255 million (2007 : Rs. 10.369 million).

10.2 The current account is maintained under the requirements of Section 22 of the Banking Companies Ordinance, 1962. This also includes amounts maintained by PICIC Exchange.

10.3 This includes special cash reserve at nil return required to be maintained with the SBP on deposits held under the new foreign currency accounts scheme.

10.4 This represents special cash reserve of 15% required to be maintained with SBP on deposits held under the new foreign currency accounts scheme at the rate of return of 0.90% (2007 : 4.24%) per annum.

11. BALANCES WITH OTHER BANKS

| | | | |
|-------------------------------------|------|----------------|------------------|
| In Pakistan | | | |
| On current accounts | | 126,217 | 140,819 |
| On deposit accounts | | 74,176 | 1,442,239 |
| Outside Pakistan | | | |
| On current accounts | 11.1 | 671,590 | 729,217 |
| On deposit accounts | | – | 1,075 |
| | | <u>871,983</u> | <u>2,313,350</u> |
| Provision against doubtful balances | | <u>(3,964)</u> | <u>(3,964)</u> |
| | | <u>868,019</u> | <u>2,309,386</u> |

11.1 This includes amount held in automated investment plans. This balance is current by nature and on increase in the balance over a specified amount, interest is received from the correspondent banks at various rates.

12. LENDINGS TO FINANCIAL INSTITUTIONS

| | | | |
|--|-------------|-------------------|------------------|
| Call money lendings | 12.2 | 1,285,000 | 2,875,000 |
| Repurchase agreement lendings (Reverse Repo) | 12.3 & 12.4 | 11,174,621 | 1,878,113 |
| | | <u>12,459,621</u> | <u>4,753,113</u> |
| 12.1 Particulars of Lendings | | | |
| In local currency | | 12,459,621 | 4,753,113 |
| In foreign currencies | | – | – |
| | | <u>12,459,621</u> | <u>4,753,113</u> |

12.2 These represent Call money lendings to financial institutions carrying mark-up rates ranging from 15.00% to 20.00% (2007 : 9.55% to 10.70%) per annum and having maturities upto one month.

12.3 These represent repurchase agreement lendings to financial institutions carrying mark-up rates ranging from 10.00% to 17.00% (2007 : 8.35% to 9.95%) per annum and having maturities upto three months.

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| | 2008 | | | 2007-Restated | | |
|--|------------------|-----------------------------|-------------------|------------------|-----------------------------|------------------|
| | Held by Group | Further Given as collateral | Total | Held by Group | Further Given as collateral | Total |
| ----- (Rupees '000') ----- | | | | | | |
| 12.4 Securities held as collateral against lendings to financial institutions | | | | | | |
| Treasury Bills | 4,227,975 | 1,959,286 | 6,187,261 | 33,103 | 395,010 | 428,113 |
| Pakistan Investment Bonds | 4,565,703 | 421,657 | 4,987,360 | 1,450,000 | - | 1,450,000 |
| | <u>8,793,678</u> | <u>2,380,943</u> | <u>11,174,621</u> | <u>1,483,103</u> | <u>395,010</u> | <u>1,878,113</u> |

12.4.1 Market value of securities held as collateral against lendings to financial institutions as at December 31, 2008 amounted to Rs. 11,046.366 million.

| 13. INVESTMENTS | Note | 2008 | | | 2007-Restated | | |
|--|-------------|-------------------|---------------------|-------------------|-------------------|---------------------|-------------------|
| | | Held by Group | Given as collateral | Total | Held by Group | Given as collateral | Total |
| ----- (Rupees '000') ----- | | | | | | | |
| 13.1 (a) Investments by types: | | | | | | | |
| Held-for-trading securities | | | | | | | |
| Units of Mutual Funds | | | | | | | |
| Ordinary shares / certificates of listed companies / modarabas | 13.5 | 9,871 | - | 9,871 | 9,871 | - | 9,871 |
| | | <u>222,456</u> | <u>-</u> | <u>222,456</u> | <u>282,131</u> | <u>-</u> | <u>282,131</u> |
| | | 232,327 | - | 232,327 | 292,002 | - | 292,002 |
| Available-for-sale securities | | | | | | | |
| Market Treasury Bills | 13.2 | 10,801,441 | 7,994,951 | 18,796,392 | 11,131,480 | 7,833,475 | 18,964,955 |
| Pakistan Investment Bonds | 13.2 | 2,166,786 | 930,330 | 3,097,116 | 6,794,471 | 1,526,128 | 8,320,599 |
| GOP Ijara Sukuk Bonds | 13.2 | 500,000 | - | 500,000 | - | - | - |
| Defense Savings Certificates | 13.3 | 5,771 | 2,650 | 8,421 | 5,771 | - | 5,771 |
| Cumulative Preference Shares | 13.4 | 100,000 | - | 100,000 | 100,000 | - | 100,000 |
| Ordinary shares / Certificates of listed companies / modarabas | 13.5 | 2,316,207 | 25,975 | 2,342,182 | 3,560,270 | - | 3,560,270 |
| Ordinary shares of unlisted companies | 13.6 | 64,280 | - | 64,280 | 64,280 | - | 64,280 |
| Term Finance Certificates | 13.7 & 13.8 | 852,900 | - | 852,900 | 1,551,288 | - | 1,551,288 |
| Investment in listed Mutual Funds | 13.9 | 310,067 | - | 310,067 | 374,985 | - | 374,985 |
| | | <u>17,117,452</u> | <u>8,953,906</u> | <u>26,071,358</u> | <u>23,582,545</u> | <u>9,359,603</u> | <u>32,942,148</u> |
| Held-to-maturity securities | | | | | | | |
| Pakistan Investment Bonds | 13.2 | 4,616,193 | - | 4,616,193 | 433,825 | - | 433,825 |
| Term Finance Certificates | 13.7 & 13.8 | 138,102 | - | 138,102 | 363,484 | - | 363,484 |
| | | <u>4,754,295</u> | <u>-</u> | <u>4,754,295</u> | <u>797,309</u> | <u>-</u> | <u>797,309</u> |
| Associates | | | | | | | |
| | 13.10 | 2,242,420 | - | 2,242,420 | 5,097,054 | - | 5,097,054 |
| Subsidiaries | | | | | | | |
| | 13.11 | 724 | - | 724 | 724 | - | 724 |
| Investments at cost | | | | | | | |
| | | 24,347,218 | 8,953,906 | 33,301,124 | 29,769,634 | 9,359,603 | 39,129,237 |
| Provision for diminution in value of investments | 13.12 | (422,101) | - | (422,101) | (123,006) | - | (123,006) |
| Investments - net of provisions | | <u>23,925,117</u> | <u>8,953,906</u> | <u>32,879,023</u> | <u>29,646,628</u> | <u>9,359,603</u> | <u>39,006,231</u> |
| Deficit on revaluation | | | | | | | |
| of held-for-trading securities | 13.14 | (150,973) | - | (150,973) | (1,963) | - | (1,963) |
| of available-for-sale securities | | (1,381,830) | (210,592) | (1,592,422) | (29,128) | (1,554) | (30,682) |
| Net Investments | | <u>22,392,314</u> | <u>8,743,314</u> | <u>31,135,628</u> | <u>29,615,537</u> | <u>9,358,049</u> | <u>38,973,586</u> |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| 13.1 (b) Investments by segments: | 2008 | 2007 |
|---|-------|----------------|
| | Note | Restated |
| | | (Rupees '000') |
| Federal Government Securities | | |
| Market Treasury Bills | 13.2 | 18,796,392 |
| Pakistan Investment Bonds | 13.2 | 7,713,309 |
| GOP Ijara Sukuk Bonds | 13.2 | 500,000 |
| Defense Savings Certificates | 13.3 | 8,421 |
| | | 5,771 |
| Cumulative Preference Shares | 13.4 | 100,000 |
| | | 100,000 |
| Fully Paid-up Ordinary Shares & Modarba certificates | | |
| Listed | 13.5 | 2,564,638 |
| Unlisted | 13.6 | 64,280 |
| | | 3,842,401 |
| | | 64,280 |
| Term Finance Certificates | | |
| Listed | 13.7 | 784,305 |
| Unlisted | 13.8 | 206,697 |
| | | 900,401 |
| | | 1,014,371 |
| Investment in listed Mutual Funds | 13.9 | 319,938 |
| | | 384,856 |
| Investment in Associates | 13.10 | 2,242,420 |
| | | 5,097,054 |
| Investment in Subsidiaries | 13.11 | 724 |
| | | 724 |
| Total investments at cost | | 33,301,124 |
| | | 39,129,237 |
| Provision for diminution in value of investments | 13.12 | (422,101) |
| | | (123,006) |
| Investments - net of provisions | | 32,879,023 |
| | | 39,006,231 |
| Deficit on revaluation of securities - held-for-trading | 13.14 | (150,973) |
| Deficit on revaluation of securities - available-for-sale | | (1,592,422) |
| | | (1,963) |
| | | (30,682) |
| Net Investments | | 31,135,628 |
| | | 38,973,586 |

- 13.2** Market Treasury Bills and Pakistan Investment Bonds are held with SBP and are eligible for rediscounting. Market Treasury Bills embody effective yields ranging from 9.95% to 14.02% (2007: 8.95% to 9.45%) with remaining maturities of 1 to 6 months and Pakistan Investment Bonds carry markup ranging from 5.94% to 11.12% (2007: 8% to 10%) per annum on semi-annual basis with remaining maturities of 3 to 13 years. Certain government securities are required to be maintained with SBP to meet statutory liquidity requirements calculated on the basis of demand and time liabilities.
- 13.2.1** These include securities acquired as part of acquisition of PICIC and PCBL that were classified as "Held-to-Maturity" on acquisition by NIB and recorded as "Available-for-Sale" in the merged accounts of NIB as at December 31, 2007. With the consent of SBP, these have been reclassified as "Held-to-Maturity" securities for the reason that management intends to hold them to maturity, and accordingly, effective January 01, 2008, these are now measured at amortized cost instead of fair value as required for "Available-for-Sale" category. Had there been no change in the classification, the "Deficit on revaluation of securities - net" would have been higher by Rs. 517.845 million (net of deferred tax).
- 13.2.2** This includes Rs. 100 million PIB outstanding as at December 31, 2008, which was pledged against borrowing from a Company in 2004. As the lender had failed to return the pledged PIB upon the maturity of the contract period, this amount is appearing as investment in PIBs with a corresponding amount appearing in Borrowings. No interest is accrued either as income from the PIB or expense on this borrowing since the filing of the dispute between the Bank and the Company.
- 13.2.3** GOP Ijara Sukuk Bonds carry effective yield of 14.76 % and having maturity on December 29, 2011.
- 13.3** Last year SBP issued Defense Savings Certificates (DSCs) of Rs 5.771 million against lost Foreign Exchange Bearer Certificates (FEBC) to the bank with 2 years restriction on disposal. These certificates carry interest rate of 6.5% per annum. Further, during the year, the bank has purchased DSCs of Rs. 2.650 million carrying interest rate of 12.15 % which are pledged as security.

13.4 Particulars of investment in Cumulative Preference Shares

| | Note | Number of Shares / Certificates held | | Total nominal value | |
|---|--------|---|-----------|---------------------|---------|
| | | 2008 | 2007 | 2008 | 2007 |
| | | | | | |
| Pak Electron Limited (PEL) - Convertible Loaded | 13.4.1 | 625,000 | – | 6,250 | – |
| Pak Electron Limited (PEL) - Non-Convertible | 13.4.1 | 1,875,000 | 1,875,000 | 18,750 | 25,000 |
| Fazal Cloth Mills Limited | 13.4.2 | 2,500,000 | 2,500,000 | 25,000 | 25,000 |
| Jamshoro Joint Venture Company Limited | 13.4.3 | 5,000,000 | 5,000,000 | 50,000 | 50,000 |
| | | | | 100,000 | 100,000 |

13.4.1 These preference shares carry fixed dividend of 9.5% on cumulative basis payable when and if declared by the Board of Directors. For redemption, the payment of call option can be exercised by PEL up to 100% after three years of the issue date at 1% premium on the issue price.

13.4.2 These preference shares are redeemable upon the exercise of call option by the company after completion of three years from the issue date.

13.4.3 Redeemable after 5 years of issuance, subject to 60% of the Rs. 1.18 billion of debts having been repaid.

13.5 Particulars of listed shares / Certificates

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| | Number of Shares / Certificates held | | Total nominal value | |
|--|--------------------------------------|------------|---------------------|---------|
| | 2008 | 2007 | 2008 | 2007 |
| | | | (Rupees '000') | |
| Century Paper & Board Mills Limited | 9 | – | – | – |
| Clariant Pakistan Limited | 282,398 | 225,919 | 49,691 | 49,691 |
| Samba Bank Limited (formerly Crescent Commercial Bank Limited) | 576,402 | 626,402 | 12,076 | 13,123 |
| Crescent Steel & Allied Products Limited | 454,236 | 412,942 | 40,220 | 40,220 |
| Dewan Farooq Motors Limited | 1,018,225 | 1,018,225 | 32,549 | 32,549 |
| Engro Chemical Pakistan Limited | 57,500 | 575,000 | 10,063 | 152,805 |
| Fateh Industries Limited | – | 35 | – | – |
| Fauji Cement Company Limited | 788,500 | 1,025,000 | 11,749 | 15,273 |
| Fauji Fertilizer Company Limited | 372,964 | 2,911,564 | 44,289 | 345,748 |
| Fauji Fertilizer Bin Qasim Limited | 547,500 | – | 20,557 | – |
| First Equity Modaraba | 1,380,000 | 1,480,000 | 14,067 | 15,085 |
| First Fidelity Lease Modaraba | 1 | 1 | – | – |
| First Habib Bank Modaraba | 60,507 | 146,507 | 520 | 1,260 |
| First National Bank Modaraba | 1,475,000 | 1,481,500 | 12,538 | 12,593 |
| First Tawakal Modaraba | 446,774 | 446,774 | – | – |
| The General Tyre & Rubber Company of Pakistan Limited | 841,000 | 841,000 | 46,155 | 46,155 |
| Glamour Textile Mills Limited | 200,000 | 200,000 | 5,016 | 5,016 |
| Glaxosmithkline Pakistan Limited | 666,545 | 666,545 | 128,243 | 128,243 |
| Habib Bank Limited | – | 100 | – | 24 |
| Habib Insurance Company Limited | *1,356,604 | *1,130,504 | 89,140 | 89,140 |
| Habib Sugar Mills Limited | *515,702 | *412,562 | 22,134 | 22,134 |
| Hira Textile Mills Limited | 1,406,624 | 1,406,624 | 11,183 | 11,183 |
| The Hub Power Company Limited | 11,384,000 | 16,856,500 | 389,216 | 567,069 |
| Ibrahim Fibres Limited | 300 | 300 | 5 | 5 |
| ICI Pakistan Limited | 766,400 | 1,113,500 | 150,713 | 218,970 |
| IGI Investment Bank Limited | 908,684 | 922,184 | 13,403 | 13,602 |
| Indus Motors Company Limited | – | 228,900 | – | 73,065 |
| LTV Capital Modaraba | **171,473 | **171,473 | 5,573 | 5,573 |
| KSB Pumps Company Limited | 136,772 | 136,772 | 27,163 | 27,163 |
| Karam Ceramics Limited | 426,156 | 426,656 | 8,310 | 8,320 |
| Kohinoor Energy Limited | 100,000 | 100,000 | 3,180 | 3,180 |
| Maple Leaf Cement Factory Limited | – | 281,250 | – | 9,926 |
| Millat Tractors Limited | 699,000 | 559,200 | 151,264 | 151,264 |
| Mohib Textile Mills Limited | 5 | 5 | – | – |
| Mybank Limited | 1,146,750 | 1,146,750 | 27,465 | 27,465 |
| Nagina Cotton Mills Limited | 187,100 | 229,600 | 2,900 | 3,559 |
| National Bank of Pakistan | 92,100 | 25,000 | 18,130 | 5,804 |
| New Jubilee Life Insurance Company Limited | 175,000 | 175,000 | 12,346 | 12,346 |
| Nimir Industries Chemicals Limited | 4,938,759 | 5,077,259 | 19,755 | 20,309 |
| Oil & Gas Development Company Limited | 1,000,000 | 441 | 119,653 | 14 |
| Orix Leasing Pakistan Limited | – | 920,000 | – | 24,978 |
| Pakistan Oilfields Limited | 237,600 | 110,000 | 79,088 | 36,784 |
| Pakistan Petroleum Limited | 550,000 | 440,000 | 127,224 | 107,822 |
| Pakistan PTA Limited | – | 1,557,000 | – | 27,228 |
| Pakistan Refinery Limited | 3 | 16,800 | – | 4,197 |
| Pakistan State Oil Company Limited | – | 20,000 | – | 8,132 |
| Pakistan Telecommunication Company Limited | – | 3,940,000 | – | 165,677 |
| Pakistan Tobacco Company Limited | 159,700 | 159,700 | 24,833 | 24,833 |
| Pioneer Cement Limited | – | 430,450 | – | 13,602 |
| Premier Insurance Limited | *135,332 | *133,610 | 5,453 | 6,460 |
| Prosperity Weaving Mills Limited | 127,820 | 127,820 | 1,598 | 1,598 |
| Rupali Polyester Limited | 134,500 | 169,500 | 5,447 | 6,865 |
| Saudi Pak Leasing Company Limited | 130,835 | 336,835 | 1,852 | 4,768 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| | Number of Shares / Certificates held | | Total value at cost | |
|------------------------------------|--------------------------------------|-----------|---------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | | | (Rupees '000') | |
| Security Investment Bank Limited | 10 | 10 | – | – |
| Shahtaj Sugar Mills Limited | – | 430,646 | – | 22,587 |
| Shakarganj Mills Limited | 546,740 | 455,617 | 17,564 | 17,564 |
| Sitara Chemical Industries Limited | 112,120 | 112,120 | 37,672 | 37,672 |
| Sitara Energy Limited | – | 990,500 | – | 23,475 |
| Standard Chartered Leasing Limited | 333,500 | 522,500 | 3,669 | 5,748 |
| Standard Chartered Modaraba | 146,423 | 496,923 | 1,838 | 6,236 |
| Sui Southern Gas Company Limited | – | 500,000 | – | 13,075 |
| Suraj Cotton Mills Limited | 1,551,000 | 1,552,000 | 74,293 | 74,341 |
| Tariq Glass Industries Limited | 2,021,904 | 2,022,404 | 61,466 | 61,481 |
| Tawakal Garment Limited | 150,000 | 150,000 | – | – |
| Telecard Limited | – | 25,000 | – | 779 |
| Tri-Pack Films Limited | 210,000 | 280,000 | 42,693 | 56,924 |
| Trust Modaraba | 100 | 100 | 1 | 1 |
| Trust Security & Brokerage Limited | 120,000 | 120,000 | 1,020 | 1,020 |
| United Bank Limited | 125,000 | 300,000 | 16,570 | 51,870 |
| Yousuf Weaving Mills Limited | 100 | 100 | 2 | 2 |
| | | | <u>2,342,182</u> | <u>3,560,270</u> |

| 13.6 Particulars of unlisted Shares | Note | Percentage of holding | Number of Shares / Certificates held | | Cost of Investment | |
|---|--------|-----------------------|--------------------------------------|-----------|--------------------|---------------|
| | | | 2008 | 2007 | 2008 | 2007 |
| | | | | | (Rupees '000') | |
| Pakistan Export Finance Guarantee Agency Limited Chief Executive; Mr. S.M. Zaeem | 13.6.1 | 5.26% | 568,044 | 568,044 | 5,680 | 5,680 |
| Central Depository Company of Pakistan Limited Chief Executive; Mr. Muhammad Hanif Jakhura | 13.6.2 | 8.27% | 2,500,000 | 1,511,250 | 5,000 | 5,000 |
| Crescent Capital Management (Private) Limited Chief Executive; Mr. Tariq Aleem | 13.6.3 | 4.88% | 100,000 | 100,000 | 1,000 | 1,000 |
| Equity Participation Fund Limited Chief Executive; Mr. S. Shabahat Hussain | 13.6.4 | 0.97% | ***15,000 | ***15,000 | 1,500 | 1,500 |
| Pakistan Textile City (Private) Limited Chief Executive; Mr. Zaheer A. Hussain | 13.6.5 | 4.55% | 5,000,000 | 5,000,000 | 50,000 | 50,000 |
| National Investment Trust Limited Chief Executive; Mr. Tariq Iqbal Khan | 13.6.6 | 8.33% | ***52,800 | ***52,800 | 100 | 100 |
| Sunbiz (Private) Limited Chief Executive; Mr. Nisar Ahmed | 13.6.7 | 4.65% | 10,000 | 10,000 | 1,000 | 1,000 |
| | | | | | <u>64,280</u> | <u>64,280</u> |

13.6.1 Value of investment, based on the net assets stated in the audited financial statements of investee company as at December 31, 2007 amounts to Rs. 1.785 million.

13.6.2 Value of investment, based on the net assets stated in the audited financial statements of investee company as at December 31, 2008 amounts to Rs. 116.539 million.

13.6.3 Adequate provision has been made in these financial statements.

13.6.4 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2008 amounts to Rs. 11.477 million.

13.6.5 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2008 amounts to Rs. 55.942 million.

13.6.6 Value of investment, based on the net assets stated in the audited financial statements of investee company as at June 30, 2008 amounts to Rs. 238.689 million.

13.6.7 Adequate provision has been made in these financial statements.

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| Note | Number of Shares / Certificates held | | Amortized cost | |
|---|---|--------|----------------|---------|
| | 2008 | 2007 | 2008 | 2007 |
| 13.7 Particulars of investment in Listed Term Finance Certificates | | | (Rupees '000') | |
| Investee | | | | |
| Askari Commercial Bank Limited | 3,184 | 3,184 | 15,901 | 15,907 |
| Azgard Nine Limited | 10,000 | 10,000 | 46,800 | 52,503 |
| Azgard Nine Limited | 5,000 | 5,000 | 6,250 | 12,500 |
| Bank Al-Habib Limited | 8,500 | 8,500 | 42,432 | 42,449 |
| Engro Chemicals Pakistan Limited | 10,000 | 10,000 | 50,153 | 50,200 |
| Escorts Investment Bank Limited | 2,016 | 2,016 | 10,074 | 10,078 |
| PACE Pakistan Limited | 6,000 | 6,000 | 29,994 | 30,000 |
| Pakistan Mobile Communications Limited | 60,000 | 60,000 | 299,700 | 299,820 |
| Pakistan Services Limited | - | 2,988 | - | 4,266 |
| Saudi Pak Leasing Company limited | - | 7,000 | - | 35,000 |
| Soneri Bank Limited | 2,000 | 2,000 | 9,986 | 9,990 |
| Soneri Bank Limited | 4,000 | 4,000 | 19,972 | 19,980 |
| Telecard Limited | 74,888 | 74,888 | 206,640 | 258,654 |
| Trust Leasing & Investment Bank Limited | 10,000 | 10,947 | 21,406 | 34,056 |
| United Bank Limited | 5,000 | 5,000 | 24,997 | 24,998 |
| | | | 784,305 | 900,401 |

| | | | | | |
|---|--------|--------|---------|-----------|---------|
| 13.8 Particulars of investment in unlisted Term Finance Certificates | | | | | |
| Avari Hotels Limited | | 30,400 | 30,400 | 152,000 | 152,000 |
| Chanda Oil & Gas Securitization Company Limited | | - | 15,619 | - | 56,229 |
| Choudhary Sugar Mills Limited | | - | 10,000 | - | 14,693 |
| New Khan Transport Company (Private) Limited | | 20,000 | 20,000 | 54,697 | 60,135 |
| Dewan Mushtaq Cement Limited | 13.8.1 | - | - | - | 198,464 |
| Dewan Hattar Cement Limited | 13.8.1 | - | - | - | 100,081 |
| Zaver Petroleum Corporation Limited | | - | 60,000 | - | 299,400 |
| Dewan Farooq Spinning | | - | 15,000 | - | 37,535 |
| Dominion Fertilizer (Private) Limited | | - | 100 | - | 95,834 |
| | | | 206,697 | 1,014,371 | |

13.8.1 This represents the unlisted Term Finance Certificates (TFCs) of Rs. 285.00 million (2007: 298.546 million) issued by Dewan Cement Limited to restructure the TFCs of Rs. 298.546 million previously issued by Dewan Mushtaq Cement Limited (Formerly Pakland Cement Limited) and Dewan Hattar Cement Limited (Formerly Saadi Cement Limited). Dewan Cement Limited launched a listed TFC issue of Rs. 5,000 million which included a pre-IPO portion of Rs. 3,750 million. The Bank participated in the pre-IPO portion to the extent of Rs. 285.00 million. Since the TFCs have not yet been issued, these are included in Other Assets (note 18).

| | Number of Shares / Certificates held | | Total nominal value | |
|--|---|------------|---------------------|---------|
| | 2008 | 2007 | 2008 | 2007 |
| 13.9 Listed Mutual Funds | | | (Rupees '000') | |
| AKD Opportunity Fund | 587,679 | 538,859 | 32,493 | 32,493 |
| Faisal Saving Growth Fund | - | 101,248 | - | 10,620 |
| First Dawood Mutual Fund | 1,455,100 | 1,556,100 | 11,277 | 12,060 |
| First Habib Income Fund | 203,000 | 355,250 | 20,000 | 35,951 |
| HBL Income Fund | 576,209 | 513,239 | 50,000 | 50,000 |
| HBL Multi Asset Fund | 260,721 | 250,000 | 25,000 | 25,000 |
| IGI Income Fund Ltd | - | 100,109 | - | 10,505 |
| MCB Dynamic Cash Fund | - | 258,449 | - | 27,059 |
| Pakistan Strategic Allocation Fund | 8,370,000 | 8,370,000 | 76,167 | 76,167 |
| JS Growth Fund (formerly UTP Growth Fund) | 227,410 | 227,410 | 2,911 | 2,911 |
| UTP Large Capital Fund (ABAMCO Composite Fund) | 11,385,092 | 11,385,092 | 92,219 | 92,219 |
| Meezan Balanced Fund | 500,000 | 500,000 | 5,125 | 5,125 |
| NAMCO Balance Fund | 486,733 | 486,733 | 4,746 | 4,746 |
| | | | 319,938 | 384,856 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| Holding | Number of Shares / Certificates held | | Total carrying value | | |
|---|---|------------|----------------------|-----------|-----------|
| | 2008 | 2007 | 2008 | 2007 | |
| (Rupees '000') | | | | | |
| 13.10 Associates | | | | | |
| PICIC Investment Fund | 34.04% | 96,704,149 | 96,704,149 | 784,439 | 1,942,977 |
| PICIC Growth Fund | 15.34% | 43,482,858 | 43,482,858 | 745,253 | 1,933,291 |
| PICIC Energy Fund | 27.17% | 27,172,160 | 27,172,160 | 130,465 | 310,401 |
| National Fullerton Asset Management Limited | 27.00% | 6,749,998 | 6,749,998 | 102,855 | 80,183 |
| NAFA Cash Fund | 1.85% | 20,000,000 | 20,000,000 | 191,789 | 210,232 |
| NAFA Stock Fund | 4.03% | 7,500,000 | 7,500,000 | 38,747 | 102,104 |
| NAFA Multi Asset Fund | 3.35% | 7,500,000 | 7,500,000 | 53,284 | 94,303 |
| NAFA Islamic Income Fund | 11.61% | 7,500,000 | 7,500,000 | 65,228 | 75,979 |
| NAFA Islamic Multi Asset Fund | 11.76% | 7,500,000 | 7,500,000 | 46,778 | 73,022 |
| PICIC Insurance Limited | 30.00% | 10,499,993 | 5,999,996 | 83,582 | 274,562 |
| | | | | 2,242,420 | 5,097,054 |

13.10.1 The shareholders of PICIC Asset Management Company Limited (PICIC AMC) and National Fullerton Asset Management Limited (NAFA) have reviewed their respective valuations and swap ratios as a basis for merging into one asset management company. However, the current exceptional market conditions have prevented the formation of a meaningful view and hence a decision on whether or not this merger will take place has been deferred for the time being.

13.10.2 Summarized financial information in respect of associates is set out below:

| | Total assets | Total liabilities | Net assets | Total Revenue | Profit / (loss) for the year | Share of Profit / (loss) for the year |
|---|-----------------|----------------------|---------------|------------------|------------------------------------|--|
| ----- (Rupees '000') ----- | | | | | | |
| PICIC Investment Fund | 2,368,617 | 63,869 | 2,304,748 | (2,005,043) | (2,116,190) | (720,263) |
| PICIC Growth Fund | 4,941,557 | 82,651 | 4,858,906 | (3,802,221) | (4,039,126) | (619,515) |
| PICIC Energy Fund | 493,240 | 13,096 | 480,144 | (556,459) | (592,204) | (160,916) |
| National Fullerton Asset Management Limited | 517,338 | 136,394 | 380,944 | 582,498 | 83,972 | 22,672 |
| NAFA Cash Fund | 11,770,795 | 1,397,264 | 10,373,531 | 2,148,636 | 1,187,459 | 6,687 |
| NAFA Stock Fund | 973,947 | 13,580 | 960,367 | (1,522,034) | (1,407,971) | (58,824) |
| NAFA Multi Asset Fund | 1,658,516 | 68,447 | 1,590,069 | (974,452) | (902,197) | (35,320) |
| NAFA Islamic Income Fund | 565,148 | 3,367 | 561,781 | 107,766 | 27,452 | (5,351) |
| NAFA Islamic Multi Asset Fund | 402,565 | 4,845 | 397,720 | (171,106) | (201,971) | (26,244) |
| PICIC Insurance Limited | 704,236 | 495,280 | 208,956 | 227,853 | (53,251) | (15,975) |
| | | | | | (1,613,049) | |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| | Number of Shares / Certificates held | | Total nominal value | |
|---|---|--------|-----------------------|------|
| | 2008 | 2007 | 2008 | 2007 |
| 13.11 Subsidiaries | | | (Rupees '000') | |
| Financial and Management Services (Private) Limited | 88,850 | 88,850 | 724 | 724 |
| | | | 724 | 724 |

Unless otherwise stated, holdings in modaraba certificates and ordinary shares are of Rs. 10 each.

*Shares / Modaraba Certificates of Face Value of Rs. 5 each

**Shares / Modaraba Certificates of Face Value of Rs. 15 to Rs. 65 each

***Shares / Modaraba Certificates of Face Value of Rs. 100 each

All Term Finance Certificates are of Original Face Value of Rs. 5,000 each

13.12 Particulars of provision for diminution in value of investments

| | 2008 | 2007 |
|-------------------------|-----------------------|---------|
| | (Rupees '000') | |
| Opening balance | 123,006 | 35,488 |
| Charge for the year | 329,697 | - |
| Reversals | (30,602) | - |
| Amount written off | - | - |
| Assumed on amalgamation | - | 87,518 |
| Closing balance | 422,101 | 123,006 |

13.12.1 Particular of provision in respect of type and segment

| | | |
|--|---------|---------|
| Available-for-sale securities | | |
| - Listed shares / Certificates / Units | 361,379 | 116,981 |
| - Unlisted shares | 5,301 | 5,301 |
| - Unlisted Term Finance Certificates | 54,697 | - |
| Subsidiary | 724 | 724 |
| | 422,101 | 123,006 |

13.13 The Karachi Stock Exchange (Guarantee) Limited ("KSE") placed a "Floor Mechanism" on the market value of securities based on the closing prices of securities prevailing as on August 27, 2008. Under the "Floor Mechanism", the individual security price of equity securities could vary within normal circuit breaker limit, but not below the floor price level. The mechanism was effective from August 28, 2008 and remained in place until December 15, 2008. Consequent to the introduction of "Floor Mechanism" by KSE, the market volume declined significantly during the period from August 27, 2008 to December 15, 2008. There were lower floors on a number of securities at December 31, 2008. The equity securities have been valued at prices quoted on the KSE on December 31, 2008 as required by the State Bank of Pakistan (SBP) BSD Circular Letter No. 2 dated January 27, 2009.

Furthermore, SBP BSD Circular No. 4 dated February 13, 2009 has allowed banks to follow the Securities and Exchange Commission of Pakistan (SECP) notification vide SRO 150 (1) / 2009 dated February 13, 2009 allowing that the impairment loss, if any, recognized as on December 31, 2008 due to valuation of listed equity investments held as "Available for Sale" to quoted market prices may be shown under the equity. The amount taken to equity including any adjustment / effect for price movements shall be taken to Profit and Loss Account on quarterly basis during the year ending December 31, 2009. The amount taken to equity at December 31, 2008 shall be treated as a charge to Profit and Loss Account for the purposes of distribution as dividend.

The impairment loss based on market values as at December 31, 2008 has been determined at Rs 1,375.928 million. In view of the "Floor Mechanism" as explained above and current economic conditions in the country, the management believes that these are "rare circumstances" and the plunge in equity markets cannot necessarily be considered to be a fair reflection of equity values. Accordingly, the management on the basis of their estimates and prudence has made a provision of Rs. 275 million against the above amount. Therefore, full recognition of impairment for "Available for Sale" equity securities through Profit and Loss account will not reflect the correct financial performance of the Bank.

The recognition of impairment loss based on the market values as at December 31, 2008 would have had the following effect on these financial statements:

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| | 2008 (Rupees '000') |
|---|--------------------------------------|
| Increase in Provision for diminution in the value of investments in Profit and Loss Account | 1,100,928 |
| Increase in deferred tax credit for the year | (110,093) |
| Increase in loss for the year - after tax | <u>990,835</u> |
| Increase in loss per share (Rupees) | <u>0.35</u> |
| Decrease in deficit on revaluation of available-for-sale securities - net | <u>990,835</u> |
| Increase in accumulated loss | <u>990,835</u> |

13.14 Deficit on revaluation of securities - held-for-trading

| | 2008 | 2007 |
|--|-----------------------|----------------|
| | (Rupees '000') | |
| Ordinary shares of listed companies | | |
| Meezan Balanced Fund | (3,140) | (925) |
| NAMCO Balance Fund | (146) | (682) |
| Adamjee Insurance Company Limited | (5,603) | 810 |
| Allied Bank Limited | (20,275) | (1,760) |
| Bankislami Pakistan Limited | (6,348) | 1,031 |
| Soneri Bank Limited | (6,487) | (655) |
| Standard Chartered Bank (Pakistan) Limited | (6,645) | (743) |
| The Bank of Punjab | (24,587) | (2,230) |
| Oil and Gas Development Company Limited | (27,924) | (140) |
| Pakistan Telecommunication Company Limited "A" | (2,005) | (747) |
| Fauji Fertilizer Bin Qasim Limited | (11,745) | 1,372 |
| Indus Motors Company Limited | (36,068) | 2,706 |
| | <u>(150,973)</u> | <u>(1,963)</u> |

13.15 Quality of available-for-sale securities

| Securities - at market value | 2008 | | 2007 | |
|--|-----------------------|---------------|-----------------------|---------------|
| | (Rupees '000') | Rating | (Rupees '000') | Rating |
| Federal Government Securities | | | | |
| Market Treasury Bills | 18,779,400 | Unrated | 18,961,771 | Unrated |
| Pakistan Investment Bonds | 2,632,689 | Unrated | 8,313,919 | Unrated |
| GOP Ijara Sukuk Bonds | 500,000 | Unrated | - | - |
| Defense Savings Certificates | 8,421 | Unrated | 5,771 | Unrated |
| Cumulative Preference shares | | | | |
| Pak Electron Limited | 25,000 | A/A1 | 25,000 | A/A1 |
| Fazal Cloth Mills Limited | 25,000 | * | 25,000 | * |
| Jamshoro Joint Venture Company Limited | 50,000 | A+/A-1 | 50,000 | A+ |
| Ordinary shares | | | | |
| Abbott Laboratories Pakistan Limited | 81,200 | * | 191,968 | * |
| Adamjee Insurance Company Limited | - | - | 107,505 | AA |
| Allied Bank Limited | 16,124 | AA/A1+ | 55,834 | AA/A1+ |
| Attock Cement Limited | 5,245 | * | 16,371 | * |
| Attock Refinery Limited | - | - | 125,434 | AA-/A1+ |
| B.R.R. Guardian Modaraba (formerly B.R.R. International Modaraba) | - | - | 6,385 | A/A-2 |
| Bank Al-Habib Limited | 3,497 | AA/A1+ | 27,419 | AA/A1+ |
| Bankislami Pakistan Limited | 643 | A-/A2 | 5,429 | A-/A2 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008


NIB Bank

| | 2008 | | 2007 | |
|---|----------------|----------|----------------|----------|
| | (Rupees '000') | Rating | (Rupees '000') | Rating |
| Berger Paints (Pakistan) Limited | 15,338 | * | 65,956 | * |
| Bosicor Pakistan Limited | — | — | 17,080 | * |
| Clariant Pakistan Limited | 46,118 | * | 49,691 | * |
| Samba Bank Limited, (formerly Crescent Commercial Bank Limited) | 2,847 | A/A-1 | 13,123 | A/A-1 |
| Crescent Steel & Allied Products Limited | 7,736 | A+/A-1 | 40,221 | A+/A-1 |
| Dewan Farooq Motors Limited | 2,047 | * | 13,237 | A/A2 |
| Engro Chemicals Pakistan Limited | 5,546 | AA/A1+ | 152,806 | AA/A1+ |
| Fauji Cement Company Limited | 3,706 | * | 15,273 | * |
| Fauji Fertilizer Bin Qasim Limited | 7,063 | * | — | — |
| Fauji Fertilizer Company Limited | 21,904 | * | 345,748 | * |
| First Equity Modaraba | 1,628 | * | 6,808 | * |
| First Habib Bank Modaraba | 183 | AA-/A-1+ | 1,260 | AA-/A-1+ |
| IGI Investment Bank Limited | 2,862 | A/A1 | 13,602 | A/A1 |
| First National Bank Modaraba | 4,425 | A+/A-1 | 12,593 | A-/A-2 |
| General Tyres and Rubber Limited | 13,961 | * | 22,455 | * |
| GlaxoSmithKline Pakistan Limited | 50,617 | * | 128,243 | * |
| Habib Bank Limited | — | — | 24 | A-1+/AA+ |
| Habib Insurance Company Limited | 37,551 | A+ | 89,140 | A+ |
| Habib Sugar Mills Limited | 15,590 | * | 22,134 | * |
| Hira Textile Mills Limited | 3,179 | * | 11,183 | * |
| Hub Power Company Limited | 160,401 | * | 514,124 | * |
| ICI Pakistan Limited | 52,659 | * | 218,970 | * |
| Indus Motor Company Limited | — | — | 73,065 | * |
| K.S.B. Pumps Limited | 31,592 | * | 27,163 | * |
| Karam Ceramics Limited | 11,817 | * | 8,320 | * |
| Kohinoor Energy Limited | 1,925 | * | 3,180 | * |
| Maple Leaf Cement Limited | — | — | 5,400 | * |
| Millat Tractors Limited | 93,603 | * | 151,264 | * |
| My Bank Limited | 13,302 | A/A1 | 27,465 | BBB/A-2 |
| Nagina Cotton Mills Limited | 2,900 | * | 3,559 | * |
| National Bank of Pakistan | 4,634 | AAA/A-1+ | 5,804 | AAA/A-1+ |
| New Jubilee Life Insurance Co. Limited | 7,898 | * | 12,346 | * |
| Nimir Industries Chemical Limited | 7,260 | * | 22,340 | * |
| Oil and Gas Development Company Limited | 49,990 | AAA/A-1+ | 53 | AAA/A1+ |
| Orix Leasing Company Limited | — | — | 24,978 | AA+/A1+ |
| Pakistan Oil Fields Limited | 24,352 | * | 36,784 | * |
| Pakistan Petroleum Limited | 55,341 | * | 107,822 | * |
| Pakistan PTA Limited | — | — | 7,863 | * |
| Pakistan Refinery Limited | — | — | 4,197 | * |
| Pakistan State Oil Company Limited | — | — | 8,132 | AAA/A1+ |
| Pakistan Telecommunication Company Limited | — | — | 165,677 | * |
| Pakistan Tobacco Company Limited | 16,976 | * | 24,833 | * |
| Pioneer Cement Limited | — | — | 13,602 | A-/A2 |
| Premier Insurance Company Limited | 2,569 | A | 6,460 | A |
| Prosperity Weaving Mills Limited | 1,023 | * | 1,598 | * |
| Rupali Polyester Limited | 5,246 | * | 6,865 | * |
| Saudi Pak Leasing Company Limited | 379 | BBB+/A-3 | 2,543 | A-/A-2 |
| Shahtaj Sugar Mills Limited | — | — | 22,587 | * |
| Shakarganj Mills Limited | 3,964 | BBB+/A2 | 17,564 | * |
| Sitara Chemicals Industries Limited | 23,702 | AA-/A-1 | 37,672 | * |
| Sitara Energy Limited | — | — | 23,475 | * |
| Standard Chartered Leasing Limited | 584 | A+/A1 | 5,747 | A(P) |
| Standard Chartered Modaraba | 997 | AA+/A1+ | 6,236 | AA+/A1+ |
| Sui Southern Gas Company Limited | — | — | 13,075 | AA-/A1+ |
| Suraj Cotton Mills Limited | 63,979 | * | 74,341 | * |
| Tariq Glass Limited | 13,749 | * | 61,481 | * |
| Telecard Limited | — | — | 271 | * |
| Tripack Films Limited | 26,174 | A+/A1 | 56,924 | A+/A1 |
| Trust Securities and Brokerage Limited | 1,016 | * | 1,020 | * |
| United Bank Limited | 4,614 | AA+/A-1+ | 51,870 | AA+/A-1+ |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| | 2008 | | 2007 | |
|--|-------------------|-----------|-------------------|-----------|
| | (Rupees '000') | Rating | (Rupees '000') | Rating |
| Ordinary shares of unlisted companies | | | | |
| Central Depository Company of Pakistan Limited | 5,000 | * | 5,000 | * |
| Crescent Capital Management (Private) Limited | 1,000 | * | 86 | * |
| Equity Participation Fund Limited | 1,500 | * | 1,500 | * |
| National Investment Trust Limited | 100 | AM-DS | 100 | AM2 |
| Pakistan Export Finance Guarantee Agency Limited | 5,680 | * | 2,292 | * |
| Sun Biz (Private) Limited | 1,000 | * | — | — |
| Pakistan Textile City (Private) Limited | 50,000 | * | 50,000 | * |
| Certificates of Mutual Funds | | | | |
| 1st Habib Income Fund | 19,697 | * | 21,268 | * |
| AKD Opportunity Fund | 17,513 | * | 32,493 | * |
| Faisal Saving Growth Fund | — | — | 10,638 | * |
| First Dawood Mutual Fund | 3,143 | FR 4-STAR | 12,060 | FR 4-STAR |
| First Habib Income Fund | — | — | 15,951 | * |
| HBL Income Fund | 54,815 | * | 53,664 | * |
| HBL Multi Asset Fund | 17,171 | * | 25,034 | * |
| IGI Income Fund | — | — | 10,505 | * |
| MCB Dynamic Cash Fund | — | — | 27,059 | * |
| Pakistan Strategic Allocation Fund | 19,083 | FR 4-STAR | 76,167 | FR 4-STAR |
| JS Growth Fund (formerly UTP Growth Fund) | 678 | * | 2,911 | * |
| UTP Large Cap Fund (ABAMCO Composite Fund) | 26,186 | FR 4-STAR | 92,219 | FR 4-STAR |
| Term Finance Certificates | | | | |
| Askari Commercial Bank Limited | 16,028 | AA- | 15,907 | AA- |
| Avari Hotels Limited | 152,000 | A- | 152,000 | A- |
| Azgard Nine Limited | 23,585 | AA- | 52,503 | A+ |
| Chanda Oil & Gas Securitization Co. Limited | — | — | 56,228 | A+ |
| Choudhary Sugar Mills Limited | — | — | 14,693 | * |
| Dewan Farooq Spinning Mills Limited | — | — | 37,535 | * |
| Dominion Fertilizer (Private) Limited | — | — | 95,834 | * |
| Engro Chemicals Pakistan Limited | 48,121 | AA | 50,200 | AA |
| Escorts Investment Bank Limited | 10,384 | A+ | 10,078 | A+ |
| New Khan Transport Company (Pvt.) Limited | 54,697 | * | 60,135 | * |
| PACE Pakistan Limited | 30,348 | AA- | 30,000 | * |
| Pakistan Mobile Communication Limited | 320,559 | AA- | 299,820 | AA- |
| Pakistan Services Limited | — | — | 4,266 | A |
| Saudi Pak Leasing Company Limited | — | — | 35,000 | A |
| Soneri Bank Limited | — | — | 19,980 | A+ |
| Telecard Limited | 166,963 | BBB | 258,654 | BBB |
| Trust Leasing and Investment Bank Limited | 20,140 | A | 34,056 | AA |
| United Bank Limited | — | — | 24,998 | AA |
| Zaver Petroleum Corporation Limited | — | — | 299,400 | * |
| | <u>24,117,557</u> | | <u>32,785,287</u> | |

* Not Available

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| 14. ADVANCES | Note | 2008 | 2007 Restated |
|---|------|---------------------|---------------------|
| | | (Rupees '000') | |
| Loans, cash credits, running finance, etc. | | | |
| In Pakistan | 14.1 | 90,877,027 | 83,454,286 |
| Outside Pakistan | | - | - |
| Net investment in finance lease | | | |
| In Pakistan | 14.3 | 4,374,849 | 6,116,106 |
| Outside Pakistan | | - | - |
| Bills discounted and purchased (excluding treasury bills) | | | |
| Payable in Pakistan | | 527,618 | 1,309,849 |
| Payable outside Pakistan | | 1,542,987 | 1,689,436 |
| Financing in respect of margin finance | | - | 16,659 |
| Advances - Gross | | <u>97,322,481</u> | <u>92,586,336</u> |
| Provision against non-performing advances - specific | 14.4 | (16,715,515) | (10,040,046) |
| - general | 14.5 | (262,773) | (613,911) |
| | | <u>(16,978,288)</u> | <u>(10,653,957)</u> |
| Advances - Net of provision | | <u>80,344,193</u> | <u>81,932,379</u> |

14.1 This includes a sum of Rs. 79.074 million (2007 : Rs. 85.791 million) representing unrealized exchange gain, which has not been recognised as income and deferred in the financial statements, in accordance with the policy of the Bank, as stated in Note 5.18.

14.2 Particulars of advances

| | | |
|--|-------------------|-------------------|
| 14.2.1 In local currency | 95,066,054 | 89,443,520 |
| In foreign currencies | 2,256,427 | 3,142,816 |
| | <u>97,322,481</u> | <u>92,586,336</u> |
| 14.2.2 Short term (for upto one year) | 62,762,818 | 59,775,392 |
| Long term (for over one year) | 34,559,663 | 32,810,944 |
| | <u>97,322,481</u> | <u>92,586,336</u> |

14.3 Net Investment in Finance Lease

| | 2008 | | | Total |
|---|-------------------------|---|-----------------|------------------|
| | Not later than one year | Later than one and less than five years | Over five years | |
| | (Rupees '000') | | | |
| Lease rentals receivable | 3,017,127 | 1,034,355 | - | 4,051,482 |
| Residual value | 608,760 | 180,813 | - | 789,573 |
| Minimum lease payments | 3,625,887 | 1,215,168 | - | 4,841,055 |
| Financial charges for future periods (including income suspended) | (367,548) | (98,658) | - | (466,206) |
| Present value of minimum lease payments | <u>3,258,339</u> | <u>1,116,510</u> | <u>-</u> | <u>4,374,849</u> |
| | 2007 | | | |
| Lease rentals receivable | 2,517,981 | 2,561,900 | - | 5,079,881 |
| Residual value | 907,338 | 992,511 | - | 1,899,849 |
| Minimum lease payments | 3,425,319 | 3,554,411 | - | 6,979,730 |
| Financial charges for future periods (including income suspended) | (497,941) | (365,683) | - | (863,624) |
| Present value of minimum lease payments | <u>2,927,378</u> | <u>3,188,728</u> | <u>-</u> | <u>6,116,106</u> |

Minimum Lease payments receivable includes a sum of Rs. 5.248 million (2007: Rs. 7.545 million) due from an associated undertaking.

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



14.4 Advances include Rs. 22,457.812 million (2007: Rs. 13,252.316 million), which have been placed under non-performing status as detailed below:

| Category of Classification | 2008 | | | | 2007 - Restated | | | |
|----------------------------|---------------------|----------|--------------------|----------------|---------------------|------------|----------------|--|
| | Classified Advances | | Provision Required | | Classified Advances | | Provision Held | |
| | Domestic | Overseas | Total | (Rupees '000') | Domestic | Overseas | Total | |
| Substandard | 5,751,056 | - | 5,751,056 | 1,428,052 | - | 1,428,052 | 1,428,052 | |
| Doubtful | 2,151,808 | - | 2,151,808 | 1,038,757 | - | 1,038,757 | 1,038,757 | |
| Loss | 14,554,948 | - | 14,554,948 | 14,248,706 | - | 14,248,706 | 14,248,706 | |
| | 22,457,812 | - | 22,457,812 | 16,715,515 | - | 16,715,515 | 16,715,515 | |

| Category of Classification | 2008 | | | | 2007 - Restated | | | |
|----------------------------|---------------------|--------------|--------------------|----------------|---------------------|--------------|----------------|--|
| | Classified Advances | | Provision Required | | Classified Advances | | Provision Held | |
| | NIB | Amalgamation | Total | (Rupees '000') | NIB | Amalgamation | Total | |
| Substandard | 1,463,556 | 1,262,096 | 2,725,652 | 365,889 | 382,540 | 748,429 | 382,540 | |
| Doubtful | 245,566 | 1,867,336 | 2,112,902 | 122,783 | 880,072 | 1,002,855 | 880,072 | |
| Loss | 1,365,233 | 7,048,529 | 8,413,762 | 1,365,233 | 6,923,529 | 8,288,762 | 6,923,529 | |
| | 3,074,355 | 10,177,961 | 13,252,316 | 1,853,905 | 8,186,141 | 10,040,046 | 8,186,141 | |

14.5 Particulars of provision against non-performing advances

| | 2008 | | | 2007 - Restated | | |
|-------------------------|----------------|-----------|-------------|-----------------|----------|------------|
| | Specific | General | Total | Specific | General | Total |
| | (Rupees '000') | | | | | |
| Opening balance | 10,040,046 | 613,911 | 10,653,957 | 610,184 | 212,498 | 822,682 |
| Charge for the year | 10,782,574 | 115,589 | 10,898,163 | 1,572,351 | 36,513 | 1,608,864 |
| Reversals | (1,945,434) | (119,088) | (2,064,522) | (78,551) | (35,512) | (114,063) |
| Assumed on amalgamation | 8,837,140 | (3,499) | 8,833,641 | 1,493,800 | 1,001 | 1,494,801 |
| Amounts written off | - | - | - | 8,186,141 | 400,412 | 8,586,553 |
| Transfer to / (from) | (2,509,310) | - | (2,509,310) | (250,079) | - | (250,079) |
| Closing balance | 347,639 | (347,639) | - | - | - | - |
| | 16,715,515 | 262,773 | 16,978,288 | 10,040,046 | 613,911 | 10,653,957 |

14.5.1 Particulars of provision against non-performing advances - currency wise

| | | | | | | |
|-----------------------|------------|---------|------------|------------|---------|------------|
| In local currency | 16,715,515 | 262,773 | 16,978,288 | 10,040,046 | 613,911 | 10,653,957 |
| In foreign currencies | - | - | - | - | - | - |
| | 16,715,515 | 262,773 | 16,978,288 | 10,040,046 | 613,911 | 10,653,957 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| | Note | 2008 (Rupees '000') | 2007 |
|---|------|------------------------|----------------|
| 14.6 Particulars of write off: | | | |
| 14.6.1 Against provisions | 14.5 | 2,509,310 | 250,079 |
| Directly charged to profit and loss account | | 1,800 | - |
| | | <u>2,511,110</u> | <u>250,079</u> |
| 14.6.2 Write offs of Rs. 500,000 and above | 14.7 | 210,077 | 13,274 |
| Write offs of below Rs. 500,000 | 14.7 | 2,301,033 | 236,805 |
| | | <u>2,511,110</u> | <u>250,079</u> |

14.7 Details of loan write offs of Rs. 500,000/- and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the Statement in respect of written off loans or any financial relief of five hundred thousand rupees or above allowed to person(s) during the year ended December 31, 2008 is given in Annexure 1. However, this write off does not affect the Bank's right to recover the debts from any customers.

14.8 Particulars of loans and advances to directors, associated companies etc.

Debts due by directors, executives or officers of the Bank or any of them either severally or jointly with any other persons.

| | | | Restated |
|--------------------------------------|--|------------------|----------------|
| Balance at the beginning of the year | | 586,755 | 246,612 |
| Additions during the year | | 97,854 | - |
| Loans granted during the year | | 607,255 | 263,469 |
| Less: Repayments during the year | | 281,543 | 58,973 |
| Assumed on amalgamation | | - | 135,647 |
| Balance at the end of the year | | <u>1,010,321</u> | <u>586,755</u> |

Debts due by subsidiary companies, controlled firms, managed modarabas and other related parties.

| | | | |
|--------------------------------------|--|----------------|--------------|
| Balance at the beginning of the year | | 7,545 | - |
| Loan granted during the year | | 807,686 | - |
| Less: Repayments during the year | | 509,983 | - |
| Assumed on amalgamation | | - | 7,545 |
| Balance at the end of the year | | <u>305,248</u> | <u>7,545</u> |

15. OPERATING FIXED ASSETS

| | Note | 2008 (Rupees '000') | 2007 |
|---------------------------------------|------|------------------------|------------------|
| Capital work in progress | 15.1 | 760,882 | 583,054 |
| Property and equipment | 15.2 | <u>2,946,738</u> | <u>3,350,446</u> |
| | | <u>3,707,620</u> | <u>3,933,500</u> |
| 15.1 Capital work in progress | | | |
| Civil works | | 53,751 | 15,417 |
| Equipment and electric work | | 36,047 | 41,375 |
| Advances to suppliers and contractors | | 227,710 | 195,399 |
| Advance for computer software | | 423,532 | 284,795 |
| Others | | 19,842 | 46,068 |
| | | <u>760,882</u> | <u>583,054</u> |

15.1.1 During the year, an amount of Rs. 27.285 million was written off as this represented long outstanding and unidentifiable items.

15.3 Included in cost of property and equipment are fully depreciated items still in use having cost of Rs. 296.303 million (2007: Rs. 430.526 million).

15.4 This includes a plot of land costing Rs. 9.240 Million in Block-6, KDA Scheme-5, Clifton, Karachi (the "Plot"), possession of which was taken by the Bank (formerly PICIC-DFI) in April 1983 pursuant to an allotment order by City District Government Karachi ("CDGK") (formerly Karachi Development Authority). All the legal dues in respect of the Plot including Non-utilization Fees have been paid. In 2000, CDGK cancelled the allotment unilaterally based on certain building and construction restrictions and reverted the Plot back to Karachi Port Trust (KPT). CDGK also resolved to provide an alternative Plot of land on Shahrah-e-Faisal. The Bank filed a Civil Suit against CDGK before the High Court of Sindh in respect of the said unilateral cancellation of the allotment. Meanwhile, also in 2000, a dispute arose with KPT in respect of construction of a boundary wall on the Plot by KPT as KPT claimed that allotment in favor of the Bank had been cancelled and the land had been reverted to KPT.

The said claim by KPT was also challenged by way of Civil Suit before the High Court of Sindh. The High Court of Sindh initially issued restraining orders against KDA and KPT in the respective suits in respect of cancellation of the allotment of the Plot. Subsequently, both the suits were decided in favor of the Bank. In the suit filed against KDA, the High Court of Sindh held that the action of cancellation of the allotment by KDA was improper and void, whereas, in the suit against KPT, the High Court of Sindh held that since allotment in favor of the Bank was valid therefore, KPT had no standing to claim that the land had been reverted back to KPT. Both the decisions of the High Court of Sindh are currently being challenged in two separate High Court Appeals by KDA and KPT and the same are still pending. Furthermore, in November 2008, KPT filed a Civil Suit seeking a declaration from the High Court of Sindh to the effect that allotment in favor of the Bank had been validly cancelled and the Plot had been validly reverted to KPT. The Bank is now actively defending this suit and at present is in the process of formulating and filing necessary rebuttal pleadings.

15.5 Detail of disposal of property and equipment during the year

| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|-------|--------------------------|------------|---------------|------------------------|-----------------------------------|
| (Rupees '000') | | | | | | |
| Vehicles | 1,599 | 182 | 1,417 | 1,410 | EMPLOYEE SERVICES RULE | FAISAL ZIA QURESHI-EMPLOYEE |
| Vehicles | 1,557 | 182 | 1,375 | 1,310 | EMPLOYEE SERVICES RULE | AZIZ MUSTAFA ZUBERI-EMPLOYEE |
| Vehicles | 1,543 | 307 | 1,236 | 1,150 | EMPLOYEE SERVICES RULE | AKBAR A. CHUGHTAI-EMPLOYEE |
| Vehicles | 1,543 | 307 | 1,236 | 1,130 | EMPLOYEE SERVICES RULE | MASROOR AHMAD QURESHI-EMPLOYEE |
| Vehicles | 1,543 | 206 | 1,337 | 1,285 | EMPLOYEE SERVICES RULE | ALI MASOOD-EMPLOYEE |
| Vehicles | 1,431 | 182 | 1,249 | 1,251 | EMPLOYEE SERVICES RULE | ASFANDYAR HASSAN QURESHI-EMPLOYEE |
| Vehicles | 1,422 | 47 | 1,375 | 1,280 | EMPLOYEE SERVICES RULE | AASHIR HASNAIN-EMPLOYEE |
| Vehicles | 1,422 | 95 | 1,327 | 1,308 | EMPLOYEE SERVICES RULE | SHAIKH ABDUS SAMI-EMPLOYEE |
| Vehicles | 1,411 | 212 | 1,199 | 1,222 | EMPLOYEE SERVICES RULE | IVAN JOHNS-EMPLOYEE |
| Vehicles | 1,381 | 115 | 1,266 | 1,175 | EMPLOYEE SERVICES RULE | M.IMRAN -EMPLOYEE |
| Vehicles | 1,380 | 344 | 1,036 | 1,225 | EMPLOYEE SERVICES RULE | ASIM KHAN-EMPLOYEE |
| Vehicles | 1,369 | 160 | 1,209 | 1,191 | EMPLOYEE SERVICES RULE | MUHAMMAD ARSHAD-EMPLOYEE |
| Vehicles | 1,369 | 160 | 1,209 | 1,127 | EMPLOYEE SERVICES RULE | SHAHID ALI KHAN-EMPLOYEE |
| Vehicles | 1,367 | 342 | 1,025 | 975 | EMPLOYEE SERVICES RULE | MUHAMMAD YAQOUB SHAIKH-EMPLOYEE |
| Vehicles | 1,361 | 431 | 930 | 855 | EMPLOYEE SERVICES RULE | NAUMAN HUSSAIN-EMPLOYEE |
| Vehicles | 1,360 | 453 | 907 | 890 | EMPLOYEE SERVICES RULE | ANIS ALAM KAZMI-EMPLOYEE |
| Vehicles | 1,288 | 429 | 859 | 843 | EMPLOYEE SERVICES RULE | ZIA AKHTER ABBAS-EMPLOYEE |
| Vehicles | 1,237 | 557 | 680 | 766 | EMPLOYEE SERVICES RULE | IRSHAD RAHEEM-EMPLOYEE |
| Vehicles | 1,148 | 421 | 727 | 738 | EMPLOYEE SERVICES RULE | NAJEEB GILLANI-EMPLOYEE |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|-------|--------------------------|------------|---------------|------------------------|-------------------------------------|
| (Rupees '000') | | | | | | |
| Vehicles | 1,108 | 646 | 462 | 786 | EMPLOYEE SERVICES RULE | AIZAZ BUKHARI-EMPLOYEE |
| Vehicles | 1,069 | 338 | 731 | 805 | EMPLOYEE SERVICES RULE | MOIZ MUKHTAR-EMPLOYEE |
| Vehicles | 1,060 | 265 | 795 | 805 | EMPLOYEE SERVICES RULE | FARIYA ZAEEM-EMPLOYEE |
| Vehicles | 1,043 | 487 | 556 | 632 | EMPLOYEE SERVICES RULE | MUHAMMAD UMAR BUTT-EMPLOYEE |
| Vehicles | 1,036 | 242 | 794 | 752 | EMPLOYEE SERVICES RULE | NAVAID IQBAL-EMPLOYEE |
| Vehicles | 1,036 | 328 | 708 | 705 | EMPLOYEE SERVICES RULE | BEENISH METHANI-EMPLOYEE |
| Vehicles | 1,036 | 345 | 691 | 738 | EMPLOYEE SERVICES RULE | M.IMRAN KHAN-EMPLOYEE |
| Vehicles | 1,006 | 69 | 937 | 782 | EMPLOYEE SERVICES RULE | NAVAID IQBAL-EMPLOYEE |
| Vehicles | 1,006 | 85 | 921 | 775 | EMPLOYEE SERVICES RULE | SADIA RIZWAN-EMPLOYEE |
| Vehicles | 1,003 | 418 | 585 | 799 | EMPLOYEE SERVICES RULE | ALI IMRAN AKBER-EMPLOYEE |
| Vehicles | 1,002 | 384 | 618 | 551 | EMPLOYEE SERVICES RULE | AKBAR A. LADAK-EMPLOYEE |
| Vehicles | 998 | 449 | 549 | 802 | EMPLOYEE SERVICES RULE | KHAWAR SAEED-EMPLOYEE |
| Vehicles | 969 | 194 | 775 | 711 | EMPLOYEE SERVICES RULE | ZAHID QURESHI-EMPLOYEE |
| Vehicles | 969 | 194 | 775 | 711 | EMPLOYEE SERVICES RULE | NAVID IQBAL-EMPLOYEE |
| Vehicles | 967 | 162 | 805 | 741 | EMPLOYEE SERVICES RULE | SYED IMTIAZ BOKHARI-EMPLOYEE |
| Vehicles | 944 | 65 | 879 | 760 | EMPLOYEE SERVICES RULE | MUHAMMAD FARHAN KHAN-EMPLOYEE |
| Vehicles | 942 | 63 | 879 | 725 | EMPLOYEE SERVICES RULE | MUHAMMAD BILAL ANJUM-EMPLOYEE |
| Vehicles | 936 | 233 | 703 | 666 | EMPLOYEE SERVICES RULE | JAWAD SHAMI-EMPLOYEE |
| Vehicles | 936 | 296 | 640 | 705 | EMPLOYEE SERVICES RULE | ZULFIQAR ALI LEHRI-EMPLOYEE |
| Vehicles | 936 | 296 | 640 | 766 | EMPLOYEE SERVICES RULE | KALEEM ABDULLAH KHAN NIAZI-EMPLOYEE |
| Vehicles | 933 | 171 | 762 | 708 | EMPLOYEE SERVICES RULE | MUZAMIL SHAH-EMPLOYEE |
| Vehicles | 933 | 63 | 870 | 758 | EMPLOYEE SERVICES RULE | SALEEM QURESHI-EMPLOYEE |
| Vehicles | 923 | 61 | 862 | 768 | EMPLOYEE SERVICES RULE | LLEWELYN D. SOUZA-EMPLOYEE |
| Vehicles | 921 | 61 | 860 | 775 | EMPLOYEE SERVICES RULE | AFZAL HUSSAIN-EMPLOYEE |
| Vehicles | 921 | 61 | 860 | 781 | EMPLOYEE SERVICES RULE | UZAIR AHMED SIDDIQUI-EMPLOYEE |
| Vehicles | 921 | 61 | 860 | 750 | EMPLOYEE SERVICES RULE | FARHAN NAQVI-EMPLOYEE |
| Vehicles | 921 | 61 | 860 | 788 | EMPLOYEE SERVICES RULE | SHAHIDA RAJKOTWALA-EMPLOYEE |
| Vehicles | 915 | 234 | 681 | 675 | EMPLOYEE SERVICES RULE | SYED IBN-E-ALI BUKHARI-EMPLOYEE |
| Vehicles | 915 | 214 | 701 | 676 | EMPLOYEE SERVICES RULE | MARIAM IMRAN-EMPLOYEE |
| Vehicles | 915 | 230 | 685 | 691 | EMPLOYEE SERVICES RULE | ALI MASOOD-EMPLOYEE |
| Vehicles | 915 | 153 | 762 | 750 | EMPLOYEE SERVICES RULE | MUHAMMAD FARHAN KHAN-EMPLOYEE |
| Vehicles | 915 | 183 | 732 | 715 | EMPLOYEE SERVICES RULE | GHULAM MUHAMMAD DURVAISH-EMPLOYEE |
| Vehicles | 915 | 122 | 793 | 744 | EMPLOYEE SERVICES RULE | SHAHMIR KHAN-EMPLOYEE |
| Vehicles | 915 | 106 | 809 | 770 | EMPLOYEE SERVICES RULE | YAMEEN KERAI-EMPLOYEE |
| Vehicles | 915 | 107 | 808 | 755 | EMPLOYEE SERVICES RULE | NAVEED YOUNUS-EMPLOYEE |
| Vehicles | 914 | 259 | 655 | 683 | EMPLOYEE SERVICES RULE | KASHIF GAYA-EMPLOYEE |
| Vehicles | 914 | 228 | 686 | 620 | EMPLOYEE SERVICES RULE | ABDUL AHAD WAHDNA-EMPLOYEE |
| Vehicles | 910 | 660 | 250 | 455 | EMPLOYEE SERVICES RULE | AMYN ESSA-EMPLOYEE |
| Vehicles | 885 | 311 | 574 | 517 | EMPLOYEE SERVICES RULE | SADAQAT KHAN-EMPLOYEE |
| Vehicles | 885 | 326 | 559 | 650 | EMPLOYEE SERVICES RULE | SHAKEEL ABBAS JAFRI-EMPLOYEE |
| Vehicles | 885 | 324 | 561 | 652 | EMPLOYEE SERVICES RULE | ASFANDYAR QURESHI-EMPLOYEE |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|------|--------------------------|------------|---------------|------------------------|------------------------------------|
| (Rupees '000') | | | | | | |
| Vehicles | 879 | 147 | 732 | 674 | EMPLOYEE SERVICES RULE | TASAWWAR HUSSAIN SIDDIQUI-EMPLOYEE |
| Vehicles | 879 | 381 | 498 | 440 | EMPLOYEE SERVICES RULE | NAVEED ELAHI MALIK-EMPLOYEE |
| Vehicles | 879 | 440 | 439 | 757 | EMPLOYEE SERVICES RULE | MAMOON H. FAROOQI-EMPLOYEE |
| Vehicles | 849 | 778 | 71 | 615 | EMPLOYEE SERVICES RULE | HADI ALI KHAN-EMPLOYEE |
| Vehicles | 849 | 594 | 255 | 725 | EMPLOYEE SERVICES RULE | MANZOOR ELAHI-EMPLOYEE |
| Vehicles | 846 | 113 | 733 | 677 | EMPLOYEE SERVICES RULE | SYED MUHAMMAD HUSSAIN-EMPLOYEE |
| Vehicles | 846 | 113 | 733 | 705 | EMPLOYEE SERVICES RULE | HOSHEM NASIR KHAN-EMPLOYEE |
| Vehicles | 846 | 113 | 733 | 677 | EMPLOYEE SERVICES RULE | RASHID KAZI-EMPLOYEE |
| Vehicles | 846 | 141 | 705 | 649 | EMPLOYEE SERVICES RULE | S.M. ANWAR AHMED-EMPLOYEE |
| Vehicles | 846 | 141 | 705 | 649 | EMPLOYEE SERVICES RULE | MASOOD AHMED SIDDIQUI-EMPLOYEE |
| Vehicles | 846 | 141 | 705 | 649 | EMPLOYEE SERVICES RULE | BEHZAD RASHID-EMPLOYEE |
| Vehicles | 846 | 141 | 705 | 649 | EMPLOYEE SERVICES RULE | TARIQ QAZI-EMPLOYEE |
| Vehicles | 846 | 141 | 705 | 649 | EMPLOYEE SERVICES RULE | SYED JAMSHED HAMID-EMPLOYEE |
| Vehicles | 836 | 348 | 488 | 597 | EMPLOYEE SERVICES RULE | MEHERYAR MAVALVALA-EMPLOYEE |
| Vehicles | 835 | 306 | 529 | 612 | EMPLOYEE SERVICES RULE | SARWAR KHAN-EMPLOYEE |
| Vehicles | 835 | 348 | 487 | 610 | EMPLOYEE SERVICES RULE | MUHAMMAD RIAZUDDIN-EMPLOYEE |
| Vehicles | 835 | 348 | 487 | 595 | EMPLOYEE SERVICES RULE | IMTIAZ AHMAD -EMPLOYEE |
| Vehicles | 835 | 376 | 459 | 560 | EMPLOYEE SERVICES RULE | SYED JAFFER SHAH-EMPLOYEE |
| Vehicles | 835 | 376 | 459 | 600 | EMPLOYEE SERVICES RULE | MEHMOOD HUSSAIN RIZVI-EMPLOYEE |
| Vehicles | 835 | 404 | 431 | 615 | EMPLOYEE SERVICES RULE | TALAL JAWED-EMPLOYEE |
| Vehicles | 835 | 404 | 431 | 603 | EMPLOYEE SERVICES RULE | ABID ALI KHAN-EMPLOYEE |
| Vehicles | 835 | 404 | 431 | 580 | EMPLOYEE SERVICES RULE | WAQAR A. MEMON-EMPLOYEE |
| Vehicles | 835 | 404 | 431 | 603 | EMPLOYEE SERVICES RULE | FALAK HASSAN JAFRI-EMPLOYEE |
| Vehicles | 835 | 404 | 431 | 622 | EMPLOYEE SERVICES RULE | AFTAB AHMED-EMPLOYEE |
| Vehicles | 749 | 350 | 399 | 492 | EMPLOYEE SERVICES RULE | M. IQBAL TAI-EMPLOYEE |
| Vehicles | 739 | 443 | 296 | 246 | EMPLOYEE SERVICES RULE | M. AKRAM AZAD-EMPLOYEE |
| Vehicles | 739 | 443 | 296 | 337 | EMPLOYEE SERVICES RULE | FAISAL MAHMOOD-EMPLOYEE |
| Vehicles | 739 | 443 | 296 | 246 | EMPLOYEE SERVICES RULE | ATHER ALI-EMPLOYEE |
| Vehicles | 739 | 443 | 296 | 246 | EMPLOYEE SERVICES RULE | SYED ZAHID HUSSAIN -EMPLOYEE |
| Vehicles | 739 | 443 | 296 | 246 | EMPLOYEE SERVICES RULE | MUMTAZ AHMED KHAN-EMPLOYEE |
| Vehicles | 680 | 408 | 272 | 340 | EMPLOYEE SERVICES RULE | YASIR HUSSAIN-EMPLOYEE |
| Vehicles | 679 | 23 | 656 | 585 | EMPLOYEE SERVICES RULE | SYED TAHIR HUSSAIN RIZVI-EMPLOYEE |
| Vehicles | 660 | 132 | 528 | 635 | EMPLOYEE SERVICES RULE | YAZDI R. SIDHWA-EMPLOYEE |
| Vehicles | 651 | 33 | 618 | 575 | EMPLOYEE SERVICES RULE | RAO KHALIQ UR REHMAN-EMPLOYEE |
| Vehicles | 651 | 43 | 608 | 575 | EMPLOYEE SERVICES RULE | NAUMAN MUNAWAR-EMPLOYEE |
| Vehicles | 645 | 32 | 613 | 575 | EMPLOYEE SERVICES RULE | ATHAR HUSSAIN-EMPLOYEE |
| Vehicles | 645 | 32 | 613 | 575 | EMPLOYEE SERVICES RULE | ASIF ALI KHAN-EMPLOYEE |
| Vehicles | 640 | 43 | 597 | 545 | EMPLOYEE SERVICES RULE | MUHAMMAD QASIM BHAAM-EMPLOYEE |
| Vehicles | 640 | 43 | 597 | 570 | EMPLOYEE SERVICES RULE | SULEMAN BHOPAL-EMPLOYEE |
| Vehicles | 640 | 21 | 619 | 565 | EMPLOYEE SERVICES RULE | QAISER GHANI-EMPLOYEE |
| Vehicles | 640 | 21 | 619 | 575 | EMPLOYEE SERVICES RULE | ZEESHAN HASHMI-EMPLOYEE |
| Vehicles | 640 | 21 | 619 | 578 | EMPLOYEE SERVICES RULE | ALI MASOOD-EMPLOYEE |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|------|--------------------------|------------|---------------|------------------------|-----------------------------------|
| (Rupees '000') | | | | | | |
| Vehicles | 640 | 32 | 608 | 570 | EMPLOYEE SERVICES RULE | FARHAD HUSSAIN-EMPLOYEE |
| Vehicles | 640 | 32 | 608 | 590 | EMPLOYEE SERVICES RULE | MUHAMMAD ADNAN SIDDIQUE-EMPLOYEE |
| Vehicles | 627 | 158 | 469 | 521 | EMPLOYEE SERVICES RULE | HAMMAD AHMAD KHAN-EMPLOYEE |
| Vehicles | 626 | 104 | 522 | 590 | EMPLOYEE SERVICES RULE | QAMAR UDDIN-EMPLOYEE |
| Vehicles | 626 | 125 | 501 | 473 | EMPLOYEE SERVICES RULE | SHAHID HAIDER-EMPLOYEE |
| Vehicles | 622 | 197 | 425 | 483 | EMPLOYEE SERVICES RULE | FAROOQ QAISAR-EMPLOYEE |
| Vehicles | 619 | 174 | 445 | 472 | EMPLOYEE SERVICES RULE | JAVED IQBAL RAO-EMPLOYEE |
| Vehicles | 618 | 154 | 464 | 464 | EMPLOYEE SERVICES RULE | IJAZ AHMED -EMPLOYEE |
| Vehicles | 618 | 154 | 464 | 483 | EMPLOYEE SERVICES RULE | AMNA BUTT-EMPLOYEE |
| Vehicles | 618 | 92 | 526 | 545 | EMPLOYEE SERVICES RULE | ARBAB ZARAK-EMPLOYEE |
| Vehicles | 618 | 134 | 484 | 463 | EMPLOYEE SERVICES RULE | MOBIN KHAN-EMPLOYEE |
| Vehicles | 618 | 123 | 495 | 573 | EMPLOYEE SERVICES RULE | HAMMAD AHMAD KHAN-EMPLOYEE |
| Vehicles | 618 | 154 | 464 | 502 | EMPLOYEE SERVICES RULE | GHULAM MUSTAFA SHAD-EMPLOYEE |
| Vehicles | 618 | 154 | 464 | 480 | EMPLOYEE SERVICES RULE | ASIM KHAN-EMPLOYEE |
| Vehicles | 618 | 154 | 464 | 522 | EMPLOYEE SERVICES RULE | HAMMAD AHMAD KHAN-EMPLOYEE |
| Vehicles | 617 | 82 | 535 | 490 | EMPLOYEE SERVICES RULE | IMADULLAH KHAN-EMPLOYEE |
| Vehicles | 617 | 92 | 525 | 538 | EMPLOYEE SERVICES RULE | MAZFOOR GILLANI-EMPLOYEE |
| Vehicles | 616 | 153 | 463 | 490 | EMPLOYEE SERVICES RULE | QAMAR ALI-EMPLOYEE |
| Vehicles | 616 | 92 | 524 | 538 | EMPLOYEE SERVICES RULE | AAMIR ABID-EMPLOYEE |
| Vehicles | 616 | 92 | 524 | 538 | EMPLOYEE SERVICES RULE | AHMAD ZEESHAN-EMPLOYEE |
| Vehicles | 610 | 152 | 458 | 465 | EMPLOYEE SERVICES RULE | KHALID MEHMOOD BHATTI-EMPLOYEE |
| Vehicles | 610 | 152 | 458 | 481 | EMPLOYEE SERVICES RULE | SHAHZAD KASIM-EMPLOYEE |
| Vehicles | 610 | 152 | 458 | 481 | EMPLOYEE SERVICES RULE | MUHAMMAD SHAHZAD-EMPLOYEE |
| Vehicles | 610 | 152 | 458 | 503 | EMPLOYEE SERVICES RULE | SYED SAJJAD HUSSAIN-EMPLOYEE |
| Vehicles | 610 | 121 | 489 | 510 | EMPLOYEE SERVICES RULE | TAHIR NAVEED-EMPLOYEE |
| Vehicles | 609 | 81 | 528 | 525 | EMPLOYEE SERVICES RULE | ZAKAUR REHMAN-EMPLOYEE |
| Vehicles | 609 | 609 | - | 404 | EMPLOYEE SERVICES RULE | ZAFAR AZIZ-EMPLOYEE |
| Vehicles | 609 | 190 | 419 | 451 | EMPLOYEE SERVICES RULE | MOHAMMAD KHAN-EMPLOYEE |
| Vehicles | 609 | 244 | 365 | 477 | EMPLOYEE SERVICES RULE | M. SAEED KHAN-EMPLOYEE |
| Vehicles | 609 | 170 | 439 | 488 | EMPLOYEE SERVICES RULE | FAISAL SIDDIQUI-EMPLOYEE |
| Vehicles | 609 | 172 | 437 | 470 | EMPLOYEE SERVICES RULE | SYED HAROON AKHTAR-EMPLOYEE |
| Vehicles | 609 | 172 | 437 | 463 | EMPLOYEE SERVICES RULE | MUZAMIL RIZVI-EMPLOYEE |
| Vehicles | 609 | 172 | 437 | 475 | EMPLOYEE SERVICES RULE | AZEEM AHMAD-EMPLOYEE |
| Vehicles | 609 | 172 | 437 | 473 | EMPLOYEE SERVICES RULE | QASEEM AHMED-EMPLOYEE |
| Vehicles | 609 | 172 | 437 | 500 | EMPLOYEE SERVICES RULE | SHAMSHAD A MEMON-EMPLOYEE |
| Vehicles | 609 | 152 | 457 | 482 | EMPLOYEE SERVICES RULE | SYED SHAMIM BUKHARI-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 535 | EMPLOYEE SERVICES RULE | M. AHMED HUSSAIN-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 525 | EMPLOYEE SERVICES RULE | GHULAM MUHAMMAD DURVAISH-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 526 | EMPLOYEE SERVICES RULE | ALI MASOOD-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 540 | EMPLOYEE SERVICES RULE | MUHAMMAD ALI AZIZ-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 544 | EMPLOYEE SERVICES RULE | IRFAN MOHIUDDIN-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 527 | EMPLOYEE SERVICES RULE | S. HABIB-EMPLOYEE |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|------|--------------------------|------------|---------------|------------------------|--|
| (Rupees '000') | | | | | | |
| Vehicles | 609 | 91 | 518 | 522 | EMPLOYEE SERVICES RULE | BURHAN SABIR-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 540 | EMPLOYEE SERVICES RULE | SYED MUNAWAR ALI SHAH BUKHARI-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 540 | EMPLOYEE SERVICES RULE | KABEER SHAIKH-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 537 | EMPLOYEE SERVICES RULE | FARHAN KHAN-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 535 | EMPLOYEE SERVICES RULE | SAAD AHMAD-EMPLOYEE |
| Vehicles | 609 | 91 | 518 | 550 | EMPLOYEE SERVICES RULE | MUHAMMAD FARHAN KHAN-EMPLOYEE |
| Vehicles | 608 | 81 | 527 | 541 | EMPLOYEE SERVICES RULE | ALI AZIZ-EMPLOYEE |
| Vehicles | 608 | 91 | 517 | 519 | EMPLOYEE SERVICES RULE | ANAS-EMPLOYEE |
| Vehicles | 604 | 90 | 514 | 515 | EMPLOYEE SERVICES RULE | MUHAMMAD FAROOQ-EMPLOYEE |
| Vehicles | 604 | 110 | 494 | 541 | EMPLOYEE SERVICES RULE | GHULAM MUSTAFA SHAD-EMPLOYEE |
| Vehicles | 603 | 140 | 463 | 470 | EMPLOYEE SERVICES RULE | SOHAIL AKHTAR-EMPLOYEE |
| Vehicles | 600 | 190 | 410 | 468 | EMPLOYEE SERVICES RULE | ABDUL RAZZAQ-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 483 | EMPLOYEE SERVICES RULE | MUHAMMAD AMIR-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 455 | EMPLOYEE SERVICES RULE | MUZAFFAR-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 473 | EMPLOYEE SERVICES RULE | TAHIR RIAZ -EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 470 | EMPLOYEE SERVICES RULE | S. ARSHAD ALI-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 470 | EMPLOYEE SERVICES RULE | AKHLAQ QURESHI-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 473 | EMPLOYEE SERVICES RULE | AQEEL MUSLIM-EMPLOYEE |
| Vehicles | 600 | 200 | 400 | 473 | EMPLOYEE SERVICES RULE | REHMAN SHAHID-EMPLOYEE |
| Vehicles | 595 | 518 | 77 | 453 | EMPLOYEE SERVICES RULE | MUHAMMAD TAYYAB RAUF-EMPLOYEE |
| Vehicles | 560 | 93 | 467 | 430 | EMPLOYEE SERVICES RULE | M. ASHAQUE KHAN-EMPLOYEE |
| Vehicles | 560 | 93 | 467 | 429 | EMPLOYEE SERVICES RULE | MALIK MUHAMMAD INAM-EMPLOYEE |
| Vehicles | 560 | 93 | 467 | 429 | EMPLOYEE SERVICES RULE | KHAWAJA M. HANIF KHAN-EMPLOYEE |
| Vehicles | 560 | 93 | 467 | 429 | EMPLOYEE SERVICES RULE | SAQIB ASHRAF-EMPLOYEE |
| Vehicles | 560 | 93 | 467 | 429 | EMPLOYEE SERVICES RULE | KHALID A. KHAN-EMPLOYEE |
| Vehicles | 560 | 93 | 467 | 429 | EMPLOYEE SERVICES RULE | ZAFAR IQBAL YOUSAF-EMPLOYEE |
| Vehicles | 560 | 103 | 457 | 420 | EMPLOYEE SERVICES RULE | NAVEED UR REHMAN KHAN-EMPLOYEE |
| Vehicles | 560 | 196 | 364 | 327 | EMPLOYEE SERVICES RULE | MAIMOONA AIJAZ-EMPLOYEE |
| Vehicles | 560 | 196 | 364 | 327 | EMPLOYEE SERVICES RULE | M. ARIF QURESHI-EMPLOYEE |
| Vehicles | 560 | 205 | 355 | 317 | EMPLOYEE SERVICES RULE | GHOUSE MOHIUDDIN-EMPLOYEE |
| Vehicles | 560 | 205 | 355 | 317 | EMPLOYEE SERVICES RULE | ASIF ALI KHAN-EMPLOYEE |
| Vehicles | 560 | 205 | 355 | 317 | EMPLOYEE SERVICES RULE | SYED MUZAMIL HUSSAIN RIZVI-EMPLOYEE |
| Vehicles | 560 | 233 | 327 | 435 | EMPLOYEE SERVICES RULE | MIRZA MUHAMMAD MOHSIN BAIG-EMPLOYEE |
| Vehicles | 560 | 233 | 327 | 413 | EMPLOYEE SERVICES RULE | SAIFULLAH KHALID-EMPLOYEE |
| Vehicles | 560 | 271 | 289 | 368 | EMPLOYEE SERVICES RULE | SALMAN AKBAR-EMPLOYEE |
| Vehicles | 560 | 289 | 271 | 433 | EMPLOYEE SERVICES RULE | ALI AMMAR-EMPLOYEE |
| Vehicles | 560 | 289 | 271 | 378 | EMPLOYEE SERVICES RULE | JAWED AKHTER-EMPLOYEE |
| Vehicles | 560 | 289 | 271 | 400 | EMPLOYEE SERVICES RULE | SAJAN BALANI-EMPLOYEE |
| Vehicles | 560 | 289 | 271 | 423 | EMPLOYEE SERVICES RULE | JUNAID ANWAR-EMPLOYEE |
| Vehicles | 560 | 289 | 271 | 402 | EMPLOYEE SERVICES RULE | M. SALEEM BUTT-EMPLOYEE |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | JEANETTE A. CHOHAN-EMPLOYEE |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|-------|--------------------------|------------|---------------|------------------------|--|
| (Rupees '000') | | | | | | |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | SYED MANSOOR RAZA-EMPLOYEE |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | TAHSEEN AHMED SIDDIQUI-EMPLOYEE |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | ASIF ALI-EMPLOYEE |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | JAWAID IQBAL TABASSUM-EMPLOYEE |
| Vehicles | 560 | 299 | 261 | 224 | EMPLOYEE SERVICES RULE | MUHAMMAD HANIF KHAN-EMPLOYEE |
| Vehicles | 560 | 336 | 224 | 187 | EMPLOYEE SERVICES RULE | IQBAL AHMED KHAN-EMPLOYEE |
| Vehicles | 560 | 383 | 177 | 140 | EMPLOYEE SERVICES RULE | ANSAR NAWAZ-EMPLOYEE |
| Vehicles | 560 | 336 | 224 | 187 | EMPLOYEE SERVICES RULE | ABDUL BASIT KHAN-EMPLOYEE |
| Vehicles | 560 | 336 | 224 | 187 | EMPLOYEE SERVICES RULE | SHABBIR AHMED-EMPLOYEE |
| Vehicles | 558 | 93 | 465 | 428 | EMPLOYEE SERVICES RULE | MUHAMMAD ASIF ALAM-EMPLOYEE |
| Vehicles | 555 | 241 | 314 | 443 | EMPLOYEE SERVICES RULE | FAWAD ABDUL LATIF-EMPLOYEE |
| Vehicles | 555 | 287 | 268 | 405 | EMPLOYEE SERVICES RULE | AJEET KUMAR-EMPLOYEE |
| Vehicles | 434 | 174 | 260 | 412 | EMPLOYEE SERVICES RULE | SALEEM AKHTER-EMPLOYEE |
| Vehicles | 395 | 158 | 237 | 331 | EMPLOYEE SERVICES RULE | SYED FASIH AHMED-EMPLOYEE |
| Vehicles | 375 | 206 | 169 | 300 | EMPLOYEE SERVICES RULE | SAEED HABIB-EMPLOYEE |
| Vehicles | 375 | 206 | 169 | 281 | EMPLOYEE SERVICES RULE | GHULAM MUSTAFA SHAD-EMPLOYEE |
| Vehicles | 365 | 79 | 286 | 301 | EMPLOYEE SERVICES RULE | ABID ANSAR-EMPLOYEE |
| Vehicles | 1,381 | 159 | 1,222 | 1,155 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 1,299 | 779 | 520 | 676 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 1,288 | 429 | 859 | 861 | BIDDING | NOMAN JAVAID-HOUSE # 74/II, STREET 12, PHASE VII, DHA, KARACHI |
| Vehicles | 1,158 | 751 | 407 | 680 | BIDDING | MUHAMMAD ZUBAIR-HOUSE # 580, DOHS PHASE-I, MALIR CANTT. DISTT.MALIR |
| Vehicles | 1,158 | 695 | 463 | 880 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 1,146 | 439 | 707 | 790 | BIDDING | MUHAMMAD JAVEED-HOUSE # 198, KAMRAN BLOCK, ALLAMA IQBAL TOWN, METROPOLITAN CORPORATION, LAHORE |
| Vehicles | 1,042 | 504 | 538 | 826 | BIDDING | NAUMAN JAWAID-HOUSE # 74/II, STREET 12, PHASE VII, DHA, KARACHI |
| Vehicles | 1,036 | 328 | 708 | 774 | BIDDING | KHURRAM IMTIAZ-188-E, MODEL TOWN EXTENSION, LAHORE |
| Vehicles | 1,035 | 362 | 673 | 668 | BIDDING | SHAHID ABDUL GHAFFAR-HOUSE # C-18, BLOCK-B, GULSHAN-E-JAMAL, KARACHI |
| Vehicles | 1,006 | 151 | 855 | 815 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 1,006 | 85 | 921 | 820 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|-------|--------------------------|------------|---------------|------------------|---|
| (Rupees '000') | | | | | | |
| Vehicles | 1,006 | 85 | 921 | 816 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 936 | 296 | 640 | 689 | BIDDING | SHAHID ABDUL GHAFFAR-HOUSE # C-18, GULSHAN-E-JAMAL, BLOCK "B", KARACHI EAST |
| Vehicles | 936 | 296 | 640 | 725 | BIDDING | MUHAMMAD RIZWAN GHORI-HOUSE # A-80, BLOCK "I", NORTH NAZIMABAD, KARACHI |
| Vehicles | 936 | 296 | 640 | 693 | BIDDING | SHAHID ABDUL GHAFFAR-HOUSE # C-18, GULSHAN-E-JAMAL, BLOCK "B", KARACHI EAST |
| Vehicles | 936 | 296 | 640 | 681 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 916 | 213 | 703 | 711 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 915 | 77 | 838 | 769 | BIDDING | MUHAMMAD IMRAN-HOUSE # 74, DHA-LANE V11, GALI # 11, PHASE 12, KARACHI. |
| Vehicles | 915 | 137 | 778 | 755 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 914 | 258 | 656 | 683 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 886 | 310 | 576 | 659 | BIDDING | KHURRAM IMTIAZ-188-E, MODEL TOWN EXTENSION, LAHORE |
| Vehicles | 886 | 310 | 576 | 1,000 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 886 | 310 | 576 | 724 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 885 | 311 | 574 | 626 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 879 | 440 | 439 | 492 | BIDDING | WASIF IQBAL-HOUSE # E-202, DEFENCE VIEW, PHASE-II, KARACHI |
| Vehicles | 849 | 580 | 269 | 730 | BIDDING | KHURRAM IMTIAZ-188-E, MODEL TOWN EXTENSION, LAHORE |
| Vehicles | 835 | 362 | 473 | 640 | BIDDING | M. FAROOQ AHMAD-HOUSE # 3/188, TEHSIL C-1 SHIP, SECTOR LAHORE CITY, LAHORE |
| Vehicles | 835 | 418 | 417 | 610 | BIDDING | ABDUL WAHID-HOUSE # 377/1727, MOHALLA DILAWAR MOHAJIR CAMP, BALDIA TOWN, KARACHI. |
| Vehicles | 749 | 399 | 350 | 433 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 739 | 443 | 296 | 496 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 739 | 456 | 283 | 476 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|------|--------------------------|------------|---------------|------------------|--|
| (Rupees '000') | | | | | | |
| Vehicles | 620 | 248 | 372 | 519 | BIDDING | ZAHID QADRI-R-536, 15-A/4, BUFFER ZONE, KARACHI |
| Vehicles | 620 | 248 | 372 | 466 | BIDDING | KHURRAM IMTIAZ-188-E, MODEL TOWN EXTENSION, LAHORE |
| Vehicles | 620 | 248 | 372 | 533 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 618 | 112 | 506 | 500 | BIDDING | ABDUL KHALIQ-HOUSE # 717, NARGIS BLOCK, ALLAMA IQBAL TOWN, LAHORE |
| Vehicles | 618 | 113 | 505 | 540 | BIDDING | AMMAND KASHIF SIDDIQUI-HOUSE # 18 E/1, GULBERG 111, TEHSIL LAHORE CITY, LAHORE. |
| Vehicles | 617 | 153 | 464 | 477 | BIDDING | M. ILYAS-HOUSE # 42, B-11, MOHALLA GHALIB, GULBERG 111, TEHSIL LAHORE CITY, LAHORE |
| Vehicles | 611 | 92 | 519 | 500 | BIDDING | QAMAR ALI-HOUSE # 31, S-87/2, SHAMSI SQUARE BANK COLONY, MULTAN ROAD, DAKH GHANA, SAMNA ABAD, LAHORE |
| Vehicles | 610 | 102 | 508 | 500 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 610 | 315 | 295 | 425 | BIDDING | MR. ASHRAF S/O MOHAMMAD IBRAHIM, HOUSE # 683-J-19, FATIMA JINNAH COLONY, KARACHI. |
| Vehicles | 610 | 152 | 458 | 469 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 609 | 152 | 457 | 478 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 609 | 111 | 498 | 539 | BIDDING | FAISAL ABDULLAH-HOUSE # C-30, BLOCK 9, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 609 | 170 | 439 | 514 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 609 | 91 | 518 | 546 | BIDDING | FAISAL ABDUL AZIZ-HOUSE # C-30, BLOCK 9, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 609 | 91 | 518 | 540 | BIDDING | MIRZA ATIF-HOUSE # A-32, BLOCK 2, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 609 | 91 | 518 | 561 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 608 | 81 | 527 | 555 | BIDDING | ATI IQ-UL-HAQ KHAN -HOUSE # B-87/1, D/2, SECTOR 13, GULSHAN-E-IQBAL, KARACHI. |
| Vehicles | 608 | 81 | 527 | 537 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 608 | 71 | 537 | 535 | BIDDING | MUHAMMAD ISMAIL-HOUSE # 250, ADAMJEE NAGAR, BLOCK-B, KARACHI |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|----------------------------|------|--------------------------|------------|---------------|------------------|--|
| (Rupees '000') | | | | | | |
| Vehicles | 608 | 71 | 537 | 536 | BIDDING | FAISAL ADBULLAH-HOUSE # C-30, BLOCK 9, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 608 | 71 | 537 | 556 | BIDDING | FAISAL ABDUL AZIZ-HOUSE # C-30, BLOCK 9, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 600 | 200 | 400 | 478 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 560 | 84 | 476 | 510 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 560 | 93 | 467 | 429 | BIDDING | ABDUL KHALIQ-HOUSE # 717, NARGIS BLOCK, ALLAMA IQBAL TOWN, LAHORE |
| Vehicles | 560 | 121 | 439 | 527 | BIDDING | TANVEER ASHRAF ALI-HOUSE NO.97/4, MOHALLA NASIR ROAD, LAHORE CANTT. |
| Vehicles | 560 | 196 | 364 | 479 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 560 | 205 | 355 | 481 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 560 | 252 | 308 | 419 | BIDDING | ANJUM AHMED -HOUSE # 1094, MOHALLA FEDERAL B AREA, BLOCK 14, KARACHI. |
| Vehicles | 560 | 271 | 289 | 387 | BIDDING | MUHAMMAD HANIF KHAN-HOUSE NO. 55, PAHAR COLONY, JAMSHED ROAD, KARACHI |
| Vehicles | 560 | 271 | 289 | 423 | BIDDING | ANJUM AHMED-HOUSE # 1094, MOHALLA FEDERAL B AREA, BLOCK 14, KARACHI. |
| Vehicles | 560 | 289 | 271 | 428 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8 GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 560 | 299 | 261 | 402 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 560 | 299 | 261 | 401 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 474 | 190 | 284 | 400 | BIDDING | SAEED IQBAL -HOUSE NO. 29, STREET NO.5, MUSLIM GUNJ, LYTON ROAD, MOZANG, LAHORE. |
| Vehicles | 453 | 249 | 204 | 311 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 450 | 426 | 24 | 252 | BIDDING | NAVEED ZAFAR-EMPLOYEE |
| Vehicles | 443 | 172 | 271 | 358 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 427 | 149 | 278 | 365 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 395 | 79 | 316 | 331 | BIDDING | SYED RIAZ AHMAD-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 395 | 79 | 316 | 351 | BIDDING | HUZAIFA ARIF-HOUSE # E-11, BLOCK 8, GULSHAN-E-IQBAL, KARACHI |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Mode of disposal | Particulars of buyer |
|---|----------------|--------------------------|----------------|----------------|------------------|--|
| (Rupees '000') | | | | | | |
| Vehicles | 365 | 79 | 286 | 329 | BIDDING | ZAHID QADRI-R-536, 15-A/4, BUFFER ZONE, KARACHI |
| Vehicles | 365 | 79 | 286 | 575 | BIDDING | SYED RIAZ AHMED-HOUSE # A-216, BLOCK 3, GULSHAN-E-IQBAL, KARACHI |
| Vehicles | 795 | 593 | 202 | 580 | BIDDING | KHALID HUSSAIN-EMPLOYEE |
| Sub Total | 211,083 | 61,802 | 149,281 | 160,538 | | |
| Items having cost less than Rs.1 million or net book value not exceeding Rs. 0.25 million | | | | | | |
| - Vehicles | 68,558 | 49,157 | 19,401 | 43,440 | | |
| - Furniture and fixtures | 517 | 355 | 162 | 121 | | |
| - Leasehold improvements | 614 | 368 | 246 | 135 | | |
| - Office equipment | 182 | 96 | 86 | 52 | | |
| Sub Total | 69,871 | 49,976 | 19,895 | 43,748 | | |
| 2008 | 280,954 | 111,778 | 169,176 | 204,286 | | |
| 2007 | 33,941 | 16,374 | 17,567 | 23,576 | | |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008


NIB Bank

16. INTANGIBLE ASSETS

2008

| Particulars | C O S T | | | AMORTIZATION / IMPAIRMENT | | | Net Book value as at December 31, 2008 | Rate of Amortization % per annum | | | |
|---|------------------------|-----------------------|------------|---------------------------|------------------------------------|---------------------------|--|----------------------------------|-------------------------|------------|------------|
| | As at January 01, 2008 | Additions (deletions) | Write offs | As at December 31, 2008 | Accumulated as at January 01, 2008 | Amortization for the year | | | Impairment for the year | Write offs | |
| Goodwill | 25,261,472 | - | - | 25,261,472 | - | - | 1,040,000 | - | 24,221,472 | - | |
| Core deposit relationships | 2,489,453 | - | - | 2,489,453 | 113,157 | 226,314 | - | - | 339,471 | 2,149,982 | 9.9% |
| Core Overdraft / Working Capital Loan Relationships | 124,149 | - | - | 124,149 | 5,643 | 11,286 | 43,637 | - | 60,566 | 63,583 | 9.9% |
| Brand names | 204,116 | - | - | 204,116 | 20,412 | 40,824 | - | - | 61,236 | 142,880 | 20% |
| Computer software | 174,455 | 7,073 | (785) | 180,743 | 74,871 | 19,651 | - | (300) | 94,222 | 86,521 | 10% to 50% |
| Management Rights | 1,726,726 | - | - | 1,726,726 | - | - | - | - | - | 1,726,726 | Note 5.9 |
| | 29,980,371 | 7,073 | (785) | 29,986,659 | 214,083 | 298,075 | 1,083,637 | (300) | 1,595,495 | 28,391,164 | |

(Rupees '000')

16.1 Included in cost of computer software are fully amortized items still in use having cost of Rs. 55.331 million (2007: Rs. 36.508 million.)

2007 - Restated

| Particulars | C O S T | | | AMORTIZATION / IMPAIRMENT | | | Net Book value as at December 31, 2007 | Rate of Amortization % per annum | | | |
|---|------------------------|-----------------------|------------|---------------------------|------------------------------------|---------------------------|--|----------------------------------|-------------------------|------------|------------|
| | As at January 01, 2008 | Additions (deletions) | Write offs | As at December 31, 2007 | Accumulated as at January 01, 2007 | Amortization for the year | | | Impairment for the year | Write offs | |
| Goodwill | - | - | - | 25,261,472 | - | - | - | - | 25,261,472 | - | |
| Core deposit relationships | - | - | - | 2,489,453 | - | 113,157 | - | - | 113,157 | 2,376,296 | 9.9% |
| Core Overdraft / Working Capital Loan Relationships | - | - | - | 124,149 | - | 5,643 | - | - | 5,643 | 118,506 | 9.9% |
| Brand names | - | - | - | 204,116 | - | 20,412 | - | - | 20,412 | 183,704 | 20% |
| Computer software | 53,473 | 80,179 | 40,803 | 174,455 | 18,236 | 16,346 | - | 40,289 | 74,871 | 99,584 | 10% to 50% |
| Management Rights | - | - | - | 1,726,726 | - | - | - | - | - | 1,726,726 | Note 5.9 |
| | 53,473 | 80,179 | 29,846,719 | 29,980,371 | 18,236 | 155,558 | - | 40,289 | 214,083 | 29,766,288 | |

(Rupees '000')

16.2 Allocation of goodwill to CGUs:

16.2.1 Goodwill acquired through acquisition with indefinite life has been allocated to two CGUs, which are also reportable segments, for impairment testing as follows:

| | Rs in Billion |
|--|---------------|
| Consumer & Small Enterprises Group (CSEG) | 15.7 |
| Small & Medium Enterprises and Commercial (SMEC) | 9.6 |

16.2.2 Key assumptions used in value in use calculations:

The recoverable amounts of CSEG and SMEC units have been determined based on value in use calculations, using cash flow projections based on financial budgets by the management covering a ten year period. Cash flows beyond that ten year period have been extrapolated using declining growth rates and management believes it will require a period of ten years to capture the niche market.

The following post-tax rates are used by the Bank:

| | CSEG/SMEC 2008 |
|----------------------|-------------------|
| Discount rates | |
| - Projections | 19.52% |
| - Terminal value | 17.52% |
| Terminal growth rate | 10.35% |

The calculation of value in use for both CSEG and SMEC units is most sensitive to the following assumptions:

- Discount rate
- Terminal growth rate used to extrapolate the cash flows beyond the budgeted period
- Weighted average yield / cost of funds
- Loan loss rates
- Local inflation rates
- Non-interest income
- Market share

Discount rate

Discount rate reflects the management's estimate of cost of equity required in each unit. The cost of equity is calculated using the Capital Asset Pricing Model (CAPM).

Terminal growth rate used to extrapolate the cash flows beyond the budgeted period

Assumptions are based on published industry research.

Weighted average yield / cost of funds

These are based on the actual yield/cost of funds of the recent past and market research conducted by the management.

Loan loss rates

These rates are based on the historical loss rate trend of the Bank in the respective units before merger and the results of the performance of the two CGUs since the launch of these businesses post merger.

Non-interest income

Growth in non-interest income is based on management's estimate of growth in advances.

Market Share

Management assesses that the relative positions of each of the two CGUs to niche (untapped) market will grow over the budgeted period on the basis of the market research, results of the pilot branches and performance to date.

16.2.3 Annual test for impairment:

Goodwill:

During the year, the Bank assessed the recoverable amount of the goodwill associated with both CGUs i.e. CSEG and SMEC, by determining the value in use over a ten year period as these businesses are long term by nature. A number of scenarios were run with varying degrees of conservatism. In the most conservative scenario, which represents a combination of events that adversely impacts all key parameters significantly, there would be impairment of Rs. 0.64 billion in CSEG and Rs. 0.4 billion in SMEC. As a matter of abundant caution, the Bank has decided to take the impairment charge of Rs 1.04 billion.

Intangibles:

In the current year, the Bank also assessed the recoverable amount of core overdraft/working capital loan relationships and determined an impairment loss of Rs. 43.637 million. The main factor contributing to the impairment is a run-off of those particular acquired loans on the basis of which the original intangible was assessed.

| | Note | 2008 | 2007 Restated |
|---|------|------------------|------------------|
| | | (Rupees '000') | |
| 17. DEFERRED TAX ASSETS | | | |
| Deferred debits arising due to: | | | |
| Provision against loans and advances | | 6,895,292 | 3,789,974 |
| Provision against other receivables | | – | 7,202 |
| Provision against balances with other banks | | 1,387 | 1,387 |
| Provision for leave encashment | | – | 26,604 |
| Deficit on revaluation of securities | | 277,087 | 2,043 |
| Gratuity | | 15,482 | 15,577 |
| Unused tax losses | | 472,939 | 373,545 |
| Excess of tax base of government securities / investments over accounting base | | 461,239 | 385,414 |
| | | 8,123,426 | 4,601,746 |
| Deferred credits arising due to: | | | |
| Excess of accounting base of leased asset over tax base | | (328,460) | (552,639) |
| Accelerated accounting depreciation on owned assets | | (650,583) | (638,801) |
| Fair valuation of subsidiaries and associates | | (571,544) | (1,035,427) |
| Unrealised exchange gains | 17.1 | (6,007) | (8,358) |
| Unrealised exchange losses | 17.2 | (33,604) | (33,604) |
| | | (1,590,198) | (2,268,829) |
| | | <u>6,533,228</u> | <u>2,332,917</u> |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



17.1 In 1987 and 1989, the Bank (formerly PICIC) exercised its option to avail the exchange risk coverage offered by the Government of Pakistan, Ministry of Finance and Economic Affairs (Economic Affairs Division), through Office Memo 1(16)/50/DM/86 dated July 8, 1987 and 1(12)/50/DM/89 dated June 1, 1989 respectively and, in turn the Bank (formerly PICIC) offered the risk coverage to its Borrowers.

17.2 The unrealised exchange losses of the Bank (formerly PICIC) as on April 21, 1987, the effective date of exercise of both the options arising on related borrowings as reduced by gains arising on related advances was claimed as loss for tax purposes.

| 18. OTHER ASSETS | Note | 2008 | 2007 Restated |
|---|-------------|------------------|------------------|
| | | (Rupees '000') | |
| Income / mark-up accrued | | | |
| Local currency | 18.1 & 18.6 | 3,049,924 | 2,843,241 |
| Foreign currencies | | 23,137 | 16,544 |
| Advances, deposits, advance rent and other prepayments | 18.2 | 706,729 | 698,792 |
| Advance taxation - net | | 242,472 | - |
| Non - banking assets acquired in satisfaction of claims | 18.3 | 24,546 | 28,472 |
| Unrealized gain on forward exchange contracts - net | | - | 43,555 |
| Dividend receivable | | 14,228 | 8,385 |
| Receivable against sale of investments | | - | 744 |
| Receivable from Financial and Management Services (Private) Limited | | 13,225 | 10,329 |
| Receivable from Provident Fund | | - | 107,245 |
| Receivable from Leave Encashment Fund | | - | 61,914 |
| Receivable from Gratuity Fund | | - | 76,634 |
| Stationery and stamps on hand | | 6,261 | 6,564 |
| Advance for purchase of term finance certificates | | 463,000 | - |
| Assets in respect of Bangladesh | 18.4 | 425,409 | 425,409 |
| Sundry debtors | | - | 110,981 |
| Insurance claim | | 122,756 | 27,907 |
| Management fee receivable | | 13,140 | 192,671 |
| Others | | 43,712 | 30,685 |
| | | <u>5,148,539</u> | <u>4,690,072</u> |
| Liabilities in respect of Bangladesh | 18.4 | (342,416) | (342,416) |
| Rupee Borrowings from Government of Pakistan in respect of Bangladesh | 18.4 | (82,993) | (82,993) |
| Provisions held against other assets | 18.5 | (823,826) | (718,520) |
| Other assets - net of provisions | | <u>3,899,304</u> | <u>3,546,143</u> |

18.1 This includes Rs. 0.025 million (2007: Rs. 1.290 million) in respect of associated undertakings .

18.2 Advances, deposits, advance rent and other prepayments

| | | |
|--------------|----------------|----------------|
| Advances | 195,608 | 380,302 |
| Deposits | 40,009 | 17,254 |
| Advance rent | 396,445 | 209,994 |
| Prepayments | 74,667 | 91,242 |
| | <u>706,729</u> | <u>698,792</u> |

- 18.3** Represents cost of land, plant and machinery of textile units acquired by the Bank (formerly PICIC) against advances and held for resale. Market value as of December 31, 2008 of the subject assets were Rs. 41.101 million (2007: Rs. 67.388 million).
- 18.4** All the assets and liabilities as of November 30, 1971 clearly identifiable as being in or in respect of the areas now under Bangladesh and referred to above were segregated as of that date and in such segregation, for purposes of conversion of foreign currency amounts, generally speaking, the parity rates ruling prior to August 15, 1971 were used, and all income accrued or due in 1971 but not received in that year and interest accrued but not due on borrowings in 1971 was eliminated. Subsequently, consequent to the assuming by Bangladesh of certain foreign currency loan obligations as of July 1, 1974, including amounts previously identified by the Bank (formerly PICIC) as its foreign currency liabilities in respect of Bangladesh, such amounts were eliminated from the books of the Bank (formerly PICIC) by reducing an equivalent sum from its related foreign assets in that area.

Arising from advices received from the lenders and as a result of diversion of shipments and of the meeting of certain contingent liabilities, there have been certain modifications to the foreign currency advances relating to Bangladesh. Furthermore, the difference between the actual amount of rupees required to remit maturities of foreign currency borrowings in respect of Bangladesh and the figures at which they appeared in the books and the interest paid to foreign lenders has been treated as increasing the rupee assets in that area.

The Government of Pakistan, while initially agreeing to provide the rupee finance required for discharging current maturities of foreign currency borrowings and interest related to Bangladesh, did not accept any responsibility for PICIC's assets in that area. However, following an agreement reached between PICIC and the Government of Pakistan during 1976, the Government has agreed that it would continue to provide the funds for servicing PICIC's foreign currency liabilities relating to Bangladesh and has further agreed that an amount equivalent to the rupee assets in Bangladesh financed from PICIC's own funds not exceeding Rs. 82 million would be deemed to have been allocated out of the rupee loans by the Government and that such allocated amount together with the rupee finance being provided by the Government including any interest thereon would not be recovered from PICIC until such time as PICIC recovers the related assets from Bangladesh and only to the extent of such recovery.

Accordingly, such allocated amounts, together with the rupee finance being provided by the Government for discharging the current maturities of foreign currency borrowings (including the interest and charges thereon and any exchange difference between the final rupee payment and the amount at which the liability, commitment or contingent liability as appearing in the books relating to Bangladesh) have been treated as liabilities in respect of Bangladesh. Further, in view of the aforesaid agreement no interest is being accrued on the allocated amount of rupee loans or in respect of the rupee finance provided by the Government related to PICIC's assets in Bangladesh nor is it considered necessary to provide for any loss that may arise in respect of PICIC's assets in Bangladesh.

| | 2008 | 2007 |
|---|----------------|----------------|
| | (Rupees '000') | |
| 18.5 Particulars of provisions held against other assets | | |
| Opening balance | 718,520 | 18,739 |
| Charge for the year | 322,211 | 1,838 |
| Reversals | (117,642) | - |
| Write offs | (99,263) | - |
| Assumed on amalgamation | - | 697,943 |
| Closing balance | <u>823,826</u> | <u>718,520</u> |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



18.6 This includes a sum of Rs. 34.099 million (2007: Rs. 34.101 million) representing unrealised exchange gain, which has not been recognised as income and deferred in the financial statements, in accordance with the policy of the Bank, as stated in note 5.18.

| | Note | 2008 | 2007 |
|--|---------------|------------|------------|
| (Rupees '000') | | | |
| 19. BILLS PAYABLE | | | |
| In Pakistan | | 1,383,095 | 2,098,881 |
| Outside Pakistan | | 48,989 | 11,330 |
| | | 1,432,084 | 2,110,211 |
| 20. BORROWINGS | | | |
| In Pakistan | | 23,409,701 | 16,551,487 |
| Outside Pakistan | | 241,665 | 117,925 |
| | | 23,651,366 | 16,669,412 |
| 20.1 Particulars of borrowings with respect to currencies | | | |
| In local currency | | 23,409,701 | 16,551,487 |
| In foreign currencies | | 241,665 | 117,925 |
| | | 23,651,366 | 16,669,412 |
| 20.2 Details of borrowings - secured / unsecured | | | |
| Secured | | | |
| Borrowings from SBP under | | | |
| Export Refinance Scheme | 20.3 | 9,216,351 | 8,800,524 |
| Long term finance for export oriented projects | 20.4 | 2,454,233 | 1,154,583 |
| Repurchase agreement borrowings | 20.5 & 20.5.1 | 11,376,831 | 4,554,094 |
| Unsecured | | | |
| Call borrowings | 20.6 | 200,000 | 1,880,000 |
| Overdrawn nostro accounts | | 241,665 | 117,925 |
| Foreign borrowings payable in local currency | 20.7 | 162,286 | 162,286 |
| | | 23,651,366 | 16,669,412 |

20.3 Borrowings from SBP under Export Refinance Scheme are subject to mark-up rate of 6.5% (2007 : 6.5%) per annum maturing within six months.

20.4 Borrowings from SBP under export oriented projects are subject to mark-up ranging from 4% to 5% (2007: 2% to 5%) per annum maturing within seven years.

20.5 These borrowings are subject to mark-up at rates ranging from 10% to 14.90% (2007: 9.3% to 9.95%) per annum maturing within one month. Government securities have been given as collateral against these borrowings.

- 20.5.1** This includes Rs. 100 million outstanding as at December 31, 2008, which was borrowed from a Company in 2004 against pledge of a PIB. As the lender had failed to return the pledged PIB upon the maturity of the contract period, this amount is appearing as a pending transaction with a corresponding amount appearing as investment in PIBs. No interest is accrued either as expense on this borrowing or as income from the PIB since the filing of the dispute between the Bank and the Company.
- 20.6** These borrowings are subject to mark-up at the rate of 13.50% (2007: 9.55% to 10%) per annum maturing within one week.
- 20.7** Government of Pakistan (GoP) has claimed an amount of Rs. 162.286 million in respect of liabilities against German credit representing principal amount of loan and Rs. 45.444 million as interest thereon till June 30, 2006, the principal amount has been accounted for and shown as payable to GoP whereas interest has been accounted for in other Liabilities (note 23). However, the Bank is contending that any amount of principal and interest is payable to GoP only when recovered from the related Sub-borrowers, who have availed the German credit. This also includes unrealized exchange loss of Rs. 96.011 million (2007: Rs. 96.011 million) which has been netted off against unrealized exchange gain (note 23) as it is payable when recovered from sub-borrowers, who have availed the related German credit.

| | Note | 2008 (Rupees '000') | 2007 (Rupees '000') |
|--|------|------------------------|------------------------|
| 21. DEPOSITS AND OTHER ACCOUNTS | | | |
| Customers | | | |
| Fixed deposits | | 56,032,439 | 50,711,633 |
| Savings deposits | | 22,154,522 | 37,048,642 |
| Current accounts - Remunerative | 21.2 | - | 3,000,000 |
| Current accounts - Non remunerative | | 19,769,327 | 21,986,636 |
| Margin accounts | | 1,067,940 | 304,503 |
| Financial institutions | | | |
| Remunerative deposits | | 4,718,614 | 3,249,944 |
| Non-remunerative deposits | | 55,250 | 222,570 |
| | | <u>103,798,092</u> | <u>116,523,928</u> |
| 21.1 Particulars of deposits | | | |
| In local currency | | 94,733,555 | 109,379,202 |
| In foreign currencies | | 9,064,537 | 7,144,726 |
| | | <u>103,798,092</u> | <u>116,523,928</u> |

- 21.2** These are Pre IPO receipts deposited with the Bank amounting to Rs. 3,000 million on account of subscription money received towards issue of 8 year term finance certificates (TFCs) which are included in sub-ordinated loans in the current period.

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



2008 **2007**
(Rupees '000')

22. SUB-ORDINATED LOANS

Term Finance Certificates - Quoted, Unsecured

3,999,200 -

| | |
|----------------------|--|
| Mark-up | Floating (no floor, no cap) rate of return at Base Rate + 1.15% (The Base Rate is defined as the average "Ask Side" rate of the six month Karachi Interbank Offered Rate ("KIBOR")) |
| Subordination | The TFCs are subordinated to all other indebtedness of the Bank including deposits |
| Issue date | March 5, 2008 |
| Total Issue | 4,000 million |
| Rating | A+ (A plus) |
| Tenor | 8 years from the issue date |
| Redemption | Ten equal semi-annual installments of 0.02% of the Issue Amount for the first sixty months followed by six equal semi-annual installments of 16.63% of the Issue Amount from the sixty-sixth month onwards |
| Maturity | March 5, 2016 |
| Call Option | The Bank can also exercise the Call Option or the Partial Call Option after obtaining written approval from the State Bank of Pakistan at any time after a period of sixty months from the Issue Date |

23. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

| | 2008 | | |
|---|-------------------------------|---|------------------------------|
| | Minimum lease payments | Financial charges for future periods | Principal outstanding |
| | ----- (Rupees '000') ----- | | |
| Not later than one year | - | - | - |
| Later than one year and not later than five years | - | - | - |
| | <u> -</u> | <u> -</u> | <u> -</u> |
| | 2007 | | |
| Not later than one year | 3,501 | 576 | 2,925 |
| Later than one year and not later than five years | 4,518 | 267 | 4,251 |
| | <u>8,019</u> | <u>843</u> | <u>7,176</u> |

| | Note | 2008 | 2007 Restated |
|---|------|----------------|------------------|
| | | (Rupees '000') | |
| 24. OTHER LIABILITIES | | | |
| Mark-up / return / interest payable in: | | | |
| Local currency | | 1,883,473 | 1,341,947 |
| Foreign currencies | | 38,294 | 53,241 |
| Unearned Income on Inland Bills | | 13,122 | 3,883 |
| Taxation - Net of advance tax | | - | 310,858 |
| Accrued expenses | | 1,058,461 | 450,306 |
| Insurance premium payable | | 103,461 | 69,751 |
| Advance from lessees | | 65,329 | 11,567 |
| Unclaimed dividend | | 45,264 | 45,714 |
| Central Excise Duty payable | | 35,858 | 35,681 |
| Borrowing from Government of Pakistan | | 2,095 | 2,095 |
| Branch adjustment account | | 72,317 | 86,158 |
| Unrealized exchange gain - net | | 474,009 | 15,522 |
| Security and other deposits | | 34,699 | 174,996 |
| Payable to IBRD - Managed Fund | | 68,220 | 44,767 |
| Payable against purchase of investments | | - | 30,960 |
| Payable to defined benefit plan | 38.5 | 57,057 | 44,506 |
| Security deposits against lease | | 1,415,541 | 1,873,528 |
| Locker claims payable | | 21,000 | 21,000 |
| Others | | 155,168 | 386,407 |
| | | 5,543,368 | 5,002,887 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| | | | 2008 | 2007 |
|---|----------------------|---------------|--|---------------|
| | | | (Rupees '000') | |
| 25. SHARE CAPITAL | | | | |
| 25.1 Authorized | | | | |
| | No. of shares | | | |
| | 5,000,000,000 | 3,500,000,000 | 50,000,000 | 35,000,000 |
| 25.2 Issued, Subscribed and paid up capital | | | | |
| Fully paid up ordinary shares of Rs. 10/- each | | | | |
| | 2,078,902,659 | 2,078,902,659 | Fully paid in cash | 20,789,027 |
| | | | 20,789,027 | 20,789,027 |
| | 764,824,417 | 122,894,100 | Issued for consideration other than cash (under schemes of amalgamation) | 1,228,941 |
| | | | 7,648,244 | 1,228,941 |
| | 2,843,727,076 | 2,201,796,759 | 28,437,271 | 22,017,968 |
| 25.3 The holding company, Bugis Investments (Mauritius) Pte. Limited, holds 1,795,911,770 (2007: 1,795,911,770) ordinary shares. | | | | |
| 2008 2007 | | | | |
| ----- Number of shares ----- | | | | |
| 25.4 Reconciliation of number of ordinary shares of Rs. 10 each. | | | | |
| | | | 2,201,796,759 | 336,152,177 |
| | | | 641,930,317 | 1,865,644,582 |
| | | | 2,843,727,076 | 2,201,796,759 |
| 25.5 Shares to be issued | | | | |
| The amount of Rs.14,026,177,426 is in respect of shares which were issued in pursuant to scheme of amalgamation representing 424,409,837 and 217,520,480 number of shares issued to shareholders of PICIC and PCBL at a fair value as proposed by the external consultants and subsequently revised to Rs. 21.85 per share by State Bank of Pakistan. | | | | |
| 26. (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS - NET | | | | |
| | | | 2008 | 2007 |
| | | | Restated | |
| | | | (Rupees '000') | |
| Deficit on revaluation of available-for-sale securities | | | | |
| | | | (16,992) | (2,683) |
| | | | (464,427) | (3,265) |
| | | | (10,075) | - |
| | | | (151,782) | 4,968 |
| | | | (949,146) | (29,702) |
| | | | (1,592,422) | (30,682) |
| | | | (793,710) | 31,854 |
| | | | (2,386,132) | 1,172 |
| | | | 277,087 | 2,043 |
| | | | (2,109,045) | 3,215 |

| | 2008 | 2007 |
|---|----------------|------------|
| | (Rupees '000') | |
| 27. CONTINGENCIES AND COMMITMENTS | | |
| 27.1 Direct credit substitutes | | |
| Contingent liability in respect of guarantees given favoring: | | |
| Government | 52,367 | 170,012 |
| Banking companies | – | 52,417 |
| Others | 88,464 | 104,632 |
| | 140,831 | 327,061 |
| 27.2 Transaction-related contingent liabilities / commitments | | |
| Guarantees given in favor of: | | |
| Government | 3,869,098 | 1,907,352 |
| Banking companies and other financial institutions | – | 52,173 |
| Others | 929,175 | 2,721,173 |
| | 4,798,273 | 4,680,698 |
| 27.3 Trade-related contingent liabilities | | |
| Letters of credit | 7,643,035 | 13,314,617 |
| Acceptances | 4,233,176 | 3,076,058 |
| | 11,876,211 | 16,390,675 |
| 27.4 Other Contingencies | | |
| Claims against the Bank not acknowledged as debts | 382,275 | 261,275 |
| 27.5 Commitments in respect of forward lending | | |
| Forward call lending | – | – |
| Forward repurchase agreement lending | – | – |
| Commitments to extend credit | – | 1,090,095 |
| | – | 1,090,095 |
| 27.6 Commitments in respect of forward exchange contracts | | |
| Purchase | 39,228,162 | 18,548,465 |
| Sale | 35,313,470 | 14,766,871 |
| | 74,541,632 | 33,315,336 |
| 27.7 Commitments in respect of operating leases | | |
| Not later than one year | – | 3,103 |
| Later than one year and not later than five years | – | – |
| Later than five years | – | – |
| | – | 3,103 |
| 27.8 Commitments for the acquisition of operating fixed assets | | |
| | 304,742 | 57,145 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



27.9 The returns of income of Ex - PICIC Commercial Bank Limited have been filed up to the tax year 2008 relevant to the financial year ended December 31, 2007. Tax authorities have made certain disallowances including additions on account of proration of expenses against dividends and capital gains and renovation expenses incurred on rented premises (allowed historically) for tax years 2004 to 2007. The said disallowances may result in additional tax aggregating to Rs.410 million which the management of the Bank in discussion with their tax consultant believes to be unjustified and not in accordance with the true interpretation of the law.

Appeals against the aforesaid assessments are pending before the Income Tax Appellate Tribunal and management is confident that the eventual outcome of the cases will be in favor of the Bank.

| | 2008 | 2007 |
|---|-------------------|------------------|
| | (Rupees '000') | |
| 28. MARK-UP / RETURN / INTEREST EARNED | | |
| On loans and advances to: | | |
| Customers | 11,403,400 | 5,107,829 |
| On investments in: | | |
| Available-for-sale securities | 2,025,424 | 667,488 |
| Held-to-maturity securities | 465,778 | 78,930 |
| On deposits with financial institutions | 75,792 | 524,673 |
| On securities purchased under resale agreements | 991,914 | 652,005 |
| On call money Lending | 284,324 | - |
| Others | - | 4,042 |
| | <u>15,246,632</u> | <u>7,034,967</u> |
| 29. MARK-UP / RETURN / INTEREST EXPENSED | | |
| Deposits and other accounts | 8,648,484 | 2,784,691 |
| Securities sold under repurchase agreements | 1,003,527 | 727,369 |
| Other short term borrowings | 432,176 | 1,339,426 |
| Long term borrowings | 609,521 | 34,422 |
| Others | 60,358 | 108,335 |
| | <u>10,754,066</u> | <u>4,994,243</u> |
| 30. GAIN ON SALE OF SECURITIES | | |
| Market Treasury Bills | 18,602 | 5,007 |
| Pakistan Investment Bonds | 3,094 | 1,577 |
| Listed Term Finance Certificates | - | 1,808 |
| Ordinary shares of listed companies | 172,181 | - |
| Unit of mutual funds | 433 | 15,629 |
| | <u>194,310</u> | <u>24,021</u> |
| 31. OTHER INCOME | | |
| Gain on disposal of property and equipment | 35,110 | 6,248 |
| Service charges | 28,315 | 15,238 |
| Rent income | 1,723 | - |
| | <u>65,148</u> | <u>21,486</u> |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| 32. ADMINISTRATIVE EXPENSES | Note | 2008 | 2007 Restated |
|--|------|------------------|------------------|
| | | (Rupees '000') | |
| Salaries, allowances, etc. | | 3,411,521 | 1,097,175 |
| Charge to defined benefit plan | 38.4 | 12,822 | 11,647 |
| Contribution to defined contribution plan | | 104,886 | 33,717 |
| Non-executive directors' fees, allowances and other expenses | | 934 | 2,117 |
| Brokerage and commission | | 30,777 | 11,553 |
| Rent, taxes, insurance, electricity, etc. | | 857,381 | 247,306 |
| Legal and professional | | 142,739 | 57,009 |
| Communications | | 278,387 | 132,571 |
| Repairs and maintenance | | 155,012 | 34,590 |
| Rentals for operating lease | | – | 5,183 |
| Stationery and printing | | 190,363 | 45,400 |
| Advertisement and publicity | | 83,716 | 13,180 |
| Fee and subscription | | 69,274 | 35,411 |
| Auditors' remuneration | 32.1 | 11,211 | 5,215 |
| Depreciation | 15.2 | 501,043 | 171,778 |
| Amortization | 16 | 298,075 | 155,558 |
| Traveling, conveyance and vehicle running | | 57,853 | 75,776 |
| Security services | | 130,324 | 29,719 |
| Fixed Assets written - off | | 75,098 | – |
| Impairment of investments in associates | | 220,005 | – |
| Intangibles written off | | 485 | – |
| Others | | 88,918 | 21,589 |
| | | <u>6,720,824</u> | <u>2,186,494</u> |
| 32.1 Auditors' remuneration | | | |
| Audit fee including fee for branch audit | | 4,969 | 1,890 |
| Audit fee of consolidated financial statements | | 712 | 1,500 |
| Review fee | | 650 | 350 |
| Special certifications and sundry advisory services | | 3,845 | 1,340 |
| Tax services | | – | – |
| Out-of-pocket expenses | | 1,035 | 135 |
| | | <u>11,211</u> | <u>5,215</u> |
| 33. OTHER CHARGES | | | |
| Penalties imposed by the State Bank of Pakistan | | 59,673 | 2,133 |
| Others | | 265,598 | – |
| | | <u>325,271</u> | <u>2,133</u> |

33.1 This includes fraud lossess of Rs. 243 million, primarily originating in branches acquired from Ex-PICIC and Ex-PCBL.

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



| | 2008 | 2007 |
|---------------------|--------------------|------------------|
| | (Rupees '000') | |
| 34. TAXATION | | |
| For the year | | |
| Current | 98,981 | 124,341 |
| Prior | (4,169) | - |
| Deferred | <u>(3,924,305)</u> | <u>(347,089)</u> |
| | <u>(3,829,493)</u> | <u>(222,748)</u> |

34.1 Relationship between tax expense and accounting profit

The relationship between tax expense and accounting profit of the Group has not been presented in these financial statements as each entity is taxable separately and the tax expense reflected in these consolidated financial statements is the sum of the tax expense of each individual entity.

| | 2008 | 2007 |
|--|--------------------|------------------|
| | | Restated |
| 35. BASIC / DILUTED EARNINGS / (LOSS) PER SHARE | | |
| (Loss) / Profit after taxation (Rs. in '000') | <u>(9,179,393)</u> | <u>(325,749)</u> |
| Weighted average number of ordinary shares outstanding during the year (in '000') | <u>2,843,727</u> | <u>1,106,822</u> |
| (Loss) / earnings per share - basic / diluted (Rupees) | <u>(3.23)</u> | <u>(0.29)</u> |

| | 2008 | 2007 |
|--|-------------------|-------------------|
| | (Rupees '000') | |
| 36. CASH AND CASH EQUIVALENTS | | |
| Cash and balances with treasury banks | 9,357,450 | 10,330,072 |
| Balances with other banks net of provision | 868,019 | 2,309,386 |
| | <u>10,225,469</u> | <u>12,639,458</u> |

| | 2008 | 2007 |
|---|--------------|--------------|
| | (Numbers) | |
| 37. STAFF STRENGTH | | |
| Permanent | 5,131 | 3,373 |
| Temporary / on contractual basis | 142 | 337 |
| Daily wages | - | 6 |
| Others | - | 8 |
| Group's own staff strength at the end of the year | <u>5,273</u> | <u>3,724</u> |
| Outsourced | 1,656 | 1,887 |
| Total staff strength | <u>6,929</u> | <u>5,611</u> |

38. DEFINED BENEFIT PLAN

38.1 The benefits under the gratuity scheme are payable in lump sum on retirement at the age of 60 years or earlier cessation of services. The benefit is equal to one month's last drawn basic salary of each year of confirmed service, subject to a minimum of five years of service.

38.2 Principal actuarial assumptions

The actuarial valuation is carried out periodically. The actuarial valuation was carried out for the year ended December 31, 2008 using the "Projected Unit Credit Method". The main assumptions used for actuarial valuation are as follows:-

| | Gratuity | |
|---------------------------|--|--|
| | 2008 | 2007 |
| - Valuation discount rate | 15% | 10% |
| - Salary increase rate | 14% | 9% |
| - Mortality rate | Based on LIC 1975-79 Ultimate Mortality Heavy Age-Wise withdrawal rates | Based on LIC 1975-79 Rated down one year Moderate Age-Wise withdrawal rates |
| - Withdrawal rate | | |

| Note | ----- (Rupees '000') ----- | | | | |
|---|----------------------------|----------|---------|-----------------------|---------------|
| | 2008 | 2007 | 2006 | 2005 | 2004 |
| 38.3 Reconciliation of (receivable from) / payable to defined benefit plan | | | | | |
| Present value of defined benefit obligations | 58,963 | 33,919 | 22,109 | 23,453 | 11,545 |
| Unrecognized Prior Service Cost | 1,630 | 3,261 | 4,892 | - | - |
| Net actuarial gains not recognized | (3,536) | 7,326 | 5,858 | 29 | (756) |
| | 57,057 | 44,506 | 32,859 | 23,482 | 10,789 |
| Assumed on amalgamation | - | (76,634) | - | - | - |
| Net liability/(receivable) in balance sheet | 57,057 | (32,128) | 32,859 | 23,482 | 10,789 |
| 38.4 (Income) / Charge for defined benefit plan | | | | | |
| Current service cost | 10,922 | 10,808 | 9,357 | 11,317 | 9,073 |
| Interest cost | 3,834 | 2,751 | 1,651 | 1,376 | 463 |
| Actuarial (gain) recognized | (303) | (281) | - | - | - |
| Amortisation of prior service cost | (1,631) | (1,631) | (1,631) | - | - |
| | 12,822 | 11,647 | 9,377 | 12,693 | 9,536 |
| 38.5 Movement in balance (receivable) / payable | | | | | |
| Opening balance (receivable) / payable | (32,128) | 32,859 | 23,482 | 10,789 | 1,253 |
| Expense recognized | 12,822 | 11,647 | 9,377 | 12,693 | 9,536 |
| Contribution to / payments from the fund made during the year | (271) | - | - | - | - |
| | (19,577) | 44,506 | 32,859 | 23,482 | 10,789 |
| Assumed on acquisition | 76,634 | (76,634) | - | - | - |
| Closing balance (receivable) / payable | 57,057 | (32,128) | 32,859 | 23,482 | 10,789 |
| 38.6 Reconciliation of present value of defined benefit obligations | | | | 2008 | 2007 |
| | | | | (Rupees '000') | |
| Defined benefit obligation as at opening date | | | | 33,919 | 22,109 |
| Current service cost | | | | 10,922 | 10,808 |
| Interest cost | | | | 3,834 | 2,751 |
| Benefits paid | | | | (271) | - |
| Actuarial gain / (loss) on obligations | | | | 10,559 | (1,749) |
| Defined benefit obligation as at closing date | | | | 58,963 | 33,919 |
| 38.7 Expected contribution for the next one year | | | | 18,729 | 12,822 |

39. DEFINED CONTRIBUTION PLAN

The Bank has established a provident fund scheme administered by the Board of Trustees for all permanent employees. Equal monthly contributions are made by both the bank and the employees to the fund @ 10% of basic salary.

40. COMPENSATION OF DIRECTORS AND EXECUTIVES

| | President / Chief Executive | | Directors | | Executives | |
|---------------------------------|-----------------------------|------------------|--------------|--------------|------------------|------------------|
| | 2008 | 2007 Restated | 2008 | 2007 | 2008 | 2007 Restated |
| | ----- Rupees ('000') ----- | | | | | |
| Fees | - | - | 1,714 | 2,492 | - | - |
| Managerial remuneration | 39,324 | 40,897 | - | - | 717,500 | 173,693 |
| Charge for defined benefit plan | 858 | 832 | - | - | 8,188 | 6,434 |
| Contribution to defined | | | | | | |
| Contribution plan | 2,205 | 968 | - | - | 40,784 | 15,008 |
| Rent and house maintenance | 7,127 | 3,387 | - | - | 160,272 | 59,830 |
| Utilities | 2,036 | 968 | - | - | 45,792 | 17,094 |
| Others | 2,036 | 1,050 | - | 82 | 45,792 | 76,560 |
| | <u>53,586</u> | <u>48,102</u> | <u>1,714</u> | <u>2,574</u> | <u>1,018,328</u> | <u>348,619</u> |
| Number of persons | <u>2</u> | <u>2</u> | <u>5</u> | <u>12</u> | <u>452</u> | <u>139</u> |

The President is also provided with free use of a bank maintained car, overseas travel and medical insurance, security arrangements and reimbursement of household utilities, as per the terms of his employment.

Certain Executives are provided with reimbursement of driver's salary as per the terms of their employment.

The compensation is paid to non executive directors only.

41. FAIR VALUE OF FINANCIAL INSTRUMENTS

41.1 On-balance sheet financial instruments

| | 2008 | | 2007 - Restated | |
|---|----------------------------|--------------------|--------------------|--------------------|
| | Book value | Fair value | Book value | Fair value |
| | ----- Rupees ('000') ----- | | | |
| Assets | | | | |
| Cash and balances with treasury banks | 9,357,450 | 9,357,450 | 10,330,072 | 10,330,072 |
| Balances with other banks | 868,019 | 868,019 | 2,309,386 | 2,309,386 |
| Lending to financial institutions | 12,459,621 | 12,459,621 | 4,753,113 | 4,753,113 |
| Investments | 31,135,628 | 29,047,185 | 38,973,586 | 38,814,502 |
| Advances | 80,344,193 | 80,344,193 | 81,932,379 | 81,932,379 |
| Other assets | 2,951,281 | 2,951,281 | 3,546,143 | 3,546,143 |
| | <u>137,116,192</u> | <u>135,027,749</u> | <u>141,844,679</u> | <u>141,685,595</u> |
| Liabilities | | | | |
| Bills payable | 1,432,084 | 1,432,084 | 2,110,211 | 2,110,211 |
| Borrowings | 23,651,366 | 23,651,366 | 16,669,412 | 16,669,412 |
| Deposits and other accounts | 103,798,092 | 103,798,092 | 116,523,928 | 116,523,928 |
| Sub-ordinated loans | 3,999,200 | 3,688,000 | - | - |
| Liabilities against assets subject to finance lease | - | - | 7,176 | 7,176 |
| Other liabilities | 5,302,761 | 5,302,761 | 4,201,490 | 4,201,490 |
| | <u>138,183,503</u> | <u>137,872,303</u> | <u>139,512,217</u> | <u>139,512,217</u> |

41.2 Off-balance sheet financial instruments

| | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Forward purchase of foreign exchange | <u>39,228,162</u> | <u>39,228,162</u> | <u>18,548,465</u> | <u>18,548,465</u> |
| Forward sale of foreign exchange | <u>35,313,470</u> | <u>35,313,470</u> | <u>14,766,871</u> | <u>14,766,871</u> |

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Fair values of held-to-maturity securities, subordinated loans and investment in quoted associates have been stated at market values.

Except for investment in unquoted subsidiaries, fixed term advances of over one year, staff loans and fixed term deposits of over one year, the fair value of other on balance sheet financial assets and liabilities are not significantly different from their book value as these assets and liabilities are either short term in nature or are frequently re-priced.

The value of unquoted subsidiaries, fixed term advances of over one year, staff loans and fixed term deposits of over one year cannot be calculated with sufficient reliability due to non-availability of relevant active markets for similar assets and liabilities.

42. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

| | 2008 | | | | Head Office and Unallocated |
|--|----------------------------------|---|--------------------------------|------------|-----------------------------|
| | Corporate and Investment Banking | Small and Medium Enterprises and Commercial | Consumer and Small Enterprises | Treasury | |
| | Rupees ('000) | | | | |
| Total income | 535,275 | 1,439,123 | 3,217,723 | 1,226,596 | (1,797,950) |
| Total expenses (including provisions) | 6,300,648 | 2,489,869 | 7,832,105 | 553,641 | 453,390 |
| Net income before tax | (5,765,373) | (1,050,746) | (4,614,382) | 672,955 | (2,251,340) |
| Segment Assets (Gross) | 49,586,405 | 52,364,004 | 83,346,775 | 36,474,040 | 3,094,367 |
| Segment Non Performing Loans | 17,628,565 | 2,005,142 | 2,731,618 | - | 92,487 |
| Segment Provision (including general provisions) | 14,104,484 | 1,016,573 | 1,764,744 | - | 92,487 |
| Segment Assets (Net) | 35,481,921 | 51,347,431 | 81,582,031 | 36,474,040 | 3,001,880 |
| Segment Liabilities | 31,120,011 | 39,255,023 | 63,140,585 | 34,099,240 | 2,000,324 |
| Segment Return on net assets (ROA) (%) | (10.85%) | (1.41%) | (3.92%) | 1.24% | 0.00% |
| Segment Cost of funds (%) | 10.80% | 7.22% | 6.72% | 9.58% | 0.00% |
| | 2007 - Restated | | | | |
| Total income | 290,209 | 646,947 | 1,582,366 | 83,180 | 534,626 |
| Total expenses (including provisions) | 987,586 | 834,515 | 1,738,072 | 125,652 | - |
| Net income before tax | (697,377) | (187,568) | (155,706) | (42,472) | 534,626 |
| Segment Assets (Gross) | 57,884,024 | 42,494,016 | 85,831,781 | 37,164,035 | 5,451,347 |
| Segment Non Performing Loans | 10,411,105 | 1,172,873 | 1,668,339 | - | - |
| Segment Provision (including general provisions) | 8,796,792 | 634,414 | 1,222,751 | - | - |
| Segment Assets (Net) | 49,087,231 | 41,859,602 | 84,609,030 | 37,164,035 | 5,451,347 |
| Segment Liabilities | 46,516,822 | 29,813,989 | 65,273,244 | 36,361,868 | 2,725,674 |
| Segment Return on net assets (ROA) (%) | (0.99%) | (0.35%) | (0.16%) | (0.14%) | - |
| Segment Cost of funds (%) | 10.80% | 7.22% | 6.72% | 9.58% | 0.00% |

The respective segment assets and liabilities incorporate funding gaps and excess funding between segments, with appropriate transfer pricing.

43. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its holding company, subsidiaries, associated undertakings, employee benefit plans and its key management personnel.

Transactions with related parties are executed on the same terms as those prevailing at the time for comparable transactions with unrelated parties.

The detail of transactions with related parties is given below:

| | Holding company | | Subsidiaries | | Associates | | Key Management Personnel | | Other related parties | |
|--|-----------------|-------------|--------------|---------|--------------|--------------|--------------------------|-----------|-----------------------|-----------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| ----- Rupees ('000') ----- | | | | | | | | | | |
| Advances | | | | | | | | | | |
| At the beginning of the year | - | - | - | - | 7,545 | 10,537 | 146,633 | 76,427 | - | - |
| Given / addition during the year | - | - | - | - | 807,686 | - | 44,298 | 79,294 | - | - |
| Repaid during the year | - | - | - | - | (509,983) | (2,992) | (86,656) | (9,088) | - | - |
| At the end of the year | - | - | - | - | 305,248 | 7,545 | 104,275 | 146,633 | - | - |
| Deposits | | | | | | | | | | |
| At the beginning of the year | 43,089 | 16,469 | 84 | - | 322,425 | 641,357 | 9,257 | 4,705 | 84,272 | 30,220 |
| Deposits during the year | 22,987 | 3,609,975 | 358 | 2,744 | 40,012,702 | 26,756,591 | 173,024 | 313,959 | 4,953,083 | 429,663 |
| Exchange difference | 4,765 | 293 | - | - | - | - | - | - | - | - |
| Withdrawal during the year | (4,032) | (3,583,648) | (174) | (2,660) | (39,824,783) | (27,075,523) | (147,747) | (309,407) | (4,773,156) | (375,611) |
| At the end of the year | 66,809 | 43,089 | 268 | 84 | 510,344 | 322,425 | 34,534 | 9,257 | 264,199 | 84,272 |
| Investment in shares / mutual funds | | | | | | | | | | |
| At the beginning of the year | - | - | 724 | - | 5,097,054 | 267,500 | - | - | 191,968 | - |
| Investments made during the year | - | - | - | 724 | 45,000 | 3,463,871 | - | - | - | 191,968 |
| Investments sold during the year | - | - | - | - | - | (22,333) | - | - | - | - |
| Equity method adjustments | - | - | - | - | (2,899,634) | 1,388,016 | - | - | - | - |
| At the end of the year | - | - | 724 | 724 | 2,242,420 | 5,097,054 | - | - | 191,968 | 191,968 |
| Receivables | | | | | | | | | | |
| Outstanding at the end of the year | 133 | 133 | - | - | 7,096 | - | - | - | - | - |
| Payables | | | | | | | | | | |
| Outstanding at the end of the year | 1,195 | - | - | - | - | 18,000 | - | - | - | 3 |
| Brokerage payable | | | | | | | | | | |
| Outstanding at the end of the year | - | - | - | - | - | - | - | - | 136 | 51 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008


NIB Bank

| | Holding company | | Subsidiaries | | Associates | | Key Management Personnel | | Other related parties | |
|---|----------------------------|------|--------------|------|------------|---------|--------------------------|-------|-----------------------|---------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| | ----- Rupees ('000') ----- | | | | | | | | | |
| Payable to Directors | | | | | | | | | | |
| Outstanding at the end of the year | - | - | - | - | - | - | - | - | 5,434 | 5,016 |
| Insurance premium payable | | | | | | | | | | |
| Outstanding at the end of the year | - | - | - | 717 | 296 | - | - | - | - | - |
| Profit paid to Provident Fund | - | - | - | - | - | - | - | - | 4,834 | 2,037 |
| Contribution to Provident Fund | - | - | - | - | - | - | - | - | 91,122 | 33,717 |
| Profit paid on deposits | - | - | - | - | 98,562 | 62,822 | 241 | 176 | 2,135 | 71 |
| Brokerage paid | - | - | - | - | - | - | - | - | 1,937 | 1,610 |
| Dividend income from shares / mutual funds | - | - | - | - | 117,543 | - | - | - | 4,531 | - |
| Insurance premium paid | - | - | - | - | 66,740 | 103,736 | - | - | - | - |
| Consultancy charges paid | - | - | - | - | - | - | - | - | - | 14,394 |
| Insurance commission earned | - | - | - | - | - | 820 | - | - | - | - |
| Remuneration to key management personnel | - | - | - | - | - | - | - | - | 211,452 | 136,646 |
| Mark-up earned on advances | - | - | - | - | 8,049 | 841 | 5,501 | 4,067 | - | - |
| Remuneration for investment advisory services | - | - | - | - | 323,581 | 192,671 | - | - | - | - |
| Investment Consultancy Fee | - | - | - | - | 18,000 | 18,000 | - | - | - | - |
| Share deposit money (Note 44.2) | - | - | - | - | - | - | - | - | - | - |

44. CAPITAL-ASSESSMENT AND ADEQUACY

44.1 Scope of Application

Capital Adequacy Ratio (CAR) has been calculated in accordance with the guidelines given by SBP through BSD Circular No. 8 dated June 27, 2006. The Bank has adopted Standardized Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk. The current requirement for CAR is 9% as per BSD Circular No. 30 dated November 25, 2008.

44.2 Capital Structure

The Bank's regulatory capital base comprises of:

- Tier 1 capital which includes share capital, reserves and accumulated losses / unappropriated profit.
- Tier 2 capital which consists of subordinated debt (subject to 50% of eligible Tier 1 capital), revaluation reserves (subject to 45% of balance in revaluation reserve) and general provision for loan losses (subject to 1.25% of Risk Weighted Asset).

The issued, subscribed and paid-up capital of the Bank was Rs. 28,437.271 million as at December 31, 2008, comprising of 2,843.727 million shares of Rs. 10 each. The Bank announced a rights issue of 42.198%, at par value, on October 27, 2008 fully underwritten by its principal shareholder. All the rights monies including the under-written portion were received by the Bank before December 31, 2008 and no objection letters for the use of funds were received from all three stock exchanges as of that date. Consequently, the State Bank of Pakistan granted the Bank permission to include the rights monies in Tier 1 for Capital Adequacy purposes as at December 31, 2008. These funds are appearing under the head of Share Deposit Money below. The rights shares were issued on January 17th, 2009.

The subordinated debt amounting to Rs. 3,999,200 million represents unsecured TFCs of the Bank. The amount raised through the issue contributed towards the Bank's Tier II capital for Minimum Capital Requirement as per the guidelines of SBP.

Detail of Bank's regulatory capital is given as follows:

| | Note | 2008 | 2007 Unaudited (Rupees '000') |
|--|--------|-------------------|-------------------------------------|
| Tier I Capital | | | |
| Fully Paid-up capital | | 28,437,271 | 22,017,968 |
| Shares to be issued | | – | 14,026,177 |
| Share premium | | 8,246,618 | 639,744 |
| Share Deposit Money | 44.2.1 | 12,000,000 | – |
| Reserves (Statutory and general reserves) | | 80,066 | 80,066 |
| Accumulated loss | | (8,382,793) | 796,600 |
| | | <u>40,381,162</u> | <u>37,560,555</u> |
| Less: | | | |
| Goodwill and intangibles | 44.2.2 | 24,307,993 | 29,766,129 |
| Deficit on account of revaluation of investments held in AFS category | | 2,386,132 | 34,538 |
| Other deductions (represents 50% of investment in subsidiary and other significant minorities) | 44.2.2 | 288,442 | 184,200 |
| | | <u>26,982,567</u> | <u>30,084,867</u> |
| | | <u>13,398,595</u> | <u>7,575,688</u> |
| Tier II Capital | | | |
| Subordinated Debt (upto 50% of total Tier I Capital) | | 3,999,200 | – |
| General Provision for loan losses (subject to 1.25% of Total Risk Weighted Assets) | | 262,773 | 613,911 |
| Less: | | | |
| Other deductions (represents 50% of investment in subsidiary and other significant minorities) | 44.2.2 | 288,442 | 184,200 |
| | | <u>288,442</u> | <u>184,200</u> |
| | | <u>3,973,531</u> | <u>429,711</u> |
| Eligible Tier III Capital | | | |
| | | – | – |
| Total Regulatory Capital Base | (a) | <u>17,372,126</u> | <u>8,005,399</u> |

44.2.1 SBP has allowed the Bank to treat the share deposit money received against issuance of right shares in Tier-1 capital.

44.2.2 The SBP has granted the Group non-deduction from Tier I and Tier II capital, till December 31, 2009 of the following:

i) Intangible assets (excluding Goodwill and Computer software) amounting to Rs 4,083.171 million created as a result of acquisition of PICIC and PCBL; and

ii) PICIC AMC's investment in PICIC Investment Fund (PIF) and PICIC Energy Fund (PEF).

44.3 Capital Adequacy

The purpose of capital management at the Bank is to ensure efficient utilization of capital in relation to business requirements, growth, risk appetite, shareholders' returns and expectations.

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions, regulatory requirements and the risk profile of its activities. In order to maintain or adjust the capital structure, the Bank may issue capital / Tier II securities.

The Bank's capital adequacy ratio as at December 31, 2008 was 18.65% compared to the minimum regulatory requirement of 9%. The Bank ensures adherence to SBP's requirements by monitoring its capital adequacy on a regular basis.

Banking operations are categorised as either Trading book or Banking book, and Risk-Weighted Assets are determined according to SBP requirements that seek to reflect the varying levels of risk attached to Bank's On and Off-balance sheet exposures.

Collateral if any, is used as an outflow adjustment. Risk weights notified, are applied to Net Adjusted Exposure.

Cash and near Cash collateral includes Government of Pakistan Securities, Shares listed on the KSE, Cash and Cash equivalents (deposits / margins, lien on deposits).

The Bank and its individually regulated operations have complied with all regulatory capital requirements as at the reporting date.

The capital requirements for the Bank as per the major risk categories is indicated below:

| | Capital Requirements | | Risk Weighted Assets | |
|---|---------------------------|-------------------------|--------------------------|---------------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | Unaudited | | Unaudited | |
| | ----- Rupees ('000')----- | | | |
| Credit Risk | | | | |
| Corporate | 2,675,023 | 4,482,610 | 33,437,790 | 56,032,622 |
| Sovereign | - | - | - | - |
| Retail | 2,340,684 | 1,338,642 | 29,258,549 | 16,733,026 |
| Banks | 86,932 | 146,186 | 1,086,648 | 1,827,330 |
| Equity Investments | 246,988 | 248,083 | 3,087,346 | 3,101,034 |
| Public sector Entities | 816 | 1 | 10,201 | 7 |
| Past Due Loans | 427,057 | 247,968 | 5,338,218 | 3,099,596 |
| Claims against Residential Mortgage | 48,566 | 42,760 | 607,080 | 534,494 |
| Investments in premises, plant and equipment and all other fixed assets | 296,610 | 314,658 | 3,707,620 | 3,933,224 |
| Other assets | 371,302 | 313,178 | 4,641,277 | 3,914,727 |
| Off Balance Sheet Market Related Exposures | 30,500 | 557,484 | 381,252 | 6,968,544 |
| | <u>6,524,478</u> | <u>7,691,570</u> | <u>81,555,981</u> | <u>96,144,604</u> |
| Market Risk | | | | |
| Interest Rate Risk | 54,282 | 276,385 | 678,531 | 3,454,812 |
| Equity Position Risk | 13,017 | 821,868 | 162,708 | 10,273,353 |
| Foreign Exchange Risk | 4,314 | 173,396 | 53,924 | 2,167,454 |
| | <u>71,613</u> | <u>1,271,649</u> | <u>895,163</u> | <u>15,895,619</u> |
| Operational Risk | 855,390 | 857,458 | 10,692,379 | 10,718,231 |
| TOTAL | <u><u>7,451,481</u></u> | <u><u>9,820,677</u></u> | <u><u>93,143,523</u></u> | <u><u>122,758,454</u></u> |
| | (b) | | | |
| | | | 2008 | 2007 |
| | | | Unaudited | Unaudited |
| | | | (Rupees '000') | |
| Capital Adequacy Ratio | | | | |
| Total eligible regulatory capital held | | | 17,372,126 | 8,005,399 |
| Total Risk Weighted Assets | | | 93,143,523 | 122,758,454 |
| Capital Adequacy Ratio | (a) / (b) | | 18.65% | 6.52% |

- 44.4** Initially, the Bank had been submitting its Basel-I Capital Adequacy Ratio (CAR) calculations under SBP's BSD Circular No. 12 of 2004. Furthermore, the SBP vide its BSD Circular No. 02 of 2007 instructed all banks to commence a parallel run of Basel-II CAR calculation alongside Basel-I. In November 2008, the SBP as per its BSD Circular letter No. 06 of 2008 advised all banks to discontinue the submission of their CAR returns on the basis of Basel-I and henceforth submit the same on the basis of Basel-II.

The comparative figures for Basel-II CAR calculations have been prepared in light of instructions issued by the SBP vide its aforementioned Circular No. 02 of 2007. As at December 31, 2007, the Bank's Capital Adequacy Ratio stood at 6.52%, which was below the benchmark requirement of 8%. However, the Bank was allowed a one time exemption in this regard by the SBP vide its letter No. BSD/SU-1/608/207/2007.

44.5 Types of Exposures and ECAIs used

The Bank uses external ratings from JCR-VIS and PACRA. The Bank has obtained ratings from websites of External Credit Assessment Institutions (ECAIs) and followed the SBP rating grade for mapping.

| Exposures | JCR-VIS | PACRA | Fitch | Moodys | Standard & Poor |
|-----------|---------|-------|-------|--------|-----------------|
| Corporate | √ | √ | – | – | – |
| Sovereign | – | – | – | – | – |
| Retail | – | – | – | – | – |
| Banks | √ | √ | √ | √ | √ |

Credit exposure subject to Standardized Approach

| Exposure | Rating Category | Amount Outstanding | Deduction CRM | Net Amount |
|--|-----------------|--------------------|-------------------|--------------------|
| Corporate | 1 | 1,038,114 | 173,745 | 864,369 |
| | 2 | 2,361,576 | – | 2,361,576 |
| | 3,4 | 620,987 | – | 620,987 |
| | unrated | 34,792,188 | 3,329,047 | 31,463,141 |
| Retail | | 41,140,652 | 2,199,872 | 38,940,780 |
| Banks | | | | |
| - Over 3 Months | 1 | 534,324 | – | 534,324 |
| | 2,3 | 2,022,179 | 1,785,100 | 237,079 |
| | 4,5 | 20,635 | – | 20,635 |
| | unrated | 415,802 | – | 415,802 |
| - Maturity Upto and under 3 Months in FCY | 1,2,3 | 1,317,559 | – | 1,317,559 |
| | unrated | 286,490 | – | 286,490 |
| - Maturity Upto and under 3 Months in PKR | | 10,949,008 | 9,389,521 | 1,559,487 |
| Public Sector Entities | unrated | 20,402 | – | 20,402 |
| Sovereigns | | 25,209,484 | – | 25,209,484 |
| Unrated | | 21,861,562 | – | 21,861,562 |
| Total | | 142,590,962 | 16,877,285 | 125,713,677 |

45. RISK MANAGEMENT

While the overall responsibility of risk management rests with the Board of Directors, senior management has implemented a risk management framework with well defined policies and procedures for mitigating / controlling risks, duly approved by the Board.

The Board of Directors has set forth the vision / strategy of the Bank and has entrusted the implementation to the Board's Risk Management Committee (BRMC).

The Integrated Risk Management Committee (IRMC) is responsible for review and highlighting of all risk issues that require senior management's attention. IRMC comprises of members from business units and the risk functions. An enterprise level assessment of risk composition is made at this platform and, where necessary, recommendations are made to improve upon processes and procedures to further strengthen the risk framework.

Risk Management Heads are embedded in various business segments, who are responsible for ensuring the implementation of the Bank's risk framework in their respective domains in line with the business model of the Bank and also in compliance with SBP guidelines.

45.1 Credit Risk

The objective of credit risk management by the Bank is to ensure that the risk of default by a client or counterparty is reduced to a minimum, keeping in view the risk management policies of the Bank.

The Bank's nature of credit risk exposure is that of a risk of failure by a client or counterparty to meet its contractual obligations. It is inherent in loans, commitments to lend and contingent liabilities, such as letters of credit, repurchase agreements (repos and reverse repos) and securities borrowing and lending transactions.

The Bank has established an appropriate credit risk environment which is operating under a sound credit-granting process; maintaining an appropriate credit administration, measurement and monitoring process and ensuring adequate controls.

Credit approval process is followed by all businesses in the bank. Initial credit approvals and extensions are only approved by Credit Committees established at various levels (a credit committee has minimum of three members). Further, in order to measure credit risk, an internally developed rating system is followed. This rating system is being fine tuned to address Basel II requirements and is under testing.

The Bank manages credit risk through:

- Accurate and detailed information about the borrower, cash flows, production, service and operations of the company.
- Insights into the major factors influencing customer attrition and product cancellation.
- Establishment of acceptable risk levels.

| 45.1.1.5 Geographical Segment Analysis | 2008 | | | |
|--|------------------------------------|--------------------------|------------------------|-------------------------------------|
| | (Loss) / Profit before taxation | Total assets employed | Net assets employed | Contingencies and commitments |
| | ----- (Rupees '000') ----- | | | |
| Pakistan | <u>(13,008,886)</u> | <u>176,696,227</u> | <u>38,272,117</u> | <u>92,043,964</u> |
| | 2007 - Restated | | | |
| Pakistan | <u>(548,497)</u> | <u>177,877,384</u> | <u>37,563,770</u> | <u>56,125,388</u> |

45.2 Market Risk

Market risk is primarily composed of price risk and arises out of treasury trading and investment activities. It is the risk that the value of on and off balance sheet positions of the Bank will be adversely affected by movements in market rates or prices.

The Bank recognizes that it may be exposed to market risk in a variety of ways. Market risk exposure may be explicit in portfolio of equities and foreign currencies that are actively traded. Conversely, it may be implicit, such as interest rate risk due to mismatch of loans and deposits. Market risk may also arise from activities categorized as off balance sheet items.

45.2.1 Foreign Exchange Risk

The Bank has set the following objectives for managing the inherent risk on foreign currency exposures:

Maximise profitability with minimum risk by keeping the exposure at desirable levels in view of strict compliance with regulatory / international standards and the Bank's internal guidelines.

Manage appropriate maturity mismatch gaps.

Identify warning and stress zones for mismatch gaps.

Implement global / regulatory best practices to manage the inherent risk of product and market, such as compliance with credit limits, monitoring of foreign exchange exposure limits, review of mark to market portfolio etc.

| | 2008 | | | |
|----------------------|----------------------------|--------------------|----------------------------|-------------------------------------|
| | Assets | Liabilities | Off Balance sheet items | Net foreign currency exposure |
| | ----- (Rupees '000') ----- | | | |
| Pakistan Rupee | 171,291,066 | 129,030,138 | (3,963,632) | 38,297,296 |
| United States Dollar | 4,520,301 | 6,997,884 | 2,438,132 | (39,451) |
| Great Britain Pound | 227,212 | 1,197,681 | 964,159 | (6,310) |
| Euro | 607,700 | 1,177,044 | 561,341 | (8,003) |
| Japanese Yen | 12,016 | 49 | - | 11,967 |
| Swiss Franc | 16,491 | 14,024 | - | 2,467 |
| Others | 21,441 | 7,290 | - | 14,151 |
| | <u>176,696,227</u> | <u>138,424,110</u> | <u>-</u> | <u>38,272,117</u> |

| | 2008 - Restated | | | Net foreign |
|----------------------|----------------------------|--------------------|----------------------------|----------------------|
| | Assets | Liabilities | Off Balance sheet items | currency exposure |
| | ----- (Rupees '000') ----- | | | |
| Pakistan Rupee | 173,355,949 | 134,056,592 | (2,871,744) | 36,427,613 |
| United States Dollar | 3,844,755 | 4,934,929 | 1,756,334 | 666,160 |
| Great Britain Pound | 223,221 | 775,689 | 1,032,434 | 479,966 |
| Euro | 292,307 | 199,147 | (123,869) | (30,709) |
| Japanese Yen | 145,917 | 347,097 | 206,843 | 5,663 |
| Swiss Franc | 4,133 | 152 | - | 3,981 |
| Others | 11,102 | 8 | 2 | 11,096 |
| | <u>177,877,384</u> | <u>140,313,614</u> | <u>-</u> | <u>37,563,770</u> |

45.2.2 Equity Price Risk and Fixed Income Rate Risk

The Bank has a set of approved notional & dealer limits for managing risk across the trading & banking book. In order to manage the market risk in the trading book, the Bank periodically applies a VaR (value at risk) methodology to assess the market risk positions held. Currently the Bank is using variance covariance model for generating VaR numbers across both the equity & fixed income portfolios.

Equity Price Risk is the risk to earnings or capital that results from adverse changes in the value of equity related portfolios of the Bank. Price risk associated with equities could be systematic or unsystematic. The yield of shares consists of dividend payments and capital gains / losses through price appreciation / depreciation. The Bank is also using Market Risk tools such as Alpha, Beta and Sharpe ratio for risk measurement and assessment.

Fixed income securities are subject to the risk of price volatility due to interest rate sensitivity. When interest rates rise, the value of corporate debt securities can be expected to decline. Fixed rate debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. The Bank is using Market Risk tools such as Price Value Basis Point (PVBP), Duration, Parallel shift and Non Parallel shift for risk measurement and assessment.

The Bank conducts stress testing analysis on the equity portfolio, by anticipating changes / shocks of -5%, -10% and -20% on the current price of shares within a portfolio, thereby monitoring the effects of the predicted changes in the value of the equity portfolio on the Capital Adequacy Ratio (CAR). Further, the Bank reviews new products to ensure that the market risk aspects are properly quantified and mitigated.

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



45.2.3 Mismatch of Interest Rate Sensitive Assets and Liabilities

2008

| Effective Yield / Interest rate | Exposed to Yield / Interest risk | | | | | | | | | | Not Exposed to Yield / Interest rate risk | |
|--|----------------------------------|---------------------|--------------------|---------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|------------------|---|------------|
| | Total | Upto 1 Month | Over 1 to 3 Months | Over 3 to 6 Months | Over 6 Months to 1 Year | Over 1 to 2 Years | Over 2 to 3 Years | Over 3 to 5 Years | Over 5 to 10 Years | Above 10 Years | | |
| ----- Rupees in '000' ----- | | | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| Cash and balances with treasury banks | 9,357,450 | 1,326,446 | - | - | - | - | - | - | - | - | - | 8,031,004 |
| Balances with other banks | 868,019 | 741,802 | - | - | - | - | - | - | - | - | - | 126,217 |
| Lending to financial institutions | 12,459,621 | 10,209,752 | 2,249,869 | - | - | - | - | - | - | - | - | - |
| Investments | 29,047,185 | 4,125,579 | 9,532,558 | 6,739,478 | - | 8,421 | 3,329,981 | 1,294,588 | 261,036 | 2,466,403 | - | - |
| Advances | 80,344,193 | 3,253,968 | 5,813,726 | 43,759,714 | 8,753,496 | 4,259,453 | 6,384,010 | 1,227,609 | 978,200 | - | - | - |
| Other assets | 2,951,281 | - | - | - | - | - | - | - | - | - | - | 2,951,281 |
| | 135,027,749 | 19,657,547 | 17,596,153 | 50,499,192 | 8,753,496 | 4,267,874 | 7,673,151 | 9,243,998 | 2,522,197 | 1,239,236 | - | 13,574,905 |
| Liabilities | | | | | | | | | | | | |
| Bills payable | 1,432,084 | - | - | - | - | - | - | - | - | - | - | 1,432,084 |
| Borrowings | 23,651,366 | 12,536,759 | 5,852,819 | 2,989,216 | 216,564 | 569,607 | 367,533 | 607,002 | 511,866 | - | - | - |
| Deposits and other accounts | 103,798,092 | 21,255,779 | 12,780,635 | 31,052,150 | 15,130,040 | 1,021,241 | 976,550 | 688,880 | 300 | - | - | 20,892,517 |
| Sub-ordinated loans | 3,688,000 | - | 3,688,000 | - | - | - | - | - | - | - | - | - |
| Liabilities against assets subject to finance lease | - | - | - | - | - | - | - | - | - | - | - | - |
| Other liabilities | 5,302,761 | - | - | - | - | - | - | - | - | - | - | 5,302,761 |
| | 137,872,303 | 33,792,538 | 22,321,454 | 34,041,366 | 15,346,604 | 1,590,848 | 1,344,083 | 1,295,882 | 512,166 | - | - | 27,627,362 |
| On-balance sheet gap | (2,844,554) | (14,134,991) | (4,725,301) | (16,457,826) | (6,593,108) | 2,677,026 | 6,329,068 | 7,948,116 | 2,010,031 | 1,239,236 | (14,052,457) | |
| Off-balance sheet financial instruments | | | | | | | | | | | | |
| Forward Lending | - | - | - | - | - | - | - | - | - | - | - | - |
| (Including call lending, repurchase agreement lending, commitments to extend credit, etc.) | - | - | - | - | - | - | - | - | - | - | - | - |
| Foreign exchange contracts - purchase | 39,228,162 | 20,167,074 | 12,936,121 | 5,456,177 | 668,790 | - | - | - | - | - | - | - |
| Forward borrowings | - | - | - | - | - | - | - | - | - | - | - | - |
| (Including call borrowing, repurchase agreement borrowing, etc.) | - | - | - | - | - | - | - | - | - | - | - | - |
| Foreign exchange contracts - sale | 35,313,470 | 13,899,042 | 11,363,575 | 10,050,853 | - | - | - | - | - | - | - | - |
| Off-balance sheet gap | 3,914,692 | 6,268,032 | 1,572,546 | (4,594,676) | 668,790 | - | - | - | - | - | - | - |
| Total Yield / Interest Risk Sensitivity Gap | (7,866,959) | (7,866,959) | (3,152,755) | 11,863,150 | (5,924,318) | 2,677,026 | 6,329,068 | 7,948,116 | 2,010,031 | 1,239,236 | (14,052,457) | |
| Cumulative Yield / Interest Risk Sensitivity Gap | (7,866,959) | (11,019,714) | 843,436 | (5,080,882) | (2,403,856) | 3,925,212 | 11,873,328 | 13,883,359 | 15,122,595 | 1,070,138 | | |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



2007 - Restated

| Effective Yield / Interest rate | Exposed to Yield / Interest rate risk | | | | | | | | | | Not Exposed to Yield / Interest rate risk | |
|---|---------------------------------------|---------------------|--------------------|--------------------|-------------------------|--------------------|-------------------|-------------------|--------------------|--------------------|---|-----------|
| | Total | Upto 1 Month | Over 1 to 3 Months | Over 3 to 6 Months | Over 6 Months to 1 Year | Over 1 to 2 Years | Over 2 to 3 Years | Over 3 to 5 Years | Over 5 to 10 Years | Above 10 Years | | |
| On-balance sheet financial instruments | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| 4.24% | 10,330,072 | 385,105 | - | - | - | - | - | - | - | - | - | 9,944,967 |
| 6.72% | 2,309,386 | 508,146 | 500,000 | - | - | - | - | - | - | - | - | 1,301,240 |
| 9.77% | 4,753,113 | 4,153,113 | 600,000 | - | - | - | - | - | - | - | - | - |
| 9.19% | 38,814,502 | 6,350,445 | 11,221,879 | 2,622,041 | 2,506,154 | 9,439 | 2,888,170 | 5,065,520 | 395,049 | 7,728,547 | | |
| 12.71% | 81,932,379 | 2,722,025 | 10,126,440 | 43,403,961 | 3,631,223 | 5,991,547 | 6,564,744 | 1,676,362 | 606,783 | 1,710,310 | 3,546,143 | |
| - | 141,685,595 | 14,118,834 | 22,448,319 | 46,026,002 | 6,137,377 | 6,018,805 | 9,452,914 | 6,741,882 | 1,001,832 | 24,231,207 | - | |
| Liabilities | | | | | | | | | | | | |
| - | 2,110,211 | - | - | - | - | - | - | - | - | - | - | 2,110,211 |
| 8.79% | 16,669,412 | 6,255,249 | 3,429,353 | 4,208,679 | 130,996 | 400,069 | 572,307 | 865,440 | - | 164,121 | - | |
| 7.08% | 116,523,928 | 25,915,860 | 21,716,830 | 34,906,831 | 8,244,723 | 924,584 | 1,747,399 | 46,102 | - | 20,774,798 | - | |
| - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13.02% | 7,176 | 233 | 474 | 868 | 5,601 | - | - | - | - | - | - | - |
| - | 4,201,490 | - | - | - | - | - | - | - | - | - | - | 4,201,490 |
| - | 139,512,217 | 32,171,342 | 25,146,657 | 39,116,578 | 8,381,320 | 1,324,673 | 2,319,706 | 911,542 | - | 27,250,620 | - | |
| On-balance sheet gap | 2,173,378 | (18,052,508) | (2,698,338) | 6,909,424 | (2,243,943) | 4,694,132 | 3,188,717 | 5,830,340 | 1,001,832 | (3,019,413) | - | |
| Off-balance sheet financial instruments | | | | | | | | | | | | |
| - | 1,090,095 | 1,090,095 | - | - | - | - | - | - | - | - | - | - |
| - | 18,548,465 | 14,669,863 | 2,220,113 | 1,658,489 | - | - | - | - | - | - | - | - |
| - | 14,766,871 | 11,254,872 | 3,511,999 | - | - | - | - | - | - | - | - | - |
| - | 4,871,689 | 4,505,086 | (1,291,886) | 1,658,489 | - | - | - | - | - | - | - | - |
| Total Yield / Interest Risk Sensitivity Gap | (13,547,422) | (3,990,224) | 8,567,913 | (2,243,943) | 4,694,132 | 3,188,717 | 6,563,135 | 5,830,340 | 1,001,832 | (3,019,413) | - | |
| Cumulative Yield / Interest Risk Sensitivity Gap | (13,547,422) | (17,537,646) | (8,969,733) | (1,213,676) | (6,519,544) | (3,330,827) | 3,232,308 | 9,062,648 | 10,064,480 | 7,045,067 | - | |

----- (Rupees in '000) -----

45.3 Liquidity Risk

The Bank's objective of liquidity management is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking sustained damage to business franchises.

The Bank's nature of liquidity risk exposure is that of the risk caused, among others, by the inability of the Bank to settle liabilities on their due date.

The liquidity risk policy is formulated keeping in view SBP's guidelines on risk management, Basel standards and best practices. The Bank maintains its liquidity by keeping a level of liquid assets in such amount which is considered sufficient to anticipate payment of customers' deposits.

The Bank manages its liquidity risk through

- Maintaining solvency of the Bank at all times (measuring and limiting liquidity risk)
- Ensuring and managing market access to funding (by diversifying funding sources and asset portfolio mix)
- Optimizing balance sheet structure

The Bank carries out careful monitoring and control of the daily liquidity position, and regular liquidity stress testing under a variety of scenarios. Scenarios encompass both normal and stressed market conditions, including general market crises and the possibility that access to markets could be impacted by a stress event affecting some part of the Bank's business. Exposure to liquidity risk is also monitored through regular review of liquidity risk limits and escalation of any liquidity risk limit excesses to senior management.

45.3.1 Maturities of Assets and Liabilities

| | 2008 | | | | | | | | | |
|---|-------------|--------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|----------------|
| | Total | Upto 1 Month | Over 1 to 3 Months | Over 3 to 6 Months | Over 6 Months to 1 Year | Over 1 to 2 Years | Over 2 to 3 Years | Over 3 to 5 Years | Over 5 to 10 Years | Above 10 Years |
| ----- (Rupees '000) ----- | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury banks | 9,357,450 | 9,357,450 | - | - | - | - | - | - | - | - |
| Balances with other banks | 868,019 | 868,019 | - | - | - | - | - | - | - | - |
| Lending to financial institutions | 12,459,621 | 10,209,752 | 2,249,869 | - | - | - | - | - | - | - |
| Investments | 31,135,628 | 3,709,882 | 11,246,444 | 5,349,361 | 59,450 | 196,083 | 2,005,372 | 4,258,692 | 1,725,534 | 2,584,810 |
| Advances | 80,344,193 | 12,859,076 | 16,914,035 | 18,600,196 | 9,348,134 | 5,293,442 | 7,669,065 | 7,011,143 | 1,624,434 | 1,024,668 |
| Operating fixed assets | 3,707,620 | 191,556 | 222,787 | 215,894 | 263,945 | 405,259 | 242,345 | 302,172 | 141,008 | 1,722,654 |
| Intangible assets | 28,391,164 | 24,237 | 48,475 | 72,712 | 145,424 | 247,210 | 289,601 | 514,644 | 130,461 | 26,918,400 |
| Deferred tax assets | 6,533,228 | 43,199 | 86,398 | 129,597 | 260,582 | (81,721) | (81,721) | 55,532 | 492,930 | 5,628,432 |
| Other assets | 3,899,304 | 26,283 | 98,706 | 3,169,006 | 371,354 | 121,678 | 43,001 | 68,527 | 749 | - |
| | 176,696,227 | 37,289,454 | 30,866,714 | 27,536,766 | 10,448,889 | 6,181,951 | 10,167,663 | 12,210,710 | 4,115,116 | 37,878,964 |
| Liabilities | | | | | | | | | | |
| Bills payable | 1,432,084 | 1,432,084 | - | - | - | - | - | - | - | - |
| Borrowings | 23,651,366 | 12,536,759 | 5,852,819 | 2,989,216 | 216,564 | 569,607 | 367,533 | 607,002 | 511,866 | - |
| Deposits and other accounts | 103,798,092 | 28,193,882 | 17,577,701 | 9,059,002 | 17,857,025 | 2,828,562 | 4,459,810 | 6,242,222 | 7,623,723 | 9,956,165 |
| Sub-ordinated loans | 3,999,200 | - | 800 | - | 800 | 1,600 | 1,600 | 667,733 | 3,326,667 | - |
| Liabilities against assets subject to finance lease | - | - | - | - | - | - | - | - | - | - |
| Deferred tax liabilities | - | - | - | - | - | - | - | - | - | - |
| Other liabilities | 5,543,368 | 1,994,227 | 311,311 | 2,276,261 | 577,099 | 164,091 | 130,130 | 33,192 | 57,057 | - |
| | 138,424,110 | 44,156,952 | 23,742,631 | 14,324,479 | 18,651,488 | 3,563,860 | 4,959,073 | 7,550,149 | 11,519,313 | 9,956,165 |
| Net assets | 38,272,117 | (6,867,498) | 7,124,083 | 13,212,287 | (8,202,599) | 2,618,091 | 5,208,590 | 4,660,561 | (7,404,197) | 27,922,799 |
| Share capital | 28,437,271 | | | | | | | | | |
| Share deposit money | 12,000,000 | | | | | | | | | |
| Reserves | 8,326,684 | | | | | | | | | |
| Accumulated loss | (8,382,793) | | | | | | | | | |
| Surplus / (Deficit) on revaluation of assets | 40,381,162 | | | | | | | | | |
| | (2,109,045) | | | | | | | | | |
| | 38,272,117 | | | | | | | | | |

Current and saving deposits of the Bank are assumed to mature in the future on the basis of historical trends.

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



2007 - Restated

| | Total | Upto 1 Month | Over 1 to 3 Months | Over 3 to 6 Months | Over 6 Months to 1 Year | Over 1 to 2 Years | Over 2 to 3 Years | Over 3 to 5 Years | Over 5 to 10 Years | Above 10 Years |
|---|-------------|-----------------|--------------------------|--------------------------|-------------------------------|-------------------------|-------------------------|-------------------------|--------------------------|----------------------|
| ----- (Rupees '000) ----- | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury banks | 10,330,072 | - | - | - | - | - | - | - | - | - |
| Balances with other banks | 2,309,386 | 500,000 | - | - | - | - | - | - | - | - |
| Lending to financial institutions | 4,753,113 | 600,000 | - | - | - | - | - | - | - | - |
| Investments | 38,973,586 | 8,221,879 | 1,622,031 | 1,622,031 | 2,506,164 | 27,258 | 9,439 | 2,260,129 | 796,693 | 395,049 |
| Advances | 81,932,379 | 4,432,335 | 10,126,440 | 43,403,961 | 3,631,223 | 5,991,547 | 5,498,984 | 6,564,744 | 1,676,362 | 606,783 |
| Operating fixed assets | 3,933,500 | 2,405,946 | 930,393 | 234,578 | 124,534 | 120,234 | 78,934 | 15,433 | 21,097 | 2,351 |
| Intangible assets | 29,766,288 | 24,921 | 49,731 | 84,577 | 169,154 | 327,495 | 278,423 | 556,848 | 1,167,584 | 27,107,555 |
| Deferred tax assets | 2,332,917 | 152,944 | 76,974 | 90,338 | 267,498 | 220,188 | 304,385 | 1,101,609 | 29,681 | 89,300 |
| Other assets | 3,546,143 | 2,144,365 | 907,077 | 215,233 | 78,179 | 113,646 | 59,401 | 13,708 | 11,618 | 2,916 |
| | 177,877,384 | 21,412,494 | 45,650,718 | 6,776,752 | 6,800,368 | 6,229,566 | 10,512,471 | 3,703,035 | 28,203,954 | |
| Liabilities | | | | | | | | | | |
| Bills payable | 2,110,211 | 1,363,049 | 747,162 | - | - | - | - | - | - | - |
| Borrowings | 16,669,412 | 6,419,470 | 3,429,253 | 4,208,879 | 130,996 | 400,089 | 572,307 | 642,978 | 865,440 | - |
| Deposits and other accounts | 116,523,928 | 44,837,948 | 21,716,831 | 34,906,831 | 8,244,723 | 2,924,584 | 1,747,399 | 2,099,510 | 46,102 | - |
| Sub-ordinated loans | - | - | - | - | - | - | - | - | - | - |
| Liabilities against assets subject to finance lease | 7,176 | 233 | 474 | 868 | 1,350 | 4,251 | - | - | - | - |
| Deferred tax liabilities | - | - | - | - | - | - | - | - | - | - |
| Other liabilities | 5,002,887 | 2,259,859 | 1,190,531 | 1,067,847 | 182,887 | 107,392 | 99,122 | 56,744 | 44,505 | - |
| | 140,313,614 | 54,880,559 | 27,084,251 | 40,184,425 | 8,559,956 | 3,436,316 | 2,412,828 | 2,799,232 | 956,047 | - |
| Net assets | 37,563,770 | (6,292,533) | 5,466,293 | (1,783,204) | 3,364,052 | 3,816,738 | 7,713,239 | 2,746,988 | 28,203,954 | |
| Share capital | 22,017,968 | | | | | | | | | |
| Reserves | 719,810 | | | | | | | | | |
| Accumulated profit | 796,600 | | | | | | | | | |
| Shares to be issued in pursuance of Scheme of Amalgamation | 23,534,378 | | | | | | | | | |
| | 14,026,177 | | | | | | | | | |
| Surplus / (Deficit) on revaluation of assets | 37,560,555 | | | | | | | | | |
| | 3,215 | | | | | | | | | |
| | 37,563,770 | | | | | | | | | |

Current and saving deposits of the Bank are assumed to mature in the future on the basis of historical trends.

45.4 Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Bank seeks to ensure that key operational risks are managed in a timely and effectively manner through a framework of policies, procedures and tools to identify, assess, monitor, control and report such risks.

The key objectives of Operational Risk measurement and management include:

- Ensuring continued solvency of the Bank through capital adequacy and enhanced understanding and management of significant operational risk exposures.
- Ensuring that customer impact is minimized through proactive and focused risk management practices.
- Ensuring senior management attention on significant operational risk exposure areas and that risk mitigation is given prioritized focus.

The Bank's Integrated Risk Management Committee (IRMC) has the responsibility to supervise and direct the management of operational risks and key operational risk exposures. IRMC is also responsible for ensuring that adequate and appropriate policies and procedures are in place for the identification, assessment, monitoring, control and reporting of operational risks.

The Bank has undertaken the following high-level strategic initiatives for the effective implementation of Operational Risk Management:

- Recruiting skilled resources for Operational Risk Management.
- Developing policies, procedures and defining end to end information flow to establish a vigorous governance infrastructure.

46. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on March 7, 2009 by the Board of Directors of the Bank.

47. RECLASSIFICATION

Comparative figures of the following operating fixed assets and intangible assets, some of which were assumed upon amalgamation, have been reclassified in notes 15.2 and 16 respectively, to reflect the correct nature of the items.

| | As reported at December 31, 2007 | Transfer to / (from) | Reclassified as at December 31, 2007 |
|--|-------------------------------------|-------------------------|--|
| | ----- (Rupees '000') ----- | | |
| Freehold land | 33,239 | 303,378 | 336,617 |
| Leasehold land | 1,395,296 | (346,474) | 1,048,822 |
| Buildings on freehold land | 106,341 | 372,721 | 479,062 |
| Buildings on leasehold land | 477,422 | (329,615) | 147,807 |
| Furniture and fixtures | 649,253 | (510,614) | 138,639 |
| Electrical office and computer equipment | 223,665 | 279,087 | 502,752 |
| Vehicles | 200,891 | (2,701) | 198,190 |
| Lease Hold Improvements | 258,958 | 234,059 | 493,017 |
| Software | 99,425 | 159 | 99,584 |

48. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Khawaja Iqbal Hassan
President / Chief Executive

Francis A. Rozario
Chairman / Director

Tejpal Singh Hora
Director

Syed Aamir Zahidi
Director

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|-----------------|---------------------------------|--|----------------|--------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | |
| 1 | SYED MURAD ALAM ADDRESS: BUILDING # S-01 COMMERCIAL GROUND, HASAN GSM CONVEYANT, FLOOR # 10, JINNAH ROAD, KARACHI, MAIN RASHID MINIFAS ROAD KARACHI | SYED MURAD ALAM | 42101-1798975-1 | SHAH MUHAMMAD | 436 | 66 | - | 436 | 66 | 502 |
| 2 | RIFFAT ULLAH SIDDIQUI ADDRESS: NEAR JAMIA MOSQUE, E-43 RAFIAH E AMI SOCIETY, RAFIAH E AMI MALIR HALLI, KARACHI | RIFFAT ULLAH SIDDIQUI | 42201-0696075-5 | MUHAMMAD ROOH ULLAH SIDDIQUI | 462 | 40 | - | 462 | 40 | 502 |
| 3 | EJAZ AHMAD ADDRESS: OFFICER COLONY# 2, HOUSE# 247/C, NEAR SHARJEEL HOSPITAL, FAISALABAD | EJAZ AHMAD | 33100-7434532-7 | MUSHTAQ AHMED | 492 | 10 | - | 492 | 10 | 502 |
| 4 | CHAUHDRY MUHAMMAD RIAZ ADDRESS: 6-7 ABDULLAH MARKET MAIN, UMER SILK CENTRE, GOLDEN BAZAR CHOWK YATEEM, KHANA BUND ROAD LAHORE | CHAUHDRY MUHAMMAD RIAZ | 35202-2808447-5 | BHAI KHAN | 438 | 64 | - | 438 | 64 | 502 |
| 5 | SAJID NAEEM ADDRESS: AL MADINA TRACTOR CHOWK BY PASS, AL MADINA TRACTOR HOUSE, MULTAN | SAJID NAEEM | 36302-7050172-9 | ABDUL MAJEED | 462 | 40 | - | 462 | 40 | 502 |
| 6 | MUHAMMAD RAFAQAT SHAUKAT ADDRESS: JINNAH PAR KAR SULTAN PURA, HOUSE# 36 STREET# 20, NEAR BILLA GENERAL STORE, LAHORE | MUHAMMAD RAFAQAT SHAUKAT | 35202-2731765-1 | MUHAMMAD SHAUKAT ASMAT | 438 | 64 | - | 438 | 64 | 502 |
| 7 | MUHAMMAD OASIM ADDRESS: SHOP# 4 GOOD TIME APARTMENT, JAMBO BOOK SALE, BLOCK 13-B OPP BAITUL MUJARRAM, MASJID GULSHAN E IQBAL KARACHI | MUHAMMAD OASIM | 42201-7732173-5 | AHMED | 438 | 64 | - | 438 | 64 | 502 |
| 8 | TARIO MEHMOOD ADDRESS: COLONY MANGHOPIR ROAD FLAT# C-114 1ST FLOOR ZUBAIRI, NEAR OLD PAK COLONY POLICE STATION, & SIDDIQUI MASJID KARACHI | TARIO MEHMOOD | 42401-1949024-7 | MUHAMMAD AKBER | 438 | 64 | - | 438 | 64 | 502 |
| 9 | SHEIKH MUHAMMAD AYUB ADDRESS: NEAR AUCTION ACADEMY SCHOOL, HOUSE# A-417 SECTOR 11-B, NORTH KARACHI, KARACHI | SHEIKH MUHAMMAD AYUB | 42101-5345035-3 | ABDUL QADIR | 438 | 64 | - | 438 | 64 | 502 |
| 10 | CHAUHDRY MUHAMMAD USMAN ADDRESS: SHOP# 8 BASHIR CENTRE, MADINA TRADERS, 14 KABIR STREET URDU BAZAR, LAHORE | CHAUHDRY MUHAMMAD USMAN | 35202-9181124-1 | CHAUHDRY MUHAMMAD IBRAHIM | 438 | 64 | - | 438 | 64 | 502 |
| 11 | WAJAHAT ALI ADDRESS: SHOP# 99 BALOUCH PARK, WAJAHAT ALI & CO NEW TAJ MAHAL MARKET, M A JINNAH ROAD KARACHI | WAJAHAT ALI | 42201-6976969-3 | MUHAMMAD MUSTAFA | 438 | 64 | - | 438 | 64 | 502 |
| 12 | ASIF MALIK ADDRESS: P-386 CHAK# 224, PAPER CONE, R B FATEH DIN WALLI, FAISALABAD | ASIF MALIK | 42201-2598133-9 | ALLAH DIN | 438 | 64 | - | 438 | 64 | 502 |
| 13 | MAGSOOD AHMAD ADDRESS: P-386 CHAK# 224, PAPER CONE, R B FATEH DIN WALLI, FAISALABAD | MAGSOOD AHMAD | 33100-9431902-9 | GHULAM MUSTAFA | 438 | 64 | - | 438 | 64 | 502 |
| 14 | SHAKEEL AHMED ADDRESS: UNIT# S-43-S-58 FALAK NAZ HEIGHTS, ESNAF GLOBAL MARKETING SERVICES, MAIN SHAHRAH E FAISAL OPP JINNAH, TERMINAL, KARACHI | SHAKEEL AHMED | 42501-2926621-7 | MUHAMMAD IKRAMUL HAQ | 438 | 64 | - | 438 | 64 | 502 |
| 15 | MOHAMMAD RIZWAN KHAN ADDRESS: NORTH NAZIMABAD NEAR NOOR JAHAN, HOUSE # C-153 BLOCK -C, POLICE STATION AND ASGHAR, STADIUM, | MOHAMMAD RIZWAN KHAN | 42101-5249807-7 | MOHAMMAD MASHALLAH KHAN | 438 | 64 | - | 438 | 64 | 502 |
| 16 | MOHAMMAD ASHRAF ADDRESS: SHOP# 7 MEMON MARKET RAMPART, WITHANI BROTHERS, ROAD JODIA NEAR ACHAI KABBAR, KARACHI | MOHAMMAD ASHRAF | 42301-4576336-9 | MOHAMMAD | 438 | 64 | - | 438 | 64 | 502 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|-------------------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 17 | MUHAMMAD ASIF HABIB ADDRESS: NEAR OMER MASJID, R # 1457 BL/F 18 FB AREA, KARACHI. | MUHAMMAD ASIF HABIB | 42101-6496349-3 | MUHAMMAD HABIB | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 18 | MOHAMMAD ZUBAIR MASOOD ADDRESS: NORTH KARACHI SECTOR# 7D/3, HOUSE# R-221, NEAR HIRA MASJID, KARACHI | MOHAMMAD ZUBAIR MASOOD | 42101-4496881-9 | ABDUL ALI KHAN | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 19 | MUKHTAR AHMED ADDRESS: FB AREA BLOCK 5, FLAT#-117 AREA USMAN ARCADE, KARACHI. | MUKHTAR AHMED | 42000-0539931-7 | MUSHI QAIM DEEN | 438 | 64 | - | 502 | 438 | 64 | - | 502 |
| 20 | ABDUL WAHEED ADDRESS: MUHALLAH RAMZAN STREET, ASHYANA RAMZAN, SHAH GOHAR ABAD, LAHORE | ABDUL WAHEED | 35201-6778903-3 | HAFIZ ABDUL RAHEEM | 462 | 40 | - | 502 | 462 | 40 | - | 502 |
| 21 | MALIK MUHAMMAD JAMSHAD AWAN ADDRESS: HAZOORI BAGH ROAD, AWAN BROTHER SANITORY STORE, MULTAN. | MALIK MUHAMMAD JAMSHAD AWAN | 36302-7467142-5 | MALIK MUHAMMAD SHAFI AWAN | 489 | 15 | - | 504 | 489 | 15 | - | 504 |
| 22 | MOHAMMAD TANVEER SAJID ADDRESS: SHOP# 50 COMMERCIAL CENTRE, AL QURESHI TRADING COMPANY, AL QURESHI TOWN PHASE-II SHER, SHAH ROAD MULTAN. | MOHAMMAD TANVEER SAJID | 36303-0938673-3 | AMJEER MOHAMMAD KHAN SAJID | 464 | 40 | - | 504 | 464 | 40 | - | 504 |
| 23 | KHAWAJA SHAH RUKH SIDDIQUEI ADDRESS: SHOP# 42 AL ARCADE, MOBILE CLUB, KACHERY CHOWK LIMQ, ROAD MULTAN. | KHAWAJA SHAH RUKH SIDDIQUEI | 36302-6591644-1 | KHAWAJA HAFEEZ UR REHMAN SIDDIQI | 439 | 66 | - | 505 | 439 | 66 | - | 505 |
| 24 | SAMEER FAYAZ KHAN ADDRESS: SHOP# 12 AL ARCADE, BLOCK# 3, AL FANSAI TOWN, LAHORE CANTT. | SAMEER FAYAZ KHAN | 35201-1496828-1 | FAYAZ ALAM KHAN | 465 | 40 | - | 505 | 465 | 40 | - | 505 |
| 25 | MUHAMMAD JAVID IQBAL ADDRESS: SADIQUE GUNJ, HOUSE# 10-A STREET# 11, WASHAN PURA NEAR NA KHUDA CHOWK, LAHORE | MUHAMMAD JAVID IQBAL | 35202-9496484-9 | SH M SHARIF | 466 | 40 | - | 506 | 466 | 40 | - | 506 |
| 26 | CHAUDHRY HAMID MEHMOOD ADDRESS: MOHALLAH DATA NAGAR, HOUSE# 1 STREET# 13, BADAMI BAGH, LAHORE | CHAUDHRY HAMID MEHMOOD | 35202-8571886-7 | CHODHRY GHULAM NABI | 506 | - | - | 506 | 506 | - | - | 506 |
| 27 | KAMRAN KHAN ADDRESS: SHOP # 38 3RD FLOOR, MR MOBILES, NEW RAFT PLAZA MALL ROAD, LAHORE | KAMRAN KHAN | 35202-2304029-5 | ABDUL SATTAR KHAN | 467 | 40 | - | 507 | 467 | 40 | - | 507 |
| 28 | MUHAMMAD RIZWAN ASHRAF ADDRESS: SHOP# 215 MAIN JHANG BAZAR, M SHAFI & SONS, FAISALABAD. | MUHAMMAD RIZWAN ASHRAF | 33100-0614182-9 | CHAUDHRY MUHAMMAD ASHRAF | 443 | 64 | - | 507 | 443 | 64 | - | 507 |
| 29 | MOHAMMAD FIAZ ADDRESS: MOHALLA BANGALI SADAR BAZAR, HOUSE# 1198 STREET# 92, OPPOSITE CANTONMENT HOSPITAL, CANTT LAHORE | MOHAMMAD FIAZ | 35201-1407183-5 | HAJI NIAZ MOHAMMAD | 465 | 43 | - | 508 | 465 | 43 | - | 508 |
| 30 | AOURANGZAIB ADDRESS: SHOP# 1 & 3 PLOT# 771-C BLOCK 2, ZAB BROTHERS, PECHS TARIQ ROAD NEAR DOLMENT, CENTRE KARACHI. | AOURANGZAIB | 54203-2272316-5 | HAJI ALI SHAH | 443 | 64 | - | 507 | 443 | 64 | - | 507 |
| 31 | SHABIR AHMED ADDRESS: A 15 USMAN PLAZA THE REGENT SINDH INTERNATIONAL, SB 37 GULSHAN-E-IQBAL BLOCK 13 B, KARACHI | SHABIR AHMED | 42201-6125540-5 | QADER BUX | 443 | 64 | - | 507 | 443 | 64 | - | 507 |
| 32 | SHAHID AZIZ ADDRESS: SIR SYED TOWN, HOUSE# R-340 SECTOR# 11-C-3, NORTH KARACHI, NEAR NOMANVA MASJID KARACHI | SHAHID AZIZ | 42101-0817269-3 | ABDUL AZIZ | 443 | 64 | - | 507 | 443 | 64 | - | 507 |
| 33 | ALI MURTAZA ADDRESS: GULSHAN E IQBAL HOUSE# A-20 BLOCK# 5, NEAR SAMDANI HOSPITAL, KARACHI. | ALI MURTAZA | 42201-0377880-9 | SYED AMEER UDDIN AHMED KAZMI | 443 | 64 | - | 507 | 443 | 64 | - | 507 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008


NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

 Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|-----------------|----------------------------|--|----------------|--------|-------|-----------------------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | Total | | | | |
| 34 | RANA MUHAMMAD JAWAD ADDRESS: SODWAL GREEN TOWN, HOUSE-422 BLOK D 5, LAHORE. | RANA MUHAMMAD JAWAD | 35202-2708305-3 | MIAN MUHAMMAD DIN | 508 | - | - | 508 | 508 | - | - | 508 |
| 35 | MOHAMMAD YAWAR SHAH ADDRESS: UBL STREET PREEES JUNG, FLAT# 31 & 36 MAMMOON PLAZA, 11 CHUNDRIGAR ROAD NEAR UBL, KARACHI | MOHAMMAD YAWAR SHAH | 42301-8927502-1 | BAHADUR KHAN | 444 | 65 | - | 509 | 444 | 65 | - | 509 |
| 36 | RASHID ULLAH ADDRESS: FB AREA, HOUSE# 453/15, NEAR T GROUND, KARACHI | RASHID ULLAH | 42101-1798130-1 | QUDRAT ULLAH | 444 | 65 | - | 509 | 444 | 65 | - | 509 |
| 37 | MUHAMMAD SHAFIQUE ADDRESS: SAIDPUR ROAD, HOUSE# NW 700-A, NEAR WITE TANKI, RAWALPINDI | MUHAMMAD SHAFIQUE | 37405-4597266-1 | MUHAMMAD HANIF | 444 | 65 | - | 509 | 444 | 65 | - | 509 |
| 38 | ALTAF HUSSAIN GANATRA ADDRESS: SHOP# 135 AL FALAH MARKET, SPACE LINK, ABDULLAH HAROON ROAD, KARACHI. | ALTAF HUSSAIN GANATRA | 42101-9675430-9 | ABDULLAH GANATARA | 444 | 65 | - | 509 | 444 | 65 | - | 509 |
| 39 | ALTAF HUSSAIN ADDRESS: SHOP# 1 STREET# 14, MAKKAH MADINA GARMENTS, NEW ANARKALI NEAR RAFI CENTER, DIGLUS PURA FAISALABAD | ALTAF HUSSAIN | 33100-0945017-1 | MUHAMMAD SAEED AHMAD | 444 | 65 | - | 509 | 444 | 65 | - | 509 |
| 40 | HAMID JAVED ADDRESS: 85 I&T CENTRE SECTOR# G-8/1, NEW UNIQUE ENTERPRISE, ISLAMABAD. | HAMID JAVED | 37405-0682868-1 | RAHIM BUKSH QADRI | 444 | 65 | - | 509 | 444 | 65 | - | 509 |
| 41 | ASGHAR ALI SHEKHU PURA ROAD REHMAN CORPORATION, NEAR STEAM POWER, FAISALABAD | ASGHAR ALI | 33100-4900914-9 | BASHIR AHMAD | 444 | 65 | - | 509 | 444 | 65 | - | 509 |
| 42 | SAJJAD SOHAIL GHOURI ADDRESS: 168-LYRIC, CINEMA SODWAL ROAD, GHOURI STEEL PUNJAB, MULTAN ROAD LAHORE, JAFAN GIR, MARKET LAHORE | SAJJAD SOHAIL GHOURI | 35202-9338868-3 | MUHAMMAD GHORI | 444 | 65 | - | 509 | 444 | 65 | - | 509 |
| 43 | MUHAMMAD IDREES ADDRESS: OPP MCB MAIN BRANCH CIRCULAR ROAD, TYRE CENTRE, FAISALABAD. | MUHAMMAD IDREES | 33100-9019236-5 | ZIA UL HAQ | 444 | 65 | - | 509 | 444 | 65 | - | 509 |
| 44 | MUHAMMAD HUSSAIN ADDRESS: SHOP# 5 FARHAN MANSION NEAR, AL HUSSAIN ELECTRIC, MACHIMIAN MARKET KHARADAR, KARACHI. | MUHAMMAD HUSSAIN | 42301-0760889-5 | MUHAMMAD LATIF | 469 | 40 | - | 509 | 469 | 40 | - | 509 |
| 45 | MOHAMMAD WAQAS CHAUDHRY ADDRESS: OFFICE 21 2ND FLOOR, CHAUDHRY TRADERS, MASHALLAH PLAZA ASGHAR MALL CHOWK, RAWALPINDI. | MOHAMMAD WAQAS CHAUDHRY | 37405-2563233-3 | MOHAMMAD JAHANGIR | 438 | 75 | - | 513 | 438 | 75 | - | 513 |
| 46 | SYED SHAFQAT ALI NAOVI ADDRESS: ZAFRAR SHAHEED ROAD, HOUSE # 302 ASKARI HOUSING COMPLEX, LAHORE. | SYED SHAFQAT ALI NAOVI | 35201-7253217-3 | SYED KAFAYAT ALI NAOVI | 447 | 65 | - | 512 | 447 | 65 | - | 512 |
| 47 | AAMIR MUSTAFA SIDDIQUI ADDRESS: 7 MEEL SATWAN MEEL AAMIR GAS, OPP PSO PETROL PUMP NEAR COLONY, TEXTILE MILLS MULTAN. | AAMIR MUSTAFA SIDDIQUI | 36302-9561629-5 | KHALID MUSTAFA SIDDIQUI | 513 | - | - | 513 | 513 | - | - | 513 |
| 48 | HUMAIR SALEEM SEHGAL ADDRESS: MALK SATTAR CHOWK, SHAHZAIB TRADERS, JHANG ROAD, FAISALABAD | HUMAIR SALEEM SEHGAL | 33100-9406467-1 | CAMAR SALEEM SEHGAL | 513 | - | - | 513 | 513 | - | - | 513 |
| 49 | FARHAN WAHEED IOBAL ADDRESS: SHOP# 11 BUKHNUDDIN FLATS KFC COMMUNICATION, BLOCK 1 F B ARTEA NEAR INP, KARACHI. | FARHAN WAHEED IOBAL | 42201-0469280-3 | WAHEED IOBAL QURESHI | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 50 | SULTAN HAIDER JAVA ADDRESS: SHOP# 2 RAHAT MANZIL TAYYAB JI ROAD, JAVA INSTIT MEMBER TRADERS, SHARAH E LAJWALI PAPER MARKET, KARACHI. | SULTAN HAIDER JAVA | 42301-1171228-3 | ZAHEER HAIDER | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 51 | REHMAN ULLAH KHAN ADDRESS: STREET# 4 PHASE 1, FLAT# C2 GROUND FLOOR, NEAR IGRA UNIVERSITY DEFENCE, CLIFTON KARACHI | REHMAN ULLAH KHAN | 42201-6590661-1 | AMAN ULLAH KHAN | 449 | 65 | - | 514 | 449 | 65 | - | 514 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|-------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 52 | MUHAMMAD SHAFIQ ADDRESS: 24/25 MIAN TRUST, JAPAN BATTERY SERVICE, MARKET GENERAL BUS STAND, FAISALABAD. | MUHAMMAD SHAFIQ | 33100-5987637-7 | HAJI MUHAMMAD NAZIR | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 53 | AMIR ADDRESS:F-314 SITE KARACHI SUNRISE WEAVING NEAR BARRATE HOGSON COMPANY,KARACHI. | AMIR | 42301-6236086-9 | YOUNUS | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 54 | MUHAMMAD KHALID ADDRESS: AL HASHIM ARCADE PLOT# 435, FLAT# 503 5TH FLOOR, ADAM JEE NAGAR BLOCK# 7/8, PECHS KARACHI | MUHAMMAD KHALID | 42201-5672639-7 | ABDUL RAZAQ PASTA | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 55 | MUHAMMAD BADAR UZAMAN ADDRESS: 451 JINNAH COLONY NARRWALA ROAD, SAJEN ALLAH RAKHA AUTOES STORE, NEAR NADIR CINEMA, FAISALABAD | MUHAMMAD BADAR UZAMAN | 33100-0733216-1 | MUHAMMAD YOUNAS | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 56 | GOHAR ALI ADDRESS:OFFICE# AM-36/37 BEACH BLESSING ALZ LOGISTIC CELL CENTRE OPP CHINA TOWN BLOCK# 2,RESTAURANT CLIFTON KARACHI | GOHAR ALI | 16102-2307548-3 | FAZAL HADI | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 57 | MUHAMMAD MUSTAFA ADDRESS: SHOP# 65 AL BURHAN BUILDING, YOURS COMPUTER BLOCK-E NORTH NAZIMABAD, NEAR MOBILINK FRANCHISE KARACHI | MUHAMMAD MUSTAFA | 42101-1807022-5 | MUSTAFA AHMED ALI | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 58 | ABDULLAH HAROON MEMON ADDRESS: MEHRAN EXCELLENCY BATH ISLAND, FLAT# 216 2ND FLOOR, NEAR OLD CLIFTON BRIDGE CLIFTON, KARACHI | ABDULLAH HAROON MEMON | 41204-7989622-3 | MUHAMMAD HAROON | 449 | 65 | - | 514 | 449 | 65 | - | 514 |
| 59 | MUHAMMAD FAROOQ ADDRESS: SHOP # 90A STREET # 35, FAROOQ OLD METAL, MILLAT STREET FAZAL PARK, MISRI, SHAH LAHORE | MUHAMMAD FAROOQ | 35202-2401373-5 | MIRAJ DIN | 449 | 66 | - | 515 | 449 | 66 | - | 515 |
| 60 | SHAIKAT KHAN ADDRESS: 25 SOF SHEKHU PURA, KHAN BROTHERS & CO, ROAD SHAHDARA, LAHORE | SHAIKAT KHAN | 13302-0398861-1 | ABDUL RAHEEM KHAN | 447 | 68 | - | 515 | 447 | 68 | - | 515 |
| 61 | MUHAMMAD NASIR ASHFAQ ADDRESS: ROOM# 309 3RD FLOOR, SIGMA ENTERPRISES, DASHIYAR CHAMBER UNIVERSITY ROAD, BLOCK# 13-C GULSHAN E IQBAL, KARACHI | MUHAMMAD NASIR ASHFAQ | 42101-1570760-1 | MOHAMMAD ASHFAQ | 450 | 66 | - | 516 | 450 | 66 | - | 516 |
| 62 | NAVEED MUHAMMAD SHEIKH ADDRESS: SHOP# 16 JUNAID PLAZA BLOCK 6, SONERI TRADERS, GULSHAN E IQBAL, KARACHI | NAVEED MUHAMMAD SHEIKH | 42201-1472310-5 | MOHAMMAD IQBAL SHEIKH | 449 | 67 | - | 516 | 449 | 67 | - | 516 |
| 63 | SARDAR MUHAMMAD AJMAL ADDRESS: MUHALA SANDA, HOUSE#14, STREET #2, ZAHID STREET, KHUHD NEAR TAKIA, MEHMOOD SHAH, LAHORE. | SARDAR MUHAMMAD AJMAL | 35202-9417499-9 | MUHAMMAD ASHRAF | 475 | 41 | - | 516 | 475 | 41 | - | 516 |
| 64 | MUHAMMAD IMRAN ADDRESS: NEW MULTAN NEAR GHOUSS, HOUSE# 18 STREET-N BLOCK-Z, PURA MULTAN. | MUHAMMAD IMRAN | 36302-7863583-3 | ABDUL WAHEED | 474 | 42 | - | 516 | 474 | 42 | - | 516 |
| 65 | KAMRAN SADDIQUE ADDRESS: 13-B GROUND FLOOR HAFEEZ CENTRE, BLUE BELLS COMMUNICATION, GULBERG 3, LAHORE | KAMRAN SADDIQUE | 35202-8351440-5 | RIASAT HUSSAIN | 476 | 41 | - | 517 | 476 | 41 | - | 517 |
| 66 | RASHEED AHMED AWAN ADDRESS: SUPPLIER, AWAN BUILDERS GENERAL ORDER, 25/16/I DARBAR HAFIZ JAMAL ROAD, UPPER PORTION MULTAN | RASHEED AHMED AWAN | 36302-4104344-5 | HABIB AHMED AWAN | 476 | 42 | - | 518 | 476 | 42 | - | 518 |
| 67 | ABDUL GHANI IMAMDANI ADDRESS: 3RD FLOOR TARU NARU LANE, O-T -8/41-42 SABOONI MANSION, MITHADAR, KARACHI | ABDUL GHANI IMAMDANI | 42301-1271638-3 | AHMED ISMAEEL MAMDANI | 454 | 65 | - | 519 | 454 | 65 | - | 519 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008


NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

 Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|------------------|-------------------------|--|----------------|--------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | |
| 68 | MUHAMMAD MUBEEN ADDRESS: 1004 FIRST FLOOR, MUBEEB GROCKERY, NATIONAL BARA MARKET SHAHALAM, MARKET LAHORE | MUHAMMAD MUBEEN | 35202-2630194-1 | KARAM BUKSH | 454 | 66 | - | 520 | 66 | 520 |
| 69 | MALIK ZAHEER YOUNAS ADDRESS: MOHALLAH QASIM ABAD, HOUSE# L 177 STREET# 13, RAWALPINDI. | MALIK ZAHEER YOUNAS | 37405-0509158-5 | MALIK MUHAMMAD YOUNAS | 454 | 66 | - | 520 | 66 | 520 |
| 70 | MALIK MOHAMMAD EJAZ ADDRESS: MODEL COLONY, HOUSE# D-20 STREET# 26, NEAR LEE BROST, KARACHI | MALIK MOHAMMAD EJAZ | 42501-3170965-9 | MALIK RAISHAM KHAN | 454 | 66 | - | 520 | 66 | 520 |
| 71 | AFTAB AHMED ADDRESS: MARIA LUXURY APARTMENT SECTOR, FLAT# A-357 BLOCK 1, 14/B NORTH KARACHI, OPP KARACHI BROST KARACHI | AFTAB AHMED | 42101-79832043-5 | MOHAMMAD YASEEN KHAN | 454 | 66 | - | 520 | 66 | 520 |
| 72 | MOHAMMAD SHAMIM ADDRESS: MARRIOT ROAD DENSO HALL, NASEEM BROTHERS, QUETTA WALA BUILDING MR 129, MEDICINE MARKET KARACHI | MOHAMMAD SHAMIM | 42101-3147374-1 | MOHAMMAD YOUSUF | 454 | 66 | - | 520 | 66 | 520 |
| 73 | MUNIR AHMED KHAN ADDRESS: OFFICE# 55/62 2ND FLOOR, FUTURE VISION, ZEEESHAN PLAZA BANK ROAD, SADDAR RAWALPINDI | MUNIR AHMED KHAN | 37405-0375008-5 | MAROOOF KHAN | 454 | 66 | - | 520 | 66 | 520 |
| 74 | NOOR AHMED TAHIR BHATTI ADDRESS: OFFICE# 6 SHALIMAR HEIGHTS, DIVINE LIGHT AVIATION TRAVELS, MAZNIINE FLOOR MAIN UNIVERSITY ROAD, NEAR NED UNIVERSITY, KARACHI | NOOR AHMED TAHIR BHATTI | 42501-7283766-9 | MUHAMMAD DIN | 454 | 66 | - | 520 | 66 | 520 |
| 75 | SHEIKH NADEEM AKHTAR ADDRESS: 145 SUPER MARKET, SHAHZADA OPTICO, SHAHALAM GATE, LAHORE | SHEIKH NADEEM AKHTAR | 35202-2974145-5 | MUNAWAR HUSSAIN | 454 | 66 | - | 520 | 66 | 520 |
| 76 | MOHAMMAD IRFAN PARKAR ADDRESS: KOKAN SOCIETY, HOUSE# 121, ALAMGIR ROAD, KARACHI | MOHAMMAD IRFAN PARKAR | 42000-0509176-5 | ABDUR REHMAN | 454 | 66 | - | 520 | 66 | 520 |
| 77 | NAZIM ALI ADDRESS: CB-4 GROUND FLOOR BLOCK #1, P/5 KASHI TRINETERS, AL KARAMI SQUARE FC AREA, KARACHI | NAZIM ALI | 42201-7857254-5 | HAIDER ALI | 454 | 66 | - | 520 | 66 | 520 |
| 78 | MOHAMMAD SALEEM KHANI ADDRESS: COMMERCIAL AREA SAEEEDABAD, HOUSE# 78 SEC TOR# A-3, BALDIA TOWN NEAR AKRAMI FURNITURE, KARACH | MOHAMMAD SALEEM KHAN | 42401-837968-9 | MOHAMMAD HAROON KHAN | 454 | 66 | - | 520 | 66 | 520 |
| 79 | MUHAMMAD SHABIR SHEHZAD ADDRESS: P-20 X-BLOCK SAIFULLAH SHAHEED, ZEEESHAN PHOTOS & PHOTO STATE, ROAD MADINA TOWN NEAR, BISMILLAH CHOWK FAISALABAD | MUHAMMAD SHABIR SHEHZAD | 33100-7007689-1 | MUHAMMAD SHARIF | 454 | 66 | - | 520 | 66 | 520 |
| 80 | IMRAN ADDRESS: SHOP# G-166 RAINBOW CENTRE, HAJRA GARMENTS & HOSEYRY NEAR IMPRESS MARKET SADDAR, KARACHI | IMRAN | 42201-0639197-1 | ABA ALI | 454 | 68 | - | 522 | 68 | 522 |
| 81 | SULTAN AHMED ADDRESS: GULSHAN HOUSE LABOUR, HOUSE# M-229 NEW, SQUARE SITE BLOCK-M, KARACHI | SULTAN AHMED | 42401-3407201-1 | SIRAJ MUHAMMAD | 481 | 41 | - | 522 | 41 | 522 |
| 82 | NASIR MEHMOOD ADDRESS: GUNJ MUGHAL PURA, HOUSE# 39 STREET# 26, NEAR CORPORATION DISPANCARY, LAHORE CANIT | NASIR MEHMOOD | 35201-1882048-1 | GHULAM RASOOL | 481 | 42 | - | 523 | 42 | 523 |
| 83 | ZULFIQAR ALI BHATTI ADDRESS: 30/281 MALIR MANDIR, HASNAIN TRADERS, BUS STOP MAIN NATIONAL HIGHWAY ROAD, KARACHI | ZULFIQAR ALI BHATTI | 351003-0185355-7 | HAKIM ALI BHATTI | 457 | 67 | - | 524 | 67 | 524 |
| 84 | MUHAMMAD ARSHAD ABBASI ADDRESS: OFFICE# 3 ALI MARKET NEAR, NOOR GENERAL ORDER SUPPLIER, OPPOSITE ABBASI CNG CRICKET STADIUM, DOUBLE ROAD RAWALPINDI | MUHAMMAD ARSHAD ABBASI | 37405-2984736-7 | MUHAMMAD SAKHI ABBASI | 483 | 41 | - | 524 | 41 | 524 |

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|-----------------|-----------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | |
| 85 | DILIP KUMAR ADDRESS: OFFICER# 3 10TH FLOOR SHARJAH, ANAND TRADERS, TRADE CENTRE ALTAZ HUSSAIN ROAD, NEAR NEW CHALLI KARACHI | DILIP KUMAR | 42301-1197903-1 | MANGO MAL | 483 | 41 | 483 | 41 | - | 524 | |
| 86 | NAEEM AKRAM ADDRESS: HABIB COLONY OPP SHAISTA, IQRA ELECTRONICS, CLINIC SHER SHAH ROAD, MULTAN | NAEEM AKRAM | 36104-0414704-5 | MUHAMMAD AKRAM | 455 | 69 | 455 | 69 | - | 524 | |
| 87 | RASHID MEHMOOD ADDRESS: SHOP# 18 SECTOR 9-C BALDIA TOWN, MINHAS VETINARY, NEAR QAZI HOSPITAL & AL-MUSTAFA, WELFER HOSPITAL KARACHI | RASHID MEHMOOD | 37101-6711123-1 | HAQ NAWAZ | 455 | 69 | 455 | 69 | - | 524 | |
| 88 | RAFIQ UR REHMAN ADDRESS: GULSHAN E IQBAL, NEAR RABIA, HOUSE# A-37 BLOCK 13/D-3, LAVIN KARACHI. | RAFIQ UR REHMAN | 42000-6669937-9 | RAHIM BAKSH | 455 | 69 | 455 | 69 | - | 524 | |
| 89 | SARDAR GHUJALM FAREED TAGAR ADDRESS: SHOP# 9 PLOT# 1 COMMERCIAL MARKET 3, RAZIK RAHIM ENTERPRISES, PHASE 2 NEAR MASJID SAHIB E ASAR, GULSHAN E HADEED KARACHI | SARDAR GHUJALM FAREED TAGAR | 42501-5496974-7 | SARDAR BUX | 455 | 69 | 455 | 69 | - | 524 | |
| 90 | MUHAMMAD UMAR ADDRESS: G-145 RAINBOW CENTRE, DELTA VIDEO, SADDAR, KARACHI | MUHAMMAD UMAR | 42301-8471913-5 | MUHAMMAD TAYYAB | 459 | 67 | 459 | 67 | - | 526 | |
| 91 | YASIR EHSAN KHAN ADDRESS: GULSHAN E AJA, STREET # 21, FLAT# B-1, 1ST FLOOR, ROSE, SECTOR # 11-B NORTH KARACHI, KARACHI | YASIR EHSAN KHAN | 42101-4433940-3 | MUHAMMAD EHSAN KHAN | 459 | 67 | 459 | 67 | - | 526 | |
| 92 | SHAHID KHAN ADDRESS: S-SHANDAR AUTO MARKET, SHAHID KHAN AUTO, BADAMI BAGH, LAHORE | SHAHID KHAN | 35202-5636985-7 | GULL GHANI | 459 | 67 | 459 | 67 | - | 526 | |
| 93 | MUHAMMAD ISHAQ ADDRESS: SHOP# D-1 AL ASIF SQUARE, KHURRAM TRADERS, SCHEME 33 NEAR SUPER HIGHWAY, KARACHI | MUHAMMAD ISHAQ | 42501-1455010-7 | GHULAM DASTAGIR | 459 | 67 | 459 | 67 | - | 526 | |
| 94 | SYED SHAHID HUSAIN KAZMI ADDRESS: NEW SAEEDABAD BALDIA, HOUSE# 438 SECTOR# 4-F, TOWN NEAR TOTAL PUMP, KARACHI | SYED SHAHID HUSAIN KAZMI | 42401-3702762-5 | ANWER SHAH | 459 | 67 | 459 | 67 | - | 526 | |
| 95 | MUHAMMAD SAJJAD ADDRESS: COLONY# 1 JARANWALA ROAD, HOUSE# 23-A KHAKASHAN, NEAR LAST STOP, FAISALABAD | MUHAMMAD SAJJAD | 33100-0412075-1 | MUHAMMAD HASSAN | 459 | 67 | 459 | 67 | - | 526 | |
| 96 | SYED MEHBOOB UDDIN HUSSAIN QADRI ADDRESS: PLOT# 104 CP BEHAR HOUSING SOCIETY, SADAT ASSOCIATES, STREET # 9 BLOCK 3 BAHARABAD, KARACHI | SYED MEHBOOB UDDIN HUSSAIN QADRI | 42101-6418637-1 | SYED QADRI HUSSAIN QADRI | 459 | 67 | 459 | 67 | - | 526 | |
| 97 | BILAL YOUSAF ADDRESS: SECTOR W-1 B-34, GULSHAN E MAYMAR, KARACHI | BILAL YOUSAF | 42101-1806675-5 | MUHAMMAD YOUSAF KHAN | 459 | 67 | 459 | 67 | - | 526 | |
| 98 | MALIK MUHAMMAD JAMIL ADDRESS: OFFICER# 13 SKYRWAR PLAZA OPPOSITE J.S. TRADERS, JEWELRY MARKET SADQABAD, RAWALPINDI | MALIK MUHAMMAD JAMIL | 37405-0657269-1 | MALIK MUNIF KHAN | 459 | 67 | 459 | 67 | - | 526 | |
| 99 | ARSHAD HANIF ADDRESS: GULSHAN E AINIA, STREET DEPUTY SHAHID HANIF MEMORIAL MEDICAL CNTR, YACOUB COLONY BAGH BAN PURA, LAHORE | ARSHAD HANIF | 35200-1480246-3 | MOHAMMAD HANIF | 459 | 67 | 459 | 67 | - | 526 | |
| 100 | MUHAMMAD IRFAN SOHAIL RAZA ADDRESS: CHINOTI BAZAR NEAR, BISMILLAH BAGGING STORE, JAHANGIR MURAG PULAO, FAISALABAD | MUHAMMAD IRFAN SOHAIL RAZA | 33100-1012959-9 | MUHAMMAD RAMZAN | 459 | 67 | 459 | 67 | - | 526 | |
| 101 | MUHAMMAD AKHTAR ADDRESS: F. BAREA NEAR, HOUSE # R-821 1ST FLOOR BLOCK 19, AL NOOR HOSPITAL, KARACHI | MUHAMMAD AKHTAR | 42101-3706523-9 | ACHCHAN MIAN | 505 | 23 | 505 | 23 | - | 528 | |

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NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

 Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|-----------------|----------------------------------|--|----------------|--------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | |
| 102 | MUHAMMAD PERVAIZ AKHTAR ADDRESS: 1ST FLOOR MARRHABA TOWER, AL FURQAN ENTREPRISES, COMMERCIAL ZONE, KARIM BLOCK, ALLAMA IQBAL TOWN LAHORE. | MUHAMMAD PERVAIZ AKHTAR | 35101-3513634-7 | MUHAMMAD SHARIF | 486 | 42 | - | 486 | 42 | 528 |
| 103 | SALMAN UMER QURESHI ADDRESS: ALLAMA IQBAL TOWN, HOUSE# 246-G PAK BLOCK, STANDARD CHARTERED BANK, LAHORE | SALMAN UMER QURESHI | 35202-8748936-9 | MUHAMMAD UMER QURESHI | 528 | - | - | 528 | - | 528 |
| 104 | ATIF IFTIKHAR ADDRESS: ROAD LAHORE, HOUSE #2 GULFISHAN COLONY MULTAN. | ATIF IFTIKHAR | 35202-6639179-5 | IFTIKHAR SAEED LIAM | 483 | 47 | - | 483 | 47 | 530 |
| 105 | SYED ATIA UR REHMAN ADDRESS: SHOP# 02 BUTT PLAZA CHOWK MATTI, REHMAN MEDA HOUSE, NEW BAZAR LOHARI, LAHORE | SYED ATIA UR REHMAN | 35202-8221341-1 | SYED SHAFIQUE UR REHMAN SABIR | 485 | 44 | - | 485 | 44 | 529 |
| 106 | MUHAMMAD REHMAN ADDRESS: HAMEED CENTRE YARN MARKET, OFF # 5 GROUND FLOOR, MONTGOMERY BAZAR, FAISALABAD | MUHAMMAD REHMAN | 33100-6976361-3 | HAJI SHAMAS UDDIN | 462 | 68 | - | 462 | 68 | 530 |
| 107 | RAHEEL BUTT ADDRESS: SERVICE, MODERN MEDICINE CO., SHOP# 2674 SADDAR CHOTA BAZAR NEAR, HATHI CHOWK RAWALPINDI | RAHEEL BUTT | 37405-9069329-5 | TARIQ BUTT | 460 | 70 | - | 460 | 70 | 530 |
| 108 | MUHAMMAD NASEER KHAN ADDRESS: 76 KOT LAKHPAT, M NASEER DYEING INDUSTRIAL ESTATE, LAHORE | MUHAMMAD NASEER KHAN | 35202-2791709-5 | KHANI MUHAMMAD KHAN | 460 | 70 | - | 460 | 70 | 530 |
| 109 | MUHAMMAD KAMAL KHAN ADDRESS: SUPER STAR ADVERTISING BLOCK#2 AL KARAM SQUARE, KARACHI | MUHAMMAD KAMAL KHAN | 42201-1299227-9 | MUHAMMAD AFSAR KHAN | 460 | 70 | - | 460 | 70 | 530 |
| 110 | MUHAMMAD YOUSUF ADDRESS: SHOP# 16 NADIA SQUARE, MUSLIM BROTHERHOODS, NEAR DISCO BAKERY GULSHAN, E IQBAL, KARACHI | MUHAMMAD YOUSUF | 45402-9142096-1 | MUHAMMAD SULEMAN | 460 | 70 | - | 460 | 70 | 530 |
| 111 | RAIS GHULAM MUSTAFA ADDRESS: FLAT# 71-G BLOCK N, J.R TRADER, MODEL TOWN EXT. LAHORE | RAIS GHULAM MUSTAFA | 31301-1483036-3 | RAIS MEERAN | 464 | 68 | - | 464 | 68 | 532 |
| 112 | WAQAR WAHEED KHAN ADDRESS: AL GAMER CENTRE SHOP# 1, AL RAHEEM GARMENTS, BACK SIDE RIAZ BUILDING RANG MAHAL, KHAN LAHORE | WAQAR WAHEED KHAN | 35202-1336666-5 | MUHAMMAD WAHEED AHMAD KHAN | 464 | 68 | - | 464 | 68 | 532 |
| 113 | HUMA NADEEM ADDRESS: KORANGH# 5-1/2, HOUSE# C-382, NEAR MODEL CITY PARK, KARACHI | HUMA NADEEM | 42201-0923629-6 | MOHAMMAD NADEEM | 464 | 68 | - | 464 | 68 | 532 |
| 114 | NISSAR AHMAD ADDRESS: MUHAMMAD ABAD SATYANA ROAD, HOUSE# 942 GALLI# 12, FAISALABAD. | NISSAR AHMAD | 33100-0809598-9 | SHAIKH JAWAL DIN | 464 | 68 | - | 464 | 68 | 532 |
| 115 | MUHAMMAD BILAL ADDRESS: SAIF ULLAH SHAHEED ROAD, HOUSE # 4 BLOCK # X, MADINA TOWN, FAISALABAD | MUHAMMAD BILAL | 33100-6769832-7 | SHEIKH AMEER UDDIN | 464 | 68 | - | 464 | 68 | 532 |
| 116 | SAJAN ADDRESS: 207-R GULI, HOUSES BLOCK 7, UNITED TRADERS, NEAR SAFORA CHOWK GULISTAN E JOHAR, UNIVERSITY ROAD KARACHI | SAJAN | 42201-9417824-1 | RANOMAL | 464 | 68 | - | 464 | 68 | 532 |
| 117 | SHAKEEL AHMED ADDRESS: OFFICE# F-11 2ND FLOOR MOIN STEEL SUITWAY MPX MARKET BABA F URDU ROAD NEAR, NIB BANK KARACHI | SHAKEEL AHMED | 42401-2552778-1 | ABDUL AZIZ | 465 | 68 | - | 465 | 68 | 533 |
| 118 | MUHAMMAD HAFEEZ ADDRESS: HAFSA PARK PAKI THATHI, HOUSE# 42 SEVEN STREET, SAMANABAD NEAR HUMZA FOUNDATION, LAHORE | MUHAMMAD HAFEEZ | 35202-2894293-9 | MUHAMMAD SADIQ | 486 | 47 | - | 486 | 47 | 533 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008


NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|-----------------|----------------------------|--|-------------------|--------|------------------------------------|------------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | |
| 119 | SHAHID SARWAR ADDRESS: MOHALA ISLAMABAD SINGPURA, HOUSE 114 STREET 3, NEAR DOCT ASHIQ CLINIC, BAGHBIAN PURA LAHORE | SHAHID SARWAR | 35201-4222067-3 | GHULAM SARWER | 465 | 71 | - | 465 | 71 | 536 |
| 120 | AMJAD HUSSAIN ADDRESS: HOUSE# 73 2ND FLOOR COMMITTEE, ANS INTERNATIONAL PVT LTD, CHOWK MURREE ROAD, RAWALPINDI | AMJAD HUSSAIN | 37405-0254202-7 | CHOUDHRY AKBAR HUSSAIN | 465 | 71 | - | 465 | 71 | 536 |
| 121 | KARAM DIN BHATTI ADDRESS: BHITTAI COLONY CROSSING, HOUSE# 770 BLOCK-D, NEAR FATIMA JINNAH DENTAL, COLLEGE KARACHI | KARAM DIN BHATTI | 42000-0569767-3 | NIZAM UDDIN | 468 | 69 | - | 468 | 69 | 537 |
| 122 | MUHAMMAD UBAID ADDRESS: SHOP# 6 PLOT# 3/32 5/A, ANIS CLOTH HOUSE, TAHIR CENTER PAPOSH NAGAR, NAZIMABAD# 5 KARACHI | MUHAMMAD UBAID | 42101-8636823-9 | MUHAMMAD ANEES | 467 | 70 | - | 467 | 70 | 537 |
| 123 | MUHAMMAD AFZAL ADDRESS: CHOWK # 249 JB BORE WALA, HAJI RAMZAN & COMPANY, MONDA PIND, FAISALABAD | MUHAMMAD AFZAL | 33100-8222046-1 | MUHAMMAD RAMZAN | 469 | 69 | - | 469 | 69 | 538 |
| 124 | SHEHNAZ ADDRESS: USMANIA COLONY, HOUSE# 69, LAHORE | SHEHNAZ | 35202-6596599-8 | ABDUL WAHEED | 494 | 43 | - | 494 | 43 | 537 |
| 125 | SARDAR BASHARAT ULLAH KHAN ADDRESS: JHOHAR TOWN, 315-J-I, LAHORE. | SARDAR BASHARAT ULLAH KHAN | 35202-9744947-3 | SARDAR AMEEN ULLAH KHAN | 492 | 45 | - | 492 | 45 | 537 |
| 126 | MUHAMMAD YASEEN ADDRESS: SHOP 45 FIRST FLOOR, HONG KONG MOBILE, SINGA PUR PLAZA NEAR KFC BANK ROAD, SADAR RAWALPINDI | MUHAMMAD YASEEN | 37405-5966451-5 | MUHAMMAD YOUSAF | 469 | 69 | - | 469 | 69 | 538 |
| 127 | ATHAR ALI ADDRESS: SHOP# 86 AL RAHIM SHOPPING CENTRE, BURRAQUEE PROVISION & GENERAL STORE, PHASE-II NEAR TOTAL PETROL PUMP, HYDERABAD | ATHAR ALI | 41303-6195119-3 | ASGHAR ALI | 469 | 69 | - | 469 | 69 | 538 |
| 128 | ATIF ALI ADDRESS: PLOT # 71 BLOCK # 8 NEAR GHANI, A A BROTHERS, PCO & 420 HOTEL LIAQUATABAD, KARACHI | ATIF ALI | 42101-7332634-5 | AZHAR ALI | 469 | 69 | - | 469 | 69 | 538 |
| 129 | MAJID ALI ADDRESS: PESHAWAR ROAD NEAR SHAH, HOUSE# 342-E-1 LANE# 4, NAWAZ MOTORS/ CHAIRING CROSS, RAWALPINDI | MAJID ALI | 37405-9720676-3 | MUHAMMAD KHALID KHAN | 469 | 69 | - | 469 | 69 | 538 |
| 130 | AFZAL MASIH ADDRESS: SENT PITER CHERCH KOT, PORANI ABADI MOHALLAH, LAKHPAT, LAHORE | AFZAL MASIH | 35202-0846370-3 | AMANAT MASIH | 538 | - | - | 538 | - | 538 |
| 131 | MUHAMMAD ASLAM ADDRESS: 34 F, 1ST FLOOR, R B TRADERS, SHAMA PLAZA SHAMA STOP# 72, FEEROZPUR ROAD LAHORE | MUHAMMAD ASLAM | 37201-2990679-1 | M ZAMAN | 460 | 79 | - | 460 | 79 | 539 |
| 132 | MUHAMMAD HASHIM ADDRESS: POKHAR PAPER MART, SHAHRAHE-MILLAT GUNPAT ROAD, LAHORE | MUHAMMAD HASHIM | 35202-5378703-5 | SHEKH BASHIR AHMAD | 486 | 43 | - | 486 | 43 | 539 |
| 133 | ASGHAR ALI SHAH ADDRESS: 32-KM SHEIKHUPURA ROAD, BISMILLES TEA LOTS MILLS, LEAD OFFICE BALZAR NEAR, BANK AL FALAH FAISALABAD | ASGHAR ALI SHAH | 35403-7824813-9 | SYED YAQOOB ALI SHAH | 493 | 46 | - | 493 | 46 | 539 |
| 134 | RIZWAN BABAR ADDRESS: SHOP # 1 RABI CENTRE, RAFAY BHATTI MULTI MART, REHMANABAD MURREE ROAD, RAWALPINDI | RIZWAN BABAR | 37405-6540159-3 | MUHAMMAD RAMZAN | 450 | 90 | - | 450 | 90 | 540 |
| 135 | LIAQAT ALI ATIF ADDRESS: HOUSE# 4A STREET# 7, QASWA SOFT, F-8/3, ISLAMABAD | LIAQAT ALI ATIF | 61101-7015854-5 | MUHAMMAD SARWAR | 471 | 69 | - | 471 | 69 | 540 |
| 136 | MUHAMMAD WAQAS ADDRESS: SHOP# 40 MAIN BAZAR QAINCHI, SHAIKH BROTHERS BISCUIT HOUSE, AMAR SEDHOU, LAHORE | MUHAMMAD WAQAS | 35202-7934285-3 | BASHIR AHMED | 540 | - | - | 540 | - | 540 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Interest/ Markup written off | Other Financial Relief | Total | | |
|-------|--|---|-----------------|------------------------------|--|-------------------|--------|------------------------------------|------------------------------|-------|-------|-----|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | Total | |
| 137 | GHULAM GHOUS ADDRESS: INTERNATIONAL MARKET EX GAMESH, SHOP NO. 022, 023 AL MADINA CITY, MILK FACTORY AREA, FAISALABAD | GHULAM GHOUS | 42301-2683408-3 | M HUSSAIN | 472 | 69 | - | 541 | 472 | 69 | - | 541 |
| 138 | MUHAMMAD ARIF ADDRESS: SHAH FASAL COLONY, FAUZIL MUGDIZ GATED NEAR SHATZAD MEDICAL STORE, KARACHI | MUHAMMAD ARIF | 42201-3248486-5 | WAHEED UDDIN | 470 | 71 | - | 541 | 470 | 71 | - | 541 |
| 139 | MUNAWAR HUSSAIN ADDRESS: MOHALLA DEFENCE, HOUSE# 71, FORT HOUSING SOCIETY, LAHORE | MUNAWAR HUSSAIN | 35201-9270612-3 | KHADAMI HUSAIN | 470 | 71 | - | 541 | 470 | 71 | - | 541 |
| 140 | SHAHID AAMIR ADDRESS: SHOP# F8 K AREA, AL SHERAZ TRADERS, K MARKET DOUBLE STORY, KORANGI# 5 KARACHI | SHAHID AAMIR | 42000-0445085-1 | ZAFAR IQBAL | 470 | 71 | - | 541 | 470 | 71 | - | 541 |
| 141 | IFTKHAR HUSSAIN ADDRESS: 9-A AKBAR BLOCK AZAM CLOTH, ASGHARI SHAWL, MARKET NEAR SONHRI MASJID, LAHORE | IFTKHAR HUSSAIN | 35202-3029219-1 | MOHAMMAD SHAREEF RANDHAWA | 473 | 69 | - | 542 | 473 | 69 | - | 542 |
| 142 | MUHAMMAD RIZWAN ADDRESS: STREET# 5, P-503 MOHALLAH PERTAB NAGAR, REHMANIA ROAD, FAISALABAD | MUHAMMAD RIZWAN | 33100-0996880-3 | KHAWAJA MUHAMMAD SULEMAN | 474 | 69 | - | 543 | 474 | 69 | - | 543 |
| 143 | FAYYAZ AHMED ADDRESS: NEAR OLD NAVY GATE, HOUSE# 6, STREET # 4, GIZRI KATRACHI | FAYYAZ AHMED | 42301-5477192-7 | MUHAMMAD MASKEEN | 474 | 69 | - | 543 | 474 | 69 | - | 543 |
| 144 | ZULFIQAR ALI MINHAS ADDRESS: 155, ALUMAGR MARKET, ZULFIQAR PARUS HOUSE, SHAH ALAM GATE, LAHORE | ZULFIQAR ALI MINHAS | 35202-2469881-5 | ALI MUHAMMAD | 474 | 69 | - | 543 | 474 | 69 | - | 543 |
| 145 | RIZWAN MUKHTAR ADDRESS: NEAR ROAD ISLAM PUJA, NAVJUS, DISTRIBUTORS NESTLE, NEAR ALLAH HO GOAL CHAKAR, LAHORE | RIZWAN MUKHTAR | 35202-9354061-5 | MUKHTAR AHMAD | 474 | 69 | - | 543 | 474 | 69 | - | 543 |
| 146 | ZAHID ADDRESS: HUSANABAD COLONY NORTH, FLAT# 511 BLOCK#E, INZIMABAD NEAR NASA DIGITAL, COLOUR LAB KARACHI | ZAHID | 42101-1732287-7 | BASHEER AHMED | 500 | 44 | - | 544 | 500 | 44 | - | 544 |
| 147 | ADEEL AHMED ADDRESS: OFFICE# 417 4TH FLOOR, A.S.COMPUTER, REGAL TRADE SQUARE SADDAR, KARACHI | ADEEL AHMED | 42201-0757502-1 | NAZEER AHMED | 471 | 75 | - | 546 | 471 | 75 | - | 546 |
| 148 | ZAIN UL ABIDIN ADDRESS: NEAR ZAIDI KARYANA STORE, ALI RAZZA ABAD NANWAB SAHIB RAIWIND, LAHORE | ZAIN UL ABIDIN | 35202-2940057-9 | ARIF HASSAN | 502 | 44 | - | 546 | 502 | 44 | - | 546 |
| 149 | SHAHID ALI ADDRESS: SHOP# B-13 FL-2-3-4 BLOCK B, SAMEEL COMMUNICATION, KDA COMMERCIAL CENTRE GULSHAN E, IQBAL, KARACHI | SHAHID ALI | 42101-1766049-7 | AYYUB ALI | 474 | 72 | - | 546 | 474 | 72 | - | 546 |
| 150 | ABRAR HUSSAIN ADDRESS: OFFICE# 1 SHARJAH CENTRE OPP. FAIZAN COMMUNICATION, LASANIA RESTAURANT 5TH ROAD, REHMAN ABAD RAWALPINDI | ABRAR HUSSAIN | 37405-2304316-1 | LAL HUSSAIN | 474 | 72 | - | 546 | 474 | 72 | - | 546 |
| 151 | MUHAMMAD ANWAR ADDRESS: BABE IQBAL MAHLA ANARKALI, APARTMENT# A4/136, COMPLEX PHASE 3 SECTOR 15/B, NORTH KARACHI KARACHI | MUHAMMAD ANWAR | 42101-3994754-3 | NAABI AHMED | 478 | 70 | - | 548 | 478 | 70 | - | 548 |
| 152 | MUHAMMAD TARIQ MEHMOOD ADDRESS: GULBERG III, HOUSE# 62-A2, LAHORE | MUHAMMAD TARIQ MEHMOOD | 35200-1489566-1 | MUHAMMAD SIDDIQUE | 478 | 70 | - | 548 | 478 | 70 | - | 548 |
| 153 | KHURRAM MUMTAZ ADDRESS: SHOP #17 ROYAL CENTER GROUND, TREND MICRO TECHNOLOGIES, FLOOR 6TH ROAD RAWALPINDI, | KHURRAM MUMTAZ | 37401-4066467-7 | MUMTAZ NADEEM | 478 | 70 | - | 548 | 478 | 70 | - | 548 |

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|--------------------------|--|-----------|----------------|-----------------------|------------------------------|------------------------|-------|--------|
| | | Name | NIC No. | | Father's / Husband Name | Principal | Accrued Markup | | | | | Others |
| 154 | SANA ULLAH ADDRESS: MAIN RASHID MINHAS ROAD, FLAT# A-20 4TH FLOOR OSABD HIGHT, GULSHAN BLOCK-11, KARACHI. | SANA ULLAH | 42201-2423236-9 | MUSHTAQ ULLAH | 478 | 70 | - | 548 | 478 | 70 | - | 548 |
| 155 | MAQBOOL ALI ADDRESS: SHOP# 1 KOTWALI CHOWK, MAQBOOL ALI TRADJI FEROSH, NEAR MASJID GULZAR MADINA, FAISALABAD | MAQBOOL ALI | 33100-5845495-5 | ABDUL GHANI | 478 | 70 | - | 548 | 478 | 70 | - | 548 |
| 156 | MUHAMMAD SARFRAZ ADDRESS: FACTORY# 137 SHAH JAMAL, STYLISH POSSES HOUSE, ABADI NEW ANWAR E MADINA MASJID, KARACHI | MUHAMMAD SARFRAZ | 35202-1985860-3 | PHOOL MUHAMMAD | 478 | 70 | - | 548 | 478 | 70 | - | 548 |
| 157 | NAVEED AHMAD ADDRESS: SHOP# 2-3 STREET# 7-8, NAVEED FABRICS, MAIN BAZAR MANSOORABAD NEAR, REHMANI SWEETS FAISALABAD | NAVEED AHMAD | 33100-0658489-3 | GHULAM MUHAMMAD | 477 | 72 | - | 549 | 477 | 72 | - | 549 |
| 158 | MUHAMMAD AMIN ADDRESS: KASHMIR ROAD GHULAM MUHAMMADABAD, P-III A BLOCK, NEAR JAMIA GULZARIA MADINA MASJID, FAISALABAD | MUHAMMAD AMIN | 33100-0922630-7 | M RAMZAN | 505 | 44 | - | 549 | 505 | 44 | - | 549 |
| 159 | MUHAMMAD AWAIS ADDRESS: SHAH FAISAL COLONY# 2, HOUSE# 297, 7A COMMERCIAL AREA, NEAR AL MANSOOR CLINIC, KARACHI | MUHAMMAD AWAIS | 42000-0572862-9 | FALAH UDDIN | 502 | 47 | - | 549 | 502 | 47 | - | 549 |
| 160 | MOHAMMAD FAHEEM ADDRESS: STREET# 10, HOUSE# 22, RAMNAGAR CHOUBURGI, LAHORE | MOHAMMAD FAHEEM | 35202-3048497-7 | RIAZ AHMAD | 480 | 70 | - | 550 | 480 | 70 | - | 550 |
| 161 | SYED IMRAN ALI ADDRESS: NAZIMABAD, HOUSE # W-A/219 RIZVIA SOCIETY, NEAR RIZVIA THANA ROAD, KARACHI | SYED IMRAN ALI | 42101-7800582-5 | SYED GHAFAR ALI | 506 | 45 | - | 551 | 506 | 45 | - | 551 |
| 162 | ZAIN UL ABDIN ADDRESS: NEAR ZAIDI KARYAMA STORE, ALI RAZA ABAD NAWAB SAHIB RAWIND, LAHORE | ZAIN UL ABDIN | 35202-2940057-9 | ARIF HASSAN | 506 | 45 | - | 551 | 506 | 45 | - | 551 |
| 163 | FAREED AHMED KORAI ADDRESS: SHAH FAISAL TOWN, HOUSE C 40, MALIR, KARACHI | FAREED AHMED KORAI | 42501-9817811-3 | ABDUL HAQ KORAI | 475 | 76 | - | 551 | 475 | 76 | - | 551 |
| 164 | ILYAS GILL ADDRESS: PLOT# 7/5/5 D/16 MAZZANINE FLOOR, ILYAS TRADERS, AL MADINA PRIDE NEW/IA JINNAH ROAD, ISLAMIA COLLEGE ROAD, KARACHI | ILYAS GILL | 42401-2460126-1 | BASHEER GILL | 483 | 71 | - | 554 | 483 | 71 | - | 554 |
| 165 | TAUQEER AHMED ADDRESS: FLAT# 4-B 3RD FLOOR UNITED CENTRE, HFB POULTRY BREEDING COMPANY, SHAMSABAD MURREE ROAD, RAWALPINDI | TAUQEER AHMED | 37405-5046862-1 | ABDUL RASHEED | 483 | 71 | - | 554 | 483 | 71 | - | 554 |
| 166 | SHABNAM IRFAN ADDRESS: PLOT# 105 SADDIQUE TRADE CENTRE, RAMIS ENTERPRISES, MAIN BOULEVARD GULBERG, LAHORE | SHABNAM IRFAN | 35202-1718442-6 | IRFAN AHMED MALIK | 483 | 71 | - | 554 | 483 | 71 | - | 554 |
| 167 | SHAUKAT ALI ADDRESS: PLOT# ZC-5 BLOCK# 6, FLAT# A-19 BARI CXENTER, GULSHAN E IOBAL, KARACHI | SHAUKAT ALI | 42101-5939151-1 | CHOUHARY SHAMS UD DIN | 483 | 71 | - | 554 | 483 | 71 | - | 554 |
| 168 | MOHAMMAD YOUNUS ADDRESS: SHOE MARKET BADSHAHI ROAD, AZEEM PLAZA BLOCK# G/10, KARACHI. | MOHAMMAD YOUNUS | 42301-1073207-3 | ABDUL SATTAR | 483 | 71 | - | 554 | 483 | 71 | - | 554 |
| 169 | RASHID ALI KHAN ADDRESS: SHOPPING CENTER RACHNA TOWN, FLAT# 5B 2ND FLOOR RACHNA, MAIN G. T ROAD SHAH-DRA, LAHORE | RASHID ALI KHAN | 33101-4829531-3 | MUHAMMAD YAQOOB KHAN | 505 | 49 | - | 554 | 505 | 49 | - | 554 |
| 170 | CHAUDHARY TASNEM RASHID ADDRESS: T.B HOSPITAL ROAD, INFRA MOBILE & COMPUTER, MULTAN | CHAUDHARY TASNEM RASHID | 36302-9718966-9 | CHAUDHARY BARKAT ALI | 482 | 74 | - | 556 | 482 | 74 | - | 556 |

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interests/ Markup written off | Other Financial Relief | Total | |
|-------|---|---|-----------------|--------------------------------|--|----------------|--------|-----------------------|-------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 171 | ABDUL RASHEED ADDRESS: SHOP# M-32 MEZZANINE FLOOR HARMEEN, CONSUMER MARKETING SERVICES, TOWER BLOCK A, GULISTAN E JOUHAR, KARACHI | ABDUL RASHEED | 42201-3841329-7 | HAJI MUHAMMAD RAMZAN | 482 | 74 | - | 556 | 482 | 74 | - | 556 |
| 172 | ANIQ AHMED KHAN ADDRESS: GULGASHT COLONY, ALI STREET NEW, NEAR KHAN VILLAGE, MULTAN | ANIQ AHMED KHAN | 36302-7976884-7 | SHAFIQUE AHMED KHAN | 507 | 49 | - | 556 | 507 | 49 | - | 556 |
| 173 | SHEIKH SHABIR HASSAN ADDRESS: SHAH CHUNGI PIR SHAHDRA TOWN, HOUSE # 67 STREET # 67 MOHALA, LAHORE. | SHEIKH SHABIR HASSAN | 35202-3777157-9 | SHEIKH MUHAMMAD HASSAN | 510 | 47 | - | 557 | 510 | 47 | - | 557 |
| 174 | BASHEER AHMED MEMON ADDRESS: GULSHAN E HADEED, HOUSE# A-370 PHASE-I, BIN QASIM TOWN, NEAR BATA MORE KARACHI | BASHEER AHMED MEMON | 42501-1437260-7 | HAJI ABDULLAH MEMON | 557 | - | - | 557 | 557 | - | - | 557 |
| 175 | TANZEEL UR REHMAN ADDRESS: SHOP# FF-49 NEW AURIGA CENTRE, PIONEER SERVICES, MAIN BOULEVARD GULBERG II, LAHORE | TANZEEL UR REHMAN | 34603-1086993-7 | BASHIR AHMAD MALIK | 510 | 49 | - | 559 | 510 | 49 | - | 559 |
| 176 | KANAYA LAL ADDRESS: NAZ TOWER MAIN SHAHRAH-E-FAISAL, FLAT# C-312 3RD FLOOR, OPPOSITE JINNAH TERMINAL, KARACHI | KANAYA LAL | 42000-9646270-3 | BAZARI LAL | 515 | 45 | - | 560 | 515 | 45 | - | 560 |
| 177 | MAZHAR AHMED ADDRESS: KEHKASHAN SCHEME 5 HOUSE# 3/G/30 BLOCK 8, NEAR TEEN TALWAR CLUFTON, KARACHI | MAZHAR AHMED | 42201-3218609-9 | PERVEEZ AHMED | 488 | 74 | - | 562 | 488 | 74 | - | 562 |
| 178 | M FERDZ SIDDIQUI ADDRESS: TOWER BLOCK# 15, A-28 ROAD, NEAR GULSHAN-E-AMIN, GULISTAN-E-JOHAR, KARACHI | M FERDZ SIDDIQUI | 42101-1507498-1 | ANWAR UL HAQ | 518 | 46 | - | 564 | 518 | 46 | - | 564 |
| 179 | MUHAMMAD TAHIR RAUF ADDRESS: OUT SIDE BHOPE GATE, HOUSE# 227/B-4, JISWANT ROEL ROAD, MULTAN | MUHAMMAD TAHIR RAUF | 36302-7228306-5 | ABDUL RAUF | 492 | 72 | - | 564 | 492 | 72 | - | 564 |
| 180 | FAHAD ALI KHAN ADDRESS: MAIN BAZAR MUHAMMADABAD, HOUSE # 563 STREET # 2, FAISALABAD. | FAHAD ALI KHAN | 33100-0633558-3 | KHAN MUHAMMAD | 515 | 48 | - | 563 | 515 | 48 | - | 563 |
| 181 | SYED RIAZ AHMED ADDRESS: BHAYANI HEAVEN BLOCK-K, FLAT# C-8 4TH FLOOR, OPP JAN PLAZA NORTH, NAZIMABAD KARACHI | SYED RIAZ AHMED | 42201-9095374-5 | SYED SHAFIQ UL HASSAN | 492 | 75 | - | 567 | 492 | 75 | - | 567 |
| 182 | MUHAMMAD AZMAT JAVAD RANA ADDRESS: BAGH LAHORE, HOUSES #30 BERI STREET TALJ. | MUHAMMAD AZMAT JAVAD RANA | 35201-7704794-7 | CHAUDARY MAQBOOL AHMED KHAN | 523 | 46 | - | 569 | 523 | 46 | - | 569 |
| 183 | M NAVEED ALAM ADDRESS: BLOCK # 16 FEB AREA WATER PUMP, FLAT # 5 AL HASHER CORNER, KARACHI. | M NAVEED ALAM | 42101-6509819-7 | SAGEER ALAM FAZI | 525 | 46 | - | 571 | 525 | 46 | - | 571 |
| 184 | AFFAN AMIAD CHOUDHRY ADDRESS: ROOM # 05 SECOND FLOOR GOHAR, GARB FASHION, CENTRE WAHDAT ROAD, LAHORE | AFFAN AMIAD CHOUDHRY | 35202-5823264-3 | AMIAD AZIZ | 496 | 76 | - | 572 | 496 | 76 | - | 572 |
| 185 | RANA MUHAMMAD SAEED ADDRESS: TOHIDABAD, H# 17 ST# 48, RAVI ROAD, LAHORE | RANA MUHAMMAD SAEED | 35202-7864199-3 | RANA MUHAMMAD RAFIQ | 489 | 83 | - | 572 | 489 | 83 | - | 572 |
| 186 | ARIF ALI, ADDRESS: LAHORE, 96-B A3 PUNJAB SOCIETY. | ARIF ALI | 35202-3357189-7 | DILAWAR ALI | 523 | 51 | - | 574 | 523 | 51 | - | 574 |
| 187 | CHAUDHRY HAMID MEHMOOD ADDRESS: MOHALLAH DATA NAGAR, HOUSE# 1 STREET# 13, BADAMI BAGH, LAHORE | CHAUDHRY HAMID MEHMOOD | 35202-8571886-7 | CHOUDHRY GHULAM NABI | 527 | 49 | - | 576 | 527 | 49 | - | 576 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008


NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

 Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|-----------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 188 | KHAWAJA YOUSUF UDDIN ADDRESS: GULSHAN E IQBAL, HOUSE A 587 BLOCK 3, KARACHI. | KHAWAJA YOUSUF UDDIN | 42201-8457833-3 | QADIR | 493 | 84 | - | 577 | 493 | 84 | - | 577 |
| 189 | MIAN MUHAMMAD YOUNIS ADDRESS: NEAR NOVELTY CINEMA, HOUSE 01 ST 01, AMINA ABAD, FAISALABAD | MIAN MUHAMMAD YOUNIS | 33100-2417394-1 | CHUDHRY ALLAH DITTA | 503 | 75 | - | 578 | 503 | 75 | - | 578 |
| 190 | SAMIA ALI ADDRESS: GULBERG III, 48 C ASKARI FLATS, LAHORE. | SAMIA ALI | 35202-2655860-6 | ALI MASOOD QURESHI | 578 | - | - | 578 | 578 | - | - | 578 |
| 191 | MUHAMMAD ASHRAF SHUKETI ADDRESS: P 594, ASHRAF TRADERS, FATIMA BLOCK AL MADINA COMMERCIAL, MARKET FACTORY AREA FAISALABAD | MUHAMMAD ASHRAF SHUKETI | 42101-8967647-9 | ALLAH DITTA | 496 | 85 | - | 581 | 496 | 85 | - | 581 |
| 192 | RASHID MAHMOOD KHALID ADDRESS: COLONY NEAR JALALI, 723-C GUL GASHI, IMASJID CHOWK, MULTAN | RASHID MAHMOOD KHALID | 36102-1918812-7 | MUHAMMAD RAMZAN | 531 | 52 | - | 583 | 531 | 52 | - | 583 |
| 193 | MUHAMMAD IMRAN ADDRESS: BANGLOW# 7 FL-4 BLOCK 5, ANGLO PHILE ENGLISH LEARNING, MAIN RASHIDMINHAS ROAD, KARACHI | MUHAMMAD IMRAN | 42101-1789301-7 | GHULAM MURTAZA | 584 | - | - | 584 | 584 | - | - | 584 |
| 194 | JAMIL AHMED ADDRESS: BLOCK 7, FLAT# 1 SUNNY ARCADE, NEAR SHAHEN HEIGHTS, GULISTAN E JOHAR KARACHI | JAMIL AHMED | 42201-9710754-7 | MUHAMMAD HANIF | 562 | 26 | - | 588 | 562 | 26 | - | 588 |
| 195 | AAMIR BAIG ADDRESS: ROOM # 512 MURSHID GARMENTS, A S GOLD SMITH, TOWER SADDAR, KARACHI | AAMIR BAIG | 42201-0558936-1 | RIAZ BAIG | 548 | 45 | - | 593 | 548 | 45 | - | 593 |
| 196 | WASIF BUTT ADDRESS: HAWALY MISRA INSIDE, HOUSE# 1314 MUJALLAH, AKBARI GATE, LAHORE | WASIF BUTT | 35202-2117621-7 | MUHAMMAD SAEED | 557 | 55 | - | 612 | 557 | 55 | - | 612 |
| 197 | UMAIR ASHRAF ADDRESS: SHOP# 18 MALL ROAD, AHMED ELECTRONICS, MULATAN CANTT. | UMAIR ASHRAF | 36302-3749713-3 | MUHAMMAD ASHRAF | 567 | 49 | - | 616 | 567 | 49 | - | 616 |
| 198 | MUHAMMAD MEHROZ ADDRESS: FASAL TOWN, HOUSE# 24 MOHALA# B BLOCK, LAHORE CANTT. | MUHAMMAD MEHROZ | 42101-0909225-7 | MOHAMMAD GULZATR | 557 | 60 | - | 617 | 557 | 60 | - | 617 |
| 199 | KHALID SHAHZAD ADDRESS: PEOPLES COLONY# 1, P-376/A CHITTI D GROUND, NEAR LAL MASJID, FAISALABAD | KHALID SHAHZAD | 33100-0868637-9 | MUHAMMAD ILYAS | 539 | 78 | - | 617 | 539 | 78 | - | 617 |
| 200 | ALI MAZHAR ADDRESS: JINHA PARK, HOUSE # 2-B STREET # 21, SULTAN PURA, LAHORE | ALI MAZHAR | 35202-9609792-7 | MAZHAR IQBAL CH | 620 | - | - | 620 | 620 | - | - | 620 |
| 201 | MUHAMMAD SAQIB KHALID ADDRESS: BUSINESS RECORD ROAD, H-69/11 PATEL PARA, KARACHI. | MUHAMMAD SAQIB KHALID | 42201-7550676-5 | MUHAMMAD KHALID | 574 | 48 | - | 622 | 574 | 48 | - | 622 |
| 202 | RAJA GHULAM HAIDER ADDRESS: BROHI GOTH MEMON GOTH, HOUSE# 40 MUHAMMAD KHAN, MALIR CITY, KARACHI | RAJA GHULAM HAIDER | 42501-1520605-3 | RAJA GHULAM HAIDER BALEA | 625 | - | - | 625 | 625 | - | - | 625 |
| 203 | FAZAL OASIM ADDRESS: P# 122 SHEET # 1 SECTOR# 3&2-B, RABBI TRADERS, BANARAS BAZAR NEAR ALLAH WALI, MASJID ORANGI TOWN KARACHI | FAZAL OASIM | 42301-0422910-9 | SAMI ALLAH | 551 | 80 | - | 631 | 551 | 80 | - | 631 |
| 204 | AAMIR BAIG ADDRESS: ROOM # 512 MURSHID GARMENTS, A S GOLD SMITH, TOWER SADDAR, KARACHI | AAMIR BAIG | 42201-0558936-1 | RIAZ BAIG | 588 | 49 | - | 637 | 588 | 49 | - | 637 |
| 205 | GHIAS UD DIN ADDRESS: OFFICE# L G 63, GOHAR CENTRE, JUNNAH AVENUE, MALIR HALT, KARACHI | GHIAS UD DIN | 44103-7336146-9 | SIRAJ UDDIN | 599 | 52 | - | 651 | 599 | 52 | - | 651 |
| 206 | SYED TAJALI SHAH ADDRESS: OFFICE# L G 63, GOHAR CENTRE, TAJALI SHAH & CO., 7 WAHDAI ROAD, LAHORE | SYED TAJALI SHAH | 35201-1686635-3 | SYED NASEER SHAH | 653 | - | - | 653 | 653 | - | - | 653 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | | Interest/ Markup written off | Other Financial Relief | Total |
|-------|--|---|-----------------|----------------------------------|--|-------------------|--------|-------|------------------------------------|------------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | Total | | | |
| 207 | MUHAMMAD ASIF SHEHZAD ADDRESS: SHOP# 02 BUJT PLAZA CHOWK FLOOR# 11 PHASE# 11 EXT DHA KARACHI LOHARI, LAHORE | MUHAMMAD ASIF SHEHZAD | 35202-2683390-9 | MUHAMMAD | 672 | - | - | 672 | - | - | 672 |
| 208 | SYED ATTA UR REHMAN ADDRESS: SHOP# 02 BUJT PLAZA CHOWK FLOOR# 11 PHASE# 11 EXT DHA KARACHI LOHARI, LAHORE | SYED ATTA UR REHMAN | 35202-8221341-1 | SYED SHAFIQUE UR REHMAN SABIR | 625 | 53 | - | 678 | 53 | - | 678 |
| 209 | MUJUBA HUSSAIN ADDRESS: INDUS CENTRE C-20, RAK ENTERPRISES, 14TH COMMERCIAL STREET, PHASE# 11 EXT DHA KARACHI | MUJUBA HUSSAIN | 42301-5239726-5 | GHULAM NABI | 679 | - | - | 679 | - | - | 679 |
| 210 | MIRZA MUHAMMAD IQBAL ANWAR ADDRESS: SHOP # 2 SHAM NAGAR ROAD OPP NORANI, MADINA TAYYABA ELECTRIC STORE, MOSQUE CHAUBURUJI, LAHORE | MIRZA MUHAMMAD IQBAL ANWAR | 35202-2560860-3 | MIRZA NAWAB ANWAR | 687 | - | - | 687 | - | - | 687 |
| 211 | ZAHHEER ABBAS ADDRESS: PLOT# A-1425 1ST FLOOR, SHABEER SNOOKER, GULSHAN E HADEED PHASE I, KARACHI | ZAHHEER ABBAS | 42501-0836432-5 | MOHAMMAD AMEER | 637 | 55 | - | 692 | 55 | - | 692 |
| 212 | SYED IMRAN HAIDER ADDRESS: DEFENCE VIEW PHASE-II, FLAT # D-2 GROUND FLOOR, KARACHI. | SYED IMRAN HAIDER | 42201-9387985-7 | SYED ZAKIR HUSSAIN | 645 | 55 | - | 700 | 55 | - | 700 |
| 213 | SYED EJAZ AHMED ADDRESS: HOUSING SOCIETY PHASE II, HOUSE # 31 SR # 536 AMARYASIR, MALIR, KARACHI | SYED EJAZ AHMED | 42501-0804405-1 | SYED IRSHAD HUSSAIN | 646 | 55 | - | 701 | 55 | - | 701 |
| 214 | NAEEM ALI ADDRESS: BLOCK# 19 HERMAIN TOWER, FLAT# D-21 2/3, GULSTANE JOHAR, NEAR JOHAR MOF KARACHI | NAEEM ALI | 43203-1338822-3 | MOHAMMAD SALEH TUNJO | 704 | - | - | 704 | - | - | 704 |
| 215 | BILAL AHMAD ADDRESS: MARKETING MANAGER SALES, FAHAD LABORATORIES, 38-G LODHI ARCADE 42 FERROZPUR ROAD, LAHORE | BILAL AHMAD | 35102-9815841-5 | GHULAM MOHI-U-DIN | 706 | - | - | 706 | - | - | 706 |
| 216 | MUHAMMAD ALI ARSHAD ADDRESS: KARIM PLAZA STADIUM ROAD, FLAT# GH BLOCK# 14, GULSHAN E IQBAL, KARACHI | MUHAMMAD ALI ARSHAD | 42201-8384288-9 | SHEKH MUHAMMAD ARSHAD | 616 | 90 | - | 706 | 90 | - | 706 |
| 217 | MUHAMMAD SABIR ADDRESS: OFFICER 2 3RD FLOOR, RIBAS INTERNATIONAL, PEARL PLAZA SHAH JAWAL CHOWK, ICHRA LAHORE | MUHAMMAD SABIR | 35102-0604091-7 | MUHAMMAD ASHIQ | 707 | - | - | 707 | - | - | 707 |
| 218 | MUHAMMAD SHAHAB FAROOQI ADDRESS: BLOCK# 8 F B AREA, HOUSE# R-125 PHASE# 2, GULSHAN E SHAMIMI, NEAR MARRIAGE LAWN KARACHI | MUHAMMAD SHAHAB FAROOQI | 42101-9220887-9 | MUHAMMAD SHAMIM FAROOQI | 648 | 60 | - | 708 | 60 | - | 708 |
| 219 | FOZIA KOSAR ADDRESS: JOHAR TOWN, HOUSE# 883/F-2, LAHORE. | FOZIA KOSAR | 35202-7406585-0 | QASIM MIRAZ DIN | 710 | - | - | 710 | - | - | 710 |
| 220 | SHAMIM HAIDER ADDRESS: FAISALABAD, 48-Z MADINA TOWN, LAHORE. | SHAMIM HAIDER | 33100-1194705-5 | RASHEED AHMED | 710 | - | - | 710 | - | - | 710 |
| 221 | WASEEM AHMED KHAN ADDRESS: MODEL COLONY, HOUSE# 10/28-A, KARACHI. | WASEEM AHMED KHAN | 42501-1577645-9 | MUHAMMAD ULLAH KHAN | 657 | 56 | - | 713 | 56 | - | 713 |
| 222 | RAFI AHMED ADDRESS: SUIT# 407 A RAFFEO CENTRE, ADORN COMMUNICATION, ABOULLAH, HAROON ROAD SADDAR, KARACHI | RAFI AHMED | 42101-3838209-9 | MIRZA MUHAMMAD SHARIF | 657 | 56 | - | 713 | 56 | - | 713 |
| 223 | TABRAIZ SIDDIQUI ADDRESS: SECTOR 50-A, HOUSE# B-591, KOPRANGI, KARACHI | TABRAIZ SIDDIQUI | 42201-0271583-1 | KHILAFAT SIDDIQUI | 657 | 56 | - | 713 | 56 | - | 713 |
| 224 | DILIP KUMAR ADDRESS: 3RD FLOOR FALAK NAZ, FLAT# C-312, TOWER NEAR AIR PORT, KARACHI | DILIP KUMAR | 45104-4666502-3 | BAZARI MALL | 654 | 64 | - | 718 | 64 | - | 718 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|---|---|-----------------|-----------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 225 | ABDUL SHAHID ADDRESS: KORANGI # 5, HOUSE# 58 SECTOR# 35-D, NEAR EDHI CENTRE, KARACHI | ABDUL SHAHID | 42201-1625812-1 | SIRAJ UDDIN | 630 | 91 | - | 721 | 630 | 91 | - | 721 |
| 226 | ABDUL GHAFFAR ADDRESS: SHOP# 10 FRAIR COURT, ANGLO ELECTRONICS, SADDAR OPPOSITE ODION CENTRE, KARACHI | ABDUL GHAFFAR | 42301-5092531-1 | NOOR MUHAMMAD | 662 | 63 | - | 725 | 662 | 63 | - | 725 |
| 227 | SHAKEEL KHAN ADDRESS: KHOKRAPAR, HOUSE # B-18 NAZEER TOWN, MALIR EXTANTION COLONY, KARACHI | SHAKEEL KHAN | 42201-4719718-9 | MOBEEN KHAN AHMED | 668 | 58 | - | 726 | 668 | 58 | - | 726 |
| 228 | QUTUB UDDIN ADDRESS: GULSHAN VIEW FLAT# B-14, GULSHAN E IOBAL, NEAR ASMA GARDEN KARACHI | QUTUB UDDIN | 42201-9980068-1 | SHAFI MOHAMMAD PIRZADA | 669 | 61 | - | 730 | 669 | 61 | - | 730 |
| 229 | DUR MOHAMMAD ADDRESS: BLOCK 7 GULISTAN E JOHAR, HOUSE # R 58 GULL HOUSE, KARACHI. | DUR MOHAMMAD | 43303-8107300-9 | MOHAMMAD YOUSUF | 678 | 58 | - | 736 | 678 | 58 | - | 736 |
| 230 | ABDUL GHAFFAR ADDRESS: PARK SHAFIQ ABAD #2 BAND ROAD HOUSE#50, ST#4 MOHALLAH KHALID, NEAR SHEIKH QRYANA STORE, LAHORE | ABDUL GHAFFAR | 35202-3539243-1 | WALI MUHAMMAD | 678 | 58 | - | 736 | 678 | 58 | - | 736 |
| 231 | MALIK TARIQ MEHMOOD AWAN ADDRESS: OFFICE 103 1ST FLOOR, GREEN CAPITAL ROYAL CENTRE, FAZAL E HAO ROAD, BLUE AREA ISLAMABAD | MALIK TARIQ MEHMOOD AWAN | 34501-1911150-7 | MALIK NOOR MOHAMMAD AWAN | 630 | 108 | - | 738 | 630 | 108 | - | 738 |
| 232 | QASIR MEHMOOD ADDRESS: ROYAL COMPLEX 34 M CIVIC OFFICE, MAIN ROAD, NEAR RIFEAU, MODEL OWEN EXT, NEAR INTERNATIONAL, MARKET LAHORE | QASIR MEHMOOD | 35202-1465155-3 | MIRZA MUHAMMAD RASHEED | 739 | - | - | 739 | 739 | - | - | 739 |
| 233 | MUBARIK ALI ADDRESS: MAIN BAZAR, BATA SHOES POINT, LIAQAATABAD KOT LAKHPAI, LAHORE | MUBARIK ALI | 35202-0945904-7 | ALLAH DITTA | 739 | - | - | 739 | 739 | - | - | 739 |
| 234 | KHALID MEHMOOD ADDRESS: BLOCK 6, HOUSE# 20 E E MARKET, PECHS, KARACHI | KHALID MEHMOOD | 42301-0874870-7 | FAZAL DIN | 652 | 93 | - | 745 | 652 | 93 | - | 745 |
| 235 | ASIF HASEEB KIDWAI ADDRESS: GULBERG F B AREA, B-731 BLOCK 13, KARACHI. | ASIF HASEEB KIDWAI | 42101-1397643-9 | HASEEB AHMED KIDWAI | 688 | 59 | - | 747 | 688 | 59 | - | 747 |
| 236 | BABER ALI ADDRESS: SHAH KAMAL ROAD, HOUSE# 7 STREET# 32, WAHDAT COLONY, LAHORE | BABER ALI | 35202-0614095-1 | MUHAMMAD RAFI | 750 | - | - | 750 | 750 | - | - | 750 |
| 237 | NISAR AHMED ADDRESS: NORTH KARACHI HOUSE# R-76 SECTOR# 11-C/2 NEAR PROFESSIONAL EDUCATOR SCHOOL, KARACHI | NISAR AHMED | 42101-3096768-1 | HAJI ALLAH DIYA | 698 | 60 | - | 758 | 698 | 60 | - | 758 |
| 238 | MALIK ZEESHAN SIKANDAR ADDRESS: GULBERG 3, HOUSE# 46- M MUHALLA, LAHORE. | MALIK ZEESHAN SIKANDAR | 35202-3206617-7 | MALIK KHURSHED AHMED | 698 | 60 | - | 758 | 698 | 60 | - | 758 |
| 239 | SOHAIL RIAZ ADDRESS: C/O AZAM SHADI HALL, S.P ENTERPRISES, AZADI CHOWK, 314-RAVI ROAD LAHORE | SOHAIL RIAZ | 35200-1506146-7 | RIAZ UL HAQ | 759 | - | - | 759 | 759 | - | - | 759 |
| 240 | MUHAMMAD ASIF SHAREEF ADDRESS: SECTOR 15 A 11, FLAT# D-9 BUDHHA APARTMENT, NEAR DC OFFICE BUFFERZONE, KARACHI | MUHAMMAD ASIF SHAREEF | 42101-6228470-9 | MUHAMMAD SHARIF | 700 | 62 | - | 762 | 700 | 62 | - | 762 |
| 241 | MUHAMMAD SAEED ADDRESS: SHOP # 73 MARIA APARTMENT, MADINA CHOKERY, NAGAN CHOWRANGI NORTH KARACHI, KARACHI | MUHAMMAD SAEED | 42101-3692146-5 | MUHAMMAD ISMAIL SHIKH | 698 | 67 | - | 765 | 698 | 67 | - | 765 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Interest/ Markup written off | Other Financial Relief | Total |
|-------|--|---|-----------------|--------------------------|--|-------------------|--------|------------------------------------|------------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | |
| 242 | MUHAMMAD KAMRAN ADDRESS: MUMTAZ, KAMRAN ELECTRIC STORE, BAZAR LAHORE, CANTT. RASUL PARK. | MUHAMMAD KAMRAN | 35201-1217315-5 | MUHAMMAD AKLEEM | 700 | 65 | - | 765 | - | 765 |
| 243 | WAQAS SHAFIQ ADDRESS: ICHRA LAHORE, HOUSE# 18-A, RASUL PARK. | WAQAS SHAFIQ | 35202-2255842-1 | MUHAMMAD SHAFIQ | 705 | 62 | - | 767 | - | 767 |
| 244 | SYED MUHAMMAD DAWOOD SHAH ADDRESS: SHOP# 2-3 444 2-B-2, BISMILLAH ELECTRONICS, TOWNSHIP, LAHORE | SYED MUHAMMAD DAWOOD SHAH | 35202-2272584-5 | SYED ABDUL HAMEED | 708 | 61 | - | 769 | - | 769 |
| 245 | MALIK MUHAMMAD IMRAN ADDRESS: STREET# 49, HOUSE# 58, ISLAMABAD BANK COLONY, SAMANABAD LAHORE | MALIK MUHAMMAD IMRAN | 35202-1265263-9 | ASIF ALI | 708 | 61 | - | 769 | - | 769 |
| 246 | ZAHID HUSSAIN ADDRESS: MODEL COLONY, HOUSE # J-7 SHEET # 27, KARACHI. | ZAHID HUSSAIN | 42201-2630522-7 | MUHAMMAD BUX | 708 | 61 | - | 769 | - | 769 |
| 247 | MUHAMMAD ASLAM ADDRESS: ROOM# M-28 FALAK NAZ PLAZA, MEHRAN TRADERS, SHAHRAH E FAISAL, KARACHI | MUHAMMAD ASLAM | 42201-9821115-7 | M ARSHAD | 709 | 62 | - | 771 | - | 771 |
| 248 | ABDUL RAUF ADDRESS: SHOP 7 DOHA HOTEL, UNIQUE TRADERS, DAWOOD ROAD, FAISAL ABAD | ABDUL RAUF | 33100-0808669-5 | MUHAMMAD ASLAM | 707 | 66 | - | 773 | - | 773 |
| 249 | MUHAMMAD YOUSAF ADDRESS: MUMTAZ, HOUSE# 4, STREET # 1, SAID PUR MULIAN ROAD, LAHORE | MUHAMMAD YOUSAF | 38404-0938575-3 | AHMED KHAN | 710 | 65 | - | 775 | - | 775 |
| 250 | TAHIR AYUB ADDRESS: OT# 321 ABL LOCK, FAHREZ GENERAL STORE, SAJAZAR SCHEME MULIAN ROAD, LAHORE | TAHIR AYUB | 35202-2119886-7 | ABDUL MAJEED | 778 | - | - | 778 | - | 778 |
| 251 | MUHAMMAD TARIQ ADDRESS: GULZAR COLONY GHULAM, HOUSE# P-57 STREET# 2, MUHAMMAD ABAD, FAISAL ABAD | MUHAMMAD TARIQ | 33100-6831773-9 | ATTA MUHAMMAD | 711 | 68 | - | 779 | - | 779 |
| 252 | ABDUL RAUF ADDRESS: NEAR MADNI MASJID, HOUSE# 2 BALOOCHPURA, SHERSHAH HARONABAD, KARACHI | ABDUL RAUF | 54400-0382161-9 | MUHAMMAD KHAN | 717 | 62 | - | 779 | - | 779 |
| 253 | AMIR MUMTAZ ADDRESS: NEW ANAR KALI, HOUSE # 2 BAKHSHI MARKET, LAHORE. | AMIR MUMTAZ | 35202-3031581-7 | MUMTAZ AHMAD | 717 | 62 | - | 779 | - | 779 |
| 254 | NAVEED JAN BALOCH ADDRESS: NORTH NAZIMABAD, BALOCH HOUSE # A/158 BLOCK -J, KARACHI. | NAVEED JAN BALOCH | 52101-4195975-1 | JAN MOHAMMAD | 716 | 63 | - | 779 | - | 779 |
| 255 | MUHAMMAD SHAHBAZ UL HASSAN ADDRESS: SHOP NO 5D F UPER STORY KHAN PLAZA, SATTAR COMPUTERS, MULTAN CANTT. | MUHAMMAD SHAHBAZ UL HASSAN CHAUDHARY | 36303-0974432-1 | CHAUDHRY ABDUL SATTAR | 781 | - | - | 781 | - | 781 |
| 256 | SHAZLI MOHAMMED ADDRESS: SHOP #7 BLOCK-7 AL SAEED CENTRE, CYBERIAN WORLD, QUID A BAD KARACHI. | SHAZLI MOHAMMED | 42501-1033750-7 | NAZ MOHAMMED | 720 | 68 | - | 788 | - | 788 |
| 257 | AKBARI KHALID ADDRESS: NEAR MEHMOOD SWEETS, P-825 BLOCK 14, F B AREA WATER PUMP, KARACHI | AKBARI KHALID | 42101-1670325-4 | KHALID JAVAD | 721 | 69 | - | 790 | - | 790 |
| 258 | NAYYAB SAEED ADDRESS: MUHAMMAD 4 KOCHA MIAN GHAR, HOUSE# 1086 G, DIN YAKI GATE, LAHORE | NAYYAB SAEED | 35202-2404289-9 | MUHAMMAD SAEED | 720 | 69 | - | 789 | - | 789 |
| 259 | SYED MOHAMMAD BILAL ADDRESS: DHA PHASE IV, HOUSE # 30 5TH COMMERCIAL STREET, KARACHI. | SYED MOHAMMAD BILAL | 42301-4191471-5 | MOHAMMAD IRFAN | 727 | 63 | - | 790 | - | 790 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008


NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

 Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total | |
|-------|--|---|-----------------|-------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | | Total |
| 260 | AFTAB AHMAD ADDRESS: ALI COLONY WALTON ROAD, HOUSE# E 27/28-A ABU BAKAR STREET, NEAR DECENT SCHOOL, LAHORE CANTT | AFTAB AHMAD | 35201-3150065-3 | MUHAMMAD TUFAIL | 727 | 63 | - | 790 | 727 | 63 | - | 790 |
| 261 | KHIZAR MUHAMMAD BAHSHAH ADDRESS: UNIVERSITY ROAD, HOUSE # C-14 GULASTAN COLONY, KARACHI. | KHIZAR MUHAMMAD BAHSHAH | 42201-2764524-7 | BADSHAH MUHAMAD | 723 | 70 | - | 793 | 723 | 70 | - | 793 |
| 262 | MOHAMMAD ZAKIR ATA ADDRESS: ROAD KARACHI CANTT STATION, HOUSE# 227-A LILLY BRIDGE, RAILWAY POLICE LINE, KARACHI | MOHAMMAD ZAKIR ATA | 42301-0517842-3 | MOHAMMAD DIN SHEIKH | 729 | 64 | - | 793 | 729 | 64 | - | 793 |
| 263 | RUBINA NAZ ADDRESS: HAQANI TOWN, FOR SEASONS BEAUTY PARLOUR, MAKHDOOM RASHEED HASHMI CHOWK, DIST MULTAN | RUBINA NAZ | 36303-9314953-8 | TANVEER HUSSAIN SHAH | 797 | - | - | 797 | 797 | - | - | 797 |
| 264 | AKBARI KHALID ADDRESS: NEAR MEHMOOD, SWEETS P-825 BLOCK 14, F B AREA WATER PUMP, KARACHI | AKBARI KHALID | 42101-1670325-4 | KHALID JAVAID | 735 | 65 | - | 800 | 735 | 65 | - | 800 |
| 265 | KHALIL UR REHMAN SIDDIQUI ADDRESS: FERIZIA COLONY, HOUSE# 34, OPPOSITE BEHRANIA MASJID, NAZIMABAD# 1 KARACHI. | KHALIL UR REHMAN SIDDIQUI | 42101-9889055-5 | ABDUL GHAFAR | 741 | 65 | - | 806 | 741 | 65 | - | 806 |
| 266 | GHULAM DASTGIR KHAN KAKAR ADDRESS: STREET# 3, HOUSE# 15/C, SHARHEEN PARK, IMASKEEN PURA LAHORE KARACHI | GHULAM DASTGIR KHAN KAKAR | 35201-2664629-5 | EHSAN ULLAH KHAN | 738 | 69 | - | 807 | 738 | 69 | - | 807 |
| 267 | AFZAL RAZA ADDRESS: SHOP # 1 RAFIQUE SHAHEED ROAD, BUBBLE MEDICAL & SURGICAL STORE, OPP NICH & JPMC, KARACHI | AFZAL RAZA | 42301-6315259-3 | GHULAM RAZA | 746 | 65 | - | 811 | 746 | 65 | - | 811 |
| 268 | MOHAMMAD TAHIR SOLANGI ADDRESS: NEW LABOUR SQUARE KORANGI, HOUSE # 11 SECTOR-32/A, KARACHI. | MOHAMMAD TAHIR SOLANGI | 45204-6537793-3 | ROSHAN UDDIN SULANGI | 739 | 72 | - | 811 | 739 | 72 | - | 811 |
| 269 | MUHAMMAD IMRAN ADDRESS: MARIA HILL VIEW APTT SHADMAN TOWN, FLAT# BB-002 GROUND FLOOR FL-15, SECTOR# 14-B NORTH KARACHI, MASJID-E-KIZRA KARACHI | MUHAMMAD IMRAN | 42101-4615683-7 | MEHBOOB | 818 | - | - | 818 | 818 | - | - | 818 |
| 270 | MUHAMMAD FARAZ ADDRESS: CHAK 279 ABC CENIMA ROAD, P 236 STREET 7, OPP KHAN GENERAL STORE, FAISALABAD | MUHAMMAD FARAZ | 33100-6847508-9 | MUHAMMAD NAWAZ | 712 | 108 | - | 820 | 712 | 108 | - | 820 |
| 271 | KHURRAM ALEEM ADDRESS: 56-A 56-C COMMERCIAL-III RABIA CITY, AL MADINA CHICKEN CENTRE, BLOCK# 18 GULISTAN E JOHAR, KARACHI | KHURRAM ALEEM | 42201-0113481-5 | ALEEM UDDIN | 748 | 72 | - | 820 | 748 | 72 | - | 820 |
| 272 | RANA INAM NASEER ADDRESS: SANDA ROAD, 62 KARAM ELAHI PARK, LAHORE. | RANA INAM NASEER | 35202-1888919-3 | RANA NASEER AHMED | 748 | 72 | - | 820 | 748 | 72 | - | 820 |
| 273 | GUL RUKH KHALID ADDRESS: SHARHEEN PARK, HOUSE# 37, FALAK NAZ PLAZA MAIN, OPP PSO & SHEEL PUMP, KARACHI | GUL RUKH KHALID | 42201-5905402-0 | KHALID SAEED | 755 | 66 | - | 821 | 755 | 66 | - | 821 |
| 274 | SAEED AKHTER ADDRESS: JAVEED BAHRIA HOUSING PROJECT, HOUSE # 37 GALI # 2, HAWKS BAY, KARACHI | SAEED AKHTER | 42401-7294136-3 | MOHAMMAD IDREES | 755 | 66 | - | 821 | 755 | 66 | - | 821 |
| 275 | MUHAMMAD SHAHID NOOR KHAN ADDRESS: PLOT# 9 SHOP# 2 MAIN, WAGAS ELECTRONICS, ELECTRONICS MARKET SHOPPING COMPLEX, COLONY# 1 NEAR A-1 HOSPITAL KARACHI | MUHAMMAD SHAHID NOOR KHAN | 42201-2859535-5 | MUHAMMAD ASLAM KHAN | 753 | 70 | - | 823 | 753 | 70 | - | 823 |
| 276 | ABDUL SATTAR ADDRESS: OFFICE 4 2ND FLOOR STREET 8, SEARLE TRADERS, PRIME CENTRE MUNSHI MOHALLA, FAISALABAD | ABDUL SATTAR | 33100-5462512-5 | MUHAMMAD RAMZAN | 824 | - | - | 824 | 824 | - | - | 824 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008


NIB Bank

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

 Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|-----------------|------------------------------|--|-------------------|--------|------------------------------------|------------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | |
| 277 | MUHAMMAD AZAM ADDRESS: PAFKOPLES COLONY, HOUSE# 136, STREET# 05, SHAHADRA, LAHORE | MUHAMMAD AZAM | 35401-7708363-5 | M HASHIM | 756 | 71 | 756 | 71 | - | 827 |
| 278 | MUHAMMAD ARSHAD JAVED ADDRESS: GULISTAN COLONY, CHITRETI #3, CHITRETI ROAD NEAR BULHAY SHANT, DARBART, LAHORE | MUHAMMAD ARSHAD JAVED | 35201-1435012-3 | AMANAT JAVEED ABIB | 756 | 71 | 756 | 71 | - | 827 |
| 279 | ARIF ALI ADDRESS: STREET# 27-S, HOUSE# 39, JINNAH COLONY ALI PARK, ICHRA LAHORE | ARIF ALI | 35202-0648805-1 | SHAUKAT ALI | 759 | 71 | 759 | 71 | - | 830 |
| 280 | SAEED KHAN ADDRESS: STREET# 6 GULNAR COLONY, HOUSE# 9 A, MULTAN ROAD, LAHORE | SAEED KHAN | 35202-3062420-5 | BARKAT ULLAH | 757 | 73 | 757 | 73 | - | 830 |
| 281 | SYED NASEEM AKBAR ADDRESS: RAVI ROAD, HOUSE# 67 MUHALLAH KARIM PARK, BLOCK 1 NEAR KARIM PARK GOL BAGH, LAHORE | SYED NASEEM AKBAR | 35202-5270639-1 | SYED AFZAL AKBAR SHAH | 757 | 73 | 757 | 73 | - | 830 |
| 282 | IFTIKHAR AHMAD SHARIF ADDRESS: SHOP# 1 1ST FLOOR 17-KM, AL MIRAJ GOODS TRANSPORT CO, FEROZPUR ROAD, YOUNAS MARKET, LAHORE | IFTIKHAR AHMAD SHARIF | 35201-6247336-1 | CH MUHAMMAD SHARIF | 757 | 73 | 757 | 73 | - | 830 |
| 283 | MUHAMMAD SAFDAR ADDRESS: MUHAMMAD ALI PARK, HOUSE# 2 STREET# 1, SHAHRA, DAKHANA RUSTUM SOHRAB, LAHORE | MUHAMMAD SAFDAR | 35202-2089611-5 | SAAIN MUHAMMAD | 757 | 73 | 757 | 73 | - | 830 |
| 284 | SAGIB QAMAR ADDRESS: SHOP# 9 GROUND FLOOR, AZZURE COLLECTIONS, JINNAH PLAZA MODEL TOWN, LINK ROAD LAHORE | SAGIB QAMAR | 35202-2523151-5 | QAMAR SULTAN | 764 | 67 | 764 | 67 | - | 831 |
| 285 | NAVEED ALAM ADDRESS: WAIN RASHID MINHAS ROAD, PLOT# 90 ASKARI # 4, GULISTAN E JOHAR, KARACHI | NAVEED ALAM | 42401-5666525-7 | ALAM UD DIN | 764 | 68 | 764 | 68 | - | 832 |
| 286 | MIRZA NASEEM BAIG ADDRESS: SHEEN PARK SULTAN PURA, HOUSE# 234A STREET# 3A, NEAR GOPHRE SHAH CHOWK, LAHORE | MIRZA NASEEM BAIG | 35202-2864984-1 | MIRZA AQEEL BAIG | 761 | 75 | 761 | 75 | - | 836 |
| 287 | ANSAR IQBAL BUTT ADDRESS: PLOT# 74 BLOCK# 2, SANGAM DIGITAL STUDIO, KARIMI PARK RAVI ROAD, LAHORE | ANSAR IQBAL BUTT | 35202-7713668-5 | MUHAMMAD HUSSAIN BUTT | 766 | 75 | 766 | 75 | - | 841 |
| 288 | ZAFAR NIAZ AHMED KHAN ADDRESS: GROUND FLOOR KHAWAT# 151, ZAFAR MEDICAL CENTER, OLD SHUJABAD ROAD COLONY, MULIAN | ZAFAR NIAZ AHMED KHAN | 36302-6271312-1 | NIAZ AHMED KHAN | 843 | - | 843 | - | - | 843 |
| 289 | NAZIR AHMED ADDRESS: SUIT # 004 MEZZANINE FLOOR WODEN, SEARCH, TOWER BLOCK # 14 GULSHAN E IQBAL, RASHID MINHAS ROAD KARACHI | NAZIR AHMED | 42101-2702304-3 | ABDUL QADEER AHMED | 775 | 69 | 775 | 69 | - | 844 |
| 290 | MUHAMMAD SOHAIL ADDRESS: NEAR GOSIA GENERAL STORE, HOUSE# 1, STREET# 9, ABDUL STAAR PARK NEAR, KOT LAKHPAT LAHORE | MUHAMMAD SOHAIL | 35202-5711210-1 | SH MAQBOOL AHMAD SHAMSI | 774 | 73 | 774 | 73 | - | 847 |
| 291 | DANISH IQBAL ADDRESS: SUITE# 7 2ND FLOOR, CRESENT EDUCATION CONSULTANTS, SAMAN ARCADE FEROUS, MARKET GULBERG LAHORE | DANISH IQBAL | 61101-9868277-7 | SHAHID IQBAL | 774 | 75 | 774 | 75 | - | 849 |
| 292 | MUHAMMAD SADEEQ ADDRESS: P-232, BROTHERS TRADERS, SHABNAM STREET SUMANDARI ROAD, FAISALABAD | MUHAMMAD SADEEQ | 33100-2870756-3 | MEHNGA | 855 | - | 855 | - | - | 855 |
| 293 | SYED WAHID IQBAL SHAH ADDRESS: SHERAZI STREET MOHALLAH, HOUSE# 4 STREET# 24, GARHI SHAHU NEAR KHALIFA, POULIARY SALE LAHORE | SYED WAHID IQBAL SHAH | 35202-5239995-9 | SYED MUHAMMAD YOUSAF SHAH | 783 | 76 | 783 | 76 | - | 859 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total |
|-------|--|---|-----------------|----------------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | |
| 294 | KASHAN ASGHAR ADDRESS: MOOTI BAZAR AJWA CENTER, BESTO BABY SHOES, NEAR LARI ADDA, LAHORE | KASHAN ASGHAR | 35404-4749079-3 | CH ASGHAR ALI | 783 | 76 | - | 859 | 76 | - | 859 |
| 295 | ISMAL ADDRESS: LAHORE, H # 22 ST # 3 B BABU KOT SHERAN KOT. | ISMAL | 82202-9555072-7 | SHAH ZAMAN | 783 | 76 | - | 859 | 76 | - | 859 |
| 296 | NAVEED RASHID ADDRESS: BLOCK# 8 F B AREA, HOUSE# 11308 AZIZABAD, NEAR MAHAGIR PARK, KARACHI | NAVEED RASHID | 42101-0690797-1 | RAHID ALI | 786 | 77 | - | 863 | 77 | - | 863 |
| 297 | MUHAMMAD IRFAN SHAHID ADDRESS: STREET# 51 DHARAM PURA, HOUSE# 91-A, MUSTAFA ABAD, LAHORE | MUHAMMAD IRFAN SHAHID | 35201-1279919-1 | MIANI MUHAMMAD RAFIQUE SHAHID | 786 | 77 | - | 863 | 77 | - | 863 |
| 298 | SHOKAT ALI ADDRESS: MAIN LARANWALA ROAD, NEW SHAHBAZ QALANDAR MOTOR, MAKOANA ADDA, Faisalabad | SHOKAT ALI | 33100-8875867-1 | AHMED BAKHSH | 788 | 76 | - | 864 | 76 | - | 864 |
| 299 | MUHAMMAD SALEEM ADDRESS: NOMAN GHAND CITY, FLAT# 4, BLOCK 17 GULISTAN E JOHAR, KARACHI | MUHAMMAD SALEEM | 42201-6432636-9 | ABDUL GHAFAR | 801 | 70 | - | 871 | 70 | - | 871 |
| 300 | MUHAMMAD KHALIL ADDRESS: MOHALLAH KAJA BURJ NEAR, HOUSE# 76 STREET# 816 CROWN ICE FACTORY BAGH BAN PURA, LAHORE | MUHAMMAD KHALIL | 35201-2742716-7 | MUHAMMAD RAFIQUE | 797 | 76 | - | 873 | 76 | - | 873 |
| 301 | FARAN HAMEED ADDRESS: KARIM PARK KASUR PURA, HOUSE# 226-A BLOCK 2, LAHORE, . | FARAN HAMEED | 35202-6436090-9 | ABDUL HAMEED | 797 | 77 | - | 874 | 77 | - | 874 |
| 302 | SHAHID SHAHZAD ADDRESS: AMEEN PARK BAND ROAD, HOUSE# 53 STREET # 3, LAHORE. | SHAHID SHAHZAD | 35202-5990170-9 | SHAHZAD HASSAN | 797 | 77 | - | 874 | 77 | - | 874 |
| 303 | MUHAMMAD IMRAN ADDRESS: JOHAR TOWN, 31-A ABDULLAH TOWN, NEAR ISLAM PARK, LAHORE | MUHAMMAD IMRAN | 35202-1457778-7 | ABDUL MAJEED | 797 | 77 | - | 874 | 77 | - | 874 |
| 304 | ABDUL JABBAR ADDRESS: JK SHOES STREET # 2 WRITER COLONY JK SHOES, MASOOM SHAH ROAD, MULTAN | ABDUL JABBAR | 36302-6290766-1 | ABDUL RAHEEM | 806 | 76 | - | 882 | 76 | - | 882 |
| 305 | ZAHID ALI ADDRESS: SABAR STREET SADIO COLONY, HOUSE# 40 STREET # 1 RAVI ROAD, NIR AYESHA DEGREE COLLEGE, LAHORE | ZAHID ALI | 35202-4398565-5 | SABIR ALI | 803 | 79 | - | 882 | 79 | - | 882 |
| 306 | MUHAMMAD NAVEES ADDRESS: ICE FACTORY, FLAT# 15 WINDSER PARK, MIANI NAZIR ICHRA, LAHORE | MUHAMMAD NAVEES | 35202-2543410-9 | MUHAMMAD BASHIR | 806 | 78 | - | 884 | 78 | - | 884 |
| 307 | HAMID RAZA ADDRESS: BUTT CHOWK COLLEGE ROAD, 92 MAITEEN AVENUE, MODEL TOWN, LAHORE | HAMID RAZA | 17301-3851159-7 | MUHAMMAD ISHAQ | 815 | 79 | - | 894 | 79 | - | 894 |
| 308 | WAQAS ADDRESS: SOHAIL STREET, 2 BHATTI COLONY, MODEL TOWN LINK ROAD, LAHORE | WAQAS | 35202-3815046-7 | MUNAWAR MUNEE | 815 | 79 | - | 894 | 79 | - | 894 |
| 309 | MUHAMMAD NADEEM ADDRESS: SHOP# 195/11 MACHI, NADEEM FISH POINT, WALA GALE JHAN BAZAR, FAISALABAD | MUHAMMAD NADEEM | 33100-4308453-3 | ABDUL HAMEED | 816 | 82 | - | 898 | 82 | - | 898 |
| 310 | HAFIZ HAMID ALI ADDRESS: 95 MAIN ROAD HAJI QAMAR DIN PARK, ALI ELECTRONICS CENTER, KOT KHAWAJA SAIED CHINA SCHOOL, LAHORE | HAFIZ HAMID ALI | 35202-3222518-5 | MUHAMMAD ALI | 818 | 81 | - | 899 | 81 | - | 899 |
| 311 | MIRZA MUHAMMAD SHAHID KAMRAN ADDRESS: DARWAZA MARKET COMMERCIAL, NABEEL FLUSH DOORS, PLOT# 3 LIBLOCK CHOWK QAZAFI, NEAR BLUXID CENTER MULTAN | MIRZA MUHAMMAD SHAHID KAMRAN | 36302-0432416-5 | MIRZA FAQEER U DIN ANJUM | 818 | 81 | - | 899 | 81 | - | 899 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008

Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total |
|-------|--|---|-----------------|------------------------------|--|----------------|--------|-----------------------|------------------------------|------------------------|-------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | |
| 312 | SYED UMAIR AKHTER ADDRESS: OFFICE # 3RD FLOOR, SYED BROTHER TRADE IMPEX, KISSAN STREET, GULSHAN CENTER, AKBARI GATE CIRCULAR ROAD LAHORE | SYED UMAIR AKHTER | 35201-3389453-1 | SYED AKHTAR ALI | 818 | 81 | - | 899 | 81 | - | 899 |
| 313 | ADNAN AHMED, ADDRESS: 114, FAISAL COLONY, HOUSE: 17804, KARACHI | ADNAN AHMED | 42201-3628332-1 | ASHFAQ AHMED | 907 | - | - | 907 | - | - | 907 |
| 314 | GHULAM HAIDER MEMON ADDRESS: CLIFTON TOWER BLOCK-4, FLAT# M-3 FLOTH BC-08, CLIFTON BAGH IBN E QASIM, KARACHI | GHULAM HAIDER MEMON | 41408-6248354-9 | MOHAMMAD ISHAQ MEMON | 832 | 91 | - | 923 | 91 | - | 923 |
| 315 | MUHAMMAD SHAHZAD ADDRESS: MAIN BAZAR MAKKI MASJID, HOUSE# P-96 STREET# 1, RADHAJA TOWN, FAISALABAD | MUHAMMAD SHAHZAD | 33100-5907713-5 | MUHAMMAD BASHIR | 851 | 82 | - | 933 | 82 | - | 933 |
| 316 | BISMILLAH ADDRESS: OLD SUBZI MANDI, FLAT# A-15 SULTAN COMPLEX, NEAR ASKARI PARK, KARACHI | BISMILLAH | 42201-7656605-7 | JUMA KHAN | 934 | 81 | - | 1,015 | 81 | - | 1,015 |
| 317 | MUHAMMAD MEHROZ ADDRESS: AL FAISAL TOWN, HOUSE# 24 MOHALLAH B BLOCK, LAHORE CANTT. | MUHAMMAD MEHROZ | 42101-0909225-7 | MOHAMMAD GULZATR | 950 | 103 | - | 1,053 | 103 | - | 1,053 |
| 318 | ABDUL QADIR ADDRESS: ITTEFAQ MARKET QADARY SWEETS, AKBARI MANDI NAALA, LAHORE | ABDUL QADIR | 35202-6670926-7 | MUHAMMAD NAWAZ | 1,076 | - | - | 1,076 | - | - | 1,076 |
| 319 | MUHAMMAD YOUSAF ADDRESS: JAHANGHER ROAD, HOUSE# G R E-5985, KARACHI, | MUHAMMAD YOUSAF | 42201-2900768-7 | NOOR MUHAMMAD | 994 | 87 | - | 1,081 | 87 | - | 1,081 |
| 320 | TARIQ MEHMOOD ADDRESS: MUHALLA FAQIR COLONY, HOUSE# 380 USMANIA, ORANGI TOWN, KARACHI | TARIQ MEHMOOD | 35102-0715006-5 | NOOR MUHAMMAD | 1,011 | 89 | - | 1,100 | 89 | - | 1,100 |
| 321 | MUHAMMAD ADNAN AWEER ADDRESS: JILANI COLONY SADDIGIA ROAD, KHAWAJA STREET, GULGASHT COLONY, MULTAN | MUHAMMAD ADNAN AMEER | 36302-9232163-7 | AWEER BUKSH | 1,129 | - | - | 1,129 | - | - | 1,129 |
| 322 | MUHAMMAD NAEEM, ADDRESS: MAHALLAH BAZAR, HOUSE # 3 STREET # 73, SADAR BAZAR, LAHORE | MUHAMMAD NAEEM | 35201-1056591-3 | MUJEEB UDDIN | 1,071 | 93 | - | 1,164 | 93 | - | 1,164 |
| 323 | SYED TAHA HUSSAIN JAFFERY ADDRESS: SHOP# 17 HARAIB GARDEN BLOCK# 1, TAHA TRADING & BROS, GULSHAN E IOBAL NEAR ABID TOWN, KARACHI | SYED TAHA HUSSAIN JAFFERY | 42101-1372878-5 | ALI ATHAR HUSSAIN JAFFRI | 1,188 | - | - | 1,188 | - | - | 1,188 |
| 324 | LIAQAT ALI ADDRESS: YASEEN TOWN NEAR SHALUKAT TOWN, HOUSE# 165 STREET# 6, GHAZI ROAD, LAHORE | LIAQAT ALI | 35201-3019505-9 | MERAJ DIN | 1,099 | 105 | - | 1,204 | 105 | - | 1,204 |
| 325 | MUHAMMAD AZHAR ADDRESS: SECTOR-B AKHTER, HOUSE# 100 LINE# 2, COLONY KARACHI. | MUHAMMAD AZHAR | 42000-2128917-3 | MUHAMMAD RASHEED | 1,144 | 113 | - | 1,257 | 113 | - | 1,257 |
| 326 | HAMID RAZA ADDRESS: BUTT CHOWK COLLEGE ROAD 92 MATEEN AVENUE, MODEL TOWN, LAHORE | HAMID RAZA | 17301-3851159-7 | MUHAMMAD ISHAQ | 1,167 | 115 | - | 1,282 | 115 | - | 1,282 |
| 327 | SHAHID HAFEEZ ADDRESS: HADQANAWAZ ROAD 115-A, AL MASS PAN SHOP, BAGH BAN PURA LAHORE | SHAHID HAFEEZ | 35201-6192950-5 | HAFAEZ UR REHMAN | 1,185 | 111 | - | 1,296 | 111 | - | 1,296 |
| 328 | TAHIR AHMED ASHGAR KHOKHAR ADDRESS: CANTT MULTAN, 105 KHALID COLONY, Multan | TAHIR AHMED ASHGAR KHOKHAR | 36302-5571904-7 | MALIK RASHEED ASGHAR KHAN | 1,178 | 119 | - | 1,297 | 119 | - | 1,297 |

Notes to the Consolidated Financial Statements For the year ended December 31, 2008



Statement showing written-off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2008

Annexure 1
(Rupees in '000')

| S.No. | Name & Address of borrower | Name of Individual / partners / directors | | Father's / Husband Name | Outstanding liabilities Before Adjustments | | | Principal written off | Interest/ Markup written off | Other Financial Relief | Total |
|-------|---|---|--|--|--|----------------|--------|-----------------------|------------------------------|------------------------|--------|
| | | Name | NIC No. | | Principal | Accrued Markup | Others | | | | |
| 329 | BASIT HAFEZ ADDRESS: JAHANGIR TOWN KACHA SANDA, HOUSE # 9 NEW FANAIL STREET, LAHORE | BASIT HAFEZ | 35202-8520586-7 | M HAFEZ SULMAN | 1,203 | 113 | - | 1,316 | 113 | - | 1,316 |
| 330 | AZAL RAZA ADDRESS: SHOP # 1 RAFIQUE SHAHEED ROAD, BUBBLE MEDICAL & SURGICAL STORE, OPP NICH & JPMC, KARACHI | AZAL RAZA | 42301-8315259-3 | GHULAM RAZA | 1,222 | 106 | - | 1,328 | 106 | - | 1,328 |
| 331 | ARV INDUSTRIES ADDRESS: SUIT # 3, 2ND FLOOR, NAWAB BUILDING, SHADMAN MARKET, LAHORE | MIAN MUHAMMAD JAHANGIR | 35202-6720357-3 267-84-630930 | GHULAM QADIR MIAN MUHAMMAD JAHANGIR | 4,787 | 240 | - | 5,027 | 240 | - | 775 |
| 332 | DEW SPOT INTERNATIONAL ADDRESS: 1-DIAL SINGH MENSION SHAHRAH-E-QUAID-E-AZAM, LAHORE | YASMEEN RASHEED | 35201-1532619-8 | MR. ABDUR RASHEED | 4,000 | 509 | - | 4,509 | 509 | - | 509 |
| 333 | AHMBRO INDUSTRIES ADDRESS: 13-A3 GULBURG III, LAHORE | MUHAMMAD MATEEN AHMED | 35201-1200157-5 | MUBEEN AHMAD | 6,800 | 1,091 | - | 7,891 | 890 | - | 890 |
| 334 | KAGHAN GHEE MILLS ADDRESS: 4TH FLOOR, BLOR PLAZA, SADDAR ROAD, PESHAWAR | IFTIKHAR HUSSAIN ALVI SHAH SYED NOOR-UD-DIN | 101-48-117837 123-37-549522 123-47-128909 | ABDUL AZIZ SYED GHULAM AHMED SHAH SYED GHULAM AHMED SHAH | 23,460 | 716 | - | 24,176 | 13,459 | 716 | 14,175 |
| 335 | SURAJ COTTON MILLS LIMITED ADDRESS: 7-B, HAZI AVENUE, GULBERG-V, LAHORE | KHALID BASHIR KUTUB KHAN AMJAD MAHMOOD ASIF BASHIR ADIL BASHIR NADEEM MAQBOOL | 246-42-086413 244-40-005490 244-92-273520 35202-2631607-3 35202-9150680-3 502-50-443796 | MUHAMMAD BASHIR KHALID BASHIR GULZAR AHMAD KHALID BASHIR KHALID BASHIR MAQBOOL AHMAD | - | 166,527 | 105 | 166,632 | 65,182 | 105 | 65,287 |
| 336 | SHAMS TEXTILE MILLS LIMITED ADDRESS: 7-B, III, AZIZ AVENUE, GULBERG-V, LAHORE | KHALID BASHIR MUHAMMAD ANWAR AMJAD MAHMOOD ASIF BASHIR ADIL BASHIR NADEEM MAQBOOL | 246-42-086413 244-40-005490 244-92-273520 35202-2631607-3 35202-9150680-3 502-50-443796 | MUHAMMAD BASHIR HAJI MUHAMMAD SHAFI GULZAR AHMAD KHALID BASHIR KHALID BASHIR MAQBOOL AHMAD | - | 36,122 | - | 36,122 | 27,467 | - | 27,467 |
| 337 | ATTOCK TEXTILE MILLS LIMITED ADDRESS: SUIT NO. 3, FIRST FLOOR, PANTHER PLAZA, F-8 MARKAZ, ISLAMABAD | ARSHAD ALI CHAUDHARY RIZWAN ARSHAD FARIDA KHANUM MOHAMMAD SHARIF MOHAMMAD ALAM EFFAT ARSHAD BUSHRA ARSHAD AHSANULLAH | 101-55-396224 101-87-341902 224-59-022038 225-24-066154 225-29-246008 224-78-140523 224-77-140524 225-93-066223 | CH. MOHAMMAD SHARIF RASHID AHMED MOHAMMAD ALAM GHULAM SARWAR RAJA KHAN ARSHAD ALI CHAUDHARY ARSHAD ALI CHAUDHARY ARSHAD ALI CHAUDHARY | - | 26,180 | - | 26,180 | 26,180 | - | 26,180 |
| 338 | INTERNATIONAL FLOOR COVERINGS LTD. ADDRESS: FIRST FLOOR, STANDARD CHARTERED BANK CHAMBERS I.I CHUNDRIGAR ROAD, KARACHI | MIAN MUHAMMAD SAID KHAN MRS. SHAZIA SAID KHAN MISS SHARMEEN SAID KHAN MRS. ANYESHA SAID KHAN MR. S. MUNEEB-UZ- ZAMAN | 42301-0927852-7 42301-3199750-0 35201-3115880-0 35201-0181203-2 42101-4771457-3 | HAJI MUHAMMAD DIN MIAN MUHAMMAD SAID KHAN MIAN MUHAMMAD SAID KHAN MIAN MUHAMMAD SAID KHAN S. NASEEM-UZ-ZAMAN | 9,980 | 20,020 | 121 | 30,121 | 16,499 | 121 | 16,620 |
| 339 | BURJOR ARDESHIRE INDUSTRIES LIMITED ADDRESS: 12-CHARTERED BANK CHAMBER, I.I CHUNDRIGAR ROAD, KARACHI | MAJEED A ABDULLAH AHMED ABDULLAH ANWAR A ABDULLAH AKBER ABDULLAH DARAGSHAH B DALAL DOST MUHAMMAD REHMAN D DALAL BURJOR A DALAL | * N/A * N/A * N/A * N/A * N/A * N/A * N/A | AHMED ABDULLAH SHAKOOR ABDULLAH AHMED ABDULLAH AHMED ABDULLAH BURJOR A DALAL N/A N/A ARDESHIRE DALAL | - | 79,016 | 705 | 79,721 | 76,273 | - | 76,273 |
| 340 | VISION INTERNATIONAL APP. NO. 506, 5TH FLOOR, DIAMOND TOWER, SUBHRAJ/CHETUMAL RD GHRDEN ROAD, KARACHI | MUHAMMAD SALEEM MUHAMMAD YOUSUF HASHIMANI | 42201-0599162-5 42201-1512793-5 | HAJI NOORMUHAMMAD ABDUL LATIF | 3,150 | 732 | - | 3,882 | 549 | 732 | 1,281 |

247,705 350,476 931 599,112 210,077 234,011 226 444,314

* Burjor Ardeshire Industries Limited went into default prior to the time when GoP started issuing NICs.

Pattern of Shareholding as at December 31, 2008



| Number of Shareholders | Shareholdings | | Shares held | Percentage |
|------------------------|---------------|---------------|----------------------|---------------|
| | From | To | | |
| 1654 | 1 | 100 | 69,034 | 0.00 |
| 4492 | 101 | 500 | 1,628,147 | 0.06 |
| 4932 | 501 | 1,000 | 4,421,954 | 0.16 |
| 12469 | 1,001 | 5,000 | 36,109,557 | 1.27 |
| 3405 | 5,001 | 10,000 | 26,399,272 | 0.93 |
| 3670 | 10,001 | 50,000 | 84,700,396 | 2.98 |
| 639 | 50,001 | 100,000 | 46,833,483 | 1.65 |
| 344 | 100,001 | 200,000 | 47,868,916 | 1.68 |
| 139 | 200,001 | 300,000 | 34,325,781 | 1.21 |
| 57 | 300,001 | 400,000 | 20,083,422 | 0.71 |
| 35 | 400,001 | 500,000 | 15,826,019 | 0.56 |
| 23 | 500,001 | 600,000 | 12,702,884 | 0.45 |
| 16 | 600,001 | 700,000 | 10,343,214 | 0.36 |
| 21 | 700,001 | 800,000 | 15,736,766 | 0.55 |
| 8 | 800,001 | 900,000 | 6,617,667 | 0.23 |
| 4 | 900,001 | 1,000,000 | 3,899,717 | 0.14 |
| 62 | 1,000,001 | 5,000,000 | 127,959,384 | 4.50 |
| 12 | 5,000,001 | 10,000,000 | 86,553,000 | 3.04 |
| 2 | 10,000,001 | 15,000,000 | 22,826,380 | 0.80 |
| 3 | 15,000,001 | 20,000,000 | 50,797,709 | 1.79 |
| 1 | 20,000,001 | 25,000,000 | 24,578,800 | 0.86 |
| 1 | 25,000,001 | 30,000,000 | 29,351,032 | 1.03 |
| 1 | 30,000,001 | 50,000,000 | 46,139,850 | 1.62 |
| 1 | 50,000,001 | 150,000,000 | 78,103,474 | 2.75 |
| 1 | 150,000,001 | 250,000,000 | 213,939,448 | 7.52 |
| 1 | 250,000,001 | 1,800,000,000 | 1,795,911,770 | 63.15 |
| 31,993 | | | 2,843,727,076 | 100.00 |

Categories of Shareholders as at December 31, 2008



| Particulars | Number of Shareholders | Shares held | Percentage |
|--|------------------------|----------------------|---------------|
| Directors, Chief Executive Officer, and their spouse and minor children | 1 | 16,083,935 | 0.57 |
| Associated Companies, undertakings and related parties | 2 | 1,820,490,570 | 64.02 |
| NIT, ICP & IDBP/ICP | 6 | 32,227,922 | 1.13 |
| Banks, Development Financial Institutions, Non Banking Financial Institutions | 72 | 134,307,622 | 4.73 |
| Insurance Companies | 21 | 18,540,218 | 0.65 |
| Modarabas and Mutual Funds | 57 | 16,534,259 | 0.58 |
| Public Sector Companies & Corporations | 9 | 264,270,290 | 9.29 |
| Executives | 38 | 1,031,438 | 0.04 |
| Foreign Companies | 68 | 16,612,359 | 0.58 |
| Shareholders holding 10% or more {excluding Bugis Investments (Mauritius) Pte Limited} | – | – | – |
| General Public (including local & foreign individual) | 31,314 | 429,933,327 | 15.12 |
| Others | 405 | 93,695,136 | 3.29 |
| TOTAL | 31,993 | 2,843,727,076 | 100.00 |

Details of Pattern of Shareholding as at December 31, 2008



| Category | Categories of Shareholders | Number of Shareholders | Number of Shares held | Percentage |
|----------|---|--------------------------------------|---|---------------|
| 1 | Associated Companies, Undertakings and related parties Bugis Investments (Mauritius) Pte Ltd. M/s. IFIC Bank Limited | 2 | 1,820,490,570 1,795,911,770 24,578,800 | 64.02 |
| 2 | NIT & ICP National Investment Trust Limited National Bank of Pakistan, Trustee Deptt. Investment Corporation of Pakistan IDBP/ICP | 6 2 1 2 1 | 32,227,922 2,762,472 29,351,032 13,516 100,902 | 1.13 |
| 3 | Directors, CEO and their spouses and minor children Mr. Francis Andrew Rozario Mr. Mahmudul Huq Bhuiyan Syed Aamir Zahidi Mr. Tan Soo Nan Mr. Tejpal Singh Hora Mr. Willie Wai Kong Chan Mr. Asif Jooma Khawaja Iqbal Hassan | 1 | 16,083,935 | 0.57 |
| 4 | Executives | 38 | 1,031,438 | 0.04 |
| 5 | Public Sector Companies and Corporations | 9 | 264,270,290 | 9.29 |
| 6 | Foreign Companies | 68 | 16,612,359 | 0.58 |
| 7 | Banks, Development Financial Institutions, Non-banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds | 150 | 169,382,099 | 5.96 |
| 8 | General Public (including local & foreign individual) | 31,314 | 429,933,327 | 15.12 |
| 9 | Others | 405 | 93,695,136 | 3.29 |
| | Total | 31,993 | 2,843,727,076 | 100.00 |



Proxy Form

I/We _____ S/o,D/o,W/o _____
of _____
(full address) being a member of NIB Bank Limited and holder of shares as per Registered Folio No. _____ and / or CDC Participant I.D. No. _____ and Account No. _____ do hereby appoint _____ of _____ (full address) or failing him/her _____ of _____ (full address) as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of NIB Bank Limited scheduled to be held on Friday, the 24th April, 2009 at 09:00 a.m. at Moosa G. Desai Auditorium, Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton, Karachi and at any adjournment thereof.

As witness my / our hand this _____ day of _____ 2009.

Witnesses :

1. _____
Name :
CNIC No.:
Address :

Signature of Member(s)
on Rs. 5/- Revenue Stamp

2. _____
Name:
CNIC No.:
Address :

NOTE: A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him / her. No person shall act as proxy (except for a Corporation) unless he / she is entitled to be present and vote in his / her own right.

Proxies, in order to be valid, must be complete in all respect and be received at the Registered Office of the Bank not later than 48 hours before the meeting.

NIB BANK LIMITED
Muhammadi House
I.I. Chundrigar Road
Karachi

UAN: 111-333-111
www.nibpk.com