

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	30 June 2012	31 December 2011
Note	----- (Rupees in '000)-----	
	(Un-Audited)	(Audited)
ASSETS		
Cash and balances with treasury banks	4,547,494	3,945,481
Balances with other banks	5,991,921	7,577,186
Due from financial institutions	-	-
Investments	4 27,625,244	26,179,416
Financings	5 26,414,060	27,610,708
Operating fixed assets	6 2,735,724	2,798,165
Deferred tax assets	1,067,475	1,030,951
Other assets	3,553,115	3,402,972
	71,935,033	72,544,879
LIABILITIES		
Bills payable	787,080	451,030
Due to financial institutions	1,581,006	1,736,120
Deposits and other accounts	7 61,308,213	61,559,026
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	1,160	5,123
Deferred tax liabilities	-	-
Other liabilities	1,915,426	2,269,097
	65,592,885	66,020,396
NET ASSETS	6,342,148	6,524,483
REPRESENTED BY		
Share capital	8,935,200	8,935,200
Discount on issuance of shares	(767,290)	(767,290)
Reserves	82,074	82,074
Accumulated loss	(1,936,441)	(1,723,728)
	6,313,543	6,526,256
Surplus / (deficit) on revaluation of assets - net of tax	28,605	(1,773)
	6,342,148	6,524,483
CONTINGENCIES AND COMMITMENTS	8	

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012

	Note	Half year ended		Quarter ended	
		30 June 2012	30 June 2011	30 June 2012	30 June 2011
----- (Rupees in '000) -----					
Profit / return earned on financings, investments and placements	9	3,271,371	3,175,097	1,646,838	1,696,985
Return on deposits and other dues expensed		2,513,659	2,338,976	1,221,799	1,208,792
Net spread earned		757,712	836,121	425,039	488,193
Provision / (reversal of provision) against non-performing financings - net		211,856	(149,319)	74,753	(110,450)
(Reversal of provision) / provision for diminution in the value of investments		(409)	3,284	(409)	-
Bad debts written off directly		-	10	-	-
		211,447	(146,025)	74,344	(110,450)
Net spread after provisions		546,265	982,146	350,695	598,643
Other income					
Fee, commission and brokerage income		89,629	108,822	40,364	53,775
Dividend income		-	696	-	209
Income from dealing in foreign currencies		91,228	167,639	54,018	62,216
Gain on sale of securities - net		594	17,674	-	16,206
Unrealised gain / (loss) on revaluation of investments classified as held for trading		-	-	-	-
Other income		17,758	8,058	11,254	4,597
Total other income		199,209	302,889	105,636	137,003
		745,474	1,285,035	456,331	735,646
Other expenses					
Administrative expenses		970,139	913,357	477,427	459,667
Other provisions / write offs / (reversal of provision)		7,173	(48,800)	7,173	(48,800)
Other charges		47	136	41	103
Total other expenses		977,359	864,693	484,641	410,970
		(231,885)	420,342	(28,310)	324,676
Extra ordinary / unusual items		-	-	-	-
(Loss) / profit before taxation		(231,885)	420,342	(28,310)	324,676
Taxation - Current		(17,352)	(36,185)	(171)	(19,591)
- Prior years		-	-	-	-
- Deferred		36,524	(59,232)	(62,905)	(60,663)
		19,172	(95,417)	(63,076)	(80,254)
(Loss) / profit after taxation		(212,713)	324,925	(91,386)	244,422
Accumulated loss brought forward		(1,723,728)	(2,052,024)	(1,845,055)	(1,971,521)
Accumulated loss carried forward		(1,936,441)	(1,727,099)	(1,936,441)	(1,727,099)
(Loss) / earning per share - Basic and diluted (Rupee)		(0.24)	0.36	(0.10)	0.27

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012

	Half year ended		Quarter ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	----- (Rupees in '000) -----			
(Loss) / profit for the period - after taxation	(212,713)	324,925	(91,386)	244,422
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	(212,713)	324,925	(91,386)	244,422

As per the requirement of the State Bank of Pakistan, surplus / deficit on revaluation of available-for-sale securities is required to be taken to a separate account 'surplus / deficit on revaluation of assets' shown in the statement of financial position below equity. Accordingly, it has not been included in statement of comprehensive income.

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012

	30 June 2012	30 June 2011
	-----Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(231,885)	420,342
Adjustments for non-cash and other items:		
Depreciation	55,007	69,111
Amortisation	40,703	13,061
Provision / (reversal of provision) against non-performing financings	211,856	(149,309)
(Reversal of provision) / provision for diminution in the value of investments	(409)	3,284
Provision / (reversal of provision) against other assets	7,173	(48,800)
Gain on the disposal of fixed assets	(1,243)	(1,143)
Finance charges on leased assets	8,814	13,165
	321,901	(100,631)
	90,016	319,711
(Increase) / decrease in operating assets		
Due from financial institutions	-	80,000
Financings	984,792	(1,862,705)
Others assets	(157,316)	95,391
	827,476	(1,687,314)
Increase / (decrease) in operating liabilities		
Bills payable	336,050	372,422
Borrowings	(155,114)	(702,171)
Deposits and other accounts	(250,813)	7,713,519
Other liabilities	(353,671)	(221,182)
	(423,548)	7,162,588
Income tax paid	(17,353)	(60,877)
Net cash inflow from operating activities	476,591	5,734,108
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(1,415,042)	(5,702,466)
Net investments in operating fixed assets	(32,024)	(32,635)
Net cash outflow on investing activities	(1,447,066)	(5,735,101)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of lease obligations	(12,777)	(21,467)
Net cash outflow on financing activities	(12,777)	(21,467)
Net decrease in cash and cash equivalents	(983,252)	(22,460)
Cash and cash equivalents at beginning of the period	11,522,667	11,869,877
Cash and cash equivalents at end of the period	10,539,415	11,847,417

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012

	Issued, subscribed and paid up capital	Discount on issue of shares	Statutory Reserve	Accumulated loss	Total
	(Rupees in '000)				
Balance as at 01 January 2011	8,935,200	(767,290)	-	(2,052,024)	6,115,886
Profit for the period	-	-	-	324,925	324,925
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	324,925	324,925
Balance as at 30 June 2011	8,935,200	(767,290)	-	(1,727,099)	6,440,811
Profit for the period	-	-	-	85,445	85,445
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	85,445	85,445
Transfer to statutory reserve	-	-	82,074	(82,074)	-
Balance as at 31 December 2011	8,935,200	(767,290)	82,074	(1,723,728)	6,526,256
Loss for the period	-	-	-	(212,713)	(212,713)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(212,713)	(212,713)
Balance as at 30 June 2012	8,935,200	(767,290)	82,074	(1,936,441)	6,313,543

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

ALBARAKA BANK (PAKISTAN) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 AlBaraka Bank (Pakistan) Limited (the Bank) was incorporated in Pakistan on 20 December 2004 as a public limited company under the Companies Ordinance, 1984.

The main objective of the Bank is to carry on Islamic banking business in Pakistan in accordance and in conformity with Shariah. The Bank was granted an Islamic Banking License BL(i)-01(07), issued by the Banking Policy and Regulations Department of the State Bank of Pakistan (SBP) vide their letter no. BPRD (LCGD-02)1625-761D/2007/521 dated 18 January 2007 under section 27 of the Banking Companies Ordinance, 1962 read with Islamic Banking Department circular no. 2 of 2004. Subsequently, the Bank was also granted approval for commencement of business as a scheduled bank with effect from 13 February 2007 by the SBP vide their letter no. BPRD (LCGD-02)1625-76/X/JD/2007/1269 dated 12 February 2007. Upon merger of the Pakistan branches of Albaraka Islamic Bank B.S.C. (c), fresh license no. BL(i)-01(2011) was issued by SBP vide its letter no. BPRD (R&P-01)/2011-3087 dated 12 March 2011, effective from close of business on 29 October 2010.

The Bank is a subsidiary of AlBaraka Islamic Bank B.S.C. (c) incorporated and domiciled in Bahrain (the parent company) and a member of AlBaraka Banking Group.

The Bank's registered office is located at 162, Bangalore Town, Main Sharah-e-Faisal, Karachi. The Bank operates 87 branches and 2 sub-branches (31 December 2011 : 87 branches and 2 sub branches) in Pakistan.

1.2 The SBP vide BSD Circular No. 7 of 2009 dated 15 April 2009 required the Minimum Capital Requirement (MCR) for Banks / Development Financial Institutions to be raised to Rs. 10 billion to be achieved in phased manner by the end of 31 December 2013. As per said circular MCR (free of losses) as of 31 December 2012 and 2013 is Rs.9 billion and Rs.10 billion respectively. However, the Bank has been granted exemption from the MCR by the SBP vide its letter no. BSD/BAI-3/608/4673/2011 dated 14 April 2011 for a period of three years i.e. 31 December 2010, 2011 and 2012 subject to the compliance of the following conditions during the exemption period:

- i) The Bank shall maintain paid up capital (free of losses) of at least Rs 6 billion at all times and raise the paid up capital (free of losses) to Rs 6.5 billion in the year 2011, Rs 8 billion in the year 2012 and Rs 10 billion in the year 2013;
- ii) The Bank shall maintain Capital Adequacy ratio (CAR) of 15% or above during the period;
- iii) There would be moratorium on dividend payments until the Bank meets existing regulatory capital requirements;
- iv) The Bank shall not undertake related party transaction as defined under note 43 of the annual financial statements circulated vide BSD Circular No 4 of February 17, 2006.

The Bank will be subject to MCR and CAR as of 31 December 2013 and onwards as per BSD Circular no.7 dated 15 April 2009 plus an additional amount of Rs.383.14 million.

As of 30 June 2012, the paid-up capital of the Bank (free of losses) amounts to Rs. 6,313.54 million and CAR stands at 13.70% (Unaudited). The Bank is in the process of finalising its capital enhancement plan to comply with the current and future regulatory capital requirements. The SBP vide its letter no. BSD/CSD/9410/12/2012 dated 06 August 2012 has given a timeline extension to meet MCR of Rs. 6.5 billion and CAR of 15% till 30 September 2012.

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements of the Bank for the half year ended 30 June 2012 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - "Interim Financial Reporting", provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

2.2 The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of IAS 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated 28 April 2008, International Financial Reporting Standard 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified, accounted for and valued in accordance with the requirement of various circulars issued by the SBP.

2.3 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP, vide BSD Circular Letter No. 2, dated 12 May 2004 and IAS 34 "Interim Financial Reporting" and do not include all information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2011.

3. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year.

During the period, the Bank has adopted an amendment to IAS 12 "Income Taxes (amendment) - Recovery of Underlying Assets" which became effective during the period. The adoption of this amendment did not have any effect on the condensed interim financial statements.

The basis of significant accounting estimates and judgements adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Bank for the year ended 31 December 2011.

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS

4. INVESTMENTS

	30 June 2012 (Un-Audited)			31 December 2011 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
----- (Rupees in '000) -----						
Available-for-sale securities						
Sukuk certificates / bonds	26,791,075	-	26,791,075	25,335,620	-	25,335,620
Ordinary shares of listed company	-	-	-	3,768	-	3,768
Ordinary shares of unlisted company Takaful Pakistan Limited (a related party)	52,200	-	52,200	52,200	-	52,200
Mutual funds - open ended	-	-	-	10,440	-	10,440
	26,843,275	-	26,843,275	25,402,028	-	25,402,028
Held to maturity securities						
Sukuk certificates / bonds	806,696	-	806,696	832,902	-	832,902
Investments at cost	27,649,971	-	27,649,971	26,234,930	-	26,234,930
Provision for diminution in the value of investments	(53,332)	-	(53,332)	(53,741)	-	(53,741)
Investments (net of provisions)	27,596,639	-	27,596,639	26,181,189	-	26,181,189
Surplus / (deficit) on revaluation of available-for-sale securities	28,605	-	28,605	(1,773)	-	(1,773)
Total investments at market value*	27,625,244	-	27,625,244	26,179,416	-	26,179,416

* Unlisted investments are carried at cost less provision for diminution in value of investment, if any.

5. FINANCINGS

	Note	30 June 2012 ----- (Rupees in '000)----- (Un-Audited)	31 December 2011 (Audited)
In Pakistan			
- Murabaha financing		14,605,254	16,845,977
- Export refinance under islamic scheme		1,721,951	1,886,818
- Ijarah under IFAS 2		2,141,540	2,249,663
- Net investment in ijarah		451,171	575,310
- Service Ijarah		500,000	49,428
- Diminishing musharaka financing		5,444,407	4,865,928
- Payment against guarantees		9,901	9,901
- Salam financing		3,026,679	2,398,933
- Financings against bills-payable outside Pakistan		188,908	202,202
- Istasna financings		500,000	500,000
- Qarz-e-Hasna		27,093	17,579
- Financing in respect of rahnuma travel services		128	85
Financings - gross		28,617,032	29,601,824
Provision for non-performing financings - specific	5.1	2,191,460	1,979,064
Provision for non-performing financings - general	5.1	11,512	12,052
		2,202,972	1,991,116
Financings - net of provisions		26,414,060	27,610,708

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- 5.1 Financings include Rs. 5,856.253 million (31 December 2011 : Rs. 4,466.038 million) which have been placed under non-performing status as detailed below:

Category of classification	30 June 2012 (Un-Audited)				
	Domestic	Overseas	Total	Provision required	Provision held
	(Rupees in '000)				
Substandard	1,919,654	-	1,919,654	227,859	227,859
Doubtful	572,950	-	572,950	137,454	137,454
Loss	3,363,649	-	3,363,649	1,826,147	1,826,147
	5,856,253	-	5,856,253	2,191,460	2,191,460

Category of classification	31 December 2011 (Audited)				
	Domestic	Overseas	Total	Provision required	Provision held
	(Rupees in '000)				
Substandard	694,402	-	694,402	125,757	125,757
Doubtful	775,131	-	775,131	163,745	163,745
Loss	2,996,505	-	2,996,505	1,689,562	1,689,562
	4,466,038	-	4,466,038	1,979,064	1,979,064

5.1.1 Particulars of provisions against non-performing financings

	30 June 2012 (Un-Audited)			31 December 2011 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	1,979,064	12,052	1,991,116	2,205,185	15,932	2,221,117
Charge for the period / year	600,648	-	600,648	250,896	-	250,896
Reversals	(388,252)	(540)	(388,792)	(476,220)	(3,880)	(480,100)
	212,396	(540)	211,856	(225,324)	(3,880)	(229,204)
Written off during the period / year	-	-	-	(797)	-	(797)
Closing balance	2,191,460	11,512	2,202,972	1,979,064	12,052	1,991,116

- 5.2 The above provision against non-performing financings has been worked out after considering the benefit of forced sale value of collateral amounting to Rs. 3,377.04 million (31 December 2011 : Rs. 2,564.674 million). In addition, SBP has allowed relaxation from provisioning requirement under prudential regulations against certain credit facilities having a provisioning impact of Rs. 314.01 million as of 30 June 2012.

	Note	30 June 2012	31 December 2011
		(Rupees in '000)	
		(Un-Audited)	(Audited)
6. OPERATING FIXED ASSETS			
Capital work-in-progress	6.1	618,847	597,402
Property and equipment		1,131,748	1,186,070
Intangible assets		985,129	1,014,693
		2,735,724	2,798,165
6.1 Capital work-in-progress			
Advances to supplier and contractors	6.1.1	405,087	383,642
Advance against purchase of property	6.1.2	276,680	276,680
Provision for impairment		(62,920)	(62,920)
		213,760	213,760
		618,847	597,402

- 6.1.1 This includes expenditure amounting to Rs. 218.761 million (31 December 2011 : Rs. 205.648 million) for implementation of new core banking system of the Bank.

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CONDENSED INTERIM FINANCIAL STATEMENTS

6.1.2 This includes advance payment made by the Bank amounting to Rs. 251.68 million for the purchase of two floors in the Karachi Financial Towers (KFT) against an aggregate purchase price of Rs. 533.408 million. The KFT project is being developed by Ensha LLC Developers (Private) Limited and is currently suspended. However, in terms of the deed of indemnity issued by Ensha LLC to the Bank, Ensha LLC shall indemnify the Bank for any loss suffered or required to be booked in the financial statements in respect of the above advance payment. Further, in the event that the KFT project is not revived and substantial progress is not made within a period of three years commencing from the date of the deed of indemnity, Ensha LLC will pay to the Bank the full extent of the advance payment. Accordingly, during the period, the Bank has claimed an amount of Rs. 62.92 million from Ensha LLC on account of above indemnity.

	30 June 2012	31 December 2011
	Rupees in'000	
	(Un-Audited)	(Audited)
7. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	27,382,775	29,104,794
Savings deposits	20,841,469	20,547,624
Current accounts - non-remunerative	8,366,748	7,344,980
Margin deposits	418,555	347,425
	57,009,547	57,344,823
Financial Institutions		
Remunerative deposits	4,283,125	4,187,058
Non-remunerative deposits	15,541	27,145
	4,298,666	4,214,203
	61,308,213	61,559,026
8. CONTINGENCIES AND COMMITMENTS		
8.1 Transaction related contingent liabilities		
Includes performance bonds, bid bonds, shipping guarantees favouring:		
i) Government	4,601,586	4,455,074
ii) Banking companies and other financial institutions	3,008	25,861
iii) Others	1,134,165	648,650
	5,738,759	5,129,585
8.2 Trade related contingent liabilities		
Letters of credit	3,466,645	2,929,314
Others - Shipping Guarantees	85,519	38,331
Acceptances	969,174	1,103,451
8.3 Commitments in respect of forward exchange contracts		
Purchase	1,701,202	1,397,914
Sale	2,015,444	1,534,041
8.4 Commitments for lease liability		
Commitments in respect of ijarah payments under ijarah are:		
- not later than one year	15,118	14,415
- later than one year and not later than five years	3,212	7,282
- later than five years	-	-
	18,330	21,697
8.5 Commitments to incur capital expenditure		
Commitments in respect of purchase of property	281,728	281,906

8.6 Other Contingencies

8.6.1 During the year 2010, a constitutional petition and certain suits have been filed by Mr. Faisal Vawda in the Honorable High Court of Sindh against the Bank wherein Mr. Vawda has claimed that he was offered 24 million ordinary shares of the Bank at an aggregate value of Rs. 300 million as sale consideration against the commercial property sold to the Bank. He further claimed that in addition to the said property, he has also paid Rs. 60 million towards the purchase consideration for the above referred shares. However, the said shares or any other consideration against the property has not been received by him. Based on the above, Mr. Vawda has alleged the Bank of involvement in illegal business and has requested the High Court to direct the SBP to refrain from according approval / sanction to the merger between the Bank and AlBaraka Islamic Bank. The Bank contends that the aforesaid allegations of Mr. Vawda are baseless and without any merit and that the subject property has been duly purchased and paid for by the Bank. Further, in the opinion of legal advisor of the Bank, the petitioner is not likely to be successful in securing the reliefs prayed in the said petitions.

In terms of the merger agreement dated 16 August 2010 between sponsors shareholders of the Bank and AlBaraka, the Emirates Financial Holdings LLC will keep the Bank fully indemnified, safe and secured against all losses, costs, claims, damages of any nature whatsoever resulting to the Bank on account of the Mr. Faisal Vawda Litigations including any additional or ancillary litigation or proceedings filed by Faisal Vawda Group in relation to the subject matter of the Faisal Vawda Litigations.

8.6.2 Income Tax claims amounting to Rs.116.512 million have not been acknowledged by the Bank. The bank has filed appeals before Appellate Tribunal Inland Revenue (ATIR) against the orders in respect of assessment years 2001-2002, 2002-2003 and tax years 2004 to 2011. Moreover, the Income Tax Department has also filed appeals before Appellate Tribunal Inland Revenue (ATIR) against the orders in respect of assessment years 2001-2002, 2002-2003 and tax years 2004 to 2011 issued by the Commissioner Inland Revenue (CIR) (Appeals). Appeals filed by the Bank and the Income Tax Department are pending for decision. Management of the Bank has evaluated, after consulting their income tax advisor, that the appeals are likely to be decided in favor of the Bank and, hence no provision has been made for the same in these financial statements.

Half year ended		Quarter ended	
30 June 2012	30 June 2011	30 June 2012	30 June 2011
----- Rupees in'000 -----			
----- (Un-Audited) -----			

9. PROFIT / RETURN EARNED ON FINANCINGS, INVESTMENTS AND PLACEMENTS

On financings to:

- Customers	1,505,768	1,686,407	773,147	892,673
- Employees	7,633	8,598	2,696	273

On investment in:

- Available-for-sale and Held-to-maturity securities	1,537,800	1,260,184	742,254	706,240
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On deposits with banks	220,170	207,728	128,741	85,619
On due from financial institutions	-	12,180	-	12,180

	3,271,371	3,175,097	1,646,838	1,696,985
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10. RELATED PARTY TRANSACTIONS

10.1 Details of transactions with related parties and balances as at the period / year end are as follows:

	30 June 2012 (Un-Audited)	31 December 2011 (Audited)
	-----Rupees in'000-----	
<u>Key management personnel</u>		
Financings		
At beginning of the period / year	48,640	209,216
Disbursed during the period / year	29,917	28,709
Repaid during the period / year	(5,748)	(189,285)
At end of the period / year	72,809	48,640
Deposits		
At beginning of the period / year	135,868	137,541
Deposited during the period / year	126,457	362,291
Withdrawn during the period / year	(125,876)	(363,964)
At end of the period / year	136,449	135,868
Other Balances		
Return payable on deposit	491	4,506
Profit receivable on financing	138	92

	Half year ended		Quarter ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	----- Rupees in'000 -----			
	----- (Un-Audited) -----			
Transactions, income and expenses				
Profit earned on financing	8,506	3,291	7,351	1,031
Return on deposits expensed	7,357	11,040	2,263	6,717
Salaries and allowances	77,588	127,050	41,510	68,349

	30 June 2012 (Un-Audited)	31 December 2011 (Audited)
	-----Rupees in'000-----	

Parent Bank

Other balances		
Payable against expenses incurred on behalf of the bank	95,704	95,704

Associates / major shareholders

Deposits		
At beginning of the period / year	455,799	249,537
Deposited during the period / year	117,800	419,039
Withdrawn during the period / year	(76,525)	(212,777)
At end of the period / year	497,074	455,799
Other Payables		
At beginning of the period / year	1,861	1,861
Disbursed during the period / year	-	-
Repaid during the period / year	-	-
At end of the period / year	1,861	1,861
Other balances		
Return payable on deposit	1,610	4,792
Investments	52,200	52,200
Provision for diminution in value of investment	28,332	28,741
Non funded exposure	445,421	22,353

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	Half year ended		Quarter ended	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	----- Rupees in'000 -----			
	----- (Un-Audited) -----			
Transactions, income and expenses				
Profit earned on financing	-	2,795	-	2,743
Return on deposits expensed	10,370	127	3,010	52

	30 June 2012 (Un-Audited)	30 June 2011 (Audited)
	-----Rupees in'000-----	
Retirement benefit plan		
Contributions to defined contribution plan	19,803	19,093
Contributions to defined benefit plan	18,480	19,894

11. SEGMENT BY CLASS OF BUSINESS

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

	Half year ended 30 June 2012 (Un-Audited)				
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement
	----- (Rupees in'000)-----				
Total income	7,940	1,837,468	331,973	1,269,622	23,577
Total expenses	1,940	426,877	1,815,875	1,438,601	-
Net income / (loss)	6,000	1,410,591	(1,483,902)	(168,979)	23,577

	As at 30 June 2012 (Un-Audited)				
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement
	----- (Rupees in'000)-----				
Segment assets (gross of provisions)	176,490	38,863,756	1,564,368	33,167,141	366,250
Segment non - performing financings	-	-	495,728	5,360,525	-
Segment provision required against financings	-	-	222,006	1,980,966	-
Segment liabilities	-	-	39,622,433	25,183,371	787,081

	Half year ended 30 June 2011 (Un-Audited)				
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement
	----- (Rupees in'000)-----				
Total income	18,838	805,211	166,888	1,737,156	749,893
Total expenses	152,507	258,455	2,227,323	514,776	-
Net income / (loss)	(133,669)	546,756	(2,060,435)	1,222,380	749,893

	As at 31 December 2011 (Audited)				
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement
	----- (Rupees in'000)-----				
Segment assets (gross of provisions)	55,500	38,661,360	2,870,409	32,469,451	479,275
Segment non - performing financings	-	-	114,207	4,351,831	-
Segment provision required against financings	-	-	52,799	1,938,317	-
Segment liabilities	-	3,272	42,812,870	22,743,321	460,933

12. GENERAL

12.1 Figures of condensed interim profit and loss account for the quarters ended 30 June 2012 and 30 June 2011 have not been subjected to limited scope review by the auditors.

12.2 Figures have been rounded off to the nearest thousand Rupees.

13. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on 30 August 2012.