MCB Bank Limited

Unconsolidated Condensed Interim Balance Sheet

As at September 30, 2007

	Note	Unaudited September 30, 2007	Audited December 31, 2006
		(Rupee	es '000)
Assets			
Cash and balances with treasury banks		34,405,452	32,465,976
Balances with other banks		4,210,982	6,577,017
Lendings to financial institutions	7	2,913,274	21,081,800
Investments - net	8	123,318,412	63,486,316
Advances - net	9	190,524,312	198,239,155
Other assets - net		16,005,203	11,031,450
Operating fixed assets		11,215,878	9,054,156
Deferred tax assets - net	12	-	172,373
		382,593,513	342,108,243
Liabilities			
Bills payable		9,109,923	7,089,679
Borrowings from financial institutions	10	23,569,661	23,943,476
Deposits and other accounts	11	287,921,856	257,461,838
Sub-ordinated loan		479,232	1,597,440
Liabilities against assets subject to finance lease		-	-
Other liabilities		12,978,236	11,171,496
Deferred tax liabilities - net	12	405,414	-
		334,464,322	301,263,929
Net assets		48,129,191	40,844,314
Represented by:			
Share capital	13	6,282,768	5,463,276
Reserves		30,555,925	24,662,426
Un-appropriated profit		6,081,280	5,530,973
		42,919,973	35,656,675
Surplus on revaluation of assets - net of tax		5,209,218	5,187,639
		48,129,191	40,844,314
Contingencies and commitments	14		

The annexed notes 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

President and Chief Executive

MCB Bank Limited Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For nine months ended September 30, 2007

	Note	Quarter ended September 30, 2007	Nine months ended September 30, 2007	Quarter ended September 30, 2006	Nine months ended September 30, 2006
			(Rupe	es '000)	
Mark-up / return / interest earned		8,081,786	23,689,445	6,559,308	18,569,877
Mark-up / return / interest expensed		1,985,722	5,750,881	1,151,082	3,058,693
Net mark-up / interest income		6,096,064	17,938,564	5,408,226	15,511,184
Provision / (reversal) against loans and advances		253,407	1,441,713	144,956	285,582
Provision / (reversal) for diminution in the value of investm	nents	156,886	130,913	100,347	121,198
Bad debts written off directly		45	199	6	1,135
		410,338	1,572,825	245,309	407,915
Net mark-up / interest income after provisions		5,685,726	16,365,739	5,162,917	15,103,269
Non mark-up / interest income					
Fee, commission and brokerage income		644,167	1,973,581	568,028	1,679,429
Dividend income		382,843	577,493	366,846	543,342
Income from dealing in foreign currencies		139,956	552,657	109,416	503,469
Gain on sale of securities - net		299,669	1,273,968	105,203	540,958
Gain / (loss) on trading in government securities - net		(71)	(121)	-	33
Other income-net		130,701	366,114	112,464	393,502
Total non mark-up / interest income		1,597,265	4,743,692	1,261,957	3,660,733
		7,282,991	21,109,431	6,424,874	18,764,002
Non-mark-up / interest expenses				· · · · · · · · · · · · · · · · · · ·	
Administrative expenses	15	1,997,409	4,558,484	2,129,339	5,746,943
Other provisions / (reversal)		-	(9,452)		9,910
Other charges		5,642	179,435	380	3,025
Total non mark-up/interest expenses		2,003,051	4,728,467	2,129,719	5,759,878
Entre andiners (unusual itera		5,279,940	16,380,964	4,295,155	13,004,124
Extra ordinary / unusual item		-	-	-	-
Profit before taxation		5,279,940	16,380,964	4,295,155	13,004,124
Taxation - current period		1,615,178	4,958,076	1,391,021	4,133,859
- prior years		-	(459,952)		174,105
- deferred		80,510	635,460	2,477	53,343
		1,695,688	5,133,584	1,393,498	4,361,307
Profit after taxation		3,584,252	11,247,380	2,901,657	8,642,817
Earnings per share - basic and diluted - Rupees	16	5.70	17.90	4.89	14.56
Lammes per share - basic and unuted - Rupees	10	5.70	17.90	4.09	14.30

The annexed notes 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

President and Chief Executive

MCB Bank Limited

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For nine months ended September 30, 2007

	September 30, 2007	September 30, 2006
Cash flows from operating activities	(Rupees	'000)
Profit before taxation	16,380,964	13,004,124
Less: Dividend income	<u>(577,493)</u> 15,803,471	(543,342) 12,460,782
Adjustments for non-cash charges	13,003,471	12,400,782
Depreciation	394,068	498,888
Amortisation	143,327	78,725
Provision against loans and advances	1,441,713	285,582
Provision / (reversal) for diminution in the value of investments	130,913	121,198
Provision / (reversal) in the value of other assets	(9,452)	9,910
Bad debts written off directly	199	1,135
(Gain) / loss on disposal of fixed assets	-	(20,605)
Un realized gain / (loss) on revaluation of 'held-for-trading' securities	278	8,421
	2,101,046	983,254
	17,904,517	13,444,036
(Increase) / decrease in operating assets		(0.0.10.000)
Lendings to financial institutions	18,168,526	(9,349,928)
Held for trading securities	(47,654)	4,869
Advances - net	6,272,931	(3,545,814)
Other assets - net	(4,964,301) 19,429,502	(3,391,478) (16,282,351)
Increase / (decrease) in operating liabilities	17,427,502	(10,282,551)
Bills payable	2,020,244	(313,168)
Borrowings from financial institutions	(373,815)	(12,658,404)
Deposits	30,460,018	21,746,922
Other liabilities	535,714	1,216,083
	32,642,161	9,991,433
	69,976,180	7,153,118
Payments of provision against off-balance sheet obligations	-	-
Income tax paid	(4,485,209)	(2,349,832)
Net cash flows from operating activities	65,490,971	4,803,286
Cash flows from investing activities		
Net investments in available-for-sale securities	(64,281,862)	(16,411,587)
Net investments in held-to-maturity securities	4,343,179	21,328,120
Investments in subsidiary companies	(5,000)	(299,980)
Dividend income received	577,493	199,035
Investment in operating fixed assets - net of disposals	(2,699,117)	(1,073,548)
Net cash flows from investing activities	(62,065,307)	3,742,040
Cash flows from financing activities		
Payment of sub-ordinated loan	(1,118,208)	(640)
Dividend paid	(2,702,776)	(2,443,404)
Net cash flows from financing activities	(3,820,984)	(2,444,044)
Exchange difference on translation of net investment in foreign branches	(31,239)	6,155
Increase in cash and cash equivalents	(426,559)	6,107,437
Cash and cash equivalents at January 1	39,042,993	25,134,882
Cash and cash equivalents at September 30	38,616,434	31,242,319
The annexed notes 1 to 23 form an integral part of this unconsolidated condensed interim final	ancial information.	

President	and	Chief	Executive

Director

MCB Bank Limited Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited) For nine months ended September 30, 2007

Capital Reserves Other Reserves Share capital Share premium Reserve for issue of bonus shares Exchange translation reserve Statutor reserve General reserve U Balance as at January 01, 2006 4,265,327 1,308,194 853,065 (52,549) 3,999,295 7,300,000 Effect of change in accounting policy Transferred to reserve for issuance of bonus shares - final December 31, 2005 - - - Final cash dividend - December 31, 2005 - - - - - Transfer to General Reserve - - - - -	Unappropriated profit 210,662 853,065 426,533 3,500,000 4,990,260	Total 17,883,994 - 426,533 - 18,310,527
Balance as at January 01, 2006 4,265,327 1,308,194 853.065 (52,549) 3,999,295 7,300,000 Effect of change in accounting policy Transferred to reserve for issuance of bonus shares - final December 31, 2005 - - (853,065) - - - Final cash dividend - December 31, 2005 - <th>210,662 853,065 426,533 3,500,000</th> <th>- 426,533</th>	210,662 853,065 426,533 3,500,000	- 426,533
Balance as at January 01, 2006 4,265,327 1,308,194 853,065 (52,549) 3,999,295 7,300,000 Effect of change in accounting policy Transferred to reserve for issuance of bonus shares - final December 31, 2005 - - (853,065) - - - Final cash dividend - December 31, 2005 - - - - - - -	853,065 426,533 3,500,000	- 426,533
Effect of change in accounting policy Transferred to reserve for issuance of bonus shares - final December 31, 2005 (853,065) Final cash dividend - December 31, 2005	853,065 426,533 3,500,000	- 426,533
Transferred to reserve for issuance of bonus shares - final December 31, 2005 - - (853,065) - - Final cash dividend - December 31, 2005 - - - - -	426,533 3,500,000	-
bonus shares - final December 31, 2005 (853,065)	426,533 3,500,000	-
Final cash dividend - December 31, 2005	426,533 3,500,000	-
	3,500,000	-
Iransfer to General Reserve (3,500,000)		18,310,527
Balance as at January 01, 2006 - restated 4,265,327 1,308,194 - (52,549) 3,999,295 3,800,000	-	18,510,527
Effect of change in accounting policy	-	
Issuance of bonus shares		-
Final cash dividend - December 31, 2005	(426,533)	(426,533)
Change in Equity		
Transferred from surplus on revaluation of fixed		
assets to unappropriated profit - net of tax	32,486	32,486
Exchange differences on translation of net investment in foreign branches 6,155	_	6,155
Intestition in recipies differently in equity Image:	32,486	38,641
Profit after taxation for nine months period	52,100	50,011
ended September 30, 2006	8,642,817	8,642,817
Total recognised income for the period 6.155	8,675,303	8,681,458
Transferred to statutory reserve 864,282 -	(864,282)	-
Transferred to general reserve 6,000,000	(6,000,000)	-
Issue of bonus shares - December 31, 2005 853,065	(853,065)	-
Interim cash dividend - March 2006	(1,023,679)	(1,023,679)
Interim cash dividend - June 2006	(1,023,679)	(1,023,679)
Balance as at September 30, 2006 5,118,392 1,308,194 - (46,394) 4,863,577 9,800,000	3,474,325	24,518,094
Changes in equity		
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	(320)	(220)
	(320)	(320)
Exchange differences on translation of net investment in foreign branches (7,243)	-	(7,243)
Total expense / income recognised directly in equity	(320)	(7,563)
Profit after taxation for three months period	×	
ended December 31, 2006	3,499,581	3,499,581
Total recognised income for the period (7,243)	3,499,261	3,492,018
Transferred to statutory reserve 349,958 -	(349,958)	-
Interim cash dividend - September 30, 2006	(1,092,655)	(1,092,655)
Issuance of Global Depository Receipts (GDRs) 344,884 8,760,054	-	9,104,938
GDRs issuance expense - (365,720)	-	(365,720)
Balance as at December 31, 2006 5,463,276 9,702,528 - (53,637) 5,213,535 9,800,000	5,530,973	35,656,675
Changes in equity		
Transferred from surplus on revaluation of fixed		
assets to unappropriated profit - net of tax	8,045	8,045
Exchange differences on translation of net		
investment in foreign branches		(31,239)
Total expense / income recognised directly in equity (31,239)	8,045	(23,194)
Profit after taxation for nine months period	11.247.380	11.247.380
ended September 30, 2007 - - - - - - Total recognised income for the period - - - - - -	11,255,425	11,247,380 11,224,186
Transferred to statutory reserve 1,124,738 -	(1,124,738)	-
Transferred to general reserve 4,800,000	(4,800,000)	
Issue of Bounds Shares - Final December 31, 2006 819,492	(819,492)	
Final cash dividend - December 31, 2006	(819,492)	(819,492)
Interim cash di vidend-March 2007	(1,570,692)	(1,570,692)
Interim cash dividend-June 2007	(1,570,704)	(1,570,704)
	6,081,280	42,919,973
Balance as at September 30, 2007 6,282,768 9,702,528 - (84,876) 6,338,273 14,600,000	0,001,200	42,719,973

The annexed notes 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

President and Chief Executive

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited) As at September 30, 2007

1 STATUS AND NATURE OF BUSINESS

MCB Bank Limited ('the Bank') is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's ordinary shares are listed on all the stock exchanges in Pakistan whereas its Global Depositary Receipts (GDRs) (each representing four ordinary equity shares) are traded on the International Order Book (IOB) system of the London Stock Exchange. The Bank's registered office and principal office are situated at MCB Building, Jinnah Avenue, Islamabad and MCB Tower, I.I. Chundrigar Road, Karachi respectively. The Bank operates 1,007 branches including 6 Islamic banking branches (September 30, 2006: 973 branches) inside Pakistan and 6 (September 30, 2006: 5) branches outside the country (including the Karachi Export Processing Zone Branch).

2 BASIS OF PRESENTATION

- 2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan 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 this unconsolidated condensed interim financial information as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.
- 2.2 The financial results of the Islamic banking branches have been consolidated in this unconsolidated condensed interim financial information for reporting purposes, after eliminating material intra branch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in note 20 to this unconsolidated condensed interim financial information.

3 STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962, directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Approved accounting standards comprise of such International Accounting Standards (IAS) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the SECP and the SBP differ with the requirements of these standards, the requirements of the Companies Ordinance, 1962 or the requirements of the said directives take precedence.

The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated 26 August 2002. Accordingly, the requirements of these standards have not been considered in the preparation of this unconsolidated condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

The disclosures made in this unconsolidated condensed interim financial information has, however been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial information, and these unconsolidated condensed interim financial information should be read in conjunction with the financial information of the Bank for the year ended December 31, 2006.

4 BASIS OF MEASUREMENT

This unconsolidated condensed interim financial information has been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts, certain investments, commitments in respect of certain forward exchange contracts and derivative financial instruments have been marked to market and are carried at fair value.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting polices adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual financial information of the Bank for the year ended December 31, 2006.

6 SIGNIFICANT ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual financial information of the Bank for the year ended December 31, 2006.

7.	LENDINGS TO FINANCIAL INSTITUTIONS	September 30, 2007	December 31, 2006
		(Rupee	s '000)
	Call money lendings	250,000	9,050,000
	Repurchase agreement lendings	2,663,274	12,031,800
		2,913,274	21,081,800

8	INVESTMENTS - Net		Held by bank	Given as collateral	Total
8.1	Investments by types		Se	ptember 30, 2007	
	Held-for-trading securities		47,654	-	47,654
	Available-for-sale securities	8.2	100,012,411	10,376,951	110,389,362
	Held-to-maturity securities		10,322,967	-	10,322,967
			110,383,032	10,376,951	120,759,983
	Associates	8. <i>3</i>	1,006,900	-] [1,006,900
	Subsidiaries		362,532	-	362,532
			1,369,432	-	1,369,432
			111,752,464	10,376,951	122,129,415
	Less:				
	Provision for diminution in the value on investments		(453,932)	-	(453,932)
	Surplus / (deficit) on revaluation of available				
	for sale securities - net		1,655,672	(12,465)	1,643,207
	Deficit on revaluation of		()		
	held-for-trading securities - net Investments - net		(278)	10,364,486	(278)
	mvestments - net		112,953,926	10,304,400	123,318,412
	investments - net		Held by bank	Given as collateral	Total
	investments - net			Given as collateral	Total
			Held by bank	Given as collateral	Total
	Held-for-trading securities Available-for-sale securities	8.2	Held by bank	Given as collateral	Total
	Held-for-trading securities	8.2	Held by bank	Given as collateral (December 31, 2006 -	Total
	Held-for-trading securities Available-for-sale securities	8.2	Held by bank	Given as collateral (December 31, 2006 -	Total
	Held-for-trading securities Available-for-sale securities	8.2 8.3	Held by bank	Given as collateral (December 31, 2006 - - 11,298,388 -	Total
	Held-for-trading securities Available-for-sale securities Held-to-maturity securities		Held by bank 	Given as collateral (December 31, 2006 - - 11,298,388 -	Total - 46,147,500 14,666,146 60,813,646
	Held-for-trading securities Available-for-sale securities Held-to-maturity securities Associates		Held by bank 	Given as collateral (December 31, 2006 - - 11,298,388 -	Total - 46,147,500 14,666,146 60,813,646 - 1,006,900
	Held-for-trading securities Available-for-sale securities Held-to-maturity securities Associates Subsidiaries		Held by bank 	Given as collateral (December 31, 2006 - - 11,298,388 -	Total 46,147,500 14,666,146 60,813,646 1,006,900 357,532
	Held-for-trading securities Available-for-sale securities Held-to-maturity securities Associates Subsidiaries Less: Provision for diminution in the value of investments		Held by bank 	Given as collateral (December 31, 2006 - - 11,298,388 - 11,298,388 - - - -	Total 46,147,500 14,666,146 60,813,646 1,006,900 357,532 1,364,432
	Held-for-trading securities Available-for-sale securities Held-to-maturity securities Associates Subsidiaries Less:		Held by bank 	Given as collateral (December 31, 2006 - 11,298,388 - 11,298,388 - - - - - - - - - - - - - - - - - -	Total 46,147,500 14,666,146 60,813,646 1,006,900 357,532 1,364,432 62,178,078 (363,019)
	Held-for-trading securities Available-for-sale securities Held-to-maturity securities Associates Subsidiaries Less: Provision for diminution in the value of investments Surplus / (deficit) on revaluation of available		Held by bank 	Given as collateral (December 31, 2006 - - 11,298,388 - 11,298,388 - - - -	Total 46,147,500 14,666,146 60,813,646 1,006,900 357,532 1,364,432 62,178,078

Investments include Pakistan Investment Bonds amounting to Rs. 232.600 million (December 31, 2006: Rs. 232.600 million) earmarked by the State Bank of Pakistan and National Bank of Pakistan against TT / DD discounting facilities and demand note facilities sanctioned to the Bank. In addition, Pakistan 8.2 Investment Bonds amounting to Rs. 5 million (December 31, 2006: Rs. 5 million) have been pledged with the Controller of Military Accounts on the account of Regimental Fund Account. Further Euro bonds issued by Government of Pakistan amounting to US\$ 29 Million (face value) are earmarked by Mashreqbank PSC against loan obtained by the Bank.

8.3 Investment in Adamjee Insurance Company Limited has been carried at cost amounting to Rs. 943.600 million (December 31, 2006: Rs. 943.600 million). The market value of the investment as at September 30, 2007 amounted to Rs. 10,716.595 million (December 31, 2006: Rs. 4,481.877 million).

9	ADVANCES - net

ADVANCES - net		September 30, 2007	December 31, 2006
		(Rupee	s '000)
Loans, cash credits, running finances, etc			100 170 001
- In Pakistan		180,109,748	189,472,034
- Outside Pakistan		5,459,375	5,172,803
		185,569,123	194,644,837
Net Investment in Finance Lease			
- In Pakistan		6,705,154	6,082,806
- Outside Pakistan		69,160	85,865
		6,774,314	6,168,671
Bills discounted and purchased (excluding treasury bills)			
- Payable in Pakistan		2,793,655	1,761,803
- Payable outside Pakistan		4,933,504	4,272,188
		7,727,159	6,033,991
Advances - gross		200,070,596	206,847,499
Less: Provision against loans and advances			
- Specific provision	9.1	(6,666,013)	(5,953,234)
- General provision		(2,275,926)	(2,277,467)
- General Provision for potential lease losses (in Srilanka Operations)		-	(3,820)
- General provision against consumer loans		(604,345)	(373,823)
		(9,546,284)	(8,608,344)
Advances - net of provision		190,524,312	198,239,155

9.1 Advances include Rs. 9,546.284 million (December 31, 2006: Rs. 8,570.813 million) which have been placed under non-performing status as detailed below:

			Se	eptember 30, 2007		
		С	lassified Advances		Specific	Specific
Category of Classification		Domestic	Overseas	Total	Provision Required	Provision Held
				- Rupees in '000		
Other Assets Especially						
Mentioned (OAEM)	9.1.1	96,128	-	96,128	-	-
Substandard		732,134	2,371	734,505	173,963	173,963
Doubtful		854,900	14,089	868,989	413,471	413,471
Loss		5,162,777	2,683,885	7,846,662	6,078,579	6,078,579
		6,845,939	2,700,345	9,546,284	6,666,013	6,666,013
			D	ecember 31, 2006		
		С	lassified Advances		Specific	Specific
Category of Classification		Domestic	Overseas	Total	Provision Required	Provision Held
				Rupees in '000		
Other Assets Especially						
Mentioned (OAEM)	9.1.1	87,699	-	87,699	-	-
Substandard		487,306	6,927	494,233	109,978	109,978
Doubtful		475,072	-	475,072	231,032	231,032
Loss		4,837,290	2,676,519	7,513,809	5,612,224	5,612,224
		5,887,367	2,683,446	8,570,813	5,953,234	5,953,234

9.1.1 This represents non-performing portfolio of agricultural financing classified as OAEM as per the requirements of the Prudential Regulation for Agricultural Financing issued by the SBP.

10	BORROWINGS FROM FINANCIAL INSTITUTIONS	September 30,	December 31,
		2007	2006
		(Rupee	s '000)
	In Pakistan	20,252,138	20,304,629
	Outside Pakistan	3,317,523	3,638,847
		23,569,661	23,943,476
10.1	D-4-11		

10.1 Details of borrowings (secured / unsecured)

Secured

Borrowings from State Bank of Pakistan		
Export refinance scheme	5,266,726	6,727,670
Long term financing - export oriented products scheme	2,568,335	2,313,030
	7,835,061	9,040,700
Borrowings from other financial institutions	2,840,339	2,932,817
Repurchase agreement borrowings	10,376,952	11,263,929

	13,217,291	14,196,746
	21,052,352	23,237,446
Insecured		
verdrawn nostro accounts	477,184	617,027
borrowings	2,040,125	89,003
	2,517,309	706,030
	23,569,661	23,943,476

11 DEPOSITS AND OTHER ACCOUNTS

Customers

Fixed deposits	35,134,491	33,297,203
Savings deposits	151,330,958	136,872,384
Current accounts - non remunerative	94,682,613	81,658,304
Margin accounts	2,546,899	2,447,944
Others	4,169	4,336
	283,699,130	254,280,171
Financial institutions	·	
Remunerative deposits	1,728,421	249,506
Non-remunerative deposits	2,494,305	2,932,161
	4,222,726	3,181,667
	287,921,856	257,461,838

12	DEFERRED TAX ASSETS - net		
	The details of the tax effect of taxable and deductible temporary differences are as follows:		
	Taxable temporary differences on:		
	Surplus on revaluation of operating fixed assets	(184,066)	(188,398)
	On net investment in finance lease	(670,948)	(167,406)
	Accelerated tax depreciation	(233,995)	(89,023)
	Others	(894)	-
		(1,089,903)	(444,827)
	Deductible temporary differences on:		
	Provision for contributory benevolent scheme	97,381	92,589
	Deficit on revaluation of securities	72,016	14,343
	Provision for post retirement medical benefits	515,092	505,208
	Provision for employees compensated absences	-	5,060
		684,489	617,200
		(405,414)	172,373
13	SHARE CAPITAL		

The Bank vide a special resolution dated March 28, 2007 has increased its Authorised Share Capital from Rs. 6,500 million to Rs. 10,000 million.

14	CONTINGENCIES AND COMMITMENTS	September 30, 2007	December 31, 2006
14.1	Transaction-related contingent liabilities / commitments	(Rupee	s '000)
	Guarantees in favour of:		
	- Government	5,361,617	3,810,101
	- Banks and financial institutions	7,174	13,441
	- Others	7,289,337	2,570,648
	Suppliers credit / payee guarantee	1,720,763	1,605,942
		14,378,891	8,000,132
14.2	Trade-related contingent liabilities	51,184,496	42,035,977
14.3	Other contingencies		
	Claims against the Bank not acknowledged as debts	133,739	197,848

14.4 Commitments to extend credit

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

14.5 Commitments in respect of forward foreign exchange contracts

	Purchase	45,517,958	41,288,941
	Sale	52,173,781	50,420,861
		97,691,739	91,709,802
14.6	Commitments for the acquisition of fixed assets	171,110	1,366,761
14.7	Commitments in respect of:		
	Forward Lending	-	1,853,461
14.8	Other commitments		
	Cross currency swaps (notional amount)	890,000	95,000
	FX Options (notional amount)		
	- Purchase	-	155,641
	- Sale	-	155,641
	Interest rate swaps (notional amount)	1,331,428	3,223,485
	Forward outright sale of Government Securities	-	5,107,030
	Outright purchase of Government Securities from the SBP	-	6,942,230

15 ADMINISTRATIVE EXPENSES

During the period, donation amounting to Rs 6.075 million was paid to Pakistan Development Market Place (PDM) for 'Fund for circulation of people with disabilities'. Donation was not made to any donee in which the Bank or any of its directors or their spouse had any interest.

			Nine months ended		
			September 30, 2007	September 30, 2006	
			(Rupee	es '000)	
16	EARNINGS PER SHARE - BASIC AND DILUTED				
	Profit after taxation attributable to ordinary shareholders		11,247,380	8,642,817	
	Weighted average number of shares outstanding during the period	Number of shares	628,276,843	593,788,443	
	Earnings per share	Rupees	17.90	14.56	

17 CREDIT RATING

PACRA through its notification in June 2007 has assigned long-term credit rating of AA+ (double A plus) and short-term credit rating of A1+ (A one plus) to the Bank.

SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Nine months ended September 30, 2007							
	Corporate Finance	Trading and Sales	Retail & Consumer Banking	Commercial Banking	Eliminations	Total		
			(Ru	pees '000)				
Total income Total expenses Income tax expense	168,507 (11,873) -	9,409,726 (1,772,416)	10,989,647 (8,814,252)	8,124,379 (1,712,754)	(259,122) 259,122	28,433,137 (12,052,173) (5,133,584)		
Net income	156,635	7,637,310	2,175,395	6,411,625		11,247,380		
Segment assets - (gross) Deferred tax assets	14	145,365,653	124,201,566	113,026,280	-	382,593,513		
Total assets	14	145,365,653	124,201,566	113,026,280		382,593,513		
Segment non performing loans	<u> </u>	313,039	4,665,231	4,568,014	<u> </u>	9,546,284		
Segment specific provision required	<u> </u>	112,511	3,692,903	2,860,599	<u> </u>	6,666,013		
Segment liabilities Deferred tax liabilities - net Provision for taxation Segment equity	(160,804) - - 160,817	128,813,350 - - 15,493,809	101,961,463 - - 21,335,718	101,064,421 - - 11,138,847	- - -	331,678,430 405,414 2,380,478 48,129,191		
Total liabilities - net	13	144,307,159	123,297,180	112,203,268	·	382,593,513		
Segment return on assets (ROA) (%) Segment cost of fund (%)	0.00% 0.00%	5.25% 7.53%	1.75% 2.09%	5.67% 3.16%	0.00% 0.00%	2.94% 2.29%		
		Ν	Vine months ended S	September 30, 2006				
Total income Total expenses Income tax expense	66,717 (22,713)	6,153,883 (1,085,586) -	9,118,265 (7,772,837)	7,166,804 (620,409)	(275,059) 275,059	22,230,610 (9,226,486) (4,361,307)		
Net income	44,004	5,068,297	1,345,428	6,546,395		8,642,817		
Segment assets - (gross) Deferred tax assets	6	95,241,456 -	111,639,723	110,573,209	-	317,454,395 153,578		
Total assets	6	95,241,456	111,639,723	110,573,209		317,607,973		
Segment non performing loans	<u> </u>	399,397	3,463,160	4,280,334		8,142,891		
Segment specific provision required	<u> </u>	142,032	2,530,119	2,499,849	<u> </u>	5,172,000		
Segment liabilities (including segment equity) Provision for taxation Segment equity	(49,781) - 49,787	86,338,614 - 8,028,585	94,695,150 - 15,972,797	103,147,051 - 6,490,088	-	284,131,034 2,935,681 30,541,258		
Total liabilities - net	6	94,367,199	110,667,947	109,637,140		317,607,973		
Segment return on assets (ROA) (%) Segment cost of fund (%)	0.00% 0.00%	5.32% 1.71%	1.21% 1.12%	5.92% 1.73%	0.00% 0.00%	2.72% 1.28%		

18

19 Related party transactions

The Bank has related party relationship with its associated undertakings, subsidiary companies, employee benefit plans, companies with common directors, Bank's directors and key management personnel including their associates.

Contributions to and accruals in respect of staff retirement and other benefit plans are made in accordance with the actuarial valuation / terms of the contribution plan. There are no transactions with key management personnel other than under their terms of employment. Remuneration to the executives and key management personnel are determined in accordance with the terms of their employment.

Details of transactions with related parties and balances with them as at the period-end were as follows:

	Direct	ors	Associated c	ompanies	Subsidiary co	ompanies	Other Relate	d Parties
Type of related party	Nine months ended September 30, 2007	Year ended Dec 31, 2006						
				(Rupees '0	00)			
Deposits								
Deposits at beginning of the period / year	19,099	61,996	522,641	785,634	279,729	5,311	314,045	214,191
Deposits received during the period / year	350,637	572,767	90,980,887	33,568,048	703,411	653,980	5,667,485	17,714,493
Deposits repaid during the period / year	(358,982)	(615,664)	(91,143,424)	(33,831,041)	(951,703)	(379,562)	(5,790,309)	(17,614,639)
Deposits at the end of the period / year	10,754	19,099	360,104	522,641	31,437	279,729	191,221	314,045

Markup rates on deposits range from 0.1% to 6.75% (31 December 2006: 0.1% to 6.75%) per annum.

Advances (secured)

Advances (secured)								
Balance at beginning of the period / year	-	-	-	-	2,473	-	2,240,038	1,297,320
Loan granted during the period / year	-	-	-	-	-	2,810	1,237,123	2,062,460
Repayment during the period / year	-	-	-	-	(256)	(337)	(1,878,977)	(1,119,742)
Balance at end of the period / year	-	-	-	-	2,217	2,473	1,598,184	2,240,038

Profit rates on advances to Pension Fund at 6 month KIBOR + 0.3% and to the Provident Fund at 6 month KIBOR + 0.3% (December, 31 2006: Pension Fund at 6 month KIBOR + 0.3% and Provident Fund at 6 month KIBOR + 0.3%) per annum. At September 30, 2007, interest receivable from the above funds amounted to Rs. NIL million (December 31, 2006: 67.275 million).

							September 30, 2007 (Rupe	December 31, 2006 es '000)
Receivable from Pension Fund							8,189,161	,
Receivable from Pension Fund							8,189,101	4,881,483
	Dire	ctors	Associated	companies	Subsidiary	companies	Other Rela	ted Parties
	September 30,	September 30,						
	2007	2006	2007	2006	2007	2006	2007	2006
				(Rupees	000)			
Adamjee Insurance Company Limited								
Insurance premium paid	-	-	67,865	71,599	-	-	-	-
Insurance claim settled	-	-	32,102	15,264	-	-	-	-
Dividend received	-	-	53,604	62,568	-	-		
Rent income received	-	-	1,764	1,564	-	-	-	-
MNET Services (Private) Limited								
Outsourcing service expenses				_	47,018	22,798		
÷ .	-	-	-	-	4,712	2,906	-	-
Networking service expenses	-	-	-	-	4,712	2,900	-	-
Muslim Commercial Financial Services (Pri	vate) Limited							
 Capital injection 	-	-	-	-	5,000	-	-	-
- Custodian charges revenue	-	-	-	-	3	-	-	-
MCB Asset Management Company Limited								
- Capital injection	_	-	-	-	-	299,980	-	-
- Markup paid	-	-	-	-	15,840	_	-	-
- Sale of Property		_	_		30,750	_	_	_
- Sale of car	-	-	_	-	1,600	_	_	-
- Markup payable to			_		687	6,621	_	
- Others					469	0,021		
- Otiers	-	-	-	-	409	-	-	-
MCB Trade Services								
- Markup Paid	-	-	-	-	8,410	-	-	-
MCB Employees Foundation								
- Service expenses	-	-	-	-	-	-	14,415	11,582
- Cash sorting expenses	-	-	-	-	-	-	13,516	5,799
- Cash in transit expenses	-	-	-	-	-	-	1,781	2,502
MCB Employees Security System &								
Services (Private) Limited								
- Security guard expenses	-	-	-	-	-	-	78,991	62,110
Others								
 Proceeds from sale of Vehicles to Executives 							5,278	1,053
- Gain on sale of vehicles to executives	-	-	-	-	-	-	257	819
	102 141	-	-	-	-	-		
- Remuneration of key management personnel	102,141	19,404	-	-	-	-	108,085	91,468
- Miscellaneous expenses	-	-	-	-	-	-	51,457	42,469
- Contribution / (expense) on provident fund	-	-	-	-	-	-	80,899	71,617

The Chief Executive and certain executives are provided with free use of the Bank's maintained cars and household equipment in accordance with the terms of their employment.

ISLAMIC BANKING BUSINESS	September 30, 2007	December 31, 2006		
Assets	(Rupees '000)			
Cash and balances with treasury banks	117,033	92,05		
Investments - net	1,169,000	800,00		
Financing and receivables				
- Murabaha	2,522,541	1,592,01		
- Ijara	1,213,818	1,073,01		
- Islamic export refinance	110,236	268,34		
Other Assets	960,964	505,90		
	6,093,592	4,331,34		
Liabilities				
Bills payable	13,735	14,51		
Deposits and other accounts				
- Current Accounts	130,908	121,10		
- Saving Accounts	481,990	264,20		
- Term Deposits	80,192	54,43		
- Others	11,676	7,90		
Borrowing from SBP	420,000	316,78		
Due to head office	4,150,000	2,750,00		
Other liabilities	288,479	434,07		
	5,576,980	3,963,15		
Net assets	516,612	368,19		
Represented by:				
Islamic Banking Fund	400,000	280,00		
Reserves	-			
Unappropriated profit	97,612	88,19		
	497,612	368,19		
Surplus on revaluation of assets - net of tax	19,000			
	516,612	368,19		
Remuneration to Shariah Advisor / Board	811	93		
Charity Fund				
Opening Balance	3,244	2,75		
Additions during the period / year	563	-,		
Payments/ utilization during the period / year	-			
Closing Balance	3,807	3,24		

21 GENERAL

20

Figures have been rounded off to the nearest thousand rupees.

22 NON-ADJUSTING EVENT

The Board of Directors in its meeting held on October 26, 2007 has announced cash dividend in respect of the Nine months ended September 30, 2007 of Rs. 2.50 per share (September 30, 2006: Rs 2.00 per share). In addition, the Board of Directors has also approved the transfer to general reserve from unappropriated profit amounting to Rs. 3,000.00 million (September 30, 2006: Rs. Nil million). This unconsolidated condensed interim financial information for the period ended September 30, 2007 does not include the effect of these appropriations which will be accounted for subsequent to the period end.

23 DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on October 26, 2007 by the Board of Directors of the Bank.

President and	Chief Exec	utive
---------------	------------	-------

Director

Director

Condensed Interim Balance Sheet (Unaudited)

As at September 30, 2007

ASSETS	Note	(Unaudited)(Audited)SeptemberDecember30, 200731, 2006(Rupees in '000)	
Cash and balances with treasury banks	Ī	34,405,452	32,465,976
Balances with other banks		4,285,342	6,649,659
Lendings to financial institutions	7	2,913,274	21,081,800
Investments - net	8	125,322,446	64,450,761
Advances - net	9	190,522,094	198,236,682
Other assets - net		16,052,930	11,044,909
Operating fixed assets		11,274,436	9,073,276
Deferred tax assets - net	12	-	174,886
	-	384,775,974	343,177,949
LIABILITIES			
Bills payable	[9,109,923	7,089,679
Borrowings from financial institutions	10	23,569,661	23,943,476
Deposits and other accounts	11	287,910,822	257,185,110
Sub-ordinated loan		479,232	1,597,440
Liabilities against assets subject to finance lease		-	-
Other liabilities		13,015,474	11,177,125
Deferred tax liabilities - net	12	406,695	-
	-	334,491,807	300,992,830
NET ASSETS	-	50,284,167	42,185,119
REPRESENTED BY:			
Shareholders Equity			
Share capital	13	6,282,768	5,463,276
Reserves		30,555,912	24,662,446
Un-appropriated profit	-	7,175,985	6,278,593
		44,014,665	36,404,315
Minority Interest	-	57	52
		44,014,722	36,404,367
Surplus on revaluation of assets - net of tax	-	6,269,445	5,780,752
	-	50,284,167	42,185,119
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

President and	l Chief Executive
---------------	-------------------

Condensed Interim Profit and Loss Account (Un-audited)

For nine months ended September 30, 2007

	Note	Quarter ended September 30, 2007	Nine months ended September 30, 2007	Quarter ended September 30, 2006	30, 2006
Mark-up / return / interest earned		8,082,859	23,698,924	6,559,068	18,571,712
Mark-up / return / interest expensed		1,984,563	5,749,723	1,145,785	3,046,755
Net mark-up / interest income		6,098,296	17,949,201	5,413,283	15,524,957
Provision / (reversal) against loans and advances		253,407	1,441,713	144,956	285,582
Provision / (reversal) for diminution in the value of investm	nents	156,886	130,913	100,347	121,198
Bad debts written off directly	lients	45	199	6	1,135
Dud debts which on directly		410,338	1,572,825	245,309	407,915
Net mark-up / interest income after provisions		5,687,958	16,376,376	5,167,974	15,117,042
NON MARK-UP/INTEREST INCOME					
Fee, commission and brokerage income		692,619	2,054,442	570,593	1,689,184
Income earned as trustees to various funds		1,674	2,353	177	307
Dividend income		382,843	523,952	338,150	479,687
Income from dealing in foreign currencies		139,956	552,657	109,416	503,469
Gain on sale of securities		304,770	1,285,656	105,203	540,958
Gain / (loss) on trading in government securities - net		(71)	(121)	-	33
Other income - net		131,028	366,741	112,463	393,689
Total non mark-up / interest income		1,652,819	4,785,680	1,236,002	3,607,327
NON MARK-UP/INTEREST EXPENSE		7,340,777	21,162,056	6,403,976	18,724,369
Administrative expenses	15	2,017,264	4,621,090	2,135,164	5,754,122
Other provisions / (reversal)		-	(9,452)	-	9,910
Other charges		5,642	179,435	380	3,025
Total non mark-up / interest expenses		2,022,906	4,791,073	2,135,544	5,767,057
Share of profit of associated undertaking		15,509	369,194	62,996	389,273
		5,333,380	16,740,177	4,331,428	13,346,585
Extra ordinary / unusual item		-	-	-	-
PROFIT BEFORE TAXATION		5,333,380	16,740,177	4,331,428	13,346,585
Taxation - current period		1,622,583	4,968,836	1,390,916	4,138,766
- prior years		-	(459,952)	407	174,105
- deferred		85,088	639,253	2,070	52,936
Share of tax of Associated undertaking		(39,283)	(2,430)	1,385	24,762
		1,668,388	5,145,707	1,394,778	4,390,569
PROFIT AFTER TAXATION		3,664,992	11,594,470	2,936,650	8,956,016
Share of profit attributable to minority interest		(2)	(5)	(1)	(1)
PROFIT AFTER TAX AVAILABLE TO GROUP		3,664,990	11,594,465	2,936,649	(1) 8,956,015
Earnings per share - Basic and Diluted	16	5.83	18.45	4.95	15.08

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

President and Chief Executive

Director

Director

Condensed Interim Cash Flow Statement (Un-audited)

For nine months ended September 30, 2007

	30, 2007	September 30, 2006
	(Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	16,740,177	13,346,585
Less: Dividend income and share of profit in associated undertaking	(893,146)	(868,960)
	15,847,031	12,477,625
Adjustments for non-cash charges	2 04.040	100.000
Depreciation Amortization	394,068	498,888
Provision against loans and advances	143,327 1,441,713	78,725 285,582
Provision / (reversal) for diminution in the value of investments	130,913	121,198
Provision / (reversal) for diministration in the value of investments	(9,452)	9,910
Bad debts written off directly	199	1,135
(Gain) / loss on disposal of fixed assets	-	(20,605)
Un realized gain / (loss) on revaluation of 'held-for-trading' securities	278	8,421
	2,101,046	983,254
	17,948,077	13,460,879
(Increase) / decrease in operating assets	19 1 (9 53)	(0.240.028)
Lendings to financial institutions Held-for-trading securities	18,168,526 (314,405)	(9,349,928) 4,869
Advances - net	6,272,676	(3,545,814)
Other assets -net	(4,998,569)	(3,395,950)
	19,128,228	(16,286,823)
Increase / (decrease) in operating liabilities		
Bills payable	2,020,244	(313,168)
Borrowings from financial institutions	(373,815)	(12,658,404)
Deposits	30,725,712	21,745,150
Other liabilities	<u>557,984</u> 32,930,125	1,213,890 9,987,468
	70,006,430	7,161,524
Income tax paid	(4,486,629)	(2,353,321)
Net cash flows from operating activities	65,519,801	4,808,203
CASH FLOW FROM INVESTING ACTIVITIES		
		F
Net investments in available-for-sale securities	(64,274,566)	(16,411,586)
Net investments in held-to-maturity securities Dividends income received	4,343,179	21,328,120
Investments in operating fixed assets - net of disposals	577,556 (2,738,555)	197,948 (1,088,185)
Net cash flows from investing activities	(62,092,386)	4,026,297
	(02,052,500)	1,020,297
CASH FLOW FROM FINANCING ACTIVITIES	(1 110 200)	(640)
Payment of sub-ordinated loan Proceed from issue of shares to minority interest	(1,118,208)	(640)
Dividend paid	- (2,702,776)	20 (2,443,404)
Net cash flows from financing activities	(3,820,984)	(2,444,024)
	(3,020,904)	(2,111,021)
Exchange difference on translation of net investments in foreign branches	(31,272)	6,173
Increase in cash and cash equivalents	(424,841)	6,396,649
Cash and cash equivalents at January 1	39,115,635	25,188,032
Cash and cash equivalents at September 30	38,690,794	31,584,681

The annexed notes 1 to 23 form an integral part of this condensed interim financial information

President and Chief Executive

Director

Director

MCB Bank Limited and Subsidiary Companies Condensed Interim Statement of Changes in Equity (Un-audited) For nine months ended September 30, 2007

		Capital Reserves Other Reserves								
	Share capital	Share premium	Reserve for issue of bonus	Exchange translation	Statutory reserve	General reserve	Unappropriated profit	Sub Total	Minority Interest	Total
			shares	reserve	(Rupe	es in'000)				
Balance as at January 01, 2006	4,265,327	1,308,194	853,065	(52,549)	3,999,295	7,300,000	559,804	18,233,136	29	18,233,165
Effect of change in accounting policy										
Transferred to reserve for issuance of										
bonus shares - final December 31, 2005	-	-	(853,065)	-	-	-	853,065	-	-	-
Final cash dividend - December 31, 2005	-	-	-	-		-	426,533	426,533	-	426,533
Transfer to General Reserve	4 265 227	1 208 104		(52,549)	2 000 205	(3,500,000) 3,800,000	3,500,000 5,339,402	-	- 29	-
Balance as at January 01, 2006 - restated Effect of change in accounting policy	4,265,327	1,308,194	-	(32,349)	3,999,295	3,800,000	3,339,402	18,659,669	29	18,659,698
Final cash dividend - December 31, 2005	-	-	-	-	-	-	(426,533)	(426,533)		(426,533)
Change in Equity][
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	32,486	32,486	-	32,486
Exchange differences on translation of net										
investment in foreign branches	-			6,173				6,173		6,173
Total income recognised directly in equity Issue of shares to Monority Interest	-	-	-	6,173	-	-	32,486	38,659	- 20	38,659
Profit after taxation for nine months period		-	-	-	-	-	-	-	20	20
ended June 30, 2006	-	-	-	-	-	-	8,956,016	8,956,016	-	8,956,016
Profit attributable to minority interest	-	-	-	-	-	-	(1)	(1)	1	-
Total recognised income for the period	-	-	-	6,173	-	-	8,988,501	8,994,674	21	8,994,695
Transferred to statutory reserve	-	-	-	-	864,282	-	(864,282)	-	-	-
Transferred to general reserve	-	-	-	-	-	6,000,000	(6,000,000)	-	-	-
Issue of bonus shares - December 31, 2005	853,065	-	-	-		-	(853,065)	-	-	-
Interim cash dividend - March 2006	-	-	-	-	-	-	(1,023,679)	(1,023,679)	-	(1,023,679)
Interim cash dividend - June 2006	-	-	-	-		-	(1,023,679)	(1,023,679)	-	(1,023,679)
Balance as at September 30, 2006 Changes in equity	5,118,392	1,308,194	-	(46,376)	4,863,577	9,800,000	4,136,665	25,180,452	50	25,180,502
Transferred from surplus on revaluation of fixed										
assets to unappropriated profit - net of tax	-	-	-	-	-	-	(320)	(320)	-	(320)
Exchange differences on translation of net investment in foreign branches	-		_	(7,241)	-	-	_	(7,241)	-	(7,241)
Total expense / income recognised directly in equity	-		-	(7,241)		-	(320)	(7,561)	-	(7,561)
Profit after taxation for three months period ended December 31, 2006	-	-	-	-	-	-	3,584,863	3,584,863	-	3,584,863
Profit attributable to minority interest	-	-	-	-	-	-	(2)	(2)	2	-
Total recognised income for the period	-	-	-	(7,241)	-	-	3,584,541	3,577,300	2	3,577,302
Transferred to statutory reserve	-	-	-	-	349,958	-	(349,958)	-	-	-
Interim cash dividend - September 30, 2006	-	-	-	-	-	-	(1,092,655)	(1,092,655)	-	(1,092,655)
Issuance of Global Depository Receipts (GDRs)	344,884	8,760,054	-	-	-	-	-	9,104,938	-	9,104,938
GDRs issuance expense	-	(365,720)		-	-	-		(365,720)	-	(365,720)
Balance as at December 31, 2006	5,463,276	9,702,528	-	(53,617)	5,213,535	9,800,000	6,278,593	36,404,315	52	36,404,367
Changes in equity Transferred from surplus on revaluation of fixed]		
assets to unappropriated profit - net of tax Exchange differences on translation of net	-	-	-	-	-	-	8,045	8,045	-	8,045
investment in foreign branches		-		(31,272)	-			(31,272)	-	(31,272)
Total expense / income recognised directly in equity	-	-	-	(31,272)	-	-	8,045	(23,227)	-	(23,227)
Profit after taxation for nine months period ended September 30, 2007	-	-	-	-	-	-	11,594,470	11,594,470	-	11,594,470
Profit attributable to minority interest				(21.070)			(5)	(5)	5	11 571 042
Total recognised income for the period Transferred to statutory reserve	-			(31,272)	- 1,124,738	-	11,602,510 (1,124,738)	11,571,238	5	11,571,243
Transferred to statutory reserve	-	-				4,800,000	(4,800,000)		· .	
	010 402									
Issue of Bonus Shares - Final December 31, 2006 Final cash dividend - December 31, 2006	819,492	-			-	-	(819,492) (819,492)	- (819,492)	-	- (819,492)
Interim cash dividend-March 2007	-	-			-	-	(1,570,692)	(1,570,692)		(819,492) (1,570,692)
Interim cash dividend-June 2007	-	-	-	-	-	-	(1,570,704)	(1,570,704)	-	(1,570,704)
Balance as at September 30, 2007	6,282,768	9,702,528		(84,889)	6,338,273	14,600,000	7,175,985	44,014,665	57	44,014,722

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

President and Chief Executive

Director

Notes to the Condensed Interim Financial Information (Un-audited) For nine months ended September 30, 2007

1 STATUS AND NATURE OF BUSINESS

The Group consists of:

Holding Company

Tolding Company	
- MCB Bank Limited	
	"Percentage holding of
	MCB Bank Limited"
Subsidiary Companies	
- Muslim Commercial Financial Services (Private) Limited	99.99%
- MNET Services (Private) Limited	99.95%
- MCB Trade Services Limited	100%
- MCB Asset Management Company Limited	99.99%
MCP Park Limited is a hanking company incorporated in Pakietan and	is appaged in commercial banking and

MCB Bank Limited is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's ordinary shares are listed on all the stock exchanges in Pakistan whereas its Global Depositary Receipts (GDRs) are traded on the International Order Book (IOB) system of the London Stock Exchange. The Bank's registered office and principal office are situated at MCB Building , Jinnah Avenue, Islamabad and MCB Tower, I.I Chundrigar Road, Karachi respectively. The Bank operates 1,007 branches including 6 Islamic banking branches (September 30, 2006: 973 branches) inside Pakistan and 6 (September 30, 2006: 5) branches outside the country (including the Karachi Export Processing Zone Branch).

2 BASIS OF PRESENTATION

- a) In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan 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 this condensed interim financial information as such but are restricted to the amount of facility actually utilised and th appropriate portion of mark-up thereon.
- b) The financial results of the Islamic banking branches have been consolidated in this condensed interim financial information for reporting purposes, after eliminating material intra branch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in note 20 to this condensed interim financial information.
- c) The consolidated condensed financial information includes the financial information of MCB Bank Limited and its subsidiary companies and associates.
- d) Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. The assets and liabilities of subsidiary companies have been consolidated on a line by line basis based on the unaudited financial information for the period ended June 30, 2007 and the carrying value of investments held by the bank is eliminated against the subsidiaries' shareholders' equity in this consolidated financial information. Material intra-Group balances and transactions have been eliminated.
- e) Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for under the equity method of accounting and are initially recognised at cost, thereafter adjusted for the post-acquisition change in the Group's share of net assets of the associate. The cumulative post-acquisition movements are adjusted in the carrying amount of the investment. Accounting policies of the associate have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group's share in associate has been accounted for based on the financial information for the period ended September 30, 2007.
- f) Minority interest are that part of the net results of operations and of net assets of subsidiary companies attributable to interests which are not owned by the Group.

3 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962, directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Approved accounting standards comprise of such International Accounting Standards (IAS) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, Banking Comp

The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated 26 August 2002. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

The disclosures made in this condensed interim financial information have, however been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial information, and this condensed interim financial information should be read in conjunction with the financial information of the Group for the year ended December 31, 2006.

4 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts, certain investments, commitments in respect of certain forward exchange contracts and derivative financial instruments have been marked to market and are carried at fair value.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting polices adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial information of the Group for the year ended December 31, 2006.

6 SIGNIFICANT ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial information of the Group for the year ended December 31, 2006.

$\begin{array}{c c c c c c c c c c c c c c c c c c c $	7.	LENDINGS TO FINANCIAL INSTITUTIONS			September 30, 2007	December 31, 2006
Repurchase agreement lendings $2.663,274$ $12.031,800$ 8 INVESTMENTS - Net Held by bank Given as collateral Total 8.1 Investments by types $314,405$ $100,012,411$ $100,376,951$ $110,389,362$ 8.2 $314,405$ $100,012,411$ $100,376,951$ $110,389,362$ $100,322,967$ $100,322,967$ $100,322,967$ Associates 8.2 $3043,415$ $63,300$ $$ $63,300$ $$ $3043,415$ Adapting Insurance Company Limited 8.3 $3043,415$ $63,300$ $$ $3040,715$ $314,409$ Less: Provision for diminution in the value on investments $(453,932)$ $$ $(453,932)$ $$ $(453,932)$ $$ $(453,932)$ Surplus / (deficit) on revaluation of held-for-trading securities - net $114,957,960$ $10,364,486$ $125,322,446$ Held by bank Given as collateral Total $214,957,951$ $124,133,449$ Less: Held-for-trading securities - net $114,957,960$ $10,364,486$ $125,322,446$ Held -for-trading securities 8.2 $34,856,408$ <th< th=""><th></th><th></th><th></th><th></th><th> (Rupees</th><th>'000)</th></th<>					(Rupees	'000)
Repurchase agreement lendings $2.663,274$ $12.031,800$ 8 INVESTMENTS - Net Held by bank Given as collateral Total 8.1 Investments by types $314,405$ $100,012,411$ $100,376,951$ $110,389,362$ 8.2 $314,405$ $100,012,411$ $100,376,951$ $110,389,362$ $100,322,967$ $100,322,967$ $100,322,967$ Associates 8.2 $3043,415$ $63,300$ $$ $63,300$ $$ $3043,415$ Adapting Insurance Company Limited 8.3 $3043,415$ $63,300$ $$ $3040,715$ $314,409$ Less: Provision for diminution in the value on investments $(453,932)$ $$ $(453,932)$ $$ $(453,932)$ $$ $(453,932)$ Surplus / (deficit) on revaluation of held-for-trading securities - net $114,957,960$ $10,364,486$ $125,322,446$ Held by bank Given as collateral Total $214,957,951$ $124,133,449$ Less: Held-for-trading securities - net $114,957,960$ $10,364,486$ $125,322,446$ Held -for-trading securities 8.2 $34,856,408$ <th< th=""><th></th><th>Call money lendings</th><th></th><th></th><th>250.000</th><th>9.050.000</th></th<>		Call money lendings			250.000	9.050.000
INVESTMENTS - Net Investments by types 8 INVESTMENTS - Net Investments by types Held-for-trading securities 8.2 Investments by types Held-for-trading securities 8.2 Investments by types Available-for-sale securities 8.2 Investments Investments Associates 8.3 Investments Investments Investments Adamice Insurance Company Limited 8.3 Investments Investments Investments Provision for diminution in the value on investments (453,932) (453,932) Investments Surplus/ (deficit) on revaluation of available 114,957,960 Inode49,783 Inode49,783 Investments - net Integer and						, ,
8 INVESTMENTS - Net September 30, 2007 8.1 Investments by types September 30, 2007 Held-for-trading securities 8.2 314,405 10,376,951 10,376,951 314,405 10,322,967 Associates 8.2 3,043,415 (63,300) 10,376,951 121,026,734 Associates 8.3 3,043,415 (63,300) 10,376,951 121,026,734 Associates 8.3 3,043,415 (63,300) 3,043,415 (63,300) 3,043,415 (63,300) 3,043,415 (63,300) Eass: Provision for diminution in the value on investments (453,932) (453,932) (453,932) Surplus / (deficit) on revaluation of held-for-trading securities - net 1,655,672 (12,465) 1,643,207 Investments - net 1,655,672 (12,465) 1,643,207 Held-for-trading securities - net 2,279,500 10,364,486 11,298,388 46,154,796 Held-for-trading securities - net 8.3 2,2554 11,298,388 46,154,796 Held-for-trading securities - net 8.3 2,259,5500 33,003,21,53,200 33,003,21,53,200 33,22,25550 <		reparenase agreement renamgs				
8 INVESTMENTS - Net September 30, 2007 8.1 Investments by types September 30, 2007 Held-for-trading securities 8.2 314,405 10,376,951 10,376,951 314,405 10,322,967 Associates 8.2 3,043,415 (63,300) 10,376,951 121,026,734 Associates 8.3 3,043,415 (63,300) 10,376,951 121,026,734 Associates 8.3 3,043,415 (63,300) 3,043,415 (63,300) 3,043,415 (63,300) 3,043,415 (63,300) Eass: Provision for diminution in the value on investments (453,932) (453,932) (453,932) Surplus / (deficit) on revaluation of held-for-trading securities - net 1,655,672 (12,465) 1,643,207 Investments - net 1,655,672 (12,465) 1,643,207 Held-for-trading securities - net 2,279,500 10,364,486 11,298,388 46,154,796 Held-for-trading securities - net 8.3 2,2554 11,298,388 46,154,796 Held-for-trading securities - net 8.3 2,259,5500 33,003,21,53,200 33,003,21,53,200 33,22,25550 <						
September 30, 2007 September 30, 2007 8.1 Investments by types Held-for-trading securities 8.2 114,405 10,376,951 114,405 Available-for-sale securities 8.2 10,012,411 10,376,951 113,389,362 Associates 8.3 3,043,415 - 63,300 - 63,300 Associates 8.3 3,043,415 - 3,043,415 - 3,043,415 Associates 8.3 3,043,415 - 3,043,415 - 3,043,415 Evolvion for diminution in the value on investments (453,932) - (453,932) - (453,932) Surplux / (defici) on revaluation of held-for-trading securities - net 1,655,672 (12,465) 1,643,207 Investments - net 278) - 2789,0 - 2789,0 Held-for-trading securities - net 114,957,960 10,364,486 125,352,446 Held by bank Given as Total - 2789,1 Available-for-sale securities 8.2 34,856,648 11,298,388 46,154				Held by	Given as	Total
8.1 Investments by types Held-for-trading securities 8.2 314,405 10,012,411 10,049,783 10,376,951 10,329,067 110,649,783 314,405 10,0322,067 110,649,783 Associates 8.3 3,043,415 63,300 - 3,043,415 63,300 Associates 8.3 3,043,415 63,300 - 3,043,415 63,300 First Women Bank Limited 8.3 3,043,415 63,300 - 63,300 Surplus / (deficit) on revaluation of available for sale securities - net 1,655,672 (12,465) 1,643,207 Surplus / (deficit) on revaluation of held-for-trading securities - net 1,655,672 (12,465) 1,643,207 Held-for-trading securities - net 1,655,672 (12,465) 1,643,207 Surplus / (deficit) on revaluation of held-for-trading securities - net 1,655,672 (12,465) 1,643,207 Held by bank Given as collateral C278) 125,322,446 11,298,388 46,154,796 Available-for-sale securities 8.2 34,856,408 11,298,388 46,154,796 Available-for-sale securities 8.3 2,259,550 63,300 2,322,850 Available-for-sale securities 8.3 2,259,550 63,300 <td>8</td> <td>INVESTMENTS - Net</td> <td></td> <td>bank</td> <td>collateral</td> <td></td>	8	INVESTMENTS - Net		bank	collateral	
Held-for-trading securities $314,405$ $314,405$ $100,376,951$ $110,389,362$ Available-for-sale securities 8.2 $100,012,411$ $10,376,951$ $110,389,362$ $10,322,967$ Associates $Adanjee$ Insurance Company Limited 8.3 $3.043,415$ $63,300$ $ 3,043,415$ Ation of the Momen Bank Limited 8.3 $3.043,415$ $63,300$ $ 3,06,715$ Less: Provision for diminution in the value on investments $(453,932)$ $ (453,932)$ Surplus/ (deficit) on revaluation of available for-stale securities - net $1655,672$ $(12,465)$ $1,643,207$ Surplus/ (deficit) on revaluation of available for-trading securities - net $1.655,672$ $(12,465)$ $1,643,207$ Held-for-trading securities - net $1.4257,960$ $10.364,486$ $125,322,446$ Held-for-trading securities 8.2 $33,300$ $ 225,550$ Available-for-sale securities 8.3 $2,259,550$ $63,300$ $-$ Available-for-sale securities 8.3 $2,259,550$ $63,300$ $ 2,322,850$ $ 2,322,850$ $ 2,$				S	eptember 30, 2007 -	
Available-for-sale securities 8.2 $100,012,411$ $10,376,951$ $110,389,362$ Held-to-maturity securities $3.0376,951$ $10,376,951$ $110,222,967$ Associates $3.043,415$ $ 3.043,415$ Associates $3.043,415$ $ 3.043,415$ First Women Bank Limited 8.3 $3.043,415$ $ 3.043,415$ Less: rovision for diminution in the value on investments $(453,932)$ $ (453,932)$ Surplus / (deficit) on revaluation of available for sale securities - net $1.655,672$ $(12,465)$ $1,643,207$ Surplus / (deficit) on revaluation of held-for-trading securities - net $1.655,672$ $(12,465)$ $1,643,207$ Held for-trading securities - net $2(278)$ $ 2(278)$ $ (278)$ Held-for-trading securities 8.2 $34,856,408$ $11,298,388$ $46,154,796$ Adamjee Insurance Company Limited 8.3 $2,259,550$ $ 2,222,9550$ Associates $3.06,2142$ $45,302$ $ 2,222,850$ $-$ Adamjee Insurance Company Limited 8.3 2	8.1	Investments by types				
Held-to-maturity securities $10,322,967$ $10,497,783$ $10,376,951$ $121,026,734$ Associates $3,043,415$ $63,300$ $63,300$ $63,300$ $63,300$ Less: Provision for diminution in the value on investments $3,043,415$ $63,300$ $63,300$ Surplus / (deficit) on revaluation of available for sale securities - net $14,655,672$ $(12,465)$ $1,643,207$ Surplus / (deficit) on revaluation of available $1,655,672$ $(12,465)$ $1,643,207$ Surplus / (deficit) on revaluation of held-for-trading securities - net $1,655,672$ $(12,465)$ $1,643,207$ Held by bank Given as collateral collater		Held-for-trading securities		314,405	-	314,405
Associates $110,649,783$ $10,376,951$ $121,026,734$ Adanjee Insurance Company Limited 8.3 $3,043,415$ $63,300$ $3,043,415$ First Women Bank Limited 8.3 $3,043,415$ $63,300$ $3,043,415$ Less: Provision for diminution in the value on investments $(453,932)$ $(453,932)$ $(453,932)$ Surplus / (deficit) on revaluation of available $(453,932)$ $(453,932)$ $(453,932)$ for sale securities - net $11,957,960$ $10,364,486$ $125,322,446$ Held-for-trading securities net $112,98,388$ $46,154,796$ Held by bank Given as collateral $ -$ Available-for-sale securities 8.2 $34,856,486$ $11,298,388$ $46,154,796$ Held-for-trading securities 8.2 $34,856,486$ $11,298,388$ $46,032,942$ Associates 8.3 $2,259,550$ $ 2,259,550$ Adamjee Insurance Company Limited 8.3 $2,222,850$ $ 2,322,880$ First Women Bank Limited $(363,019)$ $ (363,019)$ $ (235,026)$		Available-for-sale securities	8.2	100,012,411	10,376,951	110,389,362
Associates Adamjee Insurance Company Limited 8.3 $3,043,415$ - $6,3300$ First Women Bank Limited $3,106,715$ - $3,106,715$ - $3,106,715$ Less: Provision for diminution in the value on investments (453,932) - (453,932) Surplus / (deficit) on revaluation of available 1,655,672 (12,465) 1,643,207 Surplus / (deficit) on revaluation of held-for-trading securities - net 1,655,672 (12,465) 1,643,207 Held for-trading securities - net (278) - (278) - (278) Held by bank Given as collateral - 0 collateral - collateral Held -for-trading securities 8.2 $34,856,408$ 11,298,388 46,154,796 -		Held-to-maturity securities		10,322,967	-	10,322,967
Adanjee Insurance Company Limited 8.3 3,043,415 3,043,415 First Women Bank Limited 63,300 3,043,415 63,300 Less: 113,756,498 10,376,951 124,133,449 Provision for diminution in the value on investments (453,932) . (453,932) Surplus / (deficit) on revaluation of available for sale securities - net 1,655,672 (12,465) 1,643,207 Surplus / (deficit) on revaluation of held-for-trading securities - net 114,957,960 10,364,486 125,322,446 Held by bank Given as collateral . (278) . (278) Held-for-trading securities 8.2 34,856,408 11,298,388 46,154,796 Held-to-maturity securities 8.2 34,856,408 11,298,388 60,820,942 Associates 8.3 2,259,550 . 2,322,850 . 2,322,850 Adanjee Insurance Company Limited 8.3 2,259,550 . 2,322,850 . 3,322,850 Less: Provision for diminution in the value of investments (363,019) . (363,019) . (363,019) Less: Provision of available fo				110,649,783	10,376,951	121,026,734
First Women Bank Limited $63,300$ $63,300$ Surplus / deficit) on revaluation of available $10,376,951$ $124,133,449$ Provision for diminution in the value on investments $(453,932)$ $(453,932)$ Surplus / (deficit) on revaluation of available $1655,672$ $(12,465)$ $1,643,207$ Surplus / (deficit) on revaluation of held-for-trading securities - net (278) (278) Investments - net $2278,0$ $10,364,486$ $125,322,446$ Held-for-trading securities 8.2 $34,856,408$ $11,298,388$ $46,154,796$ Available-for-sale securities 8.2 $34,856,408$ $11,298,388$ $46,154,796$ Adanjee Insurance Company Limited 8.3 $2,259,550$ $63,300$ $63,300$ First Women Bank Limited $343,404$ $11,298,388$ $63,143,792$ Less: Provision for diminution in the value of investments $363,019$ $ 363,019$ Provision for diminution of available $63,019$ $ (363,019)$ $-$ Manipe Insurance Company Limited 8.3 $2,259,550$ $ 2,322,850$ $-$ </td <td></td> <td></td> <td>0.2</td> <td>2.042.445</td> <td></td> <td>2.042.445</td>			0.2	2.042.445		2.042.445
3,106,715 $3,106,715$ $113,756,498$ $10,376,951$ $124,133,449$ Provision for diminution in the value on investments $(453,932)$ Surplus / (deficit) on revaluation of available for sale securities - net $1,655,672$ $(12,465)$ $1,643,207$ Investments - net $1,655,672$ $(12,465)$ $1,643,207$ Investments - net $1,655,672$ $(12,465)$ $1,643,207$ Held-for-trading securities - net (278) (278) Investments - net $114,957,960$ $10,364,486$ $125,322,446$ Held-for-trading securities 8.2 $34,856,408$ $11,298,388$ $46,154,796$ Available-for-scale securities 8.2 $34,856,408$ $11,298,388$ $46,154,796$ Held-to-maturity securities 8.3 $2,259,550$ $63,300$ $63,300$ Associates $Adanjee$ Insurance Company Limited 8.3 $2,259,550$ $63,300$ First Women Bank Limited $2,322,850$ $-2,322,850$ $-2,322,850$ $-2,322,850$ Less: Provision for diminution in the value of investments $(363,019)$ $-363,019$ </td <td></td> <td></td> <td>8.3</td> <td></td> <td>-</td> <td>· · ·</td>			8.3		-	· · ·
Image: Less: Image: Image		First women Bank Linned		· · · · · · · · · · · · · · · · · · ·	-	, , , , , , , , , , , , , , , , , , , ,
Less: Provision for diminution in the value on investments $(453,932)$. $(453,932)$ Surplus / (deficit) on revaluation of available for sale securities - net $1,655,672$ $(12,465)$ $1,643,207$ Surplus / (deficit) on revaluation of held-for-trading securities - net (278) - (278) Investments - net (278) - (278) Investments - net (278) $ (278)$ Held-for-trading securities $114,957,960$ $10,364,486$ $125,322,446$ Held by bankGiven as collateralTotal collateralHeld-for-trading securities 8.2 $34,856,408$ $11,298,388$ $46,154,976$ Available-for-sale securities 8.2 $34,856,408$ $11,298,388$ $60,820,942$ Associates 8.3 $2,259,550$ $63,300$ $2,2259,550$ Adamjee Insurance Company Limited 8.3 $2,259,550$ $63,300$ $2,322,880$ First Women Bank Limited $(363,019)$ $(363,019)$ $(363,019)$ Surplus / (deficit) on revaluation of available for sale securities - net $1,685,026$ $(15,038)$ $1,669,988$					10 376 951	
Surplus / (deficit) on revaluation of available for sale securities - net 1,655,672 (12,465) 1,643,207 Surplus / (deficit) on revaluation of held-for-trading securities - net 1,655,672 (12,465) 1,643,207 Investments - net 114,957,960 10,364,486 125,322,446 Held -for-trading securities 114,957,960 10,364,486 125,322,446 Held -for-trading securities 8.2 34,856,408 11,298,388 46,154,796 Held-to-maturity securities 8.2 34,856,408 11,298,388 46,154,796 Held-to-maturity securities 8.3 2,259,550 11,298,388 60,820,942 Associates 8.3 2,259,550 - 2,259,550 First Women Bank Limited 8.3 2,259,550 - 2,322,850 Surplus / (deficit) on revaluation of available for sale securities - net 1,685,026 (15,038) 1,669,988		Less:		110,100,000	10,070,701	12 .,100,10
for sale securities - net $1,655,672$ $(12,465)$ $1,643,207$ Surplus/ (deficit) on revaluation of held-for-trading securities - net (278) (278) (278) Investments - net (278) $10,364,486$ $125,322,446$ Held by bankGiven as collateral 		Provision for diminution in the value on investments		(453,932)	-	(453,932)
Surplus/ (deficit) on revaluation of held-for-trading securities - net (278) $114,957,960$ (278) $10,364,486$ (278) $125,322,446$ Investments - net (278) $114,957,960$ (278) $10,364,486$ (278) $125,322,446$ Held by bankGiven as collateral 		Surplus / (deficit) on revaluation of available				
held-for-trading securities - net $\begin{array}{c c c c c c c c c c c c c c c c c c c $		for sale securities - net		1,655,672	(12,465)	1,643,207
Investments - net 114,957,960 10,364,486 125,322,446 Held by bank Given as collateral Total Held-for-trading securities 8.2 34,856,408 11,298,388 46,154,796 Held-to-maturity securities 8.2 34,856,408 11,298,388 46,154,796 Associates 34,856,408 11,298,388 60,820,942 Associates 8.3 2,259,550 - 2,259,550 First Women Bank Limited 8.3 2,259,550 - 2,322,850 Less: Provision for diminution in the value of investments (363,019) - (363,019) Surplus / (deficit) on revaluation of available for sale securities - net 1,685,026 (15,038) 1,669,988		• • •				
Held by bankGiven as collateralTotalHeld-for-trading securities8.2 $34,856,408$ $11,298,388$ $46,154,796$ Available-for-sale securities8.2 $34,856,408$ $11,298,388$ $46,154,796$ Held-to-maturity securities8.2 $34,856,408$ $11,298,388$ $46,154,796$ Associates $46,154,796$ $14,666,146$ $49,522,554$ $11,298,388$ $60,820,942$ Associates $63,300$ $ 63,300$ $ 63,300$ First Women Bank Limited 8.3 $2,259,550$ $ 2,322,850$ Less: $ 2,322,850$ $ 2,322,850$ Provision for diminution in the value of investments $(363,019)$ $ (363,019)$ Surplus / (deficit) on revaluation of available for sale securities - net $1,685,026$ $(15,038)$ $1,669,988$		0			-	
$\begin{array}{c} \label{eq:constraint} \begin{tabular}{c} collateral \\ December 31, 2006 \\$		Investments - net		114,957,960	10,364,486	125,322,446
$\begin{array}{c} \label{eq:constraint} \begin{tabular}{c} collateral \\ December 31, 2006 \\$				Hold by bonk	Civon oc	Total
$\begin{array}{cccccccccccccccccccccccccccccccccccc$				Held by balk		Total
Held-for-trading securities 8.2 $34,856,408$ $11,298,388$ $46,154,796$ Available-for-sale securities 8.2 $34,856,408$ $11,298,388$ $46,154,796$ Held-to-maturity securities 8.2 $34,856,408$ $11,298,388$ $46,154,796$ Associates $49,522,554$ $11,298,388$ $60,820,942$ Associates $63,300$ $ 63,300$ First Women Bank Limited 8.3 $2,259,550$ $ 2,322,850$ Less: $ 2,322,850$ $ 2,322,850$ Provision for diminution in the value of investments $(363,019)$ $ (363,019)$ Surplus / (deficit) on revaluation of available $1,685,026$ $(15,038)$ $1,669,988$						
Available-for-sale securities 8.2 34,856,408 11,298,388 46,154,796 Held-to-maturity securities 14,666,146 - 14,666,146 14,666,146 Associates 49,522,554 11,298,388 60,820,942 Associates - - 2,259,550 - 2,259,550 First Women Bank Limited 8.3 2,259,550 - 2,322,850 - 2,322,850 Less: - 2,322,850 - 3,413,792 - - 3,63,019 - - 3,63,019 - - 3,63,019 - - 3,63,019 - 3,63,019 - -					2000	
Held-to-maturity securities 14,666,146 - 14,666,146 Associates 49,522,554 11,298,388 60,820,942 Associates - 2,259,550 - 2,259,550 First Women Bank Limited 8.3 2,259,550 - 2,322,850 2,322,850 - 2,322,850 - 2,322,850 Less: Provision for diminution in the value of investments (363,019) - (363,019) Surplus / (deficit) on revaluation of available - 1,685,026 (15,038) 1,669,988		6		-	-	-
Associates 49,522,554 11,298,388 60,820,942 Associates Adamjee Insurance Company Limited 8.3 2,259,550 2,259,550 First Women Bank Limited 63,300 - 63,300 63,300 2,322,850 - 2,322,850 51,845,404 11,298,388 63,143,792 Less: Provision for diminution in the value of investments (363,019) - (363,019) Surplus / (deficit) on revaluation of available for sale securities - net 1,685,026 (15,038) 1,669,988			8.2		11,298,388	, ,
Associates Adamjee Insurance Company Limited 8.3 2,259,550 - 2,259,550 First Women Bank Limited 63,300 - 63,300 - 63,300 2,322,850 - 2,322,850 - 2,322,850 - 2,322,850 Less: 51,845,404 11,298,388 63,143,792 - (363,019) - (363,019) Surplus / (deficit) on revaluation of available for sale securities - net 1,685,026 (15,038) 1,669,988		Heid-to-maturity securities			11 208 388	
Adamjee Insurance Company Limited 8.3 2,259,550 - 2,259,550 First Women Bank Limited - 63,300 - 63,300 2,322,850 - 2,322,850 - 2,322,850 2,322,850 - 2,322,850 - 2,322,850 51,845,404 11,298,388 63,143,792 Less: - (363,019) - (363,019) Surplus / (deficit) on revaluation of available - 1,685,026 (15,038) 1,669,988		Associates		49,522,554	11,290,500	00,820,942
First Women Bank Limited 63,300 - 63,300 2,322,850 - 2,322,850 - 2,322,850 51,845,404 11,298,388 63,143,792 - 63,019 - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - (363,019) - - (363,019) - - (363,019) - <td< td=""><td></td><td></td><td>8.3</td><td>2,259,550</td><td>-</td><td>2,259,550</td></td<>			8.3	2,259,550	-	2,259,550
2,322,850 - 2,322,850 51,845,404 11,298,388 63,143,792 Less: - (363,019) - Surplus / (deficit) on revaluation of available for sale securities - net 1,685,026 (15,038) 1,669,988				· · ·	-	· · ·
Less:(363,019)(363,019)Provision for diminution in the value of investments(363,019)(363,019)Surplus / (deficit) on revaluation of available for sale securities - net1,685,026(15,038)1,669,988				2,322,850	-	2,322,850
Provision for diminution in the value of investments (363,019) - (363,019) Surplus / (deficit) on revaluation of available for sale securities - net 1,685,026 (15,038) 1,669,988				51,845,404	11,298,388	63,143,792
Surplus / (deficit) on revaluation of available for sale securities - net1,685,026(15,038)1,669,988						
for sale securities - net 1,685,026 (15,038) 1,669,988				(363,019)	-	(363,019)
		•		1 (05 02 5	(15.020)	1 660 000
Investments - net 53,167,411 11,283,350 64,450,761						
		Investments - net		53,167,411	11,283,350	64,450,761

- 8.2 Investments include Pakistan Investment Bonds amounting to Rs. 232.600 million (December 31, 2006: Rs. 232.600 million) earmarked by the State Bank of Pakistan and National Bank of Pakistan against TT / DD discounting facilities and demand note facilities sanctioned to the Bank. In addition, Pakistan Investment Bonds amounting to Rs. 5 million (December 31, 2006: Rs. 5 million) have been pledged with the Controller of Military Accounts on the account of Regimental Fund Account. Further Euro bonds issued by Government of Pakistan amounting to US\$ 29 Million (face value) are earmarked by Mashreqbank PSC against loan obtained by the Bank.
- 8.3 Investment in Adamjee Insurance Company Limited has been carried at cost amounting to Rs. 943.600 million (December 31, 2006: Rs. 943.600 million). The market value of the investment as at September 30, 2007 amounted to Rs. 10,716.595 million (December 31, 2006: Rs. 4,481.877 million).

2007 2006 Rs. in '000 Opening Balance 2,259,550 1,869,045 Share of profits 369,194 474,030 Dividend from Associates (62,568) (62,568) Share of tax 2,430 (25,675) Share of unrealised surplus on investments 465,845 4,718 Closing balance 3,043,415 2,259,550		September 30,	December 31,
Opening Balance 2,259,550 1,869,045 Share of profits 369,194 474,030 Dividend from Associates (53,604) (62,568) Share of tax 2,430 (25,675) Share of unrealised surplus on investments 318,020 385,787		2007	2006
Share of profits 369,194 474,030 Dividend from Associates (53,604) (62,568) Share of tax 2,430 (25,675) Share of unrealised surplus on investments 318,020 385,787		Rs. in	'000
Dividend from Associates (53,604) (62,568) Share of tax 2,430 (25,675) Share of unrealised surplus on investments 318,020 385,787	Opening Balance	2,259,550	1,869,045
Share of tax 2,430 (25,675) 318,020 385,787 Share of unrealised surplus on investments 465,845 4,718	Share of profits	369,194	474,030
318,020 385,787 Share of unrealised surplus on investments 465,845 4,718	Dividend from Associates	(53,604)	(62,568)
Share of unrealised surplus on investments465,8454,718	Share of tax	2,430	(25,675)
		318,020	385,787
Closing balance <u>3,043,415</u> 2,259,550	Share of unrealised surplus on investments	465,845	4,718
	Closing balance	3,043,415	2,259,550

- The group's investment in First Women Bank Limited is being carried at cost and have not been accounted for under equity method as the group does 8.4 not have significant influence over the entity.
- ADVANCES net 9

ADVANCES - net		September 30, 2007	December 31, 2006
		(Rupee:	s '000)
Loans, cash credits, running finances, etc			
- In Pakistan		180,109,748	189,472,034
- Outside Pakistan		5,459,375	5,172,803
		185,569,123	194,644,837
Net Investment in Finance Lease			, ,
- In Pakistan		6,702,936	6,080,333
- Outside Pakistan		69,160	85,865
		6,772,096	6,166,198
Bills discounted and purchased (excluding treasury bills)			
- Payable in Pakistan		2,793,655	1,761,803
- Payable outside Pakistan		4,933,504	4,272,188
		7,727,159	6,033,991
Advances - gross		200,068,378	206,845,026
Less: Provision against loans and advances			
- Specific provision	9.1	(6,666,013)	(5,953,234)
- General provision		(2,275,926)	(2,277,467)
- General Provision for potential lease losses (in Srilanka Operations)		-	(3,820)
- General provision against consumer loans		(604,345)	(373,823)
		(9,546,284)	(8,608,344)
Advances - net of provision		190,522,094	198,236,682

Advances include Rs. 9,546.284 million (December 31, 2006: Rs. 8,570.813 million) which have been placed under non-performing status as detailed 9.1 below.

			September 30, 2007			
		Classified Advances			Specific	Specific
Category of Classification		Domostic Oversees Total		Provision Required	Provision Held	
				Rupees in '000		
Other Assets Especially						
Mentioned (OAEM)	9.1.1	96,128	-	96,128	-	-
Substandard		732,134	2,371	734,505	173,963	173,963
Doubtful		854,900	14,089	868,989	413,471	413,471
Loss		5,162,777	2,683,885	7,846,662	6,078,579	6,078,579
		6,845,939	2,700,345	9,546,284	6,666,013	6,666,013

		December 31, 2006					
		0	Classified Advances			Specific	
Category of Classification		Domestic Overseas To		Total	Provision Required	Provision Held	
				Rupees in '00	0		
Other Assets Especially							
Mentioned (OAEM)	9.1.1	87,699	-	87,699	-	-	
Substandard		487,306	6,927	494,233	109,978	109,978	
Doubtful		475,072	-	475,072	231,032	231,032	
Loss		4,837,290	2,676,519	7,513,809	5,612,224	5,612,224	
		5,887,367	2,683,446	8,570,813	5,953,234	5,953,234	

9.1.1 This represents non-performing portfolio of agricultural financing classified as OAEM as per the requirements of the Prudential Regulation for Agricultural Financing issued by the SBP.

10	BORROWINGS FROM FINANCIAL INSTITUTIONS	September 30, 2007	December 31, 2006
		(Rupees	'000)
	In Pakistan	20,252,138	20,304,629
	Outside Pakistan	3,317,523	3,638,847
	Outside I akistali	23,569,661	23,943,476
		20,007,001	20,710,170
10.1	Details of borrowings (secured / unsecured)		
	Secured		
	Borrowings from State Bank of Pakistan		
	Export refinance scheme	5,266,726	6,727,670
	Long term financing - export oriented products scheme	2,568,335	2,313,030
		7,835,061	9,040,700
	Borrowings from other financial institutions	2,840,339	2,932,817
	Repurchase agreement borrowings	10,376,952	11,263,929
		13,217,291	14,196,746
		21,052,352	23,237,446
	Unsecured	. <u> </u>	
	Overdrawn nostro accounts	477,184	617,027
	Call borrowings	2,040,125	89,003
		2,517,309	706,030
		23,569,661	23,943,476
11	DEPOSITS AND OTHER ACCOUNTS		

DEPOSITS AND OTHER ACCO

Customers

Customers		
Fixed deposits	35,134,491	33,296,703
Savings deposits	151,319,924	136,613,835
Current accounts - non remunerative	94,682,613	81,640,625
Margin accounts	2,546,899	2,447,944
Others	4,169	4,336
	283,688,096	254,003,443
Financial institutions		
Remunerative deposits	1,728,421	249,506
Non-remunerative deposits	2,494,305	2,932,161
	4.222.726	3,181,667

287,910,822 257,185,110

174,886

(406,695)

12 DEFERRED TAX ASSETS - net

The details of the tax effect of taxable and deductible temporary differences are as follows:

Taxable temporary differences on:		
Surplus on revaluation of operating fixed assets	(184,066)	(188,398)
On net investment in finance lease	(670,948)	(167,406)
Accelerated tax depreciation	(233,995)	(89,962)
Others	(3,663)	-
	(1,092,672)	(445,766)

Deductible temporary differences on:		
Provision for contributory benevolent scheme	97,381	92,589
Deficit on revaluation of securities	72,016	14,343
Provision for Gratuity Scheme	629	638
Provision for post retirement medical benefits	515,092	505,208
Provision for employees' compensated absences	-	5,060
Others	859	2,814
	685,977	620,652

13 SHARE CAPITAL

The Bank vide a special resolution dated March 28, 2007 has increased its Authorised Share Capital from Rs. 6,500 million to Rs. 10,000 million.

14	CONTINGENCIES AND COMMITMENTS	September 30, 2007	December 31, 2006
14.1	Transaction-related contingent liabilities / commitments	(Rupees	; '000)
	Guarantees in favour of:		
	- Government	5,361,617	3,810,101
	- Banks and financial institutions	7,174	13,441
	- Others	7,289,337	2,570,648
	Suppliers credit / payee guarantee	1,720,763	1,605,942
		14,378,891	8,000,132
14.2	Trade-related contingent liabilities	51,184,496	42,035,977
14.3	Other contingencies		
	Claims against the Bank not acknowledged as debts	133,739	197,848

14.4 Commitments to extend credit

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

14.5 Commitments in respect of forward foreign exchange contracts

	Purchase Sale	45,517,958 52,173,781 97,691,739	41,288,941 50,420,861 91,709,802
14.6	Commitments for the acquisition of fixed assets	171,110	1,366,761
14.7	Commitments in respect of: Forward Lending	-	1,853,461
14.8	Other commitments Cross currency swaps (notional amount) FX Options (notional amount)	890,000	95,000
	- Purchase - Sale Interest rate swaps (notional amount) Forward outright sale of Government Securities Outright purchase of Government Securities from the SBP	1,331,428	155,641 155,641 3,223,485 5,107,030 6,942,230

15 ADMINISTRATIVE EXPENSES

During the period, donation amounting to Rs 6.075 million was paid to Pakistan Development Market Place (PDM) for 'Fund for circulation of people with disabilities'. Donation was not made to any donee in which the Bank or any of its directors or their spouse had any interest.

			Half year	r ended
			September 30, 2007	September 30, 2006
			(Rupee	s '000)
16	EARNINGS PER SHARE			
	- BASIC AND DILUTED (after minority interest)			
	Profit after taxation attributable to ordinary shareholders		11,594,465	8,956,015
	Weighted average number of shares outstanding during the period	Number of shares	628,276,843	593,788,443
	Earnings per share	Rupees	18.45	15.08

17 CREDIT RATING

PACRA through its notification in June 2007 has assigned long-term credit rating of AA+ (double A plus) and short-term credit rating of A1+ (A one plus) to the Bank.

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Nine months ended September 30, 2007						
	Corporate Finance	Trading and Sales	Retail & Consumer Bankig	Commercial Banking	Asset Management	Eliminations	Total
-				Rupees in '000			
Total income	171,577	9,513,224	11,142,540	8,244,616	94,042	(312,201)	28,853,798
Total expenses	(20,961)	(1,772,416)	(8,840,407)	(1,732,211)	(59,827)	312,201	(12,113,621)
Income Tax	-	-	-	-	-	-	(5,145,707)
Net income (loss)	150,616	7,740,808	2,302,133	6,512,405	34,215		11,594,470
Segment Assets (Gross) Deferred Tax Assets - Unallocated	16,103	146,018,104	124,802,895	113,586,424	352,448	-	384,775,974
Total Assets	16,103	146,018,104	124,802,895	113,586,424	352,448	-	384,775,974
Segment Non Performing Loans	-	313,039	4,665,231	4,568,014	-	-	9,546,284
Segment Provision Required	-	112,511	3,692,903	2,860,599	-	-	6,666,013
-							
Segment Liabilities	(150,324)	128,801,129	101,954,623	101,061,232	27,163	-	331,693,824
Deferred Tax Liabilities (Net) - Unallocated	-	-	-	-	-	-	406,695
Provision for Taxation	-	-	-	-	-	-	2,391,288
Segment Equity	166,426	16,180,497	21,922,429	11,689,530	325,285		50,284,167
Total Liabilities	16,103	144,981,626	123,877,053	112,750,762	352,448	-	384,775,974
Segment Return on net Assets (ROA) (%)	935.33%	5.30%	1.84%	5.73%	9.71%	0.00%	3.01%
Segment Cost of funds (%)	0.00%	7.53%	2.09%	3.16%	0.00%	0.00%	2.29%

	Nine monts ended September 30, 2006						
Total income	69,188	6,246,407	9,265,282	7,290,044	5,300	(307,909)	22,568,312
Total expenses	(23,057)	(1,085,586)	(7,786,028)	(629,951)	(5,014)	307,909	(9,221,727)
Income Tax	-	-	-	-		-	(4,390,569)
Net income (loss)	46,131	5,160,820	1,479,254	6,660,093	286		8,956,016
Segment Assets (Gross)	10,213	95,538,671	- 112,006,381	110,930,651	308,500	-	318,794,416
Deferred Tax Assets - Unallocated	-	-	-	-	-		154,380
Total Assets	10,213	95,538,671	112,006,381	110,930,651	308,500	-	318,948,796
Segment Non Performing Loans	-	399,397	3,463,160	4,280,334	-	-	8,142,891
Segment Provision Required	<u> </u>	142,032	2,530,119	2,499,849	-	-	5,172,000
Segment Liabilities Provision for Taxation	(49,777)	86,330,243	- 94,688,373 -	103,142,932	6,063	-	284,117,834 2,938,226
Segment Equity	59,990	8,333,623	16,345,622	6,851,063	302,437	-	31,892,736
Total Liabilities	10,213	94,663,866	111,033,996	109,993,995	308,500	-	318,948,796
Segment Return on net Assets (ROA) (%)	451.69%	5.40% 1.71%	1.32% 1.12%	6.00% 1.73%	0.09%	0.00%	- 2.81% 1.28%
Segment Cost of funds (%)	0.00%	1./1%	1.12 70	1./3%	0.00%	0.00%	1.20%

19 Related party transactions

The Bank has related party relationship with its associated undertakings, subsidiary companies, employee benefit plans, companies with common directors, Bank's directors and key management personnel including their associates.

Contributions to and accruals in respect of staff retirement and other benefit plans are made in accordance with the actuarial valuation/terms of the contribution plan. There are no transactions with key management personnel other than under their terms of employment. Remuneration to the executives and key management personnel are determined in accordance with the terms of their employment.

Details of transactions with related parties and balances with them as at the period-end were as follows:

	Director		ors Associated companies		Other Related Parties	
Type of related party	Nine months ended September 30, 2007	Year ended Dec 31, 2006	Nine months ended September 30, 2007	Year ended Dec 31, 2006	Nine months ended September 30, 2007	Year ended Dec 31, 2006
			(Rupees '()00)		
Deposits						
Deposits at beginning of the period / year	19,099	61,996	522,641	785,634	314,045	214,191
Deposits received during the period / year	350,637	572,767	90,980,887	33,568,048	5,667,485	17,714,493
Deposits repaid during the period / year	(358,982)	(615,664)	(91,143,424)	(33,831,041)	(5,790,309)	(17,614,639)
Deposits at the end of the period / year	10,754	19,099	360,104	522,641	191,221	314,045

Markup rates on deposits range from 0.1% to 6.75% (31 December 2006: 0.1% to 6.75%) per annum.

Advances (secured)						
Balance at beginning of the period / year	-	-	-	-	2,240,038	1,297,320
Loan granted during the period / year	-	-	-	-	1,237,123	2,062,460
Repayment during the period / year	-	-	-	-	(1,878,977)	(1,119,742)
Balance at end of the period / year	-	-	-	-	1,598,184	2,240,038

Profit rates on advances to Pension Fund at 6 month KIBOR + 0.3% and to the Provident Fund at 6 month KIBOR + 0.3% (December, 31 2006: Pension Fund at 6 month KIBOR + 0.3%) per annum. At September 30, 2007, interest receivable from the above funds amounted to Rs. NIL million (December 31, 2006: 67.275 million).

September 30, December 31,

					September 30,	
					2007	2006
					(Rupee	es '000)
Receivable from Pension Fund					8,189,161	4,881,483
	Direc	tors	Associated	companies	Other Rela	ted Parties
	September 30,	September	September 30,	September 30,	September	September
	2007	30, 2006	2007	2006	30, 2007	30, 2006
			(Rupees	'000)		
Adamjee Insurance Company Limited			17 0 1 5	15 175		
Insurance premium paid	-	-	67,865	45,475	-	-
Insurance claim settled	-	-	32,103	13,042	-	-
Dividend received	-	-	53,604	36,097		
Rent income received	-	-	1,764	1,176	-	-
MCB Employees Foundation						
- Service expenses	-	-	-	-	14,415	7,662
- Cash sorting expenses	-	-	-	-	13,516	4,919
- Cash in transit expenses	-	-	-	-	1,781	1,713
MCB Employees Security System & Services (Private)						
Limited						
- Security guard expenses	-	-	-	-	78,991	38,844
Others						
- Proceeds from sale of Vehicles to Executives	-	-	-	-	5,278	1,053
- Gain on sale of vehicles to executives	-	-	-	-	257	819
- Remuneration of key management personnel	102,141	19,404	-	-	108,085	65,149
- Miscellaneous expenses	102,111	19,101	_	_	51,457	28,328
- Contribution / (expense) on provident func	-	-	-	-	80,899	47,461
- controlation / (expense) on provident func	-	-	-	-	00,077	17,101

The Chief Executive and certain executives are provided with free use of the Bank's maintained cars and household equipment in accordance with the terms of their employment.

Cash and balances with treasury banks 117,033 92,053 Investments - net 117,033 92,000 Financing and receivables 2,522,541 1,592,019 - Murabaha 1,21,3,818 10,73,014 110,034 268,347 Other Assets 960,964 505,909 6,093,592 4,331,342 Liabilities 117,035 14,517 Bills payable Deposits and other accounts 13,735 14,517 - Current Accounts 130,908 121,102 54,439 - Saving Accounts 881,999 264,268 306,964 505,909 - Term Deposits and other accounts 117,075 7,968 30,908 121,102 - Saving Accounts 881,999 264,268 301,732 54,439 Due to head office 4,150,000 2,750,000 316,782 363,152 Due to head office 9,100 2,750,000 368,102 368,102 Net assets 516,612 368,190 368,190 Represented by: 1 19,000 - 516,612 368,190 Surplus on revaluation of assets - net of tax	ISLAMIC BANKING BUSINESS	September 30, 2007	December 31, 2006
Investments - net 1,169,000 800,000 Financing and receivables 1,252,254 1,592,019 - Murabaha 1,213,818 1,073,014 - Islamic export refinance 960,964 268,347 Other Assets 960,964 268,347 Bills payable 6,093,592 4,331,342 Liabilities 13,0908 121,102 Bills payable 13,0908 121,102 - Current Accounts 130,908 121,102 - Saving Accounts 130,908 121,102 - Current Accounts 11,676 7,968 - Current Accounts 11,676 7,968 - Others 80,192 54,439 Borrowing from SBP 11,676 7,968 Due to head office 41,50,000 2,750,000 Others 516,612 368,190 Represented by: 1 368,190 Islamic Banking Fund 97,612 88,190 Reserves 910,000 - Surplus on revaluation of assets - net of tax 19,000 - Surplus on revaluation of assets - net of tax 19,000	Assets	(Rupee	s '000)
Financing and receivables 2,522,541 1,592,019 - Murabaha 1,213,818 1,073,014 - Islamic export refinance 26,822,541 1,592,019 Other Assets 960,964 2653,009 6,093,592 4,331,342 Liabilities 110,236 268,347 Bills payable 13,735 14,517 Deposits and other accounts 130,908 121,102 - Saving Accounts 130,908 121,102 - Saving Accounts 11,676 7,968 - Term Deposits 11,676 7,968 Porrowing from SBP 420,000 316,782 Due to head office 2,750,000 2,750,000 Other liabilities 25,676,980 3,963,152 Net assets 516,612 368,190 Represented by: 1 10,000 - Islamic Banking Fund 400,000 280,000 - Represented by: 10,000 - - Islamic Banking Fund 400,000 280,000 - Surplus on revaluation of assets - net of tax 10,000 - - </td <td>Cash and balances with treasury banks</td> <td>117,033</td> <td>92,053</td>	Cash and balances with treasury banks	117,033	92,053
- Murabaha 2,522,541 1,592,019 - Jjara 1,13,818 1,073,014 - Islamic export refinance 960,964 268,347 Other Assets 960,964 505,909 6,093,592 4,331,342 Liabilities 13,735 14,517 Deposits and other accounts 130,908 121,102 - Current Accounts 80,192 54,439 - Term Deposits 80,192 54,439 - Others 911,676 7,968 Borrowing from SBP 420,000 216,726 Due to head office 4,150,000 275,000 Other liabilities 516,612 368,190 Represented by: 151 368,190 Islamic Banking Fund Reserves 97,612 368,190 Surplus on revaluation of assets - net of tax 19,000 - Surplus on revaluation of assets - net of tax 19,000 - Stanic Banking Fund Qpening Balance 3,244 2,757 Additions during the period / year 563 481 Opening Balance 3,244 2,757 Additions during the period / year </td <td>Investments - net</td> <td>1,169,000</td> <td>800,000</td>	Investments - net	1,169,000	800,000
- Ijara 1,213,818 1,073,014 - Islamic export refinance 110,236 268,347 Other Assets 960,964 505,909 6,093,592 4,331,342 Liabilities 13,735 14,517 Deposits and other accounts 13,0908 121,102 - Saving Accounts 130,908 121,102 - Saving Accounts 441,990 264,268 0 thers 80,192 54,439 10 thes 11,676 7,968 Borrowing from SBP 420,000 216,7020 Due to head office 4,150,000 2,750,000 Otheri liabilities 516,612 368,190 Represented by: 1 1 308,192 Islamic Banking Fund 400,000 280,000 - Represented by: 1 368,190 - Surplus on revaluation of assets - net of tax 19,000 - - Surplus on revaluation of	Financing and receivables		
- Islamic export refinance 110,236 268,347 Other Assets 960,964 505,909 6,093,592 4,331,342 Liabilities 130,908 121,102 Saving Accounts 130,908 121,102 - Current Accounts 130,908 121,102 - Saving Accounts 130,908 121,102 - Saving Accounts 14,517 7,968 - Term Deposits 110,676 7,968 Borrowing from SBP 11,676 7,968 Borrowing from SBP 22,750,000 288,479 Due to head office 4,150,000 288,479 Other liabilities 5516,612 368,190 Represented by: 1 368,190 Islamic Banking Fund 400,000 280,000 Reserves - - Unappropriated profit 97,612 38,190 Surplus on revaluation of assets - net of tax 19,000 - Sti6,612 368,190 - - Remuneration to Shariah Advisor / Board 811 935 - Charity Fund - -	- Murabaha		1,592,019
Other Assets 960,964 505,909 6,093,592 4,331,342 Liabilities 13,735 14,517 Deposits and other accounts 13,735 14,517 - Current Accounts 130,908 121,102 - Saving Accounts 481,990 264,268 - Others 960,964 5,909 - Others 11,676 7,968 Borrowing from SBP 4420,000 316,782 Due to head office 4,150,000 2,750,000 Other is 516,612 368,190 Represented by: 1 1 1 Islamic Banking Fund 400,000 280,000 - Represented by: 1 1 1 1 Unappropriated profit 97,612 368,190 - - Surplus on revaluation of assets - net of tax 19,000 - - - Surplus on revaluation of Shariah Advisor / Board 811 935 - - - - Charity Fund 0pering Balance 3	- Ijara	1,213,818	1,073,014
Liabilities 13,735 4,331,342 Bills payable 13,735 14,517 Deposits and other accounts 130,908 121,102 - Current Accounts 130,908 121,102 - Saving Accounts 130,908 121,102 - Current Accounts 130,908 121,102 - Current Accounts 130,908 124,208 - Others 80,192 54,439 Borrowing from SBP 420,000 2,750,000 Due to head office 4,150,000 2,750,000 Other liabilities 5,576,980 3,963,152 Net assets 516,612 368,190 Represented by: 1 368,190 Surplus on revaluation of assets - net of tax 19,000 - Surplus on revaluation of assets - net of tax 19,000 - String Fund 811 935 Charity Fund 3,244 2,757 Opening Balance 3,244 2,757 Additions during the period / year 563 487 Payments/ utilization during the peri	- Islamic export refinance	110,236	268,347
Liabilities Bills payable 13,735 14,517 Deposits and other accounts 130,908 121,102 - Current Accounts 130,908 121,102 - Saving Accounts 80,192 54,439 - Others 80,192 54,439 Borrowing from SBP 420,000 316,782 Due to head office 2,88,479 434,076 Other is 5,576,980 3,963,152 Net assets 515,612 368,190 Represented by: 1 368,190 Unappropriated profit 97,612 88,190 Surplus on revaluation of assets - net of tax 10,000 280,000 Remuneration to Shariah Advisor / Board 811 935 Charity Fund 3,244 2,757 Opening Balance 3,244 2,757 Additions during the period / year 563 487	Other Assets		505,909
Bills payable 13,735 14,517 Deposits and other accounts 130,908 121,102 - Saving Accounts 481,990 264,268 - Term Deposits 80,192 54,439 - Others 80,102 54,439 Borrowing from SBP 420,000 316,782 Due to head office 4,150,000 2,750,000 Other liabilities 5,576,980 3,963,152 Net assets 5,576,980 3,963,152 Net assets 5,576,980 3,963,152 Suppropriated profit 97,612 368,190 Represented by: 1 368,190 Surplus on revaluation of assets - net of tax 19,000 - Surplus on revaluation of assets - net of tax 19,000 - Charity Fund 3,244 2,757 Opening Balance 3,244 2,757 Additions during the period / year - - Payments/ utilization during the period / year - -		6,093,592	4,331,342
Deposits and other accounts 130,908 121,102 - Current Accounts 130,908 121,102 - Saving Accounts 481,990 264,268 - Term Deposits 80,192 54,439 - Others 11,676 7,968 Borrowing from SBP 420,000 316,782 Due to head office 4,150,000 2,750,000 Others 5,576,980 3,963,152 Net assets 5,576,980 3,963,152 Represented by: 516,612 368,190 Islamic Banking Fund 400,000 280,000 Reserves - - Unappropriated profit 97,612 88,190 Surplus on revaluation of assets - net of tax 19,000 - Remuneration to Shariah Advisor / Board 811 935 Charity Fund 3,244 2,757 Opening Balance 3,244 2,757 Additions during the period / year 563 487 Payments/ utilization during the period / year - -	Liabilities		
- Current Accounts 130,908 121,102 - Saving Accounts 481,990 264,268 - Term Deposits 80,192 54,439 - Others 11,676 7,968 Borrowing from SBP 420,000 28,790 Due to head office 4,150,000 2,750,000 Other liabilities 28,479 434,076 String Fund 5,576,980 3,963,152 Net assets 516,612 368,190 Represented by: 11 368,190 Islamic Banking Fund 400,000 280,000 Reserves - - Unappropriated profit 97,612 368,190 Surplus on revaluation of assets - net of tax 19,000 - Surplus on revaluation of assets - net of tax 19,000 - Charity Fund 32,244 2,757 Opening Balance 3,244 2,757 Additions during the period / year 563 487 Payments/ utilization during the period / year - -	Bills payable	13,735	14,517
- Saving Accounts 481,990 264,268 - Term Deposits 80,192 54,439 - Others 11,676 7,968 Borrowing from SBP 420,000 316,782 Due to head office 4,150,000 2,750,000 Other liabilities 5,576,980 3,963,152 Net assets 5,576,980 3,963,152 Represented by: 11 368,190 Islamic Banking Fund 400,000 280,000 Reserves - - Unappropriated profit 97,612 88,190 Surplus on revaluation of assets - net of tax 19,000 - Opening Balance 3,244 2,757 Additions during the period / year 563 487 Payments/ utilization during the period / year - -	Deposits and other accounts		
- Term Deposits 80,192 54,439 - Others 11,676 7,968 Borrowing from SBP 420,000 316,782 Due to head office 4,150,000 2,750,000 Other liabilities 5,576,980 3,963,152 Net assets 516,612 368,190 Represented by: 1 368,190 Islamic Banking Fund 400,000 280,000 Reserves - - Unappropriated profit 97,612 88,190 Surplus on revaluation of assets - net of tax 19,000 - Surplus on revaluation of assets - net of tax 19,000 - Charity Fund 3,244 2,757 Opening Balance 3,244 2,757 Additions during the period / year 563 487 Payments/ utilization during the period / year - -	- Current Accounts	,	,
- Others 11,676 7,968 Borrowing from SBP 420,000 316,782 Due to head office 4,150,000 2,750,000 Other liabilities 4,150,000 2,750,000 Net assets 5,576,980 3,963,152 Net assets 516,612 368,190 Represented by: 11,676 7,968 Islamic Banking Fund 400,000 280,000 Reserves - - Unappropriated profit 97,612 88,190 Surplus on revaluation of assets - net of tax 19,000 - Surplus on revaluation of assets - net of tax 19,000 - Charity Fund 363,190 - - Opening Balance 3,244 2,757 Additions during the period / year - - Additions during the period / year - - - -	- Saving Accounts	481,990	264,268
Borrowing from SBP 420,000 316,782 Due to head office 4,150,000 2,750,000 Other liabilities 3,963,152 3,68,190 Net assets 516,612 368,190 Represented by: 1 316,782 Islamic Banking Fund 400,000 280,000 Reserves - - Unappropriated profit 97,612 88,190 Surplus on revaluation of assets - net of tax 19,000 - Stariah Advisor / Board 811 935 Charity Fund 0pening Balance 3,244 2,757 Additions during the period / year 563 487	- Term Deposits	80,192	54,439
Due to head office 4,150,000 2,750,000 Other liabilities 434,076 434,076 Net assets 516,612 368,190 Represented by: 1 300 280,000 Islamic Banking Fund 400,000 280,000 280,000 Reserves - - - Unappropriated profit 97,612 88,190 Surplus on revaluation of assets - net of tax 19,000 - Strip Fund 19,000 - Opening Balance 3,244 2,757 Additions during the period / year 563 487 Payments/ utilization during the period / year - -	- Others	11,676	7,968
Other liabilities 288,479 434,076 State 5,576,980 3,963,152 State 516,612 368,190 Represented by: 1 400,000 280,000 Reserves - - - Unappropriated profit 97,612 88,190 Surplus on revaluation of assets - net of tax 19,000 - Surplus on revaluation of assets - net of tax 19,000 - Charity Fund 935 - - Opening Balance 3,244 2,757 Additions during the period / year 563 487 Payments/ utilization during the period / year - - - -	Borrowing from SBP	420,000	316,782
Section 5,576,980 3,963,152 368,190	Due to head office	4,150,000	2,750,000
Net assets 516,612 368,190 Represented by: -	Other liabilities		434,076
Represented by:Islamic Banking Fund400,000280,000ReservesUnappropriated profit97,61288,190Surplus on revaluation of assets - net of tax19,000-Surplus on revaluation of assets - net of tax19,000-Surplus on revaluation of assets - net of tax19,000-Charity Fund33,2442,757Opening Balance3,2442,757Additions during the period / year563487Payments/ utilization during the period / year		5,576,980	3,963,152
Islamic Banking Fund400,000280,000Reserves97,61288,190Unappropriated profit97,612368,190Surplus on revaluation of assets - net of tax19,000-516,612368,190-Surplus on revaluation of assets - net of tax19,000-Charity Fund811935Opening Balance3,2442,757Additions during the period / year563487Payments/ utilization during the period / year	Net assets	516,612	368,190
Reserves - - - Unappropriated profit 97,612 88,190 Surplus on revaluation of assets - net of tax 19,000 - Surplus on revaluation of assets - net of tax 19,000 - Remuneration to Shariah Advisor / Board 811 935 Charity Fund - - Opening Balance 3,244 2,757 Additions during the period / year 563 487 Payments/ utilization during the period / year - -	Represented by:		
Unappropriated profit 97,612 88,190 Unappropriated profit 497,612 368,190 Surplus on revaluation of assets - net of tax 19,000 - Surplus on revaluation of assets - net of tax 19,000 - Remuneration to Shariah Advisor / Board 811 935 Charity Fund 0pening Balance 3,244 2,757 Additions during the period / year 563 487 Payments/ utilization during the period / year - -	Islamic Banking Fund	400,000	280,000
497,612368,190Surplus on revaluation of assets - net of tax19,000Remuneration to Shariah Advisor / Board811935Charity FundOpening Balance3,244Additions during the period / year563Payments/ utilization during the period / year-	Reserves	-	-
Surplus on revaluation of assets - net of tax 19,000 - Surplus on revaluation of assets - net of tax 516,612 368,190 Remuneration to Shariah Advisor / Board 811 935 Charity Fund 3,244 2,757 Opening Balance 3,244 2,757 Additions during the period / year 563 487 Payments/ utilization during the period / year - -	Unappropriated profit		88,190
516,612368,190Remuneration to Shariah Advisor / Board811935Charity Fund935935Opening Balance3,2442,757Additions during the period / year563487Payments/ utilization during the period / year		497,612	368,190
Remuneration to Shariah Advisor / Board811935Charity FundOpening Balance3,2442,757Additions during the period / year563487Payments/ utilization during the period / year	Surplus on revaluation of assets - net of tax	19,000	-
Charity FundOpening Balance3,2442,757Additions during the period / year563487		516,612	368,190
Opening Balance3,2442,757Additions during the period / year563487Payments/ utilization during the period / year	Remuneration to Shariah Advisor / Board	811	935
Opening Balance3,2442,757Additions during the period / year563487Payments/ utilization during the period / year	Charity Fund		
Additions during the period / year 563 487 Payments/ utilization during the period / year - -		3.244	2,757
Payments/ utilization during the period / year			487
			-
	Closing Balance	3,807	3,244

21 GENERAL

20

Figures have been rounded off to the nearest thousand rupees.

22 NON-ADJUSTING EVENT

The Board of Directors in its meeting held on October 26, 2007 has announced cash dividend in respect of the nine months ended September 30, 2007 of Rs.2.50 per share (September 30, 2006: Rs 2.00 per share). In addition, the Board of Directors has also approved the transfer to general reserve from unappropriated profit amounting to Rs. 3,000.00 million (September 30, 2006: Rs. Nil million). This condensed interim financial information for the period ended September 30, 2007 does not include the effect of these appropriations which will be accounted for subsequent to the period end.

23 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 26, 2007 by the Board of Directors of the Bank.

Director