

MCB Bank Limited & Subsidiary Companies

Consolidated Balance Sheet

As at December 31, 2008

	Note	2008	2007
		(Rupees in '000)	
Assets			
Cash and balances with treasury banks	6	39,631,219	39,683,883
Balances with other banks	7	4,106,526	3,867,591
Lendings to financial institutions	8	4,100,079	1,051,372
Investments - net	9	97,790,391	115,358,590
Advances - net	10	262,508,830	218,959,786
Operating fixed assets	11	17,320,485	16,082,781
Deferred tax assets - net		-	-
Other assets - net	13	19,828,228	17,896,838
		445,285,758	412,900,841
Liabilities			
Bills payable	15	10,551,468	10,479,058
Borrowings	16	22,663,840	39,406,831
Deposits and other accounts	17	330,245,080	292,088,347
Sub-ordinated loan	18	-	479,232
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net	12	440,295	1,183,586
Other liabilities	19	21,252,942	11,716,465
		385,153,625	355,353,519
Net assets		60,132,133	57,547,322
Represented by:			
Share capital	20	6,282,768	6,282,768
Reserves	21	36,772,321	34,000,927
Unappropriated profit		11,065,723	7,054,472
		54,120,812	47,338,167
Minority interest		69	63
		54,120,881	47,338,230
Surplus on revaluation of assets - net of tax	22	6,011,252	10,209,092
		60,132,133	57,547,322
Contingencies and commitments	23		

The annexed notes 1 to 47 and Annexures I to V form an integral part of these financial statements. The details of valuation of investments, impairment and impact on profit and loss account are given in note 9.8.

President and Chief Executive

Director

Director

Director

MCB Bank Limited & Subsidiary Companies

Consolidated Profit and Loss Account

For the year ended December 31, 2008

	Note	2008	2007
		(Rupees in '000)	
Mark-up / return / interest earned	25	40,049,505	31,791,754
Mark-up / return / interest expensed	26	11,592,922	7,858,819
Net mark-up / interest income		28,456,583	23,932,935
Provision for diminution in the value of investments - net	9.3	2,683,994	105,269
Provision against loans and advances - net	10.4.2	1,335,127	2,959,583
Bad debts written off directly	10.5.1	-	199
		4,019,121	3,065,051
Net mark-up / interest income after provisions		24,437,462	20,867,884
Non-mark-up / interest income			
Fee, commission and brokerage income		2,878,663	2,772,615
Income earned as trustee to various funds		21,867	5,859
Dividend income		451,312	535,813
Income from dealing in foreign currencies		727,564	693,408
Gain on sale of securities - net	27	748,139	1,507,610
Unrealized loss on revaluation of investments classified as held for trading	9.5	(99,531)	(3,329)
Other income - net	28	1,201,834	1,002,160
Total non-mark-up / interest income		5,929,848	6,514,136
		30,367,310	27,382,020
Non-mark-up / interest expenses			
Administrative expenses	29	7,580,302	5,440,305
Other provision / (reversal) - net	13.2	10,120	(3,743)
Other charges	30	920,991	642,780
Total non-mark-up / interest expenses		8,511,413	6,079,342
Share of profit of associated undertaking	9.7	30,843	1,223,633
Extra ordinary / unusual item		-	-
Profit before taxation		21,886,740	22,526,311
Taxation - Current year		7,387,345	6,463,560
- Prior years		(865,344)	(1,294,586)
- Deferred		16,348	899,898
Share of tax of associated undertaking	9.7	25,164	15,769
	31	6,563,513	6,084,641
Profit after taxation		15,323,227	16,441,670
Profit attributable to minority interest		(12)	(11)
Profit attributable to ordinary share holders		15,323,215	16,441,659
Unappropriated profit brought forward		7,054,472	6,278,593
Transfer from surplus on revaluation of fixed assets - net of tax		21,373	11,860
		7,075,845	6,290,453
Profit available for appropriation		22,399,060	22,732,112
Basic and diluted earnings per share - after tax	34	24.39	26.17

The annexed notes 1 to 47 and Annexures I to V form an integral part of these financial statements. The details of valuation of investments, impairment and impact on profit and loss account are given in note 9.8.

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MCB Bank Limited & Subsidiary Companies

Consolidated Cash Flow Statement

For the year ended December 31, 2008

	Note	2008	2007
(Rupees in '000)			
Cash flows from operating activities			
Profit before taxation		21,886,740	22,526,311
Less: Dividend income		(482,155)	(1,759,446)
		<u>21,404,585</u>	<u>20,766,865</u>
Adjustments for non-cash charges			
Depreciation	11.2	822,710	604,127
Amortization	11.3	143,465	191,988
Provision against loans and advances - net	10.4.2	1,335,127	2,959,583
Provision for diminution in the value of investments - net	9.3	2,683,994	105,269
Provision / (reversal) for diminution in the value of other assets	13.2	10,120	(3,743)
Bad debts written off directly	10.5.1	-	199
Operating fixed assets written off	30	-	12,102
Gain on disposal of fixed assets - net	28	(36,855)	(13,136)
Deficit on revaluation of 'held for trading' securities	9.5	99,531	3,329
		<u>5,058,092</u>	<u>3,859,718</u>
		<u>26,462,677</u>	<u>24,626,583</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		(3,048,707)	20,030,428
Net investments in 'held for trading' securities		(7,445)	(519,089)
Advances - net		(44,884,171)	(23,682,886)
Other assets - net		(1,893,900)	(6,834,006)
		<u>(49,834,223)</u>	<u>(11,005,553)</u>
Increase / (decrease) in operating liabilities			
Bills payable		72,410	3,389,379
Borrowings		(16,742,991)	15,463,355
Deposits		38,156,733	34,903,237
Other liabilities		11,923,618	755,878
		<u>33,409,770</u>	<u>54,511,849</u>
		<u>10,038,224</u>	<u>68,132,879</u>
Income tax paid		(7,922,663)	(6,188,617)
Net cash flows from operating activities		<u>2,115,561</u>	<u>61,944,262</u>
Cash flows from investing activities			
Net investments in 'available for sale' securities		15,058,126	(52,959,630)
Net investments in 'held to maturity' securities		(5,550,843)	3,564,123
Dividends received		544,861	619,907
Investments in operating fixed assets		(2,160,582)	(2,960,463)
Sale proceeds of property and equipment disposed off		258,627	62,419
Net cash flows from investing activities		<u>8,150,189</u>	<u>(51,673,644)</u>
Cash flows from financing activities			
Redemption of subordinated loan		(479,232)	(1,118,208)
Dividend paid		(9,834,181)	(4,728,496)
Net cash flows from financing activities		<u>(10,313,413)</u>	<u>(5,846,704)</u>
Exchange differences on translation of the net investment in foreign branches		<u>233,934</u>	<u>11,925</u>
Increase in cash and cash equivalents		<u>186,271</u>	<u>4,435,839</u>
Cash and cash equivalents at beginning of the year		45,467,614	39,420,289
Effects of exchange rate changes on cash and cash equivalents		(1,916,140)	(304,654)
		<u>43,551,474</u>	<u>39,115,635</u>
Cash and cash equivalents at end of the year	35	<u>43,737,745</u>	<u>43,551,474</u>

The annexed notes 1 to 47 and Annexures I to V form an integral part of these financial statements.

President and Chief Executive

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MCB Bank Limited & Subsidiary Companies
Consolidated Statement of Changes in Equity
For the year ended December 31, 2008

	Attributable to shareholders of the bank						Subtotal	Minority Interest	Total
	Share capital	Capital reserves		Statutory reserve	Revenue reserves				
		Share premium	Exchange translation reserve		General reserve	Unappropriated profit			
----- (Rupees in '000) -----									
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 for 2007									
Profit after taxation for the year ended December 31, 2007	-	-	-	-	-	16,441,670	16,441,670	-	16,441,670
Profit attributable to minority interest	-	-	-	-	-	(11)	(11)	11	-
Profit after taxation for the year ended December 31, 2007 attributable to ordinary shareholders of the group	-	-	-	-	-	16,441,659	16,441,659	11	16,441,670
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	11,860	11,860	-	11,860
Exchange differences on translation of net investment in foreign branches	-	-	11,925	-	-	-	11,925	-	11,925
Net income recognized directly in equity	-	-	11,925	-	-	11,860	23,785	-	23,785
Total recognized income and expense for the year ended December 31, 2007	-	-	11,925	-	-	16,453,519	16,465,444	11	16,465,455
Transferred to general reserve	-	-	-	-	7,800,000	(7,800,000)	-	-	-
Transferred to statutory reserve	-	-	-	1,526,556	-	(1,526,556)	-	-	-
Issue of bonus shares - December 2006	819,492	-	-	-	-	(819,492)	-	-	-
Final cash dividend - December 2006	-	-	-	-	-	(819,492)	(819,492)	-	(819,492)
Interim cash dividend - March 2007	-	-	-	-	-	(1,570,692)	(1,570,692)	-	(1,570,692)
Interim cash dividend - June 2007	-	-	-	-	-	(1,570,704)	(1,570,704)	-	(1,570,704)
Interim cash dividend - September 2007	-	-	-	-	-	(1,570,704)	(1,570,704)	-	(1,570,704)
Balance as at December 31, 2007	6,282,768	9,702,528	(41,692)	6,740,091	17,600,000	7,054,472	47,338,167	63	47,338,230
Changes in equity for 2008									
Profit after taxation for the year ended December 31, 2007	-	-	-	-	-	15,323,227	15,323,227	-	15,323,227
Profit attributable to minority interest	-	-	-	-	-	(12)	(12)	12	-
Profit after taxation for the year ended December 31, 2008 attributable to ordinary shareholders of the group	-	-	-	-	-	15,323,215	15,323,215	12	15,323,227
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	21,373	21,373	-	21,373
Exchange differences on translation of net investment in foreign branches	-	-	233,934	-	-	-	233,934	-	233,934
Net income recognized directly in equity	-	-	233,934	-	-	21,373	255,307	-	255,307
Total recognized income and expense for the year ended December 31, 2008	-	-	233,934	-	-	15,344,588	15,578,522	12	15,578,534
Transferred to statutory reserve	-	-	-	1,537,460	-	(1,537,460)	-	-	-
Transferred to general reserve	-	-	-	-	1,000,000	(1,000,000)	-	-	-
Dividend attributable to minority shareholders	-	-	-	-	-	-	-	(6)	(6)
Final cash dividend - December 2007	-	-	-	-	-	(3,141,384)	(3,141,384)	-	(3,141,384)
Interim cash dividend - March 2008	-	-	-	-	-	(1,884,831)	(1,884,831)	-	(1,884,831)
Interim cash dividend - June 2008	-	-	-	-	-	(1,884,831)	(1,884,831)	-	(1,884,831)
Interim cash dividend - September 2008	-	-	-	-	-	(1,884,831)	(1,884,831)	-	(1,884,831)
Balance as at December 31, 2008	6,282,768	9,702,528	192,242	8,277,551	18,600,000	11,065,723	54,120,812	69	54,120,881

For details of dividend declaration and appropriations, refer note 46 to these financial statements.

The annexed notes 1 to 47 and Annexures I to V form an integral part of these financial statements.

President and Chief Executive

Director

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Director

MCB Bank Limited & Subsidiary Companies

Notes to the Consolidated Financial Statements

For the year ended December 31, 2008

1. THE GROUP AND ITS OPERATIONS

The "Group" consists of:

Holding company

- MCB Bank Limited

Subsidiary companies

- Muslim Commercial Financial Services (Private) Limited
- MNET Services (Private) Limited
- MCB Trade Services Limited
- MCB Asset Management Company Limited

Percentage
holding of MCB
Bank Limited

%

99.999

99.950

100.000

99.990

MCB Bank Limited (holding company)

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 Depository Receipts (GDRs) representing two ordinary shares (2007: four ordinary 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 -15 Main Gulberg, Lahore respectively. The Bank operates 1040 branches including 11 Islamic banking branches (2007: 1020 branches including 8 Islamic banking branches) within Pakistan and 7 branches (2007: 6 branches) outside the country (including the Karachi Export Processing Zone branch). During the year, Malayan Banking Berhad (Maybank) of Malaysia acquired 125,655,369 shares representing 20% stake in the Bank through Mayban International Trust (Labuan) Berhad.

Muslim Commercial Financial Services (Private) Limited (subsidiary company)

The company was incorporated on February 12, 1992 under the Companies Ordinance, 1984 as a private limited company. The principal object of the company is to float, administer and manage modaraba funds and modarabas under Modaraba Companies & Modaraba (Floatation and Control) Ordinance 1980. The company's registered office is situated at 16th Floor, MCB Tower, I.I. Chundrigar Road, Karachi.

The company also acts as a trustee of certain mutual funds.

MNET Services (Private) Limited (subsidiary company)

MNET Services (Private) Limited is a private limited company incorporated in Pakistan under the Companies Ordinance, 1984 on September 7, 2001. The company's registered office and principal place of business are situated at MCB Building, F-6 / G-6, Jinnah Avenue, Islamabad and Sheikh Sultan Trust Building, Beaumont Road, Karachi respectively. The core objective of the company is to provide services in Information Technology and to develop computer software and other data processing equipment for planning, designing, management and execution of all types of financial, personal, organizational and institutional activities.

MCB Trade Services Limited (subsidiary company)

The company was incorporated under the laws of Hong Kong on February 25, 2005. The registered office of the company is located at 28 / F, BEA Harbour View Centre 56 Gloucester Road, Wan Chai, Hong Kong.

The principal activity of the company is to provide agency services.

MCB Asset Management Company Limited (subsidiary company)

The company was incorporated in Pakistan under the Companies Ordinance 1984 on September 14, 2005 as a public limited company. The registered office and principal place of business of the company is located at 8th Floor, Technocity, Corporate Tower, Hasrat Mohani Road, Karachi.

The company is registered as an asset management company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 to carry on the business of an asset management company under the said rules.

The principal activity of the company includes asset management, investment advisory, portfolio management, equity research and underwriting.

2. BASIS OF PRESENTATION

- 2.1** The consolidated financial statements include the financial statements of MCB Bank Limited and its subsidiary companies and associates.
- 2.2** 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 these financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.
- 2.3** The financial results of the Islamic Banking branches have been consolidated in these financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic Banking branches are disclosed in Annexure II to these financial statements.
- 2.4** For the purpose of translation to US Dollar, the rates of Rs. 79.0985 and Rs. 62.000 per US Dollar and Rs. 0.700 and Rs.0.5708 per SLR have been used for December 31, 2008 and December 31, 2007 respectively.

3. STATEMENT OF COMPLIANCE

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

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 August 26, 2002. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

During 2005, Securities and Exchange Commission of Pakistan notified the Islamic Financial Accounting Standard - 1 issued by Institute of Chartered Accountants of Pakistan relating to accounting for Murabaha transactions undertaken by a bank, effective for financial periods beginning on or after January 01, 2007. The standard has not been adopted by stand-alone Islamic branches of conventional banks pending resolution of certain issues, e.g., invoicing of goods, recording of inventories, concurrent application with other approved accounting standards in place for conventional banks, etc. Pakistan Bank's Association has taken up the matter with the State Bank of Pakistan.

3.2 Standards, amendments and interpretations to published approved accounting standards effective in current year

During the year ended December 31, 2008, IFRIC 14 "IAS 19 – The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction" is effective from Group's annual periods beginning on or after January 01, 2008. IFRIC 14 provides guidance on assessing the limit in IAS 19 'Employee Benefits' on the amount of the surplus that can be recognized as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. Group has considered the implication of interpretation on the surplus that can be recognized as an asset.

There are other new standards and interpretations to published approved accounting standards that are mandatory for accounting periods beginning on or after January 01, 2008 but are considered not to be relevant or do not have any significant impact on the Group's financial statements.

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

The following standards, amendments and interpretations to published approved accounting standards are mandatory for the Group's accounting periods beginning on or after January 01, 2009:

IFRS 3 (Revised), 'Business combinations' (effective from July 01, 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply IFRS 3 (Revised) prospectively to all business combinations from January 01, 2010.

IFRS 7 "Financial Instruments: Disclosures" (effective for annual periods beginning on or after April 28, 2008) supersedes IAS 30 "Disclosures in the Financial Statements of Groups and Similar Financial Institutions" and the disclosure requirements of IAS 32 "Financial Instruments: Presentation". The application of the standard is not expected to have significant impact on the Group's financial statements other than increase in disclosures.

IFRS 8 "Operating Segments" (effective for annual periods beginning on or after January 01, 2009) introduces the "management approach" to segment reporting. IFRS 8 will require a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Group's "chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Currently the Group presents segment information in respect of its business and geographical segments. This standard will have no effect on the Group's reported total profit or loss or equity.

IAS 1 "Presentation of Financial Statements" effective for annual periods beginning on or after January 01, 2009 revises the existing IAS 1 and requires apart from changing the names of certain components of financial statements, presentation of transactions with owners in statement of changes in equity and with non-owners in comprehensive Income Statement. Adoption of the above standard will only effect the presentation of financial statements.

IAS 27 (Revised), 'Consolidated and Separate Financial Statements', (effective from July 01, 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply IAS 27 (Revised) prospectively to transactions with non-controlling interests from January 01, 2010.

IFAS 2 "Ijarah" effective for annual periods beginning on or after January 01, 2009 will result in following changes:

Assets underlying ijarah financing will be recorded as operating fixed assets separately from the assets in Group's own use. These assets will be carried at cost less accumulated depreciation and impairment, if any.

Rentals receivable from ijarah financing during the year will be taken to profit and loss account.

There are other amendments resulting from annual improvement project initiated by International Accounting Standards Board in May 2008, specifically in IAS 1 "Presentation of Financial Statements", IAS 19 "Employee Benefits", IAS 28 "Investment in Associates", IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets" that are considered relevant to the Group's financial statements. The management is in the process of evaluating the impact of these changes on the Group's financial statements.

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

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 2 "Share-based Payments"	January 01, 2009
IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"	July 01, 2009
IAS 16 "Property, Plant and Equipment"	January 01, 2009
IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance"	January 01, 2009
IAS 23 "Borrowing Costs"	January 01, 2009
IAS 29 "Financial Reporting in Hyperinflationary Economies"	January 01, 2009
IAS 31 "Interests in Joint Ventures"	January 01, 2009
IAS 32 "Financial Instruments: Presentation"	January 01, 2009
IAS 41 "Agriculture"	January 01, 2009
IFRIC 13 "Customer Loyalty Programmes"	July 01, 2008
IFRIC 15 "Agreements for the Construction of Real Estate"	January 01, 2009
IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"	October 01, 2008
IFRIC 17 "Distributions of Non-cash Assets to Owners"	July 01, 2009

4. BASIS OF MEASUREMENT

- 4.1** These financial statements have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts and 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.
- 4.2** The financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. The amounts are rounded to nearest thousand.

4.3 Critical accounting estimates and judgments

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

a) Classification of investments

- In classifying investments as 'held for trading', the Group has determined securities which are acquired with an intention to trade by taking advantage of short term market / interest rate movements and are to be sold within 90 days.
- In classifying investments as 'held to maturity', the Group follows the guidance provided in SBP circulars on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity. In making this judgment, the Group evaluates its intention and ability to hold such investment to maturity.
- The investments which are not classified as 'held for trading' or 'held to maturity' are classified as 'available for sale'.

b) Provision against advances

The Group reviews its loan portfolio to assess amount of non-performing advances and provision required there against on regular basis. While assessing this requirement various factors including the delinquency in the account, financial position of the borrowers and the requirements of the Prudential Regulations are considered.

The amount of general provision is determined in accordance with the relevant regulations and management's judgment as explained in notes 10.4.3 and 10.4.4.

c) Impairment of 'available for sale' equity investments

The Group determines that 'available for sale' equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price. In addition the impairment may be appropriate when there is an evidence of deterioration in the financial health of the invested industry and sector performance, changes in technology and operational/financial cash flows.

d) Taxation

In making the estimates for income taxes currently payable by the Group, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

e) Fair value of derivatives

The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant interest rates at the balance sheet date and the rates contracted.

f) Depreciation, amortization and revaluation of operating fixed assets

In making estimates of the depreciation / amortization method, the management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Group. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method is changed to reflect the changed pattern. Such change is accounted for as change in accounting estimates in accordance with International Accounting Standard (IAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Further, the Group estimates the revalued amount of land and buildings on a regular basis. The estimates are based on valuations carried out by independent professional valuers under the market conditions.

g) Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in these financial statements (note 37) for the actuarial valuation of staff retirement benefit plans. Actuarial assumptions are entity's best estimates of the variables that will determine the ultimate cost of providing post employment benefits. Changes in these assumptions in future years may affect the liability / asset under these plans in those years.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of consolidation

- a)** The consolidated financial statements include the financial statements of MCB Bank Limited and its subsidiary companies and share of the profit / reserves of an associate accounted for under the equity basis of accounting.
- b)** 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 de-consolidated from the date when control ceases / the subsidiaries disposed off. The assets and liabilities of subsidiary companies have been consolidated on a line by line basis based on the financial statements as at December 31, 2008 and the carrying value of investments held by the Bank is eliminated against the subsidiaries' shareholders' equity in these consolidated financial statements. Material intra-Group balances and transactions have been eliminated.

- c) Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost, thereafter 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 an associate has been accounted for on the basis of the financial statements for the year ended December 31, 2008.
- d) Minority interest is 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.

5.2 Investments

The Group classifies its investments as follows:

a) Held for trading

These are securities, which are either acquired for generating profit from short-term fluctuations in market prices, interest rate movements, dealers margin or are securities included in a portfolio in which a pattern of short-term profit taking exists.

b) Held to maturity

These are securities with fixed or determinable payments and fixed maturity in respect of which the Group has the positive intent and ability to hold to maturity.

c) Available for sale

These are investments, other than those in subsidiaries and associates, that do not fall under the 'held for trading' or 'held to maturity' categories.

Investments are initially recognized at cost which in case of investments other than 'held for trading' include transaction costs associated with the investment.

All purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the Group commits to purchase or sell the investment.

In accordance with the requirements of the State Bank of Pakistan, quoted securities, other than those classified as 'held to maturity' and investments in associates are subsequently re-measured to market value. Surplus / (deficit) arising on revaluation of quoted securities which are classified as 'available for sale', is taken to a separate account which is shown in the balance sheet below equity. Surplus / (deficit) arising on revaluation of quoted securities which are classified as 'held for trading', is taken to the profit and loss account currently.

Unquoted equity securities are valued at the lower of cost and break-up value. Break-up value of equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investments classified as 'held to maturity' are carried at amortized cost. Investments in subsidiaries and investments in associates are carried at cost less impairment, if any.

Provision for impairment in the values of securities (except debentures, participation term certificates and term finance certificates) is made currently. Provisions for impairment in value of debentures, participation term certificates and term finance certificates are made as per the requirements of the Prudential Regulations issued by the State Bank of Pakistan.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired associate at the date of acquisition. Goodwill on acquisitions of associates is included in 'investments in associates'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an associate include the carrying amount of goodwill relating to the associate sold.

5.3 Sale and repurchase agreements

Securities sold subject to a repurchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings. Securities purchased under an agreement to resell (reverse repo) are not recognized in the financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. The difference between the purchase / sale and re-sale / re-purchase price is recognized as mark-up income / expense on a time proportion basis, as the case may be.

5.4 Advances

Advances are stated net of specific and general provisions. Specific provision is determined on the basis of the Prudential Regulations and other directives issued by the State Bank of Pakistan (SBP) and charged to the profit and loss account. Provisions comprise of provisions against identified losses and provisions against unidentified losses. Provisions against unidentified losses include general provision against consumer loans made in accordance with the requirements of the Prudential Regulations issued by SBP and provision based on historical loss experience on advances. Advances are written off when there is no realistic prospect of recovery.

Leases where the Group transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as financial leases. A receivable is recognized at an amount equal to the present value of the lease payments including any guaranteed residual value. Finance lease receivables are included in advances to the customers.

5.5 Operating fixed assets and depreciation

Property and equipment, other than land carrying value of which is not amortized, are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses (if any). Land is carried at revalued amount. Capital work-in-progress is stated at cost. Cost of property and equipment of foreign operations includes exchange differences arising on currency translation at year-end rates.

Depreciation on all operating fixed assets is charged using the diminishing balance method except for vehicles, computers, carpets and buildings which are depreciated using the straight line method in accordance with the rates specified in note 11.2 to these financial statements and after taking into account residual value, if any. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each balance sheet date.

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed off.

Surplus on revaluation of land and buildings is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of land and buildings (net of deferred taxation) is transferred directly to unappropriated profit.

Gains / losses on sale of property and equipment are credited / charged to the profit and loss account currently, except that the related surplus on revaluation of land and buildings (net of deferred taxation) is transferred directly to unappropriated profit.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account.

5.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible assets are amortized over its estimated useful lives over which economic benefits are expected to flow to the Group. The useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

5.7 Impairment

The carrying amount of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

5.8 Staff retirement benefits

MCB Bank Limited (holding company)

The Bank operates the following staff retirement benefits for its employees:

- a) For clerical / non-clerical staff who did not opt for the new scheme, the Bank operates the following:
- an approved contributory provident fund;
 - an approved gratuity scheme; and
 - a contributory benevolent scheme

- b) For clerical / non-clerical staff who joined the Bank after the introduction of the new scheme and for others who opted for the new scheme introduced in 1975, the Bank operates the following:
- an approved non-contributory provident fund introduced in lieu of the contributory provident fund;
 - an approved pension fund; and
 - contributory benevolent scheme
- c) For officers who joined the Bank after the introduction of the new scheme and for others who opted for the new scheme introduced in 1977, the Bank operates the following:
- an approved non-contributory provident fund introduced in lieu of the contributory provident fund; and
 - an approved pension fund.

However, the management has replaced the pension benefits for employees in the officer category with a contributory provident fund for services rendered after December 31, 2003.

- d) For executives and officers who joined the Bank on or after January 01, 2000 the Bank operates an approved contributory provident fund.
- e) Post retirement medical benefits to entitled employees.

Annual contributions towards the defined benefit plans and schemes are made on the basis of actuarial advice using the projected unit credit method. The above benefits are payable to staff at the time of separation from the Bank's services subject to the completion of qualifying period of service. The net cumulative actuarial gains / losses at each balance sheet date are recognized equally over a period of three years or the expected remaining average working lives of employees, whichever is lower.

Past service cost resulting from changes to defined benefit plans to the extent the benefits are already vested is recognized immediately and the remaining unrecognized past service cost is recognized as an expense on a straight line basis over the average period until the benefits become vested.

MNET Services (Private) Limited (subsidiary company)

The company operates an unfunded gratuity scheme for its eligible employees. Provision is made annually on the basis of the last drawn basic salaries of eligible employees and the number of completed years of service.

5.9 Employees' compensated absences

MCB Bank Limited (holding company)

Liability in respect of employees' compensated absences is accounted for in the year in which these are earned on the basis of actuarial valuation carried out using the Projected Unit Credit Method. Actuarial gains or losses if any, are recognized immediately.

5.10 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into consideration available tax credits and rebates. The charge for current tax also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalized during the year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The Group records deferred tax assets / liabilities using the tax rates, enacted or substantively enacted by the balance sheet date expected to be applicable at the time of its reversal. Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Group also recognises deferred tax asset / liability on deficit / surplus on revaluation of securities and deferred tax liability on surplus on revaluation of fixed assets which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12, 'Income Taxes'.

Deferred tax liability is not recognized in respect of taxable temporary differences associated with exchange translation reserves of foreign operations, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

5.11 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

5.12 Foreign currencies

5.12.1 Foreign currency transactions

Transactions in foreign currencies (other than the results of foreign operations discussed in note 5.12.2) are translated to Rupees at the foreign exchange rates ruling on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing at the balance sheet date. Foreign bills purchased and forward foreign exchange contracts other than those relating to foreign currency deposits are valued at the rates applicable to their respective maturities.

5.12.2 Foreign operations

The assets and liabilities of foreign branches and subsidiary are translated to Rupees at exchange rates prevailing at the balance sheet date. The results of foreign operations are translated to Rupees at the average rate of exchange for the year.

5.12.3 Translation gains and losses

Translation gains and losses are included in the profit and loss account, except those arising on the translation of the Group's net investment in foreign branches and subsidiary, which are taken to the capital reserve (exchange translation reserve).

5.12.4 Commitments

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

5.13 Revenue recognition

- Mark-up / interest on advances and returns on investments are recognized on a time proportion basis using the effective interest method except that mark-up / interest on non-performing advances and investments is recognized on a receipt basis, in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan (SBP) or as permitted by the regulations of the overseas regulatory authorities of the countries where the branches and subsidiaries operate.
- Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease. Gains / losses on termination of lease contracts are recognized as income when these are realized.
- Unrealized lease income is held in suspense account, where necessary, in accordance with the requirements of SBP or overseas regulatory authorities of the country where the foreign branches and subsidiaries of the Group operate.
- Premium on foreign currency options and commission income is recognized on a time proportion basis.
- Dividend income is recognized when the Group's right to receive dividend is established.
- Gain / loss on sale of investments is credited / charged to profit and loss account currently.
- Outsourcing and networking service revenue is recognized on an accrual basis.
- Revenue for acting as trustee is recognized on net asset value (NAV) of respective funds.
- Commission income is recognized at the time of sale of units by the Asset Management Company.

5.14 Operating leases

Operating lease rentals are recorded in profit and loss account on a time proportion basis over the term of the lease arrangements.

5.15 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks in current and deposit accounts.

5.16 Financial instruments

5.16.1 Financial assets and financial liabilities

Financial instruments carried on the balance sheet include cash and balances with treasury banks, balances with other banks, lendings to financial institutions, investments (excluding investment in associates), advances, other assets, bills payable, borrowings, deposits and other liabilities. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with these assets and liabilities.

5.16.2 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value using valuation techniques. All derivative financial instruments are carried as assets when the fair value is positive and liability when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account currently.

5.16.3 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Group intends either to settle on a net basis, or to realize the assets and settle the liabilities, simultaneously.

5.17 Share issuance cost

Share issuance cost directly attributable to issuance of shares, is recognized as deduction from the share premium account.

5.18 Segment reporting

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

5.18.1 Business segment

Corporate Finance

Corporate Finance includes underwriting, securitization, investment banking, syndications, IPO related activities (excluding investments) and secondary private placements.

Trading and Sales

It includes fixed income, equity, foreign exchange commodities, lendings to financial institutions and brokerage debt.

Retail and Consumer Banking

It includes retail lending and deposits, banking services, private lending and deposits, banking services and retail offered to its retail customers and small and medium enterprises.

Commercial Banking

It includes project finance, export finance, trade finance, leasing, lending, guarantees and bills of exchange relating to its corporate customers.

Asset Management

It includes asset management, investment advisory, portfolio management and equity research.

5.18.2 Geographical segments

The Group operates in three geographic regions being:

- Pakistan
- Asia Pacific (including South Asia)
- Middle East

5.19 Dividend distribution and appropriation

Dividends (including bonus dividend) and other appropriations (except appropriations which are required by law) are recognized in the period in which these are approved.

	<i>Note</i>	2008	2007
		(Rupees in '000)	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand - local currency	<i>6.1</i>	10,066,021	9,351,207
- foreign currencies		142,188	962,498
In transit - local currency		1,173,383	1,148,109
With State Bank of Pakistan (SBP) in:	<i>6.2</i>		
Local currency current account		19,038,530	23,204,296
Foreign currency deposit account	<i>6.3</i>	2,862,881	1,068,318
With other central banks in foreign currency current account	<i>6.2</i>	214,910	244,441
With National Bank of Pakistan in local currency current account		6,133,306	3,705,014
		39,631,219	39,683,883

- 6.1** This includes national prize bonds amounting to Rs. 59.382 million (2007: Rs. 91.885 million).
- 6.2** Deposits with SBP are maintained to comply with their requirements issued from time to time. Deposits with other central banks are maintained to meet their minimum cash reserves and capital requirements pertaining to the foreign branches of the Bank.
- 6.3** These include balance of Rs.1,950.742 million (2007: Rs. 534.159 million) which carry interest rate of 0.90 % per annum (2007: 4.24% per annum).

	<i>Note</i>	2008	2007
(Rupees in '000)			
7. BALANCES WITH OTHER BANKS			
Inside Pakistan		-	1,263
- current account		63,426	60,072
- deposit account			
Outside Pakistan			
- current account		3,347,089	3,234,443
- deposit account	<i>7.1</i>	696,011	571,813
		4,106,526	3,867,591

- 7.1** Balances with other banks outside Pakistan in deposit account carry interest at the rate of 1.20% per annum (2007: 4.24% to 6.67% per annum).

	<i>Note</i>	2008	2007
(Rupees in '000)			
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings	<i>8.2</i>	1,700,000	1,051,372
Repurchase agreement lendings	<i>8.3</i>	2,400,079	-
		4,100,079	1,051,372

8.1 Particulars of lendings

In local currency	4,093,079	1,000,000
In foreign currencies	7,000	51,372
	4,100,079	1,051,372

- 8.2.** These carry mark-up rates ranging from 15.75% to 21% per annum (2007: 9.65% to 12.19% per annum) and are due to mature latest by January 2009.

8.3 Securities held as collateral against lendings to financial institutions

	2008			2007		
	Held by group	Further given as collateral	Total	Held by group	Further given as collateral	Total
	------(Rupees in '000)-----					
Market Treasury Bills	2,024,601	99,532	2,124,133	-	-	-
Pakistan Investment Bonds	275,946	-	275,946	-	-	-
	2,300,547	99,532	2,400,079	-	-	-

Market value of securities held as collateral against lendings to financial institutions as at December 31, 2008 amounted to Rs. 2,408.610 million (2007: Rs. Nil). These carry markup ranging from 9.50% to 14.90% per annum (2007: Nil) and are due to mature latest by January 2009.

9. INVESTMENTS - NET

9.1 Investments by types

	Note / Annexure	2008			2007		
		Held by group	Given as collateral	Total	Held by group	Given as collateral	Total
		------(Rupees in '000)-----					
Held for trading securities							
- Shares in listed companies	9.5 & Annexure I (note 2)	177,786	-	177,786	230,752	-	230,752
- Market Treasury Bills	9.5	19,588	-	19,588	-	-	-
- Units in open ended mutual funds	9.5 & Annexure I (note 2)	325,831	-	325,831	288,337	-	288,337
		523,205	-	523,205	519,089	-	519,089
Available-for-sale securities							
- Market Treasury Bills	9.6	64,205,902	6,287,636	70,493,538	58,268,118	26,996,870	85,264,988
- Pakistan Investment Bonds	9.6	2,370,664	-	2,370,664	2,726,418	-	2,726,418
- Shares in listed companies	9.4 & Annexure I (note 1)	8,189,828	-	8,189,828	7,388,550	-	7,388,550
- Units in open ended mutual fund	9.4 & Annexure I (note 1)	676,909	-	676,909	1,677,063	-	1,677,063
- Shares in unlisted companies	9.4 & Annexure I (note 3)	515,724	-	515,724	515,333	-	515,333
- NIT units		5,253	-	5,253	5,253	-	5,253
- Sukuk Bonds	9.4 & Annexure I (note 4)	400,000	-	400,000	400,000	-	400,000
- Listed Term Finance Certificates (TFCs)	9.4 & Annexure I (note 4)	1,404,384	-	1,404,384	1,136,821	-	1,136,821
		77,768,664	6,287,636	84,056,300	72,117,556	26,996,870	99,114,426
Held-to-maturity securities							
- Market Treasury Bills	9.6	1,321,816	-	1,321,816	216,881	-	216,881
- Pakistan Investment Bonds	9.6	2,312,812	-	2,312,812	2,377,654	-	2,377,654
- Federal Government Securities	Annexure I (note 5)	392,216	-	392,216	704,928	-	704,928
- Provincial Government Securities		118	-	118	118	-	118
- Government Compensation Bonds	Annexure I (note 5)	870,771	-	870,771	870,771	-	870,771
- Sukuk Bonds	Annexure I (note 5)	2,401,260	-	2,401,260	1,785,475	-	1,785,475
- Euro Bonds	Annexure I (note 5)	4,969,516	-	4,969,516	3,299,630	-	3,299,630
- Unlisted Term Finance Certificates (TFCs), Debentures, Bonds and Participation Term Certificates (PTCs)	Annexure I (note 4)	4,027,037	-	4,027,037	1,346,566	-	1,346,566
- Certificates of Investment	Annexure I (note 6)	250,000	-	250,000	500,000	-	500,000
		16,545,546	-	16,545,546	11,102,023	-	11,102,023
Associates							
Adamjee Insurance Company Limited	Annexure I (note 7)	2,511,489	-	2,511,489	3,277,157	-	3,277,157
First Women Bank Limited	9.7	63,300	-	63,300	63,300	-	63,300
		2,574,789	-	2,574,789	3,340,457	-	3,340,457
Provision for diminution in value of investments	9.3	(3,044,962)	-	(3,044,962)	(468,288)	-	(468,288)
Investments (net of provisions)		94,367,242	6,287,636	100,654,878	86,610,837	26,996,870	113,607,707
(Deficit) / Surplus on revaluation of available for sale securities - net	22.2	(2,763,336)	(1,620)	(2,764,956)	1,790,202	(35,990)	1,754,212
Deficit on revaluation of 'held for trading' securities - net	9.5	(99,531)	-	(99,531)	(3,329)	-	(3,329)
Investments at revalued amounts - net of provisions		91,504,375	6,286,016	97,790,391	88,397,710	26,960,880	115,358,590

	<i>Note / Annexure</i>	2008	2007
		(Rupees in '000)	
9.2 Investments by segments			
Federal Government Securities:			
- Market Treasury Bills	9.6	70,513,126	85,264,988
- Pakistan Investment Bonds	9.6	4,683,476	5,104,072
- Federal Government Securities	<i>Annexure I (note 5)</i>	322,216	378,845
- Government Compensation Bonds	<i>Annexure I (note 5)</i>	870,771	870,771
- Euro Bonds	<i>Annexure I (note 5)</i>	4,969,516	3,299,630
- Sukuk Bonds	<i>Annexure I (note 4 & 5)</i>	1,838,533	1,585,475
- Unlisted Term Finance Certificate	<i>Annexure I (note 4)</i>	3,000,000	-
Overseas Government Securities			
- Government of Sri Lanka Treasury Bonds	<i>Annexure I (note 5)</i>	70,000	201,763
- Sri Lanka Development Bonds		-	124,320
- Market Treasury Bills		1,321,816	216,881
Provincial Government Securities		118	118
Associated Undertakings	<i>9.7 & Annexure I (note 7)</i>	2,574,789	3,340,457
Fully Paid-up Ordinary Shares / Certificates / Units			
- Listed companies / mutual funds / modarabas	<i>Annexure I (note 1 & 2)</i>	8,306,012	7,557,700
- Unlisted companies / funds	<i>Annexure I (note 3)</i>	415,724	415,333
Units of Open Ended Mutual Funds	<i>Annexure I (note 1)</i>	1,002,740	1,965,400
Fully Paid-up Preference Shares:			
- Listed Companies	<i>Annexure I (note 1)</i>	61,602	61,602
- Unlisted Companies	<i>Annexure I (note 3)</i>	100,000	100,000
Term Finance Certificates, Debentures, Bonds and Participation Term Certificates:			
- Listed Term Finance Certificates	<i>Annexure I (note 4)</i>	1,404,384	1,136,821
- Unlisted Term Finance Certificates	<i>Annexure I (note 4)</i>	897,448	1,223,068
- Debentures, Bonds and Participation Term Certificates (PTCs)	<i>Annexure I (note 4)</i>	129,589	123,498
- Certificates of Investment	<i>Annexure I (note 6)</i>	250,000	500,000
Other Investments:			
- Sukuk Bonds	<i>Annexure I (note 5)</i>	962,727	600,000
- NIT Units		5,253	5,253
Total investments		103,699,840	114,075,995
Less: Provision for diminution in the value of investments	9.3	(3,044,962)	(468,288)
Investments (net of provisions)		100,654,878	113,607,707
(Deficit) / surplus on revaluation of available for sale securities - net	22.2	(2,764,956)	1,754,212
Deficit on revaluation of held for trading securities - net	9.5	(99,531)	(3,329)
Investments at revalued amounts - net of provisions		97,790,391	115,358,590
9.3 Particulars of provision			
Opening balance		468,288	363,019
Charge during the year	9.8	2,685,215	138,046
Reversal made during the year		(1,221)	(32,777)
		2,683,994	105,269
Investment written off against provision		(107,320)	-
Closing balance		3,044,962	468,288
9.3.1 Particulars of provision in respect of Type and Segment			
Available-for-sale securities			
Listed shares / Certificates / Units	9.8	2,787,910	197,496
Unlisted shares		70,477	70,477
		2,858,387	267,973
Held-to-maturity securities			
Unlisted TFCs, Debentures, Bonds and Participation Term Certificates		186,575	200,315
		3,044,962	468,288

9.4 Quality of 'available for sale' securities

	2008				2007			
	Market value/ carrying value for unlisted investments (Rupees in '000)	Credit rating		Rated by	Market value/ carrying value for unlisted investments (Rupees in '000)	Credit rating		Rated by
		Long term	Short term			Long term	Short term	
Market Treasury Bills	70,402,111	(Unrated- Government Securities)			85,071,912	(Unrated- Government Securities)		
Pakistan Investment Bonds	1,902,599	(Unrated- Government Securities)			2,711,499	(Unrated- Government Securities)		
Listed Term Finance Certificates								
Askari Bank Limited	201,636	AA-	(Unrated)	PACRA	203,717	AA-	(Unrated)	PACRA
Bank Al-Habib Limited	99,840	AA-	(Unrated)	PACRA	99,880	AA-	(Unrated)	PACRA
Bank Alfalah Limited	248,293	AA-	(Unrated)	PACRA	248,390	AA-	(Unrated)	PACRA
United Bank Limited	307,572	AA	(Unrated)	JCRVIS	307,704	AA	(Unrated)	JCRVIS
Allied Bank Limited	322,420	AA	(Unrated)	JCRVIS	-	-	-	-
Jahangir Siddiqui & Company Limited	-	-	-	-	49,940	AA+	(Unrated)	PACRA
Pakistan Services Limited	-	-	-	-	4,520	A	(Unrated)	JCRVIS
Soneri Bank Limited	149,790	A+	(Unrated)	PACRA	149,850	A+	(Unrated)	PACRA
Pak Arab Fertilizers Limited	99,980	AA	(Unrated)	JCRVIS	100,000	AA	(Unrated)	JCRVIS
	1,429,531				1,164,001			
Shares in Listed Companies								
Abbott Laboratories Pakistan Limited	12,151		Not available		26,291		Not available	
Allied Bank Limited	80,985	AA	A1+	PACRA	94,137	A	A1-	JCRVIS
Arif Habib Bank Limited	-	A+	A1	JCRVIS	190	A-	A2	PACRA
Arif Habib Limited	7,475	A-	A2	PACRA	-	-	Not available	-
Arif Habib Securities Limited	64,347		Not available		41,568		Not available	
Askari Bank Limited	62,455	AA	A1+	PACRA	323,753	AA	A1+	PACRA
Atlas Bank Limited	20,386	A-	A2	PACRA	30,107	A-	A2	PACRA
Attock Petroleum Limited	15,607		Not available		-	-	-	-
Azgard Nine Limited - preference shares	10,268	A+	A1	PACRA	9,572	A+	A1	PACRA
Azgard Nine Limited - ordinary shares	-	-	-	-	5,656	A+	A1	PACRA
Bank Alfalah Limited	50,400	AA	A1+	PACRA	153,265	AA	A1+	PACRA
Bank Al-Habib Limited	106,366	AA	A1+	PACRA	206,743	AA	A1+	PACRA
Bank Islami Pakistan Limited	-	-	-	-	2,430	A-	A2	PACRA
Century Papers and Board Mills Limited	12,650	A-	A2	JCRVIS	33,389	-	Not available	-
Cherat Cement Company Limited	329		Not available		1,143		Not available	
Samba Bank Limited (Formerly Crescent Commercial Bank Limited)	-	-	-	-	2,095	A	A-	JCRVIS
EFU General Insurance Company Limited	1,601	AA	(Unrated)	JCRVIS	329,596	AA	(Unrated)	JCRVIS
EFU Life Assurance Company Limited	2,700	AA-	(Unrated)	JCRVIS	3,123	A+	(Unrated)	JCRVIS
Engro Chemical Pakistan Limited	82,759	AA	A1+	PACRA	242,631	AA	A1+	PACRA
Fauji Fertilizer Bin Qasim Company Limited	52,795		Not available		150,946		Not available	
Fauji Fertilizer Company Limited	400,440		Not available		809,675		Not available	
First AI - Noor Modaraba	20,658	BBB	A3	JCRVIS	24,157	BBB	A3	JCRVIS
Glaxo Smithkline Pakistan Limited	36,806		Not available		83,631		Not available	
Habib Bank Limited	92,010	AA+	A1+	JCRVIS	127,315	AA+	A1+	JCRVIS
Habib Metropolitan Bank Limited	14,545	AA+	A1+	PACRA	29,078	AA+	A1+	PACRA
Hub Power Company Limited	13,244		Not available		831,260		Not available	
IGI Insurance Limited	50,775	AA	(Unrated)	PACRA	59,643	AA	(Unrated)	PACRA
Indus Motors Company Limited	5,164		Not available		20,748		Not available	
International Industries Limited	17,595		Not available		35,694		Not available	
JS Bank Limited	7,571	A-	A2	PACRA	24,035		Not available	
Jahangir Saddique & Company Limited	60,460	AA+	A1+	PACRA	-	-	-	-
Kohinoor Energy Limited	1,059		-	-	-	-	-	-
Kot Addu Power Company Limited	28,890		Not available		211,261		Not available	
Lucky Cement Limited	5,472		Not available		12,233		Not available	
Maple Leaf Cement Company Limited	50,887	BBB+	A2	PACRA	-	-	-	-
Masood Textile Mills Limited - preference shares	50,000		Not available		50,000		Not available	
Mehr Dastagir Textile Mills Limited	13,663		Not available		9,701		Not available	
Millat Tractors Limited	12,216		Not available		84,283		Not available	
National Bank of Pakistan	85,237	AAA	A-1+	JCRVIS	237,572	AAA	A1+	JCRVIS
National Refinery Limited	2,855	AAA	A1+	PACRA	-	-	-	-
NIB Bank Limited	-	-	-	-	7,101	A+	A1	PACRA
Oil & Gas Development Company Limited	107,487	AAA	A1+	JCRVIS	268,782	AAA	A1+	JCRVIS
Orix Leasing Pakistan Limited	3,847	AA+	A1+	PACRA	5,995	AA+	A1+	PACRA
Pace Pakistan Limited	372	A+	A1	PACRA	10,051		Not available	
Packages Limited	1,779	AA	A1+	PACRA	9,383	AA	A1+	PACRA
Pak Suzuki Motor Company Limited	3,949		Not available		8,109		Not available	
Pakistan Cables Limited	5,210		Not available		13,709		Not available	
Pakistan Cement Company Limited	147		Not available		1,140		Not available	
Pakistan Oilfields Limited	81,553		Not available		101,992		Not available	
Pakistan Petroleum Limited	71,952		Not available		280,602		Not available	
Pakistan State Oil Company Limited	67,461	AAA	A1+	PACRA	29,275	AAA	A1+	PACRA
Pakistan Telecommunication Company Limited	82,655		Not available		253,256		Not available	
Pakistan Tobacco Company Limited	14,744		Not available		21,568		Not available	
PICIC Commercial Bank Limited	-	-	-	-	11,825	A+	A1	JCRVIS
Rupali Polyester Limited	25,683		Not available		26,671		Not available	
Shell Pakistan Limited	-	-	-	-	26,531		Not available	
Soneri Bank Limited	30,829	AA-	A1+	PACRA	96,292	AA-	A1+	PACRA
* Sui Northern Gas Pipelines Limited	1,024,261	AA	A1+	PACRA	3,128,624	AA	A1+	PACRA
Taj Textile Mills Limited	1		Not available		1		Not available	
Thal Limited	3,058		Not available		3,327		Not available	
The Bank of Punjab	84,785	AA-	A1+	PACRA	-	-	-	-
* Trust Securities & Brokerage Limited	2,541		Not available		2,550		Not available	
TRG Pakistan Limited	890	BBB+	A2	PACRA	-	-	-	-
Unilever Pakistan Limited	60,161		Not available		75,880		Not available	
United Bank Limited	81,719	AA+	A-1+	JCRVIS	304,339	AA	A1+	JCRVIS
Zulfiqar Industries Limited	3,644		Not available		3,533		Not available	
	3,311,549				8,997,457			
Open Ended Mutual Fund								
Atlas Islamic Fund	7,794		Not available		10,613		Not available	
HBL Income Fund	-		-	-	30,000		Not available	
IGI Income Fund	-		-	-	30,009		Not available	
KASB Liquid Fund	13,662		Not available		-		-	-
MCB Dynamic Allocation Fund	55,046		Not available		-		-	-
MCB Dynamic Cash Fund	288,355		Not available		1,272,334		Not available	
MCB Dynamic Stock Fund	154,376		Not available		323,366		Not available	
NAFA Cash Fund	-		-	-	10,003	MFR 5 STAR	(Unrated)	JCRVIS
Unit Trust of Pakistan	-		-	-	92,054	5 Star	(Unrated)	PACRA
	519,233				1,768,379			
Balance carried forward								
	77,565,023				99,713,249			

	2008			Rated by	2007			Rated by
	Market value/ carrying value for unlisted investments (Rupees in '000)	Credit rating			Market value/ carrying value for unlisted investments (Rupees in '000)	Credit rating		
		Long term	Short term			Long term	Short term	
Balance brought forward	77,565,023				99,713,249			
Shares in Un-listed Companies								
* Khushhali Bank Limited	300,000	A-	A-1	JCRVIS	300,000	A-	A-1	JCRVIS
* Equity Participation Fund	1,500		Not available		1,500		Not available	
* National Investment Trust Limited	100		Not available		100		Not available	
* SME Bank Limited	10,106	BBB	A3	JCRVIS	10,106	BBB	A2	JCRVIS
First Capital Investment (Private) Limited	2,500	AM4+	(Unrated)	PACRA	2,500	AM4+	(Unrated)	PACRA
Pak Asian Fund	11,500		Not available		11,500		Not available	
* Arabian Sea Country Club	2,900		Not available		2,900		Not available	
* Central Depository Company of Pakistan Limited	10,000		Not available		10,000		Not available	
* National Institutional Facilitation Technologies (Private) Limited	1,527		Not available		1,527		Not available	
Society for Worldwide Inter Fund Transfer (SWIFT)	2,993		Not available		2,993		Not available	
Fazal Cloth Mills Limited - preference share	100,000		Not available		100,000		Not available	
Lanka Clearing (Private) Limited	700		Not available		570		Not available	
Lanka Financial Services Bureau Limited	1,400		Not available		1,142		Not available	
Credit Information Bureau of Sri Lanka	21		Not available		17		Not available	
	445,247				444,855			
Other Investment								
Sukuk Bonds	419,000		(Unrated - Government Securities)		419,000		(Unrated - Government Securities)	
N.I.T. Units	3,689	5 Star	(Unrated)	PACRA	6,620	4 Star	(Unrated)	PACRA
	<u>78,432,959</u>				<u>100,583,723</u>			

* These are the strategic investments of the Group.

** This includes 32.287 million shares valuing Rs. 692.879 million (2007: 32.287 million shares valuing Rs. 2,116.414 million) which are held as strategic investment by the Group.

9.5 Unrealized gain / (loss) on revaluation of investments classified as 'held for trading'

Investee Company	Unrealized gain / (loss) as on December 31,		Cost as at December 31,	
	2008	2007	2008	2007
	------(Rupees in '000)-----			
Allied Bank Limited	(12,085)	-	21,665	-
Arif Habib Securities Limited	-	(1,453)	-	32,421
Attock Refinery Limited	-	(3,421)	-	51,972
Attock Petroleum Limited	(16,696)	-	31,159	-
Bank Al-Habib Limited	-	(48)	-	1,978
Bank Alfalah Limited	(6,080)	-	10,551	-
Bosicar Pakistan Limited	-	(305)	-	6,710
Engro Chemical Pakistan Limited	-	(1,122)	-	24,482
Fauji Cement Company Limited	-	(145)	-	1,635
Glaxo Smithkline Pakistan Limited	-	(168)	-	2,631
ICI Pakistan Limited	(3,512)	-	6,425	-
J.O.V & Company Limited	-	(413)	-	8,583
Jahangir Siddique and Company Limited	(12,621)	-	20,709	-
KASB Bank Limited	-	(25)	-	1,035
Lucky Cement Limited	(27,448)	(142)	42,711	3,054
Maple Leaf Cement Company Limited	(501)	-	1,116	-
National Bank of Pakistan	-	(331)	-	6,065
National Refinery Limited	-	(525)	-	9,369
PACE Pakistan Limited	-	(223)	-	8,099
Packages Limited	(3,003)	-	4,506	-
Pakistan Cement Company Limited	-	(195)	-	1,335
Pakistan Oilfields Limited	(11,220)	(2,418)	19,829	30,842
Pakistan Petroleum Limited	(5,310)	(983)	10,844	19,362
Pakistan State Oil Company Limited	-	(216)	-	4,282
Thal Limited	(706)	(59)	1,851	1,624
TRG Pakistan Limited	-	(31)	-	1,424
United Bank Limited	(4,021)	(882)	6,420	13,849
MCB Dynamic Cash Fund	3,667	9,776	325,831	288,337
Market Treasury Bills	5	-	19,588	-
	<u>(99,531)</u>	<u>(3,329)</u>	<u>523,205</u>	<u>519,089</u>

9.6 "Available for sale" Market Treasury Bills and Pakistan Investment Bonds are eligible for rediscounting with the State Bank of Pakistan (SBP). The market value of Pakistan Investment Bonds and Market Treasury Bills classified as 'held to maturity' as at December 31, 2008 amounted to Rs. 1,659.166 million and Rs. 1,436.673 million (2007: Pakistan Investment Bonds Rs. 1,990.67 million and Market Treasury Bills Rs. 237.70 million) respectively.

9.7 Investment of the Group in Adamjee Insurance Company Limited has been accounted for under the equity method of accounting based on its financial statements as at December 31, 2008 in accordance with the treatment specified in International Accounting Standard 28, (IAS 28) 'Accounting for Investments in Associates'. The market value of the investment in Adamjee Insurance Company Limited as at December 31, 2008 amounted to Rs. 3,032.786 million (2007: Rs. 10,671.631 million).

Investment in Adamjee Insurance Company Limited under equity method - holding 29.13%

	2008 (Rupees in '000)	2007
Opening Balance	3,277,157	2,259,550
Share of profit for the year before tax	30,843	1,223,633
Dividend from associate	(89,340)	(98,274)
Share of tax	(25,164)	(15,769)
Share of unrealized deficit on assets -net of tax	(83,661)	1,109,590
Closing Balance	<u>2,511,489</u>	<u>3,277,157</u>

9.8 The Karachi Stock Exchange (Guarantee) Limited (“KSE”) placed a “Floor Mechanism” on the market value of securities based on the closing prices of securities prevailing as on August 27, 2008. Under the “Floor Mechanism“, the individual security price of equity securities could vary within normal circuit breaker limit, but not below the floor price level. The mechanism was effective from August 28, 2008 and remained in place until December 15, 2008. Consequent to the introduction of “Floor Mechanism” by KSE, the market volume declined significantly during the period from August 27, 2008 to December 15, 2008. There were lower floors on a number of securities at December 31, 2008. The equity securities have been valued at prices quoted on the KSE on December 31, 2008 without any adjustment as allowed by the State Bank of Pakistan (SBP) BSD Circular Letter No. 2 dated January 27, 2009.

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

The impairment loss based on market values as at December 31, 2008 has been determined at Rs 4,893.731 million. In view of the “Floor Mechanism” as explained above and current economic conditions in the country, the management believes that these are “rare circumstances” and the plunge in equity markets cannot be considered to be a fair reflection of equity values. Accordingly, the management on the basis of their estimates and prudence has made a provision of Rs 2,591.635 million against the above amount. Therefore, full recognition of impairment for ‘Available for Sale’ equity securities through Profit and Loss account will not reflect the correct financial performance of the Bank.

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

	2008
	(Rupees in '000)
Increase in ‘Impairment Loss’ in Profit and Loss Account	2,302,096
Decrease in tax charge for the year	805,734
Decrease in profit for the year - after tax	<u>1,496,362</u>
	Rupees
Decrease in earnings per share - after tax	2.38
	(Rupees in '000)
Decrease in deficit on revaluation of available for sale securities	2,302,096
Decrease in unappropriated profit	1,496,362

9.9 At December 31, 2008 market value of quoted investments was Rs. 84,191.078 million (2007: Rs. 113,354.432 million) while the book value of unquoted investments was Rs. 13,959.421 million (2007: Rs. 9,391.098 million).

9.10 Investments include Pakistan Investment Bonds amounting to Rs. 232.60 million (2007: Rs. 232.60 million) earmarked by the SBP and National Bank of Pakistan against TT / DD discounting facilities and demand note facilities sanctioned to the Group. In addition, Pakistan Investment Bonds amounting to Rs. 5 million (2007: Rs. 5 million) have been pledged with the Controller of Military Accounts on account of Regimental Fund account.

9.11 Certain approved / Government securities are kept with the SBP to meet statutory liquidity requirements calculated on the basis of domestic demand and time liabilities.

9.12 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 not have significant influence over the entity.

Note 2008 2007
(Rupees in '000)

10. ADVANCES - NET

Loans, cash credits, running finances, etc.

In Pakistan	252,387,594	208,588,318
Outside Pakistan	<u>8,910,253</u>	<u>6,989,947</u>
	261,297,847	215,578,265

Net investment in finance lease

10.2

In Pakistan	<u>5,356,835</u>	6,902,283
Outside Pakistan	<u>90,733</u>	<u>67,710</u>
	5,447,568	6,969,993

Bills discounted and purchased (excluding treasury bills)

Payable in Pakistan	<u>2,364,211</u>	2,949,228
Payable outside Pakistan	<u>4,111,059</u>	<u>4,234,574</u>
	6,475,270	7,183,802

Advances - gross

273,220,685 229,732,060

Provision against advances

10.4

Specific provision	<u>(9,895,889)</u>	(7,326,953)
General provision	<u>(273,222)</u>	(2,749,815)
General provision against consumer loans	<u>(533,693)</u>	(688,665)
General provision for potential lease losses (in Srilanka operations)	<u>(9,051)</u>	(6,841)
	(10,711,855)	(10,772,274)

Advances - net of provision

262,508,830 218,959,786

10.1 Particulars of advances (gross)

10.1.1 In local currency

262,519,312 212,238,196

In foreign currencies

10,701,373 17,493,864

273,220,685 229,732,060

10.1.2 Short-term

157,398,922 153,980,413

Long-term

115,821,763 75,751,647

273,220,685 229,732,060

10.2 Net investment in finance lease

	2008				2007			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
------(Rupees in '000)-----								
Lease rentals receivable	942,728	4,055,066	981	4,998,775	2,244,569	4,515,068	7,229	6,766,866
Guaranteed residual value	<u>94,512</u>	<u>1,229,233</u>	<u>2,937</u>	<u>1,326,682</u>	<u>300,233</u>	<u>1,160,176</u>	<u>648</u>	<u>1,461,057</u>
Minimum lease payments	1,037,240	5,284,299	3,918	6,325,457	2,544,802	5,675,244	7,877	8,227,923
Finance charge for future periods	<u>(225,636)</u>	<u>(652,250)</u>	<u>(3)</u>	<u>(877,889)</u>	<u>(521,511)</u>	<u>(735,651)</u>	<u>(768)</u>	<u>(1,257,930)</u>
Present value of minimum lease payments	<u>811,604</u>	<u>4,632,049</u>	<u>3,915</u>	<u>5,447,568</u>	<u>2,023,291</u>	<u>4,939,593</u>	<u>7,109</u>	<u>6,969,993</u>

10.3 Advances include Rs. 18,268.877 million (2007: Rs. 10,725.308 million) which have been placed under the non-performing status as detailed below:

Category of Classification	Note	2008								
		Classified Advances			Specific Provision Required			Specific Provision Held		
		Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
----- (Rupees in '000) -----										
Other Assets Especially										
Mentioned (OAEM)	10.3.1	100,447	-	100,447	-	-	-	-	-	-
Substandard		5,440,860	-	5,440,860	897,768	-	897,768	897,768	-	897,768
Doubtful		2,595,782	501	2,596,283	1,186,305	251	1,186,556	1,186,305	251	1,186,556
Loss		6,457,011	3,674,276	10,131,287	6,329,025	1,482,540	7,811,565	6,329,025	1,482,540	7,811,565
		<u>14,594,100</u>	<u>3,674,777</u>	<u>18,268,877</u>	<u>8,413,098</u>	<u>1,482,791</u>	<u>9,895,889</u>	<u>8,413,098</u>	<u>1,482,791</u>	<u>9,895,889</u>
----- (Rupees in '000) -----										
Category of Classification	Note	2007								
		Classified Advances			Specific Provision Required			Specific Provision Held		
		Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
----- (Rupees in '000) -----										
Other Assets Especially										
Mentioned (OAEM)	10.3.1	101,910	-	101,910	-	-	-	-	-	-
Substandard		842,804	11,438	854,242	202,432	2,859	205,291	202,432	2,859	205,291
Doubtful		1,691,207	8,373	1,699,580	832,623	4,186	836,809	832,623	4,186	836,809
Loss		5,374,166	2,695,410	8,069,576	5,319,633	965,220	6,284,853	5,319,633	965,220	6,284,853
		<u>8,010,087</u>	<u>2,715,221</u>	<u>10,725,308</u>	<u>6,354,688</u>	<u>972,265</u>	<u>7,326,953</u>	<u>6,354,688</u>	<u>972,265</u>	<u>7,326,953</u>

10.3.1 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 State Bank of Pakistan.

10.4 Particulars of provision against advances	Note	2008				
		Specific	General	General provision against consumer loans	Leasing (general)	Total
		----- (Rupees in '000) -----				
Opening balance		7,326,953	2,749,815	688,665	6,841	10,772,274
Exchange adjustments		204,103	-	-	-	204,103
Provision made during the year	10.4.2	1,487,889	-	(154,972)	2,210	1,335,127
Transfer		2,476,593	(2,476,593)	-	-	-
Amounts written off	10.5.1	(1,599,649)	-	-	-	(1,599,649)
Closing balance		<u>9,895,889</u>	<u>273,222</u>	<u>533,693</u>	<u>9,051</u>	<u>10,711,855</u>
----- (Rupees in '000) -----						
10.4.1 Particulars of provisions against advances	Note	2008				
		Specific	General	General provision against consumer loans	Leasing (general)	Total
		----- (Rupees in '000) -----				
Opening balance		5,953,234	2,277,467	373,823	3,820	8,608,344
Exchange adjustments		(17,680)	-	-	(53)	(17,733)
Provision made during the year	10.4.2	2,169,319	472,348	314,842	3,074	2,959,583
Amounts written off	10.5.1	(777,920)	-	-	-	(777,920)
Closing balance		<u>7,326,953</u>	<u>2,749,815</u>	<u>688,665</u>	<u>6,841</u>	<u>10,772,274</u>
----- (Rupees in '000) -----						
10.4.2 The following amounts have been charged to the profit and loss account:	Note	2008			2007	
		Specific	General	Total	Specific	General
		----- (Rupees in '000) -----			----- (Rupees in '000) -----	
Specific provision		8,329,948	806,915	9,136,863	6,274,466	3,438,480
General provision	10.4.3	1,565,941	9,051	1,574,992	1,052,487	6,841
General provision against consumer loans	10.4.4					314,842
General provision for potential lease losses (in Srilanka operations)						2,210
		<u>9,895,889</u>	<u>815,966</u>	<u>10,711,855</u>	<u>7,326,953</u>	<u>3,445,321</u>
						<u>2,959,583</u>

10.4.2 The following amounts have been charged to the profit and loss account:

Specific provision		1,487,889	2,169,319
General provision	10.4.3	-	472,348
General provision against consumer loans	10.4.4	(154,972)	314,842
General provision for potential lease losses (in Srilanka operations)		2,210	3,074
		<u>1,335,127</u>	<u>2,959,583</u>

10.4.3 During the current year, the management of the Bank has revised the estimate relating to general provision against unidentified losses and accordingly the general provision against loans and advances has been reduced from around 1% to around 0.1% of gross advances. The estimate of providing 1% provision was made when FSV benefit was in place and unidentified losses were not properly covered through provisions. Since over the period provisions have adequately been made after withdrawal of FSV benefit, management thinks it appropriate to reverse the significant portion of already created provision. The said change in accounting estimate has been recognized in the current year in accordance with the requirements of International Accounting Standard (IAS) 8 " Accounting Policies, Change in Accounting Estimates and Errors". Had there been no change in accounting estimate, the profit before taxation for the year would have been lower by Rs.2,459,001 million and the general provision against advances would have been higher by the same amount.

State Bank of Pakistan vide BSD Circular No. 2 dated January 27, 2009 has allowed the banks to take benefit of FSV for loans classified after December 31, 2005. However, management has not taken the benefit offered by the said circular.

10.4.4 General provision against consumer loans represents provision maintained at an amount equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolio as required by the Prudential Regulations issued by the SBP.

	<i>Note</i>	2008	2007
		(Rupees in '000)	
10.5 Particulars of write offs:			
10.5.1 Against provisions	<i>10.4</i>	1,599,649	777,920
Directly charged to the profit and loss account		-	199
		<u>1,599,649</u>	<u>778,119</u>
10.5.2 Write offs of Rs. 500,000 and above	<i>10.5.3</i>	749,712	750,520
Write offs of below Rs. 500,000		849,937	27,599
		<u>1,599,649</u>	<u>778,119</u>
10.5.3 Details of loan write offs of Rs. 500,000 and above			

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

	<i>Note</i>	2008	2007
		(Rupees in '000)	
10.6 Particulars of advances to directors, executives, associated companies, etc.			
Debts due by executives or officers of the Bank or any of them either severally or jointly with any other persons			
Balance at beginning of the year		3,228,484	3,149,550
Loans granted during the year		1,732,218	976,231
Repayments		(1,116,217)	(897,297)
Balance at end of the year		<u>3,844,485</u>	<u>3,228,484</u>
Debts due by controlled firms, managed modarabas and other related parties			
Balance at beginning of the year		1,661,869	2,240,038
Loans granted during the year		524,153	1,442,020
Repayments		(2,186,022)	(2,020,189)
Balance at end of the year		<u>3,844,485</u>	<u>4,890,353</u>

11. OPERATING FIXED ASSETS

Capital work-in-progress	<i>11.1</i>	510,226	233,390
Property and equipment	<i>11.2</i>	16,615,028	15,662,544
Intangible asset	<i>11.3</i>	195,231	186,847
		<u>17,320,485</u>	<u>16,082,781</u>
11.1 Capital work-in-progress			
Civil works		210,051	92,308
Advances against purchase of property		-	5,900
Advances to suppliers and contractors		101,709	71,094
Others		198,466	64,088
		<u>510,226</u>	<u>233,390</u>

11.2 Property and equipment

Description	2008							Annual rate of depreciation / estimated useful life
	-----Cost/ Revalued amount -----			----- Accumulated depreciation -----			Net book value at December 31, 2008	
	At January 01, 2008	Additions/ (disposals)/ adjustment	At December 31, 2008	At January 01, 2008	Charge for the year / (depreciation on disposals)	At December 31, 2008		
------(Rupees in '000)-----								
Land - Freehold	9,408,417	213,440 96,188	9,718,045	-	-	-	9,718,045	-
Land - Leasehold	57,430	-	57,430	-	-	-	57,430	-
Buildings on freehold land	3,960,149	118,674 168,881	4,247,704	979	91,202	92,181	4,155,523	50 years
Buildings on leasehold land	65,567	-	65,567	20,082	4,980	25,062	40,505	10 to 50 years
Furniture and fixture	636,720	70,487 (28,497)	678,710	289,047	34,977 (10,327)	313,697	365,013	10% to 33%
Electrical, Computers and office Equipment	3,726,602	1,198,424 (227,028)	4,697,998	2,348,746	609,322 (216,461)	2,741,607	1,956,391	20% to 33%
Vehicles	730,691	130,872 (320,632)	540,931	264,178	82,229 (127,597)	218,810	322,121	20%
	18,585,576	1,731,897 (576,157) 265,069	20,006,385	2,923,032	822,710 (354,385) -	3,391,357	16,615,028	

11.2 Property and equipment

Description	2007												Net book value at December 31, 2007	Annual rate of depreciation / estimated useful life
	-----Cost/ Revalued amount -----						----- Accumulated depreciation -----							
	At January 01, 2007	Additions/ (disposals)	Write-off / Reversal due to revaluation	Revaluation surplus	Adjustment / transfer out	At December 31, 2007	At January 01, 2007	Charge for the year / (depreciation on disposals)	Write-off / Reversal due to revaluation	Revaluation surplus	transfer in/ (transfer out)	At December 31, 2007		
------(Rupees in '000)-----														
Land - Freehold	3,896,428	1,426,790	-	4,085,199	-	9,408,417	-	-	-	-	-	-	9,408,417	-
Land - Leasehold	57,430	-	-	-	-	57,430	-	-	-	-	-	-	57,430	-
Buildings on freehold land	2,260,750	1,058,704	(224,068)	821,340	43,423	3,960,149	136,813	88,234	(224,068)	-	-	979	3,959,170	50 years
Buildings on leasehold land	57,536	8,031	-	-	-	65,567	17,995	2,087	-	-	-	20,082	45,485	10 to 50 years
Furniture and fixture	555,761	106,834 (13,136)	(12,739)	-	-	636,720	270,763	33,258 (11,202)	(3,772)	-	-	289,047	347,673	10% to 33%
Electrical, Computers and office Equipment	3,057,297	844,290 (118,233)	(13,329)	-	(43,423)	3,726,602	2,038,762	416,557 (96,379)	(10,194)	-	-	2,348,746	1,377,856	20% to 33%
Vehicles	595,787	219,071 (84,167)	-	-	-	730,691	267,883	63,991 (58,672)	-	-	(9,024)	264,178	466,513	20%
	10,480,989	3,663,720 (215,536)	(250,136)	4,906,539	-	18,585,576	2,732,216	604,127 (166,253)	(238,034)	-	(9,024)	2,923,032	15,662,544	

11.2.1 The land and buildings of the Group were last revalued in December 2007 by independent valuers (Pee Dee Associates & Arch-e-Decon), valuation and engineering consultants, on the basis of market value. This valuation was incorporated at December 31, 2007. The information relating to location of revalued assets is given in Annexure V. The details of revalued amounts are as follows:

(Rupees in '000)

Total revalued amount of land	9,562,035
Total revalued amount of buildings	4,172,557

Had the land and buildings not been revalued, the total carrying amounts as at December 31, 2008 would have been as follows:

(Rupees in '000)

Land	2,228,488
Buildings	2,636,859

11.2.2 The gross carrying amount of fully depreciated assets that are still in use are as follows:

Furniture and fixture	9,075
Electrical, computers and office equipment	1,374,754
Vehicles	57,016

11.2.3 Details of disposal of operating fixed assets

The information relating to disposal of operating fixed assets required to be disclosed as part of the financial statements by the State Bank of Pakistan is given in Annexure IV and is an integral part of these financial statements.

11.3 Intangible asset

Description	2008						Net book value at December 31, 2008	Annual rate of amortization
	Cost			Accumulated amortization				
	At January 01, 2008	Additions	At December 31, 2008	At January 01, 2008	Amortization for the year	At December 31, 2008		
	------(Rupees in '000)-----							%
Computer software	560,233	151,849	712,082	373,386	143,465	516,851	195,231	33.33
	560,233	151,849	712,082	373,386	143,465	516,851	195,231	
Description	2007						Net book value at December 31, 2007	Annual rate of amortization
	Cost			Accumulated amortization				
	At January 01, 2007	Additions	At December 31, 2007	At January 01, 2007	Amortization for the year	At December 31, 2007		
	------(Rupees in '000)-----							%
Computer software	553,396	6,837	560,233	181,398	191,988	373,386	186,847	33.33
	553,396	6,837	560,233	181,398	191,988	373,386	186,847	

12. DEFERRED TAX LIABILITY / (ASSET) - NET

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

	<i>Note</i>	2008	2007
(Rupees in '000)			
Taxable temporary differences on:			
Surplus on revaluation of operating fixed assets	22.1	517,120	469,482
Accelerated tax depreciation		685,838	568,718
Net investment in finance lease receivable		436,823	599,216
Surplus on revaluation of securities	22.2	-	156,767
		1,639,781	1,794,183
Deductible temporary differences on:			
Deficit on revaluation of securities	22.2	(661,966)	-
Provision for contributory benevolent scheme		(79,121)	(98,706)
Provision for gratuity		(2,260)	(1,197)
Provision for post retirement medical benefits		(455,587)	(509,298)
Others		(552)	(1,396)
		(1,199,486)	(610,597)
		440,295	1,183,586

13. OTHER ASSETS - NET

Income / mark-up accrued on advances and investments - local currency		7,901,740	4,752,151
Income / mark-up accrued on advances and investments - foreign currencies		-	233,133
Advances, deposits, advance rent and other prepayments		2,612,432	1,003,018
Advance taxation (payments less provisions)		51,819	-
Compensation for delayed income tax refunds		44,802	44,802
Branch Adjustment Account		-	208,737
Unrealised gain on derivative financial instruments	13.3	1,507,969	453,802
Non-banking assets acquired in satisfaction of claims	13.1	1,155,832	486,471
Stationery and stamps on hand		83,077	48,676
Prepaid exchange risk fee		-	139
Receivable from the pension fund	37.3	5,399,019	10,651,047
Others		1,328,846	520,848
		20,270,213	18,402,824
Less: Provision held against other assets	13.2	441,985	505,986
		19,828,228	17,896,838

13.1 The market value of non-banking assets with carrying value of Rs. 1,033.222 million (2007: Rs. 363.862 million) net of provision as per the valuation report dated December 31, 2008 amounted to Rs. 996.245 million (2007: Based on valuation as of December 31, 2007 Rs. 442.271 million).

13.2 Provision held against other assets

2008 2007
(Rupees in '000)

Opening balance	505,986	515,690
Charge for the year	10,120	17,257
Reversal during the year	-	(21,000)
	10,120	(3,743)
Write off during the year	(59,364)	(5,961)
Transfer	(14,757)	-
Closing balance	441,985	505,986

Contract / notional amount		Unrealised gain	
2008	2007	2008	2007
------(Rupees in '000)-----			

13.3 Derivative financial instruments

Unrealised gain on:		
Interest rate swaps	166,667	250,000
Cross currency swaps	173,127	-
Forward exchange contracts	35,252,291	67,789,886
	35,592,085	68,039,886
	6,222	11,297
	1,625	-
	1,500,122	442,505
	1,507,969	453,802

14. CONTINGENT ASSETS

There were no contingent assets of the Group as at December 31, 2008 and December 31, 2007.

	<i>Note</i>	2008	2007
(Rupees in '000)			
15. BILLS PAYABLE			
In Pakistan		10,522,565	10,447,928
Outside Pakistan		28,903	31,130
		10,551,468	10,479,058

16. BORROWINGS

In Pakistan		17,742,776	35,497,881
Outside Pakistan		4,921,064	3,908,950
		22,663,840	39,406,831

16.1 Particulars of borrowings with respect to currencies

In local currency		17,742,776	35,497,881
In foreign currencies		4,921,064	3,908,950
		22,663,840	39,406,831

16.2 Details of borrowings (secured / unsecured)**Secured**

Borrowings from State Bank of Pakistan			
Export refinance scheme	<i>16.3 & 16.5</i>	9,217,004	5,593,462
Long term financing - export oriented projects scheme	<i>16.4 & 16.5</i>	2,100,751	2,473,077
		11,317,755	8,066,539

Borrowings from other financial institution	<i>16.6</i>	-	2,932,600
Repurchase agreement borrowings	<i>16.7</i>	6,325,021	26,931,342
		17,642,776	37,930,481

Unsecured

Call borrowings	<i>16.8</i>	4,418,990	500,000
Overdrawn nostro accounts		602,074	976,350
		5,021,064	1,476,350
		22,663,840	39,406,831

- 16.3** The Bank has entered into agreements for financing with the State Bank of Pakistan (SBP) for extending export finance to customers. As per the agreements, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly
- 16.4** The amount is due to SBP and have been obtained for providing long term finance to customers for export oriented projects. As per the agreements with SBP, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly
- 16.5** Borrowings from SBP under the export refinance and long term financing for export oriented projects schemes are secured against the Bank's cash and security balances held by the SBP.
- 16.6** These carry mark-up at the rate Nil (2007: 5.88% to 5.95% per annum).
- 16.7** These carry mark-up rates ranging between 7.50% to 14.90% per annum (2007: 9.2 % to 10 % per annum) and are secured against Government securities of carrying value of Rs. 6,287.636 million (2007: Rs. 26,996.870 million). These are repayable latest by January, 2009.
- 16.8** These carry mark-up at the rate of 15.50% (2007: 9.75%). These are repayable by February, 2009.

2008 2007
(Rupees in '000)

17. DEPOSITS AND OTHER ACCOUNTS

Customers

Fixed deposits	61,680,332	32,202,230
Saving deposits	150,925,503	151,554,958
Current accounts - non remunerative	105,376,753	95,957,918
Margin accounts	3,137,434	2,589,309
Others	563	4,288
	321,120,585	282,308,703

Financial institutions

Remunerative deposits	5,197,969	9,233,602
Non-remunerative deposits	3,926,526	546,042
	9,124,495	9,779,644
	330,245,080	292,088,347

17.1 Particulars of deposits

In local currency	312,892,689	278,059,003
In foreign currencies	17,352,391	14,029,344
	330,245,080	292,088,347

- 17.2** Deposits include deposits from related parties amounting to Rs. 7,788.459 million (2007: Rs. 503.522)

18. SUB-ORDINATED LOAN -UNSECURED (NON-PARTICIPATORY)

	Mark-up payable	Mark-up payment	2008	2007
			---(Rupees in '000)---	
Listed Term Finance Certificates	Semi-annually	2003-2008	-	479,232

	<i>Note</i>	2008	2007
(Rupees in '000)			
19. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		4,229,668	1,550,398
Mark-up / return / interest payable in foreign currencies		114,034	76,656
Accrued expenses		1,792,281	787,185
Unclaimed dividend		275,073	1,313,371
Staff welfare fund		65,531	76,876
Unrealised loss on derivative financial instruments	19.1	8,470,041	541,962
Provision for employees' compensated absences	37.3	752,947	974,464
Provision for post retirement medical benefits	37.3	1,400,413	1,455,135
Provision for employees' contributory benevolent scheme	37.3	274,446	282,019
Provision for gratuity		6,457	3,421
Security deposits received in respect of finance lease		1,320,327	1,468,077
Taxation (provision less payments)		-	1,348,843
Retention money		22,403	40,999
Insurance payable against consumer assets		398,369	391,729
Branch adjustment account		151,990	-
Others		1,978,962	1,405,330
		<u>21,252,942</u>	<u>11,716,465</u>

Contract / Notional amount		Unrealised loss	
2008	2007	2008	2007
----- (Rupees in '000) -----			

19.1 Derivative financial instruments

Unrealised loss on:				
Interest rate swaps	2,244,130	2,471,698	17,591	14,635
Cross currency swaps	173,127	-	1,625	-
Forward exchange contracts	101,932,869	63,649,869	8,450,825	527,327
	<u>104,350,126</u>	<u>66,121,567</u>	<u>8,470,041</u>	<u>541,962</u>

20. SHARE CAPITAL

20.1 Authorised Capital

2008	2007		2008	2007
(Number of shares)			(Rupees in '000)	
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs 10 each	<u>10,000,000</u>	<u>10,000,000</u>

20.2 Issued, subscribed and paid-up capital

2008			2007				2008	2007
Issued for cash	Issued as bonus shares	Total	Issued for cash	Issued as bonus shares	Total		(Rupees in '000)	
----- (Number of shares) -----								
197,253,795	431,023,048	628,276,843	197,253,795	349,073,895	546,327,690	Opening balance	6,282,768	5,463,276
-	-	-	-	81,949,153	81,949,153	Shares issued during the year	-	819,492
<u>197,253,795</u>	<u>431,023,048</u>	<u>628,276,843</u>	<u>197,253,795</u>	<u>431,023,048</u>	<u>628,276,843</u>	Closing balance	<u>6,282,768</u>	<u>6,282,768</u>

20.3 During the year 2006, the Bank was admitted to the Official List of the UK Listing Authority and to the London Stock Exchange Professional Securities Market for trading of Global Depository Receipts (GDRs) issued by the Bank. The GDRs constitute an offering in the United States only to qualified institutional buyers in reliance on Rule 144A under the U.S Securities Act of 1933 and an offering outside the United States in reliance on Regulation S. The Bank had issued 8,622,100 GDRs each representing four ordinary equity shares at an offer price of US\$ 17.3970 per GDR (total receipt being US\$ 149.999 million). Accordingly, based on an exchange rate of Rs. 60.70 = US\$ 1.00 (which was the exchange rate on the date of the final offering circular relating to the GDR issue made by the Bank), 34,488,400 ordinary equity shares of nominal value of Rs. 10 each of the Bank were issued at a premium of Rs. 254 per ordinary equity share (total premium amount being Rs. 8,760.054 million).

Holders of GDRs are entitled, subject to the provisions of the Deposit Agreement, to receive dividend, if any and rank pari passu with other equity shareholders in respect of dividend. However, the holder of GDR have no voting rights or other direct rights of shareholders with respect to the equity shares underlying such GDRs. Subject to the terms and restrictions set out in the offering circular dated October 11, 2006, the deposited equity shares in respect of which the GDRs were issued may be withdrawn from the depository facility. Upon withdrawal, the holders will rank pari passu with other equity shareholders in respect of dividend, voting and other direct rights of shareholders. The GDRs are now fully fungible. The bank has obtained all required regulatory approvals for "Two Way Fungibility". Two way convertibility of GDRs would be limited to number of GDRs issued at the time of issuance i.e. 8.622 million, subject to availability of headroom and adjusted for subsequent corporate actions i.e. bonus shares, right issue and stock splits.

	2008	2007
(Number of shares)		
20.4 Number of shares held by the related parties as at December 31, are as follows:		
Siddiqsons Denim Mills Limited	28,685,082	28,675,082
Din Leather (Private) Limited	3,915,381	3,915,381
Adamjee Insurance Company Limited	19,225,933	17,011,379
MCB Bank Limited Pension Fund	9,646,370	50,588,856
MCB Bank Limited Provident Fund (Pakistan staff)	19,413,198	26,602,295
Mayban International Trust (Labuan) Berhad	125,655,369	-
	<u>206,541,333</u>	<u>126,792,993</u>

	<i>Note</i>	2008	2007
		(Rupees in '000)	
21. RESERVES			
Share premium		9,702,528	9,702,528
Exchange translation reserve		192,242	(41,692)
Statutory reserve	<i>21.1</i>	8,277,551	6,740,091
General reserve		18,600,000	17,600,000
		<u>36,772,321</u>	<u>34,000,927</u>

21.1 Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.

	<i>Note</i>	2008	2007
		(Rupees in '000)	
22. SURPLUS ON REVALUATION OF ASSETS			
- NET OF TAX			
Surplus / (deficit) arising on revaluation (net of tax) of:			
- fixed assets	<i>22.1</i>	8,293,851	8,109,249
- available-for-sale securities	<i>22.2</i>	(2,102,990)	1,597,445
(Deficit) / Surplus arising on revaluation of assets of associated undertaking (net of tax)		(179,609)	502,398
		<u>6,011,252</u>	<u>10,209,092</u>

22.1 Surplus on revaluation of fixed assets-net of tax

Surplus on revaluation of fixed assets as at January 01	8,578,731	3,690,437
Adjustment / surplus during the year	265,119	4,906,539
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(21,373)	(11,860)
Related deferred tax liability	(11,506)	(6,385)
	(32,879)	(18,245)
Surplus on revaluation of fixed assets as at December 31	8,810,971	8,578,731
Less: Related deferred tax liability on:		
Revaluation as at January 01	469,482	188,398
Adjustment / surplus during the year	59,144	287,469
Incremental depreciation charged during the year transferred to profit and loss account	(11,506)	(6,385)
	517,120	469,482
	<u>8,293,851</u>	<u>8,109,249</u>

	<i>Note</i>	2008	2007
		(Rupees in '000)	
22.2 Surplus / (deficit) on revaluation of available-for-sale securities - net of tax			
Federal Government Securities			
- Market Treasury Bills		(91,427)	(193,077)
- Pakistan Investment Bonds		(468,065)	(14,919)
Listed Securities			
- Shares / Certificates / Units		(2,286,629)	1,809,520
- Open Ended Mutual Funds		37,018	106,508
- Term Finance Certificates		25,147	27,180
		(2,224,464)	1,943,208
Sukuk Bonds		19,000	19,000
		(2,764,956)	1,754,212
Add: Related deferred tax asset / (liability)	<i>12</i>	661,966	(156,767)
		(2,102,990)	1,597,445

23. CONTINGENCIES AND COMMITMENTS

23.1 Transaction-related contingent liabilities

Guarantees in favour of:

Government	5,743,838	5,283,799
Banks and financial institutions	36,030	376,773
Others	15,148,692	7,247,043
Suppliers' credit / payee guarantee	2,255,011	1,809,117
	23,183,571	14,716,732

23.2 Trade-related contingent liabilities

54,869,480 61,677,285

23.3 Other contingencies

Claims against the Group not acknowledged as debts	226,246	134,079
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23.4 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.

	<i>Note</i>	2008	2007
		(Rupees in '000)	
23.5 Commitments in respect of forward foreign exchange contracts			
Purchase		69,708,932	62,077,338
Sale		67,476,228	69,362,417
23.6 Commitments for the acquisition of fixed assets		557,810	78,670
23.7 Other commitments			
Cross currency swaps (notional amount)	<i>24.1 & 24.2</i>	346,254	1,845,484
Fx Options (notional amount)	<i>24.1</i>		
- Purchase		-	351,702
- Sale		-	351,702
Interest rate swaps - (notional amount)	<i>24.1 & 24.2</i>	2,410,797	2,721,698
Forward outright sale of Government Securities		20,827,530	-
Outright purchase of Government Securities from SBP		26,644,450	-
23.8 Taxation			

The income tax assessments of the Bank have been finalised upto and including the Tax Year 2008. For the Tax Years 2003 to 2007, the department has amended the assessments on certain issues against which the Bank has filed appeal before the Commissioner of Income Tax (Appeals). In respect of the Tax Year 2003 to 2006, the Commissioner of Income Tax (Appeals) vide his orders has decided the matter in favour of the Bank against which the department has filed appeal before the Income Tax Appellate Tribunal (ITAT). The management and Bank's legal counsel are of the view that the issues will be decided in the Bank's favour as and when these are taken up by the appellate authorities. For Tax Year 2007, the department has amended the assessment on similar issues resulting in additional tax liability of Rs. 716.713 million against which the legal/appellate course from the Bank has reached ITAT level.

Total disallowances for the assessment years 1994-95 to 1997-98 on account of interest in suspense amounted to Rs. 722.682 million out of which an amount of Rs. 317.289 million has been allowed in the assessment years 1998-1999 to 2000-2001. It is expected that the pending appeals in this regard in the Honourable Sindh High Court shall be decided in favour of the Bank as allowed in assessment years 1992-1993 and 1993-1994. Subsequent to the favourable order of the Honourable Sindh High Court, the management considers that provision is not necessary for the remaining tax liability for interest in suspense of Rs. 244.781 million as the Bank has been subjected to tax far exceeding its normal tax liability and is hopeful of favourable decisions in appeals. Accordingly, no provision has been made in these financial statements for the above amount.

24. DERIVATIVE INSTRUMENTS

Most corporates (counter parties) have either interest rate exposures arising from debt financing or excess liquidity or currency exposures arising out of commercial and business transactions. In the event of a shift in interest or foreign exchange (FX) rates, these corporates may incur higher borrowing costs or higher cash outflows that will adversely affect profitability.

The Bank is providing solutions to this conundrum through derivatives. Through this, counterparties will be hedging exposure to adverse price movements in a security, typically when the counterparty has a concentrated position in the security and is acutely exposed to movements in the underlying risk factors. The Bank is in a better position to hedge that risk, and is thus able to provide cost efficient hedging solutions to the counterparties enabling them to concentrate on their business risk.

Other Objectives include:

- contribution to the development of Pakistani financial markets.
- provision of financial solutions to the counterparties.

In light of the above the Bank is actively marketing interest rate risk and FX risk management tools,

- Interest Rate Swaps
- Third Currency FX options
- Currency Swaps.

Risk management is performed at:

- a) Strategic level: By senior management Assets and Liabilities Management Committee (ALCO), Risk Management Committee (RMC) and the Board of Directors to institute a risk management framework and to ensure provision of all resources and support required for effective risk management on Bank-wide basis.
- b) Macro Level: By Financial Institution Public Sector (FIPS) & Market Risk Management (MRM) Division, responsible for policy formulation, procedure development & implementation, monitoring and reporting.
- c) Micro Level: Treasury Derivatives & Structured Product Desk and Treasury Operations, where risks are actually created.

FIPS & MRM Division is responsible for coordinating for risk management of derivatives.

The risk management system generates marked to market risk numbers (i.e. VaR PVBP, duration, etc.) of Interest rate derivative portfolio. These numbers are reported to senior management on a daily basis.

As per the State Bank of Pakistan's (SBP) regulations, currency options are hedged back to back and thus the risk associated with such transactions are minimal. However, the risk management system is capable of generating risk numbers for options (i.e. Delta, Gamma, Vega, Theta and Rho).

Risk Limits

Before initiating any new derivative transaction, Treasury Division requests the FIPS & MRM Division for risk limits. Limit requests are approved by the appropriate level of authority. Presently the Bank has notional limits (both for the portfolio and the counterparty).

24.1 Product analysis

Counter parties	2008					
	Cross Currency Swaps		Interest Rate Swaps		FX Options	
	No. of Contracts	Notional Principal (Rupees in '000)	No. of Contracts	Notional Principal (Rupees in '000)	No. of Contracts	Notional Principal * (Rupees in '000)
With Banks for						
Hedging	2	173,127	2	2,144,130	-	-
Market Making	-	-	-	-	-	-
With other entities for						
Hedging	-	-	-	-	-	-
Market Making	2	173,127	2	266,667	-	-
Total						
Hedging	2	173,127	2	2,144,130	-	-
Market Making	2	173,127	2	266,667	-	-
2007						
Counterparties	Cross Currency Swaps		Interest Rate Swaps		FX Options	
	No. of Contracts	Notional Principal (Rupees in '000)	No. of Contracts	Notional Principal (Rupees in '000)	No. of Contracts	Notional Principal * (Rupees in '000)
With Banks for						
Hedging	6	922,742	2	1,800,000	13	351,702
Market Making	-	-	-	-	-	-
With other entities for						
Hedging	-	-	-	-	-	-
Market Making	6	922,742	5	921,698	13	351,702
Total						
Hedging	6	922,742	2	1,800,000	13	351,702
Market Making	6	922,742	5	921,698	13	351,702

* At the exchange rate prevailing at the end of the reporting period.

24.2 Maturity analysis

		2008			
Remaining maturity	No. of Contracts	Notional Principal	Mark to Market		Net
			Negative	Positive	
------(Rupees in '000)-----					
<i>Interest rate swaps</i>					
1 to 3 month	2	2,077,463	(13,380)	-	(13,380)
1 to 2 Year	2	333,334	(4,210)	6,222	2,012
2007					
Remaining maturity	No. of Contracts	Notional Principal	Mark to Market		Net
			Negative	Positive	
------(Rupees in '000)-----					
<i>Interest rate swaps</i>					
Upto 1 month	1	18,182	-	-	-
3 to 6 month	1	53,516	(286)	-	(286)
6 month to 1 year	1	300,000	(2,129)	-	(2,129)
1 to 2 Year	2	1,850,000	(5,206)	-	(5,206)
2 to 3 Years	2	500,000	(7,014)	11,297	4,283
3 to 5 Years	-	-	-	-	-
2008					
Remaining maturity	No. of Contracts	Notional Principal	Mark to Market		Net
			Negative	Positive	
------(Rupees in '000)-----					
<i>Cross currency swaps</i>					
2 to 3 Years	4	346,254	(1,625)	1,625	-
2007					
Remaining maturity	No. of Contracts	Notional Principal	Mark to Market		Net
			Negative	Positive	
------(Rupees in '000)-----					
<i>Cross currency swaps</i>					
1 to 2 Years	2	588,660	-	-	-
2 to 3 Years	2	240,000	-	-	-
3 to 5 Years	8	1,016,824	-	-	-
2007					
Remaining maturity	No. of Contracts	Notional Principal	Mark to Market		Net
			Negative	Positive	
------(Rupees in '000)-----					
<i>FX-options</i>					
Upto 1 month	2	206,007	-	-	-
1 to 3 month	22	456,321	-	-	-
3 to 6 month	2	41,076	-	-	-

	2008	2007
	(Rupees in '000)	
25. MARK-UP / RETURN / INTEREST EARNED		
On loans and advances to:		
Customers	29,926,944	21,952,387
Financial institutions	1,805	141,359
	<u>29,928,749</u>	<u>22,093,746</u>
On investments in:		
Held for trading securities	11,929	-
Available for sale securities	7,718,124	7,519,820
Held to maturity securities	960,418	856,023
	<u>8,690,471</u>	<u>8,375,843</u>
On deposits with financial institutions	109,525	139,385
On securities purchased under resale agreements	582,280	548,202
On money at call	401,819	291,940
Others	336,661	342,638
	<u>40,049,505</u>	<u>31,791,754</u>
26. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	9,426,724	5,903,356
Securities sold under repurchase agreements	944,891	641,080
Other short-term borrowings	519,139	812,410
Sub-ordinated loan	5,785	98,135
Discount, commission and brokerage	475,382	319,427
Others	221,001	84,411
	<u>11,592,922</u>	<u>7,858,819</u>
27. GAIN ON SALE OF SECURITIES - NET		
Federal Government Securities		
-Market Treasury Bills	2,703	1,228
-Pakistan Investment Bonds	(16,610)	2,709
Overseas Government Securities	20,108	-
Listed Shares / Units	741,938	1,503,673
	<u>748,139</u>	<u>1,507,610</u>
28. OTHER INCOME - NET		
Rent on property / lockers	71,718	51,999
Net profit on sale of property and equipment	36,855	13,136
Exchange income on import / export bills purchased / negotiated	86,665	64,161
Bad debts recovered	26,477	28,135
Others	980,119	844,729
	<u>1,201,834</u>	<u>1,002,160</u>

	<i>Note</i>	2008	2007
		(Rupees in '000)	
29. ADMINISTRATIVE EXPENSES			
Salaries and allowances		6,680,204	5,808,830
Charge / (reversal) for defined benefit plans and other benefits:			
- Approved pension fund	37.8	(5,399,319)	(5,769,564)
- Post retirement medical benefits	37.8	98,739	145,388
- Employees' contributory benevolent scheme	37.8	48,384	60,094
- Employees' compensated absences	37.8	(75,692)	100,729
- Gratuity scheme		1,063	1,598
		(5,326,825)	(5,461,755)
Contributions to defined contribution plan - provident fund		135,164	109,778
Non-executive directors' fees		4,044	720
Rent, taxes, insurance, electricity		1,044,824	843,957
Legal and professional charges		204,771	308,366
Communications		849,579	656,629
Repairs and maintenance		510,418	376,987
Stationery and printing		329,730	265,582
Advertisement and publicity		207,395	363,090
Cash transportation charges		399,317	361,875
Instrument clearing charges		112,677	101,716
Donations		-	8,102
Auditors' remuneration	29.1	17,468	12,297
Depreciation	11.2	822,710	604,127
Amortization of intangible asset	11.3	143,465	191,988
Travelling, conveyance and fuel		621,465	321,309
Subscription		25,294	16,516
Entertainment		102,670	50,264
Training Expenses		96,458	65,495
Petty Capital items		103,116	208,705
Credit Card Related Expenses		64,365	67,755
Others		431,993	157,972
		7,580,302	5,440,305

29.1 Auditors' remuneration

	2008			2007		
	KPMG Taseer Hadi & Co.	Riaz Ahmad & Co.	Total	KPMG Taseer Hadi & Co.	Riaz Ahmad & Co.	Total
	----- (Rupees in '000) -----					
Annual Audit fee	1,906	1,906	3,812	1,733	1,733	3,466
Fee for the audit of branches	1,551	1,551	3,102	1,410	1,410	2,820
For for audit of subsidiaries	63	380	443	58	40	98
For for audit of overseas subsidiary	-	-	561	-	-	413
Fee for audit of overseas branches	-	-	1,650	-	-	1,500
Fee for half year review	890	890	1,780	809	809	1,618
Special certifications, etc.	2,235	2,235	4,470	441	441	882
Out-of-pocket expenses	825	825	1,650	750	750	1,500
	7,470	7,787	17,468	5,201	5,183	12,297

2008 2007
(Rupees in '000)

30. OTHER CHARGES

Provision / (reversal) against fraud and forgeries	13,015	(440)
Fixed assets written off	-	12,102
Penalties of State Bank of Pakistan	300,000	413,004
Damages to premises	-	115,928
Workers welfare fund	437,351	-
VAT Sri Lanka	80,473	33,236
Others	90,152	68,950
	<u>920,991</u>	<u>642,780</u>

31. TAXATION

For the year

Current	7,387,345	6,463,560
Deferred	16,348	899,898
	<u>7,403,693</u>	<u>7,363,458</u>

Prior years

Current	(865,344)	(1,294,586)
Deferred	-	-
	<u>(865,344)</u>	<u>(1,294,586)</u>

Share of tax of associated undertaking

25,164	15,769
<u>6,563,513</u>	<u>6,084,641</u>

31.1 Relationship between tax expense and accounting profit

Accounting profit for the year	<u>21,886,740</u>	<u>22,526,311</u>
Tax rate	<u>35%</u>	<u>35%</u>
Tax on income	7,660,359	7,884,209
Tax effect on separate block of income (taxable at reduced rate)	(234,934)	(120,057)
Tax effect of permanent differences	(10,226)	(394,309)
Tax effect of prior years provisions / reversals	(865,344)	(1,294,586)
Reversal of deferred tax liability on incremental depreciation	(11,506)	(6,385)
Share of tax of associated undertaking	25,164	15,769
Tax charge for the year	<u>6,563,513</u>	<u>6,084,641</u>

32. CREDIT RATING

PACRA through its notification in June 2008, has assigned long term credit rating of AA+ [double A plus] and short-term credit rating of A1+ [A one plus] to the Bank (2007: AA+ [Double A plus] for long term and A1+ [A one plus] for short term rating).

	<i>Note</i>	2008	2007
		(Rupees in '000)	
33. BASIC AND DILUTED EARNINGS PER SHARE PRE TAX			
Profit before taxation		<u><u>21,886,740</u></u>	<u><u>22,526,311</u></u>
		(Number of shares)	
Weighted average number of shares outstanding during the year		<u><u>628,276,843</u></u>	<u><u>628,276,843</u></u>
		(Rupees)	
Basic and diluted earnings per share - pre tax		<u><u>34.84</u></u>	<u><u>35.85</u></u>
		(Rupees in '000)	
34. BASIC AND DILUTED EARNINGS PER SHARE AFTER TAX			
Profit after taxation		<u><u>15,323,227</u></u>	<u><u>16,441,670</u></u>
		(Number of shares)	
Weighted average number of shares outstanding during the year		<u><u>628,276,843</u></u>	<u><u>628,276,843</u></u>
		(Rupees)	
Basic and diluted earnings per share - after tax		<u><u>24.39</u></u>	<u><u>26.17</u></u>
		(Rupees in '000)	
35. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	<u><u>39,631,219</u></u>	39,683,883
Balances with other banks	7	<u><u>4,106,526</u></u>	<u><u>3,867,591</u></u>
		<u><u>43,737,745</u></u>	<u><u>43,551,474</u></u>
		(Number)	
36. STAFF STRENGTH			
Permanent		<u><u>10,488</u></u>	9,985
Temporary/on contractual basis		<u><u>107</u></u>	<u><u>95</u></u>
Bank's own staff strength at the end of the year		<u><u>10,595</u></u>	10,080
Outsourced		<u><u>3,482</u></u>	<u><u>3,600</u></u>
Total staff strength		<u><u>14,077</u></u>	<u><u>13,680</u></u>

37. DEFINED BENEFIT PLANS AND OTHER BENEFITS

A) MCB Bank Limited (Holding Company)

37.1 General description

The Bank operates the following retirement benefits for its employees:

- Pension fund (final salary plan) - funded
- Benevolent scheme - unfunded
- Post retirement medical benefits - unfunded
- Employees compensated absence - unfunded

37.2 Principal actuarial assumptions

The latest actuarial valuations of the approved pension fund, employees' contributory benevolent scheme, post retirement medical benefits and employee's compensated absences were carried out at December 31, 2008. The principal actuarial assumptions used are as follows:

	Approved pension fund		Employees' contributory benevolent scheme		Post retirement medical benefits		Employees' compensated absences	
	2008 (%)	2007 (%)	2008 (%)	2007 (%)	2008 (%)	2007 (%)	2008 (%)	2007 (%)
Valuation discount rate	13	10	13	10	13	10	13	-
Expected rate of return on plan assets	13	10	-	-	-	-	-	-
Salary increase rate	10	7	10	7	10	7	10	-
Indexation in pension	-	-	-	-	-	-	-	-
Medical cost inflation rate	-	-	-	-	8	5	-	-
Exposure inflation rate	-	-	-	-	3	3	-	-

The expected return on plan assets is based on the market expectations and depends on the asset portfolio of the Bank, at the beginning of the period, for returns over the entire life of the related obligation.

37.3 (Receivable from) / payable to defined benefit plans and other benefits

Note	Approved pension fund		Employees' contributory benevolent scheme		Post retirement medical benefits		Employees' compensated absences		
	2008	2007	2008	2007	2008	2007	2008	2007	
----- (Rupees in '000) -----									
Present value of defined benefit obligations	37.5	4,295,986	4,747,389	300,162	355,340	1,269,622	1,422,918	752,947	974,464
Fair value of plan assets	37.6	(15,953,712)	(25,095,113)	-	-	-	-	-	-
Net actuarial gains / (losses) not recognized		6,258,707	9,696,677	(25,716)	(73,321)	71,952	(51,753)	-	-
Unrecognized negative past service cost		-	-	-	-	67,415	101,123	-	-
Unrecognized transitional liability		-	-	-	-	-	-	-	-
Unrecognized past service cost		-	-	-	-	(8,576)	(17,153)	-	-
Net (receivable) / payable recognized as at the year-end		(5,399,019)	(10,651,047)	274,446	282,019	1,400,413	1,455,135	752,947	974,464

The effect of increase of one percent and the effect of a decrease of one percent in the medical trend rates on the present value of medial obligation at December 31, 2008 would be Rs. 67.690 million (2007: Rs. 67.690 million) and Rs. 51.799 million (2007: Rs. 56.567 million) respectively.

37.4 Movement in balance (receivable) / payable

Opening balance of (receivable) / payable		(10,651,047)	(4,881,483)	282,019	264,542	1,455,135	1,443,450	974,464	1,023,683
Expense recognized	37.8	(5,399,319)	(5,769,564)	48,384	60,094	98,739	145,388	(75,692)	100,729
Refunds / (contributions) during the year		10,651,347							
- Employees' contribution		-	-	-	-	-	-	-	-
- Bank's contribution / benefits paid		-	-	(55,957)	(42,617)	(153,461)	(133,703)	(145,825)	(149,948)
Closing balance of (receivable) / payable		(5,399,019)	(10,651,047)	274,446	282,019	1,400,413	1,455,135	752,947	974,464

37.5 Reconciliation of the present value of the defined benefit obligations

Note	Approved pension fund		Employees' contributory benevolent scheme		Post retirement medical benefits		Employees' compensated absences	
	2008	2007	2008	2007	2008	2007	2008	2007
------(Rupees in '000)-----								
Present value of obligation as at January 01,	4,747,389	4,752,693	355,340	332,677	1,422,918	1,345,357	974,464	1,023,683
Current service cost	34,639	45,266	13,769	9,698	17,555	20,580	-	-
Interest cost	371,093	348,810	35,533	29,941	142,292	121,082	-	-
Benefits paid	(689,440)	(725,229)	(69,735)	(77,944)	(153,461)	(133,703)	(145,825)	(149,948)
Past service cost - vested	-	-	-	-	-	11,556	-	-
Past service cost - non-vested	-	-	-	-	-	17,153	-	-
Retrenchment loss	-	-	-	-	-	-	-	-
Curtailement gain	-	-	-	-	-	-	-	-
Actuarial (gains) / losses	(167,695)	325,849	(34,745)	60,968	(159,682)	40,893	(75,692)	100,729
Present value of obligation as at December 31,	4,295,986	4,747,389	300,162	355,340	1,269,622	1,422,918	752,947	974,464

37.6 Changes in fair values of plan assets

Net assets as at January 01,	25,095,113	14,810,557	-	20,650	-	-	-	-
Expected return on plan assets	2,675,699	1,508,469	-	1,859	-	-	-	-
Interest on borrowing from MCB Bank Limited - Main Branch	-	(193,167)	-	-	-	-	-	-
Contributions - Bank	(10,651,347)	-	55,957	42,617	-	-	-	-
Contributions - Employees	-	-	13,778	14,347	-	-	-	-
Benefits paid	(689,440)	(725,229)	(69,735)	(77,944)	-	-	-	-
Actuarial gain / (loss)	(476,313)	9,694,483	-	(1,529)	-	-	-	-
Net assets as at December 31,	15,953,712	25,095,113	-	-	-	-	-	-

37.7 Fair value of the Bank's shares held by the Pension Fund as at December 31, 2008 amounted to Rs. 1,213.610 million (2007: Rs. 20,233.013 million).

37.8 Charge for defined benefit plans and other benefits

The following amounts have been charged to the profit and loss account in respect of defined benefit plans and other benefits:

	Approved pension fund		Employees' contributory benevolent scheme		Post retirement medical benefits		Employees' compensated absences	
	2008	2007	2008	2007	2008	2007	2008	2007
------(Rupees in '000)-----								
Current service cost	34,639	45,266	13,769	9,698	17,555	20,580	-	-
Interest cost	371,093	348,810	35,533	29,941	142,292	121,082	-	-
Expected return on plan assets	(2,675,697)	(1,508,469)	-	(1,859)	-	-	-	-
Interest on borrowing from MCB Bank Limited - Main Branch	-	193,167	-	-	-	-	-	-
Net actuarial (gain) / loss recognized	(3,129,354)	(4,848,338)	12,859	36,661	(35,977)	25,877	(75,692)	100,729
Contributions employees	-	-	(13,777)	(14,347)	-	-	-	-
Retrenchment loss recognized	-	-	-	-	-	-	-	-
Amortization of transitional liability	-	-	-	-	-	-	-	-
Recognized past service cost	-	-	-	-	8,577	11,556	-	-
Recognized negative past service cost	-	-	-	-	(33,708)	(33,707)	-	-
Recognized transitional liability	-	-	-	-	-	-	-	-
Curtailement gain	-	-	-	-	-	-	-	-
	(5,399,319)	(5,769,564)	48,384	60,094	98,739	145,388	(75,692)	100,729

The effect of increase of one percent and the effect of a decrease of one percent in the medical trend rates on the aggregate of the current service cost and interest cost components of net period post - employment medical costs would be Rs. 7.316 million (2007: Rs. 7.578 million) and Rs. 6.056 million (2007: Rs. 6.276 million) respectively.

37.9 Actual return on plan assets

	Approved pension fund		Employees' contributory benevolent scheme		Post retirement medical benefits		Employees' compensated absences	
	2008	2007	2008	2007	2008	2007	2008	2007
------(Rupees in '000)-----								
Actual return on plan assets	2,199,386	11,202,952	-	330	-	-	-	-

37.10 Composition of fair value of plan assets

	Approved Pension Fund			
	2008		2007	
	Fair value (Rupees in '000)	Percentage (%)	Fair value (Rupees in '000)	Percentage (%)
Defence saving certificates	4,580,964	28.71	4,810,576	17.98
Term deposit receipts	8,306,121	52.06	-	-
Listed equity shares	1,877,187	11.77	21,778,377	81.39
Open ended mutual funds units	89,072	0.56	119,872	0.45
Cash and bank balances	1,100,368	6.90	48,157	0.18
Fair value of plan total assets	15,953,712	100	26,756,982	100
Borrowing	-	-	(1,661,869)	-
Fair value of plan net assets	15,953,712	-	25,095,113	-

37.11 Other relevant details of above funds are as follows:

37.11.1 Pension Fund

	2008	2007	2006	2005	2004
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	4,295,986	4,747,389	4,752,693	5,503,819	6,542,624
Fair value of plan assets	(15,953,712)	(25,095,113)	(14,810,557)	(10,554,024)	(7,034,175)
(Surplus) / deficit	<u>(11,657,726)</u>	<u>(20,347,724)</u>	<u>(10,057,864)</u>	<u>(5,050,205)</u>	<u>(491,551)</u>
Actuarial gain / (loss) on obligation					
Experience adjustment	167,695	(325,849)	54,320	(304,748)	(141,338)
Assumptions gain / (loss)	-	-	-	172,866	-
	<u>167,695</u>	<u>(325,849)</u>	<u>54,320</u>	<u>(131,882)</u>	<u>(141,338)</u>
Actuarial gain / (loss) on assets					
Experience adjustment	(476,313)	9,694,483	4,634,045	5,268,939	(254,840)
Assumptions gain / (loss)	-	-	-	(138,502)	-
	<u>(476,313)</u>	<u>9,694,483</u>	<u>4,634,045</u>	<u>5,130,437</u>	<u>(254,840)</u>

37.11.2 Employees' Contributory Benevolent Scheme

Present value of defined benefit obligation	300,162	355,340	332,677	407,569	362,104
Fair value of plan assets	-	-	(20,650)	(18,976)	(18,126)
	<u>300,162</u>	<u>355,340</u>	<u>312,027</u>	<u>388,593</u>	<u>343,978</u>
Actuarial gain / (loss) on obligation					
Experience adjustment	34,745	(60,968)	10,182	(228,823)	(22,609)
Assumptions gain / (loss)	-	-	-	107,003	-
	<u>34,745</u>	<u>(60,968)</u>	<u>10,182</u>	<u>(121,820)</u>	<u>(22,609)</u>
Actuarial gain / (loss) on assets					
Experience adjustment	-	(1,529)	(34)	(1)	2
Assumptions gain / (loss)	-	-	-	(418)	-
	<u>-</u>	<u>(1,529)</u>	<u>(34)</u>	<u>(419)</u>	<u>2</u>

37.11.3 Post Retirement Medical Benefits

Present value of defined benefit obligation	1,269,622	1,422,918	1,345,357	1,456,392	1,121,548
Fair value of plan assets	-	-	-	-	-
	<u>1,269,622</u>	<u>1,422,918</u>	<u>1,345,357</u>	<u>1,456,392</u>	<u>1,121,548</u>
Actuarial gain / (loss) on obligation					
Experience adjustment	159,682	(40,893)	36,153	8,743	-
Assumptions gain / (loss)	-	-	-	(21,846)	-
	<u>159,682</u>	<u>(40,893)</u>	<u>36,153</u>	<u>(13,103)</u>	<u>-</u>

37.11.4 Compensated absences

Present value of defined benefit obligation	752,947	974,464	1,023,683	856,213	603,624
Fair value of plan assets	-	-	-	-	-
	<u>752,947</u>	<u>974,464</u>	<u>1,023,683</u>	<u>856,213</u>	<u>603,624</u>
Actuarial gain / (loss) on obligation	<u>75,692</u>	<u>(100,729)</u>	<u>-</u>	<u>-</u>	<u>-</u>

37.12 No contribution to the pension fund is expected in the next future year.

B) MNET Services (Private) Limited

The company operates an unfunded gratuity scheme for its eligible employees. Provision is made annually on the basis of last drawn basic salaries of eligible employees and the number of completed years of service.

38. DEFINED CONTRIBUTION PLAN

38.1 MCB Bank Limited (holding company)

The Bank operates an approved contributory provident fund for 8,955 (2007: 6,201) employees where contributions are made by the Bank and employees at 8.33% per annum (2007: 8.33% per annum) of the basic salary. During the year, the Bank contributed Rs. 135.164 million (2007: Rs. 109.778 million) in respect of this fund.

The Bank also operates an approved non-contributory provident fund for 2,284 (2007: 2,875) employees who have opted for the new scheme, where contributions are made by the employees at 12% per annum (2007: 12% per annum) of the basic salary.

38.2 MCB Asset Management Company Limited (subsidiary company)

MCB Asset Management Company operates a recognized contribution fund for the permanent employees of the company. Contribution at the rate of 8.66% of the basic salary per annum are made both by the Company and employees to the fund.

38.3 Muslim Commercial Financial Services (Private) Limited (subsidiary company)

The company operates the provident fund scheme covering all permanent employees. Contribution at the rate of 8.33% per annum are made both by the Company and employees to the fund.

39. COMPENSATION OF DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for compensation, including all benefits, to the Chief Executive, Directors and Executives of the Group was as follows:

	President / Chief Executive		Directors		Executives	
	2008	2007	2008	2007	2008	2007
	------(Rupees in '000)-----					
Fees	-	-	3,630	720	-	-
Managerial remuneration	27,016	15,117	-	1,524	606,993	409,807
Bonus and others	12,800	63,212	-	-	269,399	331,016
Retirement benefits	2,161	1,259	-	-	111,983	33,015
Rent and house maintenance	11,669	6,803	-	-	220,802	184,415
Utilities	2,593	1,512	-	-	48,582	42,044
Medical	82	260	-	-	16,909	19,696
Conveyance	-	413	-	-	184,936	65,099
	56,321	88,576	3,630	2,244	1,459,604	1,085,092
Number of persons	1	2	10	10	532	505

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

40. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Bank as 'held to maturity'. Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5.3 these financial statements.

The maturity and repricing profile and effective rates are stated in notes 44.3, 44.4.1 and 44.4.2 respectively.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or in the case of customer loans and deposits are frequently re-priced.

41. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate Finance	Trading and Sales	Retail & Consumer Banking	Commercial Banking	Asset Management	Eliminations	Total
------(Rupees in '000)-----							
2008							
Total income	83,793	10,524,180	19,654,410	15,905,084	210,289	(367,560)	46,010,196
Total expenses	(33,109)	(3,673,800)	(19,307,052)	(1,333,657)	(143,398)	367,560	(24,123,456)
Income tax expense	-	-	-	-	-	-	(6,563,513)
Net income	<u>50,684</u>	<u>6,850,380</u>	<u>347,358</u>	<u>14,571,427</u>	<u>66,891</u>	<u>-</u>	<u>15,323,227</u>
Segment assets - (Gross of NPL's provision)	-	114,648,895	152,526,314	188,080,852	397,706	(523,939)	455,129,828
Provision for taxation	-	-	-	-	-	-	51,819
Total assets	<u>-</u>	<u>114,648,895</u>	<u>152,526,314</u>	<u>188,080,852</u>	<u>397,706</u>	<u>(523,939)</u>	<u>455,181,647</u>
Segment non performing loans	-	-	7,529,468	10,739,409	-	-	18,268,877
Segment specific provision required	-	-	4,078,564	5,817,325	-	-	9,895,889
Segment liabilities	-	107,373,831	117,913,020	159,937,095	13,323	(523,939)	384,713,330
Deferred tax liability	-	-	-	-	-	-	440,295
Total liabilities - net	<u>-</u>	<u>107,373,831</u>	<u>117,913,020</u>	<u>159,937,095</u>	<u>13,323</u>	<u>(523,939)</u>	<u>385,153,625</u>
Segment return on net assets (ROA) (%)	-	5.98%	0.23%	7.99%	-	-	3.44%
Segment cost of fund (%)	-	4.16%	2.97%	3.72%	-	-	3.01%
2007							
Total income	217,784	11,824,946	17,124,838	10,219,336	153,014	(10,395)	39,529,523
Total expenses	(23,535)	(1,576,724)	(14,282,167)	(1,054,429)	(76,752)	10,395	(17,003,212)
Income tax expense	-	-	-	-	-	-	(6,084,641)
Net income	<u>194,249</u>	<u>10,248,222</u>	<u>2,842,671</u>	<u>9,164,907</u>	<u>76,262</u>	<u>-</u>	<u>16,441,670</u>
Segment assets - (Gross of NPL's provision)	24,007	124,876,452	160,964,085	134,507,060	377,603	(521,413)	420,227,794
Total assets	<u>24,007</u>	<u>124,876,452</u>	<u>160,964,085</u>	<u>134,507,060</u>	<u>377,603</u>	<u>(521,413)</u>	<u>420,227,794</u>
Segment non performing loans	-	-	5,567,247	5,158,061	-	-	10,725,308
Segment specific provision required	-	-	3,803,244	3,523,709	-	-	7,326,953
Segment liabilities	-	109,653,757	127,275,792	116,391,633	21,321	(521,413)	352,821,090
Provision for taxation	-	-	-	-	-	-	1,348,843
Deferred tax liability	-	-	-	-	-	-	1,183,586
Total liabilities - net	<u>-</u>	<u>109,653,757</u>	<u>127,275,792</u>	<u>116,391,633</u>	<u>21,321</u>	<u>(521,413)</u>	<u>355,353,519</u>
Segment return on net assets (ROA) (%)	-	8.21%	1.81%	7.00%	20.20%	-	3.98%
Segment cost of fund (%)	-	5.38%	2.11%	2.77%	-	-	2.24%

42. RELATED PARTY TRANSACTIONS AND BALANCES

The Group has related party relationship with its associated undertakings, employee benefit plans and its key management personnel (including their associates) and companies with common directors. The detail of investment in associated undertakings are stated in Annexure I (note 7) to these financial statements.

Transactions between the Group and its related parties are carried at arm's length basis under the comparable uncontrolled price method. Details of loans and advances to the companies or firms in which the directors of the Group are interested as directors, partners or in case of private companies as members, are given in note 10.6 to these financial statements. There are no transactions with key management personnel other than under their terms of employment. 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 as disclosed in notes 37 and 38. Remuneration to the executives and disposals of vehicles are disclosed in noted 39 and Annexure IV to these financial statements respectively.

	Directors		Associated companies		Other related parties	
	2008	2007	2008	2007	2008	2007
------(Rupees in '000)-----						
A. Balances						
Deposits						
Deposits at beginning of the year	17,980	19,099	275,826	522,641	209,716	314,045
Deposits received during the year	10,910,613	447,772	302,979,123	124,757,792	50,640,762	14,776,866
Deposits repaid during the year	(10,502,695)	(448,891)	(302,953,020)	(125,004,607)	(43,789,846)	(14,881,195)
Deposits at end of the year	425,898	17,980	301,929	275,826	7,060,632	209,716
Mark-up expense on deposits	12	1	81,271	42,703	7	-
Mark-up rates on deposits range from 5.0% to 12% (2007: 0.1% to 6.75%) per annum.						
Advances (secured)						
Balance at beginning of the year	-	-	-	-	1,661,869	2,240,038
Loans granted during the year	-	-	-	-	524,153	1,442,020
Repayments received during the year	-	-	-	-	(2,186,022)	(2,020,189)
Balance at end of the year	-	-	-	-	-	1,661,869
Income on advances					-	193,167
B. Other transactions (including profit and loss related transactions)						
	Directors		Associated companies		Other related parties	
	2008	2007	2008	2007	2008	2007
------(Rupees in '000)-----						
Associates						
Adamjee Insurance Company Limited						
- Insurance premium paid - net of refund	-	-	85,524	67,866	-	-
- Insurance claim settled	-	-	84,613	65,260	-	-
- Rent income received	-	-	7,424	2,147	-	-
- Dividend received	-	-	89,340	98,274	-	-
- Share of profit - net of tax under equity basis of accounting	-	-	5,679	1,207,864	-	-
- Share of deficit on revaluation of assets - net of tax	-	-	682,007	91,983	-	-
Other related parties						
MCB Employees Security System and Services (Private) Limited						
- Security guard expenses	-	-	-	-	126,237	115,718
MCB Employees Foundation						
- Stationery expenses	-	-	-	-	118,212	140,009
- Service expenses	-	-	-	-	17,461	19,641
- Cash sorting expenses	-	-	-	-	17,169	16,603
- Cash in transit expenses	-	-	-	-	4,475	3,474
- Proceeds from sale of car	-	-	-	-	-	611
- Gain on sale of car	-	-	-	-	-	4
Others						
Dividend income	-	-	-	-	196,105	182,664
Proceeds from sale of vehicles to key management personnel	-	-	-	-	11,537	5,987
Gain on sale of vehicles to key management personnel	-	-	-	-	267	583
Remuneration of key management personnel (other than directors)	-	-	-	-	162,482	148,850
Contribution / (expense) to provident fund	-	-	-	-	135,164	109,778
Other miscellaneous expenses	-	-	-	-	76,725	69,263

The details of director's compensations are given in note 39 to these financial statements.

43. CAPITAL ADEQUACY

43.1 Capital Management

Objectives and goals of managing capital

The objectives and goals of managing capital of the Group are as follows:

- to be an appropriately capitalized institution, as defined by regulatory authorities and comparable to the peers;
- maintain strong ratings and to protect the Group against unexpected events;
- availability of adequate capital (including the quantum) at a reasonable cost so as to enable the Group to expand; and
- achieve low overall cost of capital with appropriate mix of capital elements.

Statutory minimum capital requirement and management of capital

The State Bank of Pakistan through its BSD Circular No.19 dated September 05, 2008 requires the minimum paid up capital (net of losses) for all locally incorporated banks to be raised to Rs. 23 billion by the year ending on December 31, 2013. The raise is to be achieved in a phased manner requiring Rs. 5 billion paid up capital (net of losses) by the end of the financial year 2008. The paid up capital of the Bank for the year ended December 31, 2008 stands at Rs. 6.2 billion and is in compliance with the SBP requirement for the said year. In addition the banks are also required to maintain a minimum capital adequacy ratio (CAR) of 9 % of the risk weighted exposure. The Group's CAR as at December 31, 2008 was 16.06 % of its risk weighted exposure.

Group's regulatory capital is analysed into two tiers.

- Tier 1 capital, which includes fully paid up capital (including the bonus shares), balance in share premium account, general reserves as per the financial statements and net unappropriated profits, etc after deductions for deficit on revaluation of available for sale investments and 50% deduction for investments in the equity of subsidiary companies and significant minority investments in entities engaged in banking and financial activities.
- Tier 2 capital, which includes general provisions for loan losses (up to a maximum of 1.25 % of risk weighted assets), reserves on revaluation of fixed assets and equity investments up to a maximum of 45 % the balance, foreign exchange translation reserves, etc after 50% deduction for investments in the equity of subsidiary companies and significant minority investments in entities engaged in banking and financial activities.

Tier 3 capital has also been prescribed by the State Bank of Pakistan. However the Group is not eligible for the Tier 3 capital.

The Capital of the Group is managed keeping in view the minimum "Capital Adequacy Ratio" required by SBP through BSD Circular No. 30 dated November 25, 2008. The adequacy of the capital is tested with reference to the risk-weighted assets of the Bank.

The required capital adequacy ratio (9% of the risk-weighted assets) is achieved by the Group through improvement in the asset quality at the existing volume level, ensuring better recovery management and striking compromise proposal and settlement and composition of asset mix with low risk. Banking operations are categorized as either trading book or banking book and risk-weighted assets are determined according to specified requirements of the State Bank of Pakistan that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures. The total risk-weighted exposures comprise the credit risk, market risk and operational risk.

The calculation of capital adequacy enables the Group to assess the long-term soundness. As the Group carry on the business on a wide area network basis, it is critical that it is able to continuously monitor the exposure across entire organisation and aggregate the risks so as to take an integrated approach/view. Maximization of the return on risk-adjusted capital is the principal basis to be used in determining how capital is allocated within the Group to particular operations or activities.

The Group has complied with all externally imposed capital requirements through out the year. Further, there has been no material change in the Group's management of capital during the year.

43. Capital Adequacy Ratio

Capital adequacy ratio (including corresponding figures) calculated in accordance with the BSD Circular No. 08 of 2006 dated June 27, 2006 by SBP is as follows:

	2008	2007
	------(Rupees in '000) -----	
CAP 1		
Tier 1 Capital		
Fully Paid-up capital	6,282,768	6,282,768
Balance in Share Premium Account	9,702,528	9,702,528
Reserve for issue of Bonus Shares	-	-
General Reserves as disclosed on the Balance Sheet	26,877,551	24,340,091
Unappropriated profits	11,065,723	7,054,472
Minority interest	69	63
Sub-Total	53,928,639	47,379,922
Deductions:		
Book value of Goodwill	60,952	60,952
Shortfall in provisions required against classified assets irrespective of any relaxation allowed.	-	-
Deficit on account of revaluation of investments held in AFS category	-	408,347
Any increase in equity capital resulting from a securitization transaction	-	-
Investments in TFCs of other banks exceeding the prescribed limit	-	-
Other deductions (50% of the amount as calculated on CAP 2)	1,374,912	1,843,990
Sub-Total	1,435,864	2,313,289
Total eligible Tier 1 capital	52,492,775	45,066,633
Supplementary Capital		
Tier 2 Capital		
General Provisions or general reserves for loan losses-up to maximum of 1.25% of Risk Weighted Assets	815,966	3,445,321
Revaluation Reserves up to 45%	946,495	4,633,781
Foreign Exchange Translation Reserves	192,242	(41,692)
Undisclosed reserves	-	-
Subordinated debt -upto maximum of 50% of Total eligible Tier 1 capital	-	-
Total tier 2 Capital	1,954,703	8,215,329
Deductions:		
Other deductions (50% of the amount as calculated on CAP 2)	1,374,912	1,843,990
Total Deductions	1,374,912	1,843,990
Total eligible Tier 2 Capital	579,791	6,371,339
Tier 3 Capital (eligible for market risk only)		
Actual Tier 3 Capital	-	-
Eligible Tier 3 Capital	-	-
Total Supplementary Capital eligible for capital adequacy ratio (Maximum upto 100% of Total eligible Tier 1 capital)	579,791	6,371,339
Total Eligible Capital	53,072,566	51,437,972
Risk Weighted Amounts		
Total Credit Risk Weighted Amount	253,707,454	236,475,368
Total Market Risk Weighted Amount	21,886,080	25,622,096
Total Operational Risk Weighted Amount	54,778,112	46,174,508
Total Risk Weighted Amount	330,371,646	308,169,932
Capital Adequacy Ratios		
Credit Risk Capital Adequacy Ratio	20.92%	21.75%
Tier 1 Capital to Total Risk Weighted Amount	15.89%	14.62%
TOTAL CAPITAL ADEQUACY RATIO	16.06%	16.69%
CAP 2		
OTHER DEDUCTIONS FROM TIER 1 AND TIER 2 CAPITAL		
Investments in equity and other regulatory capital of majority owned securities or other financial subsidiaries not consolidated in the balance sheet	-	-
Significant minority investments in banking, securities and other financial entities	2,749,824	3,687,980
Equity holdings (majority or significant minority) in an insurance subsidiary	-	-
Significant minority and majority investments in commercial entities exceeding 15% of bank's capital	-	-
Securitization exposure subject to deduction	-	-
Others	-	-
Total Deductible Items to be deducted 50% from Tier 1 capital and 50% from Tier 2 capital	2,749,824	3,687,980

44. RISK MANAGEMENT

Identifying and managing exposure to risk is an integral part of our strategic and operational activities. Our risk management policy is aimed at setting the best course of action under uncertainty by identifying, measuring, prioritizing, monitoring and managing risks. With the goal of enhancing shareholders' value, major objectives of our robust risk management structure are as follows.

- In line with the corporate goal, mission and strategy, bank's risk exposure is maintained within the risk appetite of the stakeholders as defined by the Board of Directors;
- Business decisions optimize the risk-return trade-off;
- Sufficient capital is always available as a buffer to absorb risk and our risk management approach remains aligned with the regulatory requirements, international best practices and our policy / framework.

Keeping in view the dynamics of internal and external environment, we regularly review and update our policy / framework and procedures in accordance with domestic regulatory environment and international standards.

Our risk management structure is established in line with international best practices. The risk management framework is based on prudent risk identification, measurement, monitoring and management processes which are closely aligned with all activities of the bank so as to ensure that risks are kept within an acceptable level. Independent of the business groups, the Chief Risk Officer (CRO) has direct functional reporting line to the Risk Management and Portfolio Review Committee (RM&PRC) of the Board of Directors, with administrative reporting to the President / CEO. The Risk Management and Portfolio Review Committee is convened regularly to evaluate bank's risk exposure in relation to the risk appetite / benchmarks, portfolio concentrations, etc.

The Risk Management Group is structured as follows, with the respective Heads of these departments having direct reporting lines to the CRO.

- Credit Review
 - Commercial
 - Corporate
- Credit Risk Management
- Market Risk Management
- Operational Risk Management
- Basel-II Project
- Credit Risk Control (Credit Administration)
 - North
 - South

44.1 Credit Risk

Credit risk makes up the largest part of the Bank's exposure. The purpose of credit risk function is to identify, measure, manage, monitor and mitigate credit risk. Organizational structure for this function ensures pre and post-fact management of credit risk. While Credit Review function provides pre-fact evaluation at counterparty level; Credit Risk Control (Credit Administration) function performs the role of custodian of collateral and provides expertise for completion of legal documentation, etc.

The Bank has adopted the Standardized approach to Credit Risk for regulatory capital calculation in compliance with Basel-II requirements. As a medium-term goal, we intend to graduate to the Foundation Internal Ratings Based approach and have made significant progress in this direction.

The basic guiding principles for management of credit risk at MCB are as follows.

- Individuals who take or manage risks clearly understand them in order to protect the Bank from avoidable risks;
- All approvals of credit facilities to counterparties are subject to pre-fact independent review;
- All enhancements and material changes in credit facilities are subject to independent pre-fact review;
- Approval and review process is independently reviewed by the Risk Management and Portfolio Review Committee (RM&PRC) of the Board of Directors and Internal Audit;
- Management periodically reviews the powers of credit approving and credit reviewing authorities;
- Credit approval and review decisions of authorized personnel are independently reviewed by one level higher authority on sample basis as part of a process of hindsight review.

New initiatives

- Portfolio management function has been strengthened in order to identify portfolio concentrations and
- Probability of Default estimation exercise has been initiated which will take the bank towards adopting Foundation Internal Ratings Based approach as defined under Basel-II.
- Portfolio management function has been strengthened in order to identify portfolio concentrations and
- A regular portfolio review process of corporate clients has also been initiated to evaluate the performance of major industry sectors in the wake of latest macroeconomic changes.

Concentration of credit and deposits

Out of the total financial assets of Rs. 414,632.155 million (2007: Rs. 381,037 million) the financial assets which are subject to credit risk amounting to Rs. 403,250.563 million (2007: Rs. 369,575 million). To manage credit risk the bank applies credit limits to its customers and obtains adequate collaterals. Investments amounting to Rs. 86,198 million (2007: Rs. 97,047 million) are guaranteed by the Government of Pakistan. In addition, an amount of Rs. 21,854 million (2007: Rs. 24,517 million) are held by the Bank with the State Bank of Pakistan and central banks of other countries.

44.1.1 Segmental information

Segmental Information is presented in respect of the class of business and geographical distribution of advances (gross), deposits, contingencies and

	2008					
	Advances (Gross)		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)
44.1.1.1 Segments by class of business						
Agriculture, forestry, hunting and fishing	10,414,918	3.81	34,461,318	10.44	679,404	0.26
Mining and quarrying	1,670,510	0.61	254,075	0.08	-	-
Textile	35,240,763	12.90	1,381,008	0.42	8,899,509	3.34
Chemical and pharmaceuticals	13,931,176	5.10	1,160,792	0.35	7,126,392	2.68
Cement	4,986,099	1.82	17,454	0.01	5,203,675	1.95
Sugar	6,490,201	2.38	663,341	0.20	2,500,375	0.94
Footwear and leather garments	2,023,653	0.74	142,938	0.04	491,410	0.18
Automobile and transportation equipment	2,422,517	0.89	292,281	0.09	2,407,819	0.90
Electronics and electrical appliances	2,768,742	1.01	319,654	0.10	-	-
Construction	-	-	-	-	2,494,184	0.94
Power (electricity), gas, water, sanitary	48,480,574	17.74	532,842	0.16	3,132,122	1.18
Wholesale and Retail Trade	24,867,705	9.10	47,715,623	14.45	6,842,007	2.57
Exports / imports	-	-	-	-	-	-
Transport, storage and communication	33,182,312	12.14	358,139	0.11	8,818,563	3.31
Financial	10,490,556	3.84	6,531,092	1.98	167,324,013	62.84
Insurance	200,000	0.07	2,593,403	0.79	-	-
Services	4,121,252	1.51	49,397,748	14.96	2,147,720	0.81
Individuals	32,721,115	11.98	153,817,203	46.56	-	-
Others	39,208,592	14.36	30,606,169	9.26	48,184,105	18.10
	273,220,685	100	330,245,080	100	266,251,298	100

	2007					
	Advances (Gross)		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)
Agriculture, forestry, hunting and fishing	2,023,407	0.88	33,955,983	11.63	1,785,793	0.84
Mining and quarrying	256,233	0.11	232,217	0.08	66,491	0.03
Textile	35,741,728	15.56	1,331,384	0.46	7,250,420	3.40
Chemical and pharmaceuticals	8,061,429	3.51	787,584	0.27	3,448,972	1.62
Cement	5,310,127	2.31	152,889	0.05	1,090,783	0.51
Sugar	5,936,493	2.58	439,663	0.15	23,717	0.01
Footwear and leather garments	2,063,300	0.90	324,337	0.11	974,005	0.46
Automobile and transportation equipment	480,156	0.21	130,494	0.04	583,265	0.27
Electronics and electrical appliances	1,681,402	0.73	78,700	0.03	-	-
Construction	-	-	-	-	1,219,191	0.57
Power (electricity), gas, water, sanitary	14,837,745	6.46	1,992,295	0.68	1,672,359	0.78
Wholesale and Retail Trade	22,838,333	9.94	37,318,876	12.78	7,015,754	3.29
Exports / imports	183,913	0.08	-	-	-	-
Transport, storage and communication	11,370,208	4.95	2,420,960	0.83	1,158,025	0.54
Financial	15,369,157	6.69	8,691,403	2.98	154,620,283	72.48
Insurance	200,000	0.09	1,847,660	0.63	-	-
Services	3,796,219	1.65	4,136,923	1.42	-	-
Individuals	31,855,010	13.87	136,928,992	46.88	-	-
Others	67,727,200	29.48	61,317,987	20.99	32,408,049	15.19
	229,732,060	100	292,088,347	100	213,317,107	100

	2008					
	Advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)
44.1.1.2 Segment by sector						
Public / Government	60,292,476	22.07	16,144,540	4.89	61,587,937	23.13
Private	212,928,209	77.93	314,100,540	95.11	204,663,361	76.87
	273,220,685	100	330,245,080	100	266,251,298	100

	2007					
	Advances		Deposits		Contingencies and commitments	
	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)	(Rupees in '000)	Percent (%)
Public / Government	27,212,441	11.85	14,793,604	5.06	35,552,582	16.67
Private	202,519,619	88.15	277,294,743	94.94	177,764,525	83.33
	229,732,060	100	292,088,347	100	213,317,107	100

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

	2008		2007	
	Classified Advances	Specific Provision Held	Classified Advances	Specific Provision Held
------(Rupees in '000)-----				
Agriculture, forestry, hunting and fishing	912,008	446,712	267,996	58,282
Mining and quarrying	40,584	25,889	17,741	15,988
Textile	2,921,409	2,311,466	1,279,026	970,589
Chemical and pharmaceuticals	117,807	59,967	21,800	21,676
Cement	304	304	750	750
Sugar	387,854	135,490	20,572	20,572
Footwear and leather garments	107,162	91,361	71,301	61,381
Automobile and transportation equipment	116,026	42,522	3,461	1,881
Electronics and electrical appliances	557,891	518,597	132,910	132,910
Construction	79,761	55,999	85,057	74,338
Power (electricity), gas, water, sanitary	4,324	3,727	1,884	1,884
Wholesale and retail trade	3,147,146	2,165,778	4,823,241	2,712,213
Exports / imports	318,339	288,582	354,637	341,318
Transport, storage and communication	72,875	59,512	34,967	21,662
Financial	2,094,479	118,729	53,159	53,159
Services	295,928	180,636	288,365	214,851
Individuals	1,444,105	732,184	783,526	479,321
Others	5,650,875	2,658,434	2,484,915	2,144,178
	18,268,877	9,895,889	10,725,308	7,326,953

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

Public/ Government	-	-	-	-
Private	18,268,877	9,895,889	10,725,308	7,326,953
	18,268,877	9,895,889	10,725,308	7,326,953

44.1.1.5 Geographical segment analysis

	2008			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and Commitments
------(Rupees in '000)-----				
Pakistan	21,487,087	430,301,251	59,735,146	259,953,518
Asia Pacific (including South Asia)	249,355	4,988,327	246,259	3,066,685
Middle East	150,298	9,996,180	150,728	3,231,095
	21,886,740	445,285,758	60,132,133	266,251,298
	2007			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and Commitments
------(Rupees in '000)-----				
Pakistan	22,346,198	402,341,635	57,377,243	209,721,347
Asia Pacific (including South Asia)	123,733	3,415,330	113,176	2,045,760
Middle East	56,380	7,143,876	56,903	1,550,000
	22,526,311	412,900,841	57,547,322	213,317,107

Total assets employed include intra group items of Rs. NIL (2007: Rs. NIL).

44.2 Market Risk Management

The Bank is exposed to interest rate risk, foreign exchange risk and equity price risk. The Bank is using in-house and vendor based solutions for calculating mark to market value of its positions and generating VaR (value at risk) and sensitivity numbers. Besides conventional methods, the Bank is using VaR for market risk assessment of assets booked by treasury and capital market groups. The Bank is using variance co-variance approach of VaR measure for conventional products and Monte Carlo simulation approach for derivative and structured products.

Further stress testing of both banking and trading books are performed in line with SBP guidelines.

The Bank is exposed to interest rate risk both in trading and banking books. Presently the market risk reporting system is generating risk numbers of government securities held by the Bank's treasury. The risk management system generates daily reports based upon the marked to market of these assets. These reports provide risk numbers i.e. duration, PVBP, and VaR on individual security basis. The system also generates summarized reports on portfolio basis. These reports are presented to the senior management for review on a daily basis.

44.2.1 Foreign Exchange Risk Management

The core objective of foreign exchange risk management is to ensure the foreign exchange exposure of the Bank remain within defined risk appetite (15% of paid up capital). Further, gap limits have been introduced for USD exposures. We are in the process of introducing gap limits for other major currencies depending on the significance of exposures in the respective currencies. Daily reports are generated to evaluate the exposure in different currencies. Further risk management system generates VaR and PVBP numbers for foreign exchange portfolio to estimate the potential loss under normal conditions. Stress testing of foreign exchange portfolio is also performed and reported to senior management. All these activities are performed on a daily basis.

	2008			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	------(Rupees in '000)-----			
Pakistan Rupee	428,252,703	398,296,916	3,852,581	33,808,368
United States Dollar	15,326,446	(9,314,526)	(6,146,330)	18,494,642
Pound Sterling	396,816	(1,260,620)	876,926	2,534,362
Japanese Yen	118,906	(282)	(83,472)	35,716
Euro	1,079,049	(2,566,438)	1,500,295	5,145,782
Other currencies	111,838	(1,425)	-	113,263
	445,285,758	385,153,625	-	60,132,133

	2007			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	------(Rupees in '000)-----			
Pakistan Rupee	394,396,172	344,604,249	7,291,655	57,083,578
United States Dollar	16,509,102	8,051,477	(8,154,730)	302,895
Pound Sterling	228,698	1,073,197	901,837	57,338
Japanese Yen	129,669	173	(130,985)	(1,489)
Euro	1,540,000	1,624,423	100,924	16,501
Other currencies	97,200	-	(8,701)	88,499
	412,900,841	355,353,519	-	57,547,322

44.2.2 Equity Price Risk

Equity price risk is managed by applying trading limit, scrip-wise and portfolio wise nominal limits. VaR numbers generation and stress testing of the equity portfolio are also performed and reported to senior management on daily basis.

Mismatch of Interest Rate Sensitive Assets and Liabilities

Yield / interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date.

Effective Yield/ Interest rate	Total	2008 Exposed to Yield/ Interest risk									Not exposed to Yield/ Interest Risk	
		Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years		
		(Rupees in '000)										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	0.90%	39,631,219	1,950,742	-	-	-	-	-	-	-	-	37,680,477
Balances with other banks	1.20%	4,106,526	759,437	-	-	-	-	-	-	-	-	3,347,089
Lendings to financial institutions	15.75% to 21%	4,100,079	4,100,079	-	-	-	-	-	-	-	-	-
Investments - net	6% to 17.56%	95,215,602	35,024,737	45,481,121	4,980,612	708,396	286,557	674,063	2,459,769	980,996	95,823	4,523,528
Advances - net	18.00%	262,508,830	157,504,642	52,502,094	39,376,570	13,125,524	-	-	-	-	-	-
Other assets - net		9,069,899	-	-	-	-	-	-	-	-	-	9,069,899
		414,632,155	199,339,637	97,983,215	44,357,182	13,833,920	286,557	674,063	2,459,769	980,996	95,823	54,620,993
Liabilities												
Bills payable		10,551,468	-	-	-	-	-	-	-	-	-	10,551,468
Borrowings	15.50%	22,663,840	9,086,591	7,918,373	5,658,876	-	-	-	-	-	-	-
Deposits and other accounts	5 % to 9.5 %	330,245,080	160,598,414	17,007,818	11,656,112	21,055,371	1,325,882	2,083,437	4,050,130	-	-	112,467,916
Other liabilities		8,876,321	-	-	-	-	-	-	-	-	-	8,876,321
		372,336,709	169,685,005	24,926,191	17,314,988	21,055,371	1,325,882	2,083,437	4,050,130	-	-	131,895,705
On-balance sheet gap		42,295,446	29,654,632	73,057,024	27,042,194	(7,221,451)	(1,039,325)	(1,409,374)	(1,590,361)	980,996	95,823	(77,274,712)
Off-balance sheet financial instruments												
Forward Outright purchase - Govt. securities		26,644,450	26,644,450	-	-	-	-	-	-	-	-	-
Foreign exchange contracts Purchase		69,708,932	21,618,865	35,282,618	12,794,158	13,291	-	-	-	-	-	-
Interest rate swaps - long position		2,144,130	-	1,977,463	-	-	166,667	-	-	-	-	-
Cross currency swaps - long position		173,127	-	-	-	-	-	173,127	-	-	-	-
		98,670,639	48,263,315	37,260,081	12,794,158	13,291	166,667	173,127	-	-	-	-
Foreign exchange contracts Sale		67,476,228	21,427,005	19,037,097	19,365,275	7,629,100	17,751	-	-	-	-	-
Interest rate swaps - short position		266,667	-	100,000	-	-	166,667	-	-	-	-	-
Cross currency swaps - short position		173,127	-	-	-	-	-	173,127	-	-	-	-
Forward Outright sale - Govt securities		20,827,530	20,827,530	-	-	-	-	-	-	-	-	-
		88,743,552	42,254,535	19,137,097	19,365,275	7,629,100	184,418	173,127	-	-	-	-
Off-balance sheet gap		9,927,087	6,008,780	18,122,984	(6,571,117)	(7,615,809)	(17,751)	-	-	-	-	-
Total yield / interest risk sensitivity gap			35,663,412	91,180,008	20,471,077	(14,837,260)	(1,057,076)	(1,409,374)	(1,590,361)	980,996	95,823	
Cumulative yield / interest risk sensitivity gap			35,663,412	126,843,420	147,314,497	132,477,237	131,420,161	130,010,787	128,420,426	129,401,422	129,497,245	

Mismatch of Interest Rate Sensitive Assets and Liabilities

Yield / interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date.

Effective Yield/ Interest rate	Total	2007									Not exposed to Yield/ Interest Risk	
		Exposed to Yield/ Interest risk										
		Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years		
----- (Rupees in '000) -----												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	4.24%	39,683,883	534,159	-	-	-	-	-	-	-	-	39,149,724
Balances with other banks	6.18%	3,867,591	631,864	-	-	-	-	-	-	-	-	3,235,727
Lendings to financial institutions	11.20%	1,051,372	51,372	1,000,000	-	-	-	-	-	-	-	-
Investments - net	9.78%	112,018,133	21,214,364	13,498,301	19,138,757	33,051,162	4,033,023	1,267,859	2,345,401	4,179,487	1,939,961	11,349,818
Advances - net	10.89%	218,959,786	5,964,299	27,227,275	49,538,582	61,024,392	17,891,332	17,891,332	35,782,665	1,455,964	2,183,945	-
Other assets - net		<u>5,456,732</u>	<u>3,525</u>	<u>567</u>	-	-	-	-	-	-	-	<u>5,452,640</u>
		381,037,497	28,399,583	41,726,143	68,677,339	94,075,554	21,924,355	19,159,191	38,128,066	5,635,451	4,123,906	59,187,909
Liabilities												
Bills payable		10,479,058	-	-	-	-	-	-	-	-	-	10,479,058
Borrowings	6.56%	39,406,831	33,027,113	3,300,305	606,336	-	-	-	2,473,077	-	-	-
Deposits and other accounts	2.02%	292,088,347	161,710,432	4,555,291	3,418,892	12,850,476	2,283,975	1,974,594	4,354,242	1,842,888	-	99,097,557
Sub-ordinated loan	1.75% to 15.75%	479,232	-	479,232	-	-	-	-	-	-	-	-
Other liabilities		<u>7,698,729</u>	-	-	-	-	-	-	-	-	-	<u>7,698,729</u>
		350,152,197	194,737,545	8,334,828	4,025,228	12,850,476	2,283,975	1,974,594	6,827,319	1,842,888	-	117,275,344
On-balance sheet gap		<u>30,885,300</u>	<u>(166,337,962)</u>	<u>33,391,315</u>	<u>64,652,111</u>	<u>81,225,078</u>	<u>19,640,380</u>	<u>17,184,597</u>	<u>31,300,747</u>	<u>3,792,563</u>	<u>4,123,906</u>	<u>(58,087,435)</u>
Off-balance sheet financial instruments												
Forward lendings		-	-	-	-	-	-	-	-	-	-	-
Outright purchase - Govt. securities		-	-	-	-	-	-	-	-	-	-	-
Foreign exchange contracts:		-	-	-	-	-	-	-	-	-	-	-
- Purchase		62,077,338	16,646,098	18,595,351	17,000,385	9,835,504	-	-	-	-	-	-
Interest rate swaps		2,721,698	18,182	-	53,516	300,000	1,850,000	500,000	-	-	-	-
Cross currency swaps		<u>1,845,484</u>	-	-	-	-	<u>588,660</u>	<u>240,000</u>	<u>1,016,824</u>	-	-	-
		66,644,520	16,664,280	18,595,351	17,053,901	10,135,504	2,438,660	740,000	1,016,824	-	-	-
Foreign exchange contracts:		-	-	-	-	-	-	-	-	-	-	-
- Sale		<u>69,362,417</u>	<u>23,865,234</u>	<u>18,208,526</u>	<u>8,633,379</u>	<u>18,655,278</u>	-	-	-	-	-	-
		69,362,417	23,865,234	18,208,526	8,633,379	18,655,278	-	-	-	-	-	-
Off-balance sheet gap		<u>(2,717,897)</u>	<u>(7,200,954)</u>	<u>386,825</u>	<u>8,420,522</u>	<u>(8,519,774)</u>	<u>2,438,660</u>	<u>740,000</u>	<u>1,016,824</u>	-	-	-
Total yield / interest risk sensitivity gap			<u>(173,538,916)</u>	<u>33,778,140</u>	<u>73,072,633</u>	<u>72,705,304</u>	<u>22,079,040</u>	<u>17,924,597</u>	<u>32,317,571</u>	<u>3,792,563</u>	<u>4,123,906</u>	
Cumulative yield / interest risk sensitivity gap			<u>(173,538,916)</u>	<u>(139,760,776)</u>	<u>(66,688,143)</u>	<u>6,017,161</u>	<u>28,096,201</u>	<u>46,020,798</u>	<u>78,338,369</u>	<u>82,130,932</u>	<u>86,254,838</u>	

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve.

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates.

	2008		2007			2008		2007	
	(Rupees in '000)					(Rupees in '000)			
Reconciliation to total assets					Reconciliation to total liabilities				
Balance as per balance sheet	445,285,758	412,900,841			Balance as per balance sheet	385,153,625	355,353,519		
Less: Non financial assets					Less: Non financial liabilities				
Investments	2,574,789	3,340,457			Other liabilities	12,376,621	4,017,736		
Operating fixed assets	17,320,485	16,082,781			Deferred tax liability	440,295	1,183,586		
Other assets	10,758,329	12,440,106				12,816,916	5,201,322		
	30,653,603	31,863,344							
Total financial assets	<u>414,632,155</u>	<u>381,037,497</u>			Total financial liabilities	<u>372,336,709</u>	<u>350,152,197</u>		

44.4 Liquidity Risk

It is the policy of the Bank to maintain adequate liquidity at all times, in all geographical locations and for all currencies and hence to be in a position, in the normal course of business, to meet all our obligations, to repay depositors, to fulfill commitments to lend and to meet any other commitments made. The Bank manages liquidity risk in three stages.

- Balance sheet management;
- Liquidity management; and
- Intraday liquidity management.

Balance sheet management

Balance-sheet management is the practice of reviewing the actual and planned strategic growth of business and its impact from a balance sheet integrity and sustainability perspective. As such the goal is to identify any risks arising from structural imbalances and concentrations, and seek to alter plans in order to avoid these developing into a liquidity problem.

Liquidity management

Liquidity management is the day to day practice of ensuring that the Bank is able to meet all its payment obligations as they fall due without having to sell assets or borrow funds at short notice at adverse market prices. While primarily focused on the management of cash-flows, MCB maintains a portfolio of marketable securities that can either be sold outright or sold through a repurchase agreement to generate cash-flow for meeting liquidity requirements. Another precautionary measure is the active maintenance of borrowing relationships to ensure the continued access to diverse market of funding sources.

Intraday liquidity management

Intraday liquidity management is the practice of ensuring that the Bank has sufficient cash during the day to make payments through the local payment system. In this respect, MCB maintains cash balances from which payments are made or generate a cash balances through the receipt of payments due or from borrowing or the outright sale or pledging of qualifying securities with the State Bank of Pakistan.

44.4.1 Maturities of Assets and Liabilities - Based on contractual maturity of the assets and liabilities of the Bank

	2008									
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
------(Rupees in '000)-----										
Assets										
Cash and balances with treasury banks	39,631,219	39,631,219	-	-	-	-	-	-	-	-
Balances with other banks	4,106,526	4,106,526	-	-	-	-	-	-	-	-
Lendings to financial institutions	4,100,079	4,100,079	-	-	-	-	-	-	-	-
Investments - net	97,790,391	26,313,460	46,011,877	5,013,425	4,760,623	3,477,594	1,926,341	4,755,241	2,861,218	2,670,612
Advances - net	262,508,830	12,828,821	1,386,235	101,048,429	71,271,406	39,939,731	12,667,283	19,214,140	3,094,364	1,058,421
Operating fixed assets	17,320,485	76,729	153,459	230,188	460,377	920,753	920,753	1,841,506	4,570,877	8,145,843
Deferred tax assets	1,199,486	10,663	40,152	31,615	358,692	79,400	77,018	95,038	494,231	12,677
Other assets - net	19,828,228	6,364,554	5,823,749	448,374	547,038	6,642,888	1,625	-	-	-
	446,485,244	93,432,051	53,415,472	106,772,031	77,398,136	51,060,366	15,593,020	25,905,925	11,020,690	11,887,553
Liabilities										
Bills payable	10,551,468	10,551,468	-	-	-	-	-	-	-	-
Borrowings	22,663,840	9,086,590	6,867,997	4,608,502	1,050,376	1,050,375	-	-	-	-
Deposits and other accounts	330,245,080	273,066,330	17,007,818	11,656,112	21,055,371	1,325,882	2,083,437	4,050,130	-	-
Sub-ordinated loan	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	1,639,781	37,650	62,137	91,373	182,746	365,492	147,080	294,160	57,400	401,743
Other liabilities	21,252,942	6,355,440	4,380,863	5,177,673	1,343,818	1,420,253	502,860	984,145	1,087,890	-
	386,353,111	299,097,478	28,318,815	21,533,660	23,632,311	4,162,002	2,733,377	5,328,435	1,145,290	401,743
Net assets	60,132,133	(205,665,427)	25,096,657	85,238,371	53,765,825	46,898,364	12,859,643	20,577,490	9,875,400	11,485,810
Share capital	6,282,768									
Reserves	36,772,321									
Unappropriated profit	11,065,723									
Minority interest	69									
Surplus on revaluation of assets										
- net of tax	6,011,252									
	<u>60,132,133</u>									

The above maturity profile has been prepared in accordance with International Accounting Standard (IAS) 30: Disclosure in the financial statements of banks and similar financial institutions based on contractual maturities. The maturity profile disclosed in note 44.4.2 includes maturities of current and saving deposits determined by the Assets and Liabilities Management Committee (ALCO) keeping in view the historical withdrawal pattern of these

44.4.1 Maturities of Assets and Liabilities - Based on contractual maturity of the assets and liabilities of the Bank

	2007									
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	------(Rupees in '000)-----									
Assets										
Cash and balances with treasury banks	39,683,883	39,683,883	-	-	-	-	-	-	-	-
Balances with other banks	3,867,591	3,867,591	-	-	-	-	-	-	-	-
Lendings to financial institutions	1,051,372	51,372	1,000,000	-	-	-	-	-	-	-
Investments - net	115,358,590	24,568,034	14,317,952	20,917,643	37,450,361	4,620,702	1,267,859	2,756,134	5,563,919	3,895,986
Advances - net	218,959,786	5,964,299	27,227,275	49,538,582	61,024,392	17,891,332	17,891,332	35,782,665	1,455,964	2,183,945
Operating fixed assets	16,082,781	55,681	9,224	167,037	334,076	859,565	668,149	836,394	420,590	12,732,065
Deferred tax assets	610,597	-	-	-	913	124,149	178,517	297,646	1,773	7,599
Other assets - net	17,896,838	2,414,006	1,259,203	957,612	2,100,422	2,159,264	3,681,785	5,324,546	-	-
	413,511,438	76,604,866	43,813,654	71,580,874	100,910,164	25,655,012	23,687,642	44,997,385	7,442,246	18,819,595
Liabilities										
Bills payable	10,479,058	10,479,058	-	-	-	-	-	-	-	-
Borrowings	39,406,831	33,027,113	3,300,305	606,336	-	-	-	2,473,077	-	-
Deposits and other accounts	292,088,347	260,807,989	4,555,291	3,418,892	12,850,476	2,283,975	1,974,594	4,354,242	1,842,888	-
Sub-ordinated loan	479,232	-	479,232	-	-	-	-	-	-	-
Deferred tax liabilities	1,794,183	4,165	8,333	20,043	82,665	51,454	49,996	99,991	192,325	1,285,211
Other liabilities	11,716,465	2,223,568	2,084,452	2,031,494	2,217,241	865,317	868,314	867,271	558,808	-
	355,964,116	306,541,893	10,427,613	6,076,765	15,150,382	3,200,746	2,892,904	7,794,581	2,594,021	1,285,211
Net assets	<u>57,547,322</u>	<u>(229,937,027)</u>	<u>33,386,041</u>	<u>65,504,109</u>	<u>85,759,782</u>	<u>22,454,266</u>	<u>20,794,738</u>	<u>37,202,804</u>	<u>4,848,225</u>	<u>17,534,384</u>
Share capital	6,282,768									
Reserves	34,000,927									
Unappropriated profit	7,054,472									
	47,338,167									
Minority interest	63									
Surplus on revaluation of assets - net of tax	10,209,092									
	<u>57,547,322</u>									

The above maturity profile has been prepared in accordance with International Accounting Standard (IAS) 30: Disclosure in the financial statements of banks and similar financial institutions based on contractual maturities. The maturity profile disclosed in note 44.4.2 includes maturities of current and saving deposits determined by the Assets and Liabilities Management Committee (ALCO) keeping in view the historical withdrawal pattern of these deposits.

44.4.2 Maturities of Assets and Liabilities - Based on the working prepared by the Asset and Liabilities Management Committee (ALCO) of the Bank

	2008									
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	------(Rupees in '000)-----									
Assets										
Cash and balances with treasury banks	39,631,219	39,631,219	-	-	-	-	-	-	-	-
Balances with other banks	4,106,526	4,106,526	-	-	-	-	-	-	-	-
Lendings to financial institutions	4,100,079	4,100,079	-	-	-	-	-	-	-	-
Investments - net	97,790,391	26,313,460	46,011,877	5,013,425	4,760,623	3,477,594	1,926,341	4,755,241	2,861,218	2,670,612
Advances - net	262,508,830	12,828,821	1,386,235	101,048,429	71,271,406	39,939,731	12,667,283	19,214,140	3,094,364	1,058,421
Operating fixed assets	17,320,485	76,729	153,459	230,188	460,377	920,753	920,753	1,841,506	4,570,877	8,145,843
Deferred tax assets	1,199,486	10,663	40,152	31,615	358,692	79,400	77,018	95,038	494,231	12,677
Other assets - net	19,828,228	6,364,554	5,823,749	448,374	547,038	6,642,888	1,625	-	-	-
	<u>446,485,244</u>	<u>93,432,051</u>	<u>53,415,472</u>	<u>106,772,031</u>	<u>77,398,136</u>	<u>51,060,366</u>	<u>15,593,020</u>	<u>25,905,925</u>	<u>11,020,690</u>	<u>11,887,553</u>
Liabilities										
Bills payable	10,551,468	10,551,468	-	-	-	-	-	-	-	-
Borrowings	22,663,840	9,086,590	6,867,997	4,608,502	1,050,376	1,050,375	-	-	-	-
Deposits and other accounts	330,245,080	35,454,051	45,707,877	85,926,417	95,325,677	22,811,402	17,788,662	15,827,302	5,780,296	5,623,396
Sub-ordinated loan	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	1,639,781	37,650	62,137	91,373	182,746	365,492	147,080	294,160	57,400	401,743
Other liabilities	21,252,942	6,355,440	4,380,863	5,177,673	1,343,818	1,420,253	502,860	984,145	1,087,890	-
	<u>386,353,111</u>	<u>61,485,199</u>	<u>57,018,874</u>	<u>95,803,965</u>	<u>97,902,617</u>	<u>25,647,522</u>	<u>18,438,602</u>	<u>17,105,607</u>	<u>6,925,586</u>	<u>6,025,139</u>
Net assets	<u>60,132,133</u>	<u>31,946,852</u>	<u>(3,603,402)</u>	<u>10,968,066</u>	<u>(20,504,481)</u>	<u>25,412,844</u>	<u>(2,845,582)</u>	<u>8,800,318</u>	<u>4,095,104</u>	<u>5,862,414</u>
Share capital	6,282,768									
Reserves	36,772,321									
Unappropriated profit	11,065,723									
Minority interest	69									
Surplus on revaluation of assets										
- net of tax	<u>6,011,252</u>									
	<u>60,132,133</u>									

Refer the sub-note to note 44.4.1 also. Current and saving deposits do not have any contractual maturity. Therefore, current deposits and saving accounts have been classified between all nine maturities. Further, it has been assumed that on a going concern basis, these deposits are not expected to fall below the current year's level.

44.4.2 Maturities of Assets and Liabilities - Based on the working prepared by the Asset and Liabilities Management Committee (ALCO) of the Bank

	2007									
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	------(Rupees in '000)-----									
Assets										
Cash and balances with treasury banks	39,683,883	39,683,883	-	-	-	-	-	-	-	-
Balances with other banks	3,867,591	3,867,591	-	-	-	-	-	-	-	-
Lendings to financial institutions	1,051,372	51,372	1,000,000	-	-	-	-	-	-	-
Investments - net	115,358,590	24,568,034	14,317,952	20,917,643	37,450,361	4,620,702	1,267,859	2,756,134	5,563,919	3,895,986
Advances - net	218,959,786	5,964,299	27,227,275	49,538,582	61,024,392	17,891,332	17,891,332	35,782,665	1,455,964	2,183,945
Operating fixed assets	16,082,781	55,681	9,224	167,037	334,076	859,565	668,149	836,394	420,590	12,732,065
Deferred tax assets	610,597	-	-	-	913	124,149	178,517	297,646	1,773	7,599
Other assets - net	17,896,838	2,414,006	1,259,203	957,612	2,100,422	2,159,264	3,681,785	5,324,546	-	-
	413,511,438	76,604,866	43,813,654	71,580,874	100,910,164	25,655,012	23,687,642	44,997,385	7,442,246	18,819,595
Liabilities										
Bills payable	10,479,058	10,479,058	-	-	-	-	-	-	-	-
Borrowings	39,406,831	33,027,113	3,300,305	606,336	-	-	-	2,473,077	-	-
Deposits and other accounts	292,088,347	29,986,533	33,628,921	76,432,222	85,863,528	21,973,538	16,579,245	15,741,140	6,927,894	4,955,326
Sub-ordinated loan	479,232	-	479,232	-	-	-	-	-	-	-
Deferred tax liabilities	1,794,183	4,165	8,333	20,043	82,665	51,454	49,996	99,991	192,325	1,285,211
Other liabilities	11,716,465	2,223,568	2,084,452	2,031,494	2,217,241	865,317	868,314	867,271	558,808	-
	355,964,116	75,720,437	39,501,243	79,090,095	88,163,434	22,890,309	17,497,555	19,181,479	7,679,027	6,240,537
Net assets	57,547,322	884,428	4,312,411	(7,509,221)	12,746,730	2,764,703	6,190,087	25,815,906	(236,781)	12,579,058
Share capital	6,282,768									
Reserves	34,000,927									
Unappropriated profit	7,054,472									
	47,338,167									
Minority interest	63									
Surplus on revaluation of assets										
- net of tax	10,209,092									
	57,547,322									

Refer the sub-note to note 44.4.1 also. Current and saving deposits do not have any contractual maturity. Therefore, current deposits and saving accounts have been classified between all nine maturities. Further, it has been assumed that on a going concern basis, these deposits are not expected to fall below the current year's level.

44.5 Operational Risk

In line with the BIS Basel-II framework, we define Operational Risk as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition includes legal risk, but excludes strategic and reputational risks.

Operational Risk Management Division (ORMD) is primarily responsible for bank-wide operational risk management. Although the respective business and support functions are the risk takers / owners, ORMD provides assistance and guidance to these areas for proactive operational risk management. Our Risk Management Policy and bank-wide Operational Risk Management Framework (ORMF) have been developed in line with international best practices.

ORMD initiated the process of collecting and analyzing operational risk data (both loss and control breach / near misses) on key risks in 2007. Based on the analysis of this data, ORMD prepares periodic reports for the senior management and Risk Management and Portfolio Review Committee (RM&PRC) of the Board of Directors on significant risk events, impact analysis and recommendations for improvement in controls / risk mitigation.

Major processes for operational risk management include, but are not limited to, a Risk & Control Self Assessment exercise, regular reporting of operational losses and control breaches through ORMD to senior management, setting and monitoring of tolerance limits, and improving awareness of, and adherence to, operational risk aspects across the Bank.

We are currently using the Basic Indicator approach to Operational Risk for regulatory capital calculation. However, in line with our policy to adopt the Standardized / Alternate Standardized Approach a number of initiatives have been undertaken which include Business Line Mapping, Risk and Control Self Assessment (RCSA), development of a methodology for setting Value at Risk (VaR) based tolerance limits for Basel risk event types, for business and support Groups and on bank-wide basis as well as setting threshold levels for Key Risk Indicators (KRIs).

45. GENERAL

Comparative information has been reclassified and rearranged in these financial statements for the purpose of comparison. No significant reclassification has been made except for as follows;

- An amount of Rs. 436.936 million on account of postal, SWIFT and other charges recovered has been reclassified as other income. Previously, these were netted of with administrative expenses.
- An amount of Rs. 33.236 million on account of VAT Srilanka have been reclassified from administrative expenses to other charges.

46. NON-ADJUSTING EVENT

The Board of Directors in its meeting held on February 16, 2009 has announced a final cash dividend in respect of the year ended December 31, 2008 of Rs.2.5 per share (2007: Rs. 5 per share) and bonus issue of 10% (2007: NIL). These financial statements for the year ended December 31, 2008 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held on February 16, 2009.

President and Chief Executive

Director

Director

Director

1 Particulars of Investments in listed companies, mutual funds and modarabas-available for sale

Investee Entities	Note	Number of Ordinary and preference shares/certificates/units held	Paid-up value per share/certificate/unit	Total paid-up/ nominal value	Cost as at 31 December 2008
			Rupees	(Rupees in '000)	
Fully Paid-up Preference Shares					
Azgard Nine Limited		1,160,241	10	11,602	11,602
Masood Textile Mills Limited	1.1	5,000,000	10	50,000	50,000
					61,602
Fully Paid-up Ordinary Shares					
Abbott Laboratories Pakistan Limited		135,600	10	1,356	25,200
Allied Bank Limited		2,585,720	10	25,857	284,251
Arif Habib Limited		87,500	10	875	23,302
Arif Habib Securities Limited		1,529,875	10	15,299	214,004
Askari Bank Limited		4,286,576	10	42,866	301,018
Atlas Bank Limited		6,140,500	10	61,405	94,825
Attock Petroleum Limited		108,120	10	1,081	45,644
Bank Alfalah Limited		3,012,543	10	30,125	162,531
Bank Al-Habib Limited		4,276,872	10	42,769	217,490
Century Papers & Board Mills Limited		438,460	10	4,385	17,657
Cherat Cement Company Limited		28,800	10	288	1,669
EFU General Insurance Limited		12,040	10	120	822
EFU Life Insurance Company Limited		7,569	10	76	369
Engro Chemical Pakistan Limited		857,964	10	8,580	298,876
Fauji Fertilizer Bin Qasim Company Limited		4,092,674	10	40,927	166,023
Fauji Fertilizer Company Limited		6,818,316	10	68,183	601,703
Glaxosmithkline Pakistan Limited		484,672	10	4,847	64,437
Habib Bank Limited		1,229,100	10	12,291	295,489
Habib Metropolitan Bank Limited		552,410	10	5,524	30,024
Hub Power Company Limited		939,925	10	9,399	24,113
IGI Insurance Company of Pakistan Limited		440,490	10	4,405	83,412
Indus Motor Company Limited		42,027	10	420	8,655
International Industries Limited		382,754	10	3,828	35,188
JS Bank Limited		1,319,000	10	13,190	27,808
Jahangir Siddiqui and Company Limited		1,156,469	10	11,565	222,654
Kohinoor Energy Limited		55,000	10	550	1,566
Kot Addu Power Company Limited		915,400	10	9,154	46,540
Lucky Cement Limited		175,000	10	1,750	24,098
Mehr Dastagir Textile Mills Limited		1,616,912	10	16,169	16,169
Maple Leaf Cement Company Limited		12,411,500	10	124,115	221,022
Millat Tractors Limited		91,228	10	912	12,371
National Bank Of Pakistan		1,693,892	10	16,939	298,131
National Refinery Limited		30,000	10	300	10,774
Oil & Gas Development Company Limited		2,150,165	10	21,502	282,517
Orix Leasing Pakistan Limited		253,920	10	2,539	5,025
Pace Pakistan Limited		43,000	10	430	1,456
Packages Limited		21,911	10	219	5,941
Pak Suzuki Motor Company Limited		49,600	10	496	18,028
Pakistan Cables Limited		86,716	10	867	14,410
Pakistan Cement Company Limited		46,000	10	460	641
Pakistan Oilfields Limited		795,720	10	7,957	273,012
Pakistan Petroleum Limited		715,088	10	7,151	174,015
Pakistan State Oil Company Limited		466,600	10	4,666	237,216
Pakistan Telecommunication Company Limited		4,893,731	10	48,937	244,216
Pakistan Tobacco Company Limited		138,700	10	1,387	22,536
Rupali Polyester Limited		658,545	10	6,585	46,475
Soneri Bank Limited		2,802,600	10	28,026	119,546
Sui Northern Gas Pipelines Limited		47,728,822	10	477,288	2,205,253
Taj Textile Mills Limited		400	10	4	1
Thal Limited		37,380	5	187	4,256
The Bank of Punjab		6,423,100	10	64,231	170,996
TRG Pakistan Limited		500,000	10	5,000	7,124
Trust Securities & Brokerage Limited		300,000	10	3,000	3,000
Unilever Pakistan Limited		33,280	50	1,664	47,892
United Bank Limited		2,214,000	10	22,140	302,672
Zulfiqar Industries Limited		27,761	10	278	3,557
Total					8,067,620

Investee Entities	Number of Ordinary and preference shares/ certificates/units held	Paid-up value per share/certificate/u nit Rupees	Total paid- up/ nominal value (Rupees in '000)	Cost as at 31 December 2008	
Fully Paid-up Modaraba Certificates					
First Al-Noor Modaraba	Al-Noor Modaraba Management (Private) Limited	5,553,270	10	55,532.70	60,606
Total				<u><u>60,606</u></u>	
Carrying value (before revaluation and provision) Listed Shares 'available for sale'				8,189,828	
Provision for diminution in value of investments				(2,591,650)	
Deficit on revaluation of securities				(2,286,629)	
Carrying value as at December 31, 2008				<u><u>3,311,549</u></u>	

Fully Paid-up Ordinary Certificates/Units of Mutual Funds	Name of Management Company	Number of units held	Paid-up value per unit Rupees	Total paid- up/ nominal value (Rupees in '000)	Cost as at December 31, 2008
MCB Dynamic Cash Fund	MCB Asset Management Company Limited	2,922,443	100	292,244	250,000
KASB Liquid Fund	KASB Asset Management Company Limited	153,813	100	15,381	15,000
Atlas Islamic Fund	Atlas Asset Management Company Limited	20,967	500	10,484	10,000
MCB Dynamic Stock Fund (IPO)	MCB Asset Management Company Limited	3,033,874	100	303,387	301,909
MCB Dynamic Allocation Fund (IPO)	MCB Asset Management Company Limited	1,000,000	100	100,000	100,000
Carrying value before revaluation & provision					<u><u>676,909</u></u>
Provision for diminution in value of investments					(194,694)
Surplus on revaluation of securities					37,018
Carrying value as at December 31, 2008					<u><u>519,233</u></u>

- 1.1 These are redeemable after the end of the fourth year from June 2005 at the option of the issuer either in whole or multiples of 10% of outstanding issue at a price of Rs. 10 per share plus any accumulated preference dividend. Dividend rate is 6 months KIBOR + 200 bps per annum.

Particulars of Investments in listed companies / mutual fund-held for trading

	Number of Ordinary share / unit held	Paid-up value per share / unit Rupees	Total paid- up/ nominal value (Rupees in '000)	Cost as at 31 December 2008
Allied Bank Limited	305,880	10	3,059	21,665
Pakistan Petroleum Limited	55,000	10	550	10,844
Attock Petroleum Limited	100,200	10	1,002	31,159
Bank Alfalah Limited	267,200	10	2,672	10,551
ICI Pakistan Limited	42,400	10	424	6,425
Jahangir siddique and Company Limited	154,700	10	1,547	20,709
Lucky Cement Limited	488,100	10	4,881	42,711
Maple Leaf Cement Company Limited	150,000	10	1,500	1,116
Packages Limited	18,500	10	185	4,506
Pakistan Oilfields Limited	84,000	10	840	19,829
Thal Limited	14,000	5	70	1,851
United Bank Limited	65,000	10	650	6,420
Units in open ended mutual fund				
MCB Dynamic Cash Fund	3,338,679	100	333,868	325,831
Total				<u>503,617</u>

3) Particulars of Investment held in unlisted companies-available for sale

Company Name	Percentage of holding (%)	Number of shares / certificates held	Carrying value as at December 31, 2008	Net Asset Value of total investment	Based on audited financial statements as at	Name of Chief Executive
Shareholding more than 10%			(Rs ' 000 ')			
Fully paid up preference shares						
Fazal Cloth Mills Limited (3.2)	40.00%	10,000,000	100,000	-	-	Mr. Sheikh Naseem Ahmed
Fully paid up Ordinary Shares/ Certificates/ Units						
Pak Asian Fund Limited	10.22%	1,150,000	11,500	19,462	June 30, 2008	Mr. Ashfaq A. Berdi
Khushhali Bank Limited	17.60%	30,000,000	300,000	323,680	December 31, 2007	Mr. Ghalib Nishtar
Central Depository Company of Pakistan Limited	10.00%	5,000,000	10,000	138,840	June 30, 2008	Mr. Mohammad Hanif Jhakura
			321,500			
Shareholding upto 10%						
Fully paid up Ordinary Shares/ Certificates/ Units						
First Capital Investment Limited		250,000	2,500	2,828	June 30, 2008	Mr. Kamran Hafeez
Equity Participation Fund		15,000	1,500	9,751	June 30, 2008	Mr. Jamil Nasim
National Institute of Facilitation Technology Private Limited		985,485	1,527	46,050	June 30, 2008	Mr. Muzaffar Mahmood Khan
National Investment Trust Limited		52,800	100	261,530	June 30, 2008	Mr. Tariq Iqbal Khan
SME Bank Limited		1,490,619	10,106	18,001	December 31, 2007	Mr. R. A. Chughtai
Society for Worldwide Inter Fund Transfer (SWIFT)		31	2,993	7,867	December 31, 2007	Mr. Lazara Campos
Lanka Clear (Private) Limited		100,000	700	1,426	March 31, 2008	Mr. Sunimal Weerasoriya
Credit Information Bureau Of Srilanka		300	21	34	December 31, 2007	Mr. N.P.H. Amarasena
Arabian Sea Country Club		500,000	2,900	1,549	June 30, 2008	Mr. Asif Ali Khan Abbasi
Lanka Financial Services Bureau Limited		200	1,400	1,099	March 31, 2008	Mr. Anil Amrasoriya
			23,747			
Carrying value of unlisted shares/ certificates/ units			445,247			
Provision against unlisted shares			70,477			
			515,724			

3.1 The above excludes shares of companies which are fully provided for in these financial statements. All the above companies are incorporated in Pakistan, except for Lanka Clearing (Private) Limited, Credit Information Bureau of Srilanka, Lanka Financial Services Bureau Limited and SWIFT.

3.2 These carry dividend rate of 6 months KIBOR + 2.5% per annum. The percentage of holding disclosed is in proportion to the preference share paid up capital.

4. Particulars of investments in Term Finance Certificates and Sukuk Bonds- (refer note 9)

ANNEXURE - I

Investee	Number of certificates held	Paid up value per certificate	Total Paid up Value (before redemption)	Profit	Principal Redemption	Balance as at December 31, 2008 (Rupees in '000)	Name of Chief Executive
			----- (Rupees) -----				
LISTED TERM FINANCE CERTIFICATES - available for sale							
Askari Bank Limited - issue no. I	20,000	5,000	100,000,000	6 months KIBOR + 1.5% p.a.	0.3% of principal amount in the first 90 months and the remaining principal in the 96th month from February 2005.	99,860	Mr. Shaharyar Ahmad
- issue no. II	19,980	5,000	99,900,000	6 months KIBOR + 1.5% p.a.	0.3% of principal amount in the first 90 months and the remaining principal in the 96th month from October 2005.	99,780	--do--
	39,980		199,900,000				
Bank Al Habib Limited	20,000	5,000	100,000,000	6 months KIBOR + 1.5% p.a. with a floor and cap of 3.5% and 10% per annum respectively.	0.02% of total issue in equal installments in first 78 months and the remaining principal in 3 semi-annual installments from the 84th month from July 2004.	99,840	Mr. Abbas D. Habib
Bank Alfalah Limited - issue no. II	10,000	5,000	50,000,000	6 months KIBOR + 1.5% p.a.	0.25% of principal in the first 78 months and remaining principal in 3 semi-annual installments of 33.25% each of the issue amount starting from the 84th month from November 2004.	49,923	Mr. Muhammad Saleem Akhtar
- issue no. III	39,720	5,000	198,600,000	6 months KIBOR + 1.5% p.a.	0.25% of the principal in the first 78 months and remaining in 3 semi annual installments of 33.25% each starting from the 84th month from November 2005.	198,371	--do--
	49,720		248,600,000				
Allied Bank Limited - issue no. I	20,000	5,000	100,000,000	6 months KIBOR + 1.9% p.a.	0.24% of principal in the first 72 months and remaining principal in 4 equal semi-annual installments of 24.94% each of the issue amount starting from the 78th month	90,178	Mr. Aftab Manzoor
- issue no. II	46,400	5,000	232,000,000	6 months KIBOR + 0.85% p.a.	Pre-IPO	232,000	--do--
	66,400		332,000,000				
Soneri Bank Limited	30,000	5,000	150,000,000	6 months KIBOR + 1.6% p.a.	In 4 semi annual equal installments starting from the 78th month from May 2005.	149,790	Mr. Safar Ali K. Lakhani
United Bank Limited - issue no. III	56,978	5,000	284,890,000	6 months KIBOR + 1.7% p.a.	0.2% of the principal in the first 60 months and remaining principal in 6 equal semi annual installments from September 2006.	284,662	Mr. Atif R. Bokhari
Pak Arab Fertilizers Limited	20,000	5,000	100,000,000	6 months KIBOR + 1.5% p.a.	In six stepped -up semi-annual installments starting from the 30th month from July 2007.	99,980	Mr. Khalil-ur- Rehman Tarin (M.D.)
Carrying value before revaluation						1,404,384	
Add: Revaluation surplus						25,147	
Carrying value of listed TFCs (revalued amount)						1,429,531	
SUKUK BONDS - available for sale							
	Terms of Redemption		Rate of interest	Currency			
	Principal	Interest					
WAPDA Sukuk Bonds	At maturity	Half-yearly	6 Month KIBOR+0.35%	PKR		400,000	Mr. Muhammad Shakil Durrani
Add: Revaluation surplus						19,000	
Carrying value of sukuk bonds (revalued amount)						419,000	
UNLISTED TERM FINANCE CERTIFICATES - held to maturity							
Investee	Number of certificates held	Paid up value per certificate	Total Paid up Value (before redemption)	Profit	Principal Redemption	Balance as at December 31, 2008	Name of Chief Executive
Jahangir Siddiqui and Company Limited	56	5,000,000	280,000,000	6 months KIBOR + 1.5% to 2.2% p.a. over 10 years	In 4 equal semi-annual installments, starting from 8-1/2 years from December 2004.	279,496	Mr. Munaf Ibrahim
Pak Kuwait Investment Company (Private) Limited	100,000	5,000	500,000,000	3 months KIBOR + 1.25% p.a.	In 5 equal semi-annual installments commencing from the 36th month from June 2005.	400,000	Mr. Istaqbal Mehdi (M.D.)
Pakistan Mobile Corporation Limited	100,000	5,000	500,000,000	6 months KIBOR + 1.6% p.a.	In 5 equal semi-annual installments starting from the 36th month from March 2004.	100,000	Mr. Zuhair A. Khaliq
Islamabad Electric Supply Company Limited	200,000	5,000	1,000,000,000	6 Month KIBOR +0.23% p.a.	In 4 equal semi-annual installments starting from November 2009.	1,000,000	Brig. Waseem Zafar Iqbal
Gujranwala Electric Supply Company Limited	200,000	5,000	1,000,000,000	6 Month KIBOR +0.23% p.a.	In 4 equal semi-annual installments starting from November 2009.	1,000,000	Rana Muhammad Ashraf Zahid
Faisalabad Electric Supply Company Limited	200,000	5,000	1,000,000,000	6 Month KIBOR +0.23% p.a.	In 4 equal semi-annual installments starting from November 2009.	1,000,000	Ahmad Saeed Akhtar
Carrying value of unlisted TFCs						3,779,496	

The above excludes unlisted term finance certificates, debentures, bonds and participation term certificates of companies which are fully provided for in these financial statements.

5. Details of Bonds, Debentures and Federal Government Securities (refer note 9) - held to maturity

ANNEXURE - I

Description	Terms of Redemption		Rate of interest	Currency	Foreign Currency Amount	Carrying value as at December 31, 2008
	Principal	Interest				
					(in '000)	(Rupees in '000)
Debentures						
Singer (Sri Lanka) Plc.	At maturity	Half-yearly	21.85%	SLR	150,000	105,000
Federal Government Securities						
Government of Pakistan	Yearly	Yearly	Barclays Bank's 3 months USD LIBOR +1%	US\$	4,074	322,216
Government of Srilanka Treasury Bonds	At maturity	Half-yearly	11.75%	SLR	100,000	70,000
					104,074	392,216
Government Compensation Bonds						
Heavy Mechanical Complex	At maturity	Yearly	6.00%	PKR	-	27,224
Public Sector Enterprises Bonds (PSE-89)	At maturity	Yearly	6.00%	PKR	-	556,990
Public Sector Enterprises Bonds (PSE-90)	At maturity	Yearly	9.00%	PKR	-	286,557
					-	870,771
Sukuk Bonds						
Government Sukuk Bonds	At maturity	Half-yearly	6 Month LIBOR+2.2%	US\$	13,130	1,038,533
WAPDA Sukuk Bonds	At maturity	Half-yearly	6 Month KIBOR+0.35%	PKR	-	400,000
Sui Southern Gas Company Limited Sukuk Bonds	At maturity	Quarterly	3 Month KIBOR+1.4%	PKR	-	350,000
Quetta Textile Mills Limited Sukuk Bonds	In 12 equal semi-annual installments.	Half-yearly	6 Month KIBOR+1.50%	PKR	-	75,000
J.D.W Sugar Mills Limited Sukuk Bonds	In 18 unequal quarterly installments.	Quarterly	3 Month KIBOR+1.25%	PKR	-	175,000
Sitara Energy Limited	In 8 equal semi-annual installments.	Half-yearly	6 Month KIBOR+1.15%	PKR	-	112,727
Century Paper and Boards Mills Limited Sukuk Bonds	At maturity	Half-yearly	6 Month KIBOR+1.35%	PKR	-	250,000
					13,130	2,401,260
Euro Bonds						
Euro Bonds - OBU Bahrain	At maturity	Half-yearly	6.75%	US\$	57,409	4,540,966
Euro Bonds - OBU Bahrain Treasury	At maturity	Half-yearly	6.88%	US\$	3,915	309,663
Euro Bonds - Srilanka	At maturity	Half-yearly	6.75%	US\$	1,503	118,887
					62,827	4,969,516

6. Details of certificates of investment (refer note 9) - held to maturity in local currency

Company Name	Carrying value at December 31, 2008	Profit rate (%)	Maturity date
(Rupees in '000)			
Pak Libya Holding Company Limited	250,000	25	February 13, 2009

7 Summarized financial information of associated undertakings (refer note 9)

The gross amount of assets, liabilities, revenue, profit and net assets of associated undertakings are as follows:

Name of associated undertaking	Country of incorporation	Assets	Liabilities	Net assets	Revenue	Profit	% of interest held
----- (Rupees in '000) -----							
2008							
First Women Bank Limited (unaudited based on September 30, 2008)	Pakistan	8,625,499	7,561,236	1,064,263	369,150 *	94,561	26.78%
Adamjee Insurance Company Limited (unaudited based on September 30, 2008)	Pakistan	21,268,292	10,860,064	10,408,228	5,463,868 **	3,063,187	29.13%
		<u>29,893,791</u>	<u>18,421,300</u>	<u>11,472,491</u>	<u>5,833,018</u>	<u>3,157,748</u>	
2007							
First Women Bank Limited (unaudited based on September 30, 2007)	Pakistan	8,148,575	7,102,478	1,046,097	375,134 *	111,845	26.78%
Adamjee Insurance Company Limited (unaudited based on September 30, 2007)	Pakistan	14,362,406	9,368,665	4,993,741	4,100,951 **	1,543,244	29.13%
		<u>22,510,981</u>	<u>16,471,143</u>	<u>6,039,838</u>	<u>4,476,085</u>	<u>1,655,089</u>	

* Represents net mark-up / interest income

** Represents net premium revenue

ISLAMIC BANKING BUSINESS

The Bank is operating 11 Islamic banking branches at the end of December 31, 2008 as compared to 8 Islamic banking branches at the end of December 31, 2007.

	2008	2007
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	185,177	601,665
Investments	1,781,727	1,419,000
Financing and receivables		
-Murabaha	2,573,116	2,406,402
-Ijara	1,197,762	1,585,202
-Islamic export refinance	978,303	738,178
Other assets	2,561,843	764,036
Total Assets	9,277,928	7,514,483
LIABILITIES		
Bills payable	73,540	47,115
Deposits and other accounts		
-Current accounts	175,350	440,567
-Saving accounts	1,110,499	907,283
-Term deposits	75,740	76,382
-Others	2,681	30,256
Borrowings from SBP	966,500	593,000
Due to head office	5,750,000	4,750,000
Deferred Tax Liability	6,650	4,988
Other liabilities	244,697	113,598
	8,405,657	6,963,189
NET ASSETS	872,271	551,294
REPRESENTED BY		
Islamic banking fund	650,000	400,000
Unappropriated profit	209,921	137,282
	859,921	537,282
Surplus on revaluation of assets - net of tax	12,350	14,012
	872,271	551,294
Remuneration to Shariah Advisor / Board	1,200	1,179
<u>CHARITY FUND</u>		
Opening Balance	4,227	3,244
Additions during the year	1,566	983
Payments / utilization during the year	(3,700)	-
Closing Balance	2,093	4,227

**STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF
OF FIVE HUNDRED THOUSAND RUPEES OR ABOVE PROVIDED DURING THE YEAR 2008**

(Rupees in Thousand)

Sr. No	Name & Address of the Borrower	Name of Individuals/Partners/ Directors		Father's/Husband's Name	Outstanding Liabilities at Beginning of Year				Principal Written off	Interest/ Mark up Written off	Other Fin. Reliefs Provided	Total
		Name	NIC No.		Principal	Intt/Acc/Mup	Others	Total				
1	M/S. NEW SINDH X-RAYS 5/1, Office Tower, Rimpa Plaza, M.A. Jinnah Road, Karachi.	Abdul Qadir	511-59-015478	Hassan	3,872	8,597	123	12,592	3,872	-	8,720	12,592
2	M/S. PRECISION TOOLS MANUFACTURING COMPANY 307, Dada Chambers, M.A. Jinnah Road, Karachi.	1. Allah Rakha 2. Aijaz Habib 3. Fatima Abdul Qadir 4. Abdul Rasool Shah	42301-1074046-5 - - -	Haji Umer A. Habib W/o Abdul Qadir Ibrahim Shah	3,830	12,107	107	16,044	3,830	-	12,214	16,044
3	M/S. NOORIABAD DEVELOPERS 5-G/1, Hamilton court, Clifton, Karachi.	1. Allah Rakha 2. Muhammad Naeem Billoo 3. Haji Habib Billoo 4. M. Ashraf Billoo	42301-1074046-5 42201-2331038-9 511-22-005421 -	Haji Umer Habib Billoo Muhammad Ibrahim -	150	1,279	51	1,480	150	-	1,330	1,480
4	M/S. PROFESSIONAL ENGINEERING WORKS G-K-6/3, G. Allana Road, Kharadar, Karachi.	1. Allah Rakha 2. Muhammad Naeem Billoo 3. Abdul Qadir 4. Mst. Zubaida	42301-1074046-5 42201-2331038-9 511-59-015478 -	Haji Umer Habib Billoo Hassan D/o Usman	1,652	16,070	113	17,835	1,652	-	16,183	17,835
5	M/S. NAEEM BILLOO & COMPANY 307, Hussaini Market, M.A. Jinnah Road, Karachi.	1. Allah Rakha 2. Muhammad Naeem Billoo	42301-1074046-5 42201-2331038-9	Haji Umer Habib Billoo	1,783	5,617	145	7,545	1,783	-	5,762	7,545
6	M/S. WORLD TRADE ENTERPRISES 307, Hussaini Market (Dada Chambers) M.A. Jinnah Road, Karachi.	1. Allah Rakha 2. Muhammad Naeem Billoo 3. Abdul Qadir 4. Mst. Zubaida	42301-1074046-5 42201-2331038-9 511-59-015478 -	Haji Umer Habib Billoo Hassan D/o Usman	-	5,815	75	5,890	-	-	5,890	5,890
7	M/S.MANZOOR TEXTILE MILLS LTD Manzoor Hytes, 6 St, Mary Park, Gulberg-III, Lahore.	1. M. Younus Sheikh 2. M. Yousuf Sheikh 3. Maqbool Hussain Sheikh	502-52-176776 502-85-176777 -	Manzoor Hussain Sheikh Manzoor Hussain Sheikh Manzoor Hussain Sheikh	250	690	-	940	-	-	690	690
8	M/S.TAMEER ASSOCIATES (PVT) LTD. SB-37, Block-13-B, Main University Road, Gulshan-e-Iqbal, Karachi.	1. Pervezul Haque Siddiqui 2. Jawedul Haque Siddiqui 3. Naveedul Haque Siddiqui 4. Suriya Jehan	- 517-57-175463 - 517-35-059735	Mubinul Haq Mubinul Haq Mubinul Haq W/o Mubinul Haq	437	2,197	-	2,634	437	-	2,197	2,634
9	M/S. PAK NIPPON INDUSTRIES LTD. 2nd Floor, Adamjee House, I.I.Chundrigar Road, Karachi.	1. Iqbal Adamjee 2. Ashraf Adamjee 3. Aftab Adamjee 4. Mrs. Fatima Iqbal Adamjee 5. Mr. T. Marumo 6. Mr. Furukawa 7. Mr. D. Yabuchi 8. Mr. K. Ohtsu	- - - - - - - -	- - - W/o Iqbal Adamjee - - - -	11,134	24,375	161	35,670	11,134	-	24,536	35,670

(Rupees in Thousand)

Sr. No	Name & Address of the Borrower	Name of Individuals/Partners/ Directors		Father's/Husband's Name	Outstanding Liabilities at Beginning of Year				Principal Written off	Interest/ Mark up Written off	Other Fin. Reliefs Provided	Total
		Name	NIC No.		Principal	Intt/Acc/Mup	Others	Total				
10	M/S. ASSETS INVESTMENT BANK LIMITED 301, 302, 3rd Floor, Muhammad Gulistan Khan house, 82-East, Fazal-ul-Haq Road, Islamabad.	1. S.M.Abdullah 2. Syed Naveed H. Zaidi 3. Dr. Khalid Iqbal 4. Muhammad Ashiq Rehmani 5. Rana M. Abu Obaida 6. Azhar Tariq Khan 7. Sohail Ali 8. Shamim Ahmed Juneio	514-43-073492 61101-1810561-3 61101-1981308-3 101-87-128544 42301-1210279-9 61101-6052271-9 517-58-097843 42000-0509816-7	Hafiz Sher Muhammad Syed Sardar Ali Shah Aziz Ahmed Dr. Muhammad Abdullah M. Abdul Aas Afzal Ahmed Khan Amjad Ali Imdad Hussain Juneio	9,800	9,292	-	19,092	9,800	9,292	-	19,092
11	M/S. FIRST CUSTODIAN MODARABA. 408, 4th Floor, Trade Centre, I.I.Chundriqar Road, Karachi.	1. Zafar Alam 2. Rahat Aziz 3. Humayun Zia 4. Tehseen Ahmed 5. Mumtaz Soomro 6. Qamar-ur- Hussain 7. Abdul Razzaq	- - - 267-50-015326 - 514-62-095159 -	- Abdul Aziz Yousuf Ali Zia Muhammad Yousuf Noor Muhammad Maqbool Hussain -	5,069	3,357	-	8,426	5,069	3,357	-	8,426
12	M/S. SHABBIR TEXTILE INDUSTRIES (PVT) LTD. 109, Commerce Centre, Hasrat Mohani Road, Karachi.	1. Ghulam Abbas 2. Marium Abbas 3. Nazir Akhter	- 502-55-284346 -	Ghulam Ali W/o Ghulam Abbas -	1,374	16,678	194	18,246	1,340	-	16,872	18,212
13	M/S. MARS ENTERPRISES 109, Commerce Centre, Hasrat Mohani Road, Karachi.	Ghulam Abbas	-	Ghulam Ali	4,354	14,014	116	18,484	4,316	-	14,130	18,446
14	M/S. MARIUM FABRICS 109, Commerce Centre, Hasrat Mohani Road, Karachi.	Marium Abbas	502-55-284346	W/o Ghulam Abbas	878	4,887	107	5,872	861	-	4,994	5,855
15	M/S. MALIK FOOD INDUSTRIES LIMITED. 66-Main Boulevard, Road, Gulshan-e-Iqbal, Karachi.	1. Amjad Wakil Malik 2. Anwar Aziz Malik 3. Hasan Khalid Malik 4. Khalid Aziz Malik	- - - -	- - - -	988	1,904	-	2,892	988	-	1,904	2,892
16	M/S. BLUE STAR SPINNING MILLS LIMITED. 30-KM, Hasilpur Road, Bahawalpur.	1. Ch. Safdar Muhammad 2. Ch. Ghulam Fareed 3. Ch. Muhammad Zaheer 4. Ch. Muhammad Siddique 5. Mst. Yasmeen Siddique 6. Mst. Naseem Fareed 7. Ch. Manzoor Ahmed	- - - - - - -	- - - - - - -	2,588	1,663	-	4,251	2,588	-	1,663	4,251
17	M/S. NOVELTY FABRICS PROCESSING MILLS LIMITED. 48-L, Model Town extension, Lahore.	1. Zubair Mohsin 2. Syed Waqar Hassan Kirmani 3. Arif Salman 4. Almas Aslam Malik 5. Mrs. Iram Malik 6. Imran Amjad Khan 7. Muhammad Usman	- - - - - - -	- - - - - - -	7,951	4,868	-	12,819	7,951	-	4,868	12,819

(Rupees in Thousand)

Sr. No	Name & Address of the Borrower	Name of Individuals/Partners/ Directors		Father's/Husband's Name	Outstanding Liabilities at Beginning of Year				Principal Written off	Interest/ Mark up Written off	Other Fin. Reliefs Provided	Total
		Name	NIC No.		Principal	Intt/Acc/Mup	Others	Total				
18	M/S. RAJA WEAVING MILLS LIMITED F-532, S.I.T.E., Karachi.	1. Munaf Riaz 2. Humayun Riaz 3. Riaz Yousuf 4. Mrs. Salma Riaz 5. Mrs. Ambreen Humayun 6. Mrs. Aisha Riaz 7. Mrs. Nusrat Hussain Siddiqui	- 514-59-122951 - - - - -	Riaz Yousuf Riaz Yousuf Haii Muhammad Yousuf W/o Riaz Yousuf Humayun Riaz Munaf Riaz -	76,064	738	-	76,802	76,064	-	738	76,802
19	M/S. RAMNA FITTING AND PIPE INDUSTRIES (PVT) LTD. 10-Abbot Road, Lahore.	1. Mian Shaukat Ali 2. Mian Sharafat Ali 3. Mian Shujaat Ali 4. Mian Shaffqat Ali	270-29-1187980 270-50-0263450 - 271-59-146256	Haji Imam-ud-Din Mian Shaukat Ali - Mian Shaukat Ali	1,796	-	-	1,796	1,796	-	-	1,796
20	M/S. WINNIPEG ENTERPRISES 694-A, Prem Nagar, Sialkot.	Sh. Khalid Mehmood	300-54-2543162	Sh. Maqbool Ahmed	-	2,080	91	2,171	-	-	2,171	2,171
21	SH. KHALID MEHMOOD Ghalla Mandi, Sialkot.	Sh. Khalid Mehmood	300-54-2543162	Sh. Maqbool Ahmed	1,971	2,044	-	4,015	1,971	-	2,044	4,015
22	M/S. MB SS SONS COMPANY Defence Road Near Sublime Chowk, Sialkot	1. Muhammad Siddique Spall 2. Anjum Siddique Spall 3. Suhail Siddique Spall 4. Rohail Siddique Spall	300-37-038259 300-87-038260 - -	Ch. Fazal Hussain Spall Muhammad Siddique Spall - -	1,840	4,303	45	6,188	1,840	191	4,157	6,188
23	M/S. RAUF RICE MILLS (PVT) LTD Rauf Plaza, 79-Ferozepur Road, Lahore.	1. M. Iqbal Rauf 2. M. Maqbool Rauf 3. M. Masood Rauf 4. m. Shahzad Rauf 5. M. Ijaz Rauf	272-85-435571 272-85-435572 272-85-435573 272-85-435575 272-85-435576	Abdul Rauf Abdul Rauf Abdul Rauf Abdul Rauf Abdul Rauf	14,044	13,166	20	27,230	14,044	-	13,186	27,230
24	MUHAMMAD SHERAZ Mandar Gali No.3, Karkhana Bazar, Faisalabad.	Muhammad Sheraz	-	Haji Maqsood Ahmed	-	2,343	-	2,343	-	-	2,343	2,343
25	M/S. MUTABBARIK TEXTILES (PVT) LTD. 574-Ashrafabad, Sheikhpura Road, Faisalabad.	1. Ali Muhammad (Late) 2. Amjad Pervaiz 3. Shafqat Pervaiz 4. Tahir Pervaiz	- - - -	Ghulam Muhammad Ali Muhammad (Late) Ali Muhammad (Late) Ali Muhammad (Late)	-	5,509	-	5,509	-	-	5,509	5,509
26	M/S. G. F. RUBBER INDUSTRIES 697, Ayub Colony, Jhang Road, Faisalabad.	1. Muhammad Anwar 2. Muhammad Iqbal	- -	Ghulam Muhammad Ghulam Muhammad	-	9,448	-	9,448	-	-	9,448	9,448
27	M/S. TOP COTTON GINNING (PVT) LTD. Chak No. 251/GB, Oqqi, Distt. Toba Tek Singh.	1. Faqir Muhammad 2. Iqbal Khalid 3. Khalid Rasool Mohsin 4. Mrs. Naveed Akhter 5. Shafqat Rasool 6. Mrs. Surraya Shafqat	- - - - - -	Rehmat Ali Shah Muhammad Ch. Muhammad Sharif Khushi Muhammad Hafiz Muhammad Ali Shafqat Rasool	7,320	10,246	-	17,566	7,320	110	10,136	17,566
28	M/S. XEBEC TEXTILES P-2/B, Peoples Colony, Faisalabad.	1. Shoaib Ahmed Faridi 2. Yahya Ahsan Baig	- -	Shah A. Faridi Mirza Ahsan Baig	884	18,856	-	19,740	884	154	18,702	19,740

(Rupees in Thousand)

Sr. No	Name & Address of the Borrower	Name of Individuals/Partners/ Directors		Father's/Husband's Name	Outstanding Liabilities at Beginning of Year				Principal Written off	Interest/ Mark up Written off	Other Fin. Reliefs Provided	Total
		Name	NIC No.		Principal	Intt/Acc/Mup	Others	Total				
29	M/S. KOHINOOR INDUSTRIES LIMITED Kohinoor Nagar, Jarranwala Road, Faisalabad.	1. Muhammad Naseem Saigol 2. Muhammad Azam Saigol 3. Shahid Sethi 4. Mrs. Razia Begum 5. Mrs. Saher Saigol 6. Muhammad Imran Iqbal 7. Syed Haroon Rashid (ICP Nominee)	- - - - - - -	M. Yousuf Saigol M. Yousuf Saigol Abdul Latif Sethi M. Yousuf Saigol Muhammad Naseem Iqbal Ahmed Syed M. Rasheed	-	195,072	-	195,072	-	-	195,072	195,072
30	M/S. AWAN NATIONAL CEMENT LTD. 5-A, Constitution Ave, F-5/1, Islamabad.	1. Mian Rashid Arshad 2. Mian Tahir Sadiq	267-91-079295 267-88-061857	Mian Arshad Latif Mian Fazal-ul-Rehman	750	4,799	193	5,742	750	605	4,387	5,742
31	M/S. FAZAL CONSTRUCTION (PVT) LTD. Flat No.2, Shahnawaz Building, Rehmat Lane, Peshawar Cantt.	1. Asghar Ali Ch. 2. Tahir Mehmood	304-51-995005 210-62-001506	Feroz Din Asghar Ali	38,532	48,691	359	87,582	38,532	1,913	47,137	87,582
32	M/S. AL-MUZZAMIL INDUSTRIES (PVT) LTD. Plot No. 232/5-A, Phase-III, Gadoon Amazai, Sawabi.	1. Anwar M. Qazi 2. Riaz Ahmed 3. Mrs. Riffat Riaz	235-62-000902 232-88-413127 232-49-712354	Mushtaq Ahmed Qazi Mehmood Khan W/o Riaz Ahmed	6,857	8,862	88	15,807	6,857	-	8,950	15,807
33	M/S.HUSNAIN ENTERPRISES Chowk BCG Multan, Nawabpur Road, Multan.	Malik Hassan Bux	36302-7260689-8	Ghulam Muhammad	-	1,505	46	1,551	-	-	1,551	1,551
34	M/S. ISHAQ & SONS 19/2, Punnu Centre, Montgomery Bazar, Yarn Market, Faisalabad.	Ejaz Ahmed	-	Muhammad Ishaq	-	1,117	-	1,117	-	-	1,117	1,117
35	M/S. ASFI ENTERPRISES 2nd Floor, MCB Building, Hajwari Town, Sargodha Road, Faisalabad.	Muhammad Arif	244-91-083070	Niaz Muhammad Sheikh	-	810	20	830	-	-	830	830
36	M/S.KOSHARMAN LATEX (PVT) LTD. Bong Kanal road, Mangla.	1. Zulfiqar Abbasi 2. Shahnawaz Khan 3. Dr. Tajamal Hussain Rathore 4. Muhammad Aslam Butt 5. Ghulam Mustafa	701-85-072106 701-93-074892 701-81-480609 300-34-023073 -	M. Siddique Khan Muhammad Yunus Ghulam Hussian Sanaullah Butt -	-	1,977	-	1,977	-	-	1,977	1,977
37	QAMAR-UL-BARI FAROOQI Room No.206, Islamabad Stock Exchange Building, Islamabad.	Qamar-ul-Bari Farooqi	212-44-087564	Abdul Hai	219	614	-	833	219	-	614	833
38	M/S. ALI INTERNATIONAL E-37-1, Culshan-e-Iqbal, Karachi.	1. Syed Shahid Ail (Late) 2. Syed Zahid Ali	518-90-054078 518-93-054079	Syed Shafqat Ali Syed Shafqat Ali	286	1,148	-	1,434	286	-	1,148	1,434
39	M/S. ARAIN CORPORATION 230-Jinnah Avenue, Near Amin Mosque, Model Colony, Karachi.	Waheed Ali	519-64-259665	Ch. Muhammad Ali	-	1,590	55	1,645	-	443	1,202	1,645
40	M/S. H. A. REHMAN & SONS 9-Al-Hameed Market, Mission Road, Karachi.	Abdul Hamid Gung	-	Abdul Rehman	585	-	-	585	585	-	-	585

(Rupees in Thousand)

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		Name	NIC No.		Principal	Intt/Acc/Mup	Others	Total					
41	M/S. MINACO FABRICS LIMITED. Shahdin Building, Block-6, Shahrae Quaid-e-Azam, Lahore.	1. Ahmed Nadeem Jamal 2. Akhtar Nazir Khan 3. Humaira Akhtar	- - -	- - -		288	690	-	978	288	-	690	978
42	M/S.NEW GENERAL IRON MERCHANTS 117-PECO Road, Badami Bagh, Lahore.	1.Khalid Mehmood Ch. 2.Shahid Mansoor Ch.	- -	Ch. Ghulam Hussain Ch. Ghulam Hussain		-	1,277	17	1,294	-	-	1,294	1,294
43	M/S.KHABEER TRADING CORPORATION 7/8, Bahawalpur Block, Fortress Stadium, Lahore.	1.Mrs. Zahida Imtiaz 2.Haroon Imtiaz	- -	Imtiaz Majeed Imtiaz Majeed		750	2,079	-	2,829	750	691	1,388	2,829
44	M/S.SADOON TEXTILE INDUSTRIES (PVT) LIMITED 57-Main Road, Samanabad, Lahore.	1. Sh. Fazal Hussain 2. Sh. Ahsan Fazal 3. Mrs. Sabrina Sheikh 4. Sh. Sadoon Fazal 5. Mrs. Sardar Akhter	- - - - -	Sh. Zahoor-ud Din Sh. Fazal Hussain W/o Sh. Sadoon Sh. Fazal Hussain W/o Sh. Fazal Hussain		9,284	11,311	-	20,595	276	1,832	9,479	11,587
45	M/S.PAK GHEE INDUSTRIES (PVT) LIMITED. 57-Main Road, Samanabad, Lahore.	1. Sh. Fazal Hussain 2. Sh. Ahsan Fazal 3. Mrs. Sabrina Sheikh 4. Mrs. Sardar Akhtar 5. Atta Ullah 6. Murtaza 5. Sh. Sadoon Fazal	- - - - - - -	Sh. Zahoor-ud Din Sh. Fazal Hussain W/o Sh. Sadoon W/o Sh. Fazal Hussain - - Sh. Fazal Hussain		11,995	25,008	-	37,003	-	3,293	21,715	25,008
46	M/S. A. S. CORPORATION Rashid Minhas Road, Small Industrial estate, Sialkot.	1. Ms. Sumaira Aftab	300-50-326880	Aftab Ahmed		817	3,271	-	4,088	817	482	2,789	4,088
47	M/S. GADOON SYENTHETIC MILLS LTD. Bhimber Distt. Mirpur AJK.	1. Arshad Ali Ch. 2. Ms. Rizwana Arshad 3. Ms. Fareeda Khanum 4. Javaid Ilyas Butt 5. Ms. Farzana Butt 6. Syed Wajahat Ali 7. Azhar Butt	- - - - - - -	Sh. M. Sharif Arshad Ali Ch. Arshad Ali Ch. Fazal Elahi Butt Javaid Ilyas Butt Syed Ali Abdul Rashid Butt		10,302	24,970	-	35,272	10,302	1,955	23,015	35,272
48	M/S. KHOKHAR STRAW BOARD (PVT) LTD. 59/III, Industrial estate, Hattar.	1. Muhammad Afzal Khokhar 2. Muhammad Raza Khokhar 3. Zafar Mahmood Khokhar	- - 210-87-516617	Haji Allah ditta Haji Allah ditta Haji Allah ditta		716	1,787	39	2,542	716	244	1,582	2,542
49	MEHBOOB RABBANI Stock Exchange, Islamabad.	Mehboob Rabbani	124-49-002096	Pir Ghulam Rabbani		259	497	22	778	259	103	416	778
50	MUHAMMAD WASEEM Shop No. 2, Street No.7, Hannan Market, Yarn Market, Faisalabad.	Muhammad waseem	246-91-072204	Hafiz Ghulam Rasool		-	1,083	32	1,115	-	97	1,018	1,115
51	M/S. PASHA FARMS Chak No. 219/JB, District Tehsil Jhang,	1. Imran Ali Pasha 2. Riffat Ali Pasha	- -	Abdul Latif Khan Abdul Latif Khan		-	1,828	68	1,896	-	-	1,896	1,896

(Rupees in Thousand)

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		Name	NIC No.		Principal	Intt/Acc/Mup	Others	Total				
52	M/S. HAROON CORPORATION Street # 02, Montgomery Bazar, Faisalabad.	Abdul Rashid	-	Mubbarik Ali	78	1,310	65	1,453	78	221	1,154	1,453
53	M/S. N. H. SHAHANI & COMPANY 309, Model Town, Faisalabad.	1. Javaid Nisar 2. Syeda Shahida Jabeen 3. Zahid Nisar 4. Mst. Zakia Bibi	- - - -	Syed Nisar Hussain Shah Syed Nisar Hussain Shah Syed Nisar Hussain Shah Syed Nisar Hussain Shah	-	936	-	936	-	-	936	936
54	M/S. MUHAMMAD NAZIR & JAMILA KANWAL Photo Fast Colour Labortory, College Road, Sargodha.	1. Chaudhary Muhammad Nazir 2. Mst. Jamila Kanwal	- -	Chaudhary Wali Muhammad Chaudhary Muhammad Nazir	-	667	-	667	-	-	667	667
55	MUHAMMAD NADEEM Muhammad Din Colony, Canal Bank, Harbanspura, Lahore.	Muhammad Nadeem	35201-1547226-1	Chirgh Din	-	995	-	995	-	-	995	995
56	M/s. Farooq Traders P-72, Gole Cloth, Faisalabad	Muhammad Farooq	33100-0735624-3	Ahmad Din	11,995	2,292	-	14,287	-	-	603	603
57	USMAN GHANI PATEL (EX STAFF) B-3, Noman Garden, Abul Hassan Ispahani Road. Gulshan-e-Iqbal, Karachi	Usman Ghani Patel (Ex Staff)	-	Ibrahim Patel	539	88	-	627	539	-	88	627
58	M/s. Shabbir Associates P-234, Tikka Gali., Montgomery Bazar, Faisalabad	Zain-ul-Abbidin 39-A, Jinnah Colony Faisalabad	322-61-443535	Muhammad Saeed	16,405	16,623	87	33,115	-	-	14,961	14,961
59	M/s. .Papa Sallies Dairy Products Chak No. 310/JB, Toba Tek Singh Road, Gojra	Saeed Ahmed Alamgir	246-91-072204	hafiz Ghulam Rasool	1,995	2,868	150	5,013	1,995	240	2,778	5,013
60	M/s. .Delta Tyers & Rubber Co Ltd Central Chambers, Irland, Karachi	1. Brig. Aziz-ur-Rehman 2. Iftekhar Ahmed Khan 3. Mrs. Iftekhar Tariq 4. Iqtidar Ahmed Ch 5. Mrs. Naheed Iqtidar 6. rao Saleem Khan 7. S. Faiq Hussain 8. S. I. Cheema 9. Tariq Ahmed Lodhi	- - - - - - - - -	- - - - - - - - -	16,062	38,204	200	54,466	16,062	-	38,404	54,466
61	M/s. Progressive Watch Mfg (Pvt) Ltd Plot No. 181, Phase IV, Industrial estate, Gadoon Amazai, Distt Swat	1. Mubin Ahmed 2. Zafar Iqbal 3. Aqeel Ahmed 4. Kafeel Ahmed 5. Shaukat Iqbal	501-37-156722 511-49-086707 516-53-157273 516-58-256735 203-54-070804	- - - - -	5,809	11,386	42	17,237	5,809	1,024	10,404	17,237
62	M/s. Modern Industries Modern House, 63-64 Abaseen Market, Mangora Swat	Fazal-e-Khaliq	Abdul Qadir	-	1,077	10,613	-	11,690	1,077	717	9,896	11,690
63	M/s. Mian Traders Fida Chowk, Mailsi	1. Mumtaz Ahmed 2. Riaz Ahmed	325-74-200999 325-57-007781	Pir Bukhsh Haji Abdul Sattar	1,198	1,045	39	2,282	1,198	11	1,073	2,282

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		Name	NIC No.		Principal	Intt/Acc/Mup	Others	Total				
64	M/s. Jubilee Paper Board & Mills Ltd	1. Amjad Rasool	45645-2314655-6	Ghulam Rasool	6,563	9,726	-	16,289	6,563	68	9,658	16,289
		2. Ghulam Rasool	54564-1355589-6	Muhammad Rasool								
		3. Khalid Rasool	46548-7444642-3	Ghulam Rasool								
		4. Ms. Zohra Khatoon	-	-								
		5. Ghulam Haider	41564-1321315-4	Shafqat Rasool								
		6. Javed Ahmed	-	-								
		7. Ashraf Ali	-	-								
65	M/s. Greentech Pakistan Ltd. 31/C,1-Ghalib Road, Gulberg-III, Lahore	1. Jehangir Elahi	35202-1548478-5	Ehsan Elahi	58,227	7,732	-	65,959	58,227	-	7,732	65,959
		2. M. Ashfaq Nadeem	-	-								
		3. Alamqir Elahi	25204-1151561-3	Ehsan Elahi								
		4. Amir Jehangir	35005-6662448-6	Jehangir Elahi								
		5. Tariq Latif	-	-								
		6. Tanveer Elahi	35020-24566442-2	Ehsan Elahi								
		7. Ahmed Jehangir	272-92-508972	Jehangir Elahi								
		8. Shahrukh Elahi	-	-								
		9. Sh. Muhammad Ashraf	-	-								
66	M/s. Montgomery Flour & General Mills Ltd.	1. Mian Basharat Shafi	56446-4646466-6	Muhammad Shafi Sheikh	19,396	27,537	-	46,933	19,396	-	27,537	46,933
		2. Mian Sadaqat Shafi	33358-5812127-0	Mian Muhammad Shafi								
		3. Mrs. Farhat Basharat	35646-6446456-4	Mian Mashrat								
		4. Mrs. Aisha Sadaqat	35408-5646546-5	S. M. Shafi								
		5. Sh. Kamran Shafi	34454-6465464-5	-								
		6. Sh. Faisal Shafi	56646-4664554-0	Mian Basharat Shafi								
		7. Mrs. Tehmina Khalid Gulzar	-	-								
67	M/s. Fair Tech Electronics (Pvt) Ltd Industrial Estate, Kot Lakhpat, Lahore.	1. Rasheed Sadiq	274-50-144318	Ghulam Sadiq	3,545	7,930	-	11,475	3,545	1,212	6,718	11,475
		2. Zafar Alam Ahsan	274-87-639574	-								
		3. Ghulam Sadiq	274-20-144315	Kh. Ghulam Nabi								
		4. Mujeeb Sadiq	274-89-363589	Sadiq Mehmood								
68	M/s. National Assets Leasing Corporation Limited 9th Floor, Lakson Square Building No.1, 265-R. A. Lines, Karachi	1. Zaigham-ul-Naeem	-	-	1,103	6,572	-	7,675	1,103	2,880	3,692	7,675
		2. M.A. Rehman	-	-								
		3. Mustafa Ehsan	-	-								
		4. Afshar Amin	-	-								
		5. Mrs. Sobia Waseem	-	-								
		6. Ms. Shama Ehsan	-	-								
69	M/s. Apex Fabrics Nabika Square. G-5. Central Commercial Area, Shaheed-e-Millat Road, Karachi	1. Nafees-ur-Rehman	-	-	11,160	1,319	-	12,479	11,160	-	1,319	12,479
		2. Mirza Mubashir Baig Barlas	-	-								
		3. Iftexhar Ahmed	-	-								
		4. Naeem Ahmed	-	-								
		5. Waseem Ahmed	-	-								
		6. Mirza Muzaffar Baig Barlas	-	-								
		7. Najeeb-ur-Rehman	-	-								
70	M/s. Fateh Sports Wear Ltd Mirpur Khas Road, Hyderabad	1. Rauf Alam	415-85-146957	Jan Alam	63,247	4,823	-	68,070	63,247	212	4,611	68,070
		2. Aftab Alam	517-91-367052	Jan Alam								
		3. Saeed Alam	451-91-250964	Jan Alam								
		4. Muhammad Mohsin	451-92-296018	Roshan Ali								
		5. Faraz Alam	-	-								
		6. Muhammad Naveed	451-976-297932	Roshan Ali								
		7. Mrs. Najma Roshan	-	-								

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71	M/s. Duty Free Shops Ltd Suite No. 504, 5th Floor Fayyaz Centre, SMCHS, Karachi	1. Jan Bajjet 2. Farrukh R. Shaikh 3. Rasheed Hassan 4. Mehboob Saqib 5. Habib-ur-Rehman 6. Daniel Zuegar 7. David C. Gore	P # 201288260 270-56-158711 517-87-191798 272-54-038138 101-56-686535 P # 8969703 P # 702115127	- Sh. R. Rafiq Ahmed Hassan - Abdul Rehman Khan - Stanly C. Gore	112,953	21,349	-	134,302	112,353	-	21,349	133,702
72	M/s. Choti Textile Mills 24-Main Gulberg, Lahore	1. Sardar M. Jaffar Khan Laghari 2. Sardar M. Umer Khan Laghari 3. Sardar Yousuf Khan Laghari 4. Bashir Ahmed 5. Hussain Bux 6. Muhammad Saleem Akhtar 7. Haji Muhammad	- - - - - - -	- - - - - - -	3,815	44,975	-	48,790	3,231	-	44,975	48,206
73	M/s. Hafiz Medical Store Clock Tower Sukkur	Hashmat Ullah Khan	409-86-104652	inam Ullah Khan	400	2,859	53	3,312	250	-	2,912	3,162
74	Jamshed Chaudhary House # 35 D - 1 Sir Syed Road Gulberg III, Lahore	Jamshed Chaudhary	-	-	380	792	-	1,172	380	-	792	1,172
75	M/s. Sun Flow Citruss Ltd Bridge Colony, Lahore	1. sardar Fida hussain 2. Munir A. Khan 3. Mohammad H. Noman Tariq Mehmood	- - - -	- - - -	-	1,373	-	1,373	-	-	1,373	1,373
76	M/s. Khalil Jute Mills Industries Ltd 44-Gulberg-V, Lahore	1. Muhammad Afzal Khan 2. Ghulam Dastagir 3. Ghulam Subhani Khan 4. Ghulam Rasool Khan	- - - -	- - - -	-	2,303	-	2,303	-	-	2,303	2,303
77	M/s. Saleem Tanneries Jehangira Swabi	1. SDA Original Sponsor (Buyer of the unit) 2. Saleemur Rehman 3. Haji Masoodur Rehman	- - - -	- - - -	-	10,142	-	10,142	-	-	10,142	10,142
78	M/s. Shahzad Enterprises B-53, S.I.T.E., Sukkur	Shakoor Arain	409-90-029619	Ch. Manzoor Ahmed	2,852	2,270	-	5,122	-	-	1,036	1,036
79	M/s. Qureshi & Sons	Aayaz Ahmed Qureshi	322-93-904737	Muhammad azeem Qureshi	725	1,704	79	2,508	725	206	1,577	2,508
80	M/s. Universal Traders Muhammad Sharif Siddiqui Furnishing House, chowk Fawara, Abdali Road, Multan.	Muhammad Shafi Siddiqui	330-91-008924	Muhammad Siddique	1,961	3,715	56	5,732	1,961	-	3,771	5,732
81	M/s. Yousuf Rice Cotton Factory Mouza Coath Bajan Near Railway Station, Bahawalpur.	1. Muhammad Imran 2. Mehmooda Begum	344-88-121352 344-60-197500	Ch. Attaullah W/o Ch. Riaz UI Haq	1,472	1,504	62	3,038	1,472	-	1,566	3,038
82	M/s. Usman Traders	Muhammad Usman	322-61-448942	Muhammad Younis hussain	1,240	1,923	17	3,180	1,240	-	1,940	3,180
83	Khawaja Zahid Mehmood House # 87 Block B Gulberg III, Lahore	Khawaja Zahid Mehmood			196	469	-	665	196	-	469	665

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84	Ahmed Kamal House # 650, Block D Faisal Town Lahore	Ahmed Kamal			268	585	-	853	268	-	585	853
85	Syed Afzal Hussain House # 82 B DHA Lahore	Syed Afzal Hussain			242	559	-	801	242	-	559	801
86	M/s. Karachi General Electric Store Bhowana Bazar, Faisalabad.	Muhammad Akram	33100-3139478-9	Bashir Ahmed Ch	-	841	-	841	-	-	841	841
87	M/s. Prometals Ltd Lahore Sheikhpura Road, Lahore	1. Gohar Yasin Chaudry 2. Khalid naeem Chaudry 3. Shaukat Ali Chaudry	- - -	- - -	-	883	-	883	-	-	883	883
88	Muhammad Jehanzeb Mohallah Afridi Khan, Dabgari Gate, Peshawar	Muhammad Jehanzeb	-	Haji Umer Gul	95	515	-	610	95	55	460	610
89	M/s. Ave Maria Traders No-219, Prince Street, Colombo-11	Mr. Joshep Carmel Edisor Coonghe No-93/4, Brass Founder Street, Colombo-13	733370416X	-	1,431	-	-	1,431	1,431	-	-	1,431
90	M/S. VANIKA ENGINEERS 26-Satellite Town Rawalpindi	Nasim Ahmed	221-75-036650	Sardar Ahmed	2,000	3,753	30	5,783	2,000	625	3,158	5,783
91	M/S.PIR BUX COMPANY Mauza Muhammad Shah, Mohallah Rasoolpura, Mailsi, Distt Vehari	Muhammad Arshad	325-93-009596	Pir Bux	1,541	1,885	65	3,491	1,541	286	1,664	3,491
92	M/s.Junaid Flour Mills Korangi Creek, Karachi	1. Hajiani Ghulam Fatima (Expired) 2. Malik Faiz Muhammad (Expired) 3. Khalid Abbas 4. Shagufta Asad	414-42-145485 516-88-148623 414-04-06703 414-90-175547	W/o M. Ramzan Malik Muhammad Malik Muhammad W/o Asad Abbas	2,700	1,650	-	4,350	2,700	-	1,650	4,350
93	M/s. Prudential Investment Bank Ltd Mehersons Estate, Block-1, Talpur Road, Karachi.	1. Rashidullah Yaqoob 2. Sanobar Akhtar Yaqoob 3. Muhammad Asif Dar	- - -	- - -	26,144	7,342	-	33,486	26,144	2,017	5,325	33,486
94	M/s.Gojra Cotton Ginning Pressing Factory Oil Mills Jhang Road, Gojra.	1. Abdul Aziz Rafique 2. Abdul Qadir 3. Abdul Rashid 4. Hajiran Bibi 5. Hameeda Begum 6. Rafiqua Bibi 7. Rashida Bano	- - - - - - -	Naimat Ullah Naimat Ullah Naimat Ullah Shah Muhammad Naimat Ullah Ali Muhammad Naimat Ullah	2,176	5,636	176	7,988	2,176	-	5,812	7,988
95	M/s. Abdul Aziz Rafique Main Road, Hafeez Park, Gojra.	Abdul Aziz Rafique	-	Naimat Ullah	2,385	3,683	162	6,230	2,385	-	3,845	6,230
96	M/s. Sarroya Textile Industries Pull Abdullah, Samundri Road Faisalabad.	1. Muhammad Shahid Ali 2. Tariq Ali	- -	Ch. Muhammad Ali Ch. Muhammad Ali	1,497	1,800	54	3,351	1,497	-	1,854	3,351

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97	M/s. National Sweet & Confectionery Works 490, Brinlow Street, Rawalpindi Cantt.	Nasim Javaid	-	Abdul Karim	998	1,081	28	2,107	998	-	1,109	2,107
98	M/s. Khokar Traders Mouza Bailail Old Shujabad Road, Multan	Faisal Ahmed Asghar	323-90-684426	Malik Rashid Asghar	2,700	3,856	60	6,616	2,700	-	3,916	6,616
99	M/s. Shafique Sons Feed Industries (Pvt) Ltd 42-Eidgah Railway Road, Bahawalpur	1. Khalid Mehmood 2. Ubaid-ur-Rehman 3. Mst Nasreen Kauser	326-58-111401 344-60-075073 344-92-285635	Fazal Ahmed Shafiq-ur-Rehman w/o Ubaid -ur-Rehman	4,000	4,989	481	9,470	4,000	157	5,313	9,470
100	M/s. SS Tangwani Cotton Ginning Pressing & Oil Mills Pir Jagqi Road, Kot Sultan	1. Qasim Bin Sajjad 2. Qasima Sajjad	316-77-518747 310-76-286628	Sardar Sajjad Hussain W/o Faisal Raza	5,499	5,184	267	10,950	5,499	-	5,451	10,950
101	M/s. Vibration Audio New Garden Town, Lahore	Sohail Ahmed Saleem	270-56-590587	M. Saleem Akbar	1,262	-	200	1,462	1,262	-	200	1,462
102	M/s. Asif Textile Mills (Pvt) Ltd Lawrance Road, Lahore	1. Attiq ur Rehman 2. Muhammad Tufail 3. Rahat M. Manzoor	453-21-321321 35202-4545641-2 454-13-213211	Muhammad Tufail Muhammad Bashir -	1,186	101	-	1,287	1,186	-	101	1,287
103	M/s. National Fructose Company Ltd Kashif Centre, Shabrae Faisal, Karachi	1. Shakiullah Durrani 2. Arshad Alam 3. Muhammad Yamin 4. Mrs. R. Kamal	- - - -	- - - -	3,306	-	-	3,306	3,306	-	-	3,306
104	M/s. Staple Food F-307, S.I.T.E., Karachi.	Imran Rasheed	42201-31676513	Rasheed	900	514	-	1,414	900	-	514	1,414
105	M/s. Modern Soap Ind. (Pvt) Ltd. Small Industrial Estate Gujranwala	1. Sh. Sadiq Ali 2. Sh. Muhammad Younas 3. Sh. Muhammad Yousaf	44545-4313133-2 35202-6448469-5 54544-4123123-1	Sh. Abdul Ghani Sh. Abdul Ghani Sh. Abdul Ghani	1,187	-	-	1,187	1,187	-	-	1,187
106	M/s. Frontpage Leather Co. Model Town, Lahore	1. Syed Qaiser Mehdi 2. Syed Nadeem Akbar	226-54-162426 300-63-134534	Zafar Hussain Bukhari Muhammad Akbar	4,172	-	-	4,172	4,172	-	-	4,172
107	M/s. Worldover Enterprises (Pvt) Ltd. Muhallah Gojarpura, 6th K. M. Jhung Road, Faisalabad.	1. Abdul Aziz Shaikh 2. Abdul Majeed Shaikh 3. Abdul Qadeer Shaikh 4. Abdul Rasheed Shaikh 5. Hajji Muhammad Siddique.	33100-5336859 33100-16959043 33100-14397309 33100-54025141 33100-15336859	Haji Muhammad Sadiq Haji Muhammad Sadiq Haji Muhammad Sadiq Haji Muhammad Sadiq Sheikh Ghulam Qadir	7,868	65,406	233	73,507	7,868	-	65,639	73,507
108	M/s. Ghazi Vegetable Ghee & oil Mills Ltd 16 Street, no. 37, F-8/1, Islamabad.	1. Aziz Muhammad Khan 2. Bashir Ahmed 3. Mrs. Hamida Begum 4. Javed Mehmood Khan 5. Khalid Abbasi 6. Maqsood Khan 7. M. Sagheer Khan	101-45-478911 701-57-527083 701-42-423660 701-92-289011 703-76-011688 703-48-011686 701-51-052413	Ali Muhammad Khan Noor Akbar Khan M. Younus Khan (Late) Khan Muhammad Khan Muhammad Maqsood Khan Itar Khan Sardar Muhammad feroz Khan	725	-	-	725	725	-	-	725
109	M/S. New Qureshi Agro Traders	1. Ehtizaz ul Haque 2. Itzaz ul Haque	322-55-531293 322-58-531294	- -	5,692	6,376	227	12,295	5,692	6,603	-	12,295

(Rupees in Thousand)

Sr. No	Name & Address of the Borrower	Name of Individuals/Partners/ Directors		Father's/Husband's Name	Outstanding Liabilities at Beginning of Year				Principal Written off	Interest/ Mark up Written off	Other Fin. Reliefs Provided	Total
		Name	NIC No.		Principal	Intt/Acc/Mup	Others	Total				
110	M/s. Hakim Ibrahim Engineering Works Oedian, street no.1, Sumandri Road, Faisalabad	1. Ahmed Hussain Khan 2. Habib ur Rehman	- -	Ghulam Hussain Mohammad Ibrahim	-	593	-	593	-	-	593	593
111	M/s. Allah Wasaya Enterprises Suraj Kund Road, Chowk Shah Abbas, Multan	1. Malik Wajid Hussain 2. Malik Waseem Sarwar	325-74-200999 329-61-554855	- -	12,915	15,278	64	28,257	915	900	14,442	16,257
112	M/s. Fecto Sugar Mills Darya khan Distt Bhakkar	1. Munawar Ali Fecto 2. Kaiser Mehmood Fecto 3. Yahya Ahmed Bawary 4. Moin A. Haroon 5. James R. Richards 6. Imran Azim 7. Fazla-ur-Rehman	42201-6493731-7 61101-693382-1 42301-0531483-3 42000-0541483-3 35202-728505703 42301-1068685-3 37405-0593333-1	Ghulam Muhammad Fecto Munawar Ali Fecto Ahmed Bawary Ali Muhammad Haroon M.B. Richards Mohammad Abdul Aziz Abdul ghafoor	-	29,032	-	29,032	-	-	29,032	29,032
113	M/s. Regency Textile Mills Ltd. Arif Jan Road, lahore cantt.	1. M. Iqtidar Pervaiz 2. Khuram Pervaiz 3. Nazneen Pervaiz 4. Mian Pervaiz Aslam 5. Mian Javed Aslam 6. Salah ud din keen 7. Mian Ayaz Karim 8. Mian Aftab Ahmad	270-35-364853 270-61-364856 - - 1.12145E+12 - 271-56-329871 271-65-268741	Khan Aziz Mian Iqtidar Pervaiz - - Mian M. Aslam - Abdul Karim Muhammad Khan	11,283	51,307	-	62,590	11,283	-	51,307	62,590
114	M/s. High Noon Textile 25-K Multan Road Lahore.	1. Babar Agha 2. Sohail Hameed	270-054-050987 270-55-038693	Fakhar Hussain Col. Hameed Ullah Khan	56,951	33,885	-	90,836	56,951	-	33,885	90,836
115	M/s. Rizwan Textile Mills Ltd No. 4, first Floor. malik complex, 80, West Blue Area, Islamabad	1. Kamran Sadiq 2. Muhammad Munsif 3. Mst. Munawar Begum 4. Miss Shazia Sadiq 5. Muhammad Sadiq 6. Mrs. Bushra Kamran 7. Rizwan Sadiq	221-92-5884744 37405-03114737 61101-2967863 221-77-693829 61101-8663515 61101-5463383 61101-6788739	Muhammad Sadiq Muhammad Afsar W/O Muhammad Sadiq Muhammad Sadiq Haji Malk Abdullah Khan W/O Kamran Sadiq Muhammad Sadiq	8,262	-	-	8,262	8,262	-	-	8,262
116	M/s. Abdul Majeed Construction Co.	1. Abdul Majeed 2. Sohail Majeed	0344-43014681 344-93-014682	- -	194	1,176	-	1,370	194	-	1,176	1,370
117	M/s. Waiid Farooq Traders Sargodha Road Mianwali	M. Farooq Khan	-	-	-	717	-	717	-	-	717	717
118	M/s. J. K. Sons (Pvt) Ltd 3-1/A, Peoples Colony, Faisalabad	1. Abid Anwar 2. Faiq Javaid 3. Javaid Anwar	- - -	- - -	40,042	106,000	-	146,042	40,042	-	106,000	146,042
119	M/s. Amazai Textile Mills Ltd 1-B, 2nd Floor, Pak Chambers, 7-West Waharf Road, Karachi	1. Fahad Kundi 2. Syed Muhammad Yousuf 3. Adnan faiz 4. Nazir Ahmed 5. Irfanullah Khan Kundi 6. Farida Shaikh 7. Mrs. Sadozai	- - - - - - -	- - - - - - -	2,401	4,175	114	6,690	2,401	4,175	114	6,690
120	M/s. Kiani Poultry Farms Village Kot Rajgan, PO Sohawa Via Saigolabad, Chakwal	Muhammad Taj Kiani	-	Karam Khan	1,000	1,531	25	2,556	1,000	217	1,339	2,556

(Rupees in Thousand)

Sr. No	Name & Address of the Borrower	Name of Individuals/Partners/ Directors		Father's/Husband's Name	Outstanding Liabilities at Beginning of Year				Principal Written off	Interest/ Mark up Written off	Other Fin. Reliefs Provided	Total
		Name	NIC No.		Principal	Intt/Acc/Mup	Others	Total				
121	M/s. Jubilee Paper Board & Mills Ltd	1. Amjad Rasool	45645-2314655-6	Ghulam Rasool	6,563	9,726	-	16,289	3,903	68	9,658	13,629
		2. Ghulam Rasool	54564-1355589-6	Muhammad Rasool								
		3. Khalid Rasool	46548-7444642-3	Ghulam Rasool								
		4. Ms. Zohra Khatoon	-	-								
		5. Ghulam Haider	41564-1321315-4	Shafqat Rasool								
		6. Javed Ahmed	-	-								
		7. Ashraf Ali	-	-								
122	M/s. Apex Fabrics Nabika Square, G-5, Central Commercial Area, Shaheed-e-Millat Road, Karachi	1. Nafees-ur-Rehman	-	-	11,160	1,319	-	12,479	9,629	-	1,319	10,948
		2. Mirza Mubashir Baig Barlas	-	-								
		3. Iftekhar Ahmed	-	-								
		4. Naeem Ahmed	-	-								
		5. Waseem Ahmed	-	-								
		6. Mirza Muzaffar Baig Barlas	-	-								
		7. Najeeb-ur-Rehman	-	-								
123	Sardar Shakeel Mehmood Stock Exchange, Islamabad	Sardar Shakeel Mehmood	-	Sardar Mehmood Ahmed	3,024	6,496	128	9,648	3,024	557	6,067	9,648
Total					819,831	1,168,047	5,451	1,993,329	749,712	47,213	1,121,613	1,918,538

Annexure - IV

Disposal of operating fixed assets (refer note 11.2.3)

Description	Cost	Accumulated depreciation	Book value	Sales proceeds/ insurance claim	Mode of disposal/ settlement	Particulars of buyers
----- (Rupees '000) -----						
<u>Furniture and fixture, electrical, computers and office equipment</u>						
Items having book value in aggregate more than Rs. 250,000 or cost of more than Rs. 1,000,000	141,576	140,287	1,289	260	Auction	Adam Traders
Items having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000	78,915	52,676	26,239	31,341	Insurance Claims	M/s Adamjee Insurance Company Limited
	35,034	33,825	1,209	5,526		
<u>Vehicles</u>						
Suzuki Cultus	609	390	219	250	New car policy	Ms. Maggie Campos VP
Toyota Corolla	939	563	376	411	New car policy	Iqbal Ganatra SVP
Toyota Corolla	939	551	388	460	New car policy	Syed Iftikhar H. Rizvi EVP
Suzuki Cultus	609	235	374	388	New car policy	S.M.Sufian VP
Honda Accord	2,410	868	1,542	1,542	New car policy	Tahir Hassan Qureshi EVP
Suzuki Cultus	612	106	506	515	New car policy	Hamer Ramzan VP
Suzuki Cultus	620	149	471	471	New car policy	Haider Ali Jafferri VP
Suzuki Cultus	609	414	195	218	New car policy	Rafat Ali Khan VP
Toyota Corolla	969	491	478	509	New car policy	Aali Shafi SVP
Suzuki Cultus	620	190	430	436	New car policy	Ms. Sara Ahmed VP
Honda Civic	963	590	373	421	New car policy	Perveez Saeed SVP
Suzuki Cultus	620	190	430	462	New car policy	Muhammad Siddiqui VP
Honda Civic	1,043	306	737	771	New car policy	Abdul Razzak Kapadia SVP
Suzuki Cultus	612	114	498	498	New car policy	Zaheer Maqbool VP
Suzuki Cultus	620	190	430	445	New car policy	Ms. Asma Mazhar VP
Toyota Corolla	969	129	840	783	New car policy	Farooq Ahmed Malhi SVP
Suzuki Cultus	615	66	549	492	New car policy	Ms. Naveen Ahmed VP
Honda Accord	2,402	160	2,242	1,921	New car policy	Sheikh Tahir Khalil EVP
Suzuki Cultus	612	114	498	506	New car policy	Umair Ismail VP
Suzuki Cultus	604	604	-	147	New car policy	M.Ishifaq Siddiqui VP
Suzuki Cultus	609	609	-	140	New car policy	Hanif Iqbal Brohi VP
Suzuki Cultus	609	609	-	207	New car policy	Muhammad Ayub VP
Suzuki Cultus	609	609	-	202	New car policy	Muhammad Iqbal VP
Toyota Corolla	939	939	-	224	New car policy	Abdul Rasheed Baloch VP
Suzuki Cultus	609	609	-	194	New car policy	Syed Ghulam Haider VP
Honda Civic	1,043	306	737	743	New car policy	Javed Iqbal Bhatti SVP
Suzuki Cultus	620	174	446	460	New car policy	M. Salman Khan VP
Suzuki Cultus	609	244	365	383	New car policy	Muhammad Saleem Baig VP
Honda Civic	1,043	320	723	728	New car policy	Mashkooor Ahmed Baber SVP
Suzuki Cultus	620	190	430	452	New car policy	Mehfuz-ur-Rehman VP
Suzuki Cultus	620	190	430	445	New car policy	Shahid Aziz VP
Honda Civic	1,043	320	723	735	New car policy	Perwez Akhtar SVP
Suzuki Cultus	609	609	-	170	New car policy	Rizwan Hussain VP
Suzuki Cultus	609	609	-	153	New car policy	Ahmir Mansoor SVP
Suzuki Cultus	609	609	-	151	New car policy	Aurangzab Awan VP

Description	Cost	Accumulated depreciation	Book value	Sales proceeds/ insurance claim	Mode of disposal/ settlement	Particulars of buyers
	----- (Rupees '000) -----					
Honda Civic	1,043	389	654	682	New car policy	Imran Daudi SVP
Toyota Corolla	939	939	-	232	New car policy	Tariq Qayyum Butt VP
Suzuki Cultus	647	64	583	518	New car policy	Ms. Nilufer Pereira VP
Honda Civic	1,038	304	734	750	New car policy	Muhammad Zulfiqar SVP
Toyota Corolla	1,005	80	925	804	New car policy	Zafar Alam Baig SVP
Suzuki Cultus	615	66	549	496	New car policy	Muhammad Aamir Ilyas VP
Toyota Corolla	939	501	438	483	New car policy	Syed Nadeem Hussain SVP
Suzuki Cultus	620	190	430	434	New car policy	Kamal Ahmed Khan VP
Suzuki Cultus	615	66	549	494	New car policy	Tasneem Ahmed VP
Honda Civic	939	939	-	228	New car policy	Sheikh Shaukat Hussain SVP
Suzuki Cultus	609	235	374	388	New car policy	Arif Ali Shah SVP
Honda Civic	1,043	306	737	763	New car policy	Asad Rizwan SVP
Toyota Corolla	939	538	401	441	New car policy	Ahsan Rasheed Abbasi SVP
Suzuki Cultus	604	266	338	372	New car policy	Muhammad Aslam VP
Suzuki Cultus	609	333	276	329	New car policy	Abdul Aziz Soomro VP
Toyota Corolla	969	155	814	778	New car policy	Kashif Ahmed SVP
Honda Civic	1,002	374	628	657	New car policy	Asif Khan SVP
Honda Civic	1,043	375	668	712	New car policy	M. Saeed Khan Tanoli SVP
Suzuki Cultus	620	190	430	445	New car policy	Valeed Basit Salimi SVP
Suzuki Cultus	609	406	203	240	New car policy	Nisar Akhtar VP
Toyota Corolla	954	432	522	565	New car policy	Sohail Ahmed Malik VP
Suzuki Cultus	620	182	438	468	New car policy	Rana Anis Aftab VP
Toyota Corolla	969	284	685	718	New car policy	Muhammad Tariq Mirza VP
Toyota Corolla	969	155	814	801	New car policy	Mian Asif Iqbal VP
Toyota Corolla	969	90	879	775	New car policy	Ms. Romana Abdullah EVP
Toyota Corolla	939	513	426	461	New car policy	Javaid Iqbal SVP
Suzuki Cultus	615	131	484	494	New car policy	Naeem Afzal Khan VP
Suzuki Cultus	609	219	390	428	New car policy	Malik M. Khan VP
Suzuki Cultus	609	422	187	226	New car policy	Javed Iqbal Khan VP
Toyota Corolla	969	284	685	724	New car policy	Javed Ayaz Khan VP
Honda Civic	1,043	306	737	775	New car policy	M. Imran Rao SVP
Suzuki Cultus	620	190	430	454	New car policy	Muhammad Abdullah VP
Suzuki Cultus	620	190	430	464	New car policy	Lloyd D' Souza VP
Suzuki Cultus	620	174	446	458	New car policy	Junaid Jafferri VP
Suzuki Cultus	612	106	506	517	New car policy	Farhan Rafiq VP
Suzuki Cultus	647	52	595	521	New car policy	Muhammad Suhail VP
Suzuki Cultus	620	174	446	455	New car policy	M.Arif Nawaz VP
Suzuki Cultus	612	106	506	517	New car policy	Asif Mehmood VP
Honda Civic	1,376	239	1,137	1,156	New car policy	Salman Yaqub Zaidi EVP
Toyota Corolla	969	207	762	772	New car policy	Imran Rashid EVP-1
Suzuki Cultus	609	333	276	310	New car policy	Siraj Muhammad SVP
Suzuki Cultus	604	604	-	184	New car policy	M. Israr Khan VP
Toyota Corolla	1,043	306	737	741	New car policy	Manoj Kumar Ahuja SVP
Suzuki Cultus	620	132	488	495	New car policy	M. Javed Anwer VP
Toyota Corolla	969	245	724	733	New car policy	Saad ullah Khan SVP
Suzuki Cultus	609	609	-	199	New car policy	Muhammad Saleem VP
Suzuki Cultus	612	114	498	504	New car policy	Jalal Ud-Din Patoli VP
Suzuki Cultus	609	382	227	265	New car policy	Riaz Alam VP
Toyota Corolla	939	513	426	468	New car policy	Ghulam Abbas Goraya VP
Suzuki Cultus	609	609	-	162	New car policy	Shafiq Ur Rehman VP
Toyota Corolla	969	194	775	791	New car policy	Naseer A. Channa VP

Description	Cost	Accumulated depreciation	Book value	Sales proceeds/ insurance claim	Mode of disposal/ settlement	Particulars of buyers
	----- (Rupees '000) -----					
Toyota Corolla	969	284	685	719	New car policy	Tariq Faiz Querishi VP
Suzuki Cultus	609	382	227	266	New car policy	M. Iqbal Ghaffar VP
Suzuki Cultus	607	113	494	502	New car policy	S. Musharaf Ali VP
Toyota Corolla	939	376	563	590	New car policy	G.M. Shahid VP
Suzuki Cultus	620	190	430	450	New car policy	Ejaz Fakhri VP
Suzuki Cultus	647	52	595	518	New car policy	Usman Siddiqui VP
Suzuki Cultus	609	284	325	372	New car policy	Farooq Amin VP
Suzuki Cultus	609	406	203	230	New car policy	Abdul Hameed VP
Suzuki Cultus	647	52	595	522	New car policy	Nisar Ahmed Farooqui VP
Suzuki Cultus	615	74	541	504	New car policy	Ali Azfar Jafri VP
Suzuki Cultus	604	330	274	355	New car policy	Haider Iqbal VP
Honda Civic	1,043	348	695	707	New car policy	Mr. Azfar Nomani EVP
Toyota Corolla	969	116	853	785	New car policy	Syed Aamir Ali Rizvi VP
Suzuki Cultus	615	172	443	443	New car policy	Ms. Shamsunnisa Masood VP
Suzuki Cultus	609	609	-	178	New car policy	Muzaffar Hussain Qarni VP
Suzuki Cultus	620	182	438	448	New car policy	Muhammad Usman VP
Suzuki Cultus	609	609	-	164	New car policy	Rafiq Ather VP
Suzuki Cultus	620	190	430	438	New car policy	M. Yosuf Siddiqui VP
Suzuki Cultus	652	35	617	524	New car policy	Khush Dil Khan VP
Honda Civic	1,002	441	561	569	New car policy	Imtiaz Ahmed SVP
Suzuki Cultus	609	390	219	296	New car policy	Rafaqat Ahmed VP
Suzuki Cultus	612	106	506	516	New car policy	Sami ud din Khan VP
Honda Civic	1,002	441	561	604	New car policy	S. Zia Amjad Khan VP
Toyota Corolla	969	478	491	548	New car policy	Fazal - e - Elahi VP
Suzuki Cultus	604	322	282	308	New car policy	Sher Bahadur VP
Toyota Corolla	969	310	659	688	New car policy	Anjad Aziz VP
Toyota Corolla	969	478	491	535	New car policy	Khairullah Khan VP
Honda Civic	1,002	414	588	639	New car policy	Shafiq ul Rehman SVP
Suzuki Cultus	604	322	282	323	New car policy	Hafiz Muzammil Iqbal VP
Suzuki Cultus	609	609	-	198	New car policy	Badar Hussain VP
Suzuki Cultus	647	35	612	518	New car policy	Asim Zaheer Agha VP
Suzuki Cultus	610	171	439	444	New car policy	Ahmed Javed Qureshi VP
Toyota Corolla	969	245	724	725	New car policy	Naeem Saigol VP
Suzuki Cultus	610	73	537	493	New car policy	Adnan Humayun VP
Honda Civic	1,038	373	665	695	New car policy	Usman Hassan EVP
Honda Civic	1,038	373	665	686	New car policy	M. Numan Chaughtai EVP
Honda Civic	1,043	306	737	783	New car policy	M. Hamid Yaseen EVP
Toyota Corolla	939	526	413	444	New car policy	Nasir Ayub SVP
Suzuki Cultus	609	390	219	272	New car policy	S. Jawed Abbas VP
Honda Civic	963	629	334	437	New car policy	Nadeem Ahmed Butt SVP
Toyota Corolla	979	196	783	794	New car policy	Zafar Iqbal Chatha SVP
Suzuki Cultus	612	114	498	510	New car policy	M. Asim Khan Suri VP
Suzuki Cultus	609	398	211	250	New car policy	Sh. Mujeeb - ur - Rehman VP
Toyota Corolla	939	939	-	266	New car policy	Sultan Zeb Khan VP
Suzuki Cultus	609	349	260	319	New car policy	Ms. Khalida Adeeb Khanum VP
Honda Civic	1,002	481	521	535	New car policy	Nadeem Afzal Khan EVP
Suzuki Cultus	620	132	488	501	New car policy	Amin Sukhiani SVP
Suzuki Cultus	609	406	203	241	New car policy	Syed Asim Ali SVP
Toyota Corolla	939	526	413	443	New car policy	Tauqir Subhani SVP
Suzuki Cultus	612	114	498	501	New car policy	Anees Awan VP
Toyota Corolla	969	452	517	612	New car policy	Khalid Masood VP

Description	Cost	Accumulated depreciation	Book value	Sales proceeds/ insurance claim	Mode of disposal/ settlement	Particulars of buyers
	----- (Rupees '000) -----					
Suzuki Cultus	612	106	506	517	New car policy	M. Siddiq Darbari VP
Toyota Corolla	939	939	-	339	New car policy	Mir Javed Hussain SVP
Toyota Corolla	969	245	724	735	New car policy	Imran Moti VP
Suzuki Cultus	620	190	430	451	New car policy	Sajid Zafar Mansuri VP
Honda Civic	1,043	375	668	707	New car policy	Nisar Ahmed Sheikh SVP
Toyota Corolla	1,005	67	938	806	New car policy	S. Mohammad Ali SVP
Suzuki Cultus	609	609	-	187	New car policy	S.Badaruddin Ahmed VP
Suzuki Cultus	620	174	446	476	New car policy	Rafiq Ahmed Sheikh VP
Honda Civic	1,043	375	668	687	New car policy	S.M. Arshad SVP
Suzuki Cultus	620	182	438	442	New car policy	A. Karim Agghadi VP
Suzuki Cultus	609	609	-	199	New car policy	Arshad Aziz VP
Suzuki Cultus	652	17	635	526	New car policy	Munib Fayyaz VP
Toyota Corolla	939	513	426	427	New car policy	Abdul Rauf VP
Toyota Corolla	969	90	879	785	New car policy	A.Aziz Kalyan SVP
Toyota Corolla	969	129	840	806	New car policy	Zulfiqar Ali Arain SVP
Suzuki Cultus	620	182	438	460	New car policy	Pervez Zia VP
Toyota Corolla	969	103	866	782	New car policy	Waqas Mehmood VP
Suzuki Cultus	652	9	643	522	New car policy	M. Ijaz Aziz VP
Toyota Corolla	969	129	840	800	New car policy	Qazi Zahoor Ahmed VP
Toyota Corolla	979	196	783	798	New car policy	Rizwan Ali Khan VP
Toyota Corolla	939	513	426	501	New car policy	Arshad Mehmood VP
Toyota Corolla	939	513	426	480	New car policy	Amjad Jamal VP
Suzuki Cultus	609	609	-	160	New car policy	Fazal Mehmood VP
Toyota Corolla	969	413	556	606	New car policy	M. Ehsan Cheema VP
Suzuki Cultus	631	50	581	514	New car policy	Waseem Ahmed Qureshi VP
Suzuki Cultus	609	325	284	344	New car policy	Khadim Hussain VP
Toyota Corolla	939	513	426	475	New car policy	S. Zia-ul-Hasnain Shamsi SVP
Suzuki Cultus	609	382	227	275	New car policy	Aamir Nawab VP
Suzuki Cultus	609	609	-	190	New car policy	S.M.Saleem Raza Shirazi VP
Suzuki Cultus	652	35	617	522	New car policy	Abdul Mohsin VP
Suzuki Cultus	612	106	506	511	New car policy	Ms. Faiza Zafar VP
Suzuki Cultus	612	106	506	516	New car policy	Ahmed Kamal ud din VP
Toyota Corolla	969	401	568	667	New car policy	Abdul Qayyum Malik VP
Suzuki Cultus	555	96	459	465	New car policy	M. Saqib Arshad Qureshi VP
Toyota Corolla	969	310	659	695	New car policy	Ch. Muhammad Ayub VP
Honda City	974	91	883	781	New car policy	Ali Shafqat SVP
Suzuki Cultus	609	203	406	422	New car policy	Mansoor Ahmed VP
Suzuki Cultus	631	50	581	511	New car policy	Tanveer Ahmed Khan VP
Honda Civic	1,043	362	681	715	New car policy	Muhammad Ali Manjee SVP
Toyota Corolla	939	513	426	511	New car policy	Fatah Muhammad SVP
Toyota Corolla	979	170	809	814	New car policy	Ali Qasim Gardezi VP
Toyota Corolla	1,005	-	1,005	804	New car policy	Munir Ahmed Saleem EVP
Toyota Corolla	939	939	-	283	New car policy	Ashfaq Abbas Awan VP
Suzuki Cultus	615	172	443	449	New car policy	Irfan Ahmed Mir SVP
Suzuki Cultus	631	50	581	505	New car policy	M.Rohail Akhtar VP
Honda Civic	1,036	235	801	809	New car policy	Faisal Ejaz Khan SVP
Suzuki Cultus	620	190	430	450	New car policy	Ayaz Ahmed Jaskani VP
Suzuki Cultus	615	172	443	457	New car policy	Dilshad A Khan Sherwani VP
Suzuki Cultus	609	325	284	335	New car policy	Khalid Farooq SVP
Suzuki Cultus	609	325	284	318	New car policy	Karim ud din VP
Toyota Corolla	969	181	788	803	New car policy	S. Salman Qutb SVP

Description	Cost	Accumulated depreciation	Book value	Sales proceeds/ insurance claim	Mode of disposal/ settlement	Particulars of buyers
	----- (Rupees '000) -----					
Suzuki Cultus	612	114	498	507	New car policy	Muhammad Suleman VP
Suzuki Cultus	647	52	595	520	New car policy	Muhammad Shoab VP
Suzuki Cultus	609	325	284	320	New car policy	Syed Tariq Mehmood VP
Suzuki Cultus	612	106	506	509	New car policy	Anwar ul Haq VP
Suzuki Cultus	615	172	443	456	New car policy	Ms. Saamera M. Hassan VP
Toyota Corolla	969	439	530	634	New car policy	Ashfaq Ahmed Khan VP
Honda Civic	1,371	238	1,133	1,141	New car policy	Ms. Nabeela Ahmed EVP-I
Toyota Corolla	969	103	866	785	New car policy	Irfan Johar SVP
Toyota Corolla	1,005	54	951	807	New car policy	Syed Muhammad Asif VP
Honda Civic	1,557	21	1,536	1,246	New car policy	Munir Ahmed Saleem EVP
Honda Civic	943	628	315	669	New car policy	Mr.Ajmal Anwar Malik SVP
Toyota Corolla	969	349	620	384	New car policy	Mr. Saeed haider Gardezi VP
Honda Civic	1,043	375	668	680	New car policy	Ms. Anita Lalani SVP
Suzuki Cultus	615	164	451	465	New car policy	Raza Yousuf VP
Toyota Corolla	969	439	530	581	New car policy	S.M.Saqain Naqvi VP
Suzuki Cultus	620	66	554	498	New car policy	Salman Azim VP
Suzuki Cultus	604	330	274	310	New car policy	M.Abid Qureshi VP
Toyota Corolla	939	526	413	507	New car policy	Wali ullah Khan VP
Toyota Corolla	969	413	556	598	New car policy	Jahangeer Nazar VP
Suzuki Cultus	609	333	276	319	New car policy	Muhammad Naem VP
Toyota Corolla	969	401	568	627	New car policy	Muhammad Azam VP
Suzuki Cultus	615	98	517	501	New car policy	Muhammad Saeed Raja VP
Suzuki Cultus	615	172	443	471	New car policy	Sh. Tahir Iqbal VP
Suzuki Cultus	604	354	250	289	New car policy	M. Qasim Querishi VP
Toyota Corolla	969	297	672	715	New car policy	Ali Imam Al Hussani SVP
Toyota Corolla	969	323	646	695	New car policy	Omer Khalid SVP
Toyota Corolla	939	526	413	484	New car policy	Mir Sajjad Rafiq SVP
Honda Civic	1,043	306	737	765	New car policy	Naeem Yaqoob Khan SVP
Suzuki Cultus	615	189	426	461	New car policy	Saohail Rashid VP
Suzuki Cultus	560	119	441	461	New car policy	Muhammad Yaqub VP
Suzuki Cultus	615	82	533	502	New car policy	Muhammad Ali Khan VP
Honda Civic	1,288	378	910	939	New car policy	Salman Zaffar Siddiqui EVP-II
Suzuki Cultus	609	284	325	379	New car policy	Zulfikhar Sani VP
Suzuki Cultus	612	114	498	512	New car policy	Hassan Khawaja VP
Suzuki Cultus	620	174	446	469	New car policy	Khan Afsar Jadoon VP
Suzuki Cultus	607	105	502	502	New car policy	Ms. Tazeen Shahid VP
Suzuki Cultus	612	114	498	502	New car policy	Atif Izhar Syed VP
Suzuki Cultus	604	370	234	289	New car policy	M. Abbas Sharif VP
Honda Civic	1,043	375	668	679	New car policy	Hashim Khan SVP
Toyota Corolla	969	362	607	680	New car policy	M. Laiq Marri VP
Toyota Corolla	969	220	749	793	New car policy	Budhal Mahessar VP
Suzuki Cultus	615	74	541	567	New car policy	Waheed ullah Aftab VP
Honda Civic	1,043	362	681	693	New car policy	Adam Ahmed SVP
Suzuki Cultus	620	174	446	446	New car policy	Syed Moinuddin VP
Suzuki Cultus	615	82	533	497	New car policy	Saud Sarwar VP
Suzuki Cultus	620	174	446	488	New car policy	Hasnain Afzal VP
Honda Civic	1,371	256	1,115	1,134	New car policy	Farooq Ahmed Khan EVP-I
Suzuki Cultus	609	325	284	339	New car policy	Khurram Ali Syed VP
Honda Accord	2,402	128	2,274	1,921	New car policy	Zarkham Khan Durrani EVP-11
Suzuki Cultus	609	333	276	315	New car policy	Arshad Iqbal VP
Suzuki Cultus	615	82	533	502	New car policy	Khawaja Naeemuddin VP

Description	Cost	Accumulated depreciation	Book value	Sales proceeds/ insurance claim	Mode of disposal/ settlement	Particulars of buyers
	----- (Rupees '000) -----					
Toyota Corolla	969	362	607	677	New car policy	S. Azadar Hussain Kazmi VP
Toyota Corolla	1,005	80	925	804	New car policy	M.Khalid Qureshi VP
Toyota Corolla	969	207	762	786	New car policy	M. Omer Ata SVP
Suzuki Cultus	612	114	498	498	New car policy	Tariq Shakir VP
Suzuki Cultus	615	107	508	524	New car policy	M. Farooq Nadeem VP
Suzuki Cultus	620	83	537	496	New car policy	Amjad Saleem Butt VP
Toyota Corolla	969	155	814	787	New car policy	Natasha Ahmed SVP
Suzuki Cultus	555	96	459	461	New car policy	Khalid Mamood VP
Toyota Corolla	969	233	736	743	New car policy	Mr. Salman Razaq VP
Suzuki Cultus	609	219	390	419	New car policy	Tariq Masood VP
Suzuki Cultus	604	362	242	275	New car policy	Muhammad Hadi Haidri VP
Suzuki Cultus	620	174	446	476	New car policy	Muhammad Shahid VP
Suzuki Cultus	609	203	406	442	New car policy	Ahmed Nawaz Kayani VP
Suzuki Cultus	609	406	203	253	New car policy	Farman ullah VP
Toyota Corolla	969	181	788	789	New car policy	Syed Furqan Ali VP
Suzuki Cultus	623	133	490	488	New car policy	Amer Yousuf VP
Toyota Corolla	979	196	783	807	New car policy	Kamran Hafeez SVP
Suzuki Cultus	620	190	430	455	New car policy	Jahangir Ahmed VP
Suzuki Cultus	609	406	203	262	New car policy	Sikander Iqbal Khan VP
Toyota Corolla	969	375	594	613	New car policy	Ms. Ghazala Riaz Malik VP
Suzuki Cultus	647	52	595	522	New car policy	Zulfiqar Ali
Suzuki Cultus	615	172	443	470	New car policy	Jawad Ahmed Dar
Suzuki Cultus	609	609	-	177	New car policy	Ather Hussain Siddiqi
Mercedes Benz	3,526	1,598	1,928	2,038	New car policy	Salman A.Usmani SEVP
Toyota Corolla	969	220	749	774	New car policy	Azhar Iqbal
Toyota Corolla	969	155	814	775	New car policy	Shahid Iqbal
Toyota Corolla	969	401	568	568	Pre-Mature Retirement	Shahid Agha
Suzuki Cultus	652	43	609	522	New car policy	M.Asif Azim VP
Toyota Corolla	969	413	556	562	superannuation	Muhammad Ashfaq
Suzuki Cultus	609	317	292	292	New car policy	Saleem Pervaiz Arbab
Mercedes Benz	3,578	1,527	2,051	1,973	New car policy	Ms. Sadia P. Saeed SEVP
Toyota Corolla	939	939	-	94	New car policy	Khair Muhammad
Honda VTI	950	950	-	423	New car policy	Munir Ahmed Saleem EVP
Toyota Corolla	939	939	-	320	New car policy	Muhammad Khalid Qureshi
Toyota Corolla	939	526	413	507	New car policy	Mr. Tahir Mushtaq Mir
Honda Civic	1,038	318	720	782	New car policy	Mr. Shoaib Mumtaz
Honda Civic	1,043	389	654	733	New car policy	Mr. Junaid Iqbal
Honda Civic	1,043	389	654	692	New car policy	Mirza Ali Nazimi SVP
Honda Civic	1,043	403	640	663	New car policy	Nadeem Illahi SVP
Suzuki Cultus	620	182	438	463	New car policy	Jafar Bokhari VP
Toyota Corolla	969	271	698	742	New car policy	Asif mumtaz Butt VP
Toyota Corolla	969	245	724	711	New car policy	Salman Zafar Siddiqui
Suzuki Cultus	615	180	435	460	New car policy	Pervez Akhtar VP
Suzuki Cultus	620	182	438	505	New car policy	Rashid Mehboob VP
Suzuki Cultus	620	141	479	500	New car policy	M.Mubashar Bashir VP
Honda Civic	1,376	404	972	1,073	New car policy	Mr.Humayun Nizami
Honda Civic	955	955	-	191	Retirement Benefit	Mr.Tahir Ayub
Toyota Corolla	939	939	-	188	Retirement Benefit	Mr.Tahir Ayub
Suzuki Cultus	609	341	268	354	New car policy	Farhat Mehmood Khosa VP
Suzuki Cultus	615	123	492	469	Insurance Claim	M/s Adamjee Insurance Company Limited
Suzuki Cultus	560	112	448	555	Insurance Claim	M/s Adamjee Insurance Company Limited

Description	Cost	Accumulated depreciation	Book value	Sales proceeds/ insurance claim	Mode of disposal/ settlement	Particulars of buyers
	----- (Rupees '000) -----					
Toyota Corolla	969	245	724	850	Insurance Claim	M/s Adamjee Insurance Company Limited
Suzuki Cultus	615	90	525	612	Insurance Claim	M/s Adamjee Insurance Company Limited
Suzuki Cultus	615	90	525	620	Insurance Claim	M/s Adamjee Insurance Company Limited
Suzuki Cultus	615	74	541	620	Insurance Claim	M/s Adamjee Insurance Company Limited
Suzuki Cultus	604	298	306	480	Insurance Claim	M/s Adamjee Insurance Company Limited
Toyota Corolla	939	626	313	708	Auction	Mr M.Hanif Dilbar
Toyota Corolla	954	509	445	810	Auction	MR. K Zulifqar Ahmad
Toyota Corolla	969	413	556	750	Auction	Mr.Khuraam Imtiaz
Suzuki Cultus	607	130	477	515	Auction	Mr.M Sharif
Suzuki Cultus	620	207	413	462	Auction	Mr.Khuraam Imtiaz
Toyota Corolla	969	297	672	837	Auction	Mr.Sohail Rehman
Suzuki Cultus	620	190	430	498	Auction	Mr.Khuraam Imtiaz
Suzuki Cultus	620	174	446	508	Auction	Mr.Rehan Mathani
Toyota Corolla	979	209	770	900	Auction	Mr.Khuraam Imtiaz
Suzuki Cultus	560	127	433	556	Auction	Mian M.Tariq Iqbal
Suzuki Cultus	612	131	481	564	Auction	Mr.M Ilyas
Honda City	1,031	247	784	705	Auction	Mr.Humayun Zaheer
Honda City	1,031	220	811	752	Auction	Mr.Irfan ABID Qureshui
Suzuki Cultus	615	107	508	546	Auction	Mr.Asad Khalid Sh
Toyota Corolla	969	168	801	920	Auction	Mr.M Nasir
Lancer	1,079	144	935	800	Auction	Mr.Yasir Mehmood
Toyota Corolla	1,005	107	898	925	Auction	Mr.M Sajid
Lancer	1,079	58	1,021	825	Auction	Mr.Jahangir Pervaiz
Toyota Corolla	1,005	80	925	983	Auction	Mr.Khuraam Imtiaz
Suzuki Cultus	620	165	455	485	Auction	Mr.Tariq Saeed
Toyota Corolla	954	547	407	800	Auction	Farhat A. Jaffari
Toyota Corolla	939	576	363	776	Auction	Mohammad Akber
Toyota Corolla	939	563	376	800	Auction	Mr. Saleem
Toyota Corolla	939	576	363	800	Auction	Mehmood
Honda Civic	1,043	431	612	810	Auction	Syed Afzal Mehndi
Toyota Hilux	2,290	1,718	572	1,350	Auction	Adnan Ahmed Bhatti
Toyota Corolla	939	563	376	765	Auction	Adnan Ahmed Bhatti
Toyota Corolla	939	576	363	794	Auction	Mehmood
Honda Civic	1,238	512	726	956	Auction	Syed yasir Ahmed
Bolan Van	427	199	228	385	Auction	Mehmood
Honda Civic	1,238	429	809	1,026	Auction	Haibullah Associates
Honda Civic	1,238	495	743	1,010	Auction	Syed yasir Ahmed
Toyota Corolla	1,043	362	681	942	Auction	Syed yasir Ahmed
Suzuki Cultus	620	174	446	500	Auction	Waseem Mirza
Honda Civic	1,237	511	726	910	Auction	Mehmood
Lancer	1,074	143	931	880	Auction	Haibullah Associates
Honda Civic	943	679	264	680	Auction	Waseem Mirza
Honda Civic	963	642	321	770	Auction	Waseem Mirza
Suzuki Cultus	604	274	330	471	Auction	Mehmood
Honda Civic	963	552	411	700	Auction	Waseem Mirza
Suzuki Cultus	609	357	252	435	Auction	Waseem Mirza
Suzuki Cultus	620	182	438	555	Auction	Mr. Mehmood
Suzuki Cultus	612	131	481	625	Auction	Waseem Mirza
Suzuki Cultus	615	90	525	609	Auction	Mr.Khuraam Imtiaz
Toyota Corolla	1,074	172	902	880	Auction	Waseem Mirza
Toyota Corolla	969	297	672	668	Auction	Kamran Ahmad

Description	Cost	Accumulated depreciation	Book value	Sales proceeds/ insurance claim	Mode of disposal/ settlement	Particulars of buyers
	----- (Rupees '000) -----					
Honda Civic	1,225	817	408	710	Auction	Mirza Atif Shahzad
Suzuki Cultus	560	276	284	364	Auction	Mrs. Samina Atif
Honda Civic	1,043	334	709	900	Auction	Mr.Ibrahim Mahir Raja
Toyota Corolla	939	576	363	763	Auction	Mr. Khuram Imtiaz
Toyota Corolla	939	563	376	723	Auction	Mr. Khuram Imtiaz
Toyota Corolla	939	551	388	679	Auction	Mr. Khuram Imtiaz
Toyota Corolla	939	538	401	739	Auction	Mr. Khuram Imtiaz
	290,357	110,949	179,408	198,340		
"Other Vehicles having book value of less than Rs. 250,000 or cost of less than Rs. 1,000,000"	30,275	16,648	13,627	23,160		
2008	576,157	354,385	221,772	258,627		
2007	215,536	166,253	49,283	62,419		

Summarized detail of the valuation of owned properties (refer note 11.2.1)

City	Land	Building	Total
	----- (Rupees in '000) -----		
Karachi	3,489,740	2,098,418	5,588,158
Hyderabad	89,981	42,407	132,388
Sukkur	48,591	14,049	62,640
Moro	5,698	1,735	7,433
Nausheroferoz	4,150	1,051	5,201
Mirpurkhas	15,687	5,397	21,084
Larkana	21,935	6,190	28,125
Gawadar	3,765	2,674	6,439
Mianwali	23,500	486	23,986
Jehlum	21,000	9,047	30,047
Muree	10,000	305	10,305
Jhang	14,063	2,874	16,937
Quetta	241,260	33,860	275,120
Islamabad	1,189,400	150,936	1,340,336
Abbottabad	15,000	6,531	21,531
Rawalpindi	300,836	84,738	385,574
Lahore	3,075,794	1,386,009	4,461,803
Kasur	16,380	1,673	18,053
Faisalabad	396,077	81,372	477,449
Gujrat	43,200	14,391	57,591
Gujranwala	41,534	7,862	49,396
Wazirabad	12,000	4,849	16,849
Muridke	18,000	3,231	21,231
Hafizabad	20,000	8,128	28,128
Sargodha	51,323	7,256	58,579
Okara	13,000	7,104	20,104
Sheikhupura	24,000	8,332	32,332
Vehari	3,885	1,228	5,113
Sialkot	50,000	4,505	54,505
Sahiwal	11,764	7,681	19,445
Chakwal	-	3,988	3,988
Azad Kashmir	57,352	7,970	65,322
Peshawar	67,017	21,054	88,071
Tandoallahyar	2,200	800	3,000
Muzaffarabad	43,582	6,085	49,667
Shadadpur	4,300	818	5,118
Haripur	23,070	3,507	26,577
Dir	3,484	3,739	7,223
Mingora	10,150	6,931	17,081
Rahim Yar Khan	8,100	8,535	16,635
Sadiqabad	15,120	5,924	21,044
Haroonabad	7,000	1,600	8,600
Chistian	667	915	1,582
Khanpur	9,380	-	9,380
Bahawalpur	13,750	11,711	25,461
D.G. Khan	20,500	12,945	33,445
Shujabad	4,800	1,837	6,637
Overseas	-	35,061	35,061
MCB Asset Management Company(subsidiary company)	-	34,818	34,818
Grand total	9,562,035	4,172,557	13,734,592