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# HALF YEARLY REPORT JUNE 2011

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## CORPORATE INFORMATION

# HALF YEARLY REPORT JUNE 2011

### Board of Directors

#### Chairman

Nasir Ali Shah Bukhari

#### Acting President / Chief Executive Officer

Munir Saleem

#### Directors

Irshad Ali Shaban Ali Kassim

Leon Seynave

Muneer Kamal

Syed Tariq Hussain Gilani

Tariq M. Rangoonwala

Waseem Haqqie

### Chief Financial Officer

Syed Liaquat Ali

### Company Secretary

Muhammad Hamidullah

### Auditors

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

### Legal Advisors

Mandviwalla & Zafar

Advocates & Legal Consultants

### Registered Office

Razia Sharif Plaza,

Jinnah Avenue, 90-Blue Area, Islamabad

Tel: (92-51) 2270725, 2276828-30

Fax: (92-51) 2270727

### Principal Office

Business & Finance Centre

I.I. Chundrigar Road, Karachi

Tel: (92-21) 32446772-77

Fax: (92-21) 32446828 & 32446865

### Website

<http://www.kasb.com/bank>

### Audit Committee

Leon Seynave

Syed Tariq Hussain Gilani

Waseem Haqqie (Chairman)

### Human Resource and Remuneration Committee

Irshad Ali Shaban Ali Kassim (Chairman)

Leon Seynave

Muneer Kamal

Waseem Haqqie

### Risk Management and Recovery Committee

Muneer Kamal (Chairman)

Syed Tariq Hussain Gilani

Tariq M. Rangoonwala

Waseem Haqqie

### Regional Office, Lahore

KASB House

14-C, Jail Road, Gulberg,

Lahore.

Tel: (92-42) 35776723-4

Fax: (92-42) 35762192

### Registrar and Share Transfer Office

Noble Computer Services (Pvt.) Limited

Mezzanine Floor, House of Habib Building,

(Siddiqsons Tower),

3-Jinnah Cooperative Housing Society,

Main Shahrah-e-Faisal,

Karachi - 75350.

Tel. # : (92-21) 34325482-87 (6 Lines)

Fax # : (92-21) 34325442

E-mail: [ncsl@noble-computers.com](mailto:ncsl@noble-computers.com)

(All names in alphabetical order)



## DIRECTORS' REVIEW

# HALF YEARLY REPORT JUNE 2011

We are pleased to present the review report of the Bank for the 2nd Quarter ended June 30, 2011 along with the Bank's un-audited standalone and consolidated financial statements.

### Macroeconomic Performance

The SBP has recently reduced the discount rate by 50 bps. A relative decline in CPI inflation, improvement in the external account, gradual buildup of forex reserves and containment of government borrowings acted as the main factors leading to this decision. The impact of this reduction on the banking sector as a whole will be seen in the coming few months by reduction in the interest rates. Going forward, interest rate direction will be determined by the GOP success in containing the fiscal deficit, inflation and borrowing from SBP. Despite fiscal slippages, so far the government was able to restrict its stock of borrowings from SBP to Rs. 1,200 billion and also expressed its commitment to continue with a stance of zero borrowings from SBP in FY12.

The external current account improved considerably in FY11 with a surplus of \$437 million being realized during the year. A significant rise in exports along with robust growth in workers' remittances, which now stand at \$11.2 billion, remained the primary factors behind this improvement. As a result, the forex reserves crossed the \$18bn mark and currency depreciation was restricted to 0.5%.

The real GDP growth was only 2.4% in FY-11. The prevailing power and gas shortages, interest rates and inflation levels continue to hamper the recovery process and the growth rate. Consequently, the banking sector has remained cautious in its lending decisions. Although NPL formation has slowed down, it still remains a major risk to the banking industry especially with respect to quality of assets and profitability.

### Financial Performance

Summarized financial performance of the Bank for the second quarter ended June 30, 2011 was as under:

	Rupees in Million
Loss before provisions against NPLs and impairments	833
Provisions and impairment (net of recovery)	<u>883</u>
Loss after provisions and impairment	<u>1,716</u>
Loss per share (Rupee)	<u>(1.80)</u>

### Business review Q2 2011

With the continued emphasis towards increasing both the deposit base and its mix your bank recorded increase of Rs. 1.8 billion in the deposit base during the quarter. On the other hand cost of deposit has decreased by 4.83% when compared with corresponding quarter of 2010. The deposit mix has continued to improve and the ratio of CASA to total deposits is now 50% compared to 45% in corresponding period of 2010. In furtherance of our efforts, a major marketing campaign is being launched in print and

electronic media which will produce further positive results. The liquidity position of the Bank has significantly improved during the quarter. As at June 2011 end, the Bank had Rs. 3.8 billion surplus liquidity. Your Bank, however, continues to keep tight rein on fresh disbursements and a watchful eye on the non-performing book. Recoveries and restructurings are being given priority. In line with the Bank's internal policies and the State Bank's Prudential Regulations, your Bank made a provision charge of Rs. 754 million for the June Quarter (net of recoveries). However, the Bank is expecting significant recoveries from non-performing loans in the second half of the year, which is projected to reduce the loss.

The home remittance business has been significantly developed and your Bank is currently a leader in this area amongst the private banks. The Bank has attracted a substantial amount in foreign exchange under PRI as home remittance with a consistent rising trend supported by reputable partner institutions and unparalleled service quality.

The Bank is currently evaluating state of art solution to revamp its already launched internet and mobile banking initiatives to offer latest products to its customers, also enabling the Bank to host Branchless banking. The Bank is also in the process of implementing a comprehensive Customer Relationship Management (CRM) solution to improve its customer service and support deposit mobilization. The Bank is also in process of upgrading its ATM network.

**Shareholders' Equity**

It gives us great pleasure to inform you that Asia International Finance Limited (AIFL) has invested US\$ 40 Million in KASB Finance Limited. KASB Finance has underwritten the recent rights issue of Rs 3 billion announced by the bank. KASB Finance has already placed Rs 3 billion as advance subscription towards the rights issue. This advance money received from KASB Finance has been allowed to be treated towards Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR).

The Bank has continued its efforts to further enhance the paid up capital and we are certain that further positive development will take place this year. The Bank also plans raising long term Tier II Capital through an issue of rated Term Finance Certificates. We have requested SBP for an exemption from compliance with the prescribed MCR and the CAR till December 31, 2011.

**Credit Rating**

The last declared medium to long term rating is A- (Single A Minus) and short term rating is A-2 (A Two).

**Future Prospects**

Following the injection of capital as discussed above, your Bank will be seeking to raise further capital, not only in order to comply with the MCR but also to finance its expansion initiatives which had been suspended in 2009 and 2010 due to the economic downturn in the Country.

Your bank will continue to implement its strategy which focus on:

## DIRECTORS' REVIEW

# HALF YEARLY REPORT JUNE 2011

- Increased presence and visibility in trade zones and local markets.
- Enhancing the Global Transactional Services particularly in remittance and cash management.
- Market promotion and branding.
- Increase in trade based transactional banking.
- Increased business with middle market and SME client base.
- Enhance service quality with the aim to providing ease to customers.
- Reduce cost of deposits by enhancing the mix and replacing high cost deposits.
- Introduce new liability products and mobilize more deposits.
- Enhance cross sell functions through its Group activities in various areas.
- Develop state of the art IT systems, deploy effective risk management, improve and retain human capital.

The successful outcome of the above in 2011 and beyond will make your Bank into a strong and profitable one, with stable long term earnings.

### Board of directors

Mr. Nasir Ali Shah Bukhari has voluntarily proposed to the Board to appoint Mr. Suo Lang Duo Ji (Li Yan) as Chairman of the Bank. The Board has agreed to this proposal effective from the date of obtaining regulatory approvals. Mr. Bukhari will however continue his association with the Bank as advisor to the Chairman. Mr. Suo Lang Duo Ji aged 48, is the founder of Hong Kong listed company, China Lumena New Materials Corp.

### Acknowledgment

We would like to thank our valued customers for their continued patronage and support, the State Bank of Pakistan, Securities and Exchange Commission of Pakistan and other regulatory authorities for their guidance, our staff for their commitment, hard work and dedication, and our shareholders for the trust and confidence reposed in us.

For and on behalf of the Board of Directors



Nasir Ali Shah Bukhari  
Chairman

Karachi  
August 27, 2011

## AUDITORS' REPORT TO THE MEMBERS

# HALF YEARLY REPORT JUNE 2011

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of KASB Bank Limited (the Bank) as at 30 June 2011 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and explanatory notes (here-in-after referred to as the "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

We draw attention to:

- (i) note 1.2 to the interim financial information, which fully explains the Bank's capital deficiency in terms of the regulatory requirements as prescribed by the State Bank of Pakistan and the management's future plans and actions in relation thereto. The said note also indicates the existence of material uncertainties with respect to the recapitalisation of the Bank and consequently, its sustainability in future. Further, the Bank has applied to the State Bank of Pakistan for relaxation from minimum capital requirement and capital adequacy ratio till 31 December 2011;
- (ii) note 10.2 to the interim financial information, which states that deferred tax asset has been recognized in the interim financial information on the basis of the Bank's financial projections for the future years as approved by the Board of Directors of the Bank. The preparation of financial projections involves management's assumptions regarding future business and economic conditions and therefore, any significant change in such assumptions may have an effect on the realisability of the deferred tax asset.

Our conclusion is not qualified in respect of the above matters.

**Ernst & Young Ford Rhodes Sidat Hyder**  
Chartered Accountants

Karachi  
Dated: August 27, 2011

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

HALF YEARLY REPORT JUNE 2011

As at 30 June 2011	Note	30 June 2011 (Un-Audited)	31 December 2010 (Audited)
		(Rs. in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks		4,249,113	3,272,520
Balances with other banks		152,251	199,276
Lendings to financial institutions		864,582	40,000
Investments	5	14,599,802	13,052,504
Advances	6	28,146,542	29,527,698
Operating fixed assets		3,230,191	3,379,130
Deferred tax asset	10.2	3,959,488	3,966,880
Other assets		2,894,506	2,991,475
		<b>58,096,475</b>	<b>56,429,483</b>
<b>LIABILITIES</b>			
Bills payable		574,119	541,041
Borrowings		4,806,629	6,138,207
Deposits and other accounts	7	48,458,769	46,274,187
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		1,510	2,170
Deferred tax liabilities		-	-
Other liabilities		1,211,068	1,291,421
		<b>55,052,095</b>	<b>54,247,026</b>
<b>NET ASSETS</b>		<b>3,044,380</b>	<b>2,182,457</b>
<b>REPRESENTED BY</b>			
Share capital		9,508,617	9,508,617
Reserves		151,287	151,287
Accumulated losses		(10,017,297)	(7,853,152)
Share premium		23,724	23,724
		<b>(333,669)</b>	<b>1,830,476</b>
Advance against future issue of shares	8	3,000,000	-
		<b>2,666,331</b>	<b>1,830,476</b>
Surplus on revaluation of assets - net of tax		378,049	351,981
		<b>3,044,380</b>	<b>2,182,457</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		

The annexed notes form an integral part of these condensed interim financial statements.

 Acting President & Chief Executive	 Director	 Director	 Director	 Director
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## INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

# HALF YEARLY REPORT JUNE 2011

### For the Half Year Ended 30 June 2011

	Note	Half Year Ended		Quarter Ended	
		30 June 2011	30 June 2010	30 June 2011	30 June 2010
----- (Rs. in '000) -----					
Mark-up / return / interest earned		2,239,621	2,672,532	1,072,588	1,417,073
Mark-up / return / interest expensed		(2,538,939)	(2,564,939)	(1,299,014)	(1,254,108)
Net mark-up / return / interest income		<u>(299,318)</u>	<u>107,593</u>	<u>(226,426)</u>	<u>162,965</u>
(Provision) / reversal against non-performing loans and advances	6.2	<u>(887,612)</u>	<u>89,095</u>	<u>(754,815)</u>	<u>28,249</u>
Reversal / (provision) for diminution in the value of investments	5.1	<u>88,154</u>	<u>(12,147)</u>	<u>(123,750)</u>	<u>(20,672)</u>
Bad debts written off directly		<u>(5,915)</u>	<u>(13,740)</u>	<u>(4,360)</u>	<u>(9,812)</u>
		<u>(805,373)</u>	<u>63,208</u>	<u>(882,925)</u>	<u>(2,235)</u>
Net mark-up / return / interest after provisions		<u>(1,104,691)</u>	<u>170,801</u>	<u>(1,109,351)</u>	<u>160,730</u>
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee, commission and brokerage income		<u>141,324</u>	<u>153,672</u>	<u>82,937</u>	<u>92,635</u>
Dividend income		<u>2,425</u>	<u>31,167</u>	<u>1,851</u>	<u>14,878</u>
Income from dealing in foreign currencies		<u>28,820</u>	<u>31,836</u>	<u>17,860</u>	<u>16,508</u>
(Loss) / gain on sale / redemption of securities		<u>(35,821)</u>	<u>86,672</u>	<u>(36,694)</u>	<u>3,725</u>
Unrealised gain on revaluation of investments classified as held-for-trading		<u>-</u>	<u>5</u>	<u>-</u>	<u>119</u>
Other income		<u>31,601</u>	<u>62,229</u>	<u>19,168</u>	<u>40,164</u>
Total non mark-up / interest income		<u>168,349</u>	<u>365,581</u>	<u>85,122</u>	<u>168,029</u>
		<u>(936,342)</u>	<u>536,382</u>	<u>(1,024,229)</u>	<u>328,759</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Administrative expenses		<u>(1,098,854)</u>	<u>(1,182,359)</u>	<u>(559,792)</u>	<u>(614,733)</u>
Other provisions / write-offs		<u>(128,735)</u>	<u>-</u>	<u>(118,172)</u>	<u>-</u>
Other charges		<u>(13,324)</u>	<u>(26,700)</u>	<u>(13,196)</u>	<u>(26,700)</u>
Total non mark-up / interest expenses		<u>(1,240,913)</u>	<u>(1,209,059)</u>	<u>(691,160)</u>	<u>(641,433)</u>
		<u>(2,177,255)</u>	<u>(672,677)</u>	<u>(1,715,389)</u>	<u>(312,674)</u>
Extraordinary / unusual items		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LOSS BEFORE TAXATION</b>		<u>(2,177,255)</u>	<u>(672,677)</u>	<u>(1,715,389)</u>	<u>(312,674)</u>
Taxation	10	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LOSS AFTER TAXATION</b>		<u>(2,177,255)</u>	<u>(672,677)</u>	<u>(1,715,389)</u>	<u>(312,674)</u>
<b>Basic and diluted loss per share (Rupees)</b>		<u>(2.29)</u>	<u>(0.71)</u>	<u>(1.80)</u>	<u>(0.33)</u>

The annexed notes form an integral part of these condensed interim financial statements.

  
Acting President  
& Chief Executive

  
Director

  
Director

  
Director

  
Director

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

HALF YEARLY REPORT JUNE 2011

For the Half Year Ended 30 June 2011

	Half Year Ended		Quarter Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	----- (Rs. in '000) -----			
Net loss for the period	(2,177,255)	(672,677)	(1,715,389)	(312,674)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(2,177,255)</u>	<u>(672,677)</u>	<u>(1,715,389)</u>	<u>(312,674)</u>

Surplus / deficit arising on revaluation of fixed assets and available-for-sale investments is required to be shown separately below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements specified by the State Bank of Pakistan (SBP). Accordingly, these have not been included in comprehensive income which has been shown as part of equity.

The annexed notes form an integral part of these condensed interim financial statements.

  
Acting President  
& Chief Executive

  
Director

  
Director

  
Director

  
Director

## INTERIM CONDENSED CASH FLOW STATEMENT (UNAUDITED)

HALF YEARLY REPORT JUNE 2011

For the Half Year Ended 30 June 2011

	30 June 2011	30 June 2010
	----- (Rs. in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,177,255)	(672,677)
Less: dividend income	(2,425)	(31,167)
	<u>(2,179,680)</u>	<u>(703,844)</u>
<b>Adjustments:</b>		
Depreciation	131,557	128,981
Amortisation	23,904	31,844
Provision / (reversal) against non-performing loans and advances	(887,612)	(89,095)
Bad debts written off directly	5,915	13,740
(Reversal) / provision for diminution in the value of investments	(88,154)	12,147
Provision for gratuity	23,324	20,732
Reversal of provision for compensated absences	(255)	(1,141)
Loss / (gain) on disposal of operating fixed assets	12,485	(21,681)
Loss / (gain) on sale / redemption of securities	35,821	(86,676)
Unrealised gain on revaluation of investments classified as held-for-trading	-	(5)
Financial charges on leased assets	34	642
Amortisation of premium / (discount) on securities	(338,548)	35,483
Other provisions / write-offs	128,735	-
	<u>822,430</u>	<u>44,971</u>
	<u>(1,357,250)</u>	<u>(658,873)</u>
<b>Decrease / (increase) in operating assets</b>		
Lendings to financial institutions	(824,582)	403,163
Investments in held-for-trading securities	-	2,701
Advances	487,629	(2,067,183)
Other assets	(91,252)	(309,395)
	<u>(428,205)</u>	<u>(1,970,714)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	33,078	152,686
Borrowings	(1,334,347)	(3,447,484)
Deposits and other accounts	2,184,582	5,849,842
Other liabilities	(91,538)	(577,941)
	<u>791,775</u>	<u>1,977,103</u>
	<u>(993,680)</u>	<u>(652,484)</u>
Income tax paid	(1,458)	(4,635)
Gratuity paid	(11,884)	(5,422)
<b>Net cash used in operating activities</b>	<u>(1,007,022)</u>	<u>(662,541)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Investments in) / proceeds from available-for-sale securities	(1,109,848)	1,417,949
Investment in associates and subsidiaries	-	(58,000)
Dividend received	2,999	31,207
Investments in operating fixed assets	(36,383)	(336,336)
Sale proceeds of operating fixed assets	77,747	70,723
<b>Net cash (used in) / inflow from investing activities</b>	<u>(1,065,485)</u>	<u>1,125,543</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Advance against future issue of shares	3,000,000	-
Payment of lease obligations	(694)	(2,493)
<b>Net cash inflow from / (used in) financing activities</b>	<u>2,999,306</u>	<u>(2,493)</u>
<b>Increase in cash and cash equivalents</b>	<u>926,799</u>	<u>460,509</u>
Cash and cash equivalents at the beginning of the period	<u>3,443,777</u>	<u>3,021,539</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>4,370,576</u>	<u>3,482,048</u>

The annexed notes form an integral part of these condensed interim financial statements.

 Acting President & Chief Executive	 Director	 Director	 Director	 Director
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## INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

**For the Half Year Ended 30 June 2011**

	Share capital	Advance against future issue of shares	Statutory reserve	General reserve	Share Premium	Accumulated loss	Total
----- (Rupees in '000) -----							
Balance as at 01 January 2010	9,508,617	-	150,903	384	23,724	(5,179,823)	4,503,805
Total comprehensive loss for the period	-	-	-	-	-	(672,677)	(672,677)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	26,078	26,078
Balance as at 30 June 2010	<u>9,508,617</u>	<u>-</u>	<u>150,903</u>	<u>384</u>	<u>23,724</u>	<u>(5,826,422)</u>	<u>3,857,206</u>
Total comprehensive loss for the period	-	-	-	-	-	(2,037,992)	(2,037,992)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	11,262	11,262
Balance as at 31 December 2010	<u>9,508,617</u>	<u>-</u>	<u>150,903</u>	<u>384</u>	<u>23,724</u>	<u>(7,853,152)</u>	<u>1,830,476</u>
Total comprehensive loss for the period	-	-	-	-	-	(2,177,255)	(2,177,255)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	13,110	13,110
Advance against future issue of shares	-	3,000,000	-	-	-	-	3,000,000
Balance as at 30 June 2011	<u>9,508,617</u>	<u>3,000,000</u>	<u>150,903</u>	<u>384</u>	<u>23,724</u>	<u>(10,017,297)</u>	<u>2,666,331</u>

The annexed notes form an integral part of these condensed interim financial statements.

HALF YEARLY REPORT JUNE 2011

  
Acting President  
& Chief Executive

  
Director

  
Director

  
Director

  
Director

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)**

**For the Half Year Ended 30 June 2011**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

**1.1** KASB Bank Limited (the Bank) was incorporated in Pakistan on 13 October 1994 as a public limited company under the Companies Ordinance, 1984. The Bank received banking license from the SBP on 9 January 1995 and obtained certificate of commencement of business from the Securities and Exchange Commission of Pakistan (SECP) on 11 January 1995. The Bank is engaged in commercial banking, consumer banking, corporate and investment banking and related services through 104 branches (including 34 sub branches) [ 31 December 2010: 104 branches (including 34 sub branches) ] operating in 42 cities. The Bank is listed on all the stock exchanges in Pakistan.

**1.2** The SBP vide BSD Circular No.7 dated 15 April 2009 set the Minimum Capital Requirement (MCR) for Banks up to Rs.10 billion to be achieved in a phased manner by 31 December 2013. The required MCR (free of losses) as of 31 December 2010 was Rs. 7 billion and for the current year ending 31 December 2011 is Rs. 8 billion. Further, the Bank is also required to maintain a Capital Adequacy Ratio (CAR) of at least 10% of the risk weighted assets of the Bank. The paid up capital of the Bank (net of losses) as of 30 June 2011 amounts to Rs. 2,515.044 million while CAR stands at 0.64% (un-audited) as of that date.

In the view of the above shortfall in meeting the regulatory capital requirements and the financial condition of the Bank, the management and sponsors of the Bank have taken the following steps:

- During year 2010, the sponsors of the Bank have entered into an agreement with a foreign investor for equity investment of Rs. 3,000 million into the Bank. Accordingly, the Board of Directors (the Board) in its meeting held on 4 April 2011 resolved to issue right shares at a subscription price of Rs. 3/- per share to increase the paid up capital of the Bank by Rs. 3,000 million subject to requisite legal formalities. During the period, the Bank has received an advance of Rs. 3,000 million in respect of the said right issue of shares as referred to in note 8 to the condensed interim financial statements.
- The Bank intends to raise further capital in order to meet the regulatory requirements through international market and for this purpose is closely engaged with foreign consultants. Additionally, the Bank has plans to augment its TIER II capital through sub-ordinated debt in the near future.
- The management of the Bank has prepared financial projections for a period of five years for the purpose of setting the future course of action for the Bank. These projections are approved by the Board and envisage additional capital injection through equity and sub-ordinated debt into the Bank and indicate future profitable operations based on various assumptions such as growth of deposits and advances, investment returns, future loan losses, interest rates, cost of funds etc.
- The Bank has sought an extension of time from the SBP till 31 December 2011 for compliance with MCR and CAR and expects a favourable response from the SBP in this regard.

Based on the above, the Bank's management and the Board have made an assessment and are satisfied that the Bank has adequate resources to continue its business in the foreseeable future and therefore, have prepared these condensed interim financial statements on a going concern basis. In making such assessments, the Board has taken into account the material uncertainties with respect to events or conditions that may impact the recapitalisation plan of the Bank and consequently, its sustainability in future.

**2. STATEMENT OF COMPLIANCE**

- 2.1** These condensed interim financial statements of the Bank for the half year ended 30 June 2011 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the SECP and the SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 2.2** The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of IAS 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated 28 April 2008, International Financial Reporting Standard (IFRS) - 7 "Financial Instruments: Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified, accounted for and valued in accordance with the requirement of various circulars issued by the SBP.
- 2.3** The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BSD Circular No. 2, dated 12 May 2004 and IAS 34 "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2010.
- 2.4** These are separate condensed interim financial statements of the Bank in which investments in subsidiaries and associates are reported on the basis of direct equity interest and are not consolidated or accounted for by using equity method of accounting.

**3. ACCOUNTING POLICIES**

- 3.1** The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:
- 3.2** The Bank has adopted the following amended IFRS and IFRIC interpretations which became effective during the period:

IAS 24 – Related Party Disclosure (Revised)  
 IAS 32 – Financial Instruments: Presentation – Classification of Right Issues (Amendment)  
 IFRIC 14 – Prepayments of a Minimum Funding Requirement (Amendment)  
 IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments

*Improvements to various standards issued by IASB in April 2010*

IFRS 3 – Business Combinations  
 IAS 27 – Consolidated and Separate Financial Statements  
 IAS 1 – Presentation of Financial Statements  
 IFRIC 13 – Customer Loyalty Programmes  
 IAS 34 – Interim Financial Reporting

The adoption of the above standards, amendments / improvements and interpretations did not have any effect on these condensed interim financial statements.

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

# HALF YEARLY REPORT JUNE 2011

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by the management in applying the accounting policies were the same as those applied to the annual financial statements for the year ended 31 December 2010.

Note	30 June 2011 (Un-Audited)			31 December 2010 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
(Rs. in '000)						
<b>Held-for-trading securities</b>						
Ordinary shares of listed companies	-	-	-	-	-	-
<b>Available-for-sale securities</b>						
Pakistan Investment Bonds	862,872	-	862,872	551,760	-	551,760
Market Treasury Bills	6,137,720	478,365	6,616,085	3,949,452	981,149	4,930,601
Ordinary shares of listed companies	46,940	-	46,940	66,939	-	66,939
Ordinary shares of unlisted companies	330,588	-	330,588	330,588	-	330,588
Listed Term Finance Certificates	347,716	-	347,716	381,635	-	381,635
Unlisted Term Finance Certificates	758,975	-	758,975	776,672	-	776,672
Open ended mutual funds	-	-	-	500,000	-	500,000
	<b>8,484,811</b>	<b>478,365</b>	<b>8,963,176</b>	<b>6,557,046</b>	<b>981,149</b>	<b>7,538,195</b>
<b>Held-to-maturity securities</b>						
Pakistan Investment Bonds	627,938	-	627,938	640,344	-	640,344
Unlisted Term Finance Certificates	1,236,604	-	1,236,604	1,236,604	-	1,236,604
	<b>1,864,542</b>	<b>-</b>	<b>1,864,542</b>	<b>1,876,948</b>	<b>-</b>	<b>1,876,948</b>
<b>Associates</b>						
<i>Listed</i>						
KASB Asset Allocation Fund	298,424	-	298,424	298,424	-	298,424
KASB Capital Protected Gold Fund	71,039	-	71,039	71,039	-	71,039
KASB Cash Fund	28,961	-	28,961	28,961	-	28,961
KASB Income Opportunity Fund	328,794	-	328,794	328,794	-	328,794
KASB Islamic Income Opportunity Fund	103,525	-	103,525	103,525	-	103,525
KASB Stock Market Fund	142,287	-	142,287	142,287	-	142,287
<i>Unlisted</i>						
KASB International Limited	41,867	-	41,867	41,867	-	41,867
New Horizon Exploration and Production Limited	558,000	-	558,000	558,000	-	558,000
Shakarganj Food Products Limited	627,942	-	627,942	627,942	-	627,942
	<b>2,200,839</b>	<b>-</b>	<b>2,200,839</b>	<b>2,200,839</b>	<b>-</b>	<b>2,200,839</b>
<b>Subsidiaries</b>						
<i>Listed</i>						
KASB Modaraba	91,676	-	91,676	91,676	-	91,676
KASB Securities Limited	2,394,937	-	2,394,937	2,394,937	-	2,394,937
<i>Unlisted</i>						
KASB Funds Limited	432,302	-	432,302	432,302	-	432,302
KASB Invest (Private) Limited (formerly KASB Modaraba Management (Private) Limited)	28,000	-	28,000	28,000	-	28,000
KASB Technology Services Limited	104,771	-	104,771	104,771	-	104,771
	<b>3,051,686</b>	<b>-</b>	<b>3,051,686</b>	<b>3,051,686</b>	<b>-</b>	<b>3,051,686</b>
<b>Investments at cost</b>	<b>15,601,878</b>	<b>478,365</b>	<b>16,080,243</b>	<b>13,686,519</b>	<b>981,149</b>	<b>14,667,668</b>
Provision for diminution in the value of investments	5.1 (1,425,409)	-	(1,425,409)	(1,513,563)	-	(1,513,563)
<b>Investments - net of provisions</b>	<b>14,176,469</b>	<b>478,365</b>	<b>14,654,834</b>	<b>12,172,956</b>	<b>981,149</b>	<b>13,154,105</b>
Deficit on revaluation of available-for-sale investments - net	(54,304)	(728)	(55,032)	(101,184)	(417)	(101,601)
<b>Total investments after revaluation</b>	<b>14,122,165</b>	<b>477,637</b>	<b>14,599,802</b>	<b>12,071,772</b>	<b>980,732</b>	<b>13,052,504</b>

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

	Note	<b>30 June 2011 (Un-Audited)</b>	31 December 2010 (Audited)
		----- (Rs. in '000) -----	
<b>5.1 Particulars of provision for diminution in the value of investments</b>			
Opening balance		1,513,563	1,254,926
Charge for the period / year		170,991	333,491
Reversal during the period / year		(259,145)	-
Provision written off upon sale of available for sale investment		-	(74,854)
Closing balance		<u>1,425,409</u>	<u>1,513,563</u>
<b>5.2 Particulars of provision in respect of type and segment Available for sale investments</b>			
Unlisted Term Finance Certificates		161,616	120,761
Ordinary shares of listed companies		17,360	17,360
Ordinary shares of unlisted company		5,680	5,680
		<u>184,656</u>	<u>143,801</u>
<b>Associates</b>			
KASB Stock Market Fund		35,982	34,991
New Horizon Exploration and Production Limited		-	250,000
		<u>35,982</u>	<u>284,991</u>
<b>Subsidiaries</b>			
KASB Securities Limited		850,000	730,000
KASB Funds Limited		300,000	300,000
KASB Technology Services Limited		54,771	54,771
		<u>1,204,771</u>	<u>1,084,771</u>
		<u>1,425,409</u>	<u>1,513,563</u>
<b>6. ADVANCES</b>			
Loans, cash credits, running finances, etc. - in Pakistan		31,856,028	32,908,517
Net investment in finance lease - in Pakistan		1,064,839	1,223,587
Bills discounted and purchased (excluding market treasury bills)			
Payable in Pakistan		1,177,518	445,695
Payable outside Pakistan		212,570	260,200
		<u>1,390,088</u>	<u>705,895</u>
Advances - gross		<u>34,310,955</u>	<u>34,837,999</u>
Provision against non-performing advances			
- Specific provision	6.1	(6,149,449)	(5,290,067)
- General provision against consumer advances		(14,964)	(20,234)
	6.2	<u>(6,164,413)</u>	<u>(5,310,301)</u>
Advances - net of provisions		<u>28,146,542</u>	<u>29,527,698</u>

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)**

6.1 Advances include Rs. 11,847.833 million (31 December 2010: Rs. 9,616.599 million) which have been placed under non-performing status as detailed below:

Category of classification	30 June, 2011 (Un-Audited)			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Substandard	1,862,285	-	1,862,285	332,430	332,430
Doubtful	2,135,061	-	2,135,061	620,566	620,566
Loss	7,850,487	-	7,850,487	5,196,453	5,196,453
	<u>11,847,833</u>	<u>-</u>	<u>11,847,833</u>	<u>6,149,449</u>	<u>6,149,449</u>

  

Category of classification	31 December, 2010 (Audited)			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Substandard	941,780	-	941,780	129,645	129,645
Doubtful	2,166,675	-	2,166,675	722,989	722,989
Loss	6,508,144	-	6,508,144	4,437,433	4,437,433
	<u>9,616,599</u>	<u>-</u>	<u>9,616,599</u>	<u>5,290,067</u>	<u>5,290,067</u>

6.2 Particulars of provision against non-performing advances

	30 June, 2011 (Un-audited)			31 December, 2010 (Audited)		
	Specific	General	Total	Specific	General	Total
Opening balance	5,290,067	20,234	5,310,301	4,104,983	32,322	4,137,305
Charge for the period	1,035,666	-	1,035,666	1,797,509	-	1,797,509
Reversals	(142,784)	(5,270)	(148,054)	(605,093)	(12,088)	(617,181)
	892,882	(5,270)	887,612	1,192,416	(12,088)	1,180,328
Amounts written off	(33,500)	-	(33,500)	(7,332)	-	(7,332)
Closing balance	<u>6,149,449</u>	<u>14,964</u>	<u>6,164,413</u>	<u>5,290,067</u>	<u>20,234</u>	<u>5,310,301</u>

6.2.1 The above provision against non-performing advances has been worked out after considering the benefit of forced sales value of collateral amounting to Rs. 1,695.75 million (31 December 2010: Rs. 1,259.37 million).

6.2.2 In terms of the SBP directives, the Bank has availed relaxation in respect of provisioning of Rs. 952.12 (31 December 2010: Rs. 495.102) against non-performing facilities of certain borrowers.

7. DEPOSITS AND OTHER ACCOUNTS	30 June 2011 (Un-Audited)	31 December 2010 (Audited)
	----- (Rs. in '000) -----	
<b>Customers</b>		
Fixed deposits	24,054,738	23,584,498
Savings deposits	15,241,769	13,991,606
Current accounts - non-remunerative	7,665,894	6,818,860
Margin deposits - non-remunerative	681,121	383,388
	<u>47,643,522</u>	<u>44,778,352</u>
<b>Financial Institutions</b>		
Remunerative deposits	797,991	1,474,219
Non-remunerative deposits	17,256	21,616
	<u>815,247</u>	<u>1,495,835</u>
	<u>48,458,769</u>	<u>46,274,187</u>

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

# HALF YEARLY REPORT JUNE 2011

### 8. ADVANCE AGAINST FUTURE ISSUE OF SHARES

Represents amount received from KASB Finance (Private) Limited, a related party and the underwriter to the Bank's proposed right issue of 1,000 million ordinary shares of Rs. 3/- each, in pursuance of its underwriting commitment.

### 9. CONTINGENCIES AND COMMITMENTS

#### 9.1 Transaction-related contingent liabilities

Includes performance bonds, bid bonds, warranties advance payment guarantees and shipping guarantees related to particular transactions issued in favour of:

	30 June 2011 (Un-Audited)	31 December 2010 (Audited)
	----- (Rs. in '000) -----	
- Government	8,027,712	9,044,031
- Others	<u>1,375,887</u>	<u>1,226,744</u>
	<u>9,403,599</u>	<u>10,270,775</u>

#### 9.2 Trade-related contingent liabilities

Letters of credit	3,252,329	2,867,131
Acceptances	<u>1,717,640</u>	<u>1,657,589</u>
	<u>4,969,969</u>	<u>4,524,720</u>

#### 9.3 Taxation

There is no significant change during the period in the tax contingencies as disclosed in the annual financial statements of the Bank for the year ended 31 December 2010.

#### 9.4 Commitments in respect of forward exchange contracts

Purchase	<u>3,245,924</u>	<u>3,547,188</u>
Sale	<u>2,051,507</u>	<u>2,429,361</u>

#### 9.5 Commitments for the acquisition of operating fixed assets

	<u>269,844</u>	<u>275,029</u>
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#### 9.6 Commitment to extend credits

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

### 10. TAXATION

10.1 In view of tax loss for the current period, no provision is required for taxation in these condensed interim financial statements.

10.2 As referred to in note 14.3 to the annual financial statements of the Bank for the year ended 31 December 2010, deferred tax asset has been recognized by the Bank as the management estimates that sufficient taxable profits will be available in future years against which the unused carry forward tax losses and other deductible temporary differences can be utilised. The estimates of future taxable profits are based on financial projections of the Bank for the next five years approved by the Board. The projections involve certain key assumptions underlying the estimation of future taxable profits estimated including injection of fresh equity in the form of issuance of right shares and issue of a subordinated debt as per the prescribed requirements. The determination of future taxable profit is most sensitive to certain key assumptions such as cost to income ratio, deposit composition, interest rates, growth of deposits and advances, investment returns, potential provision against assets and branch expansion plan. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset. The unrecognised deferred tax asset as of 30 June 2011 amounts to Rs. 620.36 million (31 December 2010: Nil).

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)**

**11. RELATED PARTY TRANSACTIONS**

Related parties of the Bank comprise subsidiaries, associates, retirement benefit funds, major share holders, directors and key management personnel and their close family members.

Transactions / balances with related parties, other than those disclosed elsewhere in the condensed interim financial statements, are summarized as follows:

30 June 2011 (Un-Audited)						
Subsidiaries	Associates	Directors	Key Management Personnel	Other Related Parties	TOTAL	
----- Rupees in '000 -----						
<b>Deposits</b>						
As at 01 January 2011	138,423	220,673	2,968	35,906	216,992	614,962
Received during the period	14,614,786	8,385,499	34,897	154,447	205,246	23,394,875
Withdrawals during the period	(14,696,992)	(7,993,085)	(36,662)	(178,116)	(196,040)	(23,100,895)
As at 30 June 2011	<u>56,217</u>	<u>613,087</u>	<u>1,203</u>	<u>12,237</u>	<u>226,198</u>	<u>908,942</u>
<b>Loans and advances</b>						
As at 01 January 2011	102,868	129,645	15,580	49,496	388	297,977
Disbursements during the period	22,877,643	72,147	-	12,688	-	22,962,478
Repayments during the period	(22,883,963)	(7,178)	(2,311)	(14,771)	(388)	(22,908,611)
As at 30 June 2011	<u>96,548</u>	<u>194,614</u>	<u>13,269</u>	<u>47,413</u>	<u>-</u>	<u>351,844</u>
Other assets	7,153	10,671	-	-	-	17,824
Other liabilities	64	100	5	72	9	250
Contingencies and commitments	51,000	371,363	-	-	2,149	424,512
<b>31 December 2010 (Audited)</b>						
<b>Deposits</b>						
As at 01 January 2010	329,891	177,498	2,567	20,987	215,216	746,159
Adjustment during the year	-	9,783	-	-	(51,170)	(41,387)
Received during the year	77,149,980	2,888,409	185,605	333,351	346,252	80,903,597
Withdrawals during the year	(77,341,448)	(2,855,017)	(185,204)	(318,432)	(293,306)	(80,993,407)
As at 31 December 2010	<u>138,423</u>	<u>220,673</u>	<u>2,968</u>	<u>35,906</u>	<u>216,992</u>	<u>614,962</u>
<b>Loans and advances</b>						
As at 01 January 2010	99,988	90,000	19,123	62,147	251,555	522,813
Adjustment during the year	-	-	-	-	(250,000)	(250,000)
Disbursements during the year	254,254	285,681	4,959	31,025	-	575,919
Repayments during the year	(251,374)	(246,036)	(8,502)	(43,676)	(1,167)	(550,755)
As at 31 December 2010	<u>102,868</u>	<u>129,645</u>	<u>15,580</u>	<u>49,496</u>	<u>388</u>	<u>297,977</u>
Other assets	2,822	4,319	-	-	22	7,163
Other liabilities	52	3,045	21	252	-	3,370
Contingencies and commitments	-	404,001	-	-	2,141	406,142
<b>Half year ended 30 June 2011 (Un-Audited)</b>						
Mark-up earned	11,888	11,868	358	1,128	12	25,254
Mark-up expensed	(4,392)	(54,847)	(5)	(974)	(12,932)	(73,150)
Commission on letters of guarantee	375	273	-	-	-	648
Rental income	390	-	-	-	-	390
Group executive services	-	(6,742)	-	-	-	(6,742)
Brokerage commission paid	(91)	-	-	-	-	(91)
Salaries and allowances	-	-	(8,700)	(29,810)	-	(38,510)
Directors' fee	-	-	(3,146)	-	-	(3,146)
Other administrative expenses	(6,186)	(462)	-	-	-	(6,648)
Other income	803	1,278	-	-	-	2,081
Contribution to staff provident fund	-	-	-	-	(17,929)	(17,929)
Advance received against future issue of shares	-	-	-	-	3,000,000	3,000,000

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

# HALF YEARLY REPORT JUNE 2011

### Half year ended 30 June 2010 (Un-Audited)

	Subsidiaries	Associates	Directors	Key Management Personnel	Other Related Parties	TOTAL
Rupees in '000						
Mark-up earned	12,639	8,556	460	1,564	17,738	40,957
Mark-up expensed	(11,031)	(8,326)	(24)	(446)	(10,335)	(30,162)
Commission on letters of guarantee	-	136	-	-	76	212
Rental income	36	-	-	-	-	36
Group executive services	-	-	-	-	(20,731)	(20,731)
Brokerage commission paid	(147)	-	-	-	-	(147)
Salaries and allowances	-	-	-	(44,795)	-	(44,795)
Directors' fee	-	-	(3,450)	-	-	(3,450)
Other administrative expenses	(11,494)	-	-	-	-	(11,494)
Contribution to staff provident fund	-	-	-	-	(18,183)	(18,183)
Advance for acquisition of office premises	-	-	-	-	(79,809)	(79,809)

### 12. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

#### Half year ended 30 June 2011 (Un-Audited)

	Commercial Banking	Retail Banking	Trading and Sales	Corporate Finance	TOTAL
Rupees in '000					
Income - net of interest expense and provisions	1,772,839	145,728	466,505	22,897	2,407,969
Administrative and other expenses	(3,688,270)	(286,081)	(587,709)	(23,164)	(4,585,224)
Net loss for the period	<u>(1,915,431)</u>	<u>(140,353)</u>	<u>(121,204)</u>	<u>(267)</u>	<u>(2,177,255)</u>

#### Half year ended 30 June 2010 (Un-Audited)

Income / (loss) - net of interest expense and provisions	656,088	(80,273)	(66,015)	26,582	536,382
Administrative and other expenses	(996,684)	(122,568)	(47,967)	(41,840)	(1,209,059)
Net loss for the period	<u>(340,596)</u>	<u>(202,841)</u>	<u>(113,982)</u>	<u>(15,258)</u>	<u>(672,677)</u>

#### As at 30 June 2011 (Un-Audited)

Segment assets (gross)	50,210,297	3,487,669	11,790,549	213,718	65,702,223
Segment non performing loans and advances	10,442,991	1,404,842	-	-	11,847,833
Segment provision held	5,650,719	649,806	1,305,233	-	7,605,758
Segment liabilities	54,089,612	423,203	539,256	23	55,052,094

#### As at 31 December 2010 (Audited)

Segment assets (gross)	50,211,251	3,570,929	9,260,253	216,287	63,258,720
Segment non performing loans and advances	8,322,347	1,294,252	-	-	9,616,599
Segment provision required	5,173,604	456,932	1,198,701	-	6,829,237
Segment liabilities	51,315,898	304,863	2,626,265	-	54,247,026

### 13. GENERAL

Figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 30 June 2011 and 30 June 2010 have not been subjected to limited scope review by the auditors.

### 14. DATE OF AUTHORIZATION

These condensed interim financial statements were authorised for issue by the Board in its meeting held on 27 August 2011.

  
Acting President  
& Chief Executive

  
Director

  
Director

  
Director

  
Director

## CONSOLIDATED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

HALF YEARLY REPORT JUNE 2011

**AS AT 30 JUNE 2011**

	<b>30 June 2011 (Un-Audited)</b>	<b>31 December 2010 (Audited)</b>
	<b>(Rs. in '000)</b>	
<b>ASSETS</b>		
Cash and balances with treasury banks	4,249,446	3,272,624
Balances with other banks	297,507	360,306
Lendings to financial institutions	864,582	40,000
Investments	13,346,367	12,019,099
Advances	28,982,284	30,209,384
Operating fixed assets	4,385,838	4,541,778
Deferred tax assets	3,809,593	3,810,399
Other assets	4,282,148	4,306,772
	<b>60,217,765</b>	<b>58,560,362</b>
<b>LIABILITIES</b>		
Bills payable	574,119	541,041
Borrowings	5,154,852	6,636,645
Deposits and other accounts	49,058,572	46,694,675
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	1,510	2,170
Deferred tax liabilities	-	-
Other liabilities	2,050,053	1,989,290
	<b>56,839,106</b>	<b>55,863,821</b>
<b>NET ASSETS</b>	<b>3,378,659</b>	<b>2,696,541</b>
<b>REPRESENTED BY</b>		
Share capital	9,508,617	9,508,617
Reserves	182,796	162,727
Accumulated losses	(10,284,100)	(8,012,226)
Share premium	23,724	23,724
	<b>(568,963)</b>	<b>1,682,842</b>
Advance against proposed rights issue	3,000,000	-
	<b>2,431,037</b>	<b>1,682,842</b>
Non-controlling interests	520,788	534,801
	<b>2,951,825</b>	<b>2,217,643</b>
Surplus on revaluation of assets - net of tax	426,834	478,898
	<b>3,378,659</b>	<b>2,696,541</b>

**CONTINGENCIES AND COMMITMENTS**

The annexed notes form an integral part of these consolidated interim condensed financial statements.

 Acting President & Chief Executive	 Director	 Director	 Director	 Director
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**CONSOLIDATED INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

**HALF YEARLY REPORT JUNE 2011**

<b>FOR THE HALF YEAR ENDED 30 JUNE 2011</b>	<b>30 June 2011</b>	<b>30 June 2010</b>
	<b>(Rs. in '000)</b>	
Mark-up / return / interest earned	<b>2,334,001</b>	2,735,059
Mark-up / return / interest expensed	<b>(2,612,992)</b>	(2,610,255)
Net mark-up / return / interest income	<b>(278,991)</b>	124,804
(Provision) / Reversal against non-performing loans and advances - net	<b>(887,612)</b>	89,095
(Provision) / Reversal for diminution in the value of investments	<b>74,378</b>	(41,441)
Bad debts written off directly	<b>(5,915)</b>	(13,740)
	<b>(819,149)</b>	33,914
<b>Net mark-up / return / interest after provisions</b>	<b>(1,098,140)</b>	158,718
<b>NON MARK-UP / RETURN / INTEREST INCOME</b>		
Fee, commission and brokerage income	<b>266,447</b>	333,161
Dividend income	<b>5,853</b>	31,167
Income from dealing in foreign currencies	<b>28,820</b>	31,836
Gain on sale of securities	<b>(8,538)</b>	110,966
Unrealised (loss) / gain on revaluation of investments classified as held for trading	<b>(21,423)</b>	(3,159)
Other income	<b>67,786</b>	87,237
<b>Total non mark-up / return / interest income</b>	<b>338,945</b>	591,208
	<b>(759,195)</b>	749,926
<b>NON MARK-UP / RETURN / INTEREST EXPENSES</b>		
Administrative expenses	<b>(1,326,350)</b>	(1,423,572)
Other provisions / write offs	<b>(141,762)</b>	56,354
Other charges	<b>(14,242)</b>	(26,700)
Total non mark-up / return / interest expenses	<b>(1,482,354)</b>	(1,393,918)
	<b>(2,241,549)</b>	(643,992)
Share of profit from associates	<b>(42,662)</b>	(75,395)
<b>LOSS BEFORE TAXATION</b>	<b>(2,284,211)</b>	(719,387)
Taxation - Current year	<b>(4,442)</b>	(16,696)
- Prior years	<b>-</b>	-
- Deferred	<b>9,725</b>	16,663
	<b>5,283</b>	(33)
<b>LOSS AFTER TAXATION</b>	<b>(2,278,928)</b>	(719,420)
<b>Loss after taxation attributable to:</b>		
Equity holders of the Holding Company	<b>(2,264,915)</b>	(723,050)
Non-controlling interest	<b>(14,013)</b>	3,630
	<b>(2,278,928)</b>	(719,420)
	<b>Rupees</b>	
Loss per share	<b>(2.40)</b>	(0.76)

The annexed notes form an integral part of these consolidated interim condensed financial statements.

  
Acting President  
& Chief Executive

  
Director

  
Director

  
Director

  
Director

CONSOLIDATED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

HALF YEARLY REPORT JUNE 2011

FOR THE HALF YEAR ENDED 30 JUNE 2011

	30 June 2011	30 June 2010
	(Rs. in '000)	
Net loss for the period	(2,278,928)	(719,420)
Other comprehensive income	-	-
<b>Total comprehensive loss for the period</b>	<b><u>(2,278,928)</u></b>	<b><u>(719,420)</u></b>

Surplus / deficit arising on revaluation of fixed assets and available-for-sale investments is required to be shown separately below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements specified by the State Bank of Pakistan. Accordingly, these have not been included in comprehensive income which has been shown as part of equity.

The annexed notes form an integral part of these consolidated interim condensed financial statements.

  
Acting President  
& Chief Executive

  
Director

  
Director

  
Director

  
Director

## CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT (UNAUDITED)

**FOR THE HALF YEAR ENDED 30 JUNE 2011**

HALF YEARLY REPORT JUNE 2011

	30 June 2011	30 June 2010
	(Rs. in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,284,211)	(719,387)
Less: dividend income	(5,853)	(31,167)
	<u>(2,290,064)</u>	<u>(750,554)</u>
<b>Adjustments for non cash items:</b>		
Depreciation	138,582	140,106
Amortisation	25,958	33,875
Provision against non-performing loans and advances - net	887,612	(89,095)
Share of profit from associates	42,662	75,395
Reversal of provision for compensated absences	(255)	(1,141)
Provision for gratuity	11,537	18,808
Gain on disposal of operating fixed assets - net	(3,108)	(21,681)
Finance charge on lease obligations	34	642
Unrealised loss / (gain) on revaluation of investments classified as held for trading	21,423	3,159
Bad debts written off directly	5,915	13,740
(Provision) / Reversal for diminution in the value of investments	(74,378)	41,441
Gain on sale of securities	8,538	14,252
	<u>1,064,520</u>	<u>229,501</u>
	<u>(1,225,544)</u>	<u>(521,053)</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(824,582)	403,163
Investments in held for trading securities	(52,462)	(340,561)
Advances	333,573	(2,319,307)
Other assets	25,659	83,444
	<u>(517,812)</u>	<u>(2,173,261)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	33,078	152,686
Borrowings	(1,484,562)	(3,442,986)
Deposits and other accounts	2,363,897	6,329,203
Other liabilities	49,481	(865,139)
	<u>961,894</u>	<u>2,173,764</u>
	<u>(781,462)</u>	<u>(520,550)</u>
Income tax paid	(9,625)	(19,303)
Gratuity benefits paid	-	(3,395)
Net cash inflow from / (used in) operating activities	<u>(791,087)</u>	<u>(543,248)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available for sale securities	(1,538,360)	1,394,771
Net investments in held to maturity securities	12,411	33,311
Net investments in associates	221,335	(160,883)
Dividend income received	20,627	64,820
Investments in operating fixed assets	(101,812)	(306,929)
Sale proceeds realised on disposal of operating fixed assets	88,834	30,192
<b>Net cash (used in) / inflow from investing activities</b>	<u>(1,296,965)</u>	<u>1,055,282</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments against lease obligations - net	(694)	(2,571)
Advance against proposed rights issue	3,000,000	-
<b>Net cash used in financing activities</b>	<u>2,999,306</u>	<u>(2,571)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>911,254</u>	<u>509,463</u>
Cash and cash equivalents at the beginning of the period	<u>3,604,911</u>	<u>3,070,882</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>4,516,165</u>	<u>3,580,345</u>

The annexed notes form an integral part of these consolidated interim condensed financial statements.

  
Acting President  
& Chief Executive

  
Director

  
Director

  
Director

  
Director

CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2011

HALF YEARLY REPORT JUNE 2011

	Attributable to equity holders of the Holding Company								
	Share Capital	Advance against future issue of shares	Statutory reserve	General reserve	Share premium	Accumulated loss	Total	Non-controlling interests	Total
	(Rs. in '000)								
<b>Balance as at 31 December 2009</b>	9,508,617	-	150,903	384	23,724	(5,296,811)	4,386,817	524,694	4,911,511
Total comprehensive loss for the half-year ended 30 June 2010	-	-	-	-	-	(723,050)	(723,050)	3,630	(719,420)
Transfer to statutory reserve	-	-	1,825	-	-	(1,825)	-	-	-
Transferred from surplus on revaluation of fixed assets-net of tax	-	-	-	-	-	26,077	26,077	-	26,077
<b>Balance as at 30 June 2010</b>	9,508,617	-	152,728	384	23,724	(5,995,609)	3,689,844	528,324	4,218,168
Transferred from surplus on revaluation of fixed assets-net of tax	-	-	-	-	-	11,263	11,263	-	11,263
Transfer to statutory reserve	-	-	9,615	-	-	(9,615)	-	-	-
Total comprehensive loss / income for the period from 01 July 2010 to 31 December 2010	-	-	-	-	-	(2,018,265)	(2,018,265)	10,340	(2,007,925)
Dividends	-	-	-	-	-	-	-	(3,863)	(3,863)
<b>Balance as at 31 December 2010</b>	9,508,617	-	162,343	384	23,724	(8,012,226)	1,682,842	534,801	2,217,643
Transferred from surplus on revaluation of fixed assets-net of tax	-	-	-	-	-	13,110	13,110	-	13,110
Transfer to statutory reserve	-	-	20,069	-	-	(20,069)	-	-	-
Total comprehensive loss for the half-year ended 30 June 2011	-	-	-	-	-	(2,264,915)	(2,264,915)	(14,013)	(2,278,928)
Advance against future issue of shares	-	3,000,000	-	-	-	-	3,000,000	-	3,000,000
<b>Balance as at 30 June 2011</b>	<u>9,508,617</u>	<u>3,000,000</u>	<u>182,412</u>	<u>384</u>	<u>23,724</u>	<u>(10,284,100)</u>	<u>2,431,037</u>	<u>520,788</u>	<u>2,951,825</u>

The annexed notes form an integral part of these consolidated interim condensed financial statements.

  
Acting President  
& Chief Executive

  
Director

  
Director

  
Director

  
Director

## NOTES TO THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

### FOR THE HALF YEAR ENDED 30 JUNE 2011

#### 1. STATUS AND NATURE OF BUSINESS

- 1.1 KASB Bank Limited (the Holding Company) was incorporated in Pakistan on 13 October 1994 as a public limited company under the Companies Ordinance, 1984. The Holding Company received banking license from the SBP on 9 January 1995 and obtained certificate of commencement of business from Securities and Exchange Commission of Pakistan (SECP) on 11 January 1995. The Holding Company is engaged in commercial banking, consumer banking, corporate and investment banking and related services through 104 branches (including 34 sub branches) operating in 42 cities. The Holding Company is listed on all the Stock Exchanges in Pakistan.

##### Holding Company

KASB Bank Limited

Name of subsidiaries	Percentage holding
KASB Technology Services Limited	100.00%
KASB Securities Limited	77.12%
KASB Funds Limited	67.18%
KASB Invest (Private) Limited {Formerly KASB Modaraba Management (Private) Ltd.}	96.02%
KASB Modaraba	51.60%
Structured Venture (Private) Limited {Indirectly through KASB Securities Ltd.}	100.00%

- 1.2 In addition, the Group maintains significant influence in the following associates:

Name of associates	Percentage holding
New Horizon Exploration and Production Limited	42.95%
Shakarganj Food Products Limited	40.20%
KASB International Limited	21.78%
KASB Stock Market Fund	85.45%
KASB Asset Allocation Fund	68.51%
KASB Income Opportunity Fund	48.91%
KASB Islamic Income Opportunity Fund	48.70%
KASB Cash Fund	25.69%
KASB Capital Protected Gold Fund	15.94%

- 1.3 In accordance with the SBP's BSD Circular No 7 dated 15 April 2009, the Minimum Capital Requirement (MCR) - net of losses for the holding company as at 31 December 2010 was Rs. 7 billion and for the current year ending 31 December 2011 is Rs. 8 billion. Further, the holding company is also required to maintain a Capital Adequacy Ratio (CAR) of at least 10% as at 30 June 2011. The paid up capital of the group (net of losses) as of 30 June 2011 amounts to Rs. 2,248.256 million, while CAR stands at 2.43% (un-audited) as of that date.

The paid up capital (net of losses) and the Capital Adequacy Ratio (CAR) of the Holding Company fell short of the regulatory requirements as prescribed by the SBP. The Holding Company has arranged additional capital of Rs. 3 billion during the quarter against its rights issue which has already been placed with the Holding Company as at 30 June 2011. The Holding Company has continued its efforts to further enhance its paid-up capital and the management and the Board are certain that further development will take place during 2011 resulting in enhancing the capital base of the Holding Company.

Based on the above, the holding company's management and the Board have made an assessment and are satisfied that the holding company has adequate resources to continue its business on a sustainable basis for the foreseeable future and consequently, would be able to realise its assets and discharge its liabilities in the normal course of business on a going concern basis. Keeping in view the shortfall in the regulatory capital requirements, the holding company has sought an extension of time from SBP till 31 December 2011 for compliance with MCR and CAR.

## 2. BASIS OF PRESENTATION

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan 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 condensed interim consolidated financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

## 3. STATEMENT OF COMPLIANCE

- 3.1** These condensed interim consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified by the Securities and Exchange Commission of Pakistan (SECP) from time to time, the requirements of the Companies Ordinance, 1984, the requirements of the Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives prevail.
- 3.2** 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 condensed interim consolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.
- 3.3** The disclosures made in these condensed interim consolidated financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2010.

**4 BASIS OF MEASUREMENT**

These condensed interim consolidated financial statements have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts, certain investments and derivative financial instruments are measured at fair value.

**5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

5.1 The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the annual financial statements of the group for the year ended December 31, 2010.

**6. BASIS OF CONSOLIDATION**

The consolidated financial statements of the group include the financial statements of KASB Bank (Holding company) and its subsidiaries. Subsidiaries are those companies in which the bank directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has the power to elect and appoint more than 50% of its directors.

The matter relating to the consolidation and classification of the Group's investments in the mutual funds as subsidiaries has been referred by some of the Asset Management Companies to the Professional Standards and Technical Advisory Committee and Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP). Till such time as clarification is received from ICAP, the investments of the Group in these funds have not been classified as subsidiaries and accordingly have not been consolidated in these condensed interim consolidated financial statements.

**7. GENERAL**

Figures have been rounded up to the nearest thousand rupees.

**8. DATE OF AUTHORIZATION**

These financial statements were authorized for issue on 27 August 2011 by the Board of Directors of the holding company, KASB Bank Limited.

  
Acting President  
& Chief Executive

  
Director

  
Director

  
Director

  
Director

## BRANCHES NETWORK

### KARACHI BRANCHES

**Main Branch**  
Tel: (021) 32446005-10 / 32446772-77  
Fax: (021) 32446781  
UAN: 111 555 666

**Jodia Bazar Branch**  
Tel: (021) 32521351-4  
Fax: (021) 32521357

**Cochinwala Branch (Sub Branch)**  
PABX No. (021) 32462703-5  
FAX No. (021) 32467643

**Korangi Branch**  
Tel: (021) 35078922-25  
Fax (021) 35078926

**Preedy Street Branch**  
PABX No. (021) 32724121,  
32724135, 32724178  
Fax (021) 32725175

**Electronic Market Sadar Branch  
(Sub Branch)**  
PABX No. (021) 32700561-63  
Fax No. (021) 32700567

**DHA Shahbaz Branch**  
PABX No. (021) 35349154-7  
Fax No. (021) 35349149

**DHA Phase VI Branch (Sub Branch)**  
PABX (021) 35242734-37  
FAX No. (021) 35242739

**Defence Phase IV Branch (Sub Branch)**  
PABX (021) 35312961-4  
Fax No. (021) 35312966

**Garden Branch**  
PABX No. (021) 32292041-43  
FAX No. (021) 32292046

**Gulshan-e-Iqbal Branch**  
Tel: (021) 34981330-31  
Fax: (021) 34981334

**Gulshan Chowrangi Branch (Sub Branch)**  
PABX No. (021) 34832541-3  
FAX No. (021) 34832548

**New Challi Branch**  
PABX No. (021) 32601231-33  
Fax No. (021) 32601337

**Shaheed-e-Millat Road Branch**  
PABX No (021) 34145183-84-86  
Fax No. (021) 34145187

**Dohraji Branch (Sub Branch)**  
PABX No. (021) 34860180-2  
Fax No. (021) 34860184

**Khalid Bin Waleed Branch (Sub Branch)**  
PABX (021) 34302806-9  
Fax No. (021) 34302813

**SITE Branch**  
PABX No (021) 32550391-3  
Fax (021) 32550395

**Shahrah-e-Faisal Branch**  
Tel: (021) 34313236-38  
Fax: (021) 34538638

**Muhammad Ali Society Branch  
(Sub Branch)**  
PABX No. (021) 34306061-3  
FAX No. (021) 34306066

**Manzoor Colony Branch (Sub Branch)**  
PABX No. (021) 35392805-7  
FAX No. (021) 35392810

**Hyderi Branch**

PABX (021) 36724280-3-4  
Fax No. (021) 36724282

**Nazimabad (Sub Branch)**  
PABX No. (021) 36611909-12-13  
Fax (021) 36611909

**F.B.Area Karimabad Branch (Sub Branch)**  
PABX No. (021) 36826728/31/35  
FAX No. (021) 36826805

**Karachi Stock Exchange Branch**  
Tel: (021) 32473560-63  
Fax (021) 32473564

**DHA Phase 1 Branch**  
PABX No. (021) 35314121-3  
Fax No. (021) 35314127

**Gulistan-e-Johar Branch**  
PABX No. 34029901-3  
Fax No. 34029902

**Malir City Branch**  
PABX No. (021) 34117381, 34110812 / 822  
FAX No. (021) 34117452

**Clifton Branch**  
PABX No.: (021) 35879207, 35879170,  
35879215  
Fax: (021) 35879134

**Clifton (Shireen Jinnah) (Sub Branch)**  
PABX No. (021) 35305581-3  
FAX No. (021) 35374579

### LAHORE BRANCHES

**Defence Branch**  
PABX No: (042) 35731811, 35740083  
Fax: (042) 35722228

**DHA-G Branch (Sub Branch)**  
PABX (042) 35690987-8  
Fax No. (042) 35690986

**Johar Town Branch**  
PABX (042) 35220813-5  
Fax No. (042) 35220819

**Baghbanpura Branch**  
PABX No. (042) 36820445-6  
FAX No. (042) 36820447

**Mughalpura Branch (Sub Branch)**  
PABX No. (042) 36524880-3  
FAX No. (042) 36524887

**Gulshan-e-Ravi Branch**  
PABX No. (042) 37415063-83-86  
FAX No. (042) 37414892

**Raiwind Road Branch**  
PABX No:(042) 35426923, 35437893  
Fax (042) 35426926

**Abbot Road Branch**  
PABX No: (042) 36305143-44  
Fax: (042) 36305142

**Mozang Branch (Sub Branch)**  
PABX No. (042) 36371254-6  
Fax No. (042) 36371504

**Shadman Town Branch (Sub Branch)**  
PABX No. (042) 37569488-9  
Fax: (042) 37569487

**Lahore Stock Exchange Branch**  
PABX No: (042) 36367794-97  
Fax No : (042) 36280804

**Peco Road Branch**  
PABX No:(042) 35144951-4  
FAX NO:(042) 35144955

**Shah Alam Branch**  
PABX No: (042) 37656501, 37658221  
FAX NO:(042) 37658275

**Allama Iqbal Town Branch**  
PABX (042) 35424951-3  
Fax No. (042) 35436226

**Wahdat Raod Branch (Sub Branch )**  
PABX (042) 35912863-4  
Fax No. (042) 35912862

**Circular Road Branch**  
PABX No: (042) 37639040-42  
Fax: (042) 37660649

**Shadbagh Branch (Sub Branch)**  
PABX No. (042) 37600953/986  
FAX No. (042) 37600960

**Gulberg Branch**  
PABX No: (042) 35764288-9  
Fax No: (042) 35755358

**KASB House (Jail Road) (Sub Branch)**  
PABX No. (042) 35776723-5  
FAX No. (042) 35875013

**Model Town Branch (Sub Branch)**  
PABX No. (042) 35915673-6  
FAX No. (042) 35915677

## BRANCHES NETWORK

### ISLAMABAD BRANCHES

<b>Islamabad Branch</b> PABX No: (051) 2826181- 83 Fax: (051) 2826184 UAN: 111 555 666	<b>F-11 Markaz Branch</b> PABX No. (051) 2111533-4 Fax No. 051 2111532	<b>Bahria Town Phase VIII Branch (Sub Branch)</b> PABX No. (051) 5705651-5705652-5705653 FAX No. (051) 5705658
<b>G-10 Markaz Branch (Sub Branch)</b> PABX No. (051) 2819211-3 Fax No. 051 2819214	<b>Rawat Branch</b> PABX No. (051) 4612413-5 FAX No. 051-4612418	
<b>I-9 Markaz Branch (Sub Branch)</b> PABX No. (051) 4858395-97 FAX No. 051-4858401		

### SIALKOT BRANCH

**Sialkot Branch**  
 PABX No: (052) 3241671-74  
 Fax (052) 3241679  
**Sialkot Branch (Sub Branch)**  
 PABX No. (052) 3242650-3  
 Fax No. 052-3242658

### MULTAN BRANCH

**Multan Branch**  
 PABX No: (061) 4587701-3  
 Fax No: (061) 4587705  
**Bosan Road Multan Branch (Sub Branch)**  
 PABX No. (061) 6210213-4  
 Fax No. 061-6210219

### GUJRANWALA

**Gujranwala Branch**  
 PABX No: (055) 3252348 / 3252353  
 Fax: (055) 3254529  
**Gujranwala G.T. Road Branch (Sub Branch)**  
 PABX No. (055) 4294014-6  
 FAX No. (055) 4274016

### RAWALPINDI BRANCHES

<b>Rawalpindi Branch</b> PABX No: (051) 5527840-43 Fax: (051) 5527844	<b>Bahria Town Rawalpindi Branch</b> PABX No: (051)5730371-3 Fax: (051) 5730376
<b>Raja Bazar Branch (Sub Branch)</b> PABX No. (051) 5777451-2 Fax No. 051 5777453	<b>Chandni Chowk Branch</b> PABX No. (051) 4417049-50 Fax No. 051 4417051

### PESHAWAR BRANCHES

<b>Peshawar Branch</b> PABX No: (091) 5279432 / 5279425 Fax: (091) 5279838	<b>University Road Branch (Sub Branch)</b> PABX No. (091) 5711526-7 Fax No. 091 5711529	<b>Hayatabad Branch</b> PABX No. (091) 5830024-8 Fax No. 091 5830025
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### HYDERABAD BRANCH

**Hyderabad Branch**  
 Tel: (022) 2729917-18  
 Fax: (022) 2785977  
 UAN: 111 555 666  
**Hyderabad Market Branch (Sub Branch)**  
 PABX (022) 2636660-2  
 Fax 022 2636275

### MIRPUR (AJK)

**Mirpur (A.K.) Branch**  
 PABX No: (058610) 42841 / 44877  
 Fax: (058610) 42742  
 UAN: 111 555 666  
**Chaksawari Branch**  
 PABX No. 05827-454810-11  
 FAX No. 05827-454814

### GUJRAT BRANCHES

**Gujrat Branch**  
 PABX:(053)-3517966-69  
 Fax (053) 3517965  
**Lala Musa (Sub branch)**  
 PABX No. (053) 751905-8

## BRANCHES NETWORK

### OTHER CITIES

#### Faisalabad Branch

PABX NO (041) 2649667-70  
Fax: (041) 2649672

#### Sukkur Branch

Tel: (071) 5619083-4  
Fax No. (071) 5619088

#### Quetta Branch

Tel: (081) 2842531, 2836518  
Fax: (081) 2842531  
UAN: 111 555 666

#### Fateh Jang Branch

PABX No. (051) 2210244-6  
Fax No. 051-2210249

#### Nawabshah Branch

PABX No (024) 4330304-5  
FAX No (024)-4330307

#### Sadiqabad Branch

PABX No. (068) 5800067-69  
FAX No. (068) 5709114

#### Mandi Bahaudin Branch

PABX No. (054) 6507207-9  
FAX No. (054) 6507210

#### Bhawalpur Branch

PABX No. (062) 2880701-3  
FAX No. (062) 2880704

#### Kasur Branch

PABX No. (049) 2720697-98-2763823  
FAX No. (049) 2763824

#### Jhelum Branch

PABX No. (0544) 622385/6  
Fax No. 0544-622938

#### Kharian (Sub Branch)

PABX No. (053) 7610629-36

#### Dina (Sub Branch)

PABX No. (0544) 631171-3 / 80

#### Dinga (Sub Branch)

PABX No. (0537) 405061-62

#### Kamoki Branch

PABX No. (055) 6814580-2  
FAX No. (055) 6814584

#### Jhang Branch

PABX No. (047) 7651670-2  
FAX No. (047) 7651676

#### Kandhkot Branch

PABX No.( 0722) 570041-43  
FAX No. (0722) 570044

#### Ghourghashti Branch

PABX No. 057-2871291-2871292  
FAX No. 057-2871393

#### Mehar Branch

PABX No. (0254) 730375  
FAX No. (0254) 730376

#### Vehari Branch

PABX No. (067) 3360515-7  
FAX No. (067) 3360519

#### Okara Branch

PABX No. (044) 2520526-8  
FAX No. (044) 2520590

#### Sahiwal (Sub Branch)

PABX No. (040) 4228801

#### Sargodha Branch

PABX No. (048) 3768121-3  
Fax No. 048 3768122

#### Jacobabad Branch

PABX No. (0722) 654804/5  
FAX No. (0722)654801

#### Rahimyarkhan Branch

PABX No. (068) 5871901-3  
Fax No. 068 5871908

#### D.G.Khan Branch

PABX No. (064) 2471560-2  
FAX No. (064) 2471566

#### Mirpurkhas Branch

PABX (0233) 874612-4  
Fax No. (0233) 874615

#### Gujjar Khan Branch

PABX No. (0571) 3511903-5  
FAX No. (0571) 3511913

#### Sambriyal Branch

PABX No. (052) 6521003-5  
FAX No. (052) 6521006

#### Sheikhupura Branch

PABX No. (056) 3780984-6  
FAX No. (056) 3780987

#### Sanghar Branch

PABX No. (023) 5541479-80-5541478  
FAX No.