



# **Habib Metropolitan Bank**

(Subsidiary of Habib Bank AG Zurich)

ACCOUNTS FOR THE QUARTER ENDED  
MARCH 31, 2008  
(UN-AUDITED)

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## **BOARD OF DIRECTORS**

### **CHAIRMAN**

Muhammad H. Habib

### **PRESIDENT & CHIEF EXECUTIVE**

Kassim Parekh

### **DIRECTORS**

Reza S. Habib

Anwar H. Japanwala

Bashir Ali Mohammad

Mohamedali R. Habib\*

Firasat Ali

A. R. Wadiwala

\* Executive Director

### **AUDIT COMMITTEE**

Reza S. Habib

Mohamedali R. Habib

A. R. Wadiwala

### **COMPANY SECRETARY**

Fuzail Abbas

### **SHARE REGISTRAR**

Noble Computer Services (Private) Limited.  
2nd Floor, Sohni Centre, BS 5 & 6,  
Main Karimabad, Block-4, Federal B Area,  
Karachi-75950.

## **DIRECTORS' REVIEW**

On behalf of the Board of Directors of Habib Metropolitan Bank, I am pleased to present our unaudited account for the quarter ended March 31, 2008.

By Allah's grace, HMB continues to make satisfactory progress despite a very challenging operating environment. During the period under review, economic & political uncertainties within the country continued. And as the new government settles in, it faces great pressures due to unprecedented international energy & commodity prices. These, along with the slowdown of major international economies are adversely affecting Pakistan's economy. Furthermore, the effects of the global financial industry credit crisis are likely to further impact international trade and investments.

As on March 31, 2008, the total assets of the bank stood at Rs. 189 billion. Deposits grew to Rs. 132 billion while advances and investments closed at Rs. 96 billion & Rs. 66 billion respectively. The Bank's profit after tax is Rs. 673 million, for the quarter, reflecting earnings per share of Rs. 1.12.

During 2007, the State Bank of Pakistan (SBP) modified the export refinance scheme. Under revised terms, SBP provides only 70% of the financed amount while the remaining 30% needs to be funded by the Bank's own sources. As HMB is one of the leading participants in this scheme, the change has an impact of the Bank's profitability during the period.

By Allah's grace, HMB continues to enjoy AA+ (Double A plus) ratings for long term and A1+ (A one plus) ratings for short term by the Pakistan Credit Rating Agency Limited (PACRA). These ratings denote a very high credit quality, a very low expectation of credit risk and a very strong capacity for timely payment of financial commitments.

HMB's Islamic Banking business has registered considerable growth during the period under review. Our 4 full service Islamic Banking branches are fully capable of catering the customers seeking Sha'ria compliant products. Additionally, Islamic Banking counters in various branches are operational and more are planned in the future.

During 2007, HMB obtained due permissions and formed a subsidiary company by the name of Habib Metropolitan Financial Services Limited (HMFS). The company's initial plans are to provide (equity) brokerage and custodial services. Set up of the subsidiary's operations are underway and, during the period under review, HMFS gained membership to the Karachi Stock Exchange. We expect full operations to commence during this year.

We wish to place on record our sincere thanks to the Ministry of Finance, State Bank of Pakistan and Securities & Exchange Commission of Pakistan for extending their support and continued guidance. We take this opportunity to also thank our valued customers for their trust and support and also to all our staff members for their devotion and commendable performance.

On behalf of the Board

Karachi: April 9, 2008

**KASSIM PAREKH**  
President & Chief Executive



**INTERIM CONDENSED BALANCE SHEET  
AS AT MARCH 31, 2008**

		<b>March 31, 2008 (Un-audited)</b>	December 31, 2007 (Audited)
		Rupees in '000	
<b>ASSETS</b>	Note		
Cash and balances with treasury banks		<b>12,355,885</b>	10,201,545
Balances with other banks		<b>3,137,659</b>	3,691,183
Lendings to financial institutions	4	<b>8,131,807</b>	3,989,249
Investments	5	<b>65,523,006</b>	61,735,796
Advances	6	<b>95,629,444</b>	89,826,806
Operating fixed assets		<b>1,268,726</b>	1,294,486
Deferred tax assets		<b>62,614</b>	-
Other assets		<b>2,463,058</b>	2,127,936
		<b>188,572,199</b>	172,867,001
<b>LIABILITIES</b>			
Bills payable		<b>2,745,896</b>	3,210,041
Borrowings from financial institutions		<b>34,212,605</b>	29,991,633
Deposits and other accounts	7	<b>131,869,566</b>	121,066,469
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	60,874
Other liabilities		<b>6,136,279</b>	5,019,792
		<b>174,964,346</b>	159,348,809
<b>NET ASSETS</b>		<b>13,607,853</b>	13,518,192
<b>REPRESENTED BY</b>			
Share capital		<b>6,022,020</b>	5,018,350
Reserves		<b>6,522,936</b>	6,383,936
Unappropriated profit		<b>1,088,432</b>	2,059,958
		<b>13,633,388</b>	13,462,244
(Deficit)/Surplus on revaluation of assets - net of tax		<b>(25,535)</b>	55,948
		<b>13,607,853</b>	13,518,192
<b>CONTINGENCIES AND COMMITMENTS</b>	8		

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

**KASSIM PAREKH**  
President & Chief Executive

**BASHIR ALI MOHAMMAD**  
Director

**ANWAR H. JAPANWALA**  
Director

**FIRASAT ALI**  
Director

**INTERIM CONDENSED PROFIT & LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2008**

	For the quarter ended March 31,	
	2008	2007
Note	Rupees in 000's	
<b>Mark-up / return / interest earned</b>	<b>3,393,338</b>	2,867,164
<b>Mark-up / return / interest expensed</b>	<b>(2,363,621)</b>	(1,846,124)
Net mark-up / interest income	<b>1,029,717</b>	1,021,040
Provision against non-performing loans and advances	<b>32,420</b>	7,185
Provision for diminution in the value of investments	-	-
Bad debts written off directly	<b>64</b>	-
	<b>(32,484)</b>	(7,185)
Net mark-up / interest income after provisions	<b>997,233</b>	1,013,855
<b>Non Mark-up Interest Income</b>		
Fee, commission and brokerage income	<b>288,735</b>	231,366
Dividend income	<b>835</b>	703
Income from dealing in foreign currencies	<b>326,322</b>	257,307
Gain on sale of securities	<b>63,063</b>	100,313
Unrealized gain/(loss) on revaluation of investment classified as 'held for trading'	-	-
Other income	<b>53,038</b>	35,672
Total non mark-up / interest income	<b>731,993</b>	625,361
	<b>1,729,226</b>	1,639,216
<b>Non Mark-up/Interest Expenses</b>		
Administrative expenses	<b>708,600</b>	594,031
Other provisions/write offs	-	-
Other charges	<b>1,047</b>	3
Total non mark-up interest expenses	<b>(709,647)</b>	(594,034)
	<b>1,019,579</b>	1,045,182
Extraordinary / unusual items	-	-
<b>Profit before taxation</b>	<b>1,019,579</b>	1,045,182
Taxation - Current	<b>426,000</b>	407,000
- Prior years	-	-
- Deferred	<b>(79,400)</b>	(21,810)
	<b>(346,600)</b>	(385,190)
<b>Profit after taxation</b>	<b>672,979</b>	659,992
<b>Unappropriated profit brought forward</b>	<b>2,059,958</b>	1,835,302
<b>Profit available for appropriation</b>	<b>2,732,937</b>	2,495,294
<b>Basic and diluted earnings per share (Rupees)</b>	<b>1.12</b>	1.10

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

**KASSIM PAREKH**  
President & Chief Executive

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Director

**ANWAR H. JAPANWALA**  
Director

**FIRASAT ALI**  
Director

**INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED)**  
FOR THE QUARTER ENDED MARCH 31, 2008

	March 31, 2008	March 31, 2007
	Rupees in '000	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,019,579	1,045,182
Less: Dividend income	(835)	(703)
	<u>1,018,744</u>	<u>1,044,479</u>
Adjustment for non-cash charges:		
Depreciation	32,851	16,809
Provision against non-performing advances - net	32,420	7,185
(Gain) on sale of fixed assets	(1,148)	(1,305)
	<u>64,123</u>	<u>22,689</u>
	<u>1,082,867</u>	<u>1,067,168</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(4,142,558)	(5,355,342)
Advances	(5,835,058)	10,300
Other assets (excluding advance taxation)	(335,122)	(242,637)
	<u>(10,312,738)</u>	<u>(5,587,679)</u>
Increase / (decrease) in operating liabilities		
Bills payable	(464,145)	836,839
Borrowings from financial institutions	3,497,513	(1,899,261)
Deposits	10,803,097	10,642,085
Other liabilities (excluding taxation and dividend)	458,587	386,813
	<u>14,295,052</u>	<u>9,966,476</u>
Income tax paid	5,065,181	5,445,965
	<u>(269,935)</u>	<u>(185,529)</u>
Net cash inflow from operating activities	<u>4,795,246</u>	<u>5,260,436</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments	(3,912,781)	(4,790,414)
Dividend income	835	703
Investments in operating fixed assets	(8,260)	(2,474)
Sales proceeds of property and equipments disposed-off	2,317	2,562
Net cash used in investing activities	<u>(3,917,889)</u>	<u>(4,789,623)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts / (Payments) of Sub-ordinated loan	-	-
Dividend paid	-	-
Net cash flow from financing activities	-	-
Increase in cash and cash equivalents	<u>877,357</u>	<u>470,813</u>
Cash and cash equivalent at beginning of the period	<u>13,309,131</u>	<u>17,306,630</u>
Cash and cash equivalent at the end of the period	<u>14,186,488</u>	<u>17,777,443</u>

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

**KASSIM PAREKH**  
President & Chief Executive

**BASHIR ALI MOHAMMAD**  
Director

**ANWAR H. JAPANWALA**  
Director

**FIRASAT ALI**  
Director

**INTERIM CONDENSED STATEMENT OF CHANGES  
IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2008**

	Share capital	Reserves				Unappropriated profit	Total
		Share premium	Statutory reserve	Special reserve	Revenue reserve		
Rupees in '000							
<b>Balance as at January 1, 2007</b>	3,005,000	2,550,985	1,533,590	240,361	1,500,000	1,835,302	10,665,238
Profit after taxation for the period	-	-	-	-	-	659,992	659,992
<b>Balance as at March 31, 2007</b>	3,005,000	2,550,985	1,533,590	240,361	1,500,000	2,495,294	11,325,230
Issue of bonus shares	2,013,350	-	-	-	-	(2,013,350)	-
Profit after taxation for the period	-	-	-	-	-	2,137,014	2,137,014
Transfer to statutory reserve	-	-	559,000	-	-	(559,000)	-
<b>Balance as at December 31, 2007</b>	5,018,350	2,550,985	2,092,590	240,361	1,500,000	2,059,958	13,462,244
Issue of bonus shares December 31, 2007	1,003,670	-	-	-	-	(1,003,670)	-
Cash dividend December 31, 2007	-	-	-	-	-	(501,835)	(501,835)
Profit after taxation for the period	-	-	-	-	-	672,979	672,979
Transfer to statutory reserve	-	-	139,000	-	-	(139,000)	-
<b>Balance as at March 31, 2008</b>	<b>6,022,020</b>	<b>2,550,985</b>	<b>2,231,590</b>	<b>240,361</b>	<b>1,500,000</b>	<b>1,088,432</b>	<b>13,633,388</b>

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**KASSIM PAREKH**  
President & Chief Executive

**BASHIR ALI MOHMMAD**  
Director

**ANWAR H. JAPANWALA**  
Director

**FIRASAT ALI**  
Director

## **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2008**

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

Habib Metropolitan Bank Limited (the Bank) was incorporated in Pakistan on August 3, 1992 as a public limited company, under the Companies Ordinance, 1984 and commenced its banking operations from October 21, 1992. Its shares are listed on all stock exchanges in Pakistan. The registered office of the Bank is situated at Spencer's Building, I. I. Chundrigar Road, Karachi.

The Bank is a fully accredited scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. It operates 100 (December 31, 2007: 100) branches including 4 (December 31, 2007: 4) Islamic Banking Branches in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich which is incorporated in Switzerland.

### **2. STATEMENT OF COMPLIANCE**

- 2.1 These interim condensed financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP. Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the SECP and the SBP 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 shall prevail.
- 2.2 The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standards (IAS) 39 "Financial Instruments: Recognition and Measurement" and IAS-40 "Investment Property" for banking companies till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these interim condensed financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- 2.3 During 2005, the SECP notified the IFAS - 1 "Murabaha" issued by the ICAP relating to accounting for murabaha transactions which is effective for financial periods beginning on or after January 1, 2006. The standard has not been adopted by the Bank pending certain modifications in the Bank's accounting system and processes that are imperative for effective implementation of the said standard. However, the management considers that the effect of the adoption of the standard would not be material to the Bank's financial statements.
- 2.4 The disclosures made in these interim condensed financial statements have been limited based on the format prescribed by the SBP vide BSD Circular Letter No.2, dated May 12, 2004 and the IAS-34, "Interim Financial Reporting". Accordingly these interim condensed financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2007.

### **3. ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2007.

#### 4. LENDINGS TO FINANCIAL INSTITUTIONS

	<b>March 31, 2008</b>	December 31, 2007
	Rupees in '000	
	(Un-Audited)	(Audited)
Call money lendings	<b>4,300,000</b>	2,000,000
Repurchase agreement lendings (Reserve Repo)	<b>3,831,807</b>	1,989,249
	<b>8,131,807</b>	3,989,249

#### 5. INVESTMENTS

	March 31, 2008 (Un-Audited)			December 31, 2007 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
	Rupees in '000					
<b>Available-for-sale securities</b>						
Market Treasury Bills	21,437,051	15,669,061	37,106,112	26,470,917	11,266,204	37,737,121
Pakistan Investment Bonds	7,814,596	2,000,000	9,814,596	7,000,014	2,492,491	9,492,505
Ordinary shares of listed companies	54,302	-	54,302	70,405	-	70,405
Ordinary shares of unlisted companies	88,101	-	88,101	88,101	-	88,101
Preference shares of a listed company	40,000	-	40,000	40,000	-	40,000
Preference shares of an unlisted company	25,000	-	25,000	25,000	-	25,000
Term Finance Certificates	1,641,882	-	1,641,882	1,738,964	-	1,738,964
Sukuk Bonds	1,075,000	-	1,075,000	1,075,000	-	1,075,000
Open ended mutual funds	11,057,215	-	11,057,215	6,659,830	-	6,659,830
Closed ended mutual funds	177,348	-	177,348	179,848	-	179,848
	<b>43,410,495</b>	<b>17,669,061</b>	<b>61,079,556</b>	43,348,079	13,758,695	57,106,774
<b>Held-to-maturity securities</b>						
Certificate of Investments	4,450,000	-	4,450,000	4,550,000	-	4,550,000
<b>Subsidiaries</b>						
Habib Metropolitan Trade Services Limited						
Ordinary shares of HKD 1 each	79	-	79	79	-	79
Habib Metropolitan Financial Services Limited						
Ordinary shares of Rs 10/= each	40,000	-	40,000	1	-	1
	<b>40,079</b>	<b>-</b>	<b>40,079</b>	80	<b>-</b>	80
<b>Investments at cost</b>	<b>47,900,574</b>	<b>17,669,061</b>	<b>65,569,635</b>	47,898,159	13,758,695	61,656,854
Less: Provision for diminution in value of investments	(7,344)		(7,344)	(7,344)		(7,344)
	<b>47,893,230</b>	<b>17,669,061</b>	<b>65,562,291</b>	47,890,815	13,758,695	61,649,510
Surplus on revaluation of available- for-sale investments-net	22,720	(62,005)	(39,285)	89,254	(2,968)	86,286
<b>Investments at market value</b>	<b>47,915,950</b>	<b>17,607,056</b>	<b>65,523,006</b>	47,980,069	13,755,727	61,735,796

## 6. ADVANCES

	Note	March 31, 2008 Rupees in '000 (Un-Audited)	December 31, 2007 (Audited)
Loans, cash credits, running finances, etc. In Pakistan		<b>74,573,568</b>	70,318,994
Net investment in finance lease/ljara financing In Pakistan		<b>2,349,802</b>	2,180,889
Bills discounted and purchased (excluding market treasury bills) Payable in Pakistan		<b>4,864,045</b>	4,570,152
Payable outside Pakistan		<b>15,074,047</b>	13,974,026
	6.1	<b>19,938,092</b>	18,544,178
		<b>96,861,462</b>	91,044,061
Provision against non-performing advances Specific		<b>(683,130)</b>	(700,981)
General	6.2	<b>(548,888)</b>	(516,274)
		<b>(1,232,018)</b>	(1,217,255)
Advances - net of provisions		<b>95,629,444</b>	89,826,806

6.1 Advances include Rs. 822,819 thousand (December 31, 2007: Rs 804,247 thousand) which have been placed under non-performing status as detailed below:

Category of Classification	Domestic	Overseas	Total	Provision Required	Provision Held
	Rupees in '000				
Substandard	-	-	-	-	-
Doubtful	187,998	-	187,998	87,361	87,361
Loss	634,821	-	634,821	595,769	595,769
	<u>822,819</u>	<u>-</u>	<u>822,819</u>	<u>683,130</u>	<u>683,130</u>

6.2 The general provision includes provision made against consumer portfolio amounting to Rs. 17,123 thousand (December 31, 2007: Rs. 17,454 thousand) in accordance with the Prudential Regulations issued by SBP at 1.5% of fully secured and at 5% of the unsecured consumer portfolio.

## 7. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2008	December 31, 2007
	Rupees in '000	
	(Un-Audited)	(Audited)
<b>Customers</b>		
Fixed deposits	62,707,501	54,812,561
Saving deposits	38,537,908	28,326,985
Current accounts-non-remunerative	26,497,131	33,326,687
Others	1,516,385	1,185,870
	<b>129,258,925</b>	117,652,103
<b>Financial Institutions</b>		
Remunerative deposits	2,526,406	3,209,976
Non-remunerative deposits	84,235	204,390
	<b>2,610,641</b>	3,414,366
	<b>131,869,566</b>	121,066,469

## 8. CONTINGENCIES AND COMMITMENTS

### 8.1 Direct credit substitutes - Others

Includes general guarantees of indebtedness, bank acceptances and standby letters of credit serving as financial guarantees for loans and securities - others

3,901	12,435
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### 8.2 Transaction-related contingent liabilities

Government  
Financial institutions  
Others

7,525,181	7,437,940
61,108	121,190
2,060,482	2,165,057
<b>9,646,771</b>	9,724,187

### 8.3 Trade-related contingent liabilities

Letter of credits  
Acceptances

31,620,101	34,103,602
13,032,206	10,287,128

### 8.4 Commitments in respect of forward lendings

Forward repurchase agreement lendings

291,549	-
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### 8.5 Commitments in respect of forward exchange contracts

Purchase  
Sale

11,963,138	17,048,483
21,445,429	26,389,901

### 8.6 Commitments in respect of operating leases

Not later than one year  
Later than one year and not later than five years  
Later than five years

20,410	28,073
316,107	346,117
-	-
<b>336,517</b>	374,190

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

24,562	24,562
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**9. BASIC AND DILUTED EARNINGS PER SHARE**

	<b>For the quarter ended</b>	
	<b>March 31, 2008</b>	<b>March 31, 2007</b>
	Rupees in '000 (Un-Audited)	
Profit after taxation (Rupees in '000)	<b>672,979</b>	659,992
Weighted average number of ordinary shares	<b>602,202</b>	602,202
Basic and diluted earnings per share	<b>1.12</b>	1.10

**10. RELATED PARTY TRANSACTIONS**

The related parties comprise holding company and subsidiaries, entities with common directorship, directors and their close family members, staff retirement benefit funds, key executives and major shareholders of the Bank. The transactions with related parties are substantially on commercial terms except for transactions with executives that are undertaken on terms in accordance with employment agreements and service rules.

The details of transactions with related parties during the period are as follows:

<b><u>Balance outstanding at period / year end</u></b>	<b>March 31, 2008</b>	<b>December 31, 2007</b>
	Rupees in '000	
	(Un-Audited)	(Audited)
<b>Holding company/subsidiaries</b>		
Bank Balances	<b>1,240,576</b>	1,275,738
Management fee payable	<b>103,601</b>	82,601
<b>Entities with common directorship</b>		
Deposit	<b>4,833,898</b>	3,645,792
Advances	<b>1,050,394</b>	753,624
Trade related contingent liabilities	<b>1,706,618</b>	1,769,635
<b>Key management personnel</b>		
Deposit	<b>14,518</b>	15,384
Advances	<b>13,364</b>	16,828
 <b><u>Transactions for the period</u></b>		
	<b>For the quarter ended</b>	
	<b>March 31, 2008</b>	<b>March 31, 2007</b>
	Rupees in '000	
	(Un-Audited)	(Audited)
<b>Holding company/subsidiaries</b>		
Mark-up/interest earned	<b>14,681</b>	23,112
Management fee for technical and consultancy services	<b>21,000</b>	19,000
<b>Entities with common directorship</b>		
Mark-up/interest earned	<b>17,403</b>	39,113
Mark-up/interest expensed	<b>74,749</b>	51,558
Commission/bank charges recovered	<b>1,252</b>	1,654
Rent income	<b>181</b>	66
<b>Key management personnel</b>		
Mark-up/interest earned	<b>245</b>	264
Mark-up/interest expensed	<b>96</b>	86
Salaries and allowances	<b>12,302</b>	8,050
Charge for defined benefit plan	<b>283</b>	226
Contribution to defined contribution plan	<b>341</b>	266
Directors' fees	<b>60</b>	70

## 11. KEYS ISLAMIC BANKING OPERATIONS

The Bank is operating 4 islamic banking branches as of the balance sheet date (December 31, 2007: 4 branches). The balance sheet of these branches as at March 31, 2008 is as follows:

	<b>March 31, 2008 (Un-audited)</b>	<b>December 31, 2007 (Audited)</b>
Rupees in '000		
<b>ASSETS</b>		
Cash and balances with treasury banks	935,472	551,062
Balances with and due from financial institutions	852,077	800,632
Investments	456,713	432,500
Financing and receivables		
- Murabaha	2,376,814	1,842,382
- Ijara	1,799,672	1,820,897
- Diminishing musharaka	944,223	1,033,550
Other assets	208,955	173,076
	<b>7,573,926</b>	<b>6,654,099</b>
<b>LIABILITIES</b>		
Bills payable	27,228	61,806
Deposits and other accounts		
- Current accounts	271,077	344,106
- Saving accounts	2,027,930	1,261,557
- Term accounts	1,597,007	1,691,342
- Deposits from financial institutions- remunerative	2,146,535	1,824,198
- Deposits from financial institutions- non-remunerative	30	30
Due to head office	312,332	393,037
Other liabilities	646,291	538,788
	<b>7,028,430</b>	<b>6,114,864</b>
<b>NET ASSETS</b>	<b>545,496</b>	<b>539,235</b>
<b>REPRESENTED BY</b>		
Islamic banking fund	501,568	401,550
Unappropriated profit	42,215	137,685
	<b>543,783</b>	<b>539,235</b>
Surplus on revaluation of assets	1,713	-
	<b>545,496</b>	<b>539,235</b>

## 12. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors on April 9, 2008.

## 13. GENERAL

13.1 These interim condensed financial statements are being issued to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

13.2 The figures have been rounded off to nearest thousand rupees.

**KASSIM PAREKH**  
President & Chief Executive

**BASHIR ALI MOHAMMAD**  
Director

**ANWAR H. JAPANWALA**  
Director

**FIRASAT ALI**  
Director